OPEC

Organization of the Petroleum Exporting Countries

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Monthly Oil Market Report

May 2003

Next report to be issued on 20 June 2003

FEATURE ARTICLE: The ORB Price Band: Meeting the Challenge of Stabilizing the Oil Market
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OPEC Basket average price

US$ per barrel

Down 4.44 in April

April 2003	**25.34**
March 2003	29.78
Year-to-date	29.02

April OPEC production

in million barrels per day, according to secondary sources

Algeria	1.12	Kuwait	2.34	Saudi Arabia	9.33
Indonesia	1.03	SP Libyan AJ	1.43	UAE	2.31
IR Iran	3.71	Nigeria	1.80	Venezuela	2.50
Iraq	0.14	Qatar	0.76		

Supply and demand

in million barrels per day

2002	
World demand	76.56
Non-OPEC supply	51.59
Difference	**24.97**
2003	
World demand	77.38
Non-OPEC supply	52.54
Difference	**24.84**

NB Non-OPEC supply includes OPEC NGLs and non-conventional oils

Stocks

Seasonable stock-draw in USA in April

World economy

World GDP growth revised down to 2.9% for 2003

Inside

Data covers period up to end of April 2003, unless otherwise stated

Issued 20 May 2003

OIL MARKET HIGHLIGHTS

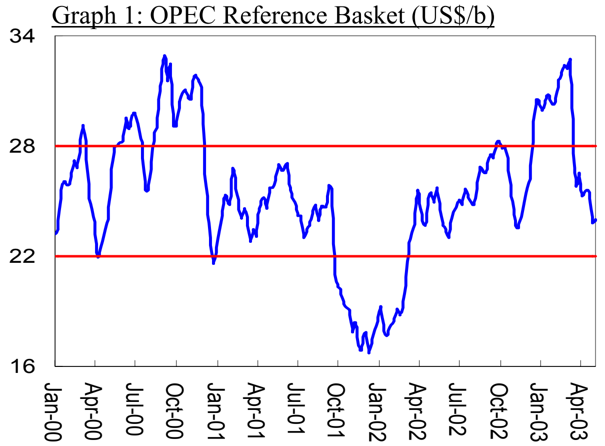
- World GDP is forecast to grow at 2.9% in 2003, down 0.14% from last month's estimate. The OECD's drop of around 0.09% is attributable to the following downward revisions: 0.05% in North American growth (mainly in Canada), 0.13% in the OECD Europe, and 0.10% in OECD Pacific (mainly in South Korea). The Developing Countries estimate was 0.28% lower, largely due to a 0.54% downward revision in Latin America. In Asia, the forecast was down 0.21% with 0.77% in Asia Pacific alone, largely on account of the possible effect of SARS, while Africa dropped 0.1% lower. Chinese growth was revised down by 0.2% to 7.0%, while GDP growth for the FSU was revised down by 0.08%, due to expected lower growth in the Ukraine.
- Mixed data for the month of April continue to point to a slow recovery in the USA. The US economy registered a modest annualised real GDP growth of 1.6% in the first quarter of 2003. Consumer confidence lifted markedly but manufacturing continued to contract amid a worsening employment situation. Unexpectedly, retail sales also dropped by 0.1% in April. Wholesale prices registered a large decline for the month, highlighting the Federal Reserve's concern about possible deflation in the US economy.
- In Japan, stagnation in first quarter real GDP disclosed widespread weakness in all sectors of the economy. Exports fell and public investment sank, underscoring the Japanese government's view that the economy is moving sideways. Officials remain hopeful that a pick up in the global economy at the end of the year will help lift the Japanese economy. Similarly, euro zone growth ground to a standstill in the first quarter, with Germany on the brink of a technical recession. The EU Commission forecasts growth in the second and third quarters in the range of 0.0% to 0.4%.
- The OPEC Reference Basket continued to slip in April for the second month in a row after peaking in February with an average over $31/b. The Basket posted a steep decline from its March mean, losing $4.44/b or almost 15% of its value to stand at $25.34/b, mainly due to quick cessation of material conflict in Iraq and gradual recovery of Nigeria supply. Nonetheless, it remained well within the boundaries of the OPEC price band, and the y-o-y comparison shows that despite the sharp falls in March and April, the Basket's cumulative 2003 average exceeded that of 2002 by almost 37% or $7.79/b. The Basket suffered a considerable setback in the week ending 1 May losing almost 7% of its value or $1.74/b but regained some ground in the following week when it recovered almost 1% or 22¢/b to average $24.01/b.
- Product prices were driven lower for the second consecutive month by the crude oil markets' continuous fall in April. US products suffered on a regional basis from ebbing demand, which exacerbated product values and resulted in lower refinery margins. In Europe, the significant drop in the Brent price eclipsed weaker product values, helping to boost refinery economics. Refinery throughputs rose in both centres, but not in Japan where refinery runs slowed, reflecting the start of the maintenance season.
- OPEC area spot-chartering lost the previous month's gain, declining 1.08 mb/d to stand at 12.49 mb/d, but retained a 1.91 mb/d improvement over last year's figures. Freight rates were pressed considerably downward by decreased activity, which was reflected in low chartering volumes, mainly due to the war in Iraq and the partial outage in Nigeria's oil production, coupled with ample tonnage availability. VLCC freight rates on the Middle East eastbound and westbound long-haul routes fell 34 points each to stand at an average of WS93 and WS81 respectively.
- The 2002 world oil demand estimate has seen a marginal upward revision from the previous *MOMR* forecast, rising slightly to 76.56 mb/d. The 2003 world oil demand forecast now stands at 77.38 mb/d, indicating little change from the previous *MOMR* forecast. The incorporation of preliminary OECD consumption data has resulted in a substantial upward revision to the first quarter forecast, which now stands at 78.05 mb/d. However, the second quarter forecast has been revised down to 75.23 mb/d to take into consideration the effects of the SARS epidemic.
- Based on secondary sources, OPEC crude oil production is estimated at 26.48 mb/d in April, while the non-OPEC estimate for 2002 stands at 47.93 mb/d, or 1.48 mb/d higher than the estimated 2001 figure of 46.45 mb/d. Non-OPEC supply for 2003 is expected to reach a level of 48.90 mb/d, up 0.97 mb/d over the 2002 estimate. Net FSU exports for 2002 and 2003 are estimated at 5.58 mb/d and 6.34 mb/d respectively.
- In April 2003, US commercial oil stocks reversed the previous month's trend and rose by a seasonal 12.9 mb, with crude oil and gasoline as the main contributors to this build. Despite this increase, the y-o-y shortage remained strong at 11.5%. Total stocks in Europe rose a modest 2.3 mb, with the product build offsetting the draw on crude oil, narrowing the y-o-y deficit to only 0.8%. Japan registered a draw of 3.4 mb at the end of March, mainly due to the decline in middle distillate stocks.

THE ORB PRICE BAND: MEETING THE CHALLENGE OF STABILIZING THE OIL MARKET

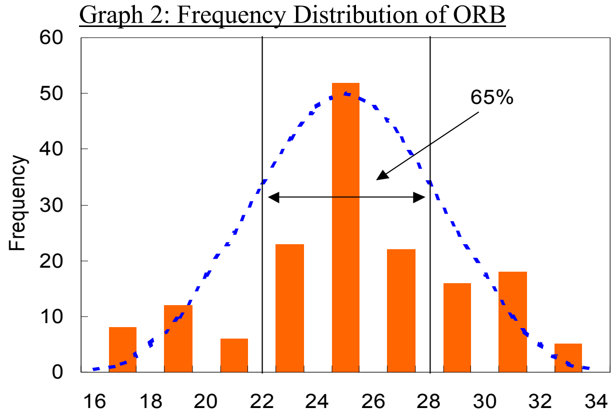
- During the March 2000 Meeting of the Conference, OPEC established its price-band mechanism for the OPEC Reference Basket (ORB) price. The main objective of the price-band ($22-28/b) is to respond to changes in world oil market conditions and to increase oil market stability. Accordingly, this mechanism allows OPEC to adjust its overall production ceiling if the ORB price is above $28/b for 20 consecutive trading days or below $22/b for 10 consecutive trading days.

- Graph 1 depicts the weekly ORB since the inception of the price-band mechanism. A look at the frequency distribution of the ORB over this period (Graph 2) shows that 65% of the values are within the established range, while the mean of the ORB is around $25.3/b, with a standard deviation of about $3.8/b. This shows that 68% of the values are within one standard deviation of the mean, while approximately 95% are within two standard deviations, which corresponds closely to a normal distribution. The fact that OPEC has managed to keep the ORB within a normal curve of around $25.3/b over this period is evidence of the Organization's success in stabilizing the market.

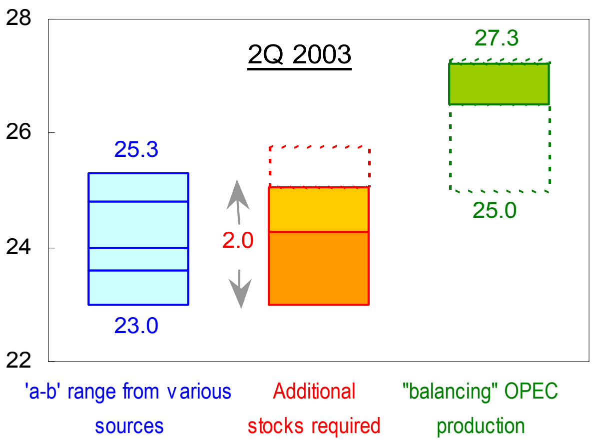
Graph 1: OPEC Reference Basket (US$/b)



Graph 2: Frequency Distribution of ORB



Graph 3: The range of 'a-b' estimates vs. OPEC crude oil production (mb/d)



Note: 'a-b' refers to demand minus non-OPEC supply including OPEC NG. This graph reflects data that was available at the time of the Conference on 24 April 2003.

- Since the introduction of the price-band mechanism, the movement of the ORB price within the $22-28/b band can primarily be attributed to proactive production management on the part of OPEC, as well as close collaboration with other major producing countries to strive for oil market stability. In recent years, OPEC Member Countries have adjusted their production levels more frequently — and by larger amounts — than in the past. The aggregate production levels for OPEC-10 has changed even more often, varying from 21.7 mb/d to 26.7 mb/d, or within a range of 5 mb/d, in response to market imbalances due to various factors, including geopolitical uncertainties.

- Reflecting this policy objective, OPEC Member Countries have increased their production significantly over the last six months, to accommodate supply disruptions in Venezuela and Nigeria, and, more recently, in Iraq. Graph 3 shows that high OPEC production and renewed Iraqi exports will be sufficient to replenish low oil stocks during the seasonally weak oil demand period. In fact, OPEC's attention is expected to shift to address the issue of rising oil supplies in the third and fourth quarters of 2003.

- The decision taken at last month's Consultative Meeting of the Conference to curtail actual production as of 1 June 2003 by 2 mb/d, which would scale back OPEC-10 production to 25.4 mb/d, should therefore be interpreted as part of these ongoing efforts to balance prevailing supply patterns with expected demand, including stock builds (Graph 3). In this way, the ORB price-band continues to play an essential role in maintaining market stability, which has been demonstrably achievable even under particularly challenging circumstances during the last six months.

CONSULTATIVE MEETING OF THE OPEC CONFERENCE

Vienna, Austria, 24 April 2003

A Consultative Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) convened in Vienna, Austria, on 24 April 2003, under the Chairmanship of the President of the Conference, HE Abdullah bin Hamad Al-Attiyah, Minister of Energy and Industry of Qatar and Head of its Delegation.

The Conference reviewed the report of the Ministerial Monitoring Sub-Committee (MMSC), and again thanked its Members for their efforts on OPEC's behalf.

New production levels*

	Production (tb/d)
Algeria	*811*
Indonesia	*1,317*
I.R. Iran	*3,729*
Kuwait	2,038
Libya	1,360
Nigeria	*2,092*
Qatar	658
Saudi Arabia	8,256
UAE	2,217
Venezuela	2,923
Total	***25,400***

NB : Totals man not add up due to rounding

* effective as of 1 June 2003

The Conference, having reflected on the oil market situation, noted with satisfaction that actions taken by OPEC in recent years, especially since the introduction of the price band mechanism, have increased stability in the oil market, to the benefit of producers and consumers alike, with prices remaining, for the most part, within the targeted price band. The Heads of Delegation further observed that the decisions taken by the Conference during the preceding five months had succeeded in calming the market, clearly demonstrating OPEC's success in overcoming supply disruptions by assuring adequate supplies to consumers. Consequently, the OPEC Reference Basket price has dropped towards the lower end of the price band in recent weeks. Nevertheless, the market remains volatile, reflecting continued high levels of economic, as well as a degree of political, uncertainty.

The Conference further reviewed estimated supply/demand levels for the second quarter 2003, which indicate that over-supply is expected in view of the seasonal fall in demand during this quarter, and the impact of the continued sluggishness in the world economy and SARS on demand for oil.

In the light of the foregoing factors, reiterating its commitment to market stability and to keeping prices within the price band, the Conference decided, as a first step, to reduce actual OPEC production by 2 mb/d to 25.4 mb/d, effective 1 June 2003. This decision will be reviewed at the Extraordinary Meeting of the Conference, scheduled to convene in Doha, Qatar, on 11 June 2003. In the interim, the Conference also requested the Secretariat to continue closely monitoring the market, in particular the timing and level of the expected recovery in Iraqi oil production and its impact on the overall supply/demand balance in the market, in general, and OPEC production levels, in particular.

The Heads of Delegation re-emphasized the Organization's firm commitment to providing adequate supplies of petroleum to consuming nations, as well as its commitment to stabilize the market and realize its objective of maintaining crude oil prices at fair and equitable levels, within the OPEC price band, for the benefit of the world economy and the wellbeing of the market. To this effect, the Conference repeated its call on non-OPEC producers/exporters to continue co-operation to support oil market stabilization.

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

HIGHLIGHTS OF THE WORLD ECONOMY

Economic growth rates 2003
%

World	G-7	USA	Japan	Euro-zone
2.9	1.6	2.2	0.8	1.1

Industrialised countries

United States of America

Real GDP growth in the USA registers a modest 1.6% in the first quarter; consumer confidence surges back in April but manufacturing continues to contract amid worsening unemployment

Mixed data for April continue to point to a slow economic recovery. Real GDP expanded at an annual rate of 1.6% in the first quarter of 2003, while real personal spending rose a timid 1.4%. Moreover, economists have trimmed expectations for the second half of the year as growth in the second quarter is not expected to be much higher. On the positive side, consumer confidence recovered in April with the Conference Board's index of consumer confidence rising sharply to 81.0 from a revised 61.4 level in March. The Institute for Supply Management's index for non-manufacturing also moved upward to 50.7 in April from 47.9 in March, indicating a resumption of growth in the services sector. In contrast, the ISM reported broad-based weakness in its manufacturing sector index, which fell for a second straight month in April, moving to 45.4 from 46.2 in March. Industrial output also declined, dropping 0.5% in April following a similar drop in March, led by a 0.6% contraction in manufacturing. Capacity utilisation dropped by 0.4 percentage points to 74.4%, the lowest level recorded in almost twenty years. Retail sales, a closely watched indicator of private consumption, fell a surprising 0.1% in April after rising a revised 2.3% in March. Excluding gasoline sales, which shrank 5.9%, total retail sales rose 0.4%. Separately, wholesale prices registered the biggest decline in at least 56 years in April, highlighting the Federal Reserve's worry that the economy faces the risk of deflation for the first time since the Great Depression. While the Fed left interest rates unchanged, it hinted at a possible future easing if necessary. Meanwhile, the economy lost 48,000 jobs in April and the unemployment rate climbed to 6% from 5.8% the month before. Since December 2002, the US economy has shed 300,000 jobs. To make any dent in the unemployment rate, the economy would have to grow at a much faster rate than at present, as productivity continues to rise. Non-farm productivity increased 1.6% in the first quarter, after rising 4.8% in the whole of 2002, the fastest pace recorded since 1950. The increase in non-farm business productivity, besides improving the profit situation of corporations, also translated into pay increases. Compensation for private workers rose 1.4% in the first quarter and 3.8% from a year ago level, a positive signal for consumption.

Japan

Zero growth in Japan's GDP for the first quarter discloses widespread weakness in all sectors of the economy

Japan's economy stagnated in the first three months of 2003 as exports fell and public investment sank, underscoring the government's view that the economy is moving sideways. However, growth over the fiscal year to March 2003 was 1.6%, exceeding the government's target of 0.9%. Last year, the economic recovery lost momentum and growth slowed steadily from 1.3% in the second quarter to 0.8% through July to September, and then to 0.5% in the last quarter of 2002, which added to the fear that the country may now be sinking back into recession. The government hopes the Japanese economy will benefit from a pick up in growth in the global economy in the latter part of the year. In the first quarter, contrary to previous trends, external demand fell while domestic demand grew. Exports fell 0.5% on the quarter, following 4.5% growth in October-December, largely due to the sluggish US economy. The external sector subtracted 0.2% from the GDP growth in the first quarter, while domestic demand, both private and public, added 0.2% to growth. The export picture may not improve soon as the strong yen, uncertain prospects for recovery in the US, and the possible impact of SARS on Japan's external trade with Asian countries have clouded the outlook for the second quarter and beyond. The government is also aware that boosting public spending is not an option. In the first quarter, public investment, including road building and other public works sank for the fourth straight period by 3.5%, displaying the government's attempt to rein in the huge public debt. Moreover, the economy continues to suffer from deflationary pressures. The GDP deflator for the first quarter fell a record 3.5%, and by 2.2% for the full fiscal year ending 31 March, marking the fifth straight year of falling prices. The Bank of Japan reported that lending by Japanese banks in April fell for the 64th consecutive month by 4.2% from a year earlier, in line with the March revised decline of 4.2%, reflecting both weak demand for loans as well as banks' reluctance to lend.

Euro-zone growth grinds to a standstill in the first quarter with the German economy on the brink of a technical recession

Euro-zone

Lackluster domestic demand and falling exports continued to exert downward pressures on euro-zone economies. The Eurostat's early estimate shows that euro-zone GDP growth fell to 0.0% in the first quarter from the previous quarter, the worst performance in almost two years. The overall figure was based on data for four countries, with the German, Italian and Greek economies contracting by 0.2%, 0.1% and 0.3% respectively, while the Netherlands achieved a growth rate of 2.9%. Separately, the EU Commission said growth in the second and third quarters is expected to be in a range of 0.0% to 0.4%. The second-quarter estimate is below the previous range of between +0.2% and +0.5%, but the forecast for the whole of 2003 was left unchanged at 1%. The economic stagnation has increased expectations of an interest rate cut by the European Central Bank, which many see as the only available short-term lifeline, since fiscal stimulus is restricted by the problematic budget situation in several large euro-zone countries. The euro-zone's services sector contracted in April for the ninth straight month, despite a rebound in confidence, as shown by the Reuters/NTC Research Survey of Purchasing Managers Index, which remained steady at 47.7. With the smaller manufacturing sector also contracting, the composite PMI for services and manufacturing fell to 48.4 in April from 48.8 in March, indicating that economic activity in the private sector contracted. However, business expectations reached their highest level since September. Meanwhile, the unemployment rate in the region rose to 8.7% in March from 8.6% in February, for an estimated total of 12.2 million people unemployed, of which 4.6m are in Germany alone. The German economy stands on the brink of a technical recession, shrinking slightly for the second consecutive quarter, as domestic growth has been unable to overcome for the drag from net exports. Moreover, forward-looking indicators, like the Ifo Business Climate Index, which fell sharply in April to 86.6 from March's 88.1, offered grim prospects for the second quarter.

Russian GDP rose a strong 6.4% in the first quarter of 2003; tax reform aims at gradually lessening the tax burden on the non-oil sector and shifting it to the oil industry

Former Soviet Union

Russian GDP growth in the first quarter of 2003 accelerated to 6.4% over a year ago. This followed subdued 2.6% growth in the fourth quarter of 2002, due to a broad-based solid performance in most sectors in the economy, particularly the industrial sector. Russia's Ministry of Economic Development and Trade revised its projection for the full-year 2003 GDP growth upwards, from 4.1% to 4.5%. GDP growth was also driven by export-oriented industries, domestic demand and capital spending, with the latter estimated to have achieved a first quarter growth of 10.2% over the same period in 2002. Retail sales in March were also up 9.1% compared to the same month in 2002, driven by the boost in real income, which increased 16% on average in the first quarter. Moreover, Russian consumers enjoyed increased purchasing power in dollar-dominated imported goods, as the average monthly dollar-wage was up by 2.5%, although inflation rates remain high. Consumer prices rose at a year-on-year (y-o-y) rate of 14.8% in March, unchanged from February. Moreover, the unemployment rate remains relatively high at about 8.4%. Separately, in April the government of Russia approved two major economic bills on tax reform for the years 2004-2006 and a financial plan for 2004-2005. The tax reform bills are designed to gradually decrease the tax burden on the non-oil sector while increasing it on the oil industry. The financial plan will provide the basis for the 2004 budget, which includes an important measure creating a new stabilization fund as part of the plan. This fund will receive the additional revenues generated by oil export duties and natural resources taxation, when the crude oil price exceeds US$20 per barrel.

Inflation falls, output growth maintained, but EU weakness may threaten exports in Eastern Europe

Eastern Europe

The Hungarian economy continued to make good progress in March as total industrial output was 4.2% higher than in 2002. The growth rate for the first quarter as a whole was 4.4%. Exports were the driving force of the economy, rising 6.9% in the first quarter of this year. The short-run outlook for manufacturing remains good, with new orders in March ahead 19% of 2002 levels. However, the current account deficit for February stood at a high €413m and the budget deficit trend will make it harder for the government to hit the finance ministry's target of 4.5% of GDP. Inflation remained under control as the annual rate fell further to 3.9% in April. Industrial production in the Czech Republic also grew strongly, rising by 7% in March. Weakness in the EU countries limited Czech export growth to 3.3% in the first quarter, while exports fell by 2.7% in March on a seasonally adjusted basis. The Czech current account deficit was 5.6% of GDP in 2002 and a rise to 7% in 2003 cannot be ruled out. Inflation remains very low with the annual rate falling to 0.5% in April. Polish industrial production grew 5.7% in March and manufacturing growth accelerated to 7.2% for the month. However, as Polish export growth has been unable to keep up with import demand, the trade deficit continues to widen rising to PLN13.8 billion in the first quarter from PLN11.8 bn in 2002. Inflation fell to a new post-communist low of 0.3% in April in line with market expectations.

Slightly improved prospects for GDP growth rate in most OPEC MCs

OPEC Member Countries

Algeria's real GDP is anticipated to accelerate to 3.5% this year, up from 3.1% in 2002. This growth will be driven by a surge in construction and exports, particularly gas, which is expected to offset weak manufacturing output. Iran's GDP growth rate is forecast at 6.0% in 2003, reflecting a strong outlook for the hydrocarbon sector. However, the main driver of growth is expected to be domestic demand, which strengthened significantly over the past year as restrictions on imports have been lifted, supporting a marked increase in non-oil industrial and manufacturing output. Real GDP growth for Saudi Arabia is projected at 3.2% this year, while private consumption growth is likely to contribute to the pick-up in domestic demand, as consumer confidence has increased. In Venezuela, oil output began to recover in February and surged in March, with production estimated to have risen above pre-strike levels by mid-April. However, uncertainty over the sustainability of production levels makes it extremely difficult to estimate the likely magnitude of the recession this year. Inflation in Nigeria is forecast to remain in double digits throughout 2003, due to low interest rates and hesitant efforts for fiscal reform, against the background of reasonable growth and a falling naira, while the GDP growth rate is forecast to improve to 3.1% for the current year from 1.7% last year.

South-East Asia struggling with SARS; Sub-Saharan prospects reliant on weather and domestic developments; Latin America affected by deterioration in FDI inflows

Developing countries

Japan's economic stagnation in the first quarter of the year is expected to be one more factor affecting the hard-pressed economies of South-East Asia. Once-dynamic countries are now having to struggle with both the SARS epidemic and the global economic slow down. The following revisions to GDP growth forecasts between January and April reflect the descending trend in several Asian countries. Malaysia, Singapore and Hong Kong which in January stood at 4.5%, 4.0% and 2.9% respectively, have retreated in April to 3.0%, 1.0% and 0.5%. In the aftermath of the SARS outbreak, China's GDP growth rate for this year has been lowered 0.02% to 7.0%, with growth in domestic and foreign investment expenditure expected to sustain the economy. India's hopes for a quiet monsoon season combined with a recent interest rate cut and continued growth in the industrial and service sectors have enhanced prospects for maintaining 5.4% GDP growth rate for the year. Sub-Saharan domestic political developments and weather patterns will play a large role in determining that region's growth prospects. East Africa is expected to experience the region's fastest growth in 2003-04, expanding by over 5% a year. Latin America has suffered from a marked decline in FDI inflows in 2002, down an estimated $6bn. Despite liberalization programs and structural reforms, Brazil's large external financial requirements leave it vulnerable to external shocks. GDP growth for Brazil is forecast to be 2.0% this year, up slightly from 1.5% the year before.

Real oil prices fell 15% mostly on lower nominal prices. The dollar rose marginally against the modified Geneva I + US$ basket of currencies

Oil price, US dollar and inflation

In April, the dollar lost against the euro in the modified Geneva I+ US$ basket*, but gained versus other major currencies. On average, the euro was quoted at $1.0847, up by 0.38% from $1.0805 in March, while the dollar was exchanged at ¥119.803 and CHF1.379 from ¥118.530 and CHF1.359, up 1.07% and 1.46%, respectively. The pound fell to $1.5742 from $1.5828 in March.

At the beginning of April, financial markets were heavily dominated by the uncertainties surrounding the US-led war on Iraq. In the first week, most market participants, particularly speculators, changed their positions, as the war failed to proceed as rapidly as some had expected, resulting in a weak dollar. The market's momentum shifted again when the course of the war clarified. By 10 April the euro fell to $1.0805 from $1.0891, while the dollar traded at ¥120.10 from ¥118.27. However, by mid-April investors had turned their attention to the weak state of the US economy, particularly following the larger-than-expected drop (0.5%) in March US industrial production. Despite encouraging reports at month end regarding consumer confidence (up 19.6 points to 81) and US personal income (up 0.4% in March), which gave temporary respite to the dollar, these were not enough to offset early losses against the euro. However, the dollar was relatively firm against the yen given the Japanese government's favourable attitude toward a weaker yen. The euro ended the month at $1.1131, while the yen fell to ¥119.60 from ¥118.27 in early March.

In April, the OPEC Reference Basket fell $4.44 or 14.91% to $25.34/b from $29.78/b in March. In real terms (base July 1990=100) after accounting for inflation and currency fluctuation, the basket price slid by 15.00% to $20.61/b from $24.25/b, as the dollar's slight gain could not compensate for inflation. The dollar appreciated by 0.02% as measured by the import-weighted modified Geneva I + US dollar basket, while inflation eroded the value of OPEC Reference Basket by 0.12% 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's Reference Basket retreated considerably in April, losing almost 15% of its value to average $25.34/b

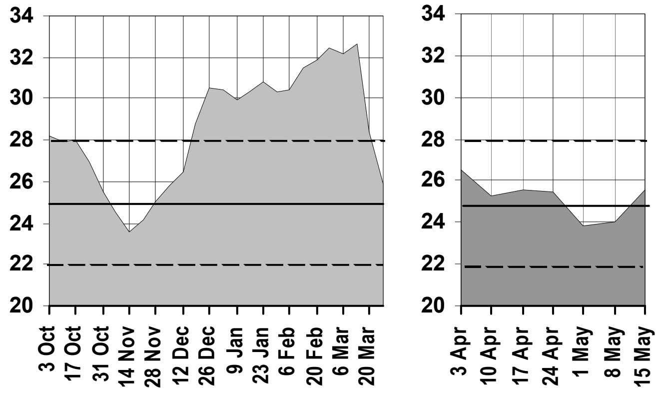
The OPEC Reference Basket continued to slip for the second month in a row in April after peaking in February with an average over $31/b. The Basket posted a steep decline from its March mean, losing $4.44/b or almost 15% of its value to stand at $25.34/b. Nonetheless, it remained well within OPEC price-band boundaries, and the y-o-y comparison shows that, despite the sharp falls in March and April, the Basket's cumulative 2003 average exceeded that of 2002 by almost 37% or $7.79/b. Despite tremendous challenges to the oil market in the first four months of the year, OPEC's market management successfully neutralized any price spikes that would have resulted from the disruption in Venezuelan supplies early in the year, and more recently from the loss of Nigerian crude production and the war in Iraq (the latter two occurring simultaneously). On a weekly basis, the Basket made several turns in April, starting with a gain of 2.55%, or $0.66/b, during the first week, which was followed by a drop of 4.60% or $1.22/b in the next. The Basket then made a minor recovery, rising just over 1% during the third week of the month, only to retreat marginally by 0.31% or 8 ¢/b in the fourth week. The Basket suffered a considerable setback in the week ending on 1 May losing almost 7% of its value or $1.74/b but regained some ground in the following week when it recovered almost 1% or 22¢/b to average $24.01/b.

Headline news from the war in Iraq was the main oil price driver in April. Market perception went from bullish to bearish as US-led military forces approached Baghdad

As was the case in previous weeks, crude oil markets in April responded to a great extent to headline news from the war in Iraq. Real time news coverage became the main driver of crude prices which responded quickly to each new development on the battlefield. The market and crude prices started out bullish at first, with analysts and the media contemplating the possibility of a lengthy and complicated war, but turned bearish as US-led forces began to speed up their advance toward Baghdad. The disruption of Nigerian supplies, which occurred almost simultaneously with the outbreak of hostilities in Iraq, provided some support to crude oil prices, especially to the light sweet US grades. The loss of 800,000 b/d light sweet Nigerian crude left the already tight US crude oil market in a precarious situation ahead of the gasoline season. The sweet-sour spread widened due to the combined effect of the *force majeure* declared in some Nigerian ports and the rise in OPEC production — mainly sour volumes — to compensate for lost production from Iraq and Nigeria. OPEC attempted to bring stability to the market by convening a Consultative Meeting of the Conference in Vienna on 24 April, resulting in the decision to reduce the group's actual production by 2 mb/d and to set a new production

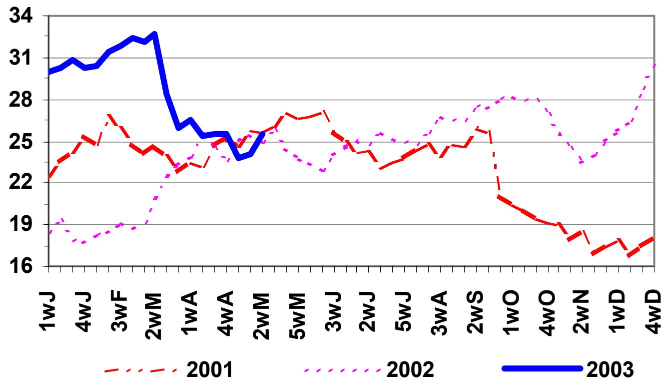
Graph 1

Weekly average Basket price, 2002-2003 / Apr-May 03 *(US$/b)*



Graph 2

OPEC Reference Basket - weekly spot crude prices *(US$/b)*



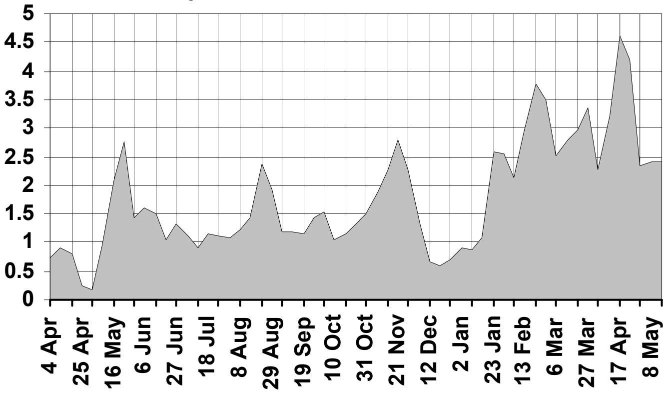
ceiling at 25.4 mb/d, effective 1 June 2003. The main drivers behind the accentuated price drop in the second half of April, which saw the US benchmark crude WTI lose more than $3/b in a single session, were US-led forces' ability to rapidly gain control of most of Iraq (which dissipated fears of supply disruptions and a drawn out war), the gradual recovery of Nigeria's light-sweet crude production, and the collapse of refining margins in Europe. Anticipating a possible step back in OPEC production, Asian consumers bought heavily which provided support for regional grades. Although sustained nuclear reactor maintenance has forced Japan to continue burning crude and fuel oil for power generation, the outbreak of the SARS epidemic has put a cap on prospects for continued healthy crude oil demand in the Asia-Pacific region. Jet fuel demand is expected to fall even further in the near future as the World Health Organization has issued travel advisories for several countries in the region and the epidemic continues to spread.

Crude oil stocks remained tight, while imports and refinery runs rose ahead of the gasoline driving season

US and European markets

In the USA, crude oil stocks underwent a mild recovery from the depressed levels seen in March, yet remained well below last year's level. The recovery could be attributed to the high import levels which, according to API figures, reached more than 10 mb/d in the third week of April. Nonetheless there was no evidence of the predicted armada of cargoes expected to flood the US shores with oil and bring about a price collapse. Crude runs jumped considerably during the month as refiners struggled to build gasoline inventories ahead of the gasoline driving season, which partly explains the meagre rise in oil stocks despite the month's record-high import levels. Production hikes by some OPEC Members — especially Saudi Arabia — and stepped up arrival of cargoes at the US Gulf Coast depressed the value of sour crudes, while social unrest in Nigeria, which crippled one third of the country's production, strengthened light sweet grades and widened the sour-sweet spread. The fall in Nigerian exports left the US market struggling to find gasoline-rich crudes, forcing refiners to turn to alternative grades such as medium-sulphur Colombian Vasconia and Brazilian heavy-sweet Marlin. The gradual recovery of Nigeria's production eased the light-sweet market later in the month. In Europe, ample availability of North Sea grades and abundant Russian crude depressed prices in the second part of the month. Refining margins collapsed at mid-month as product prices fell harder than crude oil, leading refiners to cut runs.

Graph 3
WTI premium to Dated Brent *(US$/b)*

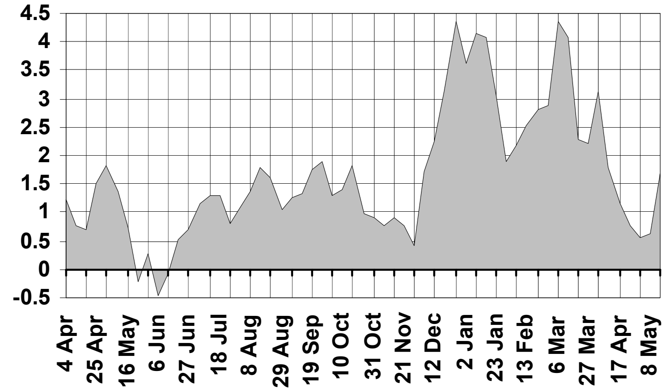


Considerable volumes of West African crudes moved east as Brent's premium over benchmark Dubai collapsed. Japan continued to burn oil for power generation while SARS threatened demand

Far East market

Early in the month, the influx of alternative grades displaced Russian Urals from the Mediterranean to the Asia Pacific market. Depressed prices, combined with falling freight rates and concern by Asian end-users about possible disruptions in the flow of crudes from the Middle East, induced the eastbound movement of several grades. More than 1 mb/d of West African crudes was traded during April as Brent's

Graph 4
Dated Brent premium to Dubai *(US$/b)*



premium to benchmark crude Dubai collapsed in the past weeks (see Graph 4). Expectations about the results of OPEC's Meeting prompted regional refiners to ramp up demand for Middle Eastern crude, thereby closing the spread between Brent and regional grades and opening a widow for arbitrage. Japanese demand remained strong in light of continued nuclear reactor maintenance, which has forced TEPCO to burn fuel oil and crude for power generation. But all was not bright for Asian demand, as the SARS epidemic and WHO travel advisories will inevitably lead to a reduction in jet fuel consumption.

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

			Year-to-date average	
	Mar 03	**Apr 03**	2002	**2003**
Reference Basket	29.78	**25.34**	21.23	**29.02**
Arabian Light	28.98	**24.70**	21.68	28.25
Dubai	27.76	**23.59**	21.30	27.10
Bonny Light	30.83	**25.27**	22.41	29.53
Saharan Blend	31.21	**25.19**	21.96	29.74
Minas	30.70	**29.66**	21.70	31.05
Tia Juana Light	29.04	**23.97**	18.71	28.32
Isthmus	29.96	**24.99**	20.88	29.14
Other crudes				
Brent	30.98	**25.07**	22.33	29.69
WTI	33.88	**28.40**	22.79	32.49
Differentials				
WTI/Brent	2.90	3.33	0.46	2.80
Brent/Dubai	3.22	1.48	1.03	2.59

PRODUCT MARKETS AND REFINERY OPERATIONS

Product prices were driven lower for the second consecutive month by the continuous fall in crude oil markets in April. US products suffered on a regional basis from ebbing demand, which exacerbated product values and resulted in lower refinery margins. In Europe, the significant drop in the Brent price eclipsed weaker product prices, which helped boost refinery economics. Refinery throughputs, however, converged in both centres, but not in Japan where refinery throughput moved lower, reflecting the start of the maintenance season.

US Gulf market

Product prices in April followed receding product demand in the US Gulf market; refining margins retreated, despite a US refinery utilization rate of almost 94%

Product prices continued to fall in the US Gulf market during April with the drop in the average gasoline price equalling the 16% plunge in its underlying crude, WTI. The average gasoil price lost even more, falling 18%, while its counterpart, high sulphur fuel oil (HSFO), decreased by only 14% from the preceding month's level. Nevertheless, the four-week moving average published by the US Energy Information Agency (EIA) makes clear that US refinery throughput continued to rise, with an operational mode shifting toward the production of higher-yield gasoline at the expense of boosting distillate output, which prevailed throughout the first quarter of this year. In addition, gasoline imports remained robust, surpassing 1 mb/d, although conventional gasoline comprised the bulk of these imports, rather than the seasonably more appropriate reformulated grades due to the lack of Venezuelan exports. Thus, total US gasoline stocks increased a further 6.7 mb above last month's level and that of the year before, while reformulated gasoline inventories dropped around 10 mb or nearly 23% below a year ago. Meanwhile, gasoline fundamentals were hit by retreating demand, which fell 1% below the month before and 2.5% below the previous year's levels, despite the continuous fall in retail gasoline prices throughout the month. The US distillate supply was a mirror image of its gasoline counterpart, as US refiners reduced output and imports fell sharply. That prevented a build-up of inventories, which continued to rest at 96 mb for most of the month, their lowest recorded level, despite an almost 7% drop in distillate demand for the same period. Weakening demand was mainly due to receding heating oil deliveries, which usually coincides with the end of the winter season. The price of the heavy end of the barrel, HSFO, also suffered from falling demand, but was assisted by increased arbitrage shipping to the Far East market.

As a result of bearish product prices, refining margins in the US Gulf Centre slipped further for the second consecutive month, even though average WTI margins were around $1.50/b.

Despite this continuous slide in margins, US refinery throughput rose a further 0.45 mb/d to hit 15.59 mb, as refiners replenished gasoline stocks prior to peak demand in the driving season. The equivalent refinery utilization rate was close to 94%, representing a 1.4% increase on the corresponding period last year and even slightly above the April 2001 runs, when gasoline prices hit record levels.

Rotterdam market

The thriving Nigerian market supported April European gasoline prices in Rotterdam, while distillate values plunged as abundant supply met shrinking demand; refining margins enjoyed gains, which pushed refinery utilization rate for NW Europe to 88.70%

Average product prices experienced another fall in April, reflecting the relative weakness of Brent against fellow world marker crudes, coupled with additional fundamentals that shaped the magnitude of each product price loss. Compared with the 19% plunge in the average underlying crude price, gasoline faired best as it was limited to a 5% drop, while gasoil fell 25% and HSFO decreased 15%. Nevertheless, an overview of the European product market reveals the following factors: Gasoline values, despite substantially weaker transatlantic arbitrage activity from the previous month, were supported by firm barge markets linked to heavy shipping to Nigeria as two of the country's four refineries were shut down. Gasoil was in thin trading at the end of the cold weather season. Seasonal trends were further exacerbated by weak fundamentals which included record-high Russian gasoil shipments, flooding Europe with distillate products without any destination, falling jet fuel demand on decreasing air travel, and rising Middle Eastern distillate exports to Europe. The HSFO supply was abundant during the first half of the month, as Russian cargoes were plentiful. However, as the month progressed, the available Russian volumes became scarce, which tightened the fuel oil market in NW Europe at the time of renewed active arbitrage movements to Asian markets.

A considerable fall in the Brent price, coupled with alleviated gasoline value declines, were the main reasons for the rebound in average European refining margins.

Induced by improving economics, the refinery throughput in the Eur-16 rose 0.21 mb/d to 12.17 mb in April. This led the refinery utilization rate up 1.6% to 88.7%, its highest level this year and a 3.6% increase above the preceding year's level.

Light and middle product values fell in April in Singapore at a pace faster than crude oil, causing a steep decline in Dubai's margins

Singapore market

The average monthly price losses for both gasoline and gasoil dropped slightly more than 20% in April, representing a steeper loss than that experienced by their underlying crude, Dubai, which fell 15%, and HSFO which decreased 13% in the same period. However, the gasoline market saw only thin trading. Gasoil demand receded, which weighed on the market as the SARS epidemic prompted refiners to increase gasoil output over jet fuel production, and regional exports, together with Middle Eastern Gulf distillate cargoes, were pushed aggressively on the market. In contrast, Asian fuel oil supply was squeezed during the last part of the month, as indicated by its 5.5 mb stock volume, the lowest level ever, as Russian fuel oil shipments dried up at a time when bunker demand was robust.

After two consecutive months of healthy gains, Dubai's average refining margins fell sharply, still holding around $1/b. The weakness in refining margins was the result of product price losses, particularly for gasoline and gasoil which outpaced falling crude costs.

In Japan, the refinery utilization throughput plunged 0.5 mb in April to 4.04 mb/d, reflecting the seasonal start of the maintenance season. Refinery utilization, however, was almost 85%, which represented a 3% increase over last year.

Table 2
Refined product prices
US $/b

		Feb 03	Mar 03	**Apr 03**	**Change Apr/Mar**
US Gulf					
Regular gasoline	*(unleaded)*	42.61	40.63	**34.24**	–6.39
Gasoil	*(0.2% S)*	44.38	37.13	**30.47**	–6.66
Fuel oil	*(3.0% S)*	27.76	22.78	**19.59**	–3.19
Rotterdam					
Premium gasoline	*(unleaded)*	39.15	36.06	**34.38**	–1.68
Gasoil	*(0.2% S)*	41.16	39.61	**29.59**	–10.02
Fuel oil	*(3.5% S)*	25.93	21.91	**18.61**	–3.30
Singapore					
Premium gasoline	*(unleaded)*	40.14	37.51	**28.74**	–8.77
Gasoil	*(0.5% S)*	39.35	37.87	**30.03**	–7.84
Fuel oil	*(380 cst)*	29.33	26.65	**23.12**	–3.53

Table 3
Refinery operations in selected OECD countries

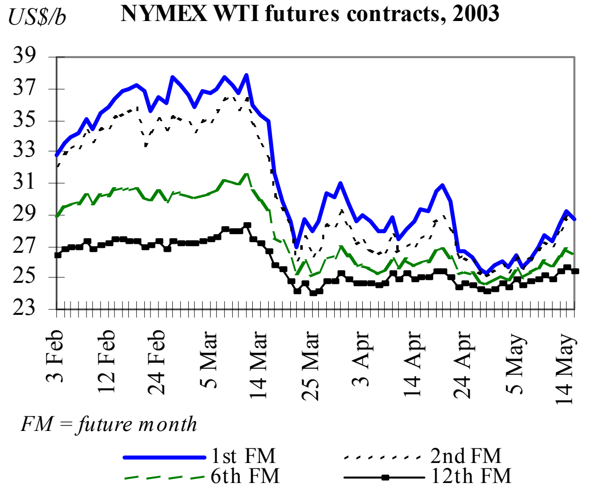
	Refinery throughput *mb/d*			**Refinery utilization*** *%*		
	Feb 03	Mar 03	**Apr 03**	Feb 03	Mar 03	**Apr 03**
USA	14.66	15.14	**15.59**	88.2	91.1	**93.8**
France	1.75 R	1.62 R	**1.51**	92.0 R	85.4 R	**79.3**
Germany	2.22	2.19 R	**2.24**	99.9 R	96.6 R	**98.8**
Italy	1.67 R	1.78 R	**1.92**	72.8 R	77.3 R	**83.5**
UK	1.64 R	1.57	**1.61**	91.6 R	87.6	**89.8**
Eur-16	11.98 R	11.96 R	**12.17**	87.3 R	87.1 R	**88.7**
Japan	4.65	4.54 R	**4.04**	97.6	95.3 R	**84.8**

* *Refinery capacities used are in barrels per calendar day.*
R *Revised since last issue.*
Sources: *OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.*

THE OIL FUTURES MARKET

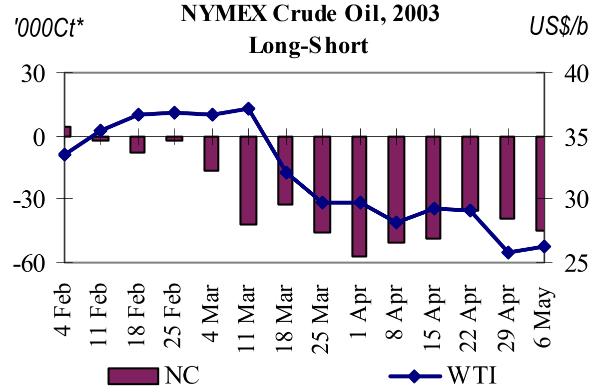
Non-commercials remained pessimistic about the immediate fate of the market

Graph 5
NYMEX WTI futures contracts, 2003



Non-commercials, or speculators, have remained bearish since the beginning of February this year. Week after week, non-commercials have registered a net short position, implying the expectation of falling prices and a weak market ahead. According to the Commodity Futures Trading Commission's (CFTC) *Commitments of Traders* report, non-commercials increased their short positions by 7,587 lots to 84,266 in early April, while trimming their longs (an expectation of rising prices) by 3,928 lots. This came on the back of expectations that the war in Iraq would end quicker than expected without significant disruptions to Middle Eastern supplies or major damage to Iraqi oil fields and facilities. As market fundamentals began to replace war headlines and OPEC seemed poised to make a production cut at its Consultative Meeting of the Conference on 24 April, speculators disposed of some of their short positions in the weeks preceding the Meeting. According to the CFTC's *Commitments of Traders* report for the week of 8 April, non-commercials trimmed their short positions by 3,195 contracts while increasing their longs by 3,617 contracts. This trend persisted in the week of 15 April, as speculators continued to dispose of their shorts by 788 contracts while raising longs by 537 lots. Meanwhile, WTI prices showed a recovery after a month of continued declines. Large speculators cut their net shorts positions significantly while only disposing of a few long positions.

Graph 6
Futures Commitment of Traders Report:
NYMEX Crude Oil, 2003
Long-Short



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

In the week immediately preceding the OPEC Consultative Meeting of the Conference on 24 April, the net short positions decreased further from 48,920 lots to 35,194 lots, as speculators were counting on a firm move by the Organization to curb production. Oddly enough, WTI prices failed to rise during the week. OPEC's subsequent decision on 24 April caught the market by surprise. Speculators hiked short positions while WTI prices fell roughly $3/b. The *Commitments of Traders'* report for the week of 6 May showed non-commercials boosting their net-shorts positions again, as the bearish side prevailed.

THE TANKER MARKET

OPEC area spot-fixtures lost the previous month's gain, declining 1.08 mb/d in April

OPEC area spot-chartering lost the previous month's gain, declining 1.08 mb/d to stand at 12.49 mb/d, still a 1.91 mb/d improvement over last year's figures. The decline in OPEC area spot fixtures in March is attributed to seasonably-low demand, which coincided with high freight rates during the month. Rates were supported by increasing insurance costs due to military operations in the Middle East region and by charterers' reluctance to fix expensive vessels for their April cargoes. The war's interruption of Iraqi exports also added to the decline. OPEC's share of global fixtures fell a considerable 5.25% to stand at 56.55% as non-OPEC fixtures rose in April on increasing oil production from non-OPEC countries as well as on the downturn of OPEC's oil exports, especially from the Middle East region, due to the war in Iraq. Non-OPEC fixtures increased 0.87 mb/d to 9.60 mb/d, which covered a market share of 43.45%. Global spot-chartering showed only a marginal decline of 0.22 mb/d to 22.08 mb/d as the fall in OPEC spot-chartering was mostly compensated by higher non-OPEC spot fixtures, which rose 0.79 mb/d higher than a year ago. The Middle East westbound long-haul route was responsible for most of OPEC spot fixture declines. This route showed a drop of 1.03 mb/d to 1.18 mb/d as military operations in the Middle East halted Iraqi exports and pushed freight rates skyward, thereby forcing western customers to reduce chartering, even for other Middle Eastern grades. Seasonably-low demand in the second quarter of the year also contributed to this firmly downward trend. From the Middle East to the Far East, the decline was far less than on the westbound route, registering only a slight dip of 0.18 mb/d to 4.58 mb/d, which can be attributed to relatively healthy demand by major Asian oil consumers Japan, India and China. The significant fall in spot chartering on the westbound long-haul route reduced the share of total OPEC fixtures by 6.82% to 9.46%, while the eastbound long-haul share rose 1.63% to 36.68% compared with last month's level. Together these routes accounted for 46.15% of total fixtures in the OPEC area, or 5.19% less than that witnessed in March. April's estimated sailings from the OPEC area lost the previous month's gain, dropping 1.18 mb/d to 23.23 mb/d. Middle East OPEC sailings ignored the OPEC area's general downward trend, increasing 0.66 mb/d to stand at 17.50 mb/d compared with the month before. This figure represents 75.35% of total OPEC sailings, up 6.34% over a month ago. Preliminary estimates show that long-haul arrivals in the Atlantic basin maintained last month's upward trend, rising 0.60 mb/d to 11.07 mb/d in the USA and the Caribbean, and 0.47 mb/d to 7.89 mb/d in NW Europe. In contrast, the Euro-med arrivals fell 0.81 mb/d to 4.63 mb/d, mainly on interrupted Iraqi exports. Japan contributed to last month's decline, decreasing by 0.41 mb/d to 4.17 mb/d.

VLCC freight rates fell considerably on less activity and ample tonnage availability

Freight rates were pressed considerably downward by decreased activity reflected in low chartering volumes, mainly due to the war in Iraq and the outage of part of Nigeria's oil production, coupled with ample tonnage availability. VLCC freight rates on the Middle East eastbound and westbound long-haul routes fell 34 points each to stand at an average of WS93 and WS81 respectively, while the build of unfixed VLCCs rose from 45 vessels to roughly 65 tankers just before the end of the month. Suezmax freight rate losses were much higher than those for VLCCs, dropping 75 points to a monthly average of WS110 on the West Africa to the US Gulf Coast route. This fall resulted mainly from the plunge in rates that took place early in the month when they touched the WS90s level before rising to end the month in mid-120s. Aframax freight rates suffered further huge losses as Iraqi exports from Turkey's Ceyhan terminal came to a complete halt. Aframax rates plummeted 119 points to average WS220 within the Mediterranean Basin and 151 points to WS128 from the Mediterranean to NW Europe. The same trend was seen on the Caribbean/US Gulf route, where rates fell 71 points to WS259. The Indonesia/US West Coast route showed very little losses, but barely maintained the previous month's level of WS190s.

Product freight rates suffered losses except for MR tankers on the Middle East/Far East route

With one notable exception, freight rates for Medium Range (MR) tankers showed moderate losses on weak demand, the result of low activity exasperated by a feeble world economic growth. Freight rates for MR tankers on the Middle East/Far East route proved the exception, rising 25 points to WS285 due to availability early in the month which turned into a build of tonnage by the month's end. The worst drop affected tankers on the routes from NW Europe to the US East and US Gulf Coasts, which lost 55 points to WS305. Within the Mediterranean Basin and from the Mediterranean to NW Europe, rates fell 49 and 37 points respectively. From Singapore to the East, freight rates moved down 13 points to WS334, while from the Caribbean to the US Gulf, losses almost doubled, falling 30 points to WS325, due to a lack of product cargoes heading to the US market, especially from Venezuela.

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

	Feb 03	Mar 03	Apr 03	Change Apr/Mar
Chartering				
All areas	21.93	22.30	**22.08**	–0.22
OPEC	13.16	13.57	**12.49**	–1.08
Middle East/east	4.34	4.76	**4.58**	–0.18
Middle East/west	2.76	2.21	**1.18**	–1.03
Sailings				
OPEC	22.79	24.40	**23.23**	–1.18
Middle East	16.61	16.84	**17.50**	+0.66
Arrivals				
US Gulf Coast, US East Coast, Caribbean	9.64	10.47	**11.07**	+0.60
North-West Europe	6.71	7.42	**7.89**	+0.47
Euromed	4.05	5.45	**4.63**	–0.81
Japan	4.80	4.58	**4.17**	–0.41

Source: Oil Movements and Lloyd's Marine Intelligence Unit.

Table 5
Spot tanker freight rates
Worldscale

	Size *1,000 DWT*	Feb 03	Mar 03	Apr 03	Change Apr/Mar
Crude					
Middle East/east	200–300	99	127	**93**	–34
Middle East/west	200–300	94	115	**81**	–34
West Africa/US Gulf	100–160	168	185	**110**	–75
North-West Europe/US East Coast	100–160	188	179	**115**	–64
Indonesia/US West Coast	70–100	149	194	**186**	–8
Caribbean/US East Coast	40–70	304	330	**259**	–71
Mediterranean/Mediterranean	40–70	270	339	**220**	–119
Mediterranean/North-West Europe	70–100	294	279	**128**	–151
Products					
Middle East/east	30–50	246	260	**285**	+25
Singapore/east	25–30	285	347	**334**	–13
Caribbean/US Gulf Coast	25–30	255	355	**325**	–30
North-West Europe/US East Coast	25–30	313	360	**305**	–55
Mediterranean/Mediterranean	25–30	304	355	**306**	–49
Mediterranean/North-West Europe	25–30	281	362	**325**	–37

Source: Gailbraith Tanker Market Report as well as other relevant industry publications.

WORLD OIL DEMAND

Estimates for 2002

World

World demand for 2002 revised up marginally to 76.56 mb/d

First- and second-quarter consumption estimates have both been revised up by 0.04 mb/d, third-quarter figures up 0.02 mb/d, while the fourth quarter remains unchanged, leading to an overall minor upward revision of 0.02 mb/d to the average oil consumption for 2002. The year's average now stands at 76.56 mb/d, compared to the 76.54 mb/d reported in the previous *MOMR*. The world demand increment, which represents the difference between the 2001 and the 2002 averages, has likewise been increased to 0.19 mb/d, compared with the previous estimate of 0.16 mb/d. Quarterly and regional details are given in Table 6.

On a regional basis, following a decline of 0.07 mb/d in 2001, demand in the OECD is estimated to have decreased 0.09 mb/d in 2002. Consumption in the former CPEs, however, is estimated to have grown a considerable 0.18 mb/d or 1.97%, up 0.15 mb/d over 2001. Developing countries are estimated to have experienced a moderate 0.10 mb/d or 0.52% rise in consumption for the year, following significant 0.29 mb/d growth in 2001.

On a quarterly basis, world demand declined by 0.47 mb/d or 0.61% compared with the corresponding 2001 figures to average 76.59 mb/d in the first quarter, mostly due to milder-than-normal weather. Second-quarter consumption is estimated to have dropped even further, by 0.49 mb/d or 0.65% to 74.75 mb/d, mostly due to the lacklustre performance of the global economy. Compared with the exceptionally weak 2001 consumption, partly due to the tragic 11 September events, demand is estimated to have risen at a significantly accelerating pace during the third and fourth quarters, with estimated growth rates of 0.46 mb/d or 0.61% and 1.24 mb/d or 1.61% respectively. Detailed quarterly comparisons for all quarters are presented in Tables 7 and 8.

Table 6
World oil demand in 2002
mb/d

							Change 2002/01	
	2001	1Q02	2Q02	3Q02	4Q02	**2002**	Volume	%
North America	23.85	23.72	23.83	24.12	24.19	23.97	0.11	0.47
Western Europe	15.27	15.17	14.64	15.19	15.36	15.09	–0.18	–1.19
OECD Pacific	8.55	9.08	7.66	8.05	9.32	8.53	–0.02	–0.28
Total OECD	**47.68**	**47.97**	**46.14**	**47.36**	**48.87**	**47.58**	**–0.09**	**–0.20**
Other Asia	7.33	7.42	7.44	7.37	7.58	7.45	0.12	1.64
Latin America	4.75	4.63	4.69	4.69	4.57	4.64	–0.11	–2.26
Middle East	4.83	4.80	4.87	5.03	4.85	4.89	0.05	1.12
Africa	2.44	2.49	2.45	2.46	2.49	2.47	0.03	1.40
Total DCs	**19.35**	**19.33**	**19.45**	**19.54**	**19.49**	**19.45**	**0.10**	**0.52**
FSU	3.93	3.78	3.32	3.65	4.25	3.75	–0.19	–4.71
Other Europe	0.72	0.77	0.73	0.73	0.73	0.74	0.02	3.12
China	4.69	4.74	5.12	5.27	5.00	5.03	0.35	7.40
Total "Other Regions"	**9.34**	**9.29**	**9.17**	**9.64**	**9.99**	**9.52**	**0.18**	**1.97**
Total world	**76.37**	**76.59**	**74.75**	**76.54**	**78.34**	**76.56**	**0.19**	**0.25**
Previous estimate	76.37	76.55	74.71	76.52	78.34	76.54	0.16	0.21
Revision	0.00	0.04	0.04	0.02	0.00	0.02	0.03	0.04

Totals may not add due to independent rounding.

OECD
The actual data indicates that OECD consumption registered a substantial 0.85 mb/d decline in the first quarter, making it the single contributor to the drop in world consumption. The rise in Developing Countries and former CPEs demand, at 0.21 mb/d and 0.16 mb/d respectively, partly offset this fall. Within the OECD, the highest drop rate of 3.56% was experienced by OECD Pacific, followed by North America at 1.9% and Western Europe, which registered a minor 0.32%.

Data on actual consumption in the second quarter also points to a drop of 0.31 mb/d or 0.67% in the OECD consumption, due to a steep decline of 0.31 mb/d in OECD Pacific demand. Western Europe's drop in consumption was neatly balanced by the 0.13 mb/d rise in North American demand.

The latest available data on actual third quarter consumption points to a slowing of the downward trend seen in the first and second quarters. Total OECD consumption is estimated to have dropped by a marginal 0.12 mb/d or 0.25%. Within the OECD, Western Europe's 0.32 mb/d decline in demand is expected to be more than offset by the 0.19 mb/d rise in North American consumption and the OECD Pacific's gain of 0.01 mb/d.

Actual data on OECD fourth quarter consumption indicates an impressive gain of 0.88 mb/d. Demand jumped a robust 0.58 mb/d or 2.46% in North America and 0.53 mb/d or 6.03% in the OECD Pacific. In contrast, demand continued to be sluggish in Western Europe, down 0.23 mb/d or 1.45%.

On a product basis, residual fuel oil continued to be the loss leader for 2002 in both volume (0.39 mb/d) and percentage (12.33%), mostly due to a shift to natural gas consumption in North America. The weakness in aviation fuel consumption also persisted with an average 2.41% decline compared to 2001, as air travel remained subdued worldwide. The leading volume gainers were gasoline and LPG consumption, with rises of 0.20 mb/d or 1.38% and 0.10 mb/d or 2.30% respectively, mostly due to substantial growth in consumption in North America, which stood at 2.68% and 4.83% respectively.

DCs
Oil demand for developing countries is estimated to have grown marginally by 0.10 mb/d or 0.52% to 19.45 mb/d. The demand performance in Latin America continued to be significantly weaker, declining 0.11 mb/d or 2.26% compared to the previous year, on persistent economic and financial problems. Other Asia is estimated to have registered the highest volume and percentage growth at 0.12 mb/d or 1.64%, followed by the Middle East and Africa, with 0.05 mb/d and 0.03 mb/d respectively.

Other regions
Apparent demand in the Other Regions group of countries is estimated to have grown a healthy 0.18 mb/d or 1.97% rate. Within this group, the FSU registered a considerable decline in consumption of 0.19 mb/d or 4.71%. China, however, was the consumption growth rate leader, registering a remarkable increase of 0.35 mb/d or 7.40%, which alone counts for almost twice the estimated average rise in world demand. Apparent demand in Other Europe also underwent a minor 0.02 mb/d volume rise, representing a relatively high 3.12% growth rate.

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

	1Q01	1Q02	Change 2002/01 Volume	%	2Q01	2Q02	Change 2002/01 Volume	%
North America	24.19	23.72	-0.46	–1.91	23.70	23.83	0.13	0.57
Western Europe	15.21	15.17	-0.05	–0.32	14.78	14.64	–0.13	–0.91
OECD Pacific	9.42	9.08	-0.33	–3.56	7.98	7.66	–0.31	–3.91
Total OECD	**48.82**	**47.97**	**-0.85**	**–1.73**	**46.45**	**46.14**	**–0.31**	**–0.67**
Other Asia	7.31	7.42	0.11	1.52	7.31	7.44	0.12	1.70
Latin America	4.66	4.63	-0.04	–0.77	4.80	4.69	–0.11	–2.31
Middle East	4.68	4.80	0.12	2.52	4.75	4.87	0.12	2.52
Africa	2.47	2.49	0.02	0.82	2.43	2.45	0.02	0.95
Total DCs	**19.12**	**19.33**	**0.21**	**1.12**	**19.29**	**19.45**	**0.16**	**0.81**
FSU	3.95	3.78	-0.17	–4.32	3.75	3.32	–0.44	–11.62
Other Europe	0.76	0.77	0.01	0.79	0.72	0.73	0.01	1.11
China	4.41	4.74	0.33	7.37	5.02	5.12	0.10	1.95
Total "Other Regions"	**9.13**	**9.29**	**0.16**	**1.76**	**9.50**	**9.17**	**–0.33**	**–3.47**
Total world	**77.06**	**76.59**	**-0.47**	**–0.61**	**75.24**	**74.75**	**–0.49**	**–0.65**

Totals may not add due to independent rounding.

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

	3Q01	3Q02	Change 2002/01 Volume	%	4Q01	4Q02	Change 2002/01 Volume	%
North America	23.93	24.12	0.19	0.78	23.61	24.19	0.58	2.46
Western Europe	15.50	15.19	-0.32	–2.04	15.58	15.36	–0.23	–1.45
OECD Pacific	8.04	8.05	0.01	0.14	8.79	9.32	0.53	6.03
Total OECD	**47.48**	**47.36**	**-0.12**	**–0.25**	**47.98**	**48.87**	**0.88**	**1.84**
	0.00							
Other Asia	7.29	7.37	0.08	1.10	7.41	7.58	0.16	2.21
Latin America	4.80	4.69	-0.11	–2.31	4.74	4.57	–0.17	–3.58
Middle East	4.99	5.03	0.04	0.70	4.91	4.85	–0.05	–1.12
Africa	2.41	2.46	0.05	2.09	2.45	2.49	0.04	1.72
Total DCs	**19.49**	**19.54**	**0.05**	**0.28**	**19.51**	**19.49**	**–0.02**	**–0.10**
FSU	3.72	3.65	-0.08	–2.11	4.31	4.25	–0.06	–1.35
Other Europe	0.67	0.73	0.06	9.46	0.72	0.73	0.01	1.67
China	4.72	5.27	0.54	11.49	4.58	5.00	0.42	9.14
Total "Other Regions"	**9.11**	**9.64**	**0.53**	**5.79**	**9.62**	**9.99**	**0.37**	**3.87**
Total world	**76.08**	**76.54**	**0.46**	**0.61**	**77.10**	**78.34**	**1.24**	**1.61**

Totals may not add due to independent rounding.

Projections for 2003

World

World demand for 2003 adjusted slightly upwards to 77.38 mb/d increasing 0.82 mb/d above the 2002 figure

The world demand forecast for the year 2003 has been revised up slightly by 0.03 mb/d to an average 77.38 mb/d, compared with the 77.35 mb/d reported in the previous *MOMR*. The increment has also been revised up by 0.01 mb/d to 0.82 mb/d, equivalent to 1.07%, from the previous 0.81 mb/d, equivalent to 1.06%. The incorporation of the actual first quarter OECD consumption figures has resulted in an upward revision to the first quarter average of total world consumption. The outbreak of the SARS epidemic, which has reduced travel and tourism in the affected regions, is also feared to be undermining economic growth leading to a downward revision in the second quarter demand forecast. Regional and quarterly breakdowns of demand forecasts are given in Table 9.

Table 9
World oil demand forecast for 2003
mb/d

	2002	1Q03	2Q03	3Q03	4Q03	2003	Change 2003/02 Volume	%
North America	23.97	24.50	23.95	24.26	24.38	24.27	0.30	1.26
Western Europe	15.09	15.06	14.72	15.18	15.58	15.14	0.05	0.31
OECD Pacific	8.53	9.49	7.84	8.11	9.43	8.72	0.19	2.21
Total OECD	**47.58**	**49.05**	**46.52**	**47.54**	**49.38**	**48.12**	**0.54**	**1.13**
Other Asia	7.45	7.50	7.39	7.41	7.60	7.47	0.02	0.32
Latin America	4.64	4.63	4.68	4.74	4.65	4.68	0.03	0.69
Middle East	4.89	4.81	4.96	5.01	4.82	4.90	0.01	0.27
Africa	2.47	2.49	2.49	2.47	2.50	2.49	0.01	0.61
Total DCs	**19.45**	**19.44**	**19.51**	**19.63**	**19.57**	**19.54**	**0.08**	**0.43**
FSU	3.75	3.84	3.42	3.66	4.29	3.80	0.05	1.39
Other Europe	0.74	0.82	0.72	0.80	0.77	0.77	0.03	4.72
China	5.03	4.91	5.07	5.43	5.14	5.14	0.11	2.11
Total "Other Regions"	**9.52**	**9.56**	**9.20**	**9.89**	**10.20**	**9.72**	**0.19**	**2.03**
Total world	**76.56**	**78.05**	**75.23**	**77.07**	**79.14**	**77.38**	**0.82**	**1.07**
Previous estimate	76.54	77.62	75.62	77.08	79.05	77.35	0.81	1.06
Revision	0.02	0.43	–0.39	–0.02	0.09	0.03	0.00	0.00

Totals may not add due to independent rounding.

All of three major country groups are forecast to register positive demand growth. OECD is forecast to rank first in demand volume growth with 0.54 mb/d or 1.13%. The rise in former CPEs demand at 0.19 mb/d or 2.03% is expected to be the second highest in volume but the first in percentage. Developing countries are forecast to follow with a 0.08 mb/d or 0.43% demand increase.

Each quarter of 2003 is forecast to register gains in consumption over the corresponding quarter of 2002. The first and the fourth quarters are expected to experience the highest growth, at 1.46 mb/d and 0.80 mb/d respectively, although it is important to note that the first quarter of 2002 registered exceptionally weak consumption due to a milder than usual winter. In contrast, consumption in the first quarter of 2003 is expected to have been pushed higher by colder-than-usual weather in many regions and the continued shut-down of Japan's nuclear reactors on account of safety concerns. The SARS epidemic appears to be stifling second quarter consumption, leaving expected levels below the 0.49 mb/d forecast previously. Demand is anticipated to pick up slightly in the third quarter with an expected 0.52 mb/d rise. Further details are shown in Tables 10 and 11.

OECD

Preliminary OECD oil consumption data up to February 2003 indicate that, despite declines in marine bunkers, refinery own-use and back-flows, total inland consumption grew a healthy 1.76 mb/d or 3.95% compared to the first two months of 2002. This was partly due to the colder-than-normal weather in most regions of the OECD. The leading volume and percentage gainer was gasoil/diesel which registered a 0.95 mb/d or 7.82% rise. The second percentage gainer was naphtha with a 6.67% or 0.19 mb/d growth, as spiking natural gas prices in the USA encouraged petrochemical producers to utilize more of the product. Healthy margins in the downstream industries, such as in ethylene production, also induced higher naphtha intake percentages in Europe and Asia. Robust gains were also experienced by all other major products, especially LPG, gasoline, kerosene and residual fuel oil.

Table 10
First and second quarter world oil demand comparison for 2003
mb/d

	1Q02	1Q03	Change 2003/02 Volume	Change 2003/02 %	2Q02	2Q03	Change 2003/02 Volume	Change 2003/02 %
North America	23.72	24.50	0.78	3.28	23.83	23.95	0.12	0.50
Western Europe	15.17	15.06	–0.11	–0.70	14.64	14.72	0.08	0.54
OECD Pacific	9.08	9.49	0.41	4.52	7.66	7.84	0.18	2.37
Total OECD	**47.97**	**49.05**	**1.08**	**2.26**	**46.14**	**46.52**	**0.38**	**0.82**
Other Asia	7.42	7.50	0.08	1.10	7.44	7.39	–0.05	–0.67
Latin America	4.63	4.63	0.01	0.11	4.69	4.68	–0.02	–0.36
Middle East	4.80	4.81	0.01	0.23	4.87	4.96	0.09	1.95
Africa	2.49	2.49	0.01	0.27	2.45	2.49	0.04	1.59
Total DCs	**19.33**	**19.44**	**0.10**	**0.54**	**19.45**	**19.51**	**0.07**	**0.34**
FSU	3.78	3.84	0.06	1.49	3.32	3.42	0.10	3.02
Other Europe	0.77	0.82	0.05	6.08	0.73	0.72	–0.01	–1.46
China	4.74	4.91	0.17	3.62	5.12	5.07	–0.05	–0.98
Total "Other Regions"	**9.29**	**9.56**	**0.27**	**2.96**	**9.17**	**9.20**	**0.04**	**0.43**
Total world	**76.59**	**78.05**	**1.46**	**1.91**	**74.75**	**75.23**	**0.49**	**0.65**

Totals may not add due to independent rounding.

Table 11
Third and fourth quarter world oil demand comparison for 2003
mb/d

	3Q02	3Q03	Change 2003/02 Volume	Change 2003/02 %	4Q02	4Q03	Change 2003/02 Volume	Change 2003/02 %
North America	24.12	24.26	0.14	0.58	24.19	24.38	0.18	0.76
Western Europe	15.19	15.18	–0.01	–0.07	15.36	15.58	0.22	1.46
OECD Pacific	8.05	8.11	0.06	0.72	9.32	9.43	0.11	1.16
Total OECD	**47.36**	**47.54**	**0.19**	**0.39**	**48.87**	**49.38**	**0.52**	**1.05**
Other Asia	7.37	7.41	0.05	0.62	7.58	7.60	0.02	0.25
Latin America	4.69	4.74	0.05	1.10	4.57	4.65	0.09	1.89
Middle East	5.03	5.01	–0.02	–0.35	4.85	4.82	–0.04	–0.73
Africa	2.46	2.47	0.01	0.35	2.49	2.50	0.01	0.24
Total DCs	**19.54**	**19.63**	**0.09**	**0.45**	**19.49**	**19.57**	**0.08**	**0.39**
FSU	3.65	3.66	0.02	0.41	4.25	4.29	0.04	0.89
Other Europe	0.73	0.80	0.07	9.58	0.73	0.77	0.03	4.56
China	5.27	5.43	0.17	3.14	5.00	5.14	0.14	2.73
Total "Other Regions"	**9.64**	**9.89**	**0.25**	**2.60**	**9.99**	**10.20**	**0.21**	**2.08**
Total world	**76.54**	**77.07**	**0.52**	**0.69**	**78.34**	**79.14**	**0.80**	**1.02**

Totals may not add due to independent rounding.

WORLD OIL SUPPLY

Non-OPEC supply figure for 2002 revised down to 47.93 mb/d, an estimated 1.48 mb/d increase over the downwardly revised 2001 figure

Non-OPEC

Estimate for 2002

The 2002 non-OPEC supply figure has been revised down by roughly 0.06 mb/d to 47.93 mb/d. The fourth quarter was revised down significantly by 0.09 mb/d to 48.42 mb/d. Minor downward revisions of 0.04 mb/d on the last *MOMR* figures have been made to the first three quarters, dropping them to 47.67 mb/d, 48.04 mb/d and 47.59 mb/d respectively. The yearly average increase is estimated at 1.48 mb/d, compared with the 2001 figure.

Table 12
Non-OPEC oil supply in 2002
mb/d

	2001	1Q02	2Q02	3Q02	4Q02	**2002**	**Change 02/01**
North America	14.36	14.62	14.65	14.43	14.60	14.58	0.22
Western Europe	6.70	6.73	6.76	6.26	6.80	6.63	–0.06
OECD Pacific	0.77	0.76	0.77	0.79	0.72	0.76	–0.01
Total OECD	**21.82**	**22.11**	**22.17**	**21.48**	**22.12**	**21.97**	**0.15**
Other Asia	2.25	2.32	2.32	2.32	2.35	2.33	0.08
Latin America	3.76	3.93	3.94	3.91	3.80	3.89	0.14
Middle East	2.13	2.11	2.09	2.05	2.09	2.08	–0.05
Africa	2.80	3.04	3.08	3.01	2.99	3.03	0.23
Total DCs	**10.93**	**11.40**	**11.42**	**11.30**	**11.23**	**11.33**	**0.40**
FSU	8.53	8.92	9.15	9.50	9.75	9.33	0.80
Other Europe	0.18	0.18	0.18	0.17	0.17	0.18	–0.01
China	3.30	3.35	3.39	3.43	3.40	3.39	0.10
Total "Other regions"	**12.01**	**12.45**	**12.72**	**13.10**	**13.32**	**12.90**	**0.89**
Total non-OPEC production	**44.76**	**45.95**	**46.32**	**45.87**	**46.66**	**46.20**	**1.44**
Processing gains	1.69	1.72	1.72	1.72	1.76	1.73	0.04
Total non-OPEC supply	**46.45**	**47.67**	**48.04**	**47.59**	**48.42**	**47.93**	**1.48**
Previous estimate	46.48	47.71	48.08	47.64	48.51	47.99	1.50
Revision	**–0.03**	**–0.04**	**–0.04**	**–0.04**	**–0.09**	**–0.06**	**–0.02**

Totals may not add due to independent rounding.

Non-OPEC supply forecast for 2003 at 48.90 mb/d, 0.97 mb/d above the 2002 figure

Forecast for 2003

Non-OPEC supply for 2003 is anticipated to rise 0.97 mb/d. The major contributors to this increase are the FSU and North America. The 2003 quarterly distribution forecasts for all but the third quarter have been revised down significantly 0.21 mb/d, 0.28 mb/d and 0.16 mb/d to 48.79 mb/d, 48.80 mb/d and 49.15 mb/d respectively, while the third quarter has been revised up by 0.09 mb/d to 48.86 mb/d, compared with last *MOMR's* figures, resulting in a yearly average of around 48.90 mb/d.

Table 13
Non-OPEC oil supply in 2003
mb/d

	2002	1Q03	2Q03	3Q03	4Q03	2003	Change 03/02
North America	14.58	14.78	14.78	14.62	14.70	14.72	0.14
Western Europe	6.63	6.77	6.66	6.60	6.75	6.69	0.06
OECD Pacific	0.76	0.71	0.72	0.73	0.67	0.71	–0.05
Total OECD	**21.97**	**22.26**	**22.15**	**21.95**	**22.12**	**22.12**	**0.15**
Other Asia	2.33	2.36	2.37	2.37	2.40	2.37	0.05
Latin America	3.89	3.89	3.84	3.87	3.76	3.84	–0.05
Middle East	2.08	2.05	2.03	2.00	2.04	2.03	–0.05
Africa	3.03	2.99	3.04	2.98	2.96	2.99	–0.03
Total DCs	**11.33**	**11.30**	**11.27**	**11.22**	**11.16**	**11.24**	**–0.10**
FSU	9.33	9.89	9.99	10.26	10.43	10.14	0.81
Other Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.00
China	3.39	3.37	3.42	3.45	3.42	3.42	0.02
Total "Other regions"	**12.90**	**13.43**	**13.58**	**13.88**	**14.02**	**13.73**	**0.83**
Total non-OPEC production	**46.20**	**46.99**	**47.00**	**47.05**	**47.30**	**47.09**	**0.88**
Processing gains	1.73	1.81	1.81	1.81	1.85	1.82	0.09
Total non-OPEC supply	**47.93**	**48.79**	**48.80**	**48.86**	**49.15**	**48.90**	**0.97**
Previous estimate	47.99	49.00	49.09	48.77	49.31	49.04	1.05
Revision	**–0.06**	**–0.21**	**–0.28**	**0.09**	**–0.16**	**–0.14**	**–0.08**

Totals may not add due to independent rounding.

Net FSU oil export forecast for 2003 at 6.34 mb/d, 2002 estimated at 5.58 mb/d

The FSU's net oil export forecast for 2003 was revised up 0.12 mb/d to 6.34 mb/d, as was the 2002 figure, up 0.08 mb/d to 5.58 mb/d. Figures for 1999-2001 remain unchanged from the last *MOMR*.

Table 14
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 (estimate)	5.14	5.84	5.85	5.49	**5.58**
2003 (forecast)	6.05	6.57	6.60	6.14	**6.34**

OPEC natural gas liquids

OPEC NGL forecast for 2003 at 3.64 mb/d

OPEC NGL data for the years 1999-2001 remain unchanged at 3.16 mb/d, 3.34 mb/d and 3.58 mb/d respectively, compared with last *MOMR's* figures. Both the 2002 and 2003 figures have been revised up by 0.01 mb/d to 3.65 mb/d and 3.64 mb/d respectively. Revisions made to the 2002 figure are due to adjustments in the fourth quarter estimates for some Member Countries.

OPEC NGL production — 1998–2003
mb/d

1999	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01	2003	Change 03/02
3.16	**3.34**	**3.58**	3.65	3.65	3.68	3.63	**3.65**	0.07	**3.64**	–0.02

Available secondary sources put OPEC's April production at 27.49 mb/d

OPEC crude oil production

Available secondary sources place OPEC output for April at 26.48 mb/d, which was 1.00 mb/d lower than the revised March figure of 27.48 mb/d. Table 15 shows OPEC production as reported by selected secondary sources.

Table 15
OPEC crude oil production, based on secondary sources
1,000 b/d

	2001	4Q02	2002*	Mar 03*	**Apr 03***	**1Q03***	Apr 03-Mar 03
Algeria	820	952	864	1,109	**1,121**	1,069	12
Indonesia	1,214	1,102	1,120	1,058	**1,033**	1,073	–25
IR Iran	3,665	3,535	3,420	3,722	**3,710**	3,681	–12
Iraq	2,381	2,394	2,006	1,368	**143**	2,109	–1,225
Kuwait	2,025	1,925	1,887	2,284	**2,339**	2,111	55
SP Libyan AJ	1,361	1,349	1,314	1,408	**1,433**	1,394	25
Nigeria	2,097	2,014	1,969	1,919	**1,799**	2,091	–120
Qatar	683	704	648	757	**756**	742	–1
Saudi Arabia	7,939	7,904	7,537	9,317	**9,333**	8,874	16
UAE	2,163	2,021	1,988	2,297	**2,314**	2,200	17
Venezuela	2,862	2,231	2,591	2,241	**2,499**	1,442	259
Total OPEC	**27,211**	**26,129**	**25,343**	**27,479**	**26,480**	**26,785**	**–999**

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

RIG COUNT

Non-OPEC rig count down 248 in April

Non-OPEC

Rig activity declined in April. North America saw a decrease of 254 rigs with Canada losing a substantial 298 rigs to drop to 151. This was offset slightly by increases in the USA, up 42 rigs to 983, and Mexico, up 2 rigs to 81. Rig activity in Western Europe increased 4 rigs to 78, while Latin America saw an increase of 2 rigs to 120. The Middle East's rig activity declined 5 rigs, mainly in Syria and Yemen.

Table 16
Non-OPEC rig count in 2002-2003

	2001	**2002**	**Change 02/01**	**Mar 03**	**Apr 03**	**Change Apr/Mar.**
North America	1,552	1,162	–390	1,469	**1,215**	–254
Western Europe	95	85	–10	74	**78**	4
OECD Pacific	20	17	–3	17	**19**	1
OECD	**1,667**	**1,264**	**–403**	**1,560**	**1,312**	**–248**
Other Asia	95	111	16	117	**118**	1
Latin America	141	106	–35	118	**120**	2
Middle East	50	62	12	72	**67**	–5
Africa	36	43	7	49	**51**	2
DCs	**321**	**322**	**1**	**356**	**356**	**0**
FSU	n.a.	n.a.	n.a.	n.a.	**n.a.**	n.a.
Other Europe	3	2	–1	2	**2**	0
China	n.a.	n.a.	n.a.	n.a.	**n.a.**	n.a.
Other regions	**n.a.**	**n.a.**	**n.a.**	**2**	**2**	**0**
Total non-OPEC	**1,991**	**1,588**	**–403**	**1,918**	**1,670**	**-248**

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

OPEC

OPEC rig count up 11 in April

OPEC's rig count rose to 219 in April, adding 11 rigs since March. Venezuela gained 8 rigs to reach 37, while Algeria restored 5 rigs to reach 22 for the month.

Table 17
OPEC rig count

	2001	2002	Change 02/01	Mar 03	Apr 03	Change Apr/Mar.
Algeria	20	20	0	17	**22**	5
Indonesia	41	46	6	50	**47**	–3
IR Iran	30	34	4	32	**35**	3
Iraq	n.a.	n.a.	n.a.	n.a.	**n.a.**	n.a.
Kuwait	9	6	-3	1	**1**	0
SP Libyan AJ	5	10	5	10	**11**	1
Nigeria	12	12	0	12	**9**	–3
Qatar	9	13	4	8	**9**	1
Saudi Arabia	30	32	2	33	**33**	0
UAE	15	16	0	16	**15**	–1
Venezuela	67	42	–25	29	**37**	8
Total OPEC	**238**	**231**	**–7**	**208**	**219**	**11**

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

STOCK MOVEMENTS

USA

Seasonal build of 12.9 mb in USA for April was mainly due to crude oil and gasoline

US commercial onland stocks reversed the trend observed in the last months and rose by a seasonable 12.9 mb during the period 28 March-2 May 2003 at a rate of 0.40 mb/d to 905.2 mb. Gasoline and crude oil were the main contributors to this build, which left the y-o-y shortage at about 11.5%. Crude oil stocks moved up 6.5 mb to 287.2 mb, mainly on a hike in imports, which averaged 9.7 mb/d. Regionally, the largest build occurred in the US Gulf Coast (PADD3), which Saudi imports pushed to a record high. The build narrowed the y-o-y deficit to 11.6% compared to 14% in the previous month. Gasoline stocks climbed 7.1 mb to 207.8 mb, as refiners boosted gasoline yield to prepare for the upcoming summer driving season and Venezuelan exports climbed. This cut the y-o-y deficit to only 4.2%, compared to 6% observed last month. Distillate inventories registered a moderate draw of 0.6 mb to 97.3 mb, although the y-o-y shortage remained strong at 20.8%.

The US Strategic Petroleum Reserve (SPR) witnessed an increase of 0.4 mb to 599.6 mb during the period 28 March-2 May, as the US government restarted the "royalty-in-kind" programme, after a stagnant period following a Department of Energy decision to delay oil deliveries to the SPR in the wake of depleted commercial stocks.

In the first week of May, ending 9 May, US commercial onland oil stocks did not display any major change, down a mere 0.5 mb to 904.8 mb, maintaining the y-o-y deficit at 11.9%. Crude oil stocks fell 2.7 mb to 284.5 mb, remaining 12.5% below last year's level, pushed down by lower crude imports and strong refinery runs. Gasoline stocks rose 0.8 mb to 208.6 mb, largely due to an increase in refinery output, narrowing the y-o-y deficit to about 4%. Distillate fuel inventories also showed a build of 2.6 mb to 99.9 mb, mainly on weak demand. However, the y-o-y deficit remained a considerable 19.4%.

The SPR continued its upward trend displaying a further increase of 0.8 mb to 600.4 mb and leaving the y-o-y surplus at 32.5 mb or 5.7%.

Table 18
US onland commercial petroleum stocks*
mb

	28 Feb 03	28 Mar 03	2 May 03	Change May/Apr	2 May 02	9 May 03**
Crude oil (excl. SPR)	273.6	280.7	**287.2**	**6.5**	325.0	**284.5**
Gasoline	206.1	200.7	207.8	7.1	216.9	208.6
Distillate fuel	96.5	97.9	97.3	–0.6	122.8	99.9
Residual fuel oil	31.4	30.1	31.3	1.2	34.6	31.4
Jet fuel	39.4	35.8	35.8	0.0	40.4	37.1
Unfinished oils	83.1	84.9	88.0	3.1	94.6	84.1
Other oils	165.0	162.2	157.8	–4.4	188.8	159.2
Total	895.0	892.3	**905.2**	**12.9**	1023.1	**904.8**
SPR	599.2	599.2	599.6	0.4	566.9	600.4

* *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.

Western Europe

EU-16's oil stocks displayed a further 2.3 mb build in April

Total onland oil stocks in Eur-16 (EU plus Norway) extended their previous month's build rising 2.3 mb, at a rate of 0.07 mb/d, to 1,059.6 mb. Total products contributed to this build with crude oil capping the increase. Crude stocks fell 5.7 mb to 447.6 mb as arrivals dropped with the loss of Iraqi exports and throughputs increased on improved refinery margins. Despite the draw on crude oil, its y-o-y surplus remained at 7.8 mb or 1.8%. Distillate and fuel oil were the prime contributors to the build in major product inventories, which rose 4.7 mb to 327.8 mb and 4.2 mb to 113.8 mb respectively. Gasoline stocks registered a decline of 2.3 mb to 144.9 mb, 2.4% below last year's figure, despite a rise in refinery output. The increase in middle distillate production, resulting from higher refinery runs, and a steady flow of Russian cargoes were behind the build in middle distillate and fuel oil stocks. Even with this rise in middle distillates, the y-o-y deficit stood at 5.1%, while fuel oil registered a y-o-y excess of 5.3%. The overall minor decline in total oil stocks in Eur-16 was about 0.8% below the year-ago level.

Table 19
Western Europe's oil stocks*
mb

	Feb 03	Mar 03	Apr 03	Change Apr/Mar	Apr 02
Crude oil	430.3	453.3	**447.6**	**–5.7**	439.8
Mogas	146.4	147.2	144.9	–2.3	148.5
Naphtha	23.3	24.2	25.52	1.3	25.91
Middle distillates	317.2	323.0	327.8	4.7	345.3
Fuel oils	108.8	109.6	113.8	4.2	108.1
Total products	595.8	604.0	**612.0**	**8.0**	627.8
Overall total	1,026.0	1,057.3	**1,059.6**	**2.3**	1,067.6

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

Japan

Japan's stocks shed a further 3.4 mb in March

Commercial onland oil stocks in Japan experienced a draw for the second consecutive month in March, declining 3.4 mb at a rate of 0.11 mb/d to 160.6 mb. This widened the y-o-y deficit to about 6%. Middle distillates were mostly responsible for this draw moving down 3.2 mb due to higher demand brought on by the colder-than-expected weather. This draw on middle distillates expanded the y-o-y deficit to about 21%. Gasoline stocks fell a marginal 0.2 mb to 13.6 mb and were 14.1% below last year's figure, while residual fuel increased a slight 0.3 mb to 18.6 mb to retain the y-o-y level. Despite an increase in crude oil imports from the Middle East, crude oil registered a marginal decline of 0.4 mb to 105.1 mb, or 1.7% below last year's level.

Table 20
Japan's commercial oil stocks*
mb

	Jan 03	Feb 03	Mar 03	Change Mar/Feb	Mar 02
Crude oil	102.6	105.4	**105.1**	**–0.4**	106.8
Gasoline	13.3	13.8	13.6	–0.2	15.8
Middle distillates	31.3	26.6	23.3	–3.2	29.5
Residual fuel oil	18.4	18.3	18.6	0.3	18.7
Total products	63.0	58.6	**55.6**	**–3.0**	64.0
Overall total**	165.6	164.1	**160.6**	**–3.4**	170.9

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

BALANCE OF SUPPLY AND DEMAND

2002 supply/demand difference revised up to 24.97 mb/d

The summarized supply/demand balance table for 2002 shows an upward revision to estimated world oil demand of 0.02 mb/d to 76.56 mb/d. Total non-OPEC supply was revised downward by 0.04 mb/d to 51.59 mb/d. This resulted in an estimated annual difference of around 24.97 mb/d, up 0.07 mb/d over the last *MOMR's* figure, with a quarterly distribution of 25.27 mb/d, 23.06 mb/d, 25.26 mb/d and 26.29 mb/d respectively. The quarterly balance was revised down 0.07 mb/d, 0.07 mb/d, 0.05 mb/d and 0.07 mb/d to -0.13 mb/d, 1.56 mb/d, 0.21 mb/d and –0.17 mb/d respectively. The average 2002 yearly balance is estimated at 0.37 mb/d, down 0.07 mb/d compared with the last *MOMR's* figure.

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

	2001	1Q02	2Q02	3Q02	4Q02	2002
(a) World oil demand	76.37	76.59	74.75	76.54	78.34	76.56
(b) Non-OPEC supply(1)	50.04	51.32	51.69	51.28	52.05	51.59
Difference (a – b)	**26.33**	**25.27**	**23.06**	**25.26**	**26.29**	**24.97**
OPEC crude oil production(2)	27.21	25.15	24.61	25.47	26.13	25.34
Balance	**0.87**	**–0.13**	**1.56**	**0.21**	**–0.17**	**0.37**

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

2003 supply/demand difference expected at 24.84 mb/d

The summarized supply/demand balance table for 2003 shows an upward revision to the forecast world oil demand of 0.03 mb/d to 77.38 mb/d. Total non-OPEC supply was revised downward by 0.12 mb/d to 52.54 mb/d, resulting in an expected difference of around 24.84 mb/d, with a quarterly distribution of 25.82 mb/d, 22.85 mb/d, 24.44 mb/d and 26.23 mb/d respectively. The balance for the first quarter is estimated at 0.96 mb/d.

Table 22
Summarized supply/demand balance for 2003
mb/d

	2002	1Q03	2Q03	3Q03	4Q03	2003
(a) World oil demand	76.56	78.05	75.23	77.07	79.14	77.38
(b) Non-OPEC supply(1)	51.59	52.23	52.38	52.62	52.91	52.54
Difference (a – b)	**24.97**	**25.82**	**22.85**	**24.44**	**26.23**	**24.84**
OPEC crude oil production(2)	25.34	26.78				
Balance	**0.37**	**0.96**				

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

Table 23
World oil demand/supply balance
mb/d

	1999	2000	2001	1Q02	2Q02	3Q02	4Q02	2002	1Q03	2Q03	3Q03	4Q03	2003
World demand													
OECD	47.7	47.7	47.7	48.0	46.1	47.4	48.9	47.6	49.1	46.5	47.5	49.4	48.1
North America	23.8	24.0	23.9	23.7	23.8	24.1	24.2	24.0	24.5	24.0	24.3	24.4	24.3
Western Europe	15.2	15.1	15.3	15.2	14.6	15.2	15.4	15.1	15.1	14.7	15.2	15.6	15.1
Pacific	8.7	8.6	8.6	9.1	7.7	8.1	9.3	8.5	9.5	7.8	8.1	9.4	8.7
DCs	18.7	19.0	19.4	19.3	19.4	19.5	19.5	19.5	19.4	19.5	19.6	19.6	19.5
FSU	4.0	3.8	3.9	3.8	3.3	3.6	4.3	3.7	3.8	3.4	3.7	4.3	3.8
Other Europe	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.8
China	4.2	4.7	4.7	4.7	5.1	5.3	5.0	5.0	4.9	5.1	5.4	5.1	5.1
(a) Total world demand	75.4	76.0	76.4	76.6	74.7	76.5	78.3	76.6	78.1	75.2	77.1	79.1	77.4
Non-OPEC supply													
OECD	21.3	21.8	21.8	22.1	22.2	21.5	22.1	22.0	22.3	22.1	22.0	22.1	22.1
North America	14.1	14.2	14.4	14.6	14.7	14.4	14.6	14.6	14.8	14.8	14.6	14.7	14.7
Western Europe	6.6	6.7	6.7	6.7	6.8	6.3	6.8	6.6	6.8	6.7	6.6	6.7	6.7
Pacific	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7
DCs	10.8	10.9	10.9	11.4	11.4	11.3	11.2	11.3	11.3	11.3	11.2	11.2	11.2
FSU	7.5	7.9	8.5	8.9	9.2	9.5	9.7	9.3	9.9	10.0	10.3	10.4	10.1
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	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.5	3.4	3.4
Processing gains	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.7	1.8	1.8	1.8	1.8	1.8
Total non-OPEC supply	44.6	45.7	46.5	47.7	48.0	47.6	48.4	47.9	48.8	48.8	48.9	49.1	48.9
OPEC NGLs + non-conventionals	3.2	3.3	3.6	3.7	3.7	3.7	3.6	3.7	3.4	3.6	3.8	3.8	3.6
(b) Total non-OPEC supply and OPEC NGLs	47.7	49.1	50.0	51.3	51.7	51.3	52.0	51.6	52.2	52.4	52.6	52.9	52.5
OPEC crude oil production (secondary sources)	26.5	28.0	27.2	25.1	24.6	25.5	26.1	25.3	26.8				
Total supply	74.2	77.0	77.2	76.5	76.3	76.8	78.2	76.9	79.0				
Balance (stock change and miscellaneous)	-1.1	1.1	0.9	-0.1	1.6	0.2	-0.2	0.4	1.0				
Closing stock level (outside FCPEs) mb													
OECD onland commercial	2446	2530	2622	2599	2643	2564	2467	2467					
OECD SPR	1228	1210	1222	1237	1247	1250	1271	1271					
OECD total	3674	3740	3843	3836	3890	3814	3738	3738					
Other onland	983	1000	1028	1026	1040	1020	1000	1000					
Oil-on-water	808	876	829	808	817	820	827	827					
Total stock	5465	5617	5700	5669	5747	5654	5565	5565					
Days of forward consumption in OECD													
Commercial onland stocks	51	53	55	56	56	52	50	51					
SPR	26	25	26	27	26	26	26	26					
Total	77	78	81	83	82	78	76	78					
Memo items													
FSU net exports	3.4	4.1	4.6	5.1	5.8	5.9	5.5	5.6	6.1	6.6	6.6	6.1	6.3
(a) - (b)	27.7	26.9	26.3	25.3	23.1	25.3	26.3	25.0	25.8	22.9	24.4	26.2	24.8

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

Table 24
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	-	-	-	-	-	-	-	-	0.3	-	-	-	0.1
North America	-	-	-	-	-	-	-	-	0.4	-	-	-	0.1
Western Europe	-	-	-	-	-	-	-	-	-0.2	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	0.1	-	-	-	-
DCs	-	-	-	-	-	-	-	-	-	-0.2	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.1	-0.1	-	-	-
(a) Total world demand	-	-	-	-	-	-	-	-	0.4	-0.4	-	0.1	-
Non-OPEC supply													
OECD	-	-	-	-	-	-	-	-	-0.1	-0.1	0.2	-0.1	-
North America	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Western Europe	-	-	-	-	-	-	-	-	-	-0.1	0.2	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-	-	-	-0.1	-0.2	-0.1	-0.1	-0.1
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-OPEC supply	-	-	-	-	-	-	-0.1	-0.1	-0.2	-0.3	0.1	-0.2	-0.1
OPEC NGLs + non-conventionals	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	-	-	-	-0.1	-	-0.2	-0.3	0.1	-0.1	-0.1
OPEC crude oil production (secondary sources)	-	-	-	-	-	-	-	-	-				
Total supply	-	-	-	-	-	-	-0.1	-	-0.2				
Balance (stock change and miscellaneous)	-	-	-	-0.1	-0.1	-	-0.1	-0.1	-0.6				
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	-	-	-	-	-	-	-	-	-				
OECD SPR	-	-	-	-	-	-	-0.7	-0.7	-				
OECD total	-	-	-	-	-	-	-0.7	-0.7	-				
Other onland	-	-	-	-	-	-	-	-	-				
Oil on water	-	-	-	-	-	-	1.8	1.8	-				
Total stock	-	-	-	-	-	-	0.8	0.8	-				
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-	-	-	-	-	-				
SPR	-	-	-	-	-	-	-	-	-				
Total	-	-	-	-	-	-	-	-	-				
Memo items													
FSU net exports	-	-	-	-	-	-	-	-	-	0.1	-	-0.1	-
(a) - (b)	-	-	-	0.1	0.1	-	0.1	0.1	0.6	-0.1	-0.1	0.2	0.1

† *This compares Table 23 in this issue of the MOMR with Table 23 in the April 2003 issue.*
This table shows only where changes have occurred.

Table 25

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

	1997	1998	1999	2000	2001	2002	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Closing stock level *mb*														
OECD onland commercial	2,615	2,697	2,446	2,530	2,622	2,467	2,525	2,597	2,660	2,622	2,599	2,643	2,564	2,467
North America	1,211	1,283	1,127	1,146	1,263	1,174	1,159	1,231	1,269	1,263	1,235	1,257	1,216	1,174
Western Europe	912	962	881	930	914	883	918	909	918	914	928	940	913	883
OECD Pacific	492	453	437	454	444	410	447	457	473	444	435	447	435	410
OECD SPR	1,207	1,249	1,228	1,210	1,222	1,271	1,210	1,207	1,205	1,222	1,237	1,247	1,250	1,271
North America	563	571	567	543	552	601	544	545	547	552	563	578	589	601
Western Europe	329	362	346	354	353	352	351	347	345	353	353	348	344	352
OECD Pacific	315	315	315	313	316	318	314	314	313	316	321	321	317	318
OECD total	**3,822**	**3,946**	**3,674**	**3,740**	**3,843**	**3,738**	**3,734**	**3,804**	**3,865**	**3,843**	**3,836**	**3,890**	**3,814**	**3,738**
Other onland	1,022	1,055	983	1,000	1,028	1,000	999	1,017	1,034	1,028	1,026	1,040	1,020	1,000
Oil-on-water	812	859	808	876	829	827	899	823	860	829	808	817	820	827
Total stock	**5,656**	**5,860**	**5,465**	**5,617**	**5,700**	**5,565**	**5,632**	**5,643**	**5,759**	**5,700**	**5,669**	**5,747**	**5,654**	**5,565**
Days of forward consumption in OECD														
OECD onland commercial	56	57	51	53	55	51	54	55	55	55	56	56	52	50
North America	52	54	47	48	53	48	49	51	54	53	52	52	50	48
Western Europe	60	63	58	61	61	58	62	59	59	60	63	62	59	59
OECD Pacific	58	52	51	53	52	47	56	57	54	49	57	55	47	43
OECD SPR	26	26	26	25	26	26	26	25	25	25	27	26	26	26
North America	24	24	24	23	23	25	23	23	23	23	24	24	24	25
Western Europe	21	24	23	23	23	23	24	22	22	23	24	23	22	23
OECD Pacific	37	36	37	37	37	36	39	39	36	35	42	40	34	33
OECD total	**82**	**83**	**77**	**78**	**81**	**78**	**80**	**80**	**81**	**80**	**83**	**82**	**78**	**76**
Days of global forward consumption	**87**	**88**	**82**	**84**	**85**	**82**	**86**	**84**	**85**	**85**	**86**	**86**	**83**	**81**

Table 26

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	8.24	7.99	8.06	8.11	0.06	8.12	8.16	7.98	8.04	8.07	-0.04
Canada	2.60	2.69	2.74	0.05	2.84	2.84	2.86	2.93	2.87	0.13	2.92	2.89	2.91	2.91	2.91	0.04
Mexico	3.35	3.45	3.57	0.11	3.61	3.57	3.58	3.60	3.59	0.03	3.75	3.73	3.74	3.75	3.74	0.15
North America	**14.05**	**14.25**	**14.36**	**0.11**	**14.62**	**14.65**	**14.43**	**14.60**	**14.58**	**0.22**	**14.78**	**14.78**	**14.62**	**14.70**	**14.72**	**0.14**
Norway	3.06	3.32	3.42	0.09	3.32	3.38	3.22	3.39	3.33	-0.09	3.40	3.39	3.39	3.37	3.39	0.06
UK	2.84	2.64	2.53	-0.11	2.60	2.56	2.28	2.59	2.51	-0.03	2.55	2.44	2.43	2.55	2.49	-0.01
Denmark	0.30	0.36	0.35	-0.02	0.38	0.37	0.34	0.38	0.37	0.02	0.38	0.37	0.34	0.38	0.37	0.00
Other Western Europe	0.43	0.41	0.40	-0.01	0.42	0.44	0.42	0.43	0.43	0.03	0.44	0.46	0.44	0.45	0.45	0.02
Western Europe	**6.63**	**6.74**	**6.70**	**-0.04**	**6.73**	**6.76**	**6.26**	**6.80**	**6.63**	**-0.06**	**6.77**	**6.66**	**6.60**	**6.75**	**6.69**	**0.06**
Australia	0.59	0.77	0.71	-0.06	0.71	0.71	0.73	0.67	0.70	0.00	0.66	0.65	0.67	0.61	0.65	-0.05
Other Pacific	0.07	0.06	0.06	0.00	0.05	0.06	0.05	0.05	0.05	-0.01	0.05	0.06	0.06	0.06	0.06	0.00
OECD Pacific	**0.66**	**0.83**	**0.77**	**-0.07**	**0.76**	**0.77**	**0.79**	**0.72**	**0.76**	**-0.01**	**0.71**	**0.72**	**0.73**	**0.67**	**0.71**	**-0.05**
Total OECD*	**21.34**	**21.82**	**21.82**	**0.00**	**22.11**	**22.17**	**21.48**	**22.12**	**21.97**	**0.15**	**22.26**	**22.15**	**21.95**	**22.12**	**22.12**	**0.15**
Brunei	0.18	0.19	0.20	0.00	0.21	0.20	0.20	0.20	0.20	0.01	0.20	0.19	0.19	0.19	0.19	-0.01
India	0.75	0.74	0.73	-0.01	0.74	0.74	0.75	0.75	0.75	0.01	0.75	0.74	0.75	0.76	0.75	0.00
Malaysia	0.70	0.68	0.69	0.00	0.73	0.75	0.75	0.75	0.75	0.06	0.76	0.78	0.78	0.78	0.77	0.03
Papua New Guinea	0.09	0.07	0.06	-0.01	0.05	0.05	0.05	0.05	0.05	-0.01	0.05	0.05	0.05	0.05	0.05	0.00
Vietnam	0.26	0.31	0.35	0.04	0.34	0.33	0.32	0.35	0.34	-0.01	0.35	0.34	0.32	0.35	0.34	0.00
Asia others	0.20	0.21	0.23	0.02	0.24	0.24	0.25	0.25	0.25	0.02	0.26	0.26	0.28	0.28	0.27	0.02
Other Asia	**2.18**	**2.20**	**2.25**	**0.05**	**2.32**	**2.32**	**2.32**	**2.35**	**2.33**	**0.08**	**2.36**	**2.37**	**2.37**	**2.40**	**2.37**	**0.05**
Argentina	0.84	0.79	0.80	0.01	0.80	0.80	0.79	0.78	0.79	-0.01	0.78	0.78	0.77	0.76	0.77	-0.02
Brazil	1.36	1.49	1.57	0.08	1.75	1.80	1.77	1.67	1.75	0.18	1.76	1.81	1.77	1.67	1.75	0.00
Colombia	0.82	0.70	0.61	-0.08	0.61	0.59	0.57	0.57	0.59	-0.03	0.57	0.54	0.53	0.53	0.54	-0.05
Ecuador	0.38	0.40	0.41	0.01	0.40	0.39	0.41	0.39	0.40	-0.01	0.40	0.33	0.40	0.39	0.38	-0.02
Peru	0.11	0.10	0.10	0.00	0.10	0.10	0.10	0.10	0.10	0.00	0.10	0.10	0.10	0.10	0.10	0.00
Trinidad & Tobago	0.14	0.14	0.13	-0.01	0.14	0.14	0.15	0.16	0.15	0.02	0.17	0.16	0.18	0.19	0.17	0.03
L. America others	0.11	0.12	0.13	0.01	0.13	0.12	0.12	0.12	0.12	-0.01	0.13	0.12	0.12	0.12	0.12	0.00
Latin America	**3.76**	**3.74**	**3.76**	**0.01**	**3.93**	**3.94**	**3.91**	**3.80**	**3.89**	**0.14**	**3.89**	**3.84**	**3.87**	**3.76**	**3.84**	**-0.05**
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	0.92	0.87	0.89	0.90	-0.04	0.85	0.83	0.80	0.81	0.82	-0.08
Syria	0.55	0.54	0.53	-0.01	0.53	0.53	0.54	0.55	0.54	0.01	0.55	0.55	0.56	0.57	0.56	0.02
Yemen	0.42	0.45	0.47	0.01	0.45	0.45	0.45	0.46	0.45	-0.01	0.46	0.46	0.46	0.46	0.46	0.01
Middle East	**2.06**	**2.13**	**2.13**	**0.00**	**2.11**	**2.09**	**2.05**	**2.09**	**2.08**	**-0.05**	**2.05**	**2.03**	**2.00**	**2.04**	**2.03**	**-0.05**
Angola	0.76	0.75	0.74	-0.01	0.92	0.92	0.89	0.85	0.89	0.15	0.87	0.87	0.83	0.80	0.84	-0.05
Cameroon	0.10	0.10	0.08	-0.02	0.08	0.08	0.07	0.07	0.07	-0.01	0.07	0.07	0.06	0.06	0.06	-0.01
Congo	0.27	0.27	0.27	0.00	0.27	0.26	0.25	0.25	0.26	-0.01	0.24	0.24	0.23	0.22	0.23	-0.02
Egypt	0.83	0.80	0.76	-0.04	0.75	0.76	0.74	0.75	0.75	-0.01	0.76	0.77	0.75	0.76	0.76	0.01
Gabon	0.36	0.34	0.31	-0.03	0.31	0.31	0.30	0.30	0.30	-0.01	0.29	0.29	0.28	0.27	0.28	-0.02
South Africa	0.17	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
Africa other	0.28	0.41	0.46	0.05	0.52	0.56	0.57	0.58	0.56	0.10	0.58	0.63	0.64	0.65	0.62	0.06
Africa	**2.78**	**2.85**	**2.80**	**-0.05**	**3.04**	**3.08**	**3.01**	**2.99**	**3.03**	**0.23**	**2.99**	**3.04**	**2.98**	**2.96**	**2.99**	**-0.03**
Total DCs	**10.78**	**10.92**	**10.93**	**0.01**	**11.40**	**11.42**	**11.30**	**11.23**	**11.33**	**0.40**	**11.30**	**11.27**	**11.22**	**11.16**	**11.24**	**-0.10**
FSU	**7.47**	**7.91**	**8.53**	**0.62**	**8.92**	**9.15**	**9.50**	**9.75**	**9.33**	**0.80**	**9.89**	**9.99**	**10.26**	**10.43**	**10.14**	**0.81**
Other Europe	**0.18**	**0.18**	**0.18**	**0.00**	**0.18**	**0.18**	**0.17**	**0.17**	**0.18**	**-0.01**	**0.17**	**0.17**	**0.17**	**0.17**	**0.17**	**0.00**
China	**3.21**	**3.23**	**3.30**	**0.07**	**3.35**	**3.39**	**3.43**	**3.40**	**3.39**	**0.10**	**3.37**	**3.42**	**3.45**	**3.42**	**3.42**	**0.02**
Non-OPEC production	**42.98**	**44.07**	**44.76**	**0.70**	**45.95**	**46.32**	**45.87**	**46.66**	**46.20**	**1.44**	**46.99**	**47.00**	**47.05**	**47.30**	**47.09**	**0.88**
Processing gains	1.58	1.65	1.69	0.04	1.72	1.72	1.72	1.76	1.73	0.04	1.81	1.81	1.81	1.85	1.82	0.09
Non-OPEC supply	**44.56**	**45.72**	**46.45**	**0.74**	**47.67**	**48.04**	**47.59**	**48.42**	**47.93**	**1.48**	**48.79**	**48.80**	**48.86**	**49.15**	**48.90**	**0.97**
OPEC NGLs + non-conventionals	**3.16**	**3.34**	**3.58**	**0.24**	**3.65**	**3.65**	**3.68**	**3.63**	**3.65**	**0.07**	**3.44**	**3.58**	**3.76**	**3.76**	**3.64**	**-0.02**

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

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

Table 27
Non-OPEC Rig Count

	2000	1Q01	2Q01	3Q01	4Q01	2001	1Q02	2Q02	3Q02	4Q02	2002	Change 02/01	Mar03	1Q03	Apr03	Change Apr03- Mar03
USA	916	1141	1239	1231	1004	1156	818	806	853	847	831	-325	941	901	983	42
Canada	344	515	252	320	278	342	383	147	250	283	266	-76	449	494	151	-298
Mexico	44	50	48	56	62	54	63	61	62	76	65	11	79	82	81	2
North America	**1305**	**1706**	**1539**	**1607**	**1344**	**1552**	**1264**	**1014**	**1165**	**1206**	**1162**	**-390**	**1469**	**1476**	**1215**	**-254**
Norway	22	24	22	22	22	23	20	20	17	19	19	-4	16	18	20	4
UK	18	18	25	28	26	24	28	30	24	23	26	2	19	19	19	0
Denmark	3	4	5	4	5	4	5	4	3	5	4	0	3	3	4	1
Other Western Europe	82	43	44	42	47	44	39	38	33	34	36	-8	36	36	35	-1
Western Europe	**125**	**89**	**95**	**96**	**100**	**95**	**92**	**91**	**76**	**81**	**85**	**-10**	**74**	**77**	**78**	**4**
Australia	10	11	11	10	10	10	9	9	9	9	9	-2	10	10	12	2
Other Pacific	7	10	9	8	10	9	8	7	7	10	8	-1	7	8	7	0
OECD Pacific	**17**	**20**	**20**	**18**	**20**	**20**	**17**	**16**	**16**	**19**	**17**	**-3**	**17**	**18**	**19**	**2**
Total OECD*	**1447**	**1815**	**1655**	**1721**	**1464**	**1667**	**1373**	**1121**	**1257**	**1306**	**1264**	**-403**	**1560**	**1571**	**1312**	**-248**
Brunei	2	3	3	2	2	3	2	3	3	3	3	0	3	3	3	0
India	49	51	48	50	50	50	52	54	55	57	55	5	59	59	60	1
Malaysia	7	10	11	13	12	11	12	13	15	14	14	2	15	14	14	-1
Papua New Guinea	0	0	1	2	1	1	1	1	1	1	1	0	1	1	2	1
Vietnam	8	9	8	8	8	8	8	8	9	10	9	0	9	9	9	0
Asia others	16	22	23	24	18	22	26	29	33	32	30	8	30	31	30	0
Other Asia	**83**	**96**	**95**	**98**	**90**	**95**	**100**	**109**	**116**	**117**	**111**	**16**	**117**	**117**	**118**	**1**
Argentina	57	69	74	77	64	71	49	45	49	54	49	-22	63	59	64	1
Brazil	23	28	30	29	26	28	27	27	27	26	27	-2	26	27	27	1
Colombia	14	15	16	14	16	15	13	13	10	9	11	-4	11	10	10	-1
Ecuador	7	9	10	10	11	10	10	9	8	8	9	-1	10	9	10	0
Peru	4	4	4	3	3	4	2	2	2	1	2	-2	2	2	2	0
Trinidad & Tobago	4	6	5	4	5	5	5	4	4	4	4	-1	3	3	3	0
L. America others	12	9	8	6	6	7	4	4	4	5	5	-3	3	3	4	1
Latin America	**120**	**141**	**147**	**144**	**130**	**141**	**110**	**103**	**104**	**107**	**106**	**-35**	**118**	**113**	**120**	**2**
Bahrain		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oman	24	24	24	25	26	25	27	29	30	32	29	5	34	33	34	0
Syria	14	19	19	20	19	19	20	21	23	24	22	3	23	23	21	-2
Yemen	6	6	6	5	6	6	8	9	9	11	9	3	12	11	10	-2
Middle East	**45**	**49**	**49**	**49**	**51**	**50**	**57**	**60**	**64**	**69**	**62**	**12**	**72**	**70**	**67**	**-5**
Angola	6	6	5	4	6	5	5	6	6	5	5	0	6	3	5	-1
Cameroon		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Congo	3	1	2	1	1	1	1	1	1	1	1	0	0	0	1	1
Egypt	18	21	22	22	23	22	22	23	22	23	23	1	27	26	27	0
Gabon	2	2	4	1	1	2	1	2	2	2	2	0	4	3	4	0
South Africa	1	2	1	0	1	1	1	1	1	0	1	0	0	0	0	0
Africa other	5	4	5	5	3	4	11	12	12	12	12	7	12	12	14	2
Africa	**34**	**36**	**40**	**34**	**35**	**36**	**41**	**45**	**44**	**43**	**43**	**7**	**49**	**45**	**51**	**2**
Total DCs	**282**	**322**	**330**	**325**	**307**	**321**	**307**	**317**	**328**	**336**	**322**	**1**	**356**	**346**	**356**	**0**
FSU																
Other Europe	**3**	**3**	**3**	**3**	**4**	**3**	**2**	**2**	**2**	**2**	**2**	**-1**	**2**	**2**	**2**	**0**
China																
Non-OPEC Rig count	**1,732**	**2,140**	**1,988**	**2,049**	**1,774**	**1,991**	**1,682**	**1,440**	**1,587**	**1,644**	**1,588**	**-403**	**1,918**	**1,919**	**1,670**	**-248**

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

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MONTHLY OIL MARKET REPORT

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