OPEC

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Monthly Oil Market Report

February 2002

OPEC Basket average price

US $ per barrel

Up 0.80 in January

January	**18.33**
December	17.53
Year-to-date	18.33

January OPEC production

million barrels per day, according to secondary sources

Algeria	0.79	Kuwait	1.87	Saudi Arabia	7.25
Indonesia	1.16	SP Libyan AJ	1.27	UAE	1.96
IR Iran	3.31	Nigeria	2.00	Venezuela	2.58
Iraq	2.19	Qatar	0.59		

Supply and demand

million barrels per day

2001	
World demand	75.8
Non-OPEC supply	49.8
Difference	**26.0**
2002	
World demand	76.1
Non-OPEC supply	50.7
Difference	**25.4**

Stocks

Unseasonable build in USA in January

World economy

World GDP growth estimate revised down to 2.5% for 2002

Inside

Data covers period up to end-January 2002
Issued 20 February 2002

Oil market highlights

- The world GDP growth estimate has been revised down to 2.5% for 2002, the same rate as last year, reflecting the synchronized global economic slowdown and weakness. The expectations of a recovery in the global economy in the second half of the year will depend significantly on the improvements in the United States' (US) economy.

- Although there are further positive signs in the US and euro-zone economies, uncertainties about the timing and the strength of the emerging recovery prevail, with justified fears of 'double-dip' recession in the USA, further deterioration in Japanese economy and financial setbacks and fallout risks in Latin America.

- The significant decline observed in the monthly price of the OPEC Reference Basket since August last year came to a halt in January, when it rose by US $0.80 per barrel to $18.33/b, attributed mainly to the Cairo Meeting's decisions. However, the volatility persisted throughout January, with daily fluctuations in major benchmark crude prices often exceeding $1/b.

- Oil product markets in the Atlantic basin, in contrast with the Singapore market, posted gains, particularly with higher gasoline prices, amid refinery run cuts and intensive maintenance. The refinery utilization rates in the USA, Eur-16 and Japan moved below 90%, responding primarily to poor refiners' margins.

- OPEC crude oil production, based on secondary sources, declined further to 25 mb/d in January, in line with the agreements for the OPEC/non-OPEC output/export cuts. Similarly, there have been declines in production for Norway and Mexico.

- World oil demand growth was flat last year for the first time since 1984, mainly due to a significant contraction in the OECD region. The current forecast for world oil demand this year, which is subject to further downward revision under prevailing uncertainties, is put at 76.2 mb/d, indicating an annual increase of only 0.35 mb/d, which is expected to occur mainly in the second half of the year.

- OECD commercial onland oil stocks stood at 2,621 mb at the end of the fourth quarter of 2001, which was 94 mb higher than a year ago. The contra-seasonal build-up of oil stocks continued in both the USA and Eur-16 during January. The US Strategic Petroleum Reserve (SPR) rose by 5.2 mb to 554.2 mb in January, under the new 'royalty-in kind' programme.

HIGHLIGHTS OF THE WORLD ECONOMY

Economic growth rates 2002*
%

World	G-7	USA	Japan	Euro-zone
2.5	0.9	1.2	–0.8	1.3

Industrialised countries

Further signs of recovery in euro-zone and USA, but more gloom in Japan

The US economy is showing further signs of recovery — rising index of leading indicators, improved consumer sentiment — but the fear of "double-dip" recession is still alive. In the euro-zone, the strong rise in factory orders in Germany signals some promise for the industrial sector. In Japan, a further deterioration in the overall economic conditions has been observed.

United States of America

Mixed messages from US indicators

The University of Michigan consumer sentiment index fell to 90.9 in early February's preliminary reading, compared with 93.0 in January. Economists expected a much stronger index reading of 94.0. The current conditions index, which measures Americans' attitudes about their present financial situation, rose to 97.2 from 95.7 in January. But the expectations index, measuring hopes for the coming year, fell to 86.8 from 91.3 in January, indicating weakening consumer spending in the future. The producer price index (PPI) rose by 0.1%, after falling by 0.6% in December. Excluding often volatile food and energy prices, the "core" PPI fell by 0.1%, after being unchanged in December. The core PPI is up 0.3% over the last year, and so there really is no inflation. Between January 2001 and January 2002, producer prices fell by 2.6%, the biggest 12-month drop since a –2.9% decline between February 1949 and February 1950. This is a dangerous signal, as it indicates the beginning of deflationary pressures, especially when one considers the generally weak economic environment. Industrial production fell by 0.1% in January, after dropping by 0.3% in December. Factories used just 74.2% of their capacity in January, the lowest level since April 1983 and a slight decline from December's level of 74.4%. Because investment is expected to remain weak, capacity is projected to expand by only 1.0% in 2002, the slowest rate of increase since this statistic was first produced in 1967.

Japan

Further deterioration in Japanese economy, as unemployment reaches record high

The Japanese economy has continued to deteriorate, as unemployment climbed to a record high of 5.6% in December and the total cash earnings of Japanese workers, including wages and overtime, fell by 3.7% from year-earlier levels. As a consequence, real spending by wage-earners fell by 4.4% in December from a year earlier, reflecting the effect of rising joblessness and lower incomes. Spending fell for the first time since September, following a 3.6% jump in November and a 1.6% rise in October. Wage-earner spending is an important gauge of personal consumption, which accounts for roughly 60% of Japan's gross domestic product. Other negative factors in December included a drop in housing starts of 12.9% from year-earlier levels to 95,431 units, underscoring a weakening consumer appetite for mortgages, amid rising joblessness and shrinking incomes. December marked the fourth straight month of decline. Japan's merchandise trade surplus contracted by 18.4% in December from a year earlier to ¥667.2 billion, shrinking for the 18th consecutive month, as falling exports continued to outpace declines in imports. Japan's nationwide consumer price index fell by 1.2% in December from the year earlier, for a 28th straight month of decline, highlighting deflationary pressure weighing on the economy. One positive sign has been the increase in industrial production in December of 2.1% from month-earlier levels, with electrical machinery production jumping 3.5%, the first increase in a year; this is a possible indication that the information technology (IT) sector, which has borne the brunt of the global downturn, may be showing some tentative signs of hitting bottom. However, output sank by 14.9% from a year earlier, the biggest drop since March 1975, and fell by 2.3% in the October–December period.

**The figures for world economic growth reflect our base scenario. It incorporates the recent data pointing to a possible end to the global downturn in 2002. In particular, in the USA and also in Europe and some countries in South-East Asia, the early signs of a fragile recovery are emerging. Large uncertainties remain, as reflected in the range of world real GDP growth forecasts. What is also still unclear is the exact turning point, as well as the strength of the coming recovery.*

Euro-zone

Consumer confidence down, as Europe seeks bounce-back to drive demand

German orders improved substantially in December, with a month-on-month increase of nearly 2% in industrial production. While construction may have hampered developments in January, the upward trend is expected to continue in the near term. In Italy, too, industrial production recorded its fastest monthly increase in 2001, rising by 1.6%. But evidence of a rebound remains far from complete. In France, industrial production fell by 0.9%, due to contractions in manufacturing (–1.3%) and capital goods (–2%), and a similar development took place in Spain. A turnaround in both countries in January would reinforce our view of the recovery. On the demand side, the picture remains uncertain. All the signs are that domestic consumer demand is finally being affected by the slump and the deterioration on the labour market. Several consumer-confidence indices rebounded after the falls related to the September attacks, but the recovery has petered out. Consumer confidence fell in "euroland" as a whole in January. This highlights the fact that we cannot expect a substantial bounce-back in confidence to drive consumer demand. The signs of weakness are particularly evident in Germany. Retail sales, down 5.1% in December, were much weaker than expected, which is surprising in the light of the retailers' report of vigorous demand over the Christmas season. Early signs suggest that business was slow in January as well.

Former Soviet Union

Russian GDP grew by an estimated 5% in 2001

Russia's economy grew by an estimated 5.0% in 2001, down from 8.3% in 2000, according to preliminary estimates from the state statistics office, Goskomstat. Goods production rose 6.5% in real terms, accounting for 44.8% of GDP, while the service sector grew by 3.4% (49.6% of GDP). Real consumption grew by 6.2% , with household consumption rising by 8.7% and government consumption falling by 1.0%, while gross domestic capital formation increased by 17.0%. Consumer prices rose 18.6% last year, and the government has forecast an inflation rate of 10–13% in 2002. The slowdown in GDP last year was due, in part, to lower global prices for oil and precious metals, Russia's most valuable exports. The visible trade surplus contracted by $9.7 billion, to $59.5 bn, with exports falling by 2.3% in value to $100.7 bn, while imports rose by 21.7% to $41.2 bn. Russia exported 147,943,400 tonnes of oil in 2001, up 11.6% from 2000. Petroleum product exports also rose, to 70,430,300 tonnes in 2001, from 60,815,500 tonnes in 2000. Although world prices for oil and petroleum products fell by 13% and 17%, respectively, in 2001, Russia compensated for this by raising the volume of exports by 8% and 15%. Oil, gas and petroleum products exports made up 56.2% of Russia's total exports in 2001, 54% higher than in 2000. The government passed a resolution lowering export duties on fuel oil from €20 to €10/ton with effect from 1 February, while the export duty on crude oil was reduced from €23.4 to €8/t. Duties on light and middle distillates and diesel exported from Russia to outside the Commonwealth of Independent States were cut from €39 to €25/t, effective 5 February. The measures were meant to assist oil companies with exports, as domestic oil prices plunged in January. Meanwhile, the Economics Ministry prepared several scenarios of economic growth based on various assumptions about world oil prices. While the government maintained its oil price forecast of $18.5/b for Urals in 2002, associated with GDP growth of 3.5%, it has predicted that the GDP growth rate would fall to 3.1% if the average Urals price drops to $16.5/b. A worst-case, albeit "improbable" scenario of Urals averaging $14.5/b was also envisaged.

Eastern Europe

Czech repo rate at historic low and Polish jobless at record high, while Hungary's stellar performance continues

The Czech National Bank, at the end of January, trimmed rates by a further 25 basis points to reduce its key repo rate to an historic low of 4.25%. New macro forecasts were also released, cutting estimates by more than expected. In terms of GDP, expected growth was cut from 3.4–4.4% to 2.4–3.4%, and the end-year inflation estimate from 3.8–4.7% to 2.5–3.8%. Hungary's stellar economic performance continued in January, prompting the National Bank of Hungary to cut interest rates twice, by a total of 75bp. Rapidly falling inflation, small current account deficits, reasonable GDP growth and a below-the-target fiscal deficit supported investor confidence in the economy, which helped keep the forint above 10%, against the central parity within the intervention band. The current account performance has been especially commendable, given the extent of the forint's nominal appreciation since May 2001 and the economic slowdown in the European Union, the main destination for Hungary's exports. The overall annual current account deficit reached a mere €518m in 2001, or 0.9% of GDP, compared with €1.63 bn, or 3.2% of GDP, a year earlier. Poland's current economic situation puts the emphasis on growth and employment. Recently released data indicates that real GDP growth in 2001 fell to just 1.1%. Unemployment ended the year at 17.4%, the highest ever recorded in Poland.

South Asia is moving towards more integration, while Sub-Saharan Africa has been affected by global demand trends and Argentina needs some time to benefit from devaluation

Developing countries

In South Asia, India, Bangladesh, China and Burma have agreed to work towards setting up a new trading bloc, and improving transport and communications among them. In the non-Japan Asia-Pacific region, the demand for IT goods and services is anticipated to grow briskly in the second half of the year. The IT market will pick up by 13.5% for the entire year, to about $76 bn from $66.8 bn in 2001. The telecom sector will feature rapid 20.6% growth and keep gaining momentum in 2003 and 2004; by 2005, regional revenue from telecom services is expected to reach $270 bn, according to Asian research sources. Sub-Saharan Africa (SSA) undoubtedly has been affected by the fallout from the events of 11 September, due to its links to the global economy, mainly through channels of trade in primary products, agriculture and industrial goods. South Africa and Nigeria account for more than half the region's GDP. The global slowdown has translated into a downward revision to the 2002 growth rate for total Africa, to 3.4% from the earlier forecast 4%. In Latin America, it will take time for the adverse effects of Argentina's devaluation on financial assets to work itself through, and the benefits to real GDP from improved competitiveness are unlikely to be tangible before 2003. Like Brazil, Chile's economy seems to have been decoupled from Argentina recently, and both economies have built up their resistance to financial contagion.

Gas sale agreements press ahead in January in OPEC Member Countries

OPEC Member Countries

Gas sale contracts were pressing ahead in January in some major OPEC gas-producing countries. Algeria signed sale contracts of 10 bn cubic metres per year with some European clients; meanwhile, it is studying the feasibility of an export pipeline to Italy, France and Spain. Algeria's gas exports are expected to increase from the current 60 bn cubic metres per year to 85 bn cu m/y, or 41.6% higher, by 2010. Indonesia's Pertamina has signed a contract to supply Malaysia's Petronas with one million cubic feet per day of gas for 20 years, beginning in 2010. Nigeria is contracting South Korea's Hunday Heavy to build four liquefied natural gas vessels for Nigeria, to be delivered between 2004 and 2006; they are expected to cost $680mn. Qatar reached in principle gas sale agreements with Bahrain and Kuwait, to supply the first with 500–800m cu ft/d and the second with 0.8–1.4 bn cu ft/d, both beginning in 2005. The gas will be pumped to Kuwait through a 610 km submarine pipeline, with a spur line linking Bahrain. Qatar's commitment since last December's agreement has been to deliver 2 bn cu ft/d of gas to the United Arab Emirates, through a submarine "Dolphin pipeline" that will connect Qatar with Abu Dhabi and Dubai and which may be extended to Oman eventually; it is expected to cost $3.6 bn.

Dollar appreciation enhances gains in nominal oil prices

Oil price, US dollar and inflation

The US dollar appreciated against all the currencies in the Geneva I + US dollar basket, with the exception of the Swedish krona, in January. The yen fell by 4.18% to ¥132.66/$ from ¥127.33/$ in December, while the German mark fell by 1.04% to average DM 2.215/$ from DM2.192/$ in December.

The largely successful introduction of the euro notes and coins across the euro-zone pushed the single currency above $0.90 in early January. However, the positive sentiment soon faded away and the euro fell to six-month lows of $0.8578 by the end of the month. The single currency was hampered not only by continued weak euro-zone economic data (slow growth in Germany of 0.6% in 2001, as well as a sharp rise in unemployment) and developments in Italy putting into question the whole European project, but also by the deepening crisis in Argentina. In contrast, US data was broadly dollar-supportive, with better-than-expected jobless claims and housing start figures. In Japan, with a further drop in industrial output and a new record unemployment rate, the yen fell to 39-month lows of over 133Y/$ in the second week of January, with apparent tacit government approval. However, the yen recovered slightly on statements indicating dissatisfaction with the rapid rate of its decline, and after Asian leaders and US manufacturers had complained about the damage caused to them by the weak yen.

The OPEC Reference Basket rose by US $0.80 per barrel, or 4.57%, in January to $18.33/b, from $17.53/b in December. In real terms (base July 1990=100), after accounting for inflation and currency fluctuations, the Basket price rose by 5.81% to reach $17.22/b from $16.28/b, as the dollar appreciation enhanced the gains in the nominal oil price. The dollar rose by 1.22%, as measured by the import-weighted Geneva I + US dollar basket, while inflation was estimated at 0.04% in January.

* *The 'Geneva I + US dollar' basket includes eight leading European currencies and the Japanese yen and the US dollar, weighted according to the merchandise imports of OPEC MCs from the countries in the basket.*

CRUDE OIL PRICE MOVEMENTS

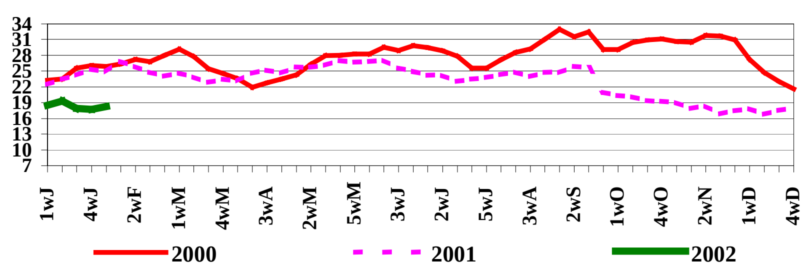
OPEC Basket improved by $0.80/b to $18.33/b

After four consecutive months of pronounced declines, which started in August last year, the monthly price of OPEC's Reference Basket bounced back up in January. It gained $0.80/b, or 4.6%, with respect to the previous month; however, on a year-on-year basis, it fell by an astonishing 24%. On a weekly basis, the Basket started the month well, rising by $0.49/b to $18.50/b; it firmed even further during the second week, gaining another $0.80/b to finish at $19.30/b. It deteriorated considerably in the third week, losing $1.49/b, or almost 8%. For the fourth week, the decline reached another low, at $17.69/b. However, the Basket recovered towards the end of the month, gaining $0.71/b to average $18.40/b. On a disaggregate basis, all the Basket's components posted gains, with Minas and Dubai leading the rise, with $1.24/b and $0.94/b respectively. Bonny Light and Arabian Light followed closely, rising by $0.87/b and $0.84/b respectively. Isthmus and the Bonny-related crude, Saharan Blend, firmed by $0.69/b and $0.56/b during the month. Finally, Tia Juana Light posted the smallest gain, finishing $0.48/b higher at $15.37/b.

January started with a strengthening of crude oil prices, underpinned by cold weather in Europe and the USA, as well as the coming-into-effect of the OPEC/non-OPEC output/export cut. In the US market, the benchmark crude West Texas Intermediate (WTI) firmed, following a reduction in imports amid a narrow WTI/Brent spread that virtually closed all arbitrage opportunities. Meanwhile, the American Petroleum Institute (API) and the Department of Energy's Energy Information Administration (EIA), in their weekly stock reports, showed considerable rises in distillate inventories. Weak gas prices undermined demand for distillates on the US East Coast, putting some pressure on crude prices. Several factors combined, during the second week, to trigger a fall in crude prices. The pronounced price decrease began with market scepticism over Russia's compliance with the pledged 150,000 b/d export cut and remarks by the Chairman of the Federal Reserve Board, Alan Greenspan, that the US economy faced "significant" near-term risks. Adding to the bearish market sentiment was the release of the API's weekly figures. They showed crude and gasoline stocks rising considerably, while distillate inventories, which include heating oil, fell by much less than anticipated. Heavy fund-selling ahead of the long holiday weekend (Martin Luther King Day) and the expiration of the February WTI contract on 22 January pushed prices lower. Meanwhile, weak refiners' margins prompted refinery run-cuts, undermining demand, and, on the supply side, it was still too early to assess OPEC's and non-OPEC's compliance with the agreed cuts.

Even though crude prices weakened slightly, the price slide came to a halt during the third week of January. Prices drew support from the strength of product prices, amid reduced crude runs, as a consequence of poor refiners' margins. The news that 22 mb of crude would be added to the Strategic Petroleum Reserve (SPR) also contributed to the price consolidation. During the week, comments by the Iranian Petroleum Minister, Bijan Namdar Zangeneh, expressing dissatisfaction with the present oil price level, firmed prices. During the last week of the month, the upward price trend, that had started earlier, was consolidated. Price support materialized at the beginning of the week, on news of good OPEC-10 compliance with the output levels agreed in December in Cairo.

Graph 1
OPEC Reference Basket — weekly spot crude prices
US $/b



A further recovery arose from concern over a possible oil workers' strike at five US refineries, involving 30,000 employees. Prices made further gains in ACCESS markets late on 31 January, on news of a huge explosion in an oil collective facility in Northern Kuwait. Nevertheless, on the bearish side, the release of the weekly API report exerted pressure on oil markets. The report showed a big rise in gasoline stocks and a small draw on distillates. Crude stocks were slightly higher; however, the rise was considerably smaller than the consensus expectation.

US and European markets

Cold weather in the USA and Europe and the coming-into-effect of the near-2.0 mb/d OPEC/non-OPEC cuts saw benchmarks WTI and Brent climb during the first week of January. An unusual premium for Brent to WTI arose, in conjunction with the largest-ever trade of an exchange of futures for physicals in the Brent market, involving some 30 mb. The uncommon WTI discount to dated Brent reversed the normal east/west transatlantic arbitrage for West African and North Sea grades. Crude imports to the USA fell by 0.60 mb/d during the second week, but then rose in the third week, only to fall again by 1.16 mb/d in the last week. Meanwhile, falling product demand and weakening refiners' margins saw refinery utilization rates and crude runs decline considerably throughout the month. Crude and gasoline stocks rose week after week. The continued absence of Iraqi Basrah, hampered by the UN imposition of retroactive pricing, kept sour grades strong in the US markets. Turning briefly to the European market, as stated above, the strength of Brent and other grades eroded refiners' margins, forcing refiners to reduce runs. Product stocks in Europe dropped, but a consistent lack of demand left the market indifferent to the low stock scenario.

Far Eastern markets

Market sentiment was firm at the beginning of the month, especially for distillate-rich grades, amid healthy demand. Support for other regional sweet grades was steady, in the absence of an influx of West African competing crudes. However, overall demand in Asia weakened after the February allocation period had come to an end and weak refiners' margins forced refiners to reduce runs. Meanwhile, Middle East crudes drew support from the cuts implemented to term supply contracts for February delivery. Saudi Arabia deepened its cuts of February term allocations to Japan and South Korea by an additional 4%, bringing the total reduction to around 24% below the contractual volumes. Qatar and the UEA also implemented cuts in term supplies. Sentiment for Middle East grades deteriorated later in the month, as the return of Iraqi Basrah supplies to the region compensated for the cuts made by other major regional producers. Brent's uncommon narrow premium to regional similar grades opened the arbitrage window to West African crudes, putting additional pressure on local crudes.

Table 1
Monthly average spot quotations for OPEC's Reference Basket and selected crudes
US $/b

			Year-to-date average	
	Dec.01	**Jan.02**	2001	**2002**
Reference Basket	17.53	**18.33**	24.06	**18.33**
Arabian Light	17.99	**18.83**	22.31	18.83
Dubai	17.60	**18.54**	22.56	18.54
Bonny Light	18.78	**19.65**	25.43	19.65
Saharan Blend	19.08	**19.64**	26.08	19.64
Minas	17.64	**18.88**	24.03	18.88
Tia Juana Light	14.89	**15.37**	23.18	15.37
Isthmus	16.73	**17.42**	24.80	17.42
Other crudes				
Brent	18.58	**19.48**	25.60	19.48
WTI	19.40	**19.71**	29.42	19.71
Differentials				
WTI/Brent	0.82	0.23	3.82	0.23
Brent/Dubai	0.98	0.94	3.04	0.94

PRODUCT MARKETS AND REFINERY OPERATIONS

Oil product markets posted gains in the Atlantic basin in January, with a hefty rise in gasoline prices, amid refinery run cuts and intensive maintenance. Singapore's product market fundamentals were hampered by slackening regional demand. Refinery run-cuts were widespread, caused by prevailing weak margins.

US Gulf market

Gasoline soared in US Gulf in January, following rising NYMEX futures amid heavy refinery run cuts and maintenance. This pushed refiners' margins slightly into positive territory. Refinery utilization rate moved down to 88.6%

Light product prices rose in January, with a pronounced surge of $1.28/b in the gasoline price, followed by a moderate increase of $0.41/b for gasoil. Although gasoline usually registers its lowest yearly demand in January, its price was relatively strong compared with other distillate products. This indicated a switch in the market's focus from heating oil to gasoline, in light of the persistent unseasonably warm weather during the current winter, amid hefty distillate stock-builds, which were 16% higher than last year's level. Gasoline inventories, on the other hand, saw a modest rise of 8% above the previous year's thin level. Furthermore, discretionary refinery run cuts, in response to weak refiners' margins, and intensive refinery turnarounds, lent support to NYMEX gasoline futures and, with it, the spot markets, in anticipation of tightened supply in the foreseeable future. The fuel oil price climbed by $0.09/b, reflecting balanced fundamentals, as the less well-supplied market, caused by refinery shut-downs and lower South American cargo arrivals, was offset by slow activity in transatlantic arbitrage to Europe.

A combination of the strong gasoline price and moderate increases in other product prices eclipsed a modest rise in the WTI market, and therefore refiners' margins moved barely into positive territory.

Under pressure from the continuously weak margins, US refinery throughput accelerated its downward movement, losing another 0.36 mb/d from its December level to average around 14.67 mb/d in January; this reflected the prevailing more steeply reduced refinery run cuts and the start of annual maintenance in the US Gulf refining centre. The equivalent refinery utilization rate was 88.5%, which was 2.3 percentage points lower than last year's level.

Rotterdam market

Gasoline surged in Rotterdam in January, following US gasoil market; gasoil and fuel oil prices displayed modest increases, partly on crude gains; and refiners' margins remained negative. Refinery utilization decreased to 87.9%

Gasoline rebounded, gasoil experienced a moderate increase and fuel oil sustained modest rises in December, attributed in part to the relative strength of Brent, compared with WTI. Intensified arbitrage trading to the US East Coast, however, was the underlying reason for the gasoline price soaring by $1.49/b, although regional demand was sluggish. Gasoil rose by $0.37/b, despite a continued lack of demand from the largest European market, Germany, due to sufficient end-user inventories. Fuel oil increased by a further $0.30/b, assisted by healthy bunker demand and robust demand from Mediterranean utilities during the first half of the month, as a result of colder-than-average weather. Nonetheless, Russia's decision to remove fuel oil export limits and cut the tariff tax by half, as well as an influx of South American cargoes, causing abundant supply, exerted downward pressure on its price later in the month.

Refiners' margins recovered slightly, but remained well in negative territory, as the surge in the Brent price hindered product price gains.

Refinery throughput in Eur-16 (EU + Norway) fell by a further 0.21 mb/d to 12.00 mb/d in January, responding to poor refiners' margins. The equivalent utilization rate was 87.9%, which was 5.5 percentage points below the preceding year's figure.

Gasoline and fuel oil fell in Singapore in January, on ebbing demand, while gasoil increased, backed by strong crude market; and refiners' margins jumped into negative territory

Singapore market

The prices of both the light and heavy ends of the barrel deteriorated, driven essentially by fading regional demand, while gasoil rose, tracking Dubai's strong market, in January. Gasoline fell by $1.66/b, undermined by the absence of the largest regional buyer, Indonesia, although the rising regional naphtha price and prevailing lower exports from China were supportive factors later in the month. Gasoil fundamentals continued to be weighed down by more-than-ample supply facing sagging demand, linked to the economic turmoil; nevertheless, its price gained $0.83/b, supported by the relative strength of the marker crude, Dubai, compared with other world benchmark crudes. Lack of Chinese demand for fuel oil, after its larger-than-normal purchase during December, and a build in high domestic inventories, particularly in the Southern province of Guangdong, put downward pressure on the fuel oil price, which lost $0.25/b; this shrugged off the rising crude price, although the market was less well-supplied, due to the absence of European cargoes, on narrowed price differentials and sustained Asian refinery run cuts.

Refiners' margins plunged into negative territory, due largely to the exceptional strength of Dubai's price and, to a lesser extent, the weakness of the gasoline and fuel oil markets.

In Japan, despite the closure of the 80,000 b/d Hyogo refinery on weak product demand, refinery throughput increased slightly to 4.22 mb/d in December. The refinery utilization rate was 85.1%, which was 5.4 percentage points below the level in the corresponding period last year.

Table 2
Refined product prices
US $/b

		Nov.01	Dec.01	**Jan.02**	**Change Jan./Dec.**
US Gulf					
Regular gasoline	*(unleaded)*	20.99	21.35	**22.63**	+1.28
Gasoil	*(0.2%S)*	22.13	21.02	**21.43**	+0.41
Fuel oil	*(3.0%S)*	13.62	14.68	**14.77**	+0.09
Rotterdam					
Premium gasoline	*(unleaded)*	20.20	19.16	**20.65**	+1.49
Gasoil	*(0.2%S)*	23.03	21.35	**21.72**	+0.37
Fuel oil	*(3.5%S)*	14.67	14.95	**15.25**	+0.30
Singapore					
Premium gasoline	*(unleaded)*	20.75	22.61	**20.95**	–1.66
Gasoil	*(0.5%S)*	21.87	20.11	**20.94**	+0.83
Fuel oil	*(380 cst)*	15.46	16.44	**16.19**	–0.25

Table 3
Refinery operations in selected OECD countries

	Refinery throughput *mb/d*			**Refinery utilization*** *%*		
	Nov.01	Dec.01	**Jan.02**	Nov.01	Dec.01	**Jan.02**
USA	15.10	15.03	**14.67**	91.3	90.9	**88.5**
France	1.79 R	1.74	**1.64**	94.8 R	92.0	**86.3**
Germany	2.26	2.21 R	**2.17**	100.1 R	98.0 R	**95.9**
Italy	1.81 R	1.82 R	**1.74**	76.7 R	77.4 R	**76.4**
UK	1.66 R	1.67	**1.62**	93.8 R	94.4	**91.1**
Eur-16**	12.31 R	12.22 R	**12.00**	90.2 R	89.6 R	**87.9**
Japan	4.15	4.22	**n.a.**	83.7	85.1	**n.a.**

n.a. *Not available.*
* *Refinery capacities used are in barrels per calendar day.*
** *Fifteen European Union members plus Norway.*
R *Revised since last issue.*
Sources: *OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.*

THE OIL FUTURES MARKET

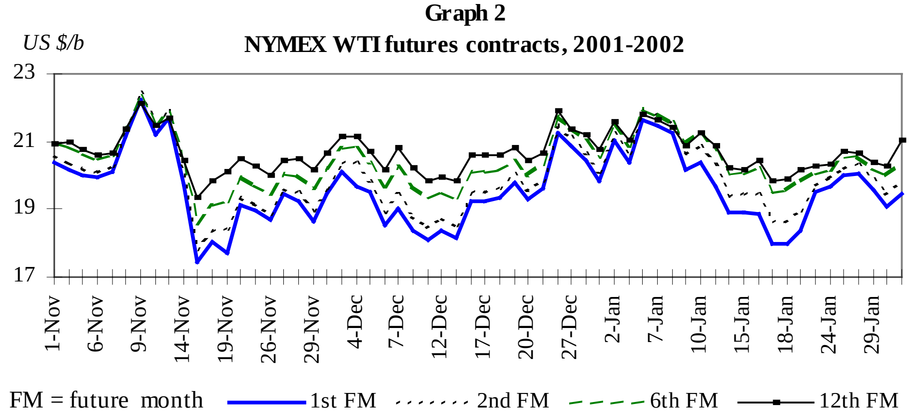
Weak fundamentals put pressure on WTI in January, while short-covering by funds helped salvage prices

NYMEX WTI started 2002 with a sharp gain of $1.17/b on the first trading day in January, as bullish sentiments were strengthened by OPEC/non-OPEC's cuts and the high volume of short non-commercial positions. For the rest of the first week of January, prices were volatile. The downward pressure on prices stemmed from the weak heating oil market, since distillate stocks were higher than the five-year average and there were forecasts of abnormally warm weather on the east coast. The bullish sentiments that pushed prices higher were a forecast of tightness in the first quarter of 2002; they also reflected healthy implied gasoline demand figures (8.8 mb/d) in the USA, despite the weakness in the economy. However, the bearish sentiments were stronger and WTI moved down to $20.38/b.

The second week witnessed a continued downward move, with widening in the contango. The weakness in crude was attributed to the expectation of lower refinery runs, as crude stocks were steady, despite lower exports. Further selling occurred after the market interpreted the assessment of Alan Greenspan, Chairman of the US Fed, as negative, leading to weak demand. The API's weekly data put further pressure on prices, since it showed builds of 4.0 mb and 4.2 mb in crude and distillate stocks respectively, as well as a contraction in gasoline demand from 8.8 mb/d to 8.0 mb/d. Speculation about OPEC/non-OPEC's compliance with their agreed cuts dragged prices down further and WTI reached $17.97/b.

Graph 2

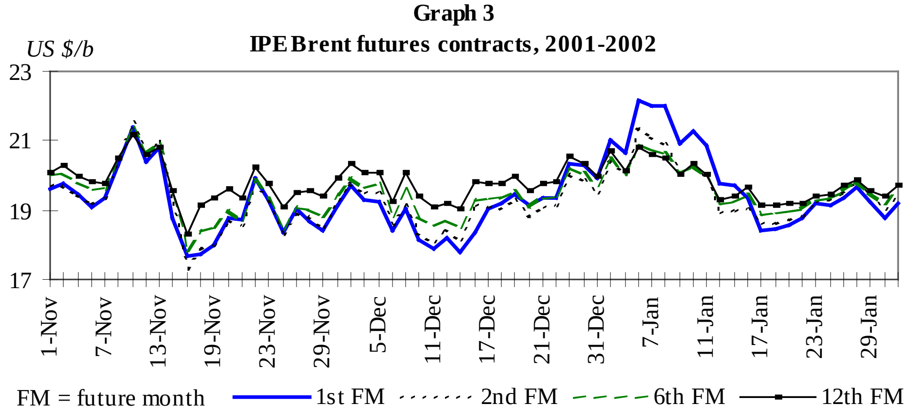
NYMEX WTI futures contracts, 2001-2002



During the third week, prices reversed their trend and moved upwards, basically due to short-covering and technical buying. The rise in prices came, despite bearish indicators. For example, Valero cut its refinery output of 1.5 mb/d by 18% in January, partly due to weak refiners' margins. API statistics showed that imports surged to 9.6 mb/d and that crude oil stocks were at 315 mb. Despite this, WTI moved up to $19.70/b.

Graph 3

IPE Brent futures contracts, 2001-2002



The last week of January was volatile. The upward movement at the beginning of the week was due to short-covering by funds, while the bearish demand and stock data shown in figures from the API and the US Department of Energy took over later in the week, to push crude prices down. News of an explosion at an oil-producing field in Kuwait and a potential refinery workers' strike salvaged crude prices at the end of the month and raised WTI to $19.48/b.

THE TANKER MARKET

OPEC area spot-chartering rose by 2.37 mb/d in January

OPEC area spot-chartering rose by 2.37 mb/d to a monthly average of 10.19 mb/d in January, despite the OPEC/non-OPEC agreement to tighten oil production by about 2 mb/d, starting on 1 January. However, compared with the same period last year, the current level of OPEC fixtures was 3.69 mb/d lower. Meanwhile, non-OPEC spot-chartering also rose in January, by 0.78 mb/d to 7.31 mb/d, due to increased short-haul trading. Therefore, global spot fixtures grew by 3.15 mb/d to 17.50 mb/d; but this level was 6.14 mb/d below the corresponding month in 2001. The OPEC area's share of global spot-chartering improved by 3.70 percentage points to 58.22%, although this was 0.50 percentage points below the previous year's level. Most of the increment in OPEC chartering was attributed to a rise in spot fixtures from the Middle East on the eastbound long-haul route, by 2.22 mb/d to 4.72 mb/d, while, on the westbound route, they rose by a marginal 0.11 mb/d to 1.27 mb/d. Consequently, the Middle East eastbound share of total OPEC fixtures improved by a significant 14.42 percentage points to 46.28%, while the westbound share fell by 2.30 percentage points to only 12.47%; together, they accounted for 58.75% of total chartering in the OPEC area, which was 12.12 percentage points higher than in the previous month. Preliminary estimates of sailings from the OPEC area surged by 6.72 mb/d to a monthly average of 28.45 mb/d, which was 30.92 percentage points above the previous month's level. Sailings from the Middle East also rose, by 4.06 mb/d to a monthly average of 18.50 mb/d, which was about 65% of total OPEC sailings. Arrivals at the US Gulf Coast, the East Coast and the Caribbean rose further last month, by 0.73 mb/d to a monthly average of 9.02 mb/d, while arrivals in North-West Europe and Euromed increased by 0.24 mb/d to 6.76 mb/d and 0.40 mb/d to 6.14 mb/d respectively. Estimated oil-at-sea on 27 January was 464 mb, which was 12 mb below the level observed at the end of December.

VLCC and Aframax freight rates improved in January, but retreated for Suezmax

Crude oil tanker freight rates exhibited mixed trends in January. They firmed for VLCC and Aframax tankers, but were depressed for Suezmax tanker trading across the Atlantic Basin. The VLCC spot market in the Middle East continued to enjoy the positive trend that had started in December, amid considerable activity, as fixture volumes improved significantly, especially in the last three weeks of the month, combined with a reduction in oil company relets, which partially squeezed tanker availability in prompt positions. Therefore, the monthly average freight rates on the Middle East eastbound and westbound long-haul routes rose by eight points to WS48 and five points to WS43 respectively. Suezmax freight rates reversed their upward trend and displayed a weaker trend in January, as the market appeared to correct what was perceived as overvalued rates during the previous month, compared with VLCCs operating on the same routes. Hence, the monthly average freight rates for Suezmax tankers operating on the routes from West Africa and North-West Europe to the US Gulf Coast plunged by six points to WS66 and 14 points to WS69 respectively. However, Aframax trading on the short-haul routes witnessed positive trends and regained some of the previous month's losses, on improved market activity. Freight rates on the routes across the Mediterranean and to North-West Europe rose by ten points to WS127 and seven points to WS121 respectively, while they surged by 24 points to WS124 on the route from the Caribbean to the US East Coast. Freight rates for 70–100,000 dwt tankers, on the route from Indonesia to the US West Coast, improved by a further nine points to WS114.

Clean tanker freight rates displayed mixed trends in January

Product tanker freight rates also displayed mixed trends in January. They improved in the Middle East, retreated in the Caribbean, the Mediterranean and North-West Europe and stabilized in Singapore. Freight rates on the route from the Middle East to the Far East rose by eight points to WS154, on the back of increased enquiries in both regions, while the rates from the Caribbean to the US Gulf Coast declined by seven points to WS182. Meanwhile, clean tanker freight rates, from North-West Europe to the US East Coast and from the Mediterranean to North-West Europe, declined by five points each to WS173 and WS170 respectively. On the route across the Mediterranean, freight rates witnessed the biggest drops, as they plummeted by 38 points to WS152 in an over-supplied market, especially older tonnage. However, freight rates stabilized on the route from Singapore to Japan at WS172, which was only one point below the previous month's level, encouraged by the start of the free trade pact that called for tariff reductions on oil products traded between the two countries.

WORLD OIL DEMAND

Revision for 2000

There has been a minor downward revision to the 2000 world oil demand figure, which is now assumed to be 75.79 mb/d, instead of the 75.83 mb/d reported in the last *MOMR*. This adjustment is noticeable in the "Other Europe" region, where the apparent demand has been revised down by 0.04 mb/d.

Estimate for 2001

World

World demand forecast for 2001 revised down slightly to 75.81 mb/d

World oil demand growth has been revised down slightly. The estimated figure for 2001 is now 75.81 mb/d, just 0.02 mb/d higher than in 2000, a development not experienced since 1984. The weak demand is due to the combination of global economic slowdown, a significant reduction in commercial air travel, lower natural gas prices and the mild winter weather. The quarterly data shows that, compared with the year-earlier figures, petroleum consumption rose by 0.71 mb/d and 0.52 mb/d in the first and second quarters respectively. This increase was offset by declines in the remaining successive quarters. According to historical data, this demand pattern has not been observed before (Table 4).

On a regional basis, average annual OECD consumption registered a decline of 0.17 mb/d and DC demand a decrease of 0.05 mb/d. The only increase can be seen in the former centrally planned economics (CPEs), when the apparent demand rose by 0.24 mb/d.

Table 4
World oil demand in 2001
mb/d

							Change 2001/00	
	2000	1Q01	2Q01	3Q01	4Q01	**2001**	Volume	%
North America	24.10	24.23	23.72	23.97	23.92	23.96	–0.14	*–0.6*
Western Europe	15.09	15.18	14.76	15.49	15.15	15.14	0.06	*0.4*
OECD Pacific	8.65	9.44	8.00	8.06	8.77	8.56	–0.09	*–1.0*
Total OECD	**47.84**	**48.84**	**46.48**	**47.51**	**47.83**	**47.66**	**–0.17**	***–0.4***
Other Asia	7.34	7.29	7.38	7.43	7.33	7.36	0.02	*0.3*
Latin America	4.71	4.57	4.67	4.64	4.67	4.64	–0.08	*–1.6*
Middle East	4.37	4.42	4.37	4.60	4.10	4.37	0.00	*0.0*
Africa	2.35	2.39	2.34	2.35	2.35	2.35	0.01	*0.3*
Total DCs	**18.77**	**18.67**	**18.75**	**19.02**	**18.45**	**18.72**	**–0.05**	***–0.3***
FSU	3.77	3.95	3.71	3.77	4.36	3.95	0.18	*4.9*
Other Europe	0.74	0.79	0.73	0.69	0.74	0.74	–0.01	*–0.8*
China	4.68	4.35	4.90	4.67	5.04	4.74	0.07	*1.4*
Total "Other regions"	**9.19**	**9.09**	**9.35**	**9.13**	**10.14**	**9.43**	**0.24**	***2.7***
Total world	**75.79**	**76.60**	**74.57**	**75.66**	**76.42**	**75.81**	**0.02**	***0.0***
Previous estimate	75.83	76.61	74.67	75.70	76.45	75.86	0.03	*0.0*
Revision	–0.04	–0.01	–0.10	–0.04	–0.03	–0.04	–0.01	*–0.01*

OECD

The latest available data, which includes 11 months (January-to-November 2001), and the best estimate for December show a decrease of 0.17 mb/d, or 0.4%, to average 47.66 mb/d. The entire decline has been concentrated in North America and the OECD Pacific, as they dropped by 0.14 mb/d and 0.09 mb/d respectively, while Western Europe expected a rise of 0.06 mb/d.

On a quarterly basis, compared with the year-earlier figures, OECD demand rose by 0.67 mb/d, or 1.4%, during the first quarter; for the remaining three quarters, demand growth declined by 0.08 mb/d, 0.45 mb/d and 0.81 mb/d respectively (Table 5).

A relative slowdown in the economies of the USA, Japan and Europe in the third and fourth quarters, a reduction in jet fuel consumption for the period September-to-December and warmer weather in the USA, where the heating degree days were 21% below normal in the fourth quarter, contributed to the year's decline in oil demand.

The total OECD oil requirement in November fell by 0.17 mb/d. Significant drops of 0.23 mb/d and 0.09 mb/d in North America and the OECD Pacific respectively were offset by a rise of 0.14 mb/d in Western Europe. As the USA was experiencing unusually warm weather in November, when heating oil decreased by 0.22 mb/d, cold weather was sweeping parts of Western Europe, boosting heating oil consumption by 0.10 mb/d.

DCs

Oil demand in developing countries is estimated to have decreased by 0.05 mb/d, or 0.3%, to average 18.72 mb/d for the year. However, because of the huge time-lag and the limited reliability of data in this group, this assessment is subject to further change. Evidence suggests that consumption in Latin America decelerated, due to the repercussions of the US economic slowdown and the crisis in the Argentine economy. "Other Asia" shows a marginal increase; this group of countries has been hit strongly by the economic slowdown in their key export markets.

Other regions

Apparent demand in "Other regions", according to primary data, grew by 0.24 mb/d, or 2.7%, to a total of 9.43 mb/d. Within this group, the FSU is expected to enjoy the highest growth, of 0.18 mb/d, or 4.9%, contrary to the period 1998–2000, when FSU demand contracted every year. China follows with 0.07 mb/d, continuing a positive trend. A minor decline is expected in "Other Europe" demand.

Table 5
World oil demand comparison for 2001
mb/d

			Change 2001/00				**Change 2001/00**	
	3Q00	**3Q01**	Volume	%	**4Q00**	**4Q01**	Volume	%
North America	24.45	23.97	–0.49	*–2.00*	24.43	23.92	–0.52	*–2.11*
Western Europe	15.16	15.49	0.32	*2.14*	15.40	15.15	–0.24	*–1.59*
OECD Pacific	8.35	8.06	–0.29	*–3.44*	8.81	8.77	–0.05	*–0.54*
Total OECD	**47.96**	**47.51**	**–0.45**	***–0.94***	**48.64**	**47.83**	**–0.81**	***–1.66***
Other Asia	7.47	7.43	–0.04	*–0.49*	7.35	7.33	–0.02	*–0.29*
Latin America	4.79	4.64	–0.15	*–3.18*	4.73	4.67	–0.06	*–1.17*
Middle East	4.46	4.60	0.14	*3.10*	4.29	4.10	–0.19	*–4.46*
Africa	2.35	2.35	0.00	*–0.15*	2.37	2.35	–0.02	*–0.91*
Total DCs	**19.07**	**19.02**	**–0.05**	***–0.29***	**18.74**	**18.45**	**–0.29**	***–1.55***
FSU	3.53	3.77	0.24	*6.89*	4.20	4.36	0.17	*3.99*
Other Europe	0.71	0.69	–0.02	*–2.40*	0.73	0.74	0.01	*0.95*
China	4.89	4.67	-0.22	*–4.49*	4.74	5.04	0.30	*6.34*
Total "Other regions"	**9.12**	**9.13**	**0.01**	***0.07***	**9.67**	**10.14**	**0.47**	***4.91***
Total world	**76.16**	**75.66**	**–0.50**	***–0.66***	**77.04**	**76.42**	**–0.62**	***–0.81***

World demand forecast for 2002 revised down slightly to 76.16 mb/d

Reflecting the divergent views on world economic growth and the timing of the recovery, the demand figure for 2002 may differ from the base case presented here.

Forecasts for 2002

The world oil demand forecast for 2002 has been revised down by 0.09 mb/d to 76.16 mb/d, indicating 0.35 mb/d, or 0.5%, growth. This adjustment has been made to account for downward revisions to regional and global GDP growth rate estimates. This demand growth is obviously higher than 0.02 mb/d in 2001, but lower than 0.58 mb/d in 2000 and 1.47 mb/d in 1999.

On a quarterly basis, the first half of the year is expected to witness a moderate increase of 0.08 mb/d, compared with the previous year, due to continued economic weakness and the recent unseasonably warm weather. Reflecting the emergence of economic recovery and the assumption of normal weather, demand in the second half of the year is projected to be 0.61 mb/d higher than in the same period last year. Most of the consumption growth is expected to come from North America, the Middle East, "Other Asia", the FSU and China, while Western Europe will show a contraction in demand. The OECD Pacific's demand growth will be negligible, while Latin America will suffer, due to Argentina's economic collapse.

The current outlook for oil demand is marked by a key uncertainty in the projection of GDP. If the recovery in those economies, mainly the USA and emerging Asian countries, which led the oil demand growth in the late 1990s, does not materialize, then there is the risk that world oil demand could be flat, or even decline.

Table 6
World oil demand forecast for 2002
mb/d

							Change 2002/01	
	2001	1Q02	2Q02	3Q02	4Q02	**2002**	Volume	%
North America	23.96	24.05	23.91	23.99	24.19	24.03	0.08	*0.3*
Western Europe	15.14	15.17	14.58	15.32	15.36	15.11	–0.04	*–0.2*
OECD Pacific	8.56	9.45	7.89	7.98	8.98	8.57	0.01	*0.1*
Total OECD	**47.66**	**48.66**	**46.38**	**47.29**	**48.53**	**47.71**	**0.05**	***0.1***
Other Asia	7.36	7.39	7.41	7.41	7.51	7.43	0.07	*0.9*
Latin America	4.64	4.53	4.68	4.65	4.70	4.64	0.00	*0.0*
Middle East	4.37	4.50	4.47	4.70	4.20	4.46	0.10	*2.2*
Africa	2.35	2.40	2.33	2.36	2.36	2.36	0.01	*0.4*
Total DCs	**18.72**	**18.81**	**18.88**	**19.12**	**18.76**	**18.90**	**0.17**	***0.9***
FSU	3.95	3.86	3.67	4.14	4.35	4.01	0.06	*1.5*
Other Europe	0.74	0.82	0.77	0.69	0.74	0.75	0.01	*2.0*
China	4.74	4.53	4.96	4.64	5.03	4.79	0.05	*1.1*
Total "Other regions"	**9.43**	**9.21**	**9.41**	**9.47**	**10.12**	**9.55**	**0.12**	***1.3***
Total world	**75.81**	**76.68**	**74.67**	**75.88**	**77.41**	**76.16**	**0.35**	***0.5***
Previous estimate	75.86	76.73	74.80	75.96	77.48	76.25	0.39	*0.5*
Revision	–0.04	–0.05	–0.14	–0.09	–0.07	–0.09	–0.04	*–0.1*

Table 7
World oil demand comparison for 2002
mb/d

			Change 2002/01				Change 2002/01	
	1Q01	**1Q02**	Volume	%	**2Q01**	**2Q02**	Volume	%
North America	24.23	24.05	–0.18	*–0.76*	23.72	23.91	0.19	*0.79*
Western Europe	15.18	15.17	0.00	*–0.03*	14.76	14.58	–0.18	*–1.23*
OECD Pacific	9.44	9.45	0.01	*0.10*	8.00	7.89	–0.11	*–1.34*
Total OECD	**48.84**	**48.66**	**–0.18**	***–0.37***	**46.48**	**46.38**	**–0.10**	***–0.22***
Other Asia	7.29	7.39	0.09	*1.30*	7.38	7.41	0.02	*0.33*
Latin America	4.57	4.53	–0.04	*–0.94*	4.67	4.68	0.01	*0.19*
Middle East	4.42	4.50	0.08	*1.81*	4.37	4.47	0.10	*2.29*
Africa	2.39	2.40	0.01	*0.37*	2.34	2.33	0.00	*–0.03*
Total DCs	**18.67**	**18.81**	**0.14**	***0.75***	**18.75**	**18.88**	**0.13**	***0.71***
FSU	3.95	3.86	–0.09	*–2.20*	3.71	3.67	–0.04	*–1.06*
Other Europe	0.79	0.82	0.03	*3.25*	0.73	0.77	0.04	*5.75*
China	4.35	4.53	0.18	*4.11*	4.90	4.96	0.06	*1.18*
Total "Other regions"	**9.09**	**9.21**	**0.12**	***1.30***	**9.35**	**9.41**	**0.06**	***0.65***
Total world	**76.60**	**76.68**	**0.08**	***0.10***	**74.57**	**74.67**	**0.09**	***0.12***

Totals may not add, due to independent rounding. ** Not all sources available.*

WORLD OIL SUPPLY

Non-OPEC

2001 non-OPEC supply figure revised up to 46.53 mb/d

Figures for 2001

The 2001 non-OPEC supply figure has been revised up by 0.04 mb/d to 46.53 mb/d, compared with the last *MOMR*. The figures for the first and second quarters have been revised down by 0.02 mb/d to 46.22 mb/d and 0.04 mb/d to 45.97 mb/d respectively, while those for the third and fourth quarters have been revised up by 0.01 mb/d to 46.64 mb/d and by a significant 0.21 mb/d to 47.27 mb/d respectively. The yearly average increase is estimated at 0.75 mb/d, compared with the 2000 figure.

Table 8
Non-OPEC oil supply in 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	**2001**	**Change 01/00**
North America	14.29	14.21	14.28	14.46	14.69	14.41	0.13
Western Europe	6.74	6.77	6.54	6.60	6.88	6.70	–0.04
OECD Pacific	0.83	0.80	0.76	0.77	0.75	0.77	–0.06
Total OECD	**21.86**	**21.79**	**21.58**	**21.83**	**22.33**	**21.88**	**0.02**
Other Asia	2.23	2.27	2.20	2.29	2.29	2.26	0.03
Latin America	3.74	3.77	3.65	3.82	3.74	3.75	0.00
Middle East	2.14	2.16	2.18	2.14	2.14	2.15	0.02
Africa	2.85	2.82	2.78	2.79	2.84	2.81	–0.04
Total DCs	**10.96**	**11.02**	**10.82**	**11.03**	**11.01**	**10.97**	**0.01**
FSU	7.91	8.25	8.45	8.60	8.76	8.52	0.61
Other Europe	0.18	0.18	0.18	0.18	0.18	0.18	0.00
China	3.23	3.29	3.25	3.30	3.31	3.29	0.06
Total "Other regions"	**11.32**	**11.72**	**11.88**	**12.08**	**12.24**	**11.98**	**0.67**
Total non-OPEC production	**44.13**	**44.53**	**44.28**	**44.95**	**45.58**	**44.84**	**0.71**
Processing gains	1.65	1.69	1.69	1.69	1.69	1.69	0.04
Total non-OPEC supply	**45.78**	**46.22**	**45.97**	**46.64**	**47.27**	**46.53**	**0.75**
Previous estimate	45.78	46.24	46.01	46.63	47.06	46.49	0.71
Revision	**0.00**	**–0.02**	**–0.04**	**0.01**	**0.21**	**0.04**	**0.04**

Totals may not add, due to independent rounding.

2002 non-OPEC supply forecast revised up by 0.11 mb/d to 47.47 mb/d

Expectations for 2002

Our 2002 non-OPEC supply forecast has been revised up by 0.11 mb/d and shows an increase of 0.94 mb/d, compared with the figure estimated for 2001. The expected 2002 quarterly distribution is estimated at 47.14 mb/d, 46.90 mb/d, 47.58 mb/d and 48.23 mb/d respectively, resulting in a yearly average of 47.47 mb/d.

Table 9
Non-OPEC oil supply in 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	**2002**	**Change 02/01**
North America	14.41	14.37	14.44	14.62	14.85	14.57	0.16
Western Europe	6.70	6.75	6.51	6.57	6.86	6.67	–0.03
OECD Pacific	0.77	0.78	0.74	0.75	0.74	0.75	–0.02
Total OECD	**21.88**	**21.90**	**21.69**	**21.94**	**22.44**	**22.00**	**0.11**
Other Asia	2.26	2.29	2.22	2.31	2.31	2.28	0.02
Latin America	3.75	3.80	3.68	3.84	3.77	3.77	0.03
Middle East	2.15	2.17	2.19	2.15	2.15	2.16	0.01
Africa	2.81	2.99	2.95	2.95	3.00	2.97	0.17
Total DCs	**10.97**	**11.24**	**11.04**	**11.26**	**11.24**	**11.19**	**0.22**
FSU	8.52	8.76	8.98	9.14	9.30	9.05	0.53
Other Europe	0.18	0.17	0.17	0.17	0.17	0.17	–0.01
China	3.29	3.34	3.30	3.35	3.36	3.34	0.05
Total "Other regions"	**11.98**	**12.28**	**12.45**	**12.66**	**12.83**	**12.56**	**0.57**
Total non-OPEC production	**44.84**	**45.42**	**45.18**	**45.86**	**46.51**	**45.75**	**0.91**
Processing gains	1.69	1.72	1.72	1.72	1.72	1.72	0.03
Total non-OPEC supply	**46.53**	**47.14**	**46.90**	**47.58**	**48.23**	**47.47**	**0.94**
Previous estimate	46.49	47.10	46.88	47.51	47.95	47.36	0.87
Revision	**0.04**	**0.04**	**0.03**	**0.07**	**0.29**	**0.11**	**0.06**

Totals may not add, due to independent rounding.

Net FSU oil export figures revised up for 2001 and 2002

The net oil export figures for the FSU for 2001 and 2002 have been revised up by 0.01 mb/d to 4.57 mb/d and by 0.03 mb/d to 5.04 mb/d respectively, compared with the last *MOMR*.

Table 10
FSU net oil exports
mb/d

	1Q	2Q	3Q	4Q	**Year**
1998	2.77	3.02	3.18	3.20	**3.04**
1999	3.12	3.62	3.52	3.49	**3.44**
2000	3.97	4.13	4.47	4.01	**4.14**
2001 (estimate)	4.30	4.74	4.83	4.39	**4.57**
2002 (forecast)	4.90	5.31	5.00	4.95	**5.04**

OPEC natural gas liquids

No revisions to OPEC NGL data

The OPEC NGL figures for 1998–2002 remain unchanged from the last *MOMR*, at 3.01 mb/d, 3.07 mb/d, 3.23 mb/d, 3.24 mb/d and (forecast) 3.26 mb/d respectively.

OPEC NGL production — 1998–2002
mb/d

1998	**1999**	**2000**	1Q01	2Q01	3Q01	4Q01	**2001**	**Change 01/00**	**2002**	**Change 02/01**
3.01	**3.07**	**3.23**	3.24	3.24	3.24	3.24	**3.24**	0.02	**3.26**	0.02

Available secondary sources put OPEC's January production at 24.97 mb/d

OPEC crude oil production

Available secondary sources indicate that, in January, OPEC's output was 24.97 mb/d, which was 0.77 mb/d lower than the revised December level of 25.68 mb/d. Table 11 shows OPEC's production, as reported by selected secondary sources.

Table 11
OPEC crude oil production, based on secondary sources
1,000 b/d

	2000	3Q01	Dec.01*	4Q01	2001	**Jan.02***	Jan.02–Dec.01
Algeria	808	831	823	813	821	**792**	–31
Indonesia	1,279	1,209	1,180	1,180	1,216	**1,163**	–16
IR Iran	3,671	3,706	3,459	3,479	3,665	**3,310**	–149
Iraq	2,551	2,487	2,030	2,558	2,385	**2,192**	162
Kuwait	2,101	2,012	1,952	1,949	2,032	**1,869**	–83
SP Libyan AJ	1,405	1,366	1,304	1,308	1,361	**1,270**	–34
Nigeria	2,031	2,087	2,095	2,116	2,097	**2,000**	–95
Qatar	698	691	618	632	683	**592**	–25
Saudi Arabia	8,247	7,914	7,500	7,538	7,918	**7,246**	–254
UAE	2,251	2,122	2,026	2,031	2,163	**1,960**	–66
Venezuela	2,897	2,801	2,695	2,701	2,830	**2,580**	–115
Total OPEC	**27,941**	**27,226**	**25,681**	**26,305**	**27,170**	**24,974**	**–707**

Totals may not add, due to independent rounding.
** Not all sources available.*

RIG COUNT

With effect from this issue, this section on the rig count will be included in the *Monthly Oil Market Report*.

2001 non-OPEC rig count averaged at 1,991

Non-OPEC

Rig activity in 2001 was 260 rigs higher than in 2000, with 1,991 rigs in 2001, against 1,732 in 2000. Most of the increase in rig activity took place in the OECD, especially North America. In January 2002, the non-OPEC rig count increased by 138 to 1,771, compared with the December 2001 figure of 1,633. A 141 rig rise in the OECD was partially offset by a drop of five rigs in DCs, which was totally attributable to the situation in Latin America.

Table 12
Non-OPEC rig count in 2001

	2000	**2001**	**2001–2000**	**Dec.01**	**Jan.02**	**Jan.02–Dec.01**
North America	1,305	1,552	247	1,231	**1,332**	101
Western Europe	125	95	–30	61	**104**	43
OECD Pacific	17	20	3	22	**19**	–3
OECD	**1,447**	**1,667**	**220**	**1,314**	**1,455**	**141**
Other Asia	83	95	12	91	**101**	10
Latin America	120	141	20	135	**118**	–17
Middle East	45	50	5	57	**57**	0
Africa	34	36	2	36	**38**	2
DCs	**282**	**321**	**40**	**319**	**314**	**–5**
FSU	n.a	n.a	n.a	n.a	**n.a**	n.a.
Other Europe	3	3	0	0	**2**	2
China	n.a	n.a	n.a	n.a	**n.a**	n.a
Other regions	n.a	n.a	n.a	n.a	**n.a**	n.a
Total non-OPEC	**1,732**	**1,991**	**260**	**1,633**	**1,771**	**138**

Totals may not add, due to independent rounding. Source: Baker Hughes International.

2001 OPEC rig count averaged at 238

OPEC

OPEC's rig activity in 2001 was 32 rigs higher than in 2000, with 238 rigs in 2001, compared with 206 in 2000. In January 2002, the OPEC rig count dropped by eight to 236, compared with the December 2001 figure of 244.

Table 13
OPEC rig count

	2000	2001	2001–2000	Dec.01	Jan.02	Jan.02–Dec. 01
Algeria	15	20	5	20	**17**	–3
Indonesia	32	41	9	49	**47**	–2
IR Iran	27	30	3	33	**34**	1
Iraq	0	0	0	0	**0**	0
Kuwait	12	9	–3	6	**4**	–2
SP Libyan AJ	7	5	–2	4	**10**	6
Nigeria	8	12	4	9	**9**	0
Qatar	6	9	3	14	**14**	0
Saudi Arabia	25	30	5	31	**31**	0
UAE	13	15	3	18	**17**	–1
Venezuela	63	67	5	60	**53**	–7
Total OPEC	**206**	**238**	**32**	**244**	**236**	**–8**

Totals may not add, due to independent rounding.
Source: Baker Hughes International.

STOCK MOVEMENTS

Unseasonable build of 0.23 mb/d in USA in January

USA

US commercial onland oil stocks showed an unseasonable build of 8.1 mb, or a rate of 0.23 mb/d, to 1,017.3 mb during 28 December – 1 February. Most of the build occurred with crude oil, which rose by 9.4 mb to 319.3 mb, on the back of low refinery runs, due to poor refiners' margins, as well as higher crude oil imports. This was followed by gasoline, which rose by 8.5 mb to 216.4 mb, due to an increase in gasoline output, as weak heating oil margins encouraged refiners to produce more gasoline at the expense of distillates, as well as substantially lower apparent demand, which fell by about 4%, compared with the same period last year. Meanwhile, a draw of 10.3 mb to 171.2 mb on "Other oils" capped this build. Other major product inventories displayed minor draws, maintaining more or less the previous month's levels. The overall level was 81.5 mb, or about 9%, above last year's figure.

Table 14
US onland commercial petroleum stocks*
mb

	29 Jun.01	5 Oct.01	28 Dec.01	**1 Feb.02**	**Change Dec./Nov.**	11 Feb.01
Crude oil (excl. SPR)	310.7	307.4	309.9	**319.3**	**9.4**	294.2
Gasoline	221.6	206.1	207.9	216.4	8.5	205.6
Distillate fuel	112.8	124.6	137.6	137.3	–0.3	118.2
Residual fuel oil	42.5	36.7	40.9	40.6	–0.3	37.1
Jet fuel	43.0	44.0	40.7	40.5	–0.2	43.7
Unfinished oils	90.4	88.9	90.6	92.0	1.4	91.6
Other oils	191.4	219.7	181.5	171.2	–10.3	145.5
Total	1,012.4	1,027.4	1,009.2	**1,017.3**	**8.1**	935.8
SPR	543.3	544.8	549.0	554.2	5.2	541.7

** At end of month, unless otherwise stated.* *Source: US/DOE-EIA.*

During the same period, the US Strategic Petroleum Reserve (SPR) rose by 5.2 mb to 554.2 mb. This rise occurred under the new "royalty-in-kind" (RIK) programme, as a means of filling the SPR to full capacity.

Further contra-seasonal build of 0.04 mb/d in Eur-16 in January

Western Europe

Commercial onland oil stocks in Eur-16 in January showed a further contra-seasonal build, increasing by a slight 1.2 mb, or a rate of 0.04 mb/d, to 1,065.7 mb. This build, which occurred solely in major product inventories (4.9 mb), was capped by a draw of 3.7 mb to 432.2 mb on crude oil stocks, on the back of fewer arrivals, especially Iraqi cargoes. Gasoline contributed mostly to the build in product inventories, when it rose by 3.2 mb to 155.0 mb; this was due mainly to low exports to the US market, as transatlantic arbitrage had been closed in December, encouraging European refiners to store most of their gasoline output, in a situation of low local demand. Middle distillates also added to this build, moving up by 1.5 mb to 332.7 mb. Lower demand, as well as increasing Russian gasoil exports, was behind this rise. Total oil stocks were 3.5 mb higher than the year-ago level.

Table 15
Western Europe commercial oil stocks*
mb

	Jun.01	Sept.01	Dec.01	**Jan.02**	**Change Jan./Dec.**	Jan.01
Crude oil	438.5	436.6	436.0	**432.2**	**–3.7**	420.0
Mogas	155.6	144.6	151.8	155.0	3.2	155.8
Naphtha	25.1	26.0	26.4	26.0	–0.4	23.3
Middle distillates	331.4	323.4	331.2	332.7	1.5	336.4
Fuel oils	122.2	121.0	119.1	119.8	0.7	126.6
Total products	634.3	615.0	628.5	**633.4**	**4.9**	642.1
Overall total	1,072.8	1,051.6	1,064.5	**1,065.7**	**1.2**	1,062.1

** At end of month, and region consists of Eur-16. Source: Argus Euroilstock.*

Continued seasonal draw of 0.51 mb/d in Japan in December

Japan

In December, commercial onland oil stocks fell by a further 18.5 mb, or a rate of 0.51 mb/d, to 182.0 mb. Distillates contributed largely to this draw, declining by 8.4 mb to 37.8 mb, on the back of lower output, due to weak refiners' margins. Other major products also contributed to this decrease, as gasoline and fuel oil declined by 1.8 mb to 12.3 mb and 1.4 mb to 18.5 mb respectively. A 0.07 mb/d improvement in refinery throughput, together with lower imports, were behind the draw on crude oil of 4.1 mb to 113.4 mb. Total oil stocks were 3.5 mb, or about 2%, above the year-ago level.

Table 16
Japan's commercial oil stocks*
mb

	Jun.01	Sept.01	Nov.01	**Dec.01**	**Change Dec./Nov.**	Dec.00
Crude oil	127.3	118.0	117.5	**113.4**	**–4.1**	105.1
Gasoline	14.3	13.8	14.1	12.3	–1.8	12.7
Middle distillates	33.6	45.7	46.2	37.8	–8.4	40.3
Residual fuel oil	19.8	19.9	19.9	18.5	–1.4	20.4
Total products	67.7	79.5	80.3	**68.6**	**–11.7**	73.4
Overall total **	195.1	197.5	197.8	**182.0**	**–15.8**	178.5

** At end of month; ** Includes crude oil and main products only. Source: MITI, Japan.*

Marginal seasonal draw of 0.23 mb/d in OECD fourth quarter

OECD

In the fourth quarter of 2001, OECD commercial onland oil stocks (the USA, Eur-16 and Japan) are estimated to have shown a marginal seasonal draw of 20.8 mb, or a rate of 0.23 mb/d, to 2,255.7 mb, compared with the previous quarter. US and Japanese stocks decreased by 18.2 mb and 15.5 mb respectively, while a contra-seasonal build of 12.9 mb in Eur-16 diminished the overall impact of the draw.

Table 17
Estimated stock movements in OECD on fourth quarter of 2000*
mb

	Sept.01	**Dec.01**	**Change Dec./Sept.** *mb*	*mb/d*
USA	1,027.4	1,009.2	–18.2	–0.20
Eur-16	1,051.6	1,064.5	12.9	0.14
Japan	197.5	182.0	–15.5	–0.17
OECD total	2,276.5	**2,255.7**	**–20.8**	**–0.23**

** Includes USA, Eur-16 and Japan only Data as at end of month.*

BALANCE OF SUPPLY AND DEMAND

2001 supply/demand difference revised down to 26.0 mb/d

World oil demand and non-OPEC oil supply have been revised down by less than 0.1 mb/d and up by less than 0.1 mb/d to 75.8 mb/d and 49.8 mb/d respectively. These revisions have resulted in a yearly average difference of 26.0 mb/d, down by 0.1 mb/d, compared with the last *MOMR*, with quarterly distributions of 27.1 mb/d, 25.4 mb/d, 25.8 mb/d and 25.9 mb/d respectively. The balance for the first quarter has been revised down by less than 0.1 mb/d to 0.9 mb/d, while the other three quarters have been revised up by less than 0.1 mb/d to 1.7 mb/d, less than 0.1 mb/d to 1.4 mb/d and more than 0.2 mb/d to 0.4 mb/d, respectively. The 2000 balance has been revised up by less than 0.1 mb/d to 1.2 mb/d, compared with last month's *MOMR*.

Table 18
Summarized supply/demand balance for 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	**2001**
(a) World oil demand	75.8	76.6	74.6	75.7	76.4	75.8
(b) Non-OPEC supply(1)	49.0	49.5	49.2	49.9	50.5	49.8
Difference (a – b)	**26.8**	**27.1**	**25.4**	**25.8**	**25.9**	**26.0**
OPEC crude oil production(2)	27.9	28.1	27.1	27.2	26.3	27.2
Balance	**1.2**	**0.9**	**1.7**	**1.4**	**0.4**	**1.1**

(1) Including OPEC NGLs.
(2) Selected secondary sources.
Totals may not add, due to independent rounding.

2002 supply/demand difference revised down to 25.4 mb/d

The summarized expected supply/demand balance table for 2002 shows a downward revision to world oil demand of 0.1 mb/d to 76.2 mb/d, while total non-OPEC supply has been revised up by 0.1 mb/d to 50.7 mb/d. This has resulted in an expected annual difference of around 25.4 mb/d, down by 0.2 mb/d, compared with the last *MOMR*, with a quarterly distribution of 26.3 mb/d, 24.5 mb/d, 25.0 mb/d and 25.9 mb/d respectively.

Table 19
Summarized supply/demand balance for 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	**2002**
(a) World oil demand	75.8	76.7	74.7	75.9	77.4	76.2
(b) Non-OPEC supply(1)	49.8	50.4	50.2	50.8	51.5	50.7
Difference (a – b)	**26.0**	**26.3**	**24.5**	**25.0**	**25.9**	**25.4**
OPEC crude oil production(2)	27.2					
Balance	**1.1**					

(1) Including OPEC NGLs.
(2) Selected secondary sources.
Totals may not add, due to independent rounding.

Table 20
World oil demand/supply balance

mb/d

	1998	**1999**	**2000**	1Q01	2Q01	3Q01	4Q01	**2001**	1Q02	2Q02	3Q02	4Q02	**2002**
World demand													
OECD	46.8	47.7	47.8	48.8	46.5	47.5	47.8	47.7	48.7	46.4	47.3	48.5	47.7
North America	23.1	23.8	24.1	24.2	23.7	24.0	23.9	24.0	24.0	23.9	24.0	24.2	24.0
Western Europe	15.3	15.2	15.1	15.2	14.8	15.5	15.2	15.1	15.2	14.6	15.3	15.4	15.1
Pacific	8.4	8.7	8.7	9.4	8.0	8.1	8.8	8.6	9.4	7.9	8.0	9.0	8.6
DCs	18.2	18.6	18.8	18.7	18.8	19.0	18.4	18.7	18.8	18.9	19.1	18.8	18.9
FSU	4.3	4.0	3.8	3.9	3.7	3.8	4.4	3.9	3.9	3.7	4.1	4.4	4.0
Other Europe	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.7	0.8
China	3.8	4.2	4.7	4.4	4.9	4.7	5.0	4.7	4.5	5.0	4.6	5.0	4.8
(a) Total world demand	73.8	75.2	75.8	76.6	74.6	75.7	76.4	75.8	76.7	74.7	75.9	77.4	76.2
Non-OPEC supply													
OECD	21.8	21.3	21.9	21.8	21.6	21.8	22.3	21.9	21.9	21.7	21.9	22.4	22.0
North America	14.5	14.1	14.3	14.2	14.3	14.5	14.7	14.4	14.4	14.4	14.6	14.9	14.6
Western Europe	6.6	6.6	6.7	6.8	6.5	6.6	6.9	6.7	6.7	6.5	6.6	6.9	6.7
Pacific	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.8
DCs	10.5	10.8	11.0	11.0	10.8	11.0	11.0	11.0	11.2	11.0	11.3	11.2	11.2
FSU	7.3	7.5	7.9	8.2	8.5	8.6	8.8	8.5	8.8	9.0	9.1	9.3	9.0
Other 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
China	3.2	3.2	3.2	3.3	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.3
Processing gains	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total non-OPEC supply	44.5	44.6	45.8	46.2	46.0	46.6	47.3	46.5	47.1	46.9	47.6	48.2	47.5
OPEC NGLs	3.0	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3
(b) Total non-OPEC supply and OPEC NGLs	47.5	47.6	49.0	49.5	49.2	49.9	50.5	49.8	50.4	50.2	50.8	51.5	50.7
OPEC crude oil production (secondary sources)	27.8	26.5	27.9	28.1	27.1	27.2	26.3	27.2					
Total supply	75.2	74.1	76.9	77.6	76.3	77.1	76.8	76.9					
Balance (stock change and miscellaneous)	1.5	-1.1	1.2	0.9	1.7	1.4	0.4	1.1					
Closing stock level (outside FCPEs) mb													
OECD onland commercial	2698	2446	2527	2523	2595	2650	2621						
OECD SPR	1249	1228	1210	1210	1207	1205	1220						
OECD total	3947	3675	3737	3733	3803	3855	3841						
Other onland	1056	983	999	998	1017	1031	1027						
Oil-on-water	859	808	876	913	834	863	n.a.						
Total stock	5861	5466	5612	5645	5653	5749	n.a.						
Days of forward consumption in OECD													
Commercial onland stocks	57	51	53	54	55	55	54						
SPR	26	26	25	26	25	25	25						
Total	83	77	78	80	80	81	79						
Memo items													
FSU net exports	3.0	3.4	4.1	4.3	4.7	4.8	4.4	4.6	4.9	5.3	5.0	5.0	5.0
(a) - (b)	26.3	27.6	26.8	27.1	25.4	25.8	25.9	26.0	26.3	24.5	25.0	25.9	25.4

Note: Totals may not add up due to independent rounding.
n.a. Not available

Table 21
World oil demand/supply balance: changes from last month's table †
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002
World demand													
OECD	-	-	-	-	-	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
Western Europe	-	-	-	-	-	-	0.1	-	-	-	-	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-	-
FSU	-	-	-	-	-	-	0.1	-	-	-0.1	-	0.1	-
Other Europe	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
China	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
(a) Total world demand	-	-	-	-	-0.1	-	-	-	-	-0.1	-0.1	-0.1	-0.1
Non-OPEC supply													
OECD	-	-	-	-	-0.1	-	0.2	-	-	-	-	0.2	0.1
North America	-	-	-	-	-0.1	-	0.2	-	-	-	-	0.2	-
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-OPEC supply	-	-	-	-	-	-	0.2	-	-	-	0.1	0.3	0.1
OPEC NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	-	-	-	0.2	-	-	-	0.1	0.3	0.1
OPEC crude oil production (secondary sources)	-	-	-	-	-	-	-						
Total supply	-	-	-	-	-	-	0.2						
Balance (stock change and miscellaneous)	-	-	-	-	0.1	0.1	0.2						
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	-	-	-	-	-	2	-						
OECD SPR	-	-	-	-	-	2	-						
OECD total	-	-	-	-	-	4	-						
Other onland	-	-	-	-	-	1	-						
Oil on water	-	1	-	-	-	-1	-						
Total stock	-	1	-	-	-	5	-						
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-	-	-	-						
SPR	-	-	-	-	-	-	-						
Total	-	-	-	-	-	-	-						
Memo items													
FSU net exports	-	-	-	-	0.1	-	-0.1	-	-	0.1	-	-	-
(a) - (b)	-	-	-	-	-0.1	-	-0.2	-0.1	-0.1	-0.2	-0.2	-0.4	-0.2

† *This compares Table 17 in this issue of the MOMR with Table 17 in the January 2002 issue.*
This table shows only where changes have occurred.

Table 22
World oil stocks (excluding former CPEs) at end of period

	1995	1996	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Closing stock level *mb*													
OECD onland commercial	2,536	2,515	2,616	2,698	2,446	2,415	2,507	2,541	2,527	2,523	2,595	2,650	2,621
North America	1,168	1,138	1,211	1,283	1,127	1,108	1,165	1,180	1,145	1,157	1,227	1,261	1,247
Western Europe	938	899	912	962	881	898	898	909	927	919	912	916	928
OECD Pacific	430	477	493	454	438	409	445	452	454	447	457	473	446
OECD SPR	1,198	1,199	1,207	1,249	1,228	1,234	1,232	1,237	1,210	1,210	1,207	1,205	1,220
North America	592	566	563	571	567	569	569	572	543	544	545	547	552
Western Europe	307	330	329	362	346	349	349	353	354	351	348	346	351
OECD Pacific	299	303	315	315	315	315	315	312	313	314	314	313	317
OECD total	**3,733**	**3,714**	**3,823**	**3,947**	**3,675**	**3,649**	**3,740**	**3,777**	**3,737**	**3,733**	**3,803**	**3,855**	**3,841**
Other onland	998	993	1,022	1,056	983	976	1,000	1,010	999	998	1,017	1,031	1,027
Oil-on-water	784	798	812	859	808	839	865	849	876	913	834	863	n.a.
Total stock	**5,516**	**5,505**	**5,658**	**5,861**	**5,466**	**5,464**	**5,605**	**5,636**	**5,612**	**5,645**	**5,653**	**5,749**	**n.a.**
Days of forward consumption in OECD													
OECD onland commercial	55	54	56	57	51	52	52	52	52	54	55	55	54
North America	53	50	52	54	47	46	48	48	47	49	51	53	52
Western Europe	63	60	60	63	58	61	59	59	61	62	59	60	61
OECD Pacific	49	53	59	52	51	51	53	51	48	56	57	54	47
OECD SPR	26	26	26	26	26	27	26	25	25	26	25	25	25
North America	27	25	24	24	24	24	23	23	22	23	23	23	23
Western Europe	21	22	22	24	23	24	23	23	23	24	22	23	23
OECD Pacific	34	34	37	36	36	39	38	35	33	39	39	36	34
OECD total	**81**	**80**	**82**	**83**	**77**	**78**	**78**	**78**	**77**	**80**	**80**	**81**	**79**
Days of global forward consumption	**88**	**85**	**87**	**88**	**82**	**84**	**84**	**84**	**83**	**87**	**85**	**87**	**n.a.**

n.a. Not available

Table 23
Non-OPEC supply and OPEC natural gas liquids
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01
USA	8.39	8.11	8.11	7.87	8.10	8.17	8.30	8.11	0.00	7.91	8.15	8.22	8.35	8.16	0.05
Canada	2.61	2.60	2.72	2.78	2.68	2.67	2.82	2.74	0.02	2.83	2.73	2.71	2.87	2.79	0.05
Mexico	3.51	3.35	3.45	3.56	3.50	3.63	3.57	3.56	0.11	3.63	3.56	3.69	3.63	3.63	0.06
North America	**14.51**	**14.05**	**14.29**	**14.21**	**14.28**	**14.46**	**14.69**	**14.41**	**0.13**	**14.37**	**14.44**	**14.62**	**14.85**	**14.57**	**0.16**
Norway	3.08	3.06	3.32	3.47	3.35	3.39	3.50	3.43	0.11	3.40	3.28	3.32	3.42	3.35	-0.08
UK	2.77	2.84	2.64	2.53	2.48	2.48	2.63	2.53	-0.11	2.58	2.53	2.53	2.68	2.58	0.05
Denmark	0.24	0.30	0.36	0.37	0.31	0.33	0.38	0.35	-0.02	0.37	0.31	0.33	0.38	0.35	0.00
Other Western Europe	0.48	0.43	0.41	0.40	0.40	0.39	0.37	0.39	-0.02	0.40	0.40	0.39	0.37	0.39	0.00
Western Europe	**6.56**	**6.63**	**6.74**	**6.77**	**6.54**	**6.60**	**6.88**	**6.70**	**-0.04**	**6.75**	**6.51**	**6.57**	**6.86**	**6.67**	**-0.03**
Australia	0.61	0.59	0.77	0.74	0.70	0.71	0.70	0.71	-0.06	0.72	0.68	0.69	0.68	0.69	-0.02
Other Pacific	0.08	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.00	0.06	0.06	0.06	0.06	0.06	0.00
OECD Pacific	**0.69**	**0.66**	**0.83**	**0.80**	**0.76**	**0.77**	**0.75**	**0.77**	**-0.06**	**0.78**	**0.74**	**0.75**	**0.74**	**0.75**	**-0.02**
Total OECD*	**21.75**	**21.34**	**21.86**	**21.79**	**21.58**	**21.83**	**22.33**	**21.88**	**0.02**	**21.90**	**21.69**	**21.94**	**22.44**	**22.00**	**0.11**
Brunei	0.16	0.18	0.19	0.20	0.18	0.19	0.19	0.19	0.00	0.20	0.18	0.19	0.19	0.19	0.00
India	0.75	0.75	0.74	0.74	0.71	0.73	0.73	0.73	-0.01	0.76	0.73	0.75	0.75	0.75	0.02
Malaysia	0.72	0.70	0.68	0.68	0.67	0.70	0.69	0.68	0.00	0.68	0.67	0.70	0.69	0.68	0.00
Papua New Guinea	0.08	0.09	0.07	0.06	0.06	0.05	0.05	0.06	-0.01	0.06	0.06	0.05	0.05	0.06	0.00
Vietnam	0.23	0.26	0.31	0.35	0.34	0.36	0.36	0.35	0.04	0.35	0.34	0.36	0.36	0.35	0.00
Asia others	0.20	0.20	0.24	0.24	0.25	0.26	0.27	0.25	0.02	0.24	0.25	0.26	0.27	0.25	0.00
Other Asia	**2.14**	**2.18**	**2.23**	**2.27**	**2.20**	**2.29**	**2.29**	**2.26**	**0.03**	**2.29**	**2.22**	**2.31**	**2.31**	**2.28**	**0.02**
Argentina	0.88	0.84	0.79	0.80	0.80	0.80	0.79	0.80	0.00	0.81	0.81	0.81	0.80	0.81	0.01
Brazil	1.23	1.36	1.49	1.57	1.50	1.59	1.60	1.57	0.07	1.63	1.55	1.65	1.66	1.62	0.06
Colombia	0.75	0.82	0.70	0.64	0.57	0.65	0.59	0.61	-0.08	0.58	0.52	0.60	0.54	0.56	-0.05
Ecuador	0.38	0.38	0.40	0.42	0.42	0.40	0.40	0.41	0.01	0.43	0.43	0.41	0.41	0.42	0.01
Peru	0.12	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.00	0.10	0.10	0.10	0.10	0.10	0.00
Trinidad & Tobago	0.13	0.14	0.14	0.13	0.13	0.13	0.13	0.13	-0.01	0.13	0.13	0.13	0.13	0.13	0.00
L. America others	0.11	0.11	0.12	0.13	0.13	0.13	0.13	0.13	0.01	0.13	0.13	0.13	0.13	0.13	0.00
Latin America	**3.62**	**3.76**	**3.74**	**3.77**	**3.65**	**3.82**	**3.74**	**3.75**	**0.00**	**3.80**	**3.68**	**3.84**	**3.77**	**3.77**	**0.03**
Bahrain	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.00	0.19	0.19	0.19	0.19	0.19	0.00
Oman	0.90	0.91	0.95	0.96	0.99	0.96	0.97	0.97	0.02	0.94	0.97	0.94	0.95	0.95	-0.02
Syria	0.56	0.55	0.54	0.54	0.53	0.52	0.52	0.53	-0.01	0.54	0.53	0.52	0.52	0.53	0.00
Yemen	0.39	0.42	0.45	0.47	0.47	0.47	0.47	0.47	0.02	0.50	0.50	0.50	0.50	0.50	0.03
Middle East	**2.05**	**2.06**	**2.14**	**2.16**	**2.18**	**2.14**	**2.14**	**2.15**	**0.02**	**2.17**	**2.19**	**2.15**	**2.15**	**2.16**	**0.01**
Angola	0.73	0.76	0.74	0.72	0.69	0.69	0.72	0.71	-0.04	0.78	0.74	0.74	0.78	0.76	0.06
Cameroon	0.10	0.10	0.10	0.08	0.08	0.08	0.08	0.08	-0.02	0.08	0.08	0.08	0.08	0.08	0.00
Congo	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.00	0.30	0.30	0.30	0.30	0.30	0.03
Egypt	0.86	0.83	0.80	0.78	0.74	0.75	0.76	0.76	-0.04	0.78	0.74	0.75	0.76	0.76	0.00
Gabon	0.38	0.36	0.34	0.31	0.31	0.31	0.31	0.31	-0.03	0.31	0.31	0.31	0.31	0.31	0.00
South Africa	0.16	0.17	0.19	0.20	0.19	0.19	0.18	0.19	0.00	0.20	0.19	0.19	0.18	0.19	0.00
Africa other	0.22	0.28	0.41	0.48	0.51	0.51	0.51	0.50	0.09	0.55	0.59	0.59	0.59	0.58	0.08
Africa	**2.72**	**2.78**	**2.85**	**2.82**	**2.78**	**2.79**	**2.84**	**2.81**	**-0.04**	**2.99**	**2.95**	**2.95**	**3.00**	**2.97**	**0.17**
Total DCs	**10.54**	**10.78**	**10.96**	**11.02**	**10.82**	**11.03**	**11.01**	**10.97**	**0.01**	**11.24**	**11.04**	**11.26**	**11.24**	**11.19**	**0.22**
FSU	**7.29**	**7.47**	**7.91**	**8.25**	**8.45**	**8.60**	**8.76**	**8.52**	**0.61**	**8.76**	**8.98**	**9.14**	**9.30**	**9.05**	**0.53**
Other Europe	**0.19**	**0.18**	**0.18**	**0.18**	**0.18**	**0.18**	**0.18**	**0.18**	**0.00**	**0.17**	**0.17**	**0.17**	**0.17**	**0.17**	**-0.01**
China	**3.15**	**3.21**	**3.23**	**3.29**	**3.25**	**3.30**	**3.31**	**3.29**	**0.06**	**3.34**	**3.30**	**3.35**	**3.36**	**3.34**	**0.05**
Non-OPEC production	**42.93**	**42.98**	**44.13**	**44.53**	**44.28**	**44.95**	**45.58**	**44.84**	**0.71**	**45.42**	**45.18**	**45.86**	**46.51**	**45.75**	**0.91**
Processing gains	1.55	1.58	1.65	1.69	1.69	1.69	1.69	1.69	0.04	1.72	1.72	1.72	1.72	1.72	0.03
Non-OPEC supply	**44.48**	**44.56**	**45.78**	**46.22**	**45.97**	**46.64**	**47.27**	**46.53**	**0.75**	**47.14**	**46.90**	**47.58**	**48.23**	**47.47**	**0.94**
OPEC NGLs	**3.01**	**3.07**	**3.23**	**3.24**	**3.24**	**3.24**	**3.24**	**3.24**	**0.02**	**3.26**	**3.26**	**3.26**	**3.26**	**3.26**	**0.02**

Note: Totals may not add up due to independent rounding.

** Former East Germany is included in the OECD.*

Table 24
Non-OPEC Rig Count
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	Dec01	Jan02	Change Jan/Dec
USA	829	608	916	1,141	1,239	1,231	1,004	1,156	240	901	867	-34
Canada	260	246	344	515	252	320	278	342	-2	267	405	138
Mexico	55	43	44	50	48	56	62	54	10	63	60	-3
North America	**1,144**	**897**	**1,305**	**1,706**	**1,539**	**1,607**	**1,344**	**1,552**	**247**	**1,231**	**1,332**	**101**
Norway	17	17	22	24	22	22	22	23	1	24	23	-1
UK	28	18	18	18	25	28	26	24	6	22	35	13
Denmark	3	2	3	4	5	4	5	4	1	6	7	1
Other Western Europe	93	77	82	43	44	42	47	44	-38	9	39	30
Western Europe	**141**	**114**	**125**	**89**	**95**	**96**	**100**	**95**	**-30**	**61**	**104**	**43**
Australia	15	10	10	11	11	10	10	10	0	10	9	-1
Other Pacific	6	6	7	10	9	8	10	9	2	12	10	-2
OECD Pacific	**21**	**16**	**17**	**20**	**20**	**18**	**20**	**20**	**3**	**22**	**19**	**-3**
Total OECD*	**1,306**	**1,027**	**1,447**	**1,815**	**1,655**	**1,721**	**1,464**	**1,667**	**220**	**1,314**	**1,455**	**141**
Brunei	2	3	2	3	3	2	2	3	1	2	2	0
India	52	46	49	51	48	50	50	50	1	50	51	1
Malaysia	8	6	7	10	11	13	12	11	4	11	14	3
Papua New Guinea	2	1	0	0	1	2	1	1	1	1	1	0
Vietnam	7	9	8	9	8	8	8	8	0	7	7	0
Asia others	20	16	16	22	23	24	18	22	5	20	26	6
Other Asia	**91**	**81**	**83**	**96**	**95**	**98**	**90**	**95**	**12**	**91**	**101**	**10**
Argentina	44	35	57	69	74	77	64	71	14	62	55	-7
Brazil	20	19	23	28	30	29	26	28	5	27	27	0
Colombia	12	12	14	15	16	14	16	15	1	16	13	-3
Ecuador	5	3	7	9	10	10	11	10	3	12	12	0
Peru	5	2	4	4	4	3	3	4	0	3	1	-2
Trinidad & Tobago	6	3	4	6	5	4	5	5	1	5	5	0
L. America others	13	13	12	9	8	6	6	7	-4	10	5	-5
Latin America	**106**	**86**	**120**	**141**	**147**	**144**	**130**	**141**	**20**	**135**	**118**	**-17**
Bahrain				0	0	0	0	0	0			0
Oman	24	19	24	24	24	25	26	25	1	27	26	-1
Syria	14	13	14	19	19	20	19	19	5	19	20	1
Yemen	4	4	6	6	6	5	6	6	0	7	7	0
Middle East	**42**	**36**	**45**	**49**	**49**	**49**	**51**	**50**	**5**	**57**	**57**	**0**
Angola	6	5	6	6	5	4	6	5	0	4	4	0
Cameroon				0	0	0	0	0				0
Congo	6	3	3	1	2	1	1	1	-1	1	1	0
Egypt	22	17	18	21	22	22	23	22	4	24	24	0
Gabon	6	2	2	2	4	1	1	2	0	1	1	0
South Africa	1	1	1	2	1	0	1	1	0	1	1	0
Africa other	8	4	5	4	5	5	3	4	0	5	7	2
Africa	**48**	**30**	**34**	**36**	**40**	**34**	**35**	**36**	**2**	**36**	**38**	**2**
Total DCs	**287**	**232**	**282**	**322**	**330**	**325**	**307**	**321**	**40**	**319**	**314**	**-5**
FSU												
Other Europe	**5**	**4**	**3**	**3**	**3**	**3**	**4**	**3**	**0**	**0**	**2**	**2**
China												
Non-OPEC Rig count	**1,597**	**1,263**	**1,732**	**2,140**	**1,988**	**2,049**	**1,774**	**1,991**	**260**	**1,633**	**1,771**	**138**

Note: Totals may not add up due to independent rounding.