
Rays of recovery - US EIA raises world oil demand forecast

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Reuters reported that US Energy Information Administration has raised its outlook for world oil demand at the end of 2009 and 2010, as the economies in China and other Asian countries begin to recover.

In its new monthly energy forecast, the agency said that it now expects a 410,000 barrel per day increase in the fourth quarter of 2009 from the same period a year ago. Its previous forecast estimated just a 240,000 barrel per day rise in fourth quarter demand.

The EIA said that "Sustained economic growth in China and signs of a turnaround in other Asian countries continue to fuel expectations of a global recovery in world oil consumption."

The EIA estimates world oil consumption will rebound in 2010, climbing 1.1 million barrel per day compared with 2009. Last month the agency had projected a smaller increase of 910,000 barrel per day.

Mr Richard Newell head of EIA said that even with strong demand from Asia, world consumption levels are not expected to return to levels seen before the global economic collapse for more than year. He added that "There's a significant degree of uncertainty about what the economic recovery is going to look like, whether it's significant and fast or whether it's slow and evolved. That will have the biggest impact on the global oil consumption."

The EIA also raised its projection for oil output from non OPEC countries in 2010 to 50.26 million barrel per day from its previous estimate of 50.19 million barrel per day.

(Sourced from www.reuters.com)

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