

participate in the IEA are France, Iceland and Finland.

The stated aims of the International Energy Agency are:

- 1) co-operation among IEA participating countries to reduce excessive dependence on oil through energy conservation, development of alternative energy sources and energy research and development;
- 2) maintain an information system on the international oil market as well as consultation with oil companies;
- 3) co-operation with oil producing and other oil consuming countries with a view to developing a stable international energy trade as well as the rational management and use of world energy resources in the interest of all countries; and
- 4) planning to prepare participating countries for the possibility of a major disruption in oil supplies and to share available oil in the event of an emergency.

Among other provisions, participating countries agree to maintain an emergency reserve of oil sufficient to sustain consumption for at least 90 days with no net oil imports. This reserve commitment may be satisfied by maintaining oil stocks themselves, fuel switching capacity and stand-by oil production. Total oil stocks maintained by a participating country are defined to include crude oil, major products and unfinished oils held in refinery tanks, bulk terminals, pipeline tankage, barges, intercoastal tankers, oil tankers in port, inland ship bunkers, storage tank bottoms and working stocks; and oil held by large consumers as required by law or otherwise controlled by governments.

In recent years a shift has taken place in the oil stocks held by OECD countries. Since 1981, company-held stocks have generally been declining while government oil stocks have been growing larger. In effect, governments have been assuming a larger share of the burden in maintaining strategic oil stockpiles. Figures 18 and 19 provide more detail on OECD oil inventories. Figure 18 displays OECD annual opening inventories of oil since 1974, subdivided into company and government stocks. Figure 19 shows how these stocks translate into days of forward consumption, again broken down into company and government shares.

Typically about half of the OECD company-held stocks have been crude oil and the remainder petroleum products.

The LDCs maintain oil stocks, although these too have declined somewhat since 1981. Figure 20 shows total oil stocks held in the non-Communist world. In this illustration, the LDC inventory includes those oil stocks held by OPEC.