OPEC

Organization of the Petroleum Exporting Countries

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Monthly Oil Market Report

June 2003

Next report to be issued on 18 July 2003

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OPEC Basket average price

US$ per barrel

Up 0.26 in May

May 2003	**25.60**
April 2003	25.34
Year-to-date	28.37

May OPEC production

in million barrels per day, according to secondary sources

Algeria	1.13	Kuwait	2.28	Saudi Arabia	9.09
Indonesia	1.03	SP Libyan AJ	1.42	UAE	2.30
IR Iran	3.71	Nigeria	2.02	Venezuela	2.62
Iraq	0.29	Qatar	0.76		

Supply and demand

in million barrels per day

2002	
World demand	76.56
Non-OPEC supply	51.66
Difference	**24.90**
2003	
World demand	77.45
Non-OPEC supply	52.64
Difference	**24.81**

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

Stocks

Stocks continued upward trend in USA in May

World economy

World GDP growth revised down to 2.8% for 2003

Inside

Data covers period up to end of May 2003, unless otherwise stated
Issued 20 June 2003

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OIL MARKET HIGHLIGHTS

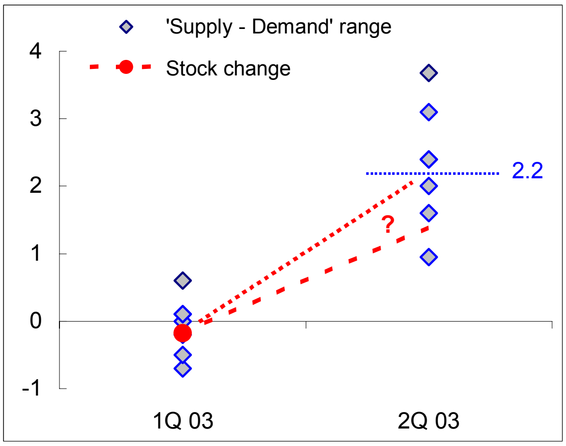
- World GDP is forecast to grow by 2.85% in 2003, down 0.03% from last month's estimate. The drop in the OECD forecast of 0.09% is due mainly to the weaker outlook in Europe – particularly in the euro-zone – where the estimate has been reduced by 0.11% to 1.1% and in Japan where the estimate has been reduced from 0.8% to 0.5%. The forecast for North American remains almost unchanged, while the estimate for Latin America has been increased by 0.24% to 1.3% thanks to upward revisions in Venezuela and Argentina. The estimates for the Developing Countries are stable but Asia Pacific has been revised upwards by 0.34%. This revision reflects the apparent decline of the SARS epidemic and the expectation that economic growth in Hong Kong and Thailand will recover in the third quarter.
- The improvement in the retail sales data for May suggest that the second quarter may see a gradual acceleration of economic growth in the US. Business surveys were more optimistic and the stock market continued to move upward. Nevertheless, the labour market is weak and unemployment increased in May. The economy is expected to benefit from a large tax cutting package which should boost GDP from the third quarter onwards and the Federal Reserve Chairman has made it clear that interest rates will remain low until the economy shows marked improvement.
- The Japanese economy has shown no signs of acceleration thus far in 2003. The revised GDP estimate for first quarter growth is 0.1%, quarter-on-quarter. The April industrial production figures were revised downwards to give a decline of 1.5%, month-on-month, while the METI analysis of all industrial activities also indicates that the economy has slowed since the beginning of the year. The April and May data for Europe indicate similar stagnation with overall GDP likely to remain close to first quarter levels. Any improvement in retail spending may be offset by weakness in industrial activity.
- OPEC's Reference Basket recovered slightly during May, rising $0.26/b or just over 1% to average $25.60/b. Although the monthly average was only slightly higher than the mean of the price band mechanism, the year-to-date average of $28.37/b exceeded that of 2002 by almost 30% on the record-high average reached by the Basket during the first three months of the year. In the first week of June, the Basket gained almost 1.5 % or $0.39/b, followed by a further 2.5% increase in the second week, which took the weekly average to $27.54/b, or a notch below the upper limit of the price band mechanism.
- Product prices displayed divergent trends in May, shaped largely by regional fundamentals rather than crude price movements. Refining margins slid in all three centres, although ended mixed. The refinery throughput rose in the USA, replenishing the country's product stocks, but declined in Western Europe due to negative margins and in Japan because of ongoing maintenance programmes.
- OPEC area spot-chartering rose 1.94 mb/d to 14.17 mb/d during May 2003, exceeding last year's level by 0.93 mb/d. Despite the rise in spot-fixtures, crude freight rates on nearly all routes and sectors continued to head downward, except for Suezmax tankers which benefited from increasing cargoes out of West Africa. The product tanker market remained very weak on all routes as product shipments dried up.
- The 2002 world oil demand estimate remains unchanged at 76.56 mb/d. The 2003 world oil demand forecast has been revised upwards only marginally to 77.45 mb/d. The first quarter 2003 demand estimate, however, has undergone a considerable upward revision and now stands at 78.57 mb/d to reflect the full impact of colder-than-normal weather and Japanese nuclear reactor maintenance. In contrast, the second quarter forecast has been revised down marginally to 75.21 mb/d to take into account the effects of the SARS epidemic.
- OPEC crude oil production, based on secondary sources, was estimated at 26.64 mb/d in May. Non-OPEC oil supply for 2002 was estimated at 47.94 mb/d, 1.49 mb/d higher than the estimated 2001 figure of 46.45 mb/d. Non-OPEC supply for 2003 is expected to reach 48.93 mb/d, an increase of 1.00 mb/d over the 2002 estimate. Net FSU export figures for 2002 and 2003 were estimated at 5.58 mb/d and 6.35 mb/d respectively
- US commercial oil stocks in May continued the previous month's trend, adding a seasonal rise of 16.5 mb to leave the y-o-y deficit at around 11.8%. Major products were the main contributor to this build. Total oil stocks in Europe displayed a further build of 4.6 mb, where a large increase in products offset the draw on crude oil. The y-o-y shortage now stands at only 0.3%. Japan's oil stocks in April regained the previous month's overall loss, increasing 10.8 mb for a y-o-y surplus of 0.22%, for the first time since the end of 2001.

THE SUPPLY/DEMAND BALANCE AND THE RELIABILITY OF OIL DATA

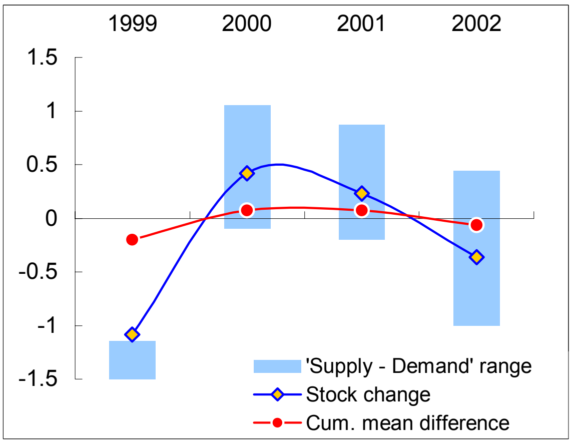
- The disruption to flows from Venezuela and Nigeria over the past few months and more recently from Iraq was successfully accommodated, with OPEC production exceeding 26.6 mb/d in May, close to the level of November 2002. The market has been so well supplied that there is increasing evidence of a sizeable excess of supply over demand. The range of surplus in the global oil balance for the second quarter - based on the survey of ten regularly-published reports on the oil market - indicates an average of 2.2 mb/d, which is above the normal seasonal stock change (see Graph 1a).

- However, even though this excess supply implies a huge stock build-up in 2Q03, there has not yet been a corresponding upward trend observed in oil stock data. The recent substantial revisions to OECD commercial stocks provide a partial answer to the question for now, but at the same time they underline the uncertainties relating to oil data and its implications.

Graph 1a: The range of the global oil balance* in 1H03 (mb/d)



Graph 1b: The range of the global oil balance* and stock change 1999-2002 (mb/d)



*/ The range is based on survey of ten regularly-published oil market reports.

- The margin of error of up to 0.5-0.6 mb/d in the global oil balance is an accepted and statistically plausible number, corresponding to around 0.5% of world oil demand and supply. But, if the frequency and/or the magnitude of revisions to oil data become more significant, then underlying concerns about that data, whether on the supply, demand or stock side of the equation, resurface again. More importantly, it can be a misleading signal on fundamentals, and have an accentuated impact on market sentiment, which in itself is an influencing factor on price volatility! It also contributes to weakening the link between market fundamentals and price levels.

- The balancing item in the global oil table - supply minus demand - comprises, as a residual item, the stock change and the statistical differences, omissions, etc., thus reflecting all the possible/potential errors in the balance items on a cumulative basis. Therefore, a difference between the observed stocks and the supply-demand balance always exists (see Graph 1b), but the degree of variation depends closely on the overall integrity of data.

- Although the problems of oil data discrepancies have been an acknowledged fact for some years now, joint efforts to improve the transparency and quality of data should be intensified by all parties involved in the oil community. We cannot eliminate totally the uncertainties, but we can work towards more effective solutions to alleviate the systematic problems encountered in the data and provide a more consistent basis for better analysis and decision-making processes.

Opening address to the 125th (Extraordinary) Meeting of the OPEC Conference by HE Abdullah Bin Hamad Al Attiyah[1]

Your Highness Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar,
Your Excellencies, the Sheikhs and Ministers, Distinguished Guest and Delegates,
Ladies and Gentlemen,

It is an honour – and a pleasure – to welcome you to the State of Qatar, and to host the 125th (Extraordinary) Meeting of the OPEC Conference. I would also wish to thank His Highness, Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, who is deeply committed to OPEC, for honouring us with his presence and his opening speech with his vision of the mission of OPEC and its obligations in today's changing world.

Even though the State of Qatar was the first non-Founder Member to join OPEC, after its establishment, this is only the third occasion on which we have had the pleasure of hosting an OPEC Conference; the previous two occasions were in 1969 and 1976.

Your presence in Doha on this occasion further underlines our country's solidarity with OPEC's objectives, decisions and actions.

However, before beginning this Meeting, I should first like to offer our deepest condolences to the Government and the people of Algeria, for the terrible suffering they have endured, as a result of the earthquake that hit the country in the middle of last month. Our thoughts and prayers are with them.

The purpose of today's Extraordinary Meeting is to monitor developments in the oil market at the half-way point between our two scheduled Ordinary Meetings of March and September. We shall review the decision taken at our Meeting of 24 April 2003, to reduce OPEC-10's actual production by two million barrels a day from the levels that prevailed during the events in Iraq, when oil producers increased output, so as to assure consumers of steady supplies of crude during that period.

The fact that the cuts came into force on 1 June, just ten days ago, means that they have had little time to work their way through the market's supply/demand balance, even though their influence on the psychology of the market was noticed much earlier.

We have seen this reflected in the oil price trends, which have strengthened over the past months, and the market is settling down again. We are still faced with uncertainty in several key areas, however.

The pace and the extent of the return of Iraqi crude to the market remain unclear at the present time, as this country, with its proud OPEC heritage, seeks to re-establish itself on the world energy scene.

Oil inventories in industrialized countries are relatively tight for this time of the year. This may serve to support oil prices in the coming months.

The falling value of the US dollar – particularly against the euro – is a matter of concern to the global economy, as well as its negative effects on the purchasing power of our revenues.

Therefore, while some elements are clearer than when we last met in April, there are still many questions to be answered about the outlook for the oil market during the second half of this year.

We will have to examine all the relevant issues to determine whether there is a need for a review of production levels.

We welcome to this Meeting observers from many leading non-OPEC oil-exporting nations, who have so often in the past been supportive of our efforts towards a stable and fair market – Angola, Oman, Mexico, Russia and Syria. Their presence emphasizes once again the need for the co-operation of all parties in the petroleum industry – including consumers – if we are to achieve order and stability.

Harmony and understanding should prevail at all times in the oil market, to help it meet the energy needs of all nations – in a world that is increasingly aware of the importance of stable and secure energy supplies to the process of sustainable development.

I should like to conclude my comments by saying that the State of Qatar is proud to have played a part in the remarkable success of OPEC over the past four decades and that we pledge to maintain this high level of commitment.

Finally, allow me to convey on your behalf our sincere thanks and gratitude to His Highness, the Emir, for his gracious presence at our Meeting. We wish you all a very pleasant stay in Qatar and we look forward to a successful Meeting.

Peace be with you.

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[1] President of the Conference and Minister of Energy and Industry, Qatar

125th (Extraordinary) Meeting of the OPEC Conference

Doha, Qatar; 11 June 2003

The 125th (Extraordinary) Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) convened in Doha, Qatar, on 11 June 2003, under the Chairmanship of its President, HE Abdulla bin Hamad Al-Attiyah, Minister of Energy and Industry of Qatar and Head of its Delegation.

His Highness Sheikh Hamad Bin Khalifa Al-Thani, the Emir of the State of Qatar, addressed and formally opened the Conference.

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

The Conference welcomed the Minister of Petroleum of Angola, the Under-Secretary of Hydrocarbons of Mexico, the Minister of Oil and Gas of the Sultanate of Oman, the Deputy Minister of Energy of the Russian Federation, and the Minister of Petroleum and Mineral Resources of the Syrian Arab Republic, whose presence at the Meeting is seen as renewed confirmation of these countries' solidarity with the objectives of the Organization.

The Conference considered the report of the Ministerial Monitoring Sub-Committee, and once again recorded its appreciation of the Sub-Committee's continuous endeavours on behalf of the Organization.

Having reviewed the current oil market situation, as well as supply/demand prospects for the second half of the year, the Conference noted that stability had been maintained in the market following the decision taken by the Conference in April 2003 to reduce actual production to 25.4 mb/d, with prices remaining within agreed levels.

Nevertheless, the Conference also noted that, despite the fact that the market remains well-supplied, prices displayed an upward trend, recently, due to the slower-than-anticipated recovery in Iraqi production, coupled with unusually low stock levels.

However, with low stock levels anticipated to be replenished during the third quarter, the Conference decided to maintain currently agreed production levels, with strict compliance, and emphasized that continued vigilance in monitoring market developments is imperative over the coming period.

To this end, the Conference, decided to convene an Extraordinary Meeting in Vienna, Austria, on Thursday, 31 July 2003.

The Conference welcomed the return of Iraq to the oil market and looks forward to the country's resumption of its role in the Organization.

The Conference again made its standing call on other oil producers/exporters to continue to co-operate with OPEC in its endeavours to maintain market stability in the interests of all concerned.

The Conference confirmed the date of 24 September 2003 for its next Ordinary Meeting.

The Conference expressed its sincere gratitude to the Government of the State of Qatar and the authorities of the City of Doha 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
2.8	1.5	2.2	0.5	0.9

Industrialised countries

United States of America

Pre-conditions for better growth in the second half are in place but there is little firm evidence of any recovery in activity or employment

The economic data for May show some signs of a gradual but uneven recovery. Total retail sales rose 0.1% after a 0.3% decline in April, as consumers benefited from the fall in gasoline prices. Gains in restaurant, electronics and clothing expenditures accompanied a 0.7% increase in general merchandise stores sales (13% of retail sales). Retail control spending (non-auto sales less building materials and gasoline), which is used by the Department of Commerce as an indicator of total consumers expenditure, rose 1.5% in April and May at an annualised rate. This implies that the growth rate of personal consumption in the second quarter may be above the 2% recorded in the first quarter. Further growth in spending will require an improvement in the labour market which appears to be approaching stability. Private non-farm payrolls were essentially flat in April and May, while temporary help employment posted a sharp gain of 58,000 in May and the factory workweek and overtime hours increased slightly. Nevertheless the unemployment rate rose to 6.1% and jobless claims remained high. The June survey from the University of Michigan reported a surprising decline in consumer confidence, which may reflect the weak labour market. The data for manufacturing orders showed signs of improvement but most of the gains were concentrated in technology and defence. Overall the data is consistent, with GDP growth below trend in the first half of 2003 – perhaps at 1¾%. The key issue for the US economy is whether the large stimulus, which should impact the economy in the second half, will be effective. The expected tax-cutting package will add about 1½% to GDP over the next four quarters and financial conditions remain very supportive. The Federal Reserve aims at keeping interest rates low as long as deflation is a threat; credit is available and the weaker dollar will help the manufacturing sector. The change in the policy emphasis of the Federal Reserve reflects the dramatic fall in core inflation over the first four months of the year. During this period, the consumer price index (excluding food and energy) rose at an annual rate of only 0.6% in comparison to a rate of 1.9% for the whole of 2002. Producer prices declined by 0.3% in May, although excluding food and energy, the index rose 0.1%. The stock market appears confident that the economy has turned the corner. On 13 June, the S&P 500 index closed at 989, an increase of 12% over the index level at the end of 2002.

Japan

Japan's real GDP growth for the first quarter revised up to 0.1%, the prospect for the second quarter is not promising

Japan's real GDP growth for the first quarter was revised up slightly to 0.1%. Recent economic indicators are suggesting that growth might be reduced to zero or less in the second quarter. In April, retail sales in Japan fell 2.3%, industrial production dropped by 1.2%, and overseas sales, which drove last year's economic rebound, fell 1.0% as well. In the same month, business confidence slumped, about 30,000 people lost their jobs, and the jobless rate remained at 5.4%, just below the January 2003 record of 5.5%. Such discouraging figures should dampen consumer spending which fell by 1.0% in April in comparison to April 2002 and was expected to offset the weakness in sales overseas. Weak consumer demand, continuing deflationary pressure and a reluctance on the part of private-sector banks to lend to weaker companies will prevent a strong rebound in corporate sentiment over the next months. Moreover, the banking industry as a whole is still suffering from bad debts and non-performing loans, while the top 7 banking groups were hit by a ¥4.6 trillion net loss in the fiscal year 2002. The government of Japan has taken some measures to avoid financial crises, including taking over Resona Holding Inc, the country's fifth-largest bank, to ensure that a $16.5 bailout is used effectively. The Bank of Japan also increased the target range for current account deposits in April and May to ¥27 - ¥30 trillion from ¥17 - ¥22 trillion in order to secure financial system stability. On top of that, the BOJ is continuing its intervention in the currency markets to keep the yen below 115 versus the dollar. Most Japanese officials believe that Japan's exports will be damaged further if the yen continues to appreciate. These circumstances, combined with shrinking corporate profits in the first quarter suggest that the scope for further growth in investment is limited. Moreover businesses have had to cope with the impact of the Iraq war and the negative effects of the SARS epidemic. As a result, the prospects for second quarter activity are not promising.

Euro-zone

Strength of the euro forces ECB policy change. Continued economic weakness may lead to yet lower interest rates before the end of 2003

The ECB recently produced new pessimistic projections for the euro-zone area. In December, the ECB expected GDP to grow by 1.1-2.1% in 2003, a forecast which has been reduced to 0.4-1.0%. Projections for 2004 are also sharply lower. The reason for the revision is probably the strength of the euro, which has risen by 16% against the dollar since the previous forecast in December. Following a poor first quarter, official and survey data show little improvement. The composite purchasing manager index fell to 48.2 in May from 48.4 in April. Most of the recent weakness has been in the manufacturing rather than the service sector, which is consistent with the higher euro. Euro-zone retail confidence improved in May, reflecting the end of the Iraq war and the continued fall in inflation. The Eurostat estimate of the euro area inflation shows a decline in headline inflation to 1.9% in May. All estimates of inflation expectations and for producer price inflation are consistent with low price pressures in the euro-zone for the foreseeable future. Inflation remains the only bright spot in the region, however, as output and employment data continue to disappoint. April industrial output fell by 1% month-on-month (m-o-m) in Germany. The biggest fall was in manufacturing output and the survey data for May suggest further weakness ahead. Overall, German GDP may decline in the second quarter. French manufacturing production fell 0.8% in April and industrial production for the whole euro-zone is also expected to have declined in April by 0.3-0.7% following a 1.2% decline in March. Looking ahead, much will depend on the strength of the consumer sector. Low European inflation and interest rates will be supportive, while the poor labour market will be an obstacle. If the economic trends do not improve over the summer period and the euro remains strong, a further cut in the ECB refinancing rate in the fourth quarter will be a strong possibility.

Former Soviet Union

Russian basic goods and services output rose 7.5% in April. The draft of the 2004 federal budget was based on a price of $22 per barrel for Ural crude oil

The Russian economy extended its rising trend in April 2003 as output of basic goods and services rose 7.5% compared to the same month in 2002. Goskomstat's index of production increased 6.9% in the first four months of this year, supported by domestic demand and exports which were up 4.1% in the first quarter of this year over the same period of 2002. Oil, as well as ferrous and non-ferrous metals, were important in boosting Russia's export performance. Retail sales were also 10.0% higher in April, and 8.9% higher in the first four months of 2003. Sales were supported by rising disposable income, which soared 14.4% in the same period. However the most impressive feature of the Russian economy was the take-off in investment spending. Expenditure on investment in fixed capital grew 12.8% in April against the same month a year earlier and by 10.9% in the first four months of 2003, while construction activities surged 13.9% year-on-year (y-o-y). Business revenues were the main driver behind these trends as the net revenue of Russian enterprises in the first quarter of 2003 increased 92.3% y-o-y. The rate of consumer price inflation was lower in May. The overall CPI increased by just 0.8% m-o-m, down from 1.0% in April and 1.7% on average in the first quarter. By the end of May 2003, the annual inflation rate had slowed to 13.6%, its lowest level since August 1998. Another bright spot in the Russian economy is the growth of foreign exchange reserves. In May, reserves jumped by more than US$5 bn. This was the largest monthly increase on record and occurred despite a high scheduled foreign debt payment of approximately US$2.5 bn. These promising indicators encouraged the Ministry of Finance to draft the 2004 federal budget based on assumptions of a 5% GDP growth rate and Ural blend crude oil price of $22/b.

Eastern Europe

Governments face fiscal policy challenges as EU membership approaches. Manufacturing sectors continue to perform well

The performance of the Hungarian economy was disappointing in the first quarter as GDP growth was only 2.7% y-o-y. In response, the Hungarian authorities have lowered the central rate of the forint by 2.2% in a bid to reduce the current account deficit and boost output growth. Fiscal policy was tightened in order to shift resources towards the export sector and maintain the momentum in industrial production, which recorded a healthy 6.8% growth in April, y-o-y. The adjustment in the currency is unlikely to threaten the inflation target as inflation fell to 3.6% in May and interest rates were raised by 1% to maintain the stability of the forint at its new parity. The recent resignation of the Polish Finance Minister indicates that fiscal policy may be loosened but such changes are unlikely to pose a threat to the zloty. The balance of payments situation is healthy; indeed, the current account deficit is unlikely to exceed 4% of GDP in 2003. The Polish economy has continued to accelerate in 2003 with the rate of growth of industrial production reaching 8.3% in April. Inflation is under control as the annual rate fell to 0.3% in April. In the Czech Republic, consumer prices were unchanged in May over year-ago levels. The GDP outcome for the first quarter was encouraging as the y-o-y growth rate reached 2.2% supported by industrial output growth which was 6% y-o-y for the first four months of the year. A major aim of the government is to reduce the public deficit to below 4% of GDP by 2006.

Currently oil sector still the dominant driver of growth in most OPEC MCs

OPEC Member Countries

Economies in the Middle East remain vulnerable to the geopolitical tensions in the area, while all other OPEC countries will be sensitive to oil price fluctuations, which have a strong effect on the growth in government expenditures. IR Iran's real GDP growth rate is forecast at 6% for the current year compared to 5.7% last year on the strong outlook for the oil sector, the main driver of growth. The strong domestic demand resulting from the lifting of import restrictions last year will support marked growth in the non-oil industrial and manufacturing sector. Government consumption is also likely to be firm. In Nigeria, a modest boost to economic growth is expected in the second half of the year and into 2004. Private and government consumption as well as fixed investment will show modest growth this year. Real GDP growth rate is forecast at 4% in 2003, as economic policy improves and production and investment in the oil and gas sector increase. SP Libyan A.J. real GDP growth rate is expected to pick up this year to 2.5% from 1.7% last year. Private demand will continue to grow, but at a slower pace, as investment inflows and sustained government expenditure filter through to the consumer, injecting greater liquidity into the financial regime and providing a boost to economic expansion. The country is also expected to attract greater interest from foreign investors in its oil and gas sector by 2004.

Asia gradually coping with SARS effects, Africa growth to pick up this year, and Brazil's performance showed improvements

Developing countries

The short-term economic outlook is still highly dependent on how fast the populous countries of Asia adjust to the risks posed by SARS and are able to return to a normal pattern of economic expansion. Doubtless, should China fail to contain the disease, which seems unlikely, the outlook would become more frightening both in human and economic terms. The downward revision of China's real GDP growth rate to 7.0% from earlier forecasts, was the result of the SARS effect deterring foreign tourism into China, an official policy of discouraging domestic travel by shortening the Golden Week holiday of May, and a related drop in domestic spending. India's real GDP growth is forecast at 5.5% in 2003/04, according to the Central Statistical Office estimates. This is driven by the service sector, which is expected to expand at an average of 8% this year and in the next as investment is anticipated to pick up, the agricultural sector is forecast to expand 4%, and the industrial sector, underpinned by the country's infrastructure programme, remains strong. Africa as a whole is expected to grow this year by 3.2%, compared with 2.6% last year. Brazil's trade data indicators show continued robust export growth, which has helped industrial production. This should fuel a gradual improvement in the Brazilian economy in the second half of the year, with a GDP growth rate of 2% for 2003.

Real prices fell by 3.28% mainly as a result of significant dollar weakness

Oil price, US dollar and inflation

In May, the dollar lost ground, particularly versus the euro in the modified Geneva I + US$ basket*. On average the euro was quoted at $1.1567, up 6.6% from $1.0847 in April, while the dollar was exchanged at ¥117.32 and CHF1.310, from ¥119.80 and CHF1.379 in April, a drop of 2.1% and 5.0% respectively. The pound rose to $1.6227 from $1.5742.

Early in May, following the decision by the FED and ECB to leave their short term interest rates on hold, the dollar weakened further against other currencies, especially versus the euro. This trend was consolidated when the US Treasury Secretary indicated satisfaction with the positive effects of a weaker dollar on US exports. The dollar subsequently improved slightly because of market fears of Japanese intervention to weaken the yen and speculation regarding an interest rate cut by ECB. However, sentiment on currency markets changed once more, partly as a reaction to comments by the ECB's vice president indicating that the euro level was consistent with historical averages over the last 15 years. Other reports indicated that investors had poured money into the euro-zone at double the rate seen in February, with the portfolio investment inflow climbing to €20.7 bn in March from €10.7 bn in February. These movements helped the euro rise on the 27 May to $1.1901 from $1.1790 on the 23rd. Nevertheless, at the end of May, encouraging reports about the manufacturing and non-manufacturing sectors of the US economy offered some support to the dollar and pushed the euro down $1.1901 to trade at $1.1820 on 27 May.

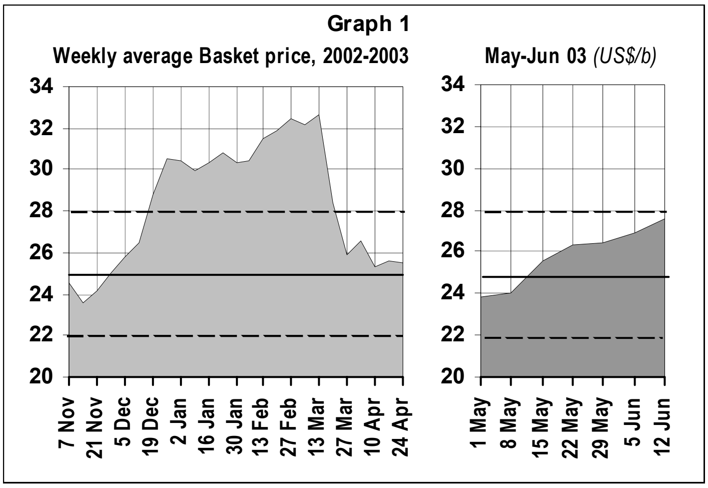
In May, the OPEC Reference Basket rose $0.26 or 1.01% to $25.60 from $25.34 in April. In real terms (base July 1990=100) after accounting for inflation and currency fluctuation, the basket price slid by 3.28% to $19.78 from $20.44 as significant losses in the dollar eroded the marginal improvement in the nominal price. The dollar lost 3.93% as measured by the import-weighted modified Geneva I + US dollar basket, while the inflation diminished the value of the crude barrel by 0.33% in May.

* *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 rose slightly during May to average $25.60/b

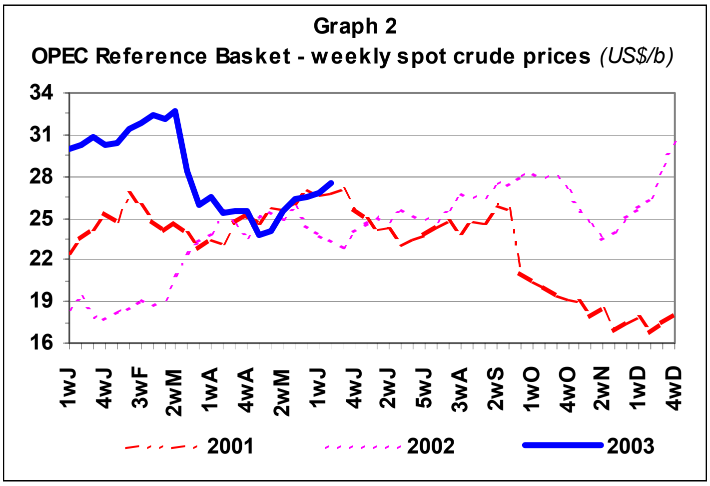
OPEC's Reference Basket recovered slightly during May, rising $0.26/b or just over 1% to average $25.60/b. Although the monthly average was just slightly higher than the mean of the price band mechanism, the year-to-date average of $28.37/b exceeded that of 2002 by almost 30% as the Basket registered record highs during the first three months of the year. The Basket displayed a consistent upward trend for the entire month, rising a marginal $0.22/b or around 1% during the first week, followed by a more pronounced $1.54/b or 6.4% increase in the second week.



The Basket continued to rise in the last two weeks, albeit at a slower pace, advanc-ing $0.80/b or slightly above 3% in the third week, while the fourth week saw a marginal recovery of less than half a percentage point. The pace of the re-covery extended well into the month of June when the Basket gained almost 1.5 % or $0.39/b in the first week of the month to be followed by a further 2.5% increase in the second week, which took the weekly average to $27.54/b, or a notch below the upper limit of the price band mechanism. With the exception of Indonesian Minas, all of the Basket components posted gains. Light sour Dubai led the rise, up $0.72/b, followed closely by Mexico's Isthmus and Venezuela's light-sour Tia Juana Light.

Crude prices gained modestly despite tight market fundamentals

The pronounced price slide that started in mid-March and continued during April came to a halt in early May. The new month was a time for the market to forget about war headlines and focus more on market fundamentals, which remained tight. On the Atlantic basin, crude oil stocks in the USA were stuck at roughly 35 mb below last year's level, despite imports running at close to 10 mb for the past eight weeks. Gasoline stocks in the USA started to approach levels similar to the average of the last five years, but reformulated gasoline (RFG) stocks, which accounts for one third of total US gasoline consumption, continued to languish at roughly 20% below last year's level.



A closer look reveals that RFG stocks were 38% lower y-o-y in the US West Coast region (PADD5), while in the Midwest (PADD2) they were down almost 50 %. Even though the heating oil season is over, distillate stocks were depleted by a winter that was longer and colder than expected. Distillate stocks were 17% lower, and refiners will have to start rebuilding inventories while at the same time increasing gasoline yields to cope with gasoline demand. On the other side of the Atlantic, fundamentals seem equally tight. According to the most up-to-date figures, oil stocks in the EU were 2.5% higher, while product stocks remained 4.2% lower. Total

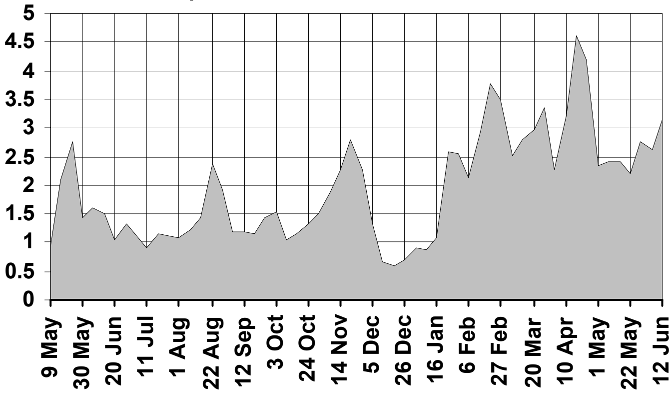
EU oil stocks showed a 1.3 % decline with respect to the last seven-year average. The weakness of the US dollar against the euro helped boost demand growth as imports became cheaper. North Sea grade prices firmed as US and North European end-users competed for the tight supplies due to summer field maintenance. Nonetheless, refiners in both the Mediterranean and North West Europe cut runs late in the month in response to deteriorating margins. Demand for direct-burning crude remained strong in Japan, where the restart of a nuclear plant is not expected to avert high consumption. The tragic incident in Saudi Arabia on 12 May, combined with difficulties in resuming Iraqi production in the face of rampant looting and the lack of security, as well as the implementation of OPEC's 24 April production restraints effective as of 1 June, contributed to a sustained price recovery in the second half of May. On the other hand, the negative effect of the SARS epidemic on world oil consumption could lower demand by 300,000 b/d in the second quarter of 2003.

US and European markets

Sour crude prices rose on the back of tight supplies. Arbitrage opportunities arose as the WTI/Brent spread opened

The absence of Iraqi exports began to be felt in the USA at mid-March, with the prices of sour grades closing the differential to the more expensive sweet grades. The tightness in sour crude supply was exacerbated by a lack of Venezuela's Mesa, which failed to materialize, and a break in Ecuador's main pipeline, caused by a landslide. The weakness in sweet crude prices seen in early May, due to the overhang of cargoes scheduled to arrive in the US Gulf, reversed later in the month as refiner demand surged. The open arbitrage to the US Gulf Coast, with WTI's premium to Brent exceeding $ 2/b, supported the flow of West African and to a lesser extent North Sea grades. The tragic incident in Saudi Arabia, further draws on US oil stocks, and the possibility that OPEC would curb supplies at its 125th (Extraordinary) Meeting of the OPEC Conference in Doha, Qatar, on 11 June caused crude prices to soar. Nonetheless, expectations of a speedy return of Iraqi supplies, following the lifting of UN sanctions, capped the price rise late in the month. North Sea grades strengthened as European and US buyers competed for distillate-rich supplies, which were tight due to the summer field maintenance. The fall in output came to the rescue of collapsing refining margins as refiners cut runs. The Russian Urals price firmed in North West Europe, as arbitrage induced considerable flows to the Asia Pacific region.

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

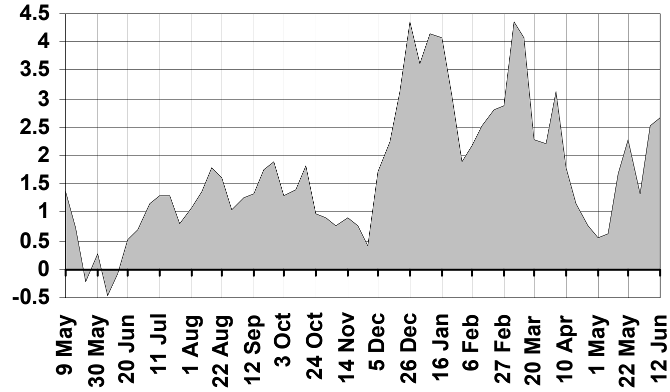


Far East market

Large inflows of crude arrived in the region as the arbitrage window opened early in May

The closing of the spread of dated Brent and Dubai early in May triggered a flood of arbitrage cargoes to the region from Russia, West Africa and the North Sea. Around 20 mb of West African and North Sea crudes were sold to Asia-Pacific in late April/early May, with Russian Urals adding another 6-7 mb of supplies to the region. Strong Japanese demand kept the Middle Eastern benchmark crude Dubai at a discount of less than $1/b to dated Brent leaving the arbitrage

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



window wide open for grades to move eastwards. During the second half of May the limited resumption of nuclear power production in Japan reduced the pressure on regional crudes, which caused the differential to slip thereby shutting the arbitrage window.

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

			Year-to-date average	
	Apr 03	**May 03**	2002	**2003**
Reference Basket	25.34	**25.60**	21.87	**28.37**
Arabian Light	24.70	**24.92**	22.34	27.61
Dubai	23.59	**24.31**	21.93	26.57
Bonny Light	25.27	**25.78**	22.90	28.82
Saharan Blend	25.19	**25.24**	22.47	28.88
Minas	29.66	**28.76**	22.42	30.62
Tia Juana Light	23.97	**24.56**	19.46	27.60
Isthmus	24.99	**25.61**	21.59	28.46
Other crudes				
Brent	25.07	**25.79**	22.87	28.95
WTI	28.40	**28.23**	23.58	31.68
Differentials				
WTI/Brent	3.33	2.44	0.71	2.73
Brent/Dubai	1.48	1.48	0.94	2.38

PRODUCT MARKETS AND REFINERY OPERATIONS

Product prices displayed divergent trends in May, shaped largely by regional fundamentals rather than crude price movements. Refining margins, despite sliding in all three centres, ended mixed. The refinery throughput rose in the USA, replenishing the country's product stocks, but declined in Western Europe on negative margins and in Japan because of ongoing maintenance programmes.

US Gulf market

Abundant refinery supply and fading product demand pushed down prices for gasoline and gasoil in the US Gulf market in May. Despite a drop in refinery margins, the refinery utilization rate rose to 96%

Average product prices for May in the US Gulf market moved in different directions, characterized essentially by regional fundamentals, as the marginal slide in the monthly average price of their marker crude, WTI, had only a minor effect on product counterparts. Both gasoline and gasoil lost around 3% off last month's levels, while the average value of high sulphur fuel oil (HSFO) surged by 8% for the same period. Nevertheless, a look at the US product markets as a whole shows a prevailing rise in refinery throughput, as refiners rushed to replenish both gasoline and distillate inventories. US gasoline stocks remained slightly below last year's volume as one of their main components, the seasonably important reformulated gasoline, displayed a much lower volume than in the preceding year, after Venezuela failed to resume exports of reformulated grades in May. However, other conventional gasoline import flows were robust. Meanwhile, gasoline demand weakened slightly from the month before and fell around 1% on the year, as deliveries in the first half of the month outpaced an upturn in demand for the remainder of May, according to the EIA's four-week moving average. Persistently high crude prices and the resulting poor crude refining margins, encouraged US refiners to enhance gasoline output by processing various feedstocks, such as the distillate products vacuum gasoil and heating oil, in addition to HSFO. Increased demand for HSFO, together with the diversion of Latin American fuel oil cargoes to the Far East, resulted in a poorly supplied fuel oil market during some parts of the month, which consequently underpinned prices.

In May, average refining margins in the US Gulf Coast continued to slide for the third consecutive month, as the drops in gasoline and distillate values were more pronounced than the slight decline in their marker crude price WTI. The average WTI refining margin dipped to approximately $1/b.

The average US refinery throughput surged a further 0.37 mb/d to reach 15.96 mb/d in May. The corresponding utilization rate was 96%, representing a 3% increase on the preceding year, but roughly on par with the May 2001 level.

Rotterdam market

The least valuable component of the barrel, HSFO, was the month's winner in Rotterdam for May. Refining margins turned negative, leading EUR-16 refinery throughput down to 86%

Average monthly product values displayed mixed trends in May. The gasoline price fell the most by 7%, while its counterpart gasoil dipped less than 2% below the previous month's level. The HSFO price experienced the greatest surge at 9%, thereby outperforming the 3% increase in the monthly average of its underlying crude, Brent. Nonetheless, an overall analysis of product markets in North-West Europe sheds light on a number of factors. First, transatlantic gasoline cargoes enjoyed higher activity than in the previous month, which partially offset receding demand throughout the region, except for in the UK which showed signs of an increase in deliveries. Second, European distillate markets were assisted by German end-users, who took advantage of the strong Euro to replenish their heating oil inventories. Third, an intensive fuel oil shipping programme to Asia during the first three weeks of May was followed by sporadic arrivals of Russian fuel oil cargoes, hampered by logistic constraints at Baltic Sea harbours. These, combined with solid bunker demand throughout the latter part of the month, only further tightened the European fuel oil market.

The Brent price's relative strength, coupled with a sharp loss in the gasoline price and to a lesser extent gasoil value, constituted the main reasons for the plunge by refining margins into negative territory in May.

Undermined by poor economics, the average refinery throughput in Eur-16 countries fell by 0.36 mb/d to register 11.82 mb/d in May. The equivalent utilization rate was 86.1%, or almost 4% above the year-ago level.

Asian gasoline and fuel oil prices remained almost constant in May compared to the previous month's values, while refining margins deteriorated

Singapore market

Average May prices for the opposite ends of the barrel — gasoline and HSFO — were almost unchanged from the previous month's levels. The gasoil counterpart fell by 3%, while the corresponding average of its underlying crude, Dubai, rose by almost the same percentage. Lacklustre regional demand afflicted most Asian products. Gasoline, for instance, suffered from the decreased interest of key buyers Indonesia and Vietnam, with the former's Pertamina purchasing only half the previous month's gasoline requirements for June delivery. Moderate activity in trans-Pacific arbitrage to the US West Coast, however, helped balance thin regional trading. Gasoil was prevented from tracking the surge in crude oil prices by the well-supplied distillate market facing receding demand, linked to gloomy Asian economics exacerbated by concern about the SARS epidemic. The HSFO market in Singapore was under pressure in the first two weeks of May, owing to worries over the influx of foreign arbitrage. As the month progressed, the number of fuel oil arrivals were found to be smaller than anticipated, and a large portion of them had to be diluted to match the required specifications. However, the absence of strong demand from China, the largest regional buyer, pushed up regional fuel oil stocks in Singapore.

The surge of the marker crude, Dubai, hampered its margins in May, which managed to remain in positive territory, despite moderate losses in distillate values.

The average refinery throughput in Japan declined 0.42 mb/d to 3.80 mb/d in May, keeping with seasonal turnaround maintenance. The utilization rate was nearly 80% or roughly around 6% higher than in the previous year, as the continued outage of nuclear power generators lent considerable support to the consumption of refinery-produced low sulphur fuel oil.

Table 2
Refined product prices
US $/b

		Mar 03	Apr 03	**May 03**	**Change May/Apr**
US Gulf					
Regular gasoline	*(unleaded)*	40.63	34.24	**33.20**	–1.04
Gasoil	*(0.2% S)*	37.13	30.47	**29.65**	–0.82
Fuel oil	*(3.0% S)*	22.78	19.59	**21.16**	+1.57
Rotterdam					
Premium gasoline	*(unleaded)*	36.06	34.38	**32.06**	–2.32
Gasoil	*(0.2% S)*	39.61	29.59	**29.00**	–0.59
Fuel oil	*(3.5% S)*	21.91	18.61	**20.29**	+1.68
Singapore					
Premium gasoline	*(unleaded)*	37.51	28.74	**28.73**	–0.01
Gasoil	*(0.5% S)*	37.87	30.03	**29.12**	–0.91
Fuel oil	*(380 cst)*	26.65	23.12	**23.15**	+0.03

Table 3
Refinery operations in selected OECD countries

	Refinery throughput *mb/d*			**Refinery utilization*** *%*		
	Mar 03	Apr 03	**May 03**	Mar 03	Apr 03	**May 03**
USA	15.14	15.59	**15.96**	91.1	93.8	**96.0**
France	1.62 R	1.51	**1.61**	85.4 R	79.3	**84.7**
Germany	2.19 R	2.24	**2.14**	96.6 R	98.8	**94.5**
Italy	1.78 R	1.92	**1.79**	77.3 R	83.5	**77.8**
UK	1.57	1.61	**1.59**	87.6	89.8	**88.9**
Eur-16	11.96 R	12.17	**11.82**	87.1 R	88.7	**86.1**
Japan	4.54 R	4.22 R	**3.80**	95.3 R	88.6 R	**79.8**

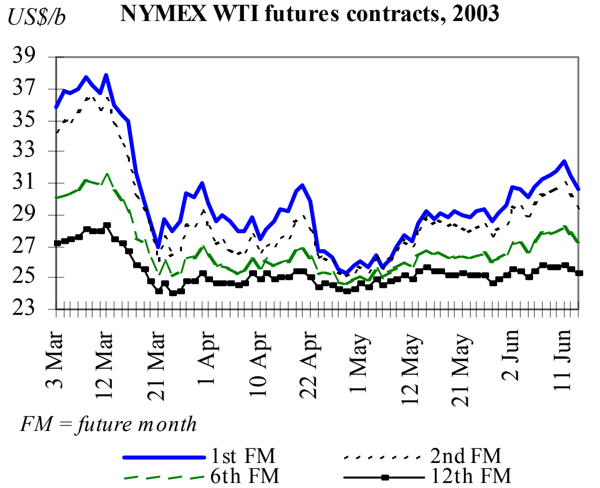
* *Refinery capacities used are in barrels per calendar day.*
R *Revised since last issue.*
Sources: *OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.*

THE OIL FUTURES MARKET

Non-commercials market perception became gradually more optimistic

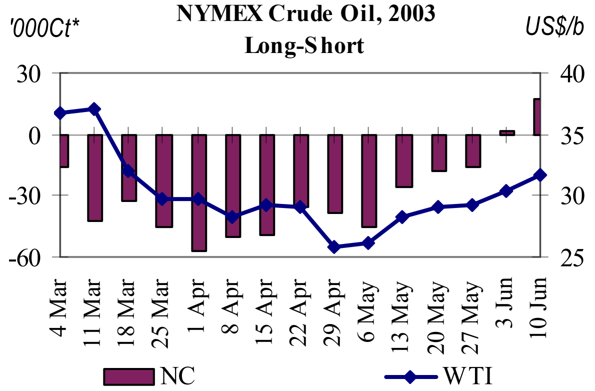
The bearish mode prevailing in the market since mid-March, following the start of the war on Iraq, began to wind down in the first half of May. Nonetheless, the Commodity Futures Trading Commission's (CFTC) *Commitments of Traders* report showed that during the first week of May non-commercials, the technical name for speculators, reduced their long positions by 3,270 contracts while at the same time adding 3,132 lots to their shorts, resulting in an increased net-short position of 45,183 lots.

Graph 5
NYMEX WTI futures contracts, 2003



In the following week speculators' view of the market brightened. According to the CFTC *Commitments of Traders* report for the week ending 13 May, non-commercials added 11,904 contracts to their long positions and reduced their shorts by 7,867 lots, with net-shorts falling by 19,771 lots to 25,412. Meanwhile, crude prices surged $2/b on a range of factors, such as the tragic incident in Saudi Arabia, draws on US crude oil stocks, and a less optimistic outlook for Iraq's crude oil production and export.

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.

Non-commercials continued to dispose of their short positions the third week reducing the net-shorts by 7,101 lots to 18,311. The NYMEX front month sweet crude contract gained $1.75/b during the week. The CFTC *Commitments of Traders* report for the week ending 27 May showed that speculators reduced their net-short positions further by 1,968 lots to 16,343. This was a result of a 4,006 lot increase in the long positions and a 2,038 lot rise in the number of shorts. Immediate supply worries and the implementation of OPEC's 24 April production curve agreement as of 1 June provided support to crude oil prices but the lifting of UN sanctions against Iraq capped the upward momentum.

The biggest shift in speculators' perception about the market took place during the first week of June. The CFTC *Commitments of Traders* report for the week ending 3 June showed a huge rise in the number of longs of 19,632 lots, while shorts only rose 1,233. For the first time since early February the number of longs exceeded the number of shorts by a ratio of 1.04 to 1. Expectations that the upcoming 125th (Extraordinary) Meeting of the OPEC Conference scheduled for 11 June in Doha, Qatar, would yield no concrete actions and the tight inventory situation in the USA and Japan made non-commercial players turn net-long in WTI futures. The NYMEX WTI front-month contract continued to escalate during the week, closing above the $31/b level on 6 June.

THE TANKER MARKET

OPEC area spot-chartering rose 1.94 mb/d to 14.17 mb/d in May

OPEC area spot-chartering rose 1.94 mb/d to 14.17 mb/d during May 2003, exceeding last year's level by 0.93 mb/d. As freight rates declined following the end of the war on Iraq, especially in the VLCC sector, traders and refiners, particularly in Asia, rushed back to the market to try to make up for the previous month's losses. A jump in West African fixtures added to this rise, as Nigeria's oil production regained pre-protest losses. OPEC's share of global chartering moved slightly up by 2.21% to stand at 59.41%, while non-OPEC fixtures increased a marginal 0.53 mb/d to 9.68 mb/d, bringing their market share to 40.59%. This increase in OPEC and non-OPEC fixtures moved global spot-chartering up 2.47 mb/d to stand at 23.85 mb/d, just above the year-ago level. Both eastbound and westbound long-haul fixtures contributed to the increase in OPEC spot-chartering, rising 0.79 mb/d to 5.31 mb/d and 0.55 mb/d to 1.65 mb/d respectively. Compared with the year-ago figures, eastbound long-haul fixtures were 0.57 mb/d higher, while westbound long-haul spot-chartering moved down 0.72 mb/d. The month-to-month rises were reflected in each route's share of total OPEC fixtures, with the eastbound share rising 0.51% to 37.47% and the westbound share 2.65% to 11.64%. Together these routes accounted for 49.11% of total OPEC spot-chartering, up 3.16% over April. Estimated sailings from the OPEC area during May rose 2.19 mb/d to 26.08 mb/d, mostly on Middle Eastern sailings, which showed an increase of 1.73 mb/d to 18.69 mb/d. The share of Middle Eastern sailings in the OPEC area moved up a slight 0.67% to stand at 71.66%. Preliminary estimates of long-haul arrivals in the Atlantic basin showed a marginal decline of 1.58 mb/d to 9.52 mb/d. NW Europe, Euro-med and Japan followed the same downward trend, decreasing 0.68 mb/d to 7.06 mb/d, 0.44 mb/d to 4.28 mb/d, and 0.75 mb/d to 3.42 mb/d respectively.

VLCC freight rates continued to decrease despite improved spot-chartering

Despite the rise in spot-fixtures, crude freight rates on nearly all routes and sectors continued to head downward, except for Suezmax tankers which benefited from increased cargoes out of West Africa, especially from Nigeria as its oil production regained the losses of the previous two months, and on the NW Europe to US Gulf Coast route as the opened arbitrage allowed North Sea grades to move to the US market. Aframax rates from the Mediterranean to NW Europe also benefited from robust trade. These trends added 14 points to the Suezmax freight rates on the West Africa/US Gulf route for a monthly average of WS 124, while on the NW Europe/US Gulf route, they jumped 21 points to WS 136. Aframax freight rates outpaced them all, surging 41 points to WS 169. However, the slide in VLCC freight rates was not as large as in the previous month, losing only 19 points to WS 74 on the eastbound long-haul route and 20 points to WS 61 on the westbound long-haul route. The heaviest losses in crude oil freight rates took place on the Indonesia/US West Coast route where they fell 42 points to WS 144, and on the Caribbean/US Gulf Coast route where they tumbled 46 points to WS 169. Within the Mediterranean basin, steady activity kept rates near the previous month's level, declining only three points to WS 217.

Product freight rates remained very weak on lack of sufficient trade

The product tanker market remained very weak on all routes as product shipments dried up, especially in the Caribbean where rates plunged 105 points to WS 220, and in Venezuela where refiners were not able to product enough to meet high demand from the US market. A lack of products also affected rates on the NW Europe/US Gulf route, which lost 75 points to WS 230. Rates for medium range tankers did not fare any better, dropping 31 points to WS 254 on the Middle East/Far East route, while rates on the Singapore/east route lost 63 points to WS 271, all on weak demand. Thin trading also pushed down rates within the Mediterranean and from there to NW Europe, sliding 33 points to WS 273 and 81 points to WS 244 respectively.

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

	Mar 03	Apr 03	May 03	Change May/Apr
Chartering				
All areas	22.30	21.38	**23.85**	2.47
OPEC	13.57	12.23	**14.17**	1.94
Middle East/east	4.76	4.52	**5.31**	0.79
Middle East/west	2.21	1.10	**1.65**	0.55
Sailings				
OPEC	22.06	23.89	**26.08**	2.19
Middle East	15.90	16.96	**18.69**	1.73
Arrivals				
US Gulf Coast, US East Coast, Caribbean	9.17	11.10	**9.52**	–1.58
North-West Europe	7.30	7.74	**7.06**	–0.68
Euromed	5.28	4.71	**4.28**	–0.44
Japan	4.64	4.16	**3.42**	–0.75

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

Table 5
Spot tanker freight rates
Worldscale

	Size *1,000 DWT*	Mar 03	Apr 03	May 03	Change May/Apr
Crude					
Middle East/east	200–300	127	93	**74**	–19
Middle East/west	200–300	115	81	**61**	–20
West Africa/US Gulf	100–160	185	110	**124**	14
North-West Europe/US East Coast	100–160	179	115	**136**	21
Indonesia/US West Coast	70–100	194	186	**144**	–42
Caribbean/US East Coast	40–70	330	215	**169**	–46
Mediterranean/Mediterranean	40–70	339	220	**217**	–3
Mediterranean/North-West Europe	70–100	279	128	**169**	41
Products					
Middle East/east	30–50	260	285	**254**	–31
Singapore/east	25–30	347	334	**271**	–63
Caribbean/US Gulf Coast	25–30	355	325	**220**	–105
North-West Europe/US East Coast	25–30	360	305	**230**	–75
Mediterranean/Mediterranean	25–30	355	306	**273**	–33
Mediterranean/North-West Europe	25–30	362	325	**244**	–81

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

WORLD OIL DEMAND

World demand for 2002 unchanged at 76.56 mb/d

Estimates for 2002

World

Marginal changes in the quarterly averages of 0.01 mb/d in opposite directions have led to an average 2002 world consumption of 76.56 mb/d, the same figure as reported in the previous *MOMR*. The world demand increment, i.e. the difference between the 2001 and 2002 averages, has likewise remained unchanged at 0.19 mb/d. Quarterly and regional details are given in Table 6. Given these minor changes in the estimates, the regional and quarterly analysis is basically the same as that presented in the last *MOMR*.

On a regional basis, demand in the OECD is estimated to have decreased 0.10 mb/d following a smaller decline of 0.07 mb/d in 2001. The former CPE's consumption, on the other hand, is estimated to have grown a considerable 0.19 mb/d, or 2.00%, higher than the 0.15 mb/d in 2001. In developing countries, only a moderate 0.10 mb/d or 0.52% rise in consumption is estimated for 2002, following a significant 0.29 mb/d growth in 2001.

On a quarterly basis, compared with the corresponding 2001 figures, world demand declined by 0.61%, or 0.47 mb/d, to average 76.60 mb/d in the first quarter, mostly due to milder than normal weather. Second quarter consumption is estimated to have dropped even further, shedding 0.65% or 0.49 mb/d to 74.74 mb/d, mostly on lacklustre economic performance. However, compared with the exceptionally weak consumption in 2001, partly due to 11 September events, third and fourth quarter demand is estimated to have risen at a significantly accelerated pace. The estimated growth rates are 0.46 mb/d or 0.60% to 76.53 mb/d and 1.23 mb/d or 1.59% to 78.33 mb/d, 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	14.65	15.19	15.36	15.09	–0.18	–1.16
OECD Pacific	8.55	9.08	7.66	8.05	9.29	8.52	–0.04	–0.41
Total OECD	**47.68**	**47.97**	**46.14**	**47.36**	**48.84**	**47.58**	**–0.10**	**–0.21**
Other Asia	7.33	7.42	7.44	7.37	7.58	7.45	0.12	1.65
Latin America	4.75	4.63	4.69	4.68	4.57	4.64	–0.11	–2.29
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	1.39
Total DCs	**19.35**	**19.34**	**19.44**	**19.53**	**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	0.74	0.74	0.02	3.42
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**	**0.19**	**2.00**
Total world	**76.37**	**76.60**	**74.74**	**76.53**	**78.33**	**76.56**	**0.19**	**0.24**
Previous estimate	76.37	76.59	74.75	76.54	78.34	76.56	0.19	0.25
Revision	0.00	0.01	0.00	–0.01	–0.01	0.00	0.00	–0.01

Totals may not add due to independent rounding.

OECD
Actual data indicates that the OECD registered a substantial 0.85 mb/d decline in first quarter consumption, making it the single contributor to the fall in world consumption. Demand in developing countries and former CPEs, up 0.22 mb/d and 0.16 mb/d respectively, partly offset the decline in that of the OECD. Within the OECD, the highest drop rate of 3.59% was experienced by OECD Pacific, followed by 1.91% in North America and a minor 0.32% in Western Europe.

Data on actual consumption in the second quarter also points to a drop of 0.32 mb/d or 0.68% in OECD consumption. This was due to a steep decline in OECD Pacific demand of 0.32 mb/d combined with a moderate 0.13 mb/d drop in Western Europe's consumption, which was partly offset by a slight rise of 0.13 mb/d in demand in North America.

The latest available data on actual third quarter consumption points to a moderation of the downward trend seen in the first and second quarters. Total OECD consumption is estimated to have dropped a marginal 0.12 mb/d or 0.25%. Within the OECD, the 0.19 mb/d rise in North America's consumption is estimated to have been more than offset by the 0.31 mb/d decline in demand in Western Europe.

Actual data on OECD fourth quarter consumption indicates an impressive gain of 0.86 mb/d. Demand in North America picked up a robust 0.58 mb/d or 2.45%, while OECD Pacific demand registered a 0.50 mb/d or 5.70% increase. On the other hand, demand continued to weaker in Western Europe, dropping 0.22 mb/d or 1.40%.

On a product basis, during the year 2002, residual fuel oil continued to rank as the leading decliner in volume (0.27 mb/d) and percentage (5.0%), mostly due to the shift to natural gas consumption in North America. The weakness in aviation fuel consumption also continued with an average 2.5% decline from 2001, as subdued air travel persisted on a global basis. The leading volume gainers were gasoline and LPG consumption, with rises of 0.22 mb/d or 1.5% and 0.12 mb/d or 2.6% respectively, mostly due to a substantial growth in consumption in North America of 2.8% and 4.7% respectively.

DCs
Oil demand in developing countries is estimated to have grown a marginal 0.10 mb/d or 0.52% to 19.45 mb/d. The demand performance in Latin America continued to be significantly weaker than in the previous year — declining by 0.11 mb/d or 2.29% — due to persistent economic and financial problems. Other Asia is estimated to have registered the highest volume and percentage growth at 0.12 mb/d and 1.65%, 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 at a healthy 0.19 mb/d or a 2.00% rate. Within the group, the FSU registered a considerable decline in consumption of 0.19 mb/d or 4.71%, while China experienced the world's highest consumption growth rate at a significant 0.35 mb/d or 7.40%. This remarkable estimated growth rate is nearly 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 3.42% 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	24.18	23.72	–0.46	–1.91	23.70	23.83	0.13	0.57
Western Europe	15.22	15.17	–0.05	–0.32	14.78	14.65	–0.13	–0.91
OECD Pacific	9.42	9.08	–0.34	–3.59	7.98	7.66	–0.32	–3.96
Total OECD	**48.82**	**47.97**	**–0.85**	**–1.74**	**46.45**	**46.14**	**–0.32**	**–0.68**
Other Asia	7.31	7.42	0.12	1.59	7.31	7.44	0.12	1.70
Latin America	4.66	4.63	–0.03	–0.71	4.80	4.69	–0.11	–2.33
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	0.87
Total DCs	**19.12**	**19.34**	**0.22**	**1.16**	**19.29**	**19.44**	**0.15**	**0.79**
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	1.20
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**	**76.60**	**–0.47**	**–0.61**	**75.24**	**74.74**	**–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	0.79	23.61	24.19	0.58	2.45
Western Europe	15.50	15.19	–0.31	–1.99	15.58	15.36	–0.22	–1.40
OECD Pacific	8.04	8.05	0.00	0.05	8.79	9.29	0.50	5.70
Total OECD	**47.48**	**47.36**	**–0.12**	**–0.25**	**47.98**	**48.84**	**0.86**	**1.80**
Other Asia	7.29	7.37	0.08	1.10	7.41	7.58	0.16	2.21
Latin America	4.80	4.68	–0.12	–2.56	4.74	4.57	–0.16	–3.48
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	2.13	2.45	2.49	0.04	1.72
Total DCs	**19.49**	**19.53**	**0.04**	**0.22**	**19.51**	**19.49**	**–0.01**	**–0.07**
FSU	3.72	3.65	–0.08	–2.11	4.31	4.25	–0.06	–1.35
Other Europe	0.67	0.73	0.07	9.86	0.72	0.74	0.02	2.39
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**	**5.82**	**9.62**	**9.99**	**0.38**	**3.93**
Total world	**76.08**	**76.53**	**0.46**	**0.60**	**77.10**	**78.33**	**1.23**	**1.59**

Totals may not add due to independent rounding.

Projections for 2003

World

World demand for 2003 adjusted slightly upwards to 77.45 mb/d for OECD, an increase of 0.70 mb/d over the 2002 figure

The world demand forecast for 2003 has been revised upwards by 0.07 mb/d to average 77.45 mb/d, compared with the 77.38 mb/d reported in the previous *MOMR*. The increment has also been revised up by 0.08 mb/d to 0.89 mb/d, equivalent to 1.17%, from the previous 0.82 mb/d, equivalent to 1.07%. The incorporation of the actual first-quarter consumption figures for OECD and some preliminary assessments of the actual first-quarter consumption for non-OECD have resulted in an upward revision of the first-quarter average of total world consumption. A further downward revision to the second quarter demand forecast has become necessary as the outbreak of SARS continues to undermine oil consumption. Regional and quarterly breakdowns of demand forecast 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	24.47	23.93	24.23	24.35	24.24	0.28	1.16
Western Europe	15.09	15.19	14.72	15.18	15.58	15.17	0.07	0.50
OECD Pacific	8.52	9.62	7.80	8.06	9.35	8.71	0.19	2.22
Total OECD	**47.58**	**49.28**	**46.44**	**47.47**	**49.29**	**48.12**	**0.54**	**1.14**
Other Asia	7.45	7.47	7.48	7.40	7.61	7.49	0.04	0.52
Latin America	4.64	4.65	4.73	4.69	4.59	4.66	0.02	0.47
Middle East	4.89	4.84	4.91	5.06	4.88	4.92	0.03	0.69
Africa	2.47	2.50	2.46	2.47	2.50	2.48	0.01	0.34
Total DCs	**19.45**	**19.45**	**19.58**	**19.62**	**19.57**	**19.56**	**0.10**	**0.53**
FSU	3.75	3.84	3.42	3.66	4.29	3.80	0.05	1.39
Other Europe	0.74	0.81	0.71	0.79	0.76	0.77	0.02	3.13
China	5.03	5.20	5.07	5.43	5.13	5.21	0.18	3.49
Total "Other Regions"	**9.52**	**9.85**	**9.19**	**9.88**	**10.18**	**9.78**	**0.25**	**2.63**
Total world	**76.56**	**78.57**	**75.21**	**76.97**	**79.04**	**77.45**	**0.89**	**1.17**
Previous estimate	76.56	78.05	75.23	77.07	79.14	77.38	0.82	1.07
Revision	0.00	0.52	–0.02	–0.09	–0.10	0.07	0.08	0.10

Totals may not add due to independent rounding.

All of the three major groups of countries are forecast to register positive demand growth. The OECD is expected to rank first in demand volume growth with 0.54 mb/d or 1.14%. At 0.25 mb/d or 2.63%, the rise in the former CPEs demand is expected to be the second highest in volume but first in percentage, while developing countries are forecast to follow with a 0.10 mb/d or 0.53% demand increase.

Consumption is forecast to grow in every single quarter of 2003 compared with the corresponding quarter in the year 2002. The first and the fourth quarters are expected to experience the highest growth of 1.98 mb/d and 0.71 mb/d respectively. One should bear in mind that the first quarter of 2002 registered exceptionally weak consumption, while the first quarter of 2003 has seen both colder-than-normal weather in many regions and nuclear reactor maintenance in Japan, creating much higher demand for oil. The SARS epidemic has affected second quarter consumption, which is expected to experience a rise of 0.47 mb/d, marginally lower than previously forecast. The third quarter is forecast to register slightly lower growth at 0.44 mb/d. Further details can be seen in Table 10 and Table 11.

OECD

Preliminary OECD oil consumption data for the first quarter of 2003 indicate that total inland consumption grew by a healthy 1.31 mb/d or 2.7% over consumption in the first quarter 2002. This was partly due to the colder-than-normal weather in most regions of the OECD. The leading volume gainer was gasoil/diesel which registered a 0.74 mb/d or 6.0% rise. The leading percentage gainer was naphtha with a 7.5% or 0.23 mb/d growth. Spiking natural gas prices in the USA encouraged petrochemical producers to utilize more naphtha, while healthy margins in the downstream industries, i.e. ethylene production, induced higher naphtha intake percentages in Europe and Asia. All other major products such as LPG, gasoline, kerosene and residual fuel oil also experienced healthy gains.

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	24.47	0.75	3.14	23.83	23.93	0.10	0.40
Western Europe	15.17	15.19	0.02	0.16	14.65	14.72	0.07	0.50
OECD Pacific	9.08	9.62	0.54	5.97	7.66	7.80	0.14	1.82
Total OECD	**47.97**	**49.28**	**1.31**	**2.74**	**46.14**	**46.44**	**0.31**	**0.67**
Other Asia	7.42	7.47	0.04	0.57	7.44	7.48	0.05	0.63
Latin America	4.63	4.65	0.02	0.39	4.69	4.73	0.04	0.86
Middle East	4.80	4.84	0.04	0.76	4.87	4.91	0.04	0.84
Africa	2.49	2.50	0.01	0.36	2.45	2.46	0.01	0.41
Total DCs	**19.34**	**19.45**	**0.11**	**0.55**	**19.44**	**19.58**	**0.14**	**0.71**
FSU	3.78	3.84	0.06	1.49	3.32	3.42	0.10	3.01
Other Europe	0.77	0.81	0.04	4.57	0.73	0.71	–0.02	–3.07
China	4.74	5.20	0.47	9.86	5.12	5.07	–0.05	–1.06
Total "Other Regions"	**9.29**	**9.85**	**0.56**	**6.01**	**9.17**	**9.19**	**0.02**	**0.25**
Total world	**76.60**	**78.57**	**1.98**	**2.58**	**74.74**	**75.21**	**0.47**	**0.63**

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	24.23	0.12	0.48	24.19	24.35	0.16	0.66
Western Europe	15.19	15.18	–0.02	–0.11	15.36	15.58	0.22	1.42
OECD Pacific	8.05	8.06	0.02	0.20	9.29	9.35	0.07	0.71
Total OECD	**47.36**	**47.47**	**0.11**	**0.24**	**48.84**	**49.29**	**0.44**	**0.91**
Other Asia	7.37	7.40	0.04	0.48	7.58	7.61	0.03	0.41
Latin America	4.68	4.69	0.02	0.33	4.57	4.59	0.01	0.29
Middle East	5.03	5.06	0.03	0.62	4.85	4.88	0.03	0.55
Africa	2.46	2.47	0.01	0.31	2.49	2.50	0.01	0.26
Total DCs	**19.53**	**19.62**	**0.09**	**0.46**	**19.49**	**19.57**	**0.08**	**0.40**
FSU	3.65	3.66	0.01	0.41	4.25	4.29	0.04	0.89
Other Europe	0.73	0.79	0.06	7.95	0.74	0.76	0.02	2.94
China	5.27	5.43	0.16	3.06	5.00	5.13	0.13	2.64
Total "Other Regions"	**9.64**	**9.88**	**0.23**	**2.43**	**9.99**	**10.18**	**0.19**	**1.91**
Total world	**76.53**	**76.97**	**0.44**	**0.57**	**78.33**	**79.04**	**0.71**	**0.91**

Totals may not add due to independent rounding.

WORLD OIL SUPPLY

Non-OPEC

Non-OPEC supply for 2002 almost unchanged at 47.94 mb/d, up 1.49 mb/d over 2001

Estimate for 2002

The non-OPEC supply figure for 2002 remains almost unchanged at 47.94 mb/d, with a quarterly distribution of 47.67 mb/d, 48.05 mb/d, 47.60 mb/d and 48.42 mb/d respectively. The yearly average increase stands at 1.49 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	6.72	6.75	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**	**22.10**	**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	3.75	3.94	3.95	3.91	3.80	3.90	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**	**11.43**	**11.30**	**11.23**	**11.34**	**0.41**
FSU	8.53	8.92	9.15	9.50	9.75	9.33	0.81
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**	**46.33**	**45.88**	**46.66**	**46.21**	**1.45**
Processing gains	1.69	1.72	1.72	1.72	1.76	1.73	0.04
Total non-OPEC supply	**46.45**	**47.67**	**48.05**	**47.60**	**48.42**	**47.94**	**1.49**
Previous estimate	46.45	47.67	48.04	47.59	48.42	47.93	1.48
Revision	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.01**

Totals may not add due to independent rounding.

Non-OPEC supply for 2003 forecast at 48.93 mb/d, up 1.00 mb/d over 2002 figure

Forecast for 2003

Non-OPEC supply for 2003 is forecast to rise by 1.00 mb/d, with the FSU and North America being the major contributors. The second quarter shows a significant 0.12 mb/d downward revision, accumulated from those made to the USA, Norway and Africa at 0.11 mb/d, 0.07 mb/d and 0.04 mb/d respectively, to take into account technical problems and maintenance, minus a 0.07 mb/d upward revision for the UK on better-than-expected performance despite maintenance. The 2003 quarterly distribution for the other three quarters has been revised up 0.08 mb/d each over last month's figures, resulting in a yearly average of around 48.93 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	14.67	14.62	14.70	14.69	0.11
Western Europe	6.63	6.79	6.65	6.63	6.78	6.71	0.08
OECD Pacific	0.76	0.69	0.69	0.72	0.65	0.69	–0.07
Total OECD	**21.97**	**22.26**	**22.00**	**21.96**	**22.13**	**22.09**	**0.12**
Other Asia	2.33	2.36	2.38	2.37	2.40	2.38	0.05
Latin America	3.90	3.90	3.88	3.87	3.77	3.85	–0.04
Middle East	2.08	2.05	2.04	2.00	2.03	2.03	–0.05
Africa	3.03	3.00	3.00	2.99	2.97	2.99	–0.04
Total DCs	**11.34**	**11.31**	**11.29**	**11.22**	**11.17**	**11.25**	**–0.09**
FSU	9.33	9.88	10.02	10.25	10.43	10.15	0.82
Other Europe	0.18	0.17	0.17	0.17	0.17	0.17	0.00
China	3.39	3.44	3.43	3.53	3.49	3.47	0.08
Total "Other regions"	**12.90**	**13.50**	**13.62**	**13.95**	**14.09**	**13.79**	**0.89**
Total non-OPEC production	**46.21**	**47.06**	**46.92**	**47.13**	**47.38**	**47.13**	**0.92**
Processing gains	1.73	1.81	1.77	1.81	1.85	1.81	0.08
Total non-OPEC supply	**47.94**	**48.87**	**48.69**	**48.94**	**49.23**	**48.93**	**1.00**
Previous estimate	47.93	48.79	48.80	48.86	49.15	48.90	0.97
Revision	**0.00**	**0.08**	**–0.12**	**0.08**	**0.08**	**0.03**	**0.03**

Totals may not add due to independent rounding.

Net FSU oil export forecast for 2003 at 6.35 mb/d, 2002 estimated at 5.58 mb/d

The FSU's net oil export forecast for 2003 remains almost unchanged at 6.35 mb/d, while the 2002 figure stands unrevised at 5.58 mb/d. The forecasts for 1999-2001 have also been carried over 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 (forecast)	5.14	5.84	5.85	5.49	**5.58**
2003 (forecast)	6.05	6.60	6.59	6.14	**6.35**

OPEC natural gas liquids

OPEC NGL forecast for 2003 at 3.71 mb/d

OPEC NGL figures for the years 1999-2001 remain unchanged at 3.16 mb/d, 3.34 mb/d and 3.58 mb/d respectively, compared to those in the last *MOMR*. The figures for both 2002 and 2003 have been revised up by 0.07 mb/d to 3.72 mb/d and 3.71 mb/d respectively on new data released by 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**	3.72	3.72	3.75	3.69	**3.72**	0.14	**3.71**	–0.02

Available secondary sources put OPEC's May production at 26.64 mb/d

OPEC crude oil production

Available secondary sources indicate that OPEC output for May was 26.64 mb/d, or 0.09 mb/d higher than the revised April figure of 26.56 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*	1Q03	Apr 03	**May 03***	May 03– Apr 03
Algeria	820	952	864	1,069	1,110	**1,127**	17
Indonesia	1,214	1,102	1,120	1,072	1,036	**1,025**	–11
IR Iran	3,665	3,553	3,426	3,702	3,715	**3,707**	–8
Iraq	2,381	2,394	2,006	2,106	118	**293**	176
Kuwait	2,025	1,927	1,885	2,108	2,347	**2,284**	–63
SP Libyan AJ	1,361	1,349	1,314	1,394	1,428	**1,423**	–4
Nigeria	2,097	2,014	1,969	2,081	1,804	**2,021**	217
Qatar	683	704	648	743	758	**755**	–3
Saudi Arabia	7,939	7,906	7,535	8,874	9,386	**9,093**	–293
UAE	2,163	2,021	1,988	2,203	2,321	**2,295**	–26
Venezuela	2,862	2,232	2,586	1,449	2,535	**2,619**	85
Total OPEC	**27,211**	**26,152**	**25,340**	**26,801**	**26,555**	**26,642**	**87**

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

RIG COUNT

Non-OPEC rig count up 43 in May

Non-OPEC

Non-OPEC rig activity rose in May. North America gained 53 rigs over the month before to 1,268, as US rig count increased 52 rigs to 1,035, Mexico added two rigs to 83, and Canada's activity remained unchanged at 150 rigs. Western Europe dropped two rigs to 76 as a rise in the UK and Denmark was not enough to overcome losses mainly in Norway and Other Western Europe.

Table 16
Non-OPEC rig count in 2002-2003

	2001	**2002**	**Change 02/01**	**Apr 03**	**May 03**	**Change May/Apr**
North America	1,552	1,162	–390	1,215	1,268	53
Western Europe	95	85	–10	78	76	–2
OECD Pacific	20	17	–3	19	15	–4
OECD	**1,667**	**1,264**	**–403**	**1312**	**1359**	**47**
Other Asia	95	111	16	118	115	–3
Latin America	141	106	–35	120	121	1
Middle East	50	62	12	67	67	0
Africa	36	43	7	51	49	–2
DCs	**321**	**322**	**1**	**356**	**352**	**–4**
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**	**1,670**	**1,713**	**43**

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

OPEC

OPEC rig count down four in May

OPEC's rig count for May stood at 215, down 4 rigs from the April figure. Kuwait added 4 rigs for a total of 5, while Venezuela dropped 3 rigs to 34, compared with last month's figures.

Table 17
OPEC rig count

	2001	2002	Change 02/01	Apr 03	May 03	Change May /Apr.
Algeria	20	20	0	22	21	–1
Indonesia	41	46	6	47	46	–1
IR Iran	30	34	4	35	36	1
Iraq	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Kuwait	9	6	-3	1	5	4
SP Libyan AJ	5	10	5	11	9	–2
Nigeria	12	12	0	9	8	–1
Qatar	9	13	4	9	7	–2
Saudi Arabia	30	32	2	33	34	1
UAE	15	16	0	15	15	0
Venezuela	67	42	–25	37	34	–3
Total OPEC	**238**	**231**	**–7**	**219**	**215**	**–4**

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

STOCK MOVEMENTS

USA

Further seasonal build of 16.5 mb in USA in May

US commercial onland oil stocks continued the upward trend observed last month, rising a seasonable 16.5 mb at a rate of 0.59 mb to 921.7 mb during the period 2-30 May. This build left the y-o-y deficit at 11.8%. Despite an increase in imports, which exceeded 10 mb/d for the last three weeks of the month, crude oil stocks rose a slight 1.8 mb to 289 mb as the US refinery runs hit a new high of 16 mb/d at the end of the month. This showed that refiners were concentrating more on increasing product levels at the expense of crude oil stocks, which resulted in total major products registering a build of 16.5 mb. All products contributed to this build with the exception of seasonably important gasoline, which registered a slight draw of 0.5 mb to 207.3 mb, despite a noticeable tightness in reformulated gasoline, which was down 2.3 mb. This drop was mainly due to the increase in apparent demand in the weeks leading up to the Memorial Day holiday on 26 May, which offset increased gasoline production. However, rising output helped spur a 2.3 mb/d build in the last week of May, which left the y-o-y shortage at around 5.2%. Distillate fuel reversed last month's trend increasing 7.2 mb to 104.5 mb on the back of increased production and low apparent demand, but still left a strong shortage of 17.8%.

The SPR continued to rise during the same period, increasing 2.9 mb to 602.5 mb.

In the week ending 6 June, US commercial stocks showed an increase of 2.4 mb to 924.2 mb, leaving y-o-y deficit at around 11%. The main contributors to this build were gasoline and distillate fuel, which increased 2.6 mb to 209.9 mb and 2.8 mb to 107.3 mb respectively, narrowing the y-o-y shortage to 3.8% for gasoline and a strong 16.2% deficit for distillate stocks. Despite the increase in apparent demand for both products, this build is mainly due to rising imports. Crude oil fell 6.4 mb to 284.4 mb, brought down by declining imports, which averaged 9.9 mb/d or 0.64 mb/d below the figure at the end of May, indicating that refiners decided to bring product stock levels back to normal before building commercial crude oil stocks. However, SPR levels continued to move higher increasing 1.5 mb to 604.0 mb.

Table 18
US onland commercial petroleum stocks*
mb

	28 Mar 03	2 May 03	**30 May 03**	**Change May/Apr**	30 May 02	6 Jun 2003**
Crude oil (excl. SPR)	280.7	287.2	**289.0**	**1.8**	326.3	284.4
Gasoline	200.7	207.8	207.3	–0.5	218.6	209.9
Distillate fuel	97.9	97.3	104.5	7.2	127.1	107.3
Residual fuel oil	30.1	31.3	36.9	5.6	33.9	36.8
Jet fuel	35.8	35.8	40.4	4.6	41.0	41.1
Unfinished oils	84.9	88.0	84.3	–3.7	91.4	83.3
Other oils	162.2	157.8	159.4	1.6	200.7	161.4
Total	892.3	905.2	**921.7**	**16.5**	1,038.9	**924.2**
SPR	599.2	599.6	602.5	2.9	571.0	604.0

*   *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.

EU-16 oil stocks registered a further 4.6 mb build in May

Western Europe

Total oil stocks continued the upward trend observed in the last four months, rising 4.6 mb at a rate of 0.15 mb to 1,071.52 mb, just 0.3% below last year's level. Total products were the main contributor to the build, moving up 7.0 mb to 621.3 mb, while crude oil stocks provided the cap, declining 2.4 mb to 450.3 mb. The dip in crude oil stocks came despite a cut in crude runs, down 0.36 mb/d to 11.81 mb/d, as weak refining margins encouraged exports to the USA. However, crude oil inventories remained 2.1% higher than the year-ago level. In products, gasoline stocks rose 1.2 mb to 147.7 mb, 3.3% above this time last year, while distillate stocks increased a substantial 6.6 mb to 334.7 mb, mainly on increased Russian gasoil deliveries,
which offset lower distillate output. Although narrowed, the y-o-y deficit remained a strong 16.4%. Fuel oil stocks displayed a slight decrease of 0.8 mb to 113.4 mb on the back of less-than-expected arrivals from Russia, but remaining 1.3% above last year's level.

Table 19
Western Europe's oil stocks*
mb

	Mar 03	Apr 03	**May 03**	**Change May/Apr**	May 02
Crude oil	451.1	452.7	**450.3**	**–2.4**	441.1
Mogas	148.1	146.5	147.7	1.2	144.4
Naphtha	24.2	25.52	25.52	0.0	26.00
Middle distillates	323.0	328.1	334.7	6.6	351.1
Fuel oils	109.6	114.1	113.4	–0.8	112.0
Total products	604.9	614.3	**621.3**	**7.0**	633.5
Overall total	1,056.0	1,066.92	**1,071.52**	**4.6**	1,074.6

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

Oil stocks in Japan reversed the previous trend to increase 10.8 mb in April

Japan

At the end of April, commercial onland stocks regained the previous month's loss, rising 10.8 mb at a rate of 0.36 mb/d to 171.4 mb, solely on a 7.7 mb increase in major oil products to 63.3 mb and a 3.1 mb rise in crude oil to 108.1 mb. This build left the y-o-y surplus at 0.22% for the first time since the end of 2001. Crude oil's build came despite low crude imports as the maintenance season saw a slowdown in refinery runs. Crude oil inventories are now 1.84% higher than a year ago. Despite low production, gasoline, middle distillate and residual fuel oil registered builds of 0.9 mb to 14.5 mb, 4.6 mb to 28.0 mb, and 2.2 mb to 20.8 mb respectively. Product imports and weak domestic sales were the main reasons for this increase.

Table 20
Japan's commercial oil stocks*
mb

	Feb 03	Mar 03	Apr 03	Change Apr/Mar	Apr 02
Crude oil	105.4	105.1	**108.1**	**3.1**	106.2
Gasoline	13.8	13.6	14.5	0.9	15.3
Middle distillates	26.6	23.3	28.0	4.6	29.6
Residual fuel oil	18.3	18.6	20.8	2.2	20.0
Total products	58.6	55.6	**63.3**	**7.7**	64.9
Overall total**	164.1	160.6	**171.4**	**10.8**	171.0

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

BALANCE OF SUPPLY AND DEMAND

2002 supply/demand difference revised down to 24.90 mb/d

The summarized supply/demand balance table for 2002 shows an upward revision to total non-OPEC supply of 0.07 mb/d to 51.66 mb/d. This resulted in an estimated annual difference of around 24.90 mb/d, down 0.07 mb/d from the last *MOMR* figure, with a quarterly distribution of 25.21 mb/d, 22.98 mb/d, 25.18 mb/d and 26.21 mb/d respectively. The quarterly balance was revised up by 0.06 mb/d, 0.06 mb/d, 0.07 mb/d and 0.11 mb/d to -0.06 mb/d, 1.61 mb/d, 0.28 mb/d and -0.06 mb/d respectively. The average 2002 yearly balance is estimated at 0.44 mb/d, up 0.07 mb/d from 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	76.60	74.74	76.53	78.33	76.56
(b) Non-OPEC supply(1)	50.03	51.39	51.77	51.35	52.12	51.66
Difference (a – b)	**26.33**	**25.21**	**22.98**	**25.18**	**26.21**	**24.90**
OPEC crude oil production(2)	27.21	25.15	24.59	25.46	26.15	25.34
Balance	**0.87**	**–0.06**	**1.61**	**0.28**	**–0.06**	**0.44**

(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 24.81 mb/d

The summarized supply/demand balance table for 2003 shows an upward revision to the world oil demand forecast of 0.07 mb/d to 77.45 mb/d. Total non-OPEC supply was revised up by 0.10 mb/d to 52.64 mb/d, resulting in an expected difference of around 24.81 mb/d, with a quarterly distribution of 26.20 mb/d, 22.88 mb/d, 24.21 mb/d and 25.98 mb/d respectively. The first quarter balance was revised downward by a significant 0.36 mb/d to 0.60 mb/d.

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

	2002	1Q03	2Q03	3Q03	4Q03	**2003**
(a) World oil demand	76.56	78.57	75.21	76.97	79.04	77.45
(b) Non-OPEC supply(1)	51.66	52.38	52.34	52.76	53.06	52.64
Difference (a – b)	**24.90**	**26.20**	**22.88**	**24.21**	**25.98**	**24.81**
OPEC crude oil production(2)	25.34	26.80				
Balance	**0.44**	**0.60**				

(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	48.8	47.6	49.3	46.4	47.5	49.3	48.1
North America	23.8	24.0	23.9	23.7	23.8	24.1	24.2	24.0	24.5	23.9	24.2	24.4	24.2
Western Europe	15.2	15.1	15.3	15.2	14.6	15.2	15.4	15.1	15.2	14.7	15.2	15.6	15.2
Pacific	8.7	8.6	8.6	9.1	7.7	8.0	9.3	8.5	9.6	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	19.6	19.6	19.6	19.6
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	5.2	5.1	5.4	5.1	5.2
(a) Total world demand	75.4	76.0	76.4	76.6	74.7	76.5	78.3	76.6	78.6	75.2	77.0	79.0	77.4
Non-OPEC supply													
OECD	21.3	21.8	21.8	22.1	22.2	21.5	22.1	22.0	22.3	22.0	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	14.7	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	6.8	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	3.5	3.5
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	46.4	47.7	48.0	47.6	48.4	47.9	48.9	48.7	48.9	49.2	48.9
OPEC NGLs + non-conventionals	3.2	3.3	3.6	3.7	3.7	3.8	3.7	3.7	3.5	3.7	3.8	3.8	3.7
(b) Total non-OPEC supply and OPEC NGLs	47.7	49.1	50.0	51.4	51.8	51.3	52.1	51.7	52.4	52.3	52.8	53.1	52.6
OPEC crude oil production (secondary sources)	26.5	28.0	27.2	25.1	24.6	25.5	26.2	25.3	26.8				
Total supply	74.2	77.0	77.2	76.5	76.4	76.8	78.3	77.0	79.2				
Balance (stock change and miscellaneous)	-1.1	1.1	0.9	-0.1	1.6	0.3	-0.1	0.4	0.6				
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	2446	2530	2622	2597	2643	2568	2469	2469	2417				
OECD SPR	1228	1210	1222	1237	1247	1250	1271	1271	1284				
OECD total	3674	3740	3843	3835	3890	3818	3740	3740	3701				
Other onland	983	1000	1028	1025	1040	1021	1000	1000	990				
Oil-on-water	808	876	829	808	818	819	828	828	860				
Total stock	5465	5617	5701	5668	5748	5659	5568	5568	5552				
Days of forward consumption in OECD													
Commercial onland stocks	51	53	55	56	56	53	50	51	52				
SPR	26	25	26	27	26	26	26	26	28				
Total	77	78	81	83	82	78	76	78	80				
Memo items													
FSU net exports	3.4	4.1	4.6	5.1	5.8	5.9	5.5	5.6	6.0	6.6	6.6	6.1	6.3
(a) - (b)	27.7	26.9	26.3	25.2	23.0	25.2	26.2	24.9	26.2	22.9	24.2	26.0	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	-	-	-	-	-	-	-	-	0.2	-0.1	-0.1	-0.1	-
North America	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Europe	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	0.1	-	-	-0.1	-
DCs	-	-	-	-	-	-	-	-	-	0.1	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.3	-	-	-	0.1
(a) Total world demand	-	-	-	-	-	-	-	-	0.5	-	-0.1	-0.1	0.1
Non-OPEC supply													
OECD	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
North America	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
DCs	-	-	-	-	-	-	-	-	-	-	-	-	-
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	0.1	-	0.1	0.1	0.1
Processing gains	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-OPEC supply	-	-	-	-	-	-	-	-	0.1	-0.1	0.1	0.1	-
OPEC NGLs + non-conventionals	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
(b) Total non-OPEC supply and OPEC NGLs	-	-	-	0.1	0.1	0.1	0.1	0.1	0.1	-	0.1	0.1	0.1
OPEC crude oil production (secondary sources)	-	-	-	-	-	-	-	-	-				
Total supply	-	-	-	0.1	-	0.1	0.1	0.1	0.2				
Balance (stock change and miscellaneous)	-	-	-	0.1	0.1	0.1	0.1	0.1	-0.4				
Closing stock level (outside FCPEs) *mb*													
OECD onland commercial	-	-	-	-1.3	-0.6	4.5	1.5	1.5	-				
OECD SPR	-	-	-	-	-	-	-	-	-				
OECD total	-	-	-	-1.3	-0.6	4.5	1.5	1.5	-				
Other onland	-	-	-	-	-	1.2	-	-	-				
Oil on water	-	-	-	0.6	1.1	-0.7	1.2	1.2	-				
Total stock	-	-	-	-1.0	-	5.0	3.1	3.1	-				
Days of forward consumption in OECD													
Commercial onland stocks	-	-	-	-	-	-	-	-	-				
SPR	-	-	-	-	-	-	-	-	-				
Total	-	-	-	-	-	-	-	-	-				
Memo items													
FSU net exports	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) - (b)	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1	0.4	-	-0.2	-0.2	-

† *This compares Table 23 in this issue of the MOMR with Table 23 in the May 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	1Q03
Closing stock level *mb*															
OECD onland commercial	2,615	2,697	2,446	2,530	2,622	2,469	2,525	2,597	2,660	2,622	2,597	2,643	2,568	2,469	2,417
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	1,101
Western Europe	912	962	881	930	915	884	918	909	918	915	927	939	911	884	903
OECD Pacific	492	453	437	454	444	410	447	457	473	444	436	447	441	410	413
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	1,284
North America	563	571	567	543	552	601	544	545	547	552	563	578	589	601	601
Western Europe	329	362	346	354	353	352	351	347	345	353	353	348	344	352	362
OECD Pacific	315	315	315	313	316	318	314	314	313	316	321	321	317	318	321
OECD total	**3,822**	**3,946**	**3,674**	**3,740**	**3,843**	**3,740**	**3,734**	**3,804**	**3,865**	**3,843**	**3,835**	**3,890**	**3,818**	**3,740**	**3,701**
Other onland	1,022	1,055	983	1,000	1,028	1,000	999	1,017	1,034	1,028	1,025	1,040	1,021	1,000	990
Oil-on-water	812	859	808	876	829	828	899	823	860	829	808	818	819	828	860
Total stock	**5,656**	**5,860**	**5,465**	**5,617**	**5,701**	**5,568**	**5,632**	**5,643**	**5,759**	**5,701**	**5,668**	**5,748**	**5,659**	**5,568**	**5,552**
Days of forward consumption in OECD															
OECD onland commercial	56	57	51	53	55	51	54	55	55	55	56	56	53	50	52
North America	52	54	47	48	53	48	49	51	54	53	52	52	50	48	46
Western Europe	60	63	58	61	61	58	62	59	59	60	63	62	59	58	61
OECD Pacific	58	52	51	53	52	47	56	57	54	49	57	56	47	43	53
OECD SPR	26	26	26	25	26	26	26	25	25	25	27	26	26	26	28
North America	24	24	24	23	23	25	23	23	23	23	24	24	24	25	25
Western Europe	21	24	23	23	23	23	24	22	22	23	24	23	22	23	25
OECD Pacific	37	36	37	37	37	37	39	39	36	35	42	40	34	33	41
OECD total	**82**	**83**	**77**	**78**	**81**	**78**	**80**	**80**	**81**	**80**	**83**	**82**	**78**	**76**	**80**
Days of global forward consumption	**87**	**88**	**82**	**84**	**85**	**82**	**86**	**84**	**85**	**85**	**86**	**86**	**83**	**81**	**84**

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	8.11	8.05	7.97	8.03	8.04	-0.08
Canada	2.60	2.69	2.74	0.05	2.84	2.84	2.86	2.93	2.87	0.13	2.93	2.89	2.91	2.92	2.91	0.05
Mexico	3.35	3.45	3.57	0.11	3.61	3.57	3.58	3.60	3.59	0.03	3.75	3.72	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**	**14.67**	**14.62**	**14.70**	**14.69**	**0.11**
Norway	3.06	3.32	3.42	0.09	3.32	3.38	3.22	3.39	3.33	-0.09	3.40	3.31	3.39	3.37	3.37	0.04
UK	2.84	2.64	2.53	-0.11	2.60	2.56	2.28	2.59	2.51	-0.03	2.57	2.51	2.45	2.57	2.53	0.02
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	0.45	0.44	0.45	0.45	0.02
Western Europe	**6.63**	**6.74**	**6.70**	**-0.04**	**6.72**	**6.75**	**6.26**	**6.80**	**6.63**	**-0.06**	**6.79**	**6.65**	**6.63**	**6.78**	**6.71**	**0.08**
Australia	0.59	0.77	0.71	-0.06	0.71	0.71	0.73	0.67	0.70	0.00	0.64	0.63	0.66	0.60	0.63	-0.07
Other Pacific	0.07	0.06	0.06	0.00	0.05	0.06	0.06	0.05	0.05	-0.01	0.05	0.05	0.06	0.05	0.05	0.00
OECD Pacific	**0.66**	**0.83**	**0.77**	**-0.07**	**0.76**	**0.77**	**0.79**	**0.72**	**0.76**	**-0.01**	**0.69**	**0.69**	**0.72**	**0.65**	**0.69**	**-0.07**
Total OECD*	**21.34**	**21.82**	**21.82**	**0.00**	**22.10**	**22.17**	**21.48**	**22.12**	**21.97**	**0.15**	**22.26**	**22.00**	**21.96**	**22.13**	**22.09**	**0.12**
Brunei	0.18	0.19	0.20	0.00	0.21	0.20	0.20	0.20	0.20	0.01	0.20	0.20	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	0.75	0.75	0.76	0.75	0.01
Malaysia	0.70	0.68	0.69	0.00	0.73	0.75	0.75	0.75	0.75	0.06	0.76	0.77	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	0.35	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	0.27	0.27	0.27	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**	**2.38**	**2.37**	**2.40**	**2.38**	**0.05**
Argentina	0.84	0.79	0.80	0.01	0.80	0.80	0.79	0.78	0.79	-0.01	0.79	0.78	0.78	0.77	0.78	-0.01
Brazil	1.36	1.49	1.57	0.08	1.75	1.80	1.77	1.67	1.75	0.18	1.76	1.80	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	0.56	0.53	0.53	0.54	-0.04
Ecuador	0.38	0.40	0.41	0.01	0.40	0.40	0.41	0.39	0.40	-0.01	0.40	0.35	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	0.09	0.09	0.09	0.09	0.09	-0.01
Trinidad & Tobago	0.14	0.14	0.13	-0.01	0.14	0.14	0.15	0.16	0.15	0.02	0.17	0.18	0.18	0.19	0.18	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	0.13	0.12	0.12	0.12	0.00
Latin America	**3.76**	**3.74**	**3.75**	**0.01**	**3.94**	**3.95**	**3.91**	**3.80**	**3.90**	**0.14**	**3.90**	**3.88**	**3.87**	**3.77**	**3.85**	**-0.04**
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	0.84	0.79	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	0.54	0.56	0.57	0.55	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**	**2.04**	**2.00**	**2.03**	**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	0.76	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	0.59	0.56	0.10	0.58	0.58	0.64	0.66	0.61	0.05
Africa	**2.78**	**2.85**	**2.80**	**-0.05**	**3.04**	**3.08**	**3.01**	**2.99**	**3.03**	**0.23**	**3.00**	**3.00**	**2.99**	**2.97**	**2.99**	**-0.04**
Total DCs	**10.78**	**10.92**	**10.93**	**0.01**	**11.40**	**11.43**	**11.30**	**11.23**	**11.34**	**0.41**	**11.31**	**11.29**	**11.22**	**11.17**	**11.25**	**-0.09**
FSU	**7.47**	**7.91**	**8.53**	**0.62**	**8.92**	**9.15**	**9.50**	**9.75**	**9.33**	**0.81**	**9.88**	**10.02**	**10.25**	**10.43**	**10.15**	**0.82**
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**	**3.44**	**3.43**	**3.53**	**3.49**	**3.47**	**0.08**
Non-OPEC production	**42.98**	**44.07**	**44.76**	**0.69**	**45.95**	**46.33**	**45.88**	**46.66**	**46.21**	**1.45**	**47.06**	**46.92**	**47.13**	**47.38**	**47.13**	**0.92**
Processing gains	1.58	1.65	1.69	0.04	1.72	1.72	1.72	1.76	1.73	0.04	1.81	1.77	1.81	1.85	1.81	0.08
Non-OPEC supply	**44.56**	**45.72**	**46.45**	**0.73**	**47.67**	**48.05**	**47.60**	**48.42**	**47.94**	**1.49**	**48.87**	**48.69**	**48.94**	**49.23**	**48.93**	**1.00**
OPEC NGLs + non-conventionals	**3.16**	**3.34**	**3.58**	**0.24**	**3.72**	**3.72**	**3.75**	**3.69**	**3.72**	**0.14**	**3.51**	**3.65**	**3.83**	**3.83**	**3.71**	**-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	1Q03	Apr03	May03	Change May03- Apr03
USA	916	1141	1239	1231	1004	1156	818	806	853	847	831	-325	901	983	1035	52
Canada	344	515	252	320	278	342	383	147	250	283	266	-76	494	151	150	-1
Mexico	44	50	48	56	62	54	63	61	62	76	65	11	82	81	83	2
North America	**1305**	**1706**	**1539**	**1607**	**1344**	**1552**	**1264**	**1014**	**1165**	**1206**	**1162**	**-390**	**1476**	**1215**	**1268**	**53**
Norway	22	24	22	22	22	23	20	20	17	19	19	-4	18	20	16	-4
UK	18	18	25	28	26	24	28	30	24	23	26	2	19	19	24	5
Denmark	3	4	5	4	5	4	5	4	3	5	4	0	3	4	5	1
Other Western Europe	82	43	44	42	47	44	39	38	33	34	36	-8	36	35	31	-4
Western Europe	**125**	**89**	**95**	**96**	**100**	**95**	**92**	**91**	**76**	**81**	**85**	**-10**	**77**	**78**	**76**	**-2**
Australia	10	11	11	10	10	10	9	9	9	9	9	-2	10	12	8	-4
Other Pacific	7	10	9	8	10	9	8	7	7	10	8	-1	8	7	7	0
OECD Pacific	**17**	**20**	**20**	**18**	**20**	**20**	**17**	**16**	**16**	**19**	**17**	**-3**	**18**	**19**	**15**	**-4**
Total OECD*	**1447**	**1815**	**1655**	**1721**	**1464**	**1667**	**1373**	**1121**	**1257**	**1306**	**1264**	**-403**	**1571**	**1312**	**1359**	**47**
Brunei	2	3	3	2	2	3	2	3	3	3	3	0	3	3	4	1
India	49	51	48	50	50	50	52	54	55	57	55	5	59	60	60	0
Malaysia	7	10	11	13	12	11	12	13	15	14	14	2	14	14	13	-1
Papua New Guinea	0	0	1	2	1	1	1	1	1	1	1	0	1	2	1	-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	31	30	28	-2
Other Asia	**83**	**96**	**95**	**98**	**90**	**95**	**100**	**109**	**116**	**117**	**111**	**16**	**117**	**118**	**115**	**-3**
Argentina	57	69	74	77	64	71	49	45	49	54	49	-22	59	64	66	2
Brazil	23	28	30	29	26	28	27	27	27	26	27	-2	27	27	27	0
Colombia	14	15	16	14	16	15	13	13	10	9	11	-4	10	10	8	-2
Ecuador	7	9	10	10	11	10	10	9	8	8	9	-1	9	10	12	2
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	4	3	-1
Latin America	**120**	**141**	**147**	**144**	**130**	**141**	**110**	**103**	**104**	**107**	**106**	**-35**	**113**	**120**	**121**	**1**
Bahrain		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	33	34	34	0
Syria	14	19	19	20	19	19	20	21	23	24	22	3	23	21	22	1
Yemen	6	6	6	5	6	6	8	9	9	11	9	3	11	10	10	0
Middle East	**45**	**49**	**49**	**49**	**51**	**50**	**57**	**60**	**64**	**69**	**62**	**12**	**70**	**67**	**67**	**0**
Angola	6	6	5	4	6	5	5	6	6	5	5	0	3	5	4	-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	1	1	0
Egypt	18	21	22	22	23	22	22	23	22	23	23	1	26	27	25	-2
Gabon	2	2	4	1	1	2	1	2	2	2	2	0	3	4	4	0
South Africa	1	2	1	0	1	1	1	1	1	0	1	0	0	0	1	1
Africa other	5	4	5	5	3	4	11	12	12	12	12	7	12	14	14	0
Africa	**34**	**36**	**40**	**34**	**35**	**36**	**41**	**45**	**44**	**43**	**43**	**7**	**45**	**51**	**49**	**-2**
Total DCs	**282**	**322**	**330**	**325**	**307**	**321**	**307**	**317**	**328**	**336**	**322**	**1**	**346**	**356**	**352**	**-4**
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**	**1,919**	**1,670**	**1,713**	**43**

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

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