

## PRESS CLIPPING SHEET

<b>PUBLICATION:</b>	<b>Egyptian Gazette</b>
<b>DATE:</b>	<b>12-June-2015</b>
<b>COUNTRY:</b>	<b>Egypt</b>
<b>CIRCULATION:</b>	<b>60,000</b>
<b>TITLE :</b>	<b>Oil demand rises after price drop, but supply strong - IEA</b>
<b>PAGE:</b>	<b>05</b>
<b>ARTICLE TYPE:</b>	<b>General Industry News</b>
<b>REPORTER:</b>	<b>Staff Report</b>

## PRESS CLIPPING SHEET



**A RISE** in crude prices is expected to temper the growing global demand for oil.

# Oil demand rises after price drop, but supply strong – IEA

**LONDON** (Reuters) - World oil demand will rise much more than expected this year, the International Energy Agency (IEA) said yesterday, in the latest sign that the collapse in oil prices is helping to boost fuel use.

The Paris-based agency also pointed to "exceptionally high" growth in global supplies, forecasting OPEC crude production would remain near May's multi-year high and boosting its projection of supplies this year from other producers.

In a monthly report, the IEA raised its forecast for global oil demand growth in 2015 by 280,000 barrels per day (bpd) to 1.40 million bpd, bringing demand this year to almost 94 million bpd.

"Recent oil market strength of course partly stems from unexpectedly strong global oil demand growth," said the IEA, which advises industrialised nations on energy policy.

Oil prices have recovered this year after hitting a near six-year low close to \$45 a barrel in January. Prices collapsed from \$115 in June 2014 in a decline that deepened after OPEC refused to prop them up and chose instead to defend market share.

The IEA's upward revision makes it the most bullish on 2015 oil demand growth of the three government forecasters closely watched by the oil market. The two others – OPEC and the US government's Energy Information Administration – issued reports earlier this week. Oil initially rose after the release of the IEA report and later slipped. By 09:09 GMT yesterday, benchmark Brent crude was trading at \$65.16 a barrel, down 54 cents.

As well as lower prices, economic recovery and a relatively cold winter helped lift demand in the first half of the year, the IEA said. The supportive impact

of these factors could wane in the rest of 2015.

"Recent months have seen a steady acceleration in global oil demand growth, but due to the temporary nature of many of the factors that contributed to the upside, annual growth may subside in the second half of 2015."

The IEA also pointed to strong supply. Production by the Organisation of the Petroleum Exporting Countries (OPEC) rose to 31.33 million bpd in May, its highest since August 2012, and is likely to stay high in coming months, the agency said.

"Barring unforeseen outages, OPEC is likely to keep pumping at around 31 million bpd during the coming months as Middle East producers sustain higher rates to preserve market share and meet summer domestic demand," the agency said. OPEC, meeting last week for the first time since its landmark decision in November not to prop up prices, kept its output policy unchanged for the second half of the year.