

Crude Oil Prices: Stabilisation at High Level

The price of crude oil has been subject to violent fluctuation since the middle of 1996. Following hefty increases that peaked at US-\$ 24 a barrel in January 1997, the barrel price plunged in the course of only two months down to US-\$ 18, remaining at around that level until the end of 1997. Subsequently, the stagnation of world oil consumption triggered by the financial crises in south-east Asia and Russia, on the one hand, and production increases in some of the OPEC countries (especially Iraq), on the other, pushed the price of a barrel Brent crude oil down to under US-\$ 10 in February 1998. Substantial restrictions on production on the part of OPEC together with production decreases in other regions contributed to a sharp rise in crude oil prices at the beginning of 1999, and US-\$ 19 was being paid for a barrel of crude oil (Brent) by July. OPEC hopes to stabilise crude prices at a level of between US-\$ 18 and US-\$ 22 a barrel in the future. If the controls on production are upheld until the end of 1999, it is possible that prices will surpass this target in winter. In the medium-term, crude oil prices should gradually stabilise at the level targeted by OPEC.

Oil price decline and OPEC's response

The world crude oil price dropped sharply during 1997 and 1998 as a consequence of unexpectedly weak demand and delayed corresponding adjustments to production. Stocks of crude oil and oil products had reached a low in 1996,¹ but subsequently rose sharply, especially in the second quarter of 1997 and the first half of 1998. According to the International Energy Agency (IEA), between the first quarter of 1997 and the second quarter of 1999, a total of around 450 million barrels more crude oil were produced worldwide than were consumed; this figure represents about 1.7% of consumption in 1998.²

¹ Cf. World's producers pumping less than consumers using. In: *Petroleum Intelligence Weekly*, November 18, 1996:

² The production surpluses were probably somewhat lower than those reported by the IEA. Some OPEC countries might have had an interest in providing inflated production figures in order to have a better starting position in the poker game for production quotas. Cf. Peter Horsnell: The strange case of the missing barrels. *OIES Monthly Comment*, December 1998. Ibid.: A la recherche des barils perdus - more missing barrels. *OIES Monthly Comment*, July 1999.

Many market participants had clearly not expected the fall in prices to continue until the end of 1998. This is evident, for example, from the fact that stocks were built up from as early as 1997 onwards; in addition, from spring of 1997 onwards the future price was higher than the spot market price (see figure).

After OPEC had failed to restrict oil production significantly by the end of 1998, it appeared very possible that the cartel might actually break up.³ However, pressurised by income losses, the OPEC countries ultimately not only agreed on significant reductions in output but also implemented the controls more rigorously. Because the OPEC countries have huge production capacities at their disposal and are able to produce oil particularly cheaply, they are capable of bolstering the world price by reducing supply when they act in consensus. Now they are also being supported by a number of other countries (especially Mexico, Russia and Norway).

Consumption trends ...

While oil consumption had fallen significantly during the first half of the 1980s because of the high price of oil at that time, it increased between 1985 and 1998 by 13 million barrels a day (mbd) to 71.5 mbd (cf. table 1). If the decline in consumption of almost 5 mbd in the former Soviet countries is not taken into account, there was a gross increase in world oil consumption of 18mbd. The average annual growth rate of world oil consumption was 1.6% during this period. There was a hugely above-average increase in oil consumption in the 'Asia and Pacific' region, in the Middle East and in Latin America.

The increase in oil consumption was curbed twice during the period observed by the economic consequences of state or financial crises in individual regions. Thus, the increase that began in the second half of the 1980s was slowed down between 1991 and 1993 by declines in the former Soviet countries⁴ and in eastern Europe. There was another sharp increase in world oil

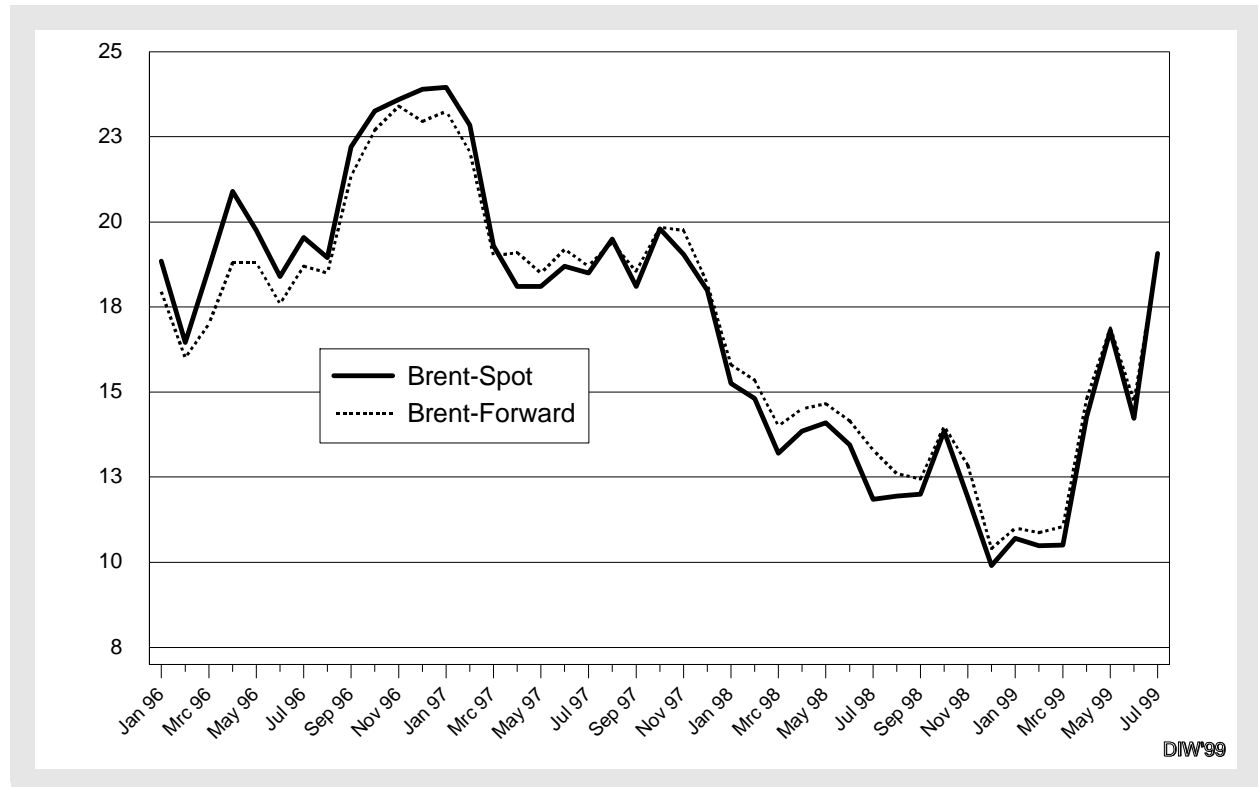
³ Edward Morse even suggested that OPEC had in effect broken up already. Cf. Edward Morse (1977): New Era Opens for OPEC with end of quota epoch. In: *Petroleum Intelligence Weekly*, December 8, p.5.

⁴ While economic growth and oil consumption were already improving in some eastern European countries before the mid-1990s, the crisis lasted longer in most of the former Soviet countries. The declines in consumption have been weakening significantly in the latter group since 1997, though widely varying trends can be observed across the individual countries. While the decline in consumption was still continuing in 1998 in Russia (-5.3%) and Azerbaijan (-2.2%), oil consumption expanded sharply in Kazakhstan (+22.3%) and Turkmenistan (+20%) and increased tangibly in the remaining former Soviet countries by between 3 and 7% in the same year.

Figure 1

Price Trends for Brent Crude Oil (Spot and Forward¹) January 1996 to July 1999

US-dollars per barrel



¹ Delivery after eight weeks.
Source: Petroleum Intelligence Weekly.

consumption in the second half of the 1990s. This time the upward trend was halted by the crises in Asia, Latin America and Russia.

... and production since the mid-1980s

The regional structure of oil production has changed considerably since the fall in oil prices in 1986. While the Middle East was able to increase its share of world oil supplies from 19 to 31% between 1985 and 1998 – despite Iraq's restrictions on production, the former Soviet countries' share fell from 12 to 7% (cf. table 2).

Oil production has decreased somewhat in North America. This trend seemed to have halted towards the end of the 1990s, but there was another decline in 1998 due to the fall in prices. The drastic restrictions on production in the former Soviet countries are largely a result of the transformation crisis they are undergoing. The curtailing effect of the fall in oil prices in the mid-1980s did not last long in the other regions outside the Middle East. Oil production was increased significantly in the first half of the 1990s especially in Europe and

South America. This trend was aided by technological advances in oil exploration and extraction – especially offshore – but also by tax cuts.

The production increases levelled off, particularly in Europe, in the second half of the 1980s. This is an indication that in regions with high production costs the investments made during the high-price phase first continued to have an effect and that investment then weakened, so that – despite substantial technological advances – the increase in oil production was halted in these regions.

The current market situation

Within the OECD, declines in consumption in Japan and Korea in 1998 were more than compensated for by increases in the other OECD countries – especially North America and Europe; total oil consumption in the OECD countries has thus increased slightly (cf. table 3). In the non-OECD countries, consumption was also up in the first half of 1998 on the first half of 1997, before stagnating and then declining in the fourth quarter of 1998.

Table 1
Oil Consumption Trends, 1985 to 1998

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
million barrels per day										
North America	17.9	19.5	19.2	19.4	19.7	20.4	20.2	20.8	21.3	21.4
South and Central America	3.2	3.6	3.6	3.7	3.8	4.0	4.2	4.3	4.5	4.6
Europe	13.9	15.0	15.0	15.0	15.0	15.0	15.3	15.6	15.8	16.1
Former Soviet Union	8.4	8.4	8.0	7.0	5.5	4.7	4.4	3.8	3.8	3.7
Middle East	3.0	3.4	3.5	3.6	3.7	3.8	4.0	4.1	4.2	4.2
Africa	1.7	2.0	2.0	2.0	2.1	2.1	2.2	2.3	2.3	2.4
Asia and Pacific	10.5	13.7	14.3	15.3	15.9	17.1	18.0	18.8	19.6	19.1
Total world	58.5	65.4	65.5	66.0	65.8	67.2	68.2	69.7	71.5	71.5
% share										
North America	30.6	29.7	29.2	29.4	30.0	30.3	29.6	29.8	29.7	29.9
South and Central America	5.4	5.4	5.5	5.7	5.8	5.9	6.1	6.2	6.3	6.5
Europe	23.7	22.9	22.9	22.8	22.8	22.4	22.4	22.4	22.2	22.5
Former Soviet Union	14.3	12.9	12.2	10.5	8.4	7.1	6.4	5.4	5.2	5.2
Middle East	5.1	5.2	5.3	5.4	5.6	5.7	5.8	5.9	5.8	5.9
Africa	2.9	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.3
Asia and Pacific	17.9	20.9	21.8	23.1	24.2	25.4	26.4	27.0	27.4	26.7
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
annual change in %										
North America	0.6	-1.7	-1.5	1.5	1.4	3.3	-0.9	3.0	2.3	0.7
South and Central America	1.1	-0.6	1.8	3.5	2.3	4.3	4.3	4.0	4.5	2.5
Europe	-0.9	1.5	0.2	0.2	-0.2	0.2	1.8	2.0	1.5	1.4
Former Soviet Union	-0.8	1.2	-5.1	-12.7	-20.5	-14.4	-8.2	-13.3	-0.7	-1.3
Middle East	3.1	5.4	2.8	1.9	3.1	4.5	3.9	3.4	1.7	1.2
Africa	7.9	2.9	2.0	1.5	2.4	2.4	3.0	1.8	2.7	2.6
Asia and Pacific	-0.3	6.0	4.3	6.9	4.3	7.2	5.5	4.4	4.2	-2.5
Total world	0.2	1.5	0.1	0.8	-0.4	2.1	1.5	2.2	2.6	0.1

Source: BP Amoco: Statistical Review of World Energy 1999. London, June 1999.

This trend was to a large extent a consequence of consumption reductions in the former Soviet countries and in China. Consumption rose slightly in the non-OECD Asian countries, especially India, Pakistan and Bangladesh, while it stagnated in Africa and Latin America. All in all, the expected sharp increase in oil consumption did not occur, especially not in Asia.⁵ The delayed response of OPEC with adjustments to the supply led to a severe fall in oil prices in 1998.

Consumption began to improve again slightly in the OECD countries in the first half of 1999, while it

⁵ Thus, at the beginning of 1998 the East-West Center in Honolulu still expected that oil consumption would increase in south-east Asia by 0.6 mbd in the same year. The forecasts for the previous year had been even higher. Cf. *Petroleum Intelligence Weekly*, January 5, 1998, p. 1: forecasts swelling for slide in Asian oil demand growth.

declined in comparison to the previous year's levels in the remaining countries. This was largely a result of the continued decline in consumption in Russia. Demand for oil has risen again in most Asian countries, especially in Japan and Korea. An overall increase in world oil consumption of between 1 and 1.2 mbd can be expected in 1999.⁶

World oil production was significantly in excess of world oil consumption in 1997 and 1998. It was only possible to reduce the production surplus to an insignificant level in the third quarter of 1998. Since then, consumption has exceeded production.

⁶ Cf. Energy Information Administration: short-term energy outlook, Washington, July 8, 1999, and International Energy Agency: Oil market report. Paris, June 11, 1999.

Table 2
Oil Production Trends, 1985 to 1998

	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
million barrels per day										
North America	15.4	13.9	14.2	14.1	13.9	13.8	13.8	14.1	14.3	14.2
South and Central America	3.7	4.5	4.8	4.8	5.0	5.3	5.8	6.1	6.5	6.7
Europe	4.4	4.6	4.8	5.1	5.4	6.3	6.6	6.9	6.9	6.9
Former Soviet Union	12.0	11.6	10.5	9.2	8.2	7.4	7.3	7.2	7.3	7.4
Middle East	10.7	17.8	17.3	18.8	19.6	19.9	20.1	20.6	21.6	22.8
Africa	5.5	6.7	6.9	6.9	6.9	7.0	7.1	7.5	7.8	7.5
Asia and Pacific	5.9	6.7	6.9	6.9	7.0	7.2	7.3	7.6	7.7	7.6
Total world	57.6	65.7	65.3	65.8	66.0	67.0	68.0	69.9	72.1	73.1
% share										
North America	26.7	21.1	21.7	21.4	21.0	20.6	20.3	20.1	19.8	19.4
South and Central America	6.5	6.9	7.3	7.4	7.6	8.0	8.5	8.8	9.0	9.2
Europe	7.6	6.9	7.3	7.8	8.2	9.5	9.7	9.9	9.6	9.4
Former Soviet Union	20.9	17.6	16.0	13.9	12.4	11.0	10.7	10.3	10.2	10.1
Middle East	18.6	27.1	26.5	28.5	29.6	29.7	29.6	29.5	29.9	31.2
Africa	9.5	10.2	10.6	10.6	10.5	10.5	10.5	10.7	10.8	10.3
Asia and Pacific	10.2	10.2	10.6	10.5	10.6	10.7	10.8	10.8	10.7	10.5
Total world	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
annual change in %										
North America	0.7	-1.1	2.3	-0.9	-1.1	-0.7	-0.1	1.9	1.6	-0.7
South and Central America	-0.1	8.3	5.4	1.8	4.1	6.0	8.2	6.5	5.9	3.5
Europe	3.4	2.7	5.1	7.0	5.7	17.1	3.9	5.0	0.4	-0.7
Former Soviet Union	-2.1	-5.9	-9.4	-12.7	-10.4	-9.8	-1.3	-1.8	2.4	0.2
Middle East	-5.4	7.5	-3.0	8.5	4.4	1.6	1.2	2.4	4.7	5.6
Africa	5.6	8.4	3.5	0.4	-0.2	1.2	1.6	4.7	4.3	-3.3
Asia and Pacific	4.5	3.7	3.0	-0.2	1.1	2.7	1.9	3.2	1.8	-0.5
Total world	-0.1	2.5	-0.6	0.7	0.4	1.4	1.6	2.8	3.1	1.4

Source: BP Amoco: Statistical Review of World Energy 1999. London, June 1999

The OECD countries have also contributed to stabilising prices on the oil market since the third quarter of 1998, especially thanks to falls in production in the USA and Norway. North Sea production⁷ appears to have roughly stagnated overall in 1998.⁸ OPEC, by contrast, significantly increased production in the first half of 1998 compared to the same period the previous year. This increase in production can be credited to Iraq alone, which increased its output – in accordance with the export quota authorised by the UN – by over a mil-

⁷ Production was around 0.5 mbd lower overall due to maintenance work on a number of rigs. Cf. *Oil Market Intelligence*, March 1998, p. 15.

⁸ Cf. North Sea crude oil production set to surge in 1998. In: *Petroleum Intelligence Weekly*, November 10, 1997, p. 1.

lion barrels a day (cf. table 4). Oil production in OPEC (including Iraq) has been decreasing significantly since mid-1998. Production has increased slightly – in the first half of 1999, too – in countries which are neither members of the OECD or OPEC. This has largely been the result of production increases in Latin America and the former Soviet countries.

Forecast for the second half of 1999

The IEA and the Energy Information Administration (EIA) expect an increase in world oil consumption of 1 or 1.2 mbd on the basis of the increasing dynamism of

Table 3

Oil Consumption and Production and Stock Trends from I/1997 to IV/1999¹

million barrels per day

	1997				1998				1999 ⁴			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Oil consumption												
OECD	47.0	45.5	46.4	47.9	47.3	45.5	46.7	48.1	48.8	45.9	47.4	49.2
Others	26.4	26.5	26.8	27.5	27.4	27.1	26.9	27.0	27.2	26.7	27.1	27.8
of which:												
former Soviet Union	4.3	4.3	4.3	4.5	4.6	4.2	4.1	4.1	4.2	3.5	3.8	4.1
China	4.1	3.9	4.1	4.3	4.4	4.2	4.0	4.0	4.3	4.3	4.2	4.3
rest of Asia	6.7	6.7	6.7	6.9	6.8	6.7	6.7	7.0	7.0	6.9	6.9	7.3
Total world	73.4	71.9	73.2	75.4	74.7	72.6	73.7	75.2	76.0	72.6	74.5	77.0
Oil production												
OECD	22.0	21.7	22.0	22.5	22.6	22.0	21.3	21.5	21.5	20.9	21.3	22.1
Others excl. OPEC	22.2	22.3	22.3	22.5	22.7	22.6	22.6	23.1	23.1	23.1	23.0	22.9
of which: former Soviet Union	7.1	7.2	7.3	7.3	7.3	7.2	7.3	7.4	7.4	7.3	7.3	7.2
OPEC ²	26.8	26.8	27.2	27.8	28.5	28.2	27.3	27.4	27.7	24.9	26.2	27.9
Total world ³	73.7	73.6	74.4	75.6	76.5	75.6	74.1	74.8	75.1	71.8	73.4	75.8
Stock trends (OECD)												
Industry	0.3	0.2	0.6	0.1	-0.2	1.5	0.3	-0.8	-0.9	-	-	-
Governments	0.1	0.0	0.0	0.0	0.0	0.3	0.1	0.1	0.0	-	-	-
OECD total	0.4	0.2	0.6	0.1	-0.3	1.7	0.4	-0.7	-0.9	-	-	-
Others												
Floating stocks, transit	0.1	0.2	0.3	0.0	0.2	0.1	0.0	-0.1	0.1	-	-	-
Statistical differences	-0.2	1.3	0.3	0.2	2.0	1.2	0.0	0.4	-0.1	-	-	-

¹ Discrepancies between individual and cumulative values are due to rounding. — ² Without Natural Gas Liquids (NGL). According to Petroleum Intelligence Weekly, OPEC was producing 26.4 mbd in the second quarter of 1999. — ³ Including distillates, NGL, 'unconventional' oil and net volumetric gains from the refining process. — ⁴ Figures for the second and third quarters are estimates taken from the IEA and the Oil and Gas Journal.

Sources: IEA Oil Market Report, Paris, June 11, 1999; Worldwide supply and demand. In: Oil and Gas Journal, July 26, 1999, p. 62.

the world economy and the economic recovery that is becoming visible in Asia. World oil production should be considerably lower up to the third quarter of 1999 than in the third quarter of 1998 if OPEC maintains its restrictions on production. Production would have to be increased from the third quarter onwards in order to meet the predicted demand. The OPEC countries would thus expand their production to 28 mbd, which would amount to around 2 mbd more than provided for in the current OPEC agreement (excluding Iraq at 23 mbd).⁹ World production would then still be slightly lower than expected consumption, but the gap would be closed by continued lowering of existing stocks. If OPEC upholds its production restrictions until the end of the year, a winter price increase that overshoots the target range of between US-\$ 18 and US-\$ 22 a barrel cannot be excluded.

⁹ Cf. *Oil and Gas Journal*, July 26, 1999.

Long-term prospects for oil price trends

The long-term trend for crude oil prices depends substantially on the growth of the world economy. The EIA's current forecast is based on the assumption that world oil consumption could increase by 2010 to between 83 mbd (given economic growth of 1.6%) and 105 mbd (given economic growth of 3%) (cf. table 5). This would amount to an increase in 1996 of between 12 and 34 mbd. Neither prediction takes the effects of environmental protection measures on the part of the industrial countries into account, which could result in an estimated drop in consumption of no less than 4 mbd in the year 2010, according to the former Saudi Arabian Oil Minister, Sheikh Jamani. In the event of weaker world economic growth, the increase in oil consumption up to 2010 would be reduced by such measures to around 8 mbd. In view of the current excess capacities of around 5 mbd in the OPEC countries, such an insignificant increase in consumption could be easily met by OPEC. It

Table 4

Oil Production Trends¹ in OPEC and Associated Countries between I/1997 and II/1999

million barrels per day

	1997				1998				1999 ⁴	
	I	II	III	IV	I	II	III	IV	I	II
OPEC										
Venezuela	3.19	3.28	3.36	3.42	3.37	3.19	2.98	2.98	2.95	2.74
Saudi Arabia	8.40	8.30	8.40	8.37	8.40	8.23	7.95	7.90	7.88	7.38
Iran	3.65	3.65	3.58	3.62	3.60	3.72	3.53	3.53	3.76	3.41
Iraq	1.20	1.12	1.28	1.26	1.59	2.05	2.47	2.36	2.53	2.57
Kuwait	1.83	1.81	1.81	1.84	1.95	1.83	1.75	1.73	1.74	1.55
UAE ²	2.25	2.23	2.25	2.27	2.41	2.27	2.21	2.21	2.19	2.06
Qatar	0.55	0.60	0.65	0.66	0.69	0.67	0.64	0.64	0.69	0.65
Neutral Zone	0.53	0.50	0.54	0.55	0.54	0.56	0.55	0.53	0.53	0.53
Nigeria	2.18	2.21	2.23	2.26	2.16	2.12	1.98	1.93	2.00	2.06
Algeria	0.84	0.84	0.85	0.85	0.86	0.82	0.79	0.79	0.81	0.76
Libya	1.42	1.45	1.45	1.45	1.45	1.37	1.35	1.35	1.36	1.30
Indonesia	1.38	1.36	1.34	1.34	1.34	1.32	1.32	1.36	1.35	1.34
Total OPEC ³	27.41	27.34	27.73	27.89	28.36	28.14	27.52	27.32	27.79	26.35
Associated countries ⁴										
Mexico	2.96	2.98	3.07	3.09	3.13	3.11	3.04	3.01	3.07	2.92
Oman	0.90	0.89	0.91	0.91	0.91	0.91	0.85	0.86	–	–
Russia	5.90	5.99	6.02	6.02	5.99	5.92	5.94	5.97	5.91	–
Total associated countries	9.75	9.86	10.00	10.01	10.02	9.94	9.82	9.85	–	–
Total	37.16	37.20	37.73	37.90	38.38	38.08	37.34	37.16	–	–

1 Without Natural Gas Liquids (NGL) in OPEC. — 2 United Arab Emirates. — 3 According to the Oil and Gas Journal, OPEC produced only 24.9 mbd in the second quarter of 1999. — 4 Countries that are supporting OPEC by also implementing production controls. – (x) = no data available; production probably largely constant.
Source: Petroleum Intelligence Weekly, various issues.

is uncertain, however, whether OPEC would be able to continue to implement its policy of production restrictions in order to stabilise prices at a high level in the event of such a consumption trend. The members of OPEC undoubtedly have an interest in restrictions, however, because they would be unlikely to be able to rely on increased sales to compensate for the price drops facing them in the event of uncontrolled competition for market shares – especially not as long as most of the industrial countries are unwilling to increase their dependency for oil supplies on deliveries from the Middle East.

If economic growth is strong during the next ten years, the probable trend is for oil prices to remain at the current high level. According to the EIA, namely, total non-OPEC production capacities can only be expected to

increase by a good 3 mbd, even given an increase in oil prices to around US-\$ 25 a barrel in 2010.

Outlook

The increase in crude oil prices in the first half of 1999 has shown that OPEC would be capable of bolstering oil prices by reducing supply. Whether, however, it will be able to keep the price of oil within the target range of US-\$ 18 to US-\$ 22 in the medium term, too, will be significantly determined by consumption trends. If consumption drops considerably below expectations, the regulation of production in the OPEC cartel will be jeopardised, as experience has shown. Even in the event of

Table 5
EIA Trend Scenarios for Oil Consumption to the Year 2010¹

million barrels per day

	1996	2000	2010	2000	2010
		weak economic growth		strong economic growth	
North America	22.0	23.8	26.0	24.2	28.8
Western Europe	13.7	14.1	14.4	14.7	16.2
Asian industrial countries	7.1	6.7	6.8	7.0	8.2
Total industrial countries	42.7	44.6	47.1	46.0	53.2
Former Soviet Union	4.4	4.3	4.3	4.6	5.7
Eastern Europe	1.3	1.5	1.5	1.6	2.0
Former Soviet Union and Eastern Europe	5.7	5.8	5.8	6.3	7.7
Asian developing countries	11.9	12.6	15.1	14.3	21.6
Middle East	4.8	4.8	6.2	5.7	9.0
Africa	2.4	2.5	3.0	2.8	4.1
Latin America	4.0	4.2	5.8	5.3	9.4
Total developing countries	23.1	24.2	30.2	28.2	44.2
Total world	71.5	74.6	83.1	80.5	105.1

¹ Discrepancies between individual and cumulative values are due to rounding.
Source: Energy Information Administration: International Energy Outlook 1999, Washington 1999.

Table 6
EIA Trend Scenarios for Oil Production Capacities to the Year 2010¹

million barrels per day

	1997	2000	2010	2000	2010
		low oil prices		high oil prices	
OPEC	33.0	36.0	51.0	34.8	43.3
of which:					
Persian Gulf	22.8	24.2	35.4	23.9	29.6
of which:					
Iran	3.9	4.1	5.3	4.0	4.5
Iraq	1.6	2.9	4.4	2.8	3.8
Kuwait	2.6	2.7	3.7	2.7	3.2
Saudi Arabia	11.4	11.2	17.3	11.1	14.1
Venezuela	3.4	4.2	6.3	3.8	5.1
Other OPEC countries	6.8	7.6	9.3	7.1	8.6
Non-OPEC	44.1	45.2	49.6	45.6	51.7
of which:					
USA	9.5	9.0	8.1	9.1	9.0
Canada	2.6	2.8	3.2	2.8	3.2
Mexico	3.4	3.6	3.9	3.7	4.0
North Sea	6.3	6.8	6.8	6.0	7.0
China	3.2	3.2	3.4	3.2	3.5
Former Soviet countries	7.1	7.2	9.8	7.3	10.1
Africa	2.6	2.6	3.2	2.6	3.3
Total world	77.1	81.2	100.6	80.4	95.0

¹ Discrepancies between individual and cumulative values are due to rounding.
Source: Energy Information Administration: International Energy Outlook 1999, Washington 1999.

restrained world economic growth, oil consumption will increase significantly over the next ten years, so that OPEC's price target certainly appears realistic. However, substantial price fluctuations can never be excluded.

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