



Independent Statistics & Analysis
U.S. Energy Information
Administration

The Availability and Price of Petroleum and Petroleum Products Produced in Countries Other Than Iran

The seventh in a series of reports required by section 1245 (d)
(4) (A) of the National Defense Authorization Act for Fiscal
Year 2012

February 28, 2013



Table of Contents

January – February 2013 Update	2
Tables	4
Figures	10

This is the seventh in a series of reports prepared in fulfillment of section 1245(d)(4)(A) of the National Defense Authorization Act (NDAA) for Fiscal Year 2012, as amended. The law requires the U.S. Energy Information Administration (EIA), the statistical and analytical agency within the U.S. Department of Energy, to submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the two-month period preceding the submission of the report. By law, EIA's data, analyses, and forecasts are independent of approval by any other officer or employee of the U.S. Government. The views in this report, therefore, should not be construed as representing those of the U.S. Department of Energy or other Federal agencies. However, EIA consulted with the U.S. Department of the Treasury, the U.S. Department of State, and the intelligence community in the process of developing this report. Readers are encouraged to consult previous editions of this report for detailed background and contextual information not repeated here.

January – February 2013 Update

- The U.S. Energy Information Administration (EIA) estimates that global liquid fuels¹ consumption outpaced production in January and February 2013, resulting in a 1.3-million-barrel-per-day (bbl/d) average draw in global oil stocks (**Table 1, Figure 1**). Crude oil prices moved higher during this period, rising above the trading range they had been in for much of fourth quarter 2012. The front month Brent futures contract averaged \$114.08 per barrel for the five-day period ending February 26, about \$5 per barrel higher than the five-day period ending December 21. On February 8, Brent crude oil prices settled at their highest level since early May 2012 (**Figure 2**).
- Global liquid fuels consumption decreased during January and February 2013 compared with the previous 60-day period (November and December 2012) by an average of 0.2 million bbl/d,² but it was above the historical three-year average and the volumes consumed during the same time period last year (**Table 1**). Non-OECD countries, particularly China, accounted for almost all of the 0.6-million-bbl/d increase in total world consumption over year-ago levels (**Table 2**). European members of the Organization for Economic Cooperation and Development (OECD) saw consumption decrease by 0.3 million bbl/d on average during January and February 2013 compared with year-ago levels as warmer weather, albeit still colder than normal, limited the amount of liquid fuels needed for space-heating this year. Japan's consumption was 0.2 million bbl/d lower than last year, but it exceeded recent historical averages by approximately 14 percent because of ongoing nuclear power outages.
- Global liquid fuels production decreased by an average of 0.6 million bbl/d in January and February 2013 compared to year-ago levels, due to a decline in production from members of the Organization of the Petroleum Exporting Countries (OPEC) and flat non-OPEC production. The fall in OPEC output was the result of declining crude output in Saudi Arabia and Iran, which more than offset increases from Iraq, Libya, and OPEC non-crude liquids (**Table 3**). World supply also fell, by an average of 0.8 million bbl/d relative to the previous 60-day period, due to small production declines that occurred in the United States, Russia, and Australia; the latter was due to unplanned outages. Brazilian production averaged 0.3 million bbl/d lower than the previous 60-day period, but this reflects seasonal fluctuations in ethanol production rather than a decline in crude oil output. The total volume of production that is offline due to unplanned outages in non-OPEC countries rose over the past 60 days and continues to exceed the more typical levels that prevailed in fourth quarter 2011 (**Figure 3**). In addition to Australia, unplanned outages in the North Sea and Colombia caused the overall average volume of non-OPEC oil production disruptions to increase by more than 60 thousand bbl/d during January and February 2013 relative to the previous 60-day period. Despite the increase in unplanned outages, total production volumes in the North Sea and Colombia remained at approximately the same level.
- Iran's liquid fuels production averaged 3.4 million bbl/d in January and February 2013, of which 2.8 million bbl/d was crude oil. Iran's liquid fuels production increased approximately 0.1 million bbl/d compared with the previous 60-day period. Nonetheless, Iran's liquid fuels production remains well below its year-ago level of 4.0 million bbl/d (**Table 1**).

¹ The term "liquid fuels" encompasses petroleum and petroleum products and close substitutes, including crude oil, lease condensate, natural gas plant liquids, biofuels, coal-to-liquids, gas-to-liquids, and refinery processing gain.

² The growth rates referenced in this report may not exactly match corresponding values in tables as a result of slight differences in rounding.

- Global surplus capacity increased by an average of 0.6 million bbl/d in January and February 2013 compared to the year-ago level, but it still remains 0.3 million bbl/d lower than the historical three-year average (**Table 3**). The estimate of effective surplus crude oil production capacity does not include additional capacity that may be technically available in Iran, but which is offline due to the impacts of U.S. and European Union (EU) sanctions on Iran's ability to sell its oil.
- The global balance between production and consumption implies that net global inventories, including those held in emerging market economies, fell by 0.5 million bbl/d and 2.2 million bbl/d in January and February, respectively (**Table 2**). These stock draws coincided with an increase in backwardation (when near-month prices are higher than farther dated prices) in the Brent futures curve and signaled tightness in the world waterborne crude market. For the five-day period ending February 26, the 1st-13th month time spread for the Brent futures curve was \$7.93 per barrel, an increase of \$1.63 per barrel since the five-day period ending December 21 (**Figure 4**).
- EIA has revised its estimates of total world supply and consumption for November and December 2012, which were published in the previous report released on December 20, 2012. The latest estimates show that world liquid fuels production averaged 89.1 million bbl/d in November and December 2012, which was approximately 0.3 million bbl/d higher than previously estimated. At the same time, EIA's estimate of world liquid fuels consumption was revised down by about 0.4 million bbl/d to 89.8 million bbl/d for the 60-day period, resulting in a 0.6-million-bbl/d average draw in global oil stocks. Supply increases were mainly the result of higher-than-previously estimated production among non-OPEC producers, particularly the United States, Russia, Australia, and China, which were partially offset by lower production estimates for Saudi Arabia and Libya, as well as lower-than-previously estimated OPEC non-crude liquids production.

Tables

Table 1. Summary of Estimated Liquid Fuels Quantities and Prices

Item	January 2013	February 2013	Jan – Feb 2013 Average	Jan – Feb 2012 Average	2010 – 2012 Average
Total Global Liquid Fuels					
Total Global Liquid Fuels Production (a) (million bbl/d)	88.2	88.3	88.3	88.9	87.6
Total Global Liquid Fuels Consumption (b) (million bbl/d)	88.7	90.5	89.6	88.9	88.2
Biofuels Production (c) (million bbl/d)	1.6	1.5	1.6	1.5	1.8
Biofuels Consumption (c) (million bbl/d)	1.8	1.8	1.8	1.8	1.7
Iran Liquid Fuels Production (million bbl/d)	3.4	3.4	3.4	4.0	4.0
Iran Liquid Fuels Consumption (million bbl/d)	1.7	1.7	1.7	1.8	1.7
Petroleum and Petroleum Products Produced and Consumed in Countries Other Than Iran					
Production (d) (million bbl/d)	83.3	83.4	83.3	83.4	81.8
Consumption (d) (million bbl/d)	85.2	86.9	86.0	85.3	84.8
Production minus Consumption	-1.9	-3.5	-2.7	-1.9	-3.0
World Inventory Net Withdrawals Including Iran (million bbl/d)	0.5	2.2	1.3	0.0	0.6
Estimated OECD Inventory Level (e) (million barrels)	2669	2635	2652	2649	--
Surplus Production Capacity					
OPEC Surplus Crude Oil Production Capacity (f) (million bbl/d)	2.7	2.7	2.7	2.1	3.0
Oil Price Level					
WTI Front Month Futures Price (g) (\$ per barrel)	94.83	95.49	95.13	101.29	89.62
Brent Front Month Futures Price (h) (\$ per barrel)	112.32	116.37	114.13	115.26	100.98
RBOB Front Month Futures Price (i) (\$ per gallon)	2.83	3.05	2.93	2.90	2.62
Oil Price Time Spread					
WTI 1st - 13th Month Futures Spread (\$ per barrel)	0.46	0.11	0.30	-0.78	-3.16
Brent 1st - 13th Month Futures Spread (\$ per barrel)	7.57	8.29	7.89	5.27	1.31

Note: The term "liquid fuels" encompasses crude oil, lease condensate, natural gas plant liquids, biofuels, coal-to-liquids, gas-to-liquids, and refinery processing gains, which are important to consider in concert due to the inter-related supply, demand, and price dynamics of petroleum, petroleum products, and related fuels.

(a) Production includes crude oil (including lease condensates), natural gas plant liquids, other liquids, and refinery processing gains.

(b) Consumption of petroleum by the OECD countries is synonymous with "products supplied," defined in the glossary of the EIA Petroleum Supply Monthly, DOE/EIA-0109. Consumption of petroleum by the non-OECD countries is "apparent consumption," which includes internal consumption, refinery fuel and loss, and bunkering.

(c) Biofuels production and consumption are based on 2011 EIA estimates, as published in the International Energy Statistics. Biofuels production in the third quarter tends to be at its highest level in the year since ethanol production in Brazil reaches its seasonal peak and tends to be lowest in the first quarter as seasonal production falls in the South/South-Central region of Brazil.

(d) Global production of petroleum and petroleum products outside of Iran is derived by subtracting biofuels production and Iran liquid fuels production from global liquid fuels production. The same method is used to calculate global consumption outside of Iran.

(e) Estimated inventory level is for OECD countries only.

(f) EIA defines surplus oil production capacity as potential oil production that could be brought online within 30 days and sustained for at least 90 days, consistent with sound business practices. This does not include oil production increases that could not be sustained without degrading the future production capacity of a field. It also does not include additional capacity that may be available in Iran, but which is currently offline due to the impacts of U.S. and EU sanctions on Iran's ability to sell its oil.

(g) WTI refers to West Texas Intermediate crude oil traded on the New York Mercantile Exchange (NYMEX), owned by Chicago Mercantile Exchange (CME) Group.

(h) Brent refers to Brent crude oil traded on the Intercontinental Exchange (ICE).

(i) RBOB refers to reformulated blendstock for oxygenate blending traded on the NYMEX.

Note: February prices include data through market close on February 26, 2013.

Source: U.S. Energy Information Administration.

Table 2. International Liquid Fuels Production, Consumption, and Inventory Estimates

Item	January 2013	February 2013	Jan – Feb 2013 Average	Jan – Feb 2012 Average	2010 – 2012 Average
Production (million barrels per day) (a)					
OECD	22.8	22.8	22.8	22.6	21.8
U.S. (50 States)	11.6	11.6	11.6	10.8	10.3
Canada	4.0	4.0	4.0	3.9	3.6
Mexico	2.9	2.9	2.9	2.9	3.0
North Sea (b)	2.8	2.7	2.8	3.4	3.4
Other OECD	1.5	1.5	1.5	1.5	1.6
Non-OECD	65.5	65.5	65.5	66.3	65.7
OPEC	35.8	35.9	35.8	36.4	35.5
Crude Oil Portion	30.0	30.1	30.1	31.0	30.2
Non-crude liquids	5.7	5.7	5.7	5.4	5.3
Former Soviet Union	13.5	13.5	13.5	13.4	13.3
China	4.4	4.4	4.4	4.3	4.3
Other non-OECD	11.9	11.7	11.8	12.2	12.6
Total World Production	88.2	88.3	88.3	88.9	87.6
Non-OPEC Production	52.5	52.5	52.5	52.5	52.1
Consumption (million barrels per day) (c)					
OECD	45.1	46.8	45.9	46.4	46.4
U.S. (50 States)	18.2	18.6	18.4	18.5	18.9
U.S. territories	0.3	0.3	0.3	0.3	0.3
Canada	2.2	2.3	2.3	2.2	2.3
Europe	13.0	13.8	13.4	13.7	14.2
Japan	5.1	5.3	5.2	5.3	4.5
Other OECD	6.2	6.4	6.3	6.3	6.2
Non-OECD	43.6	43.7	43.6	42.5	41.8
Former Soviet Union	4.9	4.8	4.9	4.7	4.6
Europe	0.7	0.7	0.7	0.7	0.7
China	10.7	10.5	10.6	10.3	9.8
Other Asia	10.5	10.7	10.6	10.4	10.2
Other non-OECD	16.7	16.9	16.8	16.4	16.5
Total World Consumption	88.7	90.5	89.6	88.9	88.2
Inventory Net Withdrawals (million barrels per day)					
U.S. (50 States)	0.0	0.6	0.3	-0.3	0.0 (d)
Other OECD	0.2	0.6	0.4	-0.3	0.0 (e)
Other Stock Draws and Balance	0.3	0.9	0.6	0.6	0.6
Total Stock Draw	0.5	2.2	1.3	0.0	0.6
End-of-period Inventories (million barrels)					
U.S. Commercial Inventory	1,107	1,090	1,099	1,073	--
OECD Commercial Inventory	2,669	2,635	2,652	2,649	--

OECD = Organization for Economic Cooperation and Development: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

OPEC = Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

Former Soviet Union = Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

(a) Supply includes production of crude oil (including lease condensates), natural gas plant liquids, biofuels, other liquids, and refinery processing gains.

(b) Includes offshore supply from Denmark, Germany, the Netherlands, Norway, and the United Kingdom.

(c) Consumption of petroleum by the OECD countries is synonymous with "products supplied," defined in the glossary of the EIA Petroleum Supply Monthly, DOE/EIA-0109. Consumption of petroleum by the non-OECD countries is "apparent consumption," which includes internal consumption, refinery fuel and loss, and bunkering.

(d) The estimate is -0.02 million bbl/d.

(e) The estimate is 0.03 million bbl/d.

Source: U.S. Energy Information Administration.

Table 3. OPEC Crude Oil (Excluding Condensates) and Liquid Fuels Supply Estimates

Production (million barrels per day)	January 2013	February 2013	Jan – Feb 2013 Average	Jan – Feb 2012 Average	2010 – 2012 Average
Crude Oil					
Algeria	1.2	1.2	1.2	1.3	1.3
Angola	1.8	1.8	1.8	1.8	1.8
Ecuador	0.5	0.5	0.5	0.5	0.5
Iran	2.8	2.8	2.8	3.4	3.5
Iraq	3.1	3.1	3.1	2.6	2.6
Kuwait	2.6	2.6	2.6	2.6	2.5
Libya	1.4	1.4	1.4	1.1	1.2
Nigeria	2.1	2.0	2.0	2.1	2.1
Qatar	0.7	0.7	0.7	0.9	0.8
Saudi Arabia	9.1	9.1	9.1	9.9	9.3
United Arab Emirates	2.7	2.7	2.7	2.6	2.5
Venezuela	2.2	2.2	2.2	2.2	2.2
OPEC Total	30.0	30.1	30.1	31.0	30.2
Non-crude liquids	5.7	5.7	5.7	5.4	5.3
Total OPEC Supply	35.8	35.9	35.8	36.4	35.5
Crude Oil Production Capacity					
Africa	6.4	6.4	6.4	6.3	6.3
South America	2.7	2.7	2.7	2.7	2.7
Middle East	23.7	23.7	23.7	24.1	24.3
OPEC Total	32.7	32.8	32.8	33.1	33.2
Surplus Crude Oil Production Capacity (a)					
Africa	0.0	0.0	0.0	0.0	0.0
South America	0.0	0.0	0.0	0.0	0.0
Middle East	2.7	2.7	2.7	2.1	3.0
OPEC Total	2.7	2.7	2.7	2.1	3.0

OPEC = Organization of the Petroleum Exporting Countries: Algeria, Angola, Libya, and Nigeria (Africa); Ecuador and Venezuela (South America); Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates (Middle East).

a) EIA defines surplus crude oil production capacity as potential oil production that could be brought online within 30 days and sustained for at least 90 days, consistent with sound business practices. This does not include oil production increases that could not be sustained without degrading the future production capacity of a field. It also does not include additional capacity that may be available in Iran, but which is currently offline due to the impacts of U.S. and EU sanctions on Iran's ability to sell its oil. Source: U.S. Energy Information Administration.

Table 4. Non-OPEC Liquid Fuels Supply Estimates

Production (million barrels per day)	January 2013	February 2013	Jan – Feb 2013 Average	Jan – Feb 2012 Average	2010 – 2012 Average
North America	18.5	18.6	18.5	17.7	16.9
Canada	4.0	4.0	4.0	3.9	3.6
Mexico	2.9	2.9	2.9	2.9	3.0
United States	11.6	11.6	11.6	10.8	10.3
Central and South America	4.6	4.5	4.5	4.6	4.8
Argentina	0.7	0.7	0.7	0.8	0.8
Brazil	2.4	2.3	2.3	2.5	2.7
Colombia	1.0	1.0	1.0	0.9	0.9
Other Central and South America	0.5	0.5	0.5	0.4	0.5
Europe	3.7	3.7	3.7	4.3	4.3
Norway	1.7	1.7	1.7	2.1	2.0
United Kingdom (offshore)	0.9	0.9	0.9	1.1	1.1
Other North Sea	0.2	0.2	0.2	0.2	0.3
Former Soviet Union (FSU)	13.5	13.5	13.5	13.4	13.3
Azerbaijan	0.9	0.9	0.9	1.0	1.0
Kazakhstan	1.7	1.7	1.7	1.6	1.6
Russia	10.4	10.4	10.4	10.4	10.3
Turkmenistan	0.3	0.3	0.3	0.2	0.2
Other FSU	0.3	0.3	0.3	0.2	0.2
Middle East	1.3	1.3	1.3	1.3	1.4
Oman	0.9	0.9	0.9	0.9	0.9
Syria	0.2	0.2	0.2	0.2	0.3
Yemen	0.2	0.2	0.2	0.1	0.2
Asia and Oceania	8.7	8.8	8.7	8.7	8.8
Australia	0.5	0.5	0.5	0.5	0.6
China	4.4	4.4	4.4	4.3	4.3
India	0.9	0.9	0.9	0.9	0.9
Indonesia	0.9	0.9	0.9	1.0	1.0
Malaysia	0.6	0.6	0.6	0.7	0.6
Vietnam	0.3	0.3	0.3	0.4	0.3
Africa	2.3	2.3	2.3	2.4	2.5
Egypt	0.7	0.7	0.7	0.7	0.7
Equatorial Guinea	0.3	0.3	0.3	0.3	0.3
Gabon	0.2	0.2	0.2	0.2	0.2
Sudan	0.1	0.1	0.1	0.2	0.4
Total non-OPEC liquids	52.5	52.5	52.5	52.5	52.1
OPEC non-crude liquids	5.7	5.7	5.7	5.4	5.3
Non-OPEC + OPEC non-crude liquids	58.2	58.2	58.2	57.9	57.4

Former Soviet Union = Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

Sudan production represents total production from both Sudan and South Sudan.

OPEC = Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

The sum of individual countries may not add to regional totals.

Source: U.S. Energy Information Administration.

Table 5. Crude Oil and Petroleum Product Price Data

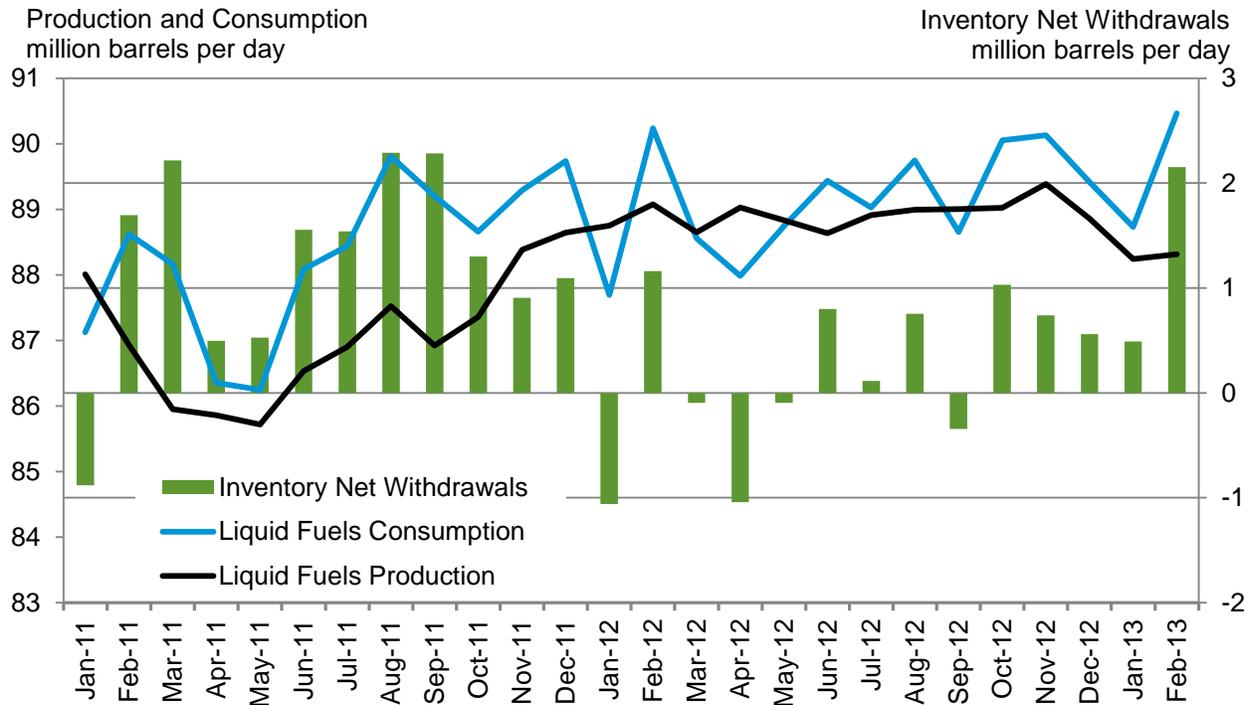
Item	January 2013	February 2013	Jan – Feb 2013 Average	Jan – Feb 2012 Average	2010 – 2012 Average
Brent Front Month Futures Price (\$ per barrel)	112.32	116.37	114.13	115.26	100.98
WTI Front Month Futures Price (\$ per barrel)	94.83	95.49	95.13	101.29	89.62
Dubai Front Month Futures Price (\$ per barrel)	108.04	111.33	109.51	113.97	98.17
Brent 1st - 13th Month Futures Spread (\$ per barrel)	7.57	8.29	7.89	5.27	1.31
WTI 1st - 13th Month Futures Spread (\$ per barrel)	0.46	0.11	0.30	-0.78	-3.16
RBOB Front Month Futures Price (\$ per gallon)	2.83	3.05	2.93	2.90	2.62
Heating Oil Front Month Futures Price (\$ per gallon)	3.06	3.16	3.10	3.12	2.71
RBOB - Brent Futures Crack Spread (\$ per gallon)	0.15	0.28	0.21	0.16	0.22
Heating Oil - Brent Futures Crack Spread (\$ per gallon)	0.38	0.39	0.39	0.38	0.31

*Note: February prices include data through market close on February 26, 2013.

Source: U.S. Energy Information Administration, based on Chicago Mercantile Exchange (CME), Intercontinental Exchange (ICE) and Dubai Mercantile Exchange (DME).

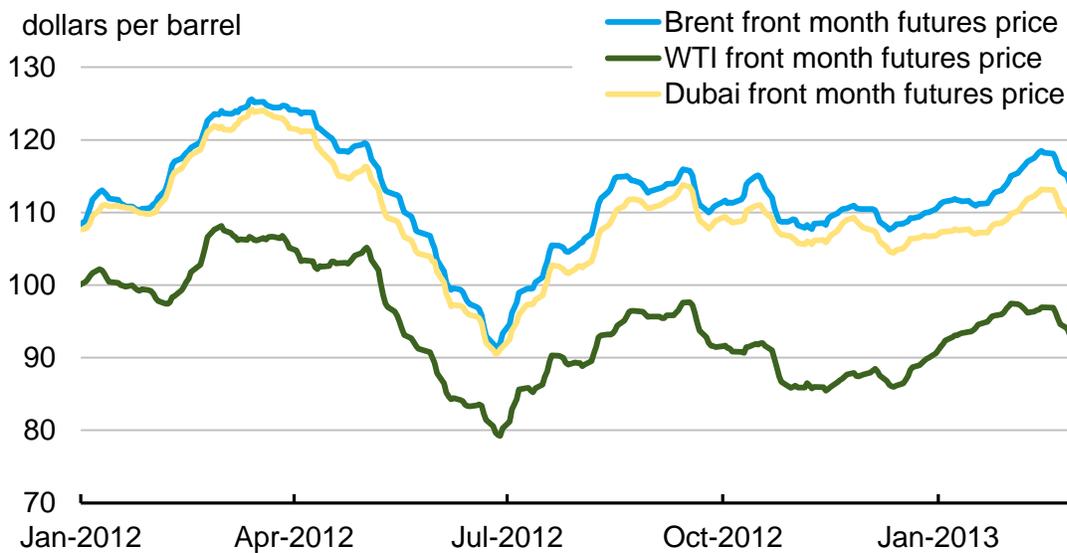
Figures

Figure 1. World Liquid Fuels Production, Consumption, and Net Inventory Withdrawals, January 2011 – February 2013



Source: U.S. Energy Information Administration.

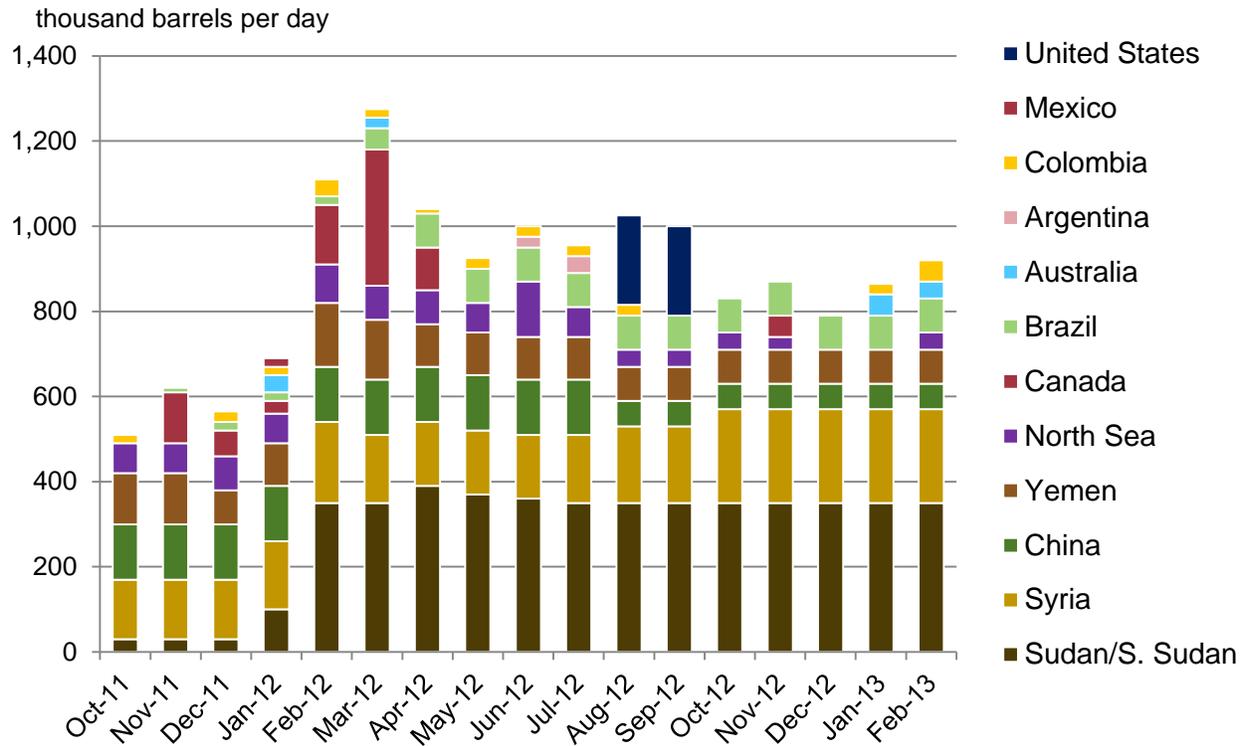
Figure 2. Front Month Crude Oil Futures Prices



Note: All prices represent rolling 5-day averages.

Source: U.S. Energy Information Administration, based on Chicago Mercantile Exchange (CME), Intercontinental Exchange (ICE) and Dubai Mercantile Exchange (DME).

Figure 3. Estimated Unplanned Production Disruptions Among non-OPEC Producers, October 2011 – February 2013



Source: U.S. Energy Information Administration.

Figure 4. Crude Oil 1st - 13th Month Futures Price Spread



Note: All prices represent rolling 5-day averages.

Source: U.S. Energy Information Administration, based on Chicago Mercantile Exchange (CME) and Intercontinental Exchange (ICE).