



Non-OPEC Oil Supply Gains

Posted by [Bubba](#) on January 3, 2006 - 4:00am

Topic: [Supply/Production](#)

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[A lot has been written and discussed](#) recently about here possible non-OPEC-supply gains occurring between 2005 and 2006. There are definitely [new projects coming on stream in several countries](#), including Angola, Azerbaijan, Russia, Brazil, as well as some other countries that might help make this happen. However, I am sitting here looking at a report from a well-known consultant (one that shall remain nameless for now - but you know who I am talking about) and I notice a slight of hand going on.

They forecast production, country-by-country through 2007 (total liquids) and show significant increases from 2005 to 2006 and 2006 to 2007. Although the expected increases are shown in expected countries listed above, they show slight but significant changes in trends in almost all countries across the board. For example, they show Ecuador's production decreasing from 2004 to 2005 but increasing in the following 2 years. Mexico, India and Norway also show dramatic turnarounds in 2006. The UK turns around in 2007. So does Argentina and Oman. And of course there is the all-inclusive "Others" category which constantly increases throughout the forecast period and picks up almost 300 kbd between 2004 and 2007.

Just to give you an idea, the Oil and Gas Journal gives the following percentage declines from 2004 to 2005. (caveat - the O&GJ numbers are crude only and the other report is total liquids)

- Ecuador -2.9%
- Mexico -1.9%
- India -4.0%
- Norway -8.3%
- UK -11.8%
- Argentina -3.8%
- Oman +0.1%
- Western Europe Total -8.7%
- Western Hemisphere -2.5%
- Africa Total +6.8% (dominated by Nigeria, Lybia, and Algeria {OPEC} and Angola {non-OPEC})

- Eastern Europe and FSU +4.2% (dominated by Russia)
- Asia Pacific +1.2% (dominated by China)
- Total Middle East +1.6% (dominated by OPEC and esp, Saudi Arabia)

- Total OPEC +2.1%
- Total non-OPEC -0.1%

- Total World +0.8%

(Sorry, but I can't seem to format a table properly)

I don't know about you, but for this type of forecasting, the devil is in the details, and it looks like there is a Pandora's Box full of sin hidden in the details of this consultant's report. It is clear to me that they have assumed very modest decline rates for most of these countries, and that they have assumed non-project-specific growth models for almost all countries. This gets into arm-waving territory where a forecast becomes opinion rather than fact driven.



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