

13.c.-2. APERC Oil Report 2022 (Draft)

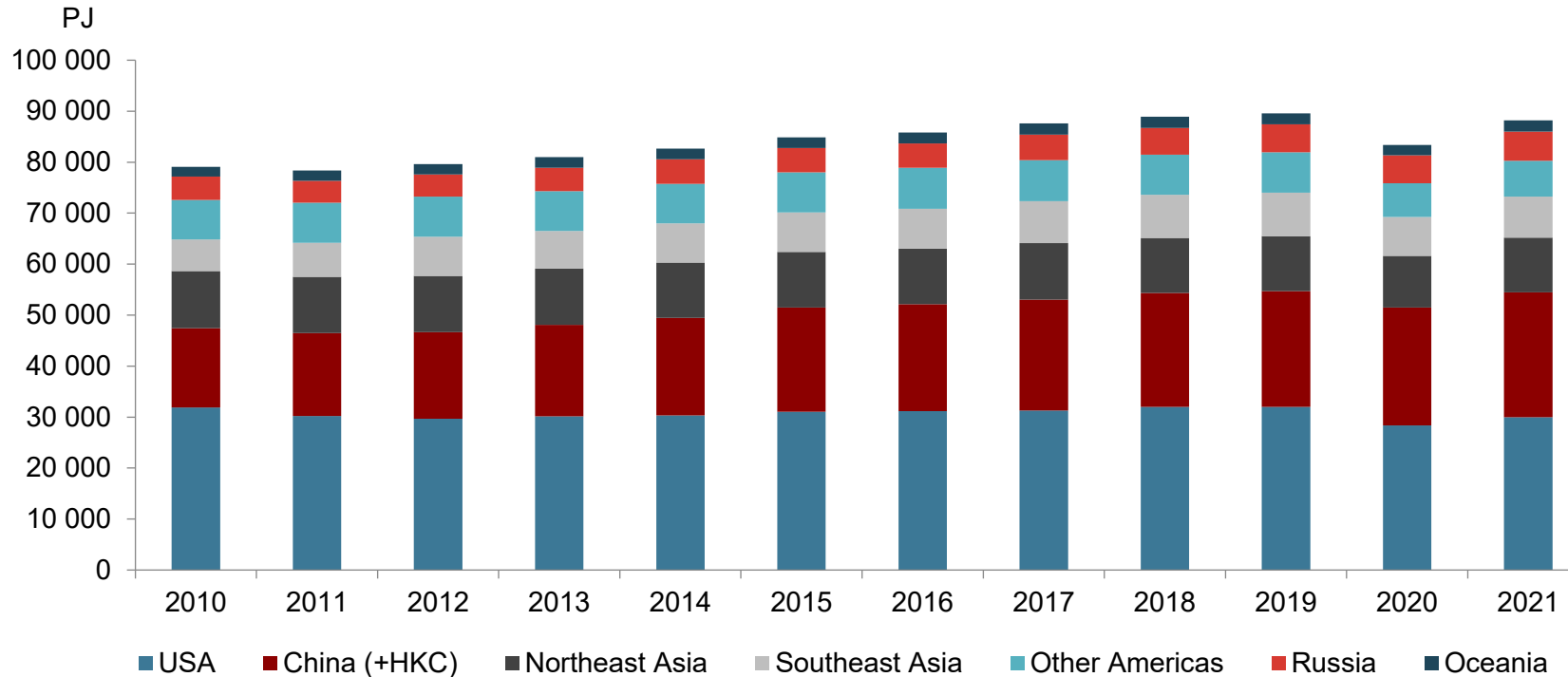
**The 64th Meeting of APEC Energy Working Group (EWG64)
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Global and APEC oil consumption grew steadily until 2019 but dropped in 2020

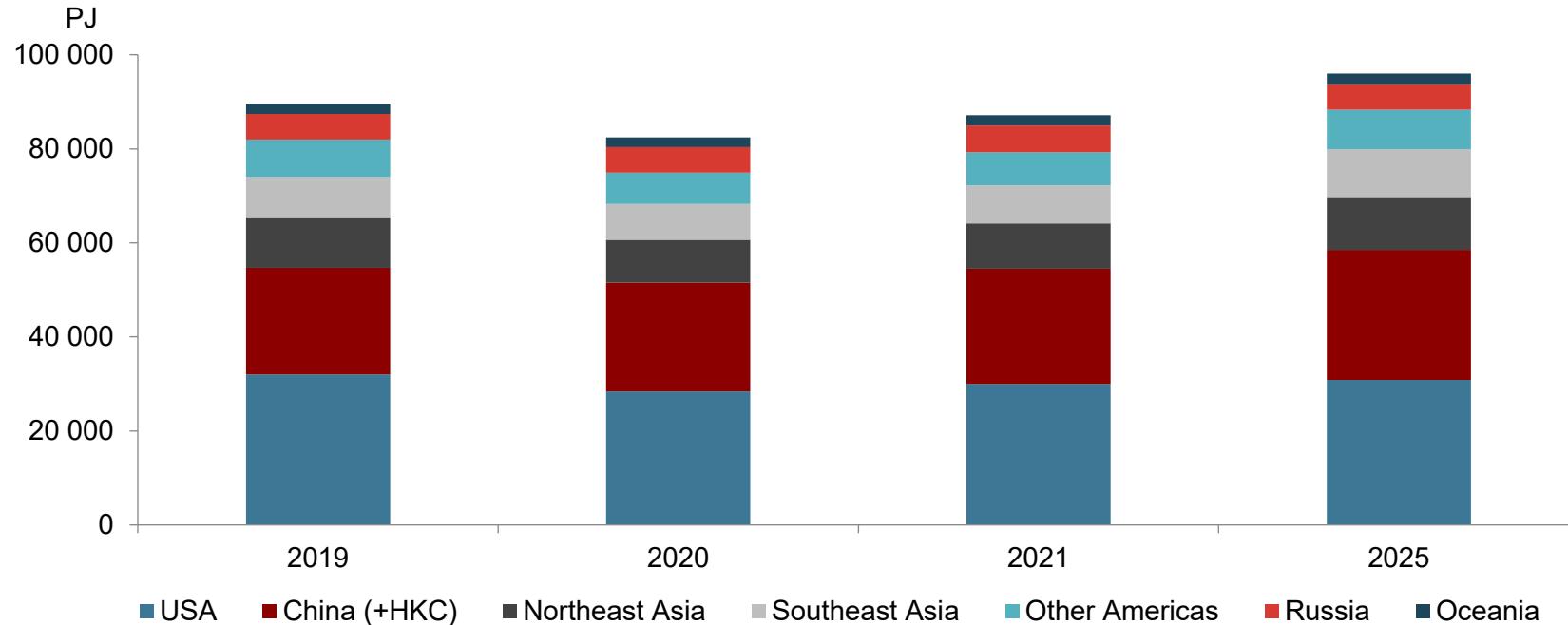
APEC oil consumption, 2010-2021



- From 2010 to 2019, APEC oil use also grew at an average rate of 1.4% per year.
- In 2020, APEC oil demand fell by 7% compared to 2019, its lowest level since 2011.
- In 2020, the largest oil use declines came in the US (-11%) and Other Americas (-16%).
- China was the only APEC economy that saw an increase in oil demand during 2020 (+2%) .

Strong oil consumption growth expected in China and SE Asia

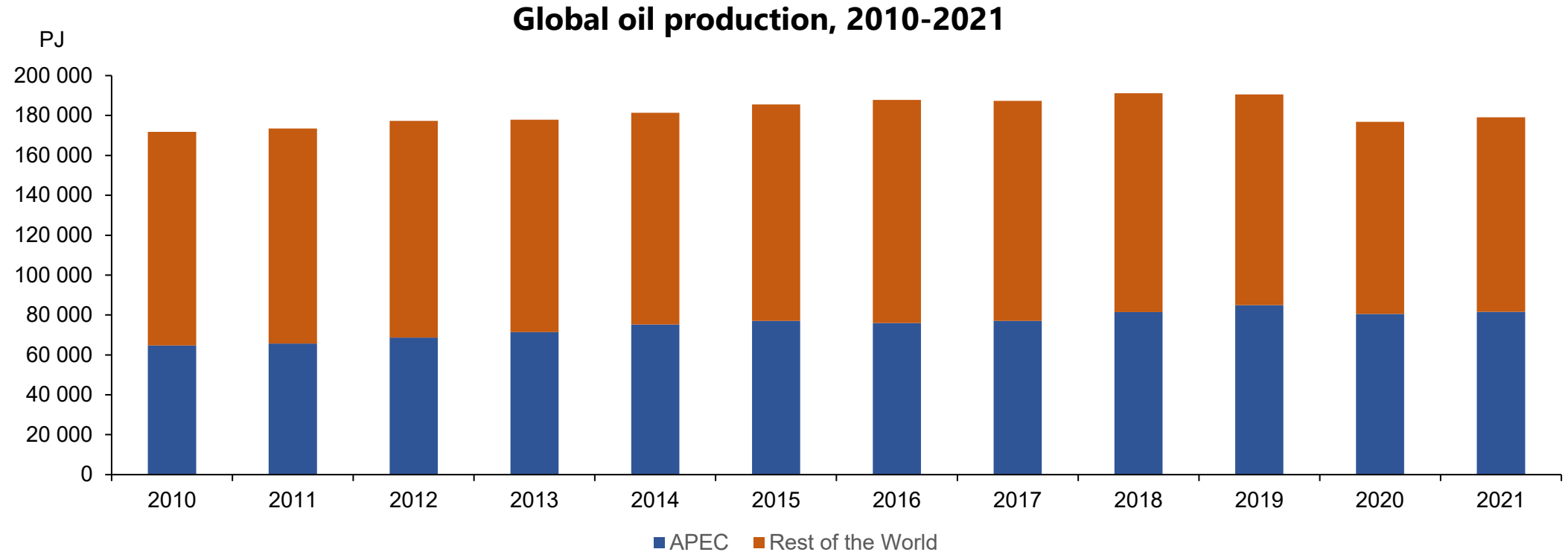
Oil demand outlook in APEC, 2019 and 2025



Source: EGEDA, APERC Analysis

- In APEC, total oil demand is expected to increase 7% above the 2019 level by 2025.
- From 2019 to 2025, China's and Southeast Asia's oil demand increases by 20% and 19%, respectively.
- The US is the only economy in APEC that sees a decline in oil demand through 2025 (-3.7%).

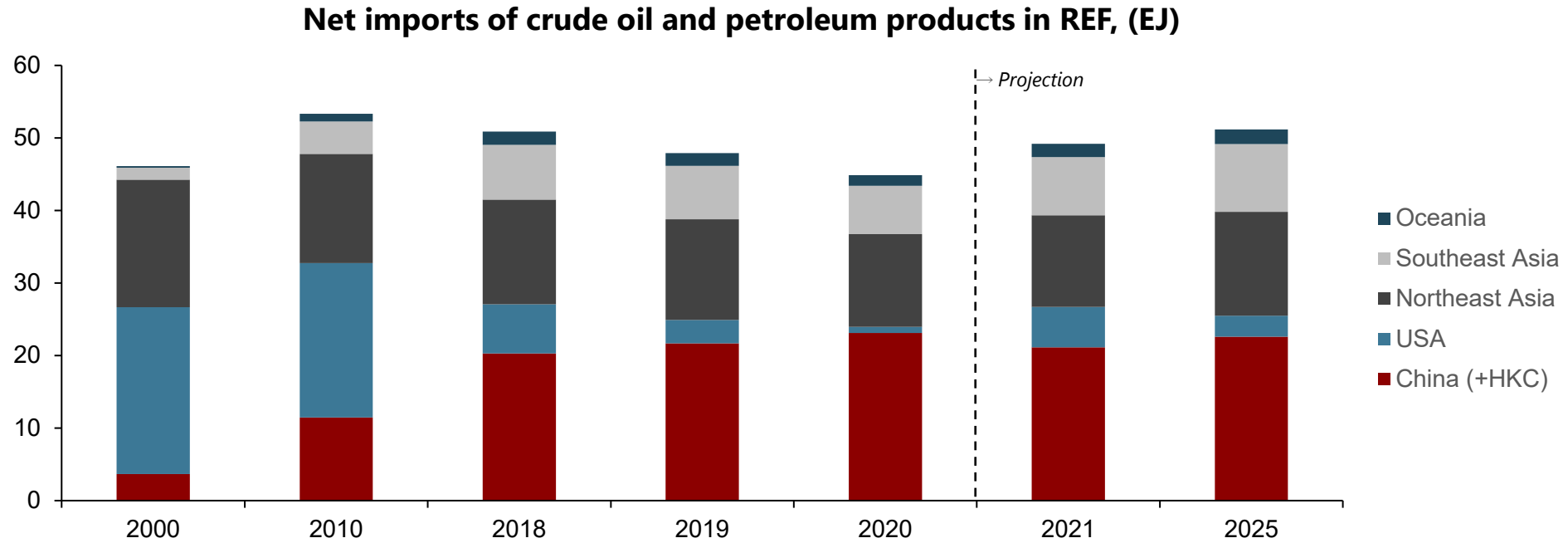
APEC oil production has grown faster than rest of world



Source: IEA, EGEDA, APERC Analysis

- World and APEC oil production been growing: 11% and 31%, respectively, from 2010 to 2019
- In 2019, APEC economies accounted for 44% of world production, up 31% from the beginning of the decade. This increase in share has been largely driven by the US.

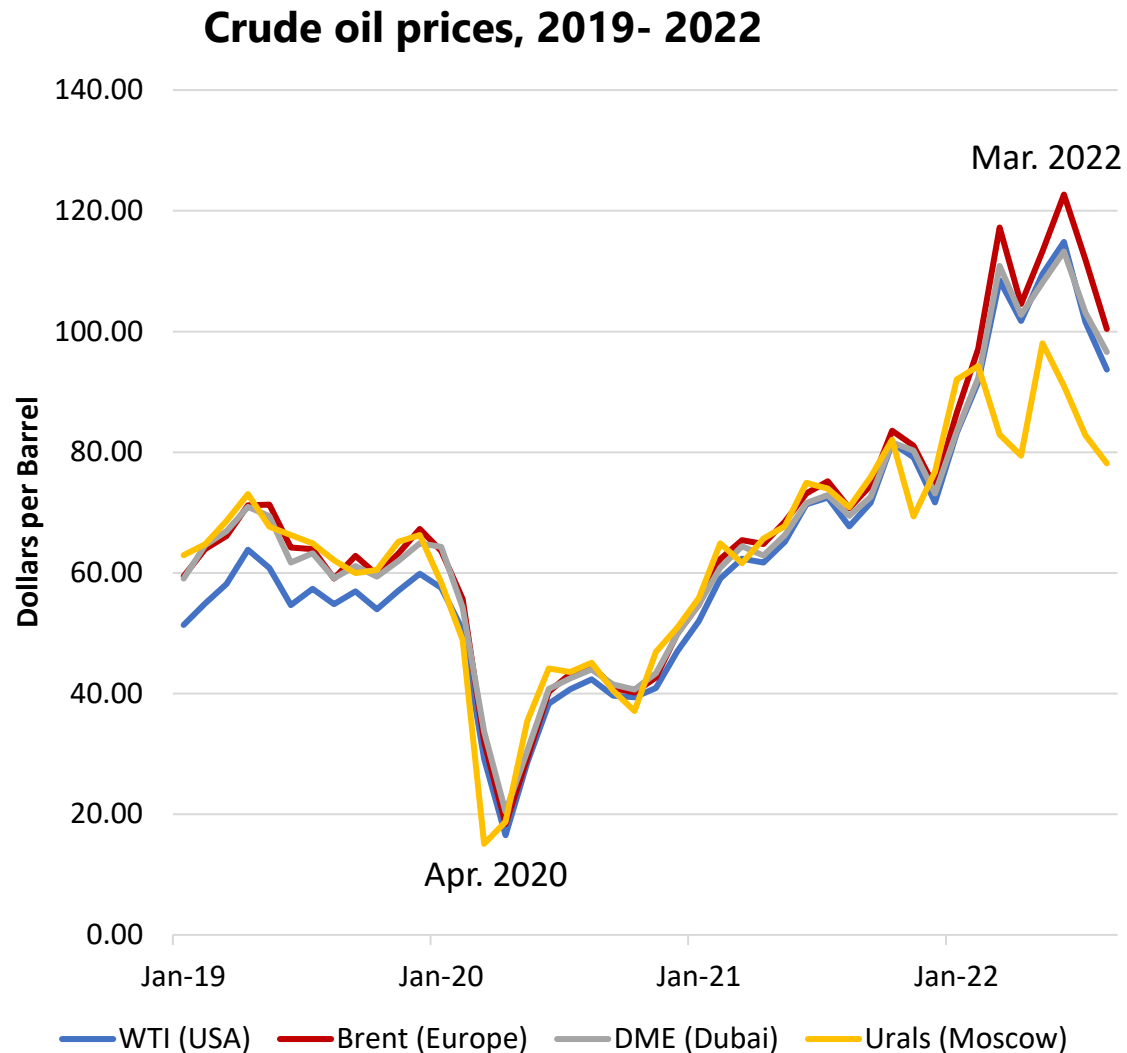
USA and Northeast Asia see decreasing levels of net imports; while China, Southeast Asia, and Oceania remain heavily dependent



Source: APEC Energy Demand and Supply Outlook 8th Edition

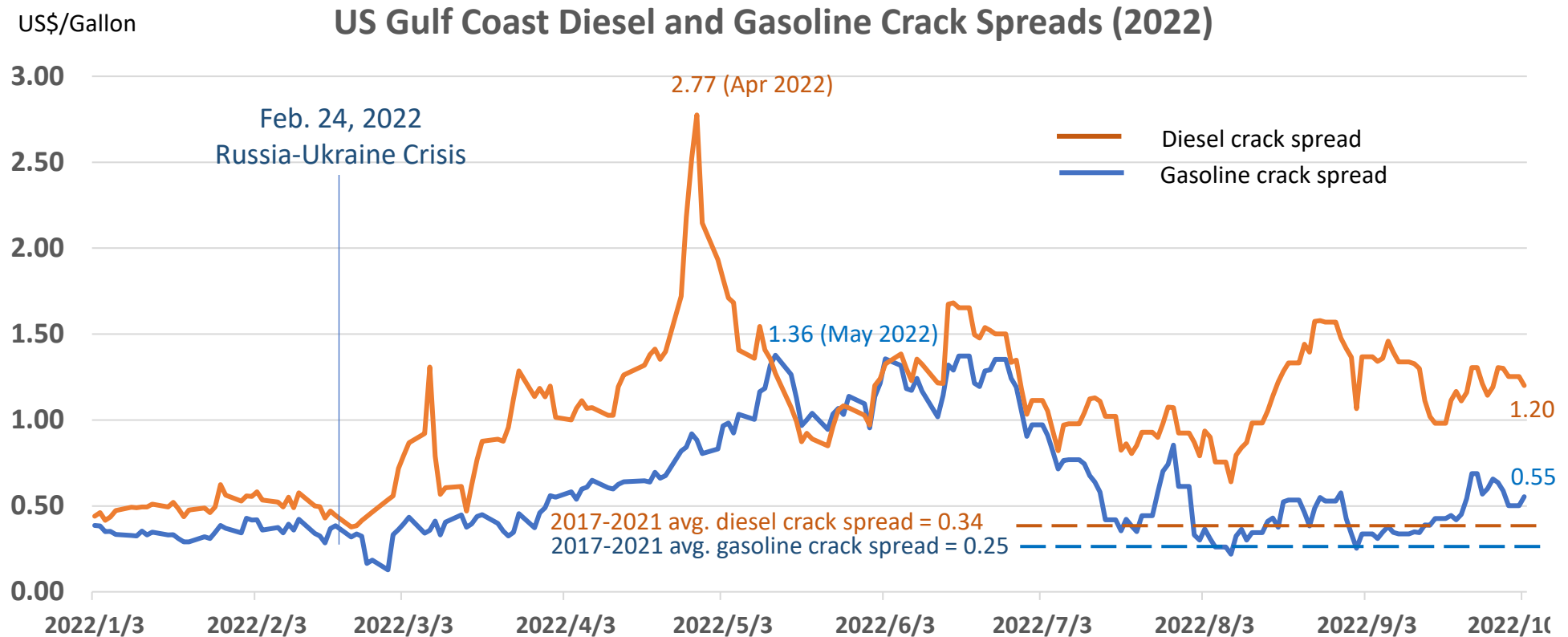
- APEC's net imports dropped to 44.9 EJ (20.1 million B/D) in 2020 from 50.8 EJ (22.8 million B/D) in 2018. A rebound in net imports is expected reaching the 2018 level.
- China accounts for 45% of APEC net imports in 2025, up from 8% in 2000.
- USA net imports drop by 87% in 2025 relative to 2000.

Crude oil prices increased from April 2020 to March 2022



- On April 20, 2020, WTI recorded its lowest price: negative 37 USD/B, while Brent saw its lowest level on April 21 at 9 USD/B.
- The average price for WTI in 2020 was 42 USD/B.
- Average annual 2021 prices exceeded those of 2019. Averaging \$70.67 compared to an average price of \$64.35 in 2019.
- On March 8th, oil prices reached their highest level so far this year at 128 USD/B.
- Russian Urals sold at a discount to Brent of up to \$34 USD/B in March.

The Russia-Ukraine crisis increased the global demand for refining



- Oil market dislocations caused by sanctions on Russian oil exports exacerbated the tightness in global distillation capacity and caused petroleum product prices to spike
- At its peak, the US Gulf Coast crack spread for diesel was 8 times its 5-year average and the spread for gasoline was 5 times its average.

Thank you.

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