

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (75) 440 final

Brussels, 10 September 1975

COMMISSION REPORT TO THE COUNCIL on imports of crude oil into the Community

COM (75) 440 final

EXPLANATORY MEMORANDUM

Imports of crude oil into the Community - report made in conformity with Regulation (EEC) 1055/72 of the Council, to be transmitted to the Council under Article 5 of the above mentioned Regulation.

1. Article 5 of Regulation (EEC) 1055/72 of the Council of 18 May 1972 provides for the transmission each year of a report to the Council on the information received under this Regulation.
2. The attached report summarises the information received on crude oil imports for the year 1974 and for the first half of 1975. It shows the pattern of crude oil imports by country of origin and by Member State.
3. Imports in July/December 1974 were at a two-year "low" (260 million tons) and in the past two years realised imports have turned out lower than the forecast level. If this tendency for optimistic forecasting continues, it may well be that the forecast level of 248 million tons for first half-year 1975 will not be reached. The supply pattern was in line with the estimates.
4. Reliance on OPEC sources is still very high, over 90%, but is starting to fall with the advent of North Sea oil; non-Arab OPEC countries like Iran are, however, improving their position as suppliers of the Community at the expense of the Arab producers (OAPEC).

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IMPORTS OF CRUDE OIL INTO THE COMMUNITY

Report on import levels during the second half of 1974 and import forecasts for the first half of 1975, submitted by member countries in accordance with Council Regulation (EEC) No 1055/72.

1. Imports realised during the second half of 1974 have now been received and are shown appropriately analysed in the tables annexed to this report. The forecasts of imports are at present submitted quarterly and the January/March 1975 and April/June 1975 forecasts have been consolidated so as to provide comparability with the half-yearly reports of realisations. The opportunity has also been taken to show annual totals for 1972, 1973 and 1974 by consolidating the half-yearly returns.

2. On an annual basis, the figures show imports rising to a peak in 1973 and declining in 1974 (Table A), so following the same trend as the consumption of oil which was, in 1974, 6.7% less than in the previous year.

Also on an annual basis, the estimates for 1974 when compared with the realisations are rather better for the Middle East sources than for the African. The percentage error for all sources was 5.5% high: for Middle East it was 3.7% high, for Africa 8.4% high.

3. The absolute volume (Table B) of crude oil imports into the Community, 260 million tons in the second half of 1974, is 24 million tons lower than the second half of 1973.

It is also 21 million tons lower than the forecast of imports for the second half of 1974 which could be explained by an under-estimation of the decrease in the consumption of oil.

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4. The forecasts for the supply pattern on the other hand were in general similar to the realisations, with the biggest deviation for Saudi Arabia. The forecast for the current half-year shows a continued decline and falls to a level of 248 million tons, 14.6% below the first half of 1973 and 7.5 % below the first half of 1974 (which was itself affected by OAPEC production cuts and embargoes).

The decline in imports for the first half-year is higher than the estimated fall in consumption for 1975 (- 3.6% in relation to 1974). Part of the explanation for this is the rundown of stocks that is at present taking place.

It is questionable how far the estimates can be considered as still too high. One indication that they are optimistic could be that, for example, for Saudi Arabia, the indicated decrease in exports is less than the reported decrease in production.

It is tempting to bring the figures for the first half-year 1975 to an annual base which would give a total import of 496 million tons corresponding with the 500 million tons target set by the Community. Nevertheless, too many unknown factors can influence this and make the value of the exercise doubtful.

5. Table B shows (beginning January 1973) imports for five successive half-year periods into the eight Member States and shows their reliance on OAPEC and OPEC sources also. Reliance on OPEC is reasonably steady, between 92 and 94 per cent, although with increases in the forecasts for imports from North Sea and Russia for first half 1975 and increasing volumes from the North Sea thereafter, the OPEC proportion can be expected to decline in the future. Reliance on OAPEC sources, however, shows a steady downward trend from 69% in first half 1973 to an estimated 63% in first half 1975. This is hardly surprising since the OAPEC states led the way in imposing production cuts. Some, like Kuwait, have chosen to remain at a low volume of production while others, like Algeria and Libya, produce even less than they would wish because, at current freight rates, the freight differential built into their crude prices is too high. Iran, on the other hand, being the only significant, non-OAPEC producer in the Persian Gulf area, has kept its production and its exports to the Community at a high level and these facts, taken together, explain the relative decline of imports from OAPEC.

6. Considerable variations exist in the trend of imports by individual member countries. On an annual basis, it can be seen from Table A that a total Community decline in 1974 of - 2% over 1972 includes a range of from - 17% for Belgium to +10.7% for France. French imports have, indeed, remained very high and stable and, of the six "large" importers - Belgium, Germany, France, Italy, Netherlands and UK - France and Germany show the least absolute decline below 1973 import levels. While these sharp falls in oil imports are no doubt attributable to the high cost of oil since October 1973 and the economic stagnation in the Community, they are evidence too of substitution of fuels - in March, for instance, UK burned more coal than oil for the first time in five years.
7. Tables C, D and E are concerned with imports by country of origin. Imports from the Middle East as a whole remained at around 190 million tons for each of the three half-years from July 1973 to December 1974 but a sharp fall of 10 million tons is forecast for half-year 1975, entirely attributable to Saudi Arabia. Iran, as already noted, is maintaining its exports at a high level. The other main non-OAPEC producer in the Eastern Hemisphere, Nigeria, is also showing signs of weakness in disposing of her crude at current high prices, for the same reasons as Algeria and Libya, and Nigerian production for the half-year has slipped below 19 million tons. More or less the forecasts reflect the actual market-circumstances for the different crudes, although especially for Saudi Arabia, the shown decrease is less than the reported decrease in production. The fall of the Mediterranean crude should also be noted following the cessation of Saudi exports via TAP-line.
8. Table F shows the relationship of production in the main exporting countries in 1974 and their exports to the Community, with a comparison column for 1973. In 1974, the OAPEC countries as a whole exported 5% less of their production to the Community than in 1973 and this decrease was remarkably uniform, only Syria moving against the trend. By contrast, there was hardly any change in the proportion of production exported to the Community by non-OAPEC suppliers, just over 16% in both years. Because of a 45 million ton fall in oil imports, the Community's importance as an oil market fell also, from 29% to 27% of available production.

IMPORTATIONS DE PETROLE BRUT PENDANT LES ANNEES 1972, 1973,
1974 ET DIFFERENCE EN %

PAYS	IMPORTATIONS 1972	IMPORTATIONS 1973		IMPORTATIONS 1974	
	1.000 t.	1.000 t.	+ en % *)	1.000 t.	+ en % *)
BELGIQUE	33.130	34.773	+ 5,0	27.485	- 17,0
DANEMARK	9.875	9.719	- 1,6	9.056	- 8,3
DEUTSCHLAND	100.914	107.052	+ 6,1	105.405	+ 4,4
FRANCE	112.406	127.518	+ 13,4	124.490	+ 10,7
IRLANDE	2.419	2.606	+ 7,7	2.540	+ 5,0
ITALIE	103.928	104.734	+ 0,8	90.363	- 13,1
NEDERLAND	67.843	71.919	+ 6,0	64.552	- 4,9
U.K.	108.572	115.466	+ 6,3	104.635	- 3,6
C.E.E.	539.087	573.787	+ 6,4	528.526	- 2,0

*) Par rapport aux importations de 1972

IMPORTATIONS DE PETROLE PENDANT LES I ET II SEMESTRES 1973,
I ET II SEMESTRES 1974 ET PREVISIONS D'IMPORTATIONS POUR LE
I SEMESTRE 1975, PAR ORIGINE

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(mio t)

PAYS	IMPORTATIONS I SEMESTRE 1973			IMPORTATIONS II SEMESTRE 1973			IMPORTATIONS I SEMESTRE 1974			IMPORTATIONS II SEMESTRE 1974			PREVISIONS D'IMPORT. I SEMESTRE 1975		
	OAPEC	OPEC	TOTAL	OAPEC	OPEC	TOTAL	OAPEC	OPEC	TOTAL	OAPEC	OPEC	TOTAL	OAPEC	OPEC	TOTAL
BELGIQUE	12.7	17.0	17.8	11.6	16.0	16.9	9.6	12.0	12.8	10.3	13.9	14.7	9.1	12.2	12.6
DENMARK	3.0	4.6	5.0	2.2	4.4	4.7	2.2	4.2	4.5	1.4	4.2	4.5	2.0	4.1	4.1
DEUTSCHLAND	37.3	50.1	53.8	36.1	49.5	53.3	33.7	45.8	51.1	34.4	48.4	54.3	27.9	41.6	48.0
FRANCE	46.5	59.1	64.3	46.1	58.3	63.2	50.9	59.1	63.5	45.3	56.8	61.0	40.7	54.5	60.3
IRLANDE	0.8	1.3	1.3	0.8	1.3	1.3	1.1	1.3	1.3	0.8	1.2	1.2	1.1	1.2	1.2
ITALIE	41.1	48.9	53.6	39.3	46.4	51.2	35.6	42.4	45.6	33.1	39.9	44.7	33.8	39.2	43.6
NEDERLAND	23.6	36.0	37.2	19.9	34.3	34.7	0.3	33.0	33.1	9.8	31.3	31.4	13.0	30.1	30.2
U.K.	35.4	53.3	56.5	38.6	54.4	58.9	44.3	54.1	56.1	33.4	47.2	48.6	29.4	44.3	47.9
C.E.E.	200.4	270.3	289.6	194.6	264.8	284.2	177.7	252.1	268.1	168.5	242.9	260.4	157.0	227.2	247.9

TAB. B

IMPORTATIONS DE PETROLE BRUT PENDANT L'ANNEE 1973
PREVISIONS POUR L'ANNEE 1974 ET IMPORTATIONS
POUR LA MEME PERIODE

PAYS	Import. 1973	Prév. d'import. 74		Importations 1974	
	1.000 t.	1.000 t.	+ en % *	1.000 t.	+ en % *
Abu Dhabi	27.619	26.873	- 2,7	27.627	+ 0,03
Arabie S. G.P.	136.889	151.282	+ 10,5	156.230	+ 14,6
Arabie S. MED.	8.847	9.626	+ 8,8	3.868	- 56,3
Iraq G.P.	16.551	18.357	+ 10,9	18.851	+ 13,9
Iraq MED.	23.190	13.291	- 42,7	14.642	- 36,9
Iran	86.802	99.729	+ 14,9	95.013	+ 9,5
Kowait	69.605	55.121	- 20,8	44.805	- 35,6
Oman	3.365	4.135	+ 22,9	3.962	+ 25,8
Qatar	14.791	13.588	- 8,1	12.462	- 15,8
MOYEN ORIENT	387.659	392.002	+ 1,1	378.060	- 2,5
Algérie	30.657	23.603	- 23,0	21.305	- 30,5
Egypte	1.204	1.426	+ 18,4	893	- 25,8
Gabon/Zaire	4.770	6.046	+ 26,7	6.192	+ 29,8
Libye	65.640	48.926	- 25,5	44.874	- 31,6
Nigeria	43.531	49.259	+ 13,2	46.516	+ 6,9
Tunisie	856	2.209	+ 158,1	1.507	+ 76,0
AFRIQUE	146.658	131.469	- 10,4	121.287	- 17,0
MER DU NORD	731	1.191	+ 62,9	928	+ 26,9
U.R.S.S.	12.796	9.304	- 27,3	8.758	- 31,6
VENEZUELA	10.904	9.222	- 15,4	8.373	- 23,2
DIVERS	15.039	14.307	- 4,9	11.120	- 26,1
C.E.E.	573.787	557.495	- 2,8	528.526	- 7,9

*) Par rapport aux importations de l'année 1973

TABLE D

IMPORTATIONS DE PETROLE BRUT PENDANT LE II SEM. 1973
LE II SEM. 1974 ET LE I SEM. 1974 ET PREVISIONS POUR
LE I SEM. 1975 AVEC INDEX POUR LA MEME PERIODE

(1.000 t)

PAYS	IMPORTATIONS				PREVISIONS	
	II SEM. 73	II SEM. 74	INDEX 73/74	I SEM. 74	I SEM. 75	INDEX 74/75
Abu Dhabi	12.789	13.347	104,4	14.280	13.430	94,0
Arabie Séoudite G.P.	70.158	82.172	117,1	74.658	71.323	95,4
Arabie Séoudite MED.	3.498	767	21,9	3.101	928	29,9
Iraq G.P.	8.427	9.553	113,4	9.298	9.149	98,4
Iraq MED.	12.615	6.116	48,5	8.528	5.511	64,6
Iran	42.703	49.186	115,2	45.827	48.928	106,8
Kowait	34.303	20.820	60,7	23.985	22.848	95,3
Oman	1.499	1.900	126,7	2.062	1.280	62,1
Qatar	7.098	5.628	79,3	6.834	5.806	84,9
MOYEN ORIENT	193.130	189.487	98,1	188.573	179.203	95,0
Algérie	14.724	9.222	62,6	12.083	10.715	88,7
Egypte	397	564	142,0	329	550	167,2
Gabon/Zaire	2.605	2.260	86,7	3.932	3.681	93,6
Lybie	30.538	20.289	66,4	24.858	16.712	67,2
Nigéria	22.496	21.689	96,4	24.827	18.829	75,8
Tunisie	460	1.027	223,3	480	1.166	242,9
AFRIQUE	71.220	55.051	77,3	66.236	51.653	78,0
MER DU NORD	398	696	174,9	232	1.188	512,1
U.R.S.S.	6.539	4.855	74,2	3.903	5.537	141,9
VENEZUELA	5.376	4.296	79,9	4.077	3.162	77,6
DIVERS	7.527	6.062	80,5	5.058	7.182	142,0
C.E.E.	284.190	260.447	91,6	268.079	247.925	92,5

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IMPORTATIONS DE PETROLE BRUT DANS
LA C.E.E. PAR PAYS D'ORIGINE EN %

PAYS	REALIZ. 1973	PREVISION 1974	REALIZ. 1974	PREVISION 1975*
ABU DHABI	4.9	4.8	5.2	5.4
ARABIE SEOUDITE GP	23.8	27.2	29.7	28.8
ARABIE SEOUDITE MED	1.6	1.7	0.7	0.4
IRAQ GP	2.7	3.3	3.5	3.7
IRAQ MED	4.2	2.4	2.8	2.2
IRAN	15.0	17.9	18.0	19.7
KOWAÏT	12.0	9.9	8.5	9.2
OMAN	0.7	0.8	0.8	0.5
QATAR	2.7	2.4	2.3	2.4
MOYEN ORIENT	67.7	70.4	71.5	72.3
ALGERIE	5.5	4.2	4.0	4.3
EGYPTE	0.3	0.2	0.2	0.2
GABON/ZAÏRE	0.9	1.1	1.1	1.5
LIBYE	11.6	8.8	8.5	6.7
NIGERIA	7.8	8.8	8.8	7.6
TUNISIE	0.2	0.4	0.3	0.5
AFRIQUE	26.3	23.5	22.9	20.8
MER DU NORD	0.2	0.2	0.2	0.5
URSS	2.3	1.7	1.7	2.2
VENEZUELA	1.9	1.6	1.6	1.3
DIVERS	1.6	2.6	2.1	2.9
C.E.E.	100	100	100	100

*sur base de previsions du I semestre 1975.

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PRODUCTION ET EXPORTATIONS VERS LA C.E.E.

TABLE F

ANNÉE 1974

PAYS D'ORIGINE	Production *)		Importations C.E.E.		% import. par rapport à la production	Même % 1973
	1.000 t.	%	1.000 t.	%		
A. OAPEC						
- Abu Dhabi	68.000	3,5	27.627	5,2	40,6	42,1
- Arabie Séoudite	412.000	21,0	160.698	30,4	39,0	40,0
- Bahrain	3.400	0,2	-	-	-	-
- Irak	95.000	4,8	33.493	6,3	35,2	41,8
- Kowait	112.000	5,7	44.805	8,5	40,0	50,4
- Qatar	28.500	1,4	12.462	2,4	43,7	53,8
- Syrie	5.800	0,3	2.000 (1)	0,4	34,5	-
- Algérie	49.000	2,5	21.305	4,0	43,5	60,1
- Egypte	7.500	0,4	893	0,2	11,9	12,8
- Libye	77.000	3,9	44.874	8,5	58,3	62,8
TOTAL OAPEC	858.200	43,7	348.157	65,9	40,6	45,7
B. AUTRES PAYS						
- Iran	301.000	15,3	95.013	18,0	31,6	29,5
- Oman	14.200	0,7	3.962	0,7	27,9	23,3
- Gabon/Zaire	13.000	0,7	6.192	1,2	47,6	53,0
- Nigéria	112.000	5,7	46.516	8,8	41,5	43,1
- Tunisie	4.000	0,2	1.507	0,3	37,7	21,4
- Mer du Nord	1.670	0,1	928	0,2	55,6	44,9
- U.R.S.S.	457.000	23,2	8.758	1,6	1,9	3,0
- Venezuela	156.000	7,9	8.373	1,6	5,4	6,2
- Divers **)	48.200	2,5	9.120	1,7	18,9	18,5
TOTAL AUTRES PAYS	1.107.070	56,3	180.369	34,1	16,3	16,2
TOTAL A + B	1.965.270	100	528.526	100	26,9	29,2

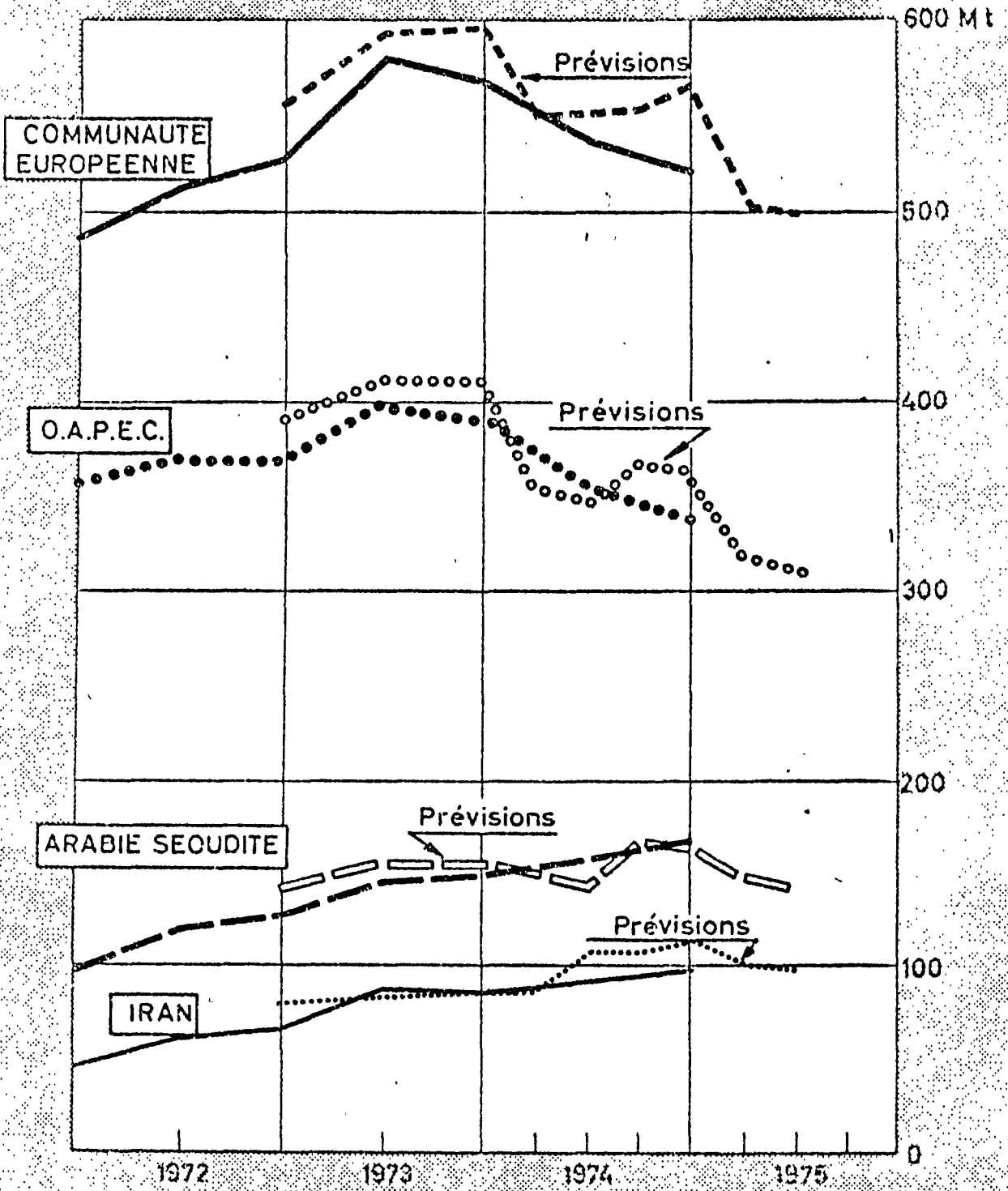
*) Sources : "C.P.P."

**) Divers : Dubai, Albanie, Sinai et Z.N.

1) Estimations

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IMPORTATIONS DE PETROLE BRUT PAR ORIGINE



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