17 January 2003

HIGHLIGHTS

- A crippling strike in Venezuela resulted in a loss of an estimated 80 mb of crude and product supply in December. OPEC convened on 12 January and agreed to boost production targets by 1.5 mb/d to 24.5 mb/d from 1 February.

- World oil production fell by 2.06 mb/d in December, to 76.43 mb/d. Total OPEC crude output declined by 1.73 mb/d, as a 1.95 mb/d drop in Venezuela overshadowed late-month increases from other producers. Non-OPEC output rose by 182 kb/d, led by advances in Mexico, Alaska and Brazil.

- OECD industry oil stocks fell by 1.17 mb/d in November, to 2540 mb, 107 mb below year-earlier levels. Crude stocks drew by 27 mb over the month. The loss of Venezuelan supplies leaves US crude stocks barely above minimum operational levels in mid-January, at 272 mb.

- Tight supply conditions dominated world oil markets in December. Cash crude prices rose sharply, with WTI averaging $29.45, Dated Brent $28.67 and Dubai $25.73. With product prices lagging crude gains, refining margins were squeezed, putting downward pressure on throughputs.

- Despite the slow pace of the economic recovery, global oil demand grew faster than expected in late 2002, driven by cold weather, low Japanese nuclear power output and robust gains in Chinese apparent demand. The estimate of demand growth has been raised by 60 kb/d for 2002, to 390 kb/d. The growth forecast for 2003 remains at 1.04 mb/d.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

INTERNATIONAL ENERGY AGENCY

The IEA is Seeking an Experienced Global Oil Market Analyst

The International Energy Agency (IEA) is seeking an accomplished oil market analyst to join its Oil Industry and Markets Division. The primary responsibilities of the position are to prepare the Prices and Downstream sections of the IEA's monthly *Oil Market Report* (published in English), to present papers at inter-governmental meetings and to represent the IEA at industry, academic and other international fora.

The ideal candidate has over 10 years of progressive energy industry experience working in a corporate planning petroleum refining, and/or oil and product trading environment and is already recognised as an expert in the field. He or she will have an undergraduate degree in petroleum geology, economics or petroleum or chemical engineering supplemented by a graduate degree in business, finance or resource economics. The ability to work under extremely demanding deadlines is essential, as are excellent verbal and written communications skills in English. A working knowledge of French would be an advantage. International experience is desirable.

Nationals of OECD member countries are eligible to apply.

Annual salary starts at 75,000€ tax free, plus allowances according to personal circumstances. Applications including CV, specifying the reference "OME-VAC" should be sent by fax or email by 13 February 2003 to:

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Only short-listed candidates will receive an acknowledgement.

The OECD is an equal opportunity employer and encourages applications from female candidates.

Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Slovak Republic, Sweden, Switzerland, Turkey, United Kingdom, United States.

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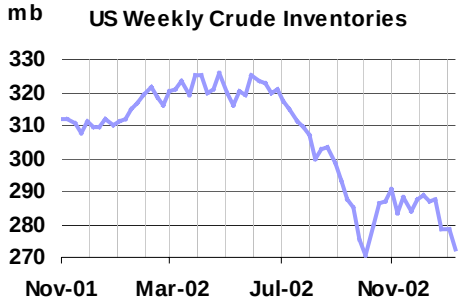
OFF BALANCE

Producers have agreed to raise output ceilings by 1.5 mb/d effective 1 February. This was in response to upward pressure on prices caused by tight crude stocks in the US, a protracted supply disruption out of Venezuela and concerns about Iraq. This welcomed decision amends an agreement reached last month to increase quotas by 1.3 mb/d, but to curb actual production by something over 1 mb/d. As with most such quota discussions, the politics and strategies of allocations impede getting a clear view of what the agreement portends in terms of actual incremental or decremental barrels to the market.

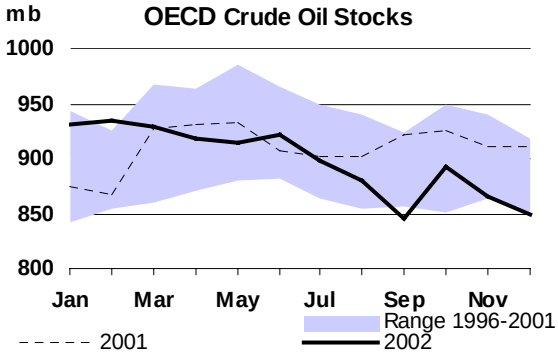
In the underlying market, little has changed since last month. Producers remain concerned about the price impact of a seasonal reduction in demand at the end of the winter heating season and how eventually to rein in producers who boost production to compensate for lost Venezuelan volumes. The intent of the recent decision is not to increase the absolute level of supply available to the market, but rather to offset lost Venezuelan exports until the latter returns to the market. As such, OPEC producers will not implement their proposed January target reductions but will sustain higher levels, or increase production if they have available spare capacity. Thus supply in excess of quotas should take some heat off prices and largely compensate for the shortfall in Venezuelan supply.



The Venezuelan situation imposes heavy social and economic costs on the people and their country. Oil is the engine of economic growth and development for Venezuela, and the primary magnet of foreign capital and investment. It will take months before oil and product exports are normalised and only then at reduced levels. This Report estimates a capacity loss of 400 kb/d in established fields. At an oil price of $20 per barrel, this represents a $3 billion loss in annual export revenues.

The loss of over 65 million barrels of December Venezuelan crude production continues to stress the global oil market and broader economy as it comes at a time of unusually tight crude stocks and a sputtering global economy. Other producers have the capacity to make up any potential supply shortfall out of Venezuela, but it means replacing short-haul with long-haul barrels. While some replacement crude is already on the water, it will take time to produce and move enough crude to where it is needed. Thus, the current market is faced with a short-term supply imbalance. Refinery throughputs may be impacted, but the global refinery and product delivery system has become more flexible and scheduled maintenance could be advanced accordingly. Sustained low throughputs would contribute to reduced gasoline inventories heading into the summer driving season. This could set the stage for increased volatility.

Venezuelan capacity will eventually come back on line. In the interim, the issue becomes one of global spare capacity - who has it, how much and how long will it take to bring into production? This Report assesses spare capacity, excluding Iraq and Venezuela, at 3 mb/d versus December 2002 production. Current spare capacity may be slightly lower given that OPEC-10 production since early-January is already running substantially higher than December. Assuming a production increase of 500 kb/d, short-term spare capacity then more or less equates to current Iraqi production.



The eventual return of Venezuelan production will ease this situation, as will the seasonal reduction in demand associated with the end of winter heating season. Furthermore, Saudi Arabia has another 1 mb/d of spare capacity that can be brought on line within 90 days. In addition, strategic stocks in consuming countries can be made available to re-supply the market.

The Venezuelan situation remains troubling and uncertain. Reduced spare capacity and low inventories exacerbate this situation, as does uncertainty surrounding Iraq. Consequently, the market is off balance and has a greater exposure to unforeseen developments such as weather, accidents and unscheduled maintenance.

DEMAND

Summary

- The assessment of global oil-product demand growth for the fourth quarter of 2002 has been increased by 180 kb/d, lifting average growth for the year by 60 kb/d, to 390 kb/d. The forecast of demand growth for 2003 is unchanged, at 1.04 mb/d.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	0.1
4Q01	77.0	-0.6	-0.5	-
1Q02	76.6	-0.9	-0.7	-
2Q02	75.5	-0.1	-0.1	0.1
3Q02	76.7	0.8	0.6	0.1
4Q02	78.7	2.2	1.7	0.2
1Q03	77.8	1.5	1.2	0.2
2Q03	76.5	1.3	1.0	0.2
3Q03	77.8	1.4	1.0	0.1
4Q03	79.6	1.2	0.9	-
2001	76.5	0.4	0.3	-
2002	76.9	0.5	0.4	0.1
2003	77.9	1.3	1.0	0.1

* year-on-year change

- Despite the subdued pace of the global economic recovery, the rebound in global oil demand is gathering momentum. Supported by colder-than-normal winter weather in Asia and North America, demand is estimated to have gained 1.97 mb/d from the third quarter to the fourth, up from quarter-on-quarter growth of 950 kb/d a year earlier and 780 kb/d in 2000, but shy of the 10 year average of 2.23 mb/d.

- Fourth-quarter oil demand growth spanned both the OECD and non-OECD regions. OECD demand rose for the fourth consecutive month in December, expanding by an estimated 1.8 mb/d from a year earlier. The advance showed a continued up-tick in the pace of demand recovery, following gains of 300 kb/d in September, 425 kb/d in October and an estimate of nearly 700 kb/d in November. Most of the gains were not directly driven by a rebound in economic activity, but rather by fuel switching, increased heating and air travel demand and continued growth in road-transportation fuel consumption. Preliminary US oil delivery data for November and December reveal strong demand gains across the barrel, led by heating fuels and jet fuel. Demand in the Asia Pacific region was driven primarily by cold weather and a deepening shortfall in Japanese nuclear power output.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.95	-0.18	0.09	0.37	-0.8	0.4	1.5
Europe	15.88	0.20	-0.11	0.14	1.3	-0.7	0.9
OECD Pacific	8.50	-0.08	-0.05	0.12	-0.9	-0.6	1.4
China	5.15	0.09	0.28	0.08	1.8	5.7	1.6
Other Asia	7.47	0.05	0.09	0.16	0.7	1.2	2.1
Subtotal Asia	21.12	0.06	0.31	0.36	0.3	1.5	1.7
FSU	3.76	0.07	0.07	0.05	1.8	1.9	1.3
Middle East	4.96	0.14	0.12	0.12	3.0	2.5	2.5
Africa	2.51	0.03	0.03	0.04	1.4	1.2	1.5
Latin America	4.70	-0.03	-0.13	-0.04	-0.7	-2.6	-0.9
World	76.87	0.28	0.39	1.04	0.4	0.5	1.3

- Non-OECD demand increased by 700 kb/d in the fourth quarter, led by robust apparent demand growth in China and continued oil demand recovery elsewhere in Asia. Apparent Chinese demand was adjusted upwards by 130 kb/d for the fourth-quarter, reflecting continued strong refinery throughputs. That adjustment more than offset a drop in Venezuela, where a general strike, started early in December, has curtailed oil supplies and brought the economy to a near standstill.

- The impact of stronger-than-expected fourth-quarter demand on the 2003 growth forecast cuts both ways, as the incremental demand reflects both one-off and lasting factors. Chinese apparent demand is believed to have run ahead of actual consumption in the fourth quarter, causing a build-up in stocks ahead of new lunar year celebrations which, in turn, will likely trim growth this year. Some fourth-quarter demand growth may also reflect a precautionary build-up in secondary and tertiary stocks, setting the stage for a let-off in the pace of demand growth this year. On the other hand, it is now assumed that Japanese nuclear power output will continue to be reduced through mid-year, adding some 140 kb/d of OECD Asian demand to the forecast for the first half.

- Although the overall assessment of demand growth for 2003 is unchanged from last month, the expected timing of the recovery has shifted. More gains are now front-loaded in the first half, leading to slightly more subdued year-on-year growth later on. Upward adjustments to the 2002 demand base also translate into slightly higher absolute demand of 77.91 mb/d for the year, up 80 kb/d from last month's Report.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.09	0.37
Latin America	0.05	0.02	0.00	-0.03	-0.13	-0.04
FSU	-0.06	-0.13	0.03	0.07	0.07	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.11	0.14
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.05	0.12
China	-0.02	0.30	0.30	0.09	0.28	0.08
Other Asia	0.04	0.41	0.10	0.05	0.09	0.16
Subtotal, Asia	-0.51	0.99	0.34	0.06	0.31	0.36
Middle East	0.15	0.12	0.22	0.14	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.04
World	0.35	1.59	0.78	0.28	0.39	1.04

OECD

Early Indications of Current Demand

Unadjusted preliminary data for eight of the nine largest OECD economies show that aggregate inland deliveries of oil products were substantially higher in November than last year (see table below). As in October, Asian oil demand posted particularly robust growth, with deliveries surging by 7.6% in Japan and by 5.6% in Korea. North American deliveries gained 2.5% on aggregate, as strong US growth of 3.1% and a milder increase in Canada more than offset a 3.7% decline in Mexico. Weekly US data for December point to even steeper growth of more than 5%. Most the gains reflect continued growth in gasoline demand, a partial recovery in air travel and a rebound in weather-driven demand for heating and boiler fuels. In contrast, deliveries fell steeply in November in each of the three largest European oil-consuming economies. The European decline looks less steep, though, if UK growth of 2.6% (2.9% with marine bunkers), indicated in preliminary figures received too late for inclusion in this Report, is taken into account

In aggregate, the unadjusted preliminary delivery data point to growth of 2% from a year earlier. That more than offsets the dip experienced in the largest OECD economies in November 2001, on the back of the September terrorist attacks and the global economic downturn. Demand in the OECD as a whole had actually inched marginally higher in November 2001, marking a temporary reprieve from the quarter's downturn. Measured against comparable data for November 2000, and including UK figures, November 2002 deliveries expanded by 0.8%. Over the same two-year period, but excluding the UK, adjusted data show even stronger growth of 1.4%.

Although the global economy is still sputtering, the recovery in global oil demand appears in full swing. Yet the fact that the stronger-than-expected fourth-quarter oil demand was driven primarily by the weather and one-off factors suggests that the pace of demand recovery will likely ease somewhat this year.

Preliminary Inland Deliveries – November 2002

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.75	1.0	1.67	15.9	2.73	3.9	1.24	26.7	0.70	-2.9	4.88	0.6	19.97	3.1
Canada	0.68	2.0	0.10	7.6	0.40	1.0	0.11	14.1	0.15	3.6	0.22	-7.5	1.65	1.5
Mexico	0.57	2.3	0.05	6.1	0.28	2.5	0.00	na	0.30	-26.8	0.40	6.2	1.60	-3.7
Japan	1.03	2.1	0.81	16.5	0.71	-4.6	0.55	3.0	0.57	26.8	1.78	9.0	5.44	7.6
Korea	0.17	-4.0	0.04	-26.8	0.41	3.0	0.23	13.0	0.36	6.1	1.06	8.5	2.27	5.6
France	0.29	-2.8	0.12	3.9	0.61	1.0	0.31	-11.4	0.06	-6.8	0.48	-2.3	1.87	-2.8
Germany	0.60	-9.2	0.15	13.0	0.61	-8.1	0.60	-8.3	0.12	-17.0	0.48	-1.2	2.56	-6.7
Italy	0.34	-8.5	0.07	12.0	0.44	-3.6	0.13	-2.0	0.23	-24.8	0.44	-1.4	1.65	-7.0
Total	**12.43**	**0.2**	**3.00**	**13.9**	**6.19**	**0.4**	**3.17**	**7.4**	**2.47**	**-3.4**	**9.72**	**-1.5**	**37.00**	**2.0**

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea PEDCO, France CPDP, Germany MWV, Italy Ministry of Industry

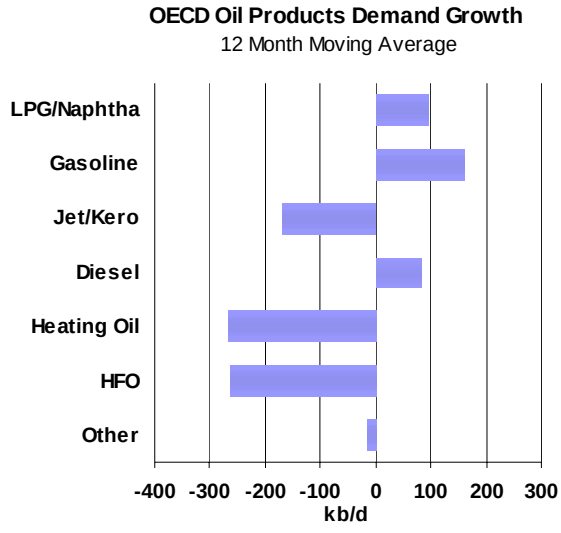
Percentage change is calculated from the same month of the previous year

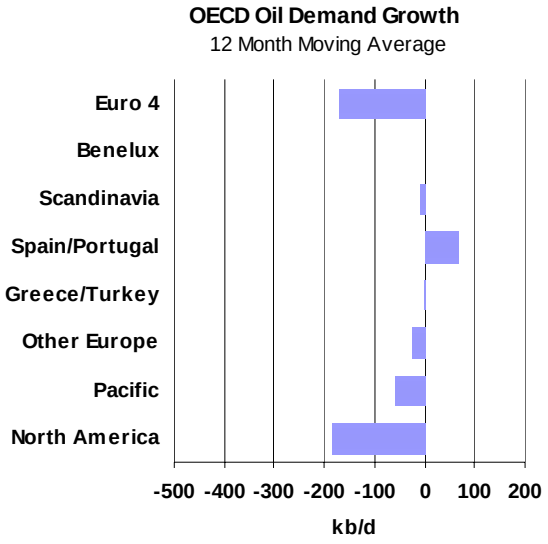
1 excludes refinery fuel and bunkers (except US)

2 includes direct use of crude oil

3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Broken down by region, the data show a growing contrast between North America and Asia, on the one hand, and Europe on the other. That regional split mirrors both economic trends and weather patterns. Only in Asia did the economy exert a clear pull on demand, thanks in part to the dynamism of the fast-growing Chinese economy, which is increasingly driving regional economic growth. Industrial demand for fuels was particularly felt in Korea, which recently replaced the US with China as its largest trading partner. Although recent economic indicators continue to be mixed, there are signs that the US economy remains on the recovery track, but industrial output, the more oil-intensive sector of the economy, remains subdued. Europe, which weathered the downturn somewhat better that North America and Asia, now seems in danger of losing steam. Consumer confidence and domestic spending, the pillars of European economic resilience in 2002, are weakening, while the fledging US economic recovery has yet to trickle down to Europe by way of increased export demand.





Northern Hemisphere weather patterns were also contrasted in November and December. Temperatures were comparatively mild in Western Europe, but colder than normal in North America and Japan, and much colder than a year earlier in the US. That cold snap translated into sharply higher November deliveries of heating oil than in the previous year in North America and Asia, and higher kerosene deliveries in Japan. Residual fuel oil demand, outside of Europe, also bore the mark of colder weather. Deliveries rose in Canada, while an apparent drop in US residual fuel oil demand is misleading, as it fails to reflect downward revisions to 2001 estimates. Once those are factored in, US deliveries show a 3.1% gain, reversing 17 months of decline, and would have risen even faster if a 10 day West Coast port lockout in October had not curtailed November bunker deliveries. December deliveries, as shown in preliminary weekly estimates, soared by 35%. In Japan, a November surge in residual fuel oil deliveries primarily reflected lower nuclear power generation capacity.

The flip side of the weather-related demand surge of the fourth quarter is that, assuming a return to normal temperatures, the trend is likely to be reversed at the end of this year. Gains in Asia and North America were also partly offset by the effect of milder-than-year-earlier temperatures in much of Western Europe in November and December, compounded by higher nuclear and hydropower output in France and Italy. In the three largest European oil-consuming economies, deliveries of both heating oil and residual fuel oil fell steeply in November.

Overall, residual fuel deliveries continued to contract in November in the largest OECD economies, but much less than in previous months. The decline in "other products" deliveries also slowed, reflecting robust growth in Japan and Korea and advances in the US and Mexico. Other key products, including "other gasoil"(predominantly heating oil), diesel, jet fuel/kerosene and gasoline, all posted delivery gains in November. Recovering from the previous year's downturn, jet fuel/kerosene deliveries showed rapid growth in all markets except Korea. The gains were driven by sharply higher heating demand in Japan, a partial rebound in air travel demand in North America and a full reversal of the year-earlier jet fuel demand contraction in the four largest European economies.

Moving Annual Average Change in Oil Demand* – November 2002

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	3.3%	13.0%	2.3%	-6.4%	-0.9%	-10.8%	-27.3%	0.4%	-1.0%	-193
Canada	10.4%	8.5%	1.5%	-2.0%	0.1%	-3.0%	-9.0%	4.2%	1.3%	25
Mexico	-2.0%	133.3%	2.2%	-4.1%	-5.2%	-5.2%	-13.7%	62.3%	-1.3%	-25
Japan	-3.9%	2.3%	1.6%	-1.3%	-1.9%	-2.3%	-8.7%	-14.4%	-2.6%	-141
Korea	9.6%	4.4%	5.0%	0.4%	11.4%	-2.4%	-3.1%	38.0%	2.9%	62
France	-0.9%	-12.8%	-2.9%	-3.9%	4.0%	-4.6%	1.6%	-6.2%	-2.2%	-44
Germany	-9.3%	-2.6%	-2.6%	-2.4%	-1.3%	-10.7%	-0.2%	2.3%	-4.3%	-121
Italy	1.6%	-12.8%	-4.5%	-12.1%	3.5%	-1.6%	14.0%	-9.7%	1.1%	21
UK**	9.2%	-32.9%	-4.7%	-4.5%	4.5%	4.5%	-3.9%	10.9%	-1.5%	-26
Total	**2.1%**	**1.6%**	**1.4%**	**-4.4%**	**0.4%**	**-7.2%**	**-9.6%**	**-0.5%**	**-1.1%**	**-442**
kb/d	86	41	178	-158	26	-269	-329	-17	-442	

* defined as the percentage change between the demand average for the 12 months up to November and that of the same period a year earlier
* *near-month data are estimated

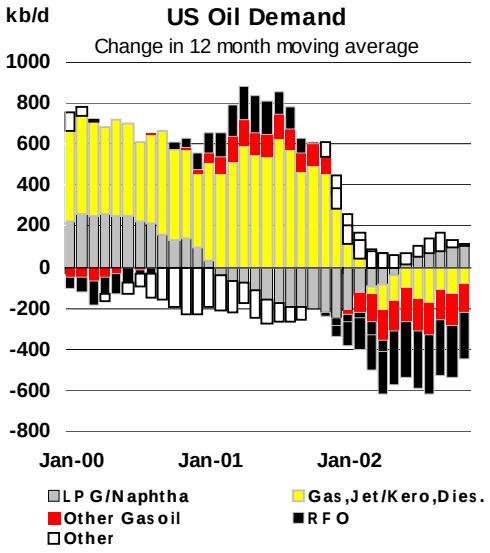
For the third month in a row, the moving annual average change in oil demand for the nine largest OECD economies improved in November, rising to –1.1% from –1.3% in October, –1.4% in September and –1.8% in August (see table above). For the OECD as a whole, the moving average change in oil demand rose to an estimated –0.8% from –0.9%. –1.0% and –1.3%.

The moving average changes for the three main OECD regions grew further apart in November. Moving averages for North America showed further demand growth recovery, with the regional aggregate rising from –1.7% in June and July to –1.6% in August, -1% in September and October and –0.8% in November. Moving averages for Asia improved even faster, shifting from an aggregate of -2.7% in June to –2.6% in July, -2.3% in August, -1.8% in September, -1.2% in October and –0.7% in November. Europe bucked the trend. Averages for the largest European economies showed either faster demand contraction in November or, in the case of Italy, slower growth. The regional aggregate moving average change swung from growth of 0.6% and 0.2% in June and July to contraction of 0.1% in August, 0.5% in September and October and 0.9% in November.

In both North America and Asia, the recovery in oil demand seems to be paired with a lightening up of the demand barrel. Moving average changes in demand for both naphtha and gasoline show sustained growth across all three North American economies, as well as Japan and Korea. In contrast, the moving averages for industrial fuels – residual fuel oil and "other gasoil" — remain deep in the red. Although transportation and petrochemical light-product demand will likely remain the main drivers of demand growth, heating and power generation demand for residual fuel oil and heating oil are expected to surge temporarily in both Asia and North America this winter. This will lead to more balanced demand growth across the barrel.

In the leading European economies, however, naphtha demand has been falling steeply, while the dieselisation of the automobile fleet continues to cut into gasoline demand, freeing up more volumes for transatlantic exports. Despite losing ground in Europe, though, overall demand for both naphtha

and gasoline has been on the rise. The aggregate moving average change in naphtha demand swung to 1.6% growth in November from contraction in October. LPG demand also rose. Measured in barrels, the moving average change in gasoline demand in the leading OECD economies posted the strongest gain of all products in November, up 180 kb/d, or 1.4%.

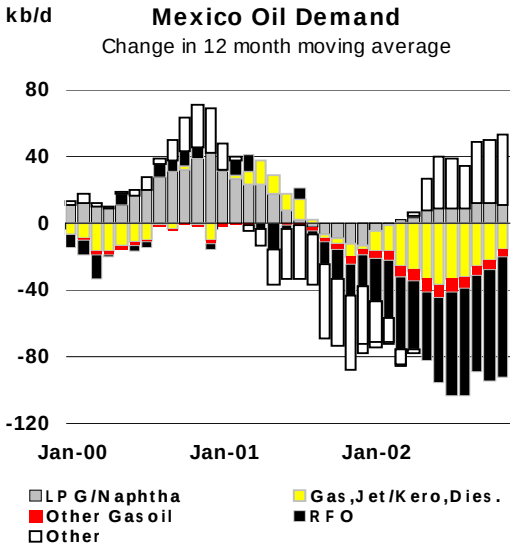


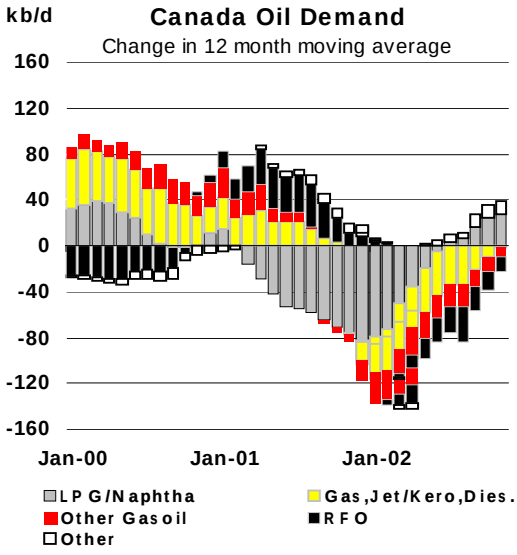
North America

Preliminary statistics suggest that US oil demand increased in all main product categories in November and December, bringing total product demand growth to 2.9% and 5.9%, respectively, for the two months. After falling by 2.3% in the first quarter, US oil demand recovered at an increasingly fast rate, inching up by 0.1% in the second quarter, then rising by 0.8% in the third and by 2.3% in the final quarter. Over the year, average demand edged 0.2% higher, offsetting 0.2% contraction in 2001.

US gasoline demand rose in each month of 2002, though the pace of growth slowed somewhat in the final quarter. Preliminary estimates of October demand were revised downwards by slightly over 200 kb/d, to 8.8 mb/d, bringing the growth rate down from 4.1% to 1.7%. Growth slowed further in November, to a preliminary 0.8%. December growth of 2.9% seems misleadingly robust, as it follows two years of demand contraction for that month. At 8.83 mb/d, December gasoline demand remains slightly below the 8.86 mb/d reached in December 1999, when concerns over Y2K led to hefty precautionary stock building.

In contrast with motor gasoline, preliminary estimates of "other oil" deliveries (including LPG, naphtha and the narrower "other oils" category used in monthly oil statistical submissions) were, as expected, revised upwards, by nearly 320 kb/d. Estimates of jet/kerosene demand were raised by nearly 100 kb/d, while gasoil demand was cut by 60 kb/d. Overall, preliminary US estimates for October were revised upwards, by roughly 160 kb/d. As an adjusted assessment had been used for the purpose of this Report, October "actuals" trim last month's estimate of US October demand by 30 kb/d.





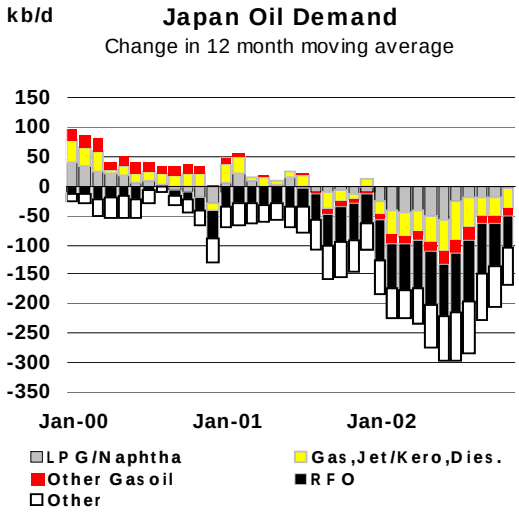
Rising natural gas prices conspired with colder-than-normal US East Coast and Midwest weather to boost heating demand for residual fuel oil and gasoil. Residual fuel oil demand grew in November for the first time in 18 months, by 3.1% (based on revised November 2001 data). Weekly data put December growth at around 35%. Growth is expected to remain robust through 2003, supported by colder weather, recovering industrial activity, and higher natural gas prices. However, a shortfall in residual-rich heavy crude grades from Venezuela could limit the short-term availability of residual fuel oil and boost its prices. This would make oil less competitive as alternative boiler fuel for power

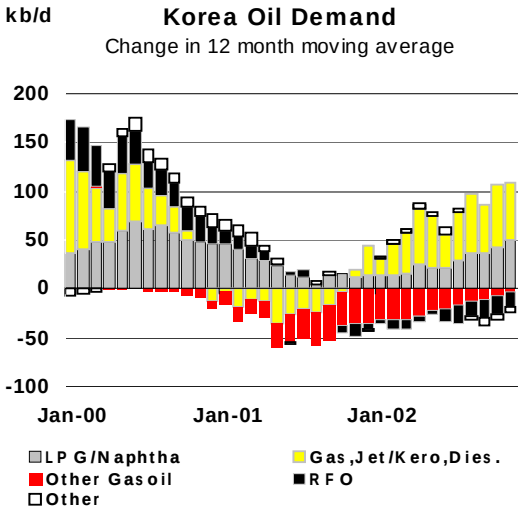
generators and industrial users with fuel-switching capacity, at least until the arrival or long-haul replacement barrels.

Pacific

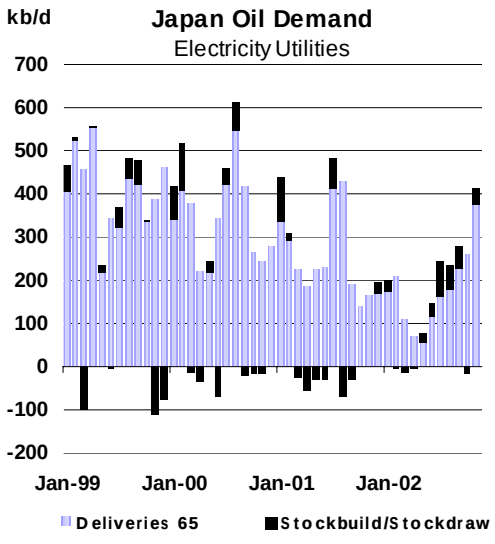
Once again, demand in the Asia-Pacific region exceeded expectations in November. The estimate of Korean deliveries was adjusted upwards by 80 kb/d for the month. That for Japan was raised by 310 kb/d. For the fourth quarter as a whole, demand in the Asia Pacific region was raised by 210 kb/d, to 9.18 mb/d, bringing year-on-year growth for the period to a steep 390 kb/d, or 4.5%. That quarterly adjustment shaves 50 kb/d off the estimate of yearly decline in 2002 regional demand, now estimated at 50 kb/d, less than that in OECD Europe.

Several factors account for the adjustment in Japanese demand. Preliminary November estimates show stronger-than-expected demand growth across the barrel. Colder-than-normal temperatures helped boost deliveries of jet fuel and kerosene by an adjusted 13.6%, and of heating oil by 3%. The surge in weather-driven kerosene demand occurred in a context of unusually low stocks ahead of the winter season, creating a powerful incentive for stronger imports and refinery output. Heating requirements and an up-tick in petrochemical demand fuelled gains of 9% and 3% in naphtha and LPG deliveries. Gasoline demand grew for the fourth consecutive month, by 2.1%. Diesel deliveries bucked the trend, contracting by 3%, but that followed a relatively strong increase of 3% a year earlier.





Yet the major factor behind the stronger-than-expected November Japanese deliveries stems from steeper-than-forecast growth in demand for crude oil and residual fuel oil for power generation. Utility demand for crude and fuel oil has been rising since a controversy over nuclear safety erupted in September. Since then, Japanese electric utilities have been forced to idle most of their boiling-water nuclear reactors. Although the assessment of idled nuclear generation capacity has not changed, the previous working assumption that utilities would secure enough LNG to make up roughly three quarters of the lost nuclear power generation capacity has not been realised. In fact, incremental LNG consumption by electric utilities compared to a year earlier replaced less than one third of lost capacity in September and October. In November, that proportion fell to less than 10%. Oil covered most of the difference, though utilities also increased coal, naphtha and LPG consumption.



In light of these developments, the assumptions behind the estimate of Japanese utility oil demand for 2003 have been revised. It is now assumed, for the purpose of this forecast, that idled nuclear power plants will not be returned to service before mid-year, and that direct crude burn and residual fuel oil

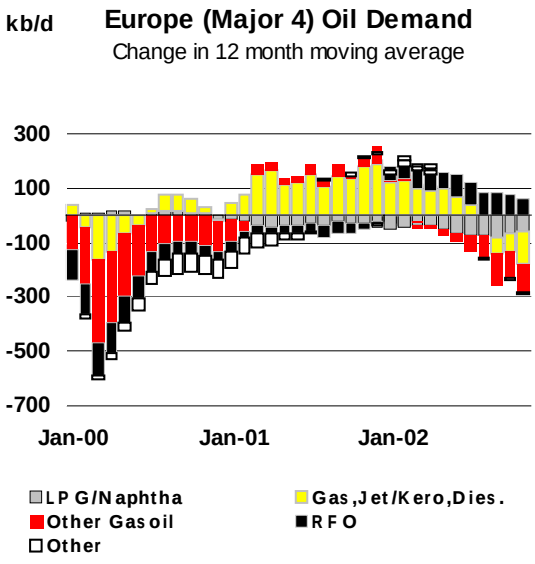
will cover more than one half of the lost capacity. This translates into roughly 140 kb/d of additional oil demand through the first half of 2003. However, assuming that Japanese nuclear plants will begin to resume service in the second half, the estimate of OECD Asian demand growth in the fourth quarter has been trimmed by 50 kb/d, to show a 60 kb/d contraction.

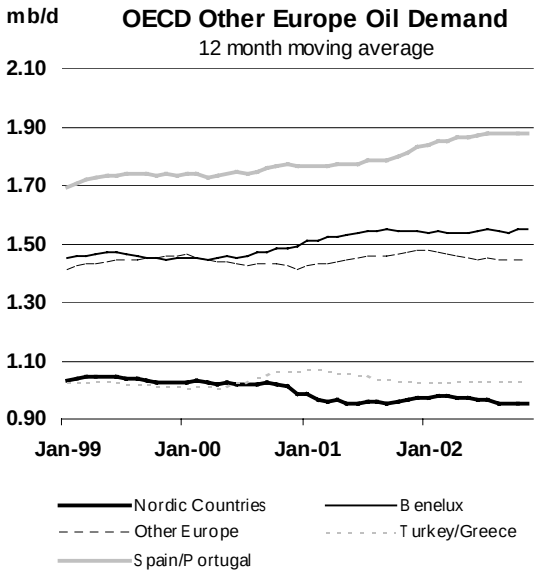
Europe

Steep downward adjustments to November demand in the three biggest OECD oil consuming economies more than offset upward revisions for the larger OECD European area in October, cutting the quarterly regional average by 70 kb/d. After having been the only OECD region to post oil demand growth in 2001, Europe reversed roles in 2002, as demand contraction of 120 kb/d wiped out 60% of the previous year's gains.

The weakness in fourth quarter demand stemmed in part from the expected reversal of one-off gains posted at the end of 2001, and in part from potentially more lasting structural market shifts. West European heating oil and residual fuel oil demand had received a boost in late 2001 from the effect of colder-than-normal temperatures, compounded along the Mediterranean by drought conditions that curtailed hydropower generation capacity. Last November's weather was milder, while rainfall in Southwest Europe was more abundant, causing demand for heating and boiler fuels to ease. Italian hydropower output thus soared 32% in November year-on-year. Still sluggish industrial production also reduced residual fuel oil demand, with French deliveries to industrial users falling 14.5% year-on-year. For OECD Europe as a whole, residual fuel oil demand is now expected to have contracted by 150 kb/d in November, wiping out half of the previous year's 300 kb/d gain. Demand for heating oil is estimated to have retraced most of the 150 kb/d increase posted in 2001.

At the same time, the increasing saturation of the West European automobile market, the improvement of the railroad network and the continued switch of the car fleet from gasoline to diesel continue to erode regional gasoline demand. European demand for gasoline is estimated to have contracted by 80 kb/d in the fourth quarter of last year, the 14th consecutive quarterly decline. In the four largest European economies, gasoline demand contracted in each of the last nine years, a trend that is expected to continue in 2003. In 2002, aggregate gasoline demand in the "Big Four" European economies, at 1.78 mb/d, was the lowest on record in at least 12 years. Demand for naphtha, heating oil and "other products" also fell to record lows.





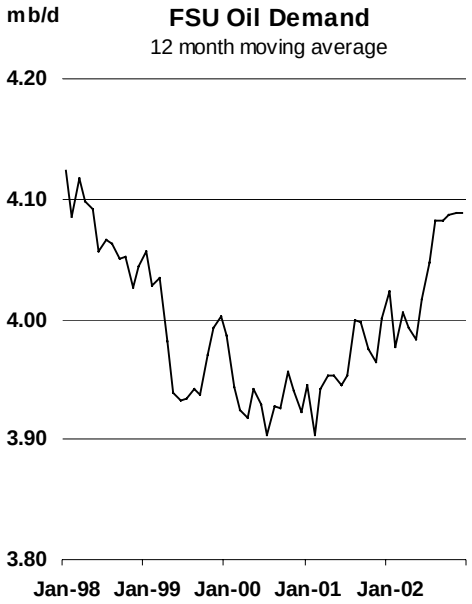
Preliminary November data remain subject to large revisions. Big swings shown in October preliminary data for Europe were thus smoothed in November; the same could happen again. The decline in oil demand registered in the four largest European economies is also partly offset by more resilient growth in the region's smaller or less mature economies. A six-month decline in Scandinavian demand was reversed in October on higher heating oil demand, as a drought curtailed hydropower production in Norway and Sweden. Utility and heating demand will likely continue to boost local oil consumption until spring, when the melting of the snow pack starts refilling water

reserves. The effect of lower hydropower production was further compounded by mishaps at gas- and coal-fired power plants in the region.

Non-OECD

Former Soviet Union

FSU production for December is estimated at 9.78 mb/d, up 930 kb/d from last year, but down slightly from 9.82 mb/d in November. This is the first monthly drop in FSU output since January 2001. December exports grew by 780 kb/d year-on-year but fell 630 kb/d short of November levels, reflecting both higher domestic requirements and seasonal, weather related constraints on sea-borne exports. Shipping delays through the Bosporus Straight also helped hold back exports.

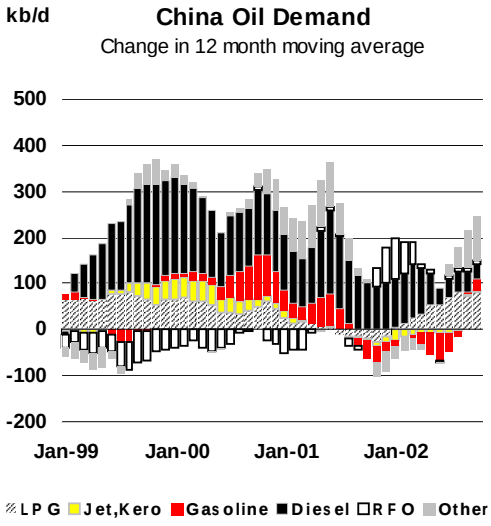


The implication of slower growth in exports than in crude output is higher apparent demand, calculated as oil output minus exports. However, prior OMR estimates of fourth-quarter FSU demand have typically been adjusted downwards in a bid to account for seasonal stock builds and to anticipate future upward adjustments to trade. The adjustments are then offset by upward adjustments to second-quarter demand. Therefore, the implication of more robust apparent demand last month has not resulted at this point into any substantial revision of estimated demand growth for the quarter.

As FSU production continues to increase and test the limits of FSU export capacity, however, the question of export constraint may no longer be mainly a seasonal one. A looming bottleneck in FSU export capacity has raised speculation that Russia may be forced to resume shipments through the Latvian port of Ventspils, currently out of favour as an export option for political reasons, and which so far has been excluded from Russia's crude export schedule for the first quarter. Should Russia face delays in overcoming the threat of short-term export constraints, crude and product inventories would likely be allowed to build, pressuring domestic prices and putting incremental short-term output growth at risk. Apparent demand would increase, at least temporarily, though the domestic market's ability to absorb incremental supplies in the short-term seems in doubt.

China

The assessment of Chinese apparent demand for September was raised by 130 kb/d for the fourth quarter, but trimmed by 70 kb/d for the third. The combined effect of the revisions was to raise average demand growth for the year by 20 kb/d to 280 kb/d, or 5.7%, making China the fastest-growing oil consuming economy in both percentage and absolute terms



The upward adjustment to fourth-quarter demand primarily reflects both statistical and anecdotal evidence of continued strong refinery runs through end-December. Recent statistics from the China Petroleum and Chemical Industry Association put November refinery runs at 4.63 mb/d, in line with the group's high assessments for September and October (CPCIA estimates, which purport to include the throughput of independent refineries, typically exceed the more detailed but less comprehensive data of the National Statistics Bureau, limited to Sinopec and PetroChina). Although refining throughputs reportedly hovered around September's record highs through the fourth quarter, official gross imports inched down from a three-year peak of 780 kb/d in September to 700 kb/d in October and 650 kb/d in November. Net imports eased from 470 kb/d in September to 390-400 kb/d in October and November.

Whether the reported up-tick in refining throughput in late 2002 aimed at meeting domestic demand growth or at padding inventories for either speculative or precautionary reasons will be a key factor behind the outlook for apparent demand in 2003. We expect refinery runs to fall back in the first quarter of this year, reflecting both a seasonal lull around the Chinese New Year celebrations, and also to allow refiners to work off a stock overhang that has reportedly accumulated, notably at PetroChina's Northeast refineries. However, there is little doubt that some of the increase in apparent demand mirrors a corresponding advance in final consumption. Apparent demand for naphtha neared April's record high of 600 kb/d in September and October, and may even have exceeded it in November, undoubtedly in response to growing domestic petrochemical feedstock requirements. An increase in apparent demand for jet fuel and kerosene, to record highs of roughly 240 kb/d and 260 kb/d in September and October, also appears to reflect growing consumption.

Other Non-OECD

Taiwan demand was adjusted upwards for 2001 and the first three quarters of last year. The revisions, which add 26 kb/d and 61 kb/d to non-OECD demand for 2001 and 2002, bring estimated Taiwanese demand to 855 kb/d in 2001 and nearly 900 kb/d last year.

Taiwanese demand growth of 2.8% in 2001 and 5% in 2002 seems counter-intuitive in light of the pressure inflicted on the island's economy by the slowdown in technological exports around that time. The adjustment to the demand assessment for 2001 aims to better capture incremental naphtha demand following the start-up of new operations at Formosa Plastics Corporation's Mailiao industrial complex. For 2001 as a whole, ethylene production in Taiwan increased by nearly 1 million metric tonnes, or 63%, corresponding to an additional gross naphtha requirement of about 80 kb/d. Demand grew further in 2002 on stronger gasoline and diesel deliveries.

A crippling labour conflict in Venezuela has further reduced the estimate of Latin American demand for 2002 and 2003, despite upward revisions to Brazilian and Argentine deliveries. The Venezuelan strike, which has severely curtailed domestic oil supplies and reduced economic activity since the beginning of December, has cut the assessment of fourth-quarter demand by nearly 90 kb/d. In contrast, revisions to Brazilian demand data have lifted demand estimates by 10 kb/d for the first half of 2002 and by 20 kb/d-30 kb/d for the second. Recently released Argentine statistics raised the second-half demand estimate by 10 kb/d.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.70	23.79	24.14	24.16	23.95	24.17	24.02	24.59	24.49	24.32
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.64	15.19	15.59	15.15	15.26	14.79	15.31	15.75	15.28
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.07	9.18	8.50	9.38	7.91	8.07	9.12	8.62
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.95	46.09	47.40	48.94	47.60	48.81	46.72	47.97	49.36	48.21
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.71	3.67	3.97	3.76	3.70	3.76	3.78	3.98	3.81
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.36	5.15	4.94	5.34	5.18	5.46	5.23
Other Asia	7.33	7.41	7.34	7.26	7.50	7.38	7.42	7.44	7.38	7.63	7.47	7.59	7.59	7.53	7.79	7.63
Latin America	4.86	4.73	4.90	4.90	4.78	4.83	4.66	4.75	4.79	4.60	4.70	4.52	4.66	4.78	4.66	4.66
Middle East	4.70	4.64	4.87	5.07	4.80	4.85	4.75	4.99	5.19	4.92	4.96	4.87	5.11	5.32	5.05	5.09
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.50	2.47	2.53	2.51	2.56	2.53	2.51	2.57	2.54
Total Non-OECD	28.46	28.49	29.07	28.60	29.05	28.80	28.66	29.36	29.32	29.75	29.27	28.97	29.74	29.79	30.27	29.69
World	76.20	77.31	75.52	76.08	77.03	76.48	76.61	75.45	76.71	78.69	76.87	77.77	76.46	77.76	79.62	77.91
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.44	19.61	19.86	19.86	19.70	19.82	19.76	20.21	20.13	19.98
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.43	8.29	8.36	8.07	8.45	8.50	8.35
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.78	5.29	5.97	4.87	5.03	5.68	5.39
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.34	2.17	2.37	2.00	2.01	2.36	2.19
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.91	1.93	2.00	1.97	1.98	1.94	1.97
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.06	2.00	2.00	1.98	2.06	2.08	2.03
Brazil	2.16	2.11	2.18	2.20	2.15	2.16	2.12	2.13	2.17	2.13	2.14	2.09	2.11	2.18	2.15	2.13
India	2.07	2.16	2.10	1.99	2.08	2.08	2.10	2.10	2.00	2.12	2.08	2.17	2.15	2.04	2.16	2.13
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-2.0	0.4	0.9	2.3	0.4	2.0	1.0	1.9	1.3	1.5
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	0.1	-0.8	0.6	1.0	0.8	1.0	0.9
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-3.9	0.4	4.5	-0.6	3.3	3.2	0.0	-0.7	1.4
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.8	-0.8	-0.2	2.0	-0.2	1.8	1.4	1.2	0.9	1.3
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	2.5	2.7	5.1	1.9	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	7.9	5.7	1.7	1.8	0.9	1.9	1.6
Other Asia	1.4	3.4	0.8	-0.2	-1.1	0.7	0.1	1.5	1.7	1.7	1.2	2.3	2.0	2.0	2.1	2.1
Latin America	0.1	1.3	0.1	-2.0	-2.1	-0.7	-1.4	-3.0	-2.1	-3.8	-2.6	-3.0	-1.8	-0.1	1.3	-0.9
Middle East	4.9	3.4	3.4	3.0	2.2	3.0	2.4	2.4	2.4	2.5	2.5	2.4	2.5	2.4	2.5	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.5	1.3	1.5	1.2	1.4	1.3	1.6	1.7	1.5
Total Non-OECD	2.5	1.9	3.5	-0.8	0.4	1.2	0.6	1.0	2.5	2.4	1.6	1.1	1.3	1.6	1.7	1.4
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	-0.1	0.8	2.2	0.5	1.5	1.3	1.4	1.2	1.3
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.49	0.09	0.21	0.55	0.09	0.47	0.24	0.45	0.32	0.37
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.14	-0.31	0.01	-0.12	0.09	0.15	0.12	0.16	0.13
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.03	0.39	-0.05	0.30	0.24	0.00	-0.06	0.12
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.87	-0.36	-0.08	0.96	-0.08	0.86	0.63	0.57	0.42	0.62
FSU	0.03	0.12	0.12	0.02	0.00	0.07	-0.09	0.09	0.10	0.19	0.07	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.39	0.28	0.08	0.10	0.04	0.10	0.08
Other Asia	0.10	0.24	0.06	-0.02	-0.08	0.05	0.00	0.11	0.12	0.13	0.09	0.17	0.15	0.15	0.16	0.16
Latin America	0.00	0.06	0.01	-0.10	-0.10	-0.03	-0.07	-0.15	-0.10	-0.18	-0.13	-0.14	-0.09	-0.01	0.06	-0.04
Middle East	0.22	0.15	0.16	0.15	0.10	0.14	0.11	0.12	0.12	0.12	0.12	0.11	0.13	0.13	0.12	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.04	0.03	0.04	0.03	0.04	0.03	0.04	0.04	0.04
Total Non-OECD	0.71	0.54	0.99	-0.25	0.11	0.35	0.17	0.29	0.71	0.70	0.47	0.31	0.38	0.47	0.52	0.42
World	0.78	1.27	0.98	-0.65	-0.47	0.28	-0.70	-0.06	0.64	1.66	0.39	1.17	1.01	1.04	0.93	1.04
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	-	-0.02	-0.05	-0.02	0.05	0.01	0.02	-0.03	0.01
Europe	-	-	-	-	-	-	-	-	0.01	-0.07	-0.02	-0.02	-0.02	-0.01	-0.11	-0.04
Pacific	-	-	-	-	-	-	-	-	-	0.21	0.05	0.14	0.14	-	0.16	0.11
Total OECD	-	-	-	-	-	-	-	-	-0.01	0.09	0.02	0.16	0.13	0.02	0.02	0.08
FSU	-	-	-	-	-	-	-	-0.02	-	-	-0.01	-	-0.02	-	-	-0.01
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-0.07	0.13	0.02	0.03	-	-0.06	0.02	-
Other Asia	-	-0.01	0.01	0.08	0.02	0.03	0.02	0.07	0.11	0.02	0.06	0.02	0.08	0.11	0.02	0.06
Latin America	-	-	-	-	-	-	0.01	0.01	0.04	-0.06	-	-0.06	-0.05	-0.02	-0.08	-0.05
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-0.01	0.01	0.08	0.02	0.03	0.03	0.06	0.08	0.09	0.07	-	-	0.03	-0.04	-
World	-	-0.01	0.01	0.08	0.02	0.03	0.03	0.06	0.07	0.18	0.09	0.16	0.13	0.05	-0.02	0.08

SUPPLY

Summary

- **World oil production** is estimated to have averaged 76.43 mb/d in December, a decrease of 2.06 mb/d from downward-revised November levels. OPEC crude supply declined by 1.73 mb/d, while non-OPEC added 182 kb/d. Output of OPEC NGLs and non-conventional oil fell by 516 kb/d.

- Total world production was 234 kb/d below year-ago levels, breaking a three-month run when supply rose above 2001 totals. The key changes year-on-year were OPEC production falling to 2.48 mb/d below December 2001's figure, non-OPEC supply running 1.49 mb/d higher than a year ago, and OPEC NGLs and non-conventional output averaging 323 kb/d higher.

- **OPEC crude supply**, including Iraq, averaged 24.76 mb/d in December, compared to a revised 26.48 mb/d during the previous month. Sharply lower Venezuelan production due to the ongoing national strike, plus a reduction in early-month Iraqi exports held the key to reduced flows. The Venezuelan strike is estimated to have cost some 63 mb in terms of lost international crude supply. Other OPEC producers increased production by a combined 221 kb/d.

- **OPEC 10** output in December, at 22.44 mb/d, was 1.67 mb/d below November levels. Increased production during mid-to-late month from Saudi Arabia, Iran, Kuwait, UAE and Qatar, largely in response to Venezuelan losses, plus new field output from Algeria and Nigeria collectively failed to counteract barrels lost due to the outages from Venezuela.

- **OPEC** had initially agreed at its 12 December meeting to raise its target to 23 mb/d from January, at the same time attempting to curb over-production vs. this new target level. However, a second meeting was convened on 12 January in light of the worsening Venezuelan situation and high prices at which it was agreed to raise the target by 1.5 mb/d on a temporary basis from 1 February.

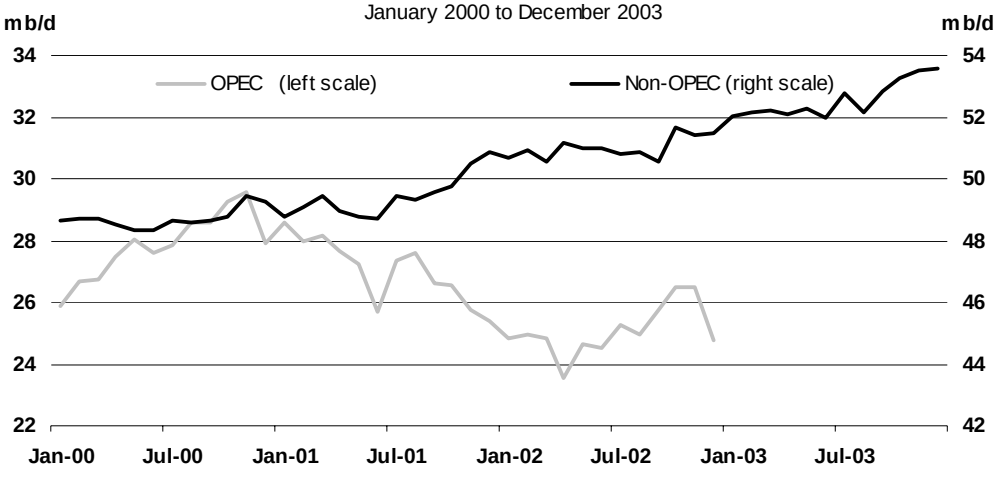
- **Non-OPEC** production rose by 182 kb/d in December after revisions for November indicated a 253 kb/d fall in that month. During December, recovering production in Alaska and Mexico counteracted the impact of production problems in Norway and the UK, leaving OECD supplies 102 kb/d above November levels. A more modest 80 kb/d rise from the **non-OECD** countries centred on higher Chinese and Brazilian output, which offset reduced flows from Russia.

- In January, **non-OPEC** production is expected to rebound, adding 514 kb/d. This will be based on the resumption of supply from the North Sea and Russia after recent outages and weather-related delays. A build-up in production from new US Gulf of Mexico fields will also contribute.

- The **"call on OPEC crude plus stock change"** has been revised up by 0.1 mb/d for both 2002 and 2003, with the increases concentrated in 4Q02 (+0.3 mb/d) and 1Q03 (+0.7mb/d). At 24.8 mb/d, the "call" for 2003 remains 0.6 mb/d below 2002's average. Higher non-OPEC supply is likely to constrain the "call", notably in 2Q03 and 3Q03.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2000 to December 2003



1 Non-OPEC Oil Supply includes OPEC NGLs

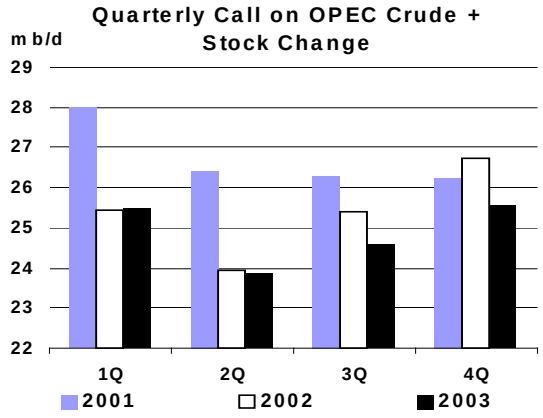
All world oil supply figures for December discussed in this Report are IEA estimates. Estimates for OPEC countries, Alaska, Norway and Oman are supported by preliminary December crude supply data.

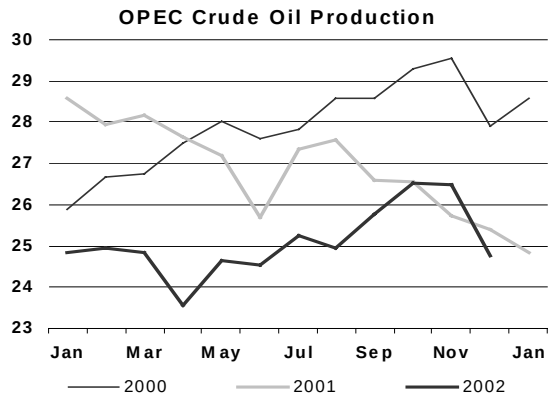
Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

Two OPEC meetings and a marked deterioration in the oil supply situation in Venezuela have occurred since the release of the last Report. Both issues clearly highlight the precarious balancing act OPEC has chosen to undertake in attempting to manage supply at a reasonable price. OPEC crude production, including Iraq but excluding Venezuelan upgraded heavy crude, is estimated to have fallen by 1.73 million b/d from November levels in December, reaching an average for the month of 24.76 mb/d. This, it should be noted, was from a slightly higher November base than assumed in last month's Report.

Not surprisingly, the fall was almost wholly accounted for by sharply reduced Venezuelan supply, due to that country's worsening general strike. Arab Gulf producers are already thought to have begun boosting supply in response to the supply disruption during December once it became apparent that a quick resolution of the strike was unlikely. However, it appears that the impact of higher production in the second half of December on *average* December production levels was less than it might otherwise have been due to moves by some producers to curtail production earlier in the month. Indeed such moves had been signalled well in advance of the first OPEC meeting on 12 December and underpinned the fall in November production estimated in the last Report. December therefore represents the opposite of what happened in November, with production falling initially but rising thereafter.





In all, OPEC has adjusted its target for production upwards by a combined 2.8 mb/d although the rationale for the first increase, of 1.3 m b/d (aimed at reining in over-production and making it easier to *curb* actual production by 1 mb/d or so from January), was very different to that motivating the latest 1.5 mb/d rise. Effectively, planned January supply cuts have been reversed. There are clear indications that OPEC supply in January is already well above December levels, even before the new OPEC targets officially take effect from 1 February. With stocks tight, prices well above OPEC's preferred price band, Venezuelan production severely curtailed and with an ongoing threat of military action in Iraq these extra volumes can be absorbed comfortably for now. Indeed, most of these issues will take time to resolve. In essence, OPEC is producing currently at levels close to market requirements. Balancing supply and demand may later become a more challenging proposition once again as Venezuelan production recovers, and as the spring demand downturn materialises. Capacity expansion and calls for a redistribution of quota are still on the horizon and will ultimately have to be addressed. Corrective action may then become necessary, but for now the extra OPEC barrels are warranted

December's production fall for OPEC reflects reduced Venezuelan and Iraqi production, though this was cushioned to some extent by incremental supply from the remainder of the Arab Gulf and from Africa.

In all, **Venezuelan** conventional crude production is estimated to have fallen by 1.95 mb/d in December to just over 700 kb/d. Furthermore, other liquids including upgraded heavy crude production fell by 535 kb/d (see special section on Venezuela later in the Report). At the time of writing with industrial action still ongoing, it is difficult to know just when and to what extent liquids production can be re-instated. However it is likely that around 400 kb/d of production capacity have been lost and that re-activating production close to levels seen pre-strike will take months rather than weeks.

December exports via the UN oil-for-food programme by **Iraq** were down by 60 kb/d compared to November, accounting for all of the reduction in estimated Iraqi production for the month. However, there was a marked difference between the first half of December, when exports averaged 1 mb/d, and the second, when exports were closer to 2 mb/d. The first full week of January has seen exports fall back once more closer to 1 mb/d. Recent reports on Iraqi crude deliveries to Syria and Jordan do not suggest markedly higher Iraqi production levels than assumed here, despite anecdotal suggestions that production was running at higher levels as the country prepared for potential war.

Nigerian production increased again in December by 50 kb/d with Shell bringing onstream the EA field at mid-month and ExxonMobil the Yoho field in the last week of December. Both projects are expected to add further to Nigerian capacity over the course of 2003 but it is likely that attaining extra capcity from new wells will take a number of months. Nigerian capacity has been adjusted upwards in line with the recent increment in production levels for now, though this is likely to be adjusted further when progress on developing these prospects fully becomes apparent. A similar increase in December production was recorded by **Algeria,** with the start-up of production at Anadarko's huge Ourhoud field which contains over 1 billion barrels of crude reserves. However, November production levels have been adjusted downwards slightly in light of recently available data. Also, as in the case of Nigeria, the immediate impact on Algerian capacity of the Ourhoud increase is likely to have been limited as production will remain constrained well below peak 230 kb/d production levels until around mid-year after two further processing facilities are installed. In conjunction with news that BP's Rhourde el Bagual enhanced recovery project has been unsuccessful, this has resulted in estimates for Algerian capacity being held unchanged for now.

December saw production from **Kuwait** rise by an estimated 40 kb/d overall, as increases in the second half of the month clawed back a tranche of production believed to have been curtailed in late-November and early-December. Kuwait intimated in mid-December that Asian buyers would receive higher volumes through January. However, the extent of any such rise may have been limited by ongoing infrastructure problems, with gathering station repair contracts signed in December likely to run for 18 months to 2 years. Blending considerations are also believed to be inhibiting sharply higher output. KOC also alluded in December to the country's need to involve international operators in sustaining and expanding production capacity, which was confirmed at around the adjusted 2.1 mb/d levels contained in last month's Report.

Production from **Iran** now appears to be running at higher levels than previously thought, with a late-November cut in exports failing to materialise. Estimates for November production have been revised upwards by 75 kb/d as a result, with December production estimated up by a further 50 kb/d. Japanese term buyers were offered full contract volumes for December and January and on top of this, late-December saw production start at TotalFinaElf's offshore Balal field, where production should rise to 40 kb/d later this summer. Incremental production from Balal plus TFE's Douroud field later in 2003 and an incremental 130 kb/d expected from Shell's Soroush/Nowruz project should lead to upward adjustments in Iranian capacity as the year progresses.

Saudi Arabia is estimated to have produced an incremental 50 kb/d in December vs. November levels. Early indications were that reduced production, believed to have been set in train late-November, carried over into early-December. Asian buyers of Saudi crude were informed of reduced allocations for January after the 12th December OPEC agreement to curtail over-production. However, as it became apparent that the Venezuela crisis was unlikely to be resolved quickly and against a back-drop of rising prices and calls for extra heavy crude for the US refining system, supplies of Saudi crude rose as the month progressed. Increased chartering activity tends to back this up. Initially some of the extra oil may have derived from Caribbean storage, but underlying Saudi production levels are believed to have begun rising again as December drew to a close. Further gains have been evident in January.

OPEC: Proposed January Cuts Over-Turned

The first of OPEC's two meetings this past month on 12 December resulted in agreement to boost *target* output by 1.3 mb/d while at the same time aiming to curb *actual* production by over 1 mb/d in January. However, this was before the extent of the disruption to Venezuelan supply became apparent. This report estimates the overall loss of Venezuelan crude to the market during December amounted to some 63 mb and a further 17mb of products. With prices for the OPEC Basket breaking through the $28/b mark on 16 December, it became apparent that talk of OPEC "cuts" had become redundant and the question became when and how much OPEC would boost supply, not if.

Any 500 kb/d automatic production increase if prices stayed high through 15 January had become insufficient. The deepening of the Venezuelan crisis and reports that a short-term boost in supply from Russia, Norway or Mexico was unlikely only heightened this view. Ultimately, the subsequent 12 January accord represented a compromise between those members arguing for a 1 mb/d increase and those favouring 2 mb/d. Venezuela also insisted on being included, though their target bears no relation to either downward-revised capacity or realistic expected production in the early months of 2003. OPEC's 1.5 mb/d rise is to be reviewed at the 11 March meeting or on the resumption of more normal Venezuelan production levels.

OPEC Crude Production (million barrels per day)

	1 Jan 2003 Target	1 Feb 2003 Target	Dec 2002 Production	Sustainable Production Capacity[1]	Spare Capacity vs Dec 2002 Production
Algeria	0.74	0.78	0.98	1.10	0.13
Indonesia	1.19	1.27	1.12	1.18	0.06
Iran	3.38	3.60	3.60	3.90	0.30
Kuwait[2]	1.85	1.97	1.91	2.15	0.24
Libya	1.23	1.31	1.34	1.45	0.11
Nigeria	1.89	2.02	2.04	2.25	0.21
Qatar	0.60	0.64	0.72	0.75	0.03
Saudi Arabia[2, 3]	7.48	7.96	8.02	9.50	1.48
UAE	2.01	2.14	2.01	2.50	0.49
Venezuela[4]	2.65	2.82	0.71	2.35	1.64
Subtotal	**23.00**	**24.50**	**22.44**	**27.13**	**4.69**
Excluding Venezeula					*3.04*
Iraq			2.32	2.80	0.48
Total			**24.76**	**29.93**	**5.17**

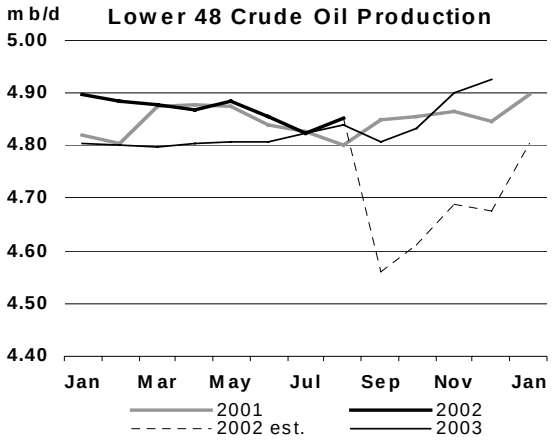
1 Capacity levels can be reached within 30 days and sustained for 90 days
2 Includes half of Neutral Zone Production
3 Saudi Arabia's capacity can reach 10.5 million b/d within 90 days
4 Excludes upgraded Orinoco extra-heavy oil, which averaged 92 kb/d in December

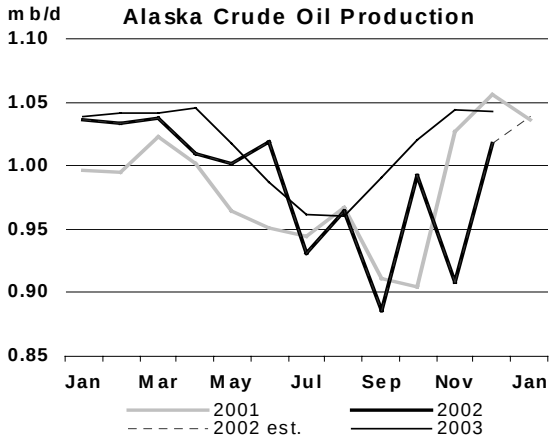
New target levels are shown above, alongside December production and assessed OPEC capacity. Venezuelan production capacity has been adjusted downwards by 400 kb/d due to the impact of field shut-downs there, although some upside has been added since the last Report due to new field start-ups in Nigeria. Spare capacity levels in OPEC-10 excluding Venezuela have been trimmed to 3 mb/d. Indeed the figure may now be rather lower since early-January production is already running markedly higher than the December average. Saudi Arabia in particular is thought to have chartered substantial extra long-haul tanker tonnage for loading from mid-January. Assuming January supply up by a further 400-500 kb/d, spare capacity in the short term (available within 30 days or so) is very close to the potential loss of Iraqi production. That problem of course may not arise, and with lower demand in the second quarter, the eventual re-instatement of Venezuelan production and signs of further capacity expansion in 2003 in Algeria and Nigeria amongst others, capacity tightness, real or otherwise, should ease as the year progresses.

OECD

North America

US - December - Alaska actual, others estimated: US crude production grew by an estimated 96 kb/d in December, with increases from Alaska and, to a lesser extent, the Gulf of Mexico counteracting modest declines elsewhere. Alaskan supply recovery was particularly pronounced after November's earthquake, and supply increased here by 108 kb/d to 1.02 mb/d, the highest level since June. The recovery confirmed initial expectations that earthquake damage was limited in extent and duration. Forest Oil began production at the Redoubt Shoal field in Alaska's southern Cook Inlet, with a further build-up in supply expected there after February. Initial output was also recorded at ConocoPhillips' Palm field, a satellite of the Kuparuk River producer on the North Slope. Meanwhile, the Alaskan authorities have cut their expectations for state production for the year through June 2003 to 994 kb/d, which coincidentally is close to the IEA's own prevailing estimate.



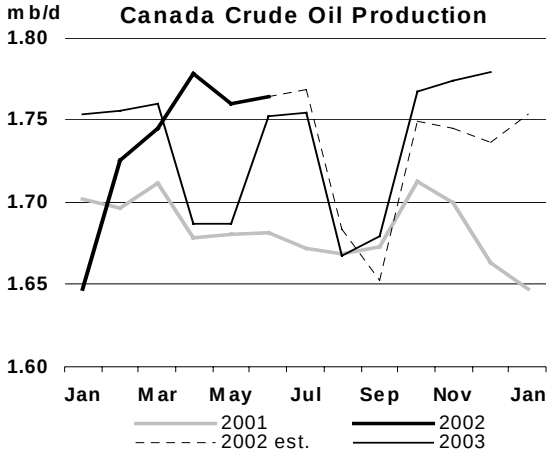


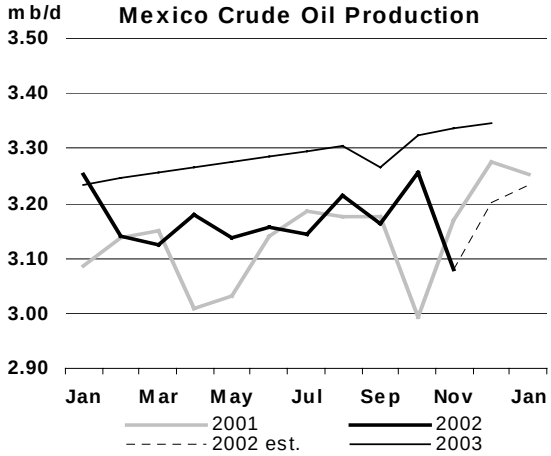
In December Offshore Gulf of Mexico production is estimated to have risen by 18 kb/d vs. November levels, with overall production still constrained by storm damage after October's hurricane Lili. It should be noted however, that while estimated end-year production remains unchanged from last month's Report, provisional US aggregate October production data suggest that the loss of production in *that month itself* may have been less than originally thought. December provided further confirmation of progress on Shell/BP's deepwater Nakika project, this combination of dispersed fields expected to add up to 50 kb/d by late-2003 after a late-summer start-up. In total, new field developments are likely to result in average GOM production rising by 150 kb/d in 2003 vs. 2002.

Canada - December estimate: Canadian crude production again held close to month-earlier levels in December. Production start at Shell's Muskeg River oil sands plant came too late in the month to affect December average total liquids supply. Shipments by pipeline to the Scotford upgrader (together with Muskeg comprising the Athabasca Oil Sands project) only commenced at the turn of the year. Shortly thereafter, a 6 January fire at the oil sands plant forced complete shut-down from early operating levels around 50 kb/d. However, no serious damage has been reported and syncrude production should still hit 150 kb/d after mid-year. December also saw progress towards Federal government ratification of the Kyoto protocol which could affect the economics of heavy oil projects. However, the response of provincial authorities is uncertain and early indications are unclear whether widespread disruption of companies' medium term oil sands spending will result. A December report on upstream spending plans for 2003 also pointed towards a healthy 7.2% rise in Canada, compared to an average worldwide of only 4.2%.

Mexico – November actual, December estimate: Mexican crude production fell back in November by 175 kb/d from October levels, with heavy/sour Maya output bearing the brunt of the decline. Production is estimated to have rebounded in December but claims from some sources that Mexico could help plug the gap in the market left by Venezuelan supply shortages appear wide of the mark. Aside from the fact that much of the country's exports are committed on a term basis, recent reports confirm that Mexico's ability to increase production significantly from prevailing levels may be limited. Only around 100 kb/d of incremental supply from December levels is believed possible in the short term, a fact borne out by the Energy Ministry's decision to boost the country's export platform

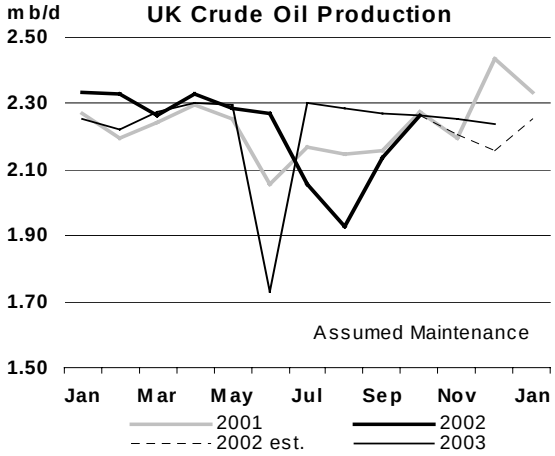
by 100 kb/d for 2003, not the 200 kb/d earlier mooted. And in a tacit admission that efforts to stem potential decline from the predominant Cantarell complex may ultimately prove un-rewarded, indications emerged in December that Pemex is about to switch the focus of its attention to exploratory drilling in the deepwater Gulf of Mexico. Such a move is likely to require an influx of expertise from major foreign operators familiar with such deep-water operations.

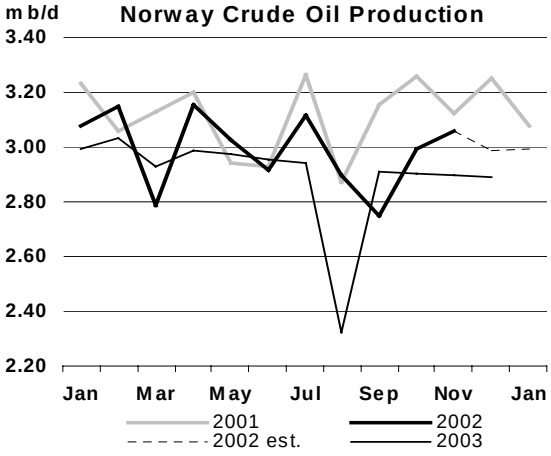




North Sea

UK – December estimate: UK offshore crude output is estimated to have declined by 47 kb/d in December, rather more than the 25 kb/d reduction envisaged in the last Report. Although recent production data suggest higher underlying levels of production in October/November, the after-effects of a late-November gas leak at BP's Forties field and under-performance by Kerr-McGee's Leadon field contributed to the fall. Further December liquids production was lost due to pipeline replacement at TFE's Elgin/Franklin gas and condensate complex. Incremental supply for 2003 vs. 2002 from offshore crude is now expected to amount to 37 kb/d, reversing 2002's overall decline. While December saw little in the way of new field announcements, the potential for extra supply from the Ardmore and Jade fields, already identified in last month's Report, was reinforced by company announcements made during December.

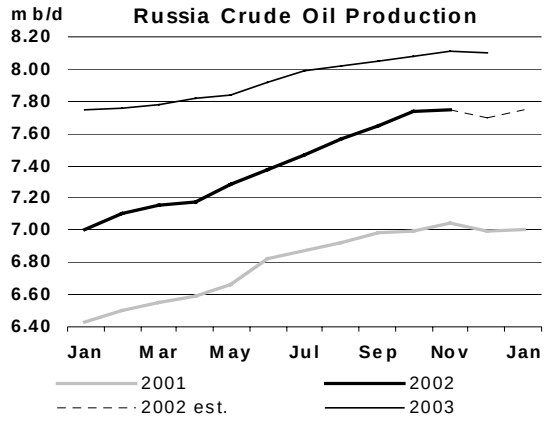


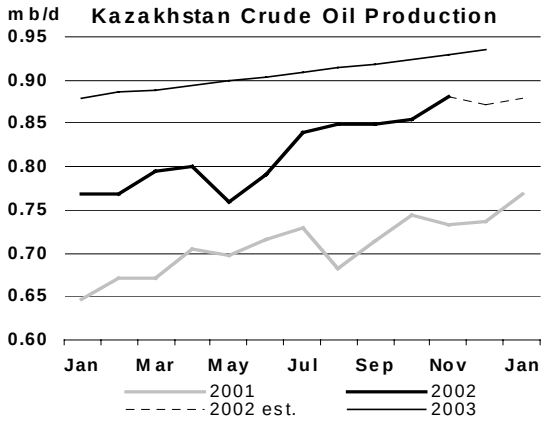


Norway – November actual, December partly estimated: Final, detailed production data for Norway for November confirmed earlier estimates that crude supply rose by 65 kb/d. The rise was most pronounced in the Statfjord-Gullfaks complex where production from the Snorre, Vigdis and Gullfaks fields exhibited a marked spike in the aftermath of September maintenance. It remains to be seen here whether higher-than-expected production levels can be maintained or merely represent a post-maintenance surge, this report assuming for now the latter. December production for Norway overall subsided modestly, in part due to these fields settling down once more but also with reported compressor problems at the Shell-operated Draugen field. On the upside however, ExxonMobil commenced condensate production from the Sigyn fields ahead of schedule in December.

Former Soviet Union (FSU)

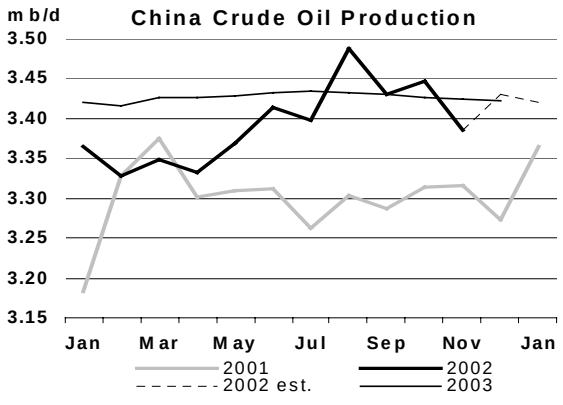
Russia – November actual, December estimate: Russian production in November levelled off, as expected, although larger producers sustained higher output levels than did some of their smaller rivals. Yukos outstripped rival Lukoil's production for the second month running. Despite lower growth in November, output remained 700 kb/d, or 10%, higher than 2001. December production declined by 50 kb/d due to weather delays at ports and restrictions on use of the Bosphorus Straits. Despite ambitious plans by key producers to sustain 2002 growth rates this year, this report foresees a slow-down to nearer 5% in 2003 as questions remain over the export logistics required to cope with sustained double-digit supply growth. Lukoil has also said that it expects 2003 growth to be modest as it switches attention away from established Siberian fields towards longer term prospects in NW Russia and the Northern Caspian. Furthermore, drilling statistics for 2002 showing a decline of 17% to 38% for production drilling and exploration drilling respectively, suggest 10%-plus output growth may indeed be unsustainable. Despite this, Russian crude growth still amounts to 525 kb/d for 2003.

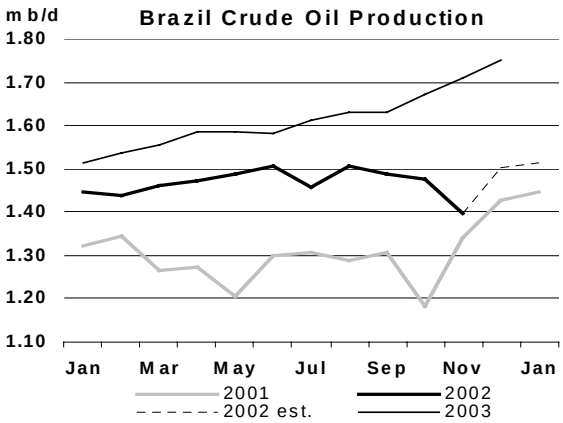




Kazakhstan - November actual, December estimate: Crude production in Kazakhstan exceeded expectation, rising by 20 kb/d in November largely on the basis of sharply higher Tengiz production, although condensate production from the Karachaganak field levelled off after a sharp October rise. December production is estimated to have been generally flat vs. November. As alluded to in the last Report, a row over financing between TengizChevroil and the government, which threatened a longer term 60 kb/d expansion at Tengiz, was resolved in December. The Caspian Pipeline Consortium signed an agreement in late December to transport Karachaganak condensate to Russia's Black Sea port of Novorrossiysk, opening the way for a further 120 kb/d of production from mid-2003.

Other Non-OPEC



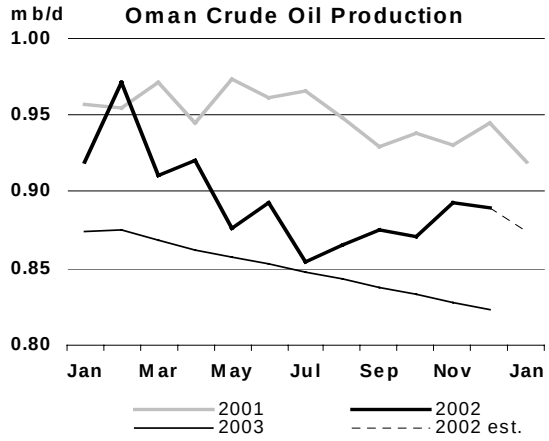


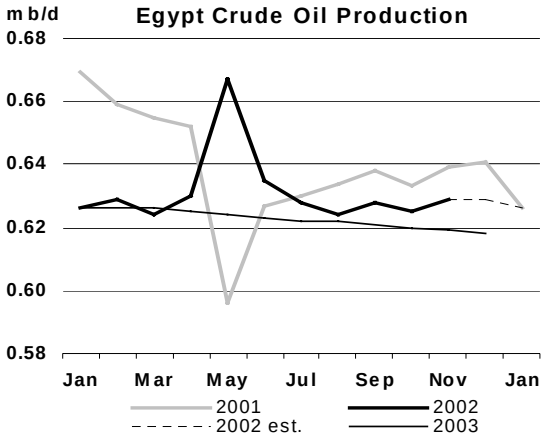
Brazil - November actual, December estimate: Detailed data for October confirmed crude production around 1.48 mb/d as indicated in the last Report, with provisional data for November showing a drop of 79 kb/d from those levels. Maintenance at the Garoupa 1 platform in the deepwater Campos Basin is thought to have accounted for the bulk of this decline. Also, re-start at the Roncador FPSO was deferred until December, whereas it had previously been assumed to contribute extra

supply in November. December production is estimated to have risen by just over 100 kb/d however as Roncador and Garoupa production was gradually phased back in and also due to the late-month start-up of Petrobras' Coral field. This is expected to reach 50 kb/d production by 2005. For its part, Roncador is expected to add 50 kb/d to existing 40 kb/d production progressively via six new wells over the next six months. Shell's Bijupira-Salema prospect should come onstream from July 2003, adding 70 kb/d to Brazilian output by end-year.

China – November actual, December estimate: As had been suggested last month, October's apparent spike in offshore production proved to be a temporary phenomenon and total Chinese production fell by 62 kb/d as a result. Some recovery is estimated to have occurred in December, although earlier expectations that the new Penglai field might not be contributing significant volumes until January 2003 proved well founded. Commercial production from the CNOOC/ConocoPhillips field began on 31 December, reportedly delayed by weather conditions in Bohai Bay.

Oman – November & December partly estimated: Crude production from Oman increased in November and December vs. October levels, based on output from state producer Petroleum Development Oman. Total Oman crude production was estimated up by just over 20 kb/d vs. October, attaining 893 kb/d in November and 889 kb/d in December. PDO output is augmented by around 50 kb/d of production from other producers. Although further decline is expected for production in 2003, PDO announced a $1.5 billion annual investment programme beginning this year which is aimed at turning around that trend as early as 2004.





Revisions

This month's Report includes adjustments that add 29 kb/d to aggregate Non-OPEC production for 2002 and 89 kb/d to 2003. The Middle East accounts for the bulk of the 2002 change, with this region, the North Sea and Africa being the location for the upward adjustments in 2003. Supply is now expected to increase by 1.36 mb/d in 2003 vs. the expected increment last month of 1.30 mb/d.

For the **USA** as a whole, latest state and Federal government data suggests that production is running higher on an underlying basis than previously anticipated. As a result, October US crude production is assessed 140 kb/d higher than in last month's Report, with November and December higher by a more modest 25-30 kb/d. In addition to a lesser impact from October GOM storms, production offshore California also appears to be bearing up. For the forecast period, US crude production is expected to be around 100 kb/d higher by end-2003 than anticipated last time, this being due to the profiles for both Alaska and California being adjusted up modestly. In addition, late-year supply from Gulf of Mexico has been augmented by some 60 kb/d with the onset of production from TFE's Matterhorn project and Dominion's Devil's Tower field.

In the case of **Canada,** NGL production has been revised downwards for the historical and forecast period post-June 2002 in line with provisional indications of actual supply. Meanwhile for **Mexico** we have scaled back expectations for incremental production in 2003 to 100 kb/d from the 140 kb/d hike envisaged in last month's Report.

UK offshore production in 2002 is now estimated at 2.43 mb/d compared to the 2.41 mb/d cited in the last Report. This is in part due to a more rapid recovery in production from BP's Schiehallion field

after summer 2002 problems. It had been assumed that production there would remain suppressed through end-2002 but this now appears not to be the case. Original estimates for ConocoPhillips'Jade field have also been upgraded after the success of a deeper well extending below the existing reservoir and this has led to the addition of a further 5 kb/d in 2003.

Revisions to Non-OPEC Oil Supply
(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.55	14.93	0.38	14.53	14.90	0.36	-0.02	-0.04	-0.02
Europe	6.57	6.57	0.00	6.59	6.63	0.04	0.02	0.06	0.04
Pacific	0.77	0.75	-0.02	0.77	0.76	0.00	0.00	0.01	0.01
Total OECD	**21.89**	**22.26**	**0.36**	**21.89**	**22.29**	**0.40**	**0.00**	**0.04**	**0.04**
Former USSR	9.38	10.09	0.71	9.38	10.09	0.72	-0.01	0.00	0.01
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.40	3.44	0.04	3.40	3.43	0.03	0.00	-0.02	-0.01
Other Asia	2.38	2.42	0.04	2.39	2.43	0.04	0.01	0.01	0.00
Latin America	3.92	3.98	0.06	3.91	3.99	0.08	-0.01	0.00	0.02
Middle East	2.05	2.01	-0.05	2.10	2.03	-0.06	0.04	0.03	-0.02
Africa	3.04	3.14	0.10	3.04	3.16	0.12	0.00	0.02	0.02
Total Non-OECD	**24.36**	**25.25**	**0.90**	**24.39**	**25.30**	**0.92**	**0.03**	**0.05**	**0.02**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**48.01**	**49.31**	**1.30**	**48.04**	**49.40**	**1.36**	**0.03**	**0.09**	**0.06**

OMR = Oil Market Report

For the **FSU**, Kazakhstan production has been revised up substantially for the second half of 2003 on the basis of the recently-signed transportation deal involving Karachaganak condensate. This has the impact of adding some 40 kb/d to year-average Kazakh production for 2003. However, partially counteracting this increase, production in Azerbaijan is now expected to be around 10 kb/d lower than in the last Report following updated target production levels for 2003 for the Chirag field released by the participants in the AIOC consortium. Also, starting from a slightly lower end-2002 level, Russian crude production is expected to average around 20 kb/d lower in 2003 than previously anticipated.

Brazilian production, lower at end-2002 than anticipated last time due to delays in re-start at Roncador and maintenance at the Garoupa field, is nevertheless expected to show strong growth in 2003. Growth has been upgraded from 118 kb/d in last month's report to 144 kb/d this time due to new Shell production. However, lower prevailing production for late-2002 means that absolute production for 2003 is largely unchanged at just over 1.6 mb/d.

Chinese production growth for 2003 has been downgraded from 43 kb/d to 32 kb/d, largely because offshore production failed to show the growth in 4Q02 that was seen in the previous quarter. Although the offshore remains the best hope for incremental Chinese supply in future, progress in bringing onstream new reserves here to replace ageing onshore fields has been patchy, Penglai and Wenchang start-ups in 2002 notwithstanding.

Upward revisions have again been made to **African** production. Last month's reports of a slow-down in the decline in **Egyptian** production have been backed-up by BP/EGPC's success in bringing onstream the Edfu field in the Gulf of Suez in December at 10 kb/d. A further 15 kb/d is expected via new wells over the next 6 months. As a result, Egypt's forecast decline rate for 2003 has been slowed, adding nearly 10 kb/d to previous 2003 production estimates. This month's forecast also incorporates for the first time 40 kb/d of production by late-2003 from the PetroSA/Pioneer Sable development offshore **South Africa** and an initial 25 kb/d by end-2003 from **Chad's** Doba project. Progress on the pipeline link for the latter project has picked up pace, while a clearer picture of expected completion of a much-delayed FPSO for the former allows its inclusion now. Average production for Africa has therefore been revised up by 60 kb/d for 4Q03 and 20 kb/d for the year as a whole.

Within non-OPEC **Middle East,** production from Oman has been revised down by 10 kb/d for 2003 on the basis of Petroleum Development Oman's own expectations for the year which see an 8% decline. However, offsetting this in terms of absolute production, around 40 kb/d of condensate

production has been added in to Syrian supply both historically and for 2003 based on recent reports of prevailing production levels within the country.

OPEC NGLs and non-conventional output (not shown in the table above) has been revised downwards for both December 2002 and for the first half of the forecast period. December production has been revised downwards by 530 kb/d, wholly on the basis of lost supplies of upgraded and non-upgraded heavy oil, NGL and condensates due to the Venezuelan strike. It has been assumed that production here is phased back onstream from February, reclaiming pre-strike output levels by June. In total however, this results in a loss of 170 kb/d from average 2003 estimates for OPEC NGLs and non-conventional output, reducing growth for 2002-2003 to just 185 kb/d.

FOCUS ON VENEZUELA

Current Situation:

December oil production & exports

Total crude, NGL and condensate production in December averaged 900 kb/d vs. 3.4 mb/d in November. Conventional crude production averaged just over 700 kb/d compared to 2.65 mb/d in November, with output bottoming-out at or below 300 kb/d from mid-month.

Efforts were made to sustain Western production so as to maintain associated gas supplies. However, here, as in the Eastern and Southern producing basins production was reduced sharply as domestic crude storage filled and industrial action severely curbed exports. In the Orinoco region, ultra-heavy crude production fell to minimal levels by mid-month from nearly 500 kb/d in November. However, a lack of natural gas as fuel and diluent used to transport ultra-heavy crude to upgrading units, ensured that production from the country's three operating upgraders effectively fell to zero from mid-month.

Crude exports, estimated to have averaged 2.4 mb/d in November, fell back to 280 kb/d in December. After the first week of December, export activity was confined largely to Venezuelan owned or controlled vessels destined for PDVSA's subsidiary refineries, primarily on the US Gulf Coast. However, vessels are also believed to have set sail to other regional destinations, including Cuba. Private ship owners repositioned their vessels because of safety concerns, higher insurance premiums and the threat of becoming stranded due to a lack of port/logistical staff and facilities within Venezuela. Exports are estimated to have dipped to 145 kb/d in the third week of the month. They subsequently rose, allowing a draw in very high domestic stocks. Indications for early-January suggest that crude exports could have risen again slightly towards 350 kb/d.

	Production (kb/d)			**Loss/Gain of Supply (mb)**	
	November Production	December Production	January Production	Dec. vs. Nov	Jan. vs. Dec
Total crude + Orimulsion + NGL(1)	**3383**	**900**	**350**	**-74**	**-17**
Domestic Crude Runs (2)	1100	214	80		
Movements in domestic storage (3)	-117	406	-80		
Spot charters	na	45			
Non-spot vessel departures	na	235			
Total Exports	**2400**	**279**	**350**	**-63**	**+2**

(1) conventional crude plus upgraded heavy oil plus Orimulsion plus NGL/cond.
(2) excludes Curacao refinery
(3) inferred

Assessing the Loss of Crude Supply

- Taking November production levels as a base, the fall in Venezuelan production implies a loss in December totalling 74 mb. However, the loss from the international market in terms of exports was rather less, at around 63 mb. Although exports fell very sharply in relative terms, the absolute decline in volume was less than that seen for production. Exports in the first half of December averaged 270 kb/d, equivalent to 3.8 mb. There were reports early in the month that Venezuela had originally scheduled 25 mb of crude exports for the first half, implying a shortfall vs. planned levels for the two-week period of some 21 mb.

- It has been assumed that exports prevailing in early-January were around 350 kb/d and could be sustained through the month. This appears consistent with PDVSA's own fleet of eleven 500 kb tankers, each making two trips in the month. Recent reports suggest that the re-start of both refineries and crude production could prove a protracted task. It is assumed that crude runs remain close to end-December, averaging 80 kb/d through January. Equally, crude production was assumed at 350 kb/d, implying the loss of a further 17 mb of production (January vs. December). However, the modest rise in export levels assumed here is indicative of a 2 mb increase in the international availability of Venezuelan crude for January vs. December.

Domestic refinery activity

	November Average	Dec 1-7	8-14	15-21	22-28	Dec 29-Jan 04	December Average	Loss (mb) Dec vs. Nov
Crude Runs (kb/d)	1100	675	80	80	80	80	214	27.5
Implied Stock Change (kb/d)	20	-20	-120	-80	-70	-15	-67	-2.7
Product deliveries (kb/d)	480	425	200	160	150	180	229	7.8
Estimated product Exports (kb/d)	600	270	0	0	0	-75	52	17

Commentary on Venezuelan December Refinery Activity Table

- As shown above, the severe labour unrest brought a sharp drop in refining operations from early December. From the second week onwards, crude runs are estimated to have averaged only about 80 kb/d, down from more than 1.1 mb/d in November.
- Reflecting this drop in output and disrupted internal transportation, domestic product deliveries fell to 150 kb/d towards end-December from 480 kb/d in November, despite draws from stocks. Moreover, this dramatic decline in refining, along with the disruption of shipping, effectively halted Venezuelan product exports. These had averaged 600 kb/d in November. By month's end, and into early January, gasoline cargoes from Brazil, Trinidad and Russia turned Venezuela into a net product importer. Imports from these sources should average 50 kb/d over a four-week period, making a major contribution to consumption.

Market Prospects:

No quick resumption of Venezuelan production/export capacity

The momentum of the conflict between President Chavez and his opponents, according to news reports, has not dramatically reduced. The strikers are emboldened by their success and the list of their demands is growing. Key technical and management staff have been dismissed and have little hope of retaining their jobs if the strike ends. Management's influence will likely be further reduced if government restructuring plans are carried out. Having repeatedly announced an imminent return to normal, the government is under mounting pressure to deliver, and seems unwilling to compromise.

Production and exports will initially be capped by the capacity of the government-controlled tanker fleet. The government seems to have regained control of PDVSA's eleven 500 kb tankers. Cuban time-charter tankers also remain available as the island depends on subsidised Venezuelan crude. PDVSA tankers supplying affiliated refineries in the US will likely keep liftings at around 350 kb/d in January. It will take time for domestic refinery throughputs to exceed 150 kb/d. There is thus a high possibility that Venezuelan oil output will be depressed at around 350 kb/d in January.

Oil Operation Resumption Perspectives

- The Venezuelan government is unlikely to quickly restore production and exports. Even if it regains control of oil facilities, it will face a shortage of both domestic and international qualified technicians needed to restart fields, pipeline, refineries, dock loading facilities, etc.
- Tankers have been repositioned and foreign oil-service workers have been reassigned elsewhere. Foreign companies will not ask workers to return until they are satisfied with safety conditions (the same applies for insurance companies, which have suspended tanker coverage). Ancillary services must also resume (electricity, natural gas, diluent supplies…), which will take time. Even if foreign companies choose to resume operations in Venezuela, it will take time to reposition ships and relocate staff. If the strike ends, PDVSA is likely to face many changes and will not immediately resume full operations.
- There could be an initial surge in exports once the labour conflict is resolved, as cargoes are drawn from currently brimming export storage, but that would be a one-off factor. It will take time to re-activate oil fields that have been shut-in. Mature fields will have experienced pressure losses, and potential damage, from a lack of crude flow. Venezuela may also face short capital supply to fund a redevelopment initiative.

Heightened short-term market volatility

There is no easy replacement for Venezuelan barrels. Venezuelan crude, predominantly heavy and sour, normally trades at a discount to lighter and sweeter grades, and is not easily substitutable. Furthermore, there is limited spare production capacity elsewhere in the region. Incremental supplies from the Middle East Gulf are at least 40 sailing days away from Venezuela's key markets.

Global stocks of crude and products can be expected to fall, especially in the US, where they already are at record lows. Unless more short-haul crude is made available to bridge the gap before increased volumes of Middle East crude arrive, US refiners could be forced to reduce throughputs through January and early February, curtailing product output, pulling product stocks significantly lower.

US markets will attract product imports from more distant European and Asian markets. Lower stocks will pressure both crude and product prices. The market will be more responsive to news and uncertainty surrounding the weather and unscheduled outages, increasing the likelihood of short-term price swings on both the upside (for example, on fears of imminent war in Iraq) and the downside (for example, in response to news of relief measures such as an SPR release or higher OPEC exports).

Sustained loss of production/export capacity

Foreign tankers will not be widely available to Venezuela until safety issues have been resolved and political stability is achieved. Given recent experiences in Europe, with the sinking of two ships, and the memory of the Exxon Valdez, no private company will be willing to risk an unexpected accident. Safety and security issues will need to be resolved before there is a wholesale re-entry into Venezuela.

Financing problems will deepen the physical toll of shutting-in wells. Venezuela had trouble getting access to capital even before the start of the strike. Once the current conflict is over, the country will experience an even greater need for cash to restore production. However, due to concerns over political stability, international and private lenders and oil companies may be reluctant to lend capital or to commit to substantial investments. At decline rates of 15% or more in the older fields, and with minimal cash and access to foreign capital, Venezuelan production will not easily recover, and may experience a period of decline over time.

Effects of Well Shut-ins

- The prolonged shut-in of wells and uncertain political conditions will likely have a lasting and profound effect on oil-field conditions and output. This is, to a large extent, uncharted territory. In previous labour conflicts in Venezuela, the strikes were short-lived and the army was able to quickly regain control of facilities and maintain production. The current situation is different. Fields have been physically shut-in.
- There is no historical precedent to gauge how they will react. Oil geologists familiar with the terrain, warn that the geophysics of the reservoirs is deceptively simple. Low-pressure reservoirs such as those in Venezuela suffer more from being shut-in than higher-pressure ones. Some fields will take at least one or two months to return to previous production levels. Others face a permanent production capacity loss currently estimated at around 400 kb/d.
- The loss from well shut-ins may be even deeper if the current shutdown lasts much longer. (By way of comparison, crude output in the US Gulf, where both capital and expertise are easily accessible, still remains about 150 kb/d lower following hurricane-related shutdowns this fall.) Refining operations also will take many weeks to resume.

TRADE

OECD Trade

North American net crude oil imports stood at 7.24 mb/d in October 2002, 370 kb/d higher than in September. Port operations resumed on the US Gulf Coast after the storms passed, and crude oil imports to the region rebounded. In October, North America was a net importer of gasoil/diesel, absorbing 100 kb/d, compared to its position as a net exporter of 80 kb/d in September. Higher requirements for the product in October were driven by the approach of winter heating season allied to lower refinery crude runs.

OECD North America Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Aug 02	Sep 02	Oct 02	Latest month vs. Sep 02	Latest month vs. Oct 01
Net Imports/(Exports) of:											
Crude Oil	**7.44**	**7.46**	**7.07**	**6.92**	**7.13**	**7.26**	**7.79**	**6.87**	**7.24**	**0.37**	**0.04**
Products & Feedstocks	**1.28**	**1.37**	**0.94**	**0.95**	**1.32**	**1.16**	**1.04**	**1.19**	**1.26**	**0.06**	**0.24**
Gasoil/Diesel	0.04	0.08	-0.06	-0.05	0.00	-0.03	-0.03	-0.08	0.10	0.18	0.07
Gasoline	0.44	0.53	0.47	0.50	0.67	0.63	0.59	0.61	0.50	-0.11	0.02
Heavy Fuel Oil	0.28	0.28	0.17	-0.01	0.10	0.03	0.02	0.09	0.05	-0.04	-0.16
LPG	0.04	0.02	0.02	0.02	0.03	0.03	0.05	0.03	0.08	0.05	0.07
Naphtha	0.08	0.06	0.07	0.04	0.05	0.04	0.04	0.05	0.04	-0.01	-0.06
Jet& Kerosene	0.13	0.12	0.03	0.08	0.08	0.08	0.10	0.07	0.12	0.04	0.11
Other	0.27	0.28	0.25	0.38	0.39	0.37	0.28	0.42	0.36	-0.07	0.21
Total	**8.72**	**8.83**	**8.01**	**7.87**	**8.44**	**8.41**	**8.84**	**8.07**	**8.50**	**0.43**	**0.28**

Source: IEA MOS imports and exports data for extra-regional trade

The latest preliminary data for the United States show crude oil imports declining since the middle of December, especially on the US Gulf Coast, reflecting lower receipt of crude oil from Venezuela.

Net crude oil imports into **OECD Europe** stood at 7.46 mb/d in October, almost at the same level as September. Net gasoil/diesel imports also kept pace month on month at 450 kb/d in October due to steady regional demand.

OECD Europe Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Aug 02	Sep 02	Oct 02	Latest month vs. Sep 02	Latest month vs. Oct 01
Net Imports/(Exports) of:											
Crude Oil	**7.13**	**7.36**	**7.66**	**7.16**	**6.87**	**7.38**	**7.57**	**7.36**	**7.46**	**0.10**	**-0.32**
Products & Feedstocks	**1.19**	**1.51**	**1.65**	**1.77**	**1.32**	**1.42**	**1.29**	**1.36**	**1.56**	**0.20**	**0.18**
Gasoil/Diesel	0.32	0.45	0.51	0.58	0.41	0.35	0.28	0.47	0.45	-0.02	0.13
Gasoline	-0.23	-0.25	-0.27	-0.35	-0.41	-0.36	-0.40	-0.30	-0.28	0.02	0.06
Heavy Fuel Oil	0.09	0.13	0.17	0.30	0.22	0.26	0.26	0.18	0.32	0.13	0.07
LPG	0.19	0.17	0.22	0.20	0.09	0.11	0.10	0.11	0.19	0.09	-0.02
Naphtha	0.19	0.24	0.25	0.20	0.25	0.27	0.23	0.27	0.25	-0.02	0.06
Jet & Kerosene	0.13	0.21	0.21	0.18	0.20	0.23	0.26	0.19	0.15	-0.04	0.02
Other	0.50	0.55	0.57	0.66	0.55	0.57	0.56	0.45	0.48	0.03	-0.15
Total	**8.32**	**8.86**	**9.31**	**8.93**	**8.19**	**8.80**	**8.86**	**8.72**	**9.02**	**0.30**	**-0.14**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** were 5.94 mb/d in October, 210 kb/d higher than the previous month. Crude oil imports to Korea rose by more than 10% month on month due to increased refinery operations. On the other hand, crude imports to Japan were almost at the same level as the previous month. Although crude oil receipt by the Japanese utility sector was higher in October than September, due to increased requirements for oil-fired power plants following the shut down of nuclear facilities, crude imports by other sectors appeared lower, reflecting the weak Japanese economy.

OECD Pacific Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Aug 02	Sep 02	Oct 02	Latest month vs. Sep 02	Latest month vs. Oct 01
Net Imports/(Exports) of:											
Crude Oil	**6.71**	**6.65**	**6.51**	**6.66**	**5.87**	**5.80**	**6.20**	**5.72**	**5.94**	**0.21**	**-0.66**
Products & Feedstocks	**1.05**	**1.00**	**1.08**	**1.35**	**1.16**	**1.03**	**0.98**	**1.08**	**1.34**	**0.26**	**0.43**
Gasoil/Diesel	-0.20	-0.18	-0.18	-0.13	-0.15	-0.21	-0.22	-0.20	-0.14	0.06	0.09
Gasoline	0.00	-0.01	0.01	0.02	0.01	0.00	0.00	0.01	0.03	0.03	0.04
Heavy Fuel Oil	-0.11	-0.12	-0.11	-0.09	0.05	-0.07	-0.12	-0.05	0.00	0.06	0.11
LPG	0.56	0.52	0.51	0.57	0.52	0.49	0.50	0.54	0.55	0.01	0.07
Naphtha	0.66	0.64	0.62	0.71	0.65	0.72	0.73	0.69	0.71	0.02	0.15
Jet & Kerosene	-0.03	-0.03	0.03	0.09	-0.07	-0.09	-0.11	-0.07	-0.04	0.03	-0.04
Other	0.16	0.17	0.20	0.19	0.15	0.19	0.21	0.17	0.21	0.05	0.02
Total	**7.75**	**7.65**	**7.59**	**8.01**	**7.03**	**6.84**	**7.18**	**6.80**	**7.27**	**0.47**	**-0.23**

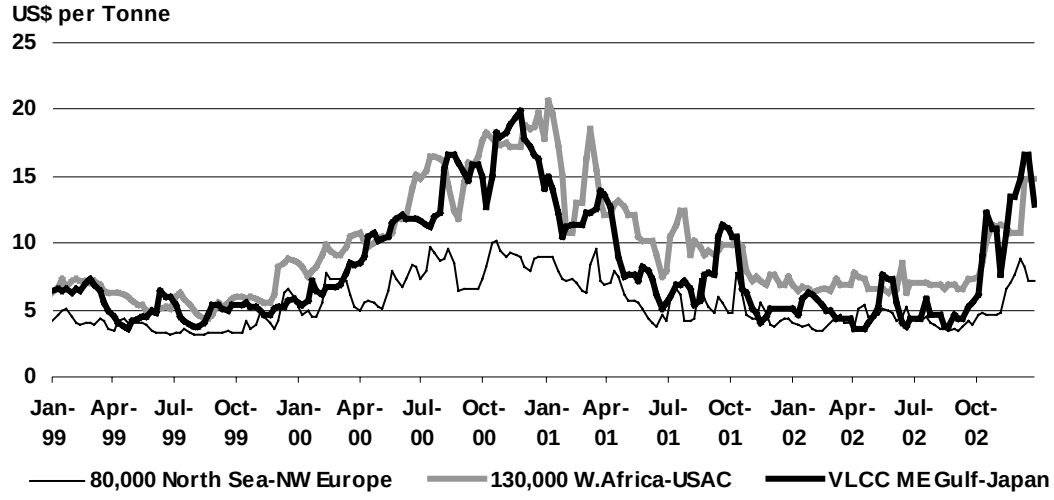
Source: IEA MOS imports and exports data for extra-regional trade

Preliminary data suggest that Japan imported more crude in November month on month, as refinery runs rose with higher demand for fuel oil in the utility sector. In addition, some Japanese oil companies built their inventories for fear of possible supply disruptions in the Middle East.

Freight

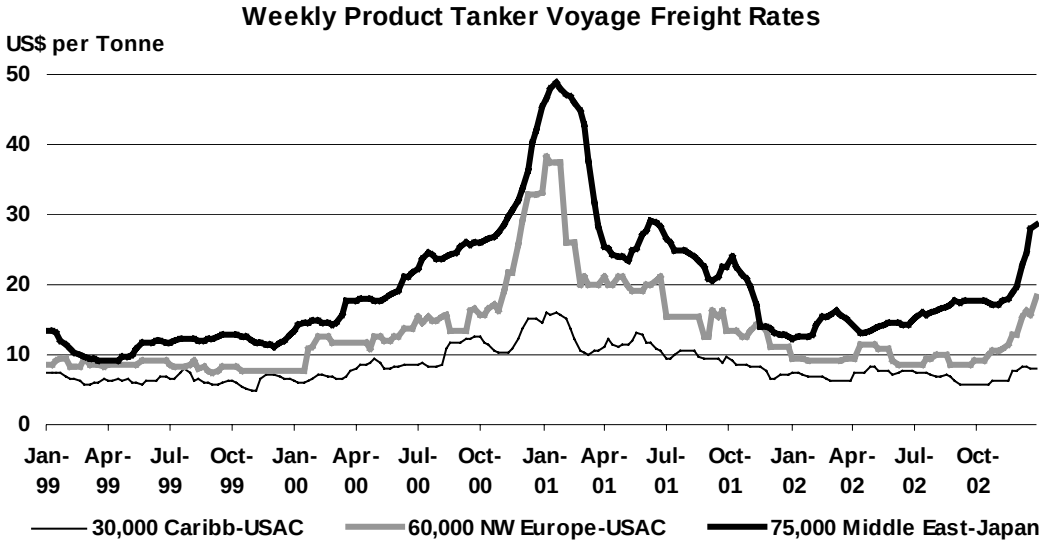
Freight rates for VLCC tankers were generally strong in the first half of December, with high tanker fixtures before the holiday season. After a temporary easing in the second half of the month, the rate surged again at the beginning of January. Available tanker tonnage was limited because Saudi Arabia chartered several VLCC/ULCC tankers to transport crude oil to the US to cover shortfalls resulting from the Venezuelan strike. An expectation that OPEC countries would raise crude oil production at the extraordinary meeting on 12 January also put upward pressure on the market at the beginning of January.

Weekly Crude Oil Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

Suezmax activity from West Africa to the US boosted freight rates in December due to strong requirements from US refiners to compensate for crude supply shortfalls from Venezuela. On the other hand, Aframax freight rates in Europe were less bullish than those for VLCC and Suezmax, as tanker availability was up following repositioning from Venezuela to the North Sea and the Mediterranean. In addition, as many Baltic ports were ice-bound and thus off-limits to standard Aframax vessels, overall supply of such tankers prevailing in Europe was more than ample and put downward pressure on the rates.



Source: SSY Consultancy & Research Ltd.

Product tanker freight rates to North Asia rose in December due to strong demand for petroleum products reflecting higher activity in oil-fired power plants in Japan and Korea. On the other hand, US requirements for petroleum products due to the onset of winter weather and activity to replace lost Venezuelan volumes pushed product freight rates up for the routes from Europe to the US in December.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) dropped sharply by 630 kb/d month on month to 5.22 mb/d in December. The decrease follows seasonal trends. Domestic demand rose for heating in winter, which decreased available petroleum for exports. In addition, the Black Sea terminals including the port of Novorossiysk suffered loading delays, due to stormy weather in the region, as well as congestion in the Bosphorus Strait, owing to restrictions on the passage of vessels. The Baltic Sea terminals also reduced petroleum exports as inland barge movements from St. Petersburg stopped for the winter.

In January, most of the Baltic Sea terminals became ice-bound, which has restricted tanker movements. With severe weather affecting the Black Sea terminals, this could put further downward pressure on the FSU's petroleum exports in January.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Black Sea Exports	1.99	2.55	2.30	2.63	2.74	2.54	2.66	2.69	2.27	-0.42	0.41
Baltic Exports	1.63	1.94	1.88	2.05	1.96	1.86	1.99	1.88	1.71	-0.17	0.31
Total Seaborne	**3.62**	**4.49**	**4.19**	**4.68**	**4.71**	**4.40**	**4.64**	**4.57**	**3.98**	**-0.59**	**0.72**
Druzhba Pipeline	1.06	1.08	1.05	1.01	1.12	1.13	1.11	1.16	1.12	-0.04	-0.02
Other	0.07	0.05	0.02	0.02	0.06	0.12	0.11	0.12	0.12	0.00	0.09
Total Exports	**4.75**	**5.62**	**5.25**	**5.71**	**5.89**	**5.64**	**5.87**	**5.85**	**5.22**	**-0.63**	**0.78**
Imports	0.00	0.01	0.03	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Total Net Exports	**4.74**	**5.61**	**5.22**	**5.70**	**5.88**	**5.64**	**5.86**	**5.85**	**5.22**	**-0.63**	**0.78**
Crude	3.37	3.94	3.69	3.92	4.13	4.01	4.13	4.15	3.75	-0.40	0.42
Products	1.37	1.67	1.52	1.78	1.75	1.63	1.73	1.70	1.47	-0.23	0.36

Sources: Petro-Logistics, IEA estimates

Transneft is considering improving infrastructure to raise crude oil export capacity by 25 mt/y (500 kb/d) by the end of 2003. The plan includes a project for expansion of the terminal in Novorossiysk, increasing the transportation capacity of the Baltic Pipeline System by at least 6 mt/y (120 kb/d) and a rehabilitation of the Druzhba-Adria pipeline, as mentioned below, which could add 5 mt/y (100 kb/d) to export capacity.

In Kazakhstan, the Karachaganak field is due to supply 120 kb/d of liquids to the CPC pipeline by July this year through a newly constructed pipeline link. The CPC pipeline currently transports 220 kb/d of crude oil from the Tengiz field to a Black Sea port near Novorossiysk.

On 16 December, the governments of Russia, Belarus, Ukraine, Slovakia, Hungary and Croatia reached an agreement to start rehabilitation of the existing Druzhba-Adria pipeline from Samara in Russia to the deep water port of Omisalj in Croatia, where crude will be loaded onto VLCCs. Initial capacity will be 100 kb/d, and Yukos and Tyumen Oil (TNK) will provide 50 kb/d each. The project is due for completion by the end of 2003. The pipeline could establish a route to export crude more economically from Russia to the US and other distant markets. It would also be the first major route to the Mediterranean by-passing the Bosphorus Strait.

On 10 January, Japanese Prime Minister Junichiro Koizumi met Russian President Vladimir Putin in Moscow, and agreed that the two countries, both government and private sector, will discuss prospects for increased co-operation for energy transportation projects in Siberia and the Russian Far East. Both countries have been considering Transneft's proposal for the construction of a 4000 km and 1 mb/d oil pipeline from Angarsk to Nakhodka with Japanese financial support. This project, however, could face competition from the Angarsk-Daqing pipeline proposed by Yukos and CNPC. The Russian government is reportedly working to reconcile the two pipeline proposals.

Chinese net crude oil imports were 1.11 mb/d in October, 20% lower than the previous month. Due to higher prices in the international market since the middle of August, Chinese refiners were reportedly hesitant to purchase crude oil. Chinese fuel oil imports declined month on month by 63 kb/d to 289 kb/d in October, with lower requirements from the country's utility sector. Chinese gasoline exports were 147 kb/d in October, 41 kb/d lower than in September, after the domestic product stocks were drawn down.

China Crude & Product Trade

(thousand barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Aug 02	Sep 02	Oct 02	Latest month vs. Sep 02	Latest month vs. Oct 01
Net Imports/(Exports) of:											
Crude Oil	**1179**	**1044**	**843**	**1061**	**1356**	**1377**	**1422**	**1385**	**1106**	**-279**	**228**
Products & Feedstocks	**287**	**329**	**406**	**307**	**342**	**422**	**424**	**467**	**391**	**-75**	**85**
Gasoil/Diesel	-6	0	0	-6	-8	-8	-3	-14	-42	-28	-40
Gasoline	-105	-134	-108	-93	-138	-183	-164	-188	-147	41	-30
Heavy Fuel Oil	192	313	325	187	254	344	315	352	289	-63	59
LPG	152	155	175	198	186	216	238	236	219	-18	60
Naphtha	-14	-19	-13	-9	-26	-15	-19	-6	-25	-19	-13
Jet & Kerosene	9	8	22	-3	10	6	-6	19	47	28	25
Other	59	5	5	34	64	62	62	68	52	-17	24
Total	**1466**	**1372**	**1249**	**1368**	**1698**	**1799**	**1846**	**1852**	**1498**	**-354**	**313**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Major Chinese oil companies will increase refinery throughputs in 2003 to 194 mt/y (3.89 mb/d), nearly 5% higher than in 2002, reflecting strong economic growth and firm petroleum requirements especially from the petrochemical sector. With domestic crude production expected to remain constant this year, China should import more crude oil in 2003 than in 2002.

Indian net crude oil imports stood at 1.82 mb/d in October, slightly lower than in September. Indian public refiners decreased imports by 10% as their storage facilities were topped out following an earlier stock build to counter possible supply disruptions in the Middle East. On the other hand, the private sector imported higher levels of crude oil in October than in September, as they ramped up their refinery operations.

India Crude & Product Trade

(thousand barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Aug 02	Sep 02	Oct 02	Latest month vs. Sep 02	Latest month vs. Oct 01
Net Imports/(Exports) of:											
Crude Oil	**1362**	**na**	**na**	**na**	**1700**	**1872**	**1995**	**1914**	**1821**	**-93**	**na**
(by Public Oil Cos)	**888**	**934**	**943**	**969**	**1038**	**1235**	**1263**	**1326**	**1188**	**-138**	**268**
Products & Feedstocks	**-3**	**-28**	**-38**	**-68**	**-129**	**-135**	**-172**	**-82**	**-7**	**74**	**36**
Gasoil/Diesel	1	-54	-48	-55	-45	-76	-96	-67	-49	19	-1
Gasoline	-22	-20	-16	-37	-54	-57	-50	-67	-47	20	-31
Heavy Fuel Oil	9	22	24	9	4	8	3	13	7	-6	-20
LPG	20	20	19	21	7	8	7	14	60	45	45
Naphtha	-46	9	-4	11	-14	-2	-14	10	22	13	37
Jet & Kerosene	68	29	21	23	2	5	2	26	1	-25	-24
Other	-33	-34	-33	-39	-30	-22	-23	-11	-3	8	30
Total	**1359**	**906**	**905**	**901**	**1571**	**1737**	**1824**	**1833**	**1814**	**-19**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 1Q 2002 are not available. For 2001 and from 4Q2001 to 1Q2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Net imports of crude oil to **Singapore** were 935 kb/d in November, nearly 100 kb/d higher than in October as refining operations increased. On the other hand, imports of heavy fuel oil declined to 293 kb/d in November from 428 kb/d in October. Fuel oil stocks were high in October, which decreased fuel oil flows to the country.

Singapore Crude & Product Trade

(thousand barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**840**	**822**	**722**	**813**	**829**	**772**	**841**	**839**	**935**	**96**	**103**
Products & Feedstocks	**-90**	**-10**	**37**	**33**	**-45**	**-53**	**-90**	**109**	**-128**	**-237**	**-129**
Gasoil/Diesel	-157	-121	-88	-123	-151	-171	-148	-136	-176	-41	-149
Gasoline	-82	-79	-88	-78	-98	-80	-94	-63	-59	4	41
Heavy Fuel Oil	341	360	363	360	322	330	282	428	293	-135	-5
LPG	-22	-21	-20	-19	-19	-18	-17	-15	-25	-9	-6
Naphtha	-33	-22	-5	20	7	-7	4	35	-40	-75	-53
Jet & Kerosene	-93	-80	-73	-67	-51	-53	-62	-81	-65	16	43
Other	-45	-48	-51	-62	-55	-54	-55	-59	-56	2	0
Total	**750**	**812**	**759**	**846**	**784**	**719**	**751**	**948**	**807**	**-141**	**-25**

Source: Singapore Monthly Oil Statistics, IEA estimates

OECD STOCKS

Summary

- Industry oil stocks in the OECD fell over one million barrels a day in November, leaving commercial storage at an estimated 2540 mb, some 107 mb below last year. November cover of forward demand fell by a day from October to close at 51 days. Crude inventories declined across OECD regions for a cumulative draw of 27 mb. With the onset of winter, OECD product stocks fell 13 mb in November, driven lower on distillate draws in the Pacific.

Preliminary Industry Stock Change in November and the Third Quarter 2002
(million barrels per day)

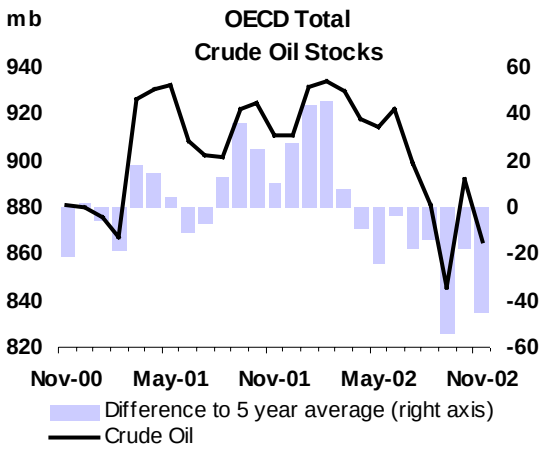
	November (preliminary)				*Third Quarter*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.27**	**-0.42**	**-0.20**	**-0.89**	**-0.53**	**-0.19**	**-0.10**	**-0.83**
Gasoline	0.28	0.02	0.01	0.31	-0.11	-0.05	-0.02	-0.18
Distillates	-0.08	-0.08	-0.25	-0.41	-0.01	0.01	0.10	0.10
Residual Fuel Oil	0.03	0.06	-0.06	0.03	0.01	-0.02	-0.03	-0.03
Other Products	-0.25	0.00	-0.12	-0.37	0.07	-0.05	0.00	0.02
Total Products	**-0.03**	**0.01**	**-0.42**	**-0.44**	**-0.03**	**-0.10**	**0.04**	**-0.09**
Other Oils[1]	0.19	-0.02	-0.01	0.15	0.14	-0.02	-0.03	0.09
Total Oil	**-0.11**	**-0.43**	**-0.63**	**-1.17**	**-0.43**	**-0.31**	**-0.09**	**-0.82**

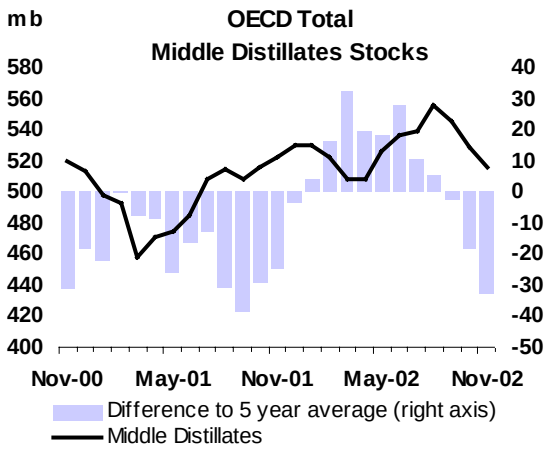
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- Atlantic Basin industry crude stocks in November were down 20 mb to 708 mb as crude demand rebounded with the completion of regional fall maintenance. While higher crude runs in the region, some 1.5 mb/d above October, forced stocks lower, the fall came off a more ample October inventory position than previously reported. Most of the draw took place in Europe where stocks declined 12.5 mb.

- November gasoline stocks edged higher by 0.7 mb in Europe in spite of higher refinery runs. Higher product output was balanced by a heavy export program to the US during November. US-bound Northwest Europe and Mediterranean shipments were pegged between 1.5 and 2 million tonnes, drawn by price strength in New York Harbour. North America witnessed an 8.5 mb gain primarily in US stocks. Inventories there regained some ground as product supply rose further and demand for finished gasoline eased back to year-earlier levels after posting successive months of yearly growth.

- OECD distillate stocks fell 12 mb in November as colder temperatures lifted heating demand. The Pacific led the draw with Japan and Korea declining a combined 7.4 mb, notably in kerosene. Stocks were off 5 mb in the Atlantic Basin. US-50 gasoil and diesel stocks, at 121 mb, held flat but ended 8 mb below the lower limit of their normal range. Inter-months spreads for NYMEX's No. 2 futures contract reflected tightening heating oil inventories in the key consuming Northeast region, closing November in backwardation. European distillate stocks were down despite the end of regional turnarounds and depressed local demand on account of warmer temperatures. Unusually high physical delivery into the IPE's November gasoil contract accompanied rising heating oil shipments to the tighter US market.





OECD Industry Stock Changes in November 2002

Industry crude stocks in the OECD fell by 27 mb in November with a seasonal rebound in refinery activity across all regions. In the Atlantic Basin, crude inventories closed November at 708 mb. Stocks in Europe and North America fell nearly 700 kb/d but from an 18 mb upwardly revised October base. While the decline in European storage was greater in absolute terms, the end-month European stock position was more comfortable. The spread in the prompt months for IPE's Brent contract traded on average at parity over the month while NYMEX WTI was in backwardation, reflecting a tighter US market. Including territories, US inventories fell nearly 9 mb. Low stocks persisted in the US mid-continent where storage levels, at 54 mb, held at near-minimum operating levels. US Gulf Coast inventories ended broadly level on ample availability of heavy/sour crudes in the cash market. In Europe, the emergence from turnarounds, cut 12.5 mb off inventories. The 6 mb draw in the Pacific came almost exclusively from Japan where runs were increased in response to low kerosene stocks and greater fuel oil requirements by utilities. Korean crude stocks were marginally changed. Refinery utilisation was kept low at around 84%, leaving product imports to compensate for lower output.

OECD product stocks were down seasonally in November, falling by 440 kb/d from October and around 900 kb/d since the beginning of the fourth quarter. Stocks closed the month at 1368 mb or at the bottom end of their five-range, driven lower by distillate stockdraws. Most of the November distillate decline came in the Pacific region. Colder temperatures in Northeast Asia bolstered heating demand and drove down kerosene stocks as product supply failed to keep pace. The decline in distillate stores was also supported by lower gasoil stocks in Korea. The Atlantic Basin saw moderate draws. US-50 stocks were mostly steady, on higher diesel inventories and possibly postponed deliveries due to the Thanksgiving holidays. However, heating oil in the US saw stocks decline further in the key consuming New England and the Central Atlantic States. In Europe, distillate inventories fell despite higher product output and ongoing depressed inland deliveries of heating oil. Sales out of storage were supported by cash price premiums for both gasoil and jet against IPE's front month gasoil contract. Jet/kerosene stocks began to decline from October, backed by sales via the pipeline system to the aviation sector. Gasoil exports have also helped to keep a lid on stocks. Russian material has been diverted away from Northwest Europe in favour of the US market. Tender volume for the IPE's November gasoil contract was high and settled by an unusual amount of physical delivery - also destined for transatlantic delivery.

OECD gasoline stocks rose in November to 371 mb on gains in North America. Storage elsewhere was broadly unchanged. European stocks moved sideways as product exports continued to dispose of excess supply. Gasoline prices in New York Harbour spiked in early November, opening arbitrage opportunities, and leaving independent storage in ARA flat over the month. Some 1.5 to 2 mt of material was reported to be exported. In the US, high import levels and rising production overtook demand for finished product. Finished gasoline stocks rose 4 mb while blending components grew a near 3 mb on imported supply.

Revisions and Preliminary OECD Stocks at the end of November 2002

OECD oil stocks for October were revised upward by 24 mb, mainly in crude inventories. Atlantic Basin crude stocks were raised by 18.5 mb barrels. Higher European storage came in Norway, in line with the end of North Sea maintenance, and to a lesser extent in Italy. Stocks in France and German were revised lower. Crude stocks were raised 7 mb in the US. Most of the correction was accounted by US territories rather than US-50. Mexican storage was also revised higher. In products, distillate stock adjustments dominated revisions in the Pacific and Europe. In North America, 'other products' were reduced with an upward revision to US demand whereas higher gasoline stocks followed a downward revision to demand.

Revisions Versus 11 December 2002 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Sep 02	Oct 02	Sep 02	Oct 02	Sep 02	Oct 02	Sep 02	Oct 02
Crude Oil	**0.7**	**10.5**	**-4.0**	**8.0**	**0.0**	**6.9**	**-3.3**	**25.4**
Gasoline	-0.5	1.7	0.1	1.1	0.0	0.4	-0.5	3.2
Distillates	1.2	-0.3	1.2	2.9	0.0	-1.7	2.4	0.8
Residual Fuel Oil	0.3	0.8	-1.5	1.4	0.0	0.3	-1.2	2.5
Other Products	-1.7	-4.7	-0.2	-2.2	-0.1	0.2	-2.0	-6.7
Total Products	**-0.7**	**-2.6**	**-0.4**	**3.2**	**-0.1**	**-0.8**	**-1.2**	**-0.2**
Other Oils[1]	1.1	-3.6	-0.4	2.4	0.0	0.0	0.7	-1.2
Total Oil	**1.1**	**4.3**	**-4.7**	**13.5**	**-0.1**	**6.1**	**-3.7**	**24.0**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Year-on-Year Industry Stock Comparisons for November 2002

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-28.4**	**1.8**	**-19.2**	**-45.7**	**Total Oil**	**-4.2**	**0.1**	**-7.4**	**-3.5**
Total Products	-37.0	12.0	-29.5	-54.5	*Versus 2000*	*1.7*	*-1.2*	*-6.9*	*-0.8*
Other Oils[1]	7.2	-3.9	-9.9	-6.7	*Versus 1999*	*-0.8*	*0.2*	*-6.3*	*-1.6*
Total Oil	**-58.2**	**9.9**	**-58.6**	**-106.9**	**Total Products**	**-2.5**	**0.4**	**-3.7**	**-1.8**
Versus 2000	*29.3*	*-2.2*	*-61.6*	*-34.4*	*Versus 2000*	*0.8*	*-1.0*	*-3.5*	*-0.6*
Versus 1999	*-6.5*	*9.4*	*-56.4*	*-53.6*	*Versus 1999*	*-0.8*	*-0.4*	*-3.0*	*-1.1*

1 other oils includes NGLs, feedstocks and other hydrocarbons

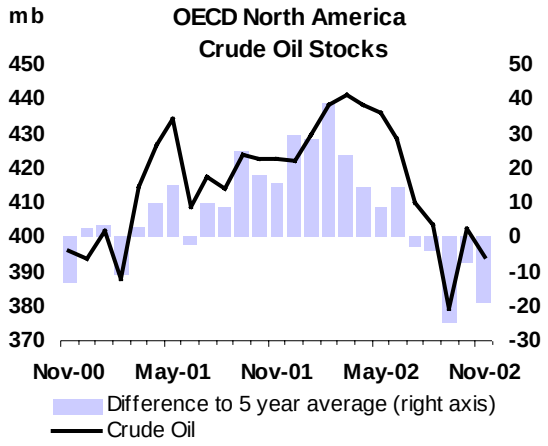
Comparisons from a year-ago placed OECD oil stocks in November down by 107 mb and by 34 mb when set against year 2000, when stocks were low. Europe emerged as the only region where inventories posted a surplus in both crude and product. In contrast, oil stocks in North America and the Pacific were lower by over 50 mb. On the product side, both regions were singularly affected by a delay in distillate production ahead of winter. In North America, this was mainly due to US gasoline demand strength that extended beyond the traditional driving season, skewing refinery yields away from heating oil. The deterioration in demand cover by product stocks in the Pacific, due to low kerosene stocks, was worsened by incremental Japanese fuel oil demand for power generation. This stemmed from the closure of nuclear plants at Tokyo Electric Power Corp (TEPCO). In terms of days cover, OECD oil stocks met 51 days of forward demand in November, off 3.5 days from last year and by 4 days since the end of the second quarter. Total oil stocks covered 50 days of oil product demand in North America, 59 days in Europe and 43 days in the Pacific.

OECD Regional Stock Developments

North America

US-50 crude stocks fell in November with an 800 kb/d increase in crude runs, closing the month at 288 mb. Most of the rise in throughput was limited to the mid-continent (PADD II) and the Gulf Coast (PADD III). PADD II stocks fell back to 54 mb whereas in PADD III, they were broadly flat, supported by an influx of foreign heavy-sour crudes. Deliveries to the Strategic Petroleum Reserve (SPR) accelerated in November as an additional 5 mb took the reserve to 595 mb. US refiners in November were also managing year-end inventory targets for tax purposes, postponing purchases of crude, as is customary, for January delivery.

The impact on US crude stocks of 'force-majeure' declared Dec 6 on scheduled vessels for crude and product delivery by the Venezuelan state oil company, PdVSA, was slow to materialise. EIA data showed crude stocks stable at about 287 mb with imports above 9 mb/d for two weeks. The expected drop in inventories only came in the week ending Dec 27 with stocks falling by 9.1 mb barrels, essentially in the Gulf Coast, the typical destination for Venezuelan crude. It is likely that sales out of Caribbean storage compensated for some of the shortfall. Crude runs in PADD III only came down late in the month. But Venezuelan storage in the Caribbean was reported to be low, suggesting that most replacement crude had to be purchased spot from other sources and was likely to provide a one-off support to stocks.

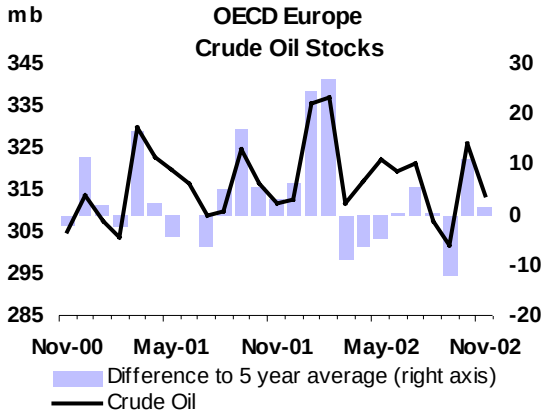


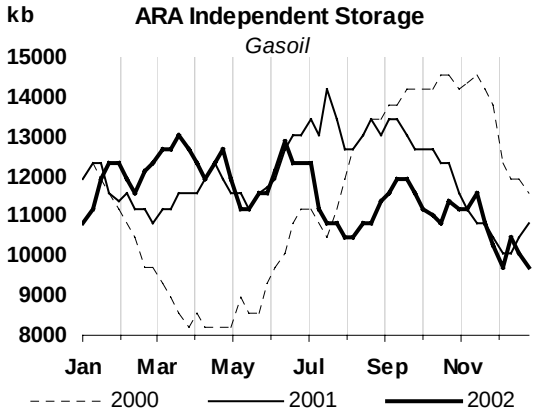
Most severely affected by the loss of crude was refinery operations PdVSA's U.S subsidiary Citgo. Citgo's 500 kb/d Hovensa refinery at St Croix was hoping to resume normal runs by mid-January. Reports on Citgo's other facilities were mixed. Runs at Lyondell near Houston (270 kb/d) were also cut. Reports were conflicted for Corpus Christi (160 kb/d) in Texas, and Lake Charles (320 kb/d) in Louisiana. While US stocks of gasoline built and distillate levelled on weaker demand and high imports in December, the loss of product output going forward can only be replaced in part by foreign supply.

The loss of Venezuelan crude has also prompted re-negotiation of scheduled deliveries to the SPR as some 6 mb of oil scheduled for December and January delivery were adjourned. Early January data from the EIA, showed crude stocks virtually level at 279 mb with Gulf Coast inventories rising 2 mb. Sweet-sour differentials stopped narrowing on the arrival of planned crude delivery for January. Further discretionary throughputs reductions also held-up crude stocks. The relief may prove temporary if throughputs are not cut further. But what may stabilise crude stocks is likely to set-up a tighter gasoline market for the summer (notably for reformulated gasoline), especially in light of heavy maintenance scheduled for February.

Europe

European crude stocks fell a little over 12 mb in November to an estimated 313 mb on crude demand. Throughputs rebounded as refiners exited from maintenance, rising by 642 kb/d. Most of the stockdraw was centred in Northwest Europe with inventories falling in the Netherlands by over 5 mb and to a lesser extent in France (-1.9 mb) and Germany (-0.7 mb). December crude stocks, by preliminary indications, continued to fall as crude runs edged higher in the region in spite of a weaker margin environment. Additional product was destined for export as the loss of Venezuelan supply led to firmer cash oil product markets in New York Harbour and the US Gulf Coast.



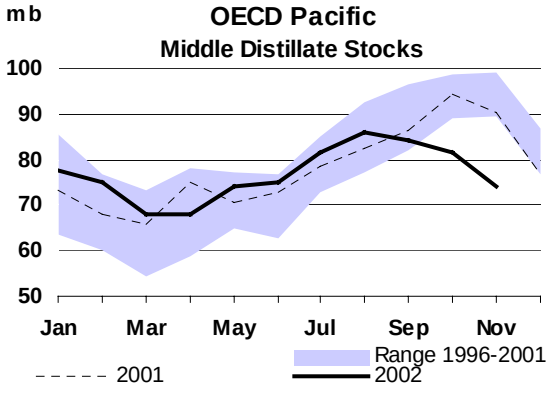


European product inventories remained broadly level in November at 534 mb despite increased refinery runs. Gasoline stocks were 0.7 mb higher from October. Barge activity increased in ARA to move product to independent storage for export but stocks ended flat on the month. In December, ARA stocks climbed in parallel with industry stocks for the region at large. A more pronounced build-up was held-back by US-bound exports, reported to be comparable in volume to the 1.5 to 2 million tonnes that were seen in November. The December gasoline market was also supported by refinery buying by Statoil following refinery problems at its Danish and Norwegian facilities. Stocks are likely to remain capped in January by sustained transatlantic flows to compensate the shortfall of Venezuelan product. In ARA, product supply will be tighter with Nerefco's Rotterdam refinery closing one of its 200 kb/d distillation units.

Distillate stocks drew 2.3 mb in November though demand for diesel was down in France, Germany and the UK and inland heating oil deliveries remained generally weak. The decline came as jet was sold from storage to the aviation sector, more domestic and Russian heating oil were exported to the US market and stronger spot prices against futures encouraged sales. Industry stocks in December have fallen further, in part due to colder weather, but remained in the middle of their normal range. More exports of gasoil are likely to account for the December decline along with more sales of jet from storage. Physical gasoil premiums also strengthened against front-month futures. The tender volume for IPE's December gasoil contract was similar to that in November, at 414.7 mt, part of which was again settled by unusually high physical delivery of product - reportedly destined for export. Gasoil independent storage declined to a seasonal low on product flows to the US. Cargo movement was also reported to France and Germany.

Pacific

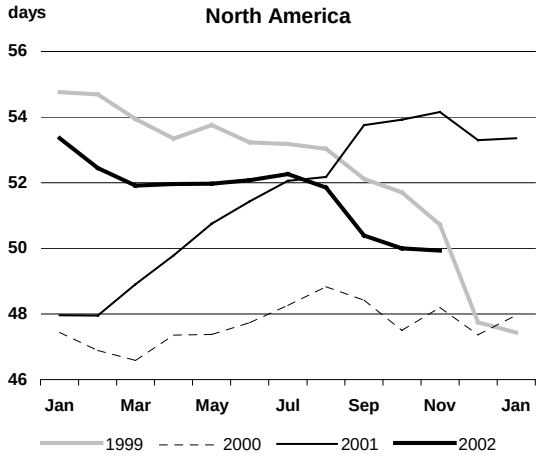
Higher Japanese crude runs and a consequent 6 mb crude draw lowered Pacific crude stocks to 158 mb in November. Korean stocks were little changed from an upward revised October position. The Japanese rebound in runs was stronger than in previous years and came as Japan was on course to raise crude import volumes. Higher runs were needed to replenish dwindling stocks of kerosene stocks. Equally, 'C' type fuel oil was also required for power generation following nuclear power plant closures at TEPCO. Unusually low crude stocks in Japan and Korea have led to more aggressive purchases of West African crude.

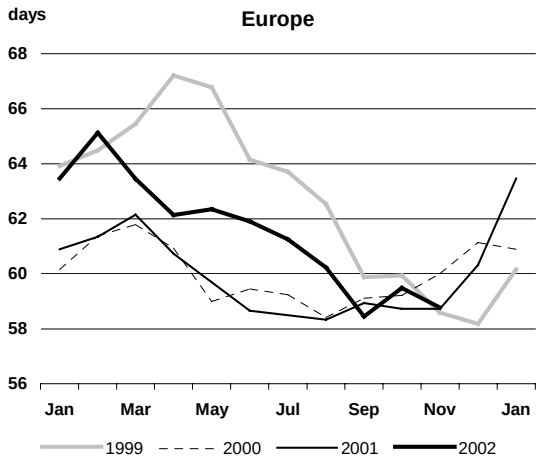


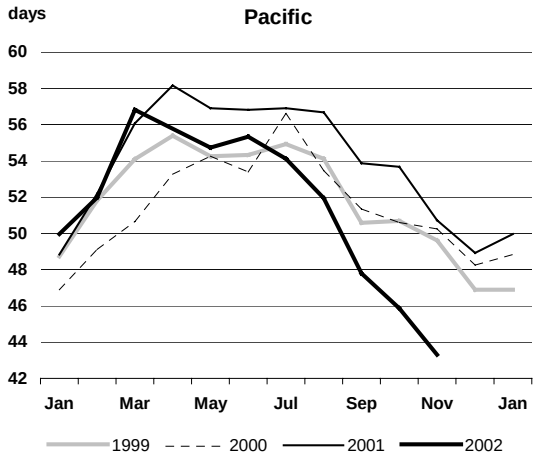
Japan, in particular, was reported to have secured the bulk of 1.4 mb/d of West African crude sales headed to Asia and loading in January. Pacific distillate stocks closed November down at 74 mb. In Korea, colder weather also tightened kerosene stocks. This was reflected in reduced year-to-date exports. Gasoil stocks equally declined in Korea on increased economic activity but also on tender volumes to be delivered the state agency, Korea National Oil Corporation. Further gasoil tenders were also reported for December.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

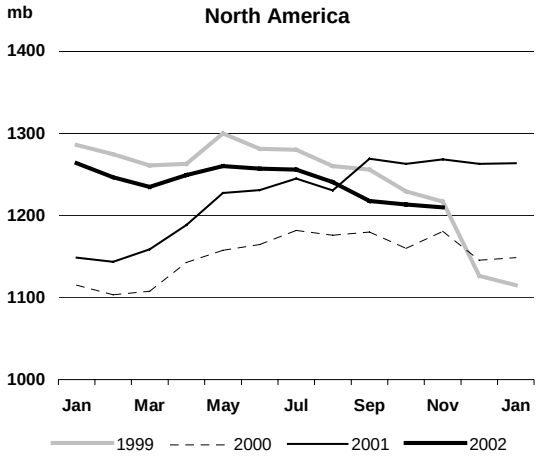
Days[1]

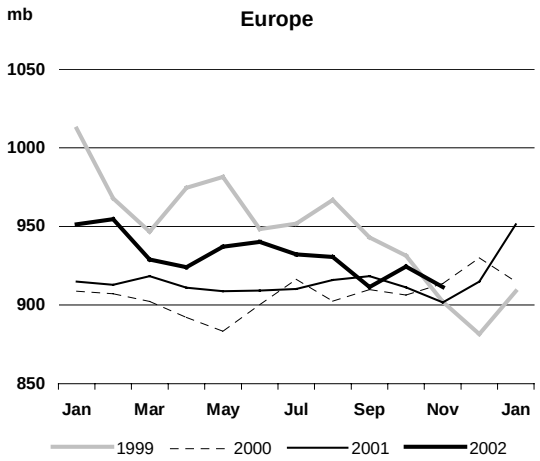


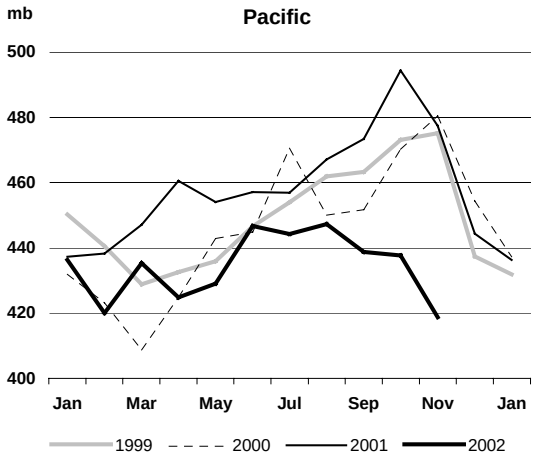




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Crude oil prices** rose sharply in December, driven by tight stocks and increasingly, by the loss of 2.48 mb/d of Venezuelan production. With Venezuelan supplies disproportionately heavy/sour, their loss significantly affected key differentials as well as the overall level of world prices. Cash prices for benchmarks WTI and Brent were supported above $30 through mid January while Dubai moved sideways below $28.

- **WTI NYMEX** and **IPE Brent** averaged $29.39 and $27.48 respectively. The forward price curves became steeper, with stronger backwardation (premium for prompt prices) indicating growing concerns over near-term crude availability. In December, speculators became increasingly bullish, but their expectations reversed by early January when Non-Commercials were net short 5,000 positions.

- **WTI Cushing** averaged $29.45 in December, **Dated Brent** $28.67 and **Dubai** $25.73. With Brent gaining on WTI and Dubai, incentives for arbitrage to the United States, and especially, to Asia were reduced. With growing demand for suitable crudes to replace lost Venezuelan volumes, differentials favouring light sweet crudes against heavier, sourer grades narrowed. The WTI-WTS (West Texas Sour) and WTI-Mars spreads narrowed sharply, as did comparable differentials for internationally traded heavy/sour grades.

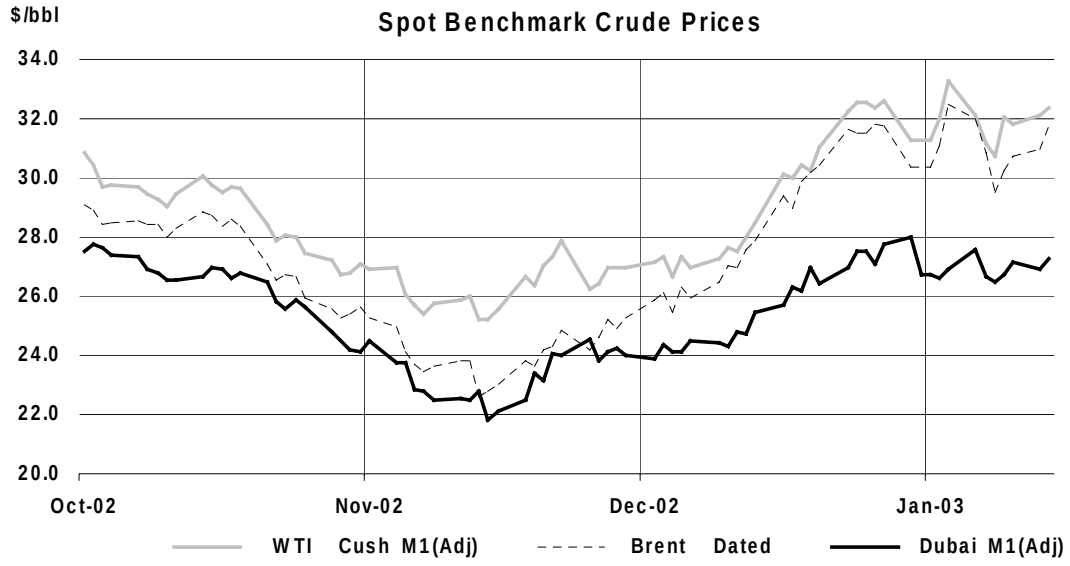
- **Product prices** generally rose in December, but in most regional/product markets, they increased by less than underlying crude prices. Gross product worth declined relative to crude costs on a monthly average basis, reducing refining margins in all four major regions.

- **Gasoline** prices in the US lagged crude price gains in December, as import flows from Europe, along with high output levels, offset upward pressures from surprisingly buoyant demand.

- **Gasoil** and jet/kerosene prices strengthened against crude in the US and weakened in Europe. In Singapore, jet/kerosene strengthened due to weather related demands, but gasoil weakened

- **Monthly** average refining margins fell in all major markets. However, US Gulf Coast cracking margins rose substantially by month-end and remain firmly positive. Singapore margins remained relatively strong.

- Preliminary estimates indicate that **OECD refinery throughputs** averaged 38.64 mb/d in November, a 2.17 mb/d increase from October's unusually low levels, although still 190 kb/d below November 2001 runs.



Crude Oil Prices

Spot Crude Prices and Differentials in December

Crude oil prices rose sharply throughout December. Front-month **WTI NYMEX** averaged $29.39, closing the month at $31.25, up $4.26 from the end of November. **IPE Brent** averaged $27.48.The benchmark physical crudes also moved up, with **WTI Cushing** averaging $29.45, **Dated Brent**, $28.67, and **Dubai**, $25.73. On average, product prices rose by less than underlying crude prices, so margins weakened.

Rising crude prices in large part reflected the low stocks and the escalating supply losses resulting from the strike in Venezuela which crippled oil production from early December onwards. This massive shortfall far outweighed the gains in output from other OPEC nations and the modest increment in non-OPEC production and incremental sales from storage in the Caribbean. Compounding upward price pressures were continuing growth in consumption, rising demand for crude from refiners returning from maintenance and the tight OECD inventory position going into the month.

Spot Crude Oil Prices and Differentials*

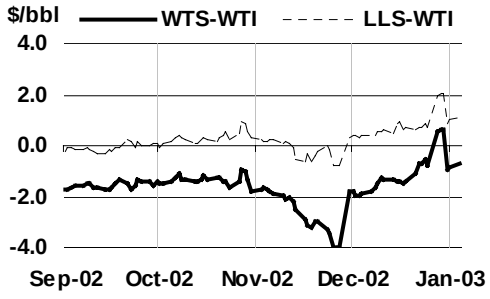
(monthly and weekly averages, $/bbl)

	Oct	Nov	Dec	Dec-Nov		Week Beginning:				
				Change	*%*	25 Nov	02 Dec	09 Dec	16 Dec	23 Dec
Crudes										
Brent Dated	27.58	24.10	28.67	4.57	19.0	24.84	25.94	27.20	29.77	31.70
WTI Cushing 1 month (adjusted)	28.87	26.29	29.45	3.16	12.0	26.24	27.09	27.78	30.38	32.40
Urals (Mediterranean)	26.02	22.87	27.72	4.85	21.2	23.71	24.94	26.21	28.82	30.82
Dubai 1 month (adjusted)	26.32	23.31	25.73	2.42	10.4	24.14	24.20	24.73	26.32	27.34
Tapis	27.89	26.89	30.27	3.38	12.6	27.92	28.03	28.84	30.87	32.44
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	1.29	2.19	0.78	-1.41		1.40	1.14	0.58	0.61	0.70
Urals (Mediterranean)	-1.56	-1.23	-0.95	0.28		-1.12	-1.01	-0.99	-0.95	-0.88
Dubai	-1.26	-0.79	-2.94	-2.15		-0.70	-1.74	-2.47	-3.45	-4.36
Tapis	0.32	2.79	1.60	-1.19		3.09	2.09	1.64	1.10	0.74
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.18	0.04	0.54	0.49		-0.04	0.25	0.51	0.80	0.97
WTI Cushing 1mth-2mth (adjusted)	-0.40	0.71	0.71	0.00		-0.27	0.15	0.03	0.14	0.11

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

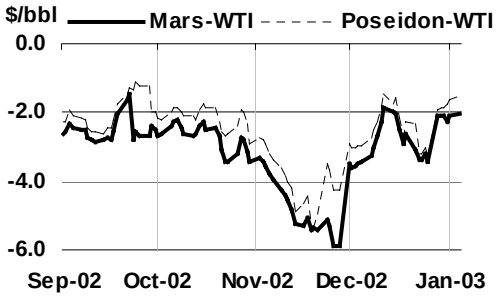
Dated Brent prices rose more sharply than WTI Cushing. The **WTI-Dated Brent** spread between monthly averages in December narrowed to only $0.78, discouraging transatlantic arbitrage. Imports into the US stayed higher than the WTI-Brent spread would suggest. Supporting this, differentials for other North Sea and West African crudes against Brent widened. The **Brent-Dubai** differential**,** a key driver of arbitrage to Asia for Brent-related crudes such as West African exports, widened from $0.79 to $2.94 in December.

Such a wide spread impairs the economics of pulling West African crudes to Asia since they are too costly compared with Middle Eastern supplies. Nevertheless, significant term contract volumes apparently continued to flow to Asia out of West Africa.

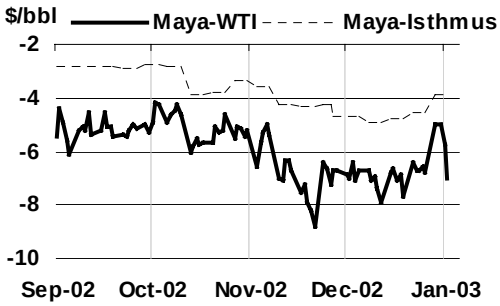


Besides driving up the overall level of crude oil prices, the Venezuelan "supply shock" had a major impact on the structure of crude price differentials. The **WTI-LLS** (Louisiana Light Sweet) differential is the traditional marker of the US Midcontinent-US Gulf Coast pricing relationship.

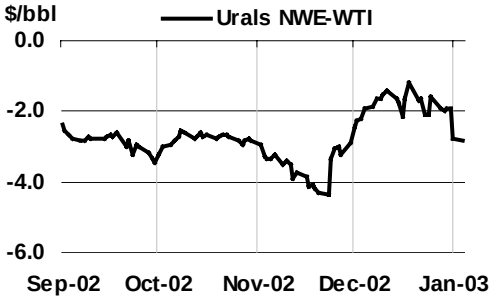
In December, despite market tightness in the Mid-continent and reduced Venezuelan supplies into the Gulf Coast, the WTI-LLS differential widened in favour of LLS. This reduced the incentive to move Gulf crude supplies into the Midcontinent. Equally, with Gulf Coast refiners seeking to offset shortfalls of generally heavy sour Venezuelan crudes, prices of substitute grades were bid up, narrowing differentials with lighter, sweeter grades. The average **WTI-WTS (West Texas Sour)** gap thus narrowed to $1.52 in December versus $2.38 in November and the average **WTI-Mars** differential closed to $2.90 from $4.50 in November.



Comparable competitive forces operated on international crudes. A similar quality crude to much of Venezuelan heavy production is **Mexican Maya**. Maya is a heavy/sulphur crude with a high metals content. The discount for Maya against WTI**,** which had opened dramatically in November beyond $6, retraced losses substantially in December as the differential was brought back to $5.40 by month's end. Gains versus Isthmus, a medium gravity Mexican crude were less pronounced. Differentials moved with a lag, narrowing only by late December.

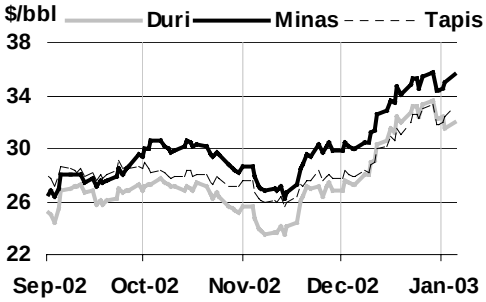


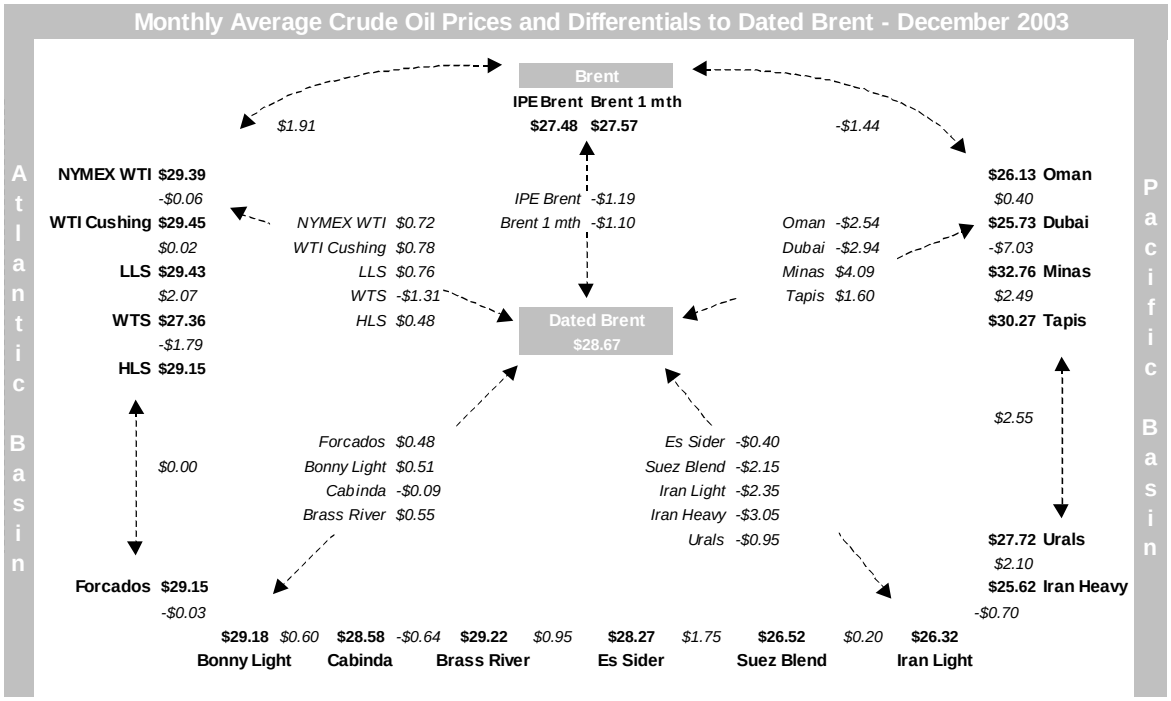
The average **WTI-Urals** differential narrowed to $1.82 in December, from $3.61 in the previous month. With Basrah Blend and Kirkuk crudes seen as replacements for some unavailable Venezuelan supplies, spot prices for Iraqi crude have likewise risen against Atlantic Basin markers.



In Asia, inverted price relationships among regional benchmark crudes became even more apparent. Continuing strong demand for direct-burn crude by Japanese utilities drove the price of Indonesian Minas (35 API, 0.8% sulphur) even further above the price of Malaysian Tapis (45 API, 0.2% sulphur).

The (unusual) **Minas-Tapis** average premium widened to $2.49 in December. **Duri** is another Indonesian crude in demand for direct burning by Japanese utilities and usually trades at a discount to Minas. In December, Duri price increases outpaced gains in Minas prices, narrowing the differential between them.





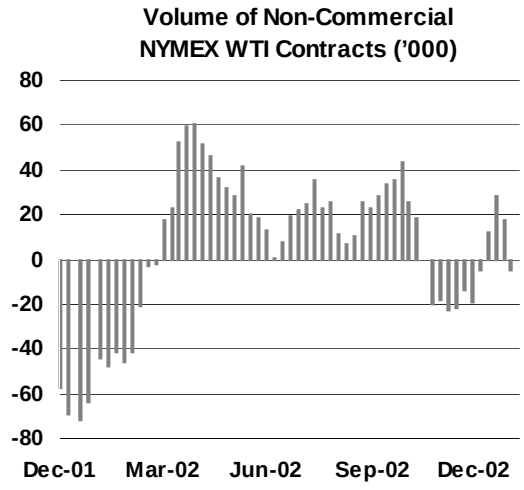
Crude Futures in December

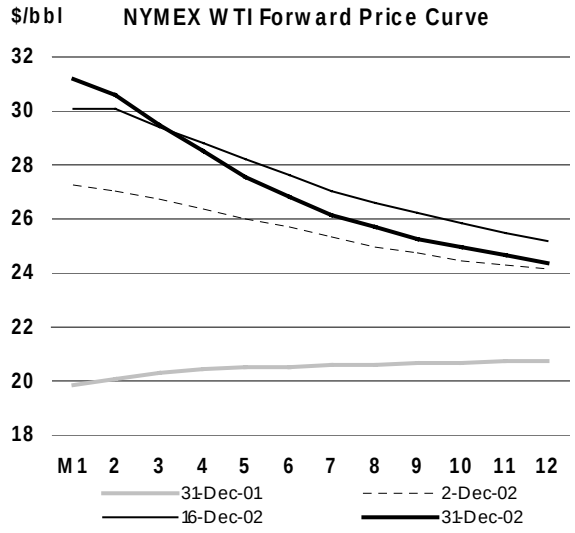
WTI futures generally tracked physical spot WTI prices in December, with the difference shrinking to an average of only six cents. However, in the Brent markets, prices for physical supply gained substantially against the paper counterpart, indicating extremely tight physical markets. In December, Dated Brent was on average $1.19 higher than its IPE futures contract.

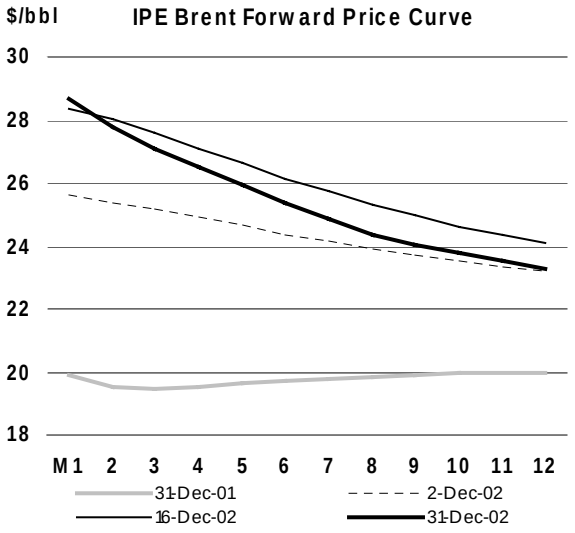
The WTI NYMEX forward price curve became noticeably steeper as backwardation increased with the tightening of prompt physical supplies. Backwardation (premium for prompt prices) constitutes an economic disincentive to build stocks.

The IPE Brent forward price curve also became more backwardated in December as international crude markets tightened. However, the forward Brent curve continued to be somewhat less steep than WTI NYMEX, which is more sensitive to conditions in the US Mid-continent as well as reflecting broader market trends.

The volume of **Non-Commercials** or speculative net long positions for WTI NYMEX trended upward during December. The non-commercials (or speculators) held almost 20,000 net short positions at the beginning of December but reverted to holding 28,000 net long positions by the fourth week of December. However, by early January, they had again gone short crude contracts, with a net short position of 5,000. These movements added momentum to price adjustment and reflect changing expectations.







Delivered Crude Prices in October

Delivered prices for crude oil imported into IEA countries decreased from $27.24 in September to $26.98 in October, a reduction of $0.26 (See Table 8 at the back of the Report). However, while prices fell by $0.72 in IEA Europe and $0.53 in IEA North America, prices in IEA Pacific rose by $1.05.

The drop in IEA Europe and North America mirrors the weakening of Atlantic Basin crudes in October. The rise in delivered prices into the IEA Asia Pacific region reflects the strengthening of Dubai prices in September since crude programs are negotiated a month prior to arrival.

Product Prices

Spot Product Prices in December

Product prices generally rose last month. In dollar terms, product price increases generally lag those of crude in periods of rapid adjustment. Product price movements reflected specific factors impacting individual regions and products. Moreover, price trends for underlying crudes also differed between the four major regions. Nevertheless, in aggregate, refined product prices weakened relative to crude. With gross product worth losing ground relative to crude prices, aggregate refining margins weakened in December. This potentially could impact refining throughput and product supply in coming weeks, especially if crude prices are driven up further.

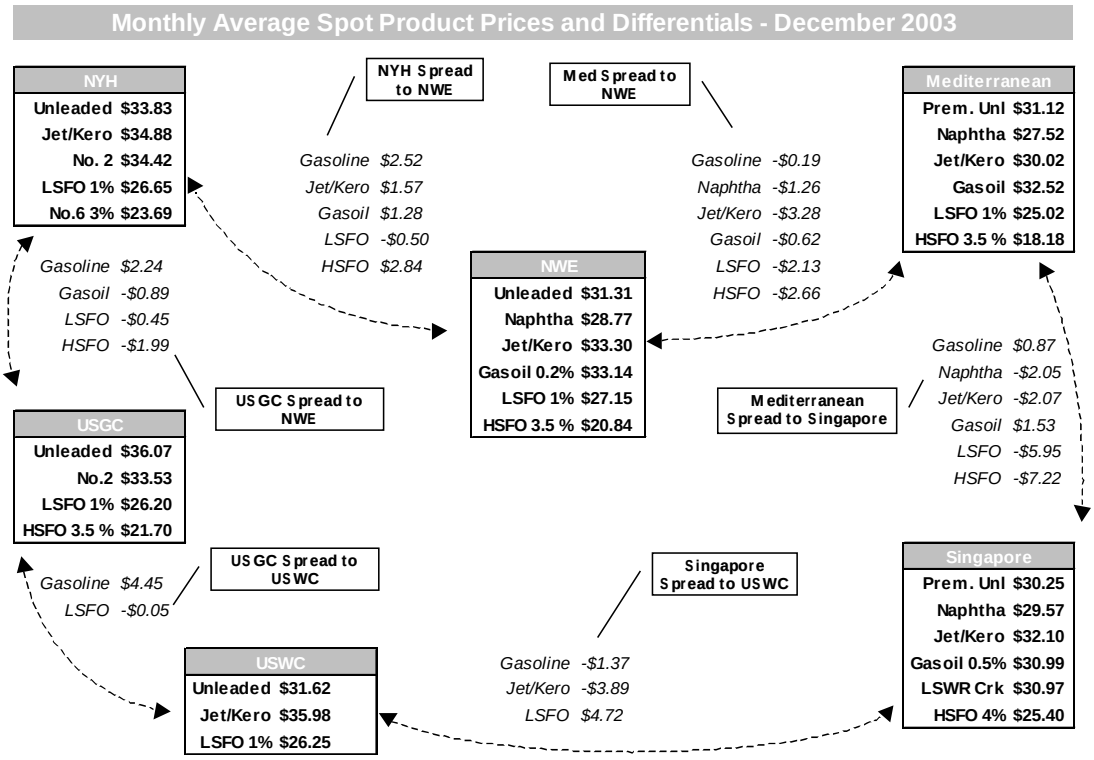
Spot Product Prices
(monthly and weekly averages, $/bbl)

	Oct	Nov	Dec	Dec-Nov		Week Beginning:					Oct	Nov	Dec
				Change	*%*	25 Nov	02 Dec	09 Dec	16 Dec	23 Dec			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	32.74	28.38	31.91	3.53	12.4	28.53	29.83	30.41	33.35	33.83	5.16	4.28	3.24
Regular Unleaded	32.19	27.88	31.31	3.43	12.3	27.98	29.26	29.83	32.73	33.21	4.61	3.78	2.64
Naphtha	26.54	24.12	28.77	4.65	19.3	24.87	25.64	27.15	30.14	32.39	-1.04	0.02	0.10
Jet/Kerosene	33.44	30.56	33.30	2.74	9.0	31.92	31.17	31.63	34.58	35.90	5.86	6.46	4.63
Gasoil	31.72	28.96	33.14	4.17	14.4	30.67	30.61	31.52	34.39	36.17	4.14	4.86	4.47
Fuel Oil 1.0%S	28.28	24.53	27.15	2.62	10.7	24.23	24.48	25.85	28.55	29.57	0.70	0.43	-1.52
Fuel Oil 3.5%	23.40	19.18	20.84	1.66	8.7	19.58	19.13	19.31	21.47	22.82	-4.18	-4.92	-7.83
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	32.41	27.98	31.84	3.86	13.8	29.05	29.13	30.17	33.26	35.07	6.39	5.10	4.12
Premium Unleaded	31.69	27.26	31.12	3.86	14.2	28.34	28.41	29.45	32.54	34.35	5.67	4.38	3.40
Naphtha	26.02	23.35	27.52	4.17	17.8	23.93	24.49	25.91	28.77	31.10	-0.01	0.48	-0.20
Jet/Kerosene	31.59	28.08	30.02	1.94	6.9	28.91	28.20	28.38	31.34	32.22	5.57	5.21	2.30
Gasoil	30.33	28.35	32.52	4.17	14.7	29.65	29.83	30.89	34.30	34.90	4.31	5.47	4.80
Fuel Oil 1.0%S	25.23	22.10	25.02	2.92	13.2	22.77	23.12	23.85	25.86	26.96	-0.79	-0.77	-2.70
Fuel Oil 3.5%S	21.03	17.12	18.18	1.06	6.2	17.46	16.36	16.55	18.71	20.52	-4.99	-5.76	-9.54
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	39.35	36.82	35.90	-0.92	-2.5	33.52	33.57	34.44	36.93	38.99	10.49	10.53	6.45
Regular Unleaded 87	34.65	31.86	33.83	1.97	6.2	29.67	30.38	32.17	35.10	37.71	5.78	5.56	4.37
Jet/Kerosene	34.18	31.00	34.88	3.88	12.5	31.87	32.02	32.64	35.83	38.72	5.31	4.71	5.42
No.2 Heating Oil	32.19	30.19	34.42	4.23	14.0	31.63	31.86	32.50	35.57	37.73	3.33	3.89	4.96
Fuel Oil 1.0%S (Cargo)	26.41	23.86	26.65	2.79	11.7	24.60	24.44	25.12	27.83	29.05	-2.46	-2.44	-2.81
Fuel Oil 3.0%S (Cargo)	24.36	20.47	23.69	3.22	15.7	20.68	21.13	21.45	24.38	27.03	-4.51	-5.82	-5.77
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	29.62	27.80	30.25	2.45	8.8	27.93	28.86	28.81	30.91	31.59	3.30	4.48	4.52
Naphtha	26.87	25.06	29.57	4.51	18.0	26.15	26.96	27.76	30.62	31.89	0.55	1.74	3.83
Jet/Kerosene	32.43	29.38	32.10	2.72	9.3	30.48	30.09	30.64	33.11	33.96	6.11	6.06	6.36
Gasoil	32.57	28.87	30.99	2.11	7.3	29.16	28.90	29.26	31.78	33.27	6.25	5.56	5.25
LSWR (0.3%S)	26.52	26.80	30.97	4.17	15.6	28.78	29.10	29.72	31.55	32.88	0.20	3.49	5.24
HSFO (3.5%S 180cst)	24.59	23.15	25.46	2.31	10.0	25.20	24.86	24.44	25.63	26.46	-1.73	-0.17	-0.28
HSFO 4%S	24.59	22.88	25.40	2.52	11.0	24.81	24.66	24.31	25.60	26.58	-1.72	-0.43	-0.33

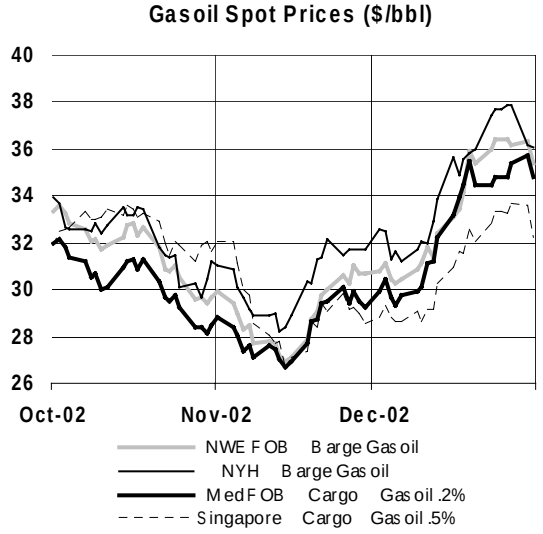
Product prices in **Rotterdam** and the **Mediterranean** lost the most ground against crude, with the weakest products being jet/kerosene and high-sulphur fuel oil (HSFO). Naphtha was the strongest product in both European markets. In **New York Harbour,** gasoline was by far the weakest product while jet/kerosene, No. 2 heating oil and No. 6 3% sulphur fuel oil performed strongly, gaining versus WTI. In **Singapore**, several products gained on crude, except for gasoil and certain fuel oils.

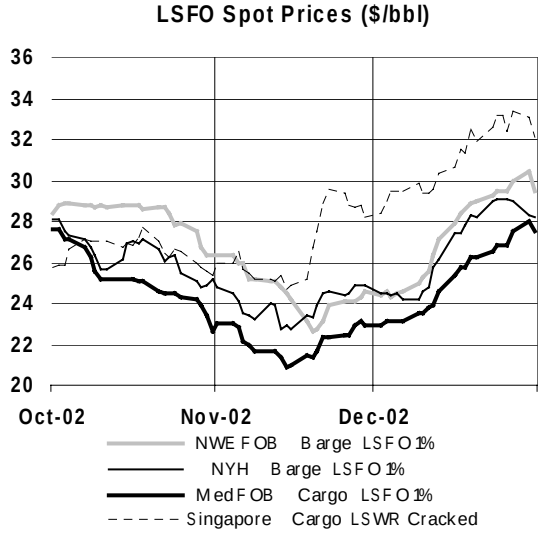
Gasoline prices rose strongly in Europe, if less than crude, sustained by an estimated 1.5 m/t of exports to the US. Import supplies in the context of strong domestic production ensured very weak gasoline prices in New York Harbour early in the month. Indeed, super unleaded prices actually fell. However, with the loss of Venezuelan product becoming increasingly significant in the course of December, gasoline prices turned up sharply at the end of the month. In Singapore, gasoline prices rose moderately, benefiting from export opportunities into the US West Coast.

Naphtha prices rose about 18% in December in Rotterdam, the Mediterranean and Singapore, gaining substantially against crude in the latter market. Naphtha price strength reflected seasonal heating and petrochemical demand.



Jet/kerosene prices while strengthening in New York Harbour on ebbing inventories, lost ground to crude. Singapore prices rose against crude, buoyed by heating demand in the region and exports to Europe and the US West Coast to offset lost Venezuelan supplies. Kerosene is used in Japan as the primary source of heating oil.

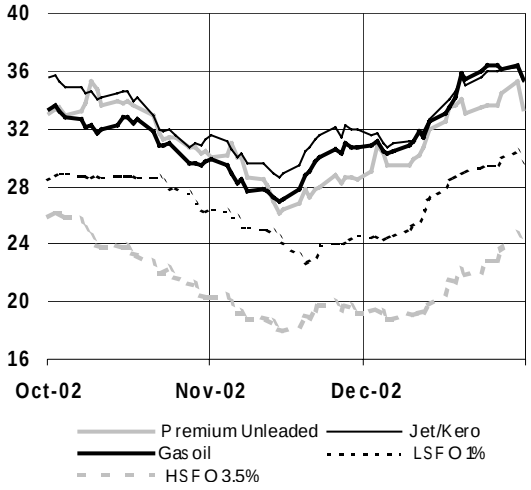




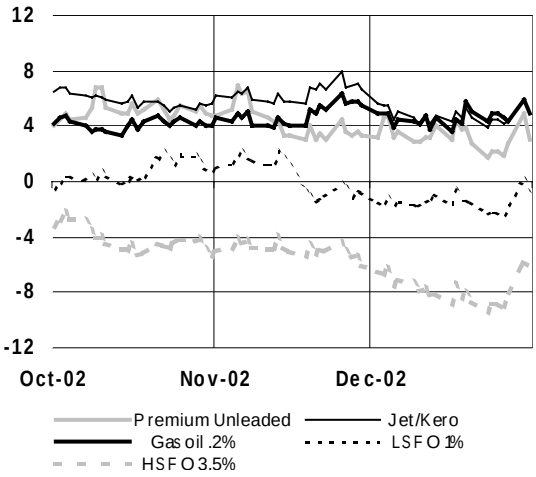
Gasoil price increases in Rotterdam and the Mediterranean approximately matched gains in New York. US inventories grew, but remained fairly lean as imports, including Russian supplies, checked price gains. However, with a lesser rise in underlying crude costs, gasoil was able to gain on crude in New York Harbour. In Singapore, gasoil noticeably lost ground against crude.

LFSO (low-sulphur fuel oil) prices in December gained in all major markets. In Europe, this partly reflected the imminent EU regulation mandating consumption of low sulphur fuel oil on land and strong utility demand due to the drought in Scandinavia, In the US, high natural gas prices encouraged some fuel-switching demand. Nevertheless, LFSO weakened against crude in Europe and the US. In Singapore, low sulphur waxy residue (LSWR) benefited from continuing strength in Japanese utility demand (as Minas and Duri crude), and gained against crude.

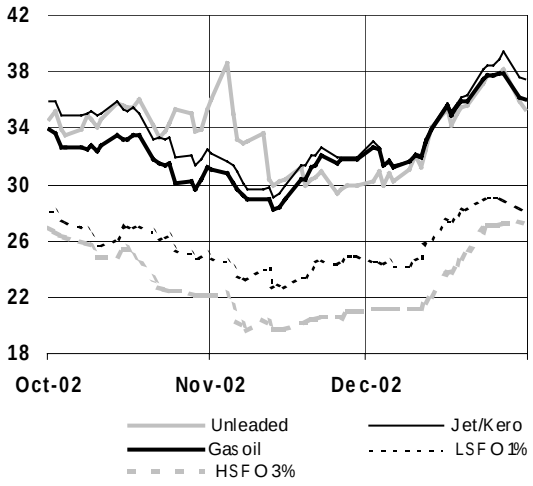
$/bbl **Rotterdam Spot Product Prices**



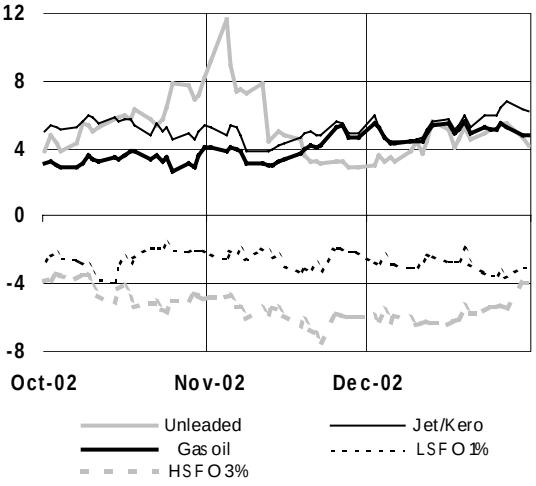
$/bbl **Rotterdam Spreads to Dated Brent**



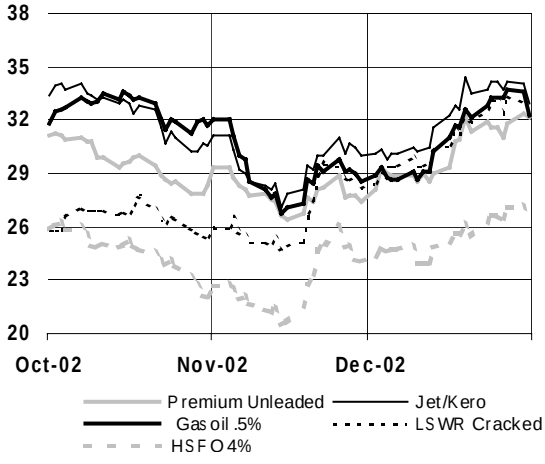
$/bbl **New York Harbour Spot Product Prices**



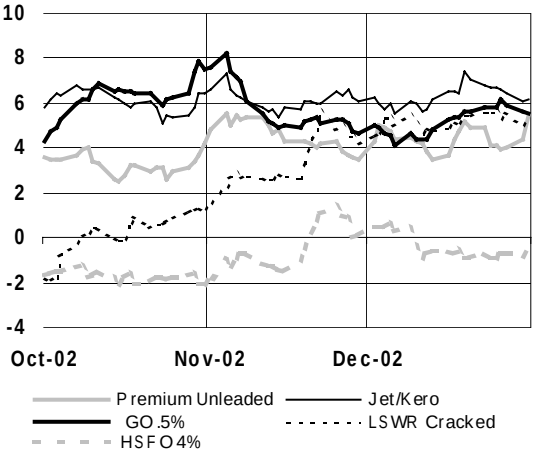
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**



$/bbl **Singapore Spreads to Dubai**

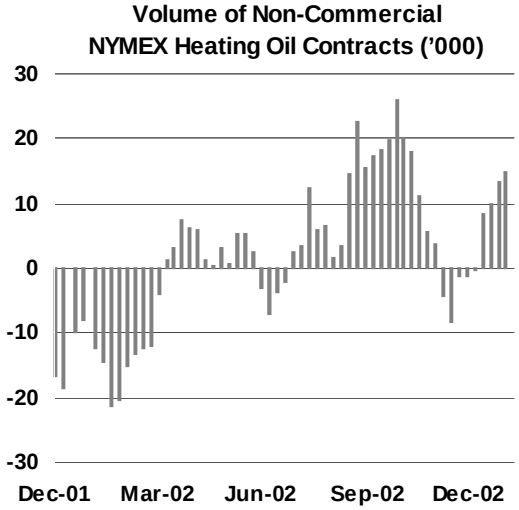


HSFO (high-sulphur fuel oil) prices were relatively weak in Europe, reflecting approaching EU limits on the high sulphur fuel oil market and the increased risk associated with shipping Russian product to Asia following the *Prestige* sinking. Prices were fairly strong in New York Harbour and Singapore, gaining slightly against the underlying crudes. US prices were supported by the lack of Venezuelan product supply and by feedstock demand resulting from reduced availability of heavy crude.

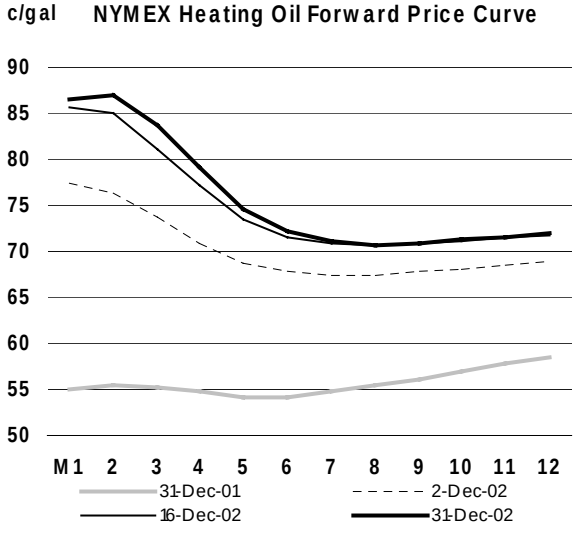
Product Futures in December

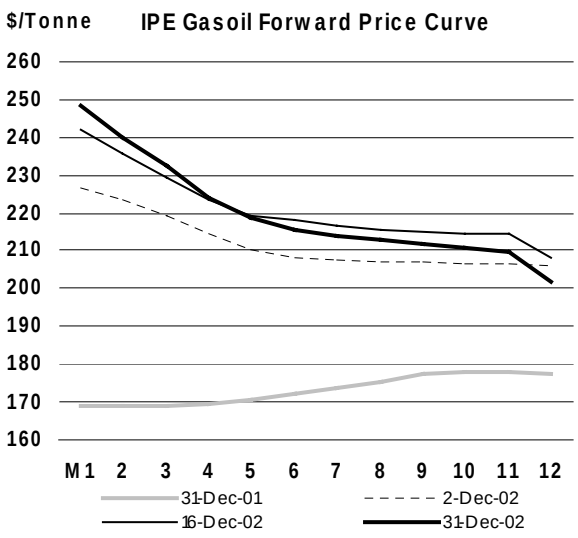
The forward price curve for **NYMEX unleaded gasoline** changed shape during December, shifting upward and ending the month in prompt contango for the near month. Further along the curve, the second month was in backwardation and the third in contango. The futures strip was in steep backwardation from the fourth month onwards. The volume of net-long **Non-Commercial** NYMEX ULG contracts rose from about 9,000 to 22,000 contracts during December and remained about that level into the first week of January.

The prompt month for the **NYMEX heating oil** contract moved into mild near-month contango during December, with backwardation for the rest of the curve. The prompt month contango is surprising given continuing stock tightness in the US. Meanwhile, the **IPE Gasoil** forward contract continues in steep backwardation.



The volume of **non-commercial** NYMEX heating oil contracts swung from a net short position of 1,300 contracts in early December to a net long position of over 13,000 contracts at the end of the month. The net long position increased further in early January.





End-User Product Prices in December

Monthly end-user prices showed a mixed pattern of increases and decreases in December from November levels (See Table 9 at the back of the Report). This contrasts with generally rising prices for crude oil and spot products. Moreover, even when prices did rise, gains were far less than in crude or spot product prices. These differences partly reflect lags in passing changes in crude and spot product prices through into end-user markets, as well as the significance of taxes and marketing /distribution margins.

Within **North America** price movements diverged, with gasoline prices flat in Canada but down 3.5 percent in the US. Diesel prices meanwhile fell slightly in Canada but rose in the USA. Gasoline and diesel prices were flat in **Japan**. In **Europe,** gasoline fell in France, Italy and the UK, while rising elsewhere. In contrast, diesel prices rose every where in Europe except in the UK. Heating oil prices rose in Europe and Japan. Heavy fuel oil prices to industry fell in Germany and Spain while rising elsewhere in Europe and in Japan.

Refining Margins in December

Monthly average refining margins in December fell in Europe, on the US Gulf Coast and in Singapore. The overall weakness of product price gains against crude reduced margins in December. Cracking margins fared better than hydroskimmimg margins. On a weekly basis, cracking margins on the **US Gulf Coast** for both WTI and Brent showed a dramatic improvement from the beginning of December until late in the month. Gains in gross product worth registered as rises in product price outpaced increases in crude prices.

Higher crude costs due to the Venezuelan crisis have overtaken increases in product prices resulting from the cut-off of imports of Venezuelan products. By the end of December, US Gulf Coast refining margins began slipping, although they remained well above margins at the start of the month. Moreover, movements in WTI and Brent cracking margins do not adequately register the impacts of narrowing light/heavy price differentials on refining operations such as coking whose profitability depends on wide spreads.

In Singapore**,** Dubai hydroskimmimg and cracking margins both deteriorated slightly in December, but both remain positive and stronger than margins for Brent Cracking at the US Gulf and margins in **Northwest Europe** and the Mediterranean. Although gross product worth rose slightly less in Singapore than elsewhere, Dubai prices rose less than prices for Atlantic Basin marker crudes.

Refining Margins in Major Refining Centres

($/bbl)

	Monthly Averages			Dec-Nov		End of Week:				
	Oct	Nov	Dec	*Change*	*%*	29 Nov	06 Dec	18 Dec	27 Dec	31 Dec
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-0.28	0.34	-1.11	-1.45		0.25	-0.37	-1.32	-1.64	-1.09
Brent (Cracking)	0.85	1.31	0.11	-1.20		1.24	0.61	0.09	-0.20	0.16
Mediterranean										
Urals (Hydroskimming)	0.74	0.88	-0.88	-1.76		0.32	-0.43	-0.82	-1.19	0.32
Urals (Cracking)	1.95	2.02	0.63	-1.39		1.56	0.79	0.92	0.61	1.56
US Gulf Coast										
WTI (Cracking)	3.07	1.90	1.65	-0.25		0.27	0.80	1.38	2.94	2.18
Brent (Cracking)	2.75	2.07	-0.24	-2.30		-0.44	-1.07	-0.83	1.18	0.52
Singapore										
Dubai (Hydroskimming)	0.59	1.45	1.38	-0.07		1.60	1.13	1.35	1.17	1.53
Dubai (Cracking)	2.25	2.80	2.78	-0.02		2.43	2.26	2.88	2.78	3.16
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	28.43	25.56	28.69	3.12	12.2	26.62	26.72	29.69	31.25	30.42
Brent (Cracking)	29.66	26.64	30.02	3.38	12.7	27.71	27.80	31.20	32.79	31.77
Mediterranean										
Urals (Hydroskimming)	26.96	23.96	27.03	3.07	12.8	24.66	24.76	28.21	29.86	29.26
Urals (Cracking)	28.26	25.20	28.64	3.44	13.6	26.00	26.07	30.05	31.75	30.80
US Gulf Coast										
WTI (Cracking)	33.03	29.30	32.20	2.91	9.9	28.36	28.86	32.91	36.66	34.53
Brent (Cracking)	32.83	29.11	32.01	2.90	10.0	28.17	28.70	32.73	36.41	34.36
Singapore										
Dubai (Hydroskimming)	27.41	25.23	27.60	2.37	9.4	26.05	26.11	28.01	29.43	28.78
Dubai (Cracking)	29.17	26.68	29.10	2.42	9.1	26.98	27.34	29.64	31.15	30.51

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

In Northwest Europe, margins continued deteriorating until late December as rising crude costs outpaced gains in product prices. Refiners in Northwest Europe faced growing competition for crude supplies, but saw less immediate gains in regional product prices. However, in setting runs, some NWE refiners were able to rely on realisations by exporting to the US. Mediterranean refiners too bore the burden of faster growth in crude prices than product values.

OECD Refinery Throughput in November

Preliminary monthly data indicate that **total OECD** refinery throughput in November averaged 38.64 mb/d, a sharp increase of 2.17 mb/d from October. Despite this surge, runs were still some 190 kb/d below year-earlier levels. This sharp increase occurred as refiners resumed operations after scheduled maintenance and unscheduled outages and discretionary run cuts.

The largest gain in throughput was experienced in **North America,** predominantly in the US, where the gain over October was 800 kb/d. Refinery utilisation rose to 89.9% from 84.7% in October. In **Japan,** throughput rose by 660 kb/d, increasing refinery utilisation to 87.4% from 75.8% in October. Elsewhere in the **OECD Pacific** region, throughputs fell by 50 kb/d in Korea and rose in other countries, so that the region saw a net 640 kb/d rise in throughputs. This matched the 640 k b/d increase in refinery throughput in **OECD Europe** which was spread over a number of countries, including France, Germany and the UK. Europe's utilisation rate overall rose to 87.5 percent in November from 81.6 percent in October. Recent data from Euroilstock indicate that reporting countries, a slightly smaller group than OECD Europe, saw a 140 kb/d gain in refinery crude intake in December over November levels, with refinery utilisation rising to 90.7% from 89.6%.

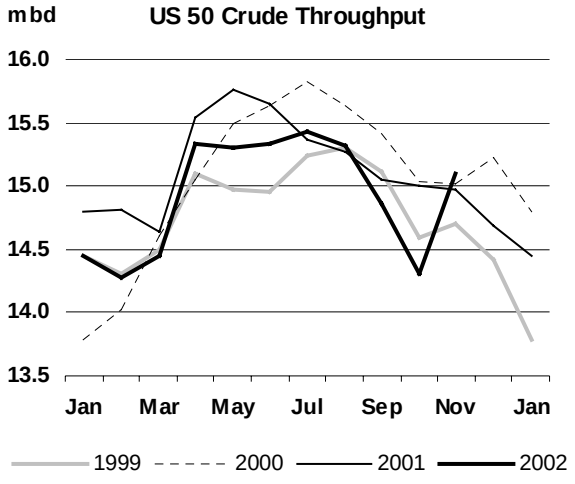
Preliminary estimates for the **US** for the four week period ending December 27 suggest that average crude throughput fell by 163 kb/d to 14.93 m b/d. This decline was concentrated in the Midcontinent (137 kb/d) and the Gulf Coast (53 kb/d) with runs actually rising in other regions. Lower runs from November levels were confirmed by opening January data. In the week ending January 3, throughputs declined a further 100 kb/d, with most of the fall taking place on the Gulf Coast. Lower crude runs were partly replaced with increased volumes of other feedstocks. However, total runs have nevertheless fallen by about 200 kb/d. Discretionary run cuts reflect margins developments and could reflect the impact on some refiners of shortages of certain types of heavy/sour crude needed to run their refineries effectively, particularly downstream units such as cokers. Disruptions of light/heavy differentials resulting from the "Venezuela shock" may have made certain refinery operations uneconomic. Reportedly, some of the US Gulf Coast refineries most reliant on Venezuelan crudes have begun cutting runs, including Lyondell –Citgo's 265 kb/d Houston refinery.

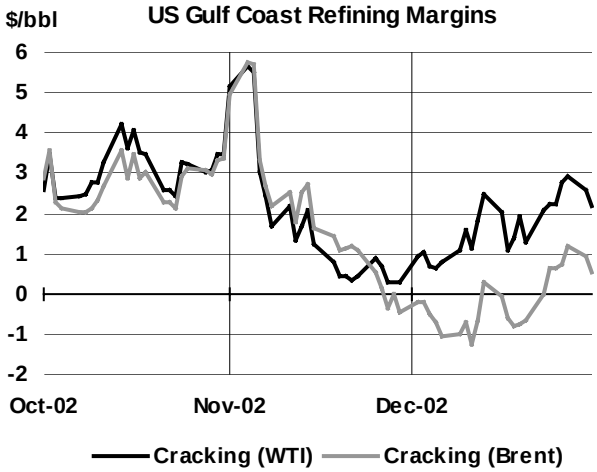
If refining runs continue downward until promised increases in long-haul OPEC crudes can rebalance US Gulf Coast markets, gasoline inventories could draw and not build sufficiently to meet peak summer demand. This partly depends also on how refiners choose to schedule, or re-schedule, maintenance planned for the coming months.

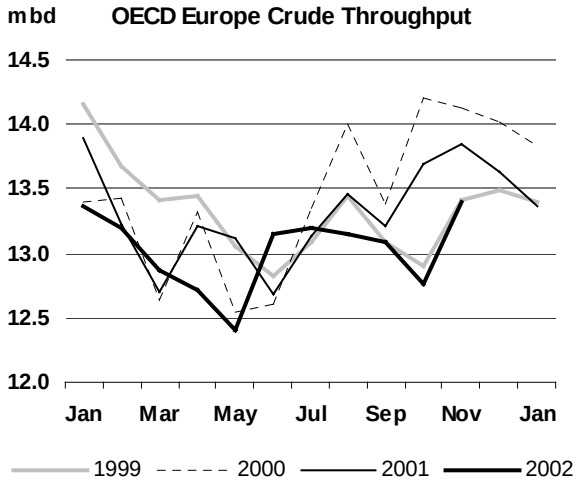
Refinery Crude Throughput and Utilisation in OECD Countries

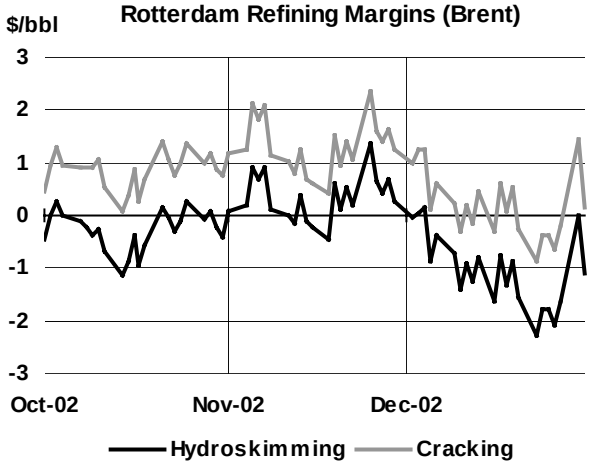
	million barrels per day						*Change from Nov01*		Utilisation rate[2]	
	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	mb/d	%	Nov 02	Nov 01
OECD North America										
US[3]	15.33	15.43	15.33	14.87	14.30	15.10	0.13	0.9	89.9	89.6
Canada	1.72	1.79	1.79	1.81	1.73	1.74	0.06	3.3	89.7	88.6
Mexico	1.25	1.29	1.19	1.13	1.03	1.09	0.03	3.1	70.3	73.6
Total	18.30	18.51	18.30	17.81	17.06	17.94	0.22	1.3	88.4	87.9
OECD Europe										
France	1.70	1.74	1.64	1.65	1.56	1.71	-0.12	-6.7	90.4	94.5
Germany	2.14	2.21	2.25	2.19	2.08	2.23	-0.09	-3.9	98.6	102.9
Italy	1.79	1.81	1.68	1.79	1.81	1.79	-0.03	-1.8	78.5	78.2
Netherlands	0.94	0.88	0.96	1.00	0.96	0.98	-0.16	-14.2	81.7	92.0
Spain	1.09	1.19	1.11	1.12	1.18	1.21	0.10	9.4	93.3	84.9
UK	1.58	1.58	1.63	1.64	1.45	1.56	-0.15	-8.8	87.4	95.7
Other OECD Europe	3.92	3.77	3.87	3.71	3.71	3.91	0.00	0.1	85.1	87.3
Total	13.15	13.19	13.15	13.09	12.76	13.40	-0.45	-3.3	87.5	90.3
OECD Pacific										
Japan	3.15	3.84	3.92	3.93	3.68	4.34	0.19	4.6	87.4	83.8
Korea	2.06	2.09	2.05	2.03	2.21	2.16	-0.25	-10.2	84.2	104.2
Other OECD Pacific	0.78	0.79	0.79	0.80	0.77	0.81	0.09	12.6	84.5	83.1
Total	5.99	6.71	6.76	6.76	6.66	7.30	0.04	0.5	86.1	89.5
OECD Total	37.44	38.41	38.22	37.66	36.47	38.64	-0.19	-0.5	87.6	89.0

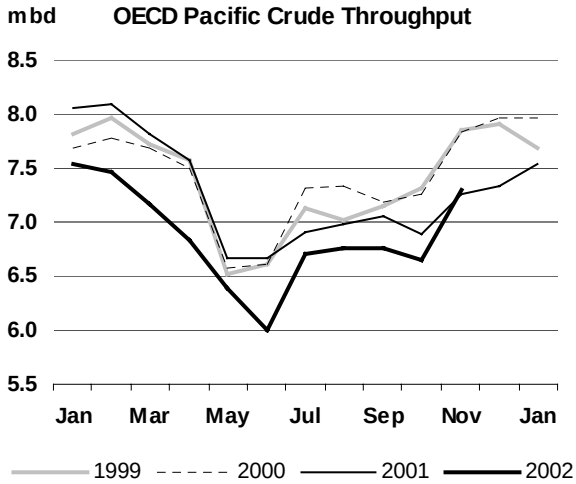
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

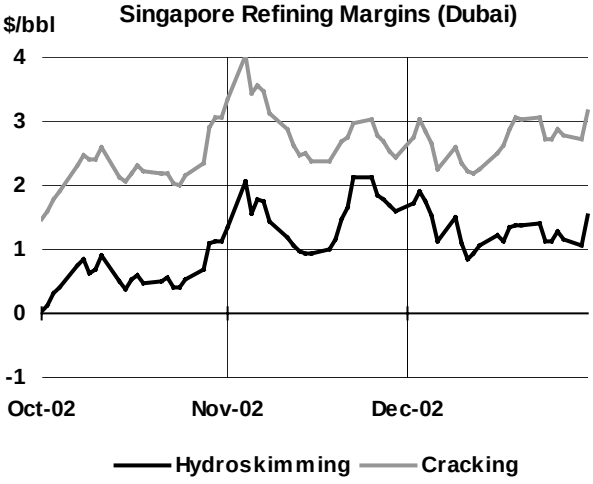

mbd
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002

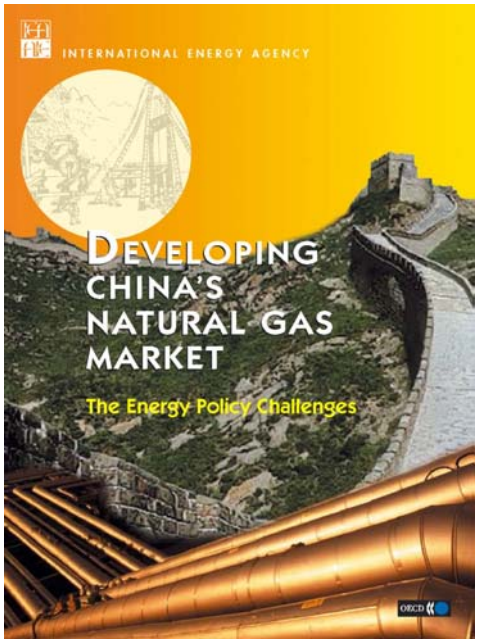

$/bbl
US Gulf Coast Refining Margins
6
5
4
3
2
1
0
-1
-2
Oct-02
Nov-02
Dec-02
Cracking (WTI)
Cracking (Brent)


mbd
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002


$/bbl
Rotterdam Refining Margins (Brent)
3
2
1
0
-1
-2
-3
Oct-02
Nov-02
Dec-02
Hydroskimming
Cracking


mbd
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002


$/bbl
Singapore Refining Margins (Dubai)
4
3
2
1
0
-1
Oct-02
Nov-02
Dec-02
Hydroskimming
Cracking



The Challenges in Developing China's Natural Gas Market

In December 2002, the IEA published a major study on China entitled "Developing China's Gas Market: The Energy Policy Challenges". The 370-page report was well-received by all those involved in China's natural gas sector, including Chinese policymakers and international investors. "This is by far the most authoritative and comprehensive report on China's gas sector that I have ever seen," said Didier Usclat, Chief Representative of Gaz de France in China, who reviewed an early draft of the report. "The IEA report is very neutral, insightful and timely. I shall recommend my colleagues in China's natural gas industry to use it as a textbook," said Mr. Xu Dingming, Director-General at China's State Development Planning Commission and Office Director of the Leading Group of the country's West-East Gas Pipeline project.

Natural gas is increasingly viewed as the fuel of choice in China where the consumption of coal, which provides 70% of the country's energy needs, has caused serious local air pollution. The target is to double the share of natural gas in China's total primary energy supply by 2010 from the current level of 3 percent, and to build a well-interconnected national gas supply network by 2020 from today's fragmented basin-to-market pipelines. During the second half of 2002, China signed three major gas deals: one with an international consortium led by Shell to build the 4,000 km West-East Gas Pipeline ($6 billion for the pipeline and $18 billion in total) that will bring natural gas from Tarim basin in the country's far west to Shanghai in the far east; another worth $14 billion, with Australia for the supply of liquefied natural gas (LNG) to the Guangdong province; and a third, worth $8.5 billion, with Indonesia to supply LNG to the Fujian province. These deals herald a new era of natural gas market development in China. But important challenges remain for both the government and industry.

The report describes China's economic, energy and environmental context and its gas market, and addresses issues such as: gas market development strategy and policy framework; gas for power generation; local gas distribution; gas pricing and taxation; long distance gas pipelines; LNG imports; gas infrastructure financing; foreign investment in the gas sector; gas industry structure and regulation. Three annexes, including a case study of end-use competitiveness of natural gas in Shanghai, are also provided.

The report qualifies China's strategy in developing its gas market as "supply-push". This qualification is supported by a number of facts. These include the encouragement of gas production through successive increases in state controlled well-head gas prices, the practice of a cost-plus pricing regime for new gas projects, and the decisions to build large and long-distance pipelines at a time when the downstream demand was not yet in place. It warns that there are substantial risks in pursuing the supply-push strategy if the end result is uncompetitive gas. "The key success factor is to secure paying consumers, otherwise you run the risk of transporting the gas a long way for nothing,"

cautioned Ambassador William Ramsay, Deputy Executive Director of the IEA, who released the study in Beijing in the presence of senior Chinese officials.

China as a whole is not endowed with abundant gas reserves. Its proven reserves stand at around 1.5 trillion cubic metres (tcm), accounting for less than 1 per cent of the world's total. Its available gas reserves are located far away from demand centres, requiring the construction of long-distance pipelines. Gas prices are relatively high compared to international prices and China does not have any domestic manufacturing capacity for gas turbines or combined-cycle gas turbines (CCGT). On the other hand, coal reserves are abundant in China, though their uneven distribution across the country also requires extensive transportation. Coal is much cheaper than natural gas, and is in over-supply in the country today. China also has considerable manufacturing capacity in coal-burning technologies such as coal-fired industrial boilers or power plants. There is a lack of skills and knowledge on how best to develop the gas market.

The report, which is designed to provide policy recommendations to the Chinese government based on the analysis of Chinese situation and international precedents, provides an important set of recommendations. Key messages of the study are summarised in the following box.

10 KEY MESSAGES FROM THE IEA CHINA GAS STUDY

1. Only with strong policy drivers will it be possible to achieve the desired target of doubling the share of natural gas in China's energy supply mix within the next ten years. The challenge is in the downstream sector.
2. Reform of natural gas pricing and taxation policy is the best start.
3. As the main purpose of developing the gas market is to reduce local air pollution mainly caused by scattered, low-altitude emission sources (e.g. residential heating and industrial boilers), the premium market for gas is with the replacement of fuels producing these emissions.
4. There are a number of benefits to developing decentralised power generation in urban areas through the deployment of a large number of medium-size (=50MW) gas-fired generation units.
5. The development of a modern gas industry requires a number of indispensable elements including technical norms, standards for health, safety and environment, training of technical and commercial gas professionals and gas technology research and development ability.
6. In building long-distance gas pipelines and LNG terminals, a strong focus should be placed on developing end-use markets in correspondence with construction schedules and the contracted arrival of natural gas.
7. To raise the necessary funds to finance gas infrastructure building, China needs to enlarge the sources of financing, especially domestic ones. At the same time, it should minimise financing costs by reducing risks from the policy and regulatory sphere.
8. A legal framework for the gas industry is indispensable. At this stage, China's legal and regulatory framework should focus on enabling investment rather than restricting it.
9. The Chinese government should also go beyond the "project by project" approach by developing a coherent gas policy.
10. The challenges of developing a gas market in China are not confined to the gas sector. They concern a much larger number of actors and require policies that affect the national energy economy as a whole. The Chinese government should therefore integrate its gas policy into a national energy policy.

Developing China's Gas Market: The Energy Policy Challenges may be ordered from IEA Books, International Energy Agency, 9, rue de la Fédération 75739 Paris Cedex 15.
Fax: (+ 33.1) 40.57.65.59, e-mail: books@iea.org, www.iea.org/books.

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Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.2	23.9	24.2	24.0	24.6	24.5	24.3
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.6	15.2	15.3	14.8	15.3	15.8	15.3
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.1	9.2	8.5	9.4	7.9	8.1	9.1	8.6
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	47.9	46.1	47.4	48.9	47.6	48.8	46.7	48.0	49.4	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.8	3.7	3.8	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	4.9	5.3	5.2	5.5	5.2
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.6	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.7	4.8	4.6	4.7	4.5	4.7	4.8	4.7	4.7
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.8	5.0	5.2	4.9	5.0	4.9	5.1	5.3	5.0	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.5
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.0	28.8	28.7	29.4	29.3	29.7	29.3	29.0	29.7	29.8	30.3	29.7
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.0	76.5	76.6	75.5	76.7	78.7	76.9	77.8	76.5	77.8	79.6	77.9
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.4	14.5	14.5	14.8	14.7	14.9	15.2	14.9
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.7	6.6	6.8	6.6	6.5	6.7	6.6
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.1	21.4	21.9	21.9	22.4	22.1	22.1	22.6	22.3
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.0	10.2	10.4	10.1
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.1	4.0
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.8	2.8	2.9	2.8	3.0	3.1	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.2
Total Non-OECD	21.8	22.4	22.8	22.9	23.2	23.5	23.1	23.9	24.2	24.6	24.8	24.4	24.9	25.1	25.4	25.7	25.3
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	46.0	46.3	46.1	46.7	47.5	46.7	47.8	48.1	47.8	48.5	48.0	49.1	49.0	49.3	50.2	49.4
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.2	25.3	25.9	25.1					
NGLs	2.8	2.9	3.0	3.0	3.1	3.2	3.1	3.4	3.4	3.5	3.4	3.4	3.2	3.6	3.8	3.9	3.6
Total OPEC	29.4	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.7	28.9	29.4	28.5					
Total Supply[4]	74.3	76.7	77.5	75.9	77.0	76.7	76.8	76.0	75.8	76.6	77.9	76.6					
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.8							
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0							
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8							
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2							
Miscellaneous to balance[5]	-0.4	0.3	0.2	0.1	0.1	-0.1	0.1	-0.5	-0.1	1.0							
Total Stock Ch. & Misc	-1.2	0.5	0.2	0.4	0.9	-0.4	0.3	-0.6	0.3	-0.1	-0.8	-0.3					
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.7	27.3	28.0	26.4	26.3	26.3	26.7	25.4	23.9	25.4	26.7	25.4	25.5	23.9	24.6	25.6	24.9
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	72.9	71.7	73.0	74.7	73.1	74.1	72.7	74.0	75.6	74.1
Total demand exc. FSU (% ch)[7]	2.5	1.1	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.2	0.7	2.0	0.4	1.6	1.3	1.3	1.2	1.4

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	0.2	0.1	0.2	0.1	-	0.1	0.1
Total OECD	-	-	-	-	-	-	-	-	-	-	0.1	-	0.2	0.1	-	0.1	0.1
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-0.1	0.2	0.1	-	-	-	0.1	-
Other Asia	-	-	-	-	0.1	-	-	-	-	0.1	-	0.1	-	0.1	0.1	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	0.1	-	-	0.1	0.1	0.1	-	0.1	-	-	-	-	-
Total Demand	-	-	-	-	0.1	-	-	-	0.1	0.1	0.2	0.1	0.2	0.2	0.1	-	0.1
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-0.1	-0.1	-	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	0.1	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-
Total OECD	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	0.1	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	0.1	-
Middle East	-	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.1	0.1	-	0.1	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Total Non-OECD	-	-	-	0.1	-	-	-	-	-	0.1	-	-	-0.1	-	-	0.2	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	0.1	0.1	-	0.1	-	0.1	0.1	-	-	-0.1	-	0.1	0.3	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-							
NGLs	-	-	-	-	-	-	-	-	-	-	-0.2	-0.1	-0.5	-0.2	-	-	-0.2
Total OPEC	-	-	-	-	-	-	-	-	-	-							
Total Supply	0.1	-	-	-	0.1	0.1	0.1	-	0.1	-							
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-							
Government	-	-	-	-	-	-	-	-	-	-							
Total	-	-	-	-	-	-	-	-	-	-0.1							
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-							
Miscellaneous to balance	-	0.1	0.1	-	-0.1	0.1	-	-	-	0.1							
Total Stock Ch. & Misc	-	-	-	-	-	-	-	-	-	-0.1							
Memo items:																	
Call on OPEC crude + Stock ch.	-	-0.1	-0.1	-	-	-	-0.1	-0.1	-	-	0.3	0.1	0.8	0.3	-	-0.3	0.2
Total Demand ex. FSU	-	-	-0.1	-	0.1	0.1	-	-	-	-	0.2	0.1	0.2	0.1	0.1	-0.1	0.1

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	Second Quarter			July			August			September			Third Quarter		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
North America															
LPG	2.46	2.58	4.8	2.53	2.59	2.7	2.60	2.65	1.7	2.75	2.67	-3.1	2.63	2.63	0.4
Naphtha	0.31	0.44	44.1	0.30	0.47	56.8	0.35	0.41	17.3	0.29	0.44	52.1	0.31	0.44	40.6
Motor Gasoline	9.94	10.29	3.5	10.34	10.50	1.6	10.31	10.68	3.6	9.80	10.01	2.2	10.15	10.40	2.5
Jet/Kerosene	1.96	1.83	-6.8	2.02	1.89	-6.2	2.03	1.88	-7.5	1.74	1.82	4.2	1.93	1.86	-3.6
Gasoil	4.56	4.48	-1.6	4.34	4.42	1.7	4.67	4.52	-3.3	4.41	4.53	2.7	4.48	4.49	0.3
Residual Fuel Oil	1.65	1.34	-18.6	1.65	1.24	-25.0	1.59	1.24	-21.6	1.25	1.23	-1.2	1.50	1.24	-17.3
Other Products	2.81	2.81	0.0	3.01	3.04	1.0	3.08	3.10	0.6	2.71	2.89	6.8	2.93	3.01	2.6
Total	23.70	23.78	0.4	24.18	24.15	-0.1	24.63	24.48	-0.6	22.95	23.59	2.8	23.93	24.08	0.6
Europe															
LPG	0.91	0.87	-4.6	0.87	0.88	0.7	0.83	0.88	6.1	0.89	0.82	-8.1	0.86	0.86	-0.5
Naphtha	1.17	1.05	-10.3	1.12	1.05	-6.1	1.19	1.10	-6.9	1.15	1.08	-5.3	1.15	1.08	-6.1
Motor Gasoline	3.06	2.95	-3.4	3.11	3.12	0.2	3.17	3.03	-4.5	3.01	2.87	-4.6	3.10	3.01	-2.9
Jet/Kerosene	1.11	1.07	-3.6	1.19	1.15	-3.3	1.17	1.15	-2.0	1.25	1.17	-6.5	1.20	1.16	-3.9
Gasoil	5.28	5.34	1.1	5.63	5.77	2.5	5.63	5.30	-5.7	5.98	5.90	-1.4	5.74	5.66	-1.5
Residual Fuel Oil	1.88	2.00	6.3	1.94	2.01	3.7	1.96	1.99	1.7	2.01	1.90	-5.7	1.97	1.97	-0.1
Other Products	1.38	1.37	-0.6	1.49	1.51	1.4	1.50	1.37	-8.3	1.48	1.51	1.9	1.49	1.47	-1.7
Total	14.78	14.64	-0.9	15.35	15.49	0.9	15.44	14.83	-4.0	15.77	15.25	-3.3	15.52	15.19	-2.1
Pacific															
LPG	0.89	0.89	0.1	0.78	0.84	7.2	0.81	0.82	1.3	0.85	0.82	-3.2	0.81	0.82	1.7
Naphtha	1.39	1.37	-1.2	1.34	1.59	19.0	1.42	1.51	6.3	1.43	1.51	5.1	1.40	1.54	10.0
Motor Gasoline	1.51	1.52	1.2	1.62	1.64	1.2	1.71	1.74	2.0	1.53	1.61	4.8	1.62	1.66	2.6
Jet/Kerosene	0.78	0.73	-6.6	0.65	0.69	6.2	0.68	0.75	10.3	0.85	0.88	2.8	0.73	0.77	6.2
Gasoil	1.82	1.79	-1.8	1.73	1.74	0.4	1.78	1.80	1.4	1.86	1.86	0.2	1.79	1.80	0.7
Residual Fuel Oil	1.06	0.93	-11.6	1.19	1.00	-15.7	1.10	0.98	-11.2	1.02	1.06	3.9	1.11	1.01	-8.3
Other Products	0.53	0.42	-20.4	0.61	0.44	-26.9	0.63	0.45	-28.9	0.54	0.48	-9.8	0.59	0.46	-22.5
Total	7.98	7.66	-3.9	7.92	7.95	0.4	8.13	8.05	-0.9	8.09	8.22	1.7	8.04	8.07	0.4
OECD															
LPG	4.26	4.34	1.8	4.18	4.31	3.1	4.23	4.34	2.5	4.49	4.30	-4.1	4.30	4.32	0.4
Naphtha	2.86	2.86	-0.1	2.76	3.11	12.9	2.95	3.02	2.3	2.87	3.04	5.7	2.86	3.06	6.9
Motor Gasoline	14.51	14.77	1.8	15.07	15.26	1.3	15.18	15.45	1.8	14.34	14.49	1.0	14.87	15.07	1.4
Jet/Kerosene	3.86	3.63	-5.9	3.85	3.73	-3.2	3.88	3.78	-2.7	3.85	3.86	0.4	3.86	3.79	-1.9
Gasoil	11.66	11.61	-0.4	11.71	11.93	1.9	12.08	11.62	-3.7	12.25	12.29	0.3	12.01	11.95	-0.5
Residual Fuel Oil	4.59	4.27	-6.8	4.78	4.26	-11.0	4.65	4.22	-9.3	4.28	4.20	-2.1	4.58	4.22	-7.7
Other Products	4.72	4.60	-2.5	5.10	4.99	-2.2	5.21	4.92	-5.5	4.73	4.89	3.4	5.02	4.93	-1.6
Total	46.45	46.09	-0.8	47.45	47.59	0.3	48.19	47.35	-1.7	46.81	47.07	0.5	47.49	47.34	-0.3

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	July			August			September			Third Quarter			October		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
LPG	1.92	1.97	2.7	1.96	2.03	3.8	2.10	2.03	-3.4	1.99	2.01	1.0	2.17	2.22	2.0
Naphtha	0.20	0.36	81.7	0.25	0.28	13.4	0.24	0.33	37.3	0.23	0.32	41.6	0.30	0.25	-14.8
Motor Gasoline	9.02	9.13	1.2	8.95	9.29	3.8	8.56	8.73	2.0	8.85	9.05	2.3	8.65	8.80	1.7
Jet/Kerosene	1.82	1.68	-7.5	1.80	1.64	-8.8	1.56	1.63	4.2	1.73	1.65	-4.5	1.59	1.68	5.4
Gasoil	3.57	3.62	1.5	3.83	3.71	-3.1	3.62	3.72	2.7	3.67	3.69	0.3	3.89	3.81	-2.0
Residual Fuel Oil	0.87	0.56	-35.9	0.80	0.57	-28.9	0.62	0.58	-7.3	0.77	0.57	-25.9	0.74	0.59	-20.3
Other Products	2.52	2.52	0.2	2.56	2.60	1.7	2.31	2.41	3.9	2.46	2.51	1.9	2.48	2.25	-9.6
Total	19.92	19.85	-0.3	20.15	20.13	-0.1	19.02	19.42	2.1	19.70	19.80	0.5	19.82	19.59	-1.2
Japan[3]															
LPG	0.49	0.52	6.5	0.50	0.47	-6.6	0.52	0.48	-8.7	0.50	0.49	-3.1	0.54	0.52	-3.2
Naphtha	0.71	0.89	26.1	0.79	0.85	6.9	0.78	0.79	2.2	0.76	0.84	11.3	0.79	0.84	6.0
Motor Gasoline	1.10	1.09	-0.6	1.14	1.17	2.6	1.00	1.05	4.5	1.08	1.10	2.1	0.98	0.99	1.7
Jet/Kerosene	0.45	0.48	5.3	0.47	0.48	3.9	0.53	0.56	6.7	0.48	0.51	5.4	0.56	0.61	8.0
Diesel	0.70	0.67	-4.5	0.68	0.67	-0.8	0.69	0.68	-2.5	0.69	0.67	-2.6	0.69	0.68	-1.8
Other Gasoil	0.48	0.48	-0.6	0.46	0.46	-1.3	0.48	0.50	4.4	0.47	0.48	0.8	0.48	0.49	2.5
Residual Fuel Oil	0.69	0.56	-18.7	0.65	0.53	-17.4	0.54	0.60	12.9	0.63	0.57	-9.4	0.53	0.60	13.1
Direct use of Crude Oil	0.17	0.06	-63.6	0.19	0.08	-59.9	0.08	0.09	7.8	0.15	0.07	-49.4	0.04	0.10	138.1
Other Products	0.34	0.30	-10.7	0.33	0.32	-3.1	0.34	0.32	-6.4	0.34	0.31	-6.8	0.32	0.30	-7.3
Total	5.13	5.05	-1.4	5.20	5.02	-3.4	4.96	5.06	2.2	5.10	5.05	-1.0	4.93	5.13	3.9
Germany															
LPG	0.09	0.09	-5.2	0.09	0.09	-4.5	0.10	0.09	-9.3	0.09	0.09	-6.3	0.07	0.07	-1.7
Naphtha	0.36	0.37	2.3	0.40	0.39	-3.6	0.36	0.36	0.2	0.38	0.37	-0.5	0.34	0.40	17.8
Motor Gasoline	0.68	0.66	-2.6	0.67	0.64	-4.5	0.65	0.64	-2.2	0.67	0.65	-3.1	0.68	0.64	-4.6
Jet/Kerosene	0.16	0.16	-0.2	0.16	0.16	-0.6	0.16	0.16	-0.8	0.16	0.16	-0.5	0.15	0.16	0.3
Diesel	0.56	0.55	-1.1	0.56	0.54	-4.0	0.54	0.56	4.9	0.55	0.55	-0.2	0.57	0.55	-3.1
Other Gasoil	0.83	0.74	-11.0	0.85	0.69	-18.4	0.80	0.77	-3.4	0.83	0.73	-11.1	0.73	0.65	-11.2
Residual Fuel Oil	0.17	0.19	10.1	0.18	0.17	-2.5	0.16	0.17	3.1	0.17	0.18	3.5	0.17	0.18	5.5
Other Products	0.13	0.17	29.9	0.14	0.13	-9.6	0.13	0.16	17.8	0.14	0.15	12.1	0.17	0.13	-25.0
Total	2.97	2.92	-1.9	3.05	2.81	-8.1	2.91	2.91	0.2	2.98	2.88	-3.4	2.88	2.77	-3.7
Italy															
LPG	0.10	0.10	1.5	0.10	0.10	0.0	0.13	0.11	-11.5	0.11	0.11	-3.9	0.11	0.12	9.7
Naphtha	0.09	0.08	-3.7	0.09	0.08	-9.2	0.11	0.09	-21.2	0.09	0.08	-12.0	0.10	0.08	-14.8
Motor Gasoline	0.41	0.41	-0.1	0.41	0.40	-4.7	0.41	0.38	-9.2	0.41	0.39	-4.6	0.40	0.39	-2.4
Jet/Kerosene	0.09	0.07	-14.3	0.09	0.07	-19.5	0.10	0.07	-29.3	0.09	0.07	-21.4	0.07	0.07	8.1
Diesel	0.43	0.45	4.5	0.36	0.36	0.2	0.44	0.44	-0.6	0.41	0.42	1.5	0.46	0.46	1.4
Other Gasoil	0.13	0.13	2.2	0.13	0.12	-4.6	0.20	0.16	-16.9	0.15	0.14	-7.8	0.17	0.19	15.6
Residual Fuel Oil	0.48	0.53	10.8	0.46	0.49	6.9	0.51	0.45	-12.2	0.48	0.49	1.7	0.44	0.45	2.5
Other Products	0.18	0.15	-15.4	0.18	0.13	-24.8	0.13	0.16	16.9	0.16	0.15	-10.3	0.16	0.16	-0.3
Total	1.91	1.94	1.7	1.82	1.76	-3.4	2.03	1.85	-8.9	1.92	1.85	-3.6	1.90	1.94	1.9
France															
LPG	0.07	0.08	9.6	0.08	0.08	2.6	0.09	0.09	-3.7	0.08	0.08	2.5	0.11	0.11	1.7
Naphtha	0.20	0.16	-19.1	0.21	0.20	-3.7	0.17	0.17	2.3	0.19	0.18	-7.5	0.18	0.16	-9.1
Motor Gasoline	0.34	0.35	0.9	0.35	0.33	-5.4	0.31	0.30	-3.2	0.34	0.33	-2.6	0.32	0.31	-3.8
Jet/Kerosene	0.15	0.14	-5.4	0.14	0.14	0.0	0.13	0.14	4.6	0.14	0.14	-0.5	0.12	0.13	6.2
Diesel	0.61	0.67	9.4	0.57	0.57	-0.1	0.59	0.61	3.5	0.59	0.62	4.4	0.63	0.65	4.5
Other Gasoil	0.35	0.37	6.9	0.36	0.27	-24.3	0.45	0.36	-20.7	0.38	0.33	-13.4	0.36	0.37	4.1
Residual Fuel Oil	0.10	0.10	-5.9	0.10	0.09	-0.7	0.12	0.10	-10.6	0.11	0.10	-6.0	0.13	0.13	-1.3
Other Products	0.21	0.20	-5.6	0.18	0.16	-12.3	0.21	0.20	-5.6	0.20	0.19	-7.6	0.21	0.18	-11.4
Total	2.04	2.07	1.4	1.98	1.84	-6.8	2.07	1.97	-4.8	2.03	1.96	-3.4	2.05	2.05	-0.1
United Kingdom															
LPG	0.15	0.18	21.2	0.12	0.16	28.9	0.15	0.14	-4.4	0.14	0.16	14.7	0.15	0.16	6.4
Naphtha	0.06	0.02	-63.9	0.07	0.05	-27.1	0.04	0.05	44.1	0.05	0.04	-24.2	0.03	0.05	49.1
Motor Gasoline	0.46	0.46	0.5	0.48	0.46	-4.1	0.52	0.45	-12.0	0.48	0.46	-5.4	0.50	0.45	-10.3
Jet/Kerosene	0.32	0.31	-2.6	0.30	0.29	-3.0	0.35	0.29	-15.8	0.32	0.30	-7.4	0.27	0.34	25.8
Diesel	0.32	0.36	10.8	0.34	0.35	3.9	0.34	0.36	3.5	0.33	0.35	6.0	0.34	0.37	7.6
Other Gasoil	0.15	0.15	-1.0	0.17	0.15	-9.9	0.17	0.16	-8.8	0.16	0.15	-6.8	0.16	0.15	-4.8
Residual Fuel Oil	0.06	0.06	-10.7	0.08	0.07	-13.0	0.07	0.07	2.7	0.07	0.07	-7.2	0.08	0.07	-14.2
Other Products	0.15	0.17	11.1	0.15	0.17	15.2	0.15	0.15	0.9	0.15	0.16	9.3	0.16	0.14	-15.5
Total	1.67	1.70	1.9	1.70	1.70	-0.1	1.78	1.67	-6.0	1.72	1.69	-1.4	1.69	1.72	1.5
Canada															
LPG	0.18	0.20	11.1	0.21	0.20	-5.3	0.21	0.21	0.0	0.20	0.20	1.5	0.26	0.27	3.6
Naphtha	0.08	0.09	17.4	0.08	0.09	9.2	0.04	0.06	57.5	0.07	0.08	21.5	0.05	0.08	56.7
Motor Gasoline	0.71	0.74	4.1	0.73	0.75	2.7	0.66	0.68	3.4	0.70	0.72	3.4	0.67	0.69	2.7
Jet/Kerosene	0.11	0.12	9.2	0.13	0.13	4.7	0.09	0.10	7.5	0.11	0.12	7.0	0.09	0.11	29.3
Diesel	0.16	0.41	147.9	0.19	0.41	117.7	0.19	0.39	109.4	0.18	0.40	124.2	0.18	0.20	6.5
Other Gasoil	0.27	0.04	-86.7	0.29	0.04	-87.6	0.27	0.09	-67.2	0.27	0.05	-80.7	0.31	0.34	9.2
Residual Fuel Oil	0.12	0.10	-18.0	0.15	0.10	-31.9	0.10	0.15	48.7	0.12	0.12	-6.0	0.13	0.15	12.9
Other Products	0.31	0.33	7.3	0.33	0.34	2.7	0.27	0.32	18.1	0.30	0.33	8.8	0.27	0.27	2.5
Total	1.94	2.02	4.4	2.09	2.05	-2.0	1.84	2.01	9.3	1.96	2.03	3.6	1.96	2.10	7.4

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Oct 02	Nov 02	Dec 02
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.48	7.73				7.75	7.70	7.75
Iran	3.70	3.42		3.47	3.55				3.50	3.55	3.60
Iraq	2.36	2.01		1.75	2.38				2.45	2.38	2.32
UAE	2.16	1.99		1.99	2.00				1.99	1.99	2.01
Kuwait	1.72	1.60		1.63	1.62				1.63	1.60	1.64
Neutral Zone	0.57	0.54		0.53	0.53				0.53	0.53	0.53
Qatar	0.67	0.64		0.65	0.71				0.70	0.70	0.72
Nigeria	2.08	1.95		1.97	1.99				1.94	1.99	2.04
Libya	1.37	1.32		1.34	1.34				1.34	1.34	1.34
Algeria	0.84	0.85		0.89	0.94				0.93	0.93	0.98
Venezuela	2.68	2.29		2.52	1.99				2.64	2.66	0.71
Indonesia	1.21	1.12		1.10	1.12				1.12	1.12	1.12
Total Crude Oil	27.04	25.09		25.33	25.91				26.51	26.48	24.76
Total NGLs[1]	3.07	3.45	3.63	3.55	3.45	3.17	3.65	3.83	3.61	3.63	3.11
Total OPEC	30.11	28.54		28.87	29.36				30.12	30.11	27.87
NON-OPEC[2]											
OECD											
North America	14.36	14.54	14.90	14.43	14.47	14.83	14.73	14.87	14.50	14.35	14.56
United States	8.07	8.08	8.18	8.00	7.94	8.17	8.17	8.12	7.89	7.93	8.02
Mexico	3.56	3.58	3.69	3.58	3.58	3.65	3.68	3.69	3.65	3.47	3.60
Canada	2.73	2.87	3.03	2.85	2.95	3.02	2.89	3.06	2.96	2.96	2.95
Europe	6.67	6.59	6.63	6.22	6.70	6.76	6.58	6.50	6.73	6.75	6.64
UK	2.53	2.48	2.51	2.25	2.51	2.56	2.39	2.55	2.56	2.51	2.46
Norway	3.41	3.33	3.30	3.22	3.40	3.39	3.38	3.13	3.37	3.44	3.38
Others	0.72	0.78	0.82	0.75	0.80	0.81	0.82	0.82	0.80	0.80	0.80
Pacific	0.79	0.77	0.76	0.78	0.77	0.77	0.76	0.77	0.77	0.76	0.76
Australia	0.73	0.72	0.71	0.73	0.71	0.72	0.70	0.71	0.72	0.71	0.71
Others	0.06	0.05	0.05	0.06	0.06	0.05	0.05	0.05	0.05	0.06	0.05
Total OECD	21.81	21.90	22.29	21.44	21.94	22.37	22.07	22.14	22.00	21.86	21.96
NON-OECD											
Former USSR	8.56	9.38	10.09	9.55	9.80	9.86	9.96	10.18	9.81	9.82	9.78
Russia	7.02	7.66	8.19	7.80	7.98	8.02	8.10	8.26	8.00	8.00	7.95
Others	1.54	1.72	1.91	1.75	1.82	1.84	1.86	1.92	1.81	1.82	1.82
Asia	5.63	5.79	5.86	5.84	5.84	5.85	5.86	5.86	5.88	5.79	5.84
China	3.30	3.40	3.43	3.44	3.42	3.42	3.43	3.43	3.45	3.39	3.43
Malaysia	0.75	0.77	0.78	0.77	0.77	0.78	0.78	0.78	0.77	0.77	0.77
India	0.73	0.75	0.75	0.76	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Others	0.85	0.88	0.90	0.88	0.90	0.90	0.90	0.90	0.92	0.89	0.89
Europe	0.18	0.18	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.91	3.99	3.92	3.87	3.92	3.96	3.99	3.89	3.81	3.91
Brazil	1.56	1.74	1.86	1.75	1.73	1.78	1.83	1.87	1.75	1.67	1.78
Argentina	0.83	0.80	0.78	0.80	0.79	0.79	0.78	0.78	0.79	0.80	0.79
Colombia	0.62	0.59	0.55	0.57	0.56	0.56	0.55	0.54	0.57	0.56	0.56
Ecuador	0.42	0.40	0.40	0.41	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Others	0.36	0.38	0.40	0.38	0.39	0.39	0.40	0.40	0.38	0.39	0.39
Middle East[3]	2.17	2.10	2.03	2.07	2.09	2.07	2.04	2.02	2.07	2.10	2.09
Oman	0.96	0.90	0.85	0.87	0.89	0.88	0.86	0.85	0.88	0.90	0.89
Syria	0.57	0.55	0.53	0.55	0.55	0.54	0.53	0.52	0.55	0.55	0.55
Yemen	0.45	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.45	0.46	0.46
Africa	2.79	3.04	3.16	3.03	3.04	3.08	3.11	3.19	3.04	3.05	3.03
Egypt	0.76	0.75	0.75	0.74	0.75	0.75	0.75	0.75	0.74	0.75	0.75
Angola	0.74	0.92	0.94	0.90	0.92	0.92	0.93	0.95	0.92	0.92	0.91
Gabon	0.30	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Others	1.00	1.08	1.19	1.09	1.09	1.12	1.14	1.20	1.09	1.09	1.09
Total Non-OECD	23.12	24.39	25.31	24.58	24.81	24.95	25.11	25.42	24.85	24.74	24.82
Processing Gains[4]	1.74	1.76	1.80	1.74	1.78	1.82	1.78	1.78	1.78	1.78	1.78
TOTAL NON-OPEC	46.66	48.04	49.40	47.76	48.53	49.14	48.95	49.34	48.63	48.38	48.56
TOTAL SUPPLY	76.78	76.58		76.63	77.88				78.75	78.49	76.43

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Oct-02	Nov-02	Dec-02
United States											
Alaska	978	986	1016	928	973	1040	1017	971	992	909	1017
California	805	789	771	785	776	774	772	770	778	777	774
Texas	1163	1137	1099	1132	1109	1104	1100	1097	1120	1111	1097
Federal Gulf of Mexico[2]	1536	1580	1732	1560	1534	1690	1705	1729	1461	1562	1580
Other US Lower 48	1341	1285	1228	1270	1240	1234	1230	1227	1253	1240	1226
NGLs[3]	1864	1891	1899	1894	1884	1890	1908	1892	1878	1885	1890
Other Hydrocarbons	382	416	433	432	427	432	433	433	407	442	433
Total	8068	8083	8178	8001	7944	8164	8165	8119	7889	7925	8017
Canada											
Alberta Light/Medium/Heavy	719	667	658	673	656	661	639	662	662	656	649
Alberta Bitumen	309	288	300	286	288	298	287	302	286	289	289
Saskatchewan	427	422	417	423	422	421	407	420	422	422	421
Other Crude	232	353	360	321	378	377	376	317	378	378	378
NGLs	692	698	725	690	720	730	710	720	720	720	720
Synthetic Crudes	349	445	569	460	490	530	468	637	490	490	490
Total	2727	2873	3029	2853	2954	3017	2887	3058	2959	2955	2947
Mexico											
Crude	3127	3171	3286	3174	3180	3245	3275	3289	3257	3080	3200
NGLs	433	408	405	404	395	405	405	405	397	387	400
Total	3560	3579	3691	3578	3575	3650	3680	3694	3654	3467	3600
UK Offshore[4]											
Brent Fields	279	241	267	214	232	257	253	282	227	238	229
Forties Fields	762	784	801	705	780	803	759	826	826	764	748
Ninian Fields	127	103	104	83	98	97	100	112	102	96	96
Flotta Fields	138	129	111	117	122	117	105	112	129	121	117
Other Fields	919	954	942	922	977	979	895	954	980	983	967
NGLs	249	214	237	157	250	255	225	215	241	255	255
Total	2474	2426	2463	2198	2459	2508	2337	2500	2505	2459	2412
Norway [4]											
Ekofisk-Ula Area	470	490	470	506	500	487	483	446	512	481	508
Oseberg-Troll Area	741	756	755	763	775	782	777	712	777	755	792
Statfjord-Gullfaks Area	944	871	868	770	912	897	893	819	853	962	922
Haltenbanken Area	768	718	670	728	682	693	696	627	702	717	628
Sleipner-Frigg Area	195	158	159	156	147	153	152	148	148	143	149
NGLs	291	333	376	296	378	379	374	374	373	385	377
Total	3408	3327	3299	3218	3395	3391	3375	3126	3366	3444	3377
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	438	459	409	449	458	459	459	451	449	447
UK Onshore	60	54	49	53	52	51	50	48	54	52	51
Italy	64	86	113	84	97	105	110	115	97	95	100
Turkey	48	47	47	48	48	47	47	47	49	47	47
Other	167	157	151	157	152	152	151	151	153	152	151
NGLs (excl. North Sea)	28	26	22	24	22	22	22	22	21	23	23
Non-Conventional Oils	26	29	27	31	28	28	28	27	30	29	27
Total	783	837	869	806	849	863	867	870	856	846	846
Australia											
Gippsland Basin	160	141	123	137	132	128	125	122	134	132	130
Cooper-Eromanga Basin	26	25	24	25	24	24	24	23	24	24	23
Carnarvon Basin	337	362	355	359	351	359	344	359	351	348	353
Other Crude	136	109	124	131	126	125	125	124	127	126	124
NGLs	74	79	85	77	77	85	85	85	82	75	75
Total	732	716	711	728	710	721	702	713	719	705	705
Other OECD Pacific											
New Zealand	33	32	32	32	32	32	32	32	32	32	32
Japan	6	5	5	5	5	5	5	5	5	5	5
NGLs	17	17	17	17	17	17	17	17	17	17	17
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	54	54	55	54	54	54	54	54	54	54
OECD											
Crude Oil	17397	17330	17490	16946	17241	17588	17384	17301	17336	17140	17243
NGLs	3655	3675	3775	3567	3752	3791	3753	3737	3738	3754	3764
Non-Conventional Oils	759	890	1030	924	946	990	929	1097	927	961	950
Total	21811	21894	22294	21437	21939	22369	22066	22134	22002	21855	21957

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jul2002	Aug2002	Sep2002	Oct2002	Nov2002*	Nov1999	Nov2000	Nov2001	4Q2001	1Q2002	2Q2002	3Q2002
North America												
Crude	410.1	403.7	379.5	402.3	394.3	401.9	396.0	422.6	-0.02	0.21	-0.14	-0.53
Motor Gasoline	246.2	235.2	236.8	224.1	232.6	235.2	228.7	243.7	0.06	0.09	-0.03	-0.11
Middle Distillate	205.1	203.7	202.9	196.0	193.5	217.8	195.6	213.7	0.20	-0.26	0.05	-0.01
Residual Fuel Oil	43.4	41.9	42.9	43.6	44.4	49.2	48.0	48.1	0.04	-0.08	-0.01	0.01
Total Products[3]	689.4	677.5	678.2	648.5	647.7	660.9	636.3	684.7	0.12	-0.43	0.34	-0.03
Total[4]	1256.1	1240.8	1217.8	1213.3	1210.1	1216.7	1180.8	1268.3	-0.07	-0.31	0.24	-0.43
Europe												
Crude	321.4	307.3	301.6	325.9	313.4	307.7	305.1	311.6	-0.13	-0.01	0.08	-0.19
Motor Gasoline	119.3	116.9	116.5	112.2	113.0	127.0	121.4	116.3	0.11	0.07	-0.12	-0.05
Middle Distillate	253.1	265.8	259.0	250.5	248.2	234.7	231.1	218.4	0.14	0.12	0.18	0.01
Residual Fuel Oil	68.6	69.2	67.6	69.1	71.0	82.3	82.6	74.2	-0.05	0.00	-0.02	-0.02
Total Products[3]	545.8	558.1	546.7	533.3	533.6	535.7	539.3	521.6	0.14	0.12	0.07	-0.10
Total[4]	932.3	930.7	911.6	924.6	911.6	902.2	913.7	901.7	-0.04	0.16	0.12	-0.31
Pacific												
Crude	167.5	170.0	164.4	163.8	157.7	181.1	179.9	176.9	0.02	0.01	-0.03	-0.10
Motor Gasoline	24.9	23.4	24.4	25.0	25.2	26.4	25.2	24.6	-0.03	0.04	0.00	-0.02
Middle Distillate	81.4	85.9	84.0	81.6	74.2	93.1	92.4	90.4	-0.11	-0.10	0.08	0.10
Residual Fuel Oil	23.9	24.3	22.2	22.4	20.6	23.2	24.5	24.6	-0.01	-0.02	0.03	-0.03
Total Products[3]	195.5	199.6	198.2	199.1	186.6	213.2	217.8	216.0	-0.24	-0.06	0.11	0.04
Total[4]	444.3	447.3	438.8	437.7	418.8	475.2	480.4	477.4	-0.31	-0.10	0.12	-0.09
Total OECD												
Crude	899.0	880.9	845.5	891.9	865.3	890.6	881.0	911.1	-0.12	0.21	-0.09	-0.83
Motor Gasoline	390.4	375.5	377.7	361.3	370.7	388.5	375.3	384.6	0.13	0.20	-0.15	-0.18
Middle Distillate	539.5	555.3	545.9	528.1	515.9	545.6	519.2	522.4	0.23	-0.23	0.31	0.10
Residual Fuel Oil	136.0	135.3	132.7	135.0	136.0	154.6	155.0	146.9	-0.03	-0.09	0.01	-0.03
Total Products[3]	1430.7	1435.1	1423.0	1380.9	1367.8	1409.8	1393.4	1422.3	0.02	-0.37	0.53	-0.09
Total[4]	2632.7	2618.9	2568.2	2575.5	2540.5	2594.0	2574.9	2647.4	-0.42	-0.26	0.49	-0.82

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jul2002	Aug2002	Sep2002	Oct2002	Nov2002*	Nov1999	Nov2000	Nov2001	4Q2001	1Q2002	2Q2002	3Q2002
North America												
Crude	578.5	582.3	587.2	589.6	595.5	569.1	547.5	547.3	0.06	0.13	0.16	0.12
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	147.9	148.1	149.7	154.7	154.7	151.9	136.2	142.7	-0.02	0.02	0.02	0.05
Products	197.5	195.4	193.6	190.9	190.9	195.9	214.5	206.8	0.11	-0.03	-0.08	-0.09
Pacific												
Crude	320.0	317.4	316.7	317.2	317.2	315.1	311.8	316.0	0.03	0.05	0.00	-0.04
Total OECD												
Crude	1046.4	1047.7	1053.5	1061.6	1067.5	1036.1	995.6	1006.1	0.07	0.20	0.19	0.12
Products	199.5	197.4	195.6	192.9	192.9	195.9	216.5	208.8	0.11	-0.03	-0.08	-0.09
Total[4]	1246.9	1246.1	1250.1	1255.4	1261.3	1232.9	1213.1	1215.8	0.18	0.18	0.11	0.03

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	June			July			August			September			October		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
Crude	308.2	316.5	2.7	312.9	303.5	-3.0	307.9	295.5	-4.0	309.3	270.1	-12.7	313.2	291.5	-6.9
Motor Gasoline	220.7	216.7	-1.8	208.5	214.4	2.8	193.4	203.9	5.4	205.9	206.6	0.3	207.8	193.4	-6.9
Middle Distillate	160.4	175.8	9.6	171.2	176.5	3.1	167.3	174.5	4.3	174.4	172.8	-0.9	175.5	167.9	-4.3
Residual Fuel Oil	41.7	32.7	-21.6	39.1	33.6	-14.1	35.0	31.9	-8.9	37.2	33.0	-11.3	38.2	33.7	-11.8
Other Products	152.7	159.7	4.6	157.3	164.9	4.8	160.6	168.6	5.0	163.3	166.4	1.9	155.5	156.3	0.5
Total Products	575.5	584.9	1.6	576.1	589.4	2.3	556.3	578.9	4.1	580.8	578.8	-0.3	577.0	551.3	-4.5
Other[3]	136.1	136.7	0.4	135.6	138.6	2.2	140.2	138.8	-1.0	144.1	138.0	-4.2	141.6	140.4	-0.8
Total	1019.8	1038.1	1.8	1024.6	1031.5	0.7	1004.4	1013.2	0.9	1034.2	986.9	-4.6	1031.8	983.2	-4.7
Japan															
Crude	139.0	128.2	-7.8	132.6	126.3	-4.8	128.5	126.8	-1.3	128.3	120.6	-6.0	141.9	121.5	-14.4
Motor Gasoline	14.3	14.0	-2.1	13.2	13.1	-0.8	13.8	12.3	-10.9	13.7	12.9	-5.8	13.5	12.6	-6.7
Middle Distillate	42.4	39.0	-8.0	44.8	43.1	-3.8	51.7	49.2	-4.8	54.9	50.5	-8.0	57.7	49.9	-13.5
Residual Fuel Oil	10.3	10.8	4.9	9.0	10.3	14.4	9.7	10.4	7.2	10.2	8.7	-14.7	10.5	8.8	-16.2
Other Products	50.9	50.5	-0.8	52.3	48.1	-8.0	57.2	48.1	-15.9	56.2	50.1	-10.9	55.1	52.2	-5.3
Total Products	117.9	114.3	-3.1	119.3	114.6	-3.9	132.4	120.0	-9.4	135.0	122.2	-9.5	136.8	123.5	-9.7
Other[3]	70.4	70.6	0.3	70.0	72.4	3.4	72.6	68.9	-5.1	77.6	67.7	-12.8	76.6	65.9	-14.0
Total	327.3	313.1	-4.3	321.9	313.3	-2.7	333.5	315.7	-5.3	340.9	310.5	-8.9	355.3	310.9	-12.5
Germany															
Crude	19.9	23.4	17.6	22.8	20.5	-10.1	21.5	18.9	-12.1	20.0	21.0	5.0	20.9	15.5	-25.8
Motor Gasoline	9.9	10.7	8.1	11.9	10.4	-12.6	10.1	10.8	6.9	9.1	10.0	9.9	8.6	9.2	7.0
Middle Distillate	13.6	17.9	31.6	13.7	17.6	28.5	14.4	19.8	37.5	14.1	15.6	10.6	13.5	16.2	20.0
Residual Fuel Oil	9.4	9.0	-4.3	9.1	9.2	1.1	9.6	9.1	-5.2	9.9	9.6	-3.0	9.5	9.4	-1.1
Other Products	11.9	11.2	-5.9	12.1	11.4	-5.8	11.9	11.7	-1.7	12.4	10.5	-15.3	12.4	10.9	-12.1
Total Products	44.8	48.8	8.9	46.8	48.6	3.8	46.0	51.4	11.7	45.5	45.7	0.4	44.0	45.7	3.9
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	64.7	72.2	11.6	69.6	69.1	-0.7	67.5	70.3	4.1	65.5	66.7	1.8	64.9	61.2	-5.7
Italy															
Crude	38.1	34.6	-9.2	40.2	36.2	-10.0	42.5	41.3	-2.8	39.8	34.6	-13.1	36.0	37.5	4.2
Motor Gasoline	21.4	20.9	-2.3	20.3	23.2	14.3	19.7	21.6	9.6	19.5	21.6	10.8	19.1	21.9	14.7
Middle Distillate	28.0	34.1	21.8	29.2	36.6	25.3	30.6	39.8	30.1	29.0	39.8	37.2	29.2	37.5	28.4
Residual Fuel Oil	17.9	11.9	-33.5	15.4	10.7	-30.5	16.3	11.0	-32.5	14.7	12.0	-18.4	15.9	14.2	-10.7
Other Products	19.2	19.7	2.6	18.1	18.0	-0.6	19.5	17.9	-8.2	20.1	17.5	-12.9	19.9	17.3	-13.1
Total Products	86.5	86.6	0.1	83.0	88.5	6.6	86.1	90.3	4.9	83.3	90.9	9.1	84.1	90.9	8.1
Other[3]	6.9	11.2	62.3	8.0	12.3	53.8	9.8	10.5	7.1	11.9	10.5	-11.8	13.1	11.3	-13.7
Total	131.5	132.4	0.7	131.2	137.0	4.4	138.4	142.1	2.7	135.0	136.0	0.7	133.2	139.7	4.9
France															
Crude	42.1	39.5	-6.2	35.6	39.7	11.5	38.1	36.1	-5.2	38.1	38.5	1.0	40.4	38.8	-4.0
Motor Gasoline	11.7	11.1	-5.1	11.6	12.0	3.4	10.8	11.9	10.2	12.1	12.0	-0.8	10.7	10.3	-3.7
Middle Distillate	28.5	31.4	10.2	26.9	29.1	8.2	27.7	34.6	24.9	25.9	32.7	26.3	26.7	29.9	12.0
Residual Fuel Oil	7.2	7.0	-2.8	6.6	7.1	7.6	7.8	7.3	-6.4	6.4	7.9	23.4	7.4	6.9	-6.8
Other Products	10.1	9.4	-6.9	9.9	9.2	-7.1	10.6	9.1	-14.2	9.8	8.5	-13.3	10.1	7.8	-22.8
Total Products	57.5	58.9	2.4	55.0	57.4	4.4	56.9	62.9	10.5	54.2	61.1	12.7	54.9	54.9	0.0
Other[3]	10.6	12.1	14.2	11.9	11.7	-1.7	12.3	12.2	-0.8	13.3	13.5	1.5	12.9	13.7	6.2
Total	110.2	110.5	0.3	102.5	108.8	6.1	107.3	111.2	3.6	105.6	113.1	7.1	108.2	107.4	-0.7
United Kingdom															
Crude	36.5	43.8	20.0	35.0	44.1	26.0	33.4	38.1	14.1	33.7	39.3	16.6	38.2	45.5	19.1
Motor Gasoline	8.9	11.0	23.6	8.9	10.9	22.5	10.0	9.7	-3.0	10.5	9.7	-7.6	10.9	9.8	-10.1
Middle Distillate	23.0	22.0	-4.3	23.5	21.0	-10.6	22.5	20.7	-8.0	18.9	20.1	6.3	22.0	20.9	-5.0
Residual Fuel Oil	5.1	4.4	-13.7	4.9	4.3	-12.2	4.2	4.4	4.8	4.3	4.3	0.0	4.4	4.4	0.0
Other Products	18.7	18.2	-2.7	20.3	17.6	-13.3	19.9	17.4	-12.6	20.0	17.1	-14.5	20.4	16.0	-21.6
Total Products	55.7	55.6	-0.2	57.6	53.8	-6.6	56.6	52.2	-7.8	53.7	51.2	-4.7	57.7	51.1	-11.4
Other[3]	11.6	11.3	-2.6	11.3	11.7	3.5	10.3	12.0	16.5	10.9	10.6	-2.8	11.4	11.5	0.9
Total	103.8	110.7	6.6	103.9	109.6	5.5	100.3	102.3	2.0	98.3	101.1	2.8	107.3	108.1	0.7
Canada[4]															
Crude	74.2	80.5	8.5	74.8	77.8	4.0	72.7	78.0	7.3	78.5	77.0	-1.9	77.4	77.0	-0.5
Motor Gasoline	15.9	15.5	-2.5	16.8	15.4	-8.3	16.3	15.5	-4.9	16.0	15.5	-3.1	16.7	16.1	-3.6
Middle Distillate	19.9	18.7	-6.0	22.5	19.6	-12.9	22.1	20.4	-7.7	19.8	21.5	8.6	19.0	19.9	4.7
Residual Fuel Oil	4.6	4.2	-8.7	4.3	4.2	-2.3	3.8	4.2	10.5	3.7	4.4	18.9	3.9	5.0	28.2
Other Products	19.9	21.8	9.5	20.1	21.9	9.0	19.4	20.2	4.1	20.4	21.3	4.4	21.3	20.5	-3.8
Total Products	60.3	60.2	-0.2	63.7	61.1	-4.1	61.6	60.3	-2.1	59.9	62.7	4.7	60.9	61.5	1.0
Other[3]	13.6	11.0	-19.1	17.3	18.0	4.0	21.6	20.9	-3.2	23.3	22.2	-4.7	22.9	22.2	-3.1
Total	148.1	151.7	2.4	155.8	156.9	0.7	155.9	159.2	2.1	161.7	161.9	0.1	161.2	160.7	-0.3

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for October 2002.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End September 2001		End December 2001		End March 2002		End June 2002		End September 2002 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	161.8	83	157.2	80	158.3	82	151.5	75	161.9	-
Mexico	51.2	27	47.5	24	43.6	23	45.3	24	47.0	-
United States	1580.9	81	1588.3	82	1574.4	80	1616.6	82	1576.1	-
Total[4]	1816.0	77	1815.1	77	1798.3	76	1835.6	76	1807.0	75
Pacific										
Australia	38.9	44	37.6	42	38.9	43	37.2	42	37.2	-
Japan	653.9	118	634.1	111	630.3	136	633.7	126	627.1	-
Korea[5]	82.3	37	79.2	34	78.6	39	86.5	43	79.7	-
New Zealand	11.4	82	9.6	67	8.4	65	10.0	80	11.5	-
Total	786.4	90	760.5	84	756.2	99	767.4	95	755.5	82
Europe[6]										
Austria	16.9	62	16.0	62	18.0	68	17.1	61	18.3	-
Belgium	28.3	48	28.3	46	30.6	53	30.8	54	28.3	-
Czech Republic	16.0	87	16.2	102	17.4	102	17.0	91	16.2	-
Denmark	18.5	90	19.7	99	20.1	104	17.8	95	19.0	-
Finland	27.8	126	27.6	126	24.6	124	26.9	127	26.9	-
France	163.1	80	165.4	80	162.9	88	169.9	87	174.0	-
Germany	255.3	91	272.6	104	276.5	105	268.7	93	259.1	-
Greece	24.7	52	25.8	59	31.1	84	28.9	76	29.4	-
Hungary	18.8	123	18.8	147	19.9	148	18.5	126	18.0	-
Ireland	13.1	74	10.9	59	9.9	62	9.4	56	10.2	-
Italy	135.0	70	133.9	69	132.3	72	132.4	72	136.1	-
Luxembourg	0.7	14	0.8	16	0.8	16	0.9	17	0.9	-
Netherlands	120.6	131	113.9	128	117.9	129	115.5	131	106.7	-
Norway	30.9	157	19.2	94	18.0	104	22.4	123	17.6	-
Poland	26.5	60	25.8	70	26.9	71	25.3	59	23.7	-
Portugal	24.8	69	25.3	73	22.1	61	24.6	69	24.1	-
Spain	115.0	73	113.1	74	118.6	80	121.0	81	121.3	-
Sweden	37.2	105	34.8	102	35.1	105	33.4	103	30.5	-
Switzerland	38.0	125	36.1	128	37.5	137	39.0	139	38.7	-
Turkey	53.8	88	54.9	94	59.0	96	57.8	88	55.6	-
United Kingdom	98.4	57	108.9	63	102.6	62	110.7	65	101.2	-
Total	1263.5	81	1268.2	84	1282.0	88	1288.1	85	1255.8	81
Total OECD	3865.9	81	3843.8	80	3836.5	83	3891.1	82	3818.3	78
DAYS OF IEA Net Imports[7]	-	114	-	114	-	114	-	116	-	114

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End September 2002 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand[3]*		
3Q1999	3902	1240	2662	80	25	54
4Q1999	3674	1228	2446	76	26	51
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3866	1205	2661	81	25	55
4Q2001	3844	1222	2622	80	25	55
1Q2002	3837	1237	2599	83	27	56
2Q2002	3891	1247	2644	82	26	56
3Q2002	3818	1250	2568	78	26	52

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 3Q2002 (when latest forecasts are used).

Table 8
AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30		18.88	24.25	25.75		24.71	25.69	26.97	26.50		
IEA Europe	27.89	23.92		20.46	24.22	26.21		25.10	26.02	27.57	26.85		
IEA Pacific	28.89	25.05		20.06	25.69	26.33		25.64	26.29	27.05	28.10		
IEA Total	28.00	23.65		19.84	24.57	26.08		25.08	25.96	27.24	26.98		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	21.09	25.07	26.91	26.81	25.81	26.66	28.38	27.58	24.10	28.67
WTI (1st month)	30.37	25.93	26.16	21.55	26.30	28.30	28.29	26.92	28.34	29.71	28.87	26.29	29.45
Urals (del. Med.)	26.63	22.97	23.73	19.72	23.60	25.81	25.55	24.83	25.68	27.01	26.02	22.87	27.72
Dubai (1st month)	26.24	22.80	23.85	20.10	24.39	25.54	25.16	24.67	25.24	26.80	26.32	23.31	25.73
Tapis (1st month)	29.85	25.32	25.72	21.29	25.63	27.29	28.33	26.36	27.40	28.20	27.89	26.89	30.27
OPEC Basket	17.47	27.60	24.34	19.92	24.42	26.15	26.63	25.15	25.91	27.50	27.32	24.28	28.21
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	23.00	30.05	32.06	31.05	31.32	31.70	33.22	32.74	28.38	31.91
Unleaded	34.41	28.83	28.57	22.64	29.51	31.44	30.50	30.74	31.09	32.54	32.19	27.88	31.31
Naphtha	29.09	23.69	24.23	20.57	23.80	25.95	26.45	24.41	25.44	28.15	26.54	24.12	28.77
Jet/Kerosene	36.98	30.82	29.24	24.58	28.46	31.27	32.45	29.20	30.53	34.28	33.44	30.56	33.30
Gasoil .2 %	34.38	29.16	27.81	23.09	26.80	29.85	31.26	28.25	29.40	32.04	31.72	28.96	33.14
LSFO 1%	23.74	19.52	21.81	16.69	20.40	23.19	26.70	22.01	22.37	25.31	28.28	24.53	27.15
HSFO 3.5%	21.42	17.79	20.65	16.87	21.22	23.14	21.22	21.91	22.59	25.05	23.40	19.18	20.84
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	23.48	30.28	32.13	30.78	31.37	31.80	33.28	32.41	27.98	31.84
Premium Unleaded	36.43	29.70	28.49	22.77	29.56	31.41	30.06	30.65	31.08	32.56	31.69	27.26	31.12
Naphtha	28.16	22.47	23.51	19.91	23.02	25.32	25.61	23.62	24.75	27.76	26.02	23.35	27.52
Jet/Kerosene	34.82	27.52	27.14	22.84	26.22	29.34	29.95	27.04	28.64	32.57	31.59	28.08	30.02
Gasoil .2 %	33.87	27.50	27.08	22.95	25.83	28.98	30.36	27.35	28.68	31.06	30.33	28.35	32.52
LSFO 1%	23.77	18.73	21.50	17.55	20.98	23.14	24.14	21.25	22.29	26.06	25.23	22.10	25.02
HSFO 3.5%	18.92	15.24	18.24	14.62	18.65	20.69	18.86	19.42	19.95	22.82	21.03	17.12	18.18
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	27.07	33.91	36.10	37.44	36.37	35.63	36.33	39.35	36.82	35.90
Unleaded	36.10	31.00	30.33	25.02	30.19	32.32	33.53	32.08	32.12	32.80	34.65	31.86	33.83
Jet/Kerosene	38.05	31.18	29.83	24.97	28.77	31.91	33.45	30.04	31.51	34.32	34.18	31.00	34.88
No. 2 (Heating Oil)	36.37	29.82	28.56	23.95	27.68	30.06	32.33	28.46	29.41	32.46	32.19	30.19	34.42
LSFO 1%	25.05	20.70	22.55	16.80	22.76	24.65	25.72	22.55	25.42	26.02	26.41	23.86	26.65
HSFO 6 3%	20.68	17.36	20.99	16.04	21.40	23.30	22.96	21.54	23.13	25.35	24.36	20.47	23.69
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	24.27	29.49	28.91	29.24	28.19	28.13	30.49	29.62	27.80	30.25
Naphtha	28.38	23.75	24.93	21.56	24.98	25.81	27.15	24.54	25.47	27.52	26.87	25.06	29.57
Jet/Kerosene	34.39	28.32	28.08	23.57	27.20	29.85	31.35	27.56	29.29	32.92	32.43	29.38	32.10
Gasoil .5%	32.58	27.32	27.55	22.47	27.68	28.80	30.89	27.62	28.17	30.73	32.57	28.87	30.99
LSWR Cracked	25.83	21.83	23.80	18.36	23.26	25.16	28.02	24.32	24.91	26.33	26.52	26.80	30.97
HSFO 180 CST	24.43	20.65	22.89	18.57	23.28	24.97	24.40	23.90	24.86	26.26	24.59	23.15	25.46
HSFO 4%	24.21	20.38	22.95	18.60	23.31	25.23	24.31	23.98	25.25	26.56	24.59	22.88	25.40

* IEA CIF Average Import price for October is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
December 2002

	National Currency						US Dollars					
			% ch Prev. Month		% ch Year Ago				% ch Prev. Month		% ch Year Ago	
	Price	Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax
GASOLINE[1] (Price per Litre)												
France	1.019	0.756	-0.6	-1.9	7.4	19.5	1.038	0.268	1.1	-0.2	22.5	36.4
Germany	1.041	0.768	0.3	0.7	9.2	19.7	1.060	0.278	2.0	2.4	24.6	36.6
Italy	1.048	0.717	-0.3	-0.9	5.5	15.7	1.068	0.337	1.4	0.7	20.4	32.0
Spain	0.802	0.507	0.3	0.3	9.6	13.5	0.817	0.300	1.9	2.0	25.0	29.4
UK	0.739	0.568	-0.3	-1.2	6.6	29.5	1.172	0.271	0.6	-0.3	17.4	42.6
Japan	105.0	58.8	0.0	0.0	0.0	0.0	0.861	0.379	-0.5	-0.5	4.1	4.1
Canada	0.723	0.299	0.0	0.0	25.5	48.3	0.464	0.272	0.9	0.9	27.0	50.0
USA	0.362	0.101	-3.5	-4.7	26.6	41.1	0.362	0.261	-3.5	-4.7	26.6	41.1
AUTOMOTIVE DIESEL[2] (Price per Litre)												
France	0.664	0.392	1.5	3.8	6.8	10.6	0.676	0.277	3.2	5.5	21.8	26.1
Germany	0.731	0.440	0.6	1.4	7.3	7.4	0.745	0.296	2.2	3.1	22.5	22.5
Italy	0.722	0.403	0.6	1.3	3.3	7.8	0.735	0.325	2.2	3.0	17.8	23.0
Spain	0.591	0.294	1.2	2.4	6.3	3.8	0.602	0.303	2.9	4.1	21.3	18.5
UK	0.641	0.458	-0.3	-1.1	0.8	2.8	1.017	0.290	0.6	-0.2	11.0	13.2
Japan	85.1	36.2	0.0	0.0	0.0	0.0	0.698	0.401	-0.5	-0.5	4.1	4.1
Canada	0.678	0.222	-0.6	-0.7	11.0	16.0	0.435	0.293	0.3	0.2	12.3	17.4
USA	0.379	0.118	1.1	1.6	23.1	37.4	0.379	0.261	1.1	1.6	23.1	37.4
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	392.00	120.84	3.8	4.7	19.1	16.6	399.3	276.2	5.6	6.4	35.9	33.0
Germany	367.95	112.10	5.0	6.2	15.6	20.0	374.8	260.6	6.7	8.0	31.8	36.9
Italy	852.94	545.37	1.4	3.3	5.0	12.3	868.8	313.3	3.1	5.0	19.8	28.2
Spain	383.29	137.58	1.9	2.6	10.4	11.4	390.4	250.3	3.6	4.3	26.0	27.1
UK	190.09	40.05	2.3	2.8	15.7	19.9	301.5	238.0	3.2	3.7	27.4	32.0
Japan[3]	45967	2189	0.5	0.5	-1.4	-1.4	376.8	358.8	0.0	0.0	2.6	2.6
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
HFO FOR INDUSTRY[2, 4] (Price per Metric Ton)												
France	181.79	18.50	0.8	0.9	16.7	19.0	185.2	166.3	2.5	2.6	33.1	35.8
Germany	178.33	17.89	-5.5	-6.1	18.2	20.6	181.7	163.4	-4.0	-4.6	34.8	37.6
Italy	219.82	31.39	4.4	5.2	25.9	31.6	223.9	191.9	6.2	7.0	43.7	50.2
Spain	184.81	14.43	-10.4	-11.2	14.3	14.9	188.3	173.6	-9.0	-9.8	30.4	31.1
UK	147.48	28.00	4.0	4.9	-	-	233.9	189.5	4.9	5.9	-	-
Japan	28061	1336	4.4	4.4	15.4	15.4	230.0	219.0	3.9	3.9	20.1	20.1
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) gasoline for France, Germany, Italy, Spain, UK; regular unleaded gasoline for Canada, Japan and USA
2 VAT excluded where it is refundable: HFO for Industry, Automotive Diesel for Industry
3 Kerosene for Japan
4 High sulphur fuel oil price for France, Spain, UK and Japan; low sulphur fuel oil price for Germany, Italy and the UK (as from Dec. 2002)

Please note: National currency prices for France, Germany, Italy and Spain are in Euros.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
OECD North America												
Venezuela	1.63	1.66		1.66	1.54	1.58	1.35	2.01	1.74	1.87	1.60	0.28
Other Central & South America	0.61	0.52		0.51	0.55	0.55	0.57	0.65	0.62	0.69	0.58	0.11
North Sea	1.14	1.03		0.99	0.92	0.96	1.37	1.42	1.09	1.25	0.87	0.38
Other OECD Europe	0.00	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.01	-		-	-	0.00	0.11	0.10	0.11	0.21	-	-
Saudi Arabia	1.63	1.70		1.76	1.50	1.58	1.62	1.50	1.61	1.74	1.48	0.25
Kuwait	0.27	0.24		0.26	0.19	0.23	0.20	0.17	0.29	0.19	0.23	-0.04
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.70	0.92		0.97	1.19	1.02	0.53	0.32	0.21	0.29	1.33	-1.04
Oman	0.00	0.02		0.06	-	-	-	0.03	0.07	-	-	-
United Arab Emirates	0.00	0.02		0.01	0.00	-	0.04	-	0.02	-	0.01	-
Other Middle East	0.03	0.02		0.04	-	-	0.02	0.09	0.10	0.03	-	-
West Africa[2]	1.56	1.44		1.42	1.20	1.03	1.20	1.40	1.13	1.06	1.27	-0.21
Other Africa	0.07	0.13		0.14	0.16	0.17	0.21	0.16	0.22	0.13	0.12	0.00
Asia	0.18	0.15		0.16	0.14	0.17	0.18	0.17	0.13	0.21	0.16	0.05
Other	0.05	0.03		0.02	0.05	0.03	0.07	0.07	0.04	0.03	0.03	0.00
Total	**7.83**	**7.85**		**8.00**	**7.44**	**7.32**	**7.48**	**8.08**	**7.38**	**7.69**	**7.68**	**0.02**
of which Non-OECD	**6.70**	**6.82**		**6.98**	**6.50**	**6.32**	**6.06**	**6.65**	**6.23**	**6.39**	**6.79**	**-0.41**
OECD Europe												
Canada	0.00	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.20	0.18		0.18	0.17	0.16	0.19	0.21	0.20	0.27	0.16	0.11
Venezuela	0.14	0.18		0.20	0.26	0.26	0.16	0.16	0.15	0.20	0.28	-0.09
Other Central & South America	0.01	0.04		0.00	0.04	0.07	0.02	0.04	0.03	0.03	0.02	0.02
Non-OECD Europe	0.01	0.00		0.01	0.00	0.01	0.00	0.01	0.01	0.00	0.00	0.00
Former Soviet Union	2.40	2.68		2.87	2.69	2.98	3.14	3.35	3.03	2.90	2.87	0.03
Saudi Arabia	1.39	1.25		1.30	1.07	1.10	1.19	1.34	1.31	1.30	1.15	0.15
Kuwait	0.20	0.16		0.17	0.12	0.11	0.13	0.17	0.14	0.09	0.09	0.00
Iran	0.79	0.74		0.74	0.69	0.52	0.61	0.60	0.77	0.69	0.79	-0.10
Iraq	0.74	0.40		0.37	0.46	0.17	0.15	0.25	0.36	0.40	0.54	-0.14
Oman	-	-		-	-	-	-	0.04	-	0.00	-	-
United Arab Emirates	0.00	0.01		-	0.01	0.00	-	-	-	-	-	-
Other Middle East	0.31	0.43		0.44	0.42	0.40	0.49	0.42	0.48	0.38	0.39	0.00
West Africa[2]	0.64	0.81		0.70	1.06	0.92	0.55	0.48	0.77	0.49	0.83	-0.34
Other Africa	1.58	1.50		1.45	1.48	1.40	1.42	1.35	1.16	1.51	1.58	-0.07
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.04	0.22		0.26	0.44	0.34	0.64	0.40	0.28	0.95	0.44	0.51
Total	**8.45**	**8.59**		**8.68**	**8.92**	**8.44**	**8.70**	**8.83**	**8.69**	**9.22**	**9.14**	**0.08**
of which Non-OECD	**8.26**	**8.41**		**8.50**	**8.75**	**8.28**	**8.51**	**8.63**	**8.49**	**8.95**	**8.98**	**-0.03**
OECD Pacific												
Canada	-	0.00		-	0.01	-	-	-	-	0.01	0.02	0.00
Mexico + USA	0.07	0.02		-	0.02	0.01	0.02	-	-	-	-	-
Venezuela	-	0.00		-	0.02	-	-	-	-	-	0.02	-
Other Central & South America	0.05	0.07		0.08	0.08	0.10	0.06	0.06	0.08	0.09	0.13	-0.04
North Sea	0.02	0.01		0.02	0.01	0.01	0.03	0.10	-	-	-	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.03	0.05		0.11	0.08	0.02	0.05	0.06	0.12	0.08	0.06	0.02
Saudi Arabia	1.83	1.84		1.68	1.86	1.81	1.68	1.61	1.59	1.64	1.84	-0.20
Kuwait	0.60	0.64		0.56	0.67	0.67	0.55	0.48	0.53	0.50	0.77	-0.27
Iran	0.72	0.75		0.74	0.69	0.66	0.64	0.70	0.56	0.58	0.69	-0.11
Iraq	0.13	0.01		-	0.02	0.03	0.05	0.02	-	-	0.06	-
Oman	0.36	0.41		0.38	0.42	0.45	0.34	0.39	0.32	0.39	0.44	-0.05
United Arab Emirates	1.46	1.42		1.37	1.32	1.40	1.12	1.18	1.42	1.35	1.30	0.06
Other Middle East	0.59	0.60		0.54	0.56	0.59	0.46	0.65	0.44	0.51	0.55	-0.04
West Africa[2]	0.17	0.11		0.12	0.16	0.18	0.19	0.21	0.19	0.18	0.13	0.05
Other Africa	0.06	0.04		0.05	0.03	0.03	0.01	0.09	0.05	0.06	0.01	0.05
Non-OECD Asia	0.87	0.89		0.86	0.84	0.91	0.84	0.82	0.73	0.78	0.83	-0.05
Other	-	0.00		-	0.00	-	-	-	-	-	-	
Total	**6.96**	**6.89**		**6.52**	**6.78**	**6.90**	**6.05**	**6.39**	**6.02**	**6.19**	**6.84**	**-0.66**
of which Non-OECD	**6.87**	**6.86**		**6.50**	**6.74**	**6.88**	**6.00**	**6.29**	**6.02**	**6.17**	**6.82**	**-0.65**
Total OECD Trade	**23.25**	**23.34**		**23.20**	**23.13**	**22.66**	**22.23**	**23.31**	**22.09**	**23.10**	**23.65**	**-0.56**
of which Non-OECD	**21.82**	**22.08**		**21.98**	**21.98**	**21.47**	**20.57**	**21.57**	**20.74**	**21.51**	**22.59**	**-1.08**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
Saudi Light & Extra Light												
North America	0.45	0.69		0.77	0.68	0.70	0.54	0.64	0.62	1.39	0.67	0.72
Europe	1.01	0.92		0.98	0.83	0.93	0.93	1.02	1.01	0.42	0.87	-0.45
Pacific	0.64	1.22		1.08	1.22	1.35	1.14	1.08	1.26	1.02	1.22	-0.19
Saudi Medium												
North America	0.68	0.73		0.70	0.69	0.72	0.65	0.54	0.63	2.64	0.77	1.86
Europe	0.23	0.15		0.16	0.13	0.11	0.08	0.18	0.08	0.10	0.16	-0.05
Pacific	0.13	0.17		0.17	0.19	0.16	0.18	0.20	0.13	0.19	0.20	-0.01
Saudi Heavy												
North America	0.31	0.21		0.19	0.18	0.12	0.23	0.23	0.16	0.22	0.19	0.03
Europe	0.14	0.14		0.15	0.10	0.08	0.10	0.11	0.10	0.09	0.09	0.00
Pacific	0.12	0.15		0.14	0.12	0.10	0.12	0.10	0.15	0.09	0.14	-0.05
Iraqi Basrah Light[2]												
North America	0.61	0.65		0.62	0.86	0.63	0.34	0.17	0.16	0.09	0.89	-0.79
Europe	0.16	0.15		0.10	0.18	0.01	0.06	0.08	0.05	0.10	0.23	-0.13
Pacific	0.08	0.01		..	0.02	0.03	0.05	..	0.02	..	0.06	..
Iraqi Kirkuk												
North America	..	0.09		0.12	0.15	0.26	0.11	0.07	0.06	0.17	0.11	0.05
Europe	0.55	0.31		0.30	0.35	0.21	0.19	0.31	0.44	0.28	0.36	-0.07
Pacific	..	0.01		..	..	..	0.00	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.26	0.16		0.15	0.16	0.19	0.14	0.12	0.13	0.11	0.14	-0.03
Pacific	0.13	0.13		0.12	0.13	0.11	0.11	0.13	0.12	0.11	0.14	-0.03
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.49	0.53		0.52	0.49	0.34	0.45	0.47	0.58	0.27	0.59	-0.32
Pacific	0.37	0.63		0.63	0.58	0.55	0.56	0.54	0.40	0.55	0.48	0.07
Venezuelan Light & Medium												
North America	0.72	0.61		0.54	0.59	0.66	0.57	0.94	0.92	0.74	0.56	0.18
Europe	0.04	0.07		0.06	0.16	0.15	0.05	0.00	..	0.06	0.14	-0.07
Pacific	..	0.00		..	0.02	..	..	..	..	..	0.02	..
Venezuelan 22 API and heavier												
North America	0.50	0.65		0.65	0.58	0.55	0.46	0.68	0.59	0.66	0.70	-0.04
Europe	0.06	0.07		0.09	0.06	0.06	0.06	0.07	0.07	0.05	0.09	-0.05
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.66	0.77		0.75	0.85	0.90	0.89	0.94	0.86	1.04	0.76	0.28
Europe	0.17	0.14		0.17	0.16	0.16	0.17	0.18	0.18	0.24	0.16	0.08
Pacific	0.02	0.01		..	0.01	..	0.01	..	..	..	..	..
Mexican Isthmus												
North America	0.07	0.04		0.01	0.04	0.01	0.00	0.01	0.01	0.01	0.01	-0.01
Europe	0.01	0.03		0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.00
Pacific	0.02	0.01		..	0.01	..	0.01	..	..	..	..	..
Russian Urals												
North America	..	..		..	..	..	0.08	..	..	0.08	..	..
Europe	0.75	1.10		1.24	1.07	1.24	1.25	1.52	1.53	0.82	1.15	-0.33
Pacific	..	0.01		0.02	0.02	0.01	..	..	0.03	..	0.05	..
Nigerian Light[4]												
North America	0.65	0.50		0.43	0.39	0.33	0.38	0.60	0.41	0.37	0.38	-0.02
Europe	0.38	0.38		0.33	0.49	0.33	0.22	0.26	0.39	0.33	0.42	-0.09
Pacific	0.01	0.02		0.02	0.03	0.05	0.03	0.06	0.03	..	0.05	..
Nigerian Medium												
North America	0.01	0.31		0.31	0.25	0.15	0.22	0.21	0.09	0.10	0.35	-0.25
Europe	0.06	0.10		0.09	0.19	0.11	0.03	0.03	..	0.03	0.19	-0.16
Pacific	0.00	0.00		..	0.01	0.02	..	..	0.03	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 21 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
OECD North America												
Venezuela	0.13	0.11		0.10	0.12	0.05	0.07	0.08	0.13	0.10	0.11	-0.02
Other Central & South America	0.09	0.10		0.12	0.10	0.09	0.10	0.09	0.11	0.13	0.08	0.05
ARA (Belgium Germany Netherlands)	0.05	0.07		0.07	0.06	0.09	0.13	0.13	0.07	0.07	0.09	-0.02
Other Europe	0.14	0.18		0.21	0.17	0.20	0.24	0.17	0.22	0.18	0.15	0.03
FSU	0.04	0.04		0.03	0.02	0.06	0.08	0.05	0.06	0.01	0.02	-0.01
Saudi Arabia	0.06	0.05		0.05	0.05	0.05	0.05	0.04	0.05	0.08	0.06	0.02
Algeria	-	0.00		0.00	0.00	0.01	0.01	-	-	-	-	-
Other Middle East & Africa	0.03	0.03		0.04	0.02	0.02	0.03	0.06	0.03	0.03	0.02	0.01
Singapore	0.01	0.01		0.01	0.02	0.02	0.00	0.01	-	-	0.01	-
OECD Pacific	0.01	0.02		0.02	0.01	0.01	0.02	0.00	0.01	0.01	0.02	-0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.03	0.01	0.00	0.01	0.01	0.02	0.01	0.01	0.00
Other	-	0.00		0.00	-	-	-	-	-	-	-	-
Total[2]	**0.56**	**0.65**		**0.69**	**0.57**	**0.60**	**0.75**	**0.65**	**0.70**	**0.62**	**0.58**	**0.04**
of which Non-OECD	**0.37**	**0.39**		**0.42**	**0.34**	**0.32**	**0.40**	**0.40**	**0.46**	**0.39**	**0.33**	**0.06**
OECD Europe												
OECD North America	0.00	0.00		0.00	0.00	-	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.02	0.03		0.03	0.02	0.04	0.05	0.03	0.01	0.01	0.03	-0.02
FSU	0.02	0.02		0.03	0.01	0.01	0.03	0.09	0.02	0.02	0.01	0.01
Saudi Arabia	0.00	0.00		0.01	0.00	0.00	0.00	-	0.01	0.00	0.00	0.00
Algeria	0.01	0.00		0.00	0.00	0.00	0.02	0.01	0.01	0.01	0.00	0.01
Other Middle East & Africa	0.01	0.01		0.02	0.01	0.01	0.02	0.03	0.01	0.01	0.01	0.01
Singapore	-	-		-	-	-	-	-	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	-	-	-	-	-	-	-	-
Other	0.08	0.09		0.00	0.12	0.12	0.07	-0.04	0.09	0.07	0.14	-0.08
Total[2]	**0.14**	**0.15**		**0.09**	**0.17**	**0.18**	**0.19**	**0.12**	**0.15**	**0.13**	**0.19**	**-0.07**
of which Non-OECD	**0.14**	**0.15**		**0.09**	**0.17**	**0.18**	**0.19**	**0.14**	**0.18**	**0.15**	**0.19**	**-0.04**
OECD Pacific												
OECD North America	0.00	0.00		-	-	0.01	0.00	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	-	0.00	-	-	-	-	-
Saudi Arabia	0.01	0.00		0.00	0.00	0.01	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.03	0.04	0.02	0.02	0.04	0.02	0.02
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	0.01	0.02	0.02	-	0.01	0.02	0.01	0.01
Other	-	-		-	-	-	0.00	-	-	-	-	-
Total[2]	**0.04**	**0.04**		**0.03**	**0.04**	**0.06**	**0.06**	**0.02**	**0.03**	**0.06**	**0.03**	**0.03**
of which Non-OECD	**0.04**	**0.03**		**0.03**	**0.04**	**0.05**	**0.06**	**0.02**	**0.03**	**0.06**	**0.03**	**0.03**
Total OECD Trade[2]	**0.74**	**0.83**		**0.81**	**0.77**	**0.85**	**1.01**	**0.79**	**0.89**	**0.81**	**0.81**	**0.00**
of which Non-OECD	**0.55**	**0.57**		**0.54**	**0.54**	**0.56**	**0.66**	**0.56**	**0.68**	**0.60**	**0.55**	**0.04**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
OECD North America												
Venezuela	0.06	0.06		0.04	0.05	0.04	0.04	0.04	0.02	0.02	0.06	-0.04
Other Central & South America	0.01	0.03		0.01	0.01	0.05	0.01	0.00	0.02	0.04	0.00	0.04
ARA (Belgium Germany Netherlands)	0.01	0.01		0.00	0.01	0.00	-	0.00	0.00	-	0.03	-
Other Europe	0.01	0.02		0.00	0.00	-	-	-	0.00	0.03	0.00	0.02
FSU	0.03	0.03		0.01	-	0.01	0.02	-	-	0.04	-	-
Saudi Arabia	0.00	0.00		0.00	-	-	-	0.00	-	-	-	-
Algeria	0.00	0.01		0.01	0.01	0.00	-	-	-	0.01	0.01	0.00
Other Middle East & Africa	0.00	0.01		0.02	0.00	-	-	-	-	-	0.01	-
Singapore	0.00	0.00		0.00	0.00	0.00	-	-	-	-	0.00	-
OECD Pacific	0.00	0.01		0.01	-	0.00	0.00	0.01	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.01		0.00	0.01	0.00	-	-	-	0.00	0.02	-0.02
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.19**		**0.11**	**0.10**	**0.10**	**0.07**	**0.05**	**0.04**	**0.15**	**0.14**	**0.02**
of which Non-OECD	**0.11**	**0.16**		**0.09**	**0.08**	**0.10**	**0.07**	**0.04**	**0.03**	**0.15**	**0.12**	**0.04**
OECD Europe												
OECD North America	0.02	0.02		0.03	0.03	0.05	0.03	0.03	0.02	0.02	0.03	-0.01
Venezuela	0.00	0.00		0.00	0.00	0.00	-	-	-	-	0.00	-
Other Central & South America	0.00	0.00		0.00	0.01	0.01	0.00	0.00	0.00	0.01	0.01	-0.01
Non-OECD Europe	0.05	0.05		0.06	0.04	0.08	0.07	0.02	0.03	0.03	0.04	-0.02
FSU	0.29	0.36		0.39	0.38	0.44	0.46	0.31	0.44	0.49	0.34	0.15
Saudi Arabia	0.00	0.01		0.01	0.01	0.01	0.01	-	0.00	0.01	0.01	0.00
Algeria	0.03	0.04		0.05	0.03	0.03	0.02	0.03	0.04	0.01	0.03	-0.01
Other Middle East & Africa	0.02	0.02		0.02	0.02	0.02	0.01	0.04	0.01	0.01	0.02	0.00
Singapore	0.00	0.00		0.00	0.00	0.03	0.00	0.03	-	0.01	-	-
OECD Pacific	0.00	0.00		-	-	-	-	0.00	0.02	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.00		-	0.01	0.01	0.00	0.01	-	0.00	0.01	-0.01
Other	0.08	0.10		0.07	0.13	0.13	0.04	0.03	0.08	0.09	0.16	-0.06
Total[2]	**0.50**	**0.60**		**0.62**	**0.66**	**0.81**	**0.64**	**0.50**	**0.63**	**0.69**	**0.64**	**0.05**
of which Non-OECD	**0.48**	**0.59**		**0.60**	**0.66**	**0.78**	**0.61**	**0.50**	**0.65**	**0.71**	**0.65**	**0.06**
OECD Pacific												
OECD North America	-	-		-	-	0.00	0.00	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		-	0.00	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	0.00	-	-	-	-	-	-
FSU	0.00	0.00		0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	0.01	-	-	-	-	-
Singapore	0.01	0.02		0.02	0.02	0.02	0.03	0.01	0.02	0.02	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.00	0.01		0.01	0.00	0.01	0.02	0.02	0.03	0.02	0.00	0.02
Other	0.00	0.00		-	0.00	0.00	0.00	-	-	-	0.00	-
Total[2]	**0.02**	**0.03**		**0.04**	**0.03**	**0.04**	**0.06**	**0.04**	**0.06**	**0.04**	**0.03**	**0.01**
of which Non-OECD	**0.02**	**0.03**		**0.04**	**0.03**	**0.04**	**0.06**	**0.04**	**0.06**	**0.04**	**0.03**	**0.01**
Total OECD Trade[2]	**0.66**	**0.82**		**0.77**	**0.79**	**0.95**	**0.77**	**0.59**	**0.73**	**0.89**	**0.81**	**0.08**
of which Non-OECD	**0.62**	**0.78**		**0.73**	**0.77**	**0.91**	**0.74**	**0.58**	**0.74**	**0.91**	**0.80**	**0.11**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
OECD North America												
Venezuela	0.03	0.03		0.02	0.03	0.03	0.02	0.01	0.02	0.01	0.01	0.01
Other Central & South America	0.02	0.02		0.01	0.02	0.02	0.01	0.01	0.00	0.01	0.00	0.01
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Europe	0.00	0.00		-	0.00	-	0.00	-	-	-	-	-
FSU	-	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.01	0.00		0.00	-	0.01	-	-	-	-	-	-
Algeria	0.00	0.00		-	-	-	-	-	-	0.01	-	-
Other Middle East & Africa	0.01	0.02		0.02	-	0.00	0.01	0.00	0.01	0.01	-	-
Singapore	0.01	0.01		0.00	0.00	0.00	-	-	-	0.00	0.01	0.00
OECD Pacific	0.06	0.05		0.06	0.02	0.02	0.04	0.05	0.03	0.08	0.02	0.06
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	0.01	0.01	0.03	0.01	-	0.00	-
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.14**		**0.12**	**0.07**	**0.09**	**0.09**	**0.10**	**0.08**	**0.12**	**0.03**	**0.08**
of which Non-OECD	**0.08**	**0.09**		**0.06**	**0.06**	**0.07**	**0.05**	**0.05**	**0.05**	**0.04**	**0.02**	**0.03**
OECD Europe												
OECD North America	0.00	0.00		0.00	0.00	0.02	0.00	0.01	0.01	0.01	0.00	0.01
Venezuela	0.01	0.01		0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.00
Other Central & South America	0.00	0.01		0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.03	-0.02
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	-	-	-	0.00	-
FSU	0.02	0.02		0.02	0.02	0.02	0.03	0.05	0.02	0.03	0.02	0.00
Saudi Arabia	0.02	0.03		0.04	0.04	0.02	0.02	0.03	0.01	0.01	0.00	0.01
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.02	0.01	0.00	0.00	0.00
Other Middle East & Africa	0.07	0.13		0.15	0.12	0.08	0.12	0.13	0.12	0.10	0.07	0.03
Singapore	-	-		-	-	-	-	0.02	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	0.00	-	-	-	-	-	-
Other	0.04	0.04		0.04	0.04	0.03	0.02	0.01	0.04	0.02	0.04	-0.02
Total[2]	**0.17**	**0.24**		**0.28**	**0.26**	**0.21**	**0.23**	**0.29**	**0.23**	**0.19**	**0.19**	**0.00**
of which Non-OECD	**0.17**	**0.25**		**0.29**	**0.26**	**0.19**	**0.22**	**0.28**	**0.23**	**0.18**	**0.19**	**-0.01**
OECD Pacific												
OECD North America	0.00	-		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.01	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		-	0.01	0.01	-	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.00	0.02	0.04	0.00	-	-	0.00	0.02	-0.02
Other	0.03	0.04		0.02	0.05	0.07	0.03	0.04	0.04	0.04	0.05	-0.01
Total[2]	**0.07**	**0.07**		**0.03**	**0.08**	**0.15**	**0.04**	**0.04**	**0.04**	**0.05**	**0.07**	**-0.02**
of which Non-OECD	**0.07**	**0.07**		**0.03**	**0.08**	**0.15**	**0.04**	**0.04**	**0.04**	**0.05**	**0.07**	**-0.02**
Total OECD Trade[2]	**0.38**	**0.45**		**0.43**	**0.41**	**0.45**	**0.35**	**0.42**	**0.35**	**0.36**	**0.29**	**0.06**
of which Non-OECD	**0.32**	**0.41**		**0.38**	**0.39**	**0.41**	**0.31**	**0.37**	**0.32**	**0.27**	**0.27**	**0.00**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Aug 02	Sep 02	Oct 02	Year Earlier Oct 01	Year Earlier change
OECD North America												
Venezuela	0.08	0.07		0.07	0.04	0.03	0.04	0.04	0.02	-	0.03	-
Other Central & South America	0.08	0.11		0.13	0.09	0.08	0.09	0.10	0.10	0.11	0.10	0.01
ARA (Belgium Germany Netherlands)	0.02	0.04		0.03	0.02	0.01	0.01	0.01	-	0.02	0.03	-0.01
Other Europe	0.06	0.05		0.02	0.04	0.00	0.02	0.03	0.01	0.00	0.04	-0.04
FSU	0.02	0.02		0.04	0.01	-	0.01	0.03	0.01	0.01	0.02	-0.01
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	0.05	0.05		0.06	0.04	-	0.01	-	0.01	0.01	0.04	-0.03
Other Middle East & Africa	0.02	0.02		0.02	0.02	0.00	0.02	0.01	0.04	-	-	-
Singapore	0.00	0.00		0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.00	0.00
OECD Pacific	0.00	0.00		0.00	-	-	-	0.01	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.00	0.00	0.00	-	-	-	0.01	-
Other	-	0.00		-	-	0.00	-	-	0.04	-	-	-
Total[2]	**0.35**	**0.37**		**0.37**	**0.27**	**0.14**	**0.21**	**0.23**	**0.25**	**0.16**	**0.26**	**-0.10**
of which Non-OECD	**0.29**	**0.31**		**0.36**	**0.23**	**0.14**	**0.19**	**0.18**	**0.26**	**0.17**	**0.21**	**-0.04**
OECD Europe												
OECD North America	0.01	0.02		0.01	0.04	0.05	0.01	0.01	0.01	0.02	0.02	0.00
Venezuela	0.01	0.01		0.00	0.00	0.01	-	-	-	0.00	0.00	0.00
Other Central & South America	0.02	0.01		0.01	0.01	0.05	0.00	-	0.01	0.01	0.01	-0.01
Non-OECD Europe	0.01	0.01		0.02	0.02	0.01	0.02	0.00	0.00	0.02	0.03	-0.01
FSU	0.19	0.23		0.28	0.23	0.22	0.31	0.34	0.31	0.30	0.29	0.01
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.00		0.00	0.00	0.02	0.00	0.01	0.02	0.01	0.01	0.00
Other Middle East & Africa	0.07	0.06		0.06	0.07	0.07	0.07	0.04	0.06	0.07	0.07	0.00
Singapore	-	0.00		-	0.00	0.00	0.00	-	-	-	-	-
OECD Pacific	-	-		-	-	-	0.00	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	0.01	0.00	0.01	0.01	0.02	-	-
Other	0.08	0.06		0.04	0.05	0.06	0.07	0.05	0.02	0.07	0.07	0.00
Total[2]	**0.39**	**0.40**		**0.42**	**0.42**	**0.49**	**0.49**	**0.46**	**0.42**	**0.51**	**0.50**	**0.01**
of which Non-OECD	**0.38**	**0.38**		**0.41**	**0.38**	**0.45**	**0.48**	**0.46**	**0.42**	**0.50**	**0.48**	**0.02**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.00	-	0.00	0.00	0.00	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	0.00		-	0.01	-	-	-	-	-	0.02	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	0.01	-	-	-	-	-
Saudi Arabia	-	-		-	-	-	0.00	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.02	0.00	0.00	0.02	0.01	0.01	0.02	-	-
Non-OECD Asia (excl. Singapore)	0.06	0.05		0.06	0.05	0.05	0.07	0.03	0.03	0.06	0.04	0.02
Other	0.01	0.02		0.02	0.02	0.01	0.01	0.00	0.03	0.03	0.03	0.00
Total[2]	**0.09**	**0.08**		**0.09**	**0.08**	**0.07**	**0.12**	**0.04**	**0.07**	**0.11**	**0.09**	**0.02**
of which Non-OECD	**0.09**	**0.08**		**0.09**	**0.07**	**0.07**	**0.12**	**0.04**	**0.06**	**0.11**	**0.07**	**0.04**
Total OECD Trade[2]	**0.83**	**0.85**		**0.89**	**0.77**	**0.70**	**0.83**	**0.73**	**0.73**	**0.78**	**0.85**	**-0.06**
of which Non-OECD	**0.76**	**0.78**		**0.86**	**0.68**	**0.65**	**0.78**	**0.68**	**0.74**	**0.77**	**0.76**	**0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

The monthly Oil Market Report is published on the responsibility of the Executive Director and Secretariat of the International Energy Agency. Although some of the data are supplied by Member Governments, largely on the basis of information received from oil companies, neither governments nor companies necessarily share the Secretariat's views or conclusions as expressed therein. ©OECD/IEA2002

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12 February 2003

HIGHLIGHTS

- World oil output increased by 1.19 mb/d in January, to 77.58 mb/d, after falling 2.22 mb/d in December. OPEC output rose by 890 kb/d, led by gains in Saudi Arabia, Iraq, the UAE and Nigeria. Non-OPEC production rose by 368 kb/d, with North America, the FSU and Brazil contributing most, though North Sea production remained constrained.

- Venezuelan crude supply rebounded from early-January lows, mainly due to gains in light crude production in the eastern part of the country. Production is estimated to have averaged 574 kb/d in January, rising to 1.3 mb/d in early February. Markedly higher production will be more difficult to achieve and take longer to bring back on stream.

- Industry oil stocks in the OECD fell by 41 mb in December to 2515.6 mb, 107 mb below last year. December forward demand cover slipped to 51 days, falling five days over 2002. The fourth quarter stockdraw came in at 610 kb/d, as a marginal build in crude failed to offset draws of 580 kb/d in products and 130 kb/d in "other oils".

- Cash crude oil prices continued to rise in January, with WTI averaging $32.99, Dated Brent $31.32 and Dubai $28.02. Prices increased further in early February. Product prices rose faster than crude, so that refining margins improved in all major refining centres.

- The forecast of global oil demand growth for 2003 has been adjusted upwards by some 80 kb/d, mostly on expectations of further gains in Chinese demand. Stronger-than-expected winter heating demand and fuel switching into oil in Japan and the US offset downward adjustments in OECD Europe.

Next Issue: 12 March 2003

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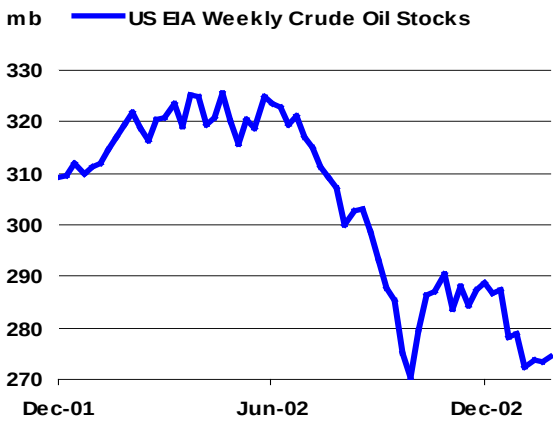
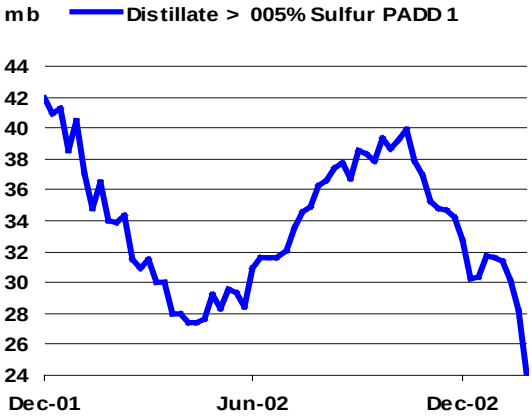
WEATHERING THE STORM

The global oil distribution system has weathered a difficult two months. A general strike in Venezuela removed a combined 80 mb of crude and liquids from the global market in December, and a further 75 mb in January. This shortfall in supply coincided with a period of peak seasonal demand and tight crude stocks in North America and Asia.

The loss of Venezuelan production was compounded by the arrival of unusually cold weather, high natural gas prices in key consuming regions and growing concerns about a potential supply disruption in Iraq. The relatively measured response of the market bears testimony to the resilience of the global supply chain and its ability to adjust to changing parameters and operating environments.

Producers should be recognised for their action in addressing the shortfall. Their statements and willingness to increase supply calmed markets and helped deflate speculative pressures. At the same time, sales out of producer storage made up a significant portion of the lost Venezuelan supply. Refiners responded by sourcing barrels from the spot market and drawing down industry stocks. Processing unfinished oils in the US enabled them to meet product obligations as well as benefit from rising margins. The logistics system responded by repositioning assets, which bolstered arbitrage and facilitated the redeployment of crude and product stocks to areas of highest need. The system worked.





Although not physically deployed, the presence of IEA industry and agency stocks also played an important role in reassuring the market. The availability, if necessary, of government stocks muted speculation as short-haul supply could enter the market at short notice. In this respect, strategic holdings backstopped a system operating at the edge of its capacity.

There are signs of growing crude oil exports from Venezuela. Combined with incremental OPEC supply, increased non-OPEC production and a 1.5 mb/d seasonal reduction in demand associated with the end of the peak winter heating season, the current extremely tight supply-demand balances should ease in the second quarter. This will help to restore some measure of spare capacity and flexibility in the system and will provide relief for everyone concerned.

The gradual easing of tight supply-demand balances does not mean that things have returned to normal and that there is smooth sailing ahead. Indeed, there are many uncertainties on the horizon. The weather continues to be colder than normal in key gasoil consuming regions, and already tight product stocks have come under increasing pressure. Natural gas prices in North America are surging, encouraging reduced liquids extraction and fuel substitution into oil at the margin. Nuclear issues in Japan have resulted in increased burning of oil and fuel oil products. And then there is Iraq, a difficult election period in Nigeria and unpredictability surrounding developments in Venezuela.

The global oil supply and distribution system has been stretched such that it has less margin for error. It will take time to re-establish spare capacity and rebuild industry stocks to more comfortable levels. Any failure to replenish crude oil and product stocks in advance of peak gasoline demand will only extend price volatility and instability further into the year as clouds still loom.

DEMAND

Summary

- The assessment of global oil-product demand growth for 2002 and 2003 is little changed from last month's Report. The growth forecast for 2003 has been slightly increased, by 80 kb/d, to 1.12 mb/d, bringing total demand to 78.01 mb/d. Most of the gain (60 kb/d) is in the non-OECD region. Upward adjustments to Latin American and other non-OECD demand estimates for 2002 more than offset downward revisions for the OECD, marginally raising the overall growth assessment for the year by 10 kb/d, to 400 kb/d.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	-
4Q01	77.0	-0.6	-0.5	-
1Q02	76.6	-0.9	-0.7	-
2Q02	75.5	0.0	0.0	-
3Q02	76.7	0.8	0.6	-
4Q02	78.7	2.2	1.7	-
1Q03	78.2	2.0	1.5	0.4
2Q03	76.6	1.5	1.1	0.1
3Q03	77.9	1.5	1.1	0.1
4Q03	79.4	0.9	0.7	-0.2
2001	76.5	0.4	0.3	-
2002	76.9	0.5	0.4	-
2003	78.0	1.5	1.1	0.1

* year-on-year change

- Asia and North America led OECD demand growth in late 2002, a trend that is expected to continue through mid-2003. Thanks to aggregate year-on-year growth for the two regions of 1.03 mb/d, fourth-quarter OECD oil demand emerged from six consecutive quarters of contraction, rising by 840 kb/d, despite further declines in Europe. In December, Asian and North American demand surged by a combined 1.64 mb/d, lifting the OECD total by 1.58 mb/d.

- The December rebound in North American and Asian demand spanned all products. But demand was especially robust at the heavier end of the barrel, as fuel substitution into oil compounded the effects of colder-than-normal weather to boost oil use for heating and power generation. Based on preliminary data, Asian and North American demand for residual fuel oil rose by a combined 300 kb/d, and by 330 kb/d for heating oil. Direct crude burn by electric utilities lifted Japanese deliveries of "other oils" by 180 kb/d. High natural gas prices in North America and reduced nuclear power output in Japan are set to boost utility oil demand through the end of the winter heating season.

- European demand bucked the OECD trend, especially in the most industrialised areas. Demand in the four largest European economies contracted by a preliminary 220 kb/d in December, bringing the drop in oil demand in those countries to 240 kb/d for the fourth quarter and 190 kb/d for the year. The decline reflects tepid economic activity, particularly in Germany, fuel substitution away from oil for heating and power generation, and efficiency gains from the continued conversion of the automobile fleet to diesel. Unlike in the rest of the OECD, European temperatures were milder than a year earlier – albeit colder than normal – in December, though they grew colder than last year in January.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.93	-0.18	0.08	0.39	-0.8	0.3	1.6
Europe	15.83	0.20	-0.16	0.10	1.3	-1.0	0.7
OECD Pacific	8.53	-0.08	-0.02	0.15	-0.9	-0.2	1.8
China	5.16	0.09	0.29	0.14	1.8	5.9	2.7
Other Asia	7.47	0.05	0.09	0.16	0.7	1.2	2.1
Subtotal Asia	21.17	0.06	0.36	0.45	0.3	1.7	2.1
FSU	3.76	0.06	0.08	0.05	1.8	2.1	1.3
Middle East	4.96	0.14	0.12	0.12	3.0	2.5	2.5
Africa	2.51	0.03	0.03	0.04	1.4	1.3	1.5
Latin America	4.72	-0.03	-0.10	-0.04	-0.7	-2.2	-0.8
World	76.88	0.28	0.40	1.12	0.4	0.5	1.5

- Non-OECD demand continued to exceed expectations in the fourth quarter, rising by 820 kb/d on the year, on par with OECD growth. Chinese apparent demand accounted for most of the gain, reflecting a protracted period of record-high refinery throughputs and robust net product imports in late 2002. The recent pattern of strong year-on-year growth in refinery throughput has been carried forward into 2003, lifting the forecast of first-quarter apparent demand by 150 kb/d, and cutting the fourth-to-first-quarter demand drop to 320 kb/d. China's refining activity, in line with the entire economy, typically slows seasonally around the lunar New Year celebrations. New delivery data for Brazil, Argentina and Colombia trimmed the assessment of demand contraction in Latin American by 20 kb/d for 2002.

Estimated Annual World Oil Demand Growth 1998-2003
(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.08	0.39
Latin America	0.05	0.02	0.00	-0.03	-0.10	-0.04
FSU	-0.06	-0.13	0.03	0.06	0.08	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.16	0.10
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.02	0.15
China	-0.02	0.30	0.30	0.09	0.29	0.14
Other Asia	0.04	0.41	0.10	0.05	0.09	0.16
Subtotal, Asia	-0.51	0.99	0.34	0.06	0.36	0.45
Middle East	0.15	0.12	0.22	0.14	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.04
World	0.35	1.59	0.78	0.28	0.40	1.12

OECD

Early Indications of Current Demand

Unadjusted preliminary data for the nine largest OECD economies show that aggregate inland deliveries of oil products posted their steepest gains of the year in December, rising by an aggregate 3.6% from 2001, or 3.4% after adjustment for definitional differences with OMR statistics (see table below). The gains, which extend the upward trend of the previous two months, display the same regional contrasts as in October and November. Unadjusted inland deliveries in Japan and Korea soared by roughly 6%, followed by those in North America, which posted a 5% gain. In contrast, deliveries in the four largest European economies continued to contract, falling by 3%.

Broken down by products, unadjusted preliminary data reveal year-on-year demand gains across the barrel. But the percentage gains are more substantial for jet fuel and industrial and boiler fuels, which suffered the steepest contraction in 2001, than for automotive fuels, which fell little or expanded through last year's downturn. Having plummeted in the wake of the September 2001 terrorist attacks, jet fuel and kerosene deliveries led the rebound last December, soaring by 7%. Deliveries of heating oil and residual fuel oil, after contracting in 2001 on reduced industrial output and unusually warm Asian and North American temperatures, also bounced back in December amid colder-than-normal weather in the same markets. On the other hand, diesel and motor gasoline deliveries, for which demand fared better than for other products in 2001, showed more subdued growth in percentage terms. But they posted bigger gains in absolute terms, as those products account for a larger share of the demand barrel.

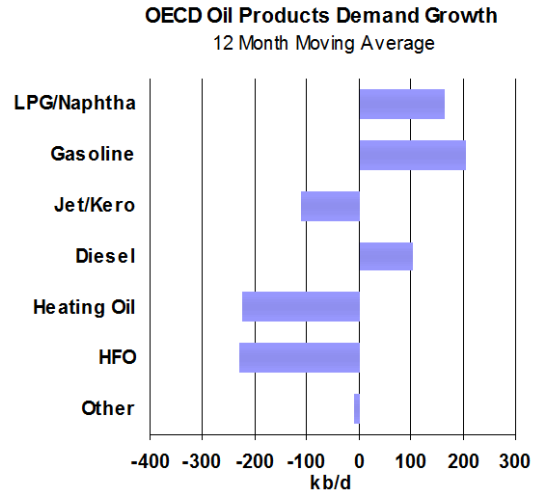
After adjustment for definitional differences, the gains in product deliveries look different in scope, but the trends remain the same. Adjusted residual fuel oil and heating oil deliveries rose by 6% in December after contracting at double-digit rates a year earlier. In addition to the stimulus of colder weather, demand benefited from fuel switching amid sharply lower nuclear power output in Japan and a natural-gas price rally in the US. Jet fuel and kerosene deliveries grew by 4.5%, reversing the 8% drop posted in the previous year.

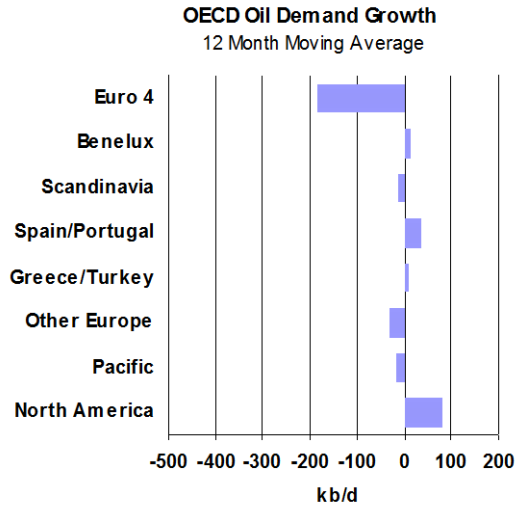
Preliminary Inland Deliveries – December 2002

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.82	2.7	1.67	10.8	2.74	4.6	1.25	27.5	0.73	16.5	4.81	1.6	20.02	5.0
Canada	0.67	2.1	0.10	11.6	0.36	5.3	0.14	23.0	0.15	9.6	0.22	13.1	1.63	7.0
Mexico	0.62	7.2	0.05	-1.9	0.28	8.1	0.00	na	0.39	-2.3	0.41	2.5	1.75	3.7
Japan	1.09	0.2	1.08	0.7	0.71	-4.3	0.64	2.4	0.63	35.0	1.96	16.7	6.11	7.7
Korea	0.18	-1.6	0.06	0.0	0.46	10.5	0.34	-0.9	0.36	-7.8	1.08	3.7	2.48	1.8
France	0.26	-10.6	0.12	12.6	0.55	-1.3	0.33	-24.1	0.06	-27.8	0.42	-7.5	1.73	-9.7
Germany	0.58	-9.2	0.13	11.7	0.55	4.9	0.61	5.3	0.12	-2.1	0.42	2.4	2.41	0.8
Italy	0.37	0.5	0.07	12.6	0.43	3.1	0.17	-12.8	0.21	-32.4	0.43	-4.3	1.66	-6.6
UK	0.43	-8.3	0.35	24.4	0.32	-5.2	0.13	-0.2	0.05	24.0	0.28	-4.9	1.56	3.1
Total	**12.59**	**1.6**	**3.27**	**7.0**	**6.08**	**3.4**	**3.48**	**6.4**	**2.64**	**4.7**	**9.73**	**-0.3**	**37.79**	**3.6**

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea PEDCO, France CPDP, Germany MWV, Italy Ministry of Industry, UK PIA
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Although the demand recovery seems robust compared to 2001 levels, when measured against earlier years, December deliveries seem more subdued. Adjusted estimates for the nine largest OECD economies actually fell by 1.6% in December versus 2000, and by an even steeper 3.6% from 1999, when Y2K concerns boosted deliveries. Indeed, one must go back to 1996 to find another year in which December oil demand in the largest OECD economies averaged below last year.





The very products for which December demand grew fastest year-on-year also show the most subdued demand when seen in a broader perspective. Despite jumping by roughly 6% year-on-year, December deliveries of heating oil and residual fuel oil deliveries remained 9%-16% below their 1996-2000 range for the month. Jet fuel and kerosene demand also fell short of December levels for 2000, 1999 and 1998. In contrast, gains in diesel and gasoline deliveries, though less dramatic than for other products, extended earlier trends. A 3% gain on the year in December brought diesel deliveries more than 14% above December 1998 and 23.5% above 1996. Gasoline deliveries gained more than 8% on December 1996.

In addition to continued growth in road fuel demand, much of the pick-up in December deliveries in the largest OECD economies reflected a temporary reversal of long-term declines in demand for industrial and boiler fuels, partly correcting unusually steep drops in 2001. For both heating oil and residual fuel oil, the rebound in deliveries owes little to the underlying strength of the broader economy, which remains lacklustre. Rather, the demand recovery reflects both a shift in weather patterns and fuel switching into oil triggered by non-oil-driven events. In Asia, where utilities and industrial users have been switching from oil to gas for several years, residual fuel oil and direct crude-burning demand found extraordinary support in the temporary loss of Japanese nuclear power generation capacity, starting last September, due to safety concerns. In the US, the effect of cold weather was recently compounded by a surge in natural gas prices and the rapid depletion of natural gas inventories. In both cases, the conditions that caused demand to surge appear temporary, and not only because of the intrinsically cyclical nature of heating demand. In Japan, a controversy over nuclear safety that temporarily idled most of the country's boiling water reactors will eventually settle. In the US, the current gas price rally is bound to taper off, if only because a protracted rally would set the stage for a rebound in natural gas drilling, leading to higher output and lower prices. But while relief is on the horizon, it will not likely happen for several months. The result will likely be more OECD oil demand growth in 2003 led by heating oil, residual fuel oil and crude for direct burn.

Moving Annual Average Change in Oil Demand* – December 2002

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	5.4%	15.8%	2.7%	-4.6%	-0.3%	-5.3%	-20.3%	-1.0%	0.2%	38
Canada	7.7%	8.3%	2.1%	2.8%	-1.0%	1.4%	-6.7%	5.9%	2.5%	48
Mexico	-0.7%	109.5%	2.6%	-3.6%	-4.0%	-4.0%	-13.1%	54.2%	-0.8%	-15
Japan	-3.7%	3.7%	1.4%	-1.2%	-2.3%	-2.1%	-5.5%	-9.8%	-1.7%	-92
Korea	8.2%	5.0%	2.7%	0.0%	9.7%	-1.8%	-4.3%	51.0%	2.2%	47
France	-3.5%	-14.0%	-3.6%	-1.9%	3.8%	-8.6%	-2.1%	-6.7%	-3.5%	-70
Germany	-9.7%	-2.5%	-3.0%	-0.4%	0.4%	-9.7%	-0.6%	7.3%	-3.5%	-98
Italy	-2.4%	-9.4%	-4.0%	-12.3%	3.1%	-0.5%	9.2%	-4.4%	0.5%	10
UK**	9.7%	-24.1%	-5.1%	-2.8%	2.9%	2.9%	-3.4%	9.8%	-1.5%	-26
Total	**2.9%**	**2.7%**	**1.6%**	**-3.1%**	**0.6%**	**-5.2%**	**-7.7%**	**-0.5%**	**-0.4%**	**-158**
Kb/d	117	68	208	-110	37	-191	-262	-18	-158	

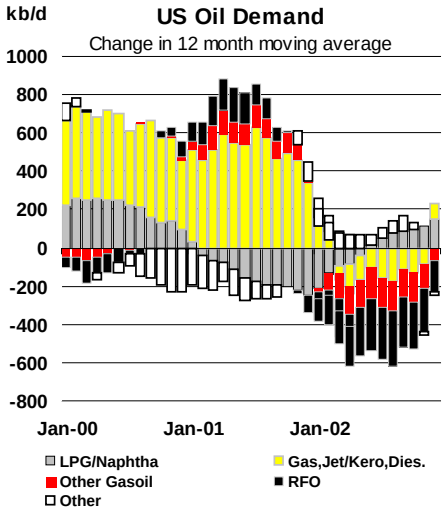
* defined as the percentage change between the demand average for the 12 months up to December and that of the same period a year earlier
* *near-month data are estimated

For the fourth month in a row, the moving annual average changes in oil demand for the nine largest OECD economies improved in December. The December overall change for those leading economies narrowed to –0.4% from –1.1% in November, –1.3% in October, –1.4% in September and –1.8% in August (see table above). For the OECD as a whole, the moving average change in oil demand rose to an estimated –0.2% from –0.8%, –0.9%. –1.0% and –1.3%.

Reflecting the impact of December delivery data, the steepest improvement displayed by the moving average changes in demand since last month is for the very products for which they had in recent months shown the deepest contraction. Although still negative, the moving averages for those products, including jet fuel/kerosene, heavy fuel oil and "other gasoil" (predominantly heating oil), all post gains of more than one percentage point. Light products, including gasoline, naphtha and LPG, for which moving averages recently had shown expanding demand, all show a pick-up in the pace of demand growth. The moving average of demand for diesel also inches higher.

The latest delivery data drew a deeper wedge between the demand trends in the leading European economies and in the rest of the OECD. The moving average changes in oil demand for the North American economies all improved in December, as did that for Japan. The change in Korean demand showed slightly slower growth than a month earlier, but remained staunchly in the black. In contrast, the moving averages for the four largest European economies showed continued deterioration in demand. A slight improvement in the moving average for Germany, reflecting a pick-up in heating oil deliveries in December after months of decline, left the country's overall average change deep in the red. Aggregate moving average changes for the main OECD regions, not displayed in the above table, show that the change in North American demand bottomed out in April, at –2.1%, swinging back into growth of 0.3% in December. The average change for Asian demand bottomed out in June at -2.7%, rising to –0.2% at the latest count. On the other hand, the average change for the four largest European economies swung into decline in June from a March peak of 0.8%, falling to –2.2% in the latest month.

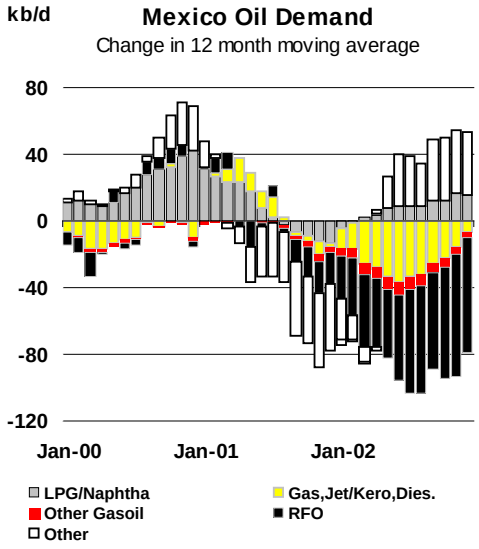
North America

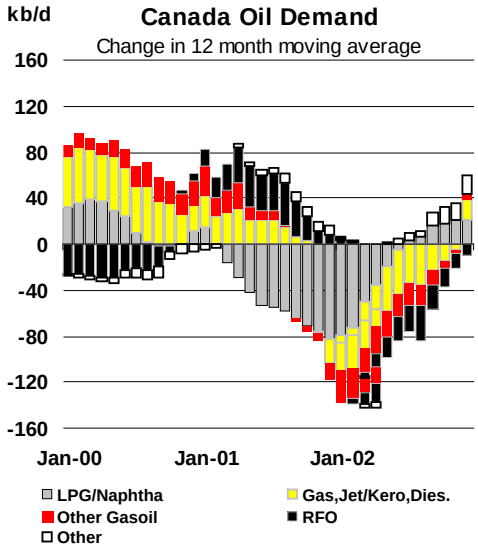


US oil demand expanded briskly in December and, according to preliminary weekly data, in January. Although, in percentage terms, a 4% year-on-year advance posted in January marks a slight slowdown from 4.9% a month earlier, the latest advance follows a shallower dip in the prior year than did the December gain. Thus, whereas last December's US demand of 20.82 mb/d remained below the December levels of both 1999 and 2000, the January preliminary average of 20.13 mb/d, if confirmed, would mark a record high for the month.

The surge in January demand spanned all products except jet fuel and, presumably, LPG. Distillate demand last month soared 9% on the year, to 4.28 mb/d, its second highest monthly average after January 2001. Demand in the final week of January appears to have reached an all-time weekly high. Gasoline demand of 8.58 mb/d, a 4.5% advance on the year, would, if confirmed, be by far the strongest ever reported for the month. Such a gain would narrow the December-to-January demand drop to an uncharacteristically shallow 240 kb/d, helping to smooth out the traditionally seasonal character of driving demand. Residual fuel oil demand soared more than 90 kb/d on the year, or 14%, to an estimated 740 kb/d.

Despite weak growth in the final quarter of 2002, the US economy has shown some encouraging signs in recent weeks. Those include a fledgling revival of consumer spending after a sharp slowdown in the summer and early fall, a clear rebound in manufacturing output in December and January, and improvements in the labour market, particularly in manufacturing and construction. However, concerns remain over the potential impact of war in Iraq on the economic recovery, and over the slow pace of the corporate healing process after steep drops in stock valuations and last year's wave of accounting scandals.



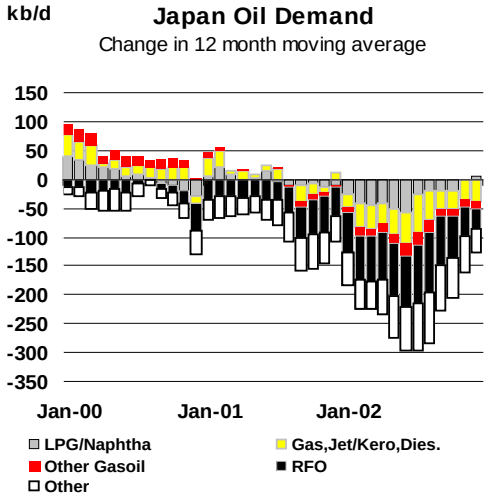


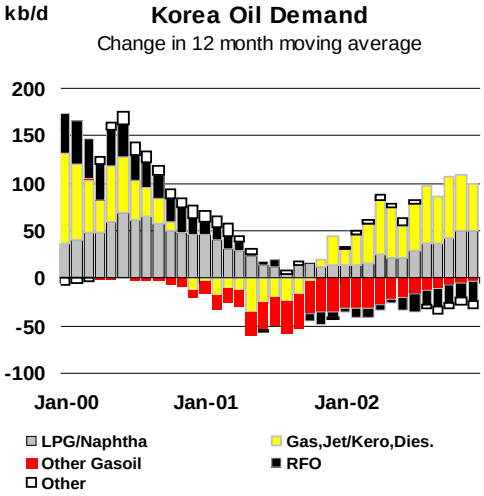
Although a sustained pick-up in the pace of manufacturing and broader economic activity would accelerate the recovery in US and North American oil demand, the recent rebound in oil deliveries comes mostly in response to factors not directly related to the economy. Colder-than-normal temperatures in key US markets this winter stand in sharp contrast with last winter's abnormally warm weather, boosting heating and power-generation oil demand. The weather factor is further compounded by a run-up in natural gas prices, to more than $6/mBtu at the major Henry Hub in Louisiana in early February. The rally, spurred by rapidly falling gas inventories, is enough at the margin to spur fuel switching into oil by power generators and industrial users. Record-low secondary and tertiary heating oil stocks in the key US Northeast market further inflate demand. With little inventory cushion to face a prolonged cold snap in New England, local market participants report that

heating-oil barrels are quickly snapped up by end-users, fuelling an endless effort by distributors and retailers to rebuild their depleted stocks. The heating oil component of distillate demand appears to have soared in December and January, while residual fuel oil demand also recovered from year-earlier drops.

A minor offsetting factor resulting from high natural gas prices will likely be a fall in liquids output, constraining consumption and resulting in a drop in "demand". When natural gas prices rally, it typically becomes more profitable for producers to leave NGL in the gas stream than to extract it as petroleum products. The drop, which has yet to appear in US demand statistics, will be more than offset by the surge in distillate and residual fuel oil demand, however.

Gains in North American gasoline demand also do not appear directly related to the economic recovery. Gasoline demand expanded through the recent economic downturn and continues to grow despite higher gasoline prices. Finally, a drop in crude supplies in December and January due to the oil sector's strike in Venezuela will likely result in stronger demand for "other products," as refiners processed more unfinished oils in the face of reduce crude throughputs.

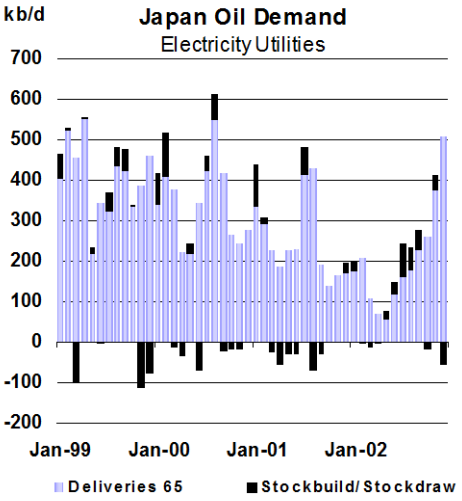




Pacific

The scope of oil demand spurred by the temporary drop in Japanese nuclear power generation capacity continues to exceed expectations. This primarily reflects Japanese utilities' apparent lack of success in securing incremental supplies for LNG-fired power plants, and more than offsets lower oil demand from the power generation sector in Korea. Year-on-year Japanese oil demand growth jumped to 160 kb/d for residual fuel oil and 210 kb/d for "other products" in December, following gains of 120 kb/d and 60 kb/d in November. Most of the growth in "other oil" deliveries was in heavy sweet crude, predominantly Indonesian Minas, a relatively clean fuel favoured for direct burn by Japanese power generators.

In the absence of any major change in the schedule of Japanese nuclear plant shutdowns, the estimate of lost nuclear power generation capacity that must be replaced by thermal power generation has not changed. But the demand pull on oil from the loss of nuclear power generation has been greater than anticipated, due in part to relatively modest incremental LNG consumption by electric utilities. Also, incremental oil deliveries for power generation do not strictly reflect actual burn by power plants, making it more difficult to extrapolate recent delivery data. In December, crude oil deliveries to electric utilities appear to have slightly exceeded consumption, allowing for a small build-up of inventories. Further increases in electric utility stocks could set the stage for lower demand gains later on, as power generators draw on stocks to power thermal units – assuming that an accord can soon be reached between utilities and other stakeholders to restart idled nuclear facilities.



Colder than normal weather compounded the effect of lower nuclear power generation to boost oil demand in the Asia Pacific region. Demand for kerosene, used for space heating in Northeast Asia, soared in October and November in both Korea and Japan, but appears to have eased in December. Naphtha demand from the steel and petrochemical industry soared in Japan and Korea, lifting Japanese deliveries to all-time highs in December. Diesel and butane deliveries soared in Korea on road transport demand, amid higher registrations of diesel and LPG-power cars.

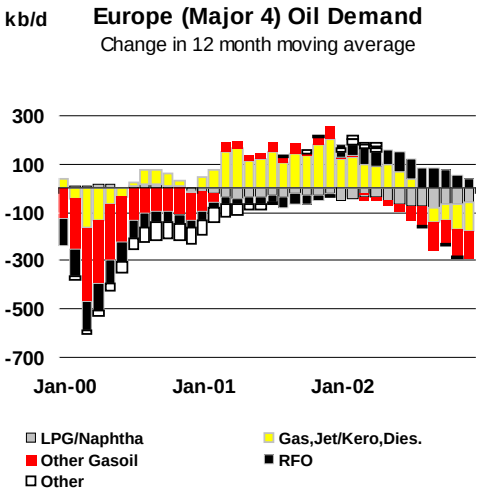
Europe

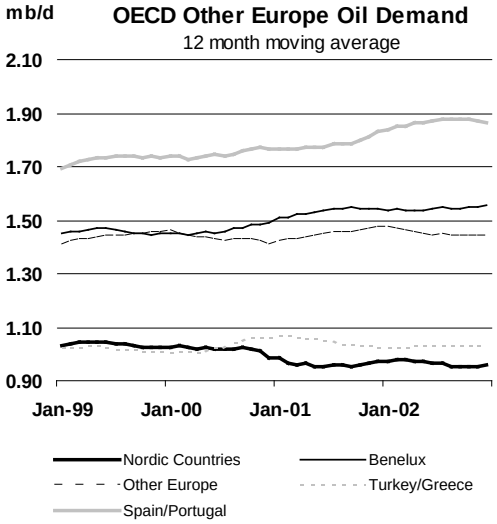
Further downward revisions were made to European demand for the fourth quarter in light of recent data for November and preliminary December statistics for the region's four largest economies. European oil demand now looks to have contracted in each of last year's quarters. The drops were led by the four largest economies, where demand contracted in 10 months out of 12.

The drop in demand did not include all products. Diesel demand continued to expand in December, extending the year's strong gains, although it contracted in France for the first time in 19 months. Diesel demand also reversed some of the year's gains in the UK. Jet fuel and kerosene deliveries soared in December, more than offsetting the previous year's decline. Jet fuel demand averaged well over 2000 levels in December in the four largest economies, amid increasing air travel demand.

For most other products, European demand contracted in December. For OECD Europe as a whole, heating oil and residual fuel oil demand declined by an estimated 300 kb/d overall, despite a much anticipated rebound in German deliveries. In France and Italy, residual fuel oil demand from power generators fell steeply as hydropower output recovered. Industrial use also fell in France in favour of rapidly rising natural gas demand, while heating oil demand for residential space heating lost ground to natural gas and electricity.

European gasoline demand weakened further, contracting by 130 kb/d in December in the four largest economies, a drop that brought the fourth-quarter decline to 115 kb/d. European gasoline demand contracted in each of the last five years, and in eight of the last 10 years.





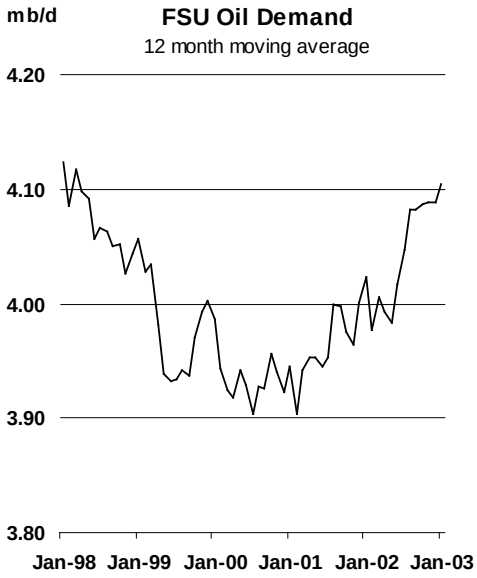
Non-OECD

Former Soviet Union

FSU apparent demand was raised by 20 kb/d for the fourth quarter, reflecting more stringent export constraints than usual, as severe weather disruptions hampered both Baltic Sea and Black Sea shipments in December. Although production estimates have been trimmed for the fourth quarter since last month's Report, production growth clearly has overtaken export growth for the time being, leading to a backlog of crude and product exports.

Total net FSU exports fell by more than 1 mb/d in December on the month, as storms, compounding the effect of shipping delays through the Bosporous Straits, curtailed Black Sea exports by 25%, while thick ice trimmed loadings out of the Baltic Sea by 20%. Conditions appear to have eased in January,

but exports have yet to fully recover. January exports rose to 5.49 mb/d, up 690 kb/d on the month, but still 340 kb/d, or 7%, below November.

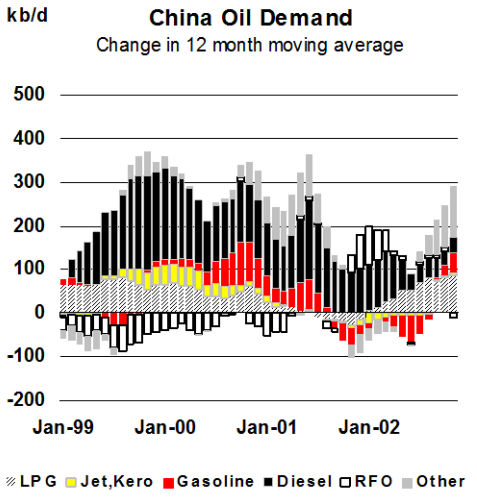


While seasonal export drops are commonplace in the FSU in the winter months, due in part to government efforts to ensure sufficient stocks for the winter heating season, this year's disruption is of somewhat greater magnitude, owing primarily to the severity of the storms and other weather disruptions at the Black sea port of Novorossiysk. Also, FSU production has increased, so larger volumes are affected by the disruptions.

As a result of the export bottleneck, domestic crude prices have collapsed to $5 a barrel, levels last seen in early 2002, causing netbacks to the wellhead from domestic sales to plummet. Prior OMR estimates of winter FSU demand have typically been adjusted downwards in a bid to account for seasonal stock builds and to anticipate future upward adjustments to trade. The adjustments are then offset by upward adjustments to second-quarter demand. Should domestic prices remain at depressed levels, such adjustment factors may no longer be sufficient to account for seasonal export swings as they might not capture possible demand responses resulting from the drop in energy costs. Those would not be significant, however, if the backlog of exports proved, as expected, to be temporary. Indeed, the Russian government has already announced lowering export duties, and there is no lack of new export outlets likely to open up in the course of 2003 (see Supply section).

China

There was only fragmentary data available for Chinese refinery output in December. As official production from Sinopec and PetroChina refineries account for roughly 80% of Chinese apparent demand, gaps in refinery data subject assessments based on those data to potentially substantial revisions. However, estimates of diesel, asphalt and kerosene production from the China Petroleum and Chemical Industry Association (CPCIA), which were available for December, can be used as a proxy of overall refinery output, as those products typically account for roughly 40% of Sinopec and PetroChina total production. Despite previous expectations that a run-up in product stocks would force Chinese refiners to trim their throughputs, the latest data offer little evidence of a letdown in refinery runs. Kerosene production appears to have eased off, but diesel production seems to have reached new highs, while asphalt output was also robust.



Not all of the incremental output reflects stronger demand. Diesel exports soared to their third highest level on record in December, surpassed only by those in June and December 1997. Kerosene exports also surged to a near record-high, second only to September 2000 exports, though they were partly offset by imports. Gasoline exports of 180 kb/d remained robust, bringing overall December exports to an estimated all-time high of 375 kb/d.

Because of the higher exports, estimated net product imports eased to a six-month low of 350 kb/d in December (aggregate crude and product imports fell to 1.29 mb/d, their lowest level since February 2002). Apparent demand, calculated as the sum of refinery output and net product imports, was estimated at 5.375 mb/d in December, a 9.2% surge on the year, but a 1.5% drop on the month.

Thanks to higher product exports, in part associated with new crude processing contracts, the recent rise in Chinese refining capacity does not fully translate into higher apparent demand. Product exports are expected to keep growing in the first quarter, from China's largest coastal plants. But neither does the growth in exports fully absorb the increase in throughputs. And even though apparent demand has risen sharply

as a result, there is so far little statistical or even anecdotal evidence of a build in product stocks big enough to force refiners to sharply cut back on throughputs in 2003.

Under the assumption that more of the recent increase in refinery production serves to meet domestic market demand than previously expected, the first-quarter forecast has been adjusted upwards by 150 kb/d. This reduces the fourth-to-first-quarter decline in demand to 325 kb/d, still a steep drop by historical standards. However, it seems reasonable to expect that demand growth would lead to a steeper-than-usual seasonal drop in output around the extended Lunar New Year holiday period, as refining activity is not likely to rise as fast during that widely observed holiday as during the rest of the year.

Other Non-OECD

New data for Latin America have raised the estimate of regional demand for 2002, translating into slightly slower demand contraction for the year, and lifting the region's demand base for 2003. In Brazil, revisions to 2002 data have raised the Agência Nacional do Petróleo's assessment of October demand by roughly 1%, including increases of 1% for diesel and 14.5% for LPG. Before adjustment for definitional differences with OMR statistics, the revised estimate shows total Brazilian demand surging in October to the highest monthly level in more than three years, and to highs of a least four years for that month. October demand now shows a gain of nearly 3% year-on-year, the highest monthly gain since February 2000, in sharp contrast with contraction of 2.1% and 1.2% for the second and third quarters.

The gain must not all be taken at face value. On the surface, the upward revisions in oil demand data seem consistent with upbeat economic signals that have recently led some bank economists to raise their growth forecasts for the country. Those signs include solid export growth and an easing of external financial constraints (compounded, more recently, by the new government's commitment to disciplined policies and pro-market reforms). The October revised oil demand estimate also seem to extend a fledgling and somewhat sputtering recovery in oil demand apparent since mid-year. Yet the surge in deliveries also reflects a temporary distortion between Brazilian and international gasoline and diesel prices coinciding with the run-up to the presidential election of 27 October. It will likely be partly offset in later months.

Since January 2002, following the deregulation of fuel prices, national oil company Petrobras has been keeping domestic gasoline and diesel prices at import parity levels. Starting in August, however, concerns associated with the looming presidential election caused severe currency depreciation, leading to a temporary suspension of import-parity pricing. A widening gap between international and domestic prices caused a one-off surge in demand from gasoline station owners eager to take advantage of the temporary discounts, which they understood would vanish after the election – a once-familiar run to the distributors known to Brazilian oil market participants as the "corrida".

Indeed, on 1 November gasoline prices were raised by 25% and diesel prices by 12% (ex-taxes). Preliminary ANP data for November suggest a steep demand response: current estimates point to a drop in demand of 7.5% on the year, and 16% from October. If experience is any guide, however, ANP data tend to be steeply revised upwards in the months following their release, and it seems therefore too early to take the latest statistics into consideration.

In Colombia, demand data for the second half of 2002 also came in stronger than expected, and upward revisions for the first half further softened the assessment of demand contraction for the year. National oil company Ecopetrol raised the estimate of domestic oil product sales by roughly 6% for March and April, due primarily to increases of 15% and 22% for diesel. Demand for the last three quarters of 2002 has been adjusted upwards by roughly 10 kb/d, lifting the yearly average by 9 kb/d. Steeply lower refinery output from Venezuela, in the wake of the labour conflict started in early December, will also likely lift official Colombian oil demand estimates for early 2003, reflecting a break in unofficial imports of subsidised Venezuelan products.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.70	23.81	24.11	24.11	23.93	24.26	24.07	24.50	24.48	24.33
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.64	15.19	15.40	15.10	15.23	14.74	15.27	15.52	15.19
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.07	9.32	8.53	9.52	8.03	8.11	9.10	8.69
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.95	46.11	47.38	48.83	47.57	49.01	46.83	47.88	49.10	48.21
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.71	3.67	3.98	3.76	3.70	3.76	3.78	4.00	3.81
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.41	5.16	5.09	5.34	5.33	5.46	5.31
Other Asia	7.33	7.41	7.34	7.26	7.50	7.38	7.42	7.44	7.38	7.63	7.47	7.59	7.59	7.53	7.79	7.63
Latin America	4.86	4.73	4.90	4.90	4.78	4.83	4.66	4.76	4.80	4.66	4.72	4.55	4.68	4.80	4.70	4.68
Middle East	4.70	4.64	4.87	5.07	4.80	4.85	4.75	4.99	5.19	4.92	4.96	4.87	5.11	5.32	5.05	5.09
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.50	2.48	2.52	2.51	2.56	2.53	2.52	2.56	2.54
Total Non-OECD	28.46	28.49	29.07	28.60	29.05	28.80	28.66	29.37	29.35	29.86	29.31	29.14	29.76	29.97	30.31	29.80
World	76.20	77.31	75.52	76.08	77.03	76.48	76.61	75.48	76.72	78.69	76.88	78.15	76.59	77.85	79.42	78.01
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.45	19.63	19.84	19.82	19.69	19.91	19.80	20.13	20.14	19.99
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.24	8.24	8.31	8.02	8.41	8.29	8.26
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.89	5.32	6.11	4.98	5.06	5.64	5.45
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.36	2.18	2.37	2.01	2.02	2.38	2.19
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.92	1.93	2.00	1.97	1.98	1.94	1.97
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.03	1.99	2.00	1.98	2.06	2.05	2.02
Brazil	2.16	2.11	2.18	2.20	2.15	2.16	2.12	2.13	2.17	2.16	2.15	2.09	2.11	2.19	2.19	2.14
India	2.07	2.16	2.10	1.99	2.08	2.08	2.10	2.10	2.00	2.13	2.09	2.17	2.15	2.04	2.17	2.13
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-2.0	0.5	0.8	2.1	0.3	2.4	1.1	1.6	1.5	1.6
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	-1.2	-1.1	0.4	0.7	0.5	0.8	0.6
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-3.9	0.4	6.1	-0.2	4.9	4.7	0.5	-2.3	1.8
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.8	-0.7	-0.2	1.8	-0.2	2.2	1.6	1.1	0.6	1.3
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	2.6	2.7	5.6	2.1	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	8.9	5.9	4.8	1.8	3.7	0.9	2.7
Other Asia	1.4	3.4	0.8	-0.2	-1.1	0.7	0.1	1.5	1.7	1.7	1.2	2.3	2.0	2.0	2.1	2.1
Latin America	0.1	1.3	0.1	-2.0	-2.1	-0.7	-1.4	-2.8	-1.9	-2.6	-2.2	-2.6	-1.7	-0.1	0.9	-0.8
Middle East	4.9	3.4	3.4	3.0	2.2	3.0	2.4	2.4	2.4	2.5	2.5	2.4	2.5	2.4	2.5	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.5	2.0	1.1	1.3	1.4	1.3	1.6	1.7	1.5
Total Non-OECD	2.5	1.9	3.5	-0.8	0.4	1.2	0.6	1.1	2.6	2.8	1.8	1.7	1.3	2.1	1.5	1.6
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	0.0	0.8	2.2	0.5	2.0	1.5	1.5	0.9	1.5
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.48	0.11	0.18	0.49	0.08	0.56	0.26	0.39	0.37	0.39
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.14	-0.31	-0.19	-0.17	0.06	0.10	0.08	0.12	0.09
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.03	0.53	-0.02	0.44	0.36	0.04	-0.22	0.15
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.86	-0.34	-0.10	0.84	-0.11	1.06	0.72	0.51	0.28	0.64
FSU	0.03	0.12	0.12	0.02	0.00	0.06	-0.09	0.09	0.10	0.21	0.08	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.44	0.29	0.23	0.10	0.19	0.05	0.14
Other Asia	0.10	0.24	0.06	-0.02	-0.08	0.05	0.00	0.11	0.12	0.13	0.09	0.17	0.15	0.15	0.16	0.16
Latin America	0.00	0.06	0.01	-0.10	-0.10	-0.03	-0.07	-0.14	-0.09	-0.12	-0.10	-0.12	-0.08	0.00	0.04	-0.04
Middle East	0.22	0.15	0.16	0.15	0.10	0.14	0.11	0.12	0.12	0.12	0.12	0.11	0.13	0.13	0.12	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.04	0.05	0.03	0.03	0.04	0.03	0.04	0.04	0.04
Total Non-OECD	0.71	0.54	0.99	-0.25	0.11	0.35	0.17	0.31	0.74	0.82	0.51	0.48	0.39	0.62	0.45	0.48
World	0.78	1.27	0.98	-0.65	-0.47	0.28	-0.69	-0.03	0.65	1.66	0.40	1.54	1.11	1.13	0.73	1.12
Changes from Last Month's Report																
North America	-	-	-	-	-	-	0.01	0.02	-0.02	-0.06	-0.01	0.09	0.04	-0.09	-0.01	0.01
Europe	-	-	-	-	-	-	-	-	-	-0.20	-0.05	-0.03	-0.05	-0.04	-0.23	-0.09
Pacific	-	-	-	-	-	-	-	-	-	0.14	0.04	0.14	0.12	0.04	-0.01	0.07
Total OECD	-	-	-	-	-	-	0.01	0.02	-0.02	-0.11	-0.03	0.20	0.11	-0.08	-0.25	-0.01
FSU	-	-	-	-	-	-	-	-	-	0.02	0.01	-	-	-	0.02	0.01
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.05	0.01	0.15	-	0.14	-	0.07
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	0.01	0.01	0.06	0.02	0.02	0.01	0.02	0.04	0.02
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	0.02	-0.01	-	-	-	0.02	-0.01	-
Total Non-OECD	-	-	-	-	-	-	-	0.01	0.03	0.11	0.04	0.17	0.02	0.18	0.05	0.10
World	-	-	-	-	-	-	0.01	0.03	0.01	-	0.01	0.38	0.13	0.09	-0.21	0.10

SUPPLY

Summary

- **World oil production** is estimated to have averaged 77.58 mb/d in January, a rise of 1.19 mb/d vs. curtailed December levels. OPEC crude supply was up by 890 kb/d, with non-OPEC supply recovering by 368 kb/d offsetting a decline in OPEC NGLs and non-conventional oil of 66 kb/d.

- Total world production increased year on year and was 1.60 mb/d higher than in January 2002. Non-OPEC production was just over 1.0 mb/d higher than the corresponding 2002 level, OPEC crude 820 kb/d higher, with other supplies from the OPEC grouping 268 kb/d lower year on year.

- **OPEC crude supply**, including Iraq, averaged 25.66 mb/d in January, vs. 24.77 mb/d in December. Venezuelan production again showed a month-on-month decline, but increased rapidly from early-month lows to over 1.0 mb/d towards end-January. Saudi Arabia, Iraq, UAE and Nigeria increased production to counteract the loss of Venezuelan supply for the month as a whole.

- **OPEC-10** output in January averaged 717 kb/d higher than in December, at 23.17 mb/d. This exceeded by 170 kb/d the original target for January set last December, but production remained some 1.3 mb/d below February's higher 24.5 mb/d target.

- Spare capacity within **OPEC-9, excluding Venezuela,** fell to 2.28 mb/d based on average January production, although rising supply through end-January and into February is likely to have reduced any capacity cushion still further. Even at January average production levels, spare capacity was well below Iraqi January production of 2.5 mb/d.

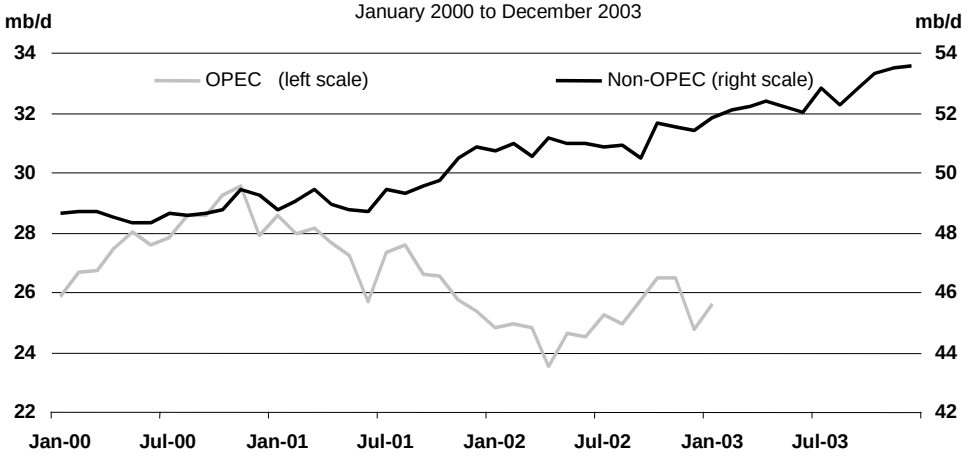
- **Non-OPEC** production increased by an estimated 368 kb/d in January. Higher US Gulf of Mexico production, limited increases from Mexico and Canada, and higher supply from the FSU and Brazil accounted for the rise. North Sea production remained suppressed due to a spate of disruptions at Norwegian fields throughout the month.

- **Non-OPEC** production is expected to increase by a further 215 kb/d in February. This is due to expected recovery from disrupted January production levels in Alaska, the Norwegian North Sea and offshore deepwater in Brazil.

- The **"call on OPEC crude plus stock change"** for 2002 is assessed as being unchanged from the last Report at 25.4 mb/d. However, upward revisions to 1Q03 demand have increased the call for the current quarter by 0.4 mb/d, to 25.9 mb/d. This is expected to fall back by as much as 2.0 mb/d in 2Q03. For 2003 as a whole the call is now 25.0 mb/d, 400 kb/d less than in 2002.

OPEC Crude and Non-OPEC Oil Supply[1]

January 2000 to December 2003



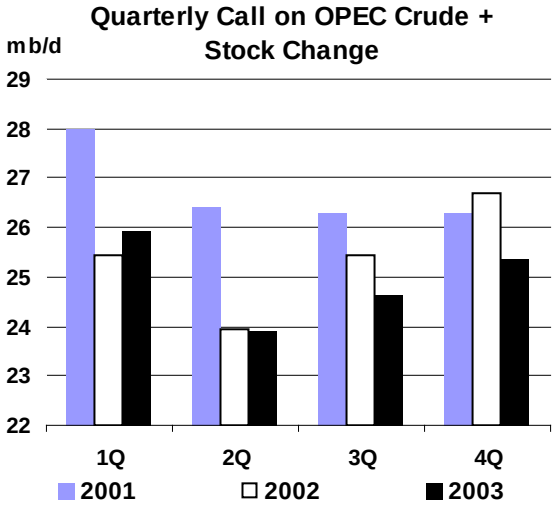
1 Non-OPEC Oil Supply includes OPECNGLs

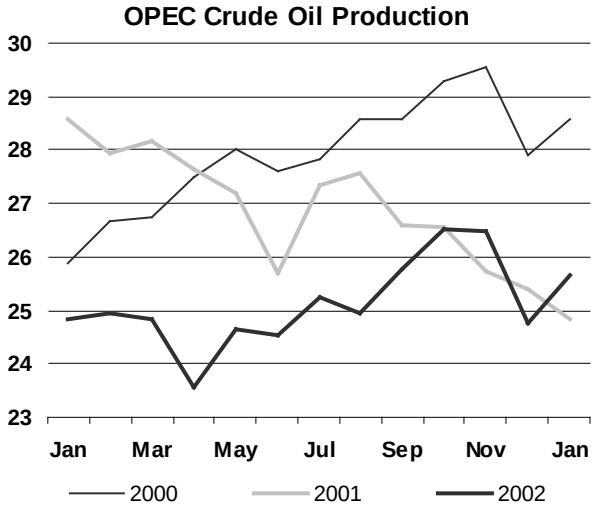
All world oil supply figures for January discussed in this Report are IEA estimates. Estimates for OPEC countries and for Alaska are supported by preliminary January crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC moved swiftly in January to cover for disrupted Venezuelan output, raising crude supplies by an estimated 890 kb/d compared to December. Saudi Arabia, Iraq, UAE and Nigeria generated the bulk of the increase, although production is also thought to have nudged higher in most other countries bar Indonesia and Qatar. In contrast, Venezuelan crude production was down by some 135 kb/d vs. December, albeit rising sharply again towards end-January (see detail, below). Production from the OPEC-10 thus exceeded the original January target of 23.0 mb/d by 170 kb/d, but lagged February's upwardly revised 24.5 mb/d by some 1.3 mb/d. However, it is likely that end-January/early-February production has risen closer to the higher target levels, leaving OPEC producing with a much-diminished spare capacity "cushion."





OPEC next convenes on 11 March for a meeting to review the status of the market and address the apparently conflicting factors of seasonal demand downturn, rising Venezuelan production and a possible loss of Iraqi supply. In the context of further market tightening due to lost Iraqi supply, there must be questions over how much higher production by other OPEC members can go (in reality Venezuela for the foreseeable future has effectively "zero" spare capacity, producing whatever it can on the basis of production and export constraints). The next few weeks should demonstrate just how "sustainable" production capacity levels, in many cases untested for a considerable time, really are. Saudi Arabia may well be able to re-activate up to one million b/d of further capacity by late in first quarter, taking it to 10.5 mb/d. However, even the Saudis have not pumped at January's, let alone now significantly higher, levels for over two years. Add in the potential for political instability to rise in the run-up to Nigeria's April elections, with implications for production and exports, and it is clear that there could be little surplus supply in the system if Iraqi or other Arab Gulf supplies go down any time soon ***and*** Venezuelan supply remains constrained.

OPEC Crude Production (million barrels per day)

	1 Jan 2003 Target	1 Feb 2003 Target	Jan 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs Jan 2003 Production
Algeria	0.74	0.78	1.00	1.10	0.10
Indonesia	1.19	1.27	1.12	1.18	0.06
Iran	3.38	3.60	3.63	3.90	0.28
Kuwait[2]	1.85	1.97	1.97	2.15	0.18
Libya	1.23	1.31	1.36	1.45	0.09
Nigeria	1.89	2.02	2.14	2.35	0.21
Qatar	0.60	0.64	0.72	0.75	0.03
Saudi Arabia[2, 3]	7.48	7.96	8.52	9.50	0.98
UAE	2.01	2.14	2.14	2.50	0.36
Venezuela[4]	2.65	2.82	0.57	2.35	1.78
Subtotal	**23.00**	**24.50**	**23.17**	**27.23**	**4.06**
Excluding Venezeula					*2.28*
Iraq			2.49	2.80	0.31
Total			**25.66**	**30.03**	**4.37**

1 Capacity levels can be reached within 30 days and sustained for 90 days
2 Includes half of Neutral Zone Production
3 Saudi Arabia's capacity can reach 10.5 million b/d within 90 days
4 Excludes upgraded Orinoco extra-heavy oil, none of which was produced in January

Indeed the Venezuelan situation could prove critical. The real question here is whether recent increases in supply can be sustained. This Report's analysis *(below)* suggests that although production could rise into a 1.5 to 2.0 mb/d range fairly quickly, increases over and above that level could be slower to materialise. However, the situation is hugely uncertain, and further sharp gains from Venezuela *on top of* a seasonal, 2.0 mb/d weakening in demand could leave OPEC facing a markedly different market than prevails at present. The issues then become how easily OPEC reductions are apportioned, how quickly cuts are made and whether compliance with lower targets is observed.

Aside from production levels in the short term, arguments surrounding the issue of a longer term redistribution of quota also need to be addressed. Several members, including Algeria, Nigeria and Libya, seek a higher share of target production. The Organisation's workshop on this issue in Vienna in early February seems to have been aimed at defining the factors which need to be taken into account, rather than at devising a new quota system *per se*. It is not certain whether even that limited remit was met, with members such as Nigeria arguing that broader population and other socio-economic factors are relevant, whereas key Arab Gulf producers remain wedded to an approach based solely on oil reserves and production capacity.

Iraqi exports via official channels rose in January to 1.74 mb/d, 170 kb/d above December levels. Curtailed truck deliveries to Turkey were offset by higher internal requirements, leaving assessed production for January up by the same amount as UN exports, at 2.49 mb/d. Indeed the UN export figure might have been higher still had loadings not been severely disrupted in the second week of the month, due to water contamination in the pipeline feeding crude to the Turkish port of Ceyhan. Although exports had risen again by end-month above 2.1 mb/d, a reluctance by buyers to commit to supplies beyond mid-February could now lead to a drop in exports and thus production.

Saudi Arabia is thought to have accounted for the bulk of January's OPEC production rise, with output up by just over 500 kb/d vs. December. Mid-month rumours that Saudi production had already reached 9 mb/d appear to have been wide of the mark, though such levels or higher could well be reached in February. The rise to an average 8.5 mb/d in January is broadly consistent with early-month reports of extra shipping booked by the Saudis to move crude long haul to the US from late-January onwards. Much of the incremental supply is thought to have been Arab Heavy, the Saudi crude that is the closest substitute for lost Venezuelan volumes. In February however, the balance could shift with the bulk of incremental volumes heading to Asian or European customers as US refineries enter spring maintenance. The Saudis re-stated in January their position that sustainable capacity of 10.5 mb/d would require 90 days to achieve, but that 10 mb/d could be attained within two weeks. Regardless of the veracity of the latter, de-mothballing is believed to have been well underway in January.

Provisional data suggest a sharp rise also in January **UAE** production, notably from the Murban field in Abu Dhabi. In total, crude production is thought to have increased by 115 kb/d from a revised December level of 2.03 mb/d to reach an average of 2.14 m b/d in January. This compares with sustainable production capacity around 2.5 mb/d. High January production levels should be sustained in February following confirmation that Japanese and South Korean customers have been awarded close to full contract volumes for February and March delivery. Work is underway on capacity expansion at Abu Dhabi's onshore Bab field and the offshore Upper Zakhum field, with completion expected in 2004 and 2007 respectively. State ADNOC will also decide this spring on who is to purchase a 28% stake in the Zakhum Development Company, with Shell, BP, ExxonMobil, TFE and ChevronTexaco all having bid.

Venezuelan Update

Venezuelan crude production rose sharply through January, passing 1.0 mb/d by end-month. The rise in production was driven by increases in lighter crude from eastern areas, although there were suggestions early in February that such a rapid output rise may soon necessitate maintenance work to safeguard existing, let alone higher, production levels there. Notwithstanding the risk that wells and other production facilities may have been damaged in attaining such a rapid increase, production in the east potentially could be boosted relatively quickly by a further 200-300 kb/d from the 800 kb/d reached in early February. Increases in heavier production from western areas around Lake Maracaibo could prove more difficult.

Government sources claim total production is running rather higher, at around 2 mb/d in early February. However, these claims should be assessed with regard to other, equally ambitious pronouncements concerning the Orinoco heavy crude joint ventures. Claims of these units' imminent re-start have so far proved unfounded. Concerns about lack of gas for power, lack of diluent to move the heavy crude, brimming storage facilities and uncertainty over export sustainability may keep these units off-line until at least late-February. Even then, it will take up to a month before the upgraders become fully functional.

Estimated Venezuelan Oil Supply
(thousand barrels per day)

	Nov	Dec	January					Ave. Jan	Feb 1-7
			1-7	*8-14*	*15-21*	*22-28*	*29-31*		
Conventional Crude Oil	2655	707	250	350	550	900	1150	574	1250
Other Liquids	728	192	20	30	50	80	102	51	111
Total Production	3383	899	270	380	600	980	1252	625	1361
Domestic Refinery Runs	1100	214	75	75	75	150	300	114	375
Changes in Domestic Storage	-117	406	-30	50	75	180	152	77	186
Crude Exports	2400	279	225	255	450	650	800	434	800

Mid-January also saw some success in re-starting refinery facilities at the Puerto La Cruz, Cardon and El Palito plants, though progress has been patchy. PDVSA's announcement of 12 mb of February gasoline imports from Trinidad, Saudi Arabia and the US backs this up.

With the general strike easing, and now confined largely to the oil sector, there have been signs of insurance companies relaxing terms for international shipping companies to re-enter Venezuelan ports. Exports have risen, with crude being sent not only to PDVSA's affiliate refineries in the US but also to storage in the Caribbean for transfer to foreign-flagged vessels. Repairs to pumping facilities at the Jose export terminal helped in this regard. Despite this, we estimate that a further 55-60 mb of crude exports were lost to the world market in January. The pace of recovery in Venezuela may fluctuate in coming weeks, with sporadic surges in exports representing more the high levels of internal storage than continued sharp recovery in oil production. In the context of any upcoming disruption to Iraqi supplies in the weeks and months ahead, normal service in Venezuela still seems very far from being resumed.

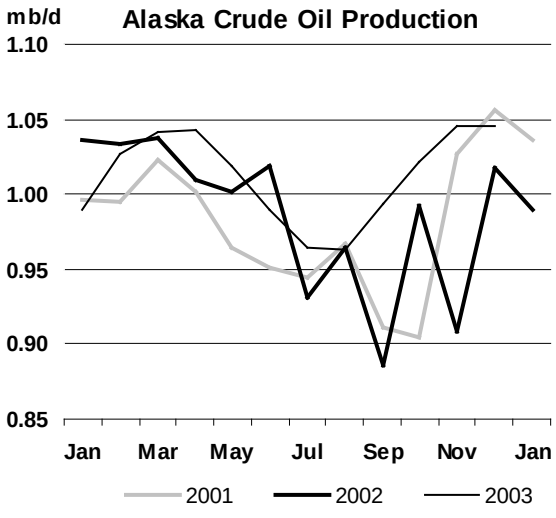
Nigeria saw production growth accelerate to 100 kb/d in January, output reaching 2.14 mb/d. Much of the incremental volume was loaded in January for export to Asia. Incremental supplies from Shell's new EA field through January and February, plus an expected February start at Agip's deepwater Abo field have nudged the assessment of Nigerian sustainable capacity up by a further 100 kb/d to 2.35 mb/d. Capacity will likely be adjusted upwards further as 2003 progresses, although further revision now has been resisted due to uncertainty over the production status at ExxonMobil's Yoho field. Early-February claims by President Obasanjo that spare capacity already amounted to nearly one million b/d should be seen as part of an ongoing campaign to obtain an increased share of total OPEC quota rather than a genuine reflection of installed capacity. Indeed, Presidential adviser Lukman's claim that 3 mb/d capacity was expected for *end-2003* tends to undermine the President's more ambitious assessment.

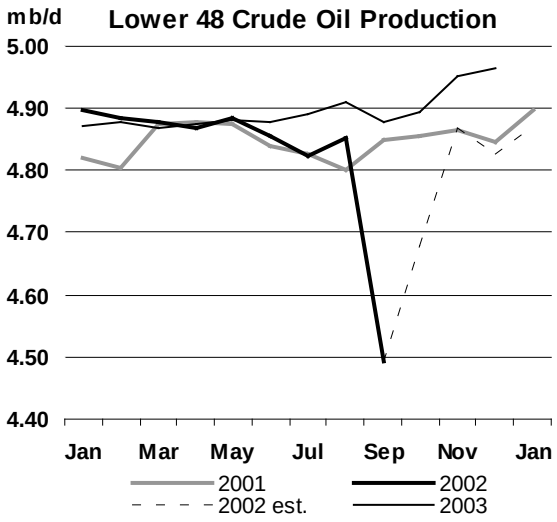
Algeria and **Libya** are also pursuing an adjustment in quota. In the former, new capacity is likely to be added in the next couple of months following further development of Anandarko's Ourhoud field. However, the country's draft Hydrocarbon Law was reported to have been removed from the legislative agenda in January, a move which may signal delays in loosening state-owned Sonatrach's hold on the oil and gas sector. In **Libya**, Repsol, PetroCanada and TFE all have plans which could boost production capacity by as much as 200 kb/d, albeit later on in 2003.

OECD

North America

US - January - Alaska actual, others estimated: Production of crude from the US rose by an estimated 19 kb/d in January, less than expected due to a modest fall in production in Alaska. Here, a series of mechanical problems at fields including North Star, Milne Point and Alpine saw production fall back. Kuparuk production also failed to sustain December gains as the impact of new satellite production from the Palm field was less than expected. Despite weaker-than-predicted performance in January, the outlook for Alaskan production longer term got a boost recently with the announcement by Forest Oil that its Corsair prospect in the Cook Inlet could contain reserves of at least 140 mb, equivalent to the recently-started Redoubt Shoal field (see January 2003 Report). However, geology in the region is complex and drilling is likely to be costly.



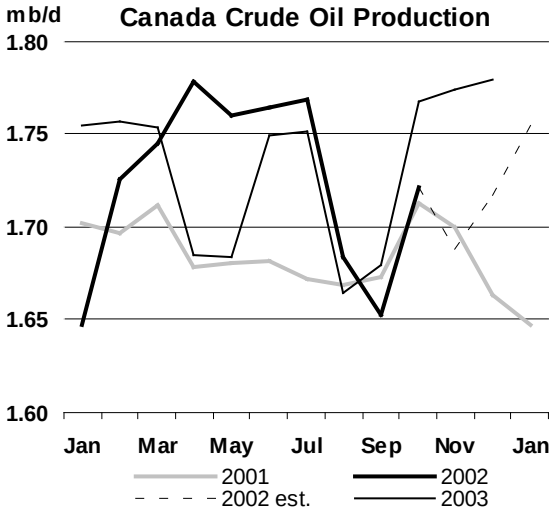


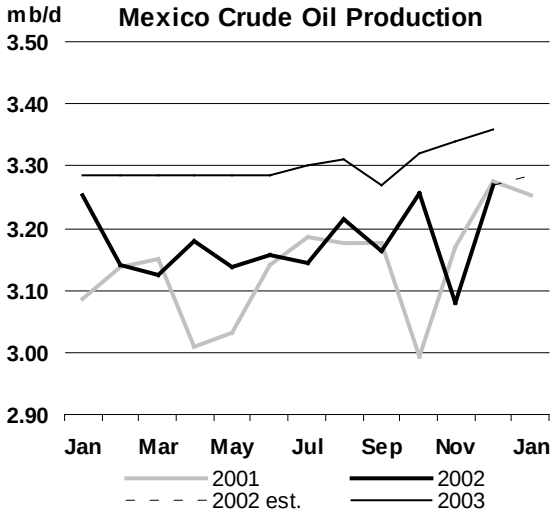
January is thought to have seen rather better performance by production in the offshore Gulf of Mexico. Production here increased by an estimated 29 kb/d, in large part as damage caused by autumn's hurricanes was rectified and full production re-instated. Production is also thought to have built further at the newly-started Horn Mountain field. On the downside, production from Dominion/Pioneer's new Devil's Tower deepwater field, which had been due to commence 3Q03 and peak at 60 kb/d, was pushed back to 1Q04. Construction delays underpin the rescheduled start-date.

Forecast US NGL production has been held unchanged. However, with US natural gas prices having moved sharply higher (wellhead prices averaging above $5.50 per thousand cubic feet in January) higher volumes of NGLs may be retained in the natural gas stream if these high prices persist. Such a

phenomenon was clearly evident in the second half of 2000 and early-2001. At that time wellhead gas prices jumped from below $3 per thousand cubic feet to $8 in January 2001, while US NGL production fell from 1.9 mb/d to 1.4 mb/d. However, so far this latest episode of high gas prices does not appear to have materially reduced gas plant liquids production, and a seasonal easing in gas prices should in any case occur when spring weather arrives. Nevertheless, gas prices sustained in excess of $5 do represent a potential down-side sensitivity to the existing US NGL supply forecast for the next couple of months.

Canada - January estimate: Crude production in Canada is estimated to have risen by nearly 30 kb/d vs. December, in part due to start-up at Shell's Athabasca Oil Sands project, but also with rising supply from offshore Terra Nova. The early-January fire at the Shell plant is now believed to have caused US$49 million of damage but is not thought to have curbed early production levels materially. Syncrude production remains the key to overall liquids supply increases in 2003 for Canada, accounting for 78% of the expected 173 kb/d increase this year. Prospects for oil sands and related syncrude projects in Canada appear to remain generally optimistic, despite True North Energy announcing in January it is shelving for now the Fort Hills oil sands project due to cost over-runs. In contrast, Suncor appears committed to further expansion and aims to reduce production costs by 20% to US$6.50/b by end-2003, lower natural gas prices permitting.



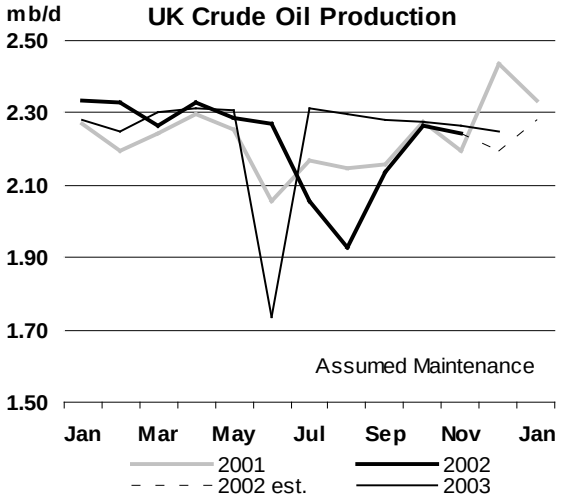


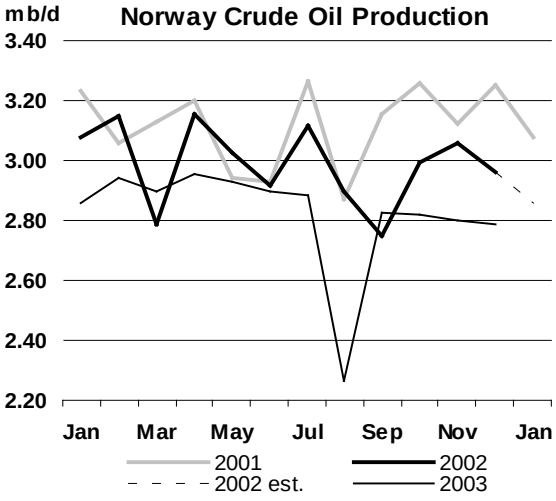
Mexico – December actual, January estimate: As expected, Mexican crude production rebounded from reduced November levels during December, with higher heavy crude production. A further modest rise is thought to have occurred in January, though Pemex itself said at mid-month that capacity production had been reached. However, a further 100 kb/d increment in exports from February was announced, following OPEC's decision to raise its ceiling. Furthermore, Pemex is targeting average production of 3.55 mb/d by end-2003, a rise of nearly 300 kb/d from end-2002 levels. This needs to be viewed in the context of successive 2002 production targets which failed to be reached and also the fact that the bulk of growth planned for 2003 seems to be dependent on increases at the massive Cantarell field. Pemex is reported to have acknowledged recently that production could fall here from a recent 2.1 mb/d to 1.5 mb/d in 2006 and 1.2 mb/d in 2007. Doubts over the success of a nitrogen injection scheme to maintain field pressure at Cantarell call into question not only this years' targets, but also longer term expansion using similar techniques at other fields in Campeche Bay. As a result, and despite ambitious plans for Cantarell this year, forecast Mexican production for 2003 shows a more modest increment of 124 kb/d, implying end-year production of 3.36 mb/d.

North Sea

UK – January estimate: UK offshore crude production is estimated to have risen 86 kb/d in January with the further build-up in production from the recently-started Chestnut, Madoes, Otter and Skua fields, and with the return to full production of the Elgin/Franklin complex which earlier suffered pipeline problems. Shell also confirmed in January production-start at the Penguins field, a subsea tie-back to the Brent C platform, with production to peak in 2003 at 40 kb/d. Total UK liquids production

for 2002 is estimated at 2.49 mb/d, 43 kb/d below 2001's average, while the forecast for growth in 2003 is generally unchanged at 39 kb/d. One symptom of the UK sector's mature nature has been the divestment by larger operators of North Sea assets to smaller independent E&P companies. January saw further moves in this direction as BP sold North Sea and shallow Gulf of Mexico assets to Apache Energy. As part of the deal Apache picks up BP's 96% stake in the Forties field.

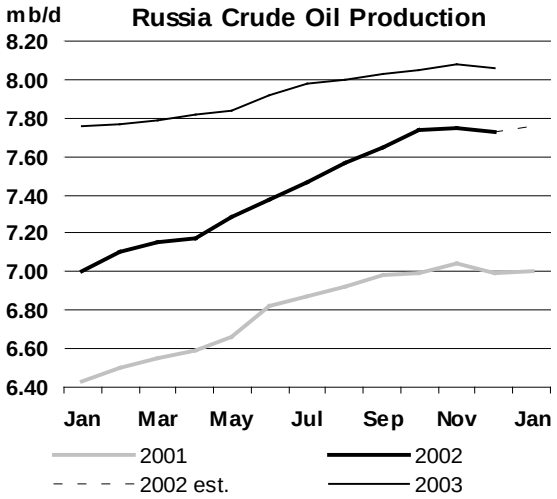


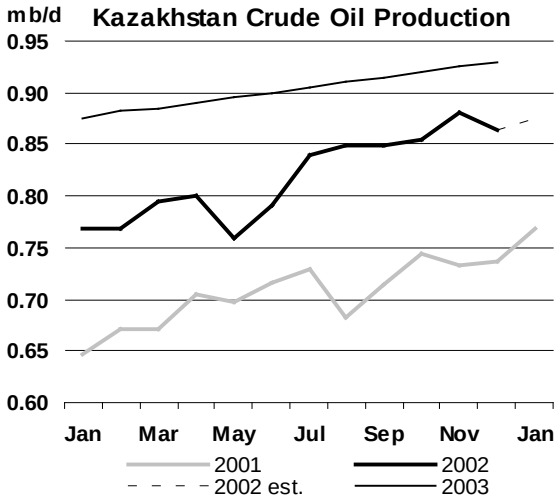


Norway – December actual, January estimated: Crude production fell back in December by 100 kb/d due to compressor problems at the Draugen field which resulted in a three week outage. Furthermore, volumes of condensate from ExxonMobil's Sigyn field start-up failed to boost overall liquids supply as had been anticipated. Provisional, aggregate data for January suggest that crude production flattened out. However, this appears to run contrary to widespread reports of unscheduled outages running through January and affecting Draugen (again), Asgard B, Statfjord C, Gullfaks A, Visund and Glitne. As a result, we have adjusted the estimate for January production down by a further 100 kb/d from December levels. Damage to the flare system at Asgard seems to be the most serious of the problems and will curtail production until mid-February.

2002 saw only 10% of Norwegian production replaced with new reserves and drilling activity is expected to fall to a 30 year low in 2003. This has led to reduced expectations for production in 2003 (see Revisions, below) and operating companies are requesting that the government open up new areas for exploration to help arrest decline.

Former Soviet Union (FSU)





Russia – December actual, January estimate: December production fell by 20 kb/d vs. November, though this was markedly less than the sharp, seasonal decline seen in exports. Recent gains made by Yukos in out-stripping rival Lukoil's production were reversed, as the former's production fell by 30 kb/d. Although Baltic and Black Sea export loadings remained hampered by extreme winter weather in January, exports overall rebounded by as much as 200 kb/d. Russian crude production is also estimated to have increased by 30 kb/d. Crude export duties will be cut from $29.80/t to $25.90/t from 1 February. For 2003, Lukoil has set a target of only 30 kb/d of production growth. This is in stark contrast to other Russian producers who envisage production growing by anything from 7% to 30%. This Report assumes total Russian production grows by just over 6% compared to 9.5% in 2002, though this still amounts to a 500 kb/d increase for the year (see insert below).

Kazakhstan - December actual, January estimate: Kazakhstan saw production dip slightly in December, reversing the 20 kb/d rise seen in November. Total production in 2002, including condensates, was up by 18%, or 140 kb/d, for the year, with nearly 20% of the rise deriving from Karachaganak condensate. For 2003, total production is expected to rise by a similar volume, some 140 kb/d, split 80 kb/d for crude and 60 kb/d for condensate. Increased deliveries of Karachaganak condensate via a link to the CPC pipeline are expected in the second half of the year. Also, Hurricane Hydrocarbons plans to boost crude production a further 30 kb/d in 2003, while adding significant pipeline and pumping facilities during 2Q03.

Russian Exports Hitting the Buffers?

Plans by Russian producers to repeat 2002's 10% surge in crude production may come unstuck if export capacity cannot be freed up to accommodate rising output volumes. Recent weather delays and political bottlenecks, plus three successive monthly falls in exports to December have led some to question the ability of production to rise at all. This is probably too pessimistic a viewpoint, and extra production can most likely be accommodated, even if not the more extreme 20%-plus increases that some producing companies are proposing.

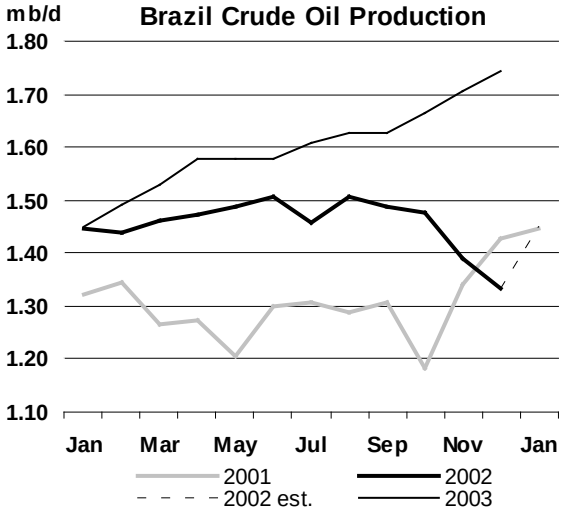
Russian exports normally dip in winter, ice hampering shipments from northern Baltic ports, and storms in the Black Sea curtailing loading at Novorrossiysk. Reduced shipments through the Bosphorus have also played a part of late, as indeed has Russian government refusal to allow pipeline shipment in 1Q03 through Latvia to the port of ***Ventspils***. Ventspils is ice-free in winter, although exports halved in 2002 to 150 kb/d with the opening of Russia's 260 kb/d ***Primorsk*** terminal on the Gulf of Finland. Reportedly, Russia's move aims to encourage Latvia to sell a 38% stake in port operator Ventspils Nafta to Russian pipeline concern Transneft. The re-opening of Ventspils in April could add an average of 100 kb/d to Russian exports for 2003. Other potential outlets for extra Russian production in 2003 include:

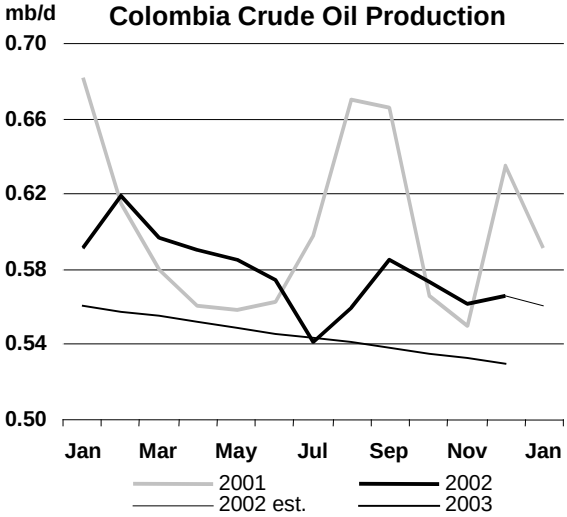
- volumes through a new spur from the Druzhba pipeline to the ***Croatian Adriatic*** which could begin around mid-2003, adding 100 kb/d;
- reversal of the ***Brody to Yuzhny/Odessa*** pipeline, idle since 2001 and which has now been reactivated by Tyumen Oil to carry 65 kb/d from February, with capacity for 240 kb/d;
- Transneft plans to expand the ***Baltic Pipeline System*** to Primorsk by 360 kb/d by late-2003/early-2004, though this may only add, say, 30 kb/d to 2003 exports as a whole;
- a plan to boost supplies through the ***Druzhba*** pipeline south to Hungary and the Czech and Slovak Republics by 300 kb/d, which may be questionable in terms of local demand;
- Lukoil's 10-15 kb/d boost to exports via northerly ***Varandey*** and a crude swap with Iran amounting to 25 kb/d, while Yukos plans for rail deliveries to ***China*** to reach 100 kb/d.

The longer bottlenecks in export capacity persist early this year, the lower domestic crude prices may fall, these having dropped to as low as $5/b in 2003 already. While the impact could be marginal, and limited to the early part of the year assuming new export outlets arise later on, lower prices may result in higher Russian 2003 demand growth than the modest 50 kb/d assumed in this Report. None of this detracts from the fact that longer-term production growth may indeed be curtailed by real export constraints. Nor does double-digit output growth seem feasible across the board this year. However, there seems to be enough flexibility in the system to accommodate around 400-500 kb/d extra for 2003…just.

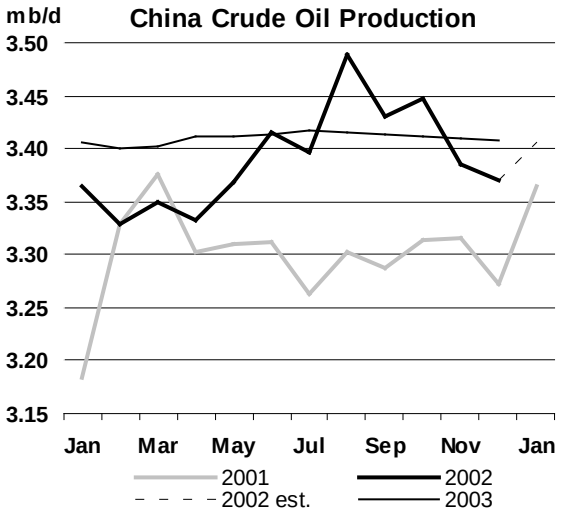
Other Non-OPEC

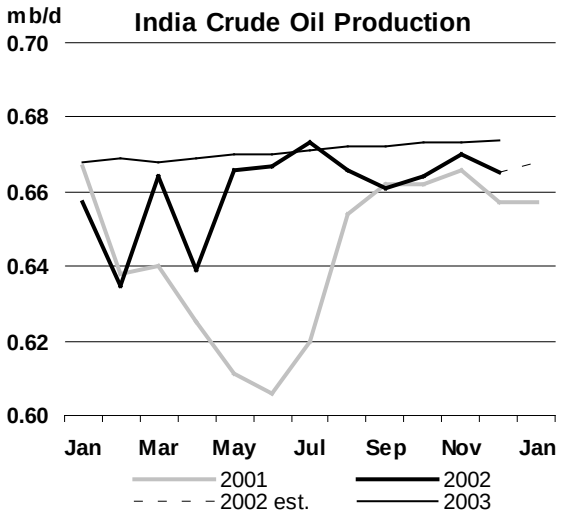
Brazil - December actual, January estimate: Deepwater Campos Basin fields continued to under-perform vs. expectation, and production here has fallen for four straight months since an August 2002 high of 1.25 mb/d. FPSO problems have been well documented, and it appears that re-activating production at both the Roncador and Garoupa fields after earlier disruption has taken longer than expected, eclipsing an expected rebound in production for December. However, the Barracuda, Bijupira-Salema and Caratinga developments are still expected to result in a net 120 kb/d rise in Brazilian output in 2003.





Colombia – December actual, January estimate: Crude production over the fourth quarter of 2002 fell from September's 595 kb/d to reach 566 kb/d by December. While increased pipeline security seems to have helped stem declining production from Occidental's Cano Limon field, performance has been weaker at BP's Cusiana-Cupiagua field, production here falling by some 20% in 2002. According to state Ecopetrol, natural decline at this field will account for all of the 35 kb/d drop in production expected for Colombia in 2003.

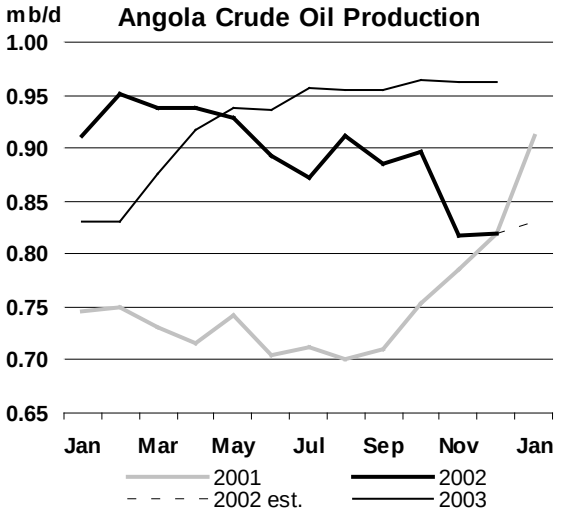


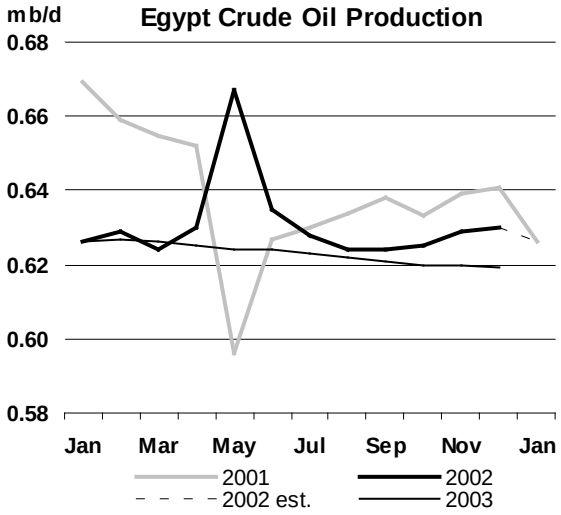


China – December actual, January estimate: Recovery in December Chinese production proved elusive, and output dropped to 120 kb/d below August's peak of 3.49 mb/d. A continued fall at the Xinjiang field undermined December performance. However, despite the late-year fall, Chinese production for the year still averaged a healthy 95 kb/d higher than in 2001. Noble Energy began production in January at the Cheng Dao Xi field in Bohai Bay, with capacity 10 kb/d attainable in

February. Offshore increments including CDX and Penglai should add around 50 kb/d in 2003, offsetting decline at mature onshore fields.

India – December actual, January estimate: Indian crude production has stabilised in recent months around 660 kb/d as early-year disruptions to offshore output have been overcome. For the year as a whole, production rose some 20 kb/d, entirely due to successes in boosting recovery from offshore fields. As part of an ongoing re-development programme, ONGC plans to drill 30 new wells at the Bombay High field in 2003 allowing for further gas and liquids injection. The aim is to boost production at Bombay High from 200 kb/d to 300 kb/d beyond mid-decade.





Angola – December actual, January estimate: December Angolan production remained close to suppressed November levels of 820 kb/d as maintenance work, due to run through until February at ChevronTexaco's Kuito FPSO, curtailed production. Deepwater successes in blocks 14 and 17 (notably the Girassol and Kuito fields) resulted in a 157 kb/d rise in production overall for 2002. Gains in 2003 may prove rather less impressive, although ExxonMobil's Xicomba field in Block 15 is scheduled to enter service before end-year, contributing to an overall rise in deepwater production through 2003 of 50 kb/d compared to late-2002 levels.

Revisions

This month's Report sees largely unchanged increments for total Non-OPEC production for 2002 and 2003 of 1.39 mb/d and 1.36 mb/d respectively. Slightly more of the increment in both years is now thought to derive from North America, but slightly less from the FSU. OPEC NGL and non-conventional production for 2003 has been revised up marginally on the basis of Venezuela's recent success in boosting production levels.

For the **USA, Gulf of Mexico** production for 2003 has been downgraded by around 20 kb/d due to the Devil's Tower delay and also due to a downgrading of production levels at ExxonMobil's Hoover and Diana fields. Recent production performance there has under-shot expectation, although incremental production is expected from a new well at Diana in 2004. This overall downward revision occurs in spite of an upward revision to 2002 production levels for October/November. Provisional aggregate production data again suggests that the longer lasting impact of autumn storm damage was less than earlier believed.

Elsewhere in the US, production from mature areas appears again to be holding up better than expected. October California data and that for September in Texas, Oklahoma, Louisiana and New Mexico exceeded expectation. Together with the incremental supply onstream in Alaska and GOM, total US production is now assessed as having declined by only 20 kb/d in 2002 vs. a near-50 kb/d fall envisaged last month. 2003 production growth is accordingly upgraded to +103 kb/d compared to +70 kb/d last time.

In **Canada,** incremental liquids production for 2002 now appears to have been slightly lower than forecast last time, at 136 kb/d. However, 2003's increment could now be higher at 173 kb/d vs. a

previous estimate of 157 kb/d. The more optimistic outlook reflects a later and less extensive maintenance schedule for the Suncor oil sands facility. Maintenance is now scheduled for May (rather than April) and will only involve a month's loss of half of the plant's 230 kb/d capacity.

Expectations for **Norwegian** crude production for 2003 have now been adjusted downwards to take account of the Petroleum Directorate's own estimates of a 100 kb/d oil production decline.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.53	14.90	0.36	14.56	14.99	0.43	0.03	0.09	0.07
Europe	6.59	6.63	0.04	6.60	6.59	-0.01	0.01	-0.04	-0.05
Pacific	0.77	0.76	0.00	0.76	0.75	-0.01	-0.01	-0.01	0.00
Total OECD	**21.89**	**22.29**	**0.40**	**21.92**	**22.34**	**0.41**	**0.03**	**0.04**	**0.01**
Former USSR	9.38	10.09	0.72	9.37	10.05	0.68	-0.01	-0.04	-0.04
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.40	3.43	0.03	3.39	3.41	0.02	-0.01	-0.02	-0.01
Other Asia	2.39	2.43	0.04	2.39	2.44	0.05	0.00	0.01	0.01
Latin America	3.91	3.99	0.08	3.90	3.98	0.08	-0.01	-0.01	0.00
Middle East	2.10	2.03	-0.06	2.10	2.04	-0.06	0.01	0.01	0.00
Africa	3.04	3.16	0.12	3.04	3.17	0.14	-0.01	0.01	0.02
Total Non-OECD	**24.39**	**25.30**	**0.92**	**24.37**	**25.27**	**0.90**	**-0.02**	**-0.04**	**-0.02**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**48.04**	**49.40**	**1.36**	**48.05**	**49.41**	**1.36**	**0.01**	**0.00**	**0.00**

OMR = Oil Market Report

For the **FSU**, Russian production growth has been revised down slightly to take account of Lukoil's more modest expectations for 2003. However, the impact of trimmed production growth rates is cushioned by the fact that end-2002 production generally exceeded expectation. **Brazilian** production in 2002 averaged around 16 kb/d lower than anticipated in the last Report due to ongoing problems in the offshore Campos Basin.

Chinese production growth for 2003 has again been downgraded, this time from 32 kb/d to 20 kb/d. This reflects not only weaker-than-expected end-year performance but also Petro-China's latest and more pessimistic projection for the ageing northeastern Daqing field. However, partly offsetting sharper expected decline here, better-than-expected 2002 performance at the Xinjiang, Changing, Yanchang and Yumen fields has led to a lesser decline rate being employed at these fields for 2003. **Indian** production is now seen continuing modest growth in 2003 after enhanced oil recovery successes in the offshore area in 2002.

TRADE

OECD Trade

North American net crude oil imports stood at 7.79 mb/d in November, 340 kb/d higher than in October, as refinery operations rebounded following heavy maintenance. Petroleum product imports to North America ended unchanged in November month on month.

The latest preliminary data for the United States show crude oil imports in January rose modestly over end December levels. However, they remained more than 1 mb/d lower than in early December, reflecting reduced import levels from Venezuela. On the other hand, steady gasoil/diesel and residual fuel oil imports in January reflected strong heating demand with tight natural gas market and cold weather prevailing in the US.

OECD North America Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**7.44**	**7.46**	**7.07**	**6.92**	**7.13**	**7.26**	**6.87**	**7.45**	**7.79**	**0.34**	**0.67**
Products & Feedstocks	**1.28**	**1.37**	**0.94**	**0.95**	**1.32**	**1.14**	**1.15**	**1.25**	**1.20**	**-0.04**	**0.16**
Gasoil/Diesel	0.04	0.08	-0.06	-0.05	0.00	-0.03	-0.07	0.09	0.01	-0.08	0.10
Gasoline	0.44	0.53	0.47	0.50	0.67	0.63	0.61	0.51	0.54	0.03	0.04
Heavy Fuel Oil	0.28	0.28	0.17	-0.01	0.10	0.03	0.09	0.06	0.08	0.03	-0.06
LPG	0.04	0.02	0.02	0.02	0.03	0.03	0.03	0.08	0.01	-0.07	0.00
Naphtha	0.08	0.06	0.07	0.04	0.05	0.04	0.05	0.04	0.07	0.03	0.00
Jet& Kerosene	0.13	0.12	0.03	0.08	0.08	0.08	0.08	0.13	0.12	-0.01	0.08
Other	0.27	0.28	0.25	0.38	0.39	0.35	0.37	0.34	0.37	0.03	0.00
Total	**8.72**	**8.83**	**8.01**	**7.87**	**8.44**	**8.40**	**8.03**	**8.69**	**8.99**	**0.30**	**0.84**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Europe** stood at 6.90 mb/d in November, 270 kb/d lower than the previous month, as crude stocks reached more ample levels in October. Net gasoil/diesel imports stood firm at 470 kb/d in November, due to steady demand from OECD Europe, as the winter heating season approached.

OECD Europe Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**7.13**	**7.36**	**7.66**	**7.16**	**6.87**	**7.46**	**7.59**	**7.17**	**6.90**	**-0.27**	**-0.83**
Products & Feedstocks	**1.19**	**1.51**	**1.65**	**1.77**	**1.32**	**1.41**	**1.34**	**1.37**	**1.37**	**0.00**	**-0.25**
Gasoil/Diesel	0.32	0.45	0.51	0.58	0.41	0.33	0.42	0.39	0.47	0.07	-0.05
Gasoline	-0.23	-0.25	-0.27	-0.35	-0.41	-0.36	-0.30	-0.27	-0.26	0.01	-0.01
Heavy Fuel Oil	0.09	0.13	0.17	0.30	0.22	0.26	0.18	0.26	0.16	-0.10	0.11
LPG	0.19	0.17	0.22	0.20	0.09	0.11	0.11	0.15	0.18	0.02	-0.06
Naphtha	0.19	0.24	0.25	0.20	0.25	0.26	0.25	0.24	0.26	0.03	-0.03
Jet & Kerosene	0.13	0.21	0.21	0.18	0.20	0.23	0.20	0.14	0.13	-0.01	-0.17
Other	0.50	0.55	0.57	0.66	0.55	0.58	0.49	0.47	0.44	-0.03	-0.04
Total	**8.32**	**8.86**	**9.31**	**8.93**	**8.19**	**8.87**	**8.94**	**8.54**	**8.27**	**-0.27**	**-1.08**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** rose to 6.39 mb/d in November, 460 kb/d higher than in October. Korean crude imports remained flat but Japanese imports surged by more than 10% month on month in line with increased refinery throughputs. In addition, crude oil requirements from the Japanese utility sector were strong, as oil-fired power plants were called upon to meet shortfalls in electricity supply following the shut down of nuclear power generation facilities.

OECD Pacific Crude & Product Trade

(million barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**6.71**	**6.65**	**6.51**	**6.66**	**5.87**	**5.80**	**5.72**	**5.94**	**6.39**	**0.46**	**0.04**
Products & Feedstocks	**1.05**	**1.00**	**1.08**	**1.35**	**1.16**	**1.03**	**1.08**	**1.34**	**1.50**	**0.17**	**0.43**
Gasoil/Diesel	-0.20	-0.18	-0.18	-0.13	-0.15	-0.21	-0.20	-0.14	-0.08	0.06	0.07
Gasoline	0.00	-0.01	0.01	0.02	0.01	0.00	0.01	0.03	0.01	-0.02	0.00
Heavy Fuel Oil	-0.11	-0.12	-0.11	-0.09	0.05	-0.07	-0.05	0.00	0.02	0.01	0.13
LPG	0.56	0.52	0.51	0.57	0.52	0.49	0.54	0.55	0.56	0.01	-0.02
Naphtha	0.66	0.64	0.62	0.71	0.65	0.72	0.69	0.71	0.69	-0.03	0.09
Jet & Kerosene	-0.03	-0.03	0.03	0.09	-0.07	-0.09	-0.07	-0.04	0.03	0.07	0.04
Other	0.16	0.17	0.20	0.19	0.15	0.19	0.17	0.21	0.28	0.06	0.12
Total	**7.75**	**7.65**	**7.59**	**8.01**	**7.03**	**6.84**	**6.80**	**7.27**	**7.89**	**0.62**	**0.47**

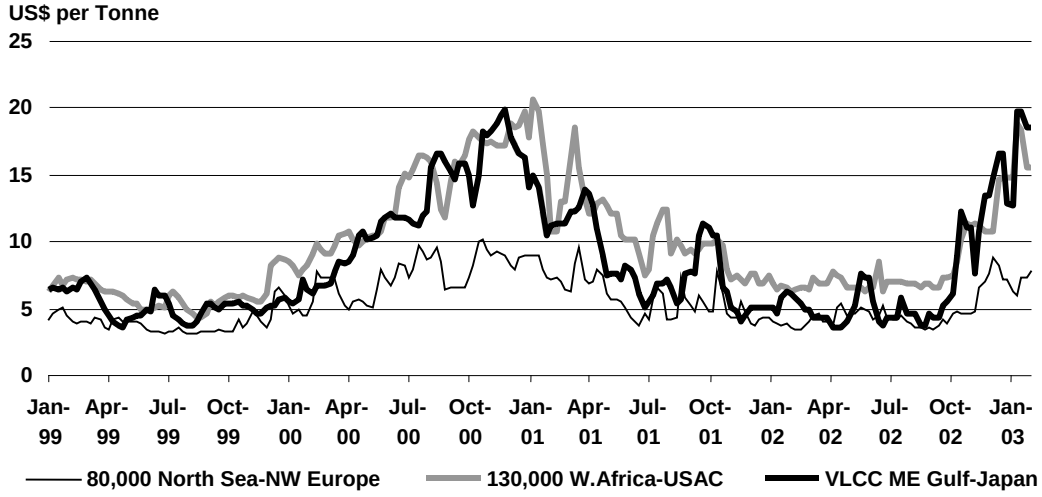
Source: IEA MOS imports and exports data for extra-regional trade

Preliminary data for December show that crude oil imports to Japan jumped by nearly 20% from November. Refinery throughputs were higher month on month to produce more kerosene for heating as the country experienced colder-than-normal weather. Crude requirements from the utility sector were also stronger in December than in November.

Freight

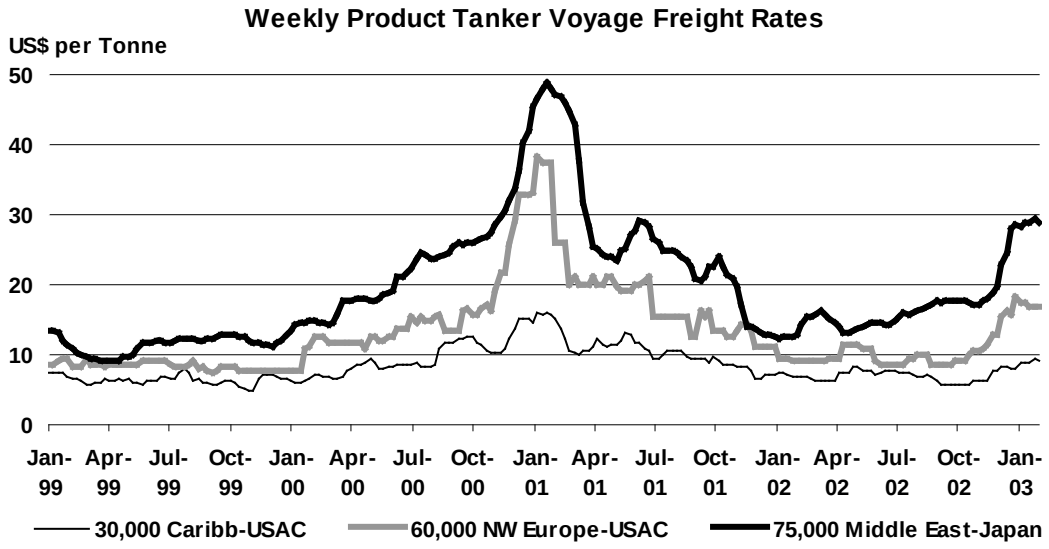
Freight rates for VLCC tankers were bullish in the first half of January, but eased later in the month. Tanker fixtures declined from the Middle East Gulf as charterers, faced with higher freight rates, took a wait-and-see attitude in the second half of January. Suezmax tanker rates followed the same general trends as those for VLCCs.

Weekly Crude Oil Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

Aframax tanker rates surged in the Caribbean in the second half of January, following tanker requirements for Mexican crude and the news of a partial resumption in Venezuelan petroleum exports, combined with scarce tonnage owing to the repositioning of vessels away from the region. Aframax rates also jumped in the Mediterranean in the latter half of the month owing to strong demand, especially for double-hulled vessels. On the other hand, rates for Aframax tankers in the North Sea region were almost constant during the second half of the month. Product tanker freight rates remained unchanged in January.



Source: SSY Consultancy & Research Ltd.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) rebounded by 690 kb/d month on month to 5.49 mb/d in January. Black Sea terminals increased their export volume despite occasional weather related loading disruptions and vessel passage restrictions in the Bosphorus Strait. At Baltic Sea terminals, weather conditions improved, after port and tanker operations were affected by freezing temperature and ice in the mid month.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Black Sea Exports	1.99	2.53	2.30	2.62	2.74	2.45	2.69	2.02	2.44	0.43	0.38
Baltic Exports	1.63	1.93	1.88	2.08	1.96	1.80	1.88	1.52	1.79	0.26	0.10
Total Seaborne	**3.62**	**4.46**	**4.19**	**4.70**	**4.70**	**4.25**	**4.57**	**3.54**	**4.23**	**0.69**	**0.48**
Druzhba Pipeline	1.06	1.08	1.05	1.00	1.12	1.15	1.16	1.17	1.17	0.00	0.10
Other	0.07	0.05	0.02	0.02	0.06	0.11	0.12	0.09	0.09	0.00	0.08
Total Exports	**4.75**	**5.59**	**5.25**	**5.72**	**5.88**	**5.50**	**5.85**	**4.80**	**5.49**	**0.69**	**0.66**
Imports	0.00	0.01	0.03	0.01	0.01	0.00	0.00	0.00	0.00	0.00	-0.02
Total Net Exports	**4.74**	**5.58**	**5.22**	**5.71**	**5.87**	**5.50**	**5.85**	**4.80**	**5.49**	**0.69**	**0.68**
Crude	3.37	3.92	3.69	3.95	4.12	3.92	4.15	3.48	4.07	0.59	0.50
Products	1.37	1.65	1.52	1.76	1.75	1.58	1.70	1.32	1.42	0.10	0.18

Sources: Petro-Logistics, IEA estimates

The Russian domestic market has been oversupplied with petroleum in recent months, in part due to low export levels precipitated by bad weather at terminals. A decision by the Russian government not to allow a resumption of pipeline exports to the Latvian ice-free port of Ventspils, despite requests by Russian oil companies to open the route, has exacerbated this situation. Crude oil prices fell to $5/b at the beginning of February in the Russian market from $18/b last September.

Given the current oversupplied domestic market situation and further expectation of crude production growth in 2003, Russian oil companies are seeking to raise petroleum exports. Some Russian oil companies are sending petroleum by rail to the port of Ventspils, although the export volumes will fall well below the terminal's capacity of around 350 kb/d.

Lukoil has commenced crude oil swaps with Iran, by transporting 25 kb/d of Siberian Light crude from Astrakhan in Russia to Neka in Iran. The company is planning to continue this swap on a longer-term basis. Lukoil is also considering dispatching petroleum products on a trial basis later this year from Vysotsk terminal on the Baltic Sea, which is currently under construction. The terminal will initially be able to load 5 mt/y of petroleum products such as fuel oil and gasoil to 70 kt tankers. Its capacity will be subsequently expanded to around 10.75 mt/y.

Tyumen Oil (TNK) reportedly has exported 100 kt of crude oil in January from the port at Yuzhny, near Odessa, in Ukraine, through a previously idle Odessa-Brody pipeline. The company is now considering expanding the crude exports via this route to around 240 kt in February. Exports are expected to be sustained in the coming months. In addition, major Russian oil companies are reportedly asking the government to raise crude oil volumes transiting the Druzhba pipeline to the Central and West Europe, such as Germany, Poland, the Czech Republic, Hungary and the Slovak Republic by about 300 kb/d.

Chinese net crude oil imports jumped to 1.51 mb/d in November, from 1.11 mb/d in October, due to precautionary stock building in response to the political uncertainty in the Middle East. Fuel oil imports rebounded to 346 kb/d in November, 57 kb/d higher than the month earlier, owing to strong requirements for the product in eastern China. Declining international market prices for fuel oil in October also stimulated imports in November. On the other hand, LPG imports to China further declined to 171 kb/d in November month on month, due to high product prices on the international market.

China Crude & Product Trade

(thousand barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**1179**	**1044**	**843**	**1061**	**1356**	**1377**	**1385**	**1106**	**1505**	**398**	**633**
Products & Feedstocks	**287**	**329**	**406**	**307**	**342**	**422**	**467**	**391**	**420**	**28**	**-16**
Gasoil/Diesel	-6	0	0	-6	-8	-8	-14	-42	-31	12	-31
Gasoline	-105	-134	-108	-93	-138	-183	-188	-147	-131	16	-40
Heavy Fuel Oil	192	313	325	187	254	344	352	289	346	57	26
LPG	152	155	175	198	186	216	236	219	171	-47	13
Naphtha	-14	-19	-13	-9	-26	-15	-6	-25	-3	21	2
Jet & Kerosene	9	8	22	-3	10	6	19	47	31	-15	-3
Other	59	5	5	34	64	62	68	52	36	-16	17
Total	**1466**	**1372**	**1249**	**1368**	**1698**	**1799**	**1852**	**1498**	**1924**	**426**	**617**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

In 2003, China will import at least 241 kb/d of crude oil from Iran through Zhuhai Zhenrong, the only Chinese company importing Iranian crude. Sinopec is considering importing more Russian crude this year to cover declining crude output from the Daqing oilfield. China also plans to import larger volumes from West Africa to lower its dependency on imported oil from the Middle East.

India Crude & Product Trade

(thousand barrels per day)

	2000	2001	4Q01	1Q02	2Q02	3Q02	Sep 02	Oct 02	Nov 02	Latest month vs. Oct 02	Latest month vs. Nov 01
Net Imports/(Exports) of:											
Crude Oil	**1362**	**na**	**na**	**na**	**1700**	**1872**	**1914**	**1821**	**1590**	**-231**	**na**
(by Public Oil Cos)	**888**	**934**	**943**	**969**	**1038**	**1235**	**1326**	**1188**	**1148**	**-40**	**295**
Products & Feedstocks	**-3**	**-28**	**-38**	**-68**	**-129**	**-135**	**-82**	**-7**	**2**	**9**	**30**
Gasoil/Diesel	1	-54	-48	-55	-45	-76	-67	-49	-15	34	34
Gasoline	-22	-20	-16	-37	-54	-57	-67	-47	-53	-5	-36
Heavy Fuel Oil	9	22	24	9	4	8	13	7	-19	-26	-44
LPG	20	20	19	21	7	8	14	60	50	-9	24
Naphtha	-46	9	-4	11	-14	-2	10	22	24	1	18
Jet & Kerosene	68	29	21	23	2	5	26	1	14	12	-1
Other	-33	-34	-33	-39	-30	-22	-11	-3	0	3	34
Total	**1359**	**906**	**905**	**901**	**1571**	**1737**	**1833**	**1814**	**1592**	**-221**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 1Q 2002 are not available. For 2001 and from 4Q2001 to 1Q2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Indian net crude oil imports stood at 1.59 mb/d in November, 231 kb/d lower than in October. Crude imports dropped especially in the private sector, due to heavy refinery maintenance in November. LPG imports to India were strong at 50 kb/d in November, to cover shortfalls of the product supply in the wake of the refinery maintenance.

Net imports of crude oil to **Singapore** were 813 kb/d in December, 122 kb/d lower than in November, but still relatively high as refinery runs continued to increase in December and January due to supportive margins. On the other hand, imports of heavy fuel oil remained weak at 254 kb/d in December, possibly reflecting high levels of the product stocks in October and November.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q01	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**813**	**829**	**772**	**861**	**839**	**935**	**813**	**-122**	**242**
Products & Feedstocks	**-10**	**-35**	**33**	**-45**	**-53**	**-73**	**109**	**-128**	**-203**	**-75**	**-250**
Gasoil/Diesel	-121	-154	-123	-151	-171	-168	-136	-176	-193	-17	-127
Gasoline	-79	-81	-78	-98	-80	-69	-63	-59	-86	-27	-8
Heavy Fuel Oil	360	334	360	322	330	325	428	293	254	-40	-85
LPG	-21	-19	-19	-19	-18	-20	-15	-25	-19	6	-1
Naphtha	-22	6	20	7	-7	5	35	-40	20	60	38
Jet & Kerosene	-80	-65	-67	-51	-53	-90	-81	-65	-123	-58	-57
Other	-48	-57	-62	-55	-54	-57	-59	-56	-56	0	-11
Total	**812**	**784**	**846**	**784**	**719**	**788**	**948**	**807**	**610**	**-197**	**-9**

Source: Singapore Monthly Oil Statistics, IEA estimates

OECD STOCKS

Summary

- Preliminary December figures indicate that industry stocks of total oil in the OECD fell 41 mb from November to an estimated 2515.6 mb, or 107 mb below last year. Changes to the OECD's oil inventory position were dominated regionally by North America. Crude stocks in North America fell 420 kb/d while a near 600 kb/d decline in '*other product*' stocks outpaced builds in gasoline and middle distillates. The preliminary fourth quarter oil stockdraw in 2002 came in at 610 kb/d, essentially in products. Crude inventories during the quarter closed marginally higher. Forward demand cover of OECD oil stocks in December slipped to 51 days, down five days over the course of 2002.

Preliminary Industry Stock Change in December and the Fourth Quarter 2002
(million barrels per day)

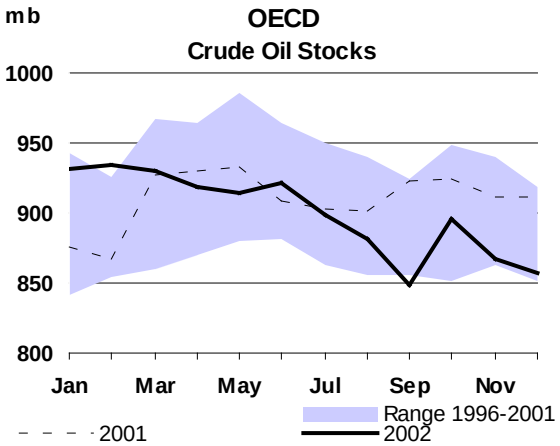
	December (preliminary)				*Fourth Quarter (preliminary)*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.42**	**0.05**	**0.04**	**-0.32**	**0.08**	**0.07**	**-0.06**	**0.10**
Gasoline	0.30	0.04	-0.04	0.31	0.10	0.01	0.00	0.11
Distillates	0.28	-0.21	-0.27	-0.20	0.10	-0.21	-0.20	-0.31
Residual Fuel Oil	-0.10	-0.01	0.01	-0.10	-0.01	0.08	0.00	0.07
Other Products	-0.59	0.00	-0.07	-0.66	-0.41	-0.04	0.00	-0.45
Total Products	**-0.11**	**-0.18**	**-0.37**	**-0.65**	**-0.22**	**-0.15**	**-0.21**	**-0.58**
Other Oils[1]	-0.27	-0.02	-0.05	-0.34	-0.12	0.02	-0.03	-0.13
Total Oil	**-0.79**	**-0.15**	**-0.37**	**-1.31**	**-0.26**	**-0.06**	**-0.29**	**-0.61**

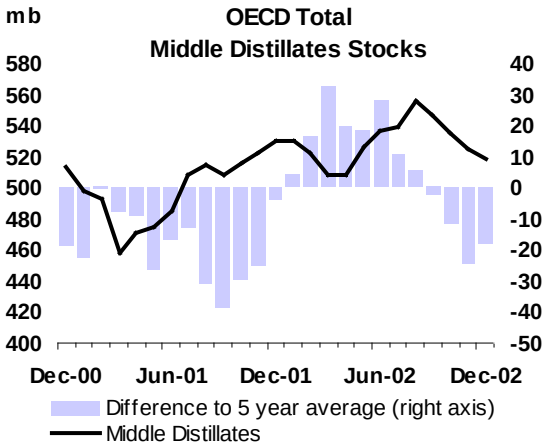
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- Atlantic Basin industry crude stocks in December closed down 11 mb at 698 mb. The stockdraw came in the US following Venezuela's declaration of *'force majeure'* on oil exports earlier in the month. With limited short-term substitute barrels, refiners initially drew on stocks before reducing runs. US-50 stocks closed around 9 mb above the US National Petroleum Council's indicative estimate of a 270 mb minimum operating requirement. In contrast, European inventories came in marginally higher.

- US gasoline stocks built amid ample supply while demand for finished product held flat in December. US gasoline yields peaked as refiners drew on unfinished products. European product headed to New York Harbour helped to lift Atlantic Coast inventories. While US-bound exports in December were about 1.5 million tonnes, European gasoline stocks edged higher due to regional demand weakness. Independent storage in ARA rose in December as swap prices encouraged leaving product in tanks. Unleaded barge gasoline in ARA for January delivery priced above December.

- December distillate stocks in the OECD fell 6 mb. Stocks came down in Europe and the Pacific but built in North America. US distillate gains came in diesel inventories. Heating oil stocks declined, driven lower by cold temperatures in the Northeast US (PADD I). By end-January, PADD I heating oil closed at 24.1 mb, prompting calls for an oil release from the Home Heating Oil Reserve. Despite heightened imports, kerosene stocks fell further in Japan and in Korea.





OECD Industry Stock Changes in December 2002

OECD crude stocks fell a further 10 mb in December after declining 28 mb in November. This partially offset the 48 mb rise in October, leaving crude storage 9 mb higher over the fourth quarter. The December crude draw was regionally confined to North America where US stocks declined following the loss of short-haul crude supply from Venezuela. Exports to the US halted as Venezuelan port operations ceased and tanker crews joined a strike in the oil sector that began early December. Crude runs and US imports declined less than initially expected. Alternative supplies and sales from producer storage buffered the Venezuelan shortfall. But by month's end, weekly estimates indicated that crude imports had fallen to about 7.6 mb/d compared to 9.5 mb/d at the end of November. Inventories on the US Gulf Coast, the typical destination of Venezuelan crude, fell throughout the month, declining around 14 mb to an estimated 145 mb. US crude stocks, including those held in territories (Puerto Rico, Guam, Virgin Islands and the Hawaiian free trade zone), are estimated to have declined by nearly 13 mb to close December at 286 mb or 37 mb below last year.

Crude stocks elsewhere in the OECD were up marginally, gaining about 2 mb in Europe from a downward revised November base and a little over 1 mb barrels in the Pacific. Crude runs in Europe eased back under 13.5 mb/d after rising in November as refiners exited maintenance. Supply of Brent-related crude in the region was higher, unlike in November. The price of Brent strengthened against WTI and Dubai, limiting arbitrage out of Europe. High premiums of North Sea grades to Dated Brent likely encouraged equity producers to keep crude for their own refining systems. Though regional margins weakened, refiners' interest in these light/sweet crudes was lifted by product-arbitrage opportunities to the US. Additionally, fixtures of Brent-related West African grades towards the Mediterranean also rebounded from lows in November.

Industry crude stocks in the Pacific after declining since June rebounded in December on rising crude inventories in Japan. In contrast, Korean inventories extended their decline a further 2.5 mb. Japanese refiners returned to 92% utilisation rates as throughputs rose on the back of higher domestic kerosene and fuel oil needs. But crude import volumes, in particular from top term suppliers Saudi Arabia and Iran came in significantly higher both on yearly and monthly bases.

OECD product stocks fell 20 mb in December to an estimated 1371 mb. This set the preliminary fourth quarter stockdraw at 580 kb/d, broadly 150 kb/d higher than the average for the recent five years. The December stock change was characterised by a reduction in the storage of "*other products*" in North America. Most of the decline came in unfinished products in the US. Refiners there drew on these inventories in order to sustain product output in the face of lower crude availability. Reduced crude runs were not matched by a corresponding loss in production as unfinished products were used as feedstocks in upgrading units, resulting in unusually high yields of gasoline and distillate fuels. Stocks of unfinished oils in the US fell over 10 mb in December.

Though product demand in the US was strong at above 20 mb/d, and deliveries in the major product categories witnessed yearly growth, stocks of distillates and gasoline rose. Flows of European gasoline and Russian gasoil into the US supplemented domestic production, supporting inventory builds in those products. While US aggregate distillate inventories returned within their normal range in December, most of the product build came in diesel. Heating oil continued to tighten on colder temperatures in the key consuming Northeast States. US fuel oil stocks were also down on increased East Coast heating demand. Incremental residual fuel oil demand emerged as prices in competing natural gas rose.

Europe and the Pacific saw broadly similar stockdraws in distillate fuels in December with inventories falling by 210 and 270 kb/d respectively. Distillate draws in the Pacific resulted from strong heating demand in Japan and Korea. Storage of kerosene in 2002, the regional heating fuel, did not match the seasonal build-up ahead of winter seen in previous years. With the onset of winter, imports rose to meet domestic deliveries, but this proved to be insufficient to keep pace with demand, even in Japan where crude runs increased. Korean gasoil fell although exports were down. Demand from road transport was strong and some supply was destined to meet tenders from the Korean National Oil Corporation (KNOC).

In Europe, heating demand played a lesser role in spite of colder weather. Regional demand in Europe remained weak on the year. Though demand in the main German market grew, comfortable end-user stocks limited any significant upturn in deliveries. Stocks fell on the back of Russian gasoil diverted away from ARA to the US, limiting supplies into the region. Backwardation in IPE's gasoil future contract removed incentive to store product regionally as lower future delivery prices encouraged inland distributors to delay purchases. In addition, holding product in tanks meant loosing money as the cash basis premium of 0.2% gasoil to front month IPE widened over the course of the month.

Revisions and Preliminary OECD Stocks at the end of December 2002

Revisions to OECD oil stocks totalled 16 mb in November, mainly in product stocks. Crude inventories were revised higher by 2 mb on aggregate, essentially in the Atlantic Basin. European stocks were taken lower in line with higher crude runs and greater volumes of Brent-related grades leaving the region. In contrast, North America saw higher crude stocks on upward revisions to the US territories and marginally higher inventories in Canada. Product inventories were pegged higher across the barrel, particularly in North America where revisions lifted product stocks by 15 mb. The bulk of the revision was in the US, where imports in both distillate and gasoline were running high. Revisions to Pacific storage saw gains in Korea for residual fuel oil and to a lesser extent in distillate fuels.

Revisions Versus 17 January 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Oct 02	Nov 02	Oct 02	Nov 02	Oct 02	Nov 02	Oct 02	Nov 02
Crude Oil	**0.7**	**5.6**	**3.1**	**-3.9**	**0.1**	**0.4**	**3.9**	**2.0**
Gasoline	0.3	4.5	1.6	2.3	0.0	-0.1	1.9	6.7
Distillates	2.3	9.5	4.8	-1.4	0.0	0.2	7.0	8.2
Residual Fuel Oil	-0.4	1.0	3.1	5.4	0.0	1.1	2.6	7.4
Other Products	2.7	0.1	-0.4	-1.4	0.0	2.9	2.3	1.5
Total Products	**4.8**	**15.1**	**9.1**	**4.7**	**0.0**	**4.0**	**13.9**	**23.9**
Other Oils[1]	0.4	-11.0	-1.1	0.8	0.0	0.2	-0.8	-10.1
Total Oil	**5.9**	**9.7**	**11.0**	**1.6**	**0.1**	**4.6**	**17.1**	**15.8**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Industry stocks of total oil closed December at 1195 mb in North America, 909 mb in Europe and 412 mb in the Pacific. Against the year-earlier inventory position, OECD stocks were down some 106.7 mb. Europe emerged as the only region where storage volumes posted a small deficit, mainly in products. Forward demand cover continued to slip in North America, falling under 50 days to 49.3 days. Days cover in Europe and the Pacific region edged higher to 59.7 and 43.2 days respectively.

Year-on-Year Industry Stock Comparisons for December 2002

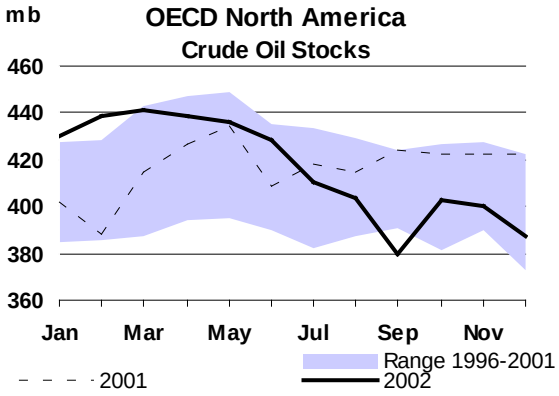
	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-35.2**	**-1.5**	**-16.8**	**-53.5**	**Total Oil**	**-4.0**	**-0.6**	**-5.7**	**-3.4**
Total Products	-29.2	-5.5	-9.9	-44.7	*Versus 2000*	*1.9*	*-1.5*	*-5.0*	*-0.5*
Other Oils[1]	-3.2	0.7	-6.0	-8.5	*Versus 1999*	*1.5*	*1.5*	*-3.7*	*0.5*
Total Oil	**-67.7**	**-6.3**	**-32.7**	**-106.7**	**Total Products**	**-1.9**	**-0.5**	**-2.0**	**-1.5**
Versus 2000	*49.6*	*-21.6*	*-42.6*	*-14.6*	*Versus 2000*	*1.7*	*-1.1*	*-2.7*	*0.0*
Versus 1999	*68.6*	*27.1*	*-25.7*	*70.0*	*Versus 1999*	*1.4*	*0.5*	*-1.5*	*0.5*

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD Regional Stock Developments

North America

US-50 crude stocks fell 9 mb in December to 279 mb. This followed the interruption of crude deliveries from Venezuela. Around 60% of Venezuela's average 2.5 mb/d pre-strike crude exports were destined for the US. The loss of crude exports delivered to the US is estimated at roughly 63 mb over the course of the month.



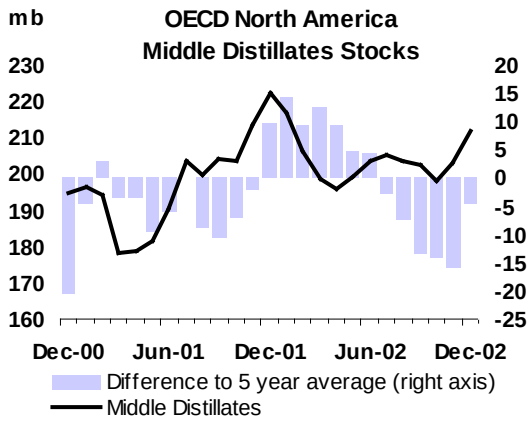
The impact on inventories was felt immediately on Gulf Coast stocks (PADD III), the typical discharge location for Venezuelan crude oil. PADD III inventories declined steadily through the month, closing down 14 mb at 145 mb. However, overall US primary crude storage declined only late in the month. The anticipated drop in crude imports came in the week ending Dec 27 when volumes fell to 7.6 mb/d from levels upward of 9 mb/d in the previous weeks. Nationally, crude stocks through mid-month were supported by initial builds in the Atlantic Coast (PADD I) and the mid-continent (PADD II) regions, on higher volumes of both light and heavy Canadian

crude. The calendar spread between first and second month NYMEX WTI futures was close to parity in the first half of December. Average crude runs in the Gulf Coast were also slow to come off. This suggests that additional short-term barrels, in all likelihood from Caribbean storage, were made available, allowing refiners to benefit from improving margins. This one-off support, coupled with the suspension of scheduled December and January deliveries to the SPR, cushioned stocks from the impact of lost supply. WTI inter-month spreads shifted into steeper backwardation in the second half of December as prompt supply tightened significantly and crude stocks fell in PADDs I to III forcing a reduction in crude runs.

The full bearing of the loss of Venezuelan crude exports in December became evident in January. Crude stocks closed down a further 5 mb at 274 mb. By mid-month, stocks were 2 mb above the US National Petroleum Council's indicative estimate of a 270 mb minimum operating requirement. Gulf Coast inventories closed down 2 mb at 143 mb. End-month levels are comparable to those seen when storms in the Gulf of Mexico disrupted supplies in late September of last year. They should rise by the end of the first quarter. In January, it appeared that Venezuelan exports were recovering and higher crude volumes from OPEC are due late February along with higher spot purchases of Iraqi crude. Saudi Aramco's shipping arm, Vela, is reported in early January to have chartered several large crude carriers loading by late January, early February to deliver over 20 mb of crude oil to the US Gulf Coast. Iraqi volumes destined to the Americas in January were reported above 1 mb/d, up from 0.77 mb/d fixed in October. But replenishing of crude stocks will not gather pace until later in the quarter. With heavy scheduled maintenance in January/February and discretionary run cuts, reduced crude runs will put downward pressure on crude purchases.

Further disincentives to replenish crude stocks came in the paper markets where future delivery priced lower. NYMEX WTI for 2nd and 3rd month was discounted on average by 0.83 and 1.83 $/bbl respectively against the prompt month in January. Mid-continent stocks returned to near-minimum operating levels at 54 mb, yet crude demand was weak. This was seen in WTI trading below Gulf Coast marker LLS, providing little inland pull. Additionally Shell Pipeline Co. announced that its 21.8% share on the 1.1 mb/d Capline pipeline was not fully nominated for February deliveries. The pipeline delivers crude inland from St. James on the Gulf Coast.

In related industry news, Shell reportedly announced on February 6 its intentions to sell its oil storage facilities in Cushing, Oklahoma. Cushing, in the US mid-continent, is the pricing centre and physical delivery hub for NYMEX's WTI futures contract. The total capacity of storage tanks for sale is reportedly 6.4 mb, making them second in volume to the 10 mb of capacity held by BP.



US-50 product inventories in the lighter end of the barrel built over the course of December. The rise came in spite of reduced crude runs, product demand rising past 20 mb/d and an estimated loss of 17 mb barrels of product exports from Venezuela. December product output was not limited as refiners drew on unfinished products to sustain supply amid rising margins. Gasoline and distillate yields peaked at 61% and 26.1% respectively. Domestic supply, lifted by imports of European gasoline and Russian gasoil, outpaced demand. Finished gasoline gained 2 mb to reach 161 mb and distillate stocks added 5 mb to 129 mb. Distillate stocks returned within their normal range on higher diesel storage rather than heating oil stocks. Cold weather sent heating oil stocks lower to 32 mb in the main consuming north-eastern states.

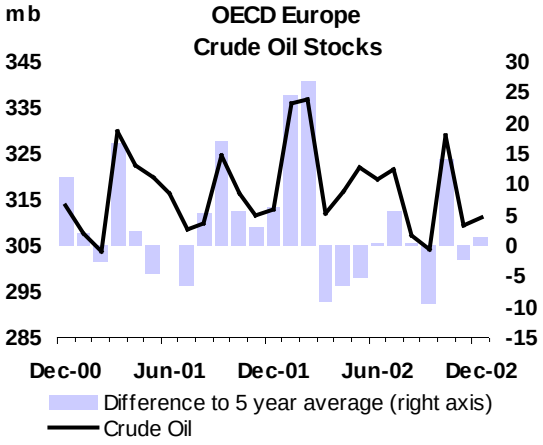
However, the ability to draw on unfinished oils is limited. With more refining capacity idled on scheduled maintenance in addition to discretionary run cuts, January saw product stocks come off sharply by month's end. Inventory tightness shifted to products stocks, which drew nearly 18 mb in the last weak alone. Strong demand tightened heating oil stocks a further 8 mb to 24 mb in the Northeast as January came in 9% colder than normal. Distillate demand closed at 4.9 mb/d just as Russian gasoil exports declined due to weather-related loading problems at Baltic ports and Venezuelan term supplies were cut off. Front-month NYMEX No. 2 heating oil reached $1.10/gallon by 7 February.

Secondary stocks in the Northeast were strained as marketing companies and refiners imposed restrictions on liftings at the wholesale level. In the Boston area, storage capacity in recent years has been reduced on industry consolidation. Primary suppliers there have fallen to half a dozen compared to 12 to 13 eight years ago. The New York Harbour/Boston basis, which was stable prior to December, became more volatile. New York's cash basis or spread to front month futures traded at a premium by end-January. Concern over stocks has prompted calls for an inventory release from the 2 mb Northeast Home Heating Oil Reserve.

Europe

European crude stocks were up 2 mb in December, closing at 311 mb. The build came on a reduced November base as crude demand pulled back and domestic supply was more available. December crude runs fell broadly 200 kb/d from 13.5 mb/d in November, when refiners had emerged from maintenance. Brent-related crudes were regionally confined in December as Brent strengthened against benchmarks WTI and Dubai. North Sea grades saw their premiums strengthen against Brent. In a rising market, equity producers in the North Sea were inclined to keep crude in their own refining systems. While regional refining margins weakened, product pull on strong US cash prices prompted Europeans to refine these light/sweet crudes and maintain product output.

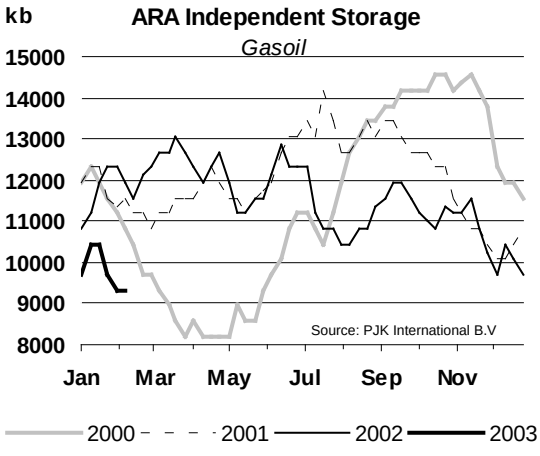
Regionally, runs generally rose in Northwest Europe and declined in the Mediterranean. Changes to crude stocks did not uniformly follow suit. Inventories declined in France and marginally in Germany but rose in North Sea related countries: UK, Norway, Denmark and also the Netherlands. In the Mediterranean, runs fell mostly in Italy, but also Spain, Portugal, and Greece. But crude inventories in the region were flat to down. The decline was supported by reduced availability of sour crude. The bulk of December spot Iraqi barrels was bid away to the Americas. European purchases reportedly declined from around 700 kb/d in November to 500 kb/d in December. Urals differentials against Brent in Northwest Europe and the Mediterranean narrowed in December, indicating tighter supply. Weather-related shipping delays in Black Sea and Baltic ports restricted cargo movement.



January may see a reversal in the direction of crude stocks on a regional basis as supply leans in favour of the Mediterranean. Urals differentials in the Mediterranean widened in January in spite of further weather-related loading problems at the Black Sea port of Novorossiysk. January spot purchases of Iraqi crude were reported lower from December, but higher volumes of Iranian and Saudi crude in the area weighed on sour differentials. In contrast, supply in Northwest Europe is likely to tighten. Tighter prompt availability was seen in Dated Brent prices above forward prices through most of January. North Sea grades went transatlantic as WTI regained its premium over Brent. Norwegian supply was lower due to several field outages. Urals delivered to Northwest Europe was bound by icy conditions at Baltic ports, and differentials against Brent, unlike in the Mediterranean, were narrow.

European product inventories fell 5.5 mb in December to 533 mb. The draw came in middle distillates where stocks fell 6.5 mb. While the decline came on top of a downward revised November base, middle distillate inventories remained in the middle of their five-year range. Motor gasoline stocks edged higher to 116.5 mb and residual fuel inventories held flat around 76 mb.

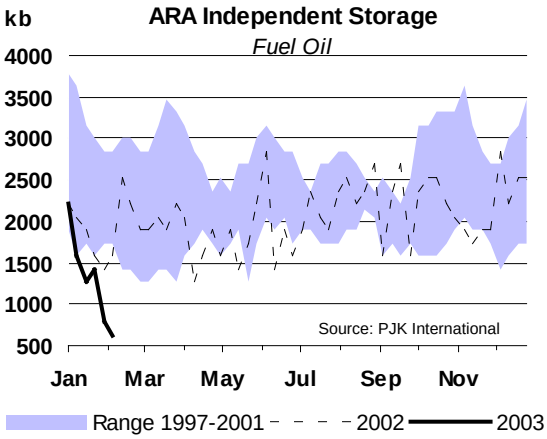
Gasoline exports to the US were estimated at 1.5 Mt in December but stocks rose as deliveries for the fuel continued to contract. While stocks are low in absolute levels, forward cover has risen seasonally during the 4th quarter on weak demand. Independent storage in ARA rose in December, as swaps for unleaded barge gasoline for December delivery were in contango against January. US-bound exports in January were reported around 1.8 Mt. In Northwest Europe, the January gasoline market was left short. This followed from maintenance for a 200 kb/d distillation unit at the 400 kb/d Nerefco refinery in Rotterdam and incremental refinery bidding to cover for the outage. However, ARA gasoline storage held broadly level in January. Deliveries were made to the Dutch stockholding agency COVA, replenishing tanks to meet the new 10 ppm quality required as of 1 January.



European primary storage of distillates in December kept to the middle of its five-year range at 240 mb. Gasoil stocks came down with Russian product diverted to the stronger US market. Aside from a modest uptick in Germany, heating oil demand elsewhere was weak. Despite colder weather,

end-user German stocks were reportedly comfortable. Gasoil prices generally encouraged prompt sales. Physical gasoil traded above the front-month IPE futures contract. Near-month backwardation in IPE's gasoil futures deepened through January, discouraging holding of product inventory for local demand. Buying interest for inland delivery was similarly deterred on expectations of lower future prices. Industry stocks of jet/kerosene declined as aviation demand firmed in December. Gasoil in independent ARA storage declined through January as Russian gasoil moved directly to the US and weather-related loading problems at Baltic ports further depressed product availability in January.

December stocks of fuel oil in industry and ARA independent storage were broadly flat. End-November fuel oil stocks in Europe had shifted higher on greater import volumes from the CIS. Stock draws in ARA, as seen in late October, early November, did not materialise, as opportunities for arbitrage were limited. January saw fuel oil stocks fall in ARA on tighter supplies and increased demand. As for gasoil, adverse weather conditions limited Russian fuel oil shipments from the Baltic. By end-December, rising bunker demand had eroded stocks. But a further boost to demand was provided by heightened purchases by Scandinavian utilities. Scandinavian demand tightened supplies of low sulphur straight run grades as well as cracked supplies.

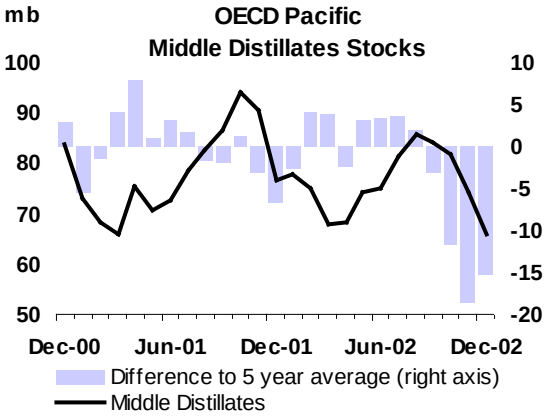


Pacific

Pacific crude inventories rose to 159 mb in December. Stocks in Japan gained 4 mb while they fell 2.5 mb in Korea. Japanese crude runs rose by 370 kb/d but crude import volumes were significantly higher on a monthly and yearly basis. Japanese imports from term suppliers Saudi Arabia and Iran saw volumes rise over 20% on both bases. This suggests that November allocations were expanded on rising OPEC production, lifting imports and mitigating the effect of December term cuts. Volumes from Qatar were also up on the year. Given higher fuel oil requirements by power utilities following nuclear outages in early September, it is likely Qatari Al Shaheen grade is included in these flows as it is generally considered a good low-sulphur alternative to Iranian heavy. Heightened fuel oil requirements also underpinned Japanese refiners' interest back in October for Oman loading in November and December. The Japanese crude build, resulting from December supply outpacing crude runs, came as spot purchases of Middle Eastern grades occurred before incremental allocations of November term supply from OPEC producers.

Though crude stocks in Korea and Japan in 2002 have been generally below previous years, they may not be as tight as absolute levels suggest. It appears that lower crude runs in 2002 and the consequent reduction in crude stockpiling may be in part attributed to lower baseline crude demand beyond discretionary run cuts. The rise of independent distributors in Korea has contributed to utilisation rates below the typical full capacity levels. Independents have eaten into previously well established refiner market shares, forcing cuts in crude runs. Consequently, the traditional product surplus reserved for export has been curtailed.

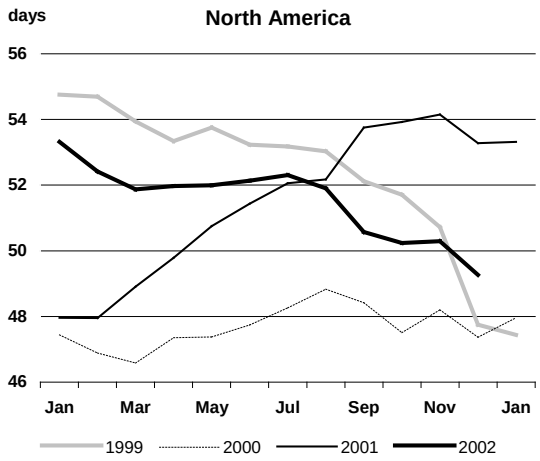
In Japan, this shift may not be so clear. The late upturn in runs responds to higher heating demand and a switchover to more fuel oil use by utilities over direct crude burn. But runs have on average trailed behind last year, lowering the level of crude stockpiles. This may be in part to address excess capacity. The announcement last December of plans to swap oil products between major refiners Nippon Oil and Idemitsu Kosan as well as remove some 200 kb/d of capacity over 2003/2004 may be one such step in this direction.

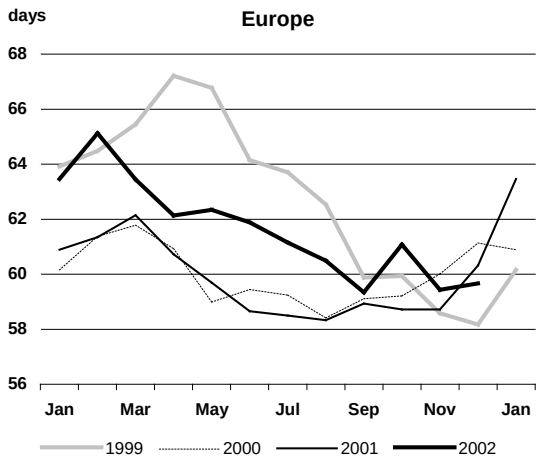


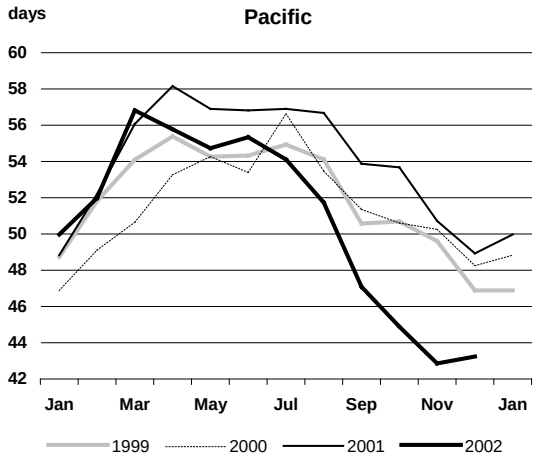
Distillate stocks fell 8.5 mb to 66 mb. Kerosene declined further in Japan and Korea on strong heating demand. The draw down rate so far this winter in Japan is within the seasonal norm. Higher imports eased demand pressure on onland stockpiles and stocks look sufficient to last the winter. Product output is set to rise on higher operating rates. Already, by end-January, Japanese refiners had reportedly cut spot purchases of kerosene for February, after buying bumper volumes in December and January. Gasoil stocks fell in Korea on road demand, and some supply was destined for a KNOC December tender. December fuel oil 'C' stocks were higher in Japan and in Korea despite rising demand in power generation.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

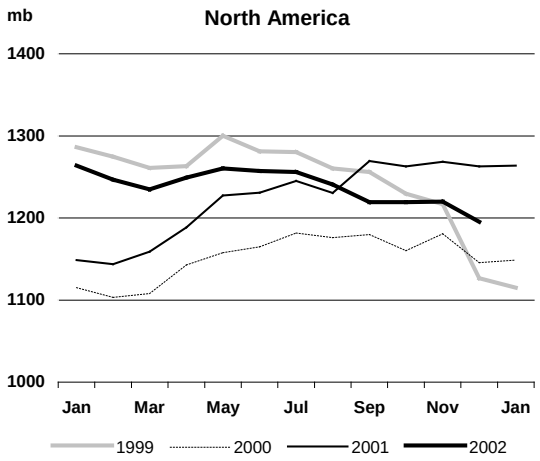
Days[1]

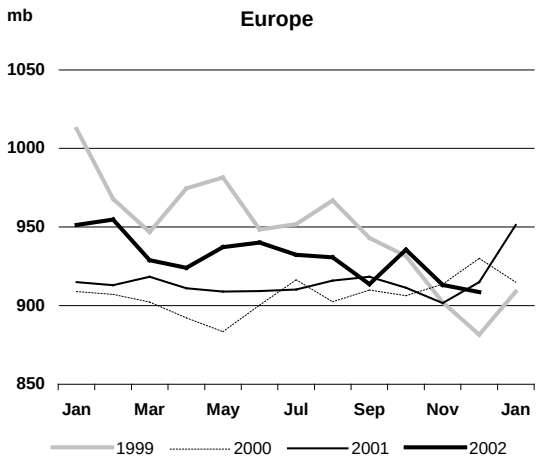


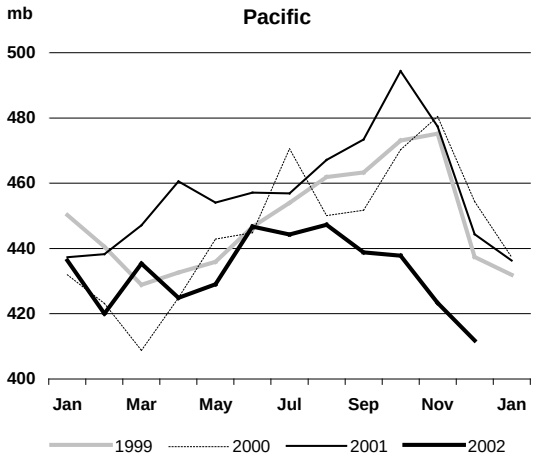




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Crude oil prices** continued to rise in January, as stocks remained tight. This outweighed the impact of the gradual recovery of Venezuelan production and increased output from other OPEC and non-OPEC producers. With greater volumes of crude, especially heavier, sourer streams, coming onto world markets, key differentials against the marker crudes widened.

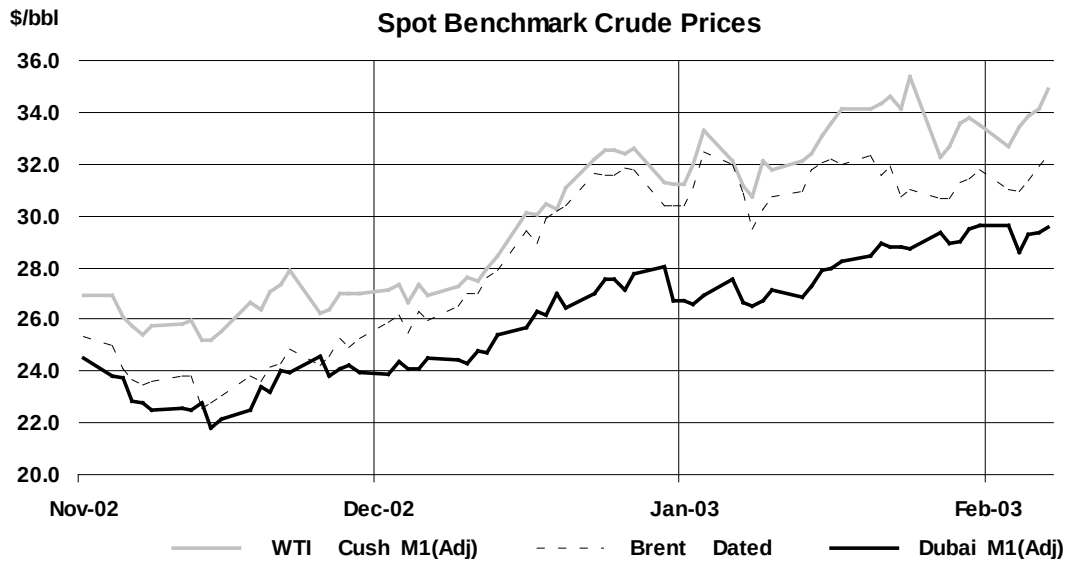
- **WTI NYMEX** and **IPE Brent** averaged $32.70 and $30.34 respectively over the month. Crude prices continued to rise in early February, with WTI NYMEX closing at $35.12 on 7 February, the highest close since 15 September 2000.

- **WTI Cushing** averaged $32.99 in January, **Dated Brent** $31.32 and **Dubai** $28.02. With Brent losing ground to WTI, the incentive for arbitrage to the US rose. The Brent-Dubai spread expanded, further limiting incentives for eastward movement of Brent-related crudes. With growing volumes of replacement crudes easing the shortfall in Venezuelan supplies, differentials favouring light sweet crudes against heavier, sourer grades widened.

- **Product prices** rose in January, in many cases increasing by more than underlying crude prices. Gross product worth rose relative to crude costs, raising refining margins in all four major regions. **Gasoline** prices in the US gained despite substantial import flows from Europeans and a seasonal slowing of demand. In early February, US gasoline prices rose sharply, far outpacing crude prices. **Heating oil** prices surged in early February in the US due to tight stocks and colder than normal weather. The near-month heating oil contract closed at $1.10 per gallon, the highest seen in more than 20 years.

- Monthly average **refining margins** rose in all major markets in January. The gains were largest for both types of refinery in the Mediterranean, reflecting the relatively weak trend in Urals prices. In early February, gasoline and distillate cracks rose very sharply in the US, with positive implications for refining margins in the Atlantic Basin and beyond.

- Preliminary estimates indicate that **OECD refinery throughputs** averaged 38.91 mb/d in December, 220 kb/d above November levels and 380 kb/d more than year-earlier runs. Declines in the US and the Mediterranean were outweighed by strong gains elsewhere, especially in Japan. The reduction in US crude runs partly reflected the loss of Venezuelan supplies. Preliminary estimates suggest US throughput dropped by 500 kb/d from the average December level in January.



Crude Oil Prices

Spot Crude Prices and Differentials in January

Crude oil prices rose substantially in January. Front-month **WTI NYMEX** averaged $32.70, closing the month at $33.51. In early February, prices rose further, closing on 7 February at $35.12, the highest close since the $35.92 seen on 15 September 2000. **IPE Brent** averaged $30.34 in January and closed at $32.34 on 7 February. The benchmark physical crudes also moved up, with **WTI Cushing** averaging $32.99, **Dated Brent**, $31.32 and **Dubai**, $28.02 in January. In the first week of February, WTI Cushing averaged $33.81, Dated Brent, $31.50 and Dubai, $29.19.

Rising crude prices in January mainly reflected tight stocks and the ongoing impact of curtailed Venezuelan supply resulting from the labour unrest which began in early December. While Venezuelan production has gradually been reviving, and other OPEC nations and non-OPEC producers have been increasing supplies, a significant production shortfall persists. Upward price pressures have been supported by strong product demand growth, partly due to colder-than-normal weather in key consuming regions. Average product prices rose by more than underlying crude prices in January so margins strengthened. This improvement continued into early February as product prices rose much more than the underlying spot crudes.

Spot Crude Oil Prices and Differentials*

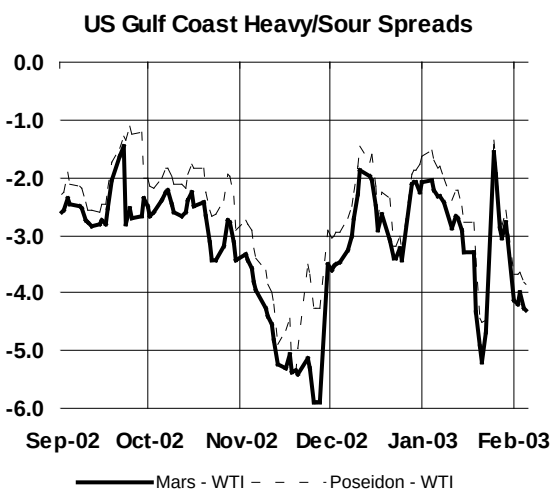
(monthly and weekly averages, $/bbl)

	Nov	Dec	Jan	Jan-Dec		Week Beginning:				
				Change	*%*	30 Dec	06 Jan	13 Jan	20 Jan	27 Jan
Crudes										
Brent Dated	24.10	28.67	31.32	2.65	9.3	31.07	30.66	31.78	31.51	31.16
WTI Cushing 1 month (adjusted)	26.29	29.45	32.99	3.53	12.0	32.64	31.57	33.06	34.62	na
Urals (Mediterranean)	22.87	27.72	28.88	1.16	4.2	29.77	28.84	29.41	28.61	28.21
Dubai 1 month (adjusted)	23.31	25.73	28.02	2.29	8.9	27.00	26.91	26.77	28.76	29.27
Tapis	26.89	30.27	31.95	1.67	5.5	32.38	31.56	31.78	32.18	32.16
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	2.19	0.78	1.66	0.88		1.57	0.91	1.27	3.11	na
Urals (Mediterranean)	-1.23	-0.95	-2.44	-1.49		-1.30	-1.83	-2.37	-2.90	-2.94
Dubai	-0.79	-2.94	-3.30	-0.36		-4.07	-3.75	-5.01	-2.75	-1.89
Tapis	2.79	1.60	0.62	-0.98		1.31	0.89	-0.01	0.67	1.00
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.04	0.54	0.75	0.21		1.04	0.92	0.88	0.71	0.36
WTI Cushing 1mth-2mth (adjusted)	0.71	0.71	1.01	0.31		1.10	0.64	0.76	1.66	na

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

WTI Cushing prices rose more than Dated Brent last month. The **WTI-Dated Brent** spread in January widened to $1.66, encouraging arbitrage to the US. With this stronger competition for Brent–related crudes and some loss of Norwegian production, prices for comparable North Sea crudes such as Ekofisk, Oseberg, Forties and Statfjord strengthened against Brent in the latter part of the month. After adjustment for the changes in Platts' basis for assessing West African crude prices after 1 January, other Brent-related crudes such as Bonny Light, Forcados and Cabinda also strengthened against Brent over the course of the month.

The **Brent-Dubai** differential, after widening dramatically in December and early January, narrowed from mid-month onwards. However, even late-January differentials approximating $2 were wide enough to render the notional arbitrage for moving Brent-related crudes into Asia unworkable. Nevertheless, reportedly Japanese refiners have actively pursued West African purchases.



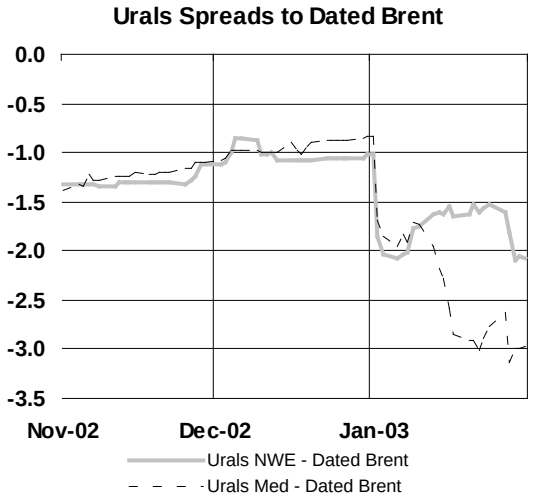
The changes in price differentials initially needed to re-balance markets in face of the Venezuela shock moderated as crude flows adjusted to changing market needs. In January, US Gulf Coast refiners seeking to offset shortfalls of generally heavy sour Venezuelan volumes found that some substitute grades such as Iraqi crude were available in the spot market. Some refiners cut runs in response to lack of availability and high costs of heavy/sour crudes. Turnarounds planned for January

also took place as scheduled and there were some unplanned shutdowns. By the end of the month, Venezuelan supplies were becoming more readily available for certain refiners heavily dependent on crude from PDVSA, such as Citgo and the Hovensa refinery in the US Virgin Islands.

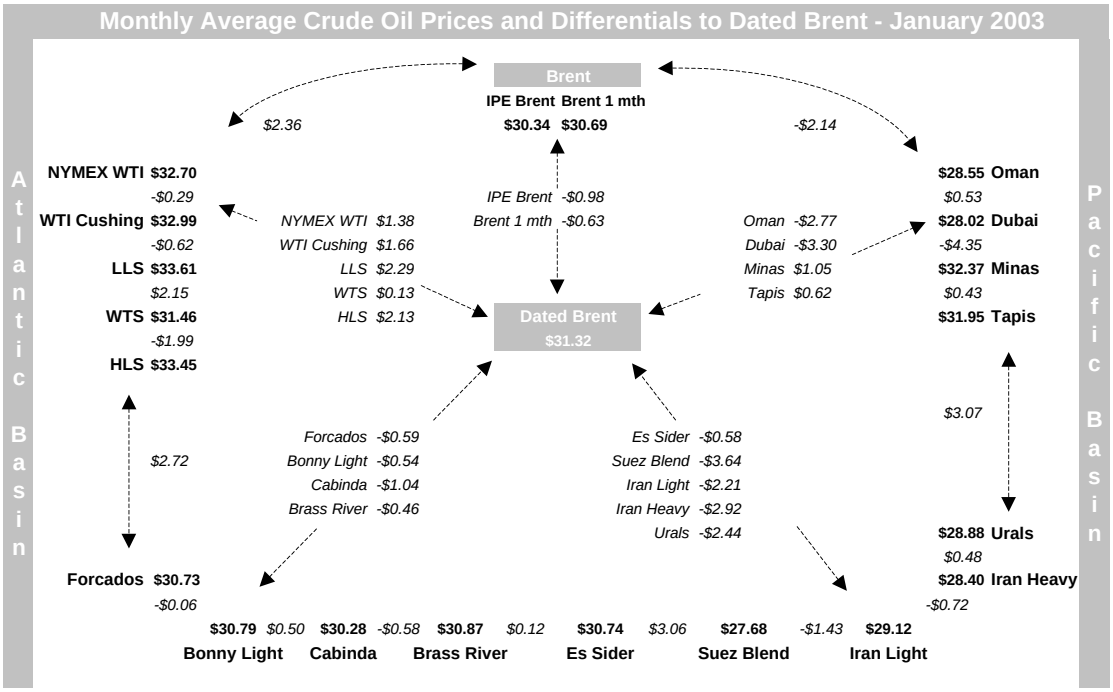
With increased supplies and lower refinery demand for crude, differentials against lighter, sweeter grades opened up over the month. The **WTI-WTS (West Texas Sour)** gap opened from below a dollar in early January to average $2.55 later in the month. By the first week of February, it was reported up to $3.50. The **WTI-Mars** differential grew from $2.40 to $4.22 after mid-January and $4.30 by the end of the first week of February. The **WTI-Poseidon** gap opened up from $1.91 to $3.68 during January and was reported at $3.80 in early February.

Mexican Maya, heavy high-sulphur crude oil with a high metals content, is of similar quality to much Venezuelan heavy production. The discount for Maya against Isthmus, a medium-gravity Mexican crude, averaged $1.65 at the beginning of January, but had opened up to $3.21 by the end of the month. Movements in the WTI-Maya differential were generally in the same direction, widening from $5.50 in early January to $6.22 at month's end, albeit with a mid-month digression.

The average **WTI-Urals (Med)** spread widened to $3.50 in January. Even accounting for the impact of the change in Platts' methodology for assessing Urals price, the differential grew substantially. This reflected higher volumes from the FSU and Iraq. Other regions than the US Gulf Coast were also affected by suppliers' response to the Venezuelan crisis. Rising supplies from Iraq and other Middle Eastern producers, related to official decisions to help offset losses of Venezuelan supplies or opportunistically responding to market opportunities, had a major impact in the Mediterranean. Urals prices in the Mediterranean rose to only $28.88 in January, a very modest increment over December's average of $27.72.



In Asia, the relationships among regional benchmark crudes now reflect a more normal pattern. For several months, strong demand for direct-burn crude by Japanese utilities had kept the price of Indonesian Minas (35 API, 0.8% sulphur) above the price of Malaysian Tapis (45 API, 0.2% sulphur). Japanese utilities continued to operate oil-fired stations to compensate for shutdowns in nuclear facilities. However, having boosted fuel oil output, they had less need to buy direct-burn crude. By late January, Tapis prices had risen back above those for Minas.

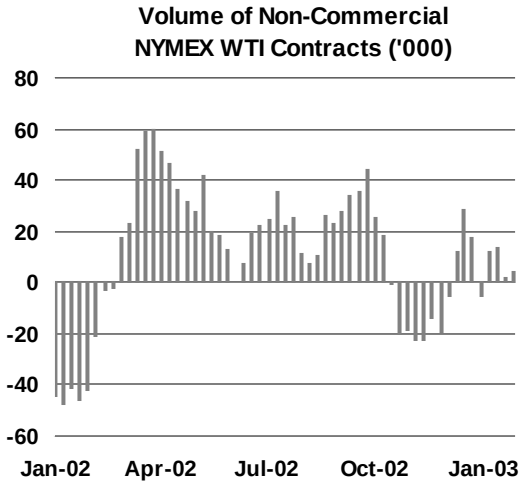


Crude Futures in January

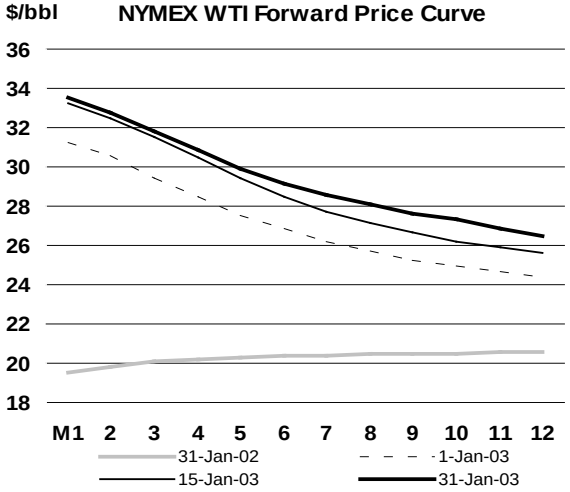
WTI futures rose somewhat less than physical spot WTI prices in January, with the difference averaging 29 cents, versus six cents per barrel in December. In the Brent markets, where very tight physical markets in December kept Dated Brent at $1.19 per barrel above the IPE futures contract, the gap fell in January to 98 cents.

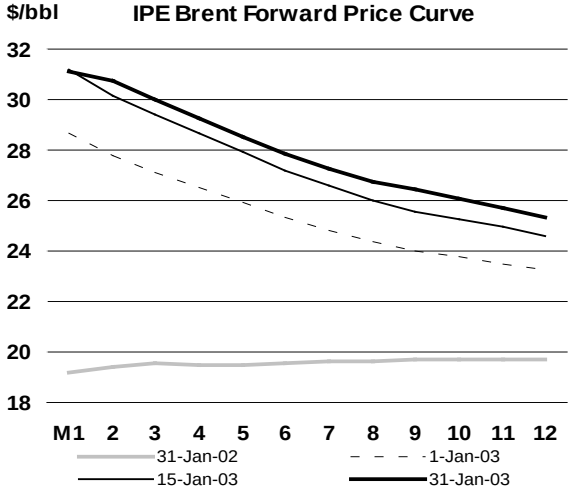
By early February, increased concerns about tight stocks and short prompt supply were apparent on the paper markets. The first-month WTI NYMEX price climbed to close at $35.12 on 7 February and IPE Brent to $32.34.

The WTI NYMEX forward price curve continued in steep backwardation (premium for prompt prices) during January. First month-second month differentials indeed widened from 61 cents at the beginning of January to 77 cents by month's end.



Backwardation constitutes an economic disincentive to build stocks. The IPE Brent forward price curve also remained backwardated in January. However, backwardation in the early months was reduced as the first month-second month differential narrowed from 87 cents at the beginning of January to 38 cents at the end of the month.





The volume of **non-commercials** or speculative net long positions for WTI NYMEX fluctuated during January. This possibly reflected widespread uncertainties about the recovery of Venezuelan exports, the amount and timing of additional supplies from other OPEC countries and the possibility of a release from the Strategic Petroleum Reserve.

The non-commercials (or speculators) were net short 5,000 contracts in early January. They switched to a net long position, holding nearly 14,000 contracts by the third week. By the fourth week, speculators' net long position had been reduced to just over 2000 contracts. In early February, their net longs had risen back to 4,000 contracts. These movements added momentum to price adjustments. They reflected changing expectations of how international political dynamics, along with other factors, would affect oil markets in coming weeks.

Delivered Crude Prices in November

Delivered prices for crude oil imported into IEA countries decreased from $26.99 in October to $24.88 in November, a reduction of $2.11 (See Table 8 at the back of the Report). Prices fell by $2.81 in IEA Europe, $2.37 in IEA North America and 70 cents in IEA Pacific. These declines reflected the continuing decline in key prices for key marker crudes such as Brent, WTI and Dubai (See Oil Market Report, December 2002). The smaller declines in IEA Pacific prices likely reflect in part longer transit times and different pricing relationships in comparison with those typically prevalent in the Atlantic Basin.

Product Prices

Spot Product Prices in January

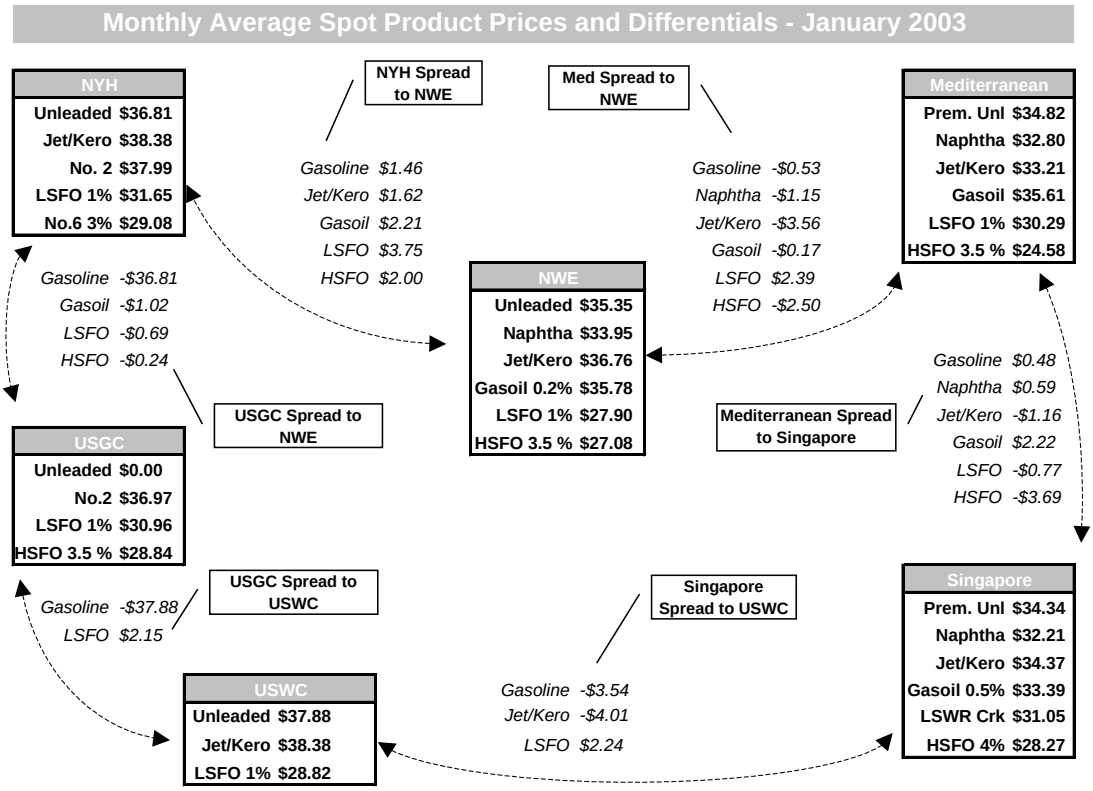
Product prices generally rose last month, as December's crude price rises continued to work their way through the system and the effects of further crude price increases in January began to be felt downstream. Refined product prices generally strengthened relative to crude. With gross product worth gaining relative to crude prices, refining margins strengthened in January on a monthly average basis. In early February, price increases for light products such as gasoline and distillate heating oil accelerated.

Spot Product Prices
(monthly and weekly averages, $/bbl)

	Nov	Dec	Jan	Jan-Dec		Week Beginning:					Oct	Nov	Dec
				Change	*%*	30 Dec	06 Jan	13 Jan	20 Jan	27 Jan			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	28.38	31.91	35.95	4.04	12.7	34.41	34.05	36.29	36.40	37.64	4.28	3.24	4.62
Regular Unleaded	27.88	31.31	35.35	4.04	12.9	33.78	33.47	35.69	35.80	37.04	3.78	2.64	4.02
Naphtha	24.12	28.77	33.95	5.18	18.0	32.67	33.66	33.22	33.91	35.20	0.02	0.10	2.63
Jet/Kerosene	30.56	33.30	36.76	3.46	10.4	35.80	36.04	36.70	36.70	37.97	6.46	4.63	5.44
Gasoil	28.96	33.14	35.78	2.64	8.0	35.82	34.82	35.72	35.57	36.98	4.86	4.47	4.45
Fuel Oil 1.0%S	24.53	27.15	27.90	0.75	2.8	28.31	25.66	28.35	28.43	29.65	0.43	-1.52	-3.42
Fuel Oil 3.5%	19.18	20.84	27.08	6.23	29.9	24.69	25.83	28.75	27.76	26.83	-4.92	-7.83	-4.25
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	27.98	31.84	35.54	3.70	11.6	34.04	33.58	35.57	36.28	37.46	5.10	4.12	6.66
Premium Unleaded	27.26	31.12	34.82	3.70	11.9	33.32	32.86	34.85	35.56	36.74	4.38	3.40	5.94
Naphtha	23.35	27.52	32.80	5.28	19.2	31.45	32.47	32.07	32.77	34.09	0.48	-0.20	3.92
Jet/Kerosene	28.08	30.02	33.21	3.19	10.6	32.16	31.97	33.03	33.46	34.75	5.21	2.30	4.33
Gasoil	28.35	32.52	35.61	3.09	9.5	35.24	34.24	35.02	35.70	37.64	5.47	4.80	6.73
Fuel Oil 1.0%S	22.10	25.02	30.29	5.26	21.0	27.83	27.58	30.46	31.74	32.30	-0.77	-2.70	1.41
Fuel Oil 3.5%S	17.12	18.18	24.58	6.40	35.2	22.36	23.45	26.25	25.01	24.33	-5.76	-9.54	-4.30
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	36.82	35.90	38.69	2.78	7.8	37.21	36.13	38.36	39.33	41.41	10.53	6.45	5.70
Regular Unleaded 87	31.86	33.83	36.81	2.98	8.8	36.31	34.85	36.46	36.63	39.18	5.56	4.37	3.82
Jet/Kerosene	31.00	34.88	38.38	3.50	10.0	37.98	36.46	37.84	38.86	40.44	4.71	5.42	5.39
No.2 Heating Oil	30.19	34.42	37.99	3.57	10.4	36.90	36.01	37.47	38.49	40.18	3.89	4.96	5.00
Fuel Oil 1.0%S (Cargo)	23.86	26.65	31.65	5.00	18.8	28.59	28.80	31.52	32.49	35.06	-2.44	-2.81	-1.34
Fuel Oil 3.0%S (Cargo)	20.47	23.69	29.08	5.39	22.7	27.23	27.04	29.79	30.16	30.31	-5.82	-5.77	-3.91
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	27.80	30.25	34.34	4.09	13.5	32.70	32.61	33.34	35.07	36.85	4.48	4.52	6.32
Naphtha	25.06	29.57	32.21	2.65	9.0	32.11	31.40	31.18	32.22	34.06	1.74	3.83	4.19
Jet/Kerosene	29.38	32.10	34.37	2.27	7.1	33.33	33.51	34.23	34.91	35.30	6.06	6.36	6.34
Gasoil	28.87	30.99	33.39	2.40	7.8	32.68	32.10	33.26	34.10	34.51	5.56	5.25	5.37
LSWR (0.3%S)	26.80	30.97	31.05	0.08	0.3	32.26	30.68	30.22	31.43	31.52	3.49	5.24	3.03
HSFO (3.5%S 180cst)	23.15	25.46	28.18	2.73	10.7	26.71	26.53	27.92	29.50	29.39	-0.17	-0.28	0.16
HSFO 4%S	22.88	25.40	28.27	2.87	11.3	26.74	26.55	28.05	29.59	29.50	-0.43	-0.33	0.25

In January, product prices in the **Mediterranean** gained the most ground against crude oil, helped by the relative weakness of Urals, the underlying crude, with strong growth in prices across the whole barrel. Gasoil and jet/kerosene with increases of about 10 % were the weakest performers. In **Rotterdam**, gasoil price gains were somewhat weaker than in the Mediterranean, while low-sulphur fuel oil (LSFO) was very weak. **Singapore** saw average gains approximately matching those in Rotterdam, gasoil showing the smallest price increase and naphtha and low-sulphur waxy residue (LSWR) the largest. **New York Harbour** saw the least gains against underlying crude prices overall; while high-sulphur fuel oil (HSFO), low-sulphur fuel oil (LSFO) and heating oil outpaced crude, gasoline prices lost some ground. However, in early February, led by New York Harbour, light product prices soared ahead of underlying crude prices.

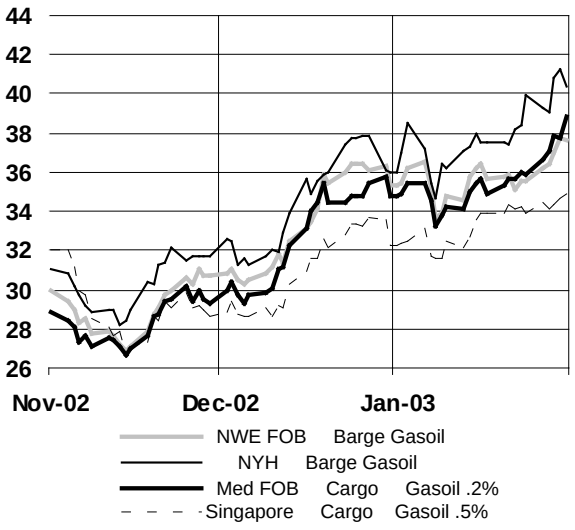
Gasoline prices in January rose strongly in Europe, outpacing crude. These gains were supported by an estimated 1.5 m/t of exports to the US and other markets normally dependent on Venezuelan supplies, reportedly including Venezuela itself. Import competition, despite the absence of Venezuelan product, capped price gains in New York Harbour even as output fell over the month. Gasoline prices nevertheless did rise by almost 8 to 9 %. In Singapore, gasoline prices rose very sharply. Early February saw sharp gains in gasoline prices. US gasoline production fell from 8.6 mb/d in early January to 7.52 mb/d at month's end and with falling stocks, market tightness radiated outward to other refining regions.



Jet/kerosene prices in January strengthened in New York Harbour, although demand was declining from the second week onwards. Prices lost ground slightly to crude. In Europe, prices rose at the same rate, but outpaced gains in underlying Brent and Urals prices. Singapore prices rose, if slightly less than crude. Strong demand checked Korean exports and cool weather in Japan was also a bullish factor, with kerosene the primary heating oil there. Middle Eastern supplies were attracted to Europe instead of Asia. Early February saw steep price gains, related to colder weather and increased war expectations.

Gasoil prices in January rose by 10% in New York Harbour as bitterly cold weather in major consuming regions boosted demand and brought large inventory declines. Without imports, including supplies from the FSU, upward price pressures would have been far more severe. Gains in gasoil prices in both Rotterdam and the Mediterranean approximated those in New York, with both regions attracting Middle Eastern material. Weather conditions supported European demand. In Singapore, gasoil prices rose, but lost some ground against crude. Indonesia's failure to return to the market as a buyer worked to offset the decline in supply from the Middle East. In early February prices continued to soar, driven by continuing cold weather in the US, reduced output and huge stock declines. Arbitrage to the US is boosting prices in Europe.

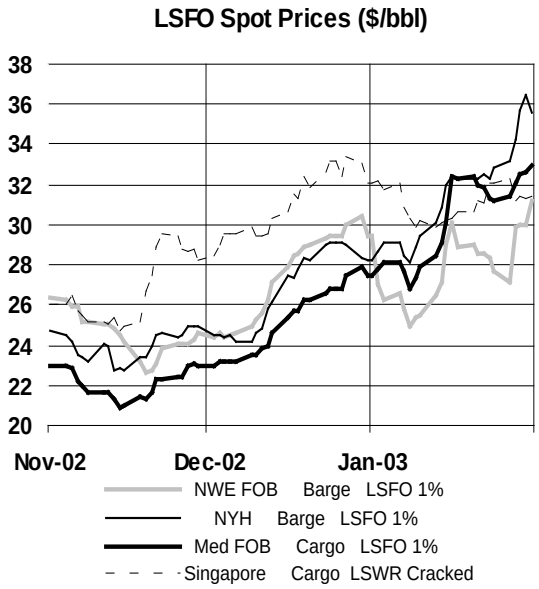
Gasoil Spot Prices ($/bbl)



LSFO (low-sulphur fuel oil) prices in January gained substantially in New York Harbour on strong demand conditions, related to cold weather and high natural gas prices, and reduced imports from the FSU. LSFO prices arose even more sharply in the Mediterranean. This was due to tightened EU regulation of the sulphur content of inland fuel oil consumption.

In Rotterdam however, LSFO price gains were meagre despite Scandinavian demand to compensate for hydropower shortages. In Singapore, monthly average LSWR prices were practically flat and weekly averages dropped over the course of the month.

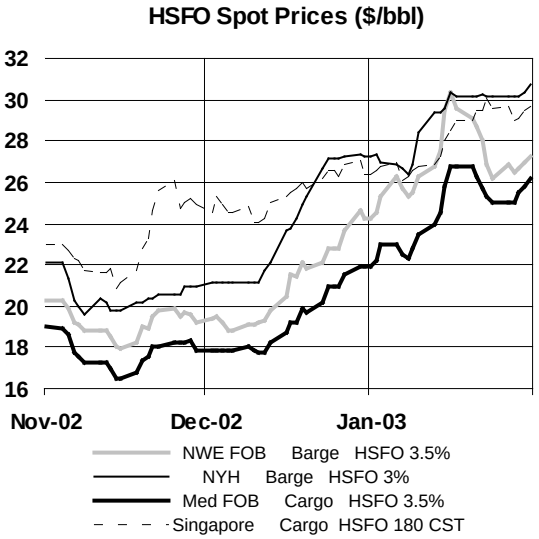
Japanese domestic production has risen substantially. Indeed, there are some reports of Japanese refiners seeking to export excess LSFO resulting from high refinery runs of low-sulphur West African crudes and excess imports.



HSFO (high-sulphur fuel oil) prices in January gained very sharply in Rotterdam and the Mediterranean. Prices also rose strongly in New York Harbour, with the US showing the highest price levels in the world. In all three regions, HSFO gained substantially against the underlying crudes.

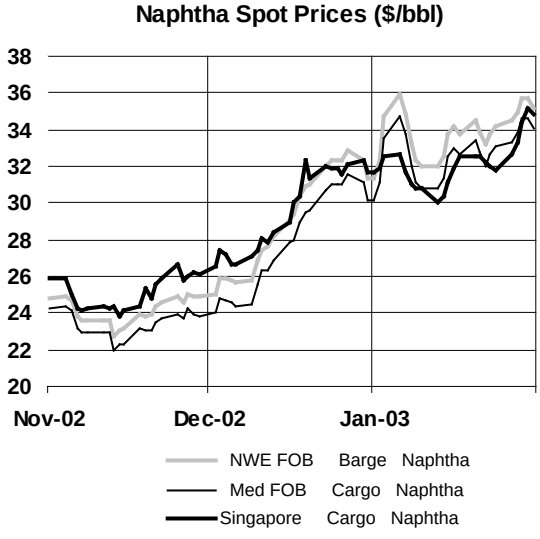
European prices were supported by the cut in Russian supplies as icy weather closed Russia's Baltic ports. US prices were supported by the continuing lack of Venezuelan product supply and by stronger feedstock demand for straight-run material.

In Singapore also HSFO prices rose, albeit by less than in Europe and the US, and outpaced crude. Prices were strengthened by limitations on supplies from the West, due to expensive freight and diversions to the US.

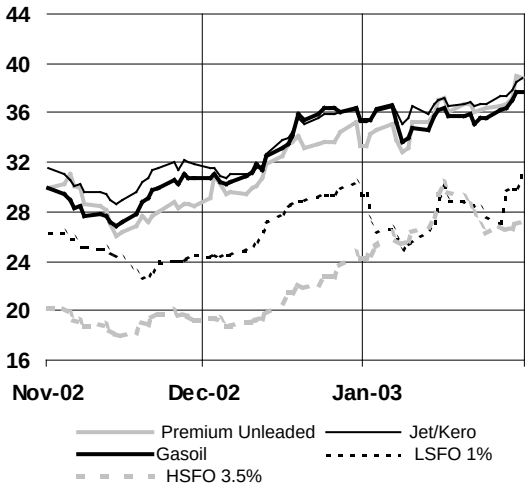


Naphtha prices in January showed large price increases in Rotterdam and the Mediterranean, far outpacing the underlying crudes. Supporting factors included buoyant petrochemical demand and arbitrage to the US.

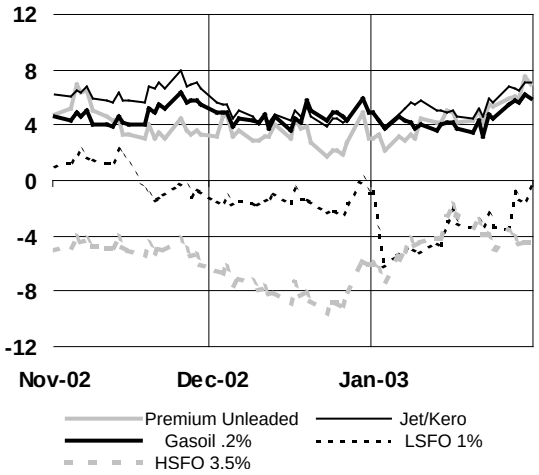
In Singapore, the rise was substantially less, but still more than underlying crude gains. Naphtha price strength reflected seasonal heating and especially, petrochemical demand. However, reportedly some petrochemical usage was switched to condensate feedstocks because of naphtha price strength.



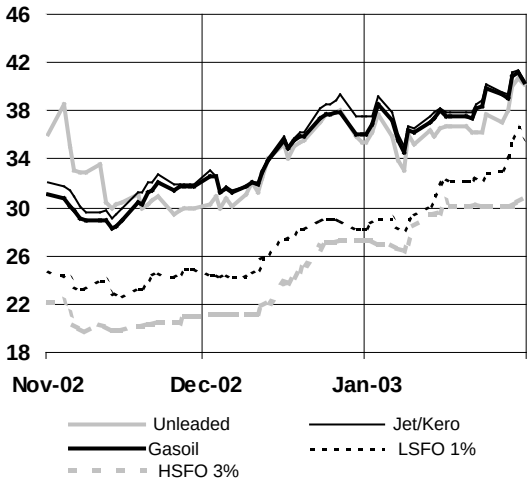
$/bbl **Rotterdam Spot Product Prices**



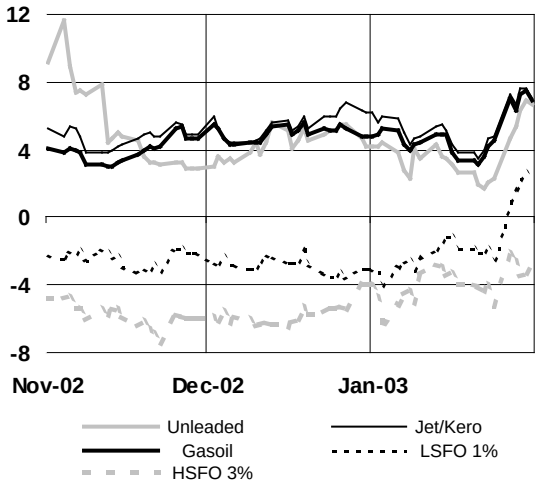
$/bbl **Rotterdam Spreads to Dated Brent**



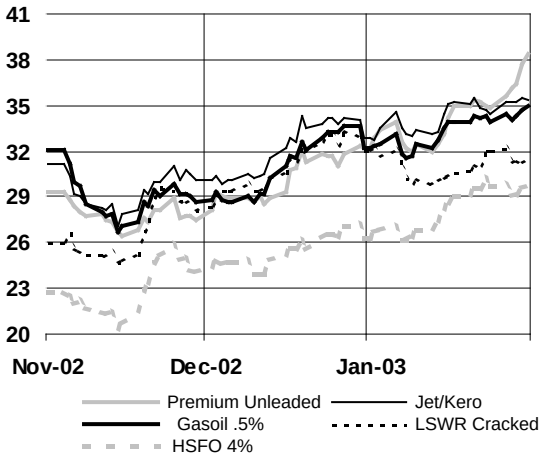
$/bbl **New York Harbour Spot Product Prices**



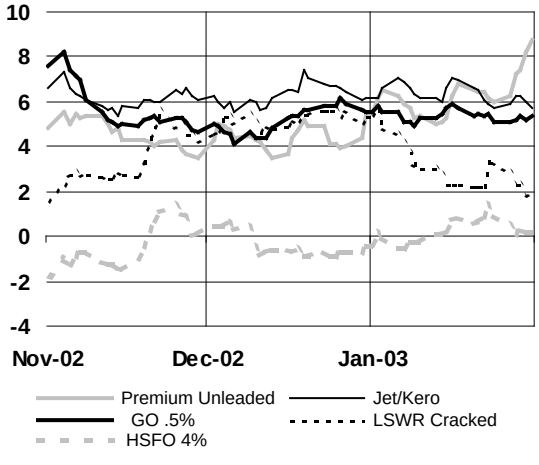
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**

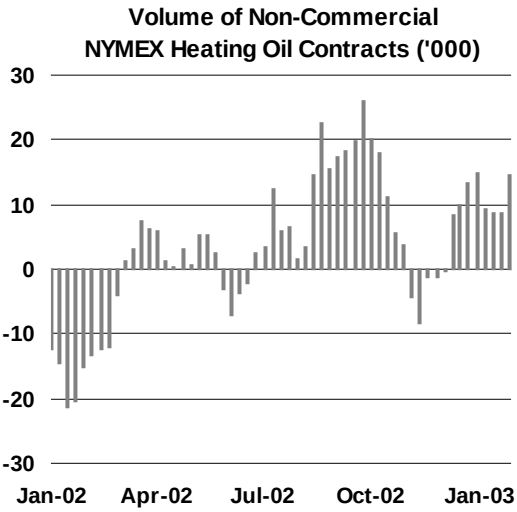


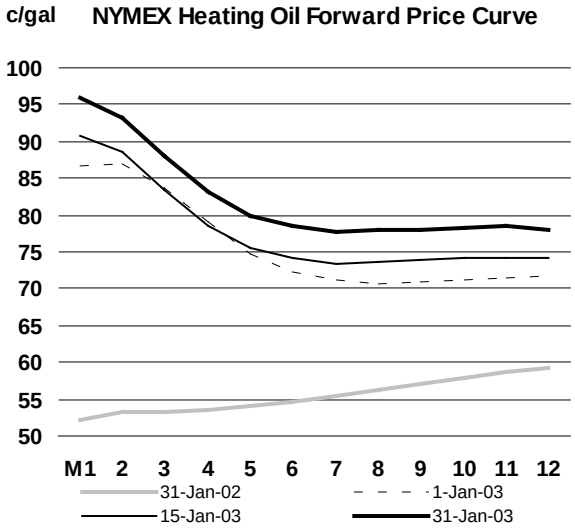
$/bbl **Singapore Spreads to Dubai**

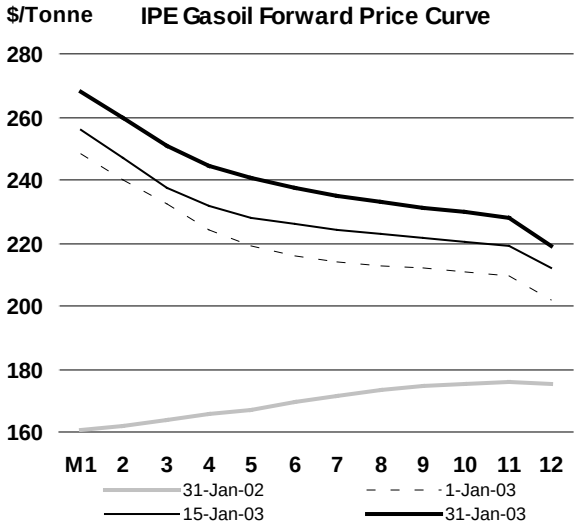


Product Futures in January

The forward price curve for **NYMEX unleaded gasoline** was in backwardation during January. However, in early February the near-month contract switched into sharp contango versus the second month. Net long **non-commercial** NYMEX ULG contracts rose by only 700 contracts in January, ending the month at 22,700 before rising to 27,000 in early February. The **NYMEX heating oil** contract moved into near-month backwardation in January, from mild contango in late December. Early February saw growing near-month backwardation, reflecting increasing scarcity of prompt product. Meanwhile, the steep backwardation of the **IPE Gasoil** forward contract continued in January. In early February near-month backwardation grew steeper. The volume of **non-commercial** NYMEX heating oil contracts dropped from a net long position of over 13,000 contracts in early January to a net long position of 8500 contract at the end of the month. This grew to a net long position of 14,500 contracts in early February.







End-User Product Prices in January

With only one exception, HFO in Japan, monthly end-user prices in January rose above December levels (See Table 9 at the back of the Report). This matched the general pattern of rising prices on spot markets for crude oil and petroleum products described elsewhere in this month's OMR. Product prices in January were also well above year-earlier levels, again with only one exception, heating oil in Japan.

Within **North America**, gasoline and diesel prices increased in both Canada and the US. Both gasoline and diesel were up 4.4 % over December prices in Canada, while in the US, gasoline was up 3.7% and diesel, 6.1%. Contrasts with the beginning of 2002 were striking. January 2003 gasoline prices were about 30% higher than year-earlier prices in both nations, while diesel was up almost 19% in Canada and 29% in the US.

In **Japan**, gasoline prices were up only 1% from year-earlier levels and automotive diesel was only 1.3% higher. Heating oil prices rose 1% in Japan from December and were only 1.4% above January 2002 levels. HFO prices actually fell in January, although they were higher versus year-earlier. Japan's pattern of low or negative price gains was striking. In **Europe,** gasoline, diesel and heating oil prices rose in all countries last month, with Germany showing the strongest gains in gasoline and diesel and the UK the weakest. However, heating oil prices gained most strongly in Spain and the UK, and HFO most strongly in France, Germany and Italy. Prices for both products were up substantially from year-earlier levels in national currency terms despite exchange rate movements. Euro appreciation only partly offset rising US dollar-denominated prices.

Refining Margins in January

Monthly average refining margins in January rose in all four major refining centres. For the Mediterranean refining margin calculation, the IEA margin methodology has been modified slightly. The naphtha and fuel oil prices are now calculated on a CIF basis, instead of on the FOB basis used through last month's Report. The revision is consistent with the methodology outlined in our Annual Statistical Supplement and Users' Guide. Previous data have been restated back to January 2001 when a shift in data sources contributed to an unanticipated change in Mediterranean margin calculations.

The overall strength of product price gains against crude improved margins in January. In Europe, hydroskimming margins fared better than cracking margins. Strong HSFO markets benefit hydroskimmers because a much higher proportion of their output is sold as fuel oil than is the case with cracking refineries. Cracking refineries utilise fuel oil in upgrading units to produce light products. In Singapore, Dubai hydroskimming and cracking margins both rose in January, with cracking margins showing the greater improvement.

Cracking margins on the **US Gulf Coast** for both WTI and Brent increased. With the gain in gross product worth approximately the same whichever crude was run, differences in margins reflected the faster growth in WTI than Brent prices. Yet such month-on-month calculations do not reflect intra-month dynamics. From late December through the third week of January WTI cracking margins, for instance, worsened dramatically, before rising sharply at the end of the month. Brent margins showed a broadly similar pattern. The poor margins earlier in January were reversed as product prices rose late in the month, partly due to lower runs. The first week of February saw further margin gains as product prices rose sharply.

Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Jan-Dec		End of Week:				
	Nov	Dec	Jan	*Change*	*%*	03 Jan	10 Jan	17 Jan	24 Jan	31 Jan
Refining Margins										
NW Europe										
Brent (Hydroskimming)	0.34	-1.11	-0.34	0.78		-2.36	-1.00	-0.28	0.18	1.48
Brent (Cracking)	1.31	0.11	0.72	0.60		-1.09	0.23	0.50	1.18	2.59
Mediterranean										
Urals (Hydroskimming)	1.63	0.05	2.98	2.92		0.25	1.40	3.38	4.00	5.57
Urals (Cracking)	2.54	1.28	4.03	2.75		1.45	2.57	4.13	5.05	6.78
US Gulf Coast										
WTI (Cracking)	1.90	1.65	1.93	0.28		1.44	1.34	1.08	0.84	4.19
Brent (Cracking)	2.07	-0.24	1.08	1.31		0.15	-0.01	0.55	2.38	3.05
Singapore										
Dubai (Hydroskimming)	1.45	1.38	1.76	0.38		1.82	1.39	2.21	1.79	1.92
Dubai (Cracking)	2.80	2.78	3.38	0.60		3.56	2.95	3.77	3.20	3.99
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	25.56	28.69	32.12	3.43	12.0	31.26	30.89	32.85	32.35	34.37
Brent (Cracking)	26.64	30.02	33.27	3.26	10.9	32.62	32.21	33.73	33.45	35.58
Mediterranean										
Urals (Hydroskimming)	24.71	27.96	32.04	4.07	14.6	31.05	30.61	32.70	32.45	34.53
Urals (Cracking)	25.72	29.29	33.19	3.90	13.3	32.34	31.88	33.55	33.59	35.84
US Gulf Coast										
WTI (Cracking)	29.30	32.20	36.01	3.81	11.8	35.82	34.24	36.28	37.35	38.78
Brent (Cracking)	29.11	32.01	35.85	3.84	12.0	35.61	34.13	36.15	37.17	38.57
Singapore										
Dubai (Hydroskimming)	25.23	27.60	30.30	2.69	9.8	29.22	29.02	30.98	31.07	32.05
Dubai (Cracking)	26.68	29.10	32.01	2.91	10.0	31.06	30.68	32.64	32.58	34.22

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

In January, European refiners hurt by December's rising crude prices were able to benefit as product prices caught up, while the pace of crude price increases slowed, especially in the Mediterranean. Although the level of planned maintenance shutdowns was apparently limited, product prices gained support from the outage at the 400 kb/d Nerefco refinery in Rotterdam. European refiners also continued to benefit from the opportunity to export to the US at prices well above local realisations as well as to other markets previously served by Venezuela.

OECD Refinery Throughput in December

Preliminary monthly data indicate that **total OECD** refinery throughput in December averaged 38.91 mb/d, an increase of 220 k b/d over November levels. December 2002 runs were 380 kb/d above year-earlier levels. Trends differed significantly across the three main OECD regions, with strong gains in the **OECD Pacific** region outweighing declines elsewhere.

In **North America,** runs overall fell by 60k b/d. In **Mexico,** crude runs rose by 150 kb/d, raising utilisation to 79.9%. This was outweighed by declines in the US. US crude throughput fell by 210 kb/d, with refinery utilisation falling back to 88.8% from 89.9% in November. This compares with 88.0% utilisation in December 2001. Part of this fall in US crude runs resulted from the loss of Venezuelan crude imports.

Venezuela had exported over 1.4 mb/d of short-haul crude to the US in November. Increased imports from other sources such as supplies from storage in the Caribbean and cargoes attracted away from other markets fell far short of this. The impact on runs was partly cushioned by utilising crude inventories. These fell by 9 million barrels between late November and late December. Some refiners also tried to keep crude distillation and upgrading units functioning by drawing upon stocks of other feedstocks or seeking to bring them in from abroad. Between the end of November and the end of December, inventories of unfinished oils dropped by 10 million barrels and inventories of residual fuel oil, often used as a refinery feedstock, by 1.6 million barrels.

The loss of Venezuelan supplies was apparently most difficult for refiners whose economics were closely tied to running relatively inexpensive heavy, sour crudes supplied by PDVSA on term contracts in complex plants built to handle such feedstock. Consistent with this, Lyondell-Citgo reported having run cuts due to curtailment of Venezuelan crude supplies and some other refiners likely also did so. In addition, the massive Hess-PDVSA joint venture Hovensa refinery located in the US Virgin Islands was forced to cut runs substantially. While Hovensa's location outside the 50 states excludes it from the US refining data published here, the refinery is normally a key supplier into the US market, particularly the Northeast.

In the **OECD Pacific** region, throughputs rose by 480 kb/d, with gains of 360 kb/d in **Japan** and 120 kb/d in **Korea.** Runs in the rest of the region fell very slightly. The utilisation rate in Japan rose to 92.3 %, from 87.4 % in November, and 84.3% in December 2001. The Japanese industry boosted runs to meet increased demands for fuel oil for power generation.

In **OECD Europe** crude throughput fell by 210 k b/d in December, with utilisation at 87.2% versus 87.5% in November and 88.8% in December 2001.There were significant differences between the two major parts of Europe. Declines in major Mediterranean countries such as Italy, Spain and Portugal outweighed gains in France, Germany, the UK and most other Northern European countries.

Preliminary estimates for the **US** for January suggest that average crude runs dropped 500 kb/d in January. Capacity utilisation dropped from 89.7% to 86.8%. Despite imports of replacement crudes and growing, if still limited, availability of Venezuelan supplies, industry crude stocks were very low.

System-wide, inventories remained above the minimum operating level. Nevertheless, individual refiners may have reached stock levels impairing prudent, efficient operation, necessitating some curtailment of operations. Continuing supply shortfalls meant that certain refineries heavily dependent on supplies from PDVSA were not able to return to full operation even though in some cases they were able to boost runs. Reportedly this was the case with Lyondell-Citgo's Pasadena, Texas plant. A number of unplanned outages such as those caused by fires at MarathonAshland's Garyville, Louisiana refinery and ChevronTexaco's El Segundo unit also contributed to throughput reductions.

Perhaps most significant is the very high levels of refinery turnarounds last month. Planned shutdowns for maintenance both of crude distillation units and of upgrading units turned out to be far higher than previously anticipated, especially in the US Gulf Coast region. Worsening Gulf Coast margins from the end of December into the third week of January likely encouraged some refiners to bring maintenance previously planned for later months forward to January. Some reported turnarounds were likely discretionary run cuts prompted by unsatisfactory margins. Since movements in WTI and Brent cracking margins did not capture important aspects of refinery profitability, such as coking margins, pressures for run cuts were probably stronger than cracking margins suggest.

The sharp drop in refinery throughput, along with strong demand and exports to markets previously dependent on Venezuela, brought large inventory draws for gasoline and distillate by the end of January. Gasoline inventories are now around the lower bound of the US Department of Energy's normal range while heating oil inventories are significantly below the DOE norm. With higher turnarounds of refinery distillation and upgrading units anticipated this month, US refinery throughput in February seems likely to fall below last month's level. As tighter product markets boost margins, especially with additional long-haul OPEC supplies arriving in the US, decline in February runs could turn out less than expected. Nevertheless, product stocks will likely be strained. Especially if weather conditions encourage refiners to focus on maximising distillate production in coming weeks, gasoline stocks could fall well short of levels needed to meet peak summer demand.

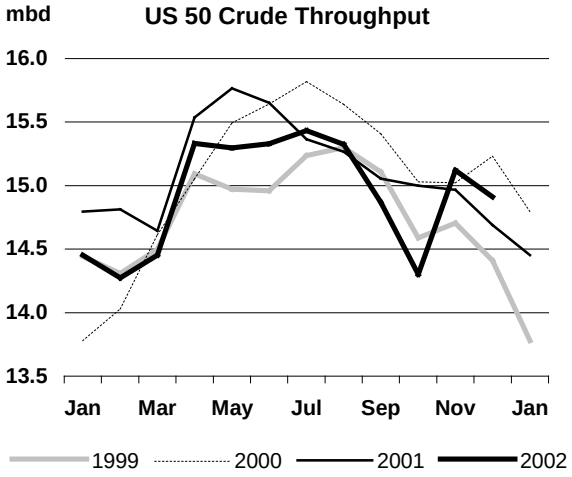
This situation will be ameliorated, the greater the volumes of gasoline that can be supplied into the US by refiners in Europe and elsewhere. Since European refiners have scheduled a light turnaround program for early 2003, gasoline supplies from this region can help reduce the risk of US gasoline problems later this year. Of course, gains in Venezuela's refining sector, as and when they occur, will also lessen pressures on the US refining sector, both by providing greater product volumes into the US and by again supplying Caribbean and Latin American markets.

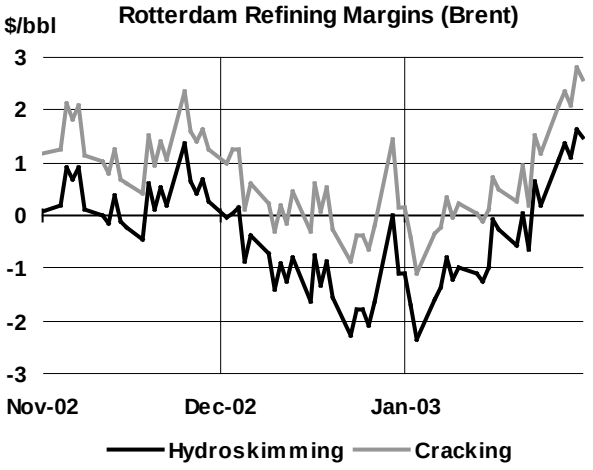
Meanwhile, as long as crude price backwardation discourages building stocks, lower refinery runs this month and next should lower refiners' demand for crude, reducing pressure on spot crude prices. This seasonal pattern may be moderated where high margins encourage refineries to reassess maintenance plans.

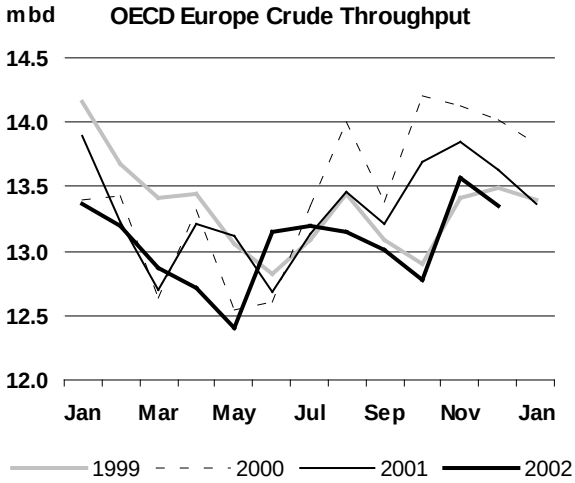
Refinery Crude Throughput and Utilisation in OECD Countries

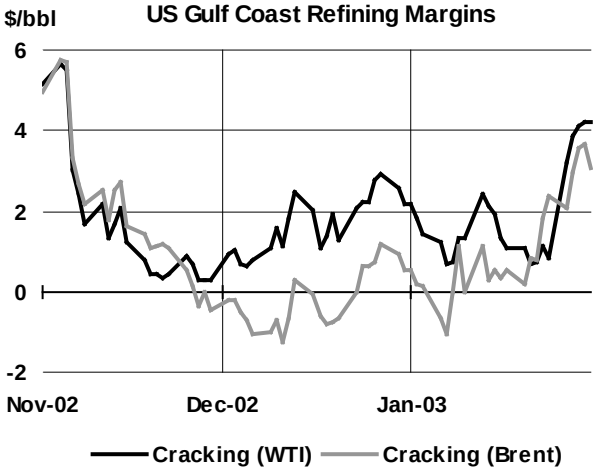
	million barrels per day						*Change from Dec 01*		Utilisation rate[2]	
	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	mb/d	%	Dec 02	Dec 01
OECD North America										
US[3]	15.43	15.33	14.87	14.30	15.12	14.91	0.22	1.5	88.8	88.0
Canada	1.79	1.79	1.82	1.76	1.75	1.75	0.01	0.7	90.1	91.4
Mexico	1.29	1.19	1.13	1.03	1.09	1.24	0.11	9.6	79.9	73.6
Total	18.51	18.30	17.82	17.09	17.96	17.90	0.34	1.9	88.2	87.1
OECD Europe										
France	1.74	1.64	1.65	1.56	1.68	1.74	0.01	0.6	92.0	89.2
Germany	2.21	2.25	2.19	2.08	2.23	2.26	0.00	0.1	100.2	100.4
Italy	1.81	1.68	1.79	1.81	1.90	1.70	-0.13	-7.1	74.7	78.6
Netherlands	0.88	0.96	1.00	0.96	0.97	1.00	-0.03	-2.7	82.7	82.1
Spain	1.19	1.11	1.12	1.18	1.21	1.18	-0.04	-3.0	91.4	93.7
UK	1.58	1.63	1.64	1.45	1.61	1.63	-0.07	-4.0	91.3	94.8
Other OECD Europe	3.77	3.87	3.63	3.74	3.96	3.83	-0.03	-0.7	83.3	86.2
Total	13.19	13.15	13.01	12.78	13.56	13.35	-0.28	-2.0	87.2	88.8
OECD Pacific										
Japan	3.84	3.92	3.93	3.68	4.22	4.58	0.41	9.8	92.3	84.3
Korea	2.09	2.05	2.03	2.21	2.16	2.28	-0.09	-3.8	88.9	102.6
Other OECD Pacific	0.79	0.79	0.80	0.77	0.80	0.79	-0.01	-0.7	83.1	92.6
Total	6.71	6.76	6.76	6.66	7.17	7.65	0.32	4.3	90.2	90.3
OECD Total	38.41	38.22	37.58	36.52	38.69	38.91	0.38	1.0	88.2	88.3

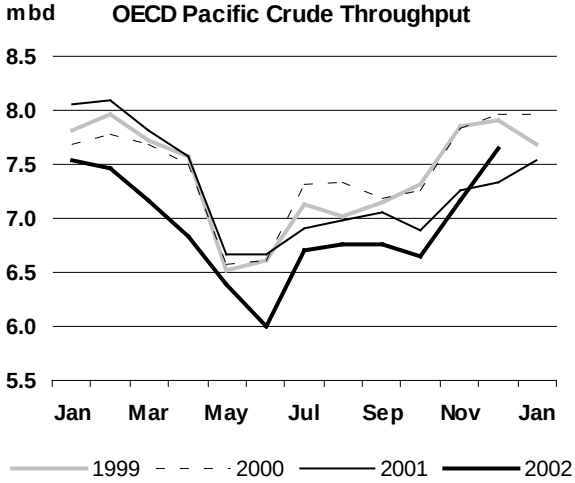
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50


mbd
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002


$/bbl
Rotterdam Refining Margins (Brent)
3
2
1
0
-1
-2
-3
Nov-02
Dec-02
Jan-03
Hydroskimming
Cracking


mbd
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002


$/bbl
US Gulf Coast Refining Margins
6
4
2
0
-2
Nov-02
Dec-02
Jan-03
Cracking (WTI)
Cracking (Brent)


mbd
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan
Mar
May
Jul
Sep
Nov
Jan
1999
2000
2001
2002

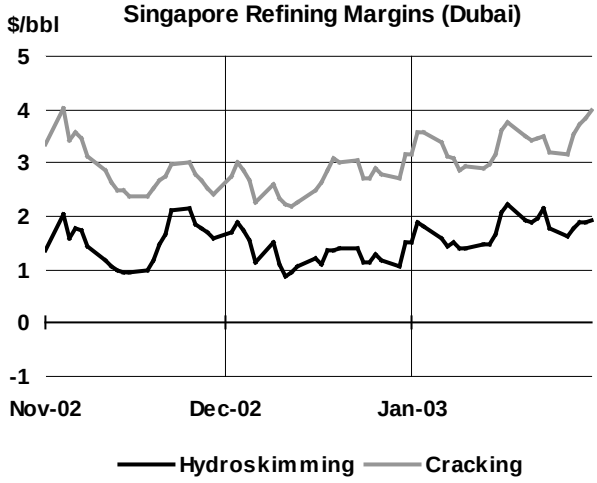

$/bbl
Singapore Refining Margins (Dubai)
5
4
3
2
1
0
-1
Nov-02
Dec-02
Jan-03
Hydroskimming
Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.1	23.9	24.3	24.1	24.5	24.5	24.3
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.4	15.1	15.2	14.7	15.3	15.5	15.2
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.1	9.3	8.5	9.5	8.0	8.1	9.1	8.7
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	48.0	46.1	47.4	48.8	47.6	49.0	46.8	47.9	49.1	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.8	3.7	3.8	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	5.1	5.3	5.3	5.5	5.3
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.6	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.7	4.7	4.5	4.7	4.8	4.7	4.7
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.8	5.0	5.2	4.9	5.0	4.9	5.1	5.3	5.0	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.5
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.0	28.8	28.7	29.4	29.3	29.9	29.3	29.1	29.8	30.0	30.3	29.8
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.0	76.5	76.6	75.5	76.7	78.7	76.9	78.2	76.6	77.9	79.4	78.0
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.4	14.6	14.6	14.9	14.9	15.0	15.2	15.0
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.7	6.6	6.7	6.6	6.5	6.6	6.6
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.8	0.8	0.8
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.1	21.4	22.1	21.9	22.4	22.2	22.2	22.6	22.3
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.8	9.9	10.1	10.3	10.1
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	4.0	4.0	4.1	4.0
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.8	2.8	2.9	2.8	3.0	3.1	3.0	3.0	3.0	3.0	3.1	3.2	3.3	3.2
Total Non-OECD	21.8	22.4	22.8	22.9	23.2	23.5	23.1	24.0	24.2	24.6	24.7	24.4	24.8	25.1	25.4	25.7	25.3
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	46.0	46.3	46.1	46.7	47.5	46.7	47.8	48.1	47.7	48.5	48.1	49.1	49.0	49.4	50.1	49.4
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.2	25.3	25.9	25.1					
NGLs	2.8	2.9	3.0	3.0	3.1	3.2	3.1	3.4	3.4	3.5	3.4	3.4	3.2	3.6	3.9	3.9	3.6
Total OPEC	29.4	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.7	28.9	29.4	28.5					
Total Supply[4]	74.3	76.7	77.5	75.9	77.0	76.7	76.8	76.0	75.8	76.6	77.9	76.6					
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.8	-0.6	-0.3					
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.2	0.1					
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8	-0.4	-0.2					
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2	0.0	0.0					
Miscellaneous to balance[5]	-0.4	0.3	0.2	0.1	0.1	-0.2	0.1	-0.5	-0.1	0.9	-0.4	-0.1					
Total Stock Ch. & Misc	-1.2	0.5	0.2	0.4	0.9	-0.4	0.3	-0.6	0.3	-0.1	-0.8	-0.3					
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.7	27.3	28.0	26.4	26.3	26.3	26.7	25.4	23.9	25.4	26.7	25.4	25.9	23.9	24.6	25.4	25.0
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	72.9	71.8	73.1	74.7	73.1	74.4	72.8	74.1	75.4	74.2
Total demand exc. FSU (% ch)[7]	2.5	1.1	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.2	0.8	2.0	0.4	2.1	1.5	1.4	1.0	1.5

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	0.1	-0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-0.2	-0.1	-0.1	-0.1	-	-0.3	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	-	-	0.1
Total OECD	-	-	-	-	-	-	-	0.1	-	-	-0.1	-	0.2	0.1	-0.1	-0.3	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	0.1	-	0.1
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	0.1	-	0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	0.2	-	0.1	0.1	0.2	-	0.1
Total Demand	-	-	-	-	-	-	-	-	-	-	-	-	0.4	0.1	0.1	-0.2	0.1
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.2	0.1	-	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-0.1	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	0.2	-	-	0.1	0.1	-	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	0.1	-	-	-0.1	-	-0.1	-	-	-	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	0.1	-0.1	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-					
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	-	-	-					
Total Supply	-	-	-	-	-	-	-	-	-	-	-	-					
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-							
Government	-	-	-	-	-	-	-	-	-	-							
Total	-	-	-	-	-	-	-	-	-	-							
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-							
Miscellaneous to balance	-	-	-	-	-	-	-	-	-	-0.1							
Total Stock Ch. & Misc	-	-	-	-	-	-	-	-	-	-	-	-					
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	-	-	-	-	0.4	-	-	-0.2	0.1
Total Demand ex. FSU	-	-	-	-	-	-	-	-	0.1	0.1	-	-	0.3	0.1	0.1	-0.2	0.1

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	July			August			September			Third Quarter			October		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
North America															
LPG	2.53	2.59	2.7	2.60	2.65	1.7	2.75	2.67	-3.1	2.63	2.63	0.4	2.89	2.84	-1.5
Naphtha	0.30	0.47	56.8	0.35	0.41	17.3	0.29	0.44	52.1	0.31	0.44	40.6	0.38	0.38	1.5
Motor Gasoline	10.34	10.50	1.6	10.31	10.68	3.6	9.80	10.01	2.2	10.15	10.40	2.5	9.97	10.15	1.8
Jet/Kerosene	2.02	1.89	-6.2	2.03	1.88	-7.5	1.74	1.82	4.2	1.93	1.86	-3.6	1.77	1.89	6.9
Gasoil	4.34	4.42	1.7	4.67	4.52	-3.3	4.41	4.53	2.7	4.48	4.49	0.3	4.76	4.74	-0.4
Residual Fuel Oil	1.65	1.24	-25.0	1.59	1.24	-21.6	1.25	1.23	-1.2	1.50	1.24	-17.3	1.52	1.27	-16.9
Other Products	3.01	3.04	1.0	3.08	3.10	0.6	2.71	2.89	6.8	2.93	3.01	2.6	2.86	2.71	-5.2
Total	24.18	24.15	-0.1	24.63	24.48	-0.6	22.95	23.59	2.8	23.93	24.08	0.6	24.14	23.99	-0.6
Europe															
LPG	0.87	0.88	0.7	0.83	0.88	6.1	0.89	0.81	-8.3	0.86	0.86	-0.6	0.85	0.90	6.1
Naphtha	1.12	1.05	-6.1	1.19	1.10	-6.9	1.15	1.08	-5.4	1.15	1.08	-6.2	1.11	1.17	5.4
Motor Gasoline	3.11	3.12	0.2	3.17	3.03	-4.5	3.01	2.89	-3.9	3.10	3.01	-2.7	3.04	2.95	-3.1
Jet/Kerosene	1.19	1.15	-3.3	1.17	1.15	-2.0	1.25	1.15	-7.9	1.20	1.15	-4.4	1.05	1.16	10.5
Gasoil	5.63	5.77	2.5	5.63	5.30	-5.7	5.98	5.88	-1.7	5.74	5.65	-1.6	5.97	6.03	0.9
Residual Fuel Oil	1.94	2.01	3.7	1.96	1.99	1.7	2.01	1.93	-4.3	1.97	1.98	0.4	2.00	1.99	-0.5
Other Products	1.49	1.51	1.4	1.50	1.37	-8.3	1.48	1.52	2.1	1.49	1.47	-1.6	1.50	1.45	-3.3
Total	15.35	15.49	0.9	15.44	14.83	-4.0	15.77	15.26	-3.2	15.52	15.19	-2.1	15.52	15.65	0.8
Pacific															
LPG	0.78	0.84	7.2	0.81	0.82	1.3	0.85	0.82	-3.2	0.81	0.82	1.7	0.85	0.87	2.1
Naphtha	1.34	1.59	19.0	1.42	1.51	6.3	1.43	1.51	5.1	1.40	1.54	10.0	1.38	1.46	5.7
Motor Gasoline	1.62	1.64	1.2	1.71	1.74	2.0	1.53	1.61	4.8	1.62	1.66	2.6	1.51	1.54	1.8
Jet/Kerosene	0.65	0.69	6.2	0.68	0.75	10.3	0.85	0.88	2.8	0.73	0.77	6.2	0.84	0.97	16.4
Gasoil	1.73	1.74	0.4	1.78	1.80	1.4	1.86	1.86	0.2	1.79	1.80	0.7	1.81	1.95	7.7
Residual Fuel Oil	1.19	1.00	-15.7	1.10	0.98	-11.2	1.02	1.06	3.9	1.11	1.01	-8.3	1.02	1.07	4.6
Other Products	0.61	0.44	-26.9	0.63	0.45	-28.9	0.54	0.48	-9.8	0.59	0.46	-22.5	0.46	0.50	8.0
Total	7.92	7.95	0.4	8.13	8.05	-0.9	8.09	8.22	1.7	8.04	8.07	0.4	7.87	8.36	6.2
OECD															
LPG	4.18	4.31	3.1	4.23	4.34	2.5	4.49	4.30	-4.2	4.30	4.32	0.4	4.58	4.61	0.6
Naphtha	2.76	3.11	12.9	2.95	3.02	2.3	2.87	3.03	5.7	2.86	3.06	6.9	2.86	3.00	5.1
Motor Gasoline	15.07	15.26	1.3	15.18	15.45	1.8	14.34	14.51	1.2	14.87	15.08	1.4	14.52	14.64	0.8
Jet/Kerosene	3.85	3.73	-3.2	3.88	3.78	-2.7	3.85	3.84	-0.1	3.86	3.78	-2.0	3.66	4.02	10.1
Gasoil	11.71	11.93	1.9	12.08	11.62	-3.7	12.25	12.28	0.2	12.01	11.94	-0.6	12.54	12.72	1.4
Residual Fuel Oil	4.78	4.26	-11.0	4.65	4.22	-9.3	4.28	4.22	-1.4	4.58	4.23	-7.5	4.54	4.32	-4.9
Other Products	5.10	4.99	-2.2	5.21	4.92	-5.5	4.73	4.89	3.4	5.02	4.93	-1.6	4.83	4.67	-3.3
Total	47.45	47.59	0.3	48.19	47.35	-1.7	46.81	47.08	0.6	47.49	47.34	-0.3	47.54	47.99	1.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	August			September			Third Quarter			October			November		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
LPG	1.96	2.03	3.8	2.10	2.03	-3.4	1.99	2.01	1.0	2.17	2.22	2.0	2.17	2.27	4.5
Naphtha	0.25	0.28	13.4	0.24	0.33	37.3	0.23	0.32	41.6	0.30	0.25	-14.8	0.26	0.31	15.9
Motor Gasoline	8.95	9.29	3.8	8.56	8.73	2.0	8.85	9.05	2.3	8.65	8.80	1.7	8.68	8.82	1.6
Jet/Kerosene	1.80	1.64	-8.8	1.56	1.63	4.2	1.73	1.65	-4.5	1.59	1.68	5.4	1.53	1.67	9.3
Gasoil	3.83	3.71	-3.1	3.62	3.72	2.7	3.67	3.69	0.3	3.89	3.81	-2.0	3.75	3.94	5.1
Residual Fuel Oil	0.80	0.57	-28.9	0.62	0.58	-7.3	0.77	0.57	-25.9	0.74	0.59	-20.3	0.68	0.74	8.8
Other Products	2.56	2.60	1.7	2.31	2.41	3.9	2.46	2.51	1.9	2.48	2.25	-9.6	2.34	2.21	-5.4
Total	20.15	20.13	-0.1	19.02	19.42	2.1	19.70	19.80	0.5	19.82	19.59	-1.2	19.40	19.94	2.8
Japan[3]															
LPG	0.50	0.47	-6.6	0.52	0.48	-8.7	0.50	0.49	-3.1	0.54	0.52	-3.2	0.62	0.63	1.2
Naphtha	0.79	0.85	6.9	0.78	0.79	2.2	0.76	0.84	11.3	0.79	0.84	6.0	0.75	0.86	14.7
Motor Gasoline	1.14	1.17	2.6	1.00	1.05	4.5	1.08	1.10	2.1	0.98	0.99	1.7	1.00	1.02	2.0
Jet/Kerosene	0.47	0.48	3.9	0.53	0.56	6.7	0.48	0.51	5.4	0.56	0.61	8.0	0.84	0.99	17.0
Diesel	0.68	0.67	-0.8	0.69	0.68	-2.5	0.69	0.67	-2.6	0.69	0.68	-1.8	0.73	0.69	-5.3
Other Gasoil	0.46	0.46	-1.3	0.48	0.50	4.4	0.47	0.48	0.8	0.48	0.49	2.5	0.56	0.58	2.9
Residual Fuel Oil	0.65	0.53	-17.4	0.54	0.60	12.9	0.63	0.57	-9.4	0.53	0.60	13.1	0.54	0.68	24.7
Direct use of Crude Oil	0.19	0.08	-59.9	0.08	0.09	7.8	0.15	0.07	-49.4	0.04	0.10	138.1	0.08	0.14	82.5
Other Products	0.33	0.32	-3.1	0.34	0.32	-6.4	0.34	0.31	-6.8	0.32	0.30	-7.3	0.35	0.36	3.2
Total	5.20	5.02	-3.4	4.96	5.06	2.2	5.10	5.05	-1.0	4.93	5.13	3.9	5.48	5.95	8.6
Germany															
LPG	0.09	0.09	-4.5	0.10	0.09	-9.3	0.09	0.09	-6.3	0.07	0.07	-1.7	0.08	0.07	-5.1
Naphtha	0.40	0.39	-3.6	0.36	0.36	0.2	0.38	0.37	-0.5	0.34	0.40	17.8	0.36	0.32	-10.4
Motor Gasoline	0.67	0.64	-4.5	0.65	0.64	-2.2	0.67	0.65	-3.1	0.68	0.64	-4.6	0.66	0.62	-7.2
Jet/Kerosene	0.16	0.16	-0.6	0.16	0.16	-0.8	0.16	0.16	-0.5	0.15	0.16	0.3	0.13	0.14	6.1
Diesel	0.56	0.54	-4.0	0.54	0.56	4.9	0.55	0.55	-0.2	0.57	0.55	-3.1	0.59	0.57	-4.2
Other Gasoil	0.85	0.69	-18.4	0.80	0.77	-3.4	0.83	0.73	-11.1	0.73	0.65	-11.2	0.74	0.67	-9.7
Residual Fuel Oil	0.18	0.17	-2.5	0.16	0.17	3.1	0.17	0.18	3.5	0.17	0.18	5.5	0.20	0.19	-4.0
Other Products	0.14	0.13	-9.6	0.13	0.16	17.8	0.14	0.15	12.1	0.17	0.13	-25.0	0.16	0.13	-17.7
Total	3.05	2.81	-8.1	2.91	2.91	0.2	2.98	2.88	-3.4	2.88	2.77	-3.7	2.92	2.71	-7.3
Italy															
LPG	0.10	0.10	0.0	0.13	0.11	-11.5	0.11	0.11	-3.9	0.11	0.12	9.7	0.14	0.12	-14.4
Naphtha	0.09	0.08	-9.2	0.11	0.09	-21.2	0.09	0.08	-12.0	0.10	0.08	-14.8	0.06	0.08	34.4
Motor Gasoline	0.41	0.40	-4.7	0.41	0.38	-9.2	0.41	0.39	-4.6	0.40	0.39	-2.4	0.38	0.35	-7.7
Jet/Kerosene	0.09	0.07	-19.5	0.10	0.07	-29.3	0.09	0.07	-21.4	0.07	0.07	8.1	0.07	0.07	2.0
Diesel	0.36	0.36	0.2	0.44	0.44	-0.6	0.41	0.42	1.5	0.46	0.46	1.4	0.44	0.44	1.1
Other Gasoil	0.13	0.12	-4.6	0.20	0.16	-16.9	0.15	0.14	-7.8	0.17	0.19	15.6	0.18	0.18	-1.8
Residual Fuel Oil	0.46	0.49	6.9	0.51	0.45	-12.2	0.48	0.49	1.7	0.44	0.45	2.5	0.51	0.39	-23.9
Other Products	0.18	0.13	-24.8	0.13	0.16	16.9	0.16	0.15	-10.3	0.16	0.16	-0.3	0.12	0.16	34.5
Total	1.82	1.76	-3.4	2.03	1.85	-8.9	1.92	1.85	-3.6	1.90	1.94	1.9	1.90	1.80	-5.6
France															
LPG	0.08	0.08	2.6	0.09	0.09	-3.7	0.08	0.08	2.5	0.11	0.11	1.7	0.14	0.12	-9.8
Naphtha	0.21	0.20	-3.7	0.17	0.17	2.3	0.19	0.18	-7.5	0.18	0.16	-9.1	0.20	0.15	-22.8
Motor Gasoline	0.35	0.33	-5.4	0.31	0.30	-3.2	0.34	0.33	-2.6	0.32	0.31	-3.8	0.30	0.29	-4.9
Jet/Kerosene	0.14	0.14	0.0	0.13	0.14	4.6	0.14	0.14	-0.5	0.12	0.13	6.2	0.13	0.13	1.3
Diesel	0.57	0.57	-0.1	0.59	0.61	3.5	0.59	0.62	4.4	0.63	0.65	4.5	0.62	0.62	0.8
Other Gasoil	0.36	0.27	-24.3	0.45	0.36	-20.7	0.38	0.33	-13.4	0.36	0.37	4.1	0.38	0.35	-9.1
Residual Fuel Oil	0.10	0.09	-0.7	0.12	0.10	-10.6	0.11	0.10	-6.0	0.13	0.13	-1.3	0.14	0.13	-6.5
Other Products	0.18	0.16	-12.3	0.21	0.20	-5.6	0.20	0.19	-7.6	0.21	0.18	-11.4	0.17	0.16	-2.4
Total	1.98	1.84	-6.8	2.07	1.97	-4.8	2.03	1.96	-3.4	2.05	2.05	-0.1	2.07	1.95	-5.5
United Kingdom															
LPG	0.12	0.16	28.9	0.15	0.14	-4.4	0.14	0.16	14.7	0.15	0.16	6.4	0.14	0.16	14.5
Naphtha	0.07	0.05	-27.1	0.04	0.05	44.1	0.05	0.04	-24.2	0.03	0.05	49.1	0.04	0.08	79.0
Motor Gasoline	0.48	0.46	-4.1	0.52	0.45	-12.0	0.48	0.46	-5.4	0.50	0.45	-10.3	0.49	0.46	-5.0
Jet/Kerosene	0.30	0.29	-3.0	0.35	0.29	-15.8	0.32	0.30	-7.4	0.27	0.34	25.8	0.30	0.31	3.2
Diesel	0.34	0.35	3.9	0.34	0.36	3.5	0.33	0.35	6.0	0.34	0.37	7.6	0.38	0.37	-2.3
Other Gasoil	0.17	0.15	-9.9	0.17	0.16	-8.8	0.16	0.15	-6.8	0.16	0.15	-4.8	0.17	0.15	-10.6
Residual Fuel Oil	0.08	0.07	-13.0	0.07	0.07	2.7	0.07	0.07	-7.2	0.08	0.07	-14.2	0.08	0.09	4.0
Other Products	0.15	0.17	15.2	0.15	0.15	0.9	0.15	0.16	9.3	0.16	0.14	-15.5	0.17	0.12	-26.9
Total	1.70	1.70	-0.1	1.78	1.67	-6.0	1.72	1.69	-1.4	1.69	1.72	1.5	1.78	1.75	-1.6
Canada															
LPG	0.21	0.20	-5.3	0.21	0.21	0.0	0.20	0.20	1.5	0.26	0.19	-27.4	0.25	0.24	-1.7
Naphtha	0.08	0.09	9.2	0.04	0.06	57.5	0.07	0.08	21.5	0.05	0.08	56.7	0.08	0.08	-4.4
Motor Gasoline	0.73	0.75	2.7	0.66	0.68	3.4	0.70	0.72	3.4	0.67	0.69	2.8	0.66	0.67	1.4
Jet/Kerosene	0.13	0.13	4.7	0.09	0.10	7.5	0.11	0.12	7.0	0.09	0.12	35.9	0.08	0.11	29.8
Diesel	0.19	0.18	-4.8	0.19	0.19	2.4	0.18	0.18	-1.2	0.18	0.15	-15.8	0.18	0.18	0.3
Other Gasoil	0.29	0.27	-6.0	0.27	0.29	6.2	0.27	0.28	1.7	0.31	0.39	23.9	0.31	0.33	4.3
Residual Fuel Oil	0.15	0.10	-31.9	0.10	0.15	48.7	0.12	0.12	-6.0	0.13	0.14	10.7	0.15	0.17	7.8
Other Products	0.33	0.34	2.7	0.27	0.32	18.1	0.30	0.33	8.8	0.27	0.31	18.4	0.28	0.27	-2.9
Total	2.09	2.05	-2.0	1.84	2.01	9.3	1.96	2.03	3.6	1.96	2.07	5.9	2.01	2.05	2.2

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Nov 02	Dec 02	Jan 03
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.48	7.73				7.70	7.75	8.25
Iran	3.70	3.42		3.47	3.55				3.55	3.60	3.63
Iraq	2.36	2.01		1.75	2.38				2.38	2.32	2.49
UAE	2.16	1.99		1.99	2.00				1.99	2.03	2.14
Kuwait	1.72	1.60		1.63	1.62				1.60	1.64	1.70
Neutral Zone	0.57	0.54		0.53	0.53				0.53	0.53	0.54
Qatar	0.67	0.64		0.65	0.71				0.70	0.72	0.72
Nigeria	2.08	1.95		1.97	1.99				1.99	2.04	2.14
Libya	1.37	1.32		1.34	1.34				1.34	1.34	1.36
Algeria	0.84	0.85		0.89	0.94				0.93	0.98	1.00
Venezuela	2.68	2.29		2.52	1.99				2.66	0.71	0.57
Indonesia	1.21	1.12		1.10	1.12				1.12	1.12	1.12
Total Crude Oil	27.04	25.09		25.33	25.91				26.48	24.77	25.66
Total NGLs[1]	3.07	3.45	3.65	3.55	3.45	3.17	3.64	3.86	3.63	3.11	3.04
Total OPEC	30.11	28.54		28.87	29.36				30.11	27.88	28.70
NON-OPEC[2]											
OECD											
North America	14.36	14.56	14.99	14.41	14.60	14.93	14.86	14.96	14.50	14.77	14.88
United States	8.07	8.11	8.25	7.98	8.09	8.23	8.25	8.20	8.13	8.18	8.19
Mexico	3.56	3.59	3.71	3.58	3.60	3.69	3.69	3.70	3.47	3.67	3.69
Canada	2.73	2.86	3.04	2.85	2.92	3.02	2.92	3.06	2.90	2.93	3.00
Europe	6.67	6.60	6.59	6.22	6.74	6.72	6.57	6.46	6.81	6.67	6.68
UK	2.53	2.49	2.53	2.25	2.55	2.59	2.40	2.56	2.58	2.52	2.60
Norway	3.41	3.33	3.24	3.22	3.39	3.32	3.35	3.07	3.44	3.36	3.27
Others	0.72	0.78	0.82	0.75	0.80	0.81	0.82	0.83	0.79	0.79	0.81
Pacific	0.79	0.77	0.75	0.79	0.74	0.75	0.74	0.77	0.75	0.74	0.75
Australia	0.73	0.71	0.71	0.73	0.69	0.70	0.69	0.72	0.70	0.69	0.70
Others	0.06	0.05	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.81	21.93	22.34	21.42	22.08	22.39	22.16	22.19	22.06	22.18	22.30
NON-OECD											
Former USSR	8.56	9.37	10.05	9.55	9.78	9.84	9.93	10.13	9.81	9.76	9.82
Russia	7.02	7.66	8.18	7.80	7.99	8.03	8.10	8.24	8.00	7.98	8.02
Others	1.54	1.71	1.88	1.75	1.79	1.81	1.83	1.89	1.81	1.78	1.81
Asia	5.63	5.78	5.85	5.84	5.81	5.84	5.85	5.85	5.80	5.78	5.83
China	3.30	3.39	3.41	3.44	3.40	3.40	3.41	3.42	3.39	3.37	3.41
Malaysia	0.75	0.77	0.78	0.77	0.77	0.78	0.78	0.78	0.77	0.77	0.78
India	0.73	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.75	0.76
Others	0.85	0.87	0.90	0.88	0.89	0.90	0.90	0.90	0.89	0.89	0.89
Europe	0.18	0.18	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.90	3.98	3.92	3.83	3.88	3.96	3.99	3.81	3.76	3.84
Brazil	1.56	1.73	1.85	1.75	1.67	1.74	1.83	1.87	1.66	1.60	1.70
Argentina	0.83	0.80	0.78	0.80	0.79	0.79	0.78	0.78	0.80	0.79	0.79
Colombia	0.62	0.59	0.56	0.57	0.58	0.57	0.56	0.55	0.57	0.58	0.57
Ecuador	0.42	0.40	0.40	0.41	0.40	0.40	0.40	0.39	0.40	0.40	0.40
Others	0.36	0.38	0.40	0.38	0.39	0.39	0.40	0.40	0.39	0.39	0.39
Middle East[3]	2.17	2.10	2.04	2.07	2.09	2.08	2.05	2.03	2.10	2.10	2.08
Oman	0.96	0.90	0.85	0.87	0.89	0.88	0.86	0.85	0.90	0.89	0.88
Syria	0.57	0.55	0.53	0.55	0.55	0.54	0.53	0.52	0.55	0.55	0.54
Yemen	0.45	0.46	0.47	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Africa	2.79	3.04	3.17	3.03	2.99	3.03	3.13	3.22	2.96	2.98	3.00
Egypt	0.76	0.75	0.76	0.74	0.75	0.76	0.76	0.76	0.75	0.77	0.75
Angola	0.74	0.90	0.92	0.89	0.84	0.85	0.93	0.96	0.82	0.82	0.83
Gabon	0.30	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Others	1.00	1.09	1.20	1.11	1.10	1.13	1.16	1.22	1.11	1.10	1.13
Total Non-OECD	23.12	24.37	25.27	24.59	24.68	24.84	25.10	25.40	24.66	24.55	24.75
Processing Gains[4]	1.74	1.76	1.80	1.74	1.78	1.82	1.78	1.78	1.78	1.78	1.82
TOTAL NON-OPEC	46.66	48.05	49.41	47.74	48.54	49.06	49.05	49.37	48.49	48.51	48.88
TOTAL SUPPLY	76.78	76.59		76.62	77.90				78.60	76.39	77.58

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Nov-02	Dec-02	Jan-03
United States											
Alaska	978	986	1012	928	973	1019	1017	973	909	1017	990
California	805	792	784	785	789	787	785	783	798	783	788
Texas	1163	1150	1134	1151	1141	1138	1135	1133	1151	1135	1139
Federal Gulf of Mexico[2]	1536	1578	1712	1502	1587	1677	1690	1714	1632	1645	1674
Other US Lower 48	1341	1298	1266	1287	1274	1271	1267	1264	1288	1264	1272
NGLs[3]	1864	1892	1899	1894	1888	1890	1908	1892	1896	1890	1890
Other Hydrocarbons	382	418	443	432	436	442	443	443	461	440	439
Total	8068	8114	8250	7980	8088	8224	8246	8202	8134	8174	8191
Canada											
Alberta Light/Medium/Heavy	719	667	658	673	656	661	639	662	656	649	661
Alberta Bitumen	309	288	300	286	288	298	287	302	289	289	295
Saskatchewan	427	422	417	423	422	421	407	420	422	421	421
Other Crude	232	344	359	321	344	375	374	315	321	358	378
NGLs	692	698	725	690	720	730	710	720	720	720	730
Synthetic Crudes	349	445	578	460	490	530	505	637	490	490	510
Total	2727	2864	3037	2853	2919	3015	2921	3056	2898	2927	2995
Mexico											
Crude	3127	3177	3301	3174	3203	3285	3285	3294	3080	3269	3285
NGLs	433	408	405	404	394	405	405	405	387	397	405
Total	3560	3585	3706	3578	3597	3690	3690	3699	3467	3666	3690
UK Offshore[4]											
Brent Fields	279	242	270	214	234	260	256	285	238	237	245
Forties Fields	762	785	802	705	784	814	757	823	776	751	814
Ninian Fields	127	103	104	83	98	97	100	112	96	96	96
Flotta Fields	138	129	111	117	122	117	105	112	121	117	120
Other Fields	919	959	952	922	995	989	904	964	1012	993	1003
NGLs	249	217	239	157	265	260	225	215	278	275	265
Total	2474	2436	2478	2198	2498	2537	2347	2511	2522	2468	2544
Norway [4]											
Ekofisk-Ula Area	470	490	452	506	497	477	467	425	481	497	487
Oseberg-Troll Area	741	754	733	763	765	770	760	688	755	763	781
Statfiord-Gullfaks Area	944	874	863	770	923	889	900	815	962	956	849
Haltenbanken Area	768	716	652	728	676	641	689	620	717	610	611
Sleipner-Frigg Area	195	157	149	156	143	145	143	138	143	136	149
NGLs	291	335	390	296	386	393	388	387	385	399	393
Total	3408	3325	3239	3218	3390	3314	3345	3074	3444	3361	3270
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	437	460	409	448	455	461	461	450	441	451
UK Onshore	60	55	51	53	55	53	52	51	55	55	54
Italy	64	85	113	84	95	105	110	115	87	100	105
Turkey	48	47	46	48	47	47	46	46	47	46	47
Other	167	158	154	157	155	155	154	154	156	154	155
NGLs (excl. North Sea)	28	26	24	24	24	24	24	24	26	24	24
Non-Conventional Oils	26	29	26	31	28	27	26	26	23	26	28
Total	783	837	874	805	851	865	873	877	844	845	863
Australia											
Gippsland Basin	160	141	125	145	134	131	127	124	137	133	131
Cooper-Eromanga Basin	26	25	26	28	26	26	26	26	27	26	26
Carnarvon Basin	337	358	354	348	332	341	336	371	336	340	341
Other Crude	136	106	115	132	114	115	115	115	120	115	114
NGLs	74	80	85	77	80	85	85	85	82	75	85
Total	732	710	705	730	686	698	689	720	702	689	697
Other OECD Pacific											
New Zealand	33	31	27	32	28	27	27	27	22	29	27
Japan	6	5	5	5	5	5	5	5	5	5	5
NGLs	17	17	17	17	17	17	17	17	18	17	17
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	53	49	55	50	49	49	49	45	51	50
OECD											
Crude Oil	17397	17351	17498	16926	17344	17582	17418	17329	17281	17420	17506
NGLs	3655	3682	3792	3567	3781	3812	3769	3753	3801	3804	3816
Non-Conventional Oils	759	892	1047	923	954	999	974	1106	974	956	977
Total	21811	21924	22337	21416	22079	22393	22161	22187	22056	22180	22299

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Aug2002	Sep2002	Oct2002	Nov2002	Dec2002*	Dec1999	Dec2000	Dec2001	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	403.7	379.5	402.9	399.9	387.0	379.8	393.9	422.2	0.21	-0.14	-0.53	0.08
Motor Gasoline	235.2	237.7	224.4	237.1	246.5	222.9	225.7	241.2	0.09	-0.03	-0.10	0.10
Middle Distillate	203.7	202.6	198.3	203.0	211.7	199.0	194.8	222.5	-0.26	0.05	-0.01	0.10
Residual Fuel Oil	41.9	42.8	43.1	45.4	42.3	43.1	45.2	49.3	-0.08	-0.01	0.01	-0.01
Total Products[3]	677.5	679.5	653.3	662.8	659.5	608.1	615.1	688.7	-0.43	0.34	-0.02	-0.22
Total[4]	1240.8	1219.2	1219.2	1219.8	1195.2	1126.7	1145.6	1262.9	-0.31	0.24	-0.41	-0.26
Europe												
Crude	307.3	304.3	329.0	309.5	311.1	298.6	313.6	312.7	-0.01	0.08	-0.17	0.07
Motor Gasoline	116.9	115.1	113.8	115.2	116.5	127.2	120.7	125.1	0.07	-0.12	-0.06	0.01
Middle Distillate	265.8	259.7	255.2	246.7	240.2	222.3	235.3	230.4	0.12	0.18	0.02	-0.21
Residual Fuel Oil	69.2	69.0	72.2	76.3	76.2	83.0	85.9	71.2	0.00	-0.02	0.00	0.08
Total Products[3]	558.1	547.0	542.4	538.3	532.8	522.6	549.2	538.4	0.12	0.07	-0.10	-0.15
Total[4]	930.7	913.7	935.6	913.1	908.6	881.5	930.1	914.9	0.16	0.12	-0.29	-0.06
Pacific												
Crude	170.0	164.4	163.9	158.0	159.3	172.8	172.1	176.1	0.01	-0.03	-0.10	-0.05
Motor Gasoline	23.4	24.4	25.0	25.1	24.0	24.8	23.6	22.9	0.04	0.00	-0.02	0.00
Middle Distillate	85.9	84.0	81.6	74.4	65.9	80.7	83.6	76.6	-0.10	0.08	0.10	-0.20
Residual Fuel Oil	24.3	22.2	22.4	21.7	22.0	20.9	23.5	23.2	-0.02	0.03	-0.03	0.00
Total Products[3]	199.6	198.2	199.1	190.6	179.1	189.8	202.2	189.0	-0.06	0.11	0.04	-0.21
Total[4]	447.3	438.8	437.8	423.4	411.8	437.4	454.4	444.4	-0.10	0.12	-0.09	-0.29
Total OECD												
Crude	880.9	848.1	895.9	867.4	857.4	851.2	879.6	911.0	0.21	-0.09	-0.80	0.10
Motor Gasoline	375.5	377.2	363.2	377.4	386.9	375.0	370.0	389.2	0.20	-0.15	-0.18	0.11
Middle Distillate	555.3	546.3	535.1	524.1	517.8	501.9	513.7	529.5	-0.23	0.31	0.10	-0.31
Residual Fuel Oil	135.3	134.1	137.7	143.5	140.5	147.0	154.6	143.7	-0.09	0.01	-0.02	0.07
Total Products[3]	1435.1	1424.6	1394.8	1391.7	1371.4	1320.6	1366.5	1416.1	-0.37	0.53	-0.07	-0.58
Total[4]	2618.9	2571.8	2592.6	2556.3	2515.6	2445.6	2530.1	2622.2	-0.26	0.49	-0.79	-0.61

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Aug2002	Sep2002	Oct2002	Nov2002	Dec2002*	Dec1999	Dec2000	Dec2001	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	582.3	587.2	589.6	595.9	600.0	567.2	540.7	550.2	0.13	0.16	0.12	0.14
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	148.1	149.7	154.7	154.9	154.9	148.5	138.1	141.1	0.02	0.02	0.05	0.06
Products	195.4	193.6	190.9	190.8	190.8	196.7	215.4	211.2	-0.03	-0.08	-0.09	-0.03
Pacific												
Crude	317.4	316.7	317.2	317.9	317.9	315.1	313.1	316.0	0.05	0.00	-0.04	0.01
Total OECD												
Crude	1047.7	1053.5	1061.6	1068.7	1072.8	1030.8	991.9	1007.4	0.20	0.19	0.12	0.21
Products	197.4	195.6	192.9	192.8	192.8	196.7	217.4	213.2	-0.03	-0.08	-0.09	-0.03
Total[4]	1246.1	1250.1	1255.4	1262.5	1266.6	1228.5	1210.3	1221.6	0.18	0.11	0.03	0.18

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	July			August			September			October			November		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
Crude	312.9	303.5	-3.0	307.9	295.5	-4.0	309.3	270.1	-12.7	313.2	291.5	-6.9	312.2	287.6	-7.9
Motor Gasoline	208.5	214.4	2.8	193.4	203.9	5.4	205.9	206.6	0.3	207.8	193.4	-6.9	212.3	206.1	-2.9
Middle Distillate	171.2	176.5	3.1	167.3	174.5	4.3	174.4	172.8	-0.9	175.5	167.9	-4.3	185.4	171.7	-7.4
Residual Fuel Oil	39.1	33.6	-14.1	35.0	31.9	-8.9	37.2	33.0	-11.3	38.2	33.7	-11.8	39.2	35.7	-8.9
Other Products	157.3	164.9	4.8	160.6	168.6	5.0	163.3	166.4	1.9	155.5	156.3	0.5	151.6	145.9	-3.8
Total Products	576.1	589.4	2.3	556.3	578.9	4.1	580.8	578.8	-0.3	577.0	551.3	-4.5	588.5	559.4	-4.9
Other[3]	135.6	138.6	2.2	140.2	138.8	-1.0	144.1	138.0	-4.2	141.6	140.4	-0.8	139.8	134.6	-3.7
Total	1024.6	1031.5	0.7	1004.4	1013.2	0.9	1034.2	986.9	-4.6	1031.8	983.2	-4.7	1040.5	981.6	-5.7
Japan															
Crude	132.6	126.3	-4.8	128.5	126.8	-1.3	128.3	120.6	-6.0	141.9	121.5	-14.4	130.3	116.0	-11.0
Motor Gasoline	13.2	13.1	-0.8	13.8	12.3	-10.9	13.7	12.9	-5.8	13.5	12.6	-6.7	14.1	12.7	-9.9
Middle Distillate	44.8	43.1	-3.8	51.7	49.2	-4.8	54.9	50.5	-8.0	57.7	49.9	-13.5	55.2	45.3	-17.9
Residual Fuel Oil	9.0	10.3	14.4	9.7	10.4	7.2	10.2	8.7	-14.7	10.5	8.8	-16.2	10.5	9.2	-12.4
Other Products	52.3	48.1	-8.0	57.2	48.1	-15.9	56.2	50.1	-10.9	55.1	52.2	-5.3	54.5	49.1	-9.9
Total Products	119.3	114.6	-3.9	132.4	120.0	-9.4	135.0	122.2	-9.5	136.8	123.5	-9.7	134.3	116.3	-13.4
Other[3]	70.0	72.4	3.4	72.6	68.9	-5.1	77.6	67.7	-12.8	76.6	65.9	-14.0	75.6	66.1	-12.6
Total	321.9	313.3	-2.7	333.5	315.7	-5.3	340.9	310.5	-8.9	355.3	310.9	-12.5	340.2	298.4	-12.3
Germany															
Crude	22.8	20.5	-10.1	21.5	18.9	-12.1	20.0	21.0	5.0	20.9	15.5	-25.8	21.3	16.5	-22.5
Motor Gasoline	11.9	10.4	-12.6	10.1	10.8	6.9	9.1	10.0	9.9	8.6	9.2	7.0	10.8	8.8	-18.5
Middle Distillate	13.7	17.6	28.5	14.4	19.8	37.5	14.1	15.6	10.6	13.5	16.2	20.0	13.6	14.9	9.6
Residual Fuel Oil	9.1	9.2	1.1	9.6	9.1	-5.2	9.9	9.6	-3.0	9.5	9.4	-1.1	8.2	9.9	20.7
Other Products	12.1	11.4	-5.8	11.9	11.7	-1.7	12.4	10.5	-15.3	12.4	10.9	-12.1	12.3	10.9	-11.4
Total Products	46.8	48.6	3.8	46.0	51.4	11.7	45.5	45.7	0.4	44.0	45.7	3.9	44.9	44.5	-0.9
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	69.6	69.1	-0.7	67.5	70.3	4.1	65.5	66.7	1.8	64.9	61.2	-5.7	66.2	61.0	-7.9
Italy															
Crude	40.2	36.2	-10.0	42.5	41.3	-2.8	39.8	34.6	-13.1	36.0	37.5	4.2	37.6	35.2	-6.4
Motor Gasoline	20.3	23.2	14.3	19.7	21.6	9.6	19.5	21.6	10.8	19.1	21.9	14.7	19.6	23.2	18.4
Middle Distillate	29.2	36.6	25.3	30.6	39.8	30.1	29.0	39.8	37.2	29.2	37.5	28.4	30.6	40.5	32.4
Residual Fuel Oil	15.4	10.7	-30.5	16.3	11.0	-32.5	14.7	12.0	-18.4	15.9	14.5	-8.8	14.2	15.2	7.0
Other Products	18.1	18.0	-0.6	19.5	17.9	-8.2	20.1	17.5	-12.9	19.9	17.4	-12.6	19.2	17.5	-8.9
Total Products	83.0	88.5	6.6	86.1	90.3	4.9	83.3	90.9	9.1	84.1	91.3	8.6	83.6	96.4	15.3
Other[3]	8.0	12.3	53.8	9.8	10.5	7.1	11.9	10.5	-11.8	13.1	11.3	-13.7	14.0	11.4	-18.6
Total	131.2	137.0	4.4	138.4	142.1	2.7	135.0	136.0	0.7	133.2	140.1	5.2	135.2	143.0	5.8
France															
Crude	35.6	39.7	11.5	38.1	36.1	-5.2	38.1	38.5	1.0	40.4	38.8	-4.0	36.2	34.0	-6.1
Motor Gasoline	11.6	12.0	3.4	10.8	11.9	10.2	12.1	12.0	-0.8	10.7	11.6	8.4	10.4	12.2	17.3
Middle Distillate	26.9	29.1	8.2	27.7	34.6	24.9	25.9	32.7	26.3	26.7	34.9	30.7	26.5	32.5	22.6
Residual Fuel Oil	6.6	7.1	7.6	7.8	7.3	-6.4	6.4	7.9	23.4	7.4	6.9	-6.8	7.5	7.2	-4.0
Other Products	9.9	9.2	-7.1	10.6	9.1	-14.2	9.8	8.5	-13.3	10.1	7.8	-22.8	9.8	8.4	-14.3
Total Products	55.0	57.4	4.4	56.9	62.9	10.5	54.2	61.1	12.7	54.9	61.2	11.5	54.2	60.3	11.3
Other[3]	11.9	11.7	-1.7	12.3	12.2	-0.8	13.3	13.5	1.5	12.9	13.7	6.2	13.3	13.4	0.8
Total	102.5	108.8	6.1	107.3	111.2	3.6	105.6	113.1	7.1	108.2	113.7	5.1	103.7	107.7	3.9
United Kingdom															
Crude	35.0	44.1	26.0	33.4	38.1	14.1	33.7	39.3	16.6	38.2	46.2	20.9	38.5	47.0	22.1
Motor Gasoline	8.9	10.9	22.5	10.0	9.7	-3.0	10.5	9.7	-7.6	10.9	9.8	-10.1	11.0	9.0	-18.2
Middle Distillate	23.5	21.0	-10.6	22.5	20.7	-8.0	18.9	20.1	6.3	22.0	20.9	-5.0	21.8	20.4	-6.4
Residual Fuel Oil	4.9	4.3	-12.2	4.2	4.4	4.8	4.3	4.3	0.0	4.4	4.4	0.0	4.8	5.0	4.2
Other Products	20.3	17.6	-13.3	19.9	17.4	-12.6	20.0	17.1	-14.5	20.4	16.0	-21.6	20.3	15.0	-26.1
Total Products	57.6	53.8	-6.6	56.6	52.2	-7.8	53.7	51.2	-4.7	57.7	51.1	-11.4	57.9	49.4	-14.7
Other[3]	11.3	11.7	3.5	10.3	12.0	16.5	10.9	10.6	-2.8	11.4	11.5	0.9	10.6	11.3	6.6
Total	103.9	109.6	5.5	100.3	102.3	2.0	98.3	101.1	2.8	107.3	108.8	1.4	107.0	107.7	0.7
Canada[4]															
Crude	74.8	77.8	4.0	72.7	78.0	7.3	78.5	77.0	-1.9	77.4	77.7	0.4	77.6	77.7	0.1
Motor Gasoline	16.8	15.4	-8.3	16.3	15.5	-4.9	16.0	16.4	2.5	16.7	16.4	-1.8	17.7	16.2	-8.5
Middle Distillate	22.5	19.6	-12.9	22.1	20.4	-7.7	19.8	21.2	7.1	19.0	22.2	16.8	19.5	22.8	16.9
Residual Fuel Oil	4.3	4.2	-2.3	3.8	4.2	10.5	3.7	4.4	18.9	3.9	4.6	17.9	3.7	4.0	8.1
Other Products	20.1	21.9	9.0	19.4	20.2	4.1	20.4	22.1	8.3	21.3	23.2	8.9	20.1	23.2	15.4
Total Products	63.7	61.1	-4.1	61.6	60.3	-2.1	59.9	64.1	7.0	60.9	66.4	9.0	61.0	66.2	8.5
Other[3]	17.3	18.0	4.0	21.6	20.9	-3.2	23.3	22.3	-4.3	22.9	22.6	-1.3	21.2	22.6	6.6
Total	155.8	156.9	0.7	155.9	159.2	2.1	161.7	163.4	1.1	161.2	166.7	3.4	159.8	166.5	4.2

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for November 2002.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End December 2001		End March 2002		End June 2002		End September 2002		End December 2002 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	157.2	80	158.3	82	151.5	75	163.3	-	-	-
Mexico	47.5	24	43.6	23	45.3	24	47.0	-	-	-
United States	1588.3	82	1574.4	80	1616.6	82	1576.1	-	-	-
Total[4]	1815.1	77	1798.3	76	1835.6	76	1808.5	75	1797.2	74
Pacific										
Australia	37.6	42	38.9	43	37.2	42	37.2	-	-	-
Japan	634.1	111	630.3	136	633.7	126	627.1	-	-	-
Korea[5]	79.2	34	78.6	39	86.5	43	79.7	-	-	-
New Zealand	9.6	67	8.4	65	10.0	80	11.5	-	-	-
Total	760.5	84	756.2	99	767.4	95	755.5	81	729.7	77
Europe[6]										
Austria	16.0	62	18.0	68	17.1	61	17.7	-	-	-
Belgium	28.3	46	30.6	53	30.8	53	28.2	-	-	-
Czech Republic	16.2	102	17.4	102	17.0	91	16.2	-	-	-
Denmark	19.7	99	20.1	104	17.8	95	19.0	-	-	-
Finland	27.6	126	24.6	124	26.9	127	26.9	-	-	-
France	165.4	80	162.9	88	169.9	87	174.0	-	-	-
Germany	272.6	104	276.5	105	268.7	93	259.1	-	-	-
Greece	25.8	59	31.1	84	28.9	77	32.2	-	-	-
Hungary	18.8	147	19.9	148	18.5	126	18.0	-	-	-
Ireland	10.9	59	9.9	62	9.4	56	10.2	-	-	-
Italy	133.9	69	132.3	72	132.4	72	136.1	-	-	-
Luxembourg	0.8	16	0.8	16	0.9	17	0.9	-	-	-
Netherlands	113.9	128	117.9	129	115.5	131	106.7	-	-	-
Norway	19.2	94	18.0	104	22.4	123	17.6	-	-	-
Poland	25.8	70	26.9	71	25.3	59	23.7	-	-	-
Portugal	25.3	73	22.1	61	24.6	69	24.1	-	-	-
Spain	113.1	74	118.6	80	121.0	81	121.3	-	-	-
Sweden	34.8	102	35.1	105	33.4	103	30.5	-	-	-
Switzerland	36.1	128	37.5	137	39.0	139	38.7	-	-	-
Turkey	54.9	94	59.0	96	57.8	88	55.6	-	-	-
United Kingdom	108.9	63	102.6	62	110.7	65	101.2	-	-	-
Total	1268.2	84	1282.0	88	1288.1	85	1257.9	82	1255.2	82
Total OECD	3843.8	80	3836.5	83	3891.1	82	3821.9	78	3782.1	77
DAYS OF IEA Net Imports[7]	-	114	-	114	-	116	-	114	-	-

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End September 2002 and end December 2002 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand[3]*		
4Q1999	3674	1228	2446	76	26	51
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3866	1205	2661	81	25	55
4Q2001	3844	1222	2622	80	25	55
1Q2002	3837	1237	2599	83	27	56
2Q2002	3891	1247	2644	82	26	56
3Q2002	3822	1250	2572	78	26	53
4Q2002	3782	1267	2516	77	26	51

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 3Q2002 and 4Q2002 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30		18.88	24.25	25.75		25.69	26.97	26.50	24.13		
IEA Europe	27.89	23.92		20.46	24.22	26.21		26.02	27.57	26.88	24.07		
IEA Pacific	28.89	25.05		20.06	25.69	26.34		26.29	27.07	28.12	27.42		
IEA Total	28.00	23.65		19.84	24.57	26.08		25.96	27.25	26.99	24.88		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	21.09	25.07	26.91	26.81	26.66	28.38	27.58	24.10	28.67	31.32
WTI (1st month)	30.37	25.93	26.16	21.55	26.30	28.30	28.29	28.34	29.71	28.87	26.29	29.45	32.99
Urals (del. Med.)	26.63	22.97	23.73	19.72	23.60	25.81	25.55	25.68	27.01	26.02	22.87	27.72	28.88
Dubai (1st month)	26.24	22.80	23.85	20.10	24.39	25.54	25.16	25.24	26.80	26.32	23.31	25.73	28.02
Tapis (1st month)	29.85	25.32	25.72	21.29	25.63	27.29	28.33	27.40	28.20	27.89	26.89	30.27	31.95
OPEC Basket	17.47	27.60	24.34	19.92	24.42	26.15	26.63	25.91	27.50	27.32	24.28	28.21	30.34
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	23.00	30.05	32.06	31.05	31.70	33.22	32.74	28.38	31.91	35.95
Unleaded	34.41	28.83	28.57	22.64	29.51	31.44	30.50	31.09	32.54	32.19	27.88	31.31	35.35
Naphtha	29.09	23.69	24.23	20.57	23.80	25.95	26.45	25.44	28.15	26.54	24.12	28.77	33.95
Jet/Kerosene	36.98	30.82	29.24	24.58	28.46	31.27	32.45	30.53	34.28	33.44	30.56	33.30	36.76
Gasoil .2 %	34.38	29.16	27.81	23.09	26.80	29.85	31.26	29.40	32.04	31.72	28.96	33.14	35.78
LSFO 1%	23.74	19.52	21.81	16.69	20.40	23.19	26.70	22.37	25.31	28.28	24.53	27.15	27.90
HSFO 3.5%	21.42	17.79	20.65	16.87	21.22	23.14	21.22	22.59	25.05	23.40	19.18	20.84	27.08
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	23.48	30.28	32.13	30.78	31.80	33.28	32.41	27.98	31.84	35.54
Premium Unleaded	36.43	29.70	28.49	22.77	29.56	31.41	30.06	31.08	32.56	31.69	27.26	31.12	34.82
Naphtha	28.16	22.47	23.51	19.91	23.02	25.32	25.61	24.75	27.76	26.02	23.35	27.52	32.80
Jet/Kerosene	34.82	27.52	27.14	22.84	26.22	29.34	29.95	28.64	32.57	31.59	28.08	30.02	33.21
Gasoil .2 %	33.87	27.50	27.08	22.95	25.83	28.98	30.36	28.68	31.06	30.33	28.35	32.52	35.61
LSFO 1%	23.77	18.73	21.50	17.55	20.98	23.14	24.14	22.29	26.06	25.23	22.10	25.02	30.29
HSFO 3.5%	18.92	15.24	18.24	14.62	18.65	20.69	18.86	19.95	22.82	21.03	17.12	18.18	24.58
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	27.07	33.91	36.10	37.44	35.63	36.33	39.35	36.82	35.90	38.69
Unleaded	36.10	31.00	30.33	25.02	30.19	32.32	33.53	32.12	32.80	34.65	31.86	33.83	36.81
Jet/Kerosene	38.05	31.18	29.83	24.97	28.77	31.91	33.45	31.51	34.32	34.18	31.00	34.88	38.38
No. 2 (Heating Oil)	36.37	29.82	28.56	23.95	27.68	30.06	32.33	29.41	32.46	32.19	30.19	34.42	37.99
LSFO 1%	25.05	20.70	22.55	16.80	22.76	24.65	25.72	25.42	26.02	26.41	23.86	26.65	31.65
HSFO 6 3%	20.68	17.36	20.99	16.04	21.40	23.30	22.96	23.13	25.35	24.36	20.47	23.69	29.08
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	24.27	29.49	28.91	29.24	28.13	30.49	29.62	27.80	30.25	34.34
Naphtha	28.38	23.75	24.93	21.56	24.98	25.81	27.15	25.47	27.52	26.87	25.06	29.57	32.21
Jet/Kerosene	34.39	28.32	28.08	23.57	27.20	29.85	31.35	29.29	32.92	32.43	29.38	32.10	34.37
Gasoil .5%	32.58	27.32	27.55	22.47	27.68	28.80	30.89	28.17	30.73	32.57	28.87	30.99	33.39
LSWR Cracked	25.83	21.83	23.80	18.36	23.26	25.16	28.02	24.91	26.33	26.52	26.80	30.97	31.05
HSFO 180 CST	24.43	20.65	22.89	18.57	23.28	24.97	24.40	24.86	26.26	24.59	23.15	25.46	28.18
HSFO 4%	24.21	20.38	22.95	18.60	23.31	25.23	24.31	25.25	26.56	24.59	22.88	25.40	28.27

* IEA CIF Average Import price for November is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
January 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Dec-02	Jan-02		Dec-02	Jan-02		Dec-02	Jan-02		Dec-02	Jan-02
GASOLINE [1] (Price per Litre)												
France	1.049	2.9	9.7	0.288	9.5	28.0	1.110	7.0	31.6	0.305	13.8	53.5
Germany	1.114	7.0	15.3	0.305	11.7	45.9	1.179	11.2	38.3	0.323	16.1	75.0
Italy	1.073	2.4	7.9	0.352	6.3	23.1	1.135	6.4	29.4	0.372	10.5	47.6
Spain	0.832	3.7	9.0	0.321	8.8	22.5	0.880	7.8	30.7	0.340	13.1	46.9
UK	0.751	1.6	7.7	0.181	5.8	34.1	1.286	9.6	28.8	0.310	14.2	60.2
Japan	105.0	-	1.0	46.2	-	2.2	0.885	2.8	13.0	0.389	2.8	14.4
Canada	0.755	4.4	29.5	0.454	7.1	54.9	0.489	5.4	30.3	0.294	8.1	55.9
USA	0.384	6.1	31.5	0.283	8.4	48.2	0.384	6.1	31.5	0.283	8.4	48.2
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.686	3.3	10.6	0.294	8.1	20.5	0.726	7.4	32.7	0.311	12.3	44.5
Germany	0.782	7.0	14.3	0.312	7.2	27.9	0.828	11.2	37.1	0.330	11.4	53.3
Italy	0.747	3.5	7.3	0.344	7.8	17.4	0.790	7.5	28.7	0.364	12.1	40.8
Spain	0.620	4.9	7.1	0.326	9.8	14.4	0.656	9.0	28.4	0.345	14.1	37.1
UK	0.651	1.6	2.4	0.193	5.5	8.4	1.115	9.6	22.3	0.330	13.8	29.6
Japan	85.1	-	1.3	48.9	-	2.1	0.717	2.8	13.3	0.412	2.8	14.2
Canada	0.708	4.4	18.6	0.484	6.1	27.4	0.459	5.4	19.3	0.313	7.2	28.1
USA	0.393	3.7	28.9	0.275	5.4	47.1	0.393	3.7	28.9	0.275	5.4	47.1
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	418.19	6.7	25.4	293.06	8.1	24.0	442.5	10.9	50.4	310.1	12.3	48.7
Germany	389.52	5.9	22.1	274.44	7.3	28.5	412.2	10.0	46.4	290.4	11.5	54.1
Italy	879.53	3.1	7.5	329.73	7.2	18.2	930.7	7.2	28.8	348.9	11.4	41.8
Spain	415.86	8.5	20.4	273.79	11.4	28.5	440.1	12.7	44.3	289.7	15.8	54.0
UK	204.98	7.8	24.0	164.22	9.5	30.3	351.0	16.3	48.3	281.2	18.1	55.7
Japan [3]	46433	1.0	1.4	44222	1.0	1.4	391.2	3.8	13.5	372.6	3.8	13.5
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
HFO FOR INDUSTRY [2, 4, 5] (Price per Metric Ton)												
France	209.20	15.1	23.4	190.70	16.8	26.3	221.4	19.6	48.0	201.8	21.4	51.5
Germany	203.58	14.2	18.5	178.58	11.3	16.0	215.4	18.6	42.0	189.0	15.7	39.1
Italy	248.86	13.2	25.7	217.47	15.4	30.5	263.3	17.6	50.7	230.1	19.9	56.5
Spain	185.47	0.4	11.9	171.04	0.4	13.0	196.3	4.3	34.1	181.0	4.3	35.5
UK	159.35	8.0	38.8	131.35	9.9	50.7	272.9	16.6	65.9	224.9	18.6	80.1
Japan	25607	-8.7	10.3	24388	-8.7	10.3	215.7	-6.2	23.4	205.5	-6.2	23.4
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 High sulphur fuel oil price for France, Spain, and Japan; low sulphur fuel oil price for Canada, Germany and Italy.
5 For the UK, high sulphur fuel oil prior to Dec 2002; low sulphur fuel oil beginning Dec 2002.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
OECD North America												
Venezuela	1.63	1.66		1.66	1.54	1.58	1.35	1.74	1.89	1.97	1.46	0.51
Other Central & South America	0.61	0.52		0.51	0.55	0.55	0.57	0.62	0.69	0.67	0.56	0.11
North Sea	1.14	1.03		0.99	0.92	0.96	1.37	1.09	1.34	1.53	1.05	0.48
Other OECD Europe	0.00	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.01	-		-	-	0.00	0.11	0.11	0.21	0.09	-	-
Saudi Arabia	1.63	1.70		1.76	1.50	1.58	1.62	1.61	1.73	1.59	1.63	-0.04
Kuwait	0.27	0.24		0.26	0.19	0.23	0.20	0.29	0.19	0.24	0.20	0.04
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.70	0.92		0.97	1.19	1.02	0.53	0.21	0.34	0.39	0.99	-0.60
Oman	0.00	0.02		0.06	-	-	-	0.07	-	0.02	-	-
United Arab Emirates	0.00	0.02		0.01	0.00	-	0.04	0.02	-	0.02	-	-
Other Middle East	0.03	0.02		0.04	-	-	0.02	0.10	0.03	0.06	-	-
West Africa[2]	1.56	1.44		1.42	1.20	1.03	1.20	1.13	1.05	1.17	1.17	0.00
Other Africa	0.07	0.13		0.14	0.16	0.17	0.21	0.22	0.18	0.11	0.16	-0.04
Asia	0.18	0.15		0.16	0.14	0.17	0.18	0.13	0.21	0.16	0.11	0.05
Other	0.05	0.03		0.02	0.05	0.03	0.07	0.04	0.03	0.03	0.03	0.00
Total	**7.83**	**7.85**		**8.00**	**7.44**	**7.32**	**7.48**	**7.38**	**7.90**	**8.04**	**7.37**	**0.67**
of which Non-OECD	**6.70**	**6.82**		**6.98**	**6.50**	**6.32**	**6.06**	**6.23**	**6.50**	**6.45**	**6.30**	**0.15**
OECD Europe												
Canada	0.00	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.20	0.18		0.18	0.17	0.16	0.19	0.20	0.28	0.14	0.19	-0.05
Venezuela	0.14	0.18		0.20	0.26	0.26	0.16	0.14	0.19	0.16	0.32	-0.16
Other Central & South America	0.01	0.04		0.00	0.04	0.07	0.02	0.03	0.03	0.11	0.06	0.06
Non-OECD Europe	0.01	0.00		0.01	0.00	0.01	0.00	0.01	0.02	0.01	0.00	0.01
Former Soviet Union	2.40	2.68		2.87	2.69	2.98	3.14	3.31	2.86	2.88	2.61	0.26
Saudi Arabia	1.39	1.25		1.30	1.07	1.10	1.19	1.30	1.40	0.94	0.95	-0.01
Kuwait	0.20	0.16		0.17	0.12	0.11	0.13	0.14	0.07	0.10	0.14	-0.04
Iran	0.79	0.74		0.74	0.69	0.52	0.61	0.73	0.80	0.78	0.57	0.21
Iraq	0.74	0.40		0.37	0.46	0.17	0.15	0.38	0.51	0.67	0.50	0.17
Oman	-	-		-	-	-	-	-	-	0.00	-	-
United Arab Emirates	0.00	0.01		-	0.01	0.00	-	-	-	-	0.03	-
Other Middle East	0.31	0.43		0.44	0.42	0.40	0.49	0.48	0.40	0.41	0.44	-0.03
West Africa[2]	0.64	0.81		0.70	1.06	0.92	0.55	0.77	0.64	0.64	1.19	-0.56
Other Africa	1.58	1.50		1.45	1.48	1.40	1.42	1.18	1.62	1.47	1.36	0.10
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.04	0.22		0.26	0.44	0.34	0.64	0.28	0.11	0.14	0.48	-0.34
Total	**8.45**	**8.59**		**8.68**	**8.92**	**8.44**	**8.70**	**8.93**	**8.92**	**8.45**	**8.85**	**-0.40**
of which Non-OECD	**8.26**	**8.41**		**8.50**	**8.75**	**8.28**	**8.51**	**8.74**	**8.65**	**8.31**	**8.67**	**-0.35**
OECD Pacific												
Canada	-	0.00		-	0.01	-	-	-	0.01	-	-	-
Mexico + USA	0.07	0.02		-	0.02	0.01	0.02	-	-	-	0.06	-
Venezuela	-	0.00		-	0.02	-	-	-	-	0.00	0.03	-0.03
Other Central & South America	0.05	0.07		0.08	0.08	0.10	0.06	0.08	0.09	0.12	0.08	0.04
North Sea	0.02	0.01		0.02	0.01	0.01	0.03	-	-	-	-	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.03	0.05		0.11	0.08	0.02	0.05	0.12	0.08	0.08	0.10	-0.02
Saudi Arabia	1.83	1.84		1.68	1.86	1.81	1.68	1.59	1.64	1.77	1.88	-0.11
Kuwait	0.60	0.64		0.56	0.67	0.67	0.55	0.53	0.50	0.57	0.60	-0.03
Iran	0.72	0.75		0.74	0.69	0.66	0.64	0.56	0.58	0.68	0.64	0.03
Iraq	0.13	0.01		-	0.02	0.03	0.05	-	-	-	-	-
Oman	0.36	0.41		0.38	0.42	0.45	0.34	0.32	0.39	0.27	0.44	-0.17
United Arab Emirates	1.46	1.42		1.37	1.32	1.40	1.12	1.42	1.35	1.41	1.23	0.18
Other Middle East	0.59	0.60		0.54	0.56	0.59	0.46	0.44	0.51	0.52	0.58	-0.05
West Africa[2]	0.17	0.11		0.12	0.16	0.18	0.19	0.19	0.18	0.32	0.06	0.26
Other Africa	0.06	0.04		0.05	0.03	0.03	0.01	0.05	0.06	0.05	0.04	0.01
Non-OECD Asia	0.87	0.89		0.86	0.84	0.91	0.84	0.73	0.78	0.86	0.86	0.00
Other	-	0.00		-	0.00	-	-	-	-	-	-	
Total	**6.96**	**6.89**		**6.52**	**6.78**	**6.90**	**6.05**	**6.02**	**6.19**	**6.66**	**6.62**	**0.04**
of which Non-OECD	**6.87**	**6.86**		**6.50**	**6.74**	**6.88**	**6.00**	**6.02**	**6.17**	**6.66**	**6.56**	**0.10**
Total OECD Trade	**23.25**	**23.34**		**23.20**	**23.13**	**22.66**	**22.23**	**22.33**	**23.00**	**23.16**	**22.84**	**0.32**
of which Non-OECD	**21.82**	**22.08**		**21.98**	**21.98**	**21.47**	**20.57**	**20.99**	**21.31**	**21.43**	**21.52**	**-0.09**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.

2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
Saudi Light & Extra Light												
North America	0.45	0.69		0.77	0.68	0.70	0.54	0.62	1.39	0.61	0.63	-0.02
Europe	1.01	0.92		0.98	0.83	0.93	0.93	1.01	0.90	0.71	0.73	-0.02
Pacific	0.64	1.22		1.08	1.22	1.35	1.14	1.26	1.02	1.27	1.25	0.02
Saudi Medium												
North America	0.68	0.73		0.70	0.69	0.72	0.65	0.63	2.64	0.79	0.68	0.11
Europe	0.23	0.15		0.16	0.13	0.11	0.08	0.08	0.16	0.07	0.14	-0.07
Pacific	0.13	0.17		0.17	0.19	0.16	0.18	0.13	0.19	0.06	0.19	-0.13
Saudi Heavy												
North America	0.31	0.21		0.19	0.18	0.12	0.23	0.16	0.22	0.23	0.17	0.06
Europe	0.14	0.14		0.15	0.10	0.08	0.10	0.10	0.11	0.11	0.08	0.03
Pacific	0.12	0.15		0.14	0.12	0.10	0.12	0.15	0.09	0.17	0.14	0.03
Iraqi Basrah Light[2]												
North America	0.61	0.65		0.62	0.86	0.63	0.34	0.16	0.09	0.30	0.70	-0.40
Europe	0.16	0.15		0.10	0.18	0.01	0.06	0.05	0.17	0.30	0.17	0.13
Pacific	0.08	0.01		..	0.02	0.03	0.05	0.02	..	..	..	..
Iraqi Kirkuk												
North America	..	0.09		0.12	0.15	0.26	0.11	0.06	0.17	0.07	0.17	-0.10
Europe	0.55	0.31		0.30	0.35	0.21	0.19	0.44	0.39	0.61	0.39	0.21
Pacific	..	0.01		..	..	..	0.00	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.26	0.16		0.15	0.16	0.19	0.14	0.13	0.17	0.18	0.16	0.01
Pacific	0.13	0.13		0.12	0.13	0.11	0.11	0.12	0.11	0.14	0.08	0.06
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.49	0.53		0.52	0.49	0.34	0.45	0.58	0.44	0.56	0.41	0.15
Pacific	0.37	0.63		0.63	0.58	0.55	0.56	0.40	0.55	0.60	0.63	-0.03
Venezuelan Light & Medium												
North America	0.72	0.61		0.54	0.59	0.66	0.57	0.92	0.74	0.75	0.63	0.12
Europe	0.04	0.07		0.06	0.16	0.15	0.05	..	0.06	0.09	0.22	-0.13
Pacific	..	0.00		..	0.02	..	..	..	..	0.00	0.03	-0.03
Venezuelan 22 API and heavier												
North America	0.50	0.65		0.65	0.58	0.55	0.46	0.59	0.66	0.66	0.53	0.13
Europe	0.06	0.07		0.09	0.06	0.06	0.06	0.07	0.05	0.05	0.04	0.01
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.66	0.77		0.75	0.85	0.90	0.89	0.86	1.04	0.88	0.93	-0.05
Europe	0.17	0.14		0.17	0.16	0.16	0.17	0.18	0.25	0.13	0.17	-0.05
Pacific	0.02	0.01		..	0.01	..	0.01	..	..	..	0.02	..
Mexican Isthmus												
North America	0.07	0.04		0.01	0.04	0.01	0.00	0.01	0.01	0.01	0.11	-0.10
Europe	0.01	0.03		0.01	0.01	0.01	0.01	0.01	0.01	0.01	..	..
Pacific	0.02	0.01		..	0.01	..	0.01	..	..	..	0.04	..
Russian Urals												
North America	..	..		..	..	..	0.08	..	0.08	0.07	..	..
Europe	0.75	1.10		1.24	1.07	1.24	1.25	1.53	1.35	1.16	1.15	0.00
Pacific	..	0.01		0.02	0.02	0.01	..	0.03	..	..	..	..
Nigerian Light[4]												
North America	0.65	0.50		0.43	0.39	0.33	0.38	0.41	0.37	0.34	0.47	-0.13
Europe	0.38	0.38		0.33	0.49	0.33	0.22	0.39	0.39	0.33	0.51	-0.18
Pacific	0.01	0.02		0.02	0.03	0.05	0.03	0.03	..	0.16	..	..
Nigerian Medium												
North America	0.01	0.31		0.31	0.25	0.15	0.22	0.09	0.10	0.14	0.18	-0.03
Europe	0.06	0.10		0.09	0.19	0.11	0.03	..	0.06	0.10	0.19	-0.10
Pacific	0.00	0.00		..	0.01	0.02	..	0.03	..	..	0.03	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
OECD North America												
Venezuela	0.13	0.11		0.10	0.12	0.05	0.07	0.13	0.10	0.09	0.12	-0.02
Other Central & South America	0.09	0.10		0.12	0.10	0.09	0.10	0.11	0.13	0.11	0.10	0.01
ARA (Belgium Germany Netherlands)	0.05	0.07		0.07	0.06	0.09	0.13	0.07	0.11	0.08	0.05	0.03
Other Europe	0.14	0.18		0.21	0.17	0.20	0.24	0.22	0.16	0.22	0.22	0.00
FSU	0.04	0.04		0.03	0.02	0.06	0.08	0.06	-	0.03	0.01	0.01
Saudi Arabia	0.06	0.05		0.05	0.05	0.05	0.05	0.05	0.08	0.06	0.06	0.01
Algeria	-	0.00		0.00	0.00	0.01	0.01	-	-	-	-	-
Other Middle East & Africa	0.03	0.03		0.04	0.02	0.02	0.03	0.03	0.03	0.02	0.02	0.01
Singapore	0.01	0.01		0.01	0.02	0.02	0.00	-	-	0.00	0.02	-0.02
OECD Pacific	0.01	0.02		0.02	0.01	0.01	0.02	0.01	0.01	0.02	0.00	0.02
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.03	0.01	0.00	0.01	0.02	0.01	0.02	-	-
Other	-	0.00		0.00	-	-	-	-	-	-	-	-
Total[2]	**0.56**	**0.65**		**0.69**	**0.57**	**0.60**	**0.75**	**0.70**	**0.63**	**0.65**	**0.60**	**0.05**
of which Non-OECD	**0.37**	**0.39**		**0.42**	**0.34**	**0.32**	**0.40**	**0.46**	**0.38**	**0.39**	**0.34**	**0.05**
OECD Europe												
OECD North America	0.00	0.00		0.00	0.00	-	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.01
Non-OECD Europe	0.02	0.03		0.03	0.02	0.04	0.05	0.01	0.01	0.00	0.02	-0.02
FSU	0.02	0.02		0.03	0.01	0.01	0.03	0.02	0.01	0.02	0.00	0.02
Saudi Arabia	0.00	0.00		0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00
Algeria	0.01	0.00		0.00	0.00	0.00	0.02	0.01	0.01	0.01	0.01	0.00
Other Middle East & Africa	0.01	0.01		0.02	0.01	0.01	0.02	0.02	0.05	0.01	0.01	0.01
Singapore	-	-		-	-	-	-	-	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	-	-	-	-	-	-	-	-
Other	0.08	0.09		0.00	0.12	0.12	0.07	0.09	0.09	0.07	0.11	-0.04
Total[2]	**0.14**	**0.15**		**0.09**	**0.17**	**0.18**	**0.19**	**0.15**	**0.17**	**0.12**	**0.17**	**-0.04**
of which Non-OECD	**0.14**	**0.15**		**0.09**	**0.17**	**0.18**	**0.19**	**0.18**	**0.20**	**0.15**	**0.17**	**-0.01**
OECD Pacific												
OECD North America	0.00	0.00		-	-	0.01	0.00	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	-	0.00	-	-	-	-	-
Saudi Arabia	0.01	0.00		0.00	0.00	0.01	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.03	0.04	0.02	0.04	0.05	0.04	0.01
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	0.01	0.02	0.02	0.01	0.02	0.01	-	-
Other	-	-		-	-	-	0.00	-	-	-	-	-
Total[2]	**0.04**	**0.04**		**0.03**	**0.04**	**0.06**	**0.06**	**0.03**	**0.06**	**0.06**	**0.04**	**0.02**
of which Non-OECD	**0.04**	**0.03**		**0.03**	**0.04**	**0.05**	**0.06**	**0.03**	**0.06**	**0.06**	**0.04**	**0.02**
Total OECD Trade[2]	**0.74**	**0.83**		**0.81**	**0.77**	**0.85**	**1.01**	**0.89**	**0.86**	**0.84**	**0.81**	**0.03**
of which Non-OECD	**0.55**	**0.57**		**0.54**	**0.54**	**0.56**	**0.66**	**0.68**	**0.64**	**0.60**	**0.55**	**0.05**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
OECD North America												
Venezuela	0.06	0.06		0.04	0.05	0.04	0.04	0.02	0.02	0.03	0.07	-0.04
Other Central & South America	0.01	0.03		0.01	0.01	0.05	0.01	0.02	0.04	0.04	0.01	0.02
ARA (Belgium Germany Netherlands)	0.01	0.01		0.00	0.01	0.00	-	0.00	-	0.01	0.00	0.00
Other Europe	0.01	0.02		0.00	0.00	-	-	0.00	0.03	-	0.01	-
FSU	0.03	0.03		0.01	-	0.01	0.02	-	0.04	0.05	-	-
Saudi Arabia	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.01	0.01	0.00	-	-	-	-	-	-
Other Middle East & Africa	0.00	0.01		0.02	0.00	-	-	-	-	-	-	-
Singapore	0.00	0.00		0.00	0.00	0.00	-	-	-	-	0.00	-
OECD Pacific	0.00	0.01		0.01	-	0.00	0.00	-	0.00	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.01		0.00	0.01	0.00	-	-	0.00	-	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.19**		**0.11**	**0.10**	**0.10**	**0.07**	**0.04**	**0.14**	**0.14**	**0.09**	**0.04**
of which Non-OECD	**0.11**	**0.16**		**0.09**	**0.08**	**0.10**	**0.07**	**0.03**	**0.14**	**0.13**	**0.08**	**0.05**
OECD Europe												
OECD North America	0.02	0.02		0.03	0.03	0.05	0.03	0.01	0.01	0.02	0.02	-0.01
Venezuela	0.00	0.00		0.00	0.00	0.00	-	-	-	-	0.00	-
Other Central & South America	0.00	0.00		0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00
Non-OECD Europe	0.05	0.05		0.06	0.04	0.08	0.07	0.03	0.03	0.01	0.04	-0.03
FSU	0.29	0.36		0.39	0.38	0.44	0.46	0.42	0.44	0.47	0.42	0.05
Saudi Arabia	0.00	0.01		0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.00	0.00
Algeria	0.03	0.04		0.05	0.03	0.03	0.02	0.04	0.01	0.01	0.04	-0.02
Other Middle East & Africa	0.02	0.02		0.02	0.02	0.02	0.01	0.01	0.01	0.04	0.03	0.01
Singapore	0.00	0.00		0.00	0.00	0.03	0.00	-	0.07	0.02	0.00	0.02
OECD Pacific	0.00	0.00		-	-	-	-	0.02	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.00		-	0.01	0.01	0.00	-	0.01	0.00	0.01	0.00
Other	0.08	0.10		0.07	0.13	0.13	0.04	0.08	0.18	0.09	0.09	0.01
Total[2]	**0.50**	**0.60**		**0.62**	**0.66**	**0.81**	**0.64**	**0.60**	**0.77**	**0.68**	**0.65**	**0.03**
of which Non-OECD	**0.48**	**0.59**		**0.60**	**0.66**	**0.78**	**0.61**	**0.63**	**0.81**	**0.72**	**0.64**	**0.08**
OECD Pacific												
OECD North America	-	-		-	-	0.00	0.00	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		-	0.00	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	0.00	-	-	-	-	-	-
FSU	0.00	0.00		0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	0.01	-	-	-	-	-
Singapore	0.01	0.02		0.02	0.02	0.02	0.03	0.02	0.02	0.02	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.00	0.01		0.01	0.00	0.01	0.02	0.03	0.02	0.03	0.00	0.03
Other	0.00	0.00		-	0.00	0.00	0.00	-	-	-	-	-
Total[2]	**0.02**	**0.03**		**0.04**	**0.03**	**0.04**	**0.06**	**0.06**	**0.04**	**0.06**	**0.03**	**0.03**
of which Non-OECD	**0.02**	**0.03**		**0.04**	**0.03**	**0.04**	**0.06**	**0.06**	**0.04**	**0.06**	**0.03**	**0.03**
Total OECD Trade[2]	**0.66**	**0.82**		**0.77**	**0.79**	**0.95**	**0.77**	**0.70**	**0.96**	**0.88**	**0.78**	**0.10**
of which Non-OECD	**0.62**	**0.78**		**0.73**	**0.77**	**0.91**	**0.74**	**0.72**	**0.99**	**0.91**	**0.75**	**0.16**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
OECD North America												
Venezuela	0.03	0.03		0.02	0.03	0.03	0.02	0.02	0.02	0.02	0.05	-0.03
Other Central & South America	0.02	0.02		0.01	0.02	0.02	0.01	0.00	0.01	0.02	0.03	-0.01
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Europe	0.00	0.00		-	0.00	-	0.00	-	-	-	-	-
FSU	-	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.01	0.00		0.00	-	0.01	-	-	-	-	-	-
Algeria	0.00	0.00		-	-	-	-	-	0.01	-	-	-
Other Middle East & Africa	0.01	0.02		0.02	-	0.00	0.01	0.01	0.01	0.03	-	-
Singapore	0.01	0.01		0.00	0.00	0.00	-	-	0.00	-	0.00	-
OECD Pacific	0.06	0.05		0.06	0.02	0.02	0.04	0.03	0.08	0.05	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	0.01	0.01	0.01	-	0.00	-	-
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.14**		**0.12**	**0.07**	**0.09**	**0.09**	**0.08**	**0.13**	**0.12**	**0.08**	**0.04**
of which Non-OECD	**0.08**	**0.09**		**0.06**	**0.06**	**0.07**	**0.05**	**0.05**	**0.05**	**0.07**	**0.09**	**-0.02**
OECD Europe												
OECD North America	0.00	0.00		0.00	0.00	0.02	0.00	0.01	0.01	0.00	0.01	-0.01
Venezuela	0.01	0.01		0.01	0.01	0.02	0.02	0.02	0.02	0.00	0.03	-0.02
Other Central & South America	0.00	0.01		0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	-	-	-	0.00	-
FSU	0.02	0.02		0.02	0.02	0.02	0.03	0.02	0.02	0.01	0.01	0.00
Saudi Arabia	0.02	0.03		0.04	0.04	0.02	0.02	0.01	0.01	0.03	0.08	-0.05
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.01	-	0.01	-	-
Other Middle East & Africa	0.07	0.13		0.15	0.12	0.08	0.12	0.11	0.10	0.07	0.17	-0.09
Singapore	-	-		-	-	-	-	-	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	0.00	-	-	-	-	-	-
Other	0.04	0.04		0.04	0.04	0.03	0.02	0.04	0.02	0.03	0.04	-0.01
Total[2]	**0.17**	**0.24**		**0.28**	**0.26**	**0.21**	**0.23**	**0.23**	**0.18**	**0.16**	**0.34**	**-0.18**
of which Non-OECD	**0.17**	**0.25**		**0.29**	**0.26**	**0.19**	**0.22**	**0.22**	**0.17**	**0.16**	**0.33**	**-0.17**
OECD Pacific												
OECD North America	0.00	-		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.01	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		-	0.01	0.01	-	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.00	0.03	0.00	0.00	0.00	0.02	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.00	0.02	0.04	0.00	-	0.00	0.04	0.01	0.03
Other	0.03	0.04		0.02	0.05	0.07	0.03	0.04	0.04	0.07	0.06	0.01
Total[2]	**0.07**	**0.07**		**0.03**	**0.08**	**0.15**	**0.04**	**0.04**	**0.05**	**0.13**	**0.07**	**0.05**
of which Non-OECD	**0.07**	**0.07**		**0.03**	**0.08**	**0.15**	**0.04**	**0.04**	**0.05**	**0.13**	**0.07**	**0.05**
Total OECD Trade[2]	**0.38**	**0.45**		**0.43**	**0.41**	**0.45**	**0.35**	**0.35**	**0.36**	**0.41**	**0.49**	**-0.08**
of which Non-OECD	**0.32**	**0.41**		**0.38**	**0.39**	**0.41**	**0.31**	**0.31**	**0.28**	**0.36**	**0.49**	**-0.13**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2000	2001	2002	3Q01	4Q01	1Q02	2Q02	Sep 02	Oct 02	Nov 02	Year Earlier Nov 01	Year Earlier change
OECD North America												
Venezuela	0.08	0.07		0.07	0.04	0.03	0.04	0.02	0.01	-	0.03	-
Other Central & South America	0.08	0.11		0.13	0.09	0.08	0.09	0.10	0.11	0.14	0.10	0.04
ARA (Belgium Germany Netherlands)	0.02	0.04		0.03	0.02	0.01	0.01	-	0.02	-	-	-
Other Europe	0.06	0.05		0.02	0.04	0.00	0.02	0.04	0.00	0.02	0.04	-0.01
FSU	0.02	0.02		0.04	0.01	-	0.01	0.02	0.01	0.05	-	-
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	0.05	0.05		0.06	0.04	-	0.01	0.01	0.01	-	0.04	-
Other Middle East & Africa	0.02	0.02		0.02	0.02	0.00	0.02	0.04	-	0.02	0.03	-0.01
Singapore	0.00	0.00		0.00	0.00	0.00	0.01	0.01	0.01	-	-	-
OECD Pacific	0.00	0.00		0.00	-	-	-	-	0.00	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.00	0.00	0.00	-	-	-	0.00	-
Other	-	0.00		-	-	0.00	-	-	-	-	-	-
Total[2]	**0.35**	**0.37**		**0.37**	**0.27**	**0.14**	**0.21**	**0.25**	**0.17**	**0.24**	**0.24**	**-0.01**
of which Non-OECD	**0.29**	**0.31**		**0.36**	**0.23**	**0.14**	**0.19**	**0.23**	**0.17**	**0.22**	**0.23**	**-0.01**
OECD Europe												
OECD North America	0.01	0.02		0.01	0.04	0.05	0.01	0.01	0.01	0.03	0.01	0.02
Venezuela	0.01	0.01		0.00	0.00	0.01	-	-	-	0.00	0.00	0.00
Other Central & South America	0.02	0.01		0.01	0.01	0.05	0.00	0.01	0.00	0.00	0.00	0.00
Non-OECD Europe	0.01	0.01		0.02	0.02	0.01	0.02	0.00	0.02	0.00	0.01	-0.01
FSU	0.19	0.23		0.28	0.23	0.22	0.31	0.32	0.33	0.24	0.20	0.03
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.00		0.00	0.00	0.02	0.00	0.01	0.01	-	-	-
Other Middle East & Africa	0.07	0.06		0.06	0.07	0.07	0.07	0.05	0.07	0.06	0.07	-0.01
Singapore	-	0.00		-	0.00	0.00	0.00	-	-	-	-	-
OECD Pacific	-	-		-	-	-	0.00	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	0.01	0.00	0.01	0.02	0.02	-	-
Other	0.08	0.06		0.04	0.05	0.06	0.07	0.02	0.08	0.05	0.06	-0.01
Total[2]	**0.39**	**0.40**		**0.42**	**0.42**	**0.49**	**0.49**	**0.42**	**0.55**	**0.40**	**0.35**	**0.05**
of which Non-OECD	**0.38**	**0.38**		**0.41**	**0.38**	**0.45**	**0.48**	**0.41**	**0.55**	**0.39**	**0.34**	**0.04**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.00	-	0.00	0.00	-	0.01	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	0.00		-	0.01	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	0.01	-	-	-	-	-
Saudi Arabia	-	-		-	-	-	0.00	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-		-	-	-	-	-	-	0.00	-	-
Singapore	0.01	0.01		0.02	0.00	0.00	0.02	0.01	0.02	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.06	0.05		0.06	0.05	0.05	0.07	0.03	0.06	0.04	0.05	-0.01
Other	0.01	0.02		0.02	0.02	0.01	0.01	0.03	0.03	0.03	0.03	0.00
Total[2]	**0.09**	**0.08**		**0.09**	**0.08**	**0.07**	**0.12**	**0.07**	**0.11**	**0.09**	**0.09**	**0.01**
of which Non-OECD	**0.09**	**0.08**		**0.09**	**0.07**	**0.07**	**0.12**	**0.06**	**0.11**	**0.08**	**0.09**	**-0.01**
Total OECD Trade[2]	**0.83**	**0.85**		**0.89**	**0.77**	**0.70**	**0.83**	**0.73**	**0.83**	**0.73**	**0.68**	**0.05**
of which Non-OECD	**0.76**	**0.78**		**0.86**	**0.68**	**0.65**	**0.78**	**0.70**	**0.83**	**0.69**	**0.66**	**0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

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12 March 2003

HIGHLIGHTS

- World crude oil production surged by 1.96 mb/d in February. OPEC crude supply rose by 1.5 mb/d, Venezuela adding 850 kb/d and Saudi Arabia 330 kb/d. Non-OPEC supply increased by 340 kb/d. Reinstated production at Venezuela's Orinoco upgraders boosted OPEC NGL and non-conventional supply by 114 kb/d.

- Effective OPEC spare capacity fell to 1.7 mb/d in February, and could drop below 1 mb/d in early March. This is less than the potential loss of supply in the event of war in Iraq.

- Industry oil stocks in the OECD fell 44 mb in January to 2440 mb, 211 mb lower year on year. Forward demand cover fell to 50 days, off 5.5 days against 2002. The fourth quarter stockdraw was revised higher to 870 kb/d.

- Cash crude prices climbed further in February, with WTI averaging $35.73, Dated Brent $32.67 and Dubai $30.02. Product prices outpaced crude, boosting refining margins in all major refining centres.

- Oil demand for 2003 stands unchanged at 78.01 mb/d. Low European demand in January was offset by strong growth in Asia and North America, driven partly by fuel switching into oil in Japan and in the US. Chinese apparent demand growth is expected to slow after strong gains in January, especially if prices remain high.

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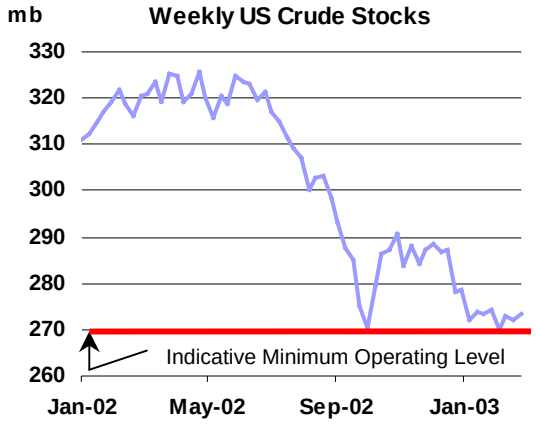
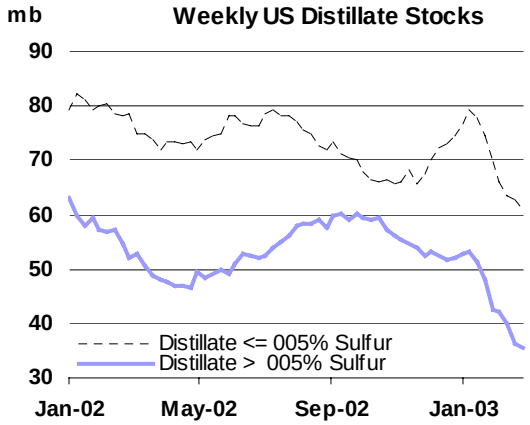
RUNNING ON EMPTY

The issues of high oil prices, stocks and spare capacity have assumed a greater urgency in advance of a potential military invasion of Iraq. Industry oil stocks are tight, and trending around minimum operating levels in key markets. Surplus production capacity is low due to capacity losses in Venezuela and an offsetting surge in OPEC supply. And current oil prices are high, fuelled by low stocks, weather-related demand and anxiety about military intervention in Iraq. A further supply disruption would tax a system operating at close to capacity.

Crude oil production rose by almost 2.0 mb/d in February of which OPEC contributed 1.5 mb/d. Producers ramped up production to re-supply a thirsty market due to the loss of Venezuelan exports. Producers believed that a substantial increase in crude supply would rein in oil prices. Despite their efforts, their actions have met with limited success.

The net effect of the surge in February supply is a significant reduction in surplus production capacity. In the current price environment, one would expect non-OPEC producers to have maximised production while Venezuelan spare capacity should be discounted until such time as it regains pre-December production levels. Consequently, excluding Iraq and Venezuela, this Report estimates that effective spare productive capacity today in March is 0.9 mb/d unless Iraq goes off the market.





While they are important, production and spare capacity figures alone do not indicate whether the market is balanced. It is not a simple matter of adding up a list of numbers and determining if there is sufficient production capacity. Some producers have pre-positioned stocks on water close to consuming markets, while others have land-based stocks that can supplement production. If available, these inventories could cushion a potential supply disruption. Recent mergers and acquisitions may have increased the ability of refiners to test the limits of indicative minimum operating stocks. And Venezuelan may yet surprise us with a sharper than expected increase in supply. But potential political turmoil in Nigeria can not be forgotten, however.

Furthermore, the end of the peak winter heating season is rapidly approaching. It entails a 1.6 mb/d reduction in quarter-on-quarter demand and a corresponding fall in the "call on OPEC". This reduction has the potential in itself to offset current Iraqi oil-for-food exports. But even a market in perfect balance can be destabilised by anxiety over a possible supply disruption and an irrational fear of shortages. Product demand can surge and exhaust available supply if consumers innocently enough choose to top up their tanks at the first sign of military action.

Producers are clearly concerned that if Venezuelan production gains more rapidly than expected, and that the timing of a military invasion of Iraq is delayed, the surge in February supply could contribute to an over-supplied market and a subsequent collapse in oil prices. In this context, timing is everything.

The market is heading into a period of heightened uncertainty with low oil stocks and limited spare production and shipping capacity. This reduces flexibility and limits the system's ability to respond rapidly to unknown and changing circumstances. At the same time, producers stand ready to maximise production and IEA stocks are available, if required, to balance the market.

DEMAND

Summary

- The forecast of global oil product demand for 2003 is unchanged from last month's Report, at 78.01 mb/d. Weaker-than-expected December deliveries in OECD Europe, along with revisions to FSU data, have marginally reduced the demand estimate for 2002, by less than 40 kb/d, to 76.85 mb/d. Reflecting that adjustment, the demand growth assessment for 2002 has been trimmed by 40 kb/d, to 360 kb/d, and raised by an equivalent amount for 2003, to 1.16 mb/d.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	-
4Q01	77.1	-0.6	-0.4	0.1
1Q02	76.6	-0.9	-0.7	-
2Q02	75.4	-0.1	-0.1	-0.1
3Q02	76.7	0.8	0.6	-
4Q02	78.6	2.0	1.6	-0.1
1Q03	78.2	2.1	1.6	-
2Q03	76.6	1.6	1.2	-
3Q03	77.9	1.5	1.2	-
4Q03	79.3	0.9	0.7	-0.1
2001	76.5	0.4	0.3	-
2002	76.8	0.5	0.4	-0.1
2003	78.0	1.5	1.2	-

* year-on-year change

- The forecast of 2003 demand for both the OECD and the non-OECD region is flat from last month. Asia and North America continue to lead the recovery in OECD oil demand. Based on preliminary data, demand in North America and the OECD Asia-Pacific region expanded by a combined 1.36 mb/d year-on-year in January, extending December's 1.66 mb/d advance. By contrast, oil deliveries in the four largest European economies contracted by an estimated 430 kb/d in January, following a 350 kb/d drop in December.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.94	-0.18	0.09	0.49	-0.8	0.4	2.1
Europe	15.80	0.20	-0.19	0.03	1.3	-1.2	0.2
OECD Pacific	8.53	-0.08	-0.02	0.16	-0.9	-0.3	1.9
China	5.16	0.09	0.28	0.15	1.8	5.8	2.9
Other Asia	7.47	0.05	0.10	0.15	0.7	1.3	2.1
Subtotal Asia	21.16	0.06	0.36	0.46	0.3	1.7	2.2
FSU	3.75	0.06	0.06	0.05	1.8	1.7	1.3
Middle East	4.96	0.14	0.12	0.12	3.0	2.5	2.5
Africa	2.51	0.03	0.03	0.04	1.4	1.3	1.5
Latin America	4.73	-0.02	-0.11	-0.04	-0.5	-2.3	-0.8
World	76.85	0.29	0.36	1.16	0.4	0.5	1.5

- Cold winter temperatures and fuel switching into oil for space heating, industrial use and power generation continued to drive oil demand growth in OECD Asia and North America in January. In the largest European economies, however, colder-than-normal weather failed to prevent a contraction in heating oil and residual fuel oil demand, fuelled by high oil prices and the greater availability of natural gas-fired and hydraulic power-generation capacity. That demand loss was

further compounded by weakening deliveries of transportation fuels, as a rebound in jet fuel demand failed to offset drops in the road transport sector, led by continued decline in gasoline demand.

- Chinese apparent demand soared by more than 14% year-on-year in January, as robust net imports compounded the effect of strong refinery runs. That advance is expected to be offset by more subdued growth later in the first and second quarters, leaving the forecast of demand growth for China, and for the whole non-OECD region, roughly unchanged. Should the current environment of high international oil-product prices persist, however, future growth forecasts could be trimmed. Anecdotal evidence shows that recent product price rallies are already testing demand elasticity across the non-OECD, including China, Southeast Asia and Latin America.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.09	0.49
Latin America	0.05	0.02	0.00	-0.02	-0.11	-0.04
FSU	-0.06	-0.13	0.03	0.06	0.06	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.19	0.03
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.02	0.16
China	-0.02	0.30	0.30	0.09	0.28	0.15
Other Asia	0.04	0.41	0.10	0.05	0.10	0.15
Subtotal, Asia	-0.51	0.99	0.34	0.06	0.36	0.46
Middle East	0.15	0.12	0.22	0.14	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.04
World	0.35	1.59	0.78	0.29	0.36	1.16

- The recovery in OECD jet-fuel demand slowed from year-on-year growth of 425 kb/d in December to an estimated 50 kb/d gain in January, as surprisingly weak North American deliveries offset robust European demand. In both regions, however, the recent patterns will not likely be sustained. Record-low US demand in January and part of February primarily reflected snow-induced airport closures and flight delays; by late February, demand was picking up again. Meanwhile, a January run-up in European demand reflected precautionary end-user stock building in the face of potential supply disruptions in case of war in Iraq. Europe is heavily dependent on the Middle East for its jet fuel supplies and war would put those imports at risk. Middle East jet exports were reported lower in February amid heightened regional military demand, and several European airlines have devised contingency plans calling for sharply reduced flight schedules in case of war.

OECD

Early Indications of Current Demand

Unadjusted preliminary data for eight of the largest OECD economies show that aggregate inland deliveries of oil products rose by an aggregate 2.1% in January from last year, or 2.3% after adjustment for definitional differences with OMR statistics (see table below). The gains, which extend the upward trend of the fourth quarter of 2002, bring estimated January demand in the OECD to a near record of 48.99 mb/d. That is the second highest OECD demand achieved for that month after the 49.02 mb/d reached in January 2001, when a cold snap had caused an unusual spike in North American demand.

The January increase in OECD deliveries displays even steeper regional contrasts than in the previous three months. Unadjusted inland deliveries in Japan and Korea soared by 6.4% overall, followed by those in North America, which posted a 3.3% gain. In contrast, the demand contraction in Europe accelerated, with aggregate deliveries in three of the largest regional economies – Germany, France and Italy – falling by 7.2%.

The recent pattern of North American demand resembles that of the winter of 2000-2001, when cold weather in the US Northeast compounded the effect of tight US product inventories to cause price spikes and regional product imbalances. Winter weather this year has been colder than normal in North America, as it has been in Asia and Europe, and much colder than last year's exceptionally mild winter. In addition, increased demand for natural gas, compounding the effect of sluggish gas production, has caused gas inventories to deplete rapidly and prices to soar to record highs in recent weeks, triggering fuel switching from gas to oil by electric utilities and industrial users.

The joint result of record high natural gas prices and strong weather-driven heating demand has been an unprecedented surge in US distillate demand, compounded by a more moderate, though substantial, increase in residual fuel oil demand. To suggest that US oil markets have recovered from the last year's demand collapse triggered by unusually warm winter weather, the economic slowdown and the terrorist attacks of September 2001 would be an understatement. In January, total estimated US demand was still 30 kb/d short of 2001, but 720 kb/d higher than last year. In February, preliminary weekly data show that US oil deliveries surged 220 kb/d above 2001 and 520 kb/d ahead of last year, to an all-time high for the month of 19.9 mb/d. Most of the rise was driven by heating oil demand, which surged to a new February record of 1.66 mb/d, the second strongest reading for any month after the 1.67 mb/d high of December 2000.

Nor does the list of records stop at heating oil. US diesel demand also reached an all-time February high, at 2.74 mb/d, after rising 11% year-on-year in January to the second-highest reading for that month. Unlike the spike in US heating oil demand, that in diesel demand appears contra-intuitive, as the US economy remained sluggish and February driving conditions were exceptionally poor. It is possible that the rise in natural gas prices, along with strong heating demand, spurred some utilities and industrial users to turn to diesel as boiler fuel. Residual fuel oil deliveries also posted strong gains, surging 47% in February to 942 kb/d, 25 kb/d shy of February 1999, but 300 kb/d above last year.

Even as it spurred demand growth for heating and boiler fuels, inclement weather may have partly undermined US transportation fuel demand. US motor gasoline deliveries remained exceptionally strong in January, at 8.56 mb/d, another record high for that month, but eased to 8.4 mb/d in February from last year's 8.6-mb/d record, perhaps due to poor driving conditions. And snow storms shuttered airports and delayed flights in January and February, slowing the recovery in jet fuel and kerosene demand from 9.3% and 10.2% growth in November and December to an unadjusted 0.3% advance in January. After adjustments for revisions to 2002 data, January jet fuel deliveries show a drop of 3.7%, and of 3.6% for February. The fall is expected to reverse in March in line with warmer weather, though the potential outbreak of war in Iraq could further slow the recovery in air travel demand.

Preliminary Inland Deliveries – January 2003[1]

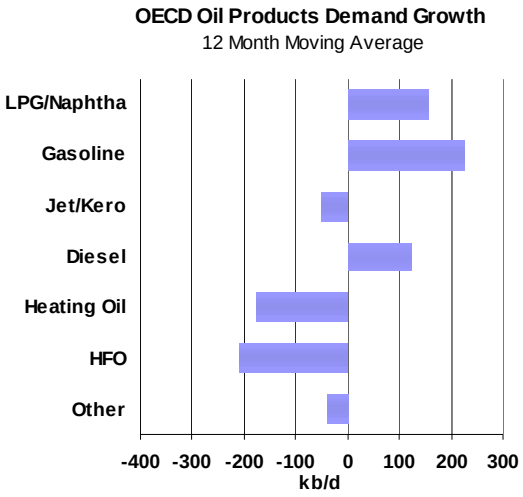
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.56	4.1	1.59	0.3	2.76	11.2	1.48	51.1	0.75	18.5	4.93	-1.0	20.06	3.7
Canada	0.66	4.1	0.12	6.0	0.38	4.2	0.17	21.7	0.13	15.3	0.21	0.0	1.66	6.1
Mexico	0.58	4.9	0.09	13.4	0.28	5.2	0.00	na	0.04	13.2	0.62	-18.3	1.62	-4.8
Japan	0.94	1.0	1.05	4.1	0.60	-2.3	0.62	4.2	0.63	38.5	1.81	8.4	5.64	7.7
Korea	0.17	8.3	0.06	-3.2	0.41	14.5	0.36	16.0	0.38	-3.6	1.06	1.1	2.44	4.8
France	0.26	-6.6	0.12	6.4	0.57	3.2	0.50	0.5	0.07	-45.4	0.45	-9.6	1.97	-4.5
Germany	0.50	-7.6	0.13	-1.4	0.47	-4.1	0.55	-12.0	0.12	-7.6	0.43	-8.3	2.21	-7.9
Italy	0.33	-5.4	0.07	19.0	0.42	-1.7	0.12	-15.8	0.23	-34.7	0.45	-1.5	1.63	-9.3
Total	**11.99**	**2.9**	**3.24**	**2.5**	**5.89**	**6.0**	**3.81**	**15.5**	**2.34**	**5.0**	**9.95**	**-5.3**	**37.22**	**2.1**

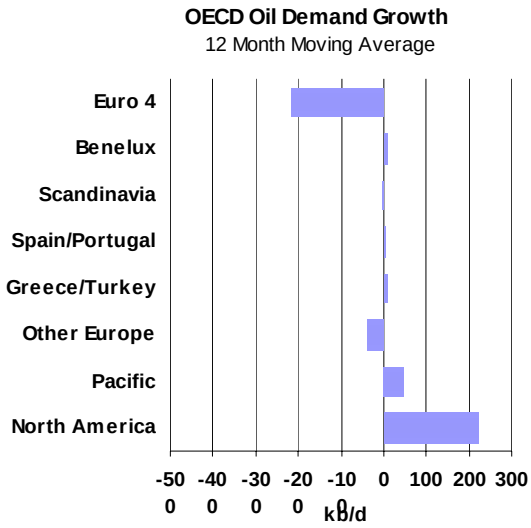
Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry,
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

As in North America, January oil delivery gains in the two largest OECD Asian economies spanned most products, but were primarily driven by fuel switching, and by heating and power generation demand. Gains of 19% in residual fuel oil deliveries and 61.1% for "other products" led the aggregate advance in total demand. The twin surge primarily reflected incremental demand from Japanese utilities seeking to make up the loss of nuclear power generation. Systemic irregularities discovered in nuclear plant safety-inspection records in September have caused most of Japan's boiling water reactors to shut down. However, the rise in "other products" deliveries also reflected strong naphtha demand from the Japanese and Korean petrochemical industry. Aggregate naphtha deliveries for January in the two economies reached a record high for the month of 1.59 mb/d. That was the eighth consecutive monthly record for naphtha deliveries in the two countries. Aggregate gasoline, diesel, and jet fuel/kerosene deliveries also grew.

In sharp contrast with OECD Asia and North America, European deliveries fell across the barrel, with the exception of jet fuel and kerosene, for which demand expanded year-on-year by 5.5% overall. That gain, which would have been even steeper if not for a 1.4% decline in Germany, continues the rapid rise of the previous months, but is expected to slow soon. For the four largest European economies, jet fuel demand

exceeded year-earlier levels in October and November, and in December soared 100 kb/d on the year, or 16.3%, to an all-time high for that month. Estimated January deliveries for those economies were only slightly less robust, up 60 kb/d on the year-to a near record for the month of 664 kb/d, second only to the 706 kb/d high reached in 2001. Such a rebound reflects more than the underlying recovery in European air-travel demand from the slump of the 2001-02 global economic slowdown and the terrorist attacks of September 2001. Partial air transport data confirms that December jet fuel demand run ahead of aircraft movements and passenger traffic. Concerned about the risk of supply disruption, European airlines, which depend heavily on Middle East jet fuel imports, increased their purchases ahead of the potential outbreak of war in Iraq. The resulting build-up in precautionary stocks should help airlines cope with a reduction in February Middle East jet fuel exports, notably from Kuwait, due to heightened regional military demand. Should war erupt, several airlines plan to implement steep reductions in flight schedules of up to 25%, further reducing jet fuel demand. Secondary stocks offer little cushion, as the steep backwardation of fuel prices has led traders to deplete their own inventories, even as end-users built theirs up.





Demand for all other products fell steeply in January across Europe's leading economies. Deliveries of residual fuel oil contracted by an aggregate 190 kb/d, or 31%, in Italy, Germany and France despite winter temperatures that were both cooler than normal and sharply colder than last year. Heating oil demand inched up marginally in France, but fell steeply in Germany and Italy, contracting on aggregate by nearly 100 kb/d. That contra-intuitive twin drop extends a trend that recently swept through much of Europe, with the notable exception of Scandinavia. OECD European demand for residual fuel contracted by 260 kb/d and 230 kb/d, respectively, in November and December, and by 210 kb/d and 320 kb/d for heating oil. Although European heating demand rose on the year, the increase was not met by oil. Southwest Europe hydropower output rebounded from last year's depressed levels, as plentiful rainfall succeeded last winter's drought conditions. Hydropower output jumped more than 56% year on year in Italy in January and by 125.7% in Spain in December. French hydropower reservoirs were 81.3% full at end December 2002, up from 46.6% a year earlier. New natural gas-fired power generation capacity has also been installed. In Spain alone, 1,600 MW of new gas-fired generation were put in place from June to December 2002, and a further 800 MW last month, precipitating steep drops in oil demand. While part of that demand loss is likely permanent, it is further exacerbated by the recent oil product rally, including sharply higher prices for residual fuel oil, whose output has suffered from heavy sour crude production losses out of Venezuela. Given the lag structure of Europe's oil-indexed gas prices, the fuel rally encourages European utilities to maximise utilisation rates of their expanded gas-fired generation capacity. Lower fuel prices could partly reverse that trend.

Transportation fuel demand also fell in Europe's leading economies, as the rebound in jet fuel deliveries failed to offset lower demand from the road sector. Gasoline deliveries contracted by an aggregate 6.7% in Germany, Italy and France in January, extending a long-term trend. However, in contrast with recent years, the loss of gasoline consumption has not been compensated by a larger increase in diesel demand. Deliveries of diesel edged 0.6% lower, as a gain in France was more than offset by drops in Germany and Italy. For the four largest European economies, combined diesel and gasoline deliveries fell by an estimated 100 kb/d in January, extending drops of 100 kb/d, 25 kb/d and 10 kb/d in the fourth, third and second quarters of 2002. While price effects may have helped curtail demand in recent months, efficiency gains associated with the growing diesel penetration of the European car market might also be a factor.

Finally, combined deliveries of "other products" for France, Germany and Italy in January contracted by 94 kb/d or 6.6%, led by a 9.6% drop in France. The decline partly reflected a switch in petrochemical demand from oil-based to cheaper gas-based feedstock.

Concerns about the pace and scope of the US and global economic recovery were recently rekindled, as a string of downbeat US economic indicators, including employment and manufacturing data, succeeded the more encouraging statistics that had surfaced earlier. Further worries are fuelled by consideration of the potential economic impact of a war in Iraq. Most forecasts of US and global economic growth have been, or are in the process of being, adjusted downwards. It is expected that similar adjustments will be brought to this Report's underlying assumptions of economic growth. However, a large part of this year's demand growth forecast reflects factors that are not directly tied to the economy, such as the weather and fuel-switching into or away from oil. Therefore, changes in the assumption of US and OECD economic growth are not expected to substantially affect the forecast of oil demand growth, as long as those changes remain relatively moderate.

Moving Annual Average Change in Oil Demand* – January 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	5.0%	22.0%	3.0%	-3.5%	0.2%	-2.0%	-14.2%	-3.0%	0.8%	160
Canada	5.8%	8.3%	2.5%	4.3%	-0.4%	4.1%	-4.4%	7.4%	3.3%	64
Mexico	-2.8%	74.0%	2.7%	-1.5%	-2.8%	-2.8%	-12.5%	63.9%	-0.5%	-11
Japan	-3.8%	4.0%	1.1%	0.8%	-2.6%	-1.6%	-1.3%	-5.2%	-0.6%	-30
Korea	6.5%	5.1%	4.5%	3.5%	10.0%	2.3%	-5.0%	73.7%	2.7%	56
France	-6.3%	-14.0%	-3.7%	0.0%	3.8%	-7.8%	-8.7%	-7.2%	-3.8%	-77
Germany	-10.1%	-1.7%	-3.4%	-0.5%	-0.3%	-8.9%	-1.2%	1.1%	-3.7%	-104
Italy	-4.7%	-8.2%	-4.3%	-8.8%	1.7%	-1.1%	4.0%	-2.4%	-0.9%	-16
UK**	9.1%	-17.5%	-5.1%	-0.9%	2.9%	2.9%	-5.3%	7.7%	-1.2%	-20
Total	**2.1%**	**3.7%**	**1.8%**	**-1.5%**	**0.8%**	**-3.5%**	**-6.3%**	**-1.1%**	**0.1%**	**22**
kb/d	85	90	236	-53	44	-126	-212	-42	22	

* defined as the percentage change between the demand average for the 12 months up to January and that of the same period a year earlier
* *near-month data are estimated

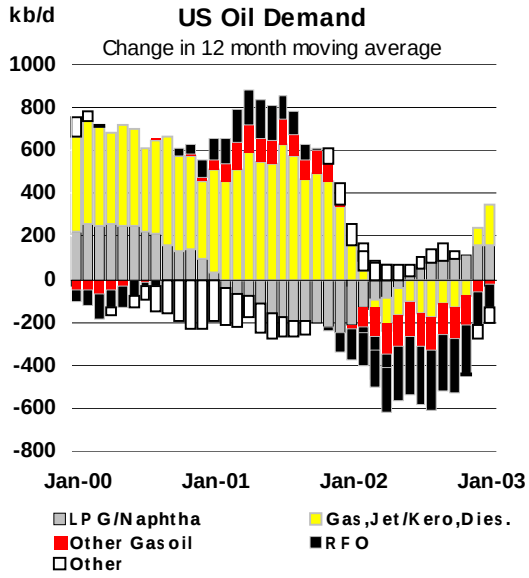
For the first time since the terrorist attacks of September 2001, the moving annual average changes in oil demand for the nine largest OECD economies showed growth in January. The January overall change for those leading economies swung to +0.1%, reversing steadily narrowing declines of –1.8% in August, -1.4% in September, -1.3% in October, -1.1% in November and –0.4% in December (see table above). The trend closely mirrored that of the moving average change in oil demand for the OECD as a whole.

Reflecting the impact of January delivery data, the steepest improvement displayed by the moving average changes in demand since last month was for the very products which had in recent months shown the deepest contraction. Although still negative, the moving averages for those products, including jet fuel/kerosene, heavy fuel oil and "other gasoil" (predominantly heating oil), all posted gains of more than one percentage point, as they had in the previous month. Light products, including naphtha, gasoline and diesel, for which moving averages recently had shown expanding demand, all show a pick-up in the pace of demand growth. LPG and "other products" buck the trend, with LPG showing slower growth and "other products" faster contraction than in the previous month.

The latest delivery data continued to draw a wedge between the demand trends in the leading European economies and in the rest of the OECD. The moving average changes in oil demand for the North American economies all improved in January, as did those for Japan and Korea. The aggregate North American moving average posted its ninth consecutive monthly increase, and the second positive figure in a row after 12 months in the red. The aggregate figure for OECD Asia improved for the seventh consecutive month, flipping into growth for the first time since February 2001. By contrast, all four leading European economies showed negative moving demand changes in oil demand, and in three of them the decline accelerated in January. For OECD Europe as a whole, the aggregate moving average change in demand, not shown in the above table, declined in January for the 11th consecutive month. The moving average has shown contraction in European demand for six straight months.

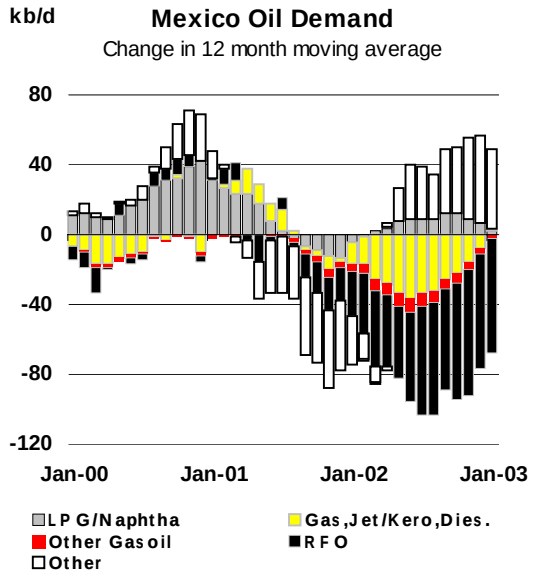
North America

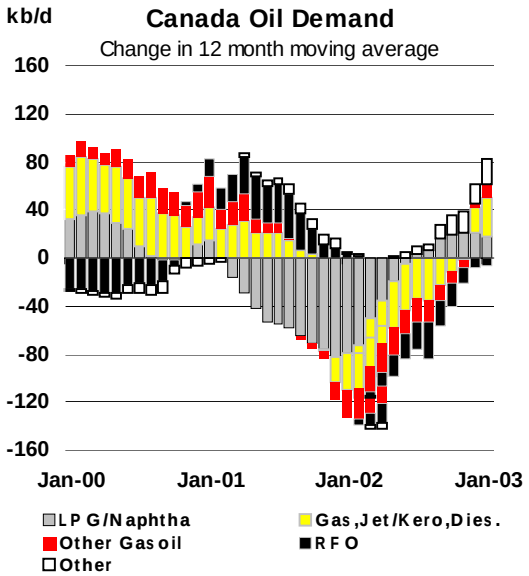
The surge in heating oil and residual fuel oil demand spurred by cold weather and record-high natural gas prices should subside with the end of winter. But it is unlikely to go away altogether, and demand is now expected to keep growing, albeit more slowly, through the end of the year. While natural gas prices have already fallen back somewhat from their recent peaks over $9/MBtu, they remain strong enough to justify fuel switching into oil, even at record-high distillate prices. And despite a seasonal drop in demand, sluggish natural gas output is unlikely to quickly rebuild depleted gas storage levels during the injection season, thus lending gas prices continued support.



As of 28 February, weekly US estimates put working gas in underground storage at 838 Bcf, less than half last year's level of 1,818 Bcf, and 42% below the five-year average of 1,440 Bcf. The tightness was particularly acute in the Eastern region, where storage levels fell 49% from the five-year average, to 403 Bcf, and in the producing region, down 47% to 237 Bcf. In both of those regions, year-ago storage levels had stood well above the five-year average.

While the recent run-up in gas prices and drop in storage levels reflect in part a one-off spike in consumption spurred by colder-than-normal winter temperatures, the underlying mismatch of gas supply and demand also points to lasting, structural market imbalances. The latter had been partly obscured in recent years by a string of unusually warm winters. US natural gas demand has been growing steadily for several years, reflecting a surge of roughly 30% in natural gas-fired power generation capacity since 1996, and increased reliance on gas for space heating. At the same time, natural gas production has been lower than expected, with a lack of large prospects to offset the depletion of mature fields and growing reluctance from upstream companies to commit large resources to domestic gas drilling.

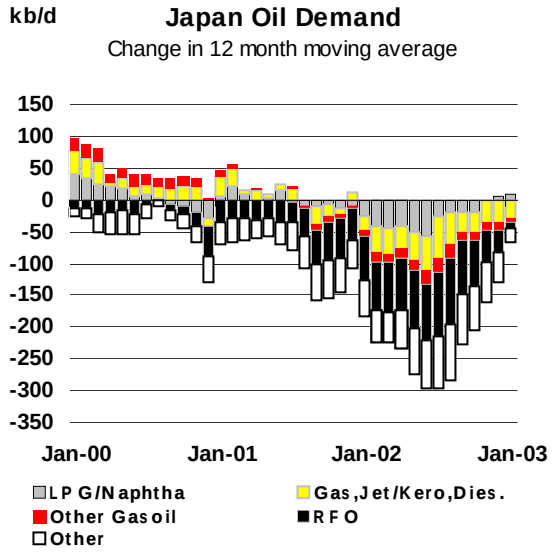


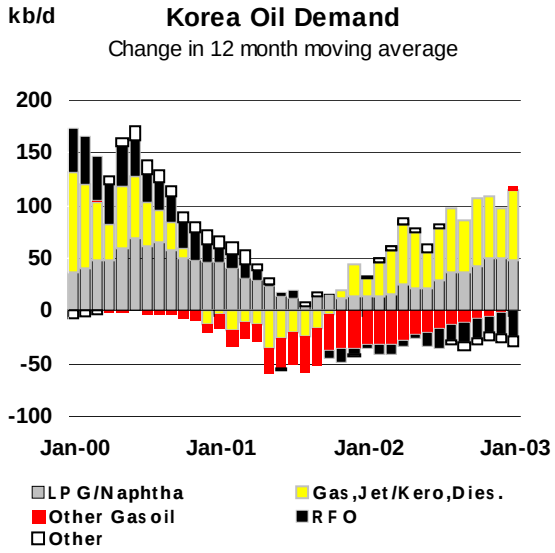


The passing of winter also might bring only temporary relief to seasonal demand. While an expected *El Niño* weather system has failed to bring milder-than-normal winter temperatures to the US Northeast and Mid-continent (quite the opposite happened), a scarcity of rain in the US Northwest, another *El Niño* effect, did occur. This has raised the prospect of low hydropower generation in the summer cooling season, and of heightened summer distillate demand for air conditioning and refrigeration.

Pacific

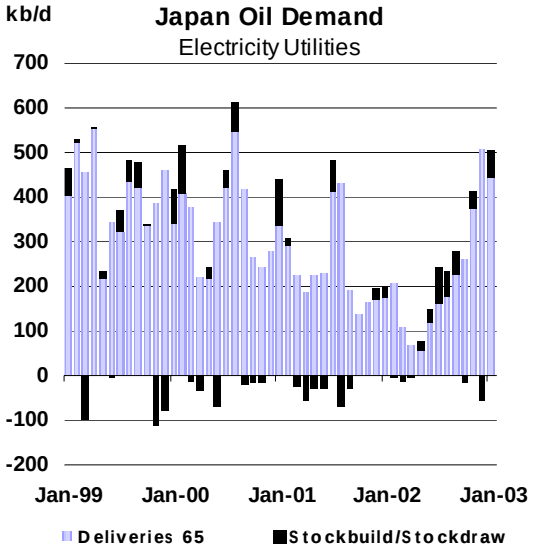
As of early March, 14 TEPCO nuclear power plants were idled. In addition, three of Chubu Electric Power Co.'s four units, two Tohoku Electric plants and one Japan Nuclear Power Generating Co. unit





were off-line. While all Japanese nuclear plants are regularly idled for routine inspections, the current shutdown exceeds the scope of normal inspection schedules. The expanded schedule stems from a controversy that erupted in September around the utilities' alleged failure to report certain cracks that have reportedly occurred on part of their boiling-water reactor units.

More units are expected to be shut in April. However, an agreement to restart the plants has yet to be announced. In the absence of at least some nuclear plant restarts, it is expected that alternate power generation capacity may not be sufficient to meet peak electricity demand in the summer months. Rising demand in the spring would also boost incremental feedstock demand from oil and LNG-fired power plants. In January, Japanese residual fuel oil demand rose by 170 kb/d above last year, after growing by 160 kb/d in December and 120 kb/d in November. "Other products" demand grew by 130 kb/d in January, versus gains of 210 kb/d in December and 60 kb/d in November. The rise primarily reflected higher direct crude-burn by power plants.



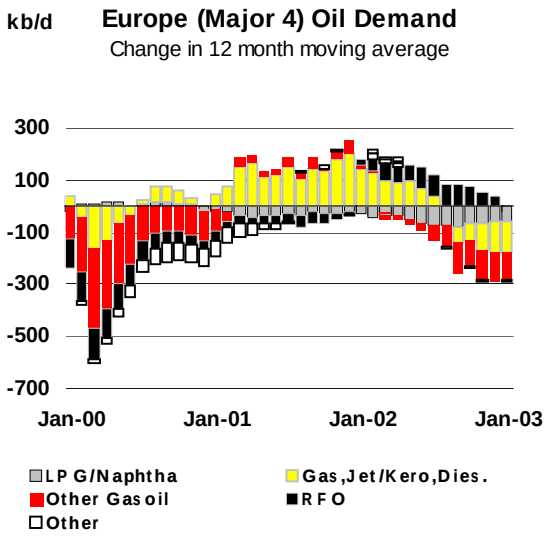
In the absence of any major change in the schedule of Japanese nuclear plant shutdowns, the estimate of lost nuclear power generation capacity that must be replaced by thermal power generation has not changed. However, apart from the restart of idled nuclear units, several factors could affect the pattern of power generation demand in coming weeks. First, final power-generation demand is a function of the weather and underlying economic conditions. Second, utilities' success in securing LNG supplies for their gas-fired plants, an economically preferable option to oil-fired units, will naturally affect their oil requirements. So far, utility efforts to source LNG have been relatively unsuccessful, boosting oil deliveries above earlier expectations. Finally, incremental oil deliveries for power generation do not strictly reflect actual burn by power plants, making it more difficult to extrapolate recent delivery data. In December, crude and residual fuel oil deliveries to electric utilities appear to have run ahead of actual consumption, allowing for a small build-up of inventories. However, the trend appears to have reversed in January, leading to draws in utility oil stocks, and possibly stronger demand later on.

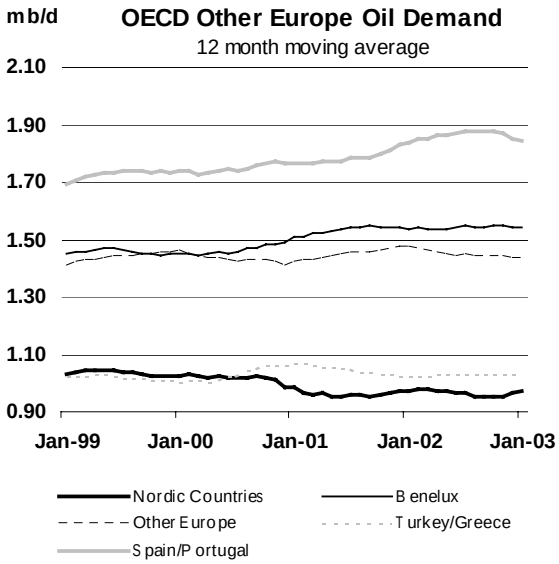
For the purpose of this Report, it is assumed that Japan's idled boiling-water reactor units will not restart before July, and that the country's demand for alternate power generation capacity will rise rapidly from April to July, in line with seasonal power demand. However, it is also assumed that Japanese utilities will have more success in sourcing LNG than immediately after the controversy about nuclear safety erupted in September, partly offsetting the seasonal rise in electricity demand. Incremental "other products" and residual fuel oil demand is expected to grow by 210 kb/d in February, 280 kb/d in March, and an average 250 kb/d in the second quarter.

Europe

In light of recent delivery data and other statistics, the forecast of European demand is reduced by 220 kb/d for the first quarter, 60 kb/d for the second, and 40 kb/d and 90 kb/d for the third and fourth quarters. This cuts the yearly average by 100 kb/d from earlier expectations, to show nearly flat growth of 10 kb/d for 2003 as a whole. All of the growth is expected from the comparatively less developed European economies, as demand in the four largest European markets is now expected to contract by 50 kb/d.

Several structural factors hamper European oil demand growth. In Western Europe, natural gas conversion continues to erode oil demand for space heating and power generation. Recent French statistics show steadily growing natural gas demand at the expense of oil from the residential, industrial and power generation sectors. In Spain, rapid growth in natural gas-fired power generation capacity cuts into oil use. The same trend continues to apply in Italy. The switch away from oil is exacerbated when oil prices run ahead of natural gas, as is currently the case. Swings in hydropower generation and reservoir filling levels also affect distillates and residual fuel oil demand. Higher hydropower generation recently has been compounding the effect of high oil prices to undermine West European oil demand.





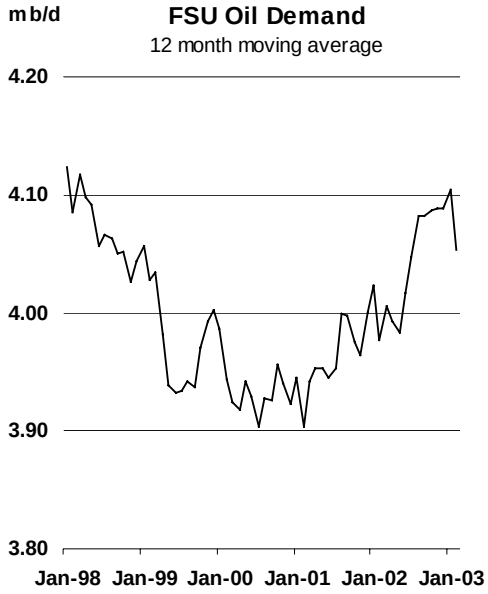
In addition, the rapid switch of the vehicle fleet from gasoline to more fuel-efficient diesel engines undermines transportation-fuel demand growth. In France, diesel cars accounted for 63.2% of new private-vehicle registrations in 2002, up from 56.2% in 2001 and 49% in 2000. In Spain, diesel cars made up 52% of new car registrations in 2001 and 53.5% in 2000. Diesel cars' share of the passenger fleet rose from 13.1% in 1994 to nearly 30% in 2001. In the UK, new tax incentives strongly favour the conversion of company car fleets to diesel. Company cars are estimated to make up roughly half of the national fleet.

With sluggish oil demand growth at best in Western Europe, much of the region's demand growth is expected to come from Central and Eastern Europe, especially for transportation fuels. This year, substantial growth is also coming from Scandinavia, where record-low water reserves have cut into hydropower output and boosted heating oil and residual fuel oil demand. Aggregate Scandinavian deliveries surged by 140 kb/d in December year-on-year, including 40 kb/d each for heating oil, residual fuel oil and LPG.

Non-OECD

Former Soviet Union

Concerns that logistical bottlenecks might hamper FSU exports were alleviated in February as FSU shipments continued to rebound from December lows. With the recovery in exports came the prospect that domestic prices would continue reversing the recent drops caused by an especially large seasonal export backlog.



Preliminary estimates for February put total FSU exports at 5.76 mb/d, down 20 kb/d from January, but up 960 kb/d from December, when inclement weather in both the Black Sea and the Baltic Sea, compounded by shipping delays through the Bosporus Straight, had caused exports to drop by more than 1 mb/d on the month. Black Sea exports of 2.24 mb/d remained constrained in February, up 220 kb/d from December, but down 430 kb/d from January and down 650 kb/d from September highs. But the low volumes shipped through the Black Sea were offset by robust Baltic Sea and Druzhba pipeline exports. Black Sea shipments of 2.24 mb/d were second only to the 2.25 mb/d record posted in June, and were up by 290 kb/d from January and by 720 kb/d from December. Druzhba exports of 1.25 mb/d were 120 kb/d higher on January and at their highest level since the collapse of the Soviet Union.

While FSU exports recovered, so did FSU production. Crude output reached a new high of 9.85 mb/d in February, up from 9.82 mb/d in January, after edging lower to 9.76 mb/d in December. The slight contraction in apparent demand that emerged when export growth briefly overtook production growth in January was short-lived. In February, preliminary estimates suggest that production growth ran 320 kb/d ahead of export growth, allowing apparent demand to increase by 8.7%. However, such an increase would not be fully absorbed by end-user consumption growth, as seasonal fourth- and first-quarter stock builds in the FSU are typically run down as increased exports in the second quarter.

Prior OMR estimates of winter FSU demand have typically been adjusted downwards in a bid to account for seasonal stock builds and to anticipate future upward adjustments to trade. The adjustments are then offset by upward adjustments to second-quarter demand. Export data so far this year, and expectations of future logistical debottlenecks, suggest that the FSU will once again be able to run down its winter export backlog, and that this year's shipping pattern will be no exception to the norm.

China

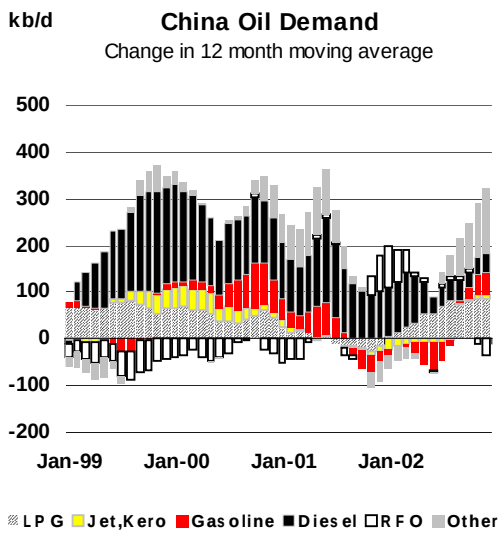
Preliminary data suggest that Chinese apparent oil demand edged 50 kb/d higher in January from December's high level, to 5.39 mb/d, a year-on-year jump of 670 kb/d, or 14.1%. The estimate is nearly 300 kb/d above expectations. December apparent demand was adjusted downwards by 30 kb/d, in light of additional detail on refinery output.

The strong January reading reflects both robust refinery runs and buoyant net product imports. Official gross imports neared 800 kb/d in January, the highest since June 1999. Residual fuel oil and LPG imports were particularly strong. Gross exports were relatively subdued at 270 kb/d, down roughly 120 kb/d from December, though they amounted to more than twice year-earlier levels. Official net imports of 530 kb/d were the highest in more than three and a half years. At the same time, refinery runs estimated at 4.1 mb/d for Sinopec and PetroChina plants were roughly 120 kb/d below the fourth-quarter average, but 580 kb/d above last January.

Despite January's strong performance, the forecast of Chinese demand growth for 2003 has not been substantially altered. Slower growth than anticipated in February, March and April is likely to offset the surprising strong reading of January. Although refinery inventories are not reported to have increased overall in the last two months, anecdotal evidence suggests that trader, dealer and end-user stocks built ahead of the Lunar New Year holiday. Record high prices for residual fuel oil, gasoline and diesel also appeared to bite into Chinese oil demand in February, paving the way to more subdued refining output and product imports. In Southwest China's Guangdong province, some pottery plants and factories that had shut down for the New

Year holiday reportedly delayed reopening on account of the high residual fuel oil prices. Others switched from oil to coal as boiler fuel. Local oil-fired power plants operated at reduced rates or shut down altogether. In South China, the Guangzhou Pearl River Power Plant took advantage of the high fuel costs to move up planned maintenance on a 100-MW oil unit. By one estimate, 1,000 MW of oil-fired power generation capacity were lost in February to record high fuel costs in Guangdong province, leading provincial authorities to mull granting utilities fuel subsidies.

High prices for gasoline and diesel are testing the price elasticity of demand for those products as well. Market reports suggest that high prices, and uncertainty about the direction of future prices, are dampening buyers' sentiment. In late February, expectations of an increase in the government-set price ceiling for gasoline and diesel failed to prompt traders into action, as some market participants were reportedly concerned that prices were already too high for end-users. Chinese traders normally buy ahead of government price increases to take advantage of higher margins. The price hike – quite steep, at $4.54 per barrel for gasoline and $5.01 for diesel – was issued as expected on 27 February. However, on 28 February, the State Development Planning Commission took the unusual step of withdrawing it, and informed the public that there would be no change in prices for March. The hike had been set to take effect on 1 March. No official reason was given, but the move fuelled market speculation that the government was concerned about the effect of sustained high prices on the economy and, in the words of one trade newsletter, "the stability of the whole society."



Expectations of reduced end-user demand and concerns over high crude prices apparently led several refineries to schedule or move up planned turnarounds in February and March. Those reportedly include China's largest refinery, Sinopec's 360 kb/d Zhenhai Refining and Chemical Co., which was expected to idle a 200-kb/d crude distillation unit in March. Runs at the Guangzhou Petrochemical unit were expected to fall from 130 kb/d in January to 110 kb/d in February and 70 kb/d in March due to a 35-day turnaround set to begin on 18 February. Other plants set for maintenance included the Jinjiang Petrochemical, Shanghai Petrochemical, Changling Petrochemical and Shandong Binzhou Petrochemical units. Maintenance work alone could go along way towards reducing apparent demand in February and March.

Bitumen apparent demand, which had been running at record highs on the back of ambitious highway building programmes, may drop in February and March, as maintenance cut output at the Shenzhen and Shandong Binzhou asphalt plants, while reduced Middle East shipments curtailed imports. Iran, a steady supplier of bitumen to China, reportedly halted shipments in December as high freight costs undermined trade economics.

Other Non-OECD

Revisions to Agência Nacional do Petróleo data have raised the assessment of Brazilian demand by 24 kb/d for the fourth quarter of 2001 and 9 kb/d for the full year. The estimate of third-quarter 2002 demand was raised by 16 kb/d. As a result of those adjustments, Brazilian demand now looks to have swung into marginal growth in September after four months of contraction. However, a demand spike in October 2002, when domestic product prices were temporarily decoupled from international prices ahead of the presidential election of 27 October, appears slightly milder than last month. A subsequent demand drop in November, when product prices were raised by 25% for gasoline and 12% for diesel, also appears milder in light of recent revisions to preliminary data. Unadjusted ANP estimates of November demand now show year-on-year contraction of 3.7%, versus 7.5% last month.

A similar temporary demand spike as occurred in Brazil last October may take place this month in Argentina, where local oil companies agreed with the government in late February to cap all product prices until 31 March.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.70	23.81	24.11	24.13	23.94	24.44	24.24	24.59	24.45	24.43
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.64	15.19	15.29	15.07	15.00	14.68	15.23	15.43	15.09
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.05	9.32	8.53	9.53	8.03	8.10	9.11	8.69
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.95	46.11	47.36	48.74	47.54	48.97	46.95	47.92	49.00	48.21
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.65	3.67	3.98	3.75	3.70	3.70	3.78	4.00	3.80
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.40	5.16	5.15	5.32	5.33	5.45	5.31
Other Asia	7.33	7.41	7.34	7.26	7.50	7.38	7.42	7.44	7.38	7.65	7.47	7.60	7.58	7.52	7.81	7.63
Latin America	4.86	4.73	4.90	4.90	4.81	4.84	4.67	4.76	4.82	4.66	4.73	4.55	4.69	4.82	4.70	4.69
Middle East	4.70	4.64	4.87	5.07	4.80	4.85	4.75	4.99	5.19	4.92	4.96	4.87	5.11	5.32	5.05	5.09
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.50	2.48	2.52	2.51	2.56	2.53	2.52	2.56	2.54
Total Non-OECD	28.46	28.49	29.07	28.61	29.07	28.81	28.66	29.31	29.36	29.86	29.30	29.22	29.67	29.97	30.31	29.80
World	76.20	77.31	75.52	76.08	77.05	76.49	76.62	75.42	76.72	78.61	76.85	78.19	76.62	77.89	79.31	78.01
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.45	19.63	19.84	19.81	19.68	20.07	19.96	20.21	20.08	20.08
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.25	8.24	8.13	7.98	8.37	8.31	8.20
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.89	5.32	6.07	4.98	5.06	5.65	5.44
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.36	2.18	2.42	2.01	2.02	2.38	2.21
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.94	1.93	1.99	1.97	1.99	1.97	1.98
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.05	1.99	2.02	1.99	2.07	2.06	2.04
Brazil	2.16	2.11	2.18	2.20	2.17	2.17	2.12	2.13	2.19	2.16	2.15	2.10	2.12	2.20	2.18	2.15
India	2.07	2.16	2.10	1.99	2.08	2.08	2.10	2.10	2.00	2.14	2.09	2.17	2.15	2.04	2.18	2.13
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-2.0	0.5	0.8	2.2	0.4	3.1	1.8	2.0	1.3	2.1
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	-1.9	-1.3	-1.1	0.2	0.3	0.9	0.1
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-3.9	0.1	6.1	-0.3	4.9	4.8	0.5	-2.3	1.9
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.8	-0.7	-0.2	1.6	-0.3	2.1	1.8	1.2	0.5	1.4
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	0.9	2.7	5.6	1.7	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	8.6	5.8	6.0	1.4	3.7	0.9	2.9
Other Asia	1.4	3.4	0.8	-0.2	-1.1	0.7	0.1	1.5	1.7	2.0	1.3	2.5	1.8	1.9	2.1	2.1
Latin America	0.1	1.4	0.2	-1.9	-1.5	-0.5	-1.4	-2.9	-1.6	-3.2	-2.3	-2.4	-1.5	-0.1	0.9	-0.8
Middle East	4.9	3.4	3.4	3.0	2.2	3.0	2.4	2.4	2.4	2.5	2.5	2.4	2.5	2.4	2.5	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.5	2.0	1.1	1.3	1.4	1.3	1.6	1.7	1.5
Total Non-OECD	2.5	1.9	3.5	-0.8	0.4	1.2	0.6	0.8	2.6	2.7	1.7	1.9	1.2	2.1	1.5	1.7
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	-0.1	0.8	2.0	0.5	2.1	1.6	1.5	0.9	1.5
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.48	0.11	0.18	0.52	0.09	0.74	0.44	0.48	0.32	0.49
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.14	-0.31	-0.29	-0.20	-0.16	0.03	0.04	0.14	0.01
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.01	0.54	-0.02	0.45	0.37	0.04	-0.21	0.16
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.86	-0.34	-0.12	0.76	-0.13	1.02	0.84	0.57	0.25	0.67
FSU	0.03	0.12	0.12	0.02	0.00	0.06	-0.09	0.03	0.10	0.21	0.06	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.43	0.28	0.29	0.07	0.19	0.05	0.15
Other Asia	0.10	0.24	0.06	-0.02	-0.09	0.05	0.00	0.11	0.12	0.15	0.10	0.18	0.14	0.14	0.16	0.15
Latin America	0.00	0.06	0.01	-0.09	-0.08	-0.02	-0.07	-0.14	-0.08	-0.16	-0.11	-0.11	-0.07	0.00	0.04	-0.04
Middle East	0.22	0.15	0.16	0.15	0.10	0.14	0.11	0.12	0.12	0.12	0.12	0.11	0.13	0.13	0.12	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.04	0.05	0.03	0.03	0.04	0.03	0.04	0.04	0.04
Total Non-OECD	0.71	0.54	0.99	-0.24	0.13	0.35	0.17	0.24	0.76	0.79	0.49	0.55	0.36	0.61	0.45	0.49
World	0.78	1.28	0.99	-0.64	-0.45	0.29	-0.70	-0.10	0.64	1.56	0.36	1.57	1.20	1.17	0.70	1.16
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	-	-	0.02	0.01	0.18	0.18	0.09	-0.02	0.11
Europe	-	-	-	-	-	-	-	-	-	-0.11	-0.03	-0.22	-0.06	-0.04	-0.09	-0.10
Pacific	-	-	-	-	-	-	-	-	-0.02	-	-	0.01	-	-0.02	0.01	-
Total OECD	-	-	-	-	-	-	-	-	-0.02	-0.08	-0.03	-0.04	0.12	0.04	-0.11	-
FSU	-	-	-	-	-	-	-	-0.06	-	-	-0.01	-	-0.06	-	-	-0.02
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-0.01	-	0.06	-0.02	-	-0.01	0.01
Other Asia	-	-	-	-	-	-	-	-	-	0.02	-	0.01	-0.02	-0.01	0.02	-
Latin America	-	-	-	-	0.03	0.01	-	-	0.02	-	-	0.01	0.01	0.02	0.00	0.01
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	0.02	0.01	-	-0.06	0.02	-	-0.01	0.08	-0.09	-	-	-
World	-	-	-	-	0.02	0.01	-	-0.06	-	-0.08	-0.04	0.04	0.03	0.04	-0.11	-

SUPPLY

Summary

- **World oil production** is estimated to have averaged 79.40 mb/d in February, 1.95 mb/d higher than in January. OPEC crude production was sharply higher, up by 1.5 mb/d, with non-OPEC oil supply rising by 341 kb/d and OPEC NGLs and non-conventional oil up by 114 kb/d.

- This pushed total world production 3.02 mb/d higher than a year ago, with OPEC crude accounting for 2.1 mb/d of the difference. Non-OPEC production is still running just over 1.0 mb/d higher than the corresponding 2002 level, but non-crude supplies from OPEC were 214 kb/d lower than in February 2002.

- Total **OPEC crude supply** averaged 27.16 mb/d in February compared to an unchanged 25.66 mb/d estimate for January. Venezuelan production recovery continued, accounting for 850 kb/d of OPEC's rise. Saudi Arabia and UAE also saw significant gains, though production increases were widespread across the Organisation.

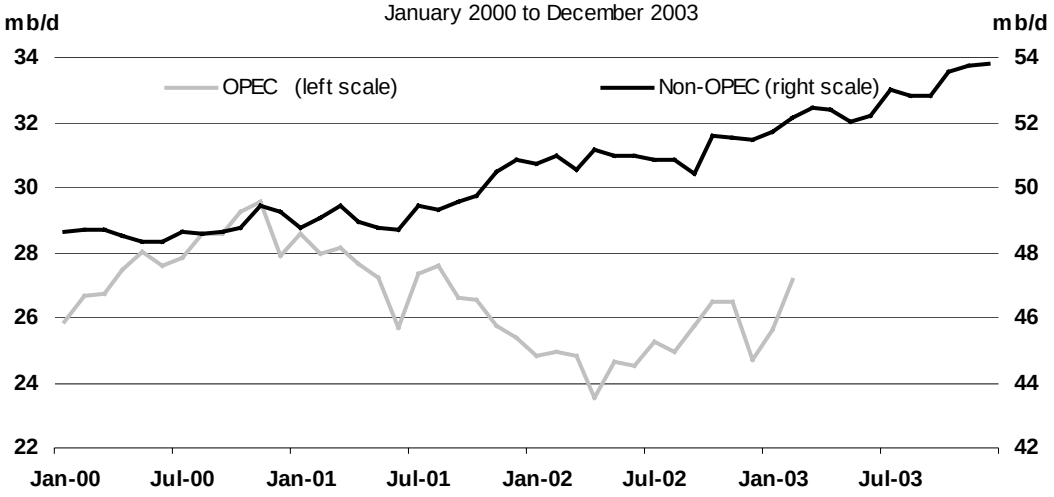
- **OPEC-10** output in February (excluding Iraq) was up by 1.5 mb/d and, as in January, was running some 180 kb/d ahead of target levels. OPEC's target for February was 24.5 mb/d, compared to 23 mb/d for January.

- The amount of spare capacity within **OPEC-9, excluding Venezuela,** fell to 1.72 mb/d for February, compared to 2.37 mb/d in January. Crucially, this spare capacity level is now believed to be running well below prevailing Iraqi export levels. Considerable uncertainty surrounds the timing of potential expansion in Saudi capacity, which could otherwise help ease this situation.

- February's 341 kb/d rise from **Non-OPEC** producers derived primarily from North America and the North Sea, with more modest increases coming from the non-OECD producers. January production outages at Norwegian fields are thought to have been reversed last month, while Mexico boosted supply in light of suppressed Venezuelan production. A further 314 kb/d rise in non-OPEC production is expected for March.

- The **"call on OPEC crude plus stock change"** for 2002 is assessed down slightly at 25.3 mb/d. Increased non-OPEC supply expected for 3Q03 and 4Q03, allied to lower 4Q03 demand, have reduced the call for 2003 by 200 kb/d compared to the last Report. In total, the call is expected to decline by 500 kb/d compared to 2002, now averaging 24.8 mb/d.

OPEC Crude and Non-OPEC Oil Supply [1]



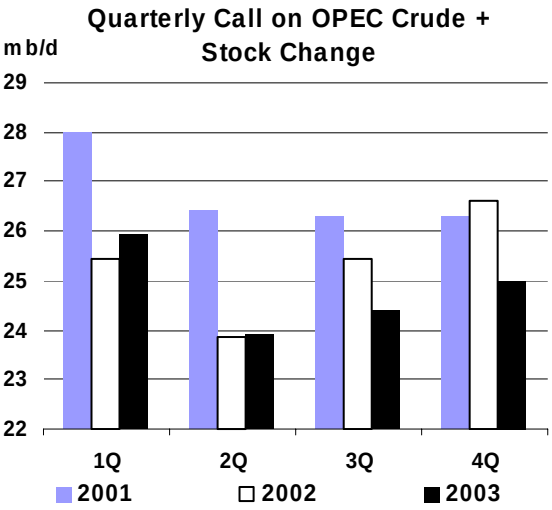
1 Non-OPEC Oil Supply includes OPEC NGLs

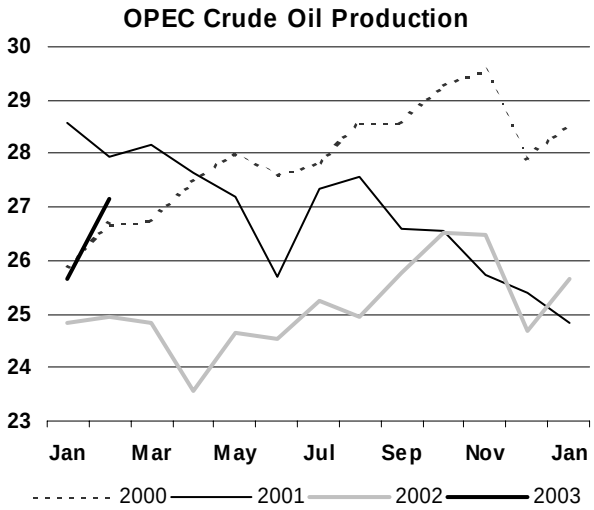
All world oil supply figures for February discussed in this Report are IEA estimates. Estimates for OPEC countries and for Alaska are supported by preliminary February crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC crude production surged higher by an estimated 1.5 mb/d in February, with Saudi Arabia, UAE and Venezuela accounting for 85% of the increase. **Venezuelan** production showed continued signs of recovery, with the joint venture Orinoco upgraders also re-entering service towards end-month. Nevertheless, doubts persist about the pace of recovery from now onwards *(see below)*. Increased OPEC production was fairly widespread amongst most members, and only Iraq and Indonesia failed to show any increase. OPEC-10 production is thought to have exceeded February target levels by 180 kb/d, and spare capacity excluding Iraq and Venezuela fell to 1.7 mb/d from 2.4 mb/d in January. Indeed the monthly average over-states spare capacity, which is now probably well below recent Iraqi export levels. With signs that conflict in Iraq is becoming more likely, the relationship between potential lost Iraqi (and Kuwaiti) supply on the one hand, and the ability of other OPEC members to fill the gap has come increasingly under the spotlight.





The Organisation spent much of February attempting to reassure the market that it could and would step into the breach in the event of an Iraqi supply disruption. However, OPEC statements that spare capacity remained around 3-4 mb/d appeared to be stretching reality, something that was borne out by relentlessly high prices. These figures are likely to include notional Iraqi and Venezuelan spare capacity (discounted in this Report) and an assumption that Saudi Arabia presently has capacity of 10.5 mb/d. With Saudi production of this magnitude only attainable between one to three months from now, real spare capacity is likely to be much less. Also, in the event of an invasion of Iraq, upwards of 300 kb/d of Kuwaiti crude will also be lost to the market. Nor is OPEC likely to get much help from non-OPEC producers when they meet in advance of the main OPEC meeting on March 11. Russia, Norway, Mexico, Oman, Syria and Egypt are unlikely individually or collectively to be able to boost production substantially in the months ahead. Indeed, Norwegian production could potentially fall by around 100 kb/d over the next two months if scheduled field maintenance proceeds as planned.

Venezuelan Status: Halfway Back

February Venezuelan oil operations are estimated to have regained around half the levels seen in November, the month prior to the beginning of the country's general strike. Crude production rose to around 1.5 million b/d by end-month, exports increased steadily, as did refinery runs and by the last third of the month the Orinoco heavy crude projects recommenced operations. Early March saw the official lifting of force majeure on crude and products exports.

However, although production doubled from the January average, problems remain. Reactivating refinery upgrading units to restore gasoline exports has proved slow going. Question marks still hang over the reliability of gas supplies for the Orinoco crude upgraders. Furthermore, late February reportedly saw a 400-500 kb/d dip in eastern region crude production for several days (hitherto the mainstay of production recovery). Whether this was due to full storage or related to problems sustaining production from wells operating at full tilt is unclear. Finally, early-March saw the renewed, one-day closure of the Cerro Negro syncrude unit due to a furnace problem.

Estimated Venezuelan Oil Supply

(thousand barrels per day)

	Nov	Dec	Jan	February				Feb
	average	average	average	*1-7*	*8-14*	*15-21*	*22-28*	average
Conventional Crude Oil	2655	707	574	1236	1442	1470	1551	1425
Other Liquids	728	192	51	107	125	147	282	165
Total Production	3383	899	625	1343	1567	1617	1833	1590
Domestic Refinery Runs	1100	214	114	375	425	425	490	429
Changes in Domestic Storage	-117	406	77	118	142	17	18	74
Crude Exports	2400	279	434	850	1000	1175	1325	1088

Amidst claim and counter claim by strikers and the government about what can and cannot be achieved, one significant fact emerged during February. The government seems now to have conceded that production capacity will have been lost due to the strike. First, Energy Minister Ramirez said late February that 10% of production capacity would likely be lost. Most of this will be from mature oilfields in the Maracaibo region of western Venezuela, where low pressure reservoirs require extensive secondary recovery. The Finance Minister then commented in the first week of March that production for the balance of the year would average 2.4 to 2.5 mb/d, markedly lower than previous pronouncements. The government puts current production as being already well in excess of 2 mb/d, while dissidents claim it remains below 2 mb/d. Either way, the pace of upstream sector recovery could slow henceforward. This will be due not least to the impact of over 15,000 PDVSA staff dismissals on the company's ability to sustain existing production, let alone expand it further.

There had been talk in February of OPEC setting in place a contingency plan to suspend quotas in the event of war in Iraq, but this now seems to have receded. Although popular amongst producers such as Saudi Arabia and Kuwait, the move was opposed by others with limited spare production capacity who feared such a move would be difficult to reverse when the call on OPEC crude eventually falls back. Indeed, in the longer term, this encapsulates OPEC's dilema: attempting to ramp up production now to cover for actual and potential supply shortfall, but retaining sufficient control of production for the spring/summer period when demand declines and disrupted supplies are potentially re-instated.

The likelihood of imminent conflict in Iraq, and its ultimate resolution, also brings sharper focus on the production quota issue. Further discussion of mechanisms to adjust quota levels has been deferred until another OPEC workshop is held on the subject in late March. However, in the foreseeable future not only Nigeria, Libya, Algeria and Qatar may need to be accomodated in their calls for a higher share of quota. At some stage Iraq too may need to be allowed to rejoin the fold, a factor which regime change in Iraq would only hasten. Nor should Saudi Arabian concern about losing market share in the face of rapidly rising Russian production be forgotten.

Iraq saw production stabilise in February at around 2.49 mb/d. UN exports were flat at 1.7 mb/d, but rose from the second week of February to reach 1.9 mb/d at end-month. Domestic consumption and border trade are estimated to have held flat, though this disguised a drop in local refinery runs and deliveries to Syria, counteracted by a rise in exports to Jordan. Loadings from Iraq's third port of Khor al-Amaya of upwards of 50 kb/d were believed destined for Jordan, despite initial concerns over their legality. In the event of a future disruption to Iraqi exports, Saudi Arabia, Kuwait and UAE were reported to have agreed to supply Jordan with 120 kb/d on an indefinite basis.

Nigerian production is assessed as having risen 50 kb/d, with a six day state oilworkers strike having had little impact on production or exports. ExxonMobil confirmed production start from the Yoho field around 20 February, with the initial phase likely to build to 90 kb/d. Accordingly, Nigerian capacity has been revised upwards to 2.44 mb/d, this field being earlier excluded from our capacity estimates due to uncertainty about likely start-up. More capacity increases are likely over the remainder of 2003, although concerns persist about the potential impact on production of growing political unrest in the country. Presidential adviser Rilwanu Lukman cited 2.8 mb/d as current capacity, but suggested around 2.5 mb/d was the upper limit for production in the short term.

Production from the **UAE** was revised up for January by 70 kb/d largely on the basis of developments at Abu Dhabi's Murban field. A further rise of 100 kb/d is estimated for February, with ADNOC informing Asian customers that full term volumes would be delivered in March and April. Spare capacity for UAE is thought to have fallen back to 200 kb/d as a result.

Kuwaiti production rose only modestly in February. Kuwait Oil Co. (KOC) announced the closure of two small fields in the north of the country, Rutga and Abdali. However, the impact on actual production levels was probably limited since these fields were already operating at suppressed levels due to ongoing gathering station problems. As such they had already been accounted for in our earlier downward revision to Kuwaiti capacity. Statements from KOC over the month tended to confirm recent production levels as having been in a 1.95-2 mb/d range, with capacity around 2.1 mb/d. The company indicated that 400 kb/d of northern capacity would be shut-in in the event of an invasion of Iraq (including Rutga and Abdali). Up to 300 kb/d of western production *might* also be affected. However, maintenance in other areas has been stepped up in order to minimise any actual loss of production. In the scenario for OPEC spare capacity created below, it is assumed that only 300 kb/d of northern production capacity is lost from mid-March onwards (net of the two fields already shut-in).

Kuwait acknowledged that efforts to boost northern area production longer term, in the face of a re-opened Iraqi upstream sector, may require an influx of foreign company expertise to Kuwait in order to help boost well pressure and field recovery rates.

Saudi Arabian production increased by some 330 kb/d in February, averaging 8.85 mb/d. However, production levels are believed to have risen further in the past couple of weeks in excess of 9 mb/d. The Kingdom has correspondingly raised exports to term customers close to 100% of contract volumes. The shipping arm of Saudi Aramco, Vela International Marine, again stepped up spot tanker chartering activity, over and above its own term export commitments. Much of these incremental exports were destined for the US. A total of 17 mb was loaded on such vessels in late-January, an estimated 7 mb in February, with another 18 mb due for March loading.

Despite the undoubted rise in Saudi production, uncertainty persists on effective production capacity. A variety of apparently conflicting statements in February from Aramco and the Oil Minister clouded the issue. Production was put variously at 9.6 mb/d, then rather lower at 8.1 mb/d. These conflicting statements may have been aimed first at satisfying calls for more prompt oil, then maximising impressions of how much more is possible in the event of Iraqi supply disruption. However, spare Saudi capacity has now become the key issue. There were suggestions late in February that even 9.5 mb/d of sustainable capacity would require time to achieve, although the veracity of such statements was questioned by official sources. What did seem to emerge, however, was that it may still take at least one to two months for 10.5 mb/d to be attainable and even that at a cost in terms of, currently prohibited, gas flaring. Reports that a 15 mb crude stockpile has been built up within Saudi Arabia lend some credence to an emerging awareness that demothballing Saudi capacity may be less far advanced than earlier thought.

OPEC Spare Capacity - How Tight Could it Get?

In the current situation *effective* OPEC spare capacity can be defined as that held by OPEC-9, excluding Iraq and Venezuela. The latter is assumed to be producing all it can given constraints imposed by the strike, while in the event of any military action in Iraq, that country's spare capacity effectively becomes zero. On this definition, OPEC spare capacity in February fell to 1.71 mb/d, from 2.37 mb/d in January and 3.28 mb/d in November.

The table below illustrates a scenario for OPEC production in the months ahead. Early-March total OPEC production is assumed up by a further 0.9 mb/d from the February average. Iraqi production and exports cease from mid-March until May. 300 kb/d of Kuwaiti supply capacity from northern fields is also assumed inactive for this period. Venezuelan production continues to recover gradually. Equating early-March OPEC production with what the market will perceive to be required in the second half of that month, the rest of OPEC has insufficient spare capacity to meet these "market requirements", with a potential shortfall of 1.68 mb/d.

Production and Capacity[1]
(million barrels per day)

	Nov	**Nov 02 Capacity**	Jan	Feb	H1 Mar	H2 Mar	**1Q03 Capacity**	Apr	**Apr Capacity**	May	**May Capacity**
Saudi Arabia [2,3]	7.97	**9.50**	8.52	8.85	9.10	9.50	**9.50**	9.70	**9.70**	9.43	**10.00**
UAE	1.99	**2.50**	2.21	2.32	2.40	2.50	**2.50**	2.50	**2.50**	2.47	**2.50**
Iran	3.55	**3.90**	3.63	3.69	3.80	3.90	**3.90**	3.90	**3.90**	3.90	**3.90**
Kuwait [2,4]	1.87	**2.15**	1.97	1.98	2.08	1.85	**2.15**	1.85	**1.85**	1.85	**1.85**
Nigeria	1.99	**2.20**	2.14	2.19	2.30	2.44	**2.44**	2.44	**2.44**	2.44	**2.44**
Algeria	0.93	**1.10**	1.00	1.05	1.08	1.10	**1.10**	1.10	**1.10**	1.10	**1.10**
Libya	1.34	**1.45**	1.36	1.39	1.44	1.45	**1.45**	1.45	**1.45**	1.45	**1.45**
Indonesia	1.12	**1.18**	1.05	1.05	1.11	1.18	**1.18**	1.18	**1.18**	1.18	**1.18**
Qatar	0.70	**0.75**	0.72	0.74	0.75	0.75	**0.75**	0.75	**0.75**	0.75	**0.75**
OPEC-9	**21.46**	**24.73**	**22.60**	**23.26**	**24.06**	**24.67**	**24.97**	**24.87**	**24.87**	**24.57**	**25.17**
Iraq [5]	2.38	**2.80**	2.49	2.49	2.49	0.00	**na**	0.00	**na**	0.00	**na**
Venezuela [6]	2.66	**2.75**	0.57	1.43	1.55	1.75	**na**	1.80	**na**	1.95	**na**
Total OPEC	**26.49**	**30.28**	**25.66**	**27.18**	**28.10**	**26.42**	**na**	**26.67**	**na**	**26.52**	**na**
"Market Requirement" [7]					28.10	28.10		27.25		26.52	
"Potential Shortfall vs. Market Requirement"					0.00	-1.68		-0.58		0.00	

Spare Capacity
(million barrels per day)

	Nov	Jan	Feb	H1 Mar	H2 Mar	Apr	May
Saudi Arabia	1.53	0.98	0.65	0.40	0.00	0.00	0.57
UAE	0.51	0.29	0.18	0.10	0.00	0.00	0.03
Iran	0.35	0.27	0.21	0.10	0.00	0.00	0.00
Kuwait	0.28	0.18	0.17	0.07	0.00	0.00	0.00
Nigeria	0.21	0.30	0.25	0.14	0.00	0.00	0.00
Algeria	0.18	0.10	0.05	0.02	0.00	0.00	0.00
Libya	0.11	0.09	0.06	0.01	0.00	0.00	0.00
Indonesia	0.06	0.13	0.13	0.07	0.00	0.00	0.00
Qatar	0.05	0.03	0.01	0.00	0.00	0.00	0.00
OPEC-9	**3.28**	**2.37**	**1.71**	**0.91**	**0.00**	**0.00**	**0.60**
Iraq	0.42	0.31	0.31	0.31	na	na	na
Venezuela	0.10	na	na	na	na	na	na
Total OPEC	**3.79**	**na**	**na**	**na**	**na**	na	**na**

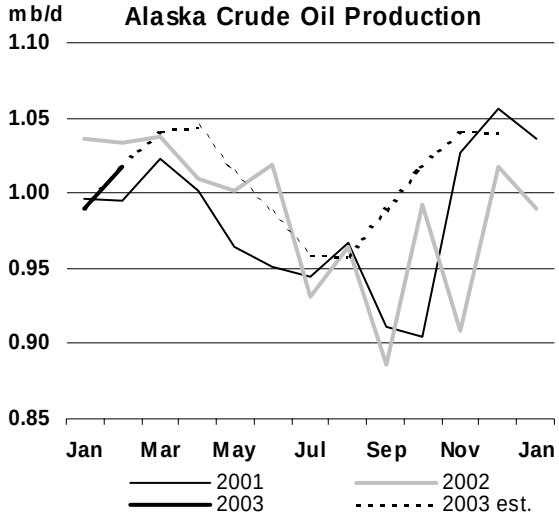
1.Capacity levels can be reached within 30 days and sustained for 90 days
2. Saudi Arabia and Kuwait each include half of Neutral Zone
3. Saudi Arabia's capacity assumed to build to 10.5 mb/d by June
4. Kuwait capacity and production loss of 300 kb/d from H2 March onwards
5. Iraqi production and exports assumed zero mid-March onwards
6. Venezuela excludes upgraded Orinoco extra heavy oil
7. OPEC crude at H1 March levels minus seasonal demand downturn for April and May
na = not applicable

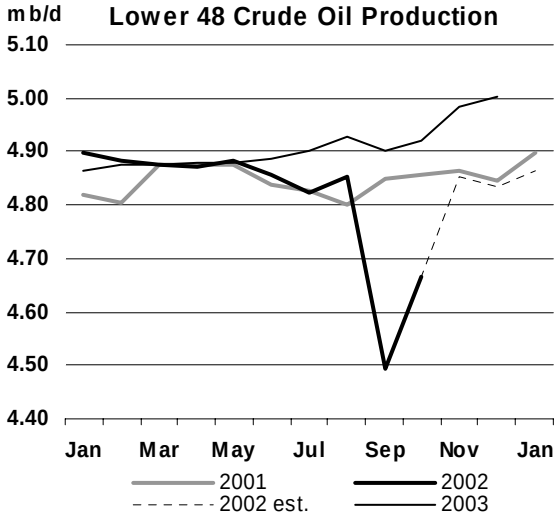
The situation eases modestly in April. "Market requirements" are now assessed as being early-March production (28.1 mb/d) *minus* an 850 kb/d seasonal downturn in demand. Saudi Arabia is also assumed to have de-mothballed a further 200 kb/d of capacity by this time. However, even with OPEC-9 continuing to produce at maximum capacity, a 580 kb/d "shortfall" could still exist. Only by May, with a combination of higher Saudi and Venezuelan capability, plus a further 730 kb/d decline in demand, does some supply-side flexibility re-emerge in the market.

OECD

North America

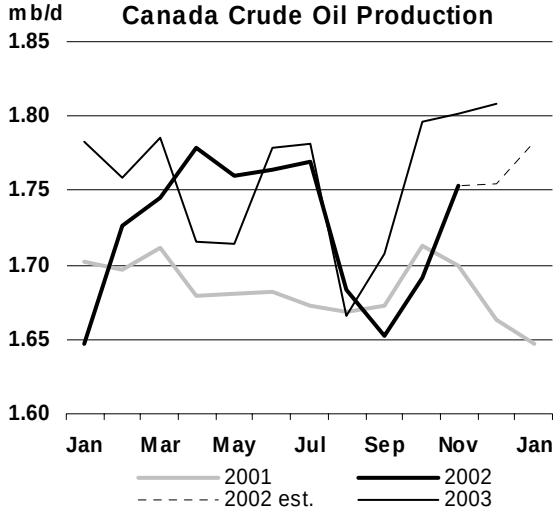
US - February - Alaska actual, others estimated: US crude production increased by just over 40 kb/d in February, largely due to a rebound in Alaskan supply. Here, output recovered at the North Star field after January's unscheduled outages, and Prudhoe Bay production also increased to reach its highest level since last June. These developments comfortably exceeded a five-day dip in Alpine field production caused by power generator failure. Also in Alaska during February, BP announced that it is considering shutting the Badami field, currently producing only 1,400 kb/d. The field may have a stay of execution due to current high prices, though the projections in this Report have been adjusted on the basis that the field shuts down after June 2003.

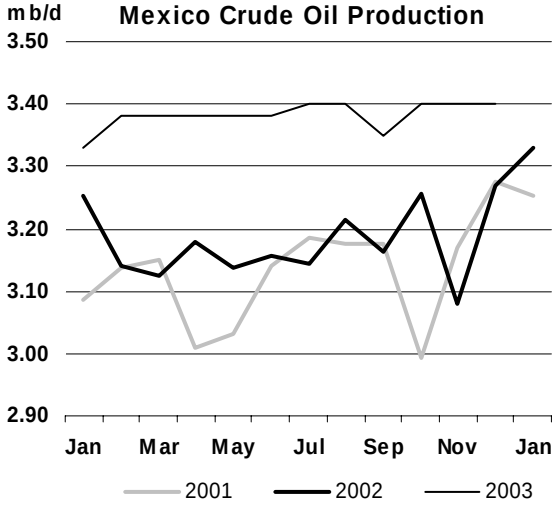




US Gulf of Mexico (GOM) production is thought to have nudged higher in February, due in part to start-up of BHP's Boris field which will climb to 18 kb/d later in the year when a second production well is added. Further additions to GOM supply in 2003 will come from Anadarko's Pardner field in June, and Shell's Habanero prospect from September, these two adding a combined 23 kb/d by end-year. These fields bring to eight the total of new prospects added to production for the year from November 2002, generating nearly 250 kb/d of incremental supply by end-2003. As a further sign of GOM potential, BP/BHP upgraded reserve estimates at their mid-decade Atlantis prospect to 635 mb, making it the areas' third largest field. Shell has also said that their Great White "hope" is now deemed to contain in excess of 300 mb, making it eligible for development as a stand-alone project. Forecast start at the Medusa field is now assumed deferred to June in light of ongoing project engineering delays.

Canada - February estimate: Canadian crude production is thought to have fallen by 25 kb/d vs. January levels, largely on the basis of a five day disruption at the offshore Newfoundland Terra Nova field. Here, cracks in one of the FPSO's processing modules were due for repairs. However, Terra Nova 4Q02 production has been upgraded in light of latest data from the field's equity partners. This suggests production through the remainder of 2003 could average close to unit capacity of 150 kb/d, some 25 kb/d higher than anticipated. 4Q02 output data for the Syncrude heavy oil upgrader in Alberta on the other hand showed slightly lower than expected output, albeit not sufficient to alter assumed production levels for 2003. During February, the Canadian government announced income tax reductions for resource companies to 21% from 28%, effective 2003/2004, bringing oil sector liability into line with that for other industries.



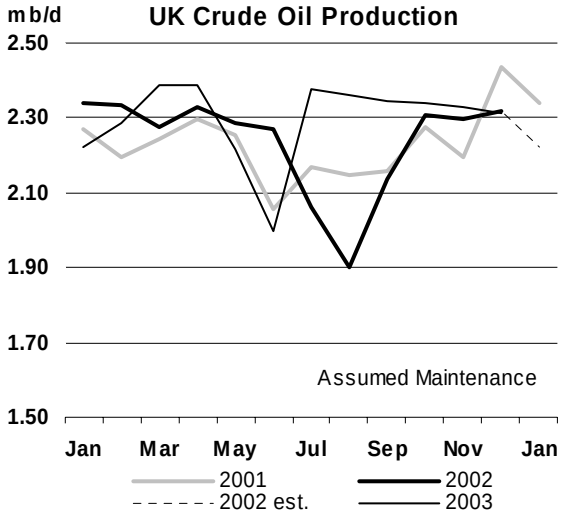


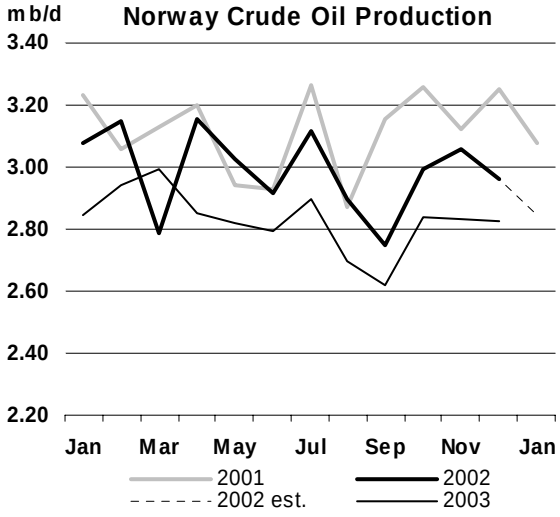
Mexico – January actual, February estimate: January Mexican crude production turned out 50 kb/d higher than anticipated in last month's Report, rising 60 kb/d from December to 3.33 mb/d. A further rise to 3.38 mb/d is thought to have occurred in February as Pemex pushed production close to its short term limits to take advantages of openings created by Venezuelan supply disruption. While production has followed a more "front-end loaded" rise in 2003 than had been anticipated, this could now slow. Although the Energy Minister has suggested another 100 kb/d could be forthcoming in the event that Iraqi supply is disrupted, Pemex officials suggest that capacity has already been reached. Production is now assumed to average 3.38 mb/d for the year, compared to a Pemex target of 3.5 mb/d. Recent reports have done nothing to dispel concerns about depletion rates in Mexican oilfields, and there are suggestions that half of the country's fields are at least 50% depleted. Furthermore, ongoing spending aimed at boosting future production is reportedly being delayed by requirements that projects worth over $2.7 million be evaluated by external consultants.

North Sea

UK – February estimate: Production of crude from the UK offshore is thought to have risen by 64 kb/d vs. January, with production in the first month of the year also having been revised up by some 55 kb/d compared to our last estimate. Latest data from end-2002 suggests that several production systems are running at higher levels than had been thought, notably Forties and Ninian. As anticipated, first production commenced at ChevronTexaco's Caledonia field in February, and this should shortly reach around 11 kb/d. On the down-side in February, January's leak at Ninian south, which closed in part of the fields 30 kb/d of production, was deemed serious enough by the Health & Safety Executive to prevent Canadian Natural Resources from re-starting production. Output from the field has been assumed re-instated for March however. Meanwhile Dana Petroleum announced in February that Banff field production has doubled following the drilling of a new horizontal well. This takes production up to 22 kb/d.

Norway – January & February estimated: At the time of writing, final January production data was unavailable. Crude production is still expected to fall by around 160 kb/d in 2003, partly compensated by rises of 83 kb/d in condensates and NGLs. February crude production is thought to have risen nearly 100 kb/d from January, when unscheduled stoppages at a clutch of fields are thought to have suppressed production. Maintenance schedules published so far suggest a slightly deeper fall in spring production than we were earlier anticipating, but one likely delayed from our earlier March assumption until the April-June period. Autumn maintenance now looks likely to be less pronounced than had earlier been anticipated. February saw a boost to production from a new well at the Varg field FPSO. Phase two of the Ringhorn field development also began production in February, although peak production of 80 kb/d is likely to be deferred until new wells can be brought onstream. Production from Norsk Hydro's Fram West field has been added to the forecast, starting in October and rising eventually to 60 kb/d.

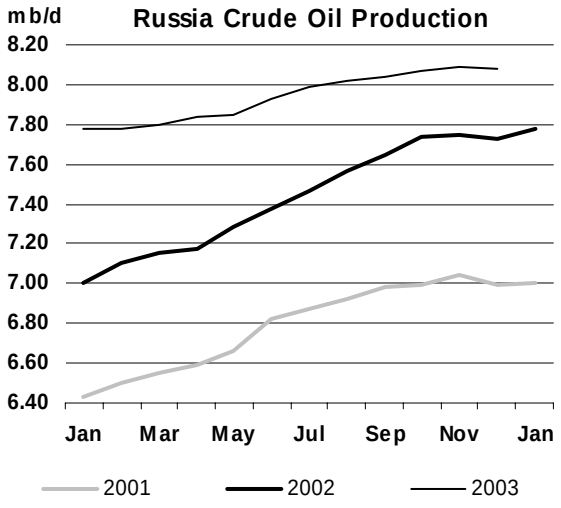


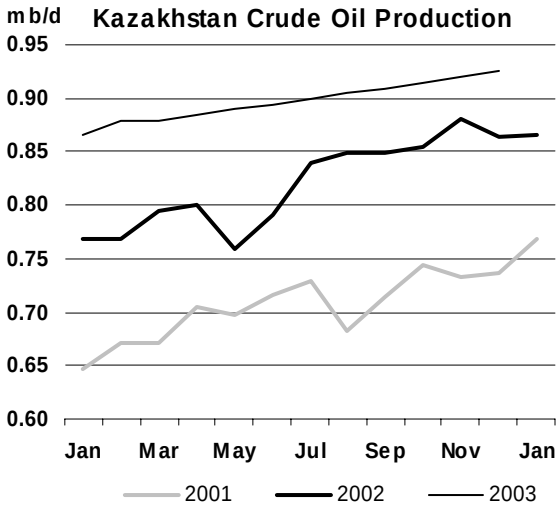


Former Soviet Union (FSU)

Russia – January actual, February estimate: Having flattened-off in 4Q02, Russian production resumed an upward trend in January, rising by 50 kb/d vs. December. Major producers Yukos, Lukoil, TNK and Surgutneftegaz all boosted output at the expense of some of the smaller producers. February production stabilised although exports remained high, despite weather-related delays from both the Baltic and Black Sea. The production forecast for 2003 remains one of a 500 kb/d increase vs. 2002, although the crucial issue of halted pipeline exports via the Latvian port of Ventspils is still to be resolved. The EU is to raise the issue on Latvia's behalf in a late-March meeting with Russia. While the re-instatement of Ventspils pipeline deliveries remains key to ensuring higher Russian production this year, there are further signs of incremental exports via other routes. Russia's White Sea port of Vitino is to receive 30 kb/d more crude by rail in 2003 than last year, while Theodosia in the Ukraine plans a 10 kb/d rise. Russian exports via Ukraine could rise by a total 60 kb/d this year.

In perhaps a sign of further major rationalisation to come in the Russian oil sector, BP announced a $6.75 billion investment for a 50% stake in the oil and gas interests of Tyumen Oil (TNK) and Sidanko. This effectively creates Russia's third largest oil producer, with 5-8 billion barrels of reserves and 1.2 mb/d of production.



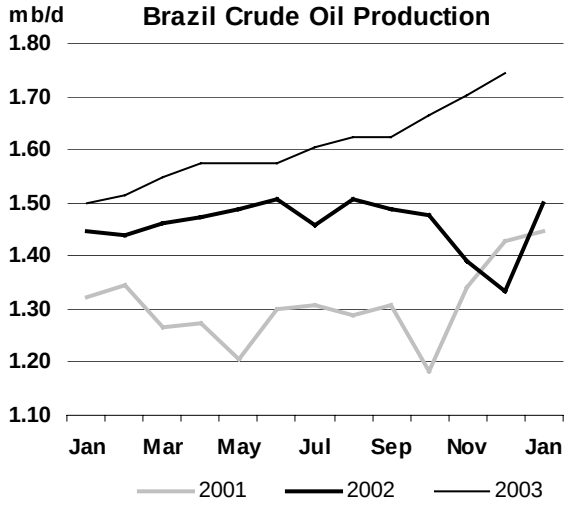


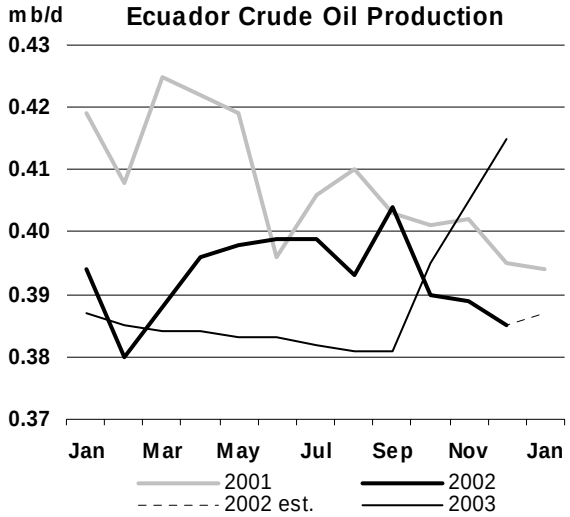
Kazakhstan - January actual, February estimate: Kazakhstan crude production remained flat vs. December levels in January. However, total oil production in February is assumed to have recovered by some 20 kb/d with increases at both the Tenghiz (crude) and Karachaganak (condensate) fields.

Having risen sharply through much of 2002, production seemed to hit a lull towards end year. The Ministry of Energy in February set out a target for crude production to rise in 2003 by 200 kb/d, rather higher than this report's combined 140 kb/d for crude and condensate.

Other Non-OPEC

Brazil – January actual, February estimate: Something of a turnaround occurred in January deepwater Campos Basin production, which added 170 kb/d compared to December. The delayed re-instatement of production at the Roncador field underpinned January's rise. Further production increases are now likely, notably when Shell's Bijupira-Salema field comes onstream around mid-year, the field's 30°API crude being lighter than the region's prevailing 20° quality. The company also reported new discoveries close to the Marlim Leste field in the Campos Basin and also of lighter oil from the Santos Basin. Furthermore, start-up of Coral field production in the latter area was also of lighter-than-normal quality, being low in sulphur and around 40°API. Early February also saw Petrobras hit a daily production record of 1.62 mb. However, over the longer term, the new government's decision to examine the issue of greater participation by Brazilian companies in offshore installation construction could delay mid-decade start-up for a number of fields where work had been scheduled to begin with foreign contractors.

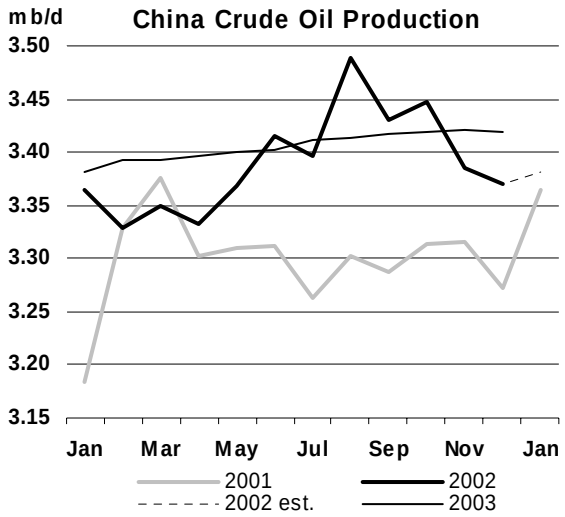


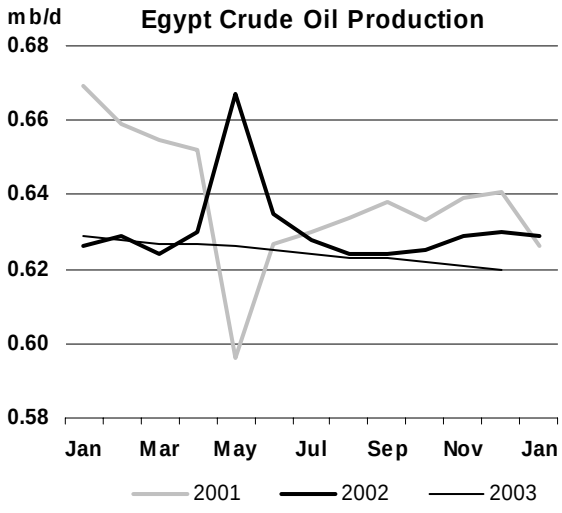


Ecuador – January & February estimates: Final December data confirmed a disappointing performance from the Ecuadorean upstream in 2002, crude production having fallen by 4% for the year and receding sharply from a September peak. Nor do short-term prospects appear good, with state Petroecuador being forced to cut its 2003 budget by $100 million under pressure from the IMF. Declines in Petroecuador production could outstrip rises from private sector companies in the early part of the year. Total production could rise fairly sharply however in 4Q03 assuming completion of the heavy crude OCP pipeline, that will double Ecuador's pipeline capacity. The line will have capacity for 450 kb/d and had originally been due to enter service around mid-year. However this now looks likely to be deferred until September and may initially lead to only modest incremental production volumes.

China – January provisional: A modest rise in January production derived from field start-ups at the offshore Penglai and CDX fields. News also emerged of progress on Apache's Zhou Dong block in Bohai Bay. First production is due in July and will reach 23 kb/d from field reserves of 45 mb proven. However, prospects for Chinese production in 2003 remain mixed with declining onshore production counteracting new offshore supply. Total Chinese production is still expected to rise in 2003 by only a modest 15-20 kb/d.

Egypt – January actual, February estimate: Crude production stabilised in January, although NGLs production rose. A similar picture is expected for 2003 as a whole, with crude production falling back modestly on the basis of declining Gulf of Suez production, only partly counteracted by ongoing development in the Western Desert. Here, Apache Corporation has plans to add around 10 kb/d to existing production at the East Bahariya and East Beni Suef concessions. Ongoing gas development could see Egyptian NGLs production rise by some 20 kb/d in 2003.





Revisions

The estimate of Non-OPEC production for 2002 is unchanged from the last Report, averaging 48.05 mb/d. However, 110 kb/d has been added to 2003 production. This means that supply increases year-on-year by 1.47 mb/d. Higher expectations for North American and North Sea production, both of which are revised up by 70 kb/d, account for the bulk of the increase. However, reduced expectations for Middle East and African production mean that non-OECD production for 2003 has been revised down by 30 kb/d.

Provisional data for December suggest that rising **US** natural gas prices may indeed have begun to curb NGL production. The latter fell by 135 kb/d compared to November levels. To reflect the even higher gas prices seen early in 2003, we have adjusted NGL supply down to this new lower base level but have assumed production rises again to reach earlier forecast levels again by mid-2003. This has the impact of reducing projected 2003 US NGL production by 37 kb/d. Meanwhile, US crude production is now forecast to rise 114 kb/d in 2003, vs. 103 kb/d in the last Report. Above-mentioned additions in the Gulf of Mexico account for this upward revision. In **Canada,** production for 2003 has been revised up by 24 kb/d in line with higher levels of production offshore east coast from the Terra Nova platform. Although increases from current levels could be slow, **Mexican** production for 2003 now starts from a higher base and could average some 80 kb/d higher than we anticipated last time.

UK offshore crude production has been revised up for 2003. It is now expected to average 2.30 mb/d compared to 2.24 mb/d in the last forecast with production now expected to rise 60 kb/d vs. 2002 compared to 21 kb/d last time. Higher levels of end-2002 output (with Shearwater, Schiehallion and Loyal production having been revised up), the Banff field expansion and what now appears a shallower spring maintenance schedule all contribute to the higher UK profile. The anticipated decline in **Norwegian** crude production for 2003 has been slowed by 10 kb/d, with the addition of Fram West, and lower autumn maintenance, playing a part.

Asian production for 2003 has been revised up by around 20 kb/d. This is based upon higher expectations for **Thailand** and **Vietnam.** In the former, ChevronTexaco is in the process of doubling Benchamas field production, while PTTEP's Bongkot gas and liquids field began production in February. In total, Thai production is now expected to add 35 kb/d in 2003, compared to 21kb/d in 2002. Vietnamese production will be boosted by the addition of supply from ConocoPhillips' Su Tu Den field late in the year, though this only helps stem decline from the Bach Ho field.

Prospects for **Equatorial Guinea** have also been downgraded. This is due to recent performance at Amerada Hess' Ceiba field, where production has stalled around late-2002 levels of 40 kb/d and could now fall back to 30 kb/d for 2003. Earlier expectations were for Ceiba to add a further 40 kb/d in 2003, but Hess have cited reservoir pressure loss and complexity as having undermined field performance and called into question expansion plans for the field.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.56	14.99	0.43	14.55	15.07	0.51	-0.01	0.07	0.08
Europe	6.60	6.59	-0.01	6.61	6.66	0.05	0.01	0.07	0.06
Pacific	0.76	0.75	-0.01	0.76	0.76	-0.01	0.00	0.00	0.00
Total OECD	**21.92**	**22.34**	**0.41**	**21.93**	**22.48**	**0.55**	**0.00**	**0.14**	**0.14**
Former USSR	9.37	10.05	0.68	9.37	10.06	0.69	0.00	0.01	0.01
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.39	3.41	0.02	3.39	3.41	0.02	0.00	0.00	0.00
Other Asia	2.39	2.44	0.05	2.39	2.45	0.07	0.00	0.02	0.02
Latin America	3.90	3.98	0.08	3.90	3.99	0.09	0.00	0.00	0.00
Middle East	2.10	2.04	-0.06	2.10	2.03	-0.07	0.00	-0.01	-0.01
Africa	3.04	3.17	0.14	3.03	3.12	0.09	-0.01	-0.05	-0.04
Total Non-OECD	**24.37**	**25.27**	**0.90**	**24.36**	**25.24**	**0.88**	**-0.01**	**-0.03**	**-0.02**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**48.05**	**49.41**	**1.36**	**48.05**	**49.52**	**1.47**	**0.00**	**0.11**	**0.12**

OMR = Oil Market Report

OPEC NGLs and non-conventional production for 2003 has been revised up due to higher supply now expected out of Venezuela (syncrude and NGLs) and Qatar (NGLs). The latter is accounted for by the early-March start-up of the NGL-4 plant at Messaid. Counteracting revisions were also made to January crude production, with Indonesian production revised down by 70 kb/d, but UAE output revised up by an identical amount.

TRADE

OECD Trade

Despite cold weather, **North American** net crude oil imports fell sharply to 6.37 mb/d in December from 7.66 mb/d in November. Crude oil flows from Venezuela plunged by more than 1 mb/d following a strike induced supply disruption.

The latest preliminary data for the United States suggest that overall crude oil imports remained low in February month on month, due to tight oil supply and heavy refinery maintenance, whereas heating oil and residual fuel oil imports were firm as cold weather prevailed and the natural gas market tightened.

OECD North America Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**7.46**	**7.12**	**6.92**	**7.13**	**7.26**	**7.15**	**7.45**	**7.66**	**6.37**	**-1.29**	**-0.53**
Products & Feedstocks	**1.37**	**1.12**	**0.95**	**1.32**	**1.14**	**1.07**	**1.23**	**1.21**	**0.78**	**-0.43**	**0.00**
Gasoil/Diesel	0.08	0.00	-0.05	0.00	-0.03	0.08	0.10	0.05	0.10	0.05	0.24
Gasoline	0.53	0.57	0.50	0.67	0.63	0.47	0.49	0.53	0.40	-0.13	-0.03
Heavy Fuel Oil	0.28	0.05	-0.01	0.10	0.03	0.07	0.06	0.08	0.08	0.00	-0.06
LPG	0.02	0.04	0.02	0.03	0.03	0.07	0.08	0.05	0.08	0.03	0.05
Naphtha	0.06	0.04	0.04	0.05	0.04	0.03	0.04	0.05	0.01	-0.04	-0.03
Jet& Kerosene	0.12	0.09	0.08	0.08	0.08	0.10	0.11	0.14	0.05	-0.09	0.00
Other	0.28	0.34	0.38	0.39	0.35	0.24	0.35	0.31	0.06	-0.25	-0.15
Total	**8.83**	**8.24**	**7.87**	**8.44**	**8.40**	**8.23**	**8.68**	**8.87**	**7.15**	**-1.72**	**-0.52**

Source: IEA MOS imports and exports data for extra-regional trade

Since the onset of the Venezuelan crude oil supply disruption in December, North and South American countries, especially the US, have been actively buying Iraqi crude. In February, 1.12 mb/d, or 65% of Iraqi crude exports, headed to the Americas. This is nearly 50% higher than the October level of 765 kb/d. Iraqi crude is favoured by US refiners with configuration designed to Venezuelan heavier and sourer crude.

Gross crude oil imports to **OECD Europe** fell off in December month on month, as the WTI-Brent differentials widened in November. However, net crude imports remained roughly unchanged in December from November; gross crude exports from OECD Europe fell in December, reflecting narrowing WTI-Brent differentials and high freight rates.

OECD Europe Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**7.36**	**7.18**	**7.16**	**6.87**	**7.46**	**7.22**	**7.49**	**7.10**	**7.08**	**-0.02**	**-0.40**
Products & Feedstocks	**1.51**	**1.45**	**1.77**	**1.32**	**1.41**	**1.32**	**1.35**	**1.18**	**1.43**	**0.26**	**-0.50**
Gasoil/Diesel	0.45	0.43	0.58	0.41	0.33	0.41	0.40	0.22	0.62	0.40	-0.07
Gasoline	-0.25	-0.34	-0.35	-0.41	-0.36	-0.25	-0.25	-0.25	-0.25	-0.01	-0.03
Heavy Fuel Oil	0.13	0.23	0.30	0.22	0.26	0.15	0.24	0.17	0.04	-0.13	-0.16
LPG	0.17	0.14	0.20	0.09	0.11	0.17	0.15	0.18	0.17	-0.01	-0.04
Naphtha	0.24	0.24	0.20	0.25	0.26	0.24	0.24	0.23	0.26	0.03	-0.01
Jet & Kerosene	0.21	0.19	0.18	0.20	0.23	0.13	0.14	0.19	0.07	-0.11	-0.13
Other	0.55	0.57	0.66	0.55	0.58	0.47	0.44	0.44	0.52	0.08	-0.07
Total	**8.86**	**8.63**	**8.93**	**8.19**	**8.87**	**8.55**	**8.84**	**8.27**	**8.51**	**0.24**	**-0.90**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** jumped to 7.10 mb/d in December, 680 kb/d higher than in November. Korean crude imports remained flat but Japanese crude imports surged by 15% month on month due to increased refinery utilisation. In addition, crude oil requirements from the Japanese utility sector remained strong, as oil-fired power plants were called upon to meet shortfalls in electricity supply following the shutdown of TEPCO's nuclear power generation facilities. Japan imported substantial volumes of crude oil both on monthly and yearly bases from Asian countries such as Indonesia and Vietnam, which is suitable to be burned in power generation facilities due to its low sulphur content.

OECD Pacific Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**6.65**	**6.20**	**6.66**	**5.87**	**5.78**	**6.51**	**6.00**	**6.42**	**7.10**	**0.68**	**0.52**
Products & Feedstocks	**1.00**	**1.30**	**1.35**	**1.16**	**1.08**	**1.62**	**1.37**	**1.55**	**1.95**	**0.40**	**0.68**
Gasoil/Diesel	-0.18	-0.14	-0.13	-0.15	-0.21	-0.08	-0.14	-0.07	-0.02	0.05	0.13
Gasoline	-0.01	0.02	0.02	0.01	0.01	0.04	0.04	0.01	0.07	0.06	0.06
Heavy Fuel Oil	-0.12	-0.02	-0.09	0.05	-0.06	0.01	0.00	0.03	0.02	-0.01	0.13
LPG	0.52	0.54	0.57	0.52	0.49	0.59	0.58	0.56	0.62	0.06	0.14
Naphtha	0.64	0.70	0.71	0.65	0.72	0.72	0.72	0.69	0.75	0.07	0.06
Jet & Kerosene	-0.03	0.01	0.09	-0.07	-0.08	0.08	-0.05	0.02	0.27	0.25	0.17
Other	0.17	0.20	0.19	0.15	0.20	0.26	0.23	0.31	0.24	-0.07	-0.01
Total	**7.65**	**7.51**	**8.01**	**7.03**	**6.86**	**8.13**	**7.37**	**7.97**	**9.05**	**1.08**	**1.19**

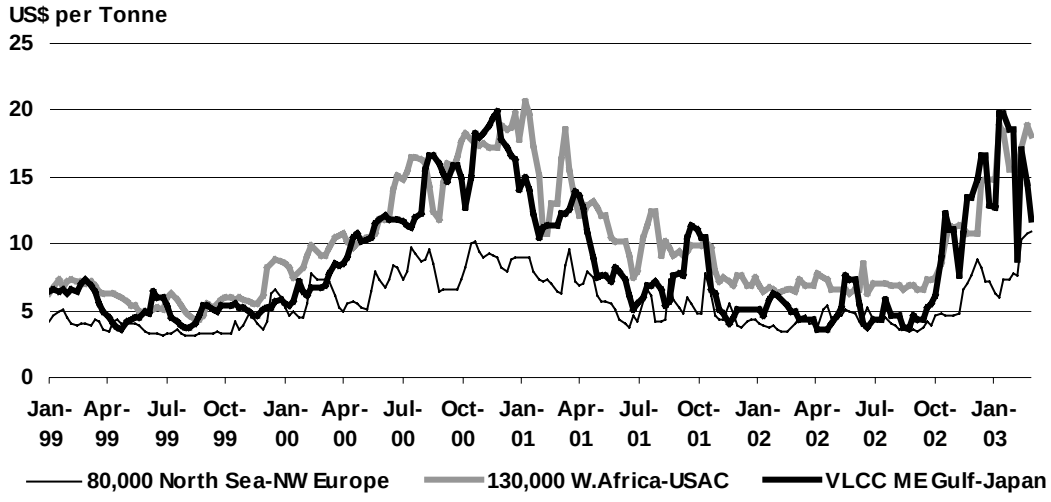
Source: IEA MOS imports and exports data for extra-regional trade

Latest Japanese preliminary data suggest that crude oil imports declined slightly in January month on month but are still more than 10 % higher year on year. Refinery throughputs remained strong to produce fuel oil for electricity generation and kerosene for heating as the country continued to experience low temperatures.

Freight

Freight rates for VLCC tankers eased at the beginning of February with lower tanker fixtures for both eastern and western routes from the Middle East Gulf. Rates jumped in the middle of the month as enquiry increased and particularly as Saudi Aramco's Vela chartered several VLCCs to the US Gulf Coast for March delivery. Rates then softened until Vela re-entered the market to charter additional US bound fixtures, which boosted VLCC freight rates once again.

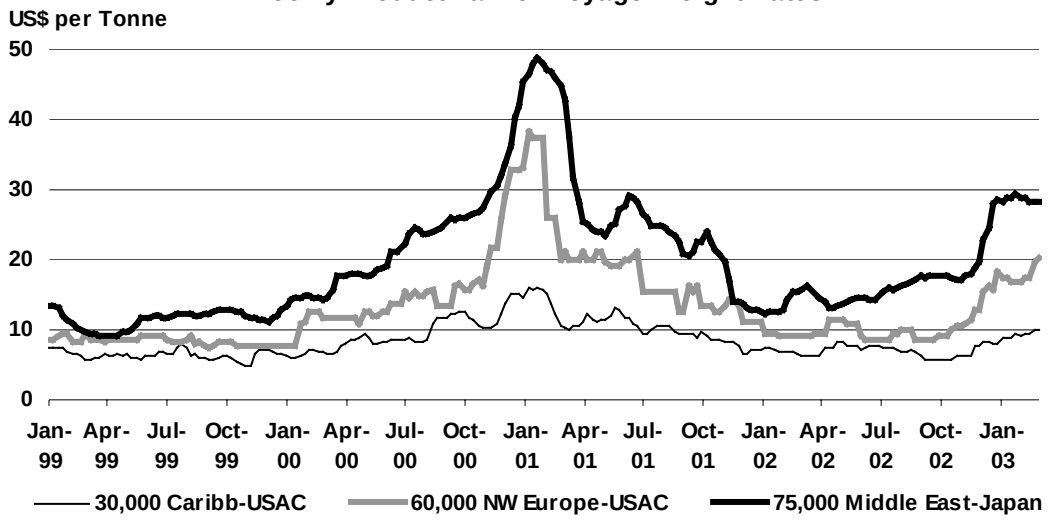
Weekly Crude Oil Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

Suezmax rates were steady in February, with bullish trends towards the end of the month. Rates were strong in the latter half of February for the Mediterranean, as tanker supply-demand conditions were tightened due to significant delays in tanker movements in the Bosphorus Straits caused by winter conditions and a tanker passage regulation. As with the Suezmax market, Aframax rates in the Mediterranean, especially for double hull modern vessels, rose towards the end of February, due to delays for tanker traffic in the Bosphorus. In the Caribbean, Aframax tanker freight rates rose in the second half of February following strong fixture requirements for tankers from Mexico and from lightering activity in the US Gulf.

Weekly Product Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

Thanks to heightened arbitrage opportunities for trans-Atlantic trade, product tanker freight rates increased from Northwest Europe to the US in February. Low product stocks in the US as well as high domestic prices and demand owing to cold weather led to a higher demand for product imports from Europe.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) were almost flat at 5.76 mb/d in February month on month. Black Sea terminals suffered loading disruptions due to stormy weather. Exports from the Black Sea were also affected by vessel delays in the Bosphorus Strait owing to bad weather and tanker passage restrictions. At Baltic Sea terminals, petroleum exports, especially products, rose despite occasional icy conditions and freezing temperatures.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Black Sea Exports	1.99	2.53	2.30	2.64	2.74	2.45	2.02	2.67	2.24	-0.43	-0.08
Baltic Exports	1.63	1.94	1.88	2.13	1.96	1.80	1.52	1.95	2.24	0.29	0.35
Total Seaborne	**3.62**	**4.48**	**4.19**	**4.77**	**4.70**	**4.25**	**3.54**	**4.62**	**4.48**	**-0.14**	**0.26**
Druzhba Pipeline	1.06	1.07	1.05	0.98	1.12	1.15	1.17	1.13	1.25	0.12	0.20
Other	0.07	0.05	0.02	0.03	0.06	0.11	0.09	0.03	0.03	0.00	0.00
Total Exports	**4.75**	**5.61**	**5.25**	**5.78**	**5.88**	**5.50**	**4.80**	**5.78**	**5.76**	**-0.02**	**0.47**
Imports	0.00	0.01	0.03	0.01	0.01	0.00	0.00	0.00	0.00	0.00	-0.06
Total Net Exports	**4.74**	**5.59**	**5.22**	**5.77**	**5.87**	**5.50**	**4.80**	**5.78**	**5.76**	**-0.02**	**0.53**
Crude	3.37	3.94	3.69	4.00	4.12	3.92	3.48	4.14	4.09	-0.05	0.38
Products	1.37	1.66	1.52	1.77	1.75	1.58	1.32	1.64	1.67	0.03	0.15

Sources: Petro-Logistics, IEA estimates

The Russian government is reviewing a policy of blending Siberian Light with Urals crude in the pipeline system. This will make it possible to increase crude exports up to 380 kb/d in the short term. Currently, Siberian Light is mainly sent to a terminal at Tuapse on the Black Sea, through a pipeline separated from Urals flows, which is reportedly operating below capacity. The government is conducting feasibility studies.

Rosneft recently purchased the Vostochny oil port in the Russian Far East. The company is planning to rehabilitate this terminal so that it can load 2 mt/y of gasoil and 1 mt/y of naphtha in 2005. Rosneft also plans expansion of the Nakhodka oil terminal to 240 kb/d by the end of next year, which is twice as much as its current capacity. Nakhodka receives petroleum products from refineries, including the one in Komsomolsk, and exports products to Japan and China.

Chinese net crude oil imports fell sharply to 975 kb/d in December from 1.51 mb/d in November. This decline is probably due to the timing of import registration at customs. Substantial volumes of crude oil imports were booked in the previous month. Net fuel oil imports remained strong at 373 kb/d in December month on month as the market expected a price surge in the forward months. LPG imports remained weak at 177 kb/d in December due to high product prices on the international market.

China Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1061**	**1356**	**1377**	**1192**	**1106**	**1505**	**975**	**-529**	**196**
Products & Feedstocks	**329**	**361**	**307**	**342**	**422**	**373**	**391**	**420**	**309**	**-110**	**-167**
Gasoil/Diesel	0	-16	-6	-8	-8	-41	-42	-31	-48	-18	-50
Gasoline	-134	-142	-93	-138	-183	-152	-147	-131	-179	-47	-63
Heavy Fuel Oil	313	281	187	254	344	336	289	346	373	27	-51
LPG	155	197	198	186	216	189	219	171	177	6	-29
Naphtha	-19	-16	-9	-26	-15	-15	-25	-3	-15	-12	7
Jet & Kerosene	8	9	-3	10	6	23	47	31	-8	-39	-19
Other	5	48	34	64	62	32	52	36	9	-27	38
Total	**1372**	**1609**	**1368**	**1698**	**1799**	**1565**	**1498**	**1924**	**1285**	**-640**	**29**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Indian net crude oil imports stood at 1.52 mb/d in December. Although crude imports by the private sector were almost flat from November, public sector imports decreased by 157 kb/d in December. Some public oil companies reportedly began drawing down petroleum inventories in November, as they thought an immediate petroleum supply disruption in the Middle East was less likely. This led to a decrease in December crude imports.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q01	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Latest month vs. Nov 02	Latest month vs. Dec 01
Net Imports/(Exports) of:											
Crude Oil	**na**	**na**	**na**	**1700**	**1872**	**1643**	**1821**	**1590**	**1516**	**-74**	**na**
(by Public Oil Cos)	**934**	**1088**	**969**	**1038**	**1235**	**1108**	**1188**	**1148**	**991**	**-157**	**-62**
Products & Feedstocks	**-28**	**-81**	**-68**	**-129**	**-135**	**6**	**-7**	**2**	**25**	**23**	**67**
Gasoil/Diesel	-54	-53	-55	-45	-76	-35	-49	-15	-41	-27	6
Gasoline	-20	-48	-37	-54	-57	-45	-47	-53	-35	18	-19
Heavy Fuel Oil	22	6	9	4	8	2	7	-19	16	34	-4
LPG	20	22	21	7	8	52	60	50	45	-5	30
Naphtha	9	6	11	-14	-2	27	22	24	35	11	38
Jet & Kerosene	29	10	23	2	5	8	1	14	9	-5	-13
Other	-34	-23	-39	-30	-22	-2	-3	0	-3	-3	30
Total	**906**	**1007**	**901**	**1571**	**1737**	**1650**	**1814**	**1592**	**1541**	**-51**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 1Q 2002 are not available. For 2001 and from 4Q2001 to 1Q2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Net imports of crude oil to **Singapore** were 922 kb/d in January, 110 kb/d higher than in December, as refinery runs remained strong in January with supportive margins. Imports of heavy fuel oil rebounded to 364 kb/d in January. Arbitrage windows opened for fuel oil to Singapore in December, which could support product flows from the US and other countries.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q01	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**813**	**829**	**772**	**861**	**935**	**813**	**922**	**110**	**111**
Products & Feedstocks	**-10**	**-35**	**33**	**-45**	**-53**	**-73**	**-128**	**-203**	**-187**	**16**	**-126**
Gasoil/Diesel	-121	-154	-123	-151	-171	-168	-176	-193	-210	-17	-92
Gasoline	-79	-81	-78	-98	-80	-69	-59	-86	-88	-2	-21
Heavy Fuel Oil	360	334	360	322	330	325	293	254	364	110	39
LPG	-21	-19	-19	-19	-18	-20	-25	-19	-28	-9	-6
Naphtha	-22	6	20	7	-7	5	-40	20	-19	-39	-49
Jet & Kerosene	-80	-65	-67	-51	-53	-90	-65	-123	-154	-30	-15
Other	-48	-57	-62	-55	-54	-57	-56	-56	-52	4	18
Total	**812**	**784**	**846**	**784**	**719**	**788**	**807**	**610**	**736**	**126**	**-15**

Source: Singapore Monthly Oil Statistics, IEA estimates

The World's Largest Exporters and Importers in 4Q 2002 and the year 2002

Venezuelan petroleum exports dropped by 580 kb/d in 4Q 2002 from the previous quarter, owing to a strike induced supply disruption in December. Other OPEC countries were able to cover some of the Venezuelan supply shortfalls. FSU petroleum exports decreased as bad weather disrupted loadings in addition to tanker congestion in the Bosphorus Strait. Iraqi oil exports recovered sharply to 1.91 mb/d in 4Q 2002 following lifting of surcharges in September.

The World's Ten Largest Net Oil Exporters in 4Q02

(million barrels per day)

	Country	Net Export Volume	Versus 3Q02
1	Saudi Arabia[1, 2]	7.50	0.44
2	FSU	5.50	-0.37
3	Norway	3.10	0.01
4	Iran[1]	2.49	0.12
5	Venezuela[1]	2.15	-0.58
6	UAE[1]	2.07	0.01
7	Iraq[1]	1.91	0.63
8	Nigeria[1]	1.91	0.02
9	Mexico	1.70	-0.09
10	Kuwait[1, 2]	1.63	0.08

1. assuming no stock changes
2. including the Neutral Zone

The World's Ten Largest Net Oil Exporters in 2002

(million barrels per day)

	Country	Net Export Volume	Versus 2001
1	Saudi Arabia[1, 2]	7.07	-0.32
2	FSU	5.59	0.85
3	Norway	3.08	-0.12
4	Venezuela[1]	2.43	-0.19
5	Iran[1]	2.33	-0.26
6	UAE[1]	2.05	-0.17
7	Nigeria[1]	1.86	-0.13
8	Mexico	1.73	0.11
9	Kuwait[1, 2]	1.58	-0.14
10	Iraq[1]	1.54	-0.35

1. assuming no stock changes
2. including the Neutral Zone

In 2002, OPEC exports fell in line with target reduction of 1.5 mb/d at the beginning of the year. FSU petroleum exports rose dramatically as they boosted crude production. Iraqi exports were stagnant due to a one-month export suspension in April and low sales due to the surcharge issue, which was not resolved until September.

Despite cold weather, petroleum imports to the US remained almost at the same level between 3Q and 4Q in 2002, due to a decline in crude oil imports from Venezuela in December. Japanese and Korean oil imports were bullish, buoyed by strong requirements from the utility sector. In Japan, demand for kerosene was also robust following cold winter weather. China imported lower volumes of petroleum, especially in October, reflecting traders' reluctance to buy oil, faced with high oil prices in the international market.

The World's Ten Largest Net Oil Importers in 4Q02

(million barrels per day)

	Country	Net Import Volume	Versus 3Q02
1	USA	11.01	0.07
2	Japan	5.67	0.80
3	Germany	2.45	-0.14
4	Korea	2.24	0.34
5	France	1.79	-0.08
6	India	1.65	-0.09
7	Italy	1.62	-0.10
8	China	1.57	-0.23
9	Spain	1.47	0.01
10	Netherlands	0.89	0.10

The World's Ten Largest Net Oil Importers in 2002

(million barrels per day)

	Country	Net Import Volume	Versus 2001
1	USA	10.88	-0.25
2	Japan	5.19	-0.16
3	Germany	2.48	-0.18
4	Korea	2.16	0.01
5	France	1.84	-0.01
6	Italy	1.67	-0.03
7	China	1.61	0.24
8	Spain	1.49	0.03
9	India[1]	1.01	0.10
10	Netherlands	0.85	-0.01

1. excludes private imports of crude

In 2002, US petroleum imports declined due to weak demand in the first half of the year and a disruption of crude imports from Venezuela in December. Japanese imports were lower year on year, reflecting a stagnant economy. German import volumes also fell, reflecting lower year on year demand. China imported more petroleum in line with strong economic growth and limited domestic production. This trend in Chinese imports is likely to continue in 2003.

OECD STOCKS

Summary

- Industry oil stocks in the OECD fell some 44 mb to an estimated 2440 mb by end-January. The decline was driven by a 1.3 mb/d product stockdraw, centred on distillate fuels and 'other products'. Crude stocks fell by 160 kb/d, mainly in North America. Crude stockpiles elsewhere were flat to down. Days of forward demand cover by OECD oil stocks came to 50 days, with volumes in storage down 211 mb from January last year. The preliminary oil stockdraw in 4Q 2002 was revised higher to 870 kb/d, as the initial build in crude stocks was lowered to a modest decline over the quarter.

Preliminary Industry Stock Change in January 2003 and the Fourth Quarter 2002
(million barrels per day)

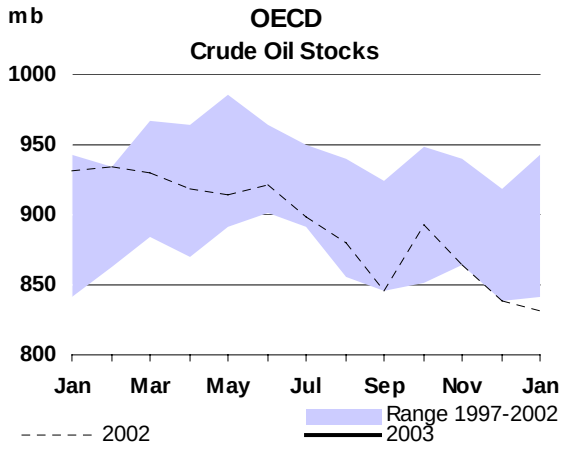
	January (preliminary)				*Fourth Quarter 2002*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.16**	**-0.01**	**-0.04**	**-0.21**	**0.07**	**-0.13**	**-0.02**	**-0.08**
Gasoline	0.02	0.07	0.04	0.13	0.09	0.04	-0.01	0.11
Distillates	-0.57	-0.19	-0.01	-0.77	0.10	-0.18	-0.21	-0.29
Residual Fuel Oil	0.00	-0.05	0.05	0.00	0.00	0.06	0.00	0.06
Other Products	-0.52	0.00	-0.13	-0.65	-0.34	-0.04	0.00	-0.38
Total Products	**-1.07**	**-0.18**	**-0.05**	**-1.30**	**-0.16**	**-0.11**	**-0.22**	**-0.50**
Other Oils[1]	0.10	-0.02	0.01	0.08	-0.27	0.00	-0.03	-0.30
Total Oil	**-1.13**	**-0.21**	**-0.08**	**-1.42**	**-0.36**	**-0.24**	**-0.27**	**-0.87**

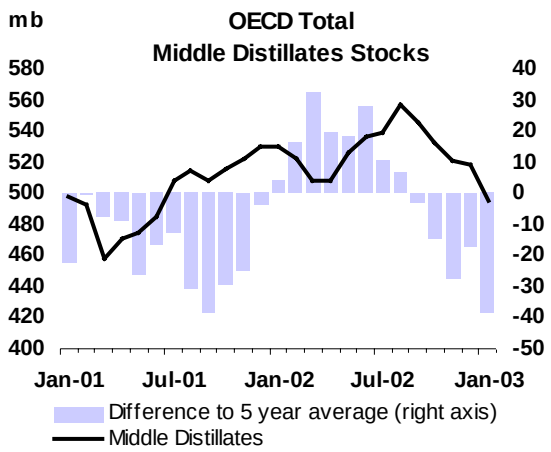
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- Crude stocks in January declined further in the US while tentatively holding flat in Europe. Incentives for regional refiners to purchase inventory above operating requirements were scant. Heavy refinery maintenance in the US cut into crude demand and while throughputs in Europe were firm on the back of strong cracking margins for light sweet crude, backwardation in paper markets limited inventory holdings. The picture for the Atlantic Basin turned tighter as the January draw came off a reduced December base. December crude volumes in Europe were revised down just under 19 mb.

- Stocks of gasoline in January rose 4 mb across the OECD, with Europe leading the build. Gains in Europe were modest given ongoing contraction in demand. January exports to the US reached 2 mt. The contango in swaps for unleaded gasoline in Northwest Europe kept product in independent storage. US stocks slipped marginally despite strong demand. Gasoline yields held at 56% on more blending of unfinished oils. In February, gains in blending components mitigated a draw in US finished gasoline stocks.

- Industry distillate stocks fell heavily in the North America as cold temperatures hit the Northeast US. Heating demand pulled down primary heating oil stocks, leading to liftings restrictions at the secondary and wholesale level. European gasoil stocks fell on demand-pull from the US rather than domestic demand strength. In addition to weather-related impediments in the Baltic Sea, Russian supply headed transatlantic. Kerosene stocks fell in the Pacific. The drawdown rate in Japan eased, as rising crude runs and bumper imports in December and January met heightened winter demand.





OECD Industry Stock Changes in January 2003

OECD industry crude stocks fell 6.4 mb to close January at 832 mb. Stocks declined in North America and to a lesser extent in the Pacific. Europe, by preliminary indications held flat. Atlantic Basin stocks fell 5 mb to 672 mb, on lower US inventories. But the overall inventory position in the region tightened following a 19 mb downward revision to European December inventories. Crude stocks in the US-50 (excluding territories) closed at 274 mb, 4 mb above estimated minimum operating requirements. Lower crude demand, prompted by maintenance and discretionary run cuts, postponed crude purchases. Though January deliveries into the US Strategic Petroleum Reserve (SPR) were deferred, procurement centred on retaining enough crude in tanks to keep refineries operating. Backwardated WTI futures and more OPEC supply due in late March kept buying interest to a minimum. In Europe, crude runs lessened, but from an upward revised December base. Margins for North Sea crudes improved on export prospects for light products to the US, but with physical Brent at a premium to forward month prices and IPE futures in backwardation, refiners remained wary of holding excess crude inventories.

In the Pacific, crude stocks held at 160 mb. Commercial storage slipped in Korea and held virtually flat in Japan. Though Japanese refiners ramped up throughputs to meet domestic kerosene and fuel oil demand, import volumes, excluding crudes used in direct burn by power utilities, remained high. In Korea, reduction in runs on the year did not offset lower imports, leaving stocks to decline around a million barrels. Japanese crude stocks pulled back by 0.3 mb.

In products, the 4Q2002 stockdraw, at 500 kb/d, was shallower than previously reported. Among major categories, distillate fuels were behind January's 40 mb stockdraw, while stocks of gasoline rose and fuel oil remained unchanged. Supply of heating oil tightened in the Atlantic Basin. European physical product prices posted strong premiums against front-month futures prices, supporting in turn sales out of storage. In the US, heating demand rose on colder temperatures, particularly in the Northeast, just as product output declined on idled refinery capacity. With Russian supply to the US losing ground on weather-related delays, US heating oil stocks fell by over 10 mb. High natural gas prices also prompted fuel switching. Diesel, sought after as alternative feedstock by power utilities, saw stocks fall in similar fashion. In Europe middle distillates stocks also declined, but ended within their five-year range. US demand pull and reduced availability of Russian material took regional gasoil stocks lower. Despite colder temperatures, demand in the key German market remained weak. With IPE gasoil futures in backwardation, inland purchases were delayed on the expectation of lower prices for future delivery. By the same token, forward carry of inventory was also deterred. European industry jet fuel stocks fell on strong civil aviation demand, notably in the UK and Italy. Pipeline shipments and backwardated swap prices kept independent storage in Northwest Europe low. In the Pacific, kerosene used as heating oil saw an easing in stock drawdown for January. Higher refinery output and increased imports covered domestic requirements.

Revisions and Preliminary OECD Stocks at the end of January 2003

Revisions to closing December data lowered OECD oil stocks by 31 mb, mainly in crude. The opening inventory position for 2003 in the Atlantic Basin is assessed considerably tighter following a near 19 mb downward revision in European crude storage. Reductions in the UK dominated, stocks there were revised nearly 6 mb. UK exports surged during December with the bulk of extra volumes destined for Germany, France and the US. Stocks in Germany, where refiners were running at capacity, were revised lower. In contrast, French stores were revised up 2.5 mb. Norway saw stocks hold near flat in lieu of a 3 mb build. In the Mediterranean, where sour barrels were scarce, Italian crude stocks were revised 2.3 mb lower, in line with upwardly revised throughputs. In contrast, stocks in Spain came in higher.

Revisions Versus 12 February 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Nov 02	Dec 02	Nov 02	Dec 02	Nov 02	Dec 02	Nov 02	Dec 02
Crude Oil	**-1.3**	**-1.9**	**-2.0**	**-18.8**	**0.0**	**1.5**	**-3.2**	**-19.2**
Gasoline	2.0	-1.4	-0.9	2.2	0.5	-1.1	1.6	-0.3
Distillates	-0.8	-1.0	-1.0	3.2	-1.5	-1.2	-3.2	1.0
Residual Fuel Oil	0.8	-0.5	0.2	-1.4	0.5	0.3	1.5	-1.6
Other Products	-0.1	5.9	-0.4	0.0	-0.6	-0.8	-1.1	5.0
Total Products	**2.0**	**2.9**	**-2.1**	**4.0**	**-1.2**	**-2.8**	**-1.2**	**4.1**
Other Oils[1]	-3.2	-13.0	0.1	-2.6	-1.1	-0.5	-4.2	-16.1
Total Oil	**-2.4**	**-12.0**	**-4.0**	**-17.3**	**-2.3**	**-1.8**	**-8.7**	**-31.2**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Industry stocks of total oil closed January at 1148 mb in North America, 885 mb in Europe and 407 mb in the Pacific. OECD oil stocks, at 2440 mb, ended 211 mb below a year ago, with volumes of crude stocks 100 mb lower and products down some 91 mb. Regionally, the volume difference versus 2002 for crude inventories was most acute in the Atlantic Basin. US stocks were diminished following supply shortfalls in the wake of storms in the Gulf of Mexico and lost short haul crude from Venezuela. January forward demand cover in the OECD, at 50 days, fell below year 2000, when stocks were tight. Cover continued to fall in North America with the reduction in distillate inventories, declining from 48 days to 47 days. Europe held flat at 59 days while the Pacific region saw demand cover improve, rising from 43 to 45 days.

Year-on-Year Industry Stock Comparisons for January 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-49.6**	**-43.6**	**-6.3**	**-99.5**	**Total Oil**	**-6.1**	**-4.4**	**-5.2**	**-5.5**
Total Products	-56.0	-18.7	-16.0	-90.7	*Versus 2001*	*-0.8*	*-1.9*	*-4.1*	*-1.8*
Other Oils[1]	-10.0	-4.4	-6.6	-20.9	*Versus 2000*	*-0.3*	*-1.1*	*-2.1*	*-1.0*
Total Oil	**-115.6**	**-66.7**	**-28.8**	**-211.1**	**Total Products**	**-3.1**	**-1.2**	**-2.7**	**-2.5**
Versus 2001	*-0.6*	*-30.2*	*-29.8*	*-60.6*	*Versus 2001*	*0.1*	*-0.7*	*-1.9*	*-0.6*
Versus 2000	*33.0*	*-24.3*	*-24.5*	*-15.8*	*Versus 2000*	*0.4*	*-1.1*	*-1.5*	*-0.5*

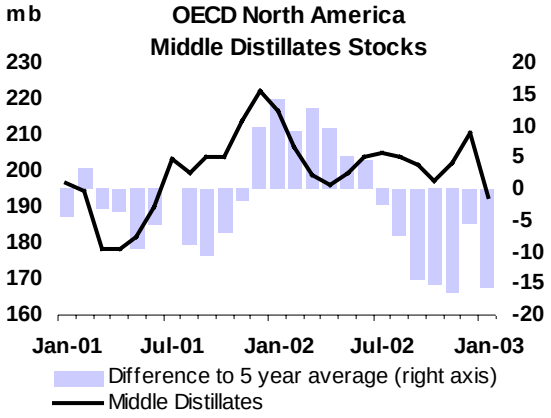
1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD Regional Stock Developments

North America

Crude inventories in the US-50, after hitting a trough of 272 mb mid-month, ended January at 274 mb, 4 mb above estimated minimum operating requirements. US crude inventories ebbed further as a recovery in Venezuelan crude deliveries remained modest. Rebuilding stocks took a back seat as refinery throughputs fell on average 500 kb/d, and by over 900 kb/d in the second half of the month. Heavy scheduled maintenance planned for January-February and discretionary run cuts associated with higher crude costs limited buying interest. In the Mid-continent (PADD II), the delivery point for NYMEX's WTI futures contract, stocks reverted down to 54 mb. Backwardation in the near months for WTI futures averaged 0.83 $/bbl in January and deepened in February to $1.31. Purchases were delayed in favour of cheaper future delivery. Plant managers factored in additional OPEC supply, managing inventories at minimum operating requirements ahead of additional crude due March-April. The bulk of Iraqi liftings in December and January were headed to the Americas. Saudi Aramco, through Vela International Marine, has chartered a number of very large crude carriers for the US in early January and again mid-February. US crude stocks closed February unchanged at 274 mb but stocks in PADD II fell further to reach 50 mb. Delays to deliveries into the US SPR were extended. In addition to the 4.4 mb for March, 3.5 mb of April deliveries were deferred, bringing the total postponed since December to nearly 19 mb.

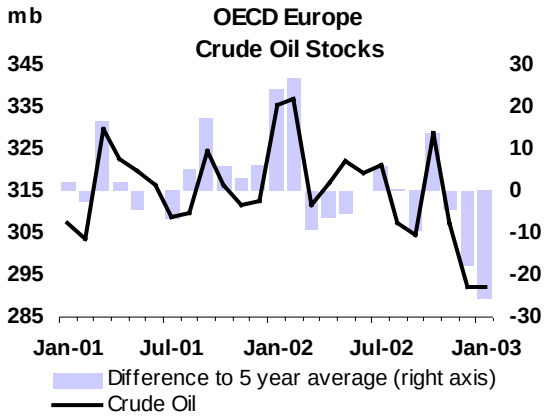
Light product stocks saw large draws in the opening months of the year. Lower product output resulting from high turnaround activity, compounded demand-driven reductions in storage. Distillate inventories (excluding jet fuel) fell some 30 mb off December levels, to close February at 96 mb. Cold weather extended through early March. By end-February, heating oil inventories in the Northeast states (PADD I), where most consumption takes place, were cut nearly by half at 17 mb. January saw imports fall back on weather-related delays to Russian exports before rising in February. Secondary storage was stretched in many parts of New England with liftings restrictions imposed on primary storage.

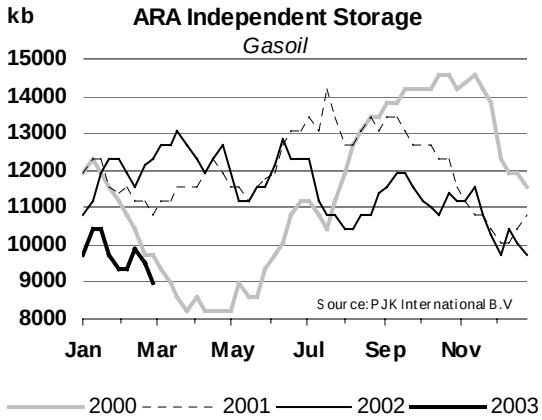


High natural gas prices induced fuel switching to oil, causing diesel to record declines in storage. Effects on fuel oil stocks were less pronounced. Though LSFO prices were pressured higher, fuel oil stocks held flat at 31 mb. Finished gasoline stocks fell in tandem with production in January. But the rise in the pool of blending components through February, fuelled by a steady flow of European material, (witness high stocks in PADD I) mitigated tightness in conventional product. But RFG stocks fell significantly in absence of exports from Venezuela. West Coast inventories closed February down to 6.5 mb. Upcoming tighter summer specifications, and a first time switch to ethanol-based RFG (CARBOB) in California, leaves the region exposed to unplanned refinery outages.

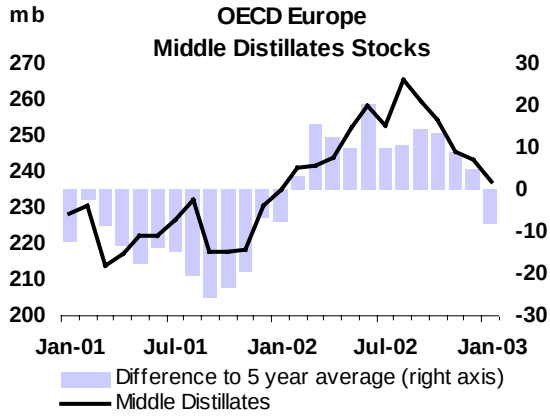
Europe

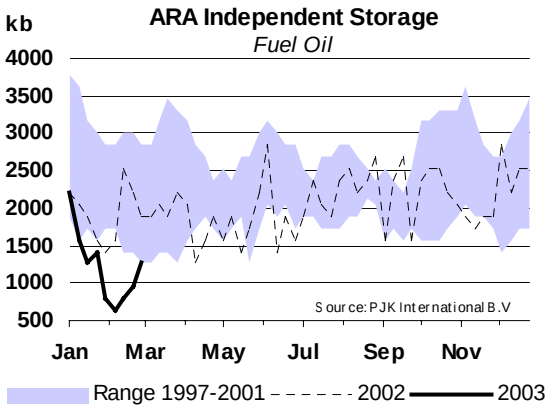
Crude stocks in Europe were tentatively unchanged in January at 292 mb, but stocks fell in Germany (6 mb) and the Netherlands (4.5 mb). The preliminary January figure may have some downside. Margins for light sweet crudes firmed through February, raising interest for North Sea barrels. With incremental sour barrels headed to the US and Asia, competition in January to refine sweet crude was set against a backwardated Brent market. Throughputs were high, but refiners were wary of maintaining surplus crude in tanks. There was also competing demand from the US. WTI's spread against Brent rose and premiums for North Sea grades firmed, with likelihood that more Brent related crudes were headed out of the region.





January saw draws in distillate and residual fuel oil stocks on reduced Russian availability. Weather-related loading delays from Baltic ports limited exports. Gasoil was pulled to the US as European inland demand remained weak. Physical 0.2% gasoil traded at a strong premium against its IPE paper counterpart, encouraging sales from storage. Jet fuel stocks fell on growing aviation demand. Backwardated jet swaps prices and strong prompt prices also discouraged storage. Industry distillate inventories in Europe fell back 6 mb to 237.5 mb in January, but stayed well within their five-year range.



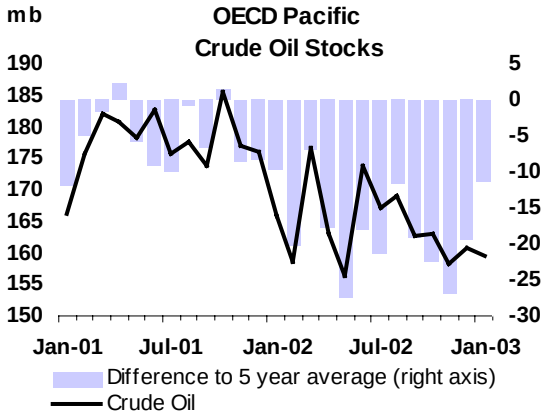


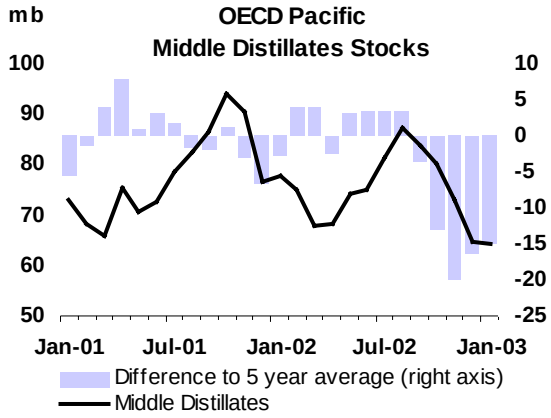
Taking over from bunker demand, Scandinavian utility requirements pushed fuel oil stocks lower in January, but inventories should rebuild in February. Independent storage in ARA has rebounded as Baltic Sea exports resumed but fuel oil stayed in Europe as arbitrage to Asia remained closed in February. Gasoil supplies in February were limited, in spite of higher exports from the Latvian port of Ventspils. Russian flows continued to be diverted to the US and February storage in ARA fell further.

Though 2 mt of gasoline were shipped in January to the US, stocks rose on firm crude runs and contracting demand. European commercial gasoline stocks rose 2 mb to 121 mb by end-month. Industry stocks are likely to be flat to rising in February. Contango in the March/April spread in swap prices encouraged keeping product in tank. ARA independent storage of gasoline remained flat in February. Gasoline exports to the US in February were reported lower at 1.5 mt, in part due to reduced prompt clean tanker availability. While transatlantic shipments may be headed lower, outlets for surplus gasoline were found in Nigeria. Nigeria tendered for a near 3 mt of product (well above the usual volumes seen in the past) at a reported premium of around $17 to Rotterdam prices for second and third quarter procurement.

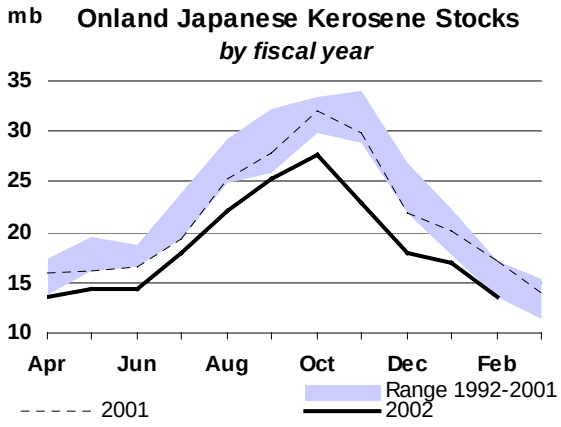
Pacific

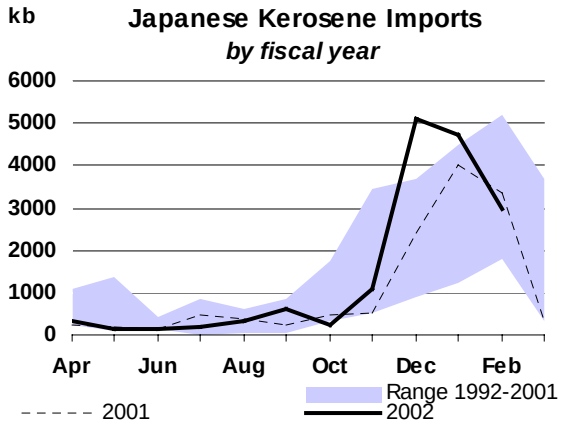
Pacific crude stocks closed January marginally lower at 160 mb, with Korean inventories falling by just under a 1 mb and Japanese stocks virtually unchanged. Year-on-year reductions in Korean runs were not sufficient to cover declines in import levels. In contrast, though crude runs rose in Japan, imported crude volumes, excluding those grades required for direct burn purposes, balanced higher throughputs, leaving stocks flat. Expanded OPEC term allocations in late December and in January are likely to keep a floor under Japanese and Korean crude stocks through February. West African crude supplies will also provide added support to February crude stocks in Japan. Japanese buyers were reported to have acquired the bulk of 1.2 mb/d January loading barrels heading to Asia. March arrivals from Saudi Arabia may be delayed due to additional chartering for destination in the US. But as runs ease seasonally, Japanese crude stocks will likely recover before the end of the fiscal year in March to meet domestic stockholding requirement.





Though temperatures were cold, middle distillate inventories remained steady in the Pacific at 64 mb in January. Stocks of kerosene (used as a heating fuel) continued to fall in Korea and Japan, but the pace eased as domestic output rose and product imports increased. In Korea, lower crude runs entailed lower exports. Gasoil exports in particular have been reduced from year earlier levels to allow stocks to rebound during the month. By end-January, Korean refiners S-Oil and SK Corp were reported to have limited availability of distillate for February export.



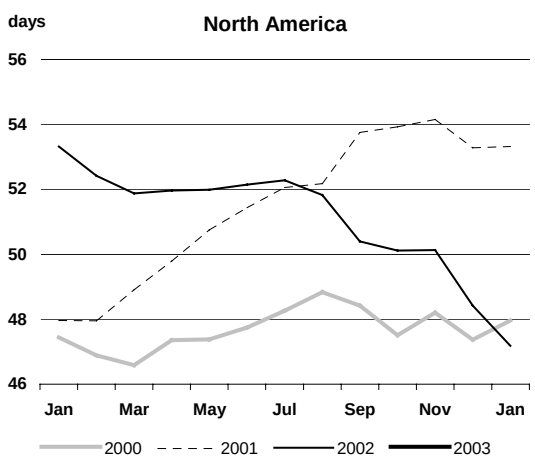


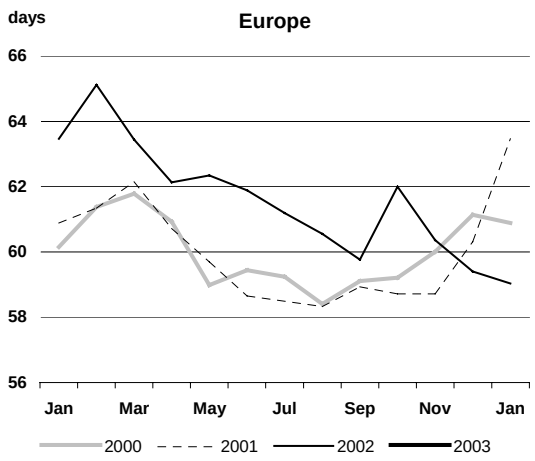
Japanese interest for spot kerosene waned in February. Current stock levels and higher runs were considered sufficient to cover demand for the remainder of the winter. Spot purchases were reported around 3 mb, down from January's near 5 mb. As well as higher imports, increased crude runs lifted supplies of 'C' fuel oil required by thermal power plants. Residual fuel oil stocks have been climbing in Japan in anticipation of higher demand consequent to the idling of Tokyo Electric Power Co.'s (Tepco) nuclear plants.

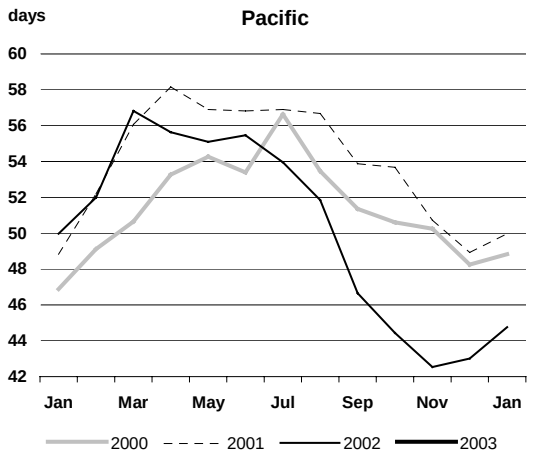
Weekly statistics from the Petroleum Association of Japan indicate that low sulphur 'C' fuel oil stocks have declined in February. Part of this decline could come from sales from near-full storage facilities, in addition to power demand. By late January, Japanese refiners were reported offering spot cargoes of low sulphur fuel oil as utility demand tapered off. This translated also into declining interest for Indonesian low sulphur waxy residue. Fuel stocks may have peaked, as utilities will favour direct burn of crude oil through part of March, given higher crude import volumes from Vietnam and Indonesia. Utilities are then likely to revert back to fuel oil, as in April, additional nuclear facilities will close for maintenance.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

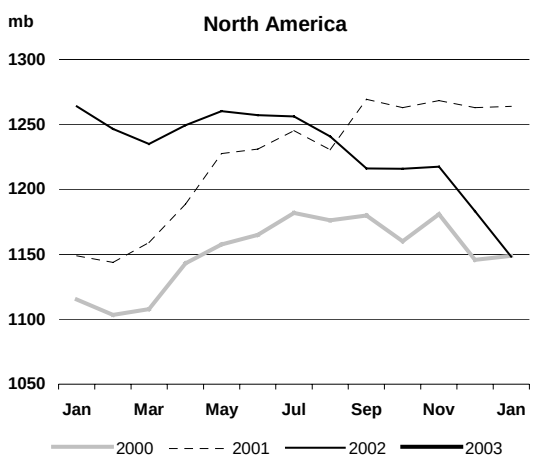
Days[1]

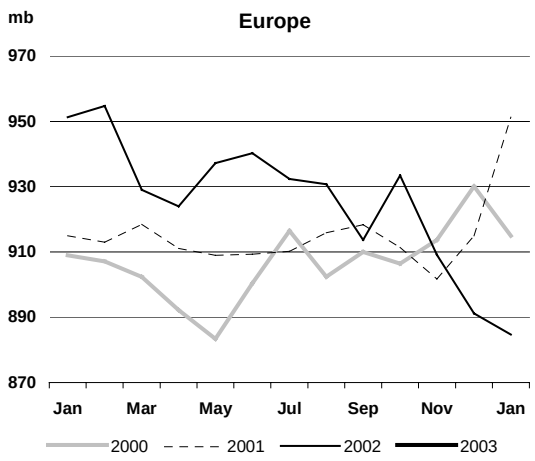


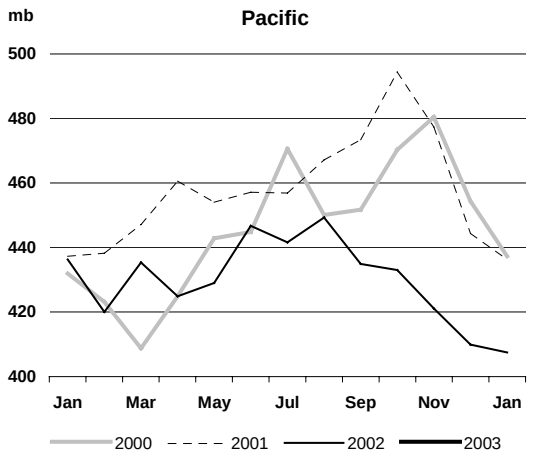




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Crude oil prices** sustained their upward momentum in February as stocks remained tight and weather-related product demand surged. These factors offset the substantial growth in world crude output. With greater volumes of crude, mainly heavier, sourer streams, coming onto world markets, along with rising demand for low-sulphur products, light/sweet crudes gained over heavy/sours.

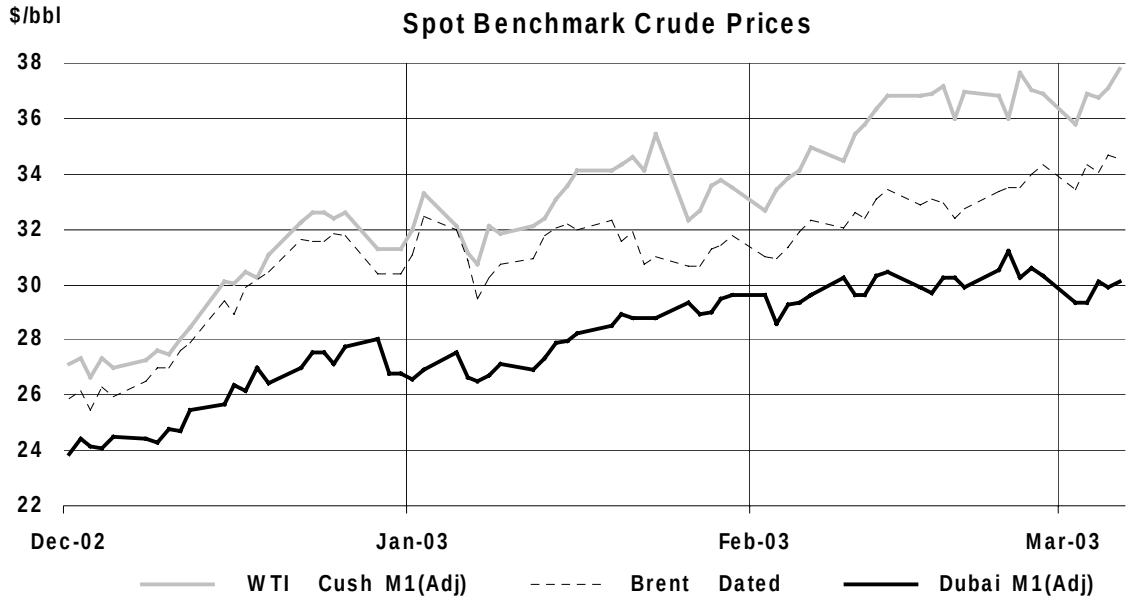
- **WTI NYMEX** and **IPE Brent** averaged $35.73 and $32.18 respectively over the month. Crude prices continued to rise in early March, with WTI NYMEX closing at $37.78 on March 7 and IPE Brent at $34.10.

- **WTI Cushing** averaged $35.75 in February, **Dated Brent** $32.67 and **Dubai** $30.02. With Brent losing ground to WTI, the incentive for arbitrage to the US rose. The Brent-Dubai spread narrowed, but remained at levels discouraging incremental eastward movement of Brent-related crudes. With growing volumes of replacement crudes and rising Venezuelan supplies, sweet /sour differentials widened substantially.

- **Product prices** rose in February, outpacing gains in underlying crude oil prices. Gross product worth rose relative to crude costs, raising refining margins in all four major regions. **Heating oil** prices surged in February in the US due to tight stocks, colder than normal weather, high natural gas prices and support from strong **jet/kerosene** demand. Strong US markets strengthened Atlantic Basin distillate prices by pulling-in imports. **Gasoline** prices were supported as US refiners sustained high distillate production relative to gasoline output. **Low-sulphur fuel oil** prices gained, but **high-sulphur fuel oil** was weak in the Atlantic Basin.

- **Monthly** average refining margins rose in all major markets in February. Gains were largest for cracking refineries in Rotterdam, followed by US Gulf Coast and Singapore cracking refineries.

- Preliminary estimates indicate that **OECD refinery throughputs** in January averaged 38.34 mb/d, 570 kb/d below revised December levels. January runs were 90 kb/d higher than year-earlier runs. Substantial declines in US and European throughput outweighed modest increases in Japan and Korea. The reduction in US crude runs reflected a high level of refinery turnarounds and the unavailability of Venezuelan crude supplies. Preliminary estimates suggest US throughput dropped by 200 kb/d from the average January level in February.



Crude Oil Prices

Spot Crude Prices and Differentials in February

Crude oil prices rose substantially in February and were highly volatile. Front-month **WTI NYMEX** averaged $35.73, closing the month at $36.60 after having briefly hit a 12-year high of $39.99 on 27 February.

In early March, prices rose further with NYMEX WTI closing on 7 March at $37.78. **IPE Brent** averaged $32.18 in February, ending the month at $32.79. On 7 March, IPE Brent closed at $34.10. The benchmark physical crudes also moved up, with **WTI Cushing** averaging $35.75, **Dated Brent**, $32.67 and **Dubai**, $30.02 in February. In the first week of March, WTI Cushing averaged $36.86, Dated Brent, $34.20 and Dubai, $30.36.

Rising crude prices in February largely reflected tight stocks in the OECD area and unexpectedly strong product demand growth, partly due to colder-than-normal weather in key consuming regions. Although Venezuelan production remained well below pre-strike levels, world production rose nearly 2 mb/d in February. This largely reflects gains of about 1.5 mb/d in Saudi Arabia and other OPEC nations, although output also rose in certain non-OPEC countries. With voyages from the Persian Gulf lasting six weeks or more, much of the incremental production remains in transit.

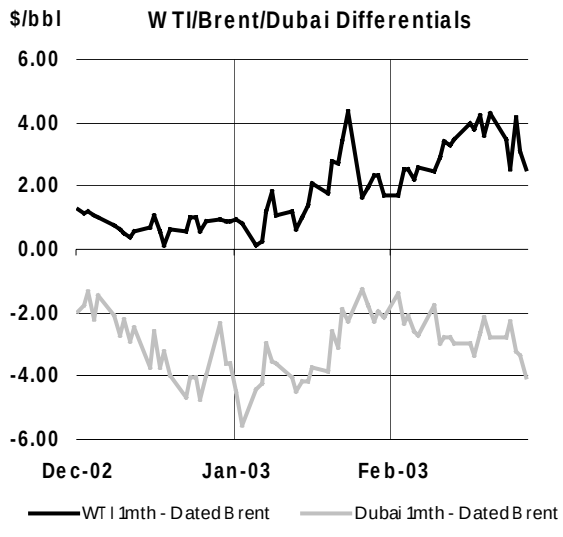
Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Nov	Dec	Jan	Jan-Dec		Week Beginning:				
				Change	*%*	30 Dec	06 Jan	13 Jan	20 Jan	27 Jan
Crudes										
Brent Dated	28.67	31.32	32.67	1.35	4.3	31.16	31.50	32.69	32.79	33.72
WTI Cushing 1 month (adjusted)	29.45	32.99	35.75	2.77	8.4	na	33.81	35.79	36.75	36.38
Urals (Mediterranean)	27.72	28.88	30.38	1.50	5.2	28.21	28.97	30.42	30.62	31.51
Dubai 1 month (adjusted)	25.73	28.02	30.02	1.99	7.1	29.27	29.19	30.14	30.01	30.59
Tapis	30.27	31.95	33.96	2.02	6.3	32.16	32.96	34.11	33.98	34.64
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	0.78	1.66	3.08	1.42		na	2.31	3.10	3.96	2.65
Urals (Mediterranean)	-0.95	-2.44	-2.30	0.15		-2.94	-2.53	-2.27	-2.17	-2.21
Dubai	-2.94	-3.30	-2.66	0.64		-1.89	-2.31	-2.55	-2.78	-3.13
Tapis	1.60	0.62	1.29	0.67		1.00	1.46	1.43	1.19	0.91
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.54	0.75	0.55	-0.20		0.36	0.31	0.53	0.61	0.74
WTI Cushing 1mth-2mth (adjusted)	0.71	1.01	1.19	0.17		na	0.76	1.13	1.25	-0.46

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

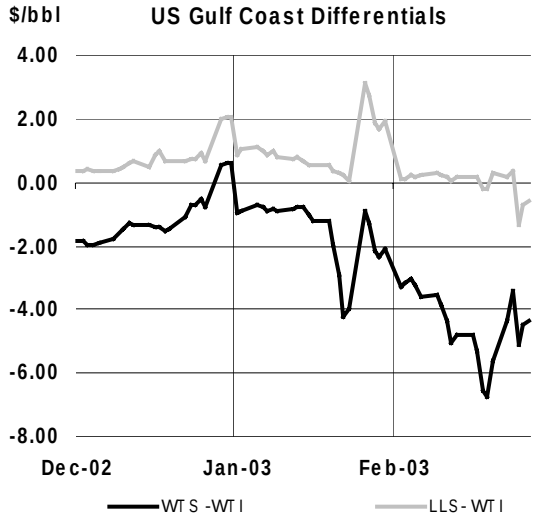
WTI Cushing prices rose by $2.76 last month, outpacing the $1.35 gain in Dated Brent. The strength of WTI prices reflected tight US Midcontinent stocks, which have fallen to the lowest levels since records began 14 years ago. The US Midcontinent (PADD II) is where Cushing, Oklahoma, the pricing basis for WTI, is located. Dated Brent, in contrast, was affected by a rebound in North Sea production. The **WTI-Dated Brent** spread widened to $3.08 in February, encouraging arbitrage to the US.



With stronger competition for Brent–related crudes, along with attractive refining margins in Europe, prices for comparable North Sea crudes such as Ekofisk, Oseberg, Forties and Statfjord strengthened against Brent during the month. Other Brent-related crudes such as Nigerian Bonny Light and Forcados also gained against Brent in February, although Angolan Cabinda lost some ground

New Louisiana Offshore Oil Port (LOOP) rules risk hampering Brent arbitrage into the US Gulf and Midcontinent. LOOP will now require customers without their own storage caverns to deliver directly into the pipeline system. This may not be feasible. LOOP is the only deepwater terminal in the US Gulf capable of offloading VLCCs. Avoiding Loop would thus require more costly lightering.

The **Brent-Dubai** differential averaged $2.66 in February, noticeably narrower than the $3.30 seen in January. Yet this remained wide enough to render the notional arbitrage for moving Brent-related West African crudes into Asia unworkable. Sellers were further encouraged to switch oil from Asia towards the US. Nevertheless, substantial volumes of West African crude continued to move to Asia in February.



February saw a substantial widening of sweet/sour differentials at the US Gulf Coast, as supply gains favoured sourer crudes while demand increases favoured sweeter material. Although increased Saudi exports were still in transit, Venezuelan supplies were increasing. Sour volumes were also on offer from other producers. In particular, Iraqi crude remained a major source of supply, even though several US firms have now ceased importing Iraqi oil.

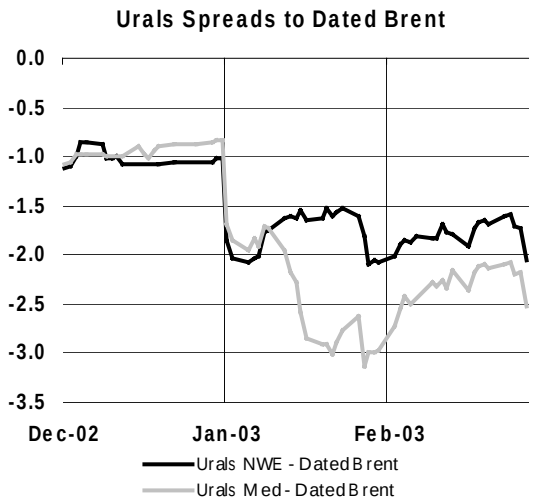
At the same time, strong demand for light products and for LSFO strengthened refiners' demand for lighter, sweeter crudes. The **WTI-WTS (West Texas Sour)** differential rose far above normal levels, exceeding $6.50 for several days. The average was $4.35 in February, rising to $5 in the first week of March. While closure of the Rancho pipeline from Midland, Texas to the US Gulf Coast compounded WTS weakness, other heavy sours moved in the same direction. The **WTI-Mars** differentials widened to an average of $5.23 in February from $3.76 in the previous month. The **WTI-Poseidon** gap also opened up.

Demand for sweet crudes was further indicated by the **WTI-LLS (Louisiana Light Sweet)** differential. Normally, the supply tightness witnessed in the Midcontinent would open up the differential to draw supplies inland. Yet the February gap averaged only 12 cents, above January's but too little to provide much inland pull. By the first week of March, however, the differential had grown to 28 cents. Recognising changing conditions, Pemex widened the March discount for its heavy, sour **Maya** crude sold into the US Gulf.

The average **Dated Brent-Urals (Mediterranean)** spread declined to $2.30 in February, a moderate narrowing of the January differential. As noted in the February OMR, Urals data reflect the new Platts methodology for assessing prices introduced at the beginning of this year.

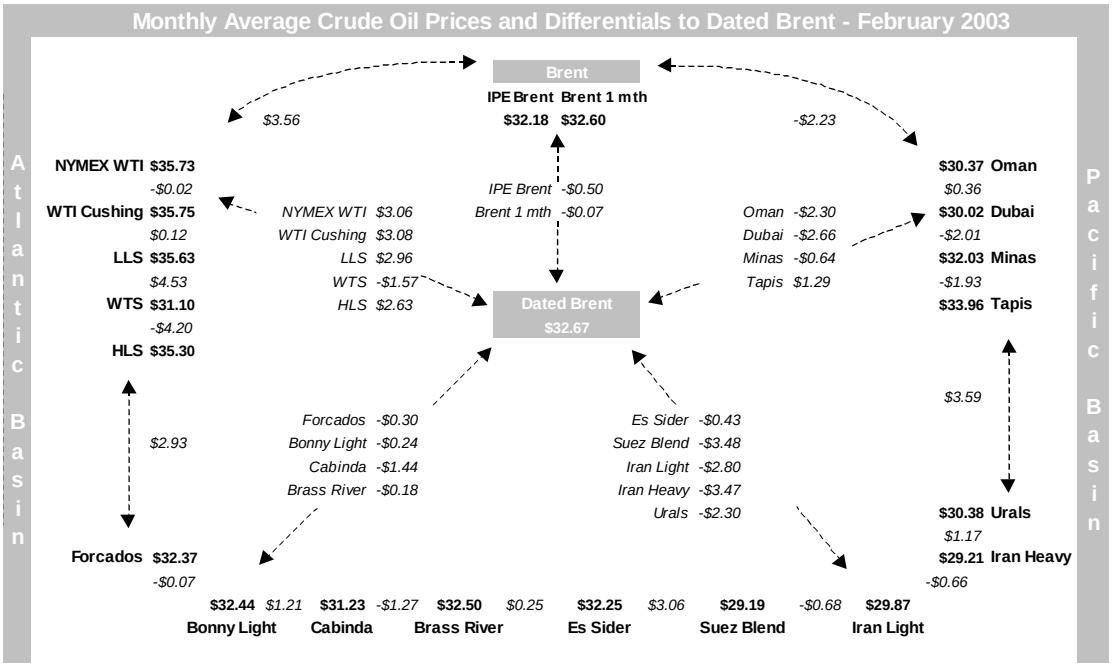
Good refining margins helped support Urals Mediterranean prices, as did weather-related delays at Novorossiysk and the Bosphorous. Indeed, Black Sea crude exports fell substantially.

Yet Urals faced increased competition at the US Gulf Coast from Iraqi supplies. Exports from Saudi Arabia and other OPEC producers into the Mediterranean were also growing. Resulting pressures pushed large volumes of Urals eastward to Asia.



The average Urals Mediterranean price rose to $30.38 from $28.88 in January. Despite improving conditions in the Baltic during February, and higher export volumes, the **Dated Brent-Urals** differential moved little, averaging $1.79 versus $1.75 in January.

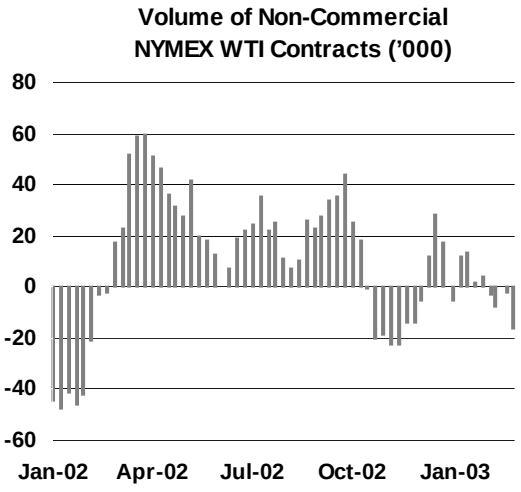
In Asia, the relationships among regional benchmark crudes reflected a more normal pattern in February. For several months, strong demand for direct-burn crude by Japanese utilities had kept the price of Indonesian Minas (35 API, 0.08% sulphur) and Duri (20.8 API, 0.2% sulphur) above the price of Malaysian Tapis (45 API, 0.02% sulphur). Japanese utilities continue to operate oil-fired stations to compensate for shutdowns in nuclear facilities. However, with higher fuel oil output and adequate crude inventories, demand for direct-burn crude waned. In February, Tapis traded at an average $33.96, versus $32.03 for Minas and $29.85 for Duri.



Crude Futures in February

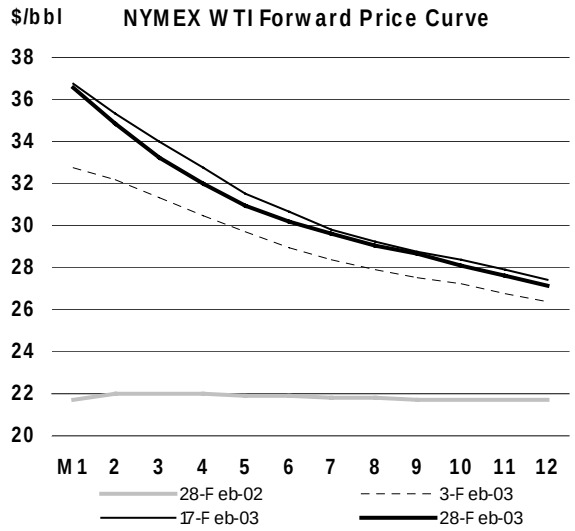
WTI futures rose by $3.03 in February, exceeding the $2.76 gain in physical spot WTI prices. In the Brent markets, the rise in the IPE futures contract was $1.84, well above the increase in the physical crude, Dated Brent, which rose by $1.35.

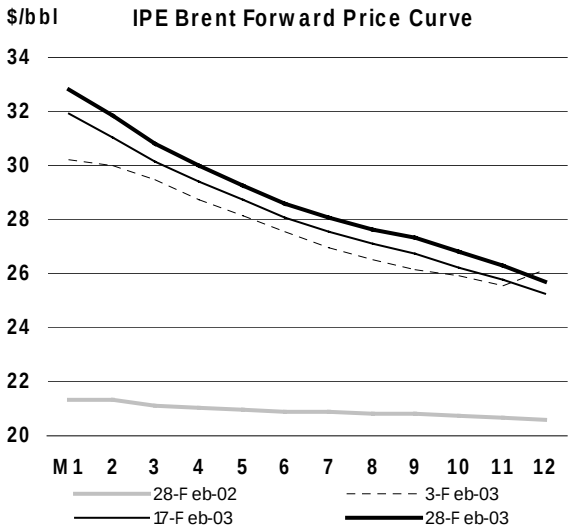
By early March, increased concerns about tight stocks and short prompt supply continued to overshadow the paper markets. The first-month WTI NYMEX price climbed to average $36.85 in the first week and closed at $37.78 on 7 March. IPE Brent increased to an average of $33.24 in the first week of March, closing at $34.10 on 7 March.



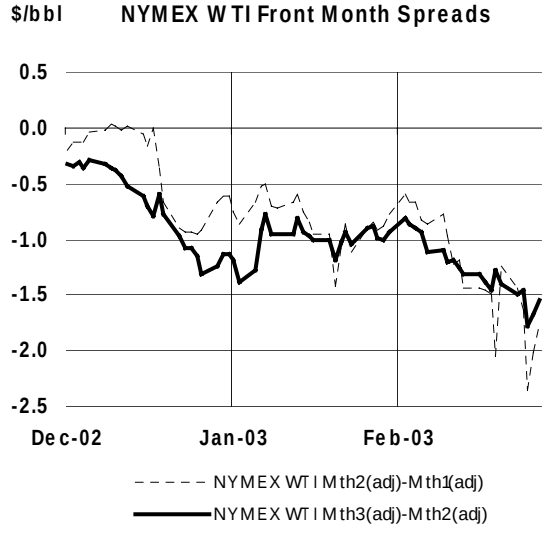
The WTI NYMEX forward price curve became more steeply backwardated (premium for prompt prices) during February. First month-second month differentials widened from 60 cents at the beginning of February to $1.77 by month's end. In early March, the differential narrowed moderately, but at $1.43 on 7 March, still showed a high degree of backwardation.

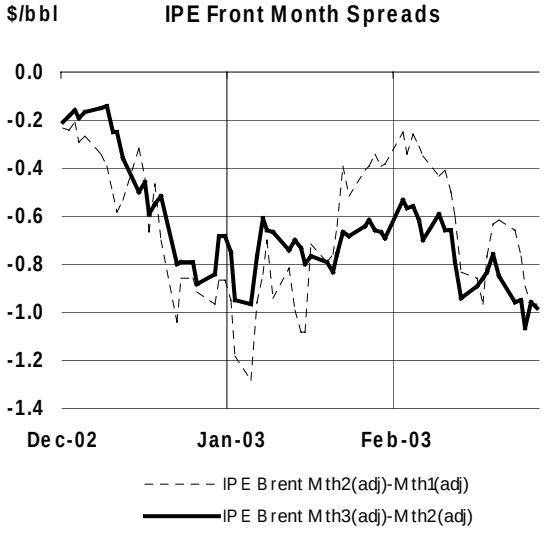
Backwardation constitutes an economic disincentive to build stocks. The IPE Brent forward price curve also shifted into steeper backwardation in February. The first month-second month differential expanded from 25 cents at the beginning of February to 97 cents at the end of the month. On 7 March, backwardation was 96 cents. However, the IPE contract remained less backwardated than NYMEX WTI.





The **non-commercials (**or speculators) positions moved from net long 4,000 contracts in early February to net short 2,300 contracts late in the month. By early March, non-commercials had moved to a net short position of 16,000 contracts. This suggests increasingly bearish expectations on the part of these players. These movements in non-commercial positions added momentum to price adjustments. They reflected changing expectations of how international political dynamics, the trend of Venezuelan production and supplies from other OPEC producers, along with other factors, would affect oil markets in coming weeks.





Delivered Crude Prices in December

Delivered prices for crude oil imported into IEA countries rose from $24.95 in November to $26.47 in December, an increase of $1.52 (see Table 8 at the back of the Report). Prices rose by $3.03 in IEA Europe, $1.66 in IEA North America and $2.30 in IEA Pacific. These increases reflected the increases in prices for marker crudes such as Brent, WTI and Dubai. (see Oil Market Report, January 2003). The smaller increase in the price for North America than Europe reflects the smaller price gains shown by WTI Cushing, the key North American marker, compared to Dated Brent, the key European marker crude, in December. The stronger gains in IEA Pacific delivered prices compared with North American delivered prices likely reflects the greater relative strength of Dubai prices in November since crude programs are negotiated a month prior to arrival.

Product Prices

Spot Product Prices in February

Product prices generally rose last month. This partly reflected the push from rising crude price feeding through into product markets. However, gains for many products reflected strong demand pressures in key markets. Most clearly, the US heating oil market helped pull up distillate, jet/kerosene and gasoline prices in the Atlantic Basin. Refined product prices generally strengthened relative to crude.

Spot Product Prices
(monthly and weekly averages, $/bbl)

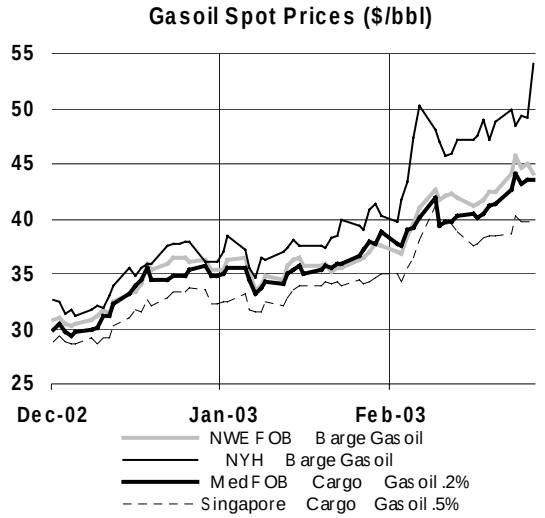
	Dec	Jan	Feb	Feb-Jan		Week Beginning:					Dec	Jan	Feb
				Change	*%*	Jan-27	Feb-03	Feb-10	Feb-17	Feb-24			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	31.91	35.95	39.85	3.91	10.9	37.64	39.68	41.04	39.01	39.69	3.24	4.62	7.18
Regular Unleaded	31.31	35.35	39.31	3.96	11.2	37.04	39.10	40.48	38.49	39.16	2.64	4.02	6.63
Naphtha	28.77	33.95	36.99	3.04	9.0	35.20	35.63	36.81	36.08	39.45	0.10	2.63	4.32
Jet/Kerosene	33.30	36.76	43.21	6.45	17.5	37.97	40.74	44.23	42.44	45.43	4.63	5.44	10.54
Gasoil	33.14	35.78	41.81	6.04	16.9	36.98	38.55	42.11	41.86	44.74	4.47	4.45	9.14
Fuel Oil 1.0%S	27.15	27.90	31.99	4.09	14.7	29.65	32.60	32.68	30.97	31.72	-1.52	-3.42	-0.68
Fuel Oil 3.5%	20.84	27.08	27.04	-0.04	-0.1	26.83	27.20	28.94	26.09	25.90	-7.83	-4.25	-5.64
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	31.84	35.54	39.45	3.91	11.0	37.46	39.78	40.30	38.25	39.46	4.12	6.66	9.07
Premium Unleaded	31.12	34.82	38.73	3.91	11.2	36.74	39.07	39.58	37.53	38.74	3.40	5.94	8.35
Naphtha	27.52	32.80	35.62	2.82	8.6	34.09	34.47	35.51	34.58	37.90	-0.20	3.92	5.24
Jet/Kerosene	30.02	33.21	40.00	6.79	20.5	34.75	38.06	40.63	38.99	42.32	2.30	4.33	9.62
Gasoil	32.52	35.61	40.74	5.13	14.4	37.64	38.73	40.17	40.70	43.37	4.80	6.73	10.37
Fuel Oil 1.0%S	25.02	30.29	32.28	1.99	6.6	32.30	32.47	32.71	31.25	32.68	-2.70	1.41	1.90
Fuel Oil 3.5%S	18.18	24.58	24.09	-0.49	-2.0	24.33	24.76	25.73	23.26	22.61	-9.54	-4.30	-6.29
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	35.90	38.69	43.87	5.18	13.4	41.41	44.12	44.53	42.66	43.92	6.45	5.70	8.11
Regular Unleaded 87	33.83	36.81	41.86	5.05	13.7	39.18	41.93	42.29	40.59	42.36	4.37	3.82	6.10
Jet/Kerosene	34.88	38.38	48.31	9.93	25.9	40.44	45.31	47.25	49.15	51.72	5.42	5.39	12.56
No.2 Heating Oil	34.42	37.99	47.37	9.39	24.7	40.18	44.50	46.79	48.14	50.23	4.96	5.00	11.62
Fuel Oil 1.0%S (Cargo)	26.65	31.65	35.09	3.44	10.9	35.06	33.26	33.36	34.53	39.10	-2.81	-1.34	-0.66
Fuel Oil 3.0%S (Cargo)	23.69	29.08	29.45	0.38	1.3	30.31	30.00	30.05	29.31	28.43	-5.77	-3.91	-6.30
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	30.25	34.34	40.13	5.79	16.9	36.85	37.92	40.68	40.08	41.53	4.52	6.32	10.12
Naphtha	29.57	32.21	37.34	5.13	15.9	34.06	34.41	37.95	37.27	39.26	3.83	4.19	7.32
Jet/Kerosene	32.10	34.37	39.27	4.90	14.3	35.30	36.99	41.13	38.60	40.27	6.36	6.34	9.25
Gasoil	30.99	33.39	38.45	5.06	15.2	34.51	36.13	39.78	38.09	39.61	5.25	5.37	8.43
LSWR (0.3%S)	30.97	31.05	34.77	3.72	12.0	31.52	31.73	35.88	35.85	35.24	5.24	3.03	4.75
HSFO (3.5%S 180cst)	25.46	28.18	30.88	2.70	9.6	29.39	29.86	32.12	30.74	30.86	-0.28	0.16	0.87
HSFO 4%S	25.40	28.27	30.74	2.47	8.7	29.50	29.96	31.64	30.64	30.75	-0.33	0.25	0.72

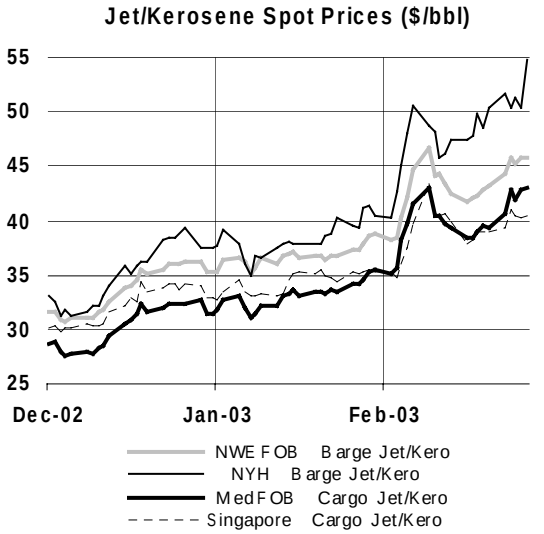
February saw strong increases in product prices in most major markets for most products. **New York Harbour** saw very strong gains, around 25%, in prices for heating oil and jet/kerosene. These products gained over crude by $12-13 /bbl. There were major increases for other products, except for high-sulphur fuel oil (HSFO).

Both the **Rotterdam** and **Mediterranean** markets showed a broadly similar pattern, with 18-21% gains in jet/kerosene, 14-17% gains in gasoil, 11% gains in gasoline and very weak performance in HSFO. As in New York Harbour, low-sulphur fuel oil (LFSO) gained against the underlying crudes and indeed, in Rotterdam, LFSO prices rose faster than gasoline. European markets were somewhat less exuberant than New York Harbour, but product prices, except for HSFO, nevertheless gained strongly against crude.

While **Singapore** experienced overall price increases which matched those in the Atlantic Basin, the pattern of gains was substantially different. Gasoline and naphtha prices rose more than elsewhere (16-17%), as did HSFO. Meanwhile, gasoil increased at about the same rate as in Europe while jet/kerosene gained somewhat less than in Europe or New York Harbour. Singapore was the only market where all products gained against the underlying crude oil.

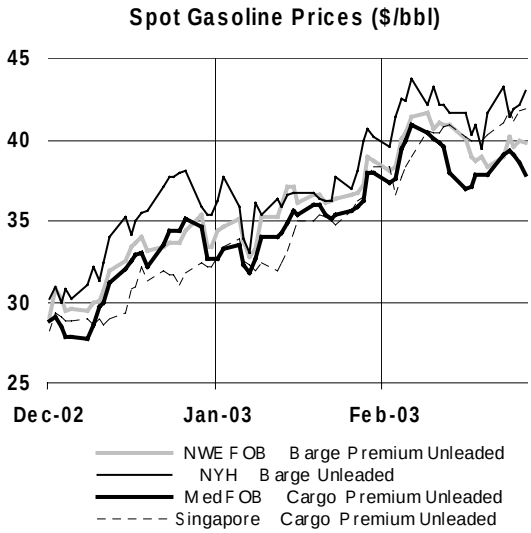
Surging New York Harbour **heating oil** prices were central to product pricing dynamics in the Atlantic Basin in February, with strong impacts on other geographic regions and other products. New York Harbour heating oil prices rose almost 25% in February due to low stocks, reduced refinery runs and sustained cold weather. Low natural gas inventories pushed up prices, which provided an economic incentive to switch into distillate oil at the margin. Strong US prices helped drive up prices in the European market, not least by diverting Russian gasoil shipments to the US. Colder weather also helped support European prices. Singapore markets strengthened as Middle Eastern and Indian volumes were moved westward. Singapore prices further benefited from declining Chinese exports, apparently due to strong local demand, and refinery shutdowns in the Philippines, Korea, Thailand and Taiwan.





The 26% increase in New York Harbour **jet/kerosene** prices in February was partly driven by gains in heating oil. Jet/kerosene prices needed to rise to deter some refiners from boosting heating oil output at the expense of jet/kerosene production. Jet/kerosene was also blended with Russian gasoil imports to allow them to meet US specifications. In addition, price gains reflected ongoing military procurement, constrained output resulting from refinery turnarounds and fairly low stocks. Jet/kerosene prices gained strongly in Europe, albeit less than in New York from loss of product to the US, directly and especially, from military procurement. In addition, supplies from the Middle East were cut. Most notably, Kuwait postponed exports to meet increased US military needs. In Singapore too, jet/kerosene prices showed substantial gains in February. Supportive factors included weather-related heating demand for kerosene in Northeast Asia, limited exports from Korea, partly to meet domestic utility needs, constraints on supplies from the Middle East and low stocks.

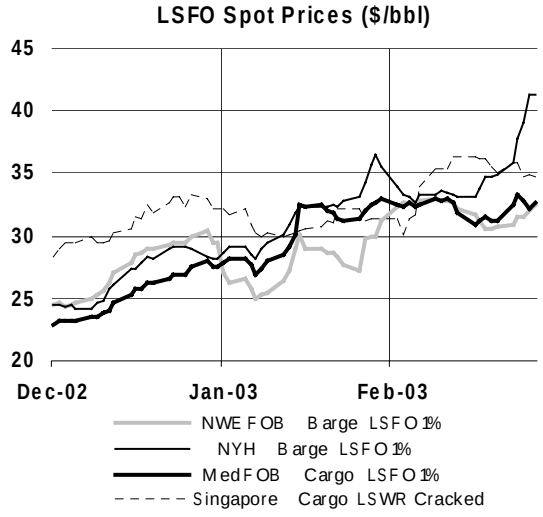
Gasoline prices increased by more than 13% in New York Harbour in February, by 11% in both Rotterdam and the Mediterranean and by 16% in Singapore. Although severe weather magnified the normal seasonal downturn, US gasoline demand remained strong. Stocks of finished product fell, providing less forward cover than in recent years, as low runs and pressures to maximise distillate constrained gasoline output.

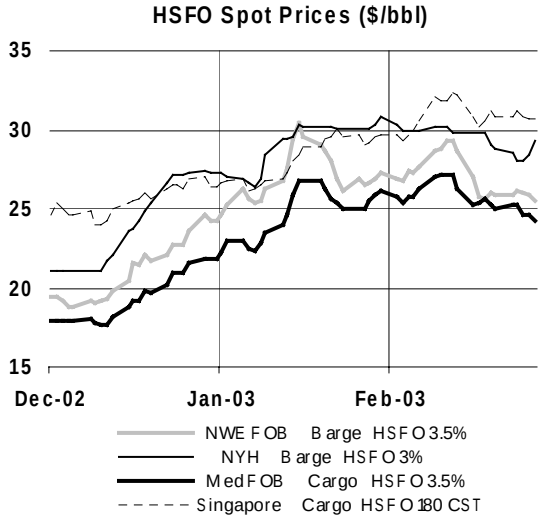


The US market tightened further as a result of exports to Latin America since Venezuelan refining was slow to recover. Meanwhile, US imports about matched year-earlier levels, strengthening markets in other refining centres. Reportedly, 1.5 million tonnes of gasoline moved last month from Europe to the US and Latin America, including Venezuela. This helped draw down European stocks and boosted prices. Singapore also drew strength from arbitrage to the US West Coast, and one Chinese cargo was earmarked for the US Gulf Coast.

LSFO (low-sulphur fuel oil) prices in New York Harbour rose 11% in February, reflecting sharply higher demand as end-users, mainly electric utilities, switched from high-priced natural gas, as well as some increase in consumption for heating.

In face of low refinery runs and stocks, imports rose although hampered by freight costs and backwardation. In Rotterdam, facing continuing strong demand from Scandinavian utilities compensating for hydropower shortages, arbitrage potential helped boost prices 15%. However, in the Mediterranean, LFSO prices, while gaining against crude, were noticeably less buoyant. In Singapore, prices for low-sulphur waxy residue (LSWR) registered a strong 12% gain in February, partly due to reduced Korean fuel oil exports.



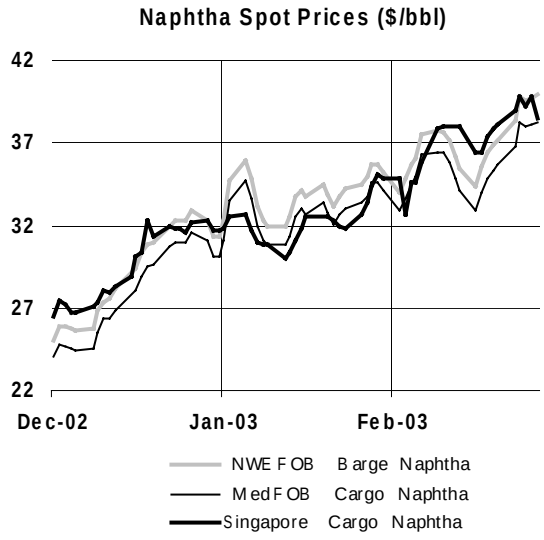


In New York Harbour, Rotterdam and the Mediterranean, **HSFO** prices registered the weakest performance of any product during February, with minimal gains and losses. Indeed, HSFO was the only product that weakened against the underlying crude in February in these three markets. US feedstock demand for straight-run material weakened on greater crude availability and higher freight rates.

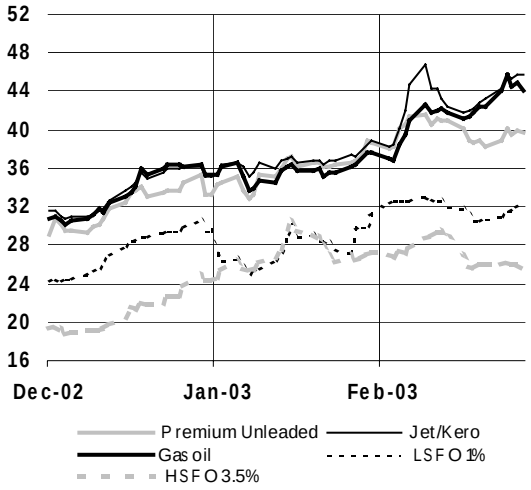
Total FSU exports were about flat, as shipments out of the Baltic rose with warmer temperatures, but bad weather and Bosphorus congestion hampered trade out of the Black Sea. However, a shortage of suitable tankers and high freight rates impeded arbitrage of Russian product to Asia, softening European markets. **Singapore** was supported by the resulting shortage of Russian product as well as low stocks. At times, bunker prices rose on fears of war-related supply disruption. The near doubling of Korean HSFO exports to China failed to pull down the market.

Naphtha prices in Singapore rose by 16%. This partly reflected strong petrochemical demand, compounded by high prices for alternate feedstocks like condensate and gasoil. Concerns over future supply also pushed up prices, especially with the emergency shutdown of Kuwait's Shuaiba refinery.

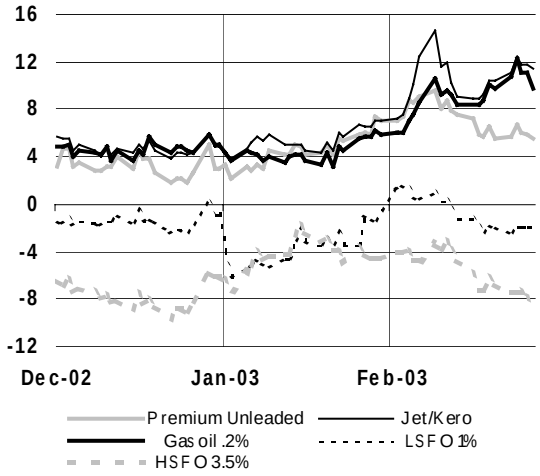
Freight rates and price strength in the Mediterranean discouraged arbitrage to Asia. Mediterranean and Rotterdam prices rose some 9% over the month as cooler weather drew butane and propane from petrochemical into heating uses, supporting increased feedstock demand for naphtha.



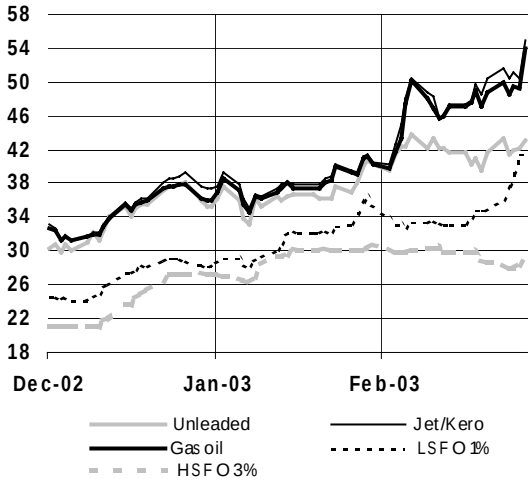
$/bbl **Rotterdam Spot Product Prices**



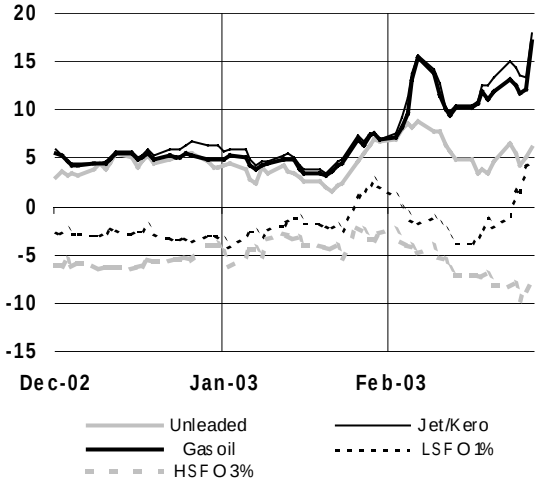
$/bbl **Rotterdam Spreads to Dated Brent**



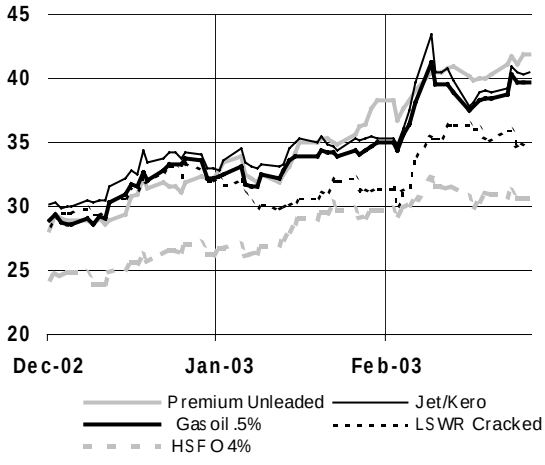
$/bbl **New York Harbour Spot Product Prices**



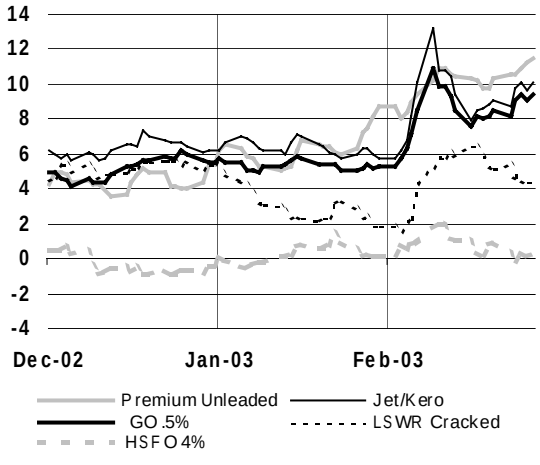
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**

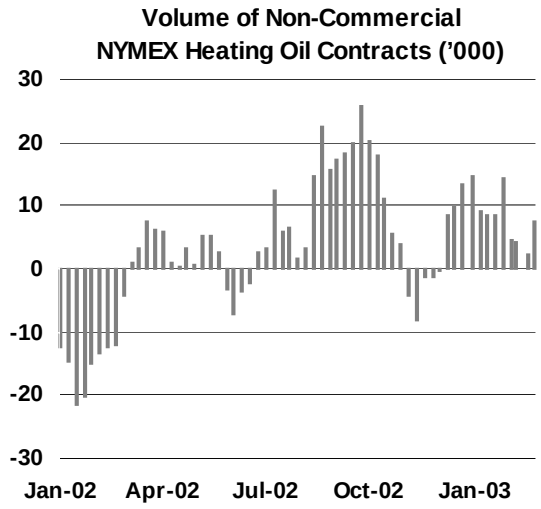


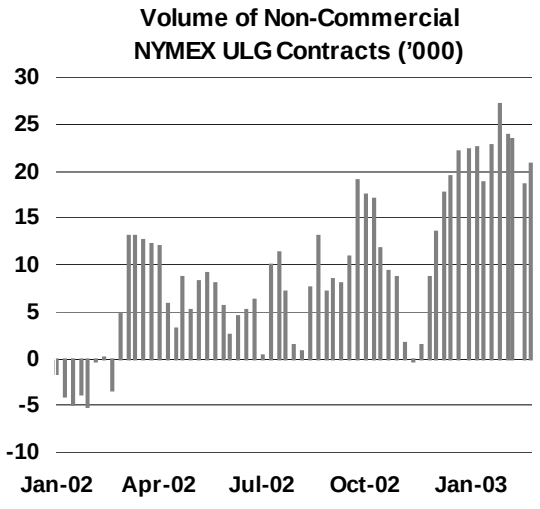
$/bbl **Singapore Spreads to Dubai**



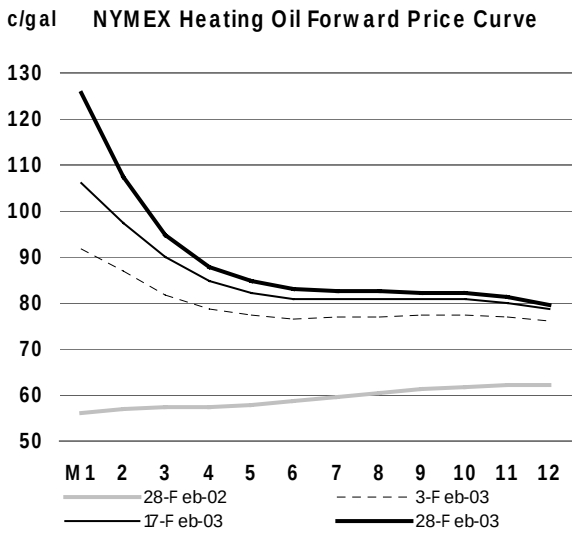
Product Futures in February

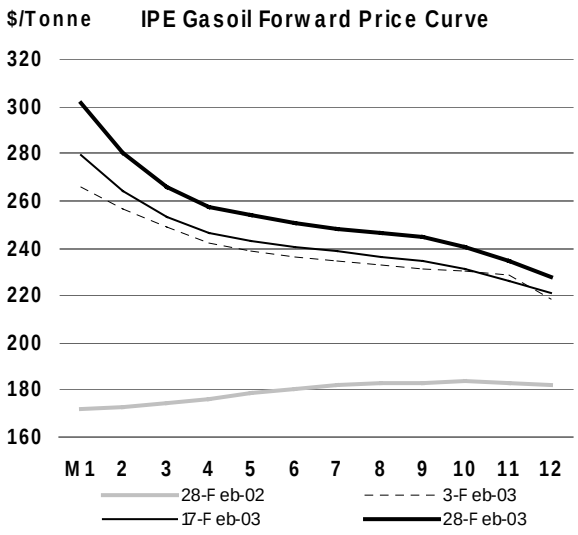
The near-month contract for **NYMEX unleaded gasoline (ULG)** was in contango (discount for prompt prices) in February. The contango grew over the course of the month. The rest of the ULG forward price curve was in steep backwardation, increasing moderately between the first and the last week of the month. However, in early March, the near-month ULG contract moved from contango into backwardation.



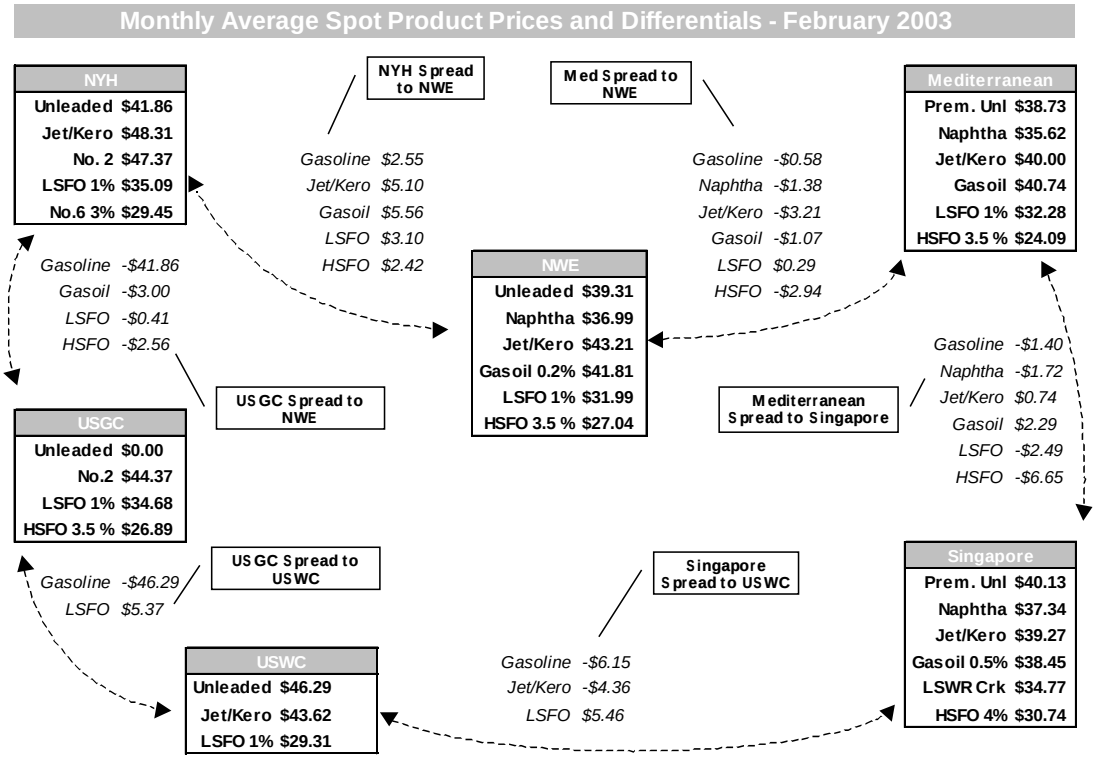


Net long **non-commercial** NYMEX ULG contracts fell from more than 27,000 at the beginning of the month to 18,600 by the end of February. In early March, ULG net longs rose to more than 21,000 contracts. The **NYMEX heating oil** contract began February in backwardation and became substantially more backwardated over the course of the month.





The second month-first month differential widened from 4.9 cents/gallon to 18.4 cents/ gallon between the first and the last week of February, reflecting tightening conditions in prompt supplies. The **IPE gasoil** forward contract also witnessed increased backwardation, although to a lesser extent than NYMEX heating oil. The volume of net long non-commercial NYMEX heating oil contracts shrank from 14,500 contracts at the beginning of February to 2,250 contracts at the end of the month. In early March, the total moved up to 6,400 contracts.



End-User Product Prices in February

Except for gasoline and automotive diesel in Japan, February monthly end-user prices (national currency) rose from month-earlier levels. Product prices in February were also substantially above February 2002 prices, except for Japan where increases were very moderate. This reflected the pattern of rising prices on spot markets for petroleum products described elsewhere in this Report. However, end-user price changes frequently occur less rapidly than changes in spot prices. Changes in end-user prices can also diverge from spot price changes due to taxation and marketing/distribution margins. Since international product prices are quoted in US dollars, national currency end-user prices can also diverge from dollar-denominated spot prices because of exchange rate changes.

North America saw the largest increases in diesel and gasoline prices over January levels. In the US, diesel rose 16% and gasoline almost 15% while in Canada, diesel was up almost 11% and gasoline, nearly 9%. Gains over February 2002 were striking. February 2003 diesel prices were about 72% higher than year-earlier prices in the US and 49% in Canada, while gasoline was up more than 60% in both nations.

In **Japan**, gasoline and diesel prices remained at January levels, and were only moderately above year-earlier levels. Heating oil prices rose 1.5% in Japan above January levels and were only 3.7% above February 2002 levels. Fuel oil prices (LFSO) were practically unchanged from January, although they were almost 16 % higher than February 2002 LFSO prices. In **Europe,** price changes were much more subdued than in North America, but generally greater than in Japan. Gasoline and diesel prices rose in all reporting countries last month, with France showing the largest gains over January and Spain the smallest.

Heating oil prices also increased everywhere, most strongly in the UK and least in Spain. Industrial fuel oil prices for all countries except the UK now refer to LSFO rather than HSFO as previously. This reflects the implementation of recent EU regulation of the sulphur content of inland fuel oil consumption. LSFO prices for industrial users rose in all European countries in February, Spain showing the largest increases, Germany, the smallest. Fuel oil prices were very substantially above year-earlier levels.

Refining Margins in February

Average product prices rose by more than the underlying crude prices in February. As such, gross product worth gained relative to crude prices, strengthening refining margins on a monthly average basis. Monthly average refining margins in February rose in all four major refining centres. In Rotterdam and the Mediterranean, margins rose for both cracking and hydroskimming refineries, with cracking margins registering the greater gains. In Singapore, Dubai hydroskimming and cracking margins both rose in January, with cracking margins showing the greater improvement.

Cracking margins on the **US Gulf Coast** for both WTI and Brent increased. With the gain in gross product worth approximately the same, differences in margins reflected the faster growth in WTI than Brent prices. Yet such month-on-month calculations do not capture intra-month dynamics which can significantly impact refinery profitability and business decisions.

From late January through the second week of February, WTI cracking margins, for instance, improved dramatically, then fell steeply for two weeks before rising sharply at the end of the month. Brent margins showed a similar pattern. The poor margins seen in mid-February improved as key product price increases, for instance for heating oil and jet/kerosene, sharply outpaced gains in underlying crude oil prices at the end of the month.

Refining Margins in Major Refining Centres
($/bbl)

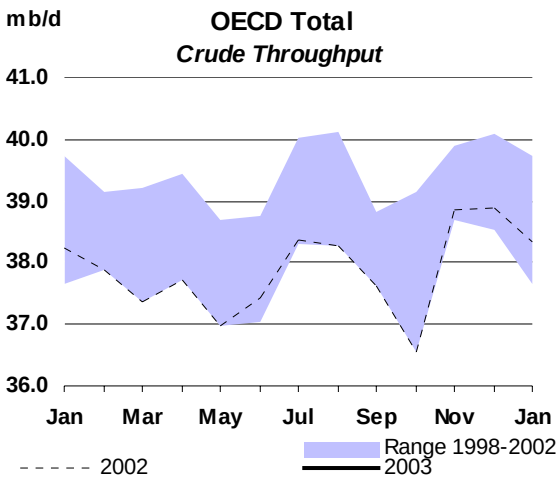
	Monthly Averages			Feb-Jan		End of Week:				
	Dec	Jan	Feb	*Change*	*%*	31 Jan	07 Feb	14 Feb	21 Feb	28 Feb
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-1.11	-0.34	2.49	2.83		1.48	3.09	1.55	2.07	2.26
Brent (Cracking)	0.11	0.72	3.91	3.19		2.59	4.70	3.08	3.46	3.65
Mediterranean										
Urals (Hydroskimming)	0.05	2.98	4.98	2.00		5.57	5.88	3.70	4.50	4.60
Urals (Cracking)	1.28	4.03	6.34	2.31		6.78	7.38	4.97	5.95	5.95
US Gulf Coast										
WTI (Cracking)	1.65	1.93	4.54	2.62		4.19	7.80	2.65	3.01	6.75
Brent (Cracking)	-0.24	1.07	4.03	2.96		2.98	7.36	2.04	3.14	5.21
Singapore										
Dubai (Hydroskimming)	1.38	1.76	3.67	1.91		1.92	3.68	4.15	3.77	3.94
Dubai (Cracking)	2.78	3.38	6.03	2.65		3.99	5.85	6.34	6.18	6.73
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	28.69	32.12	36.30	4.18	13.0	34.37	36.54	36.09	35.91	37.76
Brent (Cracking)	30.02	33.27	37.82	4.55	13.7	35.58	38.25	37.72	37.41	39.25
Mediterranean										
Urals (Hydroskimming)	27.96	32.04	35.53	3.49	10.9	34.53	35.92	35.12	35.25	36.60
Urals (Cracking)	29.29	33.19	36.99	3.80	11.5	35.84	37.53	36.48	36.80	38.06
US Gulf Coast										
WTI (Cracking)	32.20	36.01	41.40	5.38	14.9	38.78	43.82	40.60	41.09	44.75
Brent (Cracking)	32.01	35.85	41.20	5.35	14.9	38.57	43.52	40.43	40.91	44.64
Singapore										
Dubai (Hydroskimming)	27.60	30.30	34.21	3.92	12.9	32.05	33.80	35.15	34.22	34.81
Dubai (Cracking)	29.10	32.01	36.67	4.66	14.6	34.22	36.06	37.44	36.74	37.70

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

OECD Refinery Throughput in January

Preliminary monthly data indicate that in January 2003 **total OECD** refinery throughput averaged 38.34 m b/d. This represents a decrease of 570 k b/d from December 2002 levels and an increase of 90 kb/d over January 2002. The refinery utilisation rate was 86.9%, versus 88.2% in December.

Trends in the **OECD Pacific** region diverged from trends in **OECD Europe** and **North America**. In OECD Pacific, runs grew modestly, by 70 kb/d, with an increase of 50 kb/d in **Japan** and 20 kb/d in **Korea**. Continuing strength in Japanese runs reflects ongoing needs for fuel oil for power generation. In North America, crude throughput fell by 400 kb/d.



In **Mexico**, runs rose by 60 kb/d, but falling runs in the **US** far outweighed this. US crude throughput declined by 460 kb/d in January, with capacity utilisation falling back to 86.0% from 88.8% in December. Part of this fall in US crude runs reflected the continuing impact of the reduction in Venezuelan supplies, as discussed in the February OMR However, as also discussed in there, reduced US refinery runs in January also reflected other factors, especially planned shutdowns for refinery maintenance.

The preliminary monthly data indicate that in **OECD Europe** crude throughput fell by 250 kb/d in January from an upwardly- revised December level of 13.53 mb/d. Utilisation moved down slightly to 86.9% from 87.2%. The UK showed the largest decline, with runs down by 110 kb/d. Throughput was lower in most other major refining nations (including France, Germany and major Mediterranean refiners such as Italy and Spain) where throughput dropped by 80 kb/d. Runs rose slightly in the Netherlands however, and increased by 36 kb/d in Portugal. However, consistent with indications that European refiners have a relatively light turnaround schedule in early 2003, revised January data could show stronger runs in Europe.

Refinery Crude Throughput and Utilisation in OECD Countries

	million barrels per day						*Change from Jan 02*		Utilisation rate[2]	
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	mb/d	%	Jan 03	Jan 02
OECD North America										
US[3]	15.33	14.87	14.30	15.12	14.90	14.44	-0.01	-0.1	86.0	86.5
Canada	1.79	1.82	1.77	1.91	1.77	1.77	-0.04	-2.3	91.0	93.1
Mexico	1.19	1.13	1.03	1.09	1.15	1.21	0.11	10.3	77.7	73.6
Total	18.30	17.82	17.09	18.12	17.81	17.42	0.06	0.3	85.8	85.9
OECD Europe										
France	1.64	1.65	1.56	1.68	1.72	1.73	0.06	3.8	91.4	88.1
Germany	2.25	2.19	2.08	2.23	2.26	2.25	0.05	2.2	99.7	97.5
Italy	1.68	1.79	1.81	1.90	1.87	1.84	0.03	1.5	80.6	79.4
Netherlands	0.96	1.00	0.96	0.96	1.00	1.00	-0.02	-2.0	83.2	84.9
Spain	1.11	1.12	1.18	1.21	1.18	1.10	-0.05	-4.6	84.8	88.8
UK	1.63	1.64	1.45	1.61	1.63	1.52	-0.17	-10.1	85.3	95.0
Other OECD Europe	3.87	3.63	3.72	3.95	3.88	3.87	0.06	1.5	84.1	82.8
Total	13.15	13.01	12.77	13.54	13.53	13.31	-0.05	-0.4	86.9	87.2
OECD Pacific										
Japan	3.92	3.93	3.68	4.22	4.46	4.51	0.18	4.2	90.8	87.2
Korea	2.05	2.03	2.21	2.16	2.28	2.30	-0.10	-4.3	89.7	93.7
Other OECD Pacific	0.85	0.84	0.79	0.82	0.80	0.80	0.00	-0.2	84.2	84.3
Total	6.82	6.80	6.68	7.19	7.54	7.61	0.08	1.1	89.7	88.8
OECD Total	38.27	37.63	36.54	38.85	38.89	38.34	0.09	0.2	86.9	86.9

1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

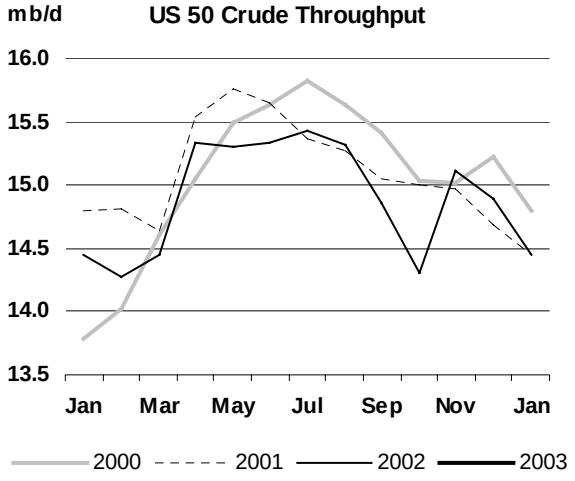
Preliminary estimates for the US suggest that average crude runs declined by 200 kb/d in February, with capacity utilisation down a percentage point from January levels. The key factor depressing US refinery throughputs despite attractive margins has been the high level of planned turnarounds for maintenance. A number of unplanned shutdowns of refining facilities have also occurred. For instance, the fluid catalytic cracker at BP's Whiting, Indiana refinery was shut down in mid-February due to fire and the alkylation unit at Marathon Ashland Petroleum's St. Paul Park, Minnesota refinery was closed by fire in late February. The amount of distillation and upgrading capacity shut down for maintenance is expected to decline significantly this month, although a substantial volume will be on turnaround capacity.

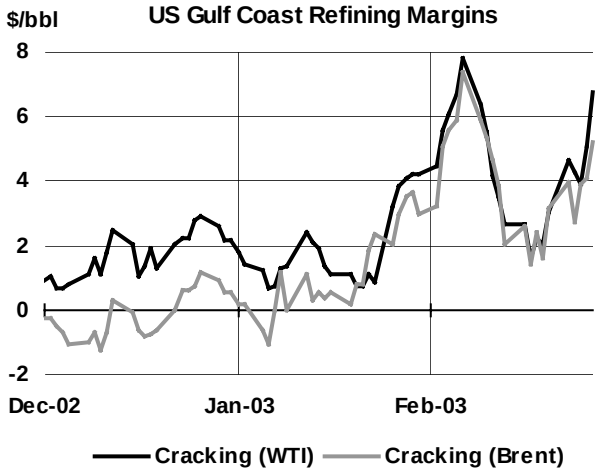
For the most part, low US refinery throughputs were not directly attributable to the Venezuelan situation by this time. Some refineries with economics closely tied to supplies from PDVSA suffered from losses of Venezuelan supply in December and January, Apparently, some of these refiners are no longer experiencing serious crude shortages. Citgo, for example reportedly received 100% of its scheduled crude supply in February, up from 83% in January and 59% in December. Of more general significance, price differentials between light/sweet and heavy/sour crude oil are no longer artificially compressed as they were following last December's loss of predominantly heavy/sour Venezuelan volumes. With a large proportion of the US Gulf Coast refining system made up of complex refineries designed to operate most profitably on wide light-heavy differentials, recent widening of these differentials should to encourage, not discourage, higher refinery runs.

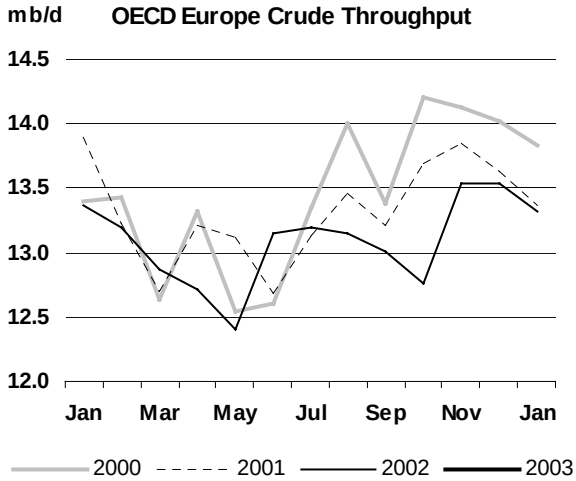
Yet the disruption of Venezuelan exports did have effects not yet overcome by increased production elsewhere. By tightening prompt supplies, shortfalls in Venezuelan production increased backwardation in crude markets. Current backwardation encourages refiners to limit purchases of crude to minimum volumes needed to operate. With futures prices well below prompt levels, refiners must either incur substantial hedging costs or risk large capital losses if prices drop sharply. The current consensus is that prices will drop in the near future, because of the large volumes of incremental Middle Eastern crude expected to land at the US Gulf. US industry stocks are currently 274 mb, little more than the estimated system-wide minimum operating level of 270 mb. With low inventories, refiners may have been hampered in boosting runs as product markets tightened in February. However, the large volume of capacity off stream for maintenance was undoubtedly the dominant cause of low US throughput levels.

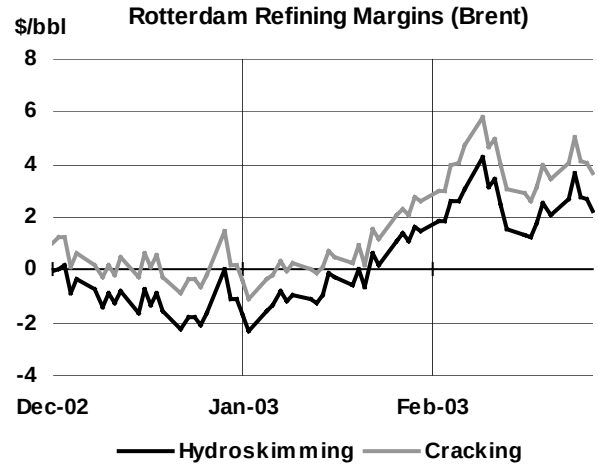
Gasoline inventories should begin rebuilding this month as more capacity returns to operation with the easing of maintenance. Attractive gasoline cracks should encourage refiners to get back on stream as soon as prudence will permit. Yet it remains uncertain whether gasoline stocks will reach levels needed to meet peak summer demand without generating disruptive price spikes.

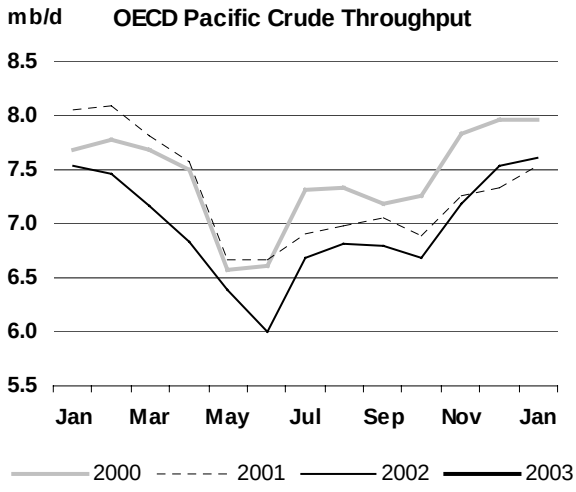
Besides continued availability of adequate crude supplies, attaining comfortable gasoline stock levels will depend on a continuing inflow of gasoline from refiners in Europe and elsewhere. The relatively light turnaround program scheduled in Europe in coming months should support this. However, Venezuela's refining sector remains questionable. Gasoline is still being drawn from Europe to supply former Venezuelan customers and Venezuela itself, while US Gulf Coast refiners are now exporting to Latin America and the Caribbean. Nigeria intends to compete more vigorously for foreign gasoline supplies. Adding to the complexity of the situation, US stocks of reformulated gasoline (RFG) are far tighter relative to demand than conventional gasoline, while currently RFG consumption is less capable of being satisfied by imports than conventional gasoline.


mb/d
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Dec-02
Jan-03
Feb-03
Cracking (WTI)
Cracking (Brent)


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
Rotterdam Refining Margins (Brent)
8
6
4
2
0
-2
-4
Dec-02
Jan-03
Feb-03
Hydroskimming
Cracking


mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003

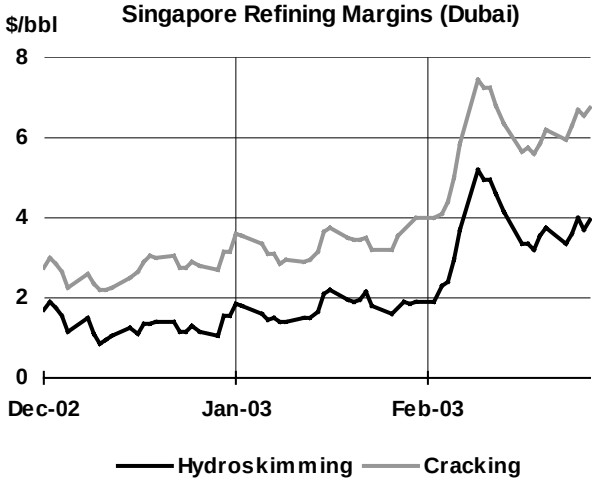

$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
Dec-02
Jan-03
Feb-03
Hydroskimming
Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.1	23.9	24.4	24.2	24.6	24.5	24.4
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.3	15.1	15.0	14.7	15.2	15.4	15.1
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.1	9.3	8.5	9.5	8.0	8.1	9.1	8.7
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	48.0	46.1	47.4	48.7	47.5	49.0	47.0	47.9	49.0	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.7	3.7	3.7	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	5.1	5.3	5.3	5.5	5.3
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.6	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.7	4.7	4.6	4.7	4.8	4.7	4.7
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.8	5.0	5.2	4.9	5.0	4.9	5.1	5.3	5.0	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.5
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.1	28.8	28.7	29.3	29.4	29.9	29.3	29.2	29.7	30.0	30.3	29.8
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.1	76.5	76.6	75.4	76.7	78.6	76.8	78.2	76.6	77.9	79.3	78.0
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.4	14.6	14.6	14.9	14.9	15.1	15.3	15.1
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.8	6.6	6.8	6.5	6.6	6.7	6.7
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.8	0.8	0.8
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.1	21.4	22.1	21.9	22.4	22.2	22.5	22.8	22.5
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.8	9.9	10.1	10.3	10.1
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	4.0	4.0	4.1	4.0
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.8	2.8	2.9	2.8	3.0	3.1	3.0	3.0	3.0	3.0	3.1	3.2	3.3	3.1
Total Non-OECD	21.8	22.4	22.8	22.9	23.2	23.5	23.1	24.0	24.2	24.6	24.7	24.4	24.8	25.0	25.4	25.7	25.2
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	46.0	46.3	46.1	46.7	47.5	46.7	47.8	48.1	47.7	48.5	48.1	49.1	49.0	49.6	50.3	49.5
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.2	25.3	25.9	25.1					
NGLs	2.8	2.9	3.0	3.0	3.1	3.2	3.1	3.4	3.4	3.5	3.4	3.4	3.2	3.7	3.9	4.0	3.7
Total OPEC	29.4	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.7	28.9	29.3	28.5					
Total Supply[4]	74.3	76.7	77.5	75.9	77.0	76.7	76.8	76.1	75.8	76.6	77.9	76.6					
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.9	-0.9	-0.4					
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.2	0.1					
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8	-0.6	-0.2					
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2	0.0	-0.1					
Miscellaneous to balance[5]	-0.4	0.3	0.2	0.1	0.1	-0.2	0.1	-0.5	-0.1	1.0	-0.1	0.0					
Total Stock Ch. & Misc	-1.2	0.5	0.2	0.4	0.9	-0.4	0.3	-0.6	0.4	-0.1	-0.7	-0.3					
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.7	27.3	28.0	26.4	26.3	26.3	26.8	25.4	23.9	25.4	26.6	25.3	25.9	23.9	24.4	25.0	24.8
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	72.9	71.8	73.0	74.6	73.1	74.5	72.9	74.1	75.3	74.2
Total demand exc. FSU (% ch)[7]	2.5	1.1	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.2	0.7	1.8	0.4	2.1	1.6	1.5	0.9	1.5

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	-	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.2	-	-0.1	-0.1	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	0.2	-	-0.1	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	0.1	-	-	-0.1	0.1	-	-	0.1	-0.1	-	-	-
Total Demand	-	-	-	-	-	0.1	-	-	-0.1	-	-0.1	-0.1	-	-	-	-0.1	-
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1
Europe	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-0.1	0.1	0.1	0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	0.2	0.2
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-					
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1
Total OPEC	-	-	-	-	-	-	-	-	-	-	-0.1	-					
Total Supply	-	-	-	-	-	-	-	0.1	-	-	-	-					
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-0.1	-0.3	-0.1					
Government	-	-	-	-	-	-	-	-	-	-	-	-					
Total	-	-	-	-	-	-	-	-	-	-	-0.2	-					
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	-0.1					
Miscellaneous to balance	-	-	-	-	-	-0.1	-	-	-	0.1	0.3	0.1					
Total Stock Ch. & Misc	-	-	-	-	-	-	-	-	0.1	-	0.1	-					
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	0.1	-	-	-	-0.1	-0.1	-	-	-0.2	-0.4	-0.2
Total Demand ex. FSU	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	0.1	0.1	-	-0.1	-

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	August			September			Third Quarter			October			November		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
North America															
LPG	2.60	2.65	1.7	2.75	2.67	-3.1	2.63	2.63	0.4	2.89	2.88	-0.3	2.87	2.93	2.1
Naphtha	0.35	0.41	17.3	0.29	0.44	52.1	0.31	0.44	40.6	0.38	0.38	1.5	0.39	0.43	8.1
Motor Gasoline	10.31	10.68	3.6	9.80	10.01	2.2	10.15	10.40	2.5	9.97	10.15	1.8	9.97	10.13	1.7
Jet/Kerosene	2.03	1.88	-7.5	1.74	1.82	4.2	1.93	1.86	-3.6	1.77	1.89	6.9	1.70	1.88	10.3
Gasoil	4.67	4.52	-3.3	4.41	4.53	2.7	4.48	4.49	0.3	4.76	4.74	-0.5	4.60	4.81	4.7
Residual Fuel Oil	1.59	1.24	-21.6	1.25	1.23	-1.2	1.50	1.24	-17.3	1.52	1.25	-17.9	1.37	1.34	-1.7
Other Products	3.08	3.10	0.6	2.71	2.89	6.8	2.93	3.01	2.6	2.86	2.71	-5.5	2.73	2.69	-1.3
Total	24.63	24.48	-0.6	22.95	23.59	2.8	23.93	24.08	0.6	24.14	23.99	-0.6	23.63	24.22	2.5
Europe															
LPG	0.83	0.88	6.1	0.89	0.81	-8.3	0.86	0.86	-0.6	0.85	0.90	6.1	0.97	0.92	-5.5
Naphtha	1.19	1.10	-6.9	1.15	1.08	-5.4	1.15	1.08	-6.2	1.11	1.12	1.6	1.12	1.11	-0.5
Motor Gasoline	3.17	3.03	-4.5	3.01	2.89	-3.9	3.10	3.01	-2.7	3.04	2.94	-3.4	2.93	2.79	-4.8
Jet/Kerosene	1.17	1.15	-2.0	1.25	1.15	-7.9	1.20	1.15	-4.4	1.05	1.15	9.8	0.99	1.03	3.2
Gasoil	5.63	5.30	-5.7	5.98	5.88	-1.7	5.74	5.65	-1.6	5.97	6.07	1.6	6.19	6.01	-3.0
Residual Fuel Oil	1.96	1.99	1.7	2.01	1.93	-4.3	1.97	1.98	0.4	2.00	2.00	-0.1	2.30	2.04	-11.2
Other Products	1.50	1.37	-8.3	1.48	1.52	2.1	1.49	1.47	-1.6	1.50	1.44	-4.0	1.36	1.32	-2.9
Total	15.44	14.83	-4.0	15.77	15.26	-3.2	15.52	15.19	-2.1	15.52	15.62	0.6	15.86	15.22	-4.1
Pacific															
LPG	0.81	0.79	-2.3	0.85	0.78	-7.5	0.81	0.80	-0.8	0.85	0.90	6.2	0.97	0.98	1.4
Naphtha	1.42	1.51	6.5	1.43	1.51	5.5	1.40	1.54	10.4	1.38	1.46	6.1	1.37	1.56	13.6
Motor Gasoline	1.71	1.65	-3.3	1.53	1.66	8.5	1.62	1.65	1.6	1.51	1.53	1.1	1.57	1.51	-4.2
Jet/Kerosene	0.68	0.73	7.9	0.85	0.90	6.2	0.73	0.78	7.3	0.84	0.98	17.1	1.22	1.39	14.2
Gasoil	1.78	1.76	-1.2	1.86	1.88	1.0	1.79	1.80	0.6	1.81	1.95	7.9	2.02	1.99	-1.2
Residual Fuel Oil	1.10	0.95	-14.1	1.02	1.09	6.1	1.11	1.01	-8.4	1.02	1.06	4.3	1.08	1.25	15.3
Other Products	0.63	0.45	-28.1	0.54	0.49	-8.0	0.59	0.47	-21.0	0.46	0.50	8.5	0.55	0.61	10.8
Total	8.13	7.84	-3.5	8.09	8.33	2.9	8.04	8.05	0.1	7.87	8.39	6.6	8.78	9.29	5.8
OECD															
LPG	4.23	4.31	1.8	4.49	4.26	-5.0	4.30	4.29	0.0	4.58	4.68	2.1	4.81	4.83	0.4
Naphtha	2.95	3.02	2.4	2.87	3.04	5.8	2.86	3.06	7.0	2.86	2.97	3.8	2.89	3.10	7.4
Motor Gasoline	15.18	15.36	1.2	14.34	14.57	1.6	14.87	15.06	1.3	14.52	14.62	0.7	14.47	14.43	-0.3
Jet/Kerosene	3.88	3.76	-3.1	3.85	3.87	0.7	3.86	3.79	-1.8	3.66	4.02	10.1	3.92	4.30	9.7
Gasoil	12.08	11.58	-4.1	12.25	12.29	0.3	12.01	11.94	-0.6	12.54	12.76	1.7	12.80	12.81	0.1
Residual Fuel Oil	4.65	4.19	-10.0	4.28	4.25	-0.9	4.58	4.23	-7.5	4.54	4.31	-5.1	4.75	4.63	-2.4
Other Products	5.21	4.93	-5.4	4.73	4.90	3.6	5.02	4.94	-1.4	4.83	4.65	-3.7	4.64	4.63	-0.3
Total	48.19	47.14	-2.2	46.81	47.18	0.8	47.49	47.32	-0.3	47.54	48.01	1.0	48.27	48.72	0.9

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	September			Third Quarter			October			November			December		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
LPG	2.10	2.03	-3.4	1.99	2.01	1.0	2.17	2.22	2.0	2.17	2.27	4.5	2.21	2.33	5.3
Naphtha	0.24	0.33	37.3	0.23	0.32	41.6	0.30	0.25	-14.8	0.26	0.31	15.9	0.25	0.30	16.4
Motor Gasoline	8.56	8.73	2.0	8.85	9.05	2.3	8.65	8.80	1.7	8.68	8.82	1.6	8.59	8.89	3.6
Jet/Kerosene	1.56	1.63	4.2	1.73	1.65	-4.5	1.59	1.68	5.4	1.53	1.67	9.3	1.61	1.78	10.2
Gasoil	3.62	3.72	2.7	3.67	3.69	0.3	3.89	3.81	-2.0	3.75	3.94	5.1	3.60	3.90	8.3
Residual Fuel Oil	0.62	0.58	-7.3	0.77	0.57	-25.9	0.74	0.59	-20.3	0.68	0.74	8.8	0.56	0.84	47.9
Other Products	2.31	2.41	3.9	2.46	2.51	1.9	2.48	2.25	-9.6	2.34	2.21	-5.4	2.17	1.83	-15.8
Total	19.02	19.42	2.1	19.70	19.80	0.5	19.82	19.59	-1.2	19.40	19.94	2.8	19.00	19.86	4.5
Japan[3]															
LPG	0.52	0.48	-8.7	0.50	0.49	-3.1	0.54	0.52	-3.2	0.62	0.63	1.2	0.67	0.66	-0.6
Naphtha	0.78	0.79	2.2	0.76	0.84	11.3	0.79	0.84	6.0	0.75	0.86	14.7	0.83	0.90	8.7
Motor Gasoline	1.00	1.05	4.5	1.08	1.10	2.1	0.98	0.99	1.7	1.00	1.02	2.0	1.09	1.08	-0.3
Jet/Kerosene	0.53	0.56	6.7	0.48	0.51	5.4	0.56	0.61	8.0	0.84	0.99	17.0	1.19	1.26	5.6
Diesel	0.69	0.68	-2.5	0.69	0.67	-2.6	0.69	0.68	-1.8	0.73	0.69	-5.3	0.72	0.69	-4.4
Other Gasoil	0.48	0.50	4.4	0.47	0.48	0.8	0.48	0.49	2.5	0.56	0.58	2.9	0.66	0.67	0.8
Residual Fuel Oil	0.54	0.60	12.9	0.63	0.57	-9.4	0.53	0.60	13.1	0.54	0.68	24.7	0.59	0.74	24.7
Direct use of Crude Oil	0.08	0.09	7.8	0.15	0.07	-49.4	0.04	0.10	138.1	0.08	0.14	82.5	0.07	0.24	267.9
Other Products	0.34	0.32	-6.4	0.34	0.31	-6.8	0.32	0.30	-7.3	0.35	0.36	3.2	0.36	0.36	1.8
Total	4.96	5.06	2.2	5.10	5.05	-1.0	4.93	5.13	3.9	5.48	5.95	8.6	6.17	6.61	7.0
Germany															
LPG	0.10	0.09	-9.3	0.09	0.09	-6.3	0.07	0.07	-1.7	0.08	0.07	-5.1	0.08	0.08	5.2
Naphtha	0.36	0.36	0.2	0.38	0.37	-0.5	0.34	0.40	17.8	0.36	0.32	-10.4	0.35	0.34	-2.8
Motor Gasoline	0.65	0.64	-2.2	0.67	0.65	-3.1	0.68	0.64	-4.6	0.66	0.62	-7.2	0.64	0.60	-5.5
Jet/Kerosene	0.16	0.16	-0.8	0.16	0.16	-0.5	0.15	0.16	0.3	0.13	0.14	6.1	0.12	0.13	11.6
Diesel	0.54	0.56	4.9	0.55	0.55	-0.2	0.57	0.55	-3.1	0.59	0.57	-4.2	0.47	0.49	4.3
Other Gasoil	0.80	0.77	-3.4	0.83	0.73	-11.1	0.73	0.65	-11.2	0.74	0.67	-9.7	0.65	0.69	6.8
Residual Fuel Oil	0.16	0.17	3.1	0.17	0.18	3.5	0.17	0.18	5.5	0.20	0.19	-4.0	0.18	0.18	0.1
Other Products	0.13	0.16	17.8	0.14	0.15	12.1	0.17	0.13	-25.0	0.16	0.13	-17.7	0.10	0.09	-6.3
Total	2.91	2.91	0.2	2.98	2.88	-3.4	2.88	2.77	-3.7	2.92	2.71	-7.3	2.59	2.62	1.2
Italy															
LPG	0.13	0.11	-11.5	0.11	0.11	-3.9	0.11	0.12	9.7	0.14	0.12	-14.4	0.19	0.16	-11.3
Naphtha	0.11	0.09	-21.2	0.09	0.08	-12.0	0.10	0.08	-14.8	0.06	0.08	34.4	0.06	0.08	19.1
Motor Gasoline	0.41	0.38	-9.2	0.41	0.39	-4.6	0.40	0.39	-2.4	0.38	0.35	-7.7	0.37	0.38	0.6
Jet/Kerosene	0.10	0.07	-29.3	0.09	0.07	-21.4	0.07	0.07	8.1	0.07	0.07	2.0	0.06	0.07	13.5
Diesel	0.44	0.44	-0.6	0.41	0.42	1.5	0.46	0.46	1.4	0.44	0.44	1.1	0.44	0.43	-1.5
Other Gasoil	0.20	0.16	-16.9	0.15	0.14	-7.8	0.17	0.19	15.6	0.18	0.18	-1.8	0.23	0.21	-10.3
Residual Fuel Oil	0.51	0.45	-12.2	0.48	0.49	1.7	0.44	0.45	2.5	0.51	0.39	-23.9	0.52	0.43	-17.0
Other Products	0.13	0.16	16.9	0.16	0.15	-10.3	0.16	0.16	-0.3	0.12	0.16	34.5	0.12	0.11	-8.2
Total	2.03	1.85	-8.9	1.92	1.85	-3.6	1.90	1.94	1.9	1.90	1.80	-5.6	2.00	1.87	-6.3
France															
LPG	0.09	0.09	-3.7	0.08	0.08	2.5	0.11	0.11	1.7	0.14	0.12	-9.8	0.15	0.13	-8.5
Naphtha	0.17	0.17	2.3	0.19	0.18	-7.5	0.18	0.16	-9.1	0.20	0.15	-22.8	0.16	0.16	-1.8
Motor Gasoline	0.31	0.30	-3.2	0.34	0.33	-2.6	0.32	0.31	-3.8	0.30	0.29	-4.9	0.29	0.26	-10.1
Jet/Kerosene	0.13	0.14	4.6	0.14	0.14	-0.5	0.12	0.13	6.2	0.13	0.13	1.3	0.11	0.13	14.5
Diesel	0.59	0.61	3.5	0.59	0.62	4.4	0.63	0.65	4.5	0.62	0.62	0.8	0.56	0.55	-1.1
Other Gasoil	0.45	0.36	-20.7	0.38	0.33	-13.4	0.36	0.37	4.1	0.38	0.35	-9.1	0.47	0.37	-21.7
Residual Fuel Oil	0.12	0.10	-10.6	0.11	0.10	-6.0	0.13	0.13	-1.3	0.14	0.13	-6.5	0.14	0.14	-6.0
Other Products	0.21	0.20	-5.6	0.20	0.19	-7.6	0.21	0.18	-11.4	0.17	0.16	-2.4	0.13	0.14	8.9
Total	2.07	1.97	-4.8	2.03	1.96	-3.4	2.05	2.05	-0.1	2.07	1.95	-5.5	2.02	1.88	-6.6
United Kingdom															
LPG	0.15	0.14	-4.4	0.14	0.16	14.7	0.15	0.16	6.4	0.14	0.16	14.5	0.15	0.16	8.7
Naphtha	0.04	0.05	44.1	0.05	0.04	-24.2	0.03	0.05	49.1	0.04	0.08	79.0	0.07	0.06	-3.1
Motor Gasoline	0.52	0.45	-12.0	0.48	0.46	-5.4	0.50	0.45	-10.3	0.49	0.46	-5.0	0.47	0.43	-6.6
Jet/Kerosene	0.35	0.29	-15.8	0.32	0.30	-7.4	0.27	0.34	25.8	0.30	0.31	3.2	0.30	0.35	19.5
Diesel	0.34	0.36	3.5	0.33	0.35	6.0	0.34	0.37	7.6	0.38	0.37	-2.3	0.33	0.32	-4.0
Other Gasoil	0.17	0.16	-8.8	0.16	0.15	-6.8	0.16	0.15	-4.8	0.17	0.15	-10.6	0.16	0.15	-7.7
Residual Fuel Oil	0.07	0.07	2.7	0.07	0.07	-7.2	0.08	0.07	-14.2	0.08	0.09	4.0	0.08	0.09	9.8
Other Products	0.15	0.15	0.9	0.15	0.16	9.3	0.16	0.14	-15.5	0.17	0.12	-26.9	0.12	0.13	6.4
Total	1.78	1.67	-6.0	1.72	1.69	-1.4	1.69	1.72	1.5	1.78	1.75	-1.6	1.67	1.69	1.7
Canada															
LPG	0.21	0.21	0.0	0.20	0.20	1.5	0.26	0.22	-14.1	0.25	0.22	-11.1	0.26	0.26	-0.2
Naphtha	0.04	0.06	57.5	0.07	0.08	21.5	0.05	0.08	56.7	0.08	0.08	-3.7	0.08	0.08	0.0
Motor Gasoline	0.66	0.68	3.4	0.70	0.72	3.4	0.67	0.69	2.8	0.66	0.67	1.5	0.63	0.65	4.1
Jet/Kerosene	0.09	0.10	7.5	0.11	0.12	7.0	0.09	0.12	35.9	0.08	0.12	36.7	0.08	0.08	6.4
Diesel	0.19	0.19	2.4	0.18	0.18	-1.2	0.18	0.19	2.1	0.18	0.17	-6.0	0.16	0.16	4.1
Other Gasoil	0.27	0.29	6.2	0.27	0.28	1.7	0.31	0.35	12.2	0.31	0.34	9.4	0.30	0.34	11.5
Residual Fuel Oil	0.10	0.15	48.7	0.12	0.12	-6.0	0.13	0.13	-1.5	0.15	0.17	10.2	0.15	0.18	16.8
Other Products	0.27	0.32	18.1	0.30	0.33	8.8	0.27	0.30	14.9	0.28	0.31	8.5	0.23	0.23	2.1
Total	1.84	2.01	9.3	1.96	2.03	3.6	1.96	2.08	6.2	2.01	2.08	3.4	1.88	1.99	5.4

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Dec 02	Jan 03	Feb 03
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.48	7.73				7.75	8.25	8.57
Iran	3.70	3.42		3.47	3.55				3.60	3.63	3.69
Iraq	2.36	2.01		1.75	2.38				2.32	2.49	2.49
UAE	2.16	1.99		1.99	2.00				2.03	2.21	2.32
Kuwait	1.72	1.60		1.63	1.62				1.64	1.70	1.70
Neutral Zone	0.57	0.54		0.53	0.53				0.53	0.54	0.56
Qatar	0.67	0.64		0.65	0.71				0.72	0.72	0.74
Nigeria	2.08	1.95		1.97	1.99				2.04	2.14	2.19
Libya	1.37	1.32		1.34	1.34				1.34	1.36	1.39
Algeria	0.84	0.85		0.89	0.94				0.98	1.00	1.05
Venezuela	2.68	2.29		2.52	1.99				0.71	0.57	1.43
Indonesia	1.21	1.11		1.10	1.10				1.05	1.05	1.05
Total Crude Oil	27.04	25.09		25.33	25.89				24.70	25.66	27.16
Total NGLs[1]	3.07	3.45	3.68	3.55	3.45	3.20	3.68	3.89	3.11	3.04	3.16
Total OPEC	30.11	28.53		28.87	29.34				27.81	28.70	30.32
NON-OPEC[2]											
OECD											
North America	14.36	14.55	15.07	14.41	14.56	14.92	14.93	15.07	14.67	14.84	14.93
United States	8.07	8.10	8.21	7.98	8.03	8.11	8.19	8.21	8.04	8.08	8.12
Mexico	3.56	3.59	3.79	3.58	3.60	3.77	3.79	3.79	3.67	3.74	3.79
Canada	2.73	2.87	3.06	2.86	2.93	3.04	2.95	3.08	2.96	3.02	3.02
Europe	6.67	6.61	6.66	6.21	6.79	6.77	6.54	6.61	6.83	6.61	6.77
UK	2.53	2.50	2.58	2.24	2.61	2.61	2.47	2.62	2.68	2.54	2.60
Norway	3.41	3.33	3.25	3.22	3.39	3.35	3.24	3.16	3.36	3.26	3.36
Others	0.72	0.78	0.83	0.75	0.80	0.81	0.83	0.83	0.79	0.81	0.81
Pacific	0.79	0.77	0.76	0.79	0.74	0.75	0.74	0.77	0.74	0.75	0.75
Australia	0.73	0.71	0.71	0.73	0.69	0.70	0.69	0.72	0.69	0.70	0.70
Others	0.06	0.05	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.81	21.93	22.48	21.41	22.09	22.44	22.21	22.46	22.24	22.20	22.46
NON-OECD											
Former USSR	8.56	9.37	10.06	9.55	9.78	9.84	9.94	10.15	9.76	9.81	9.85
Russia	7.02	7.66	8.19	7.80	7.99	8.05	8.11	8.26	7.98	8.04	8.04
Others	1.54	1.71	1.87	1.75	1.79	1.80	1.83	1.89	1.78	1.78	1.81
Asia	5.63	5.78	5.86	5.84	5.81	5.84	5.86	5.87	5.78	5.82	5.84
China	3.30	3.39	3.41	3.44	3.40	3.39	3.40	3.41	3.37	3.38	3.39
Malaysia	0.75	0.77	0.78	0.77	0.77	0.78	0.78	0.78	0.77	0.78	0.78
India	0.73	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.75	0.76	0.76
Others	0.85	0.87	0.91	0.88	0.89	0.91	0.92	0.91	0.89	0.90	0.91
Europe	0.18	0.18	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.90	3.99	3.92	3.83	3.91	3.96	3.99	3.76	3.89	3.90
Brazil	1.56	1.73	1.85	1.75	1.67	1.77	1.82	1.87	1.61	1.75	1.76
Argentina	0.83	0.80	0.78	0.80	0.79	0.79	0.79	0.78	0.79	0.79	0.79
Colombia	0.62	0.59	0.56	0.57	0.58	0.57	0.56	0.55	0.58	0.57	0.57
Ecuador	0.42	0.40	0.40	0.41	0.40	0.39	0.39	0.39	0.39	0.40	0.39
Others	0.36	0.38	0.40	0.38	0.39	0.39	0.40	0.40	0.39	0.39	0.39
Middle East[3]	2.17	2.10	2.03	2.07	2.09	2.06	2.05	2.02	2.10	2.05	2.07
Oman	0.96	0.90	0.84	0.87	0.89	0.86	0.85	0.84	0.89	0.85	0.87
Syria	0.57	0.55	0.53	0.55	0.55	0.54	0.53	0.52	0.55	0.54	0.54
Yemen	0.45	0.46	0.47	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Africa	2.79	3.03	3.12	3.02	2.98	2.99	3.08	3.17	2.97	2.97	2.98
Egypt	0.76	0.75	0.77	0.74	0.75	0.77	0.77	0.77	0.77	0.77	0.76
Angola	0.74	0.90	0.92	0.89	0.84	0.85	0.93	0.96	0.82	0.83	0.83
Gabon	0.30	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Others	1.00	1.09	1.15	1.10	1.09	1.09	1.10	1.16	1.09	1.09	1.10
Total Non-OECD	23.12	24.36	25.24	24.58	24.67	24.82	25.05	25.36	24.54	24.73	24.81
Processing Gains[4]	1.74	1.76	1.80	1.74	1.78	1.82	1.78	1.78	1.78	1.82	1.82
TOTAL NON-OPEC	46.66	48.05	49.52	47.73	48.54	49.08	49.04	49.61	48.55	48.75	49.09
TOTAL SUPPLY	76.78	76.58		76.60	77.88				76.36	77.45	79.41

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	3Q03	Dec-02	Jan-03	Feb-03
United States											
Alaska	978	986	1008	928	973	1017	1015	968	1017	990	1018
California	805	790	777	785	783	780	778	776	778	781	780
Texas	1163	1150	1137	1151	1143	1141	1138	1135	1141	1141	1142
Federal Gulf of Mexico[2]	1536	1578	1730	1502	1587	1681	1699	1735	1645	1674	1682
Other US Lower 48	1341	1297	1265	1287	1270	1270	1267	1264	1270	1269	1273
NGLs[3]	1864	1881	1862	1894	1844	1790	1858	1892	1761	1790	1790
Other Hydrocarbons	382	417	435	432	432	435	435	435	428	433	439
Total	8068	8100	8213	7980	8033	8113	8189	8205	8040	8078	8124
Canada											
Alberta Light/Medium/Heavy	719	667	658	673	656	661	639	662	649	661	660
Alberta Bitumen	309	288	300	286	288	298	287	302	289	295	298
Saskatchewan	427	422	417	423	422	421	407	420	421	421	421
Other Crude	232	350	383	321	367	396	403	334	396	406	379
NGLs	692	698	725	690	720	730	710	720	720	730	730
Synthetic Crudes	349	444	578	465	481	530	505	637	483	510	530
Total	2727	2869	3061	2857	2934	3036	2950	3075	2958	3023	3018
Mexico											
Crude	3127	3177	3382	3174	3203	3363	3380	3384	3269	3330	3380
NGLs	433	408	410	404	394	410	410	410	397	409	410
Total	3560	3585	3792	3578	3597	3772	3790	3794	3666	3739	3790
UK Offshore[4]											
Brent Fields	279	243	263	214	236	247	251	280	236	223	250
Forties Fields	762	794	819	705	820	812	787	843	807	774	805
Ninian Fields	127	107	116	83	113	101	113	126	126	88	98
Flotta Fields	138	132	124	117	135	130	118	125	134	130	130
Other Fields	919	961	976	912	1005	1009	932	989	1016	1009	1004
NGLs	249	212	239	157	246	260	225	215	311	265	260
Total	2474	2450	2536	2188	2554	2560	2426	2577	2630	2489	2548
Norway [4]											
Ekofisk-Ula Area	470	490	452	506	497	481	449	437	497	487	478
Oseberg-Troll Area	741	754	736	763	765	778	725	705	763	781	782
Statfjord-Gullfaks Area	944	874	860	770	923	898	860	836	956	849	929
Haltenbanken Area	768	716	651	728	676	647	667	635	610	611	628
Sleipner-Frigg Area	195	157	160	156	143	149	150	156	136	139	150
NGLs	291	335	390	296	386	393	388	387	399	393	394
Total	3408	3325	3249	3218	3390	3346	3238	3156	3361	3260	3362
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	437	460	409	447	453	462	463	438	453	450
UK Onshore	60	54	48	53	52	50	49	47	50	51	50
Italy	64	84	112	84	92	103	110	115	92	100	105
Turkey	48	47	47	48	47	47	47	47	47	47	47
Other	167	158	155	157	156	155	155	155	155	155	155
NGLs (excl. North Sea)	28	26	25	24	24	25	25	25	25	24	25
Non-Conventional Oils	26	29	28	31	30	29	28	28	31	29	28
Total	783	837	875	805	848	862	876	879	838	860	860
Australia											
Gippsland Basin	160	141	125	145	134	131	127	124	133	131	131
Cooper-Eromanga Basin	26	25	26	28	26	26	26	26	26	26	26
Carnarvon Basin	337	358	354	348	332	341	336	371	340	341	343
Other Crude	136	106	115	132	114	115	115	115	115	114	116
NGLs	74	80	85	77	80	85	85	85	75	85	85
Total	732	710	705	730	686	698	689	720	689	697	701
Other OECD Pacific											
New Zealand	33	31	27	32	28	27	27	27	29	28	26
Japan	6	5	4	5	5	5	4	4	4	5	5
NGLs	17	17	19	17	18	19	19	19	20	18	19
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	53	50	55	51	50	50	50	53	51	49
OECD											
Crude Oil	17397	17372	17679	16915	17429	17725	17514	17599	17576	17501	17736
NGLs	3655	3667	3761	3567	3721	3718	3726	3759	3717	3722	3719
Non-Conventional Oils	759	890	1041	928	942	994	968	1099	942	973	997
Total	21811	21928	22482	21410	22092	22437	22208	22457	22235	22196	22452

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Sep2002	Oct2002	Nov2002	Dec2002	Jan2003*	Jan2000	Jan2001	Jan2002	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	378.3	401.1	398.6	385.1	380.2	384.6	401.8	429.8	0.21	-0.14	-0.55	0.07
Motor Gasoline	237.1	225.3	239.2	245.1	245.7	239.5	236.2	256.3	0.09	-0.03	-0.11	0.09
Middle Distillate	201.8	197.3	202.2	210.7	192.9	182.8	196.4	216.5	-0.26	0.05	-0.02	0.10
Residual Fuel Oil	42.2	43.3	46.2	41.8	41.9	43.3	45.7	49.5	-0.08	-0.01	0.01	0.00
Total Products[3]	677.4	652.2	664.8	662.4	629.2	599.0	617.4	685.2	-0.43	0.34	-0.04	-0.16
Total[4]	1216.1	1215.9	1217.4	1183.2	1148.1	1115.1	1148.7	1263.8	-0.31	0.24	-0.45	-0.36
Europe												
Crude	304.3	328.6	307.5	292.2	291.9	294.1	307.4	335.7	-0.01	0.08	-0.17	-0.13
Motor Gasoline	115.1	112.8	114.3	118.6	120.7	135.9	124.9	136.0	0.07	-0.12	-0.06	0.04
Middle Distillate	259.7	254.6	245.8	243.4	237.5	238.7	228.2	235.2	0.12	0.18	0.02	-0.18
Residual Fuel Oil	69.0	71.5	76.5	74.8	73.1	83.8	85.1	68.8	0.00	-0.02	0.00	0.06
Total Products[3]	547.0	540.0	536.2	536.8	531.2	551.7	543.3	550.0	0.12	0.07	-0.10	-0.11
Total[4]	913.7	933.4	909.1	891.0	884.4	909.0	914.9	951.3	0.16	0.12	-0.29	-0.25
Pacific												
Crude	162.7	163.0	158.1	160.8	159.6	162.8	166.1	165.9	0.01	-0.03	-0.12	-0.02
Motor Gasoline	24.3	24.3	25.6	22.9	24.2	26.3	24.8	25.6	0.04	0.00	-0.02	-0.01
Middle Distillate	83.6	80.1	72.9	64.7	64.3	79.4	73.1	77.8	-0.10	0.08	0.09	-0.21
Residual Fuel Oil	22.3	22.7	22.2	22.3	23.8	21.9	24.1	22.7	-0.02	0.03	-0.03	0.00
Total Products[3]	197.0	196.4	189.4	176.3	174.8	190.9	189.4	190.8	-0.06	0.11	0.03	-0.22
Total[4]	434.9	433.0	421.1	409.9	407.5	431.9	437.3	436.3	-0.10	0.12	-0.13	-0.27
Total OECD												
Crude	845.2	892.7	864.2	838.1	831.7	841.6	875.3	931.4	0.21	-0.09	-0.83	-0.08
Motor Gasoline	376.5	362.4	379.0	386.5	390.6	401.7	385.9	417.9	0.20	-0.15	-0.19	0.11
Middle Distillate	545.1	532.0	520.8	518.8	494.8	500.8	497.7	529.4	-0.23	0.31	0.09	-0.29
Residual Fuel Oil	133.6	137.4	144.9	138.8	138.8	149.0	155.0	141.0	-0.09	0.01	-0.02	0.06
Total Products[3]	1421.4	1388.6	1390.4	1375.4	1335.2	1341.6	1350.1	1426.0	-0.37	0.53	-0.10	-0.50
Total[4]	2564.7	2582.3	2547.6	2484.2	2440.0	2456.0	2500.9	2651.4	-0.26	0.49	-0.86	-0.88

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Sep2002	Oct2002	Nov2002	Dec2002	Jan2003*	Jan2000	Jan2001	Jan2002	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	587.2	589.6	595.9	599.1	599.2	568.5	541.7	554.6	0.13	0.16	0.12	0.13
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	149.7	154.7	155.9	157.3	157.3	149.1	138.5	141.0	0.02	0.02	0.05	0.08
Products	193.5	190.7	190.7	195.3	195.3	200.0	215.4	209.2	-0.03	-0.08	-0.09	0.02
Pacific												
Crude	316.7	317.2	317.9	317.9	317.9	315.1	314.5	318.8	0.05	0.00	-0.04	0.01
Total OECD												
Crude	1053.5	1061.6	1069.7	1074.3	1074.4	1032.7	994.6	1014.4	0.20	0.19	0.12	0.23
Products	195.5	192.7	192.7	197.3	197.3	200.0	217.4	211.2	-0.03	-0.08	-0.09	0.02
Total[4]	1250.0	1255.3	1263.3	1272.5	1272.6	1233.6	1213.0	1226.6	0.18	0.10	0.03	0.24

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6
INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	August			September			October			November			December		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
United States[2]															
Crude	307.9	295.5	-4.0	309.3	270.1	-12.7	313.2	291.5	-6.9	312.2	287.6	-7.9	312.0	277.7	-11.0
Motor Gasoline	193.4	203.9	5.4	205.9	206.6	0.3	207.8	193.4	-6.9	212.3	206.1	-2.9	209.9	210.7	0.4
Middle Distillate	167.3	174.5	4.3	174.4	172.8	-0.9	175.5	167.9	-4.3	185.4	171.7	-7.4	191.8	179.7	-6.3
Residual Fuel Oil	35.0	31.9	-8.9	37.2	33.0	-11.3	38.2	33.7	-11.8	39.2	35.7	-8.9	41.0	31.3	-23.7
Other Products	160.6	168.6	5.0	163.3	166.4	1.9	155.5	156.3	0.5	151.6	145.9	-3.8	148.5	135.7	-8.6
Total Products	556.3	578.9	4.1	580.8	578.8	-0.3	577.0	551.3	-4.5	588.5	559.4	-4.9	591.2	557.4	-5.7
Other[3]	140.2	138.8	-1.0	144.1	138.0	-4.2	141.6	140.4	-0.8	139.8	134.6	-3.7	132.9	116.3	-12.5
Total	1004.4	1013.2	0.9	1034.2	986.9	-4.6	1031.8	983.2	-4.7	1040.5	981.6	-5.7	1036.1	951.4	-8.2
Japan															
Crude	128.5	126.8	-1.3	128.3	120.6	-6.0	141.9	121.5	-14.4	130.3	116.0	-11.0	128.9	121.5	-5.7
Motor Gasoline	13.8	12.3	-10.9	13.7	12.9	-5.8	13.5	12.6	-6.7	14.1	12.7	-9.9	12.2	12.2	0.0
Middle Distillate	51.7	49.2	-4.8	54.9	50.5	-8.0	57.7	49.9	-13.5	55.2	45.3	-17.9	46.1	40.2	-12.8
Residual Fuel Oil	9.7	10.4	7.2	10.2	8.7	-14.7	10.5	8.8	-16.2	10.5	9.2	-12.4	9.7	9.8	1.0
Other Products	57.2	48.1	-15.9	56.2	50.1	-10.9	55.1	52.2	-5.3	54.5	49.1	-9.9	51.0	49.3	-3.3
Total Products	132.4	120.0	-9.4	135.0	122.2	-9.5	136.8	123.5	-9.7	134.3	116.3	-13.4	119.0	111.5	-6.3
Other[3]	72.6	68.9	-5.1	77.6	67.7	-12.8	76.6	65.9	-14.0	75.6	66.1	-12.6	70.1	64.5	-8.0
Total	333.5	315.7	-5.3	340.9	310.5	-8.9	355.3	310.9	-12.5	340.2	298.4	-12.3	318.0	297.5	-6.4
Germany															
Crude	21.5	18.9	-12.1	20.0	21.0	5.0	20.9	15.5	-25.8	21.3	16.5	-22.5	24.5	14.6	-40.4
Motor Gasoline	10.1	10.8	6.9	9.1	10.0	9.9	8.6	9.2	7.0	10.8	8.8	-18.5	12.1	9.1	-24.8
Middle Distillate	14.4	19.8	37.5	14.1	15.6	10.6	13.5	16.2	20.0	13.6	14.9	9.6	18.7	14.3	-23.5
Residual Fuel Oil	9.6	9.1	-5.2	9.9	9.6	-3.0	9.5	9.4	-1.1	8.2	9.9	20.7	8.8	10.2	15.9
Other Products	11.9	11.7	-1.7	12.4	10.5	-15.3	12.4	10.9	-12.1	12.3	10.9	-11.4	12.3	11.0	-10.6
Total Products	46.0	51.4	11.7	45.5	45.7	0.4	44.0	45.7	3.9	44.9	44.5	-0.9	51.9	44.6	-14.1
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	67.5	70.3	4.1	65.5	66.7	1.8	64.9	61.2	-5.7	66.2	61.0	-7.9	76.4	59.2	-22.5
Italy															
Crude	42.5	41.3	-2.8	39.8	34.6	-13.1	36.0	37.5	4.2	37.6	35.2	-6.4	33.4	32.2	-3.6
Motor Gasoline	19.7	21.6	9.6	19.5	21.6	10.8	19.1	21.9	14.7	19.6	23.2	18.4	21.3	21.1	-0.9
Middle Distillate	30.6	39.8	30.1	29.0	39.8	37.2	29.2	37.5	28.4	30.6	40.5	32.4	31.3	41.1	31.3
Residual Fuel Oil	16.3	11.0	-32.5	14.7	12.0	-18.4	15.9	14.5	-8.8	14.2	15.2	7.0	14.1	14.3	1.4
Other Products	19.5	17.9	-8.2	20.1	17.5	-12.9	19.9	17.4	-12.6	19.2	17.5	-8.9	21.2	17.2	-18.9
Total Products	86.1	90.3	4.9	83.3	90.9	9.1	84.1	91.3	8.6	83.6	96.4	15.3	87.9	93.7	6.6
Other[3]	9.8	10.5	7.1	11.9	10.5	-11.8	13.1	11.3	-13.7	14.0	11.4	-18.6	12.6	12.1	-4.0
Total	138.4	142.1	2.7	135.0	136.0	0.7	133.2	140.1	5.2	135.2	143.0	5.8	133.9	138.0	3.1
France															
Crude	38.1	36.1	-5.2	38.1	38.5	1.0	40.4	38.8	-4.0	36.2	34.0	-6.1	39.0	34.2	-12.3
Motor Gasoline	10.8	11.9	10.2	12.1	12.0	-0.8	10.7	11.6	8.4	10.4	12.2	17.3	12.6	13.0	3.2
Middle Distillate	27.7	34.6	24.9	25.9	32.7	26.3	26.7	34.9	30.7	26.5	32.5	22.6	27.4	34.8	27.0
Residual Fuel Oil	7.8	7.3	-6.4	6.4	7.9	23.4	7.4	6.9	-6.8	7.5	7.2	-4.0	6.8	7.3	7.4
Other Products	10.6	9.1	-14.2	9.8	8.5	-13.3	10.1	7.8	-22.8	9.8	8.4	-14.3	9.4	9.0	-4.3
Total Products	56.9	62.9	10.5	54.2	61.1	12.7	54.9	61.2	11.5	54.2	60.3	11.3	56.2	64.1	14.1
Other[3]	12.3	12.2	-0.8	13.3	13.5	1.5	12.9	13.7	6.2	13.3	13.4	0.8	11.6	13.0	12.1
Total	107.3	111.2	3.6	105.6	113.1	7.1	108.2	113.7	5.1	103.7	107.7	3.9	106.8	111.3	4.2
United Kingdom															
Crude	33.4	38.1	14.1	33.7	39.3	16.6	38.2	46.2	20.9	38.5	47.0	22.1	39.6	41.7	5.3
Motor Gasoline	10.0	9.7	-3.0	10.5	9.7	-7.6	10.9	9.8	-10.1	11.0	9.0	-18.2	11.3	9.0	-20.4
Middle Distillate	22.5	20.7	-8.0	18.9	20.1	6.3	22.0	20.9	-5.0	21.8	20.4	-6.4	23.0	18.7	-18.7
Residual Fuel Oil	4.2	4.4	4.8	4.3	4.3	0.0	4.4	4.4	0.0	4.8	5.0	4.2	4.3	5.0	16.3
Other Products	19.9	17.4	-12.6	20.0	17.1	-14.5	20.4	16.0	-21.6	20.3	15.0	-26.1	20.5	15.5	-24.4
Total Products	56.6	52.2	-7.8	53.7	51.2	-4.7	57.7	51.1	-11.4	57.9	49.4	-14.7	59.1	48.2	-18.4
Other[3]	10.3	12.0	16.5	10.9	10.6	-2.8	11.4	11.5	0.9	10.6	11.3	6.6	10.1	9.8	-3.0
Total	100.3	102.3	2.0	98.3	101.1	2.8	107.3	108.8	1.4	107.0	107.7	0.7	108.8	99.7	-8.4
Canada[4]															
Crude	72.7	78.0	7.3	78.5	75.8	-3.4	77.4	75.8	-2.1	77.6	76.4	-1.5	77.2	76.4	-1.0
Motor Gasoline	16.3	15.5	-4.9	16.0	15.8	-1.3	16.7	17.3	3.6	17.7	18.3	3.4	17.0	18.6	9.4
Middle Distillate	22.1	20.4	-7.7	19.8	20.3	2.5	19.0	21.2	11.6	19.5	22.0	12.8	21.1	21.6	2.4
Residual Fuel Oil	3.8	4.2	10.5	3.7	3.8	2.7	3.9	4.8	23.1	3.7	4.8	29.7	3.5	4.9	40.0
Other Products	19.4	20.2	4.1	20.4	22.1	8.3	21.3	22.1	3.8	20.1	23.2	15.4	19.3	21.5	11.4
Total Products	61.6	60.3	-2.1	59.9	62.0	3.5	60.9	65.4	7.4	61.0	68.3	12.0	60.9	66.6	9.4
Other[3]	21.6	20.9	-3.2	23.3	22.4	-3.9	22.9	22.2	-3.1	21.2	19.4	-8.5	19.1	19.4	1.6
Total	155.9	159.2	2.1	161.7	160.2	-0.9	161.2	163.4	1.4	159.8	164.1	2.7	157.2	162.4	3.3

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for December 2002.

Table 7
TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End December 2001		End March 2002		End June 2002		End September 2002		End December 2002 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	157.2	80	158.3	82	151.5	75	160.2	78	162.4	-
Mexico	47.5	24	43.6	23	45.3	24	47.0	24	47.3	-
United States	1588.3	82	1574.4	80	1616.6	82	1576.1	80	1552.5	-
Total[4]	1815.1	77	1798.3	76	1835.6	76	1805.3	75	1784.3	73
Pacific										
Australia	37.6	42	38.9	43	37.2	42	33.3	37	34.2	-
Japan	634.1	111	630.3	136	633.7	126	627.1	106	615.4	-
Korea[5]	79.2	34	78.6	39	86.5	43	79.7	34	69.1	-
New Zealand	9.6	67	8.4	65	10.0	80	11.5	74	9.1	-
Total	760.5	84	756.2	99	767.4	95	751.6	81	727.8	76
Europe[6]										
Austria	16.0	62	18.0	68	17.1	61	17.7	66	18.4	-
Belgium	28.3	46	30.6	53	30.8	53	28.3	47	26.6	-
Czech Republic	16.2	102	17.4	102	17.0	91	16.2	90	17.5	-
Denmark	19.7	99	20.1	104	17.8	95	19.0	91	17.8	-
Finland	27.6	126	24.6	124	26.9	127	26.9	115	24.4	-
France	165.4	80	162.9	88	169.9	87	174.0	89	174.5	-
Germany	272.6	104	276.5	105	268.7	93	259.1	96	253.3	-
Greece	25.8	59	31.1	84	28.9	77	32.2	76	32.2	-
Hungary	18.8	147	19.9	148	18.5	126	18.0	117	16.1	-
Ireland	10.9	59	9.9	62	9.4	56	10.2	58	11.4	-
Italy	133.9	69	132.3	72	132.4	72	136.1	73	138.1	-
Luxembourg	0.8	16	0.8	16	0.9	17	0.9	19	1.0	-
Netherlands	113.9	128	117.9	129	115.5	131	106.7	115	105.1	-
Norway	19.2	94	18.0	104	22.4	123	17.6	86	19.3	-
Poland	25.8	70	26.9	71	25.2	59	23.6	54	26.2	-
Portugal	25.3	73	22.1	61	24.6	69	24.1	75	21.4	-
Spain	113.1	74	118.6	80	121.0	81	121.3	80	120.8	-
Sweden	34.8	102	35.1	105	33.4	103	30.5	81	29.1	-
Switzerland	36.1	128	37.5	137	39.0	139	38.7	139	36.7	-
Turkey	54.9	94	59.0	96	57.8	88	55.6	83	55.1	-
United Kingdom	108.9	63	102.6	62	110.7	65	101.2	59	99.7	-
Total	1268.2	84	1282.0	88	1287.9	85	1257.8	82	1244.8	83
Total OECD	3843.8	80	3836.5	83	3890.9	82	3814.7	78	3756.9	77
DAYS OF IEA Net Imports[7]	-	114	-	114	-	116	-	114	-	114

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End December 2002 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
4Q1999	3674	1228	2446	76	26	51
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3866	1205	2661	81	25	55
4Q2001	3844	1222	2622	80	25	55
1Q2002	3837	1237	2599	83	27	56
2Q2002	3891	1247	2644	82	26	56
3Q2002	3815	1250	2565	78	26	53
4Q2002	3757	1273	2484	77	26	51

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 4Q2002 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30	23.71	18.88	24.25	25.75	25.53	26.97	26.47	24.13	25.79		
IEA Europe	27.89	23.92	24.15	20.46	24.22	26.21	25.91	27.57	26.91	24.16	27.19		
IEA Pacific	28.89	25.05	24.60	20.06	25.69	26.34	27.84	27.07	28.12	27.48	29.78		
IEA Total	28.00	23.65	24.10	19.84	24.57	26.08	26.10	27.25	26.99	24.95	26.47		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	21.09	25.07	26.91	26.81	28.38	27.58	24.10	28.67	31.32	32.67
WTI (1st month)	30.37	25.93	26.16	21.55	26.30	28.30	28.29	29.71	28.87	26.29	29.45	32.99	35.75
Urals (del. Med.)	26.63	22.97	23.73	19.72	23.60	25.81	25.55	27.01	26.02	22.87	27.72	28.88	30.38
Dubai (1st month)	26.24	22.80	23.85	20.10	24.39	25.54	25.16	26.80	26.32	23.31	25.73	28.02	30.02
Tapis (1st month)	29.85	25.32	25.72	21.29	25.63	27.29	28.33	28.20	27.89	26.89	30.27	31.95	33.96
OPEC Basket	17.47	27.60	24.34	19.92	24.42	26.15	26.63	27.50	27.32	24.28	28.21	30.34	31.64
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	23.00	30.05	32.06	31.05	33.22	32.74	28.38	31.91	35.95	39.85
Unleaded	34.41	28.83	28.57	22.64	29.51	31.44	30.50	32.54	32.19	27.88	31.31	35.35	39.31
Naphtha	29.09	23.69	24.23	20.57	23.80	25.95	26.45	28.15	26.54	24.12	28.77	33.95	36.99
Jet/Kerosene	36.98	30.82	29.24	24.58	28.46	31.27	32.45	34.28	33.44	30.56	33.30	36.76	43.21
Gasoil .2 %	34.38	29.16	27.81	23.09	26.80	29.85	31.26	32.04	31.72	28.96	33.14	35.78	41.81
LSFO 1%	23.74	19.52	21.81	16.69	20.40	23.19	26.70	25.31	28.28	24.53	27.15	27.90	31.98
HSFO 3.5%	21.42	17.79	20.65	16.87	21.22	23.14	21.22	25.05	23.40	19.18	20.84	27.08	27.04
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	23.48	30.28	32.13	30.78	33.28	32.41	27.98	31.84	35.54	39.45
Premium Unleaded	36.43	29.70	28.49	22.77	29.56	31.41	30.06	32.56	31.69	27.26	31.12	34.82	38.73
Naphtha	28.16	22.47	23.51	19.91	23.02	25.32	25.61	27.76	26.02	23.35	27.52	32.80	35.61
Jet/Kerosene	34.82	27.52	27.14	22.84	26.22	29.34	29.95	32.57	31.59	28.08	30.02	33.21	40.00
Gasoil .2 %	33.87	27.50	27.08	22.95	25.83	28.98	30.36	31.06	30.33	28.35	32.52	35.61	40.74
LSFO 1%	23.77	18.73	21.50	17.55	20.98	23.14	24.14	26.06	25.23	22.10	25.02	30.29	32.28
HSFO 3.5%	18.92	15.24	18.24	14.62	18.65	20.69	18.86	22.82	21.03	17.12	18.18	24.58	24.09
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	27.07	33.91	36.10	37.44	36.33	39.35	36.82	35.90	38.69	43.87
Unleaded	36.10	31.00	30.33	25.02	30.19	32.32	33.53	32.80	34.65	31.86	33.83	36.81	41.86
Jet/Kerosene	38.05	31.18	29.83	24.97	28.77	31.91	33.45	34.32	34.18	31.00	34.88	38.38	48.31
No. 2 (Heating Oil)	36.37	29.82	28.56	23.95	27.68	30.06	32.33	32.46	32.19	30.19	34.42	37.99	47.37
LSFO 1%	25.05	20.70	22.55	16.80	22.76	24.65	25.72	26.02	26.41	23.86	26.65	31.65	35.09
HSFO 6 3%	20.68	17.36	20.99	16.04	21.40	23.30	22.96	25.35	24.36	20.47	23.69	29.08	29.45
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	24.27	29.49	28.91	29.24	30.49	29.62	27.80	30.25	34.34	40.13
Naphtha	28.38	23.75	24.93	21.56	24.98	25.81	27.15	27.52	26.87	25.06	29.57	32.21	37.34
Jet/Kerosene	34.39	28.32	28.08	23.57	27.20	29.85	31.35	32.92	32.43	29.38	32.10	34.37	39.27
Gasoil .5%	32.58	27.32	27.55	22.47	27.68	28.80	30.89	30.73	32.57	28.87	30.99	33.39	38.45
LSWR Cracked	25.83	21.83	23.80	18.36	23.26	25.16	28.02	26.33	26.52	26.80	30.97	31.05	34.77
HSFO 180 CST	24.43	20.65	22.89	18.57	23.28	24.97	24.40	26.26	24.59	23.15	25.46	28.18	30.88
HSFO 4%	24.21	20.38	22.95	18.60	23.31	25.23	24.31	26.56	24.59	22.88	25.40	28.27	30.74

* IEA CIF Average Import price for December is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS#
February 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from Jan-03	% change from Feb-02	Ex-Tax Price	% change from Jan-03	% change from Feb-02	Total Price	% change from Jan-03	% change from Feb-02	Ex-Tax Price	% change from Jan-03	% change from Feb-02
GASOLINE [1] (Price per Litre)												
France	1.073	2.3	11.5	0.308	6.9	33.9	1.156	4.2	38.1	0.332	8.9	65.8
Germany	1.136	2.0	13.4	0.324	6.2	35.0	1.224	3.8	40.4	0.349	8.2	67.1
Italy	1.090	1.6	8.8	0.366	4.0	24.9	1.175	3.4	34.7	0.394	5.9	54.7
Spain	0.846	1.7	9.7	0.333	3.7	23.8	0.912	3.5	35.9	0.359	5.6	53.3
UK	0.765	1.9	8.8	0.193	6.6	37.9	1.230	-4.4	37.2	0.310	0.1	73.8
Japan	105.0	-	2.0	46.2	-	4.5	0.879	-0.6	14.1	0.387	-0.6	16.8
Canada	0.797	5.6	34.4	0.493	8.6	63.2	0.527	7.8	41.9	0.326	10.9	72.3
USA	0.426	10.9	44.9	0.325	14.8	68.4	0.426	10.9	44.9	0.325	14.8	68.4
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.702	2.3	13.8	0.310	5.4	28.6	0.756	4.2	40.9	0.334	7.4	59.3
Germany	0.797	1.9	13.4	0.327	4.8	24.3	0.859	3.8	40.4	0.352	6.7	53.9
Italy	0.756	1.2	8.5	0.353	2.6	20.1	0.815	3.1	34.3	0.380	4.5	48.7
Spain	0.627	1.1	8.3	0.333	2.1	16.8	0.676	3.0	34.1	0.359	4.0	44.7
UK	0.662	1.7	4.3	0.204	5.7	15.3	1.064	-4.5	31.4	0.328	-0.8	45.3
Japan	85.1	-	1.3	48.9	-	2.1	0.713	-0.6	13.2	0.409	-0.6	14.1
Canada	0.764	7.9	32.6	0.536	10.7	48.9	0.505	10.2	40.0	0.354	13.1	57.2
USA	0.437	11.2	43.8	0.319	16.0	71.5	0.437	11.2	43.8	0.319	16.0	71.5
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	441.30	5.5	30.9	312.38	6.6	30.5	475.5	7.5	62.0	336.6	8.5	61.5
Germany	410.85	5.5	27.9	292.83	6.7	35.9	442.7	7.4	58.4	315.5	8.7	68.2
Italy	898.73	2.2	10.0	345.73	4.9	24.5	968.5	4.1	36.2	372.6	6.8	54.1
Spain	421.79	1.4	20.4	278.90	1.9	28.4	454.5	3.3	49.1	300.5	3.7	59.0
UK	218.61	6.6	34.6	177.20	7.9	43.2	351.5	0.1	69.6	284.9	1.3	80.5
Japan [3]	47133	1.5	3.7	44889	1.5	3.7	394.7	0.9	15.9	375.9	0.9	15.9
FUEL OIL FOR INDUSTRY [2] (Price per Metric Ton)												
France	240.05	5.5	37.2	221.55	6.0	41.6	258.7	7.4	69.9	238.7	7.9	75.4
Germany	210.44	3.4	25.2	185.44	3.8	23.4	226.8	5.3	55.0	199.8	5.7	52.8
Italy	262.19	5.4	36.6	230.80	6.1	43.8	282.5	7.3	69.1	248.7	8.1	78.0
Spain	274.18	7.1	26.8	259.75	7.5	28.7	295.5	9.1	57.0	279.9	9.5	59.4
UK	172.64	8.3	50.6	144.64	10.1	66.9	277.6	1.7	89.8	232.5	3.4	110.4
Japan	36484	0.1	15.8	34747	0.1	15.8	305.5	-0.5	29.5	291.0	-0.5	29.5

MONTHLY AVERAGE END USER PRICES FOR FUEL OIL#
January 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from Dec-02	% change from Jan-02	Ex-Tax Price	% change from Dec-02	% change from Jan-02	Total Price	% change from Dec-02	% change from Jan-02	Ex-Tax Price	% change from Dec-02	% change from Jan-02
FUEL OIL FOR INDUSTRY [2] (Price per Metric Ton)												
France	227.51	10.9	22.0	209.01	12.0	24.5	240.8	15.3	46.3	221.2	16.4	49.2
Germany	203.58	14.2	18.5	178.58	11.3	16.0	215.4	18.6	42.0	189.0	15.7	39.1
Italy	248.86	13.2	25.7	217.47	15.4	30.5	263.3	17.6	50.7	230.1	19.9	56.5
Spain	256.02	7.4	18.8	241.59	7.9	20.1	270.9	11.6	42.4	255.7	12.1	44.0
UK	159.35	8.0	38.8	131.35	9.9	50.7	272.9	16.6	65.9	224.9	18.6	80.1
Japan	36451	4.5	15.7	34715	4.5	15.7	307.1	7.4	29.5	292.5	7.4	29.5

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.
# As of February 2003, fuel oil prices for industry are for low sulphur oil. January prices are shown for your information.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
OECD North America												
Venezuela	1.63	1.66	1.59	1.58	1.35	1.83	1.58	1.89	1.98	0.89	1.57	-0.68
Other Central & South America	0.61	0.52	0.60	0.55	0.57	0.62	0.65	0.69	0.67	0.58	0.51	0.07
North Sea	1.14	1.03	1.23	0.96	1.37	1.28	1.29	1.34	1.46	1.08	0.83	0.25
Other OECD Europe	0.00	-	-	-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-	-	-	-	-	-	-	-	-	-	-
Former Soviet Union	0.01	-	0.09	0.00	0.11	0.10	0.13	0.21	0.09	0.10	-	-
Saudi Arabia	1.63	1.70	1.60	1.58	1.62	1.50	1.72	1.73	1.57	1.85	1.38	0.47
Kuwait	0.27	0.24	0.22	0.23	0.20	0.24	0.21	0.19	0.24	0.19	0.14	0.05
Iran	-	-	-	-	-	-	-	-	-	-	-	-
Iraq	0.70	0.92	0.56	1.02	0.53	0.30	0.42	0.35	0.46	0.44	1.25	-0.81
Oman	0.00	0.02	0.02	-	-	0.05	0.02	-	0.02	0.03	-	-
United Arab Emirates	0.00	0.02	0.01	-	0.04	0.01	0.01	-	0.02	0.01	-	-
Other Middle East	0.03	0.02	0.04	-	0.02	0.10	0.03	0.03	0.06	0.01	-	-
West Africa[2]	1.56	1.44	1.15	1.03	1.20	1.24	1.13	1.05	1.18	1.16	1.17	-0.01
Other Africa	0.07	0.13	0.18	0.17	0.21	0.18	0.15	0.18	0.11	0.16	0.20	-0.04
Asia	0.18	0.15	0.16	0.17	0.18	0.14	0.15	0.21	0.16	0.09	0.14	-0.05
Other	0.05	0.03	0.06	0.03	0.07	0.06	0.06	0.02	0.08	0.08	0.08	0.00
Total	**7.83**	**7.85**	**7.44**	**7.32**	**7.48**	**7.62**	**7.54**	**7.90**	**8.08**	**6.68**	**7.27**	**-0.60**
of which Non-OECD	**6.70**	**6.82**	**6.22**	**6.32**	**6.06**	**6.30**	**6.20**	**6.50**	**6.56**	**5.55**	**6.40**	**-0.85**
OECD Europe												
Canada	0.00	-	-	-	-	-	-	-	-	-	-	-
Mexico + USA	0.20	0.18	0.19	0.16	0.19	0.20	0.22	0.28	0.14	0.24	0.18	0.06
Venezuela	0.14	0.18	0.19	0.26	0.16	0.19	0.14	0.18	0.12	0.12	0.19	-0.08
Other Central & South America	0.01	0.04	0.05	0.07	0.02	0.03	0.07	0.03	0.11	0.08	0.03	0.04
Non-OECD Europe	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.02	0.01	-	0.01	-
Former Soviet Union	2.40	2.68	3.09	2.98	3.14	3.30	2.92	2.93	2.87	2.97	2.58	0.39
Saudi Arabia	1.39	1.25	1.17	1.10	1.19	1.25	1.12	1.36	1.00	0.99	1.11	-0.13
Kuwait	0.20	0.16	0.11	0.11	0.13	0.13	0.07	0.07	0.07	0.09	0.12	-0.03
Iran	0.79	0.74	0.63	0.52	0.61	0.65	0.75	0.75	0.85	0.65	0.70	-0.05
Iraq	0.74	0.40	0.30	0.17	0.15	0.30	0.58	0.54	0.77	0.42	0.36	0.07
Oman	-	-	0.00	-	-	0.01	0.00	-	-	0.00	-	-
United Arab Emirates	0.00	0.01	0.00	0.00	-	-	-	-	-	-	-	-
Other Middle East	0.31	0.43	0.45	0.40	0.49	0.50	0.40	0.40	0.44	0.36	0.43	-0.07
West Africa[2]	0.64	0.81	0.70	0.92	0.55	0.63	0.69	0.63	0.62	0.82	1.17	-0.35
Other Africa	1.58	1.50	1.41	1.40	1.42	1.31	1.50	1.64	1.48	1.39	1.50	-0.11
Asia	-	-	-	-	-	-	-	-	-	-	-	-
Other	0.04	0.22	0.37	0.34	0.64	0.32	0.20	0.11	0.17	0.30	0.40	-0.10
Total	**8.45**	**8.59**	**8.67**	**8.44**	**8.70**	**8.85**	**8.67**	**8.94**	**8.65**	**8.43**	**8.77**	**-0.34**
of which Non-OECD	**8.26**	**8.41**	**8.47**	**8.28**	**8.51**	**8.65**	**8.45**	**8.66**	**8.51**	**8.19**	**8.59**	**-0.40**
OECD Pacific												
Canada	-	0.00	0.00	-	-	-	0.01	0.01	-	0.02	-	-
Mexico + USA	0.07	0.02	0.01	0.01	0.02	-	0.02	-	-	0.06	-	-
Venezuela	-	0.00	0.00	-	-	-	0.00	-	0.00	-	-	-
Other Central & South America	0.05	0.07	0.08	0.10	0.06	0.07	0.09	0.09	0.12	0.06	0.03	0.02
North Sea	0.02	0.01	0.03	0.01	0.03	0.06	-	-	-	-	0.03	-
Other OECD Europe	-	-	-	-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-	-	-	-	-	-	-	-	-	-	-
Former Soviet Union	0.03	0.05	0.07	0.02	0.05	0.10	0.10	0.08	0.08	0.13	0.07	0.06
Saudi Arabia	1.83	1.84	1.72	1.81	1.68	1.57	1.82	1.63	1.78	2.05	1.86	0.19
Kuwait	0.60	0.64	0.57	0.67	0.55	0.52	0.56	0.50	0.57	0.60	0.62	-0.03
Iran	0.72	0.75	0.64	0.66	0.64	0.56	0.69	0.58	0.68	0.82	0.72	0.09
Iraq	0.13	0.01	0.02	0.03	0.05	0.01	0.01	-	0.02	-	-	-
Oman	0.36	0.41	0.37	0.45	0.34	0.34	0.35	0.39	0.27	0.40	0.38	0.02
United Arab Emirates	1.46	1.42	1.28	1.40	1.12	1.24	1.35	1.33	1.39	1.33	1.42	-0.09
Other Middle East	0.59	0.60	0.52	0.59	0.46	0.52	0.50	0.48	0.52	0.49	0.56	-0.06
West Africa[2]	0.17	0.11	0.21	0.18	0.19	0.20	0.25	0.18	0.32	0.25	0.27	-0.02
Other Africa	0.06	0.04	0.05	0.03	0.01	0.08	0.08	0.06	0.05	0.11	0.05	0.06
Non-OECD Asia	0.87	0.89	0.85	0.91	0.84	0.77	0.89	0.86	0.85	0.94	0.83	0.11
Other	-	0.00	-	-	-	-	-	-	-	-	0.00	
Total	**6.96**	**6.89**	**6.42**	**6.90**	**6.05**	**6.03**	**6.71**	**6.22**	**6.65**	**7.25**	**6.86**	**0.39**
of which Non-OECD	**6.87**	**6.86**	**6.38**	**6.88**	**6.00**	**5.98**	**6.68**	**6.21**	**6.65**	**7.18**	**6.83**	**0.35**
Total OECD Trade	**23.25**	**23.34**	**22.52**	**22.66**	**22.23**	**22.50**	**22.92**	**23.05**	**23.38**	**22.36**	**22.90**	**-0.54**
of which Non-OECD	**21.82**	**22.08**	**21.07**	**21.47**	**20.57**	**20.93**	**21.33**	**21.36**	**21.73**	**20.91**	**21.82**	**-0.91**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.

2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
Saudi Light & Extra Light												
North America	0.45	0.69	0.70	0.70	0.54	0.65	0.89	1.39	0.61	0.67	0.74	-0.07
Europe	1.01	0.92	0.88	0.93	0.93	0.97	0.70	0.98	0.80	0.32	0.88	-0.56
Pacific	0.64	1.22	1.10	1.35	1.14	1.14	0.76	1.02	1.27	..	1.19	..
Saudi Medium												
North America	0.68	0.73	0.86	0.72	0.65	0.60	1.46	2.64	0.79	0.93	0.61	0.32
Europe	0.23	0.15	0.10	0.11	0.08	0.13	0.09	0.16	0.07	0.05	0.09	-0.04
Pacific	0.13	0.17	0.15	0.16	0.18	0.16	0.08	0.19	0.06	..	0.19	..
Saudi Heavy												
North America	0.31	0.21	0.20	0.12	0.23	0.21	0.23	0.22	0.23	0.24	0.17	0.07
Europe	0.14	0.14	0.09	0.08	0.10	0.09	0.08	0.11	0.11	0.03	0.12	-0.09
Pacific	0.12	0.15	0.10	0.10	0.12	0.11	0.09	0.09	0.17	..	0.08	..
Iraqi Basrah Light[2]												
North America	0.61	0.65	0.35	0.63	0.34	0.23	0.22	0.09	0.30	0.26	0.99	-0.73
Europe	0.16	0.15	0.08	0.01	0.06	0.05	0.20	0.17	0.30	0.14	0.15	-0.01
Pacific	0.08	0.01	0.02	0.03	0.05	0.01	..	..	..	..	..	..
Iraqi Kirkuk												
North America	..	0.09	0.14	0.26	0.11	0.06	0.11	0.17	0.07	0.09	0.16	-0.07
Europe	0.55	0.31	0.29	0.21	0.19	0.36	0.42	0.42	0.64	0.21	0.31	-0.10
Pacific	..	0.01	0.00	..	0.00	..	..	..	..	..	..	..
Iranian Light												
North America	..	..	..	..	..	..	..	..	..	..	..	..
Europe	0.26	0.16	0.15	0.19	0.14	0.15	0.14	0.17	0.21	0.05	0.17	-0.11
Pacific	0.13	0.13	0.10	0.11	0.11	0.10	0.08	0.11	0.14	..	0.16	..
Iranian Heavy[3]												
North America	..	..	..	..	..	..	..	..	..	..	..	..
Europe	0.49	0.53	0.43	0.34	0.45	0.49	0.45	0.44	0.59	0.32	0.46	-0.14
Pacific	0.37	0.63	0.48	0.55	0.56	0.45	0.38	0.55	0.60	..	0.62	..
Venezuelan Light & Medium												
North America	0.72	0.61	0.68	0.66	0.57	0.91	0.57	0.77	0.80	0.15	0.59	-0.44
Europe	0.04	0.07	0.07	0.15	0.05	0.04	0.06	0.06	0.09	0.02	0.12	-0.10
Pacific	..	0.00	0.00	..	..	..	0.00	..	0.00	..	..	..
Venezuelan 22 API and heavier												
North America	0.50	0.65	0.55	0.55	0.46	0.62	0.56	0.70	0.70	0.28	0.53	-0.25
Europe	0.06	0.07	0.05	0.06	0.06	0.06	0.04	0.05	0.05	0.01	0.04	-0.02
Pacific	..	..	..	..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.66	0.77	0.92	0.90	0.89	0.91	0.96	1.04	0.88	0.97	0.86	0.11
Europe	0.17	0.14	0.16	0.16	0.17	0.17	0.13	0.25	0.13	0.01	0.15	-0.14
Pacific	0.02	0.01	0.00	..	0.01	..	..	..	..	..	..	..
Mexican Isthmus												
North America	0.07	0.04	0.01	0.01	0.00	0.01	0.01	0.01	0.01	..	0.01	..
Europe	0.01	0.03	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.04	-0.03
Pacific	0.02	0.01	0.00	..	0.01	..	..	..	..	..	..	..
Russian Urals												
North America	..	..	0.03	..	0.08	..	0.05	0.08	0.07	..	..	..
Europe	0.75	1.10	1.28	1.24	1.25	1.44	1.19	1.43	1.27	0.87	0.92	-0.05
Pacific	..	0.01	0.01	0.01	..	0.02	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.65	0.50	0.39	0.33	0.38	0.46	0.38	0.38	0.34	0.41	0.32	0.09
Europe	0.38	0.38	0.30	0.33	0.22	0.36	0.29	0.39	0.33	0.15	0.54	-0.39
Pacific	0.01	0.02	0.05	0.05	0.03	0.06	0.05	..	0.16	..	0.03	..
Nigerian Medium												
North America	0.01	0.31	0.16	0.15	0.22	0.13	0.14	0.10	0.14	0.17	0.22	-0.05
Europe	0.06	0.10	0.06	0.11	0.03	0.03	0.05	0.06	0.10	..	0.18	..
Pacific	0.00	0.00	0.01	0.02	..	0.01	..	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
OECD North America												
Venezuela	0.13	0.11	0.08	0.05	0.07	0.11	0.08	0.10	0.08	0.07	0.12	-0.05
Other Central & South America	0.09	0.10	0.10	0.09	0.10	0.11	0.11	0.13	0.11	0.09	0.11	-0.01
ARA (Belgium Germany Netherlands)	0.05	0.07	0.09	0.09	0.13	0.09	0.07	0.07	0.09	0.07	0.03	0.03
Other Europe	0.14	0.18	0.21	0.20	0.24	0.20	0.18	0.18	0.20	0.16	0.15	0.01
FSU	0.04	0.04	0.06	0.06	0.08	0.06	0.03	-	0.03	0.06	0.03	0.03
Saudi Arabia	0.06	0.05	0.06	0.05	0.05	0.06	0.07	0.09	0.08	0.05	0.03	0.03
Algeria	-	0.00	0.00	0.01	0.01	-	-	-	-	-	0.01	-
Other Middle East & Africa	0.03	0.04	0.04	0.02	0.04	0.06	0.03	0.03	0.03	0.02	0.03	-0.01
Singapore	0.01	0.01	0.01	0.02	0.00	0.02	0.00	-	0.00	0.00	0.02	-0.01
OECD Pacific	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.02	0.00	0.01	-0.01
Non-OECD Asia (excl. Singapore)	0.02	0.03	0.03	0.01	0.03	0.04	0.02	0.03	0.02	0.01	0.01	0.00
Other	-	0.00	-	-	-	-	-	-	-	-	-	-
Total[2]	**0.57**	**0.65**	**0.69**	**0.61**	**0.78**	**0.74**	**0.61**	**0.63**	**0.65**	**0.53**	**0.54**	**-0.01**
of which Non-OECD	**0.37**	**0.39**	**0.39**	**0.32**	**0.40**	**0.48**	**0.36**	**0.39**	**0.39**	**0.31**	**0.35**	**-0.04**
OECD Europe												
OECD North America	0.00	0.00	0.00	-	-	-	0.00	-	-	0.00	-	-
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00
Non-OECD Europe	0.02	0.03	0.04	0.04	0.05	0.04	0.03	0.04	0.03	0.03	0.02	0.00
FSU	0.02	0.02	0.02	0.01	0.03	0.05	0.01	0.01	0.01	0.03	0.01	0.02
Saudi Arabia	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Algeria	0.01	0.00	0.01	0.00	0.02	0.01	0.01	0.01	0.03	0.01	0.00	0.01
Other Middle East & Africa	0.01	0.01	0.02	0.01	0.02	0.03	0.03	0.05	0.01	0.02	0.01	0.00
Singapore	-	-	-	-	-	-	-	-	-	-	-	-
OECD Pacific	-	-	-	-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00	-	-	-	-	-	-	-	-	-	-
Other	0.08	0.09	0.08	0.12	0.07	0.04	0.11	0.09	0.14	0.09	0.10	0.00
Total[2]	**0.14**	**0.15**	**0.18**	**0.18**	**0.19**	**0.17**	**0.20**	**0.20**	**0.22**	**0.18**	**0.14**	**0.04**
of which Non-OECD	**0.14**	**0.15**	**0.18**	**0.18**	**0.19**	**0.17**	**0.20**	**0.20**	**0.22**	**0.18**	**0.14**	**0.04**
OECD Pacific												
OECD North America	0.00	0.00	0.00	0.01	0.00	-	-	-	-	-	-	-
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-	-	-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	0.00	0.00	-	0.00	-	-	-	-	-	-	-
Saudi Arabia	0.01	0.00	0.00	0.01	-	-	-	-	-	-	0.01	-
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-	-	-	-	-	-	-	-	-	-	-
Singapore	0.02	0.02	0.03	0.03	0.04	0.02	0.04	0.03	0.05	0.03	0.02	0.02
Non-OECD Asia (excl. Singapore)	0.01	0.00	0.02	0.02	0.02	0.01	0.03	0.03	0.01	0.04	0.01	0.04
Other	-	-	0.00	-	0.00	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.04**	**0.06**	**0.06**	**0.06**	**0.03**	**0.07**	**0.06**	**0.05**	**0.08**	**0.03**	**0.05**
of which Non-OECD	**0.04**	**0.03**	**0.05**	**0.05**	**0.06**	**0.03**	**0.07**	**0.06**	**0.05**	**0.08**	**0.03**	**0.05**
Total OECD Trade[2]	**0.74**	**0.84**	**0.92**	**0.85**	**1.04**	**0.94**	**0.87**	**0.89**	**0.92**	**0.79**	**0.71**	**0.08**
of which Non-OECD	**0.55**	**0.57**	**0.63**	**0.56**	**0.66**	**0.68**	**0.62**	**0.65**	**0.66**	**0.56**	**0.52**	**0.04**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
OECD North America												
Venezuela	0.06	0.06	0.03	0.04	0.04	0.02	0.02	0.02	0.03	0.02	0.04	-0.01
Other Central & South America	0.01	0.03	0.02	0.05	0.01	0.01	0.03	0.04	0.04	0.01	0.00	0.01
ARA (Belgium Germany Netherlands)	0.01	0.01	0.00	0.00	-	0.00	0.01	-	0.01	0.03	-	-
Other Europe	0.01	0.02	0.00	-	-	0.00	0.01	0.03	-	0.01	0.00	0.01
FSU	0.03	0.03	0.02	0.01	0.02	-	0.08	0.04	0.05	0.14	-	-
Saudi Arabia	0.00	0.00	0.00	-	-	0.00	-	-	-	-	-	-
Algeria	0.00	0.01	0.00	0.00	-	-	0.00	-	-	0.01	0.01	0.00
Other Middle East & Africa	0.00	0.01	0.00	-	-	-	0.01	-	0.01	0.01	-	-
Singapore	0.00	0.00	0.00	0.00	-	-	-	-	-	-	0.00	-
OECD Pacific	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.01	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.01	0.00	0.00	-	-	0.02	0.03	-	0.02	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.20**	**0.10**	**0.10**	**0.07**	**0.04**	**0.19**	**0.16**	**0.16**	**0.25**	**0.06**	**0.19**
of which Non-OECD	**0.11**	**0.16**	**0.09**	**0.10**	**0.07**	**0.03**	**0.16**	**0.14**	**0.14**	**0.21**	**0.06**	**0.15**
OECD Europe												
OECD North America	0.02	0.02	0.03	0.05	0.03	0.02	0.01	0.01	-	0.03	0.04	-0.01
Venezuela	0.00	0.00	0.00	0.00	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.01
Non-OECD Europe	0.05	0.05	0.07	0.08	0.07	0.06	0.05	0.06	0.05	0.03	0.04	-0.01
FSU	0.29	0.36	0.42	0.44	0.46	0.35	0.43	0.46	0.30	0.51	0.40	0.11
Saudi Arabia	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.00
Algeria	0.03	0.04	0.02	0.03	0.02	0.02	0.02	0.01	0.01	0.03	0.04	0.00
Other Middle East & Africa	0.02	0.02	0.02	0.03	0.01	0.02	0.02	0.01	0.04	0.02	0.01	0.01
Singapore	0.00	0.00	0.02	0.03	0.00	0.01	0.03	0.07	-	0.02	0.00	0.02
OECD Pacific	0.00	0.00	0.00	-	-	0.01	0.00	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	0.01	0.01	0.03	0.00	0.00	0.02	0.01	0.01	0.03	0.03	0.00
Other	0.08	0.10	0.10	0.13	0.04	0.08	0.14	0.18	0.23	0.03	0.16	-0.13
Total[2]	**0.50**	**0.61**	**0.69**	**0.83**	**0.64**	**0.58**	**0.74**	**0.82**	**0.65**	**0.74**	**0.73**	**0.01**
of which Non-OECD	**0.48**	**0.59**	**0.67**	**0.78**	**0.61**	**0.55**	**0.74**	**0.82**	**0.65**	**0.74**	**0.69**	**0.05**
OECD Pacific												
OECD North America	-	-	0.00	0.00	0.00	-	-	-	-	-	-	-
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00	-	-	-	-	-	-	-	-	0.00	-
ARA (Belgium Germany Netherlands)	0.00	0.00	0.00	-	-	-	0.00	-	0.00	-	-	-
Other Europe	-	-	0.00	0.00	-	-	-	-	-	-	-	-
FSU	0.00	0.00	0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.01
Saudi Arabia	0.00	0.00	0.00	0.00	-	-	-	-	-	-	-	-
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-	0.00	-	0.01	-	0.00	-	0.00	-	-	-
Singapore	0.01	0.02	0.02	0.02	0.03	0.02	0.02	0.03	0.02	0.03	0.02	0.01
Non-OECD Asia (excl. Singapore)	0.00	0.01	0.02	0.01	0.02	0.02	0.03	0.02	0.03	0.05	0.00	0.05
Other	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	-	-	-	-
Total[2]	**0.02**	**0.03**	**0.05**	**0.04**	**0.06**	**0.05**	**0.06**	**0.05**	**0.06**	**0.09**	**0.03**	**0.06**
of which Non-OECD	**0.02**	**0.03**	**0.05**	**0.04**	**0.06**	**0.05**	**0.06**	**0.05**	**0.06**	**0.09**	**0.03**	**0.06**
Total OECD Trade[2]	**0.66**	**0.84**	**0.85**	**0.97**	**0.77**	**0.67**	**0.99**	**1.04**	**0.86**	**1.07**	**0.82**	**0.26**
of which Non-OECD	**0.62**	**0.78**	**0.81**	**0.91**	**0.74**	**0.64**	**0.96**	**1.01**	**0.84**	**1.04**	**0.77**	**0.26**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
OECD North America												
Venezuela	0.03	0.03	0.02	0.03	0.02	0.02	0.03	0.03	0.03	0.02	0.02	0.00
Other Central & South America	0.02	0.02	0.01	0.02	0.01	0.01	0.01	0.01	0.02	0.01	0.02	-0.01
ARA (Belgium Germany Netherlands)	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Other Europe	0.00	0.00	0.00	-	0.00	-	-	-	-	-	0.00	-
FSU	-	0.00	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	0.01	0.00	0.00	0.01	-	-	-	-	-	-	-	-
Algeria	0.00	0.00	0.00	-	-	-	0.00	0.01	-	-	-	-
Other Middle East & Africa	0.01	0.02	0.01	0.00	0.01	0.00	0.02	0.01	0.03	0.01	-	-
Singapore	0.01	0.01	0.00	0.00	-	-	0.00	0.00	-	0.00	0.00	0.00
OECD Pacific	0.06	0.05	0.04	0.02	0.04	0.04	0.05	0.08	0.05	0.02	0.03	-0.01
Non-OECD Asia (excl. Singapore)	0.01	0.01	0.01	0.01	0.01	0.02	0.00	-	0.00	-	0.02	-
Other	-	0.00	-	-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.14**	**0.09**	**0.09**	**0.09**	**0.09**	**0.11**	**0.13**	**0.14**	**0.06**	**0.09**	**-0.03**
of which Non-OECD	**0.08**	**0.09**	**0.06**	**0.07**	**0.05**	**0.05**	**0.06**	**0.06**	**0.09**	**0.04**	**0.06**	**-0.02**
OECD Europe												
OECD North America	0.00	0.00	0.01	0.02	0.00	0.01	0.00	0.01	-	0.00	-	-
Venezuela	0.01	0.01	0.02	0.02	0.02	0.02	0.01	0.02	-	0.00	0.00	0.00
Other Central & South America	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.01	0.00	-	0.00	-
Non-OECD Europe	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-
FSU	0.02	0.02	0.03	0.02	0.03	0.04	0.03	0.02	0.05	0.02	0.01	0.01
Saudi Arabia	0.02	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.03	0.00	0.03	-0.03
Algeria	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-	0.01	0.02	0.02	0.00
Other Middle East & Africa	0.07	0.13	0.10	0.08	0.12	0.11	0.08	0.10	0.08	0.05	0.13	-0.08
Singapore	-	-	0.00	-	-	0.02	-	-	-	-	-	-
OECD Pacific	-	-	-	-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-	0.00	0.00	-	0.00	-	-	-	-	-	-
Other	0.04	0.04	0.02	0.03	0.02	0.02	0.00	0.01	-0.02	0.02	0.05	-0.04
Total[2]	**0.17**	**0.25**	**0.21**	**0.21**	**0.23**	**0.27**	**0.15**	**0.18**	**0.15**	**0.11**	**0.26**	**-0.14**
of which Non-OECD	**0.17**	**0.25**	**0.20**	**0.19**	**0.22**	**0.26**	**0.14**	**0.17**	**0.15**	**0.11**	**0.26**	**-0.14**
OECD Pacific												
OECD North America	0.00	-	-	-	-	-	-	-	-	-	-	-
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-
Other Central & South America	-	-	-	-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00	0.00	0.01	-	-	0.01	-	-	0.04	-	-
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01	0.01	0.01	-	0.00	0.01	-	-	0.02	0.02	0.00
Singapore	0.01	0.01	0.01	0.03	0.00	0.00	0.02	0.01	0.02	0.02	0.01	0.02
Non-OECD Asia (excl. Singapore)	0.02	0.02	0.02	0.04	0.00	-	0.05	0.00	0.04	0.09	0.04	0.05
Other	0.03	0.04	0.05	0.07	0.03	0.04	0.07	0.04	0.07	0.11	0.04	0.07
Total[2]	**0.07**	**0.07**	**0.10**	**0.15**	**0.04**	**0.04**	**0.16**	**0.06**	**0.13**	**0.28**	**0.10**	**0.18**
of which Non-OECD	**0.07**	**0.07**	**0.10**	**0.15**	**0.04**	**0.04**	**0.16**	**0.06**	**0.13**	**0.28**	**0.10**	**0.18**
Total OECD Trade[2]	**0.38**	**0.46**	**0.40**	**0.45**	**0.35**	**0.40**	**0.41**	**0.37**	**0.42**	**0.45**	**0.45**	**0.01**
of which Non-OECD	**0.32**	**0.41**	**0.36**	**0.41**	**0.31**	**0.35**	**0.36**	**0.29**	**0.37**	**0.43**	**0.42**	**0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2000	2001	2002	1Q02	2Q02	3Q02	4Q02	Oct 02	Nov 02	Dec 02	Year Earlier Dec 01	Year Earlier change
OECD North America												
Venezuela	0.08	0.07	0.03	0.03	0.04	0.03	0.02	0.02	0.02	0.02	0.05	-0.04
Other Central & South America	0.08	0.11	0.10	0.08	0.09	0.09	0.13	0.11	0.14	0.14	0.08	0.06
ARA (Belgium Germany Netherlands)	0.02	0.04	0.01	0.01	0.01	0.00	0.01	0.02	-	0.00	0.03	-0.03
Other Europe	0.06	0.05	0.02	0.00	0.02	0.02	0.02	0.00	0.02	0.03	0.05	-0.02
FSU	0.02	0.02	0.01	-	0.01	0.02	0.02	0.01	0.05	0.00	0.02	-0.02
Saudi Arabia	-	0.00	-	-	-	-	-	-	-	-	-	-
Algeria	0.05	0.05	0.01	-	0.01	0.00	0.01	0.01	-	0.02	0.05	-0.02
Other Middle East & Africa	0.04	0.05	0.02	0.02	0.03	0.03	0.02	0.02	0.02	0.02	0.04	-0.02
Singapore	0.00	0.00	0.01	0.00	0.01	0.01	0.00	0.01	-	-	0.00	-
OECD Pacific	0.00	0.00	0.00	-	-	0.00	0.00	0.00	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01	0.00	0.00	0.00	-	-	-	-	-	-	-
Other	-	0.00	0.00	0.00	-	-	0.00	-	0.00	-	-	-
Total[2]	**0.36**	**0.40**	**0.21**	**0.15**	**0.22**	**0.22**	**0.23**	**0.20**	**0.25**	**0.24**	**0.33**	**-0.09**
of which Non-OECD	**0.29**	**0.31**	**0.18**	**0.14**	**0.19**	**0.19**	**0.20**	**0.18**	**0.23**	**0.20**	**0.25**	**-0.04**
OECD Europe												
OECD North America	0.01	0.02	0.02	0.05	0.01	0.01	0.02	0.01	0.03	0.02	0.10	-0.08
Venezuela	0.01	0.01	0.00	0.01	-	-	0.00	-	-	0.00	-	-
Other Central & South America	0.02	0.01	0.02	0.05	0.00	0.01	0.00	0.00	-	0.01	0.00	0.00
Non-OECD Europe	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.00
FSU	0.19	0.23	0.28	0.22	0.31	0.33	0.25	0.34	0.21	0.21	0.21	0.00
Saudi Arabia	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Algeria	0.00	0.00	0.01	0.02	0.00	0.01	0.01	0.01	-	0.00	-	-
Other Middle East & Africa	0.07	0.06	0.06	0.07	0.07	0.05	0.06	0.07	0.06	0.06	0.06	-0.01
Singapore	-	0.00	0.00	0.00	0.00	-	0.00	-	-	0.00	0.00	0.00
OECD Pacific	-	-	0.00	-	0.00	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-	0.01	0.01	0.00	0.01	0.01	0.02	0.02	-	-	-
Other	0.08	0.06	0.06	0.06	0.07	0.05	0.05	0.08	0.08	0.00	0.03	-0.02
Total[2]	**0.39**	**0.40**	**0.47**	**0.50**	**0.49**	**0.47**	**0.43**	**0.56**	**0.41**	**0.31**	**0.41**	**-0.10**
of which Non-OECD	**0.38**	**0.38**	**0.45**	**0.45**	**0.48**	**0.46**	**0.41**	**0.55**	**0.38**	**0.30**	**0.31**	**-0.01**
OECD Pacific												
OECD North America	0.00	0.00	0.00	-	0.00	0.00	0.01	-	0.01	0.00	0.01	0.00
Venezuela	-	-	-	-	-	-	-	-	-	-	-	-
Other Central & South America	-	-	-	-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	0.00	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	0.00	-	0.01	-	-	-	-	-	-	-
Saudi Arabia	-	-	0.00	-	0.00	-	-	-	-	-	-	-
Algeria	-	-	-	-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.00	-	0.00	-	-	-	0.00	-	0.00	-	-	-
Singapore	0.01	0.01	0.01	0.00	0.02	0.01	0.01	0.02	0.01	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.06	0.05	0.06	0.05	0.07	0.04	0.06	0.06	0.04	0.08	0.04	0.04
Other	0.01	0.02	0.02	0.01	0.01	0.02	0.02	0.03	0.03	0.01	0.01	0.00
Total[2]	**0.09**	**0.08**	**0.09**	**0.07**	**0.12**	**0.06**	**0.10**	**0.11**	**0.09**	**0.11**	**0.06**	**0.05**
of which Non-OECD	**0.09**	**0.08**	**0.09**	**0.07**	**0.12**	**0.06**	**0.10**	**0.11**	**0.08**	**0.10**	**0.05**	**0.05**
Total OECD Trade[2]	**0.85**	**0.88**	**0.77**	**0.72**	**0.84**	**0.75**	**0.76**	**0.87**	**0.75**	**0.65**	**0.80**	**-0.14**
of which Non-OECD	**0.76**	**0.78**	**0.71**	**0.65**	**0.78**	**0.71**	**0.71**	**0.84**	**0.69**	**0.61**	**0.61**	**-0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

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10 April 2003

HIGHLIGHTS

- World oil production rose by a further 740 kb/d in March after February's 2.25 mb/d increase. OPEC crude supply gained 95 kb/d, with higher output from Venezuela, Saudi Arabia and Kuwait helping offset losses from Iraq and Nigeria. Non-OPEC supply increased by 240 kb/d and OPEC NGL/non-conventional supply was up 405 kb/d.

- Though damage to oil infrastructure in Iraq appears limited so far, the timing and extent of supply recovery both from Iraq and Nigeria is uncertain. OPEC spare capacity is low, but that is partly offset by significant volumes of oil on the water plus seasonal demand decline.

- Industry oil stocks in the OECD fell by 34 mb in February to 2392 mb. Product stocks drew by 1.24 mb/d, primarily in distillates, but crude stocks were broadly unchanged. OECD industry stocks ended 229 mb below the year earlier, leaving forward demand cover at 50 days, 6 days below February last year.

- Crude prices fell by nearly $9 from early-March peaks with the start of military action in Iraq, higher margin calls and ample OPEC supply all contributing. Nevertheless, low stocks and increasing refinery activity are providing a floor for prices. Market focus has switched to US gasoline supplies in advance of the peak summer driving season.

- The forecast of oil demand for 2003 stands roughly unchanged at 78 mb/d. However, the outbreak of war in Iraq and the SARS epidemic in Asia have cut commercial air travel, undermining second quarter jet fuel demand.

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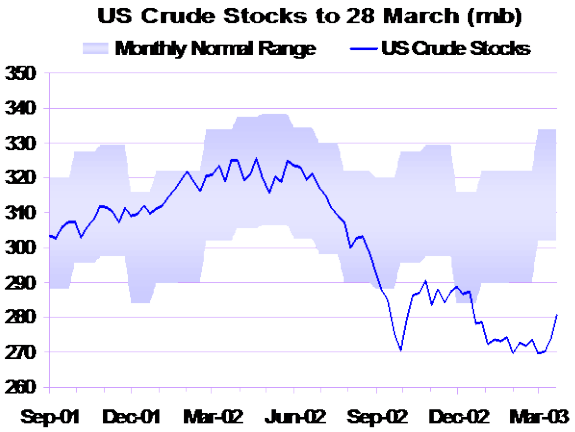
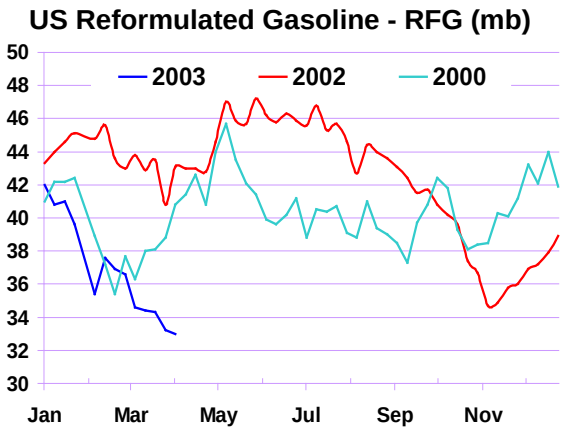
OIL ON WATER

Consumers are growing increasingly confident that the market can weather the storm caused by concurrent supply disruptions in Iraq, Venezuela and Nigeria. Despite shifting perceptions about the duration of the war, consumers have been reassured by the commitment of producers to supply the market. The loss of up to 40% of Nigerian supply has been disconcerting, but partly offset by a resurgence of Venezuelan production. Growing confidence should not however be seen as an indication that everything has returned to normal and that all troubles are behind us. In fact, spare capacity remains tight, stocks are low and the market is stretched. But the system is working - producers are increasing production, oil is arriving in consuming regions and prices are easing.

Indeed, there has been talk of a "wall of crude" on the water that is waiting to arrive in key consuming regions. Clearly, producers have been prepositioning crude in key consuming regions to mitigate the potential impact of a prolonged supply disruption, thereby assuming the financial risk and burden of transforming long haul into short haul supply. These are certainly positive developments. It is therefore somewhat surprising that OECD industry crude stocks remain low while product stocks appear to be trending sideways. How can these positions be reconciled?





Financial, commodity and equity markets have recently experienced unprecedented volatility associated with heightened geopolitical uncertainty. Markets are normally efficient at dealing with uncertainty and offer a variety of instruments to hedge risk. But these are not normal times. The pressure of geopolitical uncertainty has pushed some participants to exit the market and has forced others to modify their behaviour so as to limit their risk exposure.

Volatility is reflected in decision-making. In a period of extreme uncertainty, market participants focus on short-term priorities and avoid longer-term commitments. This is evident in the current oil market. Despite low stocks and a significant increase in global production, refiners have limited their purchase of long-haul crude and are prepared to pay a premium for short-haul supply. These actions exacerbate backwardation (premium for prompt over forward prices).

Backwardation is normally a reflection of tight prompt physical supply. The current situation, however, is somewhat unique. Prompt crude is increasingly available. But, given the impact of uncertainty - the possibility of a significant downward adjustment in prices - refiners are reluctant to purchase more crude than is absolutely needed to meet short-term operational requirements. Once the market is in backwardation, refiners have limited ability to offload risk without locking in losses. In addition, they are unable to recoup the cost of storage and offset the time-value of money. Consequently, backwardation reinforces the disincentive to build stocks.

The net result is a temporary backlog of crude on the water. This will persist until such time as: (a) there is an easing of geopolitical tensions that allows the market to establish a new sense of direction; (b) the crude is priced into the market; (c) the seasonal uptick in gasoline demand encourages refiners to ramp up throughputs, drawing on all available crude supply, or (d) all the above. One way or another, the market will come back into balance.

DEMAND

Summary

- The assessment of global oil product demand is roughly unchanged from last month's Report at 76.9 mb/d for 2002 and 78 mb/d for 2003.

- Although average demand growth for 2003 is about flat from last month, at 1.1 mb/d, the growth pattern has changed, with incremental demand more heavily front-loaded in the first three months, followed by slower growth later. The estimated seasonal gap from first to second-quarter demand widened to 2.1 mb/d, from 1.6 mb/d in last month's Report. While steeper than expected, the rebound in global oil demand growth that followed the downturn of late 2001-early 2002 is past its peak.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	-
4Q01	77.0	-0.6	-0.4	-0.1
1Q02	76.6	-0.9	-0.7	-
2Q02	75.4	-0.1	-0.1	-
3Q02	76.7	0.8	0.6	-
4Q02	78.7	2.1	1.6	0.1
1Q03	78.4	2.4	1.8	0.2
2Q03	76.4	1.3	0.9	-0.2
3Q03	77.8	1.4	1.1	-0.1
4Q03	79.4	0.8	0.7	0.1
2001	76.5	0.4	0.3	-
2002	76.9	0.5	0.4	0.1
2003	78.0	1.5	1.1	-

* year-on-year change

- While demand is likely to expand more slowly through the remainder of this year than the 2.4% gain posted in the first quarter, annual growth is expected to remain comparatively robust. Although there are signs that oil demand from the industrial sector began to recover early this year in several OECD countries, an abrupt downshift in March indicators suggests that the global economy will remain sluggish, stirring only modest incremental demand. But fuel-switching into oil – whether from natural gas, as in the US, or from nuclear power, as in Japan – looks set to continue, albeit at a more subdued pace, beyond the end of the traditional winter heating season.

Global Oil Demand by Region

(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.95	-0.18	0.09	0.41	-0.8	0.4	1.7
Europe	15.82	0.20	-0.17	0.06	1.3	-1.1	0.4
OECD Pacific	8.53	-0.08	-0.02	0.16	-0.9	-0.3	1.9
China	5.16	0.09	0.28	0.17	1.8	5.8	3.4
Other Asia	7.47	0.05	0.09	0.15	0.7	1.3	2.1
Subtotal Asia	21.16	0.06	0.35	0.48	0.3	1.7	2.3
FSU	3.74	0.06	0.06	0.05	1.8	1.6	1.3
Middle East	4.96	0.14	0.12	0.12	3.0	2.5	2.5
Africa	2.51	0.03	0.03	0.04	1.4	1.3	1.5
Latin America	4.73	-0.02	-0.11	-0.04	-0.5	-2.3	-0.8
World	76.86	0.29	0.37	1.12	0.4	0.5	1.5

- War in Iraq and the Severe Acute Respiratory Syndrome (SARS) epidemics are hindering commercial air travel demand. Combined with high oil prices, reduced commercial air travel is offsetting increased military jet-fuel requirements, halting a fledging recovery in jet fuel demand. This will contribute to the slowdown in oil demand growth after the first quarter.

- The expected distribution of demand growth among industrialised and emerging economies also has changed. Non-OECD economies are now expected to account for 46% of global demand growth, up 4 percentage points from last month. The bulk of the non-OECD growth will come from Asia and the Middle East. China alone is expected to contribute 170 kb/d of growth, including 410 kb/d in the first quarter. In the FSU, however, a backlog of exports has bloated winter stocks without noticeably boosting consumption, leading to low domestic oil prices.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.09	0.41
Latin America	0.05	0.02	0.00	-0.02	-0.11	-0.04
FSU	-0.06	-0.13	0.03	0.06	0.06	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.17	0.06
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.02	0.16
China	-0.02	0.30	0.30	0.09	0.28	0.17
Other Asia	0.04	0.41	0.10	0.05	0.09	0.15
Subtotal, Asia	-0.51	0.99	0.34	0.06	0.35	0.48
Middle East	0.15	0.12	0.22	0.14	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.04
World	0.35	1.59	0.78	0.29	0.37	1.12

OECD

Early Indications of Current Demand

Unadjusted preliminary data for eight of the largest OECD economies show that aggregate inland deliveries of oil products rose by 3.7% in January from last year, or 3.6% after adjustment for definitional differences (see table below). That preliminary assessment, and the broader estimate of February demand for the entire OECD, both mark record highs for that month.

The growth in deliveries spans all regions, albeit to various degrees. A 22.7% surge in residual fuel oil (RFO) lifted aggregate Japanese and Korean deliveries by 7%. Rebounding RFO demand, compounded by steeply higher gasoil deliveries, also raised North American demand, by 3.1%. In Europe, residual fuel oil deliveries contracted, bucking the broader OECD trend, but surging gasoil deliveries allowed aggregate demand to swing back into modest growth after six months of contraction.

In total, inland deliveries for the leading OECD economies in February exceeded expectations by more than half a million barrels per day, lifting the first quarter OECD growth estimate by 120 kb/d, or 2.4%, to 1.14 mb/d. Although the bulk of the adjustments were in Europe, February demand also exceeded expectations in Japan and Canada.

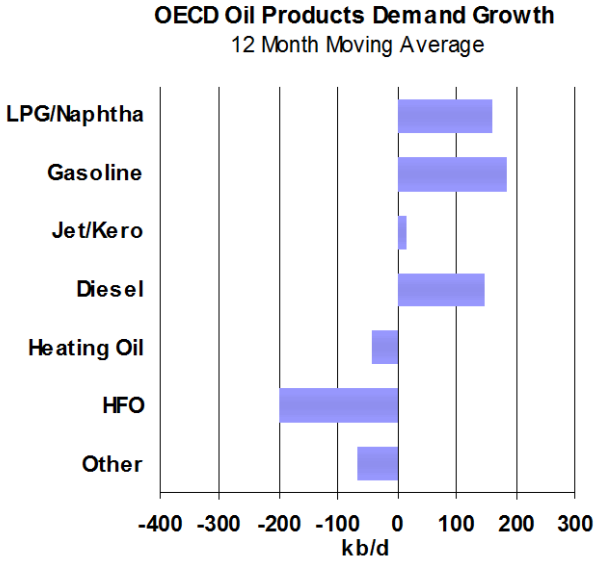
In conjunction with large upward revisions in OECD delivery data for November and December, the latest statistics show that this winter's colder-than-normal temperatures gave oil demand a greater boost than previously estimated. Upward adjustments of more than 100 kb/d for OECD Europe in both November and December lifted the fourth-quarter demand estimate for the region by 70 kb/d. OECD European demand continues to show contraction in the fourth quarter, but a milder one than previously estimated. North American demand was also adjusted upwards, by approximately 50 kb/d, in both November and December, lifting the quarterly average by 30 kb/d. For the OECD as a whole, fourth-quarter demand is now estimated to have rebounded by 860 kb/d, or 2.1%, an increase of 90 kb/d from last month.

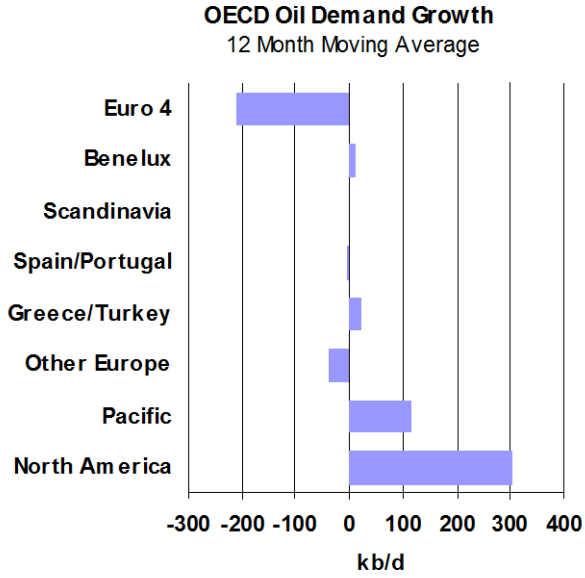
Preliminary Inland Deliveries – February 2003[1]

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.43	-2.0	1.55	1.0	2.86	14.5	1.53	56.1	0.94	46.3	4.63	-5.9	19.94	2.8
Canada	0.68	4.8	0.13	27.9	0.42	6.9	0.17	15.3	0.14	70.9	0.21	-4.0	1.75	9.8
Mexico	0.59	7.3	0.06	5.6	0.29	12.5	0.00	na	0.36	-15.6	0.39	0.5	1.69	0.6
Japan	1.00	3.3	1.06	8.6	0.68	-2.8	0.66	4.6	0.68	34.0	1.95	11.6	6.04	9.1
Korea	0.17	-10.3	0.06	11.3	0.41	17.8	0.26	-2.3	0.38	6.7	1.04	-2.2	2.31	1.9
France	0.27	-4.9	0.12	3.7	0.62	4.8	0.52	32.6	0.07	-25.0	0.47	1.3	2.07	6.7
Germany	0.56	-9.2	0.15	8.7	0.54	-3.7	0.68	26.3	0.12	-1.2	0.43	-15.3	2.48	-0.2
Italy	0.34	-3.7	0.07	16.7	0.48	7.6	0.15	29.9	0.26	-36.3	0.48	12.2	1.78	-1.6
Total	**12.04**	**-1.4**	**3.20**	**5.4**	**6.30**	**8.7**	**3.97**	**29.3**	**2.95**	**11.8**	**9.60**	**-5.4**	**38.06**	**3.7**

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry,
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Does that steeper-than-expected rebound in OECD winter demand herald equally robust demand growth for the remainder of this year? That seems unlikely. Much of last winter's steep oil demand growth reflects a combination of seasonal and one-off factors. In contrast with the previous winter's unseasonably mild weather, last winter's temperatures were colder than normal through most of the Northern Hemisphere, fuelling higher oil demand for space heating and power-generation. Although the US Northeast continued to face inclement weather in early April, the heating season is now mostly over. Assuming a return to "normal" weather patterns, the seasonal demand surge experienced in the last six months will lead to a lower seasonal demand increment next winter.





Fuel switching – from natural gas in the US and from nuclear power in Japan – has compounded the seasonal increase in oil demand. In February, the combined effect of fuel switching and cold weather is estimated to have boosted OECD heating oil and residual fuel oil demand by an aggregate 1.1 mb/d over the year, or 76% of total demand growth. For the first quarter, incremental OECD heating oil and residual fuel oil demand is estimated at 650 kb/d, or 57% of total demand growth. In December, growth in demand for the two fuels jointly made up 32% of total incremental demand, offsetting contractions in October and November. Although fuel-switching will exert further upward pressure on demand in the second quarter, its effect should decline, assuming the restart of Japan's idled nuclear plants over the summer and greater availability of alternative fuels such as LNG. In the US, fuel-switching away from gas is also expected to ease, though record-low gas reserves will likely continue to support natural gas prices through the summer injection and cooling period.

Rebounding jet fuel demand is another recent driver of oil demand growth whose effect will likely subside through the remainder of this year. OECD jet fuel and kerosene demand soared by 385 kb/d in the fourth quarter of last year, reversing the protracted contraction prompted by the global economic downturn and the terrorist attacks of September 2001. Cold weather in Northeast Asia, where kerosene is used for space heating, added to the recovery: OECD Asia contributed roughly one-third of incremental jet fuel and kerosene demand in the fourth quarter. In January and February, however, OECD jet-fuel demand growth slowed to 215 kb/d and 170 kb/d, as weather-driven airport closures and flight delays caused North American demand to swing back into contraction. War in Iraq and the SARS epidemics have since inflicted a twin setback for commercial air-travel and jet fuel-demand recoveries. With the outbreak of war, US and other airlines sharply reduced flights in line with travel warnings and rekindled safety concerns. Long-haul flights bore the brunt of the cuts, maximising the market impact. The spread of SARS further reduced travel within and into Asia. In a replay of the sweeping cuts in flight schedules and aircraft fleet consolidation that followed the terrorist attacks of September 2001, the latest losses in air travel are likely to have a lasting effect on fuel consumption. US airlines already had come under severe financial pressure from high fuel costs, and the outbreak of war in Iraq combined with a SARS epidemics will likely trigger a new round of cost-cutting, fleet reductions and industry consolidation. Even in the event of a quick easing of health and flight-safety concerns, the recovery in jet fuel demand would likely lag that of air travel demand, especially in North America and Asia.

Lastly, the sluggish pace of the US and global economic recovery will provide only limited relief from the downward effect of seasonal and one-off factors. Economic forecasters have sharply curtailed their GDP growth projections for 2003 and 2004. Economic growth in the OECD now appears unlikely to exceed 2% this year, roughly even with 2002. Manufacturing activity, in particular, remains sluggish, while weak labour markets in Europe, Japan and North America are undermining consumer confidence and household spending even as capital investment and business expenditures remain low.

Although the recovery in oil demand is expected to slow down, demand growth for the year will remain comparatively robust. One-off factors supporting recent oil demand growth will gradually fade, not vanish altogether. It is assumed that Japan's idled nuclear plants will start returning to service by summer, however this outcome is not assured. In any event, the ramp-up in nuclear power generation will likely be gradual, as the decision to restart plants will be issued on a case by case basis. Low US natural gas inventories will take time to rebuild, providing medium-term support for gas prices, and dampening the competitive appeal of gas as boiler fuel. Seasonal cooling demand for oil may be high this summer in North America, especially in the west, where low reservoir levels will likely curtail hydropower output. OECD transportation fuel demand has grown fast through last year's economic slowdown, and will not likely retreat from recent high levels. Although US gasoline demand growth has slowed in the first quarter, much of that slowdown may have reflected adverse weather conditions compounded by high gasoline prices. Fast gasoline demand growth may resume with the end of winter, especially if gasoline price spikes are averted and flight safety considerations linger.

Moving Annual Average Change in Oil Demand* – February 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	3.3%	24.7%	2.5%	-2.4%	1.7%	3.3%	-9.4%	-4.0%	1.2%	226
Canada	9.3%	7.9%	3.0%	6.5%	1.2%	4.5%	-2.4%	7.7%	4.3%	84
Mexico	-3.6%	57.1%	3.1%	-1.6%	-1.0%	-1.0%	-14.2%	62.2%	-0.8%	-15
Japan	-1.8%	3.7%	1.5%	2.9%	-2.7%	-0.3%	2.1%	-2.3%	0.7%	38
Korea	6.9%	4.4%	1.8%	7.1%	10.2%	1.0%	-3.7%	91.7%	2.9%	61
France	-4.2%	-13.0%	-3.7%	2.4%	3.7%	-4.4%	-10.3%	-7.2%	-2.9%	-59
Germany	-9.0%	-2.2%	-4.1%	0.3%	-0.4%	-7.3%	-0.1%	-7.7%	-3.8%	-107
Italy	-1.4%	-1.8%	-4.1%	-3.6%	2.0%	1.4%	-1.9%	-3.4%	-1.4%	-26
UK**	7.8%	-6.7%	-5.8%	3.0%	1.8%	1.8%	-2.1%	0.2%	-1.1%	-19
Total	**1.8%**	**4.0%**	**1.5%**	**0.4%**	**1.5%**	**-0.8%**	**-5.3%**	**-2.0%**	**0.5%**	**184**
kb/d	75	99	190	13	88	-29	-177	-74	184	

* defined as the percentage change between the demand average for the 12 months up to February and that of the same period a year earlier

* *near-month data are estimated

For the second consecutive month since the September 2001 terrorist attacks, the moving annual average changes in oil demand for the nine largest OECD economies showed growth in February, rising to +0.5%, after January's 0.1% gain (see table above). The trend closely mirrored that of the moving average change in oil demand for the OECD as a whole.

The steepest improvement displayed by the moving average changes in demand since last month remained for the very products which in recent months had shown the deepest contraction. Gains in jet fuel demand pushed the moving average for jet fuel and kerosene into growth for the first time since September 2001. However, drops in air travel demand since the outbreak of war in Iraq and the SARS epidemics may send it back into the red. The moving average change of gasoil demand also swung into growth for the first time in a year. The rebound reflects both faster growth in diesel demand and slower contraction in the moving average of demand for heating oil, following recent surges in heating oil deliveries. The moving average change in residual fuel oil demand, which has been negative since August 2001, also showed slower contraction as the average change of Japanese residual fuel oil demand swung into growth for the first time in years. In contrast, the moving average changes of gasoline and LPG demand showed slower growth.

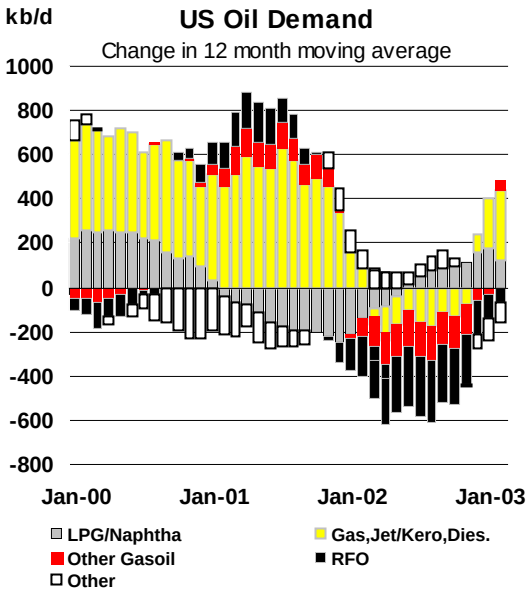
As in previous months, a wedge continued to divide the declining trend of demand in the leading European economies from stronger demand growth in the rest of the OECD. The aggregate North American moving average posted its tenth consecutive monthly increase, and the third positive figure in a row after 12 months in the red. The aggregate figure for OECD Asia improved for the eighth consecutive month and posted the second positive figure in a row after nearly two years of contraction. The Japanese average flipped into growth for the first time since September 2000. For the second month in a row, Korea showed growth in demand for all products except residual fuel oil.

In contrast, all four leading European economies continued to show negative moving changes in oil demand, and in two countries the decline accelerated in February. Germany posted negative changes in oil demand for all products except jet fuel. However, the decline in the moving average of European demand was slightly less pronounced than in the previous month, suggesting that the contraction in European demands may be bottoming out.

North America

US heating oil and residual fuel oil demand continued to surge in March over last year despite milder weather. Based on preliminary weekly estimates, adjusted deliveries of heating oil were assessed 27% above last year, extending gains of 10.4% and 36.5% in January and February. Residual fuel oil demand soared in March by an estimated 28%, following gains of 10.2% and 46.5%. For the first quarter, US demand for heating oil grew by 23.6% and by 27.6% for residual fuel oil.

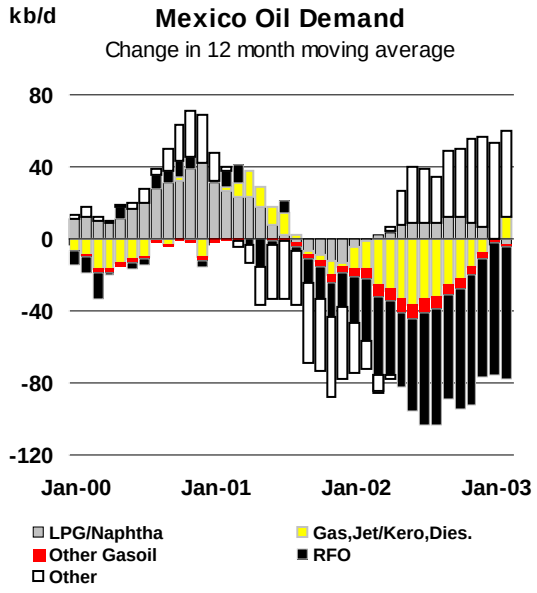
High natural gas prices and concerns over gas storage levels helped support demand for heating and industrial fuels in the face of milder weather. As of late March, working gas in underground storage stood at 680 Bcf, 820 Bcf below last year and 506 Bcf less than the five-year average. While warmer temperatures allowed working gas inventories to start rebuilding in the second half of March, stock levels remain close to the record low of 636 Bcf to which they had sunk at mid-month. Such exceptionally tight inventory levels will require heavy utility buying to rebuild reserves ahead of winter even as production remains constrained and prices high, a factor that should support prices even as heating demand declines seasonally. This in turn will further support oil demand, as will in the short term an April cold snap in the US Northeast.

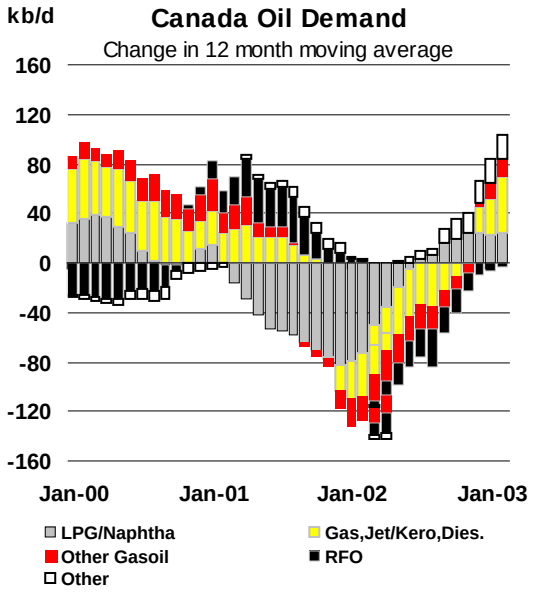


A budding recovery in US industrial activity may also account in part for the rebound in heating oil and residual fuel oil demand, as well as stronger demand for diesel. Diesel deliveries for road transportation increased by nearly 10% in January, a gain that appears to have been extended through the rest of the quarter. The return of some industrial demand

may also account for relatively large withdrawals from natural gas storage in March despite mild temperatures.

In contrast, gasoline demand growth slowed markedly over the first quarter, from an unseasonably strong 3.5% gain in January to a 2% contraction in February and a 0.2% drop in March. For the quarter, gasoline demand growth averages a preliminary 0.5%, down from 2.6% in the fourth quarter and an average 2.8% in 2002. What caused the slowdown? Inclement weather may explain part of the February drop, though adverse weather conditions did not prevent the surprisingly strong increase in demand in January. A price rally may also have played a role. Gasoline demand growth averaged only 0.5% in 2000, when gasoline prices rallied among tight supplies in the Mid-continent and other markets, compared to a 10-year average of 1.9%. However, a replay of the 2000 scenario seems unlikely. Prices have already eased on hopes of a rapid end to the Iraqi war and the arrival of incremental crude supplies from the Middle East. Structural shifts also have reshaped the US gasoline markets since 2000. Those include the conversion of the vehicle fleet towards less fuel-efficient Sports Utility Vehicles, a demographic boom across the Sun Belt and a shift from short-haul air travel to road transportation in the wake of the September 2001 terrorist attacks.





US jet fuel demand also contracted by an average 1.4% in the first three months of this year, reversing the 8.1% rebound in the fourth quarter of 2002. Snowstorms and inclement weather shuttered airports and delayed flights in January and February. Curtailed air travel against the backdrop of the Iraqi war and the SARS epidemics will further undermine jet fuel demand, reducing the forecast of North American demand growth by 170 kb/d for the second quarter and 80 kb/d for the third. Despite the downward adjustment, North American oil demand is still expected to grow by approximately 410 kb/d over 2003, accounting for the lion's share of total OECD demand growth.

Pacific

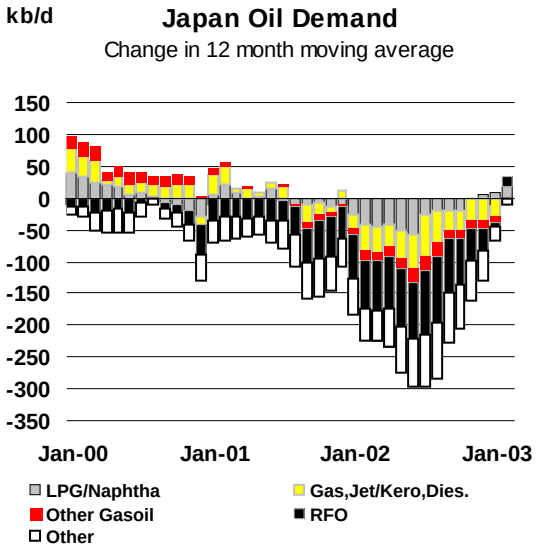
As of early April, 16 of TEPCO's 17 nuclear power plants were idled, and the last one was expected to be taken off-line around mid-month. In addition, three of Chubu Electric Power Co.'s four units and two Tohoku Electric plants were also shut. In all, 22 of Japan's 29 Boiling Water Reactors (BWRs) are expected to be inoperative by mid-April. The scope of the shutdowns, which exceeds that of normal inspection schedules, stems from a controversy that erupted in September around the utilities' maintenance reporting programmes.

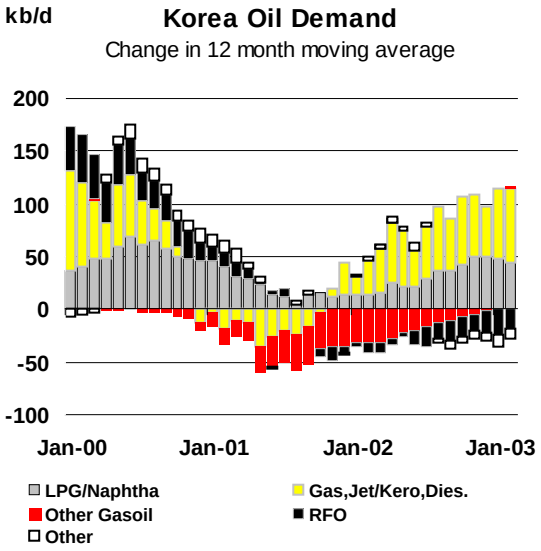
Although Japanese utilities have attempted to cope with the loss of nuclear power generation capacity in various ways, the main impact has been to boost demand for residual fuel oil and heavy sweet crude oil used as boiler fuels in thermal power plants. In February, incremental utility demand fuelled a 170 kb/d surge in Japanese deliveries of residual fuel oil. Deliveries of "other products" gained 130 kb/d on the back of higher

crude oil demand for direct burn. Both gains were in line with those posted in January. Utility consumption of coal and natural gas also increased.

TEPCO's attempts to get permission to restart its idled nuclear facilities have yet to bear fruit. For the purpose of this report, it is assumed that the shutdowns will continue through June, allowing for the plants' restart in time for the peak electricity demand months of July and August. Although it is likely that the restart programme will in fact be phased, greater availability of LNG is expected to mitigate the oil market impact of a reduced nuclear power shortfall over the summer. Cross-regional power trades between utilities may also reduce the affected utilities' reliance on their own oil-fired power generation capacity. Thus Tokyo-based TEPCO was recently reported to have bought electricity from a Kyushu utility to be generated by excess coal capacity, a deal understood to be the first of several such agreements. Greater reliance on other types of nuclear plants also is already partly offsetting the loss of capacity from BWRs. As of early April, all of Japan's 23 Pressurised Water Reactors were in service, compared to 18 in mid-January.

Thanks to incremental utility demand, compounded by colder-than-normal weather, Japanese oil demand grew by 4.8% in January and an estimated 2.8% in February, despite sluggish economic activity and the further dampening effect on oil demand of the New Year holiday lull. In Korea, the New Year and Lunar New Year holiday celebrations caused oil demand from the industrial sector - roughly 44% of total oil demand - to contract by 0.7%, according to statistics from the Korea National Oil Corporation. By contrast, holiday travel helped lift demand from the transportation sector by 11.8%, while cold weather fuelled a 7.5% inncrease from the residential and commercial sector.





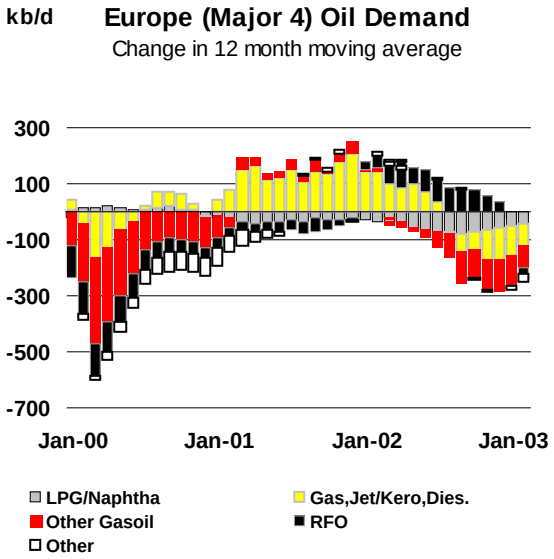
Europe

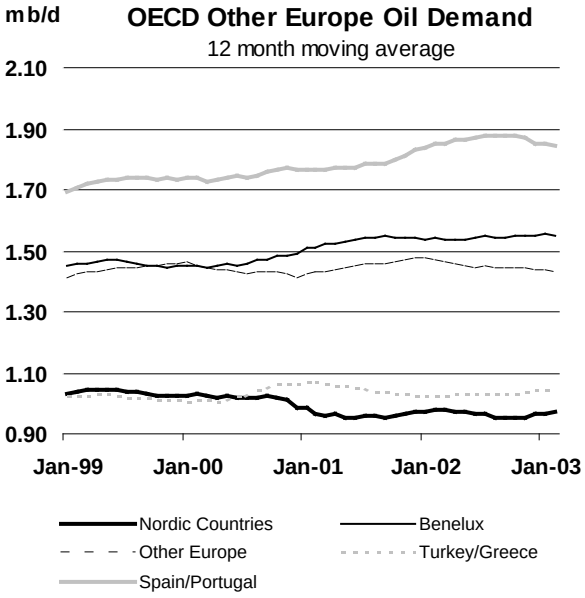
Revisions to European delivery statistics have raised the demand estimate by 70 kb/d for the fourth quarter 2002 and by 110 kb/d for the first quarter 2003. Despite the increase, OECD European oil demand growth is still expected to remain nearly flat in 2003, reflecting sluggish economies, efficiency gains associated with the diesel conversion of the automobile fleet, and greater reliance on natural gas for residential consumption and power generation.

European demand for gasoline and residual fuel oil has been particularly weak. France is a case in point. French gasoline demand contracted by 4.9% in February, extending drops of 10.7% and 6.6% in December and January. High prices appear to have compounded the effect of the gasoline-to-diesel switch. New gasoline car registrations fell by 20% in 2002 versus 2001, compared to a 6.9% gain for diesel cars, which now make up 63.2% of all new vehicles sales. But it is significant that gasoline demand in February fell only for the more expensive grades, Super unleaded 98 (-8.8%) and Super ARS (-27.5%). Demand for the cheaper Super unleaded 95 actually increased by 3.74%. Although diesel prices rose more year-on-year than gasoline prices in percentage terms, the gain was less in absolute terms. Adverse weather cannot be accepted as a contributing factor to the winter dip in gasoline demand, since diesel demand increased rapidly over the same period. In Germany, preliminary estimates put the contraction in gasoline demand at 9.2%, in February, extending drops of 5.5% and 6.4% in December and January.

Residual fuel oil demand continued to weaken versus last year despite colder weather. The dip reflected fuel switching out of oil, encouraged by increased hydropower output and new gas-fired power generation capacity. In France, the drop would have been steeper still if not for a budding rebound in industrial demand. A 73.9% drop in French utility oil demand cut 140 kb/d out of French demand growth and caused residual fuel oil deliveries to contract by 25%. But RFO demand from the industrial sector increased by 40 kb/d, or 18.3%.

Several factors helped mitigate the impact of lower gasoline and RFO demand in February. Cold weather boosted heating oil demand in Italy, France and Germany. In the latter country, homeowners finally got down to rebuilding their residential stocks, lifting heating oil deliveries by 23%. Heating oil demand rose by an estimated 29% in France and 21% in Italy. In addition, a shortfall of hydropower generation due to a drought in Scandinavia boosted heating oil and residual fuel oil demand in the sub-region by a combined 80 kb/d in December and 90 kb/d in January. The gains lifted aggregate demand for the two fuels to the highest level since the previous great drought, in 1996. Support from the drought was expected to continue in February and March, since the Scandinavian snowpack doesn't melt until April, preventing any increase in hydropower generation capacity until then.





UK jet fuel demand grew at double-digit rates in February, according to preliminary data received too late for inclusion in this Report, following growth of 23.9% in January. The fast pace of expansion appears to reflect incremental demand from military aircraft engaged in the campaign against Iraq.

Non-OECD

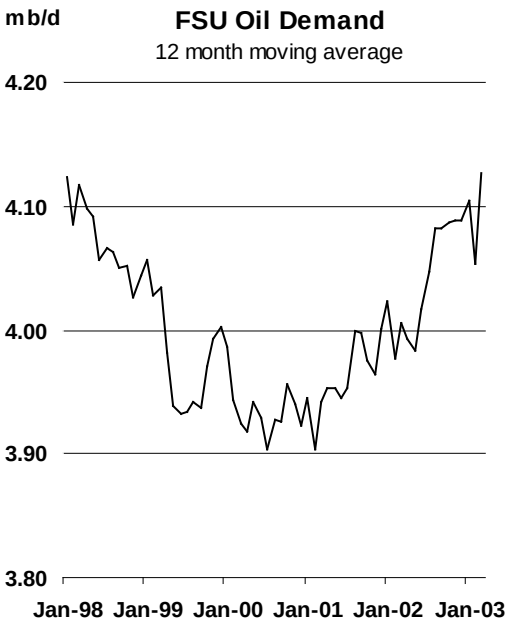
Former Soviet Union

FSU crude output growth of 920 kb/d has overtaken export growth of 600 kb/d by an average 320 kb/d in the first quarter, according to unadjusted, preliminary production and trade estimates. Although the gap is wide, it is typical for FSU exports to form a sizeable winter backlog that then gets adjusted downwards in the spring and summer. Prior OMR estimates of winter FSU demand have thus adjusted to reflect these variations.

Despite the comparatively large size of this year's first-quarter apparent stock build, and perennial worries about FSU export capacity, concerns that the latest backlog might prove too much for the FSU's export infrastructure appear overstated. The latest FSU statistics suggest that this year's export bottleneck had more to do with arbitrage economics and weather-related loading disruptions in the Baltic and Black Sea

than hardware strictures. Preliminary estimates show that FSU crude exports soared by 580 kb/d in March on the year, to 4.38 mb/d, as crude and product exports through the Black Sea reached an all-time high of 3 mb/d. The leap in Black Sea exports was achieved despite continued delays and bottlenecks in the Bosporus Straight.

As in previous years, the winter backlog of FSU exports doesn't appear to denote any sizeable year-on-year gain in FSU oil demand. Indeed, FSU domestic crude prices sank to lows of $5-$7 per barrel, a clear sign that consumption is not keeping pace with supply. Meanwhile, spot surges in FSU exports at various export outlets suggest that export infrastructure remains, for the time being, ample enough to accommodate even record-high production levels, especially if exports are stretched over a period of months.



China

Chinese apparent demand, defined as the sum of product output and net product imports, was revised upwards to 5.52 mb/d for January, the highest monthly average ever. The revision mostly stems from a 100 kb/d upward adjustment to Sinopec and PetroChina refinery runs, to 4.2 mb/d. The estimate of net product imports is unchanged at 530 kb/d, the highest level in three and a half years. However, Chinese trade publications have raised the possibility that General Administration of Customs statistics might have understated the full scope of January gasoline exports. Sinopec and PetroChina sources, using "different statistical methods" than the GAC, reportedly assessed January gasoline exports at around 130 to140 kb/d, or 50 to 60 kb/d more than the relatively low 80 kb/d shown in official data.

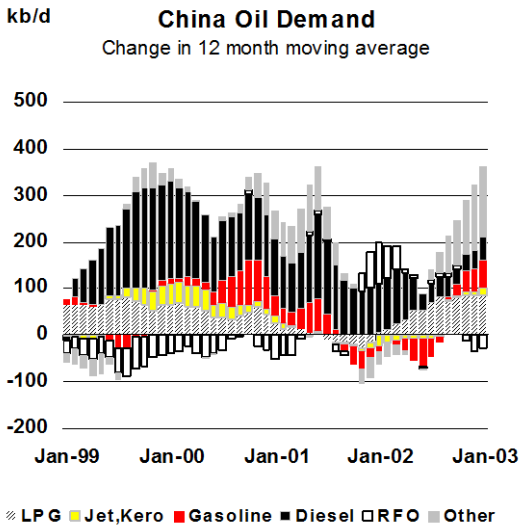
Preliminary data for February confirm earlier expectations of a month-to-month reduction in apparent demand, though the drop is less than previously estimated. Despite anecdotal reports of maintenance activity starting in February at several of China's largest refineries, preliminary data on refinery runs signal an unexpected increase in throughputs. However, this increase was more than offset by a drop of approximately 380 kb/d in net imports, to 150 kb/d, the lowest since May 2000. Estimated demand of 5.21 mb/d for the month marks a 5.6% drop from January, but an 8% gain on the year.

In contrast with January, when gross product exports, as reported in GAC statistics, were relatively subdued, exports soared to a record high of 430 kb/d in February, as refiners sought to take advantage of a run-up in international product prices unmatched in domestic markets. Reported gasoline exports of 250 kb/d were the highest ever. At the same time, imports fell by more than 200 kb/d on the month. Licensed importers of residual fuel oil had reportedly increased their purchases in January to take advantage of expiring import quotas. The removal of that incentive in February contributed to the drop in imports.

Further drops in apparent demand are expected in March, owing to both stepped-up refining maintenance activity and subdued imports. Anecdotal reports suggest that at least 240 kb/d of crude distillation capacity were idled in March in the Shanghai-Yangtze River delta refining hub of Eastern China, and another 90 kb/d in the Southern centre around the Pearl River delta. Other turnarounds scheduled for March have been postponed, including a one-month outage of a 70 kb/d crude unit at Sinopec's Changling refinery, now reset for May.

Refiners may have chosen to partly offset the temporary loss of crude distillation capacity from maintenance activity by boosting utilisation rates at operational units. But end-user demand growth appears to be stalling. High fuel prices undermined profit margins at Guangdong small factories and pottery plants, many of which failed to restart after closing for the Lunar New Year holiday in early February. Small power plants in the province were also forced to shut down. Although that was partly offset by higher rates at some of the province's larger units, the drop in end-user residual fuel oil demand in southern China reportedly led to a build in stocks. Gasoline inventories at PetroChina's north-eastern refineries were also reported on the rise around mid-March amid poor demand, setting the stage for throughput cuts.

Shifts in the government's retail pricing guidelines further supported a reduction in imports and refining output in March and April, partly offsetting higher-than-expected apparent demand in January and February. A hike in retail product price ceilings that was to take effect in March was recalled in late February a day after it was announced. Market expectations that the price increase would be pushed back to March 25 were disappointed as that deadline came and went without any price change. Since then, declining international prices mean that, according to China's domestic pricing mechanism, a hike no longer appears warranted. This in effect removes the contango from the market, or price premium of forward supplies over prompt barrels, making it less profitable to boost supplies in anticipation of higher prices.



Other Non-OECD

The outbreak of war in Iraq is likely to affect regional demand in contrasting ways. For Iraq itself, the hostilities are expected to result in a steep demand reduction, reflecting the profound, if transitory, disruption inflicted on economic activity and daily life by military action. The availability of refined products also is likely to suffer from a temporary reduction in crude oil output and refining activity. For some of Iraq's neighbours, on the other hand, the run-up to the war, the war itself and the post-war period will likely result in higher demand. Kuwait, the staging ground for much of the US and UK campaign, is expected to post a demand increase of roughly 60 kb/d and 100 kb/d in the first and second quarter, mostly in jet fuel. Kuwait cut its jet-fuel export programme in February and March to meet incremental US military demand and reportedly reduced gasoil exports in March by an estimated 430,000 tons, or 110 kb/d. Estimates of Demand in Qatar and Bahrain have also been raised. Estimates are subject to revisions as actual consumption will depend on the ultimate duration and scope of the war. As of this writing, however, the aggregate effect of the war on the region's yearly average demand is expected to be marginal, with declines in Iraq being offset by increases elsewhere.

Revisions to Agência Nacional do Petróleo data have marginally raised the assessment of Brazilian demand by 2 kb/d for the third quarter of 2002 and 5 kb/d for the fourth. Newly available Chilean historical monthly demand data have led to minor adjustments in the seasonal demand pattern, though yearly averages are unchanged.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.70	23.81	24.11	24.16	23.95	24.37	24.08	24.51	24.45	24.35
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.65	15.19	15.36	15.09	15.11	14.71	15.21	15.50	15.13
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.05	9.32	8.53	9.60	8.00	8.08	9.07	8.69
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.95	46.11	47.35	48.84	47.57	49.09	46.78	47.80	49.02	48.17
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.65	3.66	3.98	3.74	3.70	3.70	3.77	4.00	3.79
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.40	5.16	5.27	5.29	5.33	5.45	5.33
Other Asia	7.33	7.41	7.34	7.26	7.50	7.38	7.42	7.44	7.38	7.64	7.47	7.60	7.58	7.52	7.80	7.62
Latin America	4.86	4.74	4.91	4.89	4.81	4.84	4.67	4.77	4.81	4.65	4.73	4.56	4.70	4.81	4.70	4.69
Middle East	4.70	4.64	4.87	5.07	4.80	4.85	4.75	4.99	5.19	4.92	4.96	4.87	5.06	5.34	5.08	5.09
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.50	2.48	2.52	2.51	2.56	2.53	2.52	2.56	2.54
Total Non-OECD	28.46	28.50	29.08	28.60	29.07	28.81	28.66	29.32	29.34	29.85	29.30	29.34	29.60	29.98	30.34	29.82
World	76.20	77.32	75.53	76.08	77.05	76.49	76.62	75.44	76.69	78.69	76.86	78.43	76.38	77.77	79.36	77.99
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.45	19.63	19.83	19.83	19.69	20.01	19.80	20.13	20.06	###
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.27	8.25	8.24	8.01	8.35	8.32	8.23
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.89	5.32	6.14	4.96	5.05	5.62	5.44
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.36	2.18	2.42	2.00	2.01	2.37	2.20
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.94	1.93	1.96	1.97	1.99	1.97	1.97
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.06	2.00	2.04	1.98	2.06	2.08	2.04
Brazil	2.16	2.11	2.18	2.20	2.17	2.17	2.12	2.13	2.19	2.16	2.15	2.10	2.12	2.20	2.18	2.15
India	2.07	2.16	2.10	1.99	2.08	2.08	2.10	2.10	2.00	2.14	2.09	2.16	2.15	2.04	2.18	2.13
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-2.0	0.5	0.7	2.3	0.4	2.8	1.1	1.7	1.2	1.7
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	-1.4	-1.2	-0.4	0.4	0.1	0.9	0.3
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-3.9	0.1	6.0	-0.3	5.8	4.4	0.3	-2.6	1.9
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.8	-0.7	-0.3	1.8	-0.02	2.4	1.5	0.9	0.4	1.3
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	0.9	2.3	5.6	1.6	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	8.6	5.8	8.5	0.9	3.7	0.9	3.4
Other Asia	1.4	3.4	0.8	-0.2	-1.1	0.7	0.0	1.5	1.7	1.9	1.3	2.5	1.8	1.9	2.1	2.1
Latin America	0.1	1.4	0.2	-1.9	-1.4	-0.5	-1.5	-2.8	-1.6	-3.2	-2.3	-2.4	-1.5	-0.1	0.9	-0.8
Middle East	4.9	3.4	3.4	3.0	2.2	3.0	2.4	2.4	2.4	2.5	2.5	2.5	1.4	2.9	3.2	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.5	2.0	1.1	1.3	1.4	1.3	1.6	1.7	1.5
Total Non-OECD	2.5	1.9	3.5	-0.8	0.5	1.2	0.6	0.8	2.6	2.7	1.7	2.4	0.9	2.2	1.6	1.8
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	-0.1	0.8	2.1	0.5	2.4	1.3	1.4	0.8	1.5
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.48	0.11	0.18	0.55	0.09	0.67	0.27	0.40	0.29	0.41
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.13	-0.31	-0.22	-0.18	-0.05	0.06	0.02	0.14	0.04
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.01	0.53	-0.02	0.52	0.34	0.03	-0.25	0.16
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.86	-0.34	-0.13	0.86	-0.11	1.14	0.67	0.45	0.18	0.61
FSU	0.03	0.12	0.12	0.02	0.00	0.06	-0.09	0.03	0.08	0.21	0.06	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.43	0.28	0.41	0.05	0.19	0.05	0.17
Other Asia	0.10	0.24	0.06	-0.02	-0.09	0.05	0.00	0.11	0.12	0.14	0.09	0.18	0.14	0.14	0.16	0.15
Latin America	0.00	0.06	0.01	-0.10	-0.07	-0.02	-0.07	-0.14	-0.08	-0.15	-0.11	-0.11	-0.07	0.00	0.04	-0.04
Middle East	0.22	0.15	0.16	0.15	0.10	0.14	0.11	0.12	0.12	0.12	0.12	0.12	0.07	0.15	0.16	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.04	0.05	0.03	0.03	0.04	0.03	0.04	0.04	0.04
Total Non-OECD	0.71	0.54	0.99	-0.24	0.13	0.36	0.16	0.25	0.74	0.79	0.49	0.68	0.27	0.63	0.48	0.52
World	0.78	1.28	0.99	-0.64	-0.44	0.29	-0.70	-0.09	0.62	1.64	0.37	1.82	0.94	1.08	0.67	1.12
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	-	-	0.03	0.01	-0.07	-0.17	-0.08	-	-0.08
Europe	-	-	-	-	-	-	-	-	-	0.07	0.02	0.11	0.03	-0.03	0.07	0.05
Pacific	-	-	-	-	-	-	-	-	-	-0.01	-	0.07	-0.03	-0.02	-0.04	-
Total OECD	-	-	-	-	-	-	-	-	-0.01	0.09	0.02	0.12	-0.17	-0.13	0.03	-0.04
FSU	-	-	-	-	-	-	-	-	-0.01	-	-	-	-	-0.01	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	0.12	-0.03	-	-	0.02
Other Asia	-	-	-	-	-	-	-	-	-	-0.01	-	-	-	-	-0.01	-
Latin America	-	0.01	0.01	-0.01	-	-	-	0.01	-0.01	-	-	-	0.01	-0.01	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-0.06	0.02	0.03	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	0.01	0.01	-0.01	-	-	-	0.01	-0.02	-0.01	-	0.12	-0.07	0.01	0.03	0.02
World	-	0.01	0.01	-0.01	-	-	-	0.01	-0.03	0.09	0.02	0.24	-0.24	-0.12	0.05	-0.02

SUPPLY

Summary

- Estimated **world oil production** averaged 80.27 mb/d in March, 740 kb/d higher than in February. OPEC crude production increased by 95 kb/d, with non-OPEC oil supply rising by 240 kb/d and OPEC NGLs and non-conventional oil up by 405 kb/d.

- Total world production was 4.44 mb/d higher than a year ago, with the year-on-year gain for OPEC crude rising to 2.49 mb/d. Non-OPEC production was 1.76 mb/d higher than the corresponding 2002 level, having failed to show last year's March dip. Non-crude supplies from OPEC rose back above 2002 levels (by 181 kb/d) for the first time since November.

- Total **OPEC crude supply** averaged 27.31 mb/d in March vs. an upward revised 27.22 mb/d in February. Sharply higher production from Venezuela, Saudi Arabia and Kuwait offset significant reductions (due to the war and ethnic violence respectively) from Iraq and Nigeria.

- **OPEC-10** output in February (excluding Iraq) was up by 1.13 mb/d and averaged 1.4 mb/d above target levels set for February of 24.5 mb/d.

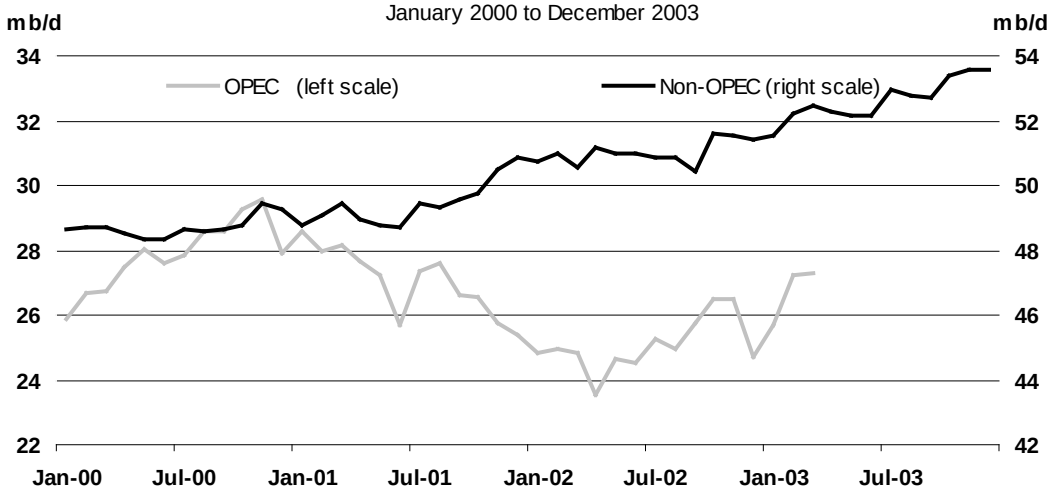
- Spare capacity within **OPEC-9, excluding Venezuela,** fell to 1.23 mb/d for March, compared to 1.67 mb/d in February. Recent production increases led to an upward revision for Saudi capacity to 9.7 mb/d, but Kuwait's sustainable capacity has been held unchanged at 2.15 mb/d for now.

- The 240 kb/d rise from **Non-OPEC** producers was centred on North America (primarily Canada), the UK sector of the North Sea, and FSU (predominantly Russia). Angola and Brazil also accounted for a combined 54 kb/d increase.

- The "call on OPEC crude plus stock change" for 2002 has been revised up by 0.1 mb/d to 25.4 mb/d. The call for 2003 remains unchanged from the last Report at 24.8 mb/d, 600 kb/d below the call for 2002. However, demand-side revisions have increased the call for 1Q03 to 26.1 mb/d, while reducing the call expected for 2Q03 and 3Q03 to 23.6 mb/d and 24.4 mb/d respectively. Lower non-OPEC supply towards end-year has boosted the 4Q03 call by 200 kb/d, to 25.3 mb/d.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2000 to December 2003



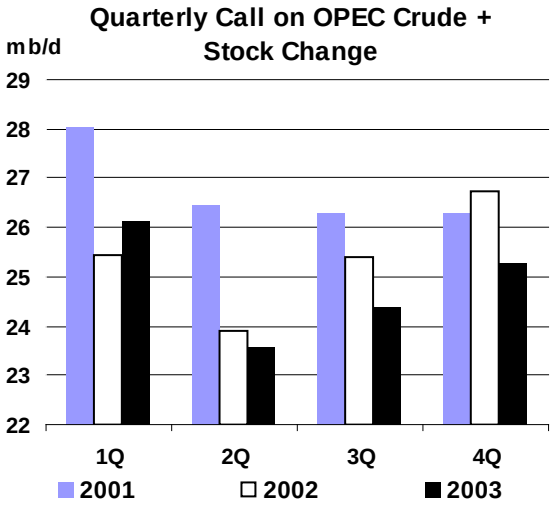
1 Non-OPEC Oil Supply includes OPEC NGLs

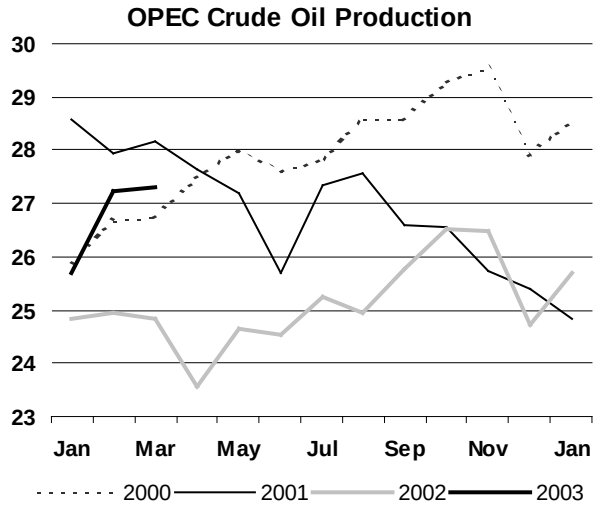
All world oil supply figures for March discussed in this Report are IEA estimates. Estimates for OPEC countries and for Alaska, Egypt & Angola are supported by preliminary March crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC crude production increased by 95 kb/d in March, compared to a revised gain of 1.53 mb/d seen in February. But behind the monthly average production data lies a particularly turbulent period in terms of developments within individual OPEC members. War in Iraq slashed production by an estimated 1.03 mb/d, while ethnic violence in Nigeria saw a net average monthly drop of some 200 kb/d of production there. Production gains on the other hand were led by Venezuela, whose conventional crude supply rose by 490 kb/d (and syncrude by a further 293 kb/d). Saudi crude production increased by 450 kb/d and Kuwaiti production by 245 kb/d. OPEC-10 produced 25.86 mb/d, around 1.4 mb/d above the target level set for February. And spare capacity for the month as a whole fell to 1.23 mb/d (excluding Iraq and Venezuela) from 1.67 mb/d in February.





Not surprisingly, with ongoing uncertainty over Iraq and Venezuela, OPEC's Ministerial meeting on 11 March decided to leave quotas unchanged. However, the quotas are themselves notional at best, with production in March running well above February target levels of 24.5 mb/d. There is little doubt that OPEC has done much to calm an otherwise jittery market by filling the gap left first by Venezuela, then Nigeria, and most recently by Iraq, with a corresponding reduction in spare capacity. Prices have dropped by $9/b in a month as fears over widespread damage to Iraqi facilities have so far proved unfounded and as Venezuelan production has recovered further. A substantial volume of OPEC crude is currently "on the water", ready to meet increased refiner demand when plants return from maintenance (see page 3). This is not to say that OPEC can now ignore ongoing disruptions in Iraq, Nigeria and Venezuela (all of which have the potential to worsen in the weeks and months ahead). But, having assigned itself a pre-eminent role in price management, OPEC once again faces difficult decisions about whether, when and how much to cut production for 2Q.

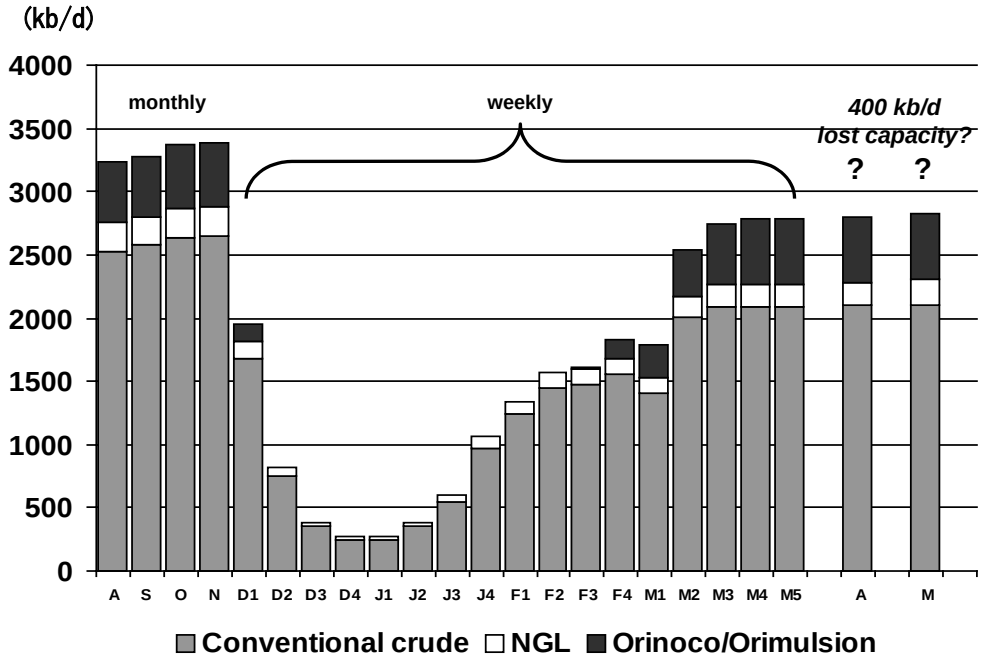
Talk of cutting production while the supply disruptions in Iraq, Nigeria and Venezuela persist, while OECD stocks remain low, and while concerns over summer gasoline supply are rife, may be premature. Nevertheless, at first glance the evidence of our supply/demand balances appears compelling - the call on OPEC looks set to fall by 2.7 mb/d in 2Q. However, significant production curbs by OPEC in 2Q may impact upon the industry's ability to rebuild stocks. Also, the incentive for some within the Organisation to scale back from current high production levels, with prices still in excess of $25/b, may prove muted. Production in March by the eight OPEC members *not* hit by some form of disruption was fully 2.5 mb/d above November levels. Issues of quota redistribution are a

further complication. Industry stocks need to be rebuilt from current tight levels and demand itself will begin to rise again from 2Q lows, potentially gaining nearly 3 mb/d by end-year. With spare capacity limited, any prolonged disruption in Iraq, Nigeria or elsewhere would only highlight the near-impossibility of sustained and effective seasonal market management.

At some stage OPEC may indeed need to try to force the genie of sharply higher production back into the bottle. Calls by some members to have the issue addressed at an emergency meeting on 24 April, ahead of the next scheduled OPEC meeting on 11 June, can be seen in this light. But real question marks remain over the timing, extent, distribution and duration of any cut. OPEC has struggled to exert control over prices on their way up these past few months. They may find the task just as difficult now that market sentiment has begun to shift.

March total OPEC production averaged within 50 kb/d of the levels set out in the OPEC supply scenario in last month's Report (it is worth re-stating that this was a scenario based on key assumptions rather than a production forecast *per se*). However, production from individual OPEC members turned out rather differently than assumed in that piece.

Venezuelan Oil Production 2002/2003



A key difference from last month's supply scenario was the sharper than expected recovery in **Venezuelan** production. Initially, bottlenecks in storage at the eastern port of Jose caused a fall-off in production to around 1.1 mb/d at end-February and into early March. This proved to be short-lived however and as crude exports continued well in excess of 1 mb/d for the month, this created space in storage, enabling production to build sharply from an early-March low. Conventional crude production is estimated to have risen above 1.9 mb/d by the second week of March with a more gradual rise to 2.1 mb/d around mid-month. This level was sustained for the rest of March. The three operating syncrude facilities, which had all recommenced production by end-February, also regained capacity production levels around 380 kb/d by mid-month. Meanwhile heavy Orinoco crude production at the Hamaca project reclaimed capacity levels of 130 kb/d in the last third of March. Despite the undoubted success in bringing production back online, the slow progress of conventional production recovery after early March may persist henceforward. We still believe that production capacity amounting to around 400 kb/d may have been lost due to the strike. With conventional crude production capacity in November estimated around 2.75 mb/d, and production in late March averaging 2.1 mb/d, upside from here may amount to only around 300 kb/d.

Pre-Election Violence Disrupts Nigerian Production

Ethnic violence from mid-March in Nigeria's western Niger Delta caused Shell, ChevronTexaco and TotalFinaElf to shut in a combined total of over 800 kb/d of production with force majeure declared on exports of Forcados and Escravos crude. Natural gas production and operations at the Warri and Kaduna refineries were also disrupted. All of ChevronTexaco's 440 kb/d Escravos production was shut-in, together with 320 kb/d of Shell's Forcados output, 50 kb/d of Shell's Bonny Light and 7,500 b/d of Upomami crude normally produced by TFE. On a net basis, Nigerian production is thought to have declined from 2.26 mb/d in first-half March (up 70 kb/d from the February average) to 1.74 mb/d in H2-March. This suggests average March crude production of 2.0 mb/d. Production from new fields offshore, plus output from onshore areas un-affected by the violence, partially made up for the closures in the Warri area.

By the end of the first week of April, after violence had subsided, ChevronTexaco was gradually re-starting 310 kb/d of Escravos production, with a target for that to be attained by end-month. Meanwhile Shell indicated that 18 kb/d of Forcados production had already been re-activated although claims that this would build to 100 kb/d by 9 April were unconfirmed. Reportedly, exports of the two grades could restart within a week, subject to no lasting damage being unearthed at production/export facilities and assuming no further violence develops in the area.

However, it is by no means certain that this signals an end of disruption to onshore Nigerian oil supply. Tensions are reported to remain high in advance of mid-April Presidential elections. Representatives of the Ijaw community in the Delta threaten continued mass action and have warned against the oil companies restarting production until Ijaw claims for greater local representation and development aid are met. There are also concerns surrounding army reprisals after soldiers were killed during March's uprising. Meanwhile, pay-related strike action by the Nigeria Labour Congress, called off in early April, may re-emerge as an issue. Disruption to Nigeria's onshore production of predominantly gasoline-rich crude could therefore recur. One positive note however is that much of the 700 kb/d of new, *incremental* production expected from Nigeria over 2003/2004 is derived from and loaded offshore and is thus less susceptible to disruption.

Production from **Saudi Arabia** is estimated to have risen by 450 kb/d, to average 9.32 mb/d in March. Output in the second half of the month is thought to have exceeded 9.5 mb/d. We have adjusted Saudi sustainable production capacity up to 9.7 mb/d on this basis. Early in the month, term customers in Asia, the US and Europe were all informed that they would receive full term volumes in April. However, with perhaps an eye on the dangers of oversupply, requests for extra volumes were apparently rejected. Spot tanker bookings rose further, with the total loaded between January and mid-March reaching 42mb and a further 28 mb booked on a provisional basis for late March. Statements out of Saudi Arabia in March seemed to be stressing rather more the ample availability of supply, in its broader sense, as opposed to production or spare capacity. The build up of oil on the water is a clear example, and has been cited as a potential supply cushion in the event of disruptions elsewhere. It may now be possible to discern signals, albeit unconfirmed, that the recent sharp ramp-up in production may be drawing to a close.

The other key increment in March derived from **Kuwait.** The first half of the month had seen western drilling companies cease operations, with foreign oil and service company personnel being evacuated from Kuwait. However, from mid-month the Emirate claimed production and capacity was averaging 2.3 to2.4 mb/d. We have assessed Kuwaiti production for the month at 2.25 mb/d, up 245 kb/d from February, while maintaining sustainable capacity around 2.15 mb/d. With significant work on gathering stations in the north and west ongoing, it is difficult to see sustainable capacity having been boosted so quickly to markedly higher levels. Peak production at or above 2.4 mb/d may well have been achieved in the second half of the month, employing surge production which may not be sustainable for 90 days, the latter being a condition of our definition of sustainable capacity. Alternatively, the 2.4 mb/d figure may have included sales from storage. Higher quoted production can also be viewed in the light of a long-standing Kuwaiti desire to reclaim some of the quota share "lost" after the first Gulf War. Nevertheless, Kuwait undoubtedly raised production substantially, with incremental volumes being diverted to Asia and also in the form of 25 kb/d of state aid to Jordan. Not only did the pre-war claim that northern production would be shut in fail to materialise, but the Ratqa and Abdali fields closed in February also returned to service in late March.

War in Iraq

The impact of the conflict on Iraqi oil operations remains uncertain as hostilities continue. However on a net basis we estimate that March oil production declined by around 1 mb/d compared to February. Iraqi supply can be broken down as follows:

Implied Iraq Crude Production

thousand barrels per day

	January	February	March
UN Exports			
Week 1	1871	1686	1429
Week 2	957	1629	1814
Week 3	2157	1700	443
*Week 4**	1629	1886	*153*
*Week 5**	2171	na	*23*
Monthly average	**1742**	**1725**	**869**
Domestic delivery and border trade	**750**	**760**	**586**
Of which: Domestic use	430	410	365
Jordan	90	140	86
Syria	210	190	135
Turkey	20	20	0
Implied total production	**2492**	**2485**	**1455**

*Weeks 4 and 5 of March represent ongoing pipeline deliveries to Turkey, although tanker loadings from Mina Al-Bakr ceased 16 March, and from Ceyhan, 21 March

Southern Oil Facilities

The coalition military has reported that it now controls 80 to 90% of southern Iraqi oil production capacity. The latter amounts to some 1.7 mb/d of Iraq's total capacity of 2.8 mb/d. Of seven wellhead and two pumping station fires in the South Rumailah oilfield, two wellhead fires remain to be extinguished by US and Kuwaiti concerns. Military engineers are shutting down the south's 900 wells with a view to inspecting wellheads, pipelines and pumping facilities. But damage to production facilities is not believed extensive, nor that to the Gulf export terminal at Mina al-Bakr. However, estimates of a southern production re-start vary between one and three months after hostilities cease. Also, it is uncertain when full productive capacity can be regained. The 170 kb/d Basrah oil refinery, assumed to have ceased running soon after war began, is reported intact, under coalition control and operable once power and crude supplies are restored.

Northern Oil Facilities

The status of these oilfields, accounting for 1.1mb/d of total Iraqi capacity, is at the time of writing uncertain. However, production from the Kirkuk area continues under Iraqi control, as witness continued deliveries through the pipeline to Turkey. The situation is complicated both militarily and politically. Although there is no sign currently of fires in the Kirkuk oilfields, it is widely assumed that they have been wired with explosives for potential detonation if the Iraqis have to give ground to US and Kurdish forces. Longer term, the political status of the northern area remains uncertain, with the potential for the Kurds to press claims for an independent homeland, perhaps incorporating the Kirkuk fields. Any such move is likely to be opposed by Turkey. For the purposes of calculating average March crude supply in the table above, it is assumed that the Daura, Meisan, Baiji and Kirkuk refineries continued to operate through end-March close to pre-war levels (circa 300 kb/d).

War in Iraq, *continued*

Crude Exports

Exports under the UN Oil-for-Food programme continued through the first three weeks of March, averaging 1.23 mb/d but tailing off sharply towards the end of the period. The last tanker loading at Mina al-Bakr on the Gulf left on 16 March, while the final vessel loading at Ceyhan in Turkey left 21 March. However, exports by pipeline to Turkey have continued, albeit at reduced levels, and are assessed at 153 kb/d for the fourth week of March and 53 kb/d for the final three days of the month. Storage facilities at Ceyhan are estimated to be holding around 8mb of crude. While in theory this crude can be lifted by shippers, approval from Iraqi state oil concern SOMO is required but that body has reportedly been unreachable since early in the conflict.

Shipments by truck to Turkey (outside the UN scheme) normally average 50 kb/d, but dropped to 20 kb/d in January and to zero by 27 February. No exports are thought to have moved by this route in March.

Iraq also regularly exports 90 kb/d of crude to Jordan's Zarqa refinery using a fleet of 600 trucks with the tacit agreement of the UN. This volume was augmented in February by reports that a series of vessels loaded crude at the Khor al-Amaya terminal east of Mina al-Bakr, and delivered to the Jordanian port of Aqaba. It appears that these exports took place without UN approval. Nor were the tankers intercepted by the Multinational Intervention Force, which is charged with inspecting vessels suspected of smuggling. Estimates for the volume of crude leaving Iraq in this way in February and March vary between 50 kb/d and 200 kb/d. In the table above, total deliveries to Jordan are assumed to have averaged 140 kb/d through 19 March and then to have fallen to zero thereafter. However, Jordan is receiving alternative supplies totalling 75 kb/d in the form of three months of government aid from Saudi Arabia and Kuwait.

Similar uncertainty surrounds pipeline deliveries to Syria. These traditionally lie within a 200 to 250 kb/d range. There have been reports that Iraq switched to delivering reduced volumes of Kirkuk crude to Syria after southern production became shut in. However, other sources indicate the flow to Syria stopped altogether soon after hostilities commenced. For March we have assumed that exports continued at February levels close to 190 kb/d through the 22 March before ceasing thereafter.

Impact on Oil Operations in the Surrounding Arab Gulf Region

To date the impact of the war on oil operations elsewhere in the Gulf has been limited. Crude loadings by tankers in the northern Gulf were largely unaffected despite a sharp rise in insurance premiums. However, Kuwait used its fleet of tankers to ferry crude and products south to storage facilities near Fujairah as Japanese lifters showed reluctance to sail their own vessels towards the head of the Gulf.

Shell shut-in production at Iran's offshore Soroush field (60 kb/d) because of nearby military activity but had recommenced production by 31 March. A stray missile also landed close to Iran's Abadan refinery on the second day of the conflict although no material damage to the refinery itself was reported.

Finally, despite earlier pronouncements about the likely closure of northern and western production facilities in the event of war, the actual impact on Kuwaiti production seems to have been limited. Production from the Ratqa and Abdali fields, which had been closed as a precautionary measure in February, re-started in the last week of March. Indeed, despite the evacuation of foreign oil company service workers, Kuwaiti production actually seems to have increased markedly over the course of March. A reduction in Kuwaiti crude runs at the Shuaiba refinery amounting to 200 kb/d, initiated after early Iraqi missile strikes, was also reversed late in March.

The conflict is ongoing at the time of writing, so the possibility remains that further damage to production facilities in Iraq or the wider Gulf could arise. However, to date the "worst case scenario" envisaged by some ahead of the war – that of a widespread torching of Iraq's oilfields - seems to have been avoided.

OPEC Crude Production

(million barrels per day)

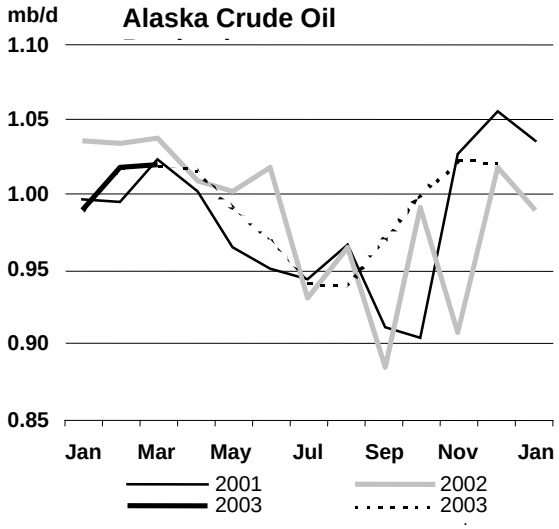
	1 Feb 2003 Target	March 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs Mar 2003 Production
Algeria	0.78	1.08	1.10	0.03
Indonesia	1.27	1.03	1.18	0.15
Iran	3.60	3.75	3.90	0.15
Kuwait[2]	1.97	2.25	2.15	-0.10
Libya	1.31	1.43	1.45	0.03
Nigeria	2.02	2.00	2.44	0.44
Qatar	0.64	0.75	0.75	0.00
Saudi Arabia[2, 3]	7.96	9.32	9.70	0.38
UAE	2.14	2.35	2.50	0.16
Venezuela[4]	2.82	1.92	2.35	0.44
Subtotal	**24.50**	**25.86**	**27.52**	**1.66**
excl. Venezuela				*1.23*
Iraq		1.46	2.80	1.35
Total		**27.31**	**30.32**	**3.01**

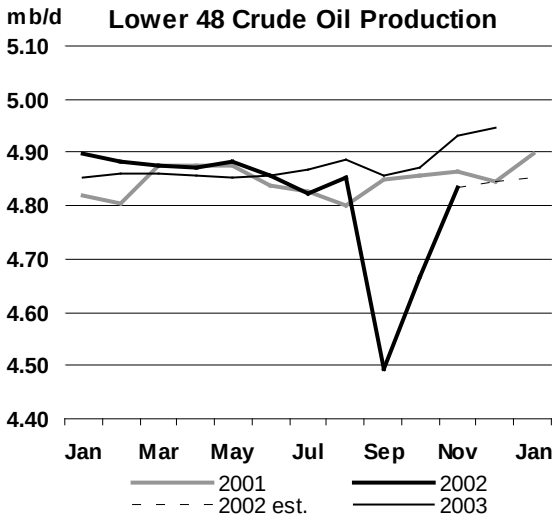
1. Capacity levels can be reached within 30 days and sustained for 90 days.
2. Includes half of Neutral Zone production.
3. Saudi Arabia's capacity can reach 10.50 mb/d within 90 days.
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 325 kb/d in March.

OECD

North America

US - March - Alaska actual, others estimated: US crude production levelled off in March after February's Alaskan-inspired 35 kb/d rise. In Alaska, an expected March rise at the Cook Inlet failed to materialise despite the incorporation of new production from the Redoubt Shoal field. Also, the tying in of new wells at BP's North Star field led to a month-on-month reduction in average production here. Production from both areas however should rise over the rest of 2003. In contrast to Cook Inlet and North Star, production from ConocoPhillips/Anadarko's Alpine field is exceeding expectation. Here, plans are emerging for five satellite fields to be tapped by 2006, subject to the review of environmental constraints put in place at the time of the Clinton administration.

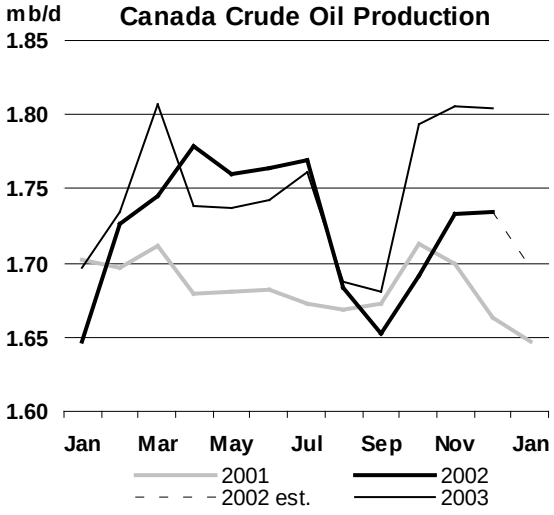


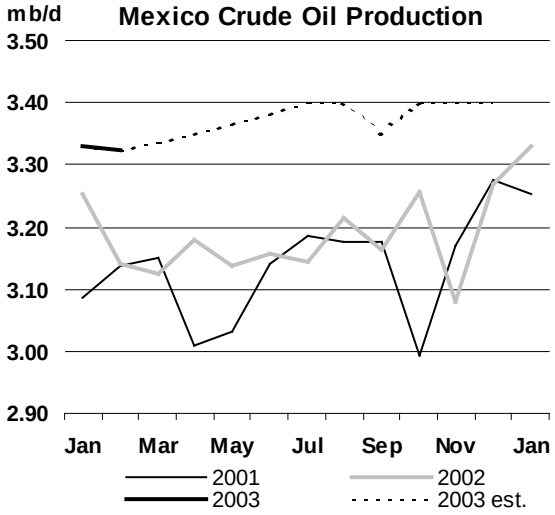


US Gulf of Mexico (GOM) production is also believed to have remained largely flat vs. February in the midst of a lull in new field start-ups until another batch comes onstream in the June-October period. During that period, the Pardner, Medusa, Matterhorn, Na Kika, and Habanero developments are due online, adding an estimated 140 kb/d to GOM production by end-year. The absence of new developments to offset declining baseload production until the autumn could result in total US crude

production by August falling back by around 50 kb/d from current levels. However the decline could be cushioned if an assumed recovery in US NGL production materialises by mid-year.

Canada – March estimate: Several adjustments have been made to Canadian production for early 2003 (see Revisions, below). In overall terms March crude output is believed to have increased 70 kb/d from February. Recovery after earlier disrupted production at the Terra Nova field offshore Newfoundland contributed, as did higher bitumen output in Alberta (notably from Shell's Athabasca project). Total conventional crude production for 2003 is now expected to increase by 25 kb/d (compared to 37 kb/d in 2002) with syncrude production increasing by 124 kb/d and NGLs by a further 27 kb/d. Future oil production growth in Canada remains likely to be heavily influenced by the country's huge oil sands resources. Early April saw Suncor announce a planned 100 kb/d expansion of its syncrude facility by 2007 at a cost of $2 billion. In March the Enbridge Pipeline group unveiled a scheme for a $1.7 billion pipeline which would carry 400 kb/d of bitumen or syncrude from Fort McMurray to the coast of British Colombia. Exports to California and the Far East would follow 2009 completion.

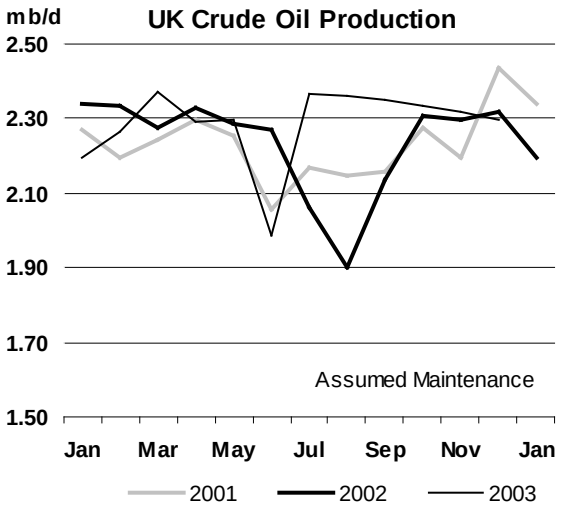


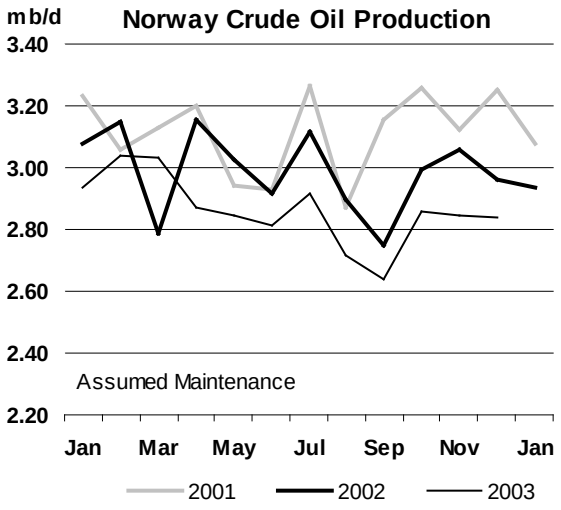


Mexico – February actual, March estimate: February's rise in crude production proved more modest than expected at 24 kb/d vs. January, although NGL production exceeded expectation, increasing 14 kb/d on the previous month. Despite the activation of new wells at the giant Cantarell field in early-March, which led to a brief production surge in excess of 3.4 mb/d, we have reverted to a more gradual rise in forecast production for Pemex over the first half of 2003. Production for 2003 is still expected to slightly undershoot Pemex' latest, downgraded target of 3.43 mb/d. Crude exports in February however hit 1.88 mb/d as planned, with a rise of 52 kb/d in shipments to the Americas and an 80 kb/d rise in exports to Europe. Shipments to Asia fell by 47 kb/d. Pemex continued efforts to diversify the production base with the mid-March signing of an integrated service contract with ICA-Fluor Daniel and Schlumberger. This involves development of relatively high cost reserves in the Chicontepec basin, onshore Veracruz.

North Sea

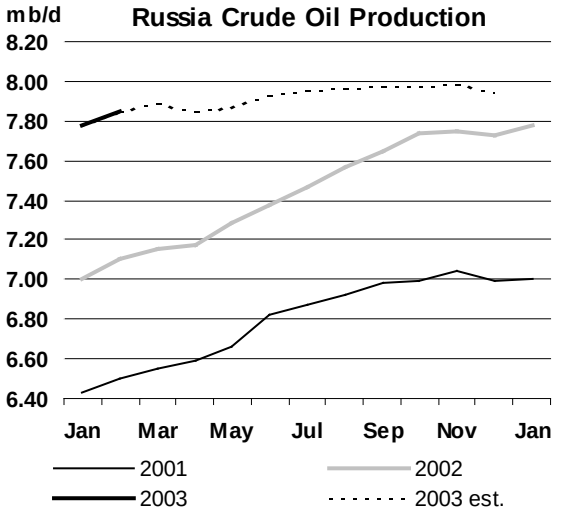
UK – March estimate: UK offshore crude production is estimated to have risen by just over 100 kb/d, a similar trend to last month's forecast, albeit rising from a lower base. Rising supply from the Forties system underpinned this rise, with increasing production from the newly started Caledonia field being augmented by start-up at Venture Production's Sycamore field. This latter development was not only a month ahead of schedule, but initial production levels also suggest that production could average close to 25 kb/d rather than the 15 kb/d assumed in last month's report. Meanwhile, BP intends to boost Schiehallion production by some 30 kb/d from third quarter. Canadian Natural Resources announced that replacing pipe-work on the Ninian south platform would take until mid-April to complete. In total 2003 is now expected to see a rise of 50 kb/d for offshore crude vs. 2002.

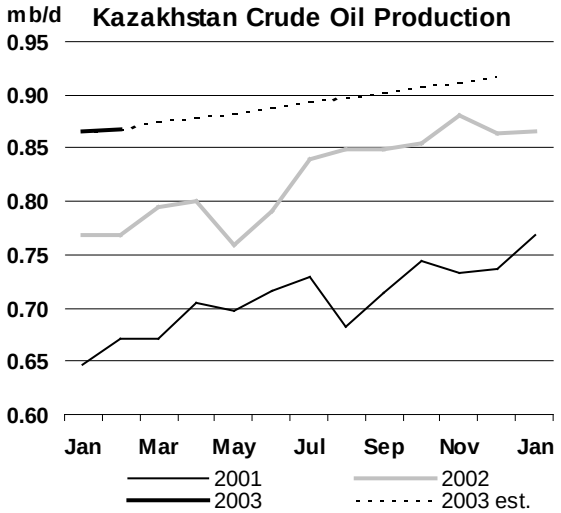




Norway – March estimate: Crude production for March is estimated flat at February's level of 3.04 mb/d. This, in turn, was an estimated 100 kb/d above January levels. As indicated in the last Report, April is likely to see the beginnings of scheduled spring maintenance in the Norwegian sector, resulting in a net reduction of around 150 kb/d in output. The underlying trend for 2003 remains similar to last time, with production expected to decline by 130 kb/d although this will be in large part compensated by a 95 kb/d rise in condensate and NGL production. Late-March saw ConocoPhillips and partners approve the $1.1 billion Ekofisk growth project involving installation of a new platform in 2005 for the exploitation of a further 182 mb of reserves. The government issued a call for areas to be nominated for Norway's 18th licensing round with license awards due in H1-2004. Significantly, ongoing environmental assessment has precluded companies from listing the potentially prolific Barents Sea in their nominations.

Former Soviet Union (FSU)



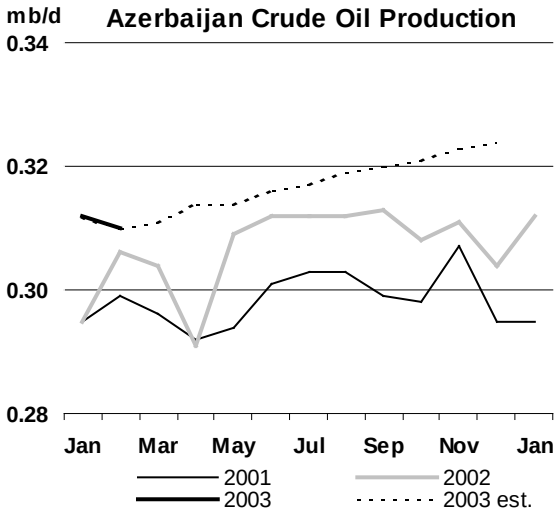


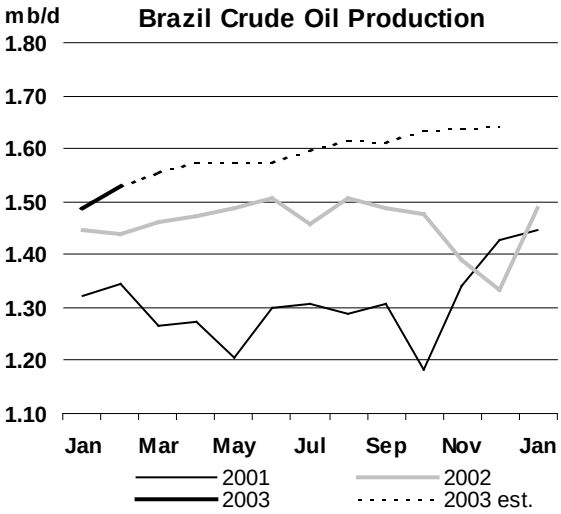
Russia – February actual, March provisional: Concerns surrounding availability of Russian crude oil export capacity have not been borne out so far in 2003. February production was around 70 kb/d higher than the forecast from last month and the January average. Lukoil and Sibneft saw significant increases in production in February, although the former was not able to reclaim its position as Russia's largest producer from Yukos. Provisional March data suggests a similar monthly rise vs. February. If confirmed, this would entail 1Q 2003 production fully 750 kb/d, or 11%, higher than in 2002. Nevertheless, this Report assumes incremental Russian production in 2003 will be limited to 500 kb/d, slightly less than last month. Pipeline deliveries to Ventspils on the Baltic have been

delayed until 3Q 2003 at least. There is the prospect for alternative pipeline capacity to be freed-up by mixing Urals crude with Siberian Light on the line to Tuapse on the Black Sea. However, this is being resisted by companies reliant on higher quality crude for their refineries in the Tuapse region.

Kazakhstan – February actual, March estimate: Crude production in February repeated January's trend, remaining flat vs. month before, although condensate production from the Karachaganak field increased by 9 kb/d. Crude output from the Tenghiz field was lower than expected. During March, Agip KCO said it was evaluating project management bids for the Kashagan development. The offshore Caspian project, involving some 7 billion barrels of reserves, could be producing 75 kb/d by 2006 and 450 kb/d by 2009.

Azerbaijan – February provisional: Crude production in Azerbaijan eased slightly in February after having recovered from suppressed December levels in January. The forecast for 2003 is for another modest rise of around 10 kb/d year-on-year although there have been indications of some downside even to this forecast due to lower expected production from the BP-led AIOC consortium's Chirag field. Phase 2 expansion prospects there remain good however, with incremental oil expected from the Azeri-Chirag-Gyunashli fields from early 2005. Construction work on the Baku-Tbilisi-Ceyhan pipeline will begin in April, targeting 1mb/d capacity by early-2005. The line may also carry production delivered out of Aktau in Kazakhstan following talks in March between the two countries.





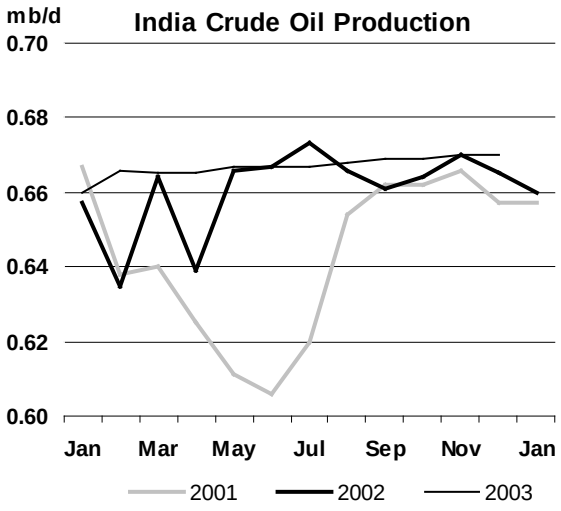
Other Non-OPEC

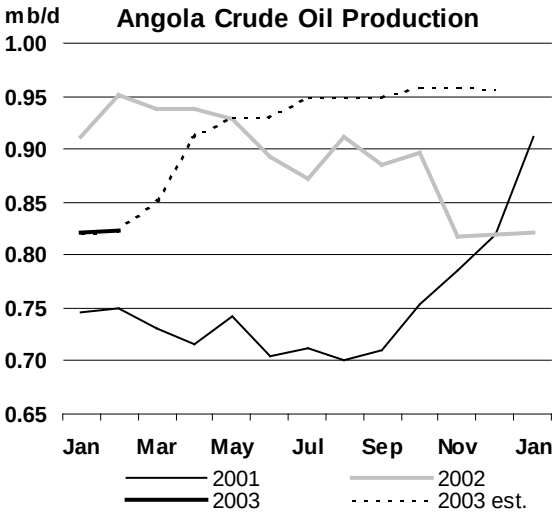
Brazil – February actual, March estimate: February crude production increased by 40 kb/d vs. a now-lower January base. Offshore Rio de Janeiro production accounted for the bulk of the increase with a new 10 kb/d well at the Roncador field coming onstream. Initial production was also recorded from the Coral field in the offshore Santos Basin, although operations were affected by mechanical damage to the wellhead in March. Production for 2003 as a whole has been revised down. Petrobras' 2003 budget, including $4 billion for exploration and production spending, was approved, although this may be subject to later downward revision if overseas borrowing becomes problematic. In mid-March the National Oil Agency (ANP) announced a 1.9 billion barrel light crude discovery made by Petrobras in the Alagoas/Sergipe basin. However, Petrobras later suggested the field contained at best 370 mb of recoverable reserves.

India – January actual: Crude production in January eased by 5 kb/d from December and at 660 kb/d was only 3 kb/d higher than in January 2002. Forecast production for 2003 is expected to be stable, averaging close to 2002's 661 kb/d. Furthermore, January output was 173 kb/d lower than target levels, under-performing notably from offshore Bombay and in the Assam region. Reasons cited for the shortfall were a lack of drilling rigs for the offshore region and an increase in water-oil ratios for new fields in Assam. Significant increases in production from India will likely be deferred until 2007 when redevelopment of the Bombay High field is completed. As of late-March, a $150 million contract for platforms and subsea pipelines for the development was due to be awarded.

The fourth round of India's New Exploration Licencing Policy in 2003 is expected to focus on gas prospects rather than oil.

Angola – February actual, March estimate: Total Angolan February production proved slightly lower than expected. Crude production is estimated to have increased in March however to around 850 kb/d with the reactivation of ChevronTexaco's Kuito FPSO which had been down for maintenance since November. The field was producing around 55 kb/d at end-March compared to normal production closer to 100 kb/d. 2003 could see a comparative lull after 2002's 157 kb/d increase in production, although further deepwater developments should augment production markedly in the future. In particular, bids are expected shortly for BP's Greater Plutonia FPSO which will produce 200 kb/d of crude from one billion barrels of reserves by 2007.





Revisions

Non-OPEC production for 2002 is revised down 4 kb/d due to lower output from the US and Canada. Production in 2003 is now expected to average 49.43 mb/d, still a significant 1.38 mb/d higher than in 2002, but 95 kb/d lower than forecast last month. Downward revisions for North America counteract higher than expected North Sea production. Amongst the non-OECD countries, Russian and Brazilian production has been revised down most significantly.

Forecast 2003 crude production for the **US** has been revised downwards. In part this results from lower than expected production in late 2002/early 2003 from California and Alaska. However, we have also taken account of the latest US Minerals Management Service (MMS) expectations for the Gulf of Mexico. Despite citing the new deepwater fields due onstream this year and in future, MMS are conservative in their estimates for total 2003 production. The clear implication is that shallower water fields in the Gulf are declining faster than had been anticipated in previous issues of this Report. On a net basis we have reduced expected incremental supply in 2003 from GOM to 118 kb/d from an earlier 150 kb/d. Total US crude production is now seen to grow by 66 kb/d vs. 2002 compared to the 114 kb/d envisaged in the last Report.

In **Canada,** syncrude production for January-March, and bitumen production for January-February have been revised downwards. Earlier reports that January's fire at the Athabasca Oilsands Project had caused only minimal disruption proved misleading and syncrude production only commenced in late-March. However, offshore east-coast production has been revised upwards for the period from February 2003 onwards after reports that the Hibernia field attained new higher production levels around 195 kb/d in January. This level has been assumed sustained through the rest of the year.

In light of weaker than expected February performance, **Mexican** crude production has been adjusted downwards by 33 kb/d for 1Q 2003 and by 15 kb/d for 2Q 2003 compared to the last report. However, NGL production has been adjusted up by 5 kb/d for 2003 as a whole.

In total, **UK** offshore crude production has been revised down by 10 kb/d for 2003. Data for January was 27 kb/d below previous estimates, with output from Beryl, Foinavon, Captain, Gryphon and from

the west of Shetland area all proving lower than anticipated. Disruption at the Ninian south platform is also more extensive than earlier thought. April production levels have been revised down amidst signs of sharply lower loading schedules, potentially indicating that some of the maintenance assumed for May has been pulled forward into April.

The expected decline in **Norwegian** production for 2003 has been slowed. Liquids production data for January show higher than expected output for the Gyda, Asgard, Troll West and Sigyn fields. Crude production is now expected to decline by 130 kb/d compared to 160 kb/d in last month's forecast. Condensate production is expected to average around 14 kb/d higher. The forecast of crude production for **Denmark** has been revised up by 9 kb/d for 2003 (and by 15 kb/d for 4Q2003) with the expected completion of the Nini and Cecilie satellites of the existing Sirri field. These two, which could reach combined production of 35 kb/d by early-2004, help to compensate for lower production than earlier anticipated at the Tyra Sydost field. Other minor changes for OECD Europe production include a lower profile for **Italian** crude oil but slightly higher NGL supply from the **Netherlands**.

Forecast **Russian** production in 2003 has been scaled back to 7.91 mb/d compared to 7.94 mb/d last month even though, paradoxically, 1Q production is running higher than expected. Pipeline operator Transneft has excluded deliveries to the Latvian port of Ventspils for 2Q, seemingly preferring to concentrate on the longer term expansion of the pipeline link to Primorsk. This accounts for a 75 kb/d downward adjustment to 2003 production, offsetting a 50 kb/d upward adjustment to 1Q production. **Kazakhstan** production for 2003 was adjusted down by 7 kb/d to take account of lower early-year production from the Tenghiz field.

The forecast of crude production for **Brazil** has been revised down for 2003 by 18 kb/d, with 10 kb/d off 3Q2003 production and 65 kb/d off the 4Q2003 total. This is due to delays in completion of the production facilities for the Barracuda and Caratinga fields, which are now not due onstream until second half 2004.

Chinese production for 2003 has been revised up by 11 kb/d on the basis of higher production recorded in January and February. Production from **Sudan** has also been revised up by 10 kb/d for the period from 4Q2002 onwards on the basis of higher indicated throughput in the pipeline serving the Greater Nile Project fields. However, African production for 2003 is marginally lower overall than in last month's forecast due to lower early-2003 production in Angola and Egypt.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.55	15.07	0.51	14.55	14.99	0.44	0.00	-0.08	-0.07
Europe	6.61	6.66	0.05	6.61	6.69	0.08	0.00	0.03	0.03
Pacific	0.76	0.76	-0.01	0.76	0.75	-0.01	0.00	-0.01	0.00
Total OECD	**21.93**	**22.48**	**0.55**	**21.92**	**22.43**	**0.51**	**-0.01**	**-0.05**	**-0.04**
Former USSR	9.37	10.06	0.69	9.37	10.03	0.66	0.00	-0.03	-0.03
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.39	3.41	0.02	3.39	3.42	0.03	0.00	0.01	0.01
Other Asia	2.39	2.45	0.07	2.39	2.45	0.06	0.00	-0.01	-0.01
Latin America	3.90	3.99	0.09	3.90	3.97	0.07	0.00	-0.02	-0.02
Middle East	2.10	2.03	-0.07	2.10	2.03	-0.07	0.00	0.00	0.00
Africa	3.03	3.12	0.09	3.03	3.12	0.09	0.00	0.00	-0.01
Total Non-OECD	**24.36**	**25.24**	**0.88**	**24.36**	**25.19**	**0.83**	**0.00**	**-0.05**	**-0.05**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**48.05**	**49.52**	**1.47**	**48.04**	**49.43**	**1.38**	**0.00**	**-0.10**	**-0.09**

OMR = Oil Market Report

OPEC NGLs and non-conventional production for 2003 (not shown in the table above) has been revised up by 39 kb/d, due to the faster than expected recovery in Venezuela. This has added 65 kb/d to 1Q production levels compared to our last forecast and 98 kb/d to 2Q. We have assumed that heavy crude, syncrude and NGL operations there are collectively back to normal by mid-year.

TRADE

OECD Trade

North American net crude oil imports stood at 6.29 mb/d in January, slightly lower than in December. Venezuelan crude oil imports remained low at 600 kb/d, around 1 mb/d lower than pre-strike normal levels. Although crude imports from Saudi Arabia were strong in January, they did not fully offset the crude import loss from Venezuela.

OECD North America Crude & Product Trade

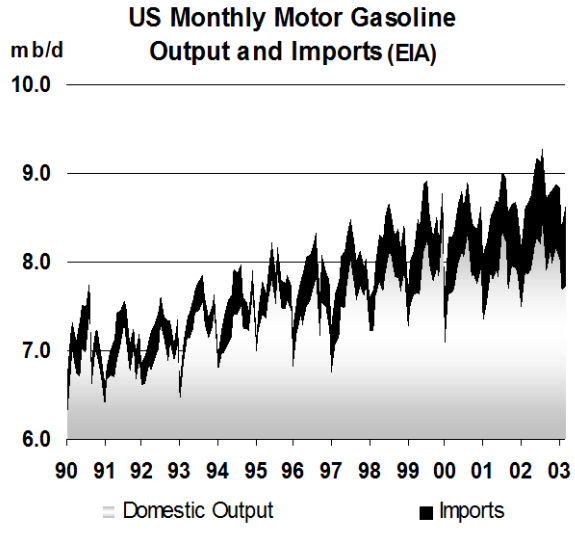
(million barrels per day)

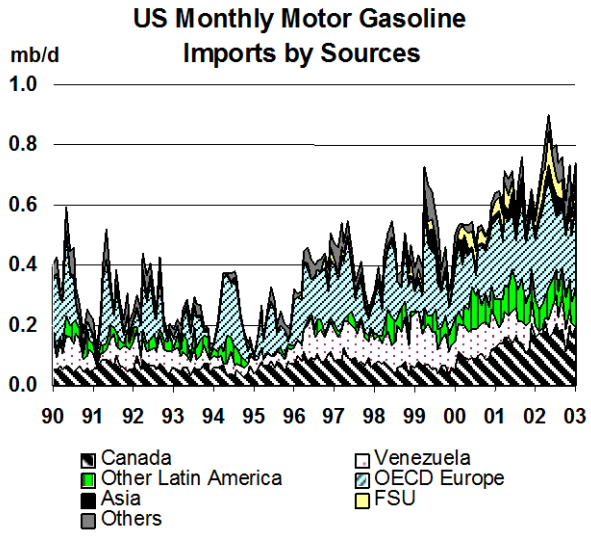
	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**7.46**	**7.12**	**6.92**	**7.13**	**7.26**	**7.16**	**7.66**	**6.39**	**6.29**	**-0.09**	**-0.76**
Products & Feedstocks	**1.37**	**1.12**	**0.95**	**1.32**	**1.14**	**1.07**	**1.19**	**0.80**	**1.12**	**0.33**	**0.12**
Gasoil/Diesel	0.08	0.00	-0.05	0.00	-0.03	0.09	0.06	0.12	0.03	-0.10	0.02
Gasoline	0.53	0.57	0.50	0.67	0.63	0.47	0.53	0.40	0.47	0.07	0.06
Heavy Fuel Oil	0.28	0.05	-0.01	0.10	0.03	0.06	0.06	0.07	0.14	0.07	0.08
LPG	0.02	0.04	0.02	0.03	0.03	0.07	0.05	0.08	0.05	-0.02	0.05
Naphtha	0.06	0.04	0.04	0.05	0.04	0.03	0.05	0.01	0.01	0.01	-0.03
Jet& Kerosene	0.12	0.08	0.08	0.08	0.08	0.09	0.13	0.04	0.11	0.07	-0.01
Other	0.28	0.34	0.38	0.39	0.35	0.25	0.32	0.08	0.31	0.23	-0.06
Total	**8.83**	**8.24**	**7.87**	**8.44**	**8.40**	**8.23**	**8.84**	**7.18**	**7.42**	**0.23**	**-0.64**

Source: IEA MOS imports and exports data for extra-regional trade

The latest preliminary data for the US show that crude imports remained sluggish until the middle of March, owing to heavy refinery maintenance as well as reduced Venezuelan exports. However, the volume appears to have risen in the latter half of the month, as maintenance peaked and as Venezuelan exports gained momentum. Heating oil imports were strong in March, reflecting low levels of domestic inventory. Gasoline imports were also strong in March as the driving season approached and as the arbitrage window from Europe opened.

Despite investment in upgrading capacity in US refineries, a larger proportion of domestic gasoline demand is being met by imports. This is particularly true in the summer when imports account for around 10% of US supplies. Canada and OECD Europe are the most important US external suppliers, accounting for nearly 60% of total US gasoline imports. Venezuela saw its share of the US import market decline from 18% in 1995 to just 8% in 2002, with other Latin American countries and the FSU gaining market share.





Gross crude oil imports to **OECD Europe** increased to 8.67 mb/d in January over December levels of 8.34 mb/d. Gross crude exports rose slightly as the WTI-Brent differentials widened slightly in January, but not by enough to offset the increase in the gross imports. As a result, net crude oil imports to OECD Europe increased by 230 kb/d month on month to 7.21 mb/d in January.

OECD Europe Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**7.36**	**7.17**	**7.16**	**6.89**	**7.46**	**7.15**	**7.21**	**6.98**	**7.21**	**0.23**	**-0.45**
Products & Feedstocks	**1.48**	**1.44**	**1.76**	**1.32**	**1.42**	**1.27**	**1.17**	**1.23**	**1.15**	**-0.08**	**-0.69**
Gasoil/Diesel	0.42	0.43	0.58	0.41	0.33	0.39	0.22	0.53	0.35	-0.18	-0.25
Gasoline	-0.25	-0.34	-0.35	-0.41	-0.36	-0.24	-0.23	-0.26	-0.35	-0.09	-0.04
Heavy Fuel Oil	0.13	0.23	0.30	0.22	0.26	0.13	0.18	-0.02	0.08	0.10	-0.21
LPG	0.17	0.14	0.20	0.09	0.11	0.16	0.16	0.15	0.09	-0.06	-0.18
Naphtha	0.24	0.24	0.20	0.25	0.26	0.24	0.23	0.26	0.29	0.02	0.05
Jet & Kerosene	0.21	0.19	0.18	0.20	0.23	0.16	0.16	0.16	0.11	-0.06	-0.07
Other	0.55	0.56	0.66	0.55	0.59	0.44	0.46	0.41	0.59	0.18	0.01
Total	**8.83**	**8.61**	**8.93**	**8.21**	**8.88**	**8.42**	**8.38**	**8.21**	**8.37**	**0.15**	**-1.13**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** remained strong at 7.15 mb/d in January. Japanese crude imports kept pace month on month due to steady refinery utilisation. In addition, crude oil requirements from the Japanese utility sector continued to show strength, as oil-fired power plants were called upon to meet shortfalls in electricity supply following the shutdown of domestic nuclear power plants.

OECD Pacific Crude & Product Trade

(million barrels per day)

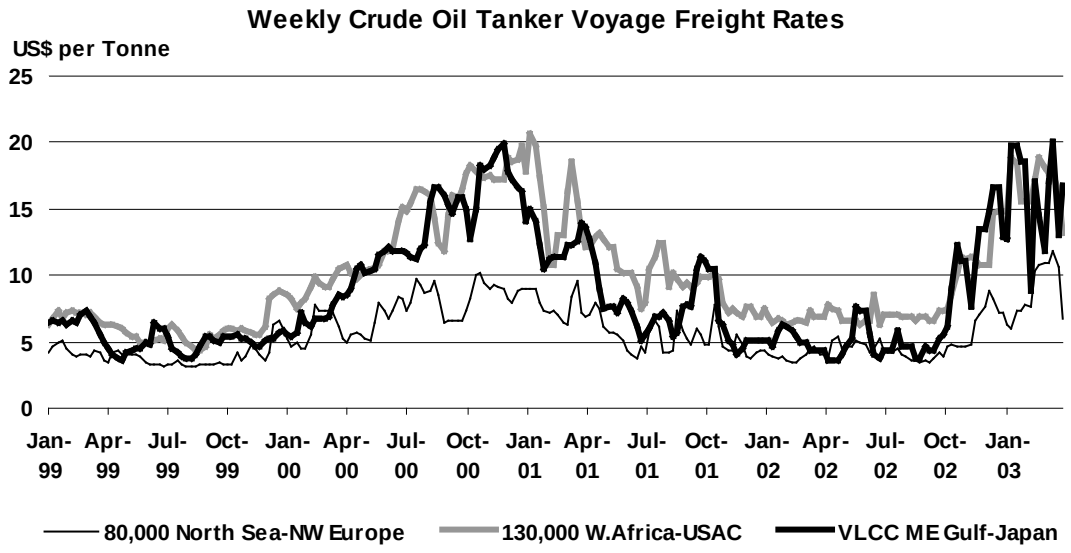
	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**6.65**	**6.20**	**6.66**	**5.87**	**5.78**	**6.51**	**6.42**	**7.10**	**7.15**	**0.05**	**0.74**
Products & Feedstocks	**1.00**	**1.30**	**1.35**	**1.16**	**1.08**	**1.62**	**1.55**	**1.95**	**1.74**	**-0.21**	**0.44**
Gasoil/Diesel	-0.18	-0.14	-0.13	-0.15	-0.21	-0.08	-0.07	-0.02	-0.03	-0.01	0.09
Gasoline	-0.01	0.02	0.02	0.01	0.01	0.04	0.01	0.07	0.05	-0.02	0.03
Heavy Fuel Oil	-0.12	-0.02	-0.09	0.05	-0.06	0.01	0.03	0.02	-0.01	-0.02	0.13
LPG	0.52	0.54	0.57	0.52	0.49	0.59	0.56	0.62	0.52	-0.10	0.01
Naphtha	0.64	0.70	0.71	0.65	0.72	0.72	0.69	0.75	0.76	0.01	0.07
Jet & Kerosene	-0.03	0.01	0.09	-0.07	-0.08	0.08	0.02	0.27	0.27	0.00	0.11
Other	0.17	0.20	0.19	0.15	0.20	0.26	0.31	0.24	0.18	-0.06	0.01
Total	**7.65**	**7.51**	**8.01**	**7.03**	**6.86**	**8.13**	**7.97**	**9.05**	**8.89**	**-0.16**	**1.18**

Source: IEA MOS imports and exports data for extra-regional trade

Latest preliminary data suggest that Japanese crude imports remained strong month on month in February due to cold weather and steady refinery operations. Requirements for crude oil from the utility sector were also firm in February.

Freight

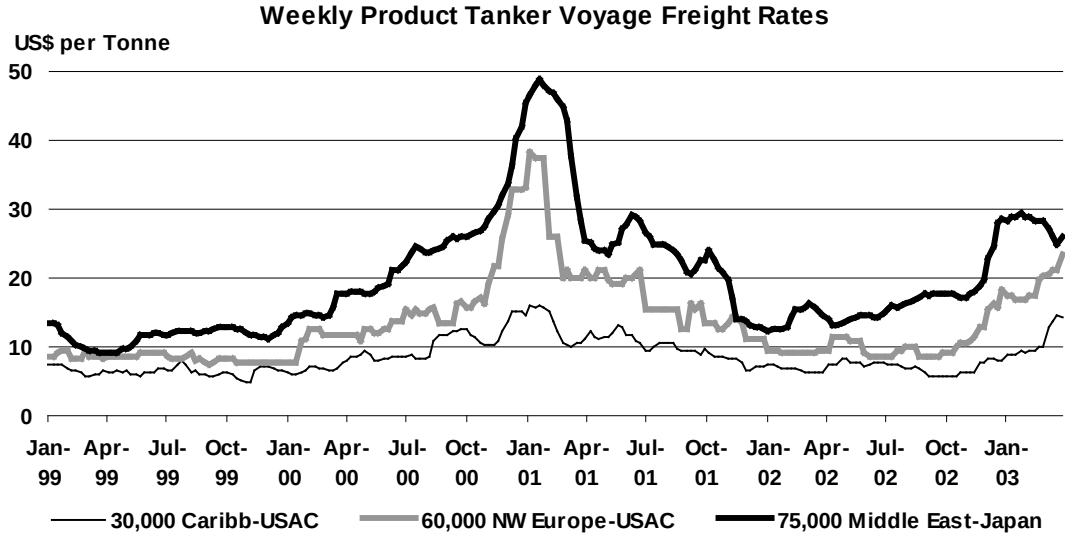
VLCC freight rates surged in the first half of March, in response to the Saudi's Vela chartering of a substantial number of VLCCs bound for the US. Following the onset of military actions in Iraq, some charterers reportedly expressed reluctance to enter the Middle East Gulf, which could soften freight rates. Rates rebounded thereafter due to normal tanker loadings in the Middle East Gulf, even after the start of military action. VLCC tanker rates from West Africa to the US were firm in the first half of March, but rates fell in the second half of the month, due to lower tanker requirements, following the decline in crude production in Nigeria.



Source: SSY Consultancy & Research Ltd.

Suezmax freight rates in the Mediterranean declined in the latter half of March, as tanker demand fell in line with falling exports of Iraqi crude from the Turkish port of Ceyhan. As with VLCCs, demand for Suezmax tankers from West Africa declined in the latter half of March, due to decrease in crude oil supply in Nigeria.

Aframax freight rates strengthened in the Caribbean region in the first half of March, as Venezuela increased petroleum exports and as tanker demand firmed in the US Gulf Coast due to lightering activities associated with large-scale tankers out of the Middle East Gulf. However, rates started to come off, as tankers were repositioned into the Caribbean region. Aframax freight rates in the Mediterranean softened in March, due to improvement in weather conditions in the Black Sea and shorter delays in the Bosphorus Strait. A decline in Aframax tanker requirements to load Iraqi crude at Ceyhan also placed downward pressure on rates.



Source: SSY Consultancy & Research Ltd.

Product tanker freight rates rose in March in the Caribbean, as Venezuelan exports increased. In addition, high US demand for heating oil this winter due to continuing cold weather is overlapping with strong gasoline import demand.

The start of military action in Iraq caused insurance premiums for tankers to and from Kuwait to increase to 0.5%, up from earlier rates of 0.02%. These rates, however, remain far lower than those prevailing during the Iran-Iraq War and the Gulf War, when they rose to 2 to 5% of the issued value.

On 27 March, about four months after the *Prestige* accident, EU transport ministers agreed to proceed with a plan to prohibit passage to and from EU ports of single-hull tankers heavier than 5000 dwt transporting crude with an API gravity lower than 25.7 or heavy petroleum products. They also agreed to accelerate the elimination of old single-hull tankers generally constructed before 1982 from EU terminals by 2005, two years earlier than formerly scheduled. Most other types of single-hull tankers will be banned from EU ports by 2010. The agreement will take effect after ratification by the European Parliament.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) rose to 6.00 mb/d in March from 5.67 kb/d in February. Petroleum loadings in the Black Sea terminals increased sharply as stormy weather subsided and as tanker delays in the Bosphorus Strait eased. However, petroleum exports from the Baltic Sea ports declined month on month as icy conditions affected tanker movements in that region.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Black Sea Exports	1.99	2.53	2.64	2.73	2.45	2.70	2.67	2.41	3.00	0.59	0.48
Baltic Exports	1.63	1.95	2.13	1.98	1.80	2.10	1.95	2.27	2.10	-0.16	0.04
Total Seaborne	**3.62**	**4.48**	**4.77**	**4.70**	**4.25**	**4.80**	**4.62**	**4.68**	**5.10**	**0.42**	**0.51**
Druzhba Pipeline	1.06	1.07	0.98	1.11	1.15	0.98	1.13	0.95	0.86	-0.09	-0.16
Other	0.07	0.06	0.03	0.09	0.11	0.03	0.03	0.04	0.04	0.00	0.02
Total Exports	**4.75**	**5.61**	**5.78**	**5.90**	**5.50**	**5.82**	**5.78**	**5.67**	**6.00**	**0.33**	**0.37**
Imports	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	-0.01
Total Net Exports	**4.74**	**5.60**	**5.77**	**5.89**	**5.50**	**5.82**	**5.78**	**5.67**	**6.00**	**0.33**	**0.38**
Crude	3.37	3.93	4.00	4.11	3.92	4.16	4.14	3.93	4.38	0.46	0.58
Products	1.37	1.66	1.77	1.78	1.58	1.66	1.64	1.74	1.62	-0.13	-0.20

Sources: Petro-Logistics, IEA estimates

On 19 March, the Russian government approved Transneft's proposal to expand the crude transport capacity of the Baltic Pipeline System from 240 kb/d to 600 kb/d. This decision could affect a competing project to construct a new 1 mb/d crude export terminal at Murmansk with a pipeline linking the port and the existing pipeline network, supported by Lukoil, Yukos, Sibneft and Tyumen Oil Company (TNK).

Lithuania's Butinge terminal is seeking approval from the Lithuanian government to increase petroleum export capacity to 260 kb/d from its current level of 160 kb/d. The terminal believes that it can raise export volume in the short term without much technical difficulty.

China Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1061**	**1356**	**1377**	**1192**	**1505**	**975**	**1862**	**887**	**807**
Products & Feedstocks	**329**	**361**	**307**	**342**	**422**	**373**	**420**	**309**	**535**	**225**	**149**
Gasoil/Diesel	0	-16	-6	-8	-8	-41	-31	-48	-40	8	-42
Gasoline	-134	-142	-93	-138	-183	-152	-131	-179	-80	98	-16
Heavy Fuel Oil	313	281	187	254	344	336	346	373	402	29	174
LPG	155	197	198	186	216	189	171	177	239	62	48
Naphtha	-19	-16	-9	-26	-15	-15	-3	-15	-2	13	3
Jet & Kerosene	8	9	-3	10	6	23	31	-8	-28	-20	-25
Other	5	48	34	64	62	32	36	9	44	34	6
Total	**1372**	**1609**	**1368**	**1698**	**1799**	**1565**	**1924**	**1285**	**2397**	**1112**	**956**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Chinese net crude oil imports rebounded sharply to 1.86 mb/d in January, nearly double the 975 kb/d in December, possibly owing to precautionary stock building in preparation for a possible supply disruption in the Middle East. Fuel oil imports to China were strong in January, raising inventory levels in anticipation of the country's Lunar New Year holidays in February. LPG imports also surged in January for stock building ahead of the holidays, despite high product prices in the international markets.

Indian net crude oil imports stood at 1.66 mb/d in January, 142 kb/d higher than the previous month. Private-sector crude imports increased by more than 100 kb/d in January from December, as refinery operations resumed after heavy maintenance in November and December, while crude imports by the public sector were almost flat month on month.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Latest month vs. Dec 02	Latest month vs. Jan 02
Net Imports/(Exports) of:											
Crude Oil	**na**	**na**	**na**	**1700**	**1872**	**1643**	**1590**	**1516**	**1659**	**142**	**na**
(by Public Oil Cos)	**934**	**1088**	**969**	**1038**	**1235**	**1108**	**1148**	**991**	**1018**	**27**	**26**
Products & Feedstocks	**-28**	**-81**	**-68**	**-129**	**-135**	**6**	**2**	**25**	**-79**	**-103**	**-30**
Gasoil/Diesel	-54	-53	-55	-45	-76	-35	-15	-41	-103	-62	-56
Gasoline	-20	-48	-37	-54	-57	-45	-53	-35	-39	-4	-23
Heavy Fuel Oil	22	6	9	4	8	2	-19	16	-18	-34	-25
LPG	20	22	21	7	8	52	50	45	69	24	49
Naphtha	9	6	11	-14	-2	27	24	35	5	-30	-3
Jet & Kerosene	29	10	23	2	5	8	14	9	12	3	0
Other	-34	-23	-39	-30	-22	-2	0	-3	-5	-1	28
Total	**906**	**1007**	**901**	**1571**	**1737**	**1650**	**1592**	**1541**	**1580**	**39**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 1Q 2002 are not available. For 2001 and from 4Q2001 to 1Q2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Net imports of crude oil to **Singapore** stood at 849 kb/d in February, keeping pace month on month as refinery runs firmed in February with supportive margins. Imports of heavy fuel oil were also strong at 342 kb/d in February. The arbitrage window was open for fuel oil to Singapore in December and January, which could support product flows from the US and other countries.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**813**	**829**	**772**	**861**	**813**	**922**	**849**	**-73**	**81**
Products & Feedstocks	**-10**	**-35**	**33**	**-45**	**-53**	**-73**	**-203**	**-187**	**-114**	**72**	**-216**
Gasoil/Diesel	-121	-154	-123	-151	-171	-168	-193	-210	-161	49	-18
Gasoline	-79	-81	-78	-98	-80	-69	-86	-88	-70	18	5
Heavy Fuel Oil	360	334	360	322	330	325	254	364	342	-23	-48
LPG	-21	-19	-19	-19	-18	-20	-19	-28	-20	8	-5
Naphtha	-22	6	20	7	-7	5	20	-19	-30	-11	-62
Jet & Kerosene	-80	-65	-67	-51	-53	-90	-123	-154	-123	31	-92
Other	-48	-57	-62	-55	-54	-57	-56	-52	-51	1	5
Total	**812**	**784**	**846**	**784**	**719**	**788**	**610**	**736**	**735**	**-1**	**-134**

Source: Singapore Monthly Oil Statistics, IEA estimates

OECD STOCKS

Summary

- OECD commercial oil stocks fell 34 mb in February. Combined crude and product inventories drew to an estimated 2392 mb, closing the month some 229 mb below their year earlier position. The decline came with a 1.24 mb/d draw in product stocks resulting primarily from a reduction in distillate storage across all OECD regions. Crude stocks closed broadly level. Forward OECD demand cover by industry stocks stagnated at 50 days, 6 days off February last year, and only marginally higher than in January.

Preliminary Industry Stock Change in February 2003 and the Fourth Quarter 2002
(million barrels per day)

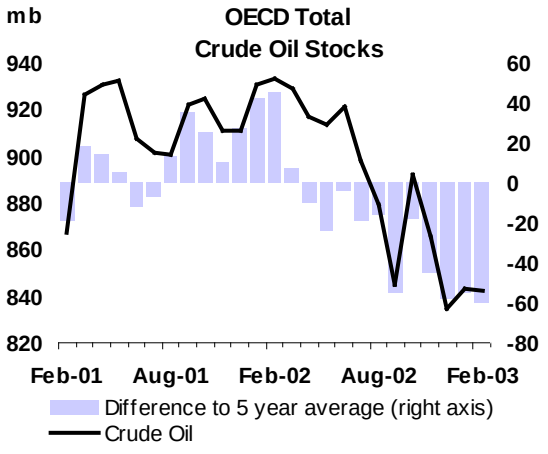
	February (preliminary)				*Fourth Quarter 2002*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.13**	**-0.07**	**0.16**	**-0.03**	**0.07**	**-0.16**	**-0.02**	**-0.11**
Gasoline	-0.11	0.10	0.02	0.01	0.06	0.02	-0.01	0.07
Distillates	-0.60	-0.16	-0.13	-0.89	0.10	-0.22	-0.20	-0.32
Residual Fuel Oil	-0.02	0.09	-0.03	0.04	-0.01	0.07	0.00	0.05
Other Products	-0.23	0.00	-0.17	-0.40	-0.39	-0.04	0.00	-0.43
Total Products	**-0.96**	**0.03**	**-0.31**	**-1.24**	**-0.24**	**-0.17**	**-0.22**	**-0.63**
Other Oils[1]	0.14	-0.03	-0.06	0.05	-0.28	0.00	-0.03	-0.31
Total Oil	**-0.95**	**-0.07**	**-0.21**	**-1.22**	**-0.45**	**-0.34**	**-0.27**	**-1.05**

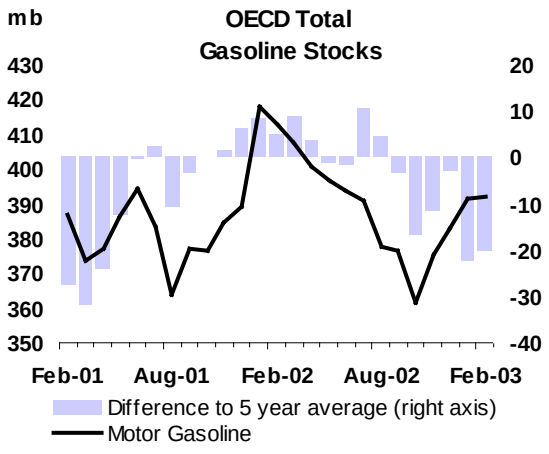
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks were flat to down over February, closing at 842 mb. Expanded OPEC term allocations and spot purchases lifted crude storage in Japan. In Europe, where refiners raised runs to increase light product output, stocks came off 2 mb. Inventories in the US (excluding territories) held flat at 273 mb as scheduled maintenance and backwardation in NYMEX WTI discouraged stockpiling. North American stocks drew in Mexico where both crude exports and runs rose to compensate for lower Venezuelan supply.

- Industry stocks of gasoline in the OECD closed February flat at 392 mb. Net inventory movements in the Atlantic Basin left stocks unchanged while storage edged higher in the Pacific. Finished gasoline stocks fell in the US in spite of weaker demand. Product output declined as US refiners, operating at below 86% capacity, skewed product yield to maximise distillate production. In contrast, increased output in Europe continued to meet with contracting demand. European gasoline stocks rose, supported by a contango in swap prices for unleaded gasoline in Northwest Europe and lower regional export volumes to the US.

- Distillate stocks fell heavily in the US during February as cold temperatures and high natural gas prices lifted heating oil demand. Stocks of heating oil declined in spite of increased production and rising distillate imports. Declines in Europe were moderate in comparison given an uptick in inland deliveries in key markets and the continued diversion of Russian gasoil to the US Atlantic coast. Kerosene stocks in Japan closed lower on firmer than anticipated demand. Colder weather in Japan extended into February at the same time that refiners curtailed kerosene output.





OECD Industry Stock Changes in February 2003

OECD industry crude stocks closed February broadly unchanged from January, slipping by 1 mb to an estimated 842 mb. North American stocks fell with a draw in Mexico. At 273 mb, inventories in the US-50 (excluding territories) held slightly above indicative minimum operating requirements. With peak maintenance underway, crude demand fell, reducing the need to build inventory. Stocks on the US Gulf Coast built only marginally despite recovery in Venezuelan production and price indications pointing towards ample sour crude availability. But with lower operating rates, crude purchases were deferred. Rebuilding stocks was challenged by backwardation in the front end of the NYMEX WTI futures curve. Prompt month was priced at a premium to forward delivery months, limiting crude purchases to operational requirements only. European crude stocks were little changed considering higher crude runs (backed by firm cracking margins) and US demand pull (seen in a wider WTI/Brent spread). European crude stocks slipped to 299 mb, closing 2 mb lower from a 9 mb upwardly revised January base.

Commercial storage of crude oil grew in the Pacific by nearly 5 mb. Higher nominations under term contract sales from OPEC producers in combination with greater purchases of spot crude raised supply to Japanese refiners. This allowed stocks in Japan to rise 3 mb although domestic refiners continued to boost crude runs. Stocks tentatively edged higher in Korea, where throughputs were flat. However, year-to-date crude import volumes in Korea trailed that of last year as imports fell on a monthly and yearly basis.

Total product inventories in the OECD fell by some 35 mb over the course of February, closing the month at 1274 mb, some 125 mb below the previous year. Draws were centred on distillate fuels while the other main product categories were little changed. Distillate stocks fell in all OECD regions, with the bulk of the stockdraw occurring in North America. Colder than usual temperatures caused heating oil stocks to tighten significantly in the key consuming Northeast US states. Weather-driven US distillate demand reached 4.4 mb/d in February, overtaking a late rebound in production and rising imports. In Europe, distillate stocks continued to lose ground. Backwardation in IPE's gasoil futures contract widened, discouraging storage while prompt sales were supported by strong physical prices. Gasoil imports remained limited with high prices in New York Harbour bidding away Russian supply. European jet fuel stocks also fell with strong precautionary demand. Gasoline stocks built in Europe as refiners raised throughputs while demand continued to contract. The build was supported by lower exports to the US as prompt cargo availability was limited. End-month swaps priced gasoline for April delivery at $10 per tonne premium to March, more than enough to keep product in tank. US finished stocks of gasoline declined although demand eased. Gasoline output was reduced as refiners, operating at reduced capacity, skewed product yield towards distillate production. The fall in US gasoline stocks does not raise concern in terms of conventional material, given a comfortable cushion of blending components. However, stocks for region-specific reformulated gasoline are tight in the land-locked mid-continent and on the West Coast.

Revisions and Preliminary OECD Stocks at the end of February 2003

Revisions to OECD oil stocks lowered January inventories by over 14 mb. This followed from reduced Atlantic Basin product stocks with distillate fuel accounting for the revision in main products. Gasoline, stocks were raised in Europe, mainly in Germany (3 mb) and the UK (1.1 mb). Europe saw fuel oil stocks revised lower. Arbitrage trade in LSFO towards the US is likely to have contributed to this revision. New York Harbour prices strengthened against Rotterdam as US utilities turned away from expensive natural gas. Crude stocks were revised higher in Europe and Japan. Europe saw upward revisions in Norwegian stocks broadly offset by reductions to UK storage, leaving an upward revision in German stocks (7 mb) to lift the region's crude stock position. Revisions to NGLs and feedstocks amounted to 0.8 mb for the OECD.

Revisions Versus 12 March 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Dec 02	Jan 03	Dec 02	Jan 03	Dec 02	Jan 03	Dec 02	Jan 03
Crude Oil	**-0.5**	**-0.7**	**-3.6**	**9.0**	**0.0**	**2.9**	**-4.0**	**11.2**
Gasoline	-2.0	-0.9	-2.1	1.2	0.4	0.6	-3.8	0.8
Distillates	0.3	-5.1	-3.8	-4.3	0.1	0.2	-3.5	-9.2
Residual Fuel Oil	-0.8	-1.2	0.4	-5.3	0.0	-1.0	-0.4	-7.5
Other Products	-4.3	-5.8	-0.5	-3.9	0.0	-0.7	-4.7	-10.4
Total Products	**-6.8**	**-13.1**	**-6.0**	**-12.3**	**0.4**	**-0.9**	**-12.4**	**-26.3**
Other Oils[1]	-1.1	-5.8	0.3	6.3	0.0	0.3	-0.8	0.8
Total Oil	**-8.4**	**-19.7**	**-9.3**	**3.0**	**0.4**	**2.3**	**-17.3**	**-14.4**

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD oil stocks closed February at 2392 mb, 229 mb below the previous year. On a regional basis, industry stocks were estimated at 1102 mb in North America, 886 mb in Europe and 404 mb in the Pacific. Product inventories in the OECD fell 125 mb below their position a year-ago while the difference in crude stocks levels came to 91 mb. Forward demand cover by primary oil stocks continued to fall in North America, declining from 47 days to 46 days while Europe gained a day with stocks covering 60 days of forward consumption. The Pacific saw demand cover improve from January, rising by 3 days to 48 days, though demand cover on the basis of product stocks remained flat.

Year-on-Year Industry Stock Comparisons for February 2003

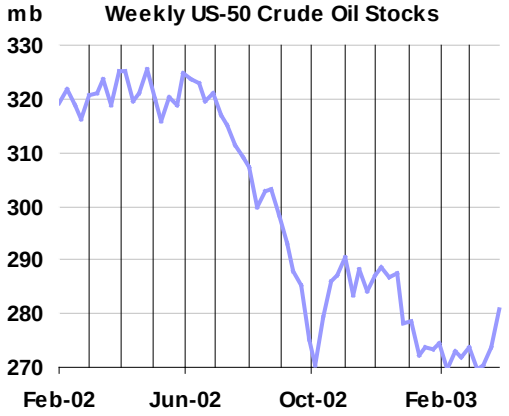
	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-62.5**	**-37.1**	**8.6**	**-91.0**	**Total Oil**	**-6.8**	**-5.1**	**-4.3**	**-5.9**
Total Products	-76.2	-29.2	-19.0	-124.4	*Versus 2001*	-2.3	-1.4	-4.5	-2.5
Other Oils[1]	-6.1	-2.2	-5.5	-13.8	*Versus 2000*	-1.3	-1.4	-1.4	-1.4
Total Oil	**-144.7**	**-68.5**	**-16.0**	**-229.1**	**Total Products**	**-3.6**	**-2.2**	**-3.3**	**-3.2**
Versus 2001	-41.8	-27.2	-34.2	-103.3	*Versus 2001*	-1.7	-1.4	-2.1	-1.7
Versus 2000	-1.3	-21.4	-19.2	-41.9	*Versus 2000*	-0.4	-1.2	-0.5	-0.7

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD Regional Stock Developments

North America

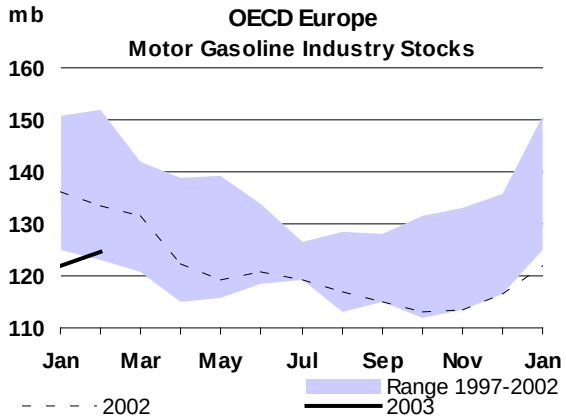
North American crude stocks fell 3.5 mb in February to 376 mb. The decline came in Mexican stocks and to a lesser extent in US territories. Stocks in the US-50 were flat at 273 mb, or 3 mb above indicative minimum operating levels. February provided little incentive to rebuild inventory. Refinery maintenance held runs at January's depressed 14.3 mb/d levels, keeping feedstock requirements low. Backwardation in the near months for NYMEX WTI futures widened further over February, with second month delivery pricing at a discount of 2.36 $/bbl by end-month, postponing rebuilding stocks to the second quarter. The strength of prompt April month for WTI futures contract reflected scarce supplies around its delivery point in the mid-continent (PADD II). Stocks there tightened to 51 mb, declining further from a downward revised January base. Gulf Coast inventories (PADD III) gained just above 2 mb barrels to close at 145 mb. The build seemed marginal given favourable US Gulf Coast cash market differentials for domestic heavy/sour grades. These widened against light sweet crude, pointing to ample supplies, with Venezuelan conventional crude exports recovering and more arrivals of Iraqi barrels. But future perspectives of increased Saudi supplies aside, maintenance programmes were also heavy in upgrading units, thus limiting any processing of heavier sourer grades over the course of the month. US crude stocks recovered by end-March as crude imports jumped on additional Venezuelan supply and on the first signs of increased delivery of Saudi crude. Stocks closed up 6.8 mb to 281 mb, with the largest build observed in PADD III. Crude oil imports rose to 10.4 mb/d in the closing week of March, offsetting a rise in crude runs of 375 kb/d as refiners emerged from turnarounds. The latest import levels are expected to be sustained in the near term, but a recovery in crude inventories to more normal levels remains unclear. Refiners are set to keep runs above 15 mb/d in the next few months to meet summer gasoline demand.

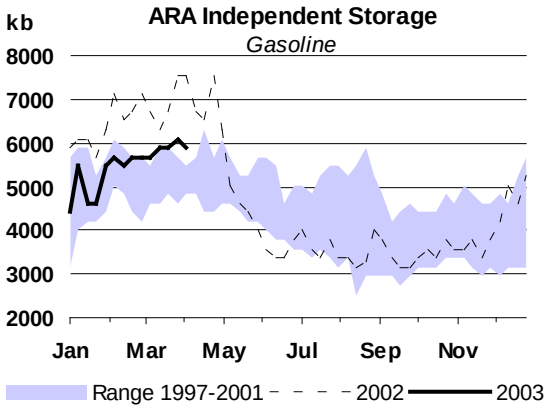


Light product stocks drew further over February-March. Distillate stocks fell during a cold February and didn't recover despite warmer March temperatures. Stocks of diesel ahead of spring agricultural demand were tight by end-March. While restrictions on heating oil liftings by wholesalers in the Northeast were eased in mid-February, deliveries remained strong. Demand had to be met from storage although production and Russian gasoil imports rose. Finished gasoline stocks fell 13 mb over the same period. Output was lower on maintenance and a delayed switch to a higher gasoline product yield. But conventional gasoline stocks can rely on a large blending component pool, built on exports from Europe's structural surplus. However, March reformulated gasoline (RFG) stocks at 33 mb, 11 mb below last year, are tight. Resumption in Venezuelan export remains a key issue though in early April, the 940 kb/d Paraguana refinery was reported to have sent a 360 kb shipment to PdVSA's US subsidiary Citgo. April exports were expected at 2.1 mb, of which 1.2 was reported of summer quality. At the time of writing, PdVSA President Ali Rodriguez was expecting to lift "*force majeure*" on gasoline exports during April.

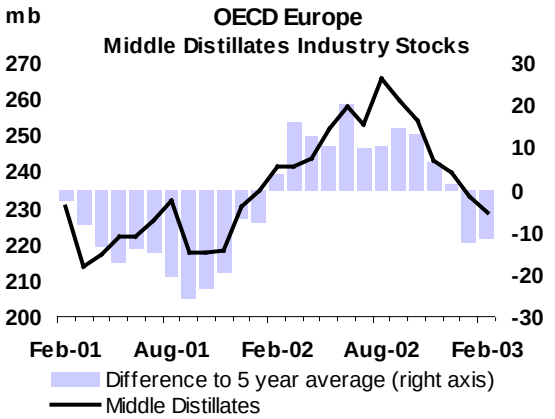
Europe

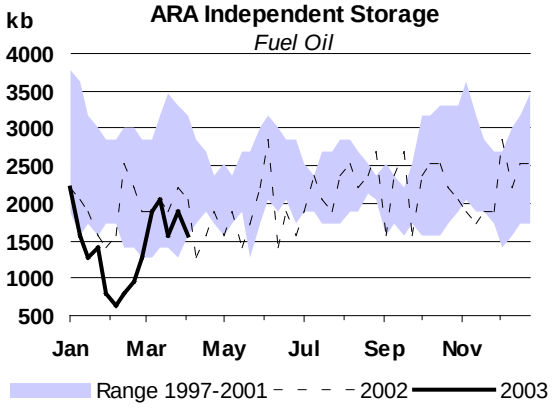
Industry crude stocks held broadly level in Europe considering a further rise in crude demand in February. European throughputs gained 230 kb/d while stocks fell by 2 mb to 299 mb. Combined Dutch and German inventories slipped just over 2 mb while stocks gained 2.6 mb in France. Italian inventories fell 2.2 mb. Oil terminals in Northwest Europe were apparently normally supplied over February-March. North Sea production was revised higher over the period and front-month backwardation in the Brent market had eased considerably by end-January. Sour crude availability in Northwest Europe seems to have increased. Urals differentials weakened by end-February through March, pressured by the arrival of Venezuelan crude. Firm cracking margins for most of March are likely to have kept North Sea grades in Europe despite US demand pull as seen by a wider WTI/Brent spread. Demand from US refiners to replace lost light-sweet Nigerian barrels may not have bid away substantial volumes in March. After peaking mid month, spreads to dated Brent of Ekofisk, Oseberg and Forties narrowed strongly through the remainder of March.





Industry gasoline stocks built in Europe by 3 mb to 125 mb on higher runs and weak demand in February. Exports of Europe's surplus material slowed from the 2 mt seen in January to 1.5 mt as limited clean tanker availability and higher freight rates reduced arbitrage volumes. Inventories are expected to build further in March with exports remaining at February levels. Stocks in independent storage in the ARA area have already risen further. A contango in swap prices above $10/tonne has kept product in tanks, and the premium is apparently sufficient to cover for storage of summer quality gasoline as well. Stocks are likely to head lower after April. May and June delivery months for swaps were priced below April, suggesting greater volumes of product will move out of storage to meet US demand as gasoline season gets underway.

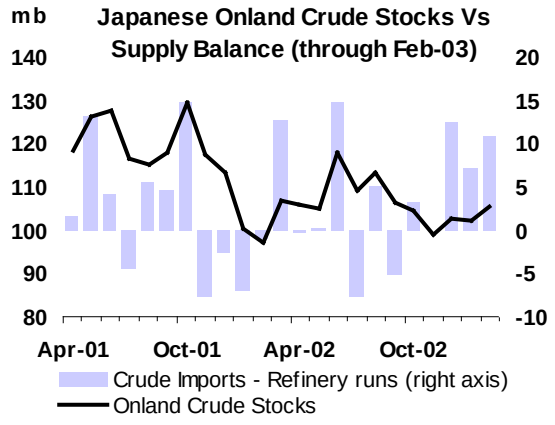


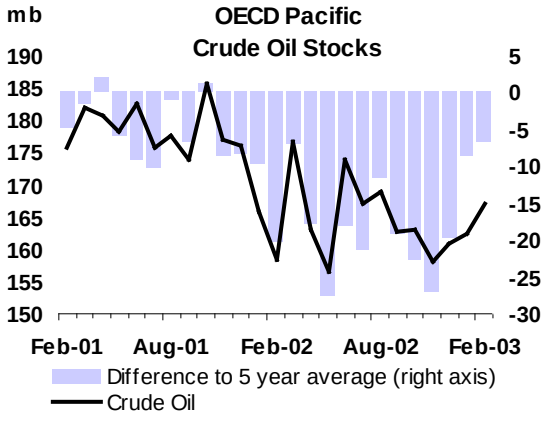


European distillate stocks fell back 4.4 mb in February to 229 mb. Shipments of Russian gasoil from Baltic ports and greater volumes from the Latvian port of Ventspils headed mostly to the US, restricting supply in Europe. Backwardation in IPE gasoil futures deterred demand for prompt Russian cargoes in Europe and physical price premiums above IPE gasoil encouraged prompt sales over storage. Gasoil stocks in March trended lower though more Russian supply, deterred by a wide backwardation in NYMEX heating oil futures, returned to Europe by end-month. Physical prices, albeit lower than in February, continued to favour prompt sales. The further draw was supported by increased gasoil demand in Germany - due to colder weather and lower prices - in order to replenish end-user stocks. Diesel demand in France was strong following a turnaround at TotalFinaElf's Donges refinery. Distillates also fell with precautionary jet fuel buying, and lower Middle Eastern exports curtailed supplies in March. Industry fuel oil stocks built in February on higher output and Russian HSFO stranded in Europe with arbitrage to Asia closed. Storage in ARA during March came down slightly as a 300 kt shipment to Asia was partly filled from storage material.

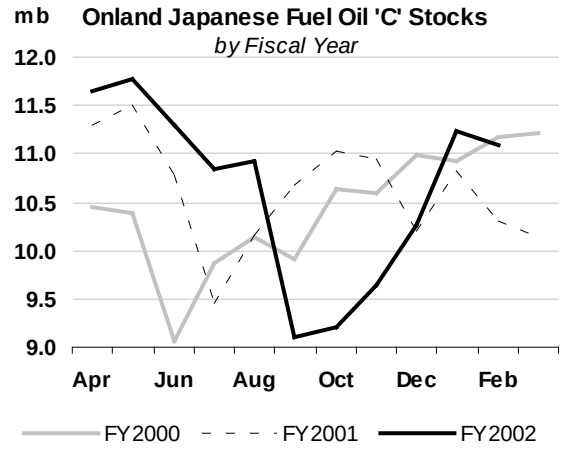
Pacific

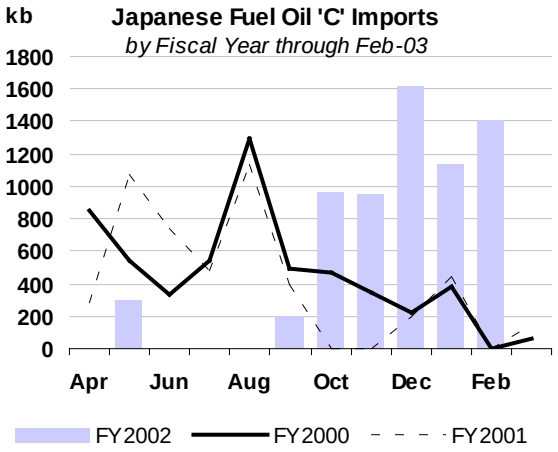
Pacific industry crude stocks rose 5 mb higher in February, closing at 167 mb. Japan inventories gained 3 mb as import volumes outpaced a rise in refinery crude runs. Larger nominations from OPEC term suppliers UAE, Saudi Arabia and Iran led to increased supplies in February on a yearly basis. These extra volumes combined with purchases of spot crude from Gulf origins such as Oman, but also in Non-Gulf sources like Nigeria. Though major Japanese refiners plan to keep crude runs high in March/April to meet greater fuel oil requirements by thermal power plants, crude supplies are likely to follow suit. Full contractual volumes from Saudi Arabia and Iran were expected to carry from March through April while the Abu Dhabi National Oil Co has informed Asian term customers of similar arrangements. Korean stocks tentatively edged higher, though on a yearly basis, runs were virtually unchanged but imports were off. Crude storage in Korea for March is likely to be less pressured, as several refiners were considering run cuts as regional margins deteriorated. Reductions in Korean oil import tariffs and taxes initiated in February and again in March are likely to encourage additional purchases.





Distillate inventories in the Pacific fell by 4 mb to 61 mb in February with draws in Japanese kerosene stocks. Japanese demand for kerosene - used as a heating fuel - was firm but supply eased. Refiners lowered output following normal temperatures in early February. These were expected to carry through in March. With the exception of Exxon-Mobil, refiners in Japan settle accounts at the end of March and consequently managed product inventories to close winter with minimum excess stock. This in turn led to a cancellation of a number of February and March spot kerosene purchases from Asian refiners. But March turned out to be colder, and according to weekly statistics by the Petroleum Association of Japan (PAJ), kerosene stocks fell a further 5 mb to 10 mb, prompting a return to the spot market to meet domestic requirements.

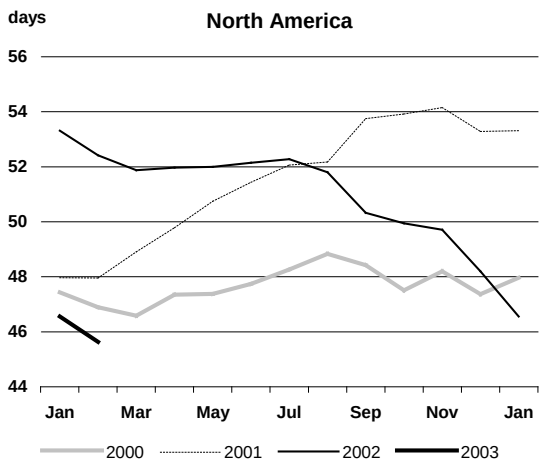


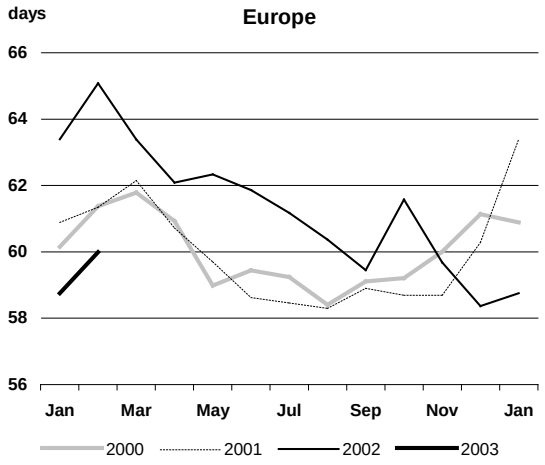


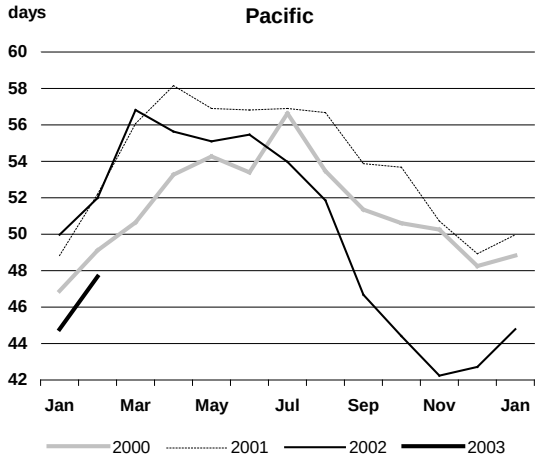
Increased refinery runs and ample supply of heavy/sour crude in past months boosted fuel oil stocks in Japan. Refiners raised runs to produce 'C' fuel oil (FOC) used for power generation in thermal plants. Higher stocks were required, as thermal plants were to compensate for idled nuclear facilities in the second quarter. Stocks also built on increased imports, which rebounded in February as FOC production ebbed. Given higher utility demand and lower deliveries of crude oil for direct burn, greater spot purchases are part precautionary. Power generation is likely to rely on more fuel oil as feedstock. PAJ indicate that low-sulphur FOC (suitable for utilities) stocks have fallen through March. Regional fuel oil supplies have tightened - witness declining stocks and firm LSWR prices in Singapore. Arbitrage of fuel oil from Europe was limited in February. ARA prices against 2nd month Singapore prices were not seen to cover freight.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

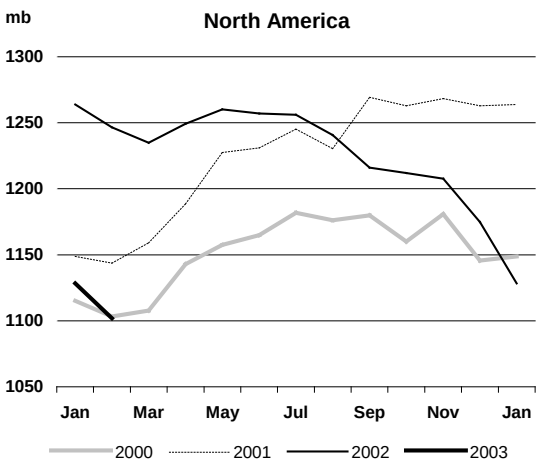
Days[1]

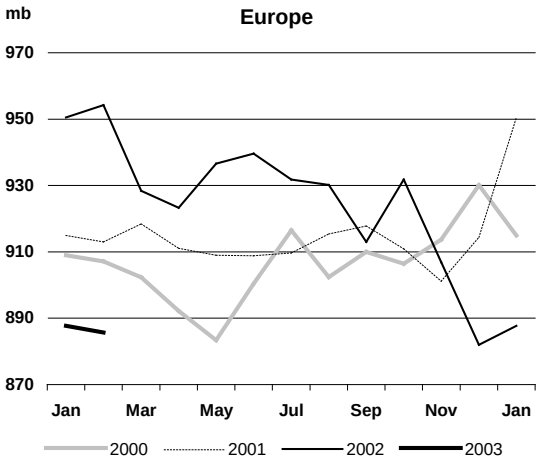


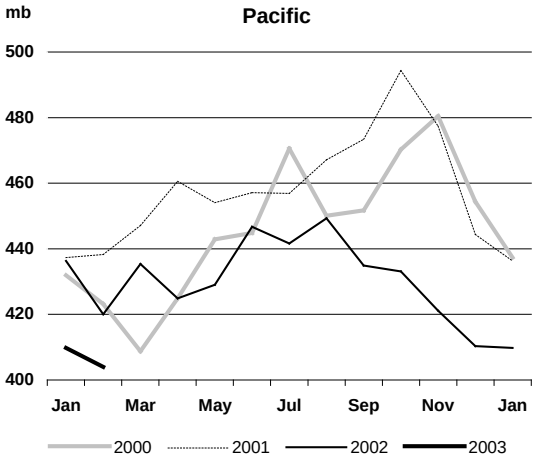




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Crude oil prices** moved to a 12-and-a-half-year closing high in March, before posting the second largest eight-day fall in the history of NYMEX WTI. IPE Brent did not reach the same heights, but the collapse was mirrored. The return of milder weather to the US East Coast, the recovery in Venezuelan output, the arrival of incremental crude from the Middle East and a pre-emptive reaction to the start of hostilities in Iraq contributed to the fall in price. Front-month WTI NYMEX fell from a peak of $37.83 on 12 March to end the month at $31.04, 15.2% down from end February levels. WTI prices averaged $33.16/bbl over the month, down 7.2% on February.

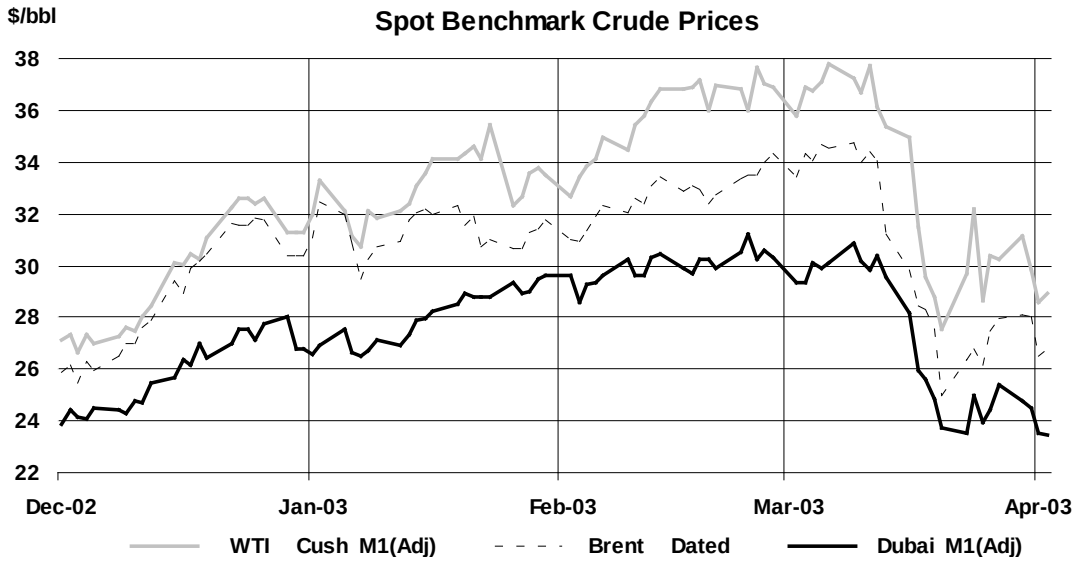
- **The transatlantic** price spread continues to encourage the movement of Brent to the US, where sweet crudes are in strong demand to bolster gasoline output ahead of the driving season. Nigerian crudes continue to be found in the Gulf of Mexico despite recent production problems. Sour crudes however are relatively oversupplied in Europe and the US, which is forcing some Urals eastwards.

- **NYMEX WTI open interest** (the total number of futures contracts) fell sharply after the Exchange raised margins when military action looked increasingly likely. This resulted in an increase in the cost of funding positions and caused traders to scale back the number of positions held. Commitment of Traders data also shows that speculators have expanded their net short positions, hoping to profit from falling prices.

- **Product prices** endured even greater volatility in March than crude, with the middle and heavier end of the barrel suffering significant losses in most regions. The US distillate and low sulphur fuel oil markets dominated trading, falling on the onset of milder temperatures in the densely populated US Northeast in the middle of the month.

- **Gasoline** has now taken over as the focus of the US product market; there are concerns regional supply imbalances are possible this summer. Low stocks are a concern, particularly for reformulated gasoline. However there should be sufficient flexibility within the system to cope with demand this summer, but supplies will be tight and prices will reflect this.

- **The first half spikes in middle distillate prices**, particularly in Europe and the US, resulted in strong refining margins in early March, but the subsequent collapse of heating oil, gas oil and diesel prices resulted in a sharp fall in values towards the end of the month. Jet fuel prices slumped towards the end of the month, after spiking in Europe at the start of hostilities in Iraq. Preliminary data indicates that total OECD refinery throughput in February 2003 averaged 38.81mb/d, an increase of 580 kb/d over January and 920 kb/d over February 2002 levels. Capacity utilisation rose to 88% from 86.9% in January 2003 and 86.1% in February 2002.



Crude Oil Prices

Spot Crude Prices and Differentials in March

Crude oil prices endured extreme volatility in March, hitting a fresh 12-and-a-half-year closing high before plunging to post the second largest eight-day fall in the history of NYMEX WTI. A coincidence of fundamentals combined to create the negative pressure: the return of milder weather to the US East Coast, the recovery in Venezuelan output, the arrival in key trading centres of Middle Eastern crudes and a pre-emptive reaction to the start of hostilities in Iraq. Funds also continued to switch their bias to a heavily net-short position.

The losses might have been even steeper if it had not been for the curtailment of over 800 kb/d of Nigerian oil production because of ethnic violence between Ijaws and their Itsekiri rivals. Prompted by fears of additional supply disruptions, bargain hunters began to take advantage of the lowest crude prices since early December. Prices started to recover just two days after fighting began in Iraq. There was also a growing realisation that the duration of the war would take longer than initially expected.

The rebound however was limited and the OPEC basket of crudes remained below the producer group's upper price band of $28. Towards the very end of March and early April, further downward price pressure has been felt following the release of weekly Energy Information Administration (EIA) data showing very high crude imports into the US. These increased imports reflect both higher Venezuelan supply and signs that higher Middle Eastern output is finally reaching the US market. Shell and ChevronTexaco have also indicated that they are starting to slowly bring back some shuttered Nigerian flows.

Front-month **WTI NYMEX** hit a 12–and-a-half year closing high of $37.83 on 12 March, but this remained considerably below the intraday peak of $39.99 reached on 27 February. Prices trended lower from that point to an intraday low of $26.30 on 21 March before ending the month 15.2% down at $31.04. Prices averaged $33.16 over the month, down 7.2% on February. In early April futures prices have continued to trend lower, with front-month WTI futures closing at $28.62 on April 4.

The benchmark physical crudes followed the same trend, but Dubai suffered a significantly larger loss during the period than WTI and Brent. WTI Cushing and Dated Brent averaged $33.43 and $30.54/bbl respectively, both down 6.5% from February levels. Dubai however lost 8.8% on the month to average $27.38/bbl, reflecting the increased pressure on sour crudes following higher OPEC production and the delivery of on water crude, combined with strong demand for light-sweet crudes as we head towards the summer when gasoline demand reaches its peak.

Spot Crude Oil Prices and Differentials*

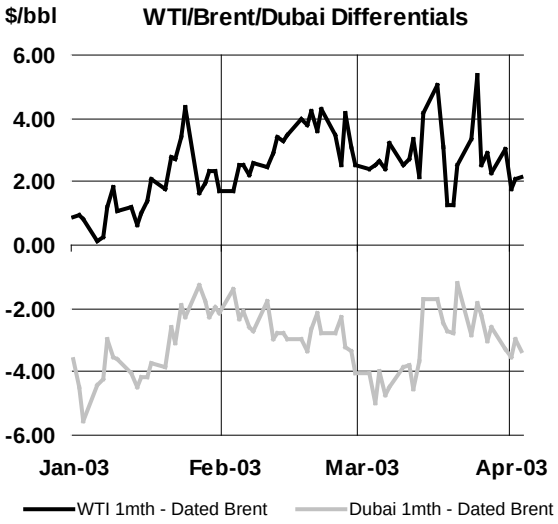
(monthly and weekly averages, $/bbl)

	Jan	Feb	Mar	Mar-Feb		Week Beginning:				
				Change	*%*	24 Feb	03 Mar	10 Mar	17 Mar	24 Mar
Crudes										
Brent Dated	31.32	32.67	30.54	-2.14	-6.5	33.72	34.20	33.67	27.82	26.95
WTI Cushing 1 month (adjusted)	32.99	35.75	33.43	-2.32	-6.5	36.38	36.85	36.64	30.47	30.95
Urals (Mediterranean)	28.88	30.38	28.52	-1.85	-6.1	31.51	32.19	31.91	25.99	24.60
Dubai 1 month (adjusted)	28.02	30.02	27.38	-2.64	-8.8	30.59	29.76	30.17	25.65	24.47
Tapis	31.95	33.96	31.37	-2.59	-7.6	34.64	34.15	34.20	29.30	28.35
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	1.66	3.08	2.89	-0.19		2.65	2.65	2.97	2.64	4.00
Urals (Mediterranean)	-2.44	-2.30	-2.01	0.28		-2.21	-2.01	-1.76	-1.84	-2.35
Dubai	-3.30	-2.66	-3.16	-0.50		-3.13	-4.44	-3.50	-2.17	-2.48
Tapis	0.62	1.29	0.83	-0.46		0.91	-0.05	0.53	1.48	1.40
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.75	0.55	0.78	0.23		0.74	0.97	0.79	0.65	0.67
WTI Cushing 1mth-2mth (adjusted)	1.01	1.19	0.79	-0.40		na	1.68	1.43	1.17	1.80

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

Average **WTI Cushing** prices fell by $2.32 in March, a fall of 6.5%, a percentage decline mirrored by the $2.14 fall in Dated Brent. There was however considerable volatility throughout March and the fall in WTI Cushing from the end February price of $36.90 was a significantly larger $5.78/bbl.

The WTI Cushing to Dated Brent spread mirrored the volatility in the physical price. The spread rose from $2.55 at the end of February to $3.04 at the end of March but with an intervening closing price range of between $5.38 and $1.24. Values then fell sharply at the start of April and currently stand around $2.17.

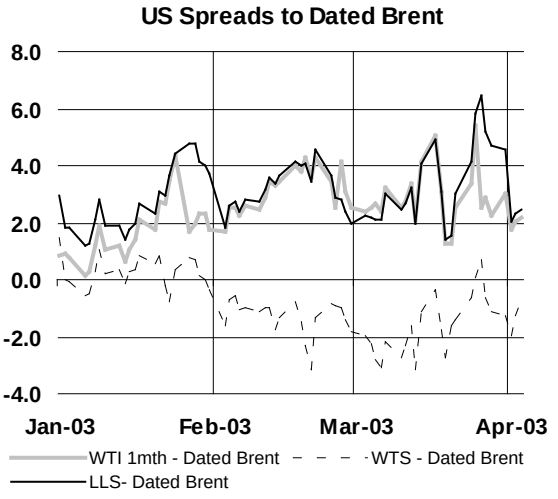


The recent fall in the value of the transatlantic spread reflects the 6.8 mb increase in US crude stocks at the end of March (and reported in the EIA weekly stock data in the first week of April). By the end of March total US crude stocks had risen by more than 10 mb above the lower operating level of 270 mb, but they still remain low by historical standards and more than 50 mb below year-ago levels. Mid-continent (PADD 2) stocks remain close to the recent lows of 50.2 mb.

It could be argued that the experience of coping with lower crude inventories might give refiners confidence in working with smaller stocks in the future. As a result, if stocks rise away from current low levels, there will be a greater confidence that supplies are adequate, even if they remain below observed annual norms. Refiner buying behaviour may already reflect such sentiments: they may be less inclined to run with higher stocks unless the market structure provides a clear financial incentive.

Arbitrage opportunities for North Sea crudes to the US would appear to be in place at the beginning of April, helped by a reduction in freight rates. However Brent is still finding tough competition for buyers in the US Gulf because of publicised changes to loading regulations in the Louisiana Offshore Oil Port and continued competition with preferred West African grades.

Sentiment in the **Brent** market has also been affected by the announced return of some Nigerian production as well as a surge in Venezuelan and Middle East crudes, which has reduced demand in the US Gulf region. However it is likely to be some time before Nigerian output returns to normal levels, with Chevron indicating that it would probably take until the end of April to restore a large portion of shut-in production. The latest negotiations between the Nigerian government and the disaffected ethnic groups have also broken down.

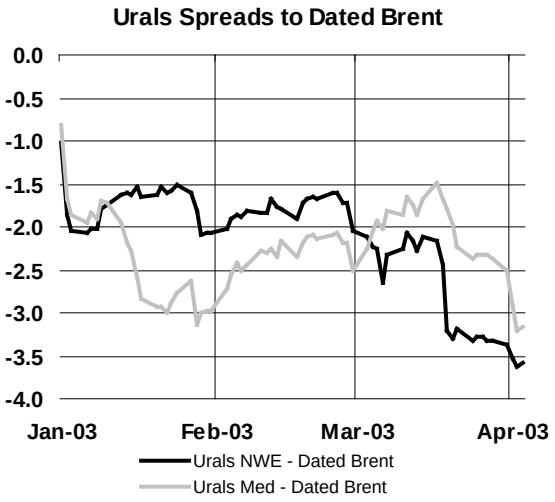


Dubai was the weakest of the main benchmarks, averaging a loss of $2.64 or 8.8% during March, reflecting the general oversupply of sour crudes. Reports suggest that production has increased in Saudi Arabia and Kuwait, and there is some anecdotal evidence that sales from "on water" storage have been seen in recent weeks. There seems little doubt that there is plenty of sour crude available, although the spreads would seem to suggest that some adjustment is taking place to ensure that it is moved where it is most needed.

The average Brent-Dubai differential widened to $3.16 in March from $2.66 in February, although most of this strength was seen in early March. In the last 10 days of the month the differential averaged $2.49. During this period there would have been times when the spread would have been low enough to have made the movement of Brent-related West African sweet crudes to Asia possible, but force majeure in Nigeria at the time will have restricted movement in this direction. Far Eastern traders however continue to report good demand for African sweet crudes.

Brent-Urals in Northwest Europe slumped sharply as ice blockages eased, improving shipping conditions for Russian crude. The Urals differential to dated Brent however rose in the Mediterranean (Med) market, narrowing over the month from -$2.30 to -$2.01. This was prompted by relative early-month Urals' strength in the region, reflecting robust demand from France and Spain. This dried

up by the end of the month, which caused differentials to widen. Improved supplies accentuated the downtrend. Ships over a certain size are only allowed to pass through the Bosphorus straits during daylight hours in phased movements to minimise the risk of accidents. With the onset of longer spring days the greater volume of traffic increased supplies to the region. Later in the month the downtrend was moderated by the cessation of Iraqi crude exports from the Turkish port of Ceyhan because of the war.

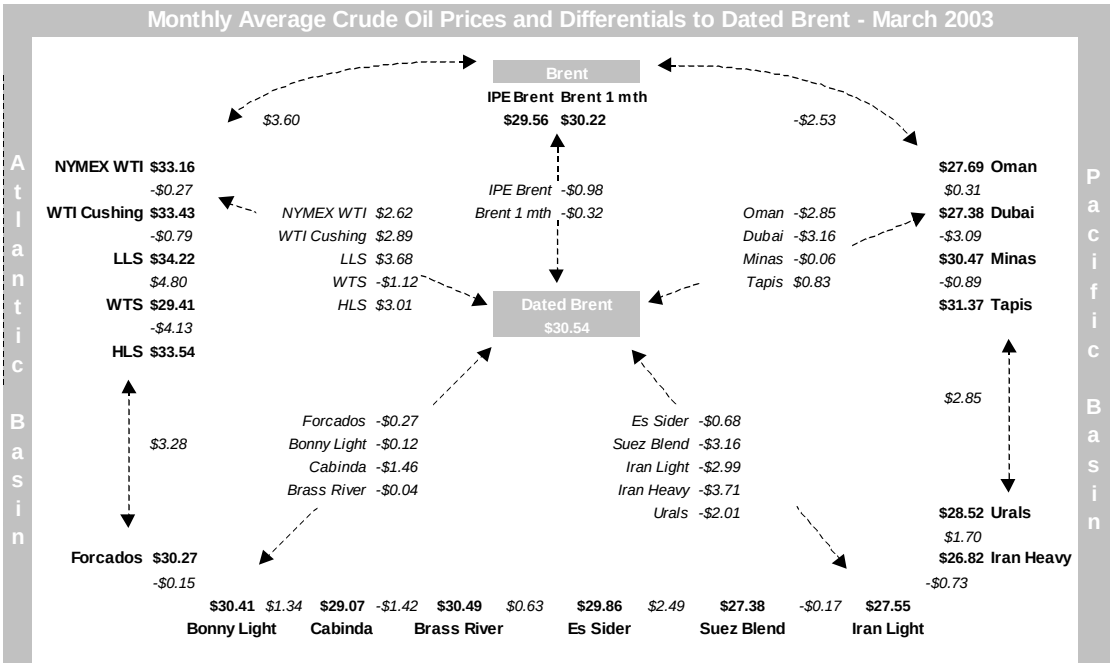


Northwest Europe has seen a relative glut of sour crude from the middle of March, and the relative spreads continue to encourage the movement of Urals to the Far East. However, Urals is finding strong competition from Middle Eastern grades in the region.

Similarly the return of higher levels of Venezuelan exports and heavy Middle East supplies has led to intense competition among sour crudes in the US Gulf. Venezuelan exports have improved, but this is likely to partly reflect sales from storage as well as current production. Stocks in Venezuelan domestic tanks grew when there shipping problems were prevalent.

West African crude differentials were remarkably stable at the end of the month, despite the loss of nearly 800 kb/d due to ethnic unrest. However, US traders (for the time being) continue to report good availability of Nigerian sweet crudes in the US Gulf in competition with Brent.

Malaysian Tapis weakened by $2.59 over the month to average $31.37, following the global rout in crude prices. Tapis however found some support following good demand from Indonesian refiners and a leak at one of the field's production platforms, which led to a temporary loss of output. Production has now restarted, but full volumes are not expected to return until the end of April.

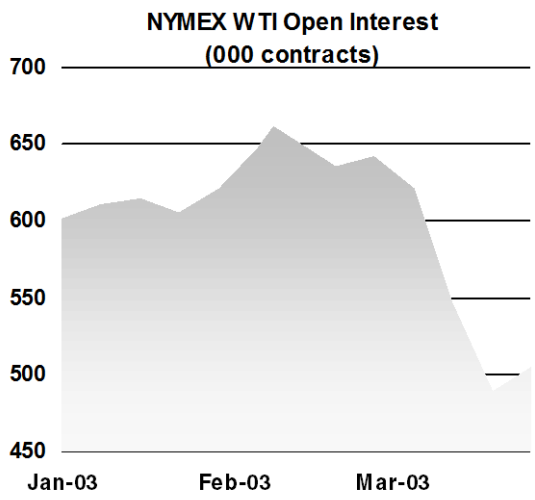


Towards the end of March **Indonesian Minas** also returned to its unusual premium over Tapis. Japanese utilities have been using oil-fired power stations to compensate for the shutdown of nuclear facilities. Steep declines in domestic fuel oil stocks in March have added to the incentive to buy crude for direct burning.

The **OPEC basket** price ended March at $27.22, below the producer group's upper target range of $28, having reached a low of $24.81 just after war was declared, but well below the average price of the basket for the month of $29.44. Some members remain concerned that production is currently excessive given the predicted seasonal downturn in demand, and the OPEC President Abdullah al-Attiyah has sent a formal request for an OPEC meeting on 24 April.

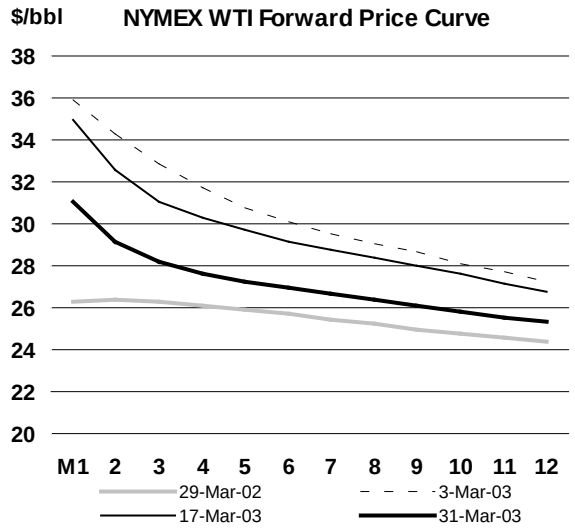
Crude Futures in March

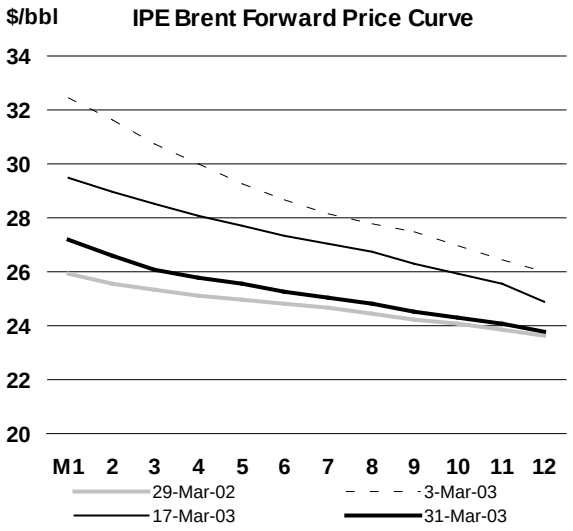
The futures markets led the fall in crude prices, accentuating the declines seen in physical crudes as some of the speculative froth was removed from the market ahead of the start of hostilities in Iraq. WTI futures ended the month $5.56 lower than the end of February at $31.04, while Brent fell by $5.61 to $27.18.



The rapid decline started on 12 March when front month May delivery WTI closed at 37.83. The liquidation was undoubtedly exaggerated by a sharp rise in initial margins (a deposit to cover risk and price movements) on futures contracts imposed by NYMEX on open positions ahead of what appeared to be an increasingly imminent start to hostilities in Iraq. NYMEX raised margins on contracts for light sweet crude oil and other crude contracts to $5,500 from $4,000 for clearing members, to $6,050 from $4,400 for members and to $7,425 from $5,400 for customers. Increases of a similar proportion were seen on over-the-counter (OTC) contracts and products. The net result was that traders with open positions were hit with sizeable margin calls on 13 March and either had to fund the position or close those contracts.

Commercial traders, funds and small traders closed a large number of open positions leading to a sharp decline in open interest from that date. Speculative interest, however, had already been turning negative, with the net non-commercial and non-reportable positions moving from a net long of 42,660 lots on 21 January to a net short position of 59,360 lots by 1 April. The heavy net negative bias reflects a general sentiment that a combination of weak seasonal demand coupled with the return of Venezuelan production and higher output by OPEC will more than make up for any production losses from Iraq and Nigeria for the duration of hostilities.





The sharp decline in prices also resulted in an initially steep decline in the backwardation, or front month premium over further forward delivery contracts. However this was swiftly reinstated, reflecting the continued low level of US crude stocks. That premium has remained in the futures curve (see charts above), despite the large US stock build reported in the week ending 28 March.

IPE Brent futures spreads followed a similar pattern on the front month, but it is fair to say that the overall structure has been weaker since the war began. In particular the second to third month backwardation has nearly been erased.

Delivered Crude Prices in January

Delivered prices for crude oil imported into IEA countries rose from $26.55 in December to $29.97 in January, an increase of $3.42 (see Table 8 at the back of the Report). Prices rose by $3.23 in IEA Europe, $3.86 in IEA North America and $2.99 in IEA Pacific. These increases reflected the increases in prices for marker crudes such as Brent, WTI and Dubai (see Oil Market Report, February 2003). The steeper North America price increase reflects the impact that the loss of Venezuelan supply and the exceptionally cold winter had on US Crudes in January. Dubai crude however was weak relative to Brent and WTI in December, which is when January crude programmes will have been negotiated.

Product Prices

Spot Product Prices in February

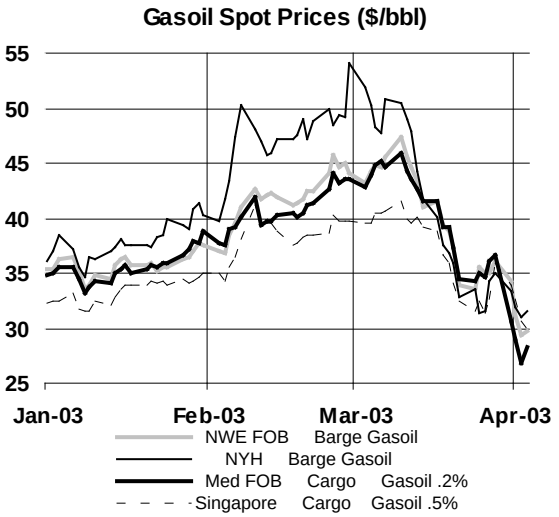
Product prices exhibited even greater volatility in March than crude, with the middle and heavier end of the barrel suffering significant losses in most regions. The US distillate and low sulphur fuel oil markets dominated trading, falling on the onset of milder temperatures in the densely populated US Northeast in the middle of the month. Natural gas prices also fell as a result of milder weather and weak manufacturing conditions, causing a decline in fuel substitution demand. US distillate prices were trading at abnormally high levels relative to the other regions from the middle of February.

Spot Product Prices
(monthly and weekly averages, $/bbl)

	Jan	Feb	Mar	Mar-Feb		Week Beginning:					Jan	Feb	Mar
				Change	*%*	24 Feb	03 Mar	10 Mar	17 Mar	24 Mar			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	35.95	39.85	36.71	-3.15	-7.9	39.69	39.32	39.22	34.10	34.18	4.62	7.18	6.17
Regular Unleaded	35.35	39.31	36.17	-3.14	-8.0	39.16	38.80	38.70	33.57	33.61	4.02	6.63	5.63
Naphtha	33.95	36.99	34.16	-2.83	-7.7	39.45	38.85	38.05	31.33	29.46	2.63	4.32	3.62
Jet/Kerosene	36.76	43.21	43.01	-0.20	-0.5	45.43	46.34	45.42	43.80	37.57	5.44	10.54	12.48
Gasoil	35.78	41.81	40.24	-1.57	-3.8	44.74	44.51	44.40	38.22	35.04	4.45	9.14	9.70
Fuel Oil 1.0%S	27.90	31.98	27.92	-4.06	-12.7	31.72	32.60	30.35	24.80	24.55	-3.42	-0.69	-2.61
Fuel Oil 3.5%	27.08	27.04	22.84	-4.19	-15.5	25.90	24.68	24.94	21.46	20.50	-4.25	-5.64	-7.69
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	35.54	39.45	35.08	-4.37	-11.1	39.46	37.53	37.90	32.05	32.77	6.66	9.07	6.55
Premium Unleaded	34.82	38.73	34.36	-4.37	-11.3	38.74	36.81	37.19	31.33	32.05	5.94	8.35	5.83
Naphtha	32.80	35.61	31.83	-3.78	-10.6	37.90	37.07	35.81	28.75	26.81	3.92	5.24	3.31
Jet/Kerosene	33.21	40.00	36.53	-3.47	-8.7	42.32	42.54	40.61	34.41	29.93	4.33	9.62	8.01
Gasoil	35.61	40.74	39.90	-0.84	-2.1	43.37	44.25	43.55	38.35	35.29	6.73	10.37	11.38
Fuel Oil 1.0%S	30.29	32.28	29.22	-3.06	-9.5	32.68	33.53	32.84	26.32	24.98	1.41	1.90	0.69
Fuel Oil 3.5%S	24.58	24.09	19.59	-4.50	-18.7	22.61	21.76	21.69	17.97	17.15	-4.30	-6.29	-8.93
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	38.69	43.87	41.68	-2.19	-5.0	43.92	45.04	44.95	38.08	38.86	5.70	8.11	8.25
Regular Unleaded 87	36.81	41.86	40.07	-1.79	-4.3	42.36	43.59	42.98	37.17	36.96	3.82	6.10	6.64
Jet/Kerosene	38.38	48.31	41.14	-7.17	-14.8	51.72	50.02	45.68	36.85	33.55	5.39	12.56	7.71
No.2 Heating Oil	37.99	47.37	41.16	-6.21	-13.1	50.23	49.78	46.69	36.60	33.16	5.00	11.62	7.73
Fuel Oil 1.0%S (Cargo)	31.65	35.09	31.71	-3.38	-9.6	39.10	42.03	36.15	26.00	23.99	-1.34	-0.66	-1.72
Fuel Oil 3.0%S (Cargo)	29.08	29.45	25.34	-4.11	-14.0	28.43	29.12	28.25	23.28	21.43	-3.91	-6.30	-8.09
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	34.34	40.13	37.51	-2.63	-6.5	41.53	41.86	41.95	34.47	32.59	6.32	10.12	10.13
Naphtha	32.21	37.34	33.78	-3.56	-9.5	39.26	38.73	40.05	30.95	26.88	4.19	7.32	6.40
Jet/Kerosene	34.37	39.27	35.33	-3.93	-10.0	40.27	40.16	39.38	32.48	30.23	6.34	9.25	7.95
Gasoil	33.39	38.45	36.97	-1.48	-3.9	39.61	40.08	40.07	35.56	32.80	5.37	8.43	9.59
LSWR (0.3%S)	31.05	34.77	30.16	-4.61	-13.3	35.24	33.06	31.96	28.18	27.69	3.03	4.75	2.78
HSFO (3.5%S 180cst)	28.18	30.88	27.85	-3.04	-9.8	30.86	28.99	29.84	26.48	26.27	0.16	0.87	0.47
HSFO 4%S	28.27	30.74	27.93	-2.81	-9.1	30.75	28.93	29.83	26.64	26.45	0.25	0.72	0.55

While US heating oil demand was the dominant driving force among the products, European markets had to contend with additional complications.

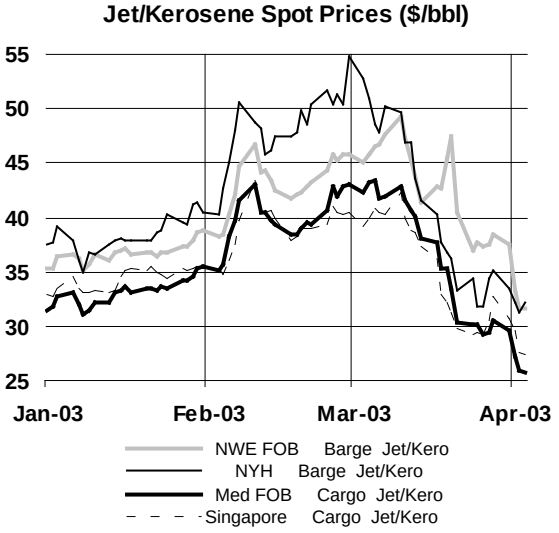
In the first half of the month, significant trade buying of EN590 diesel resulted in record premiums being reported for that product. TotalFinaElf confirmed that its 232 kb/d Donges refinery would stay shut until the middle of April for scheduled maintenance. ChevronTexaco also reported a fire at its 232 kb/d Pembroke refinery in the United Kingdom which caused a 90 kb/d catalytic cracker to be taken down for just over a week. However, middle distillates and fuel oil came under pressure towards the end of the month when an easing of shipping restrictions from the Baltic and Bosphorus weighed on the Rotterdam and Mediterranean markets.



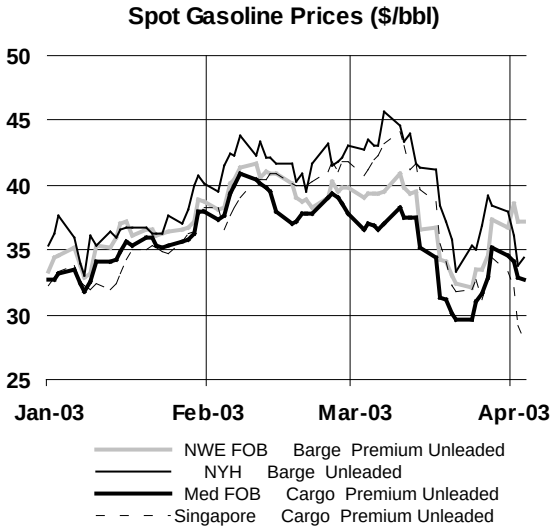
Despite the additional Russian supplies, jet and kerosene in both Rotterdam and the Mediterranean saw lower average declines in March over February than those seen in the New York Harbour market. Rotterdam jet fuel suffered the lowest percentage drop of any product noted in the table above. This was attributed to a supply problem caused by a fire at a Rotterdam storage depot as well as military demand, low stocks and a reduction in Middle East material. Many of the bombing raids on Iraq have been made from UK military bases.

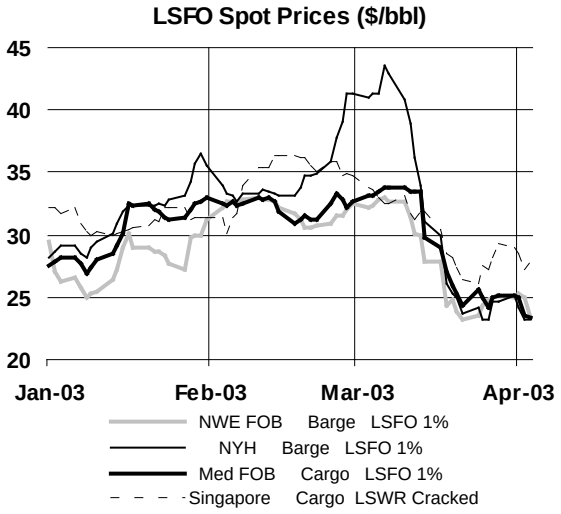
Jet fuel came under pressure towards the end of the month as airlines made significant additional reductions to flight schedules due to the impact of war. Additional flight cancellations were seen in the Far East due to the Severe Acute Respiratory Syndrome (SARS) in Asia.

The heavy pressure in the European fuel oil markets was alleviated slightly by the movement of some material to the Asian markets to take advantage of stronger demand and firm prices in the region. Japanese fuel oil stocks have been falling sharply in recent weeks, reflecting strong demand from utilities. The strength of the Asian market for both high and low sulphur fuel oil is shown in the outperformance of Singapore prices in comparison with US and European values. Much of this demand is believed to have come from China.



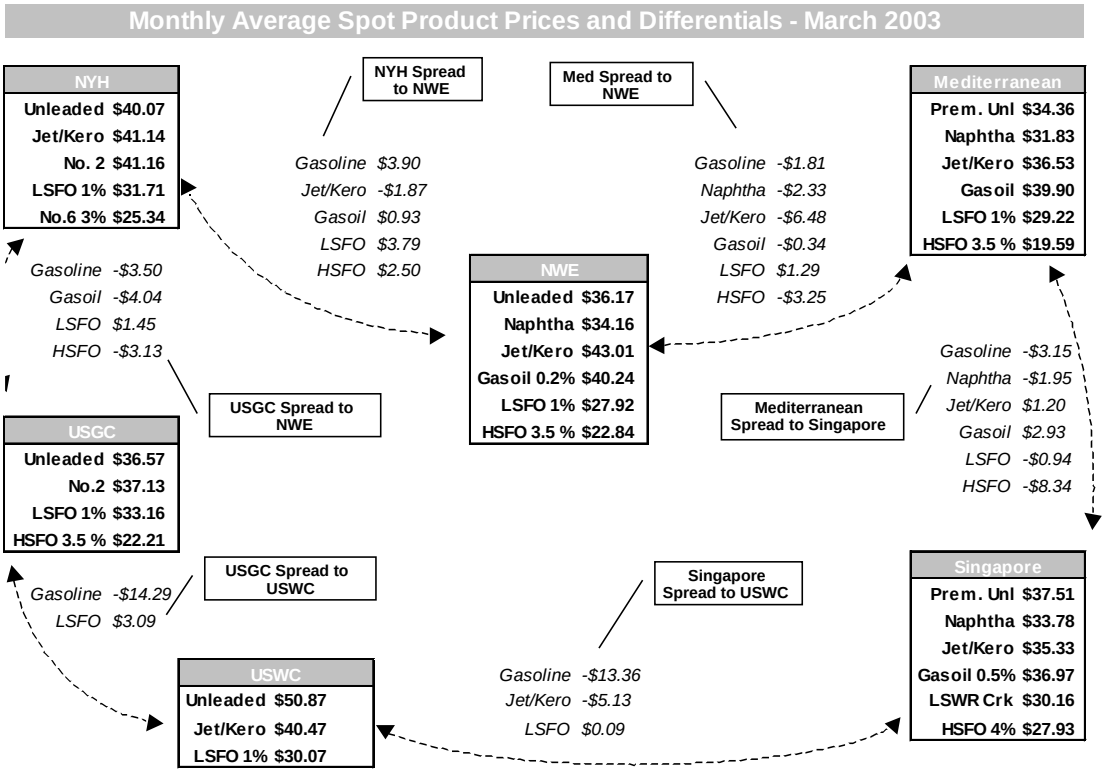
Volumes in the European gasoline market quietened towards the end of March as traders found the arbitrage window to the US closed. Gasoline was shipped to take advantage of the transatlantic trading opportunities earlier in the month, but high shipping costs and a switch to summer grade gasoline in April has largely stifled trading opportunities in the near term. There remains some Nigerian interest to meet domestic demand following the closure of two of their four refineries. European traders have been expecting to be able to ship significant quantities this summer, but currently say that lower freight costs or a higher price difference between the two markets is needed to restart shipments. Until differentials improve, regional gasoline stocks are likely to increase.





The US gasoline market has become the main focus, with NY Harbour prices moving higher to reflect concern over the relatively low level of gasoline stocks. Demand in the US gasoline market has weakened recently in-line with the downturn in the general economy, but it is unclear whether war-related concerns over flying will result in a stronger driving season this year (see grey box below). In addition to the lower demand growth, refinery throughput has also been improving and some exports have been booked from Venezuela to the US. However a complete lifting of the *force majeure* on gasoline exports by PDVSA is not expected until the end of April.

Despite this, the price difference between NY Harbour unleaded gasoline and WTI crude has moved up from $6.10 in February to an average of $6.64 in March, in comparison to the slump in No. 2 heating oil which fell from a premium of $11.62 in February to $7.73 in March.



US Gasoline in the Driver's Seat

Recent heavy maintenance, tight crude availability and strong counter-seasonal demand for gasoline in the first half of the winter have left US gasoline stocks at very low levels ahead of the traditional summer driving season. The situation was exacerbated by the cold winter, which resulted in the maximisation of distillate production when refiners normally would have been preparing for the switch to summer-grade gasoline. Recent Nigerian problems accentuated fears by reducing the supply of high-gasoline yielding sweet crudes. Demand concerns have also been raised following the outbreak of war in Iraq and the spread of Severe Acute Respiratory Syndrome (SARS) in Asia. Both events have reduced air travel, with the corollary that travellers might make greater use of their cars. These developments could be offset by reduced demand associated with the poor economic trends seen in US industry and manufacturing (recent data indicates a drop in primary year-on-year gasoline use).

Gasoline prices have been trading at a premium over forward values (backwardation) to reflect market tightness. This price structure tends to act as a financial disincentive to build stocks. However, we note that refining margins continue to increase as the market moves forward into the summer (i.e. the difference between product futures and crude futures prices) which should still provide some encouragement for refiners to maximise output. In addition, there is still substantial flexibility left in the system.

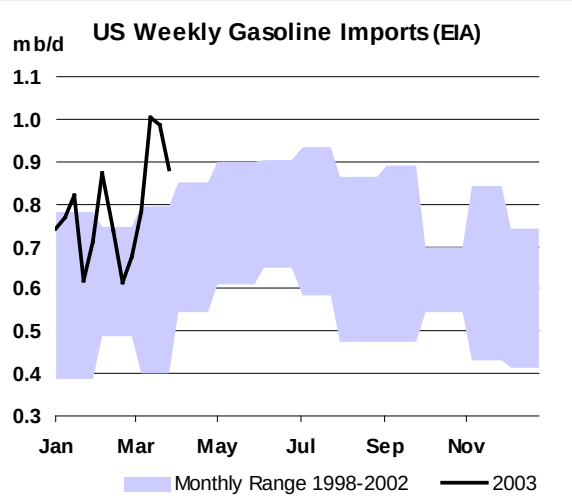
Recent EIA weekly refinery data shows US gasoline output at around 8 mb/d and throughput at 15.1 mb/d, well below the operating capacity of 16.3 mb/d. This results in a gasoline yield of approximately 53%, with significant upside potential. Using 2002 as a benchmark, US refinery runs last summer peaked at 15.55 mb/d with maximum gasoline production of 8.7 mb/d. Gasoline output averaged 8.67 mb/d over the summer months with a gasoline yield of 56.5%, demonstrating that the system can operate at high output levels for some considerable time.

Despite significant investments in upgrading refining capacity the US is increasing its dependency on gasoline imports to meet its domestic requirements. Imports are currently running at around 900 kb/d. Combined with domestic production at 2002 levels, this implies a potential gasoline supply of 9.6 mb/d. A further expansion of foreign shipments is also possible.

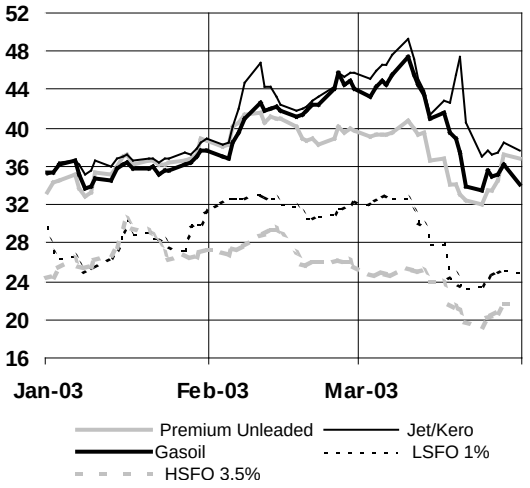
European refiners, who provided 35% of US gasoline imports last year, also appear to be gearing up to cope with high US demand. European gasoline shipments to the US have been high in recent months, but a counter-seasonal build in OECD Europe is evidence that gasoline production is strong. High US gasoline imports in the first quarter have also been achieved at a time when Venezuela has been a net importer of gasoline, rather than an exporter. Combining recent US import levels and last year's refinery output would imply that the system has sufficient capacity to cope with a near 5% increase over summer 2002 demand of 9.167 m b/d.

While the market for finished gasoline should be adequately supplied, regional imbalances may occur, especially with respect to summer grade reformulated gasoline (RFG). RFG stocks currently stand at 33 mb compared with 44 mb in the same week in 2002 and have fallen to less than 6.7 mb in California and under 700,000 barrels in the Mid-continent. RFG production has the potential to expand in line with overall refinery trends, and current output reflects seasonal norms. While the market for RFG will be tight, price signals will encourage incremental production. Environmental waivers similar to those issued by the Bush administration in 2001 also could help to alleviate any supply imbalance.

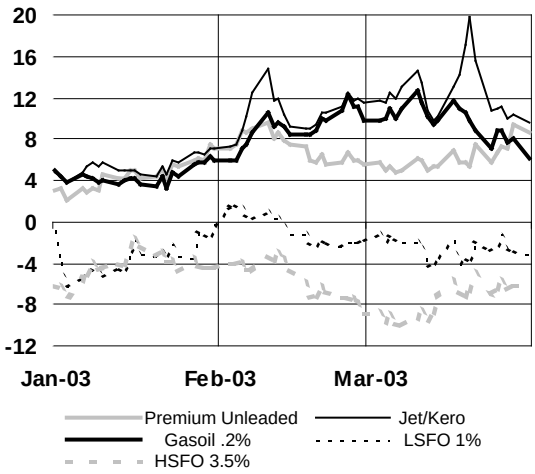
Overall it would appear there should be sufficient capacity to meet demand this summer, but supplies will be tight and prices will reflect this to enable the market to work.



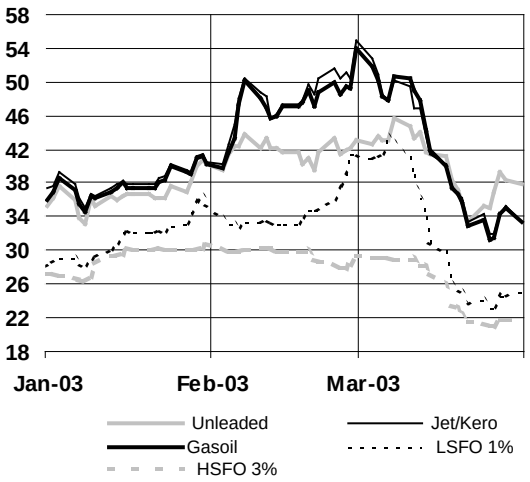
$/bbl **Rotterdam Spot Product Prices**



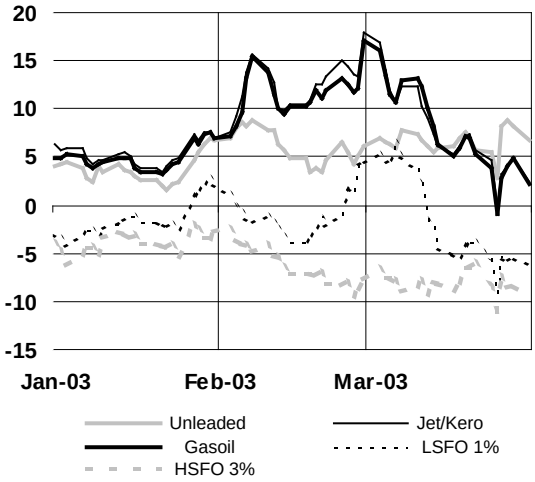
$/bbl **Rotterdam Spreads to Dated Brent**



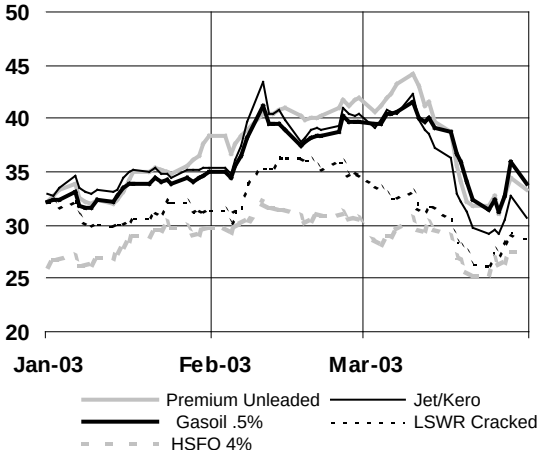
$/bbl **New York Harbour Spot Product Prices**



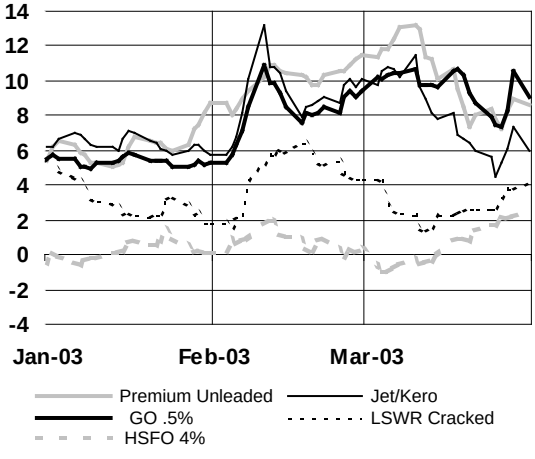
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**

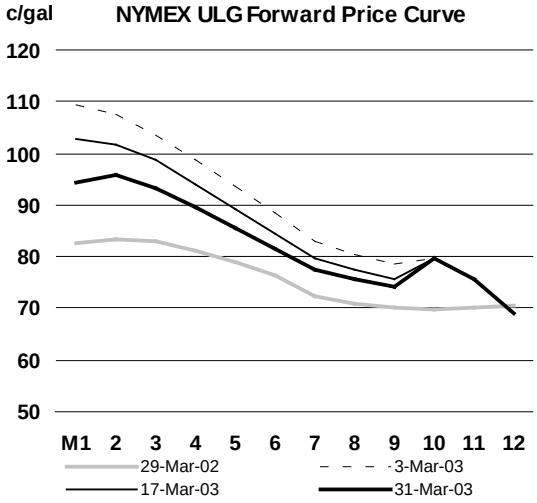


$/bbl **Singapore Spreads to Dubai**



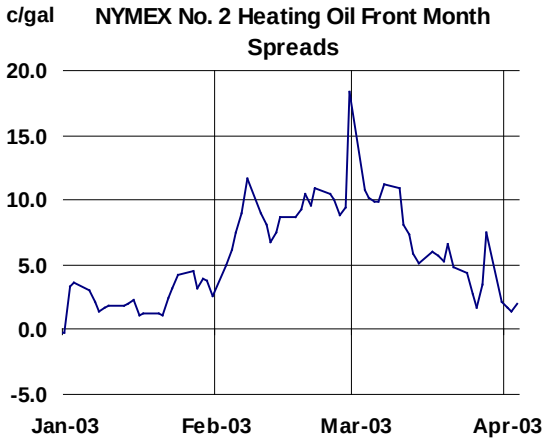
Product Futures in March

The structure of the NYMEX unleaded gasoline market appeared to have changed towards the end of March, with the front month premium over the second-month futures position (backwardation) that was in place for most of the month reverting to a discount (contango). But the reality was that this was merely a technical shift due to the expiry of the front month on the last day of March and the backwardation has been quickly restored. This price relationship is typically in place during a time of relative shortage of material and reflects the low stocks in the market.



In an amply supplied market the nearby price would be at a discount to the spot price (commonly known as a contango market). In a contango market the maximum front month discount possible represents the cost of purchasing the material, finance, insurance and associated storage costs required to be able to deliver it into the following month's contract. In other words in a "full contango" the market actually pays a refiner or trader for storing material.

A contango situation clearly provides an incentive to build stocks, but its absence in the gasoline market does not mean that stocks will not increase. If refining margins remain attractive refiners are still likely to maximise output to meet demand. Futures crack spreads, which provide a rough barometer of refinery margins, are actually higher in the second month forward than in the front month, which should encourage higher throughput.



The NYMEX heating oil and IPE gas oil markets remain firmly in backwardation through to the summer months where the intermonth price differences offer a modest forward premium. In a "normal" market situation the shift to a forward premium structure would generally take place much earlier in the summer to encourage stock building ahead of the winter months. This would appear to imply expectations that refiners will be maximising gasoline output (to the detriment of distillate output) over the coming months.

End-User Product Prices in March

End-user prices saw mixed trends in February, with gasoline price rises generally moderating, but diesel and domestic heating oil values rising sharply. Fuel oil prices for industry varied around Europe.

Gasoline end-user prices continued to rise in February, but at a generally lower rate than in January. The exception was in Canada which saw a 0.5% decline in February, but after a 5.6% rise in January. The slowing trend in gasoline price rises reflected the moderation of gains in the physical markets during the month.

Diesel fuels rose sharply, reflecting the tightness in the US heating oil market and the European diesel sector because of refinery maintenance. Canada saw the sharpest increase in diesel prices, rising 8.8% on the month, following a 7.9% increase in February. US diesel prices rose by 4.8% following a large 11.2% increase in January, and now stand 40.9% higher year-on-year. France again saw the highest monthly increase in Europe of 6.8%, which increased to an ex-tax rise of 15.5%.

Heating oil prices mirrored the sharp increases seen in global physical prices. Spain, France and the UK saw gains in excess of 9%. Italian increments were a modest 3.3%, but that reflects the high tax

component of the domestic price. Ex-tax, Italian prices rose by 7.2% in local currency terms, which is much closer to the European norm. Japanese consumers saw an increase of just 1.7%.

Fuel Oil prices showed no discernible trend across Europe, falling by 2.5% in France and 1% in the UK, while rising by 3.8% in Germany and 1.6% in Spain. Japan saw a 1.7% rise on the month. The year-on-year cost increase to industry is however significant. European fuel oil costs to industry rose by between 24% and 40.4% in March over a year earlier in local currency terms, while in Japan the increase has been just under 20%.

Refining Margins in March

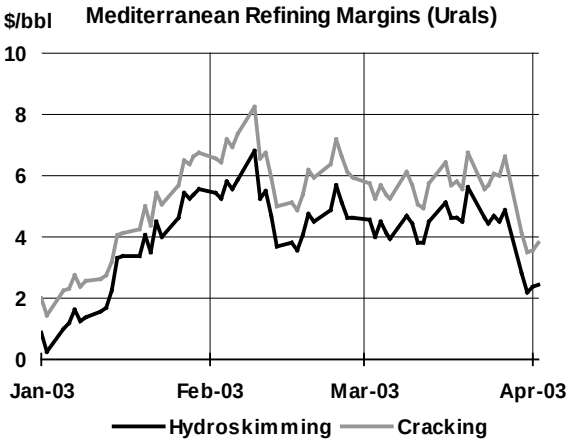
Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Mar-Feb		End of Week:				
	Jan	Feb	Mar	*Change*	%	28 Feb	07 Mar	14 Mar	21 Mar	28 Mar
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-0.34	2.49	2.45	-0.04		2.26	3.26	3.24	1.97	1.00
Brent (Cracking)	0.72	3.91	3.91	0.00		3.65	4.51	4.65	3.40	2.97
Mediterranean										
Urals (Hydroskimming)	2.98	4.98	4.42	-0.56		4.60	3.95	4.48	5.65	4.88
Urals (Cracking)	4.03	6.34	5.67	-0.67		5.95	5.26	5.72	6.76	6.61
US Gulf Coast										
WTI (Cracking)	1.93	4.54	4.06	-0.48		6.75	6.85	3.24	3.33	3.47
Brent (Cracking)	1.07	4.03	2.90	-1.13		5.21	5.63	2.97	2.10	3.21
Singapore										
Dubai (Hydroskimming)	1.76	3.67	3.68	0.01		3.94	4.04	3.34	3.44	4.24
Dubai (Cracking)	3.38	6.03	6.32	0.30		6.73	7.52	6.16	5.47	6.43
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	32.12	36.30	34.13	-2.18	-6.0	37.76	38.97	35.62	28.05	30.09
Brent (Cracking)	33.27	37.82	35.68	-2.14	-5.7	39.25	40.32	37.13	29.58	32.16
Mediterranean										
Urals (Hydroskimming)	32.04	35.53	33.12	-2.40	-6.8	36.60	36.86	34.22	28.58	30.65
Urals (Cracking)	33.19	36.99	34.48	-2.51	-6.8	38.06	38.27	35.57	29.79	32.49
US Gulf Coast										
WTI (Cracking)	36.01	41.40	38.59	-2.81	-6.8	44.75	45.73	39.72	31.94	34.78
Brent (Cracking)	35.85	41.20	38.39	-2.82	-6.8	44.64	45.57	39.57	31.77	34.39
Singapore										
Dubai (Hydroskimming)	30.30	34.21	31.57	-2.65	-7.7	34.81	34.68	33.40	27.64	30.12
Dubai (Cracking)	32.01	36.67	34.31	-2.36	-6.4	37.70	38.26	36.32	29.78	32.42

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

Average refining margins in the four major regions were relatively flat in March compared with the February average, but values were far from static. The first half spikes in middle distillate prices, particularly in Europe and the US resulted in strong margins at that point, but the subsequent collapse of heating oil, gas oil and diesel prices resulted in a sharp fall in values towards the end of March.

Rotterdam refining margins were pressured towards the end of March by the increased availability of Russian gas oil and fuel oil. High freight rates have compounded the situation, making the movement of gasoline to the US unattractive. Although the monthly averages show virtually no change in refining margins in March, the steep decline in margins towards the end of the month has continued into early April to turn hydroskimming margins negative and leaving cracking margins only fractionally positive. A similar trend was seen in the **Mediterranean** region, but the increased availability of Urals and Middle East crudes has helped to mitigate some of the product weakness. By April 3 hydroskimming margins had fallen to $2.46 and

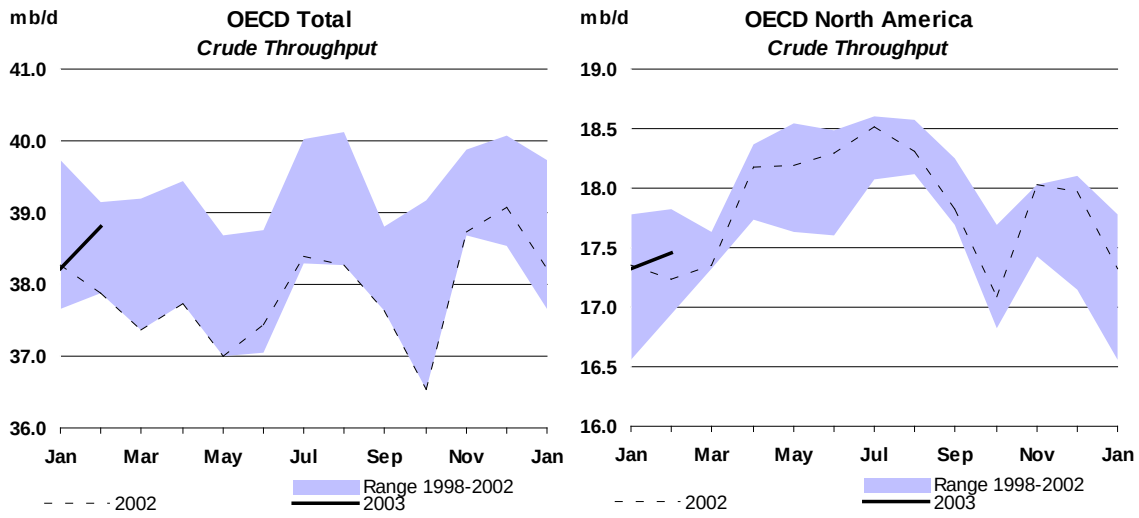


cracking margins to $3.78, nearly half of their March 28 levels. But even so they remain positive, with a relatively weak Urals market helping to offset heavy jet fuel losses.

US Gulf Coast cracking margins for both WTI and Brent averaged slightly below February levels for the month. However a comparison of month-end values shows WTI margins around 50% lower by the end of March to $3.47 and for Brent to $3.21. But by April 3 these had fallen to $2.65 and $2.37 respectively as gasoline came under further pressure.

Singapore hydroskimming and cracking margins remained relatively steady in March on both an average and a month-end comparison basis. This was largely due to the firmer prices of refined products compared with other regions due to lower Japanese stocks and good Chinese and Indonesian demand. Margins have however fallen sharply in early April, with hydroskimming values dipping to $1.72 and cracking $3.14 basis Dubai crude.

OECD Refinery Throughput in February



Preliminary data indicates that total OECD refinery throughput in February 2003 averaged 38.81mb/d, an increase of 580 kb/d over January 2003 levels and 920 kb/d over February 2002 levels. Capacity utilisation rose to 88% from 86.9% in January 2003 and 86.1% in February 2002.

The largest nominal improvements in throughput were seen in **OECD Europe** where runs rose to 13.56 mb/d in February from 13.32 mb/d a month earlier. This put regional throughput above values seen for the past three years. French runs rose 8.9% on the year and 67 kb/d over January levels, but this was largely offset by a 62 kb/d drop in Belgium activity. Spain was another OECD country where a significant fall in refinery runs was observed, dropping 56 kb/d to 1.039 mb/d, the lowest observed level for this time of year since 1995. The Netherlands and Sweden both saw runs improve by over 50 kb/d while in the UK refinery runs rose by 79 kb/d. However, European refinery maintenance is estimated to rise to around 1.3 mb/d in April from 1mb/d in March, which will restrict throughput in the coming weeks.

On a relative basis, the 210 kb/d increase in throughput in **OECD Pacific** to 7.8 mb/d was as significant as the rise in activity in Europe. Japanese refineries raised throughput by 180 kb/d in February to reflect continued strong demand for low sulphur fuel oil for power generation needs. Provisional indications have shown that this strong refining trend will continue into at least April as refiners look to build gasoline stocks ahead of the peak driving season in Japan between Golden Week (May) and the summer holiday. This would also help to partly explain why Nigerian crude imports rose by 478% in February according to Ministry of Economy, Trade and Industry data. Nigerian crudes generally have a high gasoline content, although some Japanese refiners have indicated that they are actively looking to reduce their reliance on Middle Eastern oil this year.

In **OECD North America** refinery throughput only posted a modest 135 kb/d improvement, despite a sharp increase in refining margins over the month. **US** refinery runs rose by a modest 82 kb/d, with many refiners unable to take advantage of sharply higher margins due to a heavy maintenance programme. However, the latest data suggests that US refinery activity was much higher than preliminary estimates which had shown a 200 kb/d fall. Operating rates continued to rise throughout March as maintenance programmes were completed. Preliminary data shows an increase of nearly 400 kb/d in March over revised February data.

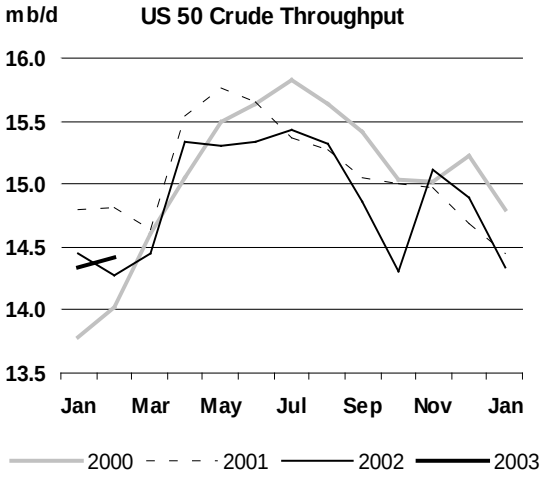
Venezuelan crude availability also improved significantly through February and March. Whether these volumes will be maintained in the coming weeks is uncertain, and by the end of April the US market will start to feel the physical effects of the cessation of Iraqi exports. However recent US stock builds would suggest that there is no shortage of availability to the market.

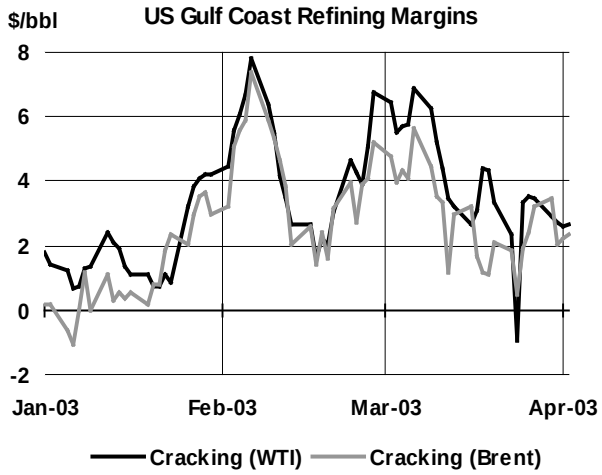
Mexico raised refinery throughput in February by 56 kb/d, which helped to supplement the modest improvement in US runs in the month. For Mexico this represents an 8.9% increase in domestic throughput on the year, and a 4.6% gain on over January 2003 levels.

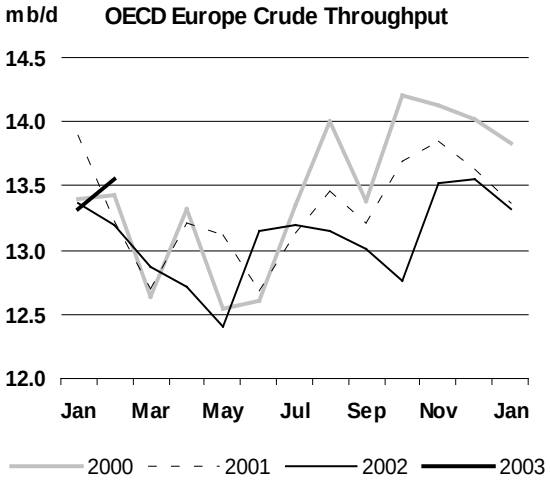
Refinery Crude Throughput and Utilisation in OECD Countries

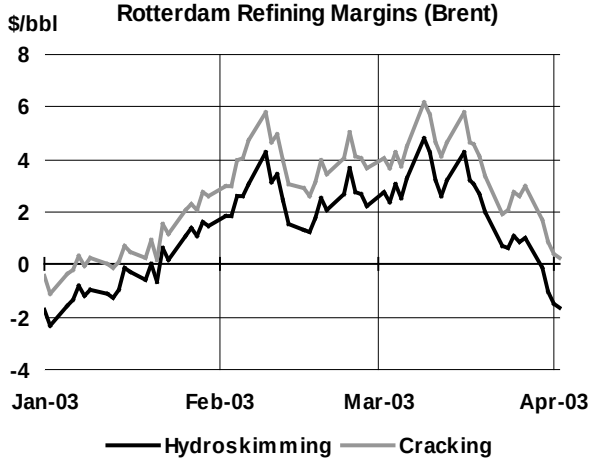
	million barrels per day						*Change from Feb 02*		Utilisation rate[2]	
	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	mb/d	%	Feb 03	Feb 02
OECD North America										
US[3]	14.87	14.30	15.12	14.90	14.34	14.42	0.14	1.0	85.8	85.5
Canada	1.82	1.77	1.83	1.93	1.78	1.77	-0.03	-1.5	91.2	92.5
Mexico	1.13	1.03	1.09	1.15	1.21	1.26	0.10	8.9	81.3	73.6
Total	17.82	17.09	18.04	17.98	17.32	17.45	0.22	1.3	86.0	85.3
OECD Europe										
France	1.65	1.56	1.68	1.72	1.70	1.77	0.14	8.9	93.4	85.8
Germany	2.19	2.08	2.23	2.26	2.25	2.27	0.04	1.6	100.5	98.9
Italy	1.79	1.81	1.90	1.87	1.80	1.84	0.07	3.8	80.6	77.6
Netherlands	1.00	0.96	0.96	0.99	1.00	1.05	-0.02	-2.1	87.4	89.3
Spain	1.12	1.18	1.21	1.18	1.09	1.04	-0.08	-7.2	80.3	86.6
UK	1.64	1.45	1.61	1.63	1.57	1.65	-0.02	-0.9	92.6	93.4
Other OECD Europe	3.63	3.71	3.92	3.91	3.89	3.93	0.23	6.3	85.5	80.4
Total	13.01	12.75	13.52	13.56	13.32	13.56	0.36	2.8	88.5	86.1
OECD Pacific										
Japan	3.93	3.68	4.22	4.46	4.51	4.69	0.35	8.2	94.4	87.3
Korea	2.03	2.21	2.16	2.28	2.30	2.30	-0.01	-0.5	90.0	90.5
Other OECD Pacific	0.84	0.79	0.82	0.80	0.78	0.80	0.00	-0.5	83.9	84.4
Total	6.80	6.68	7.19	7.54	7.59	7.80	0.34	4.5	91.9	87.9
OECD Total	37.63	36.53	38.74	39.07	38.23	38.81	0.92	2.4	88.0	86.1

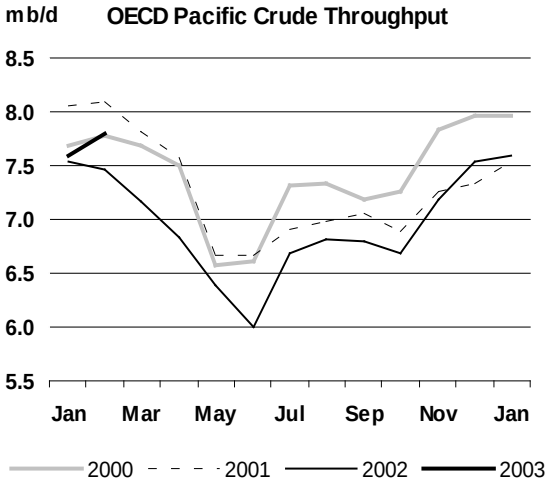
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50


mb/d
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan-03
Feb-03
Mar-03
Apr-03
Cracking (WTI)
Cracking (Brent)


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
Rotterdam Refining Margins (Brent)
8
6
4
2
0
-2
-4
Jan-03
Feb-03
Mar-03
Apr-03
Hydroskimming
Cracking


mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003

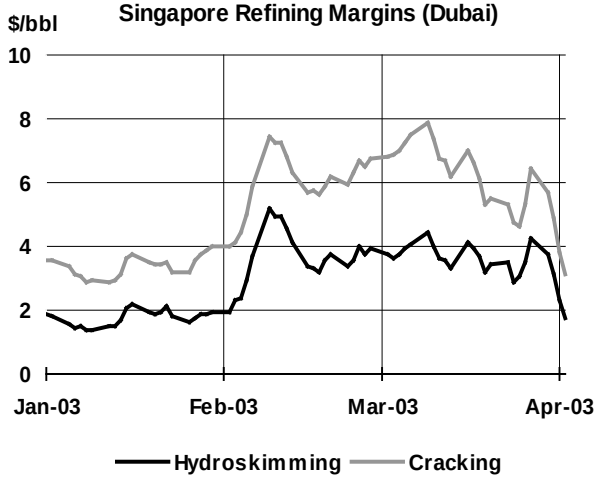

$/bbl
Singapore Refining Margins (Dubai)
10
8
6
4
2
0
Jan-03
Feb-03
Mar-03
Apr-03
Hydroskimming
Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.2	23.9	24.4	24.1	24.5	24.5	24.4
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.4	15.1	15.1	14.7	15.2	15.5	15.1
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.1	9.3	8.5	9.6	8.0	8.1	9.1	8.7
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	48.0	46.1	47.3	48.8	47.6	49.1	46.8	47.8	49.0	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.7	3.7	3.7	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	5.3	5.3	5.3	5.5	5.3
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.6	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.7	4.7	4.6	4.7	4.8	4.7	4.7
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.8	5.0	5.2	4.9	5.0	4.9	5.1	5.3	5.1	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.5
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.1	28.8	28.7	29.3	29.3	29.9	29.3	29.3	29.6	30.0	30.3	29.8
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.0	76.5	76.6	75.4	76.7	78.7	76.9	78.4	76.4	77.8	79.4	78.0
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.4	14.5	14.5	14.8	14.9	15.0	15.3	15.0
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.8	6.6	6.8	6.6	6.6	6.7	6.7
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.8	0.8	0.8
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.1	21.4	22.1	21.9	22.3	22.2	22.4	22.8	22.4
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.9	9.9	10.1	10.2	10.0
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.4
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	4.0	4.0	4.0	4.0
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.8	2.8	2.9	2.8	3.0	3.1	3.0	3.0	3.0	3.0	3.1	3.2	3.3	3.1
Total Non-OECD	21.8	22.4	22.8	22.9	23.2	23.5	23.1	24.0	24.2	24.6	24.7	24.4	24.9	25.1	25.3	25.5	25.2
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	46.0	46.3	46.1	46.7	47.5	46.7	47.8	48.1	47.7	48.5	48.0	49.0	49.0	49.5	50.1	49.4
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.2	25.3	25.9	25.1	26.7				
NGLs	2.8	2.9	3.0	3.0	3.1	3.2	3.1	3.4	3.4	3.5	3.4	3.4	3.3	3.8	3.9	4.0	3.7
Total OPEC	29.4	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.7	28.9	29.3	28.5	30.0				
Total Supply[4]	74.3	76.7	77.5	75.9	77.0	76.7	76.8	76.1	75.8	76.6	77.9	76.6	79.0				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.9	-1.1	-0.4					
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.2	0.1					
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8	-0.8	-0.3					
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2	0.0	0.0					
Miscellaneous to balance[5]	-0.4	0.3	0.1	0.1	0.1	-0.2	0.1	-0.5	-0.1	1.0	0.0	0.1					
Total Stock Ch. & Misc	-1.2	0.5	0.2	0.4	0.9	-0.4	0.3	-0.6	0.4	-0.1	-0.8	-0.3	0.6				
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.7	27.3	28.0	26.4	26.3	26.3	26.8	25.4	23.9	25.4	26.7	25.4	26.1	23.6	24.4	25.3	24.8
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	72.9	71.8	73.0	74.7	73.1	74.7	72.7	74.0	75.4	74.2
Total demand exc. FSU (% ch)[7]	2.5	1.1	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.2	0.7	2.0	0.4	2.4	1.2	1.3	0.9	1.5

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-0.1	-0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	-	-	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-0.1	0.1	0.1	0.1	-0.2	-0.1	-	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-0.1	-	-	0.1	-0.1	-	-	-
Total Demand	-	-	-	-	-	-0.1	-	-	-	-	0.1	0.1	0.2	-0.2	-0.1	0.1	-
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-	-0.1	-	-0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-0.1	-0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-0.1	-0.2	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-0.1	-0.2	-0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-					
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	-	-	-					
Total Supply	-	-	-	-	-	-	-	-	-	-	-	-					
STOCK CHANGES AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-	-0.2	-					
Government	-	-	-	-	-	-	-	-	-	-	-	-					
Total	-	-	-	-	-	-	-	-	-	-	-0.2	-0.1					
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	0.1					
Miscellaneous to balance	-	-	-0.1	-	-	-	-	-	-	-	0.1	0.1					
Total Stock Ch. & Misc	-	-	-	-	-	-	-	-	-	-	-0.1	-					
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.2	-0.3	-	0.3	-
Total Demand ex. FSU	-	-	-	-	-	-	-	-	-	-	0.1	-	0.2	-0.2	-0.1	0.1	-

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	September			Third Quarter			October			November			December		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%
North America															
LPG	2.75	2.67	-3.1	2.63	2.63	0.4	2.89	2.88	-0.3	2.87	2.97	3.5	2.96	3.04	2.8
Naphtha	0.29	0.44	52.1	0.31	0.44	40.6	0.38	0.38	1.5	0.39	0.43	8.1	0.38	0.42	11.9
Motor Gasoline	9.80	10.01	2.2	10.15	10.40	2.5	9.97	10.15	1.8	9.97	10.13	1.7	9.85	10.23	3.9
Jet/Kerosene	1.74	1.82	4.2	1.93	1.86	-3.6	1.77	1.89	6.9	1.70	1.88	10.3	1.78	1.96	10.0
Gasoil	4.41	4.53	2.7	4.48	4.49	0.3	4.76	4.74	-0.5	4.60	4.81	4.6	4.38	4.75	8.5
Residual Fuel Oil	1.25	1.23	-1.2	1.50	1.24	-17.3	1.52	1.25	-17.9	1.37	1.32	-3.0	1.23	1.53	24.2
Other Products	2.71	2.89	6.8	2.93	3.01	2.6	2.86	2.71	-5.5	2.73	2.67	-2.2	2.50	2.26	-9.5
Total	22.95	23.59	2.8	23.93	24.08	0.6	24.14	23.99	-0.6	23.63	24.21	2.5	23.07	24.19	4.9
Europe															
LPG	0.89	0.81	-8.2	0.86	0.86	-0.5	0.85	0.90	6.2	0.97	0.93	-3.9	1.04	1.07	2.4
Naphtha	1.15	1.09	-4.7	1.15	1.08	-6.6	1.11	1.11	0.5	1.12	1.12	-0.3	1.08	1.15	6.4
Motor Gasoline	3.01	2.89	-3.9	3.10	3.01	-2.7	3.04	2.94	-3.3	2.93	2.83	-3.3	2.87	2.76	-3.7
Jet/Kerosene	1.25	1.15	-7.9	1.20	1.15	-4.4	1.05	1.15	9.4	0.99	1.05	5.3	0.95	1.09	14.7
Gasoil	5.98	5.89	-1.6	5.74	5.65	-1.6	5.97	6.06	1.4	6.19	6.05	-2.3	5.94	5.83	-1.9
Residual Fuel Oil	2.01	1.93	-4.3	1.97	1.98	0.3	2.00	2.01	0.3	2.30	2.01	-12.5	2.33	2.11	-9.7
Other Products	1.48	1.52	2.1	1.49	1.47	-1.6	1.50	1.45	-3.7	1.36	1.34	-2.0	1.15	1.13	-2.2
Total	15.77	15.28	-3.1	15.52	15.19	-2.1	15.52	15.62	0.6	15.86	15.33	-3.4	15.37	15.13	-1.6
Pacific															
LPG	0.85	0.78	-7.5	0.81	0.80	-0.8	0.85	0.90	6.2	0.97	0.98	1.4	1.05	1.03	-2.1
Naphtha	1.43	1.51	5.5	1.40	1.54	10.4	1.38	1.46	6.1	1.37	1.56	13.6	1.49	1.62	9.1
Motor Gasoline	1.53	1.66	8.5	1.62	1.65	1.6	1.51	1.52	0.7	1.57	1.51	-4.0	1.65	1.70	3.1
Jet/Kerosene	0.85	0.90	6.2	0.73	0.78	7.3	0.84	0.98	16.9	1.22	1.39	14.2	1.72	1.80	4.9
Gasoil	1.86	1.88	1.0	1.79	1.80	0.6	1.81	1.95	7.6	2.02	2.00	-1.0	2.10	2.13	1.4
Residual Fuel Oil	1.02	1.09	6.1	1.11	1.01	-8.4	1.02	1.06	4.3	1.08	1.25	15.1	1.17	1.29	9.9
Other Products	0.54	0.49	-8.0	0.59	0.47	-21.0	0.46	0.50	8.5	0.55	0.61	10.8	0.53	0.71	33.2
Total	8.09	8.33	2.9	8.04	8.05	0.1	7.87	8.38	6.5	8.78	9.29	5.9	9.71	10.27	5.9
OECD															
LPG	4.49	4.26	-5.0	4.30	4.30	0.0	4.58	4.68	2.1	4.81	4.89	1.6	5.06	5.14	1.7
Naphtha	2.87	3.05	6.2	2.86	3.06	6.9	2.86	2.96	3.4	2.89	3.10	7.5	2.94	3.19	8.4
Motor Gasoline	14.34	14.57	1.6	14.87	15.06	1.3	14.52	14.62	0.7	14.47	14.47	0.0	14.36	14.69	2.3
Jet/Kerosene	3.85	3.87	0.7	3.86	3.79	-1.8	3.66	4.02	9.9	3.92	4.32	10.2	4.44	4.85	9.0
Gasoil	12.25	12.30	0.4	12.01	11.94	-0.6	12.54	12.74	1.6	12.80	12.85	0.4	12.42	12.71	2.3
Residual Fuel Oil	4.28	4.25	-0.9	4.58	4.23	-7.5	4.54	4.32	-4.9	4.75	4.58	-3.5	4.73	4.92	4.0
Other Products	4.73	4.90	3.6	5.02	4.94	-1.4	4.83	4.66	-3.6	4.64	4.61	-0.6	4.18	4.09	-2.1
Total	46.81	47.20	0.8	47.49	47.32	-0.4	47.54	47.99	1.0	48.27	48.83	1.2	48.14	49.59	3.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	October			November			December			Fourth Quarter			January		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%
United States[2]															
LPG	2.17	2.22	2.0	2.17	2.27	4.5	2.21	2.33	5.3	2.18	2.27	3.9	2.40	2.66	10.7
Naphtha	0.30	0.25	-14.8	0.26	0.31	15.9	0.25	0.30	16.4	0.27	0.28	4.8	0.25	0.29	14.2
Motor Gasoline	8.65	8.80	1.7	8.68	8.82	1.6	8.59	8.89	3.6	8.64	8.84	2.3	8.22	8.50	3.5
Jet/Kerosene	1.59	1.68	5.4	1.53	1.67	9.3	1.61	1.78	10.2	1.58	1.71	8.3	1.66	1.66	0.3
Gasoil	3.89	3.81	-2.0	3.75	3.94	5.1	3.60	3.90	8.3	3.75	3.88	3.6	3.93	4.33	10.1
Residual Fuel Oil	0.74	0.59	-20.3	0.68	0.74	8.8	0.56	0.84	47.9	0.66	0.72	9.1	0.64	0.71	10.2
Other Products	2.48	2.25	-9.6	2.34	2.21	-5.4	2.17	1.83	-15.8	2.33	2.09	-10.2	2.24	1.90	-15.5
Total	19.82	19.59	-1.2	19.40	19.94	2.8	19.00	19.86	4.5	19.41	19.80	2.0	19.34	20.04	3.6
Japan[3]															
LPG	0.54	0.52	-3.2	0.62	0.63	1.2	0.67	0.66	-0.6	0.61	0.60	-0.7	0.65	0.63	-2.8
Naphtha	0.79	0.84	6.0	0.75	0.86	14.7	0.83	0.90	8.7	0.79	0.87	9.6	0.85	0.87	2.9
Motor Gasoline	0.98	0.99	1.7	1.00	1.02	2.0	1.09	1.08	-0.3	1.02	1.03	1.1	0.92	0.93	1.0
Jet/Kerosene	0.56	0.61	8.0	0.84	0.99	17.0	1.19	1.26	5.6	0.87	0.95	9.8	1.15	1.17	2.2
Diesel	0.69	0.68	-1.8	0.73	0.69	-5.3	0.72	0.69	-4.4	0.71	0.69	-3.8	0.60	0.58	-2.3
Other Gasoil	0.48	0.49	2.5	0.56	0.58	2.9	0.66	0.67	0.8	0.57	0.58	2.0	0.62	0.64	4.0
Residual Fuel Oil	0.53	0.60	13.1	0.54	0.68	24.7	0.59	0.74	24.7	0.55	0.67	20.9	0.55	0.73	31.9
Direct use of Crude Oil	0.04	0.10	138.1	0.08	0.14	82.5	0.07	0.24	267.9	0.06	0.16	161.7	0.07	0.18	148.3
Other Products	0.32	0.30	-7.3	0.35	0.36	3.2	0.36	0.36	1.8	0.34	0.34	-0.6	0.28	0.33	18.0
Total	4.93	5.13	3.9	5.48	5.95	8.6	6.17	6.61	7.0	5.53	5.89	6.6	5.69	6.08	6.8
Germany															
LPG	0.07	0.07	1.1	0.08	0.07	-4.6	0.08	0.08	5.6	0.07	0.07	0.8	0.09	0.08	-19.9
Naphtha	0.34	0.39	14.7	0.36	0.34	-5.3	0.35	0.38	7.2	0.35	0.37	5.4	0.36	0.34	-4.2
Motor Gasoline	0.68	0.65	-4.5	0.66	0.62	-7.2	0.64	0.60	-5.5	0.66	0.62	-5.7	0.55	0.51	-6.4
Jet/Kerosene	0.15	0.16	0.3	0.13	0.14	6.1	0.12	0.13	11.6	0.13	0.14	5.5	0.14	0.13	-3.0
Diesel	0.57	0.55	-3.0	0.59	0.57	-4.1	0.47	0.49	4.3	0.54	0.54	-1.2	0.43	0.44	3.4
Other Gasoil	0.73	0.65	-11.0	0.74	0.68	-7.6	0.65	0.69	6.7	0.71	0.67	-4.4	0.69	0.58	-14.7
Residual Fuel Oil	0.17	0.18	5.5	0.20	0.20	-3.1	0.18	0.18	0.1	0.18	0.18	0.6	0.20	0.21	4.0
Other Products	0.17	0.13	-24.7	0.16	0.13	-19.9	0.10	0.08	-20.9	0.14	0.11	-22.1	0.13	0.06	-56.6
Total	2.88	2.77	-3.9	2.92	2.74	-6.1	2.59	2.64	2.0	2.79	2.71	-2.8	2.58	2.35	-8.7
Italy															
LPG	0.11	0.12	9.7	0.14	0.12	-14.4	0.19	0.16	-11.3	0.15	0.14	-6.9	0.19	0.17	-6.9
Naphtha	0.10	0.08	-14.8	0.06	0.08	34.4	0.06	0.08	19.1	0.07	0.08	8.1	0.08	0.12	48.6
Motor Gasoline	0.40	0.39	-2.4	0.38	0.35	-7.7	0.37	0.38	0.6	0.39	0.37	-3.1	0.36	0.34	-4.7
Jet/Kerosene	0.07	0.07	8.1	0.07	0.07	2.0	0.06	0.07	13.5	0.07	0.07	7.9	0.06	0.09	37.7
Diesel	0.46	0.46	1.4	0.44	0.44	1.1	0.44	0.43	-1.5	0.44	0.45	0.4	0.42	0.42	-0.7
Other Gasoil	0.17	0.19	15.6	0.18	0.18	-1.8	0.23	0.21	-10.3	0.19	0.19	-0.1	0.18	0.16	-8.6
Residual Fuel Oil	0.44	0.45	2.5	0.51	0.39	-23.9	0.52	0.43	-17.0	0.49	0.42	-13.5	0.55	0.38	-30.5
Other Products	0.16	0.16	-0.3	0.12	0.16	34.5	0.12	0.11	-8.2	0.13	0.14	7.6	0.11	0.12	3.8
Total	1.90	1.94	1.9	1.90	1.80	-5.6	2.00	1.87	-6.3	1.94	1.87	-3.4	1.95	1.80	-7.7
France															
LPG	0.11	0.11	1.7	0.14	0.12	-9.8	0.15	0.13	-8.5	0.13	0.12	-6.0	0.17	0.16	-6.8
Naphtha	0.18	0.16	-9.1	0.20	0.15	-22.8	0.16	0.16	-1.8	0.18	0.16	-11.8	0.19	0.17	-7.6
Motor Gasoline	0.32	0.31	-3.8	0.30	0.29	-4.9	0.29	0.26	-10.1	0.30	0.28	-6.2	0.27	0.26	-5.7
Jet/Kerosene	0.12	0.13	6.2	0.13	0.13	1.3	0.11	0.13	14.5	0.12	0.13	7.2	0.12	0.15	24.1
Diesel	0.63	0.65	4.5	0.62	0.62	0.8	0.56	0.55	-1.1	0.60	0.61	1.5	0.56	0.57	2.4
Other Gasoil	0.36	0.37	4.1	0.38	0.35	-9.1	0.47	0.37	-21.7	0.41	0.36	-10.1	0.54	0.55	2.0
Residual Fuel Oil	0.13	0.13	-1.3	0.14	0.13	-6.5	0.14	0.14	-6.0	0.14	0.13	-4.7	0.19	0.14	-26.2
Other Products	0.21	0.18	-11.4	0.17	0.16	-2.4	0.13	0.14	8.9	0.17	0.16	-3.2	0.15	0.14	-2.2
Total	2.05	2.05	-0.1	2.07	1.95	-5.5	2.02	1.88	-6.6	2.04	1.96	-4.1	2.19	2.15	-1.9
United Kingdom															
LPG	0.15	0.16	6.4	0.14	0.16	14.5	0.15	0.16	8.7	0.15	0.16	9.8	0.15	0.16	8.9
Naphtha	0.03	0.05	49.1	0.04	0.08	79.0	0.07	0.06	-3.1	0.05	0.06	34.1	0.02	0.07	215.5
Motor Gasoline	0.50	0.45	-10.3	0.49	0.46	-5.0	0.47	0.43	-6.6	0.48	0.45	-7.3	0.46	0.41	-10.0
Jet/Kerosene	0.27	0.34	25.8	0.30	0.31	3.2	0.30	0.35	19.5	0.29	0.33	15.9	0.30	0.37	23.9
Diesel	0.34	0.37	7.6	0.38	0.37	-2.3	0.33	0.32	-4.0	0.35	0.35	0.4	0.32	0.30	-6.4
Other Gasoil	0.16	0.15	-4.8	0.17	0.15	-10.6	0.16	0.15	-7.7	0.16	0.15	-7.7	0.16	0.15	-6.4
Residual Fuel Oil	0.08	0.07	-14.2	0.08	0.09	4.0	0.08	0.09	9.8	0.08	0.08	-0.2	0.10	0.10	3.9
Other Products	0.16	0.14	-15.5	0.17	0.12	-26.9	0.12	0.13	6.4	0.15	0.13	-13.7	0.15	0.11	-26.1
Total	1.69	1.72	1.5	1.78	1.75	-1.6	1.67	1.69	1.7	1.71	1.72	0.5	1.67	1.69	1.2
Canada															
LPG	0.26	0.22	-14.1	0.25	0.26	5.4	0.26	0.25	-5.6	0.26	0.24	-5.0	0.25	0.26	2.3
Naphtha	0.05	0.08	56.7	0.08	0.08	-3.7	0.08	0.08	2.7	0.07	0.08	12.6	0.08	0.08	0.0
Motor Gasoline	0.67	0.69	2.8	0.66	0.67	1.5	0.63	0.66	5.7	0.65	0.68	3.3	0.63	0.65	4.6
Jet/Kerosene	0.09	0.12	35.9	0.08	0.12	36.7	0.08	0.09	19.0	0.08	0.11	30.7	0.11	0.09	-19.8
Diesel	0.18	0.19	2.1	0.18	0.18	-2.6	0.16	0.15	-5.4	0.17	0.17	-1.8	0.16	0.17	4.5
Other Gasoil	0.31	0.35	12.2	0.31	0.33	6.4	0.30	0.36	18.2	0.31	0.35	12.2	0.35	0.39	12.9
Residual Fuel Oil	0.13	0.13	-1.5	0.15	0.15	-1.3	0.15	0.18	17.1	0.15	0.15	5.1	0.14	0.16	17.9
Other Products	0.27	0.30	14.9	0.28	0.28	-0.7	0.23	0.26	16.8	0.26	0.28	9.9	0.24	0.25	3.0
Total	1.96	2.08	6.2	2.01	2.07	3.1	1.88	2.03	7.9	1.95	2.06	5.7	1.96	2.06	5.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Jan 03	Feb 03	Mar 03
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.73	8.61				8.25	8.57	9.01
Iran	3.70	3.42		3.55	3.69				3.63	3.70	3.75
Iraq	2.36	2.01		2.38	2.13				2.49	2.49	1.46
UAE	2.16	1.99		2.00	2.29				2.21	2.32	2.35
Kuwait	1.72	1.60		1.62	1.78				1.70	1.70	1.93
Neutral Zone	0.57	0.54		0.54	0.60				0.57	0.60	0.63
Qatar	0.67	0.64		0.71	0.74				0.72	0.74	0.75
Nigeria	2.08	1.95		1.99	2.11				2.14	2.19	2.00
Libya	1.37	1.32		1.34	1.39				1.36	1.39	1.43
Algeria	0.84	0.85		0.94	1.04				1.00	1.05	1.08
Venezuela	2.68	2.29		1.99	1.30				0.57	1.43	1.92
Indonesia	1.21	1.11		1.10	1.04				1.05	1.05	1.03
Total Crude Oil	27.04	25.09		25.90	26.72				25.69	27.22	27.31
Total NGLs[1]	3.07	3.45	3.72	3.45	3.26	3.78	3.89	3.96	3.04	3.16	3.56
Total OPEC	30.11	28.54		29.35	29.98				28.73	30.37	30.87
NON-OPEC[2]											
OECD											
North America	14.36	14.55	14.99	14.55	14.80	14.87	15.02	15.27	14.68	14.81	14.90
United States	8.07	8.10	8.16	8.03	8.08	8.14	8.15	8.28	8.03	8.11	8.10
Mexico	3.56	3.59	3.79	3.60	3.75	3.78	3.80	3.82	3.74	3.75	3.75
Canada	2.73	2.87	3.04	2.92	2.97	2.94	3.07	3.18	2.91	2.95	3.05
Europe	6.67	6.61	6.69	6.79	6.82	6.57	6.64	6.75	6.63	6.87	6.96
UK	2.53	2.50	2.58	2.61	2.59	2.47	2.62	2.62	2.52	2.58	2.68
Norway	3.41	3.33	3.29	3.39	3.42	3.28	3.19	3.28	3.32	3.48	3.47
Others	0.72	0.78	0.83	0.80	0.81	0.82	0.83	0.85	0.79	0.82	0.81
Pacific	0.79	0.76	0.75	0.73	0.73	0.74	0.77	0.76	0.71	0.75	0.75
Australia	0.73	0.71	0.70	0.67	0.68	0.69	0.72	0.71	0.65	0.70	0.69
Others	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.81	21.92	22.43	22.07	22.35	22.17	22.43	22.78	22.02	22.43	22.60
NON-OECD											
Former USSR	8.56	9.37	10.03	9.78	9.89	9.94	10.09	10.20	9.81	9.90	9.96
Russia	7.02	7.66	8.17	7.99	8.10	8.12	8.21	8.23	8.04	8.11	8.15
Others	1.54	1.71	1.87	1.79	1.79	1.82	1.88	1.97	1.78	1.80	1.80
Asia	5.63	5.78	5.87	5.81	5.83	5.86	5.88	5.89	5.81	5.86	5.83
China	3.30	3.39	3.42	3.40	3.40	3.41	3.43	3.43	3.38	3.42	3.40
Malaysia	0.75	0.77	0.78	0.77	0.78	0.78	0.78	0.78	0.78	0.78	0.76
India	0.73	0.75	0.76	0.76	0.75	0.76	0.76	0.76	0.75	0.76	0.75
Others	0.85	0.87	0.91	0.89	0.90	0.92	0.91	0.92	0.90	0.90	0.91
Europe	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.90	3.97	3.83	3.91	3.96	3.98	4.02	3.88	3.92	3.94
Brazil	1.56	1.73	1.84	1.67	1.78	1.83	1.86	1.89	1.74	1.78	1.81
Argentina	0.83	0.80	0.78	0.79	0.79	0.78	0.78	0.78	0.78	0.79	0.79
Colombia	0.62	0.59	0.56	0.58	0.57	0.56	0.55	0.55	0.57	0.57	0.57
Ecuador	0.42	0.40	0.40	0.40	0.39	0.39	0.39	0.41	0.40	0.39	0.39
Others	0.36	0.38	0.39	0.39	0.39	0.40	0.40	0.39	0.39	0.39	0.39
Middle East[3]	2.17	2.10	2.03	2.09	2.06	2.05	2.02	2.00	2.05	2.07	2.06
Oman	0.96	0.90	0.84	0.89	0.86	0.85	0.84	0.82	0.85	0.87	0.86
Syria	0.57	0.55	0.53	0.55	0.54	0.53	0.52	0.52	0.54	0.54	0.54
Yemen	0.45	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Africa	2.79	3.03	3.12	2.99	2.98	3.08	3.17	3.25	2.97	2.98	3.00
Egypt	0.76	0.75	0.76	0.75	0.76	0.76	0.76	0.76	0.77	0.76	0.76
Angola	0.74	0.90	0.92	0.84	0.83	0.92	0.95	0.96	0.82	0.82	0.85
Gabon	0.30	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Others	1.00	1.09	1.16	1.10	1.10	1.11	1.17	1.25	1.10	1.11	1.11
Total Non-OECD	23.12	24.36	25.19	24.67	24.85	25.05	25.31	25.53	24.70	24.90	24.96
Processing Gains[4]	1.74	1.76	1.80	1.78	1.82	1.78	1.78	1.82	1.82	1.82	1.82
TOTAL NON-OPEC	46.66	48.05	49.43	48.52	49.03	49.01	49.52	50.14	48.55	49.15	49.39
TOTAL SUPPLY	76.78	76.58		77.87	79.01				77.28	79.53	80.26

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Jan-03	Feb-03	Mar-03
United States											
Alaska	978	986	991	973	1009	992	950	1015	990	1018	1020
California	805	790	772	779	775	773	771	769	778	775	773
Texas	1163	1148	1131	1136	1135	1133	1130	1127	1135	1133	1137
Federal Gulf of Mexico[2]	1536	1578	1697	1587	1668	1673	1696	1750	1664	1669	1671
Other US Lower 48	1341	1299	1275	1279	1280	1277	1274	1271	1277	1284	1278
NGLs[3]	1864	1881	1859	1844	1778	1858	1892	1908	1756	1790	1790
Other Hydrocarbons	382	417	436	432	435	437	437	437	432	441	434
Total	8068	8099	8163	8030	8081	8142	8150	8276	8032	8110	8103
Canada											
Alberta Light/Medium/Heavy	719	667	658	656	661	639	662	670	661	660	662
Alberta Bitumen	309	288	274	288	264	269	275	287	235	255	300
Saskatchewan	427	422	417	422	421	407	420	419	421	421	420
Other Crude	232	347	401	354	402	425	352	424	381	399	425
NGLs	692	698	725	720	730	710	720	740	730	730	730
Synthetic Crudes	349	444	567	481	495	495	637	640	485	490	510
Total	2727	2865	3041	2920	2972	2944	3066	3181	2912	2954	3047
Mexico											
Crude	3127	3177	3370	3203	3330	3365	3384	3400	3330	3324	3335
NGLs	433	408	415	394	415	415	415	415	409	423	415
Total	3560	3585	3785	3597	3745	3780	3799	3815	3739	3747	3750
UK Offshore[4]											
Brent Fields	279	243	265	237	253	254	281	273	234	253	271
Forties Fields	762	794	830	820	829	805	852	834	812	805	867
Ninian Fields	127	107	122	113	108	119	131	127	106	103	114
Flotta Fields	138	132	116	135	123	111	117	114	119	126	124
Other Fields	919	961	955	1004	967	905	978	969	926	978	997
NGLs	249	212	240	246	264	225	215	255	276	260	255
Total	2474	2450	2527	2554	2543	2419	2575	2572	2473	2525	2628
Norway [4]											
Ekofisk-Ula Area	470	490	457	497	490	455	442	443	502	483	483
Oseberg-Troll Area	741	754	743	765	790	732	710	740	792	796	781
Statfiord-Gullfaks Area	944	874	869	923	915	868	841	851	874	941	934
Haltenbanken Area	768	716	672	676	688	682	649	669	641	707	719
Sleipner-Frigg Area	195	157	161	143	156	149	155	183	159	150	157
NGLs	291	335	392	386	382	394	394	398	348	401	399
Total	3408	3325	3293	3390	3421	3279	3191	3284	3317	3478	3474
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	437	474	447	466	471	477	482	460	474	465
UK Onshore	60	54	48	52	50	48	47	45	51	50	49
Italy	64	84	102	92	88	100	105	115	85	90	90
Turkey	48	47	45	46	46	45	45	45	46	45	45
Other	167	159	153	157	153	153	153	153	151	155	154
NGLs (excl. North Sea)	28	27	27	25	27	27	27	27	28	27	27
Non-Conventional Oils	26	29	25	30	25	25	25	25	23	26	26
Total	783	837	874	849	855	870	878	892	844	866	856
Australia											
Gippsland Basin	160	140	119	130	123	121	118	115	120	125	125
Cooper-Eromanga Basin	26	25	25	26	25	25	25	25	26	26	25
Carnarvon Basin	337	359	372	337	355	355	390	386	346	358	360
Other Crude	136	104	99	107	99	100	100	99	97	104	98
NGLs	74	79	83	74	78	85	85	85	64	85	85
Total	732	707	699	674	681	686	718	710	653	697	694
Other OECD Pacific											
New Zealand	33	31	27	28	27	27	27	27	27	26	27
Japan	6	5	5	5	5	5	5	5	5	5	5
NGLs	17	17	20	18	20	20	20	19	20	19	20
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	53	51	51	51	51	51	51	52	50	52
OECD											
Crude Oil	17397	17366	17633	17406	17688	17472	17552	17821	17440	17725	17903
NGLs	3655	3666	3771	3717	3704	3743	3777	3858	3641	3745	3731
Non-Conventional Oils	759	890	1029	942	955	957	1098	1101	940	956	970
Total	21811	21922	22433	22065	22348	22172	22427	22780	22022	22427	22604

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Oct2002	Nov2002	Dec2002	Jan2003	Feb2003*	Feb2000	Feb2001	Feb2002	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	401.7	398.6	384.6	379.5	375.9	386.1	388.0	438.4	0.21	-0.14	-0.55	0.07
Motor Gasoline	224.1	236.4	243.0	244.8	241.6	233.2	238.6	253.8	0.09	-0.03	-0.11	0.06
Middle Distillate	194.8	200.1	210.9	187.8	171.1	179.0	194.4	206.5	-0.26	0.05	-0.02	0.10
Residual Fuel Oil	42.9	45.1	41.0	40.7	40.0	42.7	47.3	48.3	-0.08	-0.01	0.01	-0.01
Total Products[3]	647.5	653.7	655.6	616.0	589.1	584.1	623.4	665.3	-0.43	0.34	-0.04	-0.24
Total[4]	1211.9	1207.7	1174.8	1128.4	1101.9	1103.2	1143.7	1246.6	-0.31	0.24	-0.45	-0.45
Europe												
Crude	327.0	309.1	288.8	301.0	299.0	305.9	303.5	336.1	-0.01	0.09	-0.16	-0.16
Motor Gasoline	113.1	113.5	116.6	121.9	124.8	132.9	123.1	133.4	0.07	-0.12	-0.06	0.02
Middle Distillate	254.0	243.0	239.6	233.3	228.9	232.5	230.3	241.4	0.12	0.18	0.02	-0.22
Residual Fuel Oil	72.1	77.6	75.2	67.9	70.2	79.4	84.5	70.9	0.00	-0.02	0.00	0.07
Total Products[3]	540.7	532.8	530.9	519.0	519.8	538.3	544.3	549.0	0.12	0.07	-0.10	-0.17
Total[4]	931.8	906.9	882.0	887.7	885.7	907.1	913.0	954.2	0.16	0.12	-0.29	-0.34
Pacific												
Crude	162.9	158.1	160.8	162.5	167.1	171.4	175.8	158.5	0.01	-0.03	-0.12	-0.02
Motor Gasoline	24.4	25.6	23.3	24.8	25.4	25.9	25.1	25.6	0.04	0.00	-0.02	-0.01
Middle Distillate	80.2	72.9	64.8	64.5	60.8	62.7	68.2	75.1	-0.10	0.08	0.09	-0.20
Residual Fuel Oil	22.7	22.2	22.2	22.8	22.1	22.0	26.4	23.2	-0.02	0.03	-0.03	0.00
Total Products[3]	196.6	189.5	176.7	174.0	165.4	172.2	181.6	184.4	-0.06	0.11	0.03	-0.22
Total[4]	433.1	421.1	410.3	409.8	404.0	423.2	438.3	420.0	-0.10	0.12	-0.13	-0.27
Total OECD												
Crude	891.6	865.8	834.2	843.0	842.0	863.4	867.2	933.0	0.21	-0.09	-0.83	-0.11
Motor Gasoline	361.6	375.5	382.9	391.5	391.8	391.9	386.8	412.9	0.20	-0.15	-0.19	0.07
Middle Distillate	529.0	516.0	515.3	485.6	460.7	474.2	493.0	523.0	-0.23	0.31	0.09	-0.32
Residual Fuel Oil	137.7	144.8	138.5	131.3	132.3	144.1	158.3	142.5	-0.09	0.01	-0.02	0.05
Total Products[3]	1384.8	1375.9	1363.1	1309.0	1274.3	1294.6	1349.2	1398.6	-0.37	0.53	-0.11	-0.63
Total[4]	2576.7	2535.7	2467.1	2425.9	2391.6	2433.5	2494.9	2620.7	-0.26	0.49	-0.86	-1.05

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Oct2002	Nov2002	Dec2002	Jan2003	Feb2003*	Feb2000	Feb2001	Feb2002	1Q2002	2Q2002	3Q2002	4Q2002
North America												
Crude	589.6	595.9	599.1	599.3	599.3	569.4	541.7	560.0	0.13	0.16	0.12	0.13
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	154.7	155.9	157.3	155.2	155.2	145.6	138.7	142.1	0.02	0.02	0.05	0.08
Products	190.7	190.7	194.7	197.2	197.2	200.9	215.0	208.0	-0.03	-0.08	-0.09	0.02
Pacific												
Crude	317.2	317.9	317.9	318.6	319.3	315.1	314.4	319.6	0.05	0.00	-0.04	0.01
Total OECD												
Crude	1061.6	1069.7	1074.3	1073.0	1073.7	1030.1	994.9	1021.7	0.20	0.19	0.12	0.23
Products	192.7	192.7	196.7	199.2	199.2	200.9	217.0	210.0	-0.03	-0.08	-0.09	0.02
Total[4]	1255.3	1263.3	1272.0	1273.3	1274.0	1231.9	1212.8	1232.6	0.18	0.10	0.03	0.24

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	September			October			November			December			January		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%
United States[2]															
Crude	309.3	270.1	-12.7	313.2	291.5	-6.9	312.2	287.6	-7.9	312.0	277.7	-11.0	320.3	273.0	-14.8
Motor Gasoline	205.9	206.6	0.3	207.8	193.4	-6.9	212.3	206.1	-2.9	209.9	210.7	0.4	222.0	211.6	-4.7
Middle Distillate	174.4	172.8	-0.9	175.5	167.9	-4.3	185.4	171.7	-7.4	191.8	179.7	-6.3	183.3	157.0	-14.3
Residual Fuel Oil	37.2	33.0	-11.3	38.2	33.7	-11.8	39.2	35.7	-8.9	41.0	31.3	-23.7	41.4	31.3	-24.4
Other Products	163.3	166.4	1.9	155.5	156.3	0.5	151.6	145.9	-3.8	148.5	135.7	-8.6	135.5	117.5	-13.3
Total Products	580.8	578.8	-0.3	577.0	551.3	-4.5	588.5	559.4	-4.9	591.2	557.4	-5.7	582.2	517.4	-11.1
Other[3]	144.1	138.0	-4.2	141.6	140.4	-0.8	139.8	134.6	-3.7	132.9	116.3	-12.5	133.5	114.6	-14.2
Total	1034.2	986.9	-4.6	1031.8	983.2	-4.7	1040.5	981.6	-5.7	1036.1	951.4	-8.2	1036.0	905.0	-12.6
Japan															
Crude	128.3	120.6	-6.0	141.9	121.5	-14.4	130.3	116.0	-11.0	128.9	121.5	-5.7	123.1	124.6	1.2
Motor Gasoline	13.7	12.9	-5.8	13.5	12.6	-6.7	14.1	12.7	-9.9	12.2	12.2	0.0	14.0	13.1	-6.4
Middle Distillate	54.9	50.5	-8.0	57.7	49.9	-13.5	55.2	45.3	-17.9	46.1	40.2	-12.8	45.3	38.5	-15.0
Residual Fuel Oil	10.2	8.7	-14.7	10.5	8.8	-16.2	10.5	9.2	-12.4	9.7	9.8	1.0	10.3	10.7	3.9
Other Products	56.2	50.1	-10.9	55.1	52.2	-5.3	54.5	49.1	-9.9	51.0	49.3	-3.3	48.6	47.2	-2.9
Total Products	135.0	122.2	-9.5	136.8	123.5	-9.7	134.3	116.3	-13.4	119.0	111.5	-6.3	118.2	109.5	-7.4
Other[3]	77.6	67.7	-12.8	76.6	65.9	-14.0	75.6	66.1	-12.6	70.1	64.5	-8.0	70.5	64.9	-7.9
Total	340.9	310.5	-8.9	355.3	310.9	-12.5	340.2	298.4	-12.3	318.0	297.5	-6.4	311.8	299.0	-4.1
Germany															
Crude	20.0	21.0	5.0	20.9	15.5	-25.8	21.3	16.5	-22.5	24.5	14.6	-40.4	26.8	15.8	-41.0
Motor Gasoline	9.1	9.9	8.8	8.6	9.1	5.8	10.8	8.5	-21.3	12.1	9.1	-24.8	13.3	10.9	-18.0
Middle Distillate	14.1	15.5	9.9	13.5	16.0	18.5	13.6	14.6	7.4	18.7	14.3	-23.5	18.8	16.7	-11.2
Residual Fuel Oil	9.9	9.6	-3.0	9.5	9.4	-1.1	8.2	9.9	20.7	8.8	10.2	15.9	9.1	9.5	4.4
Other Products	12.4	10.5	-15.3	12.4	10.9	-12.1	12.3	10.9	-11.4	12.3	11.0	-10.6	11.6	10.8	-6.9
Total Products	45.5	45.5	0.0	44.0	45.4	3.2	44.9	43.9	-2.2	51.9	44.6	-14.1	52.8	47.9	-9.3
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	65.5	66.5	1.5	64.9	60.9	-6.2	66.2	60.4	-8.8	76.4	59.2	-22.5	79.6	63.7	-20.0
Italy															
Crude	39.8	34.6	-13.1	36.0	37.5	4.2	37.6	35.2	-6.4	33.4	32.2	-3.6	37.5	36.7	-2.1
Motor Gasoline	19.5	21.6	10.8	19.1	21.9	14.7	19.6	23.2	18.4	21.3	19.2	-9.9	21.9	19.7	-10.0
Middle Distillate	29.0	39.8	37.2	29.2	37.5	28.4	30.6	40.5	32.4	31.3	40.8	30.4	33.0	39.9	20.9
Residual Fuel Oil	14.7	12.0	-18.4	15.9	14.5	-8.8	14.2	15.2	7.0	14.1	14.3	1.4	12.2	14.6	19.7
Other Products	20.1	17.5	-12.9	19.9	17.4	-12.6	19.2	17.5	-8.9	21.2	17.5	-17.5	22.5	16.5	-26.7
Total Products	83.3	90.9	9.1	84.1	91.3	8.6	83.6	96.4	15.3	87.9	91.8	4.4	89.6	90.7	1.2
Other[3]	11.9	10.5	-11.8	13.1	11.3	-13.7	14.0	11.4	-18.6	12.6	13.6	7.9	13.2	13.0	-1.5
Total	135.0	136.0	0.7	133.2	140.1	5.2	135.2	143.0	5.8	133.9	137.6	2.8	140.3	140.4	0.1
France															
Crude	38.1	38.5	1.0	40.4	38.8	-4.0	36.2	34.0	-6.1	39.0	34.2	-12.3	37.5	35.9	-4.3
Motor Gasoline	12.1	12.0	-0.8	10.7	11.6	8.4	10.4	12.2	17.3	12.6	13.0	3.2	13.7	12.1	-11.7
Middle Distillate	25.9	32.7	26.3	26.7	34.9	30.7	26.5	32.5	22.6	27.4	34.8	27.0	27.3	30.5	11.7
Residual Fuel Oil	6.4	7.9	23.4	7.4	6.9	-6.8	7.5	7.2	-4.0	6.8	7.3	7.4	7.0	5.9	-15.7
Other Products	9.8	8.5	-13.3	10.1	7.8	-22.8	9.8	8.4	-14.3	9.4	9.0	-4.3	8.4	8.1	-3.6
Total Products	54.2	61.1	12.7	54.9	61.2	11.5	54.2	60.3	11.3	56.2	64.1	14.1	56.4	56.6	0.4
Other[3]	13.3	13.5	1.5	12.9	13.7	6.2	13.3	13.4	0.8	11.6	13.0	12.1	11.8	14.2	20.3
Total	105.6	113.1	7.1	108.2	113.7	5.1	103.7	107.7	3.9	106.8	111.3	4.2	105.7	106.7	0.9
United Kingdom															
Crude	33.7	39.3	16.6	38.2	46.2	20.9	38.5	47.0	22.1	39.6	38.5	-2.8	42.3	36.1	-14.7
Motor Gasoline	10.5	9.7	-7.6	10.9	9.8	-10.1	11.0	9.0	-18.2	11.3	9.0	-20.4	12.6	10.4	-17.5
Middle Distillate	18.9	20.1	6.3	22.0	20.9	-5.0	21.8	20.4	-6.4	23.0	18.1	-21.3	20.7	18.3	-11.6
Residual Fuel Oil	4.3	4.3	0.0	4.4	4.4	0.0	4.8	5.0	4.2	4.3	5.0	16.3	4.9	5.0	2.0
Other Products	20.0	17.1	-14.5	20.4	16.0	-21.6	20.3	15.0	-26.1	20.5	15.5	-24.4	19.9	14.5	-27.1
Total Products	53.7	51.2	-4.7	57.7	51.1	-11.4	57.9	49.4	-14.7	59.1	47.6	-19.5	58.1	48.2	-17.0
Other[3]	10.9	10.6	-2.8	11.4	11.5	0.9	10.6	11.3	6.6	10.1	9.9	-2.0	10.7	12.0	12.1
Total	98.3	101.1	2.8	107.3	108.8	1.4	107.0	107.7	0.7	108.8	96.0	-11.8	111.1	96.3	-13.3
Canada[4]															
Crude	78.5	75.8	-3.4	77.4	76.4	-1.3	77.6	76.4	-1.5	77.2	75.9	-1.7	75.8	75.9	0.1
Motor Gasoline	16.0	15.8	-1.3	16.7	16.1	-3.6	17.7	15.5	-12.4	17.0	16.5	-2.9	19.4	16.5	-14.9
Middle Distillate	19.8	20.3	2.5	19.0	18.7	-1.6	19.5	20.0	2.6	21.1	21.9	3.8	23.0	21.9	-4.8
Residual Fuel Oil	3.7	3.8	2.7	3.9	4.4	12.8	3.7	3.6	-2.7	3.5	4.1	17.1	3.3	4.1	24.2
Other Products	20.4	22.1	8.3	21.3	21.5	0.9	20.1	18.1	-10.0	19.3	17.2	-10.9	19.8	17.2	-13.1
Total Products	59.9	62.0	3.5	60.9	60.7	-0.3	61.0	57.2	-6.2	60.9	59.7	-2.0	65.5	59.7	-8.9
Other[3]	23.3	22.4	-3.9	22.9	22.2	-3.1	21.2	20.8	-1.9	19.1	18.3	-4.2	15.2	18.3	20.4
Total	161.7	160.2	-0.9	161.2	159.3	-1.2	159.8	154.4	-3.4	157.2	153.9	-2.1	156.5	153.9	-1.7

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for January 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End December 2001		End March 2002		End June 2002		End September 2002		End December 2002 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	157.2	80	158.3	82	151.5	75	160.2	78	154.0	-
Mexico	47.5	24	43.6	23	45.3	24	47.0	24	47.3	-
United States	1588.3	82	1574.4	80	1616.6	82	1576.1	80	1552.5	-
Total[4]	1815.1	77	1798.3	76	1835.6	76	1805.3	75	1775.9	73
Pacific										
Australia	37.6	42	38.9	43	37.2	42	33.3	37	34.2	-
Japan	634.1	111	630.3	136	633.7	126	627.1	106	615.4	-
Korea[5]	79.2	34	78.6	39	86.5	43	79.7	34	69.1	-
New Zealand	9.6	67	8.4	65	10.0	80	11.5	77	9.5	-
Total	760.5	84	756.2	99	767.4	95	751.6	81	728.2	76
Europe[6]										
Austria	16.0	62	18.0	68	17.1	61	17.7	66	17.9	-
Belgium	28.3	46	30.6	53	30.8	53	28.3	46	25.8	-
Czech Republic	16.2	102	17.4	102	17.0	91	16.2	90	17.5	-
Denmark	19.2	97	19.6	101	17.3	93	18.5	88	17.3	-
Finland	27.6	126	24.6	124	26.9	127	26.9	115	24.4	-
France	165.4	80	162.9	88	169.9	87	174.0	89	174.5	-
Germany	272.6	104	276.4	105	268.5	93	258.8	95	253.4	-
Greece	25.8	59	31.1	84	28.9	77	32.2	72	31.6	-
Hungary	18.8	147	19.9	148	18.5	126	18.0	117	16.1	-
Ireland	10.9	59	9.9	62	9.4	56	10.2	58	11.4	-
Italy	133.9	69	132.3	72	132.4	72	136.1	73	137.6	-
Luxembourg	0.8	16	0.8	16	0.9	17	0.9	19	1.0	-
Netherlands	113.9	128	117.9	129	115.5	131	106.7	116	104.9	-
Norway	19.2	94	18.0	104	22.4	123	17.6	86	19.3	-
Poland	25.8	70	26.9	71	25.2	59	23.6	54	26.2	-
Portugal	25.3	73	22.1	61	24.6	69	24.1	75	21.4	-
Spain	113.1	74	118.6	80	121.0	81	121.3	80	120.8	-
Sweden	34.8	102	35.1	105	33.4	103	30.5	81	29.1	-
Switzerland	36.1	128	37.5	137	39.0	139	38.7	139	36.7	-
Turkey	54.9	94	59.0	96	57.8	88	55.6	81	51.9	-
United Kingdom	108.9	63	102.6	62	110.7	65	101.2	59	96.2	-
Total	1267.7	84	1281.4	87	1287.2	85	1257.0	82	1235.0	82
Total OECD	3843.3	80	3835.9	83	3890.2	82	3813.9	78	3739.1	76
DAYS OF IEA Net Imports[7]	-	114	-	114	-	116	-	114	-	113

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End December 2002 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
4Q1999	3674	1228	2446	76	26	51
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3865	1205	2660	81	25	55
4Q2001	3843	1222	2622	80	25	55
1Q2002	3836	1237	2599	83	27	56
2Q2002	3890	1247	2643	82	26	56
3Q2002	3814	1250	2564	78	26	53
4Q2002	3739	1272	2467	76	26	50

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 4Q2002 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	2Q02	3Q02	4Q02	1Q03	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30	23.71	24.25	25.75	25.53		26.47	24.13	25.79	29.65		
IEA Europe	27.89	23.92	24.26	24.22	26.21	26.11		26.91	24.16	27.34	30.57		
IEA Pacific	28.89	25.05	24.74	25.69	26.34	27.24		28.12	27.48	26.30	29.29		
IEA Total	28.00	23.65	24.18	24.57	26.08	26.18		26.99	24.95	26.55	29.97		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	25.07	26.91	26.81	31.49	27.58	24.10	28.67	31.32	32.67	30.54
WTI (1st month)	30.37	25.93	26.16	26.30	28.30	28.29	34.00	28.87	26.29	29.45	32.99	35.75	33.43
Urals (del. Med.)	26.63	22.97	23.73	23.60	25.81	25.55	29.24	26.02	22.87	27.72	28.88	30.38	28.52
Dubai (1st month)	26.24	22.80	23.85	24.39	25.54	25.16	28.39	26.32	23.31	25.73	28.02	30.02	27.38
Tapis (1st month)	29.85	25.32	25.72	25.63	27.29	28.33	32.34	27.89	26.89	30.27	31.95	33.96	31.37
OPEC Basket	27.60	23.12	24.34	24.42	26.15	26.63	30.45	27.32	24.28	28.21	30.34	31.64	29.44
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	30.05	32.06	31.05	37.44	32.74	28.38	31.91	35.95	39.85	36.71
Unleaded	34.41	28.83	28.57	29.51	31.44	30.50	36.88	32.19	27.88	31.31	35.35	39.31	36.17
Naphtha	29.09	23.69	24.23	23.80	25.95	26.45	34.99	26.54	24.12	28.77	33.95	36.99	34.16
Jet/Kerosene	36.98	30.82	29.24	28.46	31.27	32.45	40.89	33.44	30.56	33.30	36.76	43.21	43.01
Gasoil .2 %	34.38	29.16	27.81	26.80	29.85	31.26	39.18	31.72	28.96	33.14	35.78	41.81	40.24
LSFO 1%	23.74	19.52	21.81	20.40	23.19	26.70	29.20	28.28	24.53	27.15	27.90	31.98	27.92
HSFO 3.5%	21.42	17.79	20.65	21.22	23.14	21.22	25.65	23.40	19.18	20.84	27.08	27.04	22.84
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.28	32.13	30.78	36.62	32.41	27.98	31.84	35.54	39.45	35.08
Premium Unleaded	36.43	29.70	28.49	29.56	31.41	30.06	35.91	31.69	27.26	31.12	34.82	38.73	34.36
Naphtha	28.16	22.47	23.51	23.02	25.32	25.61	33.37	26.02	23.35	27.52	32.80	35.61	31.83
Jet/Kerosene	34.82	27.52	27.14	26.22	29.34	29.95	36.47	31.59	28.08	30.02	33.21	40.00	36.53
Gasoil .2 %	33.87	27.50	27.08	25.83	28.98	30.36	38.67	30.33	28.35	32.52	35.61	40.74	39.90
LSFO 1%	23.77	18.73	21.50	20.98	23.14	24.14	30.56	25.23	22.10	25.02	30.29	32.28	29.22
HSFO 3.5%	18.92	15.24	18.24	18.65	20.69	18.86	22.76	21.03	17.12	18.18	24.58	24.09	19.59
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	33.91	36.10	37.44	41.33	39.35	36.82	35.90	38.69	43.87	41.68
Unleaded	36.10	31.00	30.33	30.19	32.32	33.53	39.50	34.65	31.86	33.83	36.81	41.86	40.07
Jet/Kerosene	38.05	31.18	29.83	28.77	31.91	33.45	42.43	34.18	31.00	34.88	38.38	48.31	41.14
No. 2 (Heating Oil)	36.37	29.82	28.56	27.68	30.06	32.33	42.00	32.19	30.19	34.42	37.99	47.37	41.16
LSFO 1%	25.05	20.70	22.55	22.76	24.65	25.72	32.74	26.41	23.86	26.65	31.65	35.09	31.71
HSFO 6 3%	20.68	17.36	20.99	21.40	23.30	22.96	27.91	24.36	20.47	23.69	29.08	29.45	25.34
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.49	28.91	29.24	37.14	29.62	27.80	30.25	34.34	40.13	37.51
Naphtha	28.38	23.75	24.93	24.98	25.81	27.15	34.27	26.87	25.06	29.57	32.21	37.34	33.78
Jet/Kerosene	34.39	28.32	28.08	27.20	29.85	31.35	36.14	32.43	29.38	32.10	34.37	39.27	35.33
Gasoil .5%	32.58	27.32	27.55	27.68	28.80	30.89	36.12	32.57	28.87	30.99	33.39	38.45	36.97
LSWR Cracked	25.83	21.83	23.80	23.26	25.16	28.02	31.84	26.52	26.80	30.97	31.05	34.77	30.16
HSFO 180 CST	24.43	20.65	22.89	23.28	24.97	24.40	28.86	24.59	23.15	25.46	28.18	30.88	27.85
HSFO 4%	24.21	20.38	22.95	23.31	25.23	24.31	28.88	24.59	22.88	25.40	28.27	30.74	27.93

* IEA CIF Average Import price for January is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
March 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Feb-03	Mar-02		Feb-03	Mar-02		Feb-03	Mar-02		Feb-03	Mar-02
GASOLINE [1] (Price per Litre)												
France	1.081	0.7	9.6	0.315	2.3	26.0	1.166	0.9	34.9	0.340	2.4	55.1
Germany	1.138	0.2	9.5	0.326	0.6	19.9	1.228	0.3	34.8	0.352	0.7	47.5
Italy	1.096	0.6	6.8	0.371	1.4	18.5	1.182	0.7	31.5	0.400	1.5	45.9
Spain	0.858	1.4	7.5	0.344	3.3	17.8	0.926	1.5	32.3	0.371	3.4	45.0
UK	0.785	2.6	10.1	0.210	8.8	40.9	1.242	1.0	22.5	0.332	7.1	56.8
Japan	107.1	2.0	5.1	48.2	4.3	11.6	0.902	2.6	16.2	0.406	4.9	23.3
Canada	0.793	- 0.5	19.1	0.489	-0.8	32.2	0.538	2.0	28.0	0.332	1.7	42.1
USA	0.450	5.6	36.4	0.349	7.4	52.4	0.450	5.6	36.4	0.349	7.4	52.4
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.750	6.8	18.7	0.358	15.5	39.8	0.809	7.0	46.1	0.386	15.6	72.1
Germany	0.826	3.6	14.1	0.356	8.9	25.4	0.891	3.8	40.4	0.384	9.0	54.3
Italy	0.782	3.4	10.9	0.379	7.4	25.5	0.844	3.6	36.5	0.409	7.5	54.5
Spain	0.659	5.1	11.5	0.365	9.6	22.9	0.711	5.2	37.2	0.394	9.7	51.3
UK	0.685	3.5	7.4	0.227	11.3	26.1	1.084	1.8	19.4	0.359	9.5	40.3
Japan	86.1	1.2	3.7	49.9	2.0	6.4	0.725	1.8	14.7	0.420	2.6	17.6
Canada	0.831	8.8	39.4	0.599	11.8	58.0	0.563	11.5	49.9	0.406	14.6	69.9
USA	0.458	4.8	40.9	0.340	6.6	64.3	0.458	4.8	40.9	0.340	6.6	64.3
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	481.00	9.0	38.0	345.57	10.6	38.8	518.9	9.1	69.8	372.8	10.7	70.8
Germany	442.17	7.6	28.3	319.83	9.2	35.6	477.0	7.7	57.9	345.0	9.3	66.9
Italy	928.56	3.3	13.1	370.59	7.2	31.8	1001.7	3.4	39.2	399.8	7.3	62.2
Spain	460.44	9.2	30.7	312.22	11.9	42.6	496.7	9.3	60.9	336.8	12.1	75.5
UK	240.36	9.9	41.0	197.91	11.7	50.7	380.3	8.2	56.9	313.1	9.9	67.6
Japan [3]	47950	1.7	7.2	45667	1.7	7.2	404.0	2.3	18.5	384.7	2.3	18.5
FUEL OIL FOR INDUSTRY [2] (Price per Metric Ton)												
France	234.01	-2.5	24.0	215.51	-2.7	26.7	252.4	-2.4	52.6	232.5	-2.6	55.9
Germany	218.53	3.8	33.9	193.53	4.4	33.2	235.7	4.0	64.8	208.8	4.5	64.0
Italy	261.76	-0.2	30.0	230.37	-0.2	35.5	282.4	-0.1	60.0	248.5	-0.1	66.8
Spain	278.54	1.6	29.2	264.11	1.7	31.3	300.5	1.7	59.0	284.9	1.8	61.6
UK	170.98	-1.0	40.4	142.98	-1.1	52.5	270.5	-2.5	56.2	226.2	-2.7	69.6
Japan	37107	1.7	19.9	35340	1.7	19.9	312.6	2.3	32.5	297.7	2.3	32.5

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
OECD North America												
Venezuela	1.66	1.58		1.58	1.35	1.83	1.54	1.98	0.77	0.60	1.69	-1.09
Other Central & South America	0.52	0.60		0.55	0.57	0.62	0.65	0.67	0.58	0.51	0.52	-0.01
North Sea	1.03	1.24		0.96	1.37	1.28	1.32	1.46	1.18	1.01	0.88	0.13
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.00	0.11	0.10	0.13	0.09	0.10	0.13	-	-
Saudi Arabia	1.70	1.60		1.58	1.62	1.50	1.72	1.57	1.85	1.92	1.56	0.36
Kuwait	0.24	0.22		0.23	0.20	0.24	0.21	0.24	0.19	0.14	0.21	-0.07
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.92	0.56		1.02	0.53	0.30	0.42	0.46	0.47	0.67	1.14	-0.46
Oman	0.02	0.02		-	-	0.05	0.02	0.02	0.03	-	-	-
United Arab Emirates	0.02	0.01		-	0.04	0.01	0.01	0.02	0.01	0.03	-	-
Other Middle East	0.02	0.04		-	0.02	0.10	0.03	0.06	0.01	0.02	-	-
West Africa[2]	1.44	1.15		1.03	1.20	1.24	1.14	1.18	1.18	1.33	1.09	0.24
Other Africa	0.13	0.18		0.17	0.21	0.18	0.15	0.11	0.16	0.15	0.16	-0.01
Asia	0.15	0.16		0.17	0.18	0.14	0.15	0.16	0.09	0.14	0.16	-0.03
Other	0.03	0.06		0.03	0.07	0.06	0.06	0.08	0.06	0.04	0.04	0.00
Total	**7.85**	**7.44**		**7.32**	**7.48**	**7.62**	**7.55**	**8.08**	**6.69**	**6.69**	**7.45**	**-0.76**
of which Non-OECD	**6.82**	**6.21**		**6.32**	**6.06**	**6.30**	**6.17**	**6.56**	**5.46**	**5.66**	**6.53**	**-0.87**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.16	0.19	0.20	0.22	0.14	0.24	0.15	0.15	-0.01
Venezuela	0.18	0.19		0.26	0.16	0.19	0.14	0.12	0.12	0.00	0.25	-0.25
Other Central & South America	0.04	0.05		0.07	0.02	0.03	0.06	0.11	0.05	0.04	0.05	-0.01
Non-OECD Europe	0.00	0.01		0.01	0.00	0.01	0.01	0.01	0.00	0.00	0.01	-0.01
Former Soviet Union	2.68	3.09		2.98	3.15	3.30	2.92	2.95	2.96	2.83	2.90	-0.07
Saudi Arabia	1.25	1.16		1.10	1.19	1.25	1.11	1.08	0.93	0.81	1.12	-0.32
Kuwait	0.16	0.12		0.11	0.13	0.13	0.10	0.07	0.17	0.09	0.09	0.00
Iran	0.74	0.63		0.52	0.61	0.65	0.74	0.82	0.71	0.67	0.45	0.22
Iraq	0.40	0.31		0.17	0.15	0.30	0.60	0.80	0.50	0.35	0.14	0.20
Oman	-	0.00		-	-	0.01	-	-	-	0.00	-	-
United Arab Emirates	0.01	0.00		0.00	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.45		0.40	0.49	0.50	0.43	0.44	0.46	0.33	0.43	-0.10
West Africa[2]	0.81	0.68		0.92	0.56	0.63	0.62	0.62	0.62	0.83	1.05	-0.22
Other Africa	1.50	1.41		1.40	1.42	1.31	1.50	1.47	1.41	1.43	1.52	-0.09
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.34	0.64	0.32	0.16	0.17	0.18	1.15	0.42	0.73
Total	**8.59**	**8.66**		**8.44**	**8.72**	**8.85**	**8.61**	**8.80**	**8.34**	**8.67**	**8.57**	**0.09**
of which Non-OECD	**8.41**	**8.46**		**8.28**	**8.53**	**8.65**	**8.39**	**8.65**	**8.10**	**8.52**	**8.42**	**0.10**
OECD Pacific												
Canada	0.00	0.00		-	-	-	0.01	-	0.02	-	-	-
Mexico + USA	0.02	0.01		0.01	0.02	-	0.02	-	0.06	-	0.02	-
Venezuela	0.00	0.00		-	-	-	0.00	0.00	-	-	-	-
Other Central & South America	0.07	0.08		0.10	0.06	0.07	0.09	0.12	0.06	0.14	0.12	0.02
North Sea	0.01	0.03		0.01	0.03	0.06	-	-	-	0.08	0.02	0.06
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.02	0.05	0.10	0.10	0.08	0.13	0.07	-	-
Saudi Arabia	1.84	1.72		1.81	1.68	1.57	1.82	1.78	2.05	1.89	1.92	-0.03
Kuwait	0.64	0.57		0.67	0.55	0.52	0.56	0.57	0.60	0.66	0.68	-0.02
Iran	0.75	0.64		0.66	0.64	0.56	0.69	0.68	0.82	0.83	0.58	0.25
Iraq	0.01	0.02		0.03	0.05	0.01	0.01	0.02	-	-	0.03	-
Oman	0.41	0.37		0.45	0.34	0.34	0.35	0.27	0.40	0.39	0.48	-0.09
United Arab Emirates	1.42	1.28		1.40	1.12	1.24	1.35	1.39	1.33	1.47	1.22	0.25
Other Middle East	0.60	0.52		0.59	0.46	0.52	0.50	0.52	0.49	0.54	0.55	-0.01
West Africa[2]	0.11	0.21		0.18	0.19	0.20	0.25	0.32	0.25	0.09	0.13	-0.04
Other Africa	0.04	0.05		0.03	0.01	0.08	0.08	0.05	0.11	0.16	0.04	0.13
Non-OECD Asia	0.89	0.85		0.91	0.84	0.77	0.89	0.85	0.94	1.00	0.86	0.14
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.90**	**6.05**	**6.03**	**6.71**	**6.65**	**7.25**	**7.32**	**6.65**	**0.67**
of which Non-OECD	**6.86**	**6.38**		**6.88**	**6.00**	**5.98**	**6.68**	**6.65**	**7.18**	**7.24**	**6.61**	**0.63**
Total OECD Trade	**23.34**	**22.52**		**22.66**	**22.25**	**22.50**	**22.87**	**23.53**	**22.28**	**22.67**	**22.67**	**0.00**
of which Non-OECD	**22.08**	**21.06**		**21.47**	**20.59**	**20.93**	**21.24**	**21.87**	**20.74**	**21.41**	**21.56**	**-0.14**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.

2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.70	0.54	0.65	0.89	0.61	0.67	0.54	0.45	0.08
Europe	0.92	0.91		0.93	0.93	0.97	0.83	0.80	0.70	0.53	1.01	-0.48
Pacific	1.22	1.22		1.35	1.14	1.14	1.24	1.27	1.42	0.60	1.58	-0.98
Saudi Medium												
North America	0.73	0.86		0.72	0.65	0.60	1.46	0.79	0.93	0.89	0.77	0.12
Europe	0.15	0.11		0.11	0.08	0.13	0.11	0.07	0.09	0.08	0.10	-0.02
Pacific	0.17	0.16		0.16	0.18	0.16	0.14	0.06	0.16	0.10	0.17	-0.08
Saudi Heavy												
North America	0.21	0.20		0.12	0.23	0.21	0.23	0.23	0.24	0.25	0.16	0.09
Europe	0.14	0.09		0.08	0.10	0.09	0.08	0.11	0.04	0.05	0.08	-0.03
Pacific	0.15	0.12		0.10	0.12	0.11	0.13	0.17	0.14	0.07	0.12	-0.04
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.63	0.34	0.23	0.22	0.30	0.26	0.37	0.58	-0.20
Europe	0.15	0.08		0.01	0.06	0.05	0.21	0.30	0.16	0.09	..	..
Pacific	0.01	0.02		0.03	0.05	0.01	..	..	..	..	0.01	..
Iraqi Kirkuk												
North America	0.09	0.14		0.26	0.11	0.06	0.11	0.07	0.09	0.26	0.28	-0.02
Europe	0.31	0.32		0.21	0.19	0.36	0.50	0.64	0.46	0.28	0.20	0.08
Pacific	0.01	0.00		..	0.00	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.19	0.14	0.15	0.19	0.21	0.20	0.08	0.16	-0.08
Pacific	0.13	0.12		0.11	0.11	0.10	0.14	0.14	0.18	..	0.11	..
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.34	0.45	0.49	0.51	0.59	0.51	0.48	0.30	0.18
Pacific	0.63	0.54		0.55	0.56	0.45	0.61	0.60	0.67	0.18	0.48	-0.30
Venezuelan Light & Medium												
North America	0.61	0.68		0.66	0.57	0.91	0.57	0.80	0.15	..	0.72	..
Europe	0.07	0.07		0.15	0.05	0.04	0.06	0.09	0.02	0.02	0.16	-0.15
Pacific	0.00	0.00		..	..	..	0.00	0.00	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.55	0.46	0.62	0.56	0.70	0.28	..	0.53	..
Europe	0.07	0.05		0.06	0.06	0.06	0.04	0.05	0.01	..	0.04	..
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.90	0.89	0.91	0.96	0.88	0.97	1.09	0.94	0.16
Europe	0.14	0.16		0.16	0.17	0.17	0.14	0.13	0.04	0.11	0.15	-0.04
Pacific	0.01	0.00		..	0.01	..	0.01	..	0.02	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.00	0.01	0.01	0.01	..	0.01	0.01	0.00
Europe	0.03	0.01		0.01	0.01	0.02	0.01	0.01	0.01	..	0.01	..
Pacific	0.01	0.01		..	0.01	..	0.01	..	0.04	..	..	..
Russian Urals												
North America	..	0.03		..	0.08	..	0.05	0.07	..	..	..	..
Europe	1.10	1.32		1.24	1.25	1.44	1.36	1.27	1.37	0.97	1.12	-0.16
Pacific	0.01	0.01		0.01	..	0.02	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.33	0.38	0.46	0.38	0.34	0.41	0.50	0.41	0.09
Europe	0.38	0.31		0.33	0.22	0.36	0.32	0.33	0.23	0.23	0.32	-0.10
Pacific	0.02	0.06		0.05	0.03	0.06	0.08	0.16	0.09	..	0.06	..
Nigerian Medium												
North America	0.31	0.16		0.15	0.22	0.13	0.14	0.14	0.17	0.18	0.17	0.01
Europe	0.10	0.06		0.11	0.03	0.03	0.06	0.10	0.02	0.10	0.15	-0.05
Pacific	0.00	0.01		0.02	..	0.01	..	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.05	0.07	0.11	0.08	0.08	0.07	-	0.08	-
Other Central & South America	0.10	0.10		0.09	0.10	0.11	0.11	0.11	0.09	0.15	0.10	0.05
ARA (Belgium Germany Netherlands)	0.07	0.09		0.09	0.13	0.09	0.07	0.09	0.07	0.10	0.05	0.05
Other Europe	0.18	0.21		0.20	0.24	0.20	0.18	0.20	0.16	0.19	0.16	0.03
FSU	0.04	0.06		0.06	0.08	0.06	0.03	0.03	0.06	0.06	0.04	0.02
Saudi Arabia	0.05	0.06		0.05	0.05	0.06	0.07	0.08	0.05	0.06	0.05	0.01
Algeria	0.00	0.00		0.01	0.01	-	-	-	-	-	-	-
Other Middle East & Africa	0.04	0.04		0.02	0.04	0.06	0.03	0.03	0.02	0.05	0.03	0.01
Singapore	0.01	0.01		0.02	0.00	0.02	0.00	0.00	0.00	0.00	0.01	-0.01
OECD Pacific	0.02	0.01		0.01	0.02	0.01	0.01	0.02	0.00	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.01	0.03	0.04	0.02	0.02	0.01	0.02	0.01	0.01
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.65**	**0.69**		**0.61**	**0.78**	**0.74**	**0.60**	**0.65**	**0.53**	**0.63**	**0.54**	**0.09**
of which Non-OECD	**0.39**	**0.39**		**0.32**	**0.40**	**0.48**	**0.36**	**0.39**	**0.31**	**0.35**	**0.32**	**0.02**
OECD Europe												
OECD North America	0.00	0.00		-	-	-	0.00	-	0.01	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.05	0.04	0.03	0.03	0.03	0.03	0.05	-0.02
FSU	0.02	0.03		0.01	0.03	0.05	0.02	0.01	0.04	0.02	0.00	0.02
Saudi Arabia	0.00	0.00		0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Algeria	0.00	0.01		0.00	0.02	0.01	0.02	0.02	0.02	0.01	0.00	0.01
Other Middle East & Africa	0.01	0.02		0.01	0.02	0.03	0.03	0.01	0.03	0.02	0.02	0.00
Singapore	-	0.00		-	-	-	0.00	-	0.00	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	-	-	-	-	-	-
Other	0.09	0.07		0.12	0.07	0.04	0.07	0.14	-	0.10	0.12	-0.02
Total[2]	**0.15**	**0.18**		**0.18**	**0.19**	**0.17**	**0.18**	**0.23**	**0.15**	**0.19**	**0.20**	**-0.01**
of which Non-OECD	**0.15**	**0.18**		**0.18**	**0.19**	**0.17**	**0.18**	**0.23**	**0.11**	**0.19**	**0.20**	**-0.01**
OECD Pacific												
OECD North America	0.00	0.00		0.01	0.00	-	-	-	-	-	0.02	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	-	-	-	-	0.01	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.03	0.04	0.02	0.04	0.05	0.03	0.04	0.03	0.01
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.02	0.02	0.01	0.03	0.01	0.04	0.03	0.01	0.01
Other	-	0.00		-	0.00	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.06**	**0.06**	**0.03**	**0.07**	**0.05**	**0.08**	**0.06**	**0.07**	**0.00**
of which Non-OECD	**0.03**	**0.05**		**0.05**	**0.06**	**0.03**	**0.07**	**0.05**	**0.08**	**0.06**	**0.05**	**0.02**
Total OECD Trade[2]	**0.84**	**0.92**		**0.85**	**1.04**	**0.94**	**0.85**	**0.93**	**0.76**	**0.88**	**0.80**	**0.07**
of which Non-OECD	**0.57**	**0.63**		**0.56**	**0.66**	**0.68**	**0.61**	**0.67**	**0.50**	**0.60**	**0.57**	**0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.04	0.04	0.02	0.02	0.03	0.02	-	0.05	-
Other Central & South America	0.03	0.02		0.05	0.01	0.01	0.03	0.04	0.01	0.00	0.06	-0.06
ARA (Belgium Germany Netherlands)	0.01	0.00		0.00	-	0.00	0.01	0.01	0.03	0.08	-	-
Other Europe	0.02	0.00		-	-	0.00	0.01	-	0.01	0.01	-	-
FSU	0.03	0.02		0.01	0.02	-	0.08	0.05	0.14	0.03	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	0.01	0.00		0.00	-	-	0.00	-	0.01	0.01	0.01	0.00
Other Middle East & Africa	0.01	0.00		-	-	-	0.01	0.01	0.01	-	-	-
Singapore	0.00	0.00		0.00	-	-	-	-	-	0.00	0.00	0.00
OECD Pacific	0.01	0.01		0.00	0.00	0.01	0.01	0.01	0.00	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	-	-	0.02	-	0.02	-	0.00	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.20**	**0.10**		**0.10**	**0.07**	**0.04**	**0.19**	**0.16**	**0.25**	**0.14**	**0.13**	**0.00**
of which Non-OECD	**0.16**	**0.09**		**0.10**	**0.07**	**0.03**	**0.16**	**0.14**	**0.21**	**0.04**	**0.12**	**-0.07**
OECD Europe												
OECD North America	0.02	0.03		0.05	0.03	0.02	0.01	-	0.02	0.02	0.07	-0.05
Venezuela	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.08	0.07	0.06	0.06	0.05	0.07	0.04	0.07	-0.03
FSU	0.36	0.41		0.44	0.46	0.35	0.40	0.32	0.43	0.48	0.46	0.02
Saudi Arabia	0.01	0.01		0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.01	-0.01
Algeria	0.04	0.02		0.03	0.02	0.02	0.02	0.01	0.04	-	0.03	-
Other Middle East & Africa	0.02	0.02		0.03	0.01	0.02	0.02	0.01	0.02	0.01	0.03	-0.02
Singapore	0.00	0.02		0.03	0.00	0.01	0.03	-	0.03	0.02	0.03	-0.01
OECD Pacific	0.00	0.00		-	-	0.01	0.01	-	0.02	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.03	0.00	0.00	0.02	0.00	0.05	0.03	0.08	-0.05
Other	0.10	0.10		0.13	0.04	0.08	0.14	0.23	0.03	0.20	0.17	0.03
Total[2]	**0.61**	**0.69**		**0.83**	**0.64**	**0.58**	**0.72**	**0.64**	**0.71**	**0.81**	**0.95**	**-0.14**
of which Non-OECD	**0.59**	**0.66**		**0.77**	**0.61**	**0.55**	**0.71**	**0.64**	**0.68**	**0.79**	**0.88**	**-0.09**
OECD Pacific												
OECD North America	-	0.00		0.00	0.00	-	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	0.00	0.00	-	-	-	-
Other Europe	-	0.00		0.00	-	-	-	-	-	-	0.00	-
FSU	0.00	0.01		0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00
Saudi Arabia	0.00	0.00		0.00	-	-	-	-	-	-	0.00	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.01	-	0.00	0.00	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.02	0.02	0.02	0.03	0.02	0.02	-0.01
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.01	0.02	0.02	0.03	0.03	0.05	0.06	0.01	0.05
Other	0.00	0.00		0.00	0.00	-	0.00	-	-	-	-	-
Total[2]	**0.03**	**0.05**		**0.04**	**0.06**	**0.05**	**0.06**	**0.06**	**0.09**	**0.09**	**0.05**	**0.04**
of which Non-OECD	**0.03**	**0.05**		**0.04**	**0.06**	**0.05**	**0.06**	**0.06**	**0.09**	**0.09**	**0.05**	**0.04**
Total OECD Trade[2]	**0.84**	**0.84**		**0.97**	**0.77**	**0.67**	**0.98**	**0.85**	**1.05**	**1.04**	**1.13**	**-0.10**
of which Non-OECD	**0.78**	**0.80**		**0.91**	**0.74**	**0.63**	**0.94**	**0.83**	**0.97**	**0.92**	**1.05**	**-0.12**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.03	0.02	0.02	0.02	0.01	0.01	0.02	0.03	-0.02
Other Central & South America	0.02	0.01		0.02	0.01	0.01	0.01	0.02	0.01	0.01	0.03	-0.02
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	0.00	0.00		-	0.00	-	-	-	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	-	-	-	-	0.01	-
Algeria	0.00	0.00		-	-	-	0.01	0.01	0.00	-	-	-
Other Middle East & Africa	0.02	0.01		0.00	0.01	0.00	0.02	0.03	0.01	0.07	-	-
Singapore	0.01	0.00		0.00	-	-	0.00	-	0.00	0.00	0.00	0.00
OECD Pacific	0.05	0.04		0.02	0.04	0.04	0.05	0.05	0.02	0.01	0.04	-0.03
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.01	0.02	0.00	0.00	-	0.02	0.01	0.01
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.09**		**0.09**	**0.09**	**0.09**	**0.11**	**0.13**	**0.06**	**0.13**	**0.13**	**0.00**
of which Non-OECD	**0.09**	**0.06**		**0.07**	**0.05**	**0.05**	**0.06**	**0.08**	**0.03**	**0.12**	**0.08**	**0.04**
OECD Europe												
OECD North America	0.00	0.01		0.02	0.00	0.01	0.00	-	-	0.00	0.03	-0.03
Venezuela	0.01	0.02		0.02	0.02	0.02	0.01	-	0.00	0.00	0.01	-0.01
Other Central & South America	0.01	0.00		0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
FSU	0.02	0.03		0.02	0.03	0.04	0.03	0.05	0.02	0.03	0.02	0.01
Saudi Arabia	0.03	0.02		0.02	0.02	0.02	0.01	0.00	0.00	0.01	0.04	-0.02
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.01	0.01
Other Middle East & Africa	0.13	0.10		0.08	0.12	0.11	0.09	0.07	0.11	0.06	0.07	-0.01
Singapore	-	0.01		-	-	0.02	0.00	-	0.00	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		0.00	-	0.00	-	-	-	-	-	-
Other	0.04	0.02		0.03	0.02	0.02	0.01	-	0.03	0.04	0.03	0.02
Total[2]	**0.25**	**0.21**		**0.21**	**0.23**	**0.27**	**0.16**	**0.13**	**0.18**	**0.17**	**0.20**	**-0.03**
of which Non-OECD	**0.25**	**0.21**		**0.19**	**0.22**	**0.26**	**0.15**	**0.11**	**0.18**	**0.17**	**0.17**	**0.00**
OECD Pacific												
OECD North America	-	-		-	-	-	-	-	-	0.01	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	0.01	-	0.04	0.04	0.01	0.03
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.01	-	0.00	0.01	-	0.02	0.06	0.02	0.05
Singapore	0.01	0.01		0.03	0.00	0.00	0.02	0.02	0.02	0.03	0.04	-0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.04	0.00	-	0.05	0.04	0.09	0.06	0.05	0.01
Other	0.04	0.05		0.07	0.03	0.04	0.07	0.07	0.11	0.07	0.07	-0.01
Total[2]	**0.07**	**0.10**		**0.15**	**0.04**	**0.04**	**0.16**	**0.13**	**0.28**	**0.28**	**0.19**	**0.09**
of which Non-OECD	**0.07**	**0.10**		**0.15**	**0.04**	**0.04**	**0.16**	**0.13**	**0.28**	**0.27**	**0.19**	**0.08**
Total OECD Trade[2]	**0.46**	**0.41**		**0.45**	**0.35**	**0.40**	**0.42**	**0.39**	**0.52**	**0.58**	**0.52**	**0.06**
of which Non-OECD	**0.41**	**0.36**		**0.41**	**0.31**	**0.35**	**0.37**	**0.32**	**0.50**	**0.56**	**0.45**	**0.11**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Nov 02	Dec 02	Jan 03	Year Earlier Jan 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.03	0.04	0.03	0.01	-	0.01	0.02	0.03	-0.01
Other Central & South America	0.11	0.10		0.08	0.09	0.09	0.13	0.14	0.14	0.14	0.08	0.06
ARA (Belgium Germany Netherlands)	0.04	0.01		0.01	0.01	0.00	0.01	-	0.00	0.01	0.02	-0.01
Other Europe	0.05	0.02		0.00	0.02	0.02	0.02	0.02	0.03	0.06	0.01	0.05
FSU	0.02	0.01		-	0.01	0.02	0.02	0.05	0.00	0.03	-	-
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.05	0.01		-	0.01	0.00	0.01	-	0.02	0.01	-	-
Other Middle East & Africa	0.05	0.02		0.02	0.03	0.03	0.02	0.02	0.02	0.04	0.03	0.01
Singapore	0.00	0.01		0.00	0.01	0.01	0.00	-	-	-	0.00	-
OECD Pacific	0.00	0.00		-	-	0.00	0.00	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	0.00	-	-	-	-	-	0.01	-
Other	0.00	0.00		0.00	-	-	0.00	0.00	-	-	-	-
Total[2]	**0.40**	**0.20**		**0.15**	**0.22**	**0.22**	**0.22**	**0.23**	**0.23**	**0.32**	**0.19**	**0.13**
of which Non-OECD	**0.31**	**0.18**		**0.14**	**0.19**	**0.19**	**0.19**	**0.21**	**0.20**	**0.25**	**0.16**	**0.09**
OECD Europe												
OECD North America	0.02	0.02		0.05	0.01	0.01	0.02	0.03	0.01	0.02	0.09	-0.07
Venezuela	0.01	0.00		0.01	-	-	-	-	-	0.00	-	-
Other Central & South America	0.01	0.02		0.05	0.00	0.01	0.00	-	0.00	0.01	0.04	-0.03
Non-OECD Europe	0.01	0.01		0.01	0.02	0.01	0.02	0.01	0.01	0.02	0.01	0.00
FSU	0.23	0.27		0.22	0.31	0.33	0.23	0.22	0.13	0.21	0.19	0.02
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.02	0.00	0.01	0.01	-	0.00	0.00	0.01	-0.01
Other Middle East & Africa	0.06	0.06		0.07	0.07	0.05	0.06	0.06	0.06	0.04	0.07	-0.04
Singapore	0.00	0.00		0.00	0.00	-	-	-	-	-	0.00	-
OECD Pacific	-	0.00		-	0.00	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.00	0.01	0.01	0.02	-	0.01	-	-
Other	0.06	0.07		0.06	0.07	0.05	0.09	0.08	0.11	0.12	0.06	0.06
Total[2]	**0.40**	**0.47**		**0.50**	**0.49**	**0.47**	**0.43**	**0.42**	**0.33**	**0.42**	**0.48**	**-0.06**
of which Non-OECD	**0.38**	**0.45**		**0.45**	**0.48**	**0.46**	**0.42**	**0.39**	**0.32**	**0.41**	**0.39**	**0.01**
OECD Pacific												
OECD North America	0.00	0.00		-	0.00	0.00	0.01	0.01	0.00	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	0.01	-	-	-	-	-	-	-
Saudi Arabia	-	0.00		-	0.00	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	-	-	0.00	0.00	-	-	-	-
Singapore	0.01	0.01		0.00	0.02	0.01	0.01	0.01	0.01	0.02	-	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.05	0.07	0.04	0.06	0.04	0.08	0.06	0.06	0.00
Other	0.02	0.02		0.01	0.01	0.02	0.02	0.03	0.01	0.01	0.00	0.01
Total[2]	**0.08**	**0.09**		**0.07**	**0.12**	**0.06**	**0.10**	**0.09**	**0.11**	**0.09**	**0.06**	**0.04**
of which Non-OECD	**0.08**	**0.09**		**0.07**	**0.12**	**0.06**	**0.10**	**0.08**	**0.10**	**0.09**	**0.06**	**0.04**
Total OECD Trade[2]	**0.88**	**0.77**		**0.72**	**0.84**	**0.75**	**0.76**	**0.74**	**0.67**	**0.84**	**0.73**	**0.11**
of which Non-OECD	**0.78**	**0.71**		**0.65**	**0.78**	**0.71**	**0.71**	**0.68**	**0.62**	**0.75**	**0.61**	**0.14**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

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13 May 2003

HIGHLIGHTS

- OECD commercial oil stocks ended March at an estimated 2338 mb, 260 mb below year-ago levels. Total oil stocks declined by 1.43 mb/d in 1Q, significant product draws out-pacing a modest crude build. The draw in stocks is substantially deeper than the recent five year average.

- World oil production fell by 1.4 mb/d in April, with Iraqi supply disruption following military action accounting for 1.27 mb/d. OPEC-10 increased output by 167 kb/d. Non-OPEC oil supply fell 475 kb/d but OPEC NGLs and non-conventional production rose by 174 kb/d.

- The OPEC 10 quota was increased by 900 kb/d to 25.4 mb/d, effective 1 June, with the Organisation seeking to cut actual production by 2 mb/d versus February/March levels. April production is estimated at 534 kb/d above the new target, suggesting that further OPEC cuts may prejudice whether OECD stocks will be replenished.

- Oil demand growth for 2003 has been cut by 90 kb/d, reflecting the impact of SARS on air travel and non-OECD Asia. Assuming the disease is contained, its effect will be concentrated in the second quarter. SARS' impact has also been partly offset by strong first-quarter demand and continued fuel switching into oil in Japan and the US.

- Crude prices stabilised in April after March's 18% fall. A floor was reached after coalition troops secured Baghdad on 9 April with limited damage to production facilities. Expectations of producer output cuts then saw prices recover from mid-month. OECD crude runs, stable in March, have since rebounded as refiners seek to build gasoline stocks.

CONTENTS

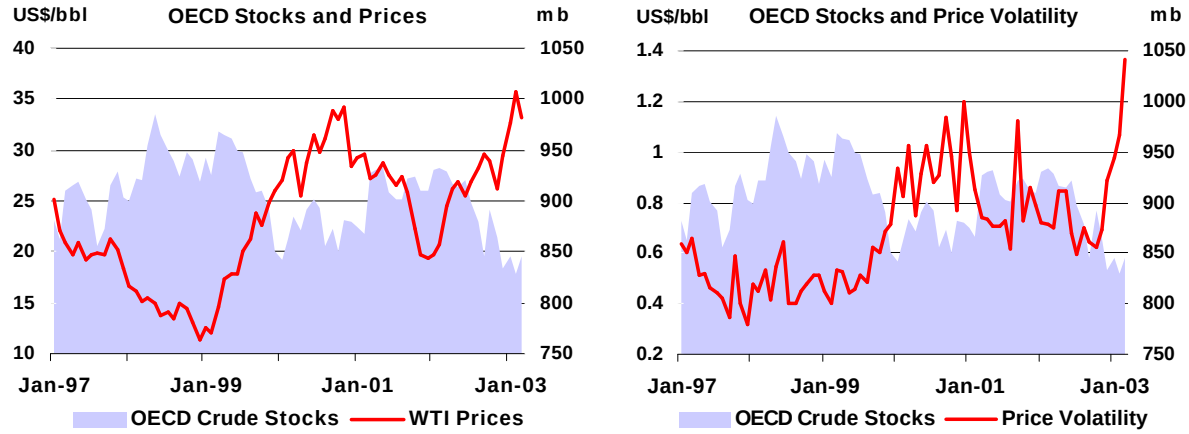
PRICES, STOCKS AND VOLATILITY

OECD industry stocks drew by 1.4 mb/d in the first quarter of 2003. This compares to a first quarter draw of 100 kb/d in 2001 and 300 kb/d in 2002. Although crude oil stocks rose slightly in the first quarter, product stocks plummeted. The moderate increase in crude oil stocks was fuelled by a surge in OPEC supply to offset the loss of Venezuelan and Nigerian production. Heavy refinery maintenance in North America, combined with unexpectedly strong demand, contributed to a significant reduction in product inventories.

The sharp draw in first quarter industry oil stocks coincides with an unusually large downward revision to preliminary OECD inventory data. February resubmissions from Member governments indicate a troubling 45.3 mb reduction. The bulk of this revision is for products (27.1 mb) and occurs mostly in Europe (26 mb), and represents the equivalent of roughly 20 VLCCs.

The net result of these developments is that OECD industry stocks heading into the summer driving season are much lower than anticipated. Crude oil and total industry product stocks are trending well below their 5-year average across all OECD regions. Consequently, total OECD industry oil stocks - crude plus products - are an unprecedented 260 mb lower than this time last year and 186 mb lower than in 2001. This situation prevailed before the loss of around 2 mb/d of Iraqi crude in April-May, the commencement of North Sea maintenance and a seasonal uptick in North American refinery demand to meet gasoline requirements. Furthermore, it occurs as producers are discussing cutting production.

Analysts have been ruminating about the seasonal reduction in second quarter demand and a supposed "wall of crude" that was set to swamp the market. The tidal wave has not materialised and with the sustained loss of Iraqi crude it is unlikely to arrive any time soon. Plummeting tanker rates reflecting reduced chartering activity is an indicator of lower future levels of oil on-the-water.



As expected, crude oil prices and price volatility are inversely related to OECD industry stocks in that lower stocks contribute to higher overall prices and increased price volatility. It could be argued that producers have been effective in managing the market to sustain prices in the "price band". But to keep prices in this range, producers have constrained supply to shift the market into backwardation and to discourage stock builds. Backwardation, caused by tight prompt physical supply, generates an economic disincentive to built stocks as refiners cannot hedge forward to offset the cost of storage. While producers benefit from higher short-term prices, a tight market generates volatility and reduces the market's ability to respond to contingencies.

While refiners cannot build crude stocks as long as producers constrain supply and backwardation prevails in the market, they also find themselves under pressure to minimise inventory holdings. In a market focused on "return on capital employed", refiners must compete with upstream returns and those from other segments of the economy. While efficiency gains have undoubtedly contributed to lower industry stockholding requirements, in a deregulated environment lower inventory holdings enhance downstream profitability. This drive for downstream profitability reinforces the effect of producers' actions in lowering the level of commercial stocks.

In the short term, lower inventory positions benefit both producers and refiners, but at the cost to consumers of higher prices and increased volatility. Unless producers continue to meet market needs, precariously tight first quarter stocks will set the stage for tensions in the summer gasoline and the winter heating oil seasons. Crude and product stocks need time to rebuild.

DEMAND

Summary

- The assessment of global oil demand growth for 2003 has been trimmed by 90 kb/d, to 1.03 mb/d. The change primarily reflects a 70 kb/d downward adjustment to the 2003 demand forecast, to 77.92 mb/d, based in part on preliminary assumptions regarding the impact of the Severe Acute Respiratory Syndrome (SARS) epidemic. US data resubmissions also have raised the estimate of 2002 demand by 20 kb/d, to 76.89 mb/d.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	-
4Q01	77.0	-0.6	-0.4	-
1Q02	76.6	-0.9	-0.7	-
2Q02	75.5	-0.1	-0.1	0.1
3Q02	76.7	0.8	0.6	-
4Q02	78.7	2.2	1.7	-
1Q03	78.7	2.8	2.1	0.3
2Q03	76.0	0.7	0.5	-0.4
3Q03	77.6	1.2	0.9	-0.2
4Q03	79.4	0.8	0.6	-
2001	76.5	0.4	0.3	-
2002	76.9	0.5	0.4	-
2003	77.9	1.3	1.0	-0.1

* year-on-year change

- The SARS outbreak has emerged as the latest major uncertainty factor affecting the global oil demand outlook. For the purposes of this Report, it is assumed that the epidemic will continue to spread in parts of China but will be fully contained by mid-year. Under such a scenario, the oil market impact of the disease, however substantial, will subside through the second half of 2003. Non-OECD Asian oil demand and global jet fuel consumption will bear the brunt of the impact, falling by more than 500 kb/d in the second quarter compared to last month's forecast, but by only about 250 kb/d in the third quarter and 50 kb/d in the fourth.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.97	-0.18	0.11	0.45	-0.8	0.5	1.9
Europe	15.82	0.20	-0.17	0.02	1.3	-1.1	0.1
OECD Pacific	8.53	-0.08	-0.02	0.21	-0.9	-0.3	2.4
China	5.16	0.09	0.28	0.05	1.8	5.8	1.0
Other Asia	7.47	0.05	0.09	0.13	0.7	1.3	1.7
Subtotal Asia	21.16	0.06	0.35	0.38	0.3	1.7	1.8
FSU	3.74	0.06	0.06	0.05	1.8	1.6	1.3
Middle East	4.96	0.14	0.12	0.12	3.0	2.5	2.5
Africa	2.51	0.03	0.03	0.04	1.4	1.3	1.5
Latin America	4.73	-0.02	-0.11	-0.03	-0.5	-2.3	-0.7
World	76.89	0.29	0.40	1.03	0.4	0.5	1.3

- Continued fuel-switching into oil in Asia and North America will partly offset the negative impact of SARS on oil consumption. In Japan, oil demand will remain firm, reflecting the uncertain pace of restarting nuclear reactors after safety issues caused more than 40% of the country's nuclear power generating capacity to be idled. Although some progress has been achieved towards restarting shuttered capacity ahead of the peak summer electricity demand season, extended plant

shutdowns will result in stronger crude and residual fuel oil usage in the second half than initially forecast. In the US, where a recent natural gas price rally caused residual fuel oil and distillate demand to spike, natural gas supply constraints will continue to support oil demand for power generation and industrial use.

- OECD oil demand was surprisingly strong in February, soaring 2.3 mb/d on the year to a near-record high of 51.57 mb/d. Precautionary stock-building by end-users and retailers, fuelled by the expectation of war in Iraq, helped boost demand. Preliminary delivery data for eight of the largest OECD economies show that demand fell sharply in March in Western Europe and Korea following the February spike.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.11	0.45
Latin America	0.05	0.02	0.00	-0.02	-0.11	-0.03
FSU	-0.06	-0.13	0.03	0.06	0.06	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.17	0.02
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.02	0.21
China	-0.02	0.30	0.30	0.09	0.28	0.05
Other Asia	0.04	0.41	0.10	0.05	0.09	0.13
Subtotal, Asia	-0.51	0.99	0.34	0.06	0.35	0.38
Middle East	0.15	0.12	0.22	0.14	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.04
World	0.35	1.59	0.78	0.29	0.40	1.03

- Preliminary data also point to stronger-than-expected first-quarter demand in the non-OECD region. This is particularly the case in China, where apparent demand soared by more than 10% year-on-year as refinery capacity expansions led to record crude oil throughputs. By late march, however, product output had run ahead of end-user demand, leading to stock builds and setting the stage for second-quarter run cuts. The situation was exacerbated by the rapid spread of SARS in April, which severely curtailed air and road transportation.

OECD

Early Indications of Current Demand

OECD demand was exceptionally robust in February, soaring by 1.77 mb/d from January to 50.73 mb/d, an increase of 2.29 mb/d, or 4.7%, over the year. The February high was a near monthly record, second only to the 51.16 mb/d peak reached in December 1999, when Y2K concerns fuelled precautionary stock building and set the stage for steep demand contraction in the first quarter of 2000.

Unseasonably cold weather in the Northern Hemisphere and fuel-switching in Asia and North America partly explain the strong showing. But the latest demand surge resembles that of December 1999 in another way. As at the turn of the Millennium, market participants may have embarked on a precautionary buying spree out of concern over a possible supply disruption, this time on the expectation of war in Iraq. This appears to be partly confirmed by preliminary delivery data showing that in Korea and three of the largest European economies – though not in the US, Mexico or Japan – the February uptick was followed by steep demand contraction in March. Unlike in December 1999, however, higher oil deliveries in February did not result in any significant primary product stock build. Rather, February product inventories declined further, suggesting stocks built only at the secondary and/or tertiary levels.

February demand data exceeded last month's preliminary assessment by close to 870 kb/d, with complete data sets from all but two OECD member countries. More than half the adjustment stemmed from upward revisions of 460 kb/d to US preliminary estimates, making North America the main driver of OECD demand growth in absolute terms, with a 1.16 mb/d, or 4.9%, gain year-on-year. Of those revisions, 320 kb/d were in the broad "Other" category made up of LPG, naphtha and "other products", 130 kb/d in jet fuel and 110 kb/d in gasoline (partly offset by downward adjustments of 60 kb/d for residual fuel oil and 40 kb/d for gasoil). The other major adjustment was in OECD Europe, where demand was raised by 445 kb/d, bringing the region's demand growth rate to 4.1%. Germany, France, Italy and the UK together accounted for 160 kb/d of the European adjustment.

Asia-Pacific demand was the fastest growing in percentage terms with a 5.4% gain, despite a 50 kb/d downward adjustment from last month.

While the remarkably rapid demand growth of February spanned nearly all OECD economies, March marked a return to more familiar regional contrasts in demand patterns, with strong product deliveries continuing in North America and Japan, where demand has been robust in recent months, but swinging into steep contraction in the slower-growing economies of Europe, as well as Korea.

Unadjusted preliminary data for seven of the largest OECD economies show that aggregate inland deliveries of oil products rose by 2.2% in March from last year, or 2.3% after adjustment for definitional differences (see table below). Compared to March 2001 levels, however, deliveries fell 70 kb/d, or 0.2%. Deliveries continued to surge in the US, Mexico and Japan. But they tumbled in Germany, France and Italy by an aggregate 340 kb/d, or 5.2%, from last year, and 475 kb/d, or 7.2%, from March 2001.

Preliminary Inland Deliveries – March 2003

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
USA 3	**8.61**	**-0.6**	**1.59**	**0.6**	**2.69**	**6.4**	**1.42**	**45.3**	**0.94**	**23.1**	**4.89**	**0.3**	**20.15**	**2.7**
Mexico	**0.58**	**6.4**	**0.06**	**-1.8**	**0.29**	**15.7**	**0.00**	**na**	**0.37**	**-6.3**	**0.37**	**4.0**	**1.66**	**3.9**
Japan	**1.03**	**2.5**	**0.86**	**19.3**	**0.71**	**-3.8**	**0.61**	**6.1**	**0.62**	**42.7**	**1.84**	**18.0**	**5.66**	**12.7**
Korea	**0.15**	**-19.9**	**0.04**	**-24.1**	**0.39**	**-7.4**	**0.18**	**-8.4**	**0.33**	**-12.6**	**1.04**	**3.6**	**2.11**	**-4.9**
France	**0.27**	**-9.5**	**0.12**	**-0.1**	**0.59**	**-1.2**	**0.28**	**-10.8**	**0.05**	**-3.3**	**0.45**	**-3.4**	**1.77**	**-4.7**
Germany	**0.57**	**-11.3**	**0.14**	**1.5**	**0.53**	**-6.2**	**0.50**	**-2.8**	**0.12**	**0.2**	**0.39**	**-16.2**	**2.25**	**-8.0**
Italy	**0.33**	**-9.8**	**0.08**	**25.8**	**0.46**	**3.4**	**0.11**	**20.5**	**0.19**	**-25.8**	**0.44**	**-5.2**	**1.61**	**-4.7**
Total	**11.54**	**-1.4**	**2.89**	**5.5**	**5.65**	**2.1**	**3.09**	**16.3**	**2.62**	**9.2**	**9.41**	**-1.4**	**35.20**	**2.2**

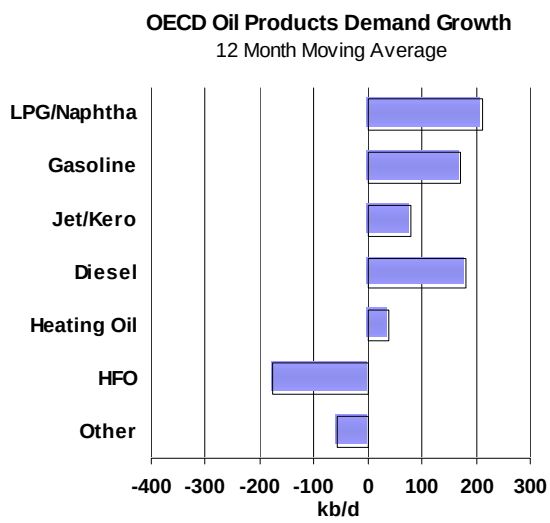
Sources: US EIA, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry,
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

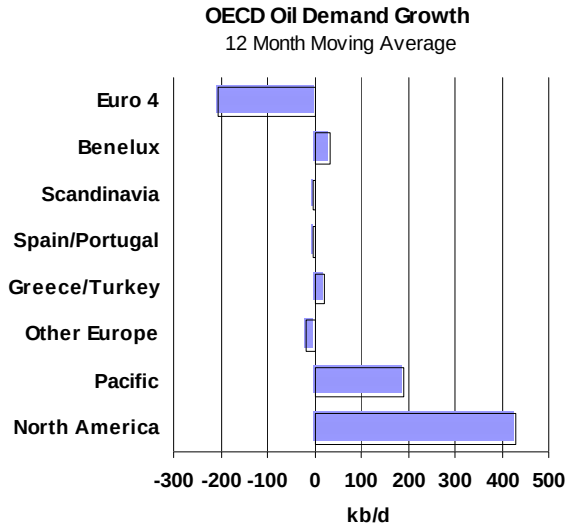
As in previous months, heating oil and residual fuel oil led oil product demand growth in March. In Japan, demand for "other products", led by direct-burn crude oil, also continued to soar. Those products, used as boiler fuels in power generation and space heating, are expected to post further gains beyond the end of the winter heating season. Colder-than-normal temperatures, in contrast with the unseasonably warm weather of the previous winter, put them in especially strong demand in recent months. Diminishing heating requirements with the end of winter would normally tend to mute incremental demand in the "shoulder" period before the onset of the summer cooling period, when electricity demand rebounds seasonally. However, curtailed output of natural gas in the US and of nuclear power in Japan have compounded the effect of colder weather to boost utility demand for oil. Those factors will not dissipate with the end of winter and will continue to support heating oil and residual fuel oil demand through the summer even if cooling-degree days do not substantially exceed last year's level.

Jet fuel demand further recovered in March from the slump caused by the economic slowdown and terrorist attacks of 2001. However, the outbreak of the SARS epidemic, compounding the effects of war in Iraq and a weak economy, marks a new setback for the ailing airline industry. As a result, jet fuel demand is forecast to contract again in the second quarter.

For the first time in its history, the World Health Organisation issued a travel advisory urging visitors to avoid high risk areas. Government and civil authorities in affected areas have taken additional measures to curb travel and contain the disease. Although this is not yet reflected in the delivery statistics, the effect on air travel, and therefore on jet fuel demand, has been dramatic. Asian airlines have aggressively curtailed flight schedules. Intraregional air travel, after expanding briskly in recent months, has been slashed. In North America, where the Iraq war had already prompted airlines to cut their flight schedules, long-haul travel to Asia has nosedived, undermining West Coast jet fuel imports. Ironically, Europe, where oil demand in general has been weaker, appears to have been more resilient, supported in part by heightened intra-regional travel and the relatively fresh appeal of fast-growing low-cost airlines. Yet even European jet fuel demand will not be fully immune from the effect of SARS.

Overall, the forecast of OECD jet fuel demand has been cut by 130 kb/d from last month's Report for the second quarter (including cuts of 50 kb/d in Asia, 45 kb/d in North America and 30 kb/d in Europe), and by 35 kb/d for the third quarter. OECD jet fuel demand is now expected to contract by 4.6% in the second quarter from last year's already depressed levels, before inching up again in the second half of the year. Even if the epidemic proves short-lived and fully contained by end-June, as is assumed in this Report, its adverse effect on travel demand may linger for months thereafter.





OECD gasoline demand contracted in March for the second consecutive month, as lower US demand compounded the effect of continued drops in Europe. The decline in Europe is expected to continue, as diesel further penetrates the region's automotive fleet. In North America, by contrast, the downturn will likely be temporary. US demand appears to have suffered from high prices and a build-up of tertiary stocks ahead of war in Iraq. Prices have since eased and tertiary stocks have likely been drawn down, setting the stage for a rebound in demand in the run-up to the summer driving season. Furthermore, low demand estimates remain subject to upward revisions. Thus, the 110 kb/d upward adjustment to US gasoline delivery data for February translates into year-on-year contraction of 0.7%, compared to last month's initial assessment of a 2% drop.

Moving Annual Average Change in Oil Demand* – March 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	3.4%	26.6%	2.5%	-1.2%	2.1%	8.3%	-7.4%	-3.4%	1.8%	344
Canada**	4.6%	7.0%	2.9%	6.8%	1.8%	5.1%	-4.4%	7.2%	3.7%	73
Mexico	-3.5%	49.3%	3.8%	-1.3%	1.7%	1.7%	-12.9%	63.5%	0.3%	6
Japan	-0.1%	6.2%	1.6%	6.1%	-2.9%	1.1%	6.1%	-0.4%	2.4%	127
Korea	6.6%	5.2%	-1.1%	7.2%	6.2%	3.1%	-3.7%	110.0%	2.5%	53
France	-1.7%	-11.2%	-4.7%	4.8%	2.9%	-4.9%	-7.8%	-7.3%	-2.8%	-56
Germany	-9.0%	-4.2%	-4.8%	0.6%	0.6%	-6.0%	-0.6%	-12.2%	-3.9%	-110
Italy	-0.3%	1.9%	-4.3%	1.1%	2.3%	0.9%	-5.2%	-4.4%	-1.8%	-35
UK**	5.6%	7.8%	-6.0%	5.3%	2.1%	2.1%	-0.6%	-1.1%	-0.3%	-5
Total	**2.0%**	**5.4%**	**1.4%**	**2.1%**	**1.6%**	**1.4%**	**-4.4%**	**-1.7%**	**1.0%**	**397**
kb/d	80	133	176	71	96	49	-145	-62	397	

* defined as the percentage change between the demand average for the 12 months up to March and that of the same period a year earlier

* *near-month data are estimated

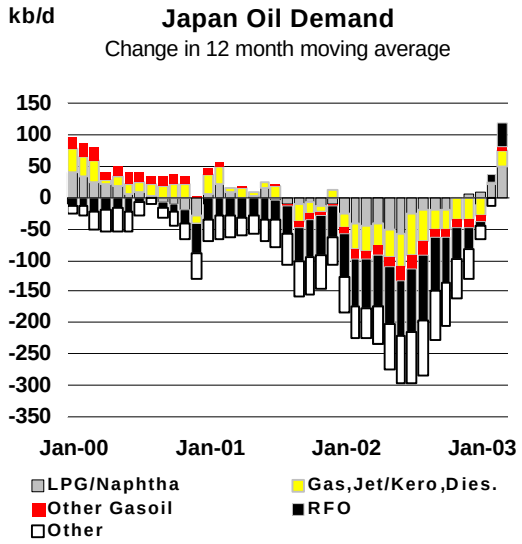
Deliveries of "other products" continue to contract in March, but more slowly than in February. US deliveries shifted from steep contraction to marginal growth. Although US preliminary estimates of "other products" deliveries do not provide any further product breakdown, it is reasonable to expect that high natural gas prices boosted LPG deliveries. Continued strong gas prices are expected to provide LPG demand with further support through the remainder of the year.

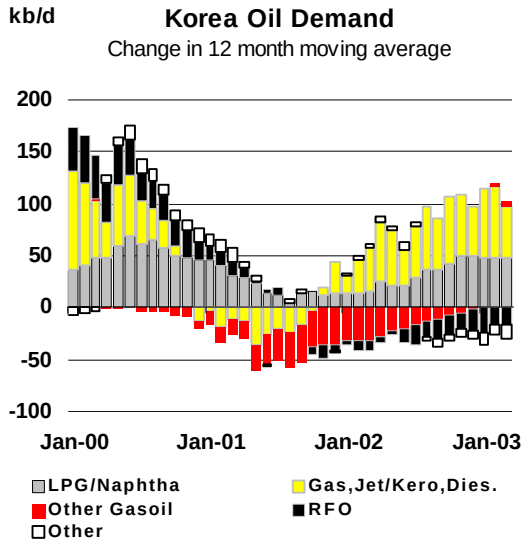
Pacific

Tokyo Electric Power Co. (Tepco) on 7 May restarted its 1,356 MW Kashiwazaki-Kariwa No. 6 nuclear plant in Niigata Prefecture, on the coast of the Sea of Japan. Tepco's other 16 nuclear reactors, all of the same boiling water type (BWR), remain shut in connection with a controversy surrounding Tepco and other utilities' maintenance reporting programmes. As of this writing, other idled BWRs included three of Chubu Electric's four units, one of Tohoku Electric's three plants, one Chugoku Electric unit and Hokuriku's single facility. In all, 22 of Japan's 29 BWRs are inoperative.

The Kashiwazaki-Kariwa No. 6 unit was the easiest plant to restart because it was reportedly the only one that proved entirely free of the type of minor cracks or defects that Tepco allegedly failed to fully document in routine inspection reports. No schedule for the restart of the company's remaining 16 reactors, totaling 15,952 MW of nameplate capacity, has been disclosed. Nevertheless, the plant's restart, which required the agreement of both Federal and local authorities, including the governor of Niigata Prefecture, the mayor of Kashiwazaki and head of Kariwa village, may mark an important milestone towards resolving the nuclear safety dispute which has been festering since September. Six other Tepco units are located in Kashiwazaki-Kariwa, with the remaining 10 in Fukushima.

While the restart of the Kashiwazaki-Kariwa No. 6 unit is significant, it nevertheless seems unlikely that all idled BWRs will be brought back to service by mid-year, ahead of Japan's peak summer electricity demand season, as had been the working assumption of earlier forecasts. For the purpose of this Report, it is now assumed that the phased restart of up to 10 BWRs will take place by early-July, with the restart of the remaining plants phased after the summer. Such an outcome would be sufficient to dispel the risk of summer blackouts and ease the demand on alternative electricity sources, but would still require that substantially more oil-fired power generating capacity be activated than last summer, before the controversy erupted. Therefore, the forecast of OECD Asia-Pacific demand for residual fuel oil and "other products" has been adjusted upwards by roughly 110 kb/d in the second half of the year.





Although oil demands for power generation will be greater than initially forecast, there will be several mitigating factors. On the demand side, the slow pace of the Japanese economic recovery, compounded in the short-term by possible knock-on effects from the SARS epidemic in China, may moderate power demand from the industrial sector. On the supply side, Japanese utilities will be able to rely on more alternative sources of power generation. Two new coal-fired power plants were scheduled to start-up in time for the peak power demand season, including Okinawa Electric Power's 220-MW Kim No. 2 unit, starting in May, and Kyushu Electric Power's 700-MW Reihoku No. 2 plant, starting in July. In addition, Tepco will start its 1,000-MW Hitachinaka No. 1 unit in December. Importantly, more LNG will be available to Tepco and other utilities this summer. Malaysia's Bintulu LNG complex was due to start up its 6.8 million ton/year Malaysia LNG 3 plant on 8 May, making the Bintulu complex, with 22.7 million tonne/year capacity, the world's largest LNG production facility.

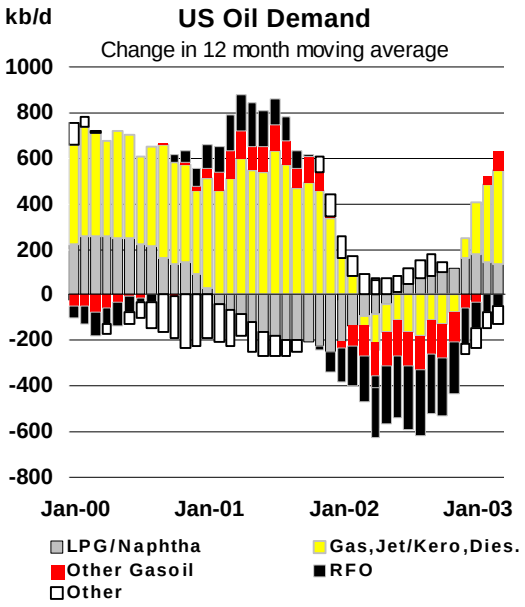
In neighbouring Korea, greater LNG availability and the end of the winter season cut into oil demand as early as April. On 30 March, Korea Electric Power Co. (Kepco) affiliate Korea Western Power Co.

shut four low-sulphur-fuel-oil generators, totaling 1,400-MW of capacity, at its Pyongtaek power station. Another Kepco subsidiary, Korea East-West Power Co., shut two 200-MW units at its Ulsan unit in early April.

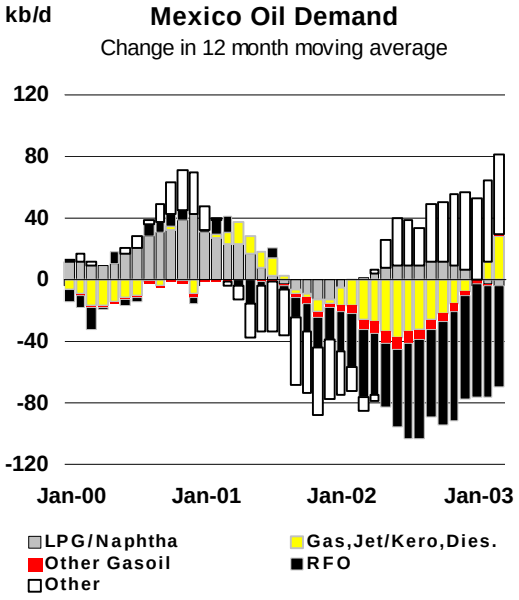
Reduced air travel due to the SARS epidemic will also partly offset the upward adjustment in demand at the heavy end of the barrel. The forecast of OECD Asia-Pacific demand for jet fuel and kerosene has been trimmed by roughly 50 kb/d in the second quarter and 20 kb/d in the third.

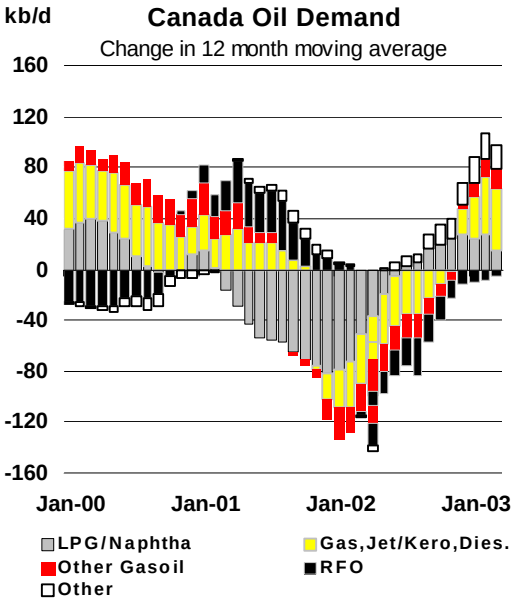
North America

US demand growth rose by 5% in February. Preliminary data for March, and weekly reports for April, show that demand growth remained remarkably robust, if somewhat slower, at 2.8% and 1.6%. Although demand in the year-earlier period had steadily contracted, the recent growth marks more than the reversal of that trend. In absolute terms, the high demand levels posted in recent months – 20.4 mb/d in February, 20.16 mb/d in March and 19.82 mb/d in April – would be, if confirmed, unmatched for that time of year.



Heating and power generation demand were the key driver of oil demand growth, fuelled both by colder-than-normal temperatures through most of winter, and by natural gas supply constraints and high prices, which have prompted large-scale fuel switching into oil. Although temperatures were slightly milder than last year and than recent historical patterns in March, the weather was unusually cold in February and April. While the weather factor will fade as a driver of demand with the transition into summer, natural gas prices and availability to service air-conditioning requirements are expected to support demand for heating oil and residual fuel oil through the end of the year.





Stocks of working natural gas in US storage stood at 821 Bcf as of 2 May, half last year's level of 1,645 Bcf. Given weaker-than-last-year domestic and Canadian natural gas production, such exceptionally low inventory levels suggest that summer injections – the utilities' seasonal drive to rebuild storage ahead of the winter heating season – will pressure prices and tighten available supply, giving end-users with fuel-switching capacity further incentives to boost their oil usage.

To a certain extent, the outlook for US oil consumption will thus depend on the fundamentals of natural gas supply and demand, and on the scope and pace of seasonal gas injections into storage. Over the last two reporting weeks, injections far outpaced expectations, suggesting that the market imbalance may not be quite as dramatic as it seemed. Injections averaged 8.1 Bcf per day in the week ended 25 April, or 1-2.5 Bcf/d over expectations, and 11.47 Bcf/d the following week. A contraction in US manufacturing activity in April, for the second consecutive month, apparently muted demand, helping storage injections to pick up momentum.

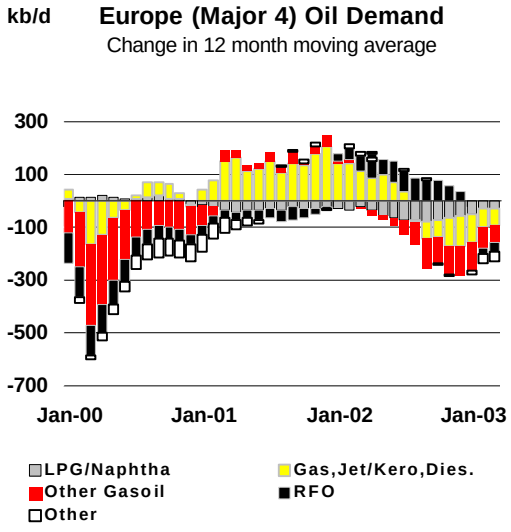
Meanwhile, despite weaker year-on-year domestic gas supply at the wellhead, two factors are set to boost supply. A 900 MMcf/d expansion of the Kern River natural gas pipeline system de-bottlenecked Rockies gas, increasing the amount of gas available for storage in the producing region. LNG production and import capacity expansions are also adding to the supply pool. First-quarter US LNG imports grew by 35% over the year, to 900 Mcf/d. That number is set to further rise with the recent completion of the 440-MMcf/d Train 3 expansion of Atlantic LNG's liquefaction plant in Trinidad, and the 1 Bcf/d re-opening of the Cove Point import terminal in Maryland, slated for July.

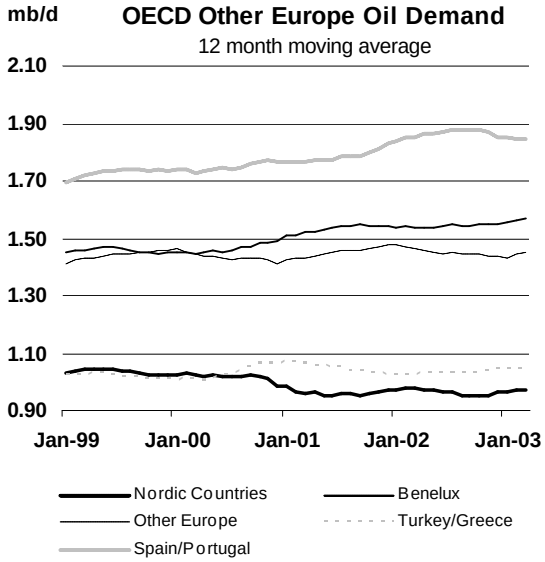
As in Japan, reduced jet fuel demand will partly offset incremental demand from the power generation and industrial sector. Ailing US airlines aggressively cut back on service at the onset of war in Iraq. Further cuts were implemented in the wake of the SARS outbreak in Asia. Long-haul flights across the Pacific and Atlantic oceans were particularly affected. Canadian jet demand also suffered from the discovery of SARS patients in Toronto, the country's airline hub. This Report adjusts downwards the forecast of North American jet fuel demand by a further 50 kb/d for the second quarter and 20 kb/d for the third, on top of last month's cuts of 170 kb/d and 80 kb/d.

US gasoline demand contracted from February through March but is expected to recover in the remainder of the year. High first-quarter gasoline prices, inclement weather and precautionary end-user stockpiling in January likely depressed demand. All three factors have now eased. Reduced air travel in the summer is also likely to benefit gasoline demand as travellers and vacationers chose driving over flying.

Europe

A surge in European demand in February was primarily driven by precautionary stockpiling ahead of potential war-related supply disruptions. In several countries, February demand grew at double-digit rates. Demand soared by 26% in Ireland, 20% in Luxembourg, 14% in Poland and Belgium and 13% in Norway. Admittedly, the relatively low demand base of those economies exaggerated the gains in percentage terms. But demand also advanced briskly in larger markets. French demand jumped by 8.6%, reversing January's 1.9% drop. UK demand grew by 4.6%. A 15% jump in heating oil deliveries pushed German demand up by 0.5%, arresting January's 8.7% fall.





Jet fuel demand was exceptionally robust in February across the OECD. Because of Europe's dependence on roughly 200 kb/d in Middle Eastern jet fuel imports, no product was arguably more at risk of suffering war-related supply disruptions than jet fuel, leading to precautionary stock building.

The steep year-on-year gain in European deliveries of jet fuel – averaging a preliminary 12.4% in the first quarter – also partly reflects genuine end-user growth. The Association of European Airlines (AEA) reported a modest year-on-year increase in passenger traffic for February, following brisk gains in January. (In March and April, a traffic drop shown in AEA data was partly cushioned by continued gains at fast-growing "low-frill" airlines, which are not included in AEA statistics). Finally, several European countries – the UK, Italy and Spain – are understood to have helped supply US and UK troops with jet fuel in the run-up to, and during, the US-led coalition's military campaign in Iraq.

Distillate demand was also comparatively strong in February, including in Germany. Expectations of war in Iraq likely spurred end-user precautionary stockpiling.

Non-OECD

China

China is the economy most directly affected by the SARS epidemic and as such will show the sharpest impact on oil demand. Of the roughly 7,000 infected as of this writing, most cases are in China. The original outbreak of the disease struck the Chinese manufacturing centre of Guangdong Province, in the Pear River Delta area. Another major outbreak erupted in Beijing, the country's political centre, and a magnet for migrant workers. While the epidemic appears to have been contained in Vietnam and Singapore, concerns remain over its status in China.

Because SARS is a new disease, and despite the strides achieved by public health professionals and epidemiologists in studying and understanding it, its course cannot be predicted at this stage. Based on the positive developments reported in several affected areas and on the improved health measures adopted in China and elsewhere, it is assumed, for the purpose of this Report, that the disease will be fully contained by end-June. Under this scenario, which is in line with the base case of a preliminary economic assessment developed early this month by the Asian Development Bank, SARS will cause a serious, but temporary, shock to economic growth. Most of the impact will be felt in the second quarter in China and other emerging economies of Eastern and Southeast Asia. It is assumed that the disease will shave about 2 percentage points off of Asian economic growth in the second quarter, or about 0.6 percentage points for the full year. On a global scale, the disease is expected to cut world GDP growth by 0.5% for the second quarter and 0.2% for the full year.

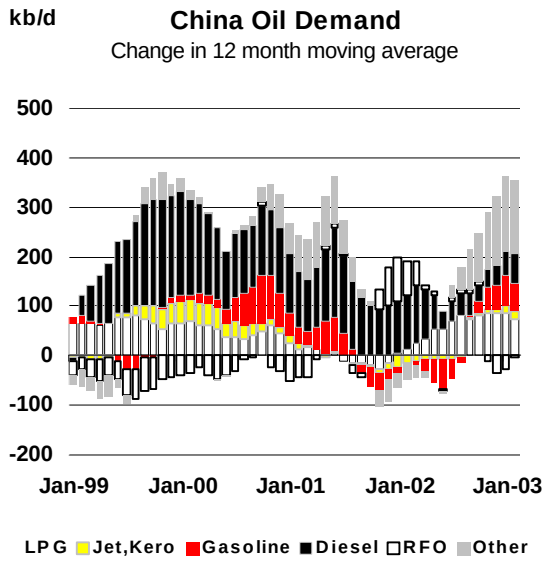
The impact of SARS on Chinese and Asian oil demand will likely be greater than its broader economic impact. That is because individual transportation, and the travel and tourism industries, have been disproportionately affected by the disease. This Report cuts the forecast of Chinese demand by 340 kb/d for the second quarter, enough for demand to flip from 0.9% growth to 5.5% contraction. For the third and fourth quarters, downward adjustments to Chinese demand total 175 kb/d and 50 kb/d, trimming demand growth for those periods by 3.4 and 0.8 percentage points. For the year as a whole, the downward adjustment comes to 140 kb/d, but is partly offset by an 80 kb/d upward adjustment to first-quarter demand. Taking that revision into account, full-year demand growth is reduced by 2.4 percentage points.

Fear of contagion, and public health measures, have dramatically reduced air and road travel not only in and out of infected or risk areas, but also within those areas. The Chinese government cancelled May Day celebrations and holiday travel was discouraged. Hotel occupation rates have plummeted, with hotel generators reportedly running at reduced rates. Anecdotal reports point to a rapid build in Chinese product stocks over the course of April, despite run cuts and maintenance work at several of the country's largest refineries. Gasoil tanks in particular were reportedly full at several storage facilities in Guangdong province, with tanks filling rapidly at PetroChina's refineries in Northeast China.

Even if the disease is vanquished by mid-year, its economic impact on China and the region will not end immediately, hence the adjustments to third and fourth-quarter demand. Chinese manufacturing so far has reportedly been spared, as no major production facility has been infected. But exporters have been filling orders received at the latest round of trade fairs in December; by early May, they were running out of signed contracts. Despite some internet and teleconferences success, travel restrictions have been hampering producers' efforts to renew their order books, raising the threat of a lagged manufacturing slowdown. Lower consumer confidence and reduced retail sales during the epidemic may also have a delayed knock-on effect on manufacturing. Likewise, air travel will not immediately return to pre-epidemic levels, and foreign investment, a crucial factor behind China's recent economic expansion, may be temporarily delayed. Yet, assuming that the epidemic is quickly brought under control, the effect of SARS is expected to remain of a one-off, if somewhat protracted,

nature, and the disease at this stage is not expected to cause any lasting, structural market shifts. Things will revert to normal over time, and oil demand growth will resume at a brisk pace.

The expected contraction in Chinese demand in the second quarter would not be so deep if Chinese apparent demand had not grown as steeply as it did in the first quarter. Chinese apparent demand, measured as the sum of product output and net product imports, was adjusted upwards by 50 kb/d to 5.26 mb/d for February and by 180 kb/d to a preliminary 5.24 mb/d for March on the grounds of higher-than-expected refinery throughputs. February crude runs of 4.35 kb/d at Sinopec and PetroChina refineries, yielding 4.47 mb/d of products, were the highest ever reported. Despite extensive refinery maintenance in March, throughputs apparently did not fall as much as expected. That is because Chinese refiners, having filled up on imported crude oil at high prices before the Iraq war, jacked up their throughputs once the outbreak of war triggered a sudden downturn in international oil markets. As Chinese domestic product prices typically lag shifts in international markets, refiners sought to protect their profit margins by processing as much high-priced crude as possible before an expected drop in domestic prices.



However, domestic and export markets were apparently unable to absorb the full output of Chinese refineries in March and April, leading to stock builds and setting the stage for future run cuts. A notable exception was residual fuel oil, which came in strong demand amid low supply in March, as summer temperatures started early in South and Southeast China. With several non-oil power plants down for maintenance and drought conditions in the Southwest curtailing hydropower output, utility demand for fuel oil shot up. But a temporary downturn in imports, caused in part by a run-up in tanker rates, and lower domestic production due to refiners' efforts to maximise light-product output, caused a steep draw in RFO inventories.

Other Non-OECD

Other non-OECD Asian economies will share with China's the burden of the SARS oil market impact. Assuming full containment by end-June, the disease is expected to cut aggregate demand growth in Hong Kong, Singapore, Taiwan and other neighbouring economies by 80 kb/d in the second quarter and 40 kb/d in the third.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.72	23.83	24.12	24.19	23.97	24.55	24.18	24.50	24.43	24.41
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.64	15.19	15.36	15.09	15.14	14.64	15.16	15.45	15.10
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.05	9.32	8.53	9.62	7.97	8.16	9.19	8.73
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.97	46.14	47.36	48.87	47.59	49.31	46.79	47.83	49.07	48.25
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.65	3.66	3.98	3.74	3.70	3.70	3.77	4.00	3.79
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.40	5.16	5.34	4.95	5.15	5.41	5.21
Other Asia	7.33	7.41	7.34	7.26	7.50	7.38	7.42	7.44	7.38	7.64	7.47	7.61	7.50	7.48	7.80	7.60
Latin America	4.86	4.74	4.91	4.89	4.81	4.84	4.67	4.77	4.81	4.66	4.73	4.57	4.70	4.81	4.70	4.69
Middle East	4.70	4.64	4.87	5.07	4.80	4.85	4.75	4.99	5.19	4.92	4.96	4.87	5.06	5.34	5.08	5.09
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.50	2.48	2.52	2.51	2.56	2.53	2.52	2.56	2.54
Total Non-OECD	28.46	28.50	29.08	28.60	29.07	28.81	28.66	29.32	29.34	29.86	29.30	29.44	29.18	29.76	30.30	29.67
World	76.20	77.32	75.53	76.08	77.05	76.49	76.63	75.46	76.70	78.73	76.89	78.75	75.96	77.59	79.37	77.92
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.47	19.66	19.84	19.86	19.71	20.20	19.91	20.13	20.04	20.07
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.27	8.25	8.19	7.96	8.31	8.27	8.18
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.89	5.32	6.21	5.00	5.14	5.75	5.52
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.36	2.18	2.40	1.95	2.01	2.37	2.18
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.94	1.93	1.97	1.97	1.99	1.97	1.97
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.06	2.00	2.03	1.98	2.06	2.08	2.04
Brazil	2.16	2.11	2.18	2.20	2.17	2.17	2.12	2.13	2.19	2.17	2.15	2.10	2.12	2.20	2.19	2.15
India	2.07	2.16	2.10	1.99	2.08	2.08	2.10	2.10	2.00	2.14	2.09	2.17	2.15	2.04	2.18	2.14
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-1.9	0.6	0.8	2.5	0.5	3.5	1.5	1.6	1.0	1.9
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	-1.4	-1.2	-0.1	-0.1	-0.2	0.6	0.1
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-3.9	0.1	6.0	-0.3	5.9	4.0	1.4	-1.3	2.4
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.7	-0.7	-0.2	1.8	-0.2	2.8	1.4	1.0	0.4	1.4
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	0.9	2.3	5.6	1.6	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	8.6	5.8	10.1	-5.5	0.3	0.1	1.0
Other Asia	1.4	3.4	0.8	-0.2	-1.1	0.7	0.0	1.5	1.7	1.9	1.3	2.6	0.7	1.3	2.1	1.7
Latin America	0.1	1.4	0.2	-1.9	-1.4	-0.5	-1.5	-2.8	-1.6	-3.1	-2.3	-2.2	-1.5	-0.1	0.9	-0.7
Middle East	4.9	3.4	3.4	3.0	2.2	3.0	2.4	2.4	2.4	2.5	2.5	2.5	1.4	2.9	3.2	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.5	2.0	1.1	1.3	1.4	1.3	1.6	1.7	1.5
Total Non-OECD	2.5	1.9	3.5	-0.8	0.5	1.2	0.6	0.8	2.6	2.7	1.7	2.7	-0.5	1.4	1.5	1.3
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	-0.1	0.8	2.2	0.5	2.8	0.7	1.2	0.8	1.3
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.46	0.13	0.19	0.58	0.11	0.82	0.35	0.39	0.24	0.45
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.13	-0.31	-0.22	-0.18	-0.02	-0.01	-0.03	0.09	0.01
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.01	0.53	-0.02	0.54	0.31	0.11	-0.12	0.21
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.85	-0.31	-0.12	0.89	-0.09	1.34	0.65	0.47	0.21	0.66
FSU	0.03	0.12	0.12	0.02	0.00	0.06	-0.09	0.03	0.08	0.21	0.06	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.43	0.28	0.49	-0.29	0.01	0.01	0.05
Other Asia	0.10	0.24	0.06	-0.02	-0.09	0.05	0.00	0.11	0.12	0.14	0.09	0.19	0.05	0.10	0.16	0.13
Latin America	0.00	0.06	0.01	-0.10	-0.07	-0.02	-0.07	-0.14	-0.08	-0.15	-0.11	-0.10	-0.07	0.00	0.04	-0.03
Middle East	0.22	0.15	0.16	0.15	0.10	0.14	0.11	0.12	0.12	0.12	0.12	0.12	0.07	0.15	0.16	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.04	0.05	0.03	0.03	0.04	0.03	0.04	0.04	0.04
Total Non-OECD	0.71	0.54	0.99	-0.24	0.13	0.36	0.16	0.25	0.74	0.79	0.49	0.78	-0.14	0.42	0.44	0.37
World	0.78	1.28	0.99	-0.64	-0.44	0.29	-0.68	-0.07	0.63	1.68	0.40	2.12	0.51	0.88	0.64	1.03
Changes from Last Month's Report																
North America	-	-	-	-	-	-	0.02	0.03	0.01	0.03	0.02	0.17	0.10	-0.01	-0.02	0.06
Europe	-	-	-	-	-	-	-	-	-	-	-	0.03	-0.07	-0.05	-0.05	-0.04
Pacific	-	-	-	-	-	-	-	-	-	-	-	0.01	-0.03	0.08	0.12	0.05
Total OECD	-	-	-	-	-	-	0.02	0.02	0.01	0.03	0.02	0.22	-	0.03	0.05	0.07
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	0.08	-0.34	-0.17	-0.05	-0.12
Other Asia	-	-	-	-	-	-	-	-	-	-	-	0.01	-0.08	-0.04	-	-0.03
Latin America	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	0.10	-0.42	-0.21	-0.04	-0.14
World	-	-	-	-	-	-	0.02	0.02	0.01	0.03	0.02	0.32	-0.42	-0.18	0.01	-0.07

SUPPLY

Summary

- **World oil production** is estimated at 78.42 mb/d in April, 1.4 mb/d lower than March's average which was itself revised down to 79.82 mb/d. OPEC crude production was 1.10 mb/d lower, while non-OPEC oil supply was down by 475 kb/d. OPEC NGLs and non-conventional oil rose 174 kb/d.

- Despite a reduction in supply in April, total world production remained 3.26 mb/d above 2002 levels, and OPEC crude stood 2.53 mb/d above last year's admittedly low figure. Non-OPEC production was 479 kb/d higher than in 2002, showing less of a year-on-year increment than in recent months. Non-crude supplies from OPEC were 254 kb/d above last year.

- Total **OPEC crude supply** averaged 26.10 mb/d in April, vs. a downward-revised 27.20 mb/d in March. Iraqi production fell 1.27 mb/d, while Nigerian production, though recovering through April, was 118 kb/d below the March average. Venezuelan production was 227 kb/d higher while Kuwait's production increased 103 kb/d.

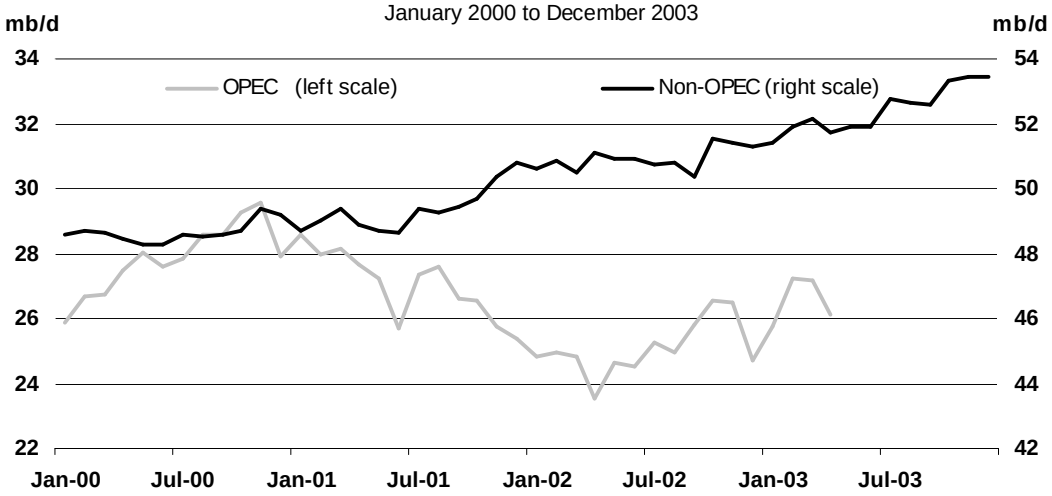
- **OPEC-10** output in April (excluding Iraq) was up by 167 kb/d and averaged 1.4 mb/d above the 24.5 mb/d target set for start-February. OPEC's 24 April meeting raised target production to 25.4 mb/d effective 1 June, and cited the aim of cutting production by 2 mb/d from February/March levels. However, OPEC-10 production in April is estimated only 534 kb/d above the new quota.

- The reduction in April **Non-OPEC** supply vs. March derived mainly from OECD areas, with US NGLs, North Sea and Australian production all off sharply. However, estimated recovery in supply from Brazil and Angola, after earlier disruptions partly compensated for the OECD reductions.

- The **"call on OPEC crude plus stock change"** for 2002 has been revised up by 0.1 mb/d this month to 25.5 mb/d while the call for 2003 is 0.2 mb/d higher than in the last Report, at 25.0 mb/d. The upward adjustment to the call for 2003 is due to changes in 1Q, when demand has been revised up by 300 kb/d and supply down by 200 kb/d. Although a sharp 3.2 mb/d reduction in the call is still envisaged for 2Q, this must be seen in context with the marked tightness in OECD end-March inventories.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2000 to December 2003



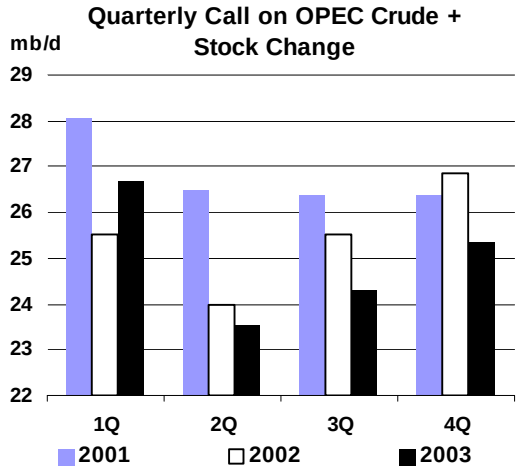
1 Non-OPEC Oil Supply includes OPEC NGLs

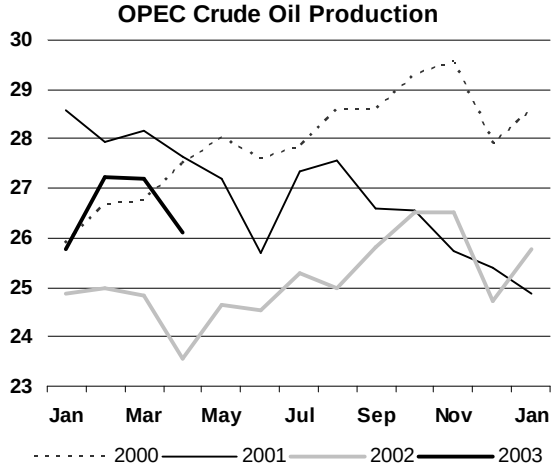
All world oil supply figures for April discussed in this Report are IEA estimates. Estimates for OPEC countries and for Alaska and Norway are supported by preliminary April crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

The full impact of the war in Iraq came to bear on OPEC crude production in April, which declined by just under 1.1 mb/d compared to March. However, with the net loss vs. month-earlier from Iraq amounting to 1.27 mb/d, the rest of OPEC actually boosted supply by a combined 167 kb/d. At 26.1 mb/d, production remains fully 2.5 mb/d above year-ago but has fallen back below year 2000 levels. Aside from Iraq, individual changes in output were more limited than in recent months, with key gains being recorded by Venezuela (up 227 kb/d) and Kuwait (up 103 kb/d). In contrast, although production recovered over the course of the month in Nigeria, supply was some 120 kb/d below March's average due to the continued impact of production shut-ins in the Niger delta.





The range of possible ramifications from OPEC's April meeting are discussed below, as is the still-uncertain situation in Iraq. However, one recurrent trend emerging these past few months, which has added to prevailing market uncertainty, is a tendency for producers to exaggerate the extent of their ramp-up in production in the face of the recent spate of supply disruptions. Unfortunately, the line between reassuring the market that potential supply shortfalls will be made up, and deliberately talking up production capability in advance of future quota negotiations is a very fine one.

A degree of pre-positioning ahead of future quota discussions is of course normal, but few within OPEC have been immune to this temptation of late. The problem is that it tends to undermine the Organisation's credibility, reduces market transparency, exacerbates price volatility and actually makes OPEC's job more difficult going forward. This is because such claims stoke-up expectations of the extent of any future cuts in production deemed necessary when supplies from Iraq, Venezuela and Nigeria fully recover. In reality however, as discussed below, OPEC current production may not be that far removed from market requirements in the existing low inventory environment.

Full Resumption of Iraqi Supply Remains Uncertain

Limited pipeline exports of crude from northern fields centred on Kirkuk to Syria and Turkey are thought to have continued until around mid-April, as did refinery operations at Baiji and Daura (Bagdad). In contrast, southern operations are thought to have ceased soon after the war began in March. US forces were reported to have closed the Iraq-Syria pipeline around 15 April and it is likely that, with Ceyhan storage full to capacity at the same time, and with coalition forces capturing northern facilities, crude production (and refining operations) there ground to a halt completely soon after mid-month.

Estimated Iraqi Oil Operations March/April 2003
(thousands of barrels per day)

	March Average	April Week 1	April Week 2	April Week 3	April Week 4	April Week 5	April Average
Exports to Ceyhan	872	128	54	0	0	0	43
Exports to Syria	170	97	69	0	0	0	39
Other Exports	86	0	0	0	0	0	0
Domestic Use	302	134	134	0	17	115	74
Total Exports + Domestic	**1430**	**360**	**257**	**0**	**17**	**115**	**155**
implied stock change	0	0	0	0	24	40	10
Implied Production	**1430**	**360**	**257**	**0**	**41**	**155**	**165**
of which North	na	360	257	0	12	105	154
South	na	0	0	0	29	50	10

After extinguishing a limited number of oil well fires at the Rumailah fields, and having first sealed and checked production facilities for sabotage, southern area production was started up once more on 23 April, with northern area production resuming around 27 April. However, volumes remain limited. The Basra refinery in the south is reportedly running 60-70 kb/d of Rumailah crude, with the Baiji and Daura plants further north also both operating at similar volumes of throughput. Total crude production stood in early May at 200 kb/d, implying some crude being fed into storage. The next likely production milestone may be 1.5 million b/d. This is deemed technically feasible at the wellhead by some time in June and is also the volume of production seen necessary to generate enough associated gas and LPG to meet domestic requirements. Until local refineries are rehabilitated, products are being imported from Kuwait.

However, the real bottleneck to a more rapid build-up in Iraqi production is exports. In terms of refining, lack of internal fuel oil demand is backing up product into storage. Regarding crude, discussions at the UN Security Council on whether to lift sanctions or not may take time. Although a fledgling Iraqi oil authority is now being formed, international oil companies have suggested they will not begin lifting crude from either Ceyhan or Mina al Bakr until title to the crude in storage is clearly established and an internationally recognised regulatory regime is in place. Without understating the technical problems involved in rehabilitating the industry, it appears for now that it is the politics of the situation which is really hampering faster progress in Iraq.

Estimated production from **Nigeria** in April rose from a low of 1.55 mb/d in the first week of the month to 2.1 mb/d by end-month. Shell and Chevron Texaco gradually re-instated production closed-in due to ethnic conflict in March. Production therefore averaged 1.88 mb/d, 120 kb/d below the March figure. However, despite an election victory for the current regime, political unrest persists and real uncertainty surrounds the reactivation of limited production volumes still shut-in. Nor have offshore operations remained completely immune to disruption. Striking oil workers held western hostages for two weeks on drilling rigs though this hampered exploration rather than production. Furthermore, ExxonMobil declared force majeure on Oso condensate deliveries early May after a fire

on the offshore production platform. However, ENI did commence production in April from the offshore Abo field and this together with build-up from other new offshore fields is likely to have pushed Nigerian capacity up further towards 2.5 mb/d.

Government claims that April **Venezuelan** production had regained pre-strike levels in excess of 3 mb/d again appear to be overly-optimistic. Production is deemed to have levelled off close to late-March levels around 2.15 mb/d of conventional crude and 380 kb/d of upgraded heavy Orinoco crude. This nevertheless suggests a 227 kb/d rise in average conventional crude production vs. March. These production levels are consistent with crude export levels in the first half of April of 1.2-1.5 mb/d and domestic refinery runs around half of pre-strike levels of 1.1 mb/d. Persistent delays in re-starting exports of reformulated gasoline, deferred first from mid-April to early-May and subsequently to mid-May tend to support the fact that refinery operations remain constrained. There are now concerns that syncrude production from the three foreign joint ventures, which had regained full production relatively quickly, could be under threat due to drought-induced hydroelectric shortges.

There have been widespread reports of reductions in **Arab Gulf** (AG) tanker liftings during April. This is in spite of the fact that most AG producers have notified term customers that deliveries will be maximised through to June. Furthermore, the very establishment by OPEC of a new higher ceiling for June suggests more a sanctioning of recent high production levels in advance of OPEC's 11 June meeting in Doha rather than any likely sharp fall in April production. This Report estimates that aggregate production from Iran, UAE, Saudi Arabia, Kuwait and Qatar remained fairly close to high late-March levels at least through the first 3 weeks of April. However for **Iran** and **UAE** there is evidence that production levelled off in April, suggesting that sustainable capacity levels were being approached. Production here is estimated off by 50 kb/d and 15 kb/d respectively compared to the March average.

In contrast, production from **Kuwait** is now thought to have increased in April, albeit from a now-lower March starting point. Total Kuwaiti production has been revised downwards by 45 kb/d for March, reflecting a slower than anticipated reactivation of supplies earlier shut-in in the north of the country and in the Neutral Zone. Production from northern fields is thought to be recovering, although gathering station limits there may still be constraining sustainable production capacity. A ramp-up in Burghan field production in the south is also thought to have boosted supply, but the attainment of a much-reported 2.4mb/d on a sustainable basis may still be some time off.

Market estimates for **Saudi Arabian** production in April range from 8.9-10.5 mb/d. Proponents of the lower end of the range concede that this may exclude deliveries into storage, while those favouring markedly higher levels have cited recent Saudi briefings that 10.5 mb/d capacity had been reached on several occasions through April. Reports of lower May spot tanker chartering by Saudi Vela (as opposed to sustained term deliveries using its own tanker fleet) are supportive of some modest easing in Saudi supply, though production itself is thought unlikely to have fallen materially until late in the month. There is particular uncertainty over Saudi production levels this month, making any estimates now subject to later revision. However, production likely remained at or slightly above 9.5 mb/d for most of April before easing back towards 9 mb/d nearer end-month. This suggests an average of 9.3 mb/d for April, largely unchanged from the March total.

OPEC: Smoke and Mirrors After the Fog of War

OPEC Ministers met on 24 April facing the end of hostilities in Iraq and the potential for recovering supplies there, in Nigeria and in Venezuela. In addition to an anticipated 2Q seasonal reduction in demand, there were concerns too that the SARS epidemic and weak economic activity, plus potential easing in gas and nuclear supply tightness, would conspire to undermine the call on OPEC crude. Prices had fallen $10 from pre-war peaks and were testing the lower end of OPEC's target range.

What emerged from Vienna appeared something of a muddle. OPEC announced it was raising quota by 900 kb/d from 1 June, but would cut actual production by 2 mb/d effective the same date. In effect the Organisation hoped to legitimise over-production vs February quota while setting a new starting point from which future cuts could be made (OPEC is due after all to reconvene once more in Doha on 11 June). However, the actual cut required from OPEC 10 would be measured against OPEC's own assessment of February/March production of 27.4 mb/d including Iraq (27.2 by IEA reckoning).

OPEC Production & the Vienna Agreement
(thousands of barrels per day)

	Feb Target	Production Feb	Production Mar	Feb/Mar Average	Production Apr	June Target	cut vs. Apr I	cut vs. Apr II	cut vs. Apr III
Saudi Arabia	7963	8870	9315	9093	9300	8256	530	80	1393
Algeria	782	1050	1075	1063	1100	811			
Indonesia	1270	1050	1030	1040	1030	1317			
Iran	3597	3700	3750	3725	3700	3729			
Kuwait	1966	2000	2202	2101	2305	2038			
Libya	1312	1390	1425	1408	1435	1360			
Qatar	635	740	750	745	750	658			
UAE	2138	2315	2305	2310	2290	2217			
OPEC 7	**11700**	**12245**	**12537**	**12391**	**12610**	**12130**	**480**	**480**	**480**
Nigeria	2018	2190	2000	2095	1882	2092	2150	1900	2440
Venezuela	2819	1425	1915	1670	2142	2923	2350	2150	2923
OPEC 10	**24500**	**24730**	**25767**	**25248**	**25934**	**25400**			
Iraq		2485	1430	1957	165	500?	na	na	na
Total OPEC	**na**	**27215**	**27196**	**27206**	**26099**	**25900**	**na**	**na**	**na**

Required cut in production for OPEC 7 and Saudi Arabia is dependent upon actual June output from Nigeria & Venezuela.

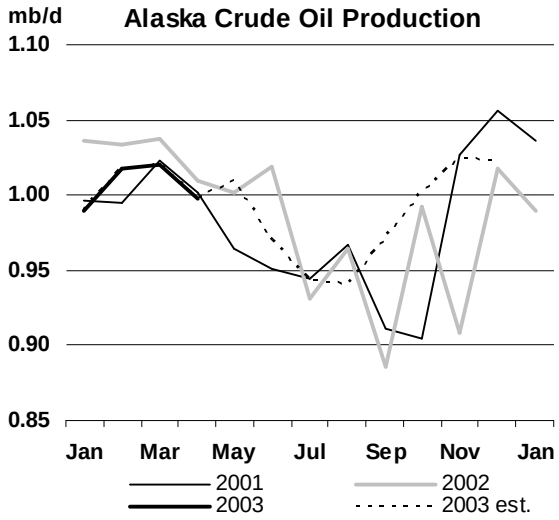
Several factors bear mentioning. Firstly, the bulk of the suggested cut from OPEC has already occurred with the loss of Iraqi supply. Political factors may preclude substantial Iraqi exports for some time, potentially limiting production to around 500 kb/d for internal use. Bearing in mind that a 3 mb/d build is required to bring OECD stocks back to historical levels by mid-year, the market could readily absorb extra Iraqi oil above this level. The real call on OPEC for 2Q, if stocks are to be rebuilt, is 26.5-27 mb/d, higher than likely total production implied by the new agreement.

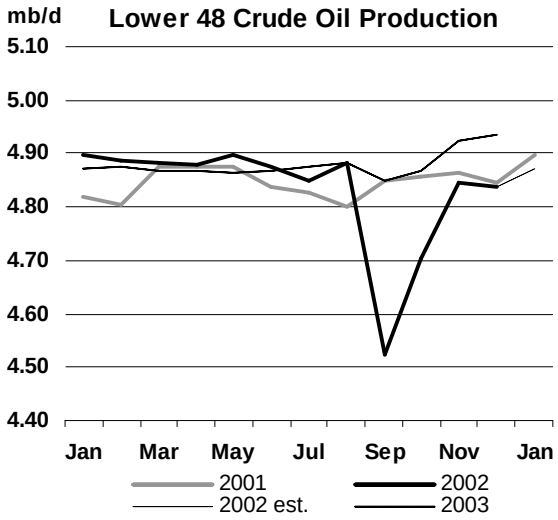
Secondly, the cuts required from OPEC 7 (excluding Saudi Arabia, Nigeria & Venezuela) to meet the new quota total less than 500 kb/d. There may be a risk of over production from some such as Algeria who have recently boosted capacity. But this will be offset by others like Indonesia who may not attain new target levels. In short, not too much of a cut is needed from recent, near-capacity production. Finally, Saudi Arabia can probably await developments in Nigeria and Venezuela in the coming month before committing to sharply lower supply. By way of illustration, if Venezuela reaches its new target production level and Nigeria produces at capacity to recoup lost revenues, a Saudi cut of over 1 mb/b is required (III above). Conversely, if Nigeria and Venezuela are constrained around April levels through June, a cut of less than 100 kb/d from Saudi (II) would still satisfy total OPEC target, albeit risking the ire of at-quota members. More likely perhaps is Nigeria producing at pre-crisis levels and Venezuela at capacity (2.35 mb/d) implying a 500 kb/d cut from Saudi Arabia (I). OPEC may well have stumbled across a formula that prevents a price collapse in 2Q. Tough decisions lie ahead when Iraqi supply returns, but if stocks remain tight through mid-year, the extent of further cuts needed from OPEC in June may be limited.

OECD

North America

US - April - Alaska actual, others estimated: April saw US crude production fall by 23 kb/d compared to March, with Alaska accounting for this fall in supply. Provisional data also suggest a sharp drop in April US NGL production from surprisingly high February and March levels. In Alaska, crude production was 20 kb/d below our forecast level, with BP's North Star field accounting for the difference. Here, maintenance work on compressor units reduced production. Maintenance work also cut Point McIntyre area production in the first half of April. In contrast, Prudhoe Bay production touched a one year high, despite high temperatures in the second half of the month which normally depress production rates.



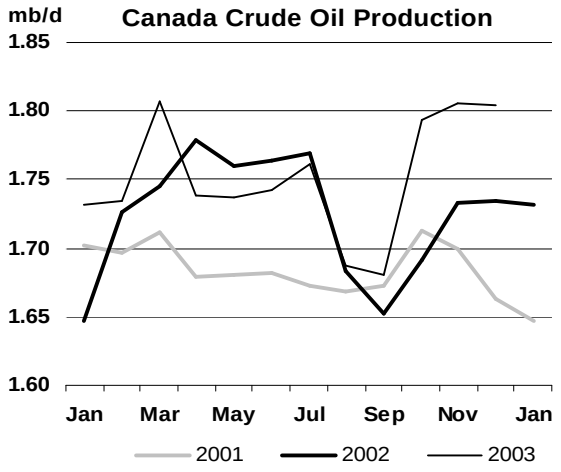


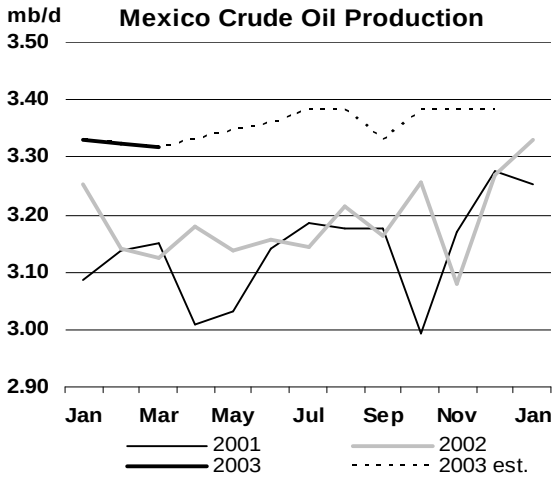
US Gulf of Mexico (GOM) production is thought to have remained stable in April for the third month running at around 1.72 mb/d. However, new field developments in the second half of 2003 are likely to add around 100 kb/d on a net basis to GOM supplies. Shell confirmed their intention to begin production from the Na Kika development in September, with the April arrival of the floating development system from South Korea off Texas. There was also confirmation that the Habanero field would begin delivering oil to the company's Auger platform the same month.

Canada – March & April estimate: April is thought to have seen a fall in Canadian crude production, reversing the estimated 70 kb/d rise seen in March. The latter was due to a combination of higher offshore production plus rising bitumen supply from Alberta. However, seasonal thaw (western Canada seeing 25% fewer heating degree days in April than in April 2002) and concurrent access restrictions in Alberta and Saskatchewan are likely to have curbed production there. Only partly counteracting crude's fall, new production of syncrude from Shell's Athabasca project commenced in April (later than suggested in last month's Report). But this too was offset by lower output at Syncrude Canada's upgrader. PetroCanada announced that allowable maximum production from the Hibernia field offshore Newfoundland had been raised to 231 kb/d from 217 kb/d, but that the annual average was still set for around 180 kb/d. Canada is likely to see crude production rise 28 kb/d in 2003, but syncrude will increase by 102 kb/d, largely due to the new Shell Athabasca unit.

Mexico – March actual, April estimate: March crude production eased vs. February, bringing Pemex's target for average 2003 production of 3.43 mb/d into still sharper focus. Production continues to grow on a yearly basis but by rather less than the 8% needed to attain target. The lower than expected performance of production in 1Q has caused us to knock 20 kb/d off assumed production for the year, now estimated at 3.35 mb/d. This is still 176 kb/d above 2002 and assumes a measure of success in boosting Cantarell field production sufficiently to offset decline elsewhere. Exports remain close to the self-imposed limit of 1.88 mb/d, though this is due to be revised during May in light of OPEC's latest quota and production changes. However, the country's Foreign

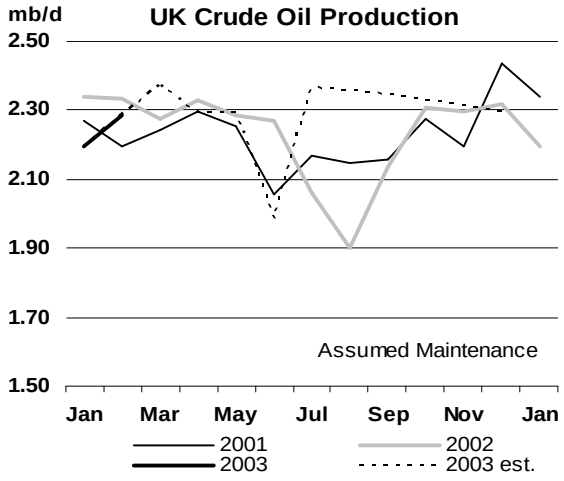
Minister announced early-May that Mexico's production and export policy may become further de-coupled from OPEC's as progress towards a single North American energy market is made.

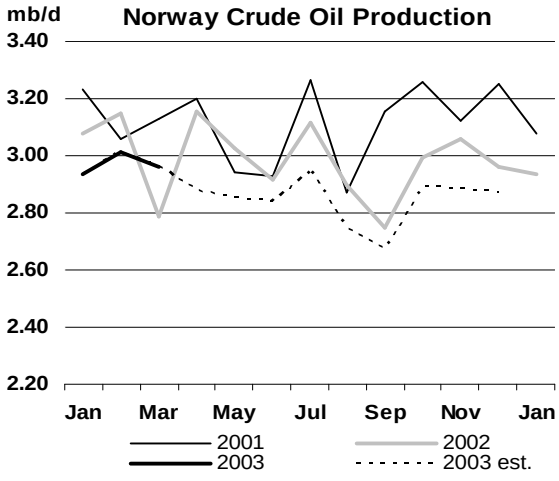




North Sea

UK – April estimate: UK offshore crude production is estimated to have reversed March's 100 kb/d rise in April as spring maintenance began. Output is expected to stabilise in May, before dropping off sharply in June by some 300 kb/d as the maintenance season peaks. Unscheduled outages also continue to limit production. CNR's replacement of pipe-work at South Ninian ran through to mid-April. Some 7 kb/d of Forties Alpha production will also be shut-in during May as Apache repairs equipment involved in last November's gas leak. Condensate production from the 70 kb/d Shearwater field in the Forties system was also shut in during April as Shell investigated well pressure fluctuations. However, offshore crude is still expected to rise by 50 kb/d in 2003 as increases from the Brent, Ninian, ETAP and J-Blocks systems, plus incremental offshore-loaded supply, counteracts decline elsewhere. Longer term development in the UK sector was given a boost when the Government announced abolition of petroleum revenue tax. The UK Offshore Operators Association cited this as likely to render development of up to a further 700 mb of reserves as economic.



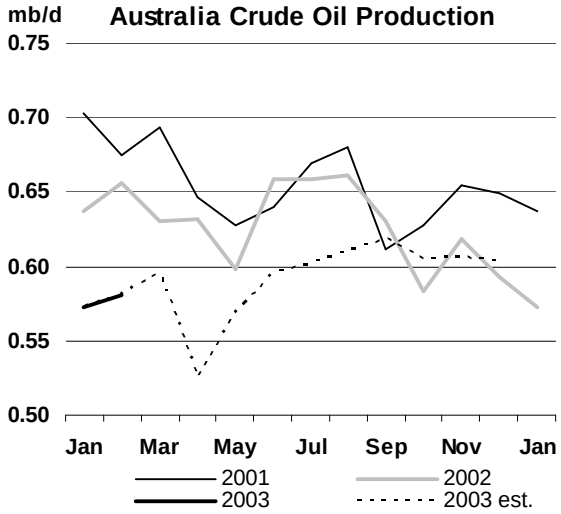


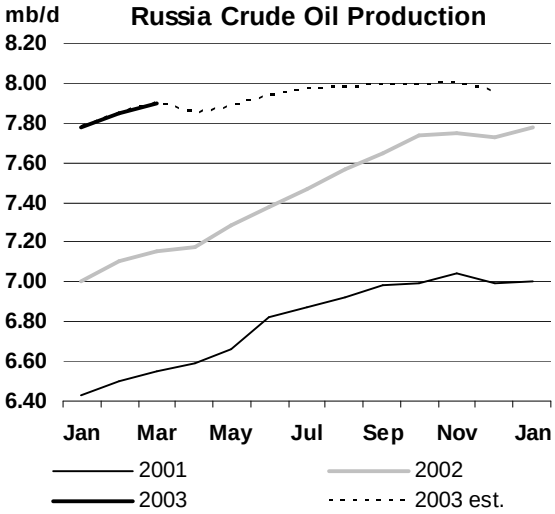
Norway – March actual, April estimate: Crude production for February and March turned out lower than estimated in last month's report, February showing a rise of 75 kb/d vs. January, and March declining 51 kb/d from February. March's fall was accounted for by reductions at the Gyda, Huldra, Gullfaks and Draugen fields. A further 86 kb/d fall in crude supply is estimated for April, including reductions due to scheduled maintenance at the Gullfaks A, Visund and Oseberg C facilities. Ongoing maintenance will reduce production in May, although this month will see start-up at BP's Valhall South Flank development which will build to 30 kb/d. Norwegian crude production, unlike gas condensate, remains on a declining trend for 2003, with an overall reduction of 117 kb/d year on year now expected. The Norwegian Petroleum Directorate once again noted that drilling in 2003 is likely to remain at the 30 year lows seen in 2002. The Government reportedly faces problems in enticing

exploration activity in part due to its preference for activity to be concentrated in areas with pre-existing or planned infrastructure.

Pacific

Australia – February actual, March & April estimate: Australian crude production in January and February dipped below end-2002 levels and was also around 70 kb/d below early-2002 production. Both the Cooper-Erromange and Bonaparte basins produced less than expected. However, output is estimated to have recovered in March to the tune of some 15 kb/d, in part due to start-up at Apache Energy's Double Island field in the Harriet area offshore Western Australia. This recovery proved short lived though as a cyclone off the coast of northwest Australia in April is thought to have resulted in a net loss of some 35 kb/d of production averaged over the month. The picture for 2003 as a whole is of continued crude output decline, averaging 37 kb/d for the year. The much delayed start-up at Agip's 40 kb/d Woolybutt field at end-April only helps to stem the decline.





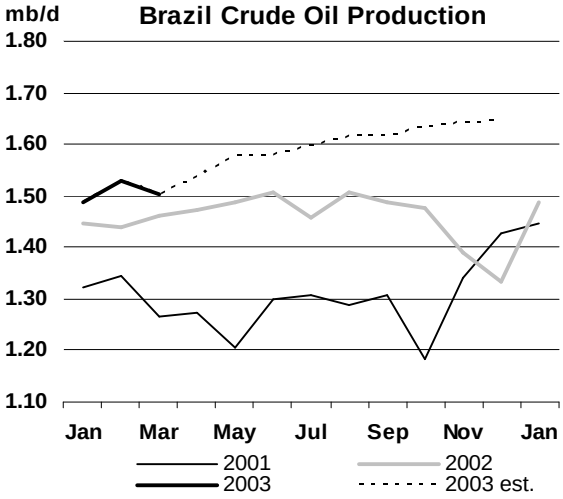
Former Soviet Union (FSU)

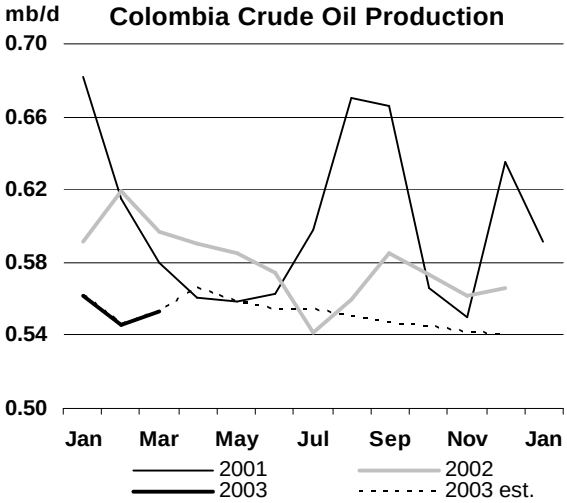
Russia – March actual, April estimate: March Russian crude production rose 56 kb/d from February and contributed to year-on-year growth for 1Q 2003 of 754 kb/d (10.6%). We continue to assume that export constraints will limit total production growth for 2003 to 500 kb/d (7%) and this implies a lull in production growth for April/May. This inferred slow-down to only 45 kb/d of production growth for 2Q vs. 1Q appears at odds with pipeline operator Transneft's planned export schedule, reportedly 90 kb/d above 1Q. However concerns have been expressed that this incorporates higher volumes shipped via the Druzhba pipeline into eastern Europe than refiners there actually require. Demand, rather than pipeline capacity, may therefore temporarily inhibit exports, and thus production, in 2Q. Higher 2Q production will involve increased shipments to the Baltic port of Gdansk, Poland after March completion of a 100 kb/d Druzhba line expansion. While relatively small scale increments to export capacity continue apace (and could force us to re-evaluate the production "cap" for 2003), longer term export expansion plans, including lines to the Far East and to Murmansk on the Barents Sea are also nearing Government approval (see Trade section). April also saw the announcement that Yukos and Sibneft are to merge, creating a new 2.3 mb/d producer with 19.4 billion barrels of reserves.

Other Non-OPEC

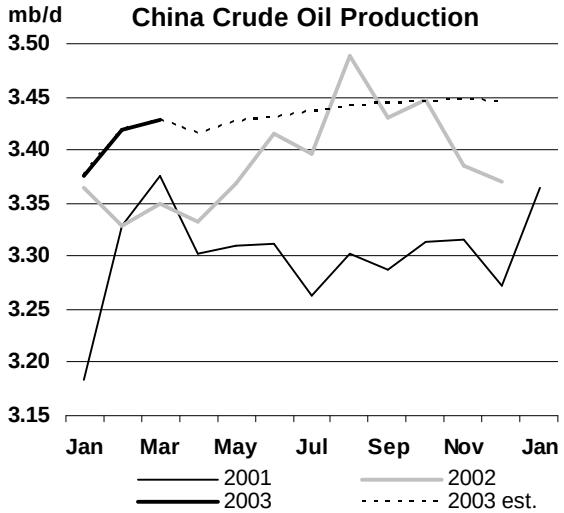
Brazil – March actual, April estimate: March crude production fell by 30 kb/d vs. February due to outages at platforms in the Albacora and Garoupa fields offsetting increased production (which reached a total of 85 kb/d) at the Roncador field. The newly-started Coral field was also undergoing technical problems that severely restricted production in March. April production is thought to have rebounded as production from these facilities recovered. Petrobras pushed back its goal of 2 mb/d production from 2005 to 2006, citing delays in completion of production facilities. The company's investment plan through 2007 saw a boost to exploration and production expenditures but a

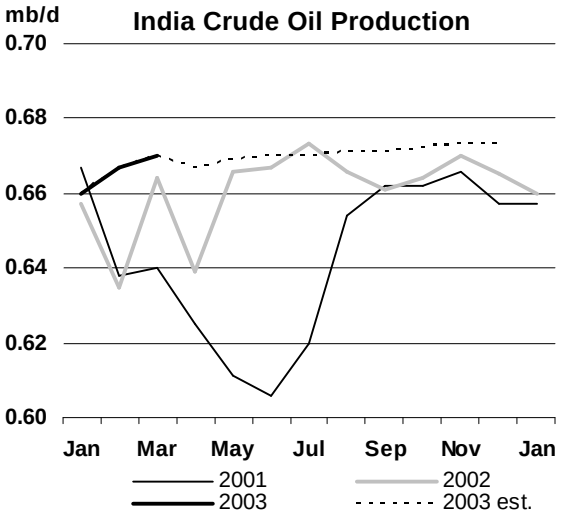
retrenchment of international spending. Target domestic production for 2003 is now 1.59 mb/d, slightly higher than this Report's forecast of 1.58 mb/d.





Colombia – March actual: Colombian crude production through 1Q remained some 50 kb/d below year-earlier levels, at 554 kb/d. Mature fields are in decline and latest data for the period through March indicates that production from BP's Cusiana-Cupiagua is running lower than expected in earlier issues of this Report. An active exploration programme in Colombia has so far failed to turn up significant discoveries to replace declining baseload production. Development of the Gibraltar prospect, discovery of which was announced in early-March, has been called into doubt. Reportedly containing 200 mb of light crude (compared to the 1 billion barrel-plus fields accounting for most of current output), there have been suggestions that water content in the reservoir may be high. Local unions are also resisting the turning over of any future field development to foreign companies which government says will be necessary for the project to proceed.





China – March actual: March production from China nudged higher by 8 kb/d compared to February and stood 80 kb/d higher than year-ago. Compared to our earlier forecast for March, production was 28 kb/d higher than expected, with the upgraded performance surprisingly deriving primarily from onshore fields. Much-anticipated growth from offshore areas appears to have slowed, as witness CNOOC's first quarter results which were driven more by recent acquisitions in Indonesia than by its baseload Chinese offshore production. Despite these early-2003 trends, offshore production will still account for all of China's modest 2003 production growth.

India – February and March actual: Crude production increased in February and March to end 1Q 10 kb/d above January's 660 kb/d. However, production was only some 8 kb/d higher than in 1Q 2002 and February/March output again missed the government's target by 20-40 kb/d. As in previous months, water incursion in onshore wells and a lack of drilling rigs offshore accounted for the shortfall vs. target. On a more positive note, ONGC announced in April the discovery of 240 mboe of oil and gas reserves at the Vasai West field offshore Bombay.

Revisions

Non OPEC production for 2002 is again revised down, this month by 90 kb/d, largely due to adjustments made in light of new information on existing production rates in Africa and Asia. 2003 production has been decreased by double this amount, the 185 kb/d reduction being split evenly between the OECD and non-OECD regions. North America and the Pacific account for the OECD change, while the reductions assumed for 2002 in Asia and Africa also underpin the non-OECD reduction for this year.

Crude production from the **US** GOM is revised upwards for 2002 by 23 kb/d due to higher than expected volumes from Kerr McGee's Nansen and Boomvang fields (onstream early 2002). This carries through into 2003, with an extra 50 kb/d of GOM supply compared to last month's Report. The net impact on supply from new fields would have been higher still, but for the accelerated decline rates now employed for 2003 to base-load production. Here, as for the rest of the US, we have increased the decline rate for mature fields in light of lower final 2002 production data. On a net basis, US crude production is now seen rising by 55 kb/d this year compared to the 66 kb/d rise envisaged last month. As before, the GOM accounts for all of the increase expected for 2003 production.

US NGL production for 2003 has also been adjusted downwards by 26 kb/d, concentrated in 1Q and 2Q. The impact of sustained high US natural gas prices in reducing liquids extraction has not been clear cut, but provisional April supply data suggests a sharp downward adjustment for 2Q production is in order. For now, 3Q and 4Q 2003 US NGL supply recovery is assumed, but this is subject to revision if gas prices persist at high levels.

Revisions to **Canadian** supply in 2003 are restricted to synthetic crude production. Syncrude's production for 1Q is now sharply lower than anticipated last month, and despite assumed recovery henceforward, this reduces the increment expected for 2003 from 14 kb/d to 6 kb/d. Suncor's latest targets for 2003 also suggest marginally lower supply in 2003, while the delay to start-up of the Shell unit caused by January's fire has caused a 13 kb/d reduction to forecast production levels there.

The 2003 decline expected in **Norwegian** crude production has again been slowed this month due to the adding in to the forecast of BP's Valhall South Flank project. This counteracts the lower than anticipated 1Q actual Norwegian production, so that crude in 2003 is now expected to decline by 117 kb/d rather than 128 kb/d. However, the impact on total liquids supply is negated by a downward adjustment to condensate supply for 2003, the increment now likely to amount to 74 kb/d (compared to 87 kb/d in our last forecast).

Australian crude production for 2003 has been revised down by 25 kb/d compared to last month in light of lower-than-expected January/February production, outages due to a cyclone offshore northwestern Australia in April and delayed start-ups at the Double Island and Woolybutt fields.

Forecast **Russian** production for 2003 is revised up by some 10 kb/d based on actual 1Q performance. Higher production is now estimated for Sibneft, Slavneft, Sidanco and Yukos, offsetting modestly lower expectations for other companies. As regards **China,** the slowing rate of decline in production from onshore areas in 1Q has added 13 kb/d to forecast production for 2003.

Production from **Oman** has been revised downwards by an average of 13 kb/d for 2003, consistent both with apparent 1Q actual production and with Petroleum Development Oman's (PDO) latest target levels for the year. Production from **Gabon** has been revised down historically, by 9 kb/d for 2000, 27 kb/d for 2001 and by around 45 kb/d for both 2002 and 2003, in line with latest information on current production levels. This suggests production declined more sharply in 2001/2002 than had been assumed, although production may now stabilise in 2003 with a number of small scale increments this year helping stem prevailing decline. Finally, we have adjusted liquids production from **Thailand** down by some 50 kb/d throughout our historical series. Thai NGL production had previously been overstated and is now seen to average around 10 kb/d.

Revisions to Non-OPEC Oil Supply
(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.55	14.99	0.44	14.56	14.93	0.36	0.02	-0.06	-0.08
Europe	6.61	6.69	0.08	6.61	6.69	0.08	0.00	0.00	0.00
Pacific	0.76	0.75	-0.01	0.76	0.72	-0.04	0.00	-0.03	-0.03
Total OECD	**21.92**	**22.43**	**0.51**	**21.94**	**22.34**	**0.40**	**0.02**	**-0.09**	**-0.11**
Former USSR	9.37	10.03	0.66	9.37	10.03	0.66	0.00	0.00	0.00
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.39	3.42	0.03	3.39	3.43	0.04	0.00	0.01	0.01
Other Asia	2.39	2.45	0.06	2.34	2.41	0.07	-0.05	-0.04	0.01
Latin America	3.90	3.97	0.07	3.90	3.97	0.07	0.00	0.00	0.00
Middle East	2.10	2.03	-0.07	2.10	2.02	-0.08	0.00	-0.01	-0.01
Africa	3.03	3.12	0.09	2.98	3.07	0.08	-0.05	-0.05	0.00
Total Non-OECD	**24.36**	**25.19**	**0.83**	**24.26**	**25.10**	**0.84**	**-0.10**	**-0.09**	**0.01**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**48.04**	**49.43**	**1.38**	**47.96**	**49.24**	**1.29**	**-0.09**	**-0.18**	**-0.09**

OMR = Oil Market Report

OPEC NGLs and non-conventional production (not shown in the table above) has been revised down by 16 kb/d for 2003, with the adjustment reflecting reductions in supply from Nigeria and Venezuela. 2Q Nigerian output has been revised down by 24 kb/d due to May's fire at the Oso condensate platform. It is assumed that this outage will prove of short duration, although uncertainty surrounds exactly when production will re-start. Production of un-upgraded heavy crude from Venezuela's Hamaca project is also running at lower levels than indicated in last month's Report, and has been assumed to remain suppressed for the March-May period as a result.

TRADE

OECD Trade

North American net crude oil imports stood at 6.44 mb/d in February, flat from the previous month, and 450 kb/d lower year on year. Crude oil imports from Venezuela rebounded slightly but were still far below pre-strike normal levels. Heavy refinery maintenance may also have contributed to downward pressure on North American crude imports. Net gasoil and residual fuel oil imports were firm in February, with continuing demand due to cold weather as well as the tight natural gas market.

OECD North America Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**7.46**	**7.12**	**6.92**	**7.13**	**7.26**	**7.16**	**6.39**	**6.31**	**6.44**	**0.13**	**-0.45**
Products & Feedstocks	**1.37**	**1.12**	**0.95**	**1.32**	**1.14**	**1.07**	**0.81**	**1.10**	**0.94**	**-0.16**	**0.30**
Gasoil/Diesel	0.08	0.00	-0.05	0.00	-0.03	0.09	0.12	0.03	0.12	0.09	0.35
Gasoline	0.53	0.57	0.50	0.67	0.63	0.47	0.41	0.47	0.37	-0.11	-0.13
Heavy Fuel Oil	0.28	0.05	-0.01	0.10	0.03	0.07	0.08	0.13	0.20	0.07	0.28
LPG	0.02	0.04	0.02	0.03	0.03	0.07	0.08	0.05	0.04	-0.01	0.04
Naphtha	0.06	0.04	0.04	0.05	0.04	0.03	0.01	0.01	0.03	0.02	0.00
Jet& Kerosene	0.12	0.08	0.08	0.08	0.08	0.10	0.05	0.10	0.06	-0.04	0.01
Other	0.28	0.34	0.38	0.39	0.35	0.24	0.06	0.30	0.12	-0.18	-0.24
Total	**8.83**	**8.24**	**7.87**	**8.44**	**8.40**	**8.23**	**7.19**	**7.41**	**7.38**	**-0.03**	**-0.15**

Source: IEA MOS imports and exports data for extra-regional trade

The latest preliminary data for the US show that crude imports strengthened in April month on month, as heavy refinery maintenance is now complete and Venezuelan crude supply has returned. Gasoline imports were also strong in April, ahead of the summer driving season. Conversely, heating oil and residual fuel oil imports fell in April as the winter heating season ended.

Net crude oil imports to **OECD Europe** increased to 7.43 mb/d in February from 7.11 mb/d in January. Brent was relatively strong in December and January, compared with WTI and Dubai, which may have attracted crude flows to OECD Europe.

OECD Europe Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**7.37**	**7.17**	**7.16**	**6.89**	**7.46**	**7.17**	**7.04**	**7.11**	**7.43**	**0.32**	**-0.04**
Products & Feedstocks	**1.48**	**1.43**	**1.76**	**1.32**	**1.42**	**1.24**	**1.16**	**1.16**	**1.27**	**0.10**	**-0.47**
Gasoil/Diesel	0.42	0.42	0.58	0.41	0.33	0.38	0.49	0.34	0.47	0.14	-0.05
Gasoline	-0.25	-0.34	-0.35	-0.41	-0.36	-0.25	-0.26	-0.33	-0.39	-0.06	0.06
Heavy Fuel Oil	0.13	0.23	0.30	0.22	0.26	0.13	-0.02	0.09	0.11	0.03	-0.27
LPG	0.17	0.14	0.20	0.09	0.11	0.16	0.15	0.09	0.10	0.00	-0.06
Naphtha	0.24	0.24	0.20	0.25	0.26	0.24	0.26	0.29	0.31	0.02	0.13
Jet & Kerosene	0.21	0.19	0.18	0.20	0.23	0.16	0.16	0.11	0.14	0.03	-0.01
Other	0.55	0.56	0.66	0.55	0.59	0.43	0.39	0.58	0.53	-0.05	-0.27
Total	**8.84**	**8.60**	**8.93**	**8.21**	**8.88**	**8.41**	**8.20**	**8.27**	**8.69**	**0.42**	**-0.51**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** remained strong at 7.35 mb/d in February. Japanese crude imports kept pace month on month due to strong refinery utilisation with cold weather as the driving factor. Crude oil demand from the Japanese utility sector continued to show strength, as oil-fired power plants were called upon to meet shortfalls in electricity supply following the shutdown of domestic nuclear power plants.

OECD Pacific Crude & Product Trade

(million barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**6.65**	**6.20**	**6.66**	**5.87**	**5.78**	**6.51**	**7.10**	**7.15**	**7.35**	**0.20**	**0.73**
Products & Feedstocks	**1.00**	**1.30**	**1.35**	**1.16**	**1.08**	**1.62**	**1.95**	**1.74**	**1.59**	**-0.15**	**0.07**
Gasoil/Diesel	-0.18	-0.14	-0.13	-0.15	-0.21	-0.08	-0.02	-0.03	-0.10	-0.07	0.01
Gasoline	-0.01	0.02	0.02	0.01	0.01	0.04	0.07	0.05	-0.01	-0.06	-0.02
Heavy Fuel Oil	-0.12	-0.02	-0.09	0.05	-0.06	0.01	0.02	-0.01	-0.04	-0.03	-0.02
LPG	0.52	0.54	0.57	0.52	0.49	0.59	0.62	0.52	0.55	0.04	-0.03
Naphtha	0.64	0.70	0.71	0.65	0.72	0.72	0.75	0.76	0.78	0.02	0.09
Jet & Kerosene	-0.03	0.01	0.09	-0.07	-0.08	0.08	0.27	0.27	0.19	-0.08	0.02
Other	0.17	0.20	0.19	0.15	0.20	0.26	0.24	0.18	0.21	0.03	0.01
Total	**7.65**	**7.51**	**8.01**	**7.03**	**6.86**	**8.13**	**9.05**	**8.89**	**8.94**	**0.05**	**0.80**

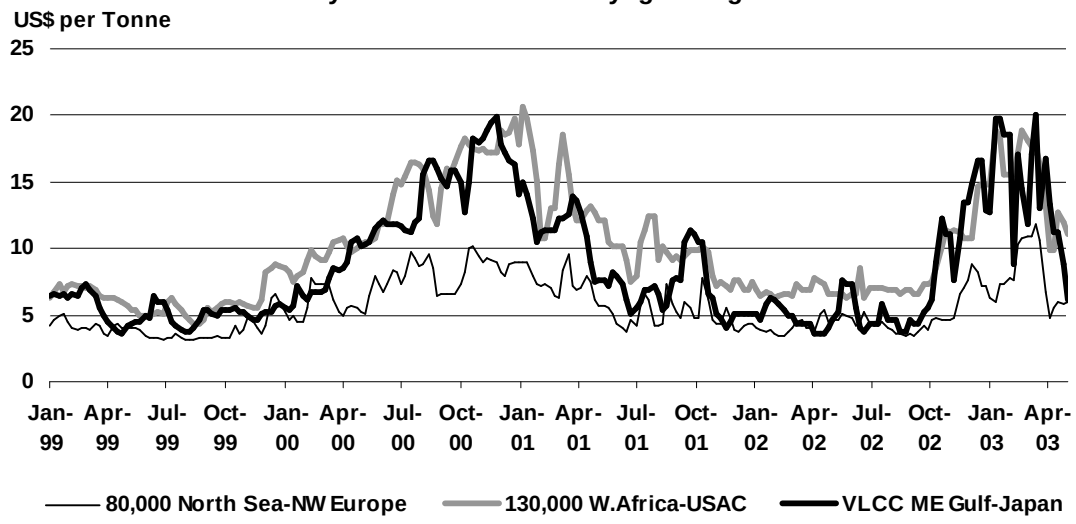
Source: IEA MOS imports and exports data for extra-regional trade

Latest preliminary data suggest that Japanese crude imports declined month on month in March, but remained much higher year on year, reflecting strong refinery operations as well as continuing firm requirements for crude oil from the utility sector.

Freight

VLCC freight rates from the Middle East declined in the first half of April as charterers took a wait-and-see attitude to political developments in the Middle East. Rates then slipped further in the second half of the month as military action in Iraq tailed off. Saudi Aramco's Vela chartered several US bound tankers in April, but the volume was not sufficient to boost rates. Freight rates for VLCCs from West Africa were sluggish at the beginning of April due to limited crude supply from Nigeria. However, there was some recovery in rates towards the end of the month, as Nigerian crude exports resumed.

Weekly Crude Oil Tanker Voyage Freight Rates



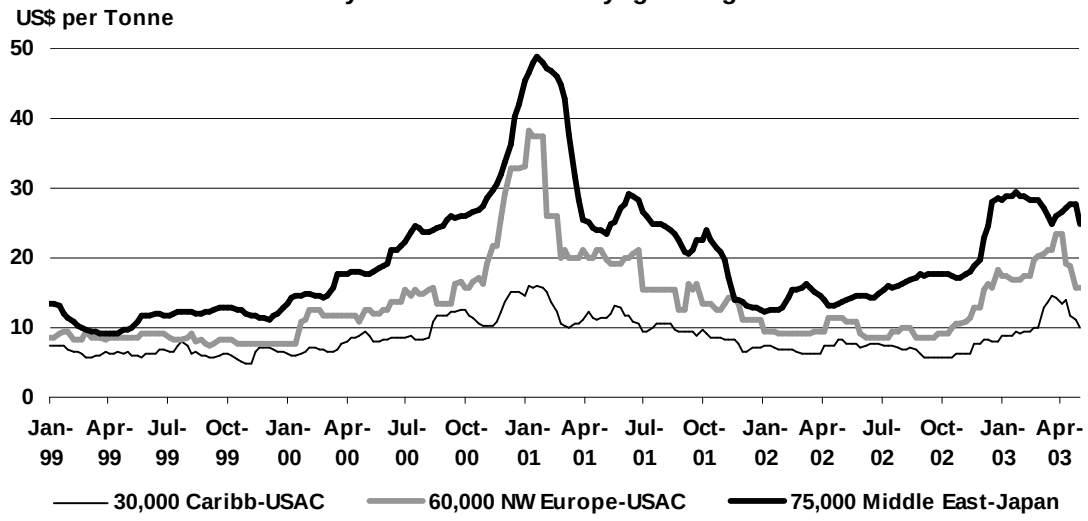
Source: SSY Consultancy & Research Ltd.

Suezmax freight rates remained fairly weak for the routes from West Africa at the beginning of April due to the decline in crude exports from Nigeria and ample tanker supply as Iraqi crude exports were suspended from Ceyhan. After crude exports resumed from Nigeria in the middle of April, Suezmax freight rates showed some signs of recovery.

Aframax freight rates softened in the Caribbean at the beginning of April, as some tankers were repositioned from the Mediterranean, where the rates had declined as Iraqi crude exports from Ceyhan came to a halt. Rates rose in the middle of the month in the Caribbean, possibly reflecting higher volume of Venezuelan exports. Aframax freight rates rose slightly in the Mediterranean in the second half of April as traders tried to charter tankers before the May holiday season.

Product tanker rates had generally declined, especially in the second half of April, in line with reduced tension in the Middle East.

Weekly Product Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

As the political conflict in the Middle East eased, insurance premiums for tankers to and from Kuwait reportedly fell to 0.25% in April, after having reached almost 0.75% in March, following the start of military action in Iraq.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) were almost flat at 6.23 mb/d in April compared to 6.18 mb/d in March. Low petroleum exports from the Black Sea offset increased exports from the Baltic Sea. Petroleum loadings in the Black Sea terminals stopped from time to time due to stormy weather in the region. Although Baltic Sea ports were affected by icy and windy conditions at the beginning of April, normal exports resumed later in the month as weather improved.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Black Sea Exports	1.99	2.53	2.64	2.73	2.45	2.68	2.41	2.95	2.65	-0.30	0.20
Baltic Exports	1.63	1.95	2.13	1.98	1.80	2.09	2.27	2.06	2.37	0.31	0.20
Total Seaborne	**3.62**	**4.48**	**4.77**	**4.70**	**4.25**	**4.77**	**4.68**	**5.01**	**5.02**	**0.01**	**0.40**
Druzhba Pipeline	1.06	1.07	0.98	1.11	1.15	1.07	0.95	1.13	1.17	0.04	0.19
Other	0.07	0.06	0.03	0.09	0.11	0.04	0.04	0.05	0.05	0.00	0.05
Total Exports	**4.75**	**5.61**	**5.78**	**5.90**	**5.50**	**5.88**	**5.67**	**6.19**	**6.24**	**0.05**	**0.63**
Imports	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Total Net Exports	**4.74**	**5.60**	**5.77**	**5.89**	**5.50**	**5.88**	**5.67**	**6.18**	**6.23**	**0.05**	**0.63**
Crude	3.37	3.93	4.00	4.11	3.92	4.17	3.93	4.42	4.33	-0.09	0.55
Products	1.37	1.66	1.77	1.78	1.58	1.71	1.74	1.76	1.90	0.14	0.08

Sources: Petro-Logistics, IEA estimates

In the middle of April, Russian Prime Minister Mikhail Kasyanov suggested that a feasibility study will start on the possible construction of a pipeline, probably with private sector involvement, linking the existing pipeline network and Murmansk on the Barents Sea, where a deep-water port for VLCCs is planned to be built. If the Russian government finally decides to go ahead for the construction, the pipeline is expected to be functional by 2007, transporting 1.6 mb/d initially, which could be expanded up to 2.4 mb/d subsequently. The construction of the transport route to Murmansk will enable Russia to export oil economically to distant markets including the US.

Chinese net crude oil imports were 1.56 mb/d in February, down from 1.86 mb/d in January, but still 543 kb/d higher year on year. Despite high international oil prices and the Chinese Lunar New Year holidays, requirements for imported crude were strong, probably owing to firm domestic demand and precautionary stock building in preparation for possible supply disruptions in the Middle East. Net fuel oil imports fell in February from January but were higher year on year. Traders bought the product for fear of further bullish prices ahead of increasing tension in the Middle East.

China Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1061**	**1356**	**1377**	**1192**	**975**	**1862**	**1558**	**-304**	**543**
Products & Feedstocks	**329**	**361**	**307**	**342**	**422**	**373**	**309**	**535**	**125**	**-409**	**-115**
Gasoil/Diesel	0	-16	-6	-8	-8	-41	-48	-40	-26	14	-18
Gasoline	-134	-142	-93	-138	-183	-152	-179	-80	-252	-172	-137
Heavy Fuel Oil	313	281	187	254	344	336	373	402	278	-124	132
LPG	155	197	198	186	216	189	177	239	159	-80	-53
Naphtha	-19	-16	-9	-26	-15	-15	-15	-2	-24	-22	-20
Jet & Kerosene	8	9	-3	10	6	23	-8	-28	-21	7	-12
Other	5	48	34	64	62	32	9	44	11	-33	-7
Total	**1372**	**1609**	**1368**	**1698**	**1799**	**1565**	**1285**	**2397**	**1683**	**-714**	**428**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Indian net crude oil imports stood at 1.82 mb/d in February, 158 kb/d higher than the previous month. Public sector crude imports increased by 240 kb/d in February from January, as the Indian government had asked public oil companies to fill their storage facilities up with petroleum to prepare for potential crude supply disruptions in the Middle East.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Latest month vs. Jan 03	Latest month vs. Feb 02
Net Imports/(Exports) of:											
Crude Oil	**na**	**na**	**na**	**1700**	**1872**	**1643**	**1516**	**1659**	**1817**	**158**	**na**
(by Public Oil Cos)	**934**	**1088**	**969**	**1038**	**1235**	**1108**	**991**	**1018**	**1258**	**240**	**334**
Products & Feedstocks	**-28**	**-81**	**-68**	**-129**	**-135**	**6**	**25**	**-79**	**-123**	**-44**	**-108**
Gasoil/Diesel	-54	-53	-55	-45	-76	-35	-41	-103	-125	-22	-73
Gasoline	-20	-48	-37	-54	-57	-45	-35	-39	-76	-37	-58
Heavy Fuel Oil	22	6	9	4	8	2	16	-18	2	20	1
LPG	20	22	21	7	8	52	45	69	79	10	64
Naphtha	9	6	11	-14	-2	27	35	5	35	31	-9
Jet & Kerosene	29	10	23	2	5	8	9	12	-25	-37	-57
Other	-34	-23	-39	-30	-22	-2	-3	-5	-13	-8	24
Total	**906**	**1007**	**901**	**1571**	**1737**	**1650**	**1541**	**1580**	**1694**	**114**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 1Q 2002 are not available. For 2001, 2002 and 1Q2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Net imports of crude oil to **Singapore** stood at 881 kb/d in March, keeping pace month on month as refinery runs firmed in March with supportive margins. On the other hand, net imports of heavy fuel

oil stood at 239 kb/d in March, 103 kb/d lower than in February. Arbitrage for fuel oil from Europe to Singapore narrowed in January and February with a surge in tanker freight rates, which could discourage product flows from Europe and other countries to Singapore.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**829**	**772**	**861**	**885**	**922**	**849**	**881**	**32**	**27**
Products & Feedstocks	**-10**	**-35**	**-45**	**-53**	**-73**	**-158**	**-187**	**-114**	**-169**	**-55**	**-234**
Gasoil/Diesel	-121	-154	-151	-171	-168	-175	-210	-161	-152	9	-42
Gasoline	-79	-81	-98	-80	-69	-76	-88	-70	-70	0	21
Heavy Fuel Oil	360	334	322	330	325	314	364	342	239	-103	-130
LPG	-21	-19	-19	-18	-20	-24	-28	-20	-23	-3	-4
Naphtha	-22	6	7	-7	5	-22	-19	-30	-17	14	-17
Jet & Kerosene	-80	-65	-51	-53	-90	-124	-154	-123	-96	27	-68
Other	-48	-57	-55	-54	-57	-51	-52	-51	-51	0	7
Total	**812**	**784**	**784**	**719**	**788**	**727**	**736**	**735**	**712**	**-22**	**-208**

Source: Singapore Monthly Oil Statistics, IEA estimates

OECD STOCKS

Summary

- OECD commercial oil stocks were down 8 mb in March to an estimated 2338 mb as declines in product inventories outweighed builds in crude stocks. The 670 kb/d downturn in product stocks during March translated into a first quarter stock draw of 1.51 mb/d. With crude stocks building a modest 130 kb/d over the same period, the first quarter total oil inventory draw came in at 1.43 mb/d, markedly higher than the average 280 kb/d observed in the recent five years. Days of forward consumption remained stubbornly low at 50 days, unchanged from end-December levels and 6 days below the previous year.

Preliminary Industry Stock Change in March 2003 and the First Quarter 2003
(million barrels per day)

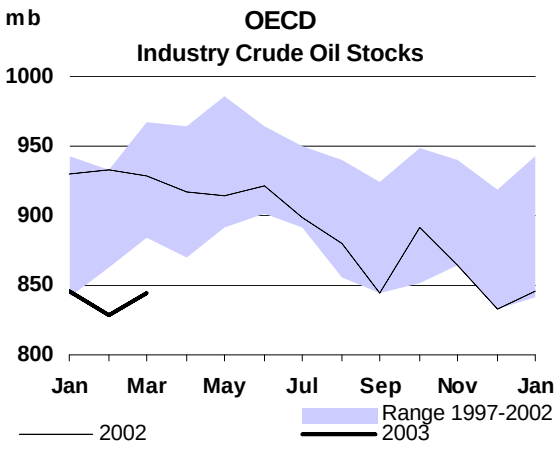
	March (preliminary)				*First Quarter 2003 (preliminary)*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**0.39**	**0.16**	**-0.04**	**0.52**	**0.04**	**0.04**	**0.05**	**0.13**
Gasoline	-0.19	0.04	-0.01	-0.15	-0.11	0.08	0.02	-0.01
Distillates	-0.08	-0.03	-0.12	-0.24	-0.49	-0.28	-0.08	-0.85
Residual Fuel Oil	0.03	-0.04	-0.01	-0.02	0.00	-0.10	0.00	-0.10
Other Products	-0.23	0.00	-0.02	-0.26	-0.43	-0.05	-0.08	-0.56
Total Products	**-0.47**	**-0.03**	**-0.16**	**-0.67**	**-1.03**	**-0.34**	**-0.14**	**-1.51**
Other Oils[1]	0.08	-0.02	-0.17	-0.11	-0.05	0.08	-0.08	-0.05
Total Oil	**0.01**	**0.10**	**-0.37**	**-0.26**	**-1.04**	**-0.22**	**-0.16**	**-1.43**

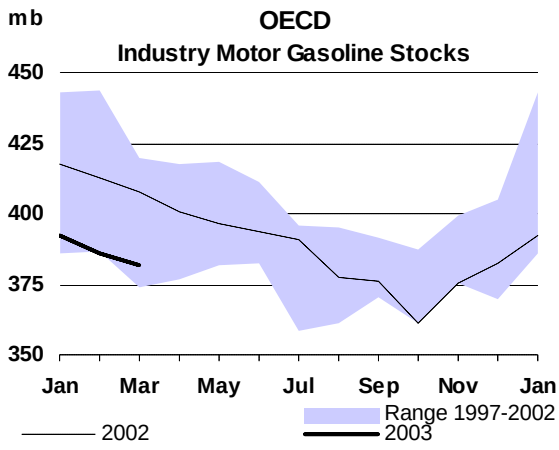
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks rose to an estimated 845 mb in March, but remained down 84 mb from a year-ago. The inventory rise was centred in the Atlantic Basin. The largest increases were seen in North America, where gains were split between Mexico and the US. Stocks grew to a lesser degree in Europe, namely in the Netherlands and Italy. In contrast, Japanese and Korean storage was marginally down despite expanded term allocations by major OPEC suppliers.

- Gasoline industry stocks in the OECD declined by 5 mb to 381 mb in March. Stock movements within the Atlantic Basin resulted in a net draw. Storage of finished product in the US-50 fell by 6 mb, on reduced output and robust deliveries. In Northwest Europe, a contango in swap prices for unleaded barge gasoline supported leaving product in tank. European industry stocks rose in March as local demand continued to contract but exports lessened volumes of otherwise surplus material. In Japan the anticipated seasonal build in storage was on hold as refinery output favoured kerosene.

- OECD distillate stocks closed March at 436 mb, off 7 mb from February. The seasonal draw in the first quarter, at 850 kb/d, came in higher than the average 600 kb/d seen in the previous five years. Atlantic Basin stocks tightened on US demand pull despite increased product output. In early March, heating oil prices in New York Harbour continued to attract Russian supply away from Europe. Industry stocks in Europe fell from downward revised February levels. Weak inland demand and high prompt premiums for physical product against futures further encouraged running down stocks.





OECD Industry Stock Changes in March 2003

Commercial crude stocks rose 16 mb in March, closing the month at 845 mb. The 520 kb/d build, however, was from a reduced February base, limiting the increase in stocks in the first quarter to 130 kb/d. The build in March was centred in North America. Increases in OPEC production began to reach the US Gulf Coast. US refiners had yet to fully emerge from scheduled maintenance and the backwardation in crude futures limited incentives to storage. Stocks in the US-50 (excluding territories) rose by 8 mb. Mexican stocks also built, as export opportunities to the US were reduced with resumed Venezuelan production. In Europe, inventories rebounded 5 mb as crude demand eased with regional refiners entering turnarounds. Availability of sour crude in the second half of March was high as seen by depressed prices of Urals against Brent. Rising Venezuelan supply was seen to make its way into Europe. The narrowing of backwardation in the IPE's Brent contract in the near-months also suggested rising crude availability.

More surprisingly, commercial storage of crude in the Pacific was flat to down by preliminary estimates. Japanese and Korean inventories ebbed by just over a million barrels. The usual up-tick in crude inventories in March for Japan did not appear in preliminary stock submissions. The slight decline more likely reflects a draw in onshore inventories as crude runs were maintained some 500 kb/d higher than last year to meet increased fuel oil demand. Crude stocks are likely to be revised up once oil in tankers at ports are fully accounted for. Expanded term allocations by major OPEC producers were seen in high crude import levels in both countries. This should translate into more comfortable crude stockpiles.

Product inventories in the OECD fell 21 mb in March and by 136 mb for the first quarter to 1227 mb. Distillates lost further ground, closing at 436 mb or 72 mb below last year. The Pacific led the draw with kerosene demand in Japan still firm on colder than expected temperatures. Atlantic Basin distillate stocks were driven lower by US demand pull rather than inland European deliveries. European gasoil supply was bid away to the US. Tanks emptied in Europe on the strength of physical prices against futures and storing product in Europe made little sense given price structures and weak demand. German end-users were running down tertiary storage while wholesalers were reluctant to stock up in a backwardated market. Increased production and import volumes balanced growth in March deliveries for heating oil and diesel in the US, as overall distillates stocks were flat to down. Ahead of the US summer driving season, finished gasoline stocks fell counter-seasonally on higher demand. Gasoline output stagnated with yields trailing last year and the absence of Venezuelan supplies led to low region-specific reformulated gasoline stocks. Conventional material was less tight when set against a rising cushion of blending components, boosted by European and Asian exports. European gasoline stocks rose as faltering demand met with stable output. The increase in inventories remained limited by exports. March export volumes to the US were seen higher at 2 mt while cargoes were reported on water for April delivery to start meeting Nigeria's 2Q/3Q tender.

Revisions and Preliminary OECD Stocks at the end of March 2003

Large revisions to February oil stocks reduced OECD inventories by 45 mb, with the Atlantic Basin accounting for most of the revision in product and crude stocks. Distillate inventories led product revisions. These were lowered by 17 mb, of which 13 mb came in Europe alone. Upward revisions to gasoil demand partly underlie these changes. But demand-pull from the US diverting product away from Europe rather than domestic pressure account for most of the revision. Domestic strength in physical gasoil prices also encouraged sales out of storage. This revision brings stock changes closer, in relative terms, to those seen in independent storage in Northwest Europe for the same period. Gasoline stocks in the US (including territories) were revised 5 mb lower with upward revised product deliveries. More surprisingly, European crude oil stocks were revised down by 11 mb, essentially in France (5.2 mb) and Italy (5.5 mb).

Revisions Versus 10 April 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Jan 03	Feb 03	Jan 03	Feb 03	Jan 03	Feb 03	Jan 03	Feb 03
Crude Oil	**-0.1**	**-1.9**	**2.6**	**-11.1**	**0.0**	**-0.3**	**2.5**	**-13.2**
Gasoline	1.3	-3.6	-0.4	-2.1	0.1	0.0	1.0	-5.7
Distillates	-1.0	-4.4	0.0	-13.4	0.0	0.7	-1.0	-17.1
Residual Fuel Oil	0.1	-0.2	-0.3	-2.5	0.0	0.4	-0.2	-2.4
Other Products	3.1	-4.0	0.0	-0.7	0.0	2.9	3.1	-1.9
Total Products	**3.5**	**-12.3**	**-0.6**	**-18.7**	**0.0**	**3.9**	**2.9**	**-27.1**
Other Oils[1]	-2.8	-8.0	-0.9	3.8	0.0	-0.7	-3.7	-5.0
Total Oil	**0.5**	**-22.2**	**1.1**	**-26.0**	**0.0**	**2.9**	**1.7**	**-45.3**

1 other oils includes NGLs, feedstocks and other hydrocarbons

The March inventory decline left primary oil stocks in the OECD at 2338 mb or 260 mb below last year. While the difference to the previous year's stock position improved marginally in crude inventories, which trailed 84 mb behind, the gain needs to be set against the deficit in product volumes. The product deficit widened 5 mb from February to 156.5 mb or 118 mb compared to the recent 5-year average. While crude stocks recovered slightly, limitations in throughputs (capacity or turnarounds) will constrain how quickly product inventories will improve. Regionally, the inventory picture is considerably tighter in the Atlantic Basin where oil stocks fell to 221 mb below year-ago levels. At 50 days, March forward demand cover by OECD oil stocks has yet to rebound from end-December levels, and finished 6 days below 2002. Cover in North America gained a day in March, at 45 days, but remained flat in Europe. Cover in the Pacific rose a further 2 days from February, to 50 days, as winter demand pressures on distillate fuels eased.

Year-on-Year Industry Stock Comparisons for March 2003

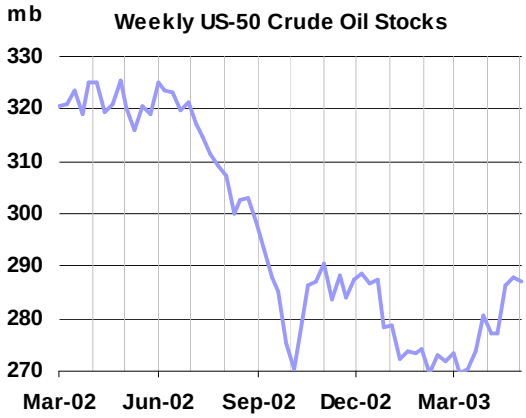
	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-54.9**	**-18.3**	**-11.0**	**-84.2**	**Total Oil**	**-7.2**	**-4.4**	**-7.2**	**-6.3**
Total Products	-87.5	-49.1	-19.8	-156.5	*Versus 2001*	-4.2	-3.2	-6.4	-4.4
Other Oils[1]	-12.6	1.9	-9.0	-19.7	*Versus 2000*	-1.9	-2.8	-1.0	-2.1
Total Oil	**-155.0**	**-65.6**	**-39.8**	**-260.4**	**Total Products**	**-4.0**	**-3.3**	**-3.4**	**-3.8**
Versus 2001	-79.2	-55.6	-51.6	-186.3	*Versus 2001*	-2.3	-1.4	-2.4	-2.1
Versus 2000	-28.0	-39.4	-13.3	-80.7	*Versus 2000*	-1.1	-1.2	0.5	-0.9

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD Regional Stock Developments

North America

Gains in North American crude inventories in March saw increases in both US and Mexican stocks. Mexican production, high since January, saw outlets to the US reduced with the return of Venezuela production, leaving storage to build by 7 mb. Crude stocks in the US-50 rebounded 8 mb by month's end to 279 mb as imports in March closed the month above 10 mb/d, overtaking a recovery in runs.



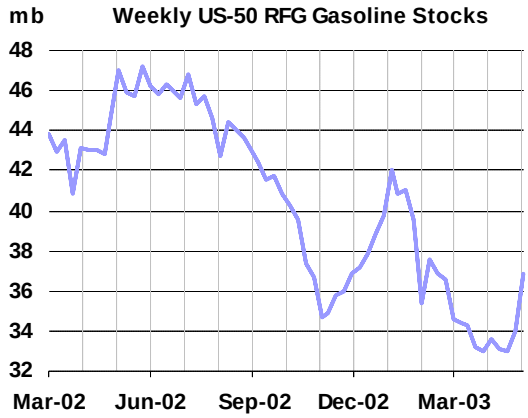
In April, average imports to the US were above 9.5 mb/d, but the gains in crude stocks were limited to just above 8 mb, leaving the increase short of past seasonal observations. Import volumes met with increased crude demand. Refiners took capacity utilisation close to 95% as runs gained over 600 kb/d by month's end to maximise gasoline output. More troublesome is that the main refining centres in the Gulf Coast and the mid-continent have not seen a significant build in crude inventories. Gulf Coast inventories held flat in April and heavy/sour differentials tightened against WTI.

April market reports indicated that the foreign cash crude market was well supplied in light/sweet West African grades and LLS was mostly at discount to WTI. But inland pull seemed restrained. The near 4 mb gain in crude stocks seen in the mid-continent may be part attributed to downtime at refineries like Exxon's Joliet 245 kb/d facility in Illinois. Though Marathon Ashland Petroleum, the largest share operator for the 1.1 mb/d Capline pipeline (which delivers crude from the Gulf Coast to the mid-continent) was fully nominated, in mid-April, Royal/Dutch Shell's Shell Pipeline Co., second in share to Marathon, was reportedly still accepting nominations for its portion of the pipeline for May delivery.

Market structure disincentives to building stocks were still in place in April, though easing by month's end. NYMEX's WTI futures spent all of April in backwardation (premium for prompt month) in the near delivery months. It seems that higher crude runs are absorbing imports at current rates. It is unclear whether imports will be sustained to cover heightened refiner requirements. Saudi Armaco's shipping arm seems to have reduced the number of spot tankers chartered from February levels. Eight tankers were reported scheduled for early May loading (June delivery) with possible options on another 5 for the second half of the month.

Ahead of the summer driving season, finished gasoline stocks fell 6 mb in March before balances eased in April. April supply conditions were ample and demand was a little weaker than expected in

spite of falling retail prices. Average gasoline imports were over 1 mb/d and production increased, allowing finished gasoline stocks to rise 4 mb to about 150 mb. Output favoured reformulated gasoline (RFG) as conventional material could rely on a large blending pool of European material. RFG stocks reversed their 3 month slide, rising 4 mb to open May at 37 mb. But these stocks remain tight, as seen in RFG's growing premium over conventional product in New York Harbour. Substantial Venezuelan RFG supplies have yet to resume. Initial April deliveries were delayed to May, pending the return of normal operations at PdVSA's Paraguana refining complex. PdVSA was reported to have scheduled 3 mb of RFG to the US during May, including to Citgo, its US downstream arm.

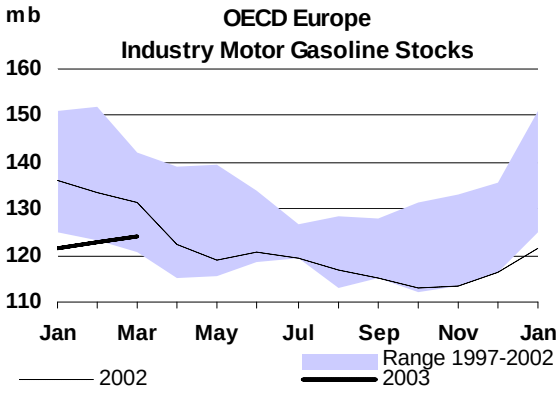


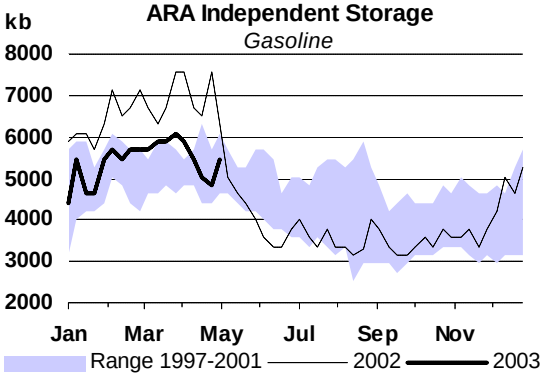
Further builds in May for motor gasoline may be constrained. In particular, demand is likely to rise as driving demand picks up, supported by lower pump prices and better weather. Also, the level of imports is likely to tail off from recent highs. European April exports were expected at half the volumes seen in March due to closed transatlantic arbitrage.

Europe

Crude stocks rebounded from downward revised February levels, gaining 5 mb to close March at 293 mb. Crude stocks were up in Italy (3.7 mb) and the Netherlands (4.4 mb) and down a combined 3.5 mb in France and Germany. April stocks look to fall further depending on the extent of turnarounds. Refiners may prove reluctant to replenish crude stocks if they are about to reduce runs further.

On the supply side, regional crudes were looking for arbitrage opportunities. Urals in the Mediterranean strengthened as cargoes left for Asia but also towards the US Gulf coast, where comparable grades had narrowed their discounts to WTI. April loading North Sea barrels met muted buying interest by regional refiners as Nigerian production resumed. These cargoes were cleared slowly by month's end at generally discounted prices to dated Brent. More North Sea May loading barrels are expected to leave Europe. Some 6 VLCC shipments were said to move crude towards Asian and US destinations. Narrow spreads between Brent and Mideast marker Dubai encouraged movement of West African barrels east rather than west.

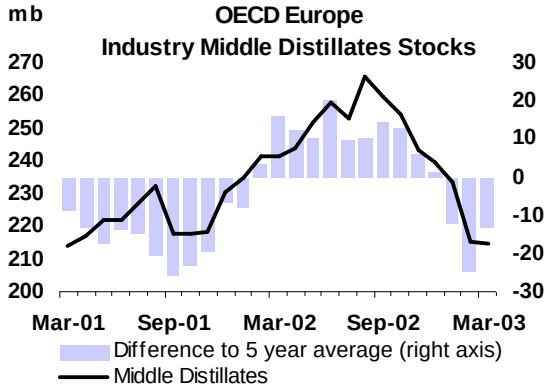


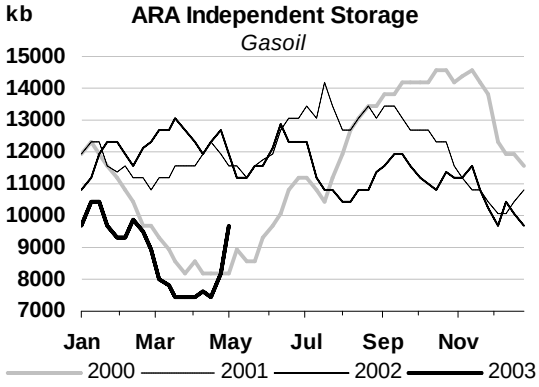


Gasoline stocks in March edged higher by 1.2 mb. Regional demand remained weak and exports to the US reached closer to 2 mt (revised up from the previous tally of 1.5 mt). These volumes relieved surplus product and contained an otherwise greater build. Independent storage in ARA remained high as a contango in swap prices for unleaded gasoline supported leaving product in tanks. European gasoline also found an outlet in Nigeria. The country tendered for 2.7 mt of product over 2Q/3Q, pricing off the Rotterdam market, and cargoes were on water for April delivery.

Arbitrage opportunities to the US closed by the end of the March and through most of April. With little signs of a recovery in demand, primary storage in April is likely to stay at current levels if not higher. Only US refiners with European facilities were reported moving cargoes transatlantic. Shipments to the US were pegged under a million tones. Independent storage dipped in April as traders looked towards Nigeria instead, where refineries in Warri and Kaduna closed as crude deliveries were stopped due to domestic unrest. Some 500 kt were delivered for April, but prompt requirements were said to be fulfilled around mid-month. Stocks rebuilt by month's end and supply pressure drove prices down.

Opening April, prompt month May for gasoline swaps lost some 30 dollars/tonne from a month-ago. The swaps forward price structure for unleaded barge gasoline shifted to backwardation in April. Gasoline was being sold down until the fall in price would become sufficient to allow transatlantic exports to resume again.



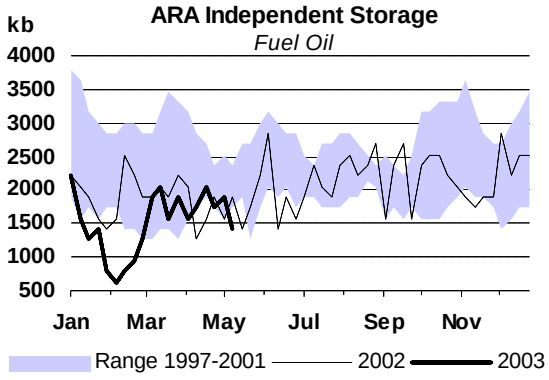


European distillate stocks were by and large unchanged, losing 1 mb to close March at 214 mb. Incentives for increasing product storage remained absent. The high premium for physical gasoil over IPE's front-month futures contract posted in February held mostly through March. This encouraged immediate sales rather than storage. Early March, demand pull from heating oil prices in the US continued to divert Russian supply away. Domestically, inland buying interest was kept low by backwardation in futures. March data indicates that heating oil demand in key markets was generally down, with the exception of Italy where stocks declined. Stocks rose in France, where deliveries fell the most, but remained flat in Germany. The build in France may be underpinned by the purchase of mostly diesel product in end-March by French major TotalFinaElf to cover for a refinery outage at Donges. In the case of Germany, it is now more likely that tertiary stocks were drawn to meet the end of winter requirements.

German wholesalers were said to return briefly to the market in mid-April but warmer temperatures in Europe dampened interest for heating gasoil. In the Amsterdam-Rotterdam-Antwerp area (ARA), stocks of gasoil in independent storage held flat for most of April. But arbitrage of product towards the US was closed. Russian supplies were re-directed to Northwest Europe, prices weakened and gasoil stocks built.

Jet/kerosene stocks were down in March with precautionary civilian demand as well as heightened military demand ahead of operations in Iraq. But this receded in April. Independent storage of jet fuel in ARA has risen again as demand slackened. Airline companies have cut back on flight schedules and military demand has eased. Middle Eastern distillate supplies into the region are likely to resume after having been reduced in the previous month. Jet fuel volumes will probably favour Europe over Asia, as the Asian market has seen jet trading at discount to gasoil since the beginning of March.

Industry fuel oil stocks in Europe for March were just over a million barrels lower than in February, closing at 66.6 mb. The main draw came in the Netherlands where stocks were off by 2 mb. Italian stocks edged higher by 0.6 mb where demand was weaker due to a fall in power station demand.

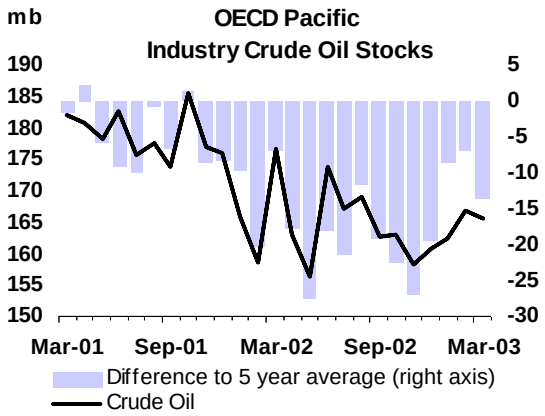


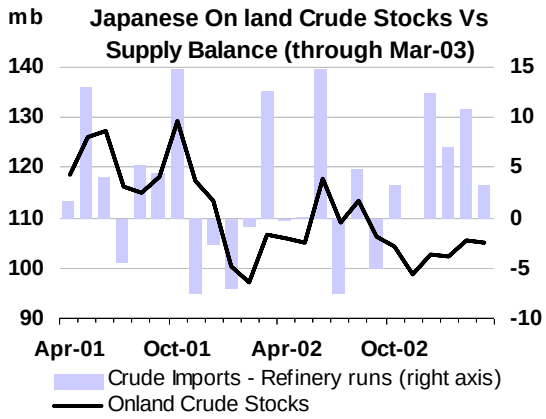
Independent storage of fuel oil in ARA had built up back in February as loading conditions in Baltic ports improved and Russian material moved back into Northwest Europe for lack of other outlets. Bunker demand remained strong March through April, absorbing Baltic shipments of Russian high-sulphur fuel oil into Northwest Europe and preventing volumes in independent storage from rising.

March volumes of fuel oil in ARA edged lower, but arbitrage opportunities were said marginal. Arbitrage of fuel oil to Asia improved by end-April as prices in Singapore rose. Some material from storage was loaded in March and in April. Following a VLCC in March, at least two other VLCCs were reported heading into Singapore in April, again loaded partly from storage material but mostly from barge transfers.

Pacific

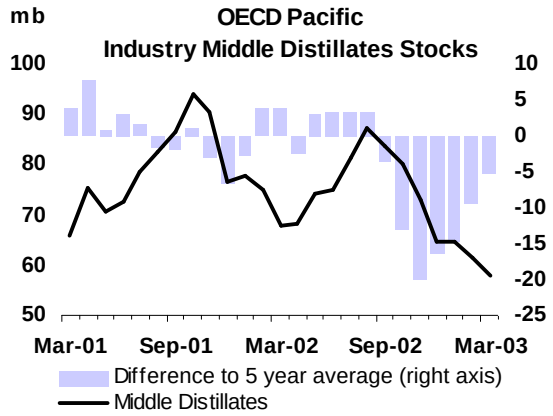
Crude oil stocks in the Pacific ebbed a little over a million barrels by preliminary indications despite healthy import volumes for March in both Korea and Japan. The marginal draw in Japan is likely to reflect movements in onshore storage and has yet to account for oil held in tankers at ports. Crude inventories should recover through the second quarter as ample supply to both countries meets with declining refinery runs. A number of OPEC term suppliers like Saudi Arabia, Iran, and the UAE have notified Asian customers they would receive full nominations for April and May, continuing expanded allocations from March. In Japan, most major oil companies announced higher April crude runs versus a year ago. Higher

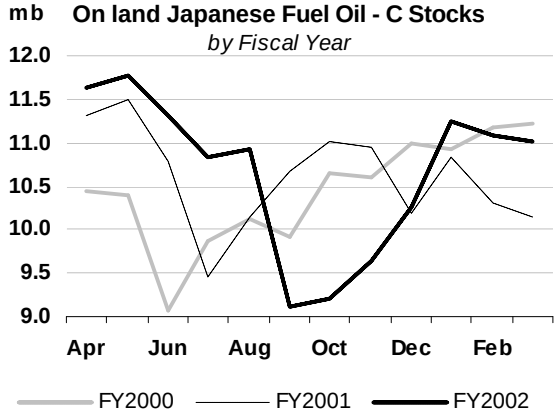




throughputs were reported in a range between 6 and 22% above last year in order to meet increased fuel oil demand from thermal power plants. However, in addition to term supplies, higher yearly runs should be supplied with increased spot purchases. Japanese buying interest for inexpensive June loading Oman was reportedly high ahead of OPEC's April meeting. Additionally Qatar and Abu Dhabi have extended full volumes into June. In Korea, lower crude demand was indicated by announcements from leading refiner SK Corp of plans to keep operating rates level in May from April at 74%, down from the 97% in March.

Pacific distillate inventories in March declined a further 3.7 mb to 58 mb on draws in kerosene and gasoil stocks in Japan. Late winter demand, on colder than expected temperatures, increased sales of kerosene used as a heating fuel. This occurred at a time when Japanese refiners were minimising stock holdings for the end of the fiscal year, forcing some to return to the spot market. With March product yields favouring distillate and fuel oil, Japanese gasoline stocks moved sideways in lieu of a seasonal build-up. Japanese refiners usually increase gasoline stocks ahead of peak maintenance in May/June and before consumption starts rising in July with the driving season. In Korea, distillates moved marginally lower. Domestic kerosene production balanced consumption, but exports of product were behind the stock draw. Korean jet fuel and diesel stocks edged higher.

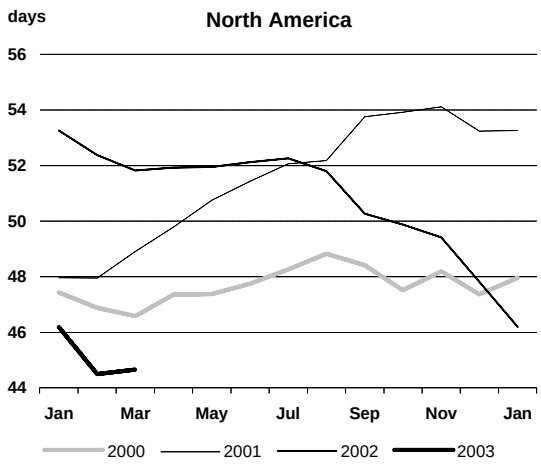


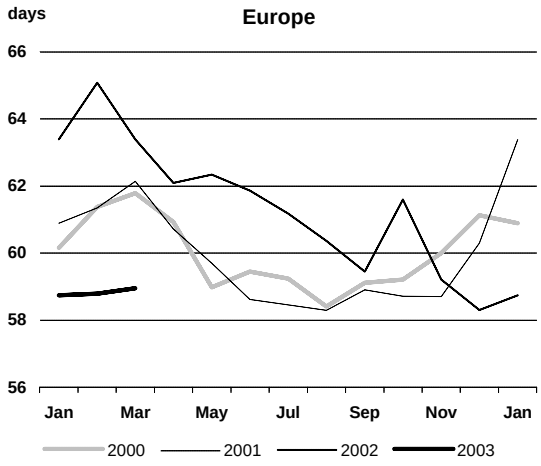


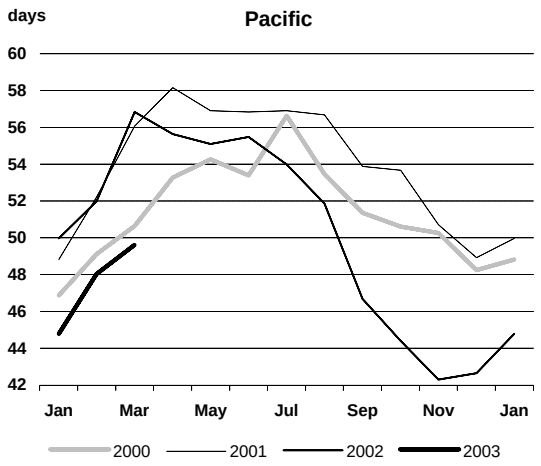
Onshore stocks of fuel oil 'C' (FOC) used by thermal plants in Japan declined marginally in March as refiners ramped up production to meet increased thermal power demand. It remains unclear when a sufficient number of nuclear facilities will resume operations to meet summer electricity demand. So provision of FOC is likely to be maximised through higher runs which incidentally will also force the gasoline pool to expand ahead of summer driving. FOC stocks are likely to be kept high as it seems that power plants have reduced the amount direct burn of crude oil in the recent 3 month. Deliveries of crude to utilities have been falling since peaking in December of last year.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

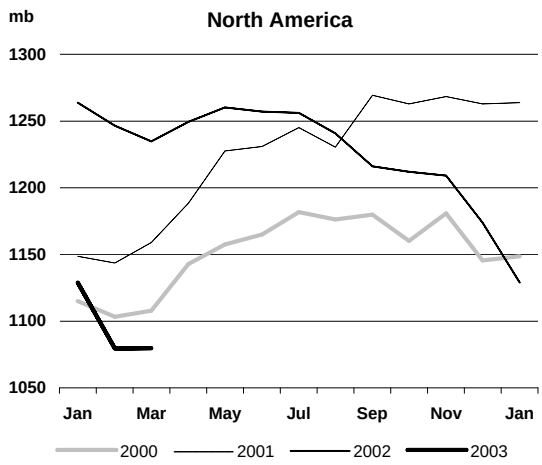
Days[1]

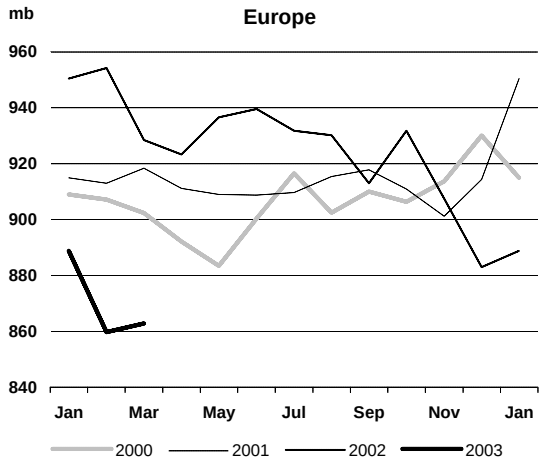


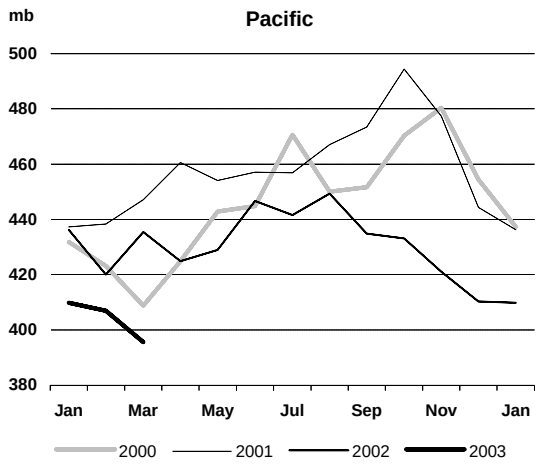




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Crude oil** was relatively stable in April following the 18% fall in prior month prices. Values hit a low point once it became clear that US troops had secured Baghdad on April 9 and that very little damage had been caused to crude production facilities. Fears of an OPEC output cut and consumer bargain hunting helped values to recover in the middle of the month. But they fell once more towards the end of April on continued high crude and product imports into the US and growing scepticism that there would be a significant output cut by OPEC until after the June meeting.

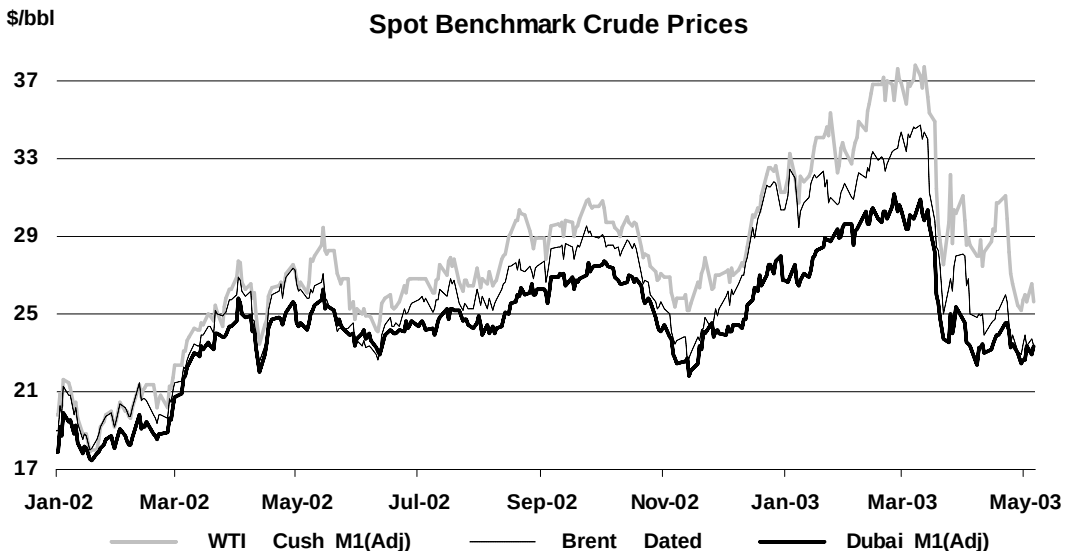
- **The transatlantic** arbitrage remained open for Brent related and West African crudes to the US in April. There was no shortage of material on offer, with low freight rates enhancing the attraction of sweet crudes. Far Eastern demand also picked up during the month, both for direct burn crudes and sour material for fuel oil production. Local consumers were trying to make up for lost Iraqi oil and were also looking to cover against possible Saudi output cuts in June.

- **Futures** trading volumes and open interest declined dramatically during April as speculators withdrew from the market. IPE Brent daily trading volumes fell from an average of over 106,000 lots in March to under 75,000 lots per day in the second half of April. Open interest (the number of contracts remaining held by players at the end of each day) fell by 22% at the end of April compared with the mid-March peak. Some traders were deterred by the high March volatility and others by the removal of uncertainty over the Iraqi war.

- **Forward** price structures for IPE Brent and NYMEX light crude futures (WTI) diverged. The US crude market continued to signal its need for high crude imports by keeping WTI futures in a forward discount. On the IPE, more attractive sour refining margins in Europe and seasonal refinery maintenance reduced the demand for sweet crudes and led to the emergence of a small forward premium by the end of April.

- **Product prices** fell sharply at the beginning of April, but generally stabilised through to the end the month. The US continued to attract high levels of gasoline imports, but European volumes fell as the transatlantic arbitrage closed mid month. Lower freight rates and improved differentials have however reopened the window at the beginning of April.

- **Refinery margins** fell on average through April but remained attractive in the US and Singapore. Sour margins were more attractive than sweet in Europe and the Far East, with the latter being driven by good demand for fuel oil by utilities. Preliminary data showed a dramatic increase in US refinery throughput in April, continuing the upward trend seen in March.



Crude Oil Prices

Spot Crude Prices and Differentials in April

Crude prices spent most of April within a broad range, consolidating the heavy losses seen in the middle of March. Fresh selling pressure however emerged towards the end of the month on the back of a disappointing reaction to the OPEC meeting and concern over a rise in US inventories. But as evidence of the continued nervous conditions prices recovered a little in early May following a modest US stock draw released in a weekly report.

Despite the much narrower range of crude prices during the month compared with March, there were still sharp swings within that range. Uncertainty over supply and demand trends continued to prove unsettling. The date of return of Iraqi oil exports, the impact of SARS, and broad economic growth trends are all issues with no definitive answer. Reflecting the low US stock situation, WTI was considerably more volatile than other benchmark crudes, with WTI Cushing trading in a $5.88 range between $25.20 and $31.08. Dated Brent saw a more modest $3.90 range, and Dubai nearly half that level.

The oil market had been pushing lower from mid-March when it became apparent that the war with Iraq was imminent, so it was no surprise that the benchmark crudes hit a low point just as US troops were about to enter Baghdad. The action tied in well with the old market adage "buy the rumour, sell the fact", but the perpetuation of low stocks, increased US refinery throughput and the cheapest oil seen this year helped to prompt some bargain hunting.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Feb	Mar	Apr	Apr-Mar		Week Beginning:				
				Change	*%*	31 Mar	07 Apr	14 Apr	21 Apr	28 Apr
Crudes										
Brent Dated	32.67	30.54	24.85	-5.68	-18.6	26.87	24.73	24.78	24.68	23.35
WTI Cushing 1 month (adjusted)	35.75	33.43	28.26	-5.17	-15.5	28.96	28.10	29.52	28.55	25.84
Urals (Mediterranean)	30.38	28.52	22.61	-5.91	-20.7	23.92	22.51	22.78	22.58	21.53
Dubai 1 month (adjusted)	30.02	27.38	23.45	-3.93	-14.3	23.92	23.09	23.63	23.97	22.82
Tapis	33.96	31.37	27.66	-3.71	-11.8	28.21	27.67	28.15	28.00	26.06
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	3.08	2.89	3.41	0.52		2.09	3.37	4.74	3.87	2.49
Urals (Mediterranean)	-2.30	-2.01	-2.24	-0.22		-2.95	-2.22	-2.00	-2.10	-1.82
Dubai	-2.66	-3.16	-1.40	1.76		-2.95	-1.64	-1.15	-0.71	-0.53
Tapis	1.29	0.83	2.81	1.98		1.33	2.94	3.37	3.32	2.72
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.55	0.78	0.15	-0.63		0.60	0.10	0.13	0.08	-0.10
WTI Cushing 1mth-2mth (adjusted)	1.19	0.79	0.94	0.15		na	1.16	1.76	1.18	0.35

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

The removal of uncertainty over Iraq stunned markets into relative stability. This was perhaps even more surprising considering widespread reports of air travel reductions due to the SARS virus and its deleterious economic impact in the Far East.

Elsewhere, economic news was mixed. Consumer and business sentiment tended to respond positively when the US secured military control in Iraq. The brevity of the war and the limited damage to Iraqi oil installations were positive factors for consumers. However monthly economic data tended to be somewhat weaker and it will be some time before it is clear whether post-war activity will offset broad underlying trends.

Supply issues had a mixed impact. Nigerian output continued its gradual return and there was no significant flare-up in violence after the Presidential and regional elections, despite claims of voting irregularities. Iraq continued to influence events: US officials said that output could be running at 1.5 mb/d by the end of May and are working swiftly to put an interim administration in place. However, an interim administration will require some time to establish its credibility and we estimate higher output will be technically feasible at some point in June (see Supply).

OPEC decisions also played its part in helping to stabilise prices. Although the protracted time taken from the initial suggestion of an OPEC meeting at the end of March to the final confirmation that one would actually take place suggested discord within the organisation, the mere fact that a meeting was being held proved supportive. Traders were wary that the producer group would take action at its

25 April meeting to offset an anticipated stock build in the second quarter, which translated into a general reluctance on the part of speculators to push prices lower.

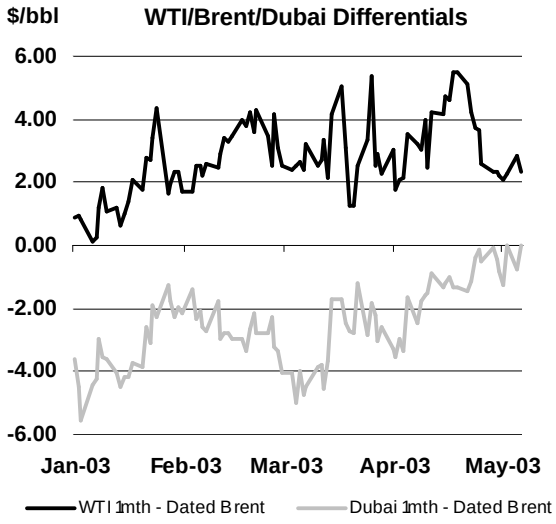
Despite some confusion over the initial announcement, the net effect of OPEC's decision to raise quotas by 900,000 b/d represented only a modest cut from existing production levels. With the new quotas only coming into effect from 1 June and with OPEC holding a second meeting on 11 June, many traders viewed this as an effective postponement of any major decision on output. Low stocks, uncertainties over the level of global demand, internal quota allocation issues and the uncertainty of Nigerian and Iraqi oil exports are factors that might complicate the issue of long term planning by OPEC. However although the final quota decision was presented with a bullish spin (as a 2 mb/d cut), traders generally felt the effective procrastination of a significant cut was moderately bearish in the light of only modest improvements in US inventories by the end of April.

The OPEC basket averaged $25.28 per barrel during the month, the middle of its $22 to $28 per barrel price range. However prices dipped sharply below the mid-point at the end of the month and remain below $24 per barrel.

WTI prices averaged $5.71 lower in April than March, a fall of 15.5%. The fall in dated Brent prices was more severe on both a nominal and percentage basis, falling by $5.68 and 18.6% respectively. It is fair to say that Brent's performance was the more negative over the entire month, falling more steeply at the start and the mid month recovery in WTI prices was far more pronounced.

The average premium of WTI Cushing to Dated Brent in April averaged 52 cents above March at $3.41 and was extremely volatile. During the middle of the month the differential averaged $4.74, a level at which transatlantic arbitrage is very attractive, but moved back to a more "normal" value of $2.49 in the last week of the month. While the "average" differential fell at the end of April a sharp reduction in freight rates compensated for these lower levels.

The WTI/Dated Brent differential movements reflected a number of factors. Primarily, a mid-April dip in US inventories helped generate concern that the end-March US stock build was not necessarily part of a trend. However there was also distinct competition for Brent from West African crudes, despite continued production problems in Nigeria. Traders said that in the middle of April there were a number of distressed cargoes from this region seeking a home in the US, which severely disrupted the market for Brent-related crudes. This was reflected in the Bonny Light spread to WTI which moved from recent norms of $2.00 to $3.50 discount to below minus $5 in mid-April. The differentials have now returned to more normal levels.



Europe seemed to suffer from a surfeit of sweet crude. This was partly due to the competition in the US sweet market, but is also due to the more attractive margins for sour crude in the region, and some refinery maintenance issues. In contrast, good refiner demand coupled with strong end-month offtake from the Far East helped Urals steady towards the end of April.

The sour market also tightened in expectation of a decline in Iraqi crudes hitting the US market by the end of April. Also the restart of a large part of Venezuelan refinery capacity should mean a reduction in future sour crude availability (to be replaced with an increased supply of refined products). As a result, West Texas Sour differentials to WTI narrowed significantly towards the end of the month and returned to a more typical range of between $1 and $2 discount.

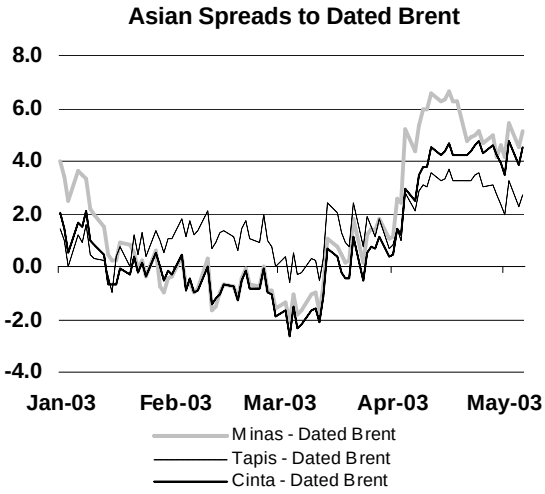
Urals crude was also tempted eastwards by attractive differentials. That helped to reduce the overhang in Europe caused by the seasonal resumption of shipping to the region. It was estimated that around 8 million barrels of Urals was booked eastwards in April (arriving in May) and a further 12 million to 18 million has been booked so far in May (to arrive in June). This helped to keep the Urals discount to Brent relatively stable, fluctuating around $2.00 for most of the month

The Far Eastern market was surprisingly strong. Anecdotal evidence during the first quarter had suggested precautionary stock building had been seen prior to the war with Iraq. However, neither the securing of Iraq by US forces early in the month, nor the (uncertain) impact of the SARS virus and its spread within China caused any noticeable deterioration in demand from the region. It is fair to say that traders remain very concerned that the region will see a sharp reduction in Saudi volumes in June and have therefore been inclined to hold on to any surplus material until at least June term supplies are confirmed.

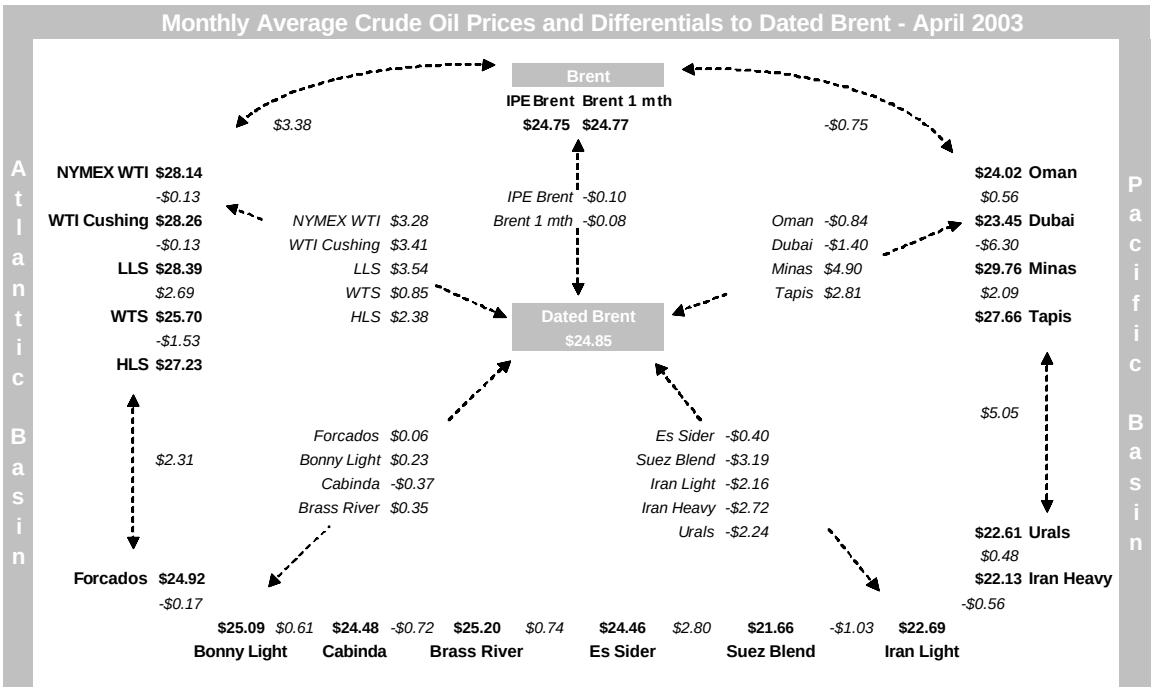
Demand for direct burn crude from Japan was accompanied by good weather-related middle distillate and fuel oil offtake. Dubai crude is always a good beneficiary of strong fuel oil demand, and helped its differential to rise sharply during the month.

Minas crude was sought after for direct burning by Japanese utilities. Minas moved from virtual parity with Tapis at the end of March to a $2.20 premium by the end of April. Further increases in the premium have been seen in the first week of May, taking differentials to the highs seen at the turn of the year of just over $2.60 per barrel.

The strength of the Far East was apparent in its attraction of Urals crude (see above) to the region, but also in the movement of heavy-sweet niche crude such as Angolan Cabinda into the region. This crude is also generally sought after by US refiners which helps to explain its strong performance relative to the price of Forcados during the month. But both Forcados and Bonny Light also performed well in relation to Brent during the month, which shows exactly how strong Cabinda was.



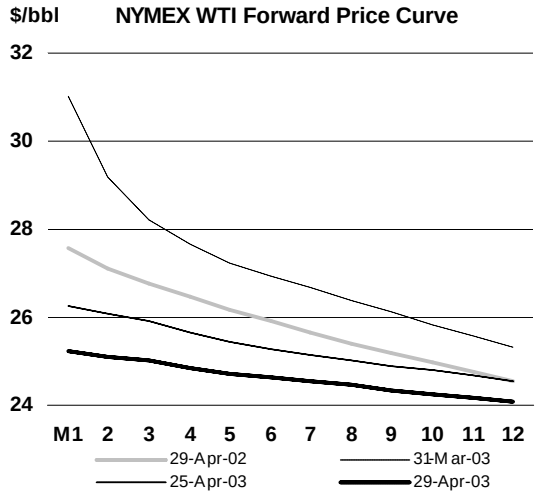
The restart of one of TEPCO's 17 nuclear reactors in Japan that have been idled for safety concerns should not have a huge immediate impact on utility demand for fossil fuels. However it is possible that the restart of the first reactor could be a sign that further restarts are likely ahead of peak Japanese summer demand.

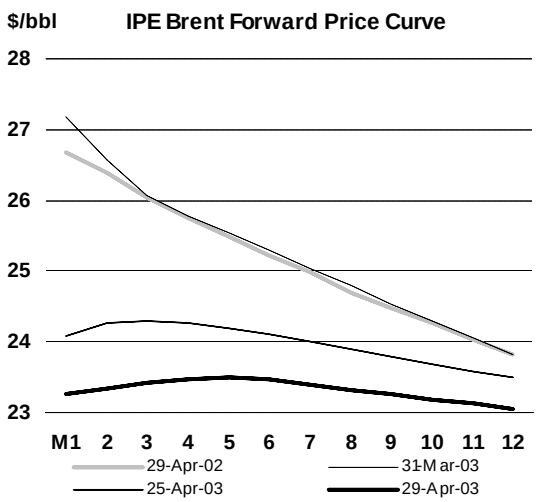


Crude Futures in April

Futures trading volumes and open interest fell sharply in April as market participants adjusted to a crude market that was trading more off supply and demand related matters than politics and newswire headlines. The securing of Baghdad by US forces, coupled with the extreme price volatility appeared to cause small speculators to evaporate from the market, while commercial traders generally stood back, waiting for conditions to settle. The funds and large speculators on NYMEX WTI squared their positions in WTI, reducing their large net-short position from 57,057 lots on 1 April to 38,781 on 29 April.

Reflecting the transition of the market away from a crisis footing towards a more normal environment, IPE Brent daily trading volumes fell from an average of over 106,000 lots in March to under 75,000 lots per day in the second half of April. The number of open positions at the end of each day fell by 22% at the end of April compared with the mid-March peak.





Although the intraday volatility and the overall price ranges on both NYMEX WTI and IPE Brent remained high, they were considerably reduced from the extremes seen in the build-up to war. But it is fair to say that a combination of nervousness related to the severity of the mid-March price collapse and the continued global adjustment process to the various supply crises seen since the end of last year, led the intra-month product and crude spreads to be more interesting than their respective spot prices.

While it might seem overly technical to casual observers of the oil market, the relationship of forward contracts to each other (term structure) is both an important barometer of the market perception of relative supply and a key determinant of stock holding patterns. The most dramatic change in the term structure of the market has been the switch of the IPE Brent market from backwardation (forward price discount) to contango (forward premium). This switch was seen briefly in the middle of April, but became more entrenched towards the end of the month.

While the forward discount on NYMEX WTI has narrowed considerably, the US benchmark remains in backwardation. The reduction in the forward discount of WTI has not been a gradual process though, the bulk of the front month premium was removed when the May futures contract expired, following which the narrowing of the spread has been much more gradual.

While at first glance the diverging market structures would seem contradictory, it should be noted that the differences are not huge and can largely be explained by regional differences in demand. Essentially the US market has to attract high levels of sweet crude to meet demand during the gasoline season, particularly with stocks near historically low levels, while in Europe sour margins are more attractive than sweets due to local demand patterns, maintenance and other local refinery issues.

The competition in the foreign sweet market between Brent related and West African crudes however means that while overall sweet demand remains relatively tight, it is harder to place the crude. Therefore it is consistent that the divergent market structures have remained in place, although it is fair to argue that they would be unlikely to widen further.

Delivered Crude Prices in February

Delivered prices for crude oil imported into IEA countries rose from $29.94 in January to $31.79 in February, an increase of $1.85 (see Table 8 at the back of the Report). Prices rose by $1.44 in IEA Europe, $2.36 in IEA North America and $1.95 in IEA Pacific. These increases reflected the increases in prices for marker crudes such as Brent, WTI and Dubai (see Oil Market Report, March 2003). The steeper North American price increase continued to reflect the impact that the loss of Venezuelan supply and the exceptionally cold winter had on US supplies and inventories since December.

Happier with Lower Stocks?

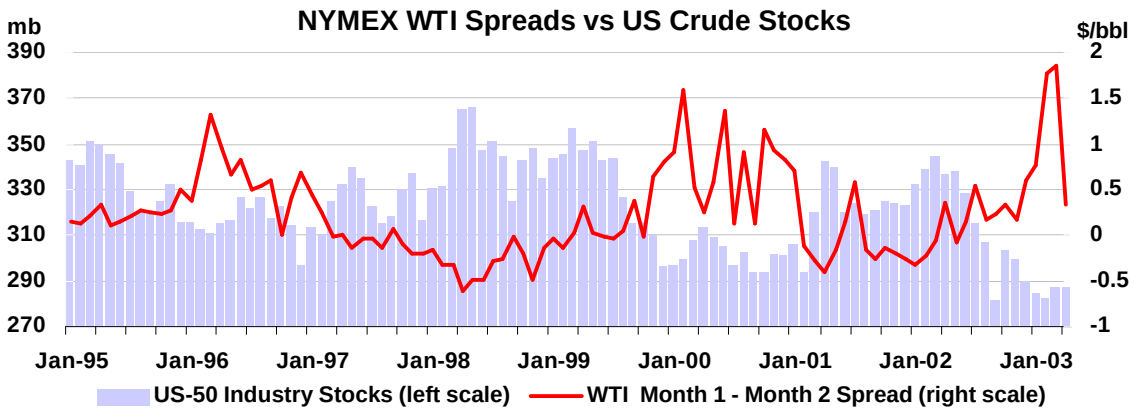
It is not just prices and volatility that are inversely related to oil stock levels, but the forward structure of the oil market as well. That might be regarded as axiomatic.

A backwardated market, where spot prices are higher than forward contracts is perhaps the easiest structure to understand. It occurs when there is a shortage of spare crude. End users who need to buy crude for immediate use have to pay higher prices because of the limited availability. Forward prices are lower because of the expectation that supplies will improve and demand might be affected by higher spot prices.

In normal or oversupplied markets a contango structure usually develops where forward prices are higher than spot prices. There are a number of transition factors that can result in this structure developing, but the simplest way of explaining it is as the opposite of a backwardation. If end users feel their stocks are adequate then nearby prices will have to fall to encourage them to buy more. Forward prices would have to be higher or end-users would simply buy forward rather than add to existing stocks. There is however a limit to the forward premium which is when cost of holding crude from one month to the next (finance, storage, insurance) is equal to the price difference between the two months. In a backwardation the spot premium is theoretically limitless.

Therefore it is no surprise to see in the chart below that the front month-second month WTI futures spread moves into contango when stocks are high and backwardation when stocks are low. However, it is interesting to note that since the turn of the decade, the backwardation appears to have adjusted much more rapidly to any sign of an improvement in stocks and in 2002 it appeared as if the market was moving into a contango at a much lower average stock level than in the mid 1990s.

There is not enough data to conclusively prove that this is the case. Factors such as OPEC pronouncements, political disturbances and seasonality can all affect the level of stocks that industry is happy to hold. But if the forward structure of the crude market is moving back towards contango at lower stock levels, this would imply that primary consumers have changed their buying patterns. That certainly ties in with the recent contango in IPE Brent futures, anecdotal evidence and a publicly known desire of refiners to lower costs in a low-margin industry. However it also means that consumers will have to be prepared to live with higher volatility and that OPEC may have to squeeze the market ever tighter to control prices.



Product Prices

Spot Product Prices in April

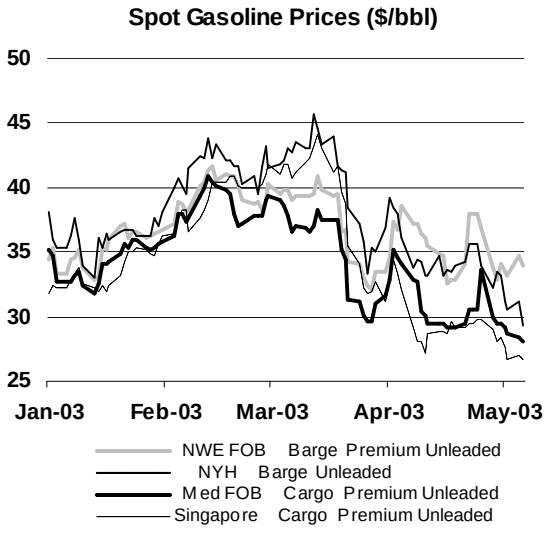
Prices fell sharply at the beginning of April in line with a weakening of crude prices and a fall in product crack spreads, but generally stabilized around the lower levels for the rest of the month.

Spot Product Prices
(monthly and weekly averages, $/bbl)

	Feb	Mar	Apr	Apr-Mar Change	Apr-Mar %	Week Beginning: 31 Mar	07 Apr	14 Apr	21 Apr	28 Apr	Feb	Mar	Apr
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	39.85	36.71	35.00	-1.71	-4.6	37.22	34.72	34.46	34.45	33.28	7.18	6.17	10.15
Regular Unleaded	39.31	36.17	34.25	-1.92	-5.3	36.52	33.85	33.67	33.91	32.47	6.63	5.63	9.39
Naphtha	36.99	34.16	24.76	-9.40	-27.5	26.68	25.53	25.05	23.93	22.20	4.32	3.62	-0.09
Jet/Kerosene	43.21	43.01	31.75	-11.26	-26.2	33.06	31.72	32.35	31.72	30.58	10.54	12.48	6.90
Gasoil	41.81	40.24	30.06	-10.18	-25.3	30.68	29.77	31.59	30.20	28.56	9.14	9.70	5.20
Fuel Oil 1.0%S	31.98	27.92	24.02	-3.90	-14.0	24.40	23.69	24.85	23.93	22.74	-0.69	-2.61	-0.83
Fuel Oil 3.5%	27.04	22.84	19.42	-3.43	-15.0	20.34	18.99	19.26	19.32	19.83	-5.64	-7.69	-5.44
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	39.45	35.08	30.94	-4.14	-11.8	33.65	30.20	30.27	31.30	29.11	9.07	6.55	8.33
Premium Unleaded	38.73	34.36	30.22	-4.13	-12.0	32.93	29.49	29.57	30.58	28.40	8.35	5.83	7.61
Naphtha	35.61	31.83	22.72	-9.11	-28.6	24.28	23.48	23.02	22.07	20.37	5.24	3.31	0.11
Jet/Kerosene	40.00	36.53	26.59	-9.95	-27.2	26.67	25.97	27.36	27.06	27.26	9.62	8.01	3.97
Gasoil	40.74	39.90	27.55	-12.35	-30.9	28.40	26.91	28.61	27.92	26.11	10.37	11.38	4.94
Fuel Oil 1.0%S	32.28	29.22	21.98	-7.23	-24.8	23.78	21.74	21.26	21.83	21.37	1.90	0.69	-0.63
Fuel Oil 3.5%S	24.09	19.59	16.88	-2.71	-13.8	17.20	16.46	16.83	16.99	17.73	-6.29	-8.93	-5.73
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	43.87	41.68	37.22	-4.46	-10.7	38.27	36.11	38.35	38.39	34.11	8.11	8.25	8.96
Regular Unleaded 87	41.86	40.07	33.58	-6.49	-16.2	35.33	33.55	34.36	33.68	30.17	6.10	6.64	5.32
Jet/Kerosene	48.31	41.14	33.11	-8.04	-19.5	32.24	32.42	34.24	34.12	32.43	12.56	7.71	4.84
No.2 Heating Oil	47.37	41.16	33.02	-8.15	-19.8	31.88	32.05	34.71	34.34	31.77	11.62	7.73	4.75
Fuel Oil 1.0%S (Cargo)	35.09	31.71	24.01	-7.70	-24.3	23.80	23.19	24.53	24.94	23.84	-0.66	-1.72	-4.25
Fuel Oil 3.0%S (Cargo)	29.45	25.34	19.94	-5.40	-21.3	20.68	19.93	19.83	19.87	19.82	-6.30	-8.09	-8.32
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	40.13	37.51	28.74	-8.77	-23.4	30.15	28.47	29.38	29.01	27.15	10.12	10.13	5.29
Naphtha	37.34	33.78	23.58	-10.20	-30.2	24.50	23.81	23.97	23.71	21.99	7.32	6.40	0.13
Jet/Kerosene	39.27	35.33	28.35	-6.98	-19.8	28.65	27.84	28.54	29.13	28.23	9.25	7.95	4.90
Gasoil	38.45	36.97	29.24	-7.73	-20.9	31.35	28.83	29.09	29.23	28.37	8.43	9.59	5.79
LSWR (0.3%S)	34.77	30.16	28.80	-1.36	-4.5	28.05	28.09	28.69	29.92	29.73	4.75	2.78	5.35
HSFO (3.5%S 180cst)	30.88	27.85	23.97	-3.87	-13.9	25.09	23.01	23.21	24.70	24.71	0.87	0.47	0.52
HSFO 4%S	30.74	27.93	24.23	-3.70	-13.2	25.50	23.17	23.58	24.91	24.81	0.72	0.55	0.78

Gasoline remained by far the strongest product in a monthly comparison in Europe and the US, but in the Far East it was overshadowed by relative firmness in the bottom of the barrel. However, there was some distinct weakness seen during the middle and end of the month in the Mediterranean, New York and Far East.

Rotterdam was clearly the strongest regional gasoline market, with average prices losing just $1.71 per barrel in April, a 4.6% loss. This coincided with refinery maintenance in the region, which limited supplies of gasoline, and attractive sour cracking margins which would have encouraged greater production of distillates. Nigerian demand was also sourced from the European market.



The relative strength of gasoline in Europe was also highlighted by the ARA swaps markets which moved from a contango situation in March into a backwardation in April.

A side effect of this strength was the closure of the theoretical arbitrage window to the US. However, despite this, US import numbers show that European gasoline continued to move across the Atlantic

in April. Anecdotal evidence would suggest that exports to the US continued to be booked throughout the month despite less attractive values, but there would also have been movement due to term contracts and product booked forward when values were still high.

A sharp fall in clean freight rates towards the end of the month and early May has helped to reopen the shipping window, and it is clear from US data that European supplies will be needed throughout the summer months.

Middle distillates were relatively weak in April, with lower prices reflecting the end to seasonal heating demand and lower jet kerosene offtake due to the SARS virus. However, it is fair to say that the bulk of the weakness was seen at the start of the month, following which the market has seen a period of relative stability in relation to crudes as refiners have adjusted output to favour gas oil and naphtha over jet, particularly in the Mediterranean region. High shipments from Russia were also a more noticeably depressing feature at the start of the month, particularly in the Mediterranean, and Middle East supplies have resumed following the cessation of military activities in Iraq.

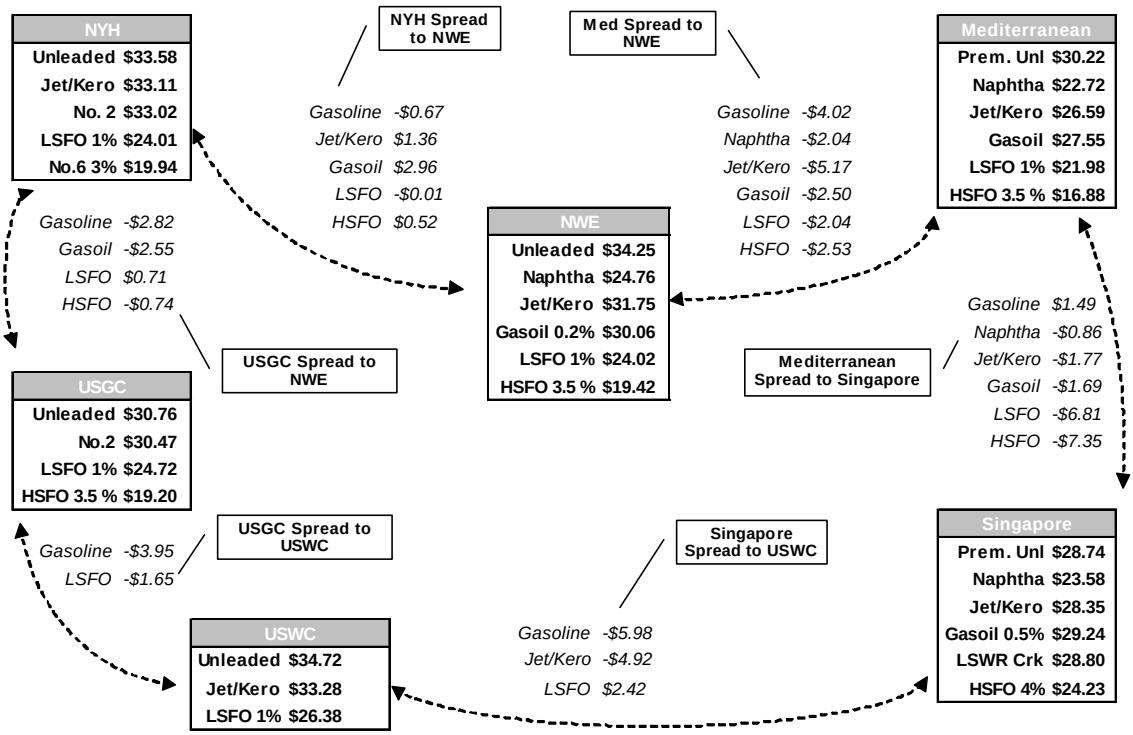
The percentage losses in **gas oil** and **heating oil** average prices in April ranged from just under 20% in New York Harbour to over 30% in the Mediterranean. Jet kerosene followed a similar pattern, but with a range of losses of 19.5% to 27.2% on the month.

The bottom of the barrel has seen considerable strength relative to crude, particularly for low sulphur supplies. This has been particularly apparent in the Far East and Europe, but there has also been some demand for **fuel oil** from the US because of the high relative price of natural gas, a cold spell during April and increased demand for fossil fuel generated power.

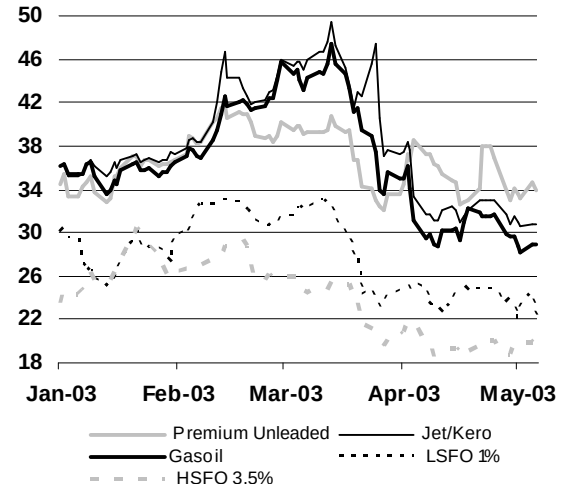
In the Far East, continued strong demand for Japanese power demand has been a major driving force for low sulphur fuels, particularly Low Sulphur Waxy Residue. Low regional stocks have contributed to the market strength, although the bottom of the barrel has been in competition with direct-burn crude throughout this period. However there is some evidence that this surge peaked at the end of April.

High and low sulphur fuel oil in the Mediterranean showed a sharp month-on-month average decline, with prices coming under pressure shortly after the beginning of the month on the back of additional Russian material from the Black Sea. However after an initial depressing influence fuel oil prices remained relatively static from around 10 April onwards. For April as a whole, the losses were far more severe for low sulphur product. LSFO lost an average of 24.8% compared with just 13.8% in high sulphur fuel oil, but to an extent these percentage movements reflected a normalization of price relationships after a strong divergence in March.

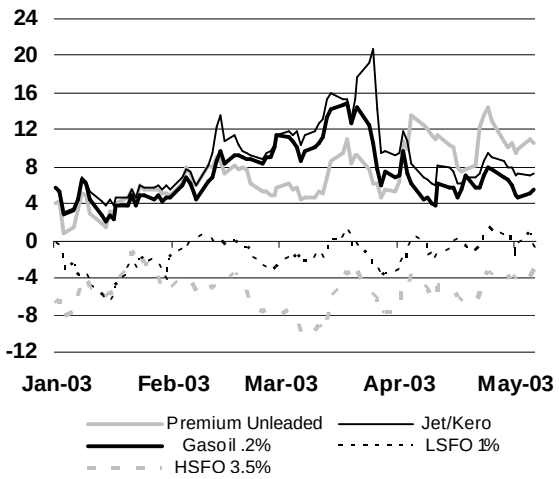
Monthly Average Spot Product Prices and Differentials - April 2003



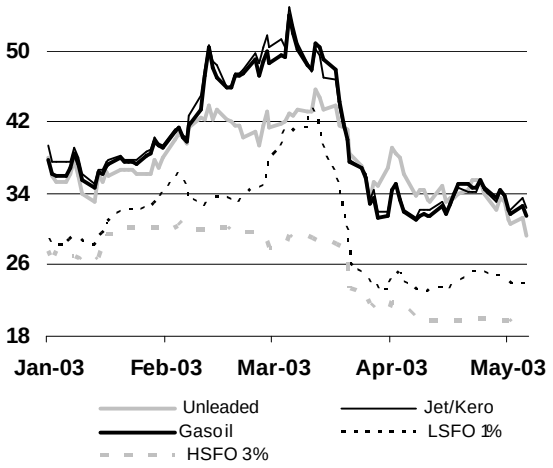
$/bbl **Rotterdam Spot Product Prices**



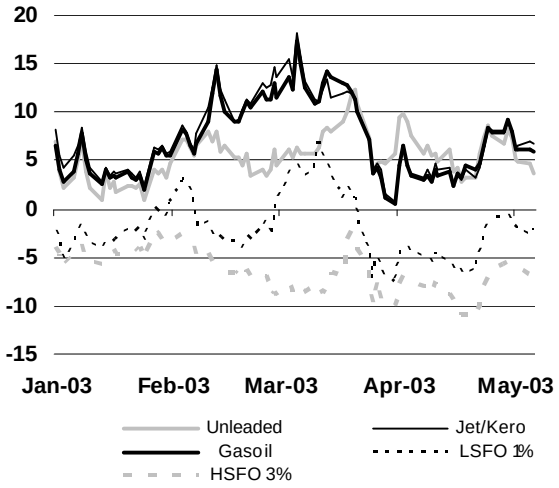
$/bbl **Rotterdam Spreads to Dated Brent**



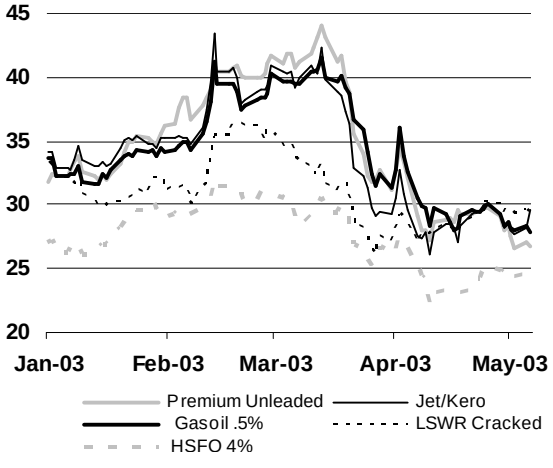
$/bbl **New York Harbour Spot Product Prices**



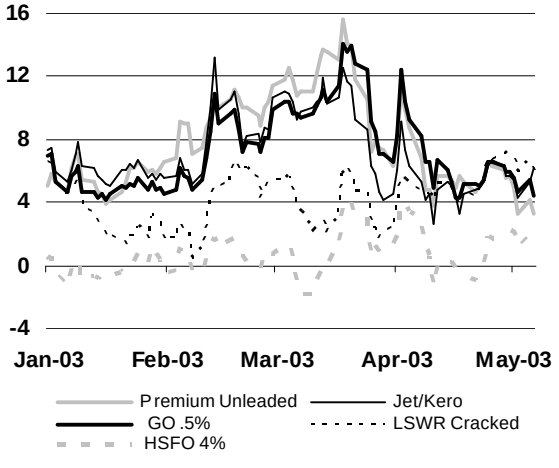
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**

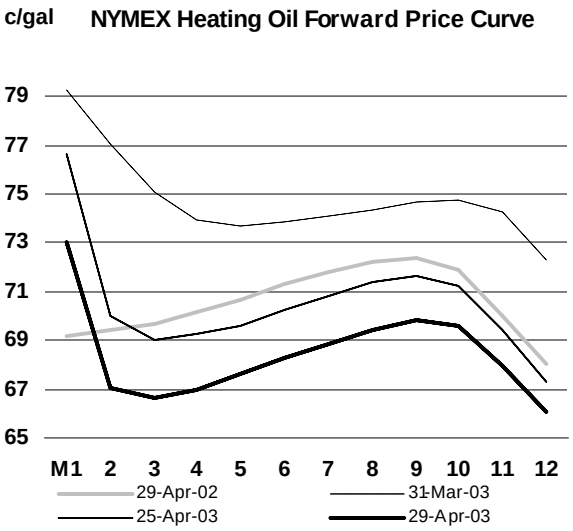


$/bbl **Singapore Spreads to Dubai**



Product Futures in April

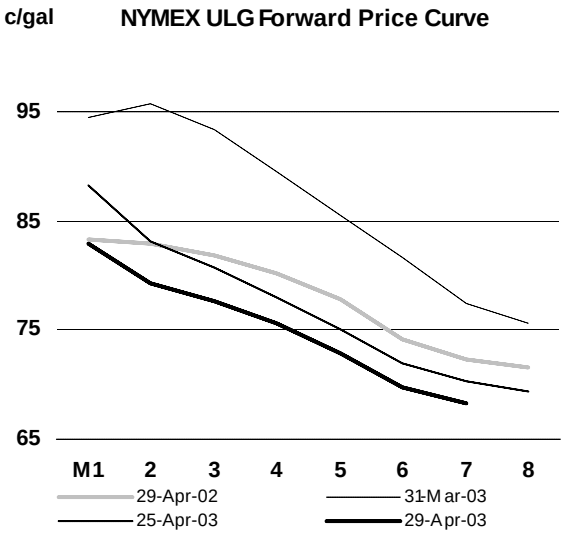
There was a downward shift in the futures strips of both heating oil and gas oil in April. The futures strips show a much tighter front end in **NYMEX heating oil** than was apparent in **IPE gas oil**, reflecting the low US stocks and the expectation of ample Russian supplies in Europe. But while the front end of the US heating oil futures curve is much steeper, the contango from the second month forward is reminiscent of a normal seasonal pattern. This structure will help to finance the development of pre-winter stockbuilding when demand rates fall to a level where there is sufficient surplus to allow that to take place. The comparison with year ago levels should also be noted where the front months had already moved into a significant contango by this stage in the season.



In contrast the contango on IPE gas oil futures narrowed sharply throughout the month as the spreads flattened. However, with the European motor fuel market being more evenly split between gasoline and gas oil the seasonal shift in demand is not as dramatic as it is in the US.

The movement of speculative players has been relatively insignificant on NYMEX heating oil futures during the month. Non-commercial participants (funds and large speculators) moved their bias from a small net long position at the end of March to a small net short.

NYMEX unleaded gasoline front month futures prices fell sharply in April to just below 83 cents per gallon – virtually on a par with year ago levels. However the forward strip remains relatively steeply backwardated, which undoubtedly raises the much debated issue as to whether backwardated forward prices represent the market's best guess of future price movements, or whether the size of the backwardation itself is a better indicator of the relative supply tightness within the market. This is always a contentious issue, but it is fair to argue that on the basis of either nominal forward prices and the intra-month spread relationship that the market assessment at the end of April was that gasoline availability will remain tight throughout the driving season, but that prices should decline.



End-User Product Prices in April

End-user prices followed a broadly downward trend in April, reflecting the sharp decline in spot crude oil and product prices from the middle of March. Aside from the closing of speculative positions related to the war with Iraq, supplies to the US visibly improved on increased OPEC exports and a recovery in Venezuelan output. However, despite this fall, retail prices broadly remained above year ago valuations.

Gasoline end-user prices fell in March in the countries monitored in the Oil Market Report, with the exception of Japan. Losses were steepest in North America in both local currency and dollar terms, although on an ex-tax basis the reduction in price was steepest in France. Japanese prices rose by 2% in yen terms and 0.9% in dollar terms. However, Japan had seen a much more gradual increase in retail prices in December and January, so this trend is consistent with that adjustment process. Refiners have however been ramping up throughput in recent months, which will put pressure on domestic prices in future months.

Diesel fuels fell sharply in mainland Europe and North America, but rose in the UK and Japan. The relative price movements are best explained as a convergence of the activity over the past three months as ex-tax prices moved to broadly similar levels. The EN590 wholesale diesel market was extremely tight in Europe in March and early April, leading to some considerable variation in regional price movements. The dollar ex-tax average price at the end of April varied from 36 cents in the UK to 30.8 cents/litre in France compared with a respective range of 19.4 cents/litre to 46.1 cents/litre in March.

Heating Oil prices slumped across-the-board in Europe reflecting the sharply lower global physical prices. In general heating supplies are less heavily taxed than motor fuels, so the declines in ex-tax prices followed a broadly similar pattern. In dollar terms France, Germany and the UK saw retail price falls in excess of 18%, while in Italy, the fall was a more modest 7.7% on the month. On a comparison with April 2002 levels however, retail prices range from 16.2% to 29.6% above year ago levels.

Fuel Oil prices for industry broadly declined everywhere except Japan, but the degree of responsiveness of retail prices to wholesale price movements was variable. Industry in France Germany and Italy saw price falls in excess of 15% in local currency terms, while in Spain and the UK the fall was less than 9% on the month. The picture was broadly similar in ex-tax dollar terms where Spanish and Japanese end user prices were considerably above those seen in other major European countries.

Refining Margins in April

Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Apr-Mar		End of Week:				
	Feb	Mar	Apr	*Change*	%	04 Apr	11 Apr	18 Apr	25 Apr	02 May
Refining Margins										
NW Europe										
Brent (Hydroskimming)	2.49	2.45	-0.23	-2.69		-1.02	-0.33	0.19	0.86	-0.10
Brent (Cracking)	3.91	3.91	1.26	-2.65		0.67	1.01	1.78	2.14	0.89
									Mediterranean	
Urals (Hydroskimming)	4.22	3.37	1.46	-1.90		1.87	1.16	1.28	1.60	-1.35
Urals (Cracking)	5.89	5.04	2.96	-2.08		3.46	2.62	2.82	2.99	0.92
									US Gulf Coast	
WTI (Cracking)	4.72	4.24	3.28	-0.95		3.93	3.38	2.47	4.70	1.76
Brent (Cracking)	4.20	3.07	4.55	1.47		5.03	6.64	6.65	4.49	3.15
									Singapore	
Dubai (Hydroskimming)	3.67	3.68	1.71	-1.97		1.67	1.54	1.52	1.94	2.23
Dubai (Cracking)	6.03	6.32	3.09	-3.24		3.15	2.93	3.01	2.93	2.96
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	36.30	34.13	25.74	-8.38	-24.6	25.11	24.73	26.54	25.89	24.40
Brent (Cracking)	37.82	35.68	27.34	-8.34	-23.4	26.90	26.17	28.22	27.26	25.48
									Mediterranean	
Urals (Hydroskimming)	34.77	32.07	24.28	-7.79	-24.3	24.13	23.32	24.71	23.91	20.30
Urals (Cracking)	36.54	33.85	25.89	-7.96	-23.5	25.82	24.88	26.34	25.40	22.67
									US Gulf Coast	
WTI (Cracking)	41.57	38.77	32.64	-6.12	-15.8	33.07	33.18	34.65	31.21	29.37
Brent (Cracking)	41.37	38.56	32.34	-6.22	-16.1	32.75	32.87	34.28	30.92	29.17
									Singapore	
Dubai (Hydroskimming)	34.21	31.57	25.63	-5.93	-18.8	25.47	25.04	25.88	25.83	26.05
Dubai (Cracking)	36.67	34.31	27.11	-7.20	-21.0	27.06	26.52	27.47	26.92	26.89

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

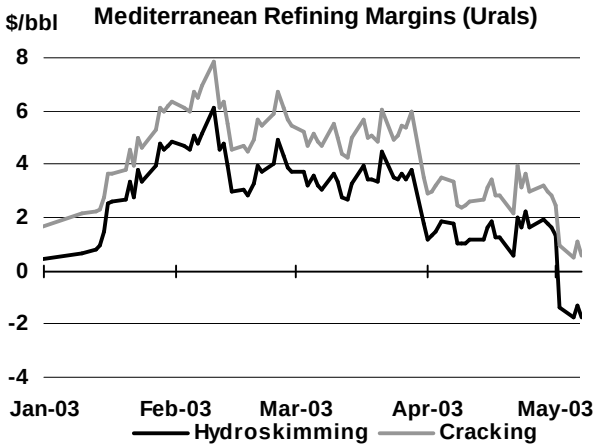
Average refining margins generally moved sharply lower in April compared with the high February and March levels. Of the margins covered, the largest average losses were in Singapore, where Dubai cracking margins fell by $3.24. This underperformance was largely due to the strength of Dubai relative to other crudes. Brent refining margins were also weak in North West Europe where calculated values for hydroskimming refineries dipped by $2.69 to $0.23 for April as a whole.

However, the average drop disguises a general improvement in margins as April progressed as inter-relationships between crude and the products adjusted to their new price ranges following the mid-March price slump.

North West European refinery margins for Brent remained weak in Europe, but extremely attractive in the US, which helps to partly explain the dichotomy of the Brent contango and WTI backwardation. Indeed, on a margin basis it was generally much more profitable to run sour crude during April in Europe.

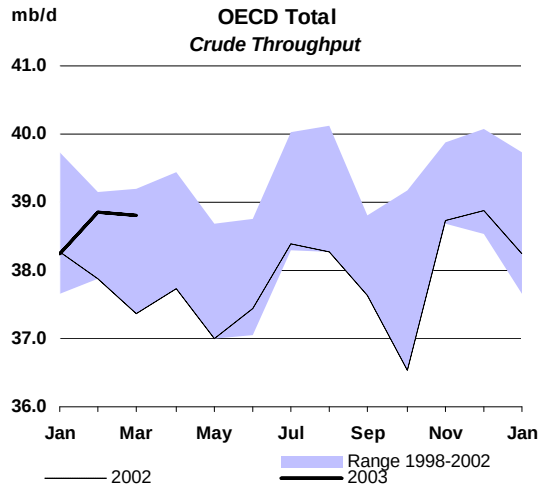
Mediterranean Urals cracking margins averaged $2.96 in April compared with $1.96 per barrel for Brent in NW Europe. However Mediterranean margins plunged in early May as Urals values rose as competition for supplies from the Far East and the US increased.

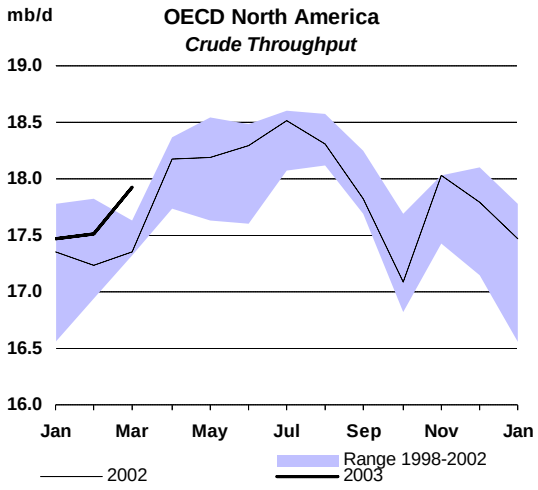
Gulf Coast Refining margins for WTI in the US remained at attractive, but lower levels. US Gulf Coast WTI margins averaged $3.28 in April down 95 cents on March. However the slump in freight rates during the month enhanced Brent cracking refining margins. Brent cracks actually rose by $1.47 in April over the prior month to $4.55. This same factor has supported West African crude demand and encourages the import of foreign light/sweet crudes into the US. Niche heavy/sweet crudes such as Cabinda are also appealing to US refiners and are often preferred over light/sweet grades.



In Singapore, Dubai hydroskimming margins fell by $1.97 to $1.71, while cracking margins fell by $3.24 to $3.09. These rates, while well below February and March levels remain high compared with recent historical values. Towards the end of the month hydroskimming margins recovered sharply on the back of good fuel oil demand and relative stability in the middle of the barrel offsetting a weaker gasoline market.

OECD Refinery Throughput in March





Preliminary data indicates that total OECD refinery throughput in March 2003 averaged 38.81 mb/d, little changed from February levels which were revised marginally higher from an identical preliminary figure to 38.85 mb/d. However, this still represents an increase of 1.43 mb/d over March 2002 levels. Capacity utilisation remained unchanged from February levels at 88%, still well above the 84.9% seen a year ago.

OECD European throughput fell sharply in March from February levels, despite attractive margins, as spring refinery maintenance programmes took effect. Total OECD Europe throughput dropped to 13.19 mb/d from 13.58 mb/d in February, but this was still 2.5% higher than the same month in 2002.

The biggest drop was seen in France where throughput fell from 1.79 mb/d in February to 1.65 mb/d. A large part of this was due to work at TotalFinaElf's 232,000 b/d Donges refinery that started on 10 March and continued through until mid-April. The company said that half of the refinery would be shut during the five-week turnaround. Another 70,000 b/d refinery in Denmark was reported to have undertaken a partial shut down during March as well. Runs were also down in the Netherlands and UK, with a European major taking down a base oils unit for scheduled work.

OECD North America showed a dramatic improvement in runs as early spring maintenance programmes were completed and refineries started to focus on gasoline production ahead of the driving season. Regional refinery runs rose to 17.93 mb/d from 17.51 mb/d in February bolstered largely by an increase in US refinery throughput to 14.89 mb/d from 14.38 mb/d in February.

Towards the end of March, it was reported that Marathon oil brought back a 100,000 b/d gasoline unit at its Garyville refinery in Louisiana, after reducing runs in the middle of the month. Also a 100,000 b/d fluid catalytic cracking unit at BP's Whiting refinery in Indiana was reported to have restarted at the end of the month after a fire in mid-February. However a more dramatic improvement has been seen in April and early May with recent refinery runs pegged at 15.8 mb/d.

April refining activity in the US was affected by a number of glitches during the month. Probably the largest was the shutdown of a 232,000 b/d crude distillation unit at Exxon Mobil's Joliet refinery in Illinois between 9 April and 16 April. Motiva had a two-day shutdown of most of its 235,000 b/d Port Arthur refinery in Texas after a brief power interruption on 14 April. Shell also had to shut a 67,000 b/d hydrocracker at its Deer Park refinery in Texas for three days after a turbine problem on 3 April.

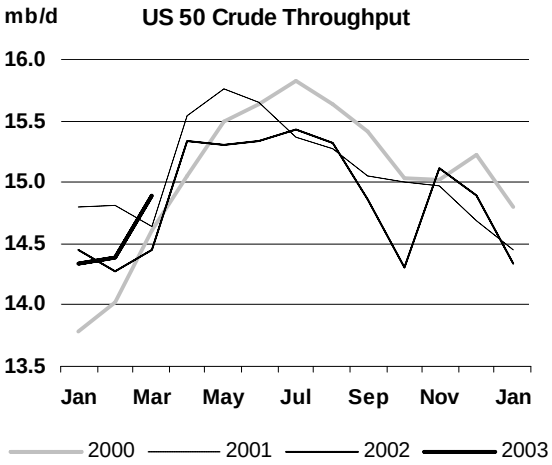
The increase in US activity was partly offset by a 100,000 b/d drop in Canadian throughput to 1.78 mb/d. Overall OECD North American throughput moved above the peak levels seen in the previous four years despite continued turnaround restrictions.

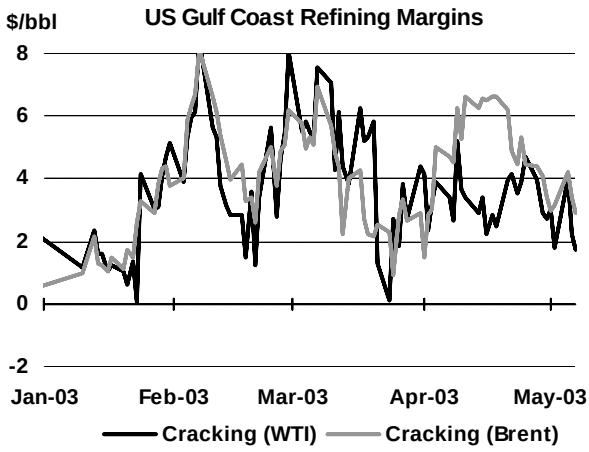
OECD Pacific throughput dipped slightly to 7.69 mb/d in March from 7.76 mb/d in February, but remained 7.3% above year ago levels. Regional refinery runs however remain towards the higher level of observed runs over the past four years and well above 2002 levels. Japanese throughput remains strong in relation to March levels over the past five years as refiners seek to meet continued strong fuel oil demand from utilities and replenish low stocks, and there are indications that this trend has continued in April and through to May.

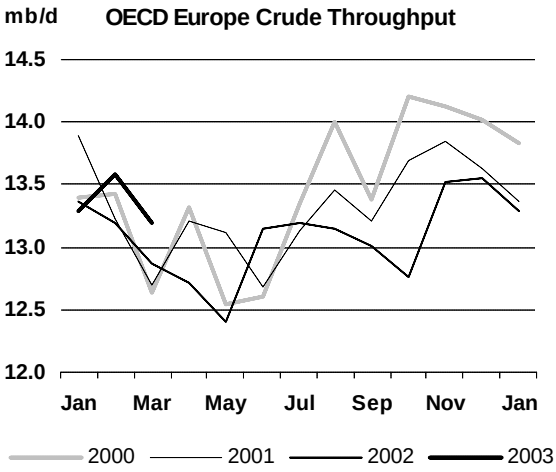
Refinery Crude Throughput and Utilisation in OECD Countries

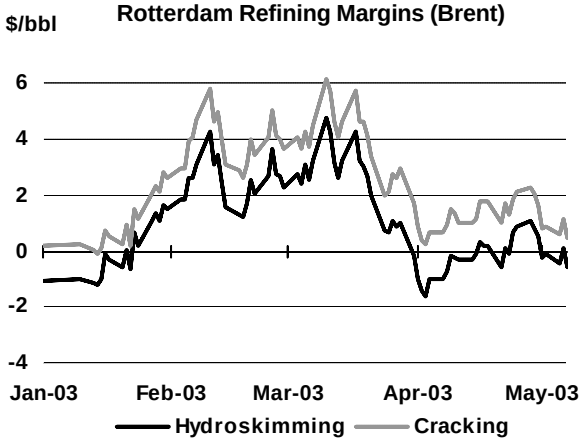
	million barrels per day						*Change from Mar 02*		Utilisation rate[2]	
	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	mb/d	%	Mar 03	Mar 02
OECD North America										
US[3]	14.30	15.12	14.90	14.34	14.38	14.89	0.44	3.0	88.6	86.5
Canada	1.77	1.83	1.74	1.92	1.88	1.78	0.04	2.0	91.3	89.5
Mexico	1.03	1.09	1.15	1.21	1.26	1.26	0.11	9.1	81.3	73.6
Total	17.09	18.04	17.79	17.46	17.51	17.93	0.58	3.3	88.3	85.9
OECD Europe										
France	1.56	1.68	1.72	1.70	1.79	1.65	0.17	11.3	87.0	78.2
Germany	2.08	2.23	2.26	2.25	2.28	2.24	-0.01	-0.4	99.2	99.6
Italy	1.81	1.90	1.87	1.80	1.69	1.79	0.27	17.9	78.5	66.6
Netherlands	0.96	0.96	0.99	1.00	1.05	0.94	-0.16	-14.2	78.3	91.3
Spain	1.18	1.21	1.18	1.09	1.04	1.09	-0.01	-1.1	84.5	85.5
UK	1.45	1.61	1.63	1.57	1.69	1.65	-0.01	-0.3	92.6	92.9
Other OECD Europe	3.71	3.92	3.91	3.86	4.05	3.82	0.07	1.8	83.0	81.5
Total	12.75	13.52	13.56	13.29	13.58	13.19	0.32	2.5	86.1	84.0
OECD Pacific										
Japan	3.68	4.22	4.46	4.41	4.62	4.59	0.51	12.5	92.3	82.1
Korea	2.21	2.16	2.28	2.30	2.30	2.30	0.00	0.2	89.7	89.5
Other OECD Pacific	0.79	0.82	0.80	0.78	0.83	0.80	0.01	1.5	84.2	82.9
Total	6.68	7.19	7.54	7.49	7.76	7.69	0.53	7.3	90.6	84.4
OECD Total	36.53	38.74	38.89	38.25	38.85	38.81	1.43	3.8	88.0	84.9

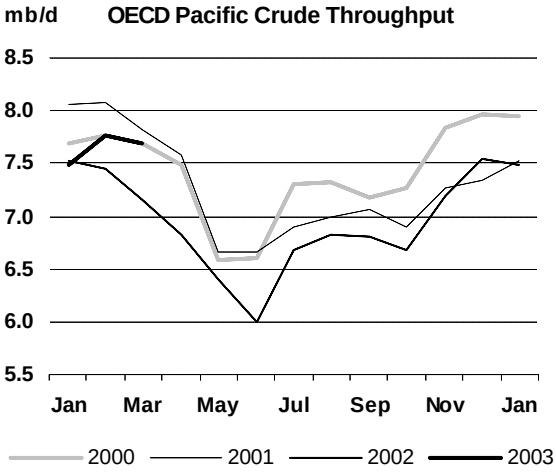
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50


mb/d
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan-03 Feb-03 Mar-03 Apr-03 May-03
Cracking (WTI) Cracking (Brent)


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan-03 Feb-03 Mar-03 Apr-03 May-03
Hydroskimming Cracking


mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003

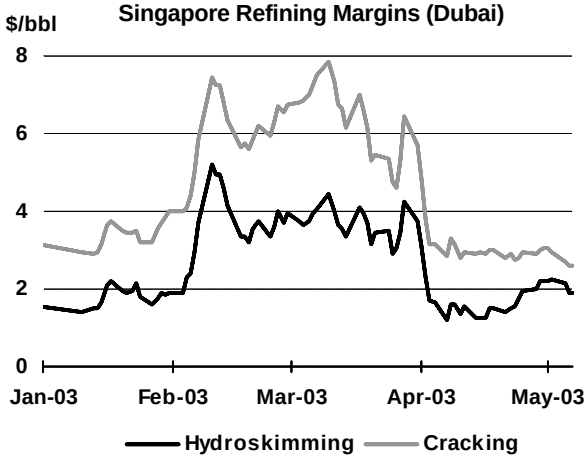

$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
Jan-03 Feb-03 Mar-03 Apr-03 May-03
Hydroskimming Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.2	24.0	24.5	24.2	24.5	24.4	24.4
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.4	15.1	15.1	14.6	15.2	15.4	15.1
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.1	9.3	8.5	9.6	8.0	8.2	9.2	8.7
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	48.0	46.1	47.4	48.9	47.6	49.3	46.8	47.8	49.1	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.7	3.7	3.7	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	5.3	5.0	5.2	5.4	5.2
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.5	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.7	4.7	4.6	4.7	4.8	4.7	4.7
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.8	5.0	5.2	4.9	5.0	4.9	5.1	5.3	5.1	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.5
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.1	28.8	28.7	29.3	29.3	29.9	29.3	29.4	29.2	29.8	30.3	29.7
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.0	76.5	76.6	75.5	76.7	78.7	76.9	78.7	76.0	77.6	79.4	77.9
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.4	14.6	14.6	14.8	14.7	15.0	15.2	14.9
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.8	6.6	6.8	6.6	6.7	6.8	6.7
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.2	21.4	22.1	21.9	22.3	22.0	22.4	22.8	22.3
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.9	9.9	10.1	10.2	10.0
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.2	2.2	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	4.0	4.0	4.0	4.0
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.7	2.7	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.2	3.1
Total Non-OECD	21.8	22.3	22.8	22.8	23.2	23.4	23.0	23.9	24.1	24.5	24.6	24.3	24.7	25.0	25.2	25.5	25.1
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	45.9	46.3	46.0	46.6	47.5	46.6	47.7	48.0	47.7	48.4	48.0	48.8	48.7	49.4	50.0	49.2
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.3	25.3	25.9	25.1	26.7				
NGLs	2.8	2.9	3.0	3.0	3.1	3.2	3.1	3.4	3.4	3.5	3.4	3.4	3.2	3.7	3.9	4.0	3.7
Total OPEC	29.4	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.7	28.9	29.4	28.6	30.0				
Total Supply[4]	74.2	76.7	77.5	75.9	76.9	76.6	76.7	76.0	75.7	76.5	77.8	76.5	78.8				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.9	-1.1	-0.4	-1.4				
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.2	0.1	0.1				
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8	-0.8	-0.3	-1.3				
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2	0.0	0.0	0.4				
Miscellaneous to balance[5]	-0.4	0.2	0.1	0.0	0.1	-0.3	0.0	-0.6	-0.2	0.9	-0.1	-0.1	0.9				
Total Stock Ch. & Misc	-1.2	0.5	0.2	0.3	0.8	-0.5	0.2	-0.6	0.3	-0.2	-0.9	-0.4	0.0				
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.8	27.4	28.1	26.5	26.4	26.4	26.8	25.5	24.0	25.5	26.9	25.5	26.7	23.5	24.3	25.4	25.0
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	73.0	71.8	73.0	74.7	73.1	75.0	72.3	73.8	75.4	74.1
Total demand exc. FSU (% ch)[7]	2.5	1.1	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.1	0.7	2.0	0.5	2.9	0.6	1.1	0.8	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	-	-0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Total OECD	-	-	-	-	-	-	-	-	-	0.1	0.1	-	0.2	-	-	0.1	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.3	-0.1	-0.1	-0.1
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-0.4	-0.2	-	-0.1
Total Demand	-	-	-	-	-	-	-	-	0.1	-	-	-	0.3	-0.4	-0.2	-	-0.1
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-0.2	-	-0.1	-0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1
Total OECD	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-0.2	-	-	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-0.1	-0.1	-	-0.1	-	-0.1	-	-0.1	-0.1	-	-	-0.1	-	-0.1	-0.1	-0.1	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-0.1	-0.1	-0.1	-	-	-0.1	-	-0.1	-	-0.1	-0.1	-0.1	-0.1	-
Total Non-OECD	-	-0.1	-	-0.1	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.1	-0.1	-	-0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-0.1	-	-0.1	-0.1	-	-0.1	-0.1	-0.1	-	-0.1	-	-0.2	-0.3	-0.1	-0.1	-0.2
OPEC																	
Crude	-	-	-	-	-	-	-	-	0.1	-	-	-	-				
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-				
Total Supply	-0.1	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2				
STOCK CHANGES AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-	-	-					
Government	-	-	-	-	-	-	-	-	-	-	-	-					
Total	-	-	-	-	-	-	-	-	-	-	-	-					
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	-					
Miscellaneous to balance	-	-0.1	-	-0.1	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2					
Total Stock Ch. & Misc	-	-	-	-0.1	-0.1	-0.1	-0.1	-	-0.1	-0.1	-0.1	-0.1	-0.6				
Memo items:																	
Call on OPEC crude + Stock ch.	0.1	0.1	0.1	0.1	0.1	0.1	-	0.1	0.1	0.1	0.2	0.1	0.6	-0.1	-0.1	0.1	0.2
Total Demand ex. FSU	-	-	-	-	-	-	-	0.1	-	-	-	-	0.3	-0.4	-0.2	-	-0.1

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	October			November			December			Fourth Quarter			January		
	2001	2002	%	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%
North America															
LPG	2.89	2.88	-0.3	2.87	2.97	3.5	2.96	3.08	4.1	2.91	2.98	2.4	3.14	3.37	7.3
Naphtha	0.38	0.38	1.5	0.39	0.43	8.1	0.38	0.42	11.9	0.38	0.41	7.2	0.38	0.41	7.4
Motor Gasoline	9.97	10.15	1.8	9.97	10.13	1.7	9.85	10.23	3.9	9.93	10.17	2.5	9.46	9.81	3.7
Jet/Kerosene	1.77	1.89	6.9	1.70	1.88	10.3	1.78	1.96	10.0	1.75	1.91	9.1	1.86	1.85	-0.6
Gasoil	4.76	4.74	-0.5	4.60	4.81	4.6	4.38	4.75	8.4	4.58	4.76	4.1	4.76	5.23	9.9
Residual Fuel Oil	1.52	1.25	-17.9	1.37	1.32	-3.0	1.23	1.51	22.8	1.37	1.36	-0.8	1.37	1.33	-3.1
Other Products	2.86	2.71	-5.5	2.73	2.67	-2.2	2.50	2.25	-9.9	2.70	2.54	-5.8	2.60	2.35	-9.7
Total	24.14	23.99	-0.6	23.63	24.21	2.5	23.07	24.19	4.9	23.61	24.13	2.2	23.58	24.34	3.3
Europe															
LPG	0.85	0.90	6.2	0.97	0.93	-3.9	1.04	1.07	2.4	0.95	0.97	1.4	1.10	1.06	-3.8
Naphtha	1.11	1.11	0.6	1.12	1.12	-0.3	1.08	1.15	6.4	1.10	1.13	2.2	1.11	1.20	7.8
Motor Gasoline	3.05	2.94	-3.4	2.93	2.83	-3.3	2.87	2.76	-3.7	2.95	2.85	-3.5	2.62	2.52	-3.7
Jet/Kerosene	1.05	1.15	9.4	0.99	1.05	5.3	0.95	1.09	14.7	1.00	1.10	9.7	0.99	1.13	13.9
Gasoil	5.98	6.06	1.4	6.19	6.05	-2.3	5.94	5.83	-1.9	6.04	5.98	-0.9	5.88	5.83	-0.7
Residual Fuel Oil	2.00	2.01	0.3	2.30	2.01	-12.5	2.33	2.11	-9.6	2.21	2.04	-7.6	2.46	2.09	-15.3
Other Products	1.50	1.45	-3.3	1.36	1.34	-2.0	1.15	1.13	-1.8	1.34	1.30	-2.4	1.17	1.11	-5.3
Total	15.53	15.62	0.6	15.86	15.33	-3.4	15.36	15.13	-1.5	15.58	15.36	-1.4	15.33	14.93	-2.6
Pacific															
LPG	0.85	0.90	6.2	0.97	0.98	1.4	1.05	1.03	-2.1	0.96	0.97	1.5	1.04	0.96	-7.4
Naphtha	1.38	1.46	6.1	1.37	1.56	13.6	1.49	1.62	9.1	1.41	1.55	9.6	1.54	1.59	3.2
Motor Gasoline	1.51	1.52	0.7	1.57	1.51	-4.0	1.65	1.70	3.1	1.58	1.58	0.0	1.45	1.50	3.4
Jet/Kerosene	0.84	0.98	16.9	1.22	1.39	14.2	1.72	1.80	4.9	1.26	1.39	10.5	1.65	1.73	5.1
Gasoil	1.81	1.95	7.6	2.02	2.00	-1.0	2.10	2.13	1.4	1.98	2.02	2.5	1.86	1.94	4.4
Residual Fuel Oil	1.02	1.06	4.3	1.08	1.25	15.1	1.17	1.29	9.9	1.09	1.20	9.8	1.14	1.33	16.7
Other Products	0.46	0.50	8.5	0.55	0.61	10.8	0.53	0.71	33.2	0.51	0.61	17.9	0.45	0.62	37.3
Total	7.87	8.38	6.5	8.78	9.29	5.9	9.71	10.27	5.9	8.79	9.32	6.0	9.13	9.68	6.0
OECD															
LPG	4.58	4.68	2.1	4.81	4.89	1.6	5.06	5.18	2.4	4.82	4.92	2.1	5.29	5.40	2.1
Naphtha	2.86	2.96	3.4	2.89	3.10	7.5	2.94	3.19	8.4	2.90	3.08	6.5	3.04	3.20	5.4
Motor Gasoline	14.53	14.62	0.6	14.47	14.47	0.0	14.36	14.69	2.3	14.45	14.60	1.0	13.52	13.82	2.2
Jet/Kerosene	3.66	4.02	9.9	3.92	4.32	10.2	4.44	4.85	9.0	4.01	4.39	9.7	4.50	4.71	4.7
Gasoil	12.55	12.74	1.6	12.80	12.85	0.4	12.42	12.70	2.3	12.59	12.77	1.4	12.50	13.01	4.1
Residual Fuel Oil	4.54	4.32	-4.9	4.75	4.58	-3.5	4.73	4.91	3.6	4.67	4.60	-1.5	4.97	4.74	-4.6
Other Products	4.82	4.66	-3.5	4.64	4.61	-0.6	4.18	4.08	-2.2	4.55	4.45	-2.1	4.21	4.07	-3.5
Total	47.54	47.99	0.9	48.27	48.83	1.2	48.14	49.60	3.0	47.98	48.81	1.7	48.04	48.95	1.9

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	November			December			Fourth Quarter			January			February		
	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	2.17	2.27	4.5	2.21	2.33	5.3	2.18	2.27	3.9	2.40	2.66	10.7	2.52	2.47	-1.8
Naphtha	0.26	0.31	15.9	0.25	0.30	16.4	0.27	0.28	4.8	0.25	0.29	14.2	0.25	0.28	13.6
Motor Gasoline	8.68	8.82	1.6	8.59	8.89	3.6	8.64	8.84	2.3	8.22	8.50	3.5	8.60	8.54	-0.7
Jet/Kerosene	1.53	1.67	9.3	1.61	1.78	10.2	1.58	1.71	8.3	1.66	1.66	0.3	1.61	1.68	4.4
Gasoil	3.75	3.94	5.1	3.60	3.90	8.3	3.75	3.88	3.6	3.93	4.33	10.1	3.71	4.36	17.7
Residual Fuel Oil	0.68	0.74	8.8	0.56	0.84	47.9	0.66	0.72	9.1	0.64	0.71	10.2	0.63	0.88	39.4
Other Products	2.34	2.21	-5.4	2.17	1.83	-15.8	2.33	2.09	-10.2	2.24	1.90	-15.5	2.07	2.19	5.6
Total	19.40	19.94	2.8	19.00	19.86	4.5	19.41	19.80	2.0	19.34	20.04	3.6	19.38	20.40	5.2
Japan[3]															
LPG	0.62	0.63	1.2	0.67	0.66	-0.6	0.61	0.60	-0.7	0.65	0.63	-2.8	0.66	0.75	14.8
Naphtha	0.75	0.86	14.7	0.83	0.90	8.7	0.79	0.87	9.6	0.85	0.87	2.9	0.89	0.89	-0.7
Motor Gasoline	1.00	1.02	2.0	1.09	1.08	-0.3	1.02	1.03	1.1	0.92	0.93	1.0	0.96	1.00	3.5
Jet/Kerosene	0.84	0.99	17.0	1.19	1.26	5.6	0.87	0.95	9.8	1.15	1.17	2.2	1.11	1.21	9.5
Diesel	0.73	0.69	-5.3	0.72	0.69	-4.4	0.71	0.69	-3.8	0.60	0.58	-2.3	0.68	0.66	-2.9
Other Gasoil	0.56	0.58	2.9	0.66	0.67	0.8	0.57	0.58	2.0	0.62	0.64	4.0	0.66	0.70	6.4
Residual Fuel Oil	0.54	0.68	24.7	0.59	0.74	24.7	0.55	0.67	20.9	0.55	0.73	31.9	0.62	0.79	28.0
Direct use of Crude Oil	0.08	0.14	82.5	0.07	0.24	267.9	0.06	0.16	161.7	0.07	0.18	148.3	0.07	0.16	115.8
Other Products	0.35	0.36	3.2	0.36	0.36	1.8	0.34	0.34	-0.6	0.28	0.33	18.1	0.36	0.34	-6.6
Total	5.48	5.95	8.6	6.17	6.61	7.0	5.53	5.89	6.6	5.69	6.08	6.8	6.01	6.50	8.1
Germany															
LPG	0.08	0.07	-4.6	0.08	0.08	5.6	0.07	0.07	0.8	0.09	0.08	-19.9	0.08	0.08	1.0
Naphtha	0.36	0.34	-5.3	0.35	0.38	7.2	0.35	0.37	5.4	0.36	0.34	-4.2	0.40	0.36	-8.7
Motor Gasoline	0.66	0.62	-7.2	0.64	0.60	-5.5	0.66	0.62	-5.7	0.55	0.51	-6.4	0.62	0.59	-5.8
Jet/Kerosene	0.13	0.14	6.1	0.12	0.13	11.6	0.13	0.14	5.5	0.14	0.13	-3.0	0.14	0.15	10.2
Diesel	0.59	0.57	-4.1	0.47	0.49	4.3	0.54	0.54	-1.2	0.43	0.44	3.4	0.50	0.56	11.4
Other Gasoil	0.74	0.68	-7.6	0.65	0.69	6.7	0.71	0.67	-4.4	0.69	0.58	-14.7	0.61	0.70	14.9
Residual Fuel Oil	0.20	0.20	-3.1	0.18	0.18	0.1	0.18	0.18	0.6	0.20	0.21	4.0	0.19	0.18	-9.0
Other Products	0.16	0.13	-19.9	0.10	0.08	-20.9	0.14	0.11	-22.1	0.13	0.06	-56.6	0.14	0.08	-42.1
Total	2.92	2.74	-6.1	2.59	2.64	2.0	2.79	2.71	-2.8	2.58	2.35	-8.7	2.68	2.69	0.5
Italy															
LPG	0.14	0.12	-14.4	0.19	0.16	-11.3	0.15	0.14	-6.9	0.19	0.17	-6.9	0.16	0.20	23.9
Naphtha	0.06	0.08	34.4	0.06	0.08	19.1	0.07	0.08	8.1	0.08	0.12	48.6	0.08	0.12	45.3
Motor Gasoline	0.38	0.35	-7.7	0.37	0.38	0.6	0.39	0.37	-3.1	0.36	0.34	-4.7	0.37	0.38	2.2
Jet/Kerosene	0.07	0.07	2.0	0.06	0.07	13.5	0.07	0.07	7.9	0.06	0.09	37.7	0.05	0.09	84.2
Diesel	0.44	0.44	1.1	0.44	0.43	-1.5	0.44	0.45	0.4	0.42	0.42	-0.7	0.45	0.48	6.2
Other Gasoil	0.18	0.18	-1.8	0.23	0.21	-10.3	0.19	0.19	-0.1	0.18	0.16	-8.6	0.18	0.20	10.9
Residual Fuel Oil	0.51	0.39	-23.9	0.52	0.43	-17.0	0.49	0.42	-13.5	0.55	0.38	-30.5	0.61	0.47	-22.4
Other Products	0.12	0.16	34.5	0.12	0.11	-8.2	0.13	0.14	7.6	0.11	0.12	3.8	0.13	0.11	-15.8
Total	1.90	1.80	-5.6	2.00	1.87	-6.3	1.94	1.87	-3.4	1.95	1.80	-7.7	2.04	2.05	0.7
France															
LPG	0.14	0.12	-9.8	0.15	0.13	-8.5	0.13	0.12	-6.0	0.17	0.16	-6.8	0.15	0.17	17.1
Naphtha	0.20	0.15	-22.8	0.16	0.16	-1.8	0.18	0.16	-11.8	0.19	0.17	-7.6	0.16	0.17	9.1
Motor Gasoline	0.30	0.29	-4.9	0.29	0.26	-10.1	0.30	0.28	-6.2	0.27	0.26	-5.7	0.28	0.26	-7.0
Jet/Kerosene	0.13	0.13	1.3	0.11	0.13	14.5	0.12	0.13	7.2	0.12	0.15	24.1	0.12	0.15	22.5
Diesel	0.62	0.62	0.8	0.56	0.55	-1.1	0.60	0.61	1.5	0.56	0.57	2.4	0.60	0.61	0.5
Other Gasoil	0.38	0.35	-9.1	0.47	0.37	-21.7	0.41	0.36	-10.1	0.54	0.55	2.0	0.43	0.58	32.9
Residual Fuel Oil	0.14	0.13	-6.5	0.14	0.14	-6.0	0.14	0.13	-4.7	0.19	0.14	-26.2	0.15	0.13	-13.0
Other Products	0.17	0.16	-2.4	0.13	0.14	8.9	0.17	0.16	-3.2	0.15	0.14	-2.2	0.14	0.15	2.6
Total	2.07	1.95	-5.5	2.02	1.88	-6.6	2.04	1.96	-4.1	2.19	2.15	-1.9	2.04	2.22	8.6
United Kingdom															
LPG	0.14	0.16	14.5	0.15	0.16	8.7	0.15	0.16	9.8	0.15	0.16	8.9	0.16	0.18	10.6
Naphtha	0.04	0.08	79.0	0.07	0.06	-3.1	0.05	0.06	34.1	0.02	0.07	215.5	0.04	0.09	138.1
Motor Gasoline	0.49	0.46	-5.0	0.47	0.43	-6.6	0.48	0.45	-7.3	0.46	0.41	-10.0	0.47	0.45	-4.5
Jet/Kerosene	0.30	0.31	3.2	0.30	0.35	19.5	0.29	0.33	15.9	0.30	0.37	23.9	0.31	0.34	11.3
Diesel	0.38	0.37	-2.3	0.33	0.32	-4.0	0.35	0.35	0.4	0.32	0.30	-6.4	0.35	0.36	2.3
Other Gasoil	0.17	0.15	-10.6	0.16	0.15	-7.7	0.16	0.15	-7.7	0.16	0.15	-6.4	0.16	0.17	6.5
Residual Fuel Oil	0.08	0.09	4.0	0.08	0.09	9.8	0.08	0.08	-0.2	0.10	0.10	3.9	0.08	0.09	6.2
Other Products	0.17	0.12	-26.9	0.12	0.13	6.4	0.15	0.13	-13.7	0.15	0.11	-26.1	0.17	0.14	-14.2
Total	1.78	1.75	-1.6	1.67	1.69	1.7	1.71	1.72	0.5	1.67	1.69	1.2	1.73	1.81	4.6
Canada															
LPG	0.25	0.26	5.4	0.26	0.28	8.3	0.26	0.26	-0.3	0.25	0.26	1.6	0.18	0.17	-2.7
Naphtha	0.08	0.08	-3.7	0.08	0.08	2.7	0.07	0.08	12.6	0.08	0.08	0.3	0.08	0.08	-7.0
Motor Gasoline	0.66	0.67	1.5	0.63	0.66	5.6	0.65	0.68	3.3	0.63	0.66	5.0	0.64	0.68	4.8
Jet/Kerosene	0.08	0.12	36.7	0.08	0.09	19.0	0.08	0.11	30.7	0.11	0.09	-17.1	0.09	0.12	28.5
Diesel	0.18	0.18	-2.6	0.16	0.15	-4.0	0.17	0.17	-1.3	0.16	0.19	14.7	0.17	0.18	6.8
Other Gasoil	0.31	0.33	6.4	0.30	0.35	16.2	0.31	0.35	11.6	0.35	0.38	9.2	0.38	0.42	10.3
Residual Fuel Oil	0.15	0.15	-1.3	0.15	0.16	5.8	0.15	0.15	1.1	0.14	0.15	8.0	0.17	0.18	7.7
Other Products	0.28	0.28	-0.7	0.23	0.25	12.1	0.26	0.28	8.5	0.24	0.26	8.0	0.25	0.25	-2.7
Total	2.01	2.07	3.1	1.88	2.04	8.1	1.95	2.06	5.8	1.96	2.06	5.2	1.97	2.08	5.3

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Feb 03	Mar 03	Apr 03
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.73	8.61				8.57	9.01	8.99
Iran	3.70	3.42		3.55	3.69				3.70	3.75	3.70
Iraq	2.36	2.01		2.38	2.12				2.49	1.43	0.17
UAE	2.16	1.99		2.00	2.28				2.32	2.31	2.29
Kuwait	1.72	1.60		1.62	1.77				1.70	1.89	1.99
Neutral Zone	0.57	0.54		0.54	0.60				0.60	0.62	0.63
Qatar	0.67	0.64		0.71	0.74				0.74	0.75	0.75
Nigeria	2.08	1.97		2.01	2.13				2.19	2.00	1.88
Libya	1.37	1.32		1.34	1.39				1.39	1.43	1.44
Algeria	0.84	0.85		0.94	1.04				1.05	1.08	1.10
Venezuela	2.68	2.29		1.99	1.30				1.43	1.92	2.14
Indonesia	1.21	1.11		1.10	1.04				1.05	1.03	1.03
Total Crude Oil	27.04	25.11		25.92	26.71				27.22	27.20	26.10
Total NGLs[1]	3.07	3.45	3.71	3.45	3.25	3.73	3.88	3.96	3.16	3.53	3.70
Total OPEC	30.11	28.56		29.37	29.96				30.37	30.73	29.80
NON-OPEC[2]											
OECD											
North America	14.36	14.57	14.93	14.56	14.77	14.72	14.97	15.24	14.77	14.85	14.61
United States	8.07	8.12	8.13	8.05	8.12	8.03	8.13	8.26	8.12	8.19	7.98
Mexico	3.56	3.59	3.77	3.60	3.74	3.77	3.78	3.80	3.75	3.74	3.75
Canada	2.73	2.87	3.02	2.92	2.91	2.92	3.07	3.19	2.90	2.93	2.89
Europe	6.67	6.61	6.69	6.79	6.77	6.56	6.66	6.77	6.81	6.89	6.69
UK	2.53	2.50	2.57	2.61	2.60	2.46	2.62	2.61	2.59	2.68	2.58
Norway	3.41	3.33	3.29	3.39	3.37	3.27	3.21	3.31	3.40	3.41	3.29
Others	0.72	0.78	0.83	0.80	0.80	0.82	0.83	0.85	0.82	0.80	0.83
Pacific	0.79	0.76	0.72	0.73	0.71	0.70	0.74	0.74	0.70	0.72	0.66
Australia	0.73	0.71	0.67	0.67	0.65	0.65	0.69	0.69	0.65	0.67	0.61
Others	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.81	21.94	22.34	22.08	22.25	21.97	22.38	22.76	22.29	22.47	21.97
NON-OECD											
Former USSR	8.56	9.37	10.03	9.78	9.89	9.94	10.10	10.21	9.90	9.95	9.90
Russia	7.02	7.66	8.17	7.99	8.10	8.13	8.22	8.24	8.11	8.17	8.09
Others	1.54	1.71	1.86	1.79	1.79	1.81	1.88	1.96	1.80	1.79	1.81
Asia	5.58	5.73	5.84	5.76	5.80	5.83	5.85	5.86	5.82	5.82	5.82
China	3.30	3.39	3.43	3.40	3.41	3.42	3.44	3.45	3.42	3.43	3.42
Malaysia	0.75	0.77	0.78	0.77	0.78	0.78	0.78	0.78	0.78	0.76	0.78
India	0.73	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Others	0.80	0.82	0.87	0.84	0.86	0.87	0.87	0.87	0.86	0.87	0.87
Europe	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.90	3.97	3.83	3.89	3.96	3.99	4.03	3.91	3.89	3.94
Brazil	1.56	1.73	1.84	1.67	1.76	1.82	1.87	1.90	1.79	1.76	1.79
Argentina	0.83	0.80	0.78	0.79	0.79	0.78	0.78	0.78	0.79	0.79	0.78
Colombia	0.62	0.59	0.56	0.58	0.57	0.57	0.56	0.55	0.56	0.57	0.58
Ecuador	0.42	0.40	0.40	0.40	0.39	0.39	0.39	0.41	0.39	0.39	0.39
Others	0.36	0.38	0.39	0.39	0.39	0.39	0.40	0.39	0.39	0.39	0.39
Middle East[3]	2.17	2.10	2.02	2.09	2.05	2.03	2.01	1.99	2.07	2.03	2.04
Oman	0.96	0.90	0.83	0.89	0.85	0.84	0.82	0.81	0.87	0.83	0.84
Syria	0.57	0.55	0.53	0.55	0.54	0.53	0.52	0.52	0.54	0.54	0.53
Yemen	0.45	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Africa	2.77	2.98	3.07	2.93	2.92	3.02	3.12	3.21	2.91	2.93	3.00
Egypt	0.76	0.75	0.76	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Angola	0.74	0.90	0.92	0.84	0.83	0.92	0.95	0.96	0.82	0.85	0.91
Gabon	0.28	0.25	0.24	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24
Others	1.00	1.09	1.15	1.10	1.09	1.10	1.17	1.24	1.09	1.09	1.09
Total Non-OECD	23.04	24.26	25.10	24.56	24.73	24.95	25.23	25.46	24.79	24.80	24.87
Processing Gains[4]	1.74	1.76	1.80	1.78	1.82	1.78	1.78	1.82	1.82	1.82	1.78
TOTAL NON-OPEC	46.59	47.96	49.24	48.42	48.81	48.71	49.39	50.04	48.90	49.09	48.62
TOTAL SUPPLY	76.70	76.52		77.79	78.76				79.27	79.82	78.42

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]
(thousand of barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Feb-03	Mar-03	Apr-03
United States											
Alaska	978	986	992	973	1009	992	951	1016	1018	1020	997
California	805	790	771	779	774	772	770	768	775	772	773
Texas	1163	1145	1116	1124	1121	1117	1114	1112	1119	1119	1119
Federal Gulf of Mexico[2]	1536	1601	1747	1631	1721	1729	1743	1793	1723	1725	1726
Other US Lower 48	1341	1294	1246	1261	1255	1249	1243	1237	1257	1253	1251
NGLs[3]	1864	1881	1833	1844	1812	1741	1873	1903	1811	1870	1680
Other Hydrocarbons	382	417	429	432	427	430	430	430	419	429	431
Total	8068	8115	8134	8045	8120	8031	8125	8258	8122	8188	7977
Canada											
Alberta Light/Medium/Heavy	719	667	658	656	661	639	662	670	660	662	628
Alberta Bitumen	309	288	274	288	264	269	275	287	255	300	285
Saskatchewan	427	422	417	422	421	407	420	419	421	420	400
Other Crude	232	347	404	354	414	425	352	424	399	425	425
NGLs	692	698	725	720	730	710	720	740	730	730	710
Synthetic Crudes	349	444	545	481	423	474	635	645	440	389	440
Total	2727	2865	3022	2920	2912	2923	3065	3186	2905	2927	2888
Mexico											
Crude	3127	3177	3353	3203	3324	3345	3364	3380	3324	3317	3330
NGLs	433	408	419	394	418	420	420	420	423	422	420
Total	3560	3585	3773	3597	3741	3765	3784	3800	3747	3739	3750
UK Offshore[4]											
Brent Fields	279	243	266	237	254	254	281	273	257	271	266
Forties Fields	762	794	827	820	828	802	849	830	802	867	843
Ninian Fields	127	107	122	113	109	119	131	127	105	114	116
Flotta Fields	138	132	116	135	124	111	117	114	128	124	116
Other Fields	919	961	956	1004	971	905	978	969	993	997	951
NGLs	249	212	239	246	262	225	215	255	254	255	235
Total	2474	2450	2526	2554	2547	2416	2571	2568	2539	2628	2528
Norway [4]											
Ekofisk-Ula Area	470	490	481	497	497	468	476	481	501	489	469
Oseberg-Troll Area	741	754	754	765	800	745	722	752	827	778	753
Statfjord-Gullfaks Area	944	874	850	923	891	851	825	835	916	887	862
Haltenbanken Area	768	716	655	676	646	672	640	661	630	666	674
Sleipner-Frigg Area	195	157	171	143	169	159	165	193	171	177	158
NGLs	291	335	379	385	370	375	379	391	360	416	375
Total	3408	3325	3290	3389	3373	3269	3208	3312	3404	3414	3291
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	437	467	447	457	464	470	476	461	451	466
UK Onshore	60	54	48	52	50	48	47	45	50	49	49
Italy	64	84	102	92	88	100	105	115	89	90	100
Turkey	48	47	46	46	46	46	46	45	46	46	46
Other	167	159	160	157	159	160	160	160	168	158	159
NGLs (excl. North Sea)	28	27	29	25	29	29	29	29	32	28	29
Non-Conventional Oils	26	29	24	30	24	24	24	24	23	25	24
Total	783	837	875	849	853	872	880	894	869	848	873
Australia											
Gippsland Basin	160	140	117	130	121	119	116	113	121	125	118
Cooper-Eromanga Basin	26	25	23	26	24	24	23	23	23	24	23
Carnarvon Basin	337	359	366	337	355	337	386	385	353	360	301
Other Crude	136	104	86	107	86	86	86	86	85	88	86
NGLs	74	79	77	74	68	80	80	80	65	75	80
Total	732	707	669	674	653	645	692	687	648	672	608
Other OECD Pacific											
New Zealand	33	31	27	28	27	27	27	27	26	27	27
Japan	6	5	5	5	5	5	5	5	6	5	5
NGLs	17	17	20	18	20	20	20	20	21	20	20
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	53	52	51	53	52	52	52	53	53	52
OECD											
Crude Oil	17397	17382	17611	17421	17657	17434	17542	17809	17696	17796	17512
NGLs	3655	3666	3732	3716	3720	3611	3747	3849	3708	3827	3560
Non-Conventional Oils	759	890	998	942	874	929	1089	1099	882	844	895
Total	21811	21937	22342	22079	22252	21974	22378	22757	22286	22467	21967

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Nov2002	Dec2002	Jan2003	Feb2003	Mar2003*	Mar2000	Mar2001	Mar2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	396.9	383.1	379.4	374.0	386.3	393.1	414.9	441.2	-0.14	-0.55	0.05	0.04
Motor Gasoline	236.6	242.3	246.1	238.0	232.3	235.0	226.8	249.6	-0.03	-0.11	0.06	-0.11
Middle Distillate	199.6	208.3	186.8	166.7	164.1	167.5	178.3	198.8	0.05	-0.02	0.07	-0.49
Residual Fuel Oil	45.0	40.6	40.7	39.8	40.7	44.5	49.3	42.3	-0.01	0.01	-0.02	0.00
Total Products[3]	656.9	655.0	619.5	576.8	562.3	580.1	604.9	649.8	0.34	-0.04	-0.24	-1.03
Total[4]	1209.2	1173.8	1129.0	1079.6	1079.8	1107.8	1159.0	1234.9	0.24	-0.45	-0.46	-1.04
Europe												
Crude	309.8	289.5	303.6	288.0	292.8	320.8	329.8	311.1	0.09	-0.16	-0.15	0.04
Motor Gasoline	113.5	116.6	121.6	122.7	124.0	126.8	120.8	131.5	-0.12	-0.06	0.02	0.08
Middle Distillate	243.0	239.6	233.3	215.4	214.4	216.6	213.7	241.7	0.18	0.02	-0.22	-0.28
Residual Fuel Oil	77.6	75.2	67.6	67.7	66.6	78.9	85.7	71.1	-0.02	0.00	0.07	-0.10
Total Products[3]	532.8	530.9	518.4	501.1	500.1	516.8	525.2	549.2	0.07	-0.10	-0.17	-0.34
Total[4]	907.6	883.0	888.8	859.7	862.8	902.3	918.4	928.4	0.12	-0.29	-0.33	-0.22
Pacific												
Crude	158.1	160.8	162.5	166.8	165.7	170.5	182.0	176.7	-0.03	-0.12	-0.02	0.05
Motor Gasoline	25.6	23.3	24.9	25.3	25.1	26.4	26.0	26.5	0.00	-0.02	-0.01	0.02
Middle Distillate	72.9	64.8	64.5	61.5	57.8	57.8	65.8	68.0	0.08	0.09	-0.20	-0.08
Residual Fuel Oil	22.2	22.2	22.8	22.5	22.0	21.9	25.1	21.8	0.03	-0.03	0.00	0.00
Total Products[3]	189.5	176.7	174.0	169.3	164.2	162.2	183.3	184.0	0.11	0.03	-0.22	-0.14
Total[4]	421.1	410.3	409.8	407.0	395.6	408.8	447.1	435.4	0.12	-0.13	-0.27	-0.16
Total OECD												
Crude	864.7	833.4	845.5	828.8	844.8	884.4	926.6	929.0	-0.09	-0.83	-0.12	0.13
Motor Gasoline	375.7	382.1	392.5	386.1	381.4	388.2	373.6	407.6	-0.15	-0.19	0.06	-0.01
Middle Distillate	515.4	512.7	484.6	443.6	436.3	441.8	457.7	508.4	0.31	0.09	-0.35	-0.85
Residual Fuel Oil	144.8	138.1	131.1	130.0	129.3	145.2	160.0	135.3	0.01	-0.02	0.05	-0.10
Total Products[3]	1379.1	1362.6	1311.9	1247.2	1226.5	1259.1	1313.3	1383.0	0.53	-0.11	-0.64	-1.51
Total[4]	2537.9	2467.1	2427.6	2346.3	2338.2	2418.9	2524.5	2598.6	0.49	-0.86	-1.05	-1.43

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Nov2002	Dec2002	Jan2003	Feb2003	Mar2003*	Mar2000	Mar2001	Mar2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	595.9	599.1	599.3	599.3	599.3	569.4	542.3	561.5	0.16	0.12	0.13	0.00
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	155.2	156.6	154.3	157.1	157.1	146.2	137.0	143.1	0.02	0.05	0.08	0.01
Products	190.7	194.7	197.1	200.0	200.0	202.3	213.1	208.9	-0.08	-0.09	0.02	0.06
Pacific												
Crude	317.9	317.9	318.6	321.3	323.9	315.1	314.4	320.8	0.00	-0.04	0.01	0.07
Total OECD												
Crude	1069.0	1073.6	1072.1	1077.6	1080.2	1030.7	993.8	1025.4	0.19	0.12	0.22	0.07
Products	192.7	196.7	199.1	202.0	202.0	202.3	215.1	210.9	-0.08	-0.09	0.02	0.06
Total[4]	1262.7	1271.3	1272.3	1280.6	1283.3	1233.9	1209.9	1237.3	0.10	0.03	0.23	0.13

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	October			November			December			January			February		
	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	313.2	291.5	-6.9	312.2	287.6	-7.9	312.0	277.7	-11.0	320.3	273.0	-14.8	327.2	270.4	-17.4
Motor Gasoline	207.8	193.4	-6.9	212.3	206.1	-2.9	209.9	210.7	0.4	222.0	211.6	-4.7	217.8	203.2	-6.7
Middle Distillate	175.5	167.9	-4.3	185.4	171.7	-7.4	191.8	179.7	-6.3	183.3	157.0	-14.3	175.3	138.7	-20.9
Residual Fuel Oil	38.2	33.7	-11.8	39.2	35.7	-8.9	41.0	31.3	-23.7	41.4	31.3	-24.4	39.1	30.8	-21.2
Other Products	155.5	156.3	0.5	151.6	145.9	-3.8	148.5	135.7	-8.6	135.5	117.5	-13.3	128.8	103.8	-19.4
Total Products	577.0	551.3	-4.5	588.5	559.4	-4.9	591.2	557.4	-5.7	582.2	517.4	-11.1	561.0	476.5	-15.1
Other[3]	141.6	140.4	-0.8	139.8	134.6	-3.7	132.9	116.3	-12.5	133.5	114.6	-14.2	128.1	113.3	-11.6
Total	1031.8	983.2	-4.7	1040.5	981.6	-5.7	1036.1	951.4	-8.2	1036.0	905.0	-12.6	1016.3	860.2	-15.4
Japan															
Crude	141.9	121.5	-14.4	130.3	116.0	-11.0	128.9	121.5	-5.7	123.1	124.6	1.2	117.3	125.7	7.2
Motor Gasoline	13.5	12.6	-6.7	14.1	12.7	-9.9	12.2	12.2	0.0	14.0	13.1	-6.4	15.1	13.6	-9.9
Middle Distillate	57.7	49.9	-13.5	55.2	45.3	-17.9	46.1	40.2	-12.8	45.3	38.5	-15.0	43.0	33.8	-21.4
Residual Fuel Oil	10.5	8.8	-16.2	10.5	9.2	-12.4	9.7	9.8	1.0	10.3	10.7	3.9	9.8	10.6	8.2
Other Products	55.1	52.2	-5.3	54.5	49.1	-9.9	51.0	49.3	-3.3	48.6	47.2	-2.9	45.7	45.8	0.2
Total Products	136.8	123.5	-9.7	134.3	116.3	-13.4	119.0	111.5	-6.3	118.2	109.5	-7.4	113.6	103.8	-8.6
Other[3]	76.6	65.9	-14.0	75.6	66.1	-12.6	70.1	64.5	-8.0	70.5	64.9	-7.9	69.0	63.2	-8.4
Total	355.3	310.9	-12.5	340.2	298.4	-12.3	318.0	297.5	-6.4	311.8	299.0	-4.1	299.9	292.7	-2.4
Germany															
Crude	20.9	15.5	-25.8	21.3	16.5	-22.5	24.5	14.6	-40.4	26.8	15.8	-41.0	25.9	15.0	-42.1
Motor Gasoline	8.6	9.1	5.8	10.8	8.5	-21.3	12.1	9.1	-24.8	13.3	10.9	-18.0	12.3	10.0	-18.7
Middle Distillate	13.5	16.0	18.5	13.6	14.6	7.4	18.7	14.3	-23.5	18.8	16.7	-11.2	18.6	11.7	-37.1
Residual Fuel Oil	9.5	9.4	-1.1	8.2	9.9	20.7	8.8	10.2	15.9	9.1	9.5	4.4	9.1	9.2	1.1
Other Products	12.4	10.9	-12.1	12.3	10.9	-11.4	12.3	11.0	-10.6	11.6	10.8	-6.9	10.7	10.6	-0.9
Total Products	44.0	45.4	3.2	44.9	43.9	-2.2	51.9	44.6	-14.1	52.8	47.9	-9.3	50.7	41.5	-18.1
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	64.9	60.9	-6.2	66.2	60.4	-8.8	76.4	59.2	-22.5	79.6	63.7	-20.0	76.6	56.5	-26.2
Italy															
Crude	36.0	37.5	4.2	37.6	35.2	-6.4	33.4	32.2	-3.6	37.5	36.7	-2.1	36.3	29.0	-20.1
Motor Gasoline	19.1	21.9	14.7	19.6	23.2	18.4	21.3	19.2	-9.9	21.9	19.3	-11.9	21.7	20.2	-6.9
Middle Distillate	29.2	37.5	28.4	30.6	40.5	32.4	31.3	40.8	30.4	33.0	39.9	20.9	33.5	36.6	9.3
Residual Fuel Oil	15.9	14.5	-8.8	14.2	15.2	7.0	14.1	14.3	1.4	12.2	14.6	19.7	12.9	13.8	7.0
Other Products	19.9	17.4	-12.6	19.2	17.5	-8.9	21.2	17.5	-17.5	22.5	16.5	-26.7	20.4	15.9	-22.1
Total Products	84.1	91.3	8.6	83.6	96.4	15.3	87.9	91.8	4.4	89.6	90.3	0.8	88.5	86.5	-2.3
Other[3]	13.1	11.3	-13.7	14.0	11.4	-18.6	12.6	13.6	7.9	13.2	13.0	-1.5	13.6	12.8	-5.9
Total	133.2	140.1	5.2	135.2	143.0	5.8	133.9	137.6	2.8	140.3	140.0	-0.2	138.4	128.3	-7.3
France															
Crude	40.4	38.8	-4.0	36.2	34.0	-6.1	39.0	34.2	-12.3	37.5	36.0	-4.0	39.6	33.3	-15.9
Motor Gasoline	10.7	11.6	8.4	10.4	12.2	17.3	12.6	13.0	3.2	13.7	12.1	-11.7	12.1	11.6	-4.1
Middle Distillate	26.7	34.9	30.7	26.5	32.5	22.6	27.4	34.8	27.0	27.3	30.4	11.4	28.7	26.4	-8.0
Residual Fuel Oil	7.4	6.9	-6.8	7.5	7.2	-4.0	6.8	7.3	7.4	7.0	5.9	-15.7	6.7	5.7	-14.9
Other Products	10.1	7.8	-22.8	9.8	8.4	-14.3	9.4	9.0	-4.3	8.4	8.1	-3.6	9.0	7.7	-14.4
Total Products	54.9	61.2	11.5	54.2	60.3	11.3	56.2	64.1	14.1	56.4	56.5	0.2	56.5	51.4	-9.0
Other[3]	12.9	13.7	6.2	13.3	13.4	0.8	11.6	13.0	12.1	11.8	13.7	16.1	12.1	14.0	15.7
Total	108.2	113.7	5.1	103.7	107.7	3.9	106.8	111.3	4.2	105.7	106.2	0.5	108.2	98.7	-8.8
United Kingdom															
Crude	38.2	46.2	20.9	38.5	47.0	22.1	39.6	38.5	-2.8	42.3	38.8	-8.3	39.9	38.1	-4.5
Motor Gasoline	10.9	9.8	-10.1	11.0	9.0	-18.2	11.3	9.0	-20.4	12.6	10.4	-17.5	11.0	10.1	-8.2
Middle Distillate	22.0	20.9	-5.0	21.8	20.4	-6.4	23.0	18.1	-21.3	20.7	18.3	-11.6	20.4	17.6	-13.7
Residual Fuel Oil	4.4	4.4	0.0	4.8	5.0	4.2	4.3	5.0	16.3	4.9	4.7	-4.1	5.3	4.7	-11.3
Other Products	20.4	16.0	-21.6	20.3	15.0	-26.1	20.5	15.5	-24.4	19.9	14.5	-27.1	18.0	15.0	-16.7
Total Products	57.7	51.1	-11.4	57.9	49.4	-14.7	59.1	47.6	-19.5	58.1	47.9	-17.6	54.7	47.4	-13.3
Other[3]	11.4	11.5	0.9	10.6	11.3	6.6	10.1	9.9	-2.0	10.7	11.4	6.5	11.1	11.8	6.3
Total	107.3	108.8	1.4	107.0	107.7	0.7	108.8	96.0	-11.8	111.1	98.1	-11.7	105.7	97.3	-7.9
Canada[4]															
Crude	77.4	76.4	-1.3	77.6	74.7	-3.7	77.2	74.3	-3.8	75.8	75.8	0.0	77.8	75.8	-2.6
Motor Gasoline	16.7	16.1	-3.6	17.7	15.7	-11.3	17.0	15.8	-7.1	19.4	17.8	-8.2	21.0	17.8	-15.2
Middle Distillate	19.0	18.7	-1.6	19.5	19.4	-0.5	21.1	19.3	-8.5	23.0	20.8	-9.6	22.1	18.7	-15.4
Residual Fuel Oil	3.9	4.4	12.8	3.7	3.6	-2.7	3.5	3.7	5.7	3.3	4.2	27.3	3.7	4.6	24.3
Other Products	21.3	21.5	0.9	20.1	21.7	8.0	19.3	20.4	5.7	19.8	20.4	3.0	20.2	20.4	1.0
Total Products	60.9	60.7	-0.3	61.0	60.4	-1.0	60.9	59.2	-2.8	65.5	63.2	-3.5	67.0	61.5	-8.2
Other[3]	22.9	22.2	-3.1	21.2	20.8	-1.9	19.1	19.4	1.6	15.2	15.5	2.0	14.7	15.5	5.4
Total	161.2	159.3	-1.2	159.8	155.9	-2.4	157.2	152.9	-2.7	156.5	154.5	-1.3	159.5	152.8	-4.2

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for February 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End March 2002		End June 2002		End September 2002		End December 2002		End March 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	158.3	82	151.5	75	160.2	78	153.0	-	-	-
Mexico	43.6	23	45.3	24	47.0	24	47.3	-	-	-
United States	1574.4	80	1616.6	82	1576.1	80	1552.5	-	-	-
Total[4]	1798.3	76	1835.6	76	1805.3	75	1774.9	72	1681.1	70
Pacific										
Australia	38.9	43	37.2	42	33.3	37	34.2	-	-	-
Japan	630.3	136	633.7	126	627.1	106	615.4	-	-	-
Korea[5]	78.6	39	86.5	43	79.7	34	69.1	-	-	-
New Zealand	8.4	65	10.0	80	11.5	77	9.5	-	-	-
Total	756.2	99	767.4	95	751.6	81	728.2	76	719.4	90
Europe[6]										
Austria	18.0	68	17.1	61	17.7	66	17.9	-	-	-
Belgium	30.6	53	30.8	53	28.3	46	25.8	-	-	-
Czech Republic	17.4	102	17.0	91	16.2	90	17.5	-	-	-
Denmark	19.6	101	17.3	93	18.5	88	17.3	-	-	-
Finland	24.6	124	26.9	127	26.9	115	24.4	-	-	-
France	162.9	88	169.9	87	174.0	89	174.5	-	-	-
Germany	276.4	105	268.5	93	258.8	95	253.4	-	-	-
Greece	31.1	84	28.9	77	32.2	72	31.6	-	-	-
Hungary	19.9	148	18.5	126	18.0	117	16.1	-	-	-
Ireland	9.9	62	9.4	56	10.2	58	11.4	-	-	-
Italy	132.3	72	132.4	72	136.1	73	137.6	-	-	-
Luxembourg	0.8	16	0.9	17	0.9	19	1.0	-	-	-
Netherlands	117.9	129	115.5	131	106.7	116	104.9	-	-	-
Norway	18.0	104	22.4	123	17.6	86	19.3	-	-	-
Poland	26.9	71	25.2	59	23.6	54	26.2	-	-	-
Portugal	22.1	61	24.6	69	24.1	75	21.4	-	-	-
Spain	118.6	80	121.0	81	121.3	80	120.8	-	-	-
Sweden	35.1	105	33.4	103	30.5	81	29.4	-	-	-
Switzerland	37.5	138	39.0	139	38.7	139	36.7	-	-	-
Turkey	59.0	96	57.8	88	55.6	81	51.9	-	-	-
United Kingdom	102.6	62	110.7	65	101.2	59	96.2	-	-	-
Total	1281.4	88	1287.2	85	1257.0	82	1235.3	82	1221.0	83
Total OECD	3835.9	83	3890.2	82	3813.9	78	3738.4	76	3621.5	77
DAYS OF IEA Net Imports[7]	-	114	-	116	-	114	-	113	-	-

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End December 2002 and end March 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3865	1205	2660	81	25	55
4Q2001	3843	1222	2622	80	25	55
1Q2002	3836	1237	2599	83	27	56
2Q2002	3890	1247	2643	82	26	56
3Q2002	3814	1250	2564	78	26	53
4Q2002	3738	1271	2467	76	26	50
1Q2003	3621	1283	2338	77	27	50

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 4Q2002 and 1Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	2Q02	3Q02	4Q02	1Q03	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30	23.71	24.25	25.75	25.53		24.13	25.79	29.65	32.01		
IEA Europe	27.89	23.92	24.26	24.22	26.21	26.11		24.16	27.34	30.66	32.10		
IEA Pacific	28.89	25.05	24.74	25.69	26.34	27.24		27.48	26.30	29.20	31.15		
IEA Total	28.00	23.65	24.18	24.57	26.08	26.18		24.95	26.55	29.94	31.79		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	25.07	26.91	26.81	31.49	24.10	28.67	31.32	32.67	30.54	24.85
WTI (1st month)	30.37	25.93	26.16	26.30	28.30	28.29	34.00	26.29	29.45	32.99	35.75	33.43	28.26
Urals (del. Med.)	26.63	22.97	23.73	23.60	25.81	25.55	29.24	22.87	27.72	28.88	30.38	28.52	22.61
Dubai (1st month)	26.24	22.80	23.85	24.39	25.54	25.16	28.39	23.31	25.73	28.02	30.02	27.38	23.45
Tapis (1st month)	29.85	25.32	25.72	25.63	27.29	28.33	32.34	26.89	30.27	31.95	33.96	31.37	27.66
OPEC Basket	27.60	23.12	24.34	24.42	26.15	26.63	30.45	24.28	28.21	30.34	31.64	29.44	25.24
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	30.05	32.06	31.05	37.44	28.38	31.91	35.95	39.85	36.71	35.00
Unleaded	34.41	28.83	28.57	29.51	31.44	30.50	36.88	27.88	31.31	35.35	39.31	36.17	34.25
Naphtha	29.09	23.69	24.23	23.80	25.95	26.45	34.99	24.12	28.77	33.95	36.99	34.16	24.76
Jet/Kerosene	36.98	30.82	29.24	28.46	31.27	32.45	40.89	30.56	33.30	36.76	43.21	43.01	31.75
Gasoil .2 %	34.38	29.16	27.81	26.80	29.85	31.26	39.18	28.96	33.14	35.78	41.81	40.24	30.06
LSFO 1%	23.74	19.52	21.81	20.40	23.19	26.70	29.20	24.53	27.15	27.90	31.98	27.92	24.02
HSFO 3.5%	21.42	17.79	20.65	21.22	23.14	21.22	25.65	19.18	20.84	27.08	27.04	22.84	19.42
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.28	32.13	30.78	36.62	27.98	31.84	35.54	39.45	35.08	30.94
Premium Unleaded	36.43	29.70	28.49	29.56	31.41	30.06	35.91	27.26	31.12	34.82	38.73	34.36	30.22
Naphtha	28.16	22.47	23.51	23.02	25.32	25.61	33.37	23.35	27.52	32.80	35.61	31.83	22.72
Jet/Kerosene	34.82	27.52	27.14	26.22	29.34	29.95	36.47	28.08	30.02	33.21	40.00	36.53	26.59
Gasoil .2 %	33.87	27.50	27.08	25.83	28.98	30.36	38.67	28.35	32.52	35.61	40.74	39.90	27.55
LSFO 1%	23.77	18.73	21.50	20.98	23.14	24.14	30.56	22.10	25.02	30.29	32.28	29.22	21.98
HSFO 3.5%	18.92	15.24	18.24	18.65	20.69	18.86	22.76	17.12	18.18	24.58	24.09	19.59	16.88
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	33.91	36.10	37.44	41.33	36.82	35.90	38.69	43.87	41.68	37.22
Unleaded	36.10	31.00	30.33	30.19	32.32	33.53	39.50	31.86	33.83	36.81	41.86	40.07	33.58
Jet/Kerosene	38.05	31.18	29.83	28.77	31.91	33.45	42.43	31.00	34.88	38.38	48.31	41.14	33.11
No. 2 (Heating Oil)	36.37	29.82	28.56	27.68	30.06	32.33	42.00	30.19	34.42	37.99	47.37	41.16	33.02
LSFO 1%	25.05	20.70	22.55	22.76	24.65	25.72	32.74	23.86	26.65	31.65	35.09	31.71	24.01
HSFO 6 3%	20.68	17.36	20.99	21.40	23.30	22.96	27.91	20.47	23.69	29.08	29.45	25.34	19.94
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.49	28.91	29.24	37.14	27.80	30.25	34.34	40.13	37.51	28.74
Naphtha	28.38	23.75	24.93	24.98	25.81	27.15	34.27	25.06	29.57	32.21	37.34	33.78	23.58
Jet/Kerosene	34.39	28.32	28.08	27.20	29.85	31.35	36.14	29.38	32.10	34.37	39.27	35.33	28.35
Gasoil .5%	32.58	27.32	27.55	27.68	28.80	30.89	36.12	28.87	30.99	33.39	38.45	36.97	29.24
LSWR Cracked	25.83	21.83	23.80	23.26	25.16	28.02	31.84	26.80	30.97	31.05	34.77	30.16	28.80
HSFO 180 CST	24.43	20.65	22.89	23.28	24.97	24.40	28.86	23.15	25.46	28.18	30.88	27.85	23.97
HSFO 4%	24.21	20.38	22.95	23.31	25.23	24.31	28.88	22.88	25.40	28.27	30.74	27.93	24.23

* IEA CIF Average Import price for February is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
April 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from Mar-03	% change from Apr-02	Ex-Tax Price	% change from Mar-03	% change from Apr-02	Total Price	% change from Mar-03	% change from Apr-02	Ex-Tax Price	% change from Mar-03	% change from Apr-02
GASOLINE [1] (Price per Litre)												
France	1.041	- 3.7	0.4	0.281	-10.8	-4.1	1.128	-3.3	22.7	0.305	-10.4	17.2
Germany	1.107	- 2.7	2.5	0.299	-8.3	-2.6	1.200	-2.3	25.3	0.324	-7.9	19.1
Italy	1.063	- 3.0	- 0.6	0.344	-7.3	-1.4	1.152	-2.6	21.6	0.373	-6.8	20.5
Spain	0.821	- 4.3	- 2.5	0.312	-9.3	-5.5	0.890	-3.9	19.2	0.338	-8.9	15.6
UK	0.781	- 0.5	4.4	0.207	-1.4	15.6	1.228	-1.2	13.8	0.325	-2.1	26.0
Japan	109.2	2.0	6.1	50.2	4.1	13.6	0.911	0.9	15.8	0.419	3.1	23.9
Canada	0.720	- 9.8	3.2	0.421	-14.8	5.3	0.497	-8.2	12.5	0.290	-13.3	14.8
USA	0.420	- 6.7	13.8	0.318	-8.9	18.7	0.420	-6.7	13.8	0.318	-8.9	18.7
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.676	- 9.9	3.4	0.284	-20.7	2.2	0.733	-9.4	26.4	0.308	-20.3	24.9
Germany	0.777	- 5.9	4.7	0.307	-13.8	1.7	0.842	-5.5	28.0	0.333	-13.4	24.3
Italy	0.749	- 4.2	3.3	0.346	-8.7	7.5	0.812	-3.8	26.3	0.375	-8.3	31.4
Spain	0.618	- 6.2	1.1	0.324	-11.2	2.2	0.670	-5.8	23.7	0.351	-10.8	24.9
UK	0.687	0.3	4.9	0.229	0.9	16.2	1.080	-0.4	14.3	0.360	0.2	26.6
Japan	88.2	2.4	6.3	51.9	4.0	10.7	0.736	1.4	15.9	0.433	3.0	20.7
Canada	0.718	- 13.5	13.8	0.493	-17.6	19.7	0.495	-12.0	24.1	0.340	-16.1	30.5
USA	0.405	- 11.6	17.1	0.286	-15.9	25.4	0.405	-11.6	17.1	0.286	-15.9	25.4
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	386.22	-19.7	4.4	266.33	-22.9	-0.1	418.6	-19.3	27.7	288.6	-22.6	22.1
Germany	350.64	-20.7	-4.9	240.93	-24.7	-6.1	380.0	-20.3	16.2	261.1	-24.3	14.8
Italy	853.08	-8.1	1.7	307.69	-17.0	3.9	924.5	-7.7	24.3	333.5	-16.6	27.0
Spain	406.82	-11.6	6.0	266.00	-14.8	8.1	440.9	-11.2	29.6	288.3	-14.4	32.2
UK	197.24	-17.9	7.1	156.85	-20.7	8.6	310.1	-18.5	16.7	246.6	-21.3	18.3
Japan [3]	49409	3.0	10.5	47056	3.0	10.5	412.1	2.0	20.5	392.5	2.0	20.5
FUEL OIL FOR INDUSTRY [2, 4] (Price per Metric Ton)												
France	187.01	-20.1	-4.2	168.51	-21.8	-4.6	202.7	-19.7	17.1	182.6	-21.4	16.6
Germany	184.46	-15.6	3.6	159.46	-17.6	-0.4	199.9	-15.2	26.7	172.8	-17.2	21.8
Italy	209.18	-20.1	-14.4	177.79	-22.8	-1.5	226.7	-19.7	4.7	192.7	-22.5	20.4
Spain	253.90	-8.8	29.8	239.47	-9.3	32.1	275.2	-8.4	58.6	259.5	-8.9	61.5
UK	155.82	-8.9	20.5	127.82	-10.6	26.1	245.0	-9.5	31.3	200.9	-11.2	37.4
Japan	37694	1.6	55.0	35899	1.6	55.0	314.4	0.6	69.1	299.4	0.6	69.1

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices refer to high sulphur fuel oil and to low sulphur fuel oil thereafter, except for Germany, which shows lsfo for all months.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
OECD North America												
Venezuela	1.66	1.58		1.58	1.35	1.83	1.54	0.77	0.49	0.87	1.56	-0.68
Other Central & South America	0.52	0.60		0.55	0.57	0.62	0.65	0.58	0.51	0.55	0.59	-0.04
North Sea	1.03	1.24		0.96	1.37	1.28	1.32	1.18	1.06	1.16	1.02	0.15
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.00	0.11	0.10	0.13	0.10	0.13	0.16	-	-
Saudi Arabia	1.70	1.60		1.58	1.62	1.50	1.72	1.85	1.92	1.50	1.53	-0.04
Kuwait	0.24	0.22		0.23	0.20	0.24	0.21	0.19	0.14	0.23	0.29	-0.06
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.92	0.56		1.02	0.53	0.30	0.42	0.47	0.74	1.08	0.99	0.09
Oman	0.02	0.02		-	-	0.05	0.02	0.03	-	-	-	-
United Arab Emirates	0.02	0.01		-	0.04	0.01	0.01	0.01	0.03	-	-	-
Other Middle East	0.02	0.04		-	0.02	0.10	0.03	0.01	0.02	0.05	-	-
West Africa[2]	1.44	1.15		1.03	1.20	1.24	1.14	1.18	1.39	1.13	0.86	0.26
Other Africa	0.13	0.18		0.17	0.21	0.18	0.15	0.16	0.10	0.11	0.15	-0.04
Asia	0.15	0.16		0.17	0.18	0.14	0.15	0.09	0.14	0.08	0.23	-0.15
Other	0.03	0.06		0.03	0.07	0.06	0.06	0.06	0.03	0.02	0.02	0.00
Total	**7.85**	**7.44**		**7.32**	**7.48**	**7.62**	**7.55**	**6.69**	**6.70**	**6.94**	**7.24**	**-0.30**
of which Non-OECD	**6.82**	**6.21**		**6.32**	**6.06**	**6.30**	**6.17**	**5.46**	**5.63**	**5.75**	**6.16**	**-0.40**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.16	0.19	0.20	0.22	0.24	0.15	0.22	0.17	0.05
Venezuela	0.18	0.18		0.26	0.16	0.19	0.12	0.07	0.00	0.00	0.29	-0.28
Other Central & South America	0.04	0.05		0.07	0.02	0.03	0.06	0.05	0.04	0.00	0.11	-0.11
Non-OECD Europe	0.00	0.01		0.01	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00
Former Soviet Union	2.68	3.11		2.98	3.15	3.30	3.00	3.05	2.88	2.75	2.93	-0.18
Saudi Arabia	1.25	1.16		1.10	1.19	1.25	1.09	0.94	0.84	0.97	1.30	-0.33
Kuwait	0.16	0.12		0.11	0.13	0.13	0.10	0.17	0.09	0.09	0.14	-0.05
Iran	0.74	0.62		0.52	0.61	0.65	0.72	0.71	0.68	0.56	0.66	-0.10
Iraq	0.40	0.31		0.17	0.15	0.30	0.61	0.57	0.35	0.34	0.10	0.25
Oman	-	0.00		-	-	0.01	-	-	0.00	0.00	-	-
United Arab Emirates	0.01	0.00		0.00	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.45		0.40	0.49	0.50	0.43	0.46	0.35	0.33	0.36	-0.03
West Africa[2]	0.81	0.68		0.92	0.56	0.63	0.61	0.60	0.83	0.65	1.15	-0.50
Other Africa	1.50	1.41		1.40	1.42	1.31	1.49	1.37	1.48	1.61	1.42	0.19
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.34	0.64	0.32	0.15	0.18	0.87	1.30	0.35	0.95
Total	**8.59**	**8.66**		**8.44**	**8.72**	**8.85**	**8.63**	**8.40**	**8.56**	**8.84**	**8.98**	**-0.14**
of which Non-OECD	**8.41**	**8.47**		**8.28**	**8.53**	**8.65**	**8.41**	**8.16**	**8.42**	**8.62**	**8.81**	**-0.19**
OECD Pacific												
Canada	0.00	0.00		-	-	-	0.01	0.02	-	-	-	-
Mexico + USA	0.02	0.01		0.01	0.02	-	0.02	0.06	-	-	-	-
Venezuela	0.00	0.00		-	-	-	0.00	-	-	-	-	-
Other Central & South America	0.07	0.08		0.10	0.06	0.07	0.09	0.06	0.14	0.12	0.06	0.07
North Sea	0.01	0.03		0.01	0.03	0.06	-	-	0.08	0.04	0.02	0.01
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.02	0.05	0.10	0.10	0.13	0.07	0.04	-	-
Saudi Arabia	1.84	1.72		1.81	1.68	1.57	1.82	2.05	1.89	1.95	1.67	0.29
Kuwait	0.64	0.57		0.67	0.55	0.52	0.56	0.60	0.66	0.60	0.71	-0.11
Iran	0.75	0.64		0.66	0.64	0.56	0.69	0.82	0.83	0.88	0.71	0.17
Iraq	0.01	0.02		0.03	0.05	0.01	0.01	-	-	-	-	-
Oman	0.41	0.37		0.45	0.34	0.34	0.35	0.40	0.39	0.45	0.38	0.08
United Arab Emirates	1.42	1.28		1.40	1.12	1.24	1.35	1.33	1.47	1.50	1.49	0.02
Other Middle East	0.60	0.52		0.59	0.46	0.52	0.50	0.49	0.54	0.58	0.57	0.01
West Africa[2]	0.11	0.21		0.18	0.19	0.20	0.25	0.25	0.09	0.58	0.24	0.34
Other Africa	0.04	0.05		0.03	0.01	0.08	0.08	0.11	0.16	0.10	0.02	0.08
Non-OECD Asia	0.89	0.85		0.91	0.84	0.77	0.89	0.94	1.00	0.73	0.98	-0.25
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.90**	**6.05**	**6.03**	**6.71**	**7.25**	**7.32**	**7.58**	**6.84**	**0.74**
of which Non-OECD	**6.86**	**6.38**		**6.88**	**6.00**	**5.98**	**6.68**	**7.18**	**7.24**	**7.54**	**6.82**	**0.72**
Total OECD Trade	**23.34**	**22.52**		**22.66**	**22.25**	**22.50**	**22.89**	**22.34**	**22.59**	**23.35**	**23.06**	**0.29**
of which Non-OECD	**22.08**	**21.06**		**21.47**	**20.59**	**20.93**	**21.26**	**20.80**	**21.28**	**21.92**	**21.79**	**0.13**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.70	0.54	0.65	0.89	0.67	0.54	0.46	0.70	-0.24
Europe	0.92	0.91		0.93	0.93	0.97	0.83	0.70	0.86	0.73	1.02	-0.29
Pacific	1.22	1.22		1.35	1.14	1.14	1.24	1.42	1.39	1.23	1.25	-0.01
Saudi Medium												
North America	0.73	0.86		0.72	0.65	0.60	1.46	0.93	0.89	0.84	0.72	0.11
Europe	0.15	0.11		0.11	0.08	0.13	0.11	0.09	0.10	0.08	0.17	-0.08
Pacific	0.17	0.16		0.16	0.18	0.16	0.14	0.16	0.21	0.16	0.13	0.03
Saudi Heavy												
North America	0.21	0.20		0.12	0.23	0.21	0.23	0.24	0.25	0.19	0.03	0.15
Europe	0.14	0.09		0.08	0.10	0.09	0.08	0.04	0.06	0.10	0.09	0.01
Pacific	0.15	0.12		0.10	0.12	0.11	0.13	0.14	0.15	0.12	0.08	0.04
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.63	0.34	0.23	0.22	0.26	0.37	0.57	0.65	-0.08
Europe	0.15	0.08		0.01	0.06	0.05	0.21	0.16	0.10	0.12	..	..
Pacific	0.01	0.02		0.03	0.05	0.01	..	..	..	..	0.02	..
Iraqi Kirkuk												
North America	0.09	0.14		0.26	0.11	0.06	0.11	0.09	0.26	0.24	0.28	-0.04
Europe	0.31	0.32		0.21	0.19	0.36	0.50	0.46	0.41	0.31	0.17	0.14
Pacific	0.01	0.00		..	0.00	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.19	0.14	0.15	0.19	0.20	0.23	0.05	0.24	-0.19
Pacific	0.13	0.12		0.11	0.11	0.10	0.14	0.18	0.15	0.21	0.11	0.10
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.34	0.45	0.49	0.51	0.51	0.57	0.40	0.41	-0.01
Pacific	0.63	0.54		0.55	0.56	0.45	0.61	0.67	0.72	0.74	0.60	0.14
Venezuelan Light & Medium												
North America	0.61	0.68		0.66	0.57	0.91	0.57	0.15	..	0.42	0.67	-0.25
Europe	0.07	0.07		0.15	0.05	0.04	0.06	0.02	0.02	..	0.18	..
Pacific	0.00	0.00		..	..	..	0.00	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.55	0.46	0.62	0.56	0.28	..	..	0.56	..
Europe	0.07	0.05		0.06	0.06	0.06	0.04	0.01	0.00	0.01	0.04	-0.02
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.90	0.89	0.91	0.96	0.97	1.09	1.05	0.88	0.17
Europe	0.14	0.16		0.16	0.17	0.17	0.14	0.04	0.11	0.13	0.17	-0.04
Pacific	0.01	0.00		..	0.01	..	0.01	0.02	..	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.00	0.01	0.01	..	0.01	0.01	..	..
Europe	0.03	0.01		0.01	0.01	0.02	0.01	0.01	..	0.00	0.01	0.00
Pacific	0.01	0.01		..	0.01	..	0.01	0.04	..	..	..	..
Russian Urals												
North America	..	0.03		..	0.08	..	0.05	..	..	..	..	..
Europe	1.10	1.32		1.24	1.25	1.44	1.36	1.37	1.54	1.01	1.18	-0.18
Pacific	0.01	0.01		0.01	..	0.02	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.33	0.38	0.46	0.38	0.41	0.50	0.33	0.24	0.08
Europe	0.38	0.31		0.33	0.22	0.36	0.32	0.23	0.36	0.34	0.49	-0.15
Pacific	0.02	0.06		0.05	0.03	0.06	0.08	0.09	..	0.33	0.03	0.29
Nigerian Medium												
North America	0.31	0.16		0.15	0.22	0.13	0.14	0.17	0.18	0.19	0.14	0.06
Europe	0.10	0.06		0.11	0.03	0.03	0.06	0.02	0.14	0.03	0.12	-0.09
Pacific	0.00	0.01		0.02	..	0.01	..	..	0.06	0.06	0.07	0.00

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.05	0.07	0.11	0.08	0.07	-	-	0.02	-
Other Central & South America	0.10	0.10		0.09	0.10	0.11	0.11	0.09	0.15	0.09	0.08	0.01
ARA (Belgium Germany Netherlands)	0.07	0.10		0.09	0.13	0.09	0.08	0.07	0.10	0.09	0.10	-0.01
Other Europe	0.18	0.21		0.20	0.24	0.20	0.18	0.16	0.19	0.12	0.21	-0.09
FSU	0.04	0.06		0.06	0.08	0.06	0.03	0.06	0.06	0.10	0.07	0.03
Saudi Arabia	0.05	0.06		0.05	0.05	0.06	0.07	0.05	0.06	0.05	0.05	0.00
Algeria	0.00	0.00		0.01	0.01	-	-	-	-	-	0.01	-
Other Middle East & Africa	0.04	0.04		0.02	0.04	0.06	0.03	0.02	0.05	0.02	0.02	0.01
Singapore	0.01	0.01		0.02	0.00	0.02	0.00	0.00	0.00	-	0.01	-
OECD Pacific	0.02	0.01		0.01	0.02	0.01	0.01	0.00	-	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.01	0.03	0.04	0.02	0.01	0.02	0.01	0.00	0.00
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.65**	**0.69**		**0.61**	**0.78**	**0.74**	**0.61**	**0.54**	**0.63**	**0.49**	**0.57**	**-0.08**
of which Non-OECD	**0.39**	**0.39**		**0.32**	**0.40**	**0.48**	**0.36**	**0.31**	**0.35**	**0.27**	**0.27**	**0.01**
OECD Europe												
OECD North America	0.00	0.00		-	-	-	0.00	0.01	0.00	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.05	0.04	0.04	0.03	0.03	0.03	0.04	-0.01
FSU	0.02	0.03		0.01	0.03	0.05	0.02	0.04	0.02	0.03	0.01	0.02
Saudi Arabia	0.00	0.00		0.00	0.00	0.01	0.00	0.00	0.00	-	0.00	-
Algeria	0.00	0.01		0.00	0.02	0.01	0.02	0.02	0.01	0.01	-	-
Other Middle East & Africa	0.01	0.02		0.01	0.02	0.03	0.03	0.03	0.02	0.02	0.01	0.01
Singapore	-	0.00		-	-	-	0.00	0.00	-	0.00	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	-	-	-	-	-	-
Other	0.09	0.07		0.12	0.07	0.04	0.07	-0.02	0.10	0.11	0.12	-0.01
Total[2]	**0.15**	**0.18**		**0.18**	**0.19**	**0.17**	**0.18**	**0.12**	**0.19**	**0.22**	**0.20**	**0.02**
of which Non-OECD	**0.15**	**0.18**		**0.18**	**0.19**	**0.17**	**0.18**	**0.11**	**0.19**	**0.22**	**0.20**	**0.02**
OECD Pacific												
OECD North America	0.00	0.00		0.01	0.00	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	-	-	-	-	0.01	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.03	0.04	0.02	0.04	0.03	0.04	0.01	0.04	-0.03
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.02	0.02	0.01	0.03	0.04	0.03	0.03	0.01	0.02
Other	-	0.00		-	0.00	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.06**	**0.06**	**0.03**	**0.07**	**0.08**	**0.06**	**0.04**	**0.05**	**-0.02**
of which Non-OECD	**0.03**	**0.05**		**0.05**	**0.06**	**0.03**	**0.07**	**0.08**	**0.06**	**0.04**	**0.05**	**-0.02**
Total OECD Trade[2]	**0.84**	**0.92**		**0.85**	**1.04**	**0.94**	**0.85**	**0.74**	**0.88**	**0.75**	**0.82**	**-0.07**
of which Non-OECD	**0.57**	**0.62**		**0.56**	**0.66**	**0.68**	**0.60**	**0.50**	**0.60**	**0.53**	**0.52**	**0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.04	0.04	0.02	0.02	0.02	-	-	0.03	-
Other Central & South America	0.03	0.02		0.05	0.01	0.01	0.03	0.01	0.00	0.03	0.03	0.00
ARA (Belgium Germany Netherlands)	0.01	0.00		0.00	-	0.00	0.01	0.03	0.08	0.01	-	-
Other Europe	0.02	0.00		-	-	0.00	0.01	0.01	0.01	0.01	-	-
FSU	0.03	0.02		0.01	0.02	-	0.08	0.14	0.03	0.20	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	0.01	0.00		0.00	-	-	0.00	0.01	0.01	-	-	-
Other Middle East & Africa	0.01	0.00		-	-	-	0.01	0.01	-	0.01	-	-
Singapore	0.00	0.00		0.00	-	-	-	-	0.00	-	0.00	-
OECD Pacific	0.01	0.01		0.00	0.00	0.01	0.01	0.00	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	-	-	0.02	0.02	-	0.01	0.00	0.01
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.20**	**0.10**		**0.10**	**0.07**	**0.04**	**0.19**	**0.25**	**0.14**	**0.27**	**0.06**	**0.21**
of which Non-OECD	**0.16**	**0.09**		**0.10**	**0.07**	**0.03**	**0.16**	**0.21**	**0.04**	**0.25**	**0.06**	**0.19**
OECD Europe												
OECD North America	0.02	0.03		0.05	0.03	0.02	0.01	0.02	0.02	0.02	0.05	-0.03
Venezuela	0.00	0.00		0.00	-	-	-	-	-	0.00	0.01	0.00
Other Central & South America	0.00	0.01		0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.01	-0.01
Non-OECD Europe	0.05	0.07		0.08	0.07	0.06	0.06	0.07	0.04	0.06	0.11	-0.05
FSU	0.36	0.42		0.44	0.46	0.35	0.42	0.48	0.47	0.51	0.44	0.07
Saudi Arabia	0.01	0.01		0.01	0.01	0.00	0.01	0.00	0.01	-	0.00	-
Algeria	0.04	0.02		0.03	0.02	0.02	0.02	0.04	-	0.02	0.03	0.00
Other Middle East & Africa	0.02	0.02		0.03	0.01	0.02	0.01	0.02	0.01	0.02	0.04	-0.01
Singapore	0.00	0.02		0.03	0.00	0.01	0.03	0.03	0.02	0.02	0.03	-0.01
OECD Pacific	0.00	0.00		-	-	0.01	0.01	0.02	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.03	0.00	0.00	0.01	0.02	0.03	0.03	-	-
Other	0.10	0.10		0.13	0.04	0.08	0.14	0.03	0.20	0.24	0.12	0.12
Total[2]	**0.61**	**0.69**		**0.83**	**0.64**	**0.58**	**0.73**	**0.73**	**0.80**	**0.93**	**0.84**	**0.10**
of which Non-OECD	**0.59**	**0.66**		**0.77**	**0.61**	**0.55**	**0.72**	**0.69**	**0.78**	**0.91**	**0.79**	**0.12**
OECD Pacific												
OECD North America	-	0.00		0.00	0.00	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	-	0.00	-	-	-	-	-
Other Europe	-	0.00		0.00	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.01	-	0.00	-	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.02	0.02	0.03	0.02	0.02	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.01	0.02	0.02	0.03	0.05	0.06	0.03	0.01	0.03
Other	0.00	0.00		0.00	0.00	-	0.00	-	-	-	0.00	-
Total[2]	**0.03**	**0.05**		**0.04**	**0.06**	**0.05**	**0.06**	**0.09**	**0.09**	**0.06**	**0.03**	**0.03**
of which Non-OECD	**0.03**	**0.05**		**0.04**	**0.06**	**0.05**	**0.06**	**0.09**	**0.09**	**0.06**	**0.03**	**0.03**
Total OECD Trade[2]	**0.84**	**0.85**		**0.97**	**0.77**	**0.67**	**0.99**	**1.07**	**1.03**	**1.26**	**0.93**	**0.33**
of which Non-OECD	**0.78**	**0.81**		**0.91**	**0.74**	**0.63**	**0.95**	**0.99**	**0.91**	**1.22**	**0.88**	**0.34**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.03	0.02	0.02	0.02	0.02	0.00	0.03	0.04	-0.01
Other Central & South America	0.02	0.01		0.02	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.00
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	0.00	0.00		-	0.00	-	-	-	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	-	-	-	0.01	0.01	0.00
Algeria	0.00	0.00		-	-	-	0.01	0.00	0.00	0.00	-	-
Other Middle East & Africa	0.02	0.01		0.00	0.01	0.00	0.02	0.01	0.08	0.02	0.01	0.01
Singapore	0.01	0.00		0.00	-	-	0.00	0.00	0.00	-	0.01	-
OECD Pacific	0.05	0.04		0.02	0.04	0.04	0.05	0.02	0.01	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.01	0.02	0.00	-	0.02	0.00	0.01	-0.01
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.09**		**0.09**	**0.09**	**0.09**	**0.11**	**0.06**	**0.12**	**0.08**	**0.09**	**-0.01**
of which Non-OECD	**0.09**	**0.06**		**0.07**	**0.05**	**0.05**	**0.06**	**0.04**	**0.11**	**0.08**	**0.09**	**-0.01**
OECD Europe												
OECD North America	0.00	0.01		0.02	0.00	0.01	0.00	-	0.00	0.00	0.02	-0.02
Venezuela	0.01	0.02		0.02	0.02	0.02	0.01	0.00	0.00	0.00	0.02	-0.02
Other Central & South America	0.01	0.00		0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	-0.01
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.01	0.00	-	-
FSU	0.02	0.03		0.02	0.03	0.04	0.03	0.02	0.03	0.02	0.02	0.00
Saudi Arabia	0.03	0.02		0.02	0.02	0.02	0.01	0.00	0.01	0.01	0.00	0.00
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.01	0.00
Other Middle East & Africa	0.13	0.10		0.08	0.12	0.11	0.09	0.11	0.06	0.11	0.04	0.07
Singapore	-	0.01		-	-	0.02	0.00	0.00	-	0.00	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		0.00	-	0.00	-	-	-	-	0.01	-
Other	0.04	0.02		0.03	0.02	0.02	0.00	0.02	0.04	0.03	0.02	0.01
Total[2]	**0.25**	**0.21**		**0.21**	**0.23**	**0.27**	**0.15**	**0.17**	**0.18**	**0.19**	**0.17**	**0.02**
of which Non-OECD	**0.25**	**0.20**		**0.19**	**0.22**	**0.26**	**0.15**	**0.17**	**0.18**	**0.19**	**0.15**	**0.05**
OECD Pacific												
OECD North America	-	-		-	-	-	-	-	0.01	0.01	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	-	-	0.01	0.04	0.04	0.02	0.01	0.01
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.01	-	0.00	0.01	0.02	0.06	0.02	0.01	0.01
Singapore	0.01	0.01		0.03	0.00	0.00	0.02	0.02	0.03	0.02	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.04	0.00	-	0.05	0.09	0.06	0.05	0.07	-0.02
Other	0.04	0.05		0.07	0.03	0.04	0.07	0.11	0.07	0.10	0.09	0.01
Total[2]	**0.07**	**0.10**		**0.15**	**0.04**	**0.04**	**0.16**	**0.28**	**0.28**	**0.21**	**0.21**	**0.00**
of which Non-OECD	**0.07**	**0.10**		**0.15**	**0.04**	**0.04**	**0.16**	**0.28**	**0.27**	**0.21**	**0.21**	**0.00**
Total OECD Trade[2]	**0.46**	**0.41**		**0.45**	**0.35**	**0.40**	**0.42**	**0.52**	**0.57**	**0.48**	**0.47**	**0.01**
of which Non-OECD	**0.41**	**0.36**		**0.41**	**0.31**	**0.35**	**0.37**	**0.50**	**0.55**	**0.48**	**0.45**	**0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	1Q02	2Q02	3Q02	4Q02	Dec 02	Jan 03	Feb 03	Year Earlier Feb 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.03	0.04	0.03	0.01	0.01	0.00	0.02	0.03	-0.01
Other Central & South America	0.11	0.10		0.08	0.09	0.09	0.13	0.14	0.14	0.17	0.05	0.11
ARA (Belgium Germany Netherlands)	0.04	0.01		0.01	0.01	0.00	0.01	0.00	0.01	0.01	-	-
Other Europe	0.05	0.02		0.00	0.02	0.02	0.02	0.03	0.06	0.02	-	-
FSU	0.02	0.01		-	0.01	0.02	0.02	0.01	0.04	0.03	-	-
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.05	0.01		-	0.01	0.00	0.01	0.02	0.01	0.01	-	-
Other Middle East & Africa	0.05	0.02		0.02	0.03	0.03	0.02	0.02	0.03	0.04	0.01	0.03
Singapore	0.00	0.01		0.00	0.01	0.01	0.00	-	-	0.02	0.00	0.02
OECD Pacific	0.00	0.00		-	-	0.00	0.00	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	0.00	-	-	-	-	-	-	-
Other	0.00	0.00		0.00	-	-	0.00	-	-	0.00	0.00	0.00
Total[2]	**0.40**	**0.21**		**0.15**	**0.22**	**0.22**	**0.22**	**0.24**	**0.30**	**0.33**	**0.10**	**0.23**
of which Non-OECD	**0.31**	**0.18**		**0.14**	**0.19**	**0.19**	**0.20**	**0.21**	**0.22**	**0.30**	**0.10**	**0.20**
OECD Europe												
OECD North America	0.02	0.02		0.05	0.01	0.01	0.02	0.01	0.02	0.01	0.04	-0.03
Venezuela	0.01	0.00		0.01	-	-	-	-	0.00	0.00	0.03	-0.03
Other Central & South America	0.01	0.02		0.05	0.00	0.01	0.00	0.00	0.01	0.01	0.08	-0.07
Non-OECD Europe	0.01	0.01		0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.01	0.00
FSU	0.23	0.27		0.22	0.31	0.33	0.23	0.13	0.21	0.24	0.23	0.01
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.02	0.00	0.01	0.01	0.00	0.00	0.00	0.03	-0.03
Other Middle East & Africa	0.06	0.06		0.07	0.07	0.05	0.06	0.06	0.04	0.04	0.08	-0.05
Singapore	0.00	0.00		0.00	0.00	-	-	-	-	-	-	-
OECD Pacific	-	0.00		-	0.00	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.00	0.01	0.01	-	0.01	-	0.03	-
Other	0.06	0.07		0.06	0.07	0.05	0.09	0.11	0.12	0.13	0.07	0.07
Total[2]	**0.40**	**0.47**		**0.50**	**0.49**	**0.47**	**0.43**	**0.33**	**0.43**	**0.44**	**0.59**	**-0.15**
of which Non-OECD	**0.38**	**0.45**		**0.45**	**0.48**	**0.46**	**0.42**	**0.32**	**0.41**	**0.44**	**0.56**	**-0.12**
OECD Pacific												
OECD North America	0.00	0.00		-	0.00	0.00	0.01	0.00	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	0.01	-	-	-	-	-	-	-
Saudi Arabia	-	0.00		-	0.00	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	-	-	0.00	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.02	0.01	0.01	0.01	0.02	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.05	0.07	0.04	0.06	0.08	0.06	0.10	0.05	0.05
Other	0.02	0.02		0.01	0.01	0.02	0.02	0.01	0.01	0.03	0.03	-0.01
Total[2]	**0.08**	**0.09**		**0.07**	**0.12**	**0.06**	**0.10**	**0.11**	**0.09**	**0.13**	**0.09**	**0.04**
of which Non-OECD	**0.08**	**0.09**		**0.07**	**0.12**	**0.06**	**0.10**	**0.10**	**0.09**	**0.13**	**0.09**	**0.04**
Total OECD Trade[2]	**0.88**	**0.77**		**0.72**	**0.84**	**0.75**	**0.76**	**0.68**	**0.82**	**0.90**	**0.78**	**0.12**
of which Non-OECD	**0.78**	**0.71**		**0.65**	**0.78**	**0.71**	**0.72**	**0.63**	**0.73**	**0.87**	**0.74**	**0.12**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

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13 June 2003

HIGHLIGHTS

- OECD industry oil stocks rose 720 kb/d in April, closing at 2439 mb. Member country submissions revised March preliminary data upwards by an unprecedented 79 mb. March revisions to crude alone accounted for 50 mb. Yet total stocks closed April still 157 mb below 2002 and end April forward cover of 52 days was 4 days below 2002.

- World oil production rose by 289 kb/d in May, OPEC crude contributing 221 kb/d and non-OPEC oil 168 kb/d, but OPEC non-crude supplies fell by 100 kb/d. OPEC-10 in May (excluding Iraq's 310 kb/d) produced 720 kb/d above the 1 June target of 25.4 mb/d.

- OPEC's Extraordinary Meeting in Doha on 11 June agreed to maintain the existing production target, citing uncertainty over Iraqi supply recovery, high prices and low stocks as arguments against a further supply cut. OPEC will re-convene in Vienna on 31 July.

- Oil demand growth for 2003 is held unchanged at 1.0 mb/d, though more growth has been allocated to the second half of the year. The impact of SARS on jet fuel, plus weak transport fuel growth generally, account for a weaker first half of 2003. Fuel switching from nuclear and natural gas will compound seasonal demand strength from 3Q.

- Benchmark crude oil prices rallied from early May lows, supported by record US refinery throughput, North Sea maintenance, Middle East political tensions and the weak dollar. Stronger Brent was also accompanied by the return to a steeply discounted forward price structure, suggesting tighter market fundamentals.

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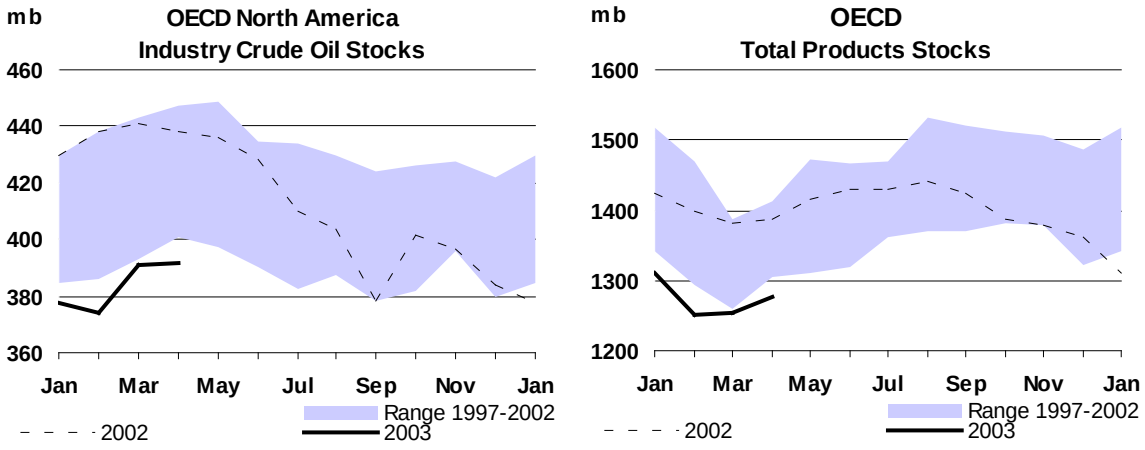
FOGS OF WAR

Preliminary March OECD industry stock data have been revised upwards by some 78.8 mb. The bulk of this revision, 49.9 mb, is in crude stocks. Europe alone accounted for over half, or 40.1 mb of the total adjustment. The magnitude of these revisions is unprecedented, and the timing unfortunate, given that the market is seeking direction in the aftermath of the war in Iraq.

Despite this month's upward revisions to baseline inventories, fundamentals have not changed. Aggregate OECD crude stocks remain low while North America crude stocks, basically unaffected by the revisions, are trending below their 5-year average. A similar situation applies to gasoline product stocks which were marginally affected by the stock revisions; aggregate OECD and North American industry gasoline stocks are still low and trending near the bottom of their 5-year range. The same applies to middle distillates stocks. Consequently, OECD industry total oil stocks are still 157 mb below year earlier levels and 122 mb below April 2001.



The IEA relies on surveys conducted by governments and industry associations to generate a snapshot of OECD industry stock positions. As the data firms, these estimates are revised based on more complete data submissions received from Member Countries. While unfortunate, data revisions are necessary and routine reflecting a trade-off between disseminating accurate and timely data. The magnitude of the current revisions is regrettable, though understandable in the context of pre and post war developments taking place during February-March 2003.

High oil prices, backwardation and the threat of significantly lower prices in the future discouraged refiners from building stocks. At the same time, producers increased output to offset supply disruptions out of Venezuela and Nigeria and to preposition stocks in advance of a potential war in Iraq. The net result was that refiners were reluctant to purchase the additional output and producers were forced to store the crude in non-OECD reporting areas (producer and floating storage and tax-free bonded zones). The latter contributed to an initial over-reporting of February figures.

Geopolitical uncertainties eased in the wake of President Bush's ultimatum to Iraq. Brent futures prices fell by almost $10 dollars and the market shifted into mild backwardation. This precipitated a round of bargain hunting at month end as the extent of the war and the duration of the supply disruption became unclear. The close proximity of physical stocks to consuming regions entailed that holdings could be rapidly transferred from non-OECD to OECD reporting entities. Consequently, it was likely that the preliminary March data would have been under-reported.

The magnitude of the stock revisions does little to ease the tight US gasoline situation heading into the peak summer driving season. Imports remain high and refiners are already doing what they can to maximise crude runs and yields. The increase in crude stocks may, however, signal some relief for an otherwise tighter heating oil situation later this year as long as producers continue to supply the market. The message remains the same: OECD commercial stocks are low, and need to build in advance of peak demand.

DEMAND

Summary

- The forecast of global oil product demand growth for 2003 is roughly unchanged from last month's Report, at 1.0 mb/d. However, the pace of recovery has been adjusted. After soaring in February, yearly demand growth switched into low gear in March, but is expected to regain momentum in the second half of the year.

- The assessment of global demand for the first quarter has been trimmed by 110 kb/d, to 78.6 mb/d, and by 240 kb/d for the second quarter, to 75.7 mb/d. The third and fourth-quarter estimates have been raised by 90 kb/d and 80 kb/d, to 77.7 mb/d and 79.5 mb/d. The 2001 demand baseline has been lowered marginally, with most of the reduction in the second half of the year.

Global Oil Demand from 2001 to 2003

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q01	77.3	1.7	1.3	-
2Q01	75.5	1.4	1.1	-
3Q01	76.1	-0.8	-0.6	-
4Q01	77.0	-0.6	-0.4	-
1Q02	76.6	-0.9	-0.7	-
2Q02	75.4	-0.1	-0.1	-0.1
3Q02	76.7	0.8	0.6	-
4Q02	78.7	2.2	1.7	-
1Q03	78.6	2.6	2.0	-0.1
2Q03	75.7	0.4	0.3	-0.3
3Q03	77.7	1.3	1.0	0.1
4Q03	79.5	1.0	0.8	0.1
2001	76.5	0.4	0.3	-
2002	76.9	0.5	0.4	-
2003	77.9	1.3	1.0	-

* year-on-year change

- Fuel substitution into oil will remain a key driver of demand growth in the third quarter, spurred by extended nuclear power plant shutdowns in Japan and sustained high natural gas prices in the US. This will support demand for heavier products used as boiler fuels in factories and power plants. In North America, natural gas supply constraints cut both ways, boosting utility and industrial demand for heating oil and residual fuel oil, but undermining LPG deliveries as producers keep more field supply of the light product in the natural gas stream.

Global Oil Demand by Region

(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2002	2001	2002	2003	2001	2002	2003
North America	23.97	-0.18	0.11	0.41	-0.8	0.5	1.7
Europe	15.82	0.20	-0.17	0.04	1.3	-1.1	0.3
OECD Pacific	8.52	-0.08	-0.03	0.21	-0.9	-0.4	2.5
China	5.16	0.09	0.28	0.06	1.8	5.8	1.2
Other Asia	7.47	0.05	0.10	0.14	0.7	1.3	1.8
Subtotal Asia	21.15	0.05	0.35	0.41	0.3	1.7	1.9
FSU	3.74	0.06	0.06	0.05	1.8	1.6	1.3
Middle East	4.96	0.13	0.12	0.12	2.8	2.5	2.5
Africa	2.51	0.03	0.03	0.05	1.4	1.3	2.0
Latin America	4.73	-0.02	-0.11	-0.08	-0.4	-2.3	-1.6
World	76.87	0.28	0.39	1.00	0.4	0.5	1.3

- Preliminary data for the nine largest OECD economies show that jet fuel deliveries swung back into contraction in April, as safety concerns, fanned in part by the Severe Acute Respiratory Syndrome (SARS) epidemic, stalled a budding recovery in air travel. Total OECD jet fuel and

kerosene demand is expected to contract by 160 kb/d in the second quarter, after shedding 240 kb/d a year earlier in the wake of the September 2001 terrorist attacks. Other transportation fuels, including gasoline and diesel, showed sluggish demand in April.

- SARS clearly is taking a toll on Chinese demand, but with a lag. Apparent demand actually grew in April from March, as both refinery runs and net imports increased. But this seemingly counter-intuitive response to the prospect of a falling market was little more than a prelude to steeper run cuts and higher exports in May and June. While the disease appears to have been brought under control, its economic aftershock is expected to dampen demand growth in the third quarter, setting the stage for a late-year rebound.

- The second quarter is expected to mark a low point in global demand for the year not only in absolute terms but in terms of demand growth as well. Demand growth is expected to recover in the third quarter as a seasonal uptick is compounded by further fuel switching for power generation and industrial use.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	98-97	99-98	00-99	01-00	02-01	03-02
North America	0.39	0.67	0.28	-0.18	0.11	0.41
Latin America	0.05	0.02	0.00	-0.02	-0.11	-0.08
FSU	-0.06	-0.13	0.03	0.06	0.06	0.05
Europe	0.27	-0.14	-0.14	0.20	-0.17	0.04
OECD Pacific	-0.53	0.27	-0.06	-0.08	-0.03	0.21
China	-0.02	0.30	0.30	0.09	0.28	0.06
Other Asia	0.04	0.41	0.10	0.05	0.10	0.14
Subtotal, Asia	-0.51	0.99	0.34	0.05	0.35	0.41
Middle East	0.15	0.12	0.22	0.13	0.12	0.12
Africa	0.06	0.07	0.06	0.03	0.03	0.05
World	0.35	1.59	0.77	0.28	0.39	1.00

OECD

Early Indications of Current Demand

After soaring by 2.13 mb/d year-on-year in February to a monthly near record high of 50.82 mb/d, OECD demand marked time in March and April, in line with seasonal patterns. Revised March data show deliveries of 48.21 mb/d, a gain of roughly 600 kb/d, or 1.5%, from last year, but a 2.62 mb/d drop from February levels. In April, preliminary data for the nine largest OECD economies show a further slowdown in demand growth, to 430 kb/d, or 1.1%. However, adjusted figures used for the purpose of this Report suggest that growth narrowed to 50 kb/d, or 0.2%. For the OECD as a whole, April demand is estimated at 46.65 mb/d, a gain of 130 kb/d, or 0.3%, on the year, but a month-on-month drop of 1.56 mb/d.

It had been expected that precautionary secondary or tertiary product stocks built in anticipation of war in Iraq would be drawn down in March and April, thereby amplifying seasonal declines in demand. But the March slowdown was slightly more pronounced than expected. Overall, preliminary estimates of OECD demand for the month have been adjusted downwards by nearly 180 kb/d, as upward adjustments of 140 kb/d in Europe, 150 kb/d in Canada and Mexico and 20 kb/d in the Asia-Pacific region failed to offset a 480 kb/d cut in the US. Canadian deliveries remain an estimate in the absence of complete government data and are thus subject to future revisions.

The bulk of this US adjustment for March was in the catch-all "other" category comprised of LPG, naphtha and the narrower "other products" used in Monthly Oil Survey data. Deliveries under that broad heading are estimated, rather than surveyed, in preliminary monthly assessments, and hence subject to large revisions, especially under volatile market conditions. March data are a case in point: downward adjustments of 310 kb/d to preliminary estimates shifted the year-on-year change in "other" deliveries from a 70 kb/d gain to a 240 kb/d loss. LPG demand, which shed 10.3% year-on-year, accounted for most of the cut. As natural gas prices rallied in March, some large refiners, in a bid to lower their operating costs, opted to boost their output of LPG—at the expense of gasoline yields—for internal use as refinery fuel instead of natural gas. But this increase in refinery output and

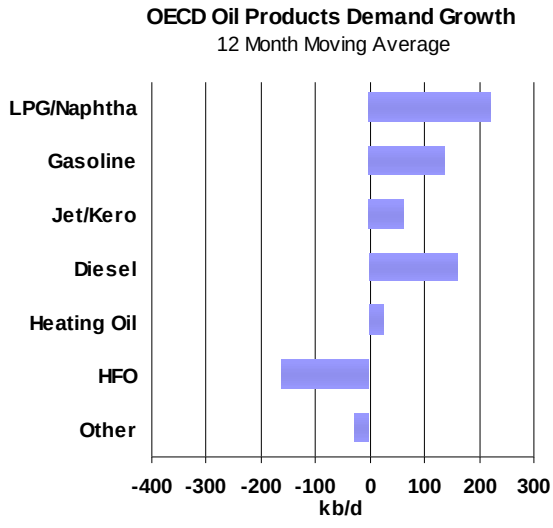
consumption was more than offset by lower field production, as companies sought to boost profits by leaving more LPG into the high-price natural gas stream. On balance, LPG deliveries contracted, constrained by lower supply. In light of continuing high natural gas prices, we have carried forward the March adjustment to preliminary estimates for April and May, both months when preliminary US data show very-high "other" product deliveries. Preliminary estimates have thus been cut by 370 kb/d for April, and by 500 kb/d for May.

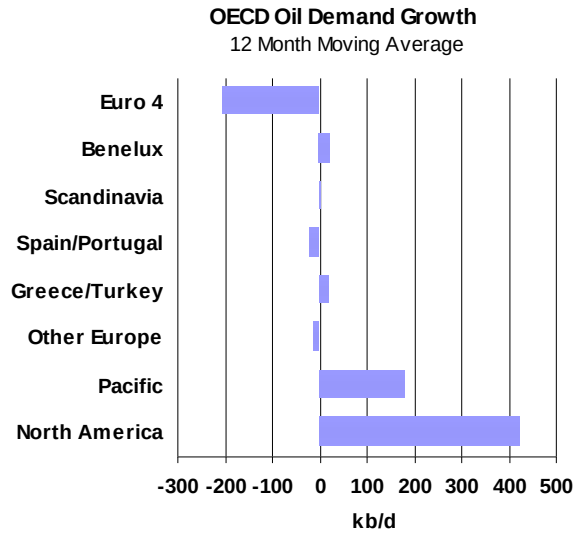
Preliminary Inland Deliveries – April 2003[1]

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
USA [3]	**8.62**	**-1.6**	**1.52**	**-8.4**	**2.60**	**-3.8**	**1.22**	**10.2**	**0.73**	**8.6**	**5.19**	**12.7**	**19.88**	**1.9**
Canada	**0.65**	**-1.2**	**0.11**	**5.0**	**0.36**	**1.7**	**0.09**	**-2.1**	**0.12**	**11.9**	**0.21**	**1.9**	**1.54**	**1.2**
Mexico	**0.60**	**7.1**	**0.06**	**3.6**	**0.30**	**9.6**	**0.00**	**na**	**0.44**	**1.2**	**0.36**	**1.1**	**1.75**	**4.6**
Japan	**0.99**	**-0.9**	**0.45**	**4.2**	**0.63**	**-6.5**	**0.47**	**-3.9**	**0.56**	**54.4**	**1.58**	**6.7**	**4.69**	**5.5**
Korea	**0.16**	**-6.4**	**0.05**	**-16.7**	**0.37**	**-4.6**	**0.08**	**-16.3**	**0.28**	**-22.0**	**0.93**	**-9.4**	**1.88**	**-11.0**
France	**0.30**	**-3.7**	**0.12**	**-7.9**	**0.64**	**3.0**	**0.26**	**-10.8**	**0.05**	**6.1**	**0.42**	**4.5**	**1.79**	**-0.8**
Germany	**0.61**	**-5.9**	**0.15**	**7.0**	**0.57**	**-7.6**	**0.63**	**27.7**	**0.11**	**-7.6**	**0.43**	**-7.4**	**2.50**	**0.8**
Italy	**0.38**	**-0.4**	**0.08**	**22.6**	**0.46**	**6.2**	**0.07**	**14.6**	**0.20**	**-22.0**	**0.43**	**2.7**	**1.61**	**0.3**
UK	**0.47**	**0.0**	**0.30**	**6.5**	**0.34**	**-10.9**	**0.12**	**-8.6**	**0.04**	**2.2**	**0.26**	**-10.2**	**1.53**	**-5.3**
Total	**12.79**	**-1.4**	**2.81**	**-3.1**	**6.26**	**-2.7**	**2.96**	**6.5**	**2.53**	**5.6**	**9.82**	**12.1**	**37.16**	**1.1**

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry,
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

The above table, showing preliminary delivery statistics for the nine largest OECD economies in April, does not incorporate our adjustment to US "other product" demand, and thus may overstate demand. Even so, the data clearly point to a slowdown in demand growth, especially for transportation fuels. Gasoline deliveries contracted for the third consecutive month, a decline that spanned the OECD, with only Mexico showing growth. Aggregate diesel demand contracted for the first time this year, probably reflecting the sluggish economy. There too, the retreat spanned all OECD regions, including, uncharacteristically, the four largest European economies. In North America, the drop was the first in six months. Jet fuel demand also shifted into decline, breaking a seven-month recovery from the year-long contraction started around the time of the September 2001 terrorist attacks.





In contrast, demand for heavier products, including heating and industrial fuels, remained extremely robust, if slightly slower than in previous months. Deliveries of "other gasoil"—mostly heating oil—

gained 6.5% on the year, spurred by strong heating and power generation demand in the US as well as Europe, where German residential users, having long shied away from refilling their large home storage tanks, re-entered the market with a vengeance. Residual fuel oil deliveries advanced by 5.6%, led by power-generation demand in the US and Japan. Power generation demand also partly accounts for a 12.1% leap in "other product" demand. Although likely exaggerated by US preliminary estimates, the strong showing reflects the impact of Japan's nuclear plant problems on utility demand for heavy, sweet crude used for direct burn in Japanese power plants.

The slowdown in April will likely prove the low point of OECD demand growth for the year. Preliminary weekly estimates indicate that US gasoline demand contracted in May for the fourth consecutive month, despite expectations that a drop in air travel demand would boost driving and increase gasoline consumption. It is possible that high prices combined with adverse weather conditions contributed to the dip in gasoline deliveries. Prices have since fallen, and polls indicating that more Americans would vacation at home set the stage for a rebound in summer, the peak driving season. While flight safety concerns may continue to depress air travel demand, fuel-switching will continue to boost industrial and power-generation demand for oil in Asia and North America.

Moving Annual Average Change in Oil Demand* – April 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	2.9%	24.2%	2.1%	-1.5%	2.0%	8.1%	-3.5%	-2.8%	1.7%	330
Canada	7.9%	7.7%	2.2%	7.3%	0.9%	5.8%	-2.3%	6.9%	4.1%	80
Mexico	-3.7%	35.2%	3.9%	-0.8%	3.1%	2.0%	-12.2%	53.4%	0.3%	7
Japan	-1.4%	7.3%	1.3%	6.5%	-3.4%	0.8%	10.8%	4.1%	3.2%	168
Korea	4.5%	3.3%	-2.1%	6.3%	4.0%	2.6%	-4.9%	92.2%	1.0%	22
France	-1.0%	-7.7%	-4.9%	6.4%	2.3%	-5.7%	-7.1%	-3.8%	-2.3%	-46
Germany	-7.5%	-3.4%	-5.0%	1.5%	0.5%	-4.8%	-1.0%	-13.3%	-3.6%	-100
Italy	0.1%	7.9%	-3.5%	3.7%	1.8%	1.8%	-9.0%	-3.4%	-2.2%	-42
UK	4.7%	21.2%	-5.7%	3.4%	0.5%	0.5%	0.6%	-3.7%	-0.7%	-13
Total	1.5%	5.8%	1.1%	1.9%	1.3%	1.5%	-3.2%	-0.8%	1.0%	405
kb/d	63	143	142	66	73	54	-106	-30	405	

* defined as the percentage change between the demand average for the 12 months up to April and that of the same period a year earlier

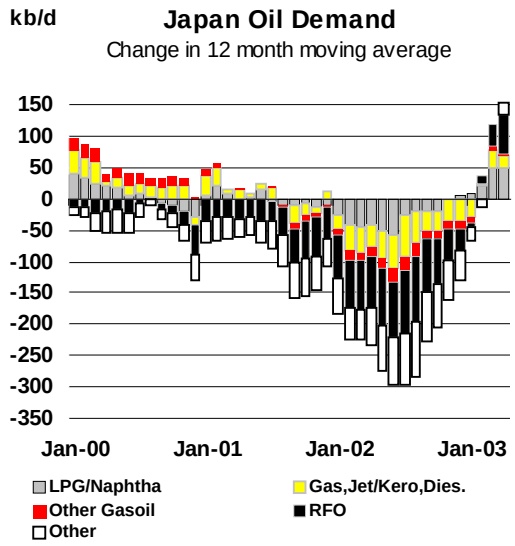
Pacific

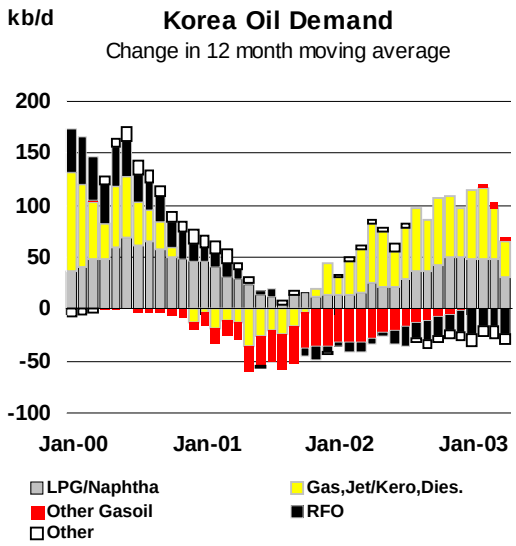
Preliminary estimates of March demand in the Asia-Pacific region are roughly unrevised. However, the forecast of April demand has been adjusted downwards by 185 kb/d, mainly in light of preliminary statistical data showing that deliveries grew more slowly than forecast in Japan, but fell faster than forecast in Korea. On balance, OECD Asian demand is now estimated to have inched up by 20 kb/d in April, after soaring by an average 540 kb/d through the first quarter, as a 210 kb/d fall in Korean deliveries nearly offset a 250 kb/d gain in Japan. The Australian forecast also was adjusted downward, as revisions to 2002 data were carried forward. Those adjustments are the main factor behind an 80 kb/d cut in the assessment of second-quarter demand for the region.

Sluggish demand for several products, including gasoline, heating oil and LPG, which all shifted into contraction, account for the bulk of a 120 kb/d downward adjustment to Japanese demand for April. A protracted decline in diesel demand also accelerated. However, utility demand for oil showed unabated growth, with residual fuel oil demand increasing at the fastest pace since September, when Tokyo Electric Power Co. (Tepco) and two other Japanese electric utilities started idling nuclear power generation capacity in response to a controversy over their safety management and record-keeping practices. Demand for "other products" also soared in April, reflecting direct crude burning demand by thermal power generators. In aggregate, deliveries of "other products" and residual fuel oil increased by nearly 340 kb/d. While April marks the seasonal low in Japanese electricity demand, the scope of Japan's nuclear power generation shortfall also reached its maximum that month, as the last working units of Tepco's 17 nuclear plants were taken off-line, while several Chubu Electric and Tohoku Electric facilities were also shuttered. In addition, utilities may have chosen that low-demand month to step up their purchases as a precautionary measure ahead of peak summer demand.

Although some progress has been achieved towards restarting shuttered nuclear power generation capacity ahead of the peak summer electricity demand season, getting all stakeholders to agree to

restart idled units is proving a more arduous and lengthy task than expected. At the time of writing, only one plant, Tepco's 1,356 MW Kashiwazaki-Kariwa No. 6 unit, had resumed operations. On 6 June, the Minister of Economy, Trade and Industry visited Kashiwazaki and, having publicly apologised for alleged management oversight or irregularities, secured agreement to restart unit No. 7. That facility was expected to resume service in mid-June. No timetable has been announced for the restart of Tepco's five other Kashiwazaki units. A similar process is now expected to take place in Fukushima, the site of Tepco's 10 remaining power stations, two of which, Fukushima I Nos. 3 and 6, were widely expected, according to Japanese media accounts, to restart in June. Four other units, Fukushima I Nos. 4 and 5, Fukushima II No. 1 and Kashiwazaki No. 4, reportedly may restart in July. It now appears that a best case scenario would see no more than four units up and running by end-June, and another four by end-July, less than assumed in last month's Report. The forecast of Japanese oil demand for the summer has thus been adjusted upwards, boosting third-quarter Asian demand by 70 kb/d.





There are some mitigating factors. Due both to increased supply and reduced demand from competing regional users, LNG has become more widely available to Japanese electric utilities, lessening their dependence on oil to fuel alternative power generation. After drawing on existing inventories in the first months of the nuclear power shortfall, Japanese utilities appear to have rebuilt some of their stockpiles in the low-demand months, so that actual deliveries, having run ahead of final consumption in the spring, may lag in the summer months. Sluggish economic growth and/or weather conditions may curtail power demand. Energy saving measures, the temporary reallocation of some manufacturing activity to unaffected areas of Japan, and power supply deals with other electric utilities and industrial users may further curtail oil demand from utilities.

There is converging evidence that Tepco and other users have recently stepped up their purchases of LNG, a more attractive option than oil as boiler fuel. Depending on the scope of incremental supplies, this may reduce their summer oil requirements. Japan's LNG imports picked up pace in March, soaring by 17% on the year, compared to a first-quarter average of 7.5%. That figure will likely keep growing as importers take full advantage of upward flexibilities in existing term supply contracts, while also securing a flurry of additional term or spot deals. At the time of writing, Tepco reportedly had received seven of the nine cargoes allocated to it from Indonesia's Arun LNG complex under its term supply deal, with the remaining two set to sail in July and August. Tepco also was expected to receive two cargoes in April, and three in May, from the recently launched Malaysian Tiga LNG project, under a new one-year contract for up to 540,000 tonnes. Several spot cargoes were purchased in May from Australia's North West Shelf and Abu Dhabi LNG. Innovative contractual arrangements and, reportedly, pricing agreements helped secure supplies. Tohoku Electric, another Japanese utility with idled nuclear power generation, signed a long-term deal with Korea Gas Corp. to swap LNG cargoes as needed, helping rationalise the allocation of supply between Korea, where electric demand

peaks in winter, and Japan, where it peaks in summer. And in September, Tepco is set to take delivery of the *Pacific Notus*, its first LNG tanker not tied to an existing supply venture, boosting its logistical flexibility to secure spot purchases.

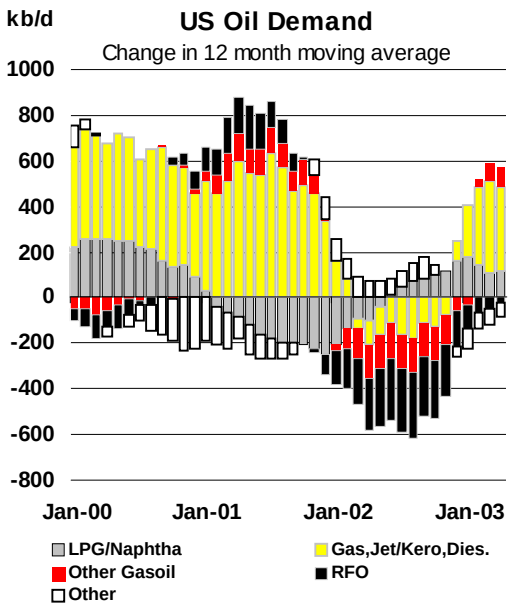
A fourth-quarter downward cut to Asian demand stems from revisions to Australian demand for 2002 which have been carried forward as an adjustment factor. The revisions averaged minus 10 kb/d for the third quarter and minus 30 kb/d for the fourth.

North America

Downward revisions to March estimates of US LPG deliveries have been carried forward as an adjustment factor, as continuing tight natural gas supply and strong natural gas prices are likely, on balance, to curtail field production, and therefore consumption, of LPG. Largely reflecting those adjustments, the assessment of North American demand has been trimmed by 80 kb/d for the first quarter and by 200 kb/d for the second.

The impact of natural gas supply constraints cuts both ways, however. High natural gas prices had a more benign than expected effect on oil demand in May, when residual fuel oil deliveries, according to preliminary weekly data, actually contracted by 1.2% on the year. But May is a "shoulder" month of relatively subdued power demand between the winter heating and summer cooling seasons, and temperatures were particularly benign this year. The impact of tight natural gas supplies on oil markets, in the form of fuel-switching into oil, will likely be more strongly felt in the summer months, and may even continue into the fourth quarter if a recent rebound in US manufacturing activity continues. Largely as a result, the forecast of North American oil demand for the second half of the year has been increased by 60 kb/d.

Whether this adjustment must be further increased will depend on several factors, including weather conditions and environmental regulations. Weather patterns may both boost cooling demand and further curtail natural gas production if recent forecasts of heightened hurricane activity this fall are realised. Due to mild temperatures this spring, natural gas injections ahead of winter have proceeded at a much faster pace than anticipated. At latest count, working gas in underground storage totalled 1.2 Tcf at end-May, compared to 1.95 Tcf a year ago, and 28.8% below the five-year average of 1.68 Tcf. While the deficit to the historical range was much reduced after higher-than-expected injections of 95 Bcf and 114 Bcf, in the last two reporting weeks, weekly injections of more than 80 Bcf, required to reach the 3 Tcf storage level deemed "comfortable" by the end-of the injection season in early November, left little room for supply glitches. By comparison, weekly injections averaged only 55 Bcf last summer. US natural gas prices in excess on $6/MBtu reflect that persistent, if reduced, storage deficit and declining production.

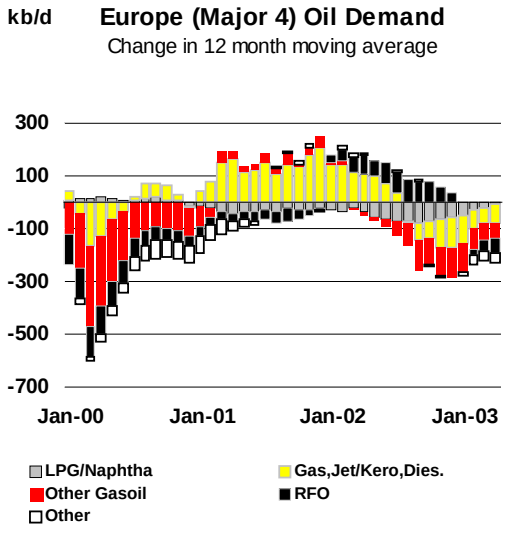


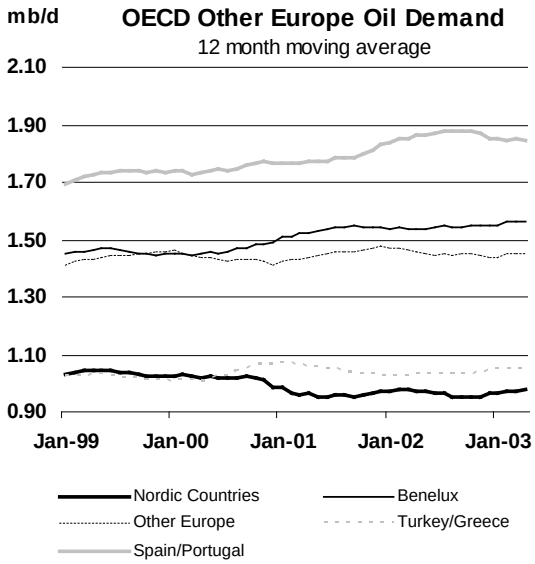
In parts of the US, a mitigating factor will come in the form of new environmental standards, which are expected to cap the economic incentives for, and therefore the scope of, fuel-switching into oil this summer. Since May 1, new rules have tightened nitrogen oxide (NOx) emission limits in eight Northeast states and Washington, DC. As natural gas is a low emitter of NOx, end-users may choose to absorb high gas costs to comply with the new restrictions. NOx emitters can achieve compliance by purchasing credit allowances. However, the price of those allowances will likely fluctuate in line with natural gas prices, reducing the financial benefit of switching out of natural gas. Concerns over natural gas supply, either at the federal or state level, could lead to a relaxation of emission standards, paving

US gasoline demand has been uncharacteristically subdued so far this year, actually contracting from February through May. The drop is doubly surprising, given both the shift of the automobile fleet towards less fuel-efficient vehicles and expectations that a decline in air travel associated with the Iraq war and the SARS epidemic would boost road transportation demand. Inclement winter weather and high gasoline prices may have something to do with the decline, however both explanatory factors clearly have their limits. Weather conditions vary greatly across the US, and thus meteorological changes would appear to provide a better explanation of regional gasoline demand trends than of national ones. While the price explanation cannot be dismissed, it flies in the face of widely held assumptions regarding the low price sensitivity of US gasoline demand. Despite the recent declining trend, it should be noted that gasoline demand, having strongly increased in the aftermath of the September 2001 terrorist attacks, remains well above 2001 levels. It is possible that a shift from air to road transportation that occurred over the last year reached a ceiling beyond which further gains are harder to maintain. It is also tempting to speculate that, above a certain threshold of consumption, gasoline demand becomes increasingly price and weather-sensitive. A recent easing of gasoline prices, coupled with the advent of summer, would thus presage a return to stronger demand growth this driving season. Opinion polls showing that more Americans would go on vacation this year than last year, but that a greater proportion of them would stay in the US, also point to a pick-up in demand. Demand is expected to rebound in the second half, lifting average growth for the year to 0.5%, at the low end of the range of the last 10 years.

Europe

European demand shifted back into contraction in March, falling by 110 kb/d, after surging by 600 kb/d in the previous month. Much of the February increase appears to have been driven by precautionary stock building ahead of the war in Iraq, and to some extent the March contraction may reflect corrective inventory draws at the secondary and/or tertiary levels. Indeed, in the four largest European economies, the demand contraction slowed from 230 kb/d in March to 70 kb/d in April, and for the OECD as the whole demand is estimated to have been roughly flat that month.





Gasoline and diesel demand led the decline in April demand in the four largest European economies, contracting by an aggregate 90 kb/d. Residual fuel oil demand fell by 50 kb/d. In contrast, heating oil demand expanded by 100 kb/d on the back of a 140 kb/d rebound in German deliveries, as cost-conscious residential end-users, seizing on low prices and the euro's rapid appreciation against the dollar, started refilling their large storage tanks. Market intelligence suggests that German price-opportunistic buying continued into May. That rebound accounts for most of a 70 kb/d upward adjustment applied to second-quarter European demand. Third quarter demand was trimmed by 20 kb/d on the grounds that part of the German heating oil demand of the second quarter occurred at the expense of later purchases.

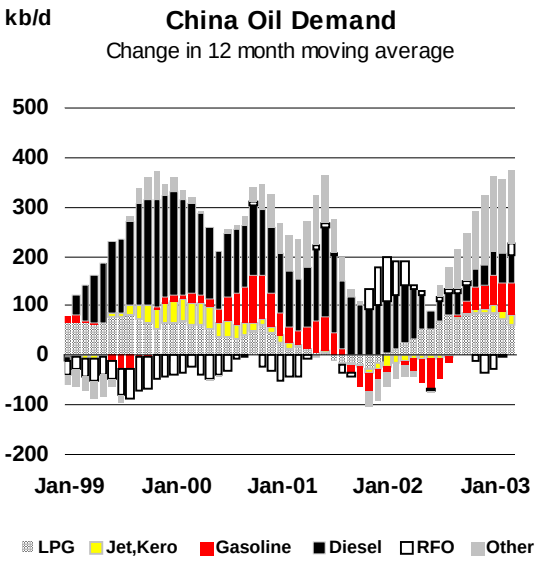
Non-OECD

China

Faced with the prospect of lower end-user demand due to the spread of SARS, Chinese refiners opted to boost refinery runs and increase net imports. Far from falling in April, apparent demand, defined as the sum of refinery output and net product imports, actually rose to what may have been an all-time high of 5.55 mb/d. Total refinery throughputs, as reported by the National Statistics Bureau, jumped to a record 19,81 metric tonnes (4.83 mb/d) in April, up from 19,66 tonnes (4.64 mb/d) in March and 18,45 tonnes (4.82 mb/d) in February. At the time of writing, an April figure had yet to be released for Sinopec and PetroChina throughputs. But preliminary estimates suggested that runs increased to 4.4 mb/d, from the 4.3 mb/d level shown in China Petroleum and Chemical Industry Association (CPCIA) statistics for February and March, and 4.2 mb/d, for January. Official net product imports rose to an estimated 328 kb/d, from 280 kb/d in March and 125 kb/d in February, though they remained shy of the 535 kb/d high reached in January.

There is a reasonable explanation for this seemingly irrational market reaction. A dip in international product prices, from the start of war in Iraq, raised, under the country's price guidance mechanism, the prospect of a lagged downward adjustment to Chinese prices. This served as a financial incentive for refiners to push as much crude oil bought at pre-war high prices through the system as possible, in a bid to capture what was left of refining margins ahead of an expected drop in product prices. In April, however, perhaps in an attempt to protect the profits of Sinopec and PetroChina, Beijing refrained from cutting domestic prices. The resulting disparity between domestic and international product prices functioned as a financial disincentive against product exports.

Due to reductions in air and road transportation and manufacturing as a result of the SARS outbreak, and thus in end-user oil demand, the move was bound to be short-lived. As product tanks filled to recent highs amid poor domestic sales, the State Development and Reform Commission (SDRC) on 10 May cut the guidance price by 290 yuan/tonne for gasoline, 260 yuan/tonne for diesel and 250 yuan/tonne for jet fuel. Refiners cut throughputs aggressively in May and June, while also boosting gasoline and gasoil exports. In an unusual move, Chinese end-users re-sold Oman crude oil on international markets. Lower throughputs and higher exports cut apparent demand by an estimated 10% year-on-year in May and June, to 4.79 mb/d and 4.49 mb/d, levels which may prove to be the year's lowest. By end-May, the rise in product inventories at PetroChina's Northeast refineries had reportedly stabilised.



While the SARS epidemic appears to have come under control, it is too early to declare an end to the outbreak. Even if the disease subsides, its economic aftershock will likely linger for some time by way of reduced domestic travel, lower export demand and a slowdown in domestic infrastructure projects. A recent release from the China National Information Centre warned that "exports have significantly declined". Inter-provincial commercial transport has suffered as truck drivers showed reluctance to cross provincial lines. Although oil demand levels, assuming a quick end to the disease, are expected to rebound in absolute terms this summer from current lows, demand growth may not resume until the later part of the year.

Other Non-OECD

Latin American demand estimates for the first quarter was revised downward by 120 kb/d in light of recent data from Brazil, Argentina and Peru, and revisions to Panamanian demand for 2002 which were carried forward as adjustment factors.

A 30 kb/d dip in non-OECD "other Asian" demand reflects lower-than-expected Indian delivery data for March. However, the fall appears to be a one-off event, reflecting de-stocking of precautionary inventories built in the expectation of war in Iraq.

Downward adjustments to Israeli demand for 2001 were carried forward as an adjustment factor.

Summary of Global Oil Demand

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
Demand (mb/d)																
North America	24.04	24.18	23.70	23.93	23.61	23.85	23.72	23.83	24.12	24.19	23.97	24.47	23.97	24.56	24.49	24.37
Europe	15.08	15.21	14.78	15.50	15.58	15.27	15.17	14.65	15.20	15.37	15.09	15.19	14.71	15.14	15.46	15.13
Pacific	8.63	9.42	7.98	8.04	8.79	8.55	9.08	7.66	8.05	9.29	8.52	9.62	7.89	8.24	9.17	8.73
Total OECD	47.75	48.82	46.45	47.48	47.98	47.68	47.97	46.14	47.36	48.85	47.58	49.28	46.57	47.94	49.12	48.23
FSU	3.62	3.77	3.62	3.58	3.77	3.69	3.67	3.65	3.66	3.98	3.74	3.70	3.70	3.77	4.00	3.79
Europe	0.71	0.76	0.72	0.67	0.72	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74
China	4.79	4.67	5.16	4.70	4.97	4.88	4.85	5.24	5.14	5.40	5.16	5.41	4.94	5.10	5.43	5.22
Other Asia	7.33	7.41	7.34	7.26	7.49	7.37	7.42	7.44	7.38	7.64	7.47	7.58	7.54	7.51	7.80	7.61
Latin America	4.86	4.74	4.91	4.89	4.81	4.84	4.67	4.77	4.80	4.66	4.73	4.44	4.64	4.80	4.71	4.65
Middle East	4.70	4.63	4.86	5.06	4.79	4.84	4.75	4.98	5.19	4.91	4.96	4.86	5.05	5.34	5.07	5.08
Africa	2.44	2.51	2.46	2.44	2.49	2.47	2.53	2.49	2.49	2.52	2.51	2.58	2.54	2.53	2.58	2.56
Total Non-OECD	28.45	28.49	29.07	28.60	29.05	28.80	28.66	29.31	29.33	29.85	29.29	29.36	29.15	29.74	30.33	29.65
World	76.20	77.31	75.52	76.07	77.03	76.48	76.63	75.45	76.69	78.70	76.87	78.64	75.73	77.67	79.45	77.87
Of which:																
US	19.69	19.89	19.60	19.70	19.41	19.65	19.47	19.66	19.84	19.86	19.71	20.06	19.69	20.17	20.09	20.00
Euro 4	8.35	8.40	8.17	8.65	8.48	8.43	8.35	7.99	8.38	8.27	8.25	8.22	8.02	8.28	8.27	8.20
Japan	5.50	6.09	4.95	5.10	5.53	5.41	5.70	4.65	5.05	5.89	5.32	6.22	4.96	5.23	5.75	5.54
Korea	2.14	2.32	2.00	1.96	2.24	2.13	2.35	1.99	2.01	2.36	2.18	2.40	1.92	2.01	2.37	2.18
Mexico	2.01	1.98	1.91	1.96	1.93	1.94	1.94	1.93	1.93	1.94	1.93	1.97	2.00	2.00	1.98	1.99
Canada	2.03	1.98	1.89	1.96	1.95	1.94	1.97	1.93	2.03	2.06	2.00	2.08	1.97	2.06	2.08	2.05
Brazil	2.16	2.11	2.18	2.20	2.17	2.17	2.12	2.13	2.19	2.17	2.15	1.99	2.07	2.20	2.19	2.11
India	2.07	2.16	2.10	1.99	2.07	2.08	2.11	2.10	2.00	2.14	2.09	2.14	2.17	2.07	2.18	2.14
Annual Change (% per annum)																
North America	1.2	2.5	-0.4	-1.9	-3.1	-0.8	-1.9	0.6	0.8	2.5	0.5	3.1	0.6	1.8	1.2	1.7
Europe	-0.9	0.4	1.2	2.3	1.2	1.3	-0.3	-0.9	-2.0	-1.4	-1.2	0.2	0.4	-0.4	0.6	0.2
Pacific	-0.7	0.9	-1.2	-3.4	-0.1	-0.9	-3.6	-4.0	0.0	5.7	-0.4	6.0	3.1	2.4	-1.3	2.5
Total OECD	0.2	1.5	0.0	-0.8	-1.2	-0.1	-1.7	-0.7	-0.2	1.8	-0.2	2.7	0.9	1.2	0.6	1.4
FSU	0.7	3.2	3.5	0.6	0.0	1.8	-2.5	0.9	2.4	5.6	1.6	0.8	1.3	2.9	0.4	1.3
Europe	0.7	-0.1	1.2	0.9	0.6	0.6	0.8	1.1	1.4	1.5	1.2	1.9	1.7	1.8	1.9	1.8
China	6.7	-1.4	13.5	-6.9	3.1	1.8	4.0	1.6	9.3	8.6	5.8	11.5	-5.8	-0.7	0.6	1.2
Other Asia	1.4	3.4	0.8	-0.2	-1.2	0.7	0.1	1.5	1.7	2.0	1.3	2.1	1.3	1.7	2.1	1.8
Latin America	-0.1	1.4	0.3	-1.8	-1.4	-0.4	-1.4	-2.9	-1.9	-3.0	-2.3	-4.9	-2.6	-0.1	0.9	-1.6
Middle East	4.9	2.9	3.2	2.8	2.4	2.8	2.4	2.4	2.4	2.5	2.5	2.5	1.4	2.9	3.2	2.5
Africa	2.4	1.3	0.8	2.0	1.3	1.4	0.7	1.4	2.0	1.1	1.3	2.0	1.7	1.9	2.4	2.0
Total Non-OECD	2.5	1.9	3.5	-0.8	0.5	1.2	0.6	0.8	2.6	2.8	1.7	2.4	-0.5	1.4	1.6	1.2
World	1.0	1.7	1.3	-0.8	-0.6	0.4	-0.9	-0.1	0.8	2.2	0.5	2.6	0.4	1.3	1.0	1.3
Annual Change (mb/d)																
North America	0.28	0.59	-0.09	-0.47	-0.75	-0.18	-0.48	0.11	0.18	0.55	0.09	0.67	0.27	0.40	0.29	0.41
Europe	-0.14	0.06	0.18	0.36	0.19	0.20	-0.05	-0.13	-0.31	-0.22	-0.18	-0.05	0.06	0.02	0.14	0.04
Pacific	-0.06	0.09	-0.10	-0.29	-0.01	-0.08	-0.33	-0.31	0.01	0.53	-0.02	0.52	0.34	0.03	-0.25	0.16
Total OECD	0.07	0.74	-0.01	-0.40	-0.58	-0.07	-0.86	-0.34	-0.13	0.86	-0.11	1.14	0.67	0.45	0.18	0.61
FSU	0.03	0.12	0.12	0.02	0.00	0.06	-0.09	0.03	0.09	0.21	0.06	0.03	0.05	0.11	0.02	0.05
Europe	0.00	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
China	0.30	-0.07	0.61	-0.35	0.15	0.09	0.19	0.08	0.44	0.43	0.28	0.56	-0.30	-0.04	0.03	0.06
Other Asia	0.10	0.24	0.06	-0.02	-0.09	0.05	0.00	0.11	0.12	0.15	0.10	0.16	0.10	0.13	0.16	0.14
Latin America	0.00	0.07	0.01	-0.09	-0.07	-0.02	-0.07	-0.14	-0.09	-0.14	-0.11	-0.23	-0.12	0.00	0.04	-0.08
Middle East	0.22	0.13	0.15	0.14	0.11	0.13	0.11	0.12	0.12	0.12	0.12	0.12	0.07	0.15	0.16	0.12
Africa	0.06	0.03	0.02	0.05	0.03	0.03	0.02	0.03	0.05	0.03	0.03	0.05	0.04	0.05	0.06	0.05
Total Non-OECD	0.70	0.52	0.99	-0.24	0.14	0.35	0.17	0.24	0.73	0.80	0.49	0.70	-0.16	0.41	0.48	0.36
World	0.77	1.26	0.98	-0.64	-0.44	0.28	-0.68	-0.07	0.62	1.67	0.39	2.01	0.28	0.98	0.75	1.00
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	-	-	-	-	-0.08	-0.20	0.06	0.06	-0.04
Europe	-	-	-	-	-	-	-	-	0.01	0.01	-	0.05	0.07	-0.02	0.01	0.03
Pacific	-	-	-	-	-	-	-	-	-0.01	-0.03	-0.01	-	-0.08	0.07	-0.03	-0.01
Total OECD	-	-	-	-	-	-	-	-	-	-0.02	-0.01	-0.03	-0.21	0.11	0.05	-0.02
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	0.07	-0.01	-0.05	0.03	0.01
Other Asia	-	-	-	-	-0.01	-	0.00	-	-	-	-	-0.03	0.04	0.03	-	0.01
Latin America	-	-	-	-	-	-	-	-	-0.01	0.01	-	-0.12	-0.05	-0.01	0.01	-0.05
Middle East	-	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Africa	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	0.01	0.02	0.01
Total Non-OECD	-	-0.01	-0.01	-0.01	-0.02	-0.01	-	-0.01	-0.02	-0.01	-0.01	-0.08	-0.02	-0.03	0.04	-0.02
World	-	-0.01	-0.01	-0.01	-0.02	-0.01	-	-0.01	-0.01	-0.03	-0.01	-0.11	-0.24	0.09	0.08	-0.04

SUPPLY

Summary

- **World oil production** is estimated at 78.69 mb/d for May, 289 kb/d higher than in April. Non-OPEC production was up by 168 kb/d while OPEC NGL and non-conventional oil dropped by 100 kb/d. OPEC crude output recovered partially after April's 973 kb/d decline, increasing by 221 kb/d.

- Non-OPEC supply stood at 727 kb/d above May 2002 levels, largely due to sharply higher FSU production. Non-crude supply from OPEC was 194 kb/d higher than year-ago and total OPEC crude, despite supply disruptions, was 1.77 mb/d above 2002 levels. In total, world supply was 2.69 mb/d above the May 2002 figure.

- Total **OPEC crude supply** averaged 26.43 mb/d in May against 26.21 mb/d in April. Each of the three countries hit recently by supply disruptions – Iraq, Nigeria and Venezuela – saw production increase by 150-200 kb/d vs. the April average. Saudi Arabian production is estimated down by 200 kb/d for the month, with Kuwait, UAE and Indonesia off by a combined 110 kb/d.

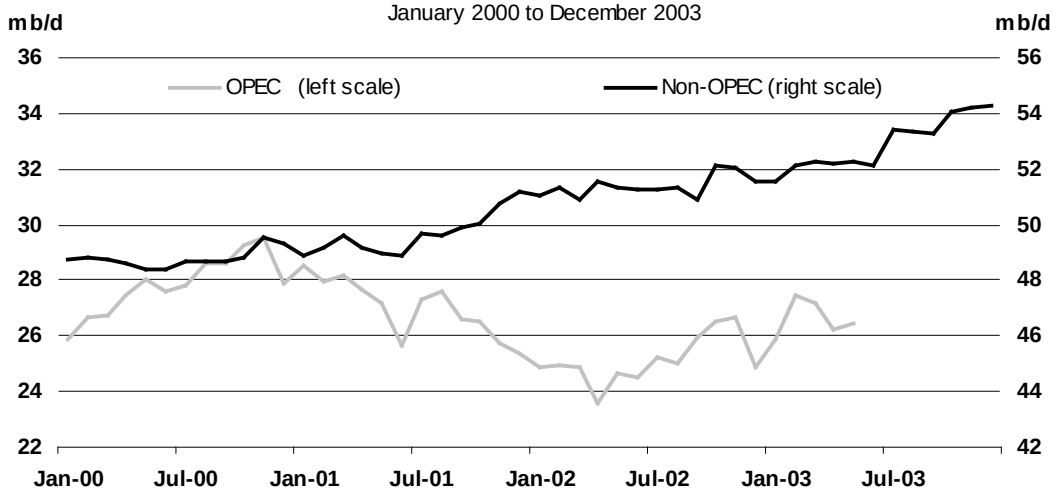
- **OPEC-10** output in May (excluding Iraq) was up by 111 kb/d, continuing the month-on-month rise seen since December. Production was 1.62 mb/d above the target level set for February, but only 720 kb/d above the quota effective from 1 June. OPEC Ministers were to meet 11 June in Doha and were widely expected to hold target production levels flat at 25.4 mb/d.

- The rise in **non-OPEC** supply in May was largely due to ongoing growth in Russian production. Modest recovery after earlier disruptions was also recorded in Australia, Brazil and Angola while Mexican production also increased slightly. North Sea production again fell back under the impact of maintenance and unscheduled outages.

- The **"call on OPEC crude plus stock change"** for 2003 has been revised down by 0.1 mb/d to 24.9 mb/d largely due to changes for 4Q non-OPEC supply. Although 600 kb/d below 2002's level, the call should rise henceforward, from 23.5 mb/d in 2Q to 24.3 mb/d, then 25.3 mb/d in the ensuing quarters. Moves to rebuild industry stocks from current low levels would place a higher call on OPEC.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2000 to December 2003



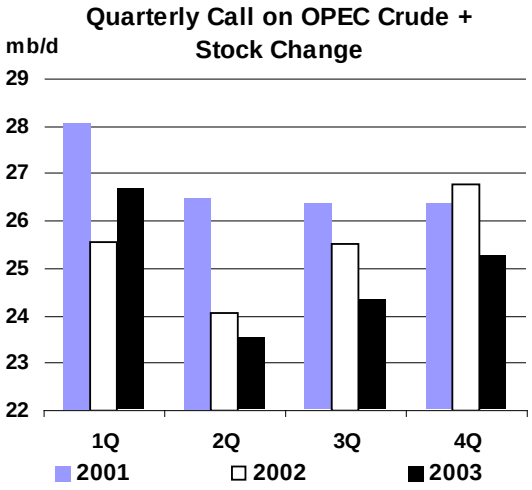
1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

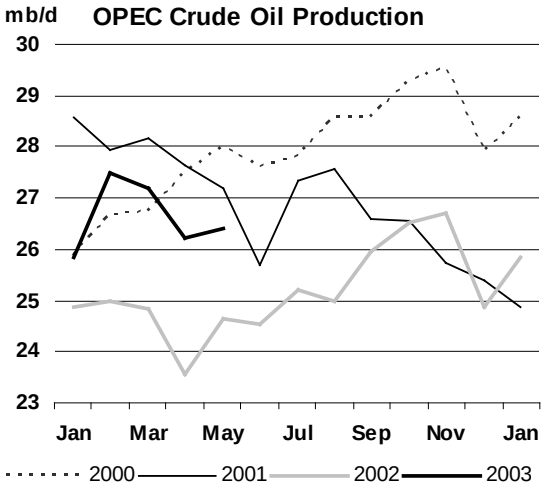
All world oil supply figures for May discussed in this Report are IEA estimates. Estimates for OPEC countries and for Alaska, Russia, Peru, Egypt and Angola are supported by preliminary May crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC crude production, having fallen by nearly 1 mb/d in April, increased by 220 kb/d in May. Iraq accounted for 150 kb/d of the increase, while gains in the 150-200 kb/d range were also recorded by Nigeria and Venezuela. Algerian production also rose modestly with output unaffected by earthquakes which hit the country in May. In contrast, Saudi Arabia, Kuwait and UAE all cut production, with an eye on lower June target production levels. Nevertheless, May production of 26.12 mb/d for OPEC-10 remained 720 kb/d above the new target levels set for June. The implied cuts required to satisfy targets in June are concentrated between Saudi Arabia (940 kb/d), Algeria (310 kb/d) and Kuwait (210 kb/d) with other OPEC members already effectively at or below quota.





At the time of writing OPEC Ministers are gathering in Doha ahead of their 11 June meeting. Confronting them is the issue of whether to reduce target production further from the 25.4 mb/d ceiling which came into effect 1 June and which was agreed at April's meeting in Vienna. Key non-OPEC producers have also been invited to attend with the possibility that they may be asked to contribute to any further production cuts that might be agreed. However, sentiment appears to have shifted over the course of May as Iraqi production recovery has faltered, crude prices have remained high and against the back-drop of low OECD inventories. The consensus view appears to be that further production cuts will be deferred, although representatives from Qatar, UAE and Venezuela do appear in recent days to have been holding open the door for a further cut to be agreed this week.

On the face of it, the marked upward revisions to OECD March stocks signalled in this Report could be seen to add weight to pressures for OPEC to review production in the near future. An anticipated surge in non-OPEC production in July could re-enforce this view. However, a number of counterbalancing features suggest that OPEC production within a likely 25.5-26.0 mb/d range can probably be sustained for a while yet in 3Q:

- the seasonal trough in world demand has passed, with demand likely to grow 1.8 mb/d in 3Q and a further 1.9 mb/d in 4Q;
- OECD crude and products stocks, though revised up from last month's Report, remain close to the bottom of their historical range;

- Crude prices are near the top of OPEC's target range;
- production recovery in both Nigeria and Venezuela remains fragile, with the possibility that output could actually fall back after recent gains for political or technical reasons;
- finally, and most importantly, there is huge uncertainty regarding whether substantial volumes of Iraqi exports will be forthcoming following the upcoming sale of crude in storage at Ceyhan and Mina al-Bakr.

Without minimising the importance of recent revisions to data on oil market fundamentals, the market nevertheless remains tight and, in terms of supply from three key OPEC producers, highly prone to further disruption.

Stop Press: OPEC's Doha Meeting, 11 June

The 125th Extraordinary Meeting of the OPEC Conference on 11 June in Doha resulted in a decision to maintain the 25.4 million b/d production ceiling originally set for 1 June. Slower than expected recovery in Iraqi supply, low stock levels and the fact that prices remain within agreed levels were all reportedly taken into consideration in reaching the decision. The Conference stated that, with stocks likely to build during the third quarter, strict compliance with currently agreed production levels is necessary, as is continued market monitoring. Another Extraordinary Meeting will therefore be convened in Vienna on 31 July, in advance of the next scheduled Ordinary Meeting on 24 September.

Venezuelan crude production in May rose an estimated 150 kb/d versus April. Conventional crude production accounted for the increase, reaching 2.3 mb/d and upgraded Orinoco production matched April's average of 378 kb/d. Overall, production estimates continue to vary in a range of 2.5 mb/d to 3.1 mb/d for crude, the latter estimate being Government-derived. However the definition of what is included in the various production estimates remains uncertain. Conventional crude production by the IEA's estimation may now be within 50-100 kb/d of capacity. Calls by Venezuela for a quota reduction in the run-up to the 11 June meeting have been seen by some as a tacit admission of this (a 100 kb/d cut from Venezuela's 1 June quota would give 2.8 mb/d, IEA estimating May production inclusive of syncrude at 2.7 mb/d). Venezuelan production has undoubtedly recovered from early-year lows but question marks remain over the sustainability of this recovery. Issues such as a lack of field maintenance, water incursion and reliability of natural gas supplies pose continued technical questions. Meanwhile, recent agreement in principle for a referendum on Chavez' tenure after 19 August could muddy the waters politically.

Nigerian crude production increased by just over 200 kb/d in May, although the rise in early-month production to 2.17 mb/d proved unsustainable. Shell declared *force majeure* again on Forcados production 9 May due to a pipeline rupture, after having earlier restored a substantial amount of the production lost in March/April due to the ethnic unrest. By late-May however, the combined shut-in of production from Shell, Total and ChevronTexaco fields in the Niger delta had risen again to just under 300 kb/d. Security concerns persist which make it difficult to assess if and when this production capacity can be re-instated. In addition, 140 kb/d of condensate and NGL from ExxonMobil's Oso field remained shut-in after a fire and is expected to remain off-line for all of June. Increases in offshore production continue to partially compensate for lost Niger Delta and other liquids output.

The estimate of **Saudi Arabian** production for April has been revised up by 100 kb/d to reflect a slower late-month easing in supply from earlier 9.5 mb/d peaks than had been estimated in last month's Report. Late-April production is now thought to have fallen to 9.2 mb/d versus earlier estimates nearer 8.9 mb/d. With some 12 spot charter vessels scheduled for loading and term liftings remaining high through May, production is thought to have remained close to these late-April levels throughout May. Reports of cuts in term liftings for June of around 950 kb/d, alongside the new target level of 8.26 mb/d, also tend to support average May production close to 9.2 mb/d. Prospects for foreign company involvement in the Saudi upstream longer term were dealt a blow in early-June when the Government terminated one of three gas exploitation agreements negotiated with foreign

firms in 2001. The deal with ExxonMobil was undermined by differences over commercial terms and access to gas reserves.

In addition to reduced Saudi production, lower output from **Kuwait** also partially counteracted the May increases seen from Iraq, Nigeria and Venezuela. Signals emerged in the first third of the month of a possible step-back from the line that production was being maximised at 2.4 mb/d. While the achievement of this peak level of production in March and April was re-iterated, the acting Oil Minister stated 10 May that Kuwait was working to gradually scale back output from 2.4 mb/d (though this Report assesses monthly average production for March/April to have been 2.2-2.3 mb/d). Despite term liftings remaining high in May, such an early flagging of intentions to revert closer to June quota suggests two things. Firstly, that May production did ease from April levels and secondly, this Report would contend, that production failed to average 2.4 mb/d on a sustained basis in the first place. Kuwaiti production is estimated to have fallen by 60 kb/d from April's 2.31 mb/d.

Other modest reductions in supply were recorded by **UAE** and **Indonesia**. The former was likely a modest adjustment towards June target production, which can itself be achieved without substantial cuts in term exports. However May's fall in actual Indonesian production may be cause for greater local concern. Natural decline at ageing fields is counteracting new developments such as Unocal's West Seno and Kufpec's Oseil which might otherwise have added 80 kb/d to capacity from mid-year.

OPEC Crude Production

(million barrels per day)

	1 Feb 2003 Target	1 June 2003 Target	May 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs May 2003 Production
Algeria	0.78	0.81	1.12	1.20	0.08
Indonesia	1.27	1.32	1.00	1.18	0.18
Iran	3.60	3.73	3.69	3.75	0.06
Kuwait[2]	1.97	2.04	2.25	2.25	0.01
Libya	1.31	1.36	1.44	1.45	0.02
Nigeria	2.02	2.09	2.09	2.50	0.41
Qatar	0.64	0.66	0.75	0.75	0.00
Saudi Arabia[2, 3]	7.96	8.26	9.20	9.50	0.31
UAE	2.14	2.22	2.29	2.40	0.11
Venezuela[4]	2.82	2.92	2.30	2.35	0.05
Subtotal	**24.50**	**25.40**	**26.12**	**27.33**	**1.21**
excl. Venezuela					*1.16*
Iraq			0.31	2.80	2.49
Total			**26.43**	**30.13**	**3.70**

1 Capacity levels can be reached within 30 days and sustained for 90 days.
2 Includes half of Neutral Zone production.
3 Saudi Arabia's capacity can reach 10.50 mb/d within 90 days.
4 Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in May.

OPEC Crude Production Capacity

A number of changes have been made to OPEC capacity estimates this month. These can be subdivided between those resulting from new field developments (Algeria, Nigeria) and those deriving from new information following OPEC's recent high levels of production in the face of combined Venezuelan, Nigerian and Iraqi supply disruptions (Iran, Kuwait, Saudi Arabia & UAE).

Algeria is one of a number of OPEC producers actively expanding capacity with direct foreign oil company involvement. With Anadarko's Ourhoud producing 230 kb/d for the first full month in May, further build-up in BHP and Agip's blocks 401 and 402 and Burlington's MLN 405a due onstream in June, we have added 100 kb/d to sustainable capacity compared to the 1.10 mb/d level shown in the April Report.

Nigeria is in a similar position, although 200 kb/d had already been added to capacity since December. This notwithstanding, build-up from Shell's EA and Agip's Abo fields has led to a further 60 kb/d increase in capacity to 2.50 mb/d. Further adjustments are likely later in 2003, as the Okono, Ekanga and Amenam prospects are brought onstream. However, new field production may not directly translate into incremental sustained capacity if recent losses from Shell, ChevronTexaco and Total's onshore production prove long lasting.

Estimated capacity for **Saudi Arabia** has reverted to 9.5 mb/d. An April adjustment pushed sustainable capacity up to 9.7 mb/d after production rose over 9.5 mb/d mid-March. However, our latest estimates suggest that these production levels were maintained for four weeks at most, with a slight output decline in late-April. Production in excess of 9.5 mb/d is assumed to represent surge capacity. Considerable uncertainty surrounds how high Saudi production climbed and for how long (the range of analyst's estimates for May output is still 800 kb/d). Saudi Arabian claims that capacity increased towards 10 mb/d and then 10.5 mb/d are noted, but doubts persist whether these match the definition of sustainable production used in this Report.

We now estimate a lower sustainable capacity level for the **UAE**. Production hit a recent high of 2.32 mb/d in February, levelling off close to this in March and April. Bearing in mind the supply shortfalls evident elsewhere and the incentives to maximise production at this time, a sustainable production level of 2.4 mb/d has been assigned to the UAE, 100 kb/d below earlier estimates.

Conversely, **Kuwaiti** sustainable capacity has been revised up from 2.15 mb/d to 2.25 mb/d. Sustainable capacity was downgraded in December to reflect ongoing gathering station problems in the north and west of the country. These continue to restrict capacity some 300 kb/d lower than would otherwise be the case. However, recent information suggests sustainable capacity in the Burgan field in excess of 1.4 mb/d, higher than previously assumed. Kuwait is likely to have pushed Burgan above sustainable production levels to attain the much-quoted 2.4 mb/d surge production levels both in the run-up to and during the Iraqi crisis.

Latest available field-by-field information suggests an earlier overstatement of **Iranian** capacity. Revised February production indeed appears to have surged in excess of 3.9 mb/d (the existing estimate for sustainable capacity) but output has fallen back subsequently. The production level sustainable for 90 days is now estimated at 3.75 mb/d.

Iraq: Slow Recovery

Crude oil production in May was an estimated 310 kb/d versus 160 kb/d in April. Production by end-May had increased towards 750 kb/d and, after an early-month lull, did so again towards the end of the first week of June. Production from northern fields around Kirkuk is providing 65-70% of total production. Production from Rumailah and other southern fields has fluctuated partly due to problems with water treatment and pumping facilities. Extensive looting has been reported and there has been speculation that such activity is systematic and aimed specifically at retarding the recovery in oil operations. A target of 1.5 mb/d for national production was cited by acting oil minister Thamer Ghadhban for mid-June, but subsequently deferred to end-June. However, this latest target is seen by some as overly ambitious given the state of production facilities and potential further deterioration unless security is improved. With current production running ahead of refinery operating levels and exports still to re-start, significant volumes of crude are being placed in storage or re-injected to reservoirs.

Estimated Iraqi Oil Operations March-June 2003

kb/d		March ave.	April ave.	May week1	May week2	May week3	May week4	May week5	May ave.	June week1
Crude Exports		**1128**	**82**	0	0	0	0	0	**0**	0
Refinery Runs		**302**	**74**	120	170	251	297	270	**215**	338
Crude Production		**1430**	**160**	161	179	279	471	657	**310**	678
	North	**na**	**150**	63	109	187	335	433	**199**	500
	South	**na**	**10**	99	70	92	136	223	**111**	178
Implied stock change		**0**	**4**	41	9	28	174	387	**94**	340

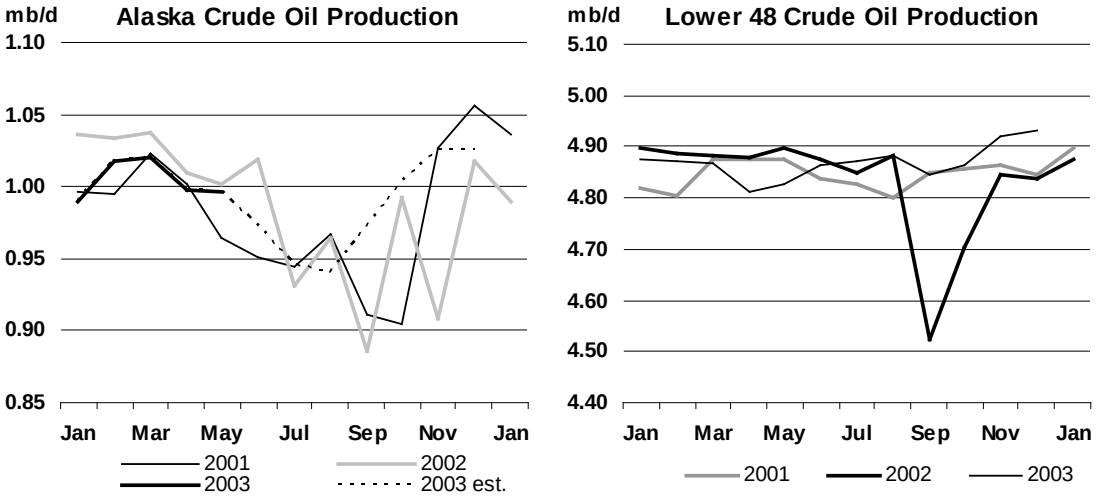
Refinery operations have recovered more quickly and at the time of writing crude runs were estimated around 400 kb/d, within 100 kb/d of pre-war levels. This follows the successful, but long delayed, re-start of the second processing unit at the Basrah refinery, taking capacity there to 140 kb/d. The Baiji and Daura refineries are also operating at reduced levels. The latter plant was reported early-June to be running mainly Kirkuk crude but was also helping alleviate surplus in the south by taking crude north via the strategic pipeline. Problems re-instating the Basrah refinery had earlier curtailed southern output due to a lack of crude storage. Iraq continues to import gasoline and LPG but is exporting surplus fuel oil.

UN Resolution 1483 was passed on 22 May, placing Iraq under the administration of US and UK occupying forces. The Resolution also lifted UN sanctions, in place since the Gulf War, and thus re-opens the way for renewed and, at least theoretically, unrestricted Iraqi crude exports. Iraq has called for tenders for the lifting of some 8 mb of crude stored at Ceyhan in Turkey and 2 mb at Mina al-Bakr. Outstanding pre-war oil sales contracts are null and void. SOMO expected to receive bids by 10 June, with shipments expected to begin week commencing 16 June. However, the path towards export normalisation may not be smooth. Firstly, there are concerns amongst potential lifters surrounding the quality of the crude held in storage at these two locations. Secondly, the timing for resumption of normal exports, after stored crude has been cleared, is far from certain. Pipeline and pumping station problems are reported as indicating possible 1-3 month delays before regular flows can recommence.

OECD

North America

US - May Alaska actual, others estimated: May US crude production is believed to have stabilised around 5.82 mb/d. Within the total, Alaskan production remained broadly flat, although production from the Lisburne and North Star fields both saw a recovery after interruptions experienced in April. These increases were offset however by lower Prudhoe Bay output, with work on compressor units in the east of the field. Production was further disrupted after a pipeline leak discovered on 27 May and which at the time of writing continues to shut-in around 10 kb/d of Prudhoe Bay production. May also saw ConocoPhillips and Anandarko announce a planned, late-2004 expansion of capacity at the Alpine field by 5 kb/d.

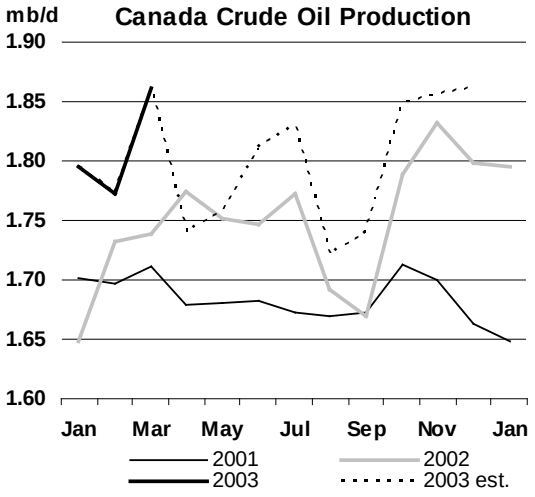


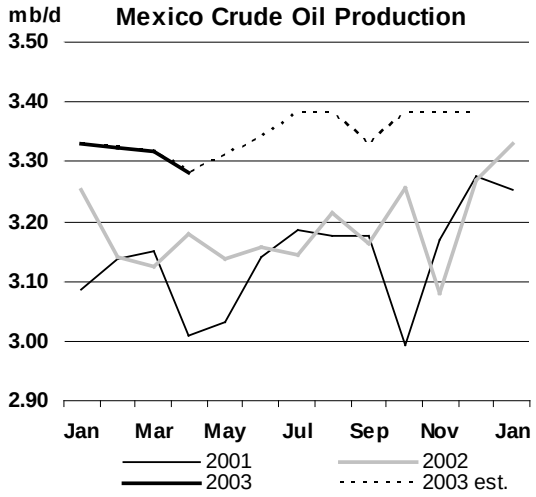
With NGLs production from the US remaining suppressed *(see Revisions, below)*, and production elsewhere from lower-48 remaining stable, the modest net rise in May US oil production is thought to have derived from the Gulf of Mexico (GOM). Build-up in production from late-2002/early-2003 start-ups including the Boris, Horn Mountain and Aconcagua fields is thought to have continued. This is likely to be augmented in June by initial production from the Pardner and Medusa fields. Not all news deriving from the area was good however, as there were signs of further problems at Dominion's Devil's Tower project. With start-up already having been deferred until 1Q-2004, work was interrupted in May due to collapse of an anchor for tethering the spar hull.

Canada – April Newfoundland actual, others, plus all of May, estimated: April is now thought to have seen a 120 kb/d fall in Canadian conventional crude production vs. March due to the combination of seasonal access restrictions in western Canada and a slight reported drop in production from the Hibernia and Terra Nova fields' offshore Newfoundland. These falls were only partly offset by a 64 kb/d rise in syncrude production. Conventional crude production is thought to have remained suppressed in May, although East Coast light crude may have shown a modest 20 kb/d rebound. An assumed resumption in Alberta and Saskatchewan production in June should add 55 kb/d to production. Also, the completion of maintenance work at the Suncor and Syncrude upgrading plants, allied to a build up in supply from the Shell Athabasca upgrader, should add 135 kb/d to syncrude production this month.

Mexico – April actual, May estimate: April crude production again fell back vs. the previous month, with production now 50 kb/d below January's high point. However, exports remained close to the planned 1.88 mb/d, a level the country aims to match again in June. The Energy Ministry has said that the results of OPEC's 11 June meeting will be analysed before deciding on likely export levels thereafter. However, Mexico seems to have steered clear of a definitive commitment to concerted action with OPEC, only agreeing at a 4 June meeting with Saudi Arabia and Venezuela to "continue consultation and coordination towards a shared objective of market stability". May saw President

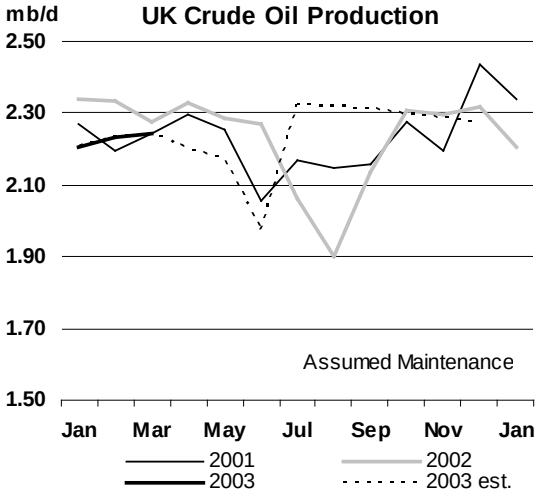
Vicente Fox lend support to Pemex investments totalling $36 billion covering incremental supply from 2006 onwards from the offshore Ku-Maloob-Zaap complex and the onshore Chicontepec field.

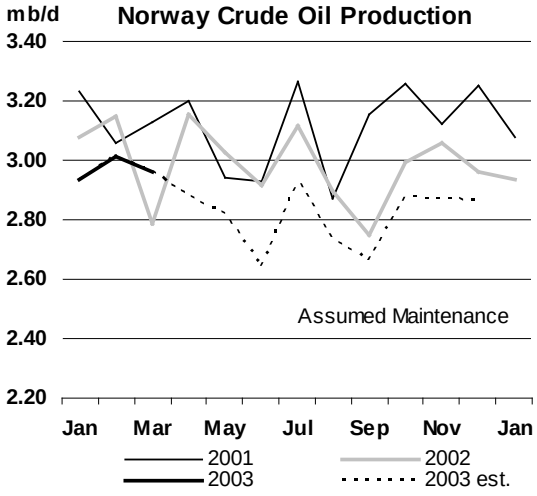




North Sea

UK – May estimate: UK offshore crude production continued to be affected by spring maintenance in May, with outages recorded at the Forties, Claymore/Scapa, Rennie/Rubie, Ross/Blake and Tartan fields. Unplanned stoppages also continued to impact upon Forties system condensate production with Total's Elgin/Franklin field and Shell's Shearwater field adversely affected. Total liquids production in May was off an estimated 39 kb/d vs. April. June is expected to see the peak of the scheduled North Sea maintenance season, UK production potentially falling back by a further 214 kb/d before supply rises once more by some 345 kb/d in July. Crude and condensate supply for 2003 as a whole is now expected to remain broadly flat in 2003, while NGL supply increases by some 25 kb/d. Longer term prospects for the UK North Sea may however be brighter judging by a recent industry poll which placed the UK as the top location for new investments in 2003 amongst 200 oil companies surveyed.



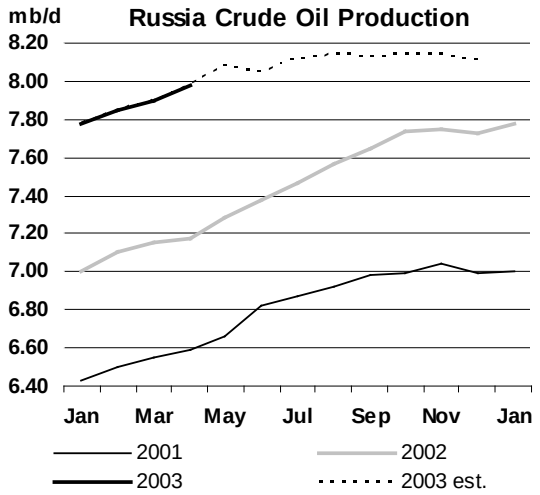


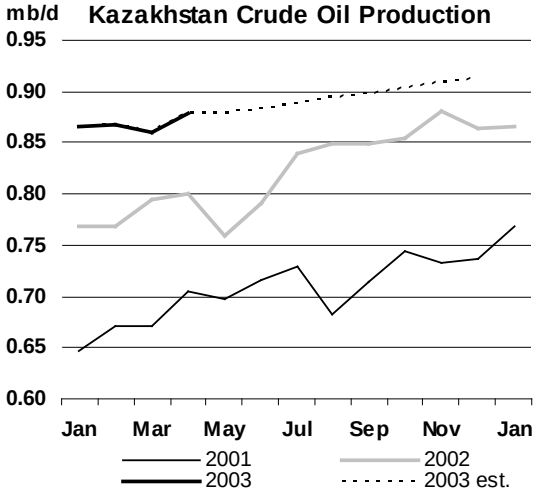
Norway – April & May estimate: Having declined by an estimated 86 kb/d in April, Norwegian crude production fell by a further 55 kb/d in May. A pipeline leak at Shell's Draugen field removed around 30 kb/d of production over the month, while scheduled maintenance also reduced supply from the Njord and Oseberg C fields. BP however began production mid-month at the Valhall South Flank development with target production of 30 kb/d to be mirrored in early-2004 by similar volumes from

the North Flank project. Norwegian production in June is now expected to decline by 185 kb/d vs. May as scheduled maintenance peaks, losses being notable from the Troll field. Production is expected to rebound sharply in July before further maintenance kicks in during August and September. Overall crude production in 2003 is expected follow a similar trend to the 130 kb/d drop seen in 2002. The Government's revised budget envisages a 70 kb/d increase in total petroleum production in 2004 but this estimate includes natural gas. A rebound in oil production depends on increased exploration activity after 2003 lows, to which end the Government added parts of the Haltenbanken area to this autumn's licensing round.

Pacific

Australia – March actual, April & May estimate: Australian crude production in May is estimated to have rebounded by 56 kb/d after cyclone activity depressed April production and also as Agip's Woolybutt production built up more sharply than originally anticipated. However, crude production is still expected to decline in 2003 by some 35 kb/d, as southeastern Gippsland and northern Bonaparte Basin output falls off sharply, counteracting increases from offshore northwestern Australia.





Former Soviet Union (FSU)

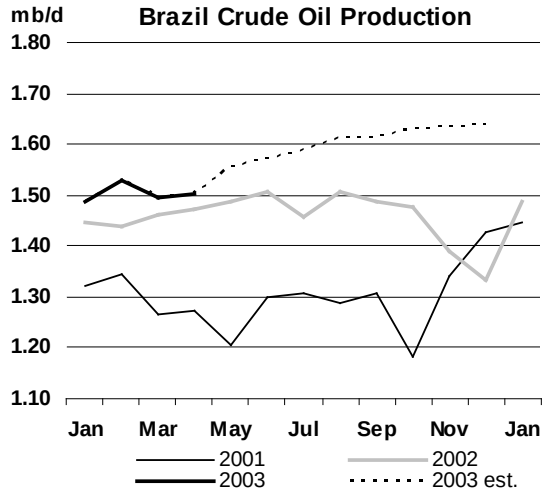
Russia – April actual, May provisional: The relentless rise in Russian crude production continued in April and May. April production of 7.98 mb/d was 80 kb/d up on March, 800 kb/d higher than year-ago and 130 kb/d higher than forecast in last month's Report. Indications for May suggest a further 1.2% month-on-month increase, implying growth for January-May of 10.8% versus 2002. Consequently, we have raised the export-related ceiling for Russian production in 2003, and now assume output rises 619 kb/d (8.2%) for the year compared to an earlier 500 kb/d. This still entails a sharp slow-down henceforward, despite Transneft's plans for a further 75 kb/d rise in seaborne exports for June alone. However some slow down in export growth is supported by the latest twist in the Ventspils saga. Transneft has reportedly delivered a one year ultimatum to the Latvian government requesting the latter hand over a 50% stake in terminal operator Ventspils Nafta in exchange for investment and guaranteed crude supplies. Renewed exports via this route may therefore be some way off. A more positive development was Ukrainian Government approval of a pricing formula allowing work to commence on pipeline expansion between the Druzhba line and the Croatia's Omisalj terminal. An incremental 100 kb/d of crude could move via this route before end-2003.

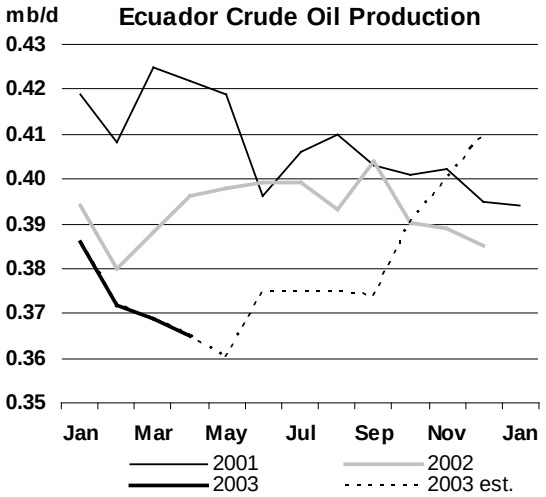
Kazakhstan – April actual: Total April production was close to expected levels at 1.02 mb/d, rising by around 15 kb/d compared to March. Growth for 2003 remains pegged at 128 kb/d, split fairly evenly between crude and condensate. From a longer term perspective, a development plan for the 7-13 billion barrel Kashagan field is due for delivery to the government by mid-year. Chinese interests have failed in a bid to purchase erstwhile participant BG's 17% stake which will now be shared between other consortium members. Production could start in 2006 and build ultimately to 1.2 mb/d. One key factor to be decided is the preferred export routes with the Atyrau-Samara pipeline via

Russia, the CPC line to the Russian Black Sea and Baku-Tbilisi-Ceyhan route all being discussed. The lack of a quality bank for producers of higher quality crudes currently mitigate against supplies moving into the Transneft system on the Atyrau-Samara route.

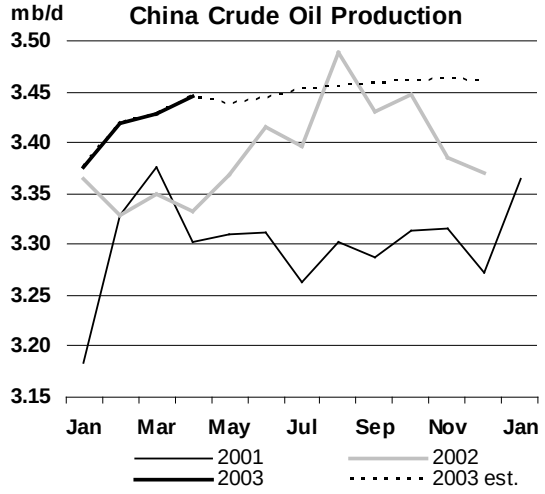
Other Non-OPEC

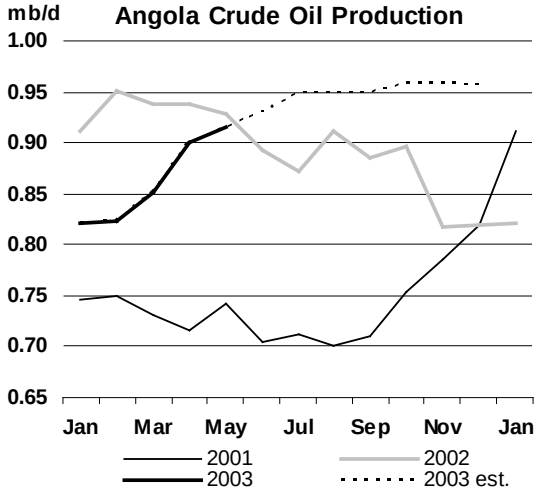
Brazil – March actual, April provisional: March crude production fell by 36 kb/d vs. February, slightly more than the drop suggested by provisional data last month. As discussed then, Campos Basin output was impacted upon by outages at platforms in the Albacora and Garoupa fields. Maintenance work continued to suppress production in April, despite the start-up of new wells at the Roncador and Coral fields. However, it is expected that production will have recovered in May and June and that total output for 2003 should show growth of around 116 kb/d. Petrobras reported during early-June the discovery of 500 mb of reserves offshore Espirito Santo. Taken together with earlier discoveries, including the Jubarte field, Petrobras now suggests this new province to the north of the prodigious Campos Basin contains 2.1 bb of reserves.





Ecuador – March actual, April provisional: First quarter crude production averaged 367 kb/d, 20 b/d below 2002 levels. Production in April and May was further disrupted by two separate outages on the SOTE pipeline, currently Ecuador's sole major shipment route. The lack of pipeline infrastructure is being addressed however with the likely September start-up of the 450 kb/d OCP pipeline which will allow private producers to boost heavy crude production, currently blended in with Oriente export blend and shipped via the capacity-constrained SOTE line. However, initial flows could prove limited due to delays in expanding production capacity in parallel with work on the export line. It may therefore be 2004 before substantial extra volumes become available.





China – April actual: April production proved stronger than expected, gaining 17 kb/d vs. March. Not only was offshore production some 20 kb/d higher than anticipated, but the ageing northeastern onshore Daqing field ended four consecutive months of decline to record its highest monthly average production since last July. Notwithstanding next month's projected start-up of Apache's offshore Zhou Dong field, overall production performance this year is likely to see an increment of barely 50 kb/d. Intense Chinese efforts to obtain stakes in Caspian area production and to encourage the routing of new Russian pipeline capacity to China need to be viewed in the context of such generally disappointing expectations for local production.

Angola – April and May provisional: Angolan crude production rose back above 900 kb/d in April for the first time since last August and is estimated to have increased further in May to around 915 kb/d. Production had been adversely affected in the period since November by scheduled work at ChevronTexaco's Kuito field in offshore block 14, but Kuito production has been recovering since March. Incremental production in 2003 will be confined to late-year start-ups at the Jasmin and Xicomba fields which will ultimately add a combined 130 kb/d. Signs of more longer term growth potential were re-enforced by approval being granted in May for Total's $3.4 billion Dalia development which could produce 225 kb/d starting in late-2006.

Revisions

Non OPEC production for 2002 has this month been revised up by 18 kb/d, entirely due to changes for Canada. Alterations in OPEC for 2002 involve a 35 kb/d upward adjustment for Iranian crude but an offsetting reduction in NGL/condensate production for Indonesia. Non-OPEC 2003 production has been boosted by 47 kb/d as increases for Russia and Africa outweigh downward adjustments for the North Sea, US NGLs and Latin America.

April and May crude production from non-Gulf of Mexico **US** lower-48 has been revised down by 30 kb/d in line with provisional data for total US output. Gulf of Mexico production in April is also now believed to have been 23 kb/d lower than in the last report but to have rebounded as expected in May. The most significant revision for US output, however, is that for NGLs. Latest data, albeit provisional, suggests aggregate US NGL production in April was some 12% below 2002 levels, with the shortfall increasing to 15% in May. The potential continuation of high natural gas prices has caused us to shave forecast NGL supply down by around 50 kb/d for both 2Q and 3Q 2003. This results in average 2003 NGL production of 1.80 mb/d, which is 36 kb/d lower than in the last Report.

Canadian supply has been extensively revised to incorporate newly available data from the National Energy Board, and the Newfoundland and Alberta authorities. The main changes are that production of lighter Albertan crude is revised down by 9 kb/d for 2002 and by 14 kb/d for 2003. Offshore Newfoundland production has been revised up by 20 kb/d for 2002 but down by 4 kb/d for 2003, with the bulk of 2003's growth now likely to derive from the Terra Nova field. Bitumen production in 2002 averaged 11 kb/d higher than indicated in last month's Report and is now expected to increase by 37 kb/d in 2003 compared to the modest decline envisaged in last month's Report. January-March production turned out fully 70 kb/d higher than anticipated. Overall, Canadian oil supply in 2003 is now 46 kb/d higher than in the last forecast.

UK offshore production has been scaled back by 50 kb/d for 2003, eliminating the growth expected for the year. This largely results from developments in 1Q, which saw the Brent system in particular running at lower than anticipated production levels. Despite the addition of supply from Shell's Penguins field from January, underlying production levels elsewhere within the Brent system now seem lower. Forties system production has also been hit fairly hard (by around 44 kb/d) in 2Q by unscheduled production stoppages. Lower May production and a sharper maintenance trough in June mean that **Norwegian** crude production in 2003 has been revised down by 24 kb/d, falling by 141 kb/d compared to 2002.

Forecast **Russian** production for 2003 has been revised up by 111 kb/d based on 2Q production which is running some 150 kb/d above earlier expectations. An equivalent upward revision has been made to 3Q and 4Q output, although growth in the second half of the year is nevertheless expected to slow to around 6% compared to the near-11% seen during January-May. Production for **China** meanwhile has been adjusted up by 12 kb/d due to higher than expected production, notably onshore, so far in 2003.

Downward revisions to March-May production in **Brazil** have led to a 10 kb/d reduction in forecast 2003 output, which is now expected to grow by 116 kb/d vs. 2002. The government in **Colombia** has reduced expectations for production in 2003, leading to a 10 kb/d downward adjustment for the year as a whole in this Report, spread over the second to fourth quarters. Production from **Ecuador** for 2003 has also been revised down by 9 kb/d, largely due to lower-than-expected production in 1Q.

Production from Africa in 2003 has been upgraded by 30 kb/d on the basis of developments in **Chad.** ExxonMobil's Doba to Kiribi (Cameroon) pipeline now appears likely to enter service by July, potentially allowing production to rise to around 100 kb/d by end-year. This is both an earlier start and a more rapid build-up in production than envisaged in the last Report.

Revisions to Non-OPEC Oil Supply
(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.56	14.93	0.36	14.58	14.92	0.33	0.02	-0.01	-0.03
Europe	6.61	6.69	0.08	6.61	6.60	-0.01	0.00	-0.09	-0.09
Pacific	0.76	0.72	-0.04	0.76	0.73	-0.04	0.00	0.00	0.00
Total OECD	**21.94**	**22.34**	**0.40**	**21.96**	**22.24**	**0.29**	**0.02**	**-0.10**	**-0.12**
Former USSR	9.37	10.03	0.66	9.37	10.16	0.79	0.00	0.12	0.12
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.39	3.43	0.04	3.39	3.44	0.05	0.00	0.01	0.01
Other Asia	2.34	2.41	0.07	2.34	2.41	0.07	0.00	0.00	0.00
Latin America	3.90	3.97	0.07	3.90	3.95	0.05	0.00	-0.02	-0.02
Middle East	2.10	2.02	-0.08	2.10	2.02	-0.08	0.00	0.00	0.00
Africa	2.98	3.07	0.08	2.98	3.10	0.11	0.00	0.03	0.03
Total Non-OECD	**24.26**	**25.10**	**0.84**	**24.26**	**25.24**	**0.98**	**0.00**	**0.14**	**0.14**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**47.96**	**49.24**	**1.29**	**47.97**	**49.29**	**1.31**	**0.02**	**0.04**	**0.03**

OMR = Oil Market Report

OPEC NGLs and non-conventional production (not shown in the table above) has been revised down again this month for 2003 by fully 60 kb/d. In part this reflects a longer than anticipated outage for Oso condensate in Nigeria, which is now anticipated to be offstream for May and June, reducing Nigerian supply by 70 kb/d for 2Q. In addition, recently obtained data for Indonesia suggest we were earlier over-stating combined NGL and condensate production by 36 kb/d in 2002 and 43 kb/d in 2003. **Iranian** crude production has also been revised for the period since July 2002 on the basis of updated export data. This adds 35 kb/d to average 2002 OPEC crude supply, concentrated in 4Q and over 100 kb/d to 1Q-2003 output, heavily concentrated in February. Exports that month were fully 270 kb/d higher than had earlier been estimated.

TRADE

OECD Trade

North American net crude oil imports stood at 7.29 mb/d in March, up by almost 1 mb/d from February. Crude imports from Venezuela surged by 760 kb/d month-on-month in line with increased production. High volumes of crude oil flowed from Saudi Arabia and West Africa to North America in March, as US traders sought to cover shortfalls of Venezuelan exports. Net gasoline imports to North America were also strong in March as the summer driving season approached.

OECD North America Crude & Product Trade

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**7.46**	**7.12**	**7.13**	**7.26**	**7.16**	**6.65**	**6.31**	**6.32**	**7.29**	**0.96**	**0.46**
Products & Feedstocks	**1.37**	**1.12**	**1.32**	**1.14**	**1.07**	**1.17**	**1.10**	**1.00**	**1.39**	**0.40**	**0.22**
Gasoil/Diesel	0.08	0.00	0.00	-0.03	0.09	0.09	0.04	0.15	0.10	-0.06	0.06
Gasoline	0.53	0.57	0.67	0.63	0.47	0.48	0.47	0.37	0.59	0.23	-0.01
Heavy Fuel Oil	0.28	0.05	0.10	0.03	0.07	0.22	0.14	0.23	0.29	0.06	0.33
LPG	0.02	0.04	0.03	0.03	0.07	0.04	0.05	0.04	0.04	0.00	-0.01
Naphtha	0.06	0.04	0.05	0.04	0.03	0.03	0.01	0.03	0.04	0.00	0.00
Jet& Kerosene	0.12	0.08	0.08	0.08	0.10	0.07	0.09	0.05	0.08	0.03	0.01
Other	0.28	0.34	0.39	0.35	0.24	0.23	0.29	0.12	0.26	0.14	-0.14
Total	**8.83**	**8.24**	**8.44**	**8.40**	**8.23**	**7.82**	**7.41**	**7.32**	**8.68**	**1.36**	**0.68**

Source: IEA MOS imports and exports data for extra-regional trade

The latest preliminary data for the US show that crude imports were strong in May, as refinery operations strengthened due to firm gasoline requirements ahead of the summer driving season. As with crude oil, gasoline imports were strong in May, reflecting high road transportation demand.

While gross crude oil imports to **OECD Europe** held almost flat in March month-on-month, gross exports declined by more than 40% from February levels. High freight costs, which undermined arbitrage trade from Europe to the US, discouraged crude oil outflows. As a result, net crude oil imports to OECD Europe, which are the difference between gross imports and gross exports, increased to 8.02 mb/d in March, jumping by 830 kb/d from February levels.

OECD Europe Crude & Product Trade

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**7.37**	**7.17**	**6.90**	**7.46**	**7.18**	**7.45**	**7.11**	**7.18**	**8.02**	**0.83**	**1.60**
Products & Feedstocks	**1.48**	**1.44**	**1.32**	**1.42**	**1.25**	**1.11**	**0.99**	**1.31**	**1.05**	**-0.26**	**-0.67**
Gasoil/Diesel	0.42	0.42	0.41	0.33	0.38	0.32	0.26	0.46	0.27	-0.18	-0.34
Gasoline	-0.25	-0.34	-0.40	-0.36	-0.25	-0.39	-0.36	-0.41	-0.41	0.00	-0.10
Heavy Fuel Oil	0.13	0.23	0.22	0.26	0.13	0.07	0.01	0.15	0.05	-0.11	-0.19
LPG	0.17	0.14	0.09	0.11	0.16	0.11	0.09	0.09	0.16	0.07	0.00
Naphtha	0.24	0.24	0.25	0.26	0.24	0.30	0.32	0.28	0.32	0.04	0.14
Jet & Kerosene	0.21	0.19	0.20	0.23	0.16	0.12	0.10	0.14	0.12	-0.02	-0.11
Other	0.55	0.56	0.55	0.58	0.43	0.57	0.56	0.60	0.54	-0.06	-0.07
Total	**8.84**	**8.61**	**8.22**	**8.87**	**8.43**	**8.56**	**8.10**	**8.49**	**9.07**	**0.58**	**0.93**

Source: IEA MOS imports and exports data for extra-regional trade

Net crude oil imports into **OECD Pacific** declined to 7.04 mb/d in March from 7.35 mb/d in February. Japanese crude imports fell month-on-month as the winter heating season drew to a close, although crude oil demand by the utility sector continued to show strength year-on-year, as oil-fired power plants were called upon to meet shortfalls in electricity supply following the shutdown of domestic nuclear power plants.

OECD Pacific Crude & Product Trade

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**6.65**	**6.20**	**5.86**	**5.78**	**6.51**	**7.18**	**7.15**	**7.35**	**7.04**	**-0.30**	**0.10**
Products & Feedstocks	**1.00**	**1.30**	**1.16**	**1.08**	**1.63**	**1.55**	**1.73**	**1.59**	**1.32**	**-0.27**	**0.06**
Gasoil/Diesel	-0.18	-0.14	-0.15	-0.21	-0.07	-0.09	-0.03	-0.10	-0.13	-0.02	0.04
Gasoline	-0.01	0.02	0.01	0.01	0.04	0.02	0.05	-0.01	0.00	0.01	-0.02
Heavy Fuel Oil	-0.12	-0.02	0.05	-0.06	0.02	-0.04	-0.01	-0.04	-0.09	-0.05	0.01
LPG	0.52	0.54	0.52	0.49	0.59	0.55	0.52	0.55	0.57	0.02	-0.04
Naphtha	0.64	0.70	0.65	0.72	0.72	0.77	0.76	0.78	0.76	-0.02	0.02
Jet & Kerosene	-0.03	0.00	-0.07	-0.08	0.08	0.14	0.27	0.19	-0.03	-0.22	0.02
Other	0.17	0.20	0.15	0.20	0.26	0.21	0.18	0.21	0.23	0.02	0.03
Total	**7.65**	**7.50**	**7.02**	**6.86**	**8.13**	**8.72**	**8.89**	**8.94**	**8.36**	**-0.57**	**0.16**

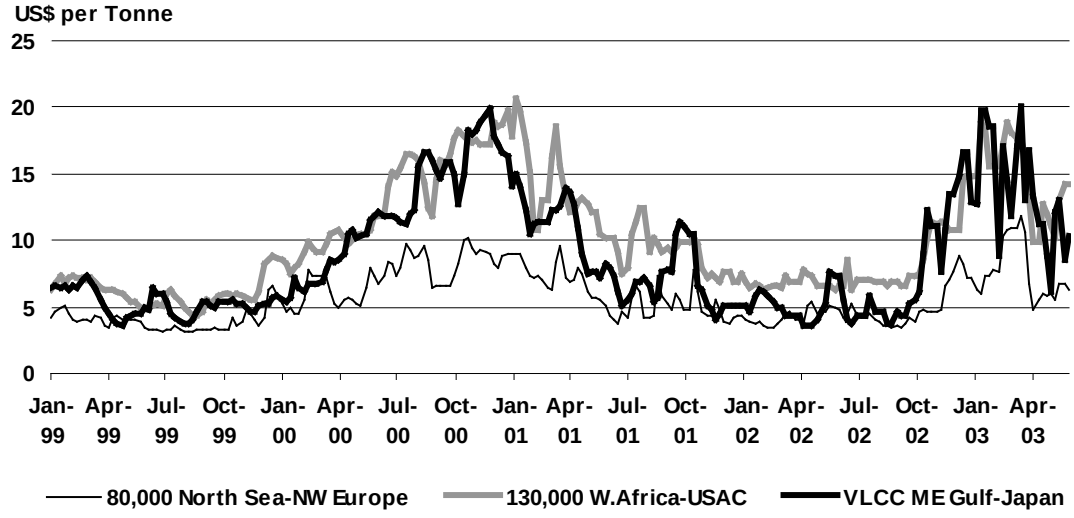
Source: IEA MOS imports and exports data for extra-regional trade

The latest preliminary data suggest that Japanese crude imports declined month-on-month in April, with lower demand for kerosene, as the winter heating season is ending. However, a comparison with April 2002 shows that crude imports were stronger year-on-year, owing to high refinery operations to produce fuel oil as well as continuing strong direct burn crude requirements from the utility sector.

Freight

VLCC freight rates were generally stagnant at the beginning of May with low enquiries owing to diminishing tensions in the Middle East and the onset of holiday seasons in Japan and Europe. The rates then increased in the middle of the month as the market reacted to the terrorist attack in Saudi Arabia, combined with tight vessel demand-supply conditions, as traders actively chartered tankers before OPEC's target reduction from 1 June.

Weekly Crude Oil Tanker Voyage Freight Rates

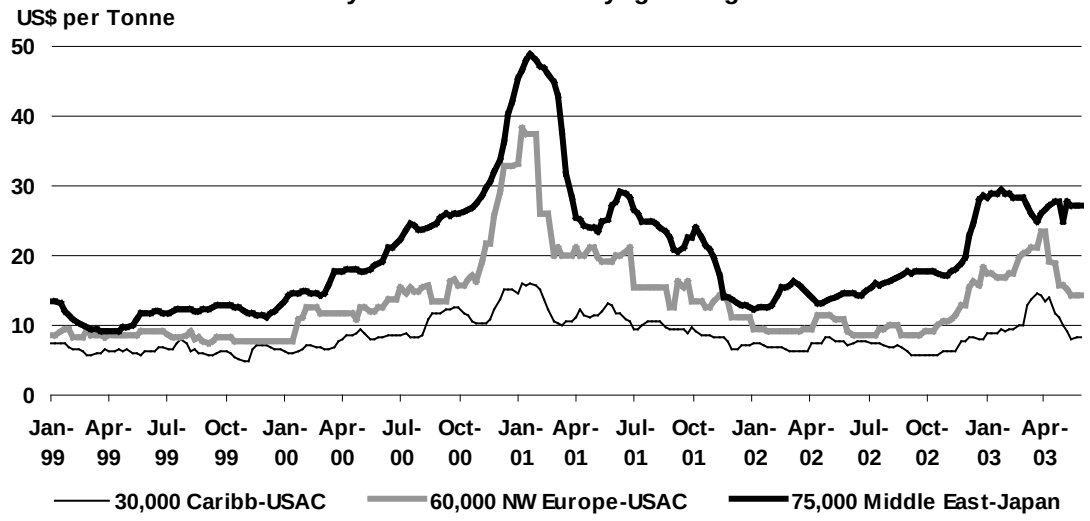


Source: SSY Consultancy & Research Ltd.

As with VLCC rates, Suezmax tanker freight rates were weak in the Mediterranean at the beginning of May, due to the cessation of Iraqi exports from the port of Ceyhan. However, in the latter half of the month, the rates rose, as fixtures increased for tankers from Black Sea ports to load crude oil in June. Suezmax freight rates held firm from West Africa to the US in the second half of May as transatlantic trade was active.

Aframax freight rates were sluggish in Europe in May, as loading of Iraqi crude oil was suspended at the terminal at Ceyhan, although double-hull tanker rates were strong in the Mediterranean with solid tanker requirements. In the Caribbean, Aframax freight rates have been bullish since the middle of May, due to increased Venezuelan exports and firm US demand.

Weekly Product Tanker Voyage Freight Rates



Source: SSY Consultancy & Research Ltd.

Product tanker freight rates were generally sluggish in Asian countries at the beginning of May, reflecting weak product demand. The rates further declined over the month, as more tankers were available from Singapore.

Non-OECD Trade

Preliminary estimates suggest that net petroleum exports from the **Former Soviet Union** (FSU) increased to 6.80 mb/d in May from 6.53 mb/d in April, and were more than 1.0 mb/d higher than the same month last year. Petroleum exports from the Black Sea were strong as there were no major problems in the petroleum transportation infrastructure in May, while the Baltic Sea ports kept pace with petroleum exports.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Latest month vs. Apr 03	Latest month vs. May 02
Black Sea Exports	1.99	2.52	2.64	2.67	2.45	2.68	2.95	2.87	3.21	0.34	0.49
Baltic Exports	1.63	1.96	2.13	2.02	1.80	2.09	2.06	2.57	2.54	-0.03	0.57
Total Seaborne	**3.62**	**4.48**	**4.77**	**4.70**	**4.25**	**4.77**	**5.01**	**5.44**	**5.75**	**0.31**	**1.07**
Druzhba Pipeline	1.06	1.07	0.98	1.10	1.15	1.07	1.13	1.06	1.02	-0.04	-0.04
Other	0.07	0.06	0.03	0.10	0.11	0.04	0.05	0.04	0.04	0.00	0.01
Total Exports	**4.75**	**5.61**	**5.78**	**5.89**	**5.50**	**5.88**	**6.19**	**6.54**	**6.81**	**0.27**	**1.04**
Imports	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00
Total Net Exports	**4.74**	**5.60**	**5.77**	**5.89**	**5.50**	**5.88**	**6.18**	**6.53**	**6.80**	**0.27**	**1.04**
Crude	3.37	3.94	4.00	4.13	3.92	4.17	4.42	4.38	4.77	0.39	0.66
Products	1.37	1.66	1.77	1.76	1.58	1.71	1.76	2.15	2.03	-0.12	0.37

Sources: Petro-Logistics, IEA estimates

On 22 May, the Russian government endorsed a strategy for the country's energy sector to 2020. According to this strategy, Russia will increase petroleum exports until 2010, after which export levels will stabilise. The country considers the United States and Asia, including China, Japan and India, as important new destinations for its oil exports. The strategy also addresses the need to expand Russian transportation infrastructures, including capacity increase for the Baltic Pipeline System to 50 mt/y and construction of a new pipeline from the Kola Peninsula, where a new export terminal at Murmansk is planned. The government is also considering raising transit volumes through pipelines

from Russia to Europe, including the Druzhba-Adria pipeline by 5-15 mt yearly. Oil export routes from Siberia to regions such as northeast China and/or the Russian Far East are also planned.
On 27 May, Russian President Vladimir Putin and Chinese President Hu Jintao met in Moscow and agreed on the two countries' collaboration in the energy sphere, including a pipeline construction project from Russia to China. The next day, executives of Yukos and CNPC agreed to a basic framework in which Russia will transport 20 mt/y of oil from 2005 to 2010, and 30 mt/y to 2030. In addition, the two parties also agreed that Yukos will send 40 kb/d of crude oil to CNPC by rail, which is almost twice as high as 21 kb/d in 2002, possibly as early as June this year continuing to 2006

Japanese Prime Minister Junichiro Koizumi met with President Putin on 30 May and reiterated Japanese interests in a pipeline project from Siberia to Nakhodka. President Putin answered it is important that experts carefully examine the project, considering the importance of developing resources in Siberia and transporting them to world markets.

Chinese net crude oil imports were 1.53 mb/d in March, flat from February, but 418 kb/d higher year-on-year, as refiners continued to build petroleum inventories in preparation for potential supply disruptions in the Middle East, and as domestic demand was strong. Net fuel oil imports to China rebounded in March month-on-month, thanks to firm requirements from the utility sector in southern China, where coal-fired power plants had turnarounds. On the other hand, Chinese LPG imports were low in March owing to high international product prices, in addition to increasing domestic product output from refineries.

China Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1356**	**1377**	**1192**	**1652**	**1862**	**1558**	**1528**	**-30**	**418**
Products & Feedstocks	**329**	**361**	**342**	**422**	**373**	**320**	**535**	**125**	**280**	**154**	**-7**
Gasoil/Diesel	0	-16	-8	-8	-41	-31	-40	-26	-27	-1	-14
Gasoline	-134	-142	-138	-183	-152	-173	-80	-252	-194	58	-93
Heavy Fuel Oil	313	281	254	344	336	334	402	278	317	39	135
LPG	155	197	186	216	189	184	239	159	151	-8	-40
Naphtha	-19	-16	-26	-15	-15	-16	-2	-24	-23	2	-5
Jet & Kerosene	8	9	10	6	23	-11	-28	-21	16	36	14
Other	5	48	64	62	32	32	44	11	40	29	-4
Total	**1372**	**1609**	**1698**	**1799**	**1565**	**1972**	**2397**	**1683**	**1807**	**124**	**411**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Indian net crude oil imports were 1.79 mb/d in March, almost flat from the previous month. Although public sector imports declined month-on-month, levels remained high as refiners built precautionary stocks in advance of potential supply disruptions in the Middle East. On the other hand, crude imports by the private sector rose to 640 kb/d, as refinery operations increased.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Latest month vs. Feb 03	Latest month vs. Mar 02
Net Imports/(Exports) of:											
Crude Oil	**na**	**na**	**1700**	**1872**	**1643**	**1752**	**1659**	**1817**	**1786**	**-31**	**na**
(by Public Oil Cos)	**934**	**1088**	**1038**	**1235**	**1108**	**1137**	**1018**	**1258**	**1146**	**-112**	**161**
Products & Feedstocks	**-28**	**-81**	**-129**	**-135**	**6**	**-122**	**-79**	**-123**	**-165**	**-43**	**-29**
Gasoil/Diesel	-54	-53	-45	-76	-35	-113	-103	-125	-111	14	-44
Gasoline	-20	-48	-54	-57	-45	-66	-39	-76	-85	-9	-9
Heavy Fuel Oil	22	6	4	8	2	-10	-18	2	-12	-14	-29
LPG	20	22	7	8	52	75	69	79	79	0	52
Naphtha	9	6	-14	-2	27	16	5	35	10	-25	26
Jet & Kerosene	29	10	2	5	8	-14	12	-25	-30	-5	-57
Other	-34	-23	-30	-22	-2	-11	-5	-13	-17	-4	31
Total	**906**	**1007**	**909**	**1737**	**1650**	**1629**	**1580**	**1694**	**1620**	**-74**	**na**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Data for net imports of crude oil for 2001 and 2002 are not available. For 2001 and 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

In the middle of May, India imported its first 80 kt of crude oil from Sudan following acquisition by Indian upstream company ONGC of 25% of the equity of oilfields in early 2003, which produce around 240 kb/d of crude oil.

Net imports of crude oil to **Singapore** stood at 803 kb/d in April, keeping pace month-on-month as refiners maintained high throughputs. On the other hand, net imports of heavy fuel oil held stagnant at 273 kb/d in April. Continuing high tanker freight rates in February and March affected arbitrage trades, which could have discouraged fuel oil flows to Singapore in April.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**829**	**772**	**861**	**885**	**849**	**881**	**803**	**-78**	**-86**
Products & Feedstocks	**-10**	**-35**	**-45**	**-53**	**-73**	**-158**	**-114**	**-169**	**-192**	**-23**	**-162**
Gasoil/Diesel	-121	-154	-151	-171	-168	-175	-161	-152	-208	-56	-27
Gasoline	-79	-81	-98	-80	-69	-76	-70	-70	-88	-18	-29
Heavy Fuel Oil	360	334	322	330	325	314	342	239	273	34	-126
LPG	-21	-19	-19	-18	-20	-24	-20	-23	-26	-3	-2
Naphtha	-22	6	7	-7	5	-22	-30	-17	31	47	62
Jet & Kerosene	-80	-65	-51	-53	-90	-124	-123	-96	-117	-21	-43
Other	-48	-57	-55	-54	-57	-51	-51	-51	-58	-7	4
Total	**812**	**784**	**784**	**719**	**788**	**727**	**735**	**712**	**611**	**-101**	**-248**

Source: Singapore Monthly Oil Statistics, IEA estimates

The World's Largest Importers and Exporters in 1Q 2003

Venezuelan petroleum exports fell sharply by nearly 1 mb/d in 1Q 2003 from the previous quarter, owing to continued civil unrest and supply disruptions. Iraqi oil exports also dropped in March as loadings were suspended, in anticipation of military action. However, other OPEC countries, especially Saudi Arabia, were able to cover the Venezuelan and Iraqi supply shortfalls, although petroleum exports from Nigeria did not increase, which were affected by political instability in March. FSU petroleum exports increased, especially in March, as weather conditions improved and tanker delays in the Bosphorus Strait eased.

The World's Ten Largest Net Oil Exporters in 1Q03
(million barrels per day)

	Country	Net Export Volume	Versus 4Q02
1	Saudi Arabia[1, 2]	8.50	1.00
2	FSU	5.88	0.38
3	Norway	2.84	-0.26
4	Iran[1]	2.64	0.15
5	UAE[1]	2.34	0.27
6	Nigeria[1]	2.02	0.09
7	Mexico	1.91	0.21
8	Kuwait[1,2]	1.76	0.13
9	Iraq[1]	1.73	-0.18
10	Algeria[1]	1.47	0.10

1 assuming no stock changes
2 including the Neutral Zone

The World's Ten Largest Net Oil Importers in 1Q03
(million barrels per day)

	Country	Net Import Volume	Versus 4Q02
1	USA	10.64	-0.37
2	Japan	6.04	0.38
3	Germany	2.39	-0.09
4	Korea	2.39	0.15
5	China	1.97	0.41
6	France	1.91	0.12
7	Italy	1.67	0.05
8	India	1.63	-0.02
9	Spain	1.53	0.06
10	Netherlands	0.75	-0.13

Petroleum imports to the US fell in 1Q 2003 due to a decline in crude oil imports from Venezuela. Japanese and Korean oil imports were bullish, buoyed by strong requirements from the utility sector. In Japan, demand for kerosene also continued to be robust due to cold winter weather. China imported higher volumes of petroleum, probably for precautionary stock building ahead of possible supply disruptions in the Middle East.

OECD STOCKS

Summary

- OECD industry stocks gained 21.5 mb or 720 kb/d in April, closing at 2439 mb. Inventories rose on product stock builds across regions while crude stocks were off with draws in European inventories. Data submissions by Member countries confirmed a decline in distillate inventories for the first quarter, but revised March preliminary figures for total oil upwards by an unprecedented 79 mb. March baseline revisions to crude inventories alone accounted for 50 mb of this adjustment. Despite these revisions, total oil stocks closed April 157 mb below the previous year. End-April cover of forward demand remained on par with March at 52 days, or 4 days below 2002.

Preliminary Industry Stock Change in April 2003 and the First Quarter 2003
(million barrels per day)

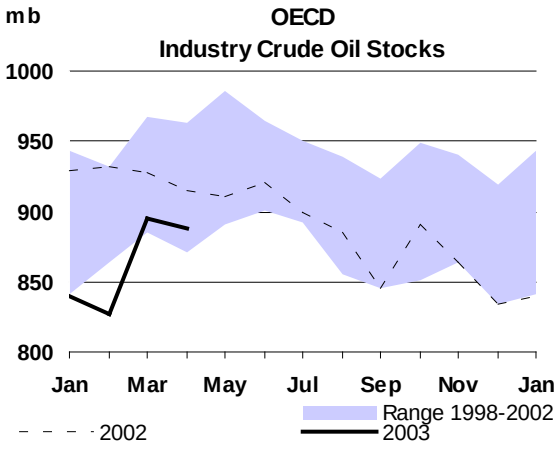
	April (preliminary)				*First Quarter 2003*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**0.02**	**-0.39**	**0.13**	**-0.24**	**0.08**	**0.35**	**0.24**	**0.67**
Gasoline	0.20	-0.08	0.02	0.14	-0.10	0.06	0.03	-0.01
Distillates	0.00	0.08	0.20	0.28	-0.46	-0.22	-0.09	-0.77
Residual Fuel Oil	-0.02	0.17	0.09	0.24	0.02	-0.07	0.00	-0.05
Other Products	-0.03	0.00	0.11	0.08	-0.29	-0.01	-0.08	-0.38
Total Products	**0.16**	**0.16**	**0.42**	**0.74**	**-0.82**	**-0.24**	**-0.15**	**-1.21**
Other Oils[1]	0.09	-0.02	0.14	0.21	-0.08	0.11	-0.06	-0.03
Total Oil	**0.27**	**-0.25**	**0.70**	**0.72**	**-0.81**	**0.21**	**0.03**	**-0.57**

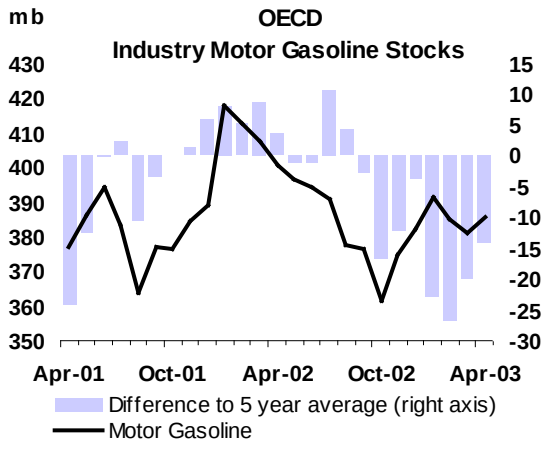
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD crude stocks declined 7 mb in April to 887.6 mb. Higher OPEC supply in the first quarter lifted import levels in the Pacific leading to inventory gains despite high refinery runs in Japan. Increased supply to North America was balanced by strong US refiner demand. Though US crude stocks rose, gains were offset by declines in Mexico. Stocks in Europe lost ground, retreating 12 mb from a near 28 mb upward revised March base. European refinery runs were still high though margins came down, but crude procurement was likely reduced ahead of anticipated run cuts in April/May.

- OECD gasoline stocks rose 4 mb on gains in US inventories ahead of the summer driving season. European exports to the US and to Nigeria nudged gasoline stocks lower in spite of weak regional demand and stable product output. Swap prices for prompt month delivery of barge gasoline in Northwest Europe were in backwardation through the second and third quarter, setting incentives for product sale out of storage. Japanese refiners skewed product yield to gasoline to build stocks ahead of the summer driving season and scheduled refinery maintenance.

- The end of winter heating demand and reduced aviation fuel demand allowed OECD distillate stocks to recover 8.5 mb in April to 452 mb. Except for US gasoil and jet fuel stocks, other distillate stocks posted gains. In Europe, despite an increase in inland gasoil deliveries to the key German market, demand was weak and supply of Russian material higher on reduced arbitrage opportunities to the US. While demand declined seasonally, kerosene stocks rose in Japan as a by-product of higher runs to meet domestic thermal power plant demand for fuel oil.





OECD Industry Stock Changes in April 2003

OECD industry oil stocks gained 21.5 mb in April to close at 2438.6 mb, or 156.6 mb below year-earlier levels. The April build came on top of an upwardly revised March base, in particular for crude stocks. OECD crude inventories were up 7 mb to 887.6 mb, but closed April at the bottom of their five-year range. Crude rose in Japan. Full contractual volumes offered by OPEC term suppliers, combined with increased spot purchases, lifted stocks higher despite firm refinery runs. Crude stocks were also up in the US where refiner demand was beginning to pick up ahead of summer gasoline demand. US stocks built on higher imports stemming from increased OPEC supplies in February/March and a return of production in Nigeria in late April. The build-up was mitigated, however, by backwardated WTI futures (premium for prompt month) and the major refining centres of the Gulf Coast and Mid-Continent saw little improvement in their crude inventory position. European inventories were off 11.6 mb from an upwardly revised March position as runs remained relatively firm and supply tightened. The March growth in European crude inventories looks transitory with sentiment reverting towards tighter supply as both the physical and futures Brent market moved into backwardation in May. Product increases in April were dominated by distillate gains in the Pacific and residual fuel oil in Europe. With the end of winter demand and high runs to meet domestic fuel oil demand, Japanese refiners produced surplus gasoil and kerosene. However, this winter has left distillate stocks below their normal range across all OECD regions. Ahead of summer, US-50 gasoline stocks grew as production rose and high imports outpaced weaker than anticipated demand.

Revisions and Preliminary OECD Stocks at the end of April 2003

Revisions to March preliminary data are disconcerting in their magnitude. Oil stocks have been revised up 79 mb of which nearly 50 mb was in crude stocks. While product stocks were revised up by 27 mb, gasoline stocks, the focus of the market ahead of summer driving season, were left unchanged. Most of the revision came in "other products", which is an estimated rather than a surveyed number. Around 11 mb of the 17 mb revision was centred in the US. In preliminary data, "other products" is a balancing item until more complete and disaggregated data become available. This product category regroups, amongst others, LPGs, naphtha, refinery gases and blending components. The upward March revision in the US follows from a downward revision in official submissions of "other products" demand and a rise in "other products" stocks from February (which in the official disaggregated data exclude LPGs in particular). It is likely that higher stocks in this category were due to a rise in gasoline blending components. Imports of European gasoline were high, but under US specification these fall under unfinished gasoline and are part of blending components. The rise in these stocks came as conventional gasoline production (which uses these components) only started rising in March, while imports of gasoline components were up 12 mb.

Europe accounted for 28 mb of the total crude revision and the Pacific for 17 mb. Japan, as anticipated last month, was revised higher (13.5 mb) as oil held on tankers at ports was accounted for. The European revisions came essentially in Norway (9.6 mb), France (5.6 mb) and in the Mediterranean: Italy (6.2 mb) and Spain (4.3 mb). Oil terminals in Northwest Europe were apparently well supplied. Availability of Saudi and Iranian barrels of a heavier/sour type was reported in Northwest Europe and the Mediterranean - as evidenced by weak differentials of Urals against Brent in both regions for that period. With a sharp drop-off in March prices, bargain buying on a fob basis from storage in bonded areas (not covered by preliminary reporting) became an attractive opportunity given uncertainties in the duration of the Iraqi conflict. This can partly explain the revisions for some of the countries above. In Norway, the revision may reflect regional refiners' reluctance to buy crude in a backwardated market though margins for light/sweet crude were attractive. Additionally, crude was regionally locked. Arbitrage on paper, based on WTI/Brent spreads, came up against high freight rates. The March price fall (for April North Sea loading barrels) may have also seen bargain hunting, and be a factor in the decline seen in the April Norwegian crude numbers.

Revisions Versus 13 May 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Feb 03	Mar 03	Feb 03	Mar 03	Feb 03	Mar 03	Feb 03	Mar 03
Crude Oil	**0.3**	**5.0**	**-3.0**	**27.8**	**1.1**	**17.1**	**-1.7**	**49.9**
Gasoline	0.0	1.1	-1.2	-1.9	0.2	0.8	-1.1	0.0
Distillates	0.6	3.2	-0.7	5.0	0.1	-0.9	0.0	7.3
Residual Fuel Oil	-0.2	1.0	1.4	2.3	0.0	-0.1	1.2	3.2
Other Products	2.4	12.9	0.2	3.3	0.9	0.6	3.5	16.9
Total Products	**2.8**	**18.3**	**-0.3**	**8.7**	**1.1**	**0.4**	**3.7**	**27.3**
Other Oils[1]	-1.7	-2.2	0.3	3.6	0.0	0.2	-1.4	1.6
Total Oil	**1.3**	**21.1**	**-2.9**	**40.1**	**2.3**	**17.6**	**0.7**	**78.8**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Despite revisions to baseline March inventory data and a stock build in April, OECD oil stocks are estimated at the end of April at 2438.6 mb or 156.6 mb below the previous year. Regionally, the inventory picture still remains tight in North America and Europe. Outside of the Pacific region, crude oil stocks in the Atlantic Basin continued to trail below 2002 by some 52 mb. North America remains below its recent five-year range, and the April draw in Europe pushed crude inventories back towards the lower-end of their range. In products, North America shows the widest deficit in storage against year-earlier levels. Only Pacific product inventories recovered within their normal range. In terms of cover, OECD oil stocks met 52 days of forward demand in April, unchanged from March but 4 days down from last year. On a regional basis, North America remained at 46 days, unchanged since January and 6 days off from the previous year. Europe slipped by a day in April to 60 days and the Pacific region saw cover gain 3 days to 55 days.

Year-on-Year Industry Stock Comparisons for April 2003

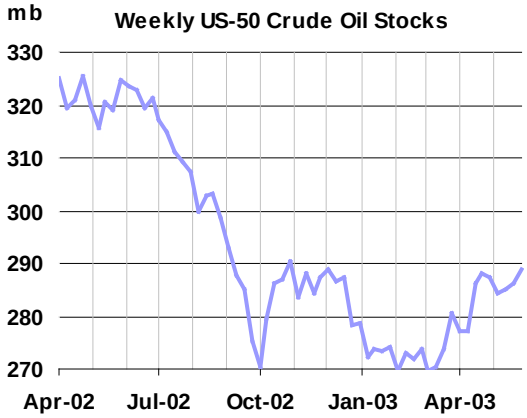
	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-46.5**	**-5.1**	**23.9**	**-27.8**	**Total Oil**	**-6.3**	**-1.6**	**-0.9**	**-3.9**
Total Products	-77.0	-27.7	-7.3	-112.0	*Versus 2001*	-4.1	-0.4	-3.2	-2.9
Other Oils[1]	-16.9	7.5	-7.5	-16.9	*Versus 2000*	-1.7	-0.6	1.7	-0.8
Total Oil	**-140.4**	**-25.3**	**9.1**	**-156.6**	**Total Products**	**-3.4**	**-1.8**	**-1.8**	**-2.7**
Versus 2001	-79.7	-15.5	-26.5	-121.7	*Versus 2001*	-1.9	-0.5	-2.1	-1.5
Versus 2000	-33.9	3.4	9.2	-21.3	*Versus 2000*	-0.9	-1.4	0.4	-0.8

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD Regional Stock Developments

North America

North American crude stocks at 392 mb held flat in April from March. Mexico saw crude stocks fall with sales into the US Gulf Coast, and some easing in production. Though Venezuela increased conventional crude supply, heavy/sour differentials against WTI tightened, indicating shrinking supply for comparable grades, and drawing Mexican crude from storage.



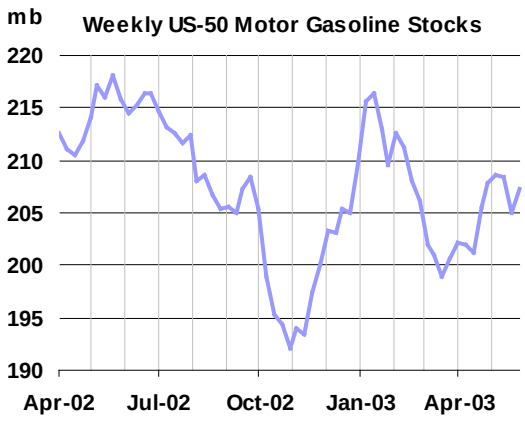
Crude stocks in the US-50 (excluding territories) rose 7 mb to 287 mb in April. Imports grew by 700 kb/d in March, outpacing a 500 kb/d gain in refinery runs. Incoming supplies began to reflect increased OPEC production in February and March, and a return of Nigerian production in late April. But combined gains in inventories in the refining centres of the Mid-Continent (PADD II) and US Gulf Coast (PADD III) did not lead to a material improvement in their crude position. With NYMEX's WTI futures in backwardation for April, the pre-summer build of crude stocks ahead of peak gasoline demand was set aside in favour of tighter supply lines.

In May, US crude imports were closely watched as a barometer of future crude builds. Weekly import levels in the second half of the month reached 10 mb/d, or above, though the flow of pre-Gulf war Iraqi cargoes dwindled. But higher refinery runs absorbed the increase in supply. Stocks posted an aggregate 2 mb gain against end-April to close at 289 mb. To maximise gasoline production, US refiners pushed utilisation rates to 98% by month's end while average capacity utilisation over the month was over 95%.

Geographically, however, the May crude build came in the US West Coast and stocks actually declined on the Gulf Coast where long haul supplies are delivered. Stocks in the Mid-Continent, the pricing centre for NYMEX's WTI futures contract, remained tight, unchanged at 56 mb. While easing by the end of April and early May, backwardation in the nearby delivery months for WTI futures in second half of May deepened. The July contract opened June a dollar higher than for August delivery, preventing forward hedging of crude costs and lending little support to building inventories.

With WTI still trading above a $2 premium against dated Brent, the US was attracting light/sweet Atlantic Basin crude and even Russian Urals from the Mediterranean. But import volumes are likely to come off recent highs, limiting a significant rebound in storage given high refinery runs. It is likely that Saudi Arabia had initially scaled back production as early as end-April, and has reduced its term supplies as of 1 June to its US customers (reportedly between 20% and 25%). And while Iraqi exports

are to yet to resume, uncertainty surrounds the sustainability of Venezuelan conventional crude production in the near term. On the Gulf Coast, heavy/sour differentials to benchmark WTI have narrowed in May and Russian Urals offers in the cash market for June delivery were reportedly all but sold by month's end.



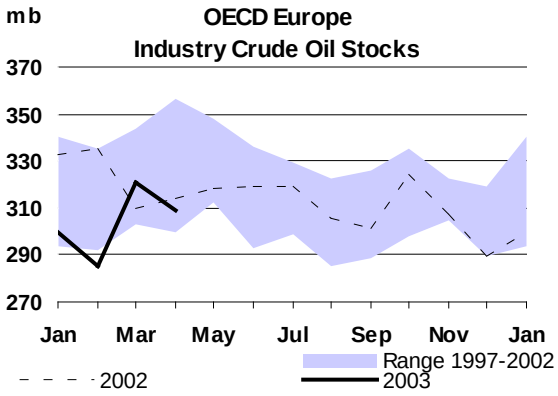
May US-50 gasoline stocks were level from April when high imports, combined with rising production, outpaced demand. Total motor gasoline stocks came to 207 mb, or 11 mb below the previous year. Inventories remain tight in light of the upcoming seasonal rise in demand. Near-month backwardation in NYMEX gasoline futures over April/May reached 5 cents a gallon ($2.10 a barrel), pointing towards tight prompt supply and uneasiness concerning unplanned refinery outages in the boutique fuel markets of the West Coast and the Mid-Continent.

In May, gasoline demand was just short of last year's level and finished motor gasoline stocks (which meet US product specifications) closed higher at 153 mb, with gains in conventional material. Conventional gasoline production rose, drawing down inventories of blending components. But production was off for reformulated gasoline (RFG) which saw stocks fall back 2 mb to 35 mb, retracing the previous month build. Tight stocks of RFG saw prices in May hold their premium over conventional material in New York Harbour and on the Gulf Coast. Venezuela, a key supplier of RFG to the US, yet again delayed exports from its Paraguana refining complex, citing the need to first supply its domestic market. PdVSA had indicated that a 300,000 barrels cargo is scheduled to load by end-June, but concerns were expressed as to whether the state oil company is able to meet US product specifications.

Tight gasoline stocks are a concern ahead of the driving season. June inventories could fall further. Implied gasoline demand is likely understated and is set to rise, while supply may be hindered. Imports have come off recent highs with a lull in European exports in April and early May. On the supply side, refinery runs are faced with weakening margins and high natural gas prices. Own-use costs of natural gas have risen, prompting some refiners to consider run cuts to reduce operating costs. Gasoline yield may come under pressure also with higher use of internally produced petroleum gases and competing demand for naphtha.

Europe

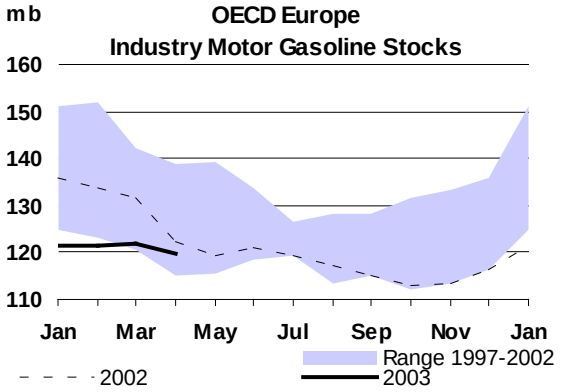
European industry crude stocks fell 11.6 mb from upward revised March levels to close April at 309 mb. Crude demand remained relatively firm over the month, and nearly 700 kb/d above last year. Most the April decline came in Norway where it is likely that producer storage was drawn in light of lower than expected production. Also, crude demand in March was high (when April barrels were traded), pushing stocks lower. In Northwest Europe, crude stocks were generally flat to rising, with the notable exception of Germany. Industry stocks there fell to 10 mb, though it likely that this figure should be revised up with official submissions. In the Mediterranean, gains in Italy were balanced by a draw in Spain.

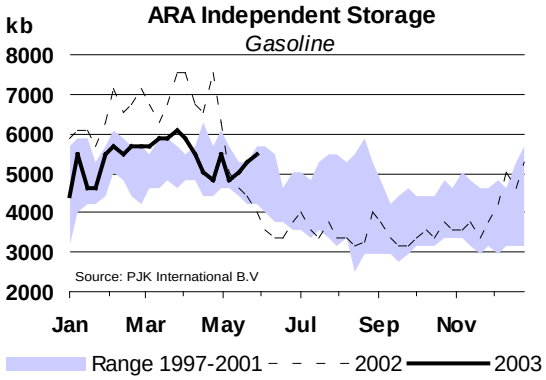


In May, crude stocks are likely to hold flat to rising. In April, IPE Brent calendar spreads in the first and second delivery month indicated a more balanced market, moving into a slight contango. On the demand side, falling profitability in May should see a broad reduction in runs. In late May, majors BP and Royal Dutch/Shell announced runs were cut during the month across their European refining system due to weaker margins.

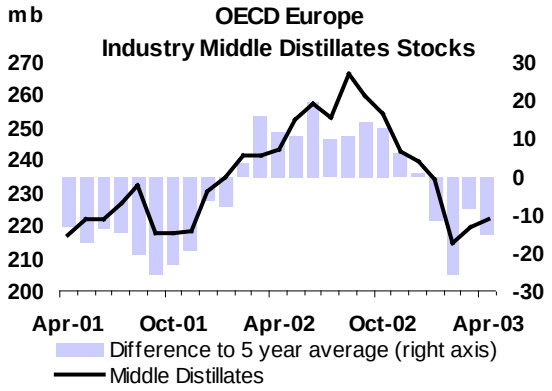
Refineries in periods of lower throughput ease crude procurement in favour of a drawdown in inventories accumulated earlier. Lower refiner demand should balance with reduced regional supply. The absence of Iraqi barrels, combined with Russian Urals finding arbitrage outlets in Asia and the US Gulf Coast, tightened the sour market. Availability of light/sweet grades was limited. North Sea supplies are expected lower as production in May was revised down. North Sea crude was also drawn out of the region. The reported overhang was arbitraged into Asia and the US. End-April, around 10 mb of North Sea crude was reported leaving Europe. A similar movement was reported for Brent-linked West African grades, with strong Asian demand for May and June loading barrels.

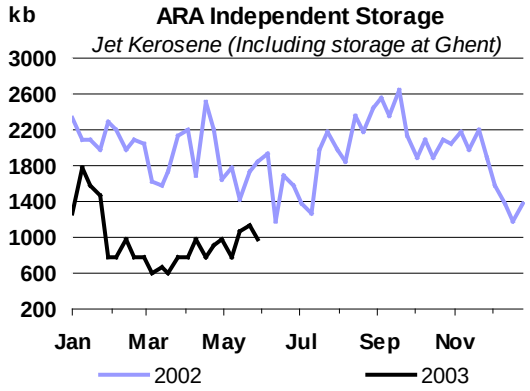
Industry gasoline stocks in April fell 2.4 mb to 119.6 mb. Forward demand cover came to 41 days as demand continued to contract. The decline in stocks is somewhat unusual given preliminary estimates of stable output, weak demand and lower exports to the US from the high levels seen in March. Only US refiners with European facilities were said to be moving product to the US. April saw gasoline prices come off sharply under heavy selling pressure in order to re-open cargo arbitrage to the US. Europe, on the basis of price movements, remained over-supplied. While gasoline was sold down, arbitrage was open by mid to end of May with trade profitable for regular material only by month's end.





Demand strength emerged in the UK in May but Nigerian demand was said to be waning after 500,000 tonnes were shipped in April. While 1.5 million tonnes were estimated to move to the US (some, with an option to Nigeria) during the month, most of the product, however, was reportedly sourced from the Mediterranean. In Amsterdam-Rotterdam-Antwerp (ARA), product over-supply at the end of May and early June saw gasoline stocks in independent storage rise further as outlets for surplus were limited. US gasoline demand is expected to recover in June, bidding domestic prices higher. Additionally, the forward price structure in unleaded barge gasoline swaps has been backwardated since April. We should see ARA gasoline stocks fall by the end of the second quarter. In the meantime, industry stocks of gasoline can reasonably be expected to hold roughly flat in May, from an upward revised April base.





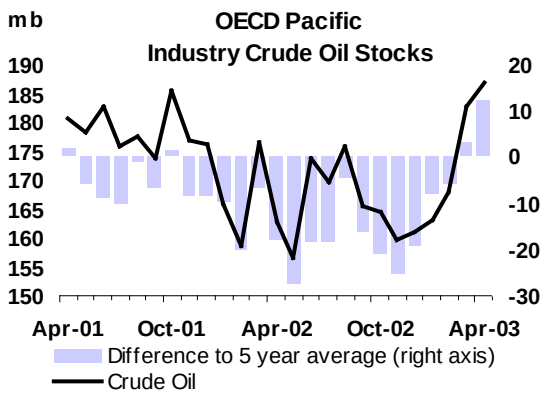
Distillate stocks at 222 mb, gained 2.4 mb from March. The rise is modest, considering generally weak demand and rising supply. Gasoil arbitrage to the US of Russian material, outside of prompt cargoes, was closed. Physical price premiums against front-month IPE gasoil futures softened to under $20 per tonne (versus highs of $80 in March). IPE front-month calendar spreads flipped from backwardation to a mild contango in end-April, re-establishing incentives to storage. Warmer weather in Northwest Europe curtailed demand with the exception of Germany. The key heating oil market saw inland deliveries rise as end-users returned to the market to refill depleted tertiary storage. This allowed ARA gasoil in independent storage to fall over a million barrels in April and primary stocks in Germany declined by slightly less. Supply rose further, despite German demand. Baltic exports of gasoil continued to add more supply, driving prices lower and pushing ARA stocks higher in early June. The pace of further builds may be slowed by heightened interest in the barge and cargo market for ultra low sulphur diesel. Interest was reported for delivery into Germany, due to refinery turnarounds at end 2Q, and the UK.

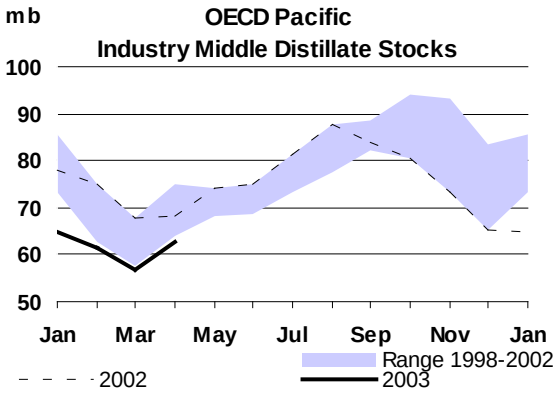
The increase in distillates stocks was also supported by gains in jet fuel storage. Supplies in Europe were ample after March military demand receded. Weakening airline demand in April through May saw companies re-sell jet into the barge market. Middle East volumes into Europe were particularly heavy in absence of outlets in the alternative Asian market. The current contango in swaps supports building stocks, with some jet fuel destined for the gasoil pool, given a narrowing of price differentials between products.

Pacific

Industry stocks of crude oil in the Pacific rebounded above their recent five-year average in April, closing at 187 mb. Baseline inventories in Japan were revised higher as oil in tankers at port facilities waiting to offload was accounted for. Crude imports into Japan for April swelled as domestic refiners took advantage of full nominations loading in March from their mainstay OPEC suppliers. Japanese crude stocks rose 3 mb, but the same caveats as last month apply - expanded term allocations and spot purchases will lead to more tanker arrivals. The final tally has upside potential. Stocks in Korea rose by 1 mb, on reduced refiner demand, though import volumes there were also higher on a yearly basis.

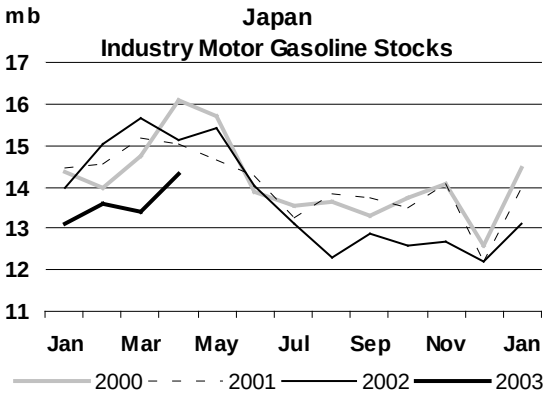
Japanese crude stocks are likely to keep rising through the second quarter as crude runs decline further and refinery downtime peaks in June. Most of Japan's main term suppliers are said to have extended full volumes from May through June. Cuts by Saudi Arabia for June were limited in the case of Japan to a reported 7% reduction from May levels and left unchanged to Korea. These volumes, combined with precautionary spot purchases of June loading Oman are likely to push Japanese inventories towards the top of their 5-year range through this quarter.





Crude availability to Asian refiners in general was reflected in the muted interest for July loading Oman crude, with Japanese, Korean and Chinese refiners reportedly having covered requirement for that month. Korean stocks are also likely to rebound, albeit to a lesser extent. Crude procurement is likely to be curtailed as Korean refiners reduce runs further in a weak margin environment. This may prove more so the case for Korea's largest refiner, SK Corp, who was reported operating at 74% in early June and planning further cuts for July. In addition, replenishment of crude stocks at SK Corp may be limited by its financial difficulties, even though the state Korean National Oil Corporation has offered to extend loans to offset reduced credit lines.

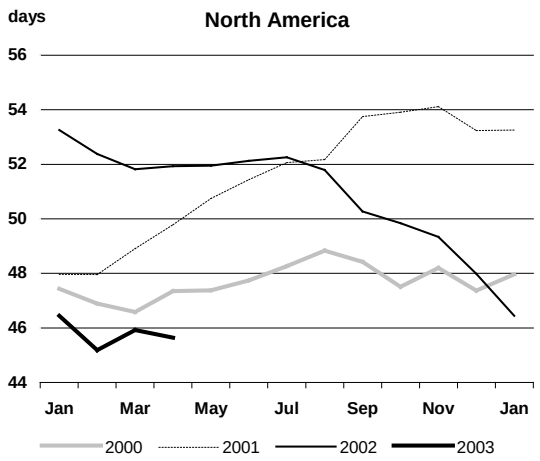
Distillate inventories rebounded in April by 6 mb to 63 mb. The build was centred in Japan where stocks increased by around 5 mb. Earlier in March, Japanese refiners were caught short by late winter demand, producing more kerosene (used as a heating fuel) at the expense of gasoline. With winter demand coming off in April, stocks accumulated. But refiners in Japan have also been running hard to meet domestic thermal power plant demand for fuel oil following the closure of several nuclear facilities. The higher yearly runs mean that more distillate fuels are produced as a by-product than is domestically required, this, in spite of a sharp cut-back in product yield of kerosene on a monthly basis.

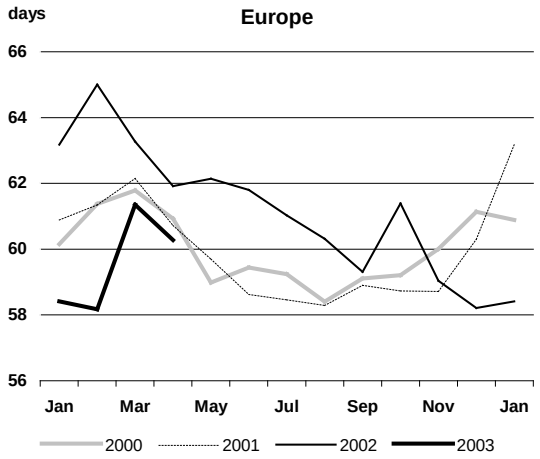


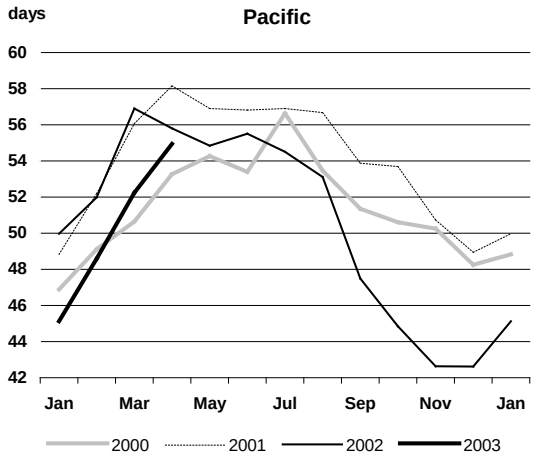
Japanese kerosene stocks however, are not yet in surplus, and a contango (first month discount to second month) for Singapore kerosene prices in May could support filling tanks. Yet, there are indications that product will be sold back into the market come July. The rise in kerosene storage was accompanied by gains in gasoil stocks through May. The growth in gasoil received support from blending down of jet into the gasoil pool. The re-grade (the premium of jet over gasoil) in Singapore has been negative since mid-March and most of May on poor sales, making it more profitable for regional refiners to produce gasoil. Though runs declined seasonally, gasoline stocks built in Japan as product output gained on a year-ago. After a dip in March, gasoline stocks rose by around 1 mb, but at 14.3 mb, they were roughly 1 to 2 mb below their normal April/May peak.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

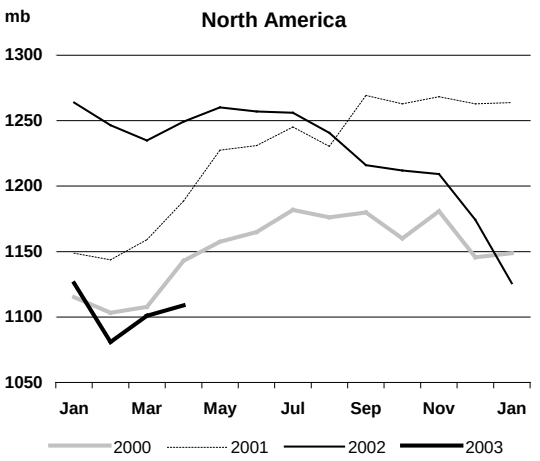
Days[1]

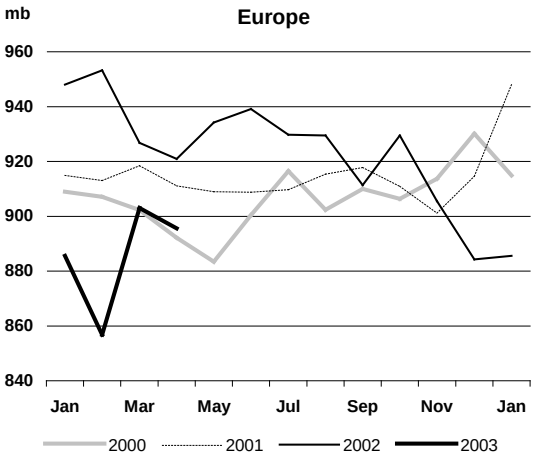


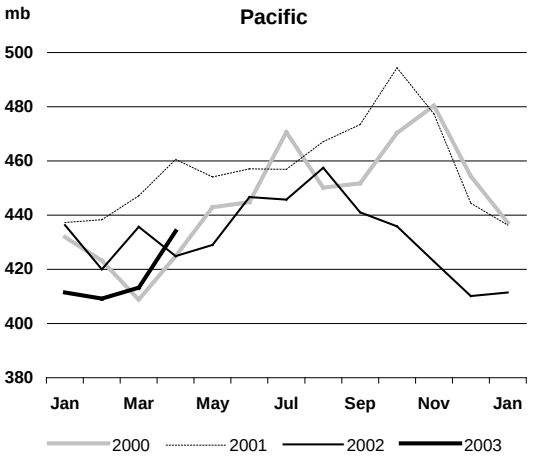




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

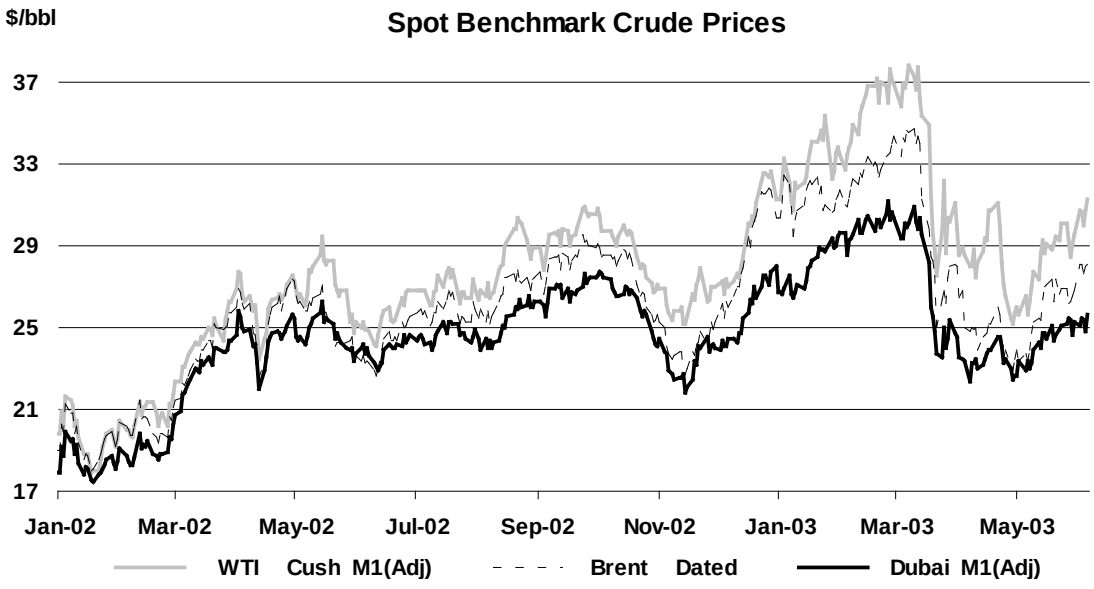
- **Crude oil** rallied from early May lows, with myriad fundamental factors emerging to support prices. Record US refinery throughput, North Sea maintenance, bombings in Saudi Arabia, US pressure on Iran, looting at Iraqi oil fields, talk of further OPEC target cuts and the weak dollar all combined to help prices recover. Benchmark Dated Brent rose from $23.50 at the end of April to $28.12 on 30 May.

- **The transatlantic** arbitrage remained open for Brent related and West African crudes to the US in March. In early May there was also strong competition for supplies from the Far East as the Brent/Dubai spread narrowed significantly. However this window was shut towards the middle of the month as local demand deteriorated in a belated response to the SARS impact.

- **Futures** spreads proved revealing for the market. The anomaly of a forward price premium (contango) in the Brent market in April, while the WTI market was in a strong discount structure (backwardation), had been difficult to explain by poor European refining margins alone. However the sharp upward revision to March European stocks provides a further reason why front-end Brent prices would have been relatively more depressed during the month. The corollary is that the recent return to a steep backwardation in Brent would suggest that the market has rebalanced and that stocks remain tight.

- **Far Eastern** markets started to show the impact of the reduced demand caused by the SARS virus. A tendency to maintain refinery runs and build up retail and secondary stocks meant that the demand-side impact on the spot markets has been relatively limited until now. However there was a general impression of growing weakness in the Far Eastern crude and product markets towards the end of May as lower Chinese demand was felt through the resale of Oman cargoes and higher gas oil exports.

- **Refinery margins** continued to fall in May, leading to discretionary refinery run cuts in North West Europe and the Far East. US margins also contracted sharply and if recent levels are maintained, throughput would be unlikely to remain at the record levels seen at the end of May.



Crude Oil Prices

Spot Crude Prices and Differentials in May

Crude oil prices rose steadily throughout May, with prices supported by low stocks, strong US demand and numerous supply, geopolitical and economic issues. Sour crudes tended to underperform in the second half of the month as increased Russian exports and a push by refiners towards gasoline production prompted higher demand for sweet crudes. Various production problems and maintenance in the North Sea and Nigeria contributed to the strengthening of sweet differentials.

There was no single driving force in the crude market in May, but sentiment did appear to turn more positive after the market digested a sharp downward revision to February OECD stocks. The low stock base was accentuated by the stable pattern of US crude stocks during the month. Gasoline inventories and particularly RFG stocks remained low, which encouraged high US refining rates and therefore robust demand for sweet crudes. The euro was also exceptionally strong against the dollar.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Mar 03	Apr 03	May 03	May-Apr		Week Beginning:				
				Change	*%*	05 May	12 May	19 May	26 May	02 Jun
Crudes										
Brent Dated	30.54	24.85	25.72	0.86	3.5	24.20	26.28	26.92	26.44	27.98
WTI Cushing 1 month (adjusted)	33.43	28.26	28.14	-0.12	-0.4	26.64	28.62	29.35	29.29	30.69
Urals (Mediterranean)	28.52	22.61	23.80	1.18	5.2	22.43	24.49	24.96	24.26	25.60
Dubai 1 month (adjusted)	27.38	23.45	24.36	0.91	3.9	22.81	23.57	24.59	24.83	25.17
Tapis	31.37	27.66	26.76	-0.90	-3.3	26.05	27.12	27.13	26.84	27.04
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	2.89	3.41	2.43	-0.98		2.43	2.34	2.43	2.85	2.71
Urals (Mediterranean)	-2.01	-2.24	-1.92	0.32		-1.78	-1.79	-1.95	-2.19	-2.37
Dubai	-3.16	-1.40	-1.36	0.04		-1.39	-2.71	-2.33	-1.61	-2.81
Tapis	0.83	2.81	1.04	-1.77		1.85	0.84	0.21	0.40	-0.94
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.78	0.15	0.31	0.16		0.02	0.46	0.50	0.42	0.52
WTI Cushing 1mth-2mth (adjusted)	0.79	0.94	0.58	-0.36		na	0.36	0.52	0.21	1.10

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

Benchmark WTI Cushing rose from $25.72 at the end of April to $29.56 at the end of May and Dated Brent from $23.50 to $26.80. Taken as an average though, crude prices held relatively flat in May, which was itself a contrast with the price slump that had been seen between March and April. Average WTI Cushing prices fell by 12 cents in May compared with a month earlier. This contrasted with the 86 cent rise in Brent prices and a similar rise in Dubai prices. Average Urals crude values rose $1.18 per barrel, while average Tapis crude prices dipped by 90 cents.

There were other significant issues that had an influence on sentiment, particularly developments in the Middle East. None of these events had any direct impact on oil supplies or flows, but there was considerable speculation and an air of unease in the market.

The terrorist bombings on foreign worker compounds in Saudi Arabia highlighted the potential for further terrorist attacks in the region. The Germany, UK and the US temporarily closed their embassies in Saudi Arabia shortly afterwards, citing intelligence reports of plans of a potentially larger attack. Aside from concerns for the safety of foreign workers and the possibility that oil installations could be targeted in the future, the attacks highlighted how political relationships in the region had shifted since the toppling of Saddam.

There was speculation that al-Qaeda was involved in the attacks, which led to political pressure from the United States administration for Tehran to do more to prevent al-Qaeda cells from operating from within Iran. This when added to existing pressure from Washington for Iran to abandon the building of a nuclear plant led to press speculation that parts of the US administration were favouring a policy of regime change in Iran – unnerving some traders.

However, the increased US pressure for resolution of the conflict between Israel and the Palestinians contributes to calming concerns about regional crude oil supply security.

Iraq remained an important factor for the oil market. The United Nations Security Council moved quickly to approve a resolution recognising the US-led interim government of Iraq on 22 May. This provided the legal authority to resume oil exports and to sign contracts to restore and develop existing and new oil facilities. The first tenders to sell Iraqi oil were issued on 5 June, covering the sale of 10 million barrels of oil from stocks. Iraqi officials continue to target output of 1.5 mb/d by the end of June, of which 1 million barrels would be exported.

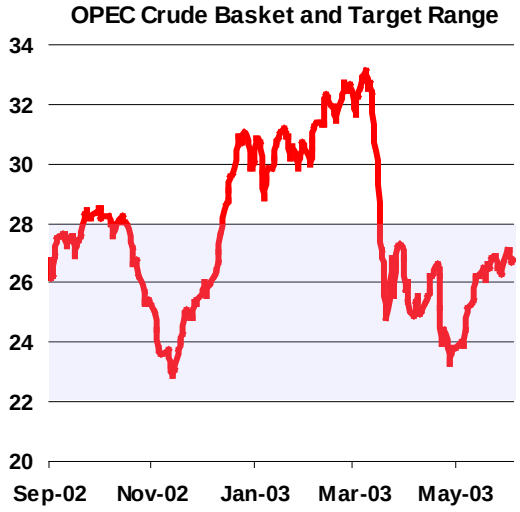
Meanwhile there are continued reports of looting, infrastructure and security issues, particularly in the south and sporadic violence against coalition troops. However, from an economic perspective it is important to resume oil exports. This will be facilitated by the freeing up of storage space, in Ceyhan, but it will be some weeks before it is possible to assess the true export capability. Recent comments from Iraqi oil officials have however indicated that oil exports might remain at 1 mb/d for the rest of this year due to infrastructure problems as a result of continued looting.

North Sea crudes were helped by the prospect of lower supplies in June as peak summer maintenance reduces availability by 400,000 b/d. Problems with the Forties field also supported prices, and this helped Brent crudes to recover from April's depressed levels.

The rise in prices also prompted a distinct shift in OPEC's stance. OPEC comments in early May warned that it could curb output prior to the June 1 change in quotas if necessary. However the announcement by Saudi Arabia that it was cutting supplies to term customers in Asia by 7% from May levels and to European and US customers by 14% to 25% steadied the market. By the beginning of June the OPEC basket price had risen to $26.77 and OPEC officials declared themselves happy with current price levels.

The OPEC basket averaged $25.63 per barrel during May, 35 cents higher than its April range, but still very close to the middle of its $22 to $28 per barrel price range.

The influence of SARS in the Far East also started to have a physical impact on the oil markets in the second half of May. China was reported to be re-selling some of its committed Oman crude cargoes, while its planned exports of gas oil in June increased and jet fuel imports decreased (see Products).

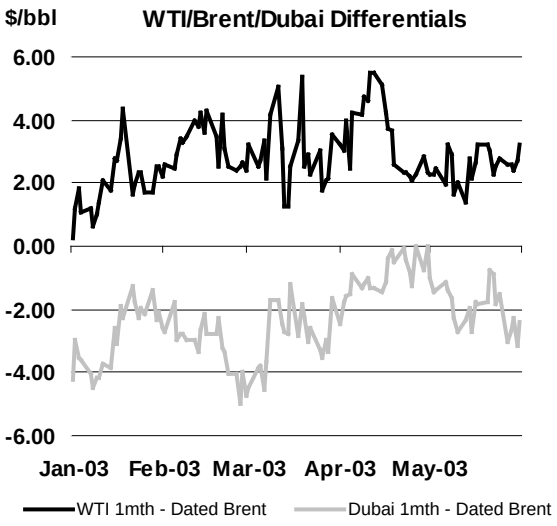


It is also impossible to ignore the strength of the euro against the dollar. Discussions of the impact of a currency shift on crude prices tends to open very polarised debates over the impact of currency movements on commodity prices. Nevertheless, it is certainly incontrovertible to say that the recent strength of the euro means that Brent in euro terms has risen much less steeply in May and early June than Brent in dollar terms.

The WTI Cushing to Dated Brent differential held relatively stable between $2.30 to $2.50 for most of May before rallying sharply towards the end of the month and early June to current levels of $3.24. However, even at the lower early month levels the arbitrage window for North Sea related crudes from Europe to the US remained fully open, facilitating the movement of crude across the Atlantic to meet US refiner demand.

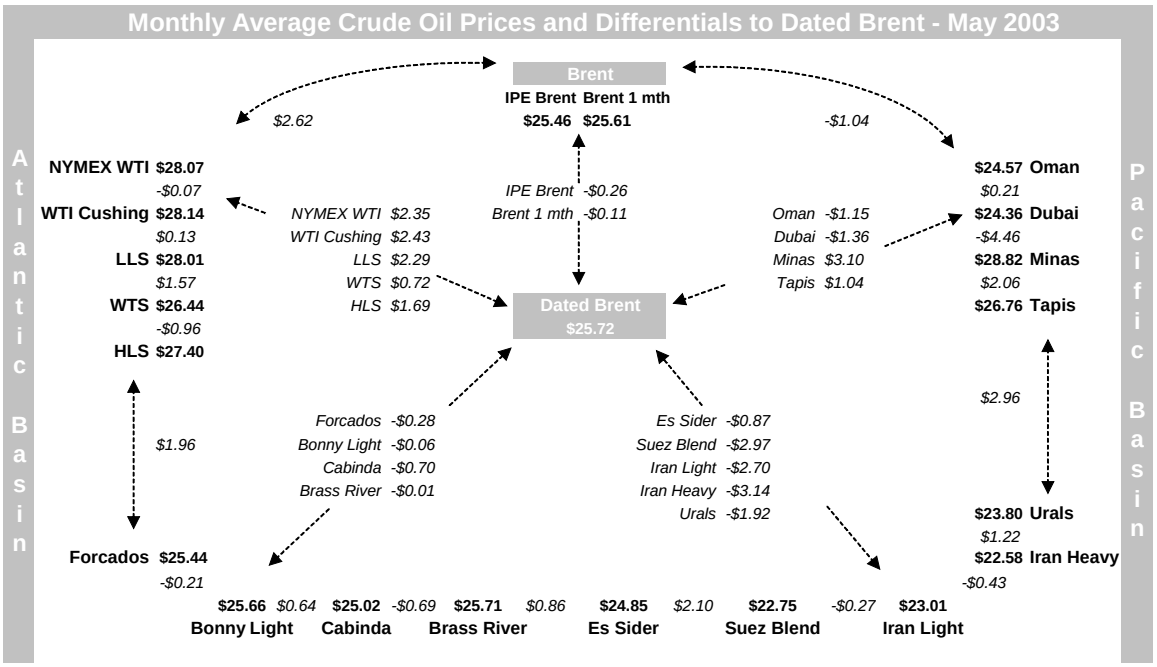
The Dated Brent/Dubai spread also narrowed sharply at the end of April and early May, as local traders moved to buy Middle Eastern crudes ahead of an anticipated cut in Saudi term supplies to the region in June. This led to the opening of the import window for Brent related North Sea and West African sweet crudes as well as strong demand for Urals crude.

The move in the Brent/Dubai spread was not as dramatic as the one shown in the charts as this also reflects intraday weakness in the Brent market. The Brent price snapshot is taken in the evening, while the Dubai EFS quote is taken in Asian trade in the morning. Therefore a simple comparison of the daily assessment of each quote is subject to the intraday volatility of the market.



Brent/Dubai however weakened towards the end of the month as the Saudi term supply cuts to the region were not as severe as those made to European and US term customers. Also the reduction in Chinese consumer demand started to filter through to the primary market, which resulted in the resale of some Oman cargoes back to the market. Regional run cuts were also reasonably severe in China, Japan and Korea due to lower margins and financial difficulties.

Strong Japanese utility demand for most of May was shown by the continuation of the premium of Minas crude over Tapis. However, this differential narrowed significantly at the end of the month which coincided with reports that much of the nearby fuel demand had been covered.

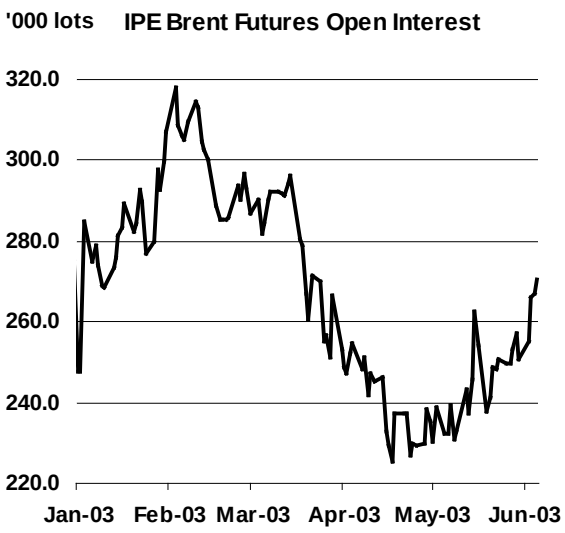


Crude Futures in May

Futures prices for both Brent and WTI rose sharply during May and early June as political and supply developments prompted a reversal in sentiment from the immediate post-war aftermath. This was evident in the direction of open interest (the number of active positions held by traders) in the IPE Brent contract, which rose sharply during the month as both speculative and trade hedge volume increased.

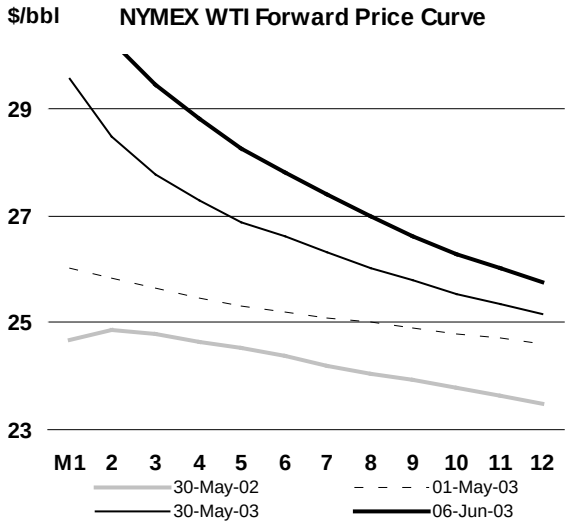
The desire to hold onto and expand Brent futures positions towards the end of the listing of the July contract exaggerated the extent of the increase in open interest early June. This was likely exaggerated by the timing of the OPEC meeting just prior to the front month July contract expiry.

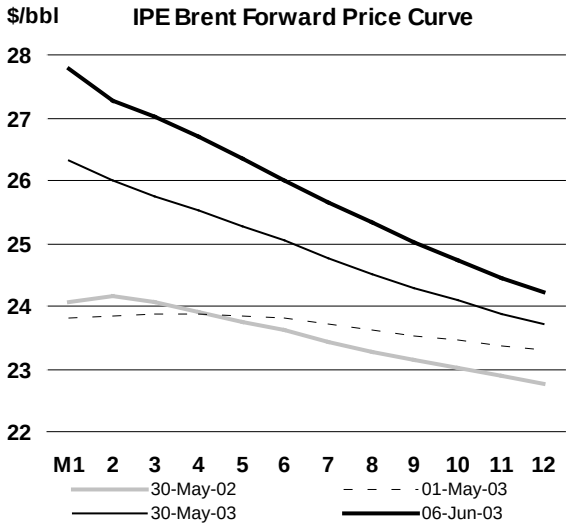
The backwardation in both WTI and Brent futures increased considerably, with a steepening and upward shift of the curve seen during the month. This move is consistent with the increase in crude values as the forward discount generally tends to increase when prices rise. However it is also instructive to look back at the flat structure of the Brent market at the beginning of May and also in April compared with the backwardation that was clearly in place in WTI futures.



At the time the only explanation that we could give for this divergent trend was the relative paucity of demand from European refiners due to the low refinery margins and regional maintenance in place at that time. However, the March OECD stock revisions subsequently show that the healthier European inventory position is also likely to have had a powerful influence on refiner buying patterns. Refiners therefore held much larger crude stocks than initially estimated moving into April, which would have reduced spot oil demand and led to a rebalancing of stocks as those inventories were unwound. From a price perspective this explains why the Brent forward price structure flattened in April while WTI was in backwardation.

This once again shows that prices tend to provide the most accurate barometer of relative supply and demand conditions. On that basis the recent strength in the IPE Brent backwardation could also be an indicator of the current relative tightness of supplies and would support the preliminary numbers showing a reduction in European stocks in April – a trend that is also likely to have continued in May.





Delivered Crude Prices in March

Delivered prices for crude oil imported into IEA countries fell from $31.83 in February to $30.92 in March, a drop of $0.91 (see Table 8 at the back of the Report). Prices fell by $1.43 in IEA Europe, $1.26 in IEA North America but rose by $1.31 in IEA Pacific. These declines reflected the increase in supplies and reduced uncertainty seen in the market after the start of the war with Iraq (see Oil Market Report, March 2003).

Product Prices

Spot Product Prices in May

Prices fell sharply at the beginning of May in line with a weakening of crude prices and a fall in product crack spreads, but generally stabilized around the lower levels for the rest of the month.

Spot Product Prices
(monthly and weekly averages, $/bbl)

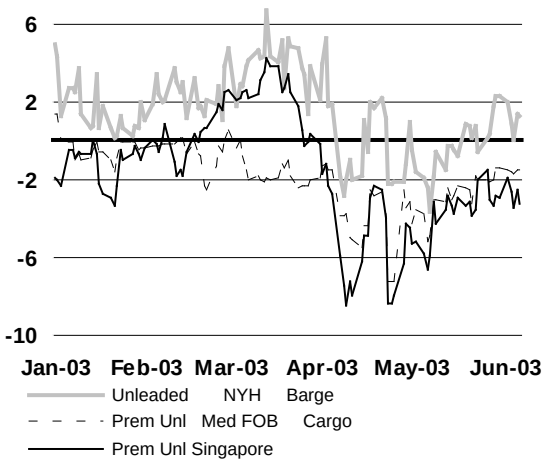
	Mar	Apr	May	May-Apr Change	May-Apr %	Week Beginning: 05 May	12 May	19 May	26 May	02 Jun	Mar	Apr	May
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	36.71	35.00	32.64	-2.36	-6.8	31.41	32.69	33.21	33.13	34.23	6.17	10.15	6.92
Regular Unleaded	36.17	34.25	31.87	-2.37	-6.9	30.83	32.04	32.31	32.24	33.56	5.63	9.39	6.16
Naphtha	34.16	24.76	23.58	-1.18	-4.8	22.04	23.10	24.97	24.79	26.73	3.62	-0.09	-2.14
Jet/Kerosene	43.01	31.75	30.38	-1.37	-4.3	30.09	30.30	30.58	30.59	32.01	12.48	6.90	4.66
Gasoil	40.24	30.06	29.47	-0.59	-2.0	28.56	29.64	29.99	29.98	31.41	9.70	5.20	3.75
Fuel Oil 1.0%S	27.92	24.02	22.54	-1.48	-6.1	21.30	22.27	22.75	24.15	25.27	-2.61	-0.83	-3.17
Fuel Oil 3.5%	22.84	19.42	21.16	1.74	9.0	20.47	21.20	21.00	22.55	22.28	-7.69	-5.44	-4.56
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	35.08	30.94	30.21	-0.73	-2.4	28.67	30.29	31.13	31.38	32.68	6.55	8.33	6.41
Premium Unleaded	34.36	30.22	29.49	-0.73	-2.4	27.95	29.57	30.41	30.66	31.96	5.83	7.61	5.70
Naphtha	31.83	22.72	22.08	-0.64	-2.8	20.31	21.66	23.60	23.45	25.70	3.31	0.11	-1.72
Jet/Kerosene	38.44	28.04	28.34	0.29	1.0	28.04	28.46	28.58	28.24	29.72	9.91	5.43	4.54
Gasoil	39.90	27.55	27.14	-0.41	-1.5	26.47	26.98	27.59	28.14	30.59	11.38	4.94	3.35
Fuel Oil 1.0%S	29.22	21.98	22.43	0.44	2.0	20.79	23.08	23.02	23.23	24.29	0.69	-0.63	-1.37
Fuel Oil 3.5%S	19.59	16.88	19.05	2.16	12.8	18.29	18.98	19.17	20.28	20.30	-8.93	-5.73	-4.75
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	41.68	37.22	35.57	-1.65	-4.4	33.60	36.00	36.92	37.21	37.69	8.25	8.96	7.43
Regular Unleaded 87	40.07	33.58	31.86	-1.72	-5.1	30.14	32.38	33.08	33.28	34.13	6.64	5.32	3.72
Jet/Kerosene	41.14	33.11	31.90	-1.20	-3.6	31.36	32.48	31.95	31.70	32.46	7.71	4.84	3.76
No.2 Heating Oil	41.16	33.02	31.05	-1.96	-5.9	30.26	31.39	31.28	31.28	32.13	7.73	4.75	2.91
Fuel Oil 1.0%S (Cargo)	31.71	24.01	24.51	0.50	2.1	24.68	25.42	24.34	23.74	24.49	-1.72	-4.25	-3.64
Fuel Oil 3.0%S (Cargo)	25.34	19.94	21.15	1.21	6.0	21.41	21.80	21.30	20.34	19.88	-8.09	-8.32	-7.00
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	37.51	28.74	28.73	-0.01	0.0	27.20	28.59	29.76	29.61	30.90	10.13	5.29	4.37
Naphtha	33.78	23.58	23.77	0.19	0.8	22.02	23.54	25.04	24.78	26.26	6.40	0.13	-0.59
Jet/Kerosene	35.33	28.35	28.25	-0.10	-0.4	27.78	28.24	28.53	28.30	28.82	7.95	4.90	3.89
Gasoil	36.97	29.24	28.39	-0.85	-2.9	28.16	28.57	28.57	28.19	28.60	9.59	5.79	4.03
LSWR (0.3%S)	30.16	28.80	27.26	-1.54	-5.3	28.50	27.38	26.70	25.87	26.16	2.78	5.35	2.90
HSFO (3.5%S 180cst)	27.85	23.97	24.64	0.67	2.8	25.02	24.18	24.17	24.94	24.97	0.47	0.52	0.28
HSFO 4%S	27.93	24.23	24.26	0.03	0.1	24.92	23.69	23.70	24.41	24.73	0.55	0.78	-0.10

Gasoline prices trended higher in May across the four regions monitored, although the fall in prices towards the end of April meant that the monthly average May price was actually lower in all but the Far East.

The gasoline differential relative to crude also fell sharply, with the steepest losses seen in Rotterdam because of the sharp relative increase in Brent prices. This contrasted with the distinct uptrend seen in the US market, (although even there gasoline values still lagged the increase in WTI prices).

Indeed the North West Europe (NWE) market underperformed gasoline in the Med and Singapore as well. The contango structure of ARA unleaded gasoline swaps highlighted the lack of demand in this region and contrasted with the front-end backwardation in US gasoline futures.

Unl. gasoline Spreads to Rotterdam



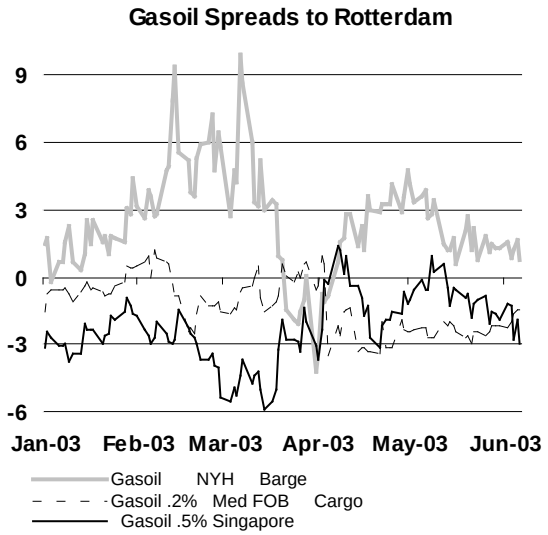
At the end of the month the spread between US unleaded and Rotterdam gasoline turned positive, and occasionally provided a workable arbitrage to the US. Additional volumes across the Atlantic therefore supplemented the regular term shipments of gasoline that have been moving West since the spring. May also saw a recovery in US gasoline demand ahead of the summer driving season. This improving

trend in primary consumption was temporarily interrupted during the week of the Memorial Day public holiday in the US, but it would be surprising if this was little more than a blip related to disrupted tanker movements.

A major concern in May was the continued disenchantment of some traders with the change the daily product pricing assessment methodology by one assessor. This led to some swap traders switching to switch to a rival price assessment. This dispute does not appear as if it will be resolved swiftly, but from an economic perspective the loss of a single price assessor for the European gasoline market is only important if it leads to distortions and inefficiencies in the price discovery mechanism.

Middle distillates saw very little outright price movement in May, with a small uptrend in gas oil prices and an unusually flat jet/kerosene market. The stifled price movements in jet fuel prices is perhaps the more understandable, given the ongoing reduction in air travel related to the SARS virus. However, recent data would suggest that the virus is coming under control in the Far East.

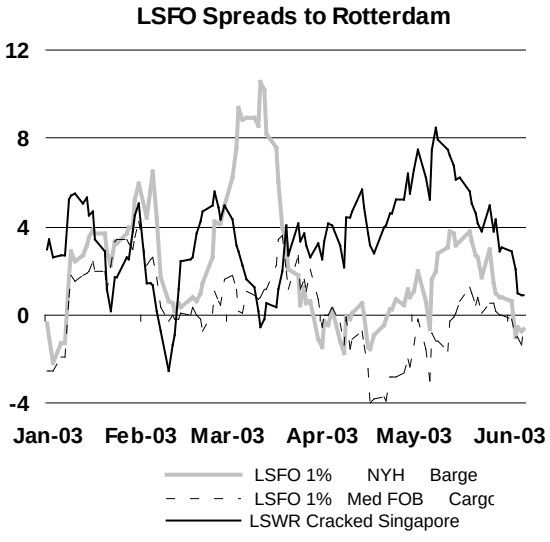
But the lack of a distinctive trend in prices from the middle of April through to the end of May suggests that refiners have been able to balance the reduced demand with reduced supplies (switching to naphtha and gas oil over jet and cutting runs). Much rumoured heavy stock sales by airlines have failed to materialise and there was little price reaction to the news that China does not plan to import as much jet fuel in the third quarter, indicating that the change was largely factored into prices.



Gas oil improved slightly in May, dragged up by the rallies in gasoline and to a lesser extent crude. Average prices in May dipped $0.59 in Rotterdam, and by $0.41 cents in the Mediterranean region. However, by the end of May, prices in the two regions were $1.42/barrel and $1.67 higher respectively than early May prices, a gain that was almost doubled in early June.

In Europe, lower seasonal end-user consumption was more than offset by heavy German consumer re-stocking during the month. German consumers aggressively took advantage of the post-war and seasonal dip in prices to stock up for the winter. The strength of the Euro has therefore been an added encouragement and has effectively lowered pan-European retail prices. While prompt gas oil prices in dollar terms are back to levels seen at the beginning of last winter, it is March 2002 before comparably low euro denominated prices can be found.

US distillate prices (diesel, heating oil and jet/kerosene) were also flat. Demand has come down sharply from its winter peaks, but remains firm in comparison with a year ago. However the high refinery run rates needed to meet seasonal gasoline demand means that distillate stocks have now recovered to the lower end of the 5-year range. Historically distillate stocks would normally be expected to rise by around 20 million barrels between now and the end of October, but would have to rise by around 30 million barrels to return to the middle of the seasonal norm.

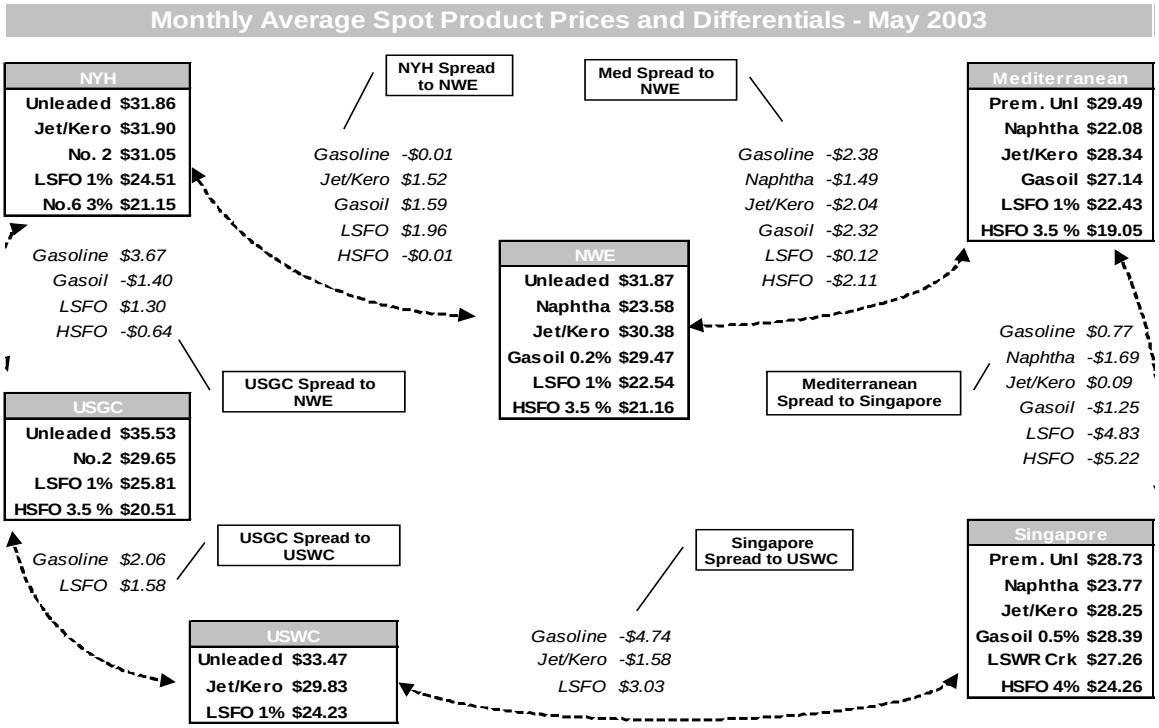


The bottom of the barrel was mixed during May. After a lackluster start to the month a late bout of tightness in low sulphur fuel oil (LSFO) caused a surge in NWE barges. The strength was sufficient to push Rotterdam prices to a premium to US values, and also dragged up the Mediterranean market to effectively seal off westward arbitrage flows.

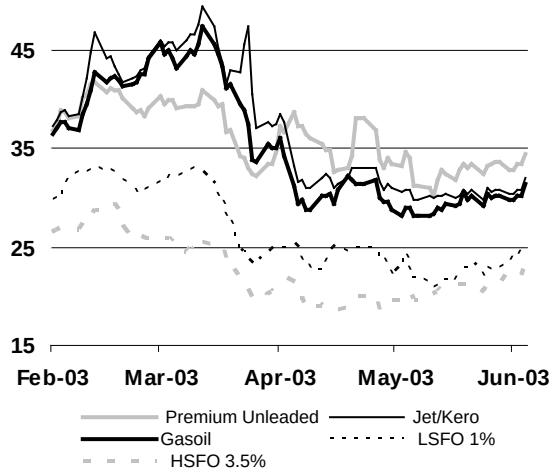
Traders were surprised when state-owned electricity generator Electricidade de Portugal had only tendered for a single cargo early in May, which they felt signaled relatively poor demand. Having subsequently adjusted positions for anticipated lower offtake, some traders appeared short of material when the utility returned to tender for what was reported to be up to 75,000 tonnes of low sulphur fuel oil. EDP is a regular buyer in the fuel oil market, particularly in the summer months when hydro power generation is reduced. However changes in EU directives mean that it has switched to LSFO from high sulphur material this year.

Strong demand from US utilities looking to switch away from high-priced natural gas market had already cleared much of the spare material from the European market, and refinery run cuts due to poor Brent margins effectively left the market with tight supplies.

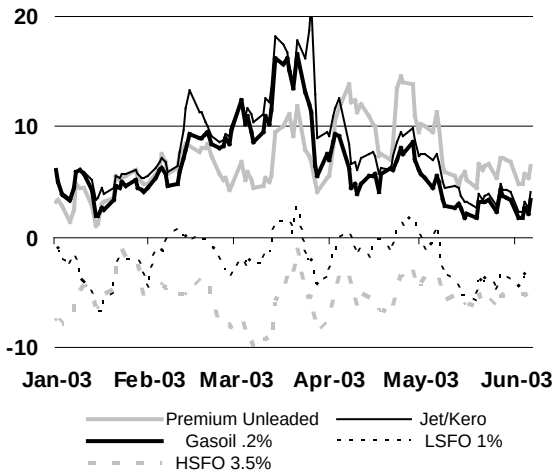
However, fuel oil supplies elsewhere are coming under pressure. There are comments that Japan has finished much of its recent pre-summer peak buying to meet increased utility demand. Meanwhile in the US residual fuel oil stocks have jumped sharply, helped by increased imports, record domestic refinery runs and mild weather conditions that have reduced the need for cooling demand.



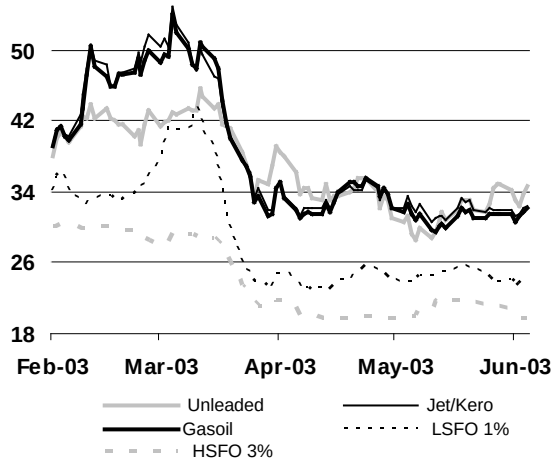
$/bbl **Rotterdam Spot Product Prices**



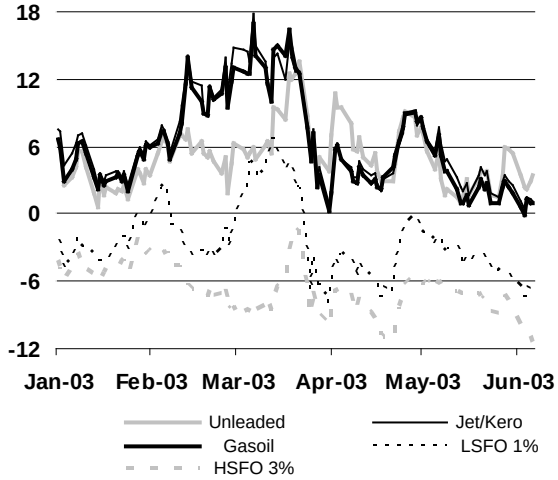
$/bbl **Rotterdam Spreads to Dated Brent**



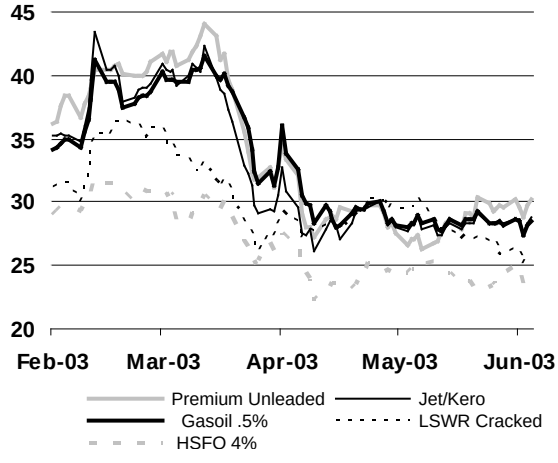
$/bbl **New York Harbour Spot Product Prices**



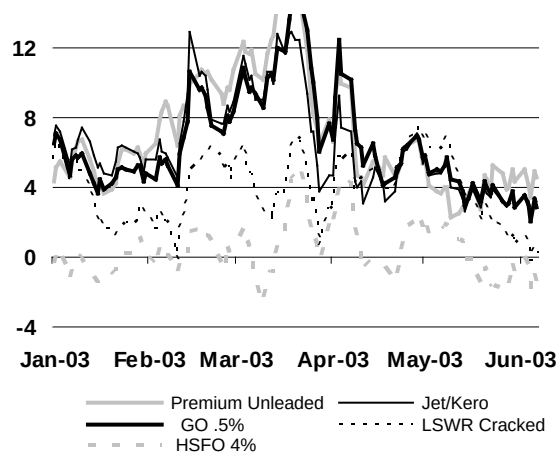
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**

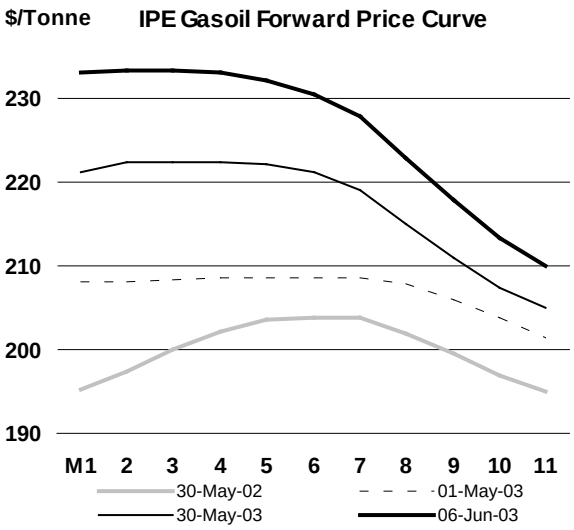


$/bbl **Singapore Spreads to Dubai**



Product Futures in May

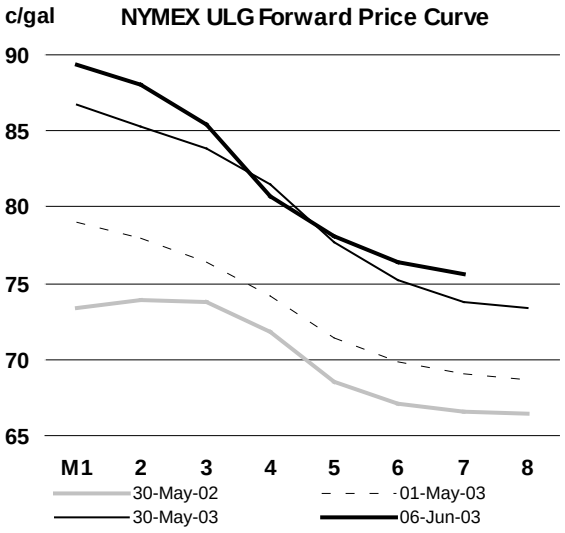
The sharp rise in front-month IPE gas oil and NYMEX heating oil futures prices in May was accompanied by a steepening of the forward futures strip into a sharp backwardation.



In the case of IPE gas oil the curve shift has led to the unusual, almost contra-cyclical, pattern to the forward curve, which, instead of showing a seasonal peak in prices around the turn of the year is now showing a decline in prices from September onwards. In contrast, the US heating oil market peaks in January, which would be consistent with historical and seasonal norms.

The main reason for the early peak in 2003 futures values has been in response to the heavy consumer tank refilling seen in Germany since the end of the war with Iraq. This has effectively brought forward some winter demand, which therefore means that during the fourth quarter primary offtake is not likely to be quite so strong. However, with US prices remaining strong until the end of the year there would seem to be the potential for additional trans-Atlantic shipments this winter.

Front month **NYMEX Unleaded Gasoline** prices have also risen alongside the rebound in crude prices, but the recent sharp rise in US refinery run rates (to record levels at the end of May) and continued high imports has prompted a steeper backwardation to emerge at the end of the driving season, but also an upwards shift in the minimum winter price level.



Typically when backwardation is formed, the market emphasis is on the front end of the curve, which reflects the severity of any supply tightness in the market. But while a forward premium market (contango) tends to reflect the cost of holding petroleum stocks, in a backwardation there are no such financial restrictions and the forward prices tend to reflect the markets best guess of future price levels. By implication, the current forward price curve suggests traders believe that the current shortage will not turn into a glut and/or that pre-winter heating oil requirements will provide little opportunity for gasoline stocks to fully recover from their current low levels.

End-User Product Prices in May

End-user prices for virtually all of the products monitored in the Oil Market Report extended the decline seen in April to move broadly lower in all regions. This mirrored the moves in average spot product market prices during the month, and was exacerbated by the normal time lag for these to filter through to consumers.

Gasoline end-user prices fell in May with the US seeing the steepest percentage fall at 6%. In Europe, retail price falls varied from 2.5% in Italy to 4.3% in France. When local taxation is excluded, those trends were accentuated in Europe, with France registering a 13.2 % fall and the US a 7.9 % fall as the strength of the Euro accentuated the drop in wholesale prices. Stripping out the currency factor as well as the taxation effect, the US, UK and France all saw similar declines of over 7%, while Japanese prices actually rose by 2.2%. Interestingly, national retail prices for gasoline in local currencies are now below year ago levels for all of those monitored in the euro zone.

Diesel price falls followed an almost identical pattern to those seen in the gasoline market. Japanese retail prices were again unchanged, while Canada was the weakest market with a 7.7% fall in values. With the exception of Japan and the US the fall in diesel prices was generally steeper than gasoline as competition from the winter heating market for middle distillate fuel was removed.

Domestic Heating oil prices saw larger percentage national currency retail price declines than auto fuels due to the lower taxation environment. Spanish prices saw the steepest fall, losing 11.8 % on the month. Even taking into account taxation and currency effects, the dollar price fell by 9.9%, leaving an ex-tax price of $259.9 per 1000 litres. Only the UK dollar ex-tax price is cheaper at $232.3. Japanese ex-tax prices remain the highest of those followed at $400 per 1000 litres.

Fuel Oil prices for industry fell sharply in Europe, with the largest nominal and ex-tax falls seen in Germany and Spain. In dollar, ex-tax terms, German prices are the most competitive at $156.1 per tonne, compared with the next cheapest France at $183.9 per tonne and Japan at $303.3 per tonne

Refining Margins in May

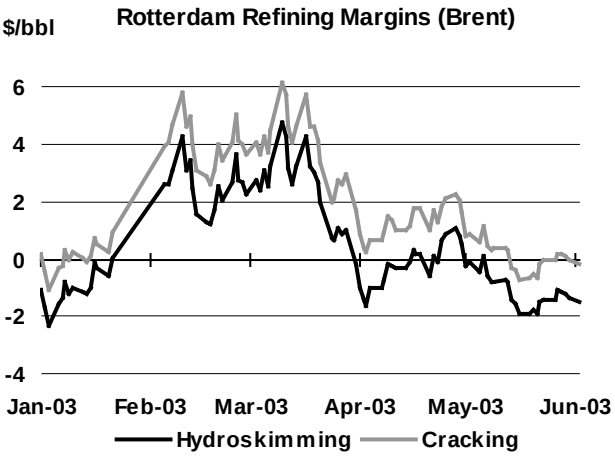
Refining Margins in Major Refining Centres
($/bbl)

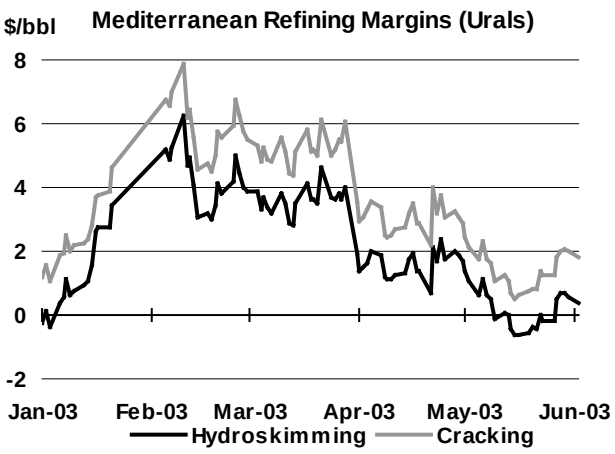
	Monthly Averages			Apr-Mar		End of Week:				
	Mar	Apr	May	*Change*	%	02 May	09 May	16 May	23 May	30 May
Refining Margins										
NW Europe										
Brent (Hydroskimming)	2.45	-0.23	-1.00	-0.77		-0.10	-0.77	-1.89	-1.44	-1.37
Brent (Cracking)	3.91	1.26	0.19	-1.07		0.89	0.37	-0.70	0.00	-0.04
Mediterranean										
Urals (Hydroskimming)	3.53	1.59	0.29	-1.30		1.03	-0.15	-0.63	-0.20	0.57
Urals (Cracking)	5.13	3.03	1.52	-1.51		2.14	1.08	0.60	1.27	1.99
US Gulf Coast										
WTI (Cracking)	4.24	3.28	2.36	-0.93		2.63	2.72	2.86	1.21	1.61
Brent (Cracking)	3.07	4.55	2.36	-2.19		1.61	1.58	1.27	1.33	2.51
Singapore										
Dubai (Hydroskimming)	3.68	1.71	0.90	-0.82		2.23	1.31	0.53	0.53	-0.02
Dubai (Cracking)	6.32	3.09	2.00	-1.09		2.96	2.29	1.86	1.73	1.27
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	34.13	25.74	25.84	0.10	0.4	24.40	25.63	26.37	26.61	26.55
Brent (Cracking)	35.68	27.34	27.14	-0.20	-0.7	25.48	26.87	27.65	28.15	27.99
Mediterranean										
Urals (Hydroskimming)	32.24	24.41	24.29	-0.12	-0.5	22.69	23.82	24.79	25.00	25.32
Urals (Cracking)	33.93	25.95	25.62	-0.33	-1.3	23.89	25.15	26.12	26.57	26.84
									US Gulf Coast	
WTI (Cracking)	38.77	32.64	31.60	-1.04	-3.2	29.37	31.56	33.09	32.42	32.27
Brent (Cracking)	38.56	32.34	31.38	-0.96	-3.0	29.17	31.30	32.85	32.21	32.04
Singapore										
Dubai (Hydroskimming)	31.57	25.63	25.73	0.10	0.4	26.05	25.67	25.43	26.13	25.77
Dubai (Cracking)	34.31	27.11	26.94	-0.17	-0.6	26.89	26.75	26.86	27.43	27.16

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

Refining margins continued April's downward shift in May, with the nadir in values seen in the middle of the month. The broad tone was one of relatively flat product prices set against rising crude prices, which led to a distinct deterioration in margins in all regions and led refining returns to look distinctly unattractive in some regions.

North West European refining margins were the least attractive. Brent hydroskimming margins deteriorated from already negative margins endured in April to average a loss of $1/barrel in May, down 77 cents from -23 cents a month earlier due to the strength of Brent. Cracking margins fell by an even steeper $1.07 on the month to a barely positive 0.19 cents in May. At end-month valuations, both hydroskimming and cracking margins were negative. Unsurprisingly, at the end of May Shell officials said it had cut refinery runs in France, Netherlands, Scandinavia, and the UK as a result of poor margins, while traders said that another major regional refiner had made similar cuts. May was also indicated to be the heaviest month for pre-summer maintenance.





Mediterranean refining margins based on sour Urals crude also fell sharply in May, but regional values remained positive for both hydroskimming and cracking refineries. The end month widening of the Brent/Dubai differential will also have worked in the favour of Mediterranean refiners, subduing crude costs. One key issue for consideration will be the impact of the start-up of Saudi Arabia's 200,000 b/d condensate splitter at its Ras Tanura refinery in July. The splitter is expected to produce around 50% naphtha, 30% Jet and 10% gas oil, with the remainder other oils. Exports are expected to begin in August. The naphtha is likely to be partly used as feedstock for its underutilised 40,000 b/d reformer at the Ras Tanura refinery.

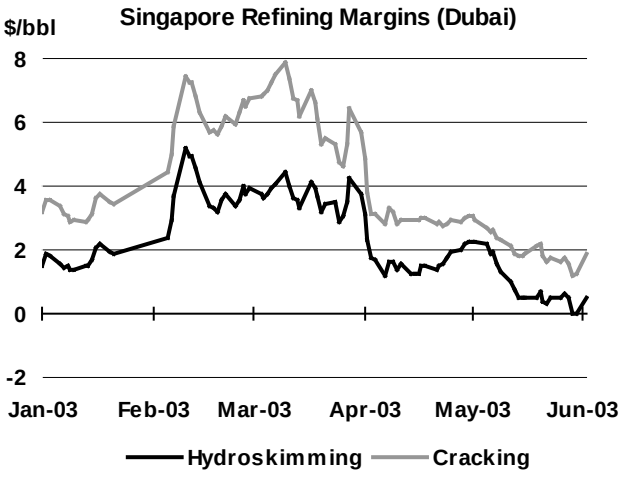
Gulf Coast Refining margins for WTI in the US continued to fall, but remained attractive at $2.36 per barrel on average in May, down 93 cents from April at $2.36. Brent cracking margins fell to exactly the same average during the month as the rally in Brent prices and the increase in the backwardation and higher freight costs offset the anomalously high April margins for Brent-related crudes.

US gross product net-worth showed the greatest fall of the four regions covered by the Oil Market Report, averaging a $1 loss for Brent and WTI, compared with a 33 cent fall for Urals cracking in the Med and a 17 cent fall for Dubai product net worth in Singapore crackers.

The deterioration in margins was even more pronounced moving towards the end of May, but given the weekly government data showing a record level of refinery throughput at the end of the month it did not appear to be having a significant impact on throughput. However, should margins remain at these levels, or deteriorate further, then refinery runs might be lowered.

Singapore refining margins for Dubai crude remained moderately attractive on average during May, but the weekly breakdown shows a severe deterioration during the month. Hydrocracking margins ended May slightly negative, while cracking margins had fallen from just under $3/barrel to $1.27 at the end of the month.

Anecdotal comments suggested a deterioration of the crude and product markets in the region at the end of May. China was reportedly reselling Oman cargoes, while its jet imports were lower and its planned gas oil exports rose by 40,000 tonnes in June to 150,000 tonnes.



OECD Refinery Throughput in March

Refinery Crude Throughput and Utilisation in OECD Countries

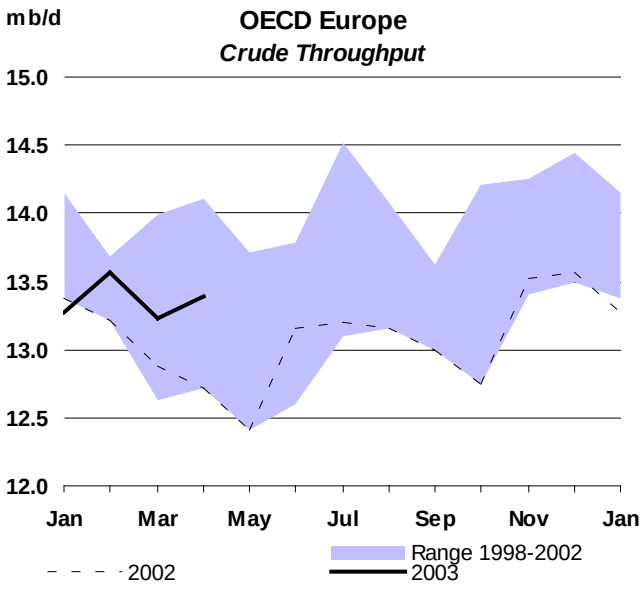
	million barrels per day						*Change from Mar 02*		Utilisation rate[2]	
	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	mb/d	%	Apr 03	Apr 02
OECD North America										
US[3]	15.12	14.90	14.34	14.38	14.93	15.47	0.13	0.9	92.1	91.3
Canada	1.83	1.74	1.81	1.89	1.86	1.78	0.13	7.9	91.4	84.7
Mexico	1.09	1.15	1.21	1.26	1.26	1.25	0.05	4.0	80.4	73.6
Total	18.04	17.79	17.35	17.52	18.05	18.49	0.31	1.7	91.1	89.6
OECD Europe										
France	1.68	1.72	1.70	1.78	1.64	1.57	-0.05	-2.9	83.0	85.4
Germany	2.23	2.26	2.25	2.28	2.25	2.29	0.10	4.4	101.2	97.0
Italy	1.90	1.87	1.80	1.69	1.80	1.86	0.18	10.6	81.7	73.8
Netherlands	0.96	0.99	0.98	1.04	0.95	1.04	0.16	18.0	86.0	72.9
Spain	1.21	1.18	1.09	1.04	1.09	1.21	0.16	14.8	93.5	81.4
UK	1.61	1.63	1.57	1.69	1.68	1.63	-0.01	-0.5	91.4	91.8
Other OECD Europe	3.93	3.91	3.86	4.05	3.82	3.79	0.14	3.8	82.4	79.4
Total	13.53	13.57	13.27	13.56	13.23	13.39	0.67	5.3	87.4	83.0
OECD Pacific										
Japan	4.22	4.46	4.41	4.62	4.43	4.27	0.34	8.7	85.9	79.0
Korea	2.16	2.28	2.30	2.30	2.30	2.14	0.01	0.6	83.7	83.2
Other OECD Pacific	0.82	0.81	0.86	0.83	0.82	0.83	0.06	7.6	87.2	81.0
Total	7.19	7.55	7.57	7.75	7.54	7.24	0.41	6.1	85.4	80.5
OECD Total	38.75	38.90	38.19	38.84	38.82	39.12	1.40	3.7	88.7	84.9

1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

Preliminary data indicates that total OECD refinery throughput in April moved steadily higher to 39.12 mb/d from March levels of 38.82 mb/d. This continues the recent trend of sharply higher year-on-year throughput and compares with April 2002 levels of 37.72 mb/d. Capacity utilisation rose from 88% in March to 88.7% in April, which was also 3.2% higher than a year ago. OECD European throughput continued to fall after sharp losses in March. Refinery runs were still relatively attractive in April, but deteriorated during the month.

The bulk of the lower refinery throughput was related to seasonal maintenance, but indications are that this will have increased in May, with runs being further reduced by the poor margins seen particularly in North West Europe (See Margins).

Although European refinery turnarounds are supposed to be lower in June than May, they should still be significant. Trade reports indicate there will be maintenance at two German refineries, with combined capacities of 325,000 b/d. A Mediterranean refiner also indicated it planned to cut June runs by 50,000 b/d due to poor margins.



OECD North America throughput continued to rise dramatically through April, pushed largely by the strong showing of US 50 refineries as they geared up production ahead of the driving season.

Runs increased to 15.47 mb/d in April from 14.93 mb/d in March and 15.3 mb/d a year ago. This trend continued through into May, and preliminary weekly US data at the end of that month showed refineries effectively produced at maximum rates of 98% capacity.

There were few major refining issues in May (although Valero had some minor problems that reduced CARB gasoline output in California) and the record capacity utilisation at the end of the month is evidence that no serious production problems were seen. History would suggest that runs would be unlikely to continue at these exceptionally high levels throughout the gasoline season, even if margins recover to more attractive levels, nevertheless they will need to remain strong to meet domestic demand and contractual requirements.

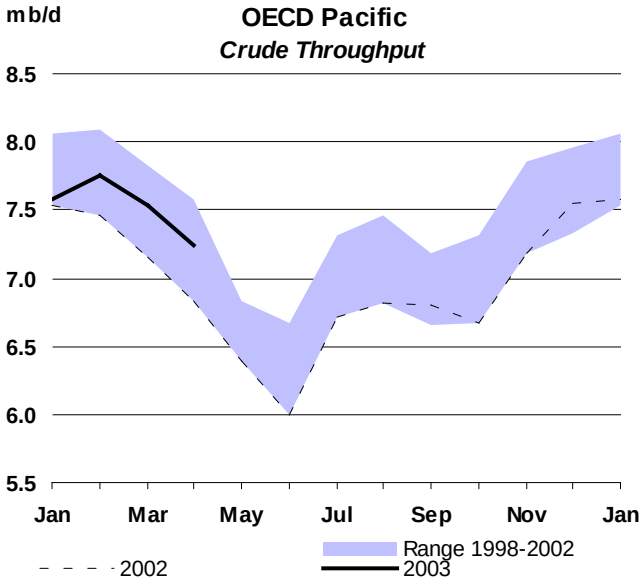
The increase in US activity was partly offset by a 100,000 b/d drop in Canadian throughput to 1.78 mb/d. Overall OECD North American throughput moved above the peak levels seen in the previous four years despite continued turnaround restrictions.

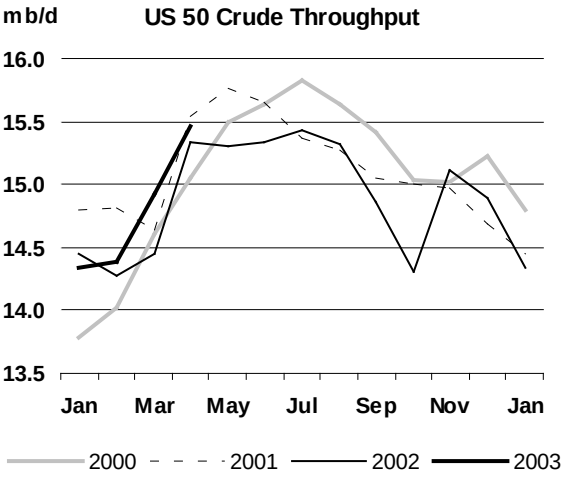
OECD Pacific throughput continued to fall, with April runs estimated at 7.24 mb/d compared to 7.54 mb/d in March, itself downwardly revised from a preliminary 7.69 mb/d. This dip is relatively normal seasonal behaviour and refinery runs remain above year ago levels of 6.83 mb/d. Regional refinery runs however remained in the middle of the four year range, with runs having been supported by the continued need to produce fuel oil to meet Japanese utility demand.

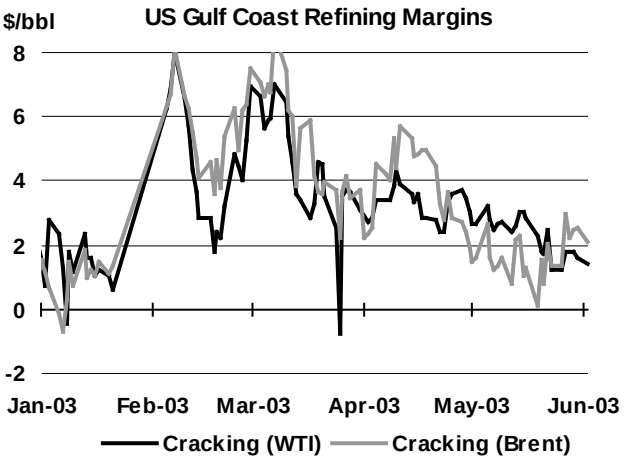
The regional impact of the SARS virus also appears to have taken some time to filter through to the product market, with retailers, wholesalers and then refineries building stocks in China before runs were cut. Higher product exports only seem to be showing up in June, which could mean that increased pressure on regional refinery throughput will be seen at the end of the second quarter.

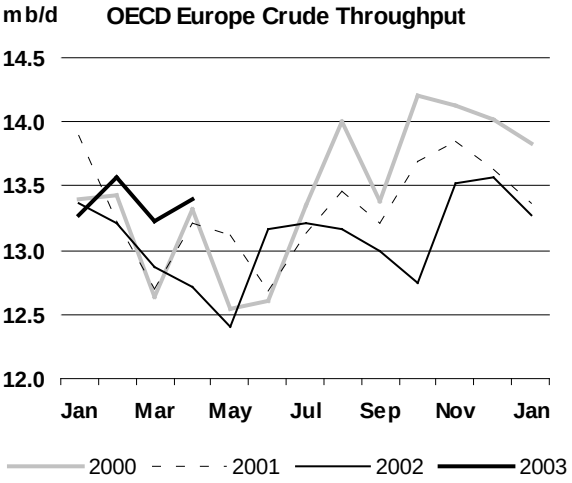
Weekly Japanese refinery statistics showed that Japanese domestic capacity utilization fell from 83.4% at the end of April to 75.6% at the end of May. Also South Korea's top oil refiner SK Corp indicated it planned to cut crude runs by around 50,000 b/d in July (8%) from June levels due to weak refining margins.

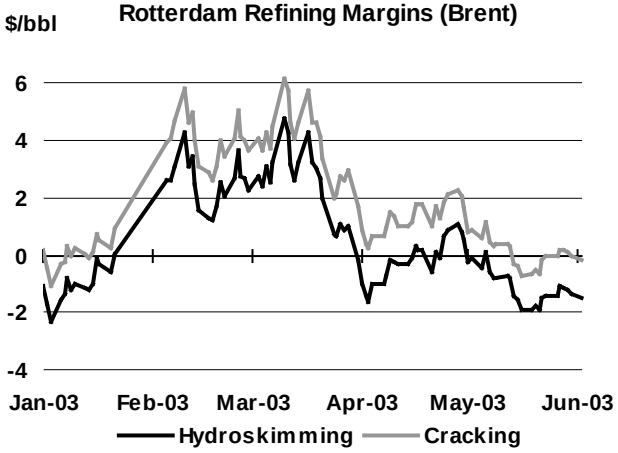
SK Corp June runs are planned at 74% of capacity, down from 80% recorded in June last year. This reduction is in part due to tighter credit lines for importing crude oil. However these have been mitigated by the offer of $500m in loans by the Korea National Oil Corporation to help SK Corp import 20 million barrels of crude in June and July. SK Corp generally imports 16m to 18 m barrels per month.

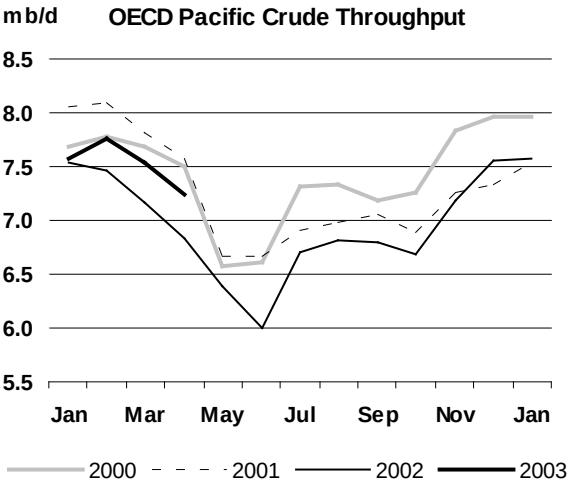



mb/d
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan-03
Feb-03
Mar-03
Apr-03
May-03
Jun-03
Cracking (WTI)
Cracking (Brent)


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan-03
Feb-03
Mar-03
Apr-03
May-03
Jun-03
Hydroskimming
Cracking


mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
5.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003

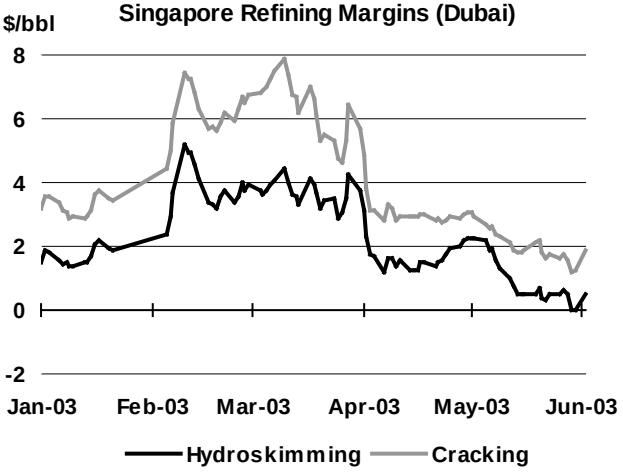

$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
-2
Jan-03
Feb-03
Mar-03
Apr-03
May-03
Jun-03
Hydroskimming
Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	23.8	24.0	24.2	23.7	23.9	23.6	23.9	23.7	23.8	24.1	24.2	24.0	24.5	24.0	24.6	24.5	24.4
Europe	15.2	15.1	15.2	14.8	15.5	15.6	15.3	15.2	14.6	15.2	15.4	15.1	15.2	14.7	15.1	15.5	15.1
Pacific	8.7	8.6	9.4	8.0	8.0	8.8	8.6	9.1	7.7	8.0	9.3	8.5	9.6	7.9	8.2	9.2	8.7
Total OECD	47.7	47.7	48.8	46.5	47.5	48.0	47.7	48.0	46.1	47.4	48.8	47.6	49.3	46.6	47.9	49.1	48.2
NON-OECD DEMAND																	
FSU	3.6	3.6	3.8	3.6	3.6	3.8	3.7	3.7	3.7	3.7	4.0	3.7	3.7	3.7	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
China	4.5	4.8	4.7	5.2	4.7	5.0	4.9	4.9	5.2	5.1	5.4	5.2	5.4	4.9	5.1	5.4	5.2
Other Asia	7.2	7.3	7.4	7.3	7.3	7.5	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.5	7.5	7.8	7.6
Latin America	4.9	4.9	4.7	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.7	4.7	4.4	4.6	4.8	4.7	4.6
Middle East	4.5	4.7	4.6	4.9	5.1	4.8	4.8	4.7	5.0	5.2	4.9	5.0	4.9	5.0	5.3	5.1	5.1
Africa	2.4	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.6
Total Non-OECD	27.8	28.5	28.5	29.1	28.6	29.0	28.8	28.7	29.3	29.3	29.9	29.3	29.4	29.2	29.7	30.3	29.6
Total Demand[1]	75.4	76.2	77.3	75.5	76.1	77.0	76.5	76.6	75.4	76.7	78.7	76.9	78.6	75.7	77.7	79.5	77.9
OECD SUPPLY																	
North America	14.0	14.3	14.2	14.3	14.4	14.6	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	15.0	15.3	14.9
Europe	6.8	6.8	6.8	6.4	6.5	6.9	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.4	6.6	6.7	6.6
Pacific	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.8	0.7	0.7
Total OECD	21.4	21.9	21.8	21.5	21.7	22.3	21.8	22.1	22.1	21.4	22.2	22.0	22.2	21.7	22.3	22.7	22.2
NON-OECD SUPPLY																	
FSU	7.5	7.9	8.3	8.5	8.7	8.8	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.3	10.4	10.2
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.4
Other Asia	2.2	2.2	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.8	3.7	3.8	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.9	4.0	4.0	3.9
Middle East	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Africa	2.8	2.8	2.8	2.7	2.7	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.2	3.3	3.1
Total Non-OECD	21.8	22.3	22.8	22.8	23.2	23.4	23.0	23.9	24.1	24.5	24.6	24.3	24.7	25.1	25.4	25.7	25.2
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Total Non-OPEC	44.9	45.9	46.3	46.0	46.6	47.5	46.6	47.7	48.0	47.7	48.5	48.0	48.7	48.6	49.5	50.3	49.3
OPEC																	
Crude[3]	26.5	27.8	28.2	26.9	27.2	25.9	27.0	24.9	24.3	25.4	26.0	25.1	26.8				
NGLs	2.8	2.8	3.0	3.0	3.1	3.2	3.1	3.3	3.4	3.5	3.4	3.4	3.2	3.6	3.8	3.9	3.6
Total OPEC	29.3	30.7	31.2	29.9	30.3	29.1	30.1	28.2	27.6	28.9	29.4	28.6	30.0				
Total Supply[4]	74.2	76.6	77.5	75.9	76.9	76.6	76.7	76.0	75.7	76.5	77.9	76.5	78.8				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	-0.7	0.2	-0.1	0.8	0.7	-0.4	0.3	-0.3	0.5	-0.8	-1.1	-0.4	-0.6				
Government	-0.1	-0.1	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.2	0.1	0.1				
Total	-0.7	0.2	-0.1	0.8	0.7	-0.2	0.3	-0.1	0.6	-0.8	-0.9	-0.3	-0.4				
Floating Storage/Oil in Transit	-0.1	0.1	0.1	-0.4	0.1	0.0	-0.1	0.0	-0.2	-0.2	0.0	0.0	0.3				
Miscellaneous to balance[5]	-0.4	0.2	0.1	0.0	0.1	-0.2	0.0	-0.6	-0.2	0.9	0.1	0.0	0.2				
Total Stock Ch. & Misc	-1.2	0.4	0.2	0.4	0.8	-0.5	0.2	-0.7	0.2	-0.2	-0.8	-0.3	0.1				
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.8	27.4	28.1	26.5	26.4	26.4	26.8	25.5	24.1	25.5	26.8	25.5	26.7	23.5	24.3	25.3	24.9
Total Demand ex. FSU	71.8	72.6	73.5	71.9	72.5	73.3	72.8	73.0	71.8	73.0	74.7	73.1	74.9	72.0	73.9	75.5	74.1
Total demand exc. FSU (% ch)[7]	2.5	1.0	1.6	1.2	-0.9	-0.6	0.3	-0.8	-0.1	0.7	2.0	0.5	2.7	0.3	1.2	1.0	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.2	0.1	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-0.1	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-0.1	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.2	0.1	-	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-0.1	-0.1	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-0.2	-0.1	-	-	-0.1
Middle East	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-0.1	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1
Total Non-OECD	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-0.1	-	-0.1
Total Demand	-	-	-	-	-	-	-	-	-0.1	-	-	-	-0.1	-0.3	0.1	0.1	-
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-0.1	-	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.2	-0.1	-0.1	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-
Total OECD	-	-	-	-	-	-	-	-	-0.1	-	0.1	0.1	-0.1	-0.3	-0.1	-0.1	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.2	0.2	0.2
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.2	0.2	0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-	0.1	-	-0.1	-0.1	0.1	0.3	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	0.1	0.1	-	0.1				
NGLs	-	-0.1	-	-	-	-	-	-0.1	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1
Total OPEC	-0.1	-	-	-	-	-	-	-	-0.1	-	-	-	-				
Total Supply	-	-0.1	-	-	-	-	-	-	-	-	0.1	-	-				
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	0.1	-	-	0.8				
Government	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.9				
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	-	-0.1				
Miscellaneous to balance	-	-	-	-	-	0.1	-	-	-	-	0.2	0.1	-0.7				
Total Stock Ch. & Misc	-	-0.1	-	0.1	-	-	-	-0.1	-0.1	-	0.1	0.1	0.1				
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	0.1	-	-0.1	-	-	-	-	-0.1	-0.1
Total Demand ex. FSU	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.3	0.1	0.1	-

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	November			December			Fourth Quarter			January			February		
	2001	2002	%	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%
North America															
LPG	2.87	2.97	3.5	2.96	3.08	4.1	2.91	2.98	2.4	3.14	3.37	7.1	3.16	3.19	0.9
Naphtha	0.39	0.43	8.1	0.38	0.42	11.9	0.38	0.41	7.2	0.38	0.41	7.2	0.37	0.41	12.4
Motor Gasoline	9.97	10.13	1.7	9.85	10.23	3.9	9.93	10.17	2.5	9.46	9.81	3.7	9.86	9.87	0.1
Jet/Kerosene	1.70	1.88	10.3	1.78	1.96	10.0	1.75	1.91	9.1	1.86	1.85	-0.6	1.79	1.87	4.2
Gasoil	4.60	4.81	4.6	4.38	4.75	8.4	4.58	4.76	4.1	4.76	5.23	9.8	4.59	5.33	16.1
Residual Fuel Oil	1.37	1.32	-3.0	1.23	1.51	22.8	1.37	1.36	-0.8	1.37	1.31	-4.3	1.36	1.56	14.6
Other Products	2.73	2.67	-2.2	2.50	2.25	-9.9	2.70	2.54	-5.8	2.60	2.33	-10.4	2.50	2.67	6.7
Total	23.63	24.21	2.5	23.07	24.19	4.9	23.61	24.13	2.2	23.58	24.30	3.1	23.64	24.90	5.3
Europe															
LPG	0.97	0.93	-3.8	1.04	1.07	2.5	0.95	0.97	1.6	1.10	1.08	-2.6	1.03	1.19	15.0
Naphtha	1.12	1.12	-0.3	1.08	1.15	6.4	1.10	1.13	2.2	1.11	1.21	8.9	1.10	1.27	15.7
Motor Gasoline	2.93	2.83	-3.3	2.87	2.76	-3.6	2.95	2.85	-3.5	2.61	2.55	-2.4	2.81	2.72	-2.9
Jet/Kerosene	0.99	1.05	5.2	0.95	1.09	14.8	1.00	1.10	9.8	0.99	1.11	12.3	1.01	1.14	12.9
Gasoil	6.19	6.05	-2.3	5.94	5.83	-1.8	6.04	5.98	-0.9	5.87	5.83	-0.6	5.76	6.40	11.0
Residual Fuel Oil	2.30	2.01	-12.7	2.33	2.12	-9.0	2.21	2.04	-7.4	2.46	2.07	-16.0	2.39	2.12	-11.5
Other Products	1.36	1.33	-2.3	1.15	1.13	-1.7	1.34	1.30	-2.7	1.16	1.11	-5.0	1.26	1.12	-11.2
Total	15.86	15.32	-3.4	15.36	15.16	-1.4	15.58	15.37	-1.4	15.31	14.95	-2.4	15.37	15.97	3.9
Pacific															
LPG	0.97	0.99	2.3	1.05	1.04	-1.6	0.96	0.96	0.6	1.04	1.00	-4.2	1.02	1.11	9.2
Naphtha	1.37	1.55	13.1	1.49	1.61	8.2	1.41	1.54	8.9	1.54	1.59	2.7	1.59	1.58	-0.4
Motor Gasoline	1.57	1.58	0.4	1.65	1.65	0.1	1.58	1.58	0.4	1.45	1.47	1.8	1.52	1.55	2.0
Jet/Kerosene	1.22	1.38	12.9	1.72	1.78	3.8	1.26	1.38	9.5	1.65	1.72	4.3	1.55	1.66	7.5
Gasoil	2.02	2.00	-0.6	2.10	2.12	1.0	1.98	2.02	2.4	1.86	1.93	3.7	2.00	2.08	4.0
Residual Fuel Oil	1.08	1.23	13.6	1.17	1.29	9.9	1.09	1.19	9.3	1.14	1.31	14.5	1.19	1.37	15.0
Other Products	0.55	0.61	11.5	0.53	0.71	33.7	0.51	0.61	18.5	0.44	0.60	35.7	0.54	0.61	13.0
Total	8.78	9.34	6.4	9.71	10.19	5.0	8.79	9.29	5.7	9.12	9.61	5.3	9.40	9.96	6.0
OECD															
LPG	4.81	4.90	1.8	5.06	5.18	2.5	4.82	4.91	1.9	5.29	5.44	2.8	5.21	5.49	5.3
Naphtha	2.89	3.10	7.2	2.94	3.18	8.0	2.90	3.07	6.1	3.04	3.21	5.5	3.05	3.27	7.0
Motor Gasoline	14.47	14.54	0.5	14.36	14.64	2.0	14.45	14.60	1.0	13.52	13.83	2.3	14.19	14.14	-0.3
Jet/Kerosene	3.92	4.30	9.8	4.44	4.83	8.7	4.01	4.38	9.4	4.50	4.68	4.0	4.35	4.67	7.4
Gasoil	12.80	12.86	0.5	12.42	12.70	2.2	12.59	12.77	1.4	12.50	12.99	4.0	12.35	13.81	11.8
Residual Fuel Oil	4.75	4.56	-3.9	4.73	4.92	3.9	4.67	4.60	-1.6	4.97	4.68	-5.8	4.95	5.05	2.1
Other Products	4.64	4.61	-0.6	4.18	4.09	-2.1	4.55	4.45	-2.1	4.20	4.03	-4.1	4.30	4.40	2.2
Total	48.27	48.87	1.2	48.14	49.54	2.9	47.98	48.79	1.7	48.01	48.86	1.8	48.40	50.82	5.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	December			Fourth Quarter			January			February			March		
	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	2.21	2.33	5.3	2.18	2.27	3.9	2.40	2.66	10.7	2.52	2.47	-1.8	2.34	2.10	-10.1
Naphtha	0.25	0.30	16.4	0.27	0.28	4.8	0.25	0.29	14.2	0.25	0.28	13.6	0.25	0.26	4.4
Motor Gasoline	8.59	8.89	3.6	8.64	8.84	2.3	8.22	8.50	3.5	8.60	8.54	-0.7	8.66	8.59	-0.9
Jet/Kerosene	1.61	1.78	10.2	1.58	1.71	8.3	1.66	1.66	0.3	1.61	1.68	4.4	1.63	1.60	-1.8
Gasoil	3.60	3.90	8.3	3.75	3.88	3.6	3.93	4.33	10.1	3.71	4.36	17.7	3.74	4.00	7.0
Residual Fuel Oil	0.56	0.84	47.9	0.66	0.72	9.1	0.64	0.71	10.2	0.63	0.88	39.4	0.78	0.91	16.9
Other Products	2.17	1.83	-15.8	2.33	2.09	-10.2	2.24	1.90	-15.5	2.07	2.19	5.6	2.19	2.22	1.3
Total	19.00	19.86	4.5	19.41	19.80	2.0	19.34	20.04	3.6	19.38	20.40	5.2	19.59	19.68	0.5
Japan[3]															
LPG	0.67	0.66	-0.6	0.61	0.60	-0.7	0.65	0.63	-2.8	0.66	0.75	14.8	0.59	0.63	8.0
Naphtha	0.83	0.90	8.7	0.79	0.87	9.6	0.85	0.87	2.9	0.89	0.89	-0.7	0.76	0.92	21.0
Motor Gasoline	1.09	1.08	-0.3	1.02	1.03	1.1	0.92	0.93	1.0	0.96	1.00	3.5	1.00	1.03	2.6
Jet/Kerosene	1.19	1.26	5.6	0.87	0.95	9.8	1.15	1.17	2.2	1.11	1.21	9.5	0.83	0.99	19.0
Diesel	0.72	0.69	-4.4	0.71	0.69	-3.8	0.60	0.58	-2.3	0.68	0.66	-2.9	0.71	0.68	-4.0
Other Gasoil	0.66	0.67	0.8	0.57	0.58	2.0	0.62	0.64	4.0	0.66	0.70	6.4	0.60	0.63	6.1
Residual Fuel Oil	0.59	0.74	24.7	0.55	0.67	20.9	0.55	0.73	31.9	0.62	0.79	28.0	0.53	0.72	35.7
Direct use of Crude Oil	0.07	0.24	267.9	0.06	0.16	161.7	0.07	0.18	148.3	0.07	0.16	115.8	0.04	0.09	116.3
Other Products	0.36	0.36	1.8	0.34	0.34	-0.6	0.28	0.33	18.1	0.36	0.34	-6.6	0.37	0.39	5.1
Total	6.17	6.61	7.0	5.53	5.89	6.6	5.69	6.08	6.8	6.01	6.50	8.1	5.44	6.09	12.1
Germany															
LPG	0.08	0.08	5.6	0.07	0.07	0.8	0.09	0.08	-19.9	0.08	0.08	1.0	0.08	0.09	1.8
Naphtha	0.35	0.38	7.2	0.35	0.37	5.4	0.36	0.34	-4.2	0.40	0.36	-8.7	0.39	0.35	-10.7
Motor Gasoline	0.64	0.60	-5.5	0.66	0.62	-5.7	0.55	0.51	-6.4	0.62	0.59	-5.8	0.65	0.59	-8.0
Jet/Kerosene	0.12	0.13	11.6	0.13	0.14	5.5	0.14	0.13	-3.0	0.14	0.15	10.2	0.14	0.14	-2.0
Diesel	0.47	0.49	4.3	0.54	0.54	-1.2	0.43	0.44	3.4	0.50	0.56	11.4	0.51	0.56	10.3
Other Gasoil	0.65	0.69	6.7	0.71	0.67	-4.4	0.69	0.58	-14.7	0.61	0.70	14.9	0.59	0.52	-11.9
Residual Fuel Oil	0.18	0.18	0.1	0.18	0.18	0.6	0.20	0.21	4.0	0.19	0.18	-9.0	0.19	0.18	-4.3
Other Products	0.10	0.08	-20.9	0.14	0.11	-22.1	0.13	0.06	-56.6	0.14	0.08	-42.1	0.11	0.11	1.6
Total	2.59	2.64	2.0	2.79	2.71	-2.8	2.58	2.35	-8.7	2.68	2.69	0.5	2.64	2.52	-4.5
Italy															
LPG	0.19	0.16	-11.3	0.15	0.14	-6.9	0.19	0.17	-6.9	0.16	0.20	23.9	0.13	0.14	13.0
Naphtha	0.06	0.08	19.1	0.07	0.08	8.1	0.08	0.12	48.6	0.08	0.12	45.3	0.08	0.12	50.6
Motor Gasoline	0.37	0.38	0.6	0.39	0.37	-3.1	0.36	0.34	-4.7	0.37	0.38	2.2	0.38	0.37	-3.4
Jet/Kerosene	0.06	0.07	13.5	0.07	0.07	7.9	0.06	0.09	37.7	0.05	0.09	84.2	0.07	0.09	17.5
Diesel	0.44	0.43	-1.5	0.44	0.45	0.4	0.42	0.42	-0.7	0.45	0.48	6.2	0.44	0.46	3.8
Other Gasoil	0.23	0.21	-10.3	0.19	0.19	-0.1	0.18	0.16	-8.6	0.18	0.20	10.9	0.13	0.15	10.6
Residual Fuel Oil	0.52	0.43	-17.0	0.49	0.42	-13.5	0.55	0.38	-30.5	0.61	0.47	-22.4	0.51	0.38	-24.9
Other Products	0.12	0.11	-8.2	0.13	0.14	7.6	0.11	0.12	3.8	0.13	0.11	-15.8	0.13	0.13	-4.2
Total	2.00	1.87	-6.3	1.94	1.87	-3.4	1.95	1.80	-7.7	2.04	2.05	0.7	1.87	1.83	-2.4
France															
LPG	0.15	0.13	-8.5	0.13	0.12	-6.0	0.17	0.16	-6.8	0.15	0.17	17.1	0.11	0.12	7.4
Naphtha	0.16	0.16	-1.8	0.18	0.16	-11.8	0.19	0.17	-7.6	0.16	0.17	9.1	0.18	0.16	-6.7
Motor Gasoline	0.29	0.26	-10.1	0.30	0.28	-6.2	0.27	0.26	-5.7	0.28	0.26	-7.0	0.30	0.27	-9.8
Jet/Kerosene	0.11	0.13	14.5	0.12	0.13	7.2	0.12	0.15	24.1	0.12	0.15	22.7	0.12	0.14	20.8
Diesel	0.56	0.55	-1.1	0.60	0.61	1.5	0.56	0.57	2.4	0.60	0.61	0.5	0.61	0.60	-1.8
Other Gasoil	0.47	0.37	-21.7	0.41	0.36	-10.1	0.54	0.55	2.0	0.43	0.58	32.9	0.36	0.33	-9.5
Residual Fuel Oil	0.14	0.14	-6.0	0.14	0.13	-4.7	0.19	0.14	-26.2	0.15	0.13	-13.0	0.10	0.11	10.7
Other Products	0.13	0.14	8.9	0.17	0.16	-3.2	0.15	0.14	-2.2	0.14	0.15	2.4	0.16	0.17	9.7
Total	2.02	1.88	-6.6	2.04	1.96	-4.1	2.19	2.15	-1.9	2.04	2.22	8.6	1.93	1.90	-1.4
United Kingdom															
LPG	0.15	0.16	8.7	0.15	0.16	9.8	0.15	0.16	8.9	0.16	0.18	10.6	0.18	0.17	-6.3
Naphtha	0.07	0.06	-3.1	0.05	0.06	34.1	0.02	0.07	215.5	0.04	0.09	138.1	0.03	0.07	103.3
Motor Gasoline	0.47	0.43	-6.6	0.48	0.45	-7.3	0.46	0.41	-10.0	0.47	0.45	-4.5	0.49	0.46	-6.2
Jet/Kerosene	0.30	0.35	19.5	0.29	0.33	15.9	0.30	0.37	23.9	0.31	0.34	11.3	0.32	0.29	-11.5
Diesel	0.33	0.32	-4.0	0.35	0.35	0.4	0.32	0.30	-6.4	0.35	0.36	2.3	0.35	0.34	-0.8
Other Gasoil	0.16	0.15	-7.7	0.16	0.15	-7.7	0.16	0.15	-6.4	0.16	0.17	6.5	0.15	0.15	2.6
Residual Fuel Oil	0.08	0.09	9.8	0.08	0.08	-0.2	0.10	0.10	3.9	0.08	0.09	6.2	0.08	0.09	8.9
Other Products	0.12	0.13	6.4	0.15	0.13	-13.7	0.15	0.11	-26.1	0.17	0.14	-14.2	0.15	0.14	-2.5
Total	1.67	1.69	1.7	1.71	1.72	0.5	1.67	1.69	1.2	1.73	1.81	4.6	1.75	1.71	-2.3
Canada															
LPG	0.26	0.28	8.3	0.26	0.26	-0.3	0.25	0.25	-0.5	0.18	0.27	48.8	0.28	0.30	8.0
Naphtha	0.08	0.08	2.7	0.07	0.08	12.6	0.08	0.08	-0.3	0.08	0.08	-2.6	0.08	0.08	-9.1
Motor Gasoline	0.63	0.66	5.6	0.65	0.68	3.3	0.63	0.66	5.0	0.64	0.67	4.6	0.65	0.64	-1.0
Jet/Kerosene	0.08	0.09	19.0	0.08	0.11	30.7	0.11	0.09	-17.1	0.09	0.10	3.6	0.09	0.11	29.5
Diesel	0.16	0.15	-4.0	0.17	0.17	-1.3	0.16	0.19	14.7	0.17	0.18	7.8	0.16	0.17	5.1
Other Gasoil	0.30	0.35	16.2	0.31	0.35	11.6	0.35	0.37	8.4	0.38	0.42	11.3	0.34	0.36	6.6
Residual Fuel Oil	0.15	0.16	5.8	0.15	0.15	1.1	0.14	0.13	-4.0	0.17	0.18	7.7	0.13	0.14	13.3
Other Products	0.23	0.25	12.1	0.26	0.28	8.5	0.24	0.24	1.1	0.25	0.23	-8.7	0.24	0.26	11.3
Total	1.88	2.04	8.1	1.95	2.06	5.8	1.96	2.02	3.1	1.97	2.14	8.4	1.97	2.08	5.5

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Mar 03	Apr 03	May 03
OPEC											
Crude Oil											
Saudi Arabia	7.70	7.38		7.73	8.61				9.01	9.09	8.89
Iran	3.70	3.46		3.66	3.80				3.73	3.69	3.69
Iraq	2.36	2.01		2.38	2.12				1.43	0.16	0.31
UAE	2.16	1.99		2.00	2.28				2.31	2.31	2.29
Kuwait	1.72	1.60		1.62	1.77				1.89	1.99	1.94
Neutral Zone	0.57	0.54		0.54	0.60				0.62	0.63	0.61
Qatar	0.67	0.64		0.71	0.74				0.75	0.75	0.75
Nigeria	2.08	1.97		2.01	2.13				2.00	1.88	2.09
Libya	1.37	1.32		1.34	1.39				1.43	1.44	1.44
Algeria	0.84	0.85		0.94	1.04				1.08	1.10	1.12
Venezuela	2.68	2.29		1.99	1.30				1.92	2.14	2.30
Indonesia	1.21	1.11		1.10	1.04				1.03	1.03	1.00
Total Crude Oil	27.04	25.14		26.03	26.82				27.18	26.21	26.43
Total NGLs[1]	3.07	3.41	3.64	3.41	3.21	3.61	3.81	3.91	3.49	3.67	3.57
Total OPEC	30.11	28.56		29.44	30.03				30.67	29.87	30.00
NON-OPEC[2]											
OECD											
North America	14.36	14.58	14.92	14.64	14.76	14.63	14.97	15.29	14.74	14.53	14.57
United States	8.07	8.12	8.09	8.05	8.07	7.95	8.07	8.25	8.04	7.94	7.94
Mexico	3.56	3.59	3.77	3.60	3.74	3.73	3.78	3.80	3.74	3.71	3.73
Canada	2.73	2.88	3.07	3.00	2.96	2.96	3.12	3.24	2.97	2.89	2.89
Europe	6.67	6.61	6.60	6.79	6.72	6.38	6.59	6.71	6.71	6.57	6.49
UK	2.53	2.50	2.52	2.61	2.54	2.39	2.58	2.58	2.50	2.48	2.45
Norway	3.41	3.33	3.27	3.39	3.37	3.19	3.20	3.30	3.41	3.29	3.24
Others	0.72	0.78	0.81	0.80	0.80	0.80	0.82	0.83	0.80	0.80	0.81
Pacific	0.79	0.76	0.73	0.73	0.70	0.71	0.75	0.74	0.68	0.66	0.72
Australia	0.73	0.71	0.67	0.68	0.65	0.66	0.70	0.69	0.63	0.61	0.66
Others	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.81	21.96	22.24	22.16	22.18	21.72	22.31	22.75	22.13	21.76	21.77
NON-OECD											
Former USSR	8.56	9.37	10.16	9.78	9.90	10.11	10.26	10.36	9.96	10.04	10.16
Russia	7.02	7.66	8.29	7.99	8.10	8.28	8.37	8.39	8.17	8.23	8.33
Others	1.54	1.71	1.87	1.79	1.80	1.82	1.89	1.97	1.79	1.81	1.83
Asia	5.58	5.73	5.85	5.76	5.80	5.85	5.86	5.88	5.82	5.85	5.85
China	3.30	3.39	3.44	3.40	3.41	3.44	3.46	3.46	3.43	3.45	3.44
Malaysia	0.75	0.77	0.78	0.77	0.78	0.78	0.78	0.78	0.76	0.78	0.78
India	0.73	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Others	0.80	0.82	0.87	0.84	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Europe	0.18	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.78	3.90	3.95	3.83	3.89	3.92	3.97	4.01	3.88	3.88	3.92
Brazil	1.56	1.73	1.83	1.67	1.76	1.80	1.86	1.89	1.75	1.76	1.81
Argentina	0.83	0.80	0.78	0.79	0.79	0.79	0.78	0.78	0.79	0.79	0.79
Colombia	0.62	0.59	0.55	0.58	0.57	0.56	0.55	0.54	0.57	0.57	0.56
Ecuador	0.42	0.40	0.39	0.40	0.39	0.38	0.38	0.41	0.38	0.37	0.37
Others	0.36	0.38	0.40	0.39	0.39	0.40	0.40	0.40	0.39	0.40	0.40
Middle East[3]	2.17	2.10	2.02	2.09	2.05	2.03	2.01	1.99	2.03	2.05	2.03
Oman	0.96	0.90	0.83	0.89	0.85	0.84	0.82	0.81	0.83	0.85	0.84
Syria	0.57	0.55	0.53	0.55	0.54	0.53	0.52	0.52	0.54	0.53	0.53
Yemen	0.45	0.46	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Africa	2.77	2.98	3.10	2.93	2.92	3.01	3.16	3.29	2.93	2.99	3.01
Egypt	0.76	0.75	0.76	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Angola	0.74	0.90	0.91	0.84	0.83	0.92	0.95	0.96	0.85	0.90	0.92
Gabon	0.28	0.25	0.24	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24
Others	1.00	1.09	1.18	1.10	1.09	1.10	1.21	1.32	1.09	1.09	1.09
Total Non-OECD	23.04	24.26	25.24	24.56	24.73	25.09	25.43	25.70	24.79	24.98	25.14
Processing Gains[4]	1.74	1.76	1.80	1.78	1.82	1.78	1.78	1.82	1.82	1.78	1.78
TOTAL NON-OPEC	46.59	47.98	49.29	48.50	48.74	48.59	49.53	50.27	48.75	48.53	48.70
TOTAL SUPPLY	76.70	76.53		77.95	78.76				79.42	78.40	78.69

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	4Q03	Mar-03	Apr-03	May-03
United States											
Alaska	978	986	992	973	1009	988	953	1018	1020	997	996
California	805	790	769	779	773	770	768	766	771	771	770
Texas	1163	1145	1114	1124	1118	1115	1113	1110	1117	1117	1115
Federal Gulf of Mexico[2]	1536	1601	1743	1631	1721	1718	1741	1790	1725	1702	1721
Other US Lower 48	1341	1294	1244	1261	1260	1230	1246	1240	1256	1222	1219
NGLs[3]	1864	1881	1797	1844	1764	1696	1823	1903	1730	1697	1697
Other Hydrocarbons	382	417	426	432	423	427	427	427	417	429	426
Total	8068	8115	8085	8045	8068	7945	8071	8254	8036	7936	7944
Canada											
Alberta Light/Medium/Heavy	719	659	645	641	648	625	650	658	648	615	615
Alberta Bitumen	309	299	336	313	334	321	339	352	339	317	317
Saskatchewan	427	421	419	429	422	406	424	423	430	401	401
Other Crude	232	366	399	422	407	418	350	423	444	407	424
NGLs	692	698	725	720	730	710	720	740	730	710	710
Synthetic Crudes	349	440	543	474	414	474	635	645	376	440	425
Total	2727	2883	3068	3000	2955	2954	3119	3240	2966	2891	2893
Mexico											
Crude	3127	3177	3345	3203	3324	3311	3364	3380	3317	3282	3310
NGLs	433	408	420	394	418	422	420	420	422	425	420
Total	3560	3585	3765	3597	3741	3732	3784	3800	3739	3707	3730
UK Offshore[4]											
Brent Fields	279	243	239	237	227	227	255	248	222	237	237
Forties Fields	762	794	820	820	830	758	852	838	846	796	764
Ninian Fields	127	107	116	113	105	112	124	120	104	110	117
Flotta Fields	138	132	109	135	117	105	110	106	119	109	108
Other Fields	919	961	952	1004	948	914	976	972	953	950	948
NGLs	249	212	240	246	264	225	215	255	207	235	225
Total	2474	2450	2476	2554	2491	2341	2532	2539	2452	2436	2399
Norway [4]											
Ekofisk-Ula Area	470	490	481	497	497	468	476	481	489	469	468
Oseberg-Troll Area	741	754	742	765	800	696	722	752	778	753	749
Statfjord-Gullfaks Area	944	874	846	923	891	834	825	835	887	862	845
Haltenbanken Area	768	716	647	676	646	661	630	651	666	674	640
Sleipner-Frigg Area	195	157	171	143	169	159	165	193	177	158	158
NGLs	291	335	379	385	370	375	379	391	416	375	375
Total	3408	3325	3266	3389	3373	3193	3197	3302	3414	3291	3236
Other OECD Europe											
Other N Sea Crude/NGLs[5]	389	437	452	447	455	443	452	458	443	437	448
UK Onshore	60	54	46	52	49	47	46	44	48	48	47
Italy	64	84	103	92	91	100	105	115	98	100	100
Turkey	48	47	46	46	46	46	46	46	47	46	46
Other	167	159	159	157	159	159	159	158	157	159	160
NGLs (excl. North Sea)	28	27	29	25	30	30	29	29	29	30	30
Non-Conventional Oils	26	29	22	30	23	22	22	22	22	23	22
Total	783	837	858	849	853	847	859	873	844	842	853
Australia											
Gippsland Basin	160	140	114	130	118	115	112	109	117	116	116
Cooper-Eromanga Basin	26	25	23	26	23	23	23	23	23	23	23
Carnarvon Basin	337	359	372	337	343	353	399	394	326	302	358
Other Crude	136	104	86	107	86	86	86	86	88	86	86
NGLs	74	79	79	76	77	80	80	80	76	80	80
Total	732	708	674	676	647	657	700	692	630	607	663
Other OECD Pacific											
New Zealand	33	31	26	28	26	26	26	25	25	26	26
Japan	6	5	6	5	6	6	6	6	6	6	6
NGLs	17	17	19	18	20	19	19	19	18	20	20
Synthetic Fuels	2	0	0	0	0	0	0	0	0	0	0
Total	59	53	51	51	51	51	51	50	49	51	51
OECD											
Crude Oil	17397	17404	17552	17507	17637	17229	17533	17808	17677	17287	17327
NGLs	3655	3666	3700	3718	3684	3568	3696	3849	3639	3583	3567
Non-Conventional Oils	759	886	991	935	860	924	1084	1094	815	892	874
Total	21811	21955	22243	22161	22180	21721	22312	22750	22130	21761	21768

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Dec2002	Jan2003	Feb2003	Mar2003	Apr2003*	Apr2000	Apr2001	Apr2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	383.7	377.8	374.3	391.3	391.8	401.0	427.0	438.3	-0.14	-0.55	0.06	0.08
Motor Gasoline	242.0	244.7	238.0	233.4	239.5	238.2	235.2	251.6	-0.03	-0.11	0.05	-0.10
Middle Distillate	208.5	185.0	167.2	167.3	167.3	173.0	178.6	196.0	0.05	-0.02	0.07	-0.46
Residual Fuel Oil	40.2	40.0	39.6	41.7	41.1	44.4	48.7	42.9	-0.01	0.01	-0.02	0.02
Total Products[3]	654.6	617.8	579.6	580.6	585.3	603.2	620.9	662.4	0.34	-0.04	-0.25	-0.82
Total[4]	1174.2	1125.8	1081.0	1100.9	1108.9	1142.9	1188.6	1249.4	0.24	-0.45	-0.46	-0.81
Europe												
Crude	289.6	299.4	285.0	320.6	309.0	299.6	322.4	314.2	0.09	-0.19	-0.13	0.35
Motor Gasoline	116.4	121.5	121.5	122.0	119.6	125.1	115.1	122.3	-0.12	-0.06	0.01	0.06
Middle Distillate	239.5	233.8	214.8	219.4	221.8	226.5	217.0	243.4	0.18	0.02	-0.22	-0.22
Residual Fuel Oil	75.2	67.5	69.1	68.9	73.9	80.2	85.9	68.6	-0.02	0.01	0.06	-0.07
Total Products[3]	530.6	518.7	500.8	508.7	513.7	527.4	526.2	541.4	0.07	-0.08	-0.18	-0.24
Total[4]	884.3	885.6	856.8	903.0	895.6	892.2	911.1	920.9	0.14	-0.30	-0.29	0.21
Pacific												
Crude	161.1	163.1	167.9	182.8	186.8	170.1	180.8	162.9	-0.03	-0.09	-0.05	0.24
Motor Gasoline	23.6	24.9	25.5	25.9	26.6	27.7	26.5	26.8	0.00	-0.02	-0.01	0.03
Middle Distillate	65.1	64.8	61.6	56.8	62.9	66.0	75.2	68.2	0.08	0.10	-0.20	-0.09
Residual Fuel Oil	22.0	22.8	22.5	21.9	24.7	22.5	23.5	23.0	0.03	-0.03	0.00	0.00
Total Products[3]	177.9	175.1	170.4	164.6	177.1	175.3	194.0	184.4	0.11	0.07	-0.24	-0.15
Total[4]	410.1	411.5	409.2	413.2	434.1	424.9	460.6	424.9	0.12	-0.06	-0.34	0.03
Total OECD												
Crude	834.4	840.3	827.1	894.7	887.6	870.7	930.2	915.4	-0.08	-0.82	-0.12	0.67
Motor Gasoline	382.0	391.2	385.0	381.3	385.7	391.1	376.8	400.8	-0.15	-0.19	0.06	-0.01
Middle Distillate	513.1	483.6	443.6	443.5	452.0	465.5	470.8	507.7	0.31	0.10	-0.35	-0.77
Residual Fuel Oil	137.5	130.4	131.2	132.5	139.7	147.1	158.2	134.5	0.00	-0.01	0.04	-0.05
Total Products[3]	1363.1	1311.6	1250.8	1253.9	1276.1	1306.0	1341.2	1388.1	0.52	-0.05	-0.67	-1.21
Total[4]	2468.6	2422.9	2347.0	2417.1	2438.6	2459.9	2560.3	2595.2	0.50	-0.81	-1.09	-0.57

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Dec2002	Jan2003	Feb2003	Mar2003	Apr2003*	Apr2000	Apr2001	Apr2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	599.1	599.3	599.3	599.3	599.7	569.4	542.4	566.7	0.16	0.12	0.13	0.00
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	156.6	154.2	155.3	158.7	158.7	141.5	140.0	143.7	0.02	0.05	0.08	0.02
Products	194.7	198.3	199.9	202.0	202.0	202.1	210.6	205.9	-0.08	-0.09	0.02	0.08
Pacific												
Crude	317.9	318.6	321.3	321.3	323.9	315.1	314.4	320.7	0.00	-0.04	0.01	0.04
Total OECD												
Crude	1073.6	1072.0	1075.8	1079.2	1082.2	1026.0	996.8	1031.2	0.19	0.12	0.22	0.06
Products	196.7	200.3	201.9	204.0	204.0	202.1	212.6	207.9	-0.08	-0.09	0.02	0.08
Total[4]	1271.3	1273.4	1278.7	1284.2	1287.2	1229.0	1210.4	1240.1	0.10	0.03	0.23	0.14

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	November			December			January			February			March		
	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	312.2	287.6	-7.9	312.0	277.7	-11.0	320.3	273.0	-14.8	327.2	270.4	-17.4	333.4	280.5	-15.9
Motor Gasoline	212.3	206.1	-2.9	209.9	210.7	0.4	222.0	211.6	-4.7	217.8	203.2	-6.7	213.4	199.9	-6.3
Middle Distillate	185.4	171.7	-7.4	191.8	179.7	-6.3	183.3	157.0	-14.3	175.3	138.7	-20.9	168.9	137.9	-18.4
Residual Fuel Oil	39.2	35.7	-8.9	41.0	31.3	-23.7	41.4	31.3	-24.4	39.1	30.8	-21.2	34.3	32.3	-5.8
Other Products	151.6	145.9	-3.8	148.5	135.7	-8.6	135.5	117.5	-13.3	128.8	103.8	-19.4	130.6	107.5	-17.7
Total Products	588.5	559.4	-4.9	591.2	557.4	-5.7	582.2	517.4	-11.1	561.0	476.5	-15.1	547.2	477.6	-12.7
Other[3]	139.8	134.6	-3.7	132.9	116.3	-12.5	133.5	114.6	-14.2	128.1	113.3	-11.6	130.3	115.3	-11.5
Total	1040.5	981.6	-5.7	1036.1	951.4	-8.2	1036.0	905.0	-12.6	1016.3	860.2	-15.4	1010.9	873.4	-13.6
Japan															
Crude	130.3	116.0	-11.0	128.9	121.5	-5.7	123.1	124.6	1.2	117.3	125.7	7.2	129.6	138.9	7.2
Motor Gasoline	14.1	12.7	-9.9	12.2	12.2	0.0	14.0	13.1	-6.4	15.1	13.6	-9.9	15.7	13.4	-14.6
Middle Distillate	55.2	45.3	-17.9	46.1	40.2	-12.8	45.3	38.5	-15.0	43.0	33.8	-21.4	38.0	30.9	-18.7
Residual Fuel Oil	10.5	9.2	-12.4	9.7	9.8	1.0	10.3	10.7	3.9	9.8	10.6	8.2	9.7	10.5	8.2
Other Products	54.5	49.1	-9.9	51.0	49.3	-3.3	48.6	47.2	-2.9	45.7	45.8	0.2	50.0	45.8	-8.4
Total Products	134.3	116.3	-13.4	119.0	111.5	-6.3	118.2	109.5	-7.4	113.6	103.8	-8.6	113.4	100.6	-11.3
Other[3]	75.6	66.1	-12.6	70.1	64.5	-8.0	70.5	64.9	-7.9	69.0	63.2	-8.4	66.6	58.2	-12.6
Total	340.2	298.4	-12.3	318.0	297.5	-6.4	311.8	299.0	-4.1	299.9	292.7	-2.4	309.6	297.7	-3.8
Germany															
Crude	21.3	16.5	-22.5	24.5	14.6	-40.4	26.8	15.8	-41.0	25.9	15.0	-42.1	23.1	14.7	-36.4
Motor Gasoline	10.8	8.5	-21.3	12.1	9.1	-24.8	13.3	10.9	-18.0	12.3	10.0	-18.7	10.8	8.6	-20.4
Middle Distillate	13.6	14.6	7.4	18.7	14.3	-23.5	18.8	16.7	-11.2	18.6	11.7	-37.1	19.9	12.6	-36.7
Residual Fuel Oil	8.2	9.9	20.7	8.8	10.2	15.9	9.1	9.5	4.4	9.1	9.2	1.1	9.1	9.5	4.4
Other Products	12.3	10.9	-11.4	12.3	11.0	-10.6	11.6	10.8	-6.9	10.7	10.6	-0.9	12.8	11.5	-10.2
Total Products	44.9	43.9	-2.2	51.9	44.6	-14.1	52.8	47.9	-9.3	50.7	41.5	-18.1	52.6	42.2	-19.8
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	66.2	60.4	-8.8	76.4	59.2	-22.5	79.6	63.7	-20.0	76.6	56.5	-26.2	75.7	56.9	-24.8
Italy															
Crude	37.6	35.2	-6.4	33.4	32.2	-3.6	37.5	36.7	-2.1	36.3	29.0	-20.1	33.8	38.8	14.8
Motor Gasoline	19.6	23.2	18.4	21.3	19.2	-9.9	21.9	19.3	-11.9	21.7	20.2	-6.9	22.2	19.4	-12.6
Middle Distillate	30.6	40.5	32.4	31.3	40.8	30.4	33.0	39.9	20.9	33.5	36.6	9.3	31.6	34.3	8.5
Residual Fuel Oil	14.2	15.2	7.0	14.1	14.3	1.4	12.2	14.6	19.7	12.9	13.8	7.0	13.2	13.1	-0.8
Other Products	19.2	17.5	-8.9	21.2	17.5	-17.5	22.5	16.5	-26.7	20.4	15.7	-23.0	20.1	16.9	-15.9
Total Products	83.6	96.4	15.3	87.9	91.8	4.4	89.6	90.3	0.8	88.5	86.3	-2.5	87.1	83.7	-3.9
Other[3]	14.0	11.4	-18.6	12.6	13.6	7.9	13.2	13.0	-1.5	13.6	12.8	-5.9	11.3	13.7	21.2
Total	135.2	143.0	5.8	133.9	137.6	2.8	140.3	140.0	-0.2	138.4	128.1	-7.4	132.2	136.2	3.0
France															
Crude	36.2	34.0	-6.1	39.0	34.2	-12.3	37.5	35.9	-4.3	39.6	31.2	-21.2	38.0	37.1	-2.4
Motor Gasoline	10.4	12.2	17.3	12.6	13.0	3.2	13.7	12.1	-11.7	12.1	11.6	-4.1	10.9	11.7	7.3
Middle Distillate	26.5	32.5	22.6	27.4	34.8	27.0	27.3	30.4	11.4	28.7	26.4	-8.0	27.6	31.8	15.2
Residual Fuel Oil	7.5	7.2	-4.0	6.8	7.3	7.4	7.0	5.9	-15.7	6.7	5.7	-14.9	6.7	6.5	-3.0
Other Products	9.8	8.4	-14.3	9.4	9.0	-4.3	8.4	8.1	-3.6	9.0	7.7	-14.4	8.1	8.2	1.2
Total Products	54.2	60.3	11.3	56.2	64.1	14.1	56.4	56.5	0.2	56.5	51.4	-9.0	53.3	58.2	9.2
Other[3]	13.3	13.4	0.8	11.6	13.0	12.1	11.8	14.2	20.3	12.1	14.5	19.8	12.5	14.8	18.4
Total	103.7	107.7	3.9	106.8	111.3	4.2	105.7	106.6	0.9	108.2	97.1	-10.3	103.8	110.1	6.1
United Kingdom															
Crude	38.5	44.8	16.4	39.6	39.0	-1.5	40.8	39.7	-2.7	39.4	38.3	-2.8	35.8	41.7	16.5
Motor Gasoline	11.0	9.0	-18.2	11.3	9.0	-20.4	12.6	10.4	-17.5	11.0	10.1	-8.2	11.3	9.2	-18.6
Middle Distillate	21.8	20.4	-6.4	23.0	18.1	-21.3	20.7	18.3	-11.6	20.4	17.6	-13.7	20.3	17.9	-11.8
Residual Fuel Oil	4.8	5.0	4.2	4.3	5.0	16.3	4.9	4.7	-4.1	5.3	4.7	-11.3	5.3	5.4	1.9
Other Products	20.3	15.0	-26.1	20.5	15.5	-24.4	19.9	14.5	-27.1	18.0	15.0	-16.7	17.7	15.5	-12.4
Total Products	57.9	49.4	-14.7	59.1	47.6	-19.5	58.1	47.9	-17.6	54.7	47.4	-13.3	54.6	48.0	-12.1
Other[3]	10.6	11.3	6.6	10.1	9.9	-2.0	10.7	11.4	6.5	11.1	11.8	6.3	11.2	11.9	6.3
Total	107.0	105.5	-1.4	108.8	96.5	-11.3	109.6	99.0	-9.7	105.2	97.5	-7.3	101.6	101.6	0.0
Canada[4]															
Crude	77.6	74.7	-3.7	77.2	75.0	-2.8	75.8	74.2	-2.1	77.8	76.1	-2.2	77.9	76.1	-2.3
Motor Gasoline	17.7	15.7	-11.3	17.0	15.5	-8.8	19.4	16.5	-14.9	21.0	17.8	-15.2	20.7	17.5	-15.5
Middle Distillate	19.5	19.4	-0.5	21.1	19.4	-8.1	23.0	19.0	-17.4	22.1	19.2	-13.1	21.0	19.8	-5.7
Residual Fuel Oil	3.7	3.6	-2.7	3.5	3.3	-5.7	3.3	3.5	6.1	3.7	4.5	21.6	3.7	4.5	21.6
Other Products	20.1	21.7	8.0	19.3	20.6	6.7	19.8	22.5	13.6	20.2	22.8	12.9	21.4	22.3	4.2
Total Products	61.0	60.4	-1.0	60.9	58.8	-3.4	65.5	61.5	-6.1	67.0	64.3	-4.0	66.8	64.1	-4.0
Other[3]	21.2	20.8	-1.9	19.1	19.6	2.6	15.2	15.6	2.6	14.7	13.8	-6.1	13.6	13.8	1.5
Total	159.8	155.9	-2.4	157.2	153.4	-2.4	156.5	151.3	-3.3	159.5	154.2	-3.3	158.3	154.0	-2.7

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for March 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End March 2002		End June 2002		End September 2002		End December 2002		End March 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	158.3	82	151.5	75	160.2	78	153.4	74	154.0	-
Mexico	43.6	23	45.3	24	47.0	24	47.3	24	51.4	-
United States	1574.4	80	1616.6	82	1576.1	80	1552.5	78	1474.6	-
Total[4]	1798.3	76	1835.6	76	1805.3	75	1775.3	73	1702.1	71
Pacific										
Australia	39.3	44	37.2	43	39.4	45	34.0	40	39.8	-
Japan	630.3	136	633.7	126	627.1	106	615.4	99	619.0	-
Korea[5]	78.6	39	86.5	43	79.7	34	69.1	29	65.7	-
New Zealand	8.4	65	10.0	80	11.5	77	9.5	65	9.9	-
Total	756.6	99	767.4	95	757.7	82	728.0	76	734.4	93
Europe[6]										
Austria	17.3	65	17.5	61	18.3	67	18.7	71	18.8	-
Belgium	30.6	53	30.8	53	28.3	46	25.8	40	29.3	-
Czech Republic	17.4	102	17.0	91	16.2	90	17.5	103	17.3	-
Denmark	19.6	101	17.3	93	18.5	88	17.3	87	15.4	-
Finland	24.6	124	26.9	127	26.9	115	24.4	110	24.7	-
France	162.9	88	169.9	87	174.0	89	174.5	84	175.0	-
Germany	276.4	105	268.5	93	258.8	95	253.4	101	258.6	-
Greece	31.1	84	28.9	77	32.2	72	31.6	70	30.1	-
Hungary	19.9	148	18.5	126	18.0	117	16.1	124	17.9	-
Ireland	9.9	62	9.4	56	10.2	58	11.4	59	10.9	-
Italy	132.3	72	132.4	72	136.1	73	137.6	73	136.3	-
Luxembourg	0.8	16	0.9	17	0.9	19	1.0	17	0.9	-
Netherlands	117.9	129	115.5	131	106.7	116	104.9	118	95.1	-
Norway	18.0	104	22.4	123	17.6	86	19.3	80	32.8	-
Poland	26.9	71	25.2	59	23.6	54	26.2	66	27.2	-
Portugal	22.1	61	24.6	69	24.1	75	21.4	68	24.0	-
Spain	118.6	80	121.0	81	121.3	80	120.8	78	122.8	-
Sweden	35.1	105	33.4	103	30.5	81	29.4	87	34.2	-
Switzerland	37.5	138	39.0	139	38.7	139	36.7	137	36.1	-
Turkey	59.0	96	57.8	88	55.6	81	51.9	85	55.6	-
United Kingdom	101.7	61	109.7	65	98.9	57	96.7	56	101.6	-
Total	1279.8	87	1286.7	85	1255.4	82	1236.6	81	1264.7	86
Total OECD	3834.7	83	3889.7	82	3818.4	78	3739.9	76	3701.2	79
DAYS OF IEA Net Imports[7]	-	115	-	116	-	114	-	113	-	112

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End March 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	77	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3865	1205	2660	81	25	55
4Q2001	3843	1222	2622	80	25	55
1Q2002	3835	1237	2597	83	27	56
2Q2002	3890	1247	2643	82	26	56
3Q2002	3818	1250	2568	78	26	53
4Q2002	3740	1271	2469	76	26	50
1Q2003	3701	1284	2417	79	28	52

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 1Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	2Q02	3Q02	4Q02	1Q03	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30	23.71	24.25	25.75	25.53	30.76	25.79	29.65	32.01	30.75		
IEA Europe	27.89	23.92	24.26	24.22	26.21	26.11	31.11	27.34	30.66	32.12	30.69		
IEA Pacific	28.89	25.05	24.74	25.69	26.34	27.24	30.54	26.30	29.20	31.20	32.51		
IEA Total	28.00	23.65	24.18	24.57	26.08	26.18	30.86	26.55	29.94	31.83	30.92		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	25.07	26.91	26.81	31.49	28.67	31.32	32.67	30.54	24.85	25.72
WTI (1st month)	30.37	25.93	26.16	26.30	28.30	28.29	34.00	29.45	32.99	35.75	33.43	28.26	28.14
Urals (del. Med.)	26.63	22.97	23.73	23.60	25.81	25.55	29.24	27.72	28.88	30.38	28.52	22.61	23.80
Dubai (1st month)	26.24	22.80	23.85	24.39	25.54	25.16	28.39	25.73	28.02	30.02	27.38	23.45	24.36
Tapis (1st month)	29.85	25.32	25.72	25.63	27.29	28.33	32.34	30.27	31.95	33.96	31.37	27.66	26.76
OPEC Basket	27.60	23.12	24.34	24.42	26.15	26.63	30.45	28.21	30.34	31.64	29.44	25.24	25.63
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	30.05	32.06	31.05	37.44	31.91	35.95	39.85	36.71	35.00	32.64
Unleaded	34.41	28.83	28.57	29.51	31.44	30.50	36.88	31.31	35.35	39.31	36.17	34.25	31.87
Naphtha	29.09	23.69	24.23	23.80	25.95	26.45	34.99	28.77	33.95	36.99	34.16	24.76	23.58
Jet/Kerosene	36.98	30.82	29.24	28.46	31.27	32.45	40.89	33.30	36.76	43.21	43.01	31.75	30.38
Gasoil .2 %	34.38	29.16	27.81	26.80	29.85	31.26	39.18	33.14	35.78	41.81	40.24	30.06	29.47
LSFO 1%	23.74	19.52	21.81	20.40	23.19	26.70	29.20	27.15	27.90	31.98	27.92	24.02	22.54
HSFO 3.5%	21.42	17.79	20.65	21.22	23.14	21.22	25.65	20.84	27.08	27.04	22.84	19.42	21.16
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.28	32.13	30.78	36.62	31.84	35.54	39.45	35.08	30.94	30.21
Premium Unleaded	36.43	29.70	28.49	29.56	31.41	30.06	35.91	31.12	34.82	38.73	34.36	30.22	29.49
Naphtha	28.16	22.47	23.51	23.02	25.32	25.61	33.37	27.52	32.80	35.61	31.83	22.72	22.08
Jet/Kerosene	34.82	27.52	27.14	26.22	29.34	29.95	36.47	30.02	33.21	40.00	36.53	26.59	28.61
Gasoil .2 %	33.87	27.50	27.08	25.83	28.98	30.36	38.67	32.52	35.61	40.74	39.90	27.55	27.14
LSFO 1%	23.77	18.73	21.50	20.98	23.14	24.14	30.56	25.02	30.29	32.28	29.22	21.98	22.43
HSFO 3.5%	18.92	15.24	18.24	18.65	20.69	18.86	22.76	18.18	24.58	24.09	19.59	16.88	19.05
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	33.91	36.10	37.44	41.33	35.90	38.69	43.87	41.68	37.22	35.57
Unleaded	36.10	31.00	30.33	30.19	32.32	33.53	39.50	33.83	36.81	41.86	40.07	33.58	31.86
Jet/Kerosene	38.05	31.18	29.83	28.77	31.91	33.45	42.43	34.88	38.38	48.31	41.14	33.11	31.90
No. 2 (Heating Oil)	36.37	29.82	28.56	27.68	30.06	32.33	42.00	34.42	37.99	47.37	41.16	33.02	31.05
LSFO 1%	25.05	20.70	22.55	22.76	24.65	25.72	32.74	26.65	31.65	35.09	31.71	24.01	24.51
HSFO 6 3%	20.68	17.36	20.99	21.40	23.30	22.96	27.91	23.69	29.08	29.45	25.34	19.94	21.15
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.49	28.91	29.24	37.14	30.25	34.34	40.13	37.51	28.74	28.73
Naphtha	28.38	23.75	24.93	24.98	25.81	27.15	34.27	29.57	32.21	37.34	33.78	23.58	23.77
Jet/Kerosene	34.39	28.32	28.08	27.20	29.85	31.35	36.14	32.10	34.37	39.27	35.33	28.35	28.25
Gasoil .5%	32.58	27.32	27.55	27.68	28.80	30.89	36.12	30.99	33.39	38.45	36.97	29.24	28.39
LSWR Cracked	25.83	21.83	23.80	23.26	25.16	28.02	31.84	30.97	31.05	34.77	30.16	28.80	27.26
HSFO 180 CST	24.43	20.65	22.89	23.28	24.97	24.40	28.86	25.46	28.18	30.88	27.85	23.97	24.64
HSFO 4%	24.21	20.38	22.95	23.31	25.23	24.31	28.88	25.40	28.27	30.74	27.93	24.23	24.26

* IEA CIF Average Import price for March is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
May 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from Apr-03	% change from May-02	Ex-Tax Price	% change from Apr-03	% change from May-02	Total Price	% change from Apr-03	% change from May-02	Ex-Tax Price	% change from Apr-03	% change from May-02
GASOLINE [1] (Price per Litre)												
France	0.996	- 4.3	- 3.6	0.244	-13.2	-15.9	1.152	2.1	21.5	0.282	-7.3	6.0
Germany	1.068	- 3.5	- 0.7	0.266	-11.0	-12.5	1.236	3.0	25.1	0.308	-5.0	10.2
Italy	1.036	- 2.5	- 3.4	0.321	-6.7	-8.5	1.199	4.0	21.8	0.371	-0.4	15.2
Spain	0.796	- 3.0	- 5.4	0.290	-7.1	-11.9	0.921	3.5	19.3	0.336	-0.8	11.1
UK	0.756	- 3.2	0.7	0.185	-10.6	2.2	1.226	-0.1	11.9	0.300	-7.8	13.6
Japan	109.2	-	4.0	50.2	-	8.7	0.930	2.2	11.9	0.428	2.2	16.9
Canada	0.687	- 4.6	0.6	0.390	-7.4	1.0	0.497	0.0	12.7	0.282	-2.9	13.2
USA	0.395	- 6.0	7.3	0.293	-7.9	9.7	0.395	-6.0	7.3	0.293	-7.9	9.7
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.637	- 5.8	- 1.8	0.245	-13.7	-10.3	0.737	0.6	23.7	0.283	-7.9	13.1
Germany	0.733	- 5.7	- 0.3	0.263	-14.3	-10.8	0.848	0.7	25.7	0.304	-8.5	12.3
Italy	0.712	- 4.9	- 1.5	0.309	-10.7	-3.4	0.824	1.5	24.1	0.358	-4.7	21.7
Spain	0.584	- 5.5	- 4.1	0.290	-10.5	-7.9	0.676	0.9	20.8	0.336	-4.4	16.0
UK	0.662	- 3.6	1.5	0.204	-10.9	5.2	1.074	-0.6	12.8	0.331	-8.1	16.9
Japan	88.2	-	3.6	51.9	-	6.1	0.751	2.2	11.5	0.442	2.2	14.2
Canada	0.663	- 7.7	4.7	0.442	-10.3	6.8	0.479	-3.2	17.4	0.320	-6.0	19.6
USA	0.382	- 5.7	10.7	0.263	-8.0	15.9	0.382	-5.7	10.7	0.263	-8.0	15.9
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	352.90	-8.6	-3.0	238.47	-10.5	-8.9	408.3	-2.5	22.2	275.9	-4.4	14.8
Germany	333.12	-5.0	-6.8	225.82	-6.3	-8.5	385.4	1.4	17.4	261.3	0.1	15.2
Italy	820.72	-3.8	-1.6	280.72	-8.8	-3.8	949.6	2.7	24.0	324.8	-2.6	21.3
Spain	358.80	-11.8	-4.2	224.60	-15.6	-5.7	415.1	-5.8	20.7	259.9	-9.9	18.8
UK	182.92	-7.3	1.2	143.21	-8.7	1.5	296.8	-4.3	12.5	232.3	-5.8	12.8
Japan [3]	49291	-0.2	8.2	46944	-0.2	8.2	420.0	1.9	16.4	400.0	1.9	16.4
FUEL OIL FOR INDUSTRY [2,4] (Price per Metric Ton)												
France	177.44	-5.1	-9.5	158.94	-5.7	-10.4	205.3	1.3	14.0	183.9	0.7	12.8
Germany	159.95	-13.3	-9.8	134.95	-15.4	-15.4	185.1	-7.4	13.6	156.1	-9.7	6.6
Italy	195.96	-6.3	-18.5	164.57	-7.4	-6.8	226.7	0.0	2.7	190.4	-1.2	17.4
Spain	216.98	-14.5	6.6	202.55	-15.4	7.1	251.0	-8.8	34.4	234.4	-9.7	35.0
UK	141.94	-8.9	5.6	113.94	-10.9	7.1	230.3	-6.0	17.4	184.8	-8.0	19.0
Japan	37383	-0.8	47.1	35603	-0.8	47.1	318.5	1.3	58.2	303.3	1.3	58.2

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices refer to high sulphur fuel oil and to low sulphur fuel oil thereafter, except for Germany, which shows lsfo for all months.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
OECD North America												
Venezuela	1.66	1.58		1.35	1.83	1.54	0.95	0.49	0.79	1.55	1.51	0.04
Other Central & South America	0.52	0.60		0.57	0.62	0.65	0.52	0.51	0.55	0.50	0.54	-0.04
North Sea	1.03	1.24		1.37	1.28	1.32	1.05	1.06	1.15	0.95	0.99	-0.04
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.11	0.10	0.13	0.11	0.13	0.16	0.05	0.01	0.04
Saudi Arabia	1.70	1.60		1.62	1.50	1.72	1.79	1.92	1.50	1.93	1.63	0.30
Kuwait	0.24	0.22		0.20	0.24	0.21	0.20	0.14	0.23	0.23	0.18	0.04
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.92	0.56		0.53	0.30	0.42	0.82	0.74	1.01	0.73	0.93	-0.20
Oman	0.02	0.02		-	0.05	0.02	-	-	-	-	-	-
United Arab Emirates	0.02	0.01		0.04	0.01	0.01	0.01	0.03	-	-	-	-
Other Middle East	0.02	0.04		0.02	0.10	0.03	0.02	0.02	0.05	-	-	-
West Africa[2]	1.44	1.15		1.20	1.24	1.14	1.35	1.39	1.12	1.52	1.13	0.39
Other Africa	0.13	0.18		0.21	0.18	0.15	0.13	0.10	0.14	0.16	0.19	-0.04
Asia	0.15	0.16		0.18	0.14	0.15	0.12	0.14	0.08	0.13	0.12	0.01
Other	0.03	0.06		0.07	0.06	0.06	0.04	0.03	0.05	0.05	0.05	0.00
Total	**7.85**	**7.44**		**7.48**	**7.62**	**7.55**	**7.11**	**6.70**	**6.82**	**7.78**	**7.28**	**0.50**
of which Non-OECD	**6.82**	**6.21**		**6.06**	**6.30**	**6.17**	**6.04**	**5.63**	**5.65**	**6.81**	**6.25**	**0.56**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.19	0.20	0.22	0.17	0.14	0.22	0.16	0.17	0.00
Venezuela	0.18	0.18		0.16	0.19	0.12	0.04	-	-	0.13	0.24	-0.11
Other Central & South America	0.04	0.05		0.02	0.03	0.06	0.03	0.03	0.02	0.03	0.05	-0.03
Non-OECD Europe	0.00	0.01		0.01	0.01	0.01	0.00	0.00	0.00	-	0.01	-
Former Soviet Union	2.68	3.12		3.16	3.29	3.03	2.98	2.80	2.82	3.31	3.13	0.17
Saudi Arabia	1.25	1.16		1.20	1.25	1.09	0.96	0.86	0.94	1.06	0.91	0.15
Kuwait	0.16	0.12		0.13	0.13	0.10	0.08	0.06	0.10	0.09	0.12	-0.03
Iran	0.74	0.62		0.61	0.65	0.72	0.61	0.73	0.54	0.56	0.46	0.10
Iraq	0.40	0.31		0.14	0.32	0.62	0.43	0.37	0.47	0.46	0.25	0.21
Oman	-	0.00		-	0.01	-	0.00	-	-	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.48	0.50	0.46	0.36	0.35	0.31	0.42	0.41	0.01
West Africa[2]	0.81	0.68		0.57	0.63	0.62	0.73	0.84	0.63	0.70	0.58	0.11
Other Africa	1.50	1.39		1.40	1.32	1.45	1.59	1.51	1.63	1.65	1.27	0.38
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.64	0.32	0.15	0.68	0.87	0.93	0.27	0.24	0.03
Total	**8.59**	**8.66**		**8.72**	**8.85**	**8.64**	**8.67**	**8.57**	**8.60**	**8.83**	**7.84**	**0.99**
of which Non-OECD	**8.41**	**8.47**		**8.53**	**8.64**	**8.43**	**8.49**	**8.42**	**8.38**	**8.66**	**7.67**	**0.99**
OECD Pacific												
Canada	0.00	0.00		-	-	0.01	-	-	-	-	-	-
Mexico + USA	0.02	0.01		0.02	-	0.02	-	-	-	-	-	-
Venezuela	0.00	0.00		-	-	0.00	0.00	-	-	0.00	-	-
Other Central & South America	0.07	0.08		0.06	0.07	0.09	0.10	0.14	0.12	0.05	0.11	-0.05
North Sea	0.01	0.03		0.03	0.06	-	0.04	0.08	0.04	0.01	-	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.05	0.10	0.10	0.04	0.07	0.04	0.01	0.07	-0.06
Saudi Arabia	1.84	1.72		1.68	1.57	1.82	1.97	1.89	1.95	2.06	1.84	0.22
Kuwait	0.64	0.57		0.55	0.52	0.56	0.60	0.66	0.60	0.54	0.63	-0.09
Iran	0.75	0.64		0.64	0.56	0.69	0.89	0.83	0.88	0.95	0.70	0.24
Iraq	0.01	0.02		0.05	0.01	0.01	-	-	-	-	0.06	-
Oman	0.41	0.37		0.34	0.34	0.35	0.42	0.39	0.45	0.43	0.50	-0.07
United Arab Emirates	1.42	1.28		1.12	1.24	1.35	1.47	1.47	1.50	1.43	1.50	-0.08
Other Middle East	0.60	0.52		0.45	0.52	0.50	0.56	0.54	0.58	0.57	0.66	-0.10
West Africa[2]	0.11	0.21		0.19	0.20	0.25	0.28	0.09	0.58	0.21	0.18	0.03
Other Africa	0.04	0.05		0.01	0.08	0.08	0.09	0.16	0.10	0.02	0.03	-0.02
Non-OECD Asia	0.89	0.85		0.84	0.77	0.89	0.89	1.00	0.73	0.93	0.90	0.03
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.05**	**6.03**	**6.71**	**7.36**	**7.33**	**7.58**	**7.21**	**7.19**	**0.02**
of which Non-OECD	**6.86**	**6.38**		**6.00**	**5.97**	**6.68**	**7.32**	**7.24**	**7.54**	**7.19**	**7.19**	**0.00**
Total OECD Trade	**23.34**	**22.52**		**22.26**	**22.50**	**22.90**	**23.14**	**22.59**	**23.00**	**23.81**	**22.31**	**1.50**
of which Non-OECD	**22.08**	**21.06**		**20.60**	**20.92**	**21.27**	**21.86**	**21.29**	**21.58**	**22.67**	**21.11**	**1.55**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.54	0.65	0.89	0.33	0.54	0.46	..	0.93	..
Europe	0.92	0.91		0.93	0.97	0.83	0.55	0.86	0.73	0.08	0.78	-0.70
Pacific	1.22	1.22		1.14	1.14	1.24	0.86	1.39	1.23	..	1.22	..
Saudi Medium												
North America	0.73	0.86		0.65	0.60	1.46	0.57	0.89	0.84	..	0.66	..
Europe	0.15	0.11		0.08	0.13	0.11	0.06	0.10	0.08	..	0.06	..
Pacific	0.17	0.16		0.18	0.16	0.14	0.12	0.21	0.16	..	0.19	..
Saudi Heavy												
North America	0.21	0.20		0.23	0.21	0.23	0.14	0.25	0.19	..	0.16	..
Europe	0.14	0.09		0.10	0.09	0.08	0.05	0.06	0.10	0.01	0.08	-0.07
Pacific	0.15	0.12		0.12	0.11	0.13	0.09	0.15	0.12	..	0.09	..
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.34	0.23	0.22	0.30	0.37	0.57	..	0.65	..
Europe	0.15	0.08		0.06	0.05	0.21	0.08	0.10	0.12	0.04	0.04	0.00
Pacific	0.01	0.02		0.05	0.01	..	..	..	..	..	0.06	..
Iraqi Kirkuk												
North America	0.09	0.14		0.11	0.06	0.11	0.16	0.26	0.24	..	0.23	..
Europe	0.31	0.32		0.19	0.36	0.50	0.26	0.41	0.31	0.05	0.26	-0.20
Pacific	0.01	0.00		0.00	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.14	0.15	0.19	0.10	0.23	0.05	0.03	0.17	-0.15
Pacific	0.13	0.12		0.11	0.10	0.14	0.12	0.15	0.21	..	0.11	..
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.45	0.49	0.51	0.34	0.57	0.40	0.05	0.30	-0.26
Pacific	0.63	0.54		0.56	0.45	0.61	0.48	0.72	0.74	..	0.56	..
Venezuelan Light & Medium												
North America	0.61	0.68		0.57	0.91	0.57	0.13	..	0.42	..	0.59	..
Europe	0.07	0.07		0.05	0.04	0.06	0.01	0.02	..	..	0.10	..
Pacific	0.00	0.00		..	..	0.00	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.46	0.62	0.56	..	..	..	..	0.56	..
Europe	0.07	0.05		0.06	0.06	0.04	0.00	0.00	0.01	..	0.09	..
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.89	0.91	0.96	0.70	1.09	1.05	..	0.87	..
Europe	0.14	0.16		0.17	0.17	0.14	0.08	0.11	0.13	..	0.15	..
Pacific	0.01	0.00		0.01	..	0.01	..	..	..	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.00	0.01	0.01	0.01	0.01	0.01	..	0.01	..
Europe	0.03	0.01		0.01	0.02	0.01	0.00	..	0.00	..	0.01	..
Pacific	0.01	0.01		0.01	..	0.01	..	..	..	..	..	..
Russian Urals												
North America	..	0.03		0.08	..	0.05	..	..	..	..	..	..
Europe	1.10	1.32		1.25	1.44	1.36	0.94	1.54	1.01	0.27	1.41	-1.13
Pacific	0.01	0.01		..	0.02	..	..	..	..	..	0.03	..
Nigerian Light[4]												
North America	0.50	0.39		0.38	0.46	0.38	0.27	0.50	0.33	..	0.31	..
Europe	0.38	0.31		0.22	0.36	0.32	0.24	0.36	0.34	0.03	0.20	-0.18
Pacific	0.02	0.06		0.03	0.06	0.08	0.10	..	0.33	..	0.06	..
Nigerian Medium												
North America	0.31	0.16		0.22	0.13	0.14	0.12	0.18	0.19	..	0.14	..
Europe	0.10	0.06		0.03	0.03	0.06	0.06	0.14	0.03	..	0.06	..
Pacific	0.00	0.01		..	0.01	..	0.04	0.06	0.06	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.07	0.11	0.08	0.00	-	-	0.01	0.05	-0.04
Other Central & South America	0.10	0.10		0.10	0.11	0.11	0.10	0.15	0.09	0.05	0.09	-0.04
ARA (Belgium Germany Netherlands)	0.07	0.10		0.13	0.09	0.08	0.11	0.10	0.09	0.13	0.12	0.00
Other Europe	0.18	0.21		0.24	0.20	0.18	0.20	0.19	0.12	0.28	0.24	0.04
FSU	0.04	0.06		0.08	0.06	0.03	0.09	0.06	0.10	0.11	0.09	0.02
Saudi Arabia	0.05	0.06		0.05	0.06	0.07	0.06	0.06	0.05	0.07	0.06	0.01
Algeria	0.00	0.00		0.01	-	-	-	-	-	-	0.01	-
Other Middle East & Africa	0.04	0.04		0.04	0.06	0.03	0.03	0.05	0.02	0.01	0.01	0.00
Singapore	0.01	0.01		0.00	0.02	0.00	0.00	0.00	-	-	0.03	-
OECD Pacific	0.02	0.01		0.02	0.01	0.01	0.01	-	0.01	0.03	0.00	0.03
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.03	0.04	0.02	0.02	0.02	0.01	0.04	0.01	0.03
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.65**	**0.69**		**0.78**	**0.74**	**0.61**	**0.62**	**0.62**	**0.49**	**0.73**	**0.71**	**0.02**
of which Non-OECD	**0.39**	**0.39**		**0.40**	**0.48**	**0.36**	**0.31**	**0.35**	**0.27**	**0.30**	**0.37**	**-0.06**
OECD Europe												
OECD North America	0.00	0.00		-	-	0.00	0.00	0.00	0.00	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.05	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.01
FSU	0.02	0.03		0.03	0.05	0.02	0.02	0.02	0.01	0.04	0.01	0.03
Saudi Arabia	0.00	0.00		0.00	0.01	0.00	0.00	0.00	-	-	0.00	-
Algeria	0.00	0.01		0.02	0.01	0.02	0.01	0.00	-	0.01	-	-
Other Middle East & Africa	0.01	0.02		0.02	0.03	0.03	0.02	0.01	0.01	0.02	0.01	0.02
Singapore	-	0.00		-	-	0.00	0.00	-	0.00	0.00	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	-	-	-	-	-	-
Other	0.09	0.07		0.07	0.04	0.07	0.13	0.14	0.18	0.07	0.10	-0.03
Total[2]	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.21**	**0.21**	**0.24**	**0.19**	**0.15**	**0.04**
of which Non-OECD	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.21**	**0.21**	**0.24**	**0.19**	**0.15**	**0.04**
OECD Pacific												
OECD North America	0.00	0.00		0.00	-	-	-	-	-	-	0.01	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.04	0.02	0.04	0.03	0.03	0.01	0.03	0.03	-0.01
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.02	0.01	0.03	0.02	0.03	0.03	0.01	0.03	-0.01
Other	-	0.00		0.00	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.06**	**0.03**	**0.07**	**0.05**	**0.06**	**0.04**	**0.04**	**0.07**	**-0.03**
of which Non-OECD	**0.03**	**0.05**		**0.06**	**0.03**	**0.07**	**0.05**	**0.06**	**0.04**	**0.04**	**0.06**	**-0.02**
Total OECD Trade[2]	**0.84**	**0.92**		**1.04**	**0.94**	**0.85**	**0.88**	**0.90**	**0.77**	**0.96**	**0.93**	**0.04**
of which Non-OECD	**0.57**	**0.63**		**0.66**	**0.68**	**0.60**	**0.57**	**0.62**	**0.55**	**0.54**	**0.58**	**-0.04**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.04	0.02	0.02	0.01	-	-	0.02	0.04	-0.02
Other Central & South America	0.03	0.02		0.01	0.01	0.03	0.01	0.00	0.03	0.02	0.05	-0.03
ARA (Belgium Germany Netherlands)	0.01	0.00		-	0.00	0.01	0.03	0.08	0.01	0.01	0.00	0.01
Other Europe	0.02	0.00		-	0.00	0.01	0.02	0.01	0.01	0.03	-	-
FSU	0.03	0.02		0.02	-	0.08	0.13	0.03	0.20	0.17	0.02	0.15
Saudi Arabia	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Algeria	0.01	0.00		-	-	0.00	0.00	0.01	-	-	-	-
Other Middle East & Africa	0.01	0.00		-	-	0.01	0.00	-	0.01	-	-	-
Singapore	0.00	0.00		-	-	-	0.00	0.00	-	0.00	0.00	0.00
OECD Pacific	0.01	0.01		0.00	0.01	0.01	0.00	-	-	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	0.02	0.00	-	0.01	-	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.20**	**0.10**		**0.07**	**0.04**	**0.19**	**0.21**	**0.14**	**0.27**	**0.24**	**0.11**	**0.13**
of which Non-OECD	**0.16**	**0.09**		**0.07**	**0.03**	**0.16**	**0.16**	**0.04**	**0.25**	**0.20**	**0.11**	**0.09**
OECD Europe												
OECD North America	0.02	0.03		0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.04	-0.03
Venezuela	0.00	0.00		-	-	-	0.00	-	0.00	-	-	-
Other Central & South America	0.00	0.01		0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.01	-0.01
Non-OECD Europe	0.05	0.07		0.07	0.06	0.06	0.05	0.04	0.06	0.06	0.06	0.00
FSU	0.36	0.42		0.46	0.35	0.43	0.43	0.45	0.42	0.42	0.41	0.02
Saudi Arabia	0.01	0.01		0.01	0.00	0.01	0.01	0.01	-	0.02	0.00	0.02
Algeria	0.04	0.02		0.02	0.02	0.02	0.02	-	0.02	0.04	0.03	0.02
Other Middle East & Africa	0.02	0.02		0.01	0.02	0.01	0.01	0.01	0.02	0.00	0.01	-0.01
Singapore	0.00	0.02		0.00	0.01	0.03	0.01	-	0.01	0.02	0.03	-0.01
OECD Pacific	0.00	0.00		-	0.01	0.01	0.00	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.00	0.01	0.02	0.01	0.04	0.00	-	-
Other	0.10	0.10		0.04	0.08	0.14	0.22	0.28	0.35	0.04	0.11	-0.07
Total[2]	**0.61**	**0.69**		**0.64**	**0.58**	**0.73**	**0.78**	**0.80**	**0.93**	**0.63**	**0.69**	**-0.07**
of which Non-OECD	**0.59**	**0.67**		**0.61**	**0.55**	**0.72**	**0.78**	**0.80**	**0.93**	**0.63**	**0.66**	**-0.03**
OECD Pacific												
OECD North America	-	0.00		0.00	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		0.01	-	0.00	-	-	-	-	-	-
Singapore	0.02	0.02		0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.02	0.03	0.05	0.06	0.03	0.04	0.01	0.03
Other	0.00	0.00		0.00	-	0.00	-	-	-	-	-	-
Total[2]	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.09**	**0.06**	**0.06**	**0.03**	**0.03**
of which Non-OECD	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.09**	**0.06**	**0.06**	**0.03**	**0.03**
Total OECD Trade[2]	**0.84**	**0.85**		**0.77**	**0.67**	**0.99**	**1.06**	**1.03**	**1.25**	**0.93**	**0.84**	**0.09**
of which Non-OECD	**0.78**	**0.81**		**0.74**	**0.63**	**0.95**	**1.01**	**0.93**	**1.24**	**0.89**	**0.80**	**0.09**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.01	0.00	0.01	0.02	0.01	0.01
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.02	-0.01
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	0.00	-	-	0.01	-	-
Other Europe	0.00	0.00		0.00	-	-	-	-	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	0.00	-	0.01	-	-	-
Algeria	0.00	0.00		-	-	0.01	0.00	-	0.00	0.00	-	-
Other Middle East & Africa	0.02	0.01		0.01	0.00	0.02	0.04	0.07	0.02	0.03	-	-
Singapore	0.01	0.00		-	-	0.00	0.00	0.00	-	0.00	0.00	0.00
OECD Pacific	0.05	0.04		0.04	0.04	0.05	0.01	0.01	-	0.01	0.03	-0.02
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.02	0.00	0.01	0.02	0.00	0.01	0.01	0.00
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.09**		**0.09**	**0.09**	**0.11**	**0.09**	**0.11**	**0.07**	**0.09**	**0.07**	**0.02**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.05**	**0.06**	**0.08**	**0.11**	**0.07**	**0.07**	**0.04**	**0.04**
OECD Europe												
OECD North America	0.00	0.01		0.00	0.01	0.00	0.00	-	-	0.00	0.02	-0.02
Venezuela	0.01	0.02		0.02	0.02	0.01	0.00	-	-	0.00	0.03	-0.02
Other Central & South America	0.01	0.00		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.01	0.00	0.00	-	-
FSU	0.02	0.03		0.03	0.04	0.03	0.02	0.03	0.01	0.02	0.02	0.00
Saudi Arabia	0.03	0.02		0.02	0.02	0.01	0.01	0.01	0.01	-	0.03	-
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.02	0.02	0.00	-	-
Other Middle East & Africa	0.13	0.10		0.12	0.11	0.09	0.10	0.06	0.11	0.12	0.12	0.00
Singapore	-	0.01		-	0.02	0.00	0.00	-	0.00	0.00	-	-
OECD Pacific	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	0.00	-	-	-	-	-	0.00	-
Other	0.04	0.02		0.02	0.02	0.00	0.03	0.04	0.02	0.02	0.04	-0.02
Total[2]	**0.25**	**0.21**		**0.23**	**0.27**	**0.15**	**0.17**	**0.17**	**0.17**	**0.18**	**0.25**	**-0.07**
of which Non-OECD	**0.25**	**0.20**		**0.22**	**0.26**	**0.15**	**0.17**	**0.17**	**0.17**	**0.18**	**0.23**	**-0.06**
OECD Pacific												
OECD North America	-	-		-	-	-	0.01	0.01	0.01	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.01	0.02	0.04	0.02	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		-	0.00	0.01	0.03	0.06	0.02	-	-	-
Singapore	0.01	0.01		0.00	0.00	0.02	0.02	0.03	0.02	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.00	-	0.05	0.04	0.06	0.05	0.01	0.00	0.01
Other	0.04	0.05		0.03	0.04	0.07	0.07	0.07	0.10	0.05	0.05	0.00
Total[2]	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.28**	**0.21**	**0.06**	**0.06**	**0.00**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.27**	**0.21**	**0.06**	**0.06**	**0.00**
Total OECD Trade[2]	**0.46**	**0.41**		**0.35**	**0.40**	**0.42**	**0.44**	**0.56**	**0.45**	**0.33**	**0.37**	**-0.05**
of which Non-OECD	**0.41**	**0.36**		**0.31**	**0.35**	**0.37**	**0.43**	**0.54**	**0.44**	**0.31**	**0.33**	**-0.02**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Jan 03	Feb 03	Mar 03	Year Earlier Mar 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.04	0.03	0.01	0.02	0.00	0.01	0.06	0.04	0.01
Other Central & South America	0.11	0.10		0.09	0.09	0.13	0.18	0.14	0.17	0.22	0.09	0.13
ARA (Belgium Germany Netherlands)	0.04	0.01		0.01	0.00	0.01	0.02	0.02	0.01	0.02	0.01	0.01
Other Europe	0.05	0.02		0.02	0.02	0.02	0.04	0.07	0.04	0.01	-	-
FSU	0.02	0.01		0.01	0.02	0.02	0.03	0.03	0.03	0.03	-	-
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.05	0.01		0.01	0.00	0.01	0.01	0.01	0.01	0.01	-	-
Other Middle East & Africa	0.05	0.02		0.03	0.03	0.02	0.05	0.03	0.04	0.06	0.01	0.05
Singapore	0.00	0.01		0.01	0.01	0.00	0.01	0.00	0.03	-	0.00	-
OECD Pacific	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	-	-	-	-	-	-	-	-
Other	0.00	0.00		-	-	0.00	0.00	0.00	0.01	-	-	-
Total[2]	**0.40**	**0.21**		**0.22**	**0.22**	**0.22**	**0.36**	**0.31**	**0.35**	**0.41**	**0.16**	**0.25**
of which Non-OECD	**0.31**	**0.18**		**0.19**	**0.19**	**0.20**	**0.30**	**0.22**	**0.30**	**0.38**	**0.15**	**0.23**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.01	0.02	0.01	0.01	-	0.01	0.03	-0.02
Venezuela	0.01	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.00	0.01	0.00	0.01	0.01	0.00	0.00	0.03	-0.03
Non-OECD Europe	0.01	0.01		0.02	0.01	0.02	0.01	0.02	0.01	0.00	0.01	-0.01
FSU	0.23	0.27		0.31	0.33	0.23	0.13	0.13	0.21	0.07	0.25	-0.18
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Other Middle East & Africa	0.06	0.06		0.07	0.05	0.06	0.04	0.04	0.04	0.06	0.06	0.00
Singapore	0.00	0.00		0.00	-	-	0.00	-	-	0.00	0.00	0.00
OECD Pacific	-	0.00		0.00	-	-	0.00	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.00	0.01	0.01	0.01	0.01	-	0.01	-	-
Other	0.06	0.07		0.07	0.05	0.09	0.12	0.11	0.15	0.09	0.05	0.05
Total[2]	**0.40**	**0.47**		**0.49**	**0.47**	**0.43**	**0.33**	**0.32**	**0.42**	**0.26**	**0.43**	**-0.17**
of which Non-OECD	**0.38**	**0.45**		**0.48**	**0.46**	**0.42**	**0.33**	**0.31**	**0.42**	**0.25**	**0.40**	**-0.15**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.00	0.01	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		0.01	-	-	-	-	-	-	-	-
Saudi Arabia	-	0.00		0.00	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	-	0.00	-	-	-	-	-	-
Singapore	0.01	0.01		0.02	0.01	0.01	0.01	0.02	0.01	-	-	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.07	0.04	0.06	0.07	0.06	0.10	0.05	0.05	0.00
Other	0.02	0.02		0.01	0.02	0.02	0.01	0.01	0.03	0.01	0.00	0.01
Total[2]	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.09**	**0.13**	**0.06**	**0.05**	**0.01**
of which Non-OECD	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.09**	**0.13**	**0.06**	**0.05**	**0.01**
Total OECD Trade[2]	**0.88**	**0.77**		**0.84**	**0.75**	**0.76**	**0.78**	**0.72**	**0.90**	**0.74**	**0.64**	**0.09**
of which Non-OECD	**0.78**	**0.72**		**0.78**	**0.71**	**0.72**	**0.72**	**0.63**	**0.85**	**0.69**	**0.60**	**0.09**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2002 Platt's - a division of McGraw-Hill Inc.).

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11 July 2003

HIGHLIGHTS

- Economic recovery and an easing of oil prices are expected to boost global oil product demand by 1.0 mb/d, or 1.3%, in 2004, to 79.08 mb/d. Growth would have been higher if not for the diminishing influence of exceptional factors inflating 2003 demand, including a cold winter, natural gas price spikes in the US and nuclear outages in Japan.

- Non-OPEC production is set to rise by 1.32 mb/d in 2004 versus the 1.11 mb/d now expected for 2003. Incremental 2004 supply comes from ongoing investment at existing fields in Russia, plus new onshore output from Ecuador, Canada and Chad. New offshore supply is concentrated in US Gulf of Mexico, Brazil, Angola & Equatorial Guinea. OPEC NGLs/non-conventional supply is set to increase by 417 kb/d in 2004.

- The "call on OPEC crude plus stock change" is expected to average 25.15 mb/d for the rest of 2003. However the combination of a net 1.7 mb/d increase in non-OPEC supply and 1.0 mb/d increase in oil demand means that the "call" falls by 700 kb/d in 2004, suggesting a loss of OPEC market share for the fifth successive year.

- Industry oil stocks in the OECD closed up 12 mb in May at an estimated 2461 mb, or 164 mb below last year. Higher product stocks, particularly distillates, offset falling crude inventories. Oil stocks covered 51 days of forward demand in May, down 4 days from 2002.

- Crude oil prices continued May's rebound in June, supported by lower OPEC output, the slow return of Iraqi production, fears of further supply disruptions in Nigeria and political issues with Iran. Fears of a substantial surge in gasoline prices later this summer have eased.

Letter from the Editor

It is my pleasure to announce the launch of IEA's new **www.oilmarketreport.org** website. It offers access to over 2,000 tables and charts. This information can be downloaded and saved in PDF format and provides greater detail on market trends discussed in the IEA's latest Oil Market Report (OMR).

The content of the new website is time-sensitive. Access to the password-protected data is restricted to subscribers to the electronic version of the Report during the first two weeks following each release of the OMR. Thereafter, as is currently the case with the Report, it will then become available to the general public. There will be no extra charge for this new service; it will become an integral part of any subscription to the electronic (PDF) version of the OMR. The purpose of the new website is to enhance market transparency by making available hitherto unpublished and disaggregated information underlying the analysis presented in the Oil Market Report.

The organisation of the website mirrors that of the Oil Market Report. Information is searchable by section (supply, demand, stocks, prices, refinery activity, trade and special features), location (regions, individual countries), product (gasoline, distillates, crude oil etc.) and by view (time series, year-on-year, five-year range).

A broad range of charts is available for most OECD countries as well as selected non-OECD areas. Among others one can find:

- Monthly crude and product stocks by country and OECD region
- OPEC crude production and selected OECD and non-OECD oil supply
- OECD demand across major products categories
- Imports into IEA countries by crude stream
- Key spot crude and product prices by region
- Refinery runs by OECD country and region

I hope you will find the new website useful and informative. Your comments and suggestions are most welcome. The easiest way to reply is by clicking on the Webmaster link on the homepage.

I would like to take this opportunity to thank Harry Tchilinguirian, who logged countless hours co-ordinating the development of the website and preparing the content contained therein. In addition, I would like to recognise Angela Costrini for her excellent work on designing the website and Diana Browne for the endless hours spent on data conversion and web support.

With warm regards,

Klaus Rehaag

CONTENTS

BUMPS IN THE ROAD AHEAD?

This Report includes for the first time projections for 2004 global demand and non-OPEC supply. Given the high level of uncertainty surrounding the global economy, political developments in Iraq, the Middle East, Nigeria and Venezuela, weather in the northern hemisphere, natural gas pricing and delivery issues in North America and internal OPEC policy considerations forecasting the next 18 months is no easy task.

Oil demand in 2004 is expected to grow by 1 mb/d, or 1.3%. This growth projection might seem to be bearish given that oil demand grew by an almost identical amount in 2003 when the global economy was still mired in virtual recession. The reality is that a number of one-off effects contributed to higher oil demand growth in 2003, such as fuel substitution into oil due to nuclear outages in Japan, high natural gas prices in North America, precautionary non-OECD stock building in advance of the Iraqi war and colder than normal weather. Without these developments, 2003 oil demand growth would have been much lower, certainly less than 0.5 mb/d. Consequently, removing these exceptional factors implies a much stronger year-on-year oil demand growth in 2004 and represents a significant step forward.

World Year-on-Year Oil Supply and Demand Balance

	1998	1999	2000	2001	2002	2003	2004	1Q04	2Q04	3Q04	4Q04
Global Demand Growth											
mb/d	0.37	1.63	0.77	0.36	0.43	1.01	1.05	0.40	1.15	1.18	1.45
%	*0.51*	*2.20*	*1.02*	*0.47*	*0.56*	*1.31*	*1.34*	0.51	1.51	1.51	1.82
Non-OPEC Supply Growth (+OPEC NGLs)											
mb/d	0.28	-0.03	1.15	0.92	1.74	1.29	1.74	2.13	2.11	1.32	1.43
%	*0.60*	*-0.07*	*2.40*	*1.89*	*3.50*	*2.52*	*3.31*	4.09	4.06	2.49	2.65
Call on OPEC + Stock Change											
growth in mb/d	0.09	1.66	-0.37	-0.56	-1.31	-0.29	-0.70	-1.72	-0.96	-0.14	0.02
levels mb/d	26.16	27.83	27.45	26.89	25.58	25.30	24.60	25.00	23.25	24.61	25.53

The 2004 demand growth estimate assumes the following: a return to normal weather, a phased recovery in global GDP, significantly lower average crude oil and moderately lower average natural gas prices and the return of the Japanese nuclear reactors. This demand growth follows an upwardly revised base. Baseline 2001 and 2002 oil demand for OECD countries has been revised higher by 120 kb/d and 150 kb/d respectively. The bulk of these upward revisions occurs in North America and reflects increased demand for liquids, LPG and ethane, due to heating and industrial use and increased petrochemical demand. Baseline 2001 revisions due to resubmissions of annual data from OECD Member countries carry forward into succeeding periods, raising 2003 and 2004 demand accordingly.

Our forecast of 2003 non-OPEC crude supply including OPEC NGLs and non-conventional oil has been revised down by slightly less than 200 kb/d. This adjustment reflects lower US liquids supply and reduced production from the UK North Sea, China, Brazil, Kazakhstan and Denmark. At the same time, 2004 non-OPEC supply growth is set to leap by 1.74 mb/d, the same high level as in 2002.

The net result of a 1.74 mb/d increase in non-OPEC supply coupled with a 1 mb/d growth in world oil demand is that the c*all on OPEC plus stock change* plunges by an average of over 700 kb/d in 2004, the fifth successive year of contraction. Especially challenging will be the seasonal reduction in oil demand that takes place in the second quarter of next year, as the c*all* is then expected to drop to 23.25 mb/d. OPEC is currently producing around 25.7 mb/d at a time of low stocks and reduced production from Iraq, Venezuela and Nigeria. At the same time, Iraq should be producing at much higher rates this time next year. Furthermore, both Nigeria and Algeria are bringing on incremental production of more than 500 kb/d. The latter are both on record requesting a higher quota allocation to accommodate this increased supply.

The current market is tightly balanced as reflected in crude oil prices around $30 for WTI and $28 for Brent. In addition, the c*all on OPEC* will rise over the rest of the year due to the seasonal increase in demand associated with the arrival of the heating season in the Northern Hemisphere. This uptick in demand coincides with constrained exports from Iraq, reduced non-OPEC supply due to North Sea maintenance in the third quarter and low OECD industry stocks. OECD crude oil and total product stocks are low and trending below their 5-year range. Stocks will need to be replenished to avoid market volatility. Factors such as these can sustain higher prices through the year and into the next, but the underlying erosion of the c*all on OPEC* as it defends its current price band suggests that there could be a rough ride ahead in the oil market.

DEMAND

Summary

- Global oil product demand is forecast to grow by 1 mb/d in 2004, to 79.08 mb/d, on par with the increase expected for 2003. One-off factors, including last winter's colder-than-normal temperatures in the Northern Hemisphere, high natural gas prices in the US and nuclear outages in Japan, are the key drivers of oil demand growth this year. In contrast, incremental oil demand for 2004 is expected to stem primarily from a long-awaited pick-up in the pace of economic recovery.

- Assuming a return to "normal" weather patterns, oil demand in 2004 will tend to grow faster where economic growth will be more pronounced. The US is expected to lead both the global economic recovery and oil demand growth with a 340 kb/d increase, as growth in the US is offset by a contraction in Japan. Among non-OECD economies, China is forecast to show the steepest gain in oil demand, at 260 kb/d. Those two countries together are expected to contribute 60% of global oil demand growth.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q02	76.8	-0.8	-0.6	0.2
2Q02	75.6	0.0	0.0	0.2
3Q02	76.9	0.9	0.7	0.2
4Q02	78.8	2.2	1.7	0.1
1Q03	78.7	2.5	1.9	0.1
2Q03	76.2	0.8	0.6	0.5
3Q03	77.8	1.2	0.9	0.1
4Q03	79.4	0.8	0.6	-0.1
1Q04	79.1	0.5	0.4	79.1
2Q04	77.4	1.5	1.2	77.4
3Q04	79.0	1.5	1.2	79.0
4Q04	80.9	1.8	1.4	80.9
2002	77.0	0.6	0.4	0.1
2003	78.0	1.3	1.0	0.1
2004	79.1	1.3	1.0	

* year-on-year change

- Due both to the expected pattern of economic recovery and to the reversal of one-off factors, emerging economies will lead oil demand growth next year. The OECD share of incremental oil demand is forecast to slip from 700 kb/d in 2003, or 70% of global growth, to 260 kb/d, or 25%, in 2004, with growth in the US partly offset by contraction in Japan. In contrast, non-OECD economies will likely see their share of incremental oil demand jump to 75% from 30%, reflecting the stimulus of US economic recovery on US trading partners in Asia and Latin America, significantly lower oil prices and the reversal of the Severe Acute Respiratory Syndrome (SARS) disruption.

- The forecast of demand growth for 2003 is roughly unchanged from last month's Report, at 1 mb/d. Demand fell seasonally month-on-month in April and May, but increased sharply year-on-year. Oil delivery data for April show that OECD demand jumped by 550 kb/d, in line with a 590 kb/d gain in March. Most of the increase was in North America, with contraction in Korea partly offsetting growth in Japan. However, preliminary data suggest that Korean demand rebounded in May, compounding a surge in Japanese utility demand. Aggregate Japanese and Korean deliveries soared by a provisional 530 kb/d, leading a 610 kb/d gain for the nine largest OECD economies. Japanese power generation demand is expected to lead OECD oil demand growth through mid-summer, as the phased restart of shuttered nuclear power plants is absorbed by a seasonal increase in electricity usage.

- While it is too early to assess the full impact of the SARS outbreak on the Chinese and Asian economies, the epidemic looks to have caused a shallower second-quarter contraction in Chinese apparent demand than expected. A weather-driven surge in residual fuel oil imports in South China

kept net product imports relatively high despite sharply increased exports of transportation fuels. Refinery throughputs fell steeply in May in response to lower end-user demand, but in some areas remained above last year. The run cuts were apparently effective in working off product stock builds, setting the stage for stronger refinery runs this summer.

- OECD baseline demand has been adjusted upwards, taking into account new annual statistics showing that oil deliveries for 2001 were on average 120 kb/d higher than previously indicated by monthly data submissions. Most of the increment is in Canadian and Mexican LPG and ethane. The adjustments for 2001 have been carried forward to 2002 onward, raising the estimates of absolute demand but without any material impact on year-on-year growth. In addition, US monthly data resubmissions for 2002 have raised US demand estimates for that year by a further 50 kb/d. Results from the IEA's annual review of non-OECD demand will be released in next month's Report.

Estimated Annual World Oil Demand Growth 1999-2004

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.17	0.41	0.35
Latin America	0.02	0.00	-0.02	-0.11	-0.11	0.06
FSU	-0.13	0.03	0.06	0.06	0.05	0.05
Europe	-0.15	-0.10	0.15	-0.18	0.07	0.12
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.23	-0.19
China	0.30	0.30	0.09	0.28	0.16	0.26
Other Asia	0.41	0.10	0.05	0.10	0.13	0.20
Subtotal, Asia	0.99	0.32	0.05	0.34	0.52	0.26
Middle East	0.12	0.22	0.13	0.12	0.02	0.16
Africa	0.07	0.06	0.03	0.03	0.04	0.04
World	1.63	0.77	0.36	0.43	1.01	1.05

From 2003 to 2004

Global oil product demand is forecast to grow by 1.05 mb/d in 2004, including 260 kb/d in the OECD and 790 kb/d in the rest of the world. The growth is on par with that expected for 2003, but well above more subdued gains of 770 kb/d, 360 kb/d and 430 kb/d posted in the three previous years. The forecast assumes world GDP growth of around 4% as a long-awaited economic recovery gathers momentum in 2004, gradually spreading from the US to its trading partners and the global economy.

The forecasts of oil demand growth for 2003 and 2004 are less similar than they may appear at first sight. Although the projected oil demand increments are comparable in scope, the factors behind them are fundamentally different, as are their seasonal distribution and their allocation by region and product.

Oil demand growth for 2003 primarily reflects one-off factors, including, but not limited to, an unusually cold winter in the Northern Hemisphere, a natural gas price rally in the US and nuclear outages in Japan. Although global oil demand growth for 2003 had initially been anticipated as a by-product of economic recovery, disappointing economic growth has since led to repeated downgrades in GDP growth estimates. However, slower-than-expected economic growth has been offset by stronger-than-normal winter heating demand and fuel-switching into oil spurred by high natural gas prices in the US, reduced nuclear power output in Japan and lower hydropower generation in Scandinavia. Demand growth has particularly benefited the heavier end of the barrel and has been notably concentrated in the winter months. Stripping out these one-off factors, 2003 demand growth would have been considerably lower.

In contrast, oil demand growth for 2004 is expected to stem primarily from the much-awaited recovery in the global economy. If 2003 demand is adjusted to remove the impact of exceptional factors, the increase expected for 2004 looks very steep indeed. This reflects in part the assumption that the economic recovery, coming, as it does, in the wake of a protracted contraction in manufacturing activity, will be particularly beneficial to the depressed, and comparatively oil intensive, industrial sector. Economic activity tends to appear more oil-intensive in an upswing than in a slowdown, especially after a prolonged recession, as depleted commercial and industrial inventories need rebuilding.

Oil prices are expected to come under sustained downward pressure next year from their current high levels on the back of rising production, providing further stimulus to oil demand both directly and indirectly by fostering economic growth. Lower oil prices will be particularly supportive of demand growth in the industrial sector and in import-dependent emerging economies, making fuel more competitive and encouraging some fuel substitution back into oil.

Assuming a return to normal weather patterns, oil demand is expected to grow faster next year where economic growth will be more pronounced. The US will continue to lead global oil demand growth with a 340 kb/d increase, extending this year's projected 300 kb/d gain. But the advance will reflect a pick-up in the pace of economic recovery rather than cold winter weather or high natural gas prices—though the latter may not disappear altogether.

China will follow with a 260 kb/d, or 4.9%, increase, leading demand growth in percentage terms. Economic expansion, government spending and, increasingly, household consumption fuelled Chinese apparent demand growth of 280 kb/d in 2002 and a projected 160 kb/d and 2003. The Chinese economy will further benefit from a pick-up in US import demand next year. Chinese oil demand growth is expected to be particularly strong in comparison to economic expansion because the Chinese economy, being heavily focused on the industrial, petrochemical and manufacturing sectors, is relatively oil-intensive. Aggressive highway building and steep gains in vehicle ownership rates will further boost domestic gasoline demand.

Global Oil Demand by Region

(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2003	2002	2003	2004	2002	2003	2004
North America	24.58	0.17	0.41	0.35	0.7	1.7	1.4
Europe	15.87	-0.18	0.07	0.12	-1.1	0.5	0.8
OECD Pacific	8.73	-0.04	0.23	-0.19	-0.4	2.7	-2.2
China	5.32	0.28	0.16	0.26	5.8	3.1	4.9
Other Asia	7.60	0.10	0.13	0.20	1.3	1.7	2.6
Subtotal Asia	21.65	0.34	0.52	0.26	1.6	2.4	1.2
FSU	3.79	0.06	0.05	0.05	1.6	1.3	1.3
Middle East	4.97	0.12	0.02	0.16	2.5	0.3	3.2
Africa	2.55	0.03	0.04	0.04	1.3	1.8	1.7
Latin America	4.62	-0.11	-0.11	0.06	-2.3	-2.3	1.2
World	78.03	0.43	1.01	1.05	0.6	1.3	1.3

Oil demand growth in the rest of non-OECD Asia will further benefit from the spill-over effect of US and Chinese economic growth and higher import demand. Reflecting a pick-up in economic expansion, oil demand growth in those highly export-dependent economies is projected at 200 kb/d, or 2.6%. Indian demand, having suffered from depressed agricultural output due to droughts, is also expected to benefit from a return to normal weather.

Other emerging economies are expected to benefit from the US and global economic recoveries, but with comparatively less impact on oil demand. Latin America is forecast to rebound from the fallout of the Argentine financial crisis, helped in part by US import demand. However, Brazilian oil demand growth will be mitigated by fuel-conversion projects substituting natural gas for fuel oil in the industrial sectors of Sao Paulo, Rio de Janeiro and Bahia, three of the country's most industrialized states. Political uncertainty and an equally uncertain investment climate will continue to weigh on economic and oil demand growth in Venezuela.

In contrast, OECD Asia, a major component of oil demand growth this year, accounting for nearly 25% of the global increment, is forecast to shift into contraction in 2004 following the restart of Japan's nuclear plants, compounded by sluggish economic growth in Japan and fuel-switching out of oil in Korea. European oil demand is expected to remain relatively subdued, reflecting tepid economic growth in western Europe, fuel substitution away from oil, and efficiency gains associated with the ongoing dieselization of the automobile fleet. Overall, the OECD share of incremental oil demand will slip from 700 kb/d, or 70 % of global growth, in 2003, to 260 kb/d, or 25%, in 2004.

Oil demand growth will not be fully immune from one-off and non-economic factors in 2004. While US natural gas prices are expected to ease moderately, supply constraints will persist. Coupled with stronger demand from the rebounding manufacturing sector, reduced gas supply will likely pressure

prices, setting the stage for chronic fuel switching into oil. The end of the SARS epidemic, barring any seasonal resurgence of the disease, will translate into comparatively stronger jet fuel and transportation fuel demand in the second quarter in China and the region. In the Middle East, the expected rebuilding of Iraq will likewise result in stronger oil demand growth for 2004, after recent widespread damage to Iraqi power generation equipment and infrastructures sharply reduced the assessment of regional oil demand growth for 2003.

Unlike in 2003, those occasional factors are not expected to present a pronounced seasonal character. Whereas this year's demand growth is expected to be strongest during the winter heating and, to a lesser degree, the summer cooling seasons, 2004 growth is projected to gather momentum over time, ranging from 0.5% in the first quarter to 1.5% in the second and third quarters and 1.8% in the fourth.

Broken down by product, oil demand growth for 2004, in contrast with this year, is expected to focus on the lighter end of the barrel. OECD demand for transportation fuels, including gasoline, diesel and jet fuel-kerosene, is forecast to increase by 440 kb/d, more than twice this year's gain. Next year's advance looks even steeper if one segregates kerosene from jet fuel demand, as colder-than-normal winter temperatures in North East Asia fuelled a surge in Japanese and Korean kerosene demand for heating in the first quarter. By contrast, OECD demand for heating oil and residual fuel oil is projected to contract by 250 kb/d in 2004 despite higher US manufacturing activity, more than reversing this year's 220 kb/d gain.

Measured in absolute terms, OECD demand has been revised upwards since last month's Report to reflect the results of the IEA's annual review of OECD oil statistics. New information based on annual data submissions for 2001 show that oil deliveries were on average 120 kb/d higher than previously estimated in monthly data submissions. In keeping with past IEA practice, those 2001 adjustments have been carried forward to 2002 onward, on the grounds that annual data coverage is more complete and comprehensive, and therefore more reliable, than monthly submissions. This has raised the estimates of absolute demand for 2002 to 2004, but without any material impact on year-on-year growth. Smaller revisions have been applied to prior years, such as increases of 40 kb/d for 1999 and 2000 and a 10 kb/d reduction for 1997.

The bulk of the 2001 revisions is in North America, including upward adjustments of 100 kb/d in Canada and 50 kb/d in Mexico, partly offset by reductions of 20 kb/d each in Europe and Asia. LPG and ethane account for most of the North American upward adjustments, suggesting that heating and petrochemical demand may have been stronger than expected despite the effect of the 2001 economic slowdown.

In addition, US monthly data resubmissions for 2002 have raised US demand estimates for that year by a further 50 kb/d, mostly in residual fuel oil.

OECD

Early Indications of Current Demand

OECD demand declined seasonally in April and May from March levels, but grew faster year-on-year than previously expected. Latest data submissions from member countries show that April deliveries increased by 550 kb/d from last year, sharply up from last month's preliminary estimate, with growth spanning all OECD regions. Upward revisions to provisional US gasoline and diesel delivery data account for the bulk of the overall adjustment from last month's Report. These revisions indicate that US diesel and gasoline demand grew in April, rather than contracted as suggested in preliminary estimates.

Based on preliminary delivery statistics for the nine largest OECD economies, demand growth appears to have gathered momentum in May, soaring by 1.12 mb/d (see table below). Japan led the growth with a 440 kb/d gain, as electric utilities cranked up their oil-fired power plants to make up for reduced nuclear power generation. Korean deliveries rebounded by 90 kb/d after two months of contraction, thanks to increases in diesel and naphtha. Soaring purchases of heating oil by German households helped keep demand growth afloat in the four largest European economies, despite steep contraction in the UK and Italy and a milder loss in France. North American deliveries also increased, with gains of 90 kb/d in Canada, 50 kb/d in Mexico and a preliminary 400 kb/d in the US.

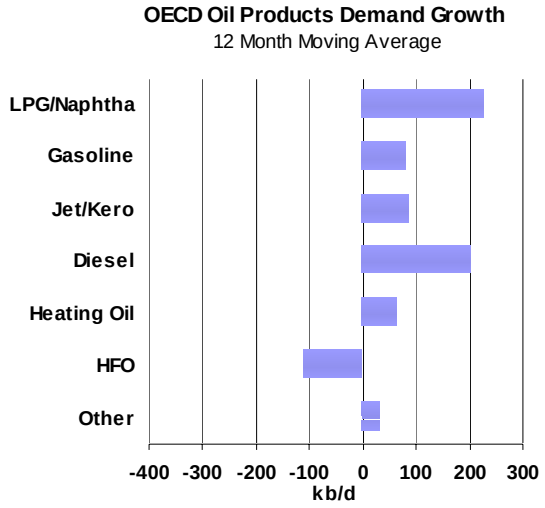
Preliminary Inland Deliveries – May 2003[1]

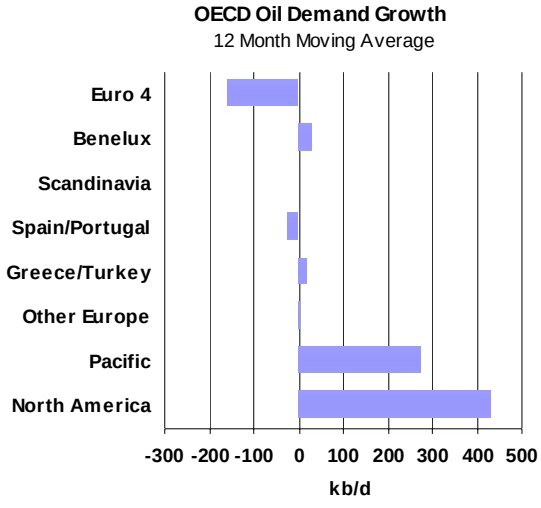
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.90	-2.0	1.43	-6.1	2.73	0.5	0.98	1.6	0.67	1.7	5.38	13.4	20.09	2.0
Canada	0.69	2.2	0.10	-2.9	0.43	8.1	0.06	3.7	0.13	21.1	0.26	10.8	1.66	6.0
Mexico	0.61	5.6	0.05	-2.0	0.31	13.2	0.00	na	0.39	-8.7	0.36	5.5	1.71	2.9
Japan	1.02	3.2	0.33	6.9	0.63	-0.6	0.44	6.3	0.58	67.6	1.53	9.9	4.52	11.0
Korea	0.17	4.9	0.05	-16.7	0.41	19.8	0.06	-4.9	0.28	-12.1	0.96	5.6	1.92	4.1
France	0.28	-8.6	0.11	-8.5	0.58	-0.3	0.21	10.2	0.04	-1.0	0.41	0.2	1.63	-1.2
Germany	0.62	-4.4	0.15	3.4	0.57	-0.5	0.65	52.2	0.11	-7.3	0.44	9.1	2.53	9.8
Italy	0.36	-4.3	0.08	11.6	0.47	3.5	0.07	33.9	0.19	-23.6	0.43	-5.8	1.60	-3.5
UK	0.45	-12.9	0.28	-5.1	0.35	-4.4	0.12	-16.5	0.03	-7.6	0.27	-7.9	1.50	-6.4
Total	13.10	-1.7	2.57	-3.7	6.47	2.2	2.58	12.1	2.42	5.3	10.03	9.9	37.18	3.1

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea PEDCO, France CPDP, Germany MWV, Italy Ministry of Industry, UK PIA
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

However, downward adjustments to preliminary estimates of US deliveries of "other products" for March and April have been carried forward for the purpose of this Report, sharply reducing the assessment of May deliveries. Due to this adjustment, US demand appears to have contracted in May by 120 kb/d, rather than expanded. Even so, North American demand looks to have edged higher overall, helping lift aggregate demand in the nine largest OECD economies by 610 kb/d.

"Other products" is a catch-all category, comprised of LPG, naphtha and the narrower "other products" used in Monthly Oil Survey (MOS) data, for which US deliveries are estimated, rather than surveyed, in preliminary assessments. Depending on market conditions, provisional estimates of "other products" can be subject to large revisions. For March, preliminary assessments of "other product" deliveries were adjusted downwards by 310 kb/d in MOS data, and by 550 kb/d for April. OMR preliminary estimates for April already included a 430 kb/d downward adjustment, bringing this month's cut for April down to 120 kb/d. Due to easing US natural gas prices, it is expected that the discrepancy between preliminary and MOS data will narrow significantly in June and July.





Moving Annual Average Change in Oil Demand* – May 2002

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	1.6%	16.5%	1.5%	-0.8%	2.4%	8.6%	1.0%	-1.3%	1.7%	328
Canada	2.8%	9.5%	2.5%	8.2%	1.2%	7.0%	0.8%	6.4%	4.0%	82
Mexico	-3.4%	21.8%	4.3%	-0.4%	5.3%	3.7%	-12.1%	34.7%	0.7%	14
Japan	-1.2%	8.2%	1.6%	7.7%	-3.3%	2.0%	16.3%	9.3%	4.6%	243
Korea	2.6%	4.8%	-0.7%	6.2%	8.1%	2.8%	-5.1%	70.7%	1.9%	40
France	-0.7%	-3.6%	-5.7%	6.3%	1.6%	-3.5%	-6.9%	-1.4%	-1.6%	-32
Germany	-3.7%	-1.2%	-5.0%	1.9%	2.3%	-2.3%	-1.1%	-14.6%	-2.1%	-58
Italy	0.2%	13.5%	-3.0%	5.7%	2.3%	-0.7%	-11.9%	-2.7%	-2.6%	-49
UK	4.9%	34.8%	-6.5%	2.4%	0.5%	0.5%	-0.3%	-4.0%	-0.9%	-16
Total	**0.7%**	**6.7%**	**0.7%**	**2.5%**	**1.8%**	**2.6%**	**-1.6%**	**0.8%**	**1.4%**	**553**
kb/d	30	166	92	86	108	93	-52	30	553	

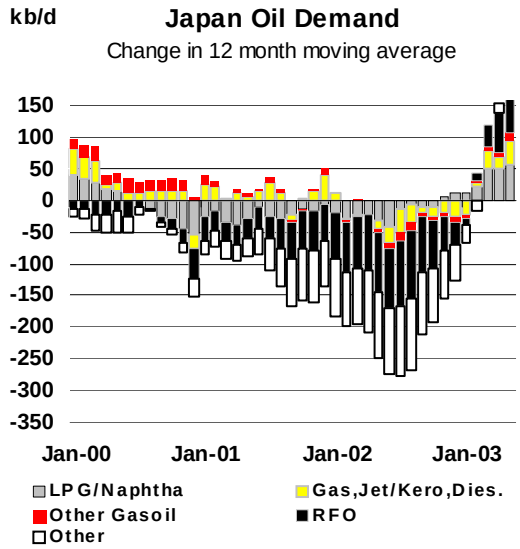
* defined as the percentage change between the demand average for the 12 months up to May and that of the same period a year earlier

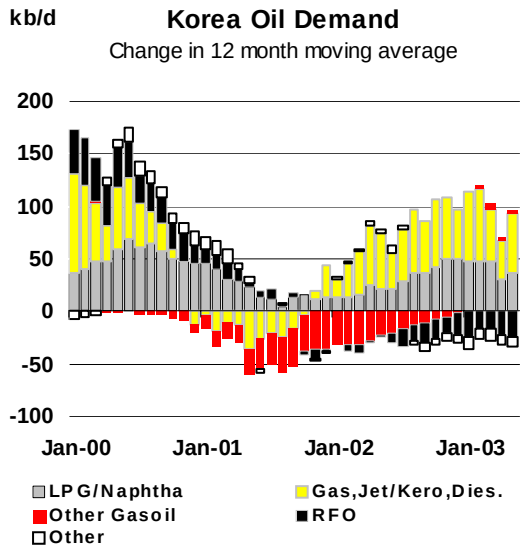
Pacific

The Asia-Pacific region led OECD oil demand growth in May with gains of about 10% in Japan. Most of the Japanese demand increase was in residual fuel oil and "other products", reflecting surging boiler fuel demand for power generation. At the time of writing, Tokyo Electric Power Co. (Tepco) had restarted two of the 17 nuclear power plants it had shuttered following a controversy about safety inspection practices in September. Both units, Kashiwazaki-Kariwa No. 6 and No. 7, were reported running at full capacity. A third, Kashiwazaki-Kariwa No. 4, was said in Japanese media reports to be nearing restart. Several units at Tepco's Fukushima site were also reportedly confirmed fit to operate by federal regulators and on 9 July, the governor of Fukushima prefecture said he would allow the restart of the Fukushima-Dai-ichi No. 6 reactor.

As Japanese electricity demand rises seasonally in the summer months, a phased restart of Tepco's nuclear power units would have only a limited impact on boiler fuel demand until the fall. Over time, however, the restart of idled nuclear power generation capacity will obviously cause Japanese utility demand for residual fuel oil and crude oil to slip back to prior levels, causing overall demand to contract. Our 2004 forecast assumes that a vast majority of plants will be up and running by end 2003.

Korean demand rebounded in May after two months of steep contraction, led by steep gains in diesel and naphtha. Although continued economic expansion will support energy demand growth in 2004, fuel-switching to natural gas is expected to curtail the share of oil in the energy mix. Industrial fuels – diesel for freight transport and petrochemical feedstocks – are expected to show the most robust demand growth, ahead of even steeper gains in diesel demand for personal transportation in 2005, when Korea opens up its market to European diesel-engine cars.



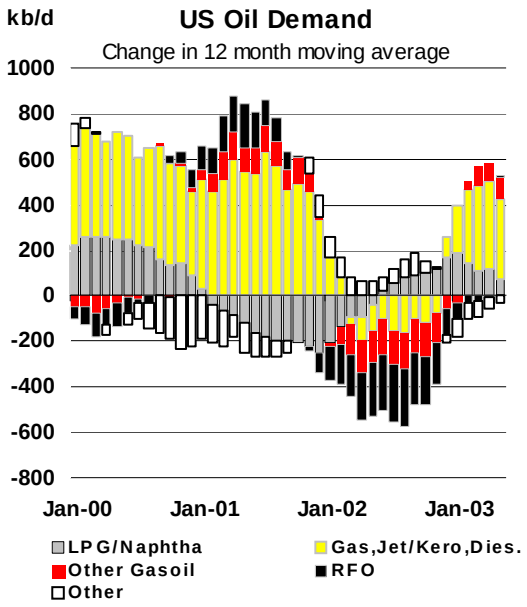


North America

The two main uncertainties clouding the short-term outlook for North American oil demand are those surrounding US gasoline demand and fuel-switching from natural gas.

US gasoline demand growth has been surprisingly subdued in the first half of this year, despite expectations that a drop in air travel demand would translate into sharply higher road transportation. That relative weakness has been widely attributed to cold and rainy weather on the US East Coast and sharply higher gasoline prices than a year ago. Recent data suggest that current US gasoline demand growth may be steeper than previously estimated. April demand estimates were adjusted upwards by 155 kb/d. The adjustment shifts April demand back into year-on-year growth from a preliminary estimate showing contraction. Offsetting some slow weeks in May and June, weekly preliminary estimates show record high gasoline deliveries in the week prior to the July 4 national holiday weekend. Given last year's strong demand growth, however, even modest gains this year would leave US gasoline demand at very high levels in absolute terms.

US regional data available for the months up to April cast some doubt on the relevance of East Coast weather as a key explanatory factor behind the seemingly subdued US gasoline demand, at least for the early part of the year. A regional breakdown shows that East Coast demand expanded by an average 2% in the first four months of the year, while the West Coast dragged down aggregate growth with a 2.1% contraction. Price effects may have contributed to some degree of fuel conservation on the West Coast, as multi-vehicle families parked their less fuel efficient vehicles in favour of smaller, lighter second cars. California faced particularly steep gasoline prices earlier this year with the introduction of new product specifications compounding the effect of generally high oil prices. However, unusually rainy weather in May and June may have had a greater impact on East Coast demand at the onset of the driving season.

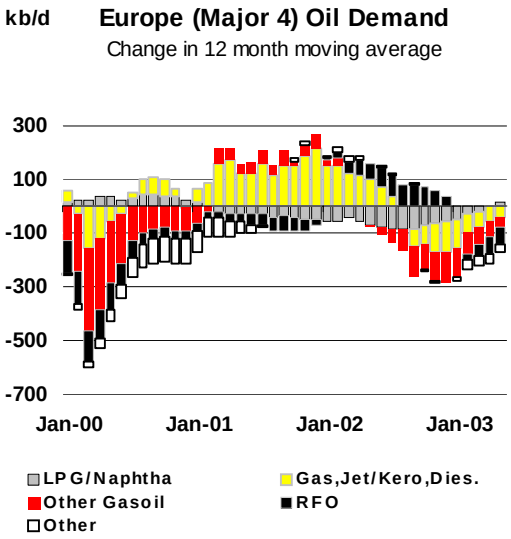


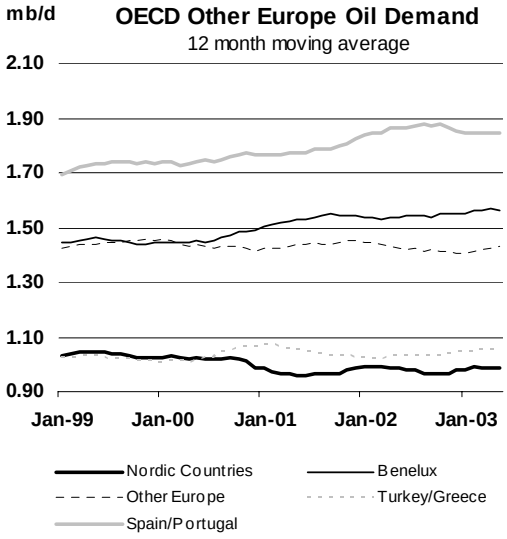
Natural gas prices have emerged as a leading factor of North American oil demand growth in recent months, as tight supplies and a spike in natural gas prices spurred fuel switching away from natural gas and toward distillates and residual fuel oil. Exceptionally low US natural gas inventories have grown closer to year-earlier levels in recent weeks, thanks to low cooling demand and unexpectedly high re-injections into underground storage facilities. That has allowed natural gas prices to ease and loose their recent premium to heating oil, though not to residual fuel oil. In the near term, fuel switching into oil for power generation and industrial use should fade. However, production constraints will keep the natural gas market vulnerable to further price spikes, setting the stage for chronic fuel-switching into oil. Higher cooling demand due to spikes in summer temperatures, a recovery in manufacturing activity or hurricane-related supply disruptions could all bring about a new run-up in prices.

Europe

German heating oil demand continued to surge in May, soaring by 230 kb/d after April's 70 kb/d gain. The increase, which was mirrored by similar increases in the smaller French and Italian heating oil markets, is not sustainable, as it reflects opportunistic buying by homeowners taking temporary advantage of a price dip and a drop in the dollar to refill their residential tanks. Once residential storage is fully rebuilt, depending on winter weather, German homeowners typically can go up to two years without refilling their large tanks.

The surge in German heating oil deliveries accounted for all of a 230 b/d increase in German oil demand in May, offsetting contraction of 110 kb/d, 60 kb/d and 10 kb/d in the UK, Italy and France. Assuming that the buying spree run its course by end May, demand growth in the largest European economies is expected to switch back into contraction until late this year.





Gasoline demand contracted faster than expected in the four largest European economies, shedding 140 kb/d, or 7.6%, from last year. Although European gasoline's loss has been diesel's gain in recent years, that was not the case in April, as diesel deliveries edged lower by an aggregate 0.3%.

Non-OECD

China

After an initial and contra-intuitive spike in apparent demand in April, the outbreak of SARS brought a sudden stop to Chinese oil demand growth in May as refiners, faced with rapidly building product inventories, cut crude runs and reduced net product imports. However, preliminary data suggest that SARS had less impact on second-quarter apparent demand than anticipated. Although demand did contract in May and June as expected, the dip seems relatively shallow. Provisional data suggest that May demand fell to 5.23 mb/d, a drop of 1.7% on the year and 6.5% on the month. June estimates run 10.8% below May, at 4.67 mb/d, or 6.3% below last year, though that may prove too bearish an assessment.

Strong weather-driven electricity demand in southern China offset a SARS-related dip in net imports in May, boosting Chinese net imports of residual fuel oil to an all time high of 430 kb/d. Summer came early in Guangdong province even as several local coal-fired power plants were down for maintenance. Fuel imports reportedly kept rising in June, though by the end of the month a build-up in residual fuel oil inventories in southern China set the stage for reduced July imports.

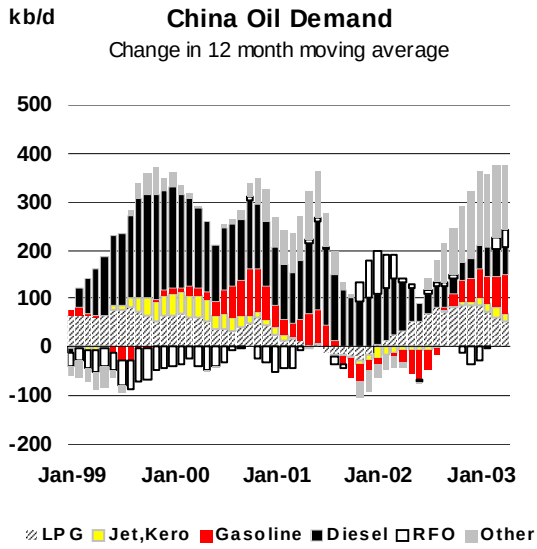
China Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1356**	**1377**	**1192**	**1652**	**1558**	**1528**	**1649**	**121**	**170**
Products & Feedstocks	**329**	**361**	**342**	**422**	**373**	**320**	**125**	**280**	**304**	**25**	**-72**
Gasoil/Diesel	0	-16	-8	-8	-41	-31	-26	-27	-23	4	-15
Gasoline	-134	-142	-138	-183	-152	-173	-252	-194	-154	41	-12
Heavy Fuel Oil	313	281	254	344	336	334	278	317	284	-33	-6
LPG	155	197	186	216	189	184	159	151	185	33	-4
Naphtha	-19	-16	-26	-15	-15	-16	-24	-23	-41	-18	-9
Jet & Kerosene	8	9	10	6	23	-11	-21	16	21	6	9
Other	5	48	64	62	32	32	11	40	32	-9	-35
Total	**1372**	**1609**	**1698**	**1799**	**1565**	**1972**	**1683**	**1807**	**1953**	**146**	**98**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Meanwhile, refiners cut runs sharply from April, but at certain locations, including Shanghai and Jiangsu in Eastern China and Jilin in Northeast China, May throughputs remained well above last year. For China as a whole, preliminary estimates from the China Petroleum and Chemical Industry Association point to a 7.5% drop in refinery runs in May, to 4.47 mb/d, from April levels. By end June, a combination of crude run cuts and reduced net product imports apparently succeeded in working off excess inventories of gasoil and gasoline, clearing the way for stronger refining activity in the summer.



Yet the full impact of the SARS outbreak on the Chinese economy has yet to be assessed. While the disease appears under control, anecdotal evidence points to a lagged slowdown in industrial output. Some factories reportedly reduced production rates, having failed to refill their order books at the height of the outbreak. In the manufacturing centre of Guangdong province, many factories reportedly turned off diesel-fired power generators and turned to the grid instead.

As the above table shows, Chinese net crude oil imports rose in April from March and February levels, to 1.65 mb/d. A run-up in crude exports failed to offset a similar increase in gross imports. Product imports rose as well, bringing total net oil imports to 1.95 mb/d, an increase of 150 kb/d from March and 100 kb/d on the year. However, Chinese net crude imports reportedly fell back in May and June, as reduced domestic requirements spurred reselling of import cargoes.

India

Unadjusted data from the Ministry of Petroleum and Gas suggest that Indian demand fell by 8.9% in April to its lowest monthly level since 1998. The figure seems inconsistent both with data showing very strong crude imports in the same month, and with signs of a fledgling recovery in Indian domestic product demand since last summer. One-off factors seem the most likely explanation for what is likely to appear as a short-lived dip in demand.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Net Imports/(Exports) of:											
Crude Oil	**na**	**na**	**1700**	**1872**	**1643**	**1752**	**1817**	**1786**	**1877**	**91**	**305**
(by Public Oil Cos)	**934**	**1088**	**1038**	**1235**	**1108**	**1137**	**1258**	**1146**	**1328**	**183**	**349**
Products & Feedstocks	**-28**	**-83**	**-132**	**-138**	**4**	**-125**	**-126**	**-168**	**-121**	**47**	**-9**
Gasoil/Diesel	-54	-53	-45	-76	-35	-113	-125	-111	-77	34	-31
Gasoline	-20	-48	-54	-57	-45	-66	-76	-85	-70	14	-12
Heavy Fuel Oil	22	6	4	8	2	-10	2	-12	33	44	34
LPG	20	22	7	8	52	75	79	79	38	-41	30
Naphtha	9	4	-17	-5	24	13	32	7	-54	-61	-52
Jet & Kerosene	29	10	2	5	8	-14	-25	-30	15	45	9
Other	-34	-23	-30	-22	-2	-11	-13	-17	-5	12	11
Total	**906**	**1005**	**1568**	**1734**	**1647**	**1627**	**1691**	**1617**	**1755**	**138**	**888**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2001 and 2002 are not available. For 2001 and 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

The apparent drop in Indian consumption was led by a very steep contraction in gasoil deliveries. Unadjusted government estimates for April suggest that deliveries of high speed diesel fell 15% on the year to 690 kb/d, their lowest level for that month since 1995. Total unadjusted demand fell by 160 kb/d or 8.9% on the year to the lowest level for any month since 1998. However, net crude imports rose by 90 kb/ from March to 1.88 mb/d, the third highest level on record after the peaks

reached in August and September 2002, when imports briefly soared to 2 mb/d and 1.9 mb/d, respectively. Net product exports rose 10 kb/d on the year, but fell 50 kb/d from March.

A transporters' strike in protest against high fuel prices was the most direct factor behind the exceptional weakness in April diesel demand. In addition, stock building ahead of the Iraq war and higher end-user buying in anticipation of an oil tax increase announced in February may have depressed deliveries later on. Bulk and retail sales initially rose ahead of future increases in duties on oil products announced in the Budget plan in February. While India has publicly stated its interest in increasing petroleum reserves ahead of the Iraq war, and practical steps were reportedly taken to that effect, the exact timing of the measures remains somewhat unclear. A build-up in secondary stocks ahead of the war could have led to draws later on, depressing demand. Alternatively, continued precautionary stock-building in April at the refinery level might have diverted product supplies from the market, causing an apparent drop in demand. Either way, the sudden plunge in deliveries seems temporary.

Summary of Global Oil Demand

	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.04	24.34	24.35	24.17	24.56	24.29	24.82	24.66	24.58	24.80	24.61	25.17	25.14	24.93
Europe	15.26	15.14	14.62	15.17	15.34	15.07	15.18	14.70	15.17	15.46	15.13	15.25	14.76	15.27	15.66	15.24
Pacific	8.54	9.06	7.64	8.03	9.27	8.50	9.60	7.94	8.23	9.13	8.73	9.23	7.75	8.10	9.05	8.53
Total OECD	47.79	48.13	46.30	47.54	48.96	47.73	49.34	46.94	48.22	49.26	48.44	49.28	47.12	48.53	49.85	48.70
FSU	3.69	3.67	3.65	3.66	3.98	3.74	3.70	3.70	3.77	4.00	3.79	3.81	3.76	3.78	4.03	3.85
Europe	0.72	0.77	0.73	0.68	0.73	0.73	0.78	0.74	0.69	0.74	0.74	0.80	0.75	0.70	0.76	0.75
China	4.88	4.85	5.24	5.14	5.40	5.16	5.41	5.17	5.19	5.52	5.32	5.47	5.51	5.54	5.82	5.58
Other Asia	7.37	7.42	7.44	7.38	7.64	7.47	7.58	7.49	7.51	7.82	7.60	7.74	7.72	7.70	8.03	7.80
Latin America	4.84	4.67	4.77	4.80	4.66	4.73	4.44	4.64	4.74	4.64	4.62	4.48	4.71	4.80	4.71	4.68
Middle East	4.84	4.75	4.98	5.19	4.91	4.96	4.86	4.98	5.15	4.90	4.97	4.91	5.20	5.34	5.09	5.13
Africa	2.47	2.53	2.49	2.49	2.52	2.51	2.58	2.54	2.52	2.56	2.55	2.62	2.58	2.57	2.61	2.59
Total Non-OECD	28.80	28.66	29.31	29.33	29.85	29.29	29.36	29.26	29.57	30.18	29.60	29.82	30.23	30.43	31.03	30.38
World	76.60	76.79	75.61	76.87	78.81	77.03	78.71	76.20	77.79	79.44	78.03	79.11	77.35	78.96	80.89	79.08
Of which:																
US	*19.65*	*19.53*	*19.72*	*19.92*	*19.87*	*19.76*	*20.02*	*19.81*	*20.29*	*20.11*	*20.06*	*20.31*	*20.15*	*20.61*	*20.53*	*20.40*
Euro 4	*8.43*	*8.35*	*7.99*	*8.38*	*8.27*	*8.25*	*8.23*	*8.00*	*8.27*	*8.28*	*8.20*	*8.30*	*7.97*	*8.25*	*8.36*	*8.22*
Japan	*5.39*	*5.68*	*4.62*	*5.03*	*5.87*	*5.30*	*6.19*	*4.97*	*5.23*	*5.71*	*5.52*	*5.83*	*4.70*	*5.02*	*5.61*	*5.29*
Korea	*2.13*	*2.35*	*1.99*	*2.01*	*2.37*	*2.18*	*2.41*	*1.97*	*2.01*	*2.39*	*2.19*	*2.36*	*2.01*	*2.05*	*2.38*	*2.20*
Mexico	*1.99*	*1.99*	*1.98*	*1.97*	*1.98*	*1.98*	*2.02*	*2.08*	*2.05*	*2.04*	*2.05*	*2.02*	*2.06*	*2.06*	*2.08*	*2.05*
Canada	*2.04*	*2.07*	*2.04*	*2.13*	*2.16*	*2.10*	*2.15*	*2.09*	*2.15*	*2.17*	*2.14*	*2.10*	*2.08*	*2.16*	*2.18*	*2.13*
Brazil	*2.17*	*2.12*	*2.13*	*2.19*	*2.17*	*2.15*	*1.99*	*2.07*	*2.15*	*2.12*	*2.08*	*2.00*	*2.09*	*2.17*	*2.14*	*2.10*
India	*2.08*	*2.11*	*2.10*	*2.00*	*2.14*	*2.09*	*2.14*	*2.15*	*2.06*	*2.21*	*2.14*	*2.21*	*2.21*	*2.13*	*2.29*	*2.21*
Annual Change (% per annum)																
North America	-0.2	-1.7	0.8	1.1	2.5	0.7	2.6	1.0	1.9	1.3	1.7	1.0	1.3	1.4	1.9	1.4
Europe	1.0	-0.4	-1.0	-2.0	-1.5	-1.2	0.3	0.6	0.0	0.8	0.4	0.5	0.4	0.6	1.3	0.7
Pacific	-0.9	-3.6	-4.1	0.0	5.7	-0.4	6.0	4.0	2.5	-1.5	2.7	-3.9	-2.4	-1.7	-0.9	-2.2
Total OECD	0.0	-1.6	-0.6	-0.1	1.8	-0.1	2.5	1.4	1.4	0.6	1.5	-0.1	0.4	0.6	1.2	0.5
FSU	1.8	-2.5	0.9	2.4	5.5	1.6	0.8	1.3	2.9	0.4	1.3	2.8	1.6	0.3	0.8	1.3
Europe	0.6	0.8	1.1	1.4	1.5	1.2	1.7	1.5	1.6	1.7	1.6	1.8	1.8	2.0	2.2	2.0
China	1.8	4.0	1.6	9.3	8.6	5.8	11.5	-1.4	0.9	2.2	3.1	1.0	6.6	6.8	5.4	4.9
Other Asia	0.7	0.1	1.5	1.7	2.0	1.3	2.1	0.7	1.7	2.3	1.7	2.1	3.0	2.6	2.7	2.6
Latin America	-0.4	-1.4	-2.9	-1.9	-3.0	-2.3	-4.9	-2.6	-1.2	-0.5	-2.3	0.9	1.3	1.3	1.4	1.2
Middle East	2.8	2.4	2.4	2.4	2.5	2.5	2.5	0.0	-0.7	-0.2	0.3	0.9	4.6	3.6	3.7	3.2
Africa	1.4	0.7	1.4	2.0	1.1	1.3	2.1	1.7	1.5	1.6	1.8	1.6	1.7	1.8	1.8	1.7
Total Non-OECD	1.2	0.6	0.8	2.6	2.8	1.7	2.4	-0.2	0.8	1.1	1.0	1.6	3.3	2.9	2.8	2.7
World	0.5	-0.8	0.0	0.9	2.2	0.6	2.5	0.8	1.2	0.8	1.3	0.5	1.5	1.5	1.8	1.3
Annual Change (mb/d)																
North America	-0.06	-0.40	0.19	0.27	0.59	0.17	0.62	0.25	0.47	0.31	0.41	0.24	0.32	0.35	0.48	0.35
Europe	0.15	-0.06	-0.14	-0.32	-0.23	-0.19	0.04	0.08	0.00	0.12	0.06	0.07	0.06	0.10	0.20	0.11
Pacific	-0.08	-0.34	-0.33	0.00	0.50	-0.04	0.54	0.31	0.20	-0.14	0.23	-0.37	-0.19	-0.14	-0.08	-0.19
Total OECD	0.01	-0.80	-0.28	-0.04	0.86	-0.06	1.21	0.64	0.68	0.30	0.70	-0.06	0.18	0.31	0.60	0.26
FSU	0.06	-0.09	0.03	0.09	0.21	0.06	0.03	0.05	0.11	0.02	0.05	0.10	0.06	0.01	0.03	0.05
Europe	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.01
China	0.09	0.19	0.08	0.44	0.43	0.28	0.56	-0.07	0.05	0.12	0.16	0.06	0.34	0.35	0.30	0.26
Other Asia	0.05	0.01	0.11	0.12	0.15	0.10	0.16	0.05	0.13	0.18	0.13	0.16	0.22	0.20	0.21	0.20
Latin America	-0.02	-0.07	-0.14	-0.09	-0.14	-0.11	-0.23	-0.12	-0.06	-0.02	-0.11	0.04	0.06	0.06	0.07	0.06
Middle East	0.13	0.11	0.12	0.12	0.12	0.12	0.12	0.00	-0.04	-0.01	0.02	0.05	0.23	0.19	0.18	0.16
Africa	0.03	0.02	0.03	0.05	0.03	0.03	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.04
Total Non-OECD	0.35	0.17	0.24	0.73	0.80	0.49	0.70	-0.05	0.24	0.33	0.30	0.46	0.97	0.86	0.85	0.79
World	0.36	-0.63	-0.04	0.69	1.67	0.43	1.91	0.59	0.92	0.63	1.01	0.40	1.15	1.18	1.45	1.05
Changes from Last Month's Report																
North America	0.15	0.21	0.21	0.23	0.15	0.20	0.09	0.32	0.26	0.17	0.21					
Europe	-0.02	-0.03	-0.03	-0.03	-0.03	-0.03	-0.01	-	0.03	-	0.01					
Pacific	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	-0.02	0.05	-	-0.03	-					
Total OECD	0.12	0.16	0.16	0.18	0.11	0.15	0.06	0.36	0.28	0.14	0.21					
FSU	-	-	-	-	-	-	-	-	-	-	-					
Europe	-	-	-	-	-	-	-	-	-	-	-					
China	-	-	-	-	-	-	-	0.23	0.08	0.09	0.10					
Other Asia	-	-	-	-	-	-	-	-0.05	-	0.02	-0.01					
Latin America	-	-	-	-	-	-	-	-	-0.06	-0.07	-0.03					
Middle East	-	-	-	-	-	-	-	-0.07	-0.19	-0.17	-0.11					
Africa	-	-	-	-	-	-	-	-	-0.01	-0.02	-0.01					
Total Non-OECD	-	-	-	-	-	-	-	0.11	-0.17	-0.15	-0.05					
World	0.12	0.16	0.16	0.18	0.11	0.15	0.06	0.47	0.11	-0.01	0.16					

SUPPLY

Summary

- **Non-OPEC oil supply** is expected to rise by 1.32 mb/d in **2004**, following the 1.11 mb/d increase now expected for 2003. As is the case this year, the largest increment derives from the FSU (613 kb/d), and Russia in particular. African production growth will accelerate to 407 kb/d, with significant new production expected from Chad, Angola and Equatorial Guinea. Brazil and Ecuador underpin the 177 kb/d increase from Latin America. Of the 207 kb/d rise expected from North America, US Gulf of Mexico, Canadian syncrude and recovery in US NGL supply are key elements. Other OECD and non-OPEC Middle East production will continue to decline.

- **OPEC NGLs, condensate and non-conventional** supply will also increase by 417 kb/d next year. In part this represents the recovery in supplies disrupted during 2003 from Venezuela, Nigeria and Iraq. However, significant new capacity in Iran, Saudi Arabia and Qatar, as well as in Venezuela and Nigeria, will also contribute.

- Next year's **"call on OPEC crude plus stock change"** could decline by 700 kb/d from the 25.3 mb/d now expected for 2003 as increased non-OPEC supply outstrips 1.1 mb/d growth in demand. The call could hit a low of 23.3 mb/d in 2Q 2004, before regaining 25.5 mb/d by end year. The 2Q level, if matched by OPEC, would push production down to levels last seen in spring 2002.

- **World oil production** is estimated at 77.55 mb/d for June, an 855 kb/d drop from May. Non-OPEC production was down by 200 kb/d, OPEC NGL and non-conventional oil rose by 10 kb/d and OPEC crude output was down by 665 kb/d.

- Total **OPEC crude supply** averaged 25.69 mb/d in June compared to 26.36 mb/d in May. Saudi Arabia, Kuwait and UAE all reduced production significantly, while Iraq saw an increase of 135 kb/d, net of crude re-injected to reservoirs. Unlike last month, recovery in previously disrupted production from Venezuela and Nigeria faltered.

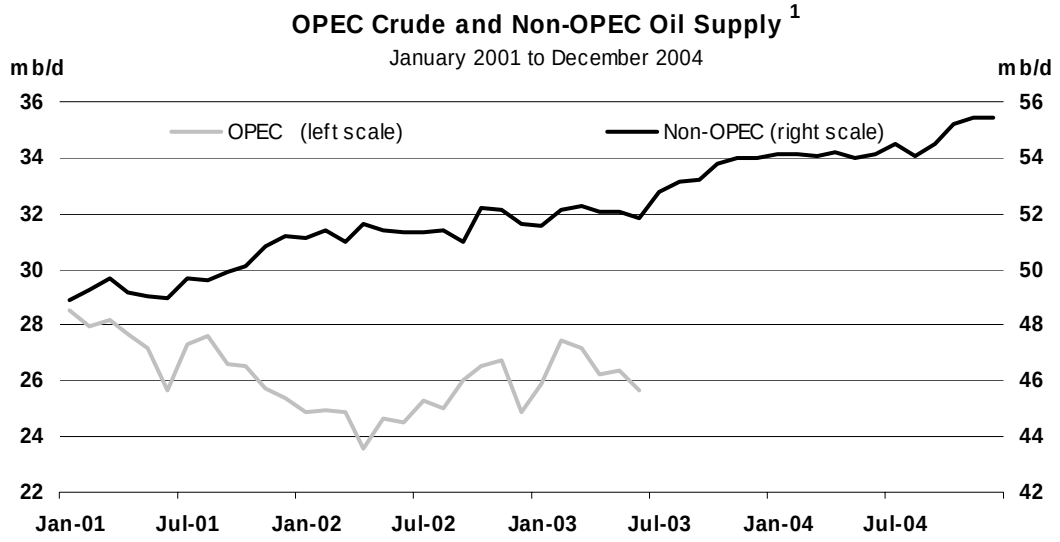
- **OPEC-10** output in June (excluding Iraq) was down by 800 kb/d and averaged 25.28 mb/d, 125 kb/d below the target level set for 1 June. However, most producers were able to exceed quota given the shortfalls from target production incurred by Indonesia and Venezuela. OPEC Ministers are widely expected to agree to retain the current target when they next meet in Vienna on 31 July.

- The fall in **non-OPEC** supply in June was widespread, with North Sea and Canadian syncrude plant maintenance, plus lower supplies of US NGLs and crude from Brazil and Ecuador all contributing. FSU net exports declined 160 kb/d although Russian crude production and exports both increased. July is expected to see a marked rebound in non-OPEC supply.

- The **"call on OPEC crude plus stock change"** for 2003 has been revised up by 0.4 mb/d to 25.3 mb/d, concentrated in 2Q. A significant upward revision to 2Q oil demand allied to an average 200 kb/d downward revision for non-OPEC supply in 2003 as a whole account for the changes. Furthermore, the call remains on an upward trend henceforward through 2003.

All world oil supply figures for June discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska are supported by preliminary June crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

This month's Supply section focuses on the outlook for non-OPEC supply through 2004. As a result, discussion of trends seen over recent months is generally confined to the summary section, above. Discussion of OPEC June production has also been shortened to accommodate 2004 supply analysis.

2004 Outlook: Non-OPEC Supply

The persistence of crude prices above $25/b is helping to sustain non-OPEC oil supply. Oil company and producer government budgets have for some time been based on price assumptions well below $20/b and so there has been scant economic rationale to postpone expansion in supply over the past year. Next year is likely to see further sharp increase in non-OPEC supply, amidst signs of a recovery in spending levels, though exploratory drilling trends remain patchy.

Industry restructuring and a post-1998 fall in exploration spending are frequently cited as indicative of an impending slow-down in non-OPEC growth. The low price environment of the late-1990s forced major operators to re-appraise their operating base. Mergers and acquisitions (M&A) through 2001 reduced the number of large integrated operators, with cost cutting a key focus. Having emerged from this transition, the integrated operators have tended to choose selective geographical diversification as a way to boost reserves and revenues. In doing so, key productive assets and areas for expansion have been identified, with unwanted assets sold off at knock-down prices. A growing number of rapidly expanding independent operators has moved in to snap up these assets, frequently breathing new life into otherwise moribund acreage, squeezing incremental barrels from assets hitherto considered uneconomic. This has helped prolong the life of mature areas such as the North Sea and Russia.

Short-term financial pressures may have reduced major operators' upstream expenditure, but equally, many believe, the M&A trend itself caused a 2-3 year hiatus in upstream activity as rationalisation ran its course. Having now emerged from that process, and with high prices over the past year, spending levels may indeed be about to recover. The costs of exploration (if not development) have in any case fallen, so that absolute levels of upstream spending are not a sufficient barometer, *on their own*, of future production levels. Even here though there are signs of recovery. At end-2002, after a year of flat upstream expenditure, global growth of 3-4% was expected for 2003. By mid-2003, planned expenditure growth had been revised up to 5-6%, and many believe that high revenues over 2003 will lead actual spend higher still. Low drilling levels remain a concern, notably in the USA and Norway, but moves are afoot to encourage the opening up of new acreage there too.

None of this undermines conventional wisdom pointing towards an eventual downturn in non-OPEC supply as a whole, and greater ultimate reliance on the OPEC resource base. However, expectations of the imminent demise of non-OPEC supply appear premature. A combination of high prices, industry restructuring and technological advance mean the peak in non-OPEC supply has yet to be reached.

Non-OPEC supply is expected to increase by 1.32 mb/d in 2004 following a downward-adjusted increment of 1.11 mb/d now anticipated for 2003. The summer roll-out of the IEA's forecasts is traditionally a time to review historical trends, as well as looking further forward. Data revisions covering the first half of 2003 and lower official government forecasts have led to downward adjustment in a number of countries. A broader re-assessment of decline rates, maintenance schedules and new field start-ups also contributes. Despite 2003's adjustment, 2004 still represents the third straight year of one million b/d-plus non-OPEC growth. A recovery in OPEC non-crude production is also likely to add a further 417 kb/d in 2004.

Production in mature areas such as the North Sea, Russia and North America is expected to be sustained by ongoing drilling, work-over and maintenance. For the time being an ability to squeeze incremental barrels from mature areas via enhanced oil recovery and satellite well tie-ins seems to be outstripping potentially faster decline rates that such activity ultimately entail (though this may prove a short-term phenomenon as independent producers attempt to monetise recently purchased reserves as quickly as possible). As in 2003, new deepwater production from the US Gulf of Mexico, the North Sea, Latin America and West Africa will increase significantly. Russia will also once again show significant growth, albeit within the constraints of export capacity.

In total, the FSU will account for 46% (613 kb/d) of 2004's supply growth with increases focused in Russia and Kazakhstan. 407 kb/d, or 30%, of 2004's non-OPEC increment will derive from Africa compared to increases of 100-200 kb/d in 2002 & 2003. New offshore production from Angola, Equatorial Guinea and South Africa, plus rising supply from Chad, account for the bulk of the increase. North American production is likely to increase for the fifth year in succession (by 207 kb/d compared to an estimated 297 kb/d in 2003), although the focus shifts away from Canada and Mexico, which underpin 2003 growth, and more towards US Gulf of Mexico expansion, allied to an assumed recovery in US NGL supply. Latin American production in 2004 is projected to increase by 177 kb/d, the sharpest rise seen since 1998. Brazil and Ecuador are expected to account for the majority of next year's increase. Finally, despite several new field developments, North Sea production could decline (albeit modestly) for the fourth year in succession.

World Oil Supply 2001-2004

(million barrels per day)

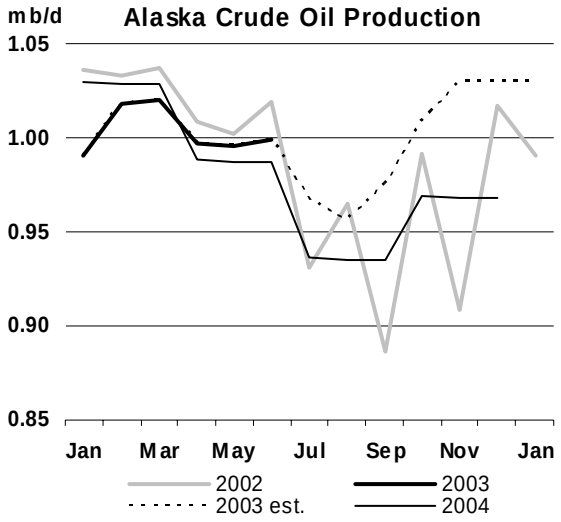
	2001	2002	2003	2004	*01 vs 00*	*02 vs 01*	*03 vs 02*	*04 vs 03*
North America	14.36	14.58	14.88	15.09	*0.10*	*0.23*	*0.30*	*0.21*
Europe	6.66	6.61	6.55	6.51	*-0.12*	*-0.05*	*-0.07*	*-0.03*
Pacific	0.79	0.76	0.71	0.69	*-0.06*	*-0.03*	*-0.05*	*-0.03*
Total OECD	**21.81**	**21.96**	**22.14**	**22.29**	***-0.08***	***0.14***	***0.18***	***0.15***
Former USSR	8.56	9.37	10.14	10.75	*0.63*	*0.81*	*0.77*	*0.61*
East Europe	0.18	0.18	0.17	0.17	*0.00*	*-0.01*	*-0.01*	*0.00*
China	3.30	3.39	3.41	3.41	*0.07*	*0.09*	*0.02*	*0.00*
Other Asia	2.28	2.34	2.41	2.44	*0.04*	*0.05*	*0.07*	*0.03*
Latin America	3.78	3.90	3.89	4.07	*0.02*	*0.11*	*-0.01*	*0.18*
Middle East	2.17	2.10	2.02	1.95	*-0.01*	*-0.07*	*-0.08*	*-0.07*
Africa	2.77	2.98	3.09	3.50	*-0.05*	*0.22*	*0.11*	*0.41*
Total Non-OECD	**23.04**	**24.25**	**25.14**	**26.28**	***0.70***	***1.21***	***0.89***	***1.14***
Processing Gains	1.74	1.76	1.80	1.83	*0.02*	*0.02*	*0.04*	*0.03*
Total Non-OPEC	**46.59**	**47.97**	**49.08**	**50.40**	***0.64***	***1.38***	***1.11***	***1.32***
OPEC Crude	27.04	25.15	na	na	*-0.81*	*-1.88*	*na*	*na*
OPEC NGL & Non-Conv.	3.11	3.47	3.66	4.07	*0.28*	*0.36*	*0.18*	*0.41*
Total OPEC	30.15	28.63	na	na	*-0.53*	*-1.53*	*na*	*na*
Total Supply	**76.74**	**76.60**	**na**	**na**	***0.11***	***-0.14***	***na***	***na***

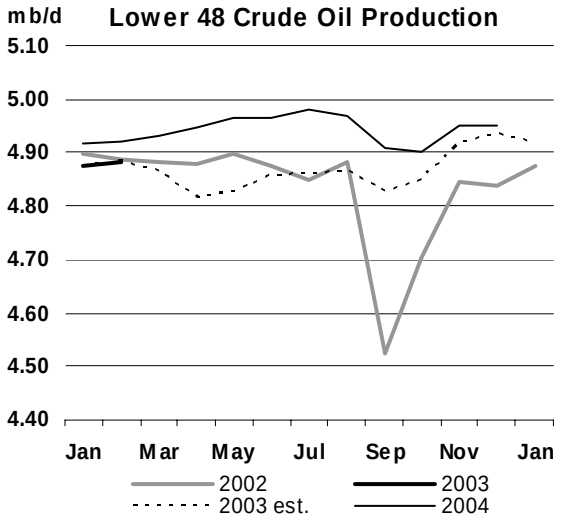
OECD

North America

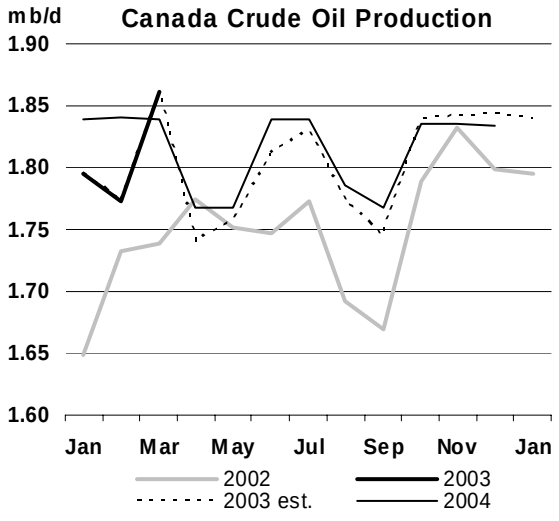
US: Total US crude production is expected to increase by 59 kb/d in 2004 from 5.86 mb/d in 2003. Gulf of Mexico (GOM) production, up by 135 kb/d in 2003, should rise by a further 180 kb/d next year. Increments will come from the Na Kika complex, Medusa, Matterhorn, Habanero, and Horn Mountain fields which start up in 2003, and from Front Runner, Devil's Tower and Gunnison, all of

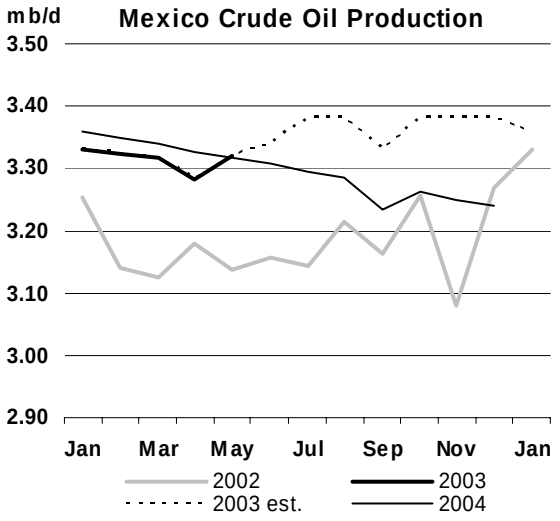
which begin operations in 2004. NGL production is also assumed to recover in 2004 from a now steeper decline expected for 2003 (both NGLs and other hydrocarbons/oxygenates supply have been adjusted down by a combined 30 kb/d compared to last month's Report in light of sharp declines in latest US official data). In all, some 95 kb/d of US NGL supply may be lost in 2003 as high natural gas prices cause liquids to be retained in the gas stream. We have assumed gradual recovery in liquids extraction by end-year 2003, and a subsequent 85 kb/d rise in NGL production in 2004. Production from Alaska and the remainder of the lower 48 states should decline, without fully counteracting the expected rise from NGLs and GOM. Decline from the Prudhoe Bay field in Alaska will be tempered by continued additions from satellites which in 2002/2003 contributed 45 kb/d to production there. A further 10-15 kb/d of satellite production is expected for 2004, though this will not prevent total decline from Alaska of some 20 kb/d in 2004.





Canada: Total liquids production in Canada is projected to increase by 106 kb/d in 2004 compared to 180 kb/d in 2003. This year, synthetic crude production should increase by 97 kb/d, not least due to the spring start-up of the Shell bitumen upgrader at Scotford. Full-year capacity operations there in 2004 and modestly higher throughput at the Syncrude and Suncor plants should be sufficient to see total syncrude production rise 82 kb/d in 2004. However, incremental bitumen supply is likely to be less marked in 2004 from Alberta than in 2003, as is production from offshore Newfoundland (the Hibernia and Terra Nova fields). Together these sources are believed likely to add nearly 80 kb/d in 2003, but only 25 kb/d in 2004. Production of crude elsewhere in Canada is expected to show modest decline in 2004 even though drilling levels in 2003 have risen sharply. As in 2003, maintenance and downtime is expected to be concentrated in spring (Alberta/Saskatchewan production generally) and autumn (offshore east coast).

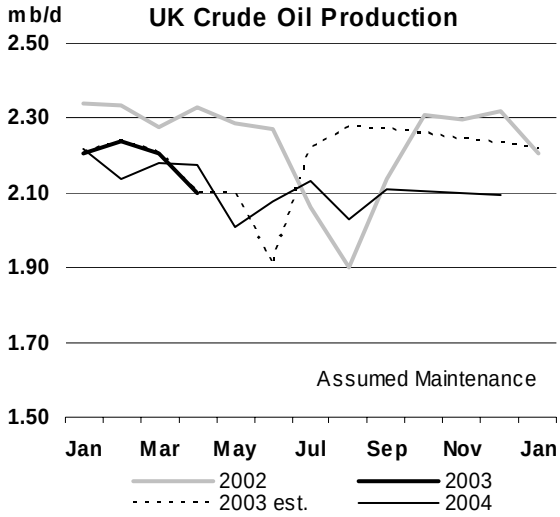


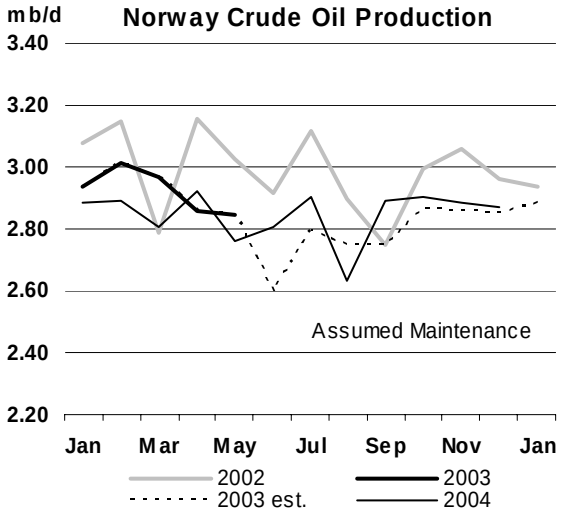


Mexico: As mentioned last month, significant investments onshore Chicontepec and offshore at Ku-Maloob-Zaap are aimed at boosting Mexican production from 2006 onwards. Crude production so far in 2003 is running some 150 kb/d above 2002 levels, and ongoing work at the giant Cantarell field is aimed at boosting 2003 total production towards 3.5 mb/d. This Report continues to envisage slight under-shoot from those levels, with production averaging 3.35 mb/d for 2003. This shortfall vs. target and the decline expected for 2004, are based on the expectation that work at Cantarell may fail to stem latent decline at the field. Implied decline rates from an internal study reported upon in early 2003 suggest that production at Mexico's mainstay field could fall by as much as 1 mb/d between 2003 and 2006, or by over 300 kb/d per year. Longer-term recovery in Mexican production may depend upon the opening-up of deepwater areas to investment by international oil companies (IOCs).

North Sea

UK: UK offshore crude production for 2003 has been revised downwards for April onwards, resulting in a 45 kb/d reduction for the year as a whole. April data showed a 120 kb/d fall in production vs. March, after which outages in the Forties and Ninian system have proved longer lasting than expected. Increased production from the Heather complex in the Ninian system which had earlier been expected from spring 2003 has been deferred until the advent of the Broom field in 2004. New field start-ups and expansions appear more limited in 2004 than this year, with only Broom, Clair, Clapham and Goldeneye compared to the seven projects scheduled to boost production in 2003. Production from the Forties system may prove more resilient in 2004 than in 2003, although this is based on an assumption that the interruptions to the Elgin/Franklin and Shearwater fields seen in 2003 are not repeated. With ongoing decline at other fields, total UK liquids production is expected to decline 80 kb/d in 2004 vs. around 30 kb/d in both 2002 and 2003.





Norway: In contrast to the UK, Norway is likely to see crude production level-off in 2004 after two years of decline exceeding 100 kb/d. Condensate and NGL supplies are also expected to grow by 24 kb/d vs. 2003, resulting in a net increase in liquids production of 30 kb/d. Incremental supply will come from Fram West, Mikkel, Ringhorn and Grane, all of which will be online by late-2003, but production from which will have more of an impact in 2004. The Valhall North Flank, Kvitebjorn, Oseberg South J and Vigdis projects meanwhile start in 2004. These named fields taken together add nearly 300 kb/d to liquids production in 2004 but are largely offset by decline elsewhere.

Other OECD Europe: Continued modest growth in crude production from the rest of Europe is expected in 2004, amounting to +20 kb/d compared to 2003. This will derive from a build-up in production at the Nini and Cecilie satellites of **Denmark's** Sirri field. Danish production for 2003 has been revised down by 9 kb/d after a reduction in official government forecast. Also contributing to the 2004 increase is the Val d'Agri prospect in **Italy** which is expected to build towards peak total liquids production of 99 kb/d by 2005.

Pacific

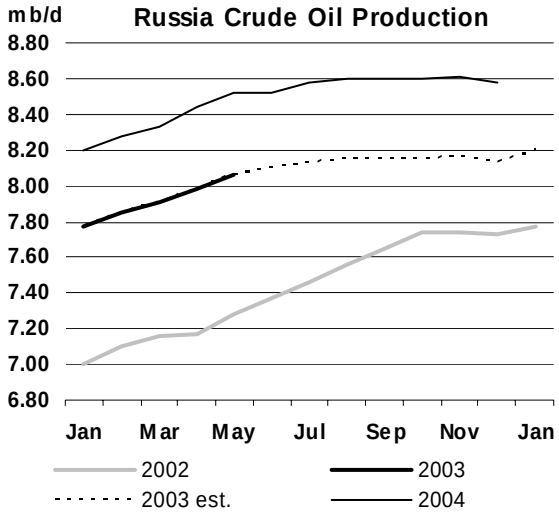
Australia: Despite the onset in June of new production from the Legendre fields off Western Australia, declining production elsewhere is seen likely to pull down production in 2003 by some 45 kb/d. This year's forecast has been adjusted downwards in light of new, more pessimistic prognoses from the government for medium-term production. Production is expected to continue to drop in the period through 2006, with this Report projecting crude output in 2004 falling 37 kb/d to 546 kb/d. Increased NGL production in 2004 however contributes an incremental 13 kb/d to partly offset crude's decline.

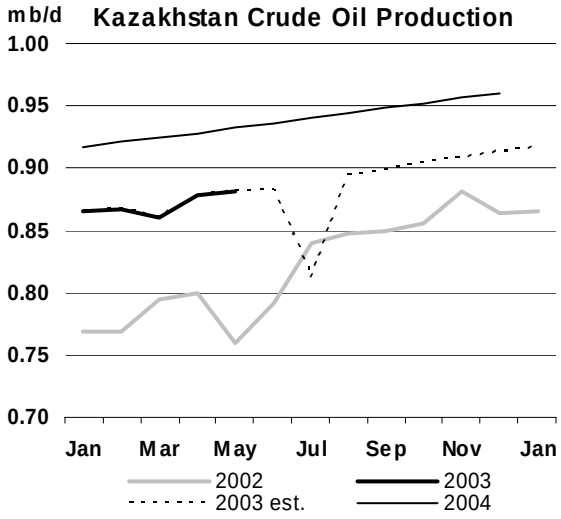
Former Soviet Union (FSU)

Russia: Although total FSU oil exports eased in June vs. May, Russian crude exports were estimated up nearly 140 kb/d. Furthermore, preliminary data show Russian oil production for the first half of 2003 fully 11% higher than in 2002, equating to an 800 kb/d year-on-year rise. The inauguration in early-July of expanded export facilities at the Baltic Pipeline System (BPS) to Primorsk from 240 kb/d to 360 kb/d reinforce the trend. However, the sustainability of additional non-pipeline exports remains to be seen, hence this Report's projection of a slow-down in production growth in the second half of the year. Nevertheless, Russian oil production should easily exceed 600 kb/d annual growth in 2003, averaging 8.3 mb/d, the first time annual production has risen above 8 mb/d since 1992.

Looking into 2004, export capacity, rather than oilwell productivity or decline rates, will likely again be the main constraint on production. Allowing for export capacity expansions at Butinge, Odessa and Novorossiysk by end-2003, plus further BPS expansion, Adria pipeline reversal and small scale rail and river expansions by late-2004, *year average* export capability could rise by a further 450-500 kb/d. This is slightly below the 600 kb/d-plus increase envisaged for 2003. For now, we have taken this as a ceiling for Russian production in 2004, giving average crude production of 8.49 mb/d (total oil 8.74 mb/d) compared to 8.05 mb/d (8.3 mb/d total oil) in 2003. However, there is upside potential to this projection if the specified export projects come onstream more quickly than assumed here or are augmented by others.

Crucially, there is scant reason for a slow-down in oil production growth *per se* in 2004. Discussions with operators, service companies and financial institutions all point to continued success in boosting output from existing fields via improved maintenance, work-over, infill drilling and enhanced oil recovery. Also, the rapid increases in production seen since 2000 have generally been funded from company cash-flow, insulating production from fluctuations in capital availability via third party borrowing. High revenues from soaring 2003 production should feed continued strong growth in 2004. Of course, production from existing plays will eventually begin to diminish, requiring a shift in resources towards new fields. Producers such as Lukoil are moving in this direction, sacrificing short-term production growth for longer-term sustainability. However, ambitious short-term growth plans for other producers suggest a cyclical dip in Russian production may be at least 1-2 years off.





Kazakhstan: 2003 liquids production has been revised down by 19 kb/d compared to last month's Report due to newly announced July maintenance at the Tengiz field and a slower build up in Karachaganak condensate production. However, production should grow by more than 100 kb/d in 2004 for the third year in succession. A build-up in Karachaganak condensate supplied to the newly-opened link to the CPC pipeline will account for the bulk of this growth. Incremental crude supply is also expected in 2004 from Tengiz and from smaller fields operated by Hurricane Hydrocarbons and ChevronTexaco. In total, liquids production should increase by 126 kb/d in 2004.

Other FSU: Production from both **Azerbaijan** and **Turkmenistan** is expected to increase by just over 20 kb/d in 2004. More significant expansion from the former country is unlikely until after late-2004 completion of the Baku-Tbilisi-Ceyhan pipeline in time to receive crude from the offshore Azeri/Chirag/Guneshli fields.

FSU Net Exports of Crude & Petroleum Products

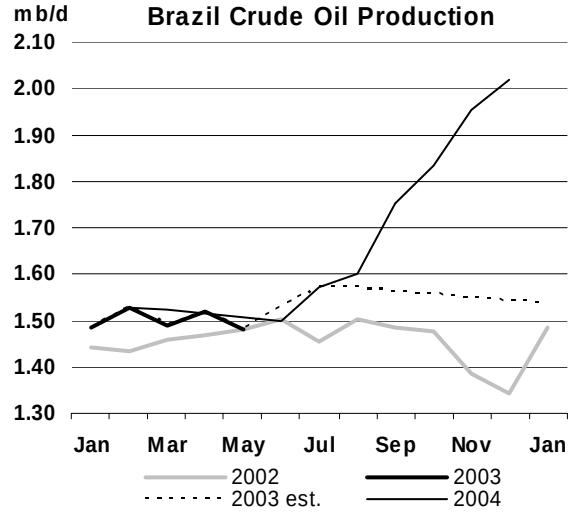
(million barrels per day)

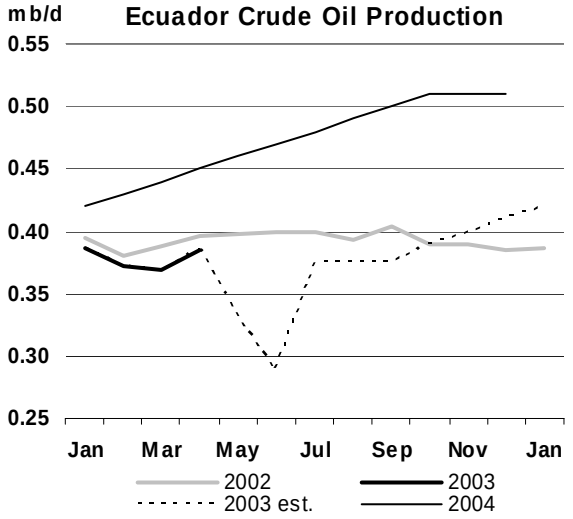
	2001	2002	3Q02	4Q02	1Q03	2Q03	Apr 03	Revised May 03	Prelim. Jun 03	Latest month vs. May 03	Latest month vs. Jun 02
Black Sea Exports	1.99	2.52	2.67	2.45	2.68	3.08	2.87	3.21	3.15	-0.06	0.39
Baltic Exports	1.63	1.96	2.02	1.80	2.09	2.53	2.57	2.54	2.48	-0.06	0.22
Total Seaborne	**3.62**	**4.48**	**4.70**	**4.25**	**4.77**	**5.60**	**5.44**	**5.75**	**5.62**	**-0.12**	**0.62**
Druzhba Pipeline	1.06	1.07	1.10	1.15	1.07	1.05	1.06	1.02	1.06	0.03	0.16
Other	0.07	0.06	0.10	0.11	0.04	0.06	0.04	0.04	0.10	0.06	0.04
Total Exports	**4.75**	**5.61**	**5.89**	**5.50**	**5.88**	**6.71**	**6.54**	**6.81**	**6.78**	**-0.03**	**0.82**
Imports	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.00	-0.01	0.00
Total Net Exports	**4.74**	**5.60**	**5.89**	**5.50**	**5.88**	**6.70**	**6.53**	**6.80**	**6.78**	**-0.02**	**0.82**
Crude	3.37	3.94	4.13	3.92	4.17	4.69	4.38	4.77	4.90	0.13	0.79
Products	1.37	1.66	1.76	1.58	1.71	2.02	2.15	2.03	1.87	-0.15	0.03

Sources: PetroLogistics, IEA estimates

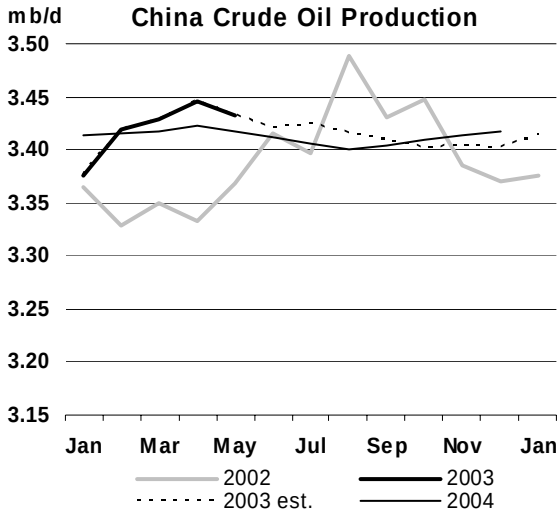
Other Non-OPEC

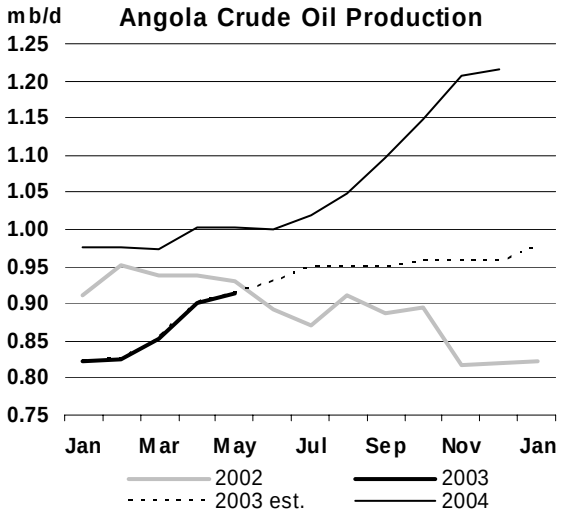
Latin America: Latin America should see oil production growth of 177 kb/d in 2004, a marked rebound from the flat production now expected for 2003. **Brazil** accounts for both the downgraded expectation for this year and most (71%) of the sharp rise envisaged for 2004. Revisions to historical Brazilian official production data, plus a slower than expected build-up in supply from the southern offshore Coral field, underpin the lower 2003 numbers. However, next year should see the delayed start-up of three offshore FPSOs at the Albacore Leste, Barracuda and Caratinga fields in the Campos Basin, along with a new Marlim Sul module. These will add a combined 575 kb/d of production by end-2004.





Production from **Ecuador** has also been revised down slightly for 2003 due to May pipeline outages and a seven day oilworkers' strike in June. Production is expected to rise by end-year as foreign producers gradually raise heavy crude output for the newly inaugurated OCP pipeline. Although Encana and Occidental plan to take up allocated space in the pipeline this year, other producers face financial constraints which may prevent short-term production expansion. However increased production could amount to around 100 kb/d in 2004. Elsewhere in Latin America, modest increases for 2004 are expected from Trinidad, Peru (both via increased NGLs production) and Cuba. Decline is expected to continue in Argentina and in Colombia, with the latter facing a 49 kb/d drop in 2004. Foreign companies there cite a lack of incentives to invest, while plans to streamline state Ecopetrol prompted strike action late last month.





China and Other Asia: Chinese production has been revised down by 27 kb/d for 2003 based on sharper declines now expected for both the mature onshore Daqing field and older components of offshore production. In total, 2003 production is now expected up by 25 kb/d vs. the 70-90 kb/d rises seen in 2002 and 2001. Devon Energy's Panyu field is expected to build to 60 kb/d in 2004 after 4Q-2003 start-up while CNOOC has commissioned an FPSO for the Coafeidian field in Bohai Bay for the second half of 2004. In all, new offshore fields should just counter decline in older fields, leaving Chinese production flat in 2004 at 3.4 mb/d. Elsewhere in Asia, **Malaysian** production is expected to increase by 18 kb/d in 2004 as Petronas' new North Lukut and Penara offshore fields offset baseload decline from mid-2004. Other increments are due to higher Rang Dong field production in **Vietnam,** and increases from the Benchamas and Bonkhot fields in **Thailand.**

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2002	2003	03 vs. 02	2002	2003	03 vs. 02	2002	2003	03 vs. 02
North America	14.58	14.92	0.33	14.58	14.88	0.30	0.00	-0.04	-0.04
Europe	6.61	6.60	-0.01	6.61	6.55	-0.07	0.00	-0.05	-0.05
Pacific	0.76	0.73	-0.04	0.76	0.71	-0.05	0.00	-0.01	-0.01
Total OECD	**21.96**	**22.24**	**0.29**	**21.96**	**22.14**	**0.18**	**0.00**	**-0.10**	**-0.10**
Former USSR	9.37	10.16	0.79	9.37	10.14	0.77	0.00	-0.02	-0.02
Europe	0.18	0.17	-0.01	0.18	0.17	-0.01	0.00	0.00	0.00
China	3.39	3.44	0.05	3.39	3.41	0.02	0.00	-0.03	-0.03
Other Asia	2.34	2.41	0.07	2.34	2.41	0.07	0.00	0.00	0.00
Latin America	3.90	3.95	0.05	3.90	3.89	-0.01	0.00	-0.05	-0.05
Middle East	2.10	2.02	-0.08	2.10	2.02	-0.08	0.00	0.00	0.00
Africa	2.98	3.10	0.11	2.98	3.09	0.11	0.00	-0.01	-0.01
Total Non-OECD	**24.26**	**25.24**	**0.98**	**24.25**	**25.14**	**0.89**	**0.00**	**-0.10**	**-0.10**
Processing Gains	1.76	1.80	0.04	1.76	1.80	0.04	0.00	0.00	0.00
Total Non-OPEC	**47.97**	**49.29**	**1.31**	**47.97**	**49.08**	**1.11**	**0.00**	**-0.20**	**-0.20**

OMR = Oil Market Report

Africa: Second only to the increase expected next year from the FSU, African production is expected to rise by over 400 kb/d in 2004, predominantly from deepwater offshore areas. Leading the way in Africa, but from onshore, is an anticipated 150 kb/d increase from **Chad** as production builds up following the 3Q-2003 start up of the Doba field, output moving via pipeline to Cameroon. Peak production of 225 kb/d should be reached by mid-2004. After a lull in production growth in 2003, **Angola** is expected to see output rise by 141 kb/d in 2004. Deepwater production will account for this increase as supplies build from ExxonMobil's 80 kb/d Xicomba field (start up late-2003) and with late-2004 production initiated from the same company's Kizomba A project and ChevronTexaco's Sanha condensate. **Equatorial Guinea** should see production rise by 100 kb/d with a build-up in supply from ExxonMobil's Zafiro South field and incremental LPG and condensate due late in 2004 from Marathon's Alba field. Smaller scale, 15-20 kb/d increments are expected from both **South Africa** and **Sudan** in 2004. The former derives from the first full year of production from 2003's Sable start-up, though production here could enter decline after only a year of production.

Middle East: Supply-side developments here will be driven, as in 2002 and 2003, by an expected decline from **Oman** (-51 kb/) and from **Syria** (-31 kb/d). In both countries, plans exist to boost production from mature fields by secondary recovery whilst also encouraging new exploration. However, prevailing decline in production is unlikely to be arrested until after 2004.

OPEC NGLs, condensate and non-conventional production: Production is expected to rise by 417 kb/d in 2004 after the more modest rise of 185 kb/d now expected for 2003. Just under a quarter of the increase in 2004 will come from ongoing expansions in natural gas liquids production from Saudi Arabia and Iran. From **Iran**, the first phase of the giant South Pars gas project is due to generate 40 kb/d of condensate by late-2003 and it is this which underpins the 2004 rise in supply. In **Saudi Arabia,** the early start-up of the Haradh gas processing plant in July 2003 will lead to a build-up to peak production of some 170 kb/d of liquids. The Berri NGL plant is also to be expanded later in 2003. Overall, Saudi liquids supply is seen gaining some 60 kb/d in 2004. An incremental 45 kb/d of NGL production is expected in 2004 from **Qatar,** as gas supplies from the Rasgas LNG project's third train are brought onstream, boosting NGL supply to the recently-expanded Mesaieed processing plant.

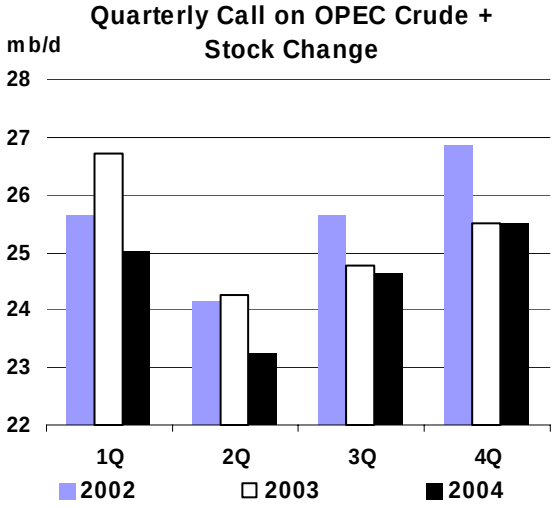
However, 58% of next year's increase in supply will derive from Venezuela and Nigeria, whose production of "other liquids" in 2003 is likely to show sharp decline due to the impact of strike action and accidents respectively. **Nigerian** liquids production has been hit since May by fire at the Oso platform, which is likely to keep 140 kb/d of condensate and LPG offline until August 2003. The re-instatement of production here, plus incremental LPG supply from the NLNG project could see liquids production 60 kb/d higher in 2004. **Venezuelan** production is also likely to show recovery, with NGLs reclaiming the 25-30 kb/d now expected to be lost in 2003 due to strike action. Venezuelan syncrude supply will also increase due to the late-2004 completion of the Hamaca upgrader which will ultimately transform 190 kb/d of ultra-heavy Orinoco crude into 180 kb/d of syncrude. Recently concluded export deals with Far East buyers for Orimulsion boiler fuel also suggest a potential 44 kb/d increase in supply for 2004. In total, Venezuelan "non-crude" supply could therefore increase by 180 kb/d in 2004.

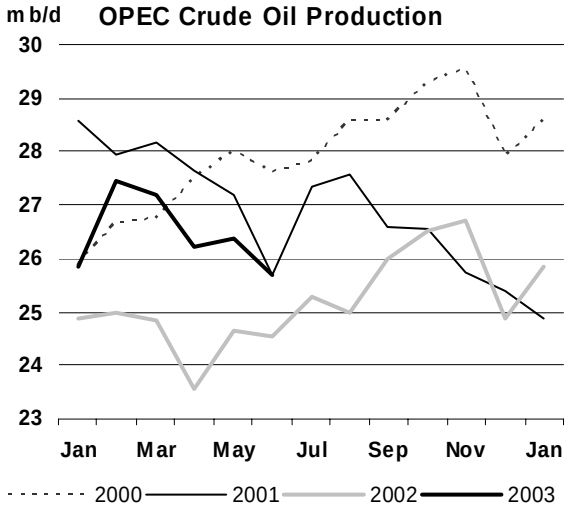
OPEC

Total OPEC crude production (excluding upgraded Venezuelan Orinoco crude) fell by 665 kb/d in June, while production for the OPEC-10 (excluding Iraq) dropped by 800 kb/d. This Report estimates that OPEC-10 actually cut production to some 125 kb/d below the June target of 25.4 mb/d. However, with Venezuela and Indonesia having targets which they are unable to reach, all other producers bar Iran are thought to have produced in excess of the new June quota. Algeria in particular was producing 38% above target, while over-shoot from other members was a more modest 3-5%.

The Organisation meets again on 31 July in Vienna to assess market conditions and consider whether further changes in production target are warranted. However, market perceptions suggest little likelihood of a further cut in quota at that time, bearing in mind ongoing uncertainty over production and exports from Iraq, Venezuela and Nigeria, plus low OECD inventories. Production recovery in Iraq has been slower than anticipated, not least due to sabotage of production and export facilities and earlier production targets for the second half of 2003 are being successively trimmed. Production from Venezuela's older, heavy oil fields now seems to be faltering. Also, although strike action over fuel prices in **Nigeria** has been averted, onshore production closed in March due to civil unrest could remain offline until late-2003 and outages continue to affect offshore condensate supply. These are cancelling out production gains otherwise expected from Nigeria due to rising deepwater production.

In short, OPEC in late-July could still be faced with low OECD crude oil stocks, even bearing in mind that stocks by mid-2002 had themselves begun to tighten markedly. While non-OPEC supply should rise sharply in July as North Sea maintenance eases, the remainder of 3Q sees much more stable non-OPEC supply. In the absence of an unexpectedly dramatic surge in Iraqi or Venezuelan supply, the rest of OPEC can probably retain recent production levels, allowing stocks to rebuild without incurring a dramatic downward shift in prices. The upward revisions in this month's Report to 2003's call on OPEC merely reflect this view. Longer-term, OPEC appears to face a more problematic path, with a 700 kb/d drop in the "call" during 2004. Pressure for lower OPEC production may prove particularly intense early in 2004.





The largest June production cut was from **Saudi Arabia**, with output believed to have fallen to 8.6 mb/d, 595 kb/d lower than the May average. This was less of a reduction than implied by term sales reductions announced for June, which suggested a drop of some 800-900 kb/d. However, both production and trade information from the second half of June suggest that extra volumes of oil were made available. **Kuwait** is believed to have mirrored Saudi Arabia's 6% cut in production, with output estimated at 2.09 mb/d for June. Slightly lower June Neutral Zone production contributed to the reductions seen from both countries.

OPEC Crude Production

(million barrels per day)

	1 Jun 2003 Target	June 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs June 2003 Production
Algeria	0.81	1.12	1.20	0.08
Indonesia	1.32	1.00	1.18	0.18
Iran	3.73	3.60	3.75	0.15
Kuwait[2]	2.04	2.09	2.25	0.16
Libya	1.36	1.42	1.45	0.04
Nigeria	2.09	2.11	2.50	0.40
Qatar	0.66	0.72	0.75	0.03
Saudi Arabia[2, 3]	8.26	8.60	9.50	0.90
UAE	2.22	2.28	2.40	0.13
Venezuela[4]	2.92	2.35	2.35	0.00
Subtotal	**25.40**	**25.28**	**27.33**	**2.05**
excl. Venezuela				*2.05*
Iraq[5]		0.42	2.80	2.39
Total		**25.69**	**30.13**	**4.44**

1. Capacity levels can be reached within 30 days and sustained for 90 days.
2. Includes half of Neutral Zone production.
3. Saudi Arabia's capacity can reach 10.50 mb/d within 90 days.
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 368 kb/d in June.
5. Iraqi capacity represents pre-war estimate

A rather lesser cut of around 55 kb/d is estimated from the **UAE**, with this being applied to a now-higher estimate for May. Production in May is now thought to have edged above 2.3 mb/d once again, within 100 kb/d of estimated sustainable capacity. Abu Dhabi has been reported to be one of the main proponents, alongside Saudi Arabia, for a roll-over of the existing quota at end-July. Certainly, ADNOC's notification to Asian term customers of full export volumes for July and August do not suggest it expects substantial imminent cuts in production.

June production from **Iraq** is estimated at 415 kb/d on a net basis, compared to 280 kb/d in May. Wellhead production was reported to have reached 700-800 kb/d during the month, but such levels of gross production include volumes of crude subsequently re-injected into reservoirs due to an absence of sufficient refining, storage or export capacity. Re-injection may have averaged in excess of 200 kb/d for June. The country's key refineries continue to operate below capacity levels and June saw a series of pipeline explosions. These explosions, plus ongoing looting and delays in repair work, disrupted operations at the Baiji refinery in particular and continued to prevent crude export flows northwards through the Kirkuk to Ceyhan pipeline. Renewed flows to Ceyhan are also being hampered by communications problems along the length of the pipeline.

By end-June however, nearly 9 mb of crude had been sold out of storage from Ceyhan and Mina al-Bakr. Iraq's state oil marketing organisation (SOMO) has also subsequently awarded tenders for the sale of four 2mb cargoes of Basrah Light crude from Mina al-Bakr, all destined for the Americas, loading in the second half of July. However, the lack of progress in re-establishing northward flows appears to be the greatest single obstacle holding back Iraqi production and has forced a reassessment of earlier ambitious production and export targets. Production of 2 mb/d by the end of 2003 is now emerging as a potentially more realistic prospect.

Venezuelan production meanwhile is thought to have stabilised at around 2.35 mb/d of conventional crude plus 368 kb/d of upgraded Orinoco output. There were reports through June of high water content in heavy crude produced around Lake Maracaibo. This, allied to reports of reduced drilling, a reduction in the number of active wells in the western Maracaibo region, ongoing maintenance problems and heavy crude loading delays have all been cited as indicative that production is now actually falling. However, there have been counter-balancing suggestions that although these may be symptoms of troubles ahead, it will take some time before the degradation of well conditions reaches a point where production is materially affected. Either way, Venezuela's undoubted success in raising production from early-year lows may now be tempered by problems sustaining output in the months to come. On a more positive note for PDVSA, refomulated gasoline exports from the Paraguana refining complex re-commenced in June.

OECD STOCKS

Summary

- Industry oil stocks in the OECD closed up 12 mb in May at an estimated 2461 mb. May witnessed strong gains in product inventories. These built 830 kb/d over the month as product output from high refinery throughputs stayed ahead of gains in demand. The counterpart of strong refinery runs however was a decline in crude stocks. Crude oil stocks fell by close to 500 kb/d, with most of this decline taking place in the Atlantic Basin. Total oil in storage closed the month 164 mb below a year ago and covered 51 days of forward demand.

Preliminary Industry Stock Change in May 2003 and the First Quarter 2003

(million barrels per day)

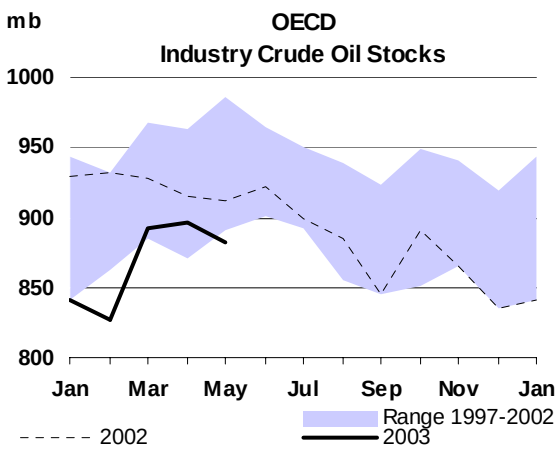
	May (preliminary)				*First Quarter 2003*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.18**	**-0.27**	**-0.04**	**-0.49**	**0.08**	**0.33**	**0.21**	**0.62**
Gasoline	0.00	0.03	0.00	0.03	-0.09	0.05	0.02	-0.02
Distillates	0.38	0.12	0.25	0.75	-0.48	-0.23	-0.09	-0.81
Residual Fuel Oil	0.18	-0.04	0.05	0.19	0.02	-0.06	0.00	-0.04
Other Products	-0.11	0.00	-0.03	-0.15	-0.30	-0.01	-0.08	-0.39
Total Products	**0.45**	**0.11**	**0.27**	**0.83**	**-0.86**	**-0.25**	**-0.15**	**-1.26**
Other Oils[1]	-0.03	-0.02	0.09	0.04	-0.07	0.11	-0.06	-0.02
Total Oil	**0.24**	**-0.18**	**0.32**	**0.39**	**-0.85**	**0.18**	**0.01**	**-0.66**

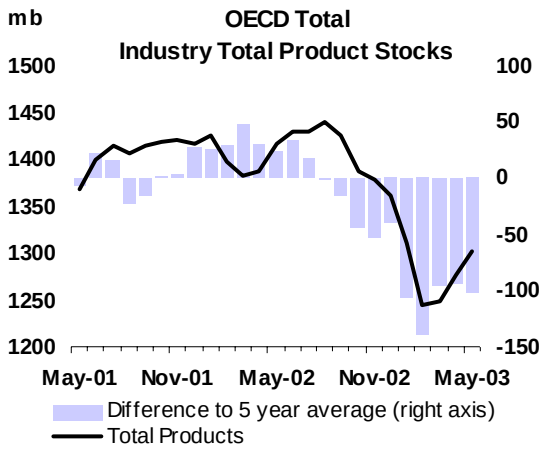
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD crude stocks fell 15 mb in May to 882 mb. Half of the decline occurred in Europe where refiners favoured drawing inventories ahead of turnarounds. Crude price differentials also prompted movement of Brent-related crude away from Europe. Pacific stocks were near-even. In Japan, falling crude runs ahead of peak refinery maintenance combined with high import levels to keep a floor under stocks. In the US, stocks were virtually flat in spite of ample supply of foreign grades on offer on the Gulf Coast. Backwardation in WTI futures continued to deter purchases beyond operational requirements.

- OECD gasoline stocks were little changed over May. In the run-up to the driving season, gasoline stocks in the US held flat in spite of apparent demand weakness and comfortable levels of imports and production. European industry stocks moved sideways. Despite low US stocks, arbitrage opportunities from Europe were said to be open only for regular grades by end-month. Some 1.5 million tonnes were reported moving transatlantic over the month, mainly sourced in the Mediterranean. Gasoline stocks in independent storage in Northwest Europe rose over the period.

- OECD distillate stocks built seasonally into the second quarter ahead of winter demand. While gaining nearly 750 kb/d during the month, distillate stocks remained just within their five-year range. Builds in US inventories however came in diesel and jet-kerosene rather than heating oil. Distillate production rose as crack spreads in late April and early May were higher than for gasoline. The seasonal distillate inventory build in the Pacific came mainly in Japan. Increased Japanese runs to meet heightened domestic fuel oil demand have also led to greater volumes of kerosene production.





OECD Industry Stock Changes in May 2003

OECD industry oil stocks closed May at 2461 mb, up 12 mb. In spite of a decline in crude inventories, oil stocks grew from April as products posted strong gains, primarily in distillates. Over the April-May period, crude stocks edged lower by preliminary indications whereas total product inventories rose by 880 kb/d, above the 720 kb/d average seen for the second quarter in the recent five years.

Europe and North America both recorded a decline in crude inventories. In the US, with refinery utilisation averaging near 95%, crude demand outpaced imports of 10 mb/d. The premium for prompt oil in WTI futures continued to deter replenishing stocks in spite of ample offers of foreign grades on the Gulf Coast cash market. European stocks fell with refiners reluctant to hold on to excess inventory before turnarounds. Supply was also tighter. Brent-related crude availability was limited. Oil was drawn transatlantic and to Asia while the North Sea was in maintenance. The pull on these grades was prompted by WTI and Dubai respectively widening and narrowing their spreads to Brent earlier in April. Uncommonly, Russian Urals was also offered on the US Gulf Coast. The exodus of Urals to the US came as demand for sour crude strengthened with the loss of Iraqi supplies and concerns raised around the availability of Venezuelan supply. Japan saw its crude stocks hold steady as import volumes remained high against a backdrop of falling crude runs. On a yearly basis, growth in product output outpaced gains in demand in the OECD. Higher throughputs followed strong refining margins during the first and early part of the second quarter. Distillate fuel stocks rose seasonally in preparation of next winter's demand. Despite this rise, OECD distillate inventories closed at the bottom of their normal range, and down 53 mb on the previous year.

Apart from Japan, which saw increases in kerosene, builds of heating fuels remained contained however. In the US, distillate stocks rose on higher diesel and jet fuel storage. European distillates posted a modest increase, even though transatlantic outlets for Russian gasoil were closed late April and May. Regional refinery turnarounds and increased end-user re-stocking in Germany may have limited an otherwise higher build. More generally, financial incentives were also lacking. Calendar spreads in IPE's and NYMEX's heating oil contracts had yet to develop a sufficient contango (premium for future months) to support storing product. May gasoline stocks were virtually flat. In the US, the usual build of finished gasoline stocks (that meet domestic specifications) ahead of the summer driving season came in at a modest 2 mb. Despite high utilisation rates, gasoline output had to compete with diesel and jet which both posted comparable margins versus crude. US finished gasoline stocks closed 14 mb below the previous year.

Revisions and Preliminary OECD Stocks at the end of May 2003

Revisions to April preliminary total oil stocks came to 10 mb, mainly in crude. Major product categories were marginally changed. OECD revisions to crude stocks netted out to 9 mb. In the Pacific, stocks were revised downwards, mainly in Japan. Most of the OECD revision for crude came in Europe, where stocks were raised 19 mb. This month's revision is due, in part, to technical reasons. Crude stocks were reduced in the UK (3.4 mb), where North Sea production was revised lower. Declining Norwegian supply in April and rising exports however did not translate into a steep draw on storage built up in March. Norwegian figures were revised up, with crude stocks drawing around 4 mb – under half the 9 mb preliminary estimate - though arbitrage opportunities for light/sweet crude suggested a greater pull on these grades.

Revisions Versus 13 June 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Mar 03	Apr 03	Mar 03	Apr 03	Mar 03	Apr 03	Mar 03	Apr 03
Crude Oil	**1.0**	**2.8**	**-1.6**	**19.2**	**-2.5**	**-12.9**	**-3.1**	**9.1**
Gasoline	0.1	0.9	-0.7	-3.5	-0.2	-0.2	-0.7	-2.7
Distillates	-2.7	-4.1	-0.9	0.8	0.0	0.4	-3.6	-3.0
Residual Fuel Oil	0.2	-0.9	1.0	-0.4	0.0	-0.9	1.2	-2.1
Other Products	-0.9	7.9	-0.2	0.2	0.0	0.7	-1.1	8.8
Total Products	**-3.4**	**3.9**	**-0.8**	**-2.8**	**-0.1**	**0.0**	**-4.3**	**1.1**
Other Oils[1]	-0.6	-1.9	0.1	2.4	0.0	-0.5	-0.5	-0.1
Total Oil	**-2.9**	**4.7**	**-2.3**	**18.8**	**-2.6**	**-13.4**	**-7.8**	**10.1**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Germany contributed 12 mb to industry crude revisions. End-March marks the close of the fiscal year for EBV, the German public stock holding agency. EBV closes terminable storage and delegation contracts with industry (to which it can assign a maximum of 10% of its stockholdings) on the 31st of the month and

new contracted volumes are offered as of 1 April by open tender. As a result, title on some crude oil stocks was returned to industry, accounting for some of the upward revision. German government stocks were revised down 8 mb in April from 102.5 mb to 94.5 mb. The effect on industry crude stocks of these settlements is more pronounced as German public stocks switched to holding more crude than product. This allows stockholding obligations to gain flexibility vis-à-vis product specification issues. Discounting the public stocks revision from industry storage implies German crude stocks near-level with March.

OECD industry oil stocks in May stood at 2461 mb, 164 mb below 2002 with low inventories persisting in the Atlantic Basin. North America and Europe saw oil stocks trail 165 mb below 2002 with a wider spread in the former, both in crude and product. The product deficit in North America stems from a delayed build of gasoline stocks ahead of the US summer driving season. US refiners brought forward maintenance to January following the Venezuelan crisis and a protracted winter deferred gasoline production in favour of heating oil. Replenishing products stocks has left crude stocks low, despite higher imports.

Year-on-Year Industry Stock Comparisons for May 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-47.8**	**1.4**	**16.4**	**-29.9**	**Total Oil**	**-6.5**	**-1.6**	**-1.6**	**-4.2**
Total Products	-70.4	-36.7	-6.6	-113.7	*Versus 2001*	-5.4	0.8	-3.7	-3.2
Other Oils[1]	-21.6	9.9	-8.2	-19.9	*Versus 2000*	-2.3	1.7	-1.1	-0.9
Total Oil	**-139.8**	**-25.4**	**1.6**	**-163.6**	**Total Products**	**-3.3**	**-2.4**	**-1.6**	**-2.8**
Versus 2001	-106.3	-0.2	-23.4	-130.0	*Versus 2001*	-2.4	-0.5	-1.1	-1.7
Versus 2000	-36.4	25.4	-12.2	-23.3	*Versus 2000*	-1.1	0.3	0.7	-0.4

1 other oils includes NGLs, feedstocks and other hydrocarbons

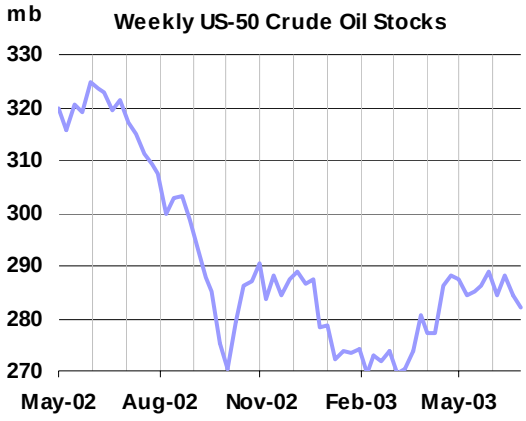
Oil stocks in the OECD represented 51 days of forward demand, off a day from April, and 4 days below the previous year. Apart from Europe, days cover was little changed from April. Stocks covered 45 days in North America and 53 days in the Pacific. Europe saw days of forward demand slip a day to 61 days.

OECD Regional Stock Developments

North America

North American crude stocks fell 180 kb/d in May. US-50 inventories were slightly lower at 288 mb as crude demand balanced high imports. Mexican stocks fell for a second month. While light/sweet grade offers on the Gulf Coast were ample, heavy/sour crude tightened as seen in narrower differentials against WTI in late April early May. Sustainability of Venezuelan heavy oil production was questioned. As a result, Mexican grades strengthened and crude stocks there fell 7.5 mb in April and 4.5 mb in May.

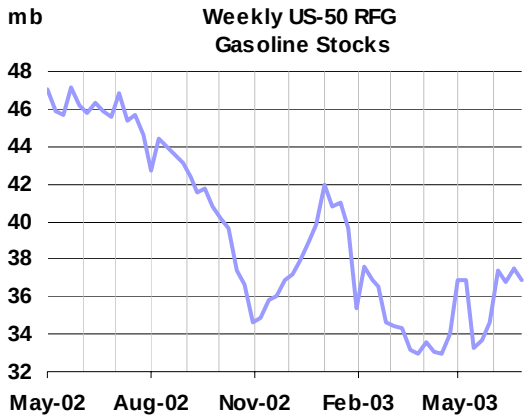
Crude stocks in the US-50 declined a further 6 mb by the closing week of June. Average imports fell back by month's end under 10 mb/d while refineries were running near 95% utilisation rates. Crude stocks were pegged at 282 mb. The marginal recovery in stocks in the mid-continent to 57 mb, the pricing hub for NYMEX's WTI contract, didn't remove the premium for prompt oil in the near months of the contract. Market price structure in June still pointed to a tight current situation and downward price pressure in the future, despite reductions in Saudi term allocations.

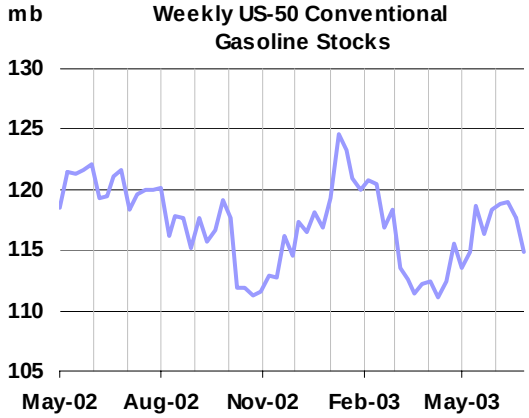


The US cash market has seen ample offer of light/sweet crudes. The recent wide premium of WTI against Brent has attracted West African and North Sea grades to the US Gulf Coast, the main landing point for imported crude to the US. But weakness in gasoline demand has deterred refiners from stocking these grades. Gulf Coast inventories fell 2 mb to 145.6 mb by end-June. Weaker refining margins prompted economic run cuts and refinery problems for Murphy Oil and Exxon at facilities in Louisiana compounded slack demand. Some West African crude, originally sold to Asia, was re-directed to the US. The availability of light/sweet crude however does not necessarily mean that crude stocks will recover significantly as these grades are not always suited for refineries on the Gulf Coast, which generally run heavier/sour crude. Iraqi supply is still out of the market and quality issues regarding water encroachment for Venezuelan heavy crude are growing. Additional short-haul supply from Mexico,

where production has levelled, is unlikely. The recent Russian Urals offers can only fill part of the supply gap, leaving limited upside potential for inventories. The prospects of future builds in crude will also depend on the NYMEX WTI futures curve flattening from its current backwardation.

Among products, the pre-summer gasoline stock build in the US fell short of expectations. In spite of apparent weak demand, and high levels of imports, US finished gasoline stocks rose by only 2 mb in May to 154 mb, leaving stocks down 14 mb on the year. Storing product has been uneconomical. NYMEX gasoline futures priced the near month contract at a premium to future delivery over April and May. Generally, gasoline stocks are expected to build until late in June, but June inventories have retraced May's gains. Demand firmed and imports fell back on more limited arbitrage opportunities for European gasoline



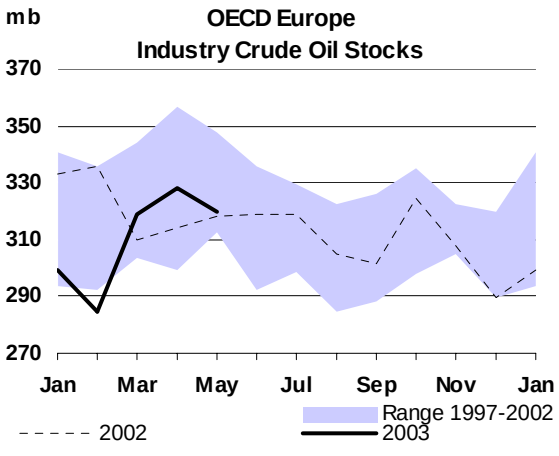


in the last two months. Product yield is also lower than a year-ago as diesel offered comparable margins over crude. Stocks of conventional gasoline tightened relative to reformulated (RFG) material. Production declined with weaker margins and refinery outages over June. Conventional gasoline stocks were affected proportionately more than RFG by falling imports. This pressured supplies of blending components, which drew over the month. In New York Harbour, RFG's average premium to conventional narrowed from 10 cents in May to 6 cents a gallon in June. RFG stocks are still low despite stable production. While stocks built in the Northeast States, the West Coast saw inventories decline further. It also remains to be seen if Venezuela will be able to sustain RFG exports in the coming months. After many delays, PDVSA was reported to have shipped in late June a 316 000 barrel cargo to New York.

Europe

European industry crude closed at 320 mb in May, down 8 mb from April. The draw in stocks came with limited crude purchases. It is likely that many refiners opted to run down crude inventories before turnarounds got underway. European runs came off by 335 kb/d (or 10 mb). The development of a mild contango late April suggested a more balanced market and that crude supplies were adequate for May.

The extent of the 19 mb crude oil upward revision in April base may be overstated (see discussion on revisions above). If such were the case, then May preliminary data for European crude stocks would revisit the bottom of their five-year range. Supply into the region was also lower. North Sea crude was arbitraged out of Europe in end-April while Asian demand sought West African grades through June loading. Weak demand for sour barrels also prompted export of Russian Urals to the US Gulf Coast and Asia.

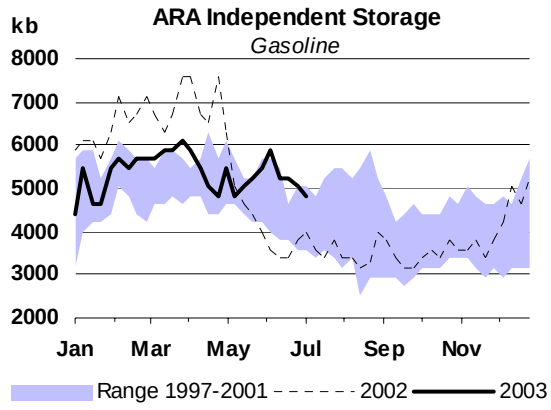


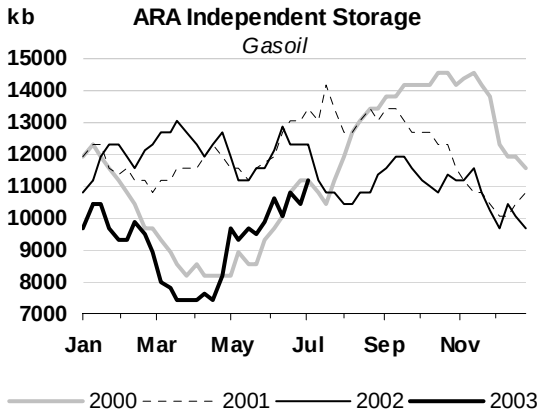
In May, crude stocks fell in France (3 mb), Italy (2 mb) and Norway (4 mb). Inventories were up marginally in the UK and Germany, though the latter, saw turnarounds for refineries in the north of the country extended through June, which may lead to a downward revision.

June however should see stocks flat to rising, as refiners replenish stocks in an improving domestic margin environment for light/sweet grades. More North Sea barrels are likely to land in Northwest European oil terminals along with some West African cargoes unable to find a home in the US or Asia. WTI's spread

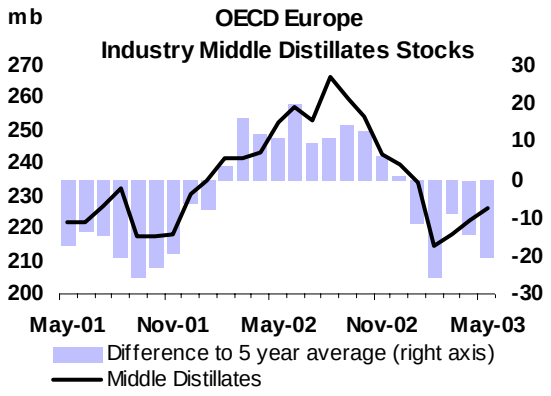
over Brent fell back a dollar in May, but arbitrage remained open. US demand for sour barrels is likely to tighten the availability in Europe by pulling Russian Urals into the Gulf Coast. Urals had narrowed its discount to Brent in May and remained strong throughout June for oil delivered into Northwest Europe.

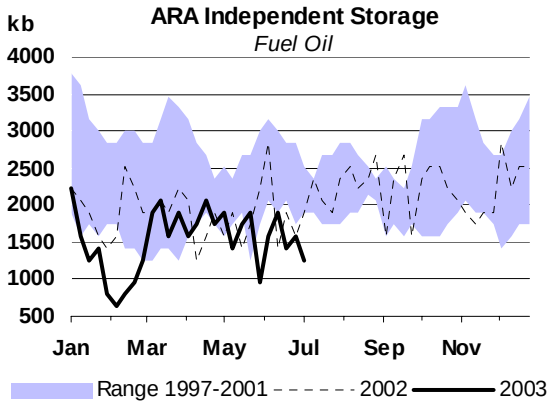
Industry gasoline stocks in Europe edged higher in May to 117 mb. Inventories rose in the Netherlands by 1.5 mb, reflecting the trend seen in the Amsterdam-Rotterdam-Antwerp (ARA) area for independent storage. Some 1.5 million tonnes were reported to have moved transatlantic, mainly sourced from the Mediterranean. But arbitrage by end-May was reported open only for regular grades, suggesting possibly an upward revision to inventory figures for Europe. But surplus product is likely to keep stocks flat to rising for June. Refiners should partly replenish gasoline stocks after turnarounds. Exports are also expected down on May; economics to ship product to the US were marginal and prompt material to assemble cargoes was also tight. The Mediterranean region in June was suggested tighter after refinery turnarounds and demand emerging from Lebanon and Turkey, with Iraq a likely final destination.





ARA stocks fell from their May peak in June, though part of the draw may reflect a clearing of a backlog of cargoes destined to West Africa. July should see stocks lower as European exports pick up again. The premium in swap prices of July over August delivery widened at the beginning of July, encouraging sales from storage. The end of a strike in Nigeria, which prevented unloading of cargoes, should allow more deliveries to take place. With US gasoline demand picking up, conventional material and blending components stocks tightening, more European gasoline will be drawn transatlantic.

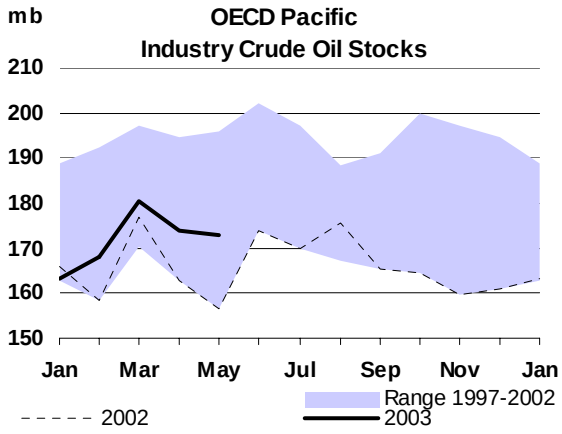


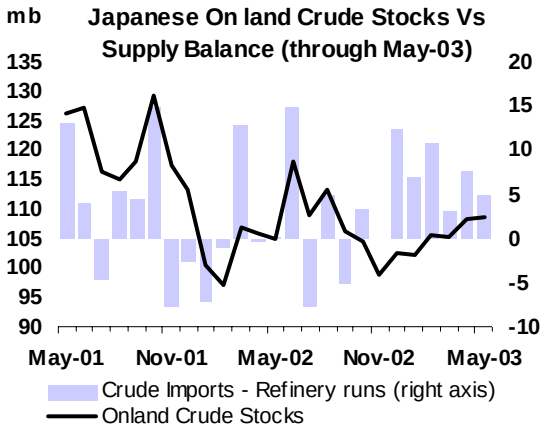


Industry distillate stocks rose by 4 mb in May. German end-user demand was strong as prices came off from March highs and consumers re-filled their heating oil tanks. But this was likely a one-off event. German distillates ended May marginally higher. Refinery maintenance in the north in June is likely to keep German domestic supplies tight and curb an upside movement in stocks. Supplies into Germany in June were partly restricted by lower Rhine water levels, which limited the movement of barges inland. The build in European gasoil stocks however should accelerate on ample supply. Russian gasoil exports, supported by a lower export tariff, were higher in June. Greater supply is likely to widen the shallow contango seen in IPE gasoil futures, and encourage more product into storage. Industry stocks are thus likely to follow the trend in ARA gasoil stocks. Industry fuel oil stocks edged lower in May. Straight run fuel oil was drawn to the US and spot utility demand emerged from Portugal and in Italy later in June. Bunker deliveries were firm in May and June and trade of high sulphur fuel oil to Asia, both from the Mediterranean and Northwest Europe, kept supplies tight.

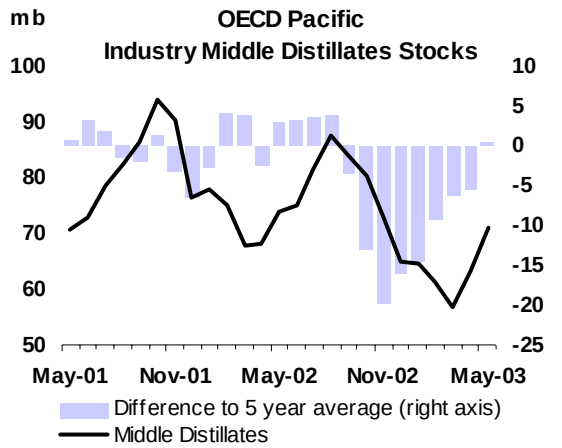
Pacific

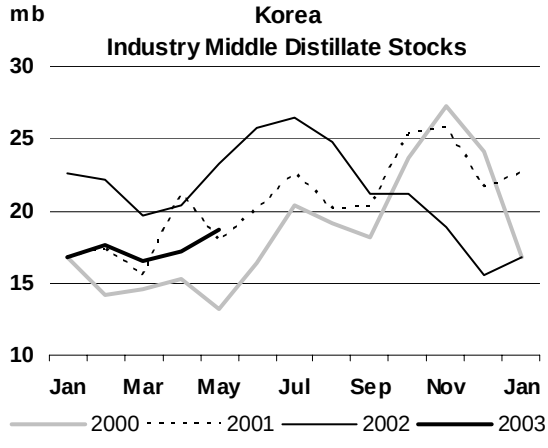
May crude inventories, at 173 mb, drifted sideways from April, declining around a million barrels from a downward revised March base. The fall came mostly in Korean storage. Stocks there drew 2 mb to 23 mb; financially troubled refiners held less crude as they lowered runs on a yearly basis. On land crude stocks at SK Corp, Korea's largest refiner, were down sharply on a year-ago along with its import volumes. In contrast, May crude imports into Japan were relatively high and throughputs fell as peak maintenance over the May/June period drew closer. Based on runs and crude imports delivered to refineries, storage tanks and oil terminals (excluding oil held on tankers), Japan's crude balance (imports-runs) has been positive over the recent months, allowing storage to build. Industry stocks of crude oil in Japan closed May at 134 mb, near-even from April and 18 mb above last year.





Japanese crude stocks have upward potential through July. End-June generally sees a rise in storage before refiners ramp-up runs in July. Unlike last year, OPEC term suppliers offered full volumes through May (June arrival) and this is likely to extend through July. Qatar and Abu Dhabi were reported allocating full volumes for June, unchanged from May and cuts in Saudi volumes to Japan as of June were less than those for the US. Japanese refiners were also active securing June loading Mideast grades ahead of OPEC's last meeting. Requirements for spot grades such as Oman in July were reportedly covered while Japan was also reported to have secured June loading Urals. Overall, Asia was deemed oversupplied in June with the arrival of arbitraged Atlantic basin crudes. Re-selling of some crude into the market by China also weighed on sentiment for spot grades for August loading.

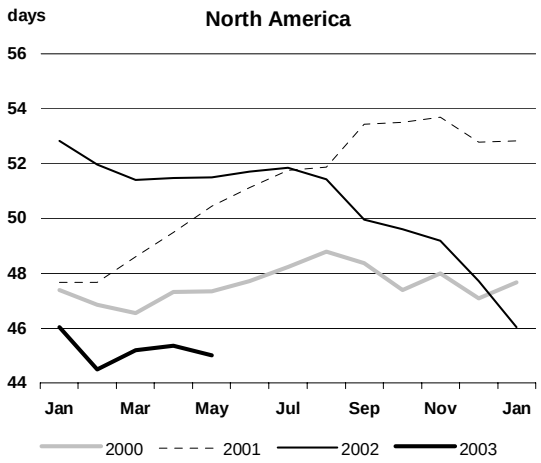


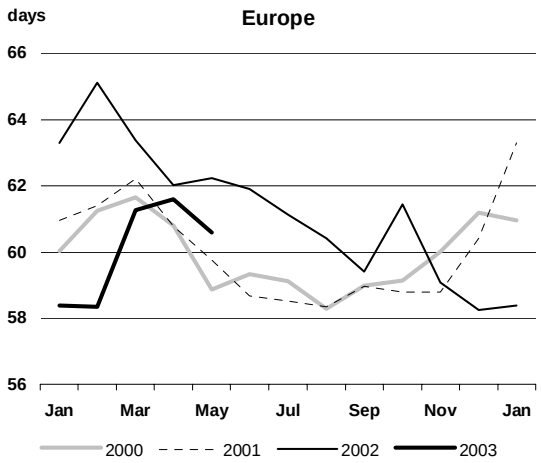


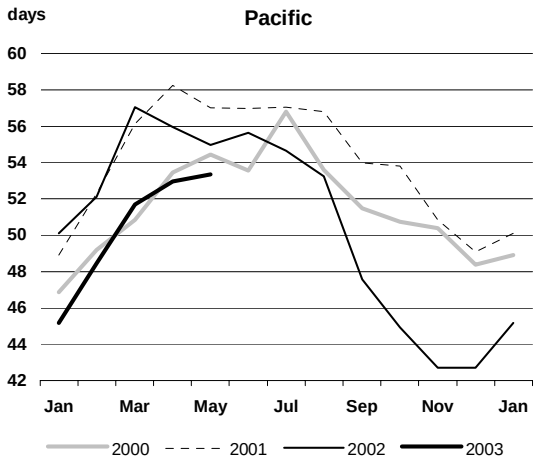
Pacific distillate stocks built with gains mostly in Japan, closing May nearly 8 mb higher at 71 mb. Higher runs in Japan to produce fuel oil for thermal power demand bolstered the growth of kerosene stocks into June. Japanese industry fuel oil stocks rose 1.2 mb in May. Preliminary data suggest that low-sulphur 'C' type fuel oil stocks, used for thermal demand, built through end-June. Japanese distillate stocks rose by 5 mb in May and again in June. The contango in Singapore for jet/kerosene widened from May to June allowing refiners to store surplus product. Distillate inventory gains were less pronounced in Korea where diesel demand was up on the year in both transportation and residential use. This has limited Korean gasoil exports in May. June is likely to see a reversal of trends. Market reports suggested ample gasoil supply by end-month sourced from Korea, India and Singapore as refiners continue to maximise gasoil over jet fuel production.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of Total Oil)

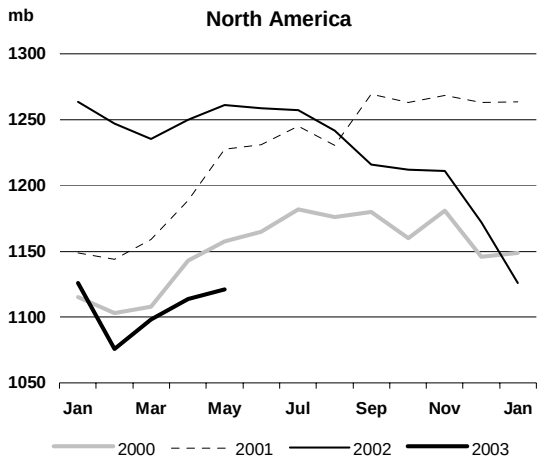
Days[1]

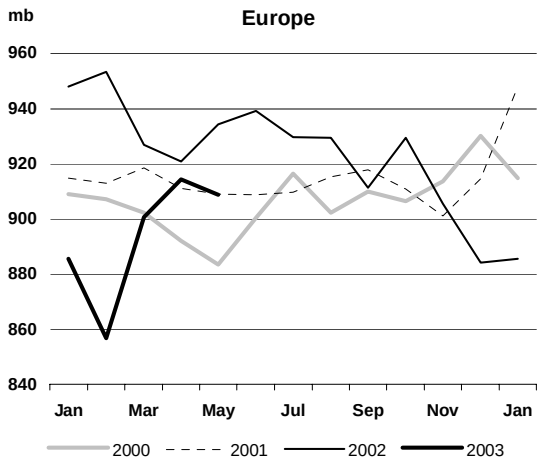


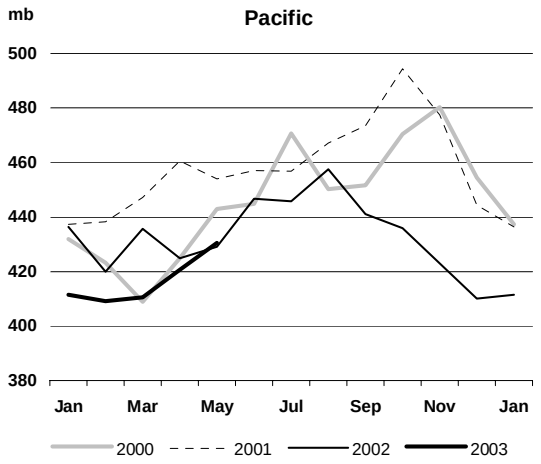




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

Singapore Crude & Product Trade

(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Latest month vs. Apr 03	Latest month vs. May 02
Net Imports/(Exports) of:											
Crude Oil	**822**	**819**	**829**	**772**	**861**	**885**	**881**	**803**	**460**	**-343**	**-131**
Products & Feedstocks	**-10**	**-35**	**-45**	**-53**	**-73**	**-158**	**-169**	**-192**	**-110**	**82**	**-67**
Gasoil/Diesel	-121	-154	-151	-171	-168	-175	-152	-208	-134	73	15
Gasoline	-79	-81	-98	-80	-69	-76	-70	-88	-106	-18	18
Heavy Fuel Oil	360	334	322	330	325	314	239	273	298	25	-3
LPG	-21	-19	-19	-18	-20	-24	-23	-26	-21	6	-1
Naphtha	-22	6	7	-7	5	-22	-17	31	-5	-36	-45
Jet & Kerosene	-80	-65	-51	-53	-90	-124	-96	-117	-79	38	-36
Other	-48	-57	-55	-54	-57	-51	-51	-58	-64	-6	-15
Total	**812**	**784**	**784**	**719**	**788**	**727**	**712**	**611**	**350**	**-261**	**-199**

Source: Singapore Monthly Oil Statistics, IEA estimates

PRICES AND REFINERY ACTIVITY

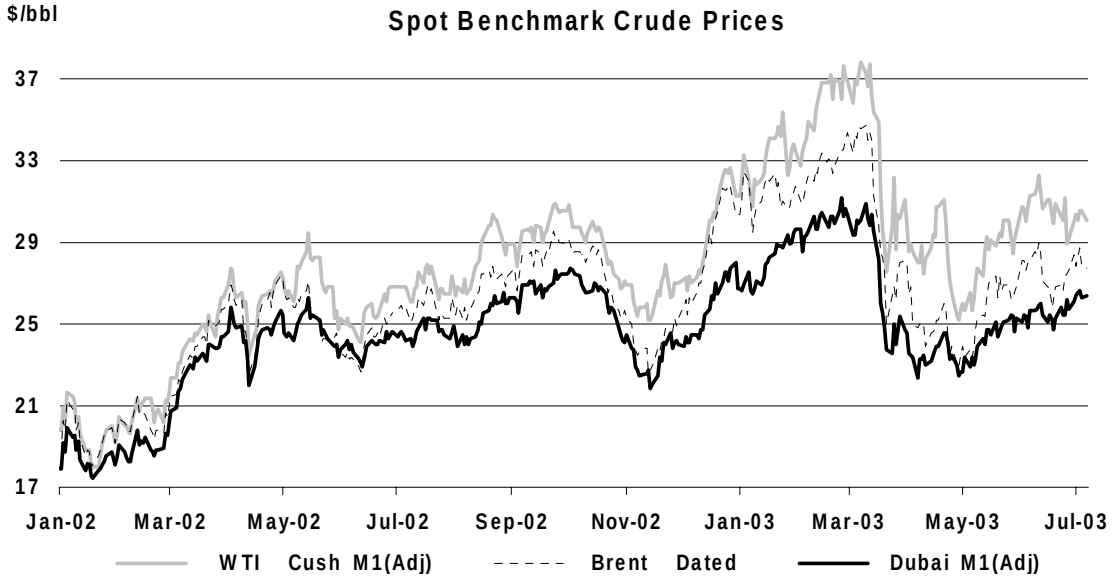
Summary

- **Crude oil** prices continued May's recovery in June, supported by lower OPEC output, the slow return of Iraqi production, fears of further supply disruptions in Nigeria and political issues with Iran. The news was not all one way however and volatility increased as the US market appeared to calm from recent concern over a potential gasoline price spike. Benchmark Dated Brent rose from $26.80 at the end of May to $28.33 at the end of June but dipped to $27.75 in early July.

- **The transatlantic** arbitrage for crude was extremely volatile during June, but the WTI Cushing to Dated Brent spread generally trended lower from the middle of the month. Lower freight rates helped to offset some of the impact of weaker values in the spread and the window for shipments from Europe and West Africa to the Gulf Coast largely remained in place. The Far East lost its attractiveness to exporters in the middle of the month as the Brent/Dubai spread widened significantly, reflecting regional crude demand weakness caused by a middle distillate glut.

- **Global refining margins** converged with Far Eastern and US values falling while European margins increased. This reflected the continuing "re-balancing" of the oil market following the dislocations and wild price swings caused by the loss of Venezuelan output and Middle Eastern supply fears ahead of the Iraqi war.

- **Product markets** were dominated by a global increase in fuel oil prices towards the end of June. An exceptionally warm June in many areas boosted air conditioning use, which in turn increased utility demand, particularly in the US East Coast and the Mediterranean. Although US natural gas prices declined in June, they remained high and perpetuated fuel substitution into gas oil and fuel oil. Lower refinery runs in Europe and the Far East compounded the tight fuel oil supply situation.



Crude Oil Prices

Spot Crude Prices and Differentials in June

Crude oil prices built on the May recovery to post further strong gains in June. Traders were once more deluged with a series of geopolitical and supply issues, but there were a large number of negative factors to contend with as well. Volatility was consequently higher during the month.

Although US refinery throughput only dipped slightly in June from near-record May levels, there was a perceptible downwards shift in the strength of US crude demand. Given that the US market has been the driving force for the world oil market for most of this year, this is potentially significant. Domestic refining margins deteriorated, despite a number of minor refinery incidents and towards the end of June US crude imports dropped sharply, reflecting lower OPEC sales from storage and reduced production. This reduction in supplies coincides with a sharp narrowing of the WTI-Brent spread and shows that the "urgency" for continued high imports to meet summer demand requirements has diminished.

Fears of a summer gasoline price spike have diminished as market mechanisms have proved the flexibility of the supply stream. Lower year-on-year gasoline demand since early 2003 has also contributed to a more relaxed attitude towards the price outlook. The US (and world) refining system has demonstrated its ability to meet peak demand, and we are now over a month into the driving season without any sign of a crisis. That is not to say that dangers do not persist (US gasoline stocks remain below the lower end of the five-year range, demand could pick up, refinery problems could emerge), but having seen the system working at flat out, there are lesser fears that the refining system cannot cope

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Apr 03	May 03	Jun 03	Jun-May		Week Beginning:				
				Change	*%*	26 May	2 Jun	9 Jun	16 Jun	23 Jun
Crudes										
Brent Dated	24.85	25.72	27.51	1.80	7.0	26.44	27.98	28.28	26.46	27.18
WTI Cushing 1 month (adjusted)	28.26	28.14	30.66	2.51	8.9	28.29	30.69	31.48	30.65	30.53
Urals (Mediterranean)	22.61	23.80	25.16	1.36	5.7	24.26	25.60	25.90	24.17	24.85
Dubai 1 month (adjusted)	23.45	24.36	25.51	1.15	4.7	25.18	25.27	25.74	25.16	25.74
Tapis	27.66	26.76	27.13	0.37	1.4	26.84	27.04	27.57	26.70	27.17
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	3.41	2.43	3.14	0.72		1.85	2.71	3.20	4.19	3.35
Urals (Mediterranean)	-2.24	-1.92	-2.35	-0.43		-2.19	-2.37	-2.37	-2.29	-2.34
Dubai	-1.40	-1.36	-2.01	-0.65		-1.26	-2.71	-2.54	-1.30	-1.44
Tapis	2.81	1.04	-0.38	-1.43		0.40	-0.94	-0.71	0.24	-0.02
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.15	0.31	0.36	0.05		0.42	0.52	0.53	0.20	0.21
WTI Cushing 1mth-2mth (adjusted)	1.24	0.48	1.15	0.67		Na	1.10	1.20	1.49	1.39

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

Asian refining margins also narrowed for seasonal and economic reasons, creating poor demand conditions in the Pacific. A partial offset came from an improvement in European refining margins, although European crude demand was itself reduced because of refinery maintenance. However, Far Eastern traders were surprised when Saudi Arabia made only modest cuts in term contract supplies to the region for July. Saudi Arabia has effectively filled the gap left by the loss of Iraqi supplies, but many traders had still expected a cut to reflect the lower regional throughput and a glut of middle distillates. Refiner demand was also seen as relatively lacklustre because of the relatively high level of several Official Selling Prices (OSPs) of popular crudes.

By the time that OPEC met to discuss the oil market on 11 June, it was already apparent that, with prices and the spot premium-to-forward (backwardation) still very high and Iraqi exports delayed, it was unlikely that the producer group would cut targets. Brief price weakness in early May had prompted suggestions that OPEC would trim targets to prevent an excessive stock build. However, OPEC's decision to keep a vigilant eye on market developments by meeting again at the end of July suggested that producers were ready to respond to any sign of price weakness or excessive global stock builds.

The upward revision to global crude stock data for March was swiftly ignored by the market which was not only mindful of OPEC's vigilance, but was also mollified by the persistence of the steep backwardations in sweet crude benchmarks Brent and WTI, which reflected tight physical market

conditions. August Brent crude futures dipped from $27.87/barrel on 11 June to a low of $25.80 on 18 June. However, by the end of June they closed at $28.33/barrel.

The recovery in prices was also driven from the dramatic reversal in US stock builds towards the end of June. Although US inventory changes can not be entirely relied upon as a global proxy, the weekly release of the data has made it one of the most important indicators for market direction over the past few years. But markets were not merely driven by refinery demand and price changes, political events also retained a strong influence.

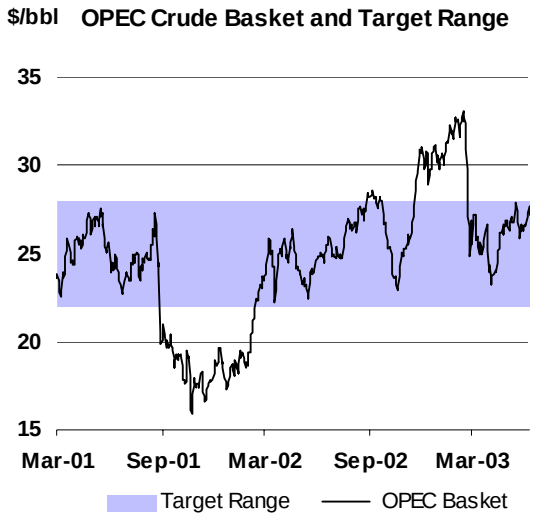
Iran remained in the news. Early in the month, comments from the US administration that it was opposed to the development of a nuclear power plant in Iran that it felt could be used as cover for the development of nuclear weapons supported the market. There was speculation that Tehran could be a US military target. Fears of an Iranian supply disruption were heightened after students in Tehran and other cities protested against the clerical leaders, compounding fears of external events.

These concerns proved largely ephemeral as the government's clampdown on the protestors in Tehran, with 4000 arrests in the ensuing days, caused the protests to fizzle out. US politicians also stressed that it was wrong to assume that, because of the administration's anti-nuclear stance and support of free speech in Iran, it was preparing for another conflict.

Iraq remained of strong interest to oil traders. The Iraqi oil marketing organisation, SOMO, finally issued a tender to sell 9.5 mb of crude from its storage tanks in the Turkish port of Ceyhan and the southern Iraqi oil port of Mina al-Bakr. The tender saw strong bidding interest as companies and countries vied to express their interest in becoming long-term recipients of Iraqi oil. The oil started to be shipped towards the end of June and clearing these tanks is a prerequisite to the resumption of long-term exports.

The last official comment on export targets was that Iraq is still aiming to produce around 1.5 mb/d by the middle of July. But observers are sceptical that this target will be reached following a number of pipeline disruptions caused by sabotage, and continued looting of oil fields and related facilities. Iraq's first tender for the shipment of 8 mb of Basrah Light from the port of Mina al-Bakr largely disappointed the market which was expecting a tender for some crude from the northern oil fields as well. However, officials indicated that the pipeline from Kirkuk to Ceyhan in Turkey was still under repair, but that they might issue a tender in early July. At the time of writing, reports have emerged of a further pipeline attack that provisional estimates have indicated will take two weeks to repair.

The threat of Nigerian oil supply disruptions also returned. Unions called a general strike to protest the 65% increase in domestic gasoline prices. These have been subsidised for years, leading to cross-border smuggling and the diversion of funds away from needy areas such as health and education. There were fears that the protests would spread to the oil sector and affect both production and exports, but these proved unfounded and the strike ended a week later, after the government agreed with the unions to moderate the increases.

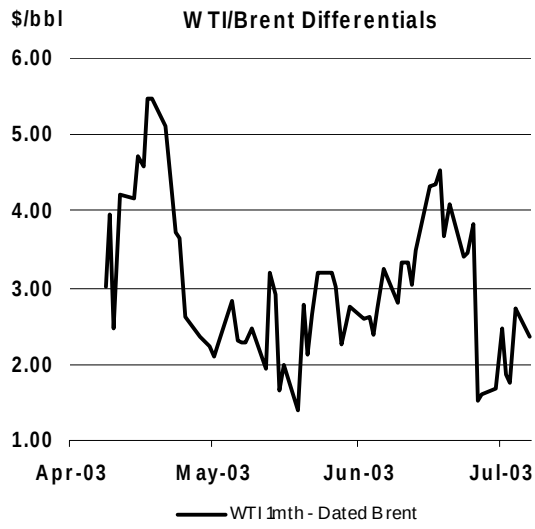


On the economic front, data continues to suggest that the US and European economies remain lacklustre. Both economies have received stimulatory boosts from their respective central banks cutting interest rates, but their relative impact is uncertain. Economists estimate that the effective tightening of monetary policy because of the stronger euro has more than offset the ECB 0.5% rate cut in June. In the US however there are modest signs of an improvement in consumer and business confidence, and that should be aided by the receipt of tax cuts totalling 1.65% of GDP which took effect last month.

SARS also appears to be coming under control in China and towards the end of June the World Health Organisation lifted its travel ban on Beijing. While it may take some time for tourists to regain confidence, there should be an immediate pick up in business travel both too and from the region, which should be positive for jet fuel demand.

The OPEC basket averaged $26.80 per barrel during June, $1.17 higher than its May range, ending the month at $27.11.

The strength of July WTI pushed the WTI Cushing to Dated Brent differential sharply higher in June. WTI tightness was due largely to the continued tightness in the US Mid-continent (PADD 2) region where gasoline and crude stocks remained low, lagging inventory builds in the East and Gulf Coast regions.



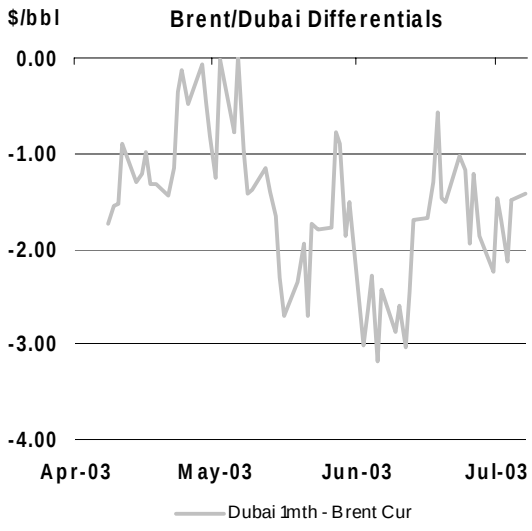
Once the July contract expired, August, the new front month, failed to make up the difference and led to a sharp end-month reduction in the WTI-Brent spread. Futures contracts had already been indicating such a reduction for much of the month, so it came as little surprise. The move was presaged by an improvement in European refining margins over the month, while US margins moved in the opposite direction.

The strength of WTI meant that significant arbitrage opportunities were available for the movement of Brent and Brent related crudes to the US market for most of the month. However the end-July collapse in the spread meant that transatlantic trading opportunities had to be worked rather than being absorbed by the US refining system. The recent comments by the EIA that there should not be a severe spike in gasoline prices during the driving season, also reflect a growing ease within the market that a threatened summer supply squeeze will not develop.

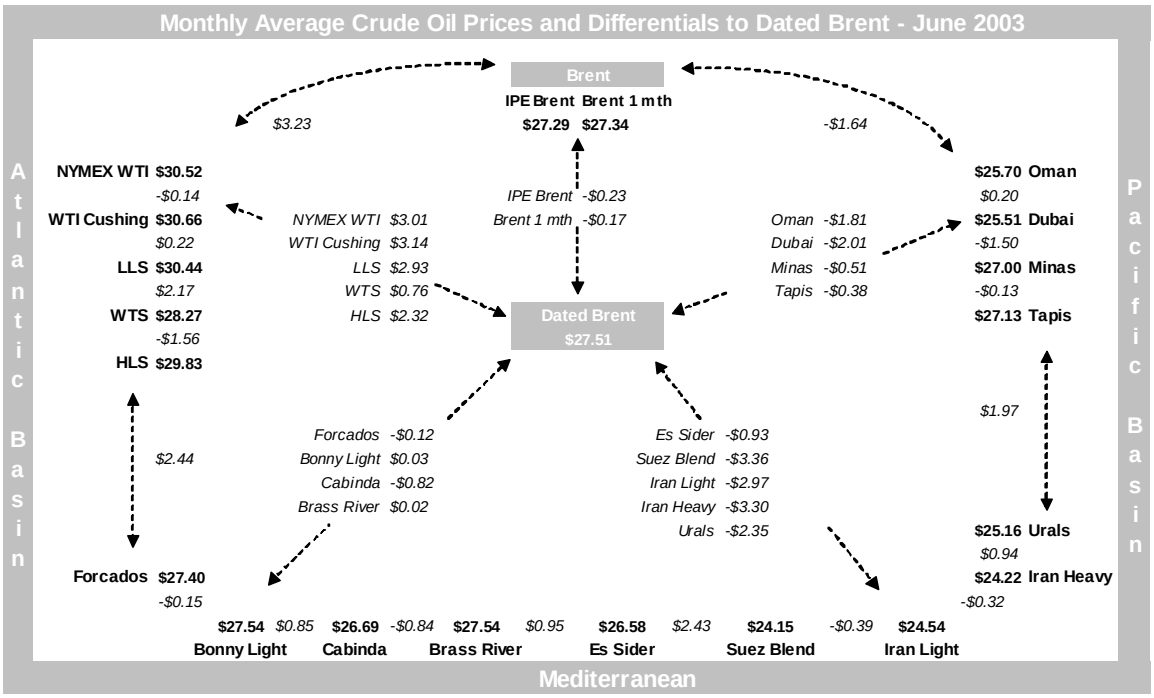
WTI strength for most of June was also seen in relation to domestic US sour grades, with West Texas Sour's discount to the US benchmark falling sharply at the beginning of June, before rallying after the expiry of the July contract. The weakening of the WTS sour market earlier in the month also reflected the decline in US refining margins and indicated a preference towards refining sweet over sour crudes.

The Dated Brent/Dubai spread was erratic in June, strengthening dramatically after the June OPEC meeting, which opened up the arbitrage window for crudes to move from West Africa and Europe to the Far East. However anecdotal comments continued to note a general paucity of demand in the region and the unchanged distribution of July term supplies from Saudi Arabia and other Middle Eastern suppliers meant that there was little reduction in availability.

Refinery runs continued to fall in Japan due to seasonal maintenance. Reduced Japanese demand for direct-burn crude was apparent, and exhibited in the shift of Minas crude back to a discount relative to Tapis. This price spread change confirmed anecdotal reports that Japanese utilities had satisfied their near-term requirements by the end of May and is also a function of the gradual return of some nuclear capacity in June.



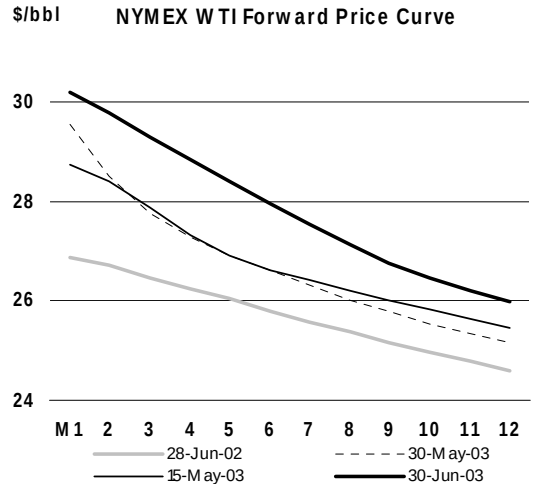
Singapore refining margins remained low and reflected the regional mire. In a contrary move, Chinese refiners indicated that product stocks had been reduced, a post SARS pick-up in demand was emerging. Therefore they started to increase refinery throughput. Improved refining activity also called a halt to the recent resale of Oman cargoes by Chinese traders, which provided some support to the local market.

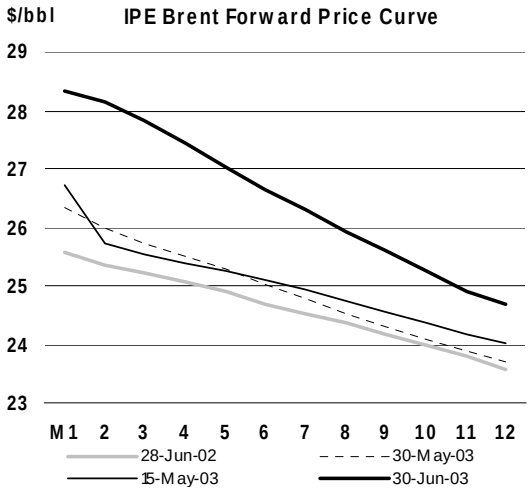


Crude Futures in June

The steep spot premiums for both NYMEX WTI and IPE Brent futures remained in place during June, with the Brent curve steepening, while the WTI backwardation became more evenly distributed down the forward curve. However, this snap-shot of the forward market structure masks extreme volatility in the front-month spreads of both crude oil futures contracts.

WTI front month spreads rallied from $1.07 at the end of May to a peak of $1.59 in the middle of June. Brent had a similar move from 32 cents to $1.07 as the IPE July contract expired. However, while the Brent move could partly be explained by a desire to hold onto front month positions over the OPEC meeting, and could therefore be dismissed as a technical aberration, the WTI tightness persisted through to the June 20 expiry of the July contract. As the WTI contract is deliverable, the potential for technical tightness towards expiry will remain until stocks return to more abundant levels.





Similarly, the forward implied prices of the spread between WTI and Brent futures have all moved below the $2 threshold that is widely quoted as facilitating the transatlantic arbitrage. However freight allowing, Brent can be profitably shipped at much lower levels if warranted by the price levels of substitute crudes. Although the fall in shipping rates continues to make the movement of Brent related

crudes westwards workable, it would appear as if the market structure is suggesting that the huge profits from such activity are unlikely to unfold again in the near future.

Delivered Crude Prices in April

Delivered prices for crude oil imported into IEA countries fell from $30.92 in March to $25.92 in April, a slump of $5.00 (see Table 8 at the back of the Report). Prices fell by $5.41 in IEA Europe, $4.94 in IEA North America and by $2.81 in IEA Pacific. The April declines reflect the sharp fall in prices following the end of the war in Iraq and the time taken to ship the oil to consuming countries.

Product Prices

Spot Product Prices in June

The broadly firmer trend in product prices during June largely mirrored the upward movement in crude prices. However, there were some extremely divergent moves between the regions and products that led to some unusual shifts in trade patterns during the month and changes in the crack spread.

To an extent, the movements reflected the normalisation of pricing relationships between the US and other regions, which led to a recovery in Mediterranean (Med) and North West European (NWE) refining margins and lower returns to North American and Far Eastern crude processors (see Refining Margins below).

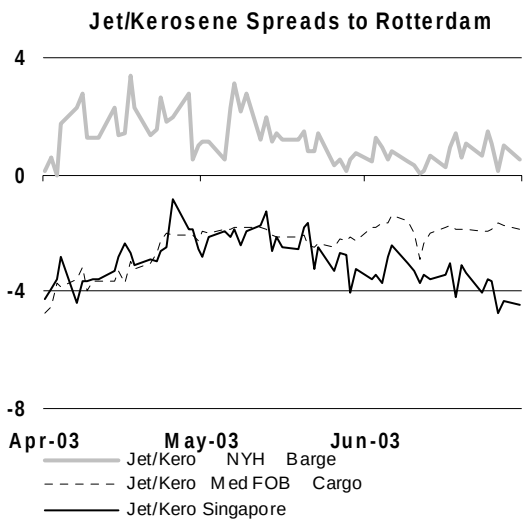
Spot Product Prices
(monthly and weekly averages, $/bbl)

	Apr	May	Jun	Jun-May		Week Beginning:					Apr	May	Jun
				Change	*%*	26 May	2 Jun	9 Jun	16 Jun	23 Jun			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	35.00	32.64	33.74	1.11	3.4	33.13	34.23	34.81	32.42	33.32	10.15	6.92	6.23
Regular Unleaded	34.25	31.87	33.07	1.20	3.8	32.24	33.56	34.22	31.59	32.68	9.39	6.16	5.56
Naphtha	24.76	23.58	27.14	3.56	15.1	24.79	26.73	27.99	26.32	27.34	-0.09	-2.14	-0.37
Jet/Kerosene	31.75	30.38	31.81	1.43	4.7	30.59	32.01	31.90	31.34	31.80	6.90	4.66	4.30
Gasoil	30.06	29.47	31.06	1.59	5.4	29.98	31.41	31.57	30.35	30.78	5.20	3.75	3.54
Fuel Oil 1.0%S	24.02	22.54	26.14	3.59	15.9	24.15	25.27	25.48	25.56	27.80	-0.83	-3.17	-1.38
Fuel Oil 3.5%	19.42	21.16	22.49	1.34	6.3	22.55	22.28	22.24	21.95	23.16	-5.44	-4.56	-5.02
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	30.94	30.21	32.80	2.58	8.6	31.38	32.68	33.19	31.39	33.59	8.33	6.41	7.64
Premium Unleaded	30.22	29.49	32.08	2.58	8.8	30.66	31.96	32.47	30.67	32.87	7.61	5.70	6.92
Naphtha	22.72	22.08	26.13	4.05	18.3	23.45	25.70	27.03	25.31	26.31	0.11	-1.72	0.97
Jet/Kerosene	28.04	28.34	29.84	1.50	5.3	28.24	29.72	30.25	29.19	29.97	5.43	4.54	4.67
Gasoil	27.55	27.14	30.35	3.20	11.8	28.14	30.59	31.57	29.58	29.70	4.94	3.35	5.18
Fuel Oil 1.0%S	21.98	22.43	26.00	3.58	16.0	23.23	24.29	25.25	25.85	28.09	-0.63	-1.37	0.84
Fuel Oil 3.5%S	16.88	19.05	20.50	1.45	7.6	20.28	20.30	20.28	19.97	21.09	-5.73	-4.75	-4.66
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	37.22	35.57	37.24	1.67	4.7	37.21	37.69	38.67	36.32	36.21	8.96	7.43	6.59
Regular Unleaded 87	33.58	31.86	33.79	1.93	6.1	33.28	34.13	35.47	32.66	32.77	5.32	3.72	3.13
Jet/Kerosene	33.11	31.90	32.42	0.51	1.6	31.70	32.46	32.70	31.67	32.63	4.84	3.76	1.76
No.2 Heating Oil	33.02	31.05	31.89	0.84	2.7	31.28	32.13	32.33	31.21	31.74	4.75	2.91	1.24
Fuel Oil 1.0%S (Cargo)	24.01	24.51	25.19	0.68	2.8	23.74	24.49	24.50	24.59	26.64	-4.25	-3.64	-5.47
Fuel Oil 3.0%S (Cargo)	19.94	21.15	21.70	0.55	2.6	20.34	19.88	20.38	22.28	23.69	-8.32	-7.00	-8.96
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	28.74	28.73	31.59	2.86	10.0	29.61	30.90	32.13	30.93	32.09	5.29	4.37	6.09
Naphtha	23.58	23.77	26.66	2.89	12.2	24.78	26.26	27.48	26.03	26.81	0.13	-0.59	1.16
Jet/Kerosene	28.35	28.25	28.48	0.23	0.8	28.30	28.82	28.73	27.94	28.37	4.90	3.89	2.97
Gasoil	29.24	28.39	28.73	0.34	1.2	28.19	28.60	29.07	28.43	28.81	5.79	4.03	3.22
LSWR (0.3%S)	28.80	27.26	25.59	-1.67	-6.1	25.87	26.16	26.18	24.88	25.32	5.35	2.90	0.08
HSFO (3.5%S 180cst)	23.97	24.64	25.73	1.09	4.4	24.94	24.97	25.58	25.84	26.30	0.52	0.28	0.22
HSFO 4%S	27.93	24.23	24.26	1.43	5.9	24.41	24.73	25.46	25.89	26.44	0.78	-0.10	0.19

The Far East saw some of the more divergent moves. The combination of low regional refinery runs (due to seasonal maintenance and low prices) and improving seasonal gasoline demand resulted in a sharp rally in gasoline prices and differentials relative to Dubai crude. Similarly the low crude throughput and strong demand from China, Japan and Indonesia for fuel oil helped to keep the heavy end of the barrel on a similarly buoyant path. There is anecdotal talk that low refinery runs, due to seasonal maintenance, could reduce South Korean fuel oil exports to around 300,000 tonnes in August, around 25 % below June levels.

However, low sulphur waxy residue trended lower during the month, adding further confirmation to anecdotal reports, which suggested that Japanese utility demand for fuel had been sated for June. The TEPCO restarted its second nuclear reactor, the Kashiwazaki Kariwa No7 during the middle of the month. The reactor has a capacity to produce 1,350 MW of power, and will help to meet some of the peak summer power demand. Further restarts are expected to be announced in July. TEPCO officials have indicated that they would ideally like to have between eight and 10 reactors up to meet peak summer demand.

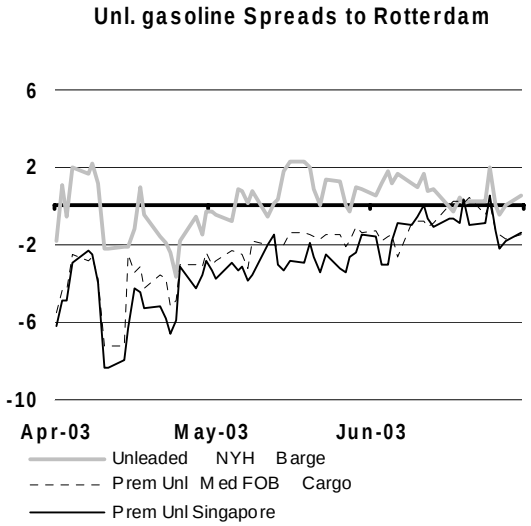
Asian gas oil remained weak, particularly when compared with strong, early June distillate rallies in Europe and the US. This led to the unusual development of arbitrage opportunities both eastward to the US and South America and westward to Europe. Traders estimated that around 450,000 tonnes was booked out of the region during this period and this helped to keep prices in a relatively stable sideways trend.



However, the outlook for the region appears mixed. Indonesia's Pertamina omitted gas oil for the second consecutive month in its July tender. India's Bharat Petroleum Corp cancelled its first ever tender to sell gas oil because bids were too low. However, on the positive side, traders say that Chinese refiner Sinopec is likely to lower exports in July by around 17% from the 150,000 to 200,000 tonnes shipped in June. Swap prices continue to show a market in steep contango (forward premium), which indicates that supplies remain abundant.

The lifting of the SARS travel warning to Beijing by the World Health Organisation is also expected to signal the start of a revival in air travel to the region. But airlines are forecasting a slow recovery and many are revising down their forecasts for Chinese and regional growth this year. The optimism has lent support to the jet market, which has now moved to a premium to gas oil. This spread is commonly known as the regrade.

US product prices in the middle to light end of the barrel were generally flat during June, which in comparison to the strength of WTI meant that differentials weakened considerably. The bottom of the barrel however strengthened dramatically during the month, reflecting stronger domestic demand and a global tightness for the heavy end of the barrel.



Apart from a spike in the middle of the month, US gasoline prices remained broadly flat throughout June. Domestic demand remained persistently lower than a year ago, despite the start of the gasoline season. This, together with a broad improvement in motor gasoline stocks removed some market concerns over a supply squeeze during the summer. The US Energy Information Administration further calmed fears when it noted that its best assessment was that current supplies and market conditions appeared to rule out a further spike in gasoline price during the summer season.

US distillate prices were broadly flat throughout the entire month as the heating season and spring planting season come to an end. However, despite the usual seasonal weakness, distillate demand remains well above year ago levels. Continued high natural gas prices have contributed to healthy distillate offtake, but this was not enough to stall a gradual seasonal slide in differentials throughout the month, accentuated by some additional supplies from the Far East.

US fuel oil, both low and high sulphur, rallied strongly, a trend that was universally highlighted throughout the main refining regions. The rise in fuel oil prices appeared to be sparked by reduced US throughput and falling stocks, which offset the sharp fall in natural gas prices seen towards the end of June. US temperatures also started to rise, particularly on the East Coast, which pushed up utility cooling demand after a relatively mild start to the summer.

Northwest European products followed a similar trend to the US, with the middle to lighter end of the barrel moving broadly in line with crude prices, but with fuel oil prices improving sharply relative to crude.

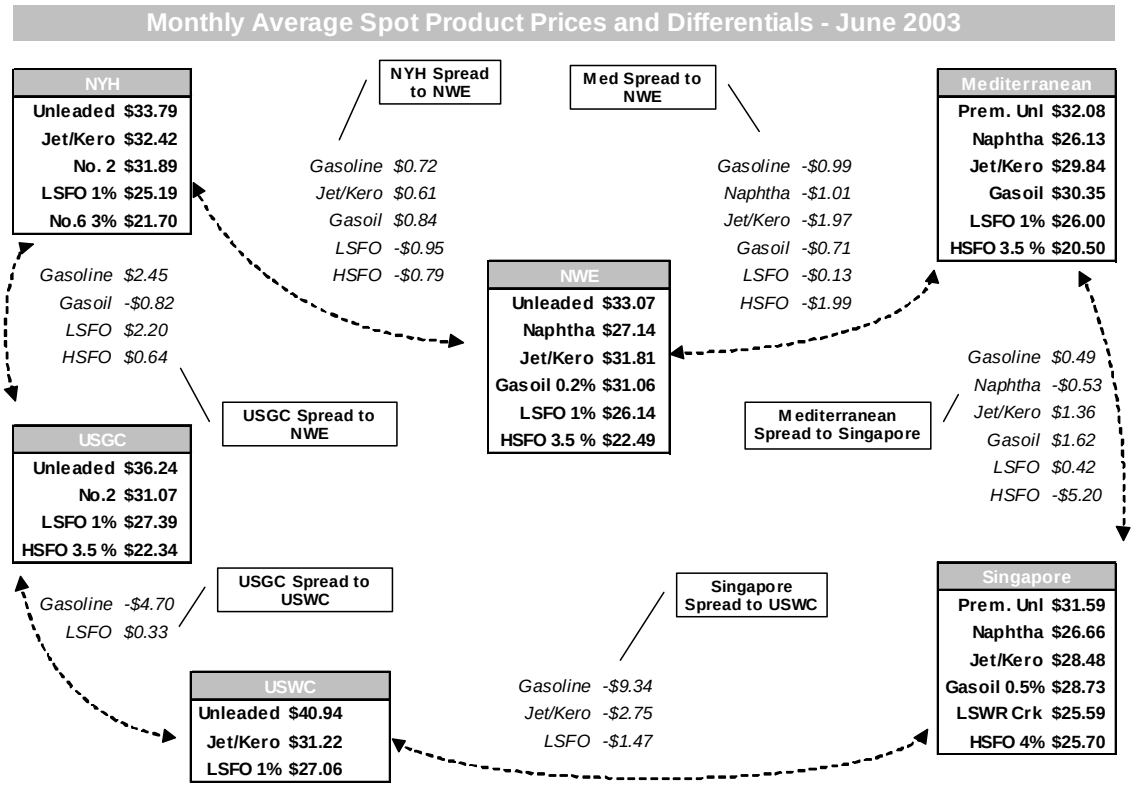
Gasoline was generally stronger than gas oil, due to of seasonal demand, although refinery maintenance in Germany provided support for the barge market. Gas oil was flat on both an outright price basis and as a differential to Brent. Refinery maintenance offset a slowdown in consumer tank refilling in Germany and seasonal heating demand weakness. Nevertheless the Rotterdam market still posted a stronger performance than was seen in the US and Far East.

Fuel oil demand was particularly strong, reflecting lower supplies due to maintenance and strong utility demand following a heatwave in much of Europe in June that increased cooling demand.

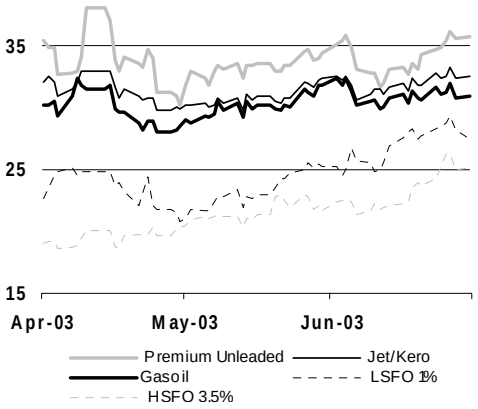
Mediterranean trends were broadly similar to their northern European counterparts, although improved differentials largely led to a more significant improvement in refining margins. Hot summer conditions were even more severe than in the north of Europe, leading to a surge in power demand that resulted in "brownouts" in Italy.

Fuel oil led the way, with strong utility and Far Eastern demand coupled with refinery maintenance leading to a tight physical market. Towards the end of June the premium of gas oil prices over low sulphur fuel oil was almost totally eroded, which in turn provided support to the middle of the barrel - despite the return of Middle Eastern supplies to the region. Portuguese utilities were once more a noted buyer of fuel oil.

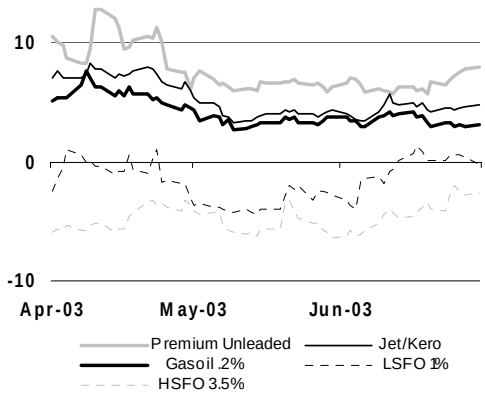
Mediterranean gasoline demand was also bolstered by higher shipments into Turkey, which traders said was destined to meet Iraqi requirements. Six weeks of maintenance at ENG's 220,000 b/d Priolo refinery in Sicily continued to restrict supplies, but its restart at the end of June should help to relieve some of the recent product tightness, particularly for the diesel market.



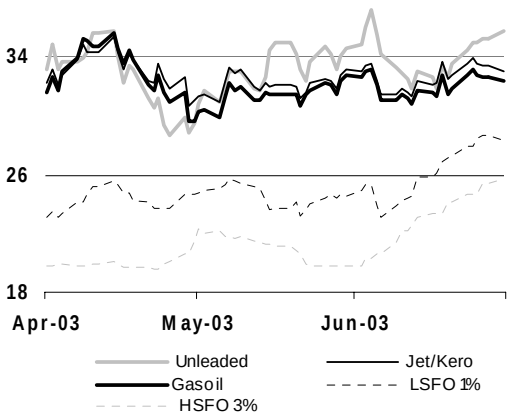
$/bbl **Rotterdam Spot Product Prices**



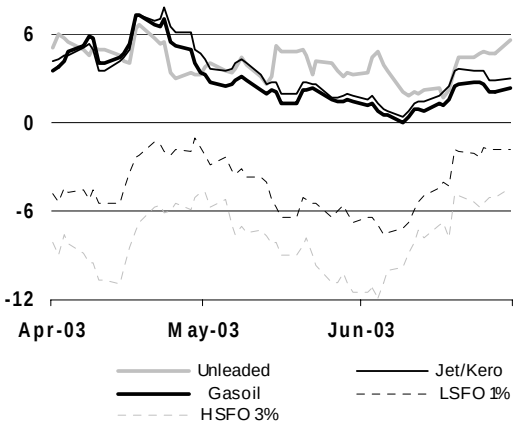
$/bbl **Rotterdam Spreads to Dated Brent**



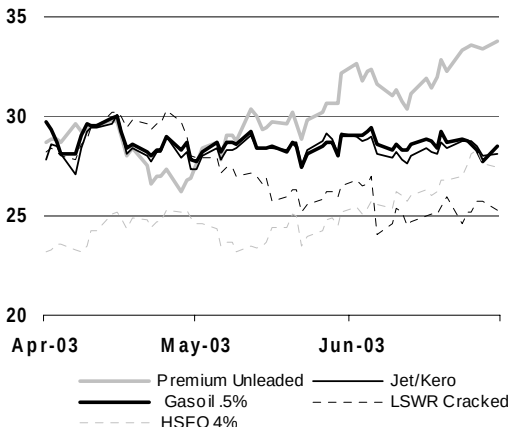
$/bbl **New York Harbour Spot Product Prices**



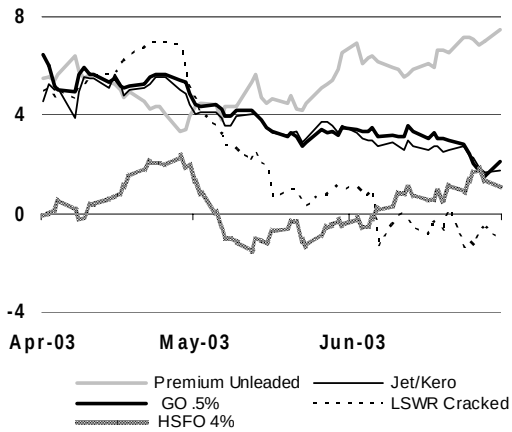
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**



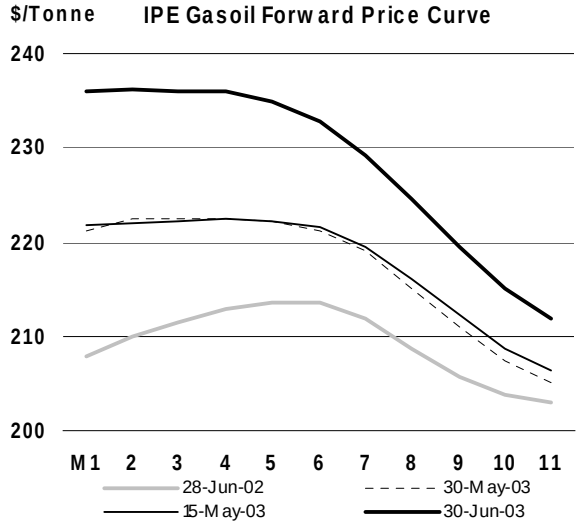
$/bbl **Singapore Spreads to Dubai**

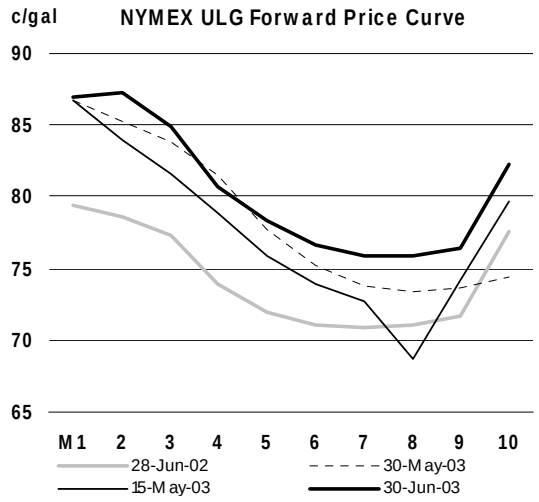


Product Futures in June

Despite the fall in US gasoline stocks for most of June, steady pressure was seen on the front (July)-second month (August) gasoline spread. On the day of expiry the front spread was in a small contango, but there was a countervailing rise in the second and third month backwardations in the preceding days. This meant that once the roll-over was complete, the steep backwardation structure returned to the market.

The steep backwardation remains indicative of the relatively tight physical gasoline market and low stock situation. Although another gasoline price spike this season seems unlikely, stocks remain below the five year average and domestic gasoline production needs to continue at a high level. But the steepness of the forward curve is also dictated by the steep backwardation on NYMEX WTI. Refiners are interested in the return on processing a barrel of crude oil, and for this reason it is also instructive to look at the futures crack spreads (value of product relative to WTI). These show that for much of June, the second position gasoline crack actually provided a higher return than the front month. On a purely nominal basis, both front and second month values were also at attractive levels for refiners for most of June, a situation that has been enhanced by the expiry of the July WTI contract.





In gas oil the nearby forward months are relatively flat, but heating oil is in a small contango through until the turn of the year. Similarly, despite the backwardation in crude this forward premium for heating oil continues to provide some market incentive for refiners in the US to keep refinery runs at relatively high levels.

End-User Product Prices in May

End-user prices for the products monitored in the Oil Market Report generally weakened and extended the decline seen in April, but the movements were relatively minor compared with the large swings seen since the start of this year. The broadly flat trend of spot product prices in June would suggest that this relative stability will be continued

Gasoline end-user prices fell in May in Europe, with the move largely reflecting the strength of the Euro against the US dollar. Germany proved a regional exception, but despite this diverging trend, its ex-tax dollar prices remain more competitive than every other European country bar France. In dollar terms prices were relatively stable. The yen however posted a relatively modest decline and the declines in Japanese gasoline prices were more redolent of the lagged impact of spot price falls on the retail market. The ex-tax dollar price for gasoline in Japan remains the highest in those countries covered. US retail prices were unchanged in May over April but remained 8.2% higher than a year ago. Canadian prices were up.

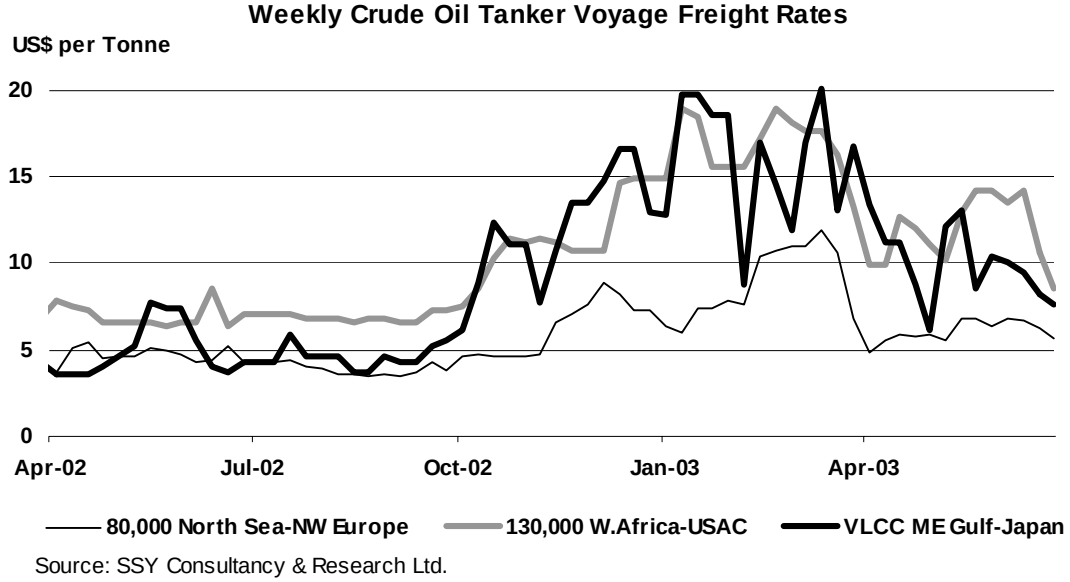
Diesel prices were lower in all regions in both local currency and in ex-tax dollar terms, once more with the exception of Germany. But German prices still compare favourably with other countries once taxes are stripped out.

Domestic Heating oil prices were broadly flat, with small falls seen in retail prices in France, Japan and the UK. However modest increases were noted in Germany and Italy.

Fuel Oil prices for industry were strong in France, Germany and Spain, rising between 1.5% and 4.1 % in local currency terms. Prices however fell between 1.4% and 3.5% in Japan, Spain and UK as a general convergence was seen in ex-tax dollar related prices following the recent high volatility.

Freight

Freight rates tumbled in June, dragged down by reductions in OPEC output (particularly Saudi Arabia and Venezuela) and a slower-than-expected return of Iraqi exports to the market. The general strike in Nigeria also contributed to the weak tone in the tanker market, although at the time of writing the dispute has just come to an end, without any impact on the production and exporting sectors for its duration.



Source: SSY Consultancy & Research Ltd.

The Iraqi situation is important for freight rates. There had been expectations that the Iraqi state marketing organisation SOMO would issue tenders for the export of Kirkuk and Basrah crude once the initial June shipments from Mina al Bakr and Ceyhan tanks had been completed. The first tender for 9.5 mb was designed as a tank clearing exercise to facilitate future exports. However, once the loading of that crude was complete, SOMO only issued a tender for the loading of 8 mb of Basrah light from Mina al-Bakr. A series of attacks on Iraqi pipelines have affected Iraq's ability to ship crude from the north, and officials within the oil industry say that the Kirkuk to Ceyhan pipeline is still under repair.

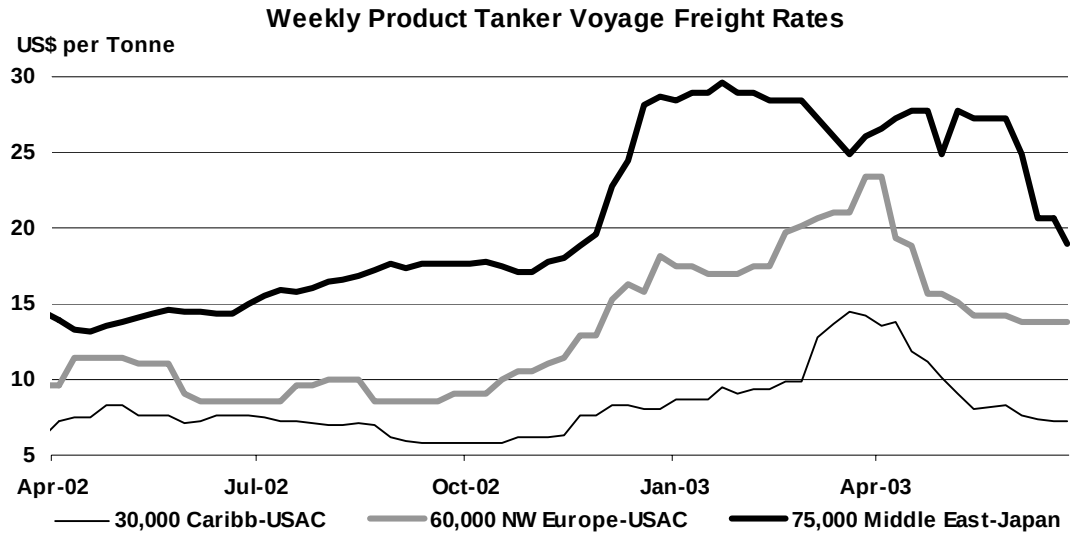
Dirty freight (crude and residual fuel oil) demand has also been affected by the slack demand from the Pacific, where refinery throughput has been cut due to poor regional demand and seasonal maintenance.

VLCC rates hit the lowest levels seen so far this year in the Middle East Gulf (MEG), with the cost of shipping crude to Japan falling to $1.03/barrel at the end of June, from $1.41 per barrel at the end of May. However this was nearly double the rates seen last June when OPEC production was severely curtailed. More severe declines were seen in the West African to US routes, where West African Suezmax rates (130kt) fell by 40% to $1.16/barrel. Suezmax tonnage has increased recently, which has added to the bearish implications of lower oil exports.

These lower rates were also mirrored in the 80kt Aframax market from the UK to US Gulf, but a fall of only 10% was seen in the Aframax market from Sullom Voe to NWE.

One slightly offsetting factor for "dirty" freight rates however is the increase in arbitrage activity for fuel oil to the Far East and to the Mediterranean from South America and the Caribbean. However, the tonnages involved in these are quite small relative to the moves in the crude markets.

Clean (product) tanker rates showed some regional variation in June, reflecting shifts in product trade. In the Far East, where a window for gas oil exports both East and West opened up in June and Chinese product shipments were higher, 30kt rates between Japan and South East Asia increased by as much as 25%. However the regional gas oil surplus also meant lower import demand, which accounted for the 30% fall in rates for 75kt vessels from the MEG to Japan. The continued closure of the NWE-US Gulf Coast export window for gasoline kept small 30kt vessels under pressure in June (falling 19%), although rates for 70kt clean tankers were relatively stable.



Source: SSY Consultancy & Research Ltd.

Refining Margins in May

Global refining margins saw a broad convergence in June, which helped to correct some of the regional discrepancies that have been seen in recent months. Cracking margins tended to outperform hydroskimming margins for the month as a whole, reflecting improved gasoline demand, particularly in Northern Europe and the Far East. But warmer weather in much of the northern hemisphere in the latter part of the month pushed up cooling power demand, which in turn increased fuel oil demand which benefited sour crude demand and Hydroskimming margins.

North West European refining margins, which had been languishing in negative territory from late April, improved significantly in the middle of June. The strength of fuel oil meant that sour margins were more attractive than those afforded by sweet crudes, but even Brent margins turned positive for both simple and cracking refineries. Heavy refinery maintenance in Germany also contributed to the improvement in revenues during the month, although this in turn tended to restrain crude demand.

Brent cracking margins rose to $0.58 in June, an increase of 38 cents over the month. Hydroskimming margins for Brent crude were stronger, but still negative on average over the month at minus 55 cents/barrel in June, but up 45 cents from May. By the end of the month though, both margins were positive once more.

Mediterranean refining margins rallied sharply during the month, helped again by Italian maintenance and a very strong fuel oil sector. Portuguese utilities were once more a featured player in the low sulphur market, dragging values sharply higher. Demand was also spurred by very warm weather in June. Indeed regional values for low sulphur fuel oil were so strong that they actually opened a rare arbitrage for fuel oil from the Caribbean and South America. Urals Hydroskimming and cracking margins in the Mediterranean rose by $1.55 and $1.58/barrel to $1.84 and $3.10 respectively.

In the US Gulf, Brent continued its recent trend of outperforming WTI in Gulf refinery calculations. This was largely due to the strength in July WTI more than any other single factor, and the switch to the August contract at the end of June meant that margins for the two crudes were once again comparable. However for June as a whole, WTI margins averaged $1.35/barrel, while Brent averaged $1.95/barrel, down $1.01 and $0.41 respectively.

On a weekly basis the strength of WTI led to some speculation that US refiners would curb runs because margins had fallen so low that refiners would cut back throughput, but with differentials of other crudes largely falling to accommodate the strength in WTI this was not a huge issue.

Refining Margins in Major Refining Centres

($/bbl)

	Monthly Averages			Jun-May		End of Week:				
	Apr	May	Jun	*Change*	*%*	02 Jun	09 Jun	16 Jun	23 Jun	27 Jun
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-0.23	-1.00	-0.55	0.45		-1.51	-1.43	-0.39	0.44	0.05
Brent (Cracking)	1.26	0.19	0.58	0.38		-0.17	0.04	0.74	1.30	0.92
Mediterranean										
Urals (Hydroskimming)	1.59	0.29	1.84	1.55		0.40	1.44	1.87	2.88	2.53
Urals (Cracking)	3.03	1.52	3.10	1.58		1.84	3.10	3.09	4.00	3.54
US Gulf Coast										
WTI (Cracking)	3.28	2.36	1.35	-1.01		1.41	1.60	0.54	0.75	2.53
Brent (Cracking)	4.55	2.36	1.95	-0.41		1.91	2.25	2.74	2.23	2.57
Singapore										
Dubai (Hydroskimming)	1.71	0.90	0.84	-0.06		0.53	0.91	0.84	0.85	1.09
Dubai (Cracking)	3.09	2.00	2.20	0.20		1.85	2.50	2.16	2.16	2.35
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	25.74	25.84	28.10	2.25	8.7	27.74	28.25	27.52	28.43	28.78
Brent (Cracking)	27.34	27.14	29.32	2.18	8.0	29.18	29.82	28.75	29.40	29.75
Mediterranean										
Urals (Hydroskimming)	24.41	24.29	27.20	2.91	12.0	26.44	27.78	26.48	27.68	27.93
Urals (Cracking)	25.95	25.62	28.56	2.94	11.5	27.98	29.55	27.80	28.90	29.04
US Gulf Coast										
WTI (Cracking)	32.64	31.60	33.10	1.50	4.8	33.22	34.06	32.74	32.12	32.82
Brent (Cracking)	32.34	31.38	32.88	1.51	4.8	32.96	33.78	32.53	31.95	32.65
Singapore										
Dubai (Hydroskimming)	25.63	25.73	26.83	1.10	4.3	26.11	27.07	26.43	27.18	27.32
Dubai (Cracking)	27.11	26.94	28.29	1.36	5.0	27.53	28.76	27.85	28.59	28.68

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

Towards the end of June and early July there was a surge in gasoline prices, which coupled with the expiry of the strong July WTI contract helped to engineer a sharp increase in refining margins. Refinery profits were also helped by the global surge in fuel oil prices. East Coast temperatures started to pick up markedly at the end of June from a relatively mild start to the summer, causing an improvement in utility demand, despite a sharp drop in natural gas prices from very low levels as storage levels improved.

Far Eastern margins remained broadly flat, but this masked a general shift in the composition of the cracks. Gasoline and naphtha prices picked up markedly, with their nominal average gains in June of just over $2.90/barrel far surpassing the average $1.21 gain in Dubai crude. Fuel oil prices trended sharply higher from 20 June, but for the month as a whole, values were broadly in line with the average increase in crude prices. Overall, regional margins were dragged down by the continued weakness in jet kerosene and gas oil, which both posted average gains of less than 35 cents/barrel as a localized glut emerged.

OECD Refinery Throughput in May

Preliminary data showed a fall in OECD refinery throughput in May to 38.66 mb/d from 39.22 mb/d in April. North America continued to post throughput well above seasonal norms, despite lower margins, while Europe and the Pacific broadly followed seasonal trends. However, combined OECD runs remained towards the upper end of the range over the 1998 to 2002 period. Refining margins had however fallen sharply in May in all areas, and were particularly weak in Europe. So it is surprising that there was not an even greater decline in throughput in some of the regions covered by the Report.

Refinery Crude Throughput and Utilisation in OECD Countries

	million barrels per day						*Change from May 02*		Utilisation rate[2]	
	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	mb/d	%	May 03	May 02
OECD North America										
US[3]	14.90	14.34	14.38	14.93	15.57	15.81	0.51	3.4	94.1	91.1
Canada	1.81	1.83	2.03	1.86	1.82	1.81	0.14	8.4	93.1	85.9
Mexico	1.15	1.21	1.26	1.26	1.25	1.28	0.06	5.1	82.6	73.6
Total	17.85	17.37	17.66	18.05	18.65	18.90	0.31	1.7	91.1	89.6
OECD Europe										
France	1.72	1.70	1.78	1.64	1.57	1.67	1.72	0.01	0.6	88.2
Germany	2.26	2.25	2.28	2.25	2.29	2.14	2.26	0.07	3.4	94.9
Italy	1.87	1.80	1.69	1.80	1.76	1.86	0.29	20.1	74.9	62.3
Netherlands	0.99	0.98	1.04	0.95	1.03	1.08	0.29	20.1	74.9	62.3
Spain	1.18	1.09	1.04	1.09	1.21	1.08	0.05	4.5	83.6	80.0
UK	1.63	1.57	1.69	1.68	1.65	1.64	0.09	5.5	92.0	87.2
Other OECD Europe	3.91	3.85	3.96	3.89	3.85	0.00	0.72	3.9	93.1	89.6
Total	13.57	13.26	13.47	13.31	13.36	13.01	0.61	4.9	84.9	81.0
OECD Pacific										
Japan	4.46	4.41	4.62	4.43	4.23	3.89	4.46	0.41	11.6	78.3
Korea	2.28	2.30	2.30	2.30	2.14	2.02	2.28	-0.08	-3.6	79.0
Other OECD Pacific	0.81	0.86	0.83	0.82	0.84	0.00	0.81	-0.81	-100.0	0.0
Total	7.55	7.57	7.75	7.54	7.21	6.74	0.35	5.4	79.5	75.4
OECD Total	38.97	38.21	38.89	38.90	39.22	38.66	1.67	4.5	87.7	83.9

1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

OECD European refinery runs were indeed reduced in May, falling from 13.36 mb/d to 13.01 mb/d and there are indications that these curbs were compounded in June by heavy maintenance in Germany and Italy. Also, at the beginning of June, weak refinery margins prompted several refiners to indicate that they were curbing throughput. However, with a significant recovery in values by the middle of the month it is not clear that these cuts were in place for very long.

July should see a significant improvement in pan-European refinery activity, particularly in the Mediterranean region. On a historical basis, European refinery activity is broadly in line with the average level seen in the previous four years, but is well above 2002 levels. Capacity utilisation in May 2003 was 84.9%, 3.9% higher than the same month in 2002.

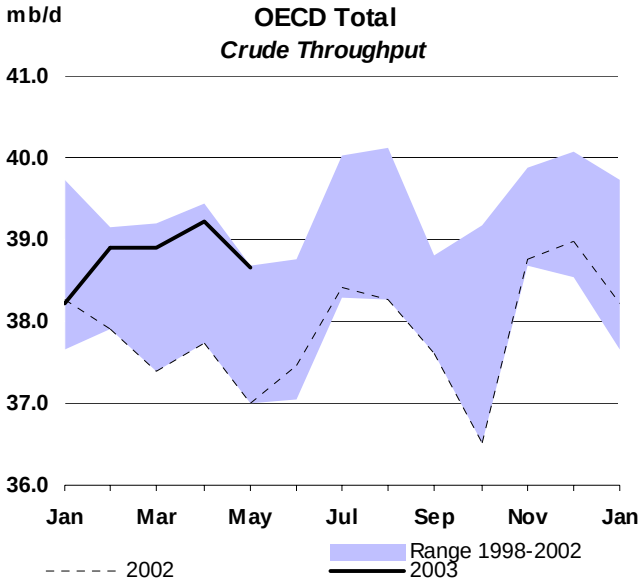
OECD North American throughput continued to be dominated by strong US activity to meet gasoline demands in the driving season. The US system was operating at virtually full capacity of 15.81 mb/d (utilisation of 94.1%) in May, more than 500,000 b/d above 2002 levels. This level of utilisation has never before been achieved in May, and has only once been surpassed (slightly) in July 2000.

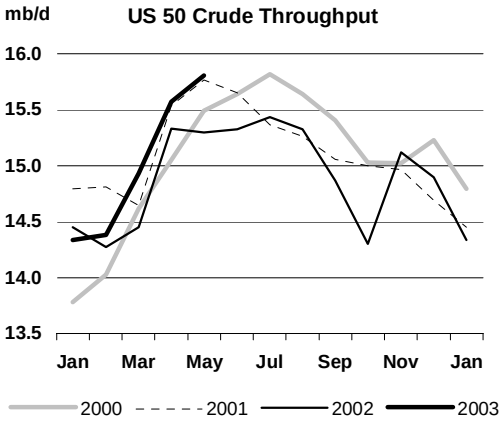
High throughput leaves the refinery system vulnerable to operational glitches and some of these were seen in June. Downtime was seen at four Californian refineries in June, while a number of other problems related to storm damage and power issues occurred elsewhere in the US. Despite these issues, preliminary data suggests that the US 50 refining system was maintained at high levels in June. But whether such high refinery throughputs will be maintained for the rest of the summer seems unclear.

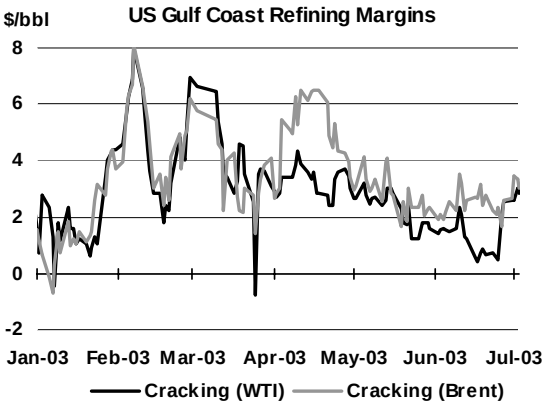
US refining margins have returned to more normal levels, which would suggest that runs are likely to be more price sensitive in the coming months. But high throughputs need to be maintained as gasoline stocks remain below the five year average, but the fact that distillate stocks have recovered to the lower-end of normal levels could start to act as a counter- balance on overall margins.

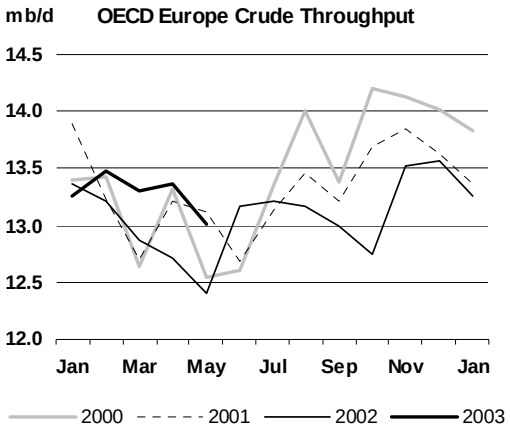
OECD Pacific refinery runs fell sharply in May over April, but such declines follow the normal seasonal pattern in the region. Japanese refinery runs of 3.89 mb/d in May were in fact 410,000 b/d higher than a year ago, reflecting exceptional year-on-year demand growth in the month. Preliminary data however suggests that Japanese processors have lowered throughput in June as seasonal maintenance is undertaken.

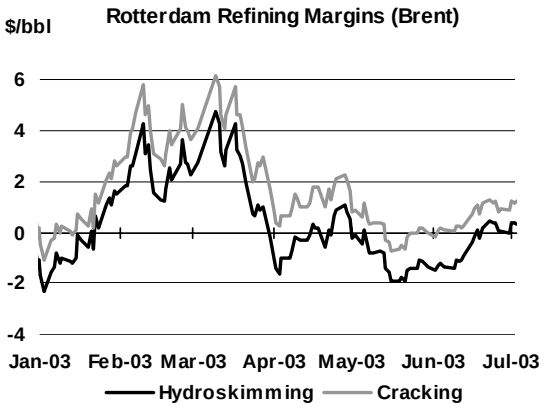
Korean runs remain weak, partly due to the well documented financial problems of SK Corp, but also the compounding effect of low refinery margins in June as the belated impact of SARS filters through to regional supplies. While it is normal for excess gas oil supplies to emerge in the summer months as demand turns down, anecdotal comments would suggest that this year the surplus has been worse than normal.

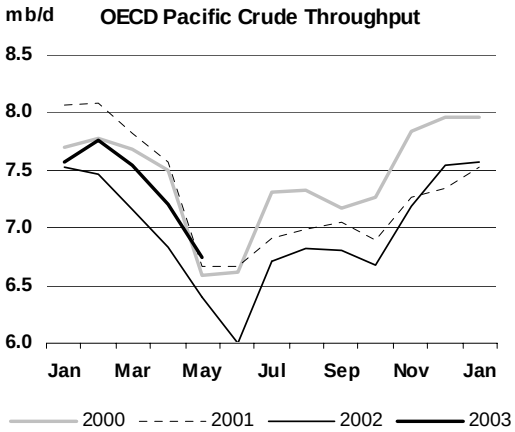



mb/d
US 50 Crude Throughput
16.0
15.5
15.0
14.5
14.0
13.5
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03 Jul-03
Cracking (WTI) Cracking (Brent)


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03 Jul-03
Hydroskimming Cracking


mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
Jan Mar May Jul Sep Nov Jan
2000 2001 2002 2003

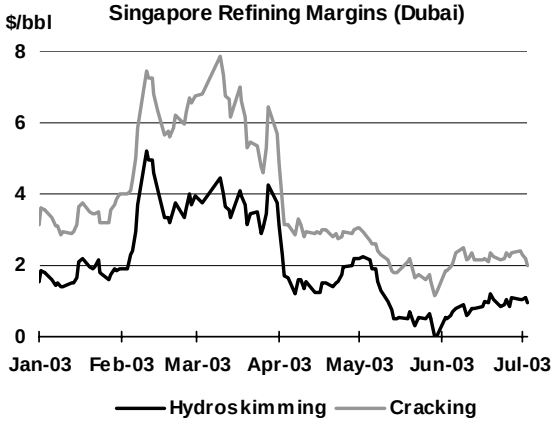

$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03 Jul-03
Hydroskimming Cracking

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.3	24.8	24.7	24.6	24.8	24.6	25.2	25.1	24.9
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	14.7	15.2	15.5	15.1	15.3	14.8	15.3	15.7	15.2
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	7.9	8.2	9.1	8.7	9.2	7.7	8.1	9.0	8.5
Total OECD	47.8	47.8	48.1	46.3	47.5	49.0	47.7	49.3	46.9	48.2	49.3	48.4	49.3	47.1	48.5	49.9	48.7
NON-OECD DEMAND																	
FSU	3.6	3.7	3.7	3.7	3.7	4.0	3.7	3.7	3.7	3.8	4.0	3.8	3.8	3.8	3.8	4.0	3.8
Europe	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.8	0.8
China	4.8	4.9	4.9	5.2	5.1	5.4	5.2	5.4	5.2	5.2	5.5	5.3	5.5	5.5	5.5	5.8	5.6
Other Asia	7.3	7.4	7.4	7.4	7.4	7.6	7.5	7.6	7.5	7.5	7.8	7.6	7.7	7.7	7.7	8.0	7.8
Latin America	4.9	4.8	4.7	4.8	4.8	4.7	4.7	4.4	4.6	4.7	4.6	4.6	4.5	4.7	4.8	4.7	4.7
Middle East	4.7	4.8	4.7	5.0	5.2	4.9	5.0	4.9	5.0	5.2	4.9	5.0	4.9	5.2	5.3	5.1	5.1
Africa	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Non-OECD	28.5	28.8	28.7	29.3	29.3	29.9	29.3	29.4	29.3	29.6	30.2	29.6	29.8	30.2	30.4	31.0	30.4
Total Demand[1]	76.2	76.6	76.8	75.6	76.9	78.8	77.0	78.7	76.2	77.8	79.4	78.0	79.1	77.4	79.0	80.9	79.1
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	14.9	15.2	14.9	15.1	15.1	15.0	15.1	15.1
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.3	6.5	6.7	6.5	6.6	6.5	6.4	6.6	6.5
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.2	21.6	22.2	22.6	22.1	22.5	22.2	22.1	22.4	22.3
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.2	10.3	10.1	10.5	10.7	10.9	10.9	10.8
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.2	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.4	2.5	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.1	4.4	4.1
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.0
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.3	3.1	3.4	3.5	3.5	3.6	3.5
Total Non-OECD	22.3	23.0	23.9	24.1	24.5	24.6	24.3	24.7	25.0	25.3	25.6	25.1	25.8	26.1	26.4	26.9	26.3
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	45.9	46.6	47.7	48.0	47.7	48.5	48.0	48.7	48.3	49.3	50.0	49.1	50.1	50.1	50.3	51.1	50.4
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.1								
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	3.9	3.7	4.0	4.0	4.0	4.3	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.7								
Total Supply[4]	76.6	76.7	76.0	75.7	76.6	78.0	76.6	78.8	78.1								
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.3	-0.3	0.5	-0.8	-1.1	-0.4	-0.7									
Government	-0.1	0.0	0.2	0.1	0.0	0.2	0.1	0.1									
Total	0.2	0.3	-0.1	0.6	-0.8	-0.9	-0.3	-0.5									
Floating Storage/Oil in Transit	0.1	-0.1	0.0	-0.2	-0.2	0.0	0.0	0.3									
Miscellaneous to balance[5]	0.1	0.0	-0.7	-0.3	0.8	0.1	-0.1	0.3									
Total Stock Ch. & Misc	0.4	0.1	-0.8	0.1	-0.2	-0.8	-0.4	0.1	1.9								
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.5	26.9	25.7	24.2	25.7	26.8	25.6	26.7	24.2	24.8	25.5	25.3	25.0	23.3	24.6	25.5	24.6
Total Demand ex. FSU	72.6	72.9	73.1	72.0	73.2	74.8	73.3	75.0	72.5	74.0	75.4	74.2	75.3	73.6	75.2	76.9	75.2
Total demand exc. FSU (% ch)[7]	1.0	0.4	-0.7	-0.1	0.8	2.0	0.5	2.6	0.8	1.1	0.8	1.3	0.4	1.5	1.6	1.9	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.3	0.2	0.2	0.2					
Europe	-	-	-0.1	-	-	-0.1	-	-	-	0.1	-	-					
Pacific	-	-0.1	-	-0.1	-	-	-	-	-	-	-0.1	-					
Total OECD	0.1	0.1	0.1	0.2	0.1	0.2	0.1	-	0.3	0.3	0.2	0.2					
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-					
Europe	-	-	-	-	-	-	-	-	-	-	-	-					
China	-	-	-	-	-	-	-	-	0.3	0.1	0.1	0.1					
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-					
Latin America	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-					
Middle East	-	-	-	-	-	-	-	-	-	-0.1	-0.2	-0.1					
Africa	-	-	-	-	-	-	-	-	-	-	-	-					
Total Non-OECD	-	-	-	-	-	-	-	-	0.1	-0.1	-0.1	-					
Total Demand	-	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.5	0.1	-0.1	0.1					
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-					
Europe	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-0.1					
Pacific	-	-	-	-	-	-	-	-	-	-0.1	-	-					
Total OECD	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1					
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1					
Europe	-	-	-	-	-	-	-	-	-	-	-	-					
China	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-					
Other Asia	-	-	-	-	-	-	-	-	-	-	0.1	-					
Latin America	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-					
Middle East	-	-	-	-	-	-	-	-0.1	-	-	-	-					
Africa	-	-	-	-	-	-	-	-	-	-0.1	-	-					
Total Non-OECD	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1					
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-					
Total Non-OPEC	-	-	-	-	-	-	-	-	-0.3	-0.2	-0.3	-0.2					
OPEC																	
Crude	-	-	-	-	-	-	0.1	-									
NGLs	-	-	0.1	-	0.1	0.1	0.1	0.1	0.1	-	-	0.1					
Total OPEC	-	0.1	0.1	0.1	0.1	0.1	-	0.1									
Total Supply	-	-	-	-	0.1	0.1	0.1	-									
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-0.1									
Government	-	-	-	-	-	-	-	-									
Total	-	-	-	-	-	-	-	-0.1									
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-									
Miscellaneous to balance	-0.1	-	-0.1	-0.1	-0.1	-	-0.1	0.1									
Total Stock Ch. & Misc	-	-0.1	-0.1	-0.1	-	-	-0.1	-									
Memo items:																	
Call on OPEC crude + Stock ch.	0.1	0.1	0.2	0.1	0.2	-	0.1	-	0.7	0.5	0.2	0.4					
Total Demand ex. FSU	-	0.1	0.1	0.2	0.2	0.1	0.2	0.1	0.5	0.1	-0.1	0.1					

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	December			Fourth Quarter			January			February			March		
	2001	2002	%	2001	2002	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	3.07	3.20	4.1	3.02	3.08	2.0	3.26	3.49	7.1	3.30	3.31	0.3	3.18	2.88	-9.5
Naphtha	0.38	0.42	11.7	0.39	0.41	7.0	0.40	0.42	3.7	0.38	0.41	8.4	0.39	0.38	-4.1
Motor Gasoline	9.83	10.22	3.9	9.91	10.16	2.5	9.46	9.79	3.6	9.85	9.85	0.0	9.92	9.88	-0.4
Jet/Kerosene	1.78	1.98	11.2	1.75	1.92	9.5	1.86	1.85	-0.6	1.80	1.87	4.3	1.83	1.84	0.3
Gasoil	4.39	4.78	9.0	4.59	4.78	4.2	4.78	5.24	9.4	4.61	5.34	15.8	4.60	4.93	7.1
Residual Fuel Oil	1.24	1.51	22.5	1.38	1.40	1.9	1.44	1.31	-8.7	1.40	1.55	10.4	1.51	1.61	6.1
Other Products	2.52	2.29	-9.1	2.72	2.58	-5.1	2.63	2.36	-10.4	2.52	2.72	8.1	2.66	2.71	1.9
Total	23.21	24.41	5.2	23.76	24.35	2.5	23.83	24.46	2.6	23.86	25.06	5.0	24.10	24.22	0.5
Europe															
LPG	1.06	1.09	2.4	0.97	0.99	1.6	1.12	1.09	-2.6	1.05	1.21	14.9	1.03	1.12	8.2
Naphtha	1.09	1.16	6.3	1.11	1.14	2.2	1.12	1.22	8.3	1.11	1.27	14.4	1.11	1.19	7.5
Motor Gasoline	2.86	2.75	-4.0	2.95	2.83	-3.8	2.60	2.54	-2.4	2.79	2.71	-3.0	2.89	2.70	-6.6
Jet/Kerosene	0.95	1.09	14.8	1.00	1.10	9.8	0.99	1.13	14.1	1.01	1.15	13.7	1.03	1.06	2.6
Gasoil	5.95	5.84	-1.8	6.04	5.99	-0.9	5.88	5.85	-0.4	5.77	6.41	11.1	5.53	5.52	-0.1
Residual Fuel Oil	2.31	2.10	-9.1	2.19	2.03	-7.5	2.45	2.07	-15.4	2.38	2.12	-10.8	2.07	1.92	-7.4
Other Products	1.12	1.10	-1.7	1.31	1.27	-2.7	1.14	1.07	-5.4	1.23	1.08	-12.1	1.15	1.20	4.4
Total	15.35	15.13	-1.4	15.57	15.34	-1.5	15.29	14.97	-2.1	15.34	15.95	3.9	14.81	14.71	-0.7
Pacific															
LPG	1.03	1.02	-1.7	0.94	0.94	0.6	1.01	0.98	-3.5	0.99	1.09	10.4	0.92	0.95	3.9
Naphtha	1.49	1.61	8.2	1.41	1.54	8.9	1.54	1.59	2.7	1.59	1.58	-0.4	1.44	1.63	13.4
Motor Gasoline	1.66	1.66	0.1	1.59	1.60	0.4	1.46	1.49	1.8	1.53	1.57	2.0	1.57	1.56	-1.1
Jet/Kerosene	1.72	1.78	3.8	1.26	1.38	9.5	1.65	1.72	4.3	1.54	1.66	7.4	1.19	1.33	11.6
Gasoil	2.12	2.14	1.0	1.99	2.04	2.4	1.88	1.95	3.6	2.02	2.10	3.9	2.04	2.03	-0.1
Residual Fuel Oil	1.17	1.28	9.9	1.09	1.19	9.4	1.14	1.30	13.8	1.20	1.37	14.2	1.08	1.24	14.5
Other Products	0.51	0.68	35.3	0.49	0.58	19.4	0.41	0.57	39.1	0.51	0.58	14.7	0.50	0.57	15.3
Total	9.69	10.17	5.0	8.77	9.27	5.7	9.10	9.59	5.4	9.37	9.94	6.0	8.73	9.31	6.7
OECD															
LPG	5.17	5.30	2.6	4.93	5.01	1.7	5.39	5.56	3.1	5.34	5.60	5.0	5.13	4.95	-3.5
Naphtha	2.96	3.19	7.9	2.91	3.09	6.1	3.07	3.22	4.9	3.08	3.27	6.1	2.94	3.20	8.8
Motor Gasoline	14.36	14.63	1.9	14.45	14.60	1.0	13.52	13.82	2.2	14.18	14.13	-0.4	14.38	14.14	-1.7
Jet/Kerosene	4.45	4.85	9.1	4.01	4.39	9.6	4.50	4.70	4.4	4.35	4.68	7.6	4.05	4.22	4.2
Gasoil	12.46	12.76	2.4	12.62	12.81	1.5	12.54	13.04	3.9	12.40	13.85	11.7	12.17	12.48	2.6
Residual Fuel Oil	4.72	4.90	3.9	4.66	4.62	-0.8	5.03	4.68	-6.9	4.97	5.03	1.2	4.67	4.76	2.1
Other Products	4.14	4.07	-1.7	4.51	4.44	-1.7	4.17	4.00	-4.2	4.26	4.39	3.0	4.30	4.48	4.1
Total	48.25	49.71	3.0	48.09	48.96	1.8	48.22	49.02	1.6	48.57	50.94	4.9	47.64	48.23	1.2

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	January			February			March			First Quarter			April		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	2.40	2.66	10.6	2.53	2.47	-2.2	2.34	2.10	-10.3	2.42	2.41	-0.5	1.92	1.98	3.2
Naphtha	0.27	0.29	8.5	0.26	0.28	9.2	0.27	0.26	-2.3	0.27	0.28	4.9	0.32	0.29	-10.9
Motor Gasoline	8.23	8.50	3.4	8.61	8.54	-0.8	8.66	8.59	-0.8	8.49	8.54	0.6	8.77	8.79	0.2
Jet/Kerosene	1.66	1.66	0.3	1.61	1.68	4.4	1.63	1.60	-1.8	1.63	1.65	0.8	1.69	1.56	-7.6
Gasoil	3.94	4.33	9.8	3.71	4.36	17.4	3.75	4.00	6.7	3.80	4.22	11.0	3.82	3.97	3.9
Residual Fuel Oil	0.71	0.71	0.0	0.66	0.88	32.4	0.82	0.91	11.0	0.73	0.83	13.4	0.73	0.81	10.8
Other Products	2.25	1.90	-15.7	2.07	2.19	5.8	2.21	2.22	0.6	2.18	2.10	-3.6	2.31	2.38	3.1
Total	19.45	20.04	3.0	19.44	20.40	4.9	19.68	19.68	0.0	19.53	20.03	2.6	19.55	19.77	1.1
Japan[3]															
LPG	0.63	0.61	-2.8	0.63	0.73	15.3	0.57	0.61	8.2	0.61	0.65	6.6	0.59	0.55	-8.1
Naphtha	0.85	0.87	2.9	0.89	0.89	-0.7	0.76	0.92	21.0	0.83	0.89	7.4	0.74	0.76	2.6
Motor Gasoline	0.94	0.95	1.0	0.98	1.01	3.4	1.02	1.05	2.5	0.98	1.00	2.3	1.01	1.01	-0.7
Jet/Kerosene	1.14	1.17	2.2	1.11	1.21	9.5	0.83	0.99	19.1	1.02	1.12	9.4	0.58	0.61	4.9
Diesel	0.60	0.58	-2.3	0.68	0.66	-2.9	0.71	0.68	-4.0	0.66	0.64	-3.1	0.66	0.62	-6.4
Other Gasoil	0.63	0.66	3.9	0.68	0.72	6.2	0.61	0.65	6.0	0.64	0.67	5.4	0.53	0.51	-2.7
Residual Fuel Oil	0.55	0.72	32.3	0.61	0.78	28.4	0.53	0.72	36.2	0.56	0.74	32.2	0.46	0.67	45.9
Direct use of Crude Oil	0.06	0.17	177.2	0.06	0.15	140.0	0.03	0.08	158.7	0.05	0.13	159.2	0.01	0.11	1982.0
Other Products	0.27	0.32	19.0	0.34	0.32	-6.9	0.36	0.38	5.3	0.32	0.34	5.2	0.29	0.31	5.7
Total	5.67	6.06	6.8	5.99	6.48	8.2	5.41	6.07	12.2	5.68	6.19	9.0	4.86	5.13	5.5
Germany															
LPG	0.09	0.08	-19.9	0.08	0.08	1.0	0.08	0.09	1.8	0.09	0.08	-6.6	0.09	0.10	6.8
Naphtha	0.39	0.38	-3.8	0.44	0.40	-7.9	0.42	0.38	-9.8	0.42	0.39	-7.2	0.40	0.39	-2.5
Motor Gasoline	0.55	0.51	-6.4	0.62	0.59	-5.8	0.65	0.59	-8.0	0.60	0.56	-6.8	0.65	0.62	-4.6
Jet/Kerosene	0.13	0.13	-3.0	0.14	0.15	10.2	0.14	0.14	-2.0	0.14	0.14	1.4	0.14	0.15	6.1
Diesel	0.43	0.44	3.4	0.50	0.56	11.4	0.51	0.56	10.3	0.48	0.52	8.5	0.55	0.59	7.4
Other Gasoil	0.69	0.59	-14.7	0.61	0.70	14.9	0.59	0.52	-11.9	0.63	0.60	-4.9	0.57	0.64	12.6
Residual Fuel Oil	0.20	0.21	4.0	0.19	0.18	-9.0	0.19	0.18	-4.3	0.19	0.19	-2.8	0.18	0.17	-3.8
Other Products	0.10	0.03	-74.5	0.11	0.05	-55.2	0.08	0.08	2.3	0.09	0.05	-46.2	0.10	0.08	-20.8
Total	2.58	2.36	-8.7	2.68	2.70	0.5	2.65	2.53	-4.5	2.64	2.52	-4.3	2.67	2.74	2.3
Italy															
LPG	0.18	0.17	-7.1	0.16	0.19	25.1	0.12	0.14	13.7	0.15	0.16	8.9	0.12	0.13	14.1
Naphtha	0.07	0.11	54.5	0.07	0.11	51.1	0.07	0.11	56.7	0.07	0.11	54.1	0.07	0.12	56.7
Motor Gasoline	0.37	0.35	-4.6	0.37	0.38	2.2	0.39	0.37	-3.3	0.38	0.37	-2.0	0.39	0.41	4.9
Jet/Kerosene	0.06	0.09	38.6	0.05	0.09	86.7	0.07	0.09	17.8	0.06	0.09	41.7	0.06	0.09	37.4
Diesel	0.42	0.42	-0.7	0.45	0.48	6.2	0.44	0.46	3.8	0.44	0.45	3.1	0.43	0.46	5.9
Other Gasoil	0.18	0.17	-8.4	0.18	0.20	10.7	0.13	0.15	10.4	0.17	0.17	3.4	0.12	0.13	6.4
Residual Fuel Oil	0.53	0.36	-31.6	0.59	0.45	-23.2	0.49	0.36	-26.0	0.53	0.39	-27.0	0.46	0.35	-24.7
Other Products	0.11	0.12	3.7	0.14	0.12	-15.4	0.14	0.13	-4.1	0.13	0.12	-5.5	0.15	0.13	-9.6
Total	1.93	1.77	-7.8	2.01	2.02	0.7	1.84	1.80	-2.4	1.92	1.86	-3.3	1.81	1.81	0.3
France															
LPG	0.18	0.16	-6.6	0.15	0.17	16.6	0.12	0.13	7.1	0.15	0.15	4.5	0.10	0.10	0.0
Naphtha	0.18	0.16	-8.0	0.15	0.16	9.8	0.17	0.15	-7.1	0.16	0.16	-2.8	0.12	0.16	40.8
Motor Gasoline	0.28	0.26	-5.6	0.29	0.27	-6.9	0.30	0.27	-9.7	0.29	0.27	-7.5	0.32	0.30	-5.5
Jet/Kerosene	0.13	0.16	22.5	0.13	0.16	21.0	0.12	0.15	19.3	0.13	0.15	21.0	0.14	0.14	3.1
Diesel	0.56	0.57	2.4	0.60	0.61	0.5	0.61	0.60	-1.8	0.59	0.59	0.3	0.64	0.64	0.1
Other Gasoil	0.55	0.56	1.9	0.45	0.59	32.1	0.37	0.33	-9.3	0.46	0.49	8.0	0.34	0.32	-4.8
Residual Fuel Oil	0.19	0.14	-26.1	0.15	0.13	-12.9	0.10	0.11	10.6	0.15	0.13	-13.1	0.11	0.10	-9.5
Other Products	0.16	0.15	-2.0	0.15	0.16	2.2	0.16	0.18	9.2	0.16	0.16	3.3	0.17	0.21	18.9
Total	2.22	2.17	-1.8	2.07	2.25	8.5	1.96	1.93	-1.4	2.08	2.11	1.5	1.93	1.97	2.1
United Kingdom															
LPG	0.15	0.16	9.0	0.16	0.18	10.7	0.18	0.17	-6.3	0.16	0.17	3.7	0.17	0.12	-27.5
Naphtha	0.02	0.07	256.9	0.03	0.08	155.6	0.03	0.07	115.9	0.03	0.07	164.7	0.02	0.06	127.2
Motor Gasoline	0.46	0.41	-10.1	0.47	0.45	-4.5	0.48	0.45	-6.3	0.47	0.44	-7.0	0.46	0.47	1.8
Jet/Kerosene	0.29	0.36	24.3	0.30	0.34	11.5	0.32	0.28	-11.7	0.31	0.33	7.4	0.30	0.29	-2.5
Diesel	0.32	0.30	-6.4	0.35	0.36	2.3	0.35	0.34	-0.8	0.34	0.33	-1.7	0.34	0.34	-0.7
Other Gasoil	0.17	0.16	-6.3	0.16	0.17	6.3	0.15	0.16	2.5	0.16	0.16	0.5	0.16	0.17	5.5
Residual Fuel Oil	0.11	0.11	3.5	0.09	0.10	5.5	0.09	0.10	7.9	0.10	0.10	5.5	0.09	0.08	-18.0
Other Products	0.15	0.11	-26.9	0.16	0.14	-14.7	0.14	0.14	-2.6	0.15	0.13	-14.9	0.14	0.12	-13.2
Total	1.66	1.68	1.2	1.73	1.81	4.6	1.75	1.71	-2.3	1.71	1.73	1.1	1.70	1.66	-2.6
Canada															
LPG	0.34	0.35	3.2	0.28	0.36	28.7	0.37	0.32	-14.1	0.33	0.34	3.2	0.32	0.33	3.2
Naphtha	0.08	0.08	0.0	0.08	0.08	-6.8	0.08	0.07	-9.9	0.08	0.08	-5.5	0.07	0.07	0.0
Motor Gasoline	0.63	0.66	5.3	0.65	0.68	4.6	0.65	0.65	-0.8	0.64	0.66	2.9	0.66	0.65	-1.2
Jet/Kerosene	0.11	0.09	-16.6	0.10	0.10	3.5	0.09	0.13	39.1	0.10	0.11	6.8	0.09	0.10	5.0
Diesel	0.16	0.19	14.7	0.17	0.18	7.8	0.16	0.16	-0.7	0.17	0.18	7.2	0.19	0.19	1.7
Other Gasoil	0.35	0.37	7.5	0.38	0.42	10.5	0.34	0.37	10.3	0.35	0.39	9.4	0.28	0.28	0.4
Residual Fuel Oil	0.16	0.15	-3.6	0.18	0.18	-3.2	0.14	0.16	12.9	0.16	0.16	1.6	0.14	0.16	11.9
Other Products	0.23	0.23	2.1	0.24	0.25	3.8	0.23	0.23	0.7	0.23	0.24	2.2	0.25	0.25	0.0
Total	2.06	2.13	3.6	2.08	2.24	7.9	2.07	2.09	1.2	2.07	2.15	4.1	2.00	2.02	1.4

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	Apr 03	May 03	Jun 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.61	8.76				9.09	8.89	8.30
Iran	3.47			3.79	3.62				3.69	3.56	3.60
Iraq	2.01			2.12	0.29				0.16	0.28	0.42
UAE	1.99			2.28	2.31				2.31	2.33	2.28
Kuwait	1.60			1.77	1.91				1.99	1.94	1.79
Neutral Zone	0.54			0.60	0.61				0.63	0.61	0.60
Qatar	0.64			0.74	0.74				0.75	0.75	0.72
Nigeria	1.97			2.13	2.03				1.88	2.09	2.11
Libya	1.32			1.39	1.43				1.44	1.44	1.42
Algeria	0.85			1.04	1.11				1.10	1.12	1.12
Venezuela	2.29			1.30	2.28				2.14	2.35	2.35
Indonesia	1.11			1.04	1.01				1.03	1.00	1.00
Total Crude Oil	25.15			26.81	26.09				26.21	26.36	25.69
Total NGLs[1]	3.47	3.66	4.07	3.26	3.65	3.76	3.94	4.01	3.72	3.61	3.62
Total OPEC	28.63			30.07	29.74				29.93	29.97	29.31
NON-OPEC[2]											
OECD											
North America	14.58	14.88	15.09	14.76	14.58	14.94	15.23	15.14	14.45	14.61	14.69
United States	8.12	8.06	8.20	8.07	7.91	8.02	8.22	8.17	7.90	7.93	7.89
Mexico	3.59	3.76	3.72	3.74	3.73	3.78	3.80	3.77	3.71	3.73	3.76
Canada	2.88	3.06	3.17	2.95	2.95	3.14	3.22	3.20	2.84	2.95	3.04
Europe	6.61	6.55	6.51	6.72	6.30	6.51	6.65	6.62	6.48	6.43	5.99
UK	2.50	2.48	2.40	2.54	2.31	2.51	2.54	2.48	2.38	2.37	2.16
Norway	3.33	3.26	3.29	3.38	3.19	3.19	3.29	3.30	3.29	3.27	3.02
Others	0.78	0.81	0.83	0.81	0.80	0.81	0.82	0.83	0.81	0.79	0.80
Pacific	0.76	0.71	0.69	0.70	0.70	0.73	0.72	0.71	0.65	0.71	0.74
Australia	0.71	0.67	0.64	0.65	0.65	0.68	0.68	0.66	0.61	0.66	0.69
Others	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.96	22.14	22.29	22.18	21.58	22.18	22.61	22.47	21.58	21.75	21.42
NON-OECD											
Former USSR	9.37	10.14	10.75	9.90	10.10	10.23	10.33	10.51	10.03	10.11	10.16
Russia	7.66	8.30	8.74	8.10	8.30	8.39	8.41	8.54	8.23	8.31	8.34
Others	1.71	1.84	2.01	1.80	1.80	1.84	1.92	1.97	1.80	1.80	1.82
Asia	5.73	5.83	5.85	5.80	5.82	5.83	5.86	5.87	5.81	5.81	5.83
China	3.39	3.42	3.41	3.41	3.43	3.42	3.40	3.42	3.45	3.43	3.42
Malaysia	0.77	0.79	0.81	0.78	0.78	0.79	0.82	0.83	0.78	0.78	0.78
India	0.75	0.75	0.74	0.76	0.73	0.76	0.76	0.75	0.72	0.72	0.76
Others	0.82	0.87	0.88	0.87	0.87	0.87	0.87	0.88	0.87	0.87	0.87
Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.90	3.89	4.07	3.88	3.85	3.93	3.91	3.90	3.92	3.82	3.82
Brazil	1.72	1.79	1.91	1.75	1.77	1.82	1.81	1.79	1.78	1.74	1.79
Argentina	0.80	0.78	0.77	0.79	0.79	0.78	0.78	0.77	0.79	0.79	0.79
Colombia	0.59	0.55	0.50	0.57	0.56	0.54	0.52	0.51	0.57	0.56	0.55
Ecuador	0.40	0.38	0.48	0.39	0.34	0.38	0.41	0.44	0.39	0.34	0.30
Others	0.38	0.40	0.41	0.39	0.40	0.40	0.40	0.39	0.40	0.40	0.40
Middle East[3]	2.10	2.02	1.95	2.04	2.02	2.03	2.00	1.98	2.04	2.00	2.03
Oman	0.90	0.84	0.79	0.85	0.83	0.84	0.83	0.81	0.85	0.81	0.85
Syria	0.55	0.53	0.50	0.54	0.53	0.52	0.52	0.51	0.53	0.53	0.53
Yemen	0.46	0.46	0.47	0.46	0.46	0.47	0.46	0.47	0.47	0.46	0.46
Africa	2.98	3.09	3.50	2.92	3.00	3.14	3.29	3.36	2.99	3.00	3.03
Egypt	0.75	0.76	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Angola	0.90	0.91	1.06	0.83	0.92	0.95	0.96	0.98	0.90	0.92	0.93
Gabon	0.25	0.24	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24	0.24
Others	1.09	1.17	1.45	1.09	1.09	1.19	1.32	1.38	1.08	1.08	1.10
Total Non-OECD	24.26	25.14	26.29	24.72	24.96	25.31	25.55	25.78	24.95	24.90	25.04
Processing Gains[4]	1.76	1.80	1.83	1.82	1.78	1.78	1.82	1.85	1.78	1.78	1.78
TOTAL NON-OPEC	47.97	49.08	50.41	48.72	48.33	49.27	49.99	50.10	48.31	48.44	48.24
TOTAL SUPPLY	76.60			78.80	78.07				78.24	78.41	77.56

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	Apr-03	May-03	Jun-03
United States											
Alaska	986	999	980	1009	997	966	1023	1030	997	996	999
California	790	765	739	769	766	763	761	753	768	766	764
Texas	1145	1121	1097	1123	1122	1120	1117	1109	1123	1123	1121
Federal Gulf of Mexico[2]	1601	1736	1916	1721	1717	1722	1784	1842	1702	1721	1726
Other US Lower 48	1294	1243	1190	1260	1228	1245	1238	1220	1221	1217	1247
NGLs[3]	1881	1785	1869	1764	1677	1802	1893	1815	1704	1697	1629
Other Hydrocarbons	417	407	404	423	400	403	404	404	382	411	406
Total	8115	8055	8195	8069	7907	8022	8220	8171	7897	7931	7891
Canada											
Alberta Light/Medium/Heavy	659	641	632	648	625	648	644	639	615	615	645
Alberta Bitumen	299	336	356	334	321	339	352	357	317	317	327
Saskatchewan	421	419	417	422	406	424	423	421	401	401	416
Other Crude	366	405	412	407	418	372	423	422	407	424	423
NGLs	698	725	735	730	710	720	740	740	710	710	710
Synthetic Crudes	440	537	618	407	466	635	635	618	392	484	522
Total	2883	3063	3169	2948	2946	3138	3216	3197	2842	2952	3044
Mexico											
Crude	3177	3346	3297	3324	3314	3364	3380	3349	3282	3320	3340
NGLs	408	416	425	418	417	415	415	425	425	411	415
Total	3585	3762	3722	3741	3731	3779	3795	3774	3707	3731	3755
UK Offshore[4]											
Brent Fields	243	239	222	225	229	255	248	236	232	237	217
Forties Fields	794	796	775	824	709	822	828	807	771	717	638
Ninian Fields	107	96	92	104	90	97	94	89	89	95	85
Flotta Fields	132	107	93	116	99	108	105	99	93	106	96
Other Fields	961	950	932	947	910	972	970	948	916	945	868
NGLs	212	243	245	278	225	215	255	260	235	225	215
Total	2450	2431	2358	2494	2261	2470	2500	2439	2336	2325	2119
Norway [4]											
Ekofisk-Ula Area	490	482	462	497	471	476	483	466	491	476	446
Oseberg-Troll Area	754	745	729	801	709	720	750	750	785	758	582
Statfiord-Gullfaks Area	874	828	757	891	813	797	811	791	807	846	784
Haltenbanken Area	716	647	603	646	647	637	658	632	635	640	665
Sleipner-Frigg Area	157	177	341	169	171	174	196	264	180	166	167
NGLs	335	383	401	370	382	384	396	403	387	380	380
Total	3325	3262	3292	3375	3192	3188	3294	3304	3286	3266	3023
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	444	454	457	434	441	445	460	436	429	435
UK Onshore	54	46	39	48	46	45	43	42	47	46	45
Italy	84	105	118	91	107	105	115	115	112	105	105
Turkey	47	47	46	46	47	47	47	46	47	47	47
Other	159	158	155	158	158	158	158	157	159	159	157
NGLs (excl. North Sea)	27	26	25	30	25	25	25	25	21	27	26
Non-Conventional Oils	29	27	27	23	29	28	28	27	34	26	27
Total	837	852	864	853	846	849	860	872	857	839	843
Australia											
Gippsland Basin	140	113	99	118	114	111	108	104	114	115	113
Cooper-Eromanga Basin	25	22	21	23	22	22	22	22	21	22	22
Carnarvon Basin	359	366	351	343	353	386	383	372	311	355	393
Other Crude	104	84	77	86	83	83	83	81	81	84	84
NGLs	79	79	92	77	80	80	80	80	80	80	80
Total	708	664	640	647	652	682	676	658	606	657	693
Other OECD Pacific											
New Zealand	31	25	25	26	25	25	25	25	25	25	25
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	17	18	17	20	17	17	17	17	15	18	17
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	49	48	51	48	48	48	48	46	49	48
OECD											
Crude Oil	17403	17481	17420	17629	17145	17441	17710	17640	17180	17271	16979
NGLs	3666	3686	3819	3698	3543	3669	3833	3775	3589	3559	3482
Non-Conventional Oils	886	971	1049	852	895	1066	1067	1049	808	922	955
Total	21956	22138	22288	22179	21583	22176	22609	22464	21576	21751	21416

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jan2003	Feb2003	Mar2003	Apr2003	May2003*	May2000	May2001	May2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	379.1	374.2	392.3	394.5	388.8	397.6	434.4	436.6	-0.13	-0.55	0.07	0.08
Motor Gasoline	244.4	236.7	233.5	240.4	240.3	236.5	243.7	249.9	-0.03	-0.11	0.04	-0.09
Middle Distillate	184.3	164.8	164.6	163.2	175.1	176.8	181.4	199.4	0.06	-0.03	0.06	-0.48
Residual Fuel Oil	39.9	39.1	41.9	40.3	46.0	46.5	49.6	42.7	-0.01	0.01	-0.02	0.02
Total Products[3]	615.8	574.2	577.2	589.2	603.3	619.6	647.9	673.7	0.35	-0.05	-0.27	-0.86
Total[4]	1125.9	1075.8	1098.0	1113.6	1121.2	1157.6	1227.5	1261.0	0.26	-0.46	-0.48	-0.85
Europe												
Crude	299.4	285.0	319.1	328.3	320.0	312.7	319.8	318.6	0.09	-0.19	-0.13	0.33
Motor Gasoline	121.5	121.5	121.4	116.2	117.2	117.9	115.7	119.2	-0.12	-0.06	0.01	0.05
Middle Distillate	233.8	214.8	218.5	222.6	226.4	221.0	222.1	252.3	0.18	0.02	-0.22	-0.23
Residual Fuel Oil	67.5	69.1	69.9	73.5	72.2	78.3	85.0	73.0	-0.02	0.01	0.06	-0.06
Total Products[3]	518.8	501.0	507.9	510.9	514.3	510.2	528.9	551.0	0.07	-0.08	-0.18	-0.25
Total[4]	885.7	856.9	900.7	914.4	908.8	883.4	909.0	934.3	0.14	-0.30	-0.29	0.18
Pacific												
Crude	163.1	167.9	180.3	173.9	172.8	181.0	178.2	156.4	-0.03	-0.09	-0.05	0.21
Motor Gasoline	24.9	25.5	25.8	26.4	26.5	27.1	26.6	27.6	0.00	-0.02	-0.01	0.02
Middle Distillate	64.8	61.6	56.9	63.2	70.9	68.2	70.7	74.1	0.08	0.10	-0.20	-0.09
Residual Fuel Oil	22.8	22.5	21.9	23.8	25.2	23.0	23.4	23.9	0.03	-0.03	0.00	0.00
Total Products[3]	175.1	170.4	164.4	177.1	185.5	181.6	192.1	192.1	0.11	0.07	-0.24	-0.15
Total[4]	411.5	409.2	410.6	420.7	430.7	442.9	454.1	429.0	0.12	-0.06	-0.34	0.01
Total OECD												
Crude	841.6	827.1	891.7	896.7	881.6	891.3	932.5	911.6	-0.07	-0.83	-0.11	0.62
Motor Gasoline	390.9	383.7	380.6	383.0	384.0	381.5	386.0	396.8	-0.15	-0.19	0.04	-0.02
Middle Distillate	483.0	441.2	440.0	449.0	472.4	466.0	474.3	525.8	0.31	0.09	-0.36	-0.81
Residual Fuel Oil	130.2	130.7	133.7	137.6	143.4	147.8	158.0	139.6	0.00	-0.01	0.04	-0.04
Total Products[3]	1309.6	1245.6	1249.6	1277.2	1303.0	1311.5	1368.9	1416.7	0.53	-0.06	-0.70	-1.26
Total[4]	2423.0	2341.9	2409.3	2448.7	2460.7	2483.9	2590.6	2624.2	0.51	-0.83	-1.11	-0.66

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jan2003	Feb2003	Mar2003	Apr2003	May2003*	May2000	May2001	May2002	2Q2002	3Q2002	4Q2002	1Q2003
North America												
Crude	599.3	599.3	599.3	599.6	602.5	569.4	543.3	571.3	0.16	0.12	0.13	0.00
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	154.2	155.3	158.7	150.7	150.7	141.0	141.5	144.3	0.02	0.05	0.08	0.02
Products	198.3	199.9	202.0	201.8	201.8	203.0	208.0	203.9	-0.08	-0.09	0.02	0.08
Pacific												
Crude	318.6	321.3	321.3	321.2	321.2	315.1	314.4	320.7	0.00	-0.04	0.01	0.04
Total OECD												
Crude	1072.0	1075.8	1079.2	1071.6	1074.5	1025.5	999.1	1036.2	0.19	0.12	0.22	0.06
Products	200.3	201.9	204.0	203.8	203.8	203.0	210.0	205.9	-0.08	-0.09	0.02	0.08
Total[4]	1273.4	1278.7	1284.2	1276.4	1279.3	1229.5	1210.1	1243.1	0.10	0.03	0.23	0.14

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Korean government stocks are excluded for reasons of confidentiality.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	December			January			February			March			April		
	2001	2002	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	312.0	277.6	-11.0	320.3	273.0	-14.8	327.4	270.4	-17.4	333.5	280.5	-15.9	324.6	290.2	-10.6
Motor Gasoline	209.9	209.1	-0.4	222.0	211.6	-4.7	217.8	203.2	-6.7	213.4	199.9	-6.3	216.4	207.5	-4.1
Middle Distillate	191.8	178.7	-6.8	183.3	157.0	-14.3	175.3	138.7	-20.9	168.9	137.9	-18.4	166.8	136.4	-18.2
Residual Fuel Oil	41.0	31.3	-23.7	41.4	31.3	-24.4	39.0	30.8	-21.0	34.3	32.3	-5.8	34.6	31.1	-10.1
Other Products	148.5	135.8	-8.6	135.6	117.5	-13.3	128.9	103.8	-19.5	130.7	107.5	-17.8	143.2	113.9	-20.5
Total Products	591.2	554.9	-6.1	582.3	517.4	-11.1	561.0	476.5	-15.1	547.3	477.6	-12.7	561.0	488.9	-12.9
Other[3]	132.9	116.3	-12.5	133.5	114.6	-14.2	128.1	113.3	-11.6	130.5	115.3	-11.6	136.1	116.7	-14.3
Total	1036.1	948.8	-8.4	1036.1	905.0	-12.7	1016.5	860.2	-15.4	1011.3	873.4	-13.6	1021.7	895.8	-12.3
Japan															
Crude[4]	128.9	121.5	-5.7	123.1	124.6	1.2	117.3	125.7	7.2	129.6	136.4	5.2	120.3	133.4	10.9
Motor Gasoline	12.2	12.2	0.0	14.0	13.1	-6.4	15.1	13.6	-9.9	15.7	13.4	-14.6	15.1	14.3	-5.3
Middle Distillate	46.1	40.2	-12.8	45.3	38.5	-15.0	43.0	33.8	-21.4	38.0	30.9	-18.7	37.9	36.2	-4.5
Residual Fuel Oil	9.7	9.8	1.0	10.3	10.7	3.9	9.8	10.6	8.2	9.7	10.5	8.2	11.1	12.1	9.0
Other Products	51.0	49.3	-3.3	48.6	47.2	-2.9	45.7	45.8	0.2	50.0	45.8	-8.4	49.1	47.6	-3.1
Total Products	119.0	111.5	-6.3	118.2	109.5	-7.4	113.6	103.8	-8.6	113.4	100.6	-11.3	113.2	110.2	-2.7
Other[3]	70.1	64.5	-8.0	70.5	64.9	-7.9	69.0	63.2	-8.4	66.6	58.2	-12.6	69.4	61.8	-11.0
Total	318.0	297.5	-6.4	311.8	299.0	-4.1	299.9	292.7	-2.4	309.6	295.2	-4.7	302.9	305.4	0.8
Germany															
Crude	24.5	14.6	-40.4	26.8	15.8	-41.0	25.9	15.0	-42.1	23.1	14.7	-36.4	25.6	22.4	-12.5
Motor Gasoline	12.1	9.1	-24.8	13.3	10.9	-18.0	12.3	10.0	-18.7	10.8	8.6	-20.4	10.7	8.1	-24.3
Middle Distillate	18.7	14.3	-23.5	18.8	16.7	-11.2	18.6	11.7	-37.1	19.9	12.6	-36.7	20.5	12.8	-37.6
Residual Fuel Oil	8.8	10.2	15.9	9.1	9.5	4.4	9.1	9.2	1.1	9.1	9.5	4.4	8.7	10.8	24.1
Other Products	12.3	11.0	-10.6	11.6	10.8	-6.9	10.7	10.6	-0.9	12.8	11.5	-10.2	12.1	11.9	-1.7
Total Products	51.9	44.6	-14.1	52.8	47.9	-9.3	50.7	41.5	-18.1	52.6	42.2	-19.8	52.0	43.6	-16.2
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	76.4	59.2	-22.5	79.6	63.7	-20.0	76.6	56.5	-26.2	75.7	56.9	-24.8	77.6	66.0	-14.9
Italy															
Crude	33.4	32.2	-3.6	37.5	36.7	-2.1	36.3	29.0	-20.1	33.8	38.8	14.8	33.9	40.6	19.8
Motor Gasoline	21.3	19.2	-9.9	21.9	19.3	-11.9	21.7	20.2	-6.9	22.2	19.4	-12.6	20.8	17.4	-16.3
Middle Distillate	31.3	40.8	30.4	33.0	39.9	20.9	33.5	36.6	9.3	31.6	34.3	8.5	33.3	35.4	6.3
Residual Fuel Oil	14.1	14.3	1.4	12.2	14.6	19.7	12.9	13.8	7.0	13.2	13.1	-0.8	12.6	13.7	8.7
Other Products	21.2	17.5	-17.5	22.5	16.5	-26.7	20.4	15.7	-23.0	20.1	16.9	-15.9	21.0	17.5	-16.7
Total Products	87.9	91.8	4.4	89.6	90.3	0.8	88.5	86.3	-2.5	87.1	83.7	-3.9	87.7	84.0	-4.2
Other[3]	12.6	13.6	7.9	13.2	13.0	-1.5	13.6	12.8	-5.9	11.3	13.7	21.2	11.0	14.5	31.8
Total	133.9	137.6	2.8	140.3	140.0	-0.2	138.4	128.1	-7.4	132.2	136.2	3.0	132.6	139.1	4.9
France															
Crude	39.0	34.2	-12.3	37.5	35.9	-4.3	39.6	31.2	-21.2	38.0	37.1	-2.4	37.0	37.7	1.9
Motor Gasoline	12.6	13.0	3.2	13.7	12.1	-11.7	12.1	11.6	-4.1	10.9	11.7	7.3	10.2	11.3	10.8
Middle Distillate	27.4	34.8	27.0	27.3	30.4	11.4	28.7	26.4	-8.0	27.6	31.8	15.2	29.4	31.6	7.5
Residual Fuel Oil	6.8	7.3	7.4	7.0	5.9	-15.7	6.7	5.7	-14.9	6.7	6.5	-3.0	7.1	6.2	-12.7
Other Products	9.4	9.0	-4.3	8.4	8.1	-3.6	9.0	7.7	-14.4	8.1	8.2	1.2	8.8	8.1	-8.0
Total Products	56.2	64.1	14.1	56.4	56.5	0.2	56.5	51.4	-9.0	53.3	58.2	9.2	55.5	57.2	3.1
Other[3]	11.6	13.0	12.1	11.8	14.2	20.3	12.1	14.5	19.8	12.5	14.8	18.4	12.3	14.7	19.5
Total	106.8	111.3	4.2	105.7	106.6	0.9	108.2	97.1	-10.3	103.8	110.1	6.1	104.8	109.6	4.6
United Kingdom															
Crude	39.6	39.0	-1.5	40.8	39.7	-2.7	39.4	38.3	-2.8	35.8	39.9	11.5	39.3	38.8	-1.3
Motor Gasoline	11.3	9.0	-20.4	12.6	10.4	-17.5	11.0	10.1	-8.2	11.3	9.2	-18.6	10.5	9.4	-10.5
Middle Distillate	23.0	18.1	-21.3	20.7	18.3	-11.6	20.4	17.6	-13.7	20.3	17.9	-11.8	20.9	19.0	-9.1
Residual Fuel Oil	4.3	5.0	16.3	4.9	4.7	-4.1	5.3	4.7	-11.3	5.3	5.4	1.9	5.0	5.3	6.0
Other Products	20.5	15.5	-24.4	19.9	14.5	-27.1	18.0	15.0	-16.7	17.7	15.5	-12.4	17.9	15.1	-15.6
Total Products	59.1	47.6	-19.5	58.1	47.9	-17.6	54.7	47.4	-13.3	54.6	48.0	-12.1	54.3	48.8	-10.1
Other[3]	10.1	9.9	-2.0	10.7	11.4	6.5	11.1	11.8	6.3	11.2	11.9	6.3	10.7	12.7	18.7
Total	108.8	96.5	-11.3	109.6	99.0	-9.7	105.2	97.5	-7.3	101.6	99.8	-1.8	104.3	100.3	-3.8
Canada[4]															
Crude	77.2	76.3	-1.2	75.8	75.6	-0.3	77.8	76.0	-2.3	77.9	77.0	-1.2	81.9	77.0	-6.0
Motor Gasoline	17.0	15.5	-8.8	19.4	16.2	-16.5	21.0	16.5	-21.4	20.7	17.6	-15.0	19.8	17.3	-12.6
Middle Distillate	21.1	19.4	-8.1	23.0	18.4	-20.0	22.1	16.8	-24.0	21.0	17.1	-18.6	20.0	17.3	-13.5
Residual Fuel Oil	3.5	3.3	-5.7	3.3	3.3	0.0	3.7	4.0	8.1	3.7	4.7	27.0	3.4	5.0	47.1
Other Products	19.3	20.6	6.7	19.8	21.6	9.1	20.2	21.6	6.9	21.4	21.4	0.0	20.9	23.5	12.4
Total Products	60.9	58.8	-3.4	65.5	59.5	-9.2	67.0	58.9	-12.1	66.8	60.8	-9.0	64.1	63.1	-1.6
Other[3]	19.1	18.6	-2.6	15.2	16.4	7.9	14.7	14.0	-4.8	13.6	13.2	-2.9	12.8	13.2	3.1
Total	157.2	153.7	-2.2	156.5	151.5	-3.2	159.5	148.9	-6.6	158.3	151.0	-4.6	158.8	153.3	-3.5

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Japanese Crude Oil stock data for March and April 2003 are IEA Secretariat estimates. Due to lack of receipt of data, the following counties are estimated: Canada for April 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End March 2002		End June 2002		End September 2002		End December 2002		End March 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	158.3	78	151.5	71	160.2	74	153.7	71	151.0	-
Mexico	43.6	22	45.3	23	47.0	24	47.3	23	51.5	-
United States	1574.8	80	1618.1	81	1576.1	79	1549.9	77	1474.6	-
Total[4]	1798.8	75	1837.1	75	1805.3	74	1773.0	72	1699.2	70
Pacific										
Australia	39.3	44	37.2	43	39.4	45	34.0	40	39.8	-
Japan	630.3	136	633.7	126	627.1	107	615.4	99	616.5	-
Korea[5]	78.6	39	86.5	43	79.7	34	69.1	29	65.7	-
New Zealand	8.4	65	10.0	80	11.5	77	9.5	65	9.8	-
Total	756.6	99	767.4	96	757.7	82	728.0	76	731.8	92
Europe[6]										
Austria	17.3	67	17.5	63	18.3	69	18.7	73	18.8	-
Belgium	30.6	53	30.8	53	28.3	46	25.8	38	29.1	-
Czech Republic	17.4	102	17.0	91	16.2	90	17.5	103	17.3	-
Denmark	19.6	101	17.3	93	18.5	88	17.3	87	15.4	-
Finland	24.6	127	26.9	129	26.9	117	24.4	113	24.7	-
France	162.9	86	169.9	86	174.0	88	174.5	83	175.0	-
Germany	276.4	105	268.5	93	258.8	95	253.4	100	258.6	-
Greece	31.1	84	28.9	77	32.2	72	31.6	70	29.9	-
Hungary	19.9	151	18.5	128	18.0	119	16.1	127	17.9	-
Ireland	9.9	59	9.4	54	10.2	56	11.4	57	10.9	-
Italy	132.3	73	132.4	73	136.1	74	137.6	74	136.3	-
Luxembourg	0.8	16	0.9	18	0.9	19	1.0	17	0.9	-
Netherlands	117.9	130	115.5	131	106.7	116	104.9	118	95.0	-
Norway	18.0	95	22.4	113	17.6	80	19.3	75	32.8	-
Poland	26.9	75	25.2	62	23.6	57	26.2	69	27.2	-
Portugal	22.1	62	24.6	70	24.1	76	21.4	69	24.0	-
Spain	118.6	80	121.0	81	121.3	80	120.8	78	122.8	-
Sweden	35.1	105	33.4	103	30.5	81	29.4	87	34.3	-
Switzerland	37.5	146	39.0	146	38.7	146	36.7	144	36.1	-
Turkey	59.0	97	57.8	88	55.6	81	51.9	85	55.6	-
United Kingdom	101.7	61	109.7	65	98.9	58	96.7	56	99.8	-
Total	1279.8	88	1286.7	85	1255.4	82	1236.6	81	1262.4	86
Total OECD	3835.1	83	3891.2	82	3818.4	78	3737.6	76	3693.4	79
DAYS OF IEA Net Imports[7]	-	115	-	116	-	114	-	113	-	112

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End March 2003 forward demand figures are IEA Secretariat forecasts. Japanese Crude Oil stock data for March 2003 are IEA Secretariat estimates.
4 Total includes US territories.
5 Korean government stocks are excluded for reasons of confidentiality.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
1Q2000	3653	1234	2419	79	27	52
2Q2000	3742	1232	2510	78	26	52
3Q2000	3778	1237	2542	78	25	52
4Q2000	3740	1210	2530	76	25	52
1Q2001	3734	1210	2525	80	26	54
2Q2001	3804	1207	2597	80	25	55
3Q2001	3865	1205	2660	80	25	55
4Q2001	3843	1222	2622	80	25	54
1Q2002	3835	1237	2598	83	27	56
2Q2002	3891	1247	2644	82	26	56
3Q2002	3818	1250	2568	78	26	52
4Q2002	3738	1271	2466	76	26	50
1Q2003	3693	1284	2409	79	27	51

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Korean government stocks are excluded for reasons of confidentiality.
3 Days of forward demand calculated using actual demand except in 1Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	3Q02	4Q02	1Q03	2Q03	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03
CRUDE OIL PRICES													
*IEA CIF Average Import**													
IEA North America	27.67	22.30	23.71	25.75	25.53	30.76		29.65	32.01	30.75	25.81		
IEA Europe	27.89	23.92	24.26	26.21	26.11	31.11		30.66	32.12	30.69	25.22		
IEA Pacific	28.89	25.05	24.74	26.34	27.24	30.54		29.20	31.20	32.51	29.70		
IEA Total	28.00	23.65	24.18	26.08	26.18	30.86		29.94	31.83	30.92	25.92		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.91	26.81	31.49	26.03	31.32	32.67	30.54	24.85	25.72	27.51
WTI (1st month)	30.37	25.93	26.16	28.30	28.29	34.00	29.02	32.99	35.75	33.43	28.26	28.14	30.66
Urals (del. Med.)	26.63	22.97	23.73	25.81	25.55	29.24	23.86	28.88	30.38	28.52	22.61	23.80	25.16
Dubai (1st month)	26.24	22.80	23.85	25.54	25.16	28.39	24.44	28.02	30.02	27.38	23.45	24.36	25.51
Tapis (1st month)	29.85	25.32	25.72	27.29	28.33	32.34	27.19	31.95	33.96	31.37	27.66	26.76	27.13
OPEC Basket	27.60	23.12	24.34	26.15	26.63	30.45	25.87	30.34	31.64	29.44	25.24	25.63	26.80
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	32.06	31.05	37.44	33.79	35.95	39.85	36.71	35.00	32.64	33.74
Unleaded	34.41	28.83	28.57	31.44	30.50	36.88	33.06	35.35	39.31	36.17	34.25	31.87	33.07
Naphtha	29.09	23.69	24.23	25.95	26.45	34.99	25.19	33.95	36.99	34.16	24.76	23.58	27.14
Jet/Kerosene	36.98	30.82	29.24	31.27	32.45	40.89	31.32	36.76	43.21	43.01	31.75	30.38	31.81
Gasoil .2 %	34.38	29.16	27.81	29.85	31.26	39.18	30.21	35.78	41.81	40.24	30.06	29.47	31.06
LSFO 1%	23.74	19.52	21.81	23.19	26.70	29.20	24.26	27.90	31.98	27.92	24.02	22.54	26.14
HSFO 3.5%	21.42	17.79	20.65	23.14	21.22	25.65	21.05	27.08	27.04	22.84	19.42	21.16	22.49
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	32.13	30.78	36.62	31.34	35.54	39.45	35.08	30.94	30.21	32.80
Premium Unleaded	36.43	29.70	28.49	31.41	30.06	35.91	30.62	34.82	38.73	34.36	30.22	29.49	32.08
Naphtha	28.16	22.47	23.51	25.32	25.61	33.37	23.69	32.80	35.61	31.83	22.72	22.08	26.13
Jet/Kerosene	34.82	27.52	27.14	29.34	29.95	36.47	26.68	33.21	40.00	36.53	26.59	28.61	na
Gasoil .2 %	33.87	27.50	27.08	28.98	30.36	38.67	28.38	35.61	40.74	39.90	27.55	27.14	30.35
LSFO 1%	23.77	18.73	21.50	23.14	24.14	30.56	23.51	30.29	32.28	29.22	21.98	22.43	26.00
HSFO 3.5%	18.92	15.24	18.24	20.69	18.86	22.76	18.84	24.58	24.09	19.59	16.88	19.05	20.50
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	36.10	37.44	41.33	36.68	38.69	43.87	41.68	37.22	35.57	37.24
Unleaded	36.10	31.00	30.33	32.32	33.53	39.50	33.08	36.81	41.86	40.07	33.58	31.86	33.79
Jet/Kerosene	38.05	31.18	29.83	31.91	33.45	42.43	32.48	38.38	48.31	41.14	33.11	31.90	32.42
No. 2 (Heating Oil)	36.37	29.82	28.56	30.06	32.33	42.00	31.99	37.99	47.37	41.16	33.02	31.05	31.89
LSFO 1%	25.05	20.70	22.55	24.65	25.72	32.74	24.57	31.65	35.09	31.71	24.01	24.51	25.19
HSFO 6 3%	20.68	17.36	20.99	23.30	22.96	27.91	20.93	29.08	29.45	25.34	19.94	21.15	21.70
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	28.91	29.24	37.14	29.70	34.34	40.13	37.51	28.74	28.73	31.59
Naphtha	28.38	23.75	24.93	25.81	27.15	34.27	24.69	32.21	37.34	33.78	23.58	23.77	26.66
Jet/Kerosene	34.39	28.32	28.08	29.85	31.35	36.14	28.36	34.37	39.27	35.33	28.35	28.25	28.48
Gasoil .5%	32.58	27.32	27.55	28.80	30.89	36.12	28.79	33.39	38.45	36.97	29.24	28.39	28.73
LSWR Cracked	25.83	21.83	23.80	25.16	28.02	31.84	27.21	31.05	34.77	30.16	28.80	27.26	25.59
HSFO 180 CST	24.43	20.65	22.89	24.97	24.40	28.86	24.78	28.18	30.88	27.85	23.97	24.64	25.73
HSFO 4%	24.21	20.38	22.95	25.23	24.31	28.88	24.74	28.27	30.74	27.93	24.23	24.26	25.70

* IEA CIF Average Import price for April is an estimate

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
June 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		May-03	Jun-02		May-03	Jun-02		May-03	Jun-02		May-03	Jun-02
GASOLINE [1] (Price per Litre)												
France	0.988	- 0.8	- 2.5	0.237	-2.9	-13.2	1.153	0.0	18.9	0.277	-2.1	5.9
Germany	1.072	0.4	1.1	0.269	1.1	-7.2	1.251	1.2	23.3	0.314	2.0	13.1
Italy	1.033	- 0.3	- 2.6	0.319	-0.6	-6.7	1.205	0.5	18.7	0.372	0.2	13.7
Spain	0.792	- 0.5	- 3.1	0.287	-1.0	-6.8	0.924	0.3	18.2	0.335	-0.2	13.6
UK	0.746	- 1.3	0.4	0.177	-4.3	1.7	1.239	1.0	12.2	0.294	-2.1	13.7
Japan	107.1	- 1.9	0.9	48.2	-4.0	2.1	0.905	-2.7	5.2	0.407	-4.7	6.4
Canada	0.701	2.0	1.4	0.403	3.3	2.3	0.518	4.3	14.8	0.298	5.6	15.7
USA	0.395	-	8.2	0.293	-	11.0	0.395	-	8.2	0.293	-	11.0
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.631	- 0.9	- 0.5	0.239	-2.4	-7.4	0.736	-0.1	21.4	0.279	-1.7	13.0
Germany	0.736	0.4	1.9	0.266	1.1	-5.7	0.859	1.2	24.3	0.310	2.0	15.0
Italy	0.705	- 1.0	- 1.3	0.302	-2.3	-2.9	0.823	-0.2	20.4	0.352	-1.5	18.4
Spain	0.571	- 2.2	- 2.9	0.277	-4.5	-5.8	0.666	-1.4	18.4	0.323	-3.7	14.9
UK	0.653	- 1.4	1.1	0.195	-4.4	3.7	1.085	0.9	13.0	0.324	-2.2	16.0
Japan	87.2	- 1.1	1.3	50.9	-1.9	2.0	0.737	-1.9	5.6	0.430	-2.7	6.3
Canada	0.648	- 2.4	2.9	0.428	-3.4	4.1	0.479	-0.2	16.4	0.316	-1.2	17.8
USA	0.377	- 1.3	10.9	0.258	-1.9	16.2	0.377	-1.3	10.9	0.258	-1.9	16.2
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	349.38	-1.0	1.3	235.52	-1.2	-4.2	407.7	-0.2	23.5	274.8	-0.4	16.8
Germany	335.30	0.7	-1.9	227.70	0.8	-2.4	391.2	1.5	19.7	265.7	1.7	19.1
Italy	822.56	0.2	-0.2	282.26	0.5	-0.4	959.8	1.0	21.7	329.4	1.4	21.5
Spain	348.63	-2.8	-5.5	215.83	-3.9	-7.4	406.8	-2.0	15.3	251.8	-3.1	12.9
UK	180.35	-1.4	1.6	140.76	-1.7	1.9	299.6	0.9	13.6	233.8	0.6	13.9
Japan [3]	48766	-1.1	6.0	46444	-1.1	6.0	412.2	-1.8	10.5	392.6	-1.8	10.5
FUEL OIL FOR INDUSTRY [2] (Price per Metric Ton)												
France	184.07	3.7	-1.4	165.57	4.2	-1.5	214.8	4.6	20.3	193.2	5.0	20.2
Germany	162.30	1.5	-3.3	137.30	1.7	-8.4	189.4	2.3	18.0	160.2	2.6	11.7
Italy	203.98	4.1	-12.5	172.59	4.9	2.0	238.0	4.9	6.7	201.4	5.7	24.3
Spain	213.88	-1.4	5.9	199.45	-1.5	6.3	249.6	-0.6	29.1	232.7	-0.7	29.7
UK	137.02	-3.5	0.8	109.02	-4.3	1.0	227.6	-1.2	12.7	181.1	-2.1	12.9
Japan	36059	-3.5	39.5	34342	-3.5	39.5	304.8	-4.3	45.4	290.3	-4.3	45.4

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices refer to high sulphur fuel oil and to low sulphur fuel oil thereafter, except for Germany, which shows lsfo for all months.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
OECD North America												
Venezuela	1.66	1.58		1.35	1.83	1.54	0.93	0.81	1.48	1.86	1.30	0.56
Other Central & South America	0.52	0.60		0.57	0.62	0.65	0.52	0.55	0.50	0.51	0.57	-0.06
North Sea	1.03	1.24		1.37	1.28	1.32	1.07	1.15	1.01	0.91	1.40	-0.49
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.11	0.10	0.13	0.11	0.16	0.05	0.02	0.04	-0.02
Saudi Arabia	1.70	1.60		1.62	1.50	1.72	1.79	1.50	1.92	2.08	1.58	0.49
Kuwait	0.24	0.22		0.20	0.24	0.21	0.20	0.23	0.23	0.28	0.19	0.10
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.92	0.56		0.53	0.30	0.42	0.84	1.01	0.78	0.81	0.75	0.06
Oman	0.02	0.02		-	0.05	0.02	-	-	-	0.03	-	-
United Arab Emirates	0.02	0.01		0.04	0.01	0.01	0.01	-	-	0.02	0.09	-0.07
Other Middle East	0.02	0.04		0.02	0.10	0.03	0.02	0.05	-	0.03	-	-
West Africa[2]	1.44	1.15		1.20	1.24	1.14	1.37	1.12	1.57	1.37	1.07	0.31
Other Africa	0.13	0.18		0.21	0.18	0.15	0.15	0.14	0.20	0.18	0.20	-0.03
Asia	0.15	0.16		0.18	0.14	0.15	0.12	0.08	0.13	0.11	0.19	-0.08
Other	0.03	0.06		0.07	0.06	0.06	0.05	0.03	0.07	0.05	0.05	0.00
Total	**7.85**	**7.44**		**7.48**	**7.62**	**7.55**	**7.17**	**6.82**	**7.95**	**8.25**	**7.43**	**0.82**
of which Non-OECD	**6.82**	**6.21**		**6.06**	**6.30**	**6.17**	**6.08**	**5.65**	**6.92**	**7.33**	**5.97**	**1.36**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.19	0.20	0.22	0.17	0.22	0.16	0.21	0.15	0.06
Venezuela	0.18	0.18		0.16	0.19	0.12	0.05	0.02	0.11	0.14	0.16	-0.02
Other Central & South America	0.04	0.05		0.02	0.03	0.06	0.02	0.02	0.01	0.04	0.00	0.04
Non-OECD Europe	0.00	0.01		0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.00
Former Soviet Union	2.68	3.12		3.16	3.29	3.03	3.13	3.08	3.32	3.36	3.05	0.31
Saudi Arabia	1.25	1.16		1.20	1.25	1.09	1.07	1.09	1.13	1.40	1.12	0.28
Kuwait	0.16	0.12		0.13	0.13	0.10	0.08	0.10	0.09	0.18	0.13	0.05
Iran	0.74	0.62		0.61	0.65	0.72	0.69	0.59	0.67	0.73	0.62	0.10
Iraq	0.40	0.31		0.14	0.32	0.62	0.47	0.52	0.46	0.14	0.06	0.08
Oman	-	0.00		-	0.01	-	0.00	-	0.00	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.48	0.50	0.46	0.36	0.31	0.42	0.28	0.38	-0.11
West Africa[2]	0.81	0.68		0.57	0.63	0.62	0.73	0.65	0.67	0.57	0.56	0.01
Other Africa	1.50	1.39		1.40	1.32	1.45	1.58	1.63	1.61	1.67	1.53	0.15
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.64	0.32	0.15	0.18	0.13	0.27	0.01	0.61	-0.59
Total	**8.59**	**8.66**		**8.72**	**8.85**	**8.65**	**8.55**	**8.35**	**8.92**	**8.75**	**8.39**	**0.35**
of which Non-OECD	**8.41**	**8.47**		**8.53**	**8.64**	**8.43**	**8.37**	**8.13**	**8.76**	**8.54**	**8.24**	**0.30**
OECD Pacific												
Canada	0.00	0.00		-	-	0.01	-	-	-	0.02	-	-
Mexico + USA	0.02	0.01		0.02	-	0.02	-	-	-	-	0.06	-
Venezuela	0.00	0.00		-	-	0.00	0.00	-	0.00	-	-	-
Other Central & South America	0.07	0.08		0.06	0.07	0.09	0.10	0.12	0.05	0.09	0.05	0.04
North Sea	0.01	0.03		0.03	0.06	-	0.04	0.04	0.01	-	0.02	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.05	0.10	0.10	0.04	0.04	0.01	0.04	-	-
Saudi Arabia	1.84	1.72		1.68	1.57	1.82	1.97	1.95	2.06	2.08	1.71	0.37
Kuwait	0.64	0.57		0.55	0.52	0.56	0.60	0.60	0.54	0.54	0.56	-0.02
Iran	0.75	0.64		0.64	0.56	0.69	0.89	0.88	0.95	0.90	0.60	0.30
Iraq	0.01	0.02		0.05	0.01	0.01	-	-	-	-	0.16	-
Oman	0.41	0.37		0.34	0.34	0.35	0.42	0.45	0.43	0.23	0.39	-0.15
United Arab Emirates	1.42	1.28		1.12	1.24	1.35	1.47	1.50	1.43	1.51	1.17	0.35
Other Middle East	0.60	0.52		0.45	0.52	0.50	0.56	0.58	0.57	0.60	0.47	0.13
West Africa[2]	0.11	0.21		0.19	0.20	0.25	0.28	0.58	0.21	0.17	0.19	-0.02
Other Africa	0.04	0.05		0.01	0.08	0.08	0.09	0.10	0.02	0.02	-	-
Non-OECD Asia	0.89	0.85		0.84	0.77	0.89	0.89	0.73	0.93	0.85	0.77	0.08
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.05**	**6.03**	**6.71**	**7.36**	**7.58**	**7.21**	**7.06**	**6.15**	**0.91**
of which Non-OECD	**6.86**	**6.38**		**6.00**	**5.97**	**6.68**	**7.32**	**7.54**	**7.19**	**7.04**	**6.07**	**0.97**
Total OECD Trade	**23.34**	**22.52**		**22.26**	**22.50**	**22.90**	**23.08**	**22.74**	**24.08**	**24.05**	**21.97**	**2.08**
of which Non-OECD	**22.08**	**21.06**		**20.60**	**20.92**	**21.27**	**21.77**	**21.33**	**22.87**	**22.91**	**20.28**	**2.63**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.54	0.65	0.89	0.52	0.46	0.55	0.70	0.47	0.24
Europe	0.92	0.91		0.93	0.97	0.83	0.92	0.93	0.97	1.03	0.87	0.16
Pacific	1.22	1.22		1.14	1.14	1.24	1.06	1.23	0.58	0.45	1.21	-0.75
Saudi Medium												
North America	0.73	0.86		0.65	0.60	1.46	0.88	0.84	0.91	0.95	0.67	0.28
Europe	0.15	0.11		0.08	0.13	0.11	0.09	0.10	0.07	0.14	0.06	0.09
Pacific	0.17	0.16		0.18	0.16	0.14	0.15	0.16	0.09	0.14	0.19	-0.05
Saudi Heavy												
North America	0.21	0.20		0.23	0.21	0.23	0.28	0.19	0.41	0.36	0.18	0.18
Europe	0.14	0.09		0.10	0.09	0.08	0.12	0.11	0.19	0.24	0.08	0.16
Pacific	0.15	0.12		0.12	0.11	0.13	0.11	0.12	0.06	0.06	0.12	-0.05
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.34	0.23	0.22	0.50	0.57	0.57	0.67	0.50	0.17
Europe	0.15	0.08		0.06	0.05	0.21	0.10	0.12	0.08	0.06	..	..
Pacific	0.01	0.02		0.05	0.01	..	..	..	..	..	0.15	..
Iraqi Kirkuk												
North America	0.09	0.14		0.11	0.06	0.11	0.22	0.24	0.17	0.05	0.16	-0.10
Europe	0.31	0.32		0.19	0.36	0.50	0.42	0.41	0.45	0.09	0.13	-0.05
Pacific	0.01	0.00		0.00	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.14	0.15	0.19	0.15	0.09	0.12	0.20	0.16	0.04
Pacific	0.13	0.12		0.11	0.10	0.14	0.12	0.21	..	0.00	0.13	-0.13
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.45	0.49	0.51	0.51	0.47	0.49	0.42	0.43	-0.01
Pacific	0.63	0.54		0.56	0.45	0.61	0.55	0.74	0.20	0.08	0.52	-0.44
Venezuelan Light & Medium												
North America	0.61	0.68		0.57	0.91	0.57	0.35	0.42	0.64	0.87	0.57	0.30
Europe	0.07	0.07		0.05	0.04	0.06	0.02	..	0.03	0.06	0.07	0.00
Pacific	0.00	0.00		..	..	0.00	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.46	0.62	0.56	0.17	..	0.50	0.59	0.39	0.20
Europe	0.07	0.05		0.06	0.06	0.04	0.02	0.01	0.04	0.07	0.05	0.02
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.89	0.91	0.96	1.12	1.05	1.19	1.34	0.90	0.45
Europe	0.14	0.16		0.17	0.17	0.14	0.14	0.13	0.16	0.19	0.14	0.04
Pacific	0.01	0.00		0.01	..	0.01	..	..	..	..	0.02	..
Mexican Isthmus												
North America	0.04	0.01		0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Europe	0.03	0.01		0.01	0.02	0.01	0.00	0.00	0.00	0.00	0.03	-0.02
Pacific	0.01	0.01		0.01	..	0.01	..	..	..	..	0.04	..
Russian Urals												
North America	..	0.03		0.08	..	0.05	..	..	..	..	..	..
Europe	1.10	1.32		1.25	1.44	1.36	1.43	1.28	1.45	1.38	1.23	0.15
Pacific	0.01	0.01		..	0.02	..	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.38	0.46	0.38	0.47	0.33	0.56	0.42	0.33	0.09
Europe	0.38	0.31		0.22	0.36	0.32	0.43	0.46	0.48	0.42	0.22	0.19
Pacific	0.02	0.06		0.03	0.06	0.08	0.11	0.33	0.03	..	0.03	..
Nigerian Medium												
North America	0.31	0.16		0.22	0.13	0.14	0.17	0.19	0.14	0.24	0.28	-0.04
Europe	0.10	0.06		0.03	0.03	0.06	0.07	0.03	0.05	0.08	0.00	0.08
Pacific	0.00	0.01		..	0.01	..	0.04	0.06	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1,2]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.07	0.11	0.08	0.00	-	0.01	0.12	0.04	0.07
Other Central & South America	0.10	0.10		0.10	0.11	0.11	0.10	0.09	0.05	0.12	0.08	0.04
ARA (Belgium Germany Netherlands)	0.07	0.10		0.13	0.09	0.07	0.11	0.09	0.13	0.11	0.15	-0.04
Other Europe	0.18	0.21		0.24	0.20	0.18	0.20	0.12	0.28	0.34	0.23	0.10
FSU	0.04	0.06		0.08	0.06	0.03	0.09	0.10	0.11	0.08	0.05	0.03
Saudi Arabia	0.05	0.06		0.05	0.06	0.07	0.06	0.05	0.07	0.07	0.04	0.03
Algeria	0.00	0.00		0.01	-	-	-	-	-	-	0.02	-
Other Middle East & Africa	0.04	0.04		0.04	0.06	0.03	0.03	0.02	0.01	0.04	0.06	-0.02
Singapore	0.01	0.01		0.00	0.02	0.00	0.00	-	-	0.03	0.01	0.02
OECD Pacific	0.02	0.01		0.02	0.01	0.01	0.01	0.01	0.03	0.00	0.02	-0.01
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.03	0.04	0.02	0.02	0.01	0.04	0.04	0.01	0.03
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.65**	**0.69**		**0.78**	**0.74**	**0.60**	**0.62**	**0.49**	**0.73**	**0.94**	**0.72**	**0.22**
of which Non-OECD	**0.39**	**0.39**		**0.40**	**0.48**	**0.36**	**0.31**	**0.27**	**0.30**	**0.54**	**0.33**	**0.21**
OECD Europe												
OECD North America	0.00	0.00		-	-	0.00	0.00	0.00	0.00	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Non-OECD Europe	0.03	0.04		0.05	0.04	0.04	0.03	0.03	0.04	0.03	0.05	-0.02
FSU	0.02	0.03		0.03	0.05	0.02	0.02	0.01	0.04	0.03	0.03	0.00
Saudi Arabia	0.00	0.00		0.00	0.01	0.00	0.00	-	-	-	0.00	-
Algeria	0.00	0.01		0.02	0.01	0.02	0.01	-	0.01	0.01	0.01	0.00
Other Middle East & Africa	0.01	0.02		0.02	0.03	0.03	0.02	0.01	0.02	0.02	0.01	0.01
Singapore	-	0.00		-	-	0.00	0.00	0.00	0.00	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	-	-	-	-	-	-
Other	0.09	0.07		0.07	0.04	0.07	0.10	0.14	0.07	0.08	0.05	0.03
Total[2]	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.19**	**0.21**	**0.19**	**0.18**	**0.16**	**0.02**
of which Non-OECD	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.19**	**0.21**	**0.19**	**0.18**	**0.16**	**0.02**
OECD Pacific												
OECD North America	0.00	0.00		0.00	-	-	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.04	0.02	0.04	0.03	0.01	0.03	0.01	0.05	-0.04
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.02	0.01	0.03	0.02	0.03	0.01	0.02	0.00	0.02
Other	-	0.00		0.00	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.06**	**0.03**	**0.07**	**0.05**	**0.04**	**0.04**	**0.04**	**0.05**	**-0.02**
of which Non-OECD	**0.03**	**0.05**		**0.06**	**0.03**	**0.07**	**0.05**	**0.04**	**0.04**	**0.04**	**0.05**	**-0.02**
Total OECD Trade[2]	**0.84**	**0.92**		**1.04**	**0.95**	**0.85**	**0.86**	**0.74**	**0.96**	**1.16**	**0.94**	**0.22**
of which Non-OECD	**0.57**	**0.63**		**0.66**	**0.68**	**0.60**	**0.55**	**0.52**	**0.53**	**0.76**	**0.54**	**0.22**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1,2]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.04	0.02	0.02	0.01	-	0.02	0.01	0.03	-0.03
Other Central & South America	0.03	0.02		0.01	0.01	0.03	0.01	0.03	0.02	0.01	0.02	-0.01
ARA (Belgium Germany Netherlands)	0.01	0.00		-	0.00	0.01	0.03	0.01	0.01	-	-	-
Other Europe	0.02	0.00		-	0.00	0.01	0.02	0.01	0.03	0.01	-	-
FSU	0.03	0.02		0.02	-	0.08	0.13	0.20	0.17	0.02	0.04	-0.02
Saudi Arabia	0.00	0.00		-	0.00	-	-	-	-	0.01	-	-
Algeria	0.01	0.00		-	-	0.00	0.00	-	-	-	-	-
Other Middle East & Africa	0.01	0.00		-	-	0.01	0.00	0.01	-	-	-	-
Singapore	0.00	0.00		-	-	-	0.00	-	0.00	0.00	-	-
OECD Pacific	0.01	0.01		0.00	0.01	0.01	0.00	-	0.01	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	0.02	0.00	0.01	-	-	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.20**	**0.10**		**0.07**	**0.04**	**0.19**	**0.21**	**0.27**	**0.24**	**0.06**	**0.09**	**-0.03**
of which Non-OECD	**0.16**	**0.09**		**0.07**	**0.03**	**0.16**	**0.16**	**0.25**	**0.20**	**0.05**	**0.09**	**-0.05**
OECD Europe												
OECD North America	0.02	0.03		0.03	0.02	0.01	0.01	0.01	0.01	0.03	0.02	0.01
Venezuela	0.00	0.00		-	-	-	0.00	0.00	-	-	-	-
Other Central & South America	0.00	0.01		0.00	0.00	0.01	0.00	0.00	0.01	0.01	0.00	0.00
Non-OECD Europe	0.05	0.07		0.07	0.06	0.06	0.06	0.07	0.07	0.03	0.06	-0.04
FSU	0.36	0.42		0.46	0.35	0.43	0.44	0.43	0.42	0.55	0.48	0.07
Saudi Arabia	0.01	0.01		0.01	0.00	0.01	0.01	-	0.02	-	0.01	-
Algeria	0.04	0.02		0.02	0.02	0.02	0.02	0.02	0.04	0.03	0.01	0.03
Other Middle East & Africa	0.02	0.02		0.01	0.02	0.01	0.01	0.02	0.00	0.02	0.01	0.01
Singapore	0.00	0.02		0.00	0.01	0.03	0.01	0.01	0.02	0.01	0.00	0.01
OECD Pacific	0.00	0.00		-	0.01	0.01	0.00	-	0.00	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.00	0.01	0.02	0.04	0.00	0.00	0.01	0.00
Other	0.10	0.10		0.04	0.08	0.14	0.10	0.15	0.04	0.04	0.05	0.00
Total[2]	**0.61**	**0.70**		**0.64**	**0.58**	**0.73**	**0.68**	**0.76**	**0.63**	**0.73**	**0.65**	**0.08**
of which Non-OECD	**0.59**	**0.67**		**0.61**	**0.55**	**0.72**	**0.67**	**0.75**	**0.63**	**0.72**	**0.63**	**0.09**
OECD Pacific												
OECD North America	-	0.00		0.00	-	-	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		0.01	-	0.00	-	-	-	-	-	-
Singapore	0.02	0.02		0.03	0.02	0.02	0.02	0.02	0.02	0.01	0.02	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.02	0.03	0.05	0.03	0.04	0.03	0.00	0.03
Other	0.00	0.00		0.00	-	0.00	-	-	-	-	0.00	-
Total[2]	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.06**	**0.06**	**0.04**	**0.02**	**0.02**
of which Non-OECD	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.06**	**0.06**	**0.04**	**0.02**	**0.02**
Total OECD Trade[2]	**0.84**	**0.85**		**0.77**	**0.67**	**0.99**	**0.96**	**1.08**	**0.94**	**0.83**	**0.77**	**0.07**
of which Non-OECD	**0.78**	**0.81**		**0.74**	**0.63**	**0.95**	**0.90**	**1.06**	**0.89**	**0.81**	**0.74**	**0.06**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1,2]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.03	0.02	0.06	0.04	0.01	0.03
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	0.00	-	0.01	-	-	-
Other Europe	0.00	0.00		0.00	-	-	-	-	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	0.00	0.01	-	-	-	-
Algeria	0.00	0.00		-	-	0.01	0.00	0.00	0.00	-	-	-
Other Middle East & Africa	0.02	0.01		0.01	0.00	0.02	0.04	0.02	0.03	-	0.01	-
Singapore	0.01	0.00		-	-	0.00	0.00	-	0.00	0.01	-	-
OECD Pacific	0.05	0.04		0.04	0.04	0.05	0.01	-	0.01	0.03	0.07	-0.04
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.02	0.00	0.01	0.00	0.01	-	0.01	-
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.09**	**0.09**	**0.12**	**0.10**	**0.07**	**0.12**	**0.09**	**0.11**	**-0.02**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.05**	**0.07**	**0.10**	**0.07**	**0.11**	**0.06**	**0.04**	**0.02**
OECD Europe												
OECD North America	0.00	0.01		0.00	0.01	0.00	0.00	-	0.00	0.00	0.00	0.00
Venezuela	0.01	0.02		0.02	0.02	0.01	0.00	-	0.00	0.00	0.02	-0.01
Other Central & South America	0.01	0.00		0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	-
FSU	0.02	0.03		0.03	0.04	0.03	0.02	0.01	0.02	0.02	0.03	-0.01
Saudi Arabia	0.03	0.02		0.02	0.02	0.01	0.01	0.01	-	0.02	0.02	0.00
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.02	0.00	0.01	-	-
Other Middle East & Africa	0.13	0.10		0.12	0.11	0.09	0.11	0.11	0.12	0.09	0.15	-0.06
Singapore	-	0.01		-	0.02	0.00	0.00	0.00	0.00	-	-	-
OECD Pacific	-	-		-	-	-	-	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	0.00	-	-	-	-	-	-	-
Other	0.04	0.02		0.02	0.02	0.00	0.02	0.01	0.02	0.01	0.02	-0.01
Total[2]	**0.25**	**0.21**		**0.23**	**0.27**	**0.15**	**0.17**	**0.16**	**0.18**	**0.17**	**0.26**	**-0.08**
of which Non-OECD	**0.25**	**0.20**		**0.22**	**0.26**	**0.15**	**0.17**	**0.16**	**0.18**	**0.17**	**0.25**	**-0.08**
OECD Pacific												
OECD North America	-	-		-	-	-	0.01	0.01	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.01	0.02	0.02	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		-	0.00	0.01	0.03	0.02	-	-	-	-
Singapore	0.01	0.01		0.00	0.00	0.02	0.02	0.02	0.01	0.01	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.00	-	0.05	0.04	0.05	0.01	0.01	0.01	0.00
Other	0.04	0.05		0.03	0.04	0.07	0.07	0.10	0.05	0.04	0.04	0.00
Total[2]	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.21**	**0.06**	**0.06**	**0.05**	**0.01**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.21**	**0.06**	**0.06**	**0.05**	**0.01**
Total OECD Trade[2]	**0.46**	**0.41**		**0.35**	**0.40**	**0.42**	**0.46**	**0.44**	**0.36**	**0.32**	**0.41**	**-0.10**
of which Non-OECD	**0.41**	**0.36**		**0.31**	**0.35**	**0.37**	**0.44**	**0.43**	**0.34**	**0.29**	**0.34**	**-0.05**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1,2]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Year Earlier Apr 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.04	0.03	0.01	0.03	0.03	0.06	0.07	0.03	0.04
Other Central & South America	0.11	0.10		0.09	0.09	0.13	0.18	0.17	0.23	0.16	0.07	0.09
ARA (Belgium Germany Netherlands)	0.04	0.01		0.01	0.00	0.01	0.02	0.01	0.02	-	0.04	-
Other Europe	0.05	0.02		0.02	0.02	0.02	0.03	0.02	0.01	-	0.03	-
FSU	0.02	0.01		0.01	0.02	0.02	0.03	0.03	0.03	0.04	0.02	0.02
Saudi Arabia	0.00	-		-	-	-	-	-	-	0.00	-	-
Algeria	0.05	0.01		0.01	0.00	0.01	0.01	0.01	0.01	0.01	-	-
Other Middle East & Africa	0.05	0.02		0.03	0.03	0.02	0.05	0.04	0.06	0.03	0.03	0.00
Singapore	0.00	0.01		0.01	0.01	0.00	0.01	0.02	-	0.00	0.00	0.00
OECD Pacific	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	-	-	-	-	-	0.00	0.00	0.00
Other	0.00	0.00		-	-	0.00	0.00	-	-	-	-	-
Total[2]	**0.40**	**0.21**		**0.22**	**0.22**	**0.22**	**0.36**	**0.34**	**0.42**	**0.33**	**0.22**	**0.11**
of which Non-OECD	**0.31**	**0.18**		**0.19**	**0.19**	**0.20**	**0.31**	**0.31**	**0.38**	**0.33**	**0.16**	**0.17**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.01	0.02	0.01	-	0.01	0.02	0.01	0.00
Venezuela	0.01	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.01	0.01		0.02	0.01	0.02	0.01	0.01	0.01	0.00	0.01	-0.01
FSU	0.23	0.27		0.31	0.33	0.23	0.13	0.21	0.06	0.12	0.31	-0.19
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.00	0.00	0.00	0.02	0.01	0.02
Other Middle East & Africa	0.06	0.06		0.07	0.05	0.06	0.04	0.04	0.06	0.06	0.06	0.00
Singapore	0.00	0.00		0.00	-	-	0.00	-	0.00	0.00	0.00	0.00
OECD Pacific	-	0.00		0.00	-	-	0.00	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.00	0.01	0.01	0.01	-	0.01	0.02	0.00	0.02
Other	0.06	0.07		0.07	0.05	0.09	0.08	0.09	0.09	0.12	0.07	0.05
Total[2]	**0.40**	**0.47**		**0.49**	**0.47**	**0.43**	**0.29**	**0.36**	**0.26**	**0.37**	**0.48**	**-0.11**
of which Non-OECD	**0.38**	**0.45**		**0.48**	**0.46**	**0.42**	**0.29**	**0.36**	**0.25**	**0.36**	**0.46**	**-0.11**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.00	0.01	-	-	-	0.00	0.01	0.00
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		0.01	-	-	-	-	-	-	0.01	-
Saudi Arabia	-	0.00		0.00	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	-	0.00	-	-	-	-	-	-
Singapore	0.01	0.01		0.02	0.01	0.01	0.01	0.01	-	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.07	0.04	0.06	0.07	0.10	0.05	0.10	0.08	0.02
Other	0.02	0.02		0.01	0.02	0.02	0.01	0.03	0.01	0.03	0.01	0.02
Total[2]	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.13**	**0.06**	**0.13**	**0.11**	**0.02**
of which Non-OECD	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.13**	**0.06**	**0.13**	**0.11**	**0.02**
Total OECD Trade[2]	**0.88**	**0.77**		**0.83**	**0.75**	**0.76**	**0.74**	**0.83**	**0.74**	**0.83**	**0.81**	**0.02**
of which Non-OECD	**0.78**	**0.72**		**0.78**	**0.71**	**0.72**	**0.69**	**0.80**	**0.69**	**0.81**	**0.73**	**0.08**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12e

Regional OECD Trade Balances[1,2]

(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Crude Oil	**7.46**	**7.12**	**7.13**	**7.26**	**7.16**	**6.71**	**6.32**	**7.46**	**7.90**	**0.44**	**0.82**
Products & Feedstocks	**1.37**	**1.12**	**1.32**	**1.14**	**1.08**	**1.15**	**0.94**	**1.38**	**1.25**	**-0.13**	**0.01**
Gasoil/Diesel	0.08	0.00	0.00	-0.03	0.09	0.08	0.12	0.07	-0.04	-0.11	-0.07
Gasoline	0.53	0.57	0.67	0.63	0.47	0.48	0.37	0.59	0.77	0.19	0.15
Heavy Fuel Oil	0.28	0.05	0.10	0.03	0.07	0.21	0.21	0.28	0.13	-0.15	0.05
LPG	0.02	0.04	0.03	0.03	0.07	0.04	0.04	0.04	0.01	-0.02	-0.03
Naphtha	0.06	0.04	0.05	0.04	0.03	0.03	0.03	0.04	0.04	0.01	0.00
Jet & Kerosene	0.12	0.09	0.08	0.08	0.10	0.08	0.05	0.11	0.06	-0.05	-0.04
Other	0.28	0.34	0.39	0.35	0.24	0.23	0.11	0.26	0.27	0.01	-0.06
Total	**8.83**	**8.24**	**8.44**	**8.40**	**8.24**	**7.86**	**7.26**	**8.84**	**9.15**	**0.31**	**0.83**

OECD Europe

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Crude Oil	**7.37**	**7.17**	**6.90**	**7.46**	**7.18**	**7.32**	**6.93**	**8.09**	**7.09**	**-1.00**	**0.31**
Products & Feedstocks	**1.48**	**1.44**	**1.32**	**1.42**	**1.25**	**1.13**	**1.35**	**1.00**	**0.88**	**-0.11**	**-0.28**
Gasoil/Diesel	0.42	0.42	0.41	0.33	0.38	0.33	0.46	0.26	0.34	0.08	-0.03
Gasoline	-0.25	-0.34	-0.40	-0.36	-0.25	-0.37	-0.36	-0.43	-0.56	-0.13	0.04
Heavy Fuel Oil	0.13	0.23	0.22	0.26	0.13	0.07	0.17	0.03	0.13	0.10	-0.15
LPG	0.17	0.14	0.09	0.11	0.16	0.12	0.10	0.17	-0.01	-0.18	-0.06
Naphtha	0.24	0.24	0.25	0.26	0.24	0.27	0.23	0.31	0.30	0.00	0.06
Jet & Kerosene	0.21	0.19	0.20	0.23	0.16	0.13	0.14	0.11	0.13	0.02	-0.09
Other	0.55	0.56	0.55	0.58	0.43	0.58	0.61	0.55	0.55	0.01	-0.05
Total	**8.84**	**8.61**	**8.22**	**8.87**	**8.43**	**8.45**	**8.29**	**9.09**	**7.98**	**-1.11**	**0.03**

OECD Pacific

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Feb 03	Mar 03	Apr 03	Latest month vs. Mar 03	Latest month vs. Apr 02
Crude Oil	**6.65**	**6.20**	**5.86**	**5.78**	**6.51**	**7.18**	**7.35**	**7.04**	**6.80**	**-0.24**	**0.85**
Products & Feedstocks	**1.00**	**1.30**	**1.16**	**1.08**	**1.63**	**1.55**	**1.59**	**1.32**	**1.51**	**0.19**	**0.41**
Gasoil/Diesel	-0.18	-0.14	-0.15	-0.21	-0.07	-0.09	-0.10	-0.13	-0.07	0.05	0.10
Gasoline	-0.01	0.02	0.01	0.01	0.04	0.02	-0.01	0.00	0.00	0.00	0.02
Heavy Fuel Oil	-0.12	-0.02	0.05	-0.06	0.02	-0.04	-0.04	-0.09	0.04	0.13	-0.01
LPG	0.52	0.54	0.52	0.49	0.59	0.55	0.55	0.57	0.53	-0.04	0.01
Naphtha	0.64	0.70	0.65	0.72	0.72	0.77	0.78	0.76	0.86	0.10	0.17
Jet & Kerosene	-0.03	0.00	-0.07	-0.08	0.08	0.14	0.19	-0.03	-0.01	0.02	0.05
Other	0.17	0.20	0.15	0.20	0.26	0.21	0.21	0.23	0.16	-0.07	0.05
Total	**7.65**	**7.50**	**7.02**	**6.86**	**8.13**	**8.72**	**8.94**	**8.36**	**8.31**	**-0.05**	**1.26**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 9 August 2002), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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11 August 2003

HIGHLIGHTS

- The forecast of global oil demand growth for 2003 has been raised by 100 kb/d, to 1.11 mb/d, reflecting China's quicker-than-expected recovery from the effects of the Severe Acute Respiratory Syndrome (SARS) outbreak. Demand growth for 2004 is unchanged at 1.05 mb/d.

- The IEA annual review of non-OECD oil statistics has raised baseline 2001 non-OECD demand by 260 kb/d. Most of the increase derives from Iran and India. With a higher non-OECD baseline, global demand in 2003 and 2004 is now projected at 78.4 mb/d and 79.4 mb/d respectively.

- World oil supply increased by 916 kb/d in July to 78.64 mb/d. Non-OPEC production rose by 688 kb/d as North Sea output recovered. OPEC crude supply was up 155 kb/d. Iraqi late-July production exceeded 1 mb/d but uncertainty over future output led OPEC on 31 July to retain its 25.4 mb/d production target.

- OECD industry total oil stocks closed June at 2515 mb, up 24 mb from May, but still 129 mb below 2002. Forward demand cover was unchanged over the second quarter at 52 days. Preliminary figures indicate that crude stocks failed to re-build over the quarter. Gains in the main products in the second quarter averaged just over 500 kb/d.

- Crude oil prices rallied at the end of July, the OPEC basket having already spent much of the month near the top of the target price range. Prices continue to be supported by low stocks, stronger economic growth, a pick-up in US gasoline demand and the uncertainty over Iraqi supplies ahead of an anticipated seasonal rise in demand.

CONTENTS

ACCOUNTING FOR THE UNOBSERVED

This months Oil Market Report (OMR) reflects a significant upward adjustment in demand and a corresponding increase in the Call on OPEC. This is not a call for more oil, but rather greater clarity in who is supplying it, and to whom.

The OMR aims to provide the most current and complete snapshot of global oil balances and market developments. For OECD countries, it relies on preliminary data for the month under review drawn from governments, industry and industry associations. These preliminary estimates are revised the following month based on data obtained through official Monthly Oil Statistics (MOS) submitted by Member countries. This data is progressively adjusted to reflect re-submissions from Member countries and is further modified in conjunction with the publication of OECD Member country annual statistics, which contain greater detail and are generally more reliable than the monthly estimates.

For non-OECD estimates, the OMR relies on various information sources, including publicly available government data. Revisions to past assessments follow the release of new information or corrections to previously published data. Historical assessments are also revised annually in conjunction with the findings of the IEA's *Energy Statistics of Non-OECD Countries* publication, most commonly referred to as the Green Book. This year's Green Book, which includes data through 2001, is once again the result of the extensive collaboration between the Agency's Energy Statistics Division and governments of over 90 non-OECD countries and international organisations.

Final data for over 40% of non-OECD statistics are only made available about two years after the end of the fiscal year. For these countries, the OMR projects country-by-country demand estimates based on historical trends, growth rates and the performance of comparable economies until such time as the official data becomes available. Apparent demand – based on domestic production plus or minus net trade – is estimated for countries with uncertain data.

This OMR embodies minor adjustments to supply but reflects substantial upward revisions to baseline non-OECD demand: 260 kb/d in 2001. The bulk of these revisions relate to a reassessment of Chinese, Indian and Iranian demand.

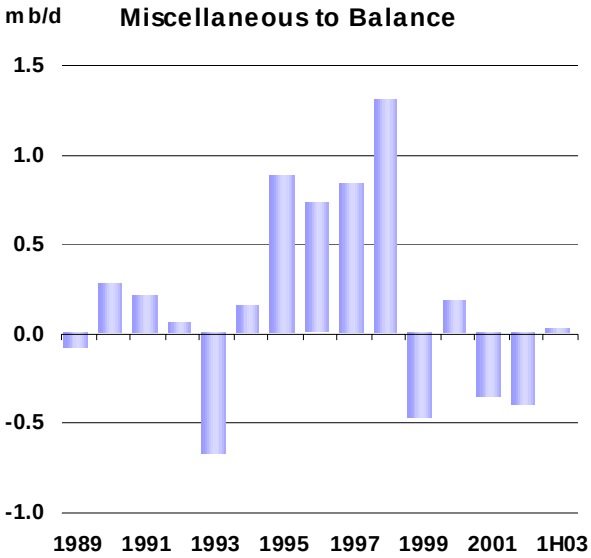


Table 1 of the OMR reflects World Oil Supply and Demand balances. It reports observed demand and supply figures but makes no attempt to force a balance between them. A balancing item called "Miscellaneous to balance" is included after taking into account reported stock changes. This balancing item reflects unreported OECD and non-OECD stock changes and statistical error. Statistical error is influenced by a number of unobserved and mis-reported items including conversion factors, refinery gains and losses, pipeline fill, smuggling, direct burn, marine bunkers etc.

Adjustments to baseline demand involve a restatement of previously mis-reported, unreported and under-reported demand. The net effect is an upward adjustment in "observed" demand and an offsetting downward adjustment in "unobserved" demand (or Miscellaneous to balance). These adjustments reflect more accurate reporting of demand flows but they have no effect on actual levels of global demand, or physical supply. Furthermore, the rate of demand growth is basically unaffected because observed demand is adjusted back on a consistent basis throughout the historical series.

Revisions also feed through into the memorandum item in Table 1 entitled "Call on OPEC plus Stock Changes". The Call, which is the residual number reflecting observed demand less total non-OPEC supply minus OPEC NGLs, is increased by the amount of the adjustment to baseline demand. While this adjustment could be seen as calling for more OPEC crude there is no such requirement in reality. The restated numbers simply reflect a more accurate accounting of observed demand.

DEMAND

Summary

- The forecast of global demand growth for 2004 is unchanged at 1.05 mb/d. The assessment of demand growth for 2003 has been raised by 100 kb/d, to 1.11 mb/d, with a greater-than-expected bounce in Chinese demand in the aftermath of the Severe Acute Respiratory Syndrome (SARS) outbreak offsetting downward adjustments in North America.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change*		Changes from last month's Report (mb/d)
		(%)	(mb/d)	
1Q02	77.1	-0.7	-0.5	0.3
2Q02	75.5	-0.2	-0.1	-0.1
3Q02	76.9	0.9	0.7	-
4Q02	79.5	2.0	1.5	0.7
1Q03	79.3	2.8	2.2	0.6
2Q03	76.3	1.1	0.8	0.1
3Q03	77.8	1.1	0.9	-
4Q03	80.1	0.8	0.6	0.7
1Q04	79.7	0.5	0.4	0.6
2Q04	77.5	1.5	1.2	0.1
3Q04	78.9	1.5	1.1	-0.1
4Q04	81.6	1.8	1.5	0.7
2002	77.3	0.5	0.4	0.3
2003	78.4	1.4	1.1	0.4
2004	79.4	1.3	1.1	0.3

* year-on-year change

- The IEA's annual review of historical non-OECD statistics has raised the estimate of baseline demand for 2001 by 260 kb/d. That adjustment has been carried forward, contributing most of a 350 kb/d increase in the assessment of absolute demand for 2003 and 2004. Detailed results of the IEA's survey will be released in the forthcoming *Energy Statistics of non-OECD Countries*, the so-called "Green Book".

Revisions to Baseline Non-OECD Demand

(million barrels per day)

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Baseline Non-OECD Revisions													
Demand (July 11 Report)	67.24	67.78	68.41	69.56	71.52	73.47	73.84	75.46	76.24	76.60	77.03	78.03	79.08
FSU								-0.02	0.04	0.02	0.01	0.08	0.08
Non-OECD Europe	-0.01	0.01	0.01		0.02	0.02			-0.01	0.03	0.03	0.03	0.03
China					-0.11	-0.26	-0.11	-0.20	-0.23	-0.20	-0.21	-0.14	-0.14
Non-OECD Asia	-0.10	-0.08	-0.03	0.01	-0.02		0.09	0.09	0.08	0.19	0.21	0.21	0.22
Latin America	0.03	0.03	0.03	0.01	0.04	-0.02	0.02	0.02	0.02	0.05	0.05	0.05	0.05
Middle East	0.16	-0.02	0.04	0.17	0.17	0.14	0.16	0.07	0.04	0.10	0.10	0.09	0.09
Africa		-0.01	-0.01				-0.02	0.03	0.02	0.07	0.06	0.06	0.06
Total Baseline Revisions	0.09	-0.07	0.03	0.20	0.09	-0.12	0.14		-0.04	0.26	0.25	0.38	0.39
Revised Baseline Demand	67.33	67.71	68.45	69.76	71.62	73.34	73.98	75.46	76.19	76.85	77.27	78.41	79.48

* Revised baseline demand in the forecast years is unadjusted for changes in world growth rates

- The biggest increases in non-OECD baseline demand focus on Iran and India. A switch to more representative conversion factors has raised the assessment of historical Iranian oil product demand across the time-line, with the adjustment peaking at 175 kb/d for 2001. The estimate of Indian demand has been raised by roughly 180 kb/d for 2000 and 2001. Those upward adjustments,

combined with smaller increases elsewhere, have been partly offset by a 200 kb/d reduction in baseline Chinese demand and minor downward adjustments in several other countries.

- The estimate of OECD demand is roughly flat overall from last month's Report, with a 61 kb/d downward adjustment in June balancing a 44 kb/d upward revision for May. However, that seemingly steady assessment conceals substantial, but offsetting, changes in the regional allocation of demand. Downward adjustments to LPG and distillate demand in the US were counterbalanced by upward adjustments in Europe for May and a tax-driven spike in Korean deliveries in May and June, compounding the effects of strong Japanese utility demand. Despite temporary weakness, the US is expected to resume its lead in OECD demand growth for the remainder of this year.

Estimated Annual World Oil Demand Growth 1999-2004

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.17	0.29	0.35
Latin America	0.02	-0.01	0.02	-0.11	-0.11	0.06
FSU	-0.15	0.09	0.05	0.05	0.12	0.05
Europe	-0.15	-0.11	0.19	-0.18	0.14	0.12
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.26	-0.20
China	0.21	0.26	0.12	0.27	0.24	0.26
Other Asia	0.41	0.09	0.16	0.11	0.13	0.20
Subtotal, Asia	0.90	0.28	0.20	0.34	0.63	0.27
Middle East	0.04	0.18	0.19	0.12	0.01	0.16
Africa	0.11	0.05	0.09	0.02	0.04	0.04
World	1.48	0.73	0.68	0.40	1.11	1.05

- Chinese demand recovered quickly from the effects of the SARS epidemic, helped in part by record cooling demand due to warmer-than-normal weather in the South and Southeast. Preliminary data suggest apparent demand bounced back to year-on-year growth of nearly 5% in June, after contracting by less than 1% in May. Air travel was slower to rebound, with jet fuel output still steeply down in June after apparent demand plunged to a 4½ year low in May.

Global Oil Demand by Region

(million barrels per day)

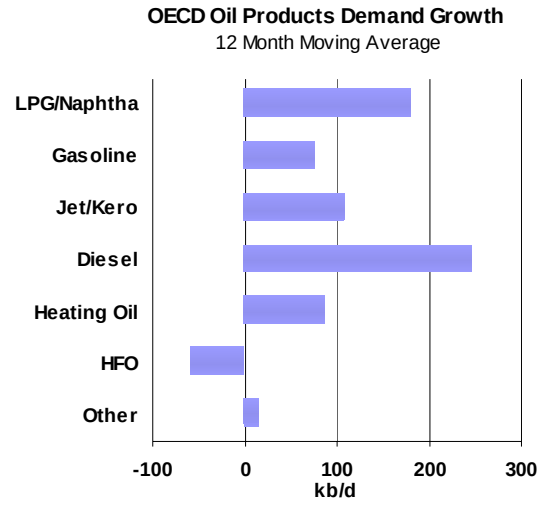
	Demand	Annual Change			Annual Change (%)		
	2003	2002	2003	2004	2002	2003	2004
North America	24.45	0.17	0.29	0.35	0.7	1.2	1.4
Europe	15.97	-0.18	0.14	0.12	-1.1	0.9	0.7
OECD Pacific	8.75	-0.04	0.26	-0.20	-0.5	3.0	-2.3
China	5.19	0.27	0.24	0.26	5.9	4.8	5.1
Other Asia	7.81	0.11	0.13	0.20	1.5	1.7	2.6
Subtotal Asia	21.75	0.34	0.63	0.27	1.6	3.0	1.2
FSU	3.87	0.05	0.12	0.05	1.3	3.1	1.4
Middle East	5.06	0.12	0.01	0.16	2.5	0.1	3.2
Africa	2.61	0.02	0.04	0.04	0.8	1.7	1.7
Latin America	4.67	-0.11	-0.11	0.06	-2.3	-2.3	1.2
World	78.38	0.40	1.11	1.05	0.5	1.4	1.3

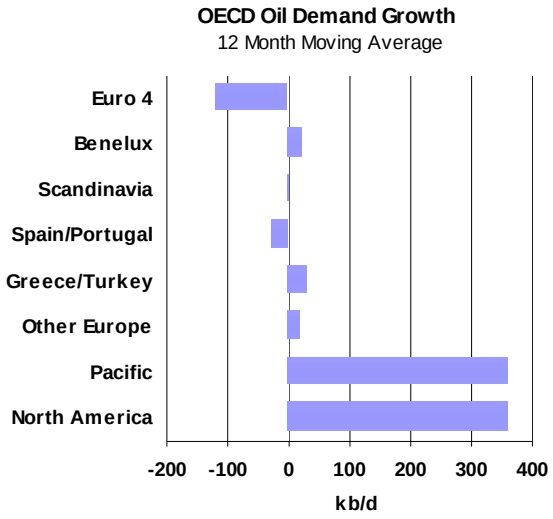
OECD

Early Indications of Current Demand

OECD oil demand grew by 750 kb/d or 1.6% in May year-on-year. Adjusted preliminary data for eight of the region's largest economies indicate that OECD demand continued to expand at a comparable pace in June, growing by 590 kb/d, or 1.3%. For both months, the Asia-Pacific region accounted for the bulk of the increase, followed by Europe. In contrast, deliveries contracted in the US, leading North American demand lower year-on-year.

Although the overall pace of OECD demand growth for both months is roughly in line with expectations, the regional breakdown of deliveries shows weaker-than-anticipated demand in North America, offset by stronger than expected deliveries elsewhere. However, both the contraction in North American demand and the stronger-than-expected European and Asian deliveries reflect one-off factors. In the longer run, North America remains poised to lead OECD demand growth for the remainder of this year, as it has for most of the first half of the year.





US demand was revised downwards for May by nearly 330 kb/d from last month's Report, and by 420 kb/d for June. The bulk of the May correction came in the catch-all category of "other products," comprising LPG, naphtha and the narrower "other products" used in Monthly Oil Statistics (MOS) data, for which US deliveries are estimated, rather than surveyed, in preliminary assessments. Due to high natural gas prices in May, it had been expected that US preliminary data overstated "other product" demand, as estimation procedures and demand models are often slow to capture price-driven switches in LPG output and deliveries. In expectation that producers would leave more liquids in the natural gas stream, preliminary US estimates had been adjusted downwards by 480 kb/d in the OMR. However, revised data came in nearly 1.1 mb/d below preliminary estimates, or 610 kb/d below the OMR adjusted figure. Preliminary US data for June have once again been adjusted downwards in this Report, in anticipation of further downward revisions to "other products" deliveries. After adjustment, preliminary data, which otherwise show year-on-year growth of 2.2% in June, point to another month of contraction. However, natural gas prices have now eased in line with record natural gas storage injections, setting the stage for a recovery in LPG output and deliveries, and thus in US product demand overall.

Asian demand was adjusted upwards by 70 kb/d for May and, on the basis of preliminary figures for Japan and Korea, by 190 kb/d for June. Although Japanese utility demand has been the main driver of OECD Asian oil demand since safety reporting issues idled much of Japan's nuclear power generation capacity starting last September, it is Korean demand that accounted for the bulk of the latest revisions, including 40 kb/d for May and 190 kb/d for June. The key factor there was a tax increase on several oil products set for 1 July. Deliveries soared before the new taxes took effect, presumably leading to lower deliveries afterwards.

Revisions to preliminary estimates of May demand for the four largest European economies totalled nearly 290 kb/d, spanning all countries and products. But the main driver of European demand growth was a spike in German heating oil deliveries, as residential users took advantage of lower prices and favourable exchange rates to refill their tanks. Sales slowed in June after tanks reportedly reached relatively high levels by historical standards.

Despite recent weakness, North American demand remains set to grow substantially this year, leading OECD demand growth. Recent economic indicators confirm signs of a pick-up in the pace of US economic recovery. An expected rebound in the long-depressed manufacturing sector will boost demand for industrial fuels, including residual fuel oil, heating oil and road diesel. Easing natural gas prices will boost supply and consumption of LPG. Meanwhile, gasoline demand is showing signs of strength, as weak data for the first half of the year are being steadily revised upwards, while recent weekly sales are perking up.

Unadjusted preliminary delivery statistics for eight of the largest OECD economies in June are detailed in the table below. Growth in "other product" demand appears as the largest component of total demand growth, contributing 540 kb/d of an unadjusted 1.23 mb/d of total incremental demand. Some of the growth in "other product" demand is substantiated, reflecting Japanese fuel switching into oil for power generation in the face of reduced nuclear power output. A 7.9% increase in Japanese "other product" demand represents incremental direct crude burn at Japanese power plants. But a 6.8% increase in US "other product" demand may be overstated.

Preliminary Inland Deliveries – June 2003[1]

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.97	-1.8	1.54	-8.8	2.79	3.0	1.01	13.8	0.90	34.1	5.11	6.8	20.32	2.2
Mexico	0.59	8.5	0.05	6.1	0.30	13.5	0.00	na	0.39	-10.5	0.34	2.1	1.67	2.8
Japan	1.03	4.7	0.36	16.8	0.65	-2.3	0.47	9.6	0.58	45.6	1.49	7.9	4.57	9.9
Korea	0.16	0.6	0.06	10.7	0.45	17.9	0.06	11.5	0.26	6.2	1.02	11.1	2.01	11.0
France	0.30	3.2	0.12	-1.7	0.63	6.2	0.25	6.7	0.05	38.4	0.48	4.1	1.85	5.3
Germany	0.63	-1.9	0.15	-2.5	0.57	-2.4	0.60	-2.1	0.12	1.9	0.45	-6.4	2.52	-2.8
Italy	0.37	-0.8	0.08	1.4	0.46	3.5	0.07	14.9	0.24	-9.3	0.42	0.5	1.65	0.0
UK	0.44	-4.6	0.27	0.4	0.40	13.7	0.12	6.3	0.03	56.4	0.26	-6.9	1.52	1.9
Total	12.49	-0.8	2.64	-1.8	6.25	4.3	2.57	7.9	2.57	19.9	9.58	5.7	36.10	3.5

Sources: US EIA, Statistics Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry, UK PIA
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Once US "other product" demand is stripped out, incremental June demand in the leading OECD economies appears closer to 510 kb/d. Broken down by products, the two main components of demand growth are gasoil and residual fuel oil, with gains of roughly 430 kb/d each. Residual fuel oil grew at a brisk pace across all OECD regions in percentage terms, supported by fuel switching for power generation -- from nuclear in Japan, from natural gas in the US and from nuclear and hydropower in Europe, where drought conditions in France and Italy have curtailed not only hydroelectricity generation, but also nuclear power output.

In contrast, demand for both gasoline and jet fuel/kerosene shows contraction. Continued decline in gasoline demand in Europe – an ongoing trend associated with the conversion of the automobile fleet to diesel – was compounded by preliminary reports of contraction in the US, where demand had been exceptionally high in the previous year. A contraction in jet fuel and kerosene deliveries was led by drops in the US, Germany and France, partly a reflection of reduced air travel demand due to the SARS epidemic. However, demand increased in both Japan and Korea, where kerosene is used for space heating.

Moving Annual Average Change in Oil Demand* – June 2003

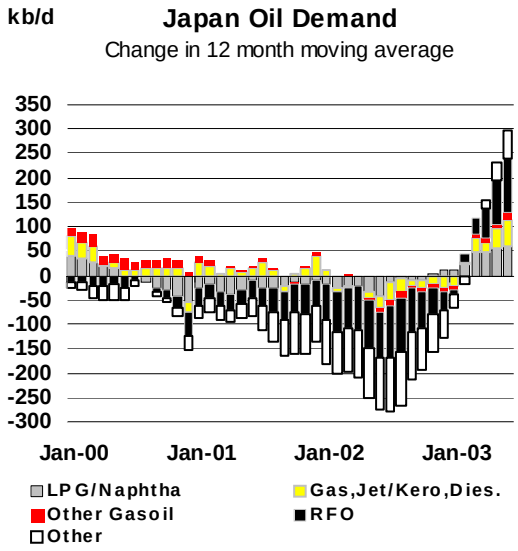
	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	-1.2%	11.4%	1.1%	-0.6%	3.0%	9.2%	6.2%	-2.6%	1.3%	255
Canada**	2.8%	8.4%	2.6%	10.0%	1.1%	7.2%	0.7%	4.7%	3.9%	80
Mexico	-2.9%	17.5%	5.2%	0.6%	6.5%	6.5%	-11.6%	27.0%	1.0%	20
Japan	0.4%	7.3%	1.9%	8.4%	-3.2%	3.1%	19.9%	15.0%	5.7%	299
Korea	2.9%	5.9%	-1.1%	7.7%	10.7%	4.0%	-3.3%	50.3%	3.3%	71
France	-0.8%	-0.4%	-4.8%	6.6%	1.9%	-2.8%	-5.3%	1.4%	-0.6%	-11
Germany	-0.3%	-1.6%	-4.7%	1.8%	3.1%	-2.7%	0.3%	-15.7%	-1.9%	-53
Italy	0.8%	18.7%	-1.9%	9.7%	2.3%	0.4%	-14.5%	-3.2%	-2.6%	-49
UK	5.3%	43.6%	-5.7%	3.0%	3.2%	3.2%	-1.1%	-8.6%	-0.2%	-3
Total	-0.3%	6.5%	0.6%	3.1%	2.5%	3.2%	0.2%	0.2%	1.5%	607
kb/d	-13	162	79	105	149	113	6	7	607	-

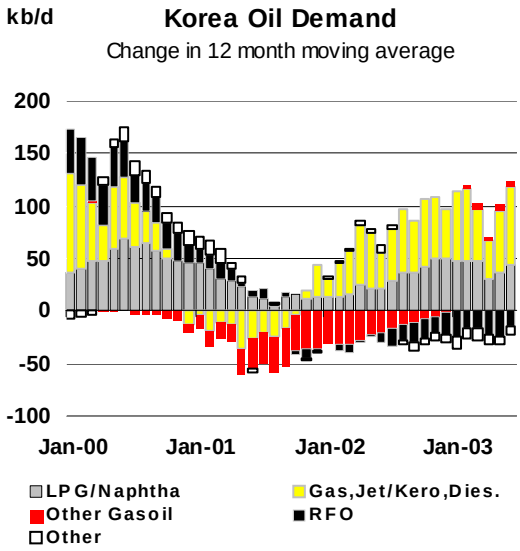
*defined as the percentage change between the demand average for the 12 months up to June and that of the same period a year earlier
** near-month data are estimated

Pacific

Asia-Pacific demand growth led overall OECD demand growth in both May and June, with gains estimated at 600 kb/d and 610 kb/d, respectively. Japan posted the strongest increases, 430 kb/d in May and 410 kb/d in June. As in recent months, Japanese oil demand remains driven by the utility sector, as power generators boost their oil-fired plants to make up for the temporary loss of nuclear power generation capacity in a period of peak electricity cooling demand. However, the impact of the nuclear plant shutdowns on oil demand growth appears to be stabilising.

Aggregate incremental demand for residual fuel oil and "other oil" – including heavy, sweet crude oil for direct burn at power plants – eased from 330 kb/d in May to a provisional 310 kb/d in June. Although Japanese electricity demand peaks seasonally in July and August, in line with cooling demand, that incremental demand is expected to be offset by the restart of some idled nuclear units. At the time of writing, Tokyo Electric Power Co. (Tepco) had restarted four of the 17 nuclear power plants it had shuttered following a controversy about safety inspection practices in September. Plants that resumed operations include Kashiwazaki-Kariwa units No. 6 (as of 7 May 2003), No. 7 (as of 20 June) and No. 4 (as of 23 July), and Fukushima-Dai-ichi unit No. 6 (as of 13 July). In addition, four more units are expected to return to service in August, and another two in September.





In May and June, a significant proportion of incremental Asian demand also came from Korea. Revised data for May now show Korean demand growth of 6.6%, reversing contraction of 3.5% and 8% in March and April. This was followed by a provisional gain of 10.8% in June. The gains, which focused on diesel and, to a lesser extent, jet fuel/kerosene and residual fuel oil, were prompted by the introduction of a new consumption tax. Under changes made to the fuel tax rates as of July 1, per litre prices for diesel, kerosene and heavy oil rose by 29 won, 24 won and 3 won respectively. Prices for LPG rose by 94 won per kilogram on the retail market. The demand spike was thus temporary. Trading sources reported steep increases in Korean gasoil exports in July, as domestic deliveries tarried after surging in May and June.

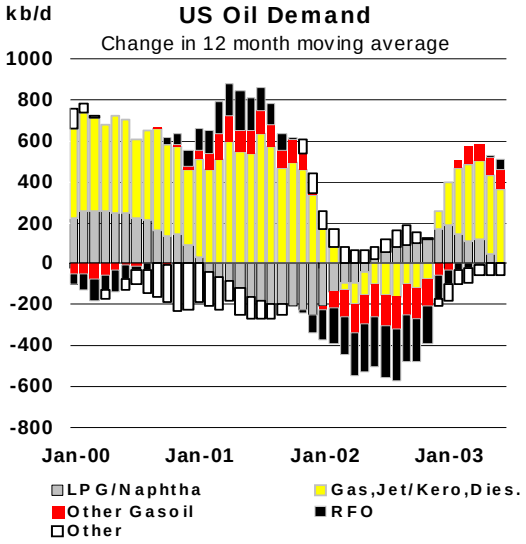
North America

Massive revisions in US estimates of LPG demand for recent months have added a measure of uncertainty to short-term assessments of North American demand. Downward adjustments of more than 1 mb/d in preliminary assessment of "other oil" demand – driven by LPG – for May caused the estimate of US demand for that month to shift from year-on-year growth of about 2% to contraction of 2.3%. Although preliminary estimates of heating oil demand were also adjusted downwards, that adjustment was more than offset by upward revisions in gasoline, diesel, jet fuel and residual fuel oil.

The combination of a spike in natural gas prices and relatively benign weather – compounded by depressed air travel demand – conspired to undermine US oil demand growth in May, causing aggregate deliveries to contract by 450 kb/d. High natural gas prices constrained LPG output, and therefore deliveries, as field producers sought to maximise their natural gas yields at the expense of liquids. LPG demand contracted by 410 kb/d. At the same time, mild temperatures curtailed both

heating demand in the Northeast and cooling demand in the southern and southwest states, thereby undermining utility demand for distillate and residual fuel oil. Deliveries of heating oil fell 110 kb/d below last year.

The natural gas rally may have further constrained LPG deliveries in June, even though by then natural gas prices were already easing. However, sluggish utility demand, due to cool summer weather and depressed industrial production, have since helped speed up natural gas re-injections into underground storage, alleviating fears of a major natural gas supply crunch this winter, and further easing natural gas prices. While this would tend to support fuel switching back into natural gas from heating oil and residual fuel oil, the stage appears set for a rebound in LPG demand.



Another key source of uncertainty clouding the short-term outlook for North American oil demand is that surrounding gasoline demand. US gasoline demand growth has been surprisingly subdued in the first half of this year, despite expectations that a drop in air travel demand would translate into sharply higher road transportation. That relative weakness has been widely attributed to cold and rainy weather on the US East Coast and sharply higher gasoline prices than a year ago. However, May estimates of gasoline demand were revised up by 200 kb/d, following upward adjustments of 155 kb/d to April preliminary estimates. Following those revisions, both months are now showing marginal growth. July deliveries have been gathering pace. Demand growth is expected to increase further through the second half of this year.

Europe

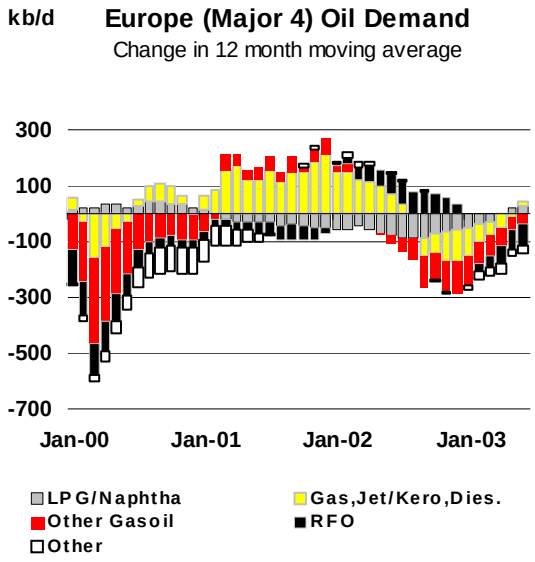
Europe contributed 480 kb/d of incremental OECD demand in May, more than offsetting the contraction in North America. The four largest European economies accounted for the bulk of the gain, 340 kb/d. Nearly 40% of the total European demand growth was in German heating oil deliveries, as German homeowners, spurred by low prices, moved to refill their residential storage tanks ahead of winter.

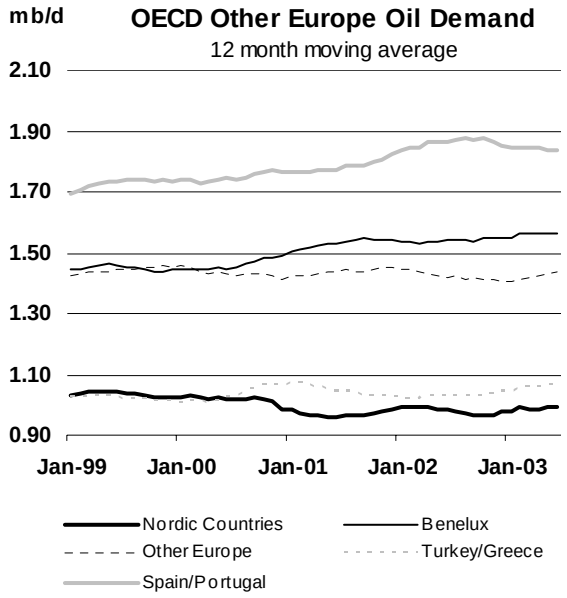
May's spike in European demand is thus likely to prove a one-off event. High German heating oil deliveries are by definition unsustainable in summer, as purchases wind down once storage tanks are replenished. Indeed, preliminary data show that German heating oil demand swung into contraction in June, inching lower by 10 kb/d, as total product demand fell 70 kb/d.

A heat wave raging through western Europe is likely to replace German heating oil buying as the main driver of European demand growth in the summer months. Drought conditions have curtailed French and Italian hydropower output, while also restricting French and German nuclear power capacity by curbing the amount of cooling water available to reactors. However, as West European utilities have been converting their thermal plants to natural gas in recent years, oil may no longer be the primary fuel of choice to make up for lost hydropower or nuclear power generation capacity.

In Italy, low water reserves have cut hydropower's share of electricity supply to 5 TWh in June, a 9.9% drop year-on-year (versus total demand of 27.9 TWh). As a result, the share of thermal power increased by 8.6%, to 20.4 TWh, while electricity imports rose by 5.2%. While the drought did encourage Italian residual fuel oil demand, natural gas demand appears to have been a more direct beneficiary. As of June, the effect of curtailed hydropower had not been to fuel growth in Italian residual fuel oil demand, but rather to slow the ongoing contraction in residual fuel oil demand from an average 24% for the prior seven months to 5%. French demand rose more steeply, by 14.2% in May and a provisional 12% in June, but from a much lower base. However, the pace of demand will likely increase for July in August, reflecting the more severe impact of the drought.

Despite the SARS outbreak in Asia and the impact of the Iraq war on air travel, European jet fuel demand was considerably stronger than expected, rising by 30 kb/d in May in the four largest economies. Preliminary estimates of jet demand for May in those economies were revised upwards by 60 kb/d.





Non-OECD

Reflecting the findings of the IEA's annual review of non-OECD demand, significant adjustments have been applied to the estimate of baseline demand across the main non-OECD regions. The majority of Green Book data have been incorporated into the OMR. On balance, revisions to historical statistics have raised the assessment of non-OECD demand for 2001 by 260 kb/d, with smaller adjustments, either upwards or downwards, for prior years. In keeping with past practice, the revision to 2001 data has been carried forward as an adjustment factor, lifting the absolute level of demand for 2002, 2003 and the 2004 forecast. However, revisions to baseline demand have had little material impact on the assessment of demand growth after 2001.

Non-OECD Asia (excluding China) shows the steepest aggregate increase in baseline demand, at 190 kb/d. A 184 kb/d increase to the assessment of Indian demand for 2001, following in-depth discussions between Indian and IEA statisticians at a joint seminar in Paris earlier this year, led the revision. A key purpose of the talks was to reconcile Indian statistics based on the calendar year with other data series based on the Indian fiscal year running from April to March. Upward adjustments in India were compounded by increases of 38 kb/d in Indonesia, 32 kb/d in Singapore and 24 kb/d each in Taiwan and Thailand. Those gains were partly offset by reductions of 65 kb/d in North Korea and 39 kb/d in Hong Kong. However, Chinese baseline demand was trimmed by 200 kb/d (see below), leaving aggregate baseline demand for the whole of non-OECD Asia roughly unchanged.

India Crude & Product Trade

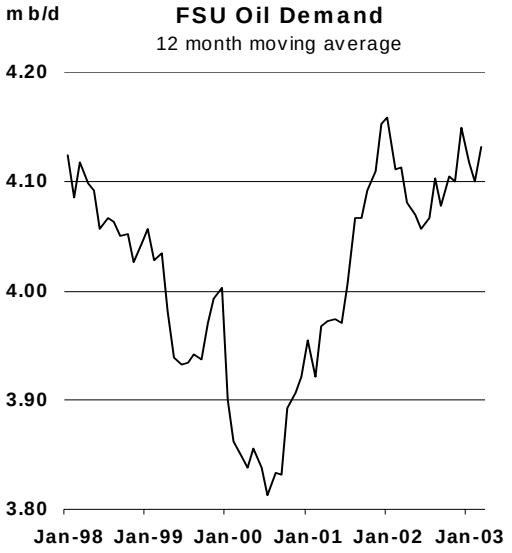
(thousand barrels per day)

	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Latest month vs. Apr 03	Latest month vs. May 02
Net Imports/(Exports) of:											
Crude Oil	**1604**	**na**	**1700**	**1872**	**1643**	**1752**	**1786**	**1877**	**2144**	**268**	**357**
(by Public Oil Cos)	**934**	**1088**	**1038**	**1235**	**1108**	**1137**	**1146**	**1328**	**1412**	**83**	**262**
Products & Feedstocks	**-28**	**-83**	**-132**	**-138**	**4**	**-125**	**-168**	**-121**	**-168**	**-47**	**-16**
Gasoil/Diesel	-54	-53	-45	-76	-35	-113	-111	-77	-108	-31	-64
Gasoline	-20	-48	-54	-57	-45	-66	-85	-70	-71	0	-23
Heavy Fuel Oil	22	6	4	8	2	-10	-12	33	11	-22	8
LPG	20	22	7	8	52	75	79	38	25	-13	17
Naphtha	9	4	-17	-5	24	13	7	-54	-24	30	-2
Jet & Kerosene	29	10	2	5	8	-14	-30	15	-1	-16	5
Other	-34	-23	-30	-22	-2	-11	-17	-5	0	5	43
Total	**1576**	**1005**	**1568**	**1734**	**1647**	**1627**	**1617**	**1755**	**1976**	**221**	**979**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2002 are not available. For 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Middle East baseline demand was raised by 100 kb/d, the second largest increase. Iran accounts for virtually all of the gain, with sweeping revisions to historical demand culminating in a 175 kb/d upward adjustment for 2001. Most of the increase reflects changes in conversion factors used to process Iranian data, rather than new information. Oman demand was lifted by 16 kb/d for 2001. In contrast, Kuwait baseline demand has been lowered by 75 kb/d, while cuts of 18 kb/d and 12 kb/d have been applied to Syria and Israel.

Substantial reductions in Green Book estimates of UAE demand – totalling 80 kb/d for 1999, 100 kb/d for 2000 and 68 kb/d for 2001 - have not been incorporated into the OMR. UAE demand had been revised upwards by 175-200 kb/d in last year's Green Book for the 10 year period from 1991 to 2000, reflecting previously unreported bunker demand at the local bunkering and shipping hub of Fujairah. This year's Green Book takes much of that increase away for the last two years of the period. Reported year-on-year dips of 80 kb/d and 30 kb/d - or 40% and 25% - in bunker demand for 1999 and 2000 now account for all of the downward adjustments in Green Book estimates of total UAE demand for those years. Similarly, this year's Green Book shows a partial rebound of 37 kb/d – or 41% year-on-year – in UAE bunker demand for 2001, echoed by a 40 kb/d increase in total product demand. It is unclear why bunker demand would have swung so widely at Fujairah between 1999 and 2001. Pending further review, previously estimated levels of UAE bunker demand have been maintained in this Report for 1999 and 2000. Green Book assessments of UAE bunker demand for 2001 have also been adjusted upwards.



FSU demand has been marginally adjusted as a result of the IEA's annual review of non-OECD countries: the demand assessment has been trimmed by 19 kb/d for 1999, but raised by 42 kb/d for 2000 and by 23 kb/d for 2001. In addition, in light of the Green Book findings, OMR methodology for estimating FSU demand has been slightly amended.

While OMR data attempt to capture "apparent" FSU demand - domestic supply minus net exports plus or minus adjustment factors – on the basis of monthly independent assessments of both domestic crude supply and trade, the Green Book reflects "observed " demand - actual deliveries - as reported annually by government sources. For the last few years, the two methods have yielded closer and closer results. Last year's Green Book assessment of FSU demand for 2000 had come some 20 kb/d below the OMR yearly average. Revised Green Book data now estimate FSU demand for both 2000 and 2001 slightly above prior OMR estimates. Both estimates have been incorporated into OMR statistics, hence the revisions to baseline demand. Green Book estimates for 1999, which had been previously incorporated into the OMR, have been slightly trimmed.

Significantly, Green Book FSU demand estimates are also coming closer to average unadjusted apparent demand, i.e. FSU crude supply minus net oil exports, without any adjustment factor. In the years following the collapse of the Soviet Union, much of the FSU trade was unaccounted for. To capture those underreported exports, OMR estimates of FSU apparent demand carried substantial adjustment factors. Those factors varied widely from quarter to quarter, in a bid to discount seasonal swings in FSU trade and strip temporary stock movements from the estimation of actual end-user demand.

Reflecting the past scope of unaccounted trade, Green Book estimates of FSU demand for 1996 and 1997 fall short of unadjusted apparent demand by more than half a million barrels per day. But for more recent years, that gap narrows steadily, falling to less than 380 kb/d for 1998 and roughly 200 kb/d for 1999. For 2000, Green Book estimates actually exceed unadjusted apparent demand by 43 kb/d. For 2001, they fall short by 106 kb/d. Given the significantly better accounting of FSU trade, the rationale for seasonally-adjusting estimated exports seems less compelling. Beginning with 2000, OMR methodology adopts a more straightforward approach to calculating apparent FSU demand. For 2000 and 2001, OMR estimates of FSU demand represent straight apparent demand - the quarterly average of monthly supply minus next exports - plus an adjustment factor representing the difference between the yearly average of straight apparent demand and Green Book estimates. For

2002 and beyond, straight apparent demand continues to be used with a small, flat adjustment factor, but without any attempt to compensate for seasonal export swings. As a result, quarterly estimates of FSU demand have been raised substantially for the fourth and first quarters, but lowered accordingly for the second quarter. Although this approach overstates winter demand by passing seasonal stock builds as demand, it offers the advantage of greater transparency. It is also arguably more relevant in assessing global supply/demand balances, as un-exported FSU crude and products produced in winter, whether domestically consumed or put in seasonal storage, are for all practical purposes unavailable to the global market.

Further adjustments to baseline demand have been applied to Africa, with an aggregate increase of 70 kb/d led by gains in Egypt (29 kb/d), Nigeria (22 kb/d), Angola (14 kb/d) and the Sudan (11 kb/d), but partly offset by downward adjustments in Morocco (15 kb/d), Kenya and Libya (10 kb/d each). The downward revision in Morocco reflects fuel switching from oil to gas for power generation.

Finally, Latin American baseline demand has been revised upwards by 30 kb/d, with gains in Venezuela (35 kb/d) and Brazil (29 kb/d) partly counterbalanced by declines in Argentina and the Dominican Republic (10 kb/d each). Green Book data for Panama have not been incorporated into the OMR as those data fail to reflect marine bunkers, a key component of Panamanian demand, which they treat as exports.

China

Green Book estimates of Chinese annual demand have been incorporated into the OMR from 1996 onwards. As a result, OMR estimates of Chinese demand have been adjusted downwards by 110-260 kb/d for the years 1996-2000. The adjustment for 2001 has trimmed baseline Chinese demand by 203 kb/d.

In the absence of reliable monthly or quarterly data on Chinese oil products deliveries, OMR assessments of Chinese demand aim, as in the case of the FSU, at capturing "apparent" demand, i.e. the sum of estimated domestic supply plus net imports. In contrast with the FSU, however, OMR estimations of Chinese domestic supply are primarily based on domestic output of refined products, rather than crude oil. Sources used in estimating product output include monthly statistical data from the China Petroleum and Chemical Industry Association (CPCIA) published in *China Oil, Gas and Petrochemicals*, a state-owned publication, and other newsletters. Estimates of net imports rely primarily on monthly trade data from the General Administration of Customs (GAC). Data from those sources are supplemented with information from a variety of other sources, including trade publications, company data, reports on trading and refining activity, market intelligence, etc.

China Crude & Product Trade

(thousand barrels per day)

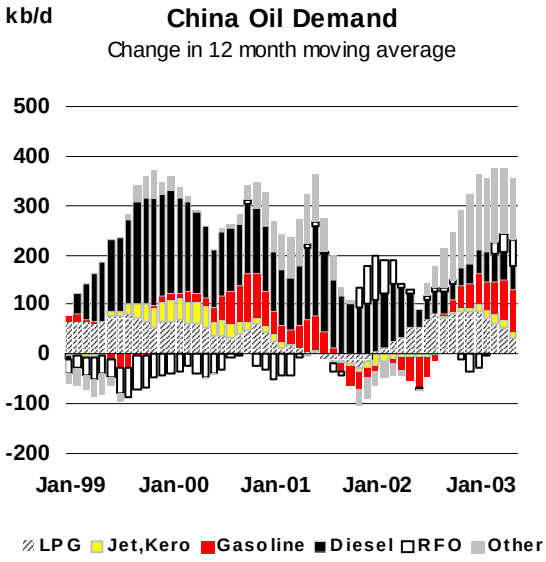
	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Latest month vs. Apr03	Latest month vs. May 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1356**	**1377**	**1192**	**1652**	**1528**	**1649**	**1258**	**-391**	**65**
Products & Feedstocks	**329**	**361**	**342**	**422**	**373**	**320**	**280**	**304**	**460**	**156**	**90**
Gasoil/Diesel	0	-16	-8	-8	-41	-31	-27	-23	-29	-6	-22
Gasoline	-134	-142	-138	-183	-152	-173	-194	-154	-162	-8	-22
Heavy Fuel Oil	313	281	254	344	336	334	317	284	426	142	168
LPG	155	197	186	216	189	184	151	185	177	-8	-23
Naphtha	-19	-16	-26	-15	-15	-16	-23	-41	11	52	32
Jet & Kerosene	8	9	10	6	23	-11	16	21	-18	-39	-25
Other	5	48	64	62	32	32	40	32	54	23	-19
Total	**1372**	**1609**	**1698**	**1799**	**1565**	**1972**	**1807**	**1953**	**1718**	**-235**	**155**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

The difficulties associated with that approach, even without calling into question the reliability of CPCIA and GAC statistics, are manifold. While relatively detailed, CPCIA data incorporate only information from Sinopec and PetroChina, ignoring the output of refineries unaffiliated with the two oil giants. Subject to market conditions, independent refineries are estimated to account for up to 20% of Chinese domestic product output. Meanwhile, government import and export data fail to capture unofficial trade, a chronic occurrence along the southern and southeast shores, where pricing discrepancies between domestic and international markets often serve as a smuggling incentive.

In order to account for unreported refining activity and trade, CPCIA and GAC statistics are adjusted upwards in OMR monthly estimates. Until 1996, the difference between Green Book annual estimates of observed Chinese demand and the yearly average of unadjusted apparent demand based on CPCIA and GAC data appears too low to fully reflect unreported trade and product output: for 1993, that difference amounts to 286 kb/d, 384 kb/d for 1994, and 392 kb/d for 1995. As a result, Green Book estimates of Chinese demand for those years have not been incorporated into the OMR. The difference is substantially larger for 1996-1998, indicating more comprehensive government statistics of observed demand. The difference narrows again somewhat for 1999-2001. But those were years when Chinese authorities embarked on a policy of cracking down more aggressively on unofficial trade, while also seeking to limit the scope of unofficial or unaffiliated refineries. Based on these considerations, OMR adjustments factors used in estimating Chinese apparent demand have been reassessed in line with Green Book findings from 1996 onwards.

Although the net effect of the change is to trim Chinese baseline demand by about 200 kb/d, the adjustment has no major impact on the assessment of Chinese demand growth after 2001. For 2003, however, the forecast of Chinese demand growth has been raised by 80 kb/d, in light of the Chinese economy and oil industry's rapid rebound from the impact of the SARS epidemic. Preliminary data indicate that refinery throughputs rebounded in June after edging lower in May by a smaller margin than expected, while product exports fell slightly short of expectations. Weather was a factor, as Chinese demand was boosted by exceptionally warm temperatures in the southeast and southern provinces. Net imports of residual fuel oil, used as boiler fuel in power plants in Guangdong province and surrounding areas, reached a record high of 430 kb/d in May (see table below). Preliminary trade data suggest that that record was topped in June as fuel oil imports soared to 500 kb/d. LPG imports also reached record highs of nearly 270 kb/d in June, spurred by sharply lower prices. However, jet fuel demand continued to languish in the wake of the SARS outbreak, despite signs of recovery in domestic air travel demand. Estimated jet fuel/kerosene demand of 130 kb/d in May was the lowest since January 1999.



Summary of Global Oil Demand

	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.04	24.34	24.35	24.17	24.56	24.01	24.60	24.65	24.45	24.81	24.33	24.95	25.13	24.81
Europe	15.26	15.14	14.62	15.17	15.34	15.07	15.18	14.89	15.26	15.47	15.20	15.26	14.96	15.31	15.67	15.30
Pacific	8.54	9.06	7.64	8.03	9.26	8.49	9.60	8.06	8.23	9.13	8.75	9.23	7.84	8.09	9.04	8.55
Total OECD	47.80	48.13	46.30	47.54	48.95	47.73	49.35	46.96	48.09	49.24	48.41	49.30	47.14	48.35	49.84	48.66
FSU	3.71	3.73	3.39	3.64	4.26	3.76	4.00	3.46	3.75	4.28	3.87	4.11	3.52	3.76	4.31	3.93
Europe	0.75	0.81	0.75	0.70	0.76	0.75	0.82	0.76	0.71	0.77	0.77	0.84	0.78	0.73	0.79	0.78
China	4.67	4.64	5.02	4.94	5.20	4.95	5.21	5.15	5.08	5.31	5.19	5.26	5.51	5.42	5.60	5.45
Other Asia	7.57	7.53	7.69	7.61	7.87	7.68	7.69	7.75	7.75	8.06	7.81	7.85	7.98	7.95	8.28	8.02
Latin America	4.89	4.72	4.81	4.86	4.72	4.78	4.48	4.68	4.80	4.70	4.67	4.52	4.74	4.86	4.76	4.72
Middle East	4.93	5.01	4.95	5.13	5.13	5.06	5.13	4.92	5.08	5.11	5.06	5.18	5.15	5.26	5.30	5.23
Africa	2.55	2.57	2.59	2.51	2.60	2.57	2.63	2.63	2.55	2.64	2.61	2.67	2.68	2.59	2.69	2.66
Total Non-OECD	29.06	29.02	29.19	29.38	30.54	29.54	29.96	29.35	29.70	30.87	29.97	30.44	30.35	30.57	31.73	30.78
World	76.86	77.15	75.49	76.93	79.49	77.27	79.31	76.31	77.79	80.12	78.38	79.74	77.49	78.92	81.57	79.43
Of which:																
US	19.65	19.53	19.72	19.92	19.87	19.76	20.02	19.56	20.08	20.09	19.94	20.31	19.91	20.40	20.52	20.28
Euro 4	8.43	8.35	7.99	8.38	8.27	8.25	8.21	8.16	8.36	8.29	8.25	8.28	8.13	8.29	8.36	8.27
Japan	5.39	5.68	4.62	5.03	5.87	5.30	6.19	5.00	5.23	5.71	5.53	5.83	4.73	5.02	5.61	5.30
Korea	2.13	2.35	1.99	2.01	2.37	2.18	2.41	2.05	1.99	2.39	2.21	2.36	2.06	2.04	2.38	2.21
Mexico	1.99	1.99	1.98	1.97	1.98	1.98	2.02	2.05	2.05	2.04	2.04	2.02	2.02	2.06	2.08	2.05
Canada	2.04	2.07	2.04	2.13	2.16	2.10	2.16	2.09	2.15	2.17	2.14	2.11	2.08	2.16	2.18	2.13
Brazil	2.20	2.15	2.16	2.22	2.19	2.18	2.02	2.10	2.18	2.15	2.11	2.03	2.12	2.20	2.17	2.13
India	2.27	2.30	2.29	2.20	2.33	2.28	2.33	2.34	2.26	2.40	2.33	2.40	2.42	2.33	2.49	2.41
Annual Change (% per annum)																
North America	-0.2	-1.7	0.8	1.1	2.5	0.7	2.6	-0.1	1.1	1.2	1.2	1.0	1.4	1.4	1.9	1.4
Europe	1.0	-0.4	-1.0	-2.1	-1.5	-1.2	0.3	1.9	0.6	0.8	0.9	0.5	0.5	0.3	1.3	0.7
Pacific	-0.9	-3.6	-4.1	0.1	5.4	-0.5	6.0	5.6	2.4	-1.4	3.0	-3.9	-2.7	-1.7	-0.9	-2.3
Total OECD	0.0	-1.6	-0.6	-0.1	1.7	-0.1	2.5	1.4	1.1	0.6	1.4	-0.1	0.4	0.5	1.2	0.5
FSU	1.3	0.2	-0.8	3.1	2.5	1.3	7.1	2.3	2.9	0.4	3.1	2.8	1.6	0.3	0.8	1.4
Europe	6.0	0.8	1.1	1.4	1.5	1.2	1.8	1.5	1.6	1.7	1.6	1.8	1.9	2.0	2.2	2.0
China	2.5	3.9	1.1	9.7	9.0	5.9	12.3	2.7	2.9	2.2	4.8	1.0	6.9	6.8	5.4	5.1
Other Asia	2.1	0.3	1.6	1.8	2.1	1.5	2.1	0.7	1.8	2.4	1.7	2.1	3.0	2.6	2.7	2.6
Latin America	0.5	-1.3	-2.9	-1.9	-3.1	-2.3	-5.0	-2.7	-1.3	-0.5	-2.3	0.9	1.3	1.3	1.4	1.2
Middle East	4.0	2.5	2.4	2.4	2.6	2.5	2.4	-0.6	-1.0	-0.3	0.1	1.0	4.6	3.7	3.7	3.2
Africa	3.5	0.0	0.4	2.2	0.9	0.8	2.1	1.7	1.5	1.5	1.7	1.7	1.7	1.8	1.8	1.7
Total Non-OECD	2.3	0.9	0.5	2.7	2.4	1.6	3.2	0.6	1.1	1.1	1.5	1.6	3.3	2.9	2.8	2.7
World	0.9	-0.7	-0.2	0.9	2.0	0.5	2.8	1.1	1.1	0.8	1.4	0.5	1.5	1.5	1.8	1.3
Annual Change (mb/d)																
North America	-0.06	-0.40	0.19	0.27	0.59	0.17	0.63	-0.03	0.26	0.30	0.29	0.24	0.33	0.35	0.48	0.35
Europe	0.15	-0.06	-0.14	-0.33	-0.23	-0.19	0.04	0.27	0.09	0.13	0.13	0.08	0.07	0.05	0.20	0.10
Pacific	-0.08	-0.34	-0.33	0.00	0.48	-0.04	0.55	0.43	0.20	-0.13	0.26	-0.37	-0.22	-0.14	-0.08	-0.20
Total OECD	0.02	-0.80	-0.28	-0.06	0.84	-0.07	1.22	0.66	0.54	0.30	0.68	-0.05	0.18	0.26	0.60	0.25
FSU	0.05	0.01	-0.03	0.11	0.10	0.05	0.26	0.08	0.11	0.02	0.12	0.11	0.06	0.01	0.03	0.05
Europe	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02
China	0.12	0.17	0.05	0.44	0.43	0.27	0.57	0.13	0.14	0.11	0.24	0.05	0.36	0.35	0.29	0.26
Other Asia	0.16	0.02	0.12	0.14	0.16	0.11	0.16	0.06	0.14	0.19	0.13	0.16	0.23	0.20	0.22	0.20
Latin America	0.02	-0.06	-0.14	-0.10	-0.15	-0.11	-0.24	-0.13	-0.06	-0.03	-0.11	0.04	0.06	0.06	0.07	0.06
Middle East	0.19	0.12	0.12	0.12	0.13	0.12	0.12	-0.03	-0.05	-0.01	0.01	0.05	0.23	0.19	0.19	0.16
Africa	0.09	0.00	0.01	0.05	0.02	0.02	0.06	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.04
Total Non-OECD	0.66	0.27	0.14	0.77	0.71	0.47	0.94	0.16	0.32	0.33	0.44	0. 8	1.00	0.87	0.86	0.80
World	0.68	-0.53	-0.14	0.71	1.55	0.40	2.16	0.83	0.86	0.63	1.11	0.43	1.17	1.13	1.45	1.05
Changes from Last Month's Report																
North America	-	-	-	-	-	-	0.01	-0.28	-0.21	-0.01	-0.13	0.01	-0.28	-0.22	-0.01	-0.12
Europe	-	-	-	-	-	-	-	0.19	0.08	-	0.07	0.01	0.20	0.04	-	0.06
Pacific	-	-	-	-	-0.01	-	-	0.12	-0.01	-0.01	0.03	-	0.10	-0.01	-0.01	0.02
Total OECD	0.01	-	-	-	-0.01	-	0.01	0.03	-0.14	-0.02	-0.03	0.02	0.02	-0.18	-0.02	-0.04
FSU	0.02	0.06	-0.27	-0.02	0.28	0.01	0.29	-0.24	-0.02	0.28	0.08	0.30	-0.24	-0.02	0.28	0.08
Europe	0.03	0.04	0.02	0.02	0.03	0.03	0.04	0.02	0.03	0.03	0.03	0.04	0.02	0.03	0.03	0.03
China	-0.20	-0.22	-0.23	-0.20	-0.20	-0.21	-0.20	-0.02	-0.11	-0.21	-0.14	-0.20	-0.01	-0.11	-0.22	-0.14
Other Asia	0.19	0.11	0.25	0.23	0.23	0.21	0.11	0.25	0.24	0.24	0.21	0.12	0.26	0.25	0.25	0.22
Latin America	0.05	0.05	0.04	0.06	0.06	0.05	0.04	0.04	0.05	0.06	0.05	0.04	0.04	0.05	0.06	0.05
Middle East	0.10	0.27	-0.03	-0.06	0.21	0.10	0.27	-0.05	-0.07	0.21	0.09	0.28	-0.05	-0.07	0.22	0.09
Africa	0.07	0.05	0.09	0.02	0.08	0.06	0.05	0.09	0.02	0.08	0.06	0.05	0.09	0.02	0.08	0.06
Total Non-OECD	0.26	0.35	-0.12	0.06	0.69	0.25	0.60	0.09	0.14	0.69	0.38	0.62	0.11	0.14	0.70	0.39
World	0.27	0.35	-0.12	0.06	0.68	0.24	0.60	0.11	-	0.68	0.35	0.63	0.14	-0.04	0.68	0.35

SUPPLY

Summary

- **World oil production** increased by 916 kb/d in July to reach 78.64 mb/d. Non-OPEC production accounted for the bulk of the increase, rising by 688 kb/d, while OPEC crude supply was up 155 kb/d and OPEC NGL and non-conventional output climbed 74 kb/d.

- Compared to a year ago, non-OPEC production stood 1.08 mb/d higher, of which the former Soviet Union accounted for 787 kb/d. OPEC NGLs and non-conventional supply was up a more modest 179 kb/d while OPEC crude gained 819 kb/d over admittedly low 2002 levels.

- The rise in **non-OPEC production** for July versus June derived primarily from higher North Sea volumes following extended Spring maintenance and unscheduled outages. Similar reasoning underpinned higher Brazilian and Angolan supply, while incremental production from Sudan and Chad is thought to have boosted African supply.

- Total **OPEC crude supply** averaged 26.10 mb/d in July versus 25.95 mb/d in June. Iraqi production gained 215 kb/d while more modest increases came from Nigeria and Saudi Arabia. Together these were sufficient to offset lower supplies from Iran and Venezuela.

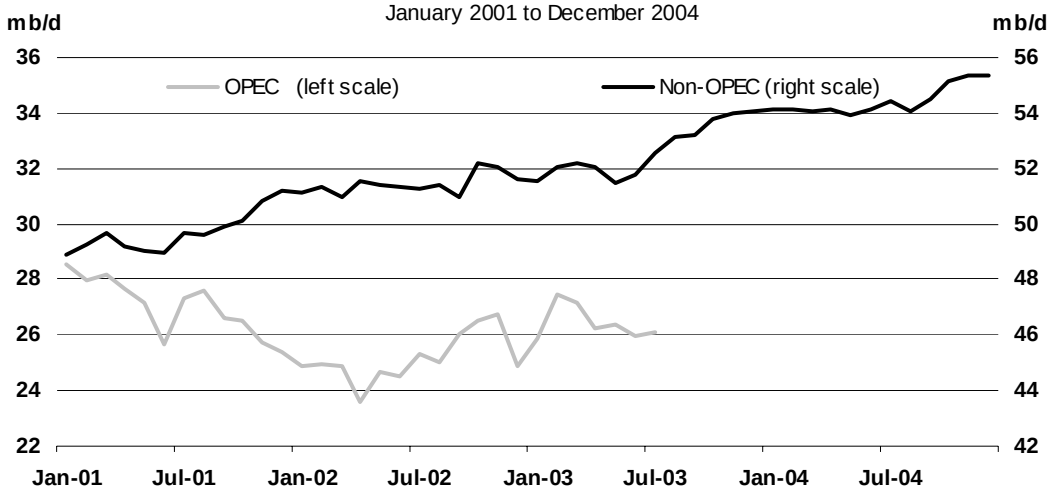
- **OPEC-10 output** fell by 60 kb/d, remaining close to the 25.4 mb/d target of 1 June. Although on paper several members, notably Algeria, continued to over-produce versus target, shortfalls from Indonesia and Venezuela kept a lid on OPEC supply overall.

- OPEC originally scheduled its 31 July meeting expecting to focus on target cuts and compliance in the face of recovering Iraqi supply. But slow Iraqi recovery, slippage in Venezuelan supply and low stocks kept prices close to $28, encouraging the retention of the 25.4 mb/d ceiling.

- The absolute level of the **"call on OPEC crude plus stock change"** has been revised up historically after revisions to baseline estimates of observed demand. These adjustments in themselves do not affect the underlying balance in the market, but the trend in the "call" over time going forward does. It is expected to rise by 300 kb/d in 3Q to 24.9 mb/d, and to reach 26.2 mb/d in 4Q. Next year's call, at 25.0 mb/d, is 800 kb/d below 2003, with 2Q-2004 still the low point.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2001 to December 2004



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

All world oil supply figures for July discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska, Egypt and Russia are supported by preliminary July crude supply data.

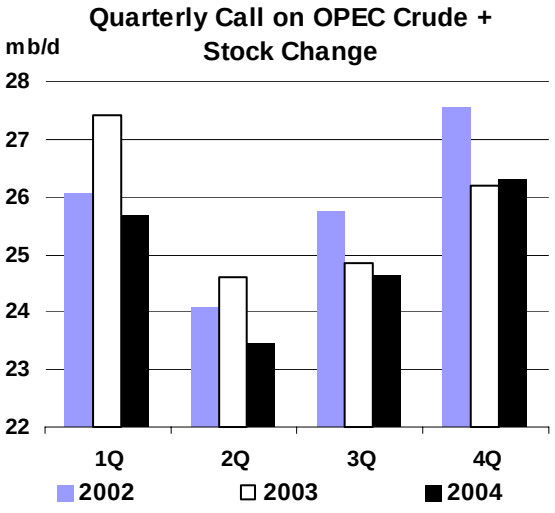
Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

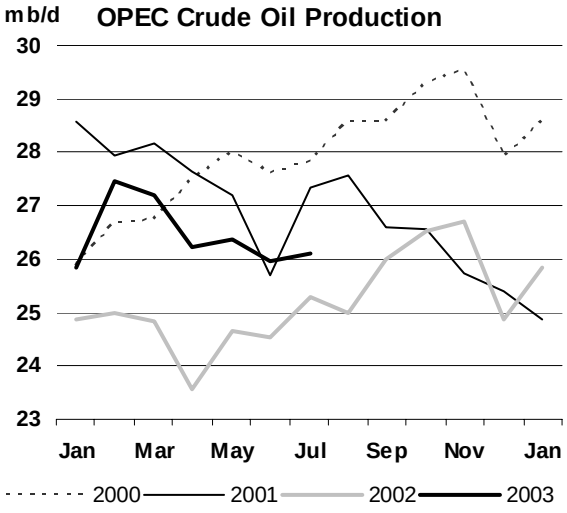
OPEC

OPEC crude production averaged 26.1 mb/d in July, 155 kb/d above June levels with higher Iraqi, and to a lesser extent Saudi Arabian and Nigerian supply counteracting declines from Iran and Venezuela. Other producers held production generally flat. In total, production from OPEC-10 averaged close to the 25.4 mb/d target in force from 1 June. However, excluding Venezuela and Indonesia which are both unable to attain target for now, the rest of the cartel was producing as much as 1 mb/d above target levels. Once again, Algeria was seen to be producing nearly 40% above quota while other producers stuck much closer to pledged output limits at least in percentage terms.

Talk of 1 mb/d of OPEC non-compliance would normally signal weakening crude prices. However, these are not normal times and underlying tightness in the market by end-July, despite *apparent* over-shoot from some key OPEC members, has seen prices creep above the top of OPEC's $22-$28 target range. Low US crude and products stocks combined with ongoing uncertainty surrounding Iraqi recovery, the sustainability of Venezuela's recent production levels and renewed unrest in Nigeria have kept markets nervous and prices high. OPEC's policy of "shorting" the market contributes to market backwardation and impedes stock replenishment. The Organisation appears overly concerned about a potential downturn in demand for OPEC crude which may still be some way off unless Iraqi exports from both Ceyhan and Mina al-Bakr rapidly become re-established on a sustained basis.

OPEC's 31 July Vienna decision to hold production targets unchanged had been widely anticipated. If anything, internal discussions leading up to the meeting over compliance levels or target cuts are likely to have been superseded. Rather, the Organisation now faces the possibility that, under the terms of the price trigger mechanism, pressure could mount for a further 500 kb/d rise in output if prices remain above $28 for 20 working days. However, OPEC sources have again reiterated that any increase would not be automatic, prompting speculation that another meeting may be called before the next scheduled gathering on 24 September. OPEC Ministers, in attempting to spoon feed the market, are perhaps seeing rather more of each other in 2003 than they had originally intended.





The estimate for production from **Iran** in June has been revised up by 250 kb/d. Recently available data point to a marked rise in June exports, largely fuelled by sales out of storage. Much of this crude may have been stockpiled in the run-up to and during the war in Iraq. However, it is not thought that these higher supply levels were maintained in July. Repeated official pronouncements through the two to three weeks leading up to 31 July cited Iranian concerns over OPEC quota non-compliance. It seems unlikely such a stance would have been taken if supply from Iran itself remained at June highs. July production is thought to have fallen back towards the 3.7 mb/d prevailing for much of 2003.

Venezuelan production has been adjusted downwards by 50 kb/d for June, with July thought to have seen a similar fall in production. Provisional US import data and reports from shippers and purchasers point to May having been something of a peak in Venezuelan supply. Refinery operations were reduced in July as a result of production shortfall at western fields. Questions have again been raised about the sustainability of eastern production which was increased rapidly in the aftermath of the strike to make up for shortfalls from older western fields around Lake Maracaibo. The Head of PDVSA's eastern operations was fired in July amidst reports of sabotage at oil installations and work on the Hamaca upgrader, due onstream in late-2004, was stopped for a week after labour protests.

OPEC Crude Production

(million barrels per day)

	1 Jun 2003 Target	July 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs July 2003 Production	Production vs. Target
Algeria	0.81	1.13	1.20	0.07	0.32
Indonesia	1.32	1.00	1.18	0.18	-0.32
Iran	3.73	3.70	3.75	0.05	-0.03
Kuwait[2]	2.04	2.08	2.25	0.17	0.04
Libya	1.36	1.42	1.45	0.04	0.05
Nigeria	2.09	2.15	2.50	0.35	0.06
Qatar	0.66	0.72	0.77	0.05	0.06
Saudi Arabia[2, 3]	8.26	8.67	9.50	0.83	0.42
UAE	2.22	2.33	2.40	0.08	0.11
Venezuela[4]	2.92	2.25	2.35	0.10	-0.67
Subtotal	**25.40**	**25.44**	**27.35**	**1.90**	**0.04**
excl. Venezuela				*1.80*	*0.72*
Iraq[5]		0.66	2.80	2.15	
Total		**26.10**	**30.15**	**4.05**	

1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone production
3. Saudi Arabia's capacity can reach 10.5 mb/d within 90 days
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in July
5. Iraqi capacity represents pre-war estimate

Production from **Nigeria** continued to show signs of recovery although political unrest in the Niger Delta re-emerged towards end-July. Crude production is estimated up 45 kb/d in July to 2.15 mb/d. Shell re-activated 35 kb/d of shuttered Forcados production from two flow stations after mid-month. However, Shell, ChevronTexaco and Total are still believed to have some 220 kb/d of Niger Delta production shut in on security concerns. These will not have been lessened by the kidnapping of a ChevronTexaco worker and a stand-off between Shell and local women over rights to dry crops in the vicinity of a flow station. Nevertheless, mid-July did see start-up of Total's 125 kb/d Amenam-Kpono offshore field. Also, in the final week of July ExxonMobil resumed NGL and condensate production at 60% capacity at the offshore Oso field after repairing damage caused by a fire in April.

Having cut production by less than indicated by term export nominations during June, there were signs of further target leakage from **Saudi Arabia** in July. Production is thought to have nudged higher by around 75 kb/d, notwithstanding a slight decline from Neutral Zone production (shared with Kuwait). Concern over rising prices likely underpinned higher production. However, with parallel concerns within the Kingdom about the impact of returning Iraqi supply, the extent of the Saudi increase did not materially affect target compliance. Saudi Arabia, like most OPEC members barring Algeria, Indonesia and Venezuela, remained within 5% of target production levels.

Like Saudi Arabia, the **UAE** kept supplies above quota in July, with an estimated 10 kb/d rise in production to 2.33 mb/d. The decision by ADNOC to sustain maximum-term export volumes to Asian customers for August and September, as in July, lends credence to near-capacity production levels being maintained.

Iraq: Supply Increasing But Problems Remain

Crude oil production in July is estimated at 855 kb/d gross (655 kb/d net of re-injected volumes) having regained 1.1 mb/d gross by end-month. The bulk of the increase from June derived from southern fields, as a result of SOMO tenders to sell 8 mb of Basrah Light crude via Mina al-Bakr over 10-31 July. Whereas 65% of June exports had derived from crude in storage, the situation reversed in July, with two thirds of exports being from "current" production. Term deals have also been concluded with Atlantic Basin and Asian buyers for August-December which could see exports of Basrah Light reach 645 kb/d in August. Subject to an easing in recent frequent disruptions to electricity supply, Mina al-Bakr is now reported to be capable of handling such volumes on a sustained basis.

Estimated Iraqi Oil Operations March-July 2003
(thousand barrels per day)

	March	April	May	June	July
Crude Exports	1128	82	0	292	475
Local Use	302	74	235	345	360
Crude Production					
Gross	1430	160	310	630	855
North	na	150	200	440	455
South	na	10	110	190	400
Net*	na	160	280	440	655
Implied Stock Change	0	4	45	-197	-180

* Net of crude re-injected

In contrast, northern production is still constrained, primarily by the inoperability of the Kirkuk-Ceyhan export pipeline and the strategic north-south pipeline, but also due to power cuts and ongoing refinery operating problems. With a lack of domestic or export outlets, an estimated 200 kb/d of crude production continued to be re-injected into reservoirs in July. This Report uses the resulting net production as its measure of Iraqi output.

Production levels in the months ahead remain uncertain. Crucial will be the reactivation of the Ceyhan export route, repairs on which had been scheduled for completion by early-August after a 6 July explosion. Its re-instatement is now reported as likely for mid-August. However, uncertainty remains over the status of the north-south pipeline which allows greater flexibility in internal use and exports of the two main production streams. Exports via Ceyhan, when they materialise, will likely be limited to 200-300 kb/d initially, rising to 500 kb/d (half of effective pre-war capacity) until further repair work is undertaken. However, this would at least remove the requirement for crude re-injection in the north.

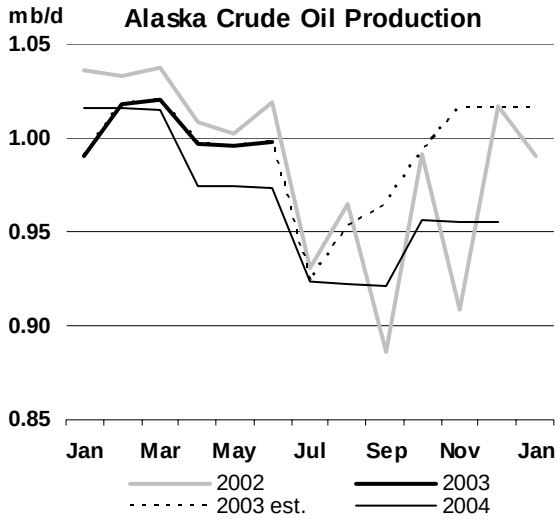
OECD

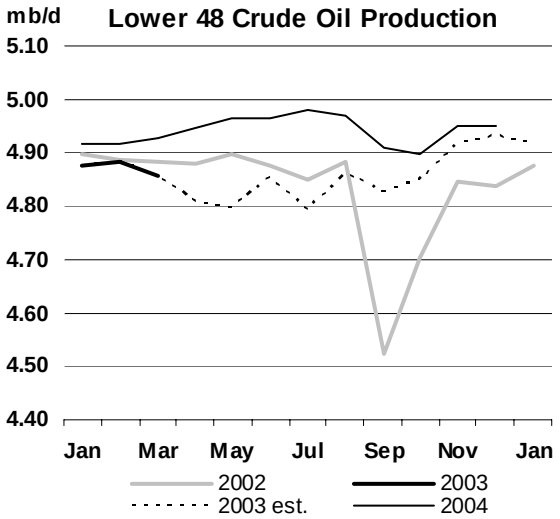
North America

US – July Alaska provisional, others estimated: July US crude production is thought to have declined by 78 kb/d after a near-100 kb/d rise in June. Although NGL output appears to be recovering from May lows (with higher natural gas storage and lower prices encouraging the extraction of more liquids from the natural gas stream), this was offset in July by lower crude production from both Alaska and the US Gulf of Mexico (GOM). Data covering 24 days in July suggest Alaskan supply was well down versus June, notably from the Milne Point and Northstar areas. For the former, planned maintenance is estimated to have cut production by 14 kb/d, while unplanned outages cut Northstar production 10 kb/d. Overall, Alaskan production averaged 75 kb/d below June.

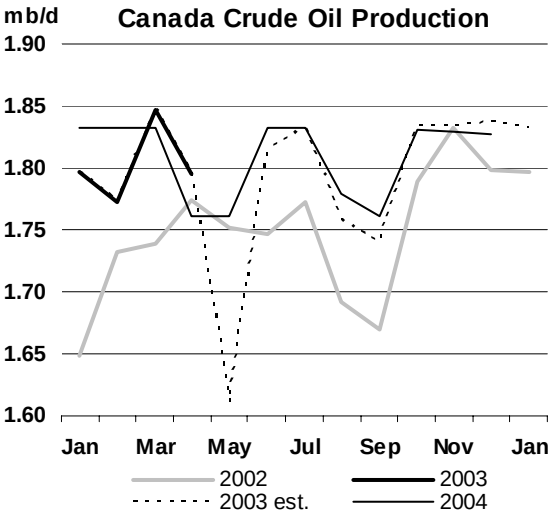
Key to the reduction in GOM supply was the early onset of this year's hurricane season. Although tropical storm Bill had scant impact on production in late-June/early July, shut-ins due to hurricane Claudette in mid-July are estimated to have cut monthly production by 63 kb/d, 60% of this affecting

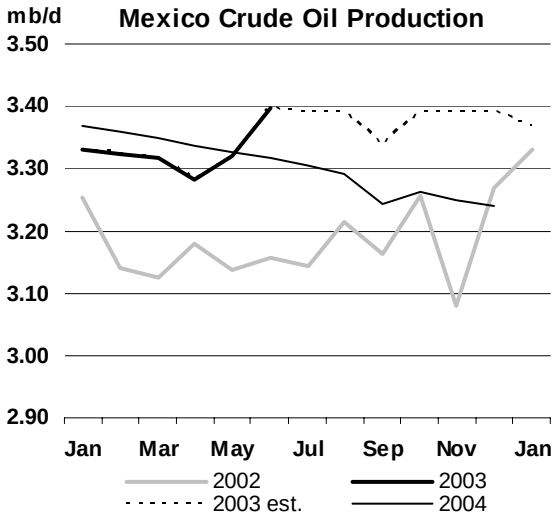
offshore Texas production. At its peak, some 420 kb/d of production was shut-in but no lasting damage to facilities was reported. In the absence of further storm-related shut-ins, total US production is expected to show a 260 kb/d rebound in August as higher Alaskan and GOM supply augment ongoing recovery in NGL production.





Canada – May Newfoundland & syncrude actual, others estimated: Provisional May data for aggregate production suggests a 180 kb/d fall in conventional crude production. This appears to have been centred on disrupted output due to access restrictions caused by the spring thaw in western Canada. In contrast, production from the Hibernia field offshore Newfoundland increased 20 kb/d, and total syncrude production was up by 92 kb/d with the end of maintenance at the Syncrude Canada Ltd. plant and rising supply from Shell's new Scotford upgrader. June is estimated to have seen a rebound in western Canadian production of 200 kb/d plus 38 kb/d in syncrude. An estimated 133 kb/d increase in July Canadian supply was largely the result of maintenance drawing to a close at the Suncor syncrude facility. Going forward through 2003, incremental Canadian supply remains dominated by syncrude, bitumen and offshore east coast production, with the former two generating most of 2004's growth.



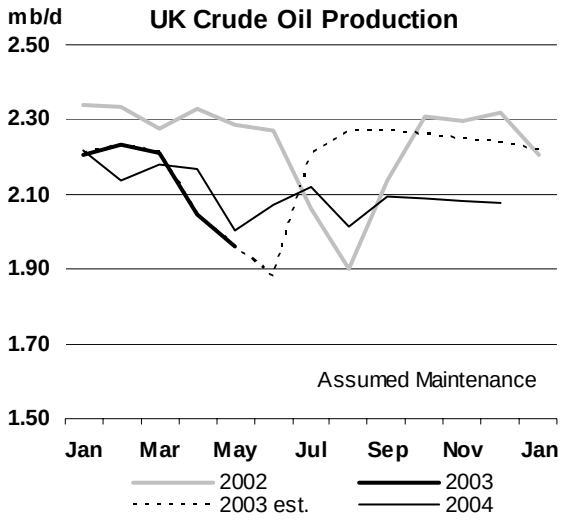


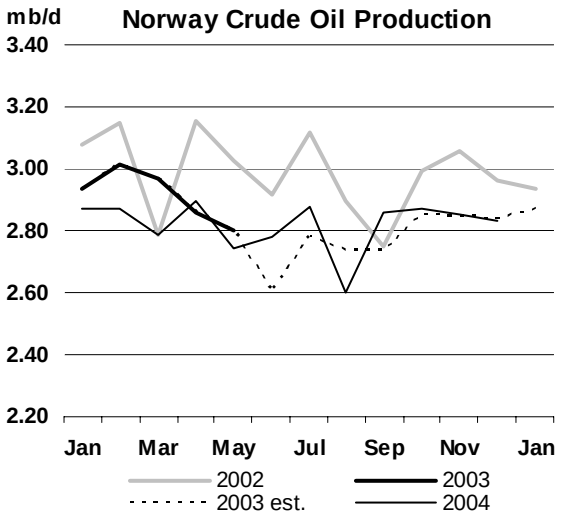
Mexico – June actual: Crude production rose by 76 kb/d in June although NGLs supply was down by 21 kb/d. The increase in crude supply was entirely accounted for by heavy crude. Exports however remained stable at 1.867 mb/d. Crude production for the first half of 2003 is around 160 kb/d above 2002 levels, suggesting that moves to boost production from the ageing Cantarell field before longer-term decline sets in are bearing fruit. However, although crude production for the balance of 2003 is expected to be sustained at around 3.4 mb/d, this Report does not assume that the sharp month-on-month production growth seen in May and June will be sustained. The disappointing

performance for NGL output goes hand in hand with static natural gas supply. Partly in response to this, and perhaps a precursor of the opening of the oil sector to private capital, July saw Pemex invite bids for development of four blocks in the Burgos basin aimed at doubling gas production there by 2006. However moves to encourage private participation in the upstream continue to face intense political opposition.

North Sea

UK – July estimate: July UK crude production is thought to have rebounded by over 300 kb/d from suppressed May and June levels. A combination of protracted unscheduled outages through the spring in the Forties complex, plus widespread scheduled maintenance in June had pulled supply down to 450 kb/d below December's 2.3 mb/d by mid-year. The spill-over of some of June's outages into July may lead to a further 70 kb/d rebound from the Forties complex in August, which should offset a 10 kb/d reduction in Brent supply now scheduled for this month. However, gradual decline is likely to continue for the UK North Sea as a whole, with offshore crude production now estimated to fall by some 65 kb/d in both 2003 and 2004. The UK Government in July reported a 245 mb (3.3%) decline in proven and probable liquids reserves during 2002, the fifth successive year of decline.





Norway – June provisional, July estimate: Final Government data for May point to a sharper than expected fall in Norwegian production that month, notably at the Draugen field. Provisional indications for June, while showing a further fall as scheduled maintenance hit its peak, nevertheless put crude production close to the low of 2.6 mb/d envisaged in last month's Report. Correspondingly, as maintenance eased, July is thought to have seen total Norwegian liquids production climb by around 190 kb/d. The mature nature of the Norwegian North Sea has been emphasised recently by a downward adjustment to the Government's remaining oil and gas reserve estimates, although most of the revision applied to gas. On a more positive note, Statoil highlighted plans to recover a further 250-380 mb from the Gullfaks field via enhanced recovery.

Pacific

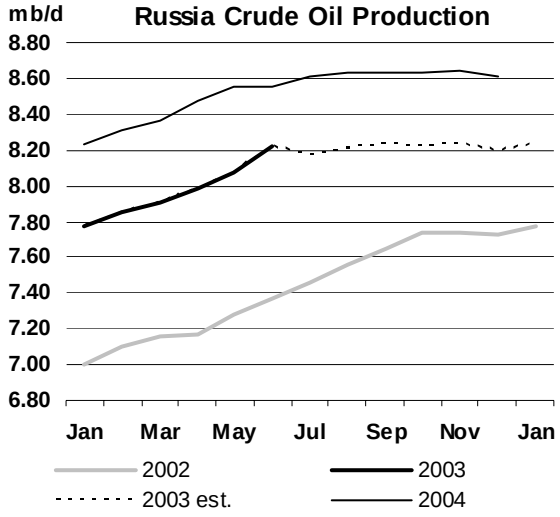
Australia – June actual: Final May and June production data show a slower than expected rise in Australian supply resulting from new field start ups in the Carnarvon Basin offshore western Australia. However, production from this region is thought to have increased by a total of some 50 kb/d in July. These new fields are insufficient however to prevent ongoing decline in Australian production for 2003 and 2004. As part of broader Australian asset disposals, ExxonMobil announced in July plans to sell its stakes in the Wandoo and Woollybut fields which together produce 52 kb/d.

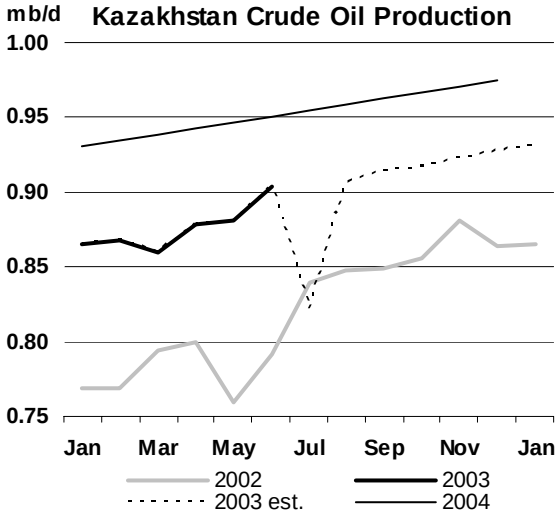
Former Soviet Union (FSU)

Russia – June actual, July provisional: Total Russian crude production increased by 145 kb/d in June to reach 8.21 mb/d. A similar gain was recorded by total FSU exports of crude and products, which reached 6.95 mb/d. Deliveries into Poland and Germany via the Druzhba pipeline rose strongly as refineries there came out of spring maintenance. Provisional July data point to a levelling off in both production and exports, although Russia did inaugurate the 120 kb/d expansion of the Baltic

Pipeline System to Primorsk. Strong growth in exports to the Far East, now shown in the "Others" category in the *FSU Net Exports* table, also persisted into July. However, deliveries from Black Sea ports and through the Druzhba pipeline receded from June highs.

This Report's production profile for Russia shows a marked levelling off after mid-2003, based on a belief that export capacity limits are being approached. From early-2003 we have been working under the assumption that production growth in 2003 would be limited by export capacity growth, seen at around 600-650 kb/d, a level reaffirmed by the Government in July. Certainly August loading schedules tend to support a slow-down, with Black Sea deliveries seen off by 90 kb/d versus July. Lukoil has also tacitly indicated that crude supply growth may falter, saying it will boost products exports as a way of circumventing crude pipeline bottlenecks. Tightening safety procedures in Turkey's Bosphorus Straits may further restrict Black Sea export traffic. However, with H1-2003 performance having greatly exceeded expectation, upward revisions to Russian supply for H2-2003 cannot be discounted if further pipeline de-bottlenecking can be achieved.





Kazakhstan – June actual: Liquids production increased 16 kb/d in June but is thought to have fallen back again by 60 kb/d in July due to maintenance at the Tengiz field. PetroKazakhstan (formerly Hurricane Hydrocarbons) also lowered its production forecast for 2003 in light of 1Q output problems. However, July saw initial volumes of Karachaganak condensate produced for export via Atyrau and the CPC pipeline onwards to international markets through Novorossiysk. Earlier production volumes had been sold entirely into the Russian market at Orenburg. Use of the new export route should allow Karachaganak output to rise to 200 kb/d in late-2003 with later phases of the project aimed at boosting supplies towards 260 kb/d.

FSU Net Exports of Crude & Petroleum Products

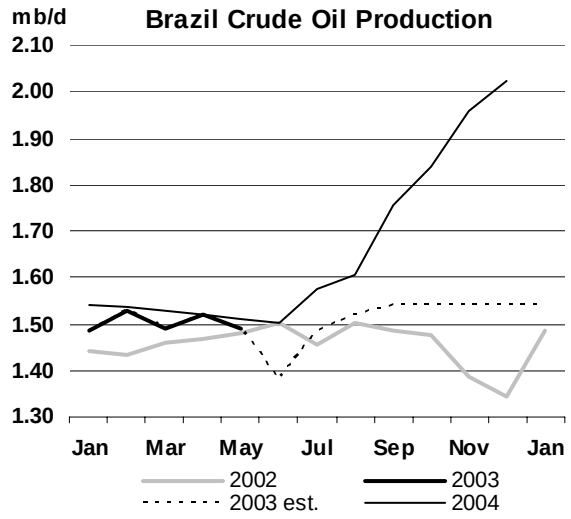
(million barrels per day)

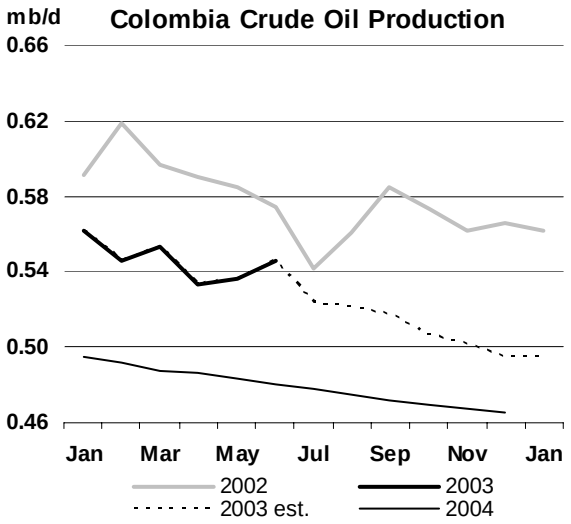
	2001	2002	3Q02	4Q02	1Q03	2Q03	May 03	Revised Jun 03	Prelim. Jul 03	Latest month vs. Jun 03	Latest month vs. Jul 02
Black Sea Exports	1.99	2.52	2.67	2.45	2.60	2.98	3.08	3.11	2.98	-0.13	0.33
Baltic Exports	1.63	1.96	2.02	1.80	2.03	2.45	2.44	2.45	2.51	0.06	0.43
Total Seaborne	**3.62**	**4.48**	**4.70**	**4.25**	**4.63**	**5.43**	**5.52**	**5.55**	**5.49**	**-0.07**	**0.76**
Druzhba Pipeline	1.06	1.07	1.10	1.15	1.07	1.06	1.02	1.10	1.06	-0.04	0.04
Other	0.07	0.06	0.10	0.11	0.18	0.27	0.27	0.29	0.33	0.04	0.22
Total Exports	**4.75**	**5.61**	**5.89**	**5.50**	**5.88**	**6.76**	**6.81**	**6.95**	**6.88**	**-0.06**	**1.02**
Imports	0.00	0.01	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00
Total Net Exports	**4.74**	**5.60**	**5.89**	**5.50**	**5.88**	**6.76**	**6.80**	**6.94**	**6.88**	**-0.06**	**1.02**
Crude	3.42	4.00	4.19	3.92	4.17	4.66	4.77	4.84	4.78	-0.06	0.61
Products	1.32	1.60	1.69	1.58	1.71	2.09	2.03	2.10	2.10	-0.01	0.41

Sources: Petro-Logistics, IEA estimates

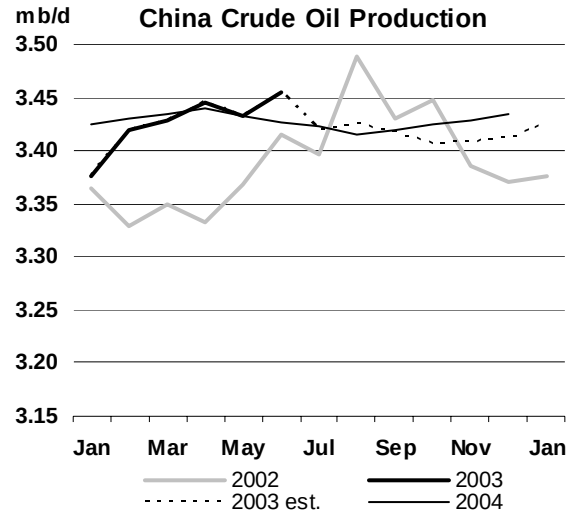
Other Non-OPEC

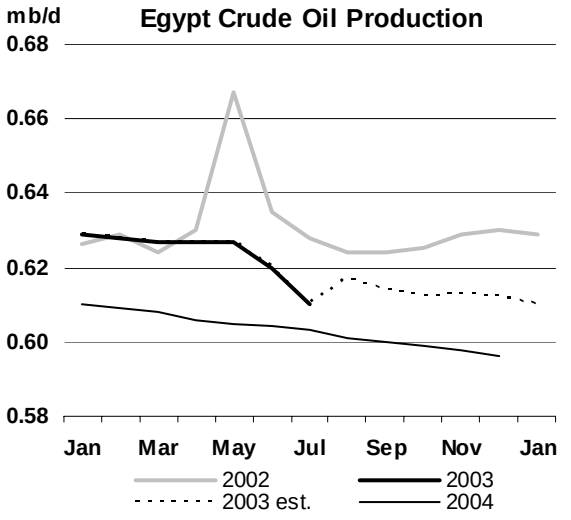
Brazil – May actual, June provisional: May production in Brazil fell by 38 kb/d versus April with a further 108 kb/d reduction in June due to outages at two producing platforms at the Marlim field in the offshore Campos Basin. However, Campos production is expected to recover by around 160 kb/d by end-3Q. Notwithstanding renewed modest growth from the offshore in 2003, and a surge in production in H2-2004 as three delayed offshore developments are brought onstream, concerns persist about longer-term production prospects. Applicants for Brazil's fifth exploration licensing round in August fell 57% to only 15 companies. The small size of blocks on offer, the threat of a government levy on oil production and a mandatory local content for field development service contracts are all cited as dissuading companies from participating.





Colombia – May actual, June provisional: Strike action in June does not appear to have affected baseline Colombian production which rose 10 kb/d from May levels. However, total production in 2Q averaged nearly 50 kb/d below year ago, with BP/Ecopetrol's Cusiana-Cupiagua output showing marked decline. Output from Occidental's Cano Limon field has borne up rather better as terrorist attacks on the crude pipeline have diminished over the past 18 months. Oxy plan to invest $80 million at Cano Limon in 2003 to boost reserves, but this is seen as at best moderating prevailing decline rates, with recent output of 70 kb/d averaging just one third of mid-1990s levels.





China – June actual: Chinese production rose more sharply than expected in June but is thought to have declined by some 34 kb/d in July. A typhoon in the South China Sea is estimated to have cut production by up to 10 kb/d for the month as a whole from the Wenchang and neighbouring fields. Also, the build-up in production after start-up of Apache's Zhao Dong field hitherto slated for July

has been pushed back into August. A decision by the government to freeze the signing of new onshore development contracts with foreign operators has lent support to expectations that onshore decline will counteract offshore supply growth over the next 12-18 months.

Egypt – July actual: Crude production decline accelerated in June and July, and production is now around 15 kb/d below year-ago levels of 630 kb/d. Conversely, in line with the more optimistic outlook for natural gas supply generally, and a rise in gas production for summer cooling purposes specifically, NGL and condensate output continues to grow. A new exploration licensing round, Apache's announcement of six discoveries in the Western Desert and a promising BP well in the Gulf of Suez are all reported as indicating renewed upward potential for crude production. However, this Report sees these longer-term prospects as unlikely to arrest output decline in the 2003/2004 period.

Revisions

This month, non-OPEC production is revised down by 87 kb/d for 2003 and by 46 kb/d for 2004. The diminishing of the revision for 2004 reflects the fact that lower than anticipated supply in 2Q-2003 results mostly from temporary outages rather than signifying more rapid underlying decline *per se*. Non-OPEC production adjustments are concentrated in May, for which production has been revised down by 609 kb/d versus last month's Report. Revisions are concentrated in the OECD, notably **US NGLs** (supplies of which seem to have recovered in June/July), western Canadian, UK, Norwegian and Australian output. July downward revisions of 279 kb/d result from hurricane disruption in the **US Gulf of Mexico** (again temporary) plus lower June production offshore deepwater Brazil, and from Angola and Egypt.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2003	2004	04 vs. 03	2003	2004	04 vs. 03	2003	2004	04 vs. 03
North America	14.88	15.09	0.21	14.86	15.08	0.23	-0.02	0.00	0.02
Europe	6.55	6.51	-0.03	6.50	6.47	-0.02	-0.05	-0.04	0.01
Pacific	0.71	0.69	-0.03	0.69	0.66	-0.03	-0.02	-0.03	-0.01
Total OECD	**22.14**	**22.29**	**0.15**	**22.04**	**22.21**	**0.17**	**-0.09**	**-0.07**	**0.02**
Former USSR	10.14	10.75	0.61	10.19	10.78	0.59	0.05	0.03	-0.02
Europe	0.17	0.17	0.00	0.17	0.17	0.00	0.00	0.00	0.00
China	3.41	3.41	0.00	3.42	3.42	0.00	0.01	0.01	0.01
Other Asia	2.41	2.44	0.03	2.41	2.44	0.03	0.00	0.00	0.00
Latin America	3.89	4.07	0.18	3.86	4.08	0.21	-0.03	0.01	0.03
Middle East	2.02	1.95	-0.07	2.01	1.94	-0.08	-0.01	-0.01	0.00
Africa	3.09	3.50	0.41	3.08	3.48	0.41	-0.01	-0.01	0.00
Total Non-OECD	**25.14**	**26.28**	**1.14**	**25.15**	**26.31**	**1.16**	**0.01**	**0.03**	**0.02**
Processing Gains	1.80	1.83	0.03	1.80	1.83	0.03	0.00	0.00	0.00
Total Non-OPEC	**49.08**	**50.40**	**1.32**	**49.00**	**50.36**	**1.36**	**-0.09**	**-0.05**	**0.04**

OMR = Oil Market Report

In one instance, the case of **Australia,** the downward adjustment may be longer lasting**,** as western offshore new field developments are having less impact on Carnarvon Basin output than earlier expected. The implication is that prevailing decline rates here may be steeper than anticipated, a factor causing a 20-30 kb/d reduction in Australian 2003/2004 production in this month's Report.

Canadian production is adjusted downwards by 145 kb/d for May 2003. However, this too is deemed to be a one-off reduction, representing a sharper and more concentrated seasonal fall in western Canadian supply vs. the lesser reduction spread over April and May envisaged in last month's Report.

UK liquids supply for 2003 as a whole has been adjusted down by 26 kb/d versus the last Report in light of lower April and May field-by-field production levels. However, the impact of these reductions dissipates after 2Q 2003 since they result from unscheduled field outages. 2004 supply has been adjusted down by a more modest 9 kb/d. Final data for **Norwegian** production in May also highlight liquids supply some 65 kb/d lower than anticipated. Here too the bulk of the change is

temporary, centred on a prolonged outage at the Draugen field, where production is believed to have subsequently recovered.

Another post-Soviet era record in June for **Russian** production and exports has led to a 40 kb/d upward adjustment in 2003 crude production and 35 kb/d for 2004. However, the expected 2003-2004 increment in Russian supply remains largey unchanged at 434 kb/d, corresponding to anticipated growth in export capacity. Production for **Kazakhstan** in 2004 has been adjusted down by 15 kb/d since capacity of phase two production at the Karachaganak condensate field now appears limited to around 200 kb/d.

Production from Latin America is adjusted down by 27 kb/d for 2003, although this is concentrated in what are believed temporary mid-year production problems offshore **Brazil.** The 2004 production forecast therefore remains largely as in last month's Report. Production in **China** during June was some 35k b/d higher than expected and, despite lower July output, this feeds through into higher 2003/2004 production overall. In contrast, recent lower output levels in **Angola** and **Egypt** suggest a 10-15 kb/d downward adjustment for African production in 2003 and 2004.

OECD STOCKS

Summary

- OECD industry oil stocks closed June at 2515 mb, up 24 mb from May. Preliminary second quarter figures suggest that crude stocks held flat, with a deficit in inventories against year-earlier levels centred in North America. Days of forward demand was also unchanged over the period at 52 days. Total industry oil stocks closed 129 mb below 2002. The 1 mb/d build in products stocks during the second quarter has to be weighed against an implausibly large rise in "other products". Gains in the main products came in slightly over 500 kb/d.

Preliminary Industry Stock Change in June 2003 and the Second Quarter 2003

(million barrels per day)

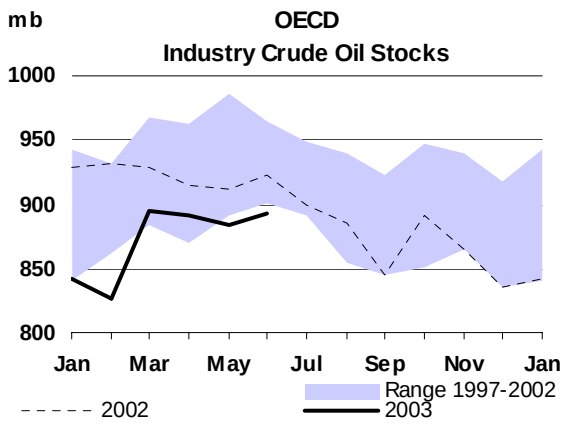
	June (preliminary)				*Second Quarter 2003 (preliminary)*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.41**	**-0.11**	**0.85**	**0.33**	**-0.13**	**-0.06**	**0.16**	**-0.02**
Gasoline	-0.07	-0.22	-0.03	-0.32	0.07	-0.09	-0.01	-0.02
Distillates	0.12	-0.12	0.07	0.07	0.19	0.11	0.18	0.48
Residual Fuel Oil	-0.08	0.05	0.00	-0.03	0.02	0.01	0.03	0.06
Other Products	0.24	0.00	0.19	0.43	0.33	0.05	0.10	0.48
Total Products	**0.22**	**-0.29**	**0.23**	**0.16**	**0.61**	**0.08**	**0.30**	**0.99**
Other Oils[1]	0.30	-0.02	0.02	0.30	0.17	-0.03	0.08	0.22
Total Oil	**0.11**	**-0.42**	**1.10**	**0.79**	**0.65**	**0.00**	**0.54**	**1.19**

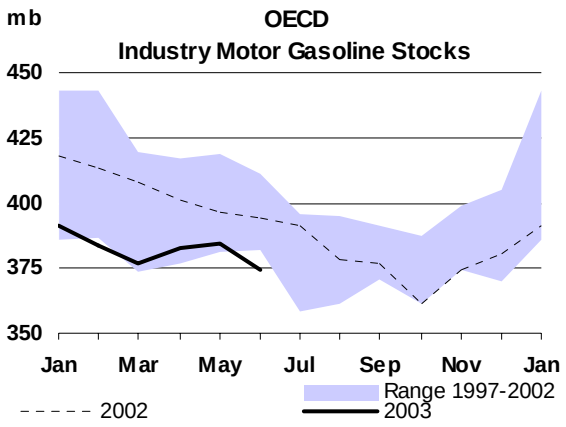
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks rose in June by 10 mb to 893 mb but failed to re-build during the second quarter. In June, draws in the Atlantic Basin were outweighed by growth in the Pacific. With Japan in peak turnaround season, onshore inventories soared as ample crude imports outpaced low crude runs. US inventories continued to slide during June. Heightened offers of light/sweet crude on the US Gulf Coast, attracted by WTI's premium over Brent, seemed to invite little interest in face of weaker than anticipated gasoline demand.

- OECD industry gasoline stocks fell 9.5 mb in June to 374.5 mb; most of this draw came in Europe. Arbitrage to the US from Europe over June/July was reduced as prompt material to assemble cargoes was limited and prices firm. Demand pull came mainly from Nigeria, tightening both the Mediterranean and Northwest European markets. US finished gasoline stocks were taken lower by 2 mb on draws of conventional gasoline. US reformulated gasoline stocks nudged higher over the period before falling in July, particularly on the West Coast following unplanned refinery outages.

- OECD middle distillate stocks built seasonally during the second quarter, gaining 480 kb/d but remained 54 mb below last year's level. The rise, though slightly stronger than the recent 5-year average, was building off a lower base at the end of the first quarter. Europe was the only region to see distillate stocks decline in June, supported by demand strength in diesel and ongoing refinery maintenance. Gasoil stocks in independent storage climbed through July in the ARA area as demand was thin and low water levels on the Rhine hindered inland movement by raising barge freight rates.





OECD Industry Stock Changes in June 2003

OECD industry total oil stocks rose to an estimated 2515 mb in June, up 24 mb from May. The preliminary June numbers put the second quarter stock change at 1.19 mb/d above the average 950 kb/d seen in the recent five years. Oil stocks closed June 129 mb below their previous year position, while forward demand cover over the second quarter remained level at 52 days, closing 3 days below last year.

OECD industry crude stocks in the second quarter failed to re-build. In June, stock changes displayed a clear split between East and West. Pacific crude inventories rose by 25.4 mb while those in the Atlantic Basin fell by 15.5 mb, though the increase in the former is likely overstated. Crude stocks in the US continued to remain low, as refinery runs absorbed higher average imports. Backwardation in WTI futures continued to deter significant replenishing of inventories. The recent surge in offers of light/sweet crude on US Gulf Coast was met with muted interest as gasoline demand came in weaker than expected for June. The availability of heavier/sour grades was also tighter with reduced Venezuelan conventional crude supply. Europe's crude position was more balanced, as seen in a shallower premium for prompt IPE Brent futures. The Pacific saw gains mainly in Japan. Refineries were in peak turnarounds while ample imports volumes continued to post yearly gains. Though total products rose by nearly 1 mb/d in the second quarter, this was due to an unlikely surge in "other products" in June. The seasonal build of middle distillates came in at 480 kb/d, somewhat stronger than the average 400 kb/d seen in the recent five years. But this year's inventories are building from a lower base as a cold winter depleted heating oil stocks in the first quarter. In June, gasoline stocks during the summer driving season fell mainly in Europe. Shipments of gasoline to the US were confined to US refiners with European facilities. Spot arbitrage was marginal on a lack of prompt material to assemble cargoes and strong domestic spot prices. Instead, demand pull from West Africa, the Caribbean and traders seeking to ship gasoline to Iraq tightened European markets.

Revisions to Preliminary OECD Stocks and Inventory Position at end June 2003

Excluding "other products", aggregate revisions to OECD oil stocks netted out to 6 mb. In major product categories, distillate fuels were revised higher in the Atlantic Basin by 8 mb. The 25 mb "other products" category adjustment followed mainly from an 18 mb revision in North America of which 13 mb was in the US. The revision to US figures is higher than that reported by the US Energy Information Administration (EIA) and results from a difference in methodology. The IEA's preliminary figure for May in last month's Report was derived on the basis of a small stock change in "other products", implied by weekly data, which was applied to the official April submission. For the DOE, the end-month weekly data is used as the estimate for the preliminary closing stock figure for a given month. As such, the current IEA June estimates assume a stock build of 7.3 mb in US "other products" based on the weekly data whilst the derived stock change for the DOE implies a draw of around 2.5 mb. If the more complete US monthly data for June show little variance between the monthly and weekly figures, next month's revision to data for US 'other products' is likely to reduce this Report's figures by close to 10 mb.

Revisions Versus 11 July 2003 Oil Market Report

(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Apr 03	May 03	Apr 03	May 03	Apr 03	May 03	Apr 03	May 03
Crude Oil	**1.2**	**2.7**	**0.7**	**-0.8**	**-7.1**	**-0.6**	**-5.3**	**1.4**
Gasoline	-0.1	0.7	-0.1	0.0	0.0	-0.7	-0.2	-0.1
Distillates	2.7	3.6	-1.2	4.7	0.0	-0.1	1.5	8.2
Residual Fuel Oil	-0.4	-0.6	-0.5	-3.0	0.0	-0.4	-0.8	-3.9
Other Products	-1.2	18.1	2.4	6.7	0.0	0.2	1.3	25.0
Total Products	**1.1**	**21.9**	**0.7**	**8.4**	**0.0**	**-1.0**	**1.7**	**29.2**
Other Oils[1]	0.1	5.6	-2.7	-5.6	0.0	0.1	-2.5	0.2
Total Oil	**2.4**	**30.2**	**-1.3**	**2.1**	**-7.1**	**-1.4**	**-6.1**	**30.8**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Japanese crude stock submissions reduced April industry holdings by 7 mb, implying a stock draw from March to April of some 12.7 mb. This appears counter-intuitive in light of a large statistical error or 'unaccounted oil' items in the Japanese crude balance. The statistical difference implies that crude oil was likely over-reported in March and under-reported in April. Unaccounted for oil in April was equivalent to roughly 12% of customs-cleared crude imports, or 15.7 mb. The April crude draw goes against relative movements of supply and demand. Observed crude runs were falling as Japanese refiners drew closer to peak maintenance season in May/June while imported crude supplies, as observed in customs data, were ample and 15% above 2002. Unlike last year over the March-April period when OPEC reduced term supplies, and in some cases cut allocations up to 20% on standard 80% liftings, 2003 saw producer

countries offer full volumes as early as February. These supplies were augmented by large spot purchases of other Middle Eastern grades over the same period. Uncertainties around Iraq and quota decisions in OPEC's April meeting led to precautionary buying. Given an approximate 20 days travel time between the Arab Gulf and Japan, these supplies would have landed over the months of March and April.

Submissions for OECD stocks include oil held on incoming tankers, at port or at mooring, which are difficult to measure. It is plausible that the timing in reporting of some of these tankers was brought forward to March, though more likely, part of that oil was destined to arrive in April. This led to lower reported volumes on tankers in April. The difference between end-month tanker volumes, subtracted from stocks outweighed the build reported in onshore crude inventories held at refineries and oil terminals. April therefore sees a draw in crude stocks despite the apparent accumulated surplus in Japan's onshore balance in recent months (see chart in Pacific section). More likely, the April decline was not as pronounced as the numbers suggest. The rebound of crude stocks observed in May tends to this position.

The Japanese April crude draw also sits uncomfortably with the normal end of first quarter patterns. March marks the close of the fiscal year when refiners tend to minimise product inventories, in particular distillates after peak winter demand. However, they must comply with domestic stockpiling obligations requiring that private oil stocks maintain a cover of 70 days. The mix of oil held generally switches to crude oil as product stocks are minimised in a period of low seasonal demand. This can lead to higher reporting of crude held in tankers for March as total product stocks hit their yearly low, and less complete coverage for April as product stocks begin to recover. More generally, given low product inventories in the second quarter, it is difficult to see how crude stocks could exhibit such pronounced changes.

Year-on-Year Industry Stock Comparisons for June 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-50.2**	**-2.8**	**24.0**	**-29.0**	**Total Oil**	**-4.8**	**-3.0**	**0.6**	**-3.3**
Total Products	-49.8	-42.4	-2.6	-94.9	*Versus 2001*	*-4.2*	*0.2*	*-0.8*	*-2.3*
Other Oils[1]	-4.0	4.2	-5.7	-5.4	*Versus 2000*	*-0.8*	*-0.4*	*2.6*	*-0.1*
Total Oil	**-104.0**	**-41.0**	**15.7**	**-129.3**	**Total Products**	**-2.3**	**-3.0**	**-0.9**	**-2.3**
Versus 2001	*-76.3*	*-10.9*	*5.2*	*-81.9*	*Versus 2001*	*-2.2*	*-0.9*	*-0.9*	*-1.7*
Versus 2000	*-10.4*	*-2.0*	*17.4*	*5.0*	*Versus 2000*	*-0.1*	*0.0*	*1.6*	*0.2*

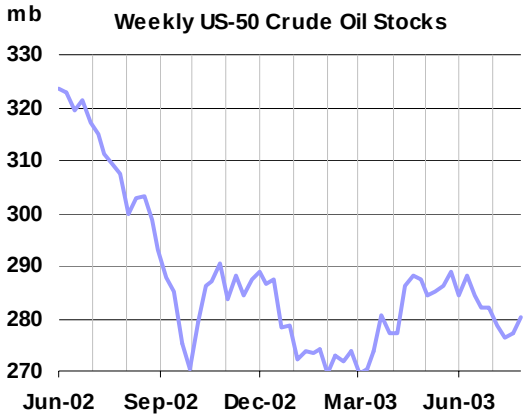
1 other oils includes NGLs, feedstocks and other hydrocarbons

In other revisions, Norway has reclassified NGLs as LPG stocks for the period January 1984 to April 2003. NGLs have been brought down to zero and have been re-allocated into LPG stocks. The effect of this adjustment to NGLs & feedstocks and to "Other Products" varies between 500 kb and 1.5 mb. Previously confidential Korean government stock data is now reported as of January 1991. OECD industry oil stocks closed June 2515 mb, or 129 mb below their year-earlier position. Forward demand cover by OECD oil stocks remained flat from May at 52 days. Cover in Europe slipped to 59 days while North America held level at 47 days. Pacific forward demand cover, at 56 days, gained three days.

OECD Regional Stock Developments

North America

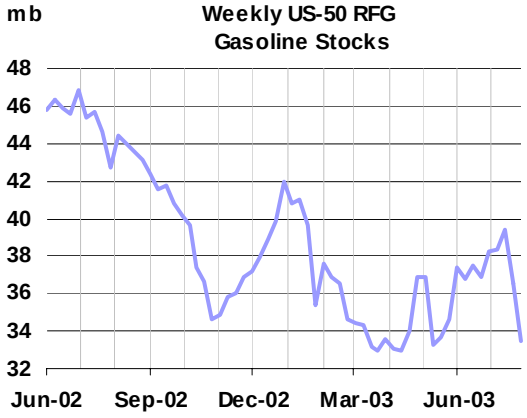
US-50 (excluding territories) crude stocks edged lower in June closing at an estimated 282 mb or 36 mb below last year and little changed from the end of the first quarter. Stocks came off about 2 mb as average refinery throughputs fell back by around 100 kb/d less than crude imports over the month.

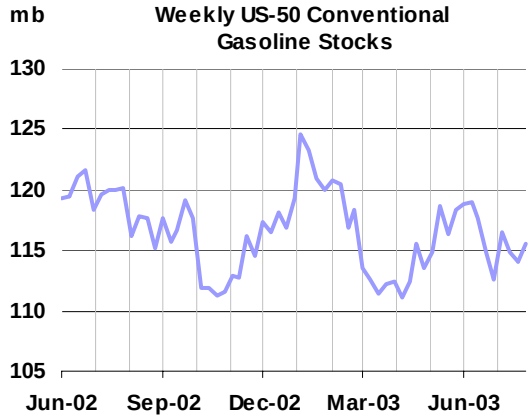


Inventories in the Mid-continent, the pricing hub for NYMEX's WTI futures contract, gave back around 4 mb, closing at 54 mb. Despite the return of Canadian supply in June, Mid-continent stocks remained tight, reflecting, in part, higher crude runs. Low stocks have kept WTI futures in backwardation, maintaining disincentives to replenish stocks beyond operational requirements. Though Gulf Coast light/sweet marker LLS was trading at a discount to WTI, this didn't seem to encourage inland movement of crude in June. While the consequent widening of WTI's premium over Brent to as much as $4 in June has attracted many offers of foreign

gasoline-rich light/sweet crude in the cash market. But these have met with muted interest on the Gulf Coast as gasoline demand only gained momentum by month's end. Gulf Coast crude stocks only gained 3 mb in June amid falling refinery demand in the region. By end-June early July, a number of unsold West African barrels loading for July were still reportedly unsold, though some of these are likely to have made their way to the East Coast.

US-50 crude inventories opened the week ended August 1 at 280 mb, with Mid-continent stocks rising to 55 mb. The overall 3 mb weekly gain followed robust imports of 10.3 mb/d while unplanned outages depressed refinery demand. But the increase in imports doesn't necessarily flag a rebound in inventories. Gulf Coast inventories fell in July. Benchmark sour crude prices narrowed their average discount against WTI compared to June despite sales of Urals and the first offers of Iraqi Basrah Light. Venezuelan conventional crude supplies from the Lake Maracaibo region have waned from peaks reached in May. In addition, the upcoming fall refinery maintenance season is also a limiting factor, though large quantities of North Sea and West Africa are expected to arrive come September.





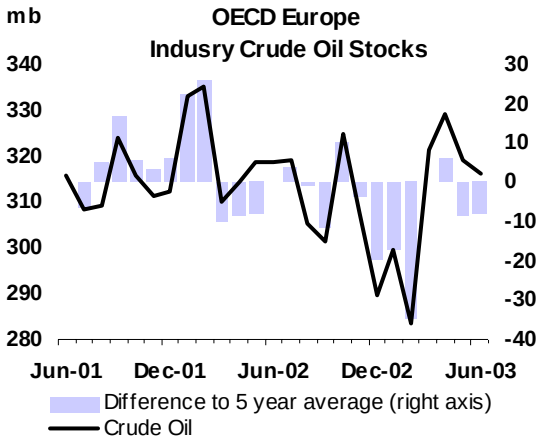
US motor gasoline stocks opened August at 202 mb, down 5 mb from June or 6% below last year as demand firmed. In the run-up to the driving season US refiners had then limited product yields on a seasonal basis in light of weaker than expected demand. Low stocks, reflected in backwardated futures for NYMEX unleaded gasoline, exposed areas requiring boutique fuels to unplanned refinery outages. In July, cleaner burning reformulated gasoline (RFG) stocks fell on the West Coast following outages at ConocoPhillips' Carson refinery in California and Valero's Benicia facility in the San Francisco Bay area, leading to greater price volatility. Similarly, the Mid-continent drew price support from an outage at ConocoPhillips refinery in Ponca City, Oklahoma and temporary problems on the Explorer pipeline for product deliveries from Tulsa into Chicago. Finished gasoline production picked up late in July as crack spreads improved. But over July, RFG production was also curtailed on the East Coast as its normal premium to conventional material had narrowed significantly both in waterborne prices on the Gulf Coast and in New York Harbour.

Europe

European industry stocks of crude oil edged lower in June to 316 mb, closing 3 mb below their year-earlier position. The decline came off a smaller than expected downward adjustment to May levels as a 7 mb upward revision for crude stocks in France overtook a downward revision in Norwegian stocks.

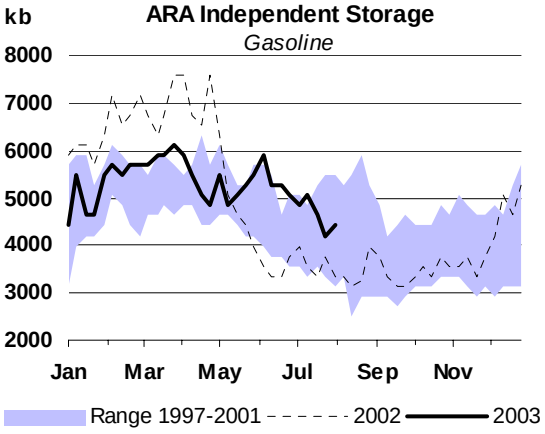
North Sea saw field maintenance in June, yet stocks in Norway were tentatively flat to down. The tighter availability of regional sour crude Urals, and improved margins for cracking light/sweet crude would suggest a greater regional pull on North Sea grades and a larger draw on stocks.

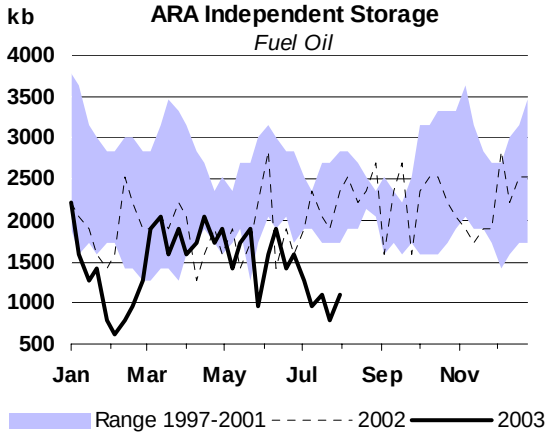
Despite open arbitrage to the US, it is difficult to see how large spot volumes would have headed west when comparable West African grades had difficulty finding buyers on the US Gulf Coast. This suggests that more crude may have stayed in Northwest Europe over the month.



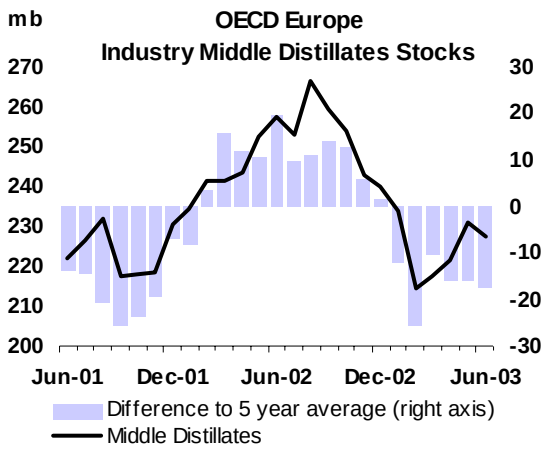
The moderate decline in crude stocks in Germany and Italy reflects ongoing refinery maintenance over June, limiting crude purchases. UK stocks edged higher by only half a million barrels, though reported loading problems at Sullom Voe in the second half of June may possibly nudge the end-June figure higher.

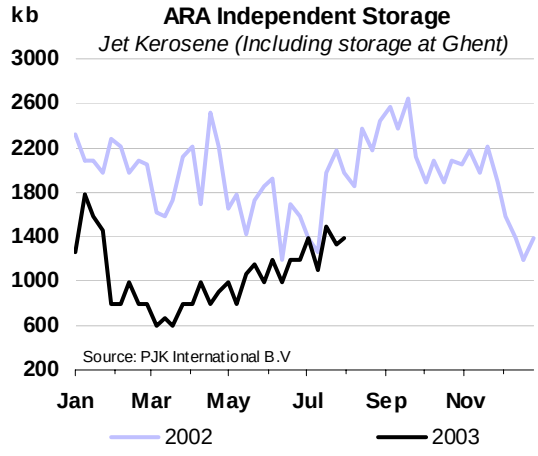
July crude stocks are likely to rebound, supported by the arrival of additional West African barrels that were unable to be placed in the US Gulf Coast. Near months backwardation for IPE Brent futures was shallower than for WTI on the NYMEX, indicating a tight but comparatively more balanced market. North Sea supply improved as Norway and the UK completed seasonal field maintenance. Though OPEC allocations to European customers were lowered, Urals filled some of the gap and interest for the grade was high both in the Mediterranean and Northwest Europe. The emergence of Italian refiners from turnarounds should also lead to increased crude stocks ahead of the resumption of higher runs.





European gasoline stocks fell by 6.5 mb in June. Demand was around par with last year and gaining in France where stocks fell 3.4 mb. Reduced refinery activity in Germany and Italy was seen as supportive of gasoline prices, and placed downward pressure on stocks. German stocks fell 0.8 mb. Italian figures indicate flat inventories for the last 3 months, but this is unlikely. Arbitrage opportunities sourced from the Mediterranean where refinery activity was also reduced helped to tighten supplies. Spot cargo trade to the US was considered limited due to lower availability of prompt material. But US traders and refiners with European facilities continued to ship gasoline through July. But strong demand from Nigeria pulled product out of Europe, attracting gasoline from both the Mediterranean and Northwest Europe.





Independent storage of gasoline in the Amsterdam-Rotterdam-Antwerp (ARA) area continued to decline through July as higher prompt prices and backwardated swaps encouraged sales from storage. Prices generally outperformed those in the US, undermining arbitrage options. Around 1 million tonnes was reportedly shipped to the US in July, and expectations were similar for August volumes. Gasoline cargoes continued to move to Nigeria, but also to Spain and Turkey, while barge movements, as in June, focused on Germany and France. The Mediterranean was kept tight with more gasoline demand from Nigeria, mainly low octane material, but also renewed demand sourced from Lebanon, again with Iraq as a likely final destination. The lack of gasoline shipments from Black Sea ports also reduced availability.

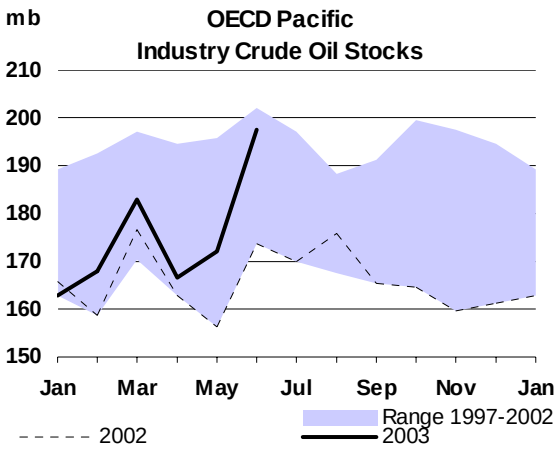
European distillate stocks slipped 3.6 mb to 227.5 mb in June. IPE gasoil futures in the near months have yet to settle in a sufficient contango to encourage stock building and physical gasoil prices in Northwest Europe still posted premiums relative to paper markets. Supplies of Russian gasoil were ample, though down from May levels. Distillate stocks fell mainly in France, where gasoil demand posted growth on the year, but remained unchanged in Germany where end-user re-stocking tailed off after strong buying in May. Italian stocks where unchanged in June, though this seems unlikely given refinery maintenance and strong gasoil demand. The Mediterranean market saw less EN590 diesel produced before supplies returned in July. Jet fuel stocks in ARA independent storage rose with incoming Middle Eastern supply. Product was moved into storage, supported by a contango in swaps in mid-July against August delivery.

The fuel oil market was tight in Europe in June and July. However, this was not reflected in European industry stocks for June, which suggested a slight build for the region and flat inventories for Italy and Portugal where utility demand had strengthened. Some draw in stock is likely to be seen in Italy in July due to increased power demand. ARA stocks have been coming down with VLCC exports of high-sulphur fuel oil to Asia. A further 3 VLCCs are chartered for August. Strong bunker demand in July in the Mediterranean diverted high-sulphur fuel oil away from the ARA area.

Pacific

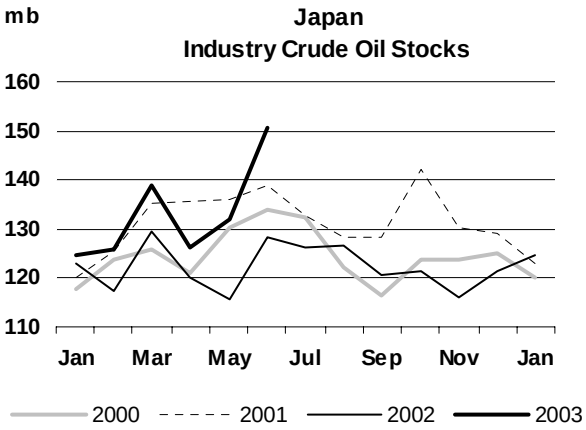
Crude inventories in the Pacific region jumped by 25 mb to close June at 197.6 mb. The preliminary estimate is likely overstated. Japan accounted for 19 mb of this gain, but this was on the basis of onshore stock movements alone. This rise doesn't account for changes in oil held on incoming tankers.

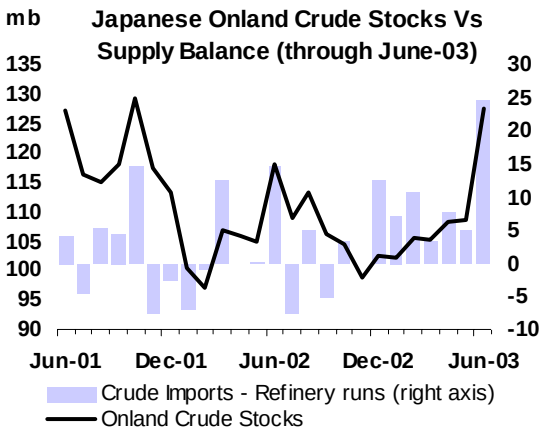
On the other hand, the 5.4 mb gain in Korean crude stocks is more plausible despite increased refinery activity. Korean utilisation rose above 86% in June. This led to a sharp reduction in crude stocks held at refineries, which fell from 15 to 2.5 mb. But the decline was more than offset by the 18 mb rise in crude held on tankers in June against May.



Though smaller refiners such as Inchon Oil and Hyundai were not expected to cut runs, Korean crude demand began to pull back in July against comfortable supplies and ahead of planned maintenance in August for larger refiners. SK Corp, Korea's largest refiner, was reported in mid-July to be operating at 68% capacity, and expected to reduce crude runs down to 57% in August. As a result, Korean stocks are likely to remain flat to rising for July.

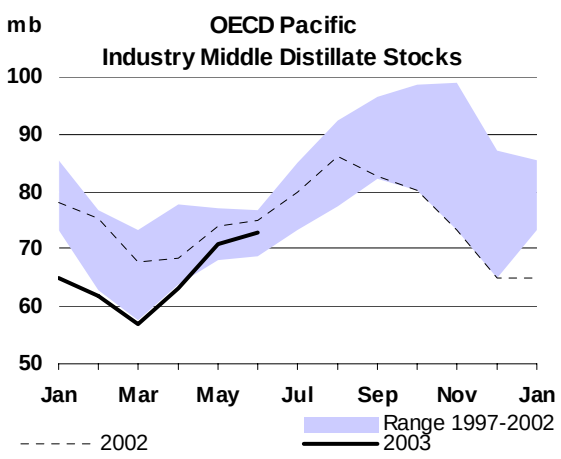
While Japanese crude stocks were expected to rise, the 151 mb reached in June is counter intuitive. IEA definitions for stocks include oil on tankers in national territory waters and there are difficulties in accounting for this component (see Revisions section). Part of the June onshore build reflects the transfer of oil from tankers to land. The June estimate in this Report, due to statistical methodology, does not subtract the likely decline in volume of crude held on tankers between May and June. Should we assume 4

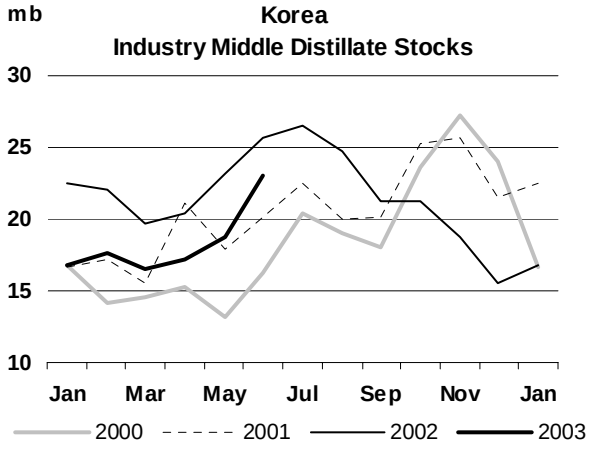




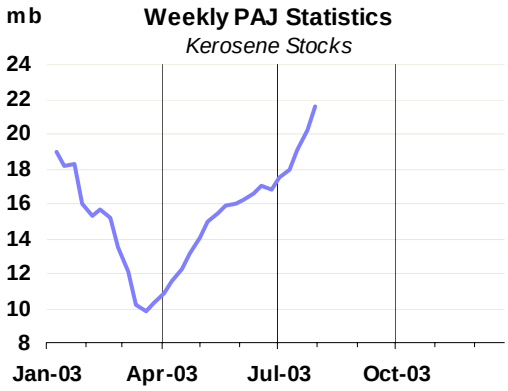
to 5 VLCCs offloaded crude, the preliminary figure would be reduced by 8-10 mb, leaving stocks closer to 140 mb. The increase of onshore Japanese crude stocks in itself is not surprising given heightened spot purchases in March/April (barrels loading in May and arriving in June) and full-term supplies. Spot buying activity sought both to fulfil direct burn needs by utilities and shield against uncertainty in OPEC quota allocations in June. This supply arrived at a time when refinery activity was at its seasonal low.

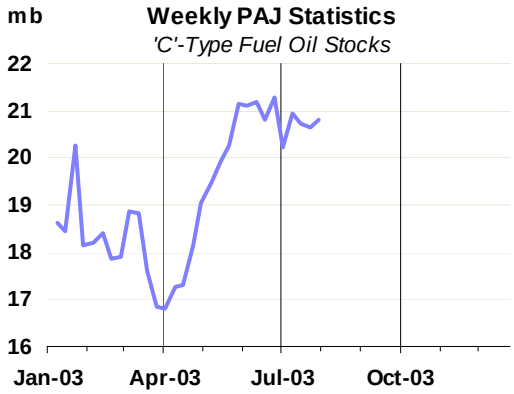
Looking ahead Japanese crude stocks are likely to post a modest decline. The upturn in crude runs in July may prove modest. Technical problems in end-July at Nippon Oil's Mizushima facility have likely dampened crude demand. Also, the need for fuel oil for thermal power generation has eased with ample 'C'-type fuel oil stocks and the return of 4 out of 17 Tepco nuclear plants. OPEC term supplies remain generally around full contractual volumes, with Abu Dhabi, Qatar and Iran reportedly extending these allocations through August. Domestic crude availability was reflected in muted interest for spot Middle Eastern grades loading in August and September; these were traded at discounts to official selling prices. In addition, Iraqi term supplies are also headed to Japan. The Mitsubishi group, representing Japanese refiners signed contracts for deliveries between August and December.





For products, gasoline stocks edged seasonally lower in Japan in June. Korea gasoline stocks fell, though domestic demand eased from May. Open arbitrage to the US West Coast, however, supported fixing cargoes at the beginning of the month. Distillate stocks gained mainly in Korea, while moving sideways in Japan as declines in gasoil stocks overtook a modest build in kerosene. Strong road diesel demand in Korea was balanced by refinery output. Korean distillate stocks also gained from limited export outlets in an oversupplied Asian market.

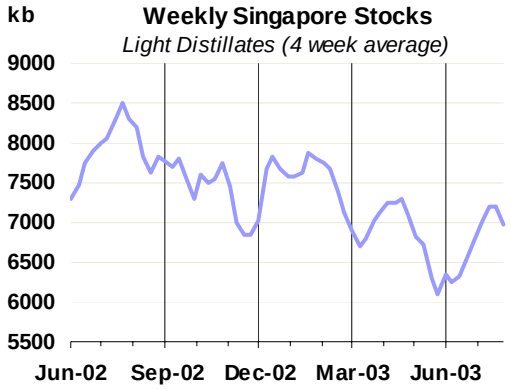


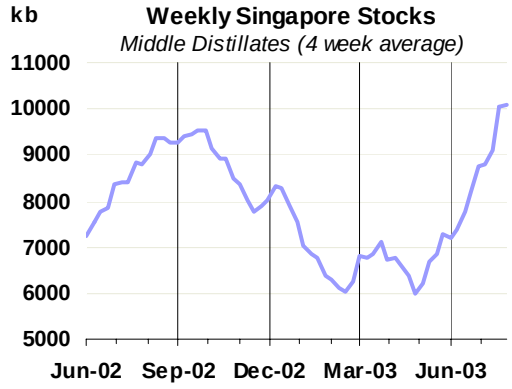


Distillate stocks are set to resume their upward trend. Increases will be driven by gains in kerosene stocks in Japan where refiners exit maintenance and begin pre-winter stockpiling. This trend is seen in preliminary weekly data by the Petroleum Association of Japan (see charts above). Distillates in Korea are likely to have posted only marginal rises in July and should decline thereafter. Major refineries have scheduled annual maintenance in August and were reported reducing runs in July. Japanese fuel oil stocks, at 13.5 mb are comfortable as pressure on thermal power generation has eased. This in turn, curtailed demand for Indonesian LSWR fuel oil used in direct burn. Singapore prices for LSWR were generally under $26 a barrel over June/July compared to highs of $36 in mid-February.

Singapore Stock Developments

Oversupply of middle distillates fuels (kerosene and gasoil) and weak physical demand led to a build in Singapore stocks. End-July saw stock levels reach a near-five year high. This reflected weak kerosene demand in the second quarter and increased gasoil production. Peak winter demand ended after the first quarter, reducing kerosene needs. Jet fuel purchases were scaled back by limited air travel due to the SARS virus. Jet/kerosene normally trades at a premium to gasoil. But gasoil in Singapore was priced above jet/kerosene in June, prompting regional refiners to switch yields in favour of gasoil. Regional supply was supplemented by increased arrivals of gasoil from the Middle East.





Source: International Enterprise

Gasoil prices received support in June as an East to West arbitrage opened. Nearly 1 million tonnes were expected to leave by end-July for Europe, the US, West Africa and Latin America. However, demand could not absorb ample supply. Indonesia's Pertamina, a large gasoil importer, was said in June to have excluded gasoil from its July and August tenders. In addition to supply from Singapore, there were ample offers of gasoil in June from Korea and India but also Taiwan's Formosa which had completed maintenance in May. Incremental supplies came also from China. The development of a contango in distillate prices supported lengthening physical positions. The premium of forward prices widened in July. While prompt supply depressed near-month prices, the second month delivery was lifted by perspectives of reduced August supplies and improved demand. August maintenance by Korean refiners was expected to cut gasoil exports by over a third from July. Sentiment around jet fuel and kerosene improved respectively on recovering air travel in the region and perspectives of pre-winter stock pilling of heating fuels. Jet/kerosene regained its premium (re-grade) over gasoil in July. Trader expectations for purchases by China's leading jet fuel buyer, China Aviation, were revised higher for the third quarter.

Light distillate stocks (which include gasoline and naphtha) moved sideways in May and June before rebounding in July. June demand from the Middle East was firm. In addition to regular demand from Iran, demand also emerged from Saudi Arabia, keeping gasoline prices high. Additional support came from Vietnam's Petrolimex, which was reported increasing its tender to cover its third quarter requirements. Increased storage in July is likely to extend into August with more regional supply. Taiwan's Chinese Petroleum Corp was reported to increase its August gasoline exports to 1.3 million tonnes, up from the 1 million sold in July. Incremental supply from China against year-earlier volumes was also reported higher, with Vietnam and Indonesia as reported destinations.

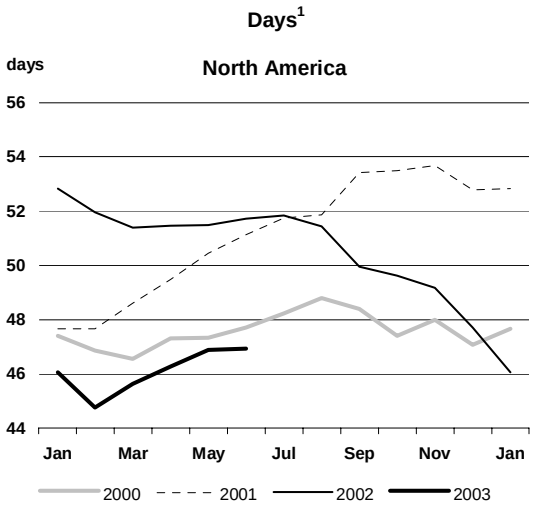
Singapore Crude & Product Trade

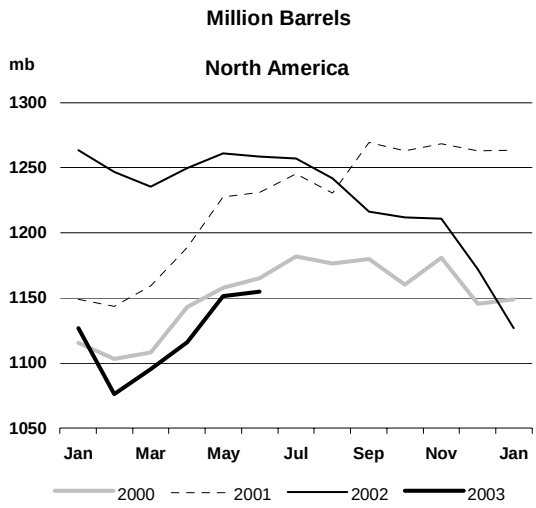
(thousand barrels per day)

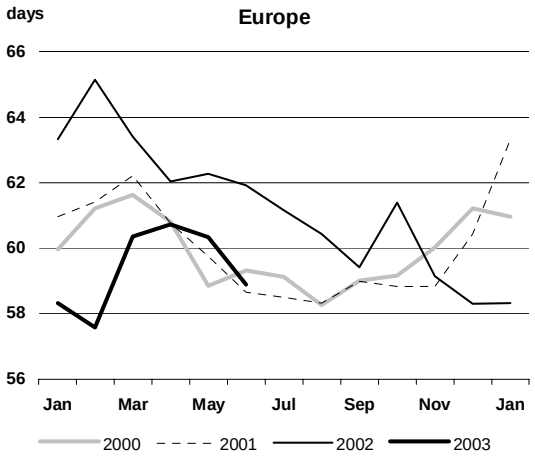
Net Imports/(Exports) of:	2001	2002	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Latest month vs. May 03	Latest month vs. Jun 02
Crude Oil	**822**	**819**	**772**	**861**	**885**	**892**	**803**	**460**	**1428**	**968**	**413**
Products & Feedstocks	**-10**	**-35**	**-53**	**-73**	**-158**	**-119**	**-192**	**-110**	**-53**	**57**	**9**
Gasoil/Diesel	-121	-154	-171	-168	-175	-171	-208	-134	-172	-38	-48
Gasoline	-79	-81	-80	-69	-76	-95	-88	-106	-90	16	21
Heavy Fuel Oil	360	334	330	325	314	304	273	298	339	41	74
LPG	-21	-19	-18	-20	-24	-26	-26	-21	-31	-10	-15
Naphtha	-22	6	-7	5	-22	18	31	-5	30	36	19
Jet & Kerosene	-80	-65	-53	-90	-124	-93	-117	-79	-83	-5	-47
Other	-48	-57	-54	-57	-51	-56	-58	-64	-47	16	6
Total	**812**	**784**	**719**	**788**	**727**	**774**	**611**	**350**	**1375**	**1025**	**422**

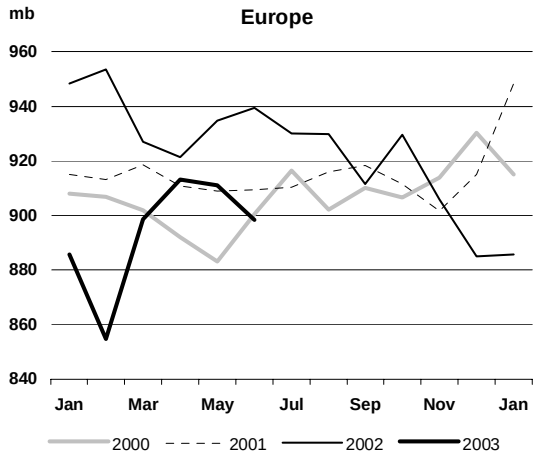
Source: Singapore Monthly Oil Statistics, IEA estimates

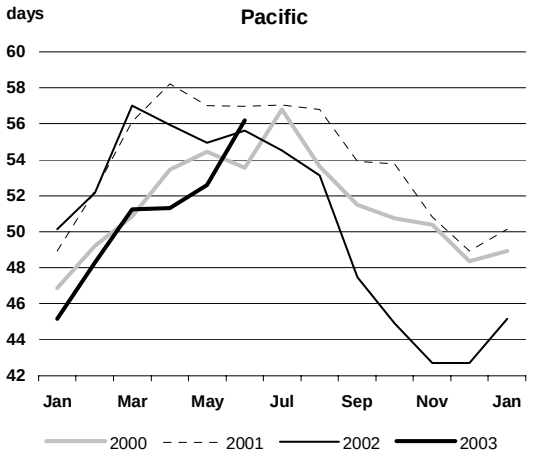
Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of total oil)

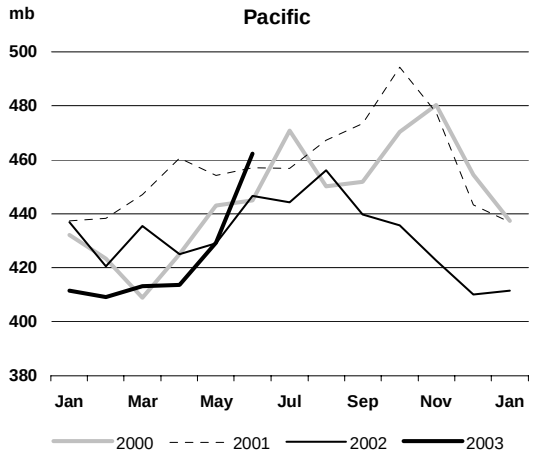












1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY

Summary

- **Crude oil prices** rallied at the end of July after spending much of the month rangebound and near post-Iraqi war highs of close to $32 on WTI Cushing and $28.50 on dated Brent. Low stocks, stronger economic growth, a pick-up in US gasoline demand and uncertainty over Iraqi supplies ahead of seasonally strong winter demand continues to support prices. Meanwhile OPEC has left production targets unchanged. The OPEC basket averaged $27.50 in July and has spent the early part of August above the upper $28 target range of the producer group.

- **Iraq** continued to play an important role in price development. Early July fears that exports would remain low for many weeks were to an extent overcome by the end of the month as news emerged of supplementary sales, a higher August export target and the possibility of the imminent restart of exports through the northern pipeline. The reliability of those supplies remains to be seen.

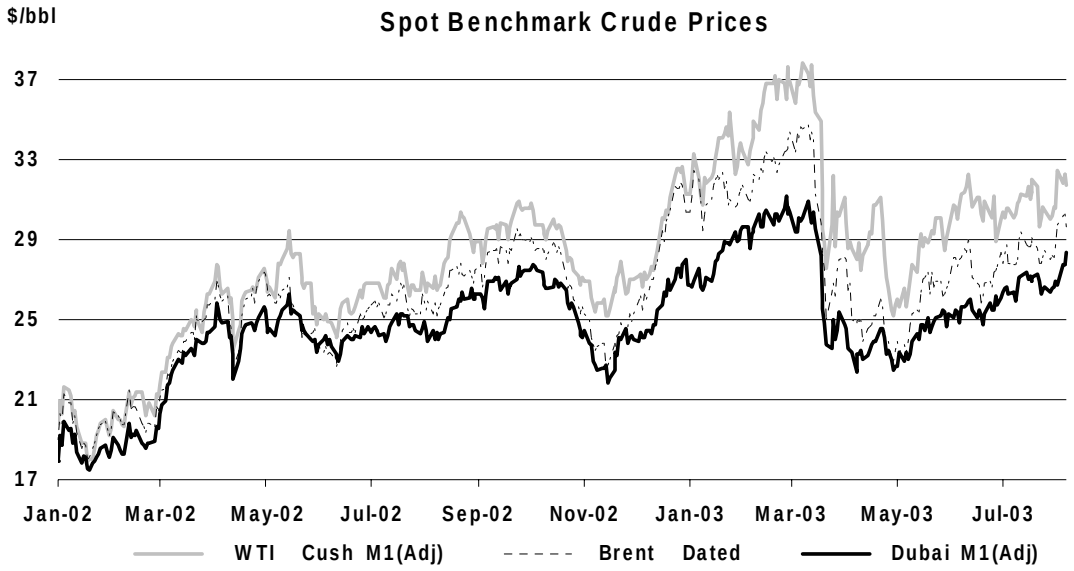
- **Crude futures spreads** remained in backwardation (spot premium over forward months), but the spread was relatively narrow. Current front month September WTI was trading at a 29 cent premium to October values with outright prices of around $32.00. The backwardation was over $1.00 when these prices were reached earlier in the year. The implication is that the current physical market is not too far off balance, but there are concerns that supplies will tighten as pre-winter demand kicks in.

- **Non-commercial participation** in US oil futures increased, directed predominately towards bullish positions in the gasoline market. By mid-July, combined non-commercial longs in WTI, gasoline and heating oil futures reached the highest level since October 1999.

- **Gasoline** prices soared towards the end of July helped by improved US demand and strong offtake from the Middle East. Fuel oil demand remained strong in Europe and the Far East to meet heavy cooling power usage and strong Chinese economic growth. However the six-week price rally stuttered as Chinese traders stood back from the market and Black Sea supplies improved. Jet fuel in the Far East returned to its normal premium over gasoil as post-SARS air travel improved.

- **Refining margins** followed divergent paths before rallying in unison at the end of July. US refining margins remained the strongest of the four regions covered, reflecting continued concern over low gasoline stocks.

- **OECD refinery throughput** dipped slightly in June in response to a return to more normal refinery margins during the month. Processing rates were generally at the high end of the observed range for the past four years in OECD regions, with high North American runs offsetting mid-range European levels.



Crude Oil Prices

Spot Crude Prices and Differentials in July

Crude oil benchmarks held firm in July, with sour crudes generally outperforming sweets and WTI Cushing tending to mark time after outperforming the other benchmarks in June. Low stocks and recent signs of a stronger turnaround in the US economy and uncertainty over Iraqi supplies continue to support prices ahead of the increase in winter demand. Despite this, OPEC kept output targets steady in July. Gasoline prices have been bolstered by further US stock draws from a low base and a significant improvement in US demand and are proving the major driving force behind the petroleum complex. Storms, Nigerian labour disputes, along with other Middle Eastern political developments have provided supplementary price support in July.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	May 03	Jun 03	Jul 03	Jul-Jun		Week Beginning:				
				Change	*%*	30 Jun	07 Jul	14 Jul	21 Jul	28 Jul
Crudes										
Brent Dated	25.72	27.51	28.35	0.84	3.0	28.20	28.38	28.78	28.14	28.53
WTI Cushing 1 month (adjusted)	28.14	30.66	30.70	0.05	0.2	30.32	30.69	31.45	30.49	32.41
Urals (Mediterranean)	23.80	25.16	26.84	1.68	6.7	25.81	26.54	27.67	26.94	27.37
Dubai 1 month (adjusted)	24.36	25.51	26.72	1.21	4.8	26.39	26.62	27.11	26.70	26.65
Tapis	26.76	27.13	28.54	1.41	5.2	27.93	28.19	29.11	28.61	28.76
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	2.43	3.14	2.35	-0.79		2.12	2.31	2.67	2.35	3.88
Urals (Mediterranean)	-1.92	-2.35	-1.51	0.84		-2.38	-1.84	-1.11	-1.20	-1.16
Dubai	-1.36	-2.01	-1.63	0.37		-1.81	-1.76	-1.67	-1.44	-1.88
Tapis	1.04	-0.38	0.19	0.57		-0.27	-0.19	0.32	0.47	0.23
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.31	0.36	0.14	-0.22		0.15	0.09	0.20	0.14	0.14
WTI Cushing 1mth-2mth (adjusted)	0.48	1.15	0.44	-0.72		na	0.32	0.65	0.42	1.75

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

July saw a significant pick-up in US gasoline demand to 9.2 mb/d, 0.1 mb/d above July 2002 and also May and June 2003 levels of close to 9.0 mb/d. Improved weather conditions helped to bolster primary offtake and there is the feeling that rain-delayed vacation travel in June will be shifted to July and August. The US economy also continued to gather strength. Second quarter US GDP growth has been provisionally estimated at 2.4% and early data releases for July would suggest that that improvement has continued. Stronger demand will make it harder to replenish stocks from current levels.

The uncertainty of Iraqi supplies provides an abnormally large margin for error in the outlook for the next 18 months. A general disappointment that initial tenders for the sale of Iraqi crude were smaller-than-expected at the start of the month helped to propel sour crude prices higher. The lack of oil exports through the northern pipeline to the Turkish port of Ceyhan, amidst reports of attacks against US and allied troops helped to foster concerns that shipments would remain low for some time.

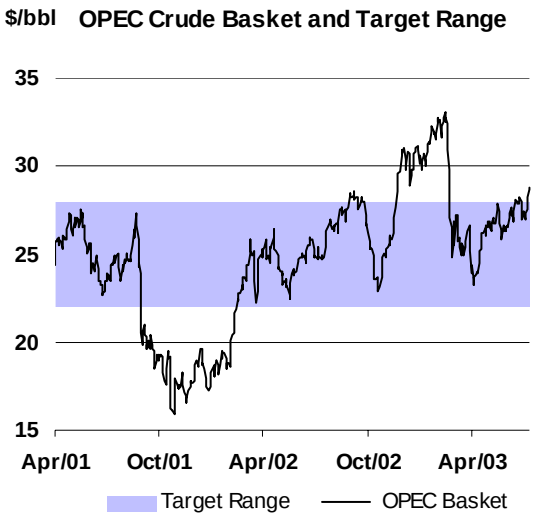
However, by the end of July there was greater optimism. At the time of writing it was reported that the northern pipeline from Kirkuk to Ceyhan had been repaired and will be ready to resume exports in mid-August. Officials have indicated that initial exports will be in the region of 200,000 to 300,000 b/d, but US army officials say that the line will have a capacity of around 500,000 b/d rising to around 850,000 b/d once all repairs are completed near the end of the year.

If exports from the north resume shortly at a rate of around 200,000 b/d then Iraqi exports will have risen from nothing to around 850,000 b/d within six or seven weeks. This would constitute a significant market development. However, future output gains and even the ability to maintain current levels of output are unclear. The uncertainty over supply security in the region will ensure Iraq remains an important issue for the oil market in the coming months and consistency of supply will be the best barometer to assess progress.

The uncertain pace of the return of Iraqi exports is presumably an issue that OPEC would have addressed during its meeting in Vienna on 31 July. The unchanged target announcement, which was largely anticipated by the trade, elicited a minimal initial market response, but contributed to bullish sentiment thereafter. It was felt that the high price and backwardated structure of the oil market, together with the recent pick-up in US gasoline demand, low stocks and a rebound in the US economy could leave the oil market tight ahead of the pending winter. In the eyes of many traders this bullish assessment contributed to a sharp jump in prices on 1 August, when front month WTI futures rallied by $1.77.

The OPEC basket averaged $27.50 during July, $0.70 higher than its June range, having briefly blipped above the upper end of the producer group's $28 target range during the middle of the month. At the time of writing however it has breached the upper end for every trading session so far in August.

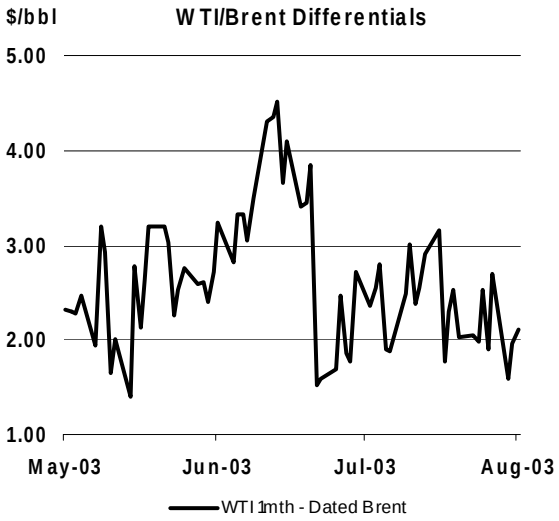
Nigeria also remained in the headlines in July after unions staged a general strike following a government-mandated increase in domestic gasoline prices by 54% from 26 Naira to 40 Naira. Oil production and exports were unaffected, but the unions threatened to expand the strike to these areas unless the government agreed to moderate the hike. The dispute was ended after the government compromised, tempering the gasoline price increase to 34 Naira (31%).



Nigeria is likely to remain in the news however. The major Nigerian union PENGASSAN has given 30 days' strike notice, effective from the middle of August, if a series of demands on work practices are not implemented.

No sooner was the Nigerian general strike resolved than Tropical Storm Claudette moved into the Gulf of Mexico and resulted in the temporary closure of a peak 418,000 b/d from a total of around 1.7 mb/d in the Gulf. At its peak, around 18% of natural gas production from the region was shut-in. The storm made landfall in the middle of the Texas coast, resulting in the temporary halt of shipping along the Houston ship channel and forcing refineries in the region to take precautionary measures. The storm passed without causing any lasting production problems, but removing 65,000 b/d of July output on average.

Other political issues such as the suspected Iranian nuclear programme, Saudi Arabia terror warnings, the Palestinian/Israeli conflict and Venezuelan leadership were noted by the market, but failed to have a significant impact on day-to-day price movements. This was in stark contrast to prior months when such stories have had a significant influence on intraday activity.

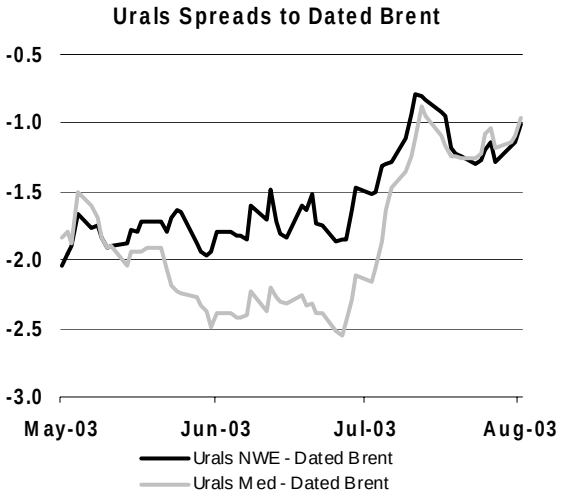


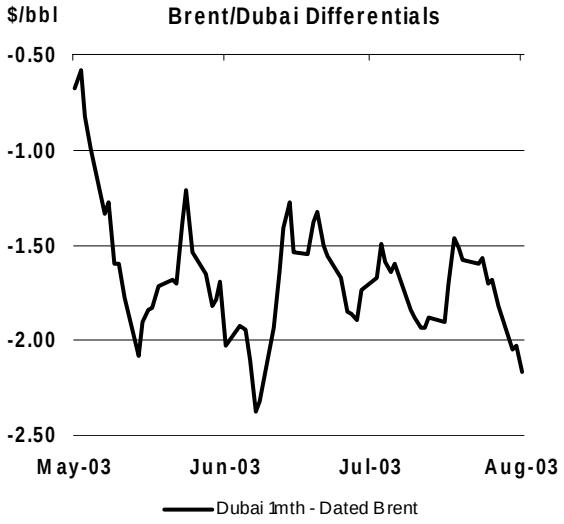
Improved demand and low stocks have encouraged non-commercial traders (those with no registered interest in hedging oil who hold large futures positions - generally regarded as funds and large speculators) to adopt a positive bias towards positions in the US energy markets, particularly in gasoline.

Predominantly strong and volatile spot oil prices have contrasted with relative stability in crude differentials and forward spreads, particularly in the latter part of July. The WTI-Dated Brent spread fluctuated in a trendless pattern between $1.77 to $3.16 in the first part of the month until the August WTI contract expired. However from that point the volatility of the spread has decreased, oscillating in a $2.00 to $2.50 range.

Transatlantic arbitrage opportunities have been generally available for most of July, but the lack of a clear sweet crude arbitrage to the East has meant that there has been strong competition for North Sea crudes to the US from the West African market.

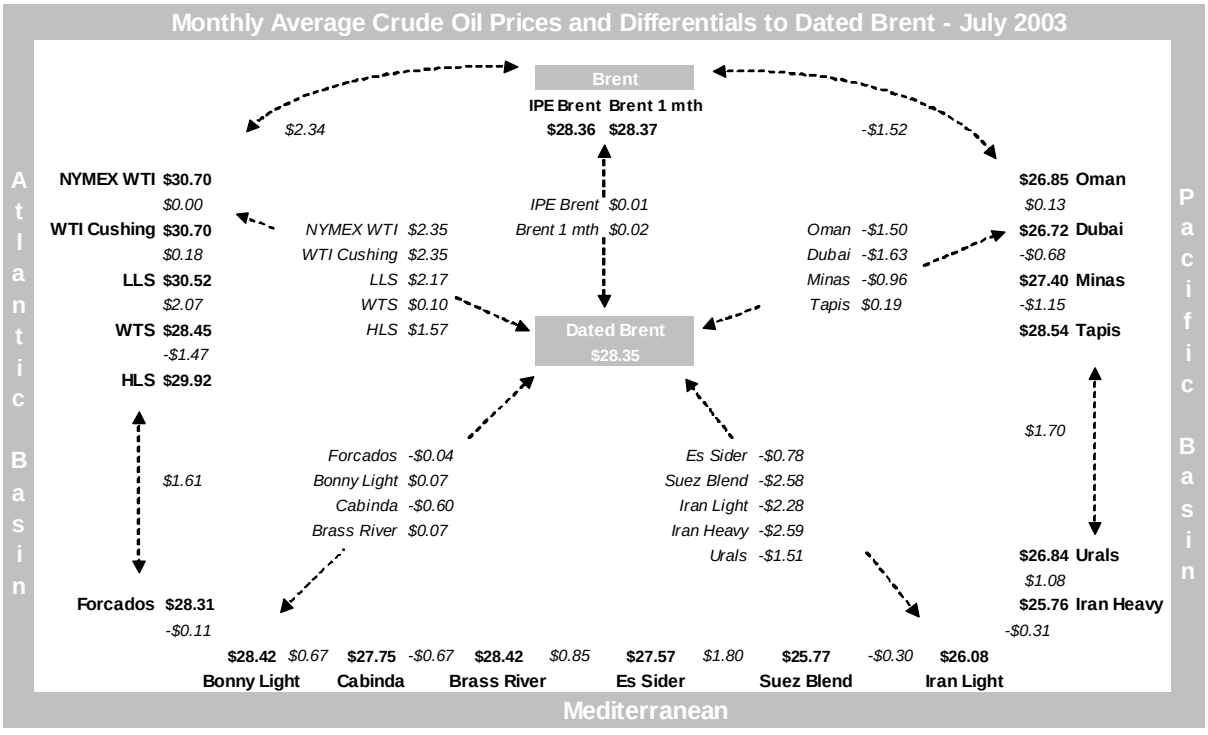
Sour crudes in the US Gulf however lost ground to their sweet counterparts. Gasoline strength in the first part of July improved margins for sweet over sour crudes. Later in the month firmness of sweet crudes was compounded by the arrival of Urals crude and the first cargoes of post-war Iraqi crude.





Physical crude activity is however likely to be tempered in the coming weeks by reduced demand ahead of the typical autumn maintenance schedule, although if cracking margins remain high, refiners could look to postpone some work until next spring.

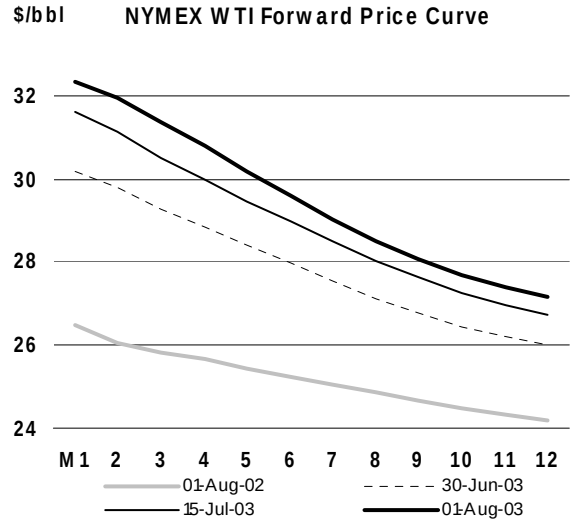
Urals spreads to Dated Brent narrowed sharply in early July, helped by strong demand for sour crudes due to the strength of the bottom of the barrel and the continued need to make up for the shortfall of Iraqi crudes. US demand was particularly strong. However, a supplementary tender of Iraqi crudes at the end of July, coupled with additional volumes for August caused a late easing of the rally in Urals. Any further increase in exports from Iraq would be expected to weigh on Urals crude, but more important for the current strength is the recovery in Far Eastern refinery margins.

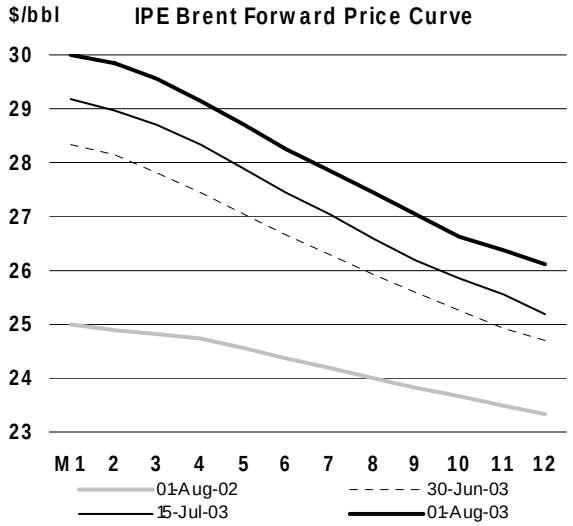


Dubai-Brent differentials remained relatively static in July, ranging between -$1.47 and -$1.90, making Brent related crudes less attractive to Asian refiners. Tapis crude retained its normal premium over Minas crude, reflecting lower demand for direct-burn crudes from Japanese utilities. The spread between the two however widened dramatically towards the end of July reflecting lower demand from Indonesian refiners due to seasonal maintenance and stronger demand for gasoline in the region.

Crude Futures in July

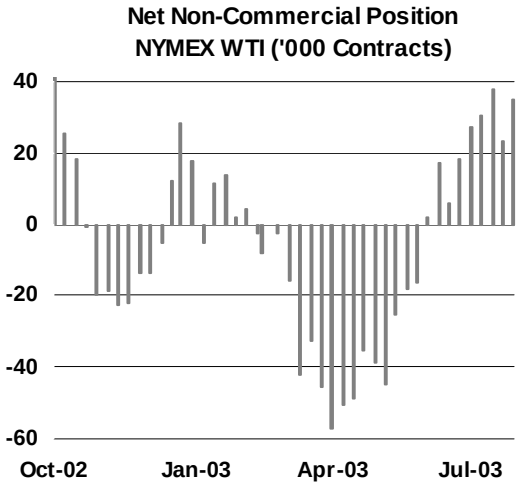
Brent and WTI crude futures remained in backwardation (nearby premium over forward contracts), but considering the strength of the crude oil price, the spreads are relatively weak. For example, in early June, with front month WTI prices at $31.73, the second position was $1.11 lower; on March 18 front month prices were $31.67 but the second position was $30.05; presently, the WTI price is $31.84, but the second position is just 29 cents below. This, in itself is revealing, but is only part of the picture.





Open interest on WTI and Brent futures has been climbing in recent weeks, although it remains somewhat below the pre-war peaks. This has coincided with an increase in the non-commercial net-long position. Non-commercial positions in WTI futures have moved from a net 45,183 lot short position at the beginning of May to a net-long position of 35,106 on 29 July. The peak was actually seen on 15 July, at 37,874 lots, the highest net-long position since October last year. This contrasts with a peak net-short of 57,047 lots on April 1.

It would be wrong to attribute this round of speculative bullishness exclusively to market worries over future Iraqi output, although they clearly play a part. Experience in other commodity markets would tend to suggest that non-commercials place a lot of weight on both technicals and broad economic indicators. Traders have reported broad-based buying of commodity futures by funds, reflecting this view. This long position is therefore likely to relate as much to cyclical economic growth factors as micro-oil economics and geopolitics.



Heating oil and gasoline non-commercial participation show similarly large nominal net-long position, but from a much smaller base. For example, the current net-long of 35k lots in non-commercial WTI crude positions comprises 100k lots long and 65k lots short and total open interest of 510k lots. In gasoline however there is a net non-commercial long of 25.5k comprised of 27.7 k long, 2.2k lots short and open interest of 93.3k lots.

Combining the net speculative position of the three NYMEX oil related contracts shows the highest net-long position since October 1999 of 89,213 lots in mid-July.

The combination of high prices and a relatively modest backwardation would therefore arguably suggest that although there is a relative current balance in the market, low stocks and improved demand are keeping prices high. This would tie in with anecdotal comments that there seems to be little trouble in acquiring spot crude at present, but similarly there is little sign of a glut. Speculators would appear to be more overweight in products than would normally be the case, but this is likely to only prove an issue if their bias towards higher prices proves wrong - remembering futures contracts present a zero sum gain situation - every long has to be matched by a short.

Delivered Crude Prices in May

Delivered prices for crude oil imported into IEA countries fell from $26.56 in April to $25.37 in May continuing to reflect the sharp decline in spot market prices in March and early April following the end to the war in Iraq, increased OPEC supplies and SARS-related demand constraints (see Table 8 at the back of the Report). The lagged fall in delivered prices generally reflected the shipping time of foreign crudes into the reporting region and buying patterns. Consequently IEA Europe saw a fall of $0.26, while North America and IEA Pacific benefited by $0.89 and a $2.99 respectively.

Product Prices

Spot Product Prices in July

Product prices were broadly higher in July, with gasoline strongly outperforming the crude market, particularly in the Far East. Jet fuel showed signs of recovering following its recent decline in the face of a poor economic environment, SARS and war fears. High sulphur fuel oil prices generally outperformed low sulphur material, but the rally that started in June reversed in the middle of July

Spot Product Prices
(monthly and weekly averages, $/bbl)

	May	Jun	Jul	Jul-Jun		Week Commencing:					May	Jun	Jul
				Change	*%*	30 Jun	14 Jul	14 Jul	21 Jul	28 Jul			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	32.64	33.74	35.99	2.25	6.7	35.30	36.40	36.90	35.37	35.87	6.92	6.23	7.64
Regular Unleaded	31.87	33.07	35.32	2.25	6.8	34.59	35.85	36.19	34.80	35.03	6.16	5.56	6.97
Naphtha	23.58	27.14	27.61	0.47	1.7	27.86	28.33	27.88	26.88	27.35	-2.14	-0.37	-0.74
Jet/Kerosene	30.38	31.81	33.07	1.26	4.0	32.64	33.38	33.52	32.65	33.46	4.66	4.30	4.72
Gasoil	29.47	31.06	31.57	0.52	1.7	31.29	31.80	32.10	31.06	31.99	3.75	3.54	3.22
Fuel Oil 1.0%S	22.54	26.14	26.58	0.44	1.7	28.61	26.96	25.96	25.01	26.89	-3.17	-1.38	-1.78
Fuel Oil 3.5%	21.16	22.49	25.18	2.69	11.9	25.38	25.65	25.70	24.32	24.73	-4.56	-5.02	-3.17
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	30.21	32.80	35.43	2.63	8.0	34.35	35.95	36.05	35.16	35.63	6.41	7.64	8.59
Premium Unleaded	29.49	32.08	34.71	2.63	8.2	33.63	35.23	35.33	34.44	34.91	5.70	6.92	7.87
Naphtha	22.08	26.13	26.66	0.53	2.0	26.86	27.32	26.97	25.97	26.46	-1.72	0.97	-0.18
Jet/Kerosene	28.34	29.84	31.31	1.47	4.9	30.81	31.61	31.82	30.82	31.78	4.54	4.67	4.47
Gasoil	27.14	30.35	29.95	-0.39	-1.3	29.79	30.27	30.17	29.23	30.91	3.35	5.18	3.11
Fuel Oil 1.0%S	22.43	26.00	28.48	2.47	9.5	29.44	29.02	28.22	27.64	28.31	-1.37	0.84	1.64
Fuel Oil 3.5%S	19.05	20.50	23.34	2.84	13.8	23.42	23.89	23.86	22.43	22.98	-4.75	-4.66	-3.51
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	35.57	37.24	40.05	2.81	7.5	38.14	40.41	40.74	40.11	40.46	7.43	6.59	9.35
Regular Unleaded 87	31.86	33.79	36.65	2.86	8.5	34.87	37.69	36.96	36.56	36.87	3.72	3.13	5.94
Jet/Kerosene	31.90	32.42	33.92	1.51	4.6	33.54	34.01	34.52	33.35	34.57	3.76	1.76	3.22
No.2 Heating Oil	31.05	31.89	32.98	1.09	3.4	32.79	33.19	33.51	32.37	33.45	2.91	1.24	2.28
Fuel Oil 1.0%S (Cargo)	24.51	25.19	27.53	2.34	9.3	28.22	28.40	28.01	26.47	26.61	-3.64	-5.47	-3.18
Fuel Oil 3.0%S (Cargo)	21.15	21.70	26.19	4.49	20.7	24.81	26.28	27.23	25.94	26.10	-7.00	-8.96	-4.51
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	28.73	31.59	34.58	2.99	9.5	33.45	34.46	35.12	34.59	35.38	4.37	6.09	7.87
Naphtha	23.77	26.66	27.77	1.11	4.1	27.22	27.91	28.62	27.36	27.64	-0.59	1.16	1.05
Jet/Kerosene	28.25	28.48	29.78	1.30	4.6	28.57	28.68	30.13	30.70	30.95	3.89	2.97	3.06
Gasoil	28.39	28.73	28.95	0.22	0.8	28.47	28.53	29.25	29.30	29.55	4.03	3.22	2.23
LSWR (0.3%S)	27.26	25.59	25.54	-0.04	-0.2	25.31	25.71	27.07	25.24	23.92	2.90	0.08	-1.17
HSFO (3.5%S 180cst)	24.64	25.73	27.14	1.41	5.5	27.53	27.28	27.86	26.69	26.13	0.28	0.22	0.43
HSFO 4%S	24.26	25.70	27.44	1.74	6.8	27.77	27.57	28.16	26.96	26.50	-0.10	0.19	0.72

The Far East saw the strongest gains in the gasoline market as strong demand from the Middle East and Indonesia combined with seasonally weak runs to push prices higher. Traders said that early in July Saudi Aramco made the unusual move of looking into the possibility of buying 500,000 barrels of gasoline from Southeast or Northeast Asia. There was speculation that it would be used for strategic stocks. Iran was also reportedly a strong buyer from the region. Saudi Arabia is however unlikely to be a regular buyer as the completion of a large condensate splitter will increase the quantity of gasoline that can be produced from its refining system. Indonesia's Pertamina was also active and bought around 2.0 mb of gasoline for August delivery to compensate for refinery maintenance. Chinese refiners however took advantage of the strong regional demand and are expected to maintain August gasoline exports at close to July's high levels.

The contrast with the gasoil market could not have been greater at the start of the month at which time all signs pointed to a regional glut.

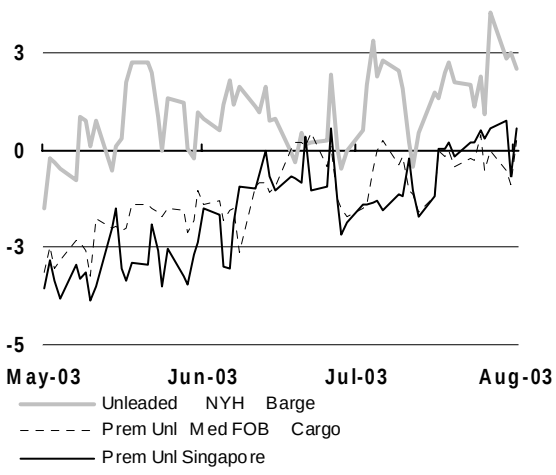
Indonesia failed to include gasoil in its August tender, despite heavy purchases of other products, which was a sign of ample availability in that country.

July Korean gasoil exports are estimated to have been in the region of 580,000 tonnes, up 45% from June due to low domestic demand and tax changes. The Korean tax changes on diesel, kerosene and heavy oil are part of a plan to reform energy taxation that will continue through until 2006. The short-term impact of the tax hike was to bring forward some of July's apparent gasoil demand into June. The closure of the East-West arbitrage window also kept material in the region. However, much of the oversupply bearishness had already been discounted in June and prices stabilised when it became clear that Korean exports would fall to around 400,000 tonnes in August as a result of maintenance and "normalised" demand. Prices then rallied sharply towards the end of July/beginning of August, helped by expectations of pre-winter stockpiling and Japanese refinery problems.

Jet kerosene showed signs of a post-SARS pick-up in refinery demand, with prices moving to a premium to gasoil for virtually the entire month. Jet fuel prices have (broadly) been at a discount to gasoil since the beginning of March as regional air traffic decreased due to travel restrictions and reduced business and tourist trips.

Fuel oil started the month on a firm note, helped by expectations of a continuation of June's strong Chinese buying spree. Regional demand was robust, although Japanese demand has ebbed from recent high levels due to the restart of several nuclear reactors (year-on-year Japanese fuel oil demand remains firm). But Chinese offtake did not meet expectations and the movement of arbitrage shipments from the Caribbean, South America and Europe helped to ease regional tightness. Malaysia's Petronas was reported to have taken two VLCCs from the Baltic and a third was reportedly being lined up. Buyers were also put off by the high prices, with Vietnam taking only half of the fuel oil requested in its Q3 tender as a result of prevailing price levels. Indeed the high influx of material into the region led to a reversal of the positive trend and fuel oil swaps moved from backwardation into contango.

Unl. gasoline Spreads to Rotterdam



US petroleum products saw a surge in prices in early July (particularly in gasoline and fuel oil), followed by a relatively stagnant performance until the end of the month. The US market and in particular gasoline continues to dominate global market sentiment and it is no surprise that the initial end-June rally was sparked by a large fall in US gasoline stocks. Similarly the most recent gains came after 4.9 mb fall in gasoline stocks since the peak in the middle of July.

Non-commercials have been aggressive buyers of the NYMEX gasoline futures contracts (see Crude and Product Futures), but their interest partly stems from a significant improvement in domestic demand and a number of refinery problems. These have occurred particularly on the West Coast, but there have also been problems in the relatively insular Midwest region. US gasoline stocks remain low, demand is strong and there is a seasonal tendency for inventories to decline through to the fourth quarter.

US gasoline imports have however proved very responsive to any change in outright prices, which has tended to keep supplies steady. While the US refining system continues to work close to capacity, there remains flexibility within the global refining system to meet demand. That places the US in competition with other regions at a time when European weather conditions are conducive to travel and hot weather is hampering refinery output. Far Eastern and Middle Eastern gasoline demand is also strong, which will increase demand for surplus material.

The US distillate market has been less buoyant, missing out on the early July gasoline rally as the global gasoil glut depressed sentiment. US distillate demand has also been lacklustre, averaging around 250,000 b/d lower than June and moving down towards year ago levels.

Fuel oil prices became largely dominated by the weather during July, buoyed by an early-month hot spell. However the warm spell gave way to more normal temperatures in the North East as the month progressed, which has limited utility offtake. Also, although US natural gas prices have fallen significantly from their February peaks, they remain above year ago levels, which is encouraging a limited degree of fuel switching.

Northwest European products were broadly flat through July until they too were caught up with the end-month rally.

Gasoline continued to outperform other regional product values, but was largely dominated by US trends. Regional demand was described as moderate, but the transatlantic arbitrage window was only open sporadically, contributing to relatively low levels of shipments to the US in July. Regional demand was relatively mixed, with the high diesel penetration of the transportation market meaning there has been a dampened impact from the hot weather over the region towards the end of July.

Europe is enjoying the warmest summer for 200 years, so it is not surprising that fuel oil demand is relatively firm as cooling demands increase. Southern Europe has been sweltering for much of the past two months, but in July the warmer temperatures moved to the northern part of continental Europe and into the UK and Scandinavia at the end of the month. High temperatures bring with them their own set of problems, with reduced hydro-electric availability and nuclear facilities unable to cool water sufficiently to enable it to be returned to rivers.

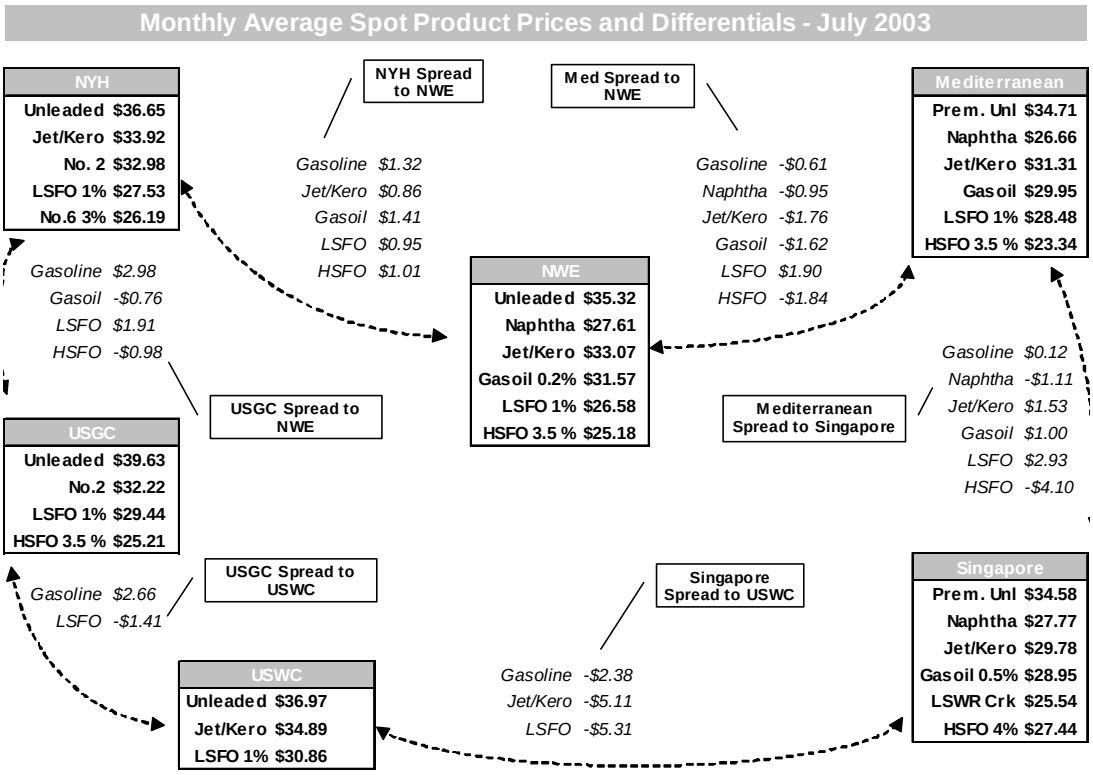
Regional responses to these problems also differ, which means that the impact on residual fuel demand is not constant among the various countries. For example, France gave nuclear power generators a waiver on the temperature of outflowing cooling water, while German reactors reduced capacity to meet regulations. Utility fuel burning also varies, with some countries requiring the use of low sulphur fuel oil, but the high natural gas intensity of other countries means that higher quantities of high sulphur fuel oil can be used without breaching allowable emissions. Unusually high temperatures in Northern Europe can also prove problematic for gasoline production as refineries are not geared up for additional cooling demand.

Europe is however generally well supplied with fuel oil, but the strong demand from the Far East (see above) helped to offset some of the surplus in NWE. However, it was still not enough to prevent a broad decline in low sulphur prices for much of July.

Distillate prices were broadly flat until the end of the month, but the pick up in jet fuel noted in the Far East helped to imbibe a slight outperformance over gasoil. Distillate values were also depressed by the movement of gasoil from the Far East to Europe to clear out the regional glut, but this was offset to a degree by surprise demand for 300,000 tonnes of gasoil from Nigeria in July and August. Some fuel oil was also reported shipped to the Med to take advantage of strong regional utility demand.

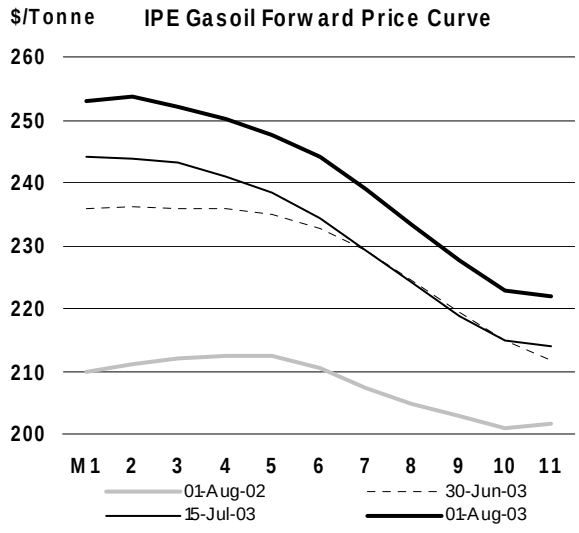
Mediterranean products broadly outperformed their NWE counterparts in July. Gasoline prices were bolstered through strong offtake for product from the Middle East, with Saudi Arabia, Iraq and Iran noted buyers in July. The warm weather also helped local demand and traders were quick to take advantage of any openings of the arbitrage window to the US.

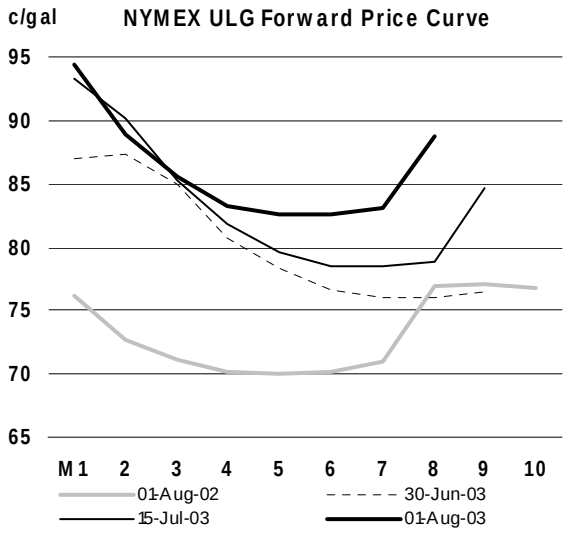
Fuel oil demand remained strong, but prices retraced from end-June highs as arbitrage material moved in from the Far East and the Caribbean. Low Black Sea exports in June also contributed to the strength of the market early last month.



Product Futures in July

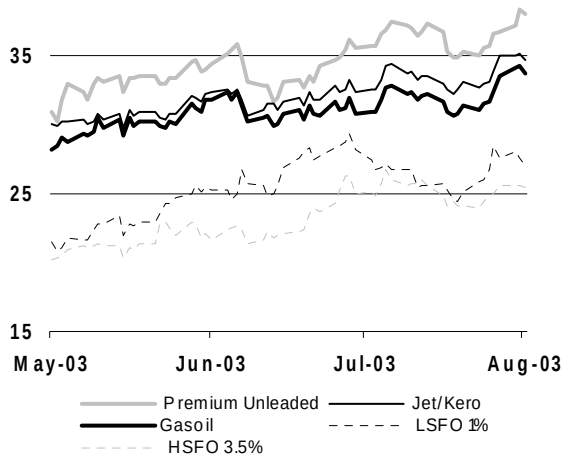
The steady upward shift in IPE gasoil and NYMEX heating oil futures across the forward strip of contracts reflected the broadly higher price movement in crude oil during the month. There appeared to be little change in the expectations for a shift in seasonal supply patterns. The funds played little part in price movements during the month, with most of their activity focussed on crude and gasoline. However, they retained their net long position, with the CFTC noting that the net non-commercial long was at 15,294 lots on 29 July compared with 16,083 long on 1 July.



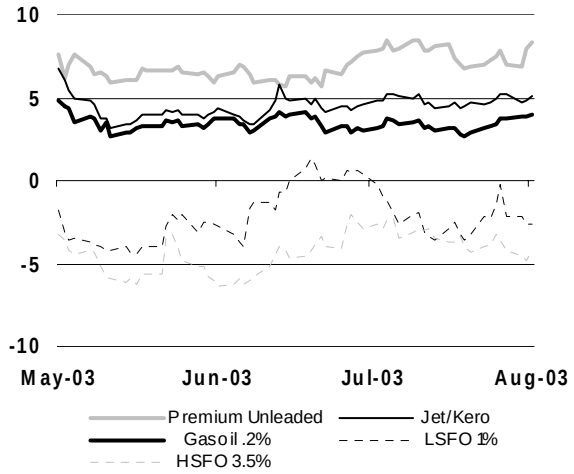


The rally in gasoline prices towards the middle-end of July caused a sharp increase in the front month backwardation (as would have been expected). However, the continued fall in US gasoline stocks and improved primary demand has also raised fears that supply tightness could occur later this year (gasoline stocks typically decline through the summer into the fall – at which point refiners focus their attention on distillates and produce less gasoline).

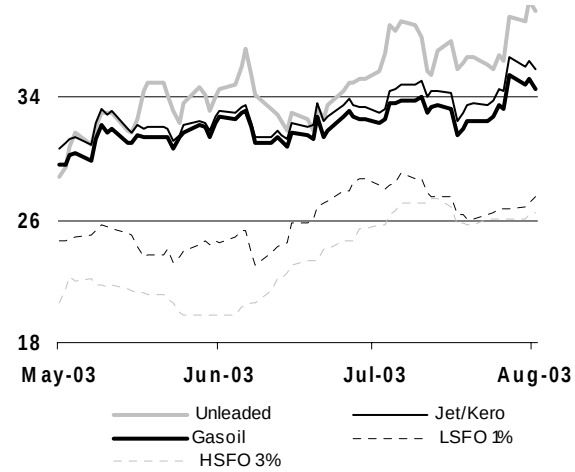
$/bbl **Rotterdam Spot Product Prices**



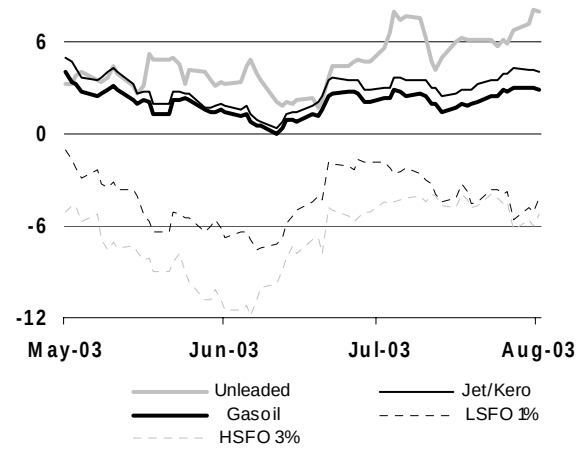
$/bbl **Rotterdam Spreads to Dated Brent**



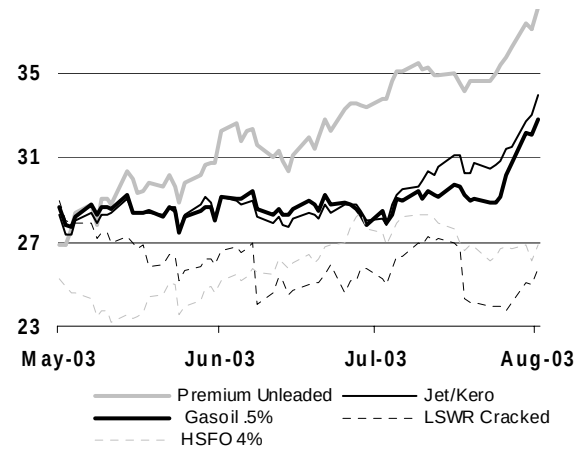
$/bbl **New York Harbour Spot Product Prices**



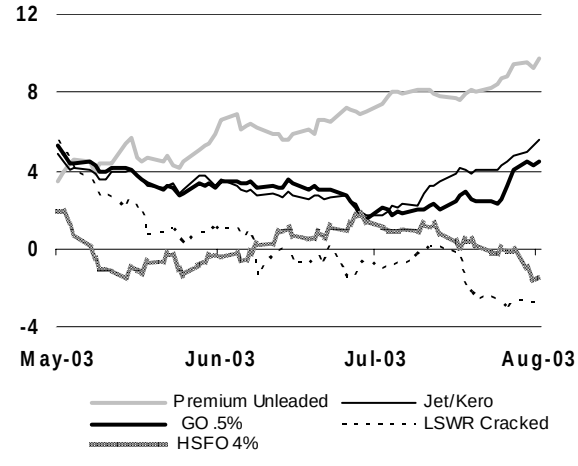
$/bbl **New York Harbour Spreads to WTI**



$/bbl **Singapore Spot Product Prices**



$/bbl **Singapore Spreads to Dubai**



The funds were active in gasoline, raising their net non-commercial long from 12,534 lots on 1 July to 25,411 at the end of the month (albeit slightly below the 30,276 lot peak in the middle of July). Recent price gains are likely to have further inflated that net-long position.

Examining the breakdown of positions held in the gasoline market along the divisions reported by the CFTC would appear to show a relative imbalance. The net non-commercial long position represents nearly 85% of the combined absolute long and short position of the non-commercial sector, while the offsetting net-short position held by the commercial sector represents only 22% of the combined longs and shorts of that division.

As the funds often limit the size of their position according to market volatility and open interest levels, this would imply that speculative buying may be limited in the coming weeks, regardless of supply and demand developments. A large decline in prices could also trigger automatic sell orders, which could exacerbate the trend. Fundamentally however, there are reasons to believe that the gasoline market could tighten, but recent activity suggests that there is sufficient external slack to bolster imported supplies - at the right price.

End-User Product Prices in July

End-user prices for the products monitored in the Oil Market Report (See Table 9) were little changed in July, with the exception of fuel oil. This reflected a sharp global rise in the physical market in late June accounted for by strong utility demand in China, Europe, Japan and the US. Interestingly, with the exception of heating oil, retail prices for all products in Europe and Japan are little changed from July 2002 levels, with the weaker dollar compensating for higher underlying costs.

Gasoline end-user prices rose in July, in all countries bar Japan, which continues to adjust retail prices in a gradual fashion. European gains, however, turned into losses when viewed in US dollar terms, suggesting that the bulk of the move was currency related. Canada saw a similar currency adjustment, while US retail prices rose to reflect strong domestic physical prices.

Diesel prices followed a very similar pattern to those seen in gasoline, bar a modest fall in Canadian prices in local currency terms. Once more, with the exception of US diesel prices, pump prices in dollar terms registered modest declines across-the-board.

Domestic heating oil prices followed a similar, currency influenced, pattern in Europe, with the exception of Italy where prices actually declined in euro terms. Italian prices on an ex-tax dollar basis are however the highest of those monitored in Europe.

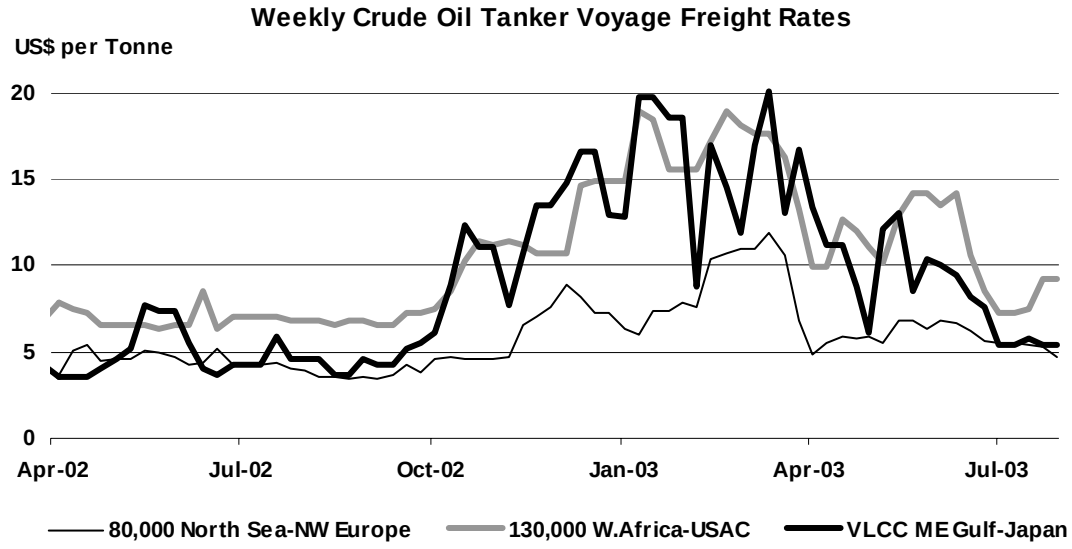
Fuel Oil prices for industry were strong throughout Europe as the impact of robust global demand and a rally in wholesale prices in late June and early July swiftly filtered through to the end-user markets. In Japan fuel oil prices continued to fall, once more reflecting the typical gradual price adjustment process in the country.

Freight

Freight rates were broadly static in July, reflecting relatively stable OPEC output and lacklustre transatlantic product movements. The limited return of Iraqi output did not have a significant impact on dirty freight rates, although the movement of the crude from Basrah to the US is not covered in the series followed in the Report. However there was a pick-up in fuel oil movement, particularly from Europe and talk of shipping enquiry from the US Gulf Coast.

North Sea to NW Europe Aframax rates fell slightly, but there was a noticeable blip for Suezmax rates from West Africa to the US Atlantic Coast, as US import demand improved. VLCC rates from the Middle East Gulf to the Far East were flat as continued weak demand and heavy seasonal maintenance depressed values.

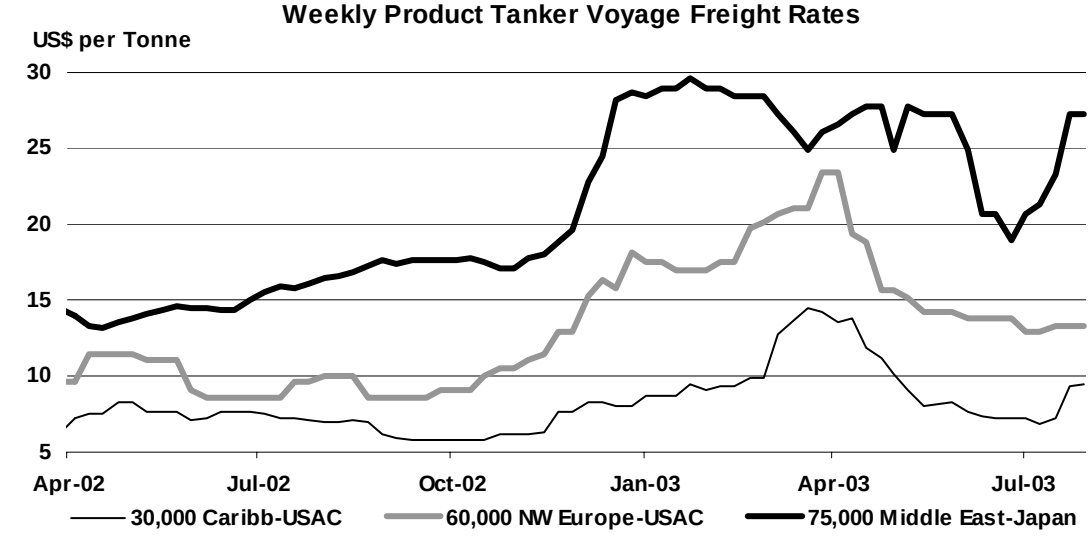
Iraqi output started to flow in July, increasing towards the month-end and is expected to rise further in August. Crude demand should also start to improve as Far Eastern refiners come out of seasonal maintenance turnarounds. Stronger US economic growth is also likely to have a stimulative impact on consumption in the coming months.



Source: SSY Consultancy & Research Ltd.

From August, new EU rules on single-hull tankers come into effect for European ports. All single-hull tankers carrying heavy grades of oil and over 5K dwt will be banned from calling at EU ports. Also the International Maritime Organisation has agreed to a new schedule that effectively brings forward the phasing out of many of these ships by two years. The EU is also continuing to push for its rules to be adopted as a global standard.

Clean rates showed a pick-up in the Middle East to Japan routes, reflecting good Japanese demand, but also unusual Middle Eastern gasoline interest during July and high gasoil exports. The limited levels of gasoline shipments from Europe to the US kept rates for Panamax and Handimax tankers relatively flat, although still above year ago levels. Caribbean to US rates also picked up towards the end of July reflecting the month-end surge in gasoline prices.



Source: SSY Consultancy & Research Ltd.

Refining Margins in July

Refining margins diverged across the regions in July, with the only clear convergence coming at the end of the month when values blipped higher.

North West European refining margins ended July little changed from late June values, but averaged the month just over 70 cents higher for both hydroskimming and cracking refineries based on Brent. Sour margins were generally more attractive in the region, but without the continuous pull of the US

gasoline market, the mid-month slip in gasoil and declining low sulphur fuel oil prices, overall Brent refining margins remained poor.

By the start of August the differential between cracking margins and hydroskimming margins had widened from $0.87 at the beginning of July to $1.16. Most of that gain, however, came in the last week and reflected the improvement in gasoline prices.

Mediterranean refining margins were generally dictated by the strength of Urals crude. Attractive early-July margins were whittled away by mid-month as Urals crude differentials soared, but recovered by early August as the Russian benchmark eased and gasoline rallied.

Looking at the spread of Urals to Brent it is easy to see why regional refining margins moved this way – Urals moved from a discount of $2.55 to Brent at the start of July to an unusually narrow minus $0.95 by 18 July. However, the Urals-Brent discount remains low at $1.28 at the time of writing, highlighting that the late-month recovery in refining values has more to do with the revival in regional gasoline prices than a collapse in Urals values.

US Gulf cracking margins were volatile in July, but remained attractive throughout the month. On average, US refining margins improved significantly more than any other region covered, with gasoline once more the major driving force. Problems with West Coast and Midwest refineries also meant that US domestic gasoline prices had to rise to attract foreign product.

Brent refining margins rose by $1.67 in July in comparison to $1.85 for WTI, but the stronger performance of the US benchmark has more to do with technical tightness in that crude in June than any other factor.

End July US refining margins surged, as they did in most other refining centres, on the back of soaring gasoline prices

Refining Margins in Major Refining Centres

($/bbl)

	Monthly Averages			Jul-Jun		Week Ending:				
	May	Jun	Jul	*Change*	*%*	04 Jul	11 Jul	18 Jul	25 Jul	01 Aug
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-1.00	-0.55	0.19	0.74		0.44	0.44	-0.32	-0.36	0.24
Brent (Cracking)	0.19	0.58	1.28	0.70		1.31	1.74	0.89	0.79	1.40
Mediterranean										
Urals (Hydroskimming)	0.29	1.84	1.51	-0.32		2.60	1.63	0.14	0.50	1.36
Urals (Cracking)	1.52	3.10	2.64	-0.46		3.41	2.99	1.37	1.75	2.58
US Gulf Coast										
WTI (Cracking)	2.36	1.35	3.20	1.85		2.84	4.18	2.07	2.87	3.43
Brent (Cracking)	2.36	1.95	3.62	1.67		4.04	4.47	3.56	3.39	4.65
Singapore										
Dubai (Hydroskimming)	0.90	0.84	0.86	0.03		0.73	0.83	0.79	0.75	1.24
Dubai (Cracking)	2.00	2.20	2.30	0.10		1.86	2.20	2.18	2.28	3.29
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	25.84	28.10	29.68	1.58	5.6	29.38	30.97	29.94	29.20	31.09
Brent (Cracking)	27.14	29.32	30.86	1.54	5.3	30.34	32.37	31.25	30.45	32.35
Mediterranean										
Urals (Hydroskimming)	24.29	27.20	28.54	1.35	5.0	28.48	29.73	28.49	27.87	30.07
Urals (Cracking)	25.62	28.56	29.77	1.22	4.3	29.40	31.19	29.82	29.22	31.40
US Gulf Coast										
WTI (Cracking)	31.60	33.10	35.00	1.90	5.7	34.46	36.56	35.21	34.44	36.94
Brent (Cracking)	31.38	32.88	34.78	1.89	5.8	34.27	36.31	35.01	34.20	36.62
Singapore										
Dubai (Hydroskimming)	25.73	26.83	28.08	1.25	4.7	27.54	28.51	28.37	27.88	28.48
Dubai (Cracking)	26.94	28.29	29.62	1.33	4.7	28.76	29.97	29.86	29.51	30.63

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

Far Eastern margins were little changed in July over June, with weakness in gasoil differentials offsetting a strong outperformance by the gasoline market. Margins only started to move significantly higher at the end of the month as gasoil started to join in the gasoline-led rally. Problems at Japanese refineries in August, coupled with anticipated strong demand from China, lower Korean and Taiwanese gasoil exports and high Indonesian imports due to maintenance should provide support for margins in the weeks ahead.

OECD Refinery Throughput in June

Preliminary data showed a fall in OECD refinery throughput in June to 38.55 mb/d from a revised 38.96 mb/d in May. May throughput was revised up from a preliminary 38.66 mb/d, reflecting an increase in Spanish and US data of over 100,000 b/d each. The June dip in total OECD refinery processing levels largely reflects the return to more typical refinery margins in the main regions covered in the Report. Total OECD runs in June are therefore back within the observed 1998 to 2002 range after rising above that level in May.

OECD European throughput continued at mid-range levels - as it has all year. Recoveries in French, Greek, Swiss and Turkish refinery throughput were generally offset by falling runs in the UK, Italy and Spain. German runs continued at lower levels reflecting ongoing regional maintenance. July throughput is expected to improve as refineries returned from maintenance and this trend should continue through August.

Refinery Crude Throughput and Utilisation in OECD Countries

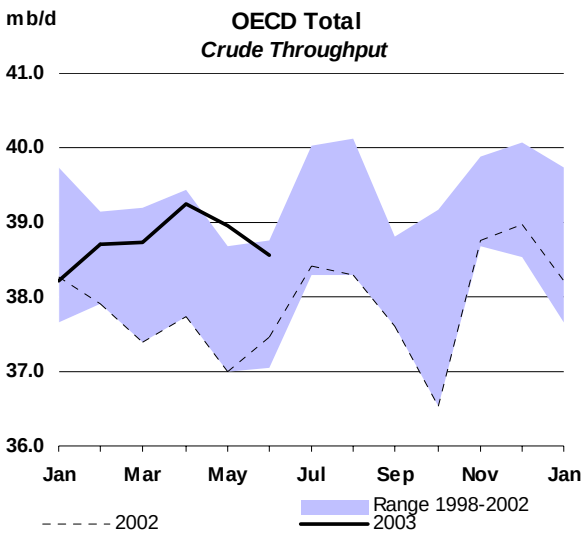
	million barrels per day						*Change from Jun 02*		Utilisation rate[2]	
	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	mb/d	%	Jun 03	Jun 02
OECD North America										
US[3]	14.34	14.38	14.93	15.57	15.92	15.64	0.31	2.0	93.1	91.2
Canada	1.83	1.80	1.63	1.82	1.81	1.78	0.06	3.5	91.8	88.7
Mexico	1.21	1.26	1.26	1.25	1.28	1.28	0.03	2.3	82.3	73.6
Total	17.37	17.44	17.82	18.65	19.02	18.70	0.40	2.2	92.2	90.2
OECD Europe										
France	1.70	1.78	1.64	1.57	1.66	1.70	0.00	-0.3	89.7	89.9
Germany	2.25	2.28	2.25	2.29	2.15	2.14	0.00	0.1	94.7	94.5
Italy	1.80	1.69	1.80	1.76	1.76	1.73	-0.07	-3.6	75.6	78.4
Netherlands	0.98	1.04	0.93	1.03	1.08	1.06	0.12	12.4	87.5	77.9
Spain	1.09	1.04	1.09	1.21	1.21	1.17	0.09	8.1	90.6	83.8
UK	1.58	1.69	1.68	1.65	1.69	1.55	-0.03	-1.7	86.8	88.3
Other OECD Europe	3.85	3.99	3.97	3.89	3.71	3.91	-0.01	-0.3	85.1	85.4
Total	13.26	13.50	13.37	13.40	13.25	13.25	0.10	0.7	86.5	85.9
OECD Pacific										
Japan	4.41	4.62	4.43	4.23	3.84	3.77	0.62	19.6	75.9	63.4
Korea	2.30	2.30	2.30	2.14	2.02	2.11	0.05	2.7	82.5	80.4
Other OECD Pacific	0.86	0.83	0.82	0.84	0.83	0.71	-0.07	-9.3	74.6	82.3
Total	7.57	7.75	7.54	7.21	6.70	6.60	0.60	10.0	77.7	70.7
OECD Total	38.21	38.70	38.73	39.25	38.96	38.55	1.10	2.9	87.4	84.9

1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

OECD North American throughput in May reached the record level of 15.919 mb/d following the latest official revisions. This equated to a capacity utilisation of over 96%. The sustainability of this level of capacity operation has been questioned, but the moderation of capacity use since that peak would appear to be partly economic along with a normal spray of refinery glitches. Gasoline output was restricted in the US West Coast area when problems were reported at several refineries in early to mid June and towards the end of July. Valero suffered a fire at its 35,000 b/d hydrocracker at its Benicia refinery in California and also curbed gasoline production at its Texas City refinery due to maintenance. The Benicia repairs were initially expected to take around 10 days, but trade sources indicated that they continued beyond that period. Traders also reported a reduction in processing rates after a problem at another Californian refinery, but the company concerned would not confirm or deny the rumours.

Marathon Oil Co. said it planned to shut its 100,000 b/d gasoline unit at its 232,000 b/d refinery in Garyville, Louisiana, for two weeks of unplanned repairs on 20 June. ConocoPhillips 197,000b/d oil refinery in Ponca City, Oklahoma was also hit by a fire, which was believed to have affected a hydrotreater.

PADD 3 (the US Gulf Coast) throughput saw a dip in production in the middle of July, reflecting the impact of Hurricane Claudette and several other minor refinery issues.



OECD Pacific refinery runs continued to trend close to the average of the past four years, but with the continuing divergence of Japanese throughput running above normal and Korean runs at lower observed levels.

Japanese refiners have been operating at higher than normal capacity levels to meet strong utility demand for fuel oil to cover the increased demand following the closure of the TEPCO nuclear reactors. So far the pace of restart of these nuclear generating plants has been slower than expected, which means that fuel oil requirements will remain strong in the coming weeks.

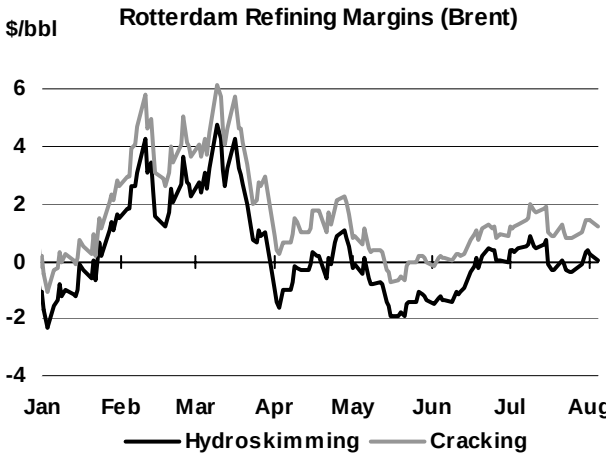
But while Japanese crude processing has been higher than seasonal norms, maintenance means that nominal throughput is actually 851,000 b/d below the recorded peak in February. Typically refinery runs rise sharply in July and August as refiners reinstate capacity and crank up processing rates to build distillate stocks ahead of the winter heating season.

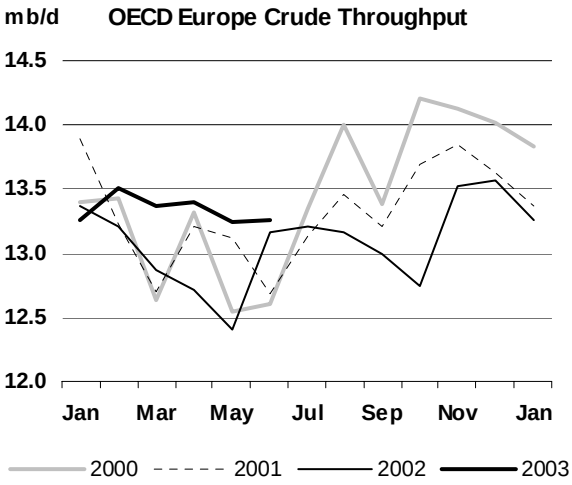
However, this has been complicated this month by the shut down of three refineries. Nippon Oil has been forced to close its 127,000 b/d Marifu and 115,000 b/d Osaka refineries following the disclosure of maintenance irregularities dating back to 2000. METI has instructed Nippon to inspect all maintenance records at its six refineries and submit reports to the government. The two plants that were closed were part of Koa Oil's plants which merged with two other refining arms in April 2002 to form Nippon Petroleum and Refining. It is not clear how long these refineries will be off-line, but Tosoh shut its Yokkaichi plant for two months when a similar maintenance reporting problem was discovered earlier this year.

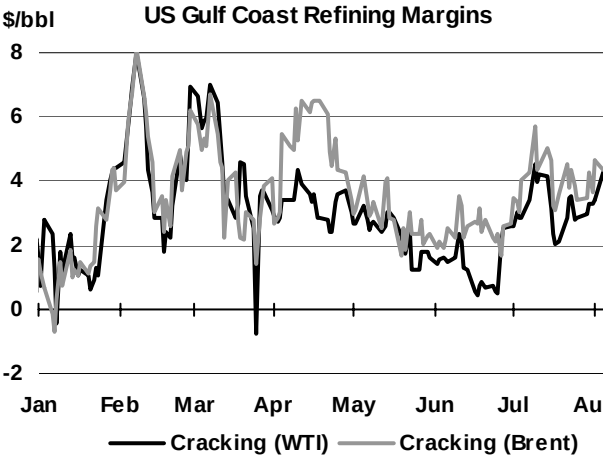
The issue has been complicated by the closure of Nippon's 140,000 b/d Mizushima in Okayama due to a fire. At the time of writing it is not clear for how long this plant will be shut.

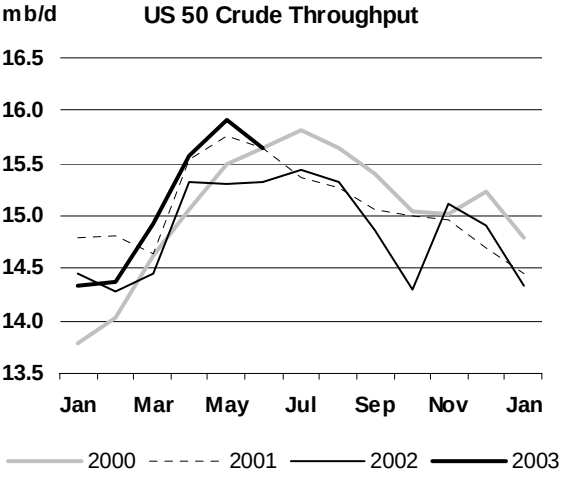
Nippon has indicated that it will maintain supplies to customers by purchasing products. This is likely to benefit domestic refiners with spare capacity and also Korean refiners who have been running at close to the lowest seasonal level observed for the past four years for most of 2003. There has been a bullish reaction in Far Eastern naphtha prices and European traders say that they have received inquiries for export material from Japan.

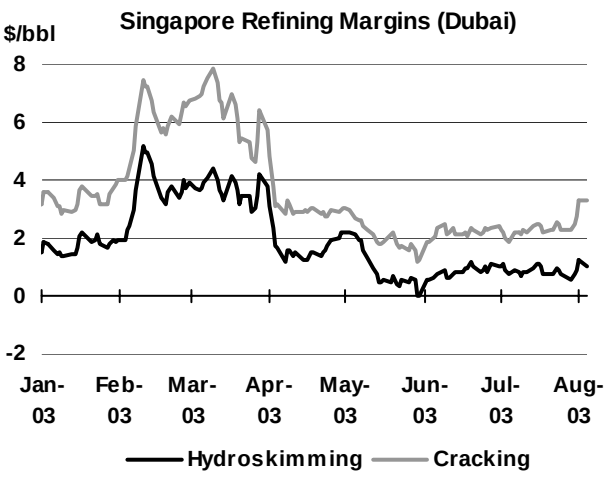
There is plenty of spare capacity in the region, but together with rampant import demand from China and seasonal maintenance in Indonesia, these refinery problems are likely to result in some strong product prices until the resources are realigned. Seasonal increases in throughput should also be seen.


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Hydroskimming
Cracking


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan
Feb
Mar
Apr
May
Jun
Jul
Au
Cracking (WTI)
Cracking (Brent)


mb/d
US 50 Crude Throughput
16.5
16.0
15.5
15.0
14.5
14.0
13.5
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003


$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
-2
Jan-03
Feb-03
Mar-03
Apr-03
May-03
Jun-03
Jul-03
Aug-03
Hydroskimming
Cracking

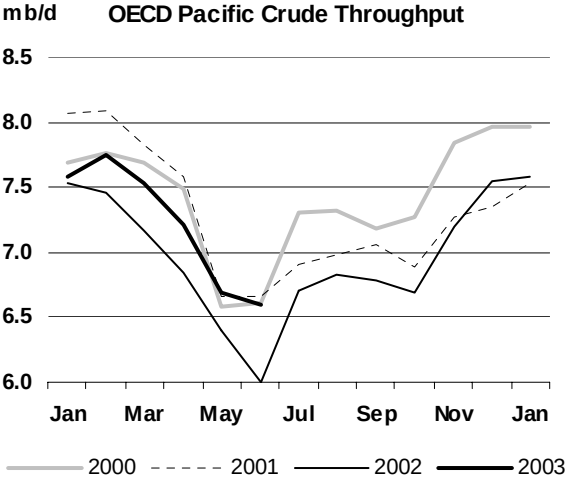

mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
Jan
Mar
May
Jul
Sep
Nov
Jan
2000
2001
2002
2003

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.0	24.6	24.6	24.5	24.8	24.3	25.0	25.1	24.8
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	14.9	15.3	15.5	15.2	15.3	15.0	15.3	15.7	15.3
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	8.1	8.2	9.1	8.8	9.2	7.8	8.1	9.0	8.6
Total OECD	47.8	47.8	48.1	46.3	47.5	48.9	47.7	49.3	47.0	48.1	49.2	48.4	49.3	47.1	48.3	49.8	48.7
NON-OECD DEMAND																	
FSU	3.7	3.7	3.7	3.4	3.6	4.3	3.8	4.0	3.5	3.8	4.3	3.9	4.1	3.5	3.8	4.3	3.9
Europe	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	4.6	4.7	4.6	5.0	4.9	5.2	4.9	5.2	5.1	5.1	5.3	5.2	5.3	5.5	5.4	5.6	5.4
Other Asia	7.4	7.6	7.5	7.7	7.6	7.9	7.7	7.7	7.7	7.7	8.1	7.8	7.9	8.0	7.9	8.3	8.0
Latin America	4.9	4.9	4.7	4.8	4.9	4.7	4.8	4.5	4.7	4.8	4.7	4.7	4.5	4.7	4.9	4.8	4.7
Middle East	4.7	5.0	5.0	5.0	5.2	5.2	5.1	5.2	5.0	5.1	5.1	5.1	5.2	5.2	5.3	5.3	5.3
Africa	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.7
Total Non-OECD	28.4	29.1	29.0	29.2	29.4	30.6	29.6	30.0	29.4	29.7	30.9	30.0	30.5	30.4	30.6	31.8	30.8
Total Demand[1]	76.2	76.9	77.2	75.5	77.0	79.5	77.3	79.3	76.3	77.8	80.1	78.4	79.8	77.5	79.0	81.6	79.5
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.5	14.9	15.2	14.9	15.1	15.1	15.0	15.1	15.1
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.2	6.5	6.6	6.5	6.6	6.4	6.4	6.5	6.5
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.1	21.4	22.1	22.6	22.0	22.4	22.1	22.0	22.3	22.2
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.3	10.4	10.2	10.5	10.8	10.9	10.9	10.8
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.2	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.4	2.5	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.8	3.9	3.9	3.9	3.9	3.9	4.1	4.4	4.1
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.3	3.1	3.3	3.4	3.5	3.6	3.5
Total Non-OECD	22.3	23.0	23.9	24.1	24.5	24.6	24.2	24.7	25.0	25.3	25.6	25.1	25.8	26.1	26.4	26.9	26.3
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	45.9	46.6	47.7	48.0	47.6	48.5	48.0	48.7	48.1	49.2	50.0	49.0	50.1	50.1	50.3	51.0	50.4
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.2								
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	3.9	3.7	4.0	4.0	4.0	4.3	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.8								
Total Supply[4]	76.6	76.7	76.0	75.7	76.6	78.0	76.6	78.7	77.9								
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.2	-0.3	0.5	-0.8	-1.1	-0.4	-0.7	1.2								
Government	-0.1	0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.0								
Total	0.2	0.3	-0.1	0.6	-0.8	-0.8	-0.3	-0.5	1.2								
Floating Storage/Oil in Transit	0.1	-0.1	0.0	-0.2	-0.2	0.0	0.0	0.3	0.0								
Miscellaneous to balance[5]	0.2	-0.4	-1.1	-0.3	0.7	-0.7	-0.4	-0.4	0.4								
Total Stock Ch. & Misc	0.4	-0.2	-1.2	0.2	-0.3	-1.5	-0.7	-0.6	1.6								
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.4	27.2	26.0	24.1	25.7	27.6	25.9	27.4	24.6	24.9	26.2	25.8	25.7	23.5	24.6	26.3	25.0
Total Demand ex. FSU	72.5	73.2	73.4	72.1	73.3	75.3	73.5	75.3	72.9	74.1	75.9	74.5	75.7	74.0	75.2	77.3	75.5
Total demand exc. FSU (% ch)[7]	0.9	0.9	-0.7	-0.1	0.8	2.0	0.5	2.6	1.0	1.0	0.8	1.4	0.4	1.5	1.5	1.9	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-0.3	-0.2	-0.1	-0.1	-	-0.3	-0.2	-	-0.1
Europe	-	-	-	-	-	-	-	-	0.2	0.1	-	0.1	-	0.2	-	-	0.1
Pacific	-	-	-	-	-	-	-	-	0.2	-	-	0.1	-	0.1	-	-	0.1
Total OECD	-	-	-	-	-	-0.1	-	-	0.1	-0.1	-0.1	-	-	-	-0.2	-0.1	-
NON-OECD DEMAND																	
FSU	0.1	-	-	-0.3	-0.1	0.3	0.1	0.3	-0.2	-	0.3	0.1	0.3	-0.3	-	0.3	0.1
Europe	-	-	-	0.1	-	0.1	0.1	-	0.1	-	0.1	0.1	-	-	-	-	-
China	-0.2	-0.2	-0.3	-0.2	-0.2	-0.2	-0.3	-0.2	-0.1	-0.1	-0.2	-0.1	-0.2	-	-0.1	-0.2	-0.2
Other Asia	0.1	0.2	0.1	0.3	0.2	0.3	0.2	0.1	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.3	0.2
Latin America	-	0.1	-	-	0.1	-	0.1	0.1	0.1	0.1	0.1	0.1	-	-	0.1	0.1	-
Middle East	-	0.2	0.3	-	-	0.3	0.1	0.3	-	-0.1	0.2	0.1	0.3	-	-	0.2	0.2
Africa	0.1	-	0.1	0.1	-	0.1	0.1	-	0.1	-	-	-	0.1	0.1	-	0.1	0.1
Total Non-OECD	-0.1	0.3	0.3	-0.1	0.1	0.7	0.3	0.6	0.1	0.1	0.7	0.4	0.7	0.2	0.2	0.8	0.4
Total Demand	-	0.3	0.4	-0.1	0.1	0.7	0.3	0.6	0.1	-	0.7	0.4	0.7	0.1	-	0.7	0.4
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-0.1	-	-0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Total OECD	-	-	-	-	-	-	-	-0.1	-0.2	-0.1	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	-	0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Total Non-OECD	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-	-	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-0.1	-	-	-	-0.2	-0.1	-	-0.1	-	-	-	-0.1	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	0.1								
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	0.1								
Total Supply	-	-	-	-	-	-	-	-0.1	-0.2								
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-0.1	-	-	-	-	-	-									
Government	-	-	-	-	0.1	0.1	0.1	0.1									
Total	-	-	-	-	-	0.1	-	-									
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-									
Miscellaneous to balance	0.1	-0.4	-0.4	-	-0.1	-0.8	-0.3	-0.7									
Total Stock Ch. & Misc	-	-0.3	-0.4	0.1	-0.1	-0.7	-0.3	-0.7	-0.3								
Memo items:																	
Call on OPEC crude + Stock ch.	-0.1	0.3	0.3	-0.1	-	0.8	0.3	0.7	0.4	0.1	0.7	0.5	0.7	0.2	-	0.8	0.4
Total Demand ex. FSU	-0.1	0.3	0.3	0.1	0.1	0.5	0.2	0.3	0.4	0.1	0.5	0.3	0.4	0.4	-	0.4	0.3

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	January			February			March			First Quarter			April		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	3.26	3.49	7.1	3.30	3.33	1.0	3.18	2.87	-9.6	3.24	3.23	-0.4	2.69	2.75	2.3
Naphtha	0.40	0.42	3.7	0.38	0.41	8.4	0.39	0.38	-4.1	0.39	0.40	2.4	0.43	0.41	-3.9
Motor Gasoline	9.46	9.79	3.6	9.85	9.85	0.0	9.92	9.88	-0.4	9.74	9.84	1.1	10.02	10.07	0.5
Jet/Kerosene	1.86	1.85	-0.6	1.80	1.87	4.3	1.83	1.84	0.3	1.83	1.85	1.2	1.87	1.75	-6.6
Gasoil	4.78	5.24	9.4	4.61	5.33	15.8	4.60	4.93	7.0	4.67	5.16	10.6	4.62	4.80	4.0
Residual Fuel Oil	1.44	1.31	-8.7	1.40	1.55	10.4	1.51	1.59	5.1	1.45	1.48	2.0	1.41	1.53	8.6
Other Products	2.63	2.36	-10.4	2.52	2.73	8.4	2.66	2.72	2.3	2.61	2.60	-0.3	2.76	2.85	3.4
Total	23.83	24.46	2.6	23.86	25.09	5.2	24.10	24.20	0.4	23.93	24.57	2.7	23.80	24.17	1.6
Europe															
LPG	1.12	1.10	-2.2	1.05	1.15	9.3	1.03	1.11	7.2	1.07	1.12	4.5	0.93	1.05	12.7
Naphtha	1.12	1.22	8.3	1.11	1.28	14.6	1.11	1.16	4.5	1.12	1.22	9.0	1.05	1.20	14.3
Motor Gasoline	2.60	2.55	-1.8	2.79	2.67	-4.4	2.89	2.72	-6.0	2.76	2.64	-4.2	2.93	2.90	-0.9
Jet/Kerosene	0.99	1.10	11.8	1.01	1.14	13.3	1.03	1.06	2.8	1.01	1.10	9.1	1.03	1.06	2.2
Gasoil	5.88	5.88	0.1	5.77	6.45	11.8	5.53	5.57	0.8	5.72	5.95	4.0	5.59	5.71	2.2
Residual Fuel Oil	2.45	2.06	-15.6	2.38	2.13	-10.6	2.07	1.92	-7.2	2.29	2.03	-11.3	2.00	1.83	-8.5
Other Products	1.14	1.09	-3.6	1.23	1.05	-14.5	1.15	1.20	4.2	1.17	1.12	-4.5	1.27	1.27	-0.3
Total	15.29	15.01	-1.8	15.34	15.86	3.4	14.81	14.74	-0.5	15.14	15.18	0.3	14.81	15.02	1.4
Pacific															
LPG	1.01	0.98	-3.5	0.99	1.09	10.4	0.92	0.95	4.0	0.97	1.00	3.3	0.94	0.85	-9.3
Naphtha	1.54	1.59	2.7	1.59	1.58	-0.4	1.44	1.63	13.4	1.52	1.60	5.2	1.44	1.39	-3.4
Motor Gasoline	1.46	1.49	2.1	1.53	1.57	2.6	1.57	1.56	-1.0	1.52	1.54	1.1	1.56	1.55	-0.5
Jet/Kerosene	1.65	1.72	4.3	1.54	1.66	7.5	1.19	1.33	11.5	1.46	1.56	7.4	0.85	0.85	0.8
Gasoil	1.87	1.95	4.4	2.03	2.10	3.6	2.04	2.03	-0.6	1.98	2.03	2.4	1.89	1.80	-4.9
Residual Fuel Oil	1.14	1.30	13.7	1.20	1.37	14.4	1.08	1.24	14.6	1.14	1.30	14.2	0.98	1.15	16.7
Other Products	0.41	0.57	38.7	0.50	0.58	15.0	0.50	0.57	13.8	0.47	0.57	21.7	0.40	0.53	31.7
Total	9.09	9.59	5.6	9.37	9.94	6.1	8.74	9.31	6.5	9.06	9.60	6.0	8.07	8.13	0.8
OECD															
LPG	5.40	5.57	3.2	5.34	5.57	4.4	5.13	4.93	-3.8	5.28	5.35	1.2	4.57	4.66	2.0
Naphtha	3.07	3.22	4.9	3.08	3.27	6.1	2.94	3.17	7.7	3.03	3.21	6.2	2.93	3.01	2.9
Motor Gasoline	13.51	13.83	2.4	14.17	14.09	-0.6	14.38	14.15	-1.6	14.02	14.02	0.0	14.51	14.53	0.1
Jet/Kerosene	4.50	4.67	3.9	4.35	4.67	7.5	4.05	4.22	4.2	4.30	4.52	5.2	3.75	3.66	-2.5
Gasoil	12.53	13.07	4.3	12.41	13.89	11.9	12.18	12.53	2.9	12.37	13.14	6.2	12.10	12.32	1.8
Residual Fuel Oil	5.03	4.68	-7.0	4.97	5.04	1.3	4.67	4.75	1.9	4.89	4.82	-1.4	4.39	4.50	2.6
Other Products	4.18	4.02	-3.7	4.26	4.37	2.6	4.31	4.49	4.2	4.25	4.29	1.0	4.43	4.65	5.0
Total	48.21	49.06	1.8	48.57	50.89	4.8	47.65	48.25	1.3	48.13	49.35	2.5	46.68	47.32	1.4

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	February			March			First Quarter			April			May		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	2.53	2.47	-2.2	2.34	2.10	-10.3	2.42	2.41	-0.5	1.92	1.98	3.2	1.99	1.58	-20.6
Naphtha	0.26	0.28	9.2	0.27	0.26	-2.3	0.27	0.28	4.9	0.32	0.29	-10.9	0.34	0.39	14.5
Motor Gasoline	8.61	8.54	-0.8	8.66	8.59	-0.8	8.49	8.54	0.6	8.77	8.79	0.2	9.08	9.10	0.2
Jet/Kerosene	1.61	1.68	4.4	1.63	1.60	-1.8	1.63	1.65	0.8	1.69	1.56	-7.6	1.57	1.52	-3.5
Gasoil	3.71	4.36	17.4	3.75	4.00	6.7	3.80	4.22	11.0	3.82	3.97	3.9	3.68	3.69	0.3
Residual Fuel Oil	0.66	0.88	32.4	0.82	0.91	11.0	0.73	0.83	13.4	0.73	0.81	10.8	0.68	0.69	1.4
Other Products	2.07	2.19	5.8	2.21	2.22	0.6	2.18	2.10	-3.6	2.31	2.38	3.1	2.39	2.31	-3.2
Total	19.44	20.40	4.9	19.68	19.68	0.0	19.53	20.03	2.6	19.55	19.77	1.1	19.73	19.28	-2.3
Japan[3]															
LPG	0.63	0.73	15.3	0.57	0.61	8.2	0.61	0.65	6.6	0.59	0.55	-8.1	0.51	0.51	-1.2
Naphtha	0.89	0.89	-0.7	0.76	0.92	21.0	0.83	0.89	7.4	0.74	0.76	2.6	0.72	0.76	5.4
Motor Gasoline	0.98	1.01	3.4	1.02	1.05	2.5	0.98	1.00	2.3	1.01	1.01	-0.7	1.00	1.03	2.2
Jet/Kerosene	1.11	1.21	9.5	0.83	0.99	19.1	1.02	1.12	9.4	0.58	0.61	4.9	0.44	0.46	4.6
Diesel	0.68	0.66	-2.9	0.71	0.68	-4.0	0.66	0.64	-3.1	0.66	0.62	-6.4	0.61	0.61	-0.4
Other Gasoil	0.68	0.72	6.2	0.61	0.65	6.0	0.64	0.67	5.4	0.53	0.51	-2.7	0.45	0.48	6.3
Residual Fuel Oil	0.61	0.78	28.4	0.53	0.72	36.2	0.56	0.74	32.2	0.46	0.67	45.9	0.45	0.66	47.5
Direct use of Crude Oil	0.06	0.15	140.0	0.03	0.08	158.7	0.05	0.13	159.2	0.01	0.11	1982.0	0.00	0.13	4405.7
Other Products	0.34	0.32	-6.9	0.36	0.38	5.3	0.32	0.34	5.2	0.29	0.31	5.7	0.28	0.27	-1.1
Total	5.99	6.48	8.2	5.41	6.07	12.2	5.68	6.19	9.0	4.86	5.13	5.5	4.47	4.90	9.7
Germany															
LPG	0.08	0.08	1.0	0.08	0.09	1.8	0.09	0.08	-6.6	0.09	0.10	6.8	0.08	0.09	14.1
Naphtha	0.44	0.40	-7.9	0.42	0.38	-9.8	0.42	0.39	-7.2	0.40	0.39	-2.5	0.35	0.36	2.8
Motor Gasoline	0.62	0.59	-5.8	0.65	0.59	-8.0	0.60	0.56	-6.8	0.65	0.62	-4.6	0.64	0.62	-3.7
Jet/Kerosene	0.14	0.15	10.2	0.14	0.14	-2.0	0.14	0.14	1.4	0.14	0.15	6.1	0.15	0.15	0.5
Diesel	0.50	0.56	11.4	0.51	0.56	10.3	0.48	0.52	8.5	0.55	0.59	7.4	0.51	0.57	12.8
Other Gasoil	0.61	0.70	14.9	0.59	0.52	-11.9	0.63	0.60	-4.9	0.57	0.64	12.6	0.50	0.68	35.5
Residual Fuel Oil	0.19	0.18	-9.0	0.19	0.18	-4.3	0.19	0.19	-2.8	0.18	0.17	-3.8	0.18	0.19	3.2
Other Products	0.11	0.05	-55.2	0.08	0.08	2.3	0.09	0.05	-46.2	0.10	0.08	-20.8	0.08	0.09	19.6
Total	2.68	2.70	0.5	2.65	2.53	-4.5	2.64	2.52	-4.3	2.67	2.74	2.3	2.49	2.75	10.5
Italy															
LPG	0.16	0.19	25.1	0.12	0.14	13.7	0.15	0.16	8.9	0.12	0.13	14.1	0.10	0.10	3.7
Naphtha	0.07	0.11	51.1	0.07	0.11	56.7	0.07	0.11	54.1	0.07	0.12	56.7	0.08	0.10	17.9
Motor Gasoline	0.37	0.38	2.2	0.39	0.37	-3.3	0.38	0.37	-2.0	0.39	0.41	4.9	0.39	0.40	2.4
Jet/Kerosene	0.05	0.09	86.7	0.07	0.09	17.8	0.06	0.09	41.7	0.06	0.09	37.4	0.06	0.09	41.6
Diesel	0.45	0.48	6.2	0.44	0.46	3.8	0.44	0.45	3.1	0.43	0.46	5.9	0.45	0.47	4.1
Other Gasoil	0.18	0.20	10.7	0.13	0.15	10.4	0.17	0.17	3.4	0.12	0.13	6.4	0.11	0.12	10.4
Residual Fuel Oil	0.59	0.45	-23.2	0.49	0.36	-26.0	0.53	0.39	-27.0	0.46	0.35	-24.7	0.44	0.35	-21.7
Other Products	0.14	0.12	-15.4	0.14	0.13	-4.1	0.13	0.12	-5.5	0.15	0.13	-9.6	0.15	0.16	5.9
Total	2.01	2.02	0.7	1.84	1.80	-2.4	1.92	1.86	-3.3	1.81	1.81	0.3	1.79	1.79	-0.2
France															
LPG	0.15	0.17	16.6	0.12	0.13	7.1	0.15	0.15	4.5	0.10	0.10	0.0	0.09	0.08	-4.2
Naphtha	0.15	0.16	9.8	0.17	0.15	-7.1	0.16	0.16	-2.8	0.12	0.16	40.8	0.14	0.18	34.3
Motor Gasoline	0.29	0.27	-6.9	0.30	0.27	-9.7	0.29	0.27	-7.5	0.32	0.30	-5.5	0.32	0.29	-8.4
Jet/Kerosene	0.13	0.16	21.0	0.12	0.15	19.3	0.13	0.15	21.0	0.14	0.14	3.1	0.14	0.14	2.7
Diesel	0.60	0.61	0.5	0.61	0.60	-1.8	0.59	0.59	0.3	0.64	0.64	0.1	0.60	0.59	-1.9
Other Gasoil	0.45	0.59	32.1	0.37	0.33	-9.3	0.46	0.49	8.0	0.34	0.32	-4.8	0.23	0.27	17.3
Residual Fuel Oil	0.15	0.13	-12.9	0.10	0.11	10.6	0.15	0.13	-13.1	0.11	0.10	-9.5	0.10	0.11	14.2
Other Products	0.15	0.16	2.2	0.16	0.18	9.2	0.16	0.16	3.3	0.17	0.21	18.9	0.18	0.21	21.3
Total	2.07	2.25	8.5	1.96	1.93	-1.4	2.08	2.11	1.5	1.93	1.97	2.1	1.79	1.89	5.6
United Kingdom															
LPG	0.16	0.12	-24.9	0.18	0.17	-6.3	0.16	0.15	-6.4	0.17	0.18	3.1	0.14	0.16	9.6
Naphtha	0.03	0.08	155.6	0.03	0.07	115.9	0.03	0.07	164.7	0.02	0.06	124.8	0.03	0.05	83.8
Motor Gasoline	0.47	0.44	-5.8	0.48	0.45	-6.3	0.47	0.44	-6.4	0.46	0.47	1.8	0.48	0.44	-7.7
Jet/Kerosene	0.30	0.34	11.2	0.32	0.28	-11.5	0.31	0.32	4.8	0.30	0.29	-2.5	0.29	0.30	1.1
Diesel	0.35	0.35	0.7	0.35	0.34	-0.8	0.34	0.34	0.4	0.34	0.34	-0.7	0.34	0.36	4.6
Other Gasoil	0.16	0.17	5.3	0.15	0.16	2.5	0.16	0.16	1.0	0.16	0.17	5.3	0.16	0.14	-11.9
Residual Fuel Oil	0.09	0.10	2.2	0.09	0.10	7.9	0.10	0.10	3.2	0.09	0.07	-19.9	0.09	0.08	-3.1
Other Products	0.16	0.11	-32.3	0.14	0.14	-1.9	0.15	0.13	-16.0	0.14	0.12	-15.6	0.14	0.12	-10.6
Total	1.73	1.71	-1.4	1.75	1.71	-2.2	1.71	1.71	0.0	1.70	1.70	0.2	1.67	1.65	-1.1
Canada															
LPG	0.28	0.38	37.7	0.37	0.31	-14.8	0.33	0.35	5.3	0.32	0.32	2.2	0.31	0.33	7.0
Naphtha	0.08	0.08	-6.8	0.08	0.07	-9.9	0.08	0.08	-5.5	0.07	0.07	0.9	0.07	0.09	18.8
Motor Gasoline	0.65	0.68	4.5	0.65	0.65	-0.8	0.64	0.66	2.9	0.66	0.65	-1.3	0.68	0.69	2.2
Jet/Kerosene	0.10	0.10	4.0	0.09	0.13	39.1	0.10	0.11	7.0	0.09	0.10	4.2	0.09	0.09	-3.0
Diesel	0.17	0.18	5.4	0.16	0.17	4.5	0.17	0.18	8.3	0.19	0.17	-11.6	0.19	0.20	8.1
Other Gasoil	0.38	0.42	11.0	0.34	0.36	6.9	0.35	0.38	8.5	0.28	0.31	11.0	0.27	0.29	7.3
Residual Fuel Oil	0.18	0.18	-3.4	0.14	0.14	1.5	0.16	0.16	-1.9	0.14	0.17	20.1	0.12	0.15	20.9
Other Products	0.24	0.26	6.9	0.23	0.24	5.3	0.23	0.24	4.7	0.25	0.22	-11.7	0.28	0.27	-2.3
Total	2.08	2.27	9.3	2.07	2.08	0.6	2.07	2.16	4.4	2.00	2.01	0.5	2.02	2.12	5.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	May 03	Jun 03	Jul 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.61	8.76				8.89	8.30	8.38
Iran	3.47			3.79	3.70				3.56	3.85	3.70
Iraq	2.01			2.12	0.29				0.28	0.44	0.66
UAE	1.99			2.28	2.32				2.33	2.32	2.33
Kuwait	1.60			1.77	1.90				1.94	1.78	1.78
Neutral Zone	0.54			0.60	0.61				0.61	0.60	0.60
Qatar	0.64			0.74	0.74				0.75	0.72	0.72
Nigeria	1.97			2.13	2.03				2.09	2.11	2.15
Libya	1.32			1.39	1.43				1.44	1.42	1.42
Algeria	0.85			1.04	1.11				1.12	1.12	1.13
Venezuela	2.29			1.30	2.27				2.35	2.30	2.25
Indonesia	1.11			1.04	1.01				1.00	1.00	1.00
Total Crude Oil	25.15			26.81	26.17				26.35	25.95	26.10
Total NGLs[1]	3.47	3.66	4.07	3.26	3.65	3.78	3.94	4.01	3.61	3.62	3.70
Total OPEC	28.62			30.07	29.82				29.97	29.57	29.80
NON-OPEC[2]											
OECD											
North America	14.58	14.86	15.08	14.75	14.52	14.91	15.23	15.14	14.34	14.73	14.80
United States	8.12	8.04	8.20	8.07	7.87	8.00	8.22	8.17	7.80	7.90	7.82
Mexico	3.59	3.77	3.72	3.74	3.74	3.78	3.80	3.78	3.73	3.79	3.80
Canada	2.88	3.05	3.16	2.94	2.92	3.13	3.21	3.19	2.81	3.05	3.18
Europe	6.61	6.50	6.48	6.70	6.18	6.47	6.64	6.59	6.16	5.96	6.46
UK	2.50	2.45	2.39	2.52	2.23	2.51	2.55	2.48	2.20	2.14	2.46
Norway	3.33	3.25	3.27	3.38	3.17	3.17	3.28	3.29	3.20	3.02	3.21
Others	0.78	0.80	0.82	0.81	0.79	0.79	0.81	0.83	0.76	0.80	0.79
Pacific	0.76	0.69	0.66	0.69	0.65	0.71	0.71	0.68	0.65	0.66	0.72
Australia	0.71	0.64	0.61	0.64	0.61	0.67	0.66	0.64	0.60	0.61	0.67
Others	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.96	22.05	22.22	22.14	21.36	22.10	22.57	22.42	21.15	21.35	21.98
NON-OECD											
Former USSR	9.37	10.19	10.78	9.90	10.15	10.30	10.41	10.54	10.12	10.28	10.18
Russia	7.66	8.34	8.78	8.10	8.34	8.44	8.47	8.57	8.32	8.46	8.41
Others	1.71	1.85	2.00	1.80	1.81	1.85	1.94	1.97	1.79	1.81	1.77
Asia	5.73	5.83	5.87	5.80	5.83	5.84	5.87	5.89	5.81	5.87	5.83
China	3.39	3.42	3.43	3.41	3.44	3.42	3.41	3.43	3.43	3.45	3.42
Malaysia	0.77	0.79	0.81	0.78	0.78	0.79	0.82	0.83	0.78	0.78	0.78
India	0.75	0.75	0.75	0.76	0.73	0.76	0.77	0.76	0.72	0.76	0.76
Others	0.82	0.87	0.88	0.87	0.87	0.87	0.87	0.88	0.87	0.87	0.87
Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.89	3.87	4.08	3.88	3.81	3.87	3.90	3.91	3.80	3.75	3.84
Brazil	1.72	1.76	1.92	1.75	1.72	1.77	1.80	1.79	1.74	1.64	1.74
Argentina	0.80	0.79	0.77	0.78	0.79	0.79	0.79	0.78	0.80	0.79	0.79
Colombia	0.59	0.54	0.49	0.57	0.55	0.53	0.51	0.50	0.55	0.56	0.54
Ecuador	0.40	0.38	0.48	0.39	0.35	0.38	0.41	0.44	0.32	0.37	0.37
Others	0.38	0.39	0.41	0.39	0.40	0.40	0.40	0.39	0.40	0.40	0.40
Middle East[3]	2.10	2.01	1.94	2.04	2.01	2.01	1.99	1.96	2.00	2.01	2.02
Oman	0.90	0.83	0.78	0.85	0.83	0.83	0.81	0.80	0.81	0.83	0.83
Syria	0.55	0.53	0.50	0.54	0.53	0.52	0.52	0.51	0.53	0.53	0.53
Yemen	0.46	0.46	0.47	0.46	0.46	0.47	0.46	0.47	0.46	0.46	0.47
Africa	2.98	3.08	3.49	2.92	2.98	3.12	3.28	3.35	3.00	2.96	3.04
Egypt	0.75	0.75	0.74	0.76	0.76	0.75	0.75	0.75	0.76	0.75	0.74
Angola	0.90	0.91	1.06	0.83	0.89	0.94	0.96	0.98	0.92	0.86	0.92
Gabon	0.25	0.24	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24	0.23
Others	1.09	1.18	1.45	1.09	1.09	1.19	1.33	1.38	1.08	1.10	1.15
Total Non-OECD	24.25	25.15	26.32	24.71	24.95	25.30	25.61	25.82	24.90	25.03	25.08
Processing Gains[4]	1.76	1.80	1.83	1.82	1.78	1.78	1.82	1.85	1.78	1.78	1.78
TOTAL NON-OPEC	47.97	49.00	50.36	48.68	48.09	49.19	50.01	50.09	47.83	48.16	48.85
TOTAL SUPPLY	76.59			78.75	77.91				77.80	77.73	78.64

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	May-03	Jun-03	Jul-03
United States											
Alaska	986	990	967	1009	997	947	1009	1016	996	998	923
California	790	763	737	769	763	761	759	751	764	762	762
Texas	1145	1118	1096	1121	1118	1119	1116	1108	1115	1117	1120
Federal Gulf of Mexico[2]	1601	1728	1914	1721	1711	1699	1781	1839	1706	1724	1663
Other US Lower 48	1294	1244	1194	1260	1227	1248	1242	1223	1209	1249	1249
NGLs[3]	1881	1770	1869	1764	1620	1800	1893	1815	1531	1629	1683
Other Hydrocarbons	417	424	419	423	429	426	418	419	482	423	423
Total	8115	8038	8195	8067	7865	8000	8218	8171	7804	7901	7823
Canada											
Alberta Light/Medium/Heavy	659	638	632	648	611	648	644	639	551	645	650
Alberta Bitumen	299	335	356	334	315	339	352	357	284	328	335
Saskatchewan	421	411	410	418	393	418	417	415	355	416	422
Other Crude	366	405	412	407	420	372	423	423	423	424	424
NGLs	698	725	735	730	710	720	740	740	710	710	720
Synthetic Crudes	440	536	618	407	466	632	635	618	484	522	627
Total	2883	3050	3163	2943	2915	3130	3210	3191	2806	3046	3179
Mexico											
Crude	3177	3355	3304	3324	3333	3374	3390	3359	3320	3396	3390
NGLs	408	412	420	418	409	410	410	420	411	390	410
Total	3585	3767	3724	3741	3741	3784	3800	3779	3731	3786	3800
UK Offshore[4]											
Brent Fields	243	232	215	225	218	244	242	230	214	221	249
Forties Fields	794	782	769	824	660	817	826	803	650	614	775
Ninian Fields	107	99	95	104	92	101	98	92	102	88	101
Flotta Fields	132	106	94	116	93	110	107	100	72	89	113
Other Fields	961	950	932	947	899	976	977	952	925	865	969
NGLs	212	235	245	254	218	215	255	260	193	215	205
Total	2450	2405	2349	2470	2180	2463	2505	2439	2155	2093	2411
Norway [4]											
Ekofisk-Ula Area	490	483	461	497	474	478	484	466	485	448	455
Oseberg-Troll Area	754	739	714	801	708	708	738	737	760	578	750
Statfjord-Gullfaks Area	874	829	751	891	822	795	809	788	872	785	757
Haltenbanken Area	716	640	601	646	617	638	659	632	553	666	679
Sleipner-Frigg Area	157	176	338	169	171	171	194	261	168	165	179
NGLs	335	381	401	370	376	384	396	402	361	380	391
Total	3325	3249	3266	3375	3169	3174	3279	3286	3199	3022	3211
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	442	454	457	434	433	443	461	430	436	432
UK Onshore	54	46	39	48	47	45	44	42	46	46	46
Italy	84	102	118	91	99	105	115	115	80	105	105
Turkey	47	47	46	46	47	47	47	47	47	47	47
Other	159	155	151	158	154	154	153	152	151	154	154
NGLs (excl. North Sea)	27	26	25	30	25	25	25	25	27	26	25
Non-Conventional Oils	29	27	27	23	29	28	28	27	26	27	29
Total	837	845	860	853	834	837	855	869	807	840	838
Australia											
Gippsland Basin	140	118	103	117	121	120	117	111	123	126	119
Cooper-Eromanga Basin	25	23	22	23	22	22	22	22	25	21	22
Carnarvon Basin	359	346	324	338	315	368	362	348	314	321	375
Other Crude	104	78	70	84	72	77	77	74	71	65	77
NGLs	79	78	92	77	75	80	80	80	71	75	80
Total	707	643	611	640	605	667	658	636	603	608	673
Other OECD Pacific											
New Zealand	31	26	25	26	25	25	25	25	26	25	25
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	18	17	15	20	15	16	16	16	15	16	15
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	48	47	52	47	47	47	47	47	48	47
OECD											
Crude Oil	17403	17402	17337	17615	16974	17354	17666	17583	16831	16922	17362
NGLs	3667	3655	3813	3675	3458	3660	3826	3769	3330	3451	3541
Non-Conventional Oils	886	987	1065	852	925	1087	1081	1065	992	972	1079
Total	21955	22044	22214	22142	21357	22102	22572	22416	21154	21345	21981

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Feb2003	Mar2003	Apr2003	May2003	Jun2003*	Jun2000	Jun2001	Jun2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	374.5	390.8	395.7	391.6	379.3	390.4	409.1	429.5	-0.55	0.07	0.07	-0.13
Motor Gasoline	236.4	232.1	240.3	241.0	238.9	237.3	249.9	246.8	-0.11	0.04	-0.11	0.07
Middle Distillate	164.6	165.1	165.9	178.7	182.4	180.4	190.2	204.2	-0.03	0.06	-0.48	0.19
Residual Fuel Oil	38.9	41.2	39.9	45.5	43.1	45.6	51.9	41.7	0.01	-0.02	0.01	0.02
Total Products[3]	573.6	575.9	590.3	625.1	631.6	629.6	672.1	681.5	-0.05	-0.27	-0.87	0.61
Total[4]	1076.3	1095.4	1116.0	1151.4	1154.6	1165.0	1230.9	1258.7	-0.46	-0.48	-0.87	0.65
Europe												
Crude	283.6	321.1	329.0	319.3	316.1	324.4	315.8	318.8	-0.19	-0.13	0.35	-0.06
Motor Gasoline	121.7	118.7	116.1	117.2	110.8	119.0	118.5	121.0	-0.06	0.01	0.02	-0.09
Middle Distillate	214.5	217.7	221.4	231.2	227.6	218.9	222.1	257.5	0.02	-0.21	-0.25	0.11
Residual Fuel Oil	69.0	69.9	73.1	69.2	70.8	75.4	82.4	68.8	0.01	0.06	-0.06	0.01
Total Products[3]	501.4	506.7	511.5	522.6	514.0	511.8	536.4	556.4	-0.09	-0.18	-0.28	0.08
Total[4]	854.6	898.7	913.1	910.9	898.3	900.4	909.2	939.3	-0.30	-0.29	0.15	0.00
Pacific												
Crude	167.9	182.8	166.8	172.2	197.6	185.7	182.7	173.6	-0.09	-0.05	0.24	0.16
Motor Gasoline	25.3	25.8	26.4	25.8	24.9	26.0	26.1	26.3	-0.02	-0.01	0.02	-0.01
Middle Distillate	61.7	56.9	63.2	70.8	72.9	70.1	72.8	75.0	0.08	-0.19	-0.09	0.18
Residual Fuel Oil	22.5	21.9	23.8	24.8	24.7	21.9	24.3	24.9	-0.03	0.00	0.00	0.03
Total Products[3]	170.3	164.4	177.1	184.5	191.4	180.3	194.2	194.1	0.05	-0.23	-0.15	0.30
Total[4]	409.1	413.1	413.5	429.2	462.3	444.9	457.1	446.6	-0.08	-0.32	0.03	0.54
Total OECD												
Crude	826.0	894.7	891.4	883.0	892.9	900.4	907.6	921.9	-0.83	-0.11	0.66	-0.02
Motor Gasoline	383.4	376.5	382.8	384.0	374.5	382.2	394.4	394.1	-0.19	0.04	-0.06	-0.02
Middle Distillate	440.9	439.7	450.5	480.6	482.9	469.4	485.1	536.7	0.07	-0.34	-0.82	0.48
Residual Fuel Oil	130.3	133.0	136.7	139.5	138.6	143.0	158.6	135.4	-0.01	0.03	-0.05	0.06
Total Products[3]	1245.3	1247.0	1279.0	1332.3	1337.1	1321.6	1402.7	1431.9	-0.08	-0.68	-1.30	0.99
Total[4]	2340.0	2407.2	2442.7	2491.5	2515.2	2510.2	2597.1	2644.5	-0.84	-1.09	-0.69	1.19

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Feb2003	Mar2003	Apr2003	May2003	Jun2003*	Jun2000	Jun2001	Jun2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	599.3	599.3	599.6	603.1	608.6	568.9	543.3	576.5	0.12	0.13	0.00	0.10
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	155.3	158.7	150.7	153.1	153.1	141.5	140.2	145.2	0.05	0.08	0.02	-0.06
Products	199.9	203.5	201.8	200.2	200.2	206.4	206.0	201.4	-0.09	0.02	0.10	-0.04
Pacific												
Crude	383.0	383.0	383.0	383.0	383.0	364.1	367.0	380.8	-0.03	0.01	0.04	0.00
Total OECD												
Crude	1137.5	1141.0	1133.3	1139.2	1144.7	1074.5	1050.5	1102.5	0.14	0.22	0.06	0.04
Products	211.5	215.0	213.3	211.7	211.7	212.7	215.3	210.7	-0.09	0.04	0.10	-0.04
Total[4]	1350.0	1357.0	1347.7	1351.9	1357.4	1288.1	1266.7	1314.2	0.05	0.26	0.16	0.00

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Previously confidential Korean government stocks are now included.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6
INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	January			February			March			April			May		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	320.3	273.0	-14.8	327.4	270.4	-17.4	333.5	280.5	-15.9	324.6	290.2	-10.6	327.0	283.6	-13.3
Motor Gasoline	222.0	211.6	-4.7	217.8	203.2	-6.7	213.4	199.9	-6.3	216.4	207.5	-4.1	218.1	208.3	-4.5
Middle Distillate	183.3	157.0	-14.3	175.3	138.7	-20.9	168.9	137.9	-18.4	166.8	136.4	-18.2	172.0	148.9	-13.4
Residual Fuel Oil	41.4	31.3	-24.4	39.0	30.8	-21.0	34.3	32.3	-5.8	34.6	31.1	-10.1	33.9	36.2	6.8
Other Products	135.6	117.5	-13.3	128.9	103.8	-19.5	130.7	107.5	-17.8	143.2	113.9	-20.5	152.0	128.8	-15.3
Total Products	582.3	517.4	-11.1	561.0	476.5	-15.1	547.3	477.6	-12.7	561.0	488.9	-12.9	576.0	522.2	-9.3
Other[3]	133.5	114.6	-14.2	128.1	113.3	-11.6	130.5	115.3	-11.6	136.1	116.7	-14.3	136.6	121.4	-11.1
Total	1036.1	905.0	-12.7	1016.5	860.2	-15.4	1011.3	873.4	-13.6	1021.7	895.8	-12.3	1039.6	927.2	-10.8
Japan															
Crude	123.1	124.6	1.2	117.3	125.7	7.2	129.6	138.9	7.2	120.3	126.3	5.0	115.7	131.8	13.9
Motor Gasoline	14.0	13.1	-6.4	15.1	13.6	-9.9	15.7	13.4	-14.6	15.1	14.3	-5.3	15.4	13.7	-11.0
Middle Distillate	45.3	38.5	-15.0	43.0	33.8	-21.4	38.0	30.9	-18.7	37.9	36.2	-4.5	40.6	41.4	2.0
Residual Fuel Oil	10.3	10.7	3.9	9.8	10.6	8.2	9.7	10.5	8.2	11.1	12.1	9.0	11.2	13.2	17.9
Other Products	48.6	47.2	-2.9	45.7	45.8	0.2	50.0	45.8	-8.4	49.1	47.6	-3.1	49.6	46.9	-5.4
Total Products	118.2	109.5	-7.4	113.6	103.8	-8.6	113.4	100.6	-11.3	113.2	110.2	-2.7	116.8	115.2	-1.4
Other[3]	70.5	64.9	-7.9	69.0	63.2	-8.4	66.6	58.2	-12.6	69.4	61.8	-11.0	72.7	63.8	-12.2
Total	311.8	299.0	-4.1	299.9	292.7	-2.4	309.6	297.7	-3.8	302.9	298.3	-1.5	305.2	310.8	1.8
Germany															
Crude	26.8	15.8	-41.0	25.9	15.0	-42.1	23.1	14.7	-36.4	25.6	22.4	-12.5	26.0	20.4	-21.5
Motor Gasoline	13.3	10.9	-18.0	12.3	10.0	-18.7	10.8	8.6	-20.4	10.7	8.1	-24.3	10.0	9.2	-8.0
Middle Distillate	18.8	16.7	-11.2	18.6	11.7	-37.1	19.9	12.6	-36.7	20.5	12.8	-37.6	20.9	14.1	-32.5
Residual Fuel Oil	9.1	9.5	4.4	9.1	9.2	1.1	9.1	9.5	4.4	8.7	10.8	24.1	8.2	10.5	28.0
Other Products	11.6	10.8	-6.9	10.7	10.6	-0.9	12.8	11.5	-10.2	12.1	11.9	-1.7	11.6	12.1	4.3
Total Products	52.8	47.9	-9.3	50.7	41.5	-18.1	52.6	42.2	-19.8	52.0	43.6	-16.2	50.7	45.9	-9.5
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	79.6	63.7	-20.0	76.6	56.5	-26.2	75.7	56.9	-24.8	77.6	66.0	-14.9	76.7	66.3	-13.6
Italy															
Crude	37.5	36.7	-2.1	36.3	29.0	-20.1	33.8	38.8	14.8	33.9	40.6	19.8	38.9	39.1	0.5
Motor Gasoline	21.9	19.3	-11.9	21.7	20.2	-6.9	22.2	19.4	-12.6	20.8	17.3	-16.8	19.7	17.3	-12.2
Middle Distillate	33.0	39.9	20.9	33.5	36.6	9.3	31.6	34.3	8.5	33.3	35.4	6.3	31.8	36.4	14.5
Residual Fuel Oil	12.2	14.6	19.7	12.9	13.8	7.0	13.2	13.1	-0.8	12.6	13.7	8.7	13.7	12.7	-7.3
Other Products	22.5	16.5	-26.7	20.4	15.7	-23.0	20.1	16.9	-15.9	21.0	17.5	-16.7	20.7	18.7	-9.7
Total Products	89.6	90.3	0.8	88.5	86.3	-2.5	87.1	83.7	-3.9	87.7	83.9	-4.3	85.9	85.1	-0.9
Other[3]	13.2	13.0	-1.5	13.6	12.8	-5.9	11.3	13.7	21.2	11.0	14.5	31.8	10.7	12.6	17.8
Total	140.3	140.0	-0.2	138.4	128.1	-7.4	132.2	136.2	3.0	132.6	139.0	4.8	135.5	136.8	1.0
France															
Crude	37.5	35.9	-4.3	39.6	31.2	-21.2	38.0	37.1	-2.4	37.0	37.7	1.9	44.1	42.0	-4.8
Motor Gasoline	13.7	12.1	-11.7	12.1	11.6	-4.1	10.9	11.7	7.3	10.2	11.3	10.8	10.2	10.2	0.0
Middle Distillate	27.3	30.4	11.4	28.7	26.4	-8.0	27.6	31.8	15.2	29.4	31.6	7.5	30.8	34.8	13.0
Residual Fuel Oil	7.0	5.9	-15.7	6.7	5.7	-14.9	6.7	6.5	-3.0	7.1	6.2	-12.7	7.5	5.7	-24.0
Other Products	8.4	8.1	-3.6	9.0	7.7	-14.4	8.1	8.2	1.2	8.8	8.1	-8.0	9.0	8.4	-6.7
Total Products	56.4	56.5	0.2	56.5	51.4	-9.0	53.3	58.2	9.2	55.5	57.2	3.1	57.5	59.1	2.8
Other[3]	11.8	14.2	20.3	12.1	14.5	19.8	12.5	14.8	18.4	12.3	14.7	19.5	12.5	13.6	8.8
Total	105.7	106.6	0.9	108.2	97.1	-10.3	103.8	110.1	6.1	104.8	109.6	4.6	114.1	114.7	0.5
United Kingdom															
Crude	40.8	39.7	-2.7	39.4	38.3	-2.8	35.8	39.9	11.5	39.3	37.9	-3.6	35.8	38.2	6.7
Motor Gasoline	12.6	10.4	-17.5	11.0	10.1	-8.2	11.3	9.2	-18.6	10.5	9.4	-10.5	10.4	9.5	-8.7
Middle Distillate	20.7	18.3	-11.6	20.4	17.6	-13.7	20.3	17.9	-11.8	20.9	19.0	-9.1	21.6	19.6	-9.3
Residual Fuel Oil	4.9	4.8	-2.0	5.3	4.7	-11.3	5.3	5.4	1.9	5.0	5.3	6.0	4.6	4.6	0.0
Other Products	19.9	14.2	-28.6	18.0	15.0	-16.7	17.7	15.5	-12.4	17.9	15.1	-15.6	17.9	16.7	-6.7
Total Products	58.1	47.7	-17.9	54.7	47.4	-13.3	54.6	48.0	-12.1	54.3	48.8	-10.1	54.5	50.4	-7.5
Other[3]	10.7	11.5	7.5	11.1	11.8	6.3	11.2	11.9	6.3	10.7	12.7	18.7	9.9	11.6	17.2
Total	109.6	98.9	-9.8	105.2	97.5	-7.3	101.6	99.8	-1.8	104.3	99.4	-4.7	100.2	100.2	0.0
Canada[4]															
Crude	75.8	76.3	0.7	77.8	76.3	-1.9	77.9	75.5	-3.1	81.9	78.0	-4.8	80.7	78.0	-3.3
Motor Gasoline	19.4	16.2	-16.5	21.0	16.2	-22.9	20.7	16.2	-21.7	19.8	17.2	-13.1	17.7	16.7	-5.6
Middle Distillate	23.0	18.4	-20.0	22.1	16.6	-24.9	21.0	17.6	-16.2	20.0	20.0	0.0	18.5	20.2	9.2
Residual Fuel Oil	3.3	3.3	0.0	3.7	3.7	0.0	3.7	3.9	5.4	3.4	4.6	35.3	3.6	5.0	38.9
Other Products	19.8	21.6	9.1	20.2	21.7	7.4	21.4	21.8	1.9	20.9	22.3	6.7	22.0	23.5	6.8
Total Products	65.5	59.5	-9.2	67.0	58.2	-13.1	66.8	59.5	-10.9	64.1	64.1	0.0	61.8	65.4	5.8
Other[3]	15.2	16.4	7.9	14.7	14.9	1.4	13.6	13.4	-1.5	12.8	13.4	4.7	14.1	13.4	-5.0
Total	156.5	152.2	-2.7	159.5	149.4	-6.3	158.3	148.4	-6.3	158.8	155.5	-2.1	156.6	156.8	0.1

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada for May 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End June 2002		End September 2002		End December 2002		End March 2003		End June 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	151.5	71	160.2	74	153.7	71	148.4	-	-	-
Mexico	45.3	23	47.0	24	47.3	23	51.5	-	-	-
United States	1618.1	81	1576.1	79	1549.9	77	1474.6	-	-	-
Total[4]	1837.1	75	1805.3	74	1773.0	72	1696.6	71	1765.2	72
Pacific										
Australia	37.2	43	39.4	45	34.0	40	39.8	-	-	-
Japan	633.7	126	627.1	107	615.4	99	619.0	-	-	-
Korea[5]	154.0	77	148.8	63	140.4	58	137.0	-	-	-
New Zealand	9.9	78	10.1	73	9.5	64	9.8	-	-	-
Total	834.7	104	825.3	89	799.3	83	805.6	100	854.8	104
Europe[6]										
Austria	17.5	63	18.3	69	18.7	73	18.1	-	-	-
Belgium	30.8	53	28.3	46	25.8	38	29.1	-	-	-
Czech Republic	17.0	91	16.2	90	17.5	103	17.3	-	-	-
Denmark	17.3	93	18.5	88	17.3	87	15.4	-	-	-
Finland	26.9	129	26.9	117	24.4	113	24.7	-	-	-
France	169.9	86	174.0	88	174.5	83	175.0	-	-	-
Germany	268.5	93	258.8	95	253.4	100	258.6	-	-	-
Greece	28.9	77	32.2	72	31.6	66	29.3	-	-	-
Hungary	18.5	128	18.0	119	16.1	127	17.9	-	-	-
Ireland	9.4	54	10.2	56	11.4	57	10.9	-	-	-
Italy	132.4	73	136.1	74	137.6	74	136.3	-	-	-
Luxembourg	0.9	18	0.9	19	1.0	17	0.9	-	-	-
Netherlands	115.5	131	106.7	116	104.9	120	95.4	-	-	-
Norway	22.7	115	17.8	81	19.4	76	33.2	-	-	-
Poland	25.2	62	23.6	57	26.2	69	27.2	-	-	-
Portugal	24.6	70	24.1	76	21.4	69	24.0	-	-	-
Spain	121.0	81	121.3	80	120.8	78	122.8	-	-	-
Sweden	33.4	103	30.5	81	29.4	87	34.3	-	-	-
Switzerland	39.0	146	38.7	146	36.7	144	36.1	-	-	-
Turkey	57.8	88	55.6	81	51.9	85	55.6	-	-	-
United Kingdom	109.7	65	98.9	58	97.1	57	99.8	-	-	-
Total	1286.9	85	1255.5	82	1237.2	81	1261.9	85	1252.6	82
Total OECD	3958.7	83	3886.2	79	3809.5	77	3764.2	80	3872.6	81
DAYS OF IEA Net Imports[7]	-	116	-	114	-	113	-	112	-	-

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End March and June 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Previously confidential Korean government stocks are now included.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
2Q2000	3798	1288	2510	79	27	52
3Q2000	3836	1294	2542	79	27	52
4Q2000	3798	1268	2530	78	26	52
1Q2001	3794	1269	2525	81	27	54
2Q2001	3864	1267	2597	81	27	55
3Q2001	3928	1267	2661	82	26	55
4Q2001	3906	1285	2621	81	27	54
1Q2002	3901	1303	2598	84	28	56
2Q2002	3959	1314	2645	83	28	56
3Q2002	3886	1319	2567	79	27	52
4Q2002	3810	1343	2467	77	27	50
1Q2003	3764	1357	2407	80	29	51
2Q2003	3873	1357	2515	81	28	52

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Previously confidential Korean government stocks are now included.
3 Days of forward demand calculated using actual demand except in 1Q2003 and 2Q2003 (when latest forecasts are used).

Table 8
AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	3Q02	4Q02	1Q03	2Q03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
CRUDE OIL PRICES													
IEA CIF Average Import[1]													
IEA North America	27.67	22.30	23.71	25.75	25.53	30.76		32.01	30.75	25.81	24.92		
IEA Europe	27.89	23.92	24.26	26.21	26.11	31.11		32.12	30.69	25.23	24.97		
IEA Pacific	28.89	25.05	24.74	26.34	27.24	30.96		31.20	32.55	29.78	26.79		
IEA Total	28.00	23.65	24.18	26.08	26.18	30.96		31.83	31.18	26.56	25.37		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.91	26.81	31.49	26.03	32.67	30.54	24.85	25.72	27.51	28.35
WTI (1st month)	30.37	25.93	26.16	28.30	28.29	34.00	29.02	35.75	33.43	28.26	28.14	30.66	30.70
Urals (del. Med.)	26.63	22.97	23.73	25.81	25.55	29.24	23.86	30.38	28.52	22.61	23.80	25.16	26.84
Dubai (1st month)	26.24	22.80	23.85	25.54	25.16	28.39	24.44	30.02	27.38	23.45	24.36	25.51	26.72
Tapis (1st month)	29.85	25.32	25.72	27.29	28.33	32.34	27.19	33.96	31.37	27.66	26.76	27.13	28.54
OPEC Basket	27.60	23.12	24.34	26.15	26.63	30.45	25.87	31.64	29.44	25.24	25.63	26.80	27.50
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	32.06	31.05	37.44	33.79	39.85	36.71	35.00	32.64	33.74	35.99
Unleaded	34.41	28.83	28.57	31.44	30.50	36.88	33.06	39.31	36.17	34.25	31.87	33.07	35.32
Naphtha	29.09	23.69	24.23	25.95	26.45	34.99	25.19	36.99	34.16	24.76	23.58	27.14	27.61
Jet/Kerosene	36.98	30.82	29.24	31.27	32.45	40.89	31.32	43.21	43.01	31.75	30.38	31.81	33.07
Gasoil .2 %	34.38	29.16	27.81	29.85	31.26	39.18	30.21	41.81	40.24	30.06	29.47	31.06	31.57
LSFO 1%	23.74	19.52	21.81	23.19	26.70	29.20	24.26	31.98	27.92	24.02	22.54	26.14	26.58
HSFO 3.5%	21.42	17.79	20.65	23.14	21.22	25.65	21.05	27.04	22.84	19.42	21.16	22.49	25.18
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	32.13	30.78	36.62	31.34	39.45	35.08	30.94	30.21	32.80	35.43
Premium Unleaded	36.43	29.70	28.49	31.41	30.06	35.91	30.62	38.73	34.36	30.22	29.49	32.08	34.71
Naphtha	28.16	22.47	23.51	25.32	25.61	33.37	23.69	35.61	31.83	22.72	22.08	26.13	26.66
Jet/Kerosene[2]	34.82	27.52	27.14	29.34	29.95	36.47	28.34	40.00	36.53	26.59	28.61	29.84	31.31
Gasoil .2 %	33.87	27.50	27.08	28.98	30.36	38.67	28.38	40.74	39.90	27.55	27.14	30.35	29.95
LSFO 1%	23.77	18.73	21.50	23.14	24.14	30.56	23.51	32.28	29.22	21.98	22.43	26.00	28.48
HSFO 3.5%	18.92	15.24	18.24	20.69	18.86	22.76	18.84	24.09	19.59	16.88	19.05	20.50	23.34
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	36.10	37.44	41.33	36.68	43.87	41.68	37.22	35.57	37.24	40.05
Unleaded	36.10	31.00	30.33	32.32	33.53	39.50	33.08	41.86	40.07	33.58	31.86	33.79	36.65
Jet/Kerosene	38.05	31.18	29.83	31.91	33.45	42.43	32.48	48.31	41.14	33.11	31.90	32.42	33.92
No. 2 (Heating Oil)	36.37	29.82	28.56	30.06	32.33	42.00	31.99	47.37	41.16	33.02	31.05	31.89	32.98
LSFO 1%	25.05	20.70	22.55	24.65	25.72	32.74	24.57	35.09	31.71	24.01	24.51	25.19	27.53
HSFO 6 3%	20.68	17.36	20.99	23.30	22.96	27.91	20.93	29.45	25.34	19.94	21.15	21.70	26.19
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	28.91	29.24	37.14	29.70	40.13	37.51	28.74	28.73	31.59	34.58
Naphtha	28.38	23.75	24.93	25.81	27.15	34.27	24.69	37.34	33.78	23.58	23.77	26.66	27.77
Jet/Kerosene	34.39	28.32	28.08	29.85	31.35	36.14	28.36	39.27	35.33	28.35	28.25	28.48	29.78
Gasoil .5%	32.58	27.32	27.55	28.80	30.89	36.12	28.79	38.45	36.97	29.24	28.39	28.73	28.95
LSWR Cracked	25.83	21.83	23.80	25.16	28.02	31.84	27.21	34.77	30.16	28.80	27.26	25.59	25.54
HSFO 180 CST	24.43	20.65	22.89	24.97	24.40	28.86	24.78	30.88	27.85	23.97	24.64	25.73	27.14
HSFO 4%	24.21	20.38	22.95	25.23	24.31	28.88	24.74	30.74	27.93	24.23	24.26	25.70	27.44

1 IEA CIF Average Import price for May is an estimate
2 Following change of assessment, Jet Aviation Fuel for Mediterranean - Cargo FOB from June 2003

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
July 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Jun-03	Jul-02		Jun-03	Jul-02		Jun-03	Jul-02		Jun-03	Jul-02
GASOLINE [1] (Price per Litre)												
France	0.994	0.7	- 1.5	0.242	2.5	-9.0	1.130	-1.9	12.8	0.275	-0.1	4.2
Germany	1.099	2.5	4.5	0.292	8.6	3.2	1.249	-0.2	19.7	0.332	5.7	18.2
Italy	1.051	1.7	- 0.3	0.334	4.7	-0.6	1.194	-0.9	14.2	0.380	2.0	13.9
Spain	0.812	2.5	- 1.0	0.304	5.9	-2.3	0.923	-0.2	13.4	0.345	3.2	12.0
UK	0.747	0.1	1.2	0.178	0.6	4.7	1.213	-2.1	5.5	0.289	-1.7	9.1
Japan	106.1	- 0.9	1.0	47.2	-2.1	2.2	0.897	-0.9	0.8	0.399	-2.1	1.9
Canada	0.705	0.6	- 0.7	0.407	1.0	-1.2	0.512	-1.3	11.4	0.296	-0.8	10.8
USA	0.400	1.3	8.7	0.298	1.7	11.6	0.400	1.3	8.7	0.298	1.7	11.6
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.635	0.6	1.0	0.243	1.7	-2.4	0.722	-2.0	15.6	0.276	-1.0	11.8
Germany	0.751	2.2	4.9	0.281	6.0	1.8	0.853	-0.5	20.1	0.319	3.3	16.6
Italy	0.711	0.9	0.9	0.308	2.0	2.0	0.808	-1.8	15.5	0.350	-0.7	16.8
Spain	0.576	1.1	- 1.5	0.282	2.2	-3.1	0.655	-1.6	12.8	0.320	-0.5	11.0
UK	0.653	-	1.9	0.195	-	6.6	1.060	-2.3	6.2	0.317	-2.3	11.1
Japan	86.1	- 1.3	1.2	49.9	-2.0	2.0	0.728	-1.3	0.9	0.422	-2.0	1.8
Canada	0.646	- 0.3	2.5	0.426	-0.5	3.6	0.469	-2.1	15.0	0.309	-2.3	16.3
USA	0.379	0.5	10.5	0.260	0.8	15.6	0.379	0.5	10.5	0.260	0.8	15.6
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	357.78	2.3	3.0	242.55	2.8	-0.7	406.6	-0.4	18.0	275.6	0.1	13.7
Germany	342.56	1.5	-1.6	233.96	1.9	-2.0	389.3	-1.2	12.7	265.9	-0.8	12.2
Italy	814.57	-1.1	-1.3	275.60	-2.8	-3.1	925.6	-3.7	13.1	313.2	-5.3	11.0
Spain	359.36	2.6	-1.6	225.08	3.7	-2.1	408.4	-0.0	12.8	255.8	1.0	12.1
UK	186.04	3.3	4.8	146.18	4.1	5.9	302.0	1.0	9.2	237.3	1.7	10.3
Japan [3]	48475	-0.6	5.4	46167	-0.6	5.4	409.8	-0.6	5.1	390.3	-0.6	5.1
FUEL OIL FOR INDUSTRY [2,4] (Price per Metric Ton)												
France	207.18	10.1	11.9	188.68	11.2	13.2	235.4	7.2	28.2	214.4	8.3	29.7
Germany	187.49	15.0	10.3	162.49	17.7	6.9	213.1	12.0	26.4	184.6	14.6	22.4
Italy	247.02	18.8	7.3	215.63	22.1	29.5	280.7	15.7	22.9	245.0	18.9	48.3
Spain	238.01	10.2	24.4	223.58	10.9	26.4	270.5	7.3	42.5	254.1	8.0	44.8
UK	151.02	9.7	11.0	123.02	12.2	13.8	245.2	7.2	15.7	199.7	9.6	18.6
Japan	35565	-0.3	37.6	33871	-0.3	37.6	300.6	-0.3	37.2	286.3	-0.3	37.2

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices refer to high sulphur fuel oil and to low sulphur fuel oil thereafter, except for Germany, which shows lsfo for all months.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
OECD North America												
Venezuela	1.66	1.58		1.35	1.83	1.54	0.93	1.48	1.83	1.83	1.43	0.40
Other Central & South America	0.52	0.60		0.57	0.62	0.65	0.52	0.50	0.51	0.56	0.56	0.00
North Sea	1.03	1.24		1.37	1.28	1.32	1.07	1.01	0.83	1.11	1.20	-0.09
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.11	0.10	0.13	0.11	0.05	0.02	0.14	0.22	-0.08
Saudi Arabia	1.70	1.60		1.62	1.50	1.72	1.79	1.92	2.11	2.35	1.61	0.74
Kuwait	0.24	0.22		0.20	0.24	0.21	0.20	0.23	0.28	0.19	0.17	0.02
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.92	0.56		0.53	0.30	0.42	0.84	0.78	0.85	0.24	0.55	-0.32
Oman	0.02	0.02		-	0.05	0.02	-	-	0.03	0.07	-	-
United Arab Emirates	0.02	0.01		0.04	0.01	0.01	0.01	-	0.02	-	-	-
Other Middle East	0.02	0.04		0.02	0.10	0.03	0.02	-	0.03	0.04	-	-
West Africa[2]	1.44	1.15		1.20	1.24	1.14	1.37	1.57	1.41	1.50	1.20	0.30
Other Africa	0.13	0.18		0.21	0.18	0.15	0.15	0.20	0.19	0.25	0.23	0.02
Asia	0.15	0.16		0.18	0.14	0.15	0.12	0.13	0.11	0.10	0.19	-0.09
Other	0.03	0.06		0.07	0.06	0.06	0.04	0.07	0.03	0.07	0.07	0.00
Total	**7.85**	**7.44**		**7.48**	**7.62**	**7.55**	**7.17**	**7.95**	**8.26**	**8.46**	**7.45**	**1.01**
of which Non-OECD	**6.82**	**6.21**		**6.06**	**6.30**	**6.17**	**6.08**	**6.91**	**7.42**	**7.33**	**6.19**	**1.15**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.19	0.20	0.22	0.17	0.16	0.21	0.18	0.18	0.01
Venezuela	0.18	0.18		0.16	0.19	0.12	0.04	0.11	0.14	0.11	0.10	0.01
Other Central & South America	0.04	0.05		0.02	0.03	0.06	0.02	0.01	0.04	0.07	0.00	0.07
Non-OECD Europe	0.00	0.01		0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Former Soviet Union	2.68	3.12		3.16	3.29	3.03	3.18	3.39	3.29	3.14	3.14	0.00
Saudi Arabia	1.25	1.16		1.20	1.25	1.09	1.14	1.32	1.26	1.42	1.29	0.13
Kuwait	0.16	0.12		0.13	0.13	0.10	0.06	0.03	0.18	0.14	0.11	0.03
Iran	0.74	0.62		0.61	0.65	0.72	0.69	0.66	0.66	0.74	0.61	0.13
Iraq	0.40	0.31		0.14	0.32	0.62	0.45	0.39	0.16	0.06	0.13	-0.07
Oman	-	0.00		-	0.01	-	-	-	0.00	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.48	0.50	0.46	0.35	0.39	0.28	0.34	0.52	-0.18
West Africa[2]	0.81	0.68		0.57	0.63	0.62	0.74	0.72	0.59	0.51	0.64	-0.12
Other Africa	1.50	1.39		1.40	1.32	1.45	1.58	1.61	1.63	1.57	1.39	0.18
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.64	0.32	0.15	0.23	0.27	0.28	0.52	0.66	-0.13
Total	**8.59**	**8.66**		**8.72**	**8.85**	**8.65**	**8.65**	**9.06**	**8.71**	**8.83**	**8.77**	**0.05**
of which Non-OECD	**8.41**	**8.47**		**8.53**	**8.64**	**8.43**	**8.48**	**8.90**	**8.50**	**8.64**	**8.60**	**0.05**
OECD Pacific												
Canada	0.00	0.00		-	-	0.01	-	-	0.02	-	-	-
Mexico + USA	0.02	0.01		0.02	-	0.02	-	-	-	-	-	-
Venezuela	0.00	0.00		-	-	0.00	0.00	0.00	-	-	-	-
Other Central & South America	0.07	0.08		0.06	0.07	0.09	0.10	0.05	0.09	0.02	0.04	-0.02
North Sea	0.01	0.03		0.03	0.06	-	0.04	0.01	-	-	0.04	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.05	0.10	0.10	0.04	0.01	0.04	0.02	0.01	0.01
Saudi Arabia	1.84	1.72		1.67	1.57	1.82	1.97	2.06	2.08	1.76	1.65	0.11
Kuwait	0.64	0.57		0.55	0.52	0.56	0.60	0.54	0.54	0.53	0.51	0.02
Iran	0.75	0.64		0.64	0.56	0.69	0.89	0.95	0.90	0.78	0.65	0.13
Iraq	0.01	0.02		0.05	0.01	0.01	-	-	-	-	-	-
Oman	0.41	0.37		0.34	0.34	0.35	0.42	0.43	0.23	0.37	0.35	0.02
United Arab Emirates	1.42	1.28		1.13	1.24	1.35	1.47	1.42	1.51	1.44	1.02	0.41
Other Middle East	0.60	0.52		0.45	0.52	0.50	0.56	0.57	0.60	0.47	0.50	-0.03
West Africa[2]	0.11	0.21		0.19	0.20	0.25	0.28	0.21	0.17	0.06	0.19	-0.12
Other Africa	0.04	0.05		0.01	0.08	0.08	0.09	0.02	0.02	0.07	-	-
Non-OECD Asia	0.89	0.86		0.85	0.77	0.89	0.89	0.93	0.85	0.81	0.83	-0.03
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.06**	**6.03**	**6.71**	**7.36**	**7.21**	**7.06**	**6.33**	**5.81**	**0.53**
of which Non-OECD	**6.86**	**6.38**		**6.00**	**5.97**	**6.68**	**7.32**	**7.19**	**7.04**	**6.33**	**5.76**	**0.57**
Total OECD Trade	**23.34**	**22.53**		**22.26**	**22.50**	**22.91**	**23.18**	**24.21**	**24.03**	**23.62**	**22.02**	**1.59**
of which Non-OECD	**22.08**	**21.07**		**20.60**	**20.92**	**21.28**	**21.88**	**23.01**	**22.96**	**22.31**	**20.55**	**1.76**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.54	0.65	0.89	0.52	0.55	0.70	0.82	0.60	0.22
Europe	0.92	0.91		0.93	0.97	0.83	0.92	0.97	1.03	1.14	1.04	0.10
Pacific	1.22	1.22		1.14	1.14	1.24	1.37	1.48	1.28	1.16	1.07	0.09
Saudi Medium												
North America	0.73	0.86		0.65	0.60	1.46	0.88	0.91	0.95	1.00	0.66	0.34
Europe	0.15	0.11		0.08	0.13	0.11	0.10	0.09	0.14	0.12	0.10	0.02
Pacific	0.17	0.16		0.18	0.16	0.14	0.20	0.24	0.25	0.24	0.18	0.06
Saudi Heavy												
North America	0.21	0.20		0.23	0.21	0.23	0.28	0.41	0.36	0.50	0.30	0.20
Europe	0.14	0.09		0.10	0.09	0.08	0.11	0.17	0.24	0.31	0.11	0.21
Pacific	0.15	0.12		0.12	0.11	0.13	0.14	0.15	0.22	0.23	0.15	0.09
Iraqi Basrah Light[c]												
North America	0.65	0.35		0.34	0.23	0.22	0.50	0.57	0.67	0.06	0.52	-0.46
Europe	0.15	0.08		0.06	0.05	0.21	0.10	0.08	0.06	0.01	0.10	-0.09
Pacific	0.01	0.02		0.05	0.01	..	..	..	..	..	..	..
Iraqi Kirkuk												
North America	0.09	0.14		0.11	0.06	0.11	0.22	0.17	0.05	..	..	..
Europe	0.31	0.32		0.19	0.36	0.50	0.42	0.43	0.09	0.01	0.12	-0.11
Pacific	0.01	0.00		0.00	..	..	..	..	..	..	0.01	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.14	0.15	0.19	0.15	0.12	0.20	0.18	0.16	0.02
Pacific	0.13	0.12		0.11	0.10	0.14	0.18	0.18	0.22	0.14	0.10	0.04
Iranian Heavy[c]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.45	0.49	0.51	0.51	0.49	0.42	0.54	0.40	0.15
Pacific	0.63	0.54		0.56	0.45	0.61	0.75	0.80	0.74	0.60	0.58	0.01
Venezuelan Light & Medium												
North America	0.61	0.68		0.57	0.91	0.57	0.35	0.64	0.87	0.88	0.56	0.32
Europe	0.07	0.07		0.05	0.04	0.06	0.02	0.03	0.06	0.06	0.02	0.04
Pacific	0.00	0.00		..	..	0.00	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.46	0.62	0.56	0.17	0.50	0.59	0.66	0.50	0.15
Europe	0.07	0.05		0.06	0.06	0.04	0.02	0.04	0.07	0.06	0.04	0.01
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.89	0.91	0.96	1.12	1.19	1.34	1.26	0.91	0.35
Europe	0.14	0.16		0.17	0.17	0.14	0.14	0.16	0.19	0.18	0.16	0.02
Pacific	0.01	0.00		0.01	..	0.01	..	..	..	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.00	0.01	0.01	0.01	0.01	0.01	..	0.01	..
Europe	0.03	0.01		0.01	0.02	0.01	0.00	0.00	0.00	0.00	..	..
Pacific	0.01	0.01		0.01	..	0.01	..	..	..	..	..	..
Russian Urals												
North America	..	0.03		0.08	..	0.05	..	..	..	0.15	0.15	0.01
Europe	1.10	1.32		1.25	1.44	1.36	1.43	1.45	1.38	1.39	1.12	0.27
Pacific	0.01	0.01		..	0.02	..	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.38	0.46	0.38	0.47	0.56	0.42	0.62	0.30	0.32
Europe	0.38	0.31		0.22	0.36	0.32	0.42	0.46	0.42	0.33	0.27	0.07
Pacific	0.02	0.06		0.03	0.06	0.08	0.13	0.09	0.05	..	0.03	..
Nigerian Medium												
North America	0.31	0.16		0.22	0.13	0.14	0.17	0.14	0.24	0.24	0.17	0.07
Europe	0.10	0.06		0.03	0.03	0.06	0.07	0.05	0.08	0.03	0.06	-0.03
Pacific	0.00	0.01		..	0.01	..	0.04	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 10 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.
2 Iraqi Total minus Kirkuk.
3 Iranian Total minus Iranian Light.
4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.07	0.11	0.08	0.00	0.01	0.12	0.10	0.07	0.02
Other Central & South America	0.10	0.10		0.10	0.11	0.11	0.10	0.05	0.12	0.11	0.11	0.00
ARA (Belgium Germany Netherlands)	0.07	0.10		0.13	0.09	0.07	0.11	0.14	0.13	0.09	0.14	-0.05
Other Europe	0.18	0.21		0.24	0.20	0.18	0.20	0.28	0.34	0.26	0.25	0.01
FSU	0.04	0.06		0.08	0.06	0.03	0.09	0.11	0.08	0.06	0.11	-0.05
Saudi Arabia	0.05	0.06		0.05	0.06	0.07	0.06	0.07	0.07	0.08	0.07	0.01
Algeria	0.00	0.00		0.01	-	-	-	-	-	0.01	0.01	0.00
Other Middle East & Africa	0.04	0.04		0.04	0.06	0.03	0.03	0.01	0.04	0.03	0.04	0.00
Singapore	0.01	0.01		0.00	0.02	0.00	0.00	-	0.03	0.01	0.00	0.01
OECD Pacific	0.02	0.01		0.02	0.01	0.01	0.01	0.03	0.00	0.02	0.03	0.00
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.03	0.04	0.02	0.02	0.04	0.04	0.04	0.04	0.00
Other	0.00	-		-	-	-	0.00	0.00	0.00	-	-	-
Total[2]	**0.65**	**0.69**		**0.78**	**0.74**	**0.60**	**0.62**	**0.74**	**0.96**	**0.81**	**0.86**	**-0.05**
of which Non-OECD	**0.39**	**0.39**		**0.40**	**0.48**	**0.36**	**0.31**	**0.31**	**0.54**	**0.45**	**0.44**	**0.00**
OECD Europe												
OECD North America	0.00	0.00		-	-	0.00	0.00	-	0.00	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.05	0.04	0.04	0.04	0.04	0.03	0.03	0.06	-0.02
FSU	0.02	0.03		0.03	0.05	0.02	0.02	0.04	0.03	0.04	0.03	0.00
Saudi Arabia	0.00	0.00		0.00	0.01	0.00	0.00	-	-	-	0.00	-
Algeria	0.00	0.01		0.02	0.01	0.02	0.00	0.01	0.01	0.01	0.02	-0.01
Other Middle East & Africa	0.01	0.02		0.02	0.03	0.03	0.01	0.01	0.02	0.02	0.03	-0.01
Singapore	-	0.00		-	-	0.00	0.00	0.00	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	-	-	-	-	-	-
Other	0.09	0.07		0.07	0.04	0.07	0.10	0.06	0.09	0.08	0.03	0.05
Total[2]	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.18**	**0.17**	**0.20**	**0.18**	**0.17**	**0.01**
of which Non-OECD	**0.15**	**0.18**		**0.19**	**0.17**	**0.18**	**0.18**	**0.17**	**0.20**	**0.18**	**0.17**	**0.01**
OECD Pacific												
OECD North America	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		0.00	-	-	-	-	-	-	0.00	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.04	0.02	0.04	0.03	0.04	0.01	0.05	0.04	0.00
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.02	0.01	0.03	0.03	0.01	0.02	0.03	0.04	0.00
Other	-	0.00		0.00	-	-	-	-	-	-	0.00	-
Total[2]	**0.04**	**0.06**		**0.06**	**0.03**	**0.07**	**0.06**	**0.05**	**0.04**	**0.08**	**0.08**	**0.00**
of which Non-OECD	**0.03**	**0.06**		**0.06**	**0.03**	**0.07**	**0.06**	**0.05**	**0.04**	**0.08**	**0.08**	**0.00**
Total OECD Trade[2]	**0.84**	**0.93**		**1.04**	**0.95**	**0.86**	**0.86**	**0.96**	**1.20**	**1.07**	**1.12**	**-0.05**
of which Non-OECD	**0.57**	**0.63**		**0.66**	**0.68**	**0.61**	**0.55**	**0.52**	**0.77**	**0.70**	**0.70**	**0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.04	0.02	0.02	0.01	0.02	0.01	0.01	0.05	-0.03
Other Central & South America	0.03	0.02		0.01	0.01	0.03	0.01	0.02	0.01	0.02	0.01	0.01
ARA (Belgium Germany Netherlands)	0.01	0.00		-	0.00	0.01	0.03	0.01	-	-	-	-
Other Europe	0.02	0.00		-	0.00	0.01	0.02	0.03	0.01	-	-	-
FSU	0.03	0.02		0.02	-	0.08	0.13	0.17	0.02	0.02	0.01	0.01
Saudi Arabia	0.00	0.00		-	0.00	-	-	-	0.01	-	-	-
Algeria	0.01	0.00		-	-	0.00	0.00	-	-	-	-	-
Other Middle East & Africa	0.01	0.00		-	-	0.01	0.00	-	-	-	-	-
Singapore	0.00	0.00		-	-	-	0.00	0.00	0.00	0.01	-	-
OECD Pacific	0.01	0.01		0.00	0.01	0.01	0.00	0.01	-	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	0.02	0.00	-	-	0.01	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.20**	**0.10**		**0.07**	**0.04**	**0.19**	**0.21**	**0.24**	**0.06**	**0.08**	**0.07**	**0.01**
of which Non-OECD	**0.16**	**0.09**		**0.07**	**0.03**	**0.16**	**0.16**	**0.20**	**0.05**	**0.08**	**0.06**	**0.01**
OECD Europe												
OECD North America	0.02	0.03		0.03	0.02	0.01	0.00	-	0.03	0.02	0.06	-0.04
Venezuela	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.00	0.00	0.01	0.00	0.01	0.01	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.07	0.06	0.06	0.06	0.07	0.05	0.05	0.08	-0.03
FSU	0.36	0.42		0.46	0.35	0.43	0.43	0.37	0.51	0.48	0.50	-0.02
Saudi Arabia	0.01	0.01		0.01	0.00	0.01	0.01	0.02	-	0.00	0.00	0.00
Algeria	0.04	0.02		0.02	0.02	0.02	0.02	0.04	0.03	0.00	0.03	-0.03
Other Middle East & Africa	0.02	0.02		0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.02	-0.01
Singapore	0.00	0.02		0.00	0.01	0.03	0.00	0.01	0.01	0.01	-	-
OECD Pacific	0.00	0.00		-	0.01	0.01	-	-	0.01	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.00	0.01	0.02	0.00	0.00	0.01	-	-
Other	0.10	0.10		0.04	0.08	0.14	0.10	0.05	0.10	0.06	-0.04	0.11
Total[2]	**0.61**	**0.70**		**0.64**	**0.58**	**0.73**	**0.67**	**0.58**	**0.77**	**0.66**	**0.65**	**0.01**
of which Non-OECD	**0.59**	**0.67**		**0.61**	**0.55**	**0.72**	**0.67**	**0.58**	**0.73**	**0.63**	**0.59**	**0.05**
OECD Pacific												
OECD North America	-	0.00		0.00	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.00	0.00	0.01	0.00	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		0.01	-	0.00	-	-	-	-	-	-
Singapore	0.02	0.02		0.03	0.02	0.03	0.02	0.03	0.01	0.05	0.02	0.03
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.02	0.03	0.05	0.04	0.03	0.03	0.01	0.01
Other	0.00	0.00		0.00	-	0.00	-	-	-	-	-	-
Total[2]	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.07**	**0.04**	**0.08**	**0.04**	**0.04**
of which Non-OECD	**0.03**	**0.05**		**0.06**	**0.05**	**0.07**	**0.07**	**0.07**	**0.04**	**0.08**	**0.04**	**0.04**
Total OECD Trade[2]	**0.84**	**0.85**		**0.77**	**0.67**	**0.99**	**0.96**	**0.89**	**0.87**	**0.82**	**0.76**	**0.06**
of which Non-OECD	**0.78**	**0.81**		**0.74**	**0.63**	**0.95**	**0.91**	**0.85**	**0.83**	**0.79**	**0.69**	**0.10**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.02	0.02	0.04	0.04	0.03	0.02
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.04	0.01	0.03
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	0.00	0.01	-	-	-	-
Other Europe	0.00	0.00		0.00	-	-	-	-	-	-	0.00	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	0.00	0.00	0.00	-	-	-
Algeria	0.00	0.00		-	-	0.01	0.00	0.01	0.00	-	-	-
Other Middle East & Africa	0.02	0.01		0.01	0.00	0.02	0.04	0.03	-	0.02	0.01	0.01
Singapore	0.01	0.00		-	-	0.00	0.00	0.00	0.01	0.00	-	-
OECD Pacific	0.05	0.04		0.04	0.04	0.05	0.01	0.01	0.03	0.01	0.05	-0.04
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.02	0.00	0.01	0.01	-	-	-	-
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.09**	**0.09**	**0.12**	**0.10**	**0.10**	**0.09**	**0.11**	**0.09**	**0.01**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.05**	**0.07**	**0.09**	**0.08**	**0.07**	**0.10**	**0.04**	**0.05**
OECD Europe												
OECD North America	0.00	0.01		0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Venezuela	0.01	0.02		0.02	0.02	0.01	0.00	0.00	0.00	0.00	0.04	-0.04
Other Central & South America	0.01	0.00		0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
FSU	0.02	0.03		0.03	0.04	0.03	0.02	0.01	0.02	0.02	0.03	-0.01
Saudi Arabia	0.03	0.02		0.02	0.02	0.01	0.01	0.01	0.02	0.02	0.02	0.01
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.00	0.01	-	0.02	-
Other Middle East & Africa	0.13	0.10		0.12	0.11	0.09	0.11	0.13	0.09	0.10	0.11	-0.01
Singapore	-	0.01		-	0.02	0.00	0.00	0.00	-	-	-	-
OECD Pacific	-	-		-	-	-	-	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	0.00	-	-	-	-	-	-	-
Other	0.04	0.02		0.02	0.02	0.00	0.01	0.02	0.01	0.02	0.00	0.02
Total[2]	**0.25**	**0.21**		**0.23**	**0.27**	**0.15**	**0.17**	**0.19**	**0.17**	**0.18**	**0.21**	**-0.04**
of which Non-OECD	**0.25**	**0.20**		**0.22**	**0.26**	**0.15**	**0.17**	**0.19**	**0.17**	**0.17**	**0.21**	**-0.04**
OECD Pacific												
OECD North America	-	-		-	-	-	0.01	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.01	0.02	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		-	0.00	0.01	0.03	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.00	0.02	0.02	0.01	0.01	0.01	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.00	-	0.05	0.04	0.01	0.01	0.00	-	-
Other	0.04	0.05		0.03	0.04	0.07	0.07	0.05	0.04	0.04	0.02	0.02
Total[2]	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.06**	**0.06**	**0.05**	**0.02**	**0.03**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.04**	**0.16**	**0.18**	**0.06**	**0.06**	**0.05**	**0.02**	**0.03**
Total OECD Trade[2]	**0.46**	**0.41**		**0.35**	**0.40**	**0.42**	**0.45**	**0.35**	**0.32**	**0.34**	**0.33**	**0.01**
of which Non-OECD	**0.41**	**0.36**		**0.31**	**0.35**	**0.37**	**0.44**	**0.33**	**0.29**	**0.32**	**0.27**	**0.05**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	2Q02	3Q02	4Q02	1Q03	Mar 03	Apr 03	May 03	Year Earlier May 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.04	0.03	0.01	0.03	0.05	0.07	0.05	0.04	0.02
Other Central & South America	0.11	0.10		0.09	0.09	0.13	0.18	0.22	0.16	0.10	0.10	0.01
ARA (Belgium Germany Netherlands)	0.04	0.01		0.01	0.00	0.01	0.02	0.02	-	0.01	-	-
Other Europe	0.05	0.02		0.02	0.02	0.02	0.03	0.01	-	0.05	0.02	0.03
FSU	0.02	0.01		0.01	0.02	0.02	0.03	0.03	0.04	0.02	0.01	0.01
Saudi Arabia	0.00	-		-	-	-	-	-	0.00	0.00	-	-
Algeria	0.05	0.01		0.01	0.00	0.01	0.01	0.01	0.01	-	0.01	-
Other Middle East & Africa	0.05	0.02		0.03	0.03	0.02	0.05	0.06	0.03	0.04	0.01	0.03
Singapore	0.00	0.01		0.01	0.01	0.00	0.01	-	0.00	0.01	0.01	-0.01
OECD Pacific	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.00	-	-	-	-	0.00	-	-	-
Other	0.00	0.00		-	-	0.00	0.00	0.01	0.01	-	-	-
Total[2]	**0.40**	**0.21**		**0.22**	**0.22**	**0.22**	**0.35**	**0.41**	**0.33**	**0.29**	**0.20**	**0.09**
of which Non-OECD	**0.31**	**0.18**		**0.19**	**0.19**	**0.20**	**0.30**	**0.38**	**0.33**	**0.23**	**0.18**	**0.04**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.01	0.02	0.00	0.00	0.02	0.02	0.01	0.01
Venezuela	0.01	0.00		-	-	-	0.00	0.01	-	-	-	-
Other Central & South America	0.01	0.02		0.00	0.01	0.00	0.01	0.01	0.00	0.00	0.01	0.00
Non-OECD Europe	0.01	0.01		0.02	0.01	0.02	0.01	0.01	0.01	0.02	0.01	0.01
FSU	0.23	0.27		0.31	0.33	0.23	0.17	0.17	0.12	0.11	0.36	-0.25
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.00	0.00	0.02	0.01	0.01	0.00
Other Middle East & Africa	0.06	0.06		0.07	0.05	0.06	0.04	0.06	0.06	0.06	0.08	-0.01
Singapore	0.00	0.00		0.00	-	-	-	-	0.00	0.00	-	-
OECD Pacific	-	0.00		0.00	-	-	-	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.00	0.01	0.01	0.01	0.01	0.02	0.00	0.01	-0.01
Other	0.06	0.07		0.07	0.05	0.09	0.06	0.04	0.13	0.12	0.06	0.06
Total[2]	**0.40**	**0.47**		**0.49**	**0.47**	**0.43**	**0.31**	**0.32**	**0.38**	**0.35**	**0.55**	**-0.20**
of which Non-OECD	**0.38**	**0.45**		**0.48**	**0.46**	**0.42**	**0.31**	**0.32**	**0.36**	**0.33**	**0.54**	**-0.21**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.00	0.01	-	-	0.00	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	0.01	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		0.01	-	-	-	-	-	-	0.01	-
Saudi Arabia	-	0.00		0.00	-	-	-	-	-	-	0.01	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	-	0.00	-	-	-	-	-	-
Singapore	0.01	0.01		0.02	0.01	0.01	0.01	-	-	-	0.03	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.07	0.04	0.06	0.07	0.05	0.10	0.04	0.08	-0.04
Other	0.02	0.02		0.01	0.02	0.02	0.01	0.01	0.03	0.02	0.03	-0.01
Total[2]	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.06**	**0.13**	**0.07**	**0.15**	**-0.09**
of which Non-OECD	**0.08**	**0.09**		**0.12**	**0.06**	**0.10**	**0.10**	**0.06**	**0.13**	**0.07**	**0.15**	**-0.09**
Total OECD Trade[2]	**0.88**	**0.77**		**0.83**	**0.75**	**0.76**	**0.76**	**0.79**	**0.84**	**0.70**	**0.90**	**-0.20**
of which Non-OECD	**0.78**	**0.72**		**0.78**	**0.71**	**0.72**	**0.71**	**0.76**	**0.83**	**0.62**	**0.87**	**-0.25**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12e
Regional OECD Trade Balances[1]
(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar-03	Apr-03	May-03	Latest month vs. Apr-03	Latest month vs. May-02
Crude Oil	**7.46**	**7.12**	**7.13**	**7.26**	**7.16**	**6.71**	**7.46**	**7.91**	**8.10**	**0.20**	**0.99**
Products & Feedstocks	**1.37**	**1.12**	**1.32**	**1.14**	**1.08**	**1.17**	**1.44**	**1.34**	**1.43**	**0.10**	**0.03**
Gasoil/Diesel	0.08	0.00	0.00	-0.03	0.09	0.08	0.10	-0.04	-0.06	-0.02	-0.07
Gasoline	0.53	0.57	0.67	0.63	0.47	0.48	0.60	0.80	0.68	-0.12	-0.05
Heavy Fuel Oil	0.28	0.05	0.10	0.03	0.07	0.22	0.29	0.14	0.18	0.04	0.08
LPG	0.02	0.04	0.03	0.03	0.07	0.04	0.04	0.01	0.01	0.00	0.00
Naphtha	0.06	0.04	0.05	0.04	0.03	0.03	0.04	0.04	0.09	0.04	0.05
Jet & Kerosene	0.12	0.09	0.08	0.08	0.10	0.08	0.09	0.07	0.09	0.02	0.00
Other	0.28	0.34	0.39	0.35	0.24	0.24	0.29	0.31	0.45	0.13	0.01
Total[2]	**8.83**	**8.24**	**8.44**	**8.40**	**8.24**	**7.88**	**8.90**	**9.24**	**9.54**	**0.29**	**1.02**

OECD Europe

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar-03	Apr-03	May-03	Latest month vs. Apr-03	Latest month vs. May-02
Crude Oil	**7.37**	**7.17**	**6.90**	**7.46**	**7.18**	**7.58**	**8.17**	**7.50**	**7.40**	**-0.10**	**0.79**
Products & Feedstocks	**1.48**	**1.44**	**1.32**	**1.42**	**1.25**	**1.14**	**1.11**	**0.96**	**0.94**	**-0.02**	**-0.72**
Gasoil/Diesel	0.42	0.42	0.41	0.33	0.38	0.36	0.33	0.37	0.36	-0.01	-0.11
Gasoline	-0.25	-0.34	-0.40	-0.36	-0.25	-0.40	-0.48	-0.54	-0.41	0.13	-0.05
Heavy Fuel Oil	0.13	0.23	0.22	0.26	0.13	0.08	0.08	0.13	0.06	-0.07	-0.25
LPG	0.17	0.14	0.09	0.11	0.16	0.11	0.15	-0.01	0.03	0.04	-0.06
Naphtha	0.24	0.24	0.25	0.26	0.24	0.27	0.32	0.30	0.32	0.02	0.04
Jet & Kerosene	0.21	0.19	0.20	0.23	0.16	0.11	0.12	0.13	0.14	0.00	-0.05
Other	0.55	0.56	0.55	0.58	0.43	0.60	0.60	0.57	0.44	-0.13	-0.25
Total[2]	**8.84**	**8.61**	**8.22**	**8.87**	**8.43**	**8.72**	**9.28**	**8.46**	**8.34**	**-0.11**	**0.07**

OECD Pacific

Net Imports/(Exports) of	2001	2002	2Q02	3Q02	4Q02	1Q03	Mar-03	Apr-03	May-03	Latest month vs. Apr-03	Latest month vs. May-02
Crude Oil	**6.65**	**6.20**	**5.86**	**5.78**	**6.51**	**7.17**	**7.04**	**6.80**	**6.15**	**-0.65**	**0.53**
Products & Feedstocks	**1.00**	**1.31**	**1.16**	**1.08**	**1.63**	**1.56**	**1.34**	**1.47**	**1.32**	**-0.15**	**0.12**
Gasoil/Diesel	-0.18	-0.14	-0.14	-0.21	-0.07	-0.08	-0.12	-0.07	-0.05	0.02	0.10
Gasoline	-0.01	0.02	0.01	0.01	0.04	0.02	0.01	0.00	0.06	0.06	0.02
Heavy Fuel Oil	-0.12	-0.02	0.05	-0.06	0.02	-0.04	-0.09	0.04	-0.04	-0.08	-0.14
LPG	0.52	0.54	0.52	0.49	0.59	0.55	0.57	0.49	0.48	-0.01	-0.04
Naphtha	0.64	0.70	0.65	0.72	0.72	0.77	0.76	0.86	0.70	-0.16	0.11
Jet & Kerosene	-0.03	0.00	-0.07	-0.08	0.08	0.14	-0.03	-0.01	0.00	0.01	0.09
Other	0.18	0.20	0.15	0.20	0.26	0.21	0.23	0.16	0.17	0.02	-0.03
Total[2]	**7.65**	**7.51**	**7.02**	**6.86**	**8.14**	**8.73**	**8.38**	**8.27**	**7.47**	**-0.80**	**0.65**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 11 August 2003), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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OIL MARKET REPORT

A MONTHLY OIL MARKET AND STOCKS ASSESSMENT

INTERNATIONAL ENERGY AGENCY

AGENCE INTERNATIONALE DE L'ENERGIE

10 September 2003

HIGHLIGHTS

- Benchmark crudes remained firm in August, supported by low stocks and firm gasoline prices. Dated Brent averaged $29.79/bbl, up $1.44 over July, and outperforming US benchmark WTI. The OPEC basket averaged $28.69 in August, but dipped temporarily below $28 in mid-month and again in early September.

- Strong US gasoline underpinned market strength for much of the month. New York RFG barges peaked at $52.72/bbl after a power blackout shut down refineries in the US Midwest and Canada. The swift return of most of the facilities, coupled with a wet Labor Day weekend to end the driving season, eased early September prices.

- August world oil production increased by 798 kb/d to 79.69 mb/d. OPEC crude rose by 415 kb/d and non-OPEC supply/OPEC NGLs contributed 383 kb/d. The FSU led non-OPEC gains, while Iraq contributed the bulk of higher OPEC supply. OPEC-10 output remained close to the Organisation's 25.4 mb/d target.

- Assessed 2003 oil demand is unchanged at 78.4 mb/d. Record-high Chinese apparent demand offset lower-than-expected OECD deliveries in July. Demand growth for 2004 remains at 1 mb/d, assuming normal weather. Potentially tight OECD natural gas and hydropower supply could disproportionately boost oil demand in the event of a cold winter.

- July OECD industry oil stocks were up by 1 mb/d to 2552 mb, 79.5 mb below 2002 levels. Forward demand cover was little changed at 53 days, 2 days below last year. Distillate fuel stocks continued to build seasonally. OECD crude stocks rose 240 kb/d, recovering ground lost during 2Q, despite a fall in North American inventories.

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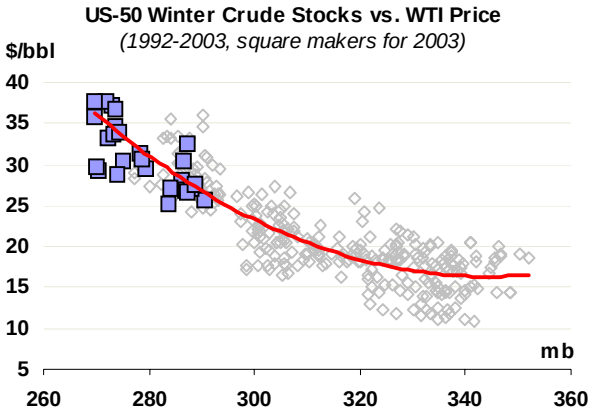
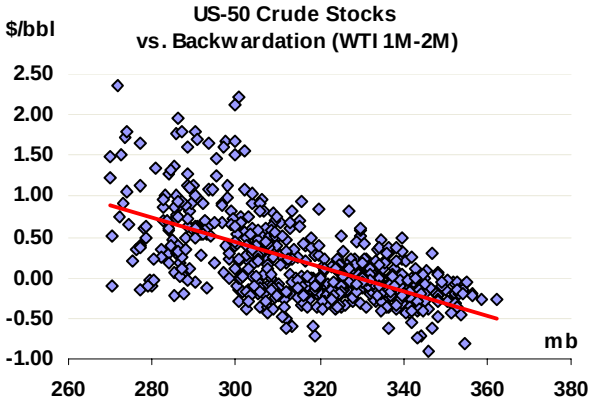
DEPENDS WHERE YOU SIT

OECD industry oil stocks are heading into the winter heating season at the bottom of their five-year range. Despite a recent build in product stocks, crude oil stocks, especially those in OECD North America, are low. The latest US weekly figures suggest that US crude oil stocks are trending sideways in the 280 mb range. Is this cause for concern?

OECD North American industry crude oil stocks have been declining for over a decade (bottom graph). While steep backwardation has severely restricted stock accumulations, the long-term downward trend is not solely dependent on financial disincentives, OPEC supply management policies or the recent build in government strategic stocks. Industry operated with record low crude oil inventory levels last winter in advance of the war in Iraq (top graph: square markers). While some argued for a strategic stock release, industry appeared generally comfortable with its stock position.

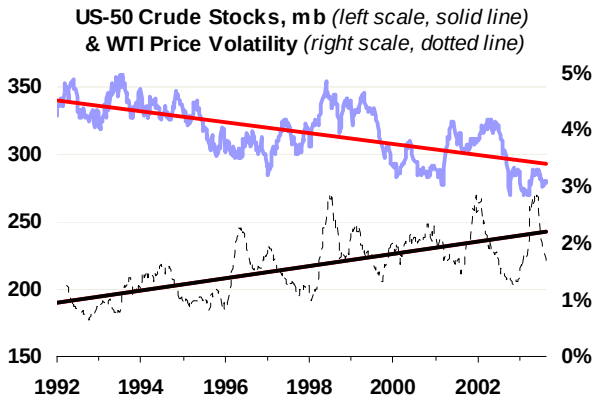


A number of structural factors have contributed to lower inventory holdings. New information technologies enhance logistic and scheduling abilities; refining and tank farm consolidations diminish storage requirements; advances in metering and tank construction reduce dead-stocks etc.



These developments are reinforced by the divestiture of integrated downstream assets; the lower credit and carrying positions of independent refiners and the ability of Wall Street to pressure industry segments based on indicators such as *"return on capital employed"*. At same time, increased US import dependency (3.5 mb/d) and demand growth (2.9 mb/d) over the 1992-2003 period should generate pressure for larger inventory holdings.

We may need to rethink what were previously considered to be minimum operating levels if industry is comfortable with lower stocks. Notwithstanding the answer to this reassessment, the continued strong correlation between stocks, prices and backwardation implies significant risks and costs associated with this development. Lower industry stocks contribute to higher average oil prices and increased market volatility: someone benefits and someone pays. In addition, low stocks promote increasingly steeper backwardation which distorts market behaviour. While industry cannot build stocks if producers withhold crude, low stocks contribute to backwardation and elevated backwardation contributes to even lower stocks.



In a period of increased import dependency and geopolitical uncertainty, reduced inventory levels expose the global economy to elevated risks associated with factors such as weather and even small supply disruptions. Lower effective spare production capacity, currently estimated at slightly above 1 mb/d, exacerbates this situation. These developments constitute a challenge even if some market participants are directionally more comfortable with, and benefit from, a more fragile balance.

DEMAND

Summary

- The forecast of global oil product demand is unchanged overall from last month's Report, at 78.39 mb/d for 2003 and 79.43 mb/d for 2004.

- The regional allocation of 2003 demand growth has been marginally adjusted. OECD demand has been revised downwards by 30 kb/d, reflecting mostly weaker-than-expected July deliveries in the region's largest economies. That was counterbalanced by stronger-than-expected apparent demand in China, where record-high cooling requirements and rapid economic recovery from the effects of the Severe Acute Respiratory Syndrome (SARS) outbreak boosted summer refinery throughputs and product imports.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change* (%)	Annual Change* (mb/d)	Changes from last month's Report (mb/d)
1Q02	77.1	-0.7	-0.5	-
2Q02	75.5	-0.2	-0.1	-
3Q02	76.9	0.9	0.7	-
4Q02	79.5	2.0	1.5	-
1Q03	79.3	2.8	2.2	-
2Q03	76.3	1.0	0.8	-
3Q03	77.8	1.2	0.9	-
4Q03	80.1	0.8	0.6	-
1Q04	79.8	0.6	0.5	0.1
2Q04	77.3	1.4	1.0	-0.2
3Q04	78.9	1.4	1.1	-
4Q04	81.6	1.9	1.5	-
2002	77.3	0.5	0.4	-
2003	78.4	1.4	1.1	-
2004	79.4	1.3	1.0	-

* year-on-year change

- The global demand curve for 2003 has been rebalanced to show a slightly deeper seasonal dip in second-quarter deliveries than previously estimated, as steeper-than-expected contraction in Latin America and India slowed down global consumption growth earlier this year. But global demand growth recovered faster than anticipated in the third quarter, led by soaring Chinese apparent demand.

Estimated Annual World Oil Demand Growth 1999-2004

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.17	0.31	0.37
Latin America	0.02	-0.01	0.02	-0.11	-0.14	0.06
FSU	-0.15	0.09	0.05	0.05	0.10	0.06
Europe	-0.15	-0.11	0.19	-0.18	0.13	0.13
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.21	-0.17
China	0.21	0.26	0.12	0.27	0.34	0.19
Other Asia	0.41	0.09	0.16	0.11	0.11	0.20
Subtotal, Asia	0.90	0.28	0.20	0.34	0.66	0.23
Middle East	0.04	0.18	0.19	0.12	0.01	0.16
Africa	0.11	0.05	0.09	0.02	0.04	0.04
World	1.48	0.73	0.67	0.41	1.12	1.04

- Revisions to the OECD demand curve buck the global trend. OECD demand for the second quarter has been raised by 100 kb/d from last month's Report, due in part to upward revisions in US gasoline demand for June, but lowered by 250 kb/d for the third quarter, reflecting reduced Japanese fuel-switching into oil for electricity generation and weak German heating oil deliveries in July. The fourth-quarter forecast has been left unchanged.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2003	2002	2003	2004	2002	2003	2004
North America	24.48	0.17	0.31	0.37	0.7	1.3	1.5
Europe	15.96	-0.18	0.13	0.13	-1.1	0.8	0.8
OECD Pacific	8.70	-0.04	0.21	-0.17	-0.5	2.4	-2.0
China	5.29	0.27	0.34	0.19	5.9	6.9	3.6
Other Asia	7.79	0.11	0.11	0.20	1.5	1.5	2.6
Subtotal Asia	21.78	0.34	0.66	0.23	1.6	3.1	1.0
FSU	3.85	0.05	0.10	0.06	1.3	2.6	1.5
Middle East	5.06	0.12	0.01	0.16	2.5	0.1	3.2
Africa	2.61	0.02	0.04	0.04	0.9	1.7	1.7
Latin America	4.64	-0.11	-0.14	0.06	-2.3	-2.9	1.2
World	78.39	0.41	1.12	1.04	0.5	1.4	1.3

- Preliminary delivery data for July suggest that demand contracted in the largest OECD economies for the first time in 11 months. The dip, which spanned the region, reflects in part last year's relatively robust deliveries in the same month, compounded by cool summer temperatures in Japan this year. Demand growth is thought to have resumed at a strong pace in August.

- Uncertainties about the pace and scope of economic recovery continue to cloud the outlook for global oil demand. While there are encouraging signs of a pick-up in the US economy, European economies are lagging and the global labour market remains soft. Soaring economic growth in China has renewed concerns about potential overheating and fuelled international pressure on Beijing to let its currency appreciate, which would make Chinese exports less competitive and allow Chinese economic growth to slow.

- Extreme weather patterns, ranging from exceptionally cold winter temperatures to droughts and unusually warm summer weather in parts of the Northern Hemisphere, have been a key driver of oil demand in recent months. While the weather is a proverbial wild card, swings in weather patterns could have a disproportionately large impact on oil demand in the near future given the potential supply constraints faced by alternate energy sources, including natural gas in the US, LNG in Korea and hydropower in Europe.

OECD

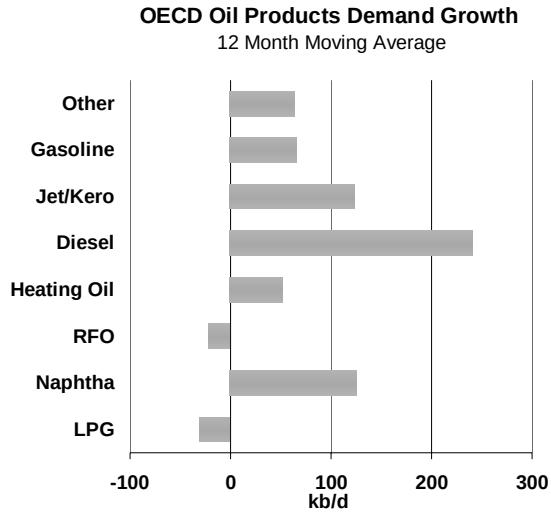
Early Indications of Current Demand

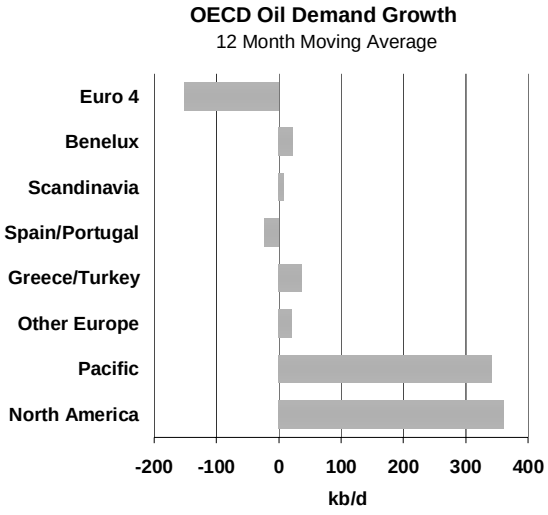
OECD oil demand grew by roughly 770 kb/d, or 1.7%, in June year-on-year. In both absolute and relative terms, the gain was in line with that posted in May. The Asia-Pacific region led the advance with 560 kb/d of incremental demand, as a protracted shortfall in Japanese nuclear power generation continued to cause large-scale fuel-switching into oil by Japanese utilities. Europe followed with a gain of 180 kb/d. North American demand inched higher by 30 kb/d.

The year-on-year increase was substantially larger than preliminary data for the largest OECD economies had indicated. Preliminary estimates of North American demand for June were revised upwards by 180 kb/d, as the assessment of US gasoline demand was raised by more than 190 kb/d. The estimate for Europe was boosted by 60 kb/d, but cut by 55 kb/d for the Asia-Pacific region. June assessments remain subject to revisions, as data for Canada, Italy, Spain, Belgium and Portugal had yet to be received at the time of writing.

In contrast, preliminary delivery data for July for the largest OECD economies point to weaker demand than forecast. While OECD demand growth had been expected to come to a temporary halt in July, reversing a spike in demand patterns at the same time last year, preliminary statistics indicate that demand actually fell by more than half a million barrels per day year-on-year in the largest OECD

economies, leading the region as a whole into contraction. For the most part, the downward adjustment from forecast levels stems from a sudden drop in incremental Japanese utility demand in July. This reflects not only reduced fuel switching requirements, following the restart of several previously idled nuclear units, but also, crucially, reduced electricity consumption amid unusually cool summer temperatures. German demand was also revised substantially lower, as heating oil deliveries remained depressed following robust sales in April and May.





While lower Japanese utility offtake was the main reason for the adjustment from forecast demand levels, unadjusted preliminary data for seven of the largest OECD economies show that the July year-on-year contraction spanned the entire OECD (see table below). Germany led the trend in both absolute and percentage terms, with inland deliveries contracting by 11%, or 290 kb/d, on the back of a 150 kb/d drop in heating oil. Japan followed with a contraction of 4%, or 200 kb/d, as incremental utility requirements for residual fuel oil failed to offset drops in demand for all other products. US demand shed 160 kb/d, or 0.8%.

Preliminary Inland Deliveries – July 2003[1]

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	9.19	0.5	1.65	-2.8	2.67	-1.4	0.86	-11.3	0.76	23.4	4.78	-3.2	19.91	-0.8
Mexico	0.61	6.5	0.06	3.8	0.31	8.2	0.00	na	0.41	-6.8	0.40	12.6	1.78	4.5
Japan	1.05	-4.7	0.29	-2.3	0.65	-5.9	0.45	-0.9	0.50	10.2	1.45	-8.7	4.39	-4.3
Korea	0.18	2.8	0.06	11.3	0.34	11.3	0.03	36.0	0.23	-11.7	1.01	2.7	1.86	2.8
France	0.32	-7.9	0.14	-1.8	0.67	0.1	0.28	-13.0	0.05	48.7	0.51	4.2	1.97	-1.6
Germany	0.63	-4.3	0.16	-2.3	0.60	-2.4	0.51	-23.5	0.11	-11.4	0.43	-15.0	2.44	-10.7
Italy	0.38	-4.9	0.08	5.8	0.48	3.9	0.08	-2.6	0.28	-8.8	0.43	0.8	1.74	-1.3
Total	12.35	-0.4	2.43	-1.2	5.71	-0.3	2.22	-12.1	2.34	7.6	9.03	-3.0	34.08	-1.5

Sources: US EIA, Statistics Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Broken down by product, the contraction also spanned the demand barrel. Heating oil deliveries led the decline, falling by 300 kb/d, due to sharply lower demand in Germany, where homeowners refilled residential tanks in May and June, and the US, where easing natural gas prices curbed fuel-switching from natural gas to heating oil by power generators and industrial users. Aggregate demand for "other products", a catch-all category comprising LPG, naphtha, and the narrower "other products' used in Monthly Oil Statistics (MOS) data, dropped by 275 kb/d. Deliveries of jet fuel/kerosene, gasoline and diesel showed milder declines.

Residual fuel oil demand bucked the declining trend. US deliveries rose steeply, as natural gas prices continued to justify fuel switching into residual fuel oil, even as they made distillates less competitive. In Asia, Japanese electric utilities continued to burn more residual fuel oil than last year to make up

for reduced nuclear power output, though the increment was smaller than in previous months. In France, utility burn of residual fuel oil rebounded as droughts curtailed both hydropower and nuclear power output, while in Italy increased utility demand continued to slow the ongoing contraction in residual fuel oil demand.

The July contraction in total OECD demand is expected to be temporary. Weekly US delivery data show that demand rebounded steeply in August, as warmer temperatures spurred residual fuel oil burn to meet electricity demand for cooling and air-conditioning. US demand for transportation fuels also gathered momentum, with gasoline deliveries soaring to a new record high. Meanwhile, a heat wave sweeping Western Europe fuelled record cooling demand in the first half of August, even as it further curtailed both hydropower and nuclear power output. Not only did record-high temperatures in the large economies of industrialised Europe boost residual fuel demand – alongside natural gas and coal demand – for power generation, but automotive fuel deliveries are also likely to have risen, as vehicle fuel efficiency drops in line with automobile air conditioning. Exceptionally warm weather during the peak summer driving demand season thus likely resulted in substantially higher European diesel and gasoline consumption.

Moving Annual Average Change in Oil Demand* – July 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	-2.7%	5.6%	1.2%	-0.2%	3.0%	7.2%	8.7%	-1.6%	1.2%	235
Canada**	3.8%	4.9%	2.3%	12.0%	1.4%	7.0%	3.8%	3.9%	4.0%	82
Mexico	-3.0%	31.0%	5.3%	0.9%	7.6%	6.6%	-10.9%	31.6%	1.9%	38
Japan	-0.5%	4.0%	1.5%	7.5%	-3.3%	3.1%	23.4%	19.4%	5.5%	288
Korea	2.1%	5.0%	-1.4%	8.0%	9.4%	4.3%	-2.8%	27.4%	3.1%	66
France	-1.7%	2.4%	-6.0%	7.2%	1.0%	-4.1%	-3.2%	3.1%	-0.8%	-15
Germany	0.1%	-2.6%	-4.9%	1.4%	3.8%	-4.4%	-0.9%	-22.6%	-2.7%	-75
Italy	0.4%	18.9%	-2.4%	11.9%	2.3%	0.2%	-16.0%	-1.4%	-2.9%	-56
UK	2.1%	60.5%	-6.1%	3.1%	3.3%	3.3%	-2.1%	-8.4%	-0.3%	-5
Total	**-1.4%**	**4.9%**	**0.5%**	**3.2%**	**2.5%**	**2.1%**	**1.3%**	**1.3%**	**1.4%**	**557**
kb/d	-57	123	71	110	144	75	42	49	557	

* defined as the percentage change between the demand average for the 12 months up to July and that of the same period a year earlier
** near-month data are estimated

Pacific

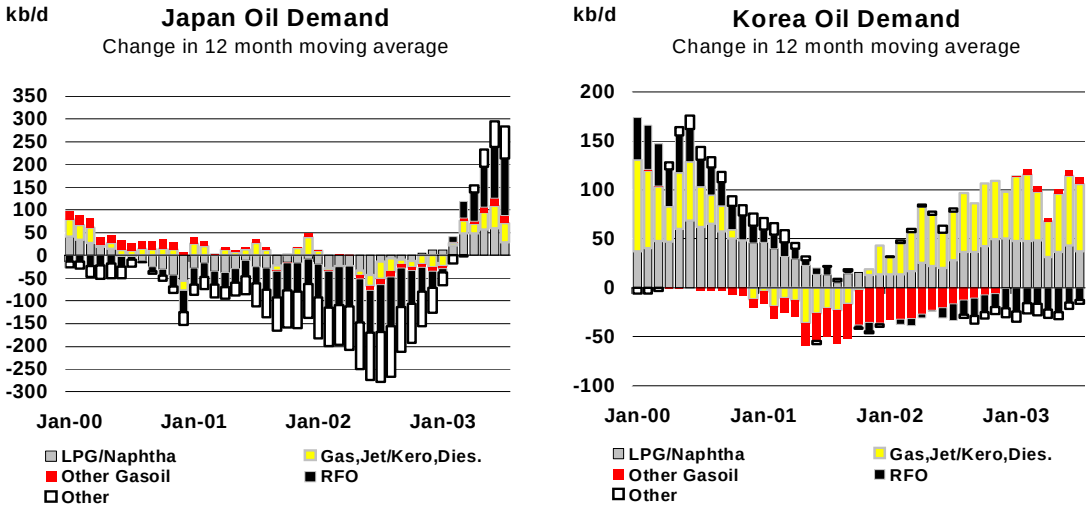
The Asia-Pacific region's role as a major driver of OECD demand growth appears to have run its course at the end of June. OECD Asian demand grew by around half a million barrels per day year-on-year from the fall of 2002 to mid-2003, with gains averaging 480 kb/d in the fourth quarter of last year, 550 kb/d in the first quarter of 2003 and 410 kb/d in the second quarter, peaking at 600 kb/d in May. In July, Asian demand swung into contraction of about 150 kb/d. Asian demand growth is expected to be about flat in the third quarter, leading to a 130 kb/d decline in the fourth quarter.

Demand growth in the first half of the year for the most part reflected a massive, but temporary, shortfall in Japanese nuclear power generation capacity, after a controversy surrounding safety inspection records forced Tokyo Electric Power Co. (Tepco) and other utilities to idle their boiling-water reactors. While Japanese utilities had been for several years switching out of oil for power generation, their efforts to make up for the loss temporarily reversed the trend. The shortfall in nuclear output was further compounded by colder-than-normal winter temperatures, which boosted heating demand in both Japan and Korea.

By July, however, Japanese utility demand had fallen to a fraction of the first-half average, reflecting the gradual restart of idled nuclear facilities; incremental Japanese demand for residual fuel oil and "other products", including heavy, sweet crude oil for direct burn by power plants, totalled less than 60 kb/d, from more than 300 kb/d on average in the first half. The gain was not enough to offset lower deliveries of other key products, leading aggregate Japanese demand to contract – by 3.9% - for the first time in 11 months. In contrast with 2002, summer temperatures were also relatively cool this year, limiting electricity demand for air-conditioning. In an indication to reduced domestic requirements, Japanese exports of residual fuel oil to China, after nearly vanishing in late 2002, reportedly resumed substantial levels in August. At the time of writing, seven of Tepco's 17 boiling-

water reactors had returned to service. On aggregate, Japanese nuclear power plants – including reactors of both the boiling-water and the pressurised-water types – were running at roughly 60% of the country's nameplate capacity as of early September.

Lower power generation demand has also allowed Japanese utilities to rebuild their LNG stocks, as supply ran ahead of consumption. Tepco's LNG procurements soared 34% in July year-on-year, to 2.02 million metric tonnes, but consumption contracted by 3%, to 1.64 million metric tonnes. Since LNG is cheaper than oil as boiler fuel for thermal power generation, an LNG inventory cushion reduces the potential for future oil use.



The contraction in Japanese demand in July occurred even as Korean demand slowed down markedly from the rapid pace of May and June. To a large extent, soaring Korean deliveries at the end of the second quarter marked "borrowed" demand ahead of a new consumption tax on oil products. Demand growth slowed after the tax was implemented in July.

Considerable uncertainty surrounds the outlook for Korean winter demand. Earlier this year, state-owned LNG importer Korea Gas (Kogas) secured substantial spot and short-term contract LNG supplies for the coming winter season, with nearly one third of its contracted winter intake reportedly coming from Malaysia LNG's new Tiga facility and Indonesia's Arun LNG. Assuming normal winter temperatures, this appeared to set the stage for reduced residual fuel oil demand from the power sector. However, a fire shut down Malaysia LNG's 3.4 million ton per year Tiga Train 1 on 16 August, followed on 27-28 August by a fire at fields that feed Indonesia's Arun complex. At the time of writing, Malaysian Petronas reportedly had yet to indicate the prospects for Tiga output, while Indonesian regulator BP Migas had not given buyers word of how supplies may be affected by the Arun fire, beyond declaring immediate *force majeure* on shipments to Kogas and Tepco. While Indonesian output may recover soon, it might not be enough to make up for a potential protracted disruption of Malaysian supply.

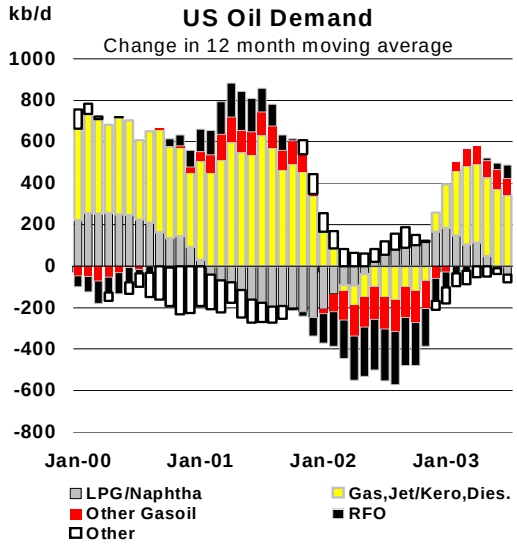
Although both Japan and Korea receive supplies from Tiga and Arun, the impact on Korea is expected to be more severe. Both Tepco and Japanese utility Tohoku Electric reportedly have already taken delivery of many of their contracted cargoes from Tiga and Arun, and were not scheduled to receive any additional supplies from those facilities until next year. Kogas has received only a fraction of its contracted volume so far. Depending on the prospect for Malaysian and Indonesian LNG output, and on Kogas' success in securing alternate LNG supplies if needed, Korea might once again have to rely on its oil-fired power generation to meet winter heating demand.

North America

North American demand growth slowed to roughly 50 kb/d in the second quarter, after soaring by 630 kb/d in the first quarter and 590 kb/d in the fourth quarter of 2002. In July, demand swung into mild contraction of 60 kb/d year-on-year, reversing June's 30 kb/d increase, as US demand declined for the third consecutive month. However, US demand rebounded in August and looks set to expand further for the remainder of the year.

Weak US consumption reflects a combination of factors, including depressed industrial activity and relatively cool summer temperatures. In addition, a natural gas rally earlier this year has caused a shortfall in LPG output, and therefore consumption, as more liquids were left in the gas stream. In the "shoulder" period between the winter heating and the summer cooling demand season, the shortfall in LPG deliveries more than offset incremental natural-gas-to-oil switching by electric utilities and industrial users. This was clearly the case in May and June, when US LPG demand contracted by 410 kb/d and 390 kb/d, respectively, year-on-year, leading to total product demand contraction of 450 kb/d and 110 kb/d.

By August, the factors driving US demand contraction had begun to reverse. Natural gas prices had eased, reflecting exceptionally large builds in underground natural gas storage since mid-May. At the time of writing, working gas in storage stood at 2,389 Bcf, or 392 Bcf lower than last year, and 175 Bcf below the five-year average of 2,564 Bcf. Natural gas reserves are now widely expected to reach 3 Tcf by end-October, enough to meet normal winter heating demand. Although LPG delivery data for July and August have yet to be released, the steep rate of contraction of May and June is expected to have eased in July and August.



Meanwhile, summer temperatures rose in August, boosting cooling demand. While lower natural gas prices discouraged natural-gas-to-heating-oil fuel switching in July and August, gas prices remained robust enough to keep residual fuel oil competitive as boiler fuel. Preliminary delivery data show that year-on-year growth in US residual fuel oil demand jumped from 20 kb/d in June and 140 kb/d in July to 310 kb/d in August, more than offsetting an apparent contraction in heating oil demand. Manufacturing activity is on the rebound, further supporting industrial demand for residual fuel oil.

Record-high gasoline demand further contributed to the rebound in US total demand in August. Preliminary weekly data show that gasoline deliveries soared by 1.2%, or 115 kb/d, in August, to a monthly record of 9.43 mb/d. Upward revisions to prior demand estimates suggest that demand inched higher by 0.5% or 40 kb/d in July, following growth of 0.3%, or 20 kb/d, in the second quarter.

Although rapid natural gas re-injections into storage have put to rest early concerns about the adequacy of pre-winter natural gas reserves, domestic natural gas supply remains constrained and market participants expect gas prices to remain relatively firm in the near future. While LNG supply availability and US imports are growing, infrastructure constraints cap the potential for short-term gains. This clearly would magnify the impact of a cold winter on US oil demand.

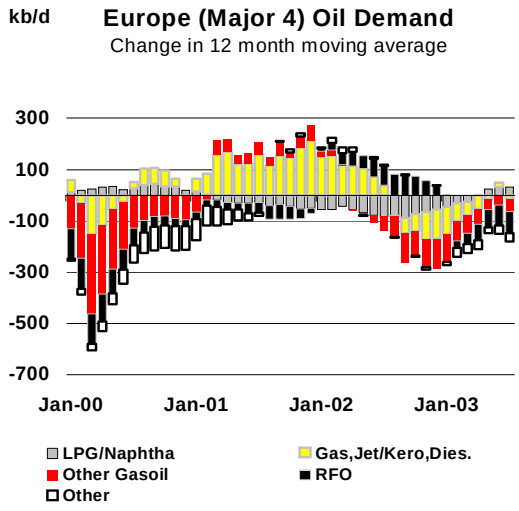
Europe

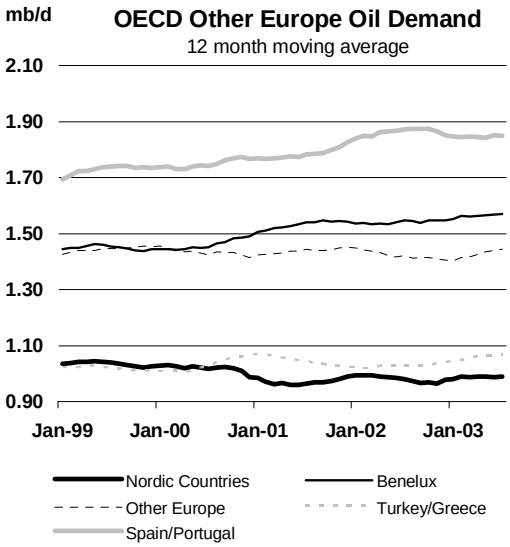
European demand dipped into contraction in July alongside that for North America and Asia. Reversing June's gain, aggregate demand fell by an estimated 230 kb/d year-on-year. Preliminary data suggest the drop was more pronounced in the four largest regional economies, with Germany alone accounting for 290 kb/d of decline. However, as in Asia and North America, the European contraction is expected to prove short-lived, with deliveries rebounding in August.

Heating oil bore the brunt of the July decline, falling by an estimated 210 kb/d in the four largest economies, including 150 kb/d in Germany. Gasoline demand fell by an aggregated 80 kb/d, more than offsetting a 20 kb/d gain in diesel. Demand in the broad "other product" category fell by 60 kb/d. Jet fuel/kerosene and residual fuel oil deliveries were flat.

To a large extent, the drop in German heating oil deliveries can be seen as protracted pay-back from "borrowed" demand in April and May, when deliveries soared by 70 kb/d and 180 kb/d year-on-year. Stripping out that factor, European demand looks substantially stronger. Record-hot temperatures in much of Western Europe throughout the first half of August and beyond will likely translate into stronger demand growth, as high temperatures and drought curtailed hydropower and nuclear power generation, while also boosting cooling and air-conditioning requirements. Automotive fuel demand may also reflect higher reliance on automobile air conditioning.

Low hydropower generation capacity will remain a concern heading into winter, notably in Scandinavia, where depleted reservoirs undermined hydropower generation and boosted fuel demand from thermal power plants last winter. At the time of writing, Norwegian and Swedish hydropower reservoirs had started to rise after heavy rains across the Nordic region, but remained far below normal for the time of year. Hydropower availability remained depressed elsewhere in Western Europe, notably Italy and France. In July, French residual fuel oil demand for power generation increased more than four-fold, from roughly 5 kb/d in 2002 to 23 kb/d, to meet heightened electricity demand and make up for reduced hydropower and nuclear power output. The gain was likely even greater in August. Should hydropower constraints persist, the effect of a potential cold snap this winter on oil demand would be correspondingly greater





Non-OECD

Indian demand swung back into growth in June, rising by 5.2%, or 120 kb/d, year-on-year, after three months of contraction. Despite robust economic expansion, oil demand had been surprisingly weak in April and May, undermined by a trucker's strike in the spring, precautionary stock building earlier in the year and "borrowed" demand ahead of an oil tax increase announced in February.

The June rebound was led by a 7%, or 50 kb/d, increase in unadjusted deliveries of road diesel, the mainstay of Indian demand. Gasoline demand rose by 13%, or 20 kb/d. Demand for residual fuel oil and asphalt rose by 15 kb/d and 10 kb/d, respectively. The recovery brings the second-quarter contraction in Indian demand to 2%, following growth of 1.4% in the first quarter.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	3Q02	4Q02	1Q02	2Q03	Apr 03	May 03	Jun 03	Latest month vs. May 03	Latest month vs. Jun 02
Net Imports/(Exports) of:											
Crude Oil	**1604**	**na**	**1872**	**1643**	**1752**	**1957**	**1877**	**2144**	**1843**	**-301**	**56**
(by Public Oil Cos)	**934**	**1088**	**1235**	**1108**	**1137**	**1317**	**1328**	**1412**	**1209**	**-203**	**59**
Products & Feedstocks	**-28**	**-83**	**-138**	**4**	**-125**	**-190**	**-121**	**-168**	**-280**	**-112**	**-129**
Gasoil/Diesel	-54	-53	-76	-35	-113	-121	-77	-108	-178	-70	-134
Gasoline	-20	-48	-57	-45	-66	-71	-70	-71	-71	0	-23
Heavy Fuel Oil	22	6	8	2	-10	20	33	11	17	6	14
LPG	20	22	8	52	75	28	38	25	22	-3	14
Naphtha	9	4	-5	24	13	-43	-54	-24	-52	-28	-30
Jet & Kerosene	29	10	5	8	-14	-3	15	-1	-23	-22	-17
Other	-34	-23	-22	-2	-11	0	-5	0	4	4	46
Total	**1576**	**1005**	**1734**	**1647**	**1627**	**1767**	**1755**	**1976**	**1563**	**-414**	**565**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2002 are not available. For 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

China

Apparent Chinese demand, defined as the sum of domestic product output and net product imports, soared to a record high 5.59 mb/d in July, according to preliminary adjusted data from the National Bureau of Statistics of China. That marked a 19.4% jump year-on-year, extending a 7.6% increase in June apparent demand, to 5.14 mb/d. Data on refining activity from the China Petroleum and Chemical Industry Association (CPCIA), which are used in OMR estimates, and detailed export and import statistics had yet to be made available for June and July at the time of writing, so demand estimates for both months remain subject to revisions.

China Crude & Product Trade

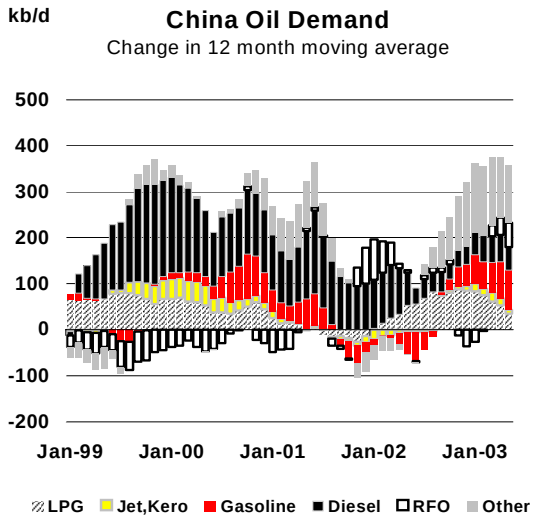
(thousand barrels per day)

	2001	2002	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Latest month vs. Jun03	Latest month vs. Jul 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1377**	**1192**	**1652**	**1556**	**1258**	**1772**	**1477**	**-296**	**153**
Products & Feedstocks	**329**	**361**	**422**	**373**	**320**	**408**	**460**	**459**	**561**	**102**	**184**
Gasoil/Diesel	0	-16	-8	-41	-31	-32	-29	-43	-50	-7	-43
Gasoline	-134	-142	-183	-152	-173	-191	-162	-260	-183	77	14
Heavy Fuel Oil	313	281	344	336	334	401	426	492	545	53	180
LPG	155	197	216	189	184	209	177	265	222	-44	48
Naphtha	-19	-16	-15	-15	-16	-25	11	-46	-21	26	-1
Jet & Kerosene	8	9	6	23	-11	4	-18	8	-4	-12	-9
Other	5	48	62	32	32	43	54	43	51	8	-5
Total	**1372**	**1609**	**1799**	**1565**	**1972**	**1965**	**1718**	**2231**	**2038**	**-194**	**337**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

Preliminary estimates for June and July suggest a striking recovery from the dip that followed the SARS outbreak in May, when Chinese apparent demand contracted by less than 1%. July assessments of both refinery throughputs and gross product imports mark record monthly highs.

The strength in product imports was particularly evident in residual fuel oil, with net imports setting three record highs in succession in May, June and July, at 430 kb/d, 490 kb/d and 550 kb/d. Although growth in Chinese residual fuel imports over the last few years has stemmed in part from lower domestic production, as refiners sought to boost lighter product yields, July residual fuel oil output was also exceptionally strong. Soaring apparent demand for residual fuel oil appears consistent with record-high electricity demand, notably in the south and southeast coastal areas, where oil-fired power plants were reportedly running a full capacity. The demand strength reflects both the resilience of the Chinese economy in the wake of the SARS outbreak and exceptionally hot summer temperatures. With tens of thousands of new air-conditioned office and housing units being built in large cities across China, oil demand sensitivity to hot weather is on the rise. Due to the construction boom, some of this year's incremental cooling demand will be retained next year, even in the event of a cooler summer.



Gasoline net exports of 260 kb/d reached another record high in June on the back of high domestic output and strong export prices, but receded in July. In the past, spikes in Chinese apparent demand have often been followed by a period of contraction, as refiners cut back on runs to run down product inventory builds. But while apparent demand is forecast to retreat from July peaks in the remainder of the year, the decrease is expected to remain relatively modest. Despite record-high throughputs in July, there were no reports of substantial product builds, at least at the storage facilities of China's major refiners, Sinopec and PetroChina. After rising initially in early August, diesel and gasoline inventories at PetroChina's Northeast refineries reportedly fell back at end-month to historic low levels of 450,000 tonnes and 460,000 tonnes, respectively. However, residual fuel oil tanks in the Southeast were said to be full, setting the stage for reduced imports.

Summary of Global Oil Demand

	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.04	24.34	24.35	24.17	24.56	24.09	24.61	24.65	24.48	24.81	24.44	25.01	25.13	24.85
Europe	15.26	15.14	14.62	15.17	15.34	15.07	15.19	14.93	15.18	15.47	15.19	15.27	15.01	15.27	15.67	15.30
Pacific	8.54	9.06	7.64	8.03	9.26	8.49	9.60	8.04	8.05	9.13	8.70	9.23	7.82	8.01	9.07	8.53
Total OECD	47.80	48.13	46.30	47.54	48.95	47.73	49.36	47.06	47.84	49.24	48.37	49.31	47.26	48.29	49.87	48.68
FSU	3.71	3.73	3.39	3.64	4.26	3.76	4.00	3.41	3.73	4.28	3.85	4.11	3.47	3.74	4.31	3.91
Europe	0.75	0.81	0.75	0.70	0.76	0.75	0.82	0.76	0.71	0.77	0.77	0.84	0.78	0.73	0.79	0.78
China	4.67	4.64	5.02	4.94	5.20	4.95	5.21	5.20	5.42	5.33	5.29	5.33	5.39	5.55	5.65	5.48
Other Asia	7.57	7.53	7.69	7.61	7.87	7.68	7.69	7.67	7.75	8.06	7.79	7.86	7.90	7.95	8.28	8.00
Latin America	4.89	4.72	4.81	4.86	4.72	4.77	4.46	4.63	4.77	4.68	4.64	4.50	4.69	4.83	4.75	4.69
Middle East	4.93	5.01	4.95	5.13	5.13	5.06	5.13	4.92	5.08	5.11	5.06	5.18	5.15	5.26	5.30	5.23
Africa	2.55	2.58	2.59	2.51	2.60	2.57	2.63	2.63	2.55	2.64	2.61	2.67	2.68	2.59	2.69	2.66
Total Non-OECD	29.06	29.02	29.19	29.38	30.54	29.54	29.94	29.21	30.01	30.88	30.01	30.50	30.06	30.65	31.77	30.75
World	76.86	77.15	75.49	76.93	79.49	77.27	79.30	76.28	77.85	80.12	78.39	79.80	77.32	78.94	81.64	79.43
Of which:																
US	*19.65*	*19.53*	*19.72*	*19.92*	*19.87*	*19.76*	*20.01*	*19.60*	*20.09*	*20.09*	*19.95*	*20.30*	*19.96*	*20.45*	*20.52*	*20.31*
Euro 4	*8.43*	*8.35*	*7.99*	*8.38*	*8.27*	*8.25*	*8.21*	*8.15*	*8.28*	*8.29*	*8.23*	*8.28*	*8.12*	*8.26*	*8.36*	*8.26*
Japan	*5.39*	*5.68*	*4.62*	*5.03*	*5.87*	*5.30*	*6.19*	*4.99*	*5.02*	*5.71*	*5.48*	*5.83*	*4.72*	*4.91*	*5.64*	*5.27*
Korea	*2.13*	*2.35*	*1.99*	*2.01*	*2.37*	*2.18*	*2.41*	*2.03*	*2.02*	*2.39*	*2.21*	*2.36*	*2.05*	*2.07*	*2.38*	*2.22*
Mexico	*1.99*	*1.99*	*1.98*	*1.97*	*1.98*	*1.98*	*2.02*	*2.07*	*2.05*	*2.04*	*2.05*	*2.02*	*2.05*	*2.06*	*2.08*	*2.05*
Canada	*2.04*	*2.07*	*2.04*	*2.13*	*2.16*	*2.10*	*2.17*	*2.11*	*2.15*	*2.17*	*2.15*	*2.12*	*2.10*	*2.16*	*2.18*	*2.14*
Brazil	*2.20*	*2.15*	*2.16*	*2.22*	*2.19*	*2.18*	*2.00*	*2.06*	*2.15*	*2.14*	*2.09*	*2.01*	*2.08*	*2.18*	*2.16*	*2.11*
India	*2.27*	*2.30*	*2.30*	*2.20*	*2.33*	*2.28*	*2.33*	*2.25*	*2.26*	*2.40*	*2.31*	*2.40*	*2.32*	*2.33*	*2.49*	*2.39*
Annual Change (% per annum)																
North America	-0.2	-1.7	0.8	1.1	2.5	0.7	2.6	0.2	1.1	1.2	1.3	1.0	1.4	1.6	1.9	1.5
Europe	1.0	-0.4	-1.0	-2.1	-1.5	-1.2	0.3	2.1	0.1	0.8	0.8	0.5	0.5	0.6	1.3	0.7
Pacific	-0.9	-3.6	-4.1	0.1	5.4	-0.5	6.0	5.3	0.2	-1.4	2.4	-3.9	-2.8	-0.5	-0.6	-2.0
Total OECD	0.0	-1.6	-0.6	-0.1	1.7	-0.1	2.6	1.7	0.6	0.6	1.3	-0.1	0.4	0.9	1.3	0.6
FSU	1.3	0.2	-0.8	3.1	2.5	1.3	7.1	0.6	2.4	0.4	2.6	2.8	2.0	0.3	0.8	1.5
Europe	6.0	0.8	1.1	1.4	1.5	1.2	1.8	1.5	1.6	1.7	1.6	1.8	1.9	2.0	2.2	2.0
China	2.5	3.9	1.1	9.7	9.0	5.9	12.3	3.6	9.8	2.5	6.9	2.4	3.8	2.3	6.1	3.6
Other Asia	2.1	0.3	1.6	1.8	2.1	1.5	2.1	-0.3	1.8	2.4	1.5	2.1	3.0	2.6	2.7	2.6
Latin America	0.4	-1.3	-2.9	-1.9	-3.1	-2.3	-5.4	-3.7	-1.7	-0.8	-2.9	0.9	1.3	1.3	1.4	1.2
Middle East	4.0	2.5	2.4	2.4	2.6	2.5	2.4	-0.6	-1.0	-0.3	0.1	1.0	4.6	3.7	3.7	3.2
Africa	3.5	0.0	0.5	2.2	1.0	0.9	2.1	1.7	1.5	1.5	1.7	1.7	1.7	1.8	1.8	1.7
Total Non-OECD	2.3	1.0	0.5	2.7	2.4	1.6	3.2	0.1	2.1	1.1	1.6	1.8	2.9	2.2	2.9	2.4
World	0.9	-0.7	-0.2	0.9	2.0	0.5	2.8	1.0	1.2	0.8	1.4	0.6	1.4	1.4	1.9	1.3
Annual Change (mb/d)																
North America	-0.06	-0.40	0.19	0.27	0.59	0.17	0.63	0.05	0.27	0.30	0.31	0.24	0.34	0.39	0.48	0.37
Europe	0.15	-0.06	-0.14	-0.33	-0.23	-0.19	0.05	0.30	0.01	0.13	0.12	0.08	0.08	0.10	0.20	0.11
Pacific	-0.08	-0.34	-0.33	0.00	0.48	-0.04	0.55	0.41	0.02	-0.13	0.21	-0.37	-0.23	-0.04	-0.06	-0.17
Total OECD	0.02	-0.80	-0.28	-0.06	0.84	-0.07	1.23	0.76	0.29	0.30	0.64	-0.05	0.20	0.45	0.62	0.31
FSU	0.05	0.01	-0.03	0.11	0.10	0.05	0.26	0.02	0.09	0.02	0.10	0.11	0.07	0.01	0.03	0.06
Europe	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02
China	0.12	0.17	0.05	0.44	0.43	0.27	0.57	0.18	0.49	0.13	0.34	0.13	0.19	0.13	0.33	0.19
Other Asia	0.16	0.02	0.12	0.14	0.16	0.11	0.16	-0.03	0.14	0.19	0.11	0.16	0.23	0.20	0.22	0.20
Latin America	0.02	-0.06	-0.14	-0.10	-0.15	-0.11	-0.25	-0.18	-0.08	-0.04	-0.14	0.04	0.06	0.06	0.07	0.06
Middle East	0.19	0.12	0.12	0.12	0.13	0.12	0.12	-0.03	-0.05	-0.01	0.01	0.05	0.23	0.19	0.19	0.16
Africa	0.09	0.00	0.01	0.05	0.03	0.02	0.06	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.04
Total Non-OECD	0.65	0.27	0.14	0.77	0.71	0.48	0.93	0.03	0.62	0.34	0.48	0.55	0.84	0.65	0.90	0.73
World	0.67	-0.52	-0.13	0.71	1.55	0.41	2.16	0.79	0.92	0.63	1.12	0.50	1.04	1.10	1.52	1.04
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	0.09	0.01	-	0.02	-	0.10	0.05	-	0.04
Europe	-	-	-	-	-	-	0.01	0.03	-0.08	-	-0.01	0.01	0.04	-0.04	-	-
Pacific	-	-	-	-	-	-	-	-0.02	-0.18	-	-0.05	-	-0.03	-0.08	0.03	-0.02
Total OECD	-	-	-	-	-	-	0.01	0.10	-0.25	-	-0.03	0.01	0.12	-0.06	0.03	0.02
FSU	-	-	-	-	-	-	-	-0.06	-0.02	-	-0.02	-	-0.04	-0.02	-	-0.02
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	0.05	0.34	0.02	0.10	0.07	-0.11	0.12	0.05	0.03
Other Asia	-	-	-	-	-	-	-	-0.08	-	-	-0.02	-	-0.08	-	-	-0.02
Latin America	-	-	-	-	-	-	-0.02	-0.05	-0.03	-0.01	-0.03	-0.02	-0.05	-0.03	-0.01	-0.03
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-0.02	-0.14	0.30	0.01	0.04	0.06	-0.29	0.08	0.04	-0.03
World	-	-	-	-	-	-	-0.01	-0.04	0.06	0.01	-	0.07	-0.17	0.02	0.07	-

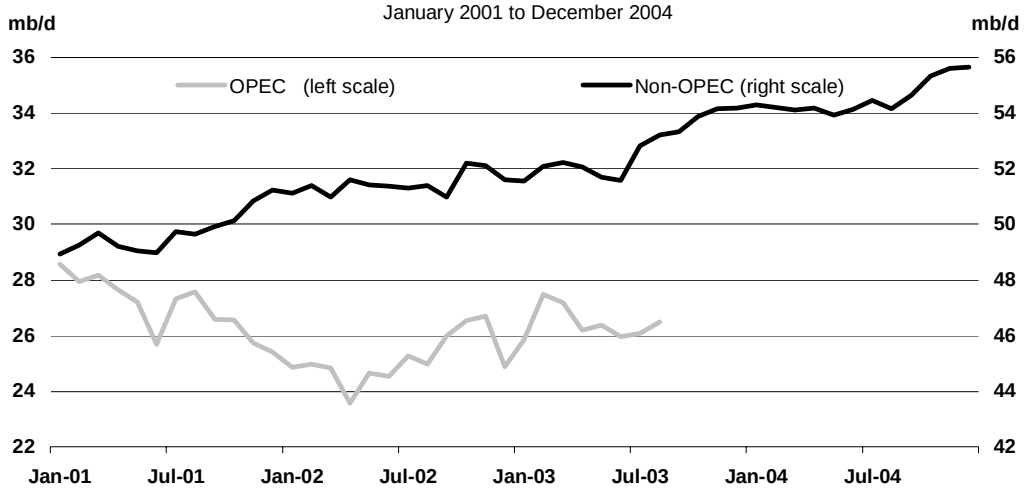
SUPPLY

Summary

- **World oil production** increased by 798 kb/d in August to 79.69 mb/d. The rise in production was split fairly evenly between OPEC crude which accounted for 415 kb/d, and non-OPEC supply plus OPEC NGLs/non-conventional which rose 383 kb/d.
- A year-on-year comparison showed non-OPEC production 1.59 mb/d above 2002, with the former Soviet Union accounting for 946 kb/d of this growth. OPEC NGL and non-conventional supply was up by 218 kb/d while OPEC crude averaged 1.51 mb/d higher than year-ago levels.
- **Non-OPEC's 289 kb/d rise in August** versus July derived primarily from the former Soviet Union (Kazakhstan and Russia) and to a lesser extent from China and Africa. Increases in the latter included new field production, while those from China and the FSU represented recovery from July outages of both a planned and unplanned nature.
- Total **OPEC crude supply** averaged 26.50 mb/d in August compared to 26.08 mb/d in July. Iraq accounted for 390 kb/d of this increase with other members producing within 50 kb/d of July levels. However, Nigerian, UAE and Qatari production rose slightly while modest declines were recorded in Iran and Saudi Arabia. Venezuelan conventional production stabilised at 2.25 mb/d after two months of decline.
- Production from the **OPEC-10** rose 25 kb/d to 25.45 mb/d, again remaining close to their 25.4 mb/d target of 1 June. As was the case last month, continued under-production versus target from Indonesia and Venezuela was countered by over-production elsewhere, notably from Algeria and Saudi Arabia.
- OPEC ministers will meet in Vienna on 24 September. Prices for the OPEC basket remained above $28/bbl for most of August, but have now fallen below that threshold. This has lessened the likelihood of calls for OPEC to increase production in the face of prices persistently above $28/bbl. On the other hand, progress in re-instating Iraqi exports north via Turkey remains slow. Sources within both OPEC and the market suggest that quotas will likely remain unchanged for now.
- The **"call on OPEC crude plus stock change"** has been revised down 100 kb/d for both 2003 and 2004, due to non-OPEC supply changes this year, and these plus demand revisions impacting on the call in 2004. Reductions are concentrated in 3Q and 4Q 2003 and in 2Q and 4Q 2004. The call should nevertheless rise to 26 mb/d by end-2003. However, it declines by 800 kb/d for 2004, averaging 24.9 mb/d versus this year's 25.7 mb/d, 2Q 2004 representing a low at 23.2 mb/d.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2001 to December 2004



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

All world oil supply figures for August discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska, Russia and Vietnam are supported by preliminary August crude supply data.

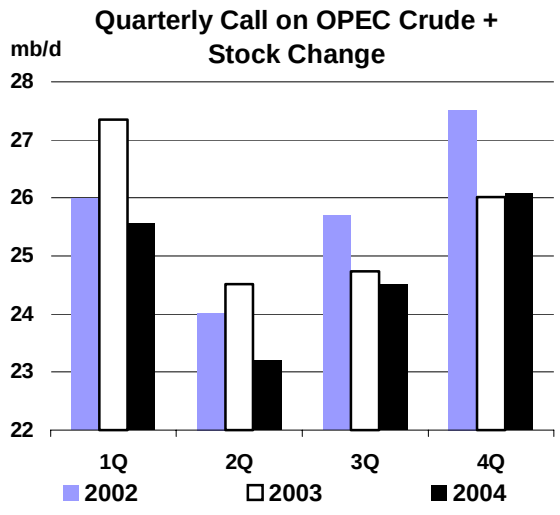
Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

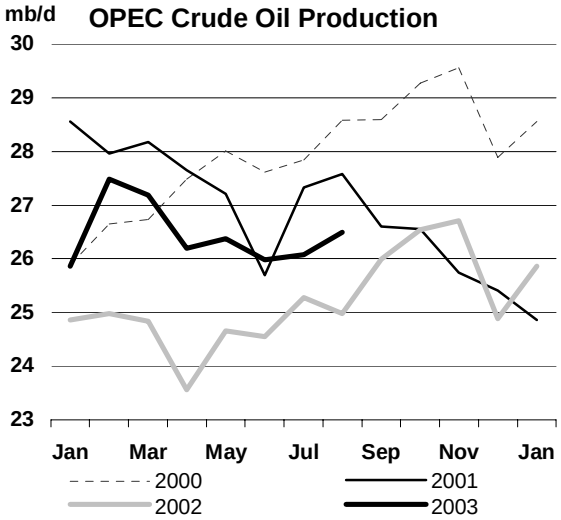
OPEC

OPEC crude production increased by an estimated 415 kb/d in August, with Iraq accounting for 390 kb/d of the rise. Other producers generally held close to July production levels, with the result that OPEC-10 production (excluding Iraq) remained at around the 25.4 mb/d target in place since 1 June. As was the case last month however, Venezuela and Indonesia produced well below target, but Algeria and Saudi Arabia in particular are thought to have produced well in excess of individual quotas.

Prices for the OPEC basket remained above $28/bbl for much of August in light of low OECD crude and products stocks and uncertain Iraqi export prospects. Crucially however, prices dipped below $28/bbl on 19 August and again in early September. This is likely to mitigate against any change in target production levels at the 24 September OPEC ministerial conference in Vienna. Originally it was thought the meeting might consider cuts in output in the event of rising Iraqi exports. However, price strength through August raised the possibility, on paper at least, that 20 straight days of prices above $28/bbl would force the Organisation instead to consider raising target production levels. But recently officials from Saudi Arabia, Kuwait and Venezuela have all signalled that a roll-over of existing quotas is the most likely outcome. Despite tight stocks, the potential dip in the call on OPEC expected for 2004 may be dissuading it from increasing production officially now, with the belief that this would make reining-in production again later more difficult.

Ministers will reportedly be presented in Vienna with a study on the parameters to be considered when deciding upon future changes to production quotas. These are reported to include oil reserves, past and present production levels, domestic oil consumption and per capita oil income. Decisions on the level or allocation of new targets are however unlikely at this meeting and indeed the subject may be deferred until Iraqi production has recovered to pre-war levels. However, Algeria is expected to renew its demand for a substantial quota increase. There is uncertainty surrounding whether Iraq's new oil minister, Ibrahim Bahr al-Uloum, will attend the meeting.



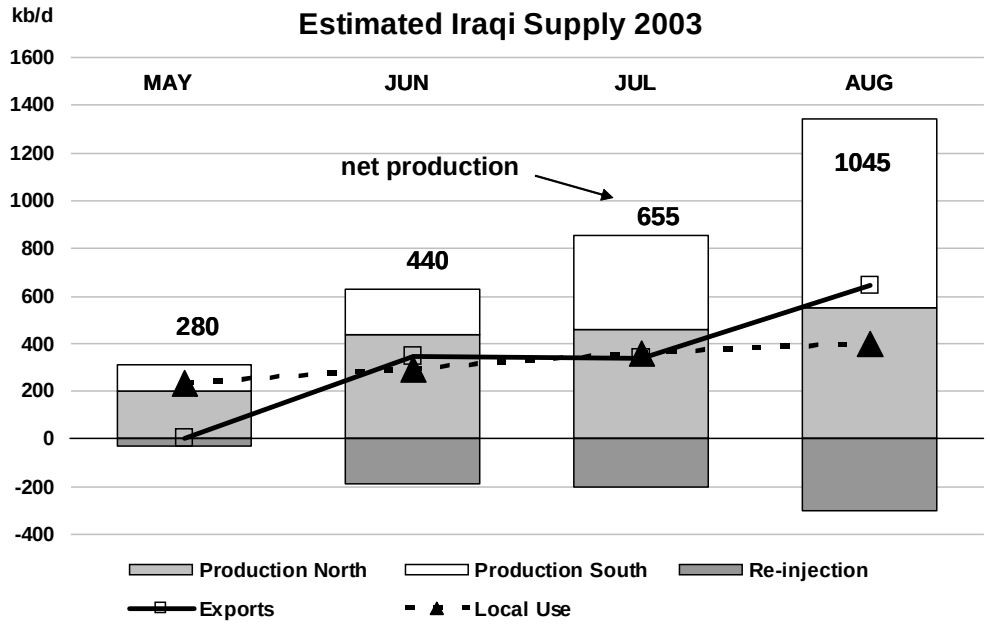


Notwithstanding a potentially weaknening market when Iraqi exports recover on a sustained basis, supply-side "cover" at present, in the event of further supply disruptions, remains tight. OECD crude and products stocks are at 5 year lows, and OPEC spare capacity is limited. At the time of writing, security concerns persist in Iraq and a date for renewed pipeline deliveries to Turkey remains uncertain. Unrest in Nigeria appears to be escalating and Venezuelan production, though stable in August, may have peaked in May. Spare capacity in OPEC outside Iraq stands at 1.90 mb/d.

However, the concept of spare capacity at present for Venezuela, Nigeria and Indonesia can probably be discounted given ongoing production constraints in those countries. This leaves 1.3 mb/d of spare capacity available short term *(*within 30 days), 70% of which is held by Saudi Arabia.

Iraqi production net of crude re-injected into northern reservoirs averaged 1.05 mb/d in August. Production and exports from the south of the country proved highly susceptible to power outages. As a result, southern production fluctuated in a 0.35-1.20 mb/d range but averaged 795 kb/d, nearly double July levels. Exports of southern Basrah light crude from Mina al-Bakr in August averaged close to target levels of 645 kb/d, although this included a couple of cargo loadings delayed from July. Exports of 800-900 kb/d from Mina al-Bakr are targeted for September, power supply permitting.

Northern production recommenced more quickly after the war, but a lack of progress in reinstating exports via pipeline to Ceyhan in Turkey is reflected by relatively modest production increases since June. August production from northern fields around Kirkuk averaged 550 kb/d gross but a lack of outlets for the crude led to 300 kb/d being re-injected to reservoirs after gasses had been stripped out. The pipeline to Ceyhan did operate for a couple of days on a test basis just prior to mid-month before being disrupted again by fire. Subsequent repairs allowed further test volumes to be pumped north around 23/24 August but this was followed by further damage. Work on the main export pipeline was due to be completed by 4 September but the impact of explosions on lines feeding into the main export line from the oilfields was still preventing shipments at the time of writing. Around 1.5 mb of crude is believed held currently in storage at Ceyhan (which has capacity of between 8-9 mb). Reports at mid-August however suggested that liftings from Ceyhan would not commence until more oil was held in storage. With initial flows on the pipeline likely restricted to 300 kb/d, it could take up to three weeks from the re-start of pipeline deliveries before regular exports from Ceyhan can recommence. Sustaining these modest volumes, let alone a planned expansion to 800 kb/d by end-year, remains dependent upon the problem of pipeline sabotage being successfully tackled.



Despite declines in production from western fields in June and July, **Venezuela** is thought to have stabilised production in August around 2.25 mb/d (excluding upgraded Orinoco crude). Reports of continued decline in August do not appear to be borne out either by evidence gleaned from shipping sources, or by production reports from former PDVSA employees. Both sources indicate a flat production trend in August compared to July.

Despite claims from the government that exports, notably to the US, in recent months were being sustained, there remains concern that production may now indeed be on a declining trend. Recent reports have highlighted that exploration and maintenance activity lags the levels necessary to sustain production, let alone increase it further. Shortages of investment and adequately trained staff may see hefty natural decline rates (in excess of 20%) in western fields come to the fore. The government is

taking steps to encourage an influx of foreign capital to develop new fields. Nevertheless, with a petition submitted in August calling for a referendum on President Chavez' government, political uncertainty may continue to stall greater foreign company involvement.

OPEC Crude Production

(million barrels per day)

	1 June 2003 Target	August 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs August 2003 Production	Production vs. Target
Algeria	0.81	1.13	1.20	0.07	0.32
Indonesia	1.32	1.00	1.18	0.18	-0.32
Iran	3.73	3.71	3.75	0.04	-0.02
Kuwait[2]	2.04	2.08	2.25	0.17	0.04
Libya	1.36	1.42	1.45	0.04	0.05
Nigeria	2.09	2.18	2.50	0.33	0.08
Qatar	0.66	0.73	0.77	0.04	0.07
Saudi Arabia[2, 3]	8.26	8.62	9.50	0.88	0.37
UAE	2.22	2.34	2.40	0.07	0.12
Venezuela[4]	2.92	2.25	2.35	0.10	-0.67
Subtotal	**25.40**	**25.45**	**27.35**	**1.90**	**0.05**
excl. Venezuela				*1.80*	*0.72*
Iraq[5]		1.05	2.80	1.76	
Total		**26.49**	**30.15**	**3.65**	

1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone production
3. Saudi Arabia's capacity can reach 10.5 mb/d within 90 days
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in August
5. Iraqi capacity represents pre-war estimate

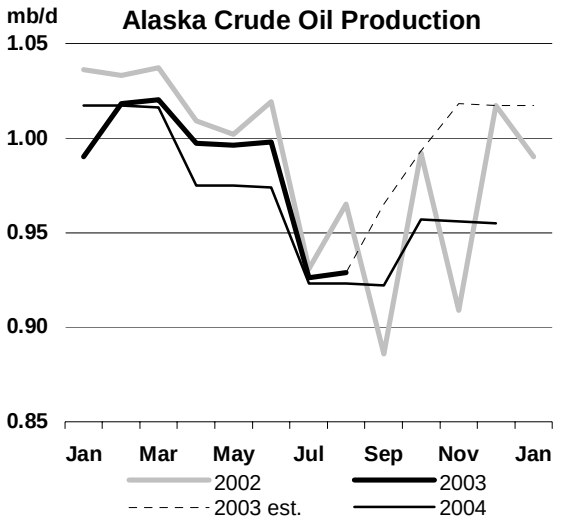
Nigerian production is estimated to have risen by 40 kb/d in August (to 2.175 mb/d), the increase split between rising offshore supply (from the EA, Abo and newly-started Amenam fields) and the continuation by Shell of the higher levels of Forcados production seen in the second half of July. However, 250 kb/d of Niger Delta production remains shut-in and the escalation of violence in the Warri region in August (accounting for more than 100 deaths) makes the likelihood and timing of its reactivation highly uncertain. September production is already likely to be adversely impacted by unscheduled maintenance at offshore fields feeding into the Qua Iboe export stream. More significantly, Shell's 900 kb/d of Nigerian production is under renewed threat if strike action, begun by oil workers in late August over potential job cuts, widens.

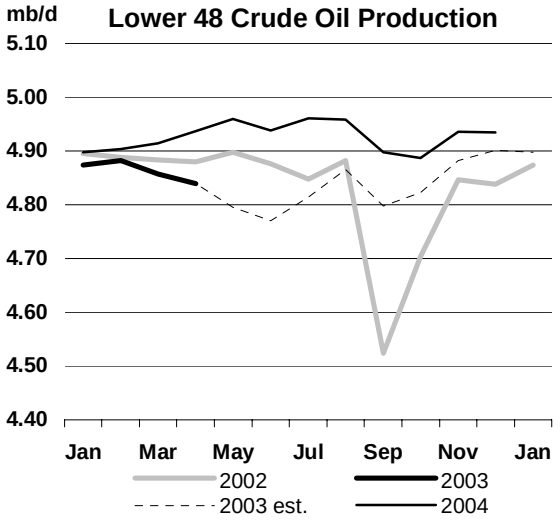
OECD

North America

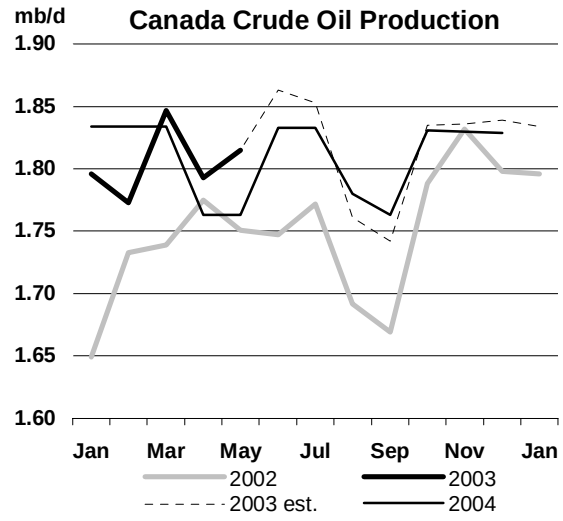
US – August Alaska actual, others estimated: US crude production increased by 53 kb/d in August, with NGLs and other liquids up by an estimated 135 kb/d. August data for Alaska showed crude production fairly flat at lower July levels due to continued maintenance at the Alpine field and early-month preparations for the shut-down on 7 August of BP's Badami field. These offset the effect of cooler temperatures, which would normally aid re-injection activity and boost Alaskan production accordingly. However, production is expected to rebound in September. Production from the Gulf of Mexico (GOM) is thought to have risen by 64 kb/d in August. The impact of tropical storm Erica during 15-17 August was minimal, allowing GOM production to bounce back from the effects of Hurricane Claudette in July. Production will however remain susceptible to further storm season outages in September/October. August's Minerals Management Service (MMS) lease sale saw a continued trend in GOM activity towards independent producers and deepwater areas.

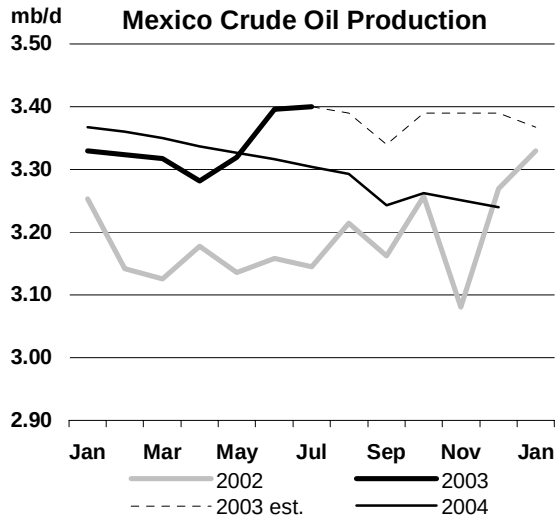
US NGL supply remains subject to revision, as monthly data for June turned out 49 kb/d lower than anticipated in the last Report. However, provisional weekly data suggest July/August supply was rather higher than expected last time. It is still assumed that NGL production continues to recover from the low levels seen in May & June, subject to an ongoing easing in tight US natural gas supply and resultant lower gas prices. This remains a key uncertainty however, and the fact that early-2003 NGL supply fell 350 kb/d below year-earlier illustrates the scale of the potential impact should gas prices surge once again.





Canada – July Newfoundland actual, others May actual: Lower Canadian oil production in the past few months has been driven by outages, firstly due to spring thaw in Alberta and Saskatchewan, followed by syncrude plant maintenance running through June. July's estimated rebound in supply may prove to have been short-lived however as offshore east coast crude production is believed to have declined from recent high levels due to assumed August/September maintenance. Total Canadian liquids supply is estimated off by 84 kb/d in August and is expected lower by a further 19 kb/d in September before recovering in October. August saw regulatory approval for one oil sands project (Nexen/OPTI, Long Lake) and revival for another (Canadian Natural Resources, Horizon) which together could add 200 kb/d to production in the second half of the decade. Albertan authorities however face legal action over their demand that natural gas producers in the Athabasca oil sands region curtail production from 1 September while an ongoing assessment of pressure reduction in bitumen reservoirs is undertaken.

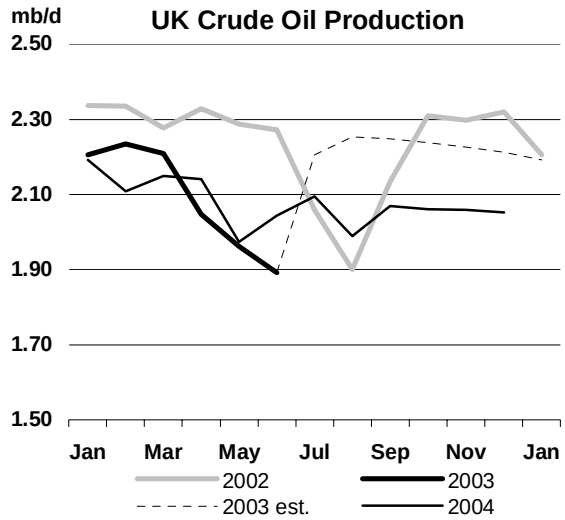


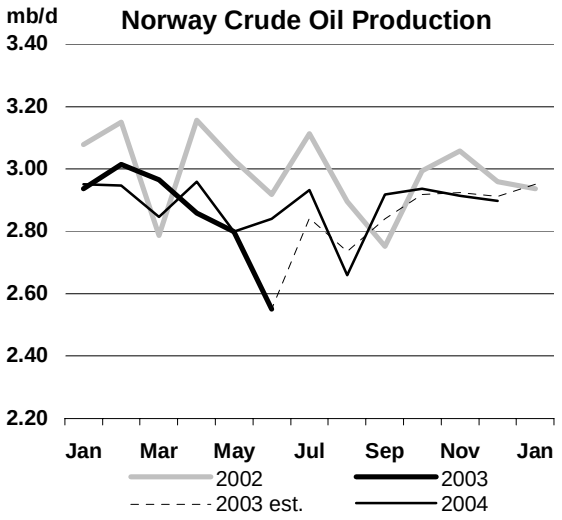


Mexico – July actual: Crude production in July levelled off at around 3.4 mb/d while exports were also steady at 1.86 mb/d, close to the pledged ceiling of 1.88 mb/d agreed in support of OPEC. However July did see a switch in orientation of those exports, with greater deliveries into Europe, rather less into the Americas and Asia. August crude production is estimated steady, with no impact on operations reported due to Hurricane Ignacio towards end-month. Recent increases in drilling activity are believed to have been focussed on arresting the decline in gas supply and may not therefore be a precursor of rising crude production in the short to medium term. Early September saw the appointment of a new Energy Minister and warnings in Congress by the President about the precarious nature of state oil company Pemex's finances.

North Sea

UK – August estimate: UK offshore crude production is estimated to have risen by a further 50 kb/d in August after the 300 kb/d rise for July. Last month's more general easing in maintenance activity was followed by continued recovery in Forties system production after four months of suppressed output there due to planned and unplanned outages. September loading schedules point to stable UK output, a trend expected to be sustained for the remainder of 2003. Nevertheless, production of crude offshore is expected to show year-on-year decline of around 80 kb/d in both 2003 and 2004.



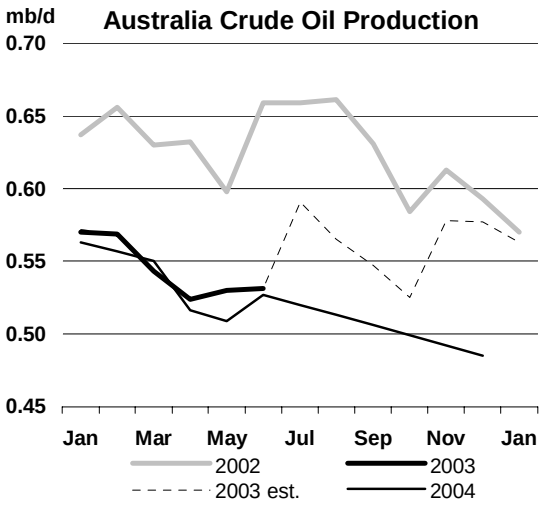


Norway – June actual, July provisional: Final June data showed a 250 kb/d fall in crude production, with maintenance work concentrated at the Oseberg and Troll systems. However, provisional indications suggest that the rebound in July production may have been more pronounced than expected last month, with a near-300 kb/d increase to 2.84 mb/d. Further outages are thought to have reduced output in August, but September loading schedules for Statfjord, Troll and Oseberg suggest a subsequent rebound. Total crude production is expected to regain July levels around 2.84 mb/d in September. Oil companies in August called for cuts in a new activity tax on the Norwegian continental shelf to boost exploration. The Norwegian Petroleum Directorate (NPD) reported that May's oil leak at the Draugen field amounted to 3,000-5,000 bbl, compared to initial estimates of only 630 bbl. An NPD report into the incident is being prepared for September release.

Pacific

Australia – August estimate: Having risen an estimated 60 kb/d in July, Australian crude production fell by 26 kb/d in August and is likely to fall further by 20 kb/d in September. Agip's newly-started Woollybutt field encountered mechanical problems believed to have cost around 10 kb/d in production over August as a whole.

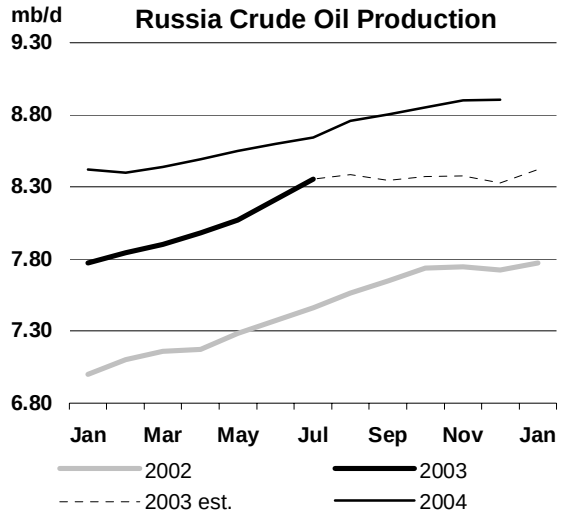
A halving of production at Woodside's 120 kb/d Cossack field on the Northwest Shelf due to technical problems also netted around 15 kb/d off of August output. Cossack, Goodwyn and North Rankin will also lose some 40 kb/d in September and 56 kb/d in October due to maintenance work carried out while a new pipeline link is installed.

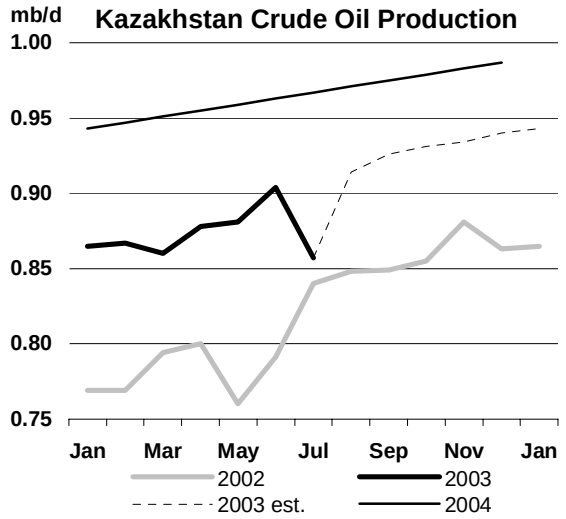


Former Soviet Union (FSU)

Russia – July actual, August provisional: July Russian crude production increased by 140 kb/d compared to June, with August growth slowing to 30 kb/d. Nevertheless, total production for January-August is around 800 kb/d above 2002 levels, representing growth of 11%. Seaborne crude exports were reported to have eased in August, and September exports may also be flat or lower, in part due to maintenance work affecting deliveries to Novorossiysk. We retain the assumption that

production and export growth may have peaked for now, before resuming a rising trend in 2004. The Russian government's own expectations for production growth in 2003 lend support to this view, coming in at less than 10%, suggesting a slow down towards end-year. A potential hike in export tariffs from October and a hiatus in major export capacity expansion projects also point to a lull in production growth, as does the continued absence of pipeline deliveries to the port of Ventspils in 3Q. For the longer term, incremental export capacity projects continue to proliferate, with recent announcements concerning extension of the Druzhba pipeline into Austria, and a potential new pipeline through Turkey to the Aegean which would by-pass the Bosphorus.





Kazakhstan – July actual: Production fell back by less than expected in July, although maintenance at the Tengiz field did result in liquids production as a whole declining by 38 kb/d. However, August is thought to have seen incremental volumes of Karachaganak condensate produced after start-up of new processing facilities and a link into the CPC pipeline. These should lead to steady growth in Kazakh output through end-year. Developers Total and ENI have agreed that production from the 1 mb/d Kashagan field is unlikely to commence before 2006-2007, despite initial government claims that production should begin in 2005. The government is subsequently reported as acknowledging the start-up is unlikely before end-2006, but it has suggested that penalties may be incurred if production is delayed. Reservoir depth and high pressure are cited as complicating development work.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

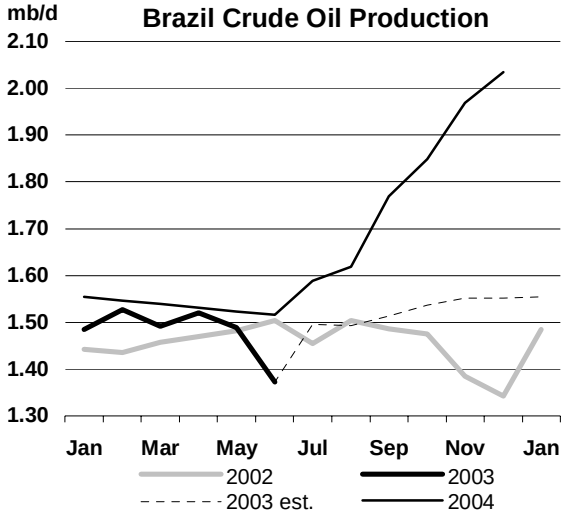
	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun 03	Revised Jul 03	Prelim. Aug 03	Latest month vs. Jul 03	Latest month vs. Aug 02
Black Sea Exports	1.99	2.52	2.67	2.45	2.60	2.98	3.11	2.97	2.89	-0.08	0.25
Baltic Exports	1.63	1.96	2.02	1.80	2.03	2.45	2.45	2.51	2.35	-0.16	0.27
Total Seaborne	**3.62**	**4.48**	**4.70**	**4.25**	**4.63**	**5.43**	**5.55**	**5.48**	**5.24**	**-0.25**	**0.51**
Druzhba Pipeline	1.06	1.07	1.10	1.15	1.07	1.06	1.10	1.07	1.07	0.00	0.04
Other	0.07	0.06	0.10	0.11	0.18	0.27	0.29	0.32	0.30	-0.02	0.19
Total Exports	**4.75**	**5.61**	**5.89**	**5.50**	**5.88**	**6.76**	**6.95**	**6.87**	**6.60**	**-0.27**	**0.74**
Imports	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Total Net Exports	**4.74**	**5.60**	**5.89**	**5.50**	**5.88**	**6.76**	**6.94**	**6.86**	**6.60**	**-0.26**	**0.74**
Crude	3.42	4.00	4.19	3.92	4.17	4.66	4.84	4.83	4.73	-0.10	0.56
Products	1.32	1.60	1.69	1.58	1.71	2.09	2.10	2.03	1.87	-0.16	0.18

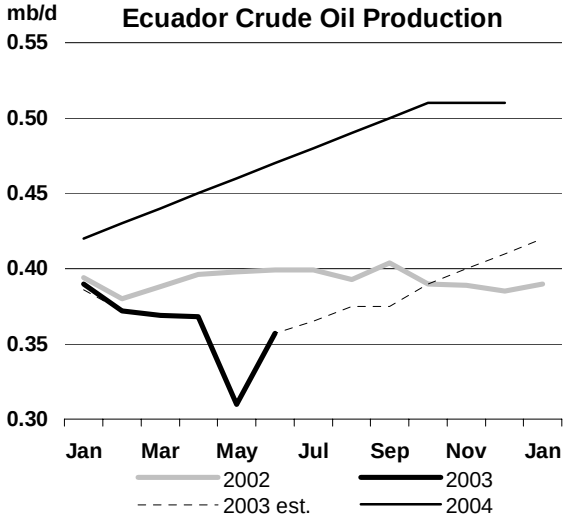
Sources: Petro-Logistics, IEA estimates

Other Non-OPEC

Brazil – June actual, July provisional: Crude production in Brazil during June fell by 115 kb/d, close to last month's provisional estimate, due to maintenance at the P-35 FPSO in the Campos Basin. The resumption of production at P-35, plus activation of new wells at the Albacore and Roncador fields account for the 9% rise in supply seen in July. A further rise is thought to have occurred in August, as Shell announced in mid-month the start-up of production from the Bijupira e Salema area

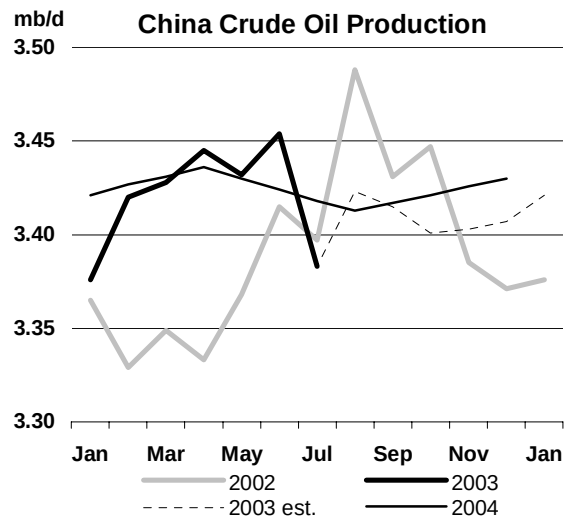
in the Campos Basin, becoming the first private company to produce oil in Brazil. Production in the fields will eventually build towards 80 kb/d. Offshore production is set to grow by over 400 kb/d in 3Q and 4Q 2004 as delayed Campos Basin projects are activated. However, the early stages of Brazil's fifth licensing round in August attracted only five companies aside from state Petrobras, reinforcing concerns about longer-term production prospects.

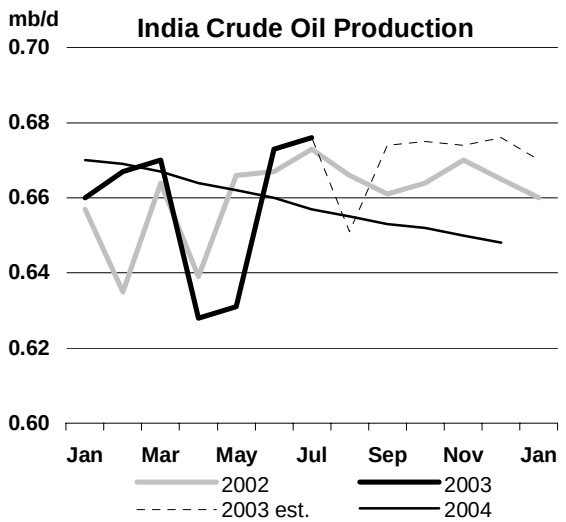




Ecuador – June actual: The impact on production of an eight day strike by PetroEcuador workers in June was markedly less than that of the pipeline outages in May which preceded it. Crude production actually increased by 47 kb/d in June, to 357 kb/d, and is thought to have recovered further to around 375 kb/d in August. Conflicting reports emerged regarding start-up of the new Oleoducto de Crudos Pesados (OCP) pipeline. However, it seems that the first cargo of heavy Napo crude was lifted from the port of Esmeraldas in early-September despite reports that normal pipeline operations are not expected until late-October. This Report forecasts a steady build-up in Ecuador production as foreign operators increase heavy crude supplies. However, it may take some time before the line's 450 kb/d capacity is reached due to financial constraints affecting some of these producers. Also, volumes into the new line will not be purely incremental, since some heavy crude will be diverted away from the existing SOTE pipeline.

China – July actual: July's decline in Chinese production proved deeper than expected, at 70 kb/d. Typhoon disruption in the South China Sea reduced offshore output by around 25 kb/d for the month, and production from mature onshore stalwarts Daqing and Shengli also proved lower than expected. On a more positive note, production start-up was confirmed in August at the shallow water Zhao Dong field which is operated by Apache under a production sharing contract with state PetroChina. Output of waxy crude there is scheduled to rise to 23 kb/d by early-2004.





India – July actual: June/July Indian production came out close to expectation, having recovered from reduced offshore output in April and May. Generally, offshore production and that of the joint venture projects with private operators is tending to perform well versus government target, whereas other onshore projects appear to be lagging target production levels. A go-slow by ONGC workers after a fatal offshore helicopter crash had no impact on August production. However, a pipeline leak at the Bombay High field reduced offshore production during the month by some 25 kb/d versus prevailing levels.

Africa – August estimate: Despite a lack of firm data for African production post-June (July in the case of Egypt), regional supply is thought to have increased by nearly 200 kb/d for July and August combined. A further increase of nearly 180 kb/d is expected through to the end of the year. New production commenced in August from South Africa's much-delayed offshore Sable field, production from Gabon and Angola is thought to have increased from earlier suppressed levels, while new producer Chad increased supplies to the Chad-Cameroon pipeline. Africa is expected to contribute over 400 kb/d of incremental oil supply in 2004, 29% of the non-OPEC total.

Revisions

Non-OPEC production has been revised up by 77 kb/d for 2003 and by 119 kb/d for 2004 with the net revisions for both years largely reflecting a higher expectation for Russia's production profile. However, a number of other adjustments have been made to the projections.

US production has been revised down by 19 kb/d in 2003 and by 29 kb/d in 2004. This year, the reduction follows news of deferred start-up or slower build-up at the Horn Mountain, Medusa and Habanero fields in the GOM. For 2004, lower total production is the result of reduced expectations for onshore lower-48 supply and other liquids production (including ethanol). The latter is based on lower baseline data for the June-August 2003 period. Counteracting the lower expectation for 2003 US supply is an upward revision for **Canada.** Alberta/Saskatchewan production now appears to have been running higher in the springtime than had been expected, while offshore Newfoundland production has also been revised up modestly in light of actual June/July data.

UK production has been revised down by 8 kb/d in 2003 and 26 kb/d for 2004 after the announcement that BP has shelved plans to boost Schiehallion field production after encountering gas during drilling. Incremental production had been expected from July 2003. While the project may be re-instated sometime in 2004, it has been removed from this Report's projections until its status becomes clear.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2003	2004	04 vs. 03	2003	2004	04 vs. 03	2003	2004	04 vs. 03
North America	14.86	15.08	0.23	14.86	15.05	0.19	0.01	-0.03	-0.03
Europe	6.50	6.47	-0.02	6.50	6.50	-0.01	0.00	0.02	0.02
Pacific	0.69	0.66	-0.03	0.68	0.66	-0.02	-0.01	0.00	0.01
Total OECD	**22.04**	**22.21**	**0.17**	**22.05**	**22.21**	**0.16**	**0.00**	**0.00**	**-0.01**
Former USSR	10.19	10.78	0.59	10.27	10.91	0.64	0.08	0.12	0.05
Europe	0.17	0.17	0.00	0.17	0.17	-0.01	0.00	0.00	0.00
China	3.42	3.42	0.00	3.42	3.42	0.01	0.00	0.00	0.00
Other Asia	2.41	2.44	0.03	2.42	2.44	0.02	0.01	0.00	0.00
Latin America	3.86	4.08	0.21	3.86	4.09	0.23	0.00	0.01	0.01
Middle East	2.01	1.94	-0.08	2.00	1.92	-0.08	-0.01	-0.02	-0.01
Africa	3.08	3.48	0.41	3.08	3.49	0.41	0.01	0.01	0.00
Total Non-OECD	**25.15**	**26.31**	**1.16**	**25.22**	**26.43**	**1.21**	**0.07**	**0.12**	**0.05**
Processing Gains	1.80	1.83	0.03	1.80	1.83	0.03	0.00	0.00	0.00
Total Non-OPEC	**49.00**	**50.36**	**1.36**	**49.07**	**50.48**	**1.41**	**0.08**	**0.12**	**0.04**

OMR = Oil Market Report

The higher-than expected rebound in **Norwegian** July output, lower September outages plus Norsk Hydro's 12 kb/d boost to Oseberg production with the installation of new gas compressors this month all contribute to total Norwegian supply for 2003 now 21 kb/d higher than in last month's Report. 2004 production is adjusted up by some 60 kb/d as the impact of higher baseload production from Norway's more northerly fields feeds through for a whole year.

Higher than expected July and August production data have caused a 77 kb/d upward revision to 2003 **Russian** crude production and a 127 kb/d revision for 2004. This pushes incremental supply for 2003 to 749 kb/d and that for 2004 to 483 kb/d, the latter remaining within the anticipated 500 kb/d ceiling assumed to be imposed on production growth by export capacity expansion in 2004. Revisions for the rest of the FSU tend to cancel each other out. Lower June/July production from the Chirag field in **Azerbaijan,** together with a scaling back by Socar of expected 2004 export levels have caused a 7 kb/d downward revision for 2003 production and 19 kb/d for 2004. Set against this are marginally higher expectations for production from **Kazakhstan** and **Turkmenistan,** the latter based partly upon higher provisional July data.

Aside from the FSU, the main change to non-OECD production versus last month's Report derives from **Oman.** Supply here has been revised down by 13 kb/d for 2003 and 21 kb/d in 2004. Petroleum Development Oman's share of production appears now on a lower trend and the company itself has lowered expectations for 2004 output. Provisional indications for production in July and August are also lower than expected, suggesting extensive efforts at secondary recovery are so far having limited impact in stemming decline.

OECD STOCKS

Summary

- OECD industry oil stocks closed July at an estimated 2552 mb, rising 1 mb/d from June. Storage volumes were up mainly in distillate fuels while other main product categories posted marginal declines. Crude stocks came in higher in spite lower in North America inventories. Industry total oil stocks closed July 79.5 mb below their year-earlier position and forward demand cover was little changed at 53 days, 2 days below last year.

Preliminary Industry Stock Change in July 2003 and Second Quarter 2003

(million barrels per day)

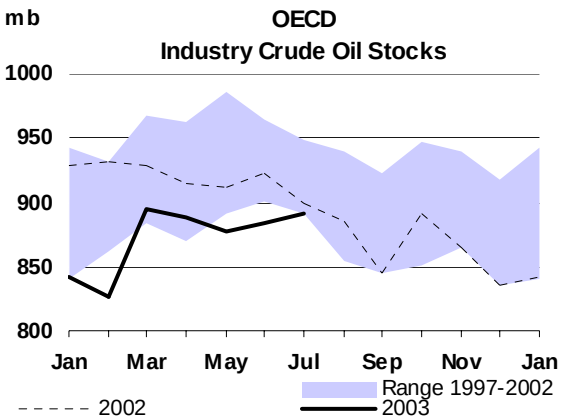
	July (preliminary)				*Second Quarter 2003*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.21**	**0.31**	**0.14**	**0.24**	**-0.01**	**-0.17**	**0.07**	**-0.12**
Gasoline	-0.11	0.00	0.03	-0.08	0.07	-0.07	0.00	-0.01
Distillates	0.28	0.10	0.06	0.45	0.19	0.17	0.17	0.52
Residual Fuel Oil	-0.03	-0.06	0.04	-0.05	0.03	0.00	0.03	0.06
Other Products	0.36	-0.01	0.03	0.38	0.42	0.05	0.10	0.56
Total Products	**0.51**	**0.03**	**0.16**	**0.70**	**0.70**	**0.14**	**0.29**	**1.14**
Other Oils[1]	0.08	-0.02	0.03	0.08	0.16	-0.03	0.08	0.21
Total Oil	**0.38**	**0.32**	**0.33**	**1.03**	**0.86**	**-0.06**	**0.44**	**1.23**

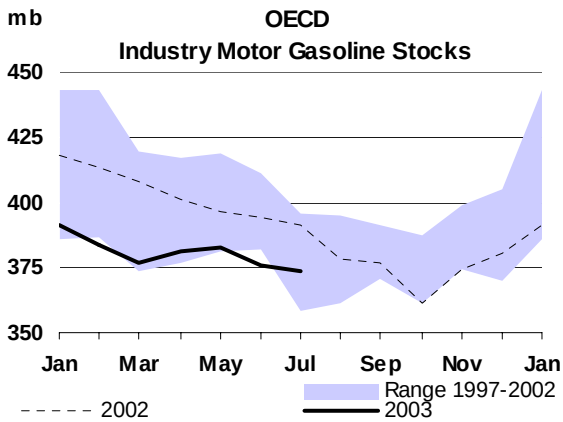
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks rose 240 kb/d in July, recuperating the ground lost over the second quarter when stocks declined by 120 kb/d. Crude inventories closed some 8 mb below last year but positions were more comfortable in Europe and the Pacific. North American crude stocks finished 27 mb lower on the year despite a second month of decline in US crude runs. Low US mid-continent stocks kept the prompt NYMEX's WTI futures contract at a premium to forward delivery months.

- OECD industry gasoline stocks ebbed in July by 2.4 mb to close at 373.5 mb. Inventories in Europe were unchanged. In the absence of June data for Mediterranean countries, the May base was carried forward. Stocks are likely tighter on strong Nigerian and east Mediterranean demand as well as reduced offers out of the Black Sea. European price strength limited July arbitrage of product to the US, though some cargoes were assembled from the ARA barge market. ARA gasoline in independent storage fell in August with strong backwardation in swap prices and US demand pull. Gasoline stocks in the US tightened through August, in particular RFG, with demand firming late July and imports declining.

- OECD middle distillate stocks rose seasonally. Gasoil backed-up in independent storage in the ARA area amidst ample Russian supplies and thin demand in July and most of August. Low water levels on the Rhine raised barge freight rates, making inland deliveries expensive. Diesel and heating oil stocks in the US climbed July to August on the back of rising imports from mid-July and stable production during August. Additions to storage in the Pacific followed from kerosene builds in Japan.





OECD Industry Stock Changes in July 2003

OECD industry oil stocks rose to an estimated 2552 mb in July, up 32 mb from June and narrowed their deficit against their year earlier position to 79.5 mb. Forward demand cover came to 53 days, 2 days below 2002. Oil stocks rose with additions to distillate storage, these were up 520 kb/d over the second quarter and 450 kb/d in July. July gains in crude stocks outpaced the decline seen over the second quarter.

OECD industry crude stocks rebounded 7.5 mb in July, closing at 892 mb. In the Atlantic Basin, gains in Europe, on increased supplies of West African crude and rising Norwegian production, were partially offset by declines in North America. Calendar spreads in the near delivery months for IPE and NYMEX crude futures indicated a comparatively tighter US market for July and August. Low US mid-continent stocks supported high prompt prices and steeper backwardation. North American crude stocks closed 27 mb below July last year while US-50 inventories ended August unchanged from July at 280 mb. Atlantic Basin stocks have weak near term upside potential. Brent-related crude is moving transatlantic in August/September and the emergence of Asian tender demand for September is providing competition for West African grades. Reported increases in chartering activity by Vela Marine, Saudi Aramco's shipping arm, suggest that additional supplies for the US are destined for October delivery.

In product stocks, distillates rose seasonally in the US through August, supported by imports and stable production. Russian gasoil cargoes from the Baltic, diverted away from Northwest Europe, will keep US September flows steady. Independent storage of gasoil grew in ARA over July and August on thin demand while high barge freight rates limited inland deliveries. IPE gasoil futures haven't settled in a firm contango to encourage building stocks. Gasoline stocks fell in North America with lower US supplies. US crude runs fell back from May peaks, domestic supply was marred by refinery outages and imports from Europe were declining. Europe's gasoline stocks were below their historical range in July. The European market was tight, making it difficult to assemble spot cargoes from the barge market in Northwest Europe for arbitrage to the US. The Mediterranean tightened on a number of refineries out on maintenance and strong demand from Nigeria, but also from eastern Mediterranean countries for final deliveries into Iraq.

Revisions to Preliminary OECD Stocks and Inventory Position at end July 2003

Revisions to OECD oil stocks totalled less than five million barrels. Crude stocks were revised down by 8.6 mb. As anticipated in the previous Report, Japanese crude stocks were lowered by 8.4 mb, reducing June crude inventories to 142.3 mb. In Europe, downward revisions in crude came in the Netherlands (3.9 mb), France (2.4 mb) and the UK (2.7 mb). OECD products stocks were revised upwards by 13.3 mb mainly in "other product" stocks and European distillates. With no official June data for Italy, Spain and Portugal, revisions to European figures in this Report are incomplete. Strong gasoil demand and refinery maintenance in the Mediterranean in June, as well as the beginning of the heat wave, would suggest downward revisions for distillate and fuel oil stocks for these countries in next month's Report.

Revisions Versus 11 August 2003 Oil Market Report
(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	May 03	Jun 03	May 03	Jun 03	May 03	Jun 03	May 03	Jun 03
Crude Oil	**-1.8**	**11.0**	**-4.4**	**-10.9**	**0.0**	**-8.8**	**-6.2**	**-8.6**
Gasoline	-0.1	-0.6	-1.5	1.3	0.1	0.7	-1.5	1.5
Distillates	-0.9	-0.4	-0.2	5.3	0.0	-0.9	-1.1	4.1
Residual Fuel Oil	-0.6	0.9	0.8	-0.9	0.0	-0.1	0.2	-0.1
Other Products	3.2	8.3	0.6	-0.3	0.5	-0.2	4.3	7.8
Total Products	**1.5**	**8.3**	**-0.2**	**5.5**	**0.5**	**-0.5**	**1.9**	**13.3**
Other Oils[1]	1.3	0.0	-0.9	0.3	0.0	-0.1	0.5	0.2
Total Oil	**1.0**	**19.3**	**-5.4**	**-5.2**	**0.6**	**-9.4**	**-3.8**	**4.8**

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD total oil stocks in primary storage closed almost 80 mb below July 2002, ending at an estimated 2552 mb. Pacific oil stocks closed above 2002 as crude procurement during the second quarter exceeded refinery needs. North America and Europe had similar product deficits but different positions for crude stocks. North America falls short by 27 mb. Replenishing crude stocks in the US has met with a number of supply-side hindrances. Constrained OPEC production has failed to depress prompt prices and shift the market into contango, negating the possibility of hedging crude stock positions forward. Offers of Russian Urals only partially covered for interrupted Iraqi flows. Venezuelan conventional supplies have fallen from their May peak and Mexican July exports favoured Europe over the US. In addition, lacklustre gasoline demand in July made refiners wary in bidding for light-sweet crude offered on US Gulf Coast.

Year-on-Year Industry Stock Comparisons for July 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-27.0**	**-4.3**	**23.3**	**-8.0**	**Total Oil**	**-3.7**	**-2.0**	**1.9**	**-2.2**
Total Products	-34.0	-26.6	1.6	-59.0	*Versus 2001*	*-3.6*	*0.6*	*-0.6*	*-1.8*
Other Oils[1]	-10.3	4.0	-6.2	-12.5	*Versus 2000*	*-0.1*	*0.0*	*-0.3*	*-0.2*
Total Oil	**-71.3**	**-26.9**	**18.7**	**-79.5**	**Total Products**	**-1.8**	**-1.9**	**0.0**	**-1.5**
Versus 2001	*-59.5*	*-7.1*	*6.2*	*-60.4*	*Versus 2001*	*-1.4*	*-0.8*	*-1.2*	*-1.2*
Versus 2000	*3.8*	*-13.3*	*-7.6*	*-17.2*	*Versus 2000*	*0.2*	*-0.2*	*0.0*	*0.0*

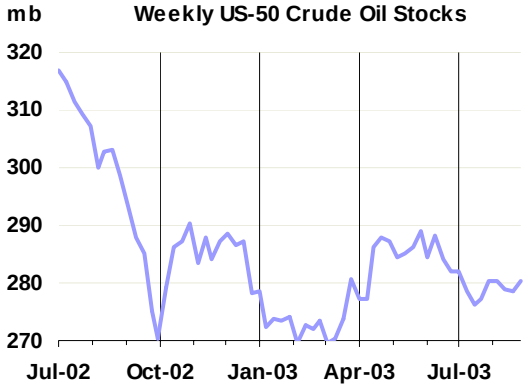
1 other oils includes NGLs, feedstocks and other hydrocarbons

Forward demand cover by OECD oil stocks for July was assessed at 53 days, unchanged from June. OECD regions saw demand cover hold flat from the previous month with the Atlantic Basin trailing behind last year's level. Cover by industry oil stocks in Europe stood at 59 days. Oil stocks in North America covered 48 days and 56 days the Pacific.

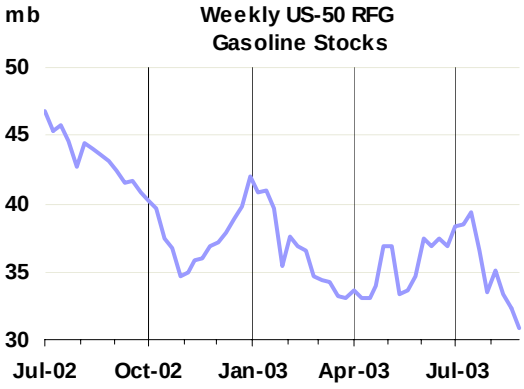
OECD Regional Stock Developments

North America

US-50 (excluding territories) crude stocks fell 3 mb in July and remained about level over the course of August, closing at 280 mb. The latest two months have seen stocks fail to rebuild, though four week averages suggested that refinery runs have fallen behind combined domestic and imported supply. In the Mid-continent, the pricing hub for NYMEX's WTI contract, stocks were surprisingly even for the past three months at a low 55 mb. This has put a price floor under the prompt WTI futures and kept the rest of the curve in backwardation, limiting incentives to build storage.



The reluctance to replenish crude stocks was also motivated by the apparent weakness in gasoline demand for most of July. This has made US refiners wary of stocking up on ample offers of Brent-linked West African grades, attracted by WTI's strength against the North Sea marker. However, the rally in gasoline demand and wider gasoline crack spreads in August rekindled interest in these gasoline-rich crudes. Crude imports and stocks rose in the Atlantic Coast, where refiners use proportionately more light-sweet crude. Stocks on the Gulf Coast however remained level. Though the US Gulf Coast may be short on sour crude, given narrow discounts of sour Mars blend to WTI over July/August, WTI's recent weakness relative to the regional light sweet marker LLS suggests that more supplies of comparable grades were absorbed by the US market. This hints to a possibly larger upward drift in crude stocks by end-August, early September. In addition to September transatlantic crude supplies, end-August saw a couple of September cargoes of Colombian sweet Cusiana still on offer. By preliminary indications, upcoming refinery maintenance is relatively light and it is likely that more crude will end up in storage tanks.



In products, distillates inventories rose in July/August on relatively weak demand, higher production and strong imports. More importantly, heating oil stocks have been building strongly in the Central Atlantic states, where most consumption occurs. The build in storage is likely to be sustained by steady imports. A number of cargoes for September delivery are expected from the Baltic. In absence of demand from Northwest Europe, reportedly ample product in storage at the Latvian Ventspils terminal end-August is likely to flow transatlantic.

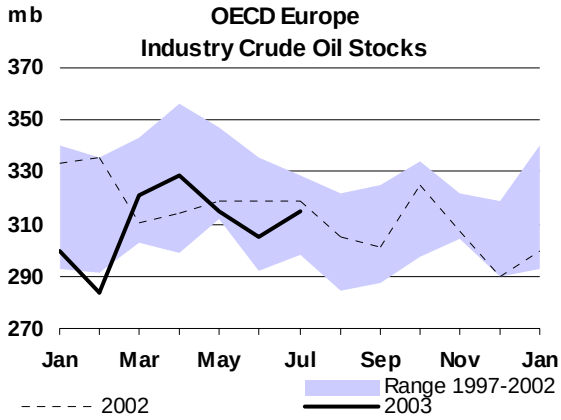
Motor gasoline stocks have fallen sharply since June, declining by 14 mb to close August at 192 mb. The late season rally in gasoline demand during August tightened conventional and reformulated stocks, while lower product imports from Europe reduced the pool of blending components. Tighter supplies in August pushed prices above futures in the main cash trading hubs in New York Harbour, the Mid-continent and the West Coast. Domestic production of gasoline has been down on lower runs and a number of refinery

outages. Stocks of reformulated gasoline (RFG), deliverable against NYMEX's unleaded gasoline futures contract, have fallen to record lows, keeping the futures contract in backwardation. RFG stocks have been particularly affected in the Atlantic States following power outages in the Northeast US in late August. Conventional stocks are also tight and the cushion afforded by blending components (once stripped of its CARBOB component) has also tightened on lower imports from Europe.

The effect of thin stockpiles in the west was brought into focus in August during the outage of a key Kinder Morgan pipeline which delivers gasoline to the Phoenix area. This coincided with problems at ChevronTexaco's 225 kb/d San Francisco Bay area refinery. The jump in prices in Los Angeles lifted prices on the Gulf and Atlantic Coasts, drawing RFG westward. Looking ahead, US gasoline supplies should see less pressure. Demand is set to decline seasonally and vapour pressure specifications on gasoline ease when refiners switch to make winter grade material. Reformulated gasoline changes specification for futures contracts on 15 September and on 15 October for gasoline stations.

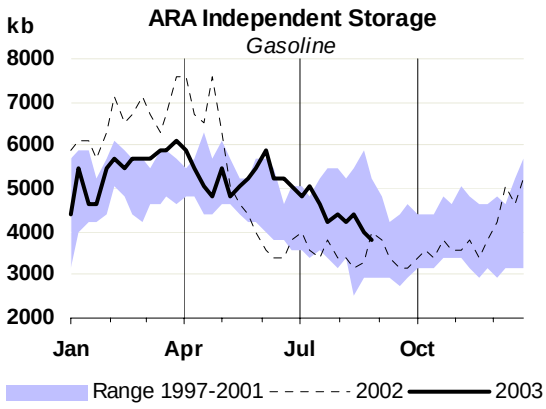
Europe

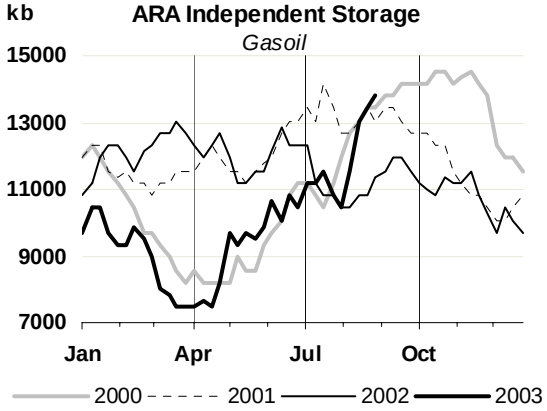
Industry crude stocks rebounded in July by 9.6 mb to close at 315 mb, or 4.3 mb below last year. This rise was accounted for by inventory gains, though less than expected, in Norway where production recovered strongly with the end of seasonal field maintenance. Lack of arbitrage opportunities in July for North Sea crude and related West African grades to the US would have suggested more light sweet crude remaining in Northwest Europe, and a greater pick up in stocks given flat to lower crude runs. Combined stocks in France and Germany rose 3.7 mb, but this was partially offset by an unexpected draw in the Netherlands of 3 mb. Inventories picked up in Italy as expected with refiners returning from turnarounds.



August crude stocks are likely to fall with a regional tightening of sweet and sour grades. North Sea benchmark grades Brent and Forties headed to the US while European demand also firmed, encouraged by stronger sweet margins. Statoil was expected to ship some 8 mb of North Sea crude transatlantic by end-August. This movement extended into September loading barrels with Shell reported bidding for benchmark grades for delivery to the US. Equally, West African barrels were directed away from Europe in August but also in September on US demand strength. Asian tender demand for distillate rich grades loading in September also provided competing demand for West African barrels. In sour grades, Urals remained tight, posting narrow discounts to Brent in July and August. Urals was supported by sales to the US and delayed Iraqi Kirkuk supplies. The tightening of sour supplies was also reflected in strong August prices of Iranian Light delivered at Sidi Kerir.

In main products, distillate fuels built on thin gasoil demand in Northwest Europe, rising mainly in France. Germany saw inventories fall with lower refinery output and demand was satisfied locally. Sales from the Amsterdam Rotterdam Antwerp (ARA) area into Benelux, Germany, France and Switzerland in July was limited by high barge freight rates and ample importer stocks. Over August, low Rhine water levels left gasoil to back-up in independent storage in the ARA area. Industry distillate stocks are set to





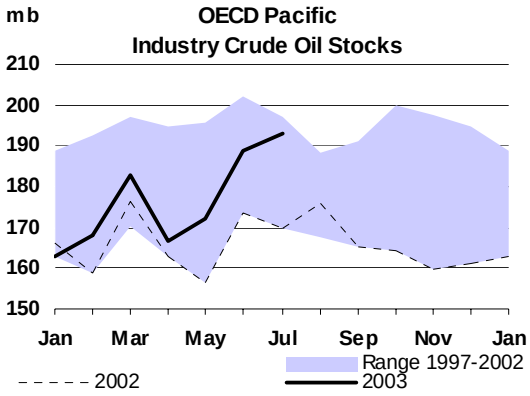
Source: PJK International B.V.

rise seasonally in August. Baltic Russian gasoil supplies into Europe were ample over August, as arbitrage opportunities to the US opened only late in the month with a number of cargoes sailing for September delivery. However, physical gasoil and jet prices were at a premium to IPE's prompt gasoil contract and the futures curve has yet to settle in a firm contango. Unlike the wide premium that forward delivery month prices command for NYMEX's heating oil contract, IPE gasoil in the near months showed only narrow spreads, offering limited incentives to store product in Europe. Absolute levels of July distillate stocks for OECD Europe's Mediterranean countries are likely lower than suggested by the preliminary number. Gasoil supply in the region was tighter on Italian refinery turnarounds and reduced availability of Russian supply. Gasoil cargo premiums in the Mediterranean were stable, supported by Nigeria reportedly taking 300,000 tonnes of prompt high sulphur Russian material over July and August.

July European industry gasoline stocks were unchanged at 112 mb. Stable gasoline stocks were partly due to strong July spot prices in Europe generally outperforming those in the US and limiting arbitrage options. As for gasoil, gasoline stocks in the Mediterranean are likely tighter than suggested by the numbers. Demand from Nigeria and Lebanon pulled regional supplies while conventional product flowed to the US. August is likely to see industry stocks fall in line with declines in independent storage in ARA. August saw New York Harbour premiums to Rotterdam top $70 per tonne and the rise in NYMEX's September and October futures contract prices for unleaded gasoline made arbitrage profitable. However, tight supplies did limit export volumes to the US; these were pegged at 1.25 million tonnes for August and larger outflows were not expected until the second half of September. Demand strength emerged in the UK following an outage at Total's 108 kb/d Milford Haven refinery. Further shipments in August to Nigeria and the Mideast Gulf continued to draw on regional supplies.

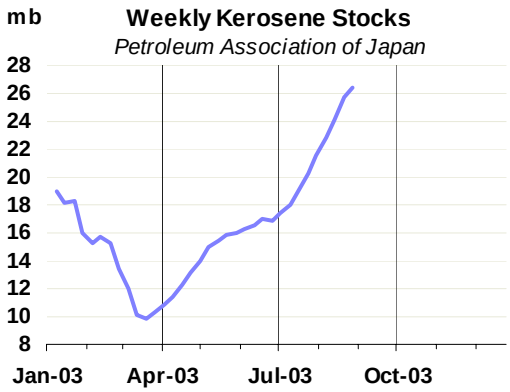
Pacific

Crude inventories in the Pacific gained four million barrels to close August at 193 mb. Stocks built on gains in Korea, while Japanese inventories came in marginally lower. The rise in Korea followed from low crude runs while imports remained high. Onshore stocks rose mainly at SK-Corp, Korea's largest refiner, which eased throughputs ahead of August maintenance. The rebound of Korean stocks in July also reflected higher procurement following a reduction on oil import tariffs effective 1 July.



Japanese refiners ended July seasonal maintenance with runs rising over 300 kb/d while imports fell over 10 mb from June levels. The usual August ramp-up in Japanese crude runs stalled following refinery problems for Nippon Oil. About 30% of the refiner's 1.16 mb/d capacity was offline following the outage of a 110 kb/d crude distillation unit at its Mizushima facility and the closure of refineries in Osaka and Marifu. This should ease the seasonal decline in Japanese crude stocks usually seen in August as crude procurement is likely to remain high.

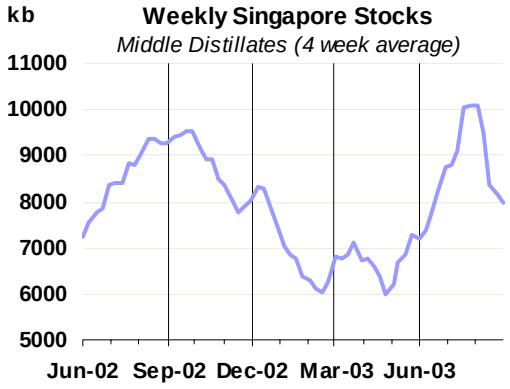
Product stocks rose 5 mb in August, closing at 196 mb, nearly par with last year's position. Distillate builds came in Japan with kerosene accounting seasonally for most of the build. Though Japanese gasoil sales in July firmed, outright levels indicated that demand was depressed on the year, allowing gains in storage for that product. Uncharacteristic weather patterns in Japan for this summer produced some contra-seasonal stock developments by limiting demand for gasoline as well as curtailing fuel oil needs by thermal power plants. Japanese gasoline stocks rose just under a million barrels in July, though by preliminary indications they retraced gains in August. Fuel oil stocks ebbed as utilities faced weaker air conditioning demand.

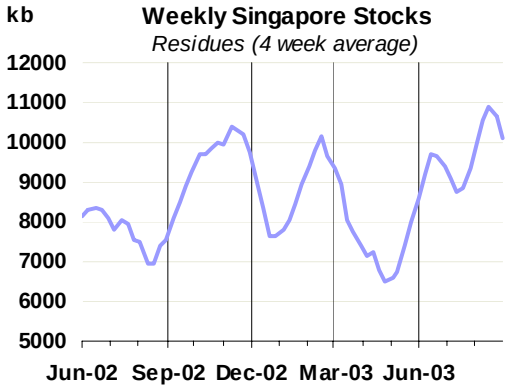


Korean product stocks in July were virtually unchanged as a build in fuel oil stocks offset declines in distillate storage. While production and demand for diesel came down in similar proportions in Korea, higher monthly exports of diesel drove stocks lower. Surplus gasoil and some jet fuel moved towards the US West Coast on favourable prices differentials. Fuel oil stocks gained on lower thermal power demand and limited export outlets in the region by month's end.

Singapore Stock Developments in August

International Enterprise showed Singapore stocks down in August from mid-July highs. Gasoil was arbitraged out of the region, targeting destinations in Latin America, the Mediterranean and the Caribbean while jet fuel drew on strengthening civil aviation demand, in particular from China. Distillate supplies from regional exporter Korea were reduced. In contrast fuel oil stocks rose as incoming European supplies met with weaker Chinese demand. Chinese storage tanks were reported full following aggressive buying in the last two months. Gasoline and naphtha stocks stayed flat in August and are anticipated to remain low into September. Gasoline exports from Taiwan's CPC and China's Sinopec are expected lower on strong domestic demand while Asian demand for naphtha and gasoline is generally expected firmer.





Source: International Enterprise

Distillate stocks declined as surplus gasoil moved out of Asia and Korean exports were reduced due to refinery maintenance. August gasoil bookings out of Korea were reckoned about a third lower than in July and were also anticipated lower for September. Though top refiner SK-Corp completed maintenance at a 270 kb/d crude distillation unit in end-August, second and third ranked refiners LG-Caltex and S-Oil began planned maintenance at their facilities. Gasoil demand picked up as Indonesia's Pertamina came back to the spot market, though it had excluded gasoil from its July and August tenders. Indonesian interest was seen to cover for a reported 70 day maintenance period at a 125 kb/d refinery in Balongan while a 92.5 kb/d processing deal with Singapore's Petroleum Corp, initially due for September, was delayed into October. Pertamina was reported to have bought a 600 kb gasoil cargo for September delivery through tender and some 1.2 mb on a spot basis. Tightening August gasoil supplies were reflected in near month gasoil prices in Singapore. These flipped into backwardation from the contango seen in July. Supplies can be expected to remain tight until more Middle Eastern supplies move back into the region by end-September. Singapore kerosene spreads also reverted to backwardation in the near-months. Jet fuel demand was firm, in particular from China Aviation Oil (which purchases most of China's jet fuel). The company was reported buying incremental supplies on top of its third quarter tender.

Fuel oil stocks began to pile up in Singapore following a decline in Chinese demand. The accumulation of surplus product was reflected in the differential against Dubai for Singapore's benchmark 180cst high sulphur fuel oil. This spread declined from a premium in mid July and moved to a discount in August. Price spreads in the near months reverted to backwardation by end August. Prompt September delivery was said to be bid up on spot demand from Indonesia and also Vietnam's state oil firm Petrolimex.

Singapore Crude & Product Trade

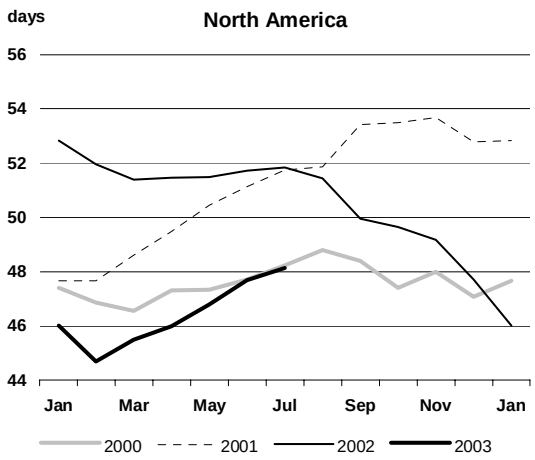
(thousand barrels per day)

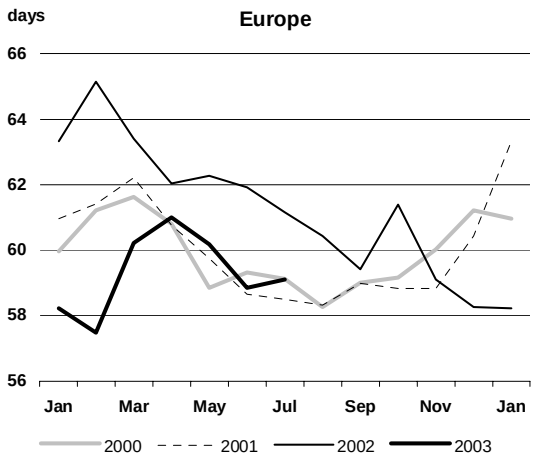
Net Imports/(Exports) of:	2001	2002	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Latest month vs. Jun 03	Latest month vs. Jul 02
Crude Oil	**822**	**819**	**772**	**861**	**885**	**892**	**460**	**1428**	**583**	**-845**	**-143**
Products & Feedstocks	**-10**	**-35**	**-53**	**-73**	**-158**	**-119**	**-110**	**-53**	**-110**	**-57**	**-30**
Gasoil/Diesel	-121	-154	-171	-168	-175	-171	-134	-172	-179	-7	30
Gasoline	-79	-81	-80	-69	-76	-95	-106	-90	-68	22	-8
Heavy Fuel Oil	360	334	330	325	314	304	298	339	330	-9	3
LPG	-21	-19	-18	-20	-24	-26	-21	-31	-20	11	1
Naphtha	-22	6	-7	5	-22	18	-5	30	-12	-42	10
Jet & Kerosene	-80	-65	-53	-90	-124	-93	-79	-83	-101	-18	-63
Other	-48	-57	-54	-57	-51	-56	-64	-47	-61	-13	-2
Total	**812**	**784**	**719**	**788**	**727**	**774**	**350**	**1375**	**-221**	**-1596**	**-867**

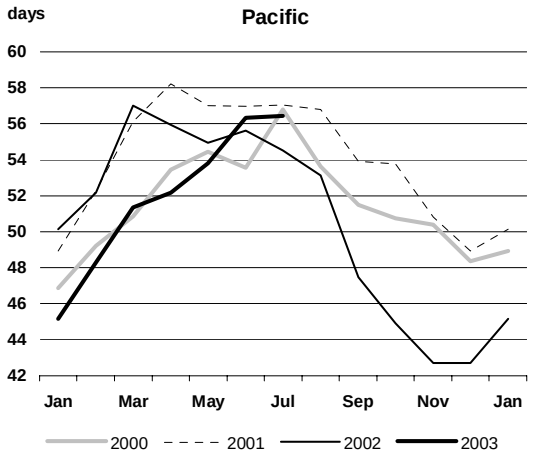
Source: Singapore Monthly Oil Statistics, IEA estimates

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of total oil)

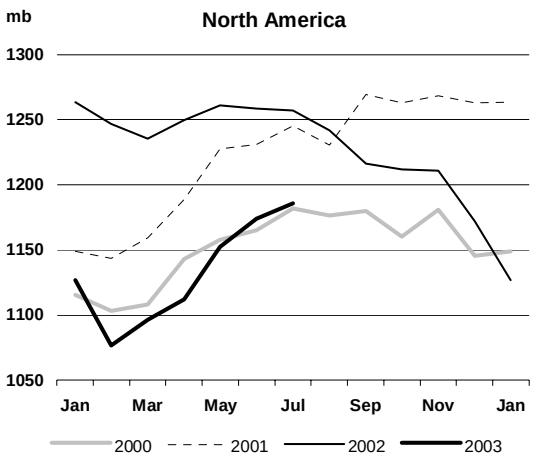
Days[1]

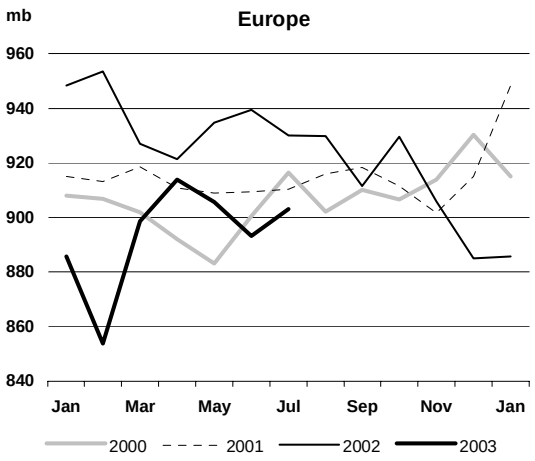


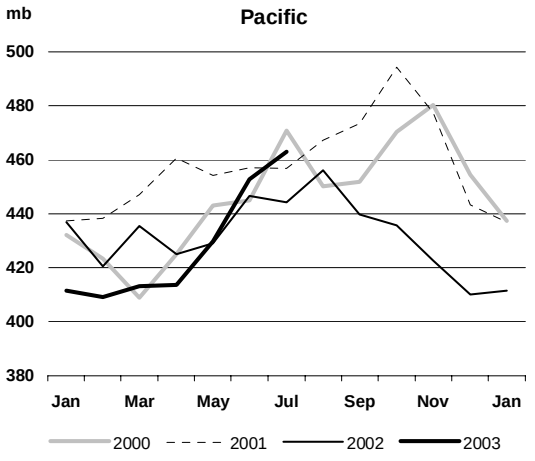




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **US gasoline** continued to drive the world oil markets in August, with prices peaking shortly after the August 14 blackout in North America. New York RFG barges rallied $14.95/bbl from end-July to a closing peak of $52.72 on 25 August. Low domestic stocks and strong demand contributed to the sharp price rally. However, a wet Labor Day weekend marked the traditional end to the summer driving season and prices have subsequently fallen back to $40/bbl.

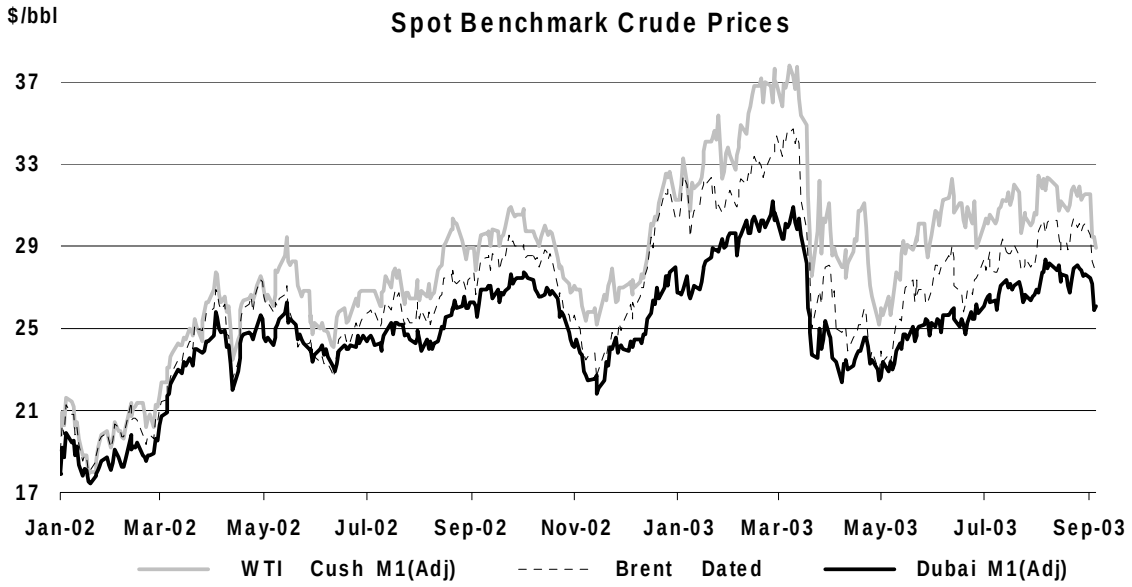
- **The blackout** shut down eight North American refineries; pipeline flows were halted and primary distribution was disrupted just prior to peak holiday demand. But it could have been much worse. Many refiners had backup power systems, others resumed output within 24 to 48 hours and only one US refinery suffered component damage.

- **Global refinery margins** were bolstered by soaring gasoline prices, particularly in the US, which saw the strongest monthly returns since May 2001. High US prices opened trading opportunities for European producers and lifted global cracking returns. Asian refiners had the additional margins stimulus of increased middle distillate prices as a buoyant regional economy, pre-winter stocking of kerosene and a recovery in air travel provided support.

- **Sweet crudes** were in demand as a result of firmer gasoline prices: West African crudes were sought after in Asia and higher US demand prompted a rally in North Sea grades. Urals crude remained strong relative to Brent, particularly in the Mediterranean region, supported by the continued lack of exports from the north of Iraq and strong fuel oil demand from utilities.

- **Non-commercial net long positions** in NYMEX crude and gasoline futures remained at high levels throughout August. Their net long position did not alter significantly over the post-blackout gasoline price spike, implying that non-commercials had limited influence on valuations over that period. However, they were featured sellers during the post-Labor Day sell off in crude, but retained large long positions in gasoline.

- **OECD refinery throughput** remained flat in July, reflecting that month's tepid margins and seasonal maintenance. August activity was relatively flat in the US, but is likely to have improved in Europe and Asia as seasonal turnarounds were completed and refiners responded to increased margins.



Crude Oil Prices

Spot Crude Prices and Differentials in August

Gasoline continued to drive the world oil markets in August. Aside from the demand stimulus of an improvement in US (and global) economic growth and concerns over low stocks, the 14 August blackout in the Northern US and parts of Canada temporarily disrupted refinery activity. Strong gasoline prices pushed refinery margins higher around the world and there were some concerns that autumn maintenance programmes could lead to a further tightening of the market. Refiners sought gasoline-rich sweet crudes, propelling benchmark Brent and WTI crudes close to their early-August peaks, while the continued absence of Iraqi oil sales from the northern pipeline and a flattening of Russian exports helped to maintain the unusually low spread between Urals and Brent crude.

The US Labor Day holiday weekend proved a pivotal turning point for the market. Not only does it mark the traditional end to the US driving season, but wet weather along the East Coast also likely reduced gasoline demand. Prior to the onset of inclement weather, analysts had widely projected a record level of vacation travel.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Jun 03	Jul 03	Aug 03	Aug-Jul		Week Commencing:				
				Change	*%*	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug
Crudes										
Brent Dated	27.51	28.35	29.79	1.44	5.1	28.53	30.11	29.60	29.49	29.96
WTI Cushing 1 month (adjusted)	30.66	30.70	31.59	0.89	2.9	30.76	32.08	31.36	31.25	31.52
Urals (Mediterranean)	25.16	26.84	28.74	1.90	7.1	27.37	29.09	28.60	28.53	28.80
Dubai 1 month (adjusted)	25.51	26.72	27.66	0.94	3.5	26.65	28.00	27.73	27.33	27.77
Tapis	27.13	28.54	30.70	2.16	7.6	28.76	30.70	30.53	30.29	31.62
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	3.14	2.35	1.81	-0.55		2.23	1.97	1.75	1.76	1.56
Urals (Mediterranean)	-2.35	-1.51	-1.04	0.47		-1.16	-1.02	-1.00	-0.96	-1.17
Dubai	-2.01	-1.63	-2.13	-0.49		-1.88	-2.11	-1.88	-2.16	-2.20
Tapis	-0.38	0.19	0.91	0.72		0.23	0.59	0.92	0.80	1.66
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.24	0.25	0.30	0.05		0.30	0.27	0.28	0.34	0.33
WTI Cushing 1mth-2mth (adjusted)	1.15	0.44	0.15	0.08		0.26	0.08	-0.02	0.22	0.08

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

The North American blackout proved the most tumultuous event for the oil market in August, causing the temporary shutdown of eight refineries, disruptions to distribution and also to air travel (see grey box). Additional refinery problems in the US Gulf and West Coast and the shutdown of a product pipeline from California to Arizona compounded the impact. This lifted US refining margins to the highest level since April 2001 and opened arbitrage opportunities for gasoline from Europe and other regions. The exceptionally attractive refining margins caused a pick-up in demand for North Sea and West African sweet crudes.

Expectations of renewed sales of Iraqi Kirkuk crude via the Turkish port of Ceyhan have proved over-optimistic since the war ended. Further acts of sabotage thwarted attempts to refill the pipeline in early August and recent damage to a feeder line from the Kirkuk fields makes it uncertain when oil will flow again at sustainable rates. Meanwhile the Iraqi oil industry is targeting higher sales from the southern oil fields.

Official comments on progress within the Iraqi oil industry have been restricted in an effort to reduce the flow of useful information to saboteurs. The market has also been less responsive to developments within Iraq unless they have an immediate impact on oil supplies - hence, the muted oil market reaction to the bombing of the United Nations headquarters in Baghdad and Najaf.

Factional fighting in the southern oil city of Warri in Nigeria in August raised fears of a repeat of the disruptions in March this year. However, although the fighting effectively shut some regional oil company offices, exports were not further disrupted. The government increased the regional military presence to quell the tense situation.

Union militancy remains a background feature in Nigeria. Protests against corporate changes at Shell Nigeria have resulted in a lockout of staff from some offices, but exports have not yet been affected. The union is currently threatening to escalate the dispute. Nigeria's President Olesegun Obasanjo is also talking about the need for a further gasoline price rise to eradicate smuggling and excessive subsidies that cost the state an estimated $2 bn/year. The last gasoline price hike caused a general strike that only narrowly averted impacting the oil export sector.

The August heatwave increased electricity demand in Europe, but also caused technical problems for nuclear facilities, resulting in a sharp increase in fossil fuel power generation. Cooling problems also forced some European refiners to curb gasoline production.

Traders also eyed political events in the Middle East and Venezuela, but these had little influence on oil prices.

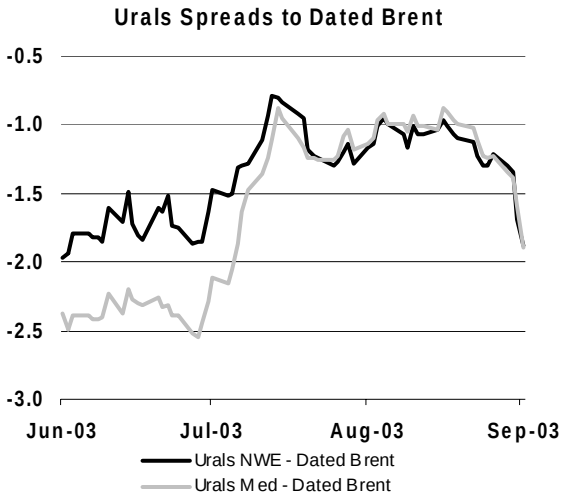
The OPEC basket of crudes spent most of August above the producer group's $28 target price, and averaged $28.69 for the month. The early September price decrease has caused the index to drop below $27.

August was characterised by continued strength in benchmark crudes, but surprisingly, considering the strength of gasoline, it was the sour benchmarks that largely outperformed their sweet counterparts. However, much of the relative strength of these crudes was due to supply-side issues, rather than being indicative of demand pressures.

Dated Brent outperformed WTI Cushing in August, rising by an average of 5.1% over the month compared with 2.9% for the US benchmark. In nominal terms, dated Brent averaged $29.79 in August, up $1.44 over July. The underperformance of the WTI contract in August appears surprising considering the strength of gasoline refining margins, persistently low inland stocks and the improvement in demand for light crudes. But the removal of recent technical tightness in WTI and strong competition from West African and North Sea crudes acted as a subduing factor.

Falling freight rates helped to keep Brent attractive, and a flurry of end-month activity means that early September shipments of North Sea crudes to the US are expected to average around 1 mb/d up from around 700,000 mb/d in August.

Urals remained strong in the Mediterranean, supported by strong utility demand for direct burn crudes, due to the European heatwave, flattening Russian export growth and the continued lack of Iraqi exports via the northern pipeline. Iranian light and heavy crudes also performed well, acting as substitutes for Urals.

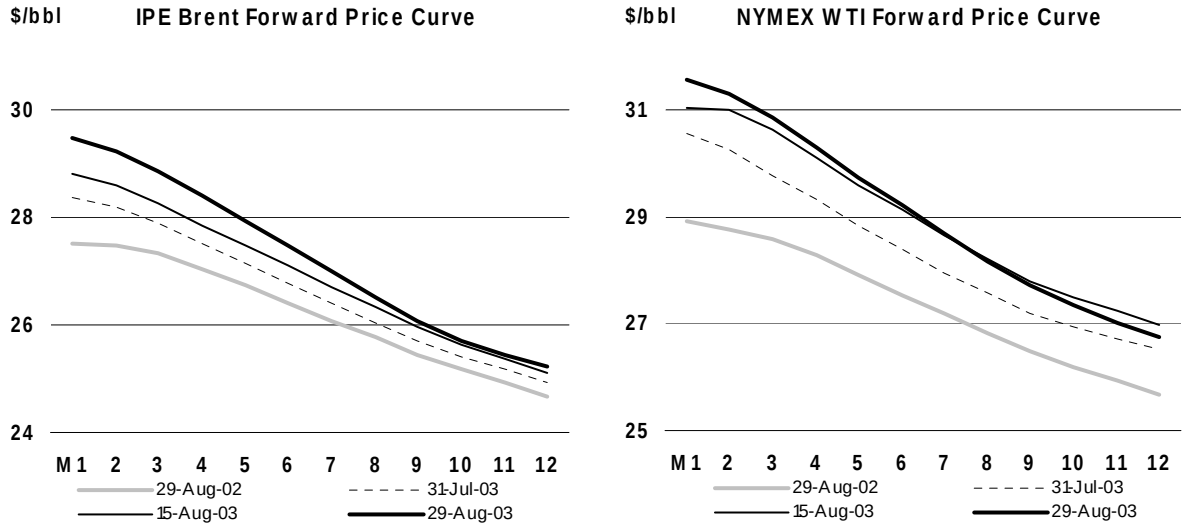


Utility demand in the Mediterranean and much of mainland Europe was strong to meet air-conditioning demand as temperatures reached record high levels. Nuclear power generation also faced problems as the outflow temperatures of cooling water rose beyond environmentally acceptable limits, while the drought restricted hydro-power production. This pushed low sulphur fuel oil to a premium to these crudes for most of the month, enhancing the attractiveness of Urals and other sour crudes.

In the Far East, the notable strength of Tapis crude relative to Dubai had more to do with Australian production problems than regional demand strength. Dubai was a notably weak performer during the month, with ample Middle East availability acting as a further depressant. Dubai differentials relative to Brent declined to $2.40 under Brent by the end of August from $1.68 under at the end of July. Usually a discount greater than $1-$1.50 means that Brent related crudes are unattractive to regional refiners, but the strength of gasoline, jet and gasoil and the high price of regional sweet grades tended to bolster demand for Brent-related sweet crudes. Traders noted an increase in demand for West African crudes in particular. An end to the peak maintenance season in the Far East is likely to bolster crude offtake in the coming months as refiners gear up for the winter heating season.

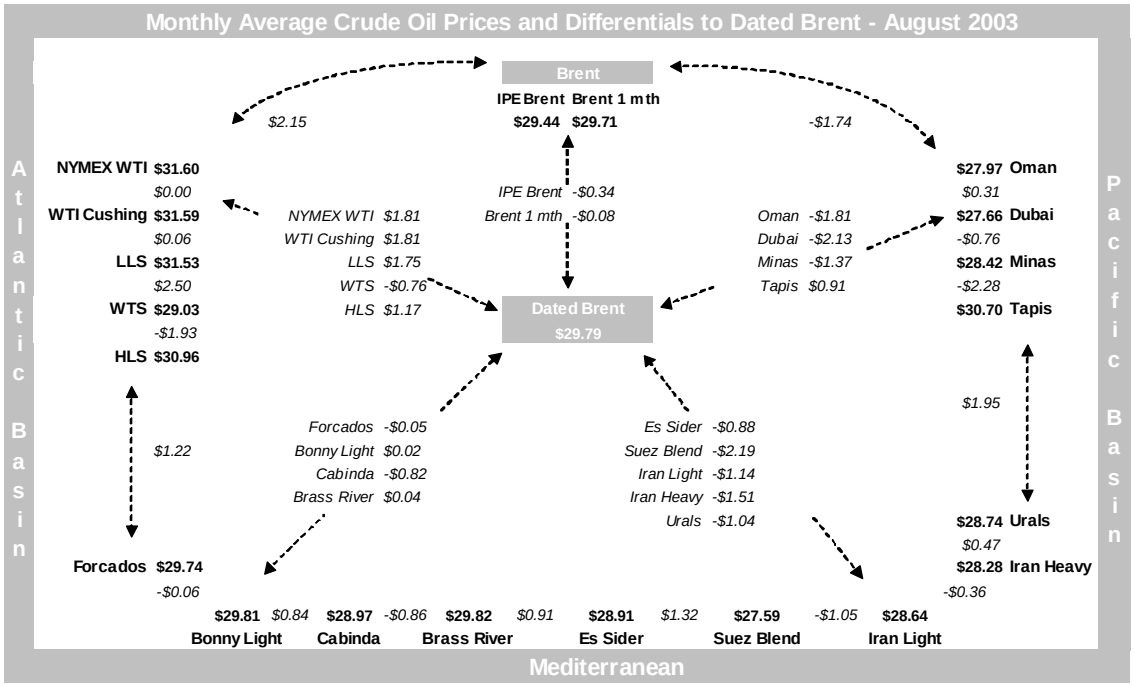
Crude Futures in August

The most salient feature of benchmark crude futures in August was the relative weakness of the WTI front/second month (September/October) spread ahead of the nearby contract expiry, despite high outright prices. Not only was there significant competition in the US sweet market, but there was little sign of the delivery tightness of prior expiries.



Further, the non-commercials, who generally hold their positions in the actively traded front contract, had the largest net long position for four years on 5 August. This meant that they had either to close out September positions ahead of expiry or roll their long positions forward. Either option would tend to put pressure on the front spread, which moved from a 29-cent front month premium (backwardation) at the end of July to a 9-cent front month discount (contango) by 20 August.

Non-commercials reportedly actively sold crude futures during the September 2 sell off and in that week the net long position in WTI futures narrowed from 42,008 lots long to 17,490 lots long.



Delivered Crude Prices in June

Delivered prices for crude oil imported into IEA countries rose from $25.37 in May to $26.77 in June, reflecting a recovery in prices from the end-Q1 slump (see Table 8 at the back of the Report). A rise in prices was seen in all IEA regions, but a lower increase in IEA Pacific reflected the shipping time into the reporting region. IEA North America saw the steepest rise of $1.89, while IEA Europe and IEA Pacific increased by $1.62 and a $0.18 respectively.

Product Prices

Spot Product Prices in August

Gasoline's strength in August was exceptional, with New York RFG barges rallying by $14.95/bbl from the end of July to a closing peak of $52.72 on 25 August. The surge opened the arbitrage window from Europe (both northwest Europe and the Mediterranean) and many other regions, spurring a global rise in gasoline prices and refinery margins. Low stocks, improved demand and concern that heavy autumn maintenance would further deplete inventories provided a bullish background, culminating in frenzied buying when the US blackout led to the shutdown of three US and five Canadian refineries.

Spot Product Prices

(monthly and weekly averages, $/bbl)

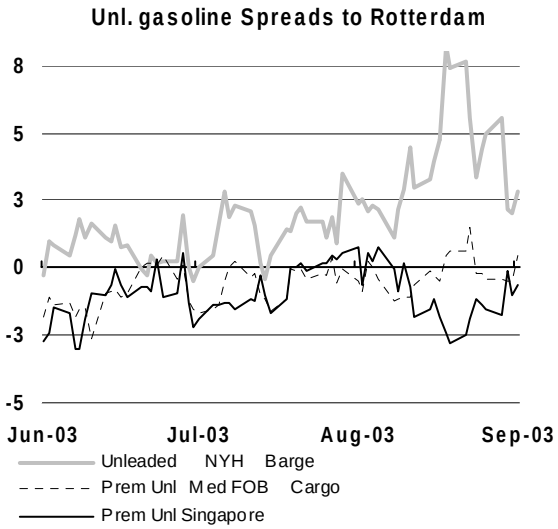
	Jun	Jul	Aug	Aug-Jul		Week Commencing:					Jun	Jul	Aug
				Change	*%*	28 Jul	04 Aug	11 Aug	18 Aug	25 Aug			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	33.74	35.99	38.73	2.74	7.6	35.87	38.07	39.24	39.58	38.35	6.23	7.64	8.94
Regular Unleaded	33.07	35.32	38.18	2.85	8.1	35.03	37.58	38.68	39.03	37.85	5.56	6.97	8.39
Naphtha	27.14	27.61	29.42	1.82	6.6	27.35	29.76	29.05	29.47	29.67	-0.37	-0.74	-0.36
Jet/Kerosene	31.81	33.07	34.61	1.54	4.7	33.46	34.84	34.11	34.50	35.02	4.30	4.72	4.82
Gasoil	31.06	31.57	32.98	1.41	4.5	31.99	33.89	32.58	32.44	32.91	3.54	3.22	3.20
Fuel Oil 1.0%S	26.14	26.58	26.88	0.31	1.2	26.89	27.22	26.23	27.01	26.94	-1.38	-1.78	-2.90
Fuel Oil 3.5%	22.49	25.18	24.73	-0.45	-1.8	24.75	25.56	24.82	24.12	24.16	-5.02	-3.17	-5.05
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	32.80	35.43	38.59	3.16	8.9	35.63	37.99	38.35	39.80	38.71	7.64	8.59	9.85
Premium Unleaded	32.08	34.71	37.87	3.16	9.1	34.91	37.27	37.63	39.08	37.99	6.92	7.87	9.13
Naphtha	26.13	26.66	28.38	1.71	6.4	26.46	28.74	27.97	28.40	28.61	0.97	-0.18	-0.37
Jet/Kerosene	29.84	31.31	33.03	1.73	5.5	31.78	33.40	32.46	32.86	33.45	4.67	4.47	4.29
Gasoil	30.35	29.95	31.99	2.03	6.8	30.91	32.95	31.60	31.33	31.88	5.18	3.11	3.24
Fuel Oil 1.0%S	26.00	28.48	28.76	0.28	1.0	28.31	29.41	28.77	28.56	27.98	0.84	1.64	0.01
Fuel Oil 3.5%S	21.83	24.28	23.60	-0.68	-2.8	23.34	24.29	23.57	23.15	23.05	-3.33	-2.56	-5.14
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	37.24	40.05	46.80	6.75	16.9	40.46	43.35	45.81	49.39	49.56	6.59	9.35	15.21
Regular Unleaded 87	33.79	36.65	42.13	5.48	15.0	36.87	39.88	41.41	44.55	43.27	3.13	5.94	10.54
Jet/Kerosene	32.42	33.92	35.57	1.64	4.8	34.57	36.17	35.30	35.20	35.40	1.76	3.22	3.98
No.2 Heating Oil	31.89	32.98	34.24	1.26	3.8	33.45	34.99	33.97	33.67	34.07	1.24	2.28	2.64
Fuel Oil 1.0%S (Cargo)	25.19	27.53	27.77	0.24	0.9	26.61	27.59	27.73	27.70	28.27	-5.47	-3.18	-3.83
Fuel Oil 3.0%S (Cargo)	21.70	26.19	26.33	0.14	0.6	26.10	26.43	26.91	26.22	25.83	-8.96	-4.51	-5.26
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	32.80	35.43	38.59	3.16	8.9	35.38	37.91	38.00	37.10	36.41	7.29	8.71	10.93
Naphtha	32.08	34.71	37.87	3.16	9.1	27.64	30.14	29.50	29.30	30.08	6.57	7.99	10.22
Jet/Kerosene	26.13	26.66	28.38	1.71	6.4	30.95	33.52	33.44	33.60	34.19	0.63	-0.06	0.72
Gasoil	29.84	31.31	33.03	1.73	5.5	29.55	32.47	32.25	31.89	33.06	4.33	4.59	5.37
LSWR (0.3%S)	30.35	29.95	31.99	2.03	6.8	23.92	25.44	25.76	25.40	26.35	4.84	3.24	4.33
HSFO (3.5%S 180cst)	26.00	28.48	28.76	0.28	1.0	26.13	26.42	25.97	25.23	25.50	0.50	1.76	1.10
HSFO 4%S	21.83	24.28	23.60	-0.68	-2.8	26.50	26.73	26.38	25.59	25.66	-3.67	-2.44	-4.05

The cumulative effect of strong demand ahead of the Labor Day holiday and the refinery problems contributed to a 7 mb draw in primary US finished gasoline stocks between 8 and 22 August. The situation calmed as supplies improved: a significant tonnage of material was booked to move from Europe to the US market and high margins prompted refiners to maximise throughput. Traders also assumed that the high end-month US demand was partly due to the shift of material from primary to secondary and tertiary storage ahead of the Labor Day holiday.

But the strength in gasoline was not entirely a US phenomenon: although North American prices have dipped towards the beginning of September, European prices have remained firm. Arbitrage shipments have left European markets relatively tight, particularly after the summer heatwave forced many refiners to reduce gasoline output because of cooling difficulties. Further, West African and Iraqi demand continues to attract surplus gasoline.

Therefore, while the US saw a peak-to-trough decline of almost $13/bbl at the end of the month, the comparable decline in northwest Europe and the Mediterranean was around $4.50.

While the US gasoline market was undoubtedly a stellar performer in August, the rest of the products, bar a small rally in low sulphur fuel oil, were relatively flat. A similar picture was painted in both northwest Europe and the Mediterranean regions, where prices were largely led by crude and differentials for middle distillates were flat.



Jet kerosene and gasoil surged in the Far East as weak seasonal runs and aggressive pre-maintenance buying by Indonesia helped induce a rally that outperformed regional gasoline prices. The export of surplus gasoil in June and July to the US and Europe helped to clear a regional overhang and set the stage for a tighter market. Distillate demand usually improves ahead of the winter heating season, with kerosene often preferred regionally over gasoil for heating needs.

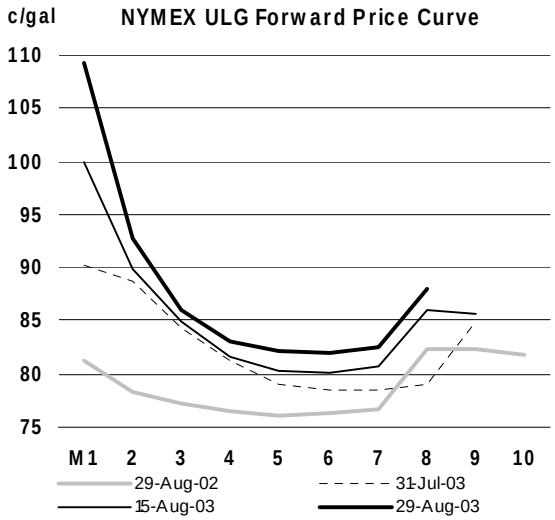
Improved air travel demand, particularly in China, coupled with pre-winter buying helped jet kerosene hold its strong premium over gasoil (the regrade) for the majority of August. The regrade spread collapsed in the last few days of the month as traders became concerned about signs that Asian refiners were optimising jet yields at the expense of gasoil. This would be a reversal of the jet fuel production cuts seen when the SARS virus hit.

High sulphur fuel oil fell in the Far East as a large volume of imported cargoes and the absence of Chinese imports pressured the market. The Chinese imported large volumes of fuel oil in June, but were virtually absent from the market in July and August. Traders remain hopeful for further large imports in the coming weeks, but were disappointed by the size of the October Indonesian products tender.

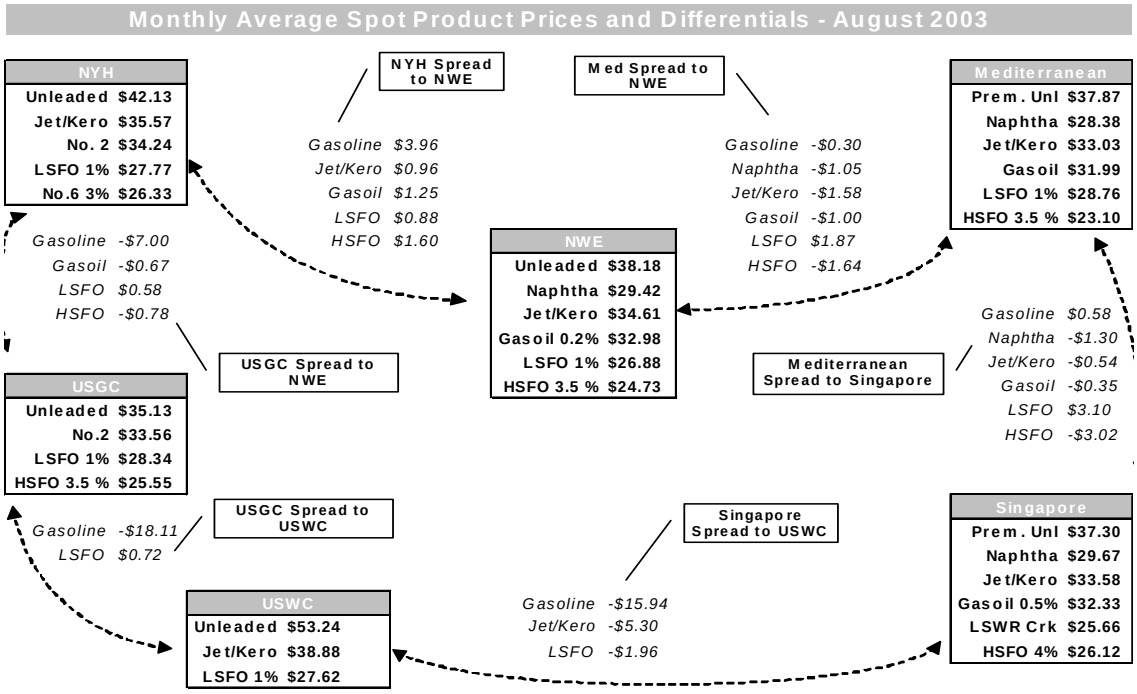
By the end of August the fuel oil arbitrage from Europe was firmly closed which acted as a depressant on European values. The pan-European heatwave boosted fossil fuel burning by utilities in late July and early August as cooling demand increased and the hot weather caused a reduction in nuclear and hydro power production. European utilities, particularly in the Mediterranean had been heavy buyers of low sulphur fuel oil in July, but were more muted in August. By the middle of the month the hot weather dissipated, resulting in a reduction in demand, which was further compounded by the closure of Asian arbitrage opportunities for high sulphur material.

Product Futures in August

Product futures were dominated by the strength of gasoline, with the premium of September over October NYMEX gasoline futures reaching a closing peak of 18.78 cents per gallon at the end of August. By expiry, the September premium over October had fallen to 16.48 cents, but that still meant a dramatic nominal front month price drop the following trading session when October took its place at the front of the board. The front month rollover also resulted in a 3.70-cent fall in futures crack spreads, although they remain attractive at nearly $6/bbl. The rollover was especially significant this year, with the September expiry taking place on the day prior to the Labor Day public holiday, that generally marks the end to the US driving season. However, despite anecdotal comments about large-scale non-commercial selling, the net long for this category in the week ending 2 September was still relatively high at 31,291 lots, little changed from a 12 August peak of just over 36,000 lots.



While the NYMEX heating oil forward price strip continues to display the normal seasonal tendency towards a peak at the end of the year and a modest nearby contango to encourage stock building, the IPE gasoil contract is steeply backwardated from October. The earlier seasonal peak in Europe can best be attributed to relatively ample inventories in the region, coupled with high domestic stocks in Germany. In contrast, primary US inventories held close to the lower end of seasonally observed levels. After the shock of last year's exceptionally cold winter, US traders are understandably reluctant to call an early peak to the market.



End-User Product Prices in August

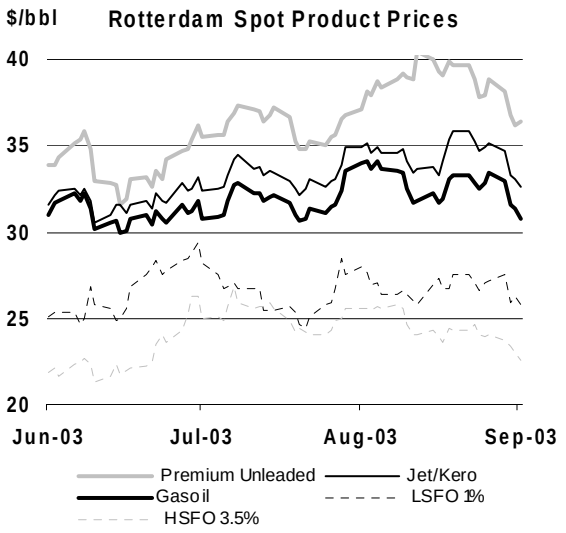
End-user prices (See Table 9) rose in August in most regions. This reflected the continued strength in crude and gasoline prices, bolstered by the US blackout, demand increases, and an improvement in Asian market conditions. The stronger dollar put additional upward pressure on euro-based prices, while the strength of the yen helped to moderate Japanese increases.

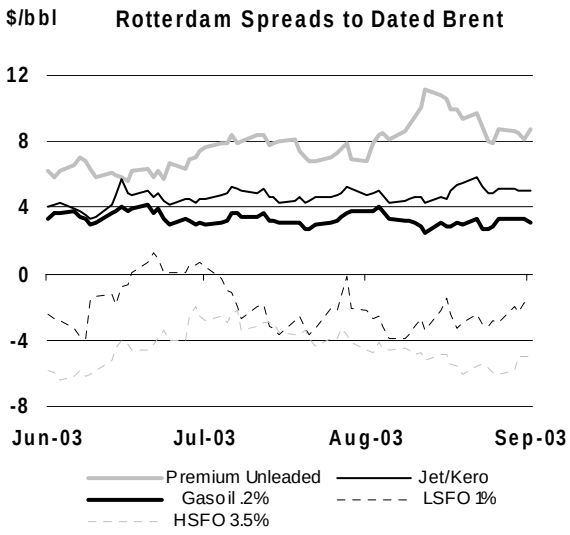
Gasoline end-user rises were most significant in North America, particularly in gasoline, following the rise in wholesale prices accentuated by the 14 August blackout. Retail prices in the US were 15.7% higher than a year ago. European prices rises were limited to 1.6%, but on an ex-tax basis were up to 4.5% higher. Japanese gasoline retail prices were unchanged in August and fell slightly in dollar terms.

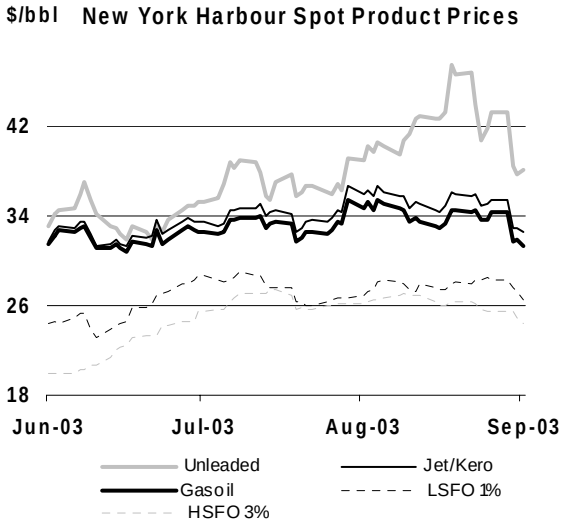
Diesel prices followed a very similar pattern to those seen in gasoline, but the gains in the US were much more moderate. Japanese diesel prices were again unchanged in August.

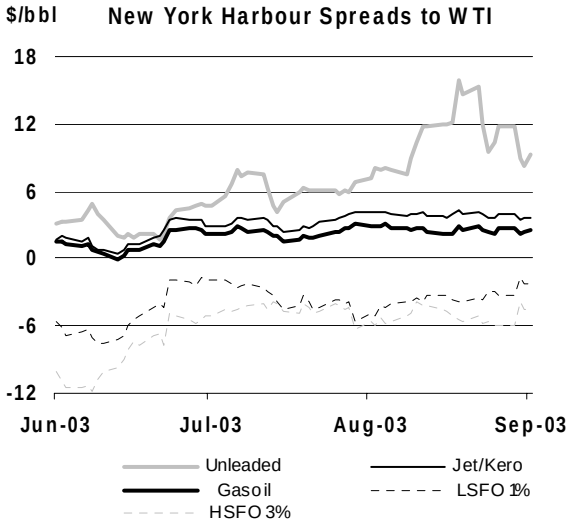
Domestic heating oil prices showed the largest percentage gains of any product in Europe, rising up to 3.5 % in Spain in August. Japanese prices fell by a modest 0.1 % in the month in yen terms, but were 0.8% lower in dollar terms.

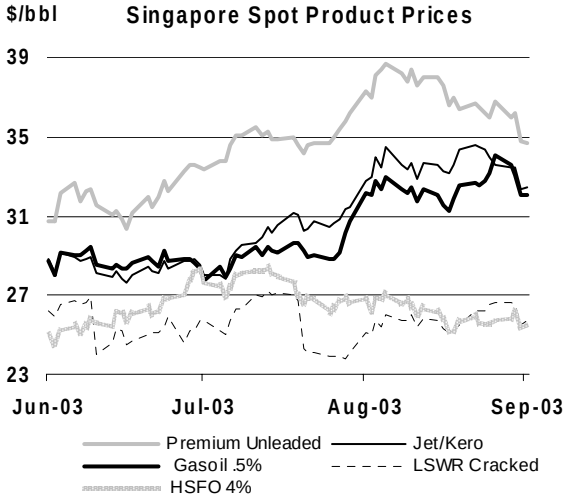
Fuel Oil prices for industry were generally slightly stronger in Europe, although strong industry stockpiling in July helped to cause a modest 0.5% decline in prices in Italy. Japanese yen-based prices fell by 0.8%.

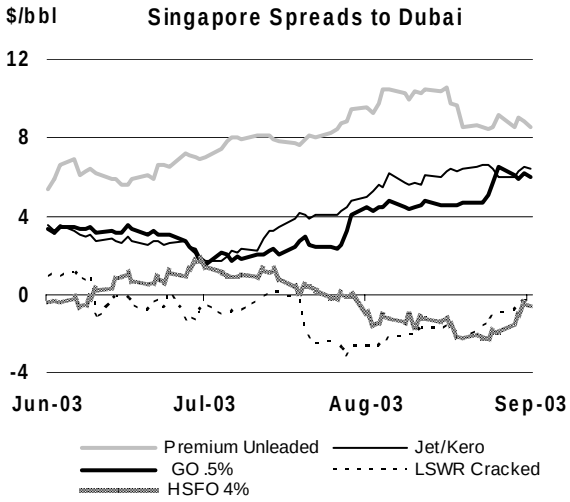

$/bbl
Rotterdam Spot Product Prices
40
35
30
25
20
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3.5%


$/bbl
Rotterdam Spreads to Dated Brent
12
8
4
0
-4
-8
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil .2%
LSFO 1%
HSFO 3.5%


$/bbl
New York Harbour Spot Product Prices
42
34
26
18
Jun-03
Jul-03
Aug-03
Sep-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%

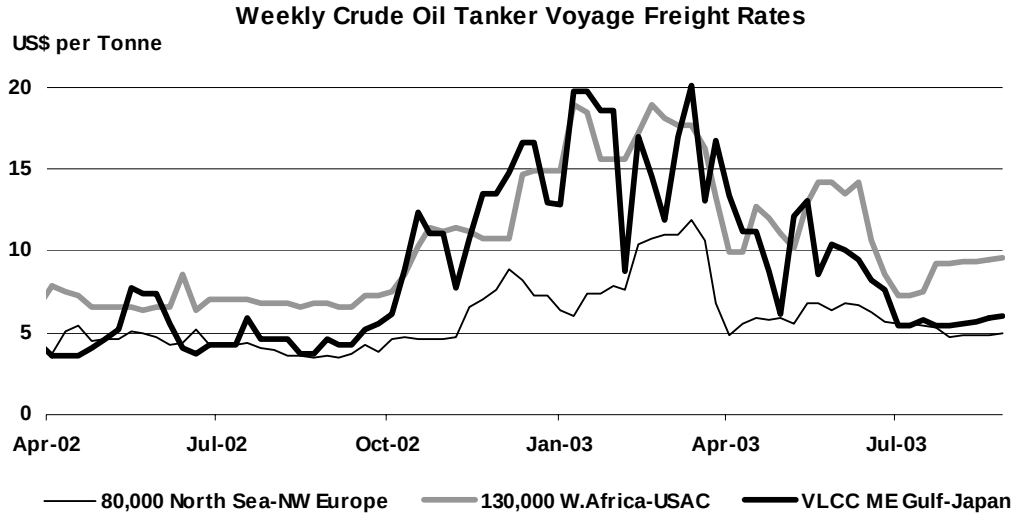

$/bbl
New York Harbour Spreads to WTI
18
12
6
0
-6
-12
Jun-03
Jul-03
Aug-03
Sep-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%


$/bbl
Singapore Spot Product Prices
39
35
31
27
23
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil .5%
LSWR Cracked
HSFO 4%


$/bbl
Singapore Spreads to Dubai
12
8
4
0
-4
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
GO .5%
LSWR Cracked
HSFO 4%

Freight

Dirty freight rates remained weak for much of August, with lower Russian exports and reduced Iraqi shipments at the start of the month keeping demand weak. OPEC output also remained relatively steady. However, rates picked up by the end of the month.



The gasoline spike towards the end of August increased transatlantic activity, with North Sea crudes booked to move to the US. An improvement in Far Eastern demand for sweet crudes and higher refinery throughput also encouraged additional demand from West Africa, while traders reported a flurry of fixtures from the Middle East. Iraqi shipments, which were running at around 450,000 b/d in early August, also picked up, leaving total August exports close to the targeted 650,000 b/d rate.

A tight loading schedule has also resulted in relatively firm rates out of the Black Sea, but industry sources do not expect a significant rise from these levels.

However, while the increase in end-August freight rates was notable from the early-month torpor, the rise has been limited and is little changed from seasonal norms.

The improvement in rates was not universal. VLCCs were the main beneficiary and there was only a modest pickup in Suezmax rates. Aframax prices rose marginally from mid-month lows, but in contrast to VLCC and Suezmax, rates fell below 2002 values in early August.

Clean tonnage remained relatively flat from end-July values, helped by strong US demand for gasoline and heating oil. Lower August Asian gasoil exports acted as a marginally negative offsetting factor.

Refining Margins in August

The strength of gasoline boosted refining margins for light sweet crude around the world for much of August. As a result, simple (hydroskimming) margins underperformed catalytic cracking returns. Sour margins proved less attractive, particularly for Urals crude which maintained its narrow spread to Brent crude due to lower Russian exports and the continued absence of northern Iraqi crude exports.

Northwest European Brent cracking margins averaged $1.54 in August, up $0.26 over July levels. Hydroskimming margins however fell by 11 cents resulting in a widening in the observed differential between simple and complex refinery margins from $1.09 in July to $1.45 in August. Practically though, the heatwave is likely to have resulted in a lower benefit for some refiners, who were forced to reduce gasoline output due to cooling difficulties.

The strength of the US gasoline market meant that arbitrage opportunities were open for most of the month, helping to support northwest Europe values. However, the end-month collapse in gasoline prices has meant that at the start of September hydroskimming values are barely positive and cracking margins have fallen to $1.60 per barrel.

Mediterranean activity was dominated by the persistent strength of Urals crude, which raised the price of substitute Middle Eastern sour grades into the region. Despite this, Urals cracking margins remained firm as high gasoline prices bolstered overall returns. Fuel oil was flat during the month and weakened on a differential basis: a surprising outcome considering the robust demand from utilities to provide cooling power needs. However, anecdotal reports suggest that the utilities had been heavy buyers in July, which ties in with the relatively lacklustre price performance in August.

The strength of gasoline was largely responsible for the outperformance of cracking over hydroskimming margins. The indicative spread between the two types of refinery activity rose from $1.13 in July to $1.62 in August.

Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Aug-Jul		Week Ending:				
	Jun	Jul	Aug	*Change*	%	01 Aug	08 Aug	15 Aug	22 Aug	29 Aug
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-0.55	0.19	0.09	-0.11		0.34	0.16	0.50	0.50	0.11
Brent (Cracking)	0.58	1.28	1.54	0.26		1.50	1.55	2.11	2.17	1.64
Mediterranean										
Urals (Hydroskimming)	1.84	1.51	0.84	-0.67		1.36	0.81	0.80	0.75	0.60
Urals (Cracking)	3.10	2.64	2.46	-0.18		2.58	2.30	2.58	2.64	2.30
US Gulf Coast										
WTI (Cracking)	1.35	3.20	5.16	1.97		3.43	3.45	6.94	7.50	4.38
Brent (Cracking)	1.95	3.62	5.33	1.72		4.55	4.01	7.40	7.70	4.72
Singapore										
Dubai (Hydroskimming)	0.84	0.86	0.92	0.05		1.24	1.18	1.10	0.51	1.25
Dubai (Cracking)	2.20	2.30	3.37	1.07		3.29	3.67	3.63	2.95	3.91
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	28.10	29.68	31.01	1.33	4.5	31.09	31.34	30.62	31.72	31.03
Brent (Cracking)	29.32	30.86	32.56	1.70	5.5	32.35	32.84	32.33	33.50	32.66
Mediterranean										
Urals (Hydroskimming)	27.20	28.54	29.76	1.22	4.3	30.07	30.23	29.23	30.30	29.64
Urals (Cracking)	28.56	29.77	31.48	1.71	5.7	31.40	31.81	31.12	32.29	31.44
US Gulf Coast										
WTI (Cracking)	33.10	35.00	37.86	2.86	8.2	36.94	36.81	39.19	40.51	37.03
Brent (Cracking)	32.88	34.78	37.47	2.69	7.7	36.62	36.47	38.71	40.01	36.69
Singapore										
Dubai (Hydroskimming)	26.83	28.08	29.08	1.00	3.6	28.48	29.90	29.20	28.95	29.38
Dubai (Cracking)	28.29	29.62	31.64	2.02	6.8	30.63	32.49	31.83	31.49	32.14

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

US Gulf refining margins show the full impact of the US gasoline strength in August, reaching the highest levels since May 2001 and were significantly higher than the equivalent month in recent years. WTI and Brent cracking margins rose last month to $5.16 and $5.33 respectively, from $3.20 and $3.62 in July. The improvement in WTI refining margins reflects the relative weakness of the US crude during August and stronger refiner demand for sweet foreign crudes. A 46 cent per barrel fall in tanker transportation costs in August reinforced the improvement in transatlantic crude trade.

The average US refining margin in August however, masks the extreme volatility in margins endured by refiners. Indicative margins for both Brent and WTI topped $8 on 21 August, but slumped below $3.50 by the beginning of September.

Far Eastern margins were bolstered by a sharp rise in gasoline and middle distillate prices during August, but a regional overhang of fuel oil tempered the recovery in hydroskimming margins. Indicative simple refining margins barely moved, rising just five cents, compared with a $1.07 rise in cracking margins.

Margins were helped by the closure of three Japanese refineries closed due to technical and administrative problems and substantial Indonesian buying to offset refinery maintenance. Considering these factors, the margin increase is not dramatic.

However, the heavy maintenance season in Asia is close to coming to an end, and the regional capacity overhang means that most of the refining closures have been offset by higher runs by other processors. A significant pickup in West African sweet crude demand was being actively commented upon by traders long before the narrowing of the Brent/Dubai arbitrage signalled that Brent-related crudes would be moving East and suggesting that demand is already improving.

OECD Refinery Throughput in July

OECD refinery throughputs were virtually unchanged in July from June but up from year earlier comparatives. OECD crude runs were pegged at 38.58 mb/d, up slightly from 38.41 mb/d in June and up 300,000 b/d from July 2002. However, considering that 2002 throughput was generally near the low end of the range for the past four years, it was far from an exceptional performance. The year-on-year and month-on-month trends were mirrored in the cumulative data for the European Pacific and North American regions.

US Blackout – It Could Have Been Much Worse

The number of US refineries affected by the August 14 grid failure was low compared with total capacity in the affected regions, with the Midwest suffering the brunt of the problems. Many refiners were able to call on back up and co-generation facilities to minimise downtime.

One Pennsylvanian refiner was reportedly down for 24 to 48 hours, but the main disruptions were in the US Midwest and Ontario. BP and Sunoco's Toledo Ohio refineries were reported to have been down for around 48 hours, with a full restart of all units taking a little longer. Marathon's Detroit refinery however took nearly two weeks to bring back on line according to trade reports. It was the only US refinery to suffer significant component damage as a result of the power failure, with a boiler exploding.

The situation was worse in Ontario, Canada, where the blackout closed five refineries with a combined capacity of 475 b/d. Around half of that capacity was fully on line by 19 August with the rest coming back four days later.

Refineries were not the only casualty. Loading terminals in New York Harbour, five ethanol and polymer plants and several pipelines were disrupted by the blackout. Of the pipelines, the most important loss was the 1.1 mb/d Buckeye products pipeline that runs from New York Harbour to the Midwest and the 1.9 mb/d Enbridge crude pipeline from Canada to the Midwest.

The price impact was dramatic, with front month NYMEX gasoline futures peaking at 114.36 cents/gallon on 25 August and spot wholesale differentials pushing regional valuations higher still. Assessed Midwest prices were over $1.23/gallon at one point.

There is little doubt that a number of factors accentuated the price spike. Low stocks played a significant part in generating supply concerns, while the variance of gasoline specifications among states limits the ability of the US refining system to act as a unified supplier. Demand was also very strong, and accentuated by a switch to car travel as the blackout disrupted train and air traffic. Primary shipments were also high in anticipation of record US Labor Day vacationer travelling. Non-commercials appeared to play little part in the price spike – they had been holding high net-long positions since early August and weekly data shows little alteration in net positions over this period.

Overall, the US petroleum market got off relatively lightly. Weekly data spanning the power failure showed US crude throughput rising by 205,000 b/d in the week ending 15 August, before falling by 234,000 b/d the following week. Of the losses in the second week, 157,000 b/d were seen in Padd 3 and were unrelated to the blackout and 164,000 b/d were in Padd 2. East Coast refiners cranked up runs to compensate by 94,000 b/d. In addition, higher prices prompted a swift response from the global refining system to provide additional supplies to the US market. US gasoline imports rose to nearly 1.2 mb/d two weeks after the blackout from an average of 8 mb/d in the previous four weeks.

The modest improvements in refinery crude throughput on a global scale are not too surprising considering margins were relatively lacklustre in July, they were not weak enough to cause significant regional cutbacks. However, events in the **North American** refining industry caused a sea change in August, with global reverberations that are still being felt.

The Californian refining industry continued to suffer from outages during August, which impacted on local high spec gasoline production and an unusually high regional variation in retail prices. These were compounded by a rupture of the Kinder Morgan pipeline from Tucson to Phoenix in Arizona, which caused a shortage in some towns and resulted in further regional distortions.

However, the major shock to the refining system was the impact of the August 14 electricity grid failure. The blackout caused severe disruption to power consumers in the US Northeast and Midwest and in parts of Canada. In total nine refiners suffered outages ranging from one day to nearly two weeks (see grey box), but the overall impact could have been much worse.

There remains a wide range of uncertainty over the autumn maintenance programme in the US, which is probably a reflection of the volatile refinery margins and the relative flexibility of the work scheduled. Reports have varied between below normal to above average maintenance in the coming months, with the peak downtime expected in October. The Midwest is generally expected to undergo a relatively heavy programme in the coming months, but for the US as a whole maintenance programmes would appear to be lighter than last autumn when peak-month October throughput was reduced to 85% of capacity.

Petro-Canada announced the closure of its 90,000 b/d Oakville, Ontario refinery due to the high cost of upgrading the plant to meet tight new standards for low-sulphur gasoline. The company will compensate for the closure by expanding its 125,000 b/d plant in Edmonton, Alberta, and a 110,000 b/d Montreal facility over the next 16 months. Petro Canada plans to ship petroleum products into the southern Ontario market by expanding the under-used Trans-Northern Pipeline, which runs to Quebec from Ontario, and reversing the flow. Other refiners, particularly those with smaller US plants have signalled similar closures, which would likely be offset by capacity creep at larger plants.

Refinery Crude Throughput and Utilisation in OECD Countries

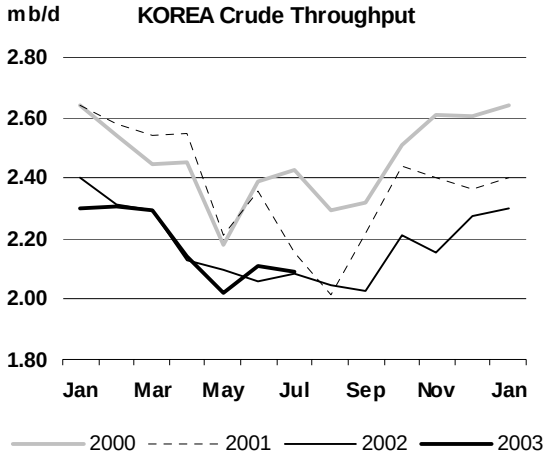
	million barrels per day						*Change from Jul 02*		Utilisation rate[2]	
	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	mb/d	%	Jul 03	Jul 02
OECD North America										
US[3]	14.38	14.93	15.57	15.92	15.62	15.50	0.07	0.5	92.3	91.9
Canada	1.80	1.63	1.68	1.90	1.79	1.78	-0.01	-0.5	91.5	91.9
Mexico	1.26	1.26	1.25	1.28	1.21	1.20	0.01	-6.9	77.2	70.7
Total	17.44	17.82	18.51	19.10	18.62	18.48	0.18	-0.1	91.1	91.2
OECD Europe										
France	1.78	1.64	1.57	1.66	1.69	1.62	-0.02	-6.7	85.7	91.8
Germany	2.28	2.25	2.29	2.15	2.14	1.96	-0.29	-11.3	86.9	98.0
Italy	1.69	1.80	1.76	1.76	1.73	1.88	0.20	3.8	82.2	79.2
Netherlands	1.04	0.93	1.03	1.08	1.05	1.10	0.14	25.4	91.4	72.9
Spain	1.04	1.09	1.21	1.21	1.17	1.15	0.04	-3.2	89.0	92.0
UK	1.69	1.68	1.65	1.69	1.63	1.58	-0.06	-0.4	88.4	88.8
Other OECD Europe	3.97	3.97	3.96	3.70	3.91	3.94	0.06	4.1	85.7	82.3
Total	13.48	13.37	13.47	13.24	13.31	13.24	0.08	0.3	86.4	86.2
OECD Pacific										
Japan	4.62	4.43	4.23	3.84	3.65	3.95	0.03	3.0	79.5	77.2
Korea	2.30	2.30	2.14	2.02	2.11	2.09	0.04	0.2	81.6	81.4
Other OECD Pacific	0.83	0.82	0.84	0.83	0.72	0.82	-0.03	3.8	85.8	82.6
Total	7.75	7.54	7.21	6.70	6.48	6.86	0.04	2.2	80.9	79.1
OECD Total	38.68	38.73	39.18	39.03	38.41	38.58	0.30	0.4	87.5	87.1

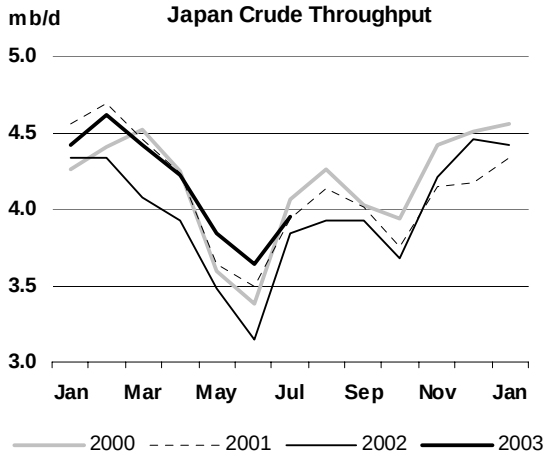
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

OECD European throughput is likely to show an improvement in August as German refiners come back from maintenance. However, the heatwave at the beginning of the month caused some production problems. The infrequency of high temperatures makes it uneconomic to install cooling systems in northern Europe, which meant that some refiners were restricted to night-time operation of gasoline units. The overall impact of the hot weather was however reportedly relatively minor.

A fire on 14 August at Repsol's 140,000 b/d Puertollano refinery south of Madrid reduced Spanish throughput. The refinery accounts for 19 percent of Spain's oil production. Repsol compensated for production losses by increasing production at its other five Spanish refineries, but traders said a 30,000 tonne gasoline cargo slated for export to the US was cancelled. Puertollano was also due to shut for a routine maintenance in September, which the company said could take up to two months to complete. Libyan and Algerian maintenance in September is likely to provide additional benefit to Mediterranean refiners.

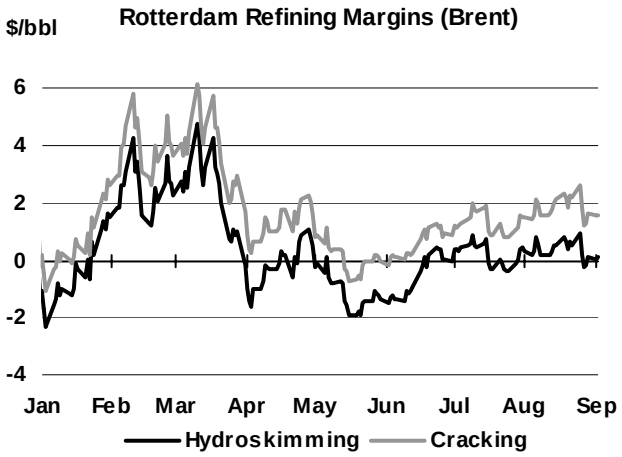
OECD Pacific throughput increased in July and remains in the middle of the seasonal range, with Japanese refiners continuing to run towards the top of recent seasonal norms and Korea at the lower end. Higher refinery margins in August for complex refineries will have encouraged some economic run increases, and some Japanese and Korean throughput increases are directly related to the closure of three of Nippon's refineries due to maintenance irregularities at two facilities and a fire at a third (see report dated 11 July 2003).

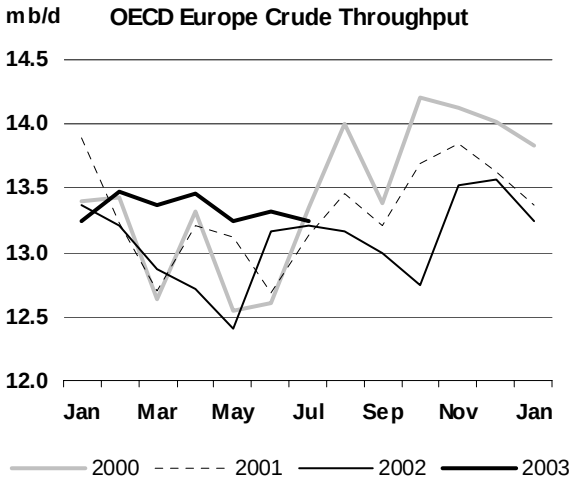


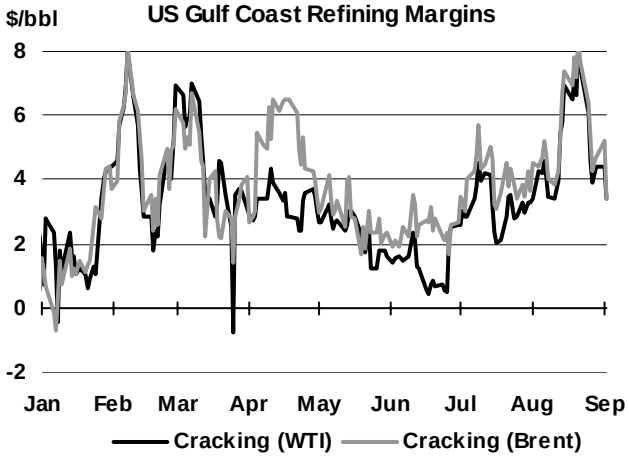


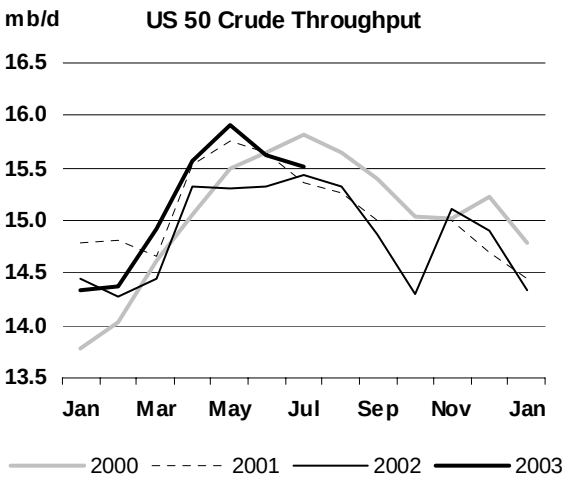
In non-OECD Asian countries a 70-day-maintenance programme started at state-run Pertamina's 125,000 b/d Balongan refinery in Indonesia on August 18. Pertamina increased imports in August and September to compensate for the loss of products and has concluded a 92,500 b/d processing deal with Singapore Petroleum Corp for October.

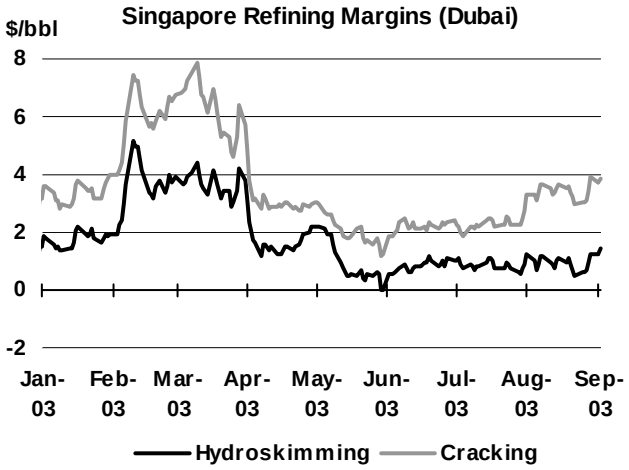
Maintenance programmes at other non-OECD Asian refiners are expected to be reasonably heavy in September, but that is likely to benefit other regional refiners with spare capacity, rather than result in a significant decrease in runs.


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan Feb Mar Apr May Jun Jul Aug Sep
Hydroskimming
Cracking


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep
Cracking (WTI)
Cracking (Brent)


mb/d
US 50 Crude Throughput
16.5
16.0
15.5
15.0
14.5
14.0
13.5
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
-2
Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03 Jul-03 Aug-03 Sep-03
Hydroskimming
Cracking

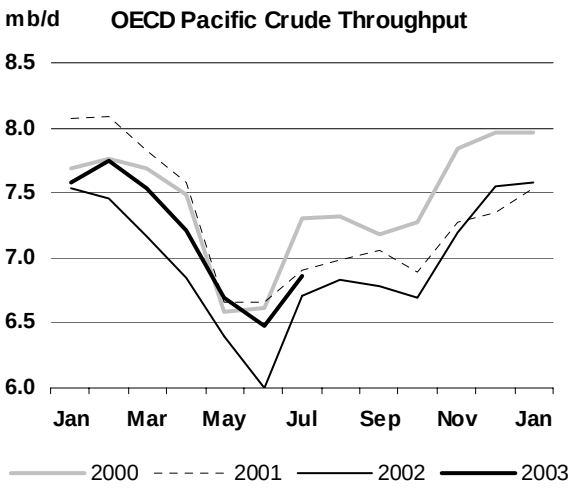

mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.1	24.6	24.6	24.5	24.8	24.4	25.0	25.1	24.8
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	14.9	15.2	15.5	15.2	15.3	15.0	15.3	15.7	15.3
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	8.0	8.0	9.1	8.7	9.2	7.8	8.0	9.1	8.5
Total OECD	47.8	47.8	48.1	46.3	47.5	48.9	47.7	49.4	47.1	47.8	49.2	48.4	49.3	47.3	48.3	49.9	48.7
NON-OECD DEMAND																	
FSU	3.7	3.7	3.7	3.4	3.6	4.3	3.8	4.0	3.4	3.7	4.3	3.9	4.1	3.5	3.7	4.3	3.9
Europe	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	4.6	4.7	4.6	5.0	4.9	5.2	4.9	5.2	5.2	5.4	5.3	5.3	5.3	5.4	5.5	5.7	5.5
Other Asia	7.4	7.6	7.5	7.7	7.6	7.9	7.7	7.7	7.7	7.7	8.1	7.8	7.9	7.9	7.9	8.3	8.0
Latin America	4.9	4.9	4.7	4.8	4.9	4.7	4.8	4.5	4.6	4.8	4.7	4.6	4.5	4.7	4.8	4.7	4.7
Middle East	4.7	4.9	5.0	5.0	5.1	5.1	5.1	5.1	4.9	5.1	5.1	5.1	5.2	5.1	5.3	5.3	5.2
Africa	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.7
Total Non-OECD	28.4	29.1	29.0	29.2	29.4	30.5	29.5	29.9	29.2	30.0	30.9	30.0	30.5	30.1	30.7	31.8	30.7
Total Demand[1]	76.2	76.9	77.1	75.5	76.9	79.5	77.3	79.3	76.3	77.8	80.1	78.4	79.8	77.3	78.9	81.6	79.4
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	14.9	15.2	14.9	15.1	15.1	15.0	15.1	15.1
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.1	6.5	6.7	6.5	6.6	6.4	6.4	6.5	6.5
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.1	21.4	22.1	22.6	22.0	22.4	22.1	22.0	22.2	22.2
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.5	10.6	10.3	10.6	10.8	11.0	11.2	10.9
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.2	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.4	2.4	2.4
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.8	3.9	3.9	3.9	3.9	3.9	4.1	4.4	4.1
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.3	3.1	3.4	3.5	3.5	3.6	3.5
Total Non-OECD	22.3	23.1	23.9	24.1	24.5	24.6	24.3	24.7	25.0	25.4	25.8	25.2	25.9	26.1	26.5	27.2	26.4
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	46.0	46.6	47.7	48.0	47.7	48.5	48.0	48.7	48.1	49.3	50.1	49.1	50.2	50.1	50.4	51.3	50.5
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.2								
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	3.9	3.7	4.0	4.0	4.0	4.3	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.8								
Total Supply[4]	76.6	76.8	76.0	75.7	76.6	78.0	76.6	78.8	78.0								
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.2	-0.3	0.5	-0.8	-1.1	-0.4	-0.7	1.2								
Government	-0.1	0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.0								
Total	0.2	0.3	-0.1	0.6	-0.8	-0.8	-0.3	-0.5	1.3								
Floating Storage/Oil in Transit	0.1	-0.1	0.1	-0.2	0.0	-0.1	0.0	0.5	-0.1								
Miscellaneous to balance[5]	0.2	-0.3	-1.1	-0.2	0.5	-0.6	-0.4	-0.5	0.5								
Total Stock Ch. & Misc	0.4	-0.1	-1.1	0.2	-0.3	-1.5	-0.7	-0.5	1.7								
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.4	27.1	26.0	24.0	25.7	27.5	25.8	27.4	24.5	24.7	26.0	25.7	25.6	23.2	24.5	26.1	24.9
Total Demand ex. FSU	72.5	73.2	73.4	72.1	73.3	75.2	73.5	75.3	72.9	74.1	75.8	74.5	75.7	73.8	75.2	77.3	75.5
Total demand exc. FSU (% ch)[7]	0.9	0.9	-0.7	-0.1	0.8	2.0	0.5	2.6	1.1	1.1	0.8	1.4	0.5	1.3	1.5	2.0	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply

2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses

3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.

4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply

5 Includes changes in non-reported stocks in OECD and non-OECD areas

6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods

7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	0.1	-	-	-	-	0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-0.1	-0.2	-	-0.1	-	-	-0.1	0.1	-0.1
Total OECD	-	-	-	-	-	-	-	0.1	0.1	-0.3	-	-	-	0.2	-	0.1	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-	-	-0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.1	0.3	-	0.1	-	-0.1	0.1	0.1	0.1
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Latin America	-	-	-	-	-	-	-	-	-0.1	-	-	-0.1	-	-	-0.1	-0.1	-
Middle East	-	-0.1	-	-	-0.1	-0.1	-	-0.1	-0.1	-	-	-	-	-0.1	-	-	-0.1
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-0.1	-0.1	-0.1	-0.2	0.3	-	-	-	-0.3	0.1	-	-0.1
Total Demand	-	-	-0.1	-	-0.1	-	-	-	-	-	-	-	-	-0.2	-0.1	-	-0.1
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	0.2	0.2	0.1	0.1	-	0.1	0.3	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-
Total Non-OECD	-	0.1	-	-	-	-	0.1	-	-	0.1	0.2	0.1	0.1	-	0.1	0.3	0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	0.1	-	-	-	0.1	-	-	-	-	0.1	0.1	0.1	0.1	-	0.1	0.3	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-								
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-								
Total Supply	-	0.1	-	-	-	-	-	0.1	0.1								
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-								
Government	-	-	-	-	-	-	-	-	-								
Total	-	-	-	-	-	-	-	-	0.1								
Floating Storage/Oil in Transit	-	-	0.1	-	0.2	-0.1	-	0.2	-0.1								
Miscellaneous to balance	-	0.1	-	0.1	-0.2	0.1	-	-0.1	0.1								
Total Stock Ch. & Misc	-	0.1	0.1	-	-	-	-	0.1	0.1								
Memo items:																	
Call on OPEC crude + Stock ch.	-	-0.1	-	-0.1	-	-0.1	-0.1	-	-0.1	-0.2	-0.2	-0.1	-0.1	-0.3	-0.1	-0.2	-0.1
Total Demand ex. FSU	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-	-0.2	-	-	-

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	February			March			First Quarter			April			May		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	3.30	3.33	1.0	3.18	2.91	-8.3	3.24	3.24	0.0	2.69	2.78	3.2	2.75	2.36	-14.1
Naphtha	0.38	0.41	8.4	0.39	0.38	-4.1	0.39	0.40	2.4	0.43	0.41	-3.9	0.46	0.51	11.4
Motor Gasoline	9.85	9.85	0.0	9.92	9.88	-0.4	9.74	9.84	1.1	10.02	10.07	0.5	10.38	10.45	0.6
Jet/Kerosene	1.80	1.87	4.3	1.83	1.84	0.3	1.83	1.85	1.2	1.87	1.75	-6.6	1.76	1.73	-1.4
Gasoil	4.61	5.33	15.8	4.60	4.93	7.0	4.67	5.16	10.6	4.62	4.80	3.9	4.50	4.59	2.0
Residual Fuel Oil	1.40	1.55	10.4	1.51	1.59	5.1	1.45	1.48	2.0	1.41	1.51	7.3	1.36	1.40	3.1
Other Products	2.52	2.73	8.4	2.66	2.72	2.3	2.61	2.60	-0.3	2.76	2.88	4.5	2.89	2.79	-3.2
Total	23.86	25.09	5.2	24.10	24.25	0.6	23.93	24.58	2.7	23.80	24.21	1.7	24.09	23.83	-1.1
Europe															
LPG	1.05	1.15	9.6	1.03	1.11	7.2	1.07	1.12	4.5	0.93	1.05	12.7	0.87	0.98	12.8
Naphtha	1.11	1.28	14.6	1.11	1.16	4.5	1.12	1.22	9.0	1.05	1.20	13.7	1.02	1.04	2.3
Motor Gasoline	2.79	2.67	-4.5	2.89	2.72	-6.0	2.76	2.64	-4.1	2.93	2.93	-0.1	2.98	2.87	-3.6
Jet/Kerosene	1.01	1.14	13.4	1.03	1.06	2.8	1.01	1.10	9.2	1.03	1.07	3.7	1.06	1.10	3.7
Gasoil	5.77	6.47	12.1	5.53	5.57	0.8	5.72	5.96	4.0	5.59	5.72	2.4	5.10	5.49	7.7
Residual Fuel Oil	2.38	2.13	-10.3	2.07	1.92	-7.2	2.29	2.04	-11.2	2.00	1.85	-7.5	1.96	1.83	-6.7
Other Products	1.23	1.05	-14.5	1.15	1.20	4.2	1.17	1.12	-4.5	1.27	1.27	-0.1	1.32	1.45	9.4
Total	15.34	15.89	3.5	14.81	14.74	-0.5	15.14	15.19	0.3	14.81	15.09	1.9	14.30	14.75	3.1
Pacific															
LPG	0.99	1.09	10.4	0.92	0.95	4.0	0.97	1.00	3.3	0.94	0.85	-9.3	0.86	0.82	-5.0
Naphtha	1.59	1.58	-0.4	1.44	1.63	13.4	1.52	1.60	5.2	1.44	1.39	-3.4	1.30	1.42	9.4
Motor Gasoline	1.53	1.57	2.6	1.57	1.56	-1.0	1.52	1.54	1.1	1.56	1.55	-0.5	1.54	1.59	3.4
Jet/Kerosene	1.54	1.66	7.5	1.19	1.33	11.5	1.46	1.56	7.4	0.85	0.85	0.8	0.66	0.68	2.9
Gasoil	2.03	2.10	3.6	2.04	2.03	-0.6	1.98	2.03	2.4	1.89	1.80	-4.9	1.71	1.83	7.3
Residual Fuel Oil	1.20	1.37	14.4	1.08	1.24	14.6	1.14	1.30	14.2	0.98	1.15	16.7	0.93	1.13	20.6
Other Products	0.50	0.58	15.0	0.50	0.57	13.8	0.47	0.57	21.7	0.40	0.53	31.7	0.38	0.50	33.9
Total	9.37	9.94	6.1	8.74	9.31	6.5	9.06	9.60	6.0	8.07	8.13	0.8	7.38	7.97	8.1
OECD															
LPG	5.34	5.57	4.4	5.13	4.97	-3.0	5.28	5.37	1.5	4.57	4.68	2.6	4.47	4.15	-7.2
Naphtha	3.08	3.27	6.1	2.94	3.17	7.7	3.03	3.21	6.2	2.93	3.00	2.7	2.78	2.97	7.1
Motor Gasoline	14.17	14.09	-0.6	14.38	14.15	-1.6	14.02	14.02	0.0	14.51	14.55	0.3	14.90	14.91	0.1
Jet/Kerosene	4.35	4.67	7.5	4.05	4.22	4.2	4.30	4.52	5.2	3.75	3.67	-2.1	3.47	3.51	1.0
Gasoil	12.41	13.90	12.1	12.18	12.53	2.9	12.37	13.14	6.2	12.10	12.32	1.8	11.30	11.91	5.3
Residual Fuel Oil	4.97	5.04	1.5	4.67	4.75	1.9	4.89	4.82	-1.4	4.39	4.51	2.7	4.25	4.35	2.4
Other Products	4.26	4.37	2.5	4.31	4.49	4.2	4.25	4.29	1.0	4.43	4.68	5.7	4.58	4.74	3.4
Total	48.57	50.92	4.8	47.65	48.29	1.3	48.13	49.37	2.6	46.68	47.42	1.6	45.76	46.55	1.7

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	First Quarter			April			May			June			Second Quarter		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	2.42	2.41	-0.5	1.92	1.98	3.2	1.99	1.58	-20.6	1.93	1.54	-20.1	1.95	1.70	-12.7
Naphtha	0.27	0.28	4.9	0.32	0.29	-10.9	0.34	0.39	14.5	0.37	0.37	0.6	0.34	0.35	1.7
Motor Gasoline	8.49	8.54	0.6	8.77	8.79	0.2	9.08	9.10	0.2	9.14	9.17	0.3	9.00	9.02	0.2
Jet/Kerosene	1.63	1.65	0.8	1.69	1.56	-7.6	1.57	1.52	-3.5	1.69	1.56	-7.6	1.65	1.55	-6.3
Gasoil	3.80	4.22	11.0	3.82	3.97	3.9	3.68	3.69	0.3	3.59	3.78	5.2	3.70	3.81	3.1
Residual Fuel Oil	0.73	0.83	13.4	0.73	0.81	10.8	0.68	0.69	1.4	0.67	0.69	3.7	0.69	0.73	5.4
Other Products	2.18	2.10	-3.6	2.31	2.38	3.1	2.39	2.31	-3.2	2.49	2.66	6.8	2.40	2.45	2.2
Total	19.53	20.03	2.6	19.55	19.77	1.1	19.73	19.28	-2.3	19.87	19.77	-0.5	19.72	19.60	-0.6
Japan[3]															
LPG	0.61	0.65	6.6	0.59	0.55	-8.1	0.51	0.51	-1.2	0.47	0.49	4.9	0.53	0.52	-2.0
Naphtha	0.83	0.89	7.4	0.74	0.76	2.6	0.72	0.76	5.4	0.75	0.70	-6.4	0.73	0.74	0.5
Motor Gasoline	0.98	1.00	2.3	1.01	1.01	-0.7	1.00	1.03	2.2	0.99	1.04	4.7	1.00	1.02	2.1
Jet/Kerosene	1.02	1.12	9.4	0.58	0.61	4.9	0.44	0.46	4.6	0.46	0.47	2.3	0.49	0.51	4.0
Diesel	0.66	0.64	-3.1	0.66	0.62	-6.4	0.61	0.61	-0.4	0.64	0.63	-2.4	0.64	0.62	-3.1
Other Gasoil	0.64	0.67	5.4	0.53	0.51	-2.7	0.45	0.48	6.3	0.47	0.51	9.0	0.48	0.50	3.9
Residual Fuel Oil	0.56	0.74	32.2	0.46	0.67	45.9	0.45	0.66	47.5	0.48	0.68	41.5	0.46	0.67	44.9
Direct use of Crude Oil	0.05	0.13	159.2	0.01	0.11	1982.0	0.00	0.13	4405.7	0.03	0.16	544.4	0.01	0.13	1112.9
Other Products	0.32	0.34	5.2	0.29	0.31	5.7	0.28	0.27	-1.1	0.26	0.27	4.2	0.28	0.29	2.9
Total	5.68	6.19	9.0	4.86	5.13	5.5	4.47	4.90	9.7	4.55	4.95	8.9	4.62	4.99	8.0
Germany															
LPG	0.09	0.08	-6.6	0.09	0.10	6.8	0.08	0.09	14.1	0.08	0.09	20.3	0.08	0.09	13.3
Naphtha	0.42	0.39	-7.2	0.40	0.39	-2.5	0.35	0.36	2.8	0.39	0.37	-5.7	0.38	0.37	-1.9
Motor Gasoline	0.60	0.56	-6.8	0.65	0.62	-4.6	0.64	0.62	-3.7	0.64	0.62	-2.8	0.65	0.62	-3.7
Jet/Kerosene	0.14	0.14	1.4	0.14	0.15	6.1	0.15	0.15	0.5	0.16	0.15	-4.0	0.15	0.15	0.6
Diesel	0.48	0.52	8.5	0.55	0.59	7.4	0.51	0.57	12.8	0.52	0.57	9.0	0.53	0.58	9.7
Other Gasoil	0.63	0.60	-4.9	0.57	0.64	12.6	0.50	0.68	35.5	0.68	0.60	-12.6	0.58	0.64	9.6
Residual Fuel Oil	0.19	0.19	-2.8	0.18	0.17	-3.8	0.18	0.19	3.2	0.17	0.18	5.6	0.18	0.18	1.6
Other Products	0.09	0.05	-46.2	0.10	0.08	-20.8	0.08	0.09	19.6	0.13	0.09	-29.2	0.10	0.09	-13.8
Total	2.64	2.52	-4.3	2.67	2.74	2.3	2.49	2.75	10.5	2.78	2.68	-3.6	2.65	2.72	2.9
Italy															
LPG	0.15	0.16	8.9	0.12	0.13	14.1	0.10	0.10	3.7	0.09	0.09	-3.8	0.10	0.11	5.4
Naphtha	0.07	0.11	54.1	0.07	0.12	56.7	0.08	0.10	17.9	0.07	0.08	12.7	0.08	0.10	28.5
Motor Gasoline	0.38	0.37	-2.0	0.39	0.41	4.9	0.39	0.40	2.4	0.38	0.38	-0.7	0.39	0.40	2.2
Jet/Kerosene	0.06	0.09	41.7	0.06	0.09	37.4	0.06	0.09	41.6	0.07	0.07	1.6	0.06	0.08	26.3
Diesel	0.44	0.45	3.1	0.43	0.46	5.9	0.45	0.47	4.1	0.45	0.46	3.5	0.44	0.46	4.5
Other Gasoil	0.17	0.17	3.4	0.12	0.13	6.4	0.11	0.12	10.4	0.12	0.13	9.4	0.12	0.13	8.7
Residual Fuel Oil	0.53	0.39	-27.0	0.46	0.35	-24.7	0.44	0.35	-21.7	0.46	0.42	-8.7	0.45	0.37	-18.4
Other Products	0.13	0.12	-5.5	0.15	0.13	-9.6	0.15	0.16	5.9	0.16	0.15	-6.5	0.15	0.15	-3.4
Total	1.92	1.86	-3.3	1.81	1.81	0.3	1.79	1.79	-0.2	1.81	1.79	-1.1	1.80	1.80	-0.3
France															
LPG	0.15	0.15	4.5	0.10	0.10	0.0	0.09	0.08	-4.2	0.08	0.08	-3.9	0.09	0.09	-2.6
Naphtha	0.16	0.16	-2.8	0.12	0.16	40.8	0.14	0.18	34.3	0.18	0.19	8.7	0.14	0.18	25.5
Motor Gasoline	0.29	0.27	-7.5	0.32	0.30	-5.5	0.32	0.29	-8.4	0.31	0.31	-0.9	0.31	0.30	-5.0
Jet/Kerosene	0.13	0.15	21.0	0.14	0.14	3.1	0.14	0.14	2.7	0.15	0.15	0.3	0.14	0.15	2.0
Diesel	0.59	0.59	0.3	0.64	0.64	0.1	0.60	0.59	-1.9	0.61	0.64	4.7	0.62	0.62	0.9
Other Gasoil	0.46	0.49	8.0	0.34	0.32	-4.8	0.23	0.27	17.3	0.30	0.32	8.2	0.29	0.30	5.7
Residual Fuel Oil	0.15	0.13	-13.1	0.11	0.10	-9.5	0.10	0.11	14.2	0.11	0.11	3.8	0.11	0.11	2.3
Other Products	0.16	0.16	3.3	0.17	0.21	18.9	0.18	0.21	21.3	0.20	0.22	11.4	0.18	0.21	17.0
Total	2.08	2.11	1.5	1.93	1.97	2.1	1.79	1.89	5.6	1.94	2.03	4.6	1.88	1.96	4.1
United Kingdom															
LPG	0.16	0.15	-6.4	0.17	0.18	3.1	0.14	0.16	9.6	0.15	0.15	0.0	0.16	0.16	4.2
Naphtha	0.03	0.07	164.7	0.02	0.06	124.8	0.03	0.05	83.8	0.03	0.03	5.1	0.03	0.04	68.2
Motor Gasoline	0.47	0.44	-6.4	0.46	0.47	1.8	0.48	0.44	-7.7	0.47	0.44	-6.5	0.47	0.45	-4.2
Jet/Kerosene	0.31	0.32	4.8	0.30	0.29	-2.5	0.29	0.30	1.1	0.27	0.27	-1.9	0.29	0.29	-1.1
Diesel	0.34	0.34	0.4	0.34	0.34	-0.7	0.34	0.36	4.6	0.33	0.40	22.4	0.34	0.36	8.5
Other Gasoil	0.16	0.16	1.0	0.16	0.17	5.3	0.16	0.14	-11.9	0.14	0.14	0.9	0.15	0.15	-2.1
Residual Fuel Oil	0.10	0.10	3.2	0.09	0.07	-19.9	0.09	0.08	-3.1	0.10	0.09	-8.5	0.09	0.08	-10.5
Other Products	0.15	0.13	-16.0	0.14	0.12	-15.6	0.14	0.12	-10.6	0.13	0.13	-3.0	0.14	0.12	-9.9
Total	1.71	1.71	0.0	1.70	1.70	0.2	1.67	1.65	-1.1	1.62	1.65	1.7	1.66	1.67	0.2
Canada															
LPG	0.33	0.36	9.5	0.32	0.35	10.1	0.31	0.35	11.5	0.31	0.32	2.3	0.31	0.34	8.0
Naphtha	0.08	0.08	-5.5	0.07	0.07	0.9	0.07	0.09	21.0	0.09	0.07	-19.5	0.08	0.08	-0.6
Motor Gasoline	0.64	0.66	2.9	0.66	0.65	-1.3	0.68	0.69	1.9	0.71	0.72	1.6	0.68	0.69	0.8
Jet/Kerosene	0.10	0.11	7.0	0.09	0.10	4.2	0.09	0.13	34.6	0.09	0.09	-1.7	0.09	0.11	12.7
Diesel	0.17	0.18	8.3	0.19	0.17	-12.0	0.19	0.20	6.5	0.17	0.18	4.9	0.18	0.18	-0.3
Other Gasoil	0.35	0.38	8.5	0.28	0.30	9.9	0.27	0.30	9.1	0.26	0.27	4.6	0.27	0.29	7.9
Residual Fuel Oil	0.16	0.16	-1.9	0.14	0.15	7.6	0.12	0.19	53.1	0.15	0.13	-9.8	0.14	0.16	15.3
Other Products	0.23	0.24	4.7	0.25	0.25	-0.1	0.28	0.24	-14.4	0.31	0.32	1.1	0.28	0.27	-4.5
Total	2.07	2.17	5.0	2.00	2.04	2.1	2.02	2.17	7.8	2.10	2.10	0.4	2.04	2.11	3.5

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	Jun 03	Jul 03	Aug 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.61	8.76				8.30	8.38	8.33
Iran	3.47			3.79	3.71				3.88	3.73	3.71
Iraq	2.01			2.12	0.29				0.44	0.66	1.05
UAE	1.99			2.29	2.32				2.32	2.29	2.34
Kuwait	1.60			1.77	1.90				1.78	1.78	1.78
Neutral Zone	0.54			0.60	0.61				0.60	0.60	0.60
Qatar	0.64			0.74	0.74				0.72	0.72	0.73
Nigeria	1.97			2.13	2.03				2.11	2.14	2.18
Libya	1.32			1.39	1.43				1.42	1.42	1.42
Algeria	0.85			1.04	1.11				1.12	1.13	1.13
Venezuela	2.29			1.30	2.27				2.30	2.25	2.25
Indonesia	1.11			1.04	1.01				1.00	1.00	1.00
Total Crude Oil	25.15			26.82	26.19				25.98	26.08	26.50
Total NGLs[1]	3.47	3.66	4.07	3.26	3.65	3.78	3.94	4.01	3.62	3.70	3.79
Total OPEC	28.62			30.08	29.84				29.60	29.78	30.29
NON-OPEC[2]											
OECD											
North America	14.58	14.86	15.06	14.75	14.57	14.93	15.19	15.11	14.63	14.90	14.99
United States	8.12	8.02	8.17	8.07	7.82	8.01	8.18	8.14	7.75	7.89	8.08
Mexico	3.59	3.77	3.72	3.74	3.74	3.79	3.80	3.78	3.79	3.81	3.80
Canada	2.88	3.07	3.16	2.94	3.00	3.14	3.21	3.19	3.10	3.20	3.12
Europe	6.61	6.50	6.50	6.70	6.15	6.50	6.68	6.62	5.84	6.48	6.45
UK	2.50	2.44	2.36	2.52	2.23	2.50	2.52	2.45	2.15	2.46	2.51
Norway	3.33	3.27	3.33	3.38	3.13	3.22	3.35	3.36	2.89	3.26	3.16
Others	0.78	0.79	0.81	0.80	0.79	0.78	0.80	0.81	0.80	0.76	0.78
Pacific	0.76	0.68	0.66	0.69	0.66	0.70	0.69	0.68	0.66	0.72	0.69
Australia	0.71	0.64	0.61	0.64	0.61	0.65	0.64	0.64	0.62	0.67	0.65
Others	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.05	0.05
Total OECD	21.96	22.05	22.21	22.14	21.37	22.12	22.55	22.42	21.14	22.09	22.14
NON-OECD											
Former USSR	9.37	10.27	10.91	9.90	10.14	10.46	10.56	10.65	10.27	10.36	10.52
Russia	7.66	8.42	8.91	8.10	8.34	8.60	8.62	8.68	8.46	8.59	8.63
Others	1.71	1.85	2.00	1.80	1.80	1.86	1.94	1.97	1.81	1.77	1.89
Asia	5.74	5.83	5.87	5.82	5.84	5.82	5.86	5.89	5.88	5.80	5.81
China	3.39	3.42	3.42	3.41	3.44	3.41	3.40	3.43	3.45	3.38	3.42
Malaysia	0.76	0.79	0.81	0.77	0.78	0.78	0.82	0.82	0.78	0.78	0.78
India	0.75	0.75	0.75	0.76	0.73	0.76	0.76	0.76	0.76	0.77	0.74
Others	0.84	0.88	0.89	0.88	0.89	0.87	0.88	0.89	0.89	0.88	0.87
Europe	0.18	0.17	0.17	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.90	3.86	4.09	3.88	3.81	3.86	3.91	3.92	3.74	3.85	3.85
Brazil	1.72	1.76	1.93	1.75	1.72	1.76	1.80	1.80	1.63	1.75	1.75
Argentina	0.80	0.79	0.77	0.78	0.79	0.79	0.79	0.78	0.79	0.79	0.79
Colombia	0.59	0.54	0.49	0.57	0.55	0.53	0.51	0.50	0.56	0.54	0.53
Ecuador	0.40	0.38	0.48	0.39	0.35	0.38	0.41	0.44	0.37	0.37	0.38
Others	0.39	0.39	0.41	0.39	0.40	0.40	0.39	0.39	0.40	0.40	0.40
Middle East[3]	2.10	2.00	1.92	2.04	2.01	1.99	1.96	1.94	2.01	2.00	1.99
Oman	0.90	0.82	0.75	0.84	0.82	0.81	0.79	0.78	0.82	0.81	0.81
Syria	0.55	0.53	0.50	0.54	0.53	0.52	0.52	0.51	0.53	0.53	0.52
Yemen	0.46	0.46	0.47	0.46	0.46	0.47	0.46	0.47	0.46	0.47	0.47
Africa	2.99	3.08	3.49	2.93	2.99	3.13	3.29	3.36	2.96	3.05	3.15
Egypt	0.75	0.75	0.74	0.76	0.76	0.75	0.75	0.75	0.75	0.74	0.75
Angola	0.90	0.91	1.06	0.83	0.89	0.94	0.96	0.98	0.86	0.92	0.95
Gabon	0.25	0.24	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.23	0.24
Others	1.09	1.18	1.46	1.09	1.09	1.20	1.34	1.39	1.10	1.16	1.20
Total Non-OECD	24.27	25.22	26.44	24.73	24.97	25.42	25.76	25.93	25.03	25.24	25.49
Processing Gains[4]	1.76	1.80	1.83	1.82	1.78	1.78	1.82	1.85	1.78	1.78	1.78
TOTAL NON-OPEC	47.99	49.07	50.48	48.69	48.12	49.33	50.13	50.20	47.95	49.12	49.41
TOTAL SUPPLY	76.61			78.77	77.96				77.56	78.89	79.69

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]
(thousand of barrels per day)

	2002	2003	2004	1Q03	2Q03	3Q03	4Q03	1Q04	Jun-03	Jul-03	Aug-03
United States											
Alaska	986	989	967	1009	997	940	1009	1017	998	926	929
California	790	762	735	769	762	760	758	749	761	761	759
Texas	1145	1116	1084	1121	1112	1118	1114	1103	1105	1120	1120
Federal Gulf of Mexico[2]	1601	1718	1913	1721	1702	1696	1753	1830	1698	1668	1732
Other US Lower 48	1294	1246	1195	1260	1226	1253	1244	1224	1207	1266	1254
NGLs[3]	1881	1772	1864	1764	1603	1823	1893	1810	1577	1731	1856
Other Hydrocarbons	417	417	408	423	422	416	407	408	401	415	425
Total	8115	8019	8167	8067	7824	8005	8178	8140	7746	7887	8075
Canada											
Alberta Light/Medium/Heavy	659	644	632	648	636	648	644	639	645	650	648
Alberta Bitumen	299	340	356	334	337	339	352	357	328	335	339
Saskatchewan	421	417	410	418	414	418	417	415	416	422	416
Other Crude	366	412	413	407	437	381	424	424	474	445	359
NGLs	698	725	735	730	710	720	740	740	710	720	720
Synthetic Crudes	440	536	618	407	466	632	635	618	522	627	635
Total	2883	3074	3164	2943	3000	3138	3211	3192	3095	3200	3116
Mexico											
Crude	3177	3356	3304	3324	3333	3377	3390	3359	3396	3400	3390
NGLs	408	412	420	418	409	411	410	420	390	412	410
Total	3585	3768	3724	3741	3741	3788	3800	3779	3786	3812	3800
UK Offshore[4]											
Brent Fields	243	233	215	225	220	244	242	230	226	249	238
Forties Fields	794	782	769	824	660	817	826	803	614	775	844
Ninian Fields	107	99	95	104	92	101	98	92	88	101	102
Flotta Fields	132	106	94	116	93	110	107	100	89	113	110
Other Fields	961	942	905	947	903	964	953	925	875	967	960
NGLs	212	235	245	254	218	215	255	260	215	205	215
Total	2450	2397	2323	2470	2185	2451	2481	2411	2108	2410	2469
Norway [4]											
Ekofisk-Ula Area	490	484	462	497	477	478	485	467	455	456	494
Oseberg-Troll Area	754	747	746	801	678	737	773	769	488	788	684
Statfjord-Gullfaks Area	874	852	782	891	851	818	846	825	873	769	811
Haltenbanken Area	716	637	603	646	594	644	662	633	595	693	620
Sleipner-Frigg Area	157	175	336	169	171	169	191	259	166	177	167
NGLs	335	375	400	370	355	378	396	402	316	375	380
Total	3325	3270	3328	3375	3126	3225	3354	3356	2893	3257	3156
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	433	438	457	435	416	426	444	440	403	422
UK Onshore	54	46	39	48	47	45	44	42	46	46	45
Italy	84	102	118	91	96	105	115	115	96	105	105
Turkey	47	46	45	46	46	46	45	45	45	46	46
Other	159	156	152	158	155	155	155	154	158	155	154
NGLs (excl. North Sea)	27	25	23	29	24	24	24	24	23	24	25
Non-Conventional Oils	29	29	30	23	31	31	31	31	34	31	30
Total	837	837	846	852	834	821	840	854	842	809	826
Australia											
Gippsland Basin	140	118	103	117	121	120	117	111	126	119	120
Cooper-Eromanga Basin	25	23	22	23	22	22	22	22	21	22	23
Carnarvon Basin	359	338	327	338	315	351	346	351	321	375	348
Other Crude	104	78	70	84	72	77	77	74	65	77	76
NGLs	79	80	92	77	83	80	80	80	87	80	80
Total	707	636	614	640	613	650	642	638	620	673	647
Other OECD Pacific											
New Zealand	31	25	24	26	25	24	24	24	23	25	25
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	18	16	15	20	15	15	15	15	15	15	15
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	47	45	52	46	45	45	45	44	46	45
OECD											
Crude Oil	17403	17414	17348	17615	17023	17367	17654	17598	16834	17449	17335
NGLs	3667	3651	3805	3674	3427	3677	3824	3761	3343	3573	3711
Non-Conventional Oils	886	982	1056	852	920	1079	1073	1057	957	1073	1090
Total	21955	22047	22210	22141	21369	22123	22550	22416	21134	22095	22137

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Mar2003	Apr2003	May2003	Jun2003	Jul2003*	Jul2000	Jul2001	Jul2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	390.9	393.1	389.7	390.3	383.9	382.4	417.8	410.9	-0.55	0.07	0.07	-0.01
Motor Gasoline	232.1	239.0	240.9	238.3	234.9	237.5	238.1	246.3	-0.11	0.04	-0.11	0.07
Middle Distillate	165.1	163.7	177.8	182.1	190.9	188.3	203.5	205.2	-0.03	0.06	-0.48	0.19
Residual Fuel Oil	41.2	39.6	44.8	44.0	43.2	44.5	47.6	43.4	0.01	-0.02	0.01	0.03
Total Products[3]	575.9	589.1	626.7	640.0	655.7	647.9	674.4	689.7	-0.05	-0.27	-0.87	0.70
Total[4]	1096.0	1112.2	1152.4	1173.9	1185.6	1181.9	1245.1	1257.0	-0.46	-0.48	-0.87	0.86
Europe												
Crude	321.1	328.5	314.9	305.2	314.9	319.0	308.1	319.2	-0.19	-0.13	0.35	-0.17
Motor Gasoline	118.7	115.6	115.7	112.1	112.2	121.1	119.7	119.5	-0.06	0.01	0.02	-0.07
Middle Distillate	217.7	221.6	231.0	232.9	235.9	230.8	226.5	252.8	0.02	-0.21	-0.25	0.17
Residual Fuel Oil	69.9	74.4	70.1	69.9	68.1	77.4	78.4	68.4	0.01	0.06	-0.06	0.00
Total Products[3]	506.7	512.7	522.5	519.4	520.5	531.6	541.9	547.1	-0.09	-0.18	-0.28	0.14
Total[4]	898.7	913.7	905.5	893.2	903.2	916.5	910.2	930.0	-0.30	-0.29	0.15	-0.06
Pacific												
Crude	182.8	166.8	172.3	188.8	193.1	191.2	175.8	169.8	-0.09	-0.05	0.24	0.07
Motor Gasoline	25.8	26.4	25.9	25.6	26.4	25.9	25.8	25.4	-0.02	-0.01	0.02	0.00
Middle Distillate	56.9	63.2	70.8	72.0	74.0	79.3	78.5	80.0	0.08	-0.19	-0.09	0.17
Residual Fuel Oil	21.9	23.8	24.8	24.6	25.8	24.2	23.7	23.7	-0.03	0.00	0.00	0.03
Total Products[3]	164.4	177.1	185.0	190.9	195.9	198.2	200.7	194.3	0.05	-0.23	-0.15	0.29
Total[4]	413.1	413.5	429.8	452.9	463.0	470.7	456.9	444.3	-0.08	-0.32	0.03	0.44
Total OECD												
Crude	894.8	888.4	876.9	884.3	891.8	892.5	901.7	899.9	-0.83	-0.11	0.66	-0.12
Motor Gasoline	376.5	381.0	382.5	375.9	373.5	384.4	383.6	391.2	-0.19	0.04	-0.06	-0.01
Middle Distillate	439.7	448.5	479.6	487.0	500.8	498.4	508.5	537.9	0.07	-0.34	-0.82	0.52
Residual Fuel Oil	133.0	137.7	139.7	138.5	137.1	146.1	149.7	135.5	-0.01	0.03	-0.05	0.06
Total Products[3]	1247.0	1278.9	1334.1	1350.3	1372.1	1377.6	1417.0	1431.1	-0.08	-0.68	-1.30	1.14
Total[4]	2407.8	2439.5	2487.7	2520.0	2551.8	2569.0	2612.2	2631.3	-0.84	-1.09	-0.68	1.23

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Mar2003	Apr2003	May2003	Jun2003	Jul2003*	Jul2000	Jul2001	Jul2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	599.3	599.6	603.1	608.5	612.9	570.4	543.7	578.5	0.12	0.13	0.00	0.10
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	158.7	150.7	153.1	153.8	153.8	139.2	139.8	147.9	0.05	0.08	0.02	-0.05
Products	203.5	201.8	200.2	202.8	202.8	211.4	203.2	197.3	-0.09	0.02	0.10	-0.01
Pacific												
Crude	383.0	383.0	383.0	383.0	382.8	362.5	367.0	381.7	-0.03	0.01	0.04	0.00
Products	9.6	9.6	9.6	9.6	10.0	6.7	7.3	7.3	0.00	0.02	0.00	0.00
Total OECD												
Crude	1141.0	1133.3	1139.2	1145.3	1149.5	1072.0	1050.5	1108.1	0.14	0.22	0.06	0.05
Products	215.0	213.3	211.8	214.3	214.8	218.1	212.5	206.6	-0.09	0.04	0.10	-0.01
Total[4]	1357.0	1347.7	1351.9	1360.7	1365.3	1291.1	1264.0	1315.7	0.05	0.26	0.16	0.04

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Previously confidential Korean government stocks are now included.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	February			March			April			May			June		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	327.4	270.4	-17.4	333.5	280.5	-15.9	324.6	290.2	-10.6	327.0	283.6	-13.3	317.6	283.2	-10.8
Motor Gasoline	217.8	203.2	-6.7	213.4	199.9	-6.3	216.4	207.5	-4.1	218.1	208.3	-4.5	216.6	206.0	-4.9
Middle Distillate	175.3	138.7	-20.9	168.9	137.9	-18.4	166.8	136.4	-18.2	172.0	148.9	-13.4	176.3	154.0	-12.6
Residual Fuel Oil	39.0	30.8	-21.0	34.3	32.3	-5.8	34.6	31.1	-10.1	33.9	36.2	6.8	32.7	35.6	8.9
Other Products	128.9	103.8	-19.5	130.7	107.5	-17.8	143.2	113.9	-20.5	152.0	128.8	-15.3	159.7	142.1	-11.0
Total Products	561.0	476.5	-15.1	547.3	477.6	-12.7	561.0	488.9	-12.9	576.0	522.2	-9.3	585.3	537.7	-8.1
Other[3]	128.1	113.3	-11.6	130.5	115.3	-11.6	136.1	116.7	-14.3	136.6	121.4	-11.1	136.7	129.0	-5.6
Total	1016.5	860.2	-15.4	1011.3	873.4	-13.6	1021.7	895.8	-12.3	1039.6	927.2	-10.8	1039.6	949.9	-8.6
Japan															
Crude	117.3	125.7	7.2	129.6	138.9	7.2	120.3	126.3	5.0	115.7	131.8	13.9	128.2	142.3	11.0
Motor Gasoline	15.1	13.6	-9.9	15.7	13.4	-14.6	15.1	14.3	-5.3	15.4	13.7	-11.0	14.0	13.8	-1.4
Middle Distillate	43.0	33.8	-21.4	38.0	30.9	-18.7	37.9	36.2	-4.5	40.6	41.4	2.0	39.0	40.8	4.6
Residual Fuel Oil	9.8	10.6	8.2	9.7	10.5	8.2	11.1	12.1	9.0	11.2	13.2	17.9	10.8	13.4	24.1
Other Products	45.7	45.8	0.2	50.0	45.8	-8.4	49.1	47.6	-3.1	49.6	46.9	-5.4	50.5	49.9	-1.2
Total Products	113.6	103.8	-8.6	113.4	100.6	-11.3	113.2	110.2	-2.7	116.8	115.2	-1.4	114.3	117.9	3.1
Other[3]	69.0	63.2	-8.4	66.6	58.2	-12.6	69.4	61.8	-11.0	72.7	63.8	-12.2	70.6	65.2	-7.6
Total	299.9	292.7	-2.4	309.6	297.7	-3.8	302.9	298.3	-1.5	305.2	310.8	1.8	313.1	325.4	3.9
Germany															
Crude	25.9	15.0	-42.1	23.1	14.7	-36.4	25.6	22.4	-12.5	26.0	20.4	-21.5	23.4	18.2	-22.2
Motor Gasoline	12.3	10.0	-18.7	10.8	8.6	-20.4	10.7	8.1	-24.3	10.0	9.2	-8.0	10.6	8.5	-19.8
Middle Distillate	18.6	11.7	-37.1	19.9	12.6	-36.7	20.5	12.8	-37.6	20.9	14.1	-32.5	17.9	16.0	-10.6
Residual Fuel Oil	9.1	9.2	1.1	9.1	9.5	4.4	8.7	10.8	24.1	8.2	10.5	28.0	9.0	10.3	14.4
Other Products	10.7	10.6	-0.9	12.8	11.5	-10.2	12.1	11.9	-1.7	11.6	12.1	4.3	11.2	12.2	8.9
Total Products	50.7	41.5	-18.1	52.6	42.2	-19.8	52.0	43.6	-16.2	50.7	45.9	-9.5	48.7	47.0	-3.5
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	76.6	56.5	-26.2	75.7	56.9	-24.8	77.6	66.0	-14.9	76.7	66.3	-13.6	72.1	65.2	-9.6
Italy															
Crude	36.3	29.0	-20.1	33.8	38.8	14.8	33.9	40.6	19.8	38.9	39.1	0.5	34.6	39.1	13.0
Motor Gasoline	21.7	20.2	-6.9	22.2	19.4	-12.6	20.8	17.3	-16.8	19.7	17.3	-12.2	20.9	17.3	-17.2
Middle Distillate	33.5	36.6	9.3	31.6	34.3	8.5	33.3	35.4	6.3	31.8	36.4	14.5	34.1	36.4	6.7
Residual Fuel Oil	12.9	13.8	7.0	13.2	13.1	-0.8	12.6	13.7	8.7	13.7	12.7	-7.3	11.9	12.7	6.7
Other Products	20.4	15.7	-23.0	20.1	16.9	-15.9	21.0	17.5	-16.7	20.7	18.7	-9.7	19.7	18.7	-5.1
Total Products	88.5	86.3	-2.5	87.1	83.7	-3.9	87.7	83.9	-4.3	85.9	85.1	-0.9	86.6	85.1	-1.7
Other[3]	13.6	12.8	-5.9	11.3	13.7	21.2	11.0	14.5	31.8	10.7	12.6	17.8	11.2	12.6	12.5
Total	138.4	128.1	-7.4	132.2	136.2	3.0	132.6	139.0	4.8	135.5	136.8	1.0	132.4	136.8	3.3
France															
Crude	39.6	31.2	-21.2	38.0	37.1	-2.4	37.0	37.7	1.9	44.1	42.0	-4.8	39.5	36.7	-7.1
Motor Gasoline	12.1	11.6	-4.1	10.9	11.7	7.3	10.2	11.3	10.8	10.2	10.2	0.0	11.1	10.6	-4.5
Middle Distillate	28.7	26.4	-8.0	27.6	31.8	15.2	29.4	31.6	7.5	30.8	34.8	13.0	31.4	32.0	1.9
Residual Fuel Oil	6.7	5.7	-14.9	6.7	6.5	-3.0	7.1	6.2	-12.7	7.5	5.7	-24.0	7.0	5.4	-22.9
Other Products	9.0	7.7	-14.4	8.1	8.2	1.2	8.8	8.1	-8.0	9.0	8.4	-6.7	9.4	7.9	-16.0
Total Products	56.5	51.4	-9.0	53.3	58.2	9.2	55.5	57.2	3.1	57.5	59.1	2.8	58.9	55.9	-5.1
Other[3]	12.1	14.5	19.8	12.5	14.8	18.4	12.3	14.7	19.5	12.5	13.6	8.8	12.1	14.3	18.2
Total	108.2	97.1	-10.3	103.8	110.1	6.1	104.8	109.6	4.6	114.1	114.7	0.5	110.5	106.9	-3.3
United Kingdom															
Crude	39.4	38.3	-2.8	35.8	39.9	11.5	39.3	37.9	-3.6	35.8	38.7	8.1	42.8	35.9	-16.1
Motor Gasoline	11.0	10.1	-8.2	11.3	9.2	-18.6	10.5	9.4	-10.5	10.4	9.5	-8.7	11.0	8.7	-20.9
Middle Distillate	20.4	17.6	-13.7	20.3	17.9	-11.8	20.9	19.0	-9.1	21.6	19.6	-9.3	22.0	18.7	-15.0
Residual Fuel Oil	5.3	4.7	-11.3	5.3	5.4	1.9	5.0	5.3	6.0	4.6	4.6	0.0	4.4	5.3	20.5
Other Products	18.0	15.0	-16.7	17.7	15.5	-12.4	17.9	15.1	-15.6	17.9	16.7	-6.7	18.2	15.5	-14.8
Total Products	54.7	47.4	-13.3	54.6	48.0	-12.1	54.3	48.8	-10.1	54.5	50.4	-7.5	55.6	48.2	-13.3
Other[3]	11.1	11.8	6.3	11.2	11.9	6.3	10.7	12.7	18.7	9.9	11.6	17.2	11.3	11.6	2.7
Total	105.2	97.5	-7.3	101.6	99.8	-1.8	104.3	99.4	-4.7	100.2	100.7	0.5	109.7	95.7	-12.8
Canada[4]															
Crude	77.8	76.7	-1.4	77.9	75.6	-3.0	81.9	75.4	-7.9	80.7	76.1	-5.7	80.5	76.1	-5.5
Motor Gasoline	21.0	16.2	-22.9	20.7	16.2	-21.7	19.8	15.8	-20.2	17.7	16.6	-6.2	15.5	16.6	7.1
Middle Distillate	22.1	16.6	-24.9	21.0	17.6	-16.2	20.0	17.8	-11.0	18.5	19.3	4.3	18.7	19.3	3.2
Residual Fuel Oil	3.7	3.7	0.0	3.7	3.9	5.4	3.4	4.3	26.5	3.6	4.3	19.4	4.2	4.3	2.4
Other Products	20.2	21.7	7.4	21.4	21.8	1.9	20.9	24.9	19.1	22.0	26.7	21.4	21.8	26.7	22.5
Total Products	67.0	58.2	-13.1	66.8	59.5	-10.9	64.1	62.8	-2.0	61.8	66.9	8.3	60.2	66.9	11.1
Other[3]	14.7	15.0	2.0	13.6	13.9	2.2	12.8	13.4	4.7	14.1	14.7	4.3	11.0	14.7	33.6
Total	159.5	149.9	-6.0	158.3	149.0	-5.9	158.8	151.6	-4.5	156.6	157.7	0.7	151.7	157.7	4.0

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following counties are estimated: Canada and Italy for June 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End June 2002		End September 2002		End December 2002		End March 2003		End June 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	151.5	71	160.2	74	153.7	71	149.0	71	157.7	-
Mexico	45.3	23	47.0	24	47.3	23	51.5	25	44.2	-
United States	1618.1	81	1576.1	79	1549.9	77	1474.6	75	1560.4	-
Total[4]	1837.1	75	1805.3	74	1773.0	72	1697.2	70	1784.5	73
Pacific										
Australia	37.2	43	39.4	45	34.0	40	39.8	46	38.1	-
Japan	633.7	126	627.1	107	615.4	99	619.0	124	646.7	-
Korea[5]	154.0	77	148.8	63	140.4	58	137.0	67	152.1	-
New Zealand	9.9	78	10.1	73	9.5	64	9.8	66	8.5	-
Total	834.7	104	825.3	89	799.3	83	805.6	100	845.4	105
Europe[6]										
Austria	17.5	63	18.3	69	18.7	71	18.1	64	18.1	-
Belgium	30.8	53	28.3	46	25.8	38	29.1	48	26.4	-
Czech Republic	17.0	91	16.2	90	17.5	103	17.3	93	15.6	-
Denmark	17.3	93	18.5	88	17.3	87	15.4	85	15.5	-
Finland	26.9	129	26.9	117	24.4	113	24.7	123	23.9	-
France	169.9	86	174.0	88	174.5	83	175.0	89	173.3	-
Germany	268.5	93	258.8	95	253.4	100	258.6	95	260.7	-
Greece	28.9	77	32.2	72	31.6	66	29.3	78	29.9	-
Hungary	18.5	128	18.0	119	16.1	127	17.9	136	17.6	-
Ireland	9.4	54	10.2	56	11.4	57	10.9	60	11.0	-
Italy	132.4	73	136.1	74	137.6	74	136.3	76	136.8	-
Luxembourg	0.9	18	0.9	19	1.0	17	0.9	17	0.8	-
Netherlands	115.5	131	106.7	116	104.9	120	95.4	106	105.2	-
Norway	22.7	115	17.8	81	19.4	76	33.2	141	21.1	-
Poland	25.2	62	23.6	57	26.2	69	27.2	67	27.9	-
Portugal	24.6	70	24.1	76	21.4	69	24.0	74	25.0	-
Spain	121.0	81	121.3	80	120.8	78	122.8	81	120.1	-
Sweden	33.4	103	30.5	81	29.4	87	34.3	114	34.0	-
Switzerland	39.0	146	38.7	146	36.7	144	36.1	146	37.2	-
Turkey	57.8	88	55.6	81	51.9	85	55.6	89	54.8	-
United Kingdom	109.7	65	98.9	58	97.1	57	99.8	60	95.7	-
Total	1286.9	85	1255.5	82	1237.2	81	1261.9	85	1250.7	82
Total OECD	3958.7	83	3886.2	79	3809.5	77	3764.8	80	3880.6	81
DAYS OF IEA Net Imports[7]	-	115	-	114	-	113	-	112	-	116

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End June 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Previously confidential Korean government stocks are now included.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
2Q2000	3798	1288	2510	79	27	52
3Q2000	3836	1294	2542	79	27	52
4Q2000	3798	1268	2530	78	26	52
1Q2001	3794	1269	2525	81	27	54
2Q2001	3864	1267	2597	81	27	55
3Q2001	3928	1267	2661	82	26	55
4Q2001	3904	1283	2621	81	27	54
1Q2002	3901	1303	2598	84	28	56
2Q2002	3959	1314	2645	83	28	56
3Q2002	3886	1319	2567	79	27	52
4Q2002	3810	1343	2467	77	27	50
1Q2003	3765	1357	2408	80	29	51
2Q2003	3881	1361	2520	81	28	53

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Previously confidential Korean government stocks are now included.
3 Days of forward demand calculated using actual demand except in 2Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	3Q02	4Q02	1Q03	2Q03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03
CRUDE OIL PRICES													
IEA CIF Average Import [1]													
IEA North America	27.67	22.30	23.71	25.75	25.53	30.76	25.85	30.75	25.81	24.92	26.81		
IEA Europe	27.89	23.92	24.26	26.21	26.11	31.10	25.49	30.69	25.14	24.97	26.59		
IEA Pacific	28.89	25.05	24.74	26.34	27.24	30.96	27.89	32.55	29.78	26.79	26.97		
IEA Total	28.00	23.65	24.18	26.08	26.18	30.96	26.20	31.18	26.50	25.37	26.77		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.91	26.81	31.49	26.03	30.54	24.85	25.72	27.51	28.35	29.79
WTI (1st month)	30.37	25.93	26.16	28.30	28.29	34.00	29.02	33.43	28.26	28.14	30.66	30.70	31.59
Urals (del. Med.)	26.63	22.97	23.73	25.81	25.55	29.24	23.86	28.52	22.61	23.80	25.16	26.84	28.74
Dubai (1st month)	26.24	22.80	23.85	25.54	25.16	28.39	24.44	27.38	23.45	24.36	25.51	26.72	27.66
Tapis (1st month)	29.85	25.32	25.72	27.29	28.33	32.34	27.19	31.37	27.66	26.76	27.13	28.54	30.70
OPEC Basket	27.60	23.12	24.34	26.15	26.63	30.45	25.87	29.44	25.24	25.63	26.80	27.50	28.69
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	32.06	31.05	37.44	33.79	36.71	35.00	32.64	33.74	35.99	38.73
Unleaded	34.41	28.83	28.57	31.44	30.50	36.88	33.06	36.17	34.25	31.87	33.07	35.32	38.18
Naphtha	29.09	23.69	24.23	25.95	26.45	34.99	25.19	34.16	24.76	23.58	27.14	27.61	29.42
Jet/Kerosene	36.98	30.82	29.24	31.27	32.45	40.89	31.32	43.01	31.75	30.38	31.81	33.07	34.61
Gasoil .2 %	34.38	29.16	27.81	29.85	31.26	39.18	30.21	40.24	30.06	29.47	31.06	31.57	32.98
LSFO 1%	23.74	19.52	21.81	23.19	26.70	29.20	24.26	27.92	24.02	22.54	26.14	26.58	26.88
HSFO 3.5%	21.42	17.79	20.65	23.14	21.22	25.65	21.05	22.84	19.42	21.16	22.49	25.18	24.73
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	32.13	30.78	36.62	31.34	35.08	30.94	30.21	32.80	35.43	38.59
Premium Unleaded	36.43	29.70	28.49	31.41	30.06	35.91	30.62	34.36	30.22	29.49	32.08	34.71	37.87
Naphtha	28.16	22.47	23.51	25.32	25.61	33.37	23.69	31.83	22.72	22.08	26.13	26.66	28.38
Jet/Kerosene [2]	34.82	27.52	27.14	29.34	29.95	36.47	28.34	36.53	26.59	28.61	29.84	31.31	33.03
Gasoil .2 %	33.87	27.50	27.08	28.98	30.36	38.67	28.38	39.90	27.55	27.14	30.35	29.95	31.99
LSFO 1%	23.77	18.73	21.50	23.14	24.14	30.56	23.51	29.22	21.98	22.43	26.00	28.48	28.76
HSFO 3.5%	18.92	15.24	18.24	20.69	18.86	22.76	18.84	19.59	16.88	19.05	20.50	23.34	23.10
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	36.10	37.44	41.33	36.68	41.68	37.22	35.57	37.24	40.05	46.80
Unleaded	36.10	31.00	30.33	32.32	33.53	39.50	33.08	40.07	33.58	31.86	33.79	36.65	42.13
Jet/Kerosene	38.05	31.18	29.83	31.91	33.45	42.43	32.48	41.14	33.11	31.90	32.42	33.92	35.57
No. 2 (Heating Oil)	36.37	29.82	28.56	30.06	32.33	42.00	31.99	41.16	33.02	31.05	31.89	32.98	34.24
LSFO 1%	25.05	20.70	22.55	24.65	25.72	32.74	24.57	31.71	24.01	24.51	25.19	27.53	27.77
HSFO 6 3%	20.68	17.36	20.99	23.30	22.96	27.91	20.93	25.34	19.94	21.15	21.70	26.19	26.33
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	28.91	29.24	37.14	29.70	37.51	28.74	28.73	31.59	34.58	37.30
Naphtha	28.38	23.75	24.93	25.81	27.15	34.27	24.69	33.78	23.58	23.77	26.66	27.77	29.67
Jet/Kerosene	34.39	28.32	28.08	29.85	31.35	36.14	28.36	35.33	28.35	28.25	28.48	29.78	33.58
Gasoil .5%	32.58	27.32	27.55	28.80	30.89	36.12	28.79	36.97	29.24	28.39	28.73	28.95	32.33
LSWR Cracked	25.83	21.83	23.80	25.16	28.02	31.84	27.21	30.16	28.80	27.26	25.59	25.54	25.66
HSFO 180 CST	24.43	20.65	22.89	24.97	24.40	28.86	24.78	27.85	23.97	24.64	25.73	27.14	25.80
HSFO 4%	24.21	20.38	22.95	25.23	24.31	28.88	24.74	27.93	24.23	24.26	25.70	27.44	26.12

1 IEA CIF Average Import price for June is an estimate
2 Following change of assessment, Jet Aviation Fuel for Mediterranean - Cargo FOB from June 2003

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
August 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Jul-03	Aug-02		Jul-03	Aug-02		Jul-03	Aug-02		Jul-03	Aug-02
GASOLINE [1] (Price per Litre)												
France	1.007	1.3	- 2.1	0.253	4.5	-6.6	1.131	0.2	12.5	0.284	3.4	7.3
Germany	1.103	0.4	4.3	0.296	1.4	2.8	1.239	-0.8	19.8	0.333	0.2	18.1
Italy	1.064	1.2	1.1	0.345	3.3	3.0	1.196	0.1	16.3	0.388	2.1	18.4
Spain	0.825	1.6	0.1	0.315	3.6	0.3	0.927	0.5	15.1	0.354	2.5	15.3
UK	0.756	1.2	2.4	0.185	3.9	8.8	1.210	-0.3	6.7	0.296	2.4	13.4
Japan	106.1	-	2.0	47.2	-	4.4	0.891	-0.7	1.9	0.396	-0.7	4.3
Canada	0.776	10.1	6.4	0.473	16.2	10.3	0.556	8.7	19.7	0.339	14.7	24.0
USA	0.428	7.0	15.7	0.326	9.4	21.2	0.428	7.0	15.7	0.326	9.4	21.2
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.641	0.9	- 0.6	0.249	2.5	-1.6	0.720	-0.2	14.2	0.280	1.3	13.1
Germany	0.755	0.5	4.9	0.285	1.4	1.8	0.848	-0.6	20.5	0.320	0.3	17.0
Italy	0.719	1.1	2.4	0.316	2.6	5.7	0.808	-0.0	17.7	0.355	1.4	21.5
Spain	0.581	0.9	- 1.4	0.287	1.8	-2.7	0.653	-0.3	13.4	0.322	0.6	11.8
UK	0.657	0.6	2.3	0.199	2.1	8.2	1.051	-0.8	6.6	0.318	0.6	12.7
Japan	86.1	-	2.5	49.9	-	4.2	0.723	-0.7	2.4	0.419	-0.7	4.1
Canada	0.661	2.3	4.6	0.440	3.3	6.5	0.474	1.0	17.6	0.315	2.0	19.8
USA	0.393	3.7	12.6	0.274	5.4	18.6	0.393	3.7	12.6	0.274	5.4	18.6
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	366.51	2.4	-0.4	249.85	3.0	-0.5	411.8	1.3	14.5	280.7	1.9	14.4
Germany	347.94	1.6	-1.5	238.60	2.0	-1.9	390.9	0.4	13.2	268.1	0.8	12.8
Italy	825.02	1.3	-0.2	284.31	3.2	-0.4	927.0	0.1	14.7	319.4	2.0	14.4
Spain	371.85	3.5	2.3	235.85	4.8	3.1	417.8	2.3	17.6	265.0	3.6	18.5
UK	191.92	3.2	7.4	151.78	3.8	9.1	307.1	1.7	11.9	242.8	2.3	13.6
Japan [3]	48417	-0.1	5.8	46111	-0.1	5.8	406.5	-0.8	5.7	387.2	-0.8	5.7
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
FUEL OIL FOR INDUSTRY [2,4] (Price per Metric Ton)												
France	212.38	2.5	13.5	193.88	2.8	15.0	238.6	1.4	30.5	217.8	1.6	32.2
Germany	187.63	0.1	10.5	162.63	0.1	7.0	210.8	-1.0	27.0	182.7	-1.0	23.0
Italy	245.84	-0.5	4.2	214.45	-0.5	24.5	276.2	-1.6	19.7	241.0	-1.7	43.1
Spain	241.92	1.6	24.9	227.49	1.7	26.9	271.8	0.5	43.6	255.6	0.6	45.9
UK	153.09	1.4	11.4	125.09	1.7	14.3	244.9	-0.1	16.1	200.1	0.2	19.1
Japan	35264	-0.8	39.2	33585	-0.8	39.2	296.1	-1.5	39.1	282.0	-1.5	39.1
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices refer to high sulphur fuel oil and to low sulphur fuel oil thereafter, except for Germany, which shows lsfo for all months.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
OECD North America												
Venezuela	1.67	1.58		1.83	1.54	0.93	1.82	1.83	1.86	1.78	1.32	0.46
Other Central & South America	0.54	0.60		0.62	0.65	0.52	0.56	0.51	0.56	0.61	0.59	0.02
North Sea	1.07	1.24		1.28	1.32	1.07	1.05	0.83	1.17	1.13	1.53	-0.39
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.10	0.13	0.11	0.20	0.02	0.14	0.43	0.08	0.35
Saudi Arabia	1.70	1.60		1.50	1.72	1.79	2.16	2.11	2.33	2.02	1.66	0.36
Kuwait	0.24	0.22		0.24	0.21	0.20	0.25	0.28	0.19	0.28	0.25	0.03
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.94	0.56		0.30	0.42	0.84	0.39	0.85	0.23	0.10	0.28	-0.17
Oman	0.02	0.02		0.05	0.02	-	0.04	0.03	0.07	-	-	-
United Arab Emirates	0.02	0.01		0.01	0.01	0.01	0.01	0.02	-	0.02	0.05	-0.03
Other Middle East	0.02	0.04		0.10	0.03	0.02	0.02	0.03	0.04	-	0.07	-
West Africa[2]	1.48	1.15		1.24	1.14	1.37	1.51	1.41	1.51	1.60	1.33	0.28
Other Africa	0.13	0.18		0.18	0.15	0.15	0.30	0.19	0.27	0.44	0.20	0.25
Asia	0.15	0.16		0.14	0.15	0.12	0.10	0.11	0.10	0.09	0.15	-0.07
Other	0.03	0.06		0.06	0.06	0.04	0.04	0.03	-	0.08	0.08	0.00
Total	**7.99**	**7.44**		**7.62**	**7.55**	**7.17**	**8.44**	**8.26**	**8.47**	**8.58**	**7.58**	**1.00**
of which Non-OECD	**6.92**	**6.21**		**6.30**	**6.17**	**6.08**	**7.37**	**7.41**	**7.28**	**7.43**	**6.04**	**1.40**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.20	0.22	0.17	0.21	0.21	0.18	0.24	0.23	0.00
Venezuela	0.18	0.18		0.19	0.12	0.04	0.17	0.15	0.15	0.20	0.23	-0.03
Other Central & South America	0.04	0.05		0.03	0.06	0.02	0.06	0.04	0.07	0.06	0.06	0.00
Non-OECD Europe	0.00	0.01		0.01	0.01	0.00	0.01	0.00	0.00	0.02	0.02	0.00
Former Soviet Union	2.68	3.12		3.29	3.03	3.17	3.27	3.59	3.12	3.12	3.30	-0.18
Saudi Arabia	1.25	1.16		1.25	1.09	1.14	1.36	1.42	1.55	1.10	1.18	-0.09
Kuwait	0.16	0.12		0.13	0.10	0.07	0.16	0.18	0.14	0.16	0.16	0.00
Iran	0.74	0.62		0.65	0.72	0.69	0.78	0.76	0.81	0.76	0.59	0.17
Iraq	0.40	0.31		0.32	0.62	0.44	0.15	0.16	0.07	0.22	0.24	-0.01
Oman	-	0.00		0.01	-	-	0.00	0.00	0.00	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.50	0.46	0.36	0.33	0.28	0.32	0.39	0.54	-0.15
West Africa[2]	0.81	0.68		0.63	0.62	0.75	0.49	0.60	0.51	0.37	0.51	-0.14
Other Africa	1.50	1.39		1.32	1.45	1.59	1.55	1.62	1.57	1.45	1.28	0.17
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.32	0.15	0.23	0.31	-0.11	0.47	0.57	0.65	-0.08
Total	**8.59**	**8.66**		**8.85**	**8.65**	**8.67**	**8.84**	**8.90**	**8.96**	**8.66**	**8.99**	**-0.33**
of which Non-OECD	**8.41**	**8.47**		**8.64**	**8.43**	**8.49**	**8.63**	**8.69**	**8.78**	**8.43**	**8.76**	**-0.33**
OECD Pacific												
Canada	0.00	0.00		-	0.01	-	0.01	0.02	-	-	-	-
Mexico + USA	0.02	0.01		-	0.02	-	-	-	-	-	-	-
Venezuela	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Other Central & South America	0.07	0.08		0.07	0.09	0.10	0.08	0.09	0.02	0.12	0.09	0.03
North Sea	0.01	0.03		0.06	-	0.04	-	-	-	-	0.03	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.10	0.10	0.04	0.03	0.04	0.02	0.04	0.13	-0.09
Saudi Arabia	1.84	1.72		1.57	1.82	1.97	1.90	2.08	1.76	1.87	1.66	0.21
Kuwait	0.64	0.57		0.52	0.56	0.60	0.54	0.54	0.53	0.55	0.58	-0.02
Iran	0.75	0.64		0.56	0.69	0.89	0.80	0.90	0.78	0.72	0.68	0.05
Iraq	0.01	0.02		0.01	0.01	-	-	-	-	-	-	-
Oman	0.41	0.37		0.34	0.35	0.42	0.36	0.23	0.37	0.48	0.29	0.19
United Arab Emirates	1.42	1.28		1.24	1.35	1.47	1.50	1.51	1.44	1.57	1.20	0.37
Other Middle East	0.60	0.52		0.52	0.50	0.56	0.57	0.60	0.47	0.62	0.38	0.24
West Africa[2]	0.11	0.21		0.20	0.25	0.28	0.11	0.17	0.06	0.08	0.20	-0.11
Other Africa	0.04	0.05		0.08	0.08	0.09	0.07	0.02	0.07	0.11	0.03	0.08
Non-OECD Asia	0.89	0.86		0.77	0.89	0.89	0.85	0.85	0.81	0.89	0.94	-0.05
Other	0.00	-		-	-	-	-	-	-	-	-	
Total	**6.89**	**6.42**		**6.03**	**6.71**	**7.36**	**6.81**	**7.06**	**6.33**	**7.07**	**6.21**	**0.85**
of which Non-OECD	**6.86**	**6.38**		**5.97**	**6.68**	**7.32**	**6.81**	**7.04**	**6.33**	**7.07**	**6.18**	**0.89**
Total OECD Trade	**23.47**	**22.53**		**22.50**	**22.91**	**23.19**	**24.09**	**24.21**	**23.77**	**24.31**	**22.78**	**1.53**
of which Non-OECD	**22.19**	**21.07**		**20.92**	**21.28**	**21.89**	**22.81**	**23.14**	**22.39**	**22.92**	**20.97**	**1.95**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.65	0.89	0.52	0.75	0.70	0.82	0.74	0.56	0.18
Europe	0.92	0.91		0.97	0.83	0.94	0.98	1.15	1.14	0.65	0.87	-0.22
Pacific	1.22	1.22		1.14	1.24	1.37	1.15	1.28	1.16	1.01	1.15	-0.14
Saudi Medium												
North America	0.73	0.86		0.60	1.46	0.88	0.94	0.95	1.00	0.86	0.62	0.24
Europe	0.15	0.11		0.13	0.11	0.10	0.12	0.16	0.12	0.07	0.08	-0.01
Pacific	0.17	0.16		0.16	0.14	0.20	0.26	0.25	0.24	0.28	0.17	0.12
Saudi Heavy												
North America	0.21	0.20		0.21	0.23	0.28	0.48	0.36	0.50	0.58	0.19	0.39
Europe	0.14	0.09		0.09	0.08	0.11	0.26	0.24	0.31	0.22	0.10	0.12
Pacific	0.15	0.12		0.11	0.13	0.14	0.21	0.22	0.23	0.16	0.10	0.06
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.23	0.22	0.50	0.24	0.67	0.06	..	..	..
Europe	0.15	0.08		0.05	0.21	0.10	0.05	0.06	0.01	0.07	0.07	-0.01
Pacific	0.01	0.02		0.01	..	..	..	..	..	..	..	..
Iraqi Kirkuk												
North America	0.09	0.14		0.06	0.11	0.22	0.02	0.05	..	..	0.18	..
Europe	0.31	0.32		0.36	0.50	0.42	0.04	0.09	0.01	0.04	0.30	-0.26
Pacific	0.01	0.00		..	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.15	0.19	0.18	0.22	0.23	0.18	0.27	0.10	0.17
Pacific	0.13	0.12		0.10	0.14	0.18	0.16	0.22	0.14	0.13	0.09	0.05
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.49	0.51	0.52	0.47	0.46	0.54	0.41	0.54	-0.13
Pacific	0.63	0.54		0.45	0.61	0.75	0.67	0.74	0.60	0.68	0.57	0.11
Venezuelan Light & Medium												
North America	0.61	0.68		0.91	0.57	0.35	0.80	0.87	0.88	0.66	0.58	0.08
Europe	0.07	0.07		0.04	0.06	0.02	0.04	0.06	0.06	0.00	0.07	-0.06
Pacific	0.00	0.00		..	0.00	..	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.62	0.56	0.17	0.64	0.59	0.66	0.66	0.49	0.17
Europe	0.07	0.05		0.06	0.04	0.02	0.05	0.07	0.06	0.04	0.08	-0.04
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.91	0.96	1.12	1.31	1.34	1.26	1.32	0.87	0.45
Europe	0.14	0.16		0.17	0.14	0.14	0.17	0.19	0.18	0.14	0.21	-0.07
Pacific	0.01	0.00		..	0.01	..	..	..	..	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.01	0.01	0.00	0.01	..	..	..	..
Europe	0.03	0.01		0.02	0.01	0.00	0.00	0.00	0.00	..	0.01	..
Pacific	0.01	0.01		..	0.01	..	..	..	..	..	..	..
Russian Urals												
North America	..	0.03		..	0.05	..	0.23	..	0.15	0.53	0.09	0.44
Europe	1.10	1.32		1.44	1.36	1.51	1.34	1.60	1.39	1.02	1.41	-0.39
Pacific	0.01	0.01		0.02	..	..	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.46	0.38	0.47	0.59	0.42	0.62	0.72	0.51	0.22
Europe	0.38	0.31		0.36	0.32	0.42	0.37	0.42	0.33	0.35	0.17	0.18
Pacific	0.02	0.06		0.06	0.08	0.13	0.03	0.05	..	0.05	0.03	0.02
Nigerian Medium												
North America	0.31	0.16		0.13	0.14	0.17	0.21	0.24	0.24	0.15	0.22	-0.07
Europe	0.10	0.06		0.03	0.06	0.07	0.04	0.08	0.03	..	0.04	..
Pacific	0.00	0.01		0.01	..	0.04	..	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 21 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.11	0.08	0.00	0.10	0.12	0.10	0.09	0.10	-0.01
Other Central & South America	0.11	0.10		0.11	0.11	0.10	0.10	0.12	0.11	0.08	0.11	-0.02
ARA (Belgium Germany Netherlands)	0.08	0.10		0.09	0.07	0.11	0.11	0.12	0.11	0.10	0.09	0.01
Other Europe	0.19	0.21		0.20	0.18	0.20	0.30	0.35	0.27	0.27	0.25	0.03
FSU	0.04	0.06		0.06	0.03	0.09	0.06	0.08	0.06	0.05	0.08	-0.03
Saudi Arabia	0.06	0.06		0.06	0.07	0.06	0.08	0.07	0.08	0.09	0.04	0.05
Algeria	0.00	0.00		-	-	-	0.01	-	0.01	0.01	-	-
Other Middle East & Africa	0.04	0.04		0.06	0.03	0.03	0.03	0.04	0.03	0.03	0.03	0.00
Singapore	0.01	0.01		0.02	0.00	0.00	0.02	0.03	0.01	0.01	0.00	0.01
OECD Pacific	0.02	0.01		0.01	0.01	0.01	0.01	0.00	0.02	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.04	0.02	0.02	0.05	0.04	0.04	0.08	0.06	0.03
Other	0.00	-		-	-	0.00	-	-	-	-	-	-
Total[2]	**0.67**	**0.69**		**0.74**	**0.60**	**0.62**	**0.88**	**0.97**	**0.84**	**0.83**	**0.76**	**0.07**
of which Non-OECD	**0.40**	**0.39**		**0.48**	**0.36**	**0.31**	**0.49**	**0.54**	**0.45**	**0.48**	**0.44**	**0.03**
OECD Europe												
OECD North America	0.00	0.00		-	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Venezuela	-	-		-	-	-	0.00	0.00	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.04	0.04	0.03	0.03	0.03	0.04	0.04	0.00
FSU	0.02	0.03		0.05	0.02	0.02	0.04	0.03	0.04	0.04	0.01	0.03
Saudi Arabia	0.00	0.00		0.01	0.00	0.00	0.00	-	-	0.00	0.00	0.00
Algeria	0.00	0.01		0.01	0.02	0.00	0.01	0.01	0.01	0.02	0.02	0.00
Other Middle East & Africa	0.01	0.02		0.03	0.03	0.01	0.02	0.02	0.02	0.03	0.04	-0.01
Singapore	-	0.00		-	0.00	0.00	-	-	-	-	-	-
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	0.00	0.00	-	-	-	-
Other	0.09	0.07		0.04	0.07	0.10	0.08	0.08	0.08	0.07	0.13	-0.05
Total[2]	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.20**	**0.19**	**0.19**	**0.21**	**0.25**	**-0.04**
of which Non-OECD	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.19**	**0.19**	**0.18**	**0.21**	**0.25**	**-0.04**
OECD Pacific												
OECD North America	0.00	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.02	0.04	0.03	0.03	0.01	0.05	0.04	0.04	0.00
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.01	0.03	0.03	0.04	0.02	0.03	0.05	0.02	0.03
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.04**	**0.08**	**0.09**	**0.06**	**0.04**
of which Non-OECD	**0.03**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.04**	**0.08**	**0.09**	**0.06**	**0.04**
Total OECD Trade[2]	**0.86**	**0.93**		**0.95**	**0.86**	**0.86**	**1.15**	**1.19**	**1.11**	**1.14**	**1.07**	**0.07**
of which Non-OECD	**0.58**	**0.63**		**0.68**	**0.61**	**0.55**	**0.75**	**0.76**	**0.71**	**0.78**	**0.75**	**0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.02	0.02	0.01	0.02	0.01	0.01	0.02	0.05	-0.03
Other Central & South America	0.03	0.02		0.01	0.03	0.01	0.02	0.01	0.02	0.02	0.00	0.01
ARA (Belgium Germany Netherlands)	0.01	0.00		0.00	0.01	0.03	-	-	-	-	-	-
Other Europe	0.02	0.00		0.00	0.01	0.02	0.01	0.01	-	0.01	-	-
FSU	0.03	0.02		-	0.08	0.13	0.02	0.02	0.02	0.02	-	-
Saudi Arabia	0.00	0.00		0.00	-	-	0.00	0.01	-	-	-	-
Algeria	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.00		-	0.01	0.00	0.00	-	-	0.01	-	-
Singapore	0.00	0.00		-	-	0.00	0.01	0.00	0.01	0.00	-	-
OECD Pacific	0.01	0.01		0.01	0.01	0.00	0.00	-	0.01	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	0.02	0.00	0.02	-	0.01	0.05	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.19**	**0.10**		**0.04**	**0.19**	**0.21**	**0.09**	**0.06**	**0.08**	**0.12**	**0.05**	**0.07**
of which Non-OECD	**0.15**	**0.09**		**0.03**	**0.16**	**0.16**	**0.08**	**0.05**	**0.08**	**0.11**	**0.05**	**0.06**
OECD Europe												
OECD North America	0.02	0.03		0.02	0.01	0.00	0.02	0.03	0.01	0.01	0.00	0.01
Venezuela	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.00	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.06	0.06	0.06	0.06	0.06	0.05	0.08	0.08	0.00
FSU	0.36	0.42		0.35	0.43	0.43	0.55	0.59	0.51	0.55	0.41	0.13
Saudi Arabia	0.01	0.01		0.00	0.01	0.01	0.00	-	0.00	-	0.00	-
Algeria	0.04	0.02		0.02	0.02	0.02	0.01	0.03	0.00	0.01	0.01	0.00
Other Middle East & Africa	0.02	0.02		0.02	0.01	0.02	0.01	0.02	0.01	0.00	0.01	0.00
Singapore	0.00	0.02		0.01	0.03	0.00	0.01	0.01	0.01	0.01	-	-
OECD Pacific	0.00	0.00		0.01	0.01	-	0.01	0.01	0.01	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	0.02	0.01	0.00	0.01	0.01	-	-
Other	0.10	0.10		0.08	0.14	0.10	0.06	0.04	0.06	0.08	0.11	-0.03
Total[2]	**0.61**	**0.70**		**0.58**	**0.73**	**0.67**	**0.75**	**0.81**	**0.68**	**0.76**	**0.63**	**0.13**
of which Non-OECD	**0.59**	**0.67**		**0.55**	**0.72**	**0.67**	**0.73**	**0.77**	**0.66**	**0.74**	**0.63**	**0.11**
OECD Pacific												
OECD North America	-	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	0.02	-
Singapore	0.02	0.02		0.02	0.03	0.02	0.04	0.01	0.05	0.05	0.04	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.03	0.05	0.04	0.03	0.03	0.06	0.04	0.02
Other	0.00	0.00		-	0.00	-	0.00	-	-	0.00	-	-
Total[2]	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.04**	**0.08**	**0.11**	**0.10**	**0.00**
of which Non-OECD	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.04**	**0.08**	**0.11**	**0.10**	**0.00**
Total OECD Trade[2]	**0.83**	**0.85**		**0.67**	**0.99**	**0.96**	**0.92**	**0.91**	**0.84**	**0.99**	**0.79**	**0.20**
of which Non-OECD	**0.77**	**0.81**		**0.63**	**0.95**	**0.90**	**0.88**	**0.86**	**0.82**	**0.96**	**0.79**	**0.18**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.04	0.05	0.04	0.04	0.02	0.03
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.02	0.01	0.04	0.01	0.01	0.00
ARA (Belgium Germany Netherlands)	0.00	-		-	-	0.00	0.00	0.00	0.01	-	-	-
Other Europe	0.00	0.00		-	-	-	0.00	-	-	0.00	0.00	0.00
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	0.00	0.00		-	0.01	0.00	0.00	0.00	0.01	-	-	-
Other Middle East & Africa	0.02	0.01		0.00	0.02	0.04	0.01	0.01	0.03	0.01	0.02	-0.01
Singapore	0.01	0.00		-	0.00	0.00	0.00	0.01	0.00	-	-	-
OECD Pacific	0.05	0.04		0.04	0.05	0.01	0.02	0.03	0.01	0.03	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.02	0.00	0.01	-	-	-	-	0.01	-
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.09**	**0.12**	**0.10**	**0.11**	**0.11**	**0.12**	**0.10**	**0.06**	**0.04**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.07**	**0.09**	**0.08**	**0.07**	**0.11**	**0.07**	**0.06**	**0.00**
OECD Europe												
OECD North America	0.00	0.01		0.01	0.00	0.00	0.00	0.00	0.01	0.00	-	-
Venezuela	0.01	0.02		0.02	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.00
Other Central & South America	0.01	0.00		0.01	0.00	0.00	0.01	0.01	0.00	0.01	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-
FSU	0.02	0.03		0.04	0.03	0.02	0.02	0.02	0.02	0.01	0.03	-0.02
Saudi Arabia	0.03	0.02		0.02	0.01	0.01	0.03	0.05	0.02	0.03	0.03	-0.01
Algeria	0.01	0.01		0.01	0.01	0.01	0.00	0.01	-	-	-	-
Other Middle East & Africa	0.13	0.10		0.11	0.09	0.11	0.10	0.10	0.10	0.09	0.10	-0.01
Singapore	-	0.01		0.02	0.00	0.00	-	-	-	-	-	-
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		0.00	-	-	-	-	-	-	-	-
Other	0.04	0.02		0.02	0.00	0.01	0.02	0.01	0.02	0.02	0.03	-0.02
Total[2]	**0.25**	**0.21**		**0.27**	**0.15**	**0.17**	**0.19**	**0.22**	**0.18**	**0.17**	**0.21**	**-0.04**
of which Non-OECD	**0.25**	**0.20**		**0.26**	**0.15**	**0.17**	**0.18**	**0.21**	**0.17**	**0.17**	**0.21**	**-0.05**
OECD Pacific												
OECD North America	-	-		-	-	0.01	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	0.01	0.02	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.00	0.01	0.03	-	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.02	0.02		-	0.05	0.04	0.00	0.01	0.00	-	0.00	-
Other	0.04	0.05		0.04	0.07	0.07	0.04	0.04	0.04	0.03	0.03	0.00
Total[2]	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.06**	**0.05**	**0.03**	**0.04**	**0.00**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.06**	**0.05**	**0.03**	**0.04**	**0.00**
Total OECD Trade[2]	**0.46**	**0.41**		**0.40**	**0.42**	**0.45**	**0.35**	**0.38**	**0.36**	**0.30**	**0.31**	**-0.01**
of which Non-OECD	**0.41**	**0.36**		**0.35**	**0.37**	**0.44**	**0.32**	**0.35**	**0.34**	**0.27**	**0.31**	**-0.04**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Apr 03	May 03	Jun 03	Year Earlier Jun 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.03	0.01	0.03	0.06	0.07	0.05	0.06	0.05	0.01
Other Central & South America	0.12	0.10		0.09	0.13	0.18	0.14	0.16	0.10	0.14	0.12	0.02
ARA (Belgium Germany Netherlands)	0.02	0.01		0.00	0.01	0.02	0.02	-	0.01	0.04	-	-
Other Europe	0.03	0.02		0.02	0.02	0.03	0.02	-	0.05	-	0.03	-
FSU	0.00	0.01		0.02	0.02	0.03	0.03	0.04	0.02	0.02	0.00	0.02
Saudi Arabia	0.00	-		-	-	-	0.00	0.00	0.00	-	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.01	0.01	-	0.01	0.01	0.00
Other Middle East & Africa	0.04	0.02		0.03	0.02	0.05	0.03	0.04	0.04	0.01	0.03	-0.03
Singapore	0.00	0.01		0.01	0.00	0.01	0.00	0.00	0.01	-	0.00	-
OECD Pacific	0.00	0.00		0.00	0.00	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	-	0.00	0.00	-	-	-	-
Other	0.00	0.00		-	0.00	0.00	0.00	0.01	0.01	-	-	-
Total[2]	**0.31**	**0.21**		**0.22**	**0.22**	**0.35**	**0.30**	**0.33**	**0.30**	**0.28**	**0.25**	**0.04**
of which Non-OECD	**0.26**	**0.18**		**0.19**	**0.20**	**0.30**	**0.27**	**0.33**	**0.24**	**0.24**	**0.22**	**0.02**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.02	0.00	0.02	0.02	0.02	0.03	0.02	0.01
Venezuela	0.01	0.00		-	-	0.00	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.01	0.00	0.01	0.01	0.00	0.00	0.01	0.00	0.00
Non-OECD Europe	0.01	0.01		0.01	0.02	0.01	0.01	0.01	0.02	0.02	0.02	0.00
FSU	0.23	0.27		0.33	0.23	0.17	0.11	0.12	0.10	0.12	0.26	-0.14
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.01	0.01	0.00	0.01	0.02	0.01	-	-	-
Other Middle East & Africa	0.06	0.06		0.05	0.06	0.04	0.07	0.07	0.07	0.07	0.08	-0.01
Singapore	0.00	0.00		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00
OECD Pacific	-	0.00		-	-	-	0.00	0.00	0.00	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.01	0.01	0.01	0.02	0.00	0.00	-	-
Other	0.06	0.07		0.05	0.09	0.06	0.13	0.13	0.12	0.15	0.06	0.09
Total[2]	**0.40**	**0.47**		**0.47**	**0.43**	**0.31**	**0.37**	**0.38**	**0.33**	**0.40**	**0.45**	**-0.04**
of which Non-OECD	**0.38**	**0.45**		**0.46**	**0.42**	**0.31**	**0.35**	**0.37**	**0.32**	**0.37**	**0.42**	**-0.05**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.01	-	0.00	0.00	-	0.00	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	0.00	-	0.01	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	-	0.00	-	-	0.00	-	-
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.01	0.01	0.01	-	-	-	-	0.04	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.04	0.06	0.07	0.07	0.10	0.04	0.08	0.06	0.02
Other	0.02	0.02		0.02	0.02	0.01	0.03	0.03	0.02	0.03	0.00	0.03
Total[2]	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.13**	**0.07**	**0.12**	**0.10**	**0.02**
of which Non-OECD	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.13**	**0.07**	**0.11**	**0.10**	**0.02**
Total OECD Trade[2]	**0.80**	**0.77**		**0.75**	**0.76**	**0.76**	**0.78**	**0.85**	**0.70**	**0.80**	**0.79**	**0.01**
of which Non-OECD	**0.72**	**0.72**		**0.71**	**0.72**	**0.71**	**0.72**	**0.83**	**0.62**	**0.72**	**0.74**	**-0.02**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12e
Regional OECD Trade Balances[1]
(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Apr-03	May-03	Jun-03	Latest month vs. May-03	Latest month vs. Jun-02
Crude Oil	**7.59**	**7.12**	**7.26**	**7.16**	**6.71**	**8.06**	**7.91**	**8.12**	**8.15**	**0.03**	**0.96**
Products & Feedstocks	**1.48**	**1.12**	**1.14**	**1.08**	**1.17**	**1.49**	**1.33**	**1.50**	**1.65**	**0.14**	**0.34**
Gasoil/Diesel	0.09	0.00	-0.03	0.09	0.08	-0.02	-0.04	-0.06	0.03	0.09	0.07
Gasoline	0.55	0.57	0.63	0.47	0.48	0.74	0.80	0.71	0.69	-0.02	0.03
Heavy Fuel Oil	0.18	0.05	0.03	0.07	0.22	0.13	0.14	0.19	0.06	-0.13	-0.06
LPG	0.02	0.04	0.03	0.07	0.04	0.02	0.01	0.01	0.02	0.01	-0.01
Naphtha	0.06	0.04	0.04	0.03	0.03	0.09	0.04	0.09	0.14	0.05	0.07
Jet & Kerosene	0.12	0.09	0.08	0.10	0.08	0.09	0.08	0.11	0.08	-0.03	0.03
Other	0.45	0.34	0.35	0.24	0.24	0.45	0.30	0.45	0.62	0.17	0.21
Total[2]	**9.07**	**8.24**	**8.40**	**8.24**	**7.88**	**9.55**	**9.24**	**9.62**	**9.80**	**0.18**	**1.30**

OECD Europe

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Apr-03	May-03	Jun-03	Latest month vs. May-03	Latest month vs. Jun-02
Crude Oil	**7.37**	**7.17**	**7.46**	**7.18**	**7.60**	**7.56**	**7.67**	**7.54**	**7.48**	**-0.06**	**0.18**
Products & Feedstocks	**1.48**	**1.44**	**1.42**	**1.25**	**1.14**	**1.00**	**1.02**	**0.93**	**1.05**	**0.11**	**-0.08**
Gasoil/Diesel	0.42	0.42	0.33	0.38	0.36	0.38	0.38	0.39	0.37	-0.02	-0.03
Gasoline	-0.25	-0.34	-0.36	-0.25	-0.40	-0.43	-0.52	-0.39	-0.36	0.03	-0.11
Heavy Fuel Oil	0.13	0.23	0.26	0.13	0.08	0.09	0.14	0.03	0.11	0.07	0.04
LPG	0.17	0.14	0.11	0.16	0.11	0.02	-0.01	0.06	-0.01	-0.07	-0.13
Naphtha	0.24	0.24	0.26	0.24	0.27	0.29	0.31	0.29	0.26	-0.03	0.03
Jet & Kerosene	0.21	0.19	0.23	0.16	0.11	0.14	0.15	0.14	0.14	0.00	-0.05
Other	0.55	0.56	0.58	0.43	0.60	0.50	0.56	0.41	0.54	0.13	0.17
Total[2]	**8.84**	**8.61**	**8.87**	**8.43**	**8.73**	**8.56**	**8.68**	**8.47**	**8.53**	**0.06**	**0.10**

OECD Pacific

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Apr-03	May-03	Jun-03	Latest month vs. May-03	Latest month vs. Jun-02
Crude Oil	**6.65**	**6.20**	**5.78**	**6.51**	**7.17**	**6.60**	**6.80**	**6.15**	**6.86**	**0.71**	**0.84**
Products & Feedstocks	**1.00**	**1.31**	**1.08**	**1.63**	**1.56**	**1.37**	**1.47**	**1.33**	**1.32**	**-0.01**	**0.15**
Gasoil/Diesel	-0.18	-0.14	-0.21	-0.07	-0.08	-0.06	-0.07	-0.05	-0.05	0.01	0.07
Gasoline	-0.01	0.02	0.01	0.04	0.02	0.04	0.00	0.06	0.06	0.00	0.05
Heavy Fuel Oil	-0.12	-0.02	-0.06	0.02	-0.04	0.00	0.04	-0.04	0.00	0.03	-0.01
LPG	0.52	0.54	0.49	0.59	0.55	0.52	0.49	0.48	0.58	0.10	0.07
Naphtha	0.64	0.70	0.72	0.72	0.77	0.71	0.86	0.71	0.56	-0.15	-0.12
Jet & Kerosene	-0.03	0.00	-0.08	0.08	0.14	-0.02	-0.01	0.00	-0.05	-0.05	0.02
Other	0.18	0.20	0.20	0.26	0.21	0.18	0.16	0.17	0.21	0.04	0.09
Total[2]	**7.65**	**7.51**	**6.86**	**8.14**	**8.73**	**7.97**	**8.27**	**7.48**	**8.18**	**0.70**	**1.00**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 11 August 2003), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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10 October 2003

HIGHLIGHTS

- September world oil production rose 300 kb/d from August to 80.11 mb/d. Non-OPEC supply was up 135 kb/d, OPEC crude by 90 kb/d and other OPEC supply by 70 kb/d. OPEC crude output averaged 26.66 mb/d with Iraqi production increasing by 380 kb/d. Output from other Mideast Gulf producers and Venezuela fell.

- OPEC's 24 September decision to cut targets by 900 kb/d to 24.5 mb/d from 1 November took observers by surprise. A further meeting has been scheduled for 4 December in Vienna to review market developments. Additional cuts by the OPEC-10 to below 24 mb/d are seen as unlikely without co-operation from non-OPEC producers.

- The estimate of global oil demand is unchanged at 78.4 mb/d for 2003 and 79.4 mb/d for 2004. A counter-seasonal contraction in heating oil deliveries lowered the assessment of OECD demand for the third quarter, but set the stage for a sharp rebound in distillate demand in the fourth quarter.

- OECD industry oil stocks closed August at 2551 mb, 3 mb higher than in July but 76 mb below 2002. Crude oil inventories fell by 640 kb/d while growth in product inventories barely outpaced crude's fall. Forward demand cover held level at 53 days, 2 days below 2002.

- Brent and WTI crude prices fell more than $4.50 in September from end-August levels due to weaker gasoline, rising Iraqi supplies, more comfortable product stocks and refinery maintenance. OPEC's production target cut stemmed the decline. WTI ended the month at $29.41/bbl, $2.45 lower than end August.

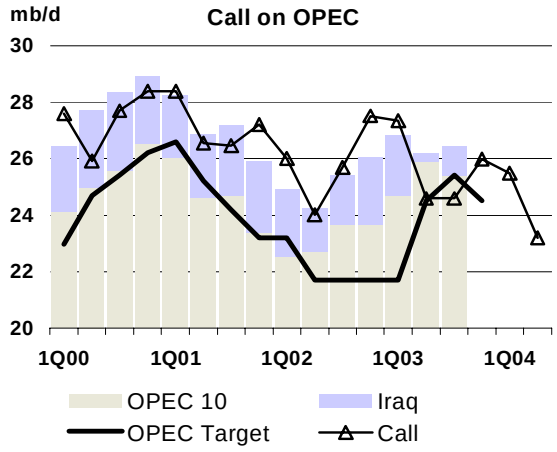
CONTENTS

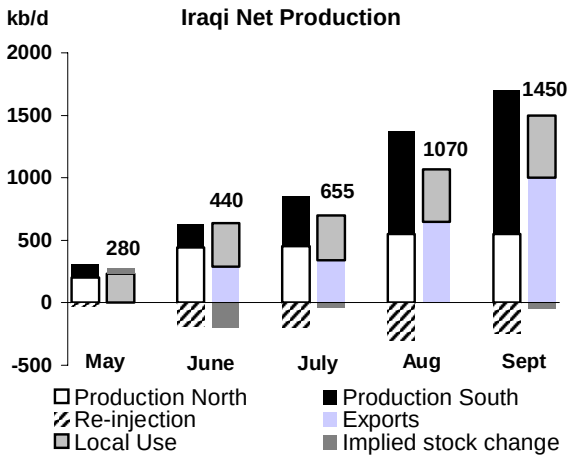
OPEC ON A ROLL

OPEC's decision to cut target production by 900 kb/d to 24.5 mb/d effective 1 November caught the market off guard. Combined with the threat of renewed civil unrest in Nigeria, uncertainty in Venezuela and placid comments from key non-OPEC producers, the surprise announcement stemmed downward pressure on prices and caused speculative interests to cover their short positions. Prices strengthened and returned to the top end of OPEC's target range despite lingering scepticism over the extent of the physical cut.

Industry pundits appear heartened by OPEC's decision. The cut was generally regarded as a pre-emptive strike – a show of resolve on the part of the producer group to do whatever is necessary to support prices. Rising product inventories, surging Iraqi production and a looming seasonal reduction in demand in the second quarter of next year had contributed to bearish sentiment. For some, OPEC's announcement provided welcome relief.

Iraqi production has been recovering more quickly than expected. Barring further infrastructure disruptions, the reactivation of the northern pipeline route into Turkey should pave the way for further export opportunities, and therefore higher production, in the future. Producers will find themselves under mounting pressure to accommodate increased Iraqi supply on the one hand, and satisfy the aspirations of several member countries to increase their production, on the other. Subdued demand growth, increased non-OPEC supply and low, but seasonally building product stocks, exacerbate the internal and external pressure on OPEC.





The decision to ratchet-back production constitutes an effective start to the political reintegration of Iraq. The reality is that production targets have always been set with Iraqi supply in mind ("the call on OPEC plus stock change" minus Iraq). The decision to cut production is consistent with OPEC's policy of setting targets to undersupply the market which enters the heating season with stocks at the lower end of their five-year range. The decision represents a cut in line with the "call" and the reality of increased Iraqi supply ("Call on OPEC plus stock changes" of 26 mb/d less estimated Iraqi supply of 1.5 mb/d equals a target of 24.5 mb/d in the fourth quarter of 2003).

The decision to trim back on production eases pressure on OPEC in the short term. It recognises the obvious, supports near-term prices and deflects attention away from more serious medium-term issues looming on the horizon. Yet difficult decisions lie ahead. The "call" plummets to just over 23 mb/d at the end of the winter heating season whilst Iraqi supply is forecast to increase over the intervening period. Key producers have demonstrated their ability to make tough decisions, but will they receive real support from their OPEC colleagues and non-OPEC producers?

OPEC is set to lose market share for the fifth consecutive year. Given its focus on maintaining revenue streams, OPEC will need ever higher prices to offset lower production. Higher prices encourage more non-OPEC supply and curtail demand. More non-OPEC supply, and lower demand, contribute to further losses in market share and so on. The outcome of OPEC's production restraint policy, and its implications for OPEC market share, is likely to be disturbing for the market generally and the global upstream oil sector. Tensions supporting today's market may push back the endgame, but the underlying risks are real.

DEMAND

Summary

- The forecast of global oil product demand is roughly unchanged from last month's Report, at 78.37 mb/d for 2003 and 79.43 mb/d for 2004.

- The timing of demand growth in 2003 has been slightly adjusted. Downward adjustments of 260 kb/d to the assessment of third-quarter OECD demand were offset by upward revisions of 10 kb/d and 90 kb/d for the first and second quarters, a 50 kb/d upward adjustment to the fourth-quarter forecast and higher-than-expected Chinese apparent demand for August.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change* (%)	Annual Change* (mb/d)	Changes from last month's Report (mb/d)
1Q02	77.1	-0.7	-0.5	-
2Q02	75.5	-0.2	-0.2	-
3Q02	76.9	0.9	0.7	-
4Q02	79.5	2.0	1.5	-
1Q03	79.3	2.8	2.2	-
2Q03	76.4	1.2	0.9	0.1
3Q03	77.6	0.9	0.7	-0.2
4Q03	80.2	0.9	0.7	0.1
1Q04	79.8	0.6	0.5	-
2Q04	77.4	1.3	1.0	0.1
3Q04	78.9	1.7	1.3	-
4Q04	81.6	1.8	1.5	-
2002	77.3	0.5	0.4	-
2003	78.4	1.4	1.1	-
2004	79.4	1.4	1.1	-

* year-on-year change

- OECD year-on-year demand growth slowed to a trickle in the third-quarter, as one-off factors – including low river levels hampering deliveries in Europe and cooler-than-normal summer temperatures undermining air-conditioning demand in Japan – compounded a seasonal dip in demand in September. Demand growth is forecast to pick up again in the fourth quarter, with year-on-year gains averaging 340 kb/d.

- Heating-oil deliveries contracted counter-seasonally in the third quarter from the second quarter, leading the slowdown in OECD demand. Lower natural gas prices in the US, barge transportation problems in Europe and easing utility demand in Japan depressed deliveries. Heating oil demand growth is expected to rebound sharply in the fourth quarter, as US natural gas supplies remain constrained in the face of robust demand, while rising river levels in Europe should ease the way for delayed deliveries to reach markets ahead of winter.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.16	0.32	0.37
Latin America	0.02	-0.01	0.02	-0.11	-0.13	0.06
FSU	-0.15	0.09	0.05	0.05	0.09	0.06
Europe	-0.15	-0.11	0.19	-0.18	0.13	0.12
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.18	-0.15
China	0.21	0.26	0.12	0.27	0.35	0.19
Other Asia	0.41	0.09	0.16	0.11	0.11	0.20
Subtotal, Asia	0.90	0.28	0.20	0.34	0.65	0.24
Middle East	0.04	0.18	0.19	0.12	0.01	0.16
Africa	0.11	0.05	0.09	0.02	0.04	0.04
World	1.48	0.73	0.67	0.40	1.11	1.06

- Chinese apparent demand surged in August on the back of record-high refinery throughputs, in line with burgeoning industrial activity. However, reports of rising product inventories, along with recent efforts by the government to slow construction growth, suggest that demand growth will ease in the remainder of the year.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2003	2002	2003	2004	2002	2003	2004
North America	24.48	0.16	0.32	0.37	0.7	1.3	1.5
Europe	15.95	-0.18	0.13	0.12	-1.1	0.8	0.8
OECD Pacific	8.68	-0.04	0.18	-0.15	-0.5	2.1	-1.8
China	5.30	0.27	0.35	0.19	5.9	7.1	3.7
Other Asia	7.79	0.11	0.11	0.20	1.5	1.5	2.6
Subtotal Asia	21.77	0.34	0.65	0.24	1.6	3.1	1.1
FSU	3.85	0.05	0.09	0.06	1.3	2.5	1.5
Middle East	5.06	0.12	0.01	0.16	2.5	0.1	3.2
Africa	2.61	0.02	0.04	0.04	0.9	1.7	1.7
Latin America	4.64	-0.11	-0.13	0.06	-2.3	-2.8	1.2
World	78.37	0.40	1.11	1.06	0.5	1.4	1.4

OECD

Early Indications of Current Demand

Preliminary assessments of OECD deliveries for July have been revised sharply upwards, by 430 kb/d, including 340 kb/d in North America and 70 kb/d for the four largest European economies. The bulk of the revision is in road transportation fuels in the US and Europe (including 170 kb/d in diesel and 20 kb/d in gasoline in the US, and 90 kb/d in German diesel demand). Other sizeable adjustments have been reported to "other products" by the US, Mexico and France (totalling 237 kb/d). However, that overall gain is offset by downward adjustments of nearly 720 kb/d for August and roughly 500 kb/d for September, mostly in US and German distillate demand and in Japanese utility demand, bringing the quarterly average down by 260 kb/d. Lower third-quarter demand is, in turn, partly counter-balanced by upward revisions to delivery data for the first half of the year and adjustments to the fourth-quarter forecast.

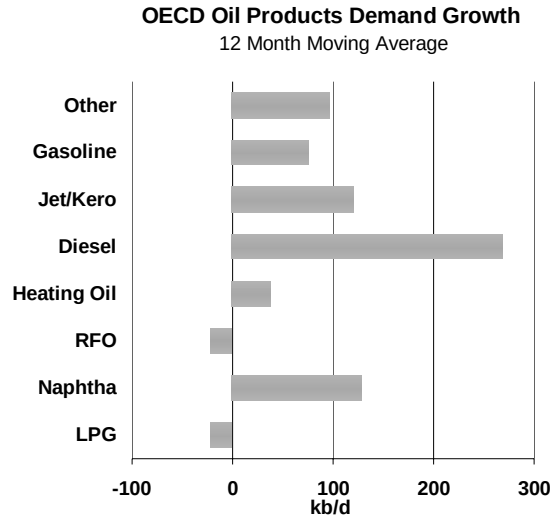
The effect of the upward revisions for July is that the steep contraction in OECD demand that preliminary delivery statistics had indicated has now narrowed to less than 10 kb/d. However, based in part on weaker-than-expected preliminary data for the largest OECD economies for August and weekly US data for September, demand growth apparently failed to rebound later in the quarter. Current estimates show demand inching up by 70 kb/d in August and 40 kb/d in September, less than previously expected.

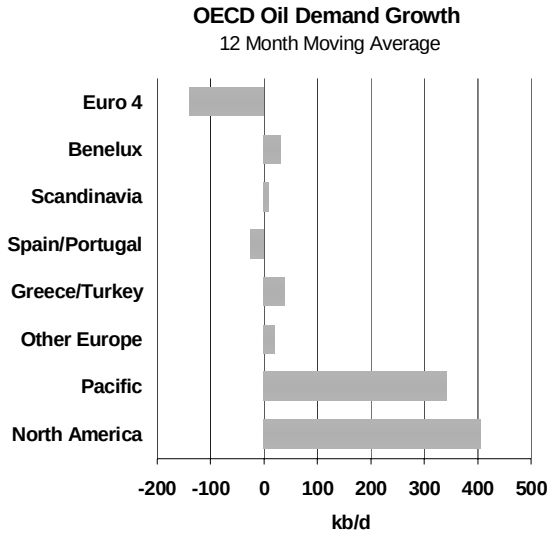
Two factors stand out among the multiple reasons behind the slowdown in the pace of OECD demand growth in the summer. A sudden drop in oil demand from Japanese power generators – in both year-on-year and month-to-month terms – was a key element, reflecting not only the restart of several previously idled nuclear power plants, but also exceptionally low air-conditioning demand due to cooler-than-normal summer temperatures and energy-saving measures adopted in anticipation of possible power brownouts. Preliminary data for August slashed the assessment of total Japanese oil demand by 250 kb/d, contributing more than 1/3 of the overall cut in the global demand assessment. The estimate for September was trimmed by a further 60 kb/d.

The other major reason behind the sluggish pace of summer demand growth was a counter-seasonal quarterly contraction in OECD heating oil demand. After rising year-on-year by an average 430 kb/d and 70 kb/d in the first and second quarters, OECD heating oil deliveries swung into contraction in July, falling by 410 kb/d. The decline, which allowed for a rapid build-up of pre-winter primary distillate inventories (see the Stocks section), was led by drops of 220 kb/d in Germany and 150 kb/d in the US. For August, preliminary data show deliveries falling by a further 260 kb/d in Germany and 160 kb/d in the US, leading OECD-wide contraction of 400 kb/d. September demand is estimated to have shed a further 240 kb/d year-on-year.

To some extent, the factors undermining heating oil demand in both the US and Germany are temporary. German demand was partly undermined by the relatively high level of reported residential inventories, reducing homeowners' need to refill their tanks ahead of winter. However, tertiary stock movements do not strictly correlate with deliveries out of primary demand, which form the basis of demand estimates. Summer deliveries of heating oil were also hampered by low water levels on the Rhine, a logistical impediment that persisted through much of September. As secondary and tertiary storage levels typically rise in the summer months, delayed secondary deliveries likely resulted in pent-up end-user demand, setting the stage for a fourth-quarter pick-up. Indeed, as water levels rose in late September, the pace of deliveries reportedly increased sharply.

In the US, high natural gas prices and natural gas delivery issues had fuelled a spring surge in distillate demand from utilities and industrial users. As natural gas prices eased in the summer, heating oil became less attractive as an alternate boiler fuel, and some utility and industrial demand switched back to natural gas. Although natural gas inventories rebuilt faster than expected ahead of winter, prices remain relatively high and supplies are still constrained even as the amount of natural gas-fired power generation capacity continues to rise. Any spike in winter demand, whether driven by cold weather or by a continued pick-up in the pace of industrial activity, could disproportionately boost distillate demand.





The summer slump in heating oil demand, coming on the heels of a relatively strong second-quarter, marks a counter-seasonal drop of 210 kb/d from second-quarter to third-quarter demand. While such a pattern is not unprecedented, this year's quarter-on-quarter contraction is the first in five years. On average, third-quarter demand rose by 160 kb/d in the last five years and 70 kb/d in the last 10 years. However, because the relatively weak demand of the third quarter stems in part from one-off factors and delays in deliveries, stronger-than-typical fourth-quarter demand growth is expected to counter-balance the third-quarter dip. This year's third-to-fourth-quarter demand increase is forecast at 1.2 mb/d, compared to five- and ten-year averages of 870 kb/d and 900 kb/d.

In sharp contrast with heating oil, OECD demand for diesel rose faster than expected in the third quarter. US diesel deliveries for July were adjusted upwards by 170 kb/d, contributing most of a 260 kb/d upward revision to overall US demand. German diesel deliveries for July were also adjusted upwards, by 90 kb/d. For the OECD as a whole, July diesel deliveries expanded by 330 kb/d year-on-year, extending June's 530 kb/d gain. This makes diesel the fastest growing product in the OECD demand barrel. US diesel deliveries are estimated to have grown by roughly 100 kb/d in August and September, contributing most of an overall OECD gain in diesel deliveries of 160 kb/d for August and 190 kb/d for September. While diesel demand growth in Europe reflects in part the continuing conversion of the European automobile fleet from gasoline to diesel, the increase in the US correlates more closely with a pickup in commercial road transport reflecting the economic recovery.

The outlook for OECD oil demand continues to be heavily dependent on the pace of economic recovery and the weather. Relatively tight supplies of alternative sources of energy – from natural gas in the US to hydropower in Europe and nuclear power generating capacity in Japan – mean that any cold snap could cause a disproportionate boost in oil demand. Meanwhile, the pace and scope of

economic recovery remain shrouded in uncertainty. Signs that the US rebound was swiftly gaining momentum in the summer gave way to more mixed economic indicators in September, including a new dip in manufacturing, faltering consumer confidence and a still sluggish job market. In Japan, a nascent economic rebound remains threatened by the appreciation of the yen against the dollar and the banks' legacy of bad loans. In Europe, where export demand has given German manufacturing a boost, a further rise in the euro could also slow the pace of economic recovery.

Preliminary Inland Deliveries – August 2003

	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	9.38	0.7	1.63	-0.1	2.82	1.6	0.80	-16.1	0.88	43.0	4.89	-1.0	20.39	0.8
Mexico	0.58	2.1	0.06	-3.4	0.28	1.4	0.00	na	0.34	-19.9	0.36	2.6	1.62	-3.7
Japan	1.13	-3.8	0.31	-0.3	0.64	-7.8	0.44	0.0	0.43	1.2	1.49	-0.8	4.43	-2.3
Korea	0.18	-9.8	0.07	13.1	0.39	5.7	0.06	-6.3	0.22	-13.0	0.98	1.2	1.89	-0.8
France	0.29	-9.9	0.13	-0.6	0.56	-0.8	0.21	-4.1	0.05	36.4	0.46	4.5	1.71	-0.8
Germany	0.59	-7.6	0.16	1.1	0.54	-10.0	0.42	-32.3	0.10	-15.1	0.41	-10.9	2.22	-14.4
Italy	0.35	-8.4	0.09	10.9	0.37	3.4	0.07	-4.4	0.26	6.4	0.39	-0.9	1.53	-0.2
Total	12.50	-0.8	2.45	1.6	5.60	-0.7	1.99	-15.6	2.28	9.8	8.97	-0.8	33.79	-1.0

Sources: US EIA, Statistics Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

Unadjusted, preliminary inland delivery statistics for seven of the largest OECD economies are presented in the table above. The raw data suggest that steep contraction in Germany and a milder loss in Japan led OECD demand into decline, as sharply lower "other gasoil" deliveries (predominantly heating oil) more than offset gains in diesel deliveries in the US, Mexico and Korea. Residual fuel oil demand continued to advance, driven by steep growth in France and Italy, where electric utilities boosted rates at oil-fired generators to make up for a drought-related shortfall in hydroelectric and nuclear power output and meet peak cooling demand. Residual fuel oil demand also continued to soar in the US, as the fuel – unlike heating oil – remained competitively priced against natural gas for power generators and industrial users.

Broken down by country, preliminary August data suggest demand inched higher in the US but fell everywhere else, with the steepest declines in Germany, Mexico and Japan. Preliminary data have been adjusted for the purpose of inclusion in OMR statistics, in line with recent patterns of OECD demand data revisions.

Moving Annual Average Change in Oil Demand* – August 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	-3.9%	9.7%	1.0%	0.6%	4.0%	5.4%	14.8%	-0.5%	1.5%	291
Canada**	4.8%	1.3%	2.1%	11.0%	1.7%	8.7%	9.7%	2.2%	4.4%	90
Mexico	-2.8%	27.6%	5.2%	0.3%	7.7%	7.7%	-11.3%	43.2%	2.6%	52
Japan	-0.4%	3.3%	0.9%	6.8%	-3.8%	3.2%	25.7%	24.0%	5.6%	293
Korea	-0.8%	4.8%	-2.6%	6.7%	8.5%	4.2%	-2.8%	-17.3%	2.7%	59
France	-1.3%	6.8%	-6.5%	9.3%	0.5%	-2.2%	-3.5%	7.3%	0.3%	5
Germany	1.1%	-2.7%	-5.2%	1.6%	5.6%	-6.6%	-1.5%	-23.1%	-3.0%	-83
Italy	1.8%	24.1%	-1.3%	23.2%	3.4%	-3.5%	-18.0%	1.1%	-2.4%	-46
UK	0.6%	72.5%	-5.8%	2.6%	2.9%	2.9%	0.6%	-11.3%	-0.4%	-6
Total	**-2.0%**	**5.5%**	**0.3%**	**3.7%**	**3.0%**	**1.5%**	**2.8%**	**3.1%**	**1.7%**	**657**
kb/d	-83	139	45	125	178	51	90	113	657	

* defined as the percentage change between the demand average for the 12 months up to August and that of the same period a year earlier
** near-month data are estimated

North America

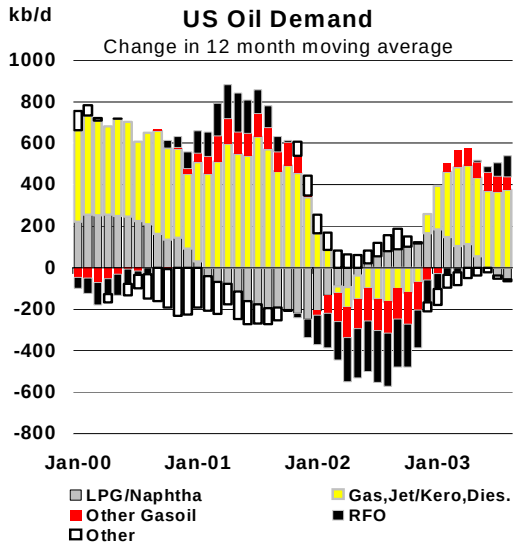
US demand increased by an estimated 140 kb/d in the third quarter, driven mostly by road transportation fuels. Motor gasoline demand surged by 140 kb/d, or 1.5%, while demand for road diesel advanced by 110 kb/d, or 4.1% year-on-year. Diesel demand growth appears consistent with evidence of an increase in trucking activity and is expected to persist in line with the economic recovery.

Fuel-switching from natural gas by power generators boosted residual fuel oil demand by an estimated 150 kb/d, or 23.7%, in the third quarter versus last year, reflecting the competitive appeal of residual fuel oil compared to high-priced natural gas. However, as natural gas prices eased from the peaks reached in the first half of the year, utility demand for distillates declined. Heating oil deliveries contracted by an estimated 140 kb/d in the third quarter. Jet fuel deliveries extended earlier declines, posting a year-on-year drop of 60 kb/d in the third quarter. This followed industry rationalisation measures prompted by the downturn in air travel in the wake of the Iraq war and the Severe Acute Respiratory Syndrome (SARS) outbreak.

While lower-than-normal temperatures last winter had left natural gas inventories at record lows, hefty summer injections into storage have allowed natural gas stocks to rebuild to near-normal levels. As of 26 September, working gas in underground storage was estimated at nearly 2.79 Tcf, 250 Bcf below last year, but only 55 Bcf below the five-year average of 2.8 Tcf. Storage is now expected to reach 3 Tcf, the level generally defined as comfortable, by the start of the heating season at end October, and possibly as high as 3.1 Tcf. Assuming normal weather conditions, heating demand should also remain below the levels of last winter. Yet while the rapid rebuild of natural gas inventories helps provide more comfortable supplies ahead of winter, the outlook for natural gas supply/demand balances remains relatively tight, as underscored by the strong support above $5 per million Btu in winter natural gas futures contracts at the New York Mercantile Exchange.

Natural gas production remains inherently constrained. Although LNG imports have increased sharply with the restart of Dominion Resources' 1-Bcf Cove Point, Maryland terminal in August, infrastructure constraints limit the potential for further gains. Meanwhile, demand looks set to inch higher even in the event of a "normal" winter.

Two factors contributed to the strong pace of natural gas re-injections into storage over the summer: benign summer temperatures that curtailed cooling demand, especially in the Northeast, and depressed industrial output. In particular, the natural-gas intensive ammonia and fertiliser industry saw numerous plants shut down over the summer due to high feedstock costs. Fuel switching out of natural gas by electricity generators compounded the demand destruction. While the impact of winter weather remains a wild card, industrial demand for natural gas looks set to increase this winter in line with the economic recovery and a seasonal up-tick in fertiliser manufacturing. Anecdotal evidence suggests that lower natural gas prices are already boosting fertiliser manufacturing. One manufacturer reportedly announced the restart in early October of a large ammonia facility shuttered in early July due to high gas prices. In general, the fertiliser sector tends to see stronger activity in the autumn and winter to build up stocks ahead of the spring planting season. Utility demand for natural gas has also picked up in response to lower prices. In addition, a structural increase in gas-fired power generation capacity has raised baseline demand for natural gas, with an estimated 57-GW of new natural gas-fired power capacity starting operations this year.



Much of the demand outlook for natural gas and boiler fuels such as residual fuel oil and heating oil ultimately depends on both the weather and the pace and scope of the economic recovery. Forecasts for winter weather in the US are as always decidedly mixed, ranging from warmer-than-normal temperatures to severe cold. Economic indicators are nearly as variable. Increases in manufacturing, a rise in manufacturers' orders for durable goods indicative of stronger corporate capital expenditure, and strong new car and retail sales in July and August led several economists and forecasting agencies to revise or consider revising upwards their forecasts of GDP growth. September indicators have

been more mixed. Factory orders fell back while the pace of recovery in manufacturing slowed. Car and retail sales faltered and consumer confidence eroded. On a more upbeat note, signs of continuing reductions in already extremely low industry and distributor inventories appeared to set the stage for renewed gains in manufacturing output. Importantly, US employers expanded their payrolls for the first time in eight months.

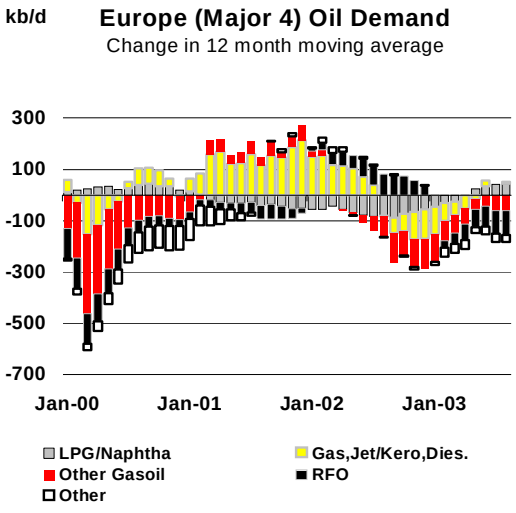
Assuming normal weather and continued improvements in the economy, winter heating oil demand is forecast to hover slightly above last year in the fourth quarter and slightly below in the first quarter of 2004, as heightened utility and industrial demand offsets reduced heating requirements. However, the risk of shortages or price rallies in the US natural gas market has increased the potential for substitution between natural gas and oil as boiler fuel for power generation or industrial use, tightening the linkage between the two markets. As a result, a sustained cold snap or stronger-than-expected economic recovery could cause a disproportionate boost to residual fuel oil and heating oil demand.

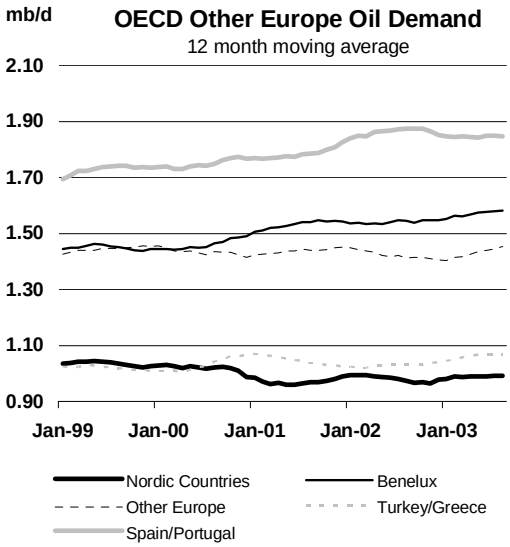
Europe

European demand contracted by an estimated 120 kb/d in the third quarter, led by a 200 kb/d drop in German heating oil demand. Preliminary data for the largest economies in the region indicate that the contraction was especially steep in August, when deliveries fell by an estimated 200 kb/d short of last year's level, including a 250 kb/d contraction in heating oil. Demand for gasoline and residual fuel oil also fell, though that for diesel and jet fuel-kerosene increased.

Although depressed industrial output and sluggish economic recovery contributed to the decline, the effects of economic factors were compounded by barge delivery delays when a drought and record-high summer temperatures caused low river levels, especially on the Rhine, to restrict barge traffic. Increased rail and truck deliveries helped sidestep the problem to some extent, but deliveries remained constrained until river levels started recovering in the second half of September.

Germany was most directly affected by the drought. Heating oil deliveries contracted by 220 kb/d in July and 260 kb/d in August, leading total demand decline of 280 kb/d and 370 kb/d, respectively. Part of the year-on-year drop may have reflected relatively high residential storage levels following heavy price-driven buying in April and May. However, while reported residential storage appeared higher than normal – and higher than last year – at end May, by end-July the gap had substantially narrowed, and by end-August homeowner stockpiles appeared to have fallen below year-earlier levels, setting the stage for a rebound in deliveries later on.





Thus, the low European demand levels of the third quarter are thought to reflect at least in part one-off factors and are expected to be counterbalanced to some extent by a corresponding increase in deliveries in the fourth quarter.

The effect of this summer's heat wave on third-quarter European demand was not all negative. Record high temperatures boosted cooling and air-conditioning demand along the Mediterranean and further north in France, Germany and the UK. At the same time, low water levels curtailed not only

hydropower output, but also nuclear power generation, as rivers were too low and too warm to meet the plants' cooling requirements. One quarter of France's 58 nuclear reactors were idled at one point due to reduced water supply. The combination of increased electricity demand and lower output from non-thermal power plants means that thermal plant production rates had to be increased to meet demand.

However, while exceptionally hot summer temperatures did support demand from the power sector, the weather did not spur any incremental oil demand versus last year, but merely slowed the ongoing decline in European residual fuel oil consumption triggered by the conversion of thermal power plants to natural gas. European residual fuel oil demand continued to contract in June and July, by 60 kb/d and 100 kb/d respectively, albeit at a slower rate than in any of the previous seven months, and is provisionally estimated to have inched lower in August and September as well. Low industrial output helped cushion the heat wave's impact. In France, one of the European countries most affected by the heat wave, August electricity demand increased by only 4.2% year-on-year, as surging residential demand was offset by a downturn in industrial activity. The weather contributed to the downturn in industrial output, as industrial users were encouraged to curb their power usage. According to press reports, some were offered the chance by power suppliers to sell back their electricity at a profit. France also met some incremental power demand through a 110% rise in imports, mostly from Spain and the UK, where natural gas, rather than oil, is the boiler fuel of choice. In addition, direct residual fuel oil deliveries to industry edged lower, softening the increase in deliveries to the utility sector.

On balance, hot weather appears to have undermined, rather than boosted, European oil deliveries in the third quarter. However, the effect of the summer's heat wave may boost demand later on in two ways: through delayed deliveries of refined products along the Rhine and other rivers, mostly to the German market, and through depressed hydropower generation, if autumn rain and snowfall fail to rebuild depleted reservoirs. At the time of writing, Swiss hydropower reservoirs were 5.2 percentage points less full than last year, and 10.5 percentage points below the average of the previous six years. In Scandinavia, reservoir levels were reported at 70.3% of capacity, down from 77% last year and from the 10-year median of 86.8%.

Pacific

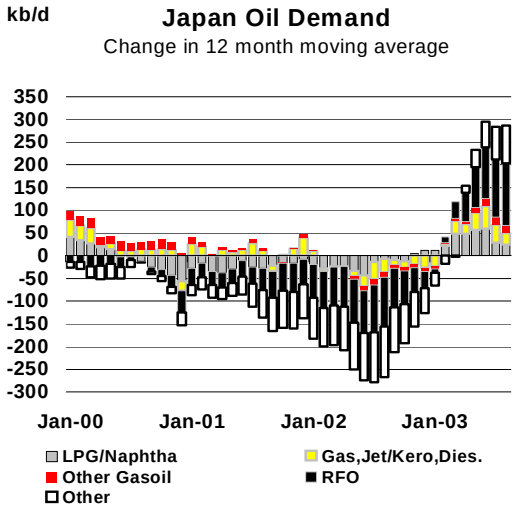
Japanese oil demand swung into contraction in the third quarter, reversing three consecutive quarters of strong growth, on the back of steeply lower oil demand from electric utilities. Power generation demand had been the major driver of oil demand growth since a controversy over safety records last year forced Tokyo Electric Power Co. (Tepco) and other utilities to idle several nuclear power plants, causing a boost in thermal power generation as utilities scrambled to make up for the nuclear shortfall. Several plants have since resumed service, and while summer is typically the peak electricity demand season in Japan, cooler-than-normal temperatures during a prolonged rainy season this year substantially reduced power demand for air conditioning. Government-promoted energy-saving measures, adopted in anticipation of possible brownouts, also reduced electricity consumption in the Tokyo area. Based in part on preliminary data and forecasts, third-quarter oil demand is provisionally estimated to have contracted by 110 kb/d, compared to growth of 510 kb/d and 370 kb/d in the first and second quarters.

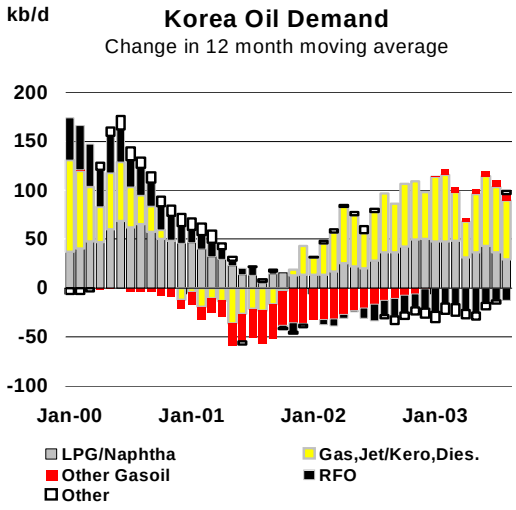
In August, preliminary data show that incremental demand for residual fuel oil fell to 10 kb/d, year-on-year, down from a peak of more than 210 kb/d in May, when all of Tepco's 17 boiling-water nuclear units were shut down. Demand for "other products" – including heavy, sweet crude used as boiler fuel – increased by less than 20 kb/d, down from nearly 150 kb/d in June. The Federation of Electric Power Companies said Japan's power generation fell 4.4% year-on-year on the back of low summer temperatures. With 10 Tepco plants still idled, nuclear power output was down by 33%, a drop partly offset by a 32% increase in hydropower output (a smaller segment of the electric utility industry) and a 6% increase in generation from thermal power plants, including coal, natural gas and oil-fired units. Some of the fuel burnt at thermal plants was drawn from storage and thus already accounted for in delivery statistics.

Some uncertainty continues to cloud the outlook for the restart of Tepco's remaining nuclear units. Three additional reactors are expected to resume service in October, while a fourth – the 460-MW Daiichi Unit 1 – is scheduled to restart on 30 November following a one-year penalty shutdown. Two units that were restarted ahead of the peak summer demand season have since been shuttered again for previously scheduled, routine inspections: they are the 1,360-MW Kashiwazaki-Kariwa Unit 7, which was idled on 23 September (following restart on 18 June) and is now expected to resume service in mid-December, and the 1,100-MW Fukushima Unit 6, shuttered on 30 September until mid-May (after restart on 11 July). The timetable for the remaining six units is unclear. Tepco President

Tsunehisa Katsumata said in a recent press interview that the company hoped to restart all plants by end-year, but that "it may take until the end of the fiscal year," i.e. end-March. However, it is normal for some plants to be down for routine inspections, and plant shutdowns have less impact in the off-peak demand season.

Reduced oil demand from power plants may in turn adversely affect gasoline demand growth. In order to meet incremental utility demand for residual fuel oil, Japanese refiners have been producing excess gasoline in the last few months, causing a slide in gasoline prices that may have helped boost gasoline demand by roughly 20 kb/d, or slightly more than 2%, in the first and second quarters. Gasoline demand contracted by an estimated 30 kb/d in the third quarter. Should refiners trim runs again, as August import data suggest they have started to do, gasoline prices would find renewed support.





Signs that a long-awaited recovery in the Japanese economy is gaining momentum raise the possibility that oil demand may exceed expectations henceforward. As in the US, the signals are somewhat mixed. Unemployment fell to a two-year low of 5.1% in August, with the biggest fall in the number of jobless since 1990. Business confidence at the small and medium enterprise level – the core of Japan's economy – surged close to peaks last seen in the mid-1990s amid soaring demand for electronics and steel. Revised GDP figures for the second-quarter show annualised growth of 3.9%, marking the first time that Japanese economic growth exceeds US growth since 1991. In nominal terms, the Japanese economy expanded by 0.5%, a return to growth after two years of decline. Nominal growth is an important gauge of the Japanese economy as it points to an increase in corporate profits, setting the stage for a rebound in corporate capital expenditure. However, manufacturing remains weak. Although domestic demand has re-emerged as a driver of growth, further expansion may be endangered by the yen's appreciation against the dollar and the subsequent adverse effect on Japanese exports. And banks still have to cope with their legacy of bad loans.

While the Japanese economy is expected to continue to improve, economic growth will not be sufficient to maintain the momentum established by the one-off factors that were responsible for driving oil demand growth over the last year. However, a sustained acceleration in the pace of recovery would result in stronger-than-expected oil demand growth.

In Korea, a three-day shutdown of five of the country's 18 nuclear power plants during Typhoon Maemi in mid-September briefly boosted residual fuel oil consumption, as thermal generating stations ramped up production to bridge the supply gap.

Non-OECD

China

Apparent Chinese demand, defined as the sum of domestic product output and net product imports, soared to a new record high of 5.62 mb/d in August, a 15% gain year-on-year, according to preliminary adjusted data from the National Bureau of Statistics of China. Data on refining activity from the China Petroleum and Chemical Industry Association (CPCIA), which are used in OMR estimates, and detailed export and import statistics had yet to be made available at the time of writing, so the estimate remains subject to revisions. Estimates for June and July were revised downwards, by 40 kb/d and 80 kb/d, in light of CPCIA and detailed trade statistics. On balance, the OMR assessment of Chinese apparent demand is adjusted downwards by 10 kb/d for the second quarter and upwards by 60 kb/d for the third quarter.

Brisk demand growth in August extended the steep gains posted in July and June, after the slight contraction caused by the SARS outbreak.

China Crude & Product Trade

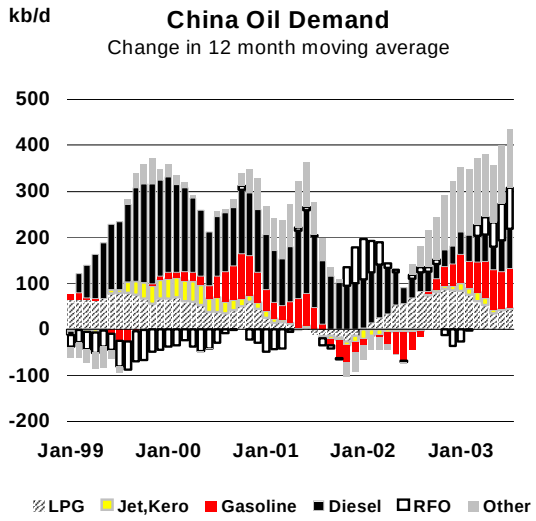
(thousand barrels per day)

	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Latest month vs. Jul 03	Latest month vs. Aug 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1377**	**1192**	**1652**	**1556**	**1772**	**1477**	**1521**	**45**	**99**
Products & Feedstocks	**329**	**361**	**422**	**373**	**320**	**415**	**481**	**595**	**585**	**-9**	**161**
Gasoil/Diesel	0	-16	-8	-41	-31	-32	-43	-50	-24	26	-21
Gasoline	-134	-142	-183	-152	-173	-191	-260	-183	-155	28	9
Heavy Fuel Oil	313	281	344	336	334	401	492	545	503	-42	188
LPG	155	197	216	189	184	209	265	222	203	-18	-35
Naphtha	-19	-16	-15	-15	-16	-25	-46	-21	-18	3	1
Jet & Kerosene	8	9	6	23	-11	4	8	-4	15	19	21
Other	5	48	62	32	32	50	64	85	61	-24	-1
Total	**1372**	**1609**	**1799**	**1565**	**1972**	**1972**	**2253**	**2071**	**2107**	**35**	**260**

Source: China Oil, Gas and Petrochemicals plus IEA estimates

As in recent months, Chinese apparent demand strength continues to be driven by robust growth in both domestic product output and net imports. Gross product imports and gross product exports both edged slightly lower in August, leaving net imports roughly unchanged on the month. While residual fuel oil imports fell back from the all-time high of nearly 550 kb/d posted in July, they remained extremely strong at a provisional 500 kb/d. On the other hand, refinery throughputs appear to have risen to a new record high in August, with runs at Sinopec and PetroChina refineries estimated at 4.57 mb/d. Data from the National Bureau of Statistics put overall throughputs at 5.1 mb/d, the first ever reading over 5 mb/d.

Consumer demand through the summer benefited from a government pricing policy aimed at stimulating consumption in the aftermath of the SARS outbreak. Demand was reported particularly brisk for gasoline in the south and southeast coastal areas, where aggressive highway construction programmes and double-digit growth in car ownership rates have increased baseline consumption. Strong demand for gasoil and residual fuel oil also reflected warmer-than-normal summer temperatures and steep gains in industrial activity. In August, factory output grew at the fastest rate in five months, soaring by 17.1% year-on-year, spurred by export growth of 27.2%. China's construction boom continued unabated, fuelling strong demand for steel, cement and other construction industry inputs. End-user consumption likely reflected opportunistic stockpiling in expectation of a government price increase in the autumn.



Anecdotal evidence suggests throughputs eased somewhat in September and into October, reflecting routine plant maintenance shutdowns and refiners' efforts to run down product inventories and pre-empt a drop in end-user demand following an expected price hike. Imports should also ease, especially for residual fuel oil, reflecting the winding down of the summer cooling season in the south and the fact that product import quotas are being stretched following the summer's import binge. However, despite economists' concerns over the risk of overheating in the Chinese economy and Beijing's recent efforts to slow the construction boom through a more restrictive bank loan policy, the underlying drivers of Chinese oil demand growth show no signs of abating. While refinery runs are expected to ease somewhat, a retreat from their recent peaks will still leave throughputs squarely above last year's level. Ample spare refining capacity also means that refinery maintenance can easily be offset by higher utilisation rates at other units. In the short term, a week-long national holiday in early October is likely to have provided demand with some support in September, especially for gasoline and jet fuel, although gains in September may result in a slowdown in October.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Latest month vs. Jun 03	Latest month vs. Jul 02
Net Imports/(Exports) of:											
Crude Oil	**1604**	**na**	**1872**	**1643**	**1752**	**1957**	**2144**	**1843**	**1744**	**-99**	**37**
(by Public Oil Cos)	**934**	**1088**	**1235**	**1108**	**1137**	**1317**	**1412**	**1209**	**1014**	**-195**	**-106**
Products & Feedstocks	**-28**	**-83**	**-138**	**4**	**-125**	**-190**	**-168**	**-280**	**-158**	**122**	**-6**
Gasoil/Diesel	-54	-53	-76	-35	-113	-121	-108	-178	-99	79	-35
Gasoline	-20	-48	-57	-45	-66	-71	-71	-71	-97	-27	-44
Heavy Fuel Oil	22	6	8	2	-10	20	11	17	10	-7	1
LPG	20	22	8	52	75	28	25	22	23	1	21
Naphtha	9	4	-5	24	13	-43	-24	-52	21	72	24
Jet & Kerosene	29	10	5	8	-14	-3	-1	-23	-20	2	-9
Other	-34	-23	-22	-2	-11	0	0	4	5	1	37
Total	**1576**	**1005**	**1734**	**1647**	**1627**	**1767**	**1976**	**1563**	**1586**	**23**	**618**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2002 are not available. For 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

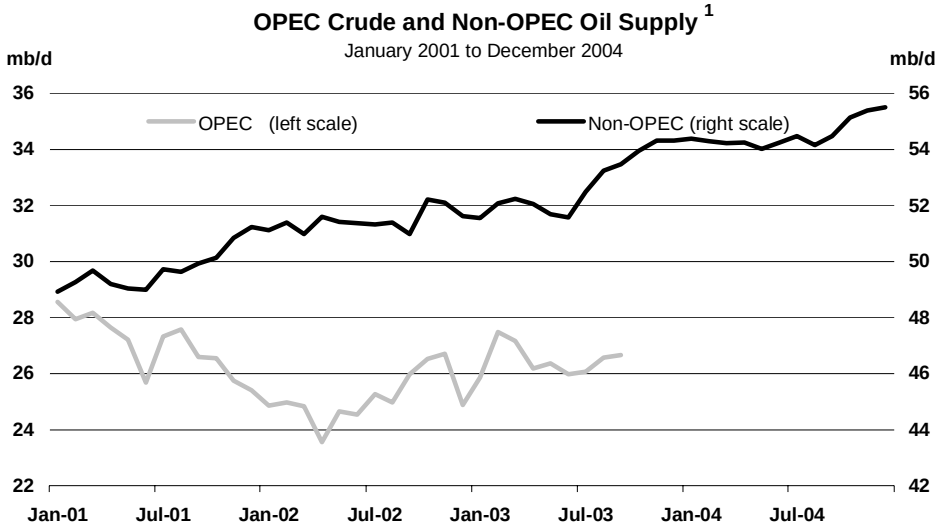
Summary of Global Oil Demand

	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.02	24.34	24.35	24.16	24.57	24.12	24.58	24.65	24.48	24.80	24.44	25.05	25.13	24.86
Europe	15.26	15.14	14.62	15.17	15.34	15.07	15.19	14.99	15.05	15.51	15.18	15.24	15.04	15.20	15.67	15.29
Pacific	8.54	9.06	7.64	8.03	9.26	8.49	9.60	8.04	7.94	9.12	8.68	9.23	7.82	7.97	9.06	8.52
Total OECD	47.80	48.13	46.28	47.54	48.95	47.73	49.37	47.16	47.58	49.29	48.34	49.28	47.30	48.22	49.86	48.67
FSU	3.71	3.73	3.39	3.64	4.26	3.76	4.00	3.41	3.72	4.28	3.85	4.11	3.48	3.73	4.31	3.91
Europe	0.75	0.81	0.75	0.70	0.76	0.75	0.82	0.76	0.71	0.77	0.77	0.84	0.78	0.73	0.79	0.78
China	4.67	4.64	5.02	4.94	5.20	4.95	5.21	5.18	5.49	5.33	5.30	5.33	5.38	5.62	5.65	5.50
Other Asia	7.57	7.53	7.69	7.61	7.87	7.68	7.69	7.67	7.74	8.06	7.79	7.85	7.90	7.95	8.28	7.99
Latin America	4.89	4.72	4.81	4.86	4.72	4.77	4.46	4.63	4.78	4.69	4.64	4.50	4.69	4.84	4.76	4.70
Middle East	4.93	5.01	4.95	5.13	5.13	5.06	5.13	4.92	5.08	5.11	5.06	5.18	5.15	5.26	5.30	5.23
Africa	2.55	2.58	2.59	2.51	2.60	2.57	2.63	2.63	2.55	2.64	2.61	2.67	2.68	2.59	2.69	2.66
Total Non-OECD	29.06	29.02	29.19	29.38	30.54	29.54	29.93	29.21	30.07	30.88	30.03	30.49	30.05	30.72	31.78	30.76
World	76.86	77.15	75.47	76.93	79.49	77.26	79.30	76.36	77.64	80.17	78.37	79.77	77.35	78.94	81.64	79.43
Of which:																
US	*19.65*	*19.53*	*19.72*	*19.92*	*19.87*	*19.76*	*20.02*	*19.64*	*20.06*	*20.10*	*19.96*	*20.29*	*20.00*	*20.51*	*20.52*	*20.33*
Euro 4	*8.43*	*8.35*	*7.99*	*8.38*	*8.27*	*8.25*	*8.21*	*8.17*	*8.14*	*8.33*	*8.21*	*8.28*	*8.13*	*8.16*	*8.36*	*8.23*
Japan	*5.39*	*5.68*	*4.62*	*5.03*	*5.87*	*5.30*	*6.19*	*4.99*	*4.92*	*5.70*	*5.45*	*5.83*	*4.72*	*4.87*	*5.63*	*5.26*
Korea	*2.13*	*2.35*	*1.99*	*2.01*	*2.37*	*2.18*	*2.41*	*2.03*	*2.02*	*2.39*	*2.21*	*2.36*	*2.05*	*2.07*	*2.38*	*2.21*
Mexico	*1.99*	*1.99*	*1.98*	*1.97*	*1.98*	*1.98*	*2.02*	*2.07*	*2.04*	*2.04*	*2.05*	*2.02*	*2.04*	*2.04*	*2.08*	*2.05*
Canada	*2.04*	*2.07*	*2.02*	*2.13*	*2.16*	*2.09*	*2.17*	*2.09*	*2.15*	*2.17*	*2.15*	*2.13*	*2.08*	*2.16*	*2.18*	*2.14*
Brazil	*2.20*	*2.15*	*2.16*	*2.22*	*2.19*	*2.18*	*2.00*	*2.07*	*2.15*	*2.14*	*2.09*	*2.01*	*2.09*	*2.18*	*2.16*	*2.11*
India	*2.27*	*2.30*	*2.30*	*2.19*	*2.33*	*2.28*	*2.33*	*2.25*	*2.26*	*2.40*	*2.31*	*2.40*	*2.32*	*2.33*	*2.49*	*2.39*
Annual Change (% per annum)																
North America	-0.2	-1.7	0.7	1.1	2.5	0.7	2.7	0.4	1.0	1.3	1.3	0.9	1.3	1.9	1.9	1.5
Europe	1.0	-0.4	-1.0	-2.1	-1.5	-1.2	0.3	2.5	-0.8	1.1	0.8	0.4	0.4	1.0	1.0	0.7
Pacific	-0.9	-3.6	-4.1	0.1	5.4	-0.5	6.0	5.3	-1.1	-1.4	2.1	-3.9	-2.8	0.4	-0.7	-1.8
Total OECD	0.0	-1.6	-0.6	-0.1	1.7	-0.2	2.6	1.9	0.1	0.7	1.3	-0.2	0.3	1.4	1.2	0.7
FSU	1.3	0.2	-0.8	3.1	2.5	1.3	7.1	0.7	2.1	0.4	2.5	2.8	2.0	0.3	0.8	1.5
Europe	6.0	0.8	1.1	1.4	1.5	1.2	1.8	1.5	1.6	1.7	1.6	1.8	1.9	2.0	2.2	2.0
China	2.5	3.9	1.1	9.7	9.0	5.9	12.3	3.3	11.1	2.5	7.1	2.4	3.7	2.4	6.1	3.7
Other Asia	2.1	0.3	1.6	1.8	2.1	1.5	2.0	-0.3	1.8	2.4	1.5	2.1	3.0	2.6	2.7	2.6
Latin America	0.4	-1.3	-2.9	-1.9	-3.1	-2.3	-5.4	-3.6	-1.6	-0.6	-2.8	1.0	1.3	1.3	1.4	1.2
Middle East	4.0	2.5	2.4	2.4	2.6	2.5	2.4	-0.6	-1.0	-0.3	0.1	1.0	4.6	3.7	3.7	3.2
Africa	3.5	0.0	0.5	2.2	1.0	0.9	2.1	1.7	1.5	1.5	1.7	1.7	1.7	1.8	1.8	1.7
Total Non-OECD	2.3	1.0	0.5	2.7	2.4	1.6	3.2	0.1	2.3	1.1	1.7	1.8	2.9	2.2	2.9	2.5
World	0.9	-0.7	-0.2	0.9	2.0	0.5	2.8	1.2	0.9	0.9	1.4	0.6	1.3	1.7	1.8	1.4
Annual Change (mb/d)																
North America	-0.06	-0.40	0.18	0.27	0.59	0.16	0.64	0.10	0.24	0.31	0.32	0.23	0.32	0.47	0.47	0.37
Europe	0.15	-0.06	-0.14	-0.33	-0.23	-0.19	0.05	0.36	-0.12	0.17	0.12	0.06	0.06	0.15	0.16	0.11
Pacific	-0.08	-0.34	-0.33	0.00	0.48	-0.04	0.55	0.41	-0.09	-0.13	0.18	-0.37	-0.23	0.03	-0.06	-0.15
Total OECD	0.02	-0.80	-0.30	-0.06	0.84	-0.07	1.24	0.87	0.03	0.34	0.62	-0.08	0.15	0.64	0.57	0.33
FSU	0.05	0.01	-0.03	0.11	0.10	0.05	0.26	0.02	0.08	0.02	0.09	0.11	0.07	0.01	0.03	0.06
Europe	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02
China	0.12	0.17	0.05	0.44	0.43	0.27	0.57	0.17	0.55	0.13	0.35	0.13	0.19	0.13	0.33	0.19
Other Asia	0.16	0.02	0.12	0.13	0.16	0.11	0.15	-0.02	0.14	0.19	0.11	0.16	0.23	0.20	0.22	0.20
Latin America	0.02	-0.06	-0.14	-0.10	-0.15	-0.11	-0.26	-0.18	-0.08	-0.03	-0.13	0.04	0.06	0.06	0.07	0.06
Middle East	0.19	0.12	0.12	0.12	0.13	0.12	0.12	-0.03	-0.05	-0.01	0.01	0.05	0.23	0.19	0.19	0.16
Africa	0.09	0.00	0.01	0.05	0.03	0.02	0.06	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.05	0.04
Total Non-OECD	0.65	0.27	0.14	0.77	0.71	0.48	0.92	0.02	0.68	0.34	0.49	0.55	0.84	0.65	0.90	0.74
World	0.67	-0.52	-0.15	0.71	1.55	0.40	2.15	0.89	0.72	0.69	1.11	0.47	0.99	1.30	1.47	1.06
Changes from Last Month's Report																
North America	-	-	-0.02	-	-	-	0.01	0.03	-0.03	0.01	-	-	-	0.04	-	0.01
Europe	-	-	-	-	-	-	-	0.06	-0.13	0.04	-0.01	-0.02	0.04	-0.07	-	-0.01
Pacific	-	-	-	-	-	-	-	-	-0.10	-	-0.03	-	-	-0.04	-0.01	-0.01
Total OECD	-	-	-0.02	-	-	-	0.01	0.09	-0.26	0.05	-0.03	-0.03	0.04	-0.07	-0.01	-0.01
FSU	-	-	-	-	-	-	-	-	-0.01	-	-	-	-	-0.01	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-0.01	0.06	-	0.01	-	-0.01	0.07	-	0.01
Other Asia	-	-	-	-	-	-	-0.01	-	-	-	-	-0.01	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	0.00	0.01	-	-	-	0.01	0.01	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-0.01	-0.01	0.06	0.01	0.01	-0.01	-0.01	0.06	0.01	0.01
World	-	-	-0.02	-	-	-	-	0.08	-0.20	0.05	-0.02	-0.03	0.03	-	-	-

SUPPLY

Summary

- **World oil production** growth eased in September, amounting to some 300 kb/d versus August, with global supply reaching 80.11 mb/d. Non-OPEC supply was 135 kb/d higher, OPEC crude was up by 90 kb/d and other OPEC supply gained 70 kb/d.
- Non-OPEC production continues to surge on a year-to-year basis, turning out 2.2 mb/d higher than September 2002. OPEC crude stood 670 kb/d higher than last year, while OPEC NGLs/non-conventional supply averaged 270 kb/d above September 2002 levels.
- **Non-OPEC's more modest monthly rise versus August** was thought to derive mainly from Norway, Russia, Kazakhstan and the build-up in production from a number of newer African producers. September can be viewed as something of a lull in non-OPEC supply, which is expected to rise strongly once more in October and November before flattening off again in December.
- Total **OPEC crude supply** averaged 26.66 mb/d in September, a rise of 90 kb/d. For the second month running, Iraqi production growth averaged close to 400 kb/d. However, supplies from the rest of OPEC fell by 290 kb/d, with production declining modestly amongst the Mideast Gulf producers and also Venezuela.
- Production from the **OPEC-10** fell to 25.21 mb/d compared to a revised 25.50 mb/d in August. Indonesia and Venezuela continued to produce well below target levels, but Saudi Arabia and Algeria produced well in excess of quota.
- OPEC's 24 September decision to cut target production by 900 kb/d to 24.5 mb/d from 1 November took most observers by surprise. It prompted a rebound in prices, which had generally eased in the run-up to the meeting. A further extraordinary meeting has been convened for 4 December in Vienna to review market developments. OPEC has suggested that further cuts by the OPEC-10 to below 24 mb/d were unlikely in the absence of co-operation from non-OPEC producers.
- The **"call on OPEC crude plus stock change"** is revised down 100 kb/d for 2003 due to downward revisions to OECD demand plus higher non-OECD supply. The call for 2004 is unchanged at 24.9 mb/d, 700 kb/d below the 2003 average. 2Q 2004 still represents a low point at 23.2 mb/d, although downward revisions to non-OPEC supply later in 2004 see the call rise more sharply to 26.3 mb/d by end-year.



All world oil supply figures for September discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska, Russia and Vietnam are supported by preliminary September crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC crude production increased by 90 kb/d in September, heavily influenced by events in Iraq, where net production rose by an estimated 380 kb/d. Algeria and Libya are also thought to have seen modest increases. Saudi Arabia and UAE cut production, and marginally lower output was also recorded by Iran, Qatar, Venezuela and Nigeria. Production for the OPEC-10 averaged around 200 kb/d below the 1 June target of 25.4 mb/d although excluding producers incurring production problems at the present time (Venezuela, Nigeria and Indonesia) the rest of the ten actually produced 770 kb/d above their individual targets. Algeria remains the only producer substantially in breach of quota in percentage terms, with the remainder all producing within 5-10% of pledge.

OPEC Crude Production

(million barrels per day)

	1 Jun 2003 Target	1 Nov 2003 Target	Implied Cut	Sept 2003 Production	Prod.vs June Target	Prod.vs Nov Target	Over-production vs. June%	Sustainable Production Capacity 1	Spare Capacity vs Sep 2003 Production
Algeria	0.81	0.78	-0.03	1.15	0.34	0.37	43%	1.20	0.05
Indonesia	1.32	1.27	-0.05	1.00	-0.32	-0.27	-25%	1.10	0.10
Iran	3.73	3.60	-0.13	3.78	0.05	0.18	1%	3.85	0.08
Kuwait[2]	2.04	1.97	-0.07	2.08	0.04	0.11	2%	2.25	0.17
Libya	1.36	1.31	-0.05	1.44	0.08	0.12	6%	1.45	0.01
Nigeria	2.09	2.02	-0.07	2.14	0.05	0.12	2%	2.50	0.36
Qatar	0.66	0.64	-0.02	0.71	0.05	0.08	8%	0.80	0.09
Saudi Arabia[2, 3]	8.26	7.96	-0.29	8.47	0.22	0.51	3%	9.50	1.03
UAE	2.22	2.14	-0.08	2.22	0.00	0.08	0%	2.40	0.19
Venezuela[4]	2.92	2.82	-0.10	2.23	-0.69	-0.59	-25%	2.35	0.12
Subtotal	**25.40**	**24.50**	**-0.90**	**25.21**	**-0.19**	**0.71**	**-1%**	**27.40**	**2.19**
excl. Ven/Nig/Ind					*0.77*	*1.45*			*1.61*
Iraq[5]				1.45				2.80	1.35
Total				**26.66**				**30.20**	**3.54**

1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone production
3. Saudi Arabia's capacity can reach 10.5 mb/d within 90 days
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in September
5. Iraqi capacity represents pre-war estimate

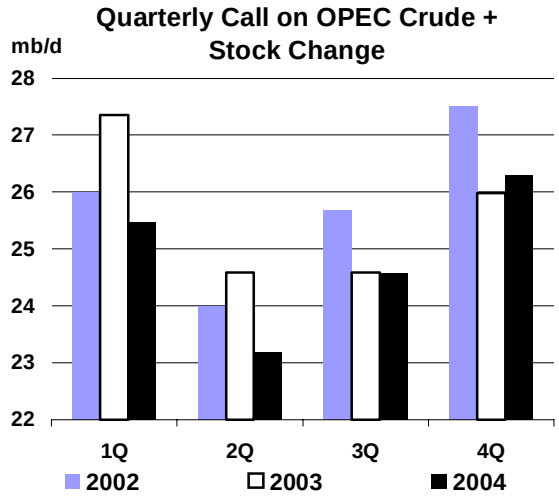
Unexpectedly, OPEC's 24 September meeting resulted in a 900 kb/d cut in target production levels, to 24.5 mb/d, effective 1 November. Market reports suggested Venezuela, Kuwait and Qatar were key proponents of the cut in production, but with eventual tacit support from Saudi Arabia. The meeting heard from Iraqi Oil Minister Ibrahim Bahr al-Uloum that Iraqi gross production, currently put at 1.8 mb/d, was scheduled to reach 2 mb/d by year-end and 2.8 mb/d by end-March 2004. Whether these estimates were taken at face value is open to conjecture. Nevertheless, in its press release following the conference OPEC cited the following elements of its market view as justifying a cut:

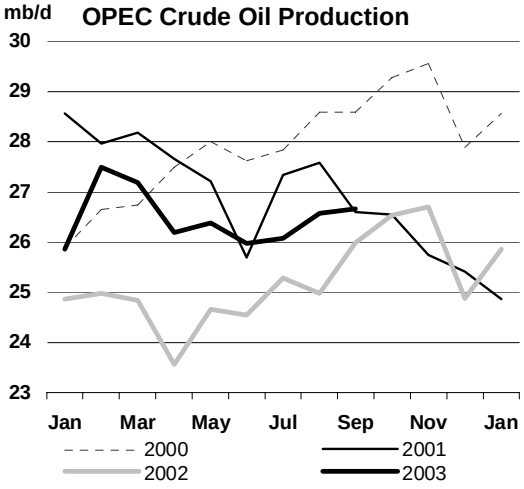
- an expectation of normal winter demand growth for 4Q 2003;
- a continuing rise in non-OPEC supply;
- ongoing recovery in Iraqi production and;
- stocks approaching normal seasonal levels, with the potential for contra-seasonal builds in 4Q 2003 and 1Q 2004.

The cuts agreed in Vienna may not materialise in full, although by accident or design total OPEC-10 production could still turn out close to the 24.5 mb/d target. Indonesia and Venezuela are already producing below target and cuts here are unlikely. In addition, Venezuela and Nigeria are unlikely to voluntarily cut further, given the revenues lost so far in 2003 due to supply disruptions. Algeria,

Libya and Nigeria are all seeking higher quota shares, making production cuts less likely. Iran, Kuwait and Qatar also seek higher quotas, but may subordinate quota claims in favour of attempted market management for the time being. Were the Middle East Gulf producers alone to apply their agreed cuts (600 kb/d) to September output, OPEC-10 production would average 24.6 mb/d, close to the agreed November OPEC-10 quota. A continuation of Iraqi production (net of re-injection) around September's 1.45 mb/d would result in total OPEC crude supply close to 26 mb/d, coincidentally this Report's estimate of the 4Q "Call on OPEC crude plus stock change".

Another extraordinary meeting has been called in Vienna on 4 December to further assess market conditions, with OPEC Ministers suggesting that further cuts are not to be precluded. Subsequent OPEC statements however have suggested that further substantial cuts would require an equivalent curb on production by non-OPEC producers. Angola, Egypt, Mexico, Oman, Russia and Syria were all represented at the 24 September meeting. However, Mexico, Russia and Norway, three producers who agreed, theoretically at least, to curb production rises from January 2002, have all stated that no cuts in production or exports will be forthcoming given current prices. It is also worth pointing out that of these three, only Norway in 2002 appeared to make genuine moves to curb production. Mexico could find co-operation with OPEC to be a convenient fig leaf for potentially under-performing production in 2004. However, if 2002 is any guide, Russian production restraint is likely to be notional at best.



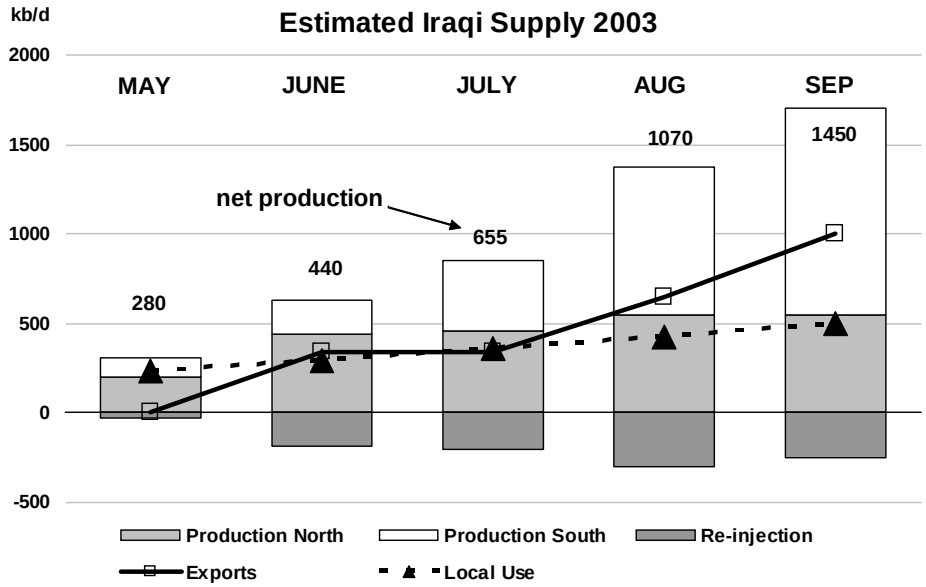


Net **Iraqi** production averaged 1.45 mb/d in September. Over 30 mb of crude was exported from the southern port of Mina al-Bakr (1 mb/d). Domestic demand for refineries and direct burn in power stations edged upwards to 500 kb/d, while production of Basrah Light crude from southern areas reached 1.15 mb/d and accounted for September's 380 kb/d rise in total production. Northern production remained constrained by a lack of export outlets and averaged 550 kb/d, with an estimated 250 kb/d of this re-injected into reservoirs after extraction of gases.

The US Army reported in early September that a further five weeks were required before exports could recommence via the pipeline to Ceyhan in Turkey. This figure included three weeks of repair work and two weeks of pipeline testing, suggesting a restart of full scale northbound pipeline deliveries (though not necessarily export liftings) by mid-October. Despite mid-September sabotage on a feeder pipeline used to ship crude from the northern oilfields to the Ceyhan line and reports of an explosion on the export line itself around 25 September, later denied by NOC, latest information suggests the pipeline could indeed re-open in mid-October. Nevertheless, assuming storage tanks need to be refilled before seaborne exports begin and that initial pipeline flows are limited to around 300 kb/d, a late-October/early-November resumption to export liftings from Ceyhan may be more realistic.

Speculation about the timing and volumes for a restart of the Ceyhan line has been accompanied by suggestions that liftings from the second southern port of Khor al-Amaya were about to restart and also that renewed pipeline deliveries via Syria and Saudi Arabia were likely. However, neither of the latter, northern alternatives to Ceyhan is thought to be attainable for at least six to 12 months. Oil Minister Bahr al-Uloum further alluded to Iraq's export priorities, suggesting that it was possible to rely on southern terminals for all of Iraq's export requirements. Whether this represented tacit

admission that the Ceyhan line re-start remains a moving target is open to interpretation, although a wish to avoid third party pipeline transit fees was cited as a key concern. Taken together, exports from Mina al-Bakr, Khor al-Amaya and Ceyhan are unlikely to exceed 2 mb/d until early-2004, security permitting.



Outside of Iraq, production gains in September were limited, although the build-up in production from newly started fields in **Algeria** and **Libya** is thought to have added a combined 40 kb/d.

Partly counteracting Iraq's rise in September, supply from **Saudi Arabia** is estimated off by some 150 kb/d compared to August. Reports in early September of extra chartering by Saudi shipping concern Vela suggested higher liftings. However, bookings on a number of these vessels remained unconfirmed, and subsequent indications are that loadings actually fell in September. Saudi Arabia, while not necessarily cited as a key proponent of the latest target cuts, has reportedly been concerned at what it perceived as rapidly rising stocks and Iraq's success in re-instating production in August and September.

The other key producer thought to have reduced supply in September is the **UAE**. Maintenance work at offshore fields running from September through November contributed to the reduction. The 4Q loss of production was reflected in Abu Dhabi's term supply nominations. Those for Upper Zakum were reduced by 6% for October, and 15% for November. Lower Zakum and Umm Shaif supplies for November will be reduced by 10% with onshore Murban supply also cut by 12% that month.

Nigerian production is thought to have stabilised around 2.14 mb/d in September, despite late-August/early-September problems affecting ExxonMobil's Qua Iboe fields. Sabotage on a pipeline linking the onshore Brass River field with the export terminal also reduced production there to around 75 kb/d for around eight days in the second half of the month. However, these outages, which together reduced supply by some 60 kb/d versus August levels, were offset by rising production from newer offshore fields, allowing Nigerian production to remain flat in September. The threat to production from industrial action affecting Shell facilities receded as a two week strike was suspended on 11 September. At the time of writing a separate, October national strike over fuel price rises appeared to have been averted, deferring any immediate risk of further disruption to oil production and exports.

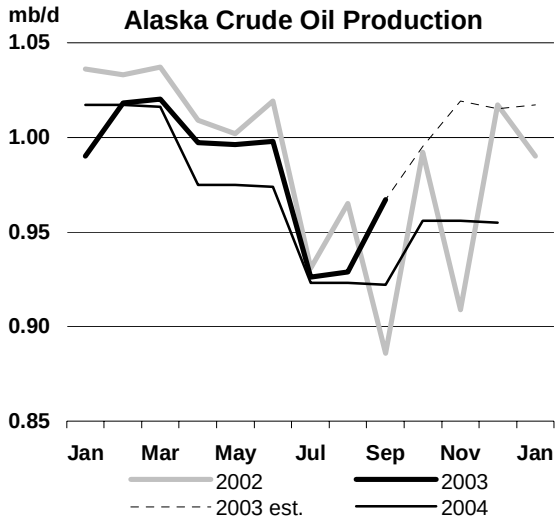
Production from **Iran**, **Qatar** and **Venezuela** is thought to have fallen by some 20 kb/d each. In the case of Venezuela , reports of reduced central bank oil export receipts, ongoing decline in production in western fields, cuts in crude shipments to the Dominican Republic for political reasons and a shortfall in reformulated gasoline exports all point towards gradual slippage in Venezuelan output after the rapid progress in restoring production through May. Further signs of back-tracking from a previously hard line position by the Chavez regime were evidenced by suggestions that the recent geographical split of PDVSA into eastern and western divisions is about to be reversed and agreement that existing royalty terms for foreign operators will not be increased.

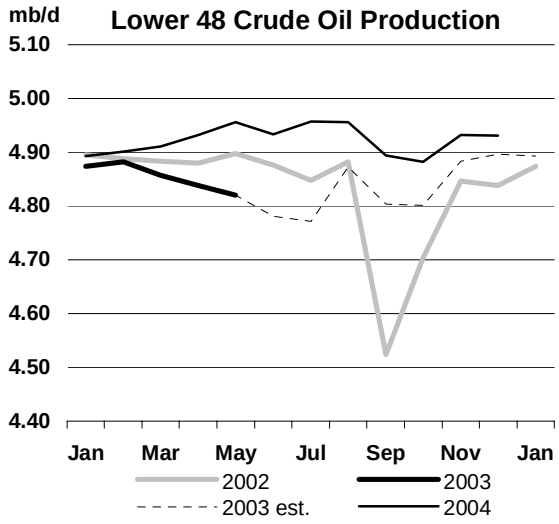
Modest alterations have been made to sustainable production capacity for September onwards. In the case of **Indonesia**, this has been revised down to 1.1 mb/d in light of recent production performance and reports of prevailing decline in mature fields. Production was last sustained close to earlier assessed capacity of 1.2 mb/d in 1Q 2002 and has recently levelled off around 1.0 mb/d. Capacity for **Qatar** has been revised up by 30 kb/d to 800 kb/d in light of a series of recently published estimates all pointing towards higher capacity at Qatar Petroleum's Bul Hanine and Maydan Mazam fields. Having discounted some of the higher recent assessments of **Iranian** supply to take account of reportedly lower domestic use, the country nevertheless appears to have sustained production at between 3.75 mb/d and 3.85 mb/d for the last four months. This has led to a 100 kb/d upward adjustment of capacity to the top of that range.

OECD

North America

US – September Alaska actual, others estimated: Provisional data suggest that total US crude production was largely unchanged in September, despite a 40 kb/d increase in Alaska. There, planned shutdowns at the Northstar field early in the month, then at the Endicott field late-September cut into supplies. However, these disruptions were more than compensated for by higher production from Point McIntyre (despite a pipeline leak) and from the Alpine field, which returned from maintenance. Prudhoe Bay output also received a boost with the start-up of heavy crude production from the 200 mb Orion satellite field. Gulf of Mexico production is thought to have eased in September, although there were no reported storm-related outages which often blight autumn supply.



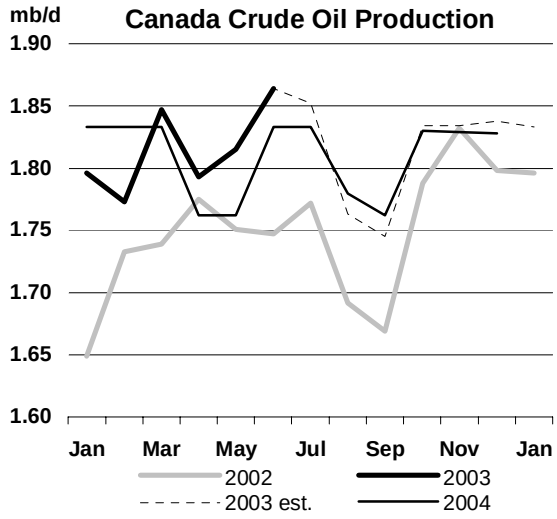


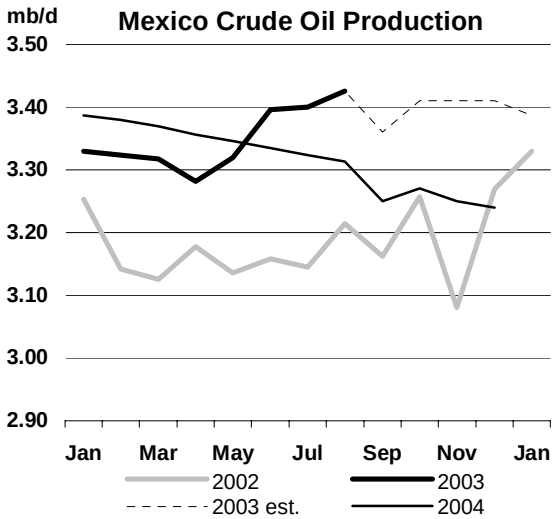
September NGLs and other liquids supply fell by over 90 kb/d having jumped by 200 kb/d in August according to weekly data. Nevertheless, field NGL production has risen markedly from the lows recorded in May and June and a continued recovery in natural gas storage pre-winter suggests that NGL supply should also continue to recover.

Canada – August Newfoundland and syncrude actual, others June actual: Canadian crude production is estimated to have fallen by 88 kb/d in August and by around 20 kb/d in September due to seasonal maintenance work offshore Newfoundland at the Terra Nova and Hibernia fields. Production should rebound by some 85 kb/d from these two fields in October, with reports in early October that operations were unlikely to be affected by the approaching Hurricane Kate. Data through August for Alberta's synthetic crude plants suggest that all three units have in recent months exceeded the production levels envisaged for 2003 by this Report. For now, upward revisions to syncrude supply have been restricted to 3Q 2003 but clearly, sustained higher production may lead to a raising of the forecast in future. Further evidence of the growth potential for Alberta's bitumen and syncrude sector came in September as EnCana announced plans to expand Foster Creek bitumen production by 10 kb/d in 2004. In total the company envisages an incremental 40-50 kb/d of production by 2007.

Mexico – August actual: Crude production in August rose by 26 kb/d to 3.43 mb/d, with heavy crude accounting for the rise. NGL production rose by 13 kb/d to 425 kb/d, while exports were generally flat at 1.86 mb/d. Traditional seasonal storm-related disruption assumed for September

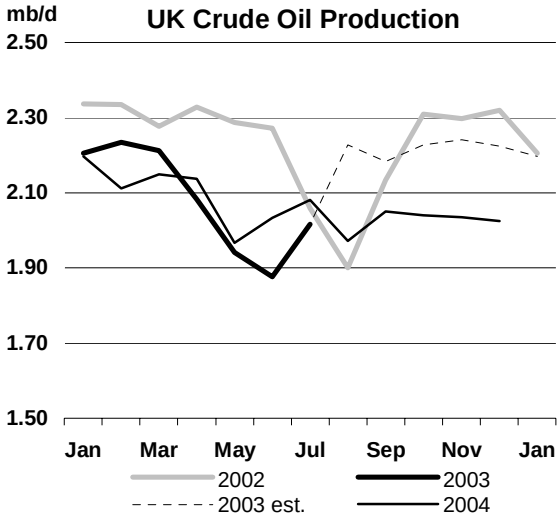
production may prove less than normal and, at the time of writing, export ports on the Gulf of Mexico had re-opened after the passing of Tropical Storm Larry. Neither production nor exports were significantly affected. Despite Mexico's representation at the OPEC meeting as an observer, the country's Energy Ministry stated that Mexico's export platform for 2004 was unlikely to be reduced from current levels of 1.88 mb/d. However, Mexico will receive the Norwegian Oil Minister on 24 October for talks on the oil market.

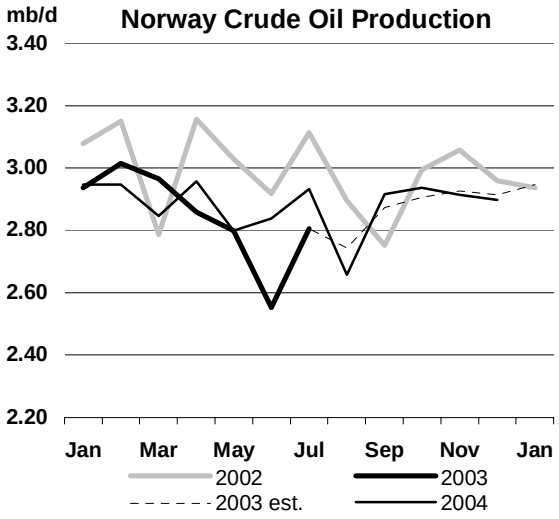




North Sea

UK – September estimate: UK offshore production fell by an estimated 34 kb/d in September after a sharper recovery from depressed July production levels in August (when production is thought to have rebounded by as much as 250 kb/d). Slow recovery from disruptions within the Forties complex continue to account for the bulk of downward adjustments for the UK this year. However, September also saw the closure of facilities at the Brent field after a gas leak led to two fatalities. This is also expected to reduce October production at the field. On a more positive note, September saw start-up of liquids production from Marathon's Braemar field and BG's Blake Flank. Also, initial indications of October crude liftings suggest higher UK production, notably from the Forties field. Reports emerged in September that the UK Treasury is considering boosting tax rebates on new North Sea investment, with an announcement expected for November.





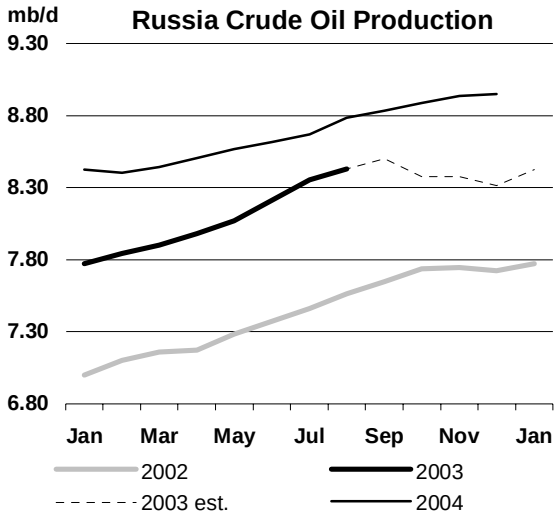
Norway – July actual, August provisional: July Norwegian production came in close to last month's provisional estimate, with crude production rising by around 250 kb/d following the return of fields from maintenance, notably within the Troll complex. August production is thought to have fallen modestly with further scheduled stoppages. However, crude production should have risen a

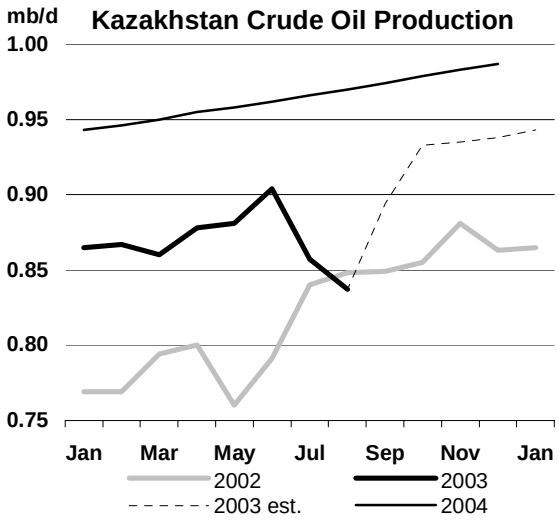
further 130 kb/d in September and should do so by 35 kb/d in October, aided by new production from the Valhall South Flank (May start-up) and Grane (September) fields. Further incremental October liquids supply derives from the Fram West and Mikkel start-ups, these fields ultimately building to 90 kb/d of production. The Norwegian Oil Minister was reported as saying after the OPEC meeting that prices would have to fall below $20/bbl before Norway would consider cutting back on production.

Former Soviet Union (FSU)

Russia – August actual, September provisional: August Russian crude production increased by 75 kb/d versus July, with provisional output data suggesting a similar rise in September. If confirmed, this would take Russian crude production last month to 8.5 mb/d. Nine month growth for 2003 to date stands at +11%, or 800 kb/d. September crude exports eased from high summer levels, although renewed deliveries from Novorossiysk after pipeline maintenance and higher Odessa volumes could boost October Black Sea supplies. However, uncertainty surrounds any rise in October crude exports due to disputes centred on the Ukrainian port of Yuzhny and Lithuania's Butinge.

Government statements continue to suggest that 2003 production may have peaked, and this report assumes a 4Q average for crude of 8.35 mb/d, easing from September highs. Production growth for 2003 is assessed at 765 kb/d, that for 2004 being just under 500 kb/d, in line with the development of further export capacity. Meanwhile, Turkey has rejected Russian appeals to the International Maritime Organisation for a relaxation of traffic restrictions imposed by Turkey in 2002 for the Bosphorus and Dardanelles Straits. Longer-term export diversification remains high on the agenda, however, and Russian officials suggested that proposed 2.4 mb/d export facilities at Murmansk targeting the US could enter operation by 2007/2008. Exports to China by rail are to be boosted to 90 kb/d in 2004 and 100 kb/d in 2005. However, Sino-Russian talks in Beijing were inconclusive, with no final decision on the route of an eastbound export pipeline to be made until 2004.





Kazakhstan – August actual: Production fell by 15 kb/d in August, with maintenance ongoing at the Tengiz field and amidst news that shipments of Karachaganak condensate via the CPC export pipeline would be delayed until 4Q. Contamination of condensate with mercaptans was cited as causing the delay and the problem is likely to impede the build-up of Karachaganak production anticipated in last month's Report. Prior to the news on Karachaganak, the Energy Minister announced that planned 2003 oil production had been revised down by 20 kb/d. Longer-term expansion prospects for Kazakh production were however reinforced in September. Agreement to proceed with the sour gas injection project at Tengiz field was signed on 19 September. This is seen as boosting production to 460 kb/d in 2006 from a recent peak of 280 kb/d. In parallel, capacity of the CPC pipeline will be doubled to 1.3 mb/d. News also emerged of a planned 1 mb/d pipeline from Kazakhstan to China, with a target completion date of 2006.

FSU Net Exports of Crude & Petroleum Products

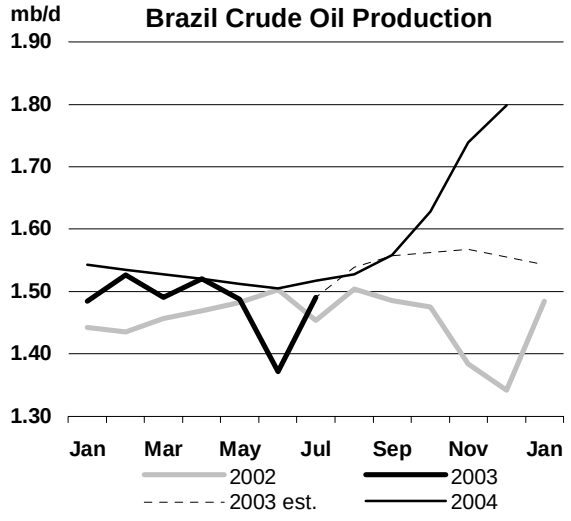
(million barrels per day)

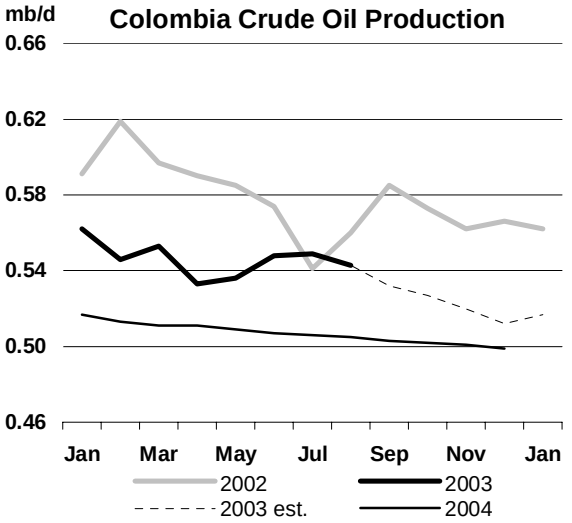
	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul 03	Revised Aug 03	Prelim. Sep 03	Latest month vs. Aug 03	Latest month vs. Sep 02
Black Sea Exports	1.99	2.52	2.45	2.60	2.98	2.94	2.97	2.95	2.91	-0.04	0.02
Baltic Exports	1.63	1.96	1.80	2.03	2.45	2.41	2.51	2.39	2.32	-0.07	0.37
Total Seaborne	**3.62**	**4.48**	**4.25**	**4.63**	**5.43**	**5.35**	**5.48**	**5.34**	**5.23**	**-0.10**	**0.39**
Druzhba Pipeline	1.06	1.07	1.15	1.07	1.06	1.07	1.07	1.06	1.09	0.04	-0.10
Other	0.07	0.06	0.11	0.18	0.27	0.31	0.32	0.31	0.31	0.00	0.23
Total Exports	**4.75**	**5.61**	**5.50**	**5.88**	**6.76**	**6.74**	**6.87**	**6.70**	**6.64**	**-0.07**	**0.52**
Imports	0.00	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.02	0.02	0.00
Total Net Exports	**4.74**	**5.60**	**5.50**	**5.88**	**6.76**	**6.73**	**6.86**	**6.70**	**6.62**	**-0.08**	**0.52**
Crude	3.42	4.00	3.92	4.17	4.66	4.76	4.83	4.75	4.69	-0.06	0.40
Products	1.32	1.60	1.58	1.71	2.09	1.97	2.03	1.95	1.93	-0.02	0.13

Sources: Petro-Logistics, IEA estimates

Other Non-OPEC

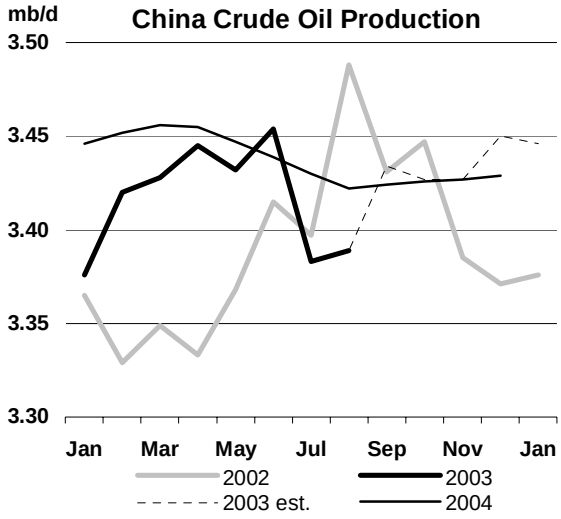
Brazil – July actual, August provisional: Brazilian crude production rebounded more sharply than expected in July after scheduled maintenance had removed 100 kb/d from June output. New production wells at the Roncador and Albacore fields plus start-up at the Shell-operated Bijupira e Salema fields are thought to have led to further sharp gains in August and September. A Petrobras workers' strike in September over wages had no impact on production. Petrobras plans to offer international tenders for three additional 180 kb/d production facilities by end-2004, namely P-53, P-55 and P-56. However, the company has indicated slower than expected progress on the P-43, P-48 and P-50 facilities being constructed for installation at the Barracuda, Caratinga and Albacore Leste fields respectively. This could push back the production increases hitherto expected for 3Q 2004 from these facilities into 4Q 2004 and beyond.

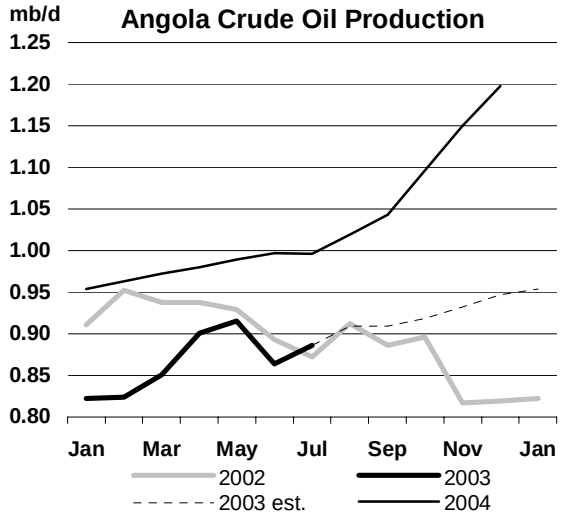




Colombia – August actual: Crude production has held up fairly well in Colombia through the middle of 2003. Official data for June and July were revised upwards in light of completed field maintenance and the activation of new wells, including those at BP's Cupiagua field. However, production fell marginally again in August to 543 kb/d and suspected sabotage at the Cano Limon field in early September is likely to show a further decline when September data is released. Overall, production remains on a downward trend, although generally 2003 output has exceeded expectations with, to date, fewer reported rebel attacks on the Cano Limon pipeline after security improvements. State oil firm Ecopetrol has been authorised to begin negotiations over the extension of existing contracts with foreign producers.

China – August actual: Weather-related supply disruption from July spilled over into August, with floods affecting onshore production in the northeast and two typhoons in the South China Sea constraining offshore supply. Production averaged 3.39 mb/d in August, close to July levels, and 65 kb/d below June. Local authorities have set a phased, output reduction plan for the mature onshore Daqing field for the 2004-2010 period in order to prolong field life. This is likely to lead to a drop of 40 kb/d in output in 2004.





Angola – July actual: July production rebounded partially after June's scheduled outages in Block 17. Recovery in deepwater production should continue, allowing total supply to rise towards previous peak levels around 950 kb/d by 4Q. New production from the Jasmim and Xicomba fields by end-year will contribute to this growth with further build from these fields boosting early-2004 production also. However, the major growth in 2004 production occurs in the second half when ExxonMobil's Kizomba A comes onstream, together with more limited volumes of liquids from the Sanha field.

Revisions

Non-OPEC production has been revised up by 16 kb/d for 2003 but remains largely unchanged for 2004 (-4 kb/d). Higher than expected Latin American production this year is partly countered by lower UK output. However, next year non-OECD Latin America (in the shape of Brazil) accounts for a 64 kb/d downward adjustment, although supply for 2004 from Mexico, Russia and China has been revised upwards.

US provisional data for July suggests crude production 40 kb/d lower than in last month's Report, with this reduction assumed concentrated in onshore production east of the Rockies. US Gulf of Mexico production is also revised down by 5-10 kb/d in July and August with September's start-up at BHP's Boris North field being later than expected. However, crude supply in total for the US is seen to follow a similar trend to last month's forecast post-July. The key change elsewhere for the US is an 80 kb/d downward revision to July NGL output, and a 105 kb/d downward revision for September. This latter change is based on US weekly data, itself frequently prone to revision. The last Report's forecast for steady US NGL supply recovery is retained, based on rising gas storage and lower prices.

Revisions to **Canadian** conventional crude production for June cancel each other out, with upward adjustments for Saskatchewan crude and Alberta bitumen, confronting lower non-bitumen supply from Alberta. However, syncrude production from the three operating units is revised up 7 kb/d for June, 24 kb/d for July and 15 kb/d for August after receipt of the latest production data. The existing forecast for syncrude is retained, though there may be upside adjustment in future if higher-than-expected performance from the bitumen upgraders is sustained.

The profile of **UK** production for 3Q has been altered in line with lower aggregate July production data (a 220 kb/d revision compared to last month), an assumed sharper August rebound but then modest decline again in September as problems at the Brent field took effect. Overall, UK offshore production has been revised down by 24 kb/d in 2003 and by 11 kb/d in 2004 to take account of lower baseload supply. The reduction for 2004 is tempered by independent producer Apache's plan for a boost in late-2003 Forties production to 60 kb/d, 10 kb/d higher than anticipated in the last Report.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2003	2004	04 vs. 03	2003	2004	04 vs. 03	2003	2004	04 vs. 03
North America	14.86	15.05	0.19	14.86	15.08	0.21	0.00	0.02	0.02
Europe	6.50	6.50	-0.01	6.47	6.48	0.01	-0.03	-0.01	0.01
Pacific	0.68	0.66	-0.02	0.69	0.66	-0.02	0.00	0.01	0.00
Total OECD	**22.05**	**22.21**	**0.16**	**22.02**	**22.22**	**0.20**	**-0.02**	**0.01**	**0.04**
Former USSR	10.27	10.91	0.64	10.27	10.93	0.66	0.00	0.02	0.02
Europe	0.17	0.17	-0.01	0.17	0.17	-0.01	0.00	0.00	0.00
China	3.42	3.42	0.01	3.42	3.44	0.02	0.01	0.02	0.01
Other Asia	2.42	2.44	0.02	2.41	2.44	0.03	-0.01	-0.01	0.00
Latin America	3.86	4.09	0.23	3.89	4.02	0.13	0.03	-0.06	-0.09
Middle East	2.00	1.92	-0.08	2.01	1.93	-0.08	0.01	0.01	0.01
Africa	3.08	3.49	0.41	3.09	3.49	0.40	0.01	0.00	-0.01
Total Non-OECD	**25.22**	**26.43**	**1.21**	**25.26**	**26.42**	**1.16**	**0.04**	**-0.02**	**-0.06**
Processing Gains	1.80	1.83	0.03	1.80	1.83	0.03	0.00	0.00	0.00
Total Non-OPEC	**49.07**	**50.48**	**1.41**	**49.09**	**50.47**	**1.39**	**0.02**	**0.00**	**-0.02**

OMR = Oil Market Report

Russian crude production continues to be subject to upward revision. Higher output evident in August and September has caused a 17 kb/d increase for 2003 and a 22 kb/d increase for 2004. In the case of **Kazakhstan** production has, however, been revised down by 20 kb/d for 2003. This follows on from extended downtime due to maintenance at the Tengiz field and a now-slower build in production from the Karachaganak condensate field due to mercaptan contamination problems.

Brazilian crude production has been revised up by 11 kb/d for 2003, based on higher than expected production so far in 3Q. However, anticipated delays in the commissioning of facilities for the Albacore Leste, Barracuda and Caratinga fields previously scheduled for 3Q 2004 start-up has cut 2004 average production by 94 kb/d.

Higher than anticipated production in recent months has caused an upward revision to 2003 **Colombian** production amounting to 10 kb/d. Reports of an internal Ecopetrol study which envisages crude production of 520 kb/d in 2004 may be overly optimistic. However, in line with the generally less pessimistic prognosis for production, 2004 supply has been revised up by around 25 kb/d compared to last month's Report.

Production from **China** has been revised up by 20 kb/d for 2004. This is based on a now higher expected profile for the mature Daqing field in 2003, and an adjustment stemming the decline rate at that field in line with official plans. This Report had earlier assumed a much more marked decline from Daqing.

A more detailed look at prospects for the four main incremental developments offshore deepwater **Angola** expected for 2003/2004 suggests a slightly slower build-up in supply. Angolan production should reach around 1.2 mb/d by end-2004, but total production is 16 kb/d lower for 2003 than in the last Report and 26 kb/d lower for 2004. However, this downward revision for Africa is counteracted by 25-30 kb/d increases for both years in the case of **Equatorial Guinea.** Production from ExxonMobil's Zafiro fields has exceeded expectations and has been upgraded for the forecast period accordingly.

OECD STOCKS

Summary

- OECD industry oil stocks closed August at an estimated 2551 mb, only marginally higher than in July. Crude oil inventories retraced earlier July gains, falling back 640 kb/d in August. Growth in product inventories barely outpaced the decline in crude, increasing on seasonal additions to distillate storage but also gains of North American 'other products' stocks. OECD industry oil stocks closed 76 mb below 2002. Demand cover, remained level from July at 53 days, down 2 days against August 2002.

Preliminary Industry Stock Change in August 2003 and Second Quarter 2003

(million barrels per day)

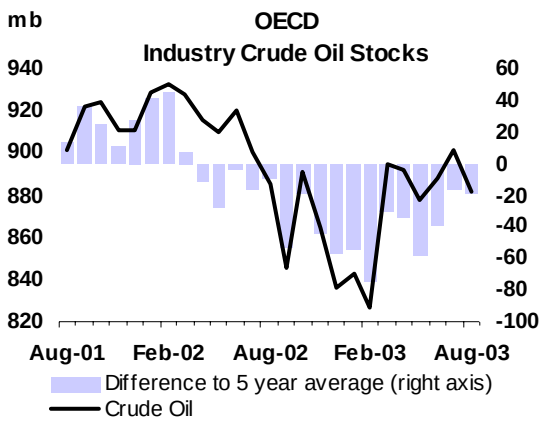
	August (preliminary)				*Second Quarter 2003*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**-0.30**	**0.01**	**-0.35**	**-0.64**	**0.01**	**-0.14**	**0.07**	**-0.07**
Gasoline	-0.31	0.00	-0.04	-0.36	0.06	-0.08	0.00	-0.03
Distillates	0.29	0.13	0.17	0.59	0.19	0.16	0.17	0.52
Residual Fuel Oil	-0.03	0.08	-0.02	0.03	0.04	-0.03	0.03	0.03
Other Products	0.25	0.01	0.13	0.39	0.43	0.05	0.10	0.58
Total Products	**0.19**	**0.22**	**0.24**	**0.65**	**0.72**	**0.10**	**0.29**	**1.11**
Other Oils[1]	0.13	-0.02	-0.03	0.07	0.18	-0.02	0.08	0.24
Total Oil	**0.02**	**0.21**	**-0.14**	**0.09**	**0.90**	**-0.07**	**0.44**	**1.28**

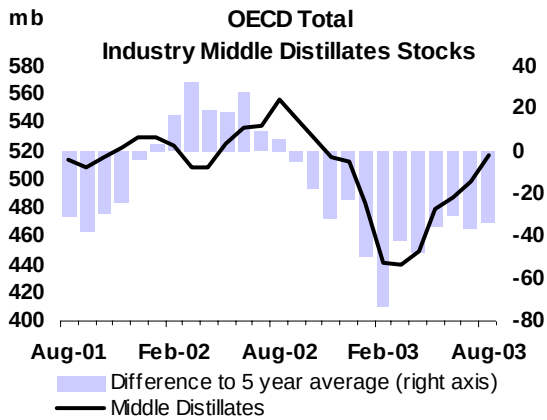
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks fell to 881 mb in August, closing 20 mb lower than in July and below end-second quarter levels. European crude stocks held tentatively flat in August. Reduced crude holdings by Korean refiners, which were in turnarounds, drove crude draws in the Pacific. US-50 crude stocks, after falling in August, held near flat in September. US mid-continent crude stocks rebounded on weaker crude runs in September, but Gulf Coast inventories continued to decline. End-September US cash price differentials against benchmark WTI continued to suggest a tightening market in both sour and sweet grades.

- OECD middle distillate stocks built seasonally, rising 590 kb/d in August, but ended nearly 40 mb short of year-earlier levels. Japanese kerosene gains pushed stocks higher in the Pacific, but the regional rise was held back by Korean refiners which drew on inventories to meet domestic demand. The US saw distillates (diesel and heating oil) stocks close their gap against their year-earlier position from August to September, largely on the basis of a seasonal rise in heating oil inventories.

- OECD industry gasoline stocks fell by 360 kb/d in August, mainly in North America on a surge of US demand at the end of the summer driving season. Prompt material in Europe was tight and kept industry gasoline stocks flat in August. Arbitrage to the US was deemed marginal, but regional supplies drew on Nigerian and East Mediterranean demand. Independent storage in the Amsterdam-Rotterdam-Antwerp (ARA) area fell from August to September in a backwardated market for barge gasoline swaps in Northwest Europe. In September, US-destined gasoline exports rebounded and a refinery outage in Pembroke, Wales, also contributed to tighter regional supplies.





OECD Industry Stock Changes in August 2003

OECD industry total oil stocks were near flat from July, positioning a meagre 3 mb rise in August to reach 2551 mb. Crude inventories declined by a similar proportion to the rise in product stocks, leaving total oil stocks at the end of August 76 mb below their previous year's position. Forward demand cover, despite a typical weakening of oil demand in the August/September period, held level from July at 53 days. In main products, inventory gains came with seasonal additions to distillate storage ahead of peak winter demand while gasoline stocks declined on strong US demand. OECD industry middle distillate inventories rose in August by 590 kb/d, in line with the amount observed last year.

OECD industry crude stocks closed August below second quarter levels at 881 mb, reversing gains seen in July. Reduced Pacific inventories were mainly reflective of lower Korean onshore stocks. Korean refiners moved into turnarounds, cutting back on throughputs and reducing stock holdings. In Europe, stocks held level, though increased crude runs in the region and higher arbitraged supplies of Brent-linked crudes to the US in August would have suggested a decline. US-50 (excluding territories) crude stocks fell in August and, by preliminary indications, closed near flat by end-September at 281 mb. The Atlantic Basin continues to see a premium for prompt oil as crude futures on the NYMEX and IPE remain in backwardation. NYMEX WTI however did revert temporarily into a contango in September as crude stocks increased in the US Mid-continent (where the contract is delivered). The inventory gains seen there, however, reflected lower crude demand more so than increased supplies. US refinery maintenance was proportionately higher in the Midwest than in the rest of country this autumn. While waiting for a strong fourth quarter in non-OPEC supplies, Atlantic Basin crude inventories are unlikely to rise significantly until later in November, given the need to resume runs to keep building up distillate inventories.

The US is unlikely to see much incremental crude supplies in addition to its base load amounts from West Africa as Asian demand is bidding these barrels away, reportedly doubling its take from September to 1.5 mb/d for October loading crude. In addition, since mid-August, WTI's price weakness relative to Brent and higher freight rates closed the door to transatlantic shipments of light sweet crude. With regards to heavier and sour supply, despite higher Iraqi Basrah shipments, concerns remain surrounding Venezuelan conventional production. Also, reported spot tanker bookings by Saudi Arabia destined for the US do not necessarily reflect incremental oil. These tankers, if chartered, would arrive in November. Comparatively, Europe is likely to be better positioned although the anticipated 5% of refinery capacity maintenance for October is unlikely to dent crude demand given that the region has been operating on average around 90% since the beginning of the year. Europe is expected to retain more North Sea crude and Russian Urals in October. A weak WTI/Brent spread hindered movement west for these crudes while possibilities for large shipments east for Urals on narrower Brent/Dubai remained unclear.

Revisions to Preliminary OECD Stocks and Inventory Position at end August 2003

July total OECD oil stocks were revised downward by 3.6 mb with a 17.7 mb downward revision in products outpacing a combined upward revision in crude and 'other oils' of 14.1 mb. Revisions to August preliminary crude data next month are likely to show an upward shift in US crude stocks on ample offers of Brent-linked transatlantic supply. The opposite could be expected from Europe. The preliminary August build in the Netherlands may be overstated and Norwegian figures may also turn out lower.

Revisions Versus 10 September 2003 Oil Market Report
(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Jun 03	Jul 03	Jun 03	Jul 03	Jun 03	Jul 03	Jun 03	Jul 03
Crude Oil	**1.3**	**5.2**	**2.7**	**4.6**	**0.0**	**-0.5**	**4.0**	**9.3**
Gasoline	-0.9	-3.5	-1.0	-4.7	0.0	0.2	-1.9	-8.0
Distillates	0.7	-0.5	-0.3	-1.9	0.0	-0.2	0.4	-2.7
Residual Fuel Oil	0.4	-3.6	-3.1	-0.9	0.0	0.3	-2.6	-4.1
Other Products	1.0	-2.9	0.6	0.1	0.0	-0.1	1.6	-2.9
Total Products	**1.2**	**-10.5**	**-3.8**	**-7.4**	**0.0**	**0.2**	**-2.6**	**-17.7**
Other Oils[1]	1.7	0.5	0.7	4.3	0.0	0.1	2.4	4.8
Total Oil	**4.3**	**-4.8**	**-0.4**	**1.5**	**0.0**	**-0.3**	**3.8**	**-3.6**

1 other oils includes NGLs, feedstocks and other hydrocarbons

OECD total oil stocks closed almost 76 mb below August 2002, ending September at 2551 mb. On a regional basis, North America posted the largest inventory deficit against last year, with storage volumes off by around 25 mb in both crude and product. Europe's situation suggested a more comfortable crude position, but product inventories trailed 2002 volumes by 41 mb. Over half of that product shortfall came in middle distillates, suggesting a potential for lower European swing supplies to the US this winter.

Year-on-Year Industry Stock Comparisons for August 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-24.5**	**14.6**	**5.9**	**-4.0**	**Total Oil**	**-2.9**	**-1.6**	**0.7**	**-1.8**
Total Products	-26.3	-40.6	0.6	-66.3	*Versus 2001*	-3.3	0.5	-2.9	-2.1
Other Oils[1]	-9.2	7.3	-4.2	-6.0	*Versus 2000*	-0.3	0.6	0.2	0.1
Total Oil	**-60.0**	**-18.6**	**2.3**	**-76.4**	**Total Products**	**-1.3**	**-2.8**	**0.3**	**-1.5**
Versus 2001	-48.8	-4.7	-8.8	-62.3	*Versus 2001*	-0.8	-1.1	-1.4	-1.1
Versus 2000	5.2	9.0	8.2	22.4	*Versus 2000*	0.5	-1.3	0.1	-0.2

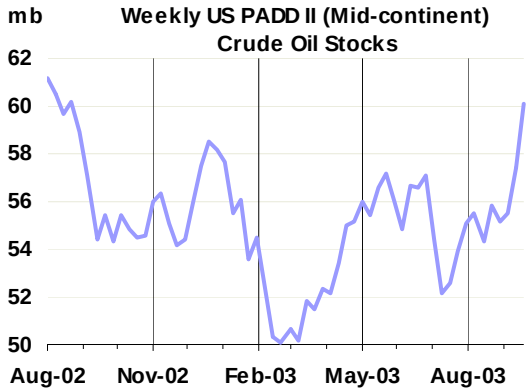
1 other oils includes NGLs, feedstocks and other hydrocarbons

Despite entering a shoulder period for demand and growth in product inventories, forward demand cover by total oil stocks closed August for a third consecutive month at 53 days, or 2 days below last year. Days of forward demand in North America were up a day from July at 49 days whereas Europe slipped by a day to 59 days. Pacific cover fell on the back of lower crude stocks, down 3 days from July at 54 days.

OECD Regional Stock Developments

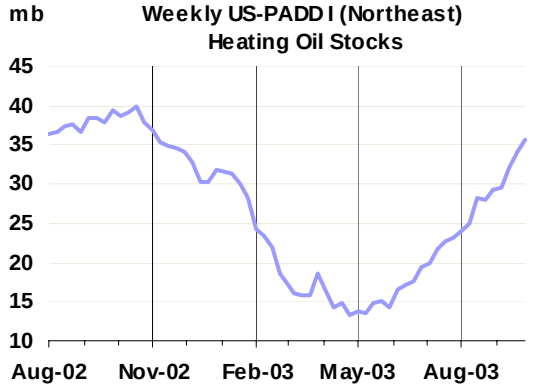
North America

US-50 (excluding territories) crude stocks fell 4 mb in August to 279 mb, and closed the last week in September only marginally higher at 281 mb. The recent three month stagnation in inventory levels around 280 mb comes despite on average higher import volumes into the US. Regional differences however did emerge. The heavier/sour crude slate favoured by Gulf Coast refiners was in shorter supply, with fewer arrivals of Russian Urals than in recent months. Crude stocks there ebbed over the period to 141 mb.



In contrast, the Atlantic Coast and Mid-continent likely absorbed ample August offers of Brent-linked North Sea and West African crude, attracted by WTI's strength, shifting their crude position higher. Inland movement of crude in August was also favoured with LLS pricing in close range to WTI. The recovery of crude stocks to 61 mb by end-September in the Mid-continent, where NYMEX's WTI futures contract is delivered, was motivated by a reduction in crude runs but also by increased Canadian supplies. US refinery maintenance underway in September was concentrated mainly in the Mid-continent. WTI futures saw backwardation in the near-months narrow over August to September, temporarily shifting into a contango.

But a lower premium for prompt oil has to be set against the backdrop of scheduled turnarounds which are expected to peak in early to mid-October. The margin for a strong expansion of runs thereafter is unlikely at this level of crude inventories. End-September US crude stocks stood at 11 mb above notional minimum operating level requirements of 270 mb, less than a day of nation-wide throughputs. Also, near-term foreign supplies are going to be curtailed. A narrower WTI spread in September against Brent and higher transatlantic freight rates, closed options to the US of October loading Brent-linked barrels. Competing Asian demand diverted West African crudes while regional sweets like Colombian Cusiana for October loading were also reported posting strong gains from September. Additional Saudi supplies, if chartered are not due until November; tightening sour supplies saw domestic grades like Mars narrow their differential against WTI, as replacement crudes like Urals looked expensive in comparison.



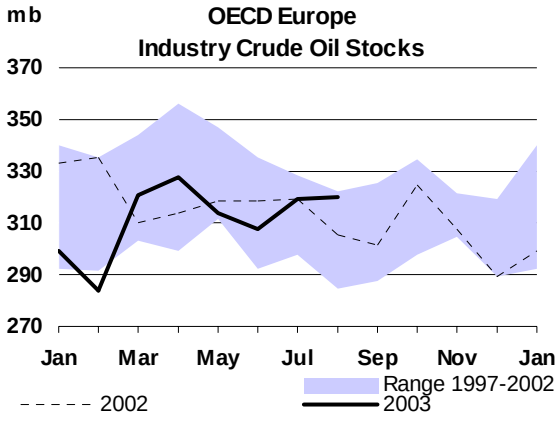
In product inventories, distillate stocks rose to 131 mb in the last week of September. Jet/kerosene inventories also rose, gaining about 3 mb to close at 41.5 mb. The increase in distillates was supported by product imports from Europe where weaker demand encouraged Russian material to move west during August and early September. Distillate demand from fuel switching away from natural gas fell in line with lower natural gas prices. Additions after mid-September to distillate storage abated following a fall in production in favour of gasoline, which saw higher crack spreads. Distillate

demand was skewed towards diesel reflecting signs of a pick up in the economy. With weaker heating oil demand, stocks built despite refiners maintaining high product yield for gasoline. Also, NYMEX heating oil futures saw a widening of the contango in the near-by months for most of August and September, providing incentives to store product. Heating oil stocks in the Northeast (see graph above), where most consumption takes place, rose seasonally, closing their difference to year-earlier levels. Further gains in storage will depend on how quickly refiners can turn out product, given a limited crude cushion to increase throughputs from. Russian gasoil exports to the US slowed from mid-September with a comparatively stronger Northwest European market. October Russian material could prove to be in shorter supply with domestic needs and rising duties curtailing exports.

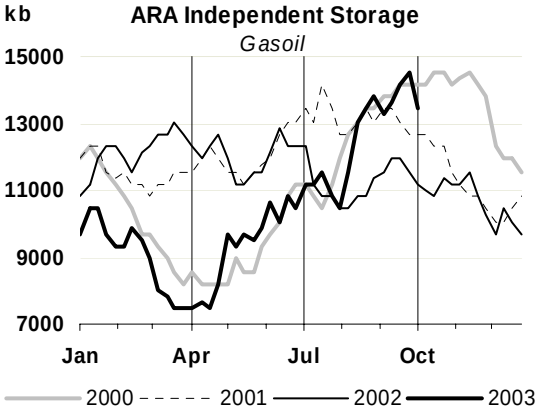
Gasoline stocks, including blending components, fell in August as demand surged and imported supplies were lower. In September, the seasonal decline in demand following the end of the driving season allowed stocks to rebound and blendstocks recovered on increased arrivals of European supplies. Gasoline output was maximised in September with yield on crude peaking at around 58%, but inventory gains were seen mainly in conventional material. These stocks had tightened significantly in the second half of August, cutting the discount of conventional product to reformulated gasoline (RFG) in September. Gasoline prices still anticipate tight supplies though October imports from Europe are expected level with September and refiners have switched production to less stringent specification winter grade material. Outright prices have come down with a seasonal decline in demand, but near-month backwardation in NYMEX's gasoline futures stayed in place in September as stocks of RFG, which is delivered into the contract, remained low.

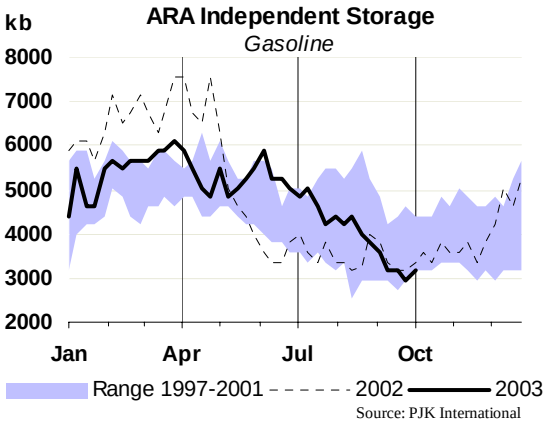
Europe

Industry crude stocks closed August level with July at 320 mb, or close to 15 mb above last year. Stocks kept flat though refiner runs were up 500 kb/d on the year and rising by over 200 kb/d on a monthly basis. Also, fewer North Sea supplies were reportedly available to the region as light sweet crudes were offered into the US on open transatlantic arbitrage. Northwest Europe generally saw declines, with crude stocks falling a combined 3 mb in Germany and France. However, preliminary figures for the Netherlands show an unexpected increase of 7 mb. More likely, some of these stocks may have been re-exported. Downward revisions to these figures and a potential for lower Norwegian numbers could push August European crude stocks closer to year-ago levels.



August industry gasoline stocks closed below their recent five-year range at 107 mb, little changed from July levels. Gasoline prices developed a large premium over diesel as the European market was tight in August, both in Northwest Europe and the Mediterranean. Lack of prompt material availability limited exports to the US but cargoes did move from Northwest Europe to the Mediterranean to help fulfil Nigerian and East Mediterranean demand. Refinery supplies were lower on outages in the UK. Total's Milford Haven facility was out in August and later in September, ChevronTexaco's plant in Pembroke, Wales, entered a six week turnaround period. Judging by the draws in independent storage in the ARA area, tightness in industry gasoline stocks is likely to persist in September. A backwardated swap market for gasoline barges pricing prompt oil at a premium continued to encourage sales. September exports to the US rose from August on price gains for gasoline futures on the NYMEX and wider cash differentials





Source: PJK International

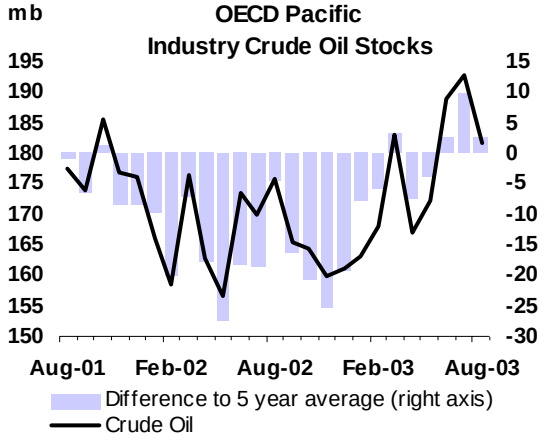
to New York Harbour. Most cargo volumes in Northwest Europe were committed to the US while the Rotterdam barge market met East Mediterranean demand. Exports to the US were pegged around 1.5 million tonnes. September prompt demand was also supported by Nigeria's decision to suspend a six-month term tender in favour of spot purchases. However, demand in the Mediterranean did ease as requirements in the east of the region were said to be fulfilled in the first half of September.

Industry distillates stocks rose 4 mb in August to 238 mb, 28 mb below last year. Stocks moved higher on gains in Germany, the largest regional heating oil market, where storage climbed over 5 mb. Refiners increased crude runs on exiting maintenance but met with weak inland deliveries. Demand weakness reflected early stockpiling by end-users and prompted German distributors to delay demand. Low Rhine levels allowed only partial loading of barges, raising freight cost and limiting inland delivery. As a result, gasoil backed up in ARA independent storage in September, but stocks fell back by end-month on a surge of exports to West Africa. Russian gasoil supplies to Europe were reduced on seasonally higher agriculture demand but also exports to the US. European price structure in September also painted a tight market with no clear incentive for storing product. In September, Northwest Europe's physical gasoil prices converged to front month IPE gasoil futures while those in the Mediterranean saw their premium increase. The contract itself flipped into backwardation for near delivery months.

Pacific

Pacific crude stocks closed September lower at 182 mb or 6 mb above last year. Crude inventories posted declines in Korea and Japan, falling respectively 7 and 4 mb. While the stock change was directionally the same, the underlying factors from a refinery activity perspective were different. The fall in Korea reflected reduced inventory holdings in a period of seasonal maintenance and most of the decline came in onshore stocks. Top refiner SK-Corp held capacity utilisation at about 73% while second and third ranked LG-Caltex and S-Oil pulled back operations significantly from July.

Conversely, the stock draw in Japan reflected higher operating levels in the early stages of building winter fuel stocks. Japanese crude stocks tend to fall in August as the June-July build up is drawn down with the resumption of higher crude runs. Although the Japanese preliminary stock change figure is based on onshore movements alone, heightened crude procurement is unlikely to see a large decline in tanker stocks held at ports, limiting the scope of a potential downward revision. Saudi Arabia and Kuwait were reported to have implemented cuts under 10% in their July allocations while other main term suppliers offered full volumes. Japanese refiners were said to have covered their July loading requirements in the Middle Eastern spot market.



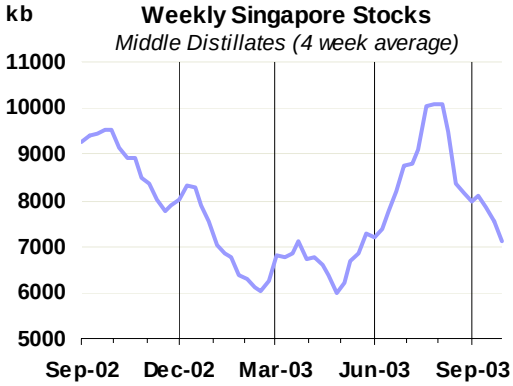
For September, crude oil stocks look set to rise in Korea but also Japan, albeit more modestly. The rise in the former is likely to take shape in increased volumes of oil held in tankers arriving at ports in preparation of a ramp-up in crude runs with the end of turnarounds late September. In Japan, the rapid build-up in kerosene stocks ahead of winter dampened crude runs beyond the seasonal reprieve generally observed in September. In addition, unanticipated closures and technical problems at some of Nippon Oil's refineries also depressed crude demand. With August loading term allocations (for September arrival) holding steady from July, we can expect stocks flat to rising on ample supply. Further out, should product stocks peak early, crude demand pressure will abate, easing the pace of draw down of crude inventories in Japan through the remainder of the year. Moreover, traditional supplies are likely to be further incremented by refiner interest for spot barrels of Iraqi Basrah Light offered by trading houses Mitsubishi Corp and Itochu Corp for October through December loading.

Product stocks in the Pacific rose seasonally on the back of storage gains in middle distillates; these stocks built 5 mb, closing August at 79 mb. The gains came in Japan where increases in kerosene distanced those in gasoil. Korean stocks of diesel and jet fuel fell, though kerosene used for heating edged higher. Lower product output, due to reduced runs, forced Korean refiners to draw on stocks to meet domestic demand and cut back on exports. Going forward, production of gasoil and kerosene stand to benefit from full term allocations of distillate-rich grades from Abu Dhabi and current margins against crude prices. The pace of additions to storage of these fuels, however, in the case of an exporting country like Korea, may be dampened by the current backwardation observed in Singapore prices. The more expensive prompt prices make exports more profitable and may delay building of inventories.

Singapore Stock Developments in September

Total product stocks in Singapore, surveyed by International Enterprise, edged higher over September. Gains were driven by a late month increase in residual fuel oil stocks. Middle distillates stocks fell while gasoline stocks trended broadly sideways. Product availability from key exporting countries was limited due to refinery turnarounds and stronger domestic demand. September tender and spot purchases from Indonesia in gasoil and gasoline drew on regional supplies, and were seen as supportive of prices.

Gasoline inventories retreated by end September after an initial build. Demand was supported by a strong gasoline tender from Indonesia. State oil firm Pertamina was reported taking some 700,000 barrels via tender for the month while regional supplies were also attracted to the US. The underlying strength of regional demand over the period was also seen in firm prices for MTBE (an oxygenate blended into gasoline). On the supply side, traditional exports from Taiwan and China were reported lower. China's Sinopec Corp lowered export volumes in order to meet domestic demand. Its exports were estimated at 220,000 tonnes from initial expectations of up to 300,000 tonnes with further reductions announced for October. Notwithstanding, gasoline stocks have upside potential with the return from maintenance of regional refineries and weaker demand. Indonesia cut tender volumes for October and demand from the Mideast Gulf has eased from its August peak. Some 200,000 tonnes of gasoline from India, Yanbu and Qatar are expected into Singapore and fewer supplies are likely to be moving to the US with the end of the driving season.



Source: International Enterprise

Residual fuel oil stocks closed September up from August on lower buying interest from China. Reduced Chinese demand followed concerns surrounding available import quotas for the remainder of the year. Fuel oil imports into the key Huangpu oil terminal in southern China were expected down around 20% from reported deliveries of 1.25 million tonnes in August. Though spot prices for Singapore's benchmark 180cst fuel oil weakened in September, the spread between first and second forward prices moved into backwardation indicating a tighter near-term picture. The opportunity for sales out of storage in October, supported by expectations of lower arbitrage supplies from Europe, may be mitigated by demand weakness. Besides weaker deliveries into China, Vietnam's Petrolimex was reported delaying its fourth quarter import tender as domestic inventories remained ample.

Middle distillate stocks extended declines through September. Supplies from key exporting countries like Korea were limited with refiners yet to complete maintenance. Backwardation in the near-months for both kerosene and gasoil in September indicated sparse prompt supplies. Lending support to demand were spot purchases by Indonesia during maintenance at its Balongan refinery. While sizeable Indonesian spot purchases are expected in October after the cancellation of a processing deal with Singapore Petroleum Corp, the supply situation is likely to ease. Middle Eastern supplies into Asia are expected in October and regional refineries return from turnarounds. Also, Asian refiners have stepped up their purchases of distillate-rich West African grades. Some 1.5 mb/d of West African crude is expected to load in October to the Far East. Additionally, incremental distillate supplies into the area are announced from India. The Indian Oil Corp floated sell tenders for gasoil as well as kerosene for October.

Singapore Crude & Product Trade

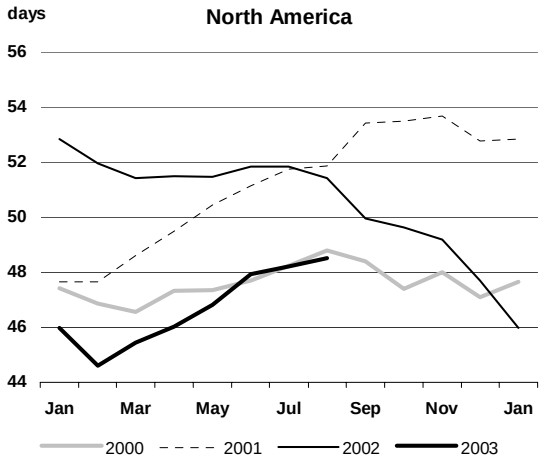
(thousand barrels per day)

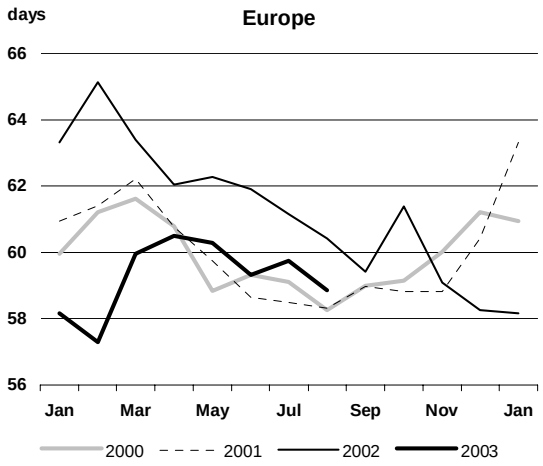
Net Imports/(Exports) of:	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Latest month vs. Jul 03	Latest month vs. Aug 02
Crude Oil	**822**	**819**	**772**	**861**	**885**	**892**	**1428**	**583**	**509**	**-74**	**-241**
Products & Feedstocks	**-10**	**-35**	**-53**	**-73**	**-158**	**-119**	**-53**	**-110**	**-97**	**14**	**-107**
Gasoil/Diesel	-121	-154	-171	-168	-175	-171	-172	-179	-153	26	3
Gasoline	-79	-81	-80	-69	-76	-95	-90	-68	-69	-1	18
Heavy Fuel Oil	360	334	330	325	314	304	339	330	295	-35	-83
LPG	-21	-19	-18	-20	-24	-26	-31	-20	-17	3	-1
Naphtha	-22	6	-7	5	-22	18	30	-12	-14	-2	-10
Jet & Kerosene	-80	-65	-53	-90	-124	-93	-83	-101	-95	6	-37
Other	-48	-57	-54	-57	-51	-56	-47	-61	-44	17	4
Total	**812**	**784**	**719**	**788**	**727**	**774**	**1375**	**472**	**412**	**-60**	**-349**

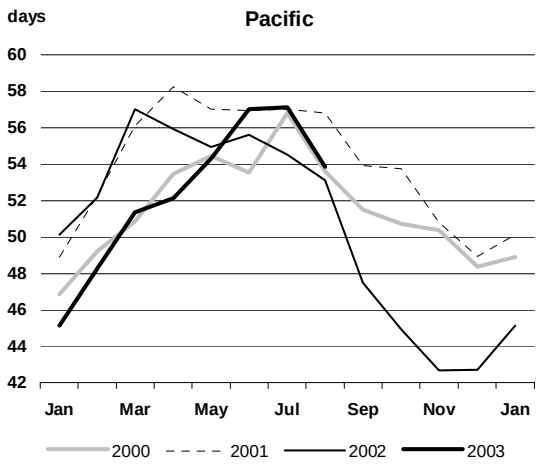
Source: International Enterprise, IEA estimates

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of total oil)

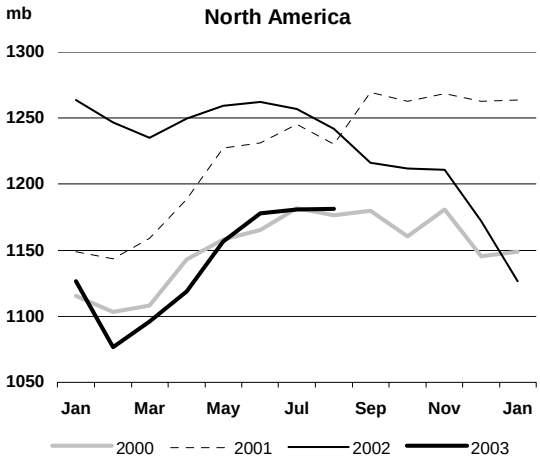
Days[1]

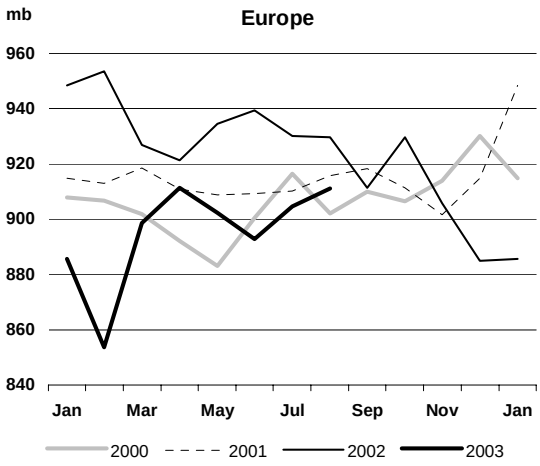


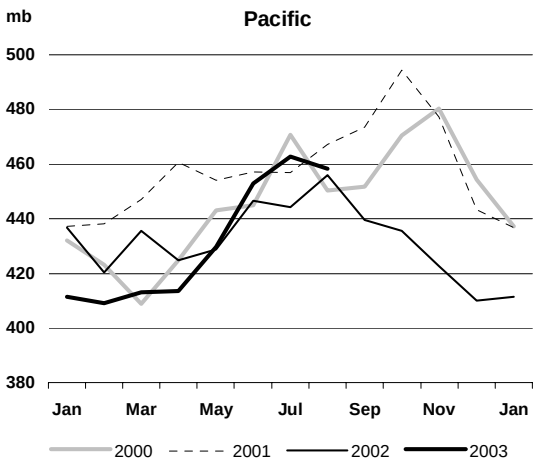




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Brent and WTI crude prices** fell by more than $4.50 in September from end-August levels due to weaker gasoline prices, rising Iraqi supplies, more comfortable product stocks and refinery maintenance. The surprise OPEC decision to cut production targets by 900 kb/d from 1 November stemmed the decline. WTI ended the month at $29.41/bbl, $2.45 lower than end August values.

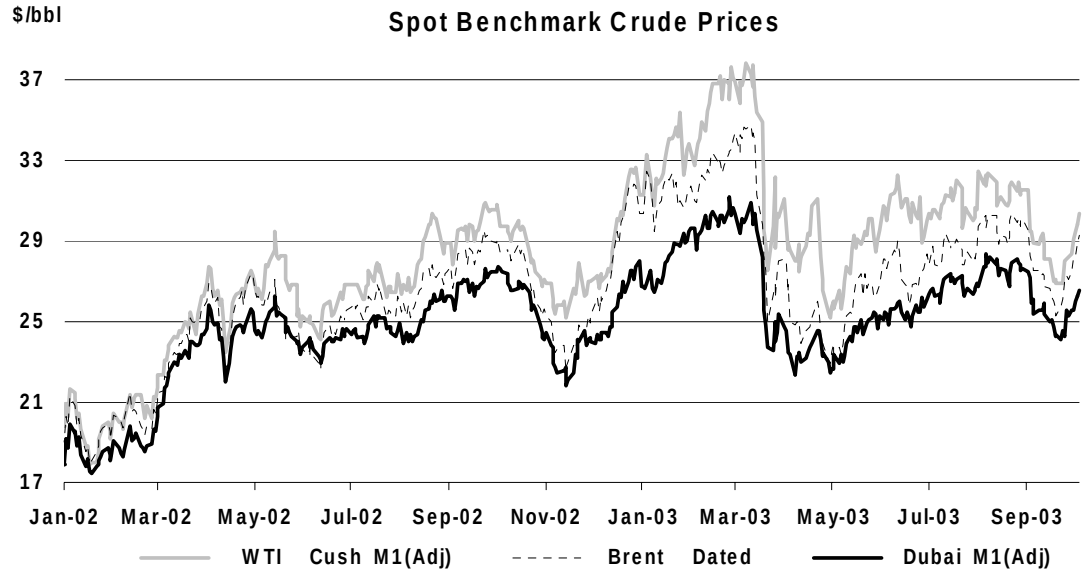
- **The OPEC basket** moved from an August average of $28.69 to $26.25 in September, dipping below the upper end of the $22 to $28/bbl target range on the first trading day after the US Labor Day holiday. The basket fell to $24.82 ahead of OPEC's September 24 meeting, but had recovered to $27.85 by early October.

- **Strong Far East gasoil** prices opened up a rare arbitrage from Northwest Europe to West Africa, preventing further regional weakness caused by low Rhine water levels. West African gasoil needs are predominantly met from the Middle East Gulf, but attractive Far Eastern prices reduced availability.

- **US gasoline prices** collapsed from high levels in early September, but remained volatile. New York Harbour reformulated gasoline cargo prices fell from $43.07 at the end of August, to a low of $34.86 on 19 September as product stocks improved and peak driving season demand ebbed. However, a localised tightness of the additive MTBE, partly due to Hurricane Isabel, contributed to a modest end-month revival in prices.

- **OECD refinery throughputs** rose in August to 38.9 mb/d from 38.7 in July. OECD totals remain well above August 2002 levels of 38.3 mb/d, when refinery margins were under pressure due to rising crude prices. Preliminary data shows a 600 kb/d fall in US crude runs by the end of September, reflecting autumn maintenance. European refineries are also subject to maintenance in September, particularly in the UK, Scandinavia and the Mediterranean region.

- **VLCC Freight rates** were volatile in September, initially rising sharply on the back of increasing Middle East supplies and strong demand for West African crude from the Far East. Rates retraced in the aftermath of the OPEC meeting as charterers pulled back to assess developments.



September Overview

By the middle of September, crude oil benchmarks WTI and dated Brent had fallen by more than $4.50 from end of August levels as recent supply tightness eased and US gasoline prices plunged by up to 19%. Downward pressures were widespread. Seasonal gasoline offtake subsided after the US Labor Day holiday, European and US refineries lowered forward purchases ahead of autumn maintenance and milder European weather reduced cooling power requirements. Iraqi exports rose and weekly flows were less erratic, non-commercials moved from a large net long position to heavily net short in WTI futures, while US imports climbed sharply to reflect heavy transatlantic arbitrage fixings in late August. More importantly, there were signs that product stocks were returning to more comfortable levels.

OPEC's surprise decision to cut output targets by 900,000 b/d to 24.5 mb/d from November, coupled with a resurgence in gasoline prices helped to stem the rout, trimming monthly losses on dated Brent to under $1.50. Anecdotal reports would also suggest that price support was derived from the squaring of the large non-commercial net short position on NYMEX WTI. The OPEC basket averaged $26.16 during September, ending the month $2.08 lower at $26.82/bbl.

The OPEC target cut came as a complete surprise to the trading community, going overwhelmingly against the pre-meeting consensus outcome. Comments from officials prior to the 24 September meeting in Vienna had indicated that there would be little pressure for a change in output quotas.

Officials have subsequently noted that further target cuts could be seen at a 4 December meeting in Vienna and that the producer group may call upon non-OPEC help if further restraint is needed. Non-OPEC producers who have previously voiced cooperation during periods of low prices said they were satisfied with the current situation. Russian President Vladimir Putin indicated that his government would use its control of the oil export infrastructure if prices fell too low, but he also said that high prices had hurt its own manufacturing sector. In 2001 Russia voiced token support for OPEC after dated Brent crude prices fell below $18/barrel.

The debate over the magnitude of November OPEC output cuts will continue for a while yet, but the action was consistent with maintaining a stable output policy in the light of rising Iraqi output with the aim of keeping stocks low.

Nigeria remains a concern. At the end of September, the Nigerian government liberated retail gasoline prices. Earlier in the summer, a decision to raise subsidised domestic prices led to labour unrest that threatened to impact domestic exports. The Nigeria Labour Congress Union called a general strike from 9 October, while the two main oil unions demanded a government clarification on its fuel deregulation by the following day, with a threat they too might join the strike. However strike action was called off at the last minute after it was agreed pump prices would revert to lower levels.

The shoulder period between peak summer and winter demand and refinery maintenance makes difficult to assess whether lower prices represent a transitory shift in the market or whether they are symptomatic of a broader pattern of weakness. There is therefore a strong focus on the adequacy of pre-winter stocks during this period. However, winter demand uncertainties, coupled with the latest OPEC cuts and continued geopolitical uncertainties should remain supportive features in the weeks ahead.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Jul 03	Aug 03	Sep 03	Sep-Aug		Week Commencing:				
				Change	*%*	01 Sep	08 Sep	15 Sep	22 Sep	29 Sep
Crudes										
Brent Dated	28.35	29.79	27.08	-2.71	-9.1	28.21	27.23	25.95	26.63	28.42
WTI Cushing 1 month (adjusted)	30.70	31.59	28.25	-3.34	-10.6	29.17	28.84	27.34	27.64	29.40
Urals (Mediterranean)	26.84	28.74	25.64	-3.11	-10.8	26.59	25.50	24.61	25.52	26.97
Dubai 1 month (adjusted)	26.72	27.66	25.37	-2.29	-8.3	26.38	25.58	24.69	24.74	25.99
Tapis	28.54	30.70	29.45	-1.25	-4.1	30.58	29.80	28.55	28.75	30.43
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	2.35	1.81	1.17	-0.63		0.96	1.62	1.39	1.02	0.98
Urals (Mediterranean)	-1.51	-1.04	-1.44	-0.40		-1.62	-1.73	-1.34	-1.11	-1.45
Dubai	-1.63	-2.13	-1.71	0.42		-1.83	-1.64	-1.26	-1.89	-2.43
Tapis	0.19	0.91	2.37	1.46		2.37	2.58	2.60	2.12	2.01
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.25	0.30	0.24	-0.05		0.21	0.15	0.25	0.42	0.42
WTI Cushing 1mth-2mth (adjusted)	0.44	0.15	-0.02	0.28		-0.06	-0.11	-0.08	0.28	0.28

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

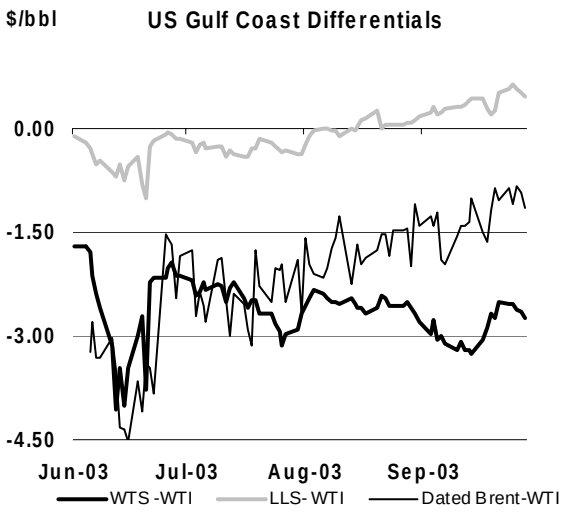
Crude Oil Prices

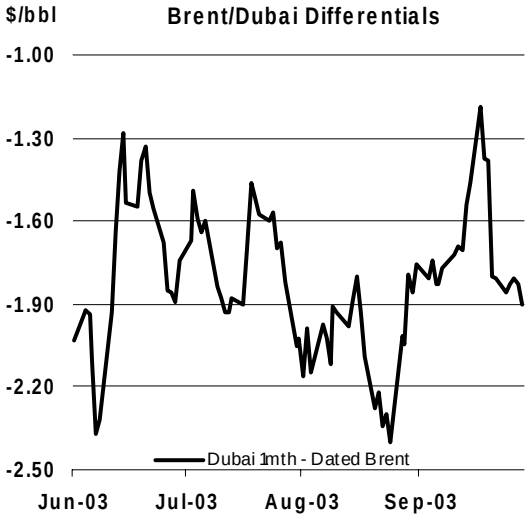
Spot Crude Prices and Differentials in September

Despite the late-September recovery in nominal benchmark crude prices, the weakness of WTI Cushing against comparative crudes remains a notable shift in market structure. WTI's frailty against Brent related crudes is understandable in the context of higher imports (booked in late August), but there have also been other factors at play. A similar rise in the differential of Louisiana Sweet crude to WTI reflected a lack of Midwestern demand as refiner buying stalled ahead of seasonal maintenance. In addition, US refining margins have fallen, reflecting weaker gasoline prices, which in turn reduces both the incentive to maximise throughput and the demand for gasoline-rich sweeter crudes.

Sour crudes strengthened relative to WTI, although arguably this was more to do with the weakness of the US sweet benchmark than overall tightness. Although Urals shipments slowed, there was increased availability of Middle Eastern, particularly Saudi and Iraqi, crudes. Some Iraqi crude found its way to the West Coast, reflecting its increasing availability.

The transatlantic arbitrage for Brent-related crudes slammed shut in September, which should result in a significant drop in October US imports from the North Sea and Atlantic Basin. Not only did the weakness of WTI weigh on the arbitrage spread, but there was also a sharp increase in freight rates. European sweet crude demand however remained relatively robust, helped by a desire to maintain light product volumes during maintenance. Urals crude however, regained its composure by the middle of September after the late-August sell-off as some surplus barrels were shipped eastwards along with competing Middle Eastern grades.





In contrast to the US and Europe, Far Eastern demand was robust. Chinese crude import demand remains high and Korean refiners were moving out of maintenance and have started to ramp up production to build kerosene and heating oil stocks ahead of the North Asian winter. Strong cracking refining margins increased the attractiveness of distillate-rich regional sweet crudes, leading to a strong rise in Tapis relative to other Asian crudes, and narrower differentials for Cinta and Minas relative to Dated Brent. West African crude was also much in demand as traders booked crude to meet winter kerosene and heating oil demand. The market strength was exhibited in the narrowing of the Brent-Dubai spread from around $2.20 at the end of August to a low of under $1.20.

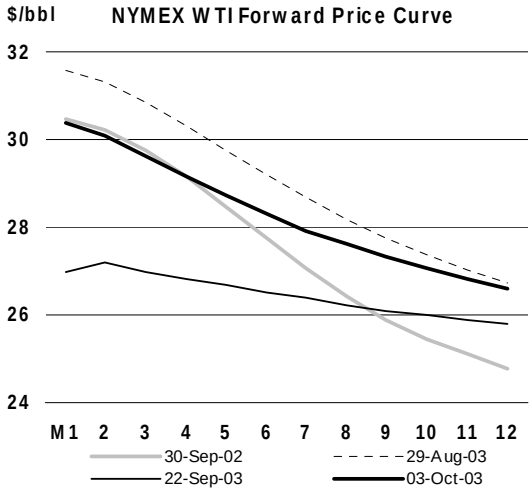
Crude Futures in September

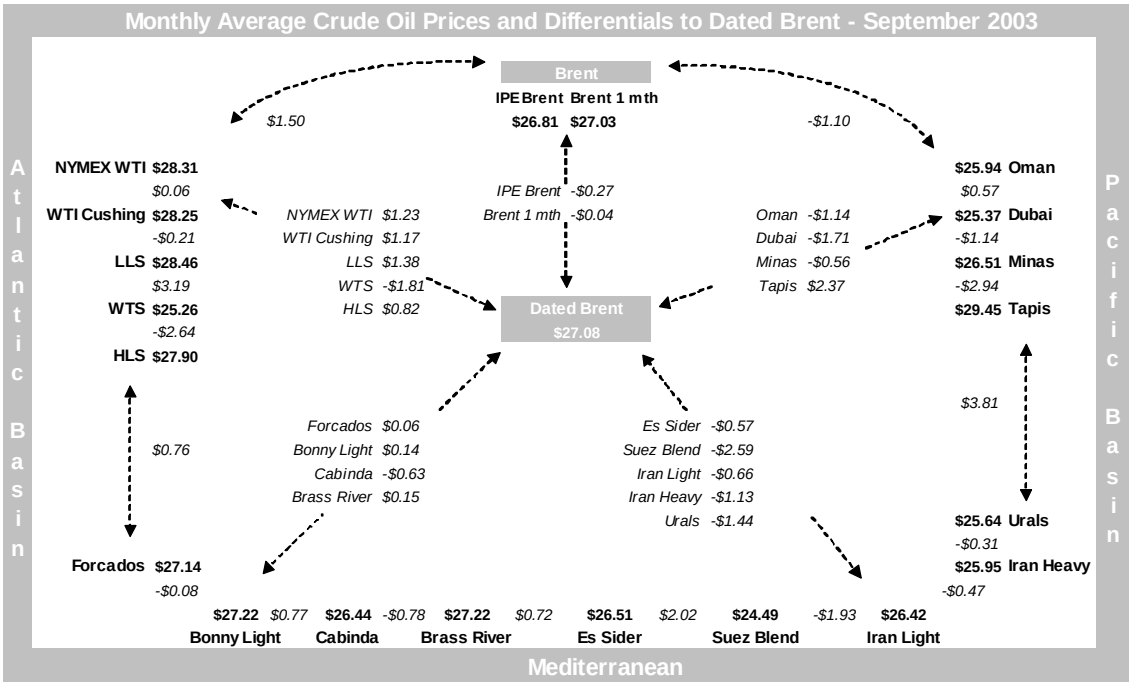
Although market expectations are predominantly focussed on front-month futures and spot oil prices, the shape of the forward futures curve is often revealing. The current structure a year forward appears to represent an easier nearby supply situation, coupled with a more positive future outlook.

Front month NYMEX light crude futures (WTI) fell $4.61 by mid September but futures 12 months forward only fell by $0.97, representing a shallower backwardation (nearby premium over forward prices). Prices have now recovered most of their front-end losses, but the backwardation remains shallower. It is also instructive to compare the current backwardation with steep forward curve a year ago.

In the past month, the main changes have been the OPEC meeting, rising Iraqi production and improved product stocks, but at the end of September 2002, OPEC was also constricting supplies and world stocks were on a downward path. Concern about military action was also prominent, and there were concerns about world growth.

The strength of the forward contracts during both the early-September price fall and the subsequent recovery relative to end of August values and year ago values suggests that there is a lesser risk of a sharp prices fall and *ipso facto* a feeling that OPEC will take action to manage supply/tighten the market next year.





Delivered Crude Prices in July

Delivered prices for crude oil imported into IEA countries rose 95 cents in July from June levels, reflecting upward pressure from spot prices. Total IEA delivered crude prices rose from $26.69 in June to $27.64 in July (see Table 8 at the back of the Report). Price increases were seen in all IEA regions, the largest a $1.03 increase seen in IEA Europe, while the smallest increase was 64 cents in IEA North America. IEA Pacific delivered crude prices rose by 80 cents to $27.77.

Product Prices

Spot Product Prices in September

Gasoline prices continued their steep decline in all regions in September, but New York Harbour prices were relatively firmer and more volatile than the other regions surveyed. Low US gasoline stocks coupled with concerns that autumn maintenance would reduce supplies helped support regional prices. Hurricane Isabel, which had a minimal impact on East Coast refining operations, did however result in the reported rescheduling of two MTBE cargoes from end-September to early October.

MTBE supplies were already tight, contributing to a recovery in New York and Midwest gasoline prices. The premium of MTBE over New York Harbour reformulated gasoline moved from 10 cents at the beginning of August to over 50 cents on 26 September. This localised distortion further widened the spread

of US gasoline prices with the European market, encouraging arbitrage movements, before the spread narrowed sharply at the end of the month.

A tail-off in demand at the end of the summer in Europe contributed to weaker gasoline crack spreads in both the Mediterranean and Northwest Europe. European product barge traffic was disrupted due to exceptionally low Rhine barge water levels. Low water levels reduce the carrying capacity of a barge, and therefore raise effective inland freight costs. Distribution has therefore transferred to truck and trains and anecdotal reports suggest that the logistical shift is working well. However, at the margin undoubtedly this will have some impact on regional supplies, and therefore on primary shipments.

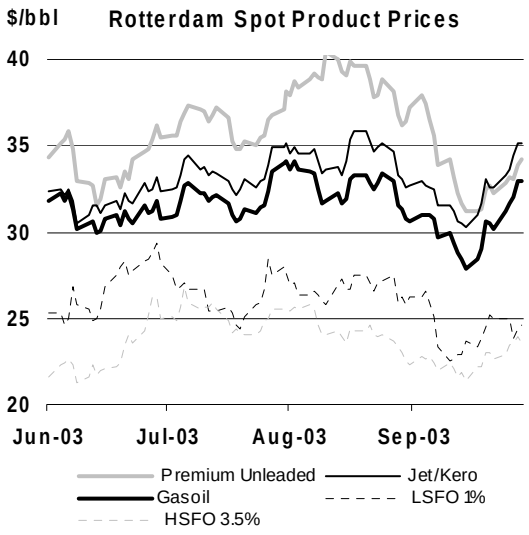
Spot Product Prices

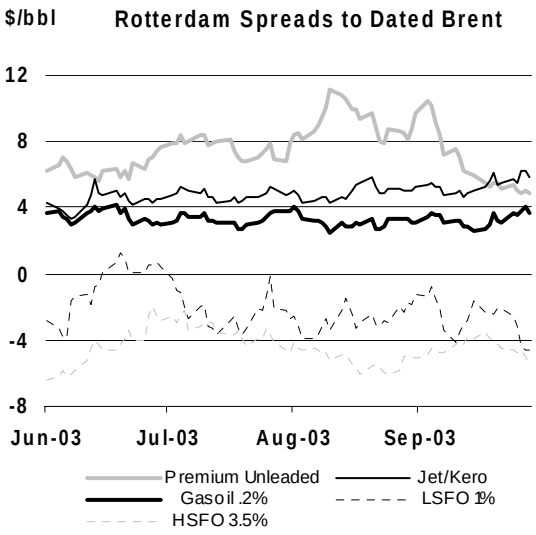
(monthly and weekly averages, $/bbl)

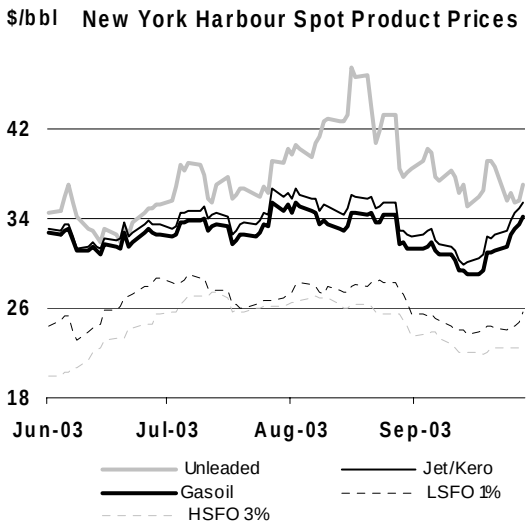
	Jul	Aug	Sep	Sep-Aug		Week Commencing:					Jul	Aug	Sep
				Change	*%*	01 Sep	08 Sep	15 Sep	22 Sep	29 Sep			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	35.99	38.73	34.31	-4.42	-11.4	36.97	36.28	32.50	32.01	33.44	7.64	8.94	7.23
Regular Unleaded	35.32	38.18	33.80	-4.38	-11.5	36.22	35.80	32.07	31.59	32.99	6.97	8.39	6.72
Naphtha	27.61	29.42	27.48	-1.95	-6.6	28.37	28.07	26.53	26.82	28.53	-0.74	-0.36	0.40
Jet/Kerosene	33.07	34.61	32.32	-2.29	-6.6	33.30	32.46	30.86	32.19	34.32	4.72	4.82	5.24
Gasoil	31.57	32.98	30.31	-2.68	-8.1	31.44	30.69	28.88	29.77	32.18	3.22	3.20	3.23
Fuel Oil 1.0%S	26.58	26.88	24.78	-2.10	-7.8	26.34	25.42	22.93	24.37	24.56	-1.78	-2.90	-2.29
Fuel Oil 3.5%	25.18	24.73	22.57	-2.17	-8.8	23.01	22.54	21.89	22.60	23.49	-3.17	-5.05	-4.51
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	35.43	38.59	33.63	-4.97	-12.9	36.80	35.64	31.11	31.32	33.07	8.59	9.85	7.99
Premium Unleaded	34.71	37.87	32.91	-4.97	-13.1	36.08	34.92	30.40	30.60	32.35	7.87	9.13	7.27
Naphtha	26.66	28.38	26.60	-1.78	-6.3	27.41	27.19	25.67	25.97	27.73	-0.18	-0.37	0.96
Jet/Kerosene	31.31	33.03	30.86	-2.18	-6.6	31.55	30.89	29.47	30.92	32.98	4.47	4.29	5.22
Gasoil	29.95	31.99	29.93	-2.06	-6.4	30.86	29.99	28.29	29.84	33.23	3.11	3.24	4.29
Fuel Oil 1.0%S	28.48	28.76	23.82	-4.94	-17.2	25.52	23.68	22.19	23.78	24.53	1.64	0.01	-1.82
Fuel Oil 3.5%S	24.28	23.60	21.36	-2.24	-9.5	21.83	21.51	20.52	21.28	22.25	-2.56	-5.14	-4.28
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	40.05	46.80	44.44	-2.37	-5.1	43.99	46.13	43.95	44.20	42.00	9.35	15.21	16.19
Regular Unleaded 87	36.65	42.13	37.72	-4.41	-10.5	38.17	38.84	36.84	37.86	35.95	5.94	10.54	9.47
Jet/Kerosene	33.92	35.57	31.95	-3.61	-10.2	32.73	32.42	30.57	31.68	34.27	3.22	3.98	3.70
No.2 Heating Oil	32.98	34.24	30.83	-3.41	-9.9	31.53	31.35	29.77	30.32	32.94	2.28	2.64	2.58
Fuel Oil 1.0%S (Cargo)	27.53	27.77	24.88	-2.89	-10.4	26.74	25.24	24.03	24.15	24.64	-3.18	-3.83	-3.37
Fuel Oil 3.0%S (Cargo)	26.19	26.33	23.05	-3.29	-12.5	24.59	23.66	22.33	22.19	22.43	-4.51	-5.26	-5.21
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	35.43	38.59	33.63	-4.97	-12.9	35.22	33.63	31.66	31.84	34.03	8.71	10.93	8.26
Naphtha	34.71	37.87	32.91	-4.97	-13.1	28.70	28.14	27.10	27.32	28.99	7.99	10.22	7.54
Jet/Kerosene	26.66	28.38	26.60	-1.78	-6.3	32.49	31.51	30.68	30.83	32.19	-0.06	0.72	1.23
Gasoil	31.31	33.03	30.86	-2.18	-6.6	32.29	31.67	30.92	30.21	31.16	4.59	5.37	5.49
LSWR (0.3%S)	29.95	31.99	29.93	-2.06	-6.4	25.89	25.18	24.25	24.01	25.02	3.24	4.33	4.56
HSFO (3.5%S 180cst)	28.48	28.76	23.82	-4.94	-17.2	25.19	24.87	24.21	23.96	25.40	1.76	1.10	-1.55
HSFO 4%S	24.28	23.60	21.36	-2.24	-9.5	25.55	25.32	24.56	24.23	25.74	-2.44	-4.05	-4.01

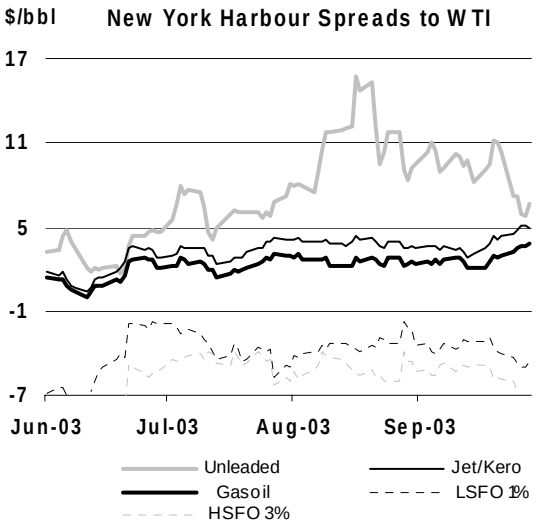
Far East gasoline prices performed fractionally better than European values, but the continued strength in cracking margins due to the strength of distillates meant that there was little economic reason to curtail runs. Regional supplies however tightened via strong demand from Indonesia and lower exports from Taiwan and China. There was also a good demand pull into the Middle East Gulf, although lower than peak August offtake. However, over the coming weeks, more non-OECD refinery capacity is expected to come back from maintenance, particularly in Indonesia, which will result in higher regional production.

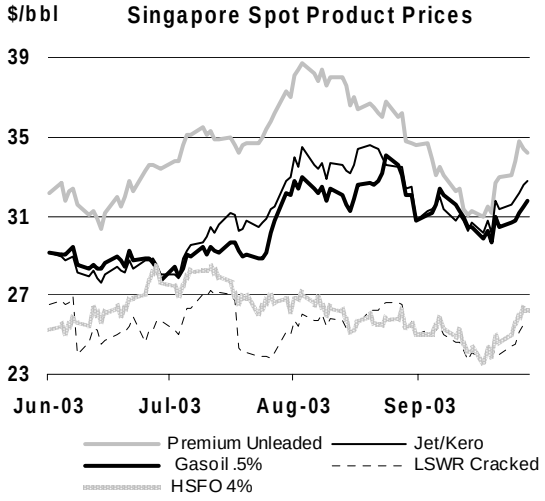
Distillate differentials held firm against crude in October, reflecting the switch in emphasis of the trading community from summer gasoline worries to the need for heating oil stocks ahead of winter. Harvest demand for diesel offered further demand-side support, particularly in the US. It is interesting to note that much of the US distillate demand support in recent weeks has come from the diesel market, while pre-winter heating oil demand has been relatively late to take off. This could in part reflect late-season end-user tank refilling last winter due to the cold winter. However, an early cold spell in the North East is currently forecast, which could kick-start the refilling season.

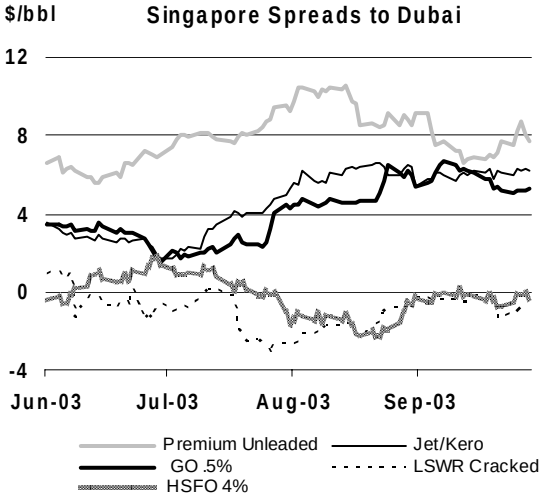

$/bbl
Rotterdam Spot Product Prices
40
35
30
25
20
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3.5%


$/bbl
Rotterdam Spreads to Dated Brent
12
8
4
0
-4
-8
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil .2%
LSFO 1%
HSFO 3.5%


$/bbl
New York Harbour Spot Product Prices
42
34
26
18
Jun-03
Jul-03
Aug-03
Sep-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%


$/bbl
New York Harbour Spreads to WTI
17
11
5
-1
-7
Jun-03
Jul-03
Aug-03
Sep-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%

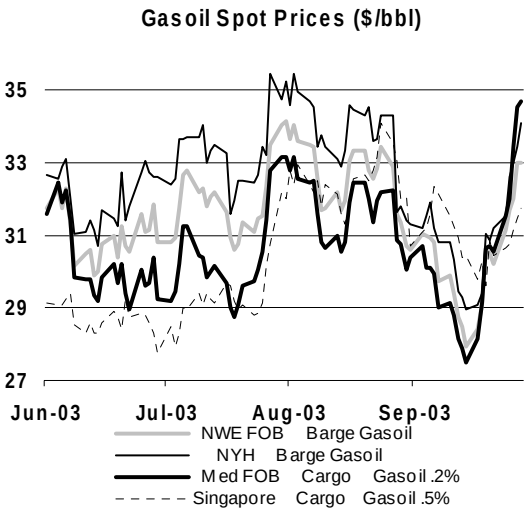

$/bbl
Singapore Spot Product Prices
39
35
31
27
23
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
Gasoil .5%
LSWR Cracked
HSFO 4%


$/bbl
Singapore Spreads to Dubai
12
8
4
0
-4
Jun-03
Jul-03
Aug-03
Sep-03
Premium Unleaded
Jet/Kero
GO .5%
LSWR Cracked
HSFO 4%

In Europe, low Rhine water levels have distorted the barge market, but surveys of German consumer tanks would suggest there is little urgency for a significant increase in pre-winter buying. Surplus material was however absorbed by the opening up of a rare arbitrage to West Africa. Most of that regions needs are usually fulfilled from the Middle East Gulf, but the strength of middle distillates in the Far East diverted Gulf product away from the West in September. Some gasoil was also shipped to the Mediterranean during the month.

Mediterranean gasoil values have been relatively firm and reports of low refinery throughput in Iraq could lead to an improvement in pre-winter buying in the region. Jet kerosene under performed gasoil and diesel during September, reflecting the end to the summer holiday season in Europe.

Far Eastern heating oil and kerosene demand remains relatively firm, with September non-OECD refinery maintenance tending to curb output in the region, while regional stocks had been left relatively lean by the open arbitrage window to the West in July. The persistence of backwardation in Singapore gasoil forwards in September highlighted regional strength. Also, jet kerosene, having out performed gasoil in August was relatively flat during September, leading to a sharp narrowing of the regrade (jet kerosene-gasoil spread) from a mid-month closing assessment of nearly $2.00/barrel to just $0.30 by the end of September.

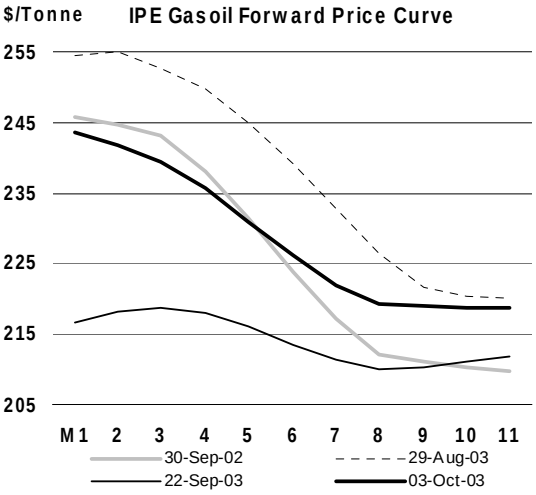


Fuel oil prices followed distinct regional trends in September. US values were particularly weak as mild post-summer and pre-winter weather reduced utility burn demand. Substitution for natural gas is also diminishing as natural gas stocks continue to recover to near-normal pre-winter levels. Natural gas prices have been declining steadily since June, and are around half of their spike over $9/Mbtu in February. However, on a historical basis they remain well above the longer-term normal range of $2 to $3.50/Mbtu. Towards the end of September a forecast for an early cold snap in the US North East prompted a resurgence in natural gas prices, but residual fuel prices remained broadly flat.

September marks the start of a seasonal up-tick in crude and product export activity and also a generalised increase in freight traffic, as agricultural harvests are redistributed from producers to consumers and wholesale consumer goods are transported ahead of peak fourth quarter demand. Bunkering demand naturally increases during this period, tending to help high-sulphur grades. However, reduced "shoulder season demand" kept low sulphur values restrained in Europe and the Far East. Despite the closure of a Japanese nuclear reactor for scheduled maintenance, the 5 Tepco facilities that remain on-line are expected to significantly reduce utility fuel oil and direct burn crude demand in comparison with year ago levels, therefore restraining regional demand and keeping prices in check.

Product Futures in September

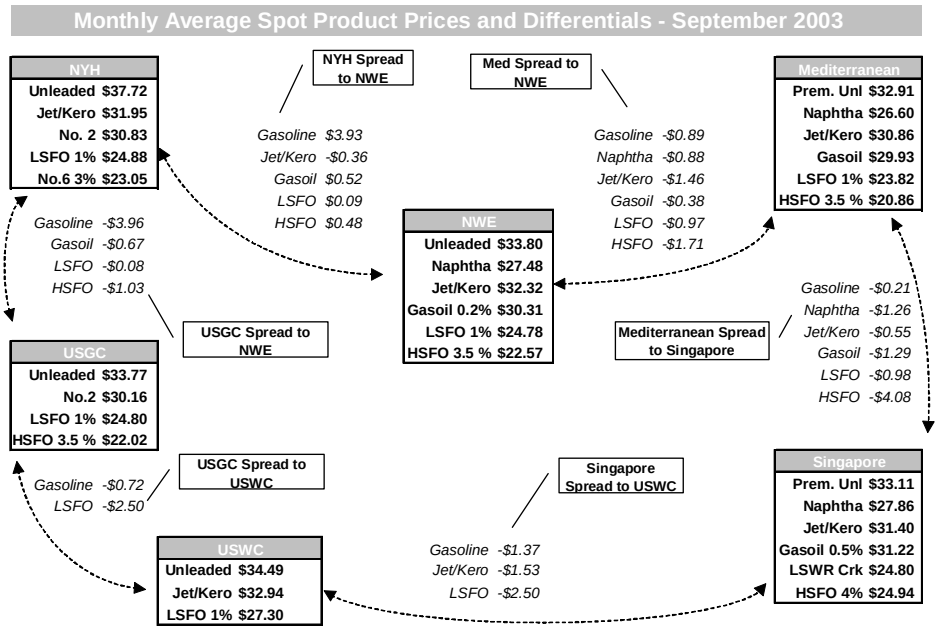
The steep front-end backwardation in gasoline dissipated with the expiry of the September NYMEX contract and the collapse in spot prices associated with the end of the driving season. Although prices hit a nadir in the middle of September, continued concern about relatively low reformulated gasoline stock levels and seasonal maintenance have contributed to the persistence of a backwardation in the market.
By the end of September however, it is instructive to note that the forward structure is very close to the curve in place a year ago, which is not surprising considering that total US gasoline stocks have been in a recovery mode recently.



While spot gasoline prices remain higher than a year ago, gasoil and heating oil prices have fallen below

2002 comparatives. In the US, this is consistent with the improvement in total distillate stocks to 131.3 mb (according to the latest preliminary data), 3.8 mb higher than 2002 levels. But we note that stocks of high sulphur material (heating oil) remain below 2002 comparatives. The split between high and low sulphur stocks can become more of an issue if there is tightness in low sulphur material as excess low sulphur stocks can always be blended to meet heating oil requirements if necessary.

The forward structures of IPE gasoil and NYMEX heating oil curves however remain divergent. This reflects the fact that some European consumers restocked in late-spring/early-summer. In the US (as noted above), pre-winter end-user tank filling has not yet started to kick-in, and spill-over concerns from last-year's colder-than-normal winter are keeping the heating oil market in contango through to January 2004. The stronger tail of the NYMEX heating oil forward market compared to year ago levels is symptomatic of the flattening of the forward structure in WTI crude futures.



End-User Product Prices in September

End-user product prices for fuel and heating purposes (See Table 9) were broadly flat in August. The notable exceptions however were in the US where continued upward wholesale pressure on gasoline caused a 4.9% increase in pump prices, while in Germany an end to regional maintenance contributed to a 4.1% fall in diesel prices. Fuel oil prices for industry however fell sharply in Europe as cooler weather reduced utility demand. Falls were sharpest in France, down 7% and in Italy, down 6.1%.

Freight

Freight rates firmed dramatically in September, helped by increasing volumes of Middle Eastern crude and the open arbitrage window for Brent-related sweet crudes from Africa to the Far East. However, VLCC rates peaked around the date of the OPEC meeting and have subsequently fallen sharply, particularly from the Middle East Gulf to the Far East despite general scepticism that there will be a significant fall in volume.

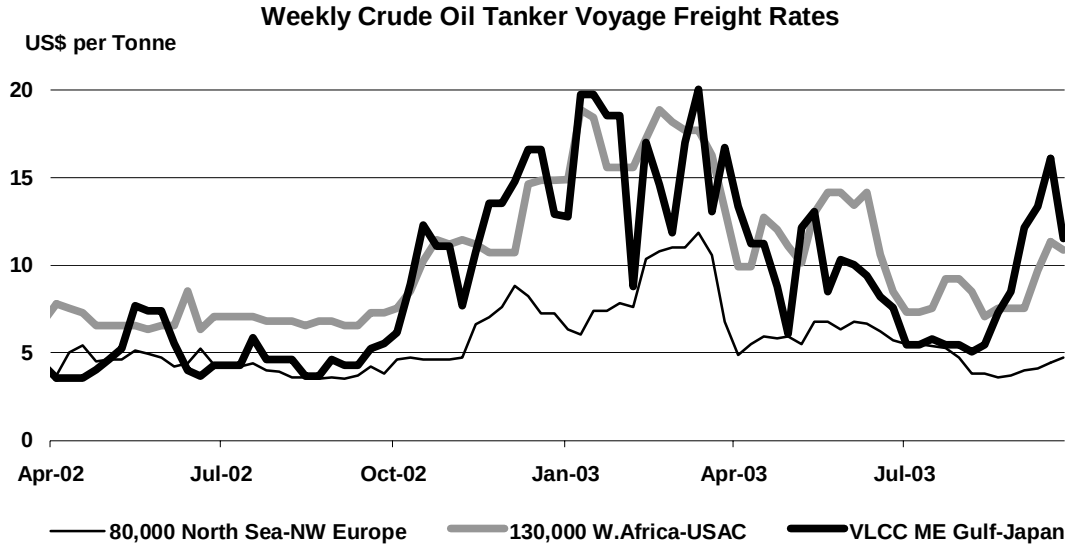
The shift downwards in rates has been seen with very little volume taking place, but brokers note that free tonnage is building, and may lead to further losses in early October. Rates from the Middle East Westwards have followed the downward trend, but to a lesser extent.

Suezmax rates have followed a similar pattern, but Aframax losses have been constrained on short-haul movements around the Med and North Sea.

On 21 October a ban on single-hull ships carrying heavy grades of oil calling at European Union ports comes into effect. The new laws were passed by the European Parliament in June in response to the Prestige tanker disaster after it spilt part of its 77,000 tonne heavy fuel oil cargo off the French and

Spanish coasts last year. The law was published in the official EU Journal at the beginning of October, and will take effect 20 days later.

However, the ban does not impact single hull tankers from passing through international waters within the EU block: loadings can still take place in the non-EU Baltic and Black Sea ports.



Clean tonnage weakened sharply during September, reflecting the lower US demand for gasoline and generally weaker shoulder season product demand. Even the strong flow of gasoil to the Far East from the Middle East Gulf failed to stem the rise, but the unusual arbitrage for North West Europe to West Africa that opened up helped to firm rates for those voyages. Typically clean freight rates rise sharply in the winter months and are closely correlated with gasoil prices.

Refining Margins in September

Falling gasoline prices, lower seasonal demand and more ample product stocks led to generally weaker refining margins by the end of September from end August values, but with distinct intra-month volatility and regional divergence. Falling gasoline values caused a deterioration of cracking margins relative to simple hydroskimming refineries.

Northwest European cracking and hydroskimming margins fell by close to 50 cents in September over August. Gasoline crack spreads lost ground heavily over the month as dated Brent prices fell by 6.3% and spot premium unleaded cargoes dropped by more than 15%. Fuel oil also underperformed, but to a lesser extent, while the outperformance of gasoil, jet kerosene and naphtha helped to limit losses. There was a modest improvement in hydroskimming over cracking margins, but this is more to do with the 10% fall in gross product net worth than a shift in returns.

Mediterranean margins were robust in September, rising fractionally during the month. As in Northwest Europe, gasoline and low sulphur fuel oil were relatively weak, while the middle of the barrel was relatively firm. Mid-month weakness in Urals however helped regional values to outperform Brent margins in Northwest Europe.

US Gulf WTI cracking margins outperformed Brent due to the relative weakness of the North American benchmark crude and higher freight rates. Gross product net-worth fell close to 13% for both crudes, or nearly $4.90/bbl. However, the average for September disguises the fact that WTI cracking margins peaked at $6/bbl on 11 September, but collapsed to under $2/bbl by 23 September. By the beginning of October they had recovered to $2.72 for WTI, which suggests that the sell-off had been overdone. At these price levels, there is little economic incentive to cut runs, but the incentive to maximise throughput at any costs is no longer there.

Far East gross product net-worth losses in September were around half the equivalent drops in Europe and the US. Gasoline only underperformed Dubai by a relatively modest amount on a month-end comparison basis, but on an average basis, September's underperformance was around 3%. Gasoil and high sulphur fuel oil cracks were strong and naphtha and jet kerosene outperformed,

but to a lesser degree. Overall, Singapore Dubai hydroskimming margins rose by 67 cents in September compared with cracking gains of 28 cents as strength switched from the light end to the middle end of the product stream.

Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Sep-Aug		Week Ending:				
	Jul	Aug	Sep	*Change*	*%*	29 Aug	05 Sep	12 Sep	19 Sep	26 Sep
Refining Margins										
NW Europe										
Brent (Hydroskimming)	0.19	0.09	-0.37	-0.45		0.11	0.21	-0.56	-0.17	-0.17
Brent (Cracking)	1.28	1.54	1.01	-0.53		1.64	1.89	0.97	1.00	0.87
Mediterranean										
Urals (Hydroskimming)	1.51	0.84	0.93	0.09		0.60	1.60	0.57	0.36	0.89
Urals (Cracking)	2.64	2.46	2.49	0.03		2.30	3.57	2.05	1.68	2.22
US Gulf Coast										
WTI (Cracking)	3.20	5.16	3.56	-1.60		4.38	4.17	5.79	2.13	2.07
Brent (Cracking)	3.62	5.33	3.14	-2.19		4.72	4.38	5.92	2.62	1.84
Singapore										
Dubai (Hydroskimming)	0.86	0.92	1.59	0.67		1.25	1.56	1.88	1.72	1.36
Dubai (Cracking)	2.30	3.37	3.65	0.28		3.91	3.82	4.01	3.61	3.35
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	29.68	31.01	27.84	-3.17	-10.2	31.03	28.56	27.02	26.01	27.86
Brent (Cracking)	30.86	32.56	29.32	-3.24	-10.0	32.66	30.34	28.65	27.28	29.00
Mediterranean										
Urals (Hydroskimming)	28.54	29.76	26.76	-3.00	-10.1	29.64	27.41	25.85	24.65	26.95
Urals (Cracking)	29.77	31.48	28.42	-3.06	-9.7	31.44	29.49	27.43	26.06	28.38
US Gulf Coast										
WTI (Cracking)	35.00	37.86	32.91	-4.95	-13.1	37.03	34.20	35.02	30.17	31.36
Brent (Cracking)	34.78	37.47	32.59	-4.88	-13.0	36.69	33.84	34.62	29.92	31.08
Singapore										
Dubai (Hydroskimming)	28.08	29.08	27.45	-1.64	-5.6	29.38	27.38	27.77	26.59	27.13
Dubai (Cracking)	29.62	31.64	29.61	-2.03	-6.4	32.14	29.74	30.00	28.57	29.22

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

OECD Refinery Throughput in August

OECD refinery throughputs rose in August to 38.9 mb/d from 38.7mb/d in July. July throughput was itself revised higher by 156,300 b/d from the preliminary estimate of 38.6 mb/d. This continues the trend of crude throughput levels remaining in the middle of the observed range for the past four years, and well above August 2002 levels of 38.3 mb/d, when refinery margins were under pressure due to rising crude prices.

North American runs continued the trend that has been in place since March and remained above the range of the prior four years. August throughputs rose slightly to 18.652 mb/d from 18.612 mb/d in July according to preliminary data, despite a string of refinery problems in the West Coast and the temporary glitches caused by the northern blackout (see September published OMR). US 50 data in particular rose to 15.6 mb/d in August from 15.6mb/d in July. However, it is likely that Canada, who's refinery system suffered more problems from the power grid failure than the US, could see preliminary estimates revised lower.

Preliminary US 50 data through to 26 September shows refinery runs falling to an average of 15.5 mb/d, but runs falling in the last week to 15.1 mb/d as autumn refinery maintenance takes effect. This represents a fall of 600,000 b/d and we would not expect runs to fall much further unless margins continue to deteriorate.

There were few serious refinery disruptions in September, although four refiners were forced to reduce run rates due to hurricane activity. A Midwest coker was also reported down for approximately one month of unscheduled maintenance. At the beginning of October, Murphy Oil

Corp. indicated it is restarting its 125,000 b/d refinery in Meraux, Louisiana, that has been shut since a fire on June 10. The plant is expected to reach full capacity by 10 October.

OECD European refinery output saw a 200,000 b/d upward revision to preliminary estimates for July throughput to 13.4 mb/d. Increases for Spain and Portugal were offset by a downwards revision to UK data, but French throughput was revised up by 200,000 b/d from preliminary data. Initial August estimates show a further increase to 13.65 mb/d. German refineries ended scheduled maintenance and cooler temperatures allowed the lifting of some technical throughput restrictions that had lowered gasoline output. This lifted regional throughput in August towards above the middle of the observed range over the past four years.

Refinery Crude Throughput and Utilisation in OECD Countries

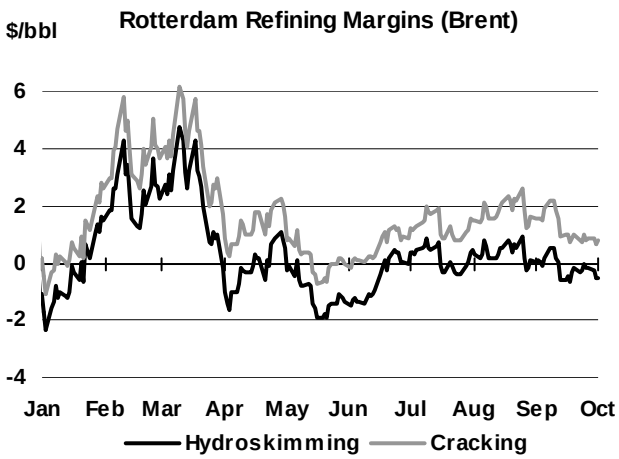
	million barrels per day						*Change from Aug 02*		Utilisation rate[2]	
	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	mb/d	%	Aug 03	Aug 02
OECD North America										
US[3]	14.93	15.57	15.92	15.62	15.55	15.60	0.28	1.8	92.9	91.2
Canada	1.63	1.68	1.83	1.89	1.78	1.78	-0.04	-0.4	91.5	91.9
Mexico	1.26	1.25	1.28	1.21	1.28	1.27	0.13	6.5	81.7	70.7
Total	17.82	18.51	19.03	18.72	18.62	18.65	0.83	1.9	91.9	90.2
OECD Europe										
France	1.64	1.57	1.66	1.69	1.83	1.80	0.15	9.3	94.7	86.6
Germany	2.25	2.29	2.15	2.14	1.97	2.25	0.07	0.1	99.7	99.7
Italy	1.80	1.76	1.76	1.75	1.85	1.85	0.07	10.2	81.1	73.6
Netherlands	0.93	1.02	1.07	1.05	1.10	1.06	0.05	9.8	87.6	79.7
Spain	1.09	1.21	1.21	1.16	1.20	1.18	0.07	6.9	91.5	85.7
UK	1.68	1.65	1.69	1.63	1.49	1.58	-0.06	-3.4	88.5	91.6
Other OECD Europe	3.97	3.96	3.73	3.91	4.00	3.93	0.32	1.5	85.5	84.3
Total	13.37	13.46	13.26	13.33	13.44	13.65	0.66	3.8	89.1	85.9
OECD Pacific										
Japan	4.43	4.23	3.84	3.65	3.90	3.94	0.02	0.5	79.4	79.0
Korea	2.30	2.14	2.02	2.11	2.09	1.83	-0.20	-10.6	71.5	80.1
Other OECD Pacific	0.82	0.84	0.83	0.72	0.69	0.81	-0.02	-4.4	85.0	88.9
Total	7.54	7.21	6.70	6.48	6.68	6.59	-0.20	-3.4	77.6	80.4
OECD Total	38.73	39.17	38.99	38.53	38.73	38.89	1.29	1.6	88.2	86.8

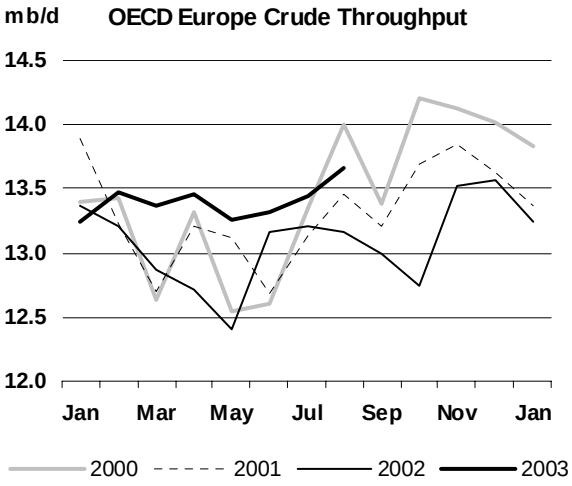
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

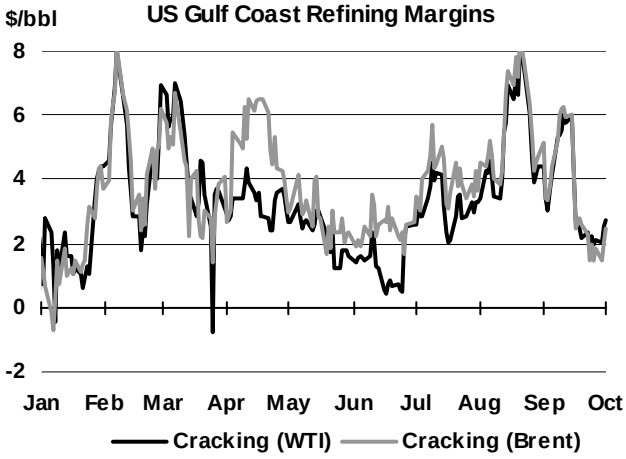
However, September throughput is expected to be lower as seasonal maintenance kicks in. In Northwest Europe a large refinery is expected to undergo a major six-week turnaround, while a Scandinavian refiner is expected to undertake work on a 22,500 b/d hydrocracker for 3 weeks at some point in the month. More widespread work is expected to be seen in the Mediterranean, but much in non-OECD countries. In total it is estimated that around 5% of capacity will be taken down, but with Europe generally running at 90% of capacity, we would not expect to see the full impact of those closures on refinery runs.

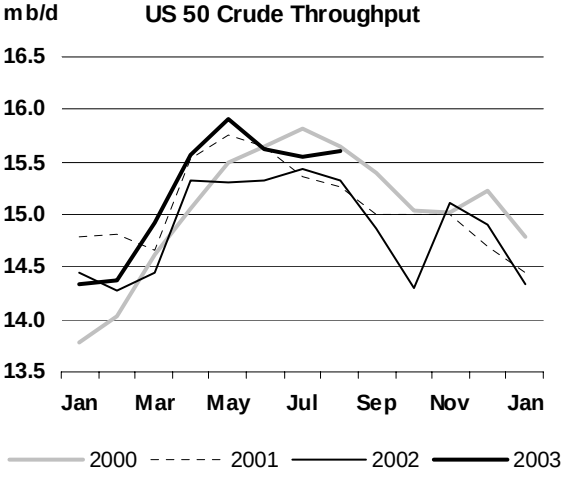
OECD Pacific throughput shows a drop to 6.59 mb/d in August according to preliminary releases from 6.681 mb/d in July. According to these figures August OECD Pacific crude runs fell below 2002 levels (and below the 4 year observed average) for the first time this year. Increases are expected to be modest in September, before a seasonal surge in throughput takes place in the fourth quarter.

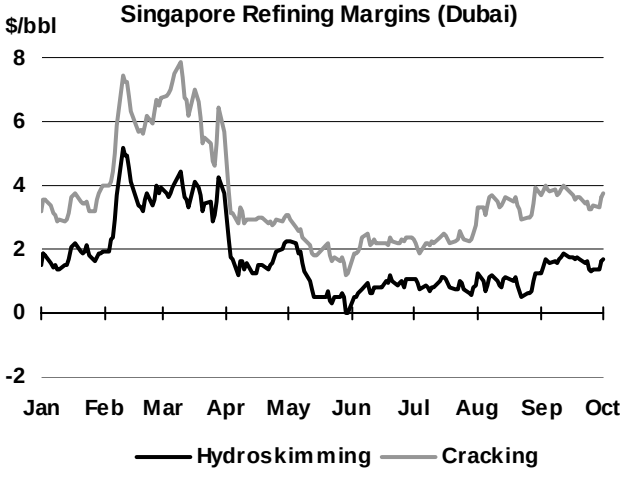
The bulk of the August decrease has been reported in South Korea, where throughput declined to 1.83 mb/d from 2.1 mb/d in July as scheduled maintenance took place. Although most of the Korean work is expected to be completed in September, regional run cuts in Indonesia and India are likely to restrict pre-winter stock building this month.


$/bbl
Rotterdam Refining Margins (Brent)
6
4
2
0
-2
-4
Jan Feb Mar Apr May Jun Jul Aug Sep Oct
Hydroskimming
Cracking


mb/d
OECD Europe Crude Throughput
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


$/bbl
US Gulf Coast Refining Margins
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct
Cracking (WTI)
Cracking (Brent)


mb/d
US 50 Crude Throughput
16.5
16.0
15.5
15.0
14.5
14.0
13.5
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


$/bbl
Singapore Refining Margins (Dubai)
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct
Hydroskimming
Cracking

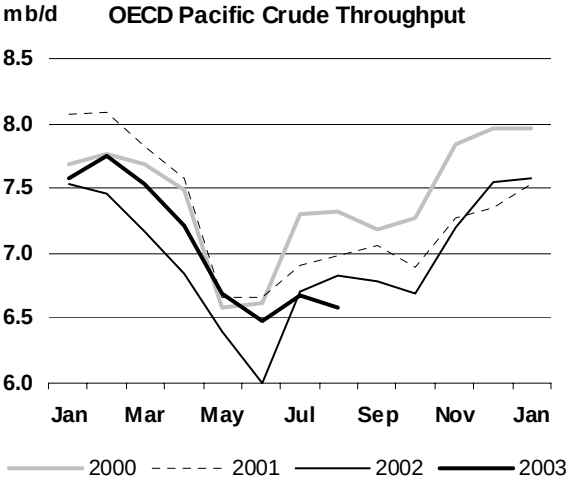

mb/d
OECD Pacific Crude Throughput
8.5
8.0
7.5
7.0
6.5
6.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.1	24.6	24.7	24.5	24.8	24.4	25.1	25.1	24.9
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	15.0	15.0	15.5	15.2	15.2	15.0	15.2	15.7	15.3
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	8.0	7.9	9.1	8.7	9.2	7.8	8.0	9.1	8.5
Total OECD	47.8	47.8	48.1	46.3	47.5	48.9	47.7	49.4	47.2	47.6	49.3	48.3	49.3	47.3	48.2	49.9	48.7
NON-OECD DEMAND																	
FSU	3.7	3.7	3.7	3.4	3.6	4.3	3.8	4.0	3.4	3.7	4.3	3.9	4.1	3.5	3.7	4.3	3.9
Europe	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	4.6	4.7	4.6	5.0	4.9	5.2	4.9	5.2	5.2	5.5	5.3	5.3	5.3	5.4	5.6	5.7	5.5
Other Asia	7.4	7.6	7.5	7.7	7.6	7.9	7.7	7.7	7.7	7.7	8.1	7.8	7.8	7.9	7.9	8.3	8.0
Latin America	4.9	4.9	4.7	4.8	4.9	4.7	4.8	4.5	4.6	4.8	4.7	4.6	4.5	4.7	4.8	4.8	4.7
Middle East	4.7	4.9	5.0	5.0	5.1	5.1	5.1	5.1	4.9	5.1	5.1	5.1	5.2	5.1	5.3	5.3	5.2
Africa	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.7
Total Non-OECD	28.4	29.1	29.0	29.2	29.4	30.5	29.5	29.9	29.2	30.1	30.9	30.0	30.5	30.0	30.7	31.8	30.8
Total Demand[1]	76.2	76.9	77.1	75.5	76.9	79.5	77.3	79.3	76.4	77.6	80.2	78.4	79.8	77.4	78.9	81.6	79.4
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	14.9	15.2	14.9	15.1	15.1	15.0	15.1	15.1
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.1	6.4	6.7	6.5	6.6	6.4	6.4	6.5	6.5
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.1	21.4	22.0	22.6	22.0	22.4	22.2	22.0	22.2	22.2
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.5	10.5	10.3	10.7	10.8	11.0	11.2	10.9
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.4	3.4	3.4	3.4
Other Asia	2.2	2.3	2.3	2.3	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.4	2.5	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.8	3.9	4.0	3.9	3.9	3.9	4.0	4.2	4.0
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.3	3.1	3.4	3.5	3.5	3.6	3.5
Total Non-OECD	22.3	23.1	23.9	24.1	24.5	24.6	24.3	24.7	25.0	25.5	25.9	25.3	26.0	26.2	26.5	27.0	26.4
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	46.0	46.6	47.7	48.0	47.7	48.5	48.0	48.7	48.1	49.3	50.2	49.1	50.3	50.2	50.3	51.1	50.5
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.2	26.4							
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	3.9	3.7	4.0	4.0	4.0	4.3	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.8	30.2							
Total Supply[4]	76.6	76.8	76.0	75.7	76.6	78.0	76.6	78.8	78.0	79.5							
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.2	-0.3	0.6	-0.9	-1.1	-0.4	-0.7	1.3								
Government	-0.1	0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.0								
Total	0.2	0.3	-0.1	0.7	-0.8	-0.8	-0.3	-0.5	1.3								
Floating Storage/Oil in Transit	0.1	-0.1	0.1	-0.2	0.0	-0.1	0.0	0.3	0.1								
Miscellaneous to balance[5]	0.2	-0.3	-1.1	-0.2	0.5	-0.6	-0.4	-0.3	0.2								
Total Stock Ch. & Misc	0.4	-0.1	-1.1	0.3	-0.3	-1.5	-0.7	-0.5	1.6	1.9							
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.4	27.1	26.0	24.0	25.7	27.5	25.8	27.4	24.6	24.6	26.0	25.6	25.5	23.2	24.6	26.3	24.9
Total Demand ex. FSU	72.5	73.2	73.4	72.1	73.3	75.2	73.5	75.3	73.0	73.9	75.9	74.5	75.7	73.9	75.2	77.3	75.5
Total demand exc. FSU (% ch)[7]	0.9	0.9	-0.7	-0.2	0.8	2.0	0.5	2.6	1.2	0.9	0.9	1.4	0.5	1.3	1.7	1.9	1.3

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply

2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses

3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.

4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply

5 Includes changes in non-reported stocks in OECD and non-OECD areas

6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods

7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	0.1	-	0.1
Europe	-	-	-	-	-	-	-	-	0.1	-0.2	-	-	-0.1	-	-0.1	-	-
Pacific	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	0.1	-0.2	0.1	-0.1	-	-	-0.1	-	-
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	0.1	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-0.1	-	-	0.1
Total Demand	-	-	-	-	-	-	-	-	0.1	-0.2	0.1	-	-	0.1	-	-	-
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	0.1	-	-	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-0.1	-0.2	-0.1
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1	-	-0.2	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	-0.1	-0.2	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-								
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-								
Total Supply	-	-	-	-	-	-	-	-	-								
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	0.1	-0.1	-	-	-	0.1								
Government	-	-	-	-	-	-	-	-	-								
Total	-	-	-	0.1	-	-	-	-	-								
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-0.2	0.2								
Miscellaneous to balance	-	-	-	-	-	-	-	0.2	-0.3								
Total Stock Ch. & Misc	-	-	-	0.1	-	-	-	-	-0.1								
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	0.1	-0.1	-	-0.1	-0.1	-	0.1	0.2	-
Total Demand ex. FSU	-	-	-	-	-	-	-	-	0.1	-0.2	0.1	-	-	0.1	-	-	-

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	First Quarter			April			May			June			Second Quarter		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	3.24	3.24	0.0	2.69	2.78	3.2	2.75	2.34	-14.9	2.63	2.29	-12.9	2.69	2.47	-8.3
Naphtha	0.39	0.40	2.4	0.43	0.41	-3.9	0.46	0.51	11.4	0.47	0.49	4.3	0.45	0.47	4.1
Motor Gasoline	9.74	9.84	1.1	10.02	10.07	0.5	10.38	10.45	0.6	10.44	10.52	0.8	10.28	10.35	0.6
Jet/Kerosene	1.83	1.85	1.2	1.87	1.75	-6.6	1.76	1.73	-1.6	1.88	1.75	-6.9	1.84	1.74	-5.0
Gasoil	4.67	5.16	10.6	4.62	4.80	3.9	4.50	4.58	1.9	4.37	4.62	5.9	4.49	4.67	3.9
Residual Fuel Oil	1.45	1.48	2.0	1.41	1.51	7.3	1.36	1.38	1.3	1.38	1.40	1.2	1.38	1.43	3.3
Other Products	2.61	2.60	-0.3	2.76	2.88	4.5	2.87	2.83	-1.2	3.03	3.16	4.3	2.88	2.96	2.5
Total	23.93	24.58	2.7	23.80	24.21	1.7	24.07	23.82	-1.0	24.19	24.23	0.2	24.02	24.08	0.2
Europe															
LPG	1.07	1.12	4.5	0.93	1.05	12.4	0.87	0.99	14.6	0.85	0.90	5.7	0.88	0.98	11.0
Naphtha	1.12	1.22	9.0	1.05	1.20	14.1	1.02	1.08	5.8	1.10	1.05	-4.2	1.06	1.11	5.1
Motor Gasoline	2.76	2.64	-4.1	2.93	2.92	-0.2	2.98	2.87	-3.7	2.92	2.91	-0.3	2.94	2.90	-1.4
Jet/Kerosene	1.01	1.10	9.2	1.03	1.08	4.3	1.06	1.11	5.0	1.11	1.14	3.0	1.07	1.11	4.1
Gasoil	5.72	5.96	4.0	5.59	5.75	2.8	5.10	5.51	8.1	5.39	5.59	3.9	5.35	5.62	4.9
Residual Fuel Oil	2.29	2.04	-11.2	2.00	1.87	-6.3	1.96	1.82	-7.0	1.98	1.90	-4.2	1.98	1.86	-5.9
Other Products	1.17	1.12	-4.5	1.27	1.24	-2.1	1.32	1.47	11.2	1.42	1.50	5.4	1.34	1.40	5.0
Total	15.14	15.19	0.3	14.81	15.12	2.1	14.30	14.85	3.9	14.77	14.99	1.5	14.62	14.99	2.5
Pacific															
LPG	0.97	1.00	3.3	0.94	0.85	-9.3	0.86	0.82	-5.0	0.80	0.82	2.5	0.87	0.83	-4.3
Naphtha	1.52	1.60	5.2	1.44	1.39	-3.4	1.30	1.42	9.4	1.37	1.39	1.3	1.37	1.40	2.3
Motor Gasoline	1.52	1.54	1.1	1.56	1.55	-0.5	1.54	1.59	3.4	1.52	1.56	2.7	1.54	1.57	1.8
Jet/Kerosene	1.46	1.56	7.4	0.85	0.85	0.8	0.66	0.68	2.9	0.68	0.71	3.7	0.73	0.75	2.4
Gasoil	1.98	2.03	2.4	1.89	1.80	-4.9	1.71	1.83	7.3	1.81	1.91	5.5	1.80	1.85	2.5
Residual Fuel Oil	1.14	1.30	14.2	0.98	1.15	16.7	0.93	1.13	20.6	0.90	1.11	24.0	0.94	1.13	20.3
Other Products	0.47	0.57	21.7	0.40	0.53	31.7	0.38	0.50	33.9	0.39	0.53	35.7	0.39	0.52	33.7
Total	9.06	9.60	6.0	8.07	8.13	0.8	7.38	7.97	8.1	7.48	8.04	7.5	7.64	8.04	5.3
OECD															
LPG	5.28	5.37	1.5	4.57	4.68	2.5	4.47	4.15	-7.3	4.28	4.01	-6.3	4.44	4.28	-3.7
Naphtha	3.03	3.21	6.2	2.93	3.01	2.8	2.78	3.01	8.4	2.94	2.93	-0.3	2.88	2.98	3.6
Motor Gasoline	14.02	14.02	0.0	14.51	14.55	0.3	14.90	14.91	0.0	14.87	14.99	0.8	14.76	14.82	0.3
Jet/Kerosene	4.30	4.52	5.2	3.75	3.68	-1.9	3.48	3.52	1.3	3.67	3.60	-1.9	3.63	3.60	-0.9
Gasoil	12.37	13.14	6.2	12.10	12.35	2.0	11.30	11.93	5.5	11.56	12.13	4.9	11.65	12.13	4.1
Residual Fuel Oil	4.89	4.82	-1.4	4.39	4.53	3.2	4.25	4.33	1.7	4.26	4.41	3.5	4.30	4.42	2.8
Other Products	4.25	4.29	1.0	4.43	4.66	5.1	4.56	4.80	5.3	4.84	5.19	7.2	4.61	4.88	5.9
Total	48.13	49.37	2.6	46.68	47.45	1.7	45.74	46.64	2.0	46.44	47.26	1.8	46.28	47.11	1.8

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	April			May			June			Second Quarter			July		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	1.92	1.98	3.2	1.99	1.58	-20.6	1.93	1.54	-20.1	1.95	1.70	-12.7	1.98	1.74	-12.3
Naphtha	0.32	0.29	-10.9	0.34	0.39	14.5	0.37	0.37	0.6	0.34	0.35	1.7	0.36	0.40	9.6
Motor Gasoline	8.77	8.79	0.2	9.08	9.10	0.2	9.14	9.17	0.3	9.00	9.02	0.2	9.14	9.21	0.7
Jet/Kerosene	1.69	1.56	-7.6	1.57	1.52	-3.5	1.69	1.56	-7.6	1.65	1.55	-6.3	1.70	1.64	-3.5
Gasoil	3.82	3.97	3.9	3.68	3.69	0.3	3.59	3.78	5.2	3.70	3.81	3.1	3.68	3.68	-0.1
Residual Fuel Oil	0.73	0.81	10.8	0.68	0.69	1.4	0.67	0.69	3.7	0.69	0.73	5.4	0.61	0.79	28.1
Other Products	2.31	2.38	3.1	2.39	2.31	-3.2	2.49	2.66	6.8	2.40	2.45	2.2	2.60	2.73	5.2
Total	19.55	19.77	1.1	19.73	19.28	-2.3	19.87	19.77	-0.5	19.72	19.60	-0.6	20.08	20.17	0.5
Japan[3]															
LPG	0.59	0.55	-8.1	0.51	0.51	-1.2	0.47	0.49	4.9	0.53	0.52	-2.0	0.50	0.47	-6.7
Naphtha	0.74	0.76	2.6	0.72	0.76	5.4	0.75	0.70	-6.4	0.73	0.74	0.5	0.89	0.77	-13.1
Motor Gasoline	1.01	1.01	-0.7	1.00	1.03	2.2	0.99	1.04	4.7	1.00	1.02	2.1	1.11	1.06	-4.6
Jet/Kerosene	0.58	0.61	4.9	0.44	0.46	4.6	0.46	0.47	2.3	0.49	0.51	4.0	0.47	0.43	-9.0
Diesel	0.66	0.62	-6.4	0.61	0.61	-0.4	0.64	0.63	-2.4	0.64	0.62	-3.1	0.67	0.63	-5.4
Other Gasoil	0.53	0.51	-2.7	0.45	0.48	6.3	0.47	0.51	9.0	0.48	0.50	3.9	0.49	0.49	-0.7
Residual Fuel Oil	0.46	0.67	45.9	0.45	0.66	47.5	0.48	0.68	41.5	0.46	0.67	44.9	0.56	0.60	7.8
Direct use of Crude Oil	0.01	0.11	1982.0	0.00	0.13	4405.7	0.03	0.16	544.4	0.01	0.13	1112.9	0.05	0.08	62.9
Other Products	0.29	0.31	5.7	0.28	0.27	-1.1	0.26	0.27	4.2	0.28	0.29	2.9	0.29	0.29	1.3
Total	4.86	5.13	5.5	4.47	4.90	9.7	4.55	4.95	8.9	4.62	4.99	8.0	5.03	4.83	-4.1
Germany															
LPG	0.09	0.10	6.8	0.08	0.09	14.1	0.08	0.09	20.3	0.08	0.09	13.3	0.09	0.09	4.1
Naphtha	0.40	0.39	-2.5	0.35	0.36	2.8	0.39	0.37	-5.7	0.38	0.37	-1.9	0.40	0.35	-13.2
Motor Gasoline	0.65	0.62	-4.6	0.64	0.62	-3.7	0.64	0.62	-2.8	0.65	0.62	-3.7	0.66	0.62	-5.0
Jet/Kerosene	0.14	0.15	6.1	0.15	0.15	0.5	0.16	0.15	-4.0	0.15	0.15	0.6	0.16	0.16	-2.7
Diesel	0.55	0.59	7.4	0.51	0.57	12.8	0.52	0.57	9.0	0.53	0.58	9.7	0.55	0.62	12.9
Other Gasoil	0.57	0.64	12.6	0.50	0.68	35.5	0.68	0.60	-12.6	0.58	0.64	9.6	0.74	0.51	-30.3
Residual Fuel Oil	0.18	0.17	-3.8	0.18	0.19	3.2	0.17	0.18	5.6	0.18	0.18	1.6	0.18	0.17	-7.3
Other Products	0.10	0.08	-20.8	0.08	0.09	19.6	0.13	0.09	-29.2	0.10	0.09	-13.8	0.14	0.11	-20.2
Total	2.67	2.74	2.3	2.49	2.75	10.5	2.78	2.68	-3.6	2.65	2.72	2.9	2.92	2.64	-9.6
Italy															
LPG	0.12	0.13	14.1	0.10	0.10	3.7	0.09	0.10	6.9	0.10	0.11	8.5	0.09	0.11	14.3
Naphtha	0.07	0.12	56.7	0.08	0.10	17.9	0.07	0.10	27.3	0.08	0.10	33.1	0.07	0.09	24.2
Motor Gasoline	0.39	0.41	4.9	0.39	0.40	2.4	0.38	0.40	4.3	0.39	0.40	3.8	0.42	0.42	1.1
Jet/Kerosene	0.06	0.09	37.4	0.06	0.09	41.6	0.07	0.09	37.3	0.06	0.09	38.7	0.07	0.10	32.6
Diesel	0.43	0.46	5.9	0.45	0.47	4.1	0.45	0.49	10.3	0.44	0.47	6.8	0.45	0.49	7.3
Other Gasoil	0.12	0.13	6.4	0.11	0.12	10.4	0.12	0.09	-23.5	0.12	0.11	-2.7	0.14	0.10	-24.3
Residual Fuel Oil	0.46	0.35	-24.7	0.44	0.35	-21.7	0.46	0.42	-8.1	0.45	0.37	-18.2	0.51	0.42	-17.4
Other Products	0.15	0.13	-9.6	0.15	0.16	5.9	0.16	0.15	-6.0	0.15	0.15	-3.2	0.15	0.16	4.9
Total	1.81	1.81	0.3	1.79	1.79	-0.2	1.81	1.85	2.2	1.80	1.81	0.8	1.92	1.90	-1.2
France															
LPG	0.10	0.10	0.0	0.09	0.08	-4.2	0.08	0.08	-3.9	0.09	0.09	-2.6	0.09	0.09	1.1
Naphtha	0.12	0.16	40.8	0.14	0.18	34.3	0.18	0.19	8.7	0.14	0.18	25.5	0.15	0.21	36.0
Motor Gasoline	0.32	0.30	-5.5	0.32	0.29	-8.4	0.31	0.31	-0.9	0.31	0.30	-5.0	0.35	0.32	-9.0
Jet/Kerosene	0.14	0.14	3.1	0.14	0.14	2.7	0.15	0.15	0.3	0.14	0.15	2.0	0.15	0.16	7.7
Diesel	0.64	0.64	0.1	0.60	0.59	-1.9	0.61	0.64	4.7	0.62	0.62	0.9	0.67	0.66	-2.1
Other Gasoil	0.34	0.32	-4.8	0.23	0.27	17.3	0.30	0.32	8.2	0.29	0.30	5.7	0.38	0.34	-9.7
Residual Fuel Oil	0.11	0.10	-9.5	0.10	0.11	14.2	0.11	0.11	3.8	0.11	0.11	2.3	0.10	0.12	19.7
Other Products	0.17	0.21	18.9	0.18	0.21	21.3	0.20	0.22	11.4	0.18	0.21	17.0	0.21	0.25	20.9
Total	1.93	1.97	2.1	1.79	1.89	5.6	1.94	2.03	4.6	1.88	1.96	4.1	2.09	2.14	2.3
United Kingdom															
LPG	0.17	0.18	3.1	0.14	0.16	9.6	0.15	0.15	0.0	0.16	0.16	4.2	0.18	0.16	-10.0
Naphtha	0.02	0.06	124.8	0.03	0.05	83.8	0.03	0.03	5.1	0.03	0.04	68.2	0.02	0.05	175.9
Motor Gasoline	0.46	0.47	1.8	0.48	0.44	-7.7	0.47	0.44	-6.5	0.47	0.45	-4.2	0.46	0.45	-0.3
Jet/Kerosene	0.30	0.29	-2.5	0.29	0.30	1.1	0.27	0.27	-1.9	0.29	0.29	-1.1	0.31	0.27	-10.1
Diesel	0.34	0.34	-0.7	0.34	0.36	4.6	0.33	0.40	22.4	0.34	0.36	8.5	0.36	0.36	1.0
Other Gasoil	0.16	0.17	5.3	0.16	0.14	-11.9	0.14	0.14	0.9	0.15	0.15	-2.1	0.15	0.16	3.6
Residual Fuel Oil	0.09	0.07	-19.9	0.09	0.08	-3.1	0.10	0.09	-8.5	0.09	0.08	-10.5	0.07	0.09	35.8
Other Products	0.14	0.12	-15.6	0.14	0.12	-10.6	0.13	0.13	-3.0	0.14	0.12	-9.9	0.16	0.13	-18.1
Total	1.70	1.70	0.2	1.67	1.65	-1.1	1.62	1.65	1.7	1.66	1.67	0.2	1.70	1.68	-0.9
Canada															
LPG	0.32	0.35	10.1	0.31	0.32	5.1	0.27	0.32	18.6	0.30	0.33	10.9	0.29	0.29	-0.4
Naphtha	0.07	0.07	0.9	0.07	0.09	21.0	0.09	0.07	-18.6	0.08	0.08	-0.2	0.09	0.07	-26.3
Motor Gasoline	0.66	0.65	-1.3	0.68	0.69	1.9	0.71	0.72	1.7	0.68	0.69	0.8	0.74	0.74	0.3
Jet/Kerosene	0.09	0.10	4.2	0.10	0.13	30.0	0.10	0.09	-3.6	0.10	0.11	10.5	0.12	0.12	1.7
Diesel	0.19	0.17	-12.0	0.19	0.19	-0.4	0.17	0.18	5.2	0.18	0.18	-2.6	0.16	0.17	4.9
Other Gasoil	0.28	0.30	9.9	0.27	0.31	12.5	0.26	0.28	6.0	0.27	0.30	9.6	0.28	0.29	5.1
Residual Fuel Oil	0.14	0.15	7.6	0.12	0.16	33.6	0.15	0.18	23.5	0.14	0.16	21.2	0.12	0.14	19.3
Other Products	0.25	0.25	-0.1	0.26	0.28	6.9	0.31	0.22	-28.4	0.27	0.25	-8.5	0.32	0.32	-0.6
Total	2.00	2.04	2.1	2.00	2.16	8.3	2.06	2.07	0.6	2.02	2.09	3.7	2.12	2.14	1.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Jul 03	Aug 03	Sep 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.76	8.30				8.38	8.33	8.18
Iran	3.47			3.71	3.77				3.73	3.80	3.78
Iraq	2.01			0.29	1.05				0.66	1.07	1.45
UAE	1.99			2.32	2.28				2.29	2.33	2.22
Kuwait	1.60			1.90	1.78				1.78	1.78	1.78
Neutral Zone	0.54			0.61	0.60				0.60	0.60	0.60
Qatar	0.64			0.74	0.72				0.72	0.73	0.71
Nigeria	1.97			2.03	2.14				2.14	2.15	2.14
Libya	1.32			1.43	1.42				1.42	1.42	1.44
Algeria	0.85			1.11	1.14				1.13	1.13	1.15
Venezuela	2.29			2.27	2.24				2.25	2.25	2.23
Indonesia	1.11			1.01	1.00				1.00	1.00	1.00
Total Crude Oil	25.15			26.19	26.43				26.08	26.57	26.66
Total NGLs[1]	3.47	3.66	4.07	3.65	3.78	3.94	4.01	4.00	3.70	3.79	3.87
Total OPEC	28.62			29.84	30.22				29.78	30.36	30.53
NON-OPEC[2]											
OECD											
North America	14.58	14.86	15.08	14.58	14.91	15.21	15.14	15.08	14.82	15.07	14.85
United States	8.12	8.00	8.17	7.84	7.95	8.17	8.15	8.22	7.78	8.09	7.97
Mexico	3.59	3.78	3.74	3.74	3.82	3.83	3.80	3.77	3.81	3.85	3.78
Canada	2.88	3.08	3.16	3.00	3.15	3.21	3.19	3.09	3.22	3.13	3.10
Europe	6.61	6.47	6.48	6.14	6.38	6.67	6.62	6.43	6.20	6.42	6.53
UK	2.50	2.41	2.35	2.23	2.39	2.52	2.45	2.32	2.23	2.48	2.45
Norway	3.33	3.27	3.33	3.13	3.22	3.35	3.35	3.30	3.22	3.16	3.29
Others	0.78	0.79	0.81	0.78	0.77	0.80	0.82	0.81	0.75	0.78	0.79
Pacific	0.76	0.69	0.66	0.66	0.70	0.69	0.69	0.65	0.73	0.70	0.68
Australia	0.71	0.64	0.62	0.61	0.66	0.65	0.65	0.61	0.69	0.65	0.64
Others	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total OECD	21.96	22.02	22.22	21.38	22.00	22.57	22.45	22.16	21.75	22.19	22.05
NON-OECD											
Former USSR	9.37	10.27	10.93	10.15	10.47	10.54	10.65	10.81	10.36	10.45	10.60
Russia	7.66	8.44	8.93	8.34	8.67	8.62	8.69	8.82	8.59	8.68	8.76
Others	1.71	1.83	2.00	1.81	1.79	1.93	1.97	1.99	1.77	1.77	1.85
Asia	5.74	5.83	5.88	5.84	5.80	5.89	5.91	5.89	5.80	5.77	5.82
China	3.39	3.42	3.44	3.44	3.40	3.44	3.45	3.45	3.38	3.39	3.43
Malaysia	0.76	0.79	0.81	0.78	0.78	0.82	0.83	0.81	0.78	0.78	0.79
India	0.75	0.75	0.75	0.73	0.75	0.76	0.76	0.75	0.77	0.73	0.76
Others	0.84	0.87	0.88	0.88	0.86	0.87	0.88	0.89	0.87	0.87	0.83
Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.90	3.89	4.02	3.81	3.93	3.96	3.94	3.94	3.89	3.94	3.96
Brazil	1.72	1.77	1.83	1.72	1.78	1.82	1.79	1.77	1.75	1.79	1.81
Argentina	0.80	0.78	0.77	0.79	0.78	0.78	0.77	0.77	0.78	0.79	0.78
Colombia	0.59	0.55	0.52	0.55	0.55	0.53	0.53	0.52	0.56	0.56	0.54
Ecuador	0.40	0.40	0.50	0.35	0.42	0.44	0.46	0.49	0.41	0.42	0.43
Others	0.39	0.39	0.41	0.40	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Middle East[3]	2.10	2.01	1.93	2.01	2.00	1.98	1.95	1.93	2.00	2.01	1.99
Oman	0.90	0.82	0.77	0.82	0.82	0.80	0.79	0.77	0.81	0.83	0.81
Syria	0.55	0.53	0.50	0.53	0.52	0.52	0.51	0.50	0.53	0.52	0.52
Yemen	0.46	0.46	0.47	0.46	0.47	0.46	0.47	0.47	0.47	0.47	0.47
Africa	2.99	3.09	3.49	2.99	3.13	3.32	3.37	3.46	3.04	3.13	3.22
Egypt	0.75	0.75	0.73	0.76	0.74	0.74	0.74	0.73	0.74	0.74	0.74
Angola	0.90	0.89	1.03	0.89	0.90	0.93	0.96	0.99	0.89	0.91	0.91
Gabon	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.23	0.24	0.25
Others	1.09	1.21	1.49	1.09	1.25	1.40	1.42	1.50	1.18	1.24	1.32
Total Non-OECD	24.27	25.26	26.41	24.96	25.49	25.85	25.99	26.20	25.26	25.47	25.75
Processing Gains[4]	1.76	1.80	1.83	1.78	1.78	1.82	1.85	1.81	1.78	1.78	1.78
TOTAL NON-OPEC	47.99	49.09	50.47	48.12	49.28	50.25	50.29	50.17	48.79	49.45	49.59
TOTAL SUPPLY	76.61			77.96	79.49				78.57	79.81	80.11

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Jul-03	Aug-03	Sep-03
United States											
Alaska	986	989	967	997	941	1010	1017	975	926	929	967
California	790	763	737	763	761	759	750	741	762	761	761
Texas	1145	1111	1078	1106	1109	1107	1096	1084	1100	1120	1106
Federal Gulf of Mexico[2]	1601	1717	1913	1702	1695	1749	1830	1910	1664	1724	1698
Other US Lower 48	1294	1249	1196	1242	1251	1245	1226	1206	1247	1268	1239
NGLs[3]	1881	1753	1864	1603	1762	1880	1810	1885	1650	1856	1780
Other Hydrocarbons	417	422	417	422	428	416	417	417	436	431	416
Total	8115	8004	8172	7835	7947	8167	8146	8218	7784	8089	7967
Canada											
Alberta Light/Medium/Heavy	659	640	628	628	645	640	635	614	650	648	637
Alberta Bitumen	299	344	360	345	342	356	361	348	335	339	351
Saskatchewan	421	417	411	416	419	417	415	402	422	416	419
Other Crude	366	411	411	435	382	422	422	422	444	361	338
NGLs	698	725	735	710	720	740	740	720	720	720	720
Synthetic Crudes	440	540	618	468	645	635	618	585	651	650	635
Total	2883	3078	3163	3002	3153	3210	3191	3090	3223	3134	3100
Mexico											
Crude	3177	3366	3318	3333	3396	3410	3379	3346	3400	3426	3360
NGLs	408	416	425	409	419	420	425	425	412	425	420
Total	3585	3782	3743	3741	3815	3830	3804	3771	3812	3851	3780
UK Offshore[4]											
Brent Fields	243	227	211	220	230	233	228	209	224	253	211
Forties Fields	794	768	775	648	758	841	814	769	681	795	800
Ninian Fields	107	98	93	92	98	98	92	92	91	102	100
Flotta Fields	132	106	93	93	107	107	100	92	101	112	109
Other Fields	961	940	894	914	949	952	920	883	919	967	963
NGLs	212	234	245	221	205	255	260	240	175	215	225
Total	2450	2373	2312	2188	2347	2486	2414	2285	2191	2443	2408
Norway [4]											
Ekofisk-Ula Area	490	483	459	477	478	481	464	463	468	484	484
Oseberg-Troll Area	754	741	740	678	720	767	763	738	739	691	730
Statfjord-Gullfaks Area	874	869	796	851	870	863	840	797	902	826	882
Haltenbanken Area	716	629	604	594	617	660	634	604	583	619	650
Sleipner-Frigg Area	157	171	328	172	159	184	251	303	148	163	167
NGLs	335	375	399	355	380	395	401	396	379	380	380
Total	3325	3269	3326	3127	3224	3350	3353	3300	3219	3163	3293
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	436	444	435	420	432	450	446	408	425	427
UK Onshore	54	41	33	41	39	37	36	34	40	37	39
Italy	84	100	118	93	99	115	115	115	92	100	105
Turkey	47	46	46	46	47	47	46	46	48	46	46
Other	159	156	154	154	157	156	155	154	159	155	156
NGLs (excl. North Sea)	27	24	21	24	22	22	22	22	20	23	22
Non-Conventional Oils	29	28	28	31	29	29	29	29	27	29	30
Total	837	831	844	825	812	838	852	845	794	816	825
Australia											
Gippsland Basin	140	118	103	121	120	117	111	106	119	120	120
Cooper-Eromanga Basin	25	23	22	22	22	22	22	22	22	23	22
Carnarvon Basin	359	338	328	315	352	347	352	322	375	348	332
Other Crude	104	78	70	72	77	77	74	71	77	76	77
NGLs	79	83	97	83	87	85	85	85	92	85	85
Total	707	640	620	613	658	648	644	605	685	652	636
Other OECD Pacific											
New Zealand	31	25	24	25	24	24	24	24	24	24	24
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	18	16	14	15	14	14	14	14	14	15	15
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	47	44	46	44	44	44	44	44	45	44
OECD											
Crude Oil	17403	17397	17348	17025	17280	17670	17617	17331	17171	17353	17316
NGLs	3667	3636	3812	3430	3618	3822	3768	3798	3467	3730	3658
Non-Conventional Oils	886	990	1064	922	1102	1080	1064	1031	1114	1111	1080
Total	21955	22024	22224	21377	21999	22572	22449	22159	21753	22193	22054

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Apr2003	May2003	Jun2003	Jul2003	Aug2003*	Aug2000	Aug2001	Aug2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	397.9	391.8	391.6	389.1	379.8	392.6	414.3	404.3	-0.53	0.07	0.07	0.01
Motor Gasoline	239.0	239.4	237.4	231.4	221.8	222.0	224.6	235.3	-0.11	0.04	-0.11	0.06
Middle Distillate	163.7	176.5	182.7	190.3	199.2	184.5	199.6	203.7	-0.03	0.06	-0.48	0.19
Residual Fuel Oil	39.6	45.1	44.4	39.7	38.6	45.7	42.3	41.9	0.01	-0.02	0.01	0.04
Total Products[3]	589.1	624.6	641.2	645.2	651.2	631.9	654.3	677.5	-0.05	-0.27	-0.87	0.72
Total[4]	1118.8	1156.4	1178.2	1180.9	1181.6	1176.3	1230.4	1241.6	-0.50	-0.48	-0.87	0.90
Europe												
Crude	327.4	313.9	308.0	319.4	319.9	295.0	309.1	305.3	-0.19	-0.13	0.35	-0.14
Motor Gasoline	112.4	114.6	111.1	107.5	107.4	119.4	113.2	117.1	-0.06	0.01	0.02	-0.08
Middle Distillate	222.3	232.0	232.6	234.0	238.1	232.7	232.0	266.3	0.02	-0.21	-0.25	0.16
Residual Fuel Oil	74.2	68.9	66.8	67.2	69.5	83.4	80.6	69.9	0.01	0.06	-0.06	-0.03
Total Products[3]	510.1	520.7	515.7	513.1	519.9	540.2	545.0	560.4	-0.09	-0.18	-0.28	0.10
Total[4]	911.4	902.4	892.8	904.6	911.1	902.0	915.8	929.7	-0.30	-0.29	0.15	-0.07
Pacific												
Crude	166.8	172.3	188.8	192.6	181.7	167.4	177.5	175.8	-0.09	-0.05	0.24	0.07
Motor Gasoline	26.4	25.9	25.6	26.6	25.3	24.0	25.9	25.6	-0.02	-0.01	0.02	0.00
Middle Distillate	63.2	70.8	72.0	73.8	79.1	81.7	82.6	86.1	0.08	-0.19	-0.09	0.17
Residual Fuel Oil	23.8	24.8	24.6	26.1	25.6	23.6	24.5	25.0	-0.03	0.00	0.00	0.03
Total Products[3]	177.1	185.0	190.9	196.1	203.7	200.4	208.6	203.1	0.05	-0.23	-0.15	0.29
Total[4]	413.5	429.8	452.9	462.7	458.4	450.2	467.1	456.1	-0.08	-0.32	0.03	0.44
Total OECD												
Crude	892.1	877.9	888.3	901.1	881.4	854.9	900.9	885.4	-0.81	-0.11	0.66	-0.07
Motor Gasoline	377.7	379.8	374.0	365.5	354.5	365.3	363.7	377.9	-0.19	0.04	-0.06	-0.03
Middle Distillate	449.2	479.3	487.4	498.1	516.4	498.9	514.1	556.1	0.07	-0.34	-0.82	0.52
Residual Fuel Oil	137.5	138.8	135.8	132.9	133.7	152.6	147.5	136.7	-0.01	0.03	-0.05	0.03
Total Products[3]	1276.2	1330.3	1347.8	1354.4	1374.7	1372.5	1407.8	1441.0	-0.08	-0.68	-1.30	1.11
Total[4]	2443.7	2488.6	2523.9	2548.2	2551.0	2528.5	2613.3	2627.3	-0.88	-1.09	-0.68	1.28

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Apr2003	May2003	Jun2003	Jul2003	Aug2003*	Aug2000	Aug2001	Aug2002	3Q2002	4Q2002	1Q2003	2Q2003
North America												
Crude	599.6	603.1	608.5	612.4	617.8	571.4	543.7	582.3	0.12	0.13	0.00	0.10
Products[7]	2.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	150.7	153.1	153.8	152.3	152.3	139.7	138.4	148.1	0.05	0.08	0.02	-0.05
Products	201.8	200.2	202.8	204.1	204.1	212.6	204.5	195.2	-0.09	0.02	0.10	-0.01
Pacific												
Crude	383.0	383.0	383.0	382.8	382.8	364.4	366.2	379.1	-0.03	0.01	0.04	0.00
Products	9.6	9.6	9.6	10.0	10.3	6.7	7.3	7.3	0.00	0.02	0.00	0.00
Total OECD												
Crude	1133.3	1139.2	1145.3	1147.5	1152.9	1075.4	1048.3	1109.4	0.14	0.22	0.06	0.05
Products	213.3	211.8	214.3	216.1	216.4	219.3	213.8	204.5	-0.09	0.04	0.10	-0.01
Total[4]	1347.7	1351.9	1360.7	1364.6	1370.3	1295.8	1263.1	1314.9	0.05	0.26	0.16	0.04

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Previously confidential Korean government stocks are now included.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6
INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	March			April			May			June			July		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	333.5	280.5	-15.9	324.6	290.2	-10.6	327.0	283.6	-13.3	317.6	283.2	-10.8	304.3	283.2	-6.9
Motor Gasoline	213.4	199.9	-6.3	216.4	207.5	-4.1	218.1	208.3	-4.5	216.6	206.0	-4.9	214.5	200.5	-6.5
Middle Distillate	168.9	137.9	-18.4	166.8	136.4	-18.2	172.0	148.9	-13.4	176.3	154.0	-12.6	176.6	160.0	-9.4
Residual Fuel Oil	34.3	32.3	-5.8	34.6	31.1	-10.1	33.9	36.2	6.8	32.7	35.6	8.9	33.5	31.6	-5.7
Other Products	130.7	107.5	-17.8	143.2	113.9	-20.5	152.0	128.8	-15.3	159.7	142.1	-11.0	165.0	148.9	-9.8
Total Products	547.3	477.6	-12.7	561.0	488.9	-12.9	576.0	522.2	-9.3	585.3	537.7	-8.1	589.6	541.0	-8.2
Other[3]	130.5	115.3	-11.6	136.1	116.7	-14.3	136.6	121.4	-11.1	136.7	129.0	-5.6	138.4	130.2	-5.9
Total	1011.3	873.4	-13.6	1021.7	895.8	-12.3	1039.6	927.2	-10.8	1039.6	949.9	-8.6	1032.3	954.4	-7.5
Japan															
Crude	129.6	138.9	7.2	120.3	126.3	5.0	115.7	131.8	13.9	128.2	142.3	11.0	126.3	140.1	10.9
Motor Gasoline	15.7	13.4	-14.6	15.1	14.3	-5.3	15.4	13.7	-11.0	14.0	13.8	-1.4	13.1	14.4	9.9
Middle Distillate	38.0	30.9	-18.7	37.9	36.2	-4.5	40.6	41.4	2.0	39.0	40.8	4.6	43.1	45.5	5.6
Residual Fuel Oil	9.7	10.5	8.2	11.1	12.1	9.0	11.2	13.2	17.9	10.8	13.4	24.1	10.3	13.0	26.2
Other Products	50.0	45.8	-8.4	49.1	47.6	-3.1	49.6	46.9	-5.4	50.5	49.9	-1.2	48.1	49.7	3.3
Total Products	113.4	100.6	-11.3	113.2	110.2	-2.7	116.8	115.2	-1.4	114.3	117.9	3.1	114.6	122.6	7.0
Other[3]	66.6	58.2	-12.6	69.4	61.8	-11.0	72.7	63.8	-12.2	70.6	65.2	-7.6	72.4	66.4	-8.3
Total	309.6	297.7	-3.8	302.9	298.3	-1.5	305.2	310.8	1.8	313.1	325.4	3.9	313.3	329.1	5.0
Germany															
Crude	23.1	14.7	-36.4	25.6	22.4	-12.5	26.0	20.4	-21.5	23.4	18.2	-22.2	20.5	23.8	16.1
Motor Gasoline	10.8	8.6	-20.4	10.7	8.1	-24.3	10.0	9.2	-8.0	10.6	8.5	-19.8	10.5	7.4	-29.5
Middle Distillate	19.9	12.6	-36.7	20.5	12.8	-37.6	20.9	14.1	-32.5	17.9	16.0	-10.6	17.5	14.9	-14.9
Residual Fuel Oil	9.1	9.5	4.4	8.7	10.8	24.1	8.2	10.5	28.0	9.0	10.3	14.4	9.2	10.3	12.0
Other Products	12.8	11.5	-10.2	12.1	11.9	-1.7	11.6	12.1	4.3	11.2	12.2	8.9	11.4	10.8	-5.3
Total Products	52.6	42.2	-19.8	52.0	43.6	-16.2	50.7	45.9	-9.5	48.7	47.0	-3.5	48.6	43.4	-10.7
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	75.7	56.9	-24.8	77.6	66.0	-14.9	76.7	66.3	-13.6	72.1	65.2	-9.6	69.1	67.2	-2.7
Italy															
Crude	33.8	38.8	14.8	33.9	40.6	19.8	38.9	39.1	0.5	34.6	37.2	7.5	36.2	36.7	1.4
Motor Gasoline	22.2	19.4	-12.6	20.8	17.3	-16.8	19.7	17.3	-12.2	20.9	18.0	-13.9	23.2	18.1	-22.0
Middle Distillate	31.6	34.3	8.5	33.3	35.4	6.3	31.8	36.4	14.5	34.1	36.7	7.6	36.6	36.3	-0.8
Residual Fuel Oil	13.2	13.1	-0.8	12.6	13.7	8.7	13.7	12.7	-7.3	11.9	10.8	-9.2	10.7	11.3	5.6
Other Products	20.1	16.9	-15.9	21.0	17.5	-16.7	20.7	18.7	-9.7	19.7	17.5	-11.2	18.0	17.6	-2.2
Total Products	87.1	83.7	-3.9	87.7	83.9	-4.3	85.9	85.1	-0.9	86.6	83.0	-4.2	88.5	83.3	-5.9
Other[3]	11.3	13.7	21.2	11.0	14.5	31.8	10.7	12.6	17.8	11.2	14.3	27.7	12.3	15.5	26.0
Total	132.2	136.2	3.0	132.6	139.0	4.8	135.5	136.8	1.0	132.4	134.5	1.6	137.0	135.5	-1.1
France															
Crude	38.0	37.1	-2.4	37.0	37.7	1.9	44.1	42.0	-4.8	39.5	36.7	-7.1	39.7	36.9	-7.1
Motor Gasoline	10.9	11.7	7.3	10.2	11.3	10.8	10.2	10.2	0.0	11.1	10.6	-4.5	12.0	9.8	-18.3
Middle Distillate	27.6	31.8	15.2	29.4	31.6	7.5	30.8	34.8	13.0	31.4	32.0	1.9	29.1	32.9	13.1
Residual Fuel Oil	6.7	6.5	-3.0	7.1	6.2	-12.7	7.5	5.7	-24.0	7.0	5.4	-22.9	7.1	5.2	-26.8
Other Products	8.1	8.2	1.2	8.8	8.1	-8.0	9.0	8.4	-6.7	9.4	7.9	-16.0	9.2	8.3	-9.8
Total Products	53.3	58.2	9.2	55.5	57.2	3.1	57.5	59.1	2.8	58.9	55.9	-5.1	57.4	56.2	-2.1
Other[3]	12.5	14.8	18.4	12.3	14.7	19.5	12.5	13.6	8.8	12.1	14.3	18.2	11.7	14.6	24.8
Total	103.8	110.1	6.1	104.8	109.6	4.6	114.1	114.7	0.5	110.5	106.9	-3.3	108.8	107.7	-1.0
United Kingdom															
Crude	35.8	39.9	11.5	39.3	37.9	-3.6	35.8	38.7	8.1	42.8	35.9	-16.1	42.4	40.9	-3.5
Motor Gasoline	11.3	9.2	-18.6	10.5	9.4	-10.5	10.4	9.5	-8.7	11.0	8.7	-20.9	10.9	8.4	-22.9
Middle Distillate	20.3	17.9	-11.8	20.9	19.0	-9.1	21.6	19.6	-9.3	22.0	18.7	-15.0	21.0	16.8	-20.0
Residual Fuel Oil	5.3	5.4	1.9	5.0	5.3	6.0	4.6	4.6	0.0	4.4	5.3	20.5	4.3	5.1	18.6
Other Products	17.7	15.5	-12.4	17.9	15.1	-15.6	17.9	16.7	-6.7	18.2	15.5	-14.8	17.6	16.2	-8.0
Total Products	54.6	48.0	-12.1	54.3	48.8	-10.1	54.5	50.4	-7.5	55.6	48.2	-13.3	53.8	46.5	-13.6
Other[3]	11.2	11.9	6.3	10.7	12.7	18.7	9.9	11.6	17.2	11.3	11.6	2.7	11.7	11.6	-0.9
Total	101.6	99.8	-1.8	104.3	99.4	-4.7	100.2	100.7	0.5	109.7	95.7	-12.8	107.9	99.0	-8.2
Canada[4]															
Crude	77.9	75.6	-3.0	81.9	80.2	-2.1	79.2	78.2	-1.3	79.0	77.5	-1.9	77.8	77.5	-0.4
Motor Gasoline	20.7	16.2	-21.7	19.8	15.8	-20.2	17.7	15.1	-14.7	15.5	15.7	1.3	15.4	16.9	9.7
Middle Distillate	21.0	17.6	-16.2	20.0	17.8	-11.0	18.5	18.0	-2.7	18.7	20.0	7.0	19.6	21.4	9.2
Residual Fuel Oil	3.7	3.9	5.4	3.4	4.3	26.5	3.6	4.6	27.8	4.2	4.7	11.9	4.2	4.8	14.3
Other Products	21.4	21.8	1.9	20.9	24.9	19.1	22.0	27.2	23.6	21.8	27.7	27.1	21.9	27.6	26.0
Total Products	66.8	59.5	-10.9	64.1	62.8	-2.0	61.8	64.9	5.0	60.2	68.1	13.1	61.1	70.7	15.7
Other[3]	13.6	13.9	2.2	12.6	15.1	19.8	14.0	18.6	32.9	15.9	16.4	3.1	18.0	16.4	-8.9
Total	158.3	149.0	-5.9	158.6	158.1	-0.3	155.0	161.7	4.3	155.1	162.0	4.4	156.9	164.6	4.9

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following countries are estimated: Canada for July 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End June 2002		End September 2002		End December 2002		End March 2003		End June 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	155.0	73	160.2	74	153.7	71	149.0	71	162.0	-
Mexico	45.3	23	47.0	24	47.3	23	51.5	25	44.2	-
United States	1618.1	81	1576.1	79	1549.9	77	1474.6	75	1560.4	-
Total[4]	1840.6	76	1805.3	74	1773.0	72	1697.2	70	1788.7	73
Pacific										
Australia	37.2	43	39.4	45	34.0	40	39.8	46	38.1	-
Japan	633.7	126	627.1	107	615.4	99	619.0	124	646.7	-
Korea[5]	154.0	77	148.8	63	140.4	58	137.0	67	152.1	-
New Zealand	9.9	78	10.1	73	9.5	64	9.8	66	8.5	-
Total	834.7	104	825.3	89	799.3	83	805.6	100	845.4	106
Europe[6]										
Austria	17.5	63	18.3	69	18.7	71	18.1	64	18.1	-
Belgium	30.8	53	28.3	46	25.8	38	29.1	48	26.4	-
Czech Republic	17.0	91	16.2	90	17.5	103	17.3	93	15.6	-
Denmark	17.3	93	18.5	88	17.3	87	15.4	85	15.5	-
Finland	26.9	129	26.9	117	24.4	113	24.7	121	23.9	-
France	169.9	86	174.0	88	174.5	83	175.0	89	173.3	-
Germany	268.5	93	258.8	95	253.4	100	258.6	95	260.7	-
Greece	28.9	77	32.2	72	31.6	66	29.3	76	29.9	-
Hungary	18.5	128	18.0	119	16.1	127	17.9	136	17.6	-
Ireland	9.4	54	10.2	56	11.4	57	10.9	60	11.0	-
Italy	132.4	73	136.1	74	137.6	74	136.3	75	134.6	-
Luxembourg	0.9	18	0.9	19	1.0	17	0.9	17	0.8	-
Netherlands	115.5	131	106.7	116	104.9	120	95.4	102	106.4	-
Norway	22.7	115	17.8	81	19.4	76	33.2	141	21.1	-
Poland	25.2	62	23.6	57	26.2	69	27.2	67	27.9	-
Portugal	24.6	70	24.1	76	21.4	69	24.0	74	24.7	-
Spain	121.0	81	121.3	80	120.8	78	122.8	81	121.1	-
Sweden	33.4	103	30.5	81	29.4	87	34.3	114	34.0	-
Switzerland	39.0	146	38.7	146	36.7	144	36.1	146	37.2	-
Turkey	57.8	88	55.6	81	51.9	85	55.6	89	54.8	-
United Kingdom	109.7	65	98.9	58	97.1	57	99.8	60	95.7	-
Total	1286.9	85	1255.5	82	1237.2	81	1261.9	84	1250.3	83
Total OECD	3962.2	83	3886.2	79	3809.5	77	3764.8	80	3884.5	82
DAYS OF IEA Net Imports[7]	-	115	-	114	-	113	-	112	-	116

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End June 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Previously confidential Korean government stocks are now included.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand*[3]		
2Q2000	3798	1288	2510	79	27	52
3Q2000	3836	1294	2542	79	27	52
4Q2000	3798	1268	2530	78	26	52
1Q2001	3794	1269	2525	81	27	54
2Q2001	3864	1267	2597	81	27	55
3Q2001	3928	1267	2661	82	26	55
4Q2001	3904	1283	2621	81	27	54
1Q2002	3901	1303	2598	84	28	56
2Q2002	3962	1314	2648	83	28	56
3Q2002	3886	1319	2567	79	27	52
4Q2002	3810	1343	2467	77	27	50
1Q2003	3765	1357	2408	80	29	51
2Q2003	3884	1361	2524	82	29	53

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Previously confidential Korean government stocks are now included.
3 Days of forward demand calculated using actual demand except in 2Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	4Q02	1Q03	2Q03	3Q03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03
CRUDE OIL PRICES													
IEA CIF Average Import[1]													
IEA North America	27.67	22.30	23.71	25.53	30.76	25.74		25.81	24.67	26.68	27.62		
IEA Europe	27.89	23.92	24.26	26.11	31.10	25.52		25.14	24.93	26.54	27.57		
IEA Pacific	28.89	25.05	24.74	27.24	30.96	27.89		29.78	26.79	26.97	27.77		
IEA Total	28.00	23.65	24.18	26.18	30.96	26.16		26.50	25.29	26.69	27.64		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.81	31.49	26.03	28.38	24.85	25.72	27.51	28.35	29.79	27.08
WTI (1st month)	30.37	25.93	26.16	28.29	34.00	29.02	30.19	28.26	28.14	30.66	30.70	31.59	28.25
Urals (del. Med.)	26.63	22.97	23.73	25.55	29.24	23.86	27.05	22.61	23.80	25.16	26.84	28.74	25.64
Dubai (1st month)	26.24	22.80	23.85	25.16	28.39	24.44	26.57	23.45	24.36	25.51	26.72	27.66	25.37
Tapis (1st month)	29.85	25.32	25.72	28.33	32.34	27.19	29.53	27.66	26.76	27.13	28.54	30.70	29.45
OPEC Basket	27.60	23.12	24.34	26.63	30.45	25.87	27.43	25.24	25.63	26.80	27.50	28.69	26.15
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	31.05	37.44	33.79	36.26	35.00	32.64	33.74	35.99	38.73	34.31
Unleaded	34.41	28.83	28.57	30.50	36.88	33.06	35.68	34.25	31.87	33.07	35.32	38.18	33.80
Naphtha	29.09	23.69	24.23	26.45	34.99	25.19	28.12	24.76	23.58	27.14	27.61	29.42	27.48
Jet/Kerosene	36.98	30.82	29.24	32.45	40.89	31.32	33.29	31.75	30.38	31.81	33.07	34.61	32.32
Gasoil .2 %	34.38	29.16	27.81	31.26	39.18	30.21	31.58	30.06	29.47	31.06	31.57	32.98	30.31
LSFO 1%	23.74	19.52	21.81	26.70	29.20	24.26	26.06	24.02	22.54	26.14	26.58	26.88	24.78
HSFO 3.5%	21.42	17.79	20.65	21.22	25.65	21.05	24.16	19.42	21.16	22.49	25.18	24.73	22.57
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.78	36.62	31.34	35.79	30.94	30.21	32.80	35.43	38.59	33.63
Premium Unleaded	36.43	29.70	28.49	30.06	35.91	30.62	35.07	30.22	29.49	32.08	34.71	37.87	32.91
Naphtha	28.16	22.47	23.51	25.61	33.37	23.69	27.17	22.72	22.08	26.13	26.66	28.38	26.60
Jet/Kerosene[2]	34.82	27.52	27.14	29.95	36.47	26.68	28.34	26.59	28.61	29.84	31.31	33.03	30.86
Gasoil .2 %	33.87	27.50	27.08	30.36	38.67	28.38	30.57	27.55	27.14	30.35	29.95	31.99	29.93
LSFO 1%	23.77	18.73	21.50	24.14	30.56	23.51	26.99	21.98	22.43	26.00	28.48	28.76	23.82
HSFO 3.5%	18.92	15.24	18.24	18.86	22.76	18.84	22.43	16.88	19.05	20.50	23.34	23.10	20.86
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	37.44	41.33	36.68	43.71	37.22	35.57	37.24	40.05	46.80	44.44
Unleaded	36.10	31.00	30.33	33.53	39.50	33.08	38.80	33.58	31.86	33.79	36.65	42.13	37.72
Jet/Kerosene	38.05	31.18	29.83	33.45	42.43	32.48	33.82	33.11	31.90	32.42	33.92	35.57	31.95
No. 2 (Heating Oil)	36.37	29.82	28.56	32.33	42.00	31.99	32.69	33.02	31.05	31.89	32.98	34.24	30.83
LSFO 1%	25.05	20.70	22.55	25.72	32.74	24.57	26.74	24.01	24.51	25.19	27.53	27.77	24.88
HSFO 6 3%	20.68	17.36	20.99	22.96	27.91	20.93	25.21	19.94	21.15	21.70	26.19	26.33	23.05
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.24	37.14	29.70	34.96	28.74	28.73	31.59	34.58	37.30	33.11
Naphtha	28.38	23.75	24.93	27.15	34.27	24.69	28.40	23.58	23.77	26.66	27.77	29.67	27.86
Jet/Kerosene	34.39	28.32	28.08	31.35	36.14	28.36	31.53	28.35	28.25	28.48	29.78	33.58	31.40
Gasoil .5%	32.58	27.32	27.55	30.89	36.12	28.79	30.78	29.24	28.39	28.73	28.95	32.33	31.22
LSWR Cracked	25.83	21.83	23.80	28.02	31.84	27.21	25.33	28.80	27.26	25.59	25.54	25.66	24.80
HSFO 180 CST	24.43	20.65	22.89	24.40	28.86	24.78	25.87	23.97	24.64	25.73	27.14	25.80	24.59
HSFO 4%	24.21	20.38	22.95	24.31	28.88	24.74	26.19	24.23	24.26	25.70	27.44	26.12	24.94

1 IEA CIF Average Import price for July is an estimate
2 Following change of assessment, Jet Aviation Fuel for Mediterranean - Cargo FOB from June 2003

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
September 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Aug-03	Sep-02		Aug-03	Sep-02		Aug-03	Sep-02		Aug-03	Sep-02
GASOLINE [1] (Price per Litre)												
France	1.009	0.2	- 3.1	0.255	0.8	-9.3	1.132	0.8	10.8	0.286	1.4	3.7
Germany	1.079	- 2.2	0.7	0.275	-7.1	-8.3	1.210	-1.6	15.1	0.309	-6.5	4.8
Italy	1.073	0.8	1.0	0.352	2.0	2.6	1.204	1.5	15.5	0.395	2.7	17.3
Spain	0.825	-	- 0.5	0.315	-	-1.3	0.926	0.6	13.8	0.353	0.6	12.9
UK	0.761	0.7	2.4	0.190	2.7	9.2	1.224	1.7	5.7	0.306	3.7	12.7
Japan	106.1	-	2.0	47.2	-	4.4	0.920	2.9	6.9	0.409	2.9	9.4
Canada	0.764	- 1.5	4.8	0.462	-2.3	7.7	0.560	0.6	21.0	0.339	-0.2	24.3
USA	0.449	4.9	21.7	0.347	6.4	29.5	0.449	4.9	21.7	0.347	6.4	29.5
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.642	0.2	- 2.9	0.250	0.4	-7.1	0.720	0.8	11.0	0.280	1.0	6.2
Germany	0.724	- 4.1	- 1.5	0.254	-10.9	-13.9	0.812	-3.5	12.6	0.285	-10.3	-1.6
Italy	0.720	0.1	0.6	0.317	0.3	1.3	0.808	0.8	15.0	0.356	0.9	15.8
Spain	0.581	-	- 3.3	0.287	-	-6.5	0.652	0.6	10.5	0.322	0.6	6.9
UK	0.661	0.6	2.8	0.203	2.0	9.7	1.063	1.6	6.1	0.326	3.0	13.3
Japan	86.1	-	2.5	49.9	-	4.2	0.747	2.9	7.4	0.433	2.9	9.1
Canada	0.669	1.2	1.5	0.447	1.6	2.1	0.490	3.5	17.2	0.328	3.8	17.8
USA	0.390	- 0.8	5.1	0.271	-1.1	7.1	0.390	-0.8	5.1	0.271	-1.1	7.1
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	369.56	0.8	-4.5	252.40	1.0	-5.5	414.6	1.5	9.1	283.2	1.7	8.0
Germany	349.53	0.5	-6.3	239.97	0.6	-7.8	392.1	1.1	7.1	269.2	1.2	5.3
Italy	826.96	0.2	-2.3	285.92	0.6	-5.3	927.7	0.9	11.7	320.8	1.2	8.3
Spain	372.97	0.3	-1.0	236.82	0.4	-1.3	418.4	0.9	13.2	265.7	1.0	12.8
UK	190.79	-0.6	0.8	150.70	-0.7	0.9	306.8	0.4	4.0	242.4	0.3	4.2
Japan [3]	48417	-	6.0	46111	-	6.0	419.9	2.9	11.1	399.9	2.9	11.1
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
FUEL OIL FOR INDUSTRY [2,4] (Price per Metric Ton)												
France	197.59	-7.0	-8.4	179.09	-7.6	-9.2	221.7	-6.4	4.7	200.9	-7.0	3.8
Germany	186.37	-0.7	1.9	161.37	-0.8	-2.2	209.1	-0.0	16.5	181.0	-0.2	11.8
Italy	230.91	-6.1	2.9	199.52	-7.0	3.4	259.0	-5.5	17.6	223.8	-6.4	18.2
Spain	237.35	-1.9	-3.0	222.92	-2.0	-3.2	266.3	-1.3	10.9	250.1	-1.4	10.7
UK	152.34	-0.5	2.7	124.34	-0.6	3.4	245.0	0.5	6.1	200.0	0.4	6.7
Japan	34781	-1.4	6.1	33125	-1.4	6.1	301.6	1.5	11.1	287.3	1.5	11.1
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices for UK refer to high sulphur fuel oil and to low sulphur fuel oil thereafter. All other countries show LSFO for all time periods.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
OECD North America												
Venezuela	1.67	1.58		1.83	1.54	0.93	1.81	1.86	1.74	1.66	1.73	-0.07
Other Central & South America	0.54	0.60		0.62	0.65	0.52	0.56	0.56	0.61	0.65	0.59	0.06
North Sea	1.07	1.24		1.28	1.32	1.07	1.03	1.17	1.08	1.11	1.32	-0.21
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.10	0.13	0.11	0.20	0.14	0.43	0.48	0.08	0.40
Saudi Arabia	1.70	1.60		1.50	1.72	1.79	2.16	2.33	2.05	1.87	1.38	0.49
Kuwait	0.24	0.22		0.24	0.21	0.20	0.25	0.19	0.28	0.17	0.24	-0.07
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.94	0.56		0.30	0.42	0.84	0.36	0.23	-	0.13	0.37	-0.24
Oman	0.02	0.02		0.05	0.02	-	0.04	0.07	-	-	0.05	-
United Arab Emirates	0.02	0.01		0.01	0.01	0.01	0.01	-	0.02	-	-	-
Other Middle East	0.02	0.04		0.10	0.03	0.02	0.02	0.04	-	-	0.10	-
West Africa[2]	1.48	1.15		1.24	1.14	1.37	1.51	1.51	1.59	1.62	1.18	0.44
Other Africa	0.13	0.18		0.18	0.15	0.15	0.33	0.27	0.55	0.28	0.14	0.14
Asia	0.15	0.16		0.14	0.15	0.12	0.10	0.10	0.09	0.18	0.13	0.06
Other	0.03	0.06		0.06	0.06	0.04	0.07	-	0.17	0.08	0.08	0.00
Total	**7.99**	**7.44**		**7.62**	**7.55**	**7.17**	**8.44**	**8.47**	**8.60**	**8.23**	**7.39**	**0.85**
of which Non-OECD	**6.92**	**6.21**		**6.30**	**6.17**	**6.08**	**7.40**	**7.28**	**7.50**	**7.11**	**6.03**	**1.07**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.20	0.22	0.17	0.18	0.18	0.15	0.27	0.21	0.06
Venezuela	0.18	0.18		0.19	0.12	0.04	0.12	0.14	0.08	0.19	0.27	-0.07
Other Central & South America	0.04	0.05		0.03	0.06	0.02	0.04	0.07	0.00	0.07	0.04	0.03
Non-OECD Europe	0.00	0.01		0.01	0.01	0.00	0.01	0.00	0.02	0.00	0.00	0.00
Former Soviet Union	2.68	3.12		3.29	3.03	3.17	3.31	3.25	3.11	3.60	3.25	0.35
Saudi Arabia	1.25	1.16		1.25	1.09	1.14	1.51	1.65	1.27	1.39	1.11	0.28
Kuwait	0.16	0.12		0.13	0.10	0.07	0.16	0.13	0.16	0.09	0.08	0.01
Iran	0.74	0.62		0.65	0.72	0.69	0.84	0.86	0.90	0.75	0.63	0.12
Iraq	0.40	0.31		0.32	0.62	0.44	0.10	0.02	0.21	0.14	0.29	-0.15
Oman	-	0.00		0.01	-	-	0.00	-	0.00	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.50	0.46	0.36	0.27	0.30	0.26	0.29	0.57	-0.28
West Africa[2]	0.81	0.68		0.63	0.62	0.75	0.52	0.58	0.38	0.58	0.64	-0.07
Other Africa	1.50	1.39		1.32	1.45	1.59	1.61	1.58	1.62	1.58	1.42	0.16
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.32	0.15	0.23	0.20	0.15	0.57	0.16	0.28	-0.12
Total	**8.59**	**8.66**		**8.85**	**8.65**	**8.67**	**8.87**	**8.91**	**8.74**	**9.12**	**8.79**	**0.33**
of which Non-OECD	**8.41**	**8.47**		**8.64**	**8.43**	**8.49**	**8.69**	**8.73**	**8.59**	**8.85**	**8.58**	**0.27**
OECD Pacific												
Canada	0.00	0.00		-	0.01	-	0.01	-	-	-	-	-
Mexico + USA	0.02	0.01		-	0.02	-	-	-	-	0.06	-	-
Venezuela	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Other Central & South America	0.07	0.08		0.07	0.09	0.10	0.08	0.02	0.12	0.02	0.08	-0.05
North Sea	0.01	0.03		0.06	-	0.04	-	-	-	0.04	0.07	-0.03
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.10	0.10	0.04	0.03	0.02	0.04	0.06	0.12	-0.06
Saudi Arabia	1.84	1.72		1.57	1.82	1.97	1.90	1.76	1.87	1.64	1.54	0.10
Kuwait	0.64	0.57		0.52	0.56	0.60	0.54	0.53	0.55	0.62	0.54	0.08
Iran	0.75	0.64		0.56	0.69	0.89	0.80	0.78	0.72	0.87	0.43	0.45
Iraq	0.01	0.02		0.01	0.01	-	-	-	-	-	-	-
Oman	0.41	0.37		0.34	0.35	0.42	0.36	0.37	0.48	0.20	0.30	-0.10
United Arab Emirates	1.42	1.28		1.24	1.35	1.47	1.50	1.44	1.57	1.58	1.22	0.36
Other Middle East	0.60	0.52		0.52	0.50	0.56	0.57	0.47	0.62	0.39	0.50	-0.12
West Africa[2]	0.11	0.21		0.20	0.25	0.28	0.11	0.06	0.08	0.25	0.19	0.06
Other Africa	0.04	0.05		0.08	0.08	0.09	0.07	0.07	0.11	0.08	0.10	-0.03
Non-OECD Asia	0.89	0.86		0.77	0.89	0.89	0.85	0.81	0.89	0.61	0.68	-0.07
Other	0.00	-		-	-	-	-0.09	-	-0.28	-0.02	-	
Total	**6.89**	**6.42**		**6.03**	**6.71**	**7.36**	**6.81**	**6.33**	**7.07**	**6.42**	**5.77**	**0.65**
of which Non-OECD	**6.86**	**6.38**		**5.97**	**6.68**	**7.32**	**6.71**	**6.33**	**6.79**	**6.29**	**5.71**	**0.58**
Total OECD Trade	**23.47**	**22.53**		**22.50**	**22.91**	**23.19**	**24.12**	**23.72**	**24.40**	**23.77**	**21.95**	**1.82**
of which Non-OECD	**22.19**	**21.07**		**20.92**	**21.28**	**21.89**	**22.80**	**22.35**	**22.87**	**22.25**	**20.32**	**1.93**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2. West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.65	0.89	0.52	0.75	0.82	0.74	0.54	0.69	-0.14
Europe	0.92	0.91		0.97	0.83	0.94	1.14	1.25	1.02	0.90	0.88	0.02
Pacific	1.22	1.22		1.14	1.24	1.37	1.15	1.16	1.01	1.08	1.08	0.00
Saudi Medium												
North America	0.73	0.86		0.60	1.46	0.88	0.94	1.00	0.86	0.81	0.62	0.19
Europe	0.15	0.11		0.13	0.11	0.10	0.13	0.13	0.09	0.14	0.15	0.00
Pacific	0.17	0.16		0.16	0.14	0.20	0.26	0.24	0.28	0.18	0.14	0.04
Saudi Heavy												
North America	0.21	0.20		0.21	0.23	0.28	0.48	0.50	0.58	0.26	0.23	0.03
Europe	0.14	0.09		0.09	0.08	0.11	0.26	0.31	0.23	0.29	0.05	0.23
Pacific	0.15	0.12		0.11	0.13	0.14	0.21	0.23	0.16	0.14	0.08	0.06
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.23	0.22	0.50	0.24	0.06	..	0.04	0.35	-0.31
Europe	0.15	0.08		0.05	0.21	0.10	0.05	0.01	0.07	..	0.03	..
Pacific	0.01	0.02		0.01	..	..	..	..	..	..	..	..
Iraqi Kirkuk												
North America	0.09	0.14		0.06	0.11	0.22	0.02	..	..	..	0.06	..
Europe	0.31	0.32		0.36	0.50	0.42	0.04	0.01	0.04	0.10	0.33	-0.22
Pacific	0.01	0.00		..	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.15	0.19	0.18	0.24	0.18	0.32	0.15	0.19	-0.05
Pacific	0.13	0.12		0.10	0.14	0.18	0.16	0.14	0.13	0.17	0.06	0.12
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.45		0.49	0.51	0.52	0.57	0.60	0.64	0.71	0.41	0.30
Pacific	0.63	0.54		0.45	0.61	0.75	0.67	0.60	0.68	0.62	0.40	0.22
Venezuelan Light & Medium												
North America	0.61	0.68		0.91	0.57	0.35	0.80	0.88	0.66	0.60	0.88	-0.27
Europe	0.07	0.07		0.04	0.06	0.02	0.04	0.06	0.00	0.02	0.13	-0.11
Pacific	0.00	0.00		..	0.00	..	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.62	0.56	0.17	0.64	0.66	0.66	0.82	0.59	0.22
Europe	0.07	0.05		0.06	0.04	0.02	0.05	0.06	0.04	0.08	0.05	0.03
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.91	0.96	1.12	1.31	1.26	1.32	1.35	0.95	0.40
Europe	0.14	0.16		0.17	0.14	0.14	0.17	0.18	0.14	0.25	0.16	0.09
Pacific	0.01	0.00		..	0.01	..	..	..	..	0.02	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.01	0.01	0.00	..	..	..	0.01	..
Europe	0.03	0.01		0.02	0.01	0.00	0.00	0.00	..	..	0.03	..
Pacific	0.01	0.01		..	0.01	..	..	..	..	0.04	..	..
Russian Urals												
North America	..	0.03		..	0.05	..	0.23	0.15	0.53	0.50	..	..
Europe	1.10	1.32		1.44	1.36	1.51	1.50	1.51	1.40	1.49	1.26	0.23
Pacific	0.01	0.01		0.02	..	..	..	..	..	..	0.03	..
Nigerian Light[4]												
North America	0.50	0.39		0.46	0.38	0.47	0.59	0.62	0.72	0.82	0.36	0.45
Europe	0.38	0.31		0.36	0.32	0.42	0.38	0.33	0.39	0.41	0.44	-0.03
Pacific	0.02	0.06		0.06	0.08	0.13	0.03	..	0.05	0.08	0.09	-0.01
Nigerian Medium												
North America	0.31	0.16		0.13	0.14	0.17	0.21	0.24	0.15	..	0.09	..
Europe	0.10	0.06		0.03	0.06	0.07	0.04	0.03	0.02	..	0.06	..
Pacific	0.00	0.01		0.01	..	0.04	..	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 21 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.11	0.08	0.00	0.10	0.10	0.09	0.03	0.11	-0.07
Other Central & South America	0.11	0.10		0.11	0.11	0.10	0.10	0.11	0.08	0.10	0.11	-0.01
ARA (Belgium Germany Netherlands)	0.08	0.10		0.09	0.07	0.11	0.11	0.10	0.11	0.12	0.06	0.07
Other Europe	0.19	0.21		0.20	0.18	0.20	0.31	0.29	0.29	0.16	0.22	-0.05
FSU	0.04	0.06		0.06	0.03	0.09	0.06	0.06	0.05	0.07	0.06	0.01
Saudi Arabia	0.06	0.06		0.06	0.07	0.06	0.08	0.08	0.09	0.07	0.08	-0.01
Algeria	0.00	0.00		-	-	-	0.01	0.01	0.01	0.01	-	-
Other Middle East & Africa	0.04	0.04		0.06	0.03	0.03	0.03	0.03	0.03	0.07	0.08	-0.01
Singapore	0.01	0.01		0.02	0.00	0.00	0.02	0.01	0.01	0.01	0.04	-0.03
OECD Pacific	0.02	0.01		0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.04	0.02	0.02	0.05	0.04	0.08	0.05	0.06	0.00
Other	0.00	-		-	-	0.00	-	-	-	-	-	-
Total[2]	**0.67**	**0.69**		**0.74**	**0.60**	**0.62**	**0.89**	**0.85**	**0.86**	**0.71**	**0.82**	**-0.10**
of which Non-OECD	**0.40**	**0.39**		**0.48**	**0.36**	**0.31**	**0.49**	**0.45**	**0.48**	**0.43**	**0.57**	**-0.14**
OECD Europe												
OECD North America	0.00	0.00		-	0.00	0.00	0.00	-	0.00	0.01	-	-
Venezuela	-	-		-	-	-	0.00	-	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.04	0.04	0.04	0.03	0.04	0.04	0.04	-0.01
FSU	0.02	0.03		0.05	0.02	0.02	0.03	0.01	0.04	0.02	0.03	-0.01
Saudi Arabia	0.00	0.00		0.01	0.00	0.00	0.01	0.02	-	0.00	0.01	-0.01
Algeria	0.00	0.01		0.01	0.02	0.00	0.02	0.02	0.02	0.01	0.00	0.01
Other Middle East & Africa	0.01	0.02		0.03	0.03	0.01	0.03	0.04	0.02	0.03	0.04	-0.01
Singapore	-	0.00		-	0.00	0.00	-	-	-	0.00	-	-
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	0.00	-	-	-	-	-
Other	0.09	0.07		0.04	0.07	0.10	0.05	0.09	0.07	0.04	0.06	-0.02
Total[2]	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.17**	**0.21**	**0.20**	**0.16**	**0.18**	**-0.03**
of which Non-OECD	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.17**	**0.21**	**0.20**	**0.15**	**0.18**	**-0.04**
OECD Pacific												
OECD North America	0.00	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.02	0.04	0.03	0.03	0.05	0.04	0.04	0.03	0.01
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.01	0.03	0.03	0.04	0.03	0.05	0.05	0.02	0.03
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.08**	**0.09**	**0.08**	**0.04**	**0.04**
of which Non-OECD	**0.03**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.08**	**0.09**	**0.08**	**0.04**	**0.04**
Total OECD Trade[2]	**0.86**	**0.93**		**0.95**	**0.86**	**0.86**	**1.13**	**1.14**	**1.16**	**0.95**	**1.05**	**-0.09**
of which Non-OECD	**0.58**	**0.63**		**0.68**	**0.61**	**0.55**	**0.72**	**0.74**	**0.77**	**0.66**	**0.80**	**-0.14**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.02	0.02	0.01	0.02	0.01	0.02	0.01	0.01	-0.01
Other Central & South America	0.03	0.02		0.01	0.03	0.01	0.02	0.02	0.02	0.03	0.01	0.01
ARA (Belgium Germany Netherlands)	0.01	0.00		0.00	0.01	0.03	-	-	-	-	-	-
Other Europe	0.02	0.00		0.00	0.01	0.02	0.01	-	0.01	0.01	-	-
FSU	0.03	0.02		-	0.08	0.13	0.02	0.02	0.02	-	-	-
Saudi Arabia	0.00	0.00		0.00	-	-	0.00	-	-	0.01	-	-
Algeria	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.00		-	0.01	0.00	0.00	-	0.01	-	-	-
Singapore	0.00	0.00		-	-	0.00	0.01	0.01	0.00	0.01	-	-
OECD Pacific	0.01	0.01		0.01	0.01	0.00	0.00	0.01	-	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	0.02	0.00	0.02	0.01	0.05	0.02	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.19**	**0.10**		**0.04**	**0.19**	**0.21**	**0.09**	**0.08**	**0.12**	**0.08**	**0.03**	**0.05**
of which Non-OECD	**0.15**	**0.09**		**0.03**	**0.16**	**0.16**	**0.08**	**0.08**	**0.11**	**0.07**	**0.03**	**0.05**
OECD Europe												
OECD North America	0.02	0.03		0.02	0.01	0.00	0.01	0.00	0.02	0.01	0.02	-0.01
Venezuela	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.06	0.06	0.06	0.06	0.05	0.06	0.07	0.06	0.01
FSU	0.36	0.42		0.35	0.43	0.43	0.55	0.54	0.53	0.43	0.31	0.12
Saudi Arabia	0.01	0.01		0.00	0.01	0.01	0.00	0.00	-	-	0.01	-
Algeria	0.04	0.02		0.02	0.02	0.02	0.02	0.02	0.02	0.05	-	-
Other Middle East & Africa	0.02	0.02		0.02	0.01	0.02	0.01	0.01	0.01	0.03	0.01	0.02
Singapore	0.00	0.02		0.01	0.03	0.00	0.00	-	0.01	0.01	-	-
OECD Pacific	0.00	0.00		0.01	0.01	-	0.01	0.01	0.01	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	0.02	0.01	0.01	0.01	0.00	-	-
Other	0.10	0.10		0.08	0.14	0.10	0.09	0.09	0.08	0.05	0.14	-0.09
Total[2]	**0.61**	**0.70**		**0.58**	**0.73**	**0.67**	**0.76**	**0.72**	**0.75**	**0.66**	**0.56**	**0.10**
of which Non-OECD	**0.59**	**0.67**		**0.55**	**0.72**	**0.67**	**0.74**	**0.72**	**0.72**	**0.64**	**0.54**	**0.11**
OECD Pacific												
OECD North America	-	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.02	0.04	0.05	0.05	0.04	0.03	0.01
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.03	0.05	0.04	0.03	0.06	0.01	0.01	0.00
Other	0.00	0.00		-	0.00	-	0.00	-	0.00	-	-	-
Total[2]	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.08**	**0.11**	**0.06**	**0.04**	**0.01**
of which Non-OECD	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.08**	**0.11**	**0.06**	**0.04**	**0.01**
Total OECD Trade[2]	**0.83**	**0.85**		**0.67**	**0.99**	**0.96**	**0.93**	**0.89**	**0.98**	**0.81**	**0.64**	**0.17**
of which Non-OECD	**0.77**	**0.81**		**0.63**	**0.95**	**0.90**	**0.90**	**0.88**	**0.94**	**0.78**	**0.61**	**0.17**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.04	0.03	0.04	0.03	0.02	0.01
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.03	0.07	0.02	0.02	0.00	0.02
ARA (Belgium Germany Netherlands)	0.00	-		-	-	0.00	0.00	-	-	-	-	-
Other Europe	0.00	0.00		-	-	-	0.00	-	0.00	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	0.00	0.00		-	0.01	0.00	0.00	-	-	-	-	-
Other Middle East & Africa	0.02	0.01		0.00	0.02	0.04	0.01	0.02	0.01	-	-	-
Singapore	0.01	0.00		-	0.00	0.00	0.00	0.00	-	-	-	-
OECD Pacific	0.05	0.04		0.04	0.05	0.01	0.02	0.01	0.03	0.07	0.04	0.02
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.02	0.00	0.01	-	-	-	-	0.01	-
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.09**	**0.12**	**0.10**	**0.11**	**0.13**	**0.10**	**0.12**	**0.08**	**0.04**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.07**	**0.09**	**0.09**	**0.12**	**0.06**	**0.05**	**0.04**	**0.02**
OECD Europe												
OECD North America	0.00	0.01		0.01	0.00	0.00	0.00	0.01	0.00	-	0.01	-
Venezuela	0.01	0.02		0.02	0.01	0.00	0.01	-	0.01	0.01	0.02	-0.01
Other Central & South America	0.01	0.00		0.01	0.00	0.00	0.01	0.00	0.01	0.00	0.01	-0.01
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
FSU	0.02	0.03		0.04	0.03	0.02	0.02	0.02	0.01	0.02	0.05	-0.03
Saudi Arabia	0.03	0.02		0.02	0.01	0.01	0.03	0.02	0.03	0.02	0.01	0.01
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	-	0.01	0.01	-	-
Other Middle East & Africa	0.13	0.10		0.11	0.09	0.11	0.09	0.10	0.08	0.10	0.11	-0.01
Singapore	-	0.01		0.02	0.00	0.00	-	-	-	0.00	0.04	-0.03
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		0.00	-	-	-	-	-	0.00	0.00	0.00
Other	0.04	0.02		0.02	0.00	0.01	0.02	0.02	0.02	0.02	0.03	-0.01
Total[2]	**0.25**	**0.21**		**0.27**	**0.15**	**0.17**	**0.19**	**0.18**	**0.17**	**0.20**	**0.28**	**-0.08**
of which Non-OECD	**0.25**	**0.20**		**0.26**	**0.15**	**0.17**	**0.18**	**0.17**	**0.17**	**0.20**	**0.27**	**-0.07**
OECD Pacific												
OECD North America	-	-		-	-	0.01	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	0.01	0.02	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.00	0.01	0.03	-	-	-	-	0.01	-
Singapore	0.01	0.01		0.00	0.02	0.02	0.01	0.01	0.01	0.00	0.00	0.00
Non-OECD Asia (excl. Singapore)	0.02	0.02		-	0.05	0.04	0.00	0.00	-	-	-	-
Other	0.04	0.05		0.04	0.07	0.07	0.04	0.04	0.03	0.03	0.03	-0.01
Total[2]	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.05**	**0.03**	**0.03**	**0.05**	**-0.02**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.05**	**0.03**	**0.03**	**0.05**	**-0.02**
Total OECD Trade[2]	**0.46**	**0.41**		**0.40**	**0.42**	**0.45**	**0.35**	**0.36**	**0.30**	**0.35**	**0.41**	**-0.06**
of which Non-OECD	**0.41**	**0.36**		**0.35**	**0.37**	**0.44**	**0.32**	**0.34**	**0.26**	**0.28**	**0.36**	**-0.08**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	May 03	Jun 03	Jul 03	Year Earlier Jul 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.03	0.01	0.03	0.06	0.05	0.05	0.04	0.04	-0.01
Other Central & South America	0.12	0.10		0.09	0.13	0.18	0.14	0.11	0.15	0.13	0.07	0.06
ARA (Belgium Germany Netherlands)	0.02	0.01		0.00	0.01	0.02	0.02	0.01	0.04	0.02	0.01	0.02
Other Europe	0.03	0.02		0.02	0.02	0.03	0.02	0.05	0.00	0.04	0.00	0.03
FSU	0.00	0.01		0.02	0.02	0.03	0.03	0.02	0.02	0.02	0.01	0.01
Saudi Arabia	0.00	-		-	-	-	0.00	0.00	-	0.00	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.01	-	0.01	0.02	-	-
Other Middle East & Africa	0.04	0.02		0.03	0.02	0.05	0.03	0.05	0.01	0.02	0.01	0.01
Singapore	0.00	0.01		0.01	0.00	0.01	0.00	0.01	-	0.01	0.02	-0.01
OECD Pacific	0.00	0.00		0.00	0.00	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	-	0.00	-	-	-	-	-
Other	0.00	0.00		-	0.00	0.00	0.01	0.01	0.01	-	-	-
Total[2]	**0.31**	**0.21**		**0.22**	**0.22**	**0.35**	**0.32**	**0.32**	**0.30**	**0.30**	**0.17**	**0.12**
of which Non-OECD	**0.26**	**0.18**		**0.19**	**0.20**	**0.30**	**0.28**	**0.25**	**0.25**	**0.24**	**0.16**	**0.08**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.02	0.00	0.01	-	0.02	0.02	-	-
Venezuela	0.01	0.00		-	-	0.00	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.01	0.00	0.01	0.01	0.00	0.01	0.02	0.01	0.01
Non-OECD Europe	0.01	0.01		0.01	0.02	0.01	0.01	0.02	0.01	0.01	0.01	0.00
FSU	0.23	0.27		0.33	0.23	0.17	0.17	0.18	0.13	0.13	0.33	-0.20
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.01	0.01	0.00	0.01	0.01	-	0.02	-	-
Other Middle East & Africa	0.06	0.06		0.05	0.06	0.04	0.06	0.07	0.05	0.06	0.06	0.01
Singapore	0.00	0.00		-	-	-	0.00	-	0.00	0.00	-	-
OECD Pacific	-	0.00		-	-	-	0.00	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.01	0.01	0.01	-	0.01	0.01	0.01	0.00
Other	0.06	0.07		0.05	0.09	0.06	0.09	0.05	0.15	0.14	0.09	0.05
Total[2]	**0.40**	**0.47**		**0.47**	**0.43**	**0.31**	**0.37**	**0.33**	**0.39**	**0.41**	**0.51**	**-0.10**
of which Non-OECD	**0.38**	**0.45**		**0.46**	**0.42**	**0.31**	**0.36**	**0.33**	**0.37**	**0.39**	**0.51**	**-0.12**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.01	-	0.00	-	0.00	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	0.00	0.01	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	-	0.00	-	0.00	-	-	-
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.01	0.01	0.01	-	-	-	-	0.00	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.04	0.06	0.07	0.07	0.04	0.08	0.06	0.06	0.00
Other	0.02	0.02		0.02	0.02	0.01	0.03	0.02	0.03	0.04	0.02	0.02
Total[2]	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.07**	**0.12**	**0.10**	**0.09**	**0.02**
of which Non-OECD	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.07**	**0.11**	**0.10**	**0.09**	**0.02**
Total OECD Trade[2]	**0.80**	**0.77**		**0.75**	**0.76**	**0.76**	**0.79**	**0.71**	**0.80**	**0.81**	**0.77**	**0.04**
of which Non-OECD	**0.72**	**0.72**		**0.71**	**0.72**	**0.71**	**0.75**	**0.65**	**0.73**	**0.73**	**0.76**	**-0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12e
Regional OECD Trade Balances[1]
(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	May-03	Jun-03	Jul-03	Latest month vs. Jun-03	Latest month vs. Jul-02
Crude Oil	**7.59**	**7.12**	**7.26**	**7.16**	**6.71**	**8.06**	**8.12**	**8.17**	**7.83**	**-0.33**	**0.74**
Products & Feedstocks	**1.48**	**1.12**	**1.14**	**1.08**	**1.17**	**1.51**	**1.51**	**1.71**	**1.41**	**-0.30**	**0.18**
Gasoil/Diesel	0.09	0.00	-0.03	0.09	0.08	-0.02	-0.05	0.05	-0.01	-0.06	-0.02
Gasoline	0.55	0.57	0.63	0.47	0.48	0.75	0.72	0.72	0.61	-0.11	-0.08
Heavy Fuel Oil	0.18	0.05	0.03	0.07	0.22	0.14	0.21	0.07	0.10	0.03	0.10
LPG	0.02	0.04	0.03	0.07	0.04	0.02	0.01	0.02	0.01	-0.01	-0.01
Naphtha	0.06	0.04	0.04	0.03	0.03	0.09	0.09	0.14	0.14	0.00	0.09
Jet & Kerosene	0.12	0.09	0.08	0.10	0.08	0.09	0.12	0.08	0.11	0.03	0.04
Other	0.45	0.34	0.35	0.24	0.24	0.45	0.42	0.62	0.46	-0.17	0.05
Total[2]	**9.07**	**8.24**	**8.40**	**8.24**	**7.88**	**9.58**	**9.62**	**9.87**	**9.24**	**-0.63**	**0.92**

OECD Europe

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	May-03	Jun-03	Jul-03	Latest month vs. Jun-03	Latest month vs. Jul-02
Crude Oil	**7.37**	**7.17**	**7.46**	**7.18**	**7.60**	**7.58**	**7.47**	**7.56**	**7.87**	**0.31**	**0.64**
Products & Feedstocks	**1.48**	**1.44**	**1.42**	**1.25**	**1.14**	**1.09**	**1.06**	**1.00**	**1.14**	**0.14**	**-0.46**
Gasoil/Diesel	0.42	0.42	0.33	0.38	0.36	0.50	0.51	0.37	0.32	-0.05	0.02
Gasoline	-0.25	-0.34	-0.36	-0.25	-0.40	-0.40	-0.30	-0.38	-0.35	0.03	0.03
Heavy Fuel Oil	0.13	0.23	0.26	0.13	0.08	0.09	-0.02	0.12	0.19	0.07	-0.15
LPG	0.17	0.14	0.11	0.16	0.11	0.02	0.07	-0.03	0.09	0.13	-0.02
Naphtha	0.24	0.24	0.26	0.24	0.27	0.26	0.25	0.26	0.18	-0.08	-0.13
Jet & Kerosene	0.21	0.19	0.23	0.16	0.11	0.14	0.15	0.12	0.16	0.04	-0.09
Other	0.55	0.56	0.58	0.43	0.60	0.47	0.41	0.55	0.56	0.01	-0.14
Total[2]	**8.84**	**8.61**	**8.87**	**8.43**	**8.73**	**8.67**	**8.54**	**8.55**	**9.01**	**0.45**	**0.18**

OECD Pacific

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	May-03	Jun-03	Jul-03	Latest month vs. Jun-03	Latest month vs. Jul-02
Crude Oil	**6.65**	**6.20**	**5.78**	**6.51**	**7.17**	**6.51**	**6.15**	**6.58**	**6.15**	**-0.44**	**0.65**
Products & Feedstocks	**1.00**	**1.31**	**1.08**	**1.63**	**1.56**	**1.37**	**1.33**	**1.32**	**1.20**	**-0.11**	**0.09**
Gasoil/Diesel	-0.18	-0.14	-0.21	-0.07	-0.08	-0.06	-0.05	-0.05	-0.17	-0.12	0.05
Gasoline	-0.01	0.02	0.01	0.04	0.02	0.04	0.06	0.06	0.05	-0.01	0.02
Heavy Fuel Oil	-0.12	-0.02	-0.06	0.02	-0.04	0.00	-0.04	0.00	-0.03	-0.02	-0.01
LPG	0.52	0.54	0.49	0.59	0.55	0.52	0.48	0.58	0.46	-0.12	0.03
Naphtha	0.64	0.70	0.72	0.72	0.77	0.71	0.71	0.56	0.85	0.29	0.10
Jet & Kerosene	-0.03	0.00	-0.08	0.08	0.14	-0.02	0.00	-0.05	-0.08	-0.03	0.00
Other	0.18	0.20	0.20	0.26	0.21	0.18	0.17	0.21	0.12	-0.10	-0.10
Total[2]	**7.65**	**7.51**	**6.86**	**8.14**	**8.73**	**7.88**	**7.48**	**7.90**	**7.35**	**-0.55**	**0.74**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 11 August 2003), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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13 November 2003

HIGHLIGHTS

- Global oil demand growth is raised by 170 kb/d to 1.3 mb/d for 2003, and by 20 kb/d, to 1.1 mb/d for 2004. China, the driving force, contributes almost 35% of global growth this year and 30% in 2004. OECD demand estimates are cut by 80 kb/d for 2004, reflecting more comfortable US natural-gas inventories.

- World oil production grew by 1.2 mb/d to 80.9 mb/d in October. OPEC crude rose by 415 kb/d and other supplies by 790 kb/d. Iraqi exports averaged 1.2 mb/d, with OPEC-10 production estimated at 25.6 mb/d versus November target of 24.5 mb/d. A reduction in OECD supply of 150 kb/d 2003/04 is offset in 2004 by higher Russian output.

- Supply and demand adjustments to the second half of 2003 and all of 2004 increase the "call on OPEC" by 0.3 mb/d and 0.2 mb/d respectively. However, the "call" continues to show a 0.8 mb/d drop in 2004 to 25.1 mb/d, with a seasonal fall in the second quarter.

- Continued sensitivity to shifts in US crude and product stocks accentuated price volatility in October. Dated Brent rose by $4 in early October dealings before surging supply drove values down by a similar amount. WTI remains above $31/bbl and the OPEC basket is back above $28/bbl in early November.

- OECD industry total oil stocks rose 910 kb/d in September to 2590 mb or 23 mb above last year. The third quarter increase came to 770 kb/d, fuelled by gains in distillate stocks, which grew at twice their five-year average. Ahead of peak demand, stock cover, at 53 days, is unchanged since June and equal to low stock coverage levels of 2000.

13 November 2003

Dear Subscriber,

PUBLISHING SCHEDULE FOR 2004

Please find below the Release Dates for the Oil Market Report:

Friday 16 January 2004
Wednesday 11 February 2004
Thursday 11 March 2004
Friday 9 April 2004
Wednesday 12 May 2004
Thursday 10 June 2004
Tuesday 13 July 2004
Wednesday 11 August 2004
Thursday 9 September 2004
Tuesday 12 October 2004
Wednesday 10 November 2004
Friday 10 December 2004

The Annual Statistical Supplement to the Oil Market Report will be published with the Report dated 11 August.

Best regards,

Klaus Rehaag
Editor – Oil Market Report

CONTENTS

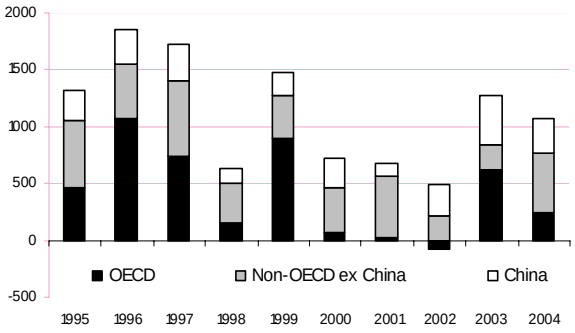
A TALE OF THREE MARKETS

Indicators point to an acceleration of global economic growth. US third quarter GDP surged by 7.2%, the strongest annualised quarterly rate of growth since the mid-80s. The Japanese and European economies are expanding faster than originally expected and Chinese GDP growth keeps roaring along at a blistering pace. While uncertainties may yet constrain the future rate of economic growth -- current account deficits, international terrorism, SARS, housing market bubble, rate of household indebtedness etc. – current trends are positive for the global economy.

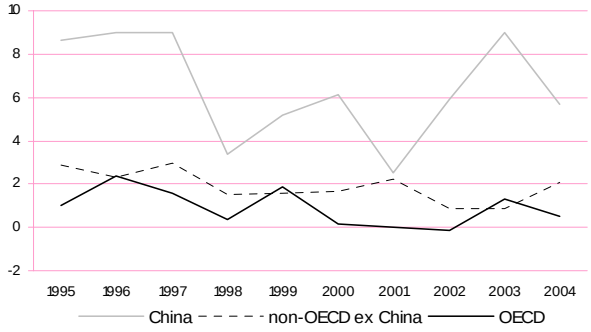
This trend change has contributed to a reassessment of our current oil demand growth forecast. Our 2003 and 2004 global demand estimate has been upwardly revised by 180 kb/d, to 78.6 mb/d, and by 200 kb/d, to 79.6 mb/d, respectively. Global oil demand is projected to grow at a healthy 1.7% in 2003, falling back to 1.4% in 2004 in recognition of the loss of one-time factors such as high natural gas prices, nuclear issues, colder than normal weather etc. that supported oil demand in 2003.

The positive trend in global oil demand growth is partly offset by lacklustre regional developments. OECD oil demand growth remains decidedly anaemic despite the recent surge in US economic growth and the nascent recovery in Europe and the Pacific. OECD oil demand is projected to grow by 617 kb/d in 2003 and 247 kb/d in 2004. The 2003 growth rate is superior to the 77 kb/d contraction experienced in 2002, but falls short of the previous five-year average growth rate (1995-1999). In spite of the surge in economic activity, 2004 oil demand growth reflects a shallower industrial recovery and an extrapolation of recent growth patterns.

1995-2004 World Oil Demand Growth (kb/d)



1995 -2004 World Oil Demand Growth (%)



Non-OECD excluding China exhibits a different growth pattern. With the exception of lower oil demand growth over the past two years due to the impact of the global recession, oil demand growth in this segment has been remarkably stable. 2004 oil demand growth of 523 kb/d is on par with trend growth over the 1995-2001 period. This result is surprising, given that non-OECD is often portrayed as the engine of future global oil demand growth. It could be argued that this interpretation is somewhat unfair, given the inclusion of the FSU in non-OECD data. Notwithstanding, non-OECD ex-China oil demand growth, while stable, has not been stellar. A case in point is India which experienced a meagre 200 kb/d increase in total oil demand over the last 5 years. Indonesian oil demand grew by 144 kb/d over the same time period and that for Brazil contracted by 84 kb/d.

And then there is China. Chinese oil demand growth in both 2003 and 2004 will outperform based on robust economic developments. The Chinese economy will need to expand at torrid pace to create new jobs to be able to absorb displaced workers from inefficient and defunct state enterprises and to position itself for full WTO entry. Questions abound as to the sustainability of China's GDP growth, the impact of this growth on the environment and social fabric and whether these growth factors are contributing to a bubble economy.

Nevertheless our most recent forecast suggests that Chinese oil demand is set to grow by 443 kb/d, or 9%, in 2003 followed by growth of 306 kb/d, or 6%, in 2004. At these rates, China eclipses Japanese oil demand in the second half of 2003 and will represent the equivalent of 67% of OECD Pacific oil demand in 2004. This underpins a clear disconnect in regional oil demand developments. At this juncture, China is the engine of global oil demand growth with significant room for further expansion in the industrial and transportation sectors. Our forecast has considerable upside potential. Should economic growth trends continue, we would expect to see further upward revisions to Chinese oil demand in the future.

DEMAND

Summary

- The assessment of global oil product demand growth has been raised by 170 kb/d to 1.28 mb/d for 2003, lifting the demand projection to 78.55 mb/d. For 2004, demand growth is adjusted upwards by 20 kb/d, to 1.08 mb/d bringing global demand to 79.63 mb/d, up 200 kb/d from last month.

- China accounts for much of the upward adjustment to the demand forecast. The estimate of Chinese apparent demand growth has been raised by 90 kb/d for 2003, to 440 kb/d. Surging end-user demand in the third quarter is reported to have tightened domestic product markets, despite high refining throughputs and persistently strong product imports. Although there are concerns about the risk of overheating, structural shifts in the Chinese economy appear to set the stage for another strong demand gain in 2004. China alone is expected to make up nearly 30% of global growth in 2004, after contributing roughly 35% this year.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change* (%)	Annual Change* (mb/d)	Changes from last month's Report (mb/d)
1Q02	77.1	-0.7	-0.5	-
2Q02	75.5	-0.2	-0.2	-
3Q02	76.9	0.9	0.7	-
4Q02	79.5	2.0	1.6	-
1Q03	79.3	2.8	2.2	-
2Q03	76.3	1.2	0.9	-0.1
3Q03	78.0	1.3	1.0	0.4
4Q03	80.6	1.4	1.1	0.4
1Q04	80.0	0.9	0.7	0.2
2Q04	77.5	1.6	1.2	0.1
3Q04	79.1	1.4	1.1	0.2
4Q04	81.9	1.5	1.2	0.3
2002	77.3	0.5	0.4	-
2003	78.6	1.7	1.3	0.2
2004	79.6	1.4	1.1	0.2

* year-on-year change

- The estimate of Middle Eastern demand has been adjusted upwards by 80 kb/d for 2003 and 110 kb/d for 2004. Iraq accounts for the bulk of the revision, reflecting stronger-than-expected military demand and a post-war boost in car, diesel generator and appliance imports.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.16	0.34	0.30
Latin America	0.02	-0.01	0.02	-0.11	-0.14	0.06
FSU	-0.15	0.09	0.05	0.07	0.11	0.03
Europe	-0.15	-0.11	0.20	-0.18	0.14	0.11
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.15	-0.14
China	0.21	0.26	0.12	0.27	0.44	0.31
Other Asia	0.41	0.09	0.16	0.11	0.11	0.18
Subtotal, Asia	0.90	0.28	0.20	0.34	0.71	0.35
Middle East	0.04	0.18	0.19	0.13	0.08	0.19
Africa	0.11	0.05	0.09	0.01	0.04	0.04
World	1.48	0.73	0.68	0.41	1.28	1.08

- OECD demand estimates are left unchanged for 2003 but cut by 80 kb/d for 2004, reflecting more comfortable US natural-gas inventories. North American demand growth forecast at 300 kb/d for 2004 is roughly in line with 2003, with accelerating economic growth replacing the weather and one-off events as the main engine of growth.

- October weather was colder than normal in Europe and Japan, but milder in North America. Reversing earlier projections, most weather forecasts now call for milder-than-normal North American temperatures through the winter. A shift to colder-than-normal weather could significantly boost US demand.

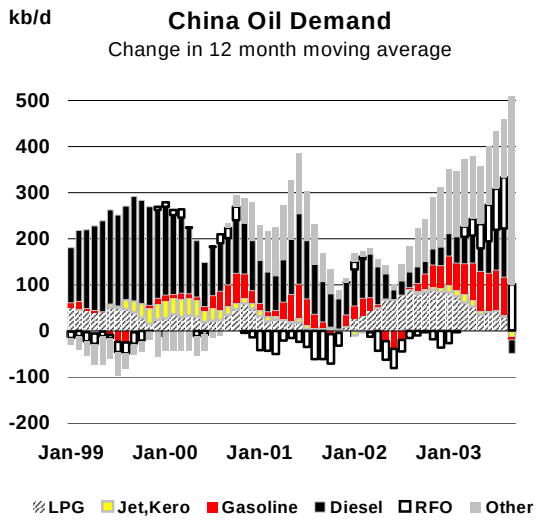
- Unadjusted, preliminary data for eight of the largest OECD economies point to mild contraction in aggregate oil deliveries for September, led by a 4% average drop in Japan and Korea. But this early estimate may not fully account for the strength of underlying demand. North American preliminary estimates were pulled lower by a 10% drop in estimated US deliveries of "other products", a catch-all category for which preliminary estimated data remain subject to revision. In Europe, steep gains in France and Italy were offset by contraction in Germany, where low Rhine river levels in September temporarily delayed deliveries.

Reassessing Chinese Demand Growth

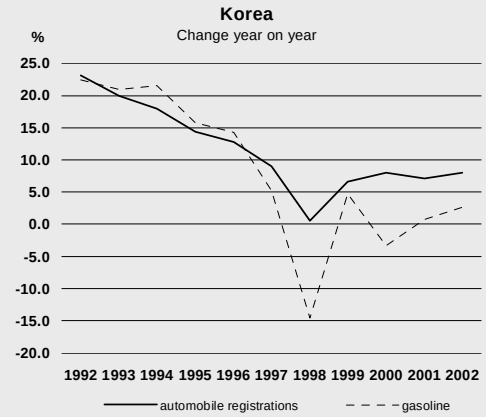
The breakneck pace of Chinese economic expansion is rapidly changing the oil demand map. For oil products, as for coal, metals and other commodities, China has emerged as the single biggest factor behind world-wide demand growth. China alone accounted for roughly two-thirds of incremental demand in 2002, a year when global consumption was admittedly undermined by warmer-than-normal winter temperatures and the global economic slowdown. Global demand growth staged a marked rebound this year on the back of fledgling economic recovery and a swing into colder-than-normal winter weather in the first quarter, compounded by one-off disruptions that boosted fuel switching into oil from other energy sources, but China still makes up more than a third of the increment. Current projections indicate that it will contribute nearly 30% of global demand growth in 2004. This reflects an increase of 120 kb/d from last month to our estimate of 2004 Chinese demand growth, to 310 kb/d. Should current trends in economic growth, industrial relocations and expansion, automobile sales, oil imports and refinery runs continue, this projection may again be adjusted upwards.

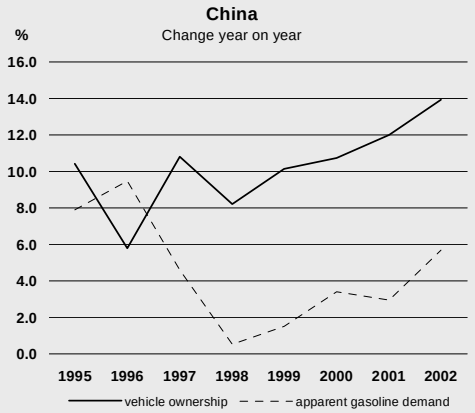
As China looms larger in oil demand, two associated elements of risk – concerns about data integrity and the uncharted nature of Chinese economic growth – weigh heavily on demand forecasts. For some time, most of the growth in global oil demand has come from non-OECD economies where the quality of statistical data, while improving, does not meet OECD standards. The concentration of growth in one single non-OECD economy raises data issues to a new level. Yet it might be argued that China's move from a planned economy towards a more market-oriented economy might foster better oil data. While state-owned industries might have had an incentive to produce statistics demonstrating the achievement of pre-set production targets, China's publicly-listed major oil companies are increasingly motivated by profit. The quest for profit may also promote accuracy in trade reporting, as companies' efforts to minimise cost counterbalance government's drive to maximise tax revenue. Nevertheless, the sheer magnitude of the task of collecting timely data in an economy as vast and complex as China is clearly a daunting challenge.

The pace and scope of Chinese economic growth also preclude any forecast of Chinese oil demand growth based on the assumption of "business as usual". Until recently, increases in Chinese apparent demand, i.e. the sum of domestic product output and net product imports, tended to be cyclically offset by a subsequent period of contraction, as refiners cut back on runs and imports to work off builds in product inventories. That clearly has not been the pattern in recent months. While the Severe Acute Respiratory Syndrome (SARS) outbreak did dent growth in the second quarter, the impact was smaller than even Chinese refiners had apparently expected. According to Chinese trade press reports, the strength of gasoline and gasoil end-user demand in September and October took Sinopec and PetroChina by surprise, forcing them to cut back on planned exports and even to import spot barrels to counter sporadic "shortages" and douse isolated incidents of panic buying.



Gasoline Demand Growth Versus Automobile Sales



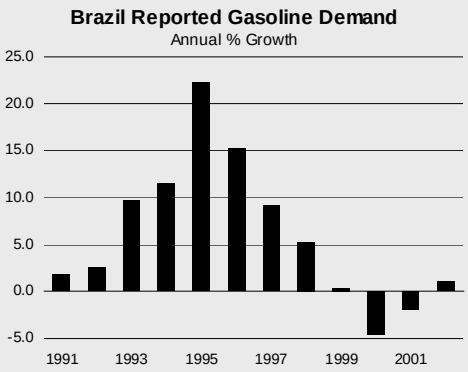


Few economies exhibit as close a correlation as Korea between increases in their automobile fleet and gasoline demand. For the 11-year period from 1992 to 2002, year-on-year percentage growth in Korean gasoline demand tracked almost exactly the trend in automobile ownership, with two relatively mild, and easily explainable, divergences: in 1998, gasoline demand contracted while growth in vehicle registrations slowed to a near halt, as the Asian financial crisis undermined not only automobile sales but also miles driven per automobile. After 2000, gasoline demand started growing more slowly than the automobile fleet, likely due to the growing share of diesel in driving fuel demand.

In contrast, Chinese gasoline demand, while by-and-large following the trend in automobile ownership, appears to lag it considerably. There are several explanations for this apparent discrepancy between the trends in China and Korea. When Korean automobile sales started increasing rapidly in the late 1980s, Korea already had a well-developed network of roads but few motorcycles. In China, on the other hand, the surge in the motor vehicle fleet came mostly from the motorcycle sector, which still accounts for the bulk of gasoline demand. In addition, the network of roads, while fast-growing, remains in the early stages of development.

The high proportion or motorcycles in the vehicle fleet and the lack of road infrastructure have until now acted as a break on gasoline demand growth in relation to the dramatic increases in the automobile population. However, those inhibiting factors may be receding. Not only have automobile sales risen in recent months to a new fevered pitch, but Chinese authorities have made strides in developing the country's road and highway network. In addition, as automobile sales are rising faster than motorcycle sales, the share of automobiles in the vehicle fleet is increasing.

This is not to suggest that China will necessarily follow the Korean model. In Brazil, reported gasoline demand soared in tandem with automobile sales following the introduction of President Fernando Henrique Cardoso's 1994 *Plano Real* package of economic reforms, but the surge proved relatively short-lived.



Brazilian gasoline demand actually swung into contraction in recent years, despite estimated annual growth of 3.5%-4% in vehicle registrations. India still consumes less gasoline than Spain despite a population size closer to that of China and steady gains in its automobile fleet. Ultimately, precedent may not be any guide to predict the pace of Chinese gasoline demand growth. However, given recent structural shifts in the Chinese economy, it is important to recognise the potential for automobile sales to continue at a fast clip even in the event of a slowdown in the broader economy, and for gasoline demand growth to start narrowing the gap with the much faster pace of automobile sales.

Yet it is equally questionable to assume that Chinese economic growth will continue unabated. While some economists are optimistic about the prospects for further economic growth, others are more cautious and point to signs of overheating and to the risk of economic "bubbles". For the purpose of this Report, it is assumed that Chinese economic growth will continue into 2004, but slow down from current levels, partly in response to government measures. At the same time, we recognise that shifts in China's economy have led to structural gains in China's oil demand that even a marked slowdown in economic activity may not easily reverse.

Three main components of Chinese demand growth can be identified: transportation demand, petrochemical demand and power generation. Transportation demand growth appears likely to provide the strongest contribution to overall Chinese demand growth in 2004, nearly one third of a projected 310 kb/d gain. Record-high increases in reported automobile sales, automobile ownership rates and the overall automobile population, coupled with aggressive road and highway building, should fuel steep gains in gasoline demand next year. Concerns about economic overheating notwithstanding, structural shifts have set the stage for further advances in automobile sales: those include rising incomes and the development of a managerial class than can afford automobiles, the "leveraging" of the Chinese consumer and the growing acceptance of financing for automobile purchases; staggered cuts in taxation rates for both automobile purchases and insurance, with more to come in keeping with World Trade Organisation targets; declines in automobile prices and widening consumer choice brought by heightened competition and the opening of the domestic market to imports; and a more inviting driving environment brought upon by an expanding network of roads. Jet fuel demand is also expected to post faster growth next year than in 2001-2003, when air travel was negatively affected by 9/11, the global economic downturn and SARS. Impressive as the development of China's fledgling road network may be, Beijing has put even greater emphasis in recent years on the expansion of the country's airport capacity.

China Crude & Product Trade

(thousand barrels per day)

	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Latest month vs. Aug 03	Latest month vs. Sep 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1192**	**1652**	**1556**	**1499**	**1477**	**1521**	**2211**	**689**	**825**
Products & Feedstocks	**329**	**361**	**373**	**320**	**415**	**512**	**595**	**594**	**581**	**-13**	**115**
Gasoil/Diesel	**0**	**-16**	**-41**	**-31**	**-32**	**-41**	**-50**	**-24**	**-53**	**-29**	**-39**
Gasoline	-134	-142	-152	-173	-191	-201	-183	-155	-215	-60	-26
Heavy Fuel Oil	313	281	336	334	401	488	545	503	547	44	195
LPG	155	197	189	184	209	221	222	201	211	10	-25
Naphtha	-19	-16	-15	-16	-25	-18	-21	-18	-29	-11	-23
Jet & Kerosene	8	9	23	-11	4	-5	-4	13	35	23	17
Other	5	48	32	32	50	68	85	74	84	11	16
Total	**1372**	**1609**	**1565**	**1972**	**1972**	**2011**	**2071**	**2115**	**2792**	**676**	**940**

Sources: China Oil, Gas and Petrochemicals plus IEA estimates

Petrochemical demand growth results from the rapid expansion of the Chinese petrochemical and plastics industry, including steep gains in ethylene production capacity. While some of that demand might in the future be directed at natural gas or coal-bed gas rather than oil products, prior to the completion of China's major pipeline and LNG import terminal projects it will primarily boost naphtha demand, with smaller increases in LPG and middle distillates.

China's residual fuel oil demand for power generation posted unprecedented growth this summer on the back of exceptionally hot temperatures on the east, southeast and southern seaboards. That, however, was likely a one-off factor. Assuming normal weather, cooling demand will ease next summer. Also, China's ambitious plans to expand its power generation capacity do not focus on oil-fired units. Although some new oil-fired units will be constructed, the bulk of the plants under construction or consideration will be hydro, coal-fired and nuclear units, with a smaller number of natural gas-fired facilities. Even so, we expect fuel oil demand to inch higher in 2004, for two-related reasons. First, while most new demand will eventually be met by non-oil fired plants, existing power generation capacity will remain stretched in the face of fast-growing electricity demand until significant capacity additions are completed. There will thus still be a need to maximise oil-fired generation capacity during the peak demand season even if weather trends are closer to normal.

Second, even if industrial output growth slows, China's construction boom, with hundreds of thousands of new air-conditioned units, has considerably raised baseline electricity demand, especially in the peak summer cooling season.

Other non-OECD

Middle East demand has been adjusted upwards by 80 kb/d for 2003 and 110 kb/d for 2004. Iraq accounts for the bulk of the revision. Given the current situation in Iraq, demand estimates necessarily depend on patchy market information. However, it appears that demand, after being initially crippled by war and the damage inflicted on the power generation infrastructure, has since recovered, albeit with significant changes in the product mix. Iraqi light product imports have had a palpable impact on regional balances, markedly tightening the Mediterranean gasoline and middle distillate markets, even as Iraqi refinery runs have reportedly returned to within 75% or more of pre-war levels of about 550 kb/d. Although power generation problems persist and some of the country's factories have been shuttered, reducing residual fuel oil demand, there are offsetting factors. Persisting insecurity and repeated attacks on coalition troops mean that military demand has continued for longer, and at higher levels, than anticipated. Meanwhile, the end of UN sanctions and the CPA's abolition of taxes have in effect transformed Iraq into a vast duty-free zone, opening the floodgates to a stream of imports of energy-intensive consumer goods at prices well below inflated pre-war levels. According to one estimate, some 300,000 to 450,000 second-hand automobiles have been imported into Iraq since the war from dealerships as far away as the United Arab Emirates. Cheap consumer durable imports, including air conditioners, freezers, washing machines and televisions, have met robust pent-up demand. Problems with electricity supplies have boosted imports of power generators, and thus diesel demand.

Saudi domestic demand shows signs of robust growth, with Saudi Arabia reportedly halting exports of residual fuel oil to the Fujairah bunker market in the United Arab Emirates and ceasing term-contract residual fuel oil sales to China as of 2004. Rising domestic demand for power generation and desalination plants in the western part of the country has reportedly curtailed volumes available for export.

Israeli oil demand estimates have been adjusted upwards for 2002 in light of government statistics showing stronger deliveries than expected. Israeli oil demand is now estimated to have inched higher by 1.2% in 2002 after contracting by 5.9% in 2001. The move is roughly in line with changes in GDP growth.

FSU apparent demand, defined as crude output minus net exports of crude and products, has been adjusted upwards by 140 kb/d for the fourth quarter, reflecting a surge of more than 400 kb/d year-on-year in October. Net export growth fell to an estimated 510 kb/d year-on-year in October from 550 kb/d in September, 990 kb/d in August and an average 1.01 mb/d in the first eight months of the year. Although still steep, October's export gain failed to keep up with soaring output growth, which at an estimated 930 kb/d remained close to the average 940 kb/d year-on-year gain for the first three quarters.

Stronger-than-expected apparent demand in the fourth quarter means that less FSU output is now expected to be available to the global market. However, apparent demand does not equate with final consumption. Rather, October's surge in apparent demand reflects a form of inventory build, as inclement weather in the Black Sea and congestion in the Bosporus Straights temporarily withheld FSU volumes from the market. Due to seasonal constraints on exports and Russia's history of building precautionary winter stocks and letting domestic prices ease ahead of the peak heating demand season, the trapped volumes are not expected to quickly reach international markets. Once the logjam is over, however, the volumes are likely to be unleashed, further loosening weak fundamentals in the second quarter. Russian resourcefulness in boosting export capacity leaves little doubt that it will manage to squeeze the barrels out once weather constraints and domestic requirements ease.

Indian demand remains weak for August, the last reporting month, with unadjusted government data showing year-on-year aggregate growth of 0.6% and 0.8% for high-speed diesel, the mainstay of Indian demand. Statistics are expected to start showing stronger year-on-year growth on the back of abundant monsoon rains, in contrast with the drought of a year earlier, however – the monsoon's effect on agricultural demand does not to kick in until the fall.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Latest month vs. Jul 03	Latest month vs. Aug 02
Net Imports/(Exports) of:											
Crude Oil	**1604**	**na**	**1872**	**1643**	**1752**	**1957**	**1843**	**1744**	**1689**	**-56**	**-307**
(by Public Oil Cos)	**934**	**1088**	**1235**	**1108**	**1137**	**1317**	**1209**	**1014**	**1220**	**207**	**-42**
Products & Feedstocks	**-28**	**-83**	**-138**	**4**	**-125**	**-185**	**-280**	**-158**	**-189**	**-30**	**-14**
Gasoil/Diesel	-54	-53	-76	-35	-113	-120	-176	-99	-122	-22	-25
Gasoline	-20	-48	-57	-45	-66	-71	-71	-97	-78	20	-28
Heavy Fuel Oil	22	6	8	2	-10	24	17	10	33	23	30
LPG	20	22	8	52	75	28	22	23	33	10	26
Naphtha	9	4	-5	24	13	-43	-52	21	-36	-57	-19
Jet & Kerosene	29	10	5	8	-14	-3	-23	-20	-27	-7	-29
Other	-34	-23	-22	-2	-11	-1	2	5	8	3	30
Total	**1576**	**1005**	**1734**	**1647**	**1627**	**1771**	**1563**	**1586**	**1500**	**-86**	**412**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2002 are not available. For 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

Taiwanese demand has been cut by roughly 20 kb/d for 2004 in light of electric utility Taiwan Power's plan to cut annual residual fuel oil consumption to 1.5 million tons from 2.5 million tons this year. Taipower is committed to buy power from four new independent power producers that will begin operating four gas-fired plants in 2004.

OECD

Early Indications of Current Demand

Preliminary assessments of OECD oil deliveries for eight of the largest OECD economies point to mild contraction of 0.9% year-on-year in September, but underlying demand may be stronger than it appears (see table below). North American delivery data were dragged down by a questionable 10% contraction in US deliveries of "other products", a catch-all category comprised of naphtha, LPG and the narrower "other products" category used in Monthly Oil Statistics (MOS) data. "Other products" are estimated rather than surveyed in preliminary US data and thus have been subject to large revisions. Had the assessment of US "other products" been held flat from last year, aggregate growth would have reached 1.5% for the US, 1.8% for North America and an aggregate 0.5% for the eight economies included in the data. The assessment has been provisionally adjusted upwards for the purpose of estimating global balances in this Report.

Preliminary Inland Deliveries – September 2003

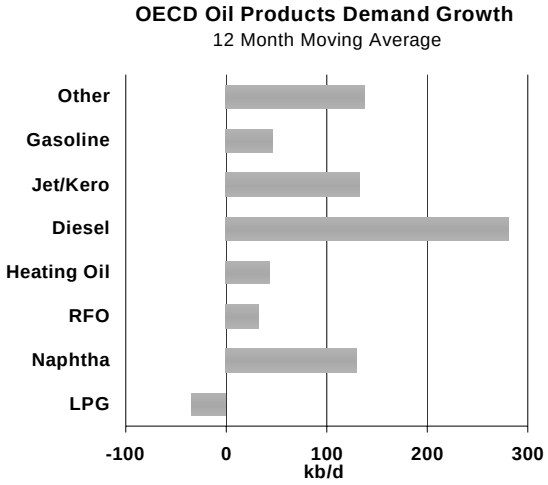
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.98	3.3	1.53	-6.0	2.84	2.6	0.89	-7.5	0.67	6.4	4.31	-10.0	19.22	-1.3
Canada	0.70	2.3	0.11	4.7	0.43	3.4	0.05	6.1	0.11	-7.5	0.28	6.4	1.69	2.8
Mexico	0.60	10.2	0.05	-1.9	0.28	8.0	0.00	na	0.35	-6.4	0.38	8.8	1.67	5.2
Japan	1.07	1.4	0.32	-16.4	0.67	-4.0	0.45	-4.8	0.46	-9.0	1.48	-0.5	4.44	-3.3
Korea	0.17	-15.1	0.04	-43.5	0.37	-2.7	0.10	-20.7	0.27	-1.8	0.97	-3.8	1.92	-6.7
France	0.29	-0.9	0.13	3.2	0.65	7.2	0.33	6.1	0.06	26.1	0.51	10.4	1.98	6.7
Germany	0.61	-4.5	0.15	-3.2	0.62	-2.3	0.64	-8.5	0.11	1.7	0.43	-15.3	2.57	-6.7
Italy	0.36	-1.1	0.08	9.1	0.48	7.5	0.11	-5.4	0.27	1.9	0.42	6.8	1.73	3.7
Total	12.77	2.2	2.43	-5.8	6.33	2.1	2.57	-6.0	2.30	1.8	8.79	-5.1	35.19	-0.9

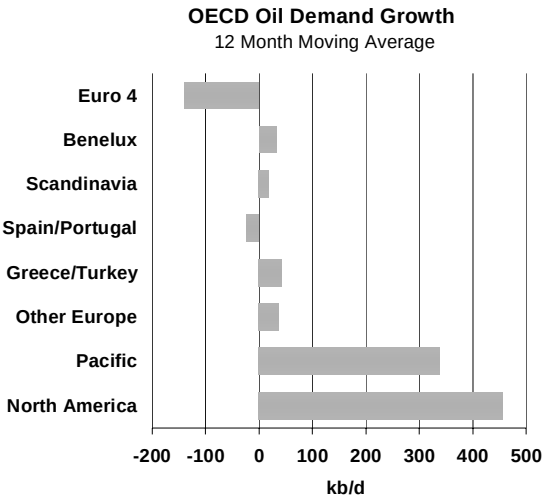
Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

A 6.7% contraction in German deliveries may also be somewhat misleading. German deliveries were hampered through most of September by low water levels, restricting barge traffic on key rivers, thereby artificially undermining demand estimates. Much of the apparent drop in demand is likely to

reflect deferred rather than reduced deliveries, and may result in stronger year-on-year growth for October and November.

Asian demand, on the other hand, appears genuinely weak for September, especially Korea with year-on-year contraction of 6.7%. Contraction spread across the demand barrel except for gasoline in Japan. However the significance of that trend is reduced in light of the fact that September is a month of relatively mild consumption in Japan and Korea, ahead of peak demand in the fourth and first quarters. October weather was cooler than normal in both countries, suggesting demand growth may have since picked up momentum.





Broken down by products, OECD delivery data for September point to a shift in demand from heavier products to lighter ones. Road transportation fuels were in especially strong demand. Deliveries of gasoline expanded faster year-on-year than those of any other product, driven by a 3.3% gain in the US. Japan gasoline deliveries swung into growth in September after declining in August, while contraction in Europe slowed markedly.

Diesel deliveries expanded nearly as fast as gasoline, led by steep gains of more than 7% in France and Italy. A contraction in Germany is expected to be reversed for October, following the resumption of barge traffic on the Rhine and other rivers. Growth in North American diesel deliveries continued to gain momentum in September, in line with accelerating economic recovery.

Moving Annual Average Change in Oil Demand* – September 2003

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	-3.1%	3.6%	1.1%	0.0%	4.2%	5.7%	15.6%	-1.9%	1.4%	277
Canada**	3.2%	-0.8%	1.8%	9.4%	2.4%	8.2%	10.1%	2.4%	3.9%	82
Mexico	-2.5%	16.0%	5.8%	-0.1%	8.4%	8.4%	-11.3%	41.8%	2.7%	54
Japan	0.2%	3.2%	0.7%	5.4%	-4.0%	2.5%	23.8%	23.2%	5.1%	267
Korea	-2.0%	3.8%	-4.5%	5.9%	8.0%	3.8%	-2.3%	-32.8%	2.3%	49
France	-0.7%	8.6%	-6.4%	9.2%	1.0%	0.3%	-4.5%	7.8%	1.1%	21
Germany	1.6%	-4.5%	-5.4%	1.8%	5.3%	-7.3%	-0.7%	-23.6%	-3.5%	-96
Italy	3.3%	28.3%	-0.5%	29.7%	4.9%	-4.8%	-17.4%	2.1%	-1.3%	-25
UK	0.9%	67.0%	-5.5%	3.5%	2.0%	2.0%	1.0%	-13.8%	-0.6%	-10
Total	**-1.6%**	**4.2%**	**0.5%**	**3.2%**	**3.2%**	**1.5%**	**3.0%**	**2.2%**	**1.6%**	**619**
kb/d	-66	106	61	107	187	51	94	79	619	

* defined as the percentage change between the demand average for the 12 months up to September and that of the same period a year earlier
** near-month data are estimated

In contrast with road fuels, residual fuel oil deliveries slowed abruptly in September after posting strong gains in August. US RFO deliveries slid from nearly 50% year-on-year growth in August to a provisional 6.4% in September with the winding down of the cooling season and the easing of natural

gas prices. Japan deliveries contracted by an estimated 9%, reflecting a lesser shortfall in nuclear power generation capacity and mild cooling demand. French demand remained steeply higher than last year, but the low baseline of French RFO consumption means the overall impact on regional demand was marginal.

OECD oil demand estimates for August were raised by 110 kb/d, on the back of upward revisions of 170 kb/d to North American preliminary data and an offsetting 60 kb/d reduction in Asia. The bulk of the North American adjustment was for US LPG (+170 kb/d), as easing natural gas prices allowed more liquids to be extracted from the natural gas stream and this created an opportunity for incremental liquids use in the petrochemical sector. The revision for September, coupled with a 100 kb/d upward adjustment to the North American forecast for October, was partly offset by a 60 kb/d downward adjustment for August. On average, the assessment of third-quarter demand for North America was raised by 90 kb/d, counterbalancing a 90 kb/d cut for the Asia-Pacific region. Third-quarter European demand was raised by 50 kb/d, reflecting stronger-than-expected September deliveries in France and Italy.

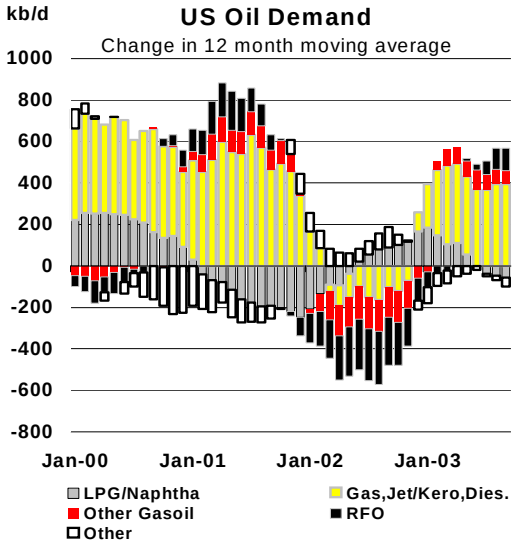
North America

The US economic recovery is gathering momentum. GDP growth soared to 7.2% in the third quarter. Manufacturing activity is rebounding. The improvement in the economy is finally generating jobs. The unemployment rate inched lower to 6% in September, easing concerns about a "jobless recovery", although there are few jobs being created in the manufacturing sector.

While the positive indicators are supporting our expectation that the economic recovery will be the main driver of demand growth in 2004, there are offsetting factors. Natural gas inventories look more comfortable following steep summer injections into storage and upward adjustments to stock statistics by the US Department of Energy. That means more and cheaper natural gas is likely to be available for power generation and industrial use during the peak winter season than previously expected, and that there will be less requirements and financial incentives for fuel-switching into oil. More LPG is also likely to reach consumers as there will be less incentives to leave liquids in the natural gas stream.

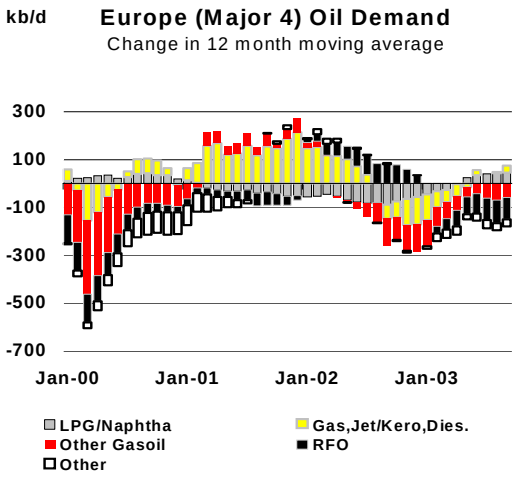
At the same time, US weather forecasts turned bearish in September, leading the market to expect less heating demand than last year. However, forecasts are notoriously fickle in the early stages of winter, and at the time of writing forecasts were again tilting towards colder-than-normal winter temperatures.

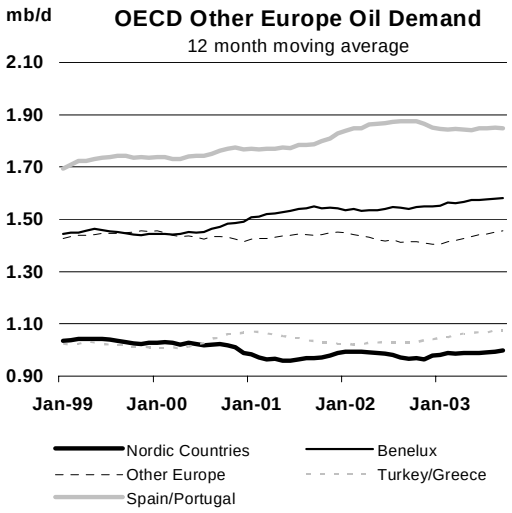
The combination of accelerating economic growth and an easing of natural gas prices speaks to a further lightening of the North American demand barrel, with commercial and consumer demand boosting light product demand for road and air transportation, but natural gas meeting more of the power generation and industrial demand at the expense of heating oil and residual fuel oil. Gasoline demand was exceptionally strong in September and October, soaring to well over 9 mb/d in October, a first for that month.



Europe

European demand was a mixed bag in September, with steep contraction in Germany offsetting strong growth in France and Italy. However, German demand weakness may have been partly overstated due to river traffic constraints. Indeed, early indications for October suggest that distillate inventories fell sharply in the Amsterdam-Rotterdam-Antwerp storage area, as rising river levels allowed deliveries to the German hinterland to resume.



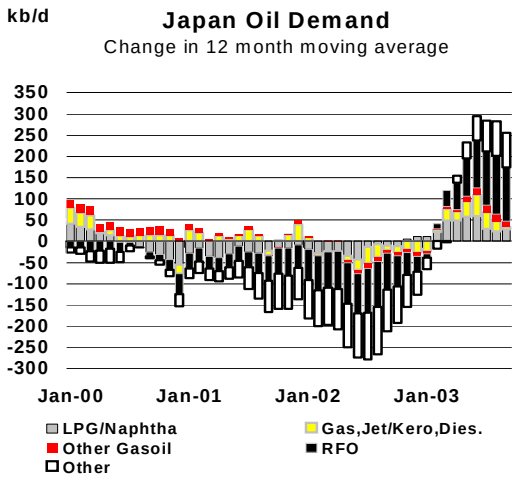


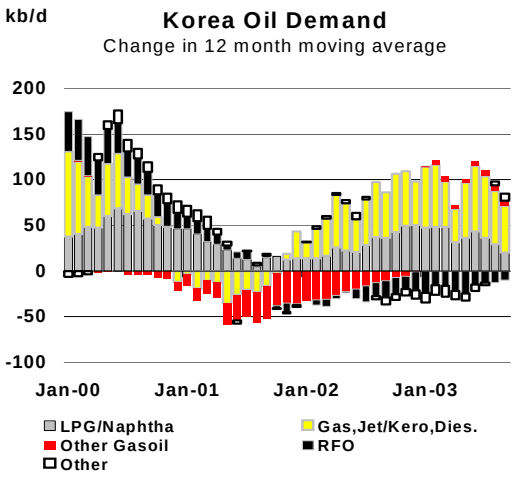
Much of the strength in overall September deliveries focused on middle distillates, including both diesel and heating oil. Some of the gains might have reflected secondary stock-building ahead of the fall maintenance season.

Pacific

Although preliminary demand estimates for September pointed to contracting demand in Japan and Korea, continued expansion in the underlying economy sets the stage for a potential rebound later on. Robust growth in both the US and Chinese economies carries direct knock-on effects to the Japanese and Korean economies, heavily dependent as they are on US and Chinese import demand.

Two key uncertainties cloud the outlook for Japanese demand. On the bearish side, the sustainability of the Japanese economic rebound may be undermined by the appreciation of the yen, which makes Japanese exports less competitive. On the bullish side, Japan's temporary loss of nuclear power generation capacity, following a controversy last year over maintenance practices and record-keeping, is lasting longer than expected. At the time of writing, only five of 17 boiling-water reactors previously idled by the Tokyo Electric Power Co. (Tepco) had resumed service. Restart dates for several units may be pushed back. Should Tepco encounter further delays in the restart of its facilities, Japanese oil demand may turn out to be higher than forecast in this Report.





Summary of Global Oil Demand

	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.02	24.34	24.35	24.16	24.57	24.14	24.68	24.60	24.50	24.71	24.40	25.07	25.00	24.80
Europe	15.26	15.14	14.62	15.17	15.34	15.07	15.19	14.98	15.10	15.52	15.20	15.27	15.02	15.22	15.66	15.29
Pacific	8.54	9.06	7.64	8.03	9.26	8.49	9.60	8.04	7.85	9.10	8.65	9.24	7.84	7.89	9.04	8.50
Total OECD	47.80	48.13	46.28	47.54	48.95	47.73	49.37	47.17	47.63	49.22	48.34	49.22	47.26	48.18	49.70	48.59
FSU	3.71	3.73	3.39	3.66	4.32	3.77	4.00	3.39	3.74	4.42	3.89	4.11	3.36	3.75	4.46	3.92
Europe	0.75	0.81	0.75	0.70	0.76	0.75	0.82	0.76	0.71	0.77	0.77	0.84	0.78	0.73	0.79	0.78
China	4.67	4.64	5.02	4.94	5.20	4.95	5.21	5.18	5.61	5.56	5.39	5.53	5.66	5.72	5.87	5.70
Other Asia	7.57	7.53	7.69	7.61	7.87	7.68	7.69	7.67	7.74	8.06	7.79	7.83	7.87	7.93	8.25	7.97
Latin America	4.89	4.72	4.81	4.86	4.72	4.77	4.46	4.63	4.75	4.68	4.63	4.50	4.69	4.81	4.75	4.69
Middle East	4.93	5.02	4.94	5.15	5.13	5.06	5.14	4.91	5.26	5.27	5.15	5.32	5.26	5.39	5.37	5.34
Africa	2.55	2.58	2.59	2.48	2.59	2.56	2.63	2.62	2.51	2.63	2.60	2.67	2.66	2.56	2.68	2.64
Total Non-OECD	29.06	29.02	29.18	29.39	30.59	29.55	29.94	29.16	30.32	31.40	30.21	30.81	30.29	30.88	32.17	31.04
World	76.86	77.15	75.46	76.94	79.54	77.28	79.31	76.33	77.95	80.62	78.55	80.03	77.55	79.06	81.87	79.63
Of which:																
US	19.65	19.53	19.72	19.92	19.87	19.76	20.02	19.65	20.14	20.04	19.97	20.19	19.96	20.52	20.40	20.27
Euro 4	8.43	8.35	7.99	8.38	8.27	8.25	8.21	8.17	8.15	8.33	8.21	8.28	8.10	8.15	8.33	8.22
Japan	5.39	5.68	4.62	5.03	5.87	5.30	6.19	4.99	4.85	5.69	5.43	5.84	4.75	4.82	5.61	5.26
Korea	2.13	2.35	1.99	2.01	2.37	2.18	2.41	2.03	1.98	2.38	2.20	2.36	2.05	2.03	2.37	2.20
Mexico	1.99	1.99	1.98	1.97	1.98	1.98	2.02	2.07	2.05	2.04	2.05	2.02	2.04	2.05	2.08	2.05
Canada	2.04	2.07	2.02	2.13	2.16	2.09	2.17	2.10	2.16	2.17	2.15	2.13	2.08	2.17	2.18	2.14
Brazil	2.20	2.15	2.16	2.22	2.19	2.18	2.00	2.07	2.13	2.13	2.08	2.01	2.09	2.15	2.15	2.10
India	2.27	2.30	2.30	2.19	2.33	2.28	2.33	2.25	2.26	2.40	2.31	2.40	2.32	2.33	2.49	2.39
Annual Change (% per annum)																
North America	-0.2	-1.7	0.7	1.1	2.5	0.7	2.7	0.5	1.4	1.0	1.4	0.6	1.1	1.6	1.6	1.2
Europe	1.0	-0.4	-1.0	-2.1	-1.5	-1.3	0.3	2.5	-0.5	1.2	0.9	0.5	0.2	0.8	0.9	0.6
Pacific	-0.9	-3.6	-4.2	0.0	5.4	-0.5	6.0	5.3	-2.3	-1.7	1.8	-3.8	-2.5	0.5	-0.7	-1.7
Total OECD	0.0	-1.6	-0.6	-0.1	1.7	-0.2	2.6	1.9	0.2	0.6	1.3	-0.3	0.2	1.2	1.0	0.5
FSU	1.3	0.2	-0.8	3.5	3.8	1.8	7.1	0.2	2.2	2.5	3.0	2.8	-1.0	0.3	0.8	0.8
Europe	6.0	0.8	1.1	1.4	1.5	1.2	1.8	1.5	1.6	1.7	1.6	1.8	1.9	2.0	2.2	2.0
China	2.5	3.9	1.1	9.7	9.0	5.9	12.3	3.3	13.7	6.9	9.0	6.3	9.2	2.0	5.6	5.7
Other Asia	2.1	0.3	1.6	1.8	2.1	1.5	2.0	-0.3	1.8	2.4	1.5	1.9	2.7	2.3	2.4	2.3
Latin America	0.4	-1.3	-2.9	-1.9	-3.1	-2.3	-5.4	-3.6	-2.2	-0.8	-3.0	1.0	1.3	1.3	1.4	1.2
Middle East	4.0	2.6	2.4	2.7	2.7	2.6	2.4	-0.6	2.1	2.7	1.7	3.6	7.1	2.6	1.8	3.7
Africa	3.5	0.0	0.3	1.1	0.6	0.5	2.2	1.1	1.2	1.5	1.5	1.7	1.7	1.8	1.8	1.7
Total Non-OECD	2.3	1.0	0.5	2.7	2.6	1.7	3.2	0.0	3.2	2.6	2.2	2.9	3.8	1.8	2.4	2.7
World	0.9	-0.7	-0.2	0.9	2.0	0.5	2.8	1.2	1.3	1.4	1.7	0.9	1.6	1.4	1.5	1.4
Annual Change (mb/d)																
North America	-0.06	-0.40	0.18	0.27	0.59	0.16	0.64	0.12	0.33	0.25	0.34	0.14	0.26	0.39	0.40	0.30
Europe	0.15	-0.06	-0.14	-0.33	-0.24	-0.19	0.05	0.36	-0.07	0.18	0.13	0.08	0.03	0.12	0.14	0.09
Pacific	-0.08	-0.34	-0.33	0.00	0.48	-0.04	0.55	0.41	-0.18	-0.16	0.15	-0.36	-0.20	0.04	-0.06	-0.14
Total OECD	0.02	-0.80	-0.30	-0.06	0.83	-0.08	1.24	0.89	0.08	0.27	0.62	-0.15	0.09	0.55	0.48	0.25
FSU	0.05	0.01	-0.03	0.12	0.16	0.07	0.26	0.01	0.08	0.11	0.11	0.11	-0.03	0.01	0.04	0.03
Europe	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02
China	0.12	0.17	0.05	0.44	0.43	0.27	0.57	0.17	0.68	0.36	0.44	0.33	0.48	0.11	0.31	0.31
Other Asia	0.16	0.02	0.12	0.13	0.16	0.11	0.15	-0.02	0.14	0.19	0.11	0.15	0.21	0.18	0.20	0.18
Latin America	0.02	-0.06	-0.14	-0.10	-0.15	-0.11	-0.26	-0.17	-0.11	-0.04	-0.14	0.04	0.06	0.06	0.07	0.06
Middle East	0.19	0.13	0.12	0.13	0.14	0.13	0.12	-0.03	0.11	0.14	0.08	0.19	0.35	0.13	0.09	0.19
Africa	0.09	0.00	0.01	0.03	0.02	0.01	0.06	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.05	0.04
Total Non-OECD	0.65	0.28	0.14	0.77	0.76	0.49	0.92	-0.01	0.93	0.81	0.66	0.88	1.12	0.56	0.77	0.83
World	0.68	-0.52	-0.16	0.71	1.59	0.41	2.16	0.88	1.02	1.08	1.28	0.73	1.21	1.11	1.25	1.08
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-	0.02	0.09	-0.06	0.01	-0.10	-0.04	0.02	-0.12	-0.06
Europe	-	-	-	-	-	-	-	-0.01	0.05	0.01	0.02	0.03	-0.03	0.02	-0.01	-
Pacific	-	-	-	-	-	-	-	-	-0.09	-0.03	-0.03	0.01	0.02	-0.09	-0.02	-0.02
Total OECD	-	-	-	-	-	-	-	0.01	0.05	-0.07	-	-0.06	-0.04	-0.04	-0.16	-0.08
FSU	-	-	-	0.01	0.05	0.02	-	-0.02	0.02	0.14	0.04	-	-0.12	0.02	0.15	0.01
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.13	0.23	0.09	0.20	0.28	0.11	0.22	0.20
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-0.01	-0.02	-0.02	-0.02	-0.02
Latin America	-	-	-	-	-	-	-	-	-0.03	-0.01	-0.01	-	-	-0.03	-0.01	-0.01
Middle East	-	-	-0.01	0.02	0.01	0.01	-	-0.01	0.18	0.16	0.08	0.14	0.11	0.13	0.07	0.11
Africa	-	-	-	-0.03	-0.01	-0.01	-	-0.02	-0.04	-0.01	-0.02	-	-0.02	-0.04	-0.01	-0.02
Total Non-OECD	-	-	-0.01	0.01	0.05	0.01	-	-0.04	0.26	0.51	0.18	0.32	0.24	0.16	0.39	0.28
World	-	-	-0.01	0.01	0.05	0.01	0.01	-0.03	0.31	0.45	0.18	0.26	0.19	0.12	0.23	0.20

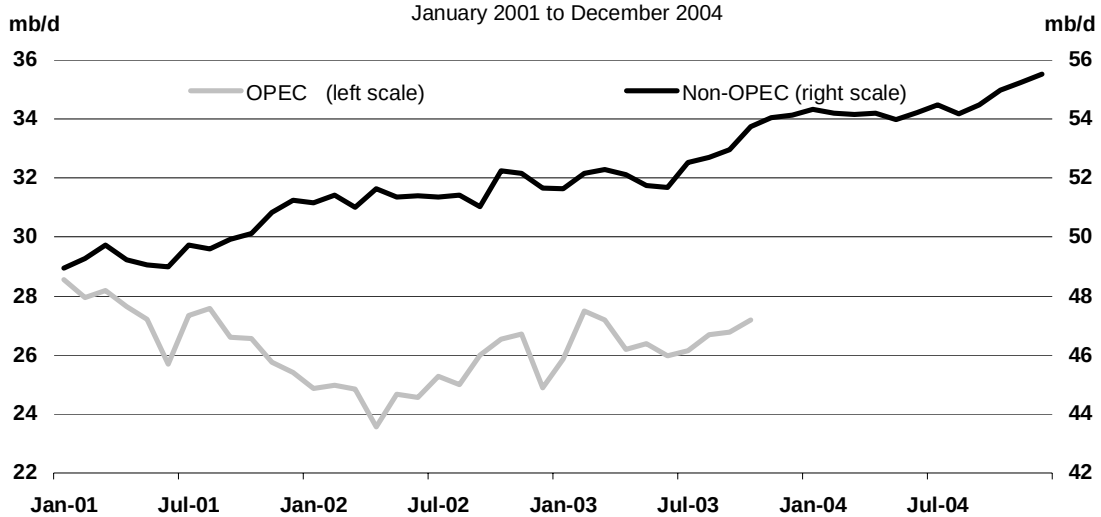
SUPPLY

Summary

- **World oil production** growth gathered momentum in October, amounting to 1.20 mb/d versus September. Global supply reached 80.94 mb/d, with non-OPEC supply rising by 725 kb/d, OPEC crude by 415 kb/d and other OPEC liquids by 65 kb/d.
- Despite downward adjustments to OECD production for 3Q and 4Q 2003, non-OPEC supply as a whole in October nevertheless stood 1.2 mb/d above 2002 levels. OPEC crude was 660 kb/d above last year and other OPEC liquids averaged 295 kb/d above 2002.
- **Non–OPEC supply** recovered from suppressed September levels. UK and Norwegian production is thought to have partially rebounded after recent extended outages and disruptions, while Russian production continued to rise sharply, despite curtailed exports. Increases also derived from the Gulf of Mexico & NGLs in the US and from rising supply from new fields in Africa.
- Total **OPEC crude supply** averaged 27.20 mb/d in October. Iraq accounted for nearly half of the increase, but recovery there slowed compared to the previous three months. Nigerian production gained 70 kb/d, while continued high crude prices and the ongoing absence of northern Iraqi exports prompted modest increases from other OPEC producers ahead of November's target cuts.
- October production from the **OPEC-10** averaged 25.6 mb/d, within 200 kb/d of the prevailing target level but over 1 mb/d above November's new target. Venezuela and Indonesia are producing around 20% below November target levels, but Algeria and, to a lesser extent, Qatar and Kuwait appear to be substantially over target in percentage terms.
- OPEC sources reiterated an intention to sustain prices around $25/bbl and to try to ensure a seasonal stock draw this winter. The Vienna meeting scheduled for 4 December will consider production levels in the light of stocks, OPEC's price band and prevailing Iraqi production and exports. Non-OPEC co-operation in curbing supply still seems unlikely unless prices fall substantially.
- The **"call on OPEC crude plus stock change"** has been revised up by 600 kb/d for second-half 2003 due to combined downward revisions to OECD supply and upward adjustments to non-OECD demand. This takes the call to 26.6 mb/d for the current quarter. Demand revisions centred on China have raised the call for year 2004 by 200 kb/d versus last month's Report. However, the call still falls by 800 kb/d in 2004 on average, with a low of 23.4 mb/d in 2Q.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2001 to December 2004



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

All world oil supply figures for October discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska, Russia, Peru, Vietnam and Egypt are supported by preliminary October crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

OPEC crude production rose by some 400 kb/d in October from an upward-revised September estimate of 26.8 mb/d (September production from Kuwait, Nigeria and Qatar is now estimated to have been running higher than suggested in the last Report). Iraq accounted for 190 kb/d of the October increase although this represented a slowing of the progress seen in the June-September period. The continued non-availability of northbound export capacity, allied to weather delays for loadings from Basrah in the south curtailed October export growth, while renewed pipeline problems affected refinery operations. A combination of sustained high crude prices (up $2-$2.50/bbl for marker grades in October versus September) and the more modest progress from Iraq seems to have led to a degree of leakage from other OPEC members ahead of scheduled target cuts amounting to 900 kb/d from 1 November. We estimate October Nigerian production rose by some 70 kb/d, Saudi and Kuwait crept up by 40 kb/d each and Iran and UAE by around 20 kb/d each.

OPEC Crude Production

(million barrels per day)

	1 Nov 2003 Target	Oct 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs Oct 2003 Production	Production vs. Target
Algeria	0.78	1.15	1.20	0.05	0.37
Indonesia	1.27	1.00	1.10	0.10	-0.27
Iran	3.60	3.80	3.85	0.06	0.20
Kuwait[2]	1.97	2.24	2.30	0.06	0.27
Libya	1.31	1.45	1.50	0.06	0.13
Nigeria	2.02	2.25	2.50	0.25	0.23
Qatar	0.64	0.74	0.80	0.06	0.11
Saudi Arabia[2, 3]	7.96	8.51	9.50	0.99	0.55
UAE	2.14	2.22	2.40	0.18	0.08
Venezuela[4]	2.82	2.24	2.35	0.11	-0.58
Subtotal	**24.50**	**25.59**	**27.50**	**1.91**	**1.09**
excl. Venezuela				*1.80*	*1.67*
Iraq[5]		**1.60**	**2.80**	**1.20**	
Total		**27.19**	**30.30**	**3.11**	

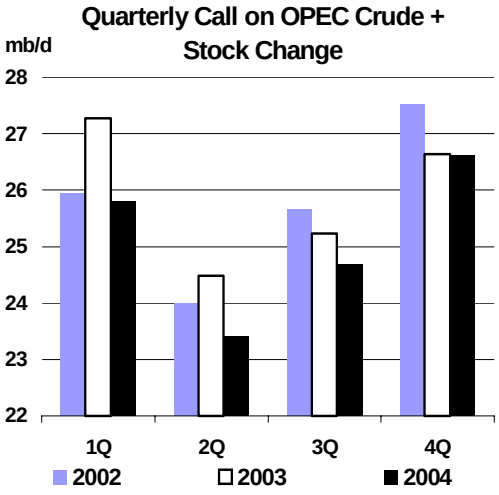
1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone production
3. Saudi Arabia's capacity can reach 10.5 mb/d within 90 days
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in October
5. Iraqi capacity represents pre-war estimate

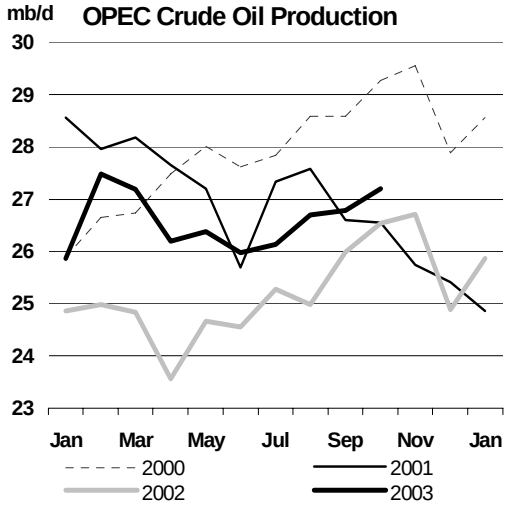
OPEC in October produced around 27.2 mb/d with OPEC-10 production at 25.6 mb/d coming in at approximately one million b/d above the November target. Were Middle East Gulf producers the only ones to apply their pledged 600 kb/d of cuts envisaged for November to October production levels, this implies 4Q OPEC-10 production around 25.2 mb/d (25.6 mb/d in October and 25.0 mb/d in November and December). Assuming Iraqi exports rise by a further 300-400 kb/d from October's 1.2 mb/d levels, OPEC total production for 4Q could average 27 mb/d. This stacks up against a revised "call on OPEC crude plus stock change" of 26.6 mb/d. However, the production uncertainties underpinnng this scenario have to be acknowledged (*see below)*.

From OPEC's perspective however, this possible output scenario may not be low enough to generate the seasonal stock draw in 4Q/1Q that the Organisation reportedly now seeks to ensure in support of its pricing objectives. While still at the low end of their historical range, OECD stocks are becoming more comfortable. The call on OPEC, while revised upwards from last month's estimates, still falls by more than 3 mb/d between the current quarter and 2Q 2004.

However, other developments in October and early-November have clouded the issue. Firstly, the persistence of prices for the OPEC Basket above $28 in late October raised the intriguing possibility

of a 500 kb/d increase in supply being triggered just after the Organisation's avowed 900 kb/d of cuts from 1 November (though this possibility receded when prices fell back within OPEC's target range on 28 October). Secondly, as this month's Report points out, the prevailing "call" may actually be running 600 kb/d higher than previously thought in 4Q 2003 and 200 kb/d higher in 2004.



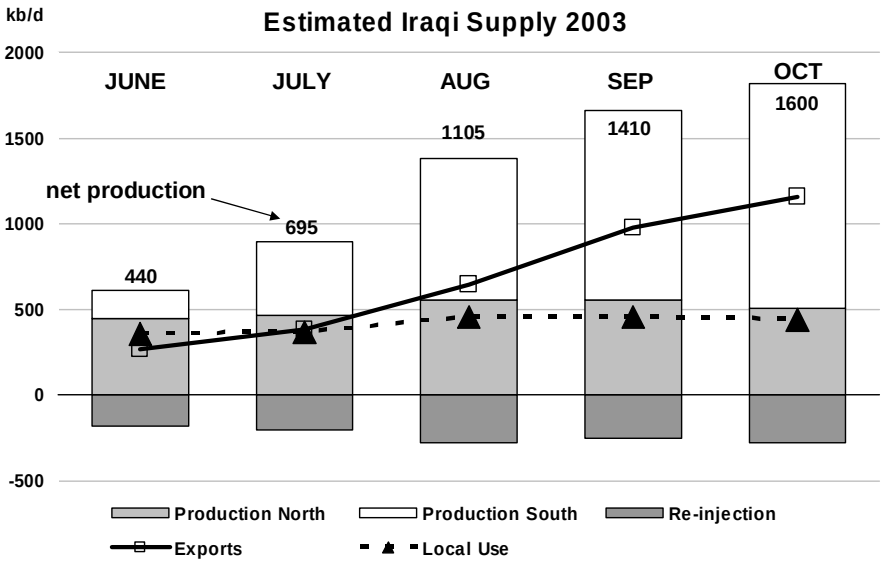


Finally, the number of potential supply-side disruptions (from both within and outside OPEC) hanging over the market has scarcely diminished in the past month. Strikes and ethnic unrest remain on the horizon in Nigeria, questions still surround Iran's nuclear programme and potential sanctions, Venezuelan supply is prone to downward revsion (both for political and technical reasons), the timing of resumed Iraqi exports via Ceyhan is as uncertain as ever, and security concerns have increased in Saudi Arabia follwing early-November bombings. Progress in restoring Iraqi supplies remains the key uncertainty and could in large part drive OPEC decision making in the months ahead.

Production in **Iraq,** excluding volumes re-injected**,** is thought to have averaged 1.6 mb/d in October, of which 1.3 mb/d derived from the south. Gross northern production is thought to have eased back below 550 kb/d, some 250-300 kb/d of which is still being re-injected due to a lack of outlets. Exports increased to just under 1.2 mb/d, a slow-down from the growth seen in recent months. Local crude consumption is also thought to have fallen back by perhaps 20 kb/d as operations at the Haditha and Daura (Bagdad) refineries were curtailed by fire and explosion in the third week of October. The Bagdad unit had been relying on crude supplies from southern Iraq, shipped north via the north-south strategic pipeline due to problems on the feeder pipeline from Kirkuk. Northern production continues to be severely restricted, without access to an export outlet to the north, and unable to be sent south either to refineries, or for export from Basrah, due to the pipeline bottlenecks mentioned above.

All of October's exports therefore were from the Basrah oil terminal (formerly Mina al-Bakr) and derived from southern crude production. However, these too were impeded for several days in late October by weather-derived loading difficulties. In the absence of alternative outlets, exports may be approaching a plateau since operational capacity at Basrah is reported to be less than 1.6 mb/d. The southern port of Khor al-Amaya reportedly has an initial capacity of 400 kb/d and may be pressed into service if Basrah encounters capacity constraints. Deliveries north by pipeline to Ceyhan are not now expected to resume until late-November at the earliest and at least two weeks of pumping at initial flow rates around 300 kb/d would be required to rebuild Ceyhan storage to levels sufficient to allow liftings from the Turkish port to begin. Even in the absence of further security problems, Ceyhan liftings seem unlikely to materialise to any significany extent before December.

Around 1.35 mb/d of southern exports are scheduled for November and 1.6 mb/d for December, implying that production could rise through 2 mb/d on a net basis by end-2003. A conference on Iraq's rehabilitation in Geneva during October heard from the Oil Ministry's CEO, Thamir Ghadban that current production capacity is 2.3 mb/d (70% of which is in the south) and that pre-war capacity of 2.8 mb/d is planned to be reached by 2Q 2004. However, other estimates have put October 2004 as a more likely date for pre-war production levels to be regained.



Nigerian production has been revised up for September, with earlier disruptions to Qua Iboe production now believed less than was assumed last month. October output is estimated up by 70 kb/d, with Shell reporting at mid month that it had re-instated some of the production lost since ethnic unrest in the Warri region began in March. However, around 200 kb/d of production in the area remains shuttered due to security concerns, with ChevronTexaco suggesting that re-start of its idled production there is not imminent. However, growing offshore production is thought to have contributed around 40 kb/d of extra supply in October and will likely lead to increasing Nigerian capacity in the months ahead. However, downside risk for Nigerian supply remains, both in terms of ongoing ethnic tension/security concerns in the Niger Delta/Warri region and due to the possibility of further labour unrest. Future attempts at fuel price deregulation and employment implications from NNPC reform may see renewed calls for nationwide industrial action. At the same time, should these sources of disruption diminish, there is significant upward potential for Nigerian production.

Production from **Venezuela** is thought to have remained broadly stable in October, at around 2.2 mb/d of conventional crude and 380 kb/d of upgraded Orinoco from the three operating facilities. Supplies to international markets may however be adversely affected if reported access restrictions to international waters are enforced on PDVSA's tanker fleet for safety reasons. Government sources continue to cite markedly higher production estimates than do foreign operators and service companies. However, one market report quoted the head of PDVSA saying that 2004 total liquids production would average 2.87 mb/d compared to 2.63 mb/d in 2003. This is much lower than other government-sourced estimates for current production which have tended to be in excess of 3 mb/d.

October developments otherwise tended to focus on the Orinoco belt. Venezuela called for OPEC to take account of its estimated 270 billion barrels of Orinoco reserves when it comes to reallocate quotas. Reports emerged that the fourth upgrader project (Hamaca) should enter production of 180 kb/d of synthetic crude in 3Q 2004 (this Report includes the project from 4Q). However, its start-up now looks likely to coincide with a maintenance and expansion turnaround at the Sincor unit. Venezuela also signalled that new or expanded upgrader units may henceforward take priority in the Orinoco region, ahead of capacity growth for Orimulsion boiler fuel. Venezuela earlier reported plans to double Orimulsion capacity, targetting incremental sales to the Far East. However, the government seeks to link upgrader expansions to increased royalty payments from foreign companies.

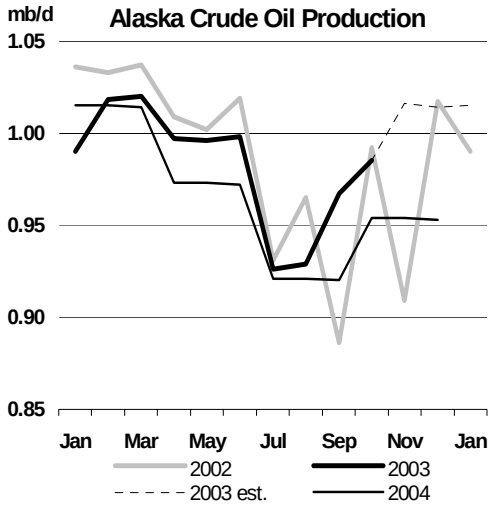
Changes in production elsewhere within OPEC were also limited. Sustained high crude prices and the slowing of export growth from Iraq are thought to have led Middle East Gulf producers to nudge production higher, despite the pledge of imminent cutbacks effective 1 November. The divergent trend in crude prices (downward) and freight rates (upward) towards late-October lends support to OPEC producers having squeezed some extra barrels onto the market while the going remained good, although in all cases the volumes are thought to have been small, at between 10-40 kb/d each. Producers undoubtedly have a collective eye on the potential for market supply over-hang to emerge at some stage in the next six months. However individual action in actually cutting supplies is tempered by the fact that some producers are aggressively pursuing increased capacity claims ahead of imminent quota reallocation discussions.

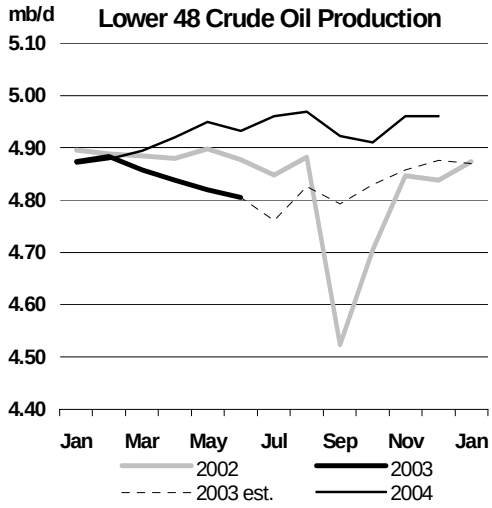
November term liftings from **Qatar** for Asian buyers will reportedly be maintained in full. **Saudi Arabia** has assigned cuts in November liftings, though European customers will feel the impact more than US or Asian buyers. **Iran** has also said that cuts for November will be focussed on European spot sales, but its October supply is thought to have risen by around 20 kb/d based on higher domestic refinery runs. Production from the **UAE** remained constrained by maintenance at the Umm Shaif and Lower Zakum fields, but incremental supplies from other fields are thought to have more than compensated for this during October. **Kuwait** is also believed to have raised October supply modestly and is reportedly maintaining November Asian deliveries close to October levels. Production capacity levels for Kuwait have been revised up by 50 kb/d, having discounted still-higher capacity claims due to question marks over sustainability, notably for western area production. Finally, **Libyan** production saw a modest boost in October from start-up at Repsol's NC186A facility.

OECD

North America

US – October Alaska actual, others estimated: US crude production is estimated to have risen by 55 kb/d in October, with Alaska and the Gulf of Mexico (GOM) underpinning the rise. Alaskan output was up by 18 kb/d versus September despite a sharp fall towards end-month due to unplanned stoppages at the Alpine field. There, production fell away to 5 kb/d around 27 October, before rebounding back to prevailing 105 kb/d levels by end-month. GOM production suffered none of the now traditional autumn storm outages, allowing a batch of August-October new field start-ups to contribute to rising supply. Initial indications are that the impact of October's wild fires on Californian crude production were limited, although confirmation of this awaits final production data.

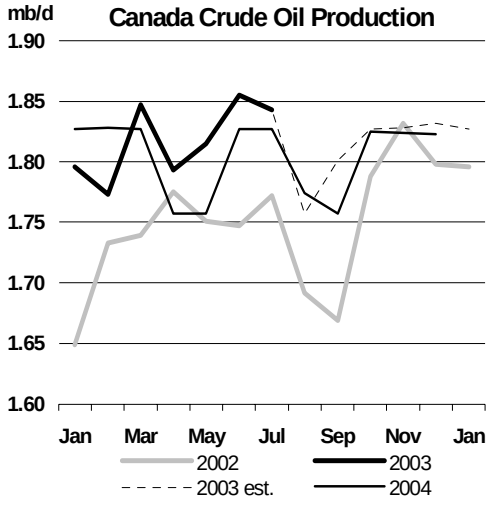


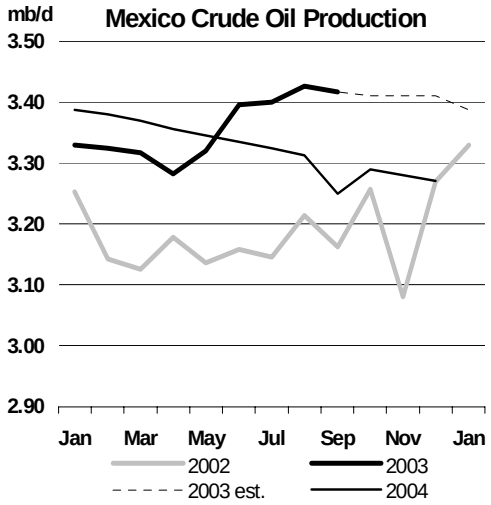


US weekly data suggests that NGL supply continued to recover in September and October, although August supply turned out lower than previously estimated. Production is now running only around 5% below year-ago levels, compared to the 15-20% shortfall seen in 2Q. With natural gas storage at end-October above year-ago levels for the first time since October 2002, NGL supply should continue to recover unless weather turns markedly colder.

Canada – September Newfoundland and syncrude actual, others July actual: Canadian conventional crude supply is now estimated to have risen by 45 kb/d in September and a further 25 kb/d in October. Offshore east coast production proved higher in September than anticipated in last month's Report. Terra Nova field production was adversely affected by maintenance but Hibernia field production continued largely unabated. Meanwhile operator Husky has increased reserve estimates for the offshore White Rose field, due to be in production by 2006, by 30%

Synthetic crude production fell back from July/August highs as scheduled maintenance cut Syncrude plant output in September. Most recently in October, unscheduled work on the coker at the same facility got underway and will curtail supplies until early November. October saw an announcement that Canada has allocated funds towards building ethanol plants to help attain 10% gasoline ethanol content by 2010, while cutting imports from the US.





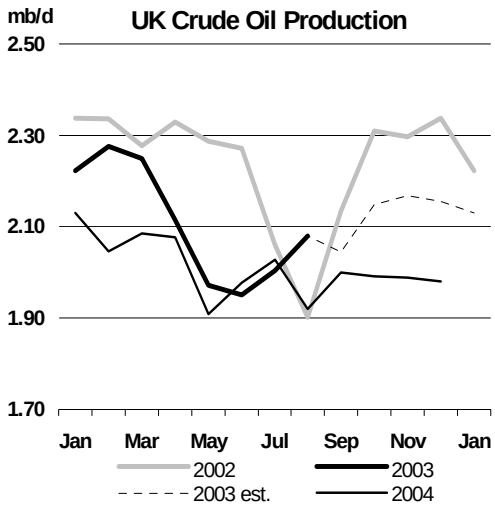
Mexico – September actual: Mexican crude production appears to have stabilised just in excess of 3.4 mb/d, having risen sharply over the course of 2Q 2003. September saw crude output fall by 10 kb/d, with a similar decline for NGLs although as in the US there has to date been no repeat of last autumn's Gulf of Mexico hurricane disruption. Pemex announced that its end-2003 production target was 3.4 mb/d, below the earlier target of 3.5 mb/d. Whether this statement was an acknowledgement that it is proving increasingly difficult to squeeze incremental barrels from the ageing Cantarell complex or a tacit statement of support for OPEC is unclear. However, a renewed call from Pemex for private capital to be allowed into the country's upstream suggests the former may be closer the mark.

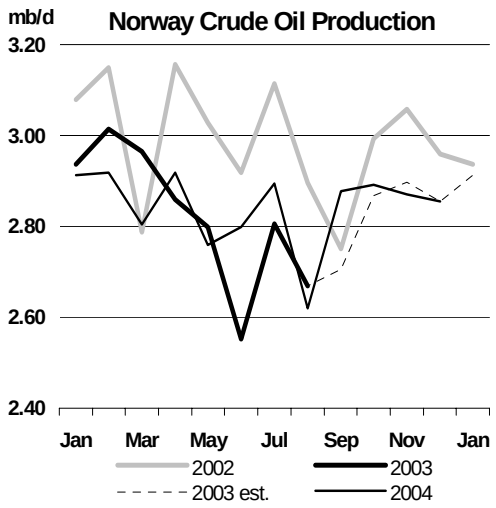
North Sea

UK – October estimate: The recovery in UK offshore production from the low levels seen in 2Q remains patchy. Estimated production in October of 2.15 mb/d was the highest level since March but nevertheless remained 150 kb/d below year ago. Loading schedules for the main producing systems in November suggest that any rise in overall production could be modest and that 4Q production is likely to continue to undershoot last year's levels. This year's litany of field outages continued in October with condensates from East Brae and Brittania curtailed. And although Shell re-started operations at the Brent Alpha and Bravo platforms in October after September's gas leak, it announced that the Brent Charlie platform would remain offline until January. On a more positive note, Tuscan Energy announced production start in early October at the reactivated Ardmore (formerly Argyll) field, which was decommissioned a decade ago.

Incremental liquids supply is expected in 2004 from the start up of the Scoter, Clapham, Broom, Goldeneye and Clair fields. Also, maintenance is assumed to be less extensive and protracted than in 2003. However, neither factor is expected to offset declining baseload production and 2004 offshore crude output is now projected to decline by 100 kb/d compared to 2003's reduction of 125 kb/d.

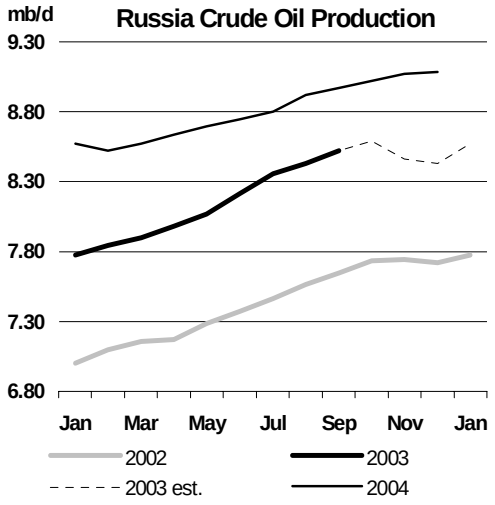
Norway – August actual, September provisional: As is the case for the UK, Norwegian production in 3Q now appears to have been running lower than previously estimated. Although the Troll and Oseberg systems are thought to have seen higher production than envisaged in last month's report, most other major production systems saw lower than anticipated output in August and September. However, early indications are that production may have rebounded again in October more vigorously than was the case for the UK. Crude production is expected to stabilise at around 2.9 mb/d through end-year. As previously indicated, a number of new fields and expansion projects are scheduled for late-2003 and 2004 start-up. These, together with less disruptions assumed for production schedules at existing fields in 2004, should prevent a repeat of 2002 and 2003's sharp crude output decline. The Energy Ministry similarly expects a flat production profile for 2004 in its latest budget.

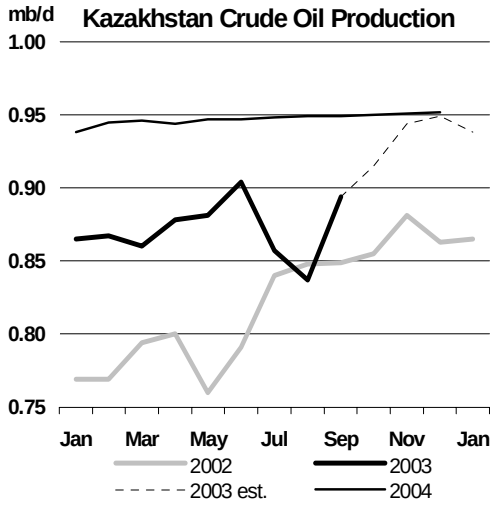




Former Soviet Union (FSU)

Russia – September actual, October provisional: Crude production from Russia in September increased by a further 90 kb/d versus August and stood 870 kb/d above September 2002. Provisional October data points to a further 70 kb/d month-on-month increase and ongoing annual growth around 850 kb/d. Despite this strong growth in production, exports began to tail off seasonally. Preliminary October data suggests FSU crude exports down by some 250 kb/d, with loading problems in the Black Sea extending September losses. However, Transneft in October announced completion of the expansion of the Primorsk terminal on the Baltic to 600 kb/d, slightly ahead of schedule. This may not immediately boost total Russian exports however, since higher Primorsk deliveries may be countered by reduced supply out of other Baltic ports and the Black Sea. Also, Primorsk is ice-prone in winter months which may curtail exports in the next 3-4 months.





Nevertheless, Primorsk is due to expand further to 840 kb/d in 2Q 2004 and 1.2 mb/d by early-2005. A review of export capacity projects now suggests that export growth in 2004 (and parallel growth in production) could average +600 kb/d compared to the +500 kb/d assumed in last month's Report. Primorsk's accelerated expansion, plus incremental capability at Novorossiysk, Talinn, Vysotsk and higher eastbound rail exports are together likely to counter political delays affecting incremental exports from the Adria line reversal and via the Odessa-Brody pipeline.

Of greater potential concern for long term growth prospects are recent political developments surrounding the arrest of Mikhail Khodorkovsky, chief executive of Yukos (Russia's largest producer) and suggestions of a possible revocation of Yukos production licenses and those of partner Sibneft. Together, the two companies account for 27% of Russian 2003 production and have generated 42% of Russian production growth this year. Further foreign investment in the Russian upstream, key to the opening up of new greenfield producing areas, may be deferred until the dust surrounding the Yukos

affair settles. Currently the market is cautiously watching developments, but assuming that the issue will be resolved given the importance of the oil sector and foreign investment for Russia's economy.

Kazakhstan – September actual: Total production from Kazakhstan increased by 25 kb/d in September, with the partial rebound in production from the Tengiz field after earlier maintenance. Production here is expected to rebound further to pre-maintenance levels around 280 kb/d by end-year. Volumes of Karachaganak condensate production remained suppressed but should build through fourth quarter, reaching 200 kb/d in 2004, assuming contamination problems are resolved and shipments via the CPC export pipeline increase as planned. The longer term build-up in Kazakh production depends on the availability of adequate export infrastructure. In this context, October's World Bank approval of funding for the Baku-Tbilisi-Ceyhan pipeline will have been welcome. China is also reportedly backing the construction of a 400 kb/d pipeline to import Kazakh oil, with construction scheduled to begin in 2004.

FSU Net Exports of Crude & Petroleum Products

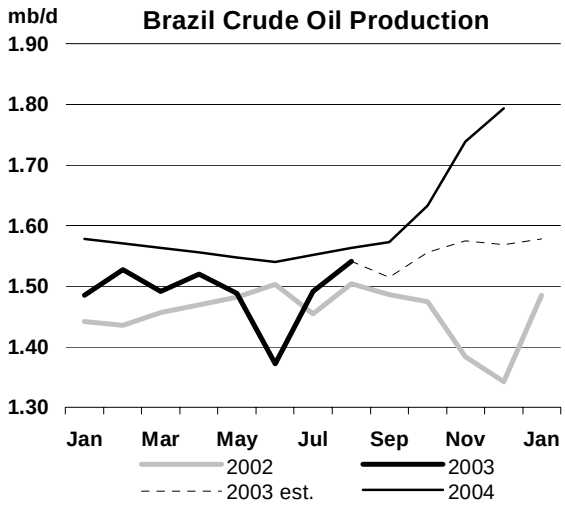
(million barrels per day)

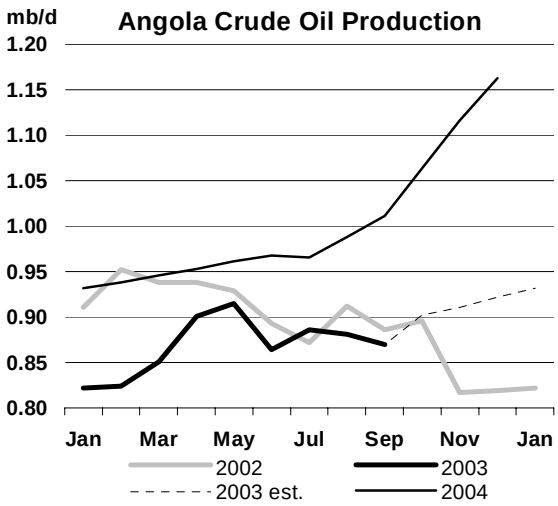
	2001	2002	4Q02	1Q03	2Q03	3Q03	Aug 03	Revised Sep 03	Prelim. Oct 03	Latest month vs. Sep 03	Latest month vs. Oct 02
Black Sea Exports	1.99	2.51	2.43	2.60	2.98	2.95	2.95	2.91	2.62	-0.30	0.02
Baltic Exports	1.63	1.98	1.81	2.03	2.45	2.41	2.39	2.33	2.31	-0.02	0.27
Total Seaborne	**3.62**	**4.48**	**4.24**	**4.63**	**5.43**	**5.35**	**5.34**	**5.24**	**4.92**	**-0.32**	**0.29**
Druzhba Pipeline	1.06	1.05	1.10	1.07	1.06	1.06	1.06	1.06	1.03	-0.03	0.05
Other	0.07	0.06	0.10	0.18	0.27	0.32	0.31	0.32	0.26	-0.06	0.17
Total Exports	**4.75**	**5.59**	**5.45**	**5.88**	**6.76**	**6.73**	**6.70**	**6.62**	**6.21**	**-0.41**	**0.51**
Imports	0.00	0.01	0.00	0.00	0.01	0.01	0.00	0.02	0.00	-0.02	0.00
Total Net Exports	**4.74**	**5.58**	**5.45**	**5.88**	**6.76**	**6.72**	**6.70**	**6.60**	**6.21**	**-0.39**	**0.51**
Crude	3.42	4.00	3.91	4.17	4.66	4.75	4.75	4.67	4.41	-0.26	0.29
Products	1.32	1.58	1.53	1.71	2.09	1.97	1.95	1.94	1.80	-0.14	0.22

Sources: Petro-Logistics, IEA estimates

Other Non-OPEC

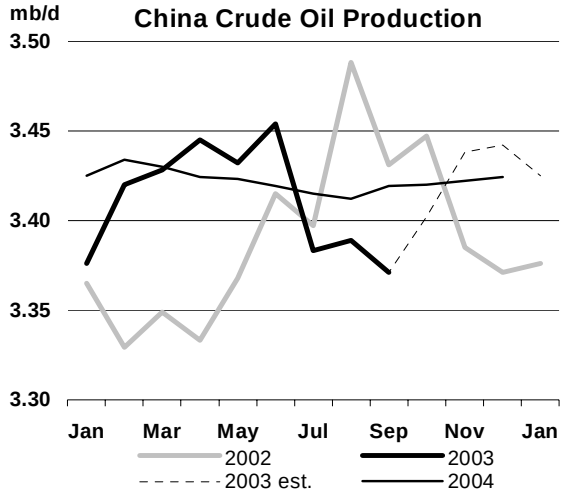
Brazil – August actual, September provisional: Brazilian crude production fell back in September, after a 50 kb/d rise in August. Campos Basin production was adversely affected by inspection and repair work at Petrobras' Voador field. Petrobras managed to avert the threat of a three day workers strike that could have impacted upon production during October, and total Brazilian supply is thought to have recovered from lower September levels. Less positively from a production standpoint, the company reiterated that a Rio de Janeiro state tax on the import of production facilities P-51 and P-52 for the Marlim Sul and Roncador fields respectively may render at least one of the projects uneconomic. The developments were due to add 180 kb/d each from 2006. The government has deferred the sixth exploration and production licensing round from February to June 2004.

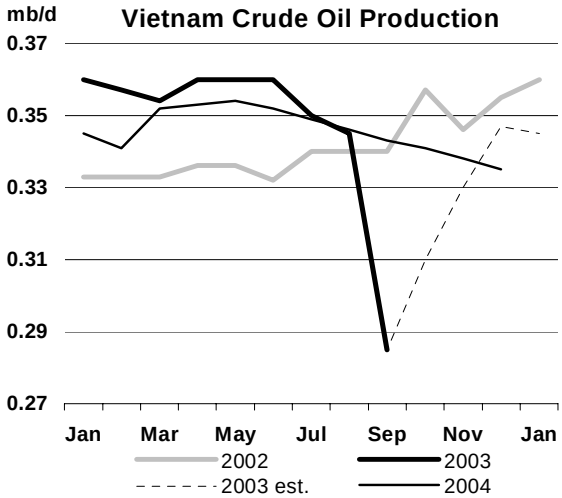




Angola – August actual, September provisional: Angolan production has failed to reclaim April/May peaks of over 900 kb/d and in September is estimated to have averaged around 870 kb/d. Production is thought likely to rise towards the 950 kb/d level by mid-2004, with start-up due this month at ExxonMobil's Xicomba field and from the tie-in of Jasmin production to existing Girassol facilities. However, the focus of incremental supply is likely to occur towards end-2004 when ExxonMobil's giant Kizomba A project comes onstream.

China – September actual: Continued offshore disruption curtailed September Chinese production, which fell nearly 20 kb/d from August levels. However, build-up in supply from Apache's newly producing Zhao Dong field and October start-up at operator Devon Energy's Panyu are likely to have seen offshore production rebound last month. Panyu is now expected to build to peak production of 60 kb/d by 3Q 2004. Modest growth in Chinese production for 2003 and 2004 remains based upon the likelihood that rising offshore supplies will counter decline from ageing onshore fields.





Vietnam – September actual, October provisional: Provisional estimates for September suggest a sharp, but as yet un-attributable, drop in production although this is not assumed to have been sustained through October. The small Dai Hung field, recently producing just under 3 kb/d, was shut down for five months from October for FPSO repairs. Countering this, production started in late-October from the Su Tu Den field and is scheduled to average 17 kb/d in November and December and up to 35 kb/d in 2004. Overall, projections from PetroVietnam and the Ministry of Planning and Investment see crude exports broadly flat in 2004, despite new output from Su Tu Den. Decline at the Bach Ho field (averaging 70% of Vietnamese production) accounts for the modest export outlook.

Revisions

Historical data back to 2000 has been revised up modestly (10-30 kb/d) on the availability of a new monthly time series for Malaysia. However, non-OPEC supply as a whole is revised down by 105 kb/d for 2003 and by 40 kb/d for 2004. Downward revisions in OECD supply (notably from the North Sea) follow latest available data showing that production shortfalls already evident for 2Q 2003 have run well into 3Q. These OECD reductions offset upward revisions to non-OECD supply for 2003 and 2004, which are in turn driven primarily by higher Russian supply.

US total liquids supply has been revised down by 45 kb/d in 2003 and 35 kb/d in 2004. Despite higher GOM production, both NGL supply and crude from lower-48 states have been revised down based on lower than anticipated supply over the past 2-3 months. Adjustments to **Canadian** supply are focussed on Alberta, where bitumen production is now running higher than expected and has been revised upwards by some 20 kb/d for the period from 3Q 2003 onwards. However, this upward revision is countered by a lower trend for conventional crude through 2004 and the impact of 2003 syncrude outages. Overall, Canadian supply is adjusted down by 10 kb/d in 2003 and 5 kb/d in 2004.

The trend for **Mexican** production in 2004 has been smoothed, with the fall anticipated for 2004 due to declining Cantarell production now less back-end loaded. Pemex itself in late-October suggested 2004 production should maintain 3.4 mb/d. Although it continues to stress growth potential, targetting 4 million b/d for end-2006, overall a more cautious prognosis is now being aired than earlier in 2003.

Field-by-field production data for June and July, plus provisional indications for August suggest a lower profile now for the **UK.** Although downward revisions are concentrated in 3Q and 4Q 2003, aggregate production for both 2003 and 2004 has been revised down by 65-75 kb/d. **Norwegian** production has been revised down by 35 kb/d for 2003 and by 50 kb/d for 2004. A 3Q 2003 adjustment of 90 kb/d results from lower production estimates for August and September for most production systems. Going forward, downward revisions are due primarily to lower estimates for the Asgard and Draugen fields, following several months of markedly lower than expected production.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2003	2004	04 vs. 03	2003	2004	04 vs. 03	2003	2004	04 vs. 03
North America	14.86	15.08	0.21	14.81	15.04	0.23	-0.05	-0.03	0.02
Europe	6.47	6.48	0.01	6.38	6.37	-0.01	-0.10	-0.11	-0.02
Pacific	0.69	0.66	-0.02	0.68	0.66	-0.02	-0.01	0.00	0.00
Total OECD	**22.02**	**22.22**	**0.20**	**21.87**	**22.07**	**0.20**	**-0.16**	**-0.15**	**0.00**
Former USSR	10.27	10.93	0.66	10.29	11.06	0.76	0.03	0.13	0.10
Europe	0.17	0.17	-0.01	0.17	0.17	-0.01	0.00	0.00	0.00
China	3.42	3.44	0.02	3.41	3.42	0.01	-0.01	-0.02	-0.01
Other Asia	2.41	2.44	0.03	2.44	2.42	-0.02	0.03	-0.02	-0.05
Latin America	3.89	4.02	0.13	3.92	4.08	0.16	0.02	0.05	0.03
Middle East	2.01	1.93	-0.08	2.00	1.92	-0.08	0.00	-0.01	0.00
Africa	3.09	3.49	0.40	3.07	3.46	0.39	-0.02	-0.03	-0.01
Total Non-OECD	**25.26**	**26.42**	**1.16**	**25.31**	**26.53**	**1.22**	**0.05**	**0.11**	**0.06**
Processing Gains	1.80	1.83	0.03	1.80	1.83	0.03	0.00	0.00	0.00
Total Non-OPEC	**49.09**	**50.47**	**1.39**	**48.98**	**50.43**	**1.45**	**-0.10**	**-0.04**	**0.06**

OMR = Oil Market Report

Russian crude production has been revised upwards by 140 kb/d for 4Q 2003 and by 130 kb/d for 2004 following confirmation that September/October production again exceeded expectation and also a renewed assessment of incremental export capacity for next year. **Kazakhstan** production is again revised down modestly, by 15-20 kb/d for 2003 and 2004 after a slower than expected resumption of Tengiz production post-maintenance and delays in the build-up in Karachaganak condensate, now assumed unlikely to reach peak volumes until early-2004.

Brazilian crude production has been revised up by 25 kb/d for 2004, based on expansion work ongoing at the Espadarte field in the Campos Basin. Historical revisions to official **Argentinian** production data also suggest output in 2003/2004 5 kb/d higher then previously anticipated.

Lower recent output levels have caused a reassessment of trends in **Angolan** production. Strong growth is still expected for second half 2004. However, repeated downgrading through 2003 by Sonangol of this year's production targets suggests that new deepwater field developments are being countered by under-performance in other areas. Forecast production has been adjusted down by 10 kb/d in 2003 and by 30 kb/d in 2004 to take account of this.

Chinese production has been revised down by 7 kb/d in 2003 and 17 kb/d in 2004 with a now slower ramp-up in production expected from CNOOC and Devon Energy's Panyu field. Elsewhere in Asia, upward revisions for 2003 are based on newly available data for **Malaysia** and **Brunei**. However, for 2004, total Asian supply (outside China) has been revised down by 16 kb/d based on lower expectations for **India** and **Vietnam**. In the case of India, this results from offshore Bombay High production levelling off at around 350 kb/d, while for Vietnam a heavier decline rate at the Bach Ho field has been assumed.

OECD STOCKS

Summary

- OECD industry oil stocks closed September at an estimated 2590 mb, 23 mb above last year. While crude stocks remained near flat from the previous month, product inventories continued to rise on the strength of a seasonal build in distillate fuels and a rebound in gasoline stocks. Over the third quarter, the pre-winter build of distillate stocks accounted for most of the rise in oil stocks. Total oil inventories were up by 770 kb/d in the third quarter. Although September is a shoulder period for oil demand, forward cover by end-September for the following quarter demand remained at 53 days.

Preliminary Industry Stock Change in September 2003 and Third Quarter 2003

(million barrels per day)

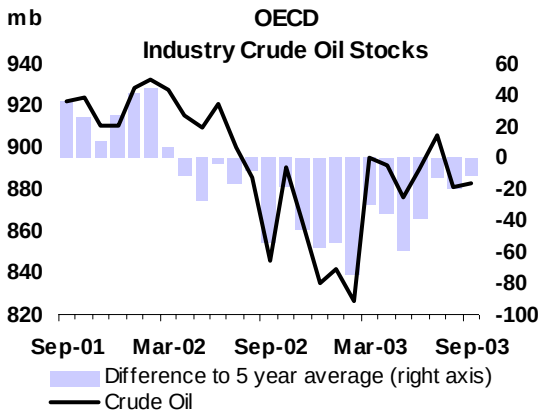
	September (preliminary)				*Third Quarter 2003 (preliminary)*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**0.16**	**-0.26**	**0.15**	**0.05**	**-0.01**	**0.02**	**-0.09**	**-0.08**
Gasoline	0.23	0.02	-0.02	0.23	-0.09	0.00	-0.01	-0.10
Distillates	0.25	-0.09	0.18	0.34	0.29	0.21	0.14	0.63
Residual Fuel Oil	0.06	-0.07	-0.05	-0.06	-0.03	0.01	-0.01	-0.03
Other Products	0.29	-0.02	0.04	0.31	0.20	0.03	0.06	0.29
Total Products	**0.83**	**-0.16**	**0.15**	**0.82**	**0.38**	**0.24**	**0.17**	**0.79**
Other Oils[1]	0.12	-0.02	-0.06	0.04	0.07	0.00	-0.02	0.06
Total Oil	**1.12**	**-0.45**	**0.24**	**0.91**	**0.44**	**0.27**	**0.07**	**0.77**

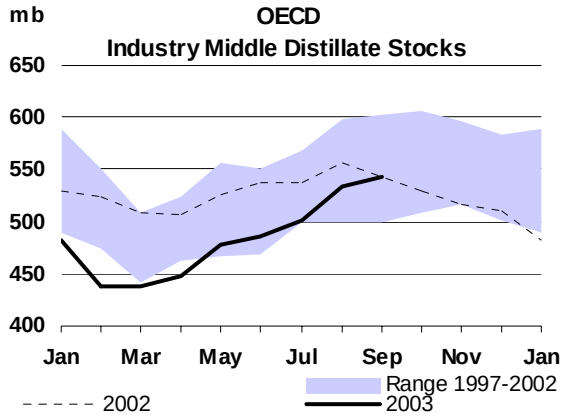
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks were near level in September and for the third quarter as whole, closing 11 mb under their average position in the recent five years. Differences emerged in the Atlantic Basin for September. US crude stocks recovered largely on the basis of a decline in crude runs and sustained imports whereas they fell in Europe where regional refinery activity remained firm. Korea led gains in the Pacific. Refineries there replenished stocks ahead of a seasonal rise in runs in October/November.

- The pace of additions of distillates to OECD industry stocks eased in September compared to August. The third quarter build however, at 630 kb/d, was roughly twice the average rare seen in recent five years. Japan continued to see additions to kerosene inventories and preliminary indications show that stocks peaked in October ahead of the onset of winter demand. Heating oil stocks rose in the US, supported by weaker demand and higher average imports. The main consuming Northeast states saw inventories close by end-October just under year-earlier levels. While marginally lower in September, European distillate availability was within its recent five-year range following an upward revision to August stocks, mainly in France.

- OECD industry gasoline stocks built in September on a counter seasonal rise in US inventories, mainly in conventional material. Typically, US gasoline inventories decline through October before rebuilding again in November. With product yield still favouring gasoline, US production remained high on a yearly basis while imports of blending components early September helped nudge overall gasoline stocks higher. European industry gasoline stocks were little changed. Availabilities in September remained tight on exports to the US and firm demand from Nigeria and in the east Mediterranean.





OECD Industry Stock Changes in September

OECD industry total oil stocks rose 910 kb/d in September on product builds while crude oil stocks remained virtually unchanged. The September product build put the increase in total oil stocks at the end of the third quarter at 770 kb/d. This third quarter increase followed mainly from a strong seasonal rise in distillate stocks. Ahead of peak winter demand however, total oil stocks closed 50 mb below their average position in the recent 5 years. Demand cover came to 53 days, unchanged since June and barely above that in 2000 when stocks were low. Though September is a shoulder period for demand, the failure for demand cover to rise ahead of the fourth quarter reflects a compositional change in total oil stocks towards products, leaving a reduced crude cushion heading into peak winter demand.

All OECD regions saw their distillate position recover from the lows reached after a colder than usual winter in 2002/2003. In the Atlantic Basin, futures markets point to a decoupling of product build between the US and Europe. NYMEX's heating oil contract remained in contango in the near delivery months through October, providing financial incentive for storage. In contrast, IPE's gasoil contract shifted into backwardation in October, suggesting the distillate stocks in Europe may have peaked as early as August. The higher premium for physical gasoil price over that of IPE's front month contract favours sales over storage, increasing the likelihood of October extending September's distillate draw in Europe.

OECD industry crude stocks were broadly unchanged in September and over the third quarter. In September, offsetting movements were at work in the Atlantic Basin with a gain in the US distanced by a loss in Europe. The rise in US crude stocks owed to high imports during a period of reduced crude runs. In contrast, throughputs in Europe held firm on a yearly basis. The US build came in the Mid-continent where a higher share of scheduled refinery maintenance was located. Higher stocks in the region, which houses the delivery hub for NYMEX's WTI futures contract, depressed the price of prompt month delivery, temporarily shifting the futures strip into contango. Despite WTI's recent weakness relative to Brent, light/sweet grades in the US Gulf Coast saw firm prices, underpinning the sustained movement to the US of West African crude through October, keeping imports relatively high, and supporting a further crude build. The October stock outlook for Europe looks on the downside. Offsetting intra-regional changes are likely to take place. Refiners in Northwest Europe will tend to minimise holdings during turnarounds while those in the Mediterranean replenish stocks on exiting turnarounds. In the US, November is likely to see a crude draw with imports expected to fall back from recent highs while crude runs remain firm. Pacific stocks rose in September mainly in Korea. With key term suppliers offering full or near full allocations to Asian customers through October loading, the Pacific crude position is likely to remain comfortable.

Revisions to Preliminary OECD Stocks and Inventory Position at end-September

Main revisions to preliminary August OECD stocks figures came in products stocks while preliminary total OECD crude figures were left virtually unchanged. Middle distillate stocks (gasoil and jet/kerosene) accounted for most the August revision. Europe's distillate inventory position in particular was improved by close to 16 mb. About half of this upward revision was accounted for by France (7.5 mb). However, distillate stocks in Germany, Europe's largest heating oil market, were revised down (3 mb).

Revisions Versus 10 October 2003 Oil Market Report
(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Jul 03	Aug 03	Jul 03	Aug 03	Jul 03	Aug 03	Jul 03	Aug 03
Crude Oil	**1.5**	**3.3**	**3.2**	**1.8**	**0.0**	**-5.4**	**4.7**	**-0.3**
Gasoline	-0.2	-0.2	-1.8	1.7	-0.4	-0.1	-2.3	1.4
Distillates	0.6	1.1	2.4	15.6	0.1	0.0	3.1	16.7
Residual Fuel Oil	0.1	1.0	0.4	0.0	0.1	-0.3	0.6	0.7
Other Products	-0.1	-5.5	-0.9	3.3	0.0	-0.9	-1.0	-3.2
Total Products	**0.4**	**-3.6**	**0.1**	**20.6**	**-0.1**	**-1.4**	**0.3**	**15.6**
Other Oils[1]	2.0	-2.4	0.1	-1.0	0.0	0.3	2.1	-3.2
Total Oil	**3.9**	**-2.7**	**3.4**	**21.4**	**-0.2**	**-6.5**	**7.2**	**12.2**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Total oil stocks in the OECD closed September at 2590 mb, or 23 mb above last year. While most regions saw crude inventories above last year's level, the comparison for North America is misleading. Inventories there stayed at the lower end of their recent five-year range. US-50 crude stocks were only 14 mb higher than the low they experienced last year in the aftermath of lost production following hurricanes in the Gulf of Mexico. OECD product stocks were down 9 mb from 2002, essentially due to lower European inventories. European gasoline stocks remained tight, closing just above their historic low reached in July.

Year-on-Year Industry Stock Comparisons for September 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**9.1**	**12.3**	**15.4**	**36.9**	**Total Oil**	**-0.7**	**-0.2**	**3.0**	**0.1**
Total Products	-4.3	-12.8	8.0	-9.2	*Versus 2001*	*-4.1*	*0.2*	*-3.5*	*-2.7*
Other Oils[1]	-8.4	7.9	-4.0	-4.5	*Versus 2000*	*0.9*	*0.2*	*-1.0*	*0.3*
Total Oil	**-3.6**	**7.4**	**19.4**	**23.2**	**Total Products**	**-0.5**	**-1.2**	**1.3**	**-0.4**
Versus 2001	*-56.8*	*0.8*	*-14.4*	*-70.4*	*Versus 2001*	*-1.2*	*0.7*	*-1.3*	*-0.7*
Versus 2000	*32.5*	*9.0*	*7.2*	*48.6*	*Versus 2000*	*1.2*	*0.1*	*-0.4*	*0.5*

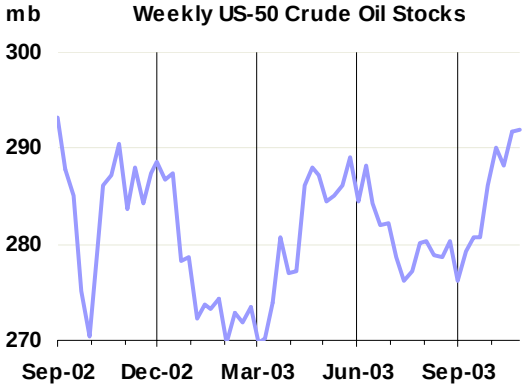
1 other oils includes NGLs, feedstocks and other hydrocarbons

Ahead of peak fourth quarter demand, cover by OECD industry oil stocks held flat at 53 days. Despite a strong third quarter build in distillate stocks, demand cover by total oil stocks ended level with that observed in 2000, when stocks were low. On the crude side, while the third quarter saw a marginal draw, the low base level held back growth in demand cover. Cover in Europe and North America went opposite ways by a day in September. Europe fell to 59 days while North America rose to 49 days. In the Pacific, demand cover, while falling by four days, remained within the seasonal norm at 50 days.

OECD Regional Stock Developments

North America

US-50 (excluding territories) crude stocks rose 7 mb in September to close at 285 mb. The increase in inventories followed by and large reduced crude oil demand with maintenance season underway. Most of the build came in the Mid-continent, where a greater share of scheduled turnarounds took place. Crude stocks in this area, the delivery point of NYMEX's WTI futures contract, jumped from under 56 mb to 62 mb. This depressed prompt month futures sufficiently to allow a temporary contango to develop in the near months.



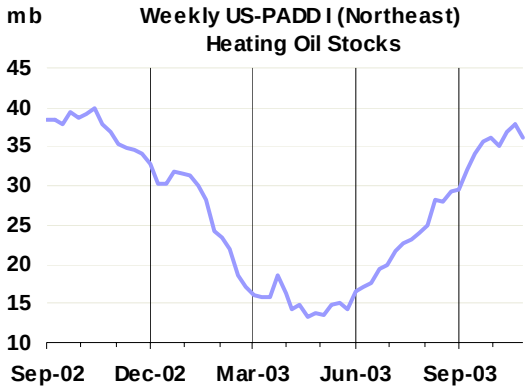
Alongside a decline in crude runs, the recovery of crude stocks in September owed to crude oil imports sustained on average over 10 mb/d during the period. The Mid-continent in particular saw steady gains during the month, aided by growing deliveries of Canadian crude. Ample Mid-continent stocks were reflected in the price differential for WTI between Cushing (delivery point) and Midland (gathering point). Cushing generally trades at a premium in order to offset pipeline tariffs and facilitate the movement of crude inland. This premium fell substantially by end-month and remained weak for a good part of October in order to push crude inland. In contrast, stocks on the US Gulf Coast (which houses the largest share of US refining capacity) in September ended marginally lower. The tighter situation for light sweet crude in the area was reflected in 50 cent plus premiums for LLS (the region's light/sweet marker) over WTI.

October saw US crude stocks add another 7 mb to reach 292 mb, ending marginally above last year. Gulf Coast crude inventories rose 8 mb, while those in the Mid-continent pulled level. However, US Gulf stocks closed only slightly higher than 150 mb. These stocks, when combined with those in the Mid-continent, put closing October volumes at the bottom of their five-year range. US gains during October relied on surprisingly resilient import levels, this in spite of the recent weakness of WTI against Brent and a strong Asian pull on West African barrels loading in October. Lower stock holdings come at a time when refinery runs, which are above seasonal levels, are expected to hold firm while crude imports are set to decline. This should result in stock draws ahead. In addition, the margin for significant additions to stocks is slim before end-year tax considerations set in to minimise inventory holdings. Already light/sweet grades are in lower supply on the Gulf Coast. It is likely that high cash prices for LLS sustained recent Atlantic Basin crude arrivals. On the heavier/sour side, supplies seemed looser, but demand for these grades may also be weaker. Benchmark Mars saw its discount widen on greater availability of Venezuelan and Mexican grades but also on expected arrivals of Iraqi Basrah Light from mid-November onwards.

In product inventories, gasoline stocks climbed in September on the heels of strong production levels and imports. With mild weather and unusual strength in demand, refiners continued to skew product yield towards gasoline over distillate. The counter seasonal build in September, essentially in conventional material, was however offset by a draw in October. October saw demand sustained above 9 mb/d for a second month while production eased and imports fell. Supply in October was affected by refinery glitches on the Gulf Coast and in the Northeast. Maintenance at fluid catalytic cracking units, which turn gasoil and

other intermediate products into gasoline, was also expected to peak. Gasoline stocks closed at 191 mb, near August levels, and 2 mb below last year. Finished gasoline stocks fell over 6 mb in October while blending components pulled back 2 mb. The seasonal re-building of stocks in November, however, may take place at a slower pace given current strength in demand. Reformulated gasoline stocks (RFG), remained stable on a monthly basis from September to October, albeit at low levels. More interestingly, US stocks in the Northeast retreated by end-October after an initial rise in the first half of the month. While a number of refinery upsets occurred in the closing week and RFG exports from Venezuela's Paraguana complex in recent months have been below targets, RFG holdings in the region also reflect refiner aims to keep primary storage low. This will facilitate turnover towards ethanol blended material. As of 1 Jan, use of the additive MTBE in RFG will be banned in the states of New York and Connecticut. Only Reformulated Blendstock for Oxygenate Blending (RBOB) incorporating ethanol will be held.

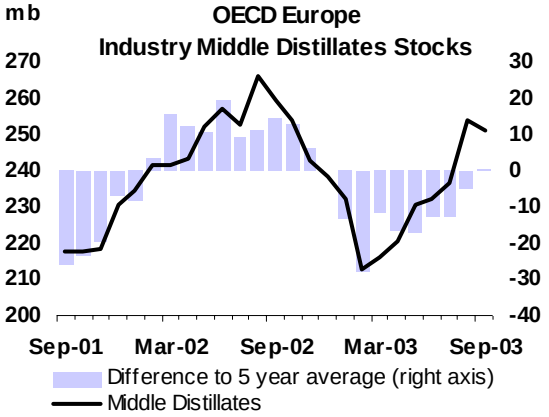
In distillate fuels, the US saw heating oil stocks rise from September to October with those in the Northeast, the main consuming area, reaching 36 mb, or slightly below last year. The build in September came with weaker demand due to mild weather and higher average imports. In October, supplies from Europe were lower but domestic production rebounded. US heating oil stocks peaked about mid-month at around 58 mb before beginning their seasonal decline. The Central Atlantic states were still lagging behind year-earlier levels, but this was mitigated by the build up of distillate inventories on the Gulf Coast. Total US distillate stocks closed October at 133 mb, or well within their normal range. NYMEX's heating oil contract stayed in contango in October, supporting further stocks builds.

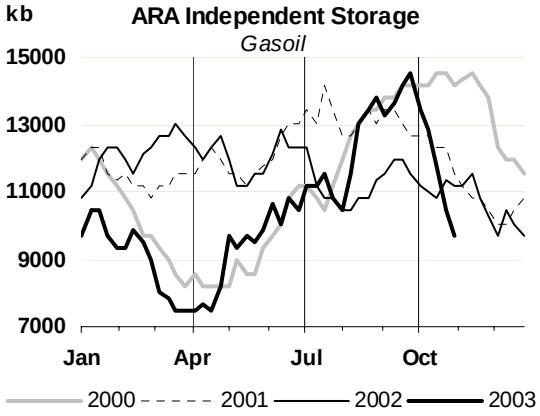


Europe

Industry crude stocks in Europe fell 8 mb in September to 314 mb, with runs remaining firm on a yearly basis. Refinery utilisation rates were shy of 90% due in part to the closure of ChevronTexaco's 210 kb/d Pembroke refinery in Wales. Apart from Germany, major countries saw stocks flat to rising. The bulk of the draw came in the Netherlands where crude stocks retraced August builds, falling by over 7 mb. October is likely to see mixed trends between the Mediterranean and Northwest Europe. More capacity will be offline in the North, with higher turnarounds in the UK and the Netherlands. Though Europe was reported to have strong demand for North Sea October barrels, it is unlikely to have accumulated surplus crude. With most West African barrels bid away to Asia, demand for North Sea grades was motivated by the need for a lighter/sweeter slate while maintenance took place in upgrading units to meet lower sulphur product specifications next year. We would expect lower average October crude holdings in view of reduced crude runs. In the Mediterranean, the opposite may be expected, with refiners replenishing stocks as they emerged from turnarounds, and likely clearing unsold September Urals cargoes.

Among major products, distillate stocks retreated 3 mb to 251 mb in September while gasoline remained near flat and fuel oil stocks fell back 2 mb. Most of the distillate draw came in Germany where demand rebounded on a monthly basis. Europe's September distillate stock position proved more ample, closing in the middle of its recent five year range. But this followed from a 7.5 mb upward revision to August stocks in France. Industry stocks have room to slip further in October. Physical prices continued to point to tight supply. While arbitrage to the US seemed closed, availability of Russian material into Europe

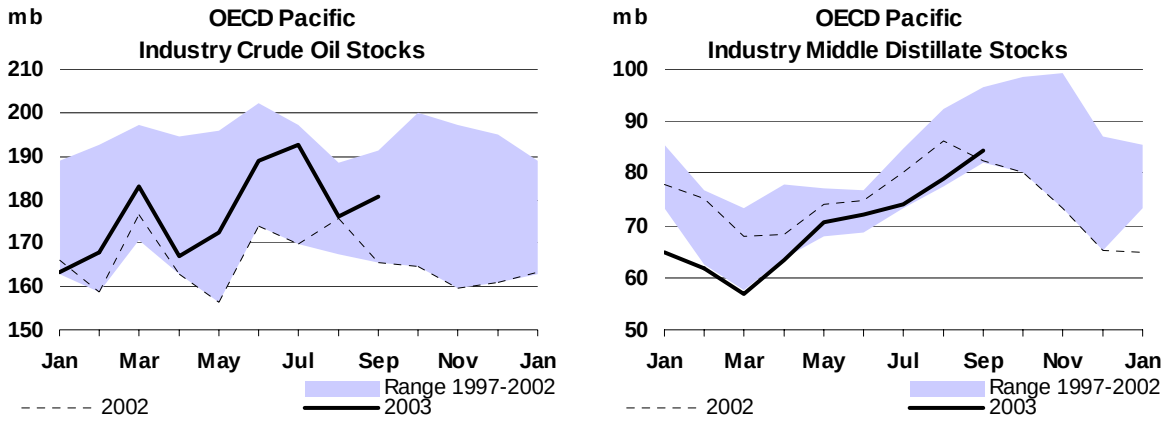




was constricted by strong domestic agricultural demand. In addition, product exports through the Black Sea were hampered, with Novorossiysk experiencing weather related closures in October. On the domestic side, October refinery shutdowns will likely limit supplies. Diesel production in particular was said to be affected by a month-long closure of a crude distillation unit at BP's and ChevronTexaco's Nerefco refinery in Rotterdam. In paper markets, backwardation in IPE's gasoil futures favoured prompt sales over storage. Incentives to raise primary storage remained further limited as at the wholesale level, expectations of lower future prices, discouraged demand. Gasoil stocks rose in independent storage in the ARA area until early November as low Rhine levels shut barge traffic. These stocks came off sharply during November with a catch-up in deliveries to the key German market where consumer stocks were reported to build further. Cargo deliveries were made into France, where heating oil and diesel demand have shown recent strength. But the rapid drawdown was also associated with tank turnovers in the transition to winter quality material. Strength in the Mediterranean also opened north/south arbitrage opportunities. Gasoil cargoes moved south to meet east Mediterranean demand with Iraq as final destination. Nigeria also provided a second leg of support, being short on diesel supplies as regular Middle Eastern product exports were diverted away into Asia.

Pacific

Pacific crude stocks rose by 4.5 mb in September to 181 mb, largely due to a build in Korea. Japanese crude stocks ended marginally higher. Supply side effects dominated the increase in Korea. Custom cleared import volumes were up nearly 11 mb from August, while refinery demand was depressed with refiners operating under 80% capacity during turnarounds. But October is likely to have seen these gains reversed as refiners emerged from turnarounds. On the basis of onshore movements, Japanese crude inventories were marginally up, helped by seasonally higher imports. Changes in end-month oil held in tankers at ports are not included in this estimate. These volumes typically rise in September; if such were the case, we can expect Japanese crude stocks 2 to 4 mb higher than shown



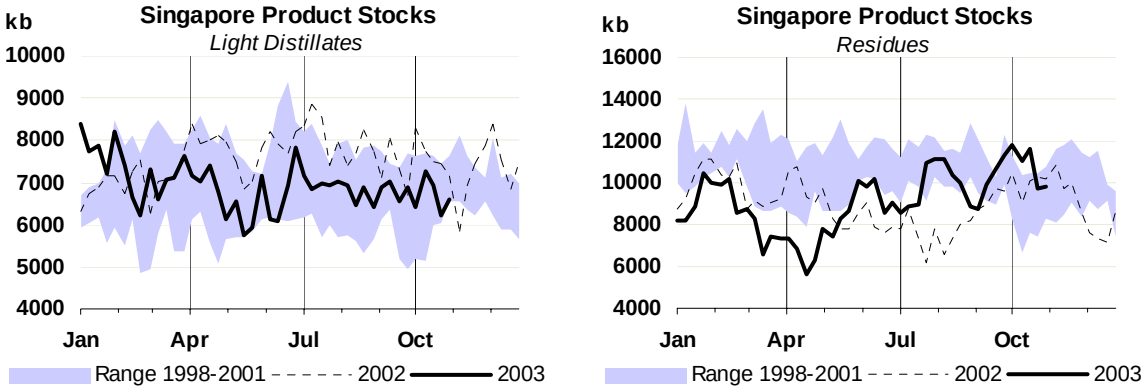
here. Japanese custom cleared imports, though falling on a monthly basis, were above last year while at the same time crude runs came in seasonally weaker. The build up of kerosene stocks lessened the need for higher throughputs and the closure of Idemitsu Kosan's Hokkaido refinery following an earthquake contributed to a fall in utilisation rates to 74%. Japanese runs ease seasonally in October before more maintenance is conducted in November. The combination of declining runs and ample supply is likely to keep stocks at high levels. Among others, Abu Dhabi was reported offering additional barrels to spot lifters from March to September. With full or near full allocations granted by key term suppliers for September barrels (October delivery), it is likely that some surplus will go into storage given lower demand from Nippon Oil's refineries. Operations are to resume gradually at Nippon Oil's Marifu plant from mid-October, those at Negishi are halted until 11 November, and a crude distillation unit at the Mizushima facility, closed on 24 October, is to re-open 1 December.

Distillate stocks rose in Korea and Japan by over 5 mb in September, overtaking a draw in fuel oil inventories. Most of the build came in Japan (4.1 mb) on the strength of additions to kerosene stocks in preparation of winter demand. Preliminary October figures show kerosene reaching an early peak at about 33 mb, helped by mild weather conditions. Distillate builds were less pronounced in Korea where refiners were in maintenance, but upward potential may be limited if current export volumes of gasoil are any indication of supply availability. Korean gasoil spot sales were reportedly expected at 600 and 620 thousand tonnes for October and November, down by about 150 to 200 thousand tonnes from year-earlier volumes for those months. Regarding Japanese fuel oil stocks, the lower generation of electricity from nuclear facilities, prompted a rebuilding of lower sulphur 'C' stocks to 7 mb, or back to pre-summer levels, in anticipation of higher thermal utility demand.

Singapore Stock Developments in October

Total product stocks in Singapore, surveyed by International Enterprise, retraced early month gains, closing October marginally lower. Distillates had initially built on greater regional availability, particularly of gasoil from Korea. But all product stocks saw declines in the closing week of the month with renewed fuel oil demand from China, gasoline demand from Australia and arbitrage of distillate fuels west to Europe. But going forward, recent incremental demand from Indonesia, supporting lighter products, will ease with the re-start after 2 months of maintenance of the 125 kb/d Balongan refinery in mid-October.

Light distillate stocks (which include gasoline and naphtha) fell in October, revisiting the lows seen around mid-June. Singapore prices reflected tight supplies for both products. Premium unleaded gasoline and MTBE (an oxygenate blended into gasoline) priced respectively above $35 and $40 a barrel. Naphtha, supported by strong Japanese petrochemical demand, saw prompt month Singapore prices widen their premium over second month. Equally, Japanese C&F as well as Korean cargo prices recovered lost ground from September. Regional supplies of gasoline suffered from lower exports out of Taiwan and China where domestic demand reduced available supplies for sales abroad. By end-September, Sinopec, which accounts for around half of China's gasoline exports, had reportedly anticipated October volumes as much as 40% lower than in September. Regional gasoline demand was lifted by early Australian interest ahead of their driving season. Trader reports indicated that between 200 and 300 thousand tonnes of gasoline and jet fuel were expected to be shipped to Australia and New Zealand by end-October, early-November.



Source: International Enterprise

Fuel oil stocks were stable at ample levels for most of October. Chinese interest which remained limited by import quota considerations, re-emerged by late month. Demand out of China's main fuel oil terminal at Huangpu sourced product from Singapore to make up for a short fall in supply of Russian material. But supply availability is anticipated to remain ample. Near month prices of Singapore's 180cst fuel oil benchmark moved into close parity in October from backwardation in September. Imported supply will remain high with some 1.1 million tonnes of western fuel oil expected through the end of the year. Distillate inventories fell further, mainly on arbitrage opportunities west but also on local spot purchases late in the month. Some 600 thousand tonnes of gasoil, mostly sourced from Korea, were reportedly fixed for Europe for December delivery. Jet fuel was supported by demand and saw its premium over gasoil widen in October. China Aviation Oil sought increased tender volumes for the fourth quarter. But a closed arbitrage window in early November suggests a looser near term picture for distillates. Japan in particular is unlikely to import much kerosene, given high domestic stocks.

Singapore Crude & Product Trade

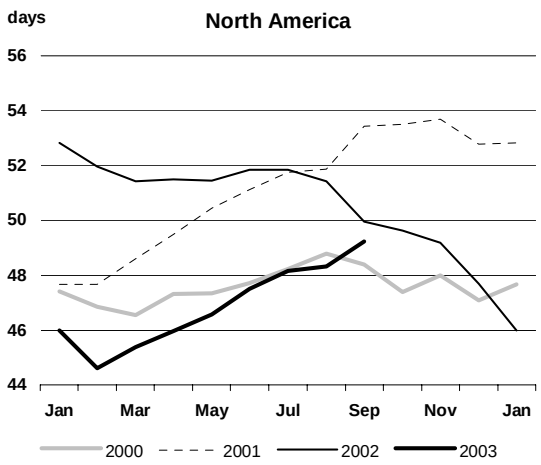
(thousand barrels per day)

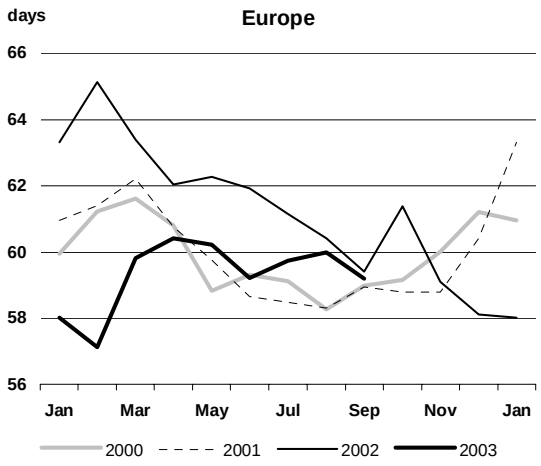
Net Imports/(Exports) of:	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Latest month vs. Aug 03	Latest month vs. Sep 02
Crude Oil	**822**	**819**	**861**	**885**	**892**	**593**	**583**	**509**	**691**	**182**	**-150**
Products & Feedstocks	**-10**	**-35**	**-73**	**-158**	**-119**	**-93**	**-110**	**-97**	**120**	**217**	**210**
Gasoil/Diesel	-121	-154	-168	-175	-171	-174	-179	-153	-190	-37	-42
Gasoline	-79	-81	-69	-76	-95	-67	-68	-69	-63	6	31
Heavy Fuel Oil	360	334	325	314	304	323	330	295	344	49	62
LPG	-21	-19	-20	-24	-26	-19	-20	-17	-21	-4	-4
Naphtha	-22	6	5	-22	18	5	-12	-14	43	57	39
Jet & Kerosene	-80	-65	-90	-124	-93	-103	-101	-95	-114	-19	-52
Other	-48	-57	-57	-51	-56	-58	-61	-44	-70	-26	-14
Total	**812**	**784**	**788**	**727**	**774**	**501**	**472**	**412**	**811**	**399**	**60**

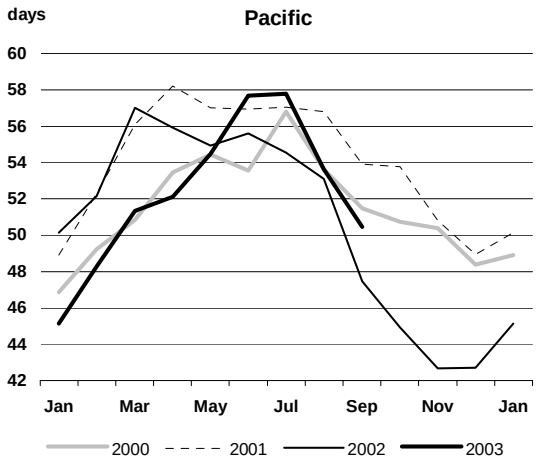
Source: International Enterprise, IEA estimates

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of total oil)

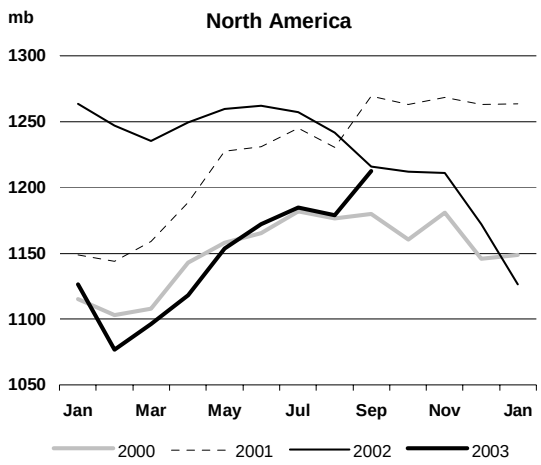
Days[1]

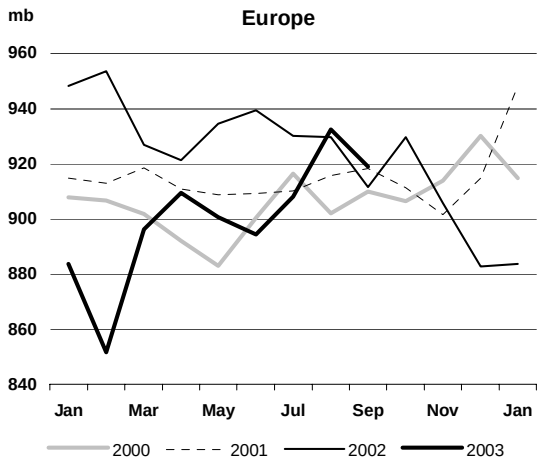


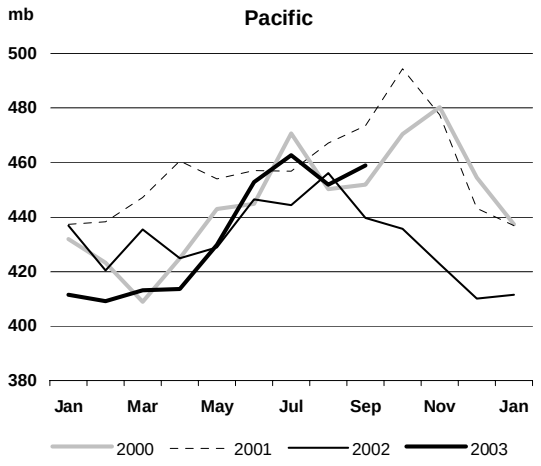




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

- **Brent and WTI crude prices** proved volatile in October as a cold snap, higher US throughput and concern over US heating oil inventories extended the rally that started in mid-September. However, a 1.2 mb increase in world supplies in October and a recovery in PADD 1 heating oil stocks sent Brent prices tumbling by nearly $4/barrel in the middle of the month. Prices rebounded once more in early November on release of lower-than-expected crude and product stock builds, with Brent over $29/bbl and WTI over $31 at the time of writing.

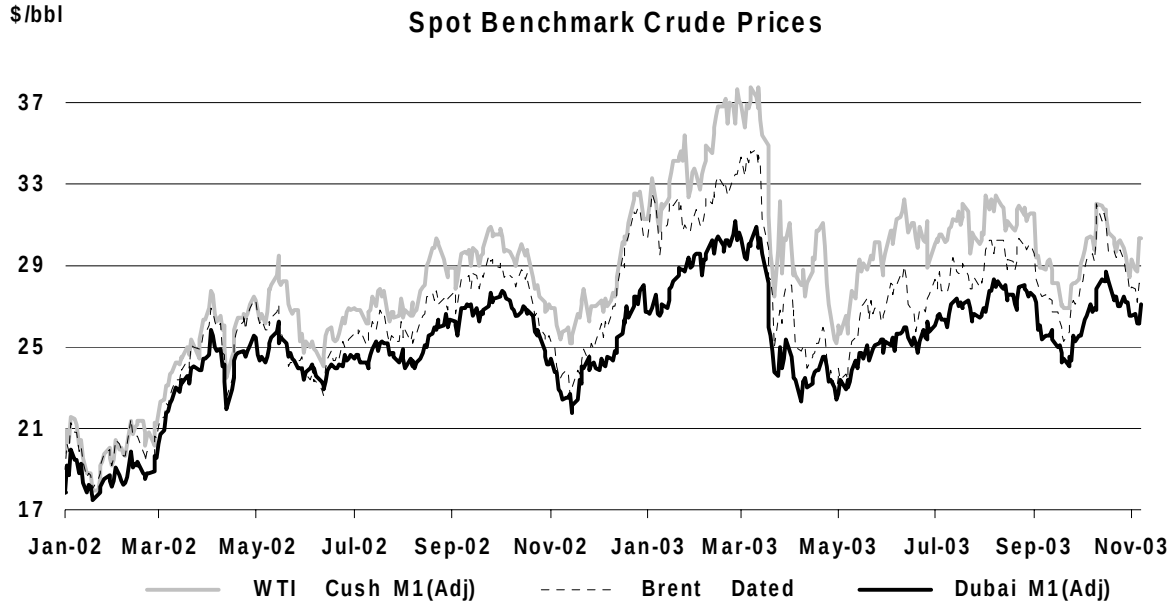
- **The WTI-Brent arbitrage** was closed for most of October as strong European demand for Brent juxtaposed with weak WTI prices (due largely to seasonal maintenance) limited North Sea crude movement. However, domestic sweet crude prices at the US Gulf Coast were more attractive and West African crudes, unaffected by the spike in Brent, still found buyers and helped to keep US imports well above year ago levels.

- **European middle distillate** prices surged by over $6/barrel in early October both in the Northwest and Mediterranean regions. Lower Russian gasoil exports, a regional cold snap and concerns over US heating oil stocks provided the initial impetus, but strong pre-winter demand for heating oil and jet kerosene in Iraq and the Middle East have kept the Mediterranean market tight.

- **Non-commercial** positions in NYMEX WTI continued the huge oscillations apparent since August, as speculators are whipsawed by price volatility. Non-commercial heating oil positions are virtually flat reflecting reduced concern over the availability of pre-winter stocks while low gasoline inventories continue to attract speculative longs to the market.

- **OECD refinery throughputs** dipped slightly in September to 38.56 mb/d, down from 39.01 mb/d in August. However total OECD throughput remained 2.03 mb/d higher than year ago levels, reflecting strong demand in Europe and OECD Pacific and a recovery from US maintenance.

- **VLCC freight rates** dipped sharply in early October, but recovered by the end of the month as non-OPEC and OPEC supplies surged. Strong Chinese demand for West African crude helped to keep values strong, but high rates contributed to the difficulty in moving Atlantic Basin crudes to the US.



October Overview

Benchmark crude prices proved volatile in October, with Dated Brent swinging nearly $4/barrel in both directions. Dated Brent's October average was $2.57/bbl higher than the prior month at $29.65/bbl, but month-end valuations were lower than September. WTI was up an average $2.05 at $30.30/bbl.

The early October rally was prompted by strong Chinese demand for West African crudes, higher US refinery throughput and robust offtake of Brent in Europe and a brief cold snap. Healthy product values also helped, with a very strong distillate market in the Mediterranean and concern over low US heating oil and gasoline stocks contributing to the extension of September's rebound. On the supply side, continued North Sea production problems, coupled with (an ultimately unfounded) anticipation of lower OPEC output in October and Black Sea congestion added to the early-month bullish momentum.

However, between the middle and end of October the market reversed. Chinese buying activity appeared to cool, while Russian and OPEC exports increased sharply, pushing October supply 1.2 mb/d over September levels. US crude stocks increased modestly, but the greatest pressure came from the recovery in US heating oil stocks above year ago levels. Temperatures moderated on both sides of the Atlantic and milder conditions were seen in Japan. US natural gas prices plunged as storage hit the higher end of the five-year average and close to a historical peak. This is likely to weigh on both residual fuel oil and heating oil demand in the weeks ahead

This weight of additional crude was also combined with mid-month indications that Iraq had staged a brief test of the northern pipeline to Ceyhan in Turkey. Undoubtedly, this affected sentiment and weighed on crude values, but there is still no indication as to when the pipeline will restart and whether future sabotage can be prevented. Greater pressure came from indications that up to seven cargoes of Basrah Light were heading to the Mediterranean in early December.

Macro-economic news indicating robust growth in the US, China and Japan and recoveries in Europe and Korea provide an important positive backdrop, particularly in China which accounts for the majority of oil demand growth over the next 14 months.

It could be argued that geopolitical tensions lessened in October but there remains the potential for disruptions. Concern over Iran's nuclear programme has lessened as Tehran enters into discussion with the International Atomic Energy Agency over the suspension of its nuclear enrichment programme.

Nigeria once more avoided a damaging general strike over the issue of increased gasoline prices, but there were reports of tribal clashes in the Delta region. Shell however reported that it had recovered some shut-in production that had been lost due to fighting earlier in the year.

Political manoeuvrings over a possible referendum on Hugo Chavez' tenure as Venezuelan President continue, but there is little sign (so far) of them spilling over into violence or industrial action that could disrupt oil supplies.

Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

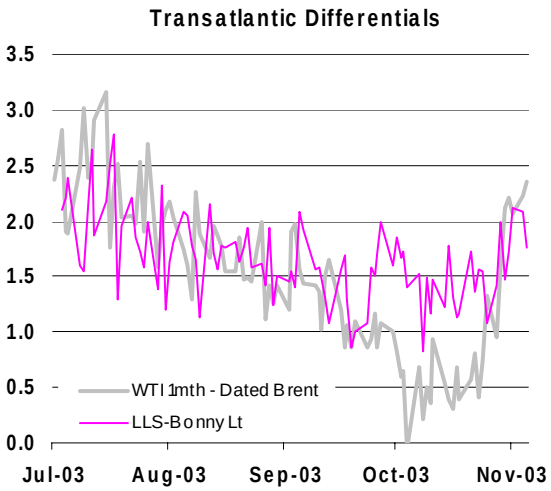
	Aug 03	Sep 03	Oct 03	Oct-Sep		Week Commencing:				
				Change	*%*	06 Oct	13 Oct	20 Oct	27 Oct	03 Nov
Crudes										
Brent Dated	29.79	27.08	29.65	2.57	9.5	30.12	30.96	29.62	28.42	27.89
WTI Cushing 1 month (adjusted)	31.59	28.25	30.30	2.05	7.3	30.72	31.49	30.09	29.19	28.85
Urals (Mediterranean)	28.74	25.64	27.99	2.35	9.2	28.48	29.10	27.98	26.81	26.34
Dubai 1 month (adjusted)	27.66	25.37	27.27	1.91	7.5	27.09	28.35	27.30	26.97	26.66
Tapis	30.70	29.45	31.74	2.28	7.8	31.85	33.19	31.59	30.81	30.55
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	1.81	1.17	0.65	-0.52		0.61	0.54	0.47	0.77	0.96
Urals (Mediterranean)	-1.04	-1.44	-1.67	-0.23		-1.64	-1.86	-1.65	-1.61	-1.55
Dubai	-2.13	-1.71	-2.38	-0.67		-3.03	-2.61	-2.32	-1.45	-1.23
Tapis	0.91	2.37	2.08	-0.29		1.73	2.23	1.97	2.39	2.66
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.30	0.24	0.42	0.18		0.44	0.43	0.36	0.29	0.29
WTI Cushing 1mth-2mth (adjusted)	0.15	-0.02	0.05	0.20		-0.06	-0.14	0.25	0.20	0.20

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

Crude Oil Prices

Spot Crude Prices and Differentials in October

The robust nature of dated Brent and its steep forward discount structure (backwardation) continued to dominate inter-crude spread relationships in October, before collapsing at the turn of the month. Healthy Northwest European refinery demand in September and in the Mediterranean in October coupled with lower loading schedules helped buoy Brent prices. Reduced supplies of alternative crudes due to Russian loading delays and heavy Far Eastern buying of West African crudes added to the tightness.

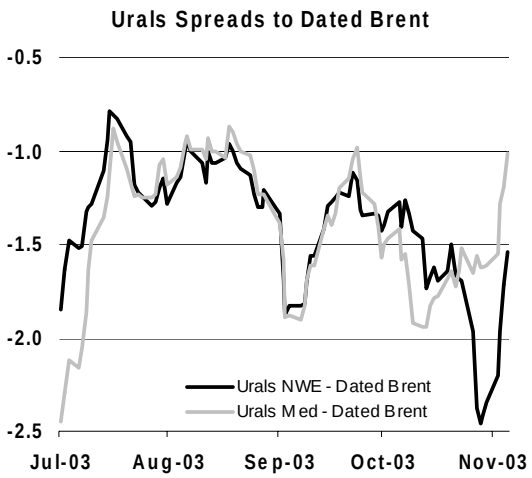


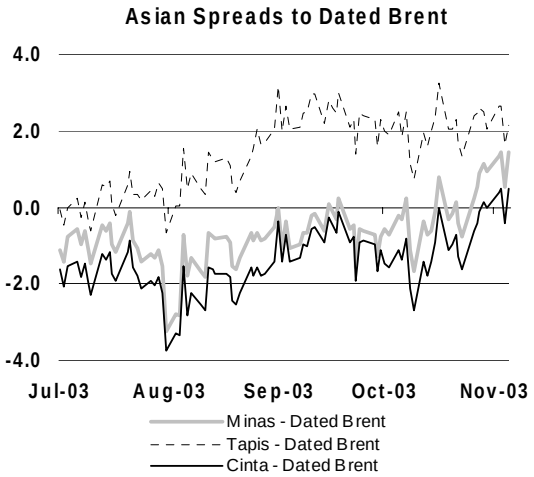
The early October potency of the North Sea sweet crude market was arguably exacerbated by the seasonal weakness of WTI due to US refinery maintenance, which led to an extremely narrow price differential. There has also been talk about pressure on WTI being extended through increased Canadian synthetic crude exports into PADD 2, but after high September imports into the US Midwest, October imports were the lowest since April. PADD 2 crude stocks moved lower for most of October before rising at the end of the month. This largely explains why the WTI contango (spot discount) evaporated with the expiry of the November contract.

Brent strength moved the WTI-Brent spread close to parity at one point in October, but this somewhat exaggerates the US-Brent price relationship changes. Taking Louisiana Light Sweet crude (a US Gulf Coast-based crude) against Brent shows a subtle closure of the arbitrage window, rather than its slamming shut. Looking at the LLS to Bonny Light spread helps explain why even with the Brent window shut there has still been some movement of West African crudest to the US. Transatlantic fixing of West African crudes would have been facilitated during early October when freight rates were at much lower levels.

By early November the nearby tightness of Brent rapidly evaporated, pushing the spread once more where arbitrage opportunities should avail.

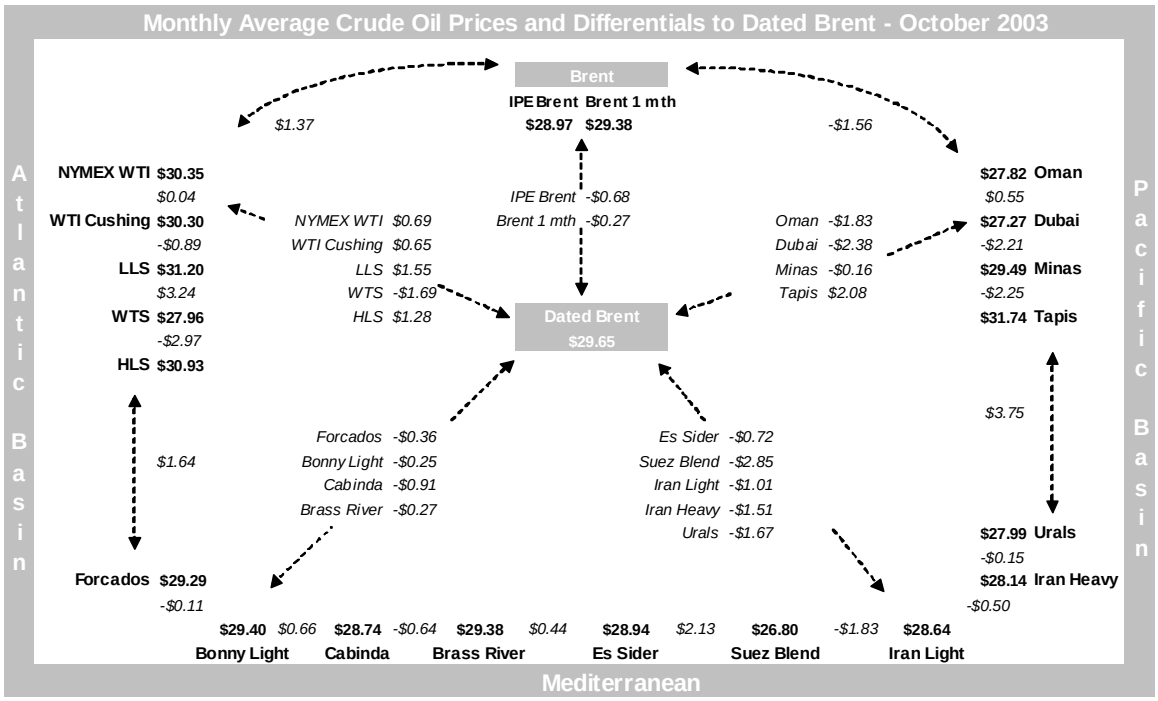
The Urals spread to dated Brent came under pressure, initially due to the strength in demand for sweet crudes in North West Europe and the Mediterranean. Some support was seen due to weather related supply disruptions in the Black Sea, but this was largely negated by Brent strength. However, at the end of October the release of the Primorsk November loading schedule and refinery maintenance in Northwest Europe was stepped up, causing Urals differentials to plunge.





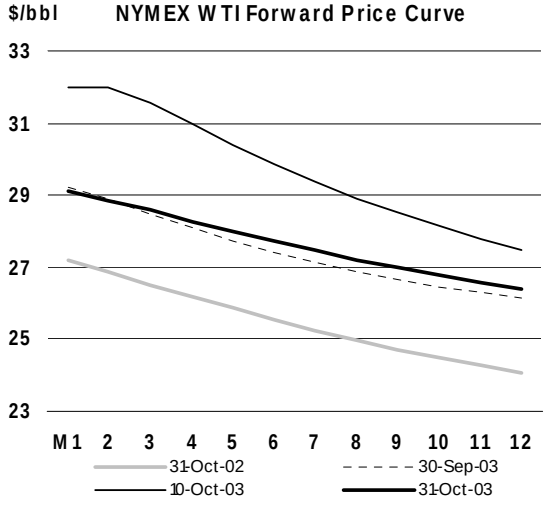
Urals values in the Mediterranean however remained firm, indicating both continued congestion problems in the Bosporus Straits strong refining margins and the return of regional processors after maintenance. There also appeared to be little concern over the anticipated arrival of up to seven Basrah Light cargoes in early December. Speculation that supplies might be diverted from the Mediterranean to meet Primorsk requirements added to the positive backdrop. The sharp rally in the Urals-Brent spreads in early November reflects Dated Brent weakness.

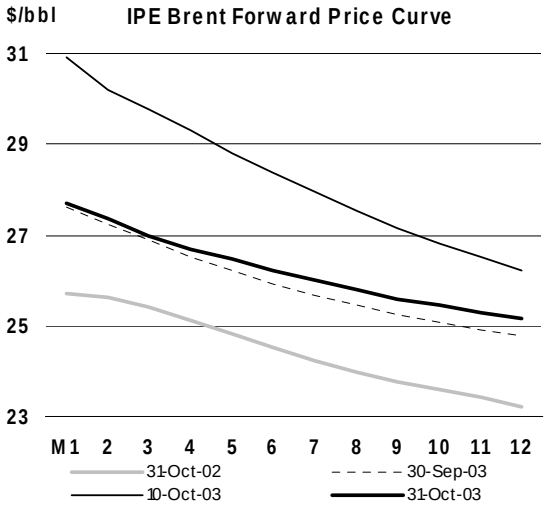
Far Eastern spreads remained firm relative to dated Brent throughout October, despite the relative strength of the Dated Brent market. Surging Chinese growth has caused a rush for sweet crudes to meet domestic needs. Traders note that the recent buying spree has attracted up to 1.3 mb/d of West African crudes to Asia for November loading, and that local sweets are coming under increasing competition from African imports. However China is not the only country exhibiting strong growth characteristics, with Japan, Korea among others being helped by strong US and regional GDP growth.



Crude Futures in October

End-month comparisons of the forward term structure of IPE Brent and NYMEX WTI show very little difference between September and October. This however ignores the divergent front month trends of the two futures contracts in the middle of the month. A steep front end Brent backwardation combined with a contango on the front spread for WTI conspired to push the transatlantic spread for the two crudes to unusually low levels. The divergent trends were largely caused by regional refinery trends (strong European refinery demand and US weakness) and competition from West African crudes.





The year-on-year comparison is also revealing. Although US crude stocks are on a par with last year's levels, WTI prices at the end of October were still nearly $2/barrel higher (if the comparison was made in early November, the price spread would be even wider). It is perhaps unfair to make this comparison, after all a year ago there were hopes that the return of weapons inspectors to Iraq would avert the need for war and there were bearish concerns over OPEC discipline and world growth. But the elevated level of the current price does emphasise that the oil market has a distinctly different perception to the current as opposed to the future outlook for prices. It is also sanguine to note that despite the onset of winter, Brent crude prices fell from $29.88 at the end of September 2002 to a low of $22.56 in the middle of November as US stocks recovered from 275 mb to 288 mb. Recent preliminary estimates put current US stocks nearly 4 mb above that level.

Delivered Crude Prices in August

Delivered prices for crude oil imported into IEA countries rose 94 cents in August from July levels, reflecting upward pressure from spot prices. Total IEA delivered crude prices rose from $27.66 in July to $28.60 in August (see Table 8 at the back of the Report). Price increases were seen in all IEA regions, the largest being a $1.21 increase seen in IEA Europe, while the smallest increase was 66 cents in IEA North America. IEA Pacific delivered crude prices rose by 89 cents to $28.58.

Product Prices

Spot Product Prices in October

Gasoline trended lower in October, dragged down by a weak US market as prices slumped from very high summer valuations. That the US was the only region monitored where average October prices were lower than September valuations highlights its depressed status. Gasoline crack spreads also moved lower reflecting the continued seasonal switch in emphasis towards the winter heating market from the summer driving season.

Spot Product Prices

(monthly and weekly averages, $/bbl)

	Aug	Sep	Oct	Oct-Sep		Week Commencing:					Aug	Sep	Oct
				Change	*%*	06 Oct	13 Oct	20 Oct	27 Oct	03 Nov			
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	38.73	34.31	34.31	0.01	0.0	34.16	35.44	34.24	33.77	33.17	8.94	7.23	4.66
Regular Unleaded	38.18	33.80	33.81	0.02	0.1	33.70	34.76	33.79	33.33	32.73	8.39	6.72	4.16
Naphtha	29.42	27.48	30.03	2.55	9.3	30.37	30.66	29.54	30.18	30.48	-0.36	0.40	0.38
Jet/Kerosene	34.61	32.32	36.45	4.13	12.8	36.56	37.54	36.77	35.85	35.93	4.82	5.24	6.80
Gasoil	32.98	30.31	34.46	4.15	13.7	34.48	35.59	35.06	33.78	33.65	3.20	3.23	4.81
Fuel Oil 1.0%S	26.88	24.78	25.19	0.40	1.6	25.25	25.82	25.35	24.87	23.87	-2.90	-2.29	-4.47
Fuel Oil 3.5%	24.73	22.57	23.60	1.03	4.6	23.66	24.02	23.39	23.27	23.46	-5.05	-4.51	-6.05
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	38.59	33.63	34.49	0.87	2.6	34.08	35.21	34.37	35.02	32.99	9.85	7.99	6.51
Premium Unleaded	37.87	32.91	33.78	0.87	2.6	33.37	34.49	33.65	34.30	32.28	9.13	7.27	5.79
Naphtha	28.38	26.60	29.25	2.65	10.0	29.72	29.99	28.74	29.18	29.32	-0.37	0.96	1.27
Jet/Kerosene	33.03	30.86	34.44	3.58	11.6	34.59	35.55	34.61	33.63	33.98	4.29	5.22	6.45
Gasoil	31.99	29.93	35.55	5.62	18.8	35.76	37.23	35.73	34.26	34.05	3.24	4.29	7.56
Fuel Oil 1.0%S	28.76	23.82	25.79	1.97	8.3	25.81	26.53	25.74	25.68	25.60	0.01	-1.82	-2.20
Fuel Oil 3.5%S	23.60	21.36	22.40	1.03	4.8	22.38	23.04	22.65	21.56	21.50	-5.14	-4.28	-5.59
NY Harbour, Barges											***Differential to WTI***		
Super Unleaded *	46.80	44.44	38.94	-5.49	-12.4	41.21	39.42	37.27	36.40	38.41	15.21	16.19	8.64
Regular Unleaded *	42.13	37.72	36.45	-1.27	-3.4	37.45	37.93	35.71	34.99	34.34	10.54	9.47	6.15
Jet/Kerosene	35.57	31.95	35.46	3.50	11.0	36.13	36.91	35.29	33.85	33.55	3.98	3.70	5.15
No.2 Heating Oil	34.24	30.83	34.41	3.58	11.6	34.84	35.89	34.36	33.08	32.52	2.64	2.58	4.10
Fuel Oil 1.0%S (Cargo)	27.77	24.88	25.93	1.06	4.2	26.18	27.04	25.70	25.43	25.43	-3.83	-3.37	-4.37
Fuel Oil 3.0%S (Cargo)	26.33	23.05	24.02	0.97	4.2	23.78	24.98	23.87	24.39	23.50	-5.26	-5.21	-6.29
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	38.59	33.63	34.49	0.87	2.6	35.12	36.52	35.50	35.71	35.98	10.93	8.26	7.22
Naphtha	37.87	32.91	33.78	0.87	2.6	30.02	31.37	30.15	30.85	31.08	10.22	7.54	6.50
Jet/Kerosene	28.38	26.60	29.25	2.65	10.0	33.08	35.07	34.18	33.88	34.33	0.72	1.23	1.98
Gasoil	33.03	30.86	34.44	3.58	11.6	31.94	33.43	32.65	32.26	32.45	5.37	5.49	7.16
LSWR (0.3%S)	31.99	29.93	35.55	5.62	18.8	25.72	26.32	25.86	27.06	27.90	4.33	4.56	8.27
HSFO (3.5%S 180cst)	28.76	23.82	25.79	1.97	8.3	25.82	26.05	25.20	24.25	24.88	1.10	-1.55	-1.48
HSFO 4%S	23.60	21.36	22.40	1.03	4.8	26.14	26.17	25.32	24.24	24.85	-4.05	-4.01	-4.88

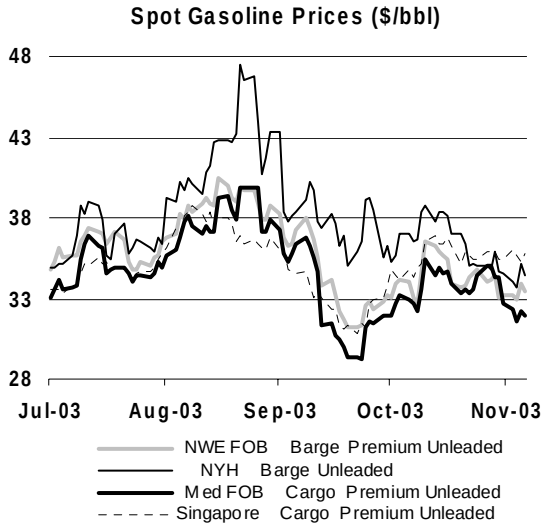
* From November 1 assessments for NYH are for Max 0.3% MTBE

Although US gasoline prices have moved lower and the driving season has ended, concerns remain over the low level of US gasoline stocks. Traders are also uncertain over the pricing impact from the switch by New York and Connecticut to 0.3% max MTBE specification gasoline, while other states in the

North East have not yet followed their ban on MTBE. History shows that divergent product specifications can contribute to market distortions – both in supply and price terms.

US gasoline demand also remains strong relative to year ago levels, which means a continued reliance on imports. However the US market is currently facing competition for European gasoline from the Far East. Singapore unleaded gasoline barges prices have moved to a premium to New York Harbour unleaded cargoes for the first time since May 2002 on the back of strong Chinese offtake and Mediterranean traders are reportedly fixing material for East-bound shipment. Far Eastern demand for naphtha from petrochemical industries is also strong and there have been active arbitrage shipments from Europe again.

Higher US refinery throughput would be possible in the coming weeks, but historic trends and capacity constraints suggest those gains will be limited. Increased throughput, together with a seasonal downturn in demand, could put further pressure on sliding refinery margins.



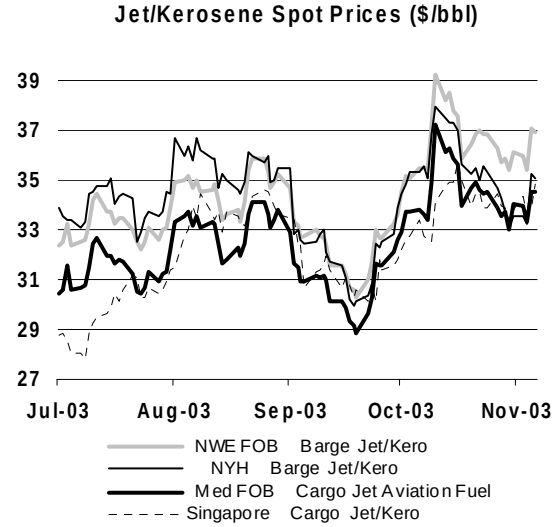
Gasoil prices have fallen back sharply from their early October peak as US heating oil inventories recovered in line with year ago levels (particularly in PADD 1) and tightness in the European markets lessened. Low natural gas prices will also add competition with heating oil at the margin. However, it was the early-month strength of the European gasoil market that dominated sentiment.
A cold snap in Europe and the US, coupled with sharply lower Russian exports, strong demand from the Eastern Mediterranean and localised tightness due to regional refinery maintenance were the main factors behind market strength. Although milder weather has helped to moderate the tightness, particularly in Northwest Europe, differentials remain exceptionally strong in the Mediterranean as demand from countries surrounding Iraq and Nigeria for diesel continues to surprise.

While much of the pull from the East Mediterranean is destined to meet Iraqi winter and military requirements, traders believe they have underestimated the degree of product trade between Iraq and neighbouring countries. Iraq had pre-war refining capacity of 710,000 b/d, but it is estimated that was running at around 450,000 b/d in September and October prior to outages at the Daura and Haditha refineries.

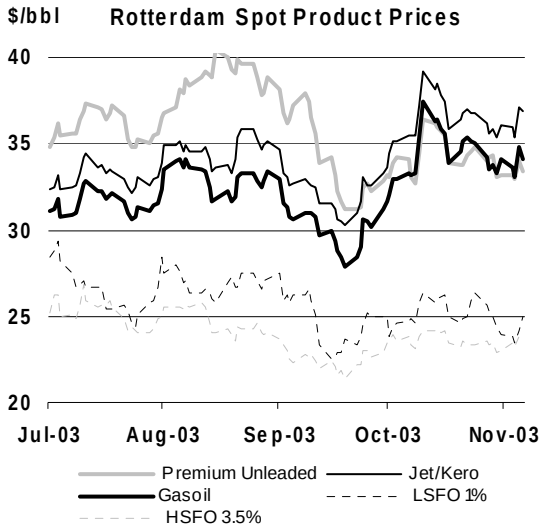
Jet/Kerosene imports to meet US military needs in Iraq are also high and this has drained much of the surplus material from the Middle East. This has had a knock-on effect on the Northwest European and Mediterranean markets which have been tightened by refinery maintenance.

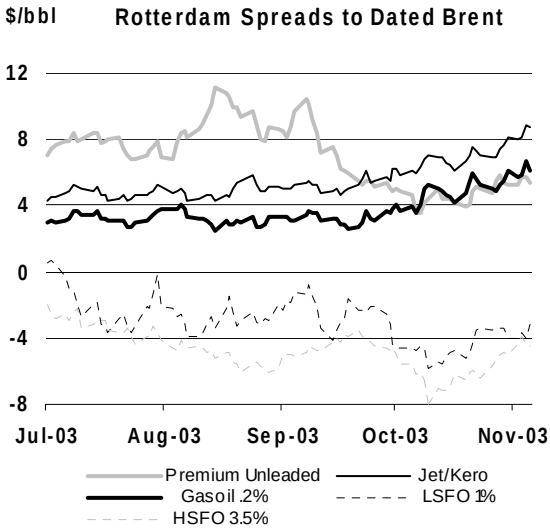
Prices have fallen across-the-board since the early October spike in middle distillate prices, but the relative strength of the European market is shown by the $1.98 rise in jet/kerosene from the end of September to the end of October, and an *average* monthly gain of 12.8%.

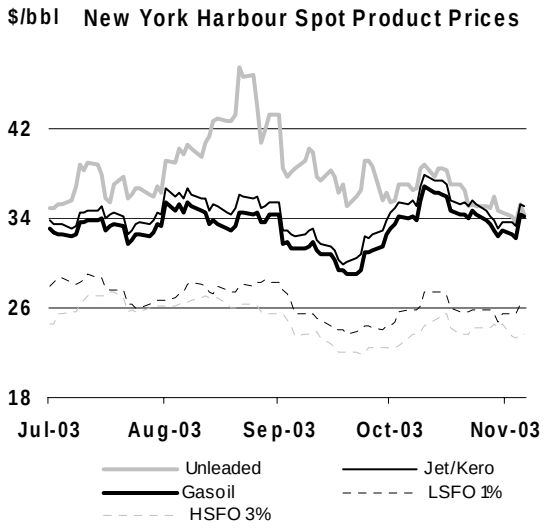
The US market by contrast, while showing only a slightly lower monthly *average* gain than Europe, records a nominal price drop at the end of October compared with end-September values. US prices are currently around $1.80/bbl below European values, a situation that is rare and resulted in the movement of around 250,000 tonnes from the Caribbean to Europe in early November.

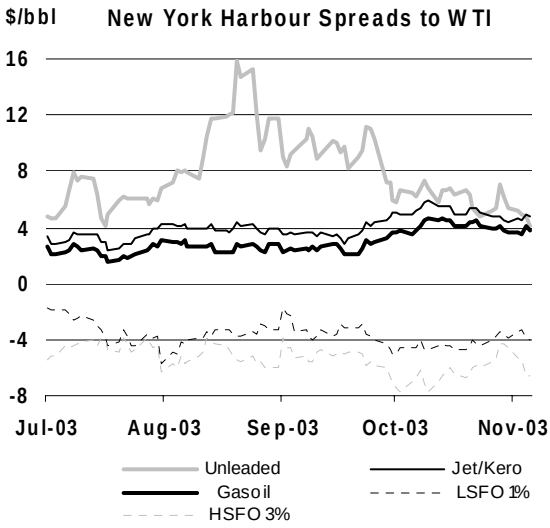


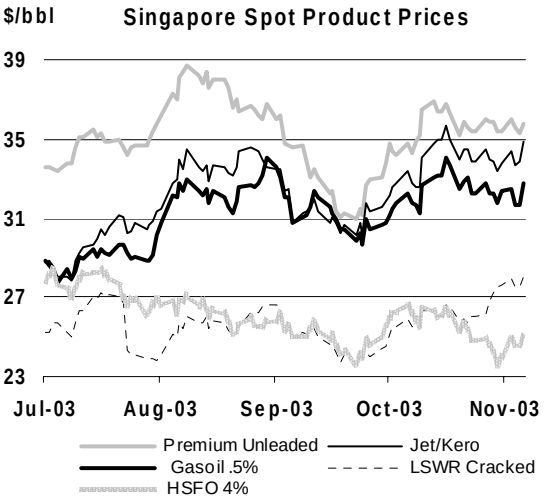
In the Far East, early October concern about steeply rising Japanese kerosene stocks has been offset to a degree by strong Chinese jet import demand. Singapore-based China Aviation Oil (CAO),

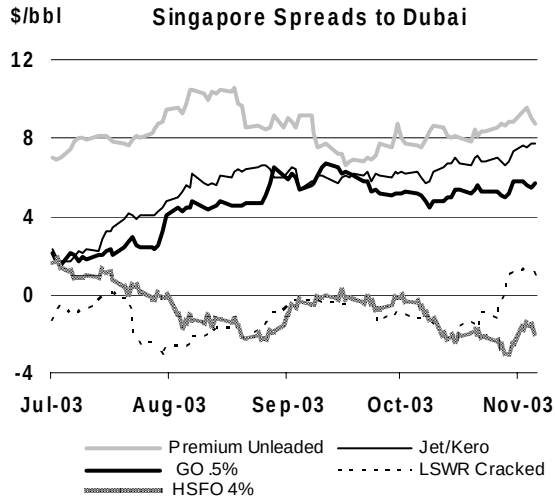

$/bbl
Rotterdam Spot Product Prices
40
35
30
25
20
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Premium Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3.5%


$/bbl
Rotterdam Spreads to Dated Brent
12
8
4
0
-4
-8
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Premium Unleaded
Jet/Kero
Gasoil .2%
LSFO 1%
HSFO 3.5%


$/bbl
New York Harbour Spot Product Prices
42
34
26
18
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%


$/bbl
New York Harbour Spreads to WTI
16
12
8
4
0
-4
-8
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%


$/bbl
Singapore Spot Product Prices
39
35
31
27
23
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Premium Unleaded
Jet/Kero
Gasoil .5%
LSWR Cracked
HSFO 4%

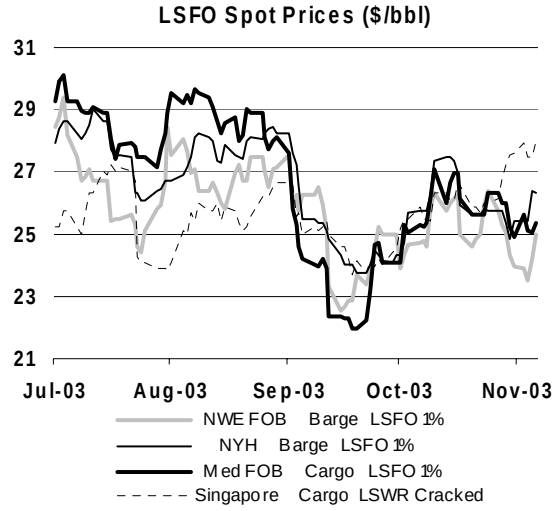

$/bbl
Singapore Spreads to Dubai
12
8
4
0
-4
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Premium Unleaded
Jet/Kero
GO .5%
LSWR Cracked
HSFO 4%

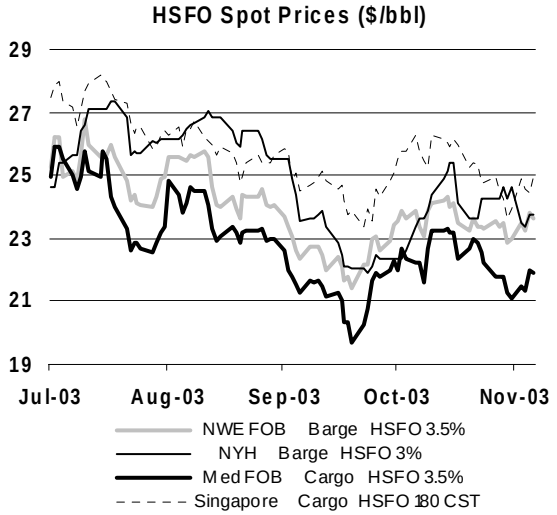
which is China's sole jet importer has forecast a record quarterly purchase in the fourth quarter of 580,000 tonnes. CAO expects China's jet fuel demand to rise by 12% in 2004 after a static performance in 2004 due to SARS.

Fuel oil avoided the extreme volatility of the other products, despite the early October cold snap. US fuel oil prices remain subdued by the continued weakening of domestic natural gas prices, limiting substitution demand by utilities and end-users. The populous US Northeast also enjoyed relatively mild seasonal temperatures through to the end of the month, which further depressed prices. However, good utility demand from Florida did support low sulphur values in the Gulf region.

Russian fuel oil shipments from the Baltic picked up towards the end of October, but arbitrage shipments to the Far East helped to support Northwest European values. In the Mediterranean, despite congestion at the Bosphorous, average Russian fuel oil exports actually rose by 20% in October over September, which put pressure on the market towards the end of the month.

In the Far East, there has been a hint of fuel oil import demand from China, but with domestic refineries running flat out to meet distillate and gasoline demand it seems unlikely that there will be considerable need for high imports in the near future. Additional pressure from European fuel oil exports weighed on the market at the end of the month.





Low sulphur fuel oil however had a strong end-month increase in Singapore, helped by modest South Korean utility buying in line with stronger domestic power production. South Korean utility demand rose by 4.1% year-on-year in September and 4.4% year-on-year in October, in line with a strong recovery in manufacturing. Industry is responsible for around 50% of all power consumption. However, there is plenty of spare refining capacity and despite the increased demand traders expect South Korean refiners to ship up to 650,000 tonnes of fuel oil in December, compared with 500,000 tonnes estimated for November. The ready availability of the material also appears to be shown by the lower premiums paid in tenders by Korean utilities.

Looking forward, there is also a significant drop in Taiwanese fuel oil demand expected in 2004. A commitment by Taiwan Power to buy electricity from four new independent utilities using gas fired plants should lower its fuel oil requirements by around 1 million tonnes in 2004.

Concern over Japanese nuclear reactor issues remains. However, with domestic stocks of low sulphur fuel oil at relatively high levels, there seems little reason to expect a protracted surge in buying.

In general, however, any OPEC production cut is likely to come from cheaper heavy crudes, which in turn is likely to reduce heavy fuel oil supplies.

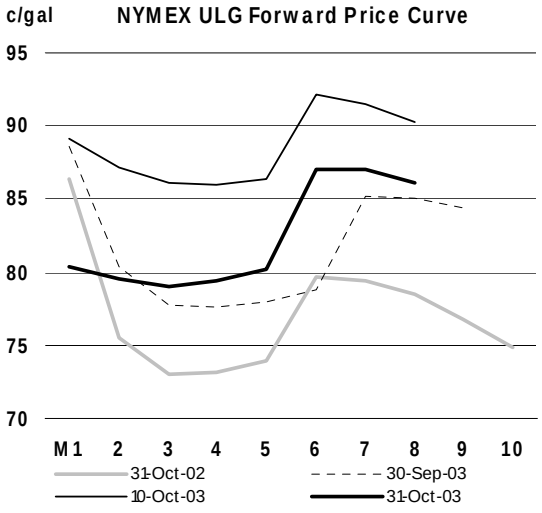
Product Futures in October

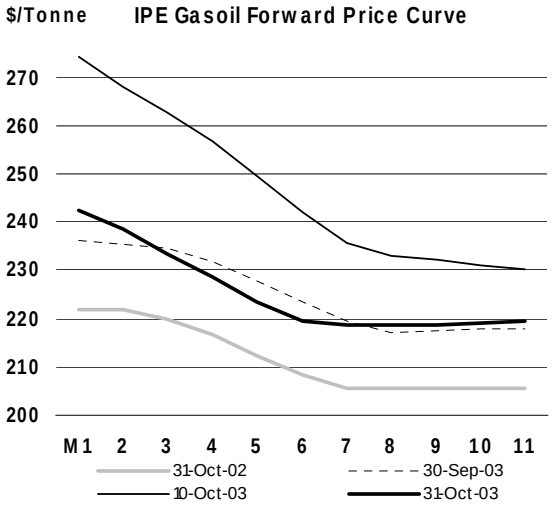
The dramatic weakening of the US gasoline market over the past few weeks has resulted in a significant shift in the forward futures curve on the NYMEX contract. As spot prices have fallen, the forward structure has flattened through to May 2004. However, when examining any structural shift

it is also important to note that New York state has banned MTBE in gasoline while the NYMEX contract allows MTBE in line with legislation in New Jersey and some other East Coast states. Assessments between spot benchmark New York Harbour material, which do not include MTBE, and NYMEX futures are therefore difficult.

The October gasoline futures curve would appear to indicate moderate concern over low stock levels and current solid demand, with very little off-season forward price weakness projected. It is unusual to make assumptions about a pending tight market without a significant backwardation, but in this case, the flatness might also indicate a reluctance to sell gasoline forward at current price levels.

Despite the general downtrend in gasoline prices, non-commercials have retained a significant long position in the gasoline market according to the weekly CFTC Commitment of Traders reports. Although net non-commercial longs fell from their early October peak of 30,418 lots, the persistence of the bullish speculative position would suggest that they are basing their trading strategies on perceptions of low stocks rather than purely on price trends. However, it should be noted that it is normal for gasoline inventories to dip through to end-October/early-November before recovering through to the spring.





The steep backwardation in the IPE gas oil market continues to contrast with the more normal seasonal nearby contango on the NYMEX heating oil market. From an inventory perspective, recent growth in European inventories and the early season replenishment of German consumer tanks would provide a rationale for an earlier European seasonal market peak than in the US. European industry stocks of distillate are currently comfortable, providing room for seasonal depletion, while strong demand is apparent from the Mediterranean, West Africa and the Middle East.

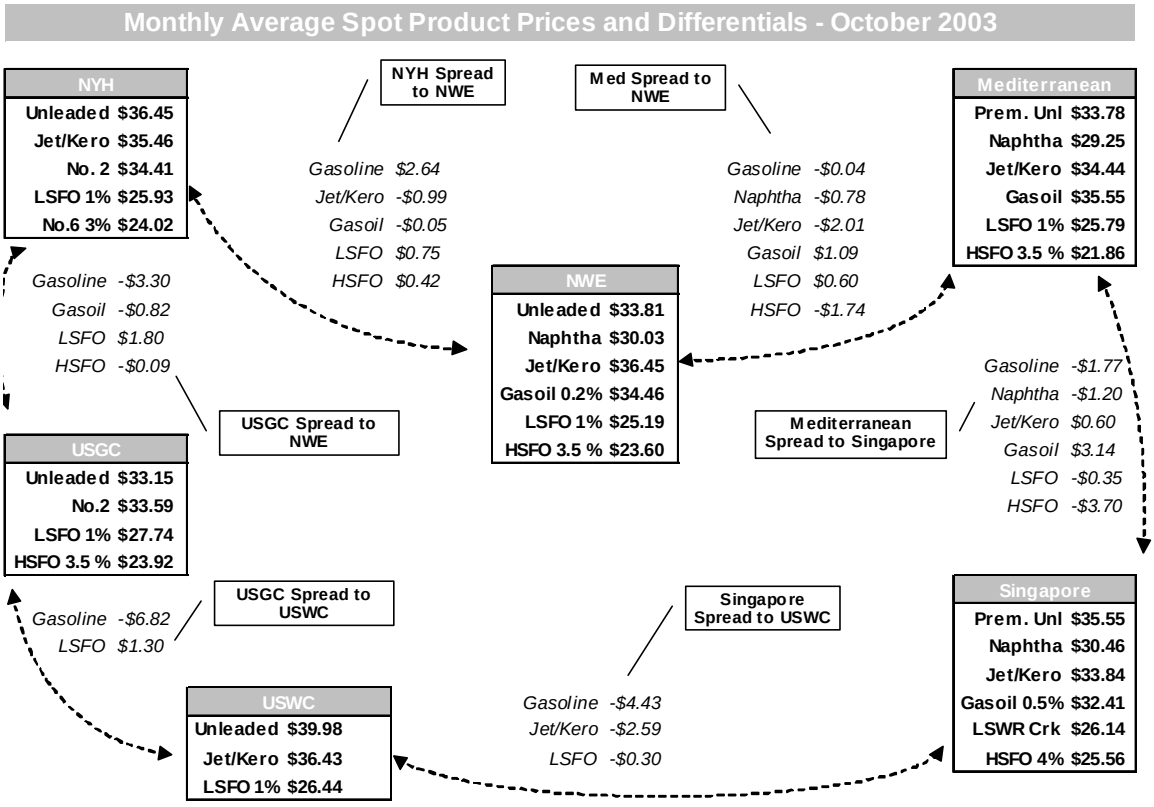
Weaker forward European prices combined with higher forward US prices would also be consistent with the normal seasonal pull of gasoil to meet peak US winter demand requirements. Nearby availability should improve as major Northwest European refineries come out of maintenance in the middle of November. However, it is also fair to note that there was considerable tightness around the October IPE delivery, which traders say appears to have been rolled over to the November delivery.

The latest Commitment of Trader's report shows non-commercials in NYMEX heating oil futures have now moved to a marginally net short position, suggesting they are no longer fearful of nearby supply tightness as PADD 1 heating oil stocks reached year ago levels.

End-User Product Prices in October

End-user domestic heating prices moved modestly higher in Europe in October, reflecting regional tightness in the gasoil oil market. This contrasted with the price falls across the board in gasoline pump prices, although it has to be noted that in dollar terms European and Japanese retail prices

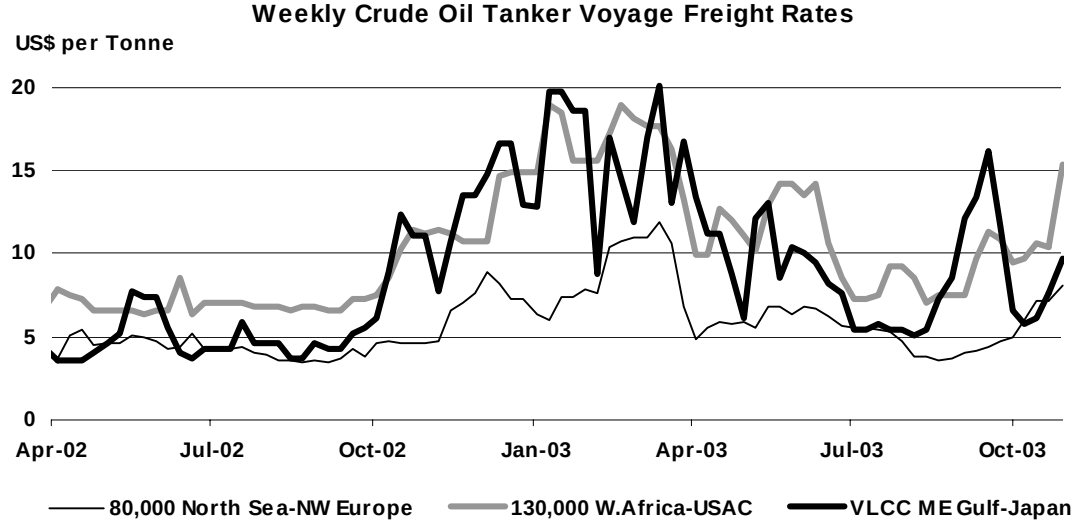
actually rose. Diesel prices were broadly flat, with the exception of Canada which registered a 3.1% decline. Industrial fuel oil prices fell in Europe, with Spain and Germany recording losses in excess of 5%. Yen prices to industry were unchanged.



Freight

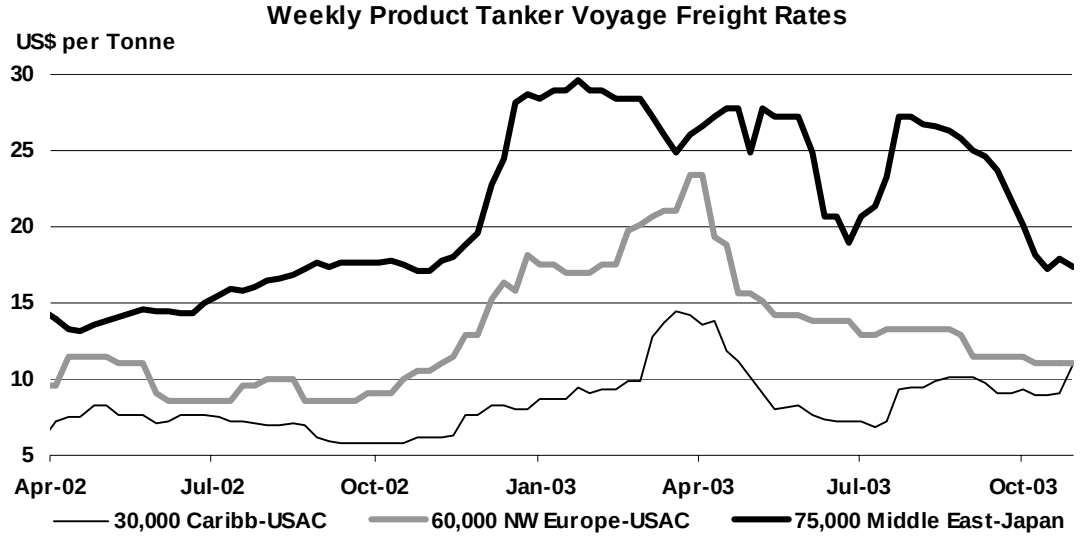
Dirty freight moved inversely to crude prices in October, reflecting the shift in supply trends over the course of the month. Freight rates dropped sharply at the end of September after OPEC surprised the market by cutting output targets effective 1 November. Early October crude shipments were also lower, but increased steadily as the month progressed.

VLCC rates then jumped sharply at the end of October on the back of significant crude demand from the Middle East Gulf to Asia. There was also the booking of approximately three VLCCs of fuel oil eastwards during the month. Brokers say ship owner confidence has increased and players have been holding off making deals with charterers, buoyed by heavy enquiries and reports of outstanding December cargoes.



The strength of Far Eastern demand has dragged the rest of the market higher, and is consistent with the sharp increase in both OPEC and non-OPEC production towards the end of last month.

Clean tonnage was relatively subdued in October. The steep decline in rates for the Middle East Gulf to the Far East slowed, but there was an early November pick-up in rates from the Caribbean to European destinations on east-bound arbitrage shipments of jet fuel. Movement of gasoline from the Med and Caribbean to the US also picked up towards the end of October, helping to improve rates. Typically clean freight rates rise sharply in the winter months and are closely correlated with gasoil prices. However, the lack of a workable arbitrage from Europe to the US for gasoil means that trade is unusually low at present.



Source: SSY Consultancy & Research Ltd.

Refining Margins in October

A divergent trend emerged in refining margins during October, and was even more prominent in early November. The US market weakened considerably as heating oil stocks rebounded in line with year ago levels in the critical PADD 1 East Coast region, while the extreme strength of middle distillates caused a sharp increase in Mediterranean values. Overall, refining margins in all regions ended October at attractive levels, reflecting a generally positive trend in oil demand.

Northwest European cracking and hydroskimming margins in October steadily improved following early month weakness. Jet/kerosene and gasoil gained 11.5% and 14.5% respectively in October over September and still ended the month 7% higher than end-September values. Brent in contrast rose by and average of just 9.5%, but ended the month flat with end September levels. Gasoline cracks showed little movement during the month, but naphtha proved exceptionally robust as Far Eastern petrochemical demand helped to tighten the market. The strength of the middle of the barrel meant that hydroskimming and cracking margins moved in unison during the month.

Mediterranean margins against Urals crude were exceptionally strong in October, driven by a surge in product net worth of nearly 11%. Strong distillate demand from the Middle East, coupled with lower Russian gasoil shipments and refinery maintenance were the main contributory factors behind the strength. Gasoline was also supported by product movements out of the region to the US, West Africa and talk of material moving eastwards.

US Gulf cracking margins deteriorated dramatically at the beginning of November, falling to $1.63/bbl for WTI from a monthly average of $3.42/bbl. Gross product net worth increased in October, but the gains were almost half of those seen in the Med. The relative strength of Brent and weakness of WTI to other crudes accentuated the trends in Gulf Coast margins, with Brent cracking margins actually falling by $1.29 in October compared with a modest $0.14 dip for WTI. The trend during the month was however more dramatic than average margins suggest, with early October values surging on fears of a heating oil squeeze this winter, but falling as the stock situation improved. One surprising feature was the relative strength of low sulphur fuel oil, which surged by 11% in

October and maintained that strength throughout the month. This contrasted with relatively flat New York Harbour values and was spurred by reports of good Florida utility buying.

Far East gross product net worth increases in October were the most modest of the regions covered, correcting the disparity in regional strength seen during September. However, Far Eastern product prices were relatively stable during the month at higher levels, leaving volatile crude prices to dictate regional fluctuations. The relative out performance of the lighter end of the barrel resulted in cracking margins outperforming hydroskimming margins during October, and also highlighted the regional desire for West African and local sweet crudes over sours.

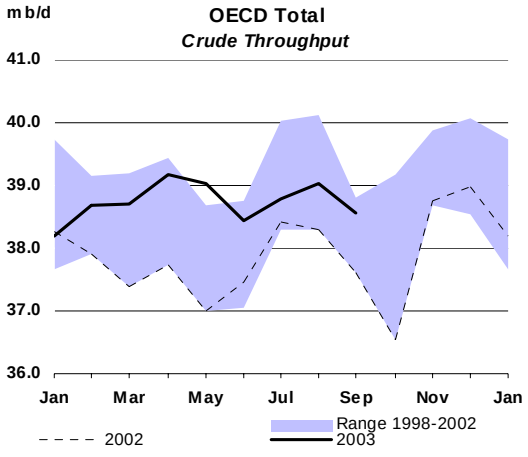
Refining Margins in Major Refining Centres
($/bbl)

	Monthly Averages			Oct-Sep		Week Ending:				
	Aug	Sep	Oct	*Change*	*%*	03 Oct	10 Oct	17 Oct	24 Oct	31 Oct
Refining Margins										
NW Europe										
Brent (Hydroskimming)	0.09	-0.37	-0.49	-0.12		-0.60	-0.64	-0.82	-0.53	0.31
Brent (Cracking)	1.54	1.01	0.91	-0.10		0.82	0.93	0.57	0.90	1.70
Mediterranean										
Urals (Hydroskimming)	0.84	0.93	1.50	0.57		1.09	1.34	1.46	1.32	2.27
Urals (Cracking)	2.46	2.49	3.16	0.67		2.72	3.15	3.09	3.00	3.92
US Gulf Coast										
WTI (Cracking)	5.16	3.56	3.42	-0.14		4.05	3.67	2.79	3.35	2.65
Brent (Cracking)	5.33	3.14	1.85	-1.29		3.62	2.01	1.96	1.91	2.03
Singapore										
Dubai (Hydroskimming)	0.92	1.59	0.99	-0.60		1.44	1.05	0.79	0.93	1.07
Dubai (Cracking)	3.37	3.65	3.30	-0.35		3.41	3.32	3.20	3.32	3.69
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	31.01	27.84	30.30	2.45	8.8	29.64	32.49	30.07	30.58	29.55
Brent (Cracking)	32.56	29.32	31.80	2.48	8.5	31.17	34.16	31.55	32.10	31.05
Mediterranean										
Urals (Hydroskimming)	29.76	26.76	29.67	2.91	10.9	29.06	31.68	29.57	29.78	28.78
Urals (Cracking)	31.48	28.42	31.43	3.01	10.6	30.79	33.60	31.30	31.56	30.52
US Gulf Coast										
WTI (Cracking)	37.86	32.91	34.82	1.91	5.8	35.49	36.81	34.52	34.65	33.00
Brent (Cracking)	37.47	32.59	34.56	1.97	6.0	35.15	36.50	34.31	34.43	32.83
Singapore										
Dubai (Hydroskimming)	29.08	27.45	28.77	1.32	4.8	28.46	29.40	29.56	28.41	28.08
Dubai (Cracking)	31.64	29.61	31.18	1.57	5.3	30.53	31.78	32.06	30.91	30.80

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

OECD Refinery Throughput in September

OECD refinery throughputs fell in September to 38.6 mb/d from a marginally upwardly revised 39.0 mb/d in August as the impact of seasonal maintenance in Europe and the US was felt. Year-on-year comparisons confirm earlier indications of a lighter-than-normal turnaround period, with total OECD throughput 2.03 mb/d higher than September 2002 levels. Economics also dictate higher run rates, whereas low margins provided an economic disincentive to maximise throughput last year.



Refinery maintenance outside of OECD regions was largely complete by the end of September, and contributed to the modest decline in refining margins in October, despite strong regional GDP growth.

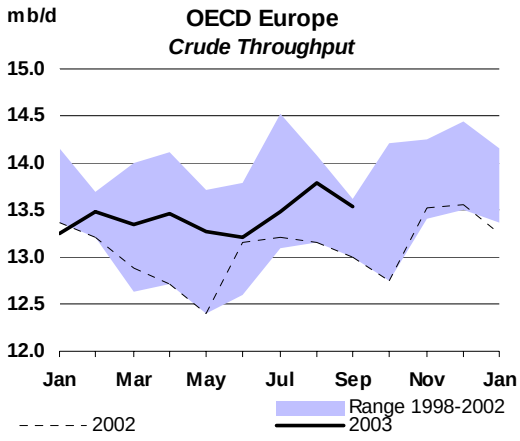
North American runs were dictated by changes to US 50 throughput, where average runs fell by 0.3 mb/d. Provisional weekly data indicates that the peak maintenance was seen in the week ending

October 3 when runs dipped below 15 mb/d, followed by a gentle recovery as PADD 2 restarts were offset to a degree by the start of maintenance in the PADD 3 Gulf region. The recovery in throughput should therefore continue in November, but historically there is generally only a relatively modest improvement until the end of the year: runs are already high on a seasonal basis.

From a financial perspective refinery margins have fallen dramatically, but this needs to be put in perspective. Refinery margins on the Gulf Coast in October 2002 averaged $1.30 in contrast to $3.42 for WTI in October 2003.

Aside from scheduled maintenance there were a number of unplanned glitches that affected US operations at the end of October, and will have reduced throughput numbers over that period. However, none of the problems appeared to be serious and most had recovered by early November. This should mean a significant increase in throughput next month if economics remain constructive.

OECD European refinery output dipped slightly to 13.54 mb/d from 17.79 mb/d, despite the start of the maintenance season. However, it is fair to say that the bulk of Northern European maintenance will take place in October, with significant maintenance being undertaken in the Netherlands (including 200,000 b/d of distillation capacity at one major refinery and a shutdown at another 80,000 b/d refinery), and in the UK (50% of a 223,000 refinery down for 6 weeks). Further maintenance will be undertaken in November, with a large UK refinery taking down a reformer and a 100,000 b/d refinery in Germany undergoing 18 days of maintenance in the middle of the month. In the Mediterranean (including non-OECD activity), most of the seasonal work has now been completed, and attractive margins are likely to result in high throughput rates in the coming weeks.

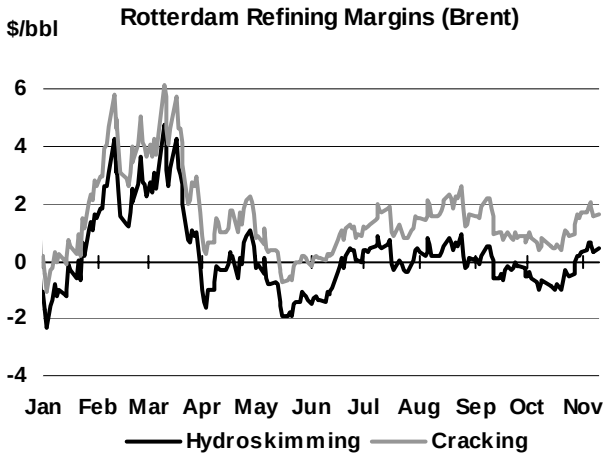


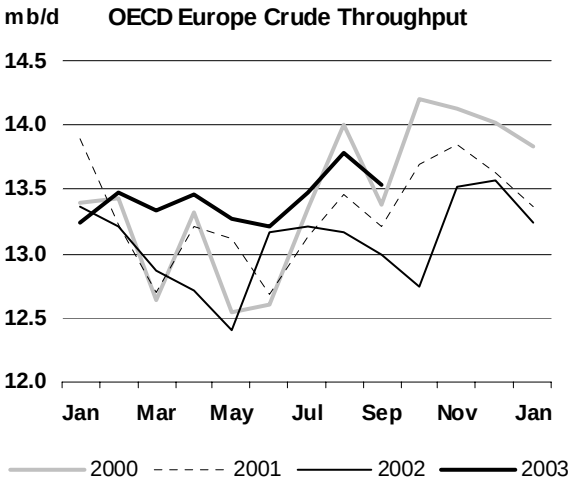
OECD Pacific throughput in September rose slightly to 6.59 mb/d in September from a downwardly revised 6.49 mb/d in August (originally estimated at 6.59 mb/d). This left regional throughput below the four-year observed minimum for the second consecutive month. The decline in runs continues to be dominated by Korean refiners acting as swing processors to maintain margins at moderate levels. Japanese refinery throughput is also fractionally below the observed minimum in both months.

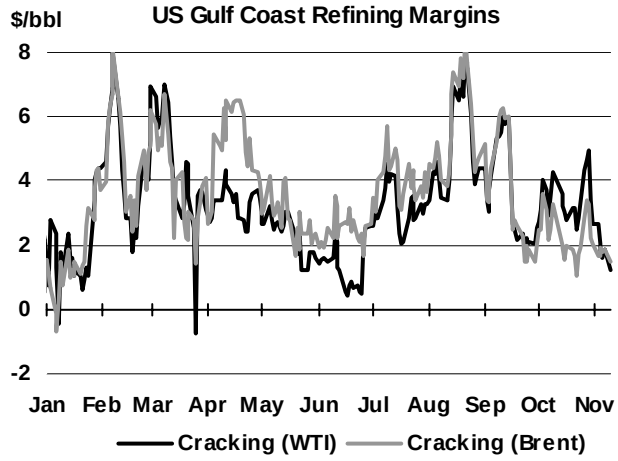
Refinery Crude Throughput and Utilisation in OECD Countries

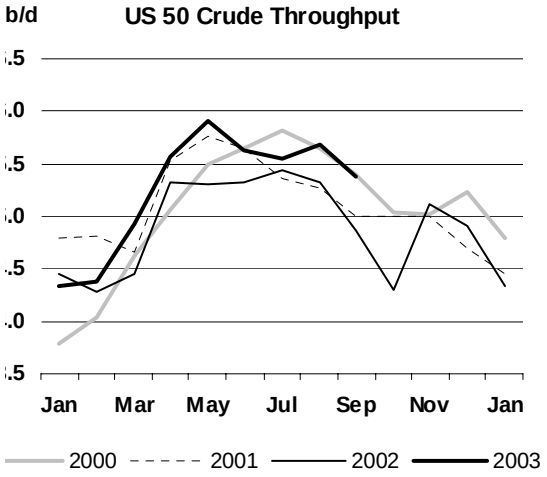
	million barrels per day						*Change from Sep 02*		Utilisation rate[2]	
	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Mb/d	%	Sep 03	Sep 02
OECD North America										
US[3]	15.57	15.92	15.62	15.55	15.69	15.39	0.52	3.5	91.6	88.5
Canada	1.68	1.86	1.92	1.79	1.78	1.79	0.02	-1.3	92.2	93.4
Mexico	1.25	1.28	1.21	1.28	1.27	1.25	0.22	9.9	80.4	70.7
Total	18.51	19.06	18.75	18.63	18.74	18.43	1.33	3.4	90.8	87.8
OECD Europe										
France	1.57	1.66	1.69	1.83	1.79	1.82	0.26	10.6	96.1	86.8
Germany	2.29	2.15	2.14	1.97	2.26	5.42	3.34	148.2	240.1	96.7
Italy	1.76	1.76	1.75	1.85	1.84	1.86	0.05	4.1	81.5	78.2
Netherlands	1.02	1.07	1.03	1.08	1.05	1.07	0.11	6.9	88.7	83.0
Spain	1.21	1.21	1.16	1.20	1.16	1.02	-0.16	-8.5	78.9	86.2
UK	1.65	1.69	1.63	1.49	1.62	1.47	0.02	-10.3	82.6	92.0
Other OECD Europe	3.96	3.74	3.80	4.06	4.07	3.96	0.26	9.4	86.1	78.7
Total	13.46	13.27	13.21	13.47	13.79	13.54	0.79	4.2	88.4	84.8
OECD Pacific										
Japan	4.23	3.84	3.65	3.90	3.89	3.86	0.18	-1.8	77.6	79.1
Korea	2.14	2.02	2.11	2.09	1.83	1.93	-0.28	-4.8	75.5	79.3
Other OECD Pacific	0.84	0.83	0.72	0.69	0.76	0.81	0.00	-3.3	84.4	87.2
Total	7.21	6.70	6.48	6.68	6.49	6.59	-0.10	-2.9	77.7	80.0
OECD Total	39.17	39.03	38.44	38.78	39.01	38.56	2.03	2.5	87.4	85.3

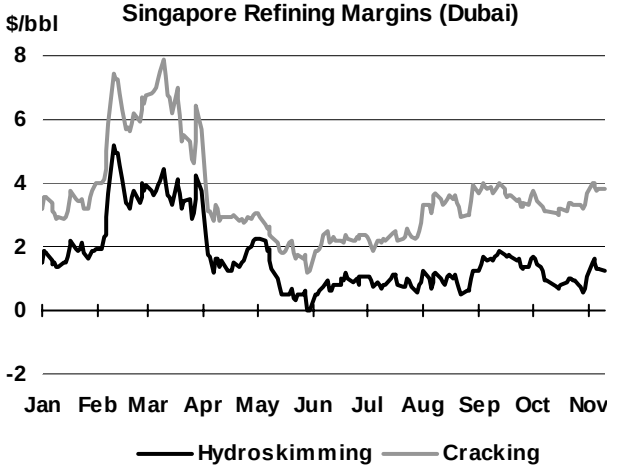
1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50


Rotterdam Refining Margins (Brent)
$/bbl
6
4
2
0
-2
-4
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov
Hydroskimming
Cracking


OECD Europe Crude Throughput
mb/d
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


US Gulf Coast Refining Margins
$/bbl
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov
Cracking (WTI)
Cracking (Brent)


US 50 Crude Throughput
b/d
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


Singapore Refining Margins (Dubai)
$/bbl
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov
Hydroskimming
Cracking

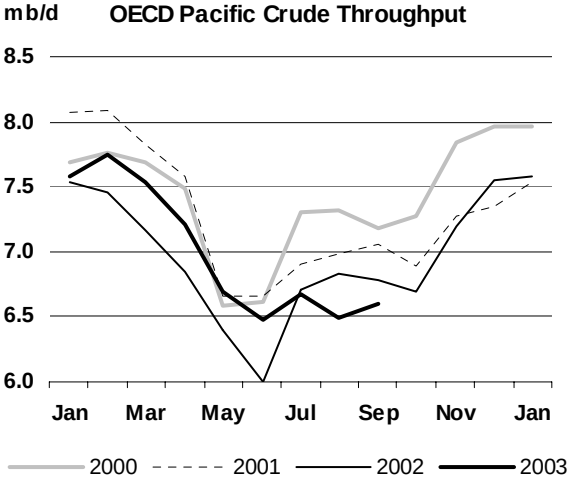

OECD Pacific Crude Throughput
mb/d
8.5
8.0
7.5
7.0
6.5
6.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.1	24.7	24.6	24.5	24.7	24.4	25.1	25.0	24.8
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	15.0	15.1	15.5	15.2	15.3	15.0	15.2	15.7	15.3
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	8.0	7.8	9.1	8.6	9.2	7.8	7.9	9.0	8.5
Total OECD	47.8	47.8	48.1	46.3	47.5	48.9	47.7	49.4	47.2	47.6	49.2	48.3	49.2	47.3	48.2	49.7	48.6
NON-OECD DEMAND																	
FSU	3.7	3.7	3.7	3.4	3.7	4.3	3.8	4.0	3.4	3.7	4.4	3.9	4.1	3.4	3.7	4.5	3.9
Europe	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	4.6	4.7	4.6	5.0	4.9	5.2	4.9	5.2	5.2	5.6	5.6	5.4	5.5	5.7	5.7	5.9	5.7
Other Asia	7.4	7.6	7.5	7.7	7.6	7.9	7.7	7.7	7.7	7.7	8.1	7.8	7.8	7.9	7.9	8.3	8.0
Latin America	4.9	4.9	4.7	4.8	4.9	4.7	4.8	4.5	4.6	4.8	4.7	4.6	4.5	4.7	4.8	4.7	4.7
Middle East	4.7	4.9	5.0	4.9	5.1	5.1	5.1	5.1	4.9	5.3	5.3	5.1	5.3	5.3	5.4	5.4	5.3
Africa	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.6
Total Non-OECD	28.4	29.1	29.0	29.2	29.4	30.6	29.5	29.9	29.2	30.3	31.4	30.2	30.8	30.3	30.9	32.2	31.0
Total Demand[1]	76.2	76.9	77.1	75.5	76.9	79.5	77.3	79.3	76.3	78.0	80.6	78.6	80.0	77.5	79.1	81.9	79.6
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	14.8	15.1	14.8	15.1	15.0	15.0	15.1	15.0
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.1	6.2	6.5	6.4	6.5	6.3	6.3	6.4	6.4
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.1	21.4	21.7	22.3	21.9	22.3	22.0	21.9	22.1	22.1
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.5	10.7	10.3	10.8	10.9	11.2	11.3	11.1
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.8	3.9	4.0	3.9	4.0	4.0	4.1	4.2	4.1
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.3	3.1	3.3	3.4	3.5	3.6	3.5
Total Non-OECD	22.4	23.1	23.9	24.1	24.5	24.6	24.3	24.8	25.0	25.5	25.9	25.3	26.1	26.3	26.6	27.1	26.5
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	46.0	46.6	47.8	48.0	47.7	48.6	48.0	48.8	48.2	48.9	50.0	49.0	50.2	50.1	50.3	51.1	50.4
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.2	26.5							
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	4.0	3.7	4.0	4.0	4.1	4.2	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.8	30.3							
Total Supply[4]	76.7	76.8	76.1	75.7	76.7	78.1	76.6	78.8	78.0	79.3							
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.2	-0.3	0.6	-0.9	-1.1	-0.4	-0.7	1.3	0.8							
Government	-0.1	0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.0	0.2							
Total	0.2	0.3	-0.1	0.7	-0.8	-0.9	-0.3	-0.5	1.3	0.9							
Floating Storage/Oil in Transit	0.1	-0.1	0.1	-0.2	0.0	-0.1	0.0	0.3	0.1	0.0							
Miscellaneous to balance[5]	0.2	-0.3	-1.1	-0.2	0.5	-0.6	-0.3	-0.3	0.4	0.4							
Total Stock Ch. & Misc	0.5	-0.1	-1.1	0.3	-0.3	-1.5	-0.6	-0.5	1.7	1.3							
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.4	27.1	26.0	24.0	25.7	27.5	25.8	27.3	24.5	25.2	26.6	25.9	25.8	23.4	24.7	26.6	25.1
Total Demand ex. FSU	72.5	73.2	73.4	72.1	73.3	75.2	73.5	75.3	72.9	74.2	76.2	74.7	75.9	74.2	75.3	77.4	75.7
Total demand exc. FSU (% ch)[7]	0.9	0.9	-0.7	-0.2	0.8	1.9	0.5	2.6	1.2	1.3	1.3	1.6	0.8	1.7	1.5	1.6	1.4

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	0.1	-0.1	-	-0.1	-	-	-0.1	-0.1
Europe	-	-	-	-	-	-	-	-	-	0.1	-	-	0.1	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-0.1	-0.1	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-0.2	-0.1
NON-OECD DEMAND																	
FSU	-	-	-	-	0.1	-	-	-	-	-	0.1	-	-	-0.1	-	0.2	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.1	0.3	0.1	0.2	0.3	0.1	0.2	0.2
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-
Middle East	-	-	-	-0.1	-	-	-	-	-	0.2	0.2	-	0.1	0.2	0.1	0.1	0.1
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1
Total Non-OECD	-	-	-	-	-	0.1	-	-	-	0.2	0.5	0.2	0.3	0.3	0.2	0.4	0.2
Total Demand	-	-	-	-	-	-	-	-	-0.1	0.4	0.4	0.2	0.2	0.1	0.2	0.3	0.2
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-	-0.1	-	-	-0.1
Europe	-	-	-	-	-	-	-	-	-	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-0.3	-0.3	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	0.2	-	0.1	0.1	0.2	0.1	0.2
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Other Asia	0.1	-	0.1	-	-	-	0.1	0.1	0.1	-	-0.1	-	-0.1	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	-	0.1
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Total Non-OECD	0.1	-	-	-	-	-	-	0.1	-	-	-	-	0.1	0.1	0.1	0.1	0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	0.1	-	-	0.1	-	0.1	0.1	-0.4	-0.2	-0.1	-0.1	-0.1	-	-	-0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	0.1							
NGLs	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	0.1	-0.1	-
Total OPEC	-	-	-	-	-	-	-	-	-	0.1							
Total Supply	0.1	-	0.1	-	0.1	0.1	-	-	-	-0.2							
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-								
Government	-	-	-	-	-	-	-	-	-								
Total	-	-	-	-	-	-0.1	-	-	-								
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-								
Miscellaneous to balance	-	-	-	-	-	-	0.1	-	0.2								
Total Stock Ch. & Misc	0.1	-	-	-	-	-	0.1	-	0.1	-0.6							
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-0.1	-0.1	0.6	0.6	0.3	0.3	0.2	0.1	0.3	0.2
Total Demand ex. FSU	-	-	-	-	-	-	-	-	-0.1	0.3	0.3	0.2	0.2	0.3	0.1	0.1	0.2

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	April			May			June			Second Quarter			July		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	2.69	2.78	3.2	2.75	2.34	-14.9	2.63	2.24	-14.8	2.69	2.45	-8.9	2.72	2.47	-8.9
Naphtha	0.43	0.41	-3.9	0.46	0.51	11.4	0.47	0.49	4.3	0.45	0.47	4.1	0.47	0.51	7.2
Motor Gasoline	10.02	10.07	0.5	10.38	10.45	0.6	10.44	10.52	0.8	10.28	10.35	0.6	10.50	10.61	1.0
Jet/Kerosene	1.87	1.75	-6.6	1.76	1.73	-1.6	1.88	1.75	-6.9	1.84	1.74	-5.0	1.90	1.85	-3.1
Gasoil	4.62	4.80	3.9	4.50	4.59	2.0	4.37	4.62	5.8	4.49	4.67	3.9	4.49	4.53	1.0
Residual Fuel Oil	1.41	1.51	7.3	1.36	1.38	1.3	1.38	1.38	-0.3	1.38	1.42	2.8	1.30	1.49	15.3
Other Products	2.76	2.88	4.5	2.87	2.84	-1.1	3.03	3.26	7.5	2.88	2.99	3.7	3.14	3.28	4.7
Total	23.80	24.21	1.7	24.07	23.82	-1.0	24.19	24.25	0.2	24.02	24.09	0.3	24.52	24.75	0.9
Europe															
LPG	0.93	1.05	12.4	0.87	0.99	14.7	0.85	0.90	5.1	0.88	0.98	10.8	0.90	0.98	9.6
Naphtha	1.05	1.20	14.1	1.02	1.08	5.8	1.10	1.02	-7.1	1.06	1.10	4.1	1.06	1.09	2.1
Motor Gasoline	2.93	2.92	-0.2	2.98	2.86	-3.8	2.92	2.92	0.1	2.94	2.90	-1.3	3.11	3.02	-2.9
Jet/Kerosene	1.03	1.08	4.3	1.06	1.11	4.8	1.11	1.13	1.9	1.07	1.11	3.6	1.15	1.13	-1.0
Gasoil	5.59	5.75	2.8	5.10	5.53	8.5	5.39	5.60	3.9	5.35	5.62	5.0	5.79	5.66	-2.3
Residual Fuel Oil	2.00	1.87	-6.4	1.96	1.82	-6.9	1.98	1.92	-3.2	1.98	1.87	-5.5	1.99	1.90	-4.7
Other Products	1.27	1.24	-2.1	1.32	1.47	11.2	1.42	1.48	4.6	1.34	1.40	4.7	1.48	1.55	4.3
Total	14.81	15.11	2.0	14.30	14.86	4.0	14.77	14.97	1.4	14.62	14.98	2.5	15.48	15.32	-1.0
Pacific															
LPG	0.94	0.85	-9.3	0.86	0.82	-5.0	0.80	0.82	2.5	0.87	0.83	-4.3	0.82	0.78	-4.6
Naphtha	1.44	1.39	-3.4	1.30	1.42	9.4	1.37	1.39	1.3	1.37	1.40	2.3	1.59	1.49	-6.6
Motor Gasoline	1.56	1.55	-0.5	1.54	1.59	3.4	1.52	1.56	2.7	1.54	1.57	1.8	1.66	1.64	-1.2
Jet/Kerosene	0.85	0.85	0.8	0.66	0.68	2.9	0.68	0.71	3.7	0.73	0.75	2.4	0.68	0.65	-5.0
Gasoil	1.89	1.80	-4.9	1.71	1.83	7.3	1.81	1.91	5.5	1.80	1.85	2.5	1.77	1.77	0.1
Residual Fuel Oil	0.98	1.15	16.7	0.93	1.13	20.6	0.90	1.11	24.0	0.94	1.13	20.3	1.00	1.01	1.4
Other Products	0.40	0.53	31.7	0.38	0.50	33.9	0.39	0.53	35.7	0.39	0.52	33.7	0.42	0.46	10.1
Total	8.07	8.13	0.8	7.38	7.97	8.1	7.48	8.04	7.5	7.64	8.04	5.3	7.93	7.79	-1.7
OECD															
LPG	4.57	4.68	2.5	4.47	4.15	-7.3	4.28	3.95	-7.6	4.44	4.26	-4.1	4.43	4.24	-4.4
Naphtha	2.93	3.01	2.8	2.78	3.01	8.4	2.94	2.90	-1.4	2.88	2.97	3.2	3.13	3.08	-1.6
Motor Gasoline	14.51	14.55	0.3	14.90	14.90	0.0	14.87	15.00	0.9	14.76	14.82	0.4	15.28	15.27	0.0
Jet/Kerosene	3.75	3.68	-1.9	3.48	3.52	1.2	3.67	3.59	-2.2	3.63	3.60	-1.0	3.73	3.63	-2.8
Gasoil	12.10	12.34	2.0	11.30	11.95	5.7	11.56	12.13	4.9	11.65	12.14	4.2	12.05	11.96	-0.7
Residual Fuel Oil	4.39	4.53	3.2	4.25	4.33	1.8	4.26	4.41	3.5	4.30	4.42	2.8	4.29	4.41	2.8
Other Products	4.43	4.66	5.1	4.56	4.81	5.4	4.84	5.27	8.9	4.61	4.91	6.5	5.04	5.29	5.0
Total	46.68	47.45	1.6	45.74	46.66	2.0	46.44	47.26	1.8	46.28	47.12	1.8	47.93	47.87	-0.1

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	May			June			Second Quarter			July			August		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	1.99	1.58	-20.6	1.93	1.54	-20.1	1.95	1.70	-12.7	1.98	1.74	-12.3	2.04	2.01	-1.6
Naphtha	0.34	0.39	14.5	0.37	0.37	0.6	0.34	0.35	1.7	0.36	0.40	9.6	0.28	0.30	6.5
Motor Gasoline	9.08	9.10	0.2	9.14	9.17	0.3	9.00	9.02	0.2	9.14	9.21	0.7	9.31	9.41	1.0
Jet/Kerosene	1.57	1.52	-3.5	1.69	1.56	-7.6	1.65	1.55	-6.3	1.70	1.64	-3.5	1.63	1.67	2.5
Gasoil	3.68	3.69	0.3	3.59	3.78	5.2	3.70	3.81	3.1	3.68	3.68	-0.1	3.73	3.78	1.3
Residual Fuel Oil	0.68	0.69	1.4	0.67	0.69	3.7	0.69	0.73	5.4	0.61	0.79	28.1	0.61	0.90	47.4
Other Products	2.39	2.31	-3.2	2.49	2.66	6.8	2.40	2.45	2.2	2.60	2.73	5.2	2.61	2.59	-0.8
Total	19.73	19.28	-2.3	19.87	19.77	-0.5	19.72	19.60	-0.6	20.08	20.17	0.5	20.22	20.67	2.2
Japan[3]															
LPG	0.51	0.51	-1.2	0.47	0.49	4.9	0.53	0.52	-2.0	0.50	0.47	-6.7	0.45	0.43	-4.9
Naphtha	0.72	0.76	5.4	0.75	0.70	-6.4	0.73	0.74	0.5	0.89	0.77	-13.1	0.85	0.84	-0.9
Motor Gasoline	1.00	1.03	2.2	0.99	1.04	4.7	1.00	1.02	2.1	1.11	1.06	-4.6	1.18	1.14	-3.5
Jet/Kerosene	0.44	0.46	4.6	0.46	0.47	2.3	0.49	0.51	4.0	0.47	0.43	-9.0	0.48	0.45	-6.3
Diesel	0.61	0.61	-0.4	0.64	0.63	-2.4	0.64	0.62	-3.1	0.67	0.63	-5.4	0.67	0.62	-7.7
Other Gasoil	0.45	0.48	6.3	0.47	0.51	9.0	0.48	0.50	3.9	0.49	0.49	-0.7	0.48	0.47	-0.2
Residual Fuel Oil	0.45	0.66	47.5	0.48	0.68	41.5	0.46	0.67	44.9	0.56	0.60	7.8	0.53	0.54	2.8
Direct use of Crude Oil	0.00	0.13	4405.7	0.03	0.16	544.4	0.01	0.13	1112.9	0.05	0.08	62.9	0.06	0.08	29.8
Other Products	0.28	0.27	-1.1	0.26	0.27	4.2	0.28	0.29	2.9	0.29	0.29	1.3	0.31	0.27	-12.0
Total	4.47	4.90	9.7	4.55	4.95	8.9	4.62	4.99	8.0	5.03	4.83	-4.1	5.00	4.84	-3.1
Germany															
LPG	0.08	0.09	14.1	0.08	0.09	20.3	0.08	0.09	13.3	0.09	0.09	4.1	0.09	0.08	-10.7
Naphtha	0.35	0.36	2.8	0.39	0.37	-5.7	0.38	0.37	-1.9	0.40	0.35	-13.2	0.40	0.35	-12.1
Motor Gasoline	0.64	0.62	-3.7	0.64	0.62	-2.8	0.65	0.62	-3.7	0.66	0.62	-5.0	0.64	0.59	-7.5
Jet/Kerosene	0.15	0.15	0.5	0.16	0.15	-4.0	0.15	0.15	0.6	0.16	0.16	-2.7	0.16	0.17	6.6
Diesel	0.51	0.57	12.8	0.52	0.57	9.0	0.53	0.58	9.7	0.55	0.62	12.9	0.54	0.56	4.0
Other Gasoil	0.50	0.68	35.5	0.68	0.60	-12.6	0.58	0.64	9.6	0.74	0.51	-30.3	0.69	0.41	-40.3
Residual Fuel Oil	0.18	0.19	3.2	0.17	0.18	5.6	0.18	0.18	1.6	0.18	0.17	-7.3	0.17	0.17	0.6
Other Products	0.08	0.09	19.6	0.13	0.09	-29.2	0.10	0.09	-13.8	0.14	0.11	-20.2	0.10	0.11	17.0
Total	2.49	2.75	10.5	2.78	2.68	-3.6	2.65	2.72	2.9	2.92	2.64	-9.6	2.79	2.45	-12.0
Italy															
LPG	0.10	0.10	3.7	0.09	0.10	6.9	0.10	0.11	8.5	0.09	0.11	14.3	0.10	0.10	3.5
Naphtha	0.08	0.10	17.9	0.07	0.10	27.3	0.08	0.10	33.1	0.07	0.09	24.2	0.07	0.09	25.2
Motor Gasoline	0.39	0.40	2.4	0.38	0.40	4.3	0.39	0.40	3.8	0.42	0.42	1.1	0.40	0.39	-2.4
Jet/Kerosene	0.06	0.09	41.6	0.07	0.09	37.3	0.06	0.09	38.7	0.07	0.10	32.6	0.07	0.11	52.4
Diesel	0.45	0.47	4.1	0.45	0.49	10.3	0.44	0.47	6.8	0.45	0.49	7.3	0.36	0.42	15.4
Other Gasoil	0.11	0.12	10.4	0.12	0.09	-23.5	0.12	0.11	-2.7	0.14	0.10	-24.3	0.13	0.07	-41.0
Residual Fuel Oil	0.44	0.35	-21.7	0.46	0.42	-8.1	0.45	0.37	-18.2	0.51	0.42	-17.4	0.47	0.42	-10.5
Other Products	0.15	0.16	5.9	0.16	0.15	-6.0	0.15	0.15	-3.2	0.15	0.16	4.9	0.14	0.14	1.2
Total	1.79	1.79	-0.2	1.81	1.85	2.2	1.80	1.81	0.8	1.92	1.90	-1.2	1.74	1.74	0.3
France															
LPG	0.09	0.08	-4.2	0.08	0.08	-3.9	0.09	0.09	-2.6	0.09	0.09	1.1	0.08	0.08	-1.2
Naphtha	0.14	0.18	34.3	0.18	0.19	8.7	0.14	0.18	25.5	0.15	0.21	36.0	0.19	0.22	16.6
Motor Gasoline	0.32	0.29	-8.4	0.31	0.31	-0.9	0.31	0.30	-5.0	0.35	0.32	-9.0	0.34	0.30	-10.1
Jet/Kerosene	0.14	0.14	2.7	0.15	0.15	0.3	0.14	0.15	2.0	0.15	0.16	7.7	0.15	0.16	7.3
Diesel	0.60	0.59	-1.9	0.61	0.64	4.7	0.62	0.62	0.9	0.67	0.66	-2.1	0.57	0.56	-1.1
Other Gasoil	0.23	0.27	17.3	0.30	0.32	8.2	0.29	0.30	5.7	0.38	0.34	-9.7	0.28	0.27	-1.9
Residual Fuel Oil	0.10	0.11	14.2	0.11	0.11	3.8	0.11	0.11	2.3	0.10	0.12	19.7	0.10	0.09	-6.1
Other Products	0.18	0.21	21.3	0.20	0.22	11.4	0.18	0.21	17.0	0.21	0.25	20.9	0.17	0.20	18.7
Total	1.79	1.89	5.6	1.94	2.03	4.6	1.88	1.96	4.1	2.09	2.14	2.3	1.87	1.89	1.2
United Kingdom															
LPG	0.14	0.16	9.6	0.15	0.15	0.0	0.16	0.16	4.2	0.18	0.16	-10.0	0.16	0.16	0.6
Naphtha	0.03	0.05	83.8	0.03	0.03	5.1	0.03	0.04	68.2	0.02	0.05	175.9	0.05	0.06	29.9
Motor Gasoline	0.48	0.44	-7.7	0.47	0.44	-6.5	0.47	0.45	-4.2	0.46	0.45	-0.3	0.45	0.42	-6.8
Jet/Kerosene	0.29	0.30	1.1	0.27	0.27	-1.9	0.29	0.29	-1.1	0.31	0.27	-10.1	0.29	0.27	-7.7
Diesel	0.34	0.36	4.6	0.33	0.40	22.4	0.34	0.36	8.5	0.36	0.36	1.0	0.35	0.32	-7.4
Other Gasoil	0.16	0.14	-11.9	0.14	0.14	0.9	0.15	0.15	-2.1	0.15	0.16	3.6	0.16	0.13	-17.3
Residual Fuel Oil	0.09	0.08	-3.1	0.10	0.09	-8.5	0.09	0.08	-10.5	0.07	0.09	35.8	0.08	0.08	7.4
Other Products	0.14	0.12	-10.6	0.13	0.13	-3.0	0.14	0.12	-9.9	0.16	0.13	-18.1	0.17	0.13	-24.6
Total	1.67	1.65	-1.1	1.62	1.65	1.7	1.66	1.67	0.2	1.70	1.68	-0.9	1.70	1.57	-7.5
Canada															
LPG	0.31	0.32	4.4	0.27	0.28	0.4	0.30	0.32	5.2	0.29	0.29	2.0	0.28	0.29	3.4
Naphtha	0.07	0.09	21.0	0.09	0.07	-18.6	0.08	0.08	-0.2	0.09	0.07	-24.8	0.09	0.07	-20.8
Motor Gasoline	0.68	0.69	1.6	0.71	0.72	1.7	0.68	0.69	0.7	0.74	0.74	0.4	0.75	0.74	-0.8
Jet/Kerosene	0.10	0.13	30.0	0.10	0.09	-3.6	0.10	0.11	10.5	0.12	0.12	-0.4	0.13	0.11	-14.7
Diesel	0.19	0.19	-0.4	0.17	0.18	4.4	0.18	0.18	-2.8	0.16	0.18	8.8	0.18	0.19	2.9
Other Gasoil	0.27	0.31	14.9	0.26	0.27	5.1	0.27	0.30	10.1	0.28	0.29	4.0	0.27	0.28	2.9
Residual Fuel Oil	0.12	0.16	33.1	0.15	0.16	9.0	0.14	0.16	15.9	0.12	0.17	43.8	0.11	0.19	64.0
Other Products	0.26	0.28	8.6	0.31	0.32	2.7	0.27	0.28	3.8	0.32	0.23	-27.3	0.33	0.35	6.1
Total	2.00	2.17	8.6	2.06	2.09	1.7	2.02	2.10	4.2	2.12	2.10	-1.1	2.15	2.22	3.4

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Aug 03	Sep 03	Oct 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.76	8.29				8.33	8.18	8.21
Iran	3.47			3.71	3.77				3.80	3.78	3.80
Iraq	2.01			0.29	1.07				1.11	1.41	1.60
UAE	1.99			2.32	2.28				2.34	2.20	2.22
Kuwait	1.60			1.90	1.84				1.83	1.90	1.94
Neutral Zone	0.54			0.61	0.60				0.60	0.60	0.61
Qatar	0.64			0.74	0.73				0.73	0.73	0.74
Nigeria	1.97			2.03	2.17				2.18	2.18	2.25
Libya	1.32			1.43	1.42				1.42	1.44	1.45
Algeria	0.85			1.11	1.14				1.13	1.15	1.15
Venezuela	2.29			2.27	2.24				2.25	2.23	2.24
Indonesia	1.11			1.01	1.00				1.00	1.00	1.00
Total Crude Oil	25.15			26.19	26.53				26.69	26.78	27.20
Total NGLs[1]	3.47	3.66	4.07	3.65	3.78	3.95	4.01	4.02	3.79	3.87	3.93
Total OPEC	28.62			29.84	30.32				30.49	30.65	31.12
NON-OPEC[2]											
OECD											
North America	14.58	14.81	15.04	14.58	14.84	15.08	15.08	15.03	14.83	14.89	14.97
United States	8.12	7.96	8.14	7.84	7.85	8.08	8.09	8.17	7.85	7.94	8.02
Mexico	3.59	3.79	3.75	3.74	3.83	3.83	3.80	3.77	3.85	3.83	3.83
Canada	2.88	3.07	3.16	3.00	3.15	3.17	3.19	3.09	3.13	3.12	3.13
Europe	6.61	6.38	6.37	6.14	6.15	6.52	6.50	6.32	6.08	6.18	6.49
UK	2.50	2.35	2.27	2.23	2.25	2.41	2.36	2.24	2.24	2.27	2.39
Norway	3.33	3.23	3.28	3.13	3.13	3.30	3.31	3.25	3.06	3.12	3.29
Others	0.78	0.79	0.82	0.78	0.77	0.81	0.83	0.83	0.78	0.79	0.80
Pacific	0.76	0.68	0.66	0.66	0.68	0.68	0.68	0.65	0.68	0.67	0.64
Australia	0.71	0.63	0.62	0.61	0.63	0.64	0.64	0.60	0.64	0.62	0.60
Others	0.05	0.05	0.04	0.05	0.05	0.04	0.04	0.04	0.05	0.04	0.04
Total OECD	21.96	21.87	22.07	21.38	21.67	22.28	22.26	21.99	21.59	21.73	22.10
NON-OECD											
Former USSR	9.37	10.29	11.06	10.13	10.48	10.66	10.79	10.94	10.46	10.59	10.71
Russia	7.66	8.47	9.06	8.34	8.68	8.76	8.82	8.95	8.68	8.77	8.86
Others	1.71	1.82	2.00	1.79	1.80	1.91	1.98	1.99	1.79	1.81	1.85
Asia	5.78	5.86	5.85	5.90	5.80	5.86	5.86	5.85	5.83	5.75	5.81
China	3.39	3.42	3.42	3.44	3.38	3.43	3.43	3.42	3.39	3.37	3.40
Malaysia	0.79	0.82	0.81	0.83	0.82	0.82	0.81	0.81	0.82	0.82	0.82
India	0.75	0.75	0.73	0.73	0.74	0.75	0.74	0.73	0.73	0.74	0.75
Others	0.85	0.88	0.88	0.90	0.86	0.86	0.88	0.89	0.88	0.82	0.85
Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.89	3.92	4.08	3.83	3.95	4.00	4.00	4.00	3.98	3.95	3.99
Brazil	1.72	1.79	1.88	1.74	1.79	1.84	1.85	1.83	1.82	1.79	1.83
Argentina	0.80	0.79	0.77	0.79	0.79	0.78	0.78	0.77	0.79	0.79	0.79
Colombia	0.59	0.55	0.52	0.55	0.55	0.53	0.53	0.52	0.56	0.54	0.54
Ecuador	0.40	0.40	0.50	0.35	0.42	0.44	0.46	0.49	0.42	0.43	0.44
Others	0.39	0.39	0.41	0.40	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Middle East[3]	2.10	2.00	1.92	2.01	1.99	1.97	1.95	1.92	2.01	1.97	1.98
Oman	0.90	0.82	0.76	0.82	0.81	0.80	0.78	0.77	0.83	0.79	0.80
Syria	0.55	0.53	0.50	0.53	0.52	0.52	0.51	0.50	0.52	0.52	0.52
Yemen	0.46	0.46	0.47	0.46	0.47	0.46	0.47	0.47	0.47	0.47	0.46
Africa	2.98	3.07	3.46	2.99	3.09	3.26	3.34	3.43	3.09	3.15	3.23
Egypt	0.75	0.75	0.74	0.76	0.74	0.74	0.74	0.74	0.74	0.75	0.74
Angola	0.90	0.88	1.00	0.89	0.88	0.91	0.94	0.96	0.88	0.87	0.90
Gabon	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24	0.25	0.25
Others	1.09	1.20	1.49	1.09	1.23	1.36	1.41	1.50	1.23	1.29	1.34
Total Non-OECD	24.30	25.31	26.53	25.03	25.49	25.92	26.11	26.32	25.54	25.58	25.89
Processing Gains[4]	1.76	1.80	1.83	1.78	1.78	1.82	1.85	1.81	1.78	1.78	1.82
TOTAL NON-OPEC	48.02	48.99	50.43	48.20	48.94	50.02	50.22	50.12	48.91	49.09	49.81
TOTAL SUPPLY	76.64			78.04	79.26				79.40	79.74	80.94

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Aug-03	Sep-03	Oct-03
United States											
Alaska	986	988	965	997	941	1005	1014	973	929	967	985
California	790	762	735	763	759	757	748	739	760	759	757
Texas	1145	1110	1074	1111	1104	1103	1092	1080	1106	1107	1103
Federal Gulf of Mexico[2]	1601	1721	1939	1702	1695	1766	1832	1925	1724	1698	1738
Other US Lower 48	1294	1242	1180	1245	1235	1228	1209	1190	1236	1229	1231
NGLs[3]	1881	1728	1854	1603	1714	1832	1800	1875	1709	1786	1805
Other Hydrocarbons	417	410	390	422	406	389	390	390	384	397	396
Total	8115	7961	8136	7843	7854	8080	8085	8171	7847	7943	8015
Canada											
Alberta Light/Medium/Heavy	659	626	601	627	616	613	608	588	617	615	614
Alberta Bitumen	299	354	380	345	362	376	381	368	361	366	371
Saskatchewan	421	417	411	412	419	417	415	401	417	417	419
Other Crude	366	417	412	436	403	423	423	422	362	403	423
NGLs	698	725	735	710	720	740	740	720	720	720	740
Synthetic Crudes	440	527	618	468	633	598	618	585	650	595	560
Total	2883	3066	3158	2999	3153	3167	3185	3085	3128	3117	3127
Mexico											
Crude	3177	3370	3325	3333	3414	3410	3379	3346	3426	3417	3410
NGLs	408	415	425	409	415	420	425	425	425	409	420
Total	3585	3786	3750	3741	3830	3830	3804	3771	3851	3826	3830
UK Offshore[4]											
Brent Fields	243	225	199	236	208	213	213	196	221	185	194
Forties Fields	794	764	761	659	751	820	797	754	775	776	815
Ninian Fields	107	98	95	90	99	100	94	94	91	94	103
Flotta Fields	132	107	94	99	106	108	101	93	107	105	109
Other Fields	963	921	863	927	879	916	883	850	885	885	926
NGLs	211	196	225	182	163	218	240	220	124	185	205
Total	2450	2311	2236	2194	2206	2375	2328	2206	2203	2229	2353
Norway [4]											
Ekofisk-Ula Area	490	474	449	477	450	473	454	454	440	441	480
Oseberg-Troll Area	754	753	754	678	755	777	782	752	774	754	778
Statfjord-Gullfaks Area	874	861	794	851	842	861	839	795	794	828	849
Haltenbanken Area	716	607	562	594	568	619	592	562	560	563	623
Sleipner-Frigg Area	157	168	328	172	147	184	251	303	132	160	178
NGLs	335	370	387	355	371	382	389	384	357	377	383
Total	3325	3232	3275	3127	3133	3295	3306	3249	3057	3123	3291
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	441	454	433	432	443	460	456	447	439	437
UK Onshore	54	41	34	39	40	38	36	34	37	38	39
Italy	84	96	118	93	86	113	115	115	75	90	110
Turkey	47	46	45	46	45	45	45	45	45	45	45
Other	159	158	156	155	159	158	157	156	159	158	159
NGLs (excl. North Sea)	27	21	17	18	18	18	18	17	17	18	18
Non-Conventional Oils	29	30	33	32	33	34	34	33	40	33	33
Total	837	832	856	816	813	849	865	858	820	821	841
Australia											
Gippsland Basin	140	119	104	121	120	117	111	106	120	120	118
Cooper-Eromanga Basin	25	23	22	22	23	23	23	22	24	22	23
Carnarvon Basin	359	332	327	315	331	345	351	321	340	314	303
Other Crude	104	75	65	73	69	71	69	66	63	80	69
NGLs	79	83	97	83	89	85	85	85	89	85	85
Total	707	632	615	614	632	641	639	601	636	621	598
Other OECD Pacific											
New Zealand	31	25	24	25	24	24	24	24	25	24	24
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	18	16	15	15	15	15	15	15	15	15	15
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	47	45	46	45	45	45	45	46	45	45
OECD											
Crude Oil	17405	17335	17263	17076	17081	17540	17495	17225	17051	17094	17430
NGLs	3665	3564	3766	3381	3513	3721	3722	3751	3462	3605	3681
Non-Conventional Oils	886	967	1041	923	1071	1021	1041	1008	1074	1026	989
Total	21956	21867	22070	21380	21665	22282	22258	21985	21588	21725	22100

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	May2003	Jun2003	Jul2003	Aug2003	Sep2003*	Sep2000	Sep2001	Sep2002	4Q2002	1Q2003	2Q2003	3Q2003
North America												
Crude	389.6	388.9	390.6	383.1	388.0	390.4	423.9	378.8	0.07	0.07	-0.02	-0.01
Motor Gasoline	239.6	236.6	231.3	221.6	228.6	224.3	236.1	237.1	0.04	-0.11	0.05	-0.09
Middle Distillate	177.1	181.3	190.9	200.3	207.7	187.3	204.1	201.6	0.06	-0.48	0.18	0.29
Residual Fuel Oil	45.2	43.9	39.7	39.7	41.6	45.9	46.1	42.3	-0.02	0.01	0.03	-0.03
Total Products[3]	623.8	637.9	645.6	647.6	672.6	637.9	678.0	677.0	-0.27	-0.87	0.68	0.38
Total[4]	1153.4	1172.0	1184.8	1178.9	1212.5	1180.0	1269.3	1216.1	-0.48	-0.87	0.84	0.44
Europe												
Crude	314.3	312.2	322.7	321.7	313.9	313.5	324.0	301.5	-0.13	0.35	-0.10	0.02
Motor Gasoline	114.2	109.9	105.7	109.1	109.6	122.1	115.1	115.2	0.01	0.02	-0.09	0.00
Middle Distillate	230.3	232.0	236.4	253.7	250.9	228.6	217.7	259.5	-0.23	-0.25	0.18	0.21
Residual Fuel Oil	68.8	66.8	67.6	69.5	67.5	77.4	76.1	69.6	0.06	-0.06	-0.03	0.01
Total Products[3]	518.5	513.1	513.2	540.4	535.6	531.3	527.2	548.4	-0.20	-0.28	0.10	0.24
Total[4]	900.7	894.4	908.0	932.4	919.0	910.0	918.2	911.6	-0.31	0.15	-0.02	0.27
Pacific												
Crude	172.3	188.8	192.6	176.3	180.8	168.4	173.9	165.4	-0.05	0.24	0.07	-0.09
Motor Gasoline	25.9	25.6	26.2	25.2	24.7	25.5	25.9	24.2	-0.01	0.02	0.00	-0.01
Middle Distillate	70.8	72.0	73.9	79.1	84.5	82.3	86.6	82.5	-0.19	-0.09	0.17	0.14
Residual Fuel Oil	24.8	24.6	26.2	25.2	23.7	24.1	24.6	22.3	0.00	0.00	0.03	-0.01
Total Products[3]	185.0	190.9	196.0	202.3	206.9	203.1	211.0	198.9	-0.23	-0.15	0.29	0.17
Total[4]	429.8	452.9	462.6	451.8	459.0	451.8	473.4	439.6	-0.32	0.03	0.44	0.07
Total OECD												
Crude	876.2	889.9	905.8	881.0	882.6	872.2	921.9	845.7	-0.11	0.66	-0.05	-0.08
Motor Gasoline	379.6	372.1	363.2	355.9	362.9	371.9	377.0	376.4	0.04	-0.06	-0.04	-0.10
Middle Distillate	478.1	485.4	501.2	533.1	543.2	498.3	508.4	543.5	-0.35	-0.82	0.52	0.63
Residual Fuel Oil	138.8	135.3	133.5	134.4	132.8	147.3	146.7	134.2	0.03	-0.05	0.03	-0.03
Total Products[3]	1327.4	1341.9	1354.8	1390.3	1415.0	1372.3	1416.2	1424.2	-0.70	-1.30	1.07	0.79
Total[4]	2483.9	2519.3	2555.4	2563.1	2590.4	2541.8	2660.8	2567.2	-1.11	-0.69	1.25	0.77

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	May2003	Jun2003	Jul2003	Aug2003	Sep2003*	Sep2000	Sep2001	Sep2002	4Q2002	1Q2003	2Q2003	3Q2003
North America												
Crude	603.1	608.5	612.4	618.3	623.4	570.4	544.8	587.2	0.13	0.00	0.10	0.16
Products[7]	2.0	2.0	2.0	2.0	2.0	1.5	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	153.1	153.8	152.3	151.9	151.9	138.6	142.8	149.7	0.08	0.02	-0.05	-0.02
Products	200.2	202.8	204.1	204.1	204.1	213.0	201.4	193.4	0.02	0.10	-0.01	0.01
Pacific												
Crude	383.0	383.0	382.8	382.8	382.8	363.1	367.6	378.4	0.01	0.04	0.00	0.00
Products	9.6	9.6	10.0	10.3	10.3	6.7	7.3	7.3	0.02	0.00	0.00	0.01
Total OECD												
Crude	1139.2	1145.3	1147.5	1153.0	1158.1	1072.0	1055.1	1115.2	0.22	0.06	0.05	0.14
Products	211.8	214.3	216.1	216.4	216.4	221.2	210.7	202.7	0.04	0.10	-0.01	0.02
Total[4]	1351.9	1360.7	1364.6	1370.3	1375.4	1294.2	1266.8	1318.9	0.26	0.16	0.04	0.16

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Previously confidential Korean government stocks are now included.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6
INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	April			May			June			July			August		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	324.6	290.2	-10.6	327.0	283.6	-13.3	317.6	283.2	-10.8	304.3	283.2	-6.9	296.2	277.7	-6.2
Motor Gasoline	216.4	207.5	-4.1	218.1	208.3	-4.5	216.6	206.0	-4.9	214.5	200.5	-6.5	204.0	192.1	-5.8
Middle Distillate	166.8	136.4	-18.2	172.0	148.9	-13.4	176.3	154.0	-12.6	176.6	160.0	-9.4	174.5	169.9	-2.6
Residual Fuel Oil	34.6	31.1	-10.1	33.9	36.2	6.8	32.7	35.6	8.9	33.5	31.6	-5.7	31.9	30.2	-5.3
Other Products	143.2	113.9	-20.5	152.0	128.8	-15.3	159.7	142.1	-11.0	165.0	148.9	-9.8	168.6	150.6	-10.7
Total Products	561.0	488.9	-12.9	576.0	522.2	-9.3	585.3	537.7	-8.1	589.6	541.0	-8.2	579.0	542.8	-6.3
Other[3]	136.1	116.7	-14.3	136.6	121.4	-11.1	136.7	129.0	-5.6	138.4	130.2	-5.9	138.9	129.8	-6.6
Total	1021.7	895.8	-12.3	1039.6	927.2	-10.8	1039.6	949.9	-8.6	1032.3	954.4	-7.5	1014.1	950.3	-6.3
Japan															
Crude	120.3	126.3	5.0	115.7	131.8	13.9	128.2	142.3	11.0	126.3	140.1	10.9	126.8	133.1	5.0
Motor Gasoline	15.1	14.3	-5.3	15.4	13.7	-11.0	14.0	13.8	-1.4	13.1	14.4	9.9	12.3	13.7	11.4
Middle Distillate	37.9	36.2	-4.5	40.6	41.4	2.0	39.0	40.8	4.6	43.1	45.5	5.6	49.2	52.5	6.7
Residual Fuel Oil	11.1	12.1	9.0	11.2	13.2	17.9	10.8	13.4	24.1	10.3	13.0	26.2	10.4	12.2	17.3
Other Products	49.1	47.6	-3.1	49.6	46.9	-5.4	50.5	49.9	-1.2	48.1	49.7	3.3	48.1	53.1	10.4
Total Products	113.2	110.2	-2.7	116.8	115.2	-1.4	114.3	117.9	3.1	114.6	122.6	7.0	120.0	131.5	9.6
Other[3]	69.4	61.8	-11.0	72.7	63.8	-12.2	70.6	65.2	-7.6	72.4	66.4	-8.3	68.9	65.3	-5.2
Total	302.9	298.3	-1.5	305.2	310.8	1.8	313.1	325.4	3.9	313.3	329.1	5.0	315.7	329.9	4.5
Germany															
Crude	25.6	22.4	-12.5	26.0	20.4	-21.5	23.4	18.2	-22.2	20.5	23.8	16.1	18.9	24.1	27.5
Motor Gasoline	10.7	8.1	-24.3	10.0	9.2	-8.0	10.6	8.5	-19.8	10.5	7.4	-29.5	10.9	9.2	-15.6
Middle Distillate	20.5	12.8	-37.6	20.9	14.1	-32.5	17.9	16.0	-10.6	17.5	14.9	-14.9	19.7	17.2	-12.7
Residual Fuel Oil	8.7	10.8	24.1	8.2	10.5	28.0	9.0	10.3	14.4	9.2	10.3	12.0	9.1	10.8	18.7
Other Products	12.1	11.9	-1.7	11.6	12.1	4.3	11.2	12.2	8.9	11.4	10.8	-5.3	11.7	11.2	-4.3
Total Products	52.0	43.6	-16.2	50.7	45.9	-9.5	48.7	47.0	-3.5	48.6	43.4	-10.7	51.4	48.4	-5.8
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	77.6	66.0	-14.9	76.7	66.3	-13.6	72.1	65.2	-9.6	69.1	67.2	-2.7	70.3	72.5	3.1
Italy															
Crude	33.9	40.6	19.8	38.9	39.1	0.5	34.6	37.2	7.5	36.2	36.7	1.4	41.3	38.3	-7.3
Motor Gasoline	20.8	17.3	-16.8	19.7	17.3	-12.2	20.9	18.0	-13.9	23.2	18.1	-22.0	21.6	19.2	-11.1
Middle Distillate	33.3	35.4	6.3	31.8	36.4	14.5	34.1	36.7	7.6	36.6	36.3	-0.8	39.8	38.5	-3.3
Residual Fuel Oil	12.6	13.7	8.7	13.7	12.7	-7.3	11.9	10.8	-9.2	10.7	11.3	5.6	11.0	10.1	-8.2
Other Products	21.0	17.5	-16.7	20.7	18.7	-9.7	19.7	17.5	-11.2	18.0	17.6	-2.2	17.9	19.2	7.3
Total Products	87.7	83.9	-4.3	85.9	85.1	-0.9	86.6	83.0	-4.2	88.5	83.3	-5.9	90.3	87.0	-3.7
Other[3]	11.0	14.5	31.8	10.7	12.6	17.8	11.2	14.3	27.7	12.3	15.5	26.0	10.5	14.4	37.1
Total	132.6	139.0	4.8	135.5	136.8	1.0	132.4	134.5	1.6	137.0	135.5	-1.1	142.1	139.7	-1.7
France															
Crude	37.0	37.7	1.9	44.1	42.0	-4.8	39.5	36.7	-7.1	39.7	36.9	-7.1	36.1	39.3	8.9
Motor Gasoline	10.2	11.3	10.8	10.2	10.2	0.0	11.1	10.6	-4.5	12.0	9.8	-18.3	11.9	10.2	-14.3
Middle Distillate	29.4	31.6	7.5	30.8	34.8	13.0	31.4	32.0	1.9	29.1	32.9	13.1	34.6	38.1	10.1
Residual Fuel Oil	7.1	6.2	-12.7	7.5	5.7	-24.0	7.0	5.4	-22.9	7.1	5.2	-26.8	7.3	6.2	-15.1
Other Products	8.8	8.1	-8.0	9.0	8.4	-6.7	9.4	7.9	-16.0	9.2	8.3	-9.8	9.1	8.8	-3.3
Total Products	55.5	57.2	3.1	57.5	59.1	2.8	58.9	55.9	-5.1	57.4	56.2	-2.1	62.9	63.3	0.6
Other[3]	12.3	14.7	19.5	12.5	13.6	8.8	12.1	14.3	18.2	11.7	14.6	24.8	12.2	14.8	21.3
Total	104.8	109.6	4.6	114.1	114.7	0.5	110.5	106.9	-3.3	108.8	107.7	-1.0	111.2	117.4	5.6
United Kingdom															
Crude	39.3	37.9	-3.6	35.8	38.7	8.1	42.8	35.9	-16.1	42.4	40.9	-3.5	36.5	35.3	-3.3
Motor Gasoline	10.5	9.4	-10.5	10.4	9.5	-8.7	11.0	8.7	-20.9	10.9	8.4	-22.9	9.7	9.2	-5.2
Middle Distillate	20.9	19.0	-9.1	21.6	19.6	-9.3	22.0	18.7	-15.0	21.0	16.8	-20.0	20.7	19.5	-5.8
Residual Fuel Oil	5.0	5.3	6.0	4.6	4.6	0.0	4.4	5.3	20.5	4.3	5.1	18.6	4.4	5.1	15.9
Other Products	17.9	15.1	-15.6	17.9	16.7	-6.7	18.2	15.5	-14.8	17.6	15.9	-9.7	17.4	15.8	-9.2
Total Products	54.3	48.8	-10.1	54.5	50.4	-7.5	55.6	48.2	-13.3	53.8	46.2	-14.1	52.2	49.6	-5.0
Other[3]	10.7	12.7	18.7	9.9	11.6	17.2	11.3	11.6	2.7	11.7	11.6	-0.9	12.0	10.1	-15.8
Total	104.3	99.4	-4.7	100.2	100.7	0.5	109.7	95.7	-12.8	107.9	98.7	-8.5	100.7	95.0	-5.7
Canada[4]															
Crude	81.9	79.2	-3.3	79.2	76.0	-4.0	79.0	74.8	-5.3	77.8	79.0	1.5	78.0	79.0	1.3
Motor Gasoline	19.8	15.8	-20.2	17.7	15.3	-13.6	15.5	14.9	-3.9	15.4	16.7	8.4	15.5	15.5	0.0
Middle Distillate	20.0	18.6	-7.0	18.5	18.5	0.0	18.7	18.5	-1.1	19.6	22.0	12.2	20.4	21.0	2.9
Residual Fuel Oil	3.4	4.5	32.4	3.6	4.7	30.6	4.2	4.2	0.0	4.2	4.9	16.7	4.2	5.4	28.6
Other Products	20.9	24.2	15.8	22.0	25.6	16.4	21.8	27.2	24.8	21.9	27.5	25.6	20.2	27.3	35.1
Total Products	64.1	63.1	-1.6	61.8	64.1	3.7	60.2	64.8	7.6	61.1	71.1	16.4	60.3	69.2	14.8
Other[3]	12.6	15.1	19.8	14.0	18.6	32.9	15.9	16.2	1.9	18.0	18.4	2.2	20.9	18.4	-12.0
Total	158.6	157.4	-0.8	155.0	158.7	2.4	155.1	155.8	0.5	156.9	168.5	7.4	159.2	166.6	4.6

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
4 Due to lack of receipt of data, the following countries are estimated: Canada for August 2003.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End September 2002		End December 2002		End March 2003		End June 2003		End September 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	160.2	74	153.7	71	149.0	71	155.8	-	-	-
Mexico	47.0	24	47.3	23	51.5	25	44.2	-	-	-
United States	1576.1	79	1549.9	77	1474.6	75	1560.4	-	-	-
Total[4]	1805.3	74	1773.0	72	1697.2	70	1782.5	72	1837.9	75
Pacific										
Australia	39.4	45	34.0	40	39.8	46	38.1	-	-	-
Japan	627.1	107	615.4	99	619.0	124	646.7	-	-	-
Korea[5]	148.8	63	140.4	58	137.0	67	152.1	-	-	-
New Zealand	10.1	73	9.5	64	9.8	66	8.5	-	-	-
Total	825.3	89	799.3	83	805.6	100	845.4	108	852.0	94
Europe[6]										
Austria	18.3	69	18.7	70	17.6	62	18.1	-	-	-
Belgium	28.3	46	25.8	38	29.1	48	27.5	-	-	-
Czech Republic	16.2	90	15.5	91	15.3	82	13.5	-	-	-
Denmark	18.5	88	17.3	87	15.4	85	15.5	-	-	-
Finland	26.9	117	24.4	113	24.7	121	23.9	-	-	-
France	174.0	88	174.5	83	175.0	89	173.3	-	-	-
Germany	258.8	95	253.4	100	258.6	95	260.7	-	-	-
Greece	32.2	72	31.6	66	29.3	75	32.3	-	-	-
Hungary	18.0	119	16.1	127	17.9	136	17.6	-	-	-
Ireland	10.2	56	11.4	57	10.9	60	11.0	-	-	-
Italy	136.1	74	137.6	74	136.3	75	134.6	-	-	-
Luxembourg	0.9	19	1.0	17	0.9	17	0.8	-	-	-
Netherlands	106.7	116	104.9	120	95.4	103	106.5	-	-	-
Norway	17.8	81	19.4	76	33.2	141	21.1	-	-	-
Poland	23.6	57	26.2	69	27.2	67	27.9	-	-	-
Portugal	24.1	76	21.4	69	24.0	74	24.7	-	-	-
Spain	121.3	80	120.8	78	122.8	81	121.1	-	-	-
Sweden	30.5	81	29.4	87	34.3	114	34.0	-	-	-
Switzerland	38.7	146	36.7	144	36.1	146	37.2	-	-	-
Turkey	55.6	81	51.9	85	55.6	89	54.8	-	-	-
United Kingdom	98.9	58	97.1	57	99.8	60	95.7	-	-	-
Total	1255.5	82	1235.2	81	1259.4	84	1252.0	83	1276.0	82
Total OECD	3886.2	79	3807.5	77	3762.2	80	3880.0	81	3965.9	81
DAYS OF IEA Net Imports[7]	-	114	-	113	-	112	-	116	-	-

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End June and September 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Previously confidential Korean government stocks are now included.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand[3]*		
3Q2000	3836	1294	2542	79	27	52
4Q2000	3798	1268	2530	78	26	52
1Q2001	3794	1269	2525	81	27	54
2Q2001	3864	1267	2597	81	27	55
3Q2001	3928	1267	2661	82	26	55
4Q2001	3904	1283	2621	81	27	54
1Q2002	3901	1303	2598	84	28	56
2Q2002	3962	1314	2648	83	28	56
3Q2002	3886	1319	2567	79	27	52
4Q2002	3807	1343	2465	77	27	50
1Q2003	3762	1357	2405	80	29	51
2Q2003	3880	1361	2519	81	29	53
3Q2003	3966	1375	2590	81	28	53

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Previously confidential Korean government stocks are now included.
3 Days of forward demand calculated using actual demand except in 2Q2003 and 3Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	4Q02	1Q03	2Q03	3Q03	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03
CRUDE OIL PRICES													
IEA CIF Average Import[1]													
IEA North America	27.67	22.30	23.71	25.53	30.76	25.82		24.67	26.82	27.77	28.43		
IEA Europe	27.89	23.92	24.27	26.13	31.10	25.52		24.93	26.54	27.56	28.77		
IEA Pacific	28.89	25.05	24.74	27.24	30.91	27.95		26.79	26.99	27.69	28.58		
IEA Total	28.00	23.65	24.19	26.18	30.94	26.21		25.29	26.75	27.66	28.60		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.81	31.49	26.03	28.38	25.72	27.51	28.35	29.79	27.08	29.65
WTI (1st month)	30.37	25.93	26.16	28.29	34.00	29.02	30.19	28.14	30.66	30.70	31.59	28.25	30.30
Urals (del. Med.)	26.63	22.97	23.73	25.55	29.24	23.86	27.05	23.80	25.16	26.84	28.74	25.64	27.99
Dubai (1st month)	26.24	22.80	23.85	25.16	28.39	24.44	26.57	24.36	25.51	26.72	27.66	25.37	27.27
Tapis (1st month)	29.85	25.32	25.72	28.33	32.34	27.19	29.53	26.76	27.13	28.54	30.70	29.45	31.74
OPEC Basket	27.60	23.12	24.34	26.63	30.45	25.87	27.43	25.63	26.80	27.50	28.69	26.15	28.35
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	31.05	37.44	33.79	36.26	32.64	33.74	35.99	38.73	34.31	34.31
Unleaded	34.41	28.83	28.57	30.50	36.88	33.06	35.68	31.87	33.07	35.32	38.18	33.80	33.81
Naphtha	29.09	23.69	24.23	26.45	34.99	25.19	28.12	23.58	27.14	27.61	29.42	27.48	30.03
Jet/Kerosene	36.98	30.82	29.24	32.45	40.89	31.32	33.29	30.38	31.81	33.07	34.61	32.32	36.45
Gasoil .2 %	34.38	29.16	27.81	31.26	39.18	30.21	31.58	29.47	31.06	31.57	32.98	30.31	34.46
LSFO 1%	23.74	19.52	21.81	26.70	29.20	24.26	26.06	22.54	26.14	26.58	26.88	24.78	25.19
HSFO 3.5%	21.42	17.79	20.65	21.22	25.65	21.05	24.16	21.16	22.49	25.18	24.73	22.57	23.60
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.78	36.62	31.34	35.79	30.21	32.80	35.43	38.59	33.63	34.49
Premium Unleaded	36.43	29.70	28.49	30.06	35.91	30.62	35.07	29.49	32.08	34.71	37.87	32.91	33.78
Naphtha	28.16	22.47	23.51	25.61	33.37	23.69	27.17	22.08	26.13	26.66	28.38	26.60	29.25
Jet/Kerosene[2]	34.82	27.52	27.14	29.95	36.47	26.68	28.34	28.61	29.84	31.31	33.03	30.86	34.44
Gasoil .2 %	33.87	27.50	27.08	30.36	38.67	28.38	30.57	27.14	30.35	29.95	31.99	29.93	35.55
LSFO 1%	23.77	18.73	21.50	24.14	30.56	23.51	26.99	22.43	26.00	28.48	28.76	23.82	25.79
HSFO 3.5%	18.92	15.24	18.24	18.86	22.76	18.84	22.43	19.05	20.50	23.34	23.10	20.86	21.86
NY Harbour, Barges													
Super Unleaded	38.49	34.16	33.71	37.44	41.33	36.68	43.71	35.57	37.24	40.05	46.80	44.44	38.94
Unleaded	36.10	31.00	30.33	33.53	39.50	33.08	38.80	31.86	33.79	36.65	42.13	37.72	36.45
Jet/Kerosene	38.05	31.18	29.83	33.45	42.43	32.48	33.82	31.90	32.42	33.92	35.57	31.95	35.46
No. 2 (Heating Oil)	36.37	29.82	28.56	32.33	42.00	31.99	32.69	31.05	31.89	32.98	34.24	30.83	34.41
LSFO 1%	25.05	20.70	22.55	25.72	32.74	24.57	26.74	24.51	25.19	27.53	27.77	24.88	25.93
HSFO 6 3%	20.68	17.36	20.99	22.96	27.91	20.93	25.21	21.15	21.70	26.19	26.33	23.05	24.02
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.24	37.14	29.70	34.96	28.73	31.59	34.58	37.30	33.11	35.55
Naphtha	28.38	23.75	24.93	27.15	34.27	24.69	28.40	23.77	26.66	27.77	29.67	27.86	30.46
Jet/Kerosene	34.39	28.32	28.08	31.35	36.14	28.36	31.53	28.25	28.48	29.78	33.58	31.40	33.84
Gasoil .5%	32.58	27.32	27.55	30.89	36.12	28.79	30.78	28.39	28.73	28.95	32.33	31.22	32.41
LSWR Cracked	25.83	21.83	23.80	28.02	31.84	27.21	25.33	27.26	25.59	25.54	25.66	24.80	26.14
HSFO 180 CST	24.43	20.65	22.89	24.40	28.86	24.78	25.87	24.64	25.73	27.14	25.80	24.59	25.38
HSFO 4%	24.21	20.38	22.95	24.31	28.88	24.74	26.19	24.26	25.70	27.44	26.12	24.94	25.56

1 IEA CIF Average Import price for August is an estimate
2 Following change of assessment, Jet Aviation Fuel for Mediterranean - Cargo FOB from June 2003

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
October 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Sep-03	Oct-02		Sep-03	Oct-02		Sep-03	Oct-02		Sep-03	Oct-02
GASOLINE [1] (Price per Litre)												
France	0.988	- 2.1	- 5.9	0.237	-7.1	-18.0	1.156	1.8	12.2	0.277	-3.3	-2.2
Germany	1.070	- 0.8	- 0.8	0.267	-2.9	-12.7	1.252	3.1	18.2	0.312	1.0	4.0
Italy	1.044	- 2.7	- 2.2	0.328	-6.8	-5.7	1.221	1.2	16.5	0.384	-3.1	12.4
Spain	0.798	- 3.3	- 4.8	0.292	-7.3	-10.4	0.934	0.6	13.5	0.342	-3.6	6.8
UK	0.748	- 1.7	0.4	0.179	-5.8	1.7	1.255	2.2	8.2	0.300	-2.0	9.6
Japan	106.1	-	2.0	47.2	-	4.4	0.969	5.0	15.4	0.431	5.0	18.2
Canada	0.707	- 7.5	- 4.8	0.409	-11.5	-7.5	0.535	-4.6	13.5	0.309	-8.7	10.4
USA	0.414	- 7.8	8.9	0.311	-10.4	11.5	0.414	-7.8	8.9	0.311	-10.4	11.5
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.646	0.6	- 4.3	0.254	1.6	-10.2	0.756	4.7	14.1	0.297	5.7	7.0
Germany	0.733	1.2	- 2.4	0.263	3.5	-15.4	0.858	5.3	16.4	0.308	7.7	0.8
Italy	0.717	- 0.4	- 1.8	0.314	-0.9	-4.0	0.839	3.6	17.1	0.367	3.0	14.5
Spain	0.583	0.3	- 5.0	0.289	0.7	-9.7	0.682	4.4	13.2	0.338	4.7	7.7
UK	0.650	- 1.7	0.6	0.192	-5.4	2.1	1.091	2.3	8.4	0.322	-1.6	10.0
Japan	86.1	-	2.5	49.9	-	4.2	0.786	5.0	16.0	0.456	5.0	17.9
Canada	0.648	- 3.1	- 5.4	0.428	-4.3	-7.4	0.490	-0.1	12.9	0.324	-1.3	10.5
USA	0.389	- 0.3	1.0	0.269	-0.7	0.7	0.389	-0.3	1.0	0.269	-0.7	0.7
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	377.90	2.3	-5.3	259.37	2.8	-6.4	442.1	6.4	12.9	303.5	6.9	11.6
Germany	360.21	3.1	-5.9	249.18	3.8	-7.2	421.4	7.2	12.2	291.5	8.0	10.6
Italy	836.80	1.2	-2.2	294.12	2.9	-5.0	979.1	5.3	16.6	344.1	7.0	13.3
Spain	367.92	-1.4	-7.0	232.46	-1.8	-9.4	430.5	2.6	10.8	272.0	2.1	8.1
UK	203.20	0.4	3.4	151.52	0.5	-2.9	340.9	4.5	11.4	254.2	4.6	4.6
Japan [3]	48125	-0.6	5.5	45833	-0.6	5.5	439.5	4.4	19.4	418.6	4.4	19.4
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
FUEL OIL FOR INDUSTRY [2,4] (Price per Metric Ton)												
France	189.12	-4.3	-15.1	170.62	-4.7	-16.5	221.3	-0.4	1.2	199.6	-0.9	-0.4
Germany	176.77	-5.2	-13.2	151.77	-5.9	-18.3	206.8	-1.3	3.4	177.6	-2.2	-2.6
Italy	228.45	-1.1	-2.2	197.06	-1.2	-2.5	267.3	2.9	16.6	230.6	2.7	16.2
Spain	219.46	-7.5	-17.6	205.03	-8.0	-18.6	256.8	-3.8	-1.7	239.9	-4.3	-2.9
UK	157.25	-3.1	2.7	119.25	-4.1	-4.7	263.8	0.8	10.6	200.1	-0.2	2.7
Japan	34781	-	3.1	33125	-	3.1	317.6	5.0	16.6	302.5	5.0	16.6
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.
4 Prior to Dec 2002, prices for UK refer to high sulphur fuel oil and to low sulphur fuel oil thereafter. All other countries show LSFO for all time periods.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
OECD North America												
Venezuela	1.67	1.58		1.83	1.54	0.93	1.81	1.74	1.62	1.94	2.01	-0.06
Other Central & South America	0.54	0.60		0.62	0.65	0.52	0.56	0.61	0.65	0.67	0.65	0.03
North Sea	1.07	1.24		1.28	1.32	1.07	1.03	1.08	1.00	1.03	1.42	-0.38
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.10	0.13	0.11	0.20	0.43	0.48	0.29	0.10	0.19
Saudi Arabia	1.70	1.60		1.50	1.72	1.79	2.16	2.05	1.96	1.57	1.50	0.07
Kuwait	0.24	0.22		0.24	0.21	0.20	0.25	0.28	0.17	0.19	0.17	0.01
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.94	0.56		0.30	0.42	0.84	0.34	-	0.07	0.19	0.32	-0.12
Oman	0.02	0.02		0.05	0.02	-	0.04	-	-	0.11	0.03	0.08
United Arab Emirates	0.02	0.01		0.01	0.01	0.01	0.01	0.02	-	-	-	-
Other Middle East	0.02	0.04		0.10	0.03	0.02	0.02	-	-	-	0.09	-
West Africa[2]	1.48	1.15		1.24	1.14	1.37	1.51	1.59	1.62	1.84	1.40	0.44
Other Africa	0.13	0.18		0.18	0.15	0.15	0.33	0.55	0.34	0.45	0.16	0.29
Asia	0.15	0.16		0.14	0.15	0.12	0.10	0.09	0.18	0.23	0.17	0.06
Other	0.03	0.06		0.06	0.06	0.04	0.08	0.17	0.17	0.07	0.07	0.00
Total	**7.99**	**7.44**		**7.62**	**7.55**	**7.17**	**8.44**	**8.59**	**8.28**	**8.59**	**8.08**	**0.51**
of which Non-OECD	**6.92**	**6.21**		**6.30**	**6.17**	**6.08**	**7.39**	**7.49**	**7.25**	**7.52**	**6.65**	**0.88**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.20	0.22	0.17	0.18	0.15	0.27	0.21	0.21	0.01
Venezuela	0.18	0.18		0.19	0.12	0.04	0.13	0.08	0.19	0.10	0.16	-0.06
Other Central & South America	0.04	0.05		0.03	0.06	0.02	0.04	0.00	0.08	0.07	0.04	0.03
Non-OECD Europe	0.00	0.01		0.01	0.01	0.00	0.01	0.02	0.00	0.00	0.02	-0.02
Former Soviet Union	2.68	3.12		3.29	3.03	3.16	3.41	3.43	3.58	3.42	3.31	0.11
Saudi Arabia	1.25	1.16		1.25	1.09	1.14	1.54	1.36	1.30	1.37	1.33	0.04
Kuwait	0.16	0.12		0.13	0.10	0.07	0.17	0.19	0.06	0.20	0.17	0.02
Iran	0.74	0.62		0.65	0.72	0.69	0.90	1.07	0.85	0.89	0.60	0.29
Iraq	0.40	0.31		0.32	0.62	0.44	0.08	0.13	0.11	0.14	0.29	-0.15
Oman	-	0.00		0.01	-	-	-	-	-	0.00	0.04	-0.04
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.50	0.46	0.36	0.25	0.21	0.27	0.24	0.44	-0.20
West Africa[2]	0.81	0.68		0.63	0.62	0.74	0.57	0.52	0.55	0.56	0.46	0.09
Other Africa	1.50	1.39		1.32	1.45	1.60	1.60	1.61	1.55	1.42	1.38	0.04
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.32	0.15	0.23	0.09	0.24	0.46	0.37	0.39	-0.02
Total	**8.59**	**8.66**		**8.85**	**8.65**	**8.68**	**8.97**	**9.03**	**9.26**	**8.98**	**8.84**	**0.15**
of which Non-OECD	**8.41**	**8.47**		**8.64**	**8.43**	**8.51**	**8.79**	**8.88**	**8.99**	**8.77**	**8.63**	**0.14**
OECD Pacific												
Canada	0.00	0.00		-	0.01	-	0.01	-	-	-	-	-
Mexico + USA	0.02	0.01		-	0.02	-	-	-	0.06	-	-	-
Venezuela	0.00	0.00		-	0.00	0.00	-	-	-	-	-	-
Other Central & South America	0.07	0.08		0.07	0.09	0.10	0.08	0.12	0.02	0.04	0.06	-0.02
North Sea	0.01	0.03		0.06	-	0.04	-	-	0.04	-	0.10	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.10	0.10	0.04	0.03	0.04	0.06	0.03	0.06	-0.03
Saudi Arabia	1.84	1.72		1.57	1.82	1.97	1.90	1.87	1.64	1.43	1.58	-0.15
Kuwait	0.64	0.57		0.52	0.56	0.60	0.54	0.55	0.62	0.50	0.48	0.02
Iran	0.75	0.64		0.56	0.69	0.89	0.80	0.72	0.87	0.66	0.70	-0.04
Iraq	0.01	0.02		0.01	0.01	-	-	-	-	-	0.02	-
Oman	0.41	0.37		0.34	0.35	0.42	0.36	0.48	0.20	0.27	0.39	-0.12
United Arab Emirates	1.42	1.28		1.24	1.35	1.47	1.50	1.57	1.58	1.47	1.12	0.34
Other Middle East	0.60	0.52		0.52	0.50	0.56	0.57	0.62	0.39	0.40	0.61	-0.22
West Africa[2]	0.11	0.21		0.20	0.25	0.28	0.11	0.08	0.25	0.16	0.21	-0.06
Other Africa	0.04	0.05		0.08	0.08	0.09	0.07	0.11	0.08	0.04	0.09	-0.06
Non-OECD Asia	0.89	0.86		0.77	0.89	0.89	0.85	0.89	0.61	0.74	0.94	-0.21
Other	0.00	-		-	-	-	-0.09	-0.28	-0.02	-0.10	-	
Total	**6.89**	**6.42**		**6.03**	**6.71**	**7.36**	**6.81**	**7.07**	**6.42**	**5.74**	**6.40**	**-0.66**
of which Non-OECD	**6.86**	**6.38**		**5.97**	**6.68**	**7.32**	**6.71**	**6.79**	**6.29**	**5.64**	**6.30**	**-0.66**
Total OECD Trade	**23.47**	**22.53**		**22.50**	**22.91**	**23.21**	**24.22**	**24.69**	**23.95**	**23.32**	**23.32**	**0.00**
of which Non-OECD	**22.19**	**21.07**		**20.92**	**21.28**	**21.90**	**22.90**	**23.16**	**22.53**	**21.93**	**21.57**	**0.36**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.
2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.65	0.89	0.52	0.75	0.74	0.52	0.74	0.64	0.10
Europe	0.92	0.92		0.97	0.86	0.94	1.14	1.02	1.02	1.06	1.02	0.04
Pacific	1.22	1.22		1.14	1.24	1.39	1.16	1.01	1.10	0.29	1.08	-0.79
Saudi Medium												
North America	0.73	0.86		0.60	1.46	0.88	0.94	0.86	0.81	0.74	0.54	0.20
Europe	0.15	0.11		0.13	0.11	0.10	0.13	0.09	0.14	0.18	0.18	0.01
Pacific	0.17	0.16		0.16	0.14	0.21	0.26	0.28	0.18	0.10	0.20	-0.10
Saudi Heavy												
North America	0.21	0.20		0.21	0.23	0.28	0.48	0.58	0.26	0.25	0.23	0.02
Europe	0.14	0.09		0.09	0.09	0.11	0.26	0.23	0.29	0.17	0.11	0.06
Pacific	0.15	0.12		0.11	0.13	0.14	0.21	0.16	0.14	0.06	0.10	-0.03
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.23	0.22	0.50	0.24	..	..	0.04	0.17	-0.13
Europe	0.15	0.08		0.05	0.21	0.10	0.05	0.07	..	0.10	0.08	0.02
Pacific	0.01	0.02		0.01	..	..	..	..	..	..	..	..
Iraqi Kirkuk												
North America	0.09	0.14		0.06	0.11	0.22	0.02	..	..	..	0.07	..
Europe	0.31	0.32		0.36	0.53	0.42	0.04	0.04	0.10	0.00	0.31	-0.31
Pacific	0.01	0.00		..	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.15	0.19	0.18	0.24	0.32	0.18	0.17	0.12	0.05
Pacific	0.13	0.12		0.10	0.14	0.18	0.16	0.13	0.17	..	0.13	..
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.44		0.49	0.50	0.52	0.57	0.64	0.77	0.77	0.47	0.29
Pacific	0.63	0.54		0.45	0.61	0.75	0.67	0.68	0.62	0.17	0.54	-0.38
Venezuelan Light & Medium												
North America	0.61	0.68		0.91	0.57	0.35	0.83	0.74	0.66	0.61	0.94	-0.33
Europe	0.07	0.08		0.04	0.07	0.02	0.04	0.00	0.02	0.01	0.00	0.01
Pacific	0.00	0.00		..	0.00	0.00	..	..	..	..	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.62	0.56	0.17	0.66	0.72	0.87	0.75	0.68	0.07
Europe	0.07	0.05		0.06	0.04	0.02	0.05	0.04	0.08	0.05	0.07	-0.02
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.91	0.96	1.12	1.31	1.32	1.35	1.47	0.94	0.53
Europe	0.14	0.17		0.17	0.19	0.14	0.17	0.14	0.25	0.17	0.18	-0.01
Pacific	0.01	0.00		..	0.01	..	..	..	0.02	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.01	0.01	0.00	..	..	..	0.01	..
Europe	0.03	0.01		0.02	0.02	0.00	0.00	..	..	..	0.02	..
Pacific	0.01	0.01		..	0.01	..	..	..	0.04	..	..	..
Russian Urals												
North America	..	0.03		..	0.05	..	0.23	0.53	0.49	0.28	..	..
Europe	1.10	1.32		1.44	1.34	1.51	1.50	1.40	1.58	1.82	1.52	0.30
Pacific	0.01	0.01		0.02	..	..	..	..	..	..	..	..
Nigerian Light[4]												
North America	0.50	0.39		0.46	0.38	0.47	0.59	0.72	0.82	0.75	0.60	0.15
Europe	0.38	0.32		0.36	0.35	0.42	0.38	0.39	0.41	0.48	0.26	0.22
Pacific	0.02	0.06		0.06	0.08	0.13	0.03	0.05	0.08	..	0.06	..
Nigerian Medium												
North America	0.31	0.16		0.13	0.14	0.17	0.21	0.15	..	0.19	0.21	-0.02
Europe	0.10	0.06		0.03	0.07	0.07	0.04	0.02	..	0.06	0.03	0.03
Pacific	0.00	0.01		0.01	..	0.04	..	..	..	..	..	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 21 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.11	0.08	0.00	0.10	0.09	0.03	0.09	0.08	0.00
Other Central & South America	0.11	0.10		0.11	0.11	0.10	0.10	0.08	0.10	0.14	0.09	0.04
ARA (Belgium Germany Netherlands)	0.08	0.10		0.09	0.07	0.11	0.11	0.10	0.19	0.11	0.13	-0.02
Other Europe	0.19	0.21		0.20	0.18	0.20	0.30	0.28	0.29	0.14	0.17	-0.03
FSU	0.04	0.06		0.06	0.03	0.09	0.06	0.05	0.07	0.05	0.05	0.00
Saudi Arabia	0.06	0.06		0.06	0.07	0.06	0.08	0.09	0.07	0.09	0.04	0.05
Algeria	0.00	0.00		-	-	-	0.01	0.01	0.01	-	-	-
Other Middle East & Africa	0.04	0.04		0.06	0.03	0.03	0.03	0.03	0.06	0.01	0.06	-0.05
Singapore	0.01	0.01		0.02	0.00	0.00	0.02	0.01	0.01	-	0.01	-
OECD Pacific	0.02	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.04	0.02	0.02	0.05	0.08	0.05	0.03	0.04	-0.01
Other	0.00	-		-	-	0.00	0.00	0.01	-	-	-	-
Total[2]	**0.67**	**0.69**		**0.74**	**0.60**	**0.62**	**0.89**	**0.86**	**0.89**	**0.66**	**0.68**	**-0.02**
of which Non-OECD	**0.40**	**0.39**		**0.48**	**0.36**	**0.31**	**0.49**	**0.49**	**0.42**	**0.41**	**0.40**	**0.01**
OECD Europe												
OECD North America	0.00	0.00		-	0.00	0.00	-	-	0.01	0.00	-	-
Venezuela	-	-		-	-	-	0.00	0.00	0.00	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	-0.01
FSU	0.02	0.03		0.05	0.02	0.02	0.03	0.04	0.03	0.03	0.09	-0.07
Saudi Arabia	0.00	0.00		0.01	0.00	0.00	0.01	-	-	0.00	-	-
Algeria	0.00	0.01		0.01	0.02	0.00	0.02	0.01	0.02	0.01	0.01	0.00
Other Middle East & Africa	0.01	0.02		0.03	0.03	0.01	0.03	0.02	0.04	0.02	0.03	-0.01
Singapore	-	0.00		-	0.00	0.00	-	-	0.00	-	-	-
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	-	0.00	0.00	-	-	-	-
Other	0.09	0.07		0.04	0.07	0.10	0.05	0.08	-0.02	0.07	-0.04	0.11
Total[2]	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.17**	**0.21**	**0.12**	**0.17**	**0.14**	**0.03**
of which Non-OECD	**0.15**	**0.18**		**0.17**	**0.18**	**0.18**	**0.17**	**0.20**	**0.11**	**0.17**	**0.14**	**0.02**
OECD Pacific												
OECD North America	0.00	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.02	0.04	0.03	0.03	0.04	0.04	0.05	0.01	0.04
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.01	0.03	0.03	0.04	0.05	0.05	0.03	-	-
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.09**	**0.08**	**0.08**	**0.01**	**0.07**
of which Non-OECD	**0.03**	**0.06**		**0.03**	**0.07**	**0.06**	**0.07**	**0.09**	**0.08**	**0.08**	**0.01**	**0.07**
Total OECD Trade[2]	**0.86**	**0.93**		**0.95**	**0.86**	**0.86**	**1.13**	**1.16**	**1.09**	**0.91**	**0.84**	**0.07**
of which Non-OECD	**0.58**	**0.63**		**0.68**	**0.61**	**0.55**	**0.73**	**0.79**	**0.61**	**0.65**	**0.55**	**0.10**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.02	0.02	0.01	0.02	0.02	0.01	0.03	0.04	-0.01
Other Central & South America	0.03	0.02		0.01	0.03	0.01	0.02	0.02	0.03	0.00	0.00	0.00
ARA (Belgium Germany Netherlands)	0.01	0.00		0.00	0.01	0.03	-	-	-	0.00	0.00	0.00
Other Europe	0.02	0.00		0.00	0.01	0.02	0.01	0.01	0.01	-	-	-
FSU	0.03	0.02		-	0.08	0.13	0.02	0.02	-	0.03	-	-
Saudi Arabia	0.00	0.00		0.00	-	-	0.00	-	0.01	-	0.00	-
Algeria	0.00	0.00		-	0.00	0.00	-	-	-	0.01	-	-
Other Middle East & Africa	0.01	0.00		-	0.01	0.00	0.00	0.01	-	-	-	-
Singapore	0.00	0.00		-	-	0.00	0.01	0.00	0.01	0.01	-	-
OECD Pacific	0.01	0.01		0.01	0.01	0.00	0.00	-	0.01	0.04	0.01	0.03
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	0.02	0.00	0.02	0.05	0.02	0.06	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.19**	**0.10**		**0.04**	**0.19**	**0.21**	**0.09**	**0.12**	**0.08**	**0.18**	**0.05**	**0.12**
of which Non-OECD	**0.15**	**0.09**		**0.03**	**0.16**	**0.16**	**0.08**	**0.11**	**0.07**	**0.14**	**0.04**	**0.10**
OECD Europe												
OECD North America	0.02	0.03		0.02	0.01	0.00	0.01	0.01	0.01	0.00	0.03	-0.02
Venezuela	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.06	0.06	0.06	0.06	0.06	0.07	0.05	0.05	0.00
FSU	0.36	0.42		0.35	0.43	0.43	0.57	0.60	0.61	0.39	0.31	0.08
Saudi Arabia	0.01	0.01		0.00	0.01	0.01	0.00	-	-	-	-	-
Algeria	0.04	0.02		0.02	0.02	0.02	0.02	0.02	0.04	0.04	0.03	0.01
Other Middle East & Africa	0.02	0.02		0.02	0.01	0.02	0.01	0.01	0.03	0.00	0.04	-0.04
Singapore	0.00	0.02		0.01	0.03	0.00	-	-	0.00	0.01	0.03	-0.03
OECD Pacific	0.00	0.00		0.01	0.01	-	0.01	0.03	0.00	0.01	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	0.02	0.00	-	-	0.01	0.01	0.00
Other	0.10	0.10		0.08	0.14	0.10	0.10	0.10	-0.11	0.04	0.03	0.02
Total[2]	**0.61**	**0.70**		**0.58**	**0.73**	**0.67**	**0.79**	**0.84**	**0.66**	**0.56**	**0.52**	**0.03**
of which Non-OECD	**0.59**	**0.67**		**0.55**	**0.72**	**0.67**	**0.77**	**0.80**	**0.65**	**0.55**	**0.49**	**0.05**
OECD Pacific												
OECD North America	-	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	-	-	-	-	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	-	-
Singapore	0.02	0.02		0.02	0.03	0.02	0.04	0.05	0.04	0.05	0.02	0.03
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.02	0.03	0.05	0.04	0.06	0.01	0.01	0.02	-0.01
Other	0.00	0.00		-	0.00	-	0.00	0.00	-	-	-	-
Total[2]	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.11**	**0.06**	**0.06**	**0.05**	**0.01**
of which Non-OECD	**0.03**	**0.05**		**0.05**	**0.07**	**0.07**	**0.08**	**0.11**	**0.06**	**0.06**	**0.05**	**0.01**
Total OECD Trade[2]	**0.83**	**0.85**		**0.67**	**0.99**	**0.96**	**0.96**	**1.07**	**0.81**	**0.79**	**0.62**	**0.17**
of which Non-OECD	**0.77**	**0.81**		**0.63**	**0.95**	**0.90**	**0.93**	**1.02**	**0.79**	**0.75**	**0.59**	**0.16**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.02	0.04	0.04	0.02	0.02	0.01	0.02
Other Central & South America	0.02	0.01		0.01	0.01	0.01	0.03	0.01	0.02	0.01	0.01	0.00
ARA (Belgium Germany Netherlands)	0.00	-		-	-	0.00	0.00	-	-	-	-	-
Other Europe	0.00	0.00		-	-	-	0.00	0.00	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	-	-	-	-	-	-
Algeria	0.00	0.00		-	0.01	0.00	0.00	-	-	-	-	-
Other Middle East & Africa	0.02	0.01		0.00	0.02	0.04	0.01	0.01	-	-	0.00	-
Singapore	0.01	0.00		-	0.00	0.00	0.00	-	-	0.01	-	-
OECD Pacific	0.05	0.04		0.04	0.05	0.01	0.02	0.03	0.07	0.05	0.05	0.01
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.02	0.00	0.01	-	-	-	-	0.03	-
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.09**	**0.12**	**0.10**	**0.11**	**0.09**	**0.11**	**0.10**	**0.10**	**0.00**
of which Non-OECD	**0.09**	**0.06**		**0.05**	**0.07**	**0.09**	**0.08**	**0.06**	**0.04**	**0.05**	**0.05**	**-0.01**
OECD Europe												
OECD North America	0.00	0.01		0.01	0.00	0.00	0.00	0.00	-	0.00	0.01	-0.01
Venezuela	0.01	0.02		0.02	0.01	0.00	0.01	0.01	0.01	0.01	0.02	-0.01
Other Central & South America	0.01	0.00		0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FSU	0.02	0.03		0.04	0.03	0.02	0.02	0.01	0.03	0.02	0.05	-0.04
Saudi Arabia	0.03	0.02		0.02	0.01	0.01	0.03	0.03	0.02	0.01	0.03	-0.02
Algeria	0.01	0.01		0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	-0.01
Other Middle East & Africa	0.13	0.10		0.11	0.09	0.11	0.11	0.12	0.09	0.13	0.13	0.00
Singapore	-	0.01		0.02	0.00	0.00	-	-	0.00	-	0.02	-
OECD Pacific	-	-		-	-	-	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		0.00	-	-	-	-	0.00	0.00	-	-
Other	0.04	0.02		0.02	0.00	0.01	0.02	0.03	0.03	0.02	0.01	0.01
Total[2]	**0.25**	**0.21**		**0.27**	**0.15**	**0.17**	**0.20**	**0.21**	**0.22**	**0.22**	**0.29**	**-0.07**
of which Non-OECD	**0.25**	**0.20**		**0.26**	**0.15**	**0.17**	**0.20**	**0.21**	**0.22**	**0.21**	**0.28**	**-0.07**
OECD Pacific												
OECD North America	-	-		-	-	0.01	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	0.01	0.02	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.00	0.01	0.03	-	-	-	-	-	-
Singapore	0.01	0.01		0.00	0.02	0.02	0.01	0.01	0.00	0.01	0.01	0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		-	0.05	0.04	0.00	-	-	0.01	-	-
Other	0.04	0.05		0.04	0.07	0.07	0.04	0.03	0.03	0.03	0.04	-0.01
Total[2]	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.03**	**0.03**	**0.05**	**0.04**	**0.01**
of which Non-OECD	**0.07**	**0.10**		**0.04**	**0.16**	**0.18**	**0.05**	**0.03**	**0.03**	**0.05**	**0.04**	**0.01**
Total OECD Trade[2]	**0.46**	**0.41**		**0.40**	**0.42**	**0.45**	**0.36**	**0.34**	**0.35**	**0.37**	**0.43**	**-0.06**
of which Non-OECD	**0.41**	**0.36**		**0.35**	**0.37**	**0.44**	**0.33**	**0.31**	**0.28**	**0.31**	**0.37**	**-0.07**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	3Q02	4Q02	1Q03	2Q03	Jun 03	Jul 03	Aug 03	Year Earlier Aug 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.03		0.03	0.01	0.03	0.06	0.05	0.03	0.06	0.04	0.02
Other Central & South America	0.12	0.10		0.09	0.13	0.18	0.14	0.15	0.13	0.17	0.10	0.07
ARA (Belgium Germany Netherlands)	0.02	0.01		0.00	0.01	0.02	0.02	0.04	0.02	0.01	0.01	0.01
Other Europe	0.03	0.02		0.02	0.02	0.03	0.02	0.01	0.04	0.02	0.03	-0.01
FSU	0.00	0.01		0.02	0.02	0.03	0.03	0.02	0.02	0.04	0.03	0.02
Saudi Arabia	0.00	-		-	-	-	0.00	-	0.00	-	-	-
Algeria	0.00	0.01		0.00	0.01	0.01	0.01	0.01	0.02	0.01	-	-
Other Middle East & Africa	0.04	0.02		0.03	0.02	0.05	0.03	0.01	0.03	0.02	0.01	0.00
Singapore	0.00	0.01		0.01	0.00	0.01	0.00	-	0.01	0.01	0.01	0.00
OECD Pacific	0.00	0.00		0.00	0.00	-	-	-	-	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	-	0.00	-	-	-	-	-
Other	0.00	0.00		-	0.00	0.00	0.01	0.01	0.01	-	-	-
Total[2]	**0.31**	**0.21**		**0.22**	**0.22**	**0.35**	**0.32**	**0.30**	**0.31**	**0.34**	**0.23**	**0.11**
of which Non-OECD	**0.26**	**0.18**		**0.19**	**0.20**	**0.30**	**0.28**	**0.25**	**0.25**	**0.30**	**0.18**	**0.12**
OECD Europe												
OECD North America	0.02	0.02		0.01	0.02	0.00	-	-	-	0.02	0.01	0.01
Venezuela	0.01	0.00		-	-	0.00	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.01	0.00	0.01	0.01	0.01	0.02	0.01	-	-
Non-OECD Europe	0.01	0.01		0.01	0.02	0.01	0.01	0.01	0.01	0.00	0.00	0.00
FSU	0.23	0.27		0.33	0.23	0.17	0.20	0.21	0.24	0.12	0.34	-0.22
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.01	0.01	0.00	0.01	-	0.02	0.02	0.01	0.01
Other Middle East & Africa	0.06	0.06		0.05	0.06	0.04	0.06	0.05	0.06	0.04	0.04	0.00
Singapore	0.00	0.00		-	-	-	-	-	-	0.00	-	-
OECD Pacific	-	0.00		-	-	-	-	-	-	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01
Other	0.06	0.07		0.05	0.09	0.06	0.08	0.12	0.06	0.18	0.05	0.13
Total[2]	**0.40**	**0.47**		**0.47**	**0.43**	**0.31**	**0.37**	**0.41**	**0.42**	**0.41**	**0.46**	**-0.05**
of which Non-OECD	**0.38**	**0.45**		**0.46**	**0.42**	**0.31**	**0.38**	**0.41**	**0.42**	**0.39**	**0.45**	**-0.06**
OECD Pacific												
OECD North America	0.00	0.00		0.00	0.01	-	0.00	0.00	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	0.00	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	-	0.00	0.00	-	0.00	-	-
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		-	0.00	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.01	0.01	0.01	-	-	-	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.04	0.06	0.07	0.07	0.08	0.06	0.03	0.03	0.01
Other	0.02	0.02		0.02	0.02	0.01	0.03	0.03	0.04	0.01	0.00	0.00
Total[2]	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.12**	**0.10**	**0.04**	**0.04**	**0.00**
of which Non-OECD	**0.08**	**0.09**		**0.06**	**0.10**	**0.10**	**0.10**	**0.11**	**0.10**	**0.04**	**0.04**	**0.00**
Total OECD Trade[2]	**0.80**	**0.77**	**0.00**	**0.75**	**0.76**	**0.76**	**0.80**	**0.82**	**0.84**	**0.78**	**0.73**	**0.05**
of which Non-OECD	**0.72**	**0.72**	**0.00**	**0.71**	**0.72**	**0.71**	**0.76**	**0.77**	**0.78**	**0.73**	**0.68**	**0.06**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12e
Regional OECD Trade Balances[1]
(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun-03	Jul-03	Aug-03	Latest month vs. Jul-03	Latest month vs. Aug-02
Crude Oil	**7.59**	**7.12**	**7.26**	**7.16**	**6.71**	**8.06**	**8.16**	**7.87**	**8.15**	**0.27**	**0.35**
Products & Feedstocks	**1.48**	**1.12**	**1.14**	**1.08**	**1.17**	**1.51**	**1.70**	**1.60**	**1.45**	**-0.15**	**0.41**
Gasoil/Diesel	0.09	0.00	-0.03	0.09	0.08	-0.02	0.05	-0.02	0.12	0.13	0.15
Gasoline	0.55	0.57	0.63	0.47	0.48	0.74	0.72	0.79	0.54	-0.25	-0.04
Heavy Fuel Oil	0.18	0.05	0.03	0.07	0.22	0.13	0.06	0.10	0.24	0.14	0.22
LPG	0.02	0.04	0.03	0.07	0.04	0.02	0.02	0.01	0.02	0.02	-0.03
Naphtha	0.06	0.04	0.04	0.03	0.03	0.09	0.14	0.14	0.07	-0.07	0.03
Jet & Kerosene	0.12	0.09	0.08	0.10	0.08	0.09	0.08	0.10	0.10	0.00	0.00
Other	0.45	0.34	0.35	0.24	0.24	0.45	0.64	0.48	0.36	-0.13	0.08
Total[2]	**9.07**	**8.24**	**8.40**	**8.24**	**7.88**	**9.57**	**9.86**	**9.48**	**9.60**	**0.12**	**0.76**

OECD Europe

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun-03	Jul-03	Aug-03	Latest month vs. Jul-03	Latest month vs. Aug-02
Crude Oil	**7.37**	**7.17**	**7.46**	**7.18**	**7.61**	**7.68**	**7.85**	**8.01**	**7.78**	**-0.23**	**0.21**
Products & Feedstocks	**1.48**	**1.44**	**1.42**	**1.25**	**1.13**	**1.05**	**0.89**	**1.30**	**1.05**	**-0.25**	**-0.24**
Gasoil/Diesel	0.42	0.42	0.33	0.38	0.36	0.54	0.47	0.45	0.22	-0.23	-0.06
Gasoline	-0.25	-0.34	-0.36	-0.25	-0.40	-0.43	-0.46	-0.37	-0.38	-0.01	0.02
Heavy Fuel Oil	0.13	0.23	0.26	0.13	0.08	0.09	0.10	0.23	0.19	-0.04	-0.07
LPG	0.17	0.14	0.11	0.16	0.11	0.02	-0.03	0.10	0.05	-0.05	-0.04
Naphtha	0.24	0.24	0.26	0.24	0.27	0.23	0.15	0.13	0.19	0.06	-0.04
Jet & Kerosene	0.21	0.19	0.23	0.16	0.11	0.15	0.15	0.17	0.18	0.01	-0.07
Other	0.55	0.56	0.58	0.43	0.60	0.45	0.51	0.58	0.59	0.01	0.02
Total[2]	**8.84**	**8.61**	**8.87**	**8.43**	**8.74**	**8.73**	**8.74**	**9.30**	**8.83**	**-0.48**	**-0.03**

OECD Pacific

Net Imports/(Exports) of	2001	2002	3Q02	4Q02	1Q03	2Q03	Jun-03	Jul-03	Aug-03	Latest month vs. Jul-03	Latest month vs. Aug-02
Crude Oil	**6.65**	**6.20**	**5.78**	**6.51**	**7.17**	**6.51**	**6.58**	**6.14**	**5.39**	**-0.75**	**-0.75**
Products & Feedstocks	**1.00**	**1.31**	**1.08**	**1.63**	**1.56**	**1.37**	**1.32**	**1.20**	**1.44**	**0.23**	**0.41**
Gasoil/Diesel	-0.18	-0.14	-0.21	-0.07	-0.08	-0.06	-0.05	-0.17	-0.08	0.08	0.13
Gasoline	-0.01	0.02	0.01	0.04	0.02	0.04	0.06	0.04	0.04	-0.01	0.04
Heavy Fuel Oil	-0.12	-0.02	-0.06	0.02	-0.04	0.00	0.00	-0.03	-0.12	-0.09	0.00
LPG	0.52	0.54	0.49	0.59	0.55	0.52	0.58	0.46	0.65	0.20	0.15
Naphtha	0.64	0.70	0.72	0.72	0.77	0.71	0.56	0.85	0.84	-0.02	0.11
Jet & Kerosene	-0.03	0.00	-0.08	0.08	0.14	-0.02	-0.05	-0.08	-0.01	0.06	0.09
Other	0.18	0.20	0.20	0.26	0.21	0.18	0.21	0.12	0.13	0.01	-0.11
Total[2]	**7.65**	**7.51**	**6.86**	**8.14**	**8.73**	**7.88**	**7.90**	**7.34**	**6.83**	**-0.52**	**-0.33**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 11 August 2003), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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10 December 2003

HIGHLIGHTS

- Demand growth has been revised upwards by 160 kb/d for 2003 and 90 kb/d for 2004, reflecting faster economic recovery, soaring Chinese demand and fuel switching into oil. Revisions to FSU trade data have cut baseline FSU apparent demand, leaving the global demand forecast for 2004 roughly unchanged at 79.6 mb/d.

- World oil supply rose 625 kb/d in November, less than half the October increase, reaching 81.7 mb/d. Month-on-month, non-OPEC supply was up by 345 kb/d, OPEC crude by 255 kb/d and OPEC other liquids supplies by 30 kb/d.

- Total OPEC crude supply averaged 27.6 mb/d in November, with production from the OPEC-10 averaging 1.2 mb/d above the 1 November production target of 24.5 mb/d. At its 4 December meeting, OPEC agreed to roll-over the existing production target and scheduled a further Extraordinary Meeting in Algiers on 10 February.

- Crude prices remain firm but volatile. WTI Cushing pushed to post-Iraqi war highs of $33.20 in November, but dated Brent lagged at $29.74. Tight stocks and geopolitical uncertainty ahead of peak winter demand are supporting prices.

- OECD industry total oil stocks were 2549 mb at end-October, 22 mb lower than September and 89 mb below the five-year average. Distillate stocks fell by 500 kb/d. October demand cover contracted to 51 days on lower product stocks and upward revisions to OECD demand, moving below year 2000 levels when stocks were tight.

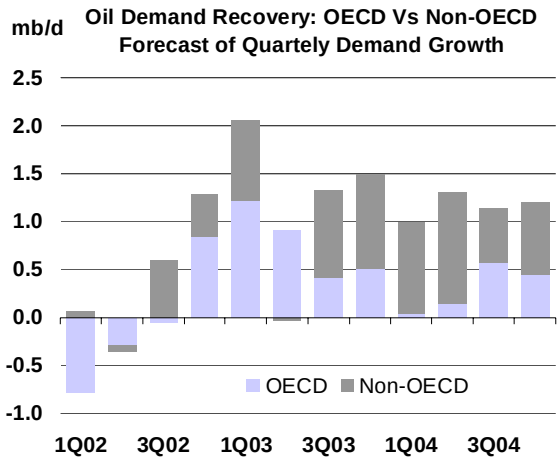
Next Issue: 16 January 2004

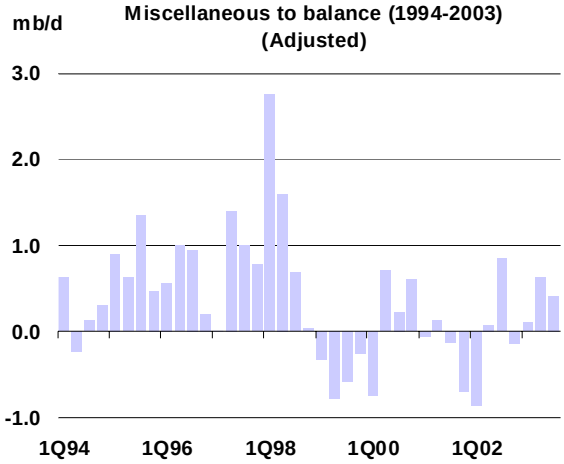
CONTENTS

TWO STORIES

Revisions: Oil demand growth continues to be driven by the rapid expansion in global economic activity. We have upwardly adjusted 2003 oil demand growth by 160 kb/d to 1.44 mb/d, while 2004 oil demand growth has been revised higher by 90 kb/d to 1.16 mb/d. Consequently, 2003 oil demand is projected to grow by a robust 1.9%. While demand growth in this Report has been adjusted higher, the absolute level of global oil demand has been slightly lowered due to a downward revision in baseline FSU demand.

Revisions to preliminary OECD September estimates have resulted in an upward adjustment in demand of 1.05 mb/d. The bulk of these revisions occurred in North America and in Europe with US "other products" up 476 kb/d. Germany, France and UK contribute another 221 kb/d of incremental oil demand in September. These revisions flow directly through to IEA estimates. Our OECD demand revisions would have been even higher were it not for an upward adjustment to US preliminary estimates already reflected in last month's Report. These revisions have been carried forward into the fourth quarter of 2003 and beyond, supplemented by increased OECD demand due primarily to ongoing Japanese nuclear problems and substitution into oil due to higher LNG prices in Korea.





Upward revisions to demand in the OECD are offset by reductions in baseline FSU demand. It has come to our attention that the Report may have been understating FSU exports. Upon careful investigation, it does appear that our supply-demand balances have excluded some 110 kb/d of FSU exports in 2001, rising to 330 kb/d in 2003. Railed products account for the bulk of these missing exports. Adjusting FSU exports entails a corresponding reduction in baseline FSU apparent demand. The latter is consistent with the trend in observed Russian demand, which indicates a contraction in 2002. It is also consistent with expanding crude and product rail shipments due to surging FSU production and pipeline constraints. Finally, implementing this adjustment improves the overall data capture, bolstering a more plausible trend in miscellaneous-to-balance.

China: We have raised fourth quarter Chinese oil demand growth by 130 kb/d to reflect higher fuel substitution into oil. China faces an increasing shortfall in electricity generating capacity as its economy expands. This shortfall distorts established domestic energy trade and pricing relationships. Coal exports are re-routed and all available coal-powered generation capacity is brought back online. This strains the domestic rail system and contributes to higher costs. International coal exports are also diverted, which forces coal importers to secure alternative, longer-haul supply. The latter raises the demand for bulk tonnage, which causes a surge in freight rates and contributes to higher overall energy prices. These events threaten to overwhelm the Chinese domestic and broader Asian infrastructure systems.

Constraints on available coal-fired generating capacity and infrastructure translate into higher direct burn and increased oil-fired generating usage. This contributes to higher oil demand, higher imports, higher freight rates and increased rail transportation to move the oil to markets. Purchases of stand-by generators have also increased in China, contributing to higher distillate demand. This further strains the transportation and logistics systems. These incremental costs will have to be absorbed, and if the infrastructural constraints are left unchecked, this may yet dent future economic growth.

DEMAND

Summary

- The assessment of global oil product demand growth for 2003 has been raised by 160 kb/d, to 1.44 mb/d for 2003, reflecting the faster pace of the global economic recovery, soaring Chinese apparent demand and delays in restarting idled Japanese nuclear generation capacity. For 2004, demand growth is adjusted upwards by 90 kb/d, to 1.16 mb/d.

- Chinese apparent oil demand continues to advance at a breakneck pace. The estimate of demand growth for the third quarter has been adjusted upwards by 40 kb/d, in light of the latest trade and refining output data, and by 130 kb/d for the fourth-quarter, in view of preliminary statistics for October and reports of refiners' troubles in alleviating sporadic product shortages despite maximised throughputs and reduced exports. Further upward adjustments to the 2004 forecast remain possible, however refining and transport logistics are being stretched and infrastructure limitations may blunt the growth momentum next year.

Global Oil Demand from 2002 to 2004

	Demand (mb/d)	Annual Change* (%)	Annual Change* (mb/d)	Changes from last month's Report (mb/d)
1Q02	76.9	-0.9	-0.7	-0.2
2Q02	75.2	-0.5	-0.4	-0.3
3Q02	76.7	0.7	0.5	-0.2
4Q02	79.2	1.6	1.3	-0.3
1Q03	79.0	2.7	2.1	-0.3
2Q03	76.1	1.2	0.9	-0.2
3Q03	78.0	1.7	1.3	-
4Q03	80.7	1.9	1.5	0.1
1Q04	80.0	1.3	1.0	-
2Q04	77.4	1.7	1.3	-0.1
3Q04	79.1	1.5	1.1	-
4Q04	81.9	1.5	1.2	-
2002	77.0	0.2	0.2	-0.3
2003	78.4	1.9	1.4	-0.2
2004	79.6	1.5	1.2	-

* year-on-year change

- OECD demand for September, including unusually steep revisions to preliminary data for the largest economies, surged by 1.19 mb/d year-on-year, or 2.5%, reaching an all-time high for that month of 48.4 mb/d. US government data were adjusted upwards by 830 kb/d, with the bulk of the revision in "other products". Demand estimates for Germany were revised upwards by 110 kb/d, and by an aggregate 90 kb/d for Japan and Korea. This new record high for September OECD demand marks, for the first time, full recovery from the downturn of 2001, when the terrorist attacks, compounding the effect of the global economic downturn, had caused September OECD demand to contract by 1.2 mb/d on the year.

Estimated Annual World Oil Demand Growth 1998-2003

(million barrels per day)

	99-98	00-99	01-00	02-01	03-02	04-03
North America	0.71	0.26	-0.06	0.16	0.39	0.29
Latin America	0.02	-0.01	0.02	-0.11	-0.13	0.06
FSU	-0.15	0.09	-0.02	-0.17	0.08	0.03
Europe	-0.15	-0.11	0.20	-0.18	0.19	0.14
OECD Pacific	0.28	-0.08	-0.08	-0.04	0.19	-0.12
China	0.21	0.26	0.12	0.27	0.49	0.32
Other Asia	0.41	0.09	0.16	0.11	0.11	0.19
Subtotal, Asia	0.90	0.28	0.20	0.34	0.79	0.40
Middle East	0.04	0.18	0.19	0.13	0.08	0.19
Africa	0.11	0.05	0.09	0.01	0.04	0.04
World	1.48	0.73	0.61	0.19	1.44	1.16

- Transportation fuels led oil demand growth in September, with steep gains in diesel and gasoline more than offsetting mild contraction in jet fuel-kerosene. OECD demand surged by more than half a million barrels per day for diesel and nearly 400 kb/d for gasoline. The gains were compounded by similarly robust increases in China, including more than 130 kb/d for gasoline and 40 kb/d for jet fuel/kerosene. Chinese apparent demand for gasoil soared by more than 200 kb/d. Diesel demand has particularly benefited from the economic recovery. In the OECD, a 320 kb/d gain in diesel deliveries accounted for nearly 80% of overall demand growth in the third quarter.

Global Oil Demand by Region
(million barrels per day)

	Demand	Annual Change			Annual Change (%)		
	2003	2002	2003	2004	2002	2003	2004
North America	24.55	0.16	0.39	0.29	0.7	1.6	1.2
Europe	16.02	-0.18	0.19	0.14	-1.1	1.2	0.9
OECD Pacific	8.69	-0.04	0.19	-0.12	-0.5	2.3	-1.3
China	5.43	0.27	0.49	0.32	5.9	9.8	5.9
Other Asia	7.78	0.11	0.11	0.19	1.5	1.4	2.5
Subtotal Asia	21.91	0.34	0.79	0.40	1.6	3.7	1.8
FSU	3.56	-0.17	0.08	0.03	-4.5	2.3	0.8
Middle East	5.15	0.13	0.08	0.19	2.6	1.7	3.7
Africa	2.60	0.01	0.04	0.04	0.5	1.5	1.7
Latin America	4.64	-0.11	-0.13	0.06	-2.3	-2.7	1.4
World	78.42	0.19	1.44	1.16	0.2	1.9	1.5

- Fuel switching into oil, a key factor behind last winter's oil demand growth as "one-off" disruptions affected other energy sources, may continue to support oil demand this winter. In Japan, delays in restarting idled nuclear power plants have led to upward adjustments to the forecast of winter demand for crude oil and residual fuel oil. A run-up in natural gas and coal costs in Korea also makes oil more attractive as a boiler fuel. In Europe, rising Scandinavian water reservoir levels now exceed last year's depleted levels and are closing the gap on their historical average, but flooding in Southern France has dented nuclear and hydropower generation capacity. In the US, natural gas prices remain highly volatile, reflecting underlying uncertainty about the outlook for both the weather and natural gas output, and could set the stage for stronger-than-expected utility and industrial demand for oil.

- Upward adjustments to the demand growth forecast for 2004 have been offset by downward adjustments to baseline FSU demand, leaving the 2004 forecast roughly unchanged in absolute terms at 79.59 mb/d. The downward revisions to implied FSU apparent demand stem from a reappraisal of FSU oil trade for 2001 and 2002. Estimates of net FSU oil exports were revised upwards by an average 110 kb/d for 2001 – mostly in the second half of the year – and 320 kb/d for 2002, reflecting a more comprehensive accounting of surging rail exports. Those upward adjustments to net export estimates have been carried forward as an adjustment factor for 2003.

OECD

Early Indications of Current Demand

Preliminary assessments of OECD oil deliveries for eight of the largest OECD economies point to continued growth in October, extending a 2.5% surge in OECD demand posted in September (see table below). North American deliveries expanded by an aggregate340 kb/d, led by growth of 275 kb/d in the US. Demand in OECD Asia increased by 150 kb/d on the back of a 100 kb/d rebound in Korean deliveries. Western Europe was a mixed bag, with contraction in Germany offsetting growth in France and Italy.

Diesel, gasoline and jet fuel-kerosene, as in September, continued to lead the demand growth. However, the gains in jet fuel-kerosene reflect pre-winter restocking of heating kerosene in East Asia rather than aviation demand, which remained particularly depressed in North America, reflecting a structural decline in demand for short-haul air transportation in the wake of 9/11. In contrast, gasoline demand roared by 3.6% in North America and 2.7% in East Asia, more than offsetting continued contraction from France, Germany and Italy's reduced base. Diesel demand grew even faster, fuelled both by the ongoing conversion of the European automobile fleet from gasoline to diesel and by the acceleration of economic recovery across the OECD. Significantly, the steepest gain in diesel deliveries in both absolute and percentage terms occurred in the US, where GDP growth of 8.2% was also faster in the third quarter than in any other OECD economy.

Accelerating growth in transportation fuel deliveries further lightens the demand product mix, extending recent trends. This pattern is in line with underlying economic trends, with economic recovery taking over from the weather and one-off events as the main driver of oil forecast demand growth. As economic recovery spreads from the US and Japan to Korea and Europe, economically-driven demand for petrochemical feedstock such as naphtha also appears on the rebound. However, it may be too early to rule out the recurrence of one-off events such as those that boosted demand for heavier products last winter by bolstering fuel-switching from other forms of energy, including nuclear power in Japan, natural gas in the US and hydropower in Europe.

In Japan, delays in restarting shuttered nuclear power plants ahead of winter have already caused residual fuel oil deliveries to rebound in October, increasing by 4.5% year-on-year, after contracting in September. It now seems likely that most of Tokyo Electric Power Co.'s idled boiling-water reactor nuclear units will not resume service until April, and thus utility oil demand will likely be stronger through the winter than previously forecast. Korean residual fuel oil deliveries posted even stronger growth, soaring by 21.5%, on price-driven fuel switching away from natural gas into oil.

In the US, expectations of ampler and more affordable natural gas supplies had pointed to moderating power-generation and industrial demand for heating oil and residual fuel oil this winter. However, natural gas prices spiked in late November-early December on a combination of unexpectedly cold weather, steeper-than-forecast withdrawals from natural gas storage and renewed concerns about short-term natural gas output. While US heating oil deliveries contracted steeply in October from year-earlier levels, residual fuel oil deliveries expanded at a double-digit pace. Preliminary weekly surveys suggest residual fuel oil deliveries swung back into contraction in November as temperatures hovered well above last year's level and the seasonal norm through most of the month. But a late-month cold snap and natural gas-price rally could set the stage for rebounding deliveries.

In Europe, residual fuel oil deliveries rose steeply in October in France and Italy, more than offsetting a marginal contraction in Germany. Drought conditions in southwest Europe in the summer had curtailed hydropower and nuclear power generation, fostering fuel switching into oil. Fuel switching may get a renewed boost this winter from flooding in South France that again disrupted hydropower generation and shut down four nuclear plants.

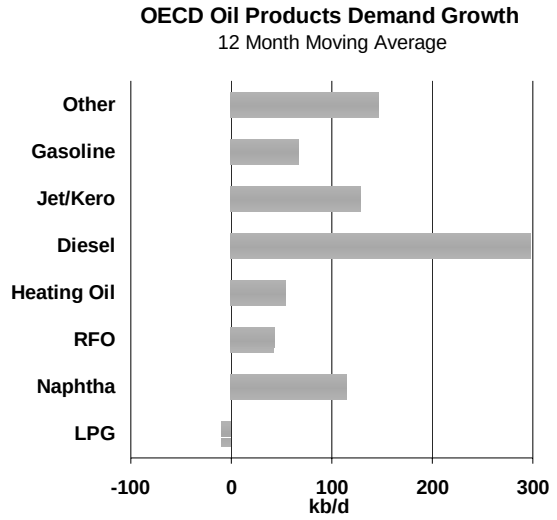
Preliminary Inland Deliveries – October 2003

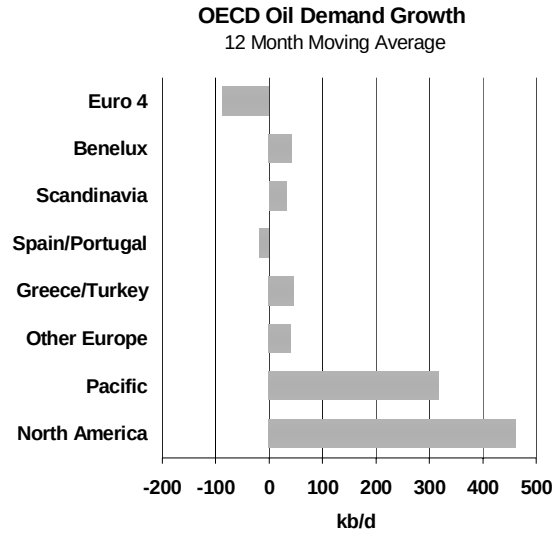
	Gasoline		Jet/Kerosene		Diesel		Other Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	9.16	3.9	1.64	-2.4	2.90	6.5	0.90	-16.9	0.72	10.3	4.60	-2.8	19.91	1.2
Canada	0.71	2.5	0.11	-4.3	0.44	1.2	0.08	-8.4	0.12	1.8	0.27	3.9	1.71	1.3
Mexico	0.61	5.6	0.05	-2.0	0.31	5.5	0.00	na	0.30	-21.8	0.38	5.8	1.64	-0.8
Japan	1.03	3.0	0.50	11.5	0.69	-0.7	0.50	6.6	0.53	5.2	1.53	-5.3	4.78	1.0
Korea	0.17	0.6	0.07	63.6	0.42	2.2	0.14	-23.2	0.33	21.5	1.00	5.1	2.13	5.2
France	0.28	-6.7	0.13	-0.3	0.66	1.8	0.36	11.8	0.07	13.2	0.46	2.6	1.96	2.5
Germany	0.60	-7.6	0.16	1.7	0.60	-3.5	0.57	-1.0	0.12	-0.3	0.44	-7.6	2.48	-4.3
Italy	0.36	-6.1	0.08	8.0	0.51	6.0	0.14	-8.4	0.24	6.2	0.44	2.7	1.77	1.3
Total	12.91	2.4	2.73	4.0	6.52	3.5	2.69	-6.3	2.42	6.7	9.12	-1.6	36.39	1.1

Sources: US EIA, Statistics Canada, Mexico Pemex, Japan METI, Korea KNOC, France CPDP, Germany MWV, Italy Ministry of Industry
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated. Percentage change is calculated versus last year.

If experience is any guide, preliminary October data remain subject to potentially large upward revisions. Preliminary OMR data for September were adjusted upwards by a staggering 1.05 mb/d, reflecting revisions to preliminary government delivery estimates from eight of the largest OECD economies. OMR oil delivery estimates for September were adjusted upwards by 520 kb/d for North America, including 480 kb/d in the US, 260 kb/d for Europe, including 110 kb/d in Germany, and nearly 90 kb/d for the OECD Asia-Pacific region, of which roughly half was in Japan. As a result of these adjustments, US delivery now show roust growth of 3% for September, while Germany and Japan both show shallower demand contraction of 2.2%.

"Other products," a catch-all category comprised of naphtha, LPG and the narrower "other products" category used in Monthly Oil Survey (MOS) data, accounted for the bulk of the US revision. That was not altogether unexpected. "Other products" are estimated rather than surveyed in preliminary US data and thus frequently subject to large revisions. Preliminary assessments for September suggested a questionably steep 10% contraction year-on-year, and had thus been adjusted upwards by 260 kb/d in last month's OMR balances. Overall, US delivery estimates had been adjusted upwards in the last OMR by an aggregate 353 kb/d. However, those adjustments, large as they may appear, were eventually dwarfed by final US revisions to preliminary data of 632 kb/d for "other products", or 829 kb/d overall. Had the OMR not adjusted upwards preliminary US delivery statistics for September to the extent that it did, this Report's revision for September would be even steeper.





The unusual scope of US September revisions stems from a series of steep downward adjustments that the US Department of Energy had applied to US weekly estimates of "other product" demand in order to bring weekly stock estimates more closely in line with levels reported in more comprehensive monthly market surveys. As the two data sets are now significantly closer, there is less scope for further steep revisions to preliminary data, according to the Department.

Moving Annual Average Change in Oil Demand* – October 2003

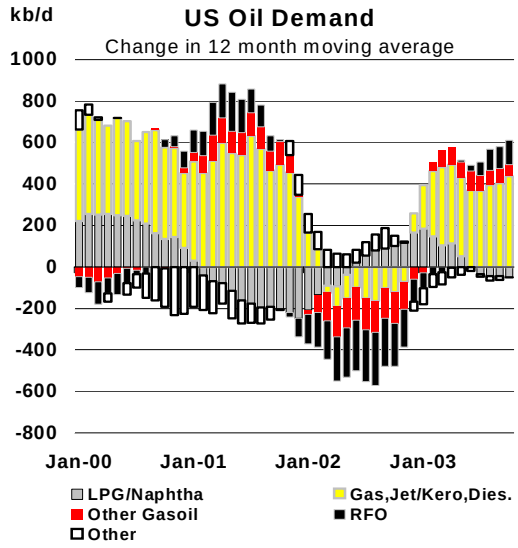
	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	kb/d
US	-3.2%	6.4%	1.3%	-0.2%	5.2%	4.6%	17.4%	-0.2%	1.8%	355
Canada**	4.4%	-3.1%	1.7%	7.0%	1.3%	7.4%	9.0%	0.1%	3.3%	69
Mexico	-2.1%	4.5%	6.0%	-1.2%	8.5%	8.7%	-10.8%	46.3%	3.2%	64
Japan	-0.2%	2.7%	0.8%	5.2%	-3.8%	2.8%	23.3%	21.9%	4.9%	259
Korea	-4.0%	3.9%	-4.9%	3.0%	6.4%	1.7%	-1.0%	-43.3%	1.8%	39
France	-0.5%	11.5%	-6.9%	8.8%	0.5%	1.3%	-5.0%	12.1%	1.6%	31
Germany	1.1%	-4.9%	-5.5%	2.2%	7.7%	-7.3%	-0.4%	-22.5%	-3.0%	-82
Italy	2.7%	36.0%	0.3%	34.4%	7.1%	-12.0%	-17.8%	-0.1%	-1.1%	-21
UK	0.8%	64.9%	-4.2%	1.1%	1.5%	1.5%	1.7%	-12.8%	-0.6%	-10
Total	**-1.7%**	**4.4%**	**0.6%**	**2.6%**	**3.8%**	**0.8%**	**3.5%**	**3.5%**	**1.8%**	**704**
kb/d	-70	113	80	89	226	29	110	127	704	

* defined as the percentage change between the demand average for the 12 months up to September and that of the same period a year earlier
** near-month data are estimated

Revisions to German delivery data for September applied mostly to diesel (+80 kb/d) and naphtha (+60 kb/d), in line with recovering manufacturing activity and export growth. Both product show demand growth, including a double-digit increase for diesel. Japanese adjustments for September primarily affect residual fuel oil and "other products", reflecting rebounding oil demand from electric utilities in a context characterised simultaneously by a protracted loss of nuclear power generating capacity and recovering electricity demand amid warmer-than-normal September temperatures and a pick-up in manufacturing activity.

North America

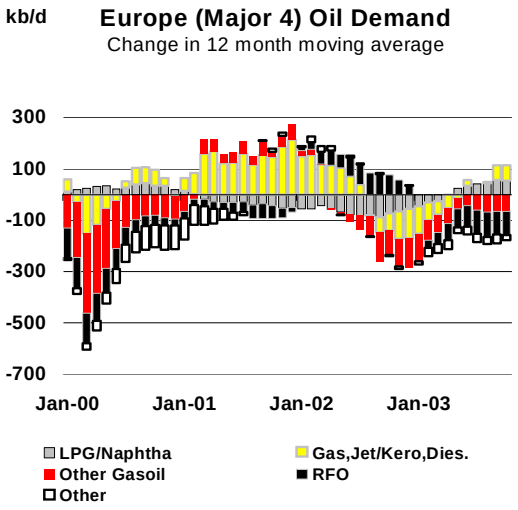
Upward revisions of 830 kb/d to preliminary US delivery estimates for September, albeit directionally anticipated, have far exceeded expectations in scope. As a result of the adjustments, "other products" deliveries that in US preliminary data suggested year-on-year contraction for that category of roughly 10% now point to substantial growth of 3.2%, or 155 kb/d. Overall US demand grew by 3% in September, bringing the third-quarter average to 1.9%.

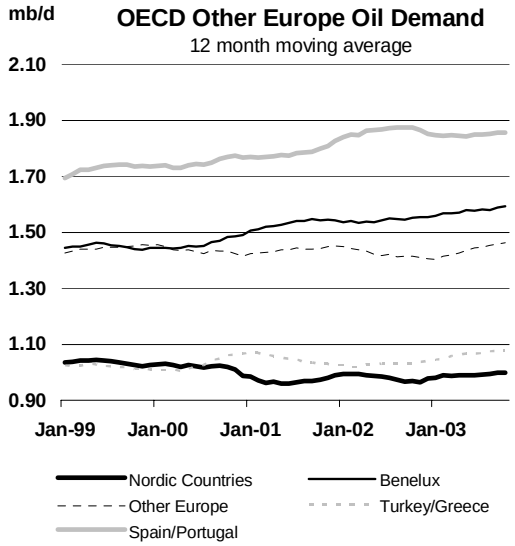


In contrast with the first half of the year, US growth is now driven by road transportation fuel demand, including both diesel and gasoline, with power generation demand for residual fuel oil and heating oil taking a back seat. However, the assumption that cheaper and more abundant natural gas supplies than last year would mean fewer incentives for fuel switching into oil this winter may prove to be overly optimistic. Natural gas futures recently rallied on the New York Mercantile Exchange on the back of colder-than-expected weather and short covering, breaking through their June highs and reaching at the time of writing levels last seen in March when inventories were approaching all-time lows. Should that trend be sustained, North American oil demand for power generation and industrial use would be significantly higher than forecast. The combination of strong driving, heating and power generation demand would translate into steeply higher second-quarter oil demand than initially expected, offsetting the seasonal drop in global demand at that time of year and boosting prices.

Europe

West European demand estimates were revised sharply higher for September, with upward adjustments of 110 kb/d for Germany, 60 kb/d for the UK, 50 kb/d for France and 40 kb/d for Italy contributing most of an increase to third-quarter regional demand estimates of 150 kb/d. Preliminary data suggest stronger-than-expected deliveries for October as well in France (+80 kb/d) and Italy (+70 kb/d), more than offsetting lower-than-expected deliveries in Germany (-80 kb/d).



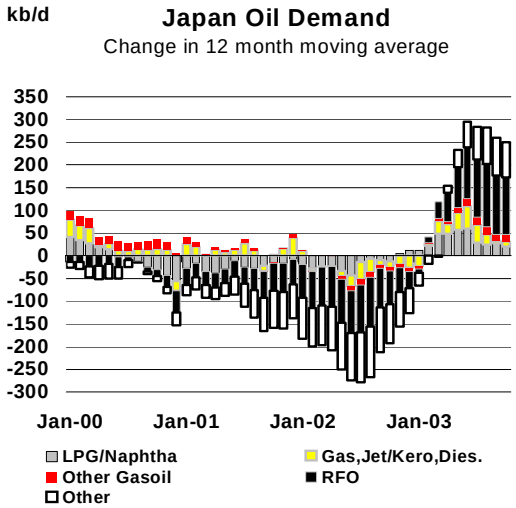


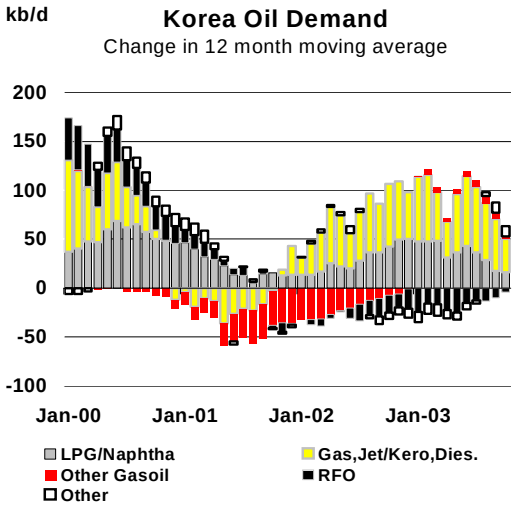
Whereas oil prices have rallied in dollar terms in recent weeks, the effect for eurozone customers has been partly offset by the significant depreciation of the dollar. Although the region's economic performance – despite some encouraging indicators – significantly lags growth in Asia and North America, the reduced impact of energy cost increases should help stimulate demand, at least so long as the currency movements are not counterbalanced by tax increases, as were recently implemented in France and UK. In those two countries, tax increases that become effective on 1 October may have stimulated demand in September, although in the case of France steep demand growth in September (+9.5%) continued, albeit at a slower pace, into October (+3.5%).

Colder weather than last year in Western Europe may also have helped fuel demand growth. Looking forward, weather factors appear likely to boost residual fuel oil demand this winter, as it did last year. Flooding in southern France disrupted nuclear power and hydropower generation in late November and early December, fostering fuel switching into oil.

Pacific

Asian demand is also exceeding expectations. In Korea, demand soared by 4.9% in October, offsetting the 5.4% contraction in September, when adverse weather disrupted oil deliveries and hampered economic activity. Naphtha, jet fuel-kerosene and residual fuel oil all posted double-digit growth rates, reflecting an economically-driven rebound in petrochemical demand and price-driven fuel switching into oil for heating and power generation.





Delays in restarting idled nuclear power generation capacity in Japan are also expected to extend the boost on oil demand from electric utilities. Most of Tepco's idled units are now expected to stay shut until April. The boost on oil demand from the power generation industry is that likely to continue this winter. Electric utility buying of residual fuel oil rebounded in September after having sharply declined from June through August. Despite stronger deliveries, utility stocks of residual fuel oil fell steeply at end-September, sliding below year-earlier level for the first time since July. Utility crude oil inventories, which had been rebuilding rapidly since March and had risen above last year's level in July, also swung back into decline, though at end-September they remained above year-earlier levels.

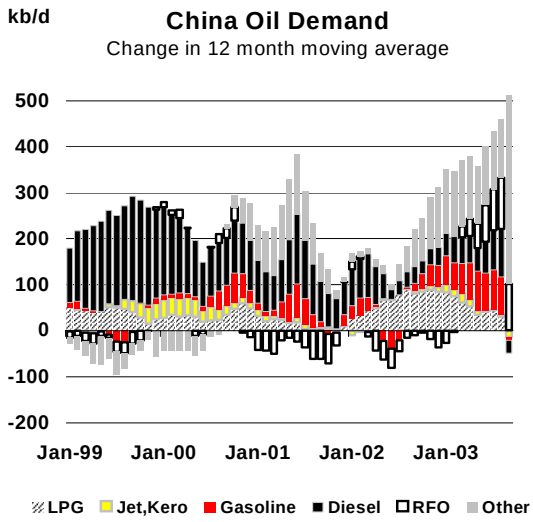
Non-OECD

China

Chinese apparent demand, calculated as the sum of domestic refinery output and net product imports, soared by an estimated 11.5% year-on-year in October, to 5.8 mb/d, according to preliminary trade and refinery production data. Demand was roughly flat from 5.84 mb/d in September, following average year-on-year growth of 14.5% in the third quarter.

In the past, apparent demand has sometimes overstated end-user demand, as excess refining output led to a build-up in refinery stocks, and subsequently to lower throughputs and an offsetting decline in apparent demand as refiners struggled to run down inventories. Not so this year. Quite to the contrary, apparent demand seems to have a hard time catching up with "real" demand. Despite soaring throughputs, supply of refined products – specifically gasoline and gasoil – has reportedly been so tight as to cause sporadic shortages and trigger rationing schemes at both the wholesale and retail levels across the country. In key metropolitan centres such as Shanghai, sufficient supply was assured only after China's leading refiners, Sinopec and PetroChina, under direct pressure from local government, agreed to divert material headed to other, less sensitive markets. Tight market conditions thus spread from the vibrant Southeast and Eastern seaboard provinces to the Northern regions in PetroChina's Northeast refining centre's backyard, as supply was diverted south to avert shortages in key economic centres. In other markets, including Hunan province in central China and Chongqing in the neighbouring oil- and gas-producing Sichuan Basin, it again took government intervention to get Sinopec and other suppliers to ship sufficient volumes to alleviate severe shortage conditions that had first appeared in early July.

Surprisingly, these tight market conditions reportedly continued to develop from September on despite refiners' efforts to cut back on export programmes and boost refinery throughputs. As of early December, several costal refineries, including Sinopec's 180 kb/d Shanghai facility, were reportedly running at more than 100% of nameplate capacity. As shown in the table below, net exports of gasoline were reduced from 210 kb/d in September to 140 kb/d in October, while diesel exports fell from 50 kb/d in September to zero to accommodate soaring domestic demand. Exports were reportedly further curtailed in November, falling to an all-year low in December. Sinopec's 320 kb/d Zhenhai refinery in Zhejiang province south of Shanghai, the country's largest, reportedly cut December exports to the bare minimum required under third-party processing deals, and even managed to postpone fulfilment of some such third-party contracts. Other Sinopec contractual export obligations were reportedly met by buying spot gasoline cargoes in the Singapore market so as to free more domestic barrels to meet local demand. Sinopec and PetroChina, having long lobbied the government to shut down small independent or locally-controlled refineries, reportedly resorted to buying off-spec product from those plants at inflated prices to alleviate a gasoil shortage in Shandong province and ensure sufficient supplies to their own distributors and retailers.



China Crude & Product Trade

(thousand barrels per day)

	2001	2002	4Q02	1Q03	2Q03	3Q03	Aug 03	Sep 03	Oct 03	Latest month vs. Sep 03	Latest month vs. Oct 02
Net Imports/(Exports) of:											
Crude Oil	**1044**	**1247**	**1192**	**1652**	**1556**	**1731**	**1521**	**2211**	**1536**	**-674**	**430**
Products & Feedstocks	**329**	**361**	**373**	**320**	**415**	**586**	**594**	**568**	**447**	**-121**	**55**
Gasoil/Diesel	0	-16	-41	-31	-32	-42	-24	-53	1	54	43
Gasoline	-134	-142	-152	-173	-191	-184	-155	-214	-144	70	3
Heavy Fuel Oil	313	281	336	334	401	531	503	547	338	-208	49
LPG	155	197	189	184	209	211	201	210	201	-10	-18
Naphtha	-19	-16	-15	-16	-25	-22	-18	-29	-22	7	3
Jet & Kerosene	8	9	23	-11	4	15	13	35	25	-10	-21
Other	5	48	32	32	50	77	74	72	48	-24	-4
Total	**1372**	**1609**	**1565**	**1972**	**1972**	**2317**	**2115**	**2778**	**1983**	**-795**	**486**

Sources: China Oil, Gas and Petrochemicals plus IEA estimates

Tight gasoline supplies also have fostered a spike in gasoline additive trading and imports. MTBE imports have surged in South China. Ethanol blending also has increased on the back of new production capacity, including a 600,000 tonnes/year facility in Jilin province that started at end-October. However those palliatives have only helped at the margin.

Refiners' efforts to boost runs were admittedly frustrated in part by delays in crude oil deliveries due to adverse weather in the South China Sea in October and November. Yet soaring end-user demand for gasoline and gasoil seems to be fundamentally testing the limits of China's refining and distribution capacity. Refinery runs, although at record highs in October and November, remained well below China's total nameplate capacity. This seems to confirm suspicions that total operable capacity lies significantly below China's theoretical nameplate capacity. While some refining units are known to have been mothballed, others may be too poorly linked to feedstock sources or market outlets to be economical or operable at full capacity. To cope with insufficient refining and logistical infrastructure, Unipec and ChinaOil, Sinopec and PetroChina's trading arms, have reportedly started discussions with Korean and Taiwanese refiners about third-party processing deals under which they would supply them with crude in exchange for a share of product output. State-owned trading company Sinochem has also been contemplating refining and trading joint ventures in Thailand.

Government price controls may also have contributed to hampering product supplies. China's government pricing policy was repeatedly tested in recent weeks, as independent refiners, followed by the two refining majors themselves, openly defied wholesale and retail price caps. Government delays in implementing retail price increases, presumably intended to shield end-users and the economy from the adverse effects of high energy costs, caused refining and marketing margins to deteriorate, and may thus have acted as a break on refinery runs and product sales when further increases in supplies were badly needed. Nevertheless, market forces reasserted themselves. As of early November, according to one domestic trade newsletter, the average wholesale gasoline price exceeded government price caps by 124 yuan/tonne at Sinopec and PetroChina facilities and by 64 yuan/tonne elsewhere. For gasoil, the surcharge was reportedly 139 yuan/tonne and 99 yuan/tonne, respectively. By mid-November, independent retail stations in Ningbo, near Shanghai, reportedly raised retail prices in defiance of government ceiling limits. Later in the month, Sinopec broke ground by following suit in Shenzhen. PetroChina and independent filling stations joined in.

In contrast with gasoline and diesel, apparent demand for residual fuel oil declined markedly in October on the month, falling to an estimated 765 kb/d from an average 895 kb/d in the third quarter. But that drop, which was in line with seasonal patterns, concealed a steep year-on-year gain, from 647 kb/d a year earlier. Apparent demand was also artificially constrained by diminishing import allocations left over for 2003, a factor expected to weigh even more heavily on November and December import volumes. Apparent residual fuel oil demand is expected to rebound in January, however, when new quota allocations for 2004 take effect. Under WTO agreements, fuel oil import quotas under the so-called "state-operator category," which totalled 14.55 million tonnes, or roughly 260 kb/d, in 2003, have been abolished, while the smaller import quotas under the "non state-operator" category have been raised by roughly 10% from 2003 levels.

Looking forward, it seems clear that China's economic growth, fuelled at once by aggressive government infrastructure programmes, increased consumer spending and robust export demand, will continue to support rapid oil demand growth in 2004. What is less clear is China's ability to cope with that rapid pace of demand growth. Power generation capacity is stretched to the limit, placing strenuous demands on coal and oil imports and domestic and international transportation capacity. If some of the recent bottlenecks that occurred in coal and oil supply and delivery merely resulted from poor planning and exaggerated expectations of the negative impact of the SARS outbreak, then demand growth may continue next year at the breakneck pace of 2003. If, however, rapid demand growth is stretching China's logistical resources and testing government policy, then infrastructure limitations and potential associated run-ups in prices and costs may act as a brake on demand, reducing the pace of growth in 2004.

FSU

Following upward adjustments to the estimate of FSU net crude and product exports from 2001 onward, baseline FSU apparent demand, calculated as total FSU crude output minus net crude and product exports, has been reduced. The revision to trade estimates, which follows a review of FSU crude and product export data from a wide variety of sources, focuses primarily upon previously underestimated rail and barge movements, which have soared in recent years as Russian and other exporters strived to overcome pipeline and port logistical constraints and find new outlets for their increasing output. Roughly two thirds of the adjustment covers products.

For 2001, net exports have been revised upwards by nearly 110kb/d, with the bulk of the revisions in the second half of the year. The upward adjustment increases to nearly 320 kb/d for 2002, with the scope of revisions widening gradually from 260 kb/d in the first quarter to a high of 400 kb/d in the fourth quarter. Because the revisions are based in part on data that become available up to a year after the fact, adjustments to trade estimates for 2003 have been estimated on the basis of 2001 and 2002 revisions. In other words, revisions to 2001 and 2002 have been carried forward as an adjustment factor to preliminary trade estimates for 2003, assuming that rail and barge exports that were missed in preliminary trade estimates in 2001 and 2002 continued to be understated in 2003 and the foreseeable future.

FSU monthly demand data for 2001 had been adjusted downwards in previous OMRs by an average 106 kb/d, to reconcile monthly apparent demand data with the so-called "Green Book" estimate of annual FSU observed demand for that year. Because nearly all of the revisions to 2001 trade data are focused on the latter port of the year, that initial adjustment factor had been maintained for the first half, but replaced with the trade adjustment for the second half of the year. As a result, demand estimates for 2001 have been adjusted by 60 kb/d, less than the 110 kb/d increase to estimated exports. For 2002 onward, however, the downward adjustment to demand mirrors exactly the upward adjustment to trade.

India Crude & Product Trade

(thousand barrels per day)

	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Latest month vs. Aug 03	Latest month vs. Sep 02
Net Imports/(Exports) of:											
Crude Oil	**1604**	**Na**	**1643**	**1752**	**1957**	**1801**	**1744**	**1689**	**1975**	**286**	**61**
(by Public Oil Cos)	**934**	**1088**	**1108**	**1137**	**1317**	**1137**	**1014**	**1220**	**1179**	**-41**	**-147**
Products & Feedstocks	**-28**	**-83**	**4**	**-125**	**-185**	**-205**	**-158**	**-189**	**-269**	**-80**	**-185**
Gasoil/Diesel	-54	-53	-35	-113	-120	-144	-99	-122	-213	-91	-146
Gasoline	-20	-48	-45	-66	-71	-88	-97	-78	-88	-10	-21
Heavy Fuel Oil	22	6	2	-10	24	13	10	33	-4	-37	-18
LPG	20	22	52	75	28	38	23	33	59	26	44
Naphtha	9	4	24	13	-43	-3	21	-36	7	43	0
Jet & Kerosene	29	10	8	-14	-3	-28	-20	-27	-37	-11	-64
Other	-34	-23	-2	-11	-1	7	5	8	8	0	19
Total	**1576**	**1005**	**1647**	**1627**	**1771**	**1596**	**1586**	**1500**	**1706**	**206**	**464**

Sources: Indian Ministry of Commerce, Indian Port Authorities and IEA estimates
Yearly data for net imports of crude oil for 2002 are not available. For 2002, "Total" indicates the sum of net crude oil imports by public oil companies and net products & feedstock by public, private and joint venture companies.

The net result of the changes is to marginally alter the pattern of demand growth recovery that followed the initial collapse of FSU demand after the fall of the Soviet Union. It had been initially understood that the post-Soviet Union contraction in FSU demand turned around in 2000 and that demand moved continuously upward from that point. Revised data suggest that the initial recovery actually gave way to another bout of contraction in 2001, before demand growth resumed in 2002. That more erratic pattern of total FSU demand matches more closely that observed for Russia alone in various recent studies, including a comprehensive review of government and company data recently commissioned by the Russian government. Although the general trend remains that of a gradual recovery in FSU oil demand, domestic price increases in 2002 appear to have triggered further efficiency gains, trimming consumption.

Summary of Global Oil Demand

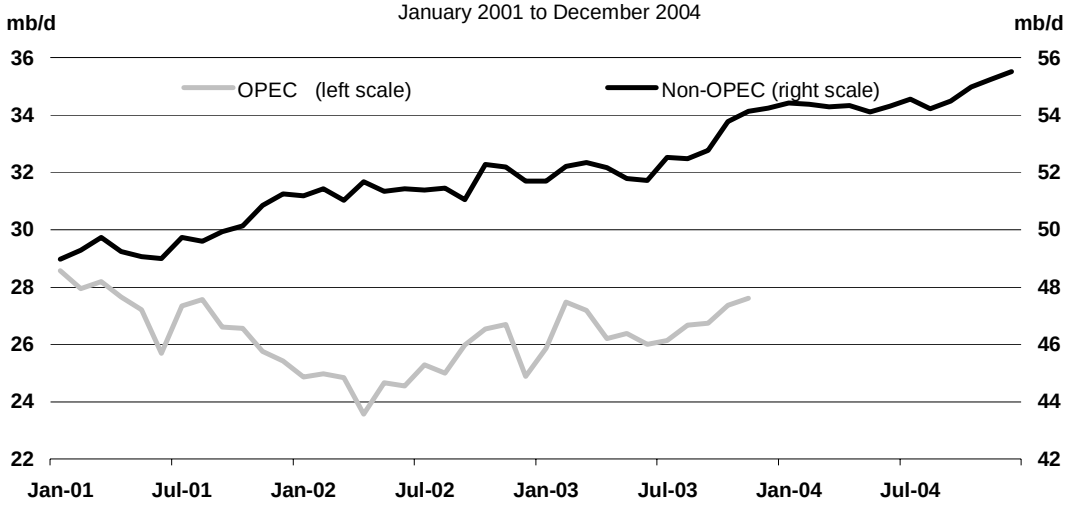
	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
Demand (mb/d)																
North America	24.00	23.93	24.02	24.34	24.35	24.16	24.56	24.16	24.83	24.63	24.55	24.70	24.42	25.18	25.05	24.84
Europe	15.26	15.15	14.63	15.18	15.35	15.08	15.19	14.99	15.25	15.59	15.26	15.29	15.05	15.43	15.77	15.39
Pacific	8.54	9.06	7.64	8.03	9.26	8.50	9.60	8.04	7.88	9.24	8.69	9.41	7.86	7.93	9.09	8.57
Total OECD	47.80	48.14	46.29	47.55	48.95	47.73	49.36	47.19	47.96	49.46	48.49	49.40	47.33	48.53	49.91	48.80
FSU	3.64	3.51	3.10	3.37	3.93	3.48	3.69	3.09	3.44	4.02	3.56	3.80	3.06	3.45	4.06	3.59
Europe	0.75	0.81	0.75	0.70	0.76	0.75	0.82	0.76	0.71	0.77	0.77	0.84	0.78	0.73	0.79	0.78
China	4.67	4.64	5.02	4.94	5.20	4.95	5.21	5.18	5.65	5.68	5.43	5.58	5.69	5.77	5.98	5.75
Other Asia	7.57	7.53	7.69	7.61	7.87	7.68	7.69	7.67	7.68	8.10	7.78	7.85	7.88	7.88	8.30	7.98
Latin America	4.89	4.72	4.81	4.86	4.72	4.77	4.46	4.63	4.77	4.70	4.64	4.53	4.69	4.83	4.77	4.71
Middle East	4.93	5.02	4.94	5.15	5.13	5.06	5.14	4.91	5.26	5.27	5.15	5.32	5.26	5.39	5.37	5.34
Africa	2.55	2.58	2.59	2.48	2.59	2.56	2.63	2.62	2.51	2.63	2.60	2.67	2.66	2.56	2.68	2.64
Total Non-OECD	29.00	28.80	28.90	29.11	30.20	29.25	29.64	28.86	30.02	31.19	29.93	30.59	30.02	30.59	31.95	30.79
World	76.80	76.93	75.18	76.66	79.16	76.99	79.00	76.05	77.98	80.65	78.42	79.99	77.35	79.12	81.86	79.59
Of which:																
US	*19.65*	*19.53*	*19.72*	*19.92*	*19.87*	*19.76*	*20.01*	*19.67*	*20.31*	*20.06*	*20.01*	*20.18*	*19.98*	*20.65*	*20.43*	*20.31*
Euro 4	*8.43*	*8.35*	*7.99*	*8.38*	*8.27*	*8.25*	*8.21*	*8.17*	*8.23*	*8.36*	*8.24*	*8.30*	*8.13*	*8.30*	*8.41*	*8.28*
Japan	*5.39*	*5.68*	*4.62*	*5.03*	*5.87*	*5.30*	*6.19*	*4.99*	*4.87*	*5.79*	*5.46*	*6.01*	*4.76*	*4.83*	*5.65*	*5.31*
Korea	*2.13*	*2.35*	*1.99*	*2.01*	*2.37*	*2.18*	*2.41*	*2.03*	*1.98*	*2.42*	*2.21*	*2.36*	*2.05*	*2.04*	*2.38*	*2.21*
Mexico	*1.99*	*1.99*	*1.98*	*1.97*	*1.98*	*1.98*	*2.02*	*2.07*	*2.06*	*2.04*	*2.05*	*2.02*	*2.04*	*2.06*	*2.08*	*2.05*
Canada	*2.04*	*2.07*	*2.02*	*2.13*	*2.16*	*2.09*	*2.17*	*2.10*	*2.14*	*2.18*	*2.15*	*2.13*	*2.08*	*2.13*	*2.19*	*2.13*
Brazil	*2.20*	*2.15*	*2.16*	*2.22*	*2.19*	*2.18*	*2.00*	*2.07*	*2.15*	*2.15*	*2.09*	*2.04*	*2.09*	*2.17*	*2.17*	*2.12*
India	*2.27*	*2.30*	*2.30*	*2.20*	*2.33*	*2.28*	*2.33*	*2.25*	*2.19*	*2.40*	*2.29*	*2.40*	*2.32*	*2.27*	*2.49*	*2.37*
Annual Change (% per annum)																
North America	-0.2	-1.7	0.7	1.1	2.5	0.7	2.6	0.6	2.0	1.2	1.6	0.6	1.1	1.4	1.7	1.2
Europe	1.0	-0.3	-0.9	-2.1	-1.5	-1.2	0.3	2.5	0.5	1.6	1.2	0.7	0.4	1.2	1.1	0.8
Pacific	-0.9	-3.6	-4.2	0.0	5.4	-0.5	6.0	5.3	-1.9	-0.2	2.3	-2.0	-2.2	0.6	-1.6	-1.3
Total OECD	0.0	-1.6	-0.6	-0.1	1.7	-0.1	2.5	2.0	0.9	1.0	1.6	0.1	0.3	1.2	0.9	0.6
FSU	-0.5	-5.7	-7.2	-1.3	-4.1	-4.5	5.2	-0.5	1.8	2.5	2.3	2.8	-1.0	0.3	0.8	0.8
Europe	6.0	0.8	1.1	1.4	1.5	1.2	1.8	1.5	1.6	1.7	1.6	1.8	1.9	2.0	2.2	2.0
China	2.5	3.9	1.1	9.7	9.0	5.9	12.3	3.3	14.5	9.4	9.8	7.2	9.7	2.0	5.2	5.9
Other Asia	2.1	0.3	1.6	1.8	2.1	1.5	2.0	-0.3	0.9	2.9	1.4	2.1	2.8	2.5	2.5	2.5
Latin America	0.4	-1.3	-2.9	-1.9	-3.1	-2.3	-5.4	-3.6	-1.8	-0.3	-2.7	1.6	1.3	1.3	1.4	1.4
Middle East	4.0	2.6	2.4	2.7	2.7	2.6	2.4	-0.6	2.1	2.7	1.7	3.6	7.1	2.6	1.8	3.7
Africa	3.5	0.0	0.3	1.1	0.6	0.5	2.2	1.1	1.2	1.5	1.5	1.7	1.7	1.8	1.8	1.7
Total Non-OECD	2.1	0.2	-0.3	2.1	1.5	0.9	2.9	-0.1	3.1	3.3	2.3	3.2	4.0	1.9	2.4	2.9
World	0.8	-0.9	-0.5	0.7	1.6	0.2	2.7	1.2	1.7	1.9	1.9	1.3	1.7	1.5	1.5	1.5
Annual Change (mb/d)																
North America	-0.06	-0.40	0.18	0.27	0.59	0.16	0.63	0.14	0.49	0.28	0.39	0.14	0.26	0.34	0.42	0.29
Europe	0.15	-0.05	-0.14	-0.33	-0.23	-0.19	0.05	0.36	0.07	0.25	0.18	0.10	0.06	0.18	0.17	0.13
Pacific	-0.08	-0.34	-0.33	0.00	0.48	-0.04	0.55	0.41	-0.15	-0.02	0.19	-0.19	-0.18	0.05	-0.15	-0.12
Total OECD	0.02	-0.79	-0.29	-0.05	0.84	-0.07	1.22	0.90	0.41	0.51	0.76	0.04	0.14	0.57	0.45	0.30
FSU	-0.02	-0.21	-0.24	-0.04	-0.17	-0.17	0.18	-0.02	0.06	0.10	0.08	0.10	-0.03	0.01	0.03	0.03
Europe	0.04	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02
China	0.12	0.17	0.05	0.44	0.43	0.27	0.57	0.17	0.71	0.49	0.49	0.38	0.50	0.12	0.30	0.32
Other Asia	0.16	0.02	0.12	0.13	0.16	0.11	0.15	-0.02	0.07	0.23	0.11	0.16	0.22	0.19	0.20	0.19
Latin America	0.02	-0.06	-0.14	-0.10	-0.15	-0.11	-0.25	-0.17	-0.09	-0.02	-0.13	0.07	0.06	0.06	0.07	0.06
Middle East	0.19	0.13	0.12	0.13	0.14	0.13	0.12	-0.03	0.11	0.14	0.08	0.19	0.35	0.13	0.09	0.19
Africa	0.09	0.00	0.01	0.03	0.02	0.01	0.06	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.05	0.04
Total Non-OECD	0.59	0.06	-0.07	0.60	0.44	0.26	0.84	-0.03	0.91	0.99	0.68	0.95	1.16	0.57	0.76	0.86
World	0.61	-0.74	-0.36	0.55	1.27	0.19	2.06	0.87	1.32	1.50	1.44	0.99	1.30	1.15	1.20	1.16
Changes from Last Month's Report																
North America	-	-	-	-	-	-	-0.01	0.01	0.16	0.03	0.05	-0.01	0.02	0.11	0.05	0.04
Europe	-	0.01	0.01	0.01	0.01	0.01	-	0.01	0.15	0.07	0.06	0.02	0.03	0.21	0.11	0.09
Pacific	-	-	-	-	-	-	-	-	0.03	0.14	0.04	0.17	0.02	0.04	0.05	0.07
Total OECD	-	0.01	0.01	0.01	0.01	0.01	-0.01	0.02	0.33	0.24	0.15	0.18	0.07	0.35	0.21	0.20
FSU	-0.06	-0.22	-0.28	-0.28	-0.39	-0.30	-0.30	-0.30	-0.30	-0.40	-0.33	-0.31	-0.30	-0.30	-0.40	-0.33
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.04	0.13	0.04	0.05	0.02	0.04	0.11	0.06
Other Asia	-	-	-	-	-	-	-	-	-0.06	0.04	-0.01	0.01	0.01	-0.05	0.05	-
Latin America	-	-	-	-	-	-	-	-	0.02	0.02	0.01	0.03	-	0.02	0.02	0.02
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-0.06	-0.22	-0.28	-0.28	-0.39	-0.29	-0.30	-0.30	-0.31	-0.21	-0.28	-0.22	-0.27	-0.29	-0.22	-0.25
World	-0.06	-0.21	-0.28	-0.28	-0.38	-0.29	-0.31	-0.28	0.03	0.03	-0.13	-0.04	-0.19	0.06	-0.01	-0.04

SUPPLY

Summary

- Growth in **world oil supply** amounted to 625 kb/d in November, less than half the level of the increase recorded in October. World supply reached 81.73 mb/d. Month-on-month, non-OPEC supply was up by 345 kb/d, OPEC crude by 255 kb/d and OPEC other supplies by 30 kb/d.
- Year-on-year oil supply growth continues apace, with total output 2.8 mb/d higher than a year ago, OPEC crude being 900 kb/d up, non-OPEC supplies 1.59 mb/d above November 2002 and other OPEC liquids up by 340 kb/d.
- **Non–OPEC supply** growth is estimated to have been muted compared to October's 900 kb/d surge in production. Non-OECD supply grew strongly, driven by Angola, Russia, Brazil and China. OECD supply however, while rising, showed less growth than in October, as North Sea production began to level off after last month's sharp post-maintenance rise. Notably, US NGL production appears to have sustained recent months' growth. Non-OPEC supply growth should now level off before sharp growth resumes in second-half 2004.
- Total **OPEC crude supply** averaged 27.60 mb/d in November, up by 255 kb/d from October. Iraqi production increased by 320 kb/d while production from the rest of the Organisation was lower by 65 kb/d. Exports from Basrah in southern Iraq grew to 1.55 mb/d but security issues continue to hamper refinery operations and prevent the re-start of the northern export line to Turkey. Kuwait, Nigeria and UAE are also thought to have seen modest production increases.
- November production from the **OPEC-10** averaged 25.7 mb/d, with little sign of production cuts in line with the proposed 900 kb/d 1 November reduction in target levels. Production from the OPEC-10 therefore averaged more than 1.0 mb/d above the new target.
- The Vienna OPEC meeting agreed to roll-over the existing production target of 24.5 b/d, with a further Extraordinary Meeting arranged for 10 February 2004 in Algiers. That meeting will reportedly address the measures needed to avoid a potential supply overhang in 2Q 2004.
- The **"call on OPEC crude plus stock change"** is revised down by 100 kb/d for 2003, primarily due to the impact in the first half of the year of lower implied FSU demand. The call is also lowered by the same amount for 2004 (with the changes again focussed in the first half), but this time in relation to higher non-OECD supply. This Report foresees an 800 kb/d drop in the call on OPEC for 2004 to 25 mb/d, with a 2Q low of 23.1 mb/d.

OPEC Crude and Non-OPEC Oil Supply [1]



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

All world oil supply figures for November discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska, Russia, Peru, Vietnam and Egypt are supported by preliminary November crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 200 kb/d and 300 kb/d for non-OPEC supply each year.

OPEC

Crude production from OPEC in November is estimated at 27.60 mb/d, a rise of 255 kb/d from October's upward revised estimate of 27.35 mb/d. October production from both Iran and Saudi Arabia is now thought to have been some 80 kb/d higher than estimated in last month's Report based upon latest tanker sailing and export data. Modest upward revisions were also made to October production from Indonesia (+20 kb/d) and UAE (+10 kb/d), while Iraqi output in October is now assessed 20 kb/d lower than earlier estimates. Iraq increased production in November by 320 kb/d, Kuwait by 50 kb/d and Nigeria by 20 kb/d. Saudi Arabia curbed production by 100 kb/d, with Iran and Indonesia also seeing production some 20 kb/d below October levels.

OPEC Crude Production

(million barrels per day)

	1 Nov 2003 Target	Nov 2003 Production	Sustainable Production Capacity[1]	Spare Capacity vs Nov 2003 Production	Production vs. Target
Algeria	0.78	1.15	1.20	0.05	0.37
Indonesia	1.27	1.00	1.10	0.10	-0.27
Iran	3.60	3.85	3.85	0.00	0.25
Kuwait[2]	1.97	2.29	2.30	0.01	0.32
Libya	1.31	1.45	1.50	0.06	0.13
Nigeria	2.02	2.27	2.50	0.23	0.25
Qatar	0.64	0.74	0.80	0.06	0.11
Saudi Arabia[2, 3]	7.96	8.50	9.50	1.00	0.54
UAE	2.14	2.24	2.40	0.16	0.10
Venezuela[4]	2.82	2.22	2.35	0.13	-0.60
Subtotal	**24.50**	**25.70**	**27.50**	**1.80**	**1.20**
excl. Venezuela				*1.67*	*1.80*
Iraq[5]		**1.90**	**2.80**	**0.90**	
Total		**27.60**	**30.30**	**2.70**	

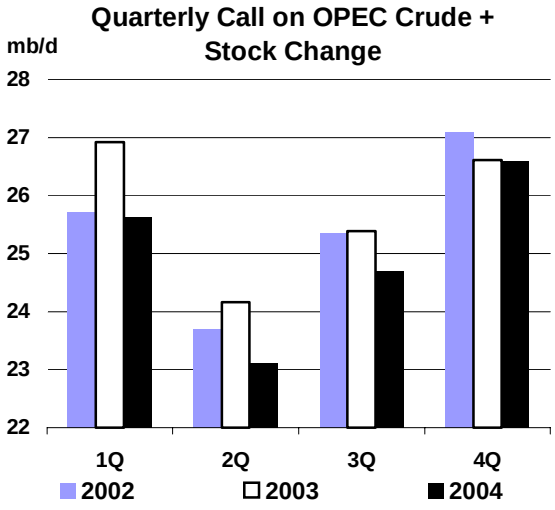
1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone production
3. Saudi Arabia's capacity can reach 10.5 mb/d within 90 days
4. Excludes upgraded Orinoco extra-heavy oil, which averaged 378 kb/d in November
5. Iraqi capacity represents pre-war estimate

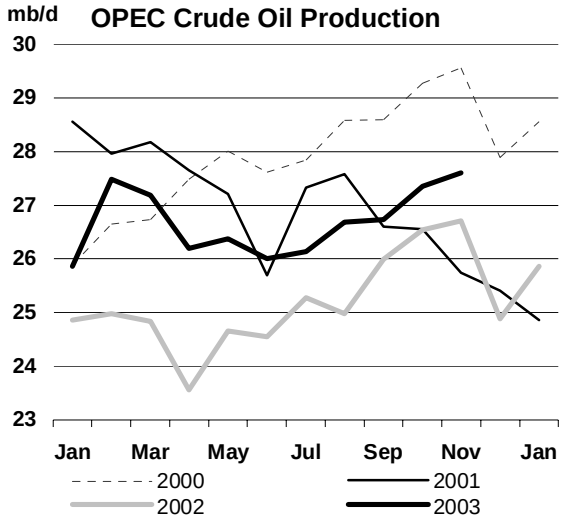
November production from the OPEC-10 was more than 1.0 mb/d above target levels. Production to date in 4Q from OPEC as a whole also appears to be running 900 kb/d above this Report's assessed "call on OPEC crude plus stock change" for the quarter. However, with OECD total oil stocks 28 mb below year-ago levels at the end of October, it can be argued that the market "needs" the extra supply OPEC has been providing in recent months. OPEC members can point to average November crude prices of $28.45/bbl to explain their non-compliance versus target.

Consequently, OPEC decided on 4 December to roll-over the existing target production level of 24.5 mb/d, a move generally expected by market participants. The group also cited declining dollar purchasing power as justifying their willingness to allow prices to rise above their target range at times. However, geopolitical factors, rather than overly-tight market fundamentals, were put forward as the main reason behind recent high prices. A further extraordinary meeting has been convened for 10 February in Algiers which will likely address moves to forestall a potential supply overhang of oil in 2Q 2004. The post-meeting communique indicated that in the interim, moves would be made to ensure compliance with the existing target production level.

It remains the case that OPEC faces a substantial decline in the demand for its crude in the first half of 2004. Managing quota reallocation claims will likely make the job even more difficult. However, the continuing uncertainty surrounding short-term supply potential from Indonesia, Venezuela, Nigeria and Iraq (allied to upside demand potential over the winter) may provide OPEC with some breathing space before difficult decisions have to be enacted in the first half of 2004.

Iraqi November production (net of re-injection at northern fields) is estimated at 1.90 mb/d, a rise of 320 kb/d from a revised October level of 1.58 mb/d. All of the increase derived from southern fields, with northern production reportedly dropping as low as 200 kb/d, net of re-injection. Some reports have suggested that northern production could rise rapidly towards 900 kb/d given sufficient outlets for the crude. However, concerns persist that water cut remains a problem in both the north and south. The rapid build-up in southern production has also been cited as potentially undermining longer-term recovery and sutainability. Notwithstanding these concerns, Iraqi industry sources are targetting 2.3 mb/d end of December production, 2.8 mb/d by 2Q-2004 and potentially 3 mb/d by late-2004. As ever, improved security around oil installations and the reactivation of idled export outlets remains the key uncertainty over whether and when these targets are met.





Exports from the southern Basrah terminal increased by an estimated 390 kb/d, internal crude use by refineries and for direct burn declined modestly due to continued disruption to operations at the Baiji and Daura refineries. Crude feeder lines to the two refineries reportedly suffered repeated sabotage. Domestic crude use is thought to have remained suppressed in early December, with a week's maintenance work planned for the Baiji refinery. Operations at the Basrah refinery in the south suffered less November disruption and operating rates approached 150 kb/d capacity at times.

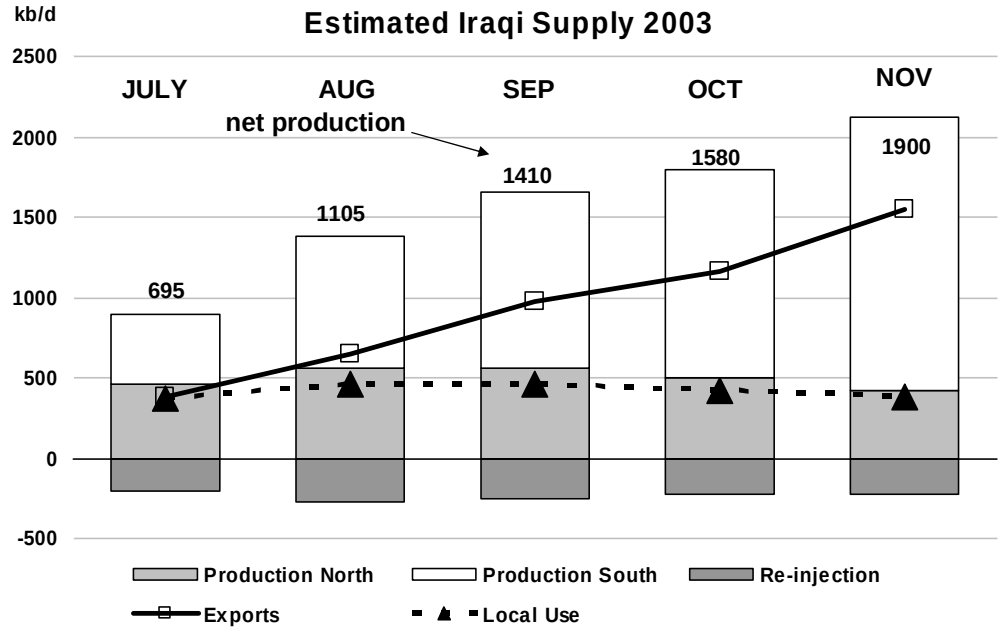
Crude exports in November averaged 1.55 mb/d, all liftings occurring at the Basrah terminal in the south. Several cargoes were held over into November from planned October lifting. Notional capacity at Basrah was thought to be around 1.6 mb/d but peak loading rates in November may have reached 1.8 mb/d and recent reports from Iraqi industry sources suggest that the terminal may be able to handle as much as 1.9 mb/d. Around 1.65 mb/d of exports are targeted for December.

Given limits upon Basrah export capacity, Iraq's ambitious plan to regain production near 3 mb/d during 2004 are clearly dependent upon the broadening of Iraq's export base. Progress on this front can be summarised as follows:

- There are plans to augment southern export capacity by an initial 400-700 kb/d via reactivation of the Khor al-Amaya terminal on the Gulf. But recent comments from Oil Minister Bahr al-Uloum suggest this may not be available until mid-2004 at the earliest;
- Initial overtures have been made towards Iran regarding the construction of a link to the Iranian pipeline network for the delivery of 350 kb/d of Iraqi crude, Iraq receiving products in return. The geopolitical linkages of this scheme are uncertain;
- Plans to re-activate the 300 kb/d link to Syria and the 1.6 mb/d line to Saudi Arabia's Red Sea coast have been mentioned, but the latter faces longer-term technical and political obstacles;

- No date has yet been given for the expected resumption of exports via the northern pipeline to Ceyhan in Turkey. Initial flows via that route of 300-500 kb/d have been mentioned, with a longer-term goal for mid-to-late 2004 of 800 kb/d. This remains probably the single most important piece of the export "jigsaw" in facilitating a further step-rise in Iraqi production.

The widespread assumption that **Saudi Arabia** curbed production in November by 300 kb/d, in accordance with its target appears misplaced. This Report estimates a much more modest cut of the order of 100 kb/d, maintaining Saudi production (including the Saudi share of Neutral Zone) at or above 8.5 mb/d for the eleventh month running. Data on tanker movements out of the Gulf suggest that a fall-off in sailings is likely to have been limited in extent and restricted to the very tail end of the month. Saudi shipping arm Vela also arranged access on a "subjects" (or provisional) basis to spot tanker tonnage for moving 8 mb of crude in late November and a further 6 mb around mid-December. Although not necessarily indicative of incremental supply, such moves suggest any production cuts in November are likely to have been limited. Taken on top of tonnage delayed in and around the Black Sea in November, heavy ongoing demand from the Arab Gulf helped sustain spot tanker VLCC rates for much of November, particularly on routes into Asia.



A modest 50 kb/d contraction in November exports out of **Iran** from very high October levels is thought to have occurred, but is partly countered by higher internal consumption. Overall supply is therefore assessed down by only 20 kb/d versus October. The Ministry of Petroleum submitted to OPEC revised estimates of recoverable reserves of crude and condensate in Iran. At 130.8 billion barrels these were some 35% higher for end-2002 than the end-1999 figure of 96.4 billion barrels. It is perhaps no coincidence that this move comes in advance of negotiations whereby several OPEC producers hope to attain increased quota shares in the months ahead.

Evidence of production cuts from elsewhere in the Gulf was sparse. **Kuwaiti** supply is estimated up by some 50 kb/d, amidst healthy crude demand from Asian customers. Longer-term attempts to boost supply await a final decision on how to implement *Project Kuwait* which aims to raise capacity at northern fields to 900 kb/d from over 400 kb/d currently. Supply out of the **UAE** is also thought to have risen modestly (+10 kb/d) in November as maintenance work at the Lower Zakum and Umm Shaif fields drew to a close. December and January supplies to term customers are expected to rise further as these two fields regain higher production levels once again.

Despite another turbulent month from a political and security perspective, **Nigerian** production is believed to have risen by 20 kb/d to reach 2.27 mb/d. A series of hostage taking incidents involving Shell and ChevronTexaco installations were resolved by late month and are thought to have cost only around 10 kb/d for the month as a whole from lost ChevronTexaco production at the Pennington system. Ijaw militants threatened staff at Shell's new EA field, although with no impact on production. Plans for refinery privatisations also prompted further calls for industrial action throughout the oil sector. However, while November events point to further possible supply

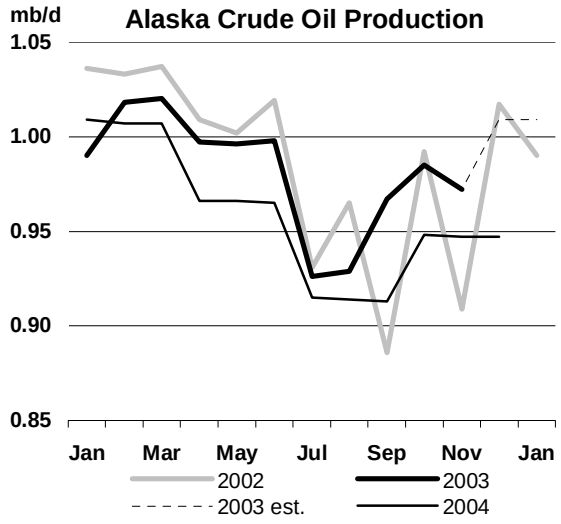
disruptions ahead, offshore production continues to increase. Furthermore, previously shuttered Shell production and that from ExxonMobil's Qua Iboe system are thought to have continued to recover. High November export schedules and expectations of more of the same for December support these rising Nigerian production levels.

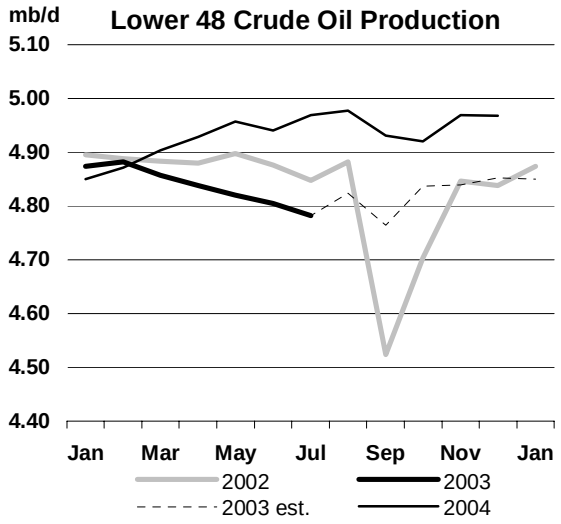
The two other OPEC producers prone to supply decline, **Indonesia** and **Venezuela**, had a mixed month. Production from the former is estimated at 1.00 mb/d, down by 20 kb/d from October. However, the incoming OPEC President and the incumbent Indonesian Energy Minister Purnomo Yusgiantoro said he expects Indonesia to shortly announce a one billion barrel addition to proven and probable reserves at 14 new fields due onstream in 2004, which could add upwards of 100 kb/d to Indonesian production. Meanwhile, in **Venezuela,** production appears to have stabilised in November, with conventional crude production of 2.22 mb/d (excluding some 380 kb/d of upgraded Orinoco production). However, this occurred against a backdrop of continuing political unrest, reports of declining production potential, falling exports and US and Venezuelan government investigations into the terms under which oil products sales were made in the months following the oil workers'strike a year ago.

OECD

North America

US – November Alaska actual, others estimated: US crude production is estimated to have levelled off in November at around 5.8 mb/d, as a modest rise from the Gulf of Mexico was countered by declines from Alaska and elsewhere. Final production data for Alaska in November showed production down by 13 kb/d from October, largely due to a late-month transformer failure at the Northstar field which pushed production there down to less than 5 kb/d from an earlier 75 kb/d. Notwithstanding, production remained well above November 2002's earthquake-affected levels. In November, the US Interior Department announced it will allow exploration drilling in a further 3.6 million hectares of the Alaskan National Petroleum Reserve. US Gulf of Mexico (GOM) production obtained a boost from the start-up of Total's Matterhorn field in November and Murphy's Medusa field in early-December. GOM production is forecast to increase by over 200 kb/d in 2004 after an anticipated 110 kb/d increase in 2003.

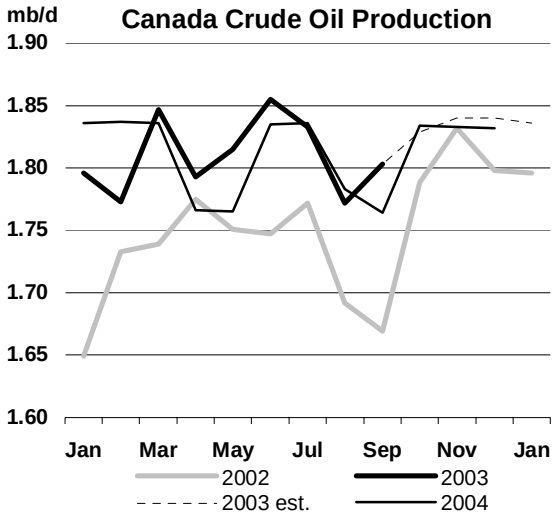


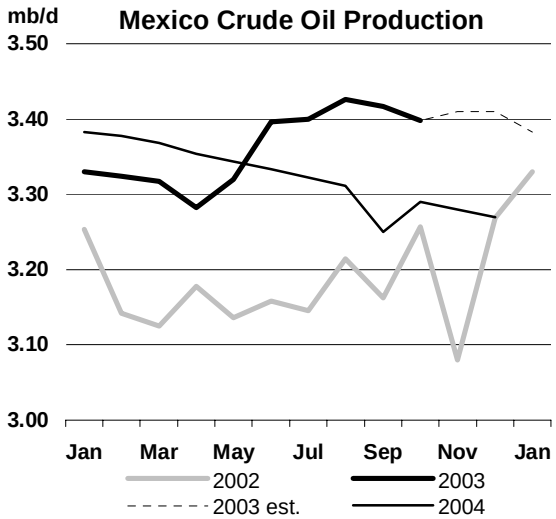


The trend in US NGL production remains upward, despite indications in recent weeks of sharply rising US gas demand and a large draw in US natural gas stocks in the last week of November. November NGL production, according to US weekly data, appears to be running some 300 kb/d above May lows. The coming winter will be crucial for the broader US oil supply picture in 2004, since recovering NGL supply combined with US GOM growth represent the cornerstones of this Report's forecast of US supply growth for 2004. Sustained cold weather, lower gas stocks and rising prices could undermine the 125 kb/d rebound in NGL supply envisaged in our forecast.

Canada – October Newfoundland and syncrude actual, others September actual: Production of conventional crude from Canada rose an estimated 26 kb/d in October and by a further 10 kb/d in November. Production from the Syncrude, synthetic crude upgrader also

staged a partial recovery in November as the company brought back onstream a coking unit idled for unscheduled repairs in October. Further increases in production are anticipated for synthetic crude through early 2004 and for the year as a whole (+100 kb/d). Indeed, the Canadian Association of Petroleum Producers (CAPP) highlighted the growing importance of oil sands exploitation for Canada, with this segment reportedly representing 25% of oil and gas spending in 2002.

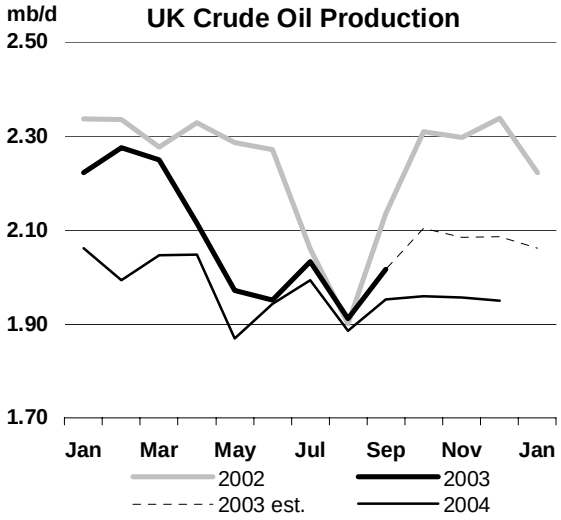


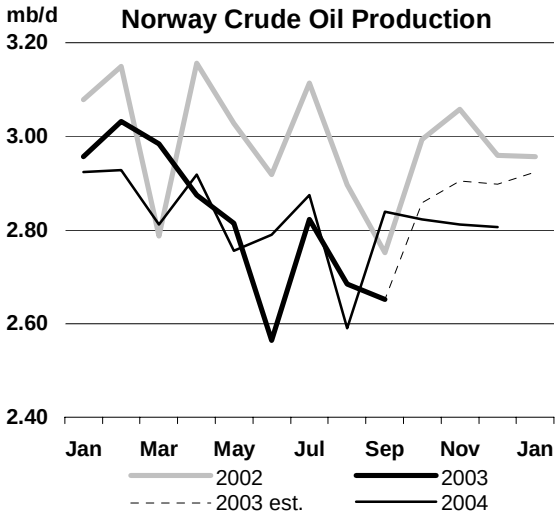


Mexico – October actual: Mexican crude production in October fell 19 kb/d versus September and is expected to remain around prevailing 3.4 mb/d levels through to the end of the year. In contrast to crude, NGL production rose by 25 kb/d in October. Crude exports were flat, at 1.86 mb/d, although shipments of heavy/sour Maya crude increased, as did exports to the US at the expense of those to Asia. An anticipated tripartite meeting between representatives from Mexico, Venezuela and Saudi Arabia ahead of the 4 December OPEC meeting failed to materialise. While production from the key Cantarell field is well above year ago levels after intensive investment in nitrogen injection, Pemex has announced that the field could enter decline in late-2004. However, Energy Minister Calderon in November proved rather more upbeat, suggesting overall crude output growth for 2004 of 2% to 4%.

North Sea

UK – November estimate: Final data for August point towards an even sharper decline than estimated last month, and indicate UK offshore production falling below 2 mb/d for the first time in well over a decade. This was followed by reports that September saw the UK record its first deficit in crude and products trade since 1991. Offshore production is thought to have recovered in excess of 2.25 mb/d in October as fields emerged from earlier maintenance. However, recovery at the Brent system after September's gas leak appears to have been slower than anticipated in last month's Report. Loading schedules for November and December for the Brent, Forties and Flotta systems





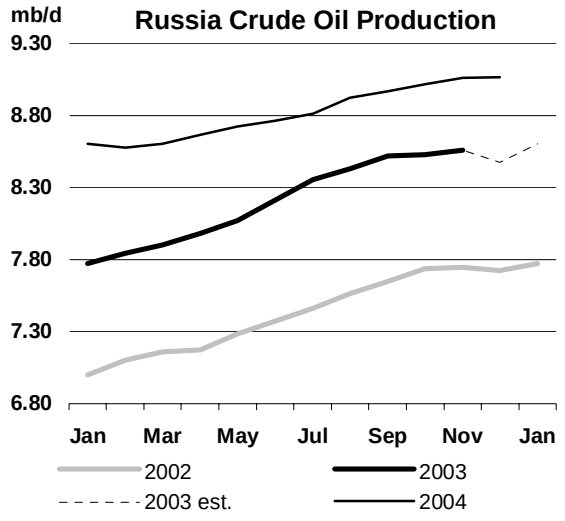
suggest that production has generally flattened off close to October levels. Offshore production is now seen declining by some 60 kb/d in 2004 which nevertheless represents a recovery from the 195 kb/d decline expected for 2003. Once again however, measures to stem UK sector decline emerged. The UK Department of Trade and Industry in November announced development approval for EnCana's Buzzard field which should add up to 190 kb/d to Forties crude blend from late-2006.

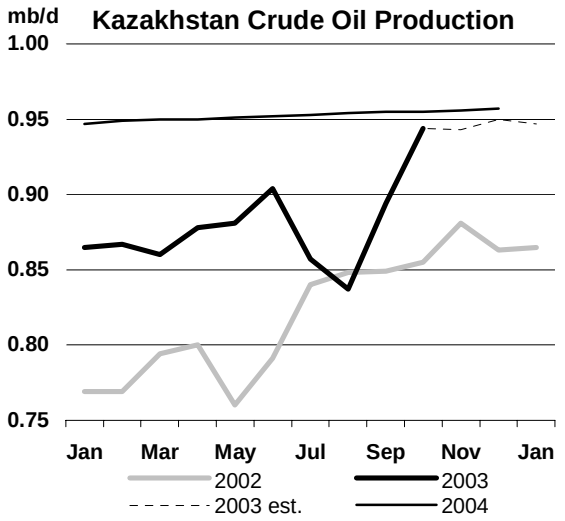
Norway – September actual, October provisional: Final September data show lower production, in particular of condensates, compared to expectations from last month. Output of condensate from the Draugen, Gullfaks, Norne and Asgard fields was notably lower than in August. Similarly, crude production at these fields was also impacted by maintenance in September. However, provisional indications are that October crude output rebounded by some 45 kb/d. Taking loading schedules as a guide, modest production recovery is thought to have continued in November, although supply may level off in December. The Oil and Energy Minister reiterated in November that Norway had no plans to cut output in 2004 in support of OPEC and that production close to existing capacity levels would likely be maintained.

Former Soviet Union (FSU)

Russia – October actual, November provisional: Crude production from Russia reached 8.53 mb/d in October and an estimated 8.56 mb/d in November. Major producers TNK-BP, Lukoil, Yukos and Sibneft released generally upbeat production forecasts for 2004, albeit generally showing a slow-down in growth versus 2003 levels. This report continues to assume a slow-down in production growth from the 800 kb/d now anticipated for 2003. With ongoing export expansion, particularly at Baltic and northern outlets, amounting to between 600 kb/d and 700 kb/d in 2004, production growth has been pegged at the lower end of this range. This suggests 7% production growth in 2004 compared to 11% for 2003.

Prospects for growth in 2004 will be critically dependent on how the current legal and political procedures surrounding Russia's largest producer Yukos play out. Yukos and prospective partner Sibneft could account for nearly 200 kb/d of next year's production growth, so that any impediment to their continued expansion would have a material impact on total Russian supply growth. The situation was further complicated in late November by an announcement that the merger between Yukos and Sibneft had been suspended. However, this Report continues to assume that the company's operations themselves will not be affected in the short term.





After a review of FSU crude and product export data from a wide variety of sources, this report's FSU export estimates have been adjusted upwards for the 2001-2003 period by between 100-300 kb/d. The adjustments cover both crude oil and oil products but are focussed primarily upon oil products movements, and the growing volumes of both crude and products that move by rail and river barge. Frequently, export data can only be confirmed after volumes of oil have reached their final destination, requiring retroactive adjustment of preliminary estimates. The adjustments made for this Report are an attempt to better represent, in full, the volumes of oil moving out of the FSU and to estimate from necessarily incomplete preliminary data how much oil has moved in the most recent months.

FSU Net Exports of Crude & Petroleum Products

(million barrels per day)

	2001	2002	4Q02	1Q03	2Q03	3Q03	Revised Sep 03	Revised Oct 03	Prelim. Nov 03	Latest month vs. Oct 03	Latest month vs. Nov 02
Black Sea Exports	1.99	2.51	2.43	2.60	2.98	2.95	2.95	2.91	2.62	-0.30	0.02
Baltic Exports	1.63	2.00	1.94	2.17	2.61	2.57	2.50	2.48	2.75	0.27	0.68
Total Seaborne	**3.62**	**4.53**	**4.44**	**4.78**	**5.61**	**5.52**	**5.44**	**5.13**	**5.36**	**0.24**	**0.66**
Druzhba Pipeline	1.06	1.04	1.06	1.03	1.01	1.02	1.02	1.08	1.08	0.00	0.01
Other	0.19	0.34	0.36	0.39	0.46	0.51	0.49	0.63	0.63	0.00	0.21
Total Exports	**4.87**	**5.90**	**5.86**	**6.21**	**7.08**	**7.05**	**6.94**	**6.83**	**7.07**	**0.24**	**0.88**
Imports	0.01	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.00
Total Net Exports	**4.85**	**5.89**	**5.85**	**6.19**	**7.06**	**7.04**	**6.93**	**6.83**	**7.06**	**0.23**	**0.88**
Crude	3.42	4.02	3.99	4.27	4.76	4.85	4.76	4.82	5.10	0.28	0.83
of which: Russian Crude	*2.64*	*3.00*	*2.97*	*2.99*	*3.21*	*3.36*	*3.34*	*3.28*	*3.47*	*0.19*	*0.30*
Products	1.45	1.88	1.87	1.94	2.32	2.20	2.18	2.01	1.97	-0.04	0.05

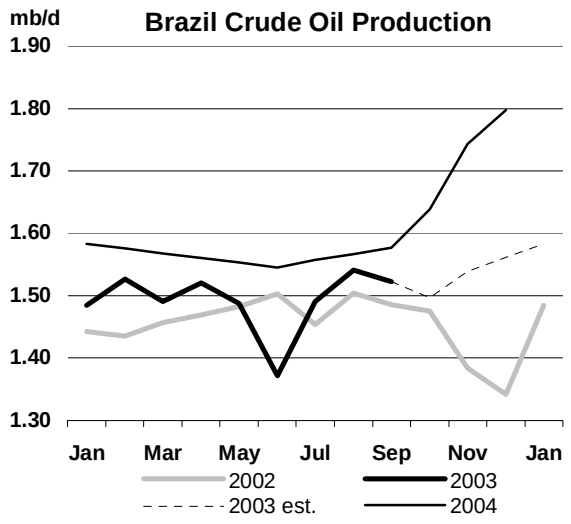
Sources: Petro-Logistics, IEA estimates

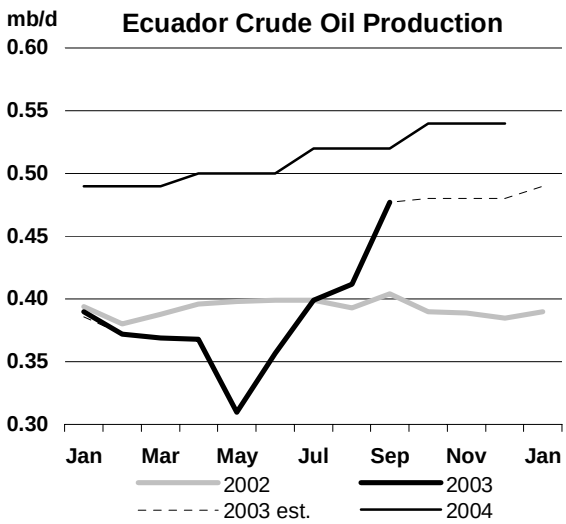
Total net exports in November are believed to have increased from lower October levels, although this increase was concentrated in the first three weeks of the month. Both products exports in total and deliveries of crude and products via the Black Sea fell versus October. Towards the end of the month the accumulated impact of earlier shipping delays through the Bosphorus and weather-related loading delays at the Black Sea port of Novorossiysk led to Russian pipeline operator Transneft suspending pipeline crude deliveries to the port as storage tanks filled. This fall in Black Sea exports, however, was compensated for by markedly higher crude deliveries via the newly expanded port of Primorsk on the Baltic. Preliminary indications for December suggest a repositioning of exports away from the Black Sea and towards the Baltic, albeit subject to ports in the latter area remaining free of ice.

Kazakhstan – October actual: Recovery in Karachaganak condensate and Tengiz crude production underpinned an 85 kb/d rebound in October oil production from Kazakhstan. Maintenance at the Tenghiz field and problems with mercaptan contamination at Karachaganak had earlier disrupted production. Delays in feeding supplies of Karachaganak condensate into the CPC pipeline system are likely to delay a proposed rise in field production to 200 kb/d until well into 2004. Meanwhile, the Kazakh parliament is studying a bill to introduce a crude export tax. Producing fields developed before the proposed tax's introduction will be exempt, as will large scale new field developments under production sharing agreements (PSAs).

Other Non-OPEC

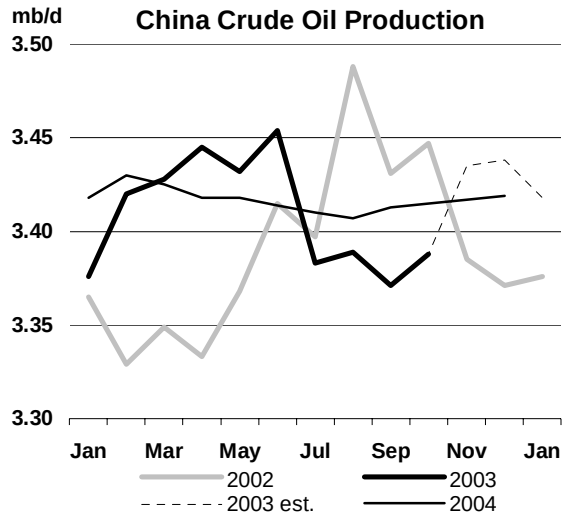
Brazil – September actual, October provisional: Brazilian crude production fell by 19 kb/d in September and by an estimated 25 kb/d in October. Maintenance at the P-18 platform in the Marlim field within the Campos Basin accounted for much of October's decline. State producer Petrobras is concerned that recent unscheduled outages are now likely to prevent the company attaining endofyear

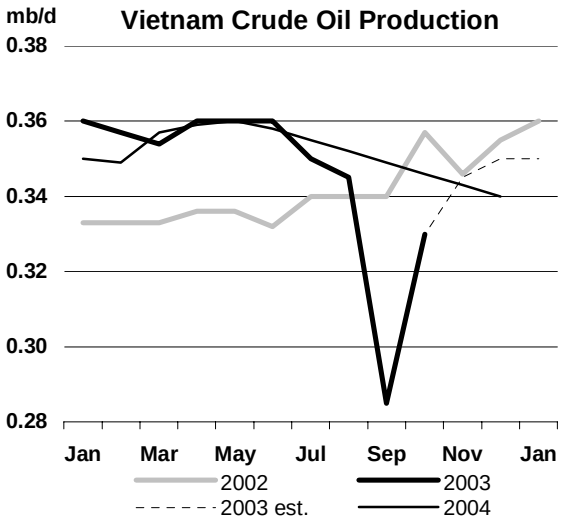




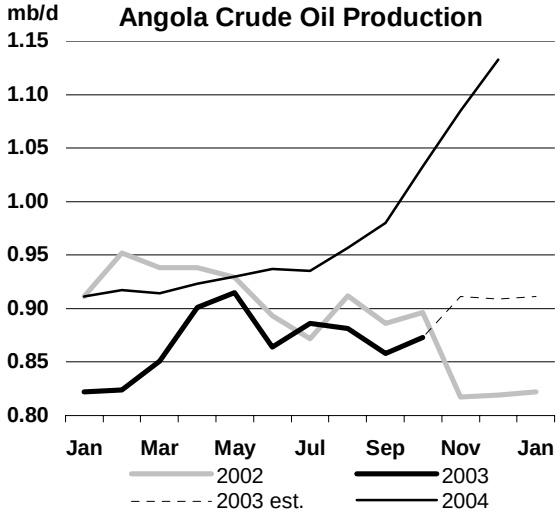
production targets. However, second-half 2004 is still likely to see a sharp rise in Brazilian production. All of the increase will likely derive from the offshore Campos Basin when new production facilities at the Albacore Leste, Marlim Leste, Barracuda and Caratinga fields enter service.

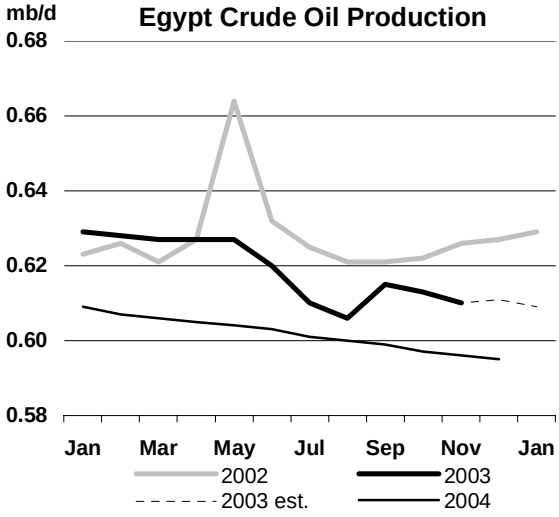
Ecuador – September actual: Crude production from Ecuador surged by 65 kb/d in September as private operators boosted deliveries to the newly inaugurated OCP pipeline. The pipeline, delivering crude from the Amazon region to the Pacific coast, received environmental operating permits in November. The line has a capacity of 450 kb/d but financial constraints amongst private sector operators are believed likely to constrain production increases in the short term. State Petroecuador expects crude production to average around 525 kb/d in 2004, suggesting an initial surge may not be sustained. This Report assumes a slightly more conservative profile for crude production for 2004, averaging around 515 kb/d but reaching 540 kb/d by the end of the year. However, evidence of sustained higher production levels after the first few months of OCP operation may result in upward revisions for Ecuador production estimates. In a related development, the trans-Panama pipeline re-opened recently, and will be used to ship Ecuadorean Napo crude to the US Gulf Coast. The 400 kb/d pipeline was formerly used to ship Alaskan crude into the Atlantic Basin.





China – October actual: Production from China in October showed a less pronounced rebound than anticipated in last month's Report. However, supply is likely to have regained the 3.45 mb/d levels attained earlier in 2003 during November as offshore production continued to recover from weather-related outages experienced in September. A build up in production from new offshore fields Panyu and Zhao Dong underpins the 4Q 2003 production recovery. Nevertheless, 2004 is likely to see rising offshore production offset by declining output at mature stalwarts Daqing and Shengli.





Vietnam – October actual, November provisional: As expected, Vietnamese production rebounded in October and is thought to have shown further growth in November with the start-up of the Su Tu Den field. Vietnamese production for 2004 may be subject to upward revision depending upon confirmation of the production profile expected for the Su Tu Den field. However, for now this Report's projections have been held broadly in line with latest government estimates for national production in 2004 of some 345 kb/d.

Angola – October actual, November provisional: October production rebounded 15 kb/d after the dip seen in September and production is estimated to have risen further in November. Fourth quarter production is being boosted by start-up of the offshore Jasmim and Xicomba fields. However, the main increment expected for offshore Angola will occur towards late 2004 when ExxonMobil's 250 kb/d Kizomba A comes onstream. A string of offshore developments being pursued by ExxonMobil, Total, BP and ChevronTexaco are thought capable of doubling existing Angolan production levels before the end if the decade.

Revisions

Non-OPEC supply data revisions in aggregate are relatively modest this month. Data for 2003 are adjusted down by 11 kb/d due predominantly to North Sea revisions which are only partly compensated for by upward revisions for Asia and FSU. Next year's forecast is adjusted up by 24 kb/d as higher Asian, Latin American and FSU supply outstrip lower projections for the North Sea and Africa. The net result of 2003/2004 changes is a 35 kb/d increase in expected Non-OPEC growth for next year to 1.48 mb/d from last month's 1.45 mb/d. OPEC NGL production (not shown in the table below) has also been revised up to reflect a build-up in supplies from the newly started NGL 1200 and NGL 1300 plants at the Gachsaran and Bibi Hakimeh fields respectively in Iran.

US liquids supply is revised up by 12 kb/d for 2003 and by 21 kb/d for 2004. Higher baseline supply out of Texas and of the "other hydrocarbons and oxygenates" category offset lower expectations for Alaska and Gulf of Mexico. Adjustments to **Canadian** supply combine slightly higher conventional crude supply from Saskatchewan and offshore Newfoundland, but a compensating downward adjustment for syncrude output. The latter follows Syncrude's downward adjustment to its production estimates and also an adjustment to forecast for the Shell upgrader. In total, Canadian liquids supply is revised down 16 kb/d for 2003 and 3 kb/d in 2004.

Offshore production for the **UK** has again been revised down in light of final August data which point to sharply lower Forties system and NGL production. This reduces UK liquids supply by an average 53 kb/d for 2003 and by 34 kb/d in 2004. The forecast for **Norwegian** liquids production has been held broadly unchanged for 2003 but is revised down by 24 kb/d for 2004. This results from a now-slower expected build up in production at the Grane field. Peak production is now not expected to materialise until first half 2005.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month v last month		
	2003	2004	04 vs. 03	2003	2004	04 vs. 03	2003	2004	04 vs. 03
North America	14.81	15.04	0.23	14.81	15.06	0.25	0.00	0.02	0.02
Europe	6.38	6.37	-0.01	6.33	6.32	-0.02	-0.04	-0.05	-0.01
Pacific	0.68	0.66	-0.02	0.67	0.65	-0.02	-0.01	-0.01	0.00
Total OECD	**21.87**	**22.07**	**0.20**	**21.81**	**22.03**	**0.21**	**-0.05**	**-0.04**	**0.01**
Former USSR	10.29	11.06	0.76	10.31	11.07	0.77	0.01	0.02	0.01
Europe	0.17	0.17	-0.01	0.17	0.17	-0.01	0.00	0.00	0.00
China	3.41	3.42	0.01	3.41	3.42	0.01	0.00	0.00	0.00
Other Asia	2.44	2.42	-0.02	2.48	2.49	0.01	0.03	0.06	0.03
Latin America	3.92	4.08	0.16	3.92	4.10	0.18	0.01	0.02	0.02
Middle East	2.00	1.92	-0.08	2.00	1.92	-0.08	0.00	0.00	0.00
Africa	3.07	3.46	0.39	3.06	3.43	0.37	0.00	-0.03	-0.03
Total Non-OECD	**25.31**	**26.53**	**1.22**	**25.35**	**26.60**	**1.24**	**0.04**	**0.07**	**0.03**
Processing Gains	1.80	1.83	0.03	1.80	1.83	0.03	0.00	0.00	0.00
Total Non-OPEC	**48.98**	**50.43**	**1.45**	**48.97**	**50.46**	**1.48**	**-0.01**	**0.02**	**0.04**

OMR = Oil Market Report

Russian crude production has again been revised upwards, albeit comparatively modestly this month, by 6 kb/d for 2003 and by 15 kb/d for 2004. October production turned out lower than provisional estimates had suggested, to the tune of some 60 kb/d. However, preliminary data for November points towards a 95 kb/d upward revision compared to last month's estimate. Higher baseload supply towards the end of 2003 feeds through into correspondingly higher early 2004 production. However, the impact is assumed to diminish as the year progresses and production growth has once more been limited, in line with the expected growth in export capacity next year of some 600-700 kb/d.

Production for **Ecuador** has been revised up by 15 kb/d in 2003 and by 20 kb/d for 2004 after the surge in production seen in September. Clearly, this still represents a fairly conservative outlook and a flattening of the production profile assumed previously. Production for Ecuador is subject to upward revision in the event that the rate of recent production gains proves to be sustainable. However, the ability of private producers to maintain recent increases remains to be seen and any more substantial revision is being deferred until several months of normal operating experience from the OCP pipeline can be drawn upon as evidence.

Supply from **India** has been revised upwards by 33 kb/d in 2003 and 39 kb/d for 2004. These revisions incorporate upward adjustments to historical NGL output in line with latest available data. However, latest data for September and October crude output also show a marked rebound in both onshore and offshore production after restrained August levels. **Malaysian** production is adjusted upwards by 23 kb/d for 2004 after the start-up by ExxonMobil of satellite fields in the South China Sea and by Nippon Oil of Helang gas condensate offshore Sarawak.

Production data for **Angola** in September and October 2003 point towards production some 15 - 30 kb/d below earlier expectation. This downward adjustment has been applied to production through 2004, although a sharp increase in output from the Kizomba A project is still expected for the second half of 2004.

OECD STOCKS

Summary

- OECD industry total oil stocks at end-October came to 2549 mb, drawing 22 mb from September and closing 28 mb below last year's level. Much of the 700 kb/d decline in October was due to a 500 kb/d draw in distillate stocks. Crude oil stocks remained level on an OECD-wide basis but saw offsetting movement across regions. Cover of forward consumption contracted in October with lower oil stocks and upward revisions to OECD product demand. Forward demand cover fell to 51 days, below year 2000 levels when stocks were tight.

Preliminary Industry Stock Change in October 2003 and Third Quarter 2003

(million barrels per day)

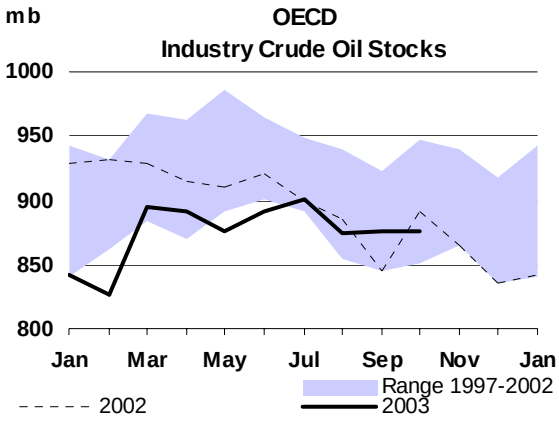
	October (preliminary)				*Third Quarter 2003*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**0.36**	**0.09**	**-0.45**	**0.00**	**-0.02**	**-0.09**	**-0.05**	**-0.16**
Gasoline	-0.27	0.02	0.01	-0.24	-0.09	-0.02	-0.02	-0.13
Distillates	-0.04	-0.34	-0.10	-0.49	0.29	0.20	0.13	0.62
Residual Fuel Oil	0.03	0.06	-0.01	0.08	-0.02	0.05	-0.02	0.01
Other Products	-0.08	0.02	-0.04	-0.11	0.07	-0.03	0.06	0.09
Total Products	**-0.37**	**-0.24**	**-0.14**	**-0.75**	**0.25**	**0.20**	**0.15**	**0.59**
Other Oils[1]	0.05	-0.02	0.03	0.06	0.06	0.04	-0.02	0.08
Total Oil	**0.04**	**-0.17**	**-0.57**	**-0.70**	**0.29**	**0.14**	**0.07**	**0.51**

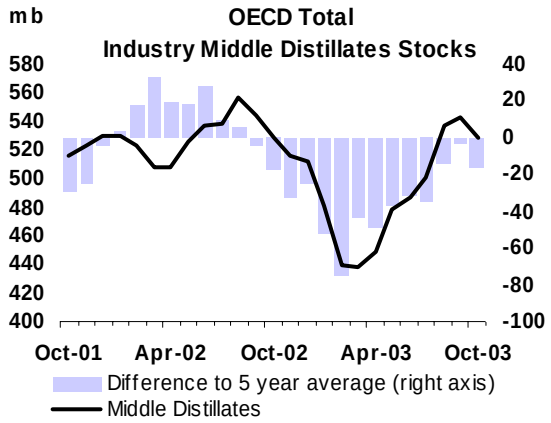
1 Other oils includes NGLs, feedstocks and other hydrocarbons

- OECD industry crude stocks, at 876 mb, remained virtually flat for the third consecutive month. However, October saw offsetting changes between North America and the Pacific. US stocks recovered further on weaker crude demand on the Gulf Coast and relatively high imports. The Pacific decline followed from an 11 mb draw in Japanese on shore stocks with crude runs remaining firm on a seasonal basis. The effective Japanese draw is however likely to be weaker than the preliminary figure suggests.

- OECD industry middle distillate stocks fell by 15 mb in October to 528 mb, with most of the decline in Europe. Backwardation in IPE's gasoil contract and strong cash prices discouraged keeping product in storage. Stocks fell amid lower domestic and Russian gasoil availability, but also tighter jet fuel supplies. Stocks were down mainly in the Netherlands where product was sourced for shipment into the Mediterranean and a key Rotterdam refinery was out on maintenance. Pacific distillates stocks fell mostly in gasoil. US middle distillates remained flat. Gains in heating oil, supported by relatively mild temperatures, were offset by declines in diesel and jet/kerosene.

- OECD industry gasoline stocks fell 7.5 mb in October on draws in North America where the US posted strong contra-seasonal demand growth. European and Pacific inventories were little changed, posting only marginal increases. European stocks remained tight on regional refinery maintenance programmes in the UK and Netherlands and east Mediterranean demand continued to draw on regional supplies. Arbitrage trade towards the US from Northwest Europe was limited with spot cargoes reportedly only available in the second half of October.





OECD Industry Stock Changes in October

OECD industry oil stocks declined 700 kb/d in October on declines in product stocks. Crude stocks on an OECD-wide basis remained unchanged, with gains in North America and Europe balanced by a decline in the Pacific. Among major product groupings, gasoline stocks in North America fell to their seasonal low point. The seasonal downturn is distillate stocks took to an early start in Europe, where most of the OECD draw in these products took place. Forward demand cover by total oil stocks contracted by a day in October, slipping to 51 days and falling a day below year 2000 levels when stocks were tight.

Offsetting regional movements in October left OECD industry crude oil stocks unchanged at 876 mb, within their recent five-year range and 15 mb below year-ago levels. Inventory gains came in the US where imports levels were still relatively high despite an apparent closed arbitrage for Brent-related crude. The US build was exclusively on the Gulf Coast. The Pacific saw a draw in crude stocks, driven by a downturn in onshore Japanese inventories. The draw is likely to turn out shallower, once tanker volumes at ports are accounted for. European crude stocks rose marginally off a reduced September base, reflecting lower holdings in a period of scheduled maintenance. In November, US crude stocks declined on higher runs and falling imports. Backwardation in WTI futures between December and January delivery months peaked on the expiry of the December contract, discouraging additional storage for that month. In addition, US refiners are minimising crude holdings due to year-end tax considerations.

Distillate inventories saw an early seasonal draw in Europe where physical price premiums against IPE's front-month gasoil contract deterred product storage. Stocks tightened on lower regional and foreign supplies. A number of refineries in Northwest Europe were undergoing scheduled maintenance, affecting gasoil and jet/kerosene output. Availability of Russian gasoil was lower due to higher FSU demand and weather-related loading delays in the Black Sea. After a build in September, jet/kerosene stocks probably fell by end-month. October jet cargo prices moved higher on fewer Middle Eastern supplies, but tightening of prompt material was more apparent in November. In Japan, stocks of kerosene seemed to have peaked in October and held flat in November with winter demand yet to begin. In the US, storage of distillate fuels was level in October. Additions to heating oil stocks were offset by declines in jet/kerosene and diesel. US Northeast heating oil stocks - where most consumption takes place - held flat in November, but December should see the normal seasonal decline if the recent bout of cold weather is sustained.

Revisions to Preliminary OECD Stocks and Inventory Position at End-October

OECD revisions to product stocks reduced inventories by 19 mb for September, with most of the revision outside of the main product groups. "Other products" stocks were revised lower by 14 mb in the US. The preliminary stock change is based on weekly data, which for "Other products" is a derived number. In September, "other product" demand was higher than initially estimated, leading to a downward correction in stocks. Net downward revisions to OECD crude stocks came to 6 mb, with Europe contributing 9 mb. European revisions in crude stocks for both September and August came outside of the major economies.

Revisions Versus 13 November 2003 Oil Market Report
(million barrels)

	North America		*Europe*		*Pacific*		*OECD*	
	Aug 03	Sep 03	Aug 03	Sep 03	Aug 03	Sep 03	Aug 03	Sep 03
Crude Oil	**-0.1**	**-0.2**	**-5.9**	**-9.3**	**0.0**	**3.1**	**-6.1**	**-6.4**
Gasoline	0.5	-0.2	-0.5	-1.4	0.0	-0.8	0.0	-2.5
Distillates	1.0	1.3	2.4	-0.9	0.0	-0.9	3.4	-0.4
Residual Fuel Oil	-0.1	0.8	-0.3	3.6	0.0	-0.6	-0.4	3.7
Other Products	-1.5	-14.3	-0.4	-5.9	0.0	0.1	-1.9	-20.1
Total Products	**-0.1**	**-12.4**	**1.2**	**-4.6**	**0.0**	**-2.2**	**1.1**	**-19.3**
Other Oils[1]	2.5	4.0	-0.5	2.8	0.0	-0.3	2.0	6.5
Total Oil	**2.2**	**-8.6**	**-5.2**	**-11.2**	**0.0**	**0.6**	**-3.0**	**-19.2**

1 other oils includes NGLs, feedstocks and other hydrocarbons

Total oil stocks closed October at 2549 mb reverting to into a deficit against their year-earlier position after posting a modest 4 mb surplus in September. October oil stocks closed 28 mb below 2002 and 89 mb below their average position in the recent five-year range. Europe saw the largest deficit in oil stocks for October with 27 mb due to lower distillate inventories and crude stocks only marginally changed over a downward revised September base. US-50 (excluding territories) crude stocks ended within a million barrels against 2002 levels but remained low. The crude surplus in the Pacific is likely to be more ample than indicated on basis of anticipated revisions to Japanese stocks mentioned above.

Year-on-Year Industry Stock Comparisons for October 2003

	(million barrels)					*(Days of Forward Demand)*			
	North America	Europe	Pacific	Total		North America	Europe	Pacific	Total
Crude Oil	**-2.8**	**-17.2**	**5.2**	**-14.7**	**Total Oil**	**-0.9**	**-2.9**	**1.1**	**-1.1**
Total Products	1.1	-18.3	2.6	-14.6	*Versus 2001*	*-4.7*	*-0.3*	*-7.7*	*-4.0*
Other Oils[1]	-5.2	8.3	-1.7	1.5	*Versus 2000*	*1.4*	*-0.7*	*-4.7*	*-0.5*
Total Oil	**-6.8**	**-27.2**	**6.1**	**-27.8**	**Total Products**	**-0.3**	**-1.8**	**0.5**	**-0.6**
Versus 2001	*-57.7*	*-8.9*	*-52.5*	*-119.2*	*Versus 2001*	*-2.4*	*-0.1*	*-3.0*	*-1.8*
Versus 2000	*45.0*	*-4.0*	*-28.5*	*12.5*	*Versus 2000*	*0.7*	*-1.4*	*-2.8*	*-0.6*

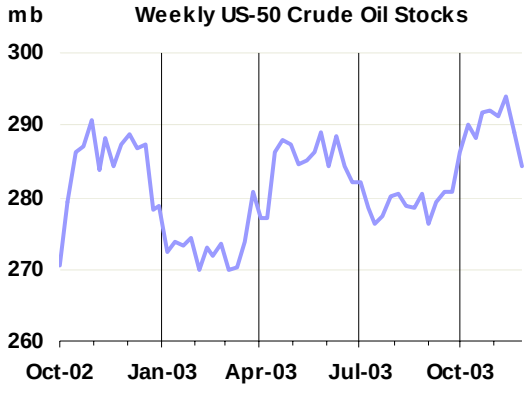
1 other oils includes NGLs, feedstocks and other hydrocarbons

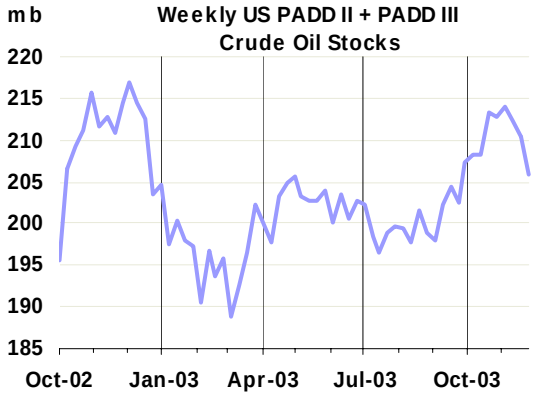
Cover of forward demand by OECD industry oil stocks fell by one day to 51 days, a day short of the level observed in year 2000 when stocks were tight. Overall, lower cover stemmed from upward revisions to OECD product demand but also draws in distillate and gasoline inventories. On a regional basis however, cover held flat from September in North America and Europe with days of forward demand estimated at 49 and 58 days respectively. The Pacific fell to 46 days, off 4 days on the month.

OECD Regional Stock Developments

North America

US-50 (excluding territories) crude stocks rose 7 mb in October to close at 292 mb. The gains owed to strong imports into the Gulf Coast where most of the crude stock build took place. Inventories there added around 5 mb to September's 145 mb volume, closing at the psychological threshold of 150 mb. Imports into the Gulf Coast rebounded in the second half of the October with a likely increase in end-month purchases. Heavy/sour grades favoured by refiners in the area posted strong discounts to WTI as availabilities of Iraqi and Venezuelan crudes increased. Prompt supplies of light-sweet crude on the Gulf Coast remained tight judging by the strong premium that LLS (the regional benchmark for this quality crude) posted over WTI. The strength of the LLS supported the continued arrival of West African barrels. Other regions in the US saw comparatively marginal stock changes. Crude stocks in the Mid-continent, the area which houses the delivery point for NYMEX's WTI futures contract, declined by one million barrels to 62 mb, a modest draw given weaker mid-month imports and rising refinery runs through the period.



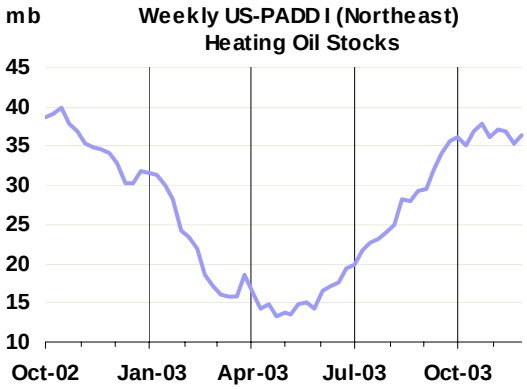


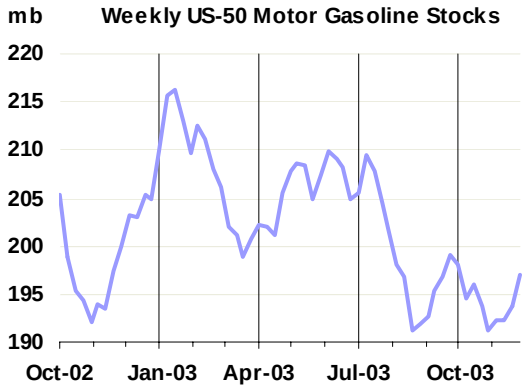
Crude stocks in November retraced October's gains, with inventories declining in the major refining centres of the Mid-continent and Gulf Coast (respectively PADD II and III shown above). The draw came as these two regions saw crude runs remain firm in light of healthy cracks spreads for gasoline. Overall capacity utilisation in the US was high on a seasonal basis, rising back above 93% at the end of the month. At the same time, overall crude supply declined as imports eased in the second half of the month. Crude imports fell back to around 9.1 mb/d (in spite of preliminary indications of higher arrivals of Iraqi crude) significantly lower than the 10 mb/d levels seen in the previous two months. US crude inventories closed November at 284 mb, down 8 mb from October and some 4 mb below last year.

US crude stocks are likely to drift downwards in December with refiners seeking to minimise crude stocks due to year-end tax considerations. This trend is also likely to be supported by lower crude imports. Cash prices differentials for domestic crudes firmed against WTI end-November suggesting tighter near-term availabilities. Light sweet Nigerian grades from the December program in particular were reported having limited placement success on Gulf Coast. NYMEX WTI futures echoed this tightening as the premium for December contract closed a dollar above January on its last day of trading on 20 November.

Overall US distillate stocks (diesel, heating oil, and jet/kerosene) were broadly unchanged in October as gains in heating oil were offset by declines in the other distillate fuels. US heating oil stocks increased on higher production while demand remained subdued due to generally mild temperatures. In contrast, stronger deliveries for diesel and jet/kerosene nudged inventories in those products lower. Diesel stocks fell mainly in the Mid-continent area on agricultural demand while jet fuel deliveries recovered strongly in October back to year-ago levels. Blending of low sulphur jet fuel into end-September imported gasoil supplies (in order to reduce their sulphur content) to make heating oil may have added demand. The price difference of low sulphur jet fuel against heating oil prices had weakened in October.

November temperatures were also mild and heating oil inventories in the main consuming Northeast area moved broadly sideways. Near-month futures prices for heating oil futures on the NYMEX remained in contango in November, providing a financial incentive for keeping product in storage. Demand for diesel and heating oil closed the month on a weak note, declining to 3.6 mb/d by end month, or 500 kb/d lower than end-October levels. Jet consumption, after an initial weakening, rebounded by the end of November during the Thanksgiving holiday period, helping to extend the draw on inventories seen in October. End-month jet/kerosene inventory declines were more pronounced on the West Coast and in the Northeast.



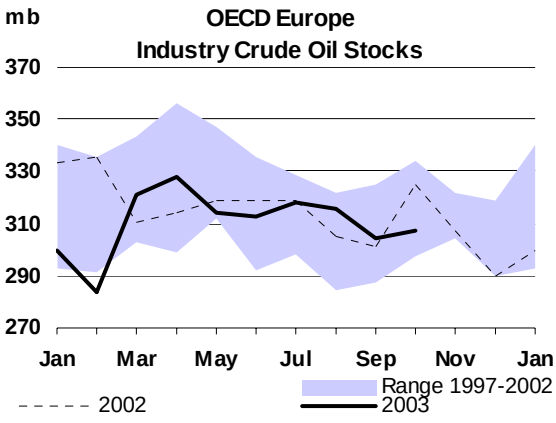


Total motor gasoline inventories reached their seasonal low in October with a decline in finished gasoline inventories. Blending components slipped 1 mb from September. Demand for gasoline was strong, posting year-on-year growth upwards of 300 kb/d. Reduced inventories followed from lower imports in October and an easing in refinery output. Conventional gasoline stocks carried the bulk of the draw. Reformulated gasoline (RFG) held flat overall and edged lower on the West Coast. California will ban MTBE-blended RFG next year, switching instead to an ethanol-based product. However, RFG material ready for ethanol blending is not included in industry RFG gasoline stocks but instead is part of the blendstocks category (see special feature in this section). When looking at combined RFG and blending components on the West Coast, inventories held level.

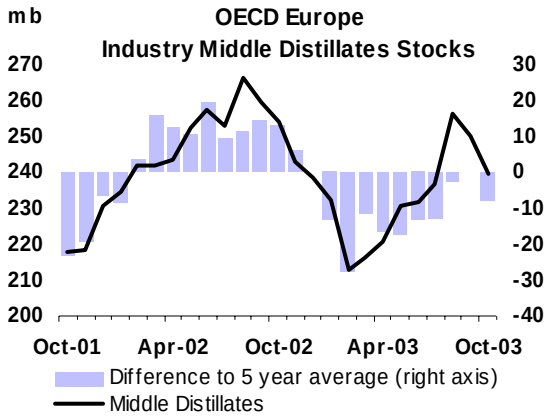
In November, gasoline stocks, aided by an uptick in imports, rebuilt seasonally. Price premiums in New York Harbour against Northwest Europe were high in mid-November, opening transatlantic arbitrage. Gasoline demand, while strong, retreated from the highs reached in late October early November, while conventional production bounced back. The unleaded gasoline futures price differential in the near month deliveries narrowed, indicating a more balance market ahead.

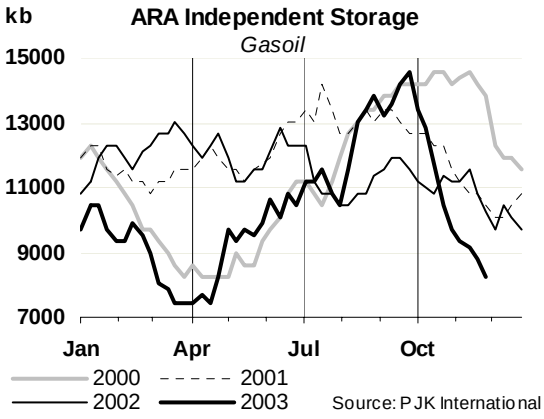
Europe

Industry crude stocks in Europe posted a 3 mb gain in October to close at 307 mb, down 17 mb on last year. The modest rise came on top of a downward revised September base. This reflected lower average crude holdings as refinery maintenance took place over those months, with runs mainly lower in the UK and the Netherlands. In addition, a widening premium for near month delivery of IPE Brent futures in October discouraged purchases of crude beyond operational requirements. Most of the build was in the Netherlands while stocks fell in France and Germany. Crude stocks in Norway rose only a modest 2 mb in October despite a strong post field maintenance rebound in production.

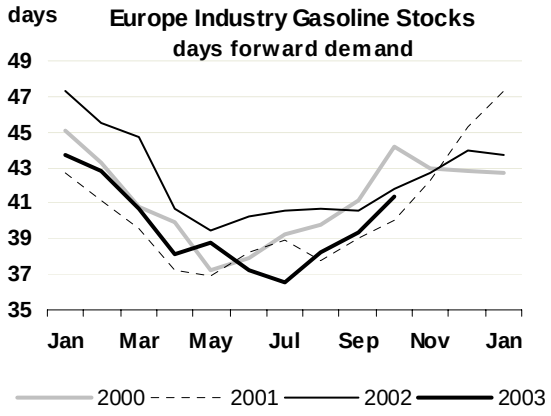


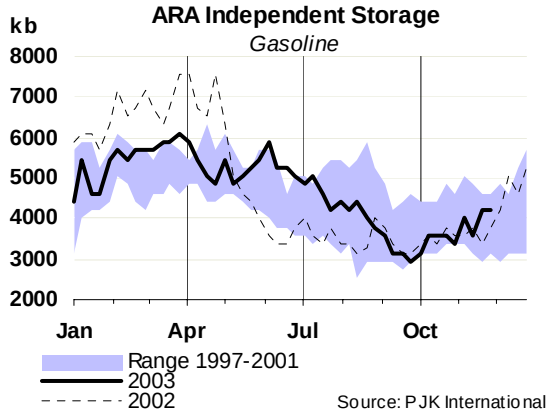
November is likely to see a rise in crude stocks in Northwest Europe ahead of higher crude runs supported by improved cracking margins. Arbitrage sales to the US of Brent related crudes were undermined by high freight rates offsetting WTI's premium over the North Sea marker, suggesting that more crude stayed in Europe. The backwardation in the first two forward month prices for Brent narrowed for most of November, indicating more ample near term supplies. The reported prompt cargo overhang in North Sea November barrels was likely absorbed at end-month by regional buying on discounted prices to Brent. In contrast to the Mediterranean where Urals was faced with loading delays, Baltic shipments were strong, buoying sours supplies to European refiners. Like North Sea crude, Urals in Northwest Europe traded at an attractive discount to Brent, prompting interest also from Mediterranean refiners.





Industry distillate stocks fell 11 mb in October to 239 mb or 14 mb below last year. Diesel supply was limited in Northwest Europe with maintenance at the key Nerefco refinery in Rotterdam. Stocks in the Netherlands declined 6 mb but fell a modest 2 mb in France even though gasoil demand there came in strong. Independent storage of gasoil in the ARA area fell in October and November. Russian exports were mainly absorbed by FSU countries. Product was also delivered into the Mediterranean for orders east towards Iraq but also Nigeria. Part of the draw also came with emptying tanks for a changeover to winter quality material. Arbitrage supplies of gasoil from Korea, sent on newly built ships into Rotterdam, expected for late November, early December, are now unlikely to come in large volumes. Instead, product was diverted to the US East Coast. The main markets for barge delivery out of ARA: Germany, France, and Switzerland saw weak demand in November. Rhine levels remained low and warmer temperatures along with ample German end-user stocks limited interest in heating oil.



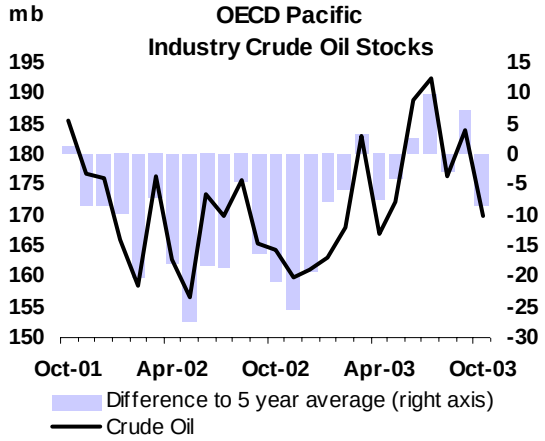


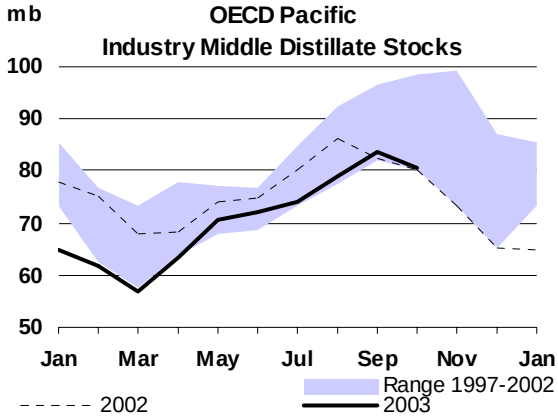
Industry gasoline stocks closed marginally higher in October at 109 mb but days of regional demand cover improved further. Widening price differentials to New York Harbour through mid-November opened arbitrage possibilities, but shipping was reported limited and independent storage began to rise again in the ARA. Gasoline supply in the area in November was aided by the return of refineries in the UK but also Nerefco and Kuwait Petroleum Corp's plant in Rotterdam.

Pacific

Pacific crude stocks fell 14 mb in October to 170 mb, closing about 5 mb above last year. The decline followed a sharp 11 mb drawdown in Japanese onshore inventories while Korean crude stocks fell a more modest 3 mb. In both instances, the inventory draw was motivated by an upswing in crude runs. However, in the case of Japan, higher runs bucked the usual behaviour of Japanese refiners to ease

runs in October before resuming higher throughputs in November. The October crude stock draw is however probably less steep than shown for Japan. Upward revisions to September Japanese crude stocks, to account for stocks held on tankers in ports, were less than anticipated in the previous Report. However, it is likely that October volumes have risen against end-September levels, suggesting a shallower Japanese draw than indicated in the October preliminary numbers.





The upswing in crude runs for export oriented Korean refiners was within seasonal norms, up 300 kb/d, but slightly weaker than expected given healthy refining margins in Asia for distillates fuels. Crude supplies for both countries are likely to remain ample until year-end; in particular, November crude imports are expected to include higher Iranian volumes in relation to a surge in exports in October. As winter moves into full swing in December/January, both countries are likely to be well supplied in distillate-rich crude from Abu Dhabi. Japanese buyers were active in bidding for January barrels in November ahead of market reports that the Abu Dhabi National Oil Corporation would provide, as in December, crude volumes above term allocations.

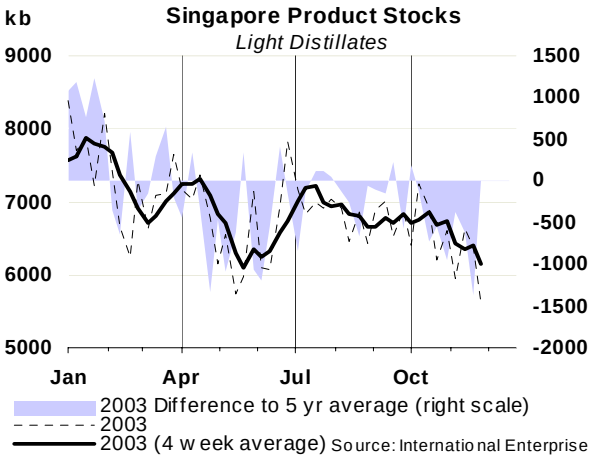
Pacific distillate stocks fell 3 mb to 81 mb, mainly in Japan. Most of the Pacific draw came in gasoil and marginally in kerosene; jet fuel held near flat. Stocks of kerosene, used for heating purposes, were at seasonal highs in Japan, declining only 2% from September as imports and domestic production nearly balanced nascent winter demand. But stock cover is ample if forecasts of a 'warmer' winter hold true. In addition, there were no indications that Japan would be lifting more than usual term volumes of kerosene from Korea either this quarter or early next year. In Korea, diesel inventories fell mainly on increased transport demand. Though Korean product output is expected higher on strong runs to produce kerosene, domestic distillate demand is expected firm, capping gasoil exports and limiting product stock builds. In addition, SK Corp, Korea's largest refiner, will raise wholesale prices in December. This leaves the possibility of a late-month surge in deliveries into secondary storage held by marketers and retailers before the price hike, further limiting a build in primary storage.

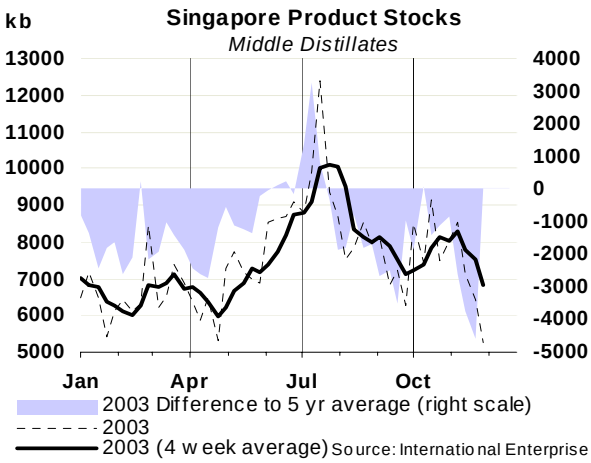
Singapore Stock Developments in November

Total product stocks in Singapore, surveyed by International Enterprise showed opening December inventories down on draws in distillate fuels, and to a lesser degree on gasoline and naphtha. Fuel oil stocks held relatively steady, posting a marginal gain during November and closing within their average level in the recent five years.

Middle distillate stocks closed the beginning of December a little over 4 mb below their average position in the recent five years on strong regional demand and tight supplies. US military demand in Iraq left the region short of traditional Middle Eastern supplies and in early November was reported outrunning contracted volumes and extending into spot purchases. Outside of tighter supplies, Chinese demand for jet fuel remained strong ahead of the Lunar New Year holiday season with China Aviation Oil (which buys most China's jet fuel) raising its fourth quarter purchases to a record 610,000 tonnes.

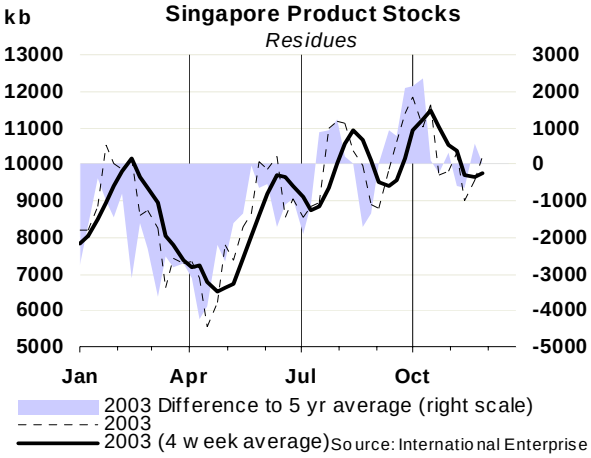
Demand for jet fuel was not limited to China as the Singapore spot market also saw interest from Japan, Korea, Hong Kong and Taiwan. Tight supplies effectively translated into rapid a widening of the traditional premium for jet/kerosene over gasoil (the re-grade) to just above $2 a barrel by end-November and to 4$ in early December. On forward prices, backwardation steepened with the premium for first month delivery over second month widening to almost a dollar per barrel, suggesting that tight supplies were expected through December. Mild November temperatures and high stockpiles for kerosene in Japan prompted speculation of possible sales of surplus product should domestic demand remain lacklustre in December.





Gasoil supplies tightened in November on local spot purchases. Gasoil held in Singapore tanks was reportedly being lifted for delivery into Hong Kong, Vietnam and Indonesia. Korean supplies into the region were likely lower with Korean refiners, now out of maintenance, skewing product yield towards kerosene to build up stocks ahead of winter. The picture for gasoil in December is anticipated much the same with forward gasoil prices in backwardation, indicating tight supplies. Cargoes from Korea and Taiwan were reported all but sold out and incremental supplies from Taiwan's Formosa Petrochemical Corp were reported to be lower. Out of Formosa's planned 240,000 tonnes of gasoil exports, only 60,000 were expected on a spot basis compared to 90,000 in November.

Light distillates stocks which include gasoline and naphtha came off sharply by end-month. Judging by relative spot prices, it would seem the tightening occurred more so in naphtha. The reforming margin or price premium of gasoline over naphtha narrowed markedly mid-month while gains in average outright prices over November were essentially in naphtha. Demand for spot naphtha cargoes was sourced mainly from the Japanese and Korean petrochemical sector but late month demand was also reported from Taiwan's Chinese Petroleum Corp. In addition to healthy margins for ethylene production, increased demand for spot naphtha cargoes also owed to the deferral of December naphtha supplies from Saudi Arabia.



Fuel oil stocks ended marginally higher. Forward prices for Singapore 180cst benchmark high-sulphur fuel oil developed a contango over the month, indicating ample prompt availabilities. The forward price premium is likely to keep encouraging movement of more fuel oil into storage. Additional Chinese demand is not anticipated until January due to limited outstanding import volumes under China's quota system. Next year however should see quota restrictions phased out in compliance with China's accession to the World Trade Organisation. December imports into China's Guangdong province, the main fuel oil consuming region, were estimated in late November at around 800,000 tonnes, lower than reported monthly deliveries of 1.8 million tonnes seen in the third quarter.

Singapore Crude & Product Trade

(thousand barrels per day)

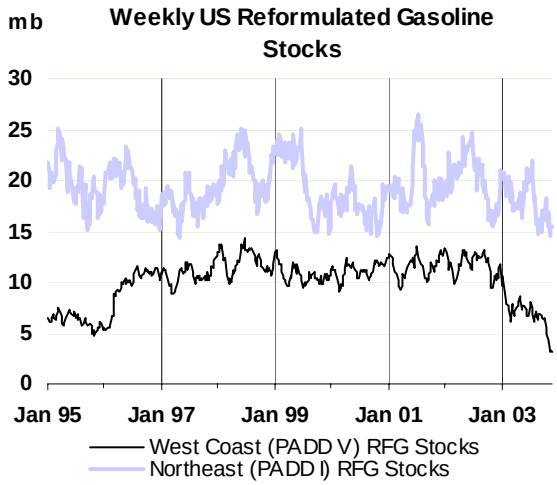
Net Imports/(Exports) of:	2001	2002	4Q02	1Q03	2Q03	3Q03	Aug 03	Sep 03	Oct 03	Latest month vs. Sep 03	Latest month vs. Oct 02
Crude Oil	**822**	**819**	**861**	**885**	**892**	**593**	**509**	**691**	**613**	**-78**	**-226**
Products & Feedstocks	**-10**	**-35**	**-73**	**-158**	**-119**	**-93**	**-97**	**120**	**129**	**9**	**20**
Gasoil/Diesel	-121	-154	-168	-175	-171	-174	-153	-190	-125	65	11
Gasoline	-79	-81	-69	-76	-95	-67	-69	-63	-87	-24	-24
Heavy Fuel Oil	360	334	325	314	304	323	295	344	316	-28	-113
LPG	-21	-19	-20	-24	-26	-19	-17	-21	-18	3	-2
Naphtha	-22	6	5	-22	18	5	-14	43	28	-15	-7
Jet & Kerosene	-80	-65	-90	-124	-93	-103	-95	-114	-75	39	6
Other	-48	-57	-57	-51	-56	-58	-44	-70	-35	35	24
Total	**812**	**784**	**788**	**727**	**774**	**501**	**412**	**811**	**742**	**-69**	**-206**

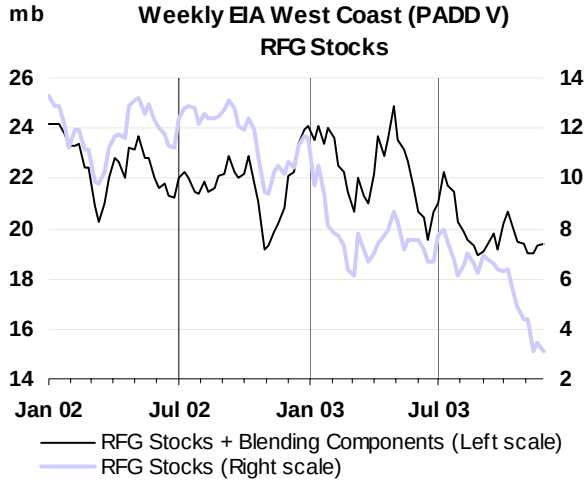
Source: International Enterprise, IEA estimates

Special Feature: US Reformulated Gasoline Stocks, a Closer Look at Accounting

Stocks of reformulated gasoline (RFG) used at about one third of US retail stations fell markedly this year. By end-November, stocks nationwide closed around 28 mb, a level about equal to that in the autumn of 1994 when this gasoline was first introduced at the refinery level. The downward trend is apparent in the chart below on the left which shows the evolution of RFG inventories in the major consuming areas of the West Coast and Northeast states. With the states of California, New York and Connecticut mandating RFG gasoline based on ethanol rather than MTBE next year, the trend in lower RFG stock reflects, in part, a downward shift that stems from how RFG quality material is accounted for in the statistics.

Stocks of reformulated gasoline blendstock for oxygenate blending (RBOB) – the base gasoline material used to make an ethanol-blended RFG are not included in finished RFG gasoline stocks reported by the US Energy Information Administration (EIA). Rather, they are counted as part of blending components. This is due to where production of ethanol based RFG gasoline takes place. With a RFG gasoline based on the MTBE additive, gasoline components produced by the distillation and upgrading processes are blended with the additive at the refinery. As such, a finished product is shipped by pipeline to terminals and is included as part of industry stocks as it makes its way through the primary distribution system. At the terminal, the finished product is transferred to trucks for purposes of secondary distribution to retail stations.





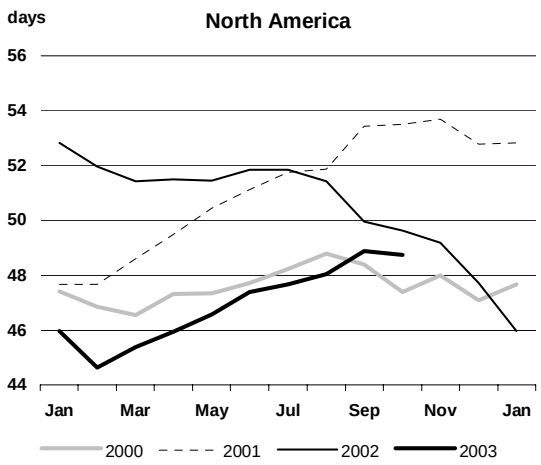
In contrast, a finished RFG gasoline based on ethanol is not shipped to a terminal. This is to avoid the risk of contamination from water which is commonly present in pipelines or tanks. The water can alter the quality of the product by pulling out its ethanol component, making it unfit for commercial standards of distribution. Instead, RFG refiners that substitute ethanol for MTBE only deliver RBOB, the unfinished gasoline base, to terminal locations. RBOB is turned into a finished RFG gasoline once blended with ethanol at the terminal rack. Consequently, RBOB held at the refinery, in pipelines, and at terminals does not show up in EIA data as finished RFG gasoline stock, but rather, is included with gasoline blending components.

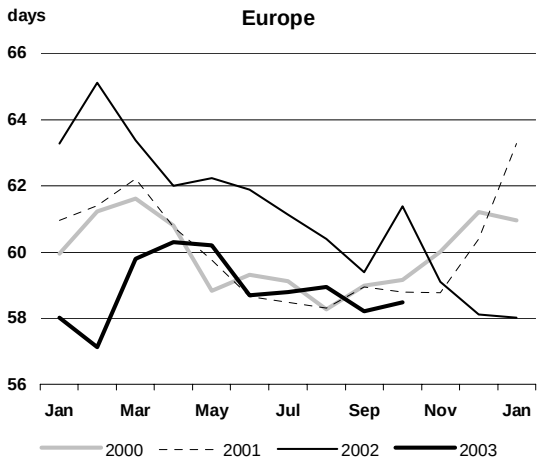
The EIA's RFG data can hence convey a tighter picture of RFG quality material than might be the case for districts that include states switching to ethanol-blended RFG next year. This is apparent in the case of California which accounts for a large share of West Coast inventories. RFG stocks on the West Coast (PADD V) are shown above on the right. When West Coast gasoline blending components are added to RFG stocks, the recent decline is not as severe. In the Northeast, stocks did not witness as clear an impact with the transition in New York and Connecticut. In absence of refineries of their own, these states account proportionately less in the Northeast total while other states continue to accept RFG blended with MTBE, namely New Jersey which is the closest refining and storage centre. Additionally, product supplied in the area depends heavily on imports from foreign refiners which are unlikely to have met these localized standards. 60% of RFG consumed comes from imports (with Europe supplying finished product as well as blending components).

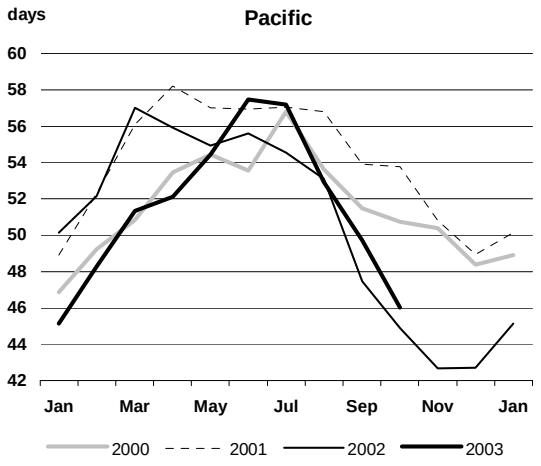
In 2004, the EIA will begin collecting and publishing an expanded series on blending components. RBOB stocks will be shown as a separate item, providing a more complete view of RFG quality stocks. The EIA expects this data to be available by March/early April. In the meantime, on a nation-wide basis, the observation of RFG-quality gasoline inventories will require the inclusion of gasoline blending components. While gasoline blending component data contain materials other than RBOB, taking blendstocks into consideration will provide a better indicator of RFG-quality stock trends.

Regional OECD End of Month Industry Stocks
(in days of forward demand and millions barrels of total oil)

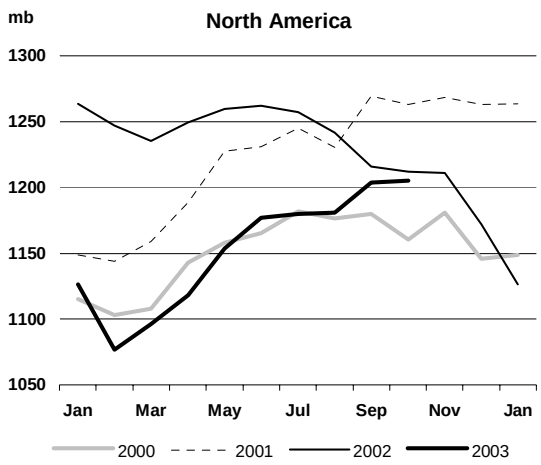
Days[1]

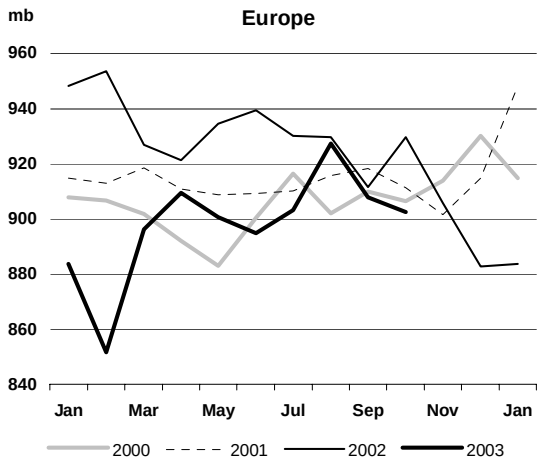


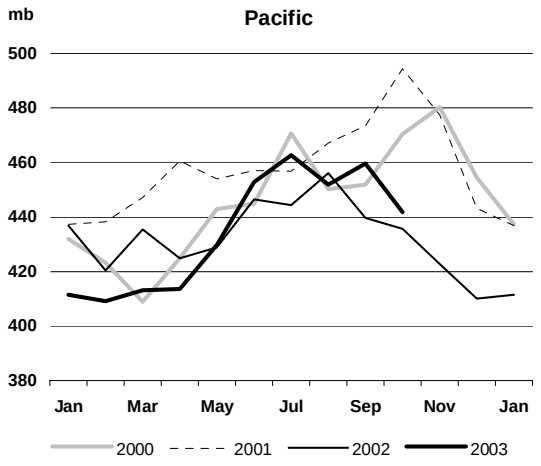




Million Barrels







1. Days of forward demand are based on average demand over the next three months.

PRICES AND REFINERY ACTIVITY

Summary

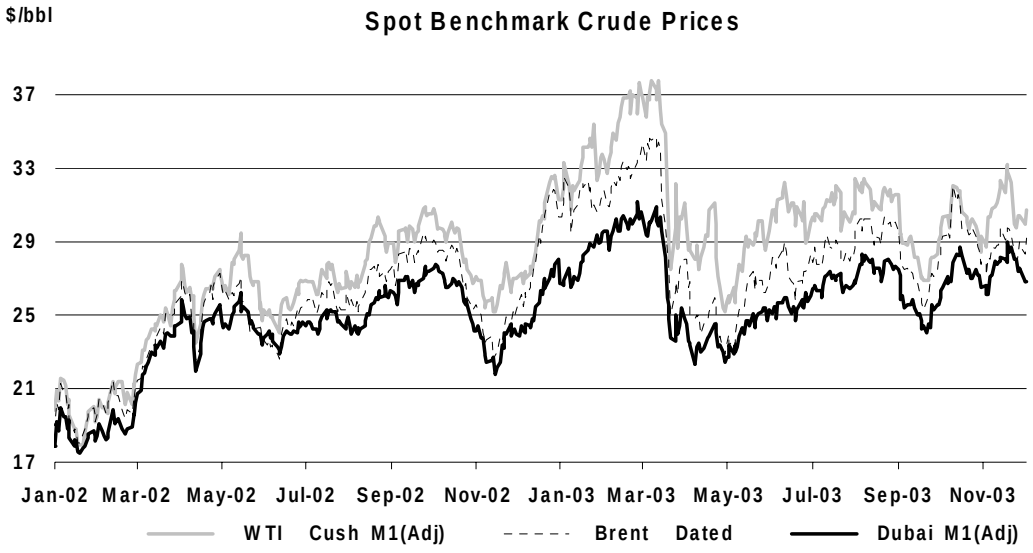
- **WTI crude prices** spiked briefly to post-Iraqi war highs of $33.20 in November on concern over tight US gasoline stocks. However the subdued Brent market did not followed the rally and WTI prices swiftly retrenched. A dip in US product demand coupled with generally mild weather and no significant OPEC 10 cutbacks helped moderate prices towards the end of November. But firm Far Eastern demand and a cold spell in Europe and the US has conspired to keep prices high.

- **The WTI-Brent arbitrage** opened briefly in November, as the Brent market reversed from a period of unusual strength in September and October. Continued European refinery maintenance, coupled with sharply higher loading schedules for Urals in the Baltics subdued the North Sea crude market. However, European refiner bargain-hunting combined with US buying and high freight rates swiftly reduced trading opportunities. The spreads for West African crudes remained attractive though, providing competition for the North Sea market.

- **Strong Far Eastern demand** kept regional product values high in November. Naphtha prices surged as the petrochemical sector met high ethylene needs, causing crackers to switch feedstock to cheaper gasoil and condensate. Low sulphur waxy residue fuel oil also continued its three-month rally, as high utility demand in the region persisted. Korean utilities were said to be switching to fuel oil because of high natural gas prices, while Japanese nuclear power production remains constrained. Jet/kerosene has been strong on a global basis on the back of firm winter heating demand in the Far East, heavy pre-Christmas demand from airlines and Iraqi offtake.

- **OECD refinery throughputs rose** by 165,000 b/d in October to 38.74 mb/d. Preliminary data suggests that runs increased sharply in November as refiners returned from maintenance. Firm Chinese and general Far Eastern demand supported refinery margins in the Asia Pacific area, although it is fair to say that there remains plenty of regional spare capacity should this trend continue. Korean refiners however continue to limit throughput, while Japanese throughput was restricted by maintenance issues.

- **VLCC freight rates** soared in November as strong demand for crude oil from the Far East and ample supplies tightened the market. Tanker demand for December loadings in the Middle East was reported to be very high, with some charterers reportedly struggling to find vessels. Much of the demand is related to movement to the Far East, China in particular. The market for mid-sized vessels has also been tightening, due to a significant tanker backlog around the Bosphorus straits.



November Overview

Crude supplies remained tight in November as a further increase in crude supplies was countered by firm product demand, leaving WTI prices to oscillate around $31/barrel. WTI Cushing rose by 76 cents in November to average $31.06 in November, while dated Brent was relatively weak losing an average of 93 cents over the month to $28.73. Persistent backwardation (higher spot than forward) in Brent and WTI continues to imply a tight physical market and strong competition for crude between Eastern and Western importers. However, the pull from the Far East has taken over from the typical US-centric focus as the key driver for the oil market.

US heating oil stocks were at normal seasonal levels and relatively mild weather conditions (so far) have been seen in the main northern hemisphere consuming areas. US gasoline stocks remain at low levels, but seasonally-low winter demand is not expected to make this an issue until the first quarter maintenance season at the earliest. Similarly, US crude stocks remain low at around 284 mb, but may not spur significant demand as some oil companies may have a tax incentive to reduce stocks through to the end of the year.

Tepid US Gulf Coast refining margins have further tempered the demand for imported crude, but they remain firm in the Far East, as Chinese domestic consumption, regional petrochemical and utility demand soar.

Transatlantic arbitrage opportunities for Brent briefly reopened during November, although high freight rates and lower refiner interest continued to inhibit volumes. However, comparing US Gulf crude Louisiana Light Sweet (LLS) with West African benchmark Bonny Light suggests trading opportunities westwards were still possible. Far Eastern refiners continued to seek West African and Middle East crudes to meet strong regional demand.

A surge in speculative activity was noted on the move of NYMEX WTI to fresh post-war highs. Non-commercials remain heavily net long of WTI and gasoline futures, and modestly long of heating oil, but reduced length in all three towards the end of November.

The estimate of OPEC's November output suggests a collective decision to ignore the new production target while prices are high. The 4 December decision to leave targets unchanged until a mid-February meeting suggests that the producer group intends to meet winter demand, while retaining sufficient flexibility to constrain supplies should prices fall. Higher-than-expected November output bolstered flat non-OPEC supply growth and helped to moderate price gains, but some of the supply potential was constrained by Russian Black Sea shipping delays. Looking forward, there appears to be little growth in non-OPEC supply through to the end of the first quarter, while Iraqi export growth appears to be limited due to infrastructure constraints.

Product prices have seen significant regional divergence, with the exception of the globally robust jet/kerosene and naphtha markets. Healthy Iraqi and Far Eastern demand and lower exports from Korea have lifted jet/kerosene, while naphtha has been a beneficiary of strong petrochemical demand in the Asia/Pacific region. Fuel oil was generally weak, with relatively mild conditions reducing utility burn in Europe and the US. Far East Asia was an exception, where low sulphur waxy residue fuel oil surged on improved demand from South Korea, Japan and Thailand. Korean utilities were featured buyers due to high prices of LNG. Far Eastern utility demand is strongly linked to the regional rebound in industrial production, particularly as the Korean economy emerges from its recent recession.

Strong demand for crude, products and other commodities worldwide has sent freight rates soaring, with VLCC supply tight as strong demand for Far Eastern crude shipments ties up tankers for longer voyages. The midsized tanker market is also being supported by the Black Sea congestion. This has attracted additional demand for smaller freight, which is not subject to Turkish restrictions on night voyages in the Bosphorus Straits.

Refinery margins remained positive and at generally attractive levels in most regions in November, but fell sharply in Northwest Europe (NWE) and the Mediterranean towards the end of the month. WTI Gulf Coast cracking margins have fallen to their lowest level since September 2002, while Singapore margins have rallied dramatically to levels that have not been seen since the pre-Iraqi war spike. Indeed Singapore margins appear set to end the year at the highest average rate seen since 1996 on the back of strong regional product demand.

Crude Oil Prices

Spot Crude Prices and Differentials in November

The unusual strength of dated Brent relative to WTI that was seen in September and most of October reversed in November as European refiners sated needs and maintenance in two large Netherlands facilities reduced demand. Increased Russian exports from the Baltic ports pushed Urals lower, enhancing the attractiveness of northwest European sour crude refining margins, while high freight rates and lower US refinery margins restricted transatlantic trade. This resulted in the WTI Cushing-Brent spread widening to nearly $4/barrel in the middle of November. At that point the relative attractiveness of North Sea sweet crudes improved, prompting an influx of refiner buying which cleared the nearby supply overhang.

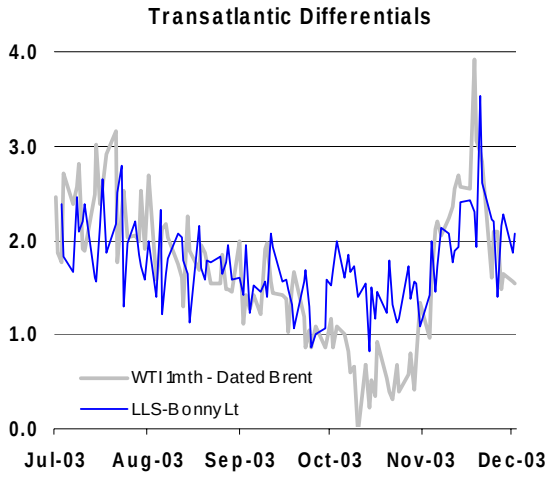
Spot Crude Oil Prices and Differentials*

(monthly and weekly averages, $/bbl)

	Sep 03	Oct 03	Nov 03	Nov-Oct		Week Commencing:				
				Change	*%*	03 Nov	10 Nov	17 Nov	24 Nov	01 Dec
Crudes										
Brent Dated	27.08	29.65	28.73	-0.93	-3.1	28.01	29.04	29.43	28.43	28.79
WTI Cushing 1 month (adjusted)	28.25	30.30	31.06	0.76	2.5	29.79	31.51	32.48	30.06	30.34
Urals (Mediterranean)	25.64	27.99	27.63	-0.35	-1.3	26.81	27.98	28.38	27.37	27.60
Dubai 1 month (adjusted)	25.37	27.27	27.66	0.38	1.4	26.65	27.94	28.41	27.62	26.80
Tapis	29.45	31.74	30.61	-1.12	-3.5	30.18	30.90	31.10	30.20	29.80
Differential to Dated Brent										
WTI Cushing 1month (adjusted)	1.17	0.65	2.33	1.68		1.78	2.48	3.05	1.62	1.55
Urals (Mediterranean)	-1.44	-1.67	-1.09	0.57		-1.20	-1.05	-1.05	-1.07	-1.19
Dubai	-1.71	-2.38	-1.07	1.31		-1.36	-1.09	-1.02	-0.81	-1.98
Tapis	2.37	2.08	1.89	-0.19		2.17	1.86	1.67	1.77	1.02
Prompt Month Differential										
Brent 1mth-2mth (adjusted)	0.24	0.42	0.25	-0.17		0.27	0.23	0.20	0.26	0.26
WTI Cushing 1mth-2mth (adjusted)	-0.02	0.05	0.38	0.15		0.42	0.64	0.12	0.15	0.15

* Weekly data for Brent and WTI 1st month and 2nd month are unadjusted

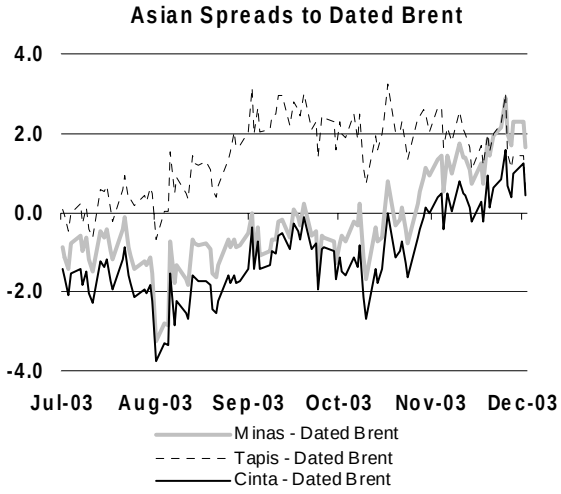
The transatlantic spread was also enhanced by the recovery of WTI relative to domestic crudes as PADD 2 crude stocks declined below 60 mb. The front month contango structure (spot price lower than forward price), that had been a significant barometer of WTI weakness following heavy Canadian supplies since August, evaporated at the end of October. The breach of the post-Iraqi war highs on 18 November prompted a brief spike in the backwardation as futures prices surged. The unusual premium of domestic competitor Light Louisiana Sweet (LLS) to WTI also contracted as the US benchmark gathered steam, but has returned in early December.



While the differential of WTI to dated Brent has moved to levels that appear to rule out significant arbitrage trade, the Bonny Light to LLS spread implies potential arbitrage opportunities, albeit mitigated by high freight rates. West Texas sour crude has also been bid up on the back of Russian export delays.

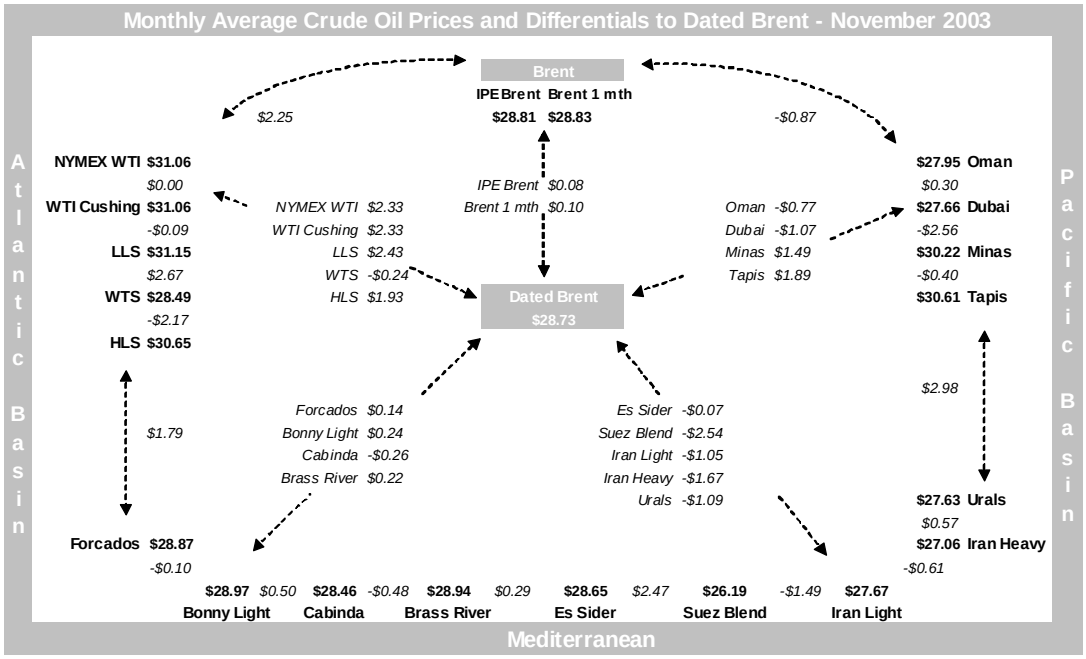
West African crudes have been in strong demand in the Far East in recent months. A good indicator of this is the Brent/Dubai spread which has fluctuated between $1.56 and $1.00, levels that would, if it were not for high freight, attract Brent-related crudes to the region. It has been estimated that around 1.4 mb/d of West African supplies have headed eastwards since October. This has not been a significant issue for the US market. Refiners were happy to receive little more than term volumes during the refinery maintenance season and currently foreign crude demand is tempered by tax considerations (some stockholders may find it attractive to reduce inventory to end-2002 levels by the end of December). But the recent rate of US imports is well below the level needed to maintain stocks at their current (low) level, and if Far Eastern demand remains strong, then it would appear there is the potential for significant tightness to emerge if pre-Lunar New Year Chinese demand does not dampen significantly.

Asian crudes, Minas and Cinta have moved to a premium to dated Brent over the past few months, and have moved towards parity with Tapis. It is no coincidence that the premiums of these crudes in particular that of Minas have rallied simultaneously with a steep rally in Low Sulphur Waxy Residue (LSWR). Both reflect a rise in demand from power utilities in the region as Minas is frequently used as a direct-burn crude. Continued high Japanese utility demand, coupled with reports of less frequent supplies of Chinese Daqing crude have helped improve demand, although we note that both sides remain in negotiation for 2004-2005 term contracts. Currently around 60,000 b/d of Daqing is supplied to the Japanese market, but supplies are on the decline.



North West European (NWE) Urals crude prices recovered from the end-October plunge that had been caused by the release of much higher-than-expected loadings from Primorsk. Subsequent refinery interest and the realisation that some of the additional supply would be met from reduced availability from alternative export systems meant that the dip proved ephemeral.

Severe congestion in the Bosphorus straits supported Mediterranean Urals values, but the widening premium over NWE Urals and the need to ensure supply continuity forced some refiners to look to import direct from the Baltics. Med Urals also faced competition from some Middle Eastern crudes, which further diminished demand for that crude grade.



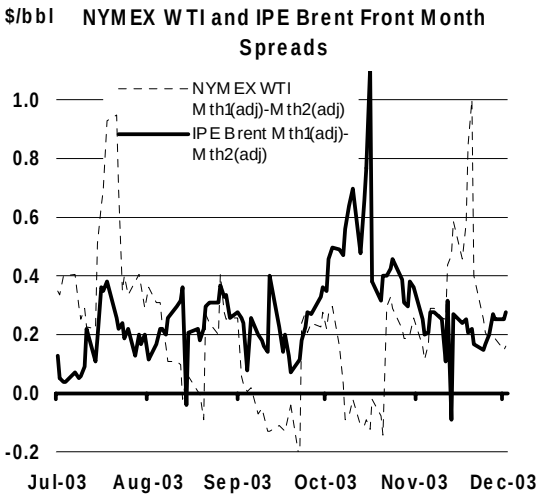
Crude Futures in November

Historically, Brent and WTI crude prices generally track with each other, perhaps not to the same magnitude, but in the same direction. Similarly, the front and second month spreads tend to follow similar trends to the underlying futures price and offer a less costly way (both in terms of financing and overall risk) to gain a financial exposure to the crude price. But recently, the price trends of IPE Brent and NYMEX front-second month futures spreads have diverged.

This is only likely to happen if relative demand for the two crudes in the region of production follows divergent patterns. If crude demand from the US is strong, that would be expected to tighten the front month spread on WTI, and eventually do the same for the Brent spread as transatlantic demand

improves. Similarly, if the US market is weak, then the front month WTI spread would be expected to contract, and the demand-pull for Brent crudes would reduce, narrowing its front-end spread.

To have both spreads moving in opposing directions requires opposing fundamentals. For example, for a WTI contango to be in place at the same time as a strong Brent backwardation would require weak US and strong European demand. Tight European supplies could clearly exacerbate the situation. However, such a situation is unlikely to persist. Europe would attract higher crude imports, reducing the volume available to the US, which is always a net importer. That would in turn tighten the US market.



If WTI is in backwardation, a simultaneous Brent contango would have to be caused by either weak European demand or Brent being priced out of the local market. But if Brent remains priced out of the local market it would be expected that it would price itself attractively for the US market – so there would have to be an intervening factor such as surging freight or infrastructure constraints (weather, loading difficulties etc) to prevent transatlantic movement.

Ultimately these two scenarios largely explain why the front month WTI and Brent spreads have been moving in opposite directions recently – and also why the divergence is largely temporary.

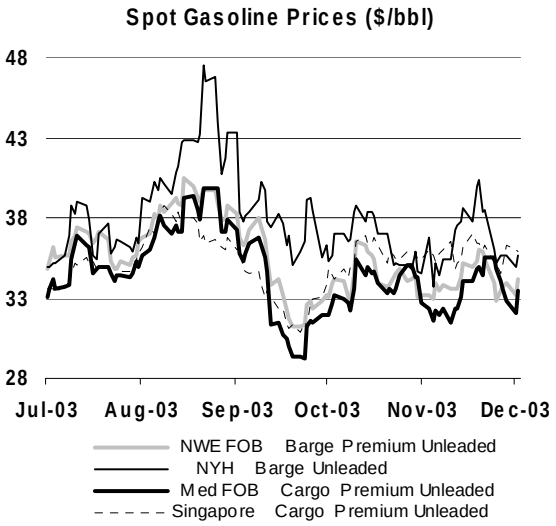
Delivered Crude Prices in September

Delivered prices for crude oil imported into IEA countries fell $1.59 in September from August levels, reflecting the sharp drop in prices that was seen following the end of the summer driving season. Total IEA delivered crude prices fell from $28.57 in August to $26.98 in September (see Table 8 at the back of the Report). Price falls were seen in IEA North America and Europe with $1.95 and $1.62 declines respectively. IEA Pacific prices however rose by 23 cents to $28.81 reflecting the lag caused by sailing times to the region, however it is likely that these will show a corrective move next month.

Product Prices

Spot Product Prices in November

Gasoline prices generally averaged slightly lower levels in November from the prior month, however crack spreads remained relatively high over the period. Brent cracks in NWE were relatively robust, but this represented weakness of the underlying crude grade rather than product strength. Similarly, the flat trend in gasoline cracks in New York Harbour (NYH) reflected the strength of the new MTBE-free market offset by a relatively firm WTI contract.



NWE gasoline supplies remained tight in early November on the continuing refinery maintenance in the Netherlands and US arbitrage opportunities. Both the Nerefco refinery and KPC's refineries were reported to be undergoing significant maintenance from October, which restricted regional supplies. The Nerefco refinery restarted by the mid-November, but trade reports suggest that the KPC restart had been put back to early December. Despite rising freight rates high US gasoline prices helped to pull European material west, but although the spread was most attractive in the middle of the month, rising refinery production towards the beginning of December facilitated the movement of up to 300,000 tonnes from NWE and UK ports.

In the Mediterranean, problems with a North African and an Italian refinery helped to keep the regional gasoline market tight. Demand into the east of the region, destined for shipment to Iraq, was strong early in the month, pushing values to a premium to NWE in the middle of the November. Demand faded towards the end of November, reversing this

premium. Traders said that they expected the reissue of Nigeria's tender for December and first quarter 2004 products to result in much lower volumes than had been originally awarded. The first tender was cancelled following accusations of graft.

Spot Product Prices
(monthly and weekly averages, $/bbl)

	Sep	Oct	Nov	Nov-Oct Change	Nov-Oct %	Week Commencing: 03 Nov	10 Nov	17 Nov	0 Nov	01 Dec	Sept	Oct	Nov
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	34.31	34.31	34.14	-0.17	-0.5	33.45	34.04	35.51	33.57	33.70	7.23	4.66	5.42
Regular Unleaded	33.80	33.81	33.66	-0.16	-0.5	33.01	33.48	35.02	33.12	33.13	6.72	4.16	4.93
Naphtha	27.48	30.03	31.55	1.52	5.0	31.02	31.77	32.32	31.08	31.45	0.40	0.38	2.82
Jet/Kerosene	32.32	36.45	37.67	1.22	3.3	36.53	37.60	39.23	37.31	38.23	5.24	6.80	8.94
Gasoil	30.31	34.46	34.75	0.29	0.8	34.03	35.18	36.06	33.72	33.75	3.23	4.81	6.02
Fuel Oil 1.0%S	24.78	25.19	24.00	-1.19	-4.7	24.28	24.66	24.03	23.01	21.40	-2.29	-4.47	-4.73
Fuel Oil 3.5%	22.57	23.60	23.52	-0.08	-0.3	23.62	24.28	23.85	22.32	21.26	-4.51	-6.05	-5.21
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium Leaded (0.15 g/l)	33.63	34.49	34.10	-0.39	-1.1	32.75	33.37	35.45	34.84	33.47	7.99	6.51	6.47
Premium Unleaded	32.91	33.78	33.38	-0.39	-1.2	32.04	32.65	34.73	34.12	32.75	7.27	5.79	5.75
Naphtha	26.60	29.25	30.23	0.97	3.3	29.78	30.52	30.95	29.65	30.03	0.96	1.27	2.59
Jet/Kerosene	30.86	34.44	35.69	1.25	3.6	34.26	35.87	36.92	35.73	36.74	5.22	6.45	8.06
Gasoil	29.93	35.55	34.32	-1.23	-3.4	34.19	34.68	36.00	32.42	33.75	4.29	7.56	6.69
Fuel Oil 1.0%S	23.82	25.79	24.88	-0.91	-3.5	25.42	26.08	24.82	23.19	21.71	-1.82	-2.20	-2.76
Fuel Oil 3.5%S	21.36	22.40	21.19	-1.20	-5.4	21.75	22.10	21.08	19.84	18.11	-4.28	-5.59	-6.44
NY Harbour, Barges											***Differential to WTI***		
Super Unleaded *	44.44	38.94	39.69	0.74	1.9	38.50	39.85	41.46	38.43	38.21	16.19	8.64	8.63
Regular Unleaded *	37.72	36.45	36.72	0.42	1.1	35.06	37.31	38.98	35.61	35.27	9.47	6.15	5.81
Jet/Kerosene	31.95	35.46	36.15	0.70	2.0	34.55	36.52	37.69	35.64	36.69	3.70	5.15	5.09
No.2 Heating Oil	30.83	34.41	35.06	0.65	1.9	33.57	35.43	36.57	34.40	35.21	2.58	4.10	4.00
Fuel Oil 1.0%S (Cargo)	24.88	25.93	26.14	0.20	0.8	26.02	26.84	26.12	25.19	24.23	-3.37	-4.37	-4.92
Fuel Oil 3.0%S (Cargo)	23.05	24.02	24.43	0.41	1.7	23.63	24.45	25.32	24.26	23.01	-5.21	-6.29	-6.63
Singapore, Cargoes											***Differential to Dubai***		
Premium Unleaded 95	33.11	35.55	35.78	0.23	0.6	35.74	35.62	36.41	35.24	35.96	7.74	8.27	8.12
Naphtha	27.86	30.46	32.54	2.08	6.8	31.19	32.90	33.97	32.01	32.54	2.49	3.18	4.88
Jet/Kerosene	31.40	33.84	35.89	2.06	6.1	34.40	36.15	36.90	36.18	36.44	6.04	6.56	8.23
Gasoil	31.22	32.41	33.68	1.27	3.9	32.33	33.91	34.58	33.96	33.23	5.85	5.14	6.02
LSWR (0.3%S)	24.80	26.14	28.73	2.59	9.9	27.82	27.96	29.13	30.34	31.01	-0.57	-1.13	1.07
HSFO (3.5%S 180cst)	24.59	25.38	25.01	-0.37	-1.5	24.79	25.38	25.13	24.69	24.22	-0.78	-1.89	-2.64
HSFO 4%S	24.94	25.56	25.17	-0.39	-1.5	24.85	25.63	25.23	24.95	24.55	-0.43	-1.72	-2.48

* From 1 November 2003 assessments for NYH are for Max 0.3% MTBE

US gasoline prices largely dictated global trends. Although US stocks remain low, bearish sentiment prevailed after provisional weekly data showed that demand had slumped sharply just ahead of the Thanksgiving holidays and over the holiday period allowing stocks to increase. It is too early to draw a firm conclusion over consumption trends (primary offtake over the holiday season is often erratic): economic growth remains firm, but seasonality remains a negative factor.

Much of the focus remains on US East Coast values. The switch to MTBE-free gasoline in New York and Connecticut requires a reconfiguration of capacity and the logistical process. While there is no sign of a shortage in PADD 1, the Colonial pipeline had to impose shipping restrictions on the 34th and 35th cycle as nominations continued to exceed capacity. East Coast refiners also stepped up throughput, after a maintenance-led reduction. However, there has also been a sharp influx of imports into the region, a trend that seems likely to continue through to the end of the year given recent European and Caribbean shipping reports.

Early-December Singapore gasoline prices rose from the dip in prices between the middle and end of November. Overall the market fared well in comparison with the other regions covered, with Singapore prices moving to a premium over New York. A sharply wider premium to Mediterranean and NWE values was noted. Strong gasoline demand in China has depressed exports from the mainland and Taiwan. Chinese exports are expected to remain low in December. High regional naphtha prices are additionally supportive, but traders are concerned that rising exports from the Middle East will shortly depress values.

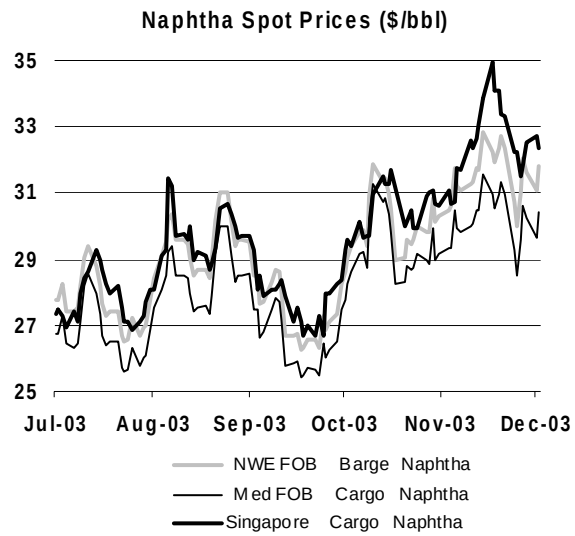
Gasoil Mediterranean gasoil exports lost their premium position towards the middle of November as regional values plunged. Talk of arbitrage shipments from Asia and the expected arrival of up to 600,000 tonnes of South Korean material in maiden voyage ships provided the impetus for an initial

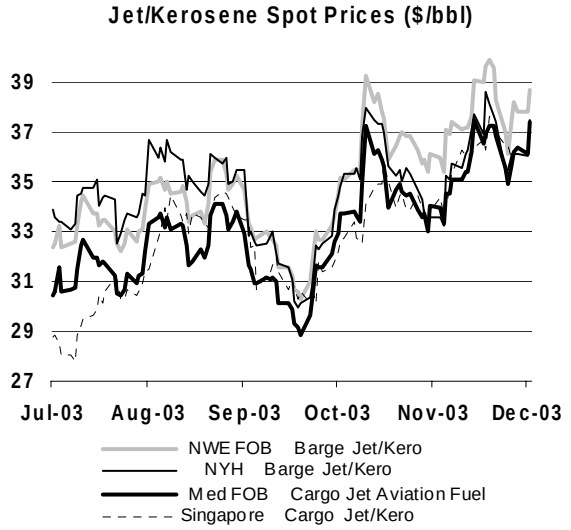
retracement, as did a dip in demand into Iraq and the closing of the arbitrage to the US East Coast. Material was also moved from NWE into the region. Despite congestion and high freight rates, Russian Black Sea exports increased sharply towards the end of November, adding to regional oversupply. However, this surge appeared to have more to do with catch-up from weather-related delays than anything else. Seasonally, strong demand from FSU countries typically reduces Russian exports in December.

By early December weak Mediterranean gasoil differentials had reopened the transatlantic arbitrage, and reports emerged that some of the Korean material had been diverted to take advantage of more attractive values in the US. Traders expect East Mediterranean demand to pick-up in December, keeping regional supplies tight.

Northwest European gasoil moved to a brief premium to the Mediterranean market as Baltic shipments followed their normal seasonal decline, and Med values plunged. However, overall values were weak, with the premium to Singapore removed at the end of November. A subsequent rally has restored a premium over the Far East market, but it is too small to warrant any new arbitrage activity. Supplies in the region improved in the middle of the month, with the return of Dutch and UK refineries, and this bearish pressure was compounded by relatively sluggish demand in the region. German domestic heating oil stocks remain high, estimated at around 66% at the end of November, and barge traffic remains restricted due to low water levels. Predictions for a cold snap in both northern Europe and the US in early December should prove supportive in the short term. However it is far from clear that cold weather will remain a feature for the rest of the winter.

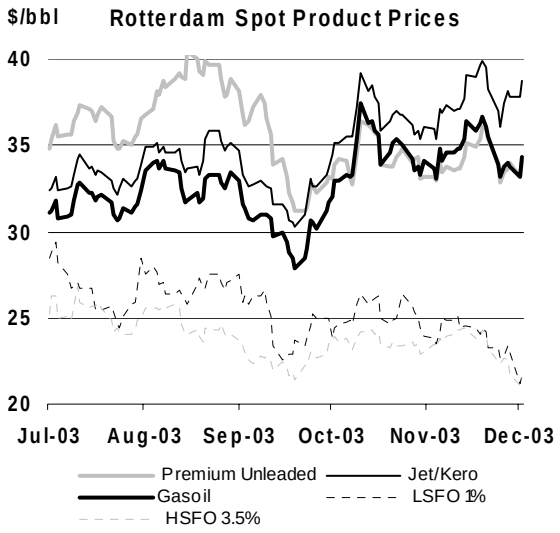
Jet/Kerosene values remained firm as tight supply continued to be noted in the European market and demand into Iraq remained high. While the plunge in gas oil prices in the middle of the month dragged jet lower, prices recovered sharply by end-November. High NWE values continue to attract material from across the Atlantic (particularly Venezuela) and the region is currently beating the Far East for Mid East Gulf supplies. Airline consumption tends to be strong in the run-up to Christmas, and that is being compounded by strong Mediterranean and Iraqi demand and rapid economic growth in the Far East.

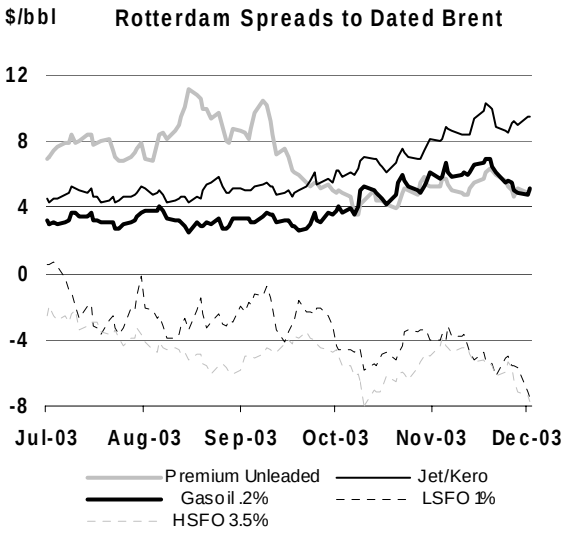


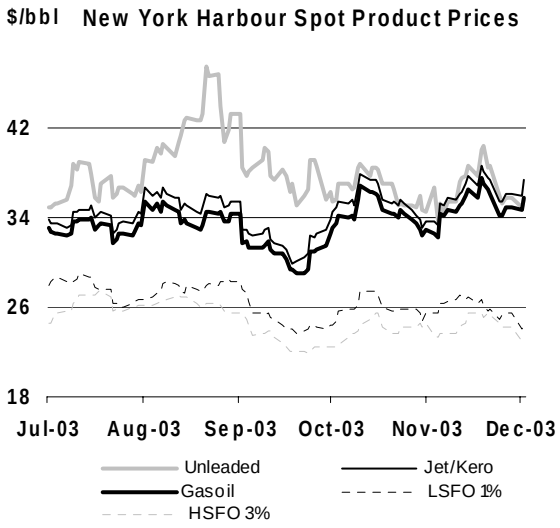


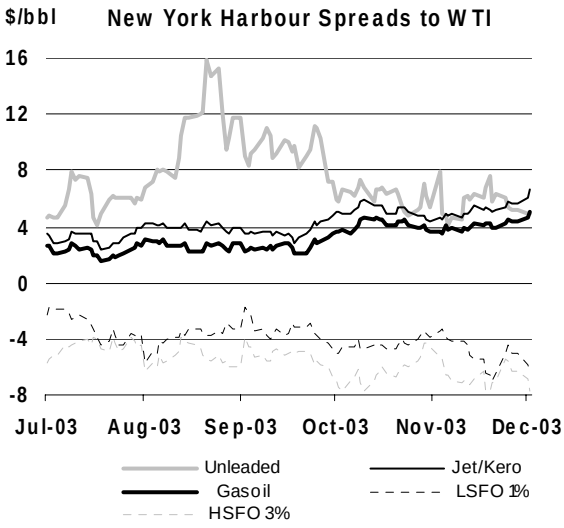
Offsetting this, Japanese kerosene consumption has been restrained by a relatively mild winter so far and domestic stocks remain high. However, high Chinese demand for kerosene and domestic stock rebuilding by Korean refiners are keeping the region reasonably tight.

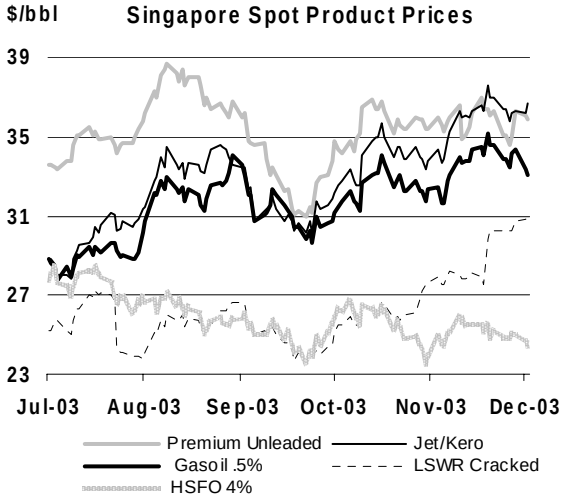
Naphtha was very strong in early November, particularly in the Far East. Strong demand by naphtha crackers, spurred by the rapid recovery in the petrochemical industry caused prices to spike. Supplies were also tightened when Saudi Aramco informed term naphtha buyers it would be reducing volumes loading in December. However, Far Eastern regional crackers said that prices were so high they were investigating adding some gasoil and condensate into the feed stream, which appeared to mollify prices. High European values were largely seen as reflecting strong Far Eastern and US demand, with early-month supplies tempered by refinery maintenance.

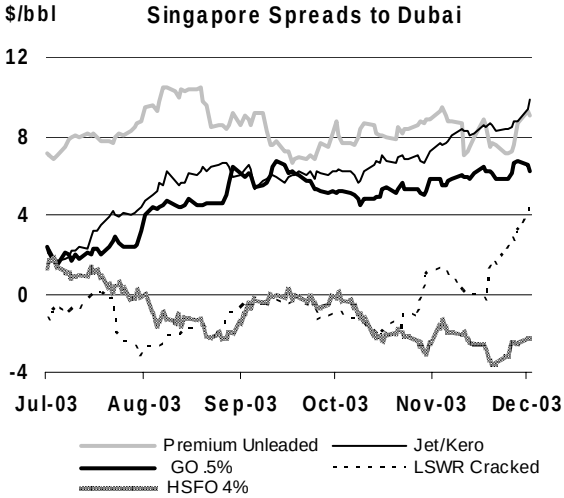

$/bbl
Rotterdam Spot Product Prices
40
35
30
25
20
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Premium Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3.5%


$/bbl
Rotterdam Spreads to Dated Brent
12
8
4
0
-4
-8
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Premium Unleaded
Jet/Kero
Gasoil .2%
LSFO 1%
HSFO 3.5%


$/bbl
New York Harbour Spot Product Prices
42
34
26
18
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%

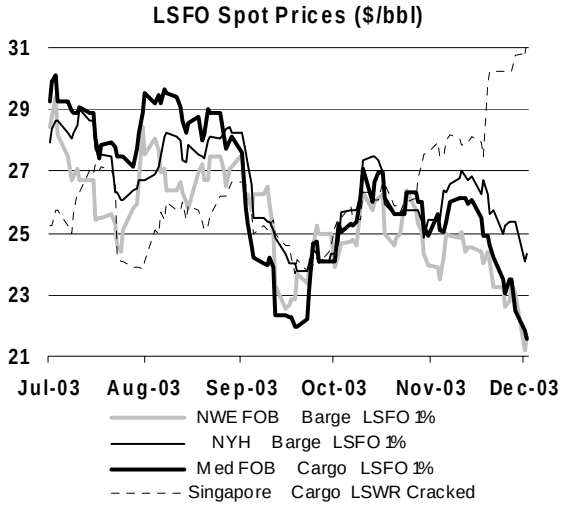

$/bbl
New York Harbour Spreads to WTI
16
12
8
4
0
-4
-8
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Unleaded
Jet/Kero
Gasoil
LSFO 1%
HSFO 3%


$/bbl
Singapore Spot Product Prices
39
35
31
27
23
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Premium Unleaded
Jet/Kero
Gasoil .5%
LSWR Cracked
HSFO 4%


$/bbl
Singapore Spreads to Dubai
12
8
4
0
-4
Jul-03
Aug-03
Sep-03
Oct-03
Nov-03
Dec-03
Premium Unleaded
Jet/Kero
GO .5%
LSWR Cracked
HSFO 4%

High and low sulphur fuel oil followed a largely depressed path as relatively mild winter weather and falling US natural gas prices depressed demand. Supplies were also high, with preliminary data showing a sharp increase in Russian exports in November from both the Black Sea and the Baltics. Baltic supplies were particularly heavy towards the end of the month and strong crude margins compared with fuel oil feedstock removed some demand. The arbitrage to the US was also shut, keeping surplus supplies in the region, but some robust bunkering demand helped to mitigate a little of the surplus. Utilities were reported to be largely absent in the Mediterranean market, but the low-high sulphur spread improved in November. Overall, European prices suffered a particularly aggressive decline at the end of November and early December, with Mediterranean values recording the largest nominal and percentage losses.

US residual fuel oil prices also lost ground towards the end of the month; competitive crude prices reducing the demand for straight run fuel oil as a feedstock. Demand for low sulphur diesel has also diminished with the end to the annual harvest season. Temperatures in the US have been relatively mild so far this winter, which, until recently has led to declining natural gas prices and lower utility demand for residual fuel oil. However, the rapid reversal in natural gas prices following forecasts of an early December snowstorm in the US Northeast underscores that prices will remain vulnerable to cold weather.



The most startling move in the product markets this month has been the continuation of the dramatic rally in Singapore Low Sulphur Waxy Residue prices in November. The price rally has been virtually unrelenting since they rebounded off their lows in September. Continued problems with Japanese nuclear power plants have increased the demand for oil-fired electricity generation capacity. Meanwhile, high natural gas prices in Korea have prompted fuel switching to low sulphur fuel oil at the margin. Korean utilities have bought large quantities on a spot-basis, and are also looking to buy more material through to January.

In the Far East, the lack of significant Chinese import demand continues to depress high sulphur material. Chinese refiners are using some of this material as an alternative feedstock, but Singapore stocks remain relatively high. Highlighting the oversupply trend, the December/January Singapore fuel oil swaps flipped from backwardation in early November to contango by the end of the month. Supplies were heavy, with high sulphur material reported arriving from the Middle East and India, together with around 1.2 mt of fuel oil from Europe.

Product Futures in November

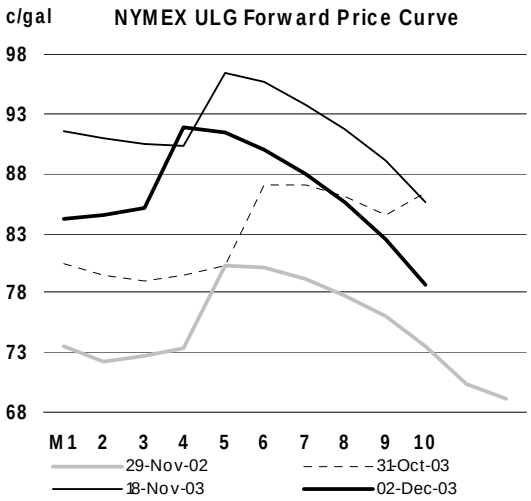
There has been little shift in the shape of the forward curve for either IPE gas oil or NYMEX heating oil over the past few months. Shifts in the nearby price have generally been reflected in parallel shifts in the forward structure, with the curve shifting leftwards each time a contract expires.

Since US heating oil stocks are at normal levels, the net-non commercial position in NYMEX heating oil has been reduced to only a modest net long position. The speculative focus in the product markets has shifted in a counter-seasonal fashion to gasoline as inventories moved towards historic lows in November and the net speculative longs rose close to the peaks recorded during the summer months. However, the latest week's data showed a decline in speculative interest following a rise in US stocks and weaker demand. A subsequent second consecutive stock build is likely to reduce the net long even further.

However, while heating oil's forward curve has been consistent, the gasoline structure has changed. The front two months have moved from a small backwardation into a contango as stocks increased, which will help to encourage inventory building. Further forward, the seasonal peak in prices remains tethered to the April contract, with the market firmly in backwardation through to October.

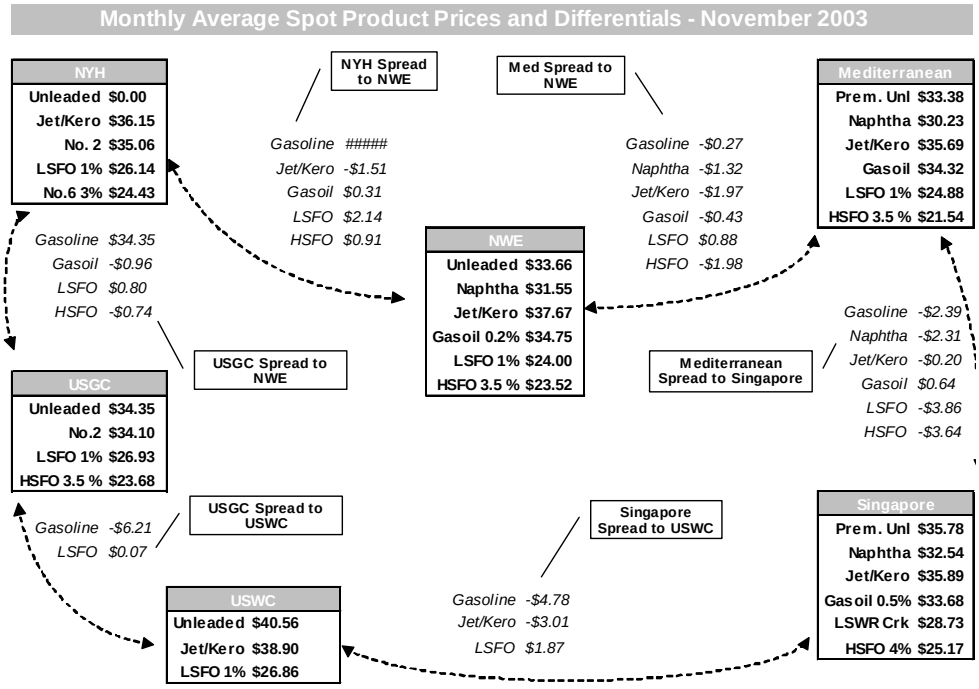
Uncertainty over the future of the NYMEX contract due to the switch to MTBE-free gasoline in New York Harbour and Connecticut has reduced interest in the forward months. However, in early December NYMEX announced that a further two contract months would be added to the existing 10

forward contracts. A subsequent new month will be listed following every preceding front month expiry, ensuring that 12 forward months will always be available for trading purposes. All contracts refer to the New Jersey mandated reformulated gasoline, which contains MTBE.



End-User Product Prices in November

End-user gasoline prices were broadly flat in Europe in November, but fell 3.6 % in the US. Falls of 1.0 and 1.8% in retail prices in domestic currencies were noted in Japan and Canada respectively. Automotive diesel and domestic heating oil prices moved higher in line with normal seasonal trend in most countries. However Japanese prices posted falls of around 1.2%. Industrial fuel oil prices for industry in Europe showed little movement in November over October levels.

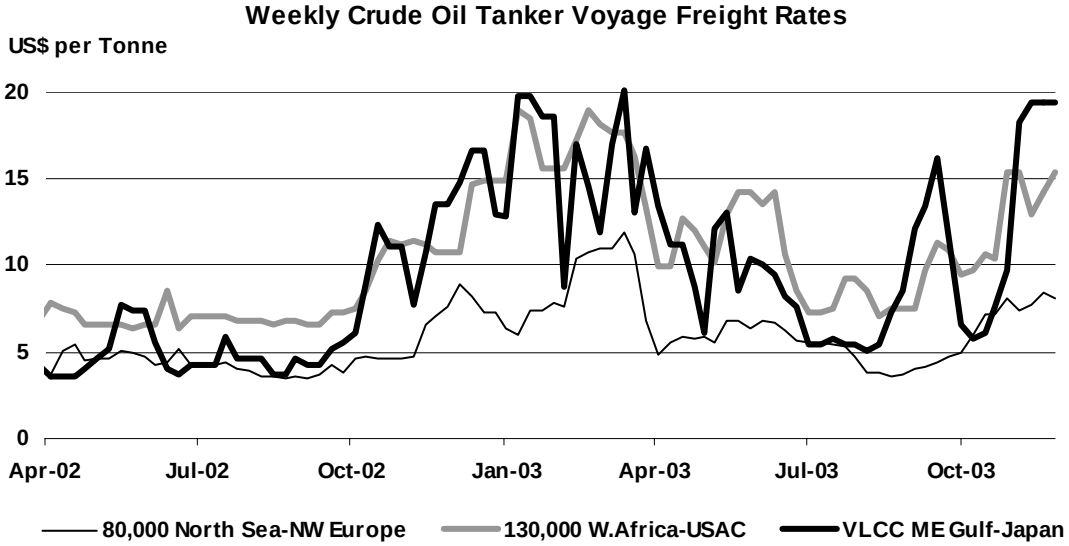


Freight

VLCC rates soared in November as strong demand for crude oil, coupled with a significant tanker backlog around the Bosphorus straits tightened the market. Tanker demand for December loadings in the Middle East was reported to be very high, with some charterers reportedly struggling to find vessels. Much of the demand is related to movement to the Far East, China in particular.

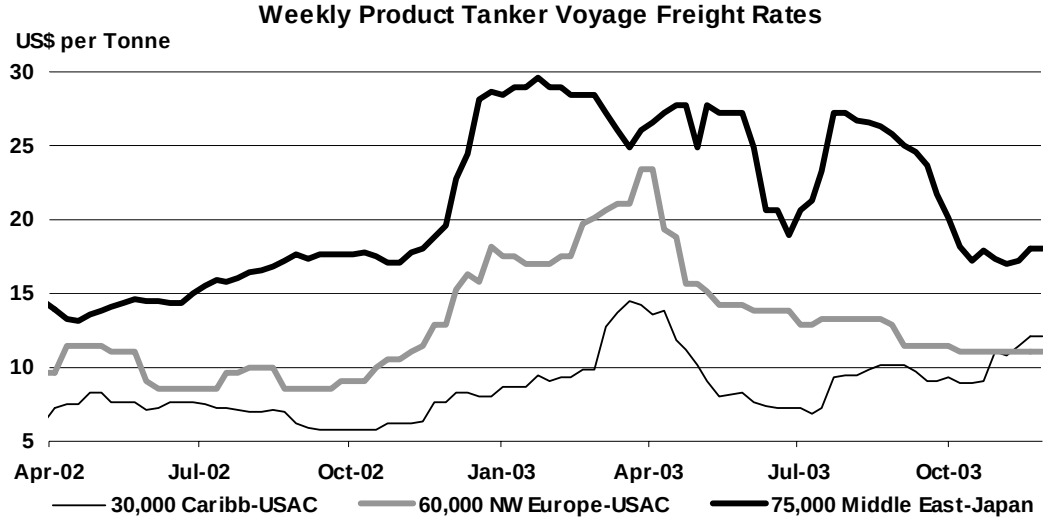
High steel prices have contributed to the tightness in the freight markets, as they provide an economic incentive for tanker scrapping. In the VLCC market, trade sources estimate that 34 tankers have been built this year, compared with 30 that have been scrapped, leaving little additional flexibility in supply. Further, the United Nations' International Maritime Organisation (IMO) has just introduced stricter laws that bring forward its original staggered global phase-out of single hulled tankers by at least five years, bringing it closer in line with recently introduced EU laws.

Latest data shows that rates flattened in the last week in November, but this believed to be more of a reflection of low activity due to the US Thanksgiving holiday and end-Ramadan celebrations. Smaller vessels followed VLCCs higher, with some charterers looking to circumvent night shipping restrictions in the Bosphorus. Brokers remain concerned that high demand and the lack of any significant OPEC cutbacks could lead to further tightness in the weeks ahead.



Clean freight was mixed in November, with rises in Caribbean to US rates reflecting increased gasoline movement, and rates for Mediterranean voyages hitting six-month highs last week. Fractionally higher rates for tonnage has been seen on European routes to the Atlantic coast due to the reopening of the gasoline arbitrage.

Trade sources say that some of the rise in clean rates over recent weeks is partly the result of the new rules governing single-hulled and older tonnage in the EU. Spot fixture tonnage has been biased towards fixing more modern tonnage for both clean and dirty cargoes, resulting in a sharp drop in the average age of the tonnage chartered. This provides an additional incentive to scrap older ships.



Source: SSY Consultancy & Research Ltd.

Refining Margins in November

The divergent performance of regional refining margins persisted in November, largely reflecting shifts in Gross Product Worth. However, while the timing of the November peak differed, all bar Singapore ended the month lower than their starting point.

Northwest European cracking and hydroskimming margins in November peaked around the middle of the month as jet, gasoline, and naphtha were all strong on the back of tight regional supplies. Jet maintained its positive trend throughout November, ending the month 11% higher. However this was overwhelmed in the cracking calculation by the weakness of low sulphur fuel oil which lost nearly 7% from the end of October. Average margins posted gains of over $1 for both cracking and hydroskimming calculations in November, but on a month-end basis the product net worth for

cracking margins rose by 1.9%, compared with a rise of 3.9% in Dated Brent. Cracking margins however remained attractive in the region, which should encourage increased product supplies in December when refinery glitches in Germany and the Netherlands have been resolved.

Refining Margins in Major Refining Centres

($/bbl)

	Monthly Averages			Nov-Oct		Week Ending:				
	Sep	Oct	Nov	*Change*	*%*	31 Oct	07 Nov	14 Nov	21 Nov	28 Nov
Refining Margins										
NW Europe										
Brent (Hydroskimming)	-0.37	-0.49	0.54	1.03		0.31	0.28	0.63	0.04	-0.82
Brent (Cracking)	1.01	0.91	2.05	1.13		1.70	1.58	2.11	1.79	0.89
Mediterranean										
Urals (Hydroskimming)	0.93	1.50	1.21	-0.29		2.27	1.18	1.45	0.86	-0.45
Urals (Cracking)	2.49	3.16	2.88	-0.28		3.92	2.57	3.08	2.94	1.33
US Gulf Coast										
WTI (Cracking)	3.56	3.42	1.50	-1.92		2.65	1.83	1.82	0.92	1.23
Brent (Cracking)	3.14	1.85	1.17	-0.68		2.03	1.84	2.27	1.61	0.59
Singapore										
Dubai (Hydroskimming)	1.59	0.99	1.08	0.09		1.07	1.31	1.04	0.44	1.24
Dubai (Cracking)	3.65	3.30	3.61	0.32		3.69	3.80	3.64	3.12	4.00
Gross Product Worth										
NW Europe										
Brent (Hydroskimming)	27.84	30.30	30.40	0.10	0.3	29.55	30.39	31.70	30.81	29.45
Brent (Cracking)	29.32	31.80	32.01	0.21	0.7	31.05	31.78	33.29	32.66	31.26
Mediterranean										
Urals (Hydroskimming)	26.76	29.67	29.03	-0.64	-2.2	28.78	29.14	30.22	29.45	27.42
Urals (Cracking)	28.42	31.43	30.80	-0.63	-2.0	30.52	30.63	31.95	31.64	29.30
US Gulf Coast										
WTI (Cracking)	32.91	34.82	33.66	-1.16	-3.3	33.00	33.70	35.21	34.22	32.79
Brent (Cracking)	32.59	34.56	33.43	-1.13	-3.3	32.83	33.48	34.94	33.96	32.55
Singapore										
Dubai (Hydroskimming)	27.45	28.77	29.24	0.48	1.7	28.08	29.05	29.73	29.69	29.35
Dubai (Cracking)	29.61	31.18	31.88	0.70	2.3	30.80	31.63	32.44	32.48	32.21

For the purposes of this Report, refining margins are calculated on the basis of an 'average' refinery that is running a 'typical' crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries running individual crude slates and producing custom product sales.

Mediterranean margins against Urals crude dipped on both an average and a trend basis in November. The relative strength of Urals crude, caused by Black Sea delays was a depressing factor, but weaker products were also a factor. With the exception of naphtha, all products fell on a month-end comparison basis. Low sulphur and high sulphur fuel oil fell by 10.9% and 9.6% respectively, dragging net product worth down by nearly 5%. Urals crude, by contrast, only fell by 3.3%. Refinery problems in Italy and Algeria are likely to help improve regional supplies when resolved.

US Gulf cracking margins continued the decline seen at the start of November, despite the strength of both gasoil and jet kerosene. Weak fuel oil prices were compounded by a mid-month fall in gasoline values following preliminary data showing a fall in primary demand and a rise in stocks. WTI prices by contrast reversed their recent weakness with prices rising nearly 7% compared with end-November values. Although it is not unusual to see weak refining margins in early winter, a trend of deteriorating crude stocks is expected to be seen until the year-end, supporting input prices, while there are few fears of either a counter-seasonal gasoline demand surge or a heating oil shortage. Further downward pressure on the crack spread could be seen in the coming weeks.

Singapore hydroskimming and cracking margins against Dubai crude bucked the negative trend seen in the other regions pulled higher by strong product demand. On an end-month basis, all products in the calculation ended November higher than October, with gasoil and jet/kerosene gaining over 8%. Refineries producing low sulphur fuel oil would have seen an even stronger performance as this product is not included in our marginal calculation. High freight rates were a negating factor for the refinery system.

OECD Refinery Throughput in October

OECD refinery throughputs rose by 165,000 b/d in October to 38.74 mb/d. September OECD throughput was virtually unchanged from preliminary data of 38.58 mb/d, but there were significant revisions by various countries. North American throughput was revised up by 118 kb/d and 145 kb/d in August and September respectively, largely on receipt of data from Canada. In Europe, official data showed a significant 204 kb/d downward revision to Italian throughput, but this was largely offset by upward revisions to Spain and Sweden. In the Pacific, Japanese September throughput was revised down by 73 kb/d and preliminary Australian estimates were revised down by 102 kb/d following maintenance at a Caltex refinery.

Refinery Crude Throughput and Utilisation in OECD Countries

	million barrels per day						*Change from Oct 02*		Utilisation rate[2]	
	May 03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	mb/d	%	Oct 03	Oct 02
OECD North America										
US[3]	15.92	15.62	15.55	15.69	15.44	15.31	1.01	7.1	0.0	85.1
Canada	1.86	1.92	1.76	1.90	1.88	1.81	-0.02	2.1	0.0	91.0
Mexico	1.28	1.21	1.28	1.27	1.25	1.21	0.12	18.5	0.0	70.7
Total	19.06	18.75	18.59	18.86	18.57	18.33	0.30	7.2	0.0	84.2
OECD Europe										
France	1.66	1.69	1.83	1.79	1.82	1.84	0.16	18.0	0.0	82.3
Germany	2.15	2.14	1.97	2.26	2.34	2.33	0.10	12.0	0.0	92.2
Italy	1.76	1.75	1.85	1.84	1.66	1.79	-0.11	-1.3	0.0	79.3
Netherlands	1.07	1.03	1.08	1.05	1.08	0.95	-0.02	-0.9	0.0	79.3
Spain	1.21	1.16	1.20	1.16	1.11	1.11	-0.10	-6.5	0.0	91.4
UK	1.69	1.63	1.49	1.62	1.46	1.43	-0.17	-1.1	0.0	81.3
Other OECD Europe	3.74	3.80	4.05	4.06	4.12	3.95	0.02	6.8	0.0	80.4
Total	13.27	13.21	13.47	13.78	13.59	13.40	-0.13	5.1	0.0	83.2
OECD Pacific										
Japan	3.84	3.65	3.90	3.89	3.78	3.99	-0.22	8.5	0.0	74.1
Korea	2.02	2.11	2.09	1.83	1.93	2.23	0.08	1.1	0.0	86.3
Other OECD Pacific	0.83	0.72	0.69	0.71	0.70	0.79	-0.03	-2.0	0.0	84.4
Total	6.70	6.48	6.68	6.44	6.42	7.01	-0.18	4.8	0.0	78.9
OECD Total	39.03	38.44	38.74	39.07	38.58	38.74	-0.01	6.1	0.0	82.8

1 Estimate
2 Based on crude throughput and current operable refining capacity
3 US50

North American seasonal maintenance peaked at the beginning of October, and US throughput has averaged around 15.3 mb/d for the next six weeks. However, preliminary data shows a sharp downturn in US crude throughput in PADD 1 in mid-November on some late-season maintenance, weather-related problems and reconfiguration ahead of the new MTBE-free gasoline specifications in New York. This was however offset by sharply higher throughput in the Gulf Coast regions, despite a number of refining glitches.

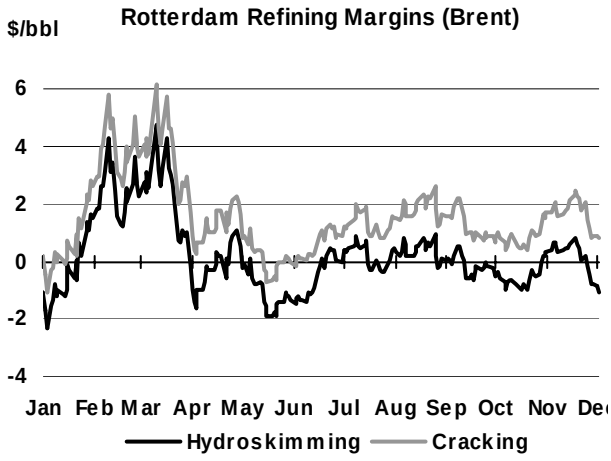
Preliminary data showed a sharp rise in US throughput in the last week of November to 15.5 mb/d, not far from the high levels seen during the summer months. Refiners might partly be increasing throughput to ensure ample availability of MTBE-free blending components. Refining margins however have fallen sharply, and there seems little economic reason for throughput to remain at these levels in December unless there is a sharp increase in crack spread values. Typically, however, North American throughput rises from October through to the end of December before dipping in January as seasonal maintenance resumes ahead of the spring.

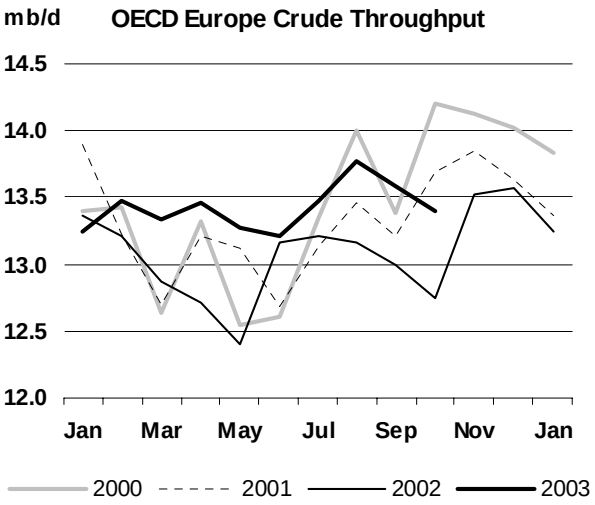
OECD European refinery throughput dipped slightly in October to 13.4 mb/d from 13.59 mb/d in September, preliminary data showed. A recovery in Italian output was more than offset by declines in the Netherlands and Switzerland. Maintenance at the Nerefco refinery in the Netherlands was completed towards the end of November, but trade comment suggested that another refinery had delayed restart to early December. Further refinery problems were noted, with reports that an 88 kb/d catalytic cracker at a refinery in Karlsruhe in Germany would stay down until mid-December. Also Italian power conglomerate ENI said it had partly shut down its 100 kb/d Gela refinery in Sicily after a court order sequestered storage tanks at the plant on environmental grounds. However the company said it was trying to offset the production loss through increasing runs at other refineries run by its Agip subsidiary. Traders had noted little additional product demand into Italy as a result of the closure.

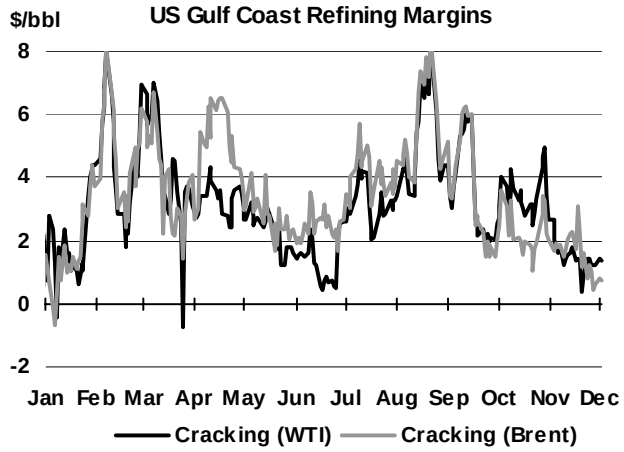
OECD Pacific throughput in October rose by nearly 600 kb/d from September levels to 7 mb/d according to preliminary data. High throughput in Japan and Korea to meet strong regional product demand, coupled with the return of Australian refineries from maintenance were responsible for the recovery, which returned throughput to the middle of its observed 5 year range. This contrasts with third quarter data which put runs well below normal levels.

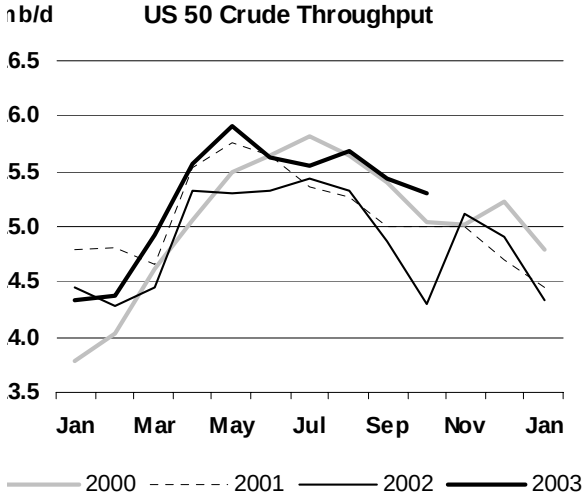
Although regional runs have increased, Japanese throughput has been restrained by local maintenance and technical issues, while South Korea continues to run well below capacity.

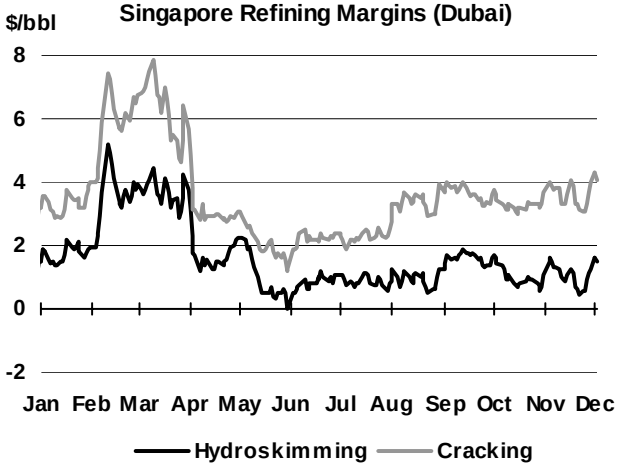
In contrast to falling margins in Europe and the US, strong regional demand is keeping product values high in the region, while high freight rates are deterring arbitrage shipments from depressing the market. Japanese kerosene stocks have started to fall from their peaks, but remain at high levels as winter temperatures (so far) have been relatively mild. Typically, OECD Pacific throughput rises through to the end of December, and preliminary data and trade reports would suggest that both Korea and Japan have followed that path in November. Non-OECD refineries would also appear to have followed a similar path. China in particular continues to keep refineries at high utilisation rates, constrained more by the high cost and availability of crude than demand. Trade reports suggest that refiners in the country are operating on lower-than-normal crude stocks.


Rotterdam Refining Margins (Brent)
$/bbl
6
4
2
0
-2
-4
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Hydroskimming
Cracking


OECD Europe Crude Throughput
mb/d
14.5
14.0
13.5
13.0
12.5
12.0
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


US Gulf Coast Refining Margins
$/bbl
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Cracking (WTI)
Cracking (Brent)


US 50 Crude Throughput
mb/d
6.5
6.0
5.5
5.0
4.5
4.0
3.5
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003


Singapore Refining Margins (Dubai)
$/bbl
8
6
4
2
0
-2
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Hydroskimming
Cracking

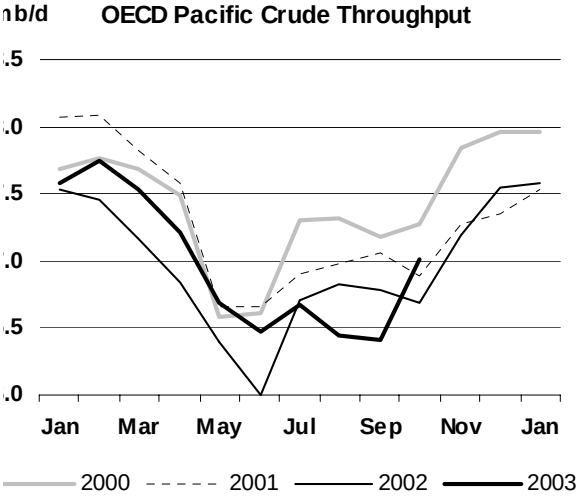

OECD Pacific Crude Throughput
mb/d
Jan Mar May Jul Sep Nov Jan
2000
2001
2002
2003

Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	24.1	24.0	23.9	24.0	24.3	24.3	24.2	24.6	24.2	24.8	24.6	24.5	24.7	24.4	25.2	25.1	24.8
Europe	15.1	15.3	15.1	14.6	15.2	15.3	15.1	15.2	15.0	15.2	15.6	15.3	15.3	15.0	15.4	15.8	15.4
Pacific	8.6	8.5	9.1	7.6	8.0	9.3	8.5	9.6	8.0	7.9	9.2	8.7	9.4	7.9	7.9	9.1	8.6
Total OECD	47.8	47.8	48.1	46.3	47.6	49.0	47.7	49.4	47.2	48.0	49.5	48.5	49.4	47.3	48.5	49.9	48.8
NON-OECD DEMAND																	
FSU	3.7	3.6	3.5	3.1	3.4	3.9	3.5	3.7	3.1	3.4	4.0	3.6	3.8	3.1	3.4	4.1	3.6
Europe	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8
China	4.6	4.7	4.6	5.0	4.9	5.2	4.9	5.2	5.2	5.7	5.7	5.4	5.6	5.7	5.8	6.0	5.8
Other Asia	7.4	7.6	7.5	7.7	7.6	7.9	7.7	7.7	7.7	7.7	8.1	7.8	7.8	7.9	7.9	8.3	8.0
Latin America	4.9	4.9	4.7	4.8	4.9	4.7	4.8	4.5	4.6	4.8	4.7	4.6	4.5	4.7	4.8	4.8	4.7
Middle East	4.7	4.9	5.0	4.9	5.1	5.1	5.1	5.1	4.9	5.3	5.3	5.1	5.3	5.3	5.4	5.4	5.3
Africa	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.6	2.7	2.6
Total Non-OECD	28.4	29.0	28.8	28.9	29.1	30.2	29.3	29.6	28.9	30.0	31.2	29.9	30.6	30.0	30.6	31.9	30.8
Total Demand[1]	76.2	76.8	76.9	75.2	76.7	79.2	77.0	79.0	76.1	78.0	80.7	78.4	80.0	77.4	79.1	81.9	79.6
OECD SUPPLY																	
North America	14.3	14.4	14.6	14.6	14.5	14.6	14.6	14.8	14.6	14.8	15.1	14.8	15.1	15.0	15.0	15.1	15.1
Europe	6.8	6.7	6.7	6.7	6.2	6.8	6.6	6.7	6.2	6.0	6.5	6.3	6.5	6.3	6.2	6.3	6.3
Pacific	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.7
Total OECD	21.9	21.8	22.1	22.1	21.4	22.2	22.0	22.2	21.4	21.5	22.2	21.8	22.2	22.0	21.9	22.1	22.0
NON-OECD SUPPLY																	
FSU	7.9	8.6	9.0	9.2	9.5	9.8	9.4	9.9	10.1	10.5	10.7	10.3	10.8	11.0	11.2	11.3	11.1
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other Asia	2.3	2.3	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Latin America	3.8	3.8	3.9	3.9	3.9	3.8	3.9	3.9	3.8	4.0	4.0	3.9	4.0	4.0	4.1	4.3	4.1
Middle East	2.2	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9	1.9
Africa	2.8	2.8	3.0	3.0	3.0	2.9	3.0	2.9	3.0	3.1	3.2	3.1	3.3	3.4	3.4	3.6	3.4
Total Non-OECD	22.4	23.1	23.9	24.2	24.6	24.7	24.3	24.8	25.1	25.5	26.0	25.4	26.2	26.4	26.6	27.1	26.6
Processing Gains[2]	1.7	1.7	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.8	1.8	1.9	1.8
Total Non-OPEC	46.0	46.6	47.8	48.0	47.7	48.6	48.0	48.8	48.2	48.8	50.0	49.0	50.3	50.2	50.3	51.0	50.5
OPEC																	
Crude[3]	27.8	27.0	24.9	24.3	25.4	26.0	25.2	26.8	26.2	26.5							
NGLs	2.8	3.1	3.4	3.4	3.6	3.5	3.5	3.3	3.7	3.8	4.0	3.7	4.1	4.1	4.1	4.2	4.1
Total OPEC	30.7	30.2	28.3	27.7	29.0	29.5	28.6	30.1	29.9	30.3							
Total Supply[4]	76.7	76.8	76.1	75.7	76.7	78.1	76.7	78.9	78.1	79.1							
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.2	0.2	-0.3	0.6	-0.9	-1.1	-0.4	-0.7	1.3	0.5							
Government	-0.1	0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.0	0.2							
Total	0.2	0.3	-0.1	0.7	-0.8	-0.9	-0.3	-0.5	1.4	0.7							
Floating Storage/Oil in Transit	0.1	-0.1	0.1	-0.2	0.0	-0.1	0.0	0.3	0.1	0.0							
Miscellaneous to balance[5]	0.2	-0.2	-0.9	0.1	0.8	-0.1	0.0	0.1	0.6	0.4							
Total Stock Ch. & Misc	0.5	0.0	-0.8	0.6	0.1	-1.1	-0.3	-0.1	2.0	1.1							
Memo items:																	
Call on OPEC crude + Stock ch.[6]	27.4	27.1	25.7	23.7	25.4	27.1	25.5	26.9	24.2	25.4	26.6	25.8	25.6	23.1	24.7	26.6	25.0
Total Demand ex. FSU	72.5	73.2	73.4	72.1	73.3	75.2	73.5	75.3	73.0	74.5	76.6	74.9	76.2	74.3	75.7	77.8	76.0
Total demand exc. FSU (% ch)[7]	0.9	0.9	-0.7	-0.2	0.8	2.0	0.5	2.6	1.2	1.7	1.9	1.8	1.2	1.8	1.5	1.5	1.5

1 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply
2 Net volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
3 Upgraded Venezuelan Orinoco extra-heavy production is classified as non-conventional crude.
4 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 Includes changes in non-reported stocks in OECD and non-OECD areas
6 Equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 Year on year % growth in global oil demand excluding FSU

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003	1Q04	2Q04	3Q04	4Q04	2004
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	0.1	0.1	-
Europe	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	-	-	0.2	0.1	0.1
Pacific	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.2	0.1	-	0.1	0.1
Total OECD	-	-	-	-	0.1	0.1	-	-	-	0.4	0.3	0.2	0.2	-	0.3	0.2	0.2
NON-OECD DEMAND																	
FSU	-	-0.1	-0.2	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3	-0.3	-0.3	-0.3	-0.4	-0.3
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	0.1	0.1	-	0.1	-	0.1	0.1	0.1
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OECD	-	-0.1	-0.2	-0.3	-0.3	-0.4	-0.2	-0.3	-0.3	-0.3	-0.2	-0.3	-0.2	-0.3	-0.3	-0.3	-0.2
Total Demand	-	-0.1	-0.2	-0.3	-0.2	-0.3	-0.3	-0.3	-0.2	-	0.1	-0.2	-	-0.1	-	-	-
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1
Europe	-	-	-	-	-	-	-	-	0.1	-0.2	-	-0.1	-	-	-0.1	-0.1	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-
Total OECD	-	-	-	-	-	-	-	0.1	-	-0.2	-0.1	-0.1	-0.1	-	-	-	-0.1
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	0.1	-	0.1	-	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Latin America	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	0.1	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-0.1	-	-0.1
Total Non-OECD	-	-	-	0.1	0.1	0.1	-	-	0.1	-	0.1	0.1	0.1	0.1	-	-	0.1
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-0.1	-	-	0.1	0.1	-	-0.1	0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-							
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	0.1	-							
Total Supply	-	-	-	-	-	-	0.1	0.1	0.1	-0.2							
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-0.3							
Government	-	-	-	-	-	-	-	-	-	-							
Total	-	-	-	-	-	-	-	-	0.1	-0.2							
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-							
Miscellaneous to balance	-	0.1	0.2	0.3	0.3	0.5	0.3	0.4	0.2	-							
Total Stock Ch. & Misc	-	0.1	0.3	0.3	0.4	0.4	0.3	0.4	0.3	-0.2							
Memo items:																	
Call on OPEC crude + Stock ch.	-	-	-0.3	-0.3	-0.3	-0.4	-0.3	-0.4	-0.3	0.2	-	-0.1	-0.2	-0.3	-	-	-0.1
Total Demand ex. FSU	-	-	-	-	-	-	-	-	0.1	0.3	0.4	0.2	0.3	0.1	0.4	0.4	0.3

When submitting their monthly oil statistics, OECD Member countries periodically update data for prior periods. Similar updates to non-OECD data can occur.

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	May			June			Second Quarter			July			August		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
North America															
LPG	2.75	2.34	-14.9	2.63	2.24	-14.8	2.69	2.45	-8.9	2.72	2.47	-9.1	2.77	2.75	-0.9
Naphtha	0.46	0.51	11.4	0.47	0.49	4.3	0.45	0.47	4.1	0.47	0.51	7.2	0.41	0.41	-1.0
Motor Gasoline	10.38	10.45	0.6	10.44	10.52	0.8	10.28	10.35	0.6	10.50	10.61	1.0	10.69	10.79	1.0
Jet/Kerosene	1.76	1.73	-1.6	1.88	1.75	-6.9	1.84	1.74	-5.0	1.90	1.85	-3.1	1.87	1.89	1.1
Gasoil	4.50	4.59	2.0	4.37	4.62	5.8	4.49	4.67	3.9	4.49	4.52	0.8	4.55	4.62	1.6
Residual Fuel Oil	1.36	1.38	1.3	1.38	1.38	-0.3	1.38	1.42	2.8	1.30	1.47	13.4	1.29	1.59	23.0
Other Products	2.87	2.84	-1.1	3.03	3.26	7.5	2.88	2.99	3.7	3.14	3.36	7.2	3.13	3.10	-1.2
Total	24.07	23.82	-1.0	24.19	24.25	0.2	24.02	24.09	0.3	24.52	24.79	1.1	24.71	25.14	1.7
Europe															
LPG	0.87	0.99	14.7	0.85	0.90	5.2	0.88	0.98	10.9	0.90	0.97	8.6	0.89	0.95	6.4
Naphtha	1.02	1.08	5.8	1.10	1.02	-7.1	1.06	1.10	4.1	1.06	1.06	-0.3	1.09	1.11	1.2
Motor Gasoline	2.98	2.86	-3.8	2.92	2.93	0.2	2.94	2.90	-1.3	3.11	3.03	-2.7	3.02	2.88	-4.6
Jet/Kerosene	1.07	1.11	4.2	1.12	1.13	1.2	1.07	1.11	3.0	1.15	1.15	0.0	1.15	1.19	3.5
Gasoil	5.10	5.53	8.5	5.39	5.61	4.1	5.35	5.63	5.0	5.79	5.69	-1.7	5.31	5.00	-5.8
Residual Fuel Oil	1.96	1.82	-6.9	1.98	1.93	-2.7	1.98	1.87	-5.3	1.99	1.93	-3.4	1.97	1.90	-3.3
Other Products	1.32	1.47	11.1	1.42	1.48	4.5	1.34	1.40	4.7	1.48	1.56	5.1	1.34	1.48	10.3
Total	14.30	14.86	3.9	14.77	14.99	1.5	14.63	14.99	2.5	15.49	15.38	-0.7	14.78	14.52	-1.8
Pacific															
LPG	0.86	0.82	-5.0	0.80	0.82	2.5	0.87	0.83	-4.3	0.82	0.78	-4.6	0.79	0.73	-8.1
Naphtha	1.30	1.42	9.4	1.37	1.39	1.3	1.37	1.40	2.3	1.59	1.49	-6.6	1.51	1.53	1.1
Motor Gasoline	1.54	1.59	3.4	1.52	1.56	2.7	1.54	1.57	1.8	1.66	1.64	-1.2	1.75	1.71	-2.4
Jet/Kerosene	0.66	0.68	2.9	0.68	0.71	3.7	0.73	0.75	2.4	0.68	0.65	-5.0	0.73	0.70	-4.2
Gasoil	1.71	1.83	7.3	1.81	1.91	5.5	1.80	1.85	2.5	1.77	1.77	0.1	1.83	1.79	-1.8
Residual Fuel Oil	0.93	1.13	20.6	0.90	1.11	24.0	0.94	1.13	20.3	1.00	1.01	1.4	0.96	0.96	-0.4
Other Products	0.38	0.50	33.9	0.39	0.53	35.7	0.39	0.52	33.7	0.42	0.46	10.1	0.43	0.44	2.9
Total	7.38	7.97	8.1	7.48	8.04	7.5	7.64	8.04	5.3	7.93	7.79	-1.7	8.00	7.85	-1.8
OECD															
LPG	4.47	4.15	-7.3	4.28	3.96	-7.6	4.44	4.26	-4.1	4.43	4.22	-4.7	4.46	4.43	-0.7
Naphtha	2.78	3.01	8.4	2.94	2.90	-1.4	2.88	2.97	3.2	3.13	3.06	-2.4	3.01	3.04	0.9
Motor Gasoline	14.90	14.90	0.0	14.87	15.00	0.9	14.76	14.82	0.4	15.28	15.27	0.0	15.46	15.38	-0.5
Jet/Kerosene	3.48	3.52	1.0	3.68	3.59	-2.5	3.64	3.60	-1.2	3.74	3.64	-2.5	3.75	3.78	0.8
Gasoil	11.30	11.95	5.7	11.56	12.14	5.0	11.65	12.14	4.2	12.05	11.99	-0.5	11.68	11.41	-2.3
Residual Fuel Oil	4.25	4.33	1.8	4.26	4.42	3.7	4.30	4.42	2.9	4.29	4.41	2.8	4.22	4.44	5.4
Other Products	4.56	4.81	5.3	4.84	5.27	8.9	4.61	4.91	6.5	5.04	5.38	6.8	4.90	5.02	2.3
Total	45.75	46.66	2.0	46.44	47.28	1.8	46.29	47.12	1.8	47.94	47.97	0.1	47.49	47.51	0.0

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

Table 3

OIL DEMAND AND % GROWTH IN DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	Second Quarter			July			August			September			Third Quarter		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
LPG	1.95	1.70	-12.7	1.98	1.74	-12.3	2.04	2.01	-1.6	2.05	2.10	2.7	2.02	1.95	-3.7
Naphtha	0.34	0.35	1.7	0.36	0.40	9.6	0.28	0.30	6.5	0.33	0.32	-2.8	0.32	0.34	4.6
Motor Gasoline	9.00	9.02	0.2	9.14	9.21	0.7	9.31	9.41	1.0	8.69	8.93	2.8	9.05	9.18	1.5
Jet/Kerosene	1.65	1.55	-6.3	1.70	1.64	-3.5	1.63	1.67	2.5	1.63	1.64	0.5	1.65	1.65	-0.2
Gasoil	3.70	3.81	3.1	3.68	3.68	-0.1	3.73	3.78	1.3	3.73	3.88	4.0	3.71	3.78	1.7
Residual Fuel Oil	0.69	0.73	5.4	0.61	0.79	28.1	0.61	0.90	47.4	0.63	0.66	5.1	0.62	0.78	27.0
Other Products	2.40	2.45	2.2	2.60	2.73	5.2	2.61	2.59	-0.8	2.41	2.52	4.5	2.54	2.62	2.9
Total	19.72	19.60	-0.6	20.08	20.17	0.5	20.22	20.67	2.2	19.46	20.05	3.0	19.92	20.30	1.9
Japan[3]															
LPG	0.53	0.52	-2.0	0.50	0.47	-6.7	0.45	0.43	-4.9	0.46	0.45	-1.4	0.47	0.45	-4.4
Naphtha	0.73	0.74	0.5	0.89	0.77	-13.1	0.85	0.84	-0.9	0.79	0.80	1.6	0.84	0.81	-4.5
Motor Gasoline	1.00	1.02	2.1	1.11	1.06	-4.6	1.18	1.14	-3.5	1.06	1.08	1.6	1.12	1.09	-2.3
Jet/Kerosene	0.49	0.51	4.0	0.47	0.43	-9.0	0.48	0.45	-6.3	0.56	0.48	-14.3	0.50	0.45	-10.1
Diesel	0.64	0.62	-3.1	0.67	0.63	-5.4	0.67	0.62	-7.7	0.68	0.65	-3.5	0.67	0.63	-5.5
Other Gasoil	0.48	0.50	3.9	0.49	0.49	-0.7	0.48	0.47	-0.2	0.52	0.50	-4.0	0.50	0.49	-1.7
Residual Fuel Oil	0.46	0.67	44.9	0.56	0.60	7.8	0.53	0.54	2.8	0.60	0.58	-3.2	0.56	0.57	2.4
Direct use of Crude Oil	0.01	0.13	1112.9	0.05	0.08	62.9	0.06	0.08	29.8	0.07	0.06	-12.4	0.06	0.08	22.5
Other Products	0.28	0.29	2.9	0.29	0.29	1.3	0.31	0.27	-12.0	0.31	0.33	6.8	0.30	0.30	-1.4
Total	4.62	4.99	8.0	5.03	4.83	-4.1	5.00	4.84	-3.1	5.04	4.93	-2.2	5.03	4.87	-3.1
Germany															
LPG	0.08	0.09	13.3	0.09	0.09	4.1	0.09	0.08	-10.7	0.09	0.09	-0.5	0.09	0.09	-2.3
Naphtha	0.38	0.37	-1.9	0.40	0.35	-13.2	0.40	0.35	-12.1	0.41	0.42	2.3	0.40	0.37	-7.7
Motor Gasoline	0.65	0.62	-3.7	0.66	0.62	-5.0	0.64	0.59	-7.5	0.64	0.62	-2.8	0.65	0.61	-5.2
Jet/Kerosene	0.15	0.15	0.6	0.16	0.16	-2.7	0.16	0.17	6.6	0.16	0.16	-0.7	0.16	0.16	1.1
Diesel	0.53	0.58	9.7	0.55	0.62	12.9	0.54	0.56	4.0	0.56	0.64	12.5	0.55	0.61	9.8
Other Gasoil	0.58	0.64	9.6	0.74	0.51	-30.3	0.69	0.41	-40.3	0.78	0.71	-9.3	0.73	0.54	-26.2
Residual Fuel Oil	0.18	0.18	1.6	0.18	0.17	-7.3	0.17	0.17	0.6	0.17	0.18	7.5	0.18	0.18	-0.1
Other Products	0.10	0.09	-13.8	0.14	0.11	-20.2	0.10	0.11	17.0	0.13	0.06	-52.2	0.12	0.09	-21.1
Total	2.65	2.72	2.9	2.92	2.64	-9.6	2.79	2.45	-12.0	2.93	2.87	-2.2	2.88	2.65	-7.9
Italy															
LPG	0.10	0.11	8.5	0.09	0.11	14.3	0.10	0.10	3.5	0.11	0.10	-2.9	0.10	0.10	4.7
Naphtha	0.08	0.10	33.1	0.07	0.09	24.2	0.07	0.09	25.2	0.08	0.10	28.5	0.07	0.09	26.0
Motor Gasoline	0.39	0.40	3.8	0.42	0.42	1.1	0.40	0.39	-2.4	0.38	0.41	6.9	0.40	0.41	1.7
Jet/Kerosene	0.06	0.09	38.7	0.07	0.10	32.6	0.07	0.11	52.4	0.07	0.10	42.1	0.07	0.10	42.3
Diesel	0.44	0.47	6.8	0.45	0.49	7.3	0.36	0.42	15.4	0.44	0.54	24.5	0.42	0.48	15.5
Other Gasoil	0.12	0.11	-2.7	0.14	0.10	-24.3	0.13	0.07	-41.0	0.17	0.08	-52.1	0.14	0.09	-39.8
Residual Fuel Oil	0.45	0.37	-18.2	0.51	0.42	-17.4	0.47	0.42	-10.5	0.42	0.45	5.2	0.47	0.43	-8.4
Other Products	0.15	0.15	-3.2	0.15	0.16	4.9	0.14	0.14	1.2	0.16	0.15	-9.3	0.15	0.15	-1.1
Total	1.80	1.81	0.8	1.92	1.90	-1.2	1.74	1.74	0.3	1.82	1.92	5.6	1.82	1.85	1.5
France															
LPG	0.09	0.09	-2.6	0.09	0.09	1.1	0.08	0.08	-1.2	0.09	0.10	14.6	0.09	0.09	5.0
Naphtha	0.14	0.18	25.5	0.15	0.21	36.0	0.19	0.22	16.6	0.16	0.22	38.6	0.17	0.22	29.5
Motor Gasoline	0.31	0.30	-5.0	0.35	0.32	-9.0	0.34	0.30	-10.1	0.31	0.29	-4.5	0.33	0.30	-8.0
Jet/Kerosene	0.14	0.15	2.0	0.15	0.16	7.7	0.15	0.16	7.3	0.15	0.16	11.0	0.15	0.16	8.6
Diesel	0.62	0.62	0.9	0.67	0.66	-2.1	0.57	0.56	-1.1	0.61	0.65	5.5	0.62	0.62	0.6
Other Gasoil	0.29	0.30	5.7	0.38	0.34	-9.7	0.28	0.27	-1.9	0.37	0.40	9.3	0.34	0.34	-0.9
Residual Fuel Oil	0.11	0.11	2.3	0.10	0.12	19.7	0.10	0.09	-6.1	0.11	0.11	2.9	0.10	0.10	5.5
Other Products	0.18	0.21	17.0	0.21	0.25	20.9	0.17	0.20	18.7	0.21	0.25	19.6	0.19	0.23	19.8
Total	1.88	1.96	4.1	2.09	2.14	2.3	1.87	1.89	1.2	2.00	2.19	9.5	1.99	2.07	4.3
United Kingdom															
LPG	0.16	0.16	4.2	0.18	0.16	-10.0	0.16	0.16	0.6	0.14	0.15	6.0	0.16	0.16	-1.9
Naphtha	0.03	0.04	68.2	0.02	0.05	175.9	0.05	0.06	29.9	0.05	0.05	5.3	0.04	0.05	41.8
Motor Gasoline	0.47	0.45	-4.2	0.46	0.45	-0.3	0.45	0.42	-6.8	0.45	0.47	3.2	0.45	0.45	-1.4
Jet/Kerosene	0.29	0.29	-1.1	0.31	0.27	-10.1	0.29	0.27	-7.7	0.29	0.32	10.0	0.29	0.29	-2.9
Diesel	0.34	0.36	8.5	0.36	0.36	1.0	0.35	0.32	-7.4	0.36	0.37	3.7	0.35	0.35	-0.9
Other Gasoil	0.15	0.15	-2.1	0.15	0.16	3.6	0.16	0.13	-17.3	0.16	0.15	-4.4	0.16	0.15	-6.1
Residual Fuel Oil	0.09	0.08	-10.5	0.07	0.09	35.8	0.08	0.08	7.4	0.08	0.08	-6.4	0.08	0.08	10.9
Other Products	0.14	0.12	-9.9	0.16	0.13	-18.1	0.17	0.13	-24.6	0.14	0.14	-3.8	0.16	0.13	-16.3
Total	1.66	1.67	0.2	1.70	1.68	-0.9	1.70	1.57	-7.5	1.67	1.72	3.0	1.69	1.66	-1.9
Canada															
LPG	0.30	0.32	5.2	0.29	0.29	0.3	0.28	0.29	2.5	0.31	0.30	-1.6	0.29	0.29	0.4
Naphtha	0.08	0.08	-0.2	0.09	0.07	-24.8	0.09	0.07	-21.4	0.06	0.08	39.4	0.08	0.07	-8.1
Motor Gasoline	0.68	0.69	0.7	0.74	0.74	0.0	0.75	0.74	-1.0	0.69	0.70	2.2	0.73	0.73	0.4
Jet/Kerosene	0.10	0.11	10.5	0.12	0.12	-0.2	0.13	0.12	-12.8	0.10	0.11	12.7	0.12	0.12	-1.4
Diesel	0.18	0.18	-2.8	0.16	0.18	9.1	0.18	0.18	-0.3	0.19	0.19	-3.0	0.18	0.18	1.7
Other Gasoil	0.27	0.30	10.1	0.28	0.28	0.6	0.27	0.29	7.0	0.29	0.31	7.1	0.28	0.29	4.9
Residual Fuel Oil	0.14	0.16	15.9	0.12	0.15	23.5	0.11	0.20	74.1	0.16	0.14	-13.7	0.13	0.16	23.3
Other Products	0.27	0.28	3.8	0.32	0.31	-2.4	0.33	0.23	-28.2	0.31	0.32	3.4	0.32	0.29	-9.5
Total	2.02	2.10	4.2	2.12	2.13	0.7	2.15	2.12	-1.2	2.11	2.16	2.4	2.13	2.14	0.6

1 Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene. Gasoil comprises diesel, light heating oil and other gasoils. Data based on Monthly Oil Questionaire submitted by OECD countries in tonnes, and converted to barrels. Data may differ slightly from Table 1.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Sep 03	Oct 03	Nov 03
OPEC											
Crude Oil											
Saudi Arabia	7.38			8.76	8.29				8.18	8.30	8.19
Iran	3.47			3.71	3.75				3.74	3.88	3.85
Iraq	2.01			0.29	1.07				1.41	1.58	1.90
UAE	1.99			2.32	2.28				2.20	2.23	2.24
Kuwait	1.60			1.90	1.84				1.90	1.94	1.98
Neutral Zone	0.54			0.61	0.60				0.60	0.61	0.63
Qatar	0.64			0.74	0.73				0.73	0.74	0.74
Nigeria	1.97			2.03	2.17				2.18	2.25	2.27
Libya	1.32			1.43	1.42				1.44	1.45	1.45
Algeria	0.85			1.11	1.14				1.15	1.15	1.15
Venezuela	2.29			2.27	2.24				2.23	2.22	2.22
Indonesia	1.11			1.01	1.00				1.00	1.02	1.00
Total Crude Oil	25.15			26.19	26.52				26.74	27.35	27.60
Total NGLs[1]	3.47	3.68	4.12	3.66	3.81	3.99	4.06	4.06	3.89	3.97	4.00
Total OPEC	28.62			29.85	30.33				30.63	31.32	31.60
NON-OPEC[2]											
OECD											
North America	14.58	14.81	15.06	14.58	14.82	15.07	15.09	15.05	14.91	15.01	15.06
United States	8.12	7.97	8.16	7.84	7.88	8.10	8.11	8.20	8.01	8.05	8.09
Mexico	3.59	3.79	3.75	3.74	3.83	3.83	3.80	3.77	3.83	3.83	3.83
Canada	2.88	3.05	3.16	3.00	3.11	3.14	3.18	3.08	3.08	3.12	3.14
Europe	6.61	6.33	6.32	6.15	6.00	6.47	6.47	6.28	5.90	6.43	6.47
UK	2.50	2.30	2.24	2.23	2.12	2.33	2.32	2.21	2.11	2.30	2.31
Norway	3.33	3.24	3.25	3.14	3.10	3.31	3.31	3.24	2.98	3.29	3.32
Others	0.78	0.80	0.83	0.78	0.78	0.83	0.84	0.83	0.80	0.84	0.83
Pacific	0.76	0.67	0.65	0.66	0.66	0.68	0.68	0.64	0.62	0.64	0.70
Australia	0.71	0.63	0.61	0.61	0.62	0.63	0.63	0.59	0.58	0.59	0.65
Others	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Total OECD	21.96	21.81	22.03	21.40	21.49	22.22	22.23	21.97	21.43	22.07	22.23
NON-OECD											
Former USSR	9.37	10.31	11.07	10.13	10.48	10.71	10.83	10.97	10.59	10.70	10.74
Russia	7.66	8.48	9.08	8.34	8.68	8.78	8.86	8.98	8.77	8.79	8.83
Others	1.71	1.83	2.00	1.79	1.80	1.92	1.98	1.99	1.81	1.90	1.91
Asia	5.80	5.89	5.90	5.93	5.82	5.91	5.92	5.91	5.80	5.88	5.92
China	3.39	3.41	3.42	3.44	3.38	3.42	3.42	3.42	3.37	3.39	3.44
Malaysia	0.79	0.82	0.84	0.83	0.82	0.82	0.83	0.84	0.82	0.82	0.82
India	0.78	0.78	0.77	0.77	0.76	0.80	0.78	0.77	0.79	0.81	0.79
Others	0.85	0.88	0.88	0.89	0.86	0.87	0.88	0.89	0.82	0.86	0.88
Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Latin America	3.89	3.92	4.10	3.83	3.97	4.01	4.05	4.02	4.01	3.98	4.01
Brazil	1.72	1.78	1.89	1.74	1.80	1.81	1.86	1.83	1.80	1.78	1.82
Argentina	0.80	0.79	0.77	0.79	0.79	0.78	0.78	0.77	0.78	0.78	0.78
Colombia	0.59	0.55	0.52	0.55	0.55	0.53	0.53	0.52	0.54	0.54	0.53
Ecuador	0.40	0.42	0.52	0.35	0.44	0.49	0.50	0.51	0.49	0.49	0.49
Others	0.39	0.39	0.41	0.40	0.39	0.39	0.39	0.39	0.39	0.39	0.39
Middle East[3]	2.10	2.00	1.92	2.01	1.99	1.97	1.94	1.92	1.97	1.97	1.97
Oman	0.90	0.82	0.76	0.82	0.81	0.80	0.78	0.77	0.79	0.80	0.80
Syria	0.55	0.53	0.50	0.53	0.52	0.52	0.51	0.50	0.52	0.52	0.52
Yemen	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.47
Africa	2.98	3.06	3.43	2.99	3.09	3.25	3.31	3.40	3.14	3.20	3.26
Egypt	0.75	0.75	0.73	0.76	0.74	0.74	0.74	0.74	0.75	0.74	0.74
Angola	0.90	0.88	0.97	0.89	0.88	0.90	0.91	0.93	0.86	0.87	0.91
Gabon	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.25	0.25	0.25
Others	1.09	1.20	1.49	1.09	1.23	1.36	1.42	1.50	1.29	1.34	1.37
Total Non-OECD	24.33	25.36	26.60	25.06	25.51	26.01	26.22	26.40	25.67	25.89	26.08
Processing Gains[4]	1.76	1.80	1.83	1.78	1.78	1.82	1.85	1.81	1.78	1.82	1.82
TOTAL NON-OPEC	48.05	48.97	50.46	48.24	48.78	50.05	50.30	50.18	48.89	49.79	50.13
TOTAL SUPPLY	76.67			78.09	79.11				79.51	81.11	81.73

1 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion Orinoco extra-heavy oil, and non-oil inputs to Saudi Arabian MTBE
2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 Includes small amounts of production from Israel, Jordan and Bahrain
4 Net volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]
(thousand of barrels per day)

	2002	2003	2004	2Q03	3Q03	4Q03	1Q04	2Q04	Sep-03	Oct-03	Nov-03
United States											
Alaska	986	984	959	997	941	989	1008	966	967	985	972
California	790	761	733	763	757	755	747	738	758	756	755
Texas	1145	1116	1084	1111	1117	1114	1102	1090	1117	1115	1113
Federal Gulf of Mexico[2]	1601	1713	1935	1702	1681	1746	1817	1925	1661	1734	1743
Other US Lower 48	1294	1242	1180	1245	1235	1228	1209	1190	1229	1231	1228
NGLs[3]	1881	1728	1854	1603	1706	1840	1800	1875	1761	1805	1854
Other Hydrocarbons	417	430	412	422	444	430	425	417	513	426	423
Total	8115	7973	8157	7843	7881	8101	8108	8200	8006	8052	8090
Canada											
Alberta Light/Medium/Heavy	659	625	599	627	614	611	606	586	614	612	611
Alberta Bitumen	299	353	379	345	360	374	380	366	364	369	375
Saskatchewan	421	420	418	412	426	425	423	409	422	425	426
Other Crude	366	418	417	436	403	426	428	427	403	423	428
NGLs	698	725	735	710	720	740	740	720	720	740	740
Synthetic Crudes	440	508	607	468	590	566	605	572	556	552	560
Total	2883	3050	3155	2999	3113	3142	3181	3080	3079	3121	3140
Mexico											
Crude	3177	3369	3324	3333	3414	3406	3377	3344	3417	3398	3410
NGLs	408	417	425	409	415	425	425	425	409	435	420
Total	3585	3786	3749	3741	3830	3831	3802	3769	3826	3833	3830
UK Offshore[4]											
Brent Fields	243	218	195	236	208	186	197	197	176	185	188
Forties Fields	794	748	738	659	713	795	773	731	756	795	794
Ninian Fields	107	98	97	90	95	102	95	96	99	105	101
Flotta Fields	132	105	91	99	99	105	99	91	100	107	105
Other Fields	963	915	850	927	871	902	870	838	886	912	896
NGLs	211	171	225	182	89	192	240	220	52	155	185
Total	2450	2255	2197	2194	2076	2283	2275	2172	2069	2259	2269
Norway [4]											
Ekofisk-Ula Area	490	481	466	477	458	491	472	471	468	500	493
Oseberg-Troll Area	754	751	749	678	751	774	777	748	740	767	767
Statfjord-Gullfaks Area	874	862	798	851	846	861	842	799	842	846	877
Haltenbanken Area	716	597	551	594	546	602	579	550	494	592	610
Sleipner-Frigg Area	157	165	283	172	142	179	236	273	146	173	179
NGLs	335	379	404	370	356	403	405	400	295	410	399
Total	3325	3235	3251	3141	3099	3310	3312	3241	2984	3289	3325
Other OECD Europe											
Other N Sea Crude/NGLs[5]	437	446	459	433	433	462	466	461	442	470	459
UK Onshore	54	44	39	39	45	44	42	40	42	44	44
Italy	84	97	118	93	90	113	115	115	102	110	115
Turkey	47	45	44	46	45	44	44	44	44	45	44
Other	159	158	157	155	160	159	158	157	160	159	159
NGLs (excl. North Sea)	27	21	18	18	18	18	18	18	19	18	18
Non-Conventional Oils	29	31	35	32	34	35	35	35	36	33	36
Total	837	842	869	816	825	876	878	870	845	881	877
Australia											
Gippsland Basin	140	119	104	121	121	118	112	107	122	118	118
Cooper-Eromanga Basin	25	24	25	22	25	25	25	25	28	25	26
Carnarvon Basin	359	328	320	315	319	339	344	314	278	299	359
Other Crude	104	72	58	73	64	64	62	59	64	64	64
NGLs	79	83	97	83	89	85	85	85	85	85	85
Total	707	626	605	614	617	631	629	591	577	591	651
Other OECD Pacific											
New Zealand	31	25	25	25	25	25	25	25	25	25	25
Japan	5	6	6	6	6	6	6	6	6	6	6
NGLs	18	16	15	15	15	15	15	15	15	15	15
Synthetic Fuels	0	0	0	0	0	0	0	0	0	0	0
Total	53	47	45	46	45	45	45	45	46	45	46
OECD											
Crude Oil	17405	17296	17191	17076	17003	17462	17427	17177	16961	17386	17480
NGLs	3665	3550	3783	3396	3415	3728	3739	3768	3367	3674	3727
Non-Conventional Oils	886	969	1053	923	1068	1030	1064	1023	1105	1012	1020
Total	21956	21814	22027	21394	21486	22219	22230	21969	21433	22071	22227

1 Subcategories refer to crude oil only unless otherwise noted
2 Only production from Federal waters is included
3 When possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 Other North Sea NGLs is included

Table 5

OECD INDUSTRY STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jun2003	Jul2003	Aug2003	Sep2003	Oct2003*	Oct2000	Oct2001	Oct2002	4Q2002	1Q2003	2Q2003	3Q2003
North America												
Crude	389.7	390.2	382.9	387.8	398.9	381.6	422.9	401.6	0.07	0.07	-0.01	-0.02
Motor Gasoline	236.8	230.9	222.1	228.4	220.0	217.2	238.9	224.2	0.04	-0.11	0.05	-0.09
Middle Distillate	182.2	189.9	201.3	209.0	207.7	190.4	203.9	194.8	0.06	-0.48	0.19	0.29
Residual Fuel Oil	43.8	39.1	39.5	42.4	43.2	44.5	48.4	42.8	-0.02	0.01	0.03	-0.02
Total Products[3]	637.2	641.4	647.5	660.2	648.8	624.5	675.5	647.6	-0.27	-0.87	0.67	0.25
Total[4]	1177.0	1180.0	1181.1	1203.8	1205.2	1160.2	1262.9	1212.0	-0.48	-0.87	0.89	0.29
Europe												
Crude	312.8	318.2	315.8	304.5	307.4	297.4	315.7	324.6	-0.13	0.35	-0.09	-0.09
Motor Gasoline	109.8	105.6	108.6	108.2	108.8	126.9	112.0	113.1	0.01	0.02	-0.09	-0.02
Middle Distillate	231.8	236.5	256.1	250.1	239.4	226.3	217.8	253.9	-0.23	-0.25	0.17	0.20
Residual Fuel Oil	66.8	67.4	69.3	71.0	73.0	83.8	80.4	72.3	0.06	-0.06	-0.03	0.05
Total Products[3]	512.9	513.4	541.6	530.9	523.4	541.1	526.8	541.7	-0.20	-0.28	0.10	0.20
Total[4]	894.8	903.3	927.2	907.8	902.5	906.5	911.4	929.6	-0.31	0.15	-0.02	0.14
Pacific												
Crude	188.8	192.6	176.3	183.9	169.8	171.4	185.6	164.6	-0.05	0.24	0.07	-0.05
Motor Gasoline	25.6	26.2	25.2	24.0	24.2	26.5	25.4	24.3	-0.01	0.02	0.00	-0.02
Middle Distillate	72.0	73.9	79.1	83.7	80.6	91.8	94.1	80.3	-0.19	-0.09	0.17	0.13
Residual Fuel Oil	24.6	26.2	25.2	23.1	22.7	25.4	25.2	22.7	0.00	0.00	0.03	-0.02
Total Products[3]	190.9	196.0	202.3	204.6	200.1	219.0	218.9	197.6	-0.23	-0.15	0.29	0.15
Total[4]	452.9	462.6	451.9	459.6	441.8	470.4	494.4	435.7	-0.32	0.03	0.44	0.07
Total OECD												
Crude	891.3	900.9	875.0	876.2	876.0	850.5	924.2	890.8	-0.11	0.66	-0.04	-0.16
Motor Gasoline	372.2	362.7	355.9	360.5	353.0	370.6	376.2	361.6	0.04	-0.06	-0.04	-0.13
Middle Distillate	486.0	500.3	536.5	542.8	527.7	508.5	515.8	529.0	-0.35	-0.82	0.53	0.62
Residual Fuel Oil	135.2	132.7	134.0	136.5	138.9	153.7	154.0	137.7	0.03	-0.05	0.03	0.01
Total Products[3]	1341.0	1350.8	1391.4	1395.7	1372.3	1384.6	1421.2	1386.9	-0.70	-1.30	1.06	0.59
Total[4]	2524.6	2545.9	2560.1	2571.2	2549.5	2537.0	2668.7	2577.3	-1.11	-0.69	1.31	0.51

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Jun2003	Jul2003	Aug2003	Sep2003	Oct2003*	Oct2000	Oct2001	Oct2002	4Q2002	1Q2003	2Q2003	3Q2003
North America												
Crude	608.5	612.4	618.3	624.4	631.4	564.5	545.2	589.6	0.13	0.00	0.10	0.17
Products[7]	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.00	0.00	0.00	0.00
Europe												
Crude	153.8	152.3	151.9	151.3	151.3	137.0	144.1	154.7	0.08	0.02	-0.05	-0.03
Products	202.8	204.1	205.4	206.9	206.9	214.5	203.6	190.7	0.02	0.10	-0.01	0.04
Pacific												
Crude	383.0	382.8	382.8	382.8	382.8	362.4	369.3	378.9	0.01	0.04	0.00	0.00
Products	9.6	10.0	10.3	10.3	10.3	6.7	7.3	8.0	0.02	0.00	0.00	0.01
Total OECD												
Crude	1145.3	1147.5	1153.0	1158.5	1165.5	1063.9	1058.6	1123.3	0.22	0.06	0.05	0.14
Products	214.3	216.1	217.7	219.1	219.1	223.2	212.9	200.7	0.04	0.10	-0.01	0.05
Total[4]	1360.7	1364.6	1371.7	1378.6	1385.6	1288.0	1272.4	1325.0	0.26	0.16	0.04	0.20

* estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing stock levels.

3 Total products includes gasoline, middle distillates, fuel oil and other products.

4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

6 Previously confidential Korean government stocks are now included.

7 US government-controlled heating oil stocks amount to 2 mb.

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	May			June			July			August			September		
	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%	2002	2003	%
United States[2]															
Crude	327.0	283.6	-13.3	317.6	283.2	-10.8	304.3	283.2	-6.9	296.2	277.7	-6.2	270.6	284.5	5.1
Motor Gasoline	218.1	208.3	-4.5	216.6	206.0	-4.9	214.5	200.5	-6.5	204.0	192.1	-5.8	206.5	196.2	-5.0
Middle Distillate	172.0	148.9	-13.4	176.3	154.0	-12.6	176.6	160.0	-9.4	174.5	169.9	-2.6	172.6	175.9	1.9
Residual Fuel Oil	33.9	36.2	6.8	32.7	35.6	8.9	33.5	31.6	-5.7	31.9	30.2	-5.3	33.0	31.7	-3.9
Other Products	152.0	128.8	-15.3	159.7	142.1	-11.0	165.0	148.9	-9.8	168.6	150.6	-10.7	166.2	146.6	-11.8
Total Products	576.0	522.2	-9.3	585.3	537.7	-8.1	589.6	541.0	-8.2	579.0	542.8	-6.3	578.3	550.4	-4.8
Other[3]	136.6	121.4	-11.1	136.7	129.0	-5.6	138.4	130.2	-5.9	138.9	129.8	-6.6	137.9	133.1	-3.5
Total	1039.6	927.2	-10.8	1039.6	949.9	-8.6	1032.3	954.4	-7.5	1014.1	950.3	-6.3	986.8	968.0	-1.9
Japan															
Crude	115.7	131.8	13.9	128.2	142.3	11.0	126.3	140.1	10.9	126.8	133.1	5.0	120.6	134.5	11.5
Motor Gasoline	15.4	13.7	-11.0	14.0	13.8	-1.4	13.1	14.4	9.9	12.3	13.7	11.4	12.9	12.7	-1.6
Middle Distillate	40.6	41.4	2.0	39.0	40.8	4.6	43.1	45.5	5.6	49.2	52.5	6.7	50.5	56.7	12.3
Residual Fuel Oil	11.2	13.2	17.9	10.8	13.4	24.1	10.3	13.0	26.2	10.4	12.2	17.3	8.7	11.1	27.6
Other Products	49.6	46.9	-5.4	50.5	49.9	-1.2	48.1	49.7	3.3	48.1	53.1	10.4	50.1	54.2	8.2
Total Products	116.8	115.2	-1.4	114.3	117.9	3.1	114.6	122.6	7.0	120.0	131.5	9.6	122.2	134.7	10.2
Other[3]	72.7	63.8	-12.2	70.6	65.2	-7.6	72.4	66.4	-8.3	68.9	65.3	-5.2	67.7	63.2	-6.6
Total	305.2	310.8	1.8	313.1	325.4	3.9	313.3	329.1	5.0	315.7	329.9	4.5	310.5	332.4	7.1
Germany															
Crude	26.0	20.4	-21.5	23.4	18.2	-22.2	20.5	23.8	16.1	18.9	24.1	27.5	21.0	21.8	3.8
Motor Gasoline	10.0	9.2	-8.0	10.6	8.5	-19.8	10.5	7.4	-29.5	10.9	9.2	-15.6	9.9	7.8	-21.2
Middle Distillate	20.9	14.1	-32.5	17.9	16.0	-10.6	17.5	14.9	-14.9	19.7	17.2	-12.7	15.5	12.4	-20.0
Residual Fuel Oil	8.2	10.5	28.0	9.0	10.3	14.4	9.2	10.3	12.0	9.1	10.8	18.7	9.6	10.7	11.5
Other Products	11.6	12.1	4.3	11.2	12.2	8.9	11.4	10.8	-5.3	11.7	11.2	-4.3	10.5	10.6	1.0
Total Products	50.7	45.9	-9.5	48.7	47.0	-3.5	48.6	43.4	-10.7	51.4	48.4	-5.8	45.5	41.5	-8.8
Other[3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	76.7	66.3	-13.6	72.1	65.2	-9.6	69.1	67.2	-2.7	70.3	72.5	3.1	66.5	63.3	-4.8
Italy															
Crude	38.9	39.1	0.5	34.6	37.2	7.5	36.2	36.7	1.4	41.3	38.3	-7.3	34.6	39.2	13.3
Motor Gasoline	19.7	17.3	-12.2	20.9	18.0	-13.9	23.2	18.1	-22.0	21.6	19.2	-11.1	21.6	19.5	-9.7
Middle Distillate	31.8	36.4	14.5	34.1	36.7	7.6	36.6	36.3	-0.8	39.8	38.5	-3.3	39.8	37.1	-6.8
Residual Fuel Oil	13.7	12.7	-7.3	11.9	10.8	-9.2	10.7	11.3	5.6	11.0	10.1	-8.2	12.0	11.7	-2.5
Other Products	20.7	18.7	-9.7	19.7	17.5	-11.2	18.0	17.6	-2.2	17.9	19.2	7.3	17.5	17.4	-0.6
Total Products	85.9	85.1	-0.9	86.6	83.0	-4.2	88.5	83.3	-5.9	90.3	87.0	-3.7	90.9	85.7	-5.7
Other[3]	10.7	12.6	17.8	11.2	14.3	27.7	12.3	15.5	26.0	10.5	14.4	37.1	10.5	15.6	48.6
Total	135.5	136.8	1.0	132.4	134.5	1.6	137.0	135.5	-1.1	142.1	139.7	-1.7	136.0	140.5	3.3
France															
Crude	44.1	42.0	-4.8	39.5	36.7	-7.1	39.7	36.9	-7.1	36.1	39.3	8.9	38.5	38.1	-1.0
Motor Gasoline	10.2	10.2	0.0	11.1	10.6	-4.5	12.0	9.8	-18.3	11.9	10.2	-14.3	12.0	11.6	-3.3
Middle Distillate	30.8	34.8	13.0	31.4	32.0	1.9	29.1	32.9	13.1	34.6	38.1	10.1	32.7	35.1	7.3
Residual Fuel Oil	7.5	5.7	-24.0	7.0	5.4	-22.9	7.1	5.2	-26.8	7.3	6.2	-15.1	7.9	5.2	-34.2
Other Products	9.0	8.4	-6.7	9.4	7.9	-16.0	9.2	8.3	-9.8	9.1	8.8	-3.3	8.5	8.4	-1.2
Total Products	57.5	59.1	2.8	58.9	55.9	-5.1	57.4	56.2	-2.1	62.9	63.3	0.6	61.1	60.3	-1.3
Other[3]	12.5	13.6	8.8	12.1	14.3	18.2	11.7	14.6	24.8	12.2	14.8	21.3	13.5	14.4	6.7
Total	114.1	114.7	0.5	110.5	106.9	-3.3	108.8	107.7	-1.0	111.2	117.4	5.6	113.1	112.8	-0.3
United Kingdom															
Crude	35.8	38.7	8.1	42.8	35.9	-16.1	42.4	40.9	-3.5	36.5	35.3	-3.3	37.0	33.8	-8.6
Motor Gasoline	10.4	9.5	-8.7	11.0	8.7	-20.9	10.9	8.4	-22.9	9.7	9.2	-5.2	9.7	9.3	-4.1
Middle Distillate	21.6	19.6	-9.3	22.0	18.7	-15.0	21.0	16.8	-20.0	20.7	19.5	-5.8	20.1	19.2	-4.5
Residual Fuel Oil	4.6	4.6	0.0	4.4	5.3	20.5	4.3	5.1	18.6	4.4	5.1	15.9	4.3	4.7	9.3
Other Products	17.9	16.7	-6.7	18.2	15.5	-14.8	17.6	15.9	-9.7	17.4	15.8	-9.2	17.1	15.9	-7.0
Total Products	54.5	50.4	-7.5	55.6	48.2	-13.3	53.8	46.2	-14.1	52.2	49.6	-5.0	51.2	49.1	-4.1
Other[3]	9.9	11.6	17.2	11.3	11.6	2.7	11.7	11.6	-0.9	12.0	10.1	-15.8	10.6	9.9	-6.6
Total	100.2	100.7	0.5	109.7	95.7	-12.8	107.9	98.7	-8.5	100.7	95.0	-5.7	98.8	92.8	-6.1
Canada															
Crude	79.2	76.0	-4.0	79.0	75.6	-4.3	77.8	78.6	1.0	78.0	78.8	1.0	75.8	77.3	2.0
Motor Gasoline	17.7	15.3	-13.6	15.5	15.1	-2.6	15.4	16.3	5.8	15.5	16.0	3.2	15.8	17.6	11.4
Middle Distillate	18.5	18.5	0.0	18.7	19.4	3.7	19.6	21.0	7.1	20.4	22.0	7.8	20.3	23.0	13.3
Residual Fuel Oil	3.6	4.7	30.6	4.2	4.1	-2.4	4.2	4.2	0.0	4.2	5.3	26.2	3.8	5.7	50.0
Other Products	22.0	25.6	16.4	21.8	25.5	17.0	21.9	25.4	16.0	20.2	25.9	28.2	22.1	26.0	17.6
Total Products	61.8	64.1	3.7	60.2	64.1	6.5	61.1	66.9	9.5	60.3	69.2	14.8	62.0	72.3	16.6
Other[3]	14.0	18.6	32.9	15.9	21.0	32.1	18.0	18.2	1.1	20.9	20.9	0.0	22.4	22.8	1.8
Total	155.0	158.7	2.4	155.1	160.7	3.6	156.9	163.7	4.3	159.2	168.9	6.1	160.2	172.4	7.6

1 Stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 US figures exclude US territories.
3 Other includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

Table 7

TOTAL STOCKS ON LAND IN OECD COUNTRIES[1]

('millions of barrels' and 'days')

	End September 2002		End December 2002		End March 2003		End June 2003		End September 2003 [3]	
	Stock Level	Days Fwd[2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
North America										
Canada	160.2	74	153.7	71	149.0	71	160.8	75	172.4	-
Mexico	47.0	24	47.3	23	51.5	25	44.2	21	41.4	-
United States	1576.1	79	1549.9	77	1474.6	75	1560.4	77	1594.3	-
Total[4]	1805.3	74	1773.0	72	1697.2	70	1787.5	72	1830.2	74
Pacific										
Australia	39.4	45	34.0	40	39.8	46	38.1	43	36.0	-
Japan	627.1	107	615.4	99	619.0	124	646.7	133	653.6	-
Korea[5]	148.8	63	140.4	58	137.0	67	152.1	77	154.5	-
New Zealand	10.1	72	9.5	64	9.8	66	8.5	60	8.5	-
Total	825.3	89	799.3	83	805.6	100	845.4	107	852.6	92
Europe[6]										
Austria	18.3	69	18.7	70	17.6	60	18.5	62	18.7	-
Belgium	28.3	45	25.8	38	29.1	48	27.5	46	28.4	-
Czech Republic	16.2	90	15.5	91	15.3	82	13.5	69	13.5	-
Denmark	18.5	88	17.3	87	15.4	85	15.5	85	16.4	-
Finland	26.9	117	24.4	113	24.7	121	23.9	112	23.2	-
France	174.0	88	174.5	83	175.0	89	173.3	84	179.2	-
Germany	258.8	95	253.4	100	258.6	95	260.7	98	258.6	-
Greece	32.2	72	31.6	66	29.3	75	32.3	84	30.9	-
Hungary	18.0	119	16.1	127	17.9	136	17.6	130	18.3	-
Ireland	10.2	56	11.4	57	10.9	60	11.0	62	11.9	-
Italy	136.1	74	137.6	74	136.3	75	134.6	73	140.7	-
Luxembourg	0.9	19	1.0	17	0.9	17	0.8	14	0.8	-
Netherlands	106.7	116	104.9	120	95.4	103	106.5	118	110.8	-
Norway	17.8	81	19.4	76	33.2	141	21.1	82	23.1	-
Poland	23.6	57	26.2	69	27.2	67	27.9	61	26.9	-
Portugal	24.1	76	21.4	69	24.0	74	24.7	72	25.6	-
Spain	121.3	80	120.8	78	122.8	81	121.1	79	121.4	-
Sweden	30.5	81	29.4	87	34.3	114	34.0	113	33.2	-
Switzerland	38.7	146	36.7	144	36.1	146	37.2	144	37.3	-
Turkey	55.6	81	51.9	85	55.6	89	54.8	77	55.2	-
United Kingdom	98.9	58	97.1	57	99.8	60	95.7	58	92.8	-
Total	1255.5	82	1235.2	81	1259.4	84	1252.3	82	1267.0	81
Total OECD	3886.2	79	3807.5	77	3762.2	80	3885.3	81	3949.8	80
DAYS OF IEA Net Imports[7]	-	114	-	111	-	110	-	114	-	115

1 Total Stocks are industry and government-controlled stocks (see breakdown in table below). Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used for the calculation of IEA Emergency Reserves.
3 End September 2003 forward demand figures are IEA Secretariat forecasts.
4 Total includes US territories.
5 Previously confidential Korean government stocks are now included.
6 Data not available for Iceland.
7 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			*Days of Fwd. Demand[3]*		
3Q2000	3836	1294	2542	79	27	52
4Q2000	3798	1268	2530	78	26	52
1Q2001	3794	1269	2525	81	27	54
2Q2001	3864	1267	2597	81	27	55
3Q2001	3928	1267	2661	82	26	55
4Q2001	3904	1283	2621	81	27	54
1Q2002	3901	1303	2598	84	28	56
2Q2002	3962	1314	2648	83	28	56
3Q2002	3886	1319	2567	79	27	52
4Q2002	3807	1343	2465	77	27	50
1Q2003	3762	1357	2405	80	29	51
2Q2003	3885	1361	2525	81	28	53
3Q2003	3950	1379	2571	80	28	52

1 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.
2 Previously confidential Korean government stocks are now included.
3 Days of forward demand calculated using actual demand except in 3Q2003 (when latest forecasts are used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	2000	2001	2002	4Q02	1Q03	2Q03	3Q03	Jun 03	Jul 03	Aug 03	Sep 03	Oct 03	Nov 03
CRUDE OIL PRICES													
IEA CIF Average Import[1]													
IEA North America	27.67	22.30	23.71	25.53	30.76	25.82	27.53	26.82	27.77	28.36	26.41		
IEA Europe	27.89	23.92	24.27	26.11	31.10	25.52	27.86	26.54	27.59	28.77	27.15		
IEA Pacific	28.89	25.05	24.74	27.24	30.91	27.95	28.08	26.99	27.69	28.58	28.81		
IEA Total	28.00	23.65	24.19	26.18	30.94	26.21	27.75	26.75	27.68	28.57	26.98		
FOB Spot													
Brent (Dated)	28.50	24.44	25.02	26.81	31.49	26.03	28.38	27.51	28.35	29.79	27.08	29.65	28.73
WTI (1st month)	30.37	25.93	26.16	28.29	34.00	29.02	30.19	30.66	30.70	31.59	28.25	30.30	31.06
Urals (del. Med.)	26.63	22.97	23.73	25.55	29.24	23.86	27.05	25.16	26.84	28.74	25.64	27.99	27.63
Dubai (1st month)	26.24	22.80	23.85	25.16	28.39	24.44	26.57	25.51	26.72	27.66	25.37	27.27	27.66
Tapis (1st month)	29.85	25.32	25.72	28.33	32.34	27.19	29.53	27.13	28.54	30.70	29.45	31.74	30.61
OPEC Basket	27.60	23.12	24.34	26.63	30.45	25.87	27.43	26.80	27.50	28.69	26.15	28.35	28.48
PRODUCT PRICES													
Rotterdam, Barges FOB													
Premium Unleaded	36.00	29.86	29.09	31.05	37.44	33.79	36.26	33.74	35.99	38.73	34.31	34.31	34.14
Unleaded	34.41	28.83	28.57	30.50	36.88	33.06	35.68	33.07	35.32	38.18	33.80	33.81	33.66
Naphtha	29.09	23.69	24.23	26.45	34.99	25.19	28.12	27.14	27.61	29.42	27.48	30.03	31.55
Jet/Kerosene	36.98	30.82	29.24	32.45	40.89	31.32	33.29	31.81	33.07	34.61	32.32	36.45	37.67
Gasoil .2 %	34.38	29.16	27.81	31.26	39.18	30.21	31.58	31.06	31.57	32.98	30.31	34.46	34.75
LSFO 1%	23.74	19.52	21.81	26.70	29.20	24.26	26.06	26.14	26.58	26.88	24.78	25.19	24.00
HSFO 3.5%	21.42	17.79	20.65	21.22	25.65	21.05	24.16	22.49	25.18	24.73	22.57	23.60	23.52
Mediterranean - Cargoes FOB													
Premium .15 g/l	37.14	30.43	29.21	30.78	36.62	31.34	35.79	32.80	35.43	38.59	33.63	34.49	34.10
Premium Unleaded	36.43	29.70	28.49	30.06	35.91	30.62	35.07	32.08	34.71	37.87	32.91	33.78	33.38
Naphtha	28.16	22.47	23.51	25.61	33.37	23.69	27.17	26.13	26.66	28.38	26.60	29.25	30.23
Jet/Kerosene[2]	34.82	27.52	27.14	29.95	36.47	26.68	31.69	29.84	31.31	33.03	30.86	34.44	35.69
Gasoil .2 %	33.87	27.50	27.08	30.36	38.67	28.38	30.57	30.35	29.95	31.99	29.93	35.55	34.32
LSFO 1%	23.77	18.73	21.50	24.14	30.56	23.51	26.99	26.00	28.48	28.76	23.82	25.79	24.88
HSFO 3.5%	18.92	15.24	18.24	18.86	22.76	18.84	22.43	20.50	23.34	23.10	20.86	21.86	21.54
NY Harbour, Barges													
Super Unleaded[3]	38.49	34.16	33.71	37.44	41.33	36.68	43.71	37.24	40.05	46.80	44.44	38.94	39.69
Unleaded[3]	36.10	31.00	30.33	33.53	39.50	33.08	38.80	33.79	36.65	42.13	37.72	36.45	36.72
Jet/Kerosene	38.05	31.18	29.83	33.45	42.43	32.48	33.82	32.42	33.92	35.57	31.95	35.46	36.15
No. 2 (Heating Oil)	36.37	29.82	28.56	32.33	42.00	31.99	32.69	31.89	32.98	34.24	30.83	34.41	35.06
LSFO 1%	25.05	20.70	22.55	25.72	32.74	24.57	26.74	25.19	27.53	27.77	24.88	25.93	26.14
HSFO 6 3%	20.68	17.36	20.99	22.96	27.91	20.93	25.21	21.70	26.19	26.33	23.05	24.02	24.43
Singapore, Cargoes													
Premium Unleaded	32.64	27.43	28.04	29.24	37.14	29.70	34.96	31.59	34.58	37.30	33.11	35.55	35.78
Naphtha	28.38	23.75	24.93	27.15	34.27	24.69	28.40	26.66	27.77	29.67	27.86	30.46	32.54
Jet/Kerosene	34.39	28.32	28.08	31.35	36.14	28.36	31.53	28.48	29.78	33.58	31.40	33.84	35.89
Gasoil .5%	32.58	27.32	27.55	30.89	36.12	28.79	30.78	28.73	28.95	32.33	31.22	32.41	33.68
LSWR Cracked	25.83	21.83	23.80	28.02	31.84	27.21	25.33	25.59	25.54	25.66	24.80	26.14	28.73
HSFO 180 CST	24.43	20.65	22.89	24.40	28.86	24.78	25.87	25.73	27.14	25.80	24.59	25.38	25.01
HSFO 4%	24.21	20.38	22.95	24.31	28.88	24.74	26.19	25.70	27.44	26.12	24.94	25.56	25.17

1 IEA CIF Average Import price for September is an estimate
2 Following change of assessment, Jet Aviation Fuel for Mediterranean - Cargo FOB from June 2003
3 From November 2003 assessements for NYH are for Max 0.3% MTBE

Table 9

MONTHLY AVERAGE END USER PRICES FOR PETROLEUM PRODUCTS
November 2003

	NATIONAL CURRENCY *						US DOLLARS					
	Total Price	% change from		Ex-Tax Price	% change from		Total Price	% change from		Ex-Tax Price	% change from	
		Oct-03	Nov-02		Oct-03	Nov-02		Oct-03	Nov-02		Oct-03	Nov-02
GASOLINE [1] (Price per Litre)												
France	0.993	0.5	- 3.1	0.241	1.7	-10.1	1.158	0.2	12.7	0.281	1.3	4.6
Germany	1.071	0.1	3.2	0.268	0.4	-1.1	1.249	-0.2	20.1	0.313	0.0	15.1
Italy	1.044	-	- 0.7	0.328	-	-1.8	1.217	-0.3	15.6	0.382	-0.3	14.3
Spain	0.798	-	- 0.2	0.292	-	-0.7	0.931	-0.3	16.1	0.340	-0.3	15.6
UK	0.745	- 0.4	0.5	0.176	-1.7	1.7	1.254	-0.1	7.6	0.296	-1.3	8.9
Japan	105.0	- 1.0	-	46.2	-2.1	-	0.962	-0.7	11.3	0.423	-1.8	11.3
Canada	0.694	- 1.8	- 4.0	0.397	-2.9	-6.4	0.528	-1.2	14.9	0.302	-2.3	12.0
USA	0.399	- 3.6	6.4	0.296	-4.8	8.0	0.399	-3.6	6.4	0.296	-4.8	8.0
AUTOMOTIVE DIESEL [2] (Price per Litre)												
France	0.657	1.7	0.5	0.265	4.3	1.1	0.766	1.4	16.9	0.309	4.0	17.7
Germany	0.748	2.0	2.9	0.278	5.7	-3.1	0.872	1.7	19.7	0.324	5.3	12.7
Italy	0.729	1.7	1.4	0.326	3.8	3.2	0.850	1.3	18.0	0.380	3.5	20.1
Spain	0.591	1.4	1.2	0.297	2.8	2.4	0.689	1.0	17.8	0.346	2.4	19.2
UK	0.647	- 0.5	0.6	0.189	-1.6	2.2	1.089	-0.1	7.7	0.318	-1.2	9.4
Japan	85.1	- 1.2	-	48.9	-2.0	-	0.780	-0.8	11.3	0.448	-1.6	11.3
Canada	0.649	0.2	- 4.8	0.429	0.2	-6.5	0.494	0.8	13.9	0.327	0.9	11.8
USA	0.392	0.8	4.5	0.272	1.1	5.8	0.392	0.8	4.5	0.272	1.1	5.8
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	389.80	3.1	3.2	269.32	3.8	4.0	454.5	2.8	20.1	314.0	3.5	21.0
Germany	361.86	0.5	3.2	250.60	0.6	4.0	421.9	0.1	20.1	292.2	0.2	21.1
Italy	845.95	1.1	0.6	301.75	2.6	1.3	986.4	0.8	17.0	351.9	2.2	17.9
Spain	382.23	3.9	1.6	244.80	5.3	2.2	445.7	3.5	18.2	285.4	5.0	18.9
UK	209.32	3.0	12.6	157.35	3.8	7.8	352.4	3.4	20.6	264.9	4.2	15.4
Japan [3]	47483	-1.3	3.8	45222	-1.3	3.8	435.2	-1.0	15.5	414.5	-1.0	15.5
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-
LOW SULPHUR FUEL OIL FOR INDUSTRY [2] (Price per Metric Ton)												
France	189.10	-0.0	-4.9	170.60	-0.0	-5.4	220.5	-0.3	10.6	198.9	-0.3	10.0
Germany	175.93	-0.5	-6.8	150.93	-0.6	-11.7	205.1	-0.8	8.5	176.0	-0.9	2.8
Italy	232.17	1.6	10.3	200.78	1.9	12.1	270.7	1.3	28.4	234.1	1.5	30.5
Spain	222.05	1.2	-11.3	207.62	1.3	-12.0	258.9	0.8	3.2	242.1	0.9	2.4
UK	155.57	-1.1	9.7	117.57	-1.4	3.3	261.9	-0.7	17.4	197.9	-1.1	10.6
Japan	-	-	-	-	-	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 Unleaded premium (95 RON) for France, Germany, Italy, Spain, UK; regular unleaded for Canada, Japan and the United States.
2 VAT excluded from prices for automotive diesel and heavy fuel oil when refunded to industry .
3 Kerosene for Japan.

* Prices for France, Germany, Italy and Spain are in Euro; UK in British Pounds, Japan in Yen, Canada in Canadian Dollars.

Table 10

Regional OECD Crude Imports by Source

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
OECD North America												
Venezuela	1.67	1.58		1.55	0.93	1.81	1.74	1.61	1.90	1.70	1.74	-0.05
Other Central & South America	0.54	0.61		0.65	0.52	0.56	0.65	0.65	0.67	0.62	0.62	-0.01
North Sea	1.07	1.25		1.34	1.07	1.03	1.12	1.16	0.94	1.28	1.09	0.19
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	-	0.09		0.13	0.11	0.20	0.31	0.48	0.29	0.14	0.11	0.04
Saudi Arabia	1.70	1.60		1.72	1.79	2.16	1.74	1.94	1.57	1.72	1.61	0.11
Kuwait	0.24	0.22		0.22	0.20	0.25	0.20	0.17	0.19	0.25	0.29	-0.04
Iran	-	-		-	-	-	-	-	-	-	-	-
Iraq	0.94	0.58		0.45	0.84	0.34	0.22	0.07	0.17	0.42	0.21	0.21
Oman	0.02	0.02		0.02	-	0.04	0.06	-	0.11	0.07	0.07	0.00
United Arab Emirates	0.02	0.01		0.01	0.01	0.01	0.01	-	-	0.03	0.02	0.01
Other Middle East	0.02	0.04		0.03	0.02	0.02	-	-	-	-	0.10	-
West Africa[2]	1.48	1.19		1.15	1.37	1.51	1.68	1.62	1.83	1.57	1.13	0.44
Other Africa	0.13	0.18		0.16	0.15	0.33	0.44	0.32	0.52	0.48	0.22	0.26
Asia	0.15	0.16		0.15	0.12	0.10	0.19	0.18	0.23	0.16	0.13	0.03
Other	0.03	0.06		0.06	0.04	0.08	0.12	0.15	0.10	0.11	0.04	0.07
Total	**7.99**	**7.52**		**7.63**	**7.17**	**8.44**	**8.48**	**8.36**	**8.53**	**8.54**	**7.38**	**1.17**
of which Non-OECD	**6.92**	**6.28**		**6.23**	**6.08**	**7.39**	**7.31**	**7.18**	**7.55**	**7.21**	**6.23**	**0.98**
OECD Europe												
Canada	-	-		-	-	-	-	-	-	-	-	-
Mexico + USA	0.18	0.19		0.22	0.17	0.18	0.23	0.27	0.21	0.22	0.20	0.02
Venezuela	0.18	0.18		0.12	0.04	0.13	0.12	0.15	0.08	0.11	0.14	-0.02
Other Central & South America	0.04	0.05		0.06	0.02	0.04	0.11	0.08	0.07	0.18	0.03	0.15
Non-OECD Europe	0.00	0.01		0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.01
Former Soviet Union	2.68	3.12		3.03	3.16	3.43	3.59	3.74	3.62	3.41	3.30	0.10
Saudi Arabia	1.25	1.16		1.09	1.14	1.54	1.31	1.43	1.34	1.16	1.32	-0.15
Kuwait	0.16	0.12		0.10	0.07	0.17	0.11	0.06	0.20	0.08	0.14	-0.06
Iran	0.74	0.62		0.72	0.69	0.90	0.86	0.95	0.91	0.72	0.73	-0.01
Iraq	0.40	0.31		0.62	0.44	0.07	0.12	0.08	0.14	0.13	0.37	-0.24
Oman	-	0.00		-	-	-	0.00	-	0.00	0.00	-	-
United Arab Emirates	0.01	-		-	-	-	-	-	-	-	-	-
Other Middle East	0.43	0.46		0.46	0.36	0.26	0.23	0.23	0.24	0.22	0.47	-0.25
West Africa[2]	0.81	0.68		0.62	0.74	0.57	0.60	0.55	0.60	0.65	0.78	-0.13
Other Africa	1.50	1.39		1.45	1.60	1.60	1.53	1.59	1.41	1.59	1.16	0.43
Asia	-	-		-	-	-	-	-	-	-	-	-
Other	0.22	0.36		0.15	0.23	0.09	0.31	0.07	0.37	0.50	0.28	0.22
Total	**8.59**	**8.66**		**8.65**	**8.68**	**8.97**	**9.12**	**9.21**	**9.19**	**8.96**	**8.92**	**0.04**
of which Non-OECD	**8.41**	**8.47**		**8.43**	**8.51**	**8.79**	**8.89**	**8.94**	**8.97**	**8.74**	**8.72**	**0.02**
OECD Pacific												
Canada	0.00	0.00		0.01	-	0.01	0.00	-	-	0.01	-	-
Mexico + USA	0.02	0.01		0.02	-	-	0.02	0.06	-	-	-	-
Venezuela	0.00	0.00		0.00	0.00	-	-	-	-	-	-	-
Other Central & South America	0.07	0.08		0.09	0.10	0.08	0.05	0.02	0.04	0.09	0.08	0.01
North Sea	0.01	0.03		-	0.04	-	0.01	0.04	-	-	-	-
Other OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Non-OECD Europe	-	-		-	-	-	-	-	-	-	-	-
Former Soviet Union	0.05	0.07		0.10	0.04	0.03	0.09	0.06	0.03	0.17	0.12	0.05
Saudi Arabia	1.84	1.72		1.82	1.97	1.90	1.59	1.64	1.43	1.71	1.59	0.12
Kuwait	0.64	0.57		0.56	0.60	0.54	0.58	0.62	0.50	0.63	0.53	0.10
Iran	0.75	0.64		0.69	0.89	0.80	0.76	0.87	0.66	0.73	0.56	0.17
Iraq	0.01	0.02		0.01	-	-	-	-	-	-	-	-
Oman	0.41	0.37		0.35	0.42	0.36	0.23	0.20	0.27	0.20	0.32	-0.12
United Arab Emirates	1.42	1.28		1.35	1.47	1.50	1.47	1.58	1.47	1.37	1.37	0.00
Other Middle East	0.60	0.52		0.50	0.56	0.57	0.45	0.39	0.40	0.55	0.43	0.13
West Africa[2]	0.11	0.21		0.25	0.28	0.11	0.14	0.25	0.16	-	0.19	-
Other Africa	0.04	0.05		0.08	0.09	0.07	0.04	0.08	0.04	-	0.05	-
Non-OECD Asia	0.89	0.86		0.89	0.89	0.85	0.70	0.61	0.74	0.76	0.68	0.07
Other	0.00	-		-	-	-0.09	-0.03	-0.02	-0.10	0.04	-	
Total	**6.89**	**6.42**		**6.71**	**7.36**	**6.81**	**6.13**	**6.42**	**5.74**	**6.23**	**5.91**	**0.32**
of which Non-OECD	**6.86**	**6.38**		**6.68**	**7.32**	**6.71**	**6.06**	**6.29**	**5.64**	**6.26**	**5.91**	**0.35**
Total OECD Trade	**23.47**	**22.61**		**22.99**	**23.21**	**24.23**	**23.73**	**23.99**	**23.46**	**23.74**	**22.21**	**1.53**
of which Non-OECD	**22.19**	**21.14**		**21.34**	**21.90**	**22.90**	**22.26**	**22.41**	**22.16**	**22.21**	**20.86**	**1.35**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes, and converted to barrels at 7.37 barrels per tonne. Data will differ from Table 11 which is based on submissions in barrels.

2.West Africa includes Angola,Nigeria,Gabon,Congo and Democratic Republic of Congo.

Table 11

IEA Member Country Destinations of Selected Crude Streams[1]

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
Saudi Light & Extra Light												
North America	0.69	0.70		0.89	0.52	0.75	0.62	0.52	0.74	0.61	0.62	-0.02
Europe	0.92	0.92		0.86	0.94	1.14	0.95	1.02	1.06	0.77	1.01	-0.24
Pacific	1.22	1.22		1.24	1.39	1.16	0.56	1.10	0.29	0.30	1.26	-0.96
Saudi Medium												
North America	0.73	0.86		1.46	0.88	0.94	0.79	0.81	0.74	0.82	0.63	0.20
Europe	0.15	0.11		0.11	0.10	0.13	0.14	0.14	0.18	0.09	0.08	0.01
Pacific	0.17	0.16		0.14	0.21	0.26	0.14	0.18	0.10	0.14	0.13	0.01
Saudi Heavy												
North America	0.21	0.20		0.23	0.28	0.48	0.25	0.26	0.25	0.24	0.16	0.08
Europe	0.14	0.09		0.09	0.11	0.26	0.21	0.29	0.17	0.17	0.10	0.07
Pacific	0.15	0.12		0.13	0.14	0.21	0.09	0.14	0.06	0.05	0.15	-0.10
Iraqi Basrah Light[2]												
North America	0.65	0.35		0.22	0.50	0.24	0.17	..	0.17	0.34	0.16	0.19
Europe	0.15	0.08		0.21	0.10	0.05	0.04	..	0.10	0.03	0.05	-0.02
Pacific	0.01	0.02		..	..	..	..	..	..	..	0.02	..
Iraqi Kirkuk												
North America	0.09	0.14		0.11	0.22	0.02	..	..	..	..	0.06	..
Europe	0.31	0.32		0.53	0.42	0.04	0.04	0.10	0.00	..	0.44	..
Pacific	0.01	0.00		..	..	..	..	..	..	..	..	..
Iranian Light												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.16	0.17		0.19	0.18	0.24	0.17	0.18	0.17	0.16	0.13	0.04
Pacific	0.13	0.12		0.14	0.18	0.16	0.06	0.17	..	..	0.12	..
Iranian Heavy[3]												
North America	..	..		..	..	..	..	..	..	..	..	..
Europe	0.53	0.44		0.50	0.52	0.57	0.70	0.77	0.77	0.56	0.58	-0.02
Pacific	0.63	0.54		0.61	0.75	0.67	0.32	0.62	0.17	0.17	0.40	-0.23
Venezuelan Light & Medium												
North America	0.61	0.68		0.57	0.35	0.83	0.68	0.66	0.70	0.68	0.92	-0.24
Europe	0.07	0.08		0.07	0.02	0.04	0.01	0.02	0.01	..	..	..
Pacific	0.00	0.00		0.00	0.00	..	0.00	..	..	0.00	..	..
Venezuelan 22 API and heavier												
North America	0.65	0.55		0.56	0.17	0.66	0.83	0.87	0.81	0.81	0.59	0.22
Europe	0.07	0.05		0.04	0.02	0.05	0.07	0.08	0.05	0.06	0.07	0.00
Pacific	..	..		..	..	..	..	..	..	..	..	..
Mexican Maya												
North America	0.77	0.92		0.96	1.12	1.31	1.40	1.35	1.47	1.39	0.86	0.53
Europe	0.14	0.17		0.19	0.14	0.17	0.21	0.25	0.17	0.22	0.18	0.05
Pacific	0.01	0.00		0.01	..	..	0.01	0.02	..	..	..	..
Mexican Isthmus												
North America	0.04	0.01		0.01	0.01	0.00	..	..	..	..	0.01	..
Europe	0.03	0.01		0.02	0.00	0.00	..	..	..	..	0.01	..
Pacific	0.01	0.01		0.01	..	..	0.01	0.04	..	..	..	..
Russian Urals												
North America	..	0.03		0.05	..	0.23	0.32	0.49	0.28	0.18	..	..
Europe	1.10	1.32		1.34	1.51	1.50	1.65	1.58	1.82	1.55	1.53	0.02
Pacific	0.01	0.01		..	..	..	..	..	..	..	0.03	..
Nigerian Light[4]												
North America	0.50	0.39		0.38	0.47	0.59	0.76	0.82	0.75	0.72	0.41	0.31
Europe	0.38	0.32		0.35	0.42	0.38	0.44	0.41	0.48	0.43	0.39	0.04
Pacific	0.02	0.06		0.08	0.13	0.03	0.03	0.08	..	..	0.03	..
Nigerian Medium												
North America	0.31	0.16		0.14	0.17	0.21	0.10	..	0.19	0.12	0.09	0.02
Europe	0.10	0.06		0.07	0.07	0.04	0.04	..	0.06	0.07	..	..
Pacific	0.00	0.01		..	0.04	..	..	..	..	..	0.03	..

1 Data based on monthly submissions from IEA countries to the crude oil import register (in '000 bbl), subject to availability. May differ from Table 21 of the Report.
IEA North America includes United States and Canada.
IEA Europe includes all countries in OECD Europe except Hungary and Poland.
IEA Pacific data through 2000 includes Australia, New Zealand and Japan.

2 Iraqi Total minus Kirkuk.

3 Iranian Total minus Iranian Light.

4 33 API and lighter (e.g., Bonny Light, Escravos, Qua Iboe and Oso Condensate).

Table 12a

Regional OECD Gasoline Imports by Source[1]

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
OECD North America												
Venezuela	0.11	0.08		0.08	0.00	0.10	0.07	0.03	0.09	0.10	0.13	-0.03
Other Central & South America	0.11	0.10		0.11	0.10	0.10	0.12	0.10	0.14	0.11	0.11	0.00
ARA (Belgium Germany Netherlands)	0.08	0.09		0.07	0.11	0.11	0.12	0.14	0.13	0.09	0.07	0.02
Other Europe	0.19	0.20		0.17	0.20	0.30	0.16	0.17	0.16	0.16	0.20	-0.04
FSU	0.04	0.06		0.03	0.09	0.06	0.05	0.07	0.05	0.04	0.05	-0.01
Saudi Arabia	0.06	0.06		0.07	0.06	0.08	0.08	0.07	0.09	0.09	0.05	0.04
Algeria	0.00	0.00		-	-	0.01	0.00	0.01	-	-	-	-
Other Middle East & Africa	0.04	0.04		0.03	0.03	0.03	0.03	0.06	0.01	0.02	0.04	-0.03
Singapore	0.01	0.01		0.00	0.00	0.02	0.00	0.01	-	0.00	-	-
OECD Pacific	0.02	0.01		0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
Non-OECD Asia (excl. Singapore)	0.03	0.03		0.02	0.02	0.05	0.03	0.05	0.03	0.02	0.03	-0.01
Other	0.00	-		-	0.00	0.00	-	-	-	-	-	-
Total[2]	**0.67**	**0.68**		**0.58**	**0.62**	**0.89**	**0.69**	**0.72**	**0.70**	**0.64**	**0.69**	**-0.05**
of which Non-OECD	**0.40**	**0.39**		**0.35**	**0.31**	**0.49**	**0.40**	**0.42**	**0.41**	**0.38**	**0.44**	**-0.06**
OECD Europe												
OECD North America	0.00	0.00		0.00	0.00	-	0.00	0.01	0.00	0.00	-	-
Venezuela	-	-		-	-	0.00	0.00	0.00	-	-	-	-
Other Central & South America	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.03	0.04		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05	0.00
FSU	0.02	0.03		0.02	0.02	0.03	0.03	0.03	0.03	0.04	0.02	0.02
Saudi Arabia	0.00	0.00		0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	-0.01
Algeria	0.00	0.01		0.02	0.00	0.02	0.01	0.02	0.01	0.02	0.01	0.01
Other Middle East & Africa	0.01	0.02		0.03	0.01	0.03	0.03	0.04	0.02	0.03	0.02	0.02
Singapore	-	0.00		0.00	0.00	-	0.00	0.00	-	-	-	-
OECD Pacific	-	-		-	-	0.00	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	0.00	-		-	-	0.00	-	-	-	-	-	-
Other	0.09	0.07		0.07	0.10	0.05	0.02	-0.05	0.07	0.06	0.09	-0.03
Total[2]	**0.15**	**0.18**		**0.18**	**0.18**	**0.17**	**0.15**	**0.09**	**0.17**	**0.19**	**0.19**	**0.00**
of which Non-OECD	**0.15**	**0.18**		**0.18**	**0.18**	**0.17**	**0.14**	**0.08**	**0.16**	**0.19**	**0.19**	**0.00**
OECD Pacific												
OECD North America	0.00	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	0.00	0.00		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	-		-	-	-	-	-	-	-	-	-
Singapore	0.02	0.03		0.04	0.03	0.03	0.05	0.04	0.05	0.05	0.02	0.03
Non-OECD Asia (excl. Singapore)	0.00	0.02		0.03	0.03	0.04	0.03	0.05	0.03	0.02	0.02	0.00
Other	-	0.00		-	-	-	-	-	-	-	-	-
Total[2]	**0.04**	**0.06**		**0.07**	**0.06**	**0.07**	**0.08**	**0.08**	**0.08**	**0.08**	**0.04**	**0.03**
of which Non-OECD	**0.03**	**0.06**		**0.07**	**0.06**	**0.07**	**0.08**	**0.08**	**0.08**	**0.08**	**0.04**	**0.03**
Total OECD Trade[2]	**0.86**	**0.92**		**0.83**	**0.86**	**1.13**	**0.91**	**0.89**	**0.94**	**0.91**	**0.92**	**-0.01**
of which Non-OECD	**0.58**	**0.62**		**0.60**	**0.55**	**0.73**	**0.63**	**0.58**	**0.65**	**0.65**	**0.67**	**-0.03**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12b

Regional OECD Gasoil/Diesel Imports by Source[1]

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
OECD North America												
Venezuela	0.06	0.03		0.02	0.01	0.02	0.03	0.01	0.03	0.06	0.02	0.05
Other Central & South America	0.03	0.02		0.03	0.01	0.02	0.01	0.03	0.00	0.01	0.02	-0.01
ARA (Belgium Germany Netherlands)	0.01	0.00		0.01	0.03	-	0.00	-	-	0.00	0.00	0.00
Other Europe	0.02	0.00		0.01	0.02	0.01	0.00	0.01	-	-	0.00	-
FSU	0.03	0.02		0.08	0.13	0.02	0.02	-	0.03	0.03	-	-
Saudi Arabia	0.00	0.00		-	-	0.00	0.00	0.01	-	-	-	-
Algeria	0.00	0.00		0.00	0.00	-	0.00	-	0.01	-	-	-
Other Middle East & Africa	0.01	0.00		0.01	0.00	0.00	-	-	-	-	-	-
Singapore	0.00	0.00		-	0.00	0.01	0.01	0.01	0.01	0.00	-	-
OECD Pacific	0.01	0.01		0.01	0.00	0.00	0.02	0.01	0.04	0.01	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		0.02	0.00	0.02	0.03	0.02	0.06	-	-	-
Other	-	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.19**	**0.10**		**0.20**	**0.21**	**0.09**	**0.12**	**0.08**	**0.17**	**0.11**	**0.04**	**0.08**
of which Non-OECD	**0.15**	**0.09**		**0.16**	**0.16**	**0.08**	**0.10**	**0.07**	**0.14**	**0.10**	**0.03**	**0.07**
OECD Europe												
OECD North America	0.02	0.03		0.01	0.00	0.01	0.01	0.01	0.00	0.03	0.01	0.02
Venezuela	0.00	0.00		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	0.01		0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-OECD Europe	0.05	0.07		0.06	0.06	0.06	0.07	0.08	0.05	0.07	0.08	-0.01
FSU	0.36	0.42		0.43	0.43	0.57	0.50	0.69	0.38	0.43	0.42	0.01
Saudi Arabia	0.01	0.01		0.01	0.01	0.00	-	-	-	-	0.00	-
Algeria	0.04	0.02		0.02	0.02	0.02	0.03	0.04	0.04	0.01	0.04	-0.02
Other Middle East & Africa	0.02	0.02		0.01	0.02	0.01	0.01	0.03	0.00	0.00	0.01	-0.01
Singapore	0.00	0.02		0.03	0.00	-	0.01	0.00	0.01	0.01	-	-
OECD Pacific	0.00	0.00		0.01	-	0.01	0.01	0.00	0.01	0.01	0.02	-0.01
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.01	0.02	0.00	0.01	0.00	0.01	0.01	-	-
Other	0.10	0.10		0.14	0.10	0.10	-0.01	-0.13	0.04	0.07	0.08	-0.01
Total[2]	**0.61**	**0.70**		**0.73**	**0.67**	**0.79**	**0.64**	**0.73**	**0.54**	**0.64**	**0.65**	**-0.01**
of which Non-OECD	**0.59**	**0.67**		**0.72**	**0.67**	**0.77**	**0.62**	**0.72**	**0.53**	**0.61**	**0.63**	**-0.02**
OECD Pacific												
OECD North America	-	0.00		-	-	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	0.00	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	0.00		0.00	-	-	-	-	-	-	-	-
Other Europe	-	0.00		-	-	-	0.00	-	-	0.00	-	-
FSU	0.00	0.01		0.01	0.01	0.01	0.00	0.01	0.01	0.00	0.01	0.00
Saudi Arabia	0.00	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		0.00	-	-	-	-	-	-	-	-
Singapore	0.02	0.02		0.03	0.02	0.04	0.05	0.04	0.05	0.05	0.02	0.03
Non-OECD Asia (excl. Singapore)	0.01	0.02		0.03	0.05	0.04	0.02	0.01	0.01	0.03	0.03	0.00
Other	0.00	0.00		0.00	-	0.00	-	-	-	-	-	-
Total[2]	**0.03**	**0.05**		**0.07**	**0.07**	**0.08**	**0.07**	**0.06**	**0.06**	**0.08**	**0.05**	**0.03**
of which Non-OECD	**0.03**	**0.05**		**0.07**	**0.07**	**0.08**	**0.07**	**0.06**	**0.06**	**0.08**	**0.05**	**0.03**
Total OECD Trade[2]	**0.83**	**0.85**		**1.00**	**0.96**	**0.96**	**0.83**	**0.87**	**0.78**	**0.83**	**0.74**	**0.09**
of which Non-OECD	**0.77**	**0.81**		**0.95**	**0.90**	**0.93**	**0.79**	**0.85**	**0.73**	**0.78**	**0.71**	**0.07**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12c

Regional OECD Jet and Kerosene Imports by Source[1]

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
OECD North America												
Venezuela	0.03	0.02		0.02	0.02	0.04	0.03	0.03	0.04	0.02	0.02	0.00
Other Central & South America	0.02	0.01		0.01	0.01	0.03	0.02	0.02	0.01	0.02	0.00	0.02
ARA (Belgium Germany Netherlands)	0.00	-		-	0.00	0.00	-	-	-	-	-	-
Other Europe	0.00	0.00		-	-	0.00	-	-	-	-	-	-
FSU	0.00	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		-	0.00	-	-	-	-	-	-	-
Algeria	0.00	0.00		0.01	0.00	0.00	-	-	-	-	-	-
Other Middle East & Africa	0.02	0.01		0.02	0.04	0.01	0.01	-	-	0.02	0.01	0.01
Singapore	0.01	0.00		0.00	0.00	0.00	0.00	-	0.01	-	-	-
OECD Pacific	0.05	0.04		0.05	0.01	0.02	0.05	0.07	0.04	0.05	0.03	0.02
Non-OECD Asia (excl. Singapore)	0.01	0.01		0.00	0.01	-	0.00	-	-	0.01	0.02	-0.01
Other	0.00	-		-	-	-	-	-	-	-	-	-
Total[2]	**0.14**	**0.10**		**0.12**	**0.10**	**0.11**	**0.12**	**0.12**	**0.10**	**0.13**	**0.08**	**0.05**
of which Non-OECD	**0.09**	**0.06**		**0.07**	**0.09**	**0.08**	**0.06**	**0.05**	**0.06**	**0.08**	**0.05**	**0.02**
OECD Europe												
OECD North America	0.00	0.01		0.00	0.00	0.00	0.00	-	0.00	-	0.01	-
Venezuela	0.01	0.02		0.01	0.00	0.01	0.01	0.01	0.01	0.01	0.02	0.00
Other Central & South America	0.01	0.00		0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	-0.01
Non-OECD Europe	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FSU	0.02	0.03		0.03	0.02	0.02	0.03	0.03	0.02	0.03	0.02	0.01
Saudi Arabia	0.03	0.02		0.01	0.01	0.03	0.01	0.02	0.01	0.01	0.01	-0.01
Algeria	0.01	0.01		0.02	0.01	0.01	0.02	0.02	0.02	0.01	0.02	-0.01
Other Middle East & Africa	0.13	0.10		0.09	0.11	0.11	0.15	0.12	0.13	0.19	0.11	0.08
Singapore	-	0.01		0.00	0.00	-	0.00	0.00	-	-	-	-
OECD Pacific	-	-		-	-	0.00	0.00	0.00	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.00		-	-	-	0.00	0.01	0.00	-	-	-
Other	0.04	0.02		0.00	0.01	0.02	0.02	0.02	0.02	0.02	0.04	-0.01
Total[2]	**0.25**	**0.22**		**0.16**	**0.17**	**0.20**	**0.24**	**0.24**	**0.22**	**0.28**	**0.23**	**0.04**
of which Non-OECD	**0.25**	**0.21**		**0.16**	**0.17**	**0.20**	**0.24**	**0.23**	**0.22**	**0.28**	**0.22**	**0.05**
OECD Pacific												
OECD North America	-	-		-	0.01	-	-	-	-	-	-	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	-	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	-	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	-		-	-	-	-	-	-	-	-	-
Saudi Arabia	0.00	0.00		0.01	0.02	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	0.01	0.01		0.01	0.03	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.02	0.02	0.01	0.01	0.00	0.01	0.01	0.00	0.01
Non-OECD Asia (excl. Singapore)	0.02	0.02		0.05	0.04	0.00	0.01	-	0.01	0.02	-	-
Other	0.04	0.05		0.07	0.07	0.04	0.03	0.03	0.03	0.04	0.04	0.00
Total[2]	**0.07**	**0.10**		**0.16**	**0.18**	**0.05**	**0.05**	**0.03**	**0.05**	**0.07**	**0.04**	**0.02**
of which Non-OECD	**0.07**	**0.10**		**0.16**	**0.18**	**0.05**	**0.05**	**0.03**	**0.05**	**0.07**	**0.04**	**0.02**
Total OECD Trade[2]	**0.46**	**0.41**		**0.43**	**0.45**	**0.36**	**0.41**	**0.38**	**0.37**	**0.47**	**0.36**	**0.11**
of which Non-OECD	**0.41**	**0.37**		**0.38**	**0.44**	**0.33**	**0.35**	**0.32**	**0.32**	**0.42**	**0.32**	**0.10**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

Table 12d

Regional OECD Residual Fuel Oil Imports by Source[1]

(million barrels per day)

	2001	2002	2003	4Q02	1Q03	2Q03	3Q03	Jul 03	Aug 03	Sep 03	Year Earlier Sep 02	Year Earlier change
OECD North America												
Venezuela	0.07	0.04		0.01	0.03	0.06	0.04	0.03	0.05	0.03	0.05	-0.01
Other Central & South America	0.12	0.14		0.16	0.18	0.14	0.14	0.13	0.18	0.12	0.15	-0.03
ARA (Belgium Germany Netherlands)	0.02	0.01		0.01	0.02	0.02	0.01	0.02	0.01	-	-	-
Other Europe	0.03	0.01		0.01	0.03	0.02	0.02	0.03	0.01	0.02	0.04	-0.02
FSU	0.00	0.01		0.02	0.03	0.03	0.04	0.03	0.05	0.03	0.02	0.01
Saudi Arabia	0.00	-		-	-	0.00	0.00	0.00	-	-	-	-
Algeria	0.00	0.00		0.01	0.01	0.01	0.01	0.02	0.01	0.00	-	-
Other Middle East & Africa	0.04	0.02		0.02	0.05	0.03	0.02	0.02	0.02	0.02	0.06	-0.04
Singapore	0.00	0.00		0.00	0.01	0.00	0.01	0.01	0.01	0.01	-	-
OECD Pacific	0.00	-		-	-	-	-	-	-	-	-	-
Non-OECD Asia (excl. Singapore)	0.01	0.00		-	-	0.00	0.01	-	-	0.02	-	-
Other	0.00	0.00		0.00	0.00	0.01	0.01	0.01	0.01	0.01	-	-
Total[2]	**0.31**	**0.24**		**0.26**	**0.35**	**0.32**	**0.30**	**0.30**	**0.35**	**0.26**	**0.31**	**-0.05**
of which Non-OECD	**0.26**	**0.21**		**0.24**	**0.30**	**0.28**	**0.27**	**0.25**	**0.32**	**0.24**	**0.27**	**-0.03**
OECD Europe												
OECD North America	0.02	0.02		0.02	0.00	-	0.02	-	0.02	0.03	0.01	0.02
Venezuela	0.01	0.00		-	0.00	-	-	-	-	-	-	-
Other Central & South America	0.01	0.02		0.00	0.01	0.01	0.01	0.02	0.01	0.02	0.01	0.01
Non-OECD Europe	0.01	0.01		0.02	0.01	0.01	0.01	0.01	0.00	0.02	0.00	0.01
FSU	0.23	0.27		0.23	0.17	0.20	0.15	0.25	0.10	0.10	0.32	-0.22
Saudi Arabia	0.00	-		-	-	-	-	-	-	-	-	-
Algeria	0.00	0.01		0.01	0.00	0.01	0.02	0.02	0.02	0.02	0.01	0.01
Other Middle East & Africa	0.06	0.06		0.06	0.04	0.06	0.06	0.06	0.04	0.07	0.05	0.02
Singapore	0.00	0.00		-	-	-	0.00	-	0.00	0.00	-	-
OECD Pacific	-	0.00		-	-	-	0.00	-	0.00	0.00	-	-
Non-OECD Asia (excl. Singapore)	-	0.01		0.01	0.01	0.01	0.02	0.01	0.02	0.02	0.01	0.01
Other	0.06	0.07		0.09	0.06	0.08	0.14	0.06	0.19	0.18	0.02	0.17
Total[2]	**0.40**	**0.47**		**0.43**	**0.31**	**0.38**	**0.42**	**0.43**	**0.39**	**0.46**	**0.42**	**0.04**
of which Non-OECD	**0.38**	**0.45**		**0.42**	**0.31**	**0.38**	**0.41**	**0.43**	**0.37**	**0.43**	**0.41**	**0.02**
OECD Pacific												
OECD North America	0.00	0.00		0.01	-	0.00	-	-	-	-	0.00	-
Venezuela	-	-		-	-	-	-	-	-	-	-	-
Other Central & South America	-	-		-	-	0.00	-	-	-	-	-	-
ARA (Belgium Germany Netherlands)	0.00	-		-	-	-	-	-	-	-	-	-
Other Europe	-	-		-	-	-	-	-	-	-	-	-
FSU	-	0.00		-	-	0.00	0.00	-	0.00	0.00	-	-
Saudi Arabia	-	0.00		-	-	-	-	-	-	-	-	-
Algeria	-	-		-	-	-	-	-	-	-	-	-
Other Middle East & Africa	-	0.00		0.00	-	-	-	-	-	-	-	-
Singapore	0.01	0.01		0.01	0.01	-	-	-	-	-	0.01	-
Non-OECD Asia (excl. Singapore)	0.05	0.06		0.06	0.07	0.07	0.05	0.06	0.03	0.05	0.03	0.02
Other	0.02	0.02		0.02	0.01	0.03	0.02	0.04	0.01	0.02	0.03	-0.01
Total[2]	**0.08**	**0.09**		**0.10**	**0.10**	**0.10**	**0.07**	**0.10**	**0.04**	**0.08**	**0.07**	**0.01**
of which Non-OECD	**0.08**	**0.09**		**0.10**	**0.10**	**0.10**	**0.07**	**0.10**	**0.04**	**0.08**	**0.06**	**0.01**
Total OECD Trade[2]	**0.80**	**0.80**		**0.79**	**0.76**	**0.80**	**0.80**	**0.83**	**0.77**	**0.80**	**0.80**	**0.00**
of which Non-OECD	**0.72**	**0.75**		**0.76**	**0.71**	**0.76**	**0.75**	**0.78**	**0.73**	**0.75**	**0.75**	**0.01**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2.Total figure excludes intra-regional trade

Table 12e
Regional OECD Trade Balances[1]
(million barrels per day)

OECD North America

Net Imports/(Exports) of	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul-03	Aug-03	Sep-03	Latest month vs. Aug-03	Latest month vs. Sep-02
Crude Oil	**7.59**	**7.20**	**7.24**	**6.71**	**8.06**	**8.08**	**7.96**	**8.08**	**8.21**	**0.13**	**1.34**
Products & Feedstocks	**1.48**	**1.18**	**1.11**	**1.17**	**1.51**	**1.40**	**1.42**	**1.50**	**1.27**	**-0.23**	**0.08**
Gasoil/Diesel	0.09	0.00	0.09	0.08	-0.02	0.06	-0.02	0.12	0.09	-0.03	0.15
Gasoline	0.55	0.56	0.45	0.48	0.74	0.56	0.62	0.58	0.46	-0.12	-0.11
Heavy Fuel Oil	0.18	0.08	0.10	0.22	0.13	0.16	0.10	0.25	0.11	-0.14	-0.01
LPG	0.02	0.04	0.07	0.04	0.02	0.02	0.01	0.02	0.02	-0.01	-0.02
Naphtha	0.06	0.04	0.03	0.03	0.09	0.09	0.14	0.07	0.06	-0.01	0.01
Jet & Kerosene	0.12	0.09	0.10	0.08	0.09	0.11	0.11	0.10	0.11	0.01	0.03
Other	0.45	0.37	0.26	0.24	0.45	0.41	0.46	0.36	0.42	0.06	0.03
Total[2]	**9.07**	**8.38**	**8.35**	**7.88**	**9.57**	**9.48**	**9.38**	**9.58**	**9.48**	**-0.10**	**1.42**

OECD Europe

Net Imports/(Exports) of	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul-03	Aug-03	Sep-03	Latest month vs. Aug-03	Latest month vs. Sep-02
Crude Oil	**7.37**	**7.17**	**7.18**	**7.61**	**7.69**	**7.82**	**7.94**	**7.98**	**7.54**	**-0.45**	**-0.04**
Products & Feedstocks	**1.48**	**1.44**	**1.25**	**1.13**	**1.05**	**1.27**	**1.43**	**1.05**	**1.34**	**0.29**	**-0.02**
Gasoil/Diesel	0.42	0.42	0.38	0.36	0.54	0.37	0.54	0.21	0.36	0.15	-0.06
Gasoline	-0.25	-0.34	-0.25	-0.40	-0.43	-0.34	-0.38	-0.35	-0.29	0.06	0.01
Heavy Fuel Oil	0.13	0.23	0.13	0.08	0.09	0.20	0.24	0.17	0.20	0.03	0.02
LPG	0.17	0.14	0.16	0.11	0.02	0.06	0.10	0.06	0.02	-0.04	-0.09
Naphtha	0.24	0.24	0.24	0.27	0.23	0.19	0.14	0.18	0.24	0.06	-0.02
Jet & Kerosene	0.21	0.20	0.17	0.11	0.15	0.21	0.20	0.19	0.25	0.06	0.05
Other	0.55	0.56	0.43	0.60	0.45	0.57	0.57	0.58	0.57	-0.02	0.08
Total[2]	**8.84**	**8.62**	**8.43**	**8.74**	**8.74**	**9.10**	**9.37**	**9.03**	**8.88**	**-0.16**	**-0.06**

OECD Pacific

Net Imports/(Exports) of	2001	2002	4Q02	1Q03	2Q03	3Q03	Jul-03	Aug-03	Sep-03	Latest month vs. Aug-03	Latest month vs. Sep-02
Crude Oil	**6.65**	**6.20**	**6.51**	**7.17**	**6.51**	**5.85**	**6.14**	**5.39**	**6.01**	**0.62**	**0.32**
Products & Feedstocks	**1.00**	**1.31**	**1.63**	**1.56**	**1.37**	**1.37**	**1.20**	**1.44**	**1.48**	**0.05**	**0.38**
Gasoil/Diesel	-0.18	-0.14	-0.07	-0.08	-0.06	-0.11	-0.17	-0.08	-0.07	0.01	0.13
Gasoline	-0.01	0.02	0.04	0.02	0.04	0.05	0.04	0.04	0.07	0.03	0.04
Heavy Fuel Oil	-0.12	-0.02	0.02	-0.04	0.00	-0.07	-0.03	-0.12	-0.06	0.05	-0.02
LPG	0.52	0.54	0.59	0.55	0.52	0.53	0.46	0.65	0.48	-0.17	-0.07
Naphtha	0.64	0.70	0.72	0.77	0.71	0.84	0.85	0.84	0.83	-0.01	0.14
Jet & Kerosene	-0.03	0.00	0.08	0.14	-0.02	-0.02	-0.08	-0.01	0.02	0.04	0.08
Other	0.18	0.20	0.26	0.21	0.18	0.16	0.12	0.13	0.22	0.10	0.08
Total[2]	**7.65**	**7.51**	**8.14**	**8.73**	**7.88**	**7.22**	**7.34**	**6.83**	**7.50**	**0.67**	**0.70**

1. Based on Monthly Oil Questionnaire data submitted by OECD countries in tonnes
2. Total figure excludes intra-regional trade

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Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement (current issue dated 11 August 2003), for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2003 Platt's - a division of McGraw-Hill Inc.).

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