OPEC

Organization of the Petroleum Exporting Countries

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Monthly Oil Market Report

July 2002

OPEC Basket average price

US $ per barrel

Down 0.96 in June

June	**23.80**
May	24.76
Year-to-date	22.17

June OPEC production

million barrels per day, according to secondary sources

Algeria	0.84	Kuwait	1.88	Saudi Arabia	7.46
Indonesia	1.13	SP Libyan AJ	1.32	UAE	1.96
IR Iran	3.37	Nigeria	1.89	Venezuela	2.65
Iraq	1.61	Qatar	0.64		

Supply and demand

million barrels per day

2002	
World demand	76.09
Non-OPEC supply	51.24
Difference	**24.85**
2003	
World demand	77.03
Non-OPEC supply	52.19
Difference	**24.84**

Stocks

Marginal build in the USA in June

World economy

World GDP growth estimate unchanged at 2.9% for 2002

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Issued 19 July 2002

Opening address
to the
120th Meeting of the OPEC Conference
by
His Excellency Dr Rilwanu Lukman*

Excellencies, ladies and gentlemen,

It is a great honour to be able to welcome you, once again, to the OPEC Secretariat in Vienna, for the 120th (Extraordinary) Meeting of the OPEC Conference. As you will recall, the specific purpose of this Meeting — as agreed at our Ordinary Conference on 15 March — is to review the current situation in the international oil market, in the light of OPEC's present agreement to keep a ceiling on output levels, in support of the price structure.

First, however, I should like to turn our attention to the plight of one of our Member Countries, the Islamic Republic of Iran, following the severe earthquake which caused extensive devastation and loss of life in the north of the country on Saturday. We offer our deepest condolences to all those who have suffered in this tragic event, and we fervently hope that the recovery process can proceed as smoothly and as effectively as is possible on such a sad and deeply moving occasion.

Turning to a happier event, I should like to extend our congratulations to His Excellency Dr Chakib Khelil, who was President of the OPEC Conference in 2001, on his reappointment as Minister of Energy and Mines of Algeria, following the country's recent general election.

We now come to a development that we had not expected when we met in March. This is the announcement by His Excellency Dr Alí Rodríguez Araque of his appointment to the position of Head of Venezuela's national oil company, Petroleos de Venezuela, in April. Dr Rodríguez has been Secretary General for only a year and a half. However, during that time, his tireless devotion to duty, his steadfast adherence to a set of well-defined principles, and his warm and approachable manner have won him wide respect and friendship, both within the Secretariat and within the industry at large. I should, therefore, like to express the gratitude of all of us to Dr Rodríguez and to wish him every success and happiness in the future, as he settles into his new, challenging post with PDVSA. We also wish his country well, after the recent troubles, and look forward to Venezuela's full return to peace and prosperity in the near future. In the context of our Meeting today, therefore, one of our tasks will be the selection of a new Secretary General.

Let us now turn our attention to the international oil market. Prices in the second quarter of 2002 have been much healthier than in the two previous quarters, with the average monthly price of OPEC's Reference Basket of seven crudes lying in the range of US $23–25 per barrel in April–June. This follows the heavy drop in prices that occurred after September 11, with the Basket price averaging less than $20/b in the six-month period, October 2001 to March 2002. That was directly after the Basket had averaged almost $25/b in each of the first three quarters of 2001. Twenty-five dollars a barrel, of course, is right in the middle of OPEC's price band of $22–28/b.

In other words, prices are now not too far short of their pre-September 11 levels. Much of the credit for this improvement must go to our Organization, whose actions have helped prices return to levels which, in recent years, have won much acceptance among producers and consumers alike. Here I refer to the decision reached by our Organization late last year, to reduce OPEC output by an additional 1.5 million barrels a day, with effect from 1 January 2002 and for a period of six months. Taken together with earlier OPEC agreements, that decision meant an overall agreed reduction of 5 mb/d in a period of just

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11 months, beginning on 1 February 2001. The purpose of those measures was to prevent a damaging downward spiral in the oil price. We renewed our commitment to our decision at our March Meeting.

Let us not forget, at this point, that OPEC is prepared to act in both directions, in order to stabilise the oil market. In the year 2000, for example, when there was excessive upward pressure on the price, OPEC increased output on four occasions, by a total of 3.7 mb/d, to bring prices down to reasonable levels.

However, to be truly effective, our decisions require the support of leading non-OPEC oil producers. When such support was guaranteed for our current decision, through pledges — which were announced prior to our Consultative Meeting in Cairo in December 2001 — for an overall production/export cut of 462,500 b/d by non-OPEC producers, it had an immediate effect on prices; it prevented further falls and provided a base from which prices could strengthen as the economic outlook improved. These non-OPEC producers, like our own Member Countries, renewed their commitment to this action after OPEC's March Conference.

OPEC/non-OPEC cooperation goes from strength to strength. Only last week, here in the Secretariat, we held a highly productive one-day meeting of senior experts from OPEC and non-OPEC producing countries, to exchange views on recent developments and the short-term outlook for the oil market, so as to reach a better understanding of the current situation. Ten non-OPEC producing countries participated. These included the five countries that contributed to the output cuts in January — Angola, Mexico, Norway, Oman and the Russian Federation — as well as Egypt, Kazakhstan, Malaysia, Syria and Yemen. These countries, like our own Member Countries, are committed to order and stability in the market, and they know that this is best achieved through a successful, sustained process of dialogue and cooperation.

The above-mentioned meeting was the second informal consultation at the senior expert level. The first was held last October. Such meetings are being organised in conformity with our strategic objective of strengthening dialogue, understanding and cooperation among all major producers/exporters, at all levels and through different modalities. We may take time during our Meeting to discuss ways and means by which we can strengthen dialogue and consultation with non-OPEC producers at the Ministerial level.

Now, as we approach the third quarter of the year — which will be dominated by the summer driving season in the Northern Hemisphere — there is some uncertainty about the near-term outlook. This is not just in the oil market, however. It is also in the world economy, at large. It concerns the true extent of the global economic recovery, particularly in the leading industrialised nations. What is the real state of health of the economies of the United States of America, Japan and such major European nations as Germany and the United Kingdom?

Also, and connected with this, is the strength of the US dollar. After a period of ascendancy stretching back years, it appears that the dollar is finally weakening, vis-à-vis other leading currencies, notably the euro and the yen. This could have repercussions right across the global economy. For oil producers, it could easily mean a reduction in the real value of the revenue they receive from sales of petroleum on world markets.

All in all, therefore, there is plenty for us to discuss at today's Extraordinary Meeting. The decision we reach at the end of it will have the purpose of ensuring order and stability in the international oil market during the long summer months, up to — and beyond — our next Ordinary Conference on 18 September.

However, OPEC's mandate extends beyond the immediate affairs of the oil market. We are also concerned with broader-based issues that govern the welfare of mankind — in particular, the dire economic problems, the poverty and the hunger affecting many countries in the developing world. This has been a longstanding concern of ours. As long ago as 1976, we established the OPEC Fund for International Development, with the purpose of assisting the poorer, low-income countries of the South in pursuit of their social and economic advancement. Since then, the OPEC Fund has committed well over US $6 billion in assistance to other developing countries across the world. Moreover, OPEC aid extends beyond this, into other global institutions, as well as occurring at an individual Member Country level.

I am saying all of this, because, in the period up to our September Conference, the United Nations World Summit for Sustainable Development will take place in Johannesburg, beginning on 26 August. This is expected to be the largest UN conference ever, with 100 heads of state and 60,000 delegates attending. It will rival, in importance, the landmark Earth Summit in Rio de Janeiro, which, in 1992, put environmental issues on the global political agenda. The two events are closely related, with environmental issues being an integral part of sustainable development. But, in addition to this, the Johannesburg Summit's agenda embraces such fundamental issues as poverty, health and inequalities in the global trading system.

OPEC and our Member Countries are eager to ensure that the World Summit proceeds in a fair and balanced manner, which is beneficial to mankind as a whole — and not just a partial, dominant segment of mankind. We recognise the need to ensure that the developing world participates as fully as possible in these crucial talks. This may be the best opportunity they have, for many years to come, to cater for the future welfare of their populations in a meaningful, effective and sustainable manner.

The World Summit — as well as other important topics and challenges, such as the World Trade Organization, the Kyoto Protocol and consumer/producer dialogue — is on the agenda of the OPEC's Third Informal Brainstorming Session. This is an internal meeting which will be held at the Secretariat immediately after this Conference. We are confident that this will be a fruitful exercise and that the deliberations will reveal some valuable insights on major issues of concern to our Organization at the present time.

Excellencies, ladies and gentlemen,

Let me now conclude these opening remarks, so that we can proceed with today's Meeting.

Thank you for your attention.

120th (Extraordinary) Meeting of the OPEC Conference

Vienna, Austria

26 June 2002

The 120th (Extraordinary) Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) convened in Vienna, Austria, on 26 June 2002, under the Chairmanship of its President, HE Dr. Rilwanu Lukman, Presidential Adviser on Petroleum & Energy of Nigeria and Head of its Delegation.

The Conference extended its deepest condolences to the Government and people of the Islamic Republic of Iran for the terrible loss they have suffered as a consequence of the disastrous earthquake that struck the country last week.

The Conference considered the report of the Ministerial Monitoring Sub-Committee, and thanked the Sub-Committee Members for their continuous endeavours on behalf of the Organization.

Having reviewed the oil market situation as well as supply/demand prospects for the second half of the year, the Conference noted that OPEC reduction measures during 2001 and 2002, supported by similar measures from some non-OPEC producers over the first half of the year, had restored relative market balance, but observed that the relative strength in current market prices is partially a reflection of the prevailing political situation rather than solely the consequence of market fundamentals.

In light of the foregoing, and the doubts regarding the strength of the world economic recovery, coupled with uncertainty as to the modest demand growth for the year and the current comfortable stock levels, the Conference decided to maintain the current agreed production levels until the end of September 2002. Market conditions will, however, continue to be carefully monitored and the Conference reiterated its commitment to take any further measures, when deemed necessary, to maintain market stability.

The Conference repeated its call on other oil producers/exporters to continue to co-operate with OPEC in its endeavours to minimize price volatility and maintain market stability in the interests of producers and consumers.

The Conference expressed its satisfaction at the outcome of the Senior Experts' Working Group of OPEC and invited non-OPEC producers, held on 20 June 2002, the second in an ongoing series of experts' meetings aimed at enhancing effective co-operation between OPEC and non-OPEC producing/exporting countries.

The Conference decided to appoint HE Alvaro Silva Calderon of Venezuela as Secretary General of the Organization with effect from 1 July 2002 until 31 December 2003. The Conference expressed its deepest appreciation of the services rendered to the Organization by the outgoing Secretary General, HE Dr. Alí Rodríguez Araque, and wished him well in his new position of President of Petróleos de Venezuela SA.

The Conference confirmed the date of 18 September 2002 for its 121st (Ordinary) Meeting.

The Conference expressed its appreciation to the Government of the Federal Republic of Austria and the authorities of the City of Vienna for their warm hospitality and the excellent arrangements made for the Meeting.

OIL MARKET HIGHLIGHTS

- World GDP is forecast to grow at 2.9% in 2002, which remains unchanged from the June estimate. A slight upward revision is seen in the OECD North America (due to an upward revision in first quarter growth in the USA and a higher forecast for Canada), in the OECD Pacific (S. Korea and New Zealand), as well as a further improvement in the outlook for the Asia Pacific (specifically Thailand, the Philippines and Singapore), while Latin American prospects have worsened further (Argentina, Columbia, Ecuador, and Uruguay).

- An increasing dichotomy is emerging between the real economy in the US, which is still expanding at a moderate but respectable pace, and the financial markets, specifically the stock market and the dollar, where loss of confidence prevails. The uncertainties in growth prospects for the second half of the year in the US and elsewhere, centre on the relationship between the two. Of specific interest is the response of US consumers, because of the wealth effect and the general loss of confidence in corporate America.

- In Japan, industrial production and the latest Tankan business sentiment survey point to improvement in economic prospects, but the fragility of the recovery has increased with the rising yen and falling of stock prices.

- In the Euro-zone, despite some softening of economic conditions in the second quarter, especially in Germany, the European Commission expects Euro-zone expansion to gather steam in the third quarter.

- The monthly average price of OPEC's Reference Basket fell for the second consecutive month in June, losing nearly 4 per cent, or $ 0.96 /b, to average $ 23.80/b. The Basket made several turns during the month starting with a fall of $0.33/b to average $23.47/b; then it suffered another set-back during the second week shedding $0.50/b, to average $ 22.97/b, a level not seen since March of this year. The Basket then underwent a solid recovery in the second half of the month, gaining almost 5 per cent during the third week and a further 2.5 per cent in the last week. The rising trend extended to the first week of July, with the Basket gaining $0.40/b. Nonetheless, it retreated during the second week, losing $0.22/b to average $24.85/b.

- The resilience to crude price losses switched from the heavy end of the barrel (fuel oil in all three markets) to the gasoline markets in the Atlantic Basin, driven essentially by robust US demand. As a result, refining margins in the US Gulf retained their good profits, while they recovered modestly in Europe, paving the way for rising refinery throughput in both markets.

- OPEC area spot-chartering declined by 3.12 mb/d to a monthly average of 10.12 mb/d in June. VLCC freight rates out of the Middle East slowed down amid limited tanker demand and reduced fixture volumes. Suezmax freight rates improved on sufficient cargoes, while the Aframax market reversed the upward trend of the previous two months, displaying signs of slowdown, mainly affecting the freight rates on the Caribbean/US Gulf route.

- The average 2002 demand forecast has been revised down to 76.09 mb/d, representing a 0.30 mb/d increase compared with last year, mostly due to weaker-than-anticipated consumption in the first half of the year. The fact that other industry sources are approaching OPEC's demand forecast supports the caution of our estimation. Based on a preliminary forecast, an average yearly rise of 0.94 mb/d is anticipated for the year 2003.

- OPEC crude oil production, as reported by secondary sources, declined to 24.74 mb/d in June. The non-OPEC oil supply forecast for 2002 was revised up to 47.85 mb/d, 1.35 mb/d higher than the downwardly revised 2001 figure which was estimated at 46.50 mb/d. 2003 non-OPEC supply is expected to reach 48.77 mb/d, an increase of 0.92 mb/d from the 2002 forecast. The net FSU export forecast for 2002 was revised up to 5.30 mb/d, while in 2003 exports are expected to increase to 5.65 mb/d.

- The non-OPEC rig count to this increase rose in June by 126 rigs, while OPEC's rig count declined by 6 rigs. The main contributor in non-OPEC to this increase was North America, which rose by 117 rigs (mainly Canada which increased sharply by 91 to 205; also in the USA the rig count rose by 17 to 843).

- In June, commercial onland oil stocks in the USA continued to increase, adding 6.6 mb, or 0.24 mb/d, to 1,031.4 mb. They showed also a marginal build of 2.5 mb/d, or 0.08 mb/d, to 1,065.3 mb in the Eur-16.

HIGHLIGHTS OF THE WORLD ECONOMY

Economic growth rates 2002
%

World	G-7	USA	Japan	Euro-zone
2.9	1.6	2.4	-0.1	1.3

Industrialised countries

United States of America

The real economy continued to expand at a brisk pace, while the financial sector suffered from falling stock prices and a depreciating dollar reflected the loss of confidence in corporate America

The economic recovery is estimated to have decelerated considerably in the second quarter, after the strong 6.1 per cent annualized growth rate in the first quarter. The level of uncertainty concerning the recovery remains high, and although the manufacturing sector's improvement is proceeding at a reasonable pace, the corporate sector is still very hesitant to invest and increase hiring. Moreover, consumer confidence, as measured by the Conference Board's index, fell in June to 106.4, from an upwardly revised reading of 110.3 in May. Nevertheless, many forecasters believe that growth in the second half of the year is poised to accelerate, based on the optimistic assumption that the stock market turbulence and the severe loss of confidence in corporate America, due to the series of accounting scandals, will have minimal effects on the real economy. The dollar's depreciation, if it does not degenerate into panic but proceeds in a controlled and gradual manner, is seen to be beneficial to US exports. With interest rates, and especially mortgage rates, remaining very low, the housing sector continues to expand at a brisk pace. Consumers increased spending in June, with chain-store sales posting a 5.1 per cent increase for the month. Zero-interest financing, reintroduced in June by some auto manufacturers after a drop in car purchases in May, produced effects only on GM sales, while Ford and Chrysler reported drops in June sales from year-earlier levels. Machine tool orders rose in May, for a third straight month, and the key gauge of manufacturing activity, the Institute of Supply Management's (ISM) manufacturing index, rose for the fifth straight month to 56.2 from 55.7 in May. However, the ISM index of non-manufacturing business activity fell to 57.2 in June, from 60.1 in May. A recent survey by the National Association for Business Economics showed that US businesses have become more cautious about hiring and capital spending in the second quarter, a sign that they expect a slower economic recovery. Labour markets remain sluggish. The unemployment rate rose to 5.9 per cent in June, from 5.8 per cent in May. The ISM's non-manufacturing Employment Index fell to 44.3, from 49.5, indicating that jobs are being cut at a faster pace in the services sector.

Japan

More upbeat economic statistics released in Japan but the fragility of the recovery increased with the rising yen and falling stock markets

While economic indicators were generally upbeat, the rising yen and rapidly falling share prices have increased doubts about the prospects for a steady economic recovery. Nevertheless, it is expected that the Bank of Japan (BoJ) will declare that the economy has hit bottom due to a recovery in business confidence and a surge in industrial output. The latest "Tankan" business sentiment survey showed that the fledgling recovery remains dependent on exports, making it vulnerable to a rising yen and economic fluctuations overseas. However, it also showed a dramatic surge in confidence among Japan's corporate managers as profits improved. Sentiment among large manufacturers marked a record leap in its first upturn since late 2000. BoJ policymakers feel the Tankan also confirmed that the improvement, led by rebounding overseas demand for Japanese goods, is spreading to laggard non-manufacturers as well. However, given excess plant capacity and the increasing focus on capital spending on overseas operations, major manufacturers, however, still plan to cut capital spending by an average 8.9 per cent this fiscal year. Meanwhile, industrial production soared 3.9 per cent in May, the fourth straight monthly rise and the biggest increase in almost 10 years. However, there is some evidence that it slowed down again in June. Moreover, the Cabinet Office's monthly consumer confidence survey for June proved surprisingly weak. The confidence index, which rose in the preceding three months, fell by 0.4 per cent month-on-month (m-o-m) in June, on less overtime payments and expectations of smaller Summer bonuses. The unemployment rate increased to 5.4 per cent in May and payrolls also dropped. However, the job offers/applicants ratio moved up as employment offers continued to rise. In May, machine orders, excluding shippers, power utilities and the government, rose unexpectedly by 0.2 per cent from April, when they had climbed 8.4 per cent, marking the first consecutive increase in almost two years. However, from year ago figures, orders fell 16.6 per cent, representing the 12th straight decline.

Euro-zone

Despite some softening of economic conditions in the second quarter, especially in Germany and France, the EC expects euro-zone expansion to gather steam in the third quarter

Growth in the second quarter is showing only gradual improvement, with Germany remaining the weak spot in the region. However, the EC expects a significant acceleration in GDP growth in the third quarter to around 0.7 per cent – 1.0 per cent. The international environment and monetary conditions are seen to be gradually improving, compensating for the weakness in domestic demand primarily due to rising unemployment. A sign of sluggish consumer demand in June was the observed drop of 8 per cent in car sales in Europe. With inflation falling, the European Central Bank has signalled it would not raise interest rates soon, given the slow recovery pace and the euro appreciation (up 11 per cent this year against the dollar), which may harm exports, the main driving force behind growth in the first quarter. In Germany, the Ifo business survey index unexpectedly declined to 91.3 in June, from 91.6 in May and unemployment climbed to its highest level in almost three years. Moreover, industrial production fell by a seasonally adjusted 1.3 per cent monthly rate in May, after a 0.2 per cent dip in April. However, the May industrial output figures have been affected by a series of industrial strikes. A rebound was expected for June, based on strong new orders data over the previous two months. In France, consumer confidence fell in June as the unemployment rate held steady at an 18-month high. Moreover, the French government expects its 2002 deficit to widen sharply from last year's level of 1.4 per cent of GDP to around 2.6 per cent due to slower economic growth, as well as a mix of lower taxes and higher spending. The deficit is approaching the 3 per cent ceiling set under the EU's stability and growth pact, which, if breached, could trigger EU sanctions. However, an expected acceleration of GDP growth from about 1.5 per cent annual rate in the first quarter, to 2.5 per cent in the second half of the year and to 3 per cent next year could help achieve a balanced budget by 2004.

Former Soviet Union

Estimated 3.7 per cent GDP growth in 2002 expected to rise to 3.9 per cent in 2003

The third quarter 2002 could mark a record in oil exports since the Soviet era as the Russian government has approved a schedule under which non CIS deliveries will rise to 3.03 mb/d, achieving a 10 per cent rise over the third quarter of 2001. It is said that actual third quarter 2002 exports to non CIS could surpass the scheduled rate by at least 0.16 mb/d. Exports to the CIS are estimated at 0.70 mb/d, indicating a significant rise compared to the previous year's performance. The Russian economy was seen to contract during the latter part of 2001 and earlier this year. However, the economy is now picking up thanks to increasing investment and a gradually rising oil revenue. But the country's growth rate is anticipated to slowdown later this year. The overall average 2002 annual growth rate is estimated at around 3.7 per cent, advancing to 3.9 per cent in 2003. Successively higher growth rates are possible, provided the government is successful in accelerating structural reforms and improving the business environment. This year, the inflation rate is estimated to average around 16 per cent with a chance to drop to about 14 per cent in 2003. An estimated $30 bn current account in 2002 is expected to drop to $24 bn in 2003. The resulting inflow of hard currency is expected to contribute to a steady expansion of the money supply. The year 2002 fiscal surplus is estimated at around 1.5 per cent of GDP, declining to around 1 per cent of GDP in 2003.

Eastern Europe

Mounting inflationary pressures in Hungary, stagnating growth in Poland and falling inflation in the Czech Republic due to the strong koruna

Hungary's industrial output in May rose a preliminary 0.6 per cent from April and fell 0.7 per cent year-on-year (y-o-y), indicating a continued stagnation in output observed over the past year and a half. On the other hand, retail sales growth weakened but remained on a steep upward trend rising by 11 per cent y-o-y in April after a 17.2 per cent rise in March. The National Bank of Hungary left interest rates unchanged in June, but increases are expected soon, given the persisting inflationary risks from the widening fiscal deficit and personal income growth. A 50 per cent wage hike for most public sector employees from 1 September may feed inflation in the fourth quarter, possibly causing it to exceed the limit of the government's year-end inflation target range of 3.5 per cent-5.5 per cent. So far this year, the recovery in Poland has been slow and uneven, following a meagre 1 per cent growth last year. The current account deficit narrowed in May to $485 mn, from $643 mn in April, but is still hovering around 4 per cent of GDP, while the trade deficit was also smaller than expected due to stronger exports and weaker imports. The National Bank of Poland cut its key intervention rate by another 50bp to 8.5 per cent to stimulate growth and lower its year-end inflation target from the original 4-6 per cent to 2-4 per cent, indicating progress on the inflation front. The Czech unemployment rate rose to 8.7 per cent in June, from 8.6 per cent in May. The ongoing appreciation of the Czech koruna helped push June consumer inflation down to 1.2 per cent y-o-y from 2.5 per cent in May, its lowest rate since September 1999.

OPEC MC's GDP growth is eyeing the OECD's economic recovery

OPEC Member Countries

The economic growth of OPEC Member Countries, despite a slight upward revision to 2.5 per cent, will be still less than last year's figure of 3.1 per cent. This revision stems from various factors, such as: the anticipated impact of the expansionary 2002 budgets, a recovery in the agricultural sector, and the anticipation of recovery in oil demand from major consumers in OECD countries. On the other hand, the continuing relaxation of import restrictions in some Member Countries should improve the availability of imported capital and intermediate goods, supporting growth in the non-oil economy. Supplying the domestic markets with additional production could encourage non-oil exports. Increasing NGL and LNG exports will also help this trend. Furthermore, the rise in domestic demand that resulted from economic diversification plus relatively improved oil prices contributed to the overall improvement of the economies in Member Countries.

Good performance in North and South Asia, a probable gloomy outlook in Latin America, and new efforts through (NEPAD) to develop Africa

Developing countries

Asia is expected to grow this year by 4.9 per cent, which is expected to be higher than in the other emerging regions, mainly because of the strong performance in North and South Asia. The overall economic growth of China is well sustained, basically by strong investment expenditure. Furthermore, capital expenditure in the public sector is anticipated to grow strongly throughout the remainder of the year and most probably over the coming two years as well. Over and above, Foreign Direct Investment (FDI) picked up by 29 per cent y-o-y in the first four months of the year, totalling $50 bn in 2002 as a whole, and is expected to climb to $55 bn next year. China's real GDP growth rate is expected at 7.3 per cent for this year, which is lower than officially claimed. In June, the Economic Commission for Latin America and the Caribbean (ECLA) has downgraded its forecast for the regional GDP growth rate in 2002 from 0.5 per cent to 0 per cent, warning that the outlook could worsen further if contagion from the Argentinean crisis spreads. The Sub-Saharan real GDP growth rate is expected to pick up from 3.1 per cent in 2001 to 3.4 per cent this year, although for some countries this would simply reflect a recoil from a war, or drought induced recession.

Real prices fell by almost 7 per cent as continued dollar weakness compounded another loss in nominal oil prices

Oil price, US dollar and inflation

The US dollar fell further against all the currencies in the modified Geneva I + US $ basket* in June. The yen appreciated by 2.36 per cent to ¥123.56/$ from ¥126.54/$ in May, while the dollar fell by 4.15 per cent against the euro, averaging $0.9551/€ from $0.9170/€ in May.

Amidst deepening investor gloom and rising geopolitical tension, the dollar moved further down against major currencies, reaching nine-month lows versus the yen and a 28-month trough registered against the euro towards the end of the month. The downward trend accelerated particularly after telecommunications giant WorldCom unveiled a major accounting scandal, further reducing the already diminished confidence in corporate America and prompting foreign investors to withdraw their funds from US assets. The dollar was also relatively immune to positive US economic data, such as the stronger-than-expected US first quarter GDP data, revised upwards to 6.1 per cent, and the continued strong performance in the housing sector, while it came under increasing pressure as the issue of financing the huge current account deficit moved centre-stage. Overseas investors bought just $66.6 billion in US stocks and bonds in the first quarter, down 33 per cent from a revised $100.5 billion in the fourth quarter of last year. The dollar also lost ground against the Swiss franc, a traditional safe-haven, and the pound sterling. The euro came very close to parity towards the end of the month, finishing at $0.9975 while the yen rose to ¥119.45 on June 28, despite intervention by the BoJ to dampen the Japanese currency's ascent.

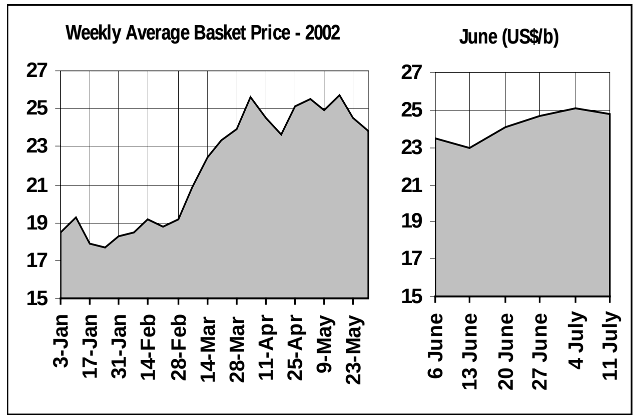
In June, the OPEC Reference Basket fell by $0.96/b, or 3.88 per cent, to $23.80/b from $24.76/b in May. In real terms (base July 1990=100), after accounting for inflation and currency fluctuations, the Basket price fell by 6.81 per cent to $21.12/b from $22.67/b, as the dollar depreciated for the fourth consecutive month, deepening the loss in the nominal oil price. The dollar fell by 2.72 per cent, as measured by the import-weighted modified Geneva I + US dollar basket, while inflation was estimated at 0.34 per cent in June.

* *The 'modified Geneva I + US $ basket' includes the euro, the Japanese yen, the US dollar, the pound sterling and the Swiss franc, weighted according to the merchandise imports of OPEC Member Countries from the countries in the basket.*

CRUDE OIL PRICE MOVEMENTS

OPEC's Reference Basket declined by $0.96/b to $23.80/b in June

The monthly average price of OPEC's Reference Basket fell for the second consecutive month in June, losing nearly 4 per cent, or $ 0.96 /b, to average $ 23.80/b. On a year-on-year basis, the Basket lost $2.30/b, or almost 9 per cent with respect to June 2001. The yearly average to date revealed an even gloomier picture. The cumulative average for the first half of 2002 (end of June) shows a decline of more than 11 per cent with respect to the same period last year. In dollar-per-barrels terms, the Basket lost $2.83/b in the January-June 2002 period when compared with the first half of last year.



The Basket made several turns during the month starting with a fall of $0.33/b to average $23.47/b; then it suffered another set-back during the second week shedding $0.50/b, to average $ 22.97/b, a level not seen since March of this year. The Basket then underwent a solid recovery in the second half of the month, gaining almost 5 per cent during the third week and a further 2.5 per cent in the last week. The rising trend extended to the first week of July, with the Basket gaining $0.40/b. Nonetheless, it retreated during the second week, losing $0.22/b to average $24.85/b. Disaggregating the Reference Basket into its seven components, we find that all the crudes registered losses, with Mexico's Isthmus leading the decline, while Venezuela's Tia Juana Light posted the smallest loss.

Atlantic Basin benchmark crude oil prices weakened during the first half of June, with Dated Brent retreating to levels not seen since end-February this year; while WTI hit a three-month low in the second week of the month. The Atlantic Basin markets then underwent a recovery that extended for three consecutive weeks into the first week of July, only to retreat again during the second week of the month.

International oil markets came under pressure at the beginning of June on news that Russia had begun to raise output, signalling that it would abandon its agreement beyond June on export restraint with OPEC. Inventory figures released by both the API and the EIA, showing large rises in crude oil and distillate stocks, gave more impetus to the bear to bring the market further down. Meanwhile, preliminary figures showed that OPEC–10 production had risen in May, with respect to April.

Crude prices weakened in first half of the month due to perception of well supplied markets, rising inventoires in the USA and lower OPEC-10 compliance

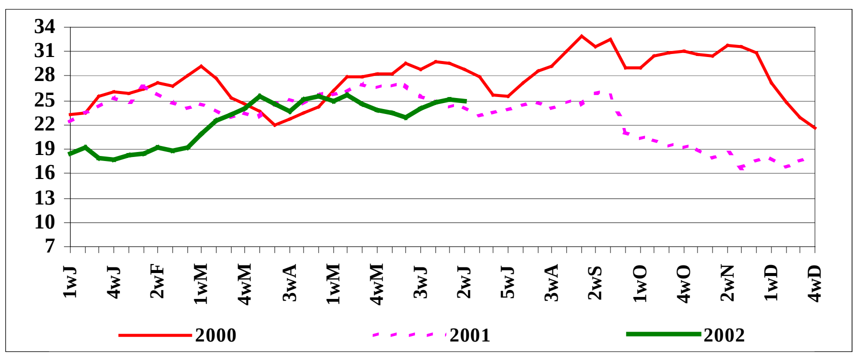
Crude prices continued to weaken throughout the second week, carrying over the falling trend from the previous week. The prevailing market psychology remained bearish on the back of a perceived well supplied market, the considerable rise in US crude oil inventories reported in the previous week, news that OPEC–10 production was on the rise, and continued to exceed the present-agreed output level, and speculation that the Organization would leave output levels unchanged in the forthcoming June Meeting, until at least the end of the third quarter. Markets focused their attention on the seasonally sensitive gasoline figures. According to the API, gasoline stocks remained marginally higher, by 1 mb, on a year-on-year basis, while refinery output was down, both compared with the previous week as well as last year. Meanwhile, the Asian markets, especially for sour grades, were showing signs of imbalances between supply and demand. These markets were under pressure from rising supply, in part due to arbitrage movements, while demand remained subdued. The narrowing of the Brent/Dubai spread induced the flow of Brent related cargoes to the region.

Markets underwent a recovery in the third week of June that extended to the beginning of July

Crude markets changed direction and began to recover from the dip of the last few weeks, consolidating the upward move, underpinned by the relative bullish outlook of the US gasoline market. Earlier in the week, prices found support in the pronounced decline in Iraq's exports as a result of the ongoing dispute with the UN over the retroactive pricing scheme. However, market's sentiment turned bearish ahead of the release of the weekly industry stock figures. The API report showed mixed developments – builds in crude oil and distillate stocks, while seasonably sensitive gasoline inventories were down by almost half a million barrels year-on-year. The report also showed a draw of 3.34 m/b with respect to the same period last year. Crude prices firmed towards the end of the week, supported by the escalation of violence in the Middle East. However, the gains of the previous days were capped when the Norwegian Minister of Petroleum and Energy said that his country would abandon the production restraint agreement by the end of June.

Expectedly, during the last week of June, market's attention was focused on OPEC's Extraordinary Ministerial Conference. Crude prices started the week on a firm note, with major benchmarks settling with hefty gains as markets became concerned about the rising violence in the Middle East, and in the absence of other relevant market-moving news. Analysts' expectations that OPEC would leave output cuts unchanged during the forthcoming Ministerial Meeting, albeit widely expected, lent additional support to the market. The price rise was capped by comments made by Russia's Deputy Minister of Energy regarding higher export levels. The weekly API stock report showed a mixed picture, with crude inventories falling considerably while seasonal sensitive gasoline stocks were higher by 1.49 mb. For the remainder of the week, crude prices climbed slowly in the absence of any relevant market-moving news. Modest gains were realized towards the end of the week due to some book squaring ahead of the long 4 July holiday in the USA.

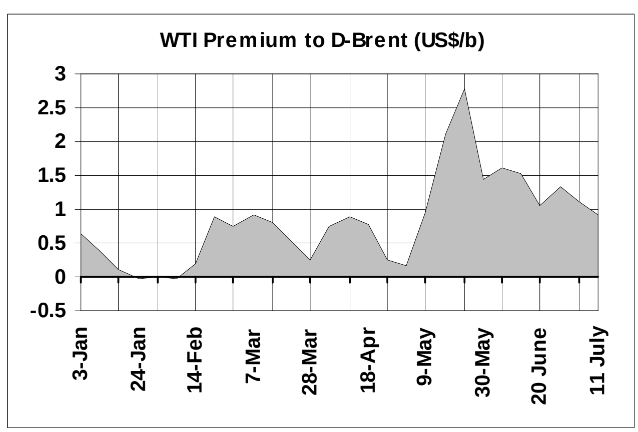
Graph 1
OPEC Reference Basket – weekly spot crude prices
US $/b



US and European Markets

The narrowing of the Brent-Dubai spread prompted the eastbound movement of Urals and Weat African crudes, depriving the US market from its usual supply

Brent's small premium to the Far East benchmark Dubai kept the arbitrage of West African and Russian crudes wide open. The arbitrage to Asia, which was compounded by the deficit in fuel oil, resulted in the move of some 7 million barrels of West African crudes and some 2 mb of Urals to the region. Asia Pacific demand deprived the US Gulf market from its usual imports. It is not surprising to see, according to the API weekly statistics, that crude oil imports fell to 8.49 mb/d in the first week of June and to 8.40 mb/d during the second week. The more positive gasoline demand outlook in the



USA and the continued decline in stocks contributed to the strengthening in WTI. This opened WTI's premium against Dated Brent, which resulted in the westbound movement of European grades. Crude imports rose by more than 1 mb/d in the third week and stood at 9.48 mb/d and strengthened further during the last week. Improved refining margins, tightened availability as many cargoes moved east (Asia), as well as west (US Gulf and East Coast) during the second part of the month, and renewed demand by European refiners pushed prices of sweet North Sea grades above dated Brent for the first time since the beginning of the year.

Far East Market

The arrival of Urals and West African crudes exerted prsssure on sour Middle East grades

The sale of West African crudes to the Asia-Pacific weakened Middle Eastern grades. Regional Asian refiners were also engaged in acquiring Russian Urals which further dampened interest in Middle Eastern sour grades for August. Around 2 mb of the early June loading of Urals went to Asia, amid the exceptionally narrow Brent premium to Dubai. Perceptions that the unusually small Brent/Dubai spread would widen kept sentiment over the regional medium sour benchmark Oman firm, and brought a premium to its official price. Nonetheless, towards the last week of June, Oman's differential to the official selling price sank as regional key end users started to cut refinery runs of sour grades. The exclusion of Oman in the Taiwanese and Indian buying tender provided another blow to the benchmark. Adding to the already depressed picture was the fact that China and South Korea, usually two regional key buyers, emerged to resell part of their term supplies of Oman crude.

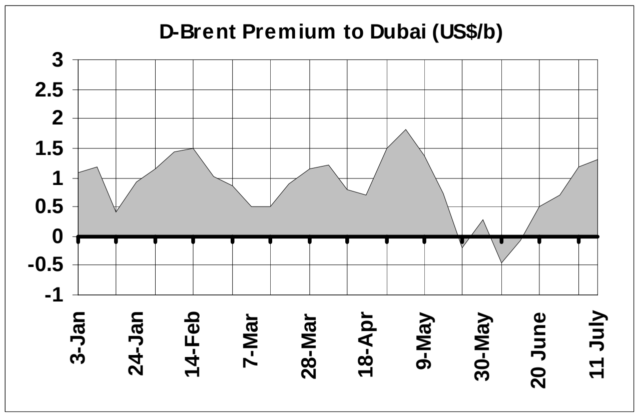


Table 1
Monthly average spot quotations for OPEC's Reference Basket and selected crudes
US $/b

			Year-to-date average	
	May-02	**June02**	2001	**2002**
Reference Basket	**24.76**	**23.80**	**25.00**	**22.17**
Arabian Light	25.33	**24.42**	24.48	22.66
Dubai	24.77	**23.87**	24.36	22.23
Bonny Light	25.10	**23.98**	26.56	23.07
Saharan Blend	24.77	**23.60**	26.87	22.64
Minas	25.66	**24.60**	26.47	22.76
Tia Juana Light	22.87	**22.54**	22.21	19.94
Isthmus	24.80	**23.57**	24.02	21.90
Other crudes				
Brent	25.31	**24.04**	26.54	23.05
WTI	27.13	**25.42**	28.36	23.86
Differentials				
WTI/Brent	1.82	1.38	1.82	0.81
Brent/Dubai	0.54	0.17	2.18	0.82

PRODUCT MARKETS AND REFINERY OPERATIONS

The resilience to crude price losses switched from the heavy end of the barrel (fuel oil in all three markets) to the gasoline markets in the Atlantic Basin, driven essentially by robust US demand. As a result, refining margins in the US Gulf retained their good profits, while they recovered modestly in Europe, paving the way for rising refinery throughput in both markets.

US Gulf market

In contrast to the middle and heavy ends of the barrel, the gasoline price was resilient to the crude price loss in the US market in June; refining margins rebounded, and hence the refinery utilization rate soared to 94.7 per cent

Product price losses took their lead from global falls in crude prices in June, with particular severity noted for WTI's value compared to the other marker crudes. The gasoline price, however, was slightly affected, dropping only by $0.17/b in the US Gulf Coast, while rising by $0.61/b in the US East Coast. These price moves were driven, more than anything else, by the resurgence in gasoline demand which approached nearly 9 mb/d, or about 2.1 per cent higher than the previous month's level, according to the four-week moving average. The rise in demand helped balance the gasoline market that was characterized by sharp increases in gasoline imports, as well as a further rise in refinery throughput. Distillate demand showed signs of recovery, particularly in the transportation sector. But this recovery failed to alleviate the fall in the gasoil price, which plunged by $0.79/b, amid the prevailing and more than sufficient distillate stocks that offset both dwindling refinery supply, due to their operation modes in enhancing the production of gasoline at the expense of gasoil, as well as lower import flows. The fuel oil price declined by $0.57/b, as its market became better supplied for the first time this year, owing to a number of factors. The first was the arrival of large volumes of Latin American fuel oil cargoes. The second was the restoration of crude runs on improving refining margins instead of feedstocks, and, finally, hefty crude price losses. These factors outpaced the healthy demand by the asphalt industry and sporadic arbitrage opportunities to the Asian market.

Refining margins in the US Gulf were volatile, largely reflecting the rise and fall in the gasoline price, in addition to crude market developments. Refining margins improved steadily during most of June, with the exception of the last week, when they fell to around breakeven point. On a monthly basis, however, refining margins rebounded after last month's negative levels.

US refinery throughput rose further by 0.28 mb/d to 15.68 mb/d in June, induced by improved margins. The corresponding utilization rate of 94.7 per cent indicated the highest US refinery throughput since last August.

Rotterdam market

The European gasoline price also firmed in June, while other products lost by different magnitudes; refining margins continued to recover, pushing the utilization rate to 85.7 per cent

In June, gasoline firmed on the back of the prevailing transatlantic arbitrage to the US East Coast, combined with tightened supply due to continuous problems at key refineries in the Rotterdam area. The lower availability of Russian distillate products, which were diverted to the Asian market, coupled with satisfying increased domestic demand, resulted in a less supplied market. This mitigated the impact of sizeable crude price losses on distillate product values and, hence, restricted the gasoil price loss to $0.57/b. The fuel oil price plummeted by $1.08/b, in line with fewer shipments to Asian markets, together with a smaller refinery intake for feedstocks, although fuel oil fundamentals were still characterized by tight supply that originated from OPEC's restrained sour crude production.

A moderate loss of the gasoil price (i.e. the main European refined product), combined with the sharp decrease in the price of Brent, failed again to drive refining margins out of their negative territory, despite their continued recovery.

Prompted by rising earnings, refinery throughput in the Eur-16 countries moved higher by 0.44 mb/d to hover at 11.70 mb/d. The equivalent utilization rate was 85.7per cent, representing 3.2per cent and 1.7per cent increases compared with the levels in both the preceding month and last year respectively.

Product price losses were largely driven by crude price decreases in Singapore in June, amid sagging demand

Singapore market

The lack of considerable demand for light and distillate products was extended to include fuel oil in June, leaving product prices to fall in tandem with crude price losses. The gasoline price plunged by $1.19/b, amid abundant supply that originated largely in heavy exports from China as well as the giant Reliance refinery in India. A buying spree for distillates by a local trader, which attracted many Russian, European and Middle Eastern cargoes, together with the prevailing reduced regional refinery throughput, was not sufficient to lend support to the gasoil price, which dropped by $0.90/b, as the distillate market was well supplied as the month progressed. After their large buying in May, regional key buyers of fuel oil were absent from the market in June causing the fuel oil price to plummet by $1.00/b. Despite this, fuel oil market fundamentals remained bullish, due to sustainable tight supply, with the fuel oil stock level at 7.6 mb, representing its lowest level in six months.

Dubai's refining margins continued to oscillate around the break-even point throughout June, as both crude and product prices had fallen by almost the same magnitude.

As the annual maintenance programmes continued in May, refinery throughput in Japan fell further by $0.38/b to register 3.53 mb/d, representing a 73.9 per cent utilization rate, which was marginally above last year's level.

Table 2
Refined product prices
US $/b

		Apr02	May02	**June02**	**Change June/May**
US Gulf					
Regular gasoline	*(unleaded)*	33.01	31.37	**31.20**	–0.17
Gasoil	*(0.2%S)*	27.16	27.05	**26.26**	–0.79
Fuel oil	*(3.0%S)*	21.93	21.95 R	**21.38**	–0.57
Rotterdam					
Premium gasoline	*(unleaded)*	30.14	28.94 R	**29.02**	+0.08
Gasoil	*(0.2%S)*	26.53	26.54 R	**25.97**	–0.57
Fuel oil	*(3.5%S)*	20.01	21.02 R	**19.94**	–1.08
Singapore					
Premium gasoline	*(unleaded)*	30.11	29.73	**28.54**	–1.19
Gasoil	*(0.5%S)*	27.62	28.72	**27.82**	–0.90
Fuel oil	*(380 cst)*	21.75	22.99	**21.99**	–-1.00

Table 3
Refinery operations in selected OECD countries

	Refinery throughput *mb/d*			**Refinery utilization*** *%*		
	Apr02	May02	**June02**	Apr02	May02	**June02**
USA	15.31	15.39	**15.68**	92.4	92.9	**94.7**
France	1.53	1.65 R	**1.65**	80.8	86.9	**87.3**
Germany	2.14	2.02 R	**2.08**	94.8	89.6 R	**92.1**
Italy	1.68	1.46 R	**1.77**	73.6	64.0 R	**77.8**
UK	1.58 R	1.52	**1.53**	88.7 R	85.1	**85.9**
Eur-16**	11.39 R	11.26 R	**11.70**	83.4 R	82.5 R	**85.7**
Japan	3.91	3.53	**n.a.**	81.6	73.9	**n.a.**

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

THE OIL FUTURES MARKET

Uncertainty and lack of interest prevailed over the futures market

The futures market of WTI went through a continuous downward trend in the first half of June. Market participants lacked interest while news failed to give the market any direction. High volatility in the energy and stock markets and the dollar exchange rates were further reasons for players to take sidelines. The downward pressure came from comfortable product inventories in the USA, especially gasoline stocks, which resulted from record levels of imports. High imports were also associated with crude, the level of which stood at 9.6 mb/d, causing crude stocks to rise by over 6 mb. The sources of extra supply were thought to be from Brent, Venezuela, and leakage from OPEC and non-OPEC exporters.

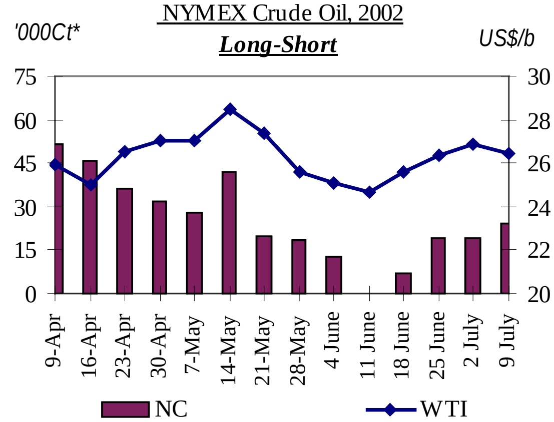
In tandem with the downward trend, a weakening in the front month of the futures curve developed, causing it to slide into a contango. This came despite data showing that US demand in June was slightly above that of last year and the continued tension in the Middle East. News that Iraq might change its pricing policy, which led to the speculation of increased Iraqi oil flows, also contributed to the downward trend.

The market, however, changed direction in the second half of the month, and a rally was triggered by a 2.6 mb/d draw on US crude oil stocks. The draw was controversial in light of the cuts of refinery runs announced by Valero, Vitol and Orion. But the US Department of Energy (DOE) attributed the decline to the lower level of imports, which was down to 8.9 mb/d. The rally was entrenched as prices rose by $1/b in a day's trade in the third week of the month on the back of an outage of a Conoco refinery. This attracted good fund, paper and trade buying, thereby changing the shape of the forward curve into backwardation again. The rally received further support from short-covering and WTI rose to $26.09/b. But a price rise of over $2/b in three days would not be explained by the above factors alone. Rather, the steep reduction in the long positions of non-commercials from 12,528 to only 214 attracted buying again. But the market lost direction and was confused by the contradictory data announced by the API and the DOE. While the first showed a 2.5 mb build in crude oil stocks, the second indicated a 0.5 mb draw on these stocks. Contradictions were also shown in import figures, with the first putting it at 8.4m b/d while the latter reporting it at 9.4 mb/d. The market's confusion was reflected in the flipping of the structure between contango and backwardation. The market was also baffled by the deep contango structure that developed at a time when PADD II (US Midwest) stocks were at a low level (62 mb) and as to why crude was not moving from the Gulf Coast to the Midlands. One possible explanation of these distortions was the lack of interest in the market, as was reflected in the open interest numbers which reached lows not seen since February.

Graph 2

Futures Commitment of Traders Report: NYMEX Crude Oil, 2002

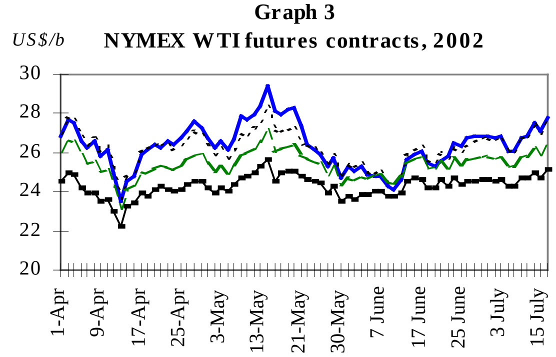
Long-Short



NC = Non-Commercial: funds, investments and banks.
Ct = * Each contract is 1,000 barrels.

Graph 3

NYMEX WTI futures contracts, 2002



News about Russia increasing its output after June did not excite the market as it was widely known that they never adhered to their production restraints and the rumour that Venezuela would increase its production by 400,000 b/d were not taken seriously. However, the market strength came from the uncertainty over whether OPEC would increase production in the fourth quarter, implying a tighter market condition.

THE TANKER MARKET

OPEC area spot-chartering declined by 3.12 mb/d in June

OPEC area spot-chartering declined by 3.12 mb/d to a monthly average of 10.12 mb/d in June, due to weaker oil market fundamentals. Moreover, the current level of OPEC fixtures remained at a deficit of 1.17 mb/d, when compared with the corresponding period last year. Meanwhile, non-OPEC spot-chartering decreased slightly, by only 0.11 mb/d, to a monthly average of 10.12 mb/d, which nevertheless increased its market share in June to about 50 per cent. Global spot fixtures moved down by 3.23 mb/d to 20.24 mb/d, mainly attributed to the reduction of OPEC fixtures. Compared with the same month in 2001, global chartering for June was 0.32 mb/d lower. As a consequence, OPEC area's share of global spot chartering declined significantly, by 6.41 percentage points to about 50 per cent, and this level was 4.89 percentage points below the previous year's share. Spot fixtures from the Middle East on the eastbound, and westbound, long-haul routes edged lower in June by 1.68 mb/d, to 3.05 mb/d, and by 1.29 mb/d, to 1.08 mb/d, respectively. Thus, OPEC's Middle East eastbound share of total fixtures declined by 5.60 percentage points to 30.19 per cent, while the share of westbound chartering worsened by 7.24 percentage points to 10.70 per cent. Together, they accounted for 40.89 per cent of total chartering in the OPEC area, which was 12.84 percentage points below the previous month's level. According to preliminary estimates, sailings from the OPEC area improved slightly, by 0.16 mb/d, to a monthly average of 20.65 mb/d. Sailings from the Middle East also improved by 0.18 mb/d, to a monthly average of 13.63 mb/d, which accounted for 66 per cent of total OPEC sailings. However, preliminary estimates of arrivals in the US Gulf Coast, the US East Coast and the Caribbean reversed the previous month's trends as they declined by 0.74 mb/d to a monthly average of 8.54 mb/d. Similarly, arrivals in the Euromed declined by 0.39 mb/d to 5.08 mb/d, while arrivals in North-West Europe increased by 0.15 mb/d to 6.47 mb/d. The estimated oil-at-sea on 30 June was 442 mb, which was 7 mb above the level observed at the end of last month.

Freight rates improved for Suezmax tankers, while they worsened for all other types of tankers in June

VLCC freight rates in the Middle East slowed down in June, after considerable improvement was witnessed last month, due to a limited demand for tankers and reduced fixture volumes. Charterers were concerned about tensions in the market and started to hold back fixtures, waiting for more tonnage to arrive to balance the market. Freight rates, therefore, underwent a marked correction after soaring from a low of WS28 to about WS66 during the previous month. Hence, the monthly average VLCC freight rates on the Middle East eastbound and westbound long-haul routes plunged by 19 points to WS34, and by eight points to WS37, respectively. However, on the routes across the Atlantic, the Suezmax market was active with sufficient cargoes, but tonnage availability and VLCC competition prevented large rate movements. The monthly average freight rates for Suezmax voyages from West Africa and from North-West Europe to US destinations improved by nine points to WS75, and by seven points to WS74, respectively. Meanwhile, the short-haul Aframax market reversed the upward trend in the past two months and showed a sign of slowdown with the biggest drop in freight rates occurring along the route from the Caribbean to the US Gulf Coast, as they plummeted by 44 points to WS113. The rates declined moderately on the routes across the Mediterranean, and from the Mediterranean to North-West Europe, by four points to WS152. and by six points to WS140 respectively. Freight rates for 70–100,00 dwt tankers on the route from Indonesia to the US West Coast softened by two points to WS89.

Clean tanker freight rates showed different trends in June

The clean product tanker market displayed different trends during June, as freight rates and activity improved for voyages to Far East destinations, while they worsened along all other major trading routes. Freight rates on the Middle East/Far East route continued to progress for the third consecutive month, as they gained another six points to WS160, while on the route from Singapore to Japan, they surged by 29 points to WS193. Meanwhile, freight rates slowed down for the smaller clean tankers heading to US destinations, as they dropped by 16 points to WS184 on the Caribbean/US Gulf Coast route, while they decreased by 14 points to WS178 on the route from North-West Europe to the US East Coast, undermined by weakened arbitrage opportunities. In the Mediterranean, the product tanker market weakened and freight rates plunged significantly by 39 points to WS173 on the route across the Mediterranean, while they decreased by 17 points to WS205 on the route from the Mediterranean to North-West Europe.

Table 4
Spot tanker chartering – sailings and arrivals
mb/d

	Apr02	May02	**Jun02**	**Change Jun/May**
Chartering				
All areas	21.29	23.47	**20.24**	–3.23
OPEC	10.58	13.24	**10.12**	–3.12
eastbound	3.98	4.74	**3.05**	–1.68
westbound	1.19	2.37	**1.08**	–1.29
Sailings				
OPEC	28.77	20.49	**20.65**	+0.16
Middle East	19.10	13.45	**13.63**	+0.18
Arrivals				
US Gulf Coast, US East Coast, Caribbean	8.42	9.28	**8.54**	–0.74
North-West Europe	6.22	6.32	**6.47**	+0.15
Euromed	5.08	5.47	**5.08**	–0.39

Source: Oil Movements

Table 5
Spot tanker freight rates
Worldscale

	Size *1,000 dwt*	Apr02	May02	**Jun02**	**Change Jun/May**
Crude					
Middle East/east	200–300	30	53	**34**	–19
Middle East/west	200–300	29	45	**37**	–8
West Africa/US Gulf	100–160	72	66	**75**	+9
North-West Europe/US East Coast	100–160	72	67	**74**	+7
Indonesia/US West Coast	70–100	82	91	**89**	–2
Caribbean/US East Coast	40–70	154	157	**113**	–44
Mediterranean/Mediterranean	40–70	147	156	**152**	–4
Mediterranean/North-West Europe	40–70	140	146	**140**	–6
Product					
Middle East/east	30–50	150	154	**160**	+6
Singapore/east	25–30	169	164	**193**	+29
Caribbean/US Gulf Coast	25–30	192	200	**184**	–16
North-West Europe/US East Coast	25–30	207	192[R]	**178**	–14
Mediterranean/Mediterranean	25–30	180	212	**173**	–39
Mediterranean/North-West Europe	25–30	204	222	**205**	–-17

WORLD OIL DEMAND

Estimates for 2000 and 2001

World

World oil demand forecast for 2001 revised up to 75.79 mb/d

Due to adjustments in historical data, average world oil demand for the year 2000 has been revised down by 0.16 mb/d to 75.66 mb/d, compared with 75.82 mb/d reported in the previous *MOMR*. According to the latest available figures, world oil consumption during 2001 grew by 0.14 mb/d, or 0.18 per cent, to 75.79 mb/d. This latest estimate translates into a downward revision of 0.15 mb/d, compared with the figure presented in the previous *MOMR*. However, due to a similar downward revision of the year 2000 average, the volume and the percentage of change in the 2001 average show very little change. Specifically, for 2001, the latest available data shows that demand grew remarkably in the FSU, by 0.17 mb/d, or 4.53 per cent. While Developing Countries also experienced a moderate demand growth of 0.05 mb/d, or 0.28 per cent, the OECD witnessed a minor decline of 0.08 mb/d, or 0.18 per cent. On a quarterly basis, the 2001 world demand enjoyed healthy growth at 0.78 mb/d, or 1.03 per cent, and 0.71 mb/d, or 0.96 per cent, in the first and second quarters respectively. The third and fourth quarters, however, experienced significant declines of 0.42 mb/d, or 0.55 per cent, and 0.51 mb/d, or 0.66 per cent, respectively, due to the worldwide economic slowdown, the effects of which were accelerated by the tragic events of 11 September. The resulting quarterly averages were 76.53 mb/d, 74.61 mb/d, 75.60 mb/d and 76.43 mb/d respectively.

Table 6
World oil demand in 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 2002/01 Volume	%
North America	23.85	23.67	23.82	24.16	24.02	23.92	0.07	0.27
Western Europe	15.25	15.16	14.58	15.32	15.76	15.21	–0.05	–0.30
OECD Pacific	8.55	9.08	7.90	8.09	8.93	8.50	–0.05	–0.62
Total OECD	**47.66**	**47.91**	**46.30**	**47.57**	**48.71**	**47.62**	**–0.03**	**–0.07**
Other Asia	7.32	7.28	7.35	7.39	7.62	7.41	0.10	1.32
Latin America	4.61	4.50	4.69	4.67	4.56	4.61	0.00	0.00
Middle East	4.48	4.52	4.44	4.71	4.58	4.56	0.08	1.85
Africa	2.37	2.41	2.34	2.37	2.40	2.38	0.01	0.25
Total DCs	**18.78**	**18.71**	**18.83**	**19.14**	**19.16**	**18.96**	**0.19**	**0.99**
FSU	3.93	3.92	3.64	3.82	4.23	3.90	–0.03	–0.77
Other Europe	0.73	0.78	0.73	0.69	0.75	0.74	0.01	1.24
China	4.69	4.83	5.13	4.80	4.71	4.87	0.17	3.69
Total "other regions"	**9.36**	**9.53**	**9.51**	**9.31**	**9.69**	**9.51**	**0.15**	**1.62**
Total world	**75.79**	**76.15**	**74.63**	**76.02**	**77.56**	**76.09**	**0.30**	**0.40**
Previous estimate	75.94	76.15	74.96	76.44	77.78	76.34	0.40	0.53
Revision	–0.15	0.00	–0.33	–0.42	–0.22	–0.24	–0.10	–0.13

Totals may not add, due to independent rounding.

Projections for 2002

World oil demand forecast for 2002 revised down to 76.09 mb/d, increasing by 0.30 mb/d from 2001

For the present year, the projection for world oil demand once again has been revised down, due to weaker than anticipated consumption during the first half of the year. World oil demand is now estimated to rise by 0.30 mb/d, or 0.40 per cent, to average 76.09 mb/d, compared with a 0.40 mb/d, or 0.53 per cent, increment and an average 76.34 mb/d presented in the last *MOMR*.

On a regional basis, demand is projected to decrease moderately by 0.03 mb/d in the OECD, following a significant decline of 0.12 mb/d in 2001. But it is expected to rise sharply by 0.19 mb/d in developing countries, following a much lower growth of 0.07 mb/d in 2001. Former CPEs are expected to witness a consumption growth of 0.15 mb/d, compared with 0.17 mb/d in 2001.

On a quarterly basis, compared with the 2001 figure, world oil demand for 2002 has declined by 0.50 per cent, or 0.38 mb/d, to average 76.15 mb/d in the January–March period. For the rest of the year, demand is projected to rise, accelerating during the second, third and fourth quarters. The anticipated growth rates are 0.02 mb/d, or 0.03 per cent, 0.43 mb/d, or 0.56 per cent, and 1.13 mb/d, or 1.48 per cent, respectively. Comparisons between first- and second-quarter figures of 2001 and 2002 are presented in Table 7. The figures indicate that there has been a 0.38 mb/d drop in the first quarter. Based on estimates of the actual first-quarter consumption, the OECD was solely responsible for this, with a substantial 0.89 mb/d decline, partly offset by 0.12 mb/d and 0.39 mb/d rises in Developing Countries' and Former CPEs' demand. However, a minor recovery of 0.02 mb/d is expected in the second quarter. The growth is forecast to continue in the third and fourth quarters. Details have been presented in Table 8.

Table 7
First- and second-quarter world oil demand comparison for 2002
mb/d

			Change 2002/01				Change 2002/01	
	1Q01	1Q02	Volume	%	2Q01	2Q02	Volume	%
North America	24.19	23.67	–0.51	–2.13	23.70	23.82	0.12	0.52
Western Europe	15.20	15.16	–0.04	–0.28	14.76	14.58	–0.18	–1.22
OECD Pacific	9.42	9.08	–0.33	–3.56	7.98	7.90	–0.08	–0.99
Total OECD	**48.80**	**47.91**	**–0.89**	**–1.83**	**46.43**	**46.30**	**–0.14**	**–0.29**
Other Asia	7.21	7.28	0.07	1.04	7.29	7.35	0.07	0.93
Latin America	4.57	4.50	–0.07	–1.52	4.67	4.69	0.02	0.37
Middle East	4.42	4.52	0.10	2.29	4.37	4.44	0.08	1.73
Africa	2.40	2.41	0.01	0.44	2.35	2.34	–0.01	–0.21
Total DCs	**18.60**	**18.71**	**0.12**	**0.63**	**18.67**	**18.83**	**0.16**	**0.83**
FSU	3.95	3.92	–0.03	–0.80	3.75	3.64	–0.11	–2.88
Other Europe	0.77	0.78	0.01	0.78	0.73	0.73	0.00	0.00
China	4.41	4.83	0.42	9.45	5.02	5.13	0.11	2.19
Total "other regions"	**9.14**	**9.53**	**0.39**	**4.28**	**9.50**	**9.51**	**0.00**	**0.02**
Total world	**76.53**	**76.15**	**–0.38**	**–0.50**	**74.61**	**74.63**	**0.02**	**0.03**

Totals may not add, due to independent rounding.

Table 8
Third- and fourth-quarter world oil demand comparison for 2002
mb/d

			Change 2002/01				Change 2002/01	
	3Q01	3Q02	Volume	%	4Q01	4Q02	Volume	%
North America	23.93	24.16	0.23	0.96	23.61	24.02	0.41	1.74
Western Europe	15.49	15.32	–0.17	–1.07	15.55	15.76	0.21	1.33
OECD Pacific	8.04	8.09	0.05	0.61	8.79	8.93	0.15	1.67
Total OECD	**47.46**	**47.57**	**0.11**	**0.24**	**47.95**	**48.71**	**0.76**	**1.59**
Other Asia	7.37	7.39	0.02	0.27	7.40	7.62	0.22	3.00
Latin America	4.65	4.67	0.02	0.41	4.53	4.56	0.03	0.72
Middle East	4.63	4.71	0.08	1.71	4.50	4.58	0.08	1.68
Africa	2.36	2.37	0.01	0.42	2.39	2.40	0.01	0.33
Total DCs	**19.02**	**19.14**	**0.13**	**0.67**	**18.82**	**19.16**	**0.34**	**1.80**
FSU	3.72	3.82	0.10	2.69	4.31	4.23	–0.08	–1.91
Other Europe	0.68	0.69	0.01	2.22	0.73	0.75	0.02	2.05
China	4.72	4.80	0.07	1.52	4.61	4.71	0.10	2.14
Total "other regions"	**9.12**	**9.31**	**0.19**	**2.05**	**9.66**	**9.69**	**0.03**	**0.32**
Total world	**75.60**	**76.02**	**0.43**	**0.56**	**76.43**	**77.56**	**1.13**	**1.48**

Totals may not add, due to independent rounding.

World oil demand for 2003 projected at 77.03 mb/d, an 0.94 mb/d increase from 2002

Forecast for 2003

Our preliminary demand forecast for the year 2003 has been made based on the following assumptions:

- a world GDP growth forecast of 3.9 per cent for 2003 compared with the 2.9 per cent estimate in 2002, pointing to an expected improvement, on the average, in global economic performance;
- average world oil prices of about the same level as in the first half of the current year; and
- the return of weather to normal conditions, compared to the last mild winter; this would imply a positive impact on demand in the Northern Hemisphere.

Under these assumptions, world oil demand is expected to rise by 1.24 per cent, or 0.94 mb/d, to 77.03 mb/d. This growth level is higher than those experienced in 2001 and expected in 2002. However, this is only a preliminary assessment. It would be subject to further adjustments as more information becomes available on major factors such as the economic growth outlook, crude prices and the weather. Regional and quarterly breakdowns of the demand forecast are given in Table 9.

Table 9
World oil demand forecast for 2003
mb/d

							Change 2003/02	
	2002	1Q03	2Q03	3Q03	4Q03	2003	Volume	per cent
North America	23.92	24.02	23.75	24.18	24.50	24.11	0.19	0.81
Western Europe	15.21	15.62	14.73	15.09	15.76	15.30	0.09	0.62
OECD Pacific	8.50	9.35	7.84	8.03	9.07	8.57	0.07	0.84
Total OECD	**47.62**	**48.98**	**46.32**	**47.30**	**49.34**	**47.98**	**0.36**	**0.76**
Other Asia	7.41	7.41	7.50	7.43	7.70	7.51	0.10	1.31
Latin America	4.61	4.45	4.66	4.78	4.74	4.66	0.05	1.15
Middle East	4.56	4.54	4.64	4.78	4.63	4.65	0.09	1.89
Africa	2.38	2.42	2.43	2.37	2.46	2.42	0.04	1.69
Total DCs	**18.96**	**18.83**	**19.24**	**19.35**	**19.53**	**19.24**	**0.28**	**1.46**
FSU	3.90	4.28	3.92	3.79	3.95	3.98	0.08	2.03
Other Europe	0.74	0.77	0.74	0.73	0.76	0.75	0.01	1.82
China	4.87	5.04	5.11	5.05	5.11	5.08	0.21	4.35
Total "other regions"	**9.51**	**10.09**	**9.77**	**9.57**	**9.82**	**9.81**	**0.30**	**3.20**
Total world	**76.09**	**77.90**	**75.32**	**76.22**	**78.70**	**77.03**	**0.94**	**1.24**

Totals may not add, due to independent rounding.

WORLD OIL SUPPLY

2002 non-OPEC supply figure revised up to 47.85 mb/d, expected to increase by 1.35 mb/d

Non-OPEC

Forecast for 2002

The 2002 non-OPEC supply figure has been revised up by 0.03 mb/d to 47.85 mb/d. The second quarter has been revised down by 0.03 mb/d to 47.61 mb/d, while the other three quarters have been revised up by 0.04 mb/d to 47.69 mb/d, by 0.04 mb/d to 47.68 mb/d and by 0.05 mb/d to 48.40 mb/d respectively, compared with the last *MOMR*. The yearly average increase is estimated at 1.35 mb/d, compared with the downward revised figure for 2001.

Table 10
Non-OPEC oil supply in 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	**2002**	**Change 02/01**
North America	14.36	14.62	14.56	14.45	14.47	14.52	0.17
Western Europe	6.71	6.71	6.67	6.53	6.89	6.70	–0.01
OECD Pacific	0.77	0.76	0.74	0.72	0.70	0.73	–0.04
Total OECD	**21.83**	**22.09**	**21.97**	**21.70**	**22.05**	**21.95**	**0.12**
Other Asia	2.28	2.35	2.32	2.38	2.43	2.37	0.09
Latin America	3.75	3.92	3.89	3.97	3.95	3.93	0.18
Middle East	2.13	2.09	2.06	2.07	2.05	2.07	–0.06
Africa	2.80	3.02	3.03	2.96	3.09	3.02	0.22
Total DCs	**10.96**	**11.37**	**11.30**	**11.38**	**11.51**	**11.39**	**0.43**
FSU	8.53	8.92	9.10	9.31	9.49	9.21	0.68
Other Europe	0.18	0.18	0.18	0.18	0.17	0.18	0.00
China	3.31	3.41	3.34	3.40	3.45	3.40	0.10
Total "other regions"	**12.01**	**12.51**	**12.62**	**12.89**	**13.12**	**12.79**	**0.78**
Total non-OPEC production	**44.81**	**45.97**	**45.89**	**45.96**	**46.68**	**46.13**	**1.32**
Processing gains	1.69	1.72	1.72	1.72	1.72	1.72	0.03
Total non-OPEC supply	**46.50**	**47.69**	**47.61**	**47.68**	**48.40**	**47.85**	**1.35**
Previous estimate	46.54	47.65	47.64	47.65	48.35	47.82	1.28
Revision	**-0.05**	**0.04**	**-0.03**	**0.04**	**0.05**	**0.03**	**0.07**

Totals may not add, due to independent rounding.

2003 non-OPEC supply expected at 48.77 mb/d, 0.92 mb/d above 2002

Expectations for 2003

2003 non-OPEC supply is expected to rise by another 0.92 mb/d. The expected major contributors to the increase are North America and the FSU. The expected 2003 quarterly distribution is 48.60 mb/d, 48.52 mb/d, 48.60 mb/d and 49.34 mb/d respectively, resulting in a yearly average of around 48.77 mb/d.

Table 11
Non-OPEC oil supply in 2003
mb/d

	2002	1Q03	2Q03	3Q03	4Q03	2003	Change 03/02
North America	14.52	14.87	14.81	14.70	14.72	14.77	0.25
Western Europe	6.70	6.75	6.71	6.57	6.93	6.74	0.04
OECD Pacific	0.73	0.76	0.74	0.72	0.70	0.73	0.00
Total OECD	**21.95**	**22.38**	**22.26**	**21.99**	**22.34**	**22.24**	**0.29**
Other Asia	2.37	2.38	2.35	2.41	2.46	2.40	0.03
Latin America	3.93	4.00	3.97	4.05	4.03	4.01	0.08
Middle East	2.07	2.09	2.06	2.07	2.05	2.07	0.00
Africa	3.02	3.07	3.09	3.02	3.15	3.08	0.06
Total DCs	**11.39**	**11.54**	**11.47**	**11.55**	**11.68**	**11.56**	**0.17**
FSU	9.21	9.34	9.53	9.74	9.94	9.64	0.43
Other Europe	0.18	0.18	0.18	0.18	0.17	0.18	0.00
China	3.40	3.41	3.34	3.40	3.45	3.40	0.00
Total "other regions"	**12.79**	**12.93**	**13.04**	**13.32**	**13.56**	**13.22**	**0.43**
Total non-OPEC production	**46.13**	**46.85**	**46.77**	**46.85**	**47.59**	**47.02**	**0.89**
Processing gains	1.72	1.75	1.75	1.75	1.75	1.75	0.03
Total non-OPEC supply	**47.85**	**48.60**	**48.52**	**48.60**	**49.34**	**48.77**	**0.92**
Previous estimate	47.82						
Revision	**0.03**						

Totals may not add, due to independent rounding.

Net FSU's 2003 oil export expected at 5.65 mb/d; 2002 forecast revised up to 5.30 mb/d

The FSU's net oil export estimates for 1999-2001 remain unchanged, while the 2002 forecast has been revised up by about 0.01 mb/d to 5.30 mb/d. For 2003, net oil exports are expected to reach a level of 5.65 mb/d.

Table 12
FSU net oil exports
mb/d

	1Q	2Q	3Q	4Q	Year
1999	3.12	3.62	3.52	3.49	**3.44**
2000	3.97	4.13	4.47	4.01	**4.14**
2001	4.30	4.71	4.89	4.47	**4.59**
2002 (forecast)	5.00	5.46	5.48	5.26	**5.30**
2003 (forecast)	5.06	5.61	5.96	5.98	**5.65**

OPEC natural gas liquids

2003 OPEC NGL expected at 3.42 mb/d

The OPEC NGL figures for 1999-2002 remain unchanged at 3.07 mb/d, 3.23 mb/d, 3.37 mb/d and 3.39 mb/d respectively, compared with the figures published in the last *MOMR*. The expected 2003 figure of 3.42 mb/d has been introduced for the first time.

OPEC NGL production — 1999–2003
mb/d

1999	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01	2003	Change 03/02
3.07	**3.23**	**3.37**	3.37	3.37	3.37	3.37	**3.39**	0.02	**3.42**	0.03

Available secondary sources put OPEC's June production at 24.74 mb/d

OPEC crude oil production

Available secondary sources indicate that, in June, OPEC output was 24.74 mb/d, which was 0.15 mb/d lower than the revised May level of 24.89 mb/d. Table 13 shows OPEC production, as reported by selected secondary sources.

Table 13
OPEC crude oil production, based on secondary sources
1,000 b/d

	2000	2001	1Q02	May02*	June02*	2Q02*	June02-May02
Algeria	808	820	793	837	**835**	827	–2
Indonesia	1,278	1,214	1,138	1,126	**1,127**	1,130	1
IR Iran	3,671	3,665	3,352	3,368	**3,373**	3,365	5
Iraq	2,552	2,383	2,386	1,700	**1,606**	1,510	–94
Kuwait	2,101	2,032	1,848	1,884	**1,887**	1,878	3
SP Libyan AJ	1,405	1,361	1,274	1,312	**1,320**	1,310	8
Nigeria	2,031	2,097	1,963	1,942	**1,893**	1,933	–49
Qatar	698	683	605	650	**637**	637	–14
Saudi Arabia	8,273	7,946	7,230	7,404	**7,455**	7,410	51
UAE	2,251	2,163	1,967	1,977	**1,960**	1,971	–17
Venezuela	2,897	2,831	2,564	2,691	**2,652**	2,611	–40
Total OPEC	**27,965**	**27,194**	**25,122**	**24,893**	**24,744**	**24,583**	**–148**

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

RIG COUNT

Non-OPEC rig count up by 126 in June

Non-OPEC

June witnessed another rise in rig activity. In North America, the major contributor, the rig count increased by 117, compared with the figures for May. In Canada, the rig count rose sharply by 91 to 205, compared with 114 in May. Also, the USA witnessed another increase by 17 to 843 rigs, compared with 826 last month.

Table 14
Non-OPEC rig count in 2002

	2000	2001	Change 02/01	May02	June02	June-May
North America	1,305	1,552	247	998	1,115	117
Western Europe	125	95	–30	91	84	–7
OECD Pacific	17	20	3	17	16	–1
OECD	1,447	1,667	220	1,106	1,215	109
Other Asia	83	95	12	107	113	6
Latin America	120	141	20	100	108	8
Middle East	45	50	5	60	61	1
Africa	34	36	2	42	44	2
DCs	282	321	40	309	326	17
FSU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other Europe	3	3	0	2	2	0
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**	**1,417**	**1,543**	**126**

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

OPEC rig count down to 225 in June

OPEC

OPEC's rig count declined by 6 to 225, compared with the figure for May. Most of the change was contributed by Indonesia whose rig count declined by 5 rigs to 43 compared with last month's figures.

Table 15
OPEC rig count

	2000	2001	Change 02/01	May02	June02	June-May
Algeria	15	20	5	20	18	-2
Indonesia	32	41	9	48	43	-5
IR Iran	27	30	3	33	34	1
Iraq	0	0	0	n.a.	n.a.	n.a.
Kuwait	12	9	–3	5	7	2
SP Libyan AJ	7	5	–2	9	9	0
Nigeria	8	12	4	11	11	0
Qatar	6	9	3	15	14	-1
Saudi Arabia	25	30	5	33	32	-1
UAE	13	15	3	15	16	1
Venezuela	63	67	5	42	41	-1
Total OPEC	**206**	**238**	**32**	**231**	**225**	**-6**

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

STOCK MOVEMENTS

Marginal build of 0.24 mb/d in the USA in June

USA

US commercial onland oil stocks continued to increase, adding 6.6 mb, or 0.24 mb/d, to 1,031.4 mb during the period 31 May – 28 June, 2002. This build resulted mainly from the rise of 10.6 mb to 200.7 mb in "other oils" stocks, and, to a lesser degree, of distillates and gasoline stocks. Distillate stocks moved up marginally by 0.8 mb to 128.3 mb, due to stagnant demand and high output, and gasoline stocks by 0.5 mb to 216.4 mb on rising imports, respectively. The slight draw of 3.7 mb to 321.2 mb on crude oil stocks, which was due to relatively lower crude oil imports, capped this build. Overall stocks were 12.4 mb, or about 1 per cent, above last year's level.

During the first week of the month, which ended 5 June, total oil stocks in the USA decreased slightly by 3.2 mb to 1,028.2 mb on the back of the draws on crude oil and gasoline stocks, which declined by 4.20 mb to 317.0 mb and by 1.70 mb to 214.70 mb respectively. Lower crude oil imports and relatively healthy seasonal gasoline demand were behind this draw. Meanwhile, the build in distillates of 3.1 mb to 131.4 mb partly diminished the draw.

Table 16
US onland commercial petroleum stocks*
mb

	29 Mar02	31 May 02	28 June02	Change June/May	28 June01	5 July02**
Crude oil (excl. SPR)	325.1	324.9	**321.2**	**–3.7**	310.3	**317.0**
Gasoline	211.5	215.9	216.4	0.5	219.9	214.7
Distillate fuel	119.7	127.5	128.3	0.8	113.2	131.4
Residual fuel oil	34.6	35.0	34.6	–0.4	41.6	33.7
Jet fuel	41.0	41.0	40.3	–0.7	43.1	40.0
Unfinished oils	93.6	90.4	89.9	–0.5	93.5	88.3
Other oils	171.1	190.1	200.7	10.6	197.4	203.2
Total	996.6	1,024.8	**1,031.4**	**6.6**	1,019.0	**1,028.2**
SPR	560.9	570.7	575.4	4.7	543.3	576.4

* *At end of month, unless otherwise stated.* ** *Latest available data, at time of report's release.*
Source: US Department of Energy's Energy Information Administration.

During the period 31 May – 28 June, the Strategic Petroleum Reserve (SPR) registered a further build of 4.7 mb to 575.4 mb.

Western Europe

Minor seasonal build of 0.08 mb/d in the Eur-16 in June

Commercial onland oil stocks in the Eur-16 showed a marginal seasonal build of 2.5 mb, or 0.08 mb/d, to 1,065.3 mb during June. Crude oil stocks contributed mainly to this build, rising by 7.7 mb to 443.3 mb, due to higher import volumes, especially from Iraq and the FSU. Distillates stocks also added to this increase, when they moved up by 1.1 mb to 341.3 mb on lower demand. This overall build was reduced by a draw of 4.9 mb to 146.3 mb on gasoline stocks, due to increasing export quantities to the US market. The draw of 1.8 mb to 110.6 mb on fuel oil stocks occurred due to higher demand in the Asia-Pacific region. Total oil stocks were 20.3 mb, or about 2 per cent, above year-ago levels.

Table 17
Western Europe commercial oil stocks*
mb

	Dec01	Mar02	May02	**June02**	**Change June/May**	June01
Crude oil	436.0	440.9	435.7	**443.3**	**7.7**	425.9
Mogas	151.8	156.5	151.2	146.3	–4.9	144.0
Naphtha	26.4	24.2	23.3	23.8	0.4	25.0
Middle distillates	331.2	340.9	340.1	341.3	1.1	328.6
Fuel oils	119.1	111.7	112.5	110.6	–1.8	121.6
Total products	628.5	633.3	627.1	**621.9**	**–5.2**	619.1
Overall total	1,064.5	1,074.2	1,062.8	**1,065.3**	**2.5**	1,045.0

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

Japan

Slight seasonal build of 0.07 mb/d in Japan in May

In May, commercial onland oil stocks displayed a slight seasonal build of 2.1 mb, or a rate of 0.07 mb/d, to 173.1 mb. Total major product inventories were mainly responsible for this build when they rose by 3 mb to 67.9 mb. Middle distillates stocks led this increase, rising by 2.3 mb to 31.9 mb, due to weak demand. Crude oil stocks experienced a draw of 1.0 mb to 105.2 mb on reduced imports. Total oil stocks widened the year-on-year deficit to 22.4 mb.

Table 18
Japan's commercial oil stocks*
mb

	Dec.01	Mar.02	Apr.02	**May 02**	**Change May/Apr.**	May 01
Crude oil	113.4	106.8	106.2	**105.2**	**–1.0**	126.1
Gasoline	12.3	15.8	15.3	15.6	0.3	14.7
Middle distillates	37.8	29.5	29.6	31.9	2.3	33.8
Residual fuel oil	18.5	18.7	20.0	20.4	0.4	20.9
Total products	68.6	64.0	64.9	67.9	3.0	69.4
Overall total **	182.0	170.9	171.0	**173.1**	**2.1**	195.5

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

BALANCE OF SUPPLY AND DEMAND

2002 supply/demand difference revised down to 24.86 mb/d

The summarized supply/demand balance table for 2002 shows a downward revision to the world oil demand forecast of 0.24 mb/d to 76.09 mb/d, while total non-OPEC supply was revised up by 0.02 mb/d to 51.24 mb/d, resulting in an expected annual difference of around 24.86 mb/d, down by 0.27 mb/d compared with the figures published in the last *MOMR*, with a quarterly distribution of 25.07 mb/d, 23.63 mb/d, 24.95 mb/d and 25.77 mb/d respectively. The balance for the first quarter has been revised up by 0.04 mb/d to 0.05 mb/d, and the balance for the second quarter, which is introduced for the first time, is estimated at 0.95 mb/d. The 2001 balance has been revised up by 0.10 mb/d to 1.27 mb/d.

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

	2001	1Q02	2Q02	3Q02	4Q02	**2002**
(a) World oil demand	75.79	76.15	74.63	76.02	77.56	76.09
(b) Non-OPEC supply(1)	49.87	51.08	51.00	51.07	51.79	51.24
Difference (a – b)	**25.92**	**25.07**	**23.63**	**24.95**	**25.77**	**24.86**
OPEC crude oil production(2)	27.19	25.12	24.58			
Balance	**1.27**	**0.05**	**0.95**			

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

2003 supply/demand difference expected at 24.85 mb/d

The summarized supply/demand balance table for 2003 is being published in this issue for the first time. It shows a world oil demand forecast of 77.03 mb/d and a total non-OPEC projected supply of 52.19 mb/d, resulting in an expected difference of around 24.85 mb/d, with a quarterly distribution of 25.88 mb/d, 23.38 mb/d, 24.19 mb/d and 25.93 mb/d respectively.

Table 20
Summarized supply/demand balance for 2003
mb/d

	2002	1Q03	2Q03	3Q03	4Q03	**2003**
(a) World oil demand	76.09	77.90	75.32	76.22	78.70	77.03
(b) Non-OPEC supply(1)	51.24	52.02	51.94	52.02	52.76	52.19
Difference (a – b)	**24.86**	**25.88**	**23.38**	**24.19**	**25.93**	**24.85**

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

Table 21
World oil demand/supply balance
mb/d

	1999	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003.0
World demand													
OECD	47.7	47.7	47.7	47.9	46.3	47.6	48.7	47.6	49.0	46.3	47.3	49.3	48.0
North America	23.8	24.0	23.9	23.7	23.8	24.2	24.0	23.9	24.0	23.7	24.2	24.5	24.1
Western Europe	15.2	15.1	15.3	15.2	14.6	15.3	15.8	15.2	15.6	14.7	15.1	15.8	15.3
Pacific	8.7	8.6	8.6	9.1	7.9	8.1	8.9	8.5	9.3	7.8	8.0	9.1	8.6
DCs	18.6	18.7	18.8	18.7	18.8	19.1	19.2	19.0	18.8	19.2	19.3	19.5	19.2
FSU	4.0	3.8	3.9	3.9	3.6	3.8	4.2	3.9	4.3	3.9	3.8	4.0	4.0
Other Europe	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.8	0.7
China	4.2	4.7	4.7	4.8	5.1	4.8	4.7	4.9	5.0	5.1	5.1	5.1	5.1
(a) Total world demand	75.2	75.7	75.8	76.2	74.6	76.0	77.6	76.1	77.9	75.3	76.2	78.7	77.0
Non-OPEC supply													
OECD	21.3	21.8	21.8	22.1	22.0	21.7	22.1	22.0	22.4	22.3	22.0	22.3	22.2
North America	14.1	14.2	14.4	14.6	14.6	14.5	14.5	14.5	14.9	14.8	14.7	14.7	14.8
Western Europe	6.6	6.7	6.7	6.7	6.7	6.5	6.9	6.7	6.7	6.7	6.6	6.9	6.7
Pacific	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7
DCs	10.8	11.0	11.0	11.4	11.3	11.4	11.5	11.4	11.5	11.5	11.5	11.7	11.6
FSU	7.5	7.9	8.5	8.9	9.1	9.3	9.5	9.2	9.3	9.5	9.7	9.9	9.6
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	3.3	3.4	3.3	3.4	3.5	3.4	3.4	3.3	3.4	3.5	3.4
Processing gains	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.8
Total non-OPEC supply	44.6	45.7	46.5	47.7	47.6	47.7	48.4	47.8	48.6	48.5	48.6	49.3	48.8
OPEC NGLs	3.1	3.2	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
(b) Total non-OPEC supply and OPEC NGLs	47.6	49.0	49.9	51.1	51.0	51.1	51.8	51.2	52.0	51.9	52.0	52.8	52.2
OPEC crude oil production (secondary sources)	26.5	28.0	27.2	25.1	24.6								
Total supply	74.2	76.9	77.1	76.2	75.6								
Balance (stock change and miscellaneous)	-1.0	1.3	1.3	0.1	1.0								
Closing stock level (outside FCPEs) mb													
OECD onland commercial	2446	2530	2623	2600									
OECD SPR	1228	1210	1222	1237									
OECD total	3674	3740	3844	3837									
Other onland	983	1000	1028	1026									
Oil-on-water	808	876	842	839									
Total stock	5465	5617	5715	5702									
Days of forward consumption in OECD													
Commercial onland stocks	51	53	55	56									
SPR	26	25	26	27									
Total	77	78	81	83									
Memo items													
FSU net exports	3.4	4.1	4.6	5.0	5.5	5.5	5.3	5.3	5.1	5.6	6.0	6.0	5.7
(a) - (b)	27.6	26.7	25.9	25.1	23.6	25.0	25.8	24.9	25.9	23.4	24.2	25.9	24.8

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

Table 22

World oil demand/supply balance: changes from last month's table †

mb/d

	1999	**2000**	**2001**	1Q02	2Q02	3Q02	4Q02	**2002**	1Q03	2Q03	3Q03	4Q03	**2003**
World demand													
OECD	-	-0.1	-0.1	-	-0.3	-0.3	-0.1	-0.2					
North America	-	-0.1	-	0.1	-0.3	-0.2	-0.1	-0.1					
Western Europe	-	-	-	-	-	-	-	-					
Pacific	-	-	-	-	-	-0.1	-0.1	-0.1					
DCs	-	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1					
FSU	-	-	-	-	-	-	-	-					
Other Europe	-	-	-	-	-	-	-	-					
China	-	-	-	0.1	-	-	-	-					
(a) Total world demand	-	-0.2	-0.1	-	-0.3	-0.4	-0.2	-0.2					
Non-OPEC supply													
OECD	-	-	-	-	-	-	-	-					
North America	-	-	-	-	0.1	-	-	-					
Western Europe	-	-	-	-	-0.1	-	-	-					
Pacific	-	-	-	-	-	-	-	-					
DCs	-	-	-	-	-0.1	-	-	-					
FSU	-	-	-	-	-	-	-	-					
Other Europe	-	-	-	-	-	-	-	-					
China	-	-	-	-	-	-	-	-					
Processing gains	-	-	-	-	-	-	-	-					
Total non-OPEC supply	-	-	-	-	-	-	-	-					
OPEC NGLs	-	-	-	-	-	-	-	-					
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	-	-	-	-	-					
OPEC crude oil production (secondary sources)	-	-	-	-									
Total supply	-	-	-	-									
Balance (stock change and miscellaneous)	-	0.2	0.1	-									
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	-	-	-6	-1									
OECD SPR	-	-	-	-									
OECD total	-	-	-6	-1									
Other onland	-	-	-1	-									
Oil on water	-	1	-1	-									
Total stock	-	1	-8	-									
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-									
SPR	-	-	-	-									
Total	-	-	-	-									
Memo items													
FSU net exports	-	-	-	-	-	-	-	-					
(a) - (b)	-	-0.2	-0.1	-	-0.3	-0.5	-0.3	-0.3					

† *This compares Table 21 in this issue of the MOMR with Table 21 in the June 2002 issue.*
This table shows only where changes have occurred.

Table 23
World oil stocks (excluding former CPEs) at end of period

	1999	2000	2001	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01	1Q02
Closing stock level *mb*												
OECD onland commercial	2,446	2,530	2,623	2,419	2,510	2,542	2,530	2,524	2,597	2,661	2,623	2,600
North America	1,127	1,145	1,263	1,108	1,165	1,180	1,145	1,159	1,231	1,269	1,263	1,235
Western Europe	881	930	916	902	900	910	930	918	909	919	916	929
OECD Pacific	437	454	444	409	445	452	454	447	457	473	444	435
OECD SPR	1,228	1,210	1,222	1,234	1,232	1,237	1,210	1,210	1,207	1,205	1,222	1,237
North America	567	543	552	569	569	572	543	544	545	547	552	563
Western Europe	346	354	353	349	349	353	354	351	347	345	353	353
OECD Pacific	315	313	316	315	315	312	313	314	314	313	316	321
OECD total	**3,674**	**3,740**	**3,844**	**3,653**	**3,742**	**3,778**	**3,740**	**3,734**	**3,804**	**3,866**	**3,844**	**3,837**
Other onland	983	1,000	1,028	977	1,001	1,010	1,000	999	1,017	1,034	1,028	1,026
Oil-on-water	808	876	842	840	866	849	876	913	835	874	842	839
Total stock	**5,465**	**5,617**	**5,715**	**5,470**	**5,609**	**5,638**	**5,617**	**5,646**	**5,656**	**5,774**	**5,715**	**5,702**
Days of forward consumption in OECD												
OECD onland commercial	51	53	55	52	52	52	52	54	55	55	55	56
North America	47	48	53	47	48	48	47	49	51	54	53	52
Western Europe	58	61	60	62	59	59	61	62	59	59	60	64
OECD Pacific	51	53	52	51	53	51	48	56	57	54	49	55
OECD SPR	26	25	26	27	26	25	25	26	25	25	25	27
North America	24	23	23	24	23	23	22	23	23	23	23	24
Western Europe	23	23	23	24	23	23	23	24	22	22	23	24
OECD Pacific	37	37	37	39	38	36	33	39	39	36	35	41
OECD total	**77**	**78**	**81**	**79**	**78**	**78**	**77**	**80**	**80**	**81**	**80**	**83**
Days of global forward consumption	**82**	**85**	**86**	**84**	**84**	**84**	**83**	**87**	**85**	**86**	**86**	**88**

Table 24
Non-OPEC supply and OPEC natural gas liquids
mb/d

	1999	2000	2001	Change 01/00	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01	1Q03	2Q03	3Q03	4Q03	2003	Change 03/02
USA	8.11	8.11	8.05	-0.06	8.17	8.18	8.05	7.97	8.09	0.04	8.22	8.23	8.10	8.02	8.14	0.05
Canada	2.60	2.69	2.74	0.05	2.84	2.80	2.73	2.88	2.81	0.07	2.94	2.90	2.82	2.98	2.91	0.10
Mexico	3.35	3.45	3.57	0.11	3.61	3.58	3.67	3.61	3.62	0.05	3.71	3.68	3.77	3.71	3.72	0.10
North America	**14.05**	**14.25**	**14.36**	**0.11**	**14.62**	**14.56**	**14.45**	**14.47**	**14.52**	**0.17**	**14.87**	**14.81**	**14.70**	**14.72**	**14.77**	**0.25**
Norway	3.06	3.32	3.43	0.11	3.30	3.32	3.22	3.33	3.29	-0.14	3.32	3.34	3.24	3.35	3.31	0.02
UK	2.84	2.64	2.53	-0.11	2.60	2.53	2.55	2.73	2.60	0.07	2.62	2.55	2.57	2.75	2.62	0.02
Denmark	0.30	0.36	0.35	-0.02	0.38	0.38	0.35	0.40	0.38	0.03	0.38	0.38	0.35	0.40	0.38	0.00
Other Western Europe	0.43	0.41	0.40	-0.01	0.42	0.44	0.41	0.43	0.42	0.02	0.42	0.44	0.41	0.43	0.42	0.00
Western Europe	**6.63**	**6.74**	**6.71**	**-0.03**	**6.71**	**6.67**	**6.53**	**6.89**	**6.70**	**-0.01**	**6.75**	**6.71**	**6.57**	**6.93**	**6.74**	**0.04**
Australia	0.59	0.77	0.71	-0.06	0.71	0.68	0.68	0.65	0.68	-0.03	0.71	0.68	0.68	0.65	0.68	0.00
Other Pacific	0.07	0.06	0.06	0.00	0.05	0.06	0.05	0.04	0.05	-0.01	0.05	0.06	0.05	0.04	0.05	0.00
OECD Pacific	**0.66**	**0.83**	**0.77**	**-0.07**	**0.76**	**0.74**	**0.72**	**0.70**	**0.73**	**-0.04**	**0.76**	**0.74**	**0.72**	**0.70**	**0.73**	**0.00**
Total OECD*	**21.34**	**21.82**	**21.83**	**0.01**	**22.09**	**21.97**	**21.70**	**22.05**	**21.95**	**0.12**	**22.38**	**22.26**	**21.99**	**22.34**	**22.24**	**0.29**
Brunei	0.18	0.19	0.20	0.00	0.21	0.21	0.20	0.22	0.21	0.02	0.21	0.21	0.20	0.22	0.21	0.00
India	0.75	0.74	0.73	-0.01	0.74	0.72	0.73	0.75	0.74	0.00	0.76	0.74	0.75	0.77	0.76	0.02
Malaysia	0.70	0.68	0.69	0.00	0.73	0.73	0.75	0.75	0.74	0.05	0.73	0.73	0.75	0.75	0.74	0.00
Papua New Guinea	0.09	0.07	0.06	-0.01	0.05	0.05	0.04	0.05	0.05	-0.01	0.06	0.06	0.05	0.06	0.06	0.01
Vietnam	0.26	0.31	0.35	0.04	0.34	0.34	0.36	0.36	0.35	0.00	0.34	0.34	0.36	0.36	0.35	0.00
Asia others	0.20	0.24	0.26	0.02	0.27	0.27	0.29	0.30	0.28	0.03	0.27	0.27	0.29	0.30	0.28	0.00
Other Asia	**2.18**	**2.23**	**2.28**	**0.05**	**2.35**	**2.32**	**2.38**	**2.43**	**2.37**	**0.09**	**2.38**	**2.35**	**2.41**	**2.46**	**2.40**	**0.03**
Argentina	0.84	0.79	0.80	0.01	0.80	0.77	0.80	0.80	0.79	-0.01	0.80	0.77	0.80	0.80	0.79	0.00
Brazil	1.36	1.49	1.57	0.08	1.75	1.78	1.78	1.81	1.78	0.21	1.80	1.83	1.83	1.86	1.83	0.05
Colombia	0.82	0.70	0.61	-0.08	0.61	0.59	0.63	0.57	0.60	-0.01	0.61	0.59	0.63	0.57	0.60	0.00
Ecuador	0.38	0.40	0.41	0.01	0.40	0.39	0.38	0.38	0.39	-0.02	0.41	0.40	0.39	0.39	0.40	0.01
Peru	0.11	0.10	0.10	-0.01	0.10	0.10	0.10	0.10	0.10	0.00	0.11	0.11	0.11	0.11	0.11	0.01
Trinidad & Tobago	0.14	0.14	0.13	-0.01	0.14	0.14	0.15	0.15	0.14	0.01	0.15	0.15	0.16	0.17	0.15	0.01
L. America others	0.11	0.12	0.13	0.01	0.13	0.12	0.13	0.13	0.13	0.00	0.13	0.12	0.13	0.13	0.13	0.00
Latin America	**3.76**	**3.74**	**3.75**	**0.01**	**3.92**	**3.89**	**3.97**	**3.95**	**3.93**	**0.18**	**4.00**	**3.97**	**4.05**	**4.03**	**4.01**	**0.08**
Bahrain	0.19	0.19	0.19	0.00	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	0.91	0.95	0.95	0.00	0.94	0.91	0.93	0.92	0.93	-0.02	0.94	0.91	0.93	0.92	0.93	0.00
Syria	0.55	0.54	0.53	-0.01	0.51	0.51	0.49	0.49	0.50	-0.03	0.51	0.51	0.49	0.49	0.50	0.00
Yemen	0.42	0.45	0.47	0.01	0.45	0.45	0.45	0.44	0.45	-0.02	0.45	0.45	0.45	0.44	0.45	0.00
Middle East	**2.06**	**2.13**	**2.13**	**0.00**	**2.09**	**2.06**	**2.07**	**2.05**	**2.07**	**-0.06**	**2.09**	**2.06**	**2.07**	**2.05**	**2.07**	**0.00**
Angola	0.76	0.75	0.74	-0.01	0.90	0.91	0.86	0.95	0.90	0.16	0.91	0.92	0.87	0.96	0.91	0.01
Cameroon	0.10	0.10	0.08	-0.02	0.08	0.08	0.08	0.08	0.08	0.00	0.09	0.09	0.09	0.09	0.09	0.01
Congo	0.27	0.27	0.27	0.00	0.27	0.26	0.27	0.27	0.26	0.00	0.27	0.26	0.27	0.27	0.26	0.00
Egypt	0.83	0.80	0.76	-0.04	0.75	0.76	0.72	0.74	0.74	-0.02	0.75	0.76	0.72	0.74	0.74	0.00
Gabon	0.36	0.34	0.31	-0.03	0.31	0.31	0.31	0.31	0.31	0.00	0.32	0.31	0.32	0.32	0.32	0.01
South Africa	0.17	0.19	0.19	0.00	0.19	0.19	0.18	0.18	0.19	0.00	0.19	0.19	0.18	0.18	0.19	0.00
Africa other	0.28	0.41	0.46	0.05	0.52	0.53	0.54	0.56	0.54	0.08	0.55	0.56	0.57	0.60	0.57	0.03
Africa	**2.78**	**2.85**	**2.80**	**-0.05**	**3.02**	**3.03**	**2.96**	**3.09**	**3.02**	**0.22**	**3.07**	**3.09**	**3.02**	**3.15**	**3.08**	**0.06**
Total DCs	**10.78**	**10.95**	**10.96**	**0.01**	**11.37**	**11.30**	**11.38**	**11.51**	**11.39**	**0.43**	**11.54**	**11.47**	**11.55**	**11.68**	**11.56**	**0.17**
FSU	**7.47**	**7.91**	**8.53**	**0.62**	**8.92**	**9.10**	**9.31**	**9.49**	**9.21**	**0.68**	**9.34**	**9.53**	**9.74**	**9.94**	**9.64**	**0.43**
Other Europe	**0.18**	**0.18**	**0.18**	**0.00**	**0.18**	**0.18**	**0.18**	**0.17**	**0.18**	**0.00**	**0.18**	**0.18**	**0.18**	**0.17**	**0.18**	**0.00**
China	**3.21**	**3.23**	**3.31**	**0.08**	**3.41**	**3.34**	**3.40**	**3.45**	**3.40**	**0.10**	**3.41**	**3.34**	**3.40**	**3.45**	**3.40**	**0.00**
Non-OPEC production	**42.99**	**44.09**	**44.81**	**0.72**	**45.97**	**45.89**	**45.96**	**46.68**	**46.13**	**1.32**	**46.85**	**46.77**	**46.85**	**47.59**	**47.02**	**0.89**
Processing gains	1.58	1.65	1.69	0.04	1.72	1.72	1.72	1.72	1.72	0.03	1.75	1.75	1.75	1.75	1.75	0.03
Non-OPEC supply	**44.56**	**45.74**	**46.50**	**0.76**	**47.69**	**47.61**	**47.68**	**48.40**	**47.85**	**1.35**	**48.60**	**48.52**	**48.60**	**49.34**	**48.77**	**0.92**
OPEC NGLs	**3.07**	**3.23**	**3.37**	**0.14**	**3.39**	**3.39**	**3.39**	**3.39**	**3.39**	**0.02**	**3.42**	**3.42**	**3.42**	**3.42**	**3.42**	**0.03**

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

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

Table 25
Non-OPEC Rig Count

	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	1Q02	May02	Jun02	2Q02	Change Jun-May
USA	608	916	1,141	1,239	1,231	1,004	1,156	240	818	826	843	806	17
Canada	246	344	515	252	320	278	342	-2	383	114	205	147	91
Mexico	43	44	50	48	56	62	54	10	63	58	67	61	9
North America	**897**	**1,305**	**1,706**	**1,539**	**1,607**	**1,344**	**1,552**	**247**	**1,264**	**998**	**1,115**	**1,014**	**117**
Norway	17	22	24	22	22	22	23	1	20	21	17	20	-4
UK	18	18	18	25	28	26	24	6	28	28	28	30	0
Denmark	2	3	4	5	4	5	4	1	5	4	3	4	-1
Other Western Europe	77	82	43	44	42	47	44	-38	39	38	36	38	-2
Western Europe	**114**	**125**	**89**	**95**	**96**	**100**	**95**	**-30**	**92**	**91**	**84**	**91**	**-7**
Australia	10	10	11	11	10	10	10	0	9	9	7	9	-2
Other Pacific	6	7	10	9	8	10	9	2	8	8	9	7	1
OECD Pacific	**16**	**17**	**20**	**20**	**18**	**20**	**20**	**3**	**17**	**17**	**16**	**16**	**-1**
Total OECD*	**1,027**	**1,447**	**1,815**	**1,655**	**1,721**	**1,464**	**1,667**	**220**	**1,373**	**1,106**	**1,215**	**1,121**	**109**
Brunei	3	2	3	3	2	2	3	1	2	3	3	3	0
India	46	49	51	48	50	50	50	1	52	54	55	54	1
Malaysia	6	7	10	11	13	12	11	4	12	12	15	13	3
Papua New Guinea	1	0	0	1	2	1	1	1	1	1	1	1	0
Vietnam	9	8	9	8	8	8	8	0	8	8	8	8	0
Asia others	16	16	22	23	24	18	22	5	26	29	31	29	2
Other Asia	**81**	**83**	**96**	**95**	**98**	**90**	**95**	**12**	**100**	**107**	**113**	**109**	**6**
Argentina	35	57	69	74	77	64	71	14	49	45	47	45	2
Brazil	19	23	28	30	29	26	28	5	27	26	27	27	1
Colombia	12	14	15	16	14	16	15	1	13	12	14	13	2
Ecuador	3	7	9	10	10	11	10	3	10	9	8	9	-1
Peru	2	4	4	4	3	3	4	0	2	1	3	2	2
Trinidad & Tobago	3	4	6	5	4	5	5	1	5	4	4	4	0
L. America others	13	12	9	8	6	6	7	-4	4	3	5	4	2
Latin America	**86**	**120**	**141**	**147**	**144**	**130**	**141**	**20**	**110**	**100**	**108**	**103**	**8**
Bahrain			0	0	0	0	0	0	0	0	0	0	0
Oman	19	24	24	24	25	26	25	1	27	29	29	29	0
Syria	13	14	19	19	20	19	19	5	20	21	21	21	0
Yemen	4	6	6	6	5	6	6	0	8	8	9	9	1
Middle East	**36**	**45**	**49**	**49**	**49**	**51**	**50**	**5**	**57**	**60**	**61**	**60**	**1**
Angola	5	6	6	5	4	6	5	0	5	6	6	6	0
Cameroon			0	0	0	0	0	0	0	0	0	0	0
Congo	3	3	1	2	1	1	1	-1	1	1	1	1	0
Egypt	17	18	21	22	22	23	22	4	22	22	25	23	3
Gabon	2	2	2	4	1	1	2	0	1	2	2	2	0
South Africa	1	1	2	1	0	1	1	0	1	1	1	1	0
Africa other	4	5	4	5	5	3	4	0	11	10	9	12	-1
Africa	**30**	**34**	**36**	**40**	**34**	**35**	**36**	**2**	**41**	**42**	**44**	**45**	**2**
Total DCs	**232**	**282**	**322**	**330**	**325**	**307**	**321**	**40**	**307**	**309**	**326**	**317**	**17**
FSU													
Other Europe	**4**	**3**	**3**	**3**	**3**	**4**	**3**	**0**	**2**	**2**	**2**	**2**	**0**
China													
Non-OPEC Rig count	**1,263**	**1,732**	**2,140**	**1,988**	**2,049**	**1,774**	**1,991**	**260**	**1,682**	**1,417**	**1,543**	**1,440**	**126**

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

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