



It could be a close run year for demand and supply

Posted by [Heading Out](#) on July 29, 2005 - 5:10am

The tragic loss of the [Indian oil platform](#) is likely to have more of an impact on that country than a similar loss here (which in a sense has occurred with the delayed production from the Thunder Horse platform damaged in the recent hurricane). India, as noted in an earlier post, only produces around 700,000 bd of oil, so that the loss of 100,000 bd plus is bound to have an impact.

The impact may be doubly felt since the replacement oil must be bought at world market prices, and the Indian oil companies subsidize the price of the refined product on the Indian market. The total subsidy cost last year was [apparently](#) \$1.8 bn of which the companies paid a third. UPDATE to note [Bloomberg](#) has a story on this today.

The people in those countries affected are rather sensitive to tampering with government and corporate subsidies for fuel, which is an interesting contrast with the behavior of those in countries where the fuel is, instead, heavily taxed. One wonders how the changing availability of oil and the prices that governments can afford to pay will have on the ultimate stability of their governments.

In response to a request that appeared in an earlier comment, regarding where we stand on overall production. The Oil and Gas Journal keeps a statistical table (unfortunately only available on subscription) that lists country production and changes over the past year. In trying to find this information I also stumbled across the CIA worldbook entry that gives its versions of the oil production of different countries. It was intriguing to see the differences between the two sets of numbers for last year, and to note that the [CIA figures](#) were generally higher than those of the industry.

Country.....	Production	Change
Saudi Arabia.....	9,310,000.....	815,000
Russia.....	9,080,000.....	36,000
United States.....	5,488,000.....	(142,000)
Iran.....	3,880,000.....	(65,000)
Mexico.....	3,409,000.....	(56,000)
China.....	3,586,000.....	187,000
Norway.....	2,864,000.....	(318,000)
Canada.....	2,325,000.....	(155,000)
Venezuela.....	2,160,000.....	(43,000)
Nigeria.....	2,420,000.....	53,000
United Arab Em.....	2,420,000.....	160,000 (oops)
Kuwait.....	2,450,000.....	154,000
Iraq.....	1,830,000.....	(358,000)
UK.....	1,793,000.....	(222,000)
Brazil.....	1,720,000.....	143,000

Libya.....	1,640,000.....	140,000
Algeria.....	1,350,000.....	205,000
Kazakhstan.....	1,025,000.....	61,000
Angola.....	1,130,000.....	189,000

(a number in parentheses means, conventionally, that it is negative, or that production declined in that country).

These are the top world oil producers with current production and change since this time last year, according to the recent OGJ table. The table includes all those countries that produce more than 1 mbd of oil, and remember that world consumption last year was over 80 md. These numbers invariably get changed somewhat as the year progresses and a more accurate determination can be made, but they can be considered fairly close to actuality. They are currently projecting that world production has increased around 1.3 mbd over the past year. (And if you want to know why folk read Matt Simmons with concern just look how much of that increase came from Saudi Arabia).

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