

# *Oil Market Outlook*

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Administrator

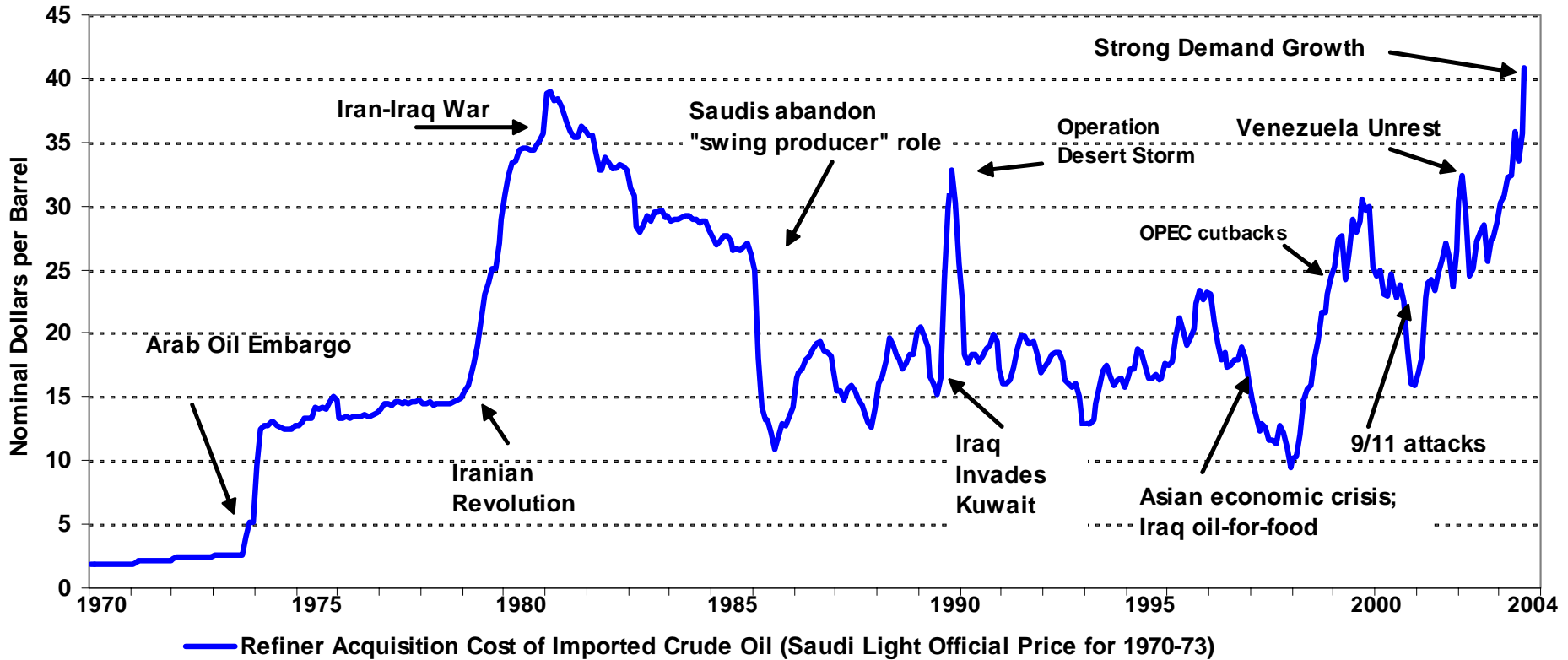
Energy Information Administration

Petroleum Stockpiling in the 21<sup>st</sup> Century

**November 30, 2004**

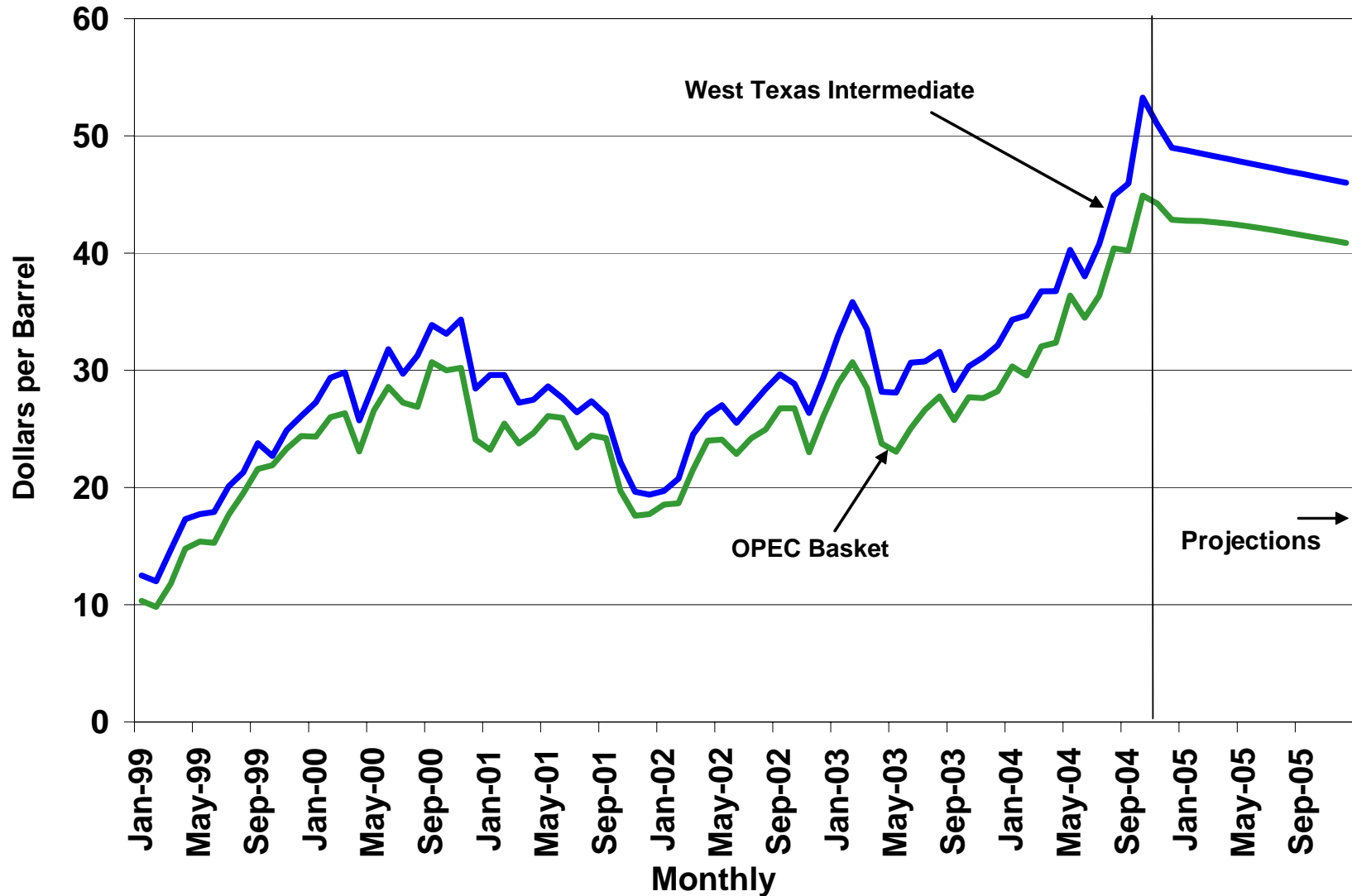
**Houston, TX**

# Major Events and World oil Prices 1970-2004



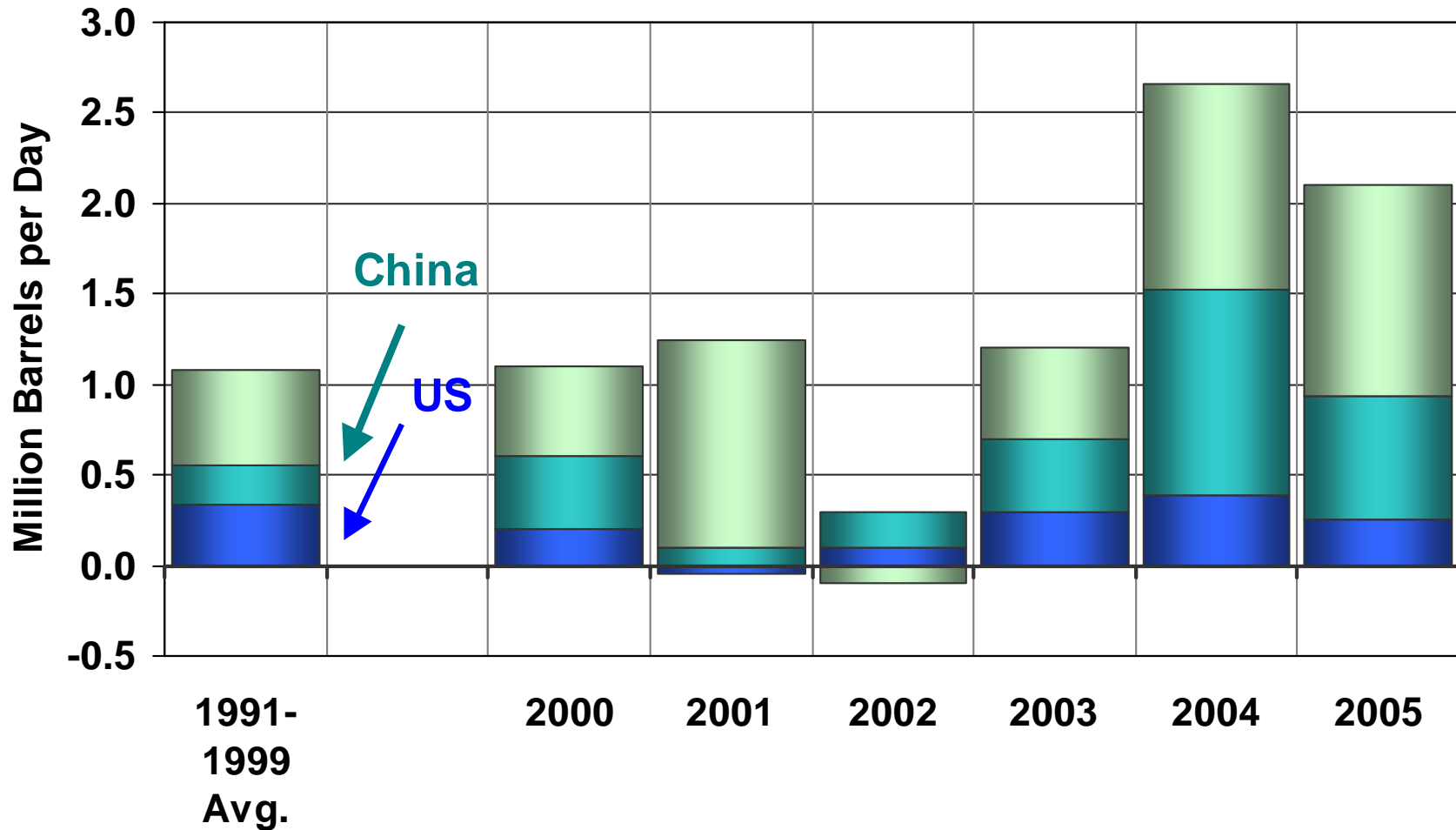
***Oil prices fluctuate widely over past three decades***

# Crude Oil Price Projections



***Crude oil prices rise again in 2004***

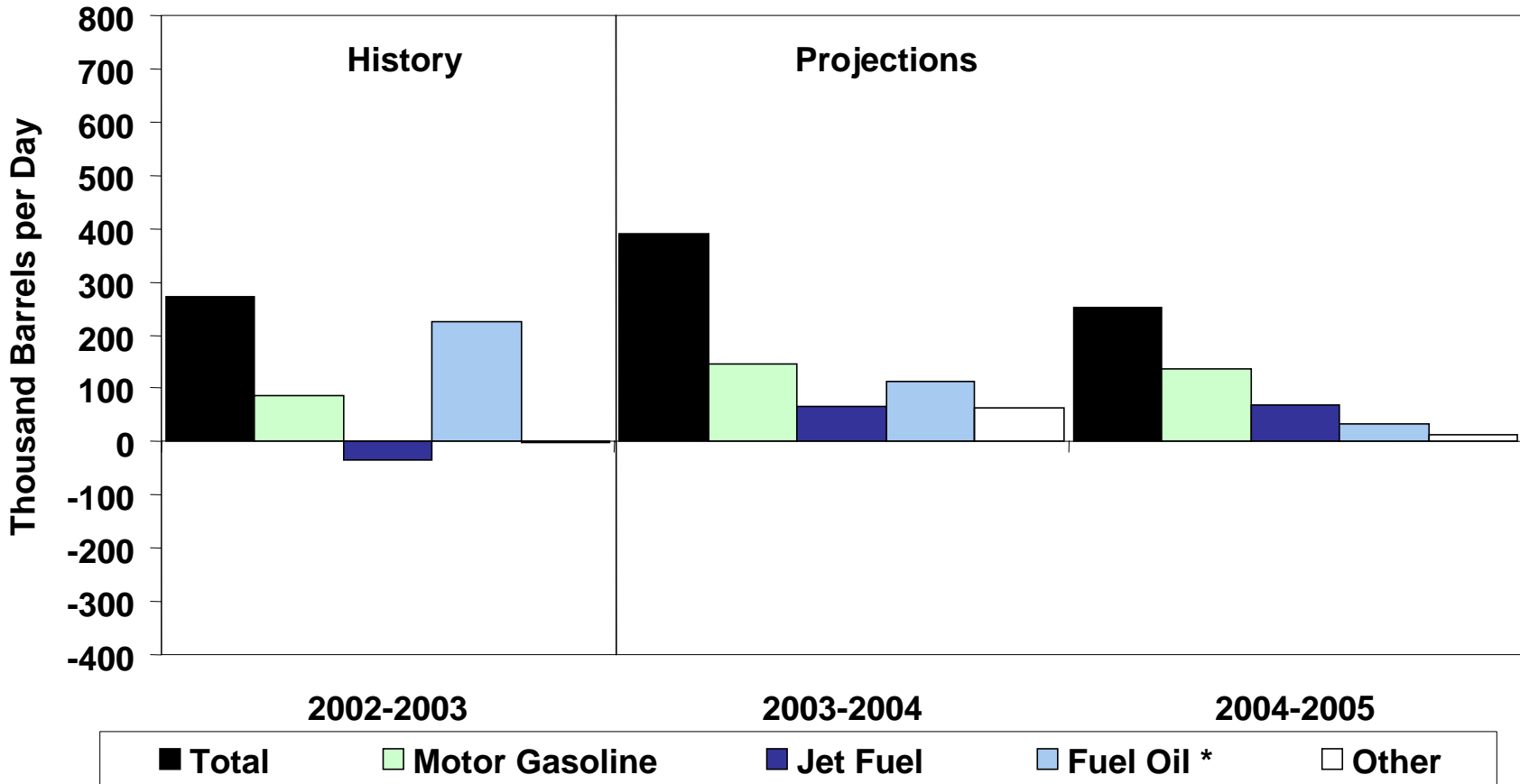
# World Oil Demand Growth



***World oil demand growth currently surging at very high rates***

Sources: History: EIA; Projections: Short-Term Energy Outlook, October 2004.

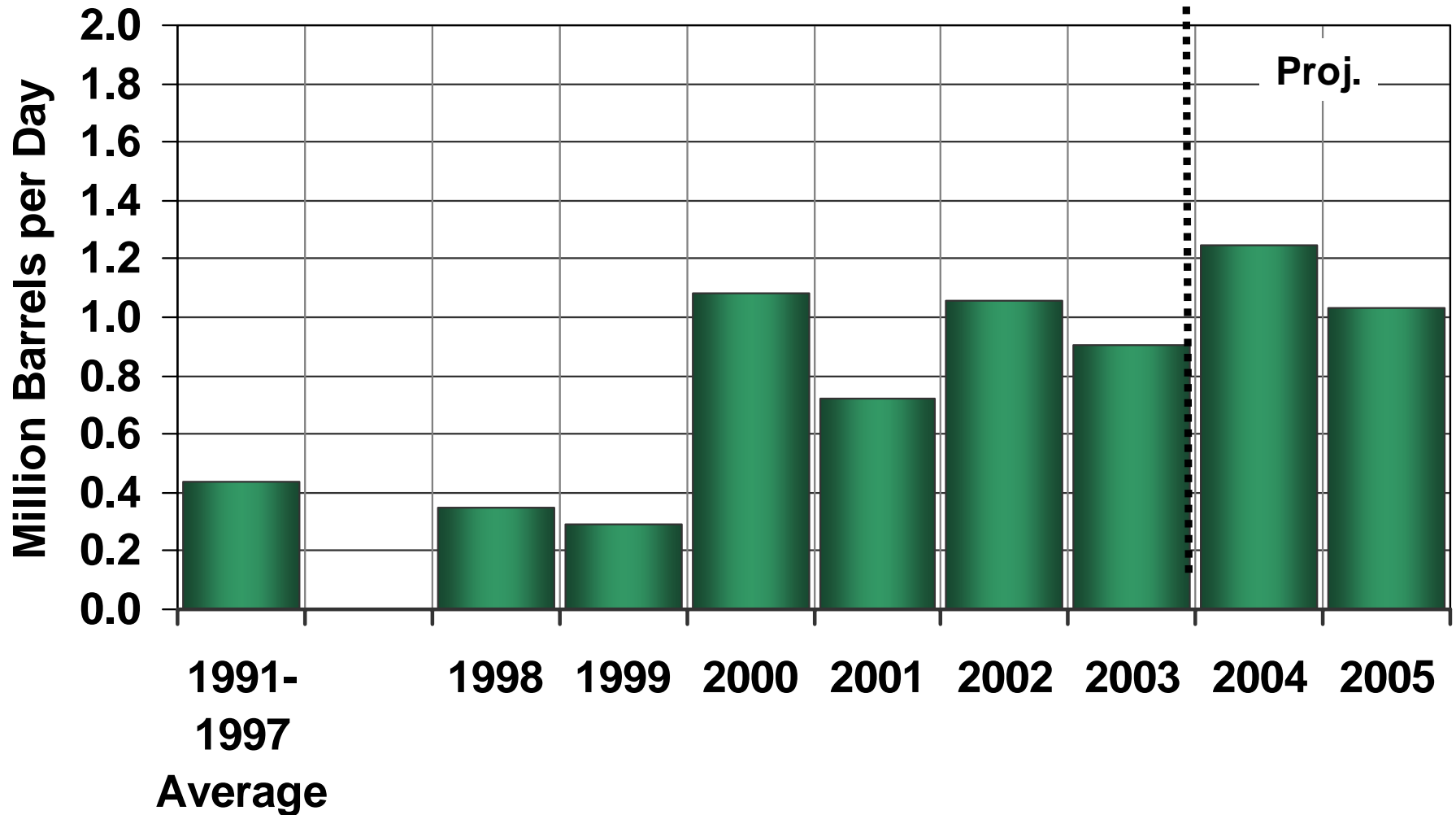
# U.S. Petroleum Products Demand Growth (Change from Year Ago)



\* Sum of distillate and residual fuel.

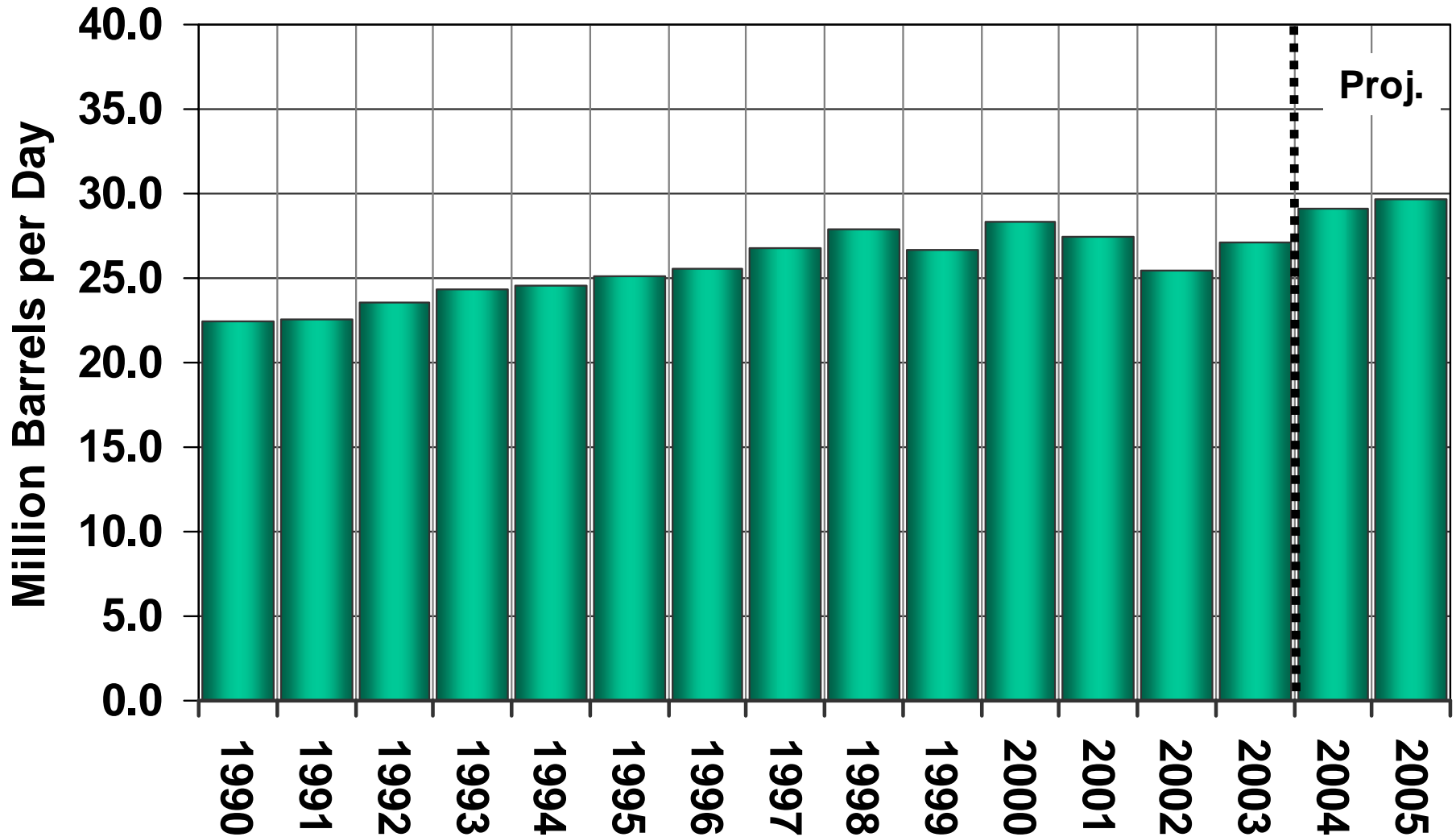
***U.S. demand growth likely to slow in 2005 under high prices***

# Non-OPEC Supply (Change from Year Ago)



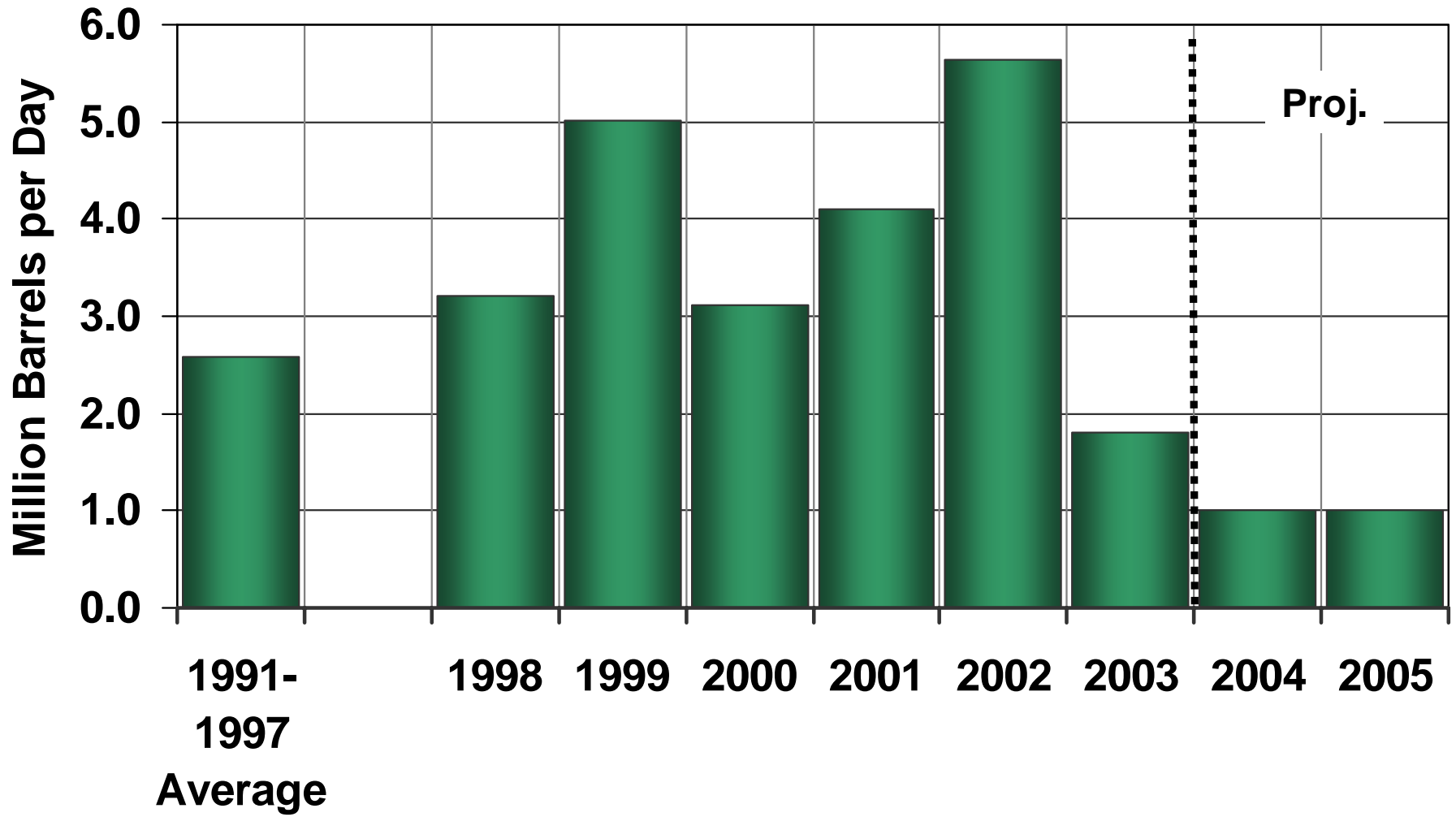
***Former Soviet Union accounts for large share of projected growth***

# Yearly OPEC Crude Oil Production



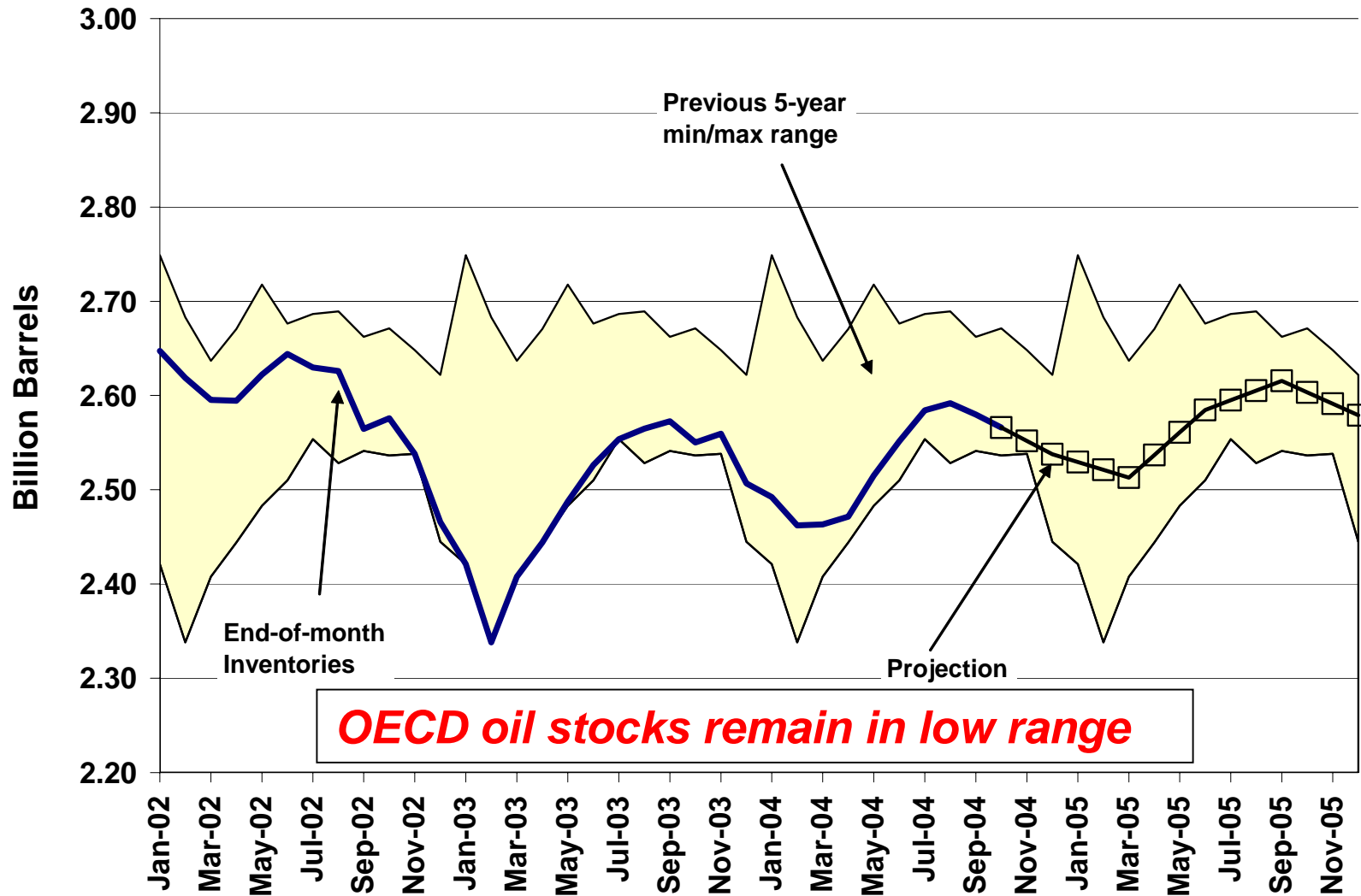
***OPEC currently producing at record levels***

# World Oil Spare Production Capacity

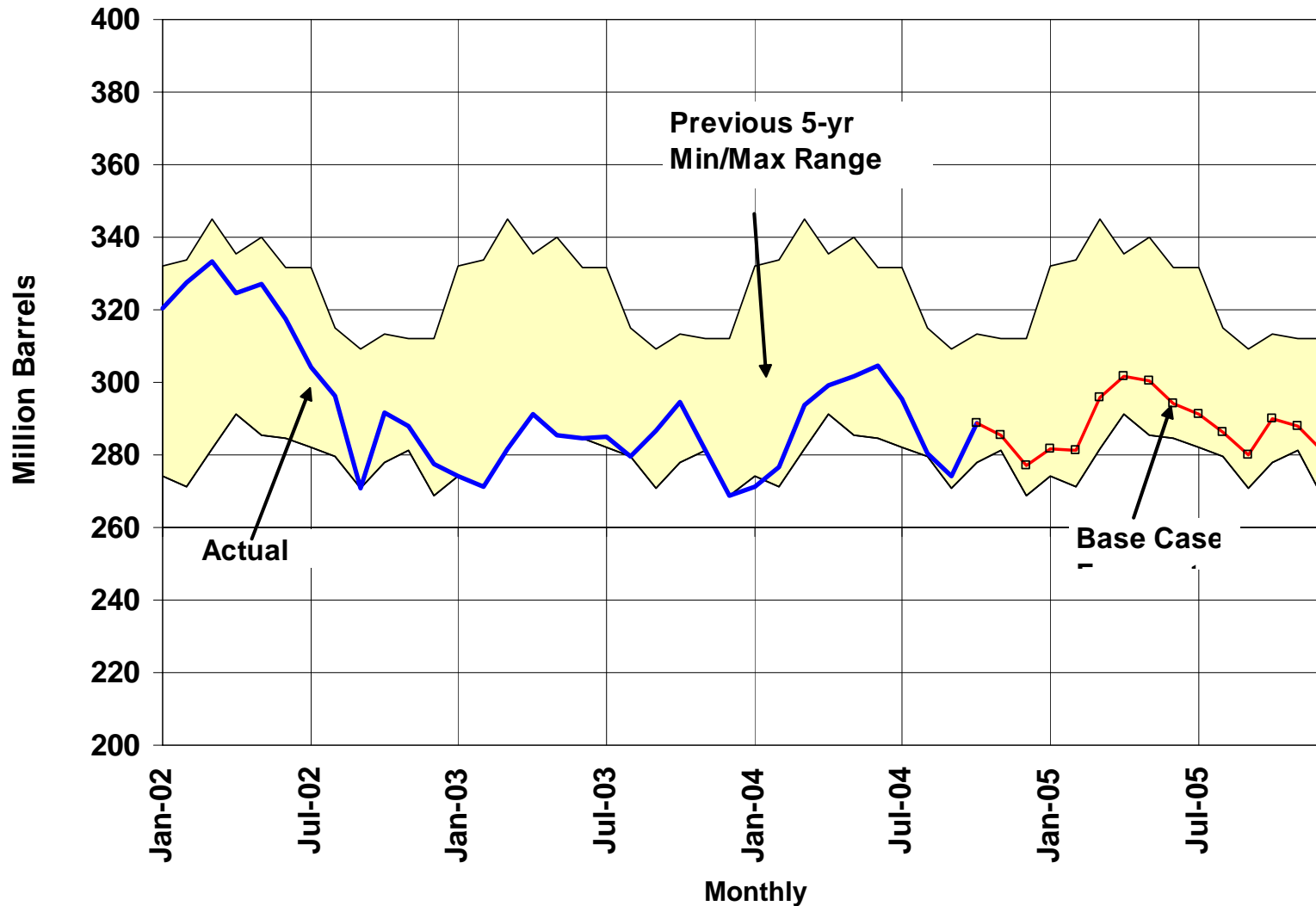


*Spare global capacity at lowest level in 30 years*

# OECD\* Commercial Petroleum Stocks

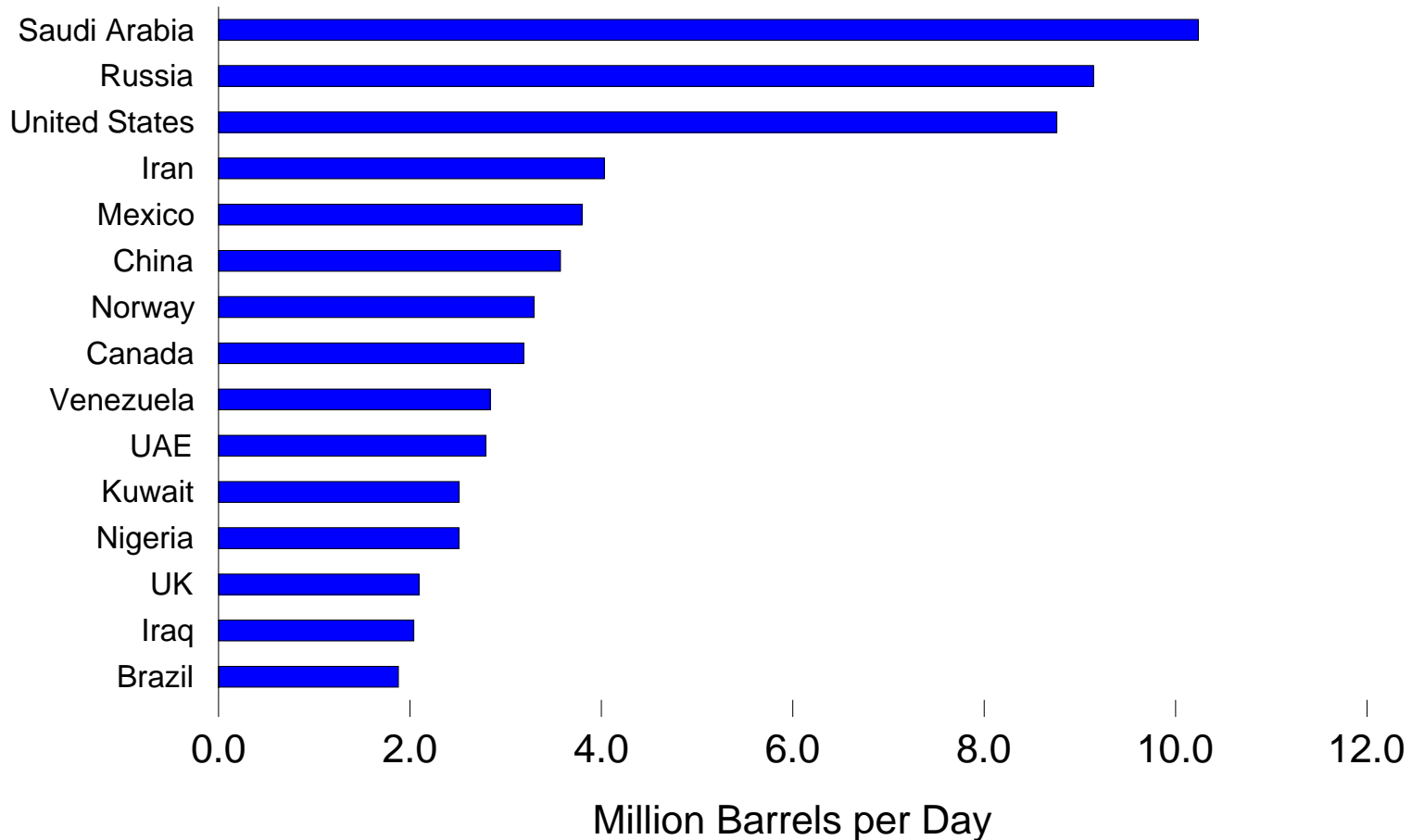


# U.S. Commercial Crude Oil Stocks



***US crude oil stocks likely to remain tight (again) this winter***

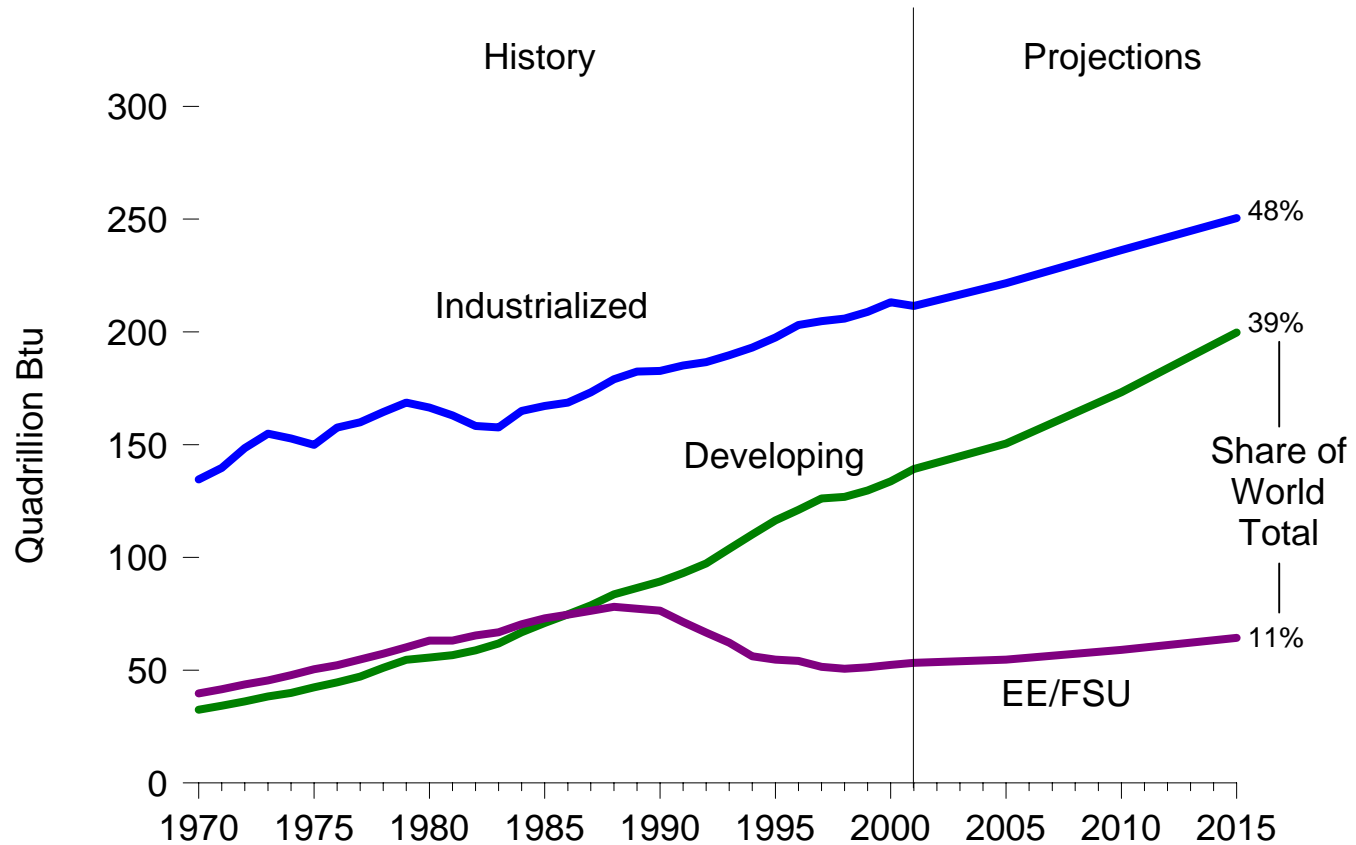
# The World's 15 Largest Oil Suppliers, 2004



***Saudi Arabia and Russia remain leading world oil suppliers***

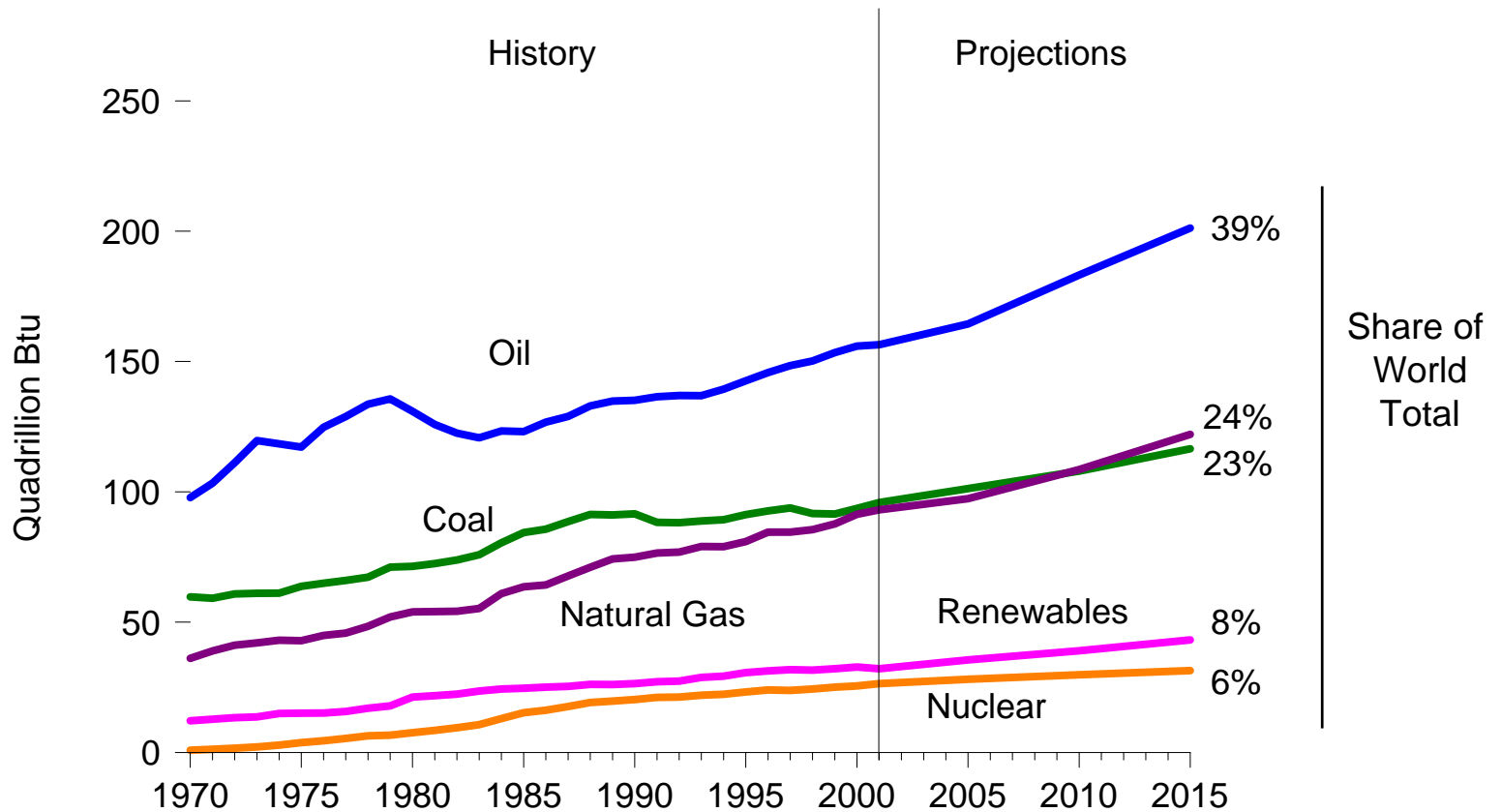
Source: EIA, *Short-Term Energy Outlook* (October 2004)

# World Marketed Energy Consumption by Region, 1970-2015



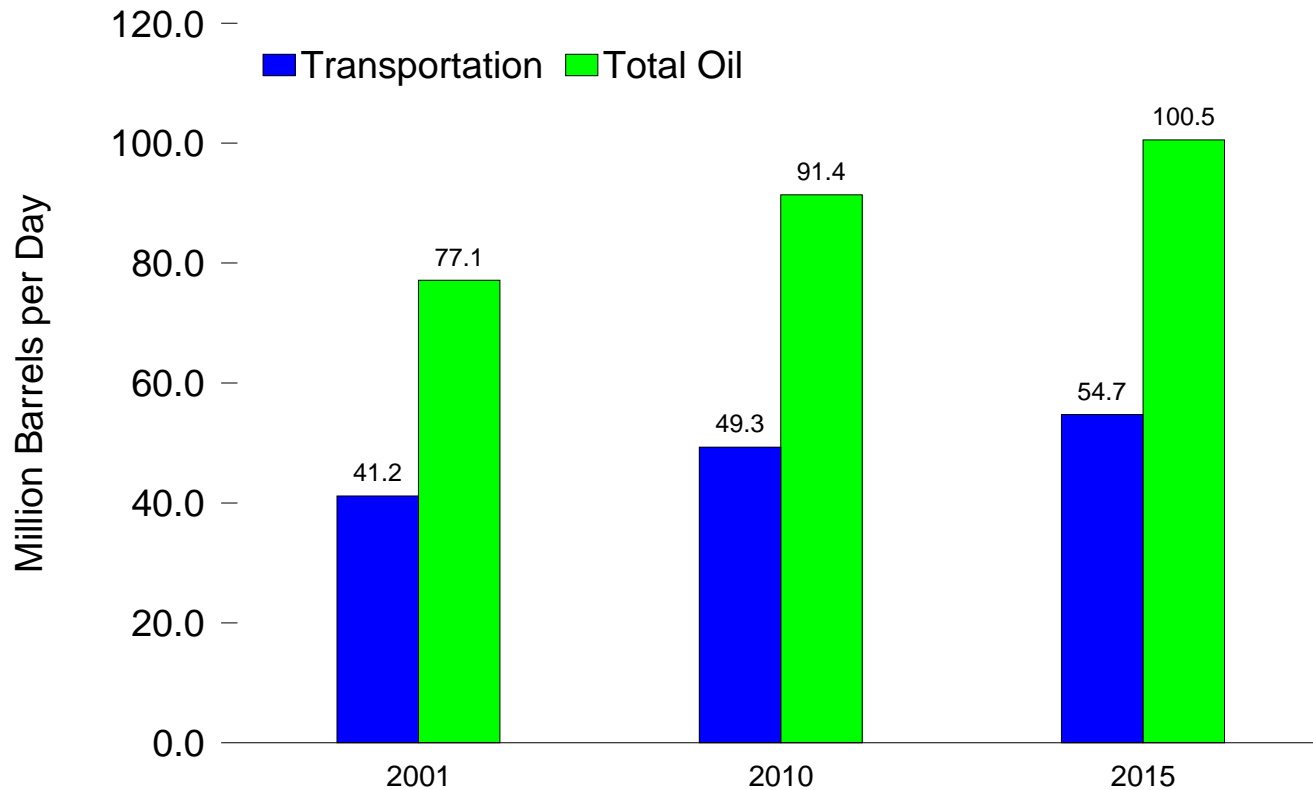
**World energy consumption expected to grow 1.8% annually through 2015.**

# World Primary Energy Consumption by Fuel Type, 1970-2015



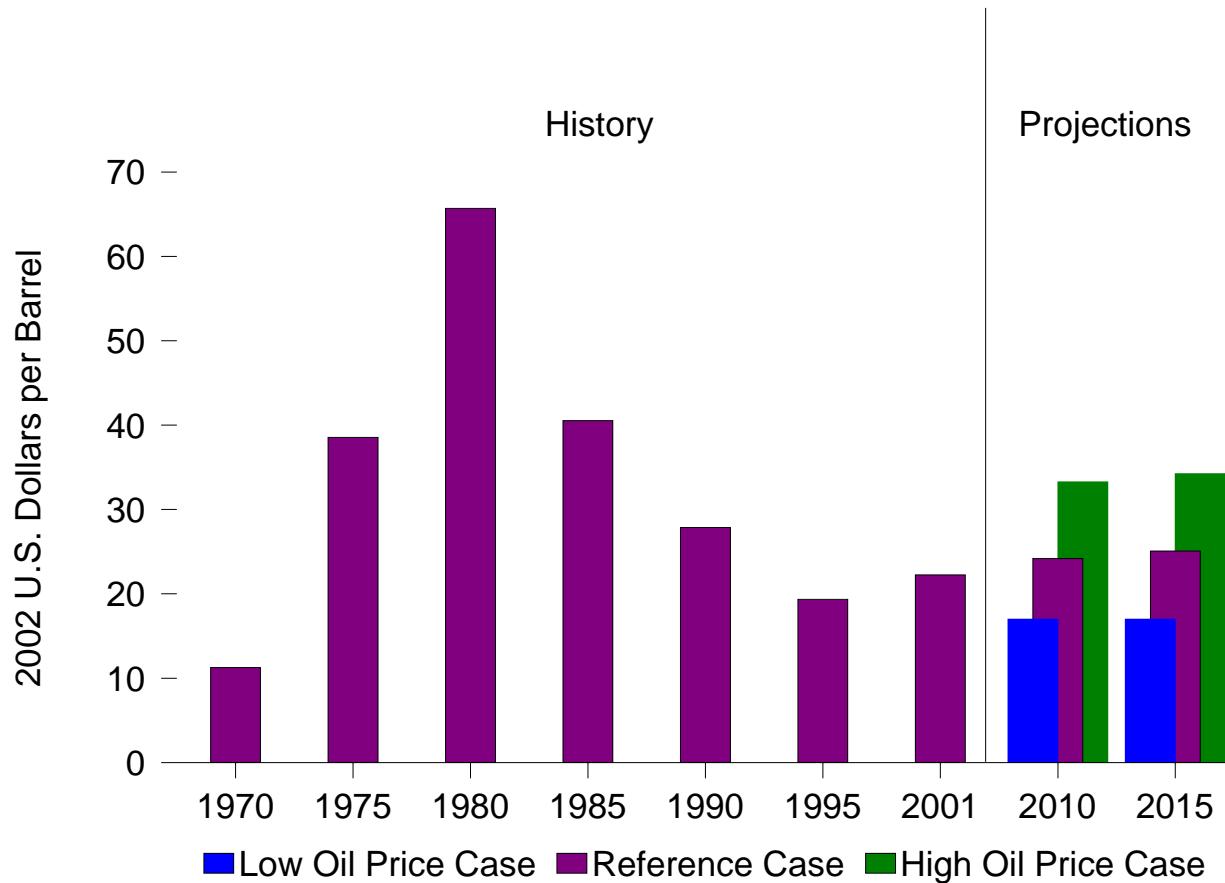
***Oil remains the dominant energy source through 2015***

# World Energy Use in the Transportation Sector, 2001-2015



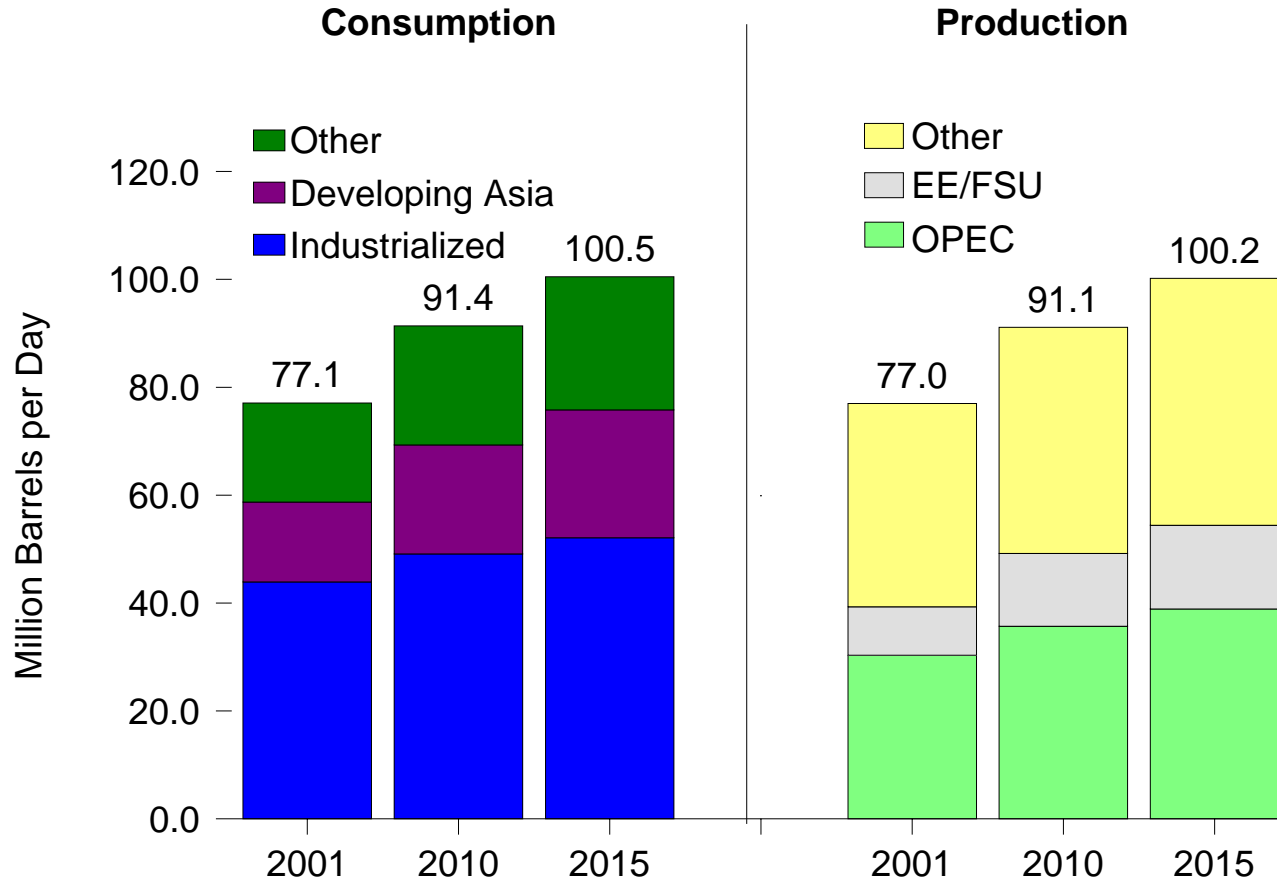
***Transportation sector remains large share of total oil use***

# World Oil Prices in Three Cases, 1970-2015



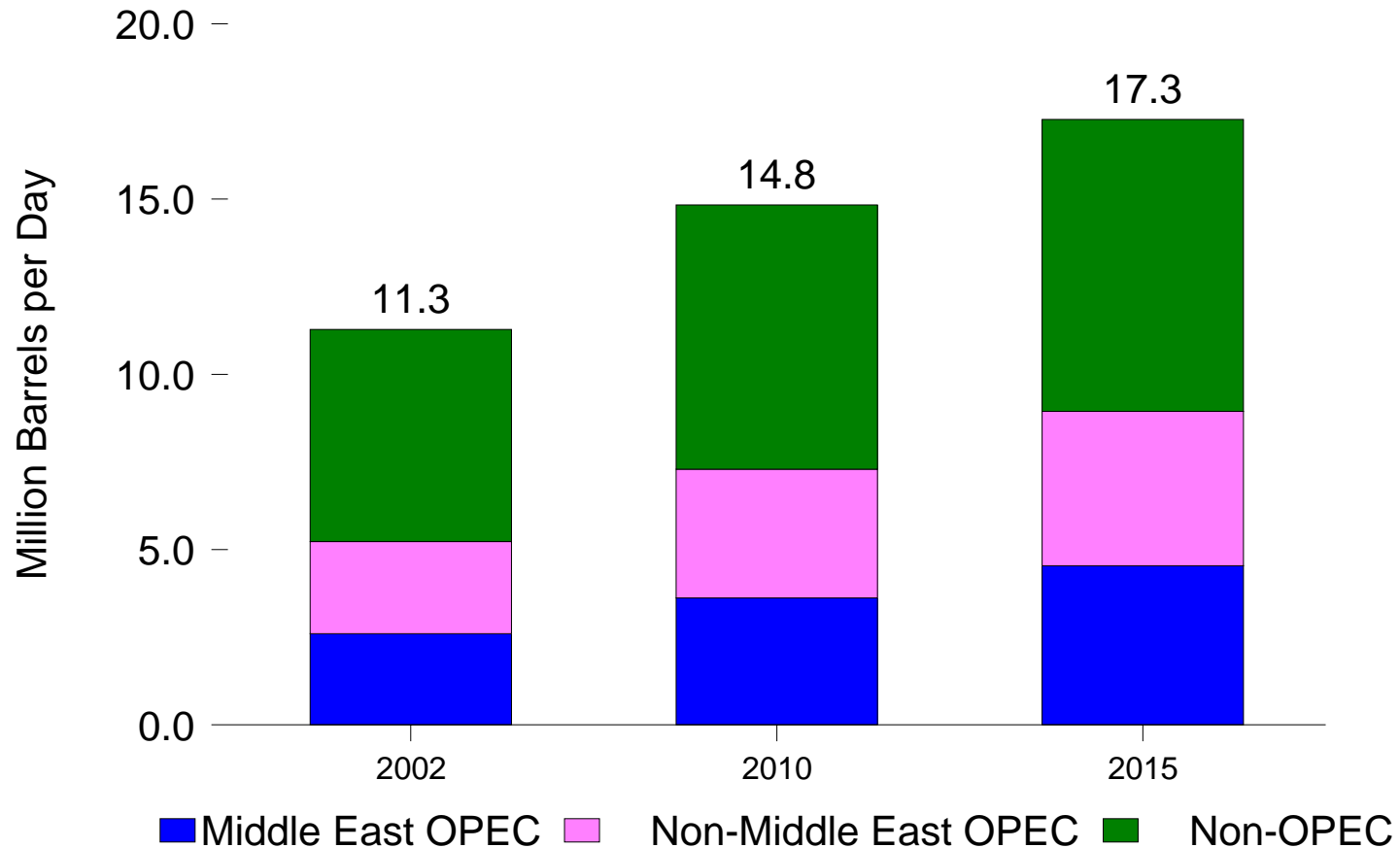
***Oil price assumptions influence forecasts***

# World Oil Consumption and Production 2001, 2010, and 2015



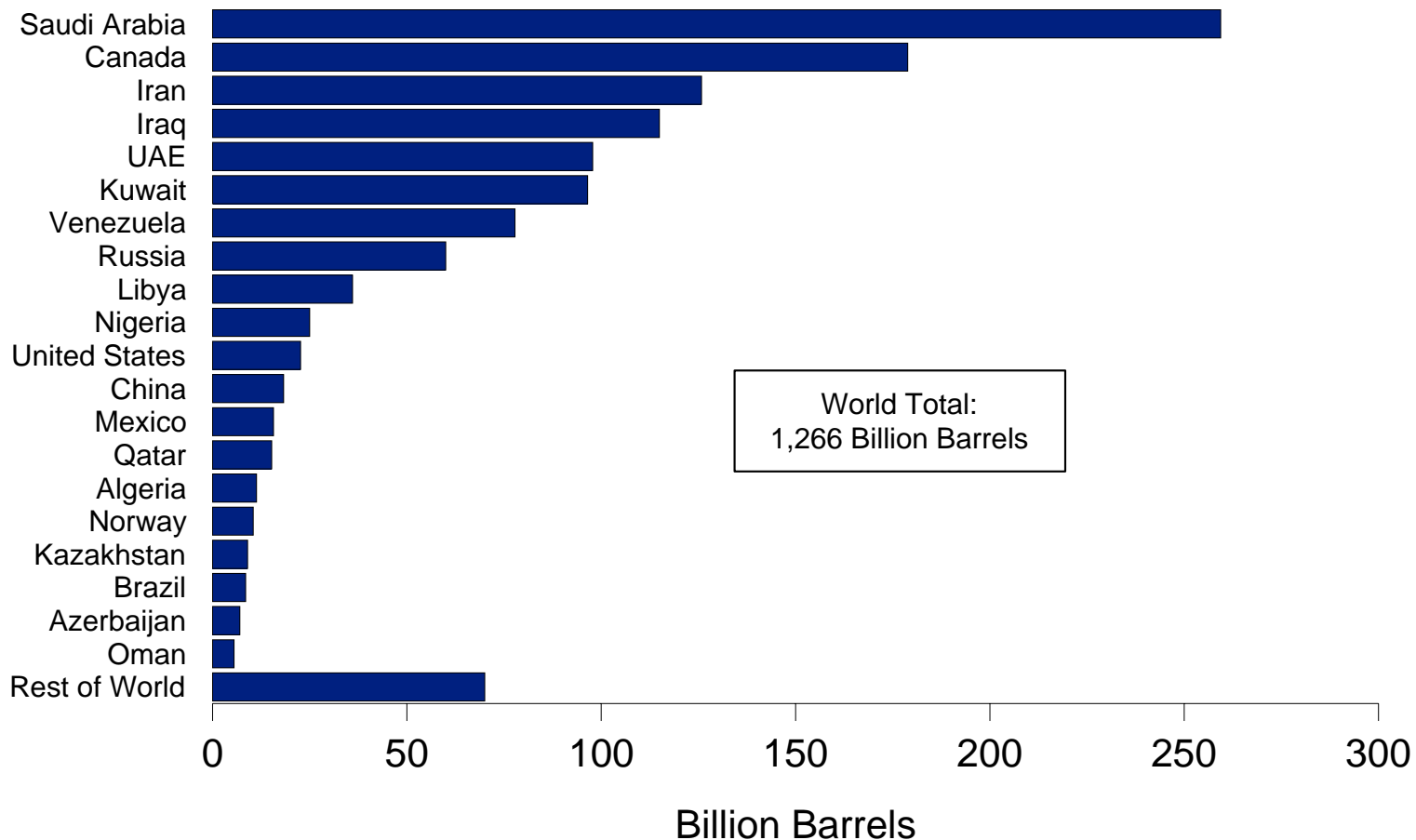
***Developing Asia drives oil consumption growth***

# U.S. Dependence on Imported Oil 2002, 2010, and 2015



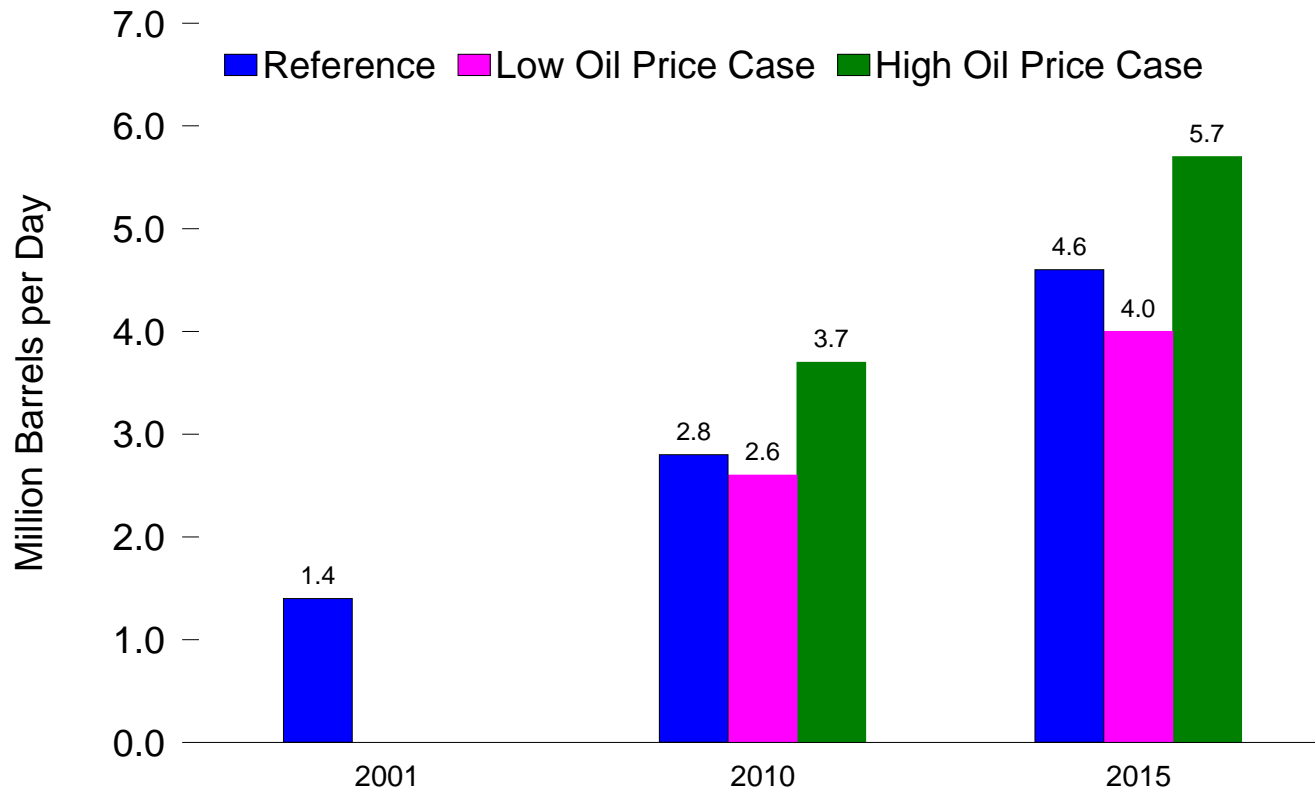
***US reliance on oil imports rises***

# World Oil Reserves by Country, as of January 1, 2004



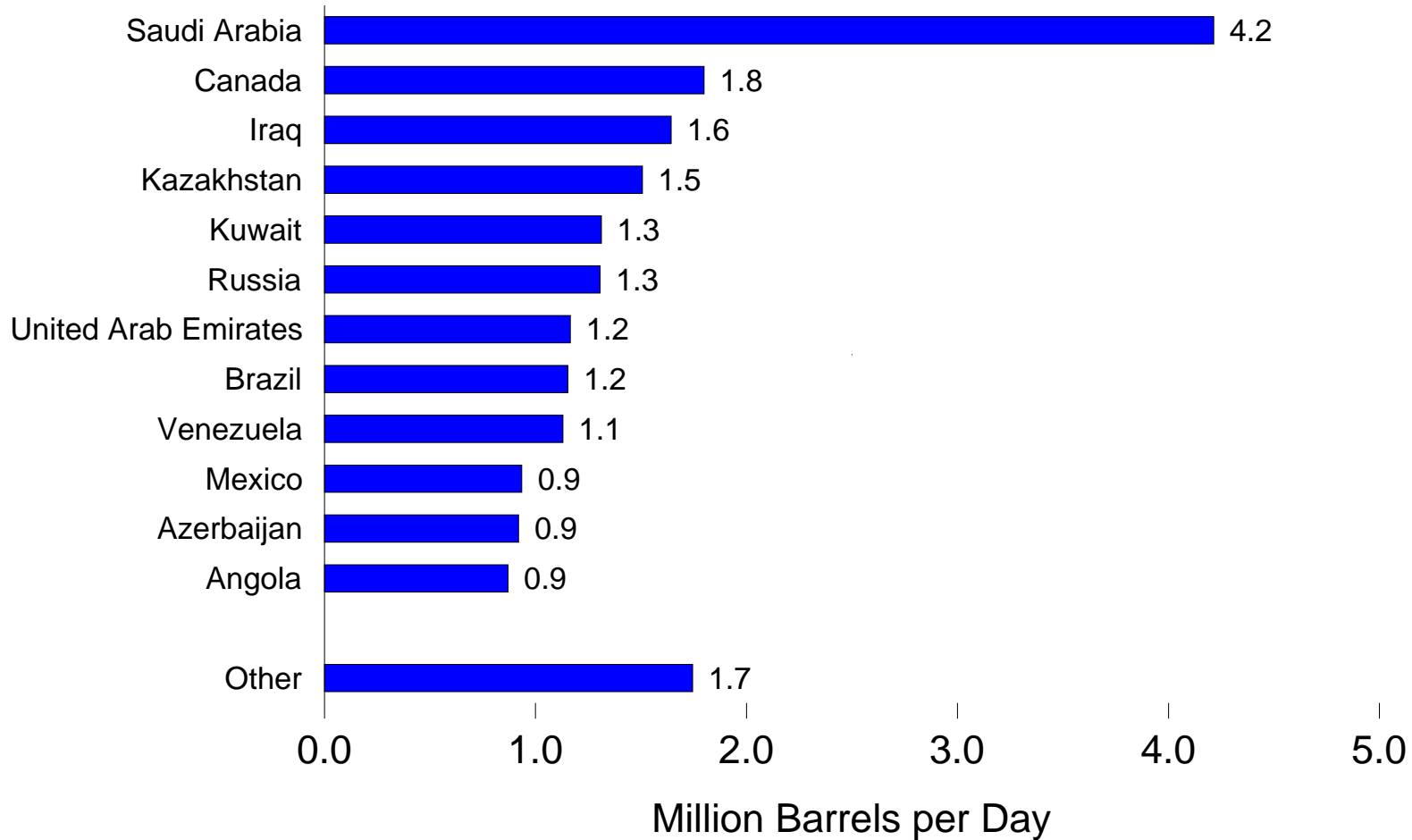
***Resources are adequate to meet expected demand***

# Nonconventional Oil Production in Three Price Cases, 2001-2015



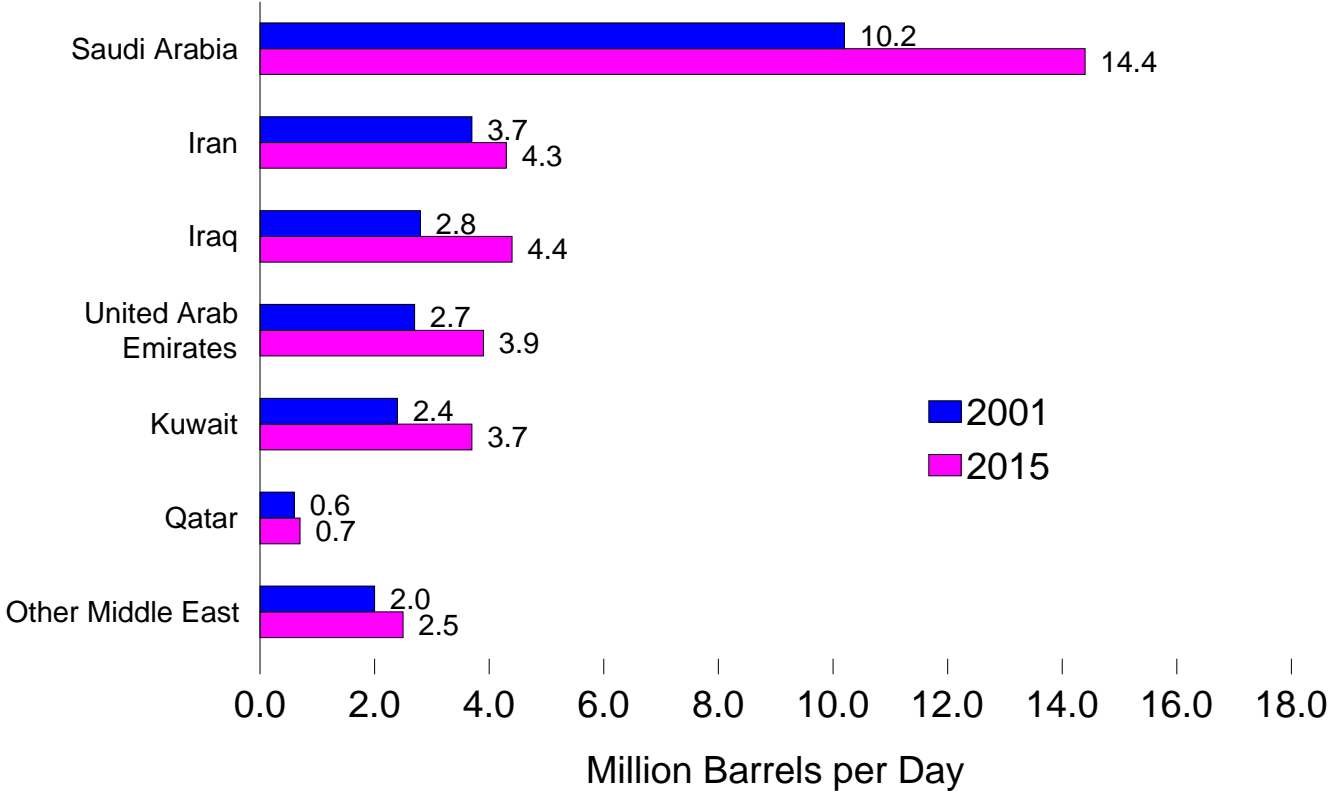
***Nonconventional oil production on the rise***

# Net Additions in World Oil Productive Capacity, 2001-2015



***A number of countries are expected to add capacity***

# Middle East Oil Productive Capacity by Country, 2001 and 2015



***The Middle Eastern share of world oil production capacity grows through 2015***

Source: EIA, *International Energy Outlook 2004*

# Summary

- In the short-term, tight markets and political tensions keep world oil prices high.
- Through 2015, oil remains the dominant source of worldwide energy use (39% of total energy consumption).
- The U.S. and developing Asia (including China) account for 60% of the growth in world oil demand in the mid-term.
- Transportation will account for much of the growth in oil use in the industrialized world; in the developing world, oil demand grows in all end-use sectors.
- U.S. dependence on Persian Gulf OPEC will increase, but other OPEC and non-OPEC producers will remain important U.S. suppliers.