

OPEC

Organization of the Petroleum Exporting Countries



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Monthly Oil Market Report

OPEC Basket average price

US \$ per barrel

Up 2.24 in April

April	24.88
March	22.64
Year-to-date	21.23

April OPEC production

million barrels per day, according to secondary sources

Algeria	0.80	Kuwait	1.86	Saudi Arabia	7.40
Indonesia	1.14	SP Libyan AJ	1.30	UAE	1.97
IR Iran	3.34	Nigeria	1.95	Venezuela	2.48
Iraq	1.21	Qatar	0.62		

Supply and demand

million barrels per day

2001

World demand	75.85
Non-OPEC supply*	49.75
Difference	26.10

2002

World demand	76.24
Non-OPEC supply*	51.09
Difference	25.15

**Includes OPEC NGLs*

Stocks

Small seasonal build in USA in April

World economy

World GDP growth estimate revised up to 2.8% for 2002

May 2002

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OIL MARKET HIGHLIGHTS

- The world GDP growth estimate for 2002 has been raised to 2.8% from 2.6% last month, reflecting upward revisions in OECD North America and Europe, as well as an improved outlook in Asia Pacific and the former Soviet Union, while Latin American prospects have worsened.
- The US economy grew at a very fast rate in the first quarter of 2001, led by consumer spending and a slowing in the pace of inventory reduction. However, due to a surge in the unemployment rate, a tame inflationary picture and weak corporate profits, it is expected that the Federal Reserve Board will not start tightening before August at the earliest.
- There are signs that the Japanese economy has bottomed out, but the upturn is restricted to exports, while corporate investment and private consumption remain weak. In the euro-zone, a surprise rise in industrial production in March masks a wide divergence in individual country performance.
- The monthly price of OPEC's Reference Basket continued its sustained upward trend for the fourth consecutive month during April, rising by a sizeable 42% since the beginning of the recovery in January. It gained considerably, adding US \$2.24 per barrel, or almost 10%, with respect to the previous month; however, on a year-on-year basis, it was just \$0.50/b higher. On a year-to-date basis, the Basket stood at \$21.23/b, far below the \$24.37/b of 2001 and the \$25.27/b of 2000. The recovery extended to the first week of May, when the Basket stood at \$25.48/b; nonetheless, it fell to \$24.99/b in the second week. International benchmark crude prices were driven mainly by news rather than market fundamentals in April. In such an environment, it was not surprising to see a high degree of volatility, as markets reacted to unfolding news.
- Driven largely by crude price rises, product prices rallied in April, for the second consecutive month. US refinery throughput exceeded 90% for the first month since December 2001, owing to improving economics, but their European counterparts moved lower, for opposite reasons.
- The price decline in the first half of April was due to fund liquidations, while the rise in the second half was due to political tensions and US market indicators.
- OPEC area spot-chartering decreased by 2.49 million barrels a day to 10.58 mb/d in April. VLCC freight rates reached a 15-year low of WS28, and clean tanker freight rates showed mixed trends.
- The latest average 2002 world demand forecast of 76.24 mb/d has undergone little change, compared with the previous forecast of 76.22 mb/d. There has been a 0.429 mb/d drop in the first quarter, solely due to a significant 0.703 mb/d decline in OECD consumption, which has been partly offset by 0.145 mb/d and 0.129 mb/d rises in the demand of developing countries and former CPEs.
- OPEC crude oil production, based on secondary sources, declined to 24.07 mb/d in April. The non-OPEC oil supply forecast for 2002 has been revised up to 47.83 mb/d, 1.33 mb/d more than the revised 2001 figure, which has been estimated at 46.51 mb/d. The forecast for net FSU exports for 2002 has also been revised up, to 5.20 mb/d.
- The non-OPEC rig count again decreased sharply in April, by 197. OPEC's rig count also moved down, by nine. The major non-OPEC decline of 209 was in North America, mainly in Canada and USA with declines of 190 and 13 respectively.
- US commercial onland oil stocks rose seasonably by 10.1 mb, or a rate of 0.29 mb/d, to 1,006.7 mb in April, while Eur-16 extended marginally their previous month's draws, declining by 1.0 mb, or a rate of 0.03 mb/d, to 1,073.2 mb.

HIGHLIGHTS OF THE WORLD ECONOMY

Economic growth rates 2002

%

World	G-7	USA	Japan	Euro-zone
2.8	1.2	2.1	-0.9	1.3

World GDP growth revised up for 2002

The world GDP growth estimate for 2002 has been revised up from 2.6% to 2.8%, since the last *MOMR*.

Industrialised countries

US economic indicators in April point to continued but moderating growth, with sluggish labour markets

United States of America

The US economy grew at an annual 5.8% in the first quarter of 2002, the fastest rate in two years, led by consumer spending and a slowing in the pace of inventory reduction, while productivity increased at an annual 8.6%. It is expected that economic growth will moderate in the second quarter, a view supported by the Institute of Supply Management's indices for manufacturing and non-manufacturing, which continued to show expansion in April, but at a slower pace than in March. Moreover, the labour market remains weak and corporate profits and business investment are still depressed, fuelling concern that the rebound from the recession might be slow. Corporate profits were reported to have fallen by 12% in the first quarter, the fifth straight quarterly drop. The rate of unemployment also surged, to 6% in April from 5.7% in March, reaching the highest level since August 1994 — although payrolls rose by 43,000, marking the first increase in nine months, with jobs created mainly in the services sector, while manufacturing continued to shed jobs. The rise in unemployment was caused by an increase in the labour force to a record high of 142.6 million people working or seeking jobs, possibly as a result of the extension of jobless benefits. Also, manufacturing overtime hours increased and companies that supply temporary and contract workers added 66,000 jobs, an early sign of improvement in labour markets. However, the number of people filing new claims for unemployment benefits has been above 400,000 for seven weeks in a row, indicating a continuing sluggish job market. The pace of housing starts fell by 5.4% in April to an annual rate of 1.56m units, from a revised 1.64m rate in March. Most other indicators were good. Retail sales rose a rapid 1.2% in April in nominal terms, showing that the weak labour market was yet to impact on consumption, while industrial production grew by 0.4%, the fourth straight monthly rise, with capacity utilization rising to 75.5%, the highest level in seven months, albeit still low. The strong productivity figures, coupled with the low rate of capacity utilization, tame core inflation and a weak labour market, have all fed speculation that the Federal Reserve Board (Fed) would abstain from monetary tightening until August or possibly later.

Signs that Japanese economy has bottomed out, but upturn restricted to external sector, with persistent weakness in corporate investment and private consumption

Japan

The Japanese government is poised to effectively declare that the economy has bottomed out, but the Bank of Japan remains more cautious, given persistent weakness in corporate investment and household consumption and a continued drop in prices. On the positive side, one notes a rise in exports in the first three months of the year, and gains in factory production for the second month in March, marking the first back-to-back increase in almost two years. Japan's current account surplus expanded for the sixth straight month in March, climbing 51.8% from a year earlier and reflecting a rise in exports amid the global economic recovery. In addition, the leading economic index, which points to how the economy will be performing in six months, rose to a 19-month high in March. Industrial production grew by 0.5%, its first quarterly gain in more than a year in the January-March period, ending a four-quarter slide, with output rising by 0.5% in March from February. However, the improvement in the economy is very dependent on the recovery in the US and Asian economies. On the negative side, machinery orders, an indication of future capital spending, tumbled 7.4% in the first quarter from the previous quarter. Overall real household spending dropped by 1.0% in March from a year earlier, showing consumers are continuing to cut back on spending. Separately, Japan's major banks' non-performing loans surged to a record high of 25 trillion yen in March from ¥17.6 tr a year earlier, despite disposal of ¥7.6 tr worth of bad loans during the period. The jump was due to the stricter government inspection into banks by the Financial Services Agency (FSA), which forced reclassification of some "normal loans" to bad loans. The FSA estimated the bad loans of all Japanese banks at about ¥32 tr as of March last year, but private estimates are at least double that amount.

Surprising rise in euro-zone industrial production in March, but wide divergence in countries' performance

Euro-zone

The European Commission has revised down its euro-zone second-quarter of 2002 growth forecast to 0.4–0.7% from its earlier 0.5–0.8%, mainly reflecting weak consumer retail sales and a stagnant construction sector. It has kept first-quarter growth unchanged at 0.2–0.5%, following a 0.2% contraction in the fourth quarter of 2001. However, the EU standardized and seasonally adjusted unemployment rate remained unchanged in April at 8.1%, for the fourth month running. Euro-zone inflation fell less than expected to 2.4% in April, from 2.5%, raising speculation that the European Central Bank, worried about inflation exceeding its 2% target, may raise interest rates soon, endangering the fragile economic recovery. The divergence in the performance of different countries within the euro-zone is reflected in industrial production figures. Overall euro-zone industrial production surged by a stronger-than-expected 0.5% in March, at the same rate as French industrial output, but in contrast with the euro-zone's third-biggest economy, Italy, where it fell 0.7%. German industrial production also fell, by 0.3%, driven mainly by a 5.8% contraction in construction output. German manufacturing orders in March were unchanged from February. A sharp rise in foreign orders, at 3.1%, was offset by a steep drop in domestic orders of 2.6%. More importantly, first-quarter orders were up 0.8% from the fourth quarter, when orders fell 1% from the third quarter. These trends reinforce a widely-held view that Germany's economic recovery this year will depend largely on a global economic rebound. German unemployment continued to rise in April, with economic recovery not yet filtering into the labour market, but the unadjusted unemployment rate fell to 9.7% in April from 10.0% in March for seasonal reasons.

Russian GDP growth expected to moderate to 3.8% in 2002; meanwhile, oil exports continue to rise

Former Soviet Union

The Russian economy is expected to grow at 3.8% in 2002, compared with 5% last year, as the benefits of the rouble devaluation of 1998 and higher oil prices subside. The consumer price index rose 1.2% in April, compared with 1.1% in March, 1.2% in February and 3.1% in January, bringing the year-to-date inflation rate to 6.6%, against 9.0% in the first four months of 2001. The 2002 inflation target, 12–14%, will not be revised up, for the first time in several years, according to Russian officials. The year-to-date rouble-dollar exchange rate has depreciated in line with inflation (6.6%), meeting the government's target of a zero real rate change against the dollar in 2002. However, as export earnings keep rising, due to relatively strong oil prices, repatriated earnings and foreign reserves reached record highs of \$39.4 billion on 3 May, exerting upward pressure on the rouble's exchange rate. Similar circumstances in the first half of 2001 were among the major contributors to high inflation and rising consumer demand for imported goods. Russia boosted oil output 8.8% year-on-year (y-o-y) in January-April 2002 to 7.32 million barrels a day. Recent customs data shows that crude oil exports rose sharply in the first quarter of 2002, despite an understanding with OPEC to curb supply. The figures indicate that oil companies shipped much more oil through countries of the CIS, bypassing the Russian state pipeline monopoly, Transneft. Total Russian crude exports rose to 3.49 mb/d from 2.78 mb/d in the first quarter of 2001, the customs data showed. Crude deliveries to CIS countries rose to 680,000 b/d during January-March 2002, compared with 535,000 b/d in 2001. This puts Russian crude exports at an all-time high. Official customs data is widely accepted as the most reliable.

Depressed economic activity in Hungary and Poland, while Czech growth was favourable

Eastern Europe

Economic growth in Hungary slowed in the first quarter of 2002. This was attributed to a 0.4% contraction in industrial production, together with a sharp deterioration in the current account, resulting mainly from a substantial export reduction to the EU, Hungary's major market, due to lower demand and the forint's continued appreciation against the euro. But, despite a loose fiscal policy and rapid increases in wages, disinflation is expected to continue in the first half of the year, leaving room for further monetary-easing, aimed at weakening the forint in order to help exports. Poland remained characterised by depressed economic activity and dormant inflationary pressures. Industrial orders were down for the second month in a row and construction activity declined significantly. Despite a series of interest rate cuts by the National Bank, growth in credit to corporations is still declining, at 5.7% year-on-year in March. Therefore, any medium-term recovery will depend substantially on a rebound in investment. In the Czech Republic, the outlook for continued economic growth stayed favourable. But, currency strength remained the key issue, as the koruna broke through the 30-koruna/euro barrier for the first time in April. The Czech National Bank appears ready to intervene in currency markets to keep the currency within the target boundary.

Serious efforts to press ahead with privatisation and downsizing of government in national economies of OPEC Member Countries

OPEC Member Countries

Notwithstanding the events on the ground related to price volatility and market disruptions, OPEC Member Countries have carried on with their plans for economic reform and pressed ahead with privatization and downsizing the government role in the economy. For instance, the Islamic Republic of Iran cut its tax for all private and public investors to 25% from 64%, starting last March, to encourage domestic and foreign investment, especially the latter, which has pumped \$10 bn into the Iranian energy sector over the past five years. Also, the recently created National Agency for Privatization has targeted 1,029 state-run companies for privatization. Saudi Arabia is considering privatizing some operations of state-owned Saudi Aramco. The government announced last year that it would allow eight foreign major companies to participate in natural gas production, as the first foreign direct investment in the upstream sector in decades. In the Saudi Arabian Basic Industries Company, the 30% part-privatization went ahead as expected. On 22 April, Algeria signed a Free Trade Agreement with the EU, to reduce the country's dependence on the hydrocarbon sector, which accounts for 97% of foreign exchange earnings. The government plans to privatize 100 state-owned companies, either partially or totally. Expected GDP growth rates for the afore-mentioned Member Countries are 4.6% for I.R. Iran, 1.3% for Saudi Arabia and 2.6% for Algeria.

While Asia is recovering and Sub-Saharan Africa accelerating, Latin American prospects are mixed

Developing countries

The Asia Pacific region (excluding Japan) is forecast to have 3.3% economic growth this year, higher than last year, but still under-performing, compared with the years before the 1997 financial crisis. Stronger performances in China and South Asia will lift the Asian region's average growth as a whole. ASEAN member countries, whose economies were strong performers before 1997, will together experience output growth of 3.1%. China's real GDP growth is expected to increase from 7.0% this year to 7.7% in 2006, as officially reported. China achieved 7.6% y-o-y growth in the first quarter of 2002, fuelled by government deficit-spending, in order to maintain social stability. Doubtless, structural reform will also sustain higher growth, but the acceleration in the near future will be attained by improved external demand, as global recovery takes hold this year. Many officials in Latin America have lowered their expectations of production gains, government spending and energy investment this year, given the volatility in oil markets and the general political instability. Real GDP growth in the major economies of Argentina, Brazil and Chile is forecast to be -11.3%, 2.2% and 3.2%, respectively. In Africa, real GDP growth in the franc zone is anticipated to accelerate to 5.4% this year, due to the oil boom and development in Equatorial Guinea, Chad and Cameroon; this will, in regional terms, outstrip growth in both the South African Development Community and Central and West African regions, which have been stuck at 2.5% and 2.1% respectively this year.

Dollar weakness dampens gains in nominal oil prices for second month in a row, in April

Oil price, US dollar and inflation

The US dollar fell against all the currencies in the modified Geneva I + US \$ basket* in April. The yen rose by a marginal 0.06% to ¥131.14/\$ from ¥131.22/\$ in March, while the euro appreciated by 1.07% to average \$0.8850 from \$0.8758.

The dollar suffered from political uncertainty in the Middle East, which served to increase the level of international risk aversion, as well as increasing concern about the robustness of the US economic recovery in the coming quarters. Despite a very strong first-quarter GDP growth rate of 5.8%, more recent data for April indicated some slowdown in economic activity, coupled with increased concern about the strength of corporate profits, which was reflected in a steady decline in US stock markets. On the other hand, the yen benefited from stronger Japanese stock markets and the fact that the expected immediate reversal in capital flows out of Japan with the start of the fiscal year failed to materialise, as increasing uncertainty reduced the willingness of the Japanese to invest abroad. The yen reached ¥128/\$ by the end of April, while the euro broke through the \$0.90 level, reaching new highs for the year, as sentiment against the dollar worsened.

In April, the OPEC Reference Basket increased by \$2.24 per barrel, or 9.88%, to \$24.88/b, from \$22.64/b in March. In real terms (base July 1990=100), after accounting for inflation and currency fluctuations, the Basket price rose by 8.98% to reach \$23.65/b, from \$21.70/b, as the dollar depreciation dampened the gains in the nominal oil price for the second month in a row. The dollar fell by 0.78%, as measured by the import-weighted modified Geneva I + US dollar basket, while inflation was estimated at 0.04% in April.

* 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 Basket improved by \$2.24/b to \$24.88/b in April

The monthly price of OPEC's Reference Basket continued its sustained upward trend for the fourth consecutive month during April, rising by a sizeable 42% since the beginning of the recovery in January this year. The Basket gained considerably, adding \$2.24/b, or almost 10%, with respect to the previous month; however, on a year-on-year basis, it was just \$0.50/b higher. On a year-to-date basis, the Basket stood at \$21.23/b, far below the \$24.37/b of 2001 and the \$25.27/b of 2000. The Basket made several turns during the month, starting with a rise of \$1.65/b to average \$25.58/b in the first week, to retreat by \$1.02/b during the second week to average \$24.56/b. The speed of the fall slowed during the third week; nonetheless, the Basket shed another \$0.90/b to close at \$23.66/b. For the fourth week, the Basket made an upside turn, adding \$1.48/b, to close the month just below the level it had started.

Disaggregating, we find that all seven crudes registered gains, with Tia Juana Light and Minas leading the rise, adding \$2.86/b each. Saharan Blend and Isthmus followed, increasing by \$2.50/b and \$2.18/b. Brent-related Bonny Light and Arabian Light firmed by \$2.03/b and \$1.65/b, while Dubai posted just \$1.57/b.

International benchmark prices driven more by news than fundamentals in April

International benchmark crude prices were driven mainly by news rather than market fundamentals in April. In such an environment, it was not surprising to see a high degree of volatility, as markets reacted to unfolding news. Very early in the month, crude prices rose, boosted by heavy speculation in the futures markets, on concern over the deterioration in the Middle East crisis, that threatened a disruption to oil flows from the region. During the first week, the Commodity Futures Trading Commission's report showed a further rise in the long positions held by investment funds; this could be interpreted as a speculative move that prices would rise in the future. It was argued that such a speculative move had added a \$4-6/b premium to the front-month NYMEX sweet crude contract, but even this estimate could only be taken as added speculation. More bullish news, like the ongoing interruption of Venezuelan crude and product shipments to the USA and the announcement by Iraq on 8 April that it would halt oil exports for a month, contributed further to the price rise and the increased length of their long positions by investment funds.

Late in the second week, markets underwent a correction, with prices of major benchmark crudes dipping by more than \$1/b, dragged down by heavy technical selling and profit-taking releasing some of the enormous speculation built into the prices. Compounding the price fall was the political situation in Venezuela, where the elected President, Hugo Chavez, a strong supporter of OPEC, had been forced out of office, before returning to power a few days later. Meanwhile, market concern grew about a possible shift in Venezuela's structural oil policy — one that would focus on rising output, at the expense of defending prices.

Markets recovered considerably towards the end of the third week, supported by positive stock figures released by the American Petroleum Institute and the US Department of Energy's Energy Information Administration (DOE/EIA), that showed a large drop in crude oil inventories. Towards the week's end, several other factors contributed to support crude prices. There was the statement made in Caracas by the OPEC Secretary General, HE Dr Alí Rodríguez Araque, that the Organization would agree to maintain the current level of production at June's Meeting of the Conference. Then there were the Iraqi one-month long halt in exports and the limited achievements by the US Secretary of State, Colin Powell, on his trip to the Middle East.

Crude oil prices ended the month on a firmer note, as markets drew support from the still tense situation in the Middle East, the Iraqi one-month export halt and the still uneasy situation in Venezuela, that caused delays in crude and product shipments, which analysts expected to be reflected in the US inventory figures in the weeks to come.

During the week ending 9 May, the Basket lost \$0.49/b to average \$24.99/b, while in the week ending 16 May, it regained all of its previous week's losses increasing by \$0.77/b to \$25.76/b.

Short-term market outlook shaky, despite stronger crude prices

Despite the sustained strengthening of crude oil prices, the fundamental short-term market outlook remains shaky. Demand has yet to pick up, and the expected mere increase forecast for the year will be more than compensated by the increase in supply. Meanwhile, the faster-

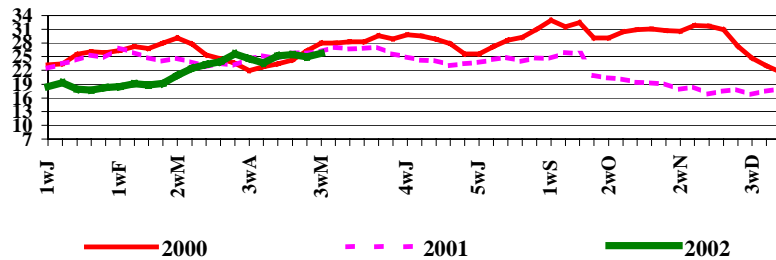
Unrest in Venezuela and halt in Iraq's exports boosted sour crude prices in April

than-expected economic recovery in the USA, the world's largest oil consumer, has yet to materialize. Inventories of seasonably sensitive gasoline in the USA have been rising lately and are high, according to the latest API reports. Indeed, in the week ending 10 May, gasoline stocks rose by 2.07 mb to 216.49 mb. Stocks of other products, like distillates and jet fuel, also present year-on-year increments, while only crude stocks show a decline.

US and European markets

Probably the highlight of the US Gulf markets during the first half of April was the squeeze on sour grades, due to labour unrest in Venezuela and, later, the announced one-month-halt in Iraq's crude exports, that put tremendous pressure on an already tight market. US sour crudes, like Mars and Poseidon, reached an all-time high, relative to the benchmark, West Texas Intermediate, while Iraqi Basrah suppliers hiked prices, forcing end-users to consider light sour grades as an alternative. Crude inventories showed large draws during the first two weeks, but the trend reversed in the last week; nonetheless, at the end of April, a year-on-year comparison revealed that crude stocks were only slightly above their year-earlier levels. In Europe, a squeeze on dated Brent caused this grade's third price distortion so far this year. During the third week, price manipulation left WTI at an unusual discount to Brent, closing completely any transatlantic arbitrage. Another consequence of such a distortion was that sellers of other North Sea grades were forced to widen the differentials to Brent, in order to place their cargoes. The market for West African crudes did not escape and remaining May cargoes found it hard to find homes. The price strengthening relative to products eroded European refining margins severely and induced run cuts.

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



End-users turned to benchmark sour grades to offset Iraqi shortfall in Far East in April

Far Eastern markets

Regional benchmark sour grades Oman and Murban maintained strong premiums to their official selling prices, as local end-users turned to these crudes to offset the short-fall caused by Iraq's export halt. Premiums for heavy crudes were firm, due to the strength of fuel oil prices, especially low-sulphur quality. Strong demand for naphtha-rich grades and condensates quickly finalized the allocation of May cargoes.

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

	Mar.02	Apr.02	Year-to-date average	
			2001	2002
Reference Basket	22.64	24.88	24.37	21.23
Arabian Light	23.33	24.98	23.70	21.68
Dubai	22.97	24.54	23.70	21.30
Bonny Light	23.76	25.79	25.64	22.41
Saharan Blend	22.84	25.34	26.09	21.96
Minas	22.92	25.78	25.63	21.70
Tia Juana Light	20.15	23.01	22.03	18.71
Isthmus	22.54	24.72	23.79	20.88
Other crudes				
Brent	23.73	25.75	25.67	22.33
WTI	24.35	26.32	28.45	22.79
Differentials				
WTI/Brent	0.62	0.57	2.78	0.46
Brent/Dubai	0.76	1.21	1.97	1.03

PRODUCT MARKETS AND REFINERY OPERATIONS

Light product prices improved considerably, and fuel oil soared further, in US Gulf in April; refining margins were enhanced, paving the way for big leap in US refinery utilization to 92.4%

Driven largely by crude oil price rises, product prices rallied in April, for the second consecutive month. US refinery throughput exceeded 90% for the first month since December 2001, owing to improving economics, but their European counterparts moved lower, for the opposite reasons.

US Gulf market

Product prices continued to surge in April, stemming from the prevailing strong crude oil market. The magnitude of each product's rise in price, however, was influenced by other parameters. Gasoline, for instance, rose by a considerable \$2.63/b, underpinned by two supporting factors. One was market concern over supply shortfalls during the first half of the month, following the halt to the seasonably required reformulated gasoline imports from Venezuela, amid some US refinery glitches and delayed restarts. The other factor was healthy delivery; gasoline demand, on a four-week moving average, according to preliminary government DoE data, was 8.8 mb, which was more than three percentage points above both the previous month's and previous year's levels. The strong US gasoline price, nonetheless, attracted high import flows and improved refinery economics, inducing refiners to boost throughput. As a result, the gasoline market appeared better supplied, as the month progressed. Gasoil increased by \$1.32/b, assisted by the crude price gains, despite dwindling demand. Fairly tight supply and higher refinery demand for a more economic alternative feedstock, instead of expensive crude, supported fuel oil, as its price soared by \$3.40/b.

Refining margins in the US Gulf improved further on a monthly basis, owing largely to the strong gasoline price during the first half of the month. Abundant gasoline supply in the remainder of the month, however, caused reduced profits.

As result of improving margins, US refinery throughput rose by a significant 0.97 mb/d to 15.31 mb/d in April, reversing the downtrend that had started in July 2001. Nonetheless, the refinery utilization rate of 92.4% was still 1.2 percentage points below last year's level.

Prices of light and heavy ends of barrel enjoyed solid gains in Rotterdam in April, but refining margins were negative; thus, refinery utilization rate in Eur-16 fell to 85.4%

Rotterdam market

The prices of the opposite ends of the barrel, gasoline and fuel oil, enjoyed substantial gains due to heavy export programmes, with a sustained rise in the crude price being the supporting factor for them and constituting the main reason for the increased distillate price in April. Despite prevailing weak regional demand, gasoline experienced another strong gain, of \$4.21/b, driven by transatlantic exports to the USA and the less well-supplied Mediterranean basin, due to refinery maintenance in Italy and Croatia. The European distillate market underwent contrasting developments, which had an impact on its price. These included a spell of relatively cold weather across Europe, which failed to spur additional purchases by European consumers, particularly Germans, who preferred to wait until summer to replenish their stocks, as well as seasonal rises in Russian distillate exports. Rising crude prices, however, pulled up the gasoil price by \$1.30/b. Fuel oil soared by \$2.03/b on tight supply, caused by OPEC's production restraint on sour crude and a switch of Russian cargoes to the Asian market, instead of the North-West European counterpart, together with a good export programme to US refineries earlier in the month.

Refining margins in Rotterdam recovered, but remained in negative territory, as the surge in the gasoline price did not outpace the rise in crude prices, given a lower yield for gasoline, i.e. 23%, produced by European refineries. A rise in the price of the main refined product, gasoil, was too low to offset rising crude price gains.

Refinery throughput in Eur-16 (Europe + Norway) continued to fall, by 0.16 mb/d to 11.65 mb/d, its lowest level since July 2001; this was caused by refinery turnarounds and discretionary run cuts, in response to poor margins. The equivalent refinery utilization rate was 85.4%.

Product price rises led by gasoil in Singapore in April; refining margins remained negative
Singapore market

The continuous rise in the crude price boosted all product values, with gasoil exceptionally leading the way. Gasoline increased by a significant \$2.15/b, assisted by reduced exports from China and healthy demand from the Middle East. A surge in prompt regional demand, including Indonesia — although it had not reached its previous level earlier in the year — Vietnam and Hong Kong, was the underlying factor behind gasoil soaring by \$2.78/b, amid lower regional refinery supply, due to the maintenance season in South Korea and Japan, on top of discretionary regional refinery run cuts driven by poor margins. Fuel oil also hiked by \$21.17/b, on sustainable tight supply on a global basis, originating from less availability of sour crude, amid prospects of rising Chinese purchases from Singapore's spot market.

The combination of relative weakness for Dubai crude, compared with other marker crudes, and the strong gasoil price paved the way for a slight improvement in refining margins, but they remained in negative territory.

No data is available for Japanese refineries in March.

Table 2
Refined product prices
US \$/b

		<u>Feb.02</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Change</u> <u>Apr./Mar.</u>
US Gulf					
Regular gasoline	<i>(unleaded)</i>	22.65	29.99	32.62	+2.63
Gasoil	<i>(0.2%S)</i>	21.76	25.65	26.97	+1.32
Fuel oil	<i>(3.0%S)</i>	15.22	18.99	22.39	+3.40
Rotterdam					
Premium gasoline	<i>(unleaded)</i>	20.94 ^R	25.74	29.95	+4.21
Gasoil	<i>(0.2%S)</i>	21.81	25.30	26.60	+1.30
Fuel oil	<i>(3.5%S)</i>	15.52	17.91	19.94	+2.03
Singapore					
Premium gasoline	<i>(unleaded)</i>	24.11	27.88	30.03	+2.15
Gasoil	<i>(0.5%S)</i>	21.76	24.83	27.61	+2.78
Fuel oil	<i>(380 cst)</i>	17.14	19.42	21.59	+2.17

Table 3
Refinery operations in selected OECD countries

	Refinery throughput <i>mb/d</i>			Refinery utilization* <i>%</i>		
	<u>Feb.02</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Feb.02</u>	<u>Mar.02</u>	<u>Apr.02</u>
USA	14.61	14.34	15.31	88.2	86.6	92.4
France	1.63 ^R	1.44 ^R	1.53	85.8 ^R	75.7 ^R	80.8
Germany	2.23 ^R	2.19 ^R	2.23	98.9 ^R	97.0 ^R	98.6
Italy	1.77 ^R	1.74	1.70	77.7 ^R	76.4	74.6
UK	1.67	1.62	1.63	93.4 ^R	91.1	91.4
Eur-16**	12.10 ^R	11.81 ^R	11.66	88.6 ^R	86.5 ^R	85.4
Japan	4.42	n.a.	n.a.	92.3	n.a.	n.a.

n.a. Not available.

* Refinery capacities used are in barrels per calendar day.

** Fifteen European Union members plus Norway.

R Revised since last issue.

Sources: OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.

THE OIL FUTURES MARKET

WTI ended April at same high level of over \$27/b, as it had started the month, basically due to geopolitical tensions

The futures price of WTI on the New York Mercantile Exchange continued its rally into the first two days of April, adding \$1.4/b to reach \$27.71/b, its highest level this year. The rally, that had started in late February and ended on 2 April, raised the price by 35% from its late-February level of \$20.48/b. Non-commercials (funds) bought aggressively throughout March and early April. At first, it was gasoline and signs of an improvement in the US economy, and then it was the increasing violence in the Middle East that caused the price rises. The market was also talked higher on fears of an oil embargo.

The high prices and indications that they contained a war premium of up to \$6/b started shaking sentiment, and non-commercials began to liquidate their positions, using US weekly stock data as a trigger. API data showed a build of 6.5 mb in crude and 3.9 mb in gasoline. The high level of imports, at 9.1 mb/d also acted as a bearish element. The downtrend persisted over the next few days, as sell stops started breaking one after the other, causing WTI to lose \$1.5/b within three days.

The liquidations continued, despite the Middle East tensions and threats of an oil strike in Venezuela. The only factors which stopped the decline were Iraq's announcement of a halt to its exports for 30 days and the cessation of Venezuelan exports, due to a strike by Petroleos de Venezuela (PDVSA) workers. However, the effects of these factors were watered down by OPEC's assurance that it would not join an embargo and by PDVSA's 20 mb of oil stored in the Bahamas and Curacao, which enabled it to meet its export needs.

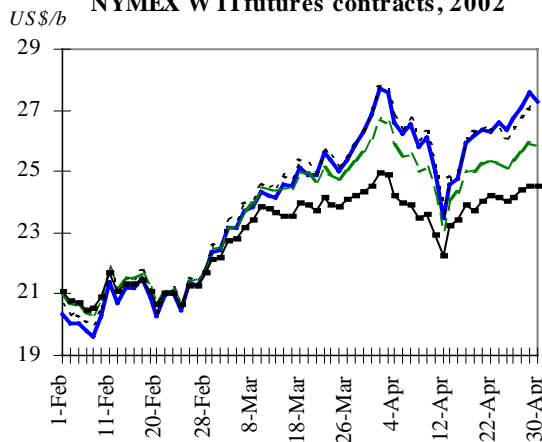
The attempted coup against President Hugo Chavez in Venezuela brought the WTI price down by \$1.52/b to \$23.47/b, when the market expected that Venezuela would renege on its commitment to OPEC, but the price quickly rebounded when President Chavez was reinstated.

Prices gained further impetus, when a cracking unit, producing 175,000 b/d of US specification gasoline, was shut down at the St. Croix refinery. The market also focused on the continuous increase in refinery runs for over five weeks, at a time when US imports were showing a decline, which resulted in an unexpected draw of 7.3 mb on crude oil stocks. There was also concern over tight supply, as the front-month curve turned from contango into backwardation.

The price rise continued its momentum, as Iraq called for a 50% reduction in Arab oil exports, but the market was calmed by statements from Saudi Arabia, which indicated the possibility of increased production in the coming months. Pushing prices further was data released about the US economy, which showed a 5.8% increase in GDP. This led to aggressive buying and shy selling, that resulted in a price of \$27.29/b for WTI at the end of April.

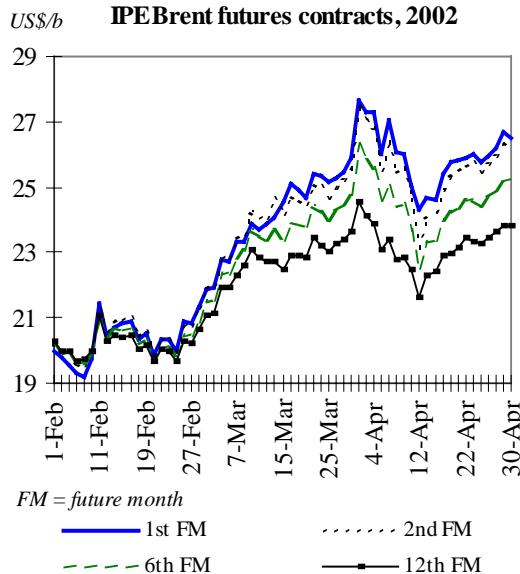
Graph 2

NYMEX WTI futures contracts, 2002



Graph 3

IPE Brent futures contracts, 2002



THE TANKER MARKET

OPEC area spot-chartering down by 2.49 mb/d in April

OPEC area spot-chartering declined by 2.49 mb/d to a monthly average of 10.58 mb/d in April, attributed mainly to the announced halt in Iraq's crude oil exports on 8 April. However, the level of OPEC fixtures exceeded that of the corresponding period of 2001 by 0.66 mb/d. In contrast, non-OPEC spot-chartering moved down by only 0.55 mb/d to a monthly average of 10.71 mb/d, boosting its market share to 50.32% and exceeding the level of OPEC fixtures, for the first time, by a monthly average of 0.13 mb/d. Global spot fixtures, therefore, plunged by 3.04 mb/d to 21.29 mb/d, but remained in surplus of 2.04 mb/d, compared with the same period last year. The OPEC area's share of global spot-chartering worsened by a significant 4.03 percentage points to 49.68%, which was 1.82 percentage points below the previous year's share. Most of the reduction in OPEC chartering during April was attributed to a decline in spot fixtures from the Middle East on the westbound long-haul route, as they moved down by 1.40 mb/d to 1.19 mb/d, while, on the eastbound route, fixtures softened by a marginal 0.19 mb/d to 3.98 mb/d. Consequently, OPEC's Middle East westbound share of total fixtures declined by a considerable 8.58 percentage points to 11.26%, while the share of eastbound chartering improved by 5.77 percentage points to 37.66%; together, they accounted for 48.92% of total chartering in the OPEC area, which was 2.81 percentage points below the previous month's level. Preliminary estimates of sailings from the OPEC area rose by 6.48 mb/d to a monthly average of 28.77 mb/d. Sailings from the Middle East also increased, by 3.06 mb/d to a monthly average of 19.10 mb/d, which was about 66% of total OPEC sailings. Arrivals in the US Gulf Coast, East Coast and the Caribbean increased in April by 1.55 mb/d to a monthly average of 8.42 mb/d, while arrivals in North-West Europe and Euromed moved marginally higher, by 0.07 mb/d to 6.22 mb/d and 0.29 mb/d to 5.08 mb/d respectively. The estimated oil-at-sea on 28 April was 455 mb, which was 12 mb below the level observed at the end of last month.

VLCC freight rates reached 15-year low in April

Crude oil tanker markets displayed a variety of trends during April, as they softened for larger tanker sizes, while improving remarkably for smaller sizes. A combination of reduced crude oil production from OPEC Member Countries in the Middle East, the absence of Iraqi oil exports and excessive tonnage availability throughout the month sent VLCC freight rates to a 15-year low. The rates continued to decrease during the month, reaching the lowest level of Worldscale 28 in the third week of the reported period, which barely covered the daily operating cost for modern tonnage. Monthly average freight rates for VLCC cargoes on the Middle East eastbound and westbound long-haul routes declined further, by five points to WS30 and four points to WS29 respectively. On the routes across the Atlantic, the Suezmax market remained relatively active, on the back of lower VLCC supplies on the Atlantic Basin and increased fixtures to US destinations. Monthly average freight rates for 1 mb cargoes from West Africa to the US Gulf Coast improved by four points to WS72, while, on the route from North-West Europe to the US East Coast, they stabilized and nearly maintained the previous month's level, with only a one-point deficit to WS72. Meanwhile, the Aframax market enjoyed a significant upward trend on all major trading routes, assisted by improved fixtures from non-OPEC areas and charterers' preferences for shorter voyages over longer ones to secure their requirements. The biggest improvement in Aframax freight rates occurred on the route from the Mediterranean to North-West Europe, where they surged by 46 points to WS140. The rates on the Caribbean/US East Coast and across the Mediterranean routes rose by 28 points to WS154 and 26 points to WS147 respectively. Freight rates for 70-100,000 dwt tankers on the route from Indonesia to the US West Coast declined by a further eight points to WS90.

Clean tanker freight rates showed mixed trends in April

Clean product tanker freight rates also had mixed fortunes, as they weakened for voyages heading to the Far East from the Middle East and Singapore, while improving along all other routes. Along the Middle East/Far East route, long-range clean tanker freight rates gave up most of the previous two months' gains, as they dropped by 26 points to WS150, while, for the short-haul route from Singapore, rates declined by 27 points to WS169, on the back of low enquiries. On the positive side, continuing demand for oil products in the US market, particularly gasoline, pushed up freight rates from North-West Europe and the Caribbean to US destinations by 43 points each to WS207 and WS192 respectively. Freight rates on the

Mediterranean/North-West Europe route witnessed the biggest increase for product tankers, surging by 50 points to WS204, while, on the route across the Mediterranean, they rose by 22 points to WS180.

Table 4
Spot tanker-chartering — sailings and arrivals
mb/d

	<u>Feb.02</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Change</u> <u>Apr./Mar.</u>
Chartering				
All areas	22.92	24.33	21.29	-3.04
OPEC	11.52	13.07	10.58	-2.49
Eastbound	3.67	4.17	3.98	-0.19
Westbound	1.44	2.59	1.19	-1.40
Sailings				
OPEC	23.85	22.29	28.77	+6.48
Middle East	16.54	16.04	19.10	+3.06
Arrivals				
US Gulf Coast, US East Coast, Caribbean	7.59	6.87	8.42	+1.55
North-West Europe	6.71	6.15	6.22	+0.07
Euromed	5.46	4.79	5.08	+0.29

Source: Oil Movements.

Table 5
Spot tanker freight rates
Worldscale

	<u>Size</u> <i>1,000 dwt</i>	<u>Feb.02</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Change</u> <u>Apr./Mar.</u>
Crude					
Middle East/east	200-300	51	35	30	-5
Middle East/west	200-300	39	33	29	-4
West Africa/US Gulf	100-160	63	68	72	+4
North-West Europe/US East Coast	100-160	66	73	72	-1
Indonesia/US West Coast	70-100	103	90	82	-8
Caribbean/US East Coast	40-70	150	126	154	+28
Mediterranean/Mediterranean	40-70	120	121	147	+26
Mediterranean/North-West Europe	40-70	121	94	140	+46
Products					
Middle East/east	30-50	173	176	150	-26
Singapore/east	25-30	176	196	169	-27
Caribbean/US Gulf Coast	25-30	162	149	192	+43
North-West Europe/US East Coast	25-30	168	164	207	+43
Mediterranean/Mediterranean	25-30	166	158	180	+22
Mediterranean/North-West Europe	25-30	168	154	204	+50

WORLD OIL DEMAND

World demand forecast for 2001 revised down marginally to 75.85 mb/d

Estimate for 2001

World

Minor adjustments have been applied to the first-, third- and fourth-quarter estimates. Year-2001 consumption is now estimated to average 75.85 mb/d, nearly the same as the 75.87 mb/d reported in the previous *MOMR* and only 0.037 mb/d higher than that of 2000. On a regional basis, demand is estimated to have decreased by 0.120 mb/d in the OECD. This has been more than offset by the 0.052 mb/d and 0.105 mb/d consumption rises in developing countries and "other regions" (former centrally planned economies) respectively. Table 6 provides more details.

On a quarterly basis, compared with the year-earlier figure, world first-quarter demand grew by 0.95%, or 0.724 mb/d, to average 76.64 mb/d. Second-quarter demand also rose, by 0.91%, or 0.674 mb/d, to average 74.73 mb/d. Due to recession, economic slowdown and significant drops in aviation fuel consumption in several countries, however, the third and fourth quarters witnessed substantial declines. Third-quarter demand is now estimated at 75.65 mb/d, which is about 0.526 mb/d, or 0.69%, less than that of the third quarter of 2000. Likewise, fourth-quarter demand is expected to be 76.40 mb/d, nearly 0.703 mb/d, or 0.91%, less than that of the year 2000.

Table 6
World oil demand in 2001
mb/d

	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 2001/00	
							Volume	%
North America	24.10	24.24	23.76	23.96	23.68	23.91	-0.19	-0.78
Western Europe	15.09	15.20	14.78	15.50	15.49	15.24	0.15	1.00
OECD Pacific	8.65	9.44	8.00	8.06	8.79	8.57	-0.08	-0.95
Total OECD	47.84	48.88	46.53	47.51	47.97	47.72	-0.12	-0.25
Other Asia	7.34	7.28	7.37	7.44	7.41	7.38	0.04	0.48
Latin America	4.72	4.58	4.67	4.66	4.53	4.61	-0.11	-2.32
Middle East	4.37	4.42	4.37	4.63	4.50	4.48	0.11	2.53
Africa	2.36	2.40	2.35	2.36	2.39	2.37	0.02	0.67
Total DCs	18.79	18.68	18.75	19.09	18.84	18.84	0.05	0.28
FSU	3.76	3.95	3.75	3.72	4.31	3.93	0.17	4.53
Other Europe	0.74	0.77	0.73	0.68	0.73	0.73	-0.02	-2.37
China	4.68	4.35	4.96	4.65	4.55	4.63	-0.05	-1.02
Total "other regions"	9.18	9.08	9.44	9.04	9.59	9.29	0.11	1.15
Total world	75.82	76.64	74.73	75.65	76.40	75.85	0.04	0.05
Previous estimate	75.82	76.66	74.73	75.69	76.39	75.87	0.05	0.07
Revision	0.00	-0.02	0.00	-0.04	0.01	-0.01	-0.01	-0.02

Totals may not add, due to independent rounding.

OECD

OECD product deliveries posted a decline of 0.120 mb/d, or 0.25%, to average 47.72 mb/d in 2001, in contrast to a 0.3% rise in 2000. This overall drop would be the result of a 0.189 mb/d decline, a 0.150 mb/d rise and a 0.082 mb/d decrease in North America, Western Europe and OECD Pacific respectively. The considerable declines in the third and, especially, the fourth quarters surpassed the substantial rise in the first quarter and were responsible for the drop in average 2001 demand in OECD. In addition to the economic slowdown in the OECD Pacific, reduced aviation fuel consumption, especially in the USA, contributed to the overall lower demand in the region.

**World demand forecast
for 2002 revised up
slightly to 76.24 mb/d**

DCs

Demand in developing countries experienced a minor rise of 0.052 mb/d, or 0.28%, to average 18.84 mb/d for the year. Of the four regions within the group, only Latin American demand demonstrated a rather significant decline, of 0.110 mb/d, or 2.32%. This was totally offset by a same-volume rise in Middle East consumption. Minor increases in consumption in Asia and Africa, therefore, also contributed to the overall rise in demand in the group.

Other regions

Apparent demand in the former CPEs grew by 0.105 mb/d, or 1.15%, to average 9.29 mb/d for 2001. In the FSU, there was a notable 0.171 mb/d, or 4.53%, rise in apparent consumption, with all four quarters seeing healthy growth. First-quarter demand grew by 7.01%, or 0.259 mb/d, compared with the year-earlier figure. There was a rise of 2.92%, or 0.107 mb/d, in the second quarter. Estimates also indicate a significant increase of 5.60%, or 0.197 mb/d, in apparent consumption in the third quarter, coupled with another considerable rise, of 2.86%, or 0.120 mb/d, in the fourth quarter. It is important to note that oil production grew steadily at a much higher rate, 0.620 mb/d compared with 0.171 mb/d, throughout 2001. As a result, net exports in 2001 spiked at 0.449 mb/d, or 10.84%. According to the latest assessments, a substantial rise in second-quarter Chinese apparent consumption was more than offset by declines in all other quarters, resulting in a 0.048 mb/d, or 1.02%, drop in the annual average.

Forecast for 2002

Although the first- and third-quarter averages have been adjusted, the average 2002 world demand forecast has undergone little change, 76.24 mb/d, compared with the previous forecast of 76.22 mb/d. The average yearly increment has been revised up slightly and now stands at 0.390 mb/d, or 0.51%, compared with the 0.357 mb/d, equivalent to 0.47%, mentioned in the previous *MOMR*.

All three regions are expected to register demand growth in 2002. That of the OECD, 0.077 mb/d, or 0.16%, would be the smallest, both in volume and percentage. Demand in developing countries is forecast to rise by the highest volume, 0.178 mb/d, or 0.94%. The total "other regions" are expected to experience the highest percentage growth, 1.45%, equivalent to 0.135 mb/d. Details of regional and quarterly breakdowns of demand forecast are given in Table 7.

Comparisons between the first- and second-quarter figures for 2001 and 2002 are presented in Table 8. The figures indicate that there has been a 0.429 mb/d drop in the first quarter, due solely to a significant 0.703 mb/d decline in OECD consumption, which was partly offset by the 0.145 mb/d and 0.129 mb/d rises in demand in the developing countries and former CPEs. This is supported by preliminary data on actual OECD consumption in the first two months of the year, which shows a 0.857 mb/d drop. However, a mild recovery, 0.157 mb/d, is expected in the second quarter. The growth is forecast to continue at a much higher and increasing pace in the third and fourth quarters, when world demand is forecast to rise by 0.754 mb/d, or 1.00%, and 1.058 mb/d, or 1.38%, respectively. Details have been presented in Table 9.

Table 7
World oil demand forecast for 2002
mb/d

	<u>2001</u>	<u>1Q02</u>	<u>2Q02</u>	<u>3Q02</u>	<u>4Q02</u>	<u>2002</u>	Change 2002/01	
							<u>Volume</u>	<u>%</u>
North America	23.91	23.79	24.00	24.30	24.01	24.02	0.11	0.48
Western Europe	15.24	15.20	14.60	15.33	15.70	15.21	-0.04	-0.23
OECD Pacific	8.57	9.19	7.89	8.18	9.01	8.57	0.00	-0.03
Total OECD	47.72	48.18	46.48	47.81	48.72	47.80	0.08	0.16
Other Asia	7.38	7.40	7.41	7.44	7.61	7.46	0.09	1.19
Latin America	4.61	4.53	4.68	4.67	4.56	4.61	0.00	0.00
Middle East	4.48	4.48	4.45	4.73	4.59	4.56	0.08	1.87
Africa	2.37	2.41	2.34	2.37	2.40	2.38	0.01	0.25
Total DCs	18.84	18.82	18.89	19.20	19.16	19.02	0.18	0.94
FSU	3.93	3.88	3.73	4.11	4.31	4.01	0.07	1.91
Other Europe	0.73	0.80	0.77	0.67	0.72	0.74	0.01	1.36
China	4.63	4.53	5.02	4.61	4.55	4.68	0.05	1.08
Total "other regions"	9.29	9.21	9.51	9.39	9.58	9.42	0.13	1.45
Total world	75.85	76.21	74.89	76.40	77.46	76.24	0.39	0.51
Previous estimate	75.87	76.75	74.83	75.92	77.40	76.22	0.36	0.47
Revision	-0.01	-0.54	0.05	0.49	0.06	0.02	0.03	0.04

Totals may not add, due to independent rounding.

Table 8
First- and second-quarter world oil demand comparison for 2002
mb/d

	<u>1Q01</u>	<u>1Q02</u>	Change 2002/01		<u>2Q01</u>	<u>2Q02</u>	Change 2002/01	
			<u>Volume</u>	<u>%</u>			<u>Volume</u>	<u>%</u>
North America	24.24	23.79	-0.45	-1.86	23.76	24.00	0.23	0.99
Western Europe	15.20	15.20	0.00	-0.02	14.78	14.60	-0.18	-1.21
OECD Pacific	9.44	9.19	-0.25	-2.65	8.00	7.89	-0.11	-1.33
Total OECD	48.88	48.18	-0.70	-1.44	46.53	46.48	-0.05	-0.11
Other Asia	7.28	7.40	0.11	1.57	7.37	7.41	0.04	0.59
Latin America	4.58	4.53	-0.04	-0.94	4.67	4.68	0.01	0.18
Middle East	4.42	4.48	0.07	1.53	4.37	4.45	0.09	2.02
Africa	2.40	2.41	0.01	0.25	2.35	2.34	0.00	-0.15
Total DCs	18.68	18.82	0.14	0.78	18.75	18.89	0.14	0.73
FSU	3.95	3.88	-0.07	-1.80	3.75	3.73	-0.02	-0.63
Other Europe	0.77	0.80	0.02	2.73	0.73	0.77	0.04	5.11
China	4.35	4.53	0.18	4.11	4.96	5.02	0.06	1.17
Total "other regions"	9.08	9.21	0.13	1.42	9.44	9.51	0.07	0.76
Total world	76.64	76.21	-0.43	-0.56	74.73	74.89	0.16	0.21

Totals may not add, due to independent rounding.

Table 9
Third- and fourth-quarter world oil demand comparison for 2002
mb/d

	<u>3Q01</u>	<u>3Q02</u>	Change 2001/00		<u>4Q01</u>	<u>4Q02</u>	Change 2002/01	
			<u>Volume</u>	<u>%</u>			<u>Volume</u>	<u>%</u>
North America	23.96	24.30	0.34	1.42	23.68	24.01	0.32	1.36
Western Europe	15.50	15.33	-0.17	-1.07	15.49	15.70	0.21	1.33
OECD Pacific	8.06	8.18	0.12	1.51	8.79	9.01	0.22	2.49
Total OECD	47.51	47.81	0.30	0.62	47.97	48.72	0.75	1.56
Other Asia	7.44	7.44	0.00	-0.06	7.41	7.61	0.20	2.67
Latin America	4.66	4.67	0.01	0.22	4.53	4.56	0.02	0.53
Middle East	4.63	4.73	0.09	1.98	4.50	4.59	0.09	1.95
Africa	2.36	2.37	0.01	0.49	2.39	2.40	0.01	0.40
Total DCs	19.09	19.20	0.11	0.57	18.84	19.16	0.32	1.70
FSU	3.72	4.11	0.39	10.43	4.31	4.31	0.00	0.04
Other Europe	0.68	0.67	-0.01	-1.43	0.73	0.72	-0.01	-1.17
China	4.65	4.61	-0.03	-0.65	4.55	4.55	0.00	-0.07
Total "other regions"	9.04	9.39	0.35	3.85	9.59	9.58	-0.01	-0.10
Total world	75.65	76.40	0.75	1.00	76.40	77.46	1.06	1.38

Totals may not add, due to independent rounding.

WORLD OIL SUPPLY

Non-OPEC

Figures for 2001

2001 non-OPEC supply figure revised up to 46.51 mb/d

The 2001 non-OPEC supply figure has been revised up by around 0.02 mb/d to 46.51 mb/d. The first quarter remains unchanged at 46.17 mb/d, while the other three quarters have been revised up by 0.01 to 45.96 mb/d, by 0.04 mb/d to 46.56 mb/d and by 0.03 mb/d to 47.32 mb/d respectively, compared with the last MOMR's figures. The yearly average increase is estimated at 0.77 mb/d, compared with the 2000 figure.

Table 10
Non-OPEC oil supply in 2001
mb/d

	<u>2000</u>	<u>1Q01</u>	<u>2Q01</u>	<u>3Q01</u>	<u>4Q01</u>	<u>2001</u>	Change
							<u>01/00</u>
North America	14.25	14.21	14.28	14.47	14.61	14.39	0.15
Western Europe	6.74	6.77	6.53	6.59	6.94	6.71	-0.03
OECD Pacific	0.83	0.80	0.76	0.77	0.74	0.77	-0.07
Total OECD	21.82	21.79	21.58	21.83	22.29	21.87	0.05
Other Asia	2.23	2.27	2.20	2.29	2.34	2.28	0.05
Latin America	3.74	3.77	3.65	3.82	3.79	3.76	0.01
Middle East	2.13	2.14	2.16	2.12	2.10	2.13	0.00
Africa	2.84	2.79	2.74	2.73	2.82	2.77	-0.07
Total DCs	10.95	10.97	10.75	10.97	11.05	10.93	-0.01
FSU	7.91	8.25	8.46	8.61	8.78	8.53	0.62
Other Europe	0.18	0.18	0.18	0.18	0.18	0.18	0.00
China	3.23	3.29	3.31	3.28	3.33	3.31	0.08
Total "Other regions"	11.32	11.73	11.95	12.07	12.29	12.01	0.69
Total non-OPEC production	44.08	44.48	44.27	44.87	45.63	44.82	0.73
Processing gains	1.65	1.69	1.69	1.69	1.69	1.69	0.04
Total non-OPEC supply	45.73	46.17	45.96	46.56	47.32	46.51	0.77
Previous estimate	45.73	46.17	45.95	46.52	47.28	46.48	0.75
Revision	0.00	0.00	0.01	0.04	0.03	0.02	0.02

Totals may not add, due to independent rounding.

2002 non-OPEC supply forecast revised up by around 0.07 mb/d to 47.83 mb/d

Expectations for 2002

Our 2002 non-OPEC supply forecast has been revised up by around 0.07 mb/d to 47.83 mb/d, which is an increase of 1.33 mb/d, compared with the figure estimated for 2001. The expected 2002 quarterly distribution is estimated at 47.78 mb/d, 47.32 mb/d, 47.77 mb/d and 48.45 mb/d respectively.

Table 11
Non-OPEC oil supply in 2002
mb/d

	<u>2001</u>	<u>1Q02</u>	<u>2Q02</u>	<u>3Q02</u>	<u>4Q02</u>	<u>2002</u>	Change 02/01
North America	14.39	14.68	14.49	14.51	14.52	14.55	0.16
Western Europe	6.71	6.75	6.51	6.57	6.92	6.69	-0.02
OECD Pacific	0.77	0.76	0.72	0.72	0.70	0.72	-0.04
Total OECD	21.87	22.19	21.72	21.80	22.14	21.96	0.09
Other Asia	2.28	2.35	2.29	2.39	2.43	2.36	0.09
Latin America	3.76	3.92	3.80	3.97	3.95	3.91	0.15
Middle East	2.13	2.09	2.10	2.07	2.05	2.08	-0.05
Africa	2.77	3.01	2.95	2.95	3.05	2.99	0.22
Total DCs	10.93	11.38	11.15	11.38	11.48	11.35	0.41
FSU	8.53	8.91	9.14	9.30	9.48	9.21	0.68
Other Europe	0.18	0.17	0.17	0.17	0.17	0.17	-0.01
China	3.31	3.41	3.43	3.40	3.45	3.42	0.12
Total "Other regions"	12.01	12.50	12.73	12.87	13.10	12.80	0.79
Total non-OPEC production	44.82	46.06	45.60	46.05	46.73	46.11	1.30
Processing gains	1.69	1.72	1.72	1.72	1.72	1.72	0.03
Total non-OPEC supply	46.51	47.78	47.32	47.77	48.45	47.83	1.33
Previous estimate	46.48	47.74	47.27	47.69	48.35	47.76	1.28
Revision	0.02	0.04	0.05	0.08	0.10	0.07	0.05

Totals may not add, due to independent rounding.

Net FSU oil export 2001 and 2002 figures revised up to 4.59 mb/d and 5.20 mb/d

The FSU net oil export estimate for 2001 has been revised up by 0.03 mb/d to 4.59 mb/d, compared with the last *MOMR*. Our 2002 forecast has been revised up by 0.07 mb/d to 5.20 mb/d.

Table 12
FSU net oil exports
mb/d

	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	Year
1998	2.77	3.02	3.18	3.20	3.04
1999	3.12	3.62	3.52	3.49	3.44
2000	3.97	4.13	4.47	4.01	4.14
2001 (estimate)	4.30	4.71	4.89	4.47	4.59
2002 (forecast)	5.03	5.41	5.18	5.17	5.20

OPEC natural gas liquids

The OPEC NGL figures for 1998–2002 remain unchanged at 3.01 mb/d, 3.07 mb/d, 3.23 mb/d, 3.24 mb/d and 3.26 mb/d respectively.

OPEC NGL production — 1998–2002
mb/d

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

No revisions to OPEC NGL data

Available secondary sources put OPEC's April production at 24.07 mb/d

OPEC crude oil production

Available secondary sources indicate that, in April, OPEC output was 24.07 mb/d, which was 1.17 mb/d lower than the revised March level of 25.25 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

	<u>2000</u>	<u>4Q01</u>	<u>2001</u>	<u>Mar.02*</u>	<u>1Q02</u>	<u>Apr.02*</u>	<u>Apr.-Mar.</u>
Algeria	808	810	820	790	783	798	8
Indonesia	1,278	1,175	1,214	1,143	1,143	1,143	1
IR Iran	3,671	3,481	3,665	3,359	3,350	3,337	-22
Iraq	2,552	2,559	2,383	2,431	2,384	1,208	-1,224
Kuwait	2,101	1,949	2,032	1,846	1,842	1,861	15
SP Libyan AJ	1,405	1,308	1,361	1,292	1,275	1,298	6
Nigeria	2,031	2,119	2,098	1,949	1,960	1,952	3
Qatar	698	634	683	606	597	620	15
Saudi Arabia	8,273	7,571	7,945	7,293	7,227	7,402	110
UAE	2,251	2,034	2,163	1,956	1,965	1,974	19
Venezuela	2,897	2,703	2,831	2,584	2,573	2,482	-102
Total OPEC	27,965	26,342	27,196	25,247	25,100	24,074	-1,172

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

RIG COUNT

Non-OPEC rig count down by 197 in April

Non-OPEC

In April, another decrease in rig activity took place. North America was still the major contributor, witnessing a decline of 209 rigs, compared with the revised March figures. In Canada, the rig count dropped by 190 to 121, compared with 311 in March. The other decreases in North America occurred in the USA and Mexico, where the rig counts declined by 13 to 750 and by 6 to 58, compared with 763 and 64 in March, respectively.

Table 14
Non-OPEC rig count

	<u>2000</u>	<u>2001</u>	<u>2001-00</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Apr.-Mar.</u>
North America	1,305	1,552	247	1,138	929	-209
Western Europe	125	95	-30	90	98	8
OECD Pacific	17	20	3	14	15	1
OECD	1,447	1,667	220	1,242	1,042	-200
Other Asia	83	95	12	102	106	4
Latin America	120	141	20	108	102	-6
Middle East	45	50	5	58	59	1
Africa	34	36	2	44	48	4
DCs	282	321	40	312	315	3
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	1,556	1,359	-197

Totals may not add, due to independent rounding.
n.a. not available.

Source: Baker Hughes International.

OPEC rig count down by 14 in April

OPEC

OPEC's rig count decreased by 14 to 229, compared with the March figure. The major declines in OPEC's rig activity of nine and three took place in Venezuela and Algeria respectively.

Table 15
OPEC rig count

	<u>2000</u>	<u>2001</u>	<u>2002-01</u>	<u>Mar.02</u>	<u>Apr.02</u>	<u>Apr.-Mar.</u>
Algeria	15	20	5	23	20	-3
Indonesia	32	41	9	47	49	2
IR Iran	27	30	3	34	32	-2
Iraq	0	0	0	n.a.	n.a.	n.a.
Kuwait	12	9	-3	6	5	-1
SP Libyan AJ	7	5	-2	10	10	0
Nigeria	8	12	4	11	10	-1
Qatar	6	9	3	15	15	0
Saudi Arabia	25	30	5	33	32	-1
UAE	13	15	3	15	16	1
Venezuela	63	67	5	49	40	-9
Total OPEC	206	238	32	243	229	-14

Totals may not add, due to independent rounding.

Source: Baker Hughes International.

STOCK MOVEMENTS

Seasonal build of 0.29 mb/d in USA in April

USA

US commercial onland oil stocks rose seasonably by 10.1 mb, or a rate of 0.29 mb/d, to 1,006.7 mb during the period 29 March – 3 May. "Other oils" were the main contributor to this build, increasing by 10.9 mb to 182.0 mb. Otherwise, total major product inventories moved up by 4.4 mb to 411.2 mb. However, the draw on crude oil stocks, of 5.1 mb to 320.0 mb, largely due to lower imports, capped this build. Total oil stocks were 29.8 mb, or about 3%, higher than last year's level.

During the first week of May, which ended on 10 May, commercial onland oil stocks in the USA did not display any major change, increasing by only 0.6 mb to 1,007.3 mb. This rise resulted mainly from the build in most major product inventories, especially gasoline, which increased by 3.1 mb, due to weak demand.

Table 16
US onland commercial petroleum stocks*
mb

	<u>28 Dec.01</u>	<u>29 Mar.02</u>	<u>3 May 02</u>	<u>Change</u> <u>Apr./Mar.</u>	<u>3 May 01</u>	<u>10 May02**</u>
Crude oil (excl. SPR)	309.9	325.1	320.0	-5.1	325.4	315.8
Gasoline	207.9	211.5	214.1	2.6	201.5	217.2
Distillate fuel	137.6	119.7	121.5	1.8	105.2	40.5
Residual fuel oil	40.9	34.6	35.3	0.7	40.8	122.5
Jet fuel	40.7	41.0	40.3	-0.7	40.8	36.2
Unfinished oils	90.6	93.6	93.5	-0.1	99.5	90.8
Other oils	181.5	171.1	182.0	10.9	163.7	184.3
Total	1,009.2	996.6	1,006.7	10.1	976.9	1,007.3
SPR	549.0	560.9	566.8	5.9	542.4	567.7

* 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.

**Minor stock-draw of
0.03 mb/d in Eur-16 in
April**

During the period 29 March – 3 May, the US Strategic Petroleum Reserve (SPR) witnessed an increase of 5.9 mb to 566.8 mb as the US government continued to fill the SPR, under the “royalty-in-kind” programme.

Western Europe

Commercial onland oil stocks in Eur-16 extended marginally their previous month’s draws, when they declined by 1.0 mb, or a rate of 0.03 mb/d, to a level of 1,073.2 mb. Crude oil contributed more than total products to this draw for the second month running. On the refined products’ side, draws on gasoline and fuel oils were balanced by builds in distillates and jet kerosene. The draw of 0.9 mb to 440.0 mb on crude oil was attributed to fewer arrivals, due to the cut in OPEC output and increasing exports to the US market, as a result of weak refining margins. Lower refinery throughput pushed gasoline production down, which, together with increasing transatlantic exports, depressed gasoline stocks, which fell by 1.9 mb to 154.6 mb. Fuel oil experienced a minor draw of 0.30 mb to 111.5 mb, on higher exports to Asia, as well as reduced heavy crude oil imports, especially from OPEC Member Countries after the 1 February production cut. Distillates rose by 1.6 mb to 342.5 mb, due to sluggish demand and increasing Russian gasoil deliveries. Total oil stocks were 10.1 mb, or about 1%, higher than the year-ago level.

Table 17
Western Europe commercial oil stocks*
mb

	<u>Sep.01</u>	<u>Dec.01</u>	<u>Mar.02</u>	<u>Apr.02</u>	Change <u>Apr./Mar.</u>	<u>Apr.01</u>
Crude oil	436.6	436.0	440.9	440.0	-0.9	443.1
Mogas	144.6	151.8	156.5	154.6	-1.9	145.0
Naphtha	26.0	26.4	24.2	24.6	0.4	24.7
Middle distillates	323.4	331.2	340.9	342.5	1.6	323.0
Fuel oils	121.0	119.1	111.7	111.5	-0.3	127.3
Total products	615.0	628.5	633.3	633.2	-0.1	620.0
Overall total	1,051.6	1,064.5	1,074.2	1,073.2	-1.0	1,063.1

* At end of month, and region consists of Eur-16.

Source: Argus Euroilstock.

**Moderate build of
0.17 mb/d in Japan in
March**

Japan

In March, commercial onland oil stocks regained their previous month’s overall loss, when they rose by 5.4 mb, or a rate of 0.17 m/d, to 170.9 mb. This build was mainly confined to a rise of 9.8 mb to 106.8 mb in crude oil, on lower refining runs, due to the maintenance season, as well as poor refining margins. Major product inventories remained almost at the previous month’s level, except distillates, which showed a draw of 4.8 mb to 29.5 mb, on the back of increasing demand, together with lower regional refinery throughput, due to seasonal shut-downs. Total oil stocks were about 8% lower than the level registered a year ago.

Table 18
Japan’s commercial oil stocks*
mb

	<u>Sep.01</u>	<u>Dec.01</u>	<u>Feb.02</u>	<u>Mar.02</u>	Change <u>Feb./Jan.</u>	<u>Mar.01</u>
Crude oil	118.0	113.4	97.0	106.8	9.8	118.7
Gasoline	13.8	12.3	15.3	15.8	0.5	14.6
Middle distillates	45.7	37.8	34.3	29.5	-4.8	31.4
Residual fuel oil	19.9	18.5	19.0	18.7	-0.3	20.2
Total products	79.5	68.6	68.5	64.0	-4.5	66.3
Overall total **	197.5	182.0	165.5	170.9	5.4	185.0

* At end of month.

** Includes crude oil and main products only. Source: MITI, Japan.

**Minor seasonal draw of
0.16 mb/d in OECD in
first quarter of 2002**

OECD

In the first quarter of 2002, OECD commercial onland oil stocks (the USA, Eur-16 and Japan) are estimated to have registered a further minor seasonal draw, of 14.0 mb, or a rate of 0.16 mb/d, to 2,241.7 mb, compared with the previous quarter. US and Japanese stocks continued to contribute to this draw on relatively healthy demand, while Eur-16 stocks extended their unseasonable build of the previous quarter, adding 9.7 mb, to reach the level of 1,074.2 mb.

Table 19
Estimated stock movements in OECD* in first quarter of 2002
mb

	<u>Dec.01</u>	<u>Mar.02</u>	<u>Change Mar.02/Dec.01</u>	
			<i>mb</i>	<i>mb/d</i>
USA	1,009.2	996.6	-12.6	-0.14
Eur-16	1,064.5	1,074.2	9.7	0.11
Japan	182.0	170.9	-11.1	-0.12
OECD total	2,255.7	2,241.7	-14.0	-0.16

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

BALANCE OF SUPPLY AND DEMAND

2001 supply/demand difference estimated at 26.10 mb/d

Both world oil demand and non-OPEC oil supply for 2001 remain unchanged, compared with last month's *MOMR*'s figures. The yearly average difference stands at 26.10 mb/d, with quarterly distributions of 27.22 mb/d, 25.52 mb/d, 25.85 mb/d and 25.84 mb/d respectively. Only the balance for the third quarter has been revised up, by less than 0.1 mb/d to 1.40 mb/d, while the other three quarters stand at 0.88 mb/d, 1.59 mb/d and 0.50 mb/d, respectively. The 2001 annual average balance is estimated at 1.09 mb/d. The 2000 balance remains unchanged at 1.11 mb/d.

Table 20
Summarized supply/demand balance for 2001
mb/d

	<u>2000</u>	<u>1Q01</u>	<u>2Q01</u>	<u>3Q01</u>	<u>4Q01</u>	<u>2001</u>
(a) World oil demand	75.82	76.64	74.73	75.65	76.40	75.85
(b) Non-OPEC supply ⁽¹⁾	48.96	49.42	49.21	49.80	50.56	49.75
Difference (a – b)	26.85	27.22	25.52	25.85	25.84	26.10
OPEC crude oil production ⁽²⁾	27.97	28.10	27.11	27.25	26.34	27.20
Balance	1.11	0.88	1.59	1.40	0.50	1.09

(1) Including OPEC NGLs.

(2) Selected secondary sources.

Totals may not add, due to independent rounding.

2002 supply/demand difference forecast at 25.15 mb/d

The summarized expected supply/demand balance table for 2002 shows no change to the world oil demand forecast at 76.24 mb/d (the changes have occurred only within the quarterly distribution), while total non-OPEC supply has been revised up by less than 0.1 mb/d to 51.09 mb/d, resulting in an expected annual difference of around 25.15 mb/d, which is almost unchanged, compared with the last *MOMR*. There is a quarterly distribution of 25.17 mb/d, 24.31 mb/d, 25.37 mb/d and 25.75 mb/d respectively. The balance estimated for the first quarter has been revised up by 0.52 mb/d to -0.07 mb/d.

Table 21
Summarized supply/demand balance for 2002
mb/d

	<u>2001</u>	<u>1Q02</u>	<u>2Q02</u>	<u>3Q02</u>	<u>4Q02</u>	<u>2002</u>
(a) World oil demand	75.85	76.21	74.89	76.40	77.46	76.24
(b) Non-OPEC supply ⁽¹⁾	49.75	51.04	50.58	51.03	51.71	51.09
Difference (a – b)	26.10	25.17	24.31	25.37	25.75	25.15
OPEC crude oil production ⁽²⁾	27.20	25.10				
Balance	1.09	-0.07				

(1) Including OPEC NGLs.

(2) Selected secondary sources.

Totals may not add, due to independent rounding.

Table 22
World oil demand/supply balance
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002
World demand													
OECD	46.8	47.7	47.8	48.9	46.5	47.5	48.0	47.7	48.2	46.5	47.8	48.7	47.8
North America	23.1	23.8	24.1	24.2	23.8	24.0	23.7	23.9	23.8	24.0	24.3	24.0	24.0
Western Europe	15.3	15.2	15.1	15.2	14.8	15.5	15.5	15.2	15.2	14.6	15.3	15.7	15.2
Pacific	8.4	8.7	8.7	9.4	8.0	8.1	8.8	8.6	9.2	7.9	8.2	9.0	8.6
DCs	18.2	18.6	18.8	18.7	18.8	19.1	18.8	18.8	18.8	18.9	19.2	19.2	19.0
FSU	4.3	4.0	3.8	4.0	3.8	3.7	4.3	3.9	3.9	3.7	4.1	4.3	4.0
Other Europe	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.7	0.7
China	3.8	4.2	4.7	4.4	5.0	4.6	4.5	4.6	4.5	5.0	4.6	4.5	4.7
(a) Total world demand	73.8	75.2	75.8	76.6	74.7	75.6	76.4	75.9	76.2	74.9	76.4	77.5	76.2
Non-OPEC supply													
OECD	21.8	21.3	21.8	21.8	21.6	21.8	22.3	21.9	22.2	21.7	21.8	22.1	22.0
North America	14.5	14.1	14.2	14.2	14.3	14.5	14.6	14.4	14.7	14.5	14.5	14.5	14.6
Western Europe	6.6	6.6	6.7	6.8	6.5	6.6	6.9	6.7	6.7	6.5	6.6	6.9	6.7
Pacific	0.7	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.7	0.7	0.7	0.7
DCs	10.5	10.8	10.9	11.0	10.8	11.0	11.0	10.9	11.4	11.1	11.4	11.5	11.3
FSU	7.3	7.5	7.9	8.3	8.5	8.6	8.8	8.5	8.9	9.1	9.3	9.5	9.2
Other Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.5	3.4
Processing gains	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total non-OPEC supply	44.5	44.6	45.7	46.2	46.0	46.6	47.3	46.5	47.8	47.3	47.8	48.5	47.8
OPEC NGLs	3.0	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3
(b) Total non-OPEC supply and OPEC NGLs	47.5	47.6	49.0	49.4	49.2	49.8	50.6	49.7	51.0	50.6	51.0	51.7	51.1
OPEC crude oil production (secondary sources)	27.8	26.5	28.0	28.1	27.1	27.3	26.3	27.2	25.1				
Total supply	75.3	74.2	76.9	77.5	76.3	77.1	76.9	76.9	76.1				
Balance (stock change and miscellaneous)	1.5	-1.1	1.1	0.9	1.6	1.4	0.5	1.1	-0.1				
Closing stock level (outside FCPEs) mb													
OECD onland commercial	2698	2446	2529	2522	2595	2660	2631	2631	2613				
OECD SPR	1249	1228	1210	1210	1207	1205	1222	1222	1235				
OECD total	3947	3674	3740	3732	3802	3865	3852	3852	3848				
Other onland	1056	983	1000	998	1017	1034	1030	1030	1029				
Oil-on-water	859	808	876	913	833	868	843	843	n.a.				
Total stock	5861	5465	5616	5643	5652	5767	5725	5725	n.a.				
Days of forward consumption in OECD													
Commercial onland stocks	57	51	53	54	55	55	55	55	56				
SPR	26	26	25	26	25	25	25	26	27				
Total	83	77	78	80	80	81	80	81	83				
Memo items													
FSU net exports	3.0	3.4	4.1	4.3	4.7	4.9	4.5	4.6	5.0	5.4	5.2	5.2	5.2
(a) - (b)	26.3	27.6	26.9	27.2	25.5	25.9	25.8	26.1	25.2	24.3	25.4	25.7	25.1

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

Table 23
World oil demand/supply balance: changes from last month's table †
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002
World demand													
OECD	-	-	-	-	-	-	0.1	-	-0.6	-	0.5	0.1	-
North America	-	-	-	-	-	-	-	-	-0.3	-	0.3	0.1	-
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-0.3	-	0.2	-	-
DCs	-	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	-	-	-	-	-0.1	-	-	-	-	-0.1	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Total world demand	-	-	-	-	-	-	-	-	-0.5	-	0.5	0.1	-
Non-OPEC supply													
OECD	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1
North America	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-	0.1	-	-	0.1	0.1	0.1	0.1
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-OPEC supply	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1
OPEC NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1
OPEC crude oil production (secondary sources)	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Total supply	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance (stock change and miscellaneous)	-	-	-	-	-	0.1	-	-	0.5	-	-	-	-
Closing stock level (outside FCPEs) mb													
OECD onland commercial	-	-1	5	4	3	5	7	-	-	-	-	-	-
OECD SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
OECD total	-	-1	5	4	3	5	7	-	-	-	-	-	-
Other onland	-	-	1	1	1	1	2	-	-	-	-	-	-
Oil on water	-	-	-	-	-	-	-	-	-	-	-	-	-
Total stock	-	-1	6	5	4	6	-	-	-	-	-	-	-
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-	-	-	1	-	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1	-	-	-	-	-	-
Memo items													
FSU net exports	-	-	-	-	-	-	0.1	-	-	-	0.1	0.1	0.1
(a) - (b)	-	-	-	-	-	-0.1	-	-	-0.6	-	0.4	-	-

† This compares Table 22 in this issue of the *MOMR* with Table 19 in the April 2002 issue.
This table shows only where changes have occurred.

Table 24
World oil stocks (excluding former CPEs) at end of period

	1998	1999	2000	2001	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01	1Q02
Closing stock level <i>mb</i>													
OECD onland commercial	2,698	2,446	2,529	2,631	2,419	2,510	2,542	2,529	2,522	2,595	2,660	2,631	2,613
North America	1,283	1,127	1,145	1,270	1,108	1,165	1,180	1,145	1,159	1,230	1,269	1,270	1,247
Western Europe	962	881	930	917	902	900	910	930	917	907	918	917	941
OECD Pacific	454	437	454	444	409	445	452	454	447	457	473	444	425
OECD SPR	1,249	1,228	1,210	1,222	1,234	1,232	1,237	1,210	1,210	1,207	1,205	1,222	1,235
North America	571	567	543	552	569	569	572	543	544	545	547	552	563
Western Europe	362	346	354	353	349	349	353	354	351	347	345	353	351
OECD Pacific	315	315	313	316	315	315	312	313	314	314	313	316	321
OECD total	3,947	3,674	3,740	3,852	3,653	3,742	3,778	3,740	3,732	3,802	3,865	3,852	3,848
Other onland	1,056	983	1,000	1,030	977	1,001	1,010	1,000	998	1,017	1,034	1,030	1,029
Oil-on-water	859	808	876	843	840	865	849	876	913	833	868	843	n.a.
Total stock	5,861	5,465	5,616	5,725	5,470	5,608	5,637	5,616	5,643	5,652	5,767	5,725	n.a.
Days of forward consumption in OECD													
OECD onland commercial	57	51	53	55	52	52	52	52	54	55	55	55	56
North America	54	47	48	53	46	48	48	47	49	51	54	53	52
Western Europe	63	58	61	60	62	59	59	61	62	59	59	60	64
OECD Pacific	52	51	53	52	51	53	51	48	56	57	54	48	54
OECD SPR	26	26	25	26	27	26	25	25	26	25	25	25	27
North America	24	24	23	23	24	23	23	22	23	23	23	23	23
Western Europe	24	23	23	23	24	23	23	23	24	22	22	23	24
OECD Pacific	36	36	37	37	39	38	35	33	39	39	36	34	41
OECD total	83	77	78	81	78	78	78	77	80	80	81	80	83
Days of global forward consumption	88	82	84	86	84	84	84	83	86	85	86	86	n.a.

Table 25
Non-OPEC supply and OPEC natural gas liquids
mb/d

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change						Change 02/01
									01/00	1Q02	2Q02	3Q02	4Q02	2002	
USA	8.39	8.11	8.11	7.87	8.10	8.17	8.22	8.09	-0.02	8.20	8.19	8.08	8.00	8.12	0.03
Canada	2.61	2.60	2.69	2.78	2.68	2.67	2.81	2.74	0.05	2.88	2.78	2.76	2.91	2.83	0.09
Mexico	3.51	3.35	3.45	3.56	3.50	3.63	3.57	3.57	0.11	3.61	3.54	3.67	3.61	3.61	0.04
North America	14.51	14.05	14.25	14.21	14.28	14.47	14.61	14.39	0.15	14.69	14.50	14.51	14.53	14.56	0.16
Norway	3.08	3.06	3.32	3.47	3.35	3.39	3.50	3.43	0.11	3.33	3.21	3.25	3.36	3.29	-0.14
UK	2.77	2.84	2.64	2.53	2.48	2.48	2.65	2.53	-0.10	2.61	2.56	2.56	2.74	2.62	0.08
Denmark	0.24	0.30	0.36	0.37	0.31	0.33	0.38	0.35	-0.02	0.39	0.33	0.35	0.40	0.37	0.02
Other Western Europe	0.48	0.43	0.41	0.40	0.40	0.39	0.41	0.40	-0.01	0.42	0.41	0.40	0.42	0.41	0.01
Western Europe	6.56	6.63	6.74	6.77	6.53	6.59	6.94	6.71	-0.03	6.75	6.51	6.57	6.92	6.69	-0.02
Australia	0.61	0.59	0.77	0.74	0.70	0.71	0.68	0.71	-0.06	0.71	0.67	0.68	0.65	0.68	-0.03
Other Pacific	0.08	0.07	0.06	0.06	0.06	0.06	0.05	0.06	0.00	0.05	0.05	0.05	0.04	0.04	-0.01
OECD Pacific	0.69	0.66	0.83	0.80	0.76	0.77	0.74	0.77	-0.07	0.76	0.72	0.72	0.70	0.72	-0.04
Total OECD*	21.75	21.34	21.82	21.79	21.58	21.83	22.29	21.87	0.05	22.19	21.72	21.81	22.15	21.97	0.10
Brunei	0.16	0.18	0.19	0.20	0.18	0.19	0.21	0.20	0.00	0.21	0.19	0.20	0.22	0.21	0.01
India	0.75	0.75	0.74	0.74	0.71	0.73	0.75	0.73	-0.01	0.74	0.70	0.73	0.75	0.73	0.00
Malaysia	0.72	0.70	0.68	0.68	0.67	0.70	0.70	0.69	0.00	0.73	0.72	0.75	0.75	0.74	0.05
Papua New Guinea	0.08	0.09	0.07	0.06	0.06	0.05	0.05	0.06	-0.01	0.05	0.05	0.04	0.05	0.05	-0.01
Vietnam	0.23	0.26	0.31	0.35	0.34	0.36	0.36	0.35	0.04	0.35	0.35	0.37	0.37	0.36	0.01
Asia others	0.20	0.20	0.24	0.24	0.25	0.26	0.27	0.26	0.02	0.27	0.27	0.29	0.30	0.28	0.03
Other Asia	2.14	2.18	2.23	2.27	2.20	2.29	2.34	2.28	0.05	2.35	2.29	2.39	2.43	2.36	0.09
Argentina	0.88	0.84	0.79	0.80	0.80	0.80	0.80	0.80	0.01	0.80	0.80	0.81	0.81	0.80	0.00
Brazil	1.23	1.36	1.49	1.57	1.50	1.59	1.62	1.57	0.08	1.74	1.67	1.77	1.80	1.74	0.17
Colombia	0.75	0.82	0.70	0.64	0.57	0.65	0.59	0.61	-0.08	0.62	0.55	0.63	0.57	0.59	-0.02
Ecuador	0.38	0.38	0.40	0.42	0.42	0.40	0.40	0.41	0.01	0.40	0.41	0.39	0.39	0.40	-0.02
Peru	0.12	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.00	0.09	0.09	0.09	0.09	0.09	-0.01
Trinidad & Tobago	0.13	0.14	0.14	0.13	0.13	0.13	0.14	0.13	-0.01	0.14	0.15	0.15	0.16	0.15	0.02
L. America others	0.11	0.11	0.12	0.13	0.13	0.13	0.13	0.13	0.01	0.13	0.13	0.14	0.14	0.14	0.01
Latin America	3.62	3.76	3.74	3.77	3.65	3.82	3.79	3.76	0.01	3.92	3.80	3.97	3.95	3.91	0.15
Bahrain	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.00	0.19	0.19	0.19	0.19	0.19	0.00
Oman	0.90	0.91	0.95	0.95	0.97	0.94	0.94	0.95	0.00	0.94	0.96	0.93	0.93	0.94	-0.01
Syria	0.56	0.55	0.54	0.54	0.53	0.52	0.52	0.53	-0.01	0.51	0.51	0.50	0.49	0.50	-0.03
Yemen	0.39	0.42	0.45	0.47	0.47	0.47	0.46	0.47	0.01	0.45	0.45	0.45	0.44	0.45	-0.02
Middle East	2.05	2.06	2.13	2.14	2.16	2.12	2.10	2.13	0.00	2.09	2.10	2.07	2.05	2.08	-0.05
Angola	0.73	0.76	0.74	0.72	0.69	0.69	0.74	0.71	-0.04	0.90	0.86	0.86	0.93	0.89	0.18
Cameroon	0.10	0.10	0.10	0.08	0.08	0.08	0.08	0.08	-0.02	0.08	0.08	0.08	0.08	0.08	0.00
Congo	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.00	0.27	0.27	0.27	0.27	0.27	0.00
Egypt	0.86	0.83	0.80	0.78	0.74	0.75	0.76	0.76	-0.04	0.75	0.72	0.72	0.74	0.73	-0.03
Gabon	0.38	0.36	0.34	0.31	0.31	0.31	0.31	0.31	-0.03	0.31	0.31	0.31	0.31	0.31	0.00
South Africa	0.16	0.17	0.19	0.20	0.19	0.19	0.18	0.19	0.00	0.19	0.19	0.18	0.18	0.18	0.00
Africa other	0.22	0.28	0.41	0.44	0.46	0.46	0.48	0.46	0.05	0.51	0.53	0.53	0.55	0.53	0.07
Africa	2.72	2.78	2.84	2.79	2.74	2.73	2.82	2.77	-0.07	3.01	2.95	2.95	3.05	2.99	0.22
Total DCs	10.54	10.78	10.95	10.97	10.75	10.97	11.05	10.93	-0.01	11.38	11.15	11.38	11.48	11.35	0.41
FSU	7.29	7.47	7.91	8.25	8.46	8.61	8.78	8.53	0.62	8.91	9.14	9.30	9.48	9.21	0.68
Other Europe	0.19	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.00	0.17	0.17	0.17	0.17	0.17	-0.01
China	3.15	3.21	3.23	3.29	3.31	3.28	3.33	3.31	0.08	3.41	3.43	3.40	3.45	3.42	0.12
Non-OPEC production	42.93	42.99	44.08	44.48	44.27	44.87	45.63	44.82	0.73	46.06	45.61	46.05	46.73	46.12	1.30
Processing gains	1.55	1.58	1.65	1.69	1.69	1.69	1.69	1.69	0.04	1.72	1.72	1.72	1.72	1.72	0.03
Non-OPEC supply	44.48	44.56	45.73	46.17	45.96	46.56	47.32	46.51	0.77	47.78	47.33	47.77	48.45	47.84	1.33
OPEC NGLs	3.01	3.07	3.23	3.24	3.24	3.24	3.24	3.24	0.02	3.26	3.26	3.26	3.26	3.26	0.02

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

* Former East Germany is included in the OECD.

**Table 26
Non-OPEC Rig Count**

	1998	1999	2000	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00	Jan02	Feb02	Mar02	1Q02	Apr02	Change Apr-Mar
USA	829	608	916	1,141	1,239	1,231	1,004	1,156	240	867	825	763	818	750	-13
Canada	260	246	344	515	252	320	278	342	-2	405	433	311	383	121	-190
Mexico	55	43	44	50	48	56	62	54	10	60	65	64	63	58	-6
North America	1,144	897	1,305	1,706	1,539	1,607	1,344	1,552	247	1,332	1,323	1,138	1,264	929	-209
Norway	17	17	22	24	22	22	22	23	1	23	16	21	20	21	0
UK	28	18	18	18	25	28	26	24	6	35	23	26	28	33	7
Denmark	3	2	3	4	5	4	5	4	1	7	4	5	5	5	0
Other Western Europe	93	77	82	43	44	42	47	44	-38	39	39	38	39	39	1
Western Europe	141	114	125	89	95	96	100	95	-30	104	82	90	92	98	8
Australia	15	10	10	11	11	10	10	10	0	9	9	9	9	10	1
Other Pacific	6	6	7	10	9	8	10	9	2	10	8	5	8	5	0
OECD Pacific	21	16	17	20	20	18	20	20	3	19	17	14	17	15	1
Total OECD*	1,306	1,027	1,447	1,815	1,655	1,721	1,464	1,667	220	1,455	1,422	1,242	1,373	1,042	-200
Brunei	2	3	2	3	3	2	2	3	1	2	2	2	2	3	1
India	52	46	49	51	48	50	50	50	1	51	51	53	52	53	0
Malaysia	8	6	7	10	11	13	12	11	4	14	10	12	12	13	1
Papua New Guinea	2	1	0	0	1	2	1	1	1	1	1	0	1	1	1
Vietnam	7	9	8	9	8	8	8	8	0	7	8	8	8	8	0
Asia others	20	16	16	22	23	24	18	22	5	26	26	27	26	28	1
Other Asia	91	81	83	96	95	98	90	95	12	101	98	102	100	106	4
Argentina	44	35	57	69	74	77	64	71	14	55	47	44	49	44	0
Brazil	20	19	23	28	30	29	26	28	5	27	27	27	27	27	0
Colombia	12	12	14	15	16	14	16	15	1	13	12	14	13	12	-2
Ecuador	5	3	7	9	10	10	11	10	3	12	9	10	10	10	0
Peru	5	2	4	4	4	3	3	4	0	1	2	2	2	1	-1
Trinidad & Tobago	6	3	4	6	5	4	5	5	1	5	3	6	5	4	-2
L. America others	13	13	12	9	8	6	6	7	-4	4	4	5	4	4	-1
Latin America	106	86	120	141	147	144	130	141	20	117	104	108	110	102	-6
Bahrain				0	0	0	0	0	0	0	0	0	0	0	0
Oman	24	19	24	24	24	25	26	25	1	26	27	27	27	29	2
Syria	14	13	14	19	19	20	19	19	5	20	21	20	20	20	0
Yemen	4	4	6	6	6	5	6	6	0	7	6	10	8	9	-1
Middle East	42	36	45	49	49	49	51	50	5	57	55	58	57	59	1
Angola	6	5	6	6	5	4	6	5	0	4	4	6	5	5	-1
Cameroon				0	0	0	0	0	0	0	0	0	0	0	0
Congo	6	3	3	1	2	1	1	1	-1	1	1	0	1	1	1
Egypt	22	17	18	21	22	22	23	22	4	24	20	23	22	23	0
Gabon	6	2	2	2	4	1	1	2	0	1	1	1	1	2	1
South Africa	1	1	1	2	1	0	1	1	0	1	1	1	1	1	0
Africa other	8	4	5	4	5	5	3	4	0	7	13	13	11	16	3
Africa	48	30	34	36	40	34	35	36	2	38	40	44	41	48	4
Total DCs	287	232	282	322	330	325	307	321	40	313	297	312	307	315	3
FSU															
Other Europe	5	4	3	3	3	3	4	3	0	2	2	2	2	2	0
China															
Non-OPEC Rig count	1,597	1,263	1,732	2,140	1,988	2,049	1,774	1,991	260	1,770	1,721	1,556	1,682	1,359	-197

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