



## World Oil Supplies as Reported in EIA's most recent International Energy Statistics

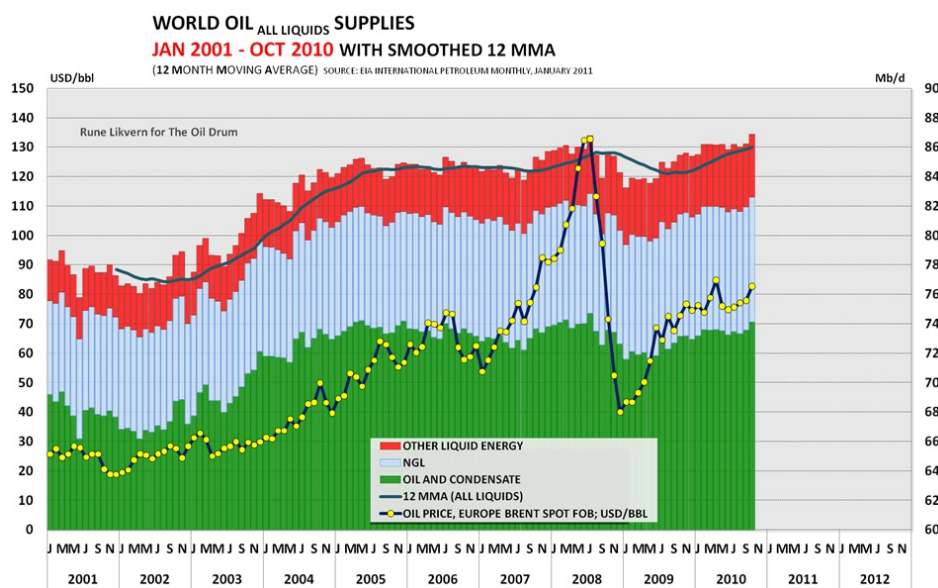
Posted by [Rune Likvern](#) on February 25, 2011 - 2:17am

**DISCLAIMER:** The author holds no positions in the oil/energy market that may be affected by the content of this post.

My post is mainly an update to [Global Oil Supplies as Reported by EIA's International Petroleum Monthly \(IPM\) for November 2010](#), based on data which the EIA reported in the past few weeks in their final edition of IPM and in their International Energy Statistics. I will also briefly present updated information regarding OECD and Non OECD oil supplies/consumption.

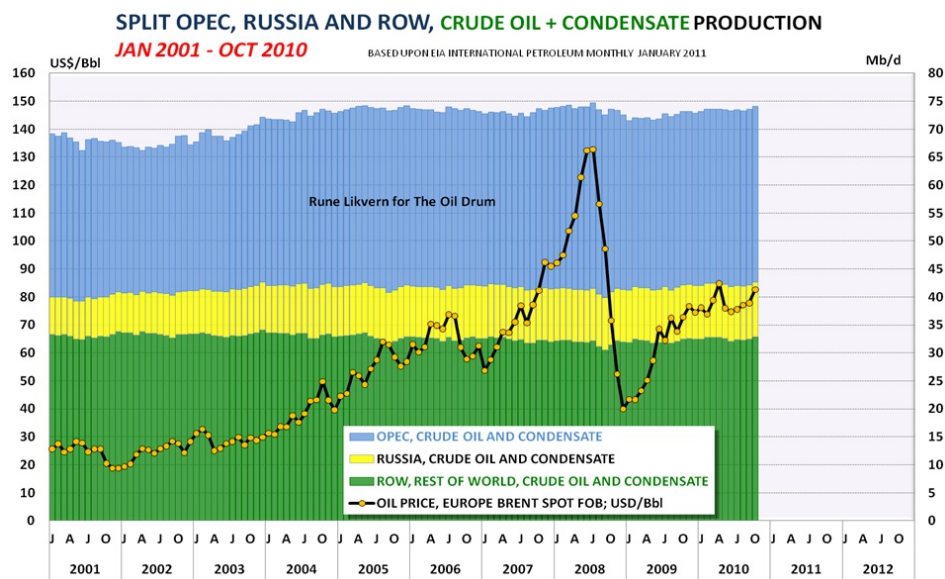
The recent EIA data shows growth in world supplies and growth in OECD consumption and net imports while Non OECD supplies/demand have temporarily flattened.

NOTE: Scaling varies from chart to chart and some charts are not zero scaled. Labels indicate whether graphs are on an "all liquids" or "crude and condensate" basis.



**Figure 01:** The stacked columns in the diagram above show development in global supplies of crude oil and condensate, NGL and other liquid energy from January 2001 through October 2010. The development in the average monthly oil price is plotted on the left hand y-axis. NOTE: Diagrams based upon EIA data may be subject to future revisions.

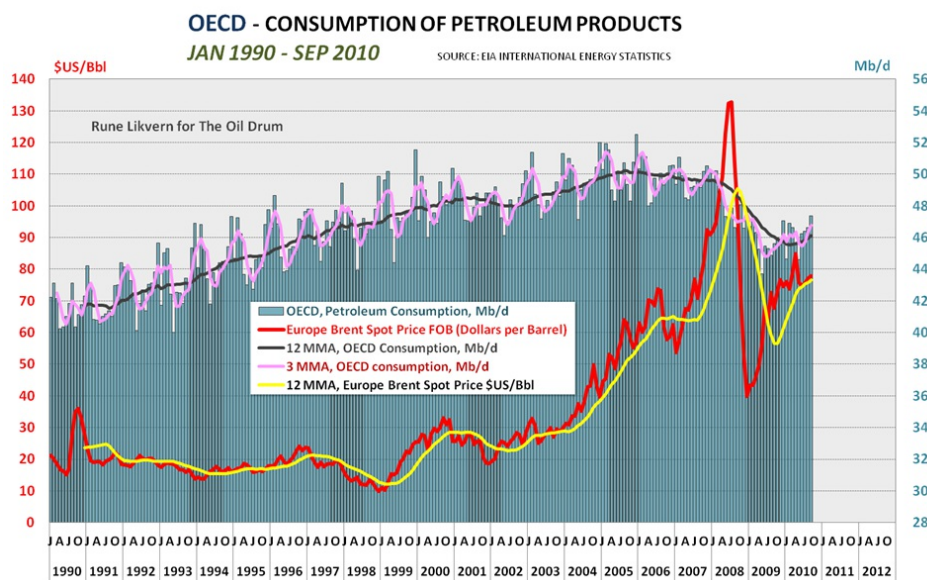
In the recent months growth in crude oil and condensates supplies has come from Russia and Rest Of World (ROW). The conclusion of the maintenance season in the North Sea has been a



**Figure 02:** The stacked columns shows crude oil and condensates supplies split among OPEC, Russia and ROW (Rest Of World; which also includes OECD), from January 2001 and as of October 2010. The development in the average monthly oil price is plotted on the left hand y-axis.

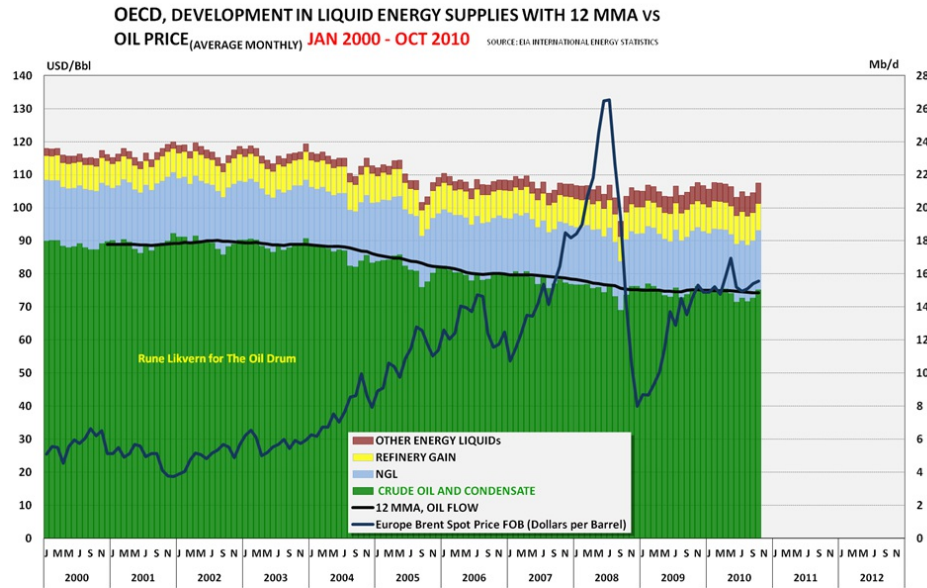
The long bumpy plateau from late 2004 to the present illustrates that huge swings in the oil price in recent years have had only a small impact on crude oil and condensate supplies.

EIA in their Short Term Energy Outlook (STEO) for February 2011 has projected a decline of 0,4 Mb/d in OECD and flat Russian petroleum supplies from 2010 to 2011. Under most circumstances, it could be expected that most of these declines would be offset by growth in OPEC supplies.



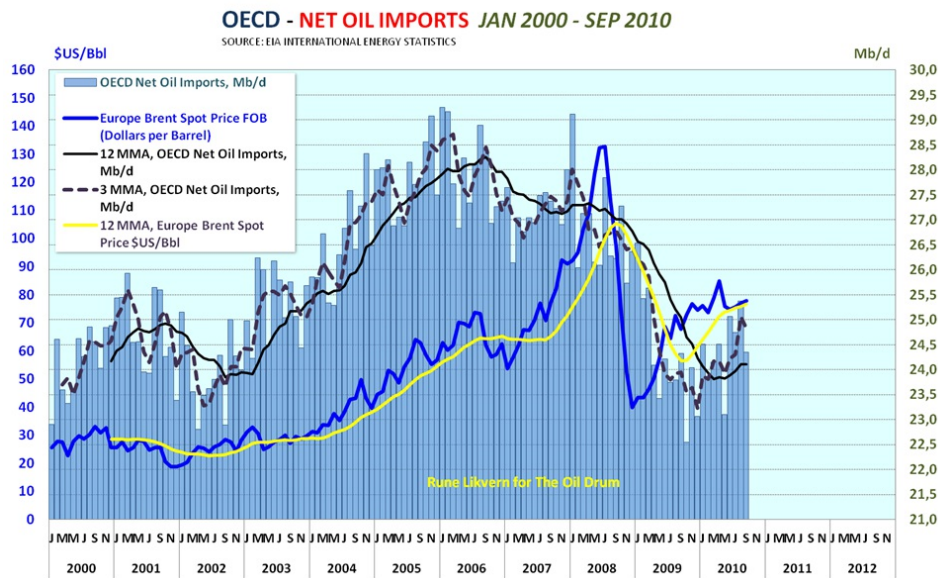
**Figure 03:** The diagram above shows development in OECD consumption of petroleum products between January 1990 and September 2010 together with the development in the oil price.

In the recent months, petroleum consumption and net imports (ref figure 05) within OECD has seen some growth and this coincides with the growth in the oil price.



**Figure 04:** The diagram shows development OECD supplies of energy in liquid state split on classes from January 2000 through October 2010.

The diagram above shows that supplies of crude oil and condensates within OECD has declined with around 3 Mb/d since 2004 and that some of this decline has been offset by growth of other liquid energy like ethanol and biodiesel.

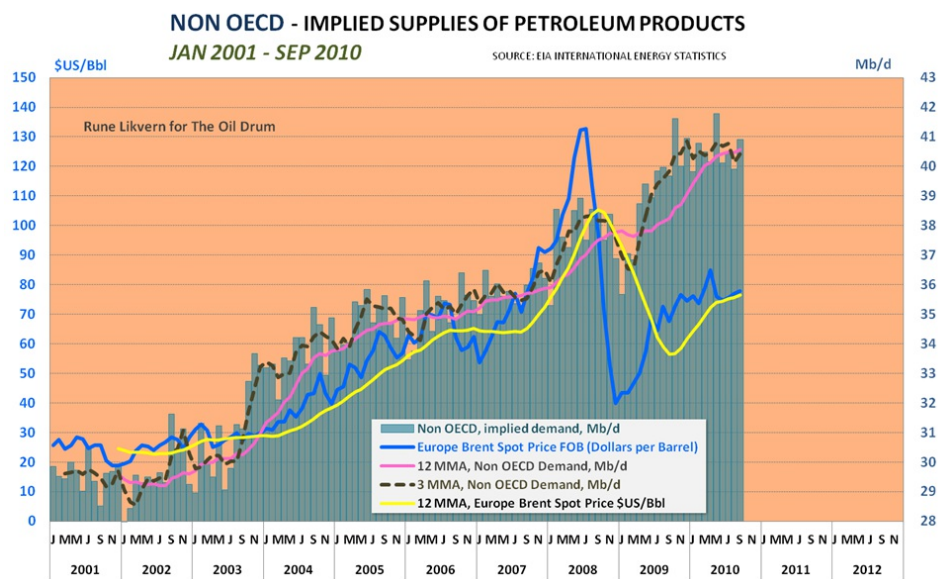


**Figure 05:** The diagram shows development in net oil imports for OECD from January 2000 through September 2010.

This diagram shows that the recent oil price growth happened as OECD again started increasing oil imports. This is one of the indicators suggesting that the oil price now has support based on fundamentals.

Going forward a decline in OECD supplies and growing OECD consumption will result in a need to grow net imports for OECD and it may prove challenging to reach the net import levels seen in

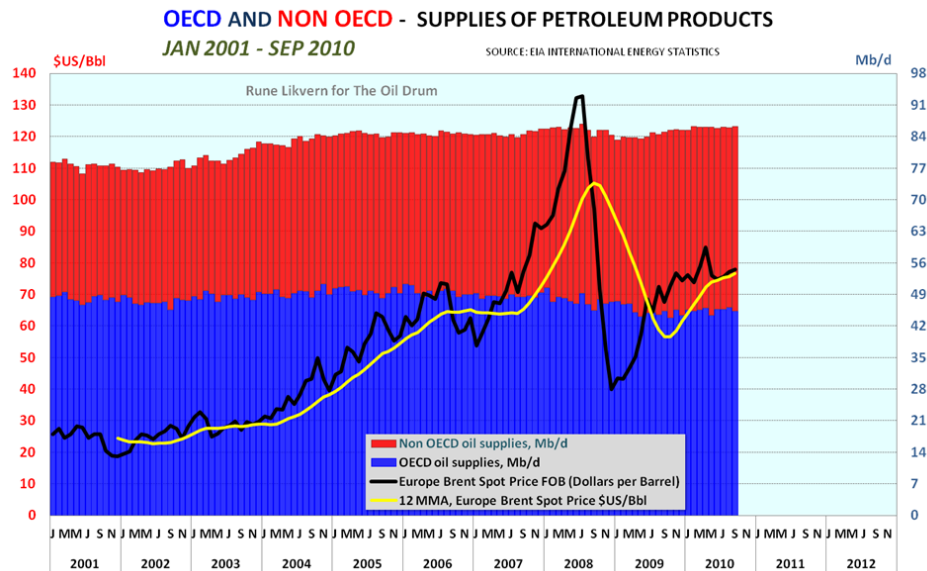




**Figure 06:** The above diagram shows implied demand for liquid energy from Non OECD countries from January 2001 through September 2010. (I describe it as implied demand as the diagram shows the difference between total global supplies of liquid energy and OECD supplies (production + net imports)).

Recently, demand for petroleum products from Non OECD seems to have levelled out as illustrated by the 3 MMA (3 Month Moving Average). (I use the 3MMA both to more easily identify seasonal variations and also to act as a “pilot” for trends over several months.)

What may be observed from the diagram is that as the oil price (Brent spot) moved north of \$70/Bbl it seemed like demand/consumption from Non OECD flattened. Many reports have pointed to continued growth in Chinese oil imports and consumption which may suggest that some economies may have cut down on their demand/consumption as a response to the price growth.

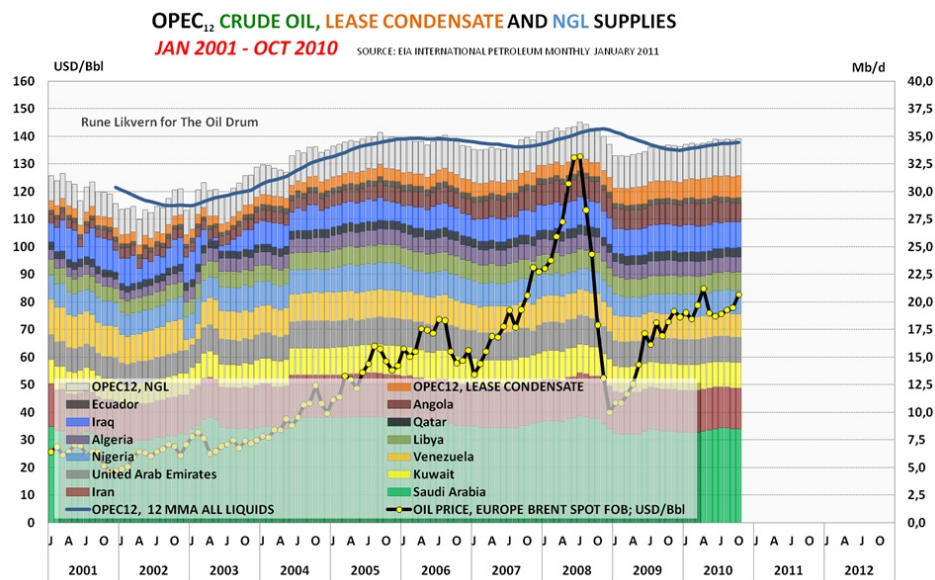


**Figure 07:** The stacked columns show the split between OECD and Non OECD supplies of liquid energy from January 2001 through September 2010. The average monthly oil price is

As OECD production continues to decline, a growing need for imports into OECD (ref figure 04 and 05 in this post) is expected to add upward pressure to the oil price. Oil imports into OECD will normally tend to be higher during the heating season (winter in the Northern Hemisphere) and this suggests an upward pressure to the oil price during the winter months.

With the approach of spring and warmer weather together with expected maintenance at refineries it should be expected that OECD demand/consumption abates some and thus takes some pressure off the oil price in the weeks ahead. However, the geopolitical factor may change that.

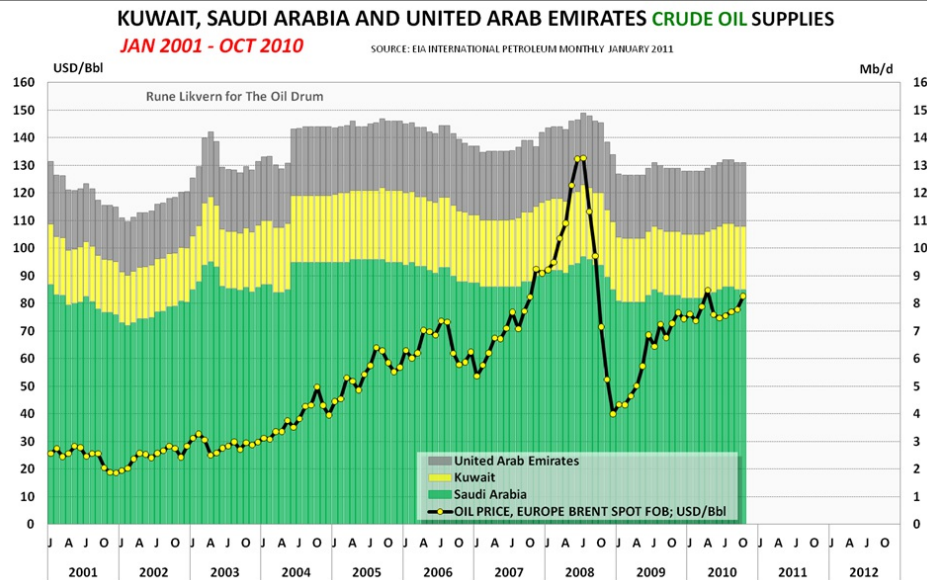
*Within a few weeks, I hope to post here on TOD an in-depth analysis which found it would take an average annual oil price of \$100 - 105/Bbl (Brent spot) before U.S. GDP exclusive of energy expenditures showed no growth, given current data for the U.S. economy and energy consumption for 2010. Energy expenditures are costs for petroleum products, plus energy resources for non energy use (asphalt, coke, petrochemical feedstock etc.), natural gas and electricity).*



**Figure 08:** The stacked columns show each OPEC member's crude oil supplies and OPEC's supplies of lease condensates and NGL from January 2001 through October 2010. The average monthly oil price is also plotted on the left hand y-axis.

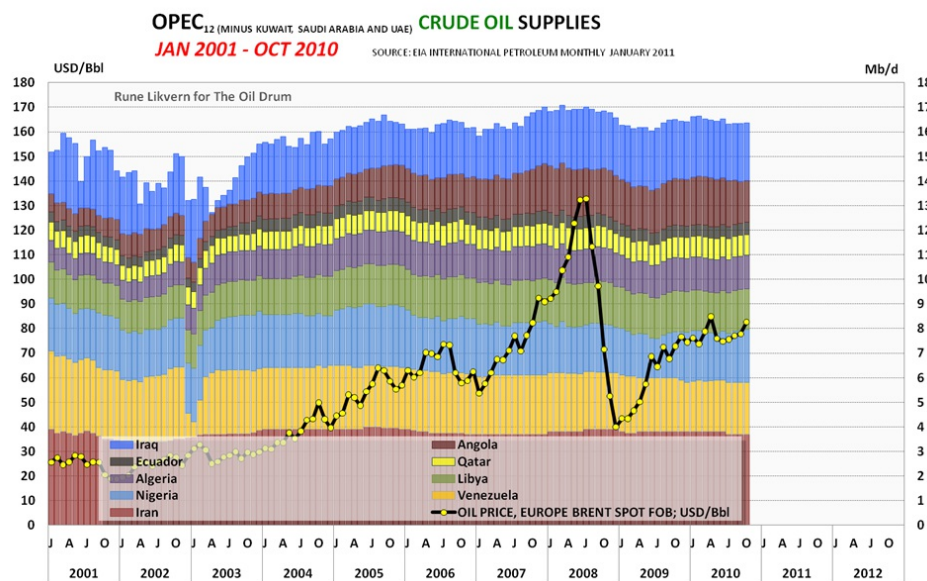
The recent data from EIA shows stagnant supplies of crude oil and some growth in supplies of condensates and NGL from OPEC. (Lease condensates and NGL are presently not part of OPEC's quota arrangements.)

To me, the recent growth in the oil price (adjusted for fluctuations in the value of the US Dollar) is a signal calling upon increased crude oil deliveries from OPEC.



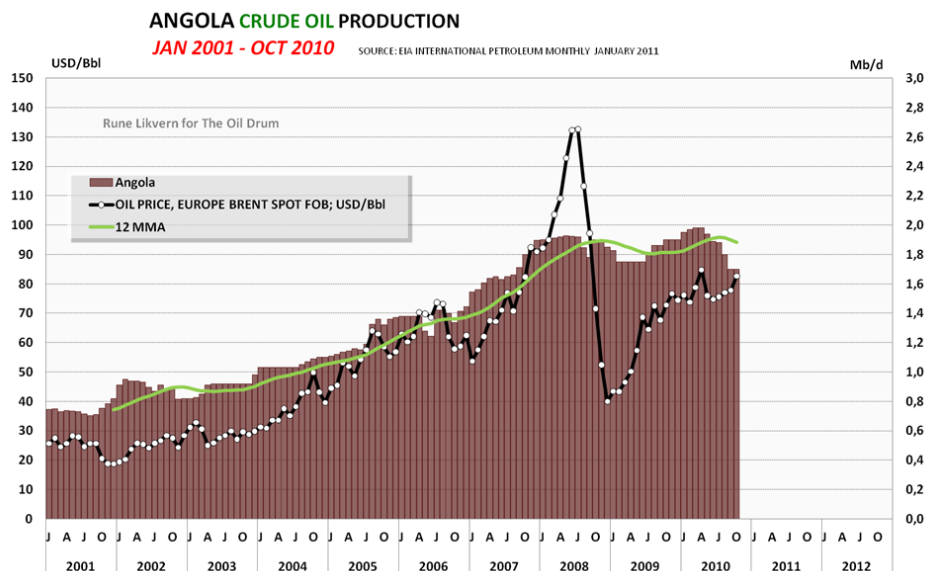
**Figure 09:** The diagram above shows crude oil supplies from January 2001 through October 2010 for Kuwait, Saudi Arabia and United Arab Emirates.

I believe most of present global spare *marketable* crude oil capacity is to be found amongst the 3 exporters presented above.



**Figure 10:** The stacked columns shows development in crude oil supplies from the 9 other OPEC members. The average monthly oil price is plotted on the left hand y-axis.

Total crude oil supply from the 9 OPEC members above have remained relatively high and flat during the recent months, suggesting that these countries are pumping at high levels, regardless of price.



**Figure 11:** The graph above shows development in crude oil supply from Angola. The average monthly oil price is plotted on the left hand y-axis.

Crude oil supply from Angola has declined in recent months and this may be in response to harmonize deliveries according to Angola's OPEC quotas.

In summary, January's International Petroleum Monthly supports a continuation of the trends I had noted in my [earlier post](#). In other words, world economies are still growing, putting more pressures on oil prices. By the end of 2011, my earlier analysis showed that the OPEC spare supply margin may be depleted. The next few months may become interesting ones!

#### SOURCES:

- [1] EIA, INTERNATIONAL PETROLEUM MONTHLY, JANUARY 2011
- [2] EIA, INTERNATIONAL ENERGY STATISTICS
- [3] EIA, SHORT TERM ENERGY OUTLOOK, FEBRUARY 2011



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