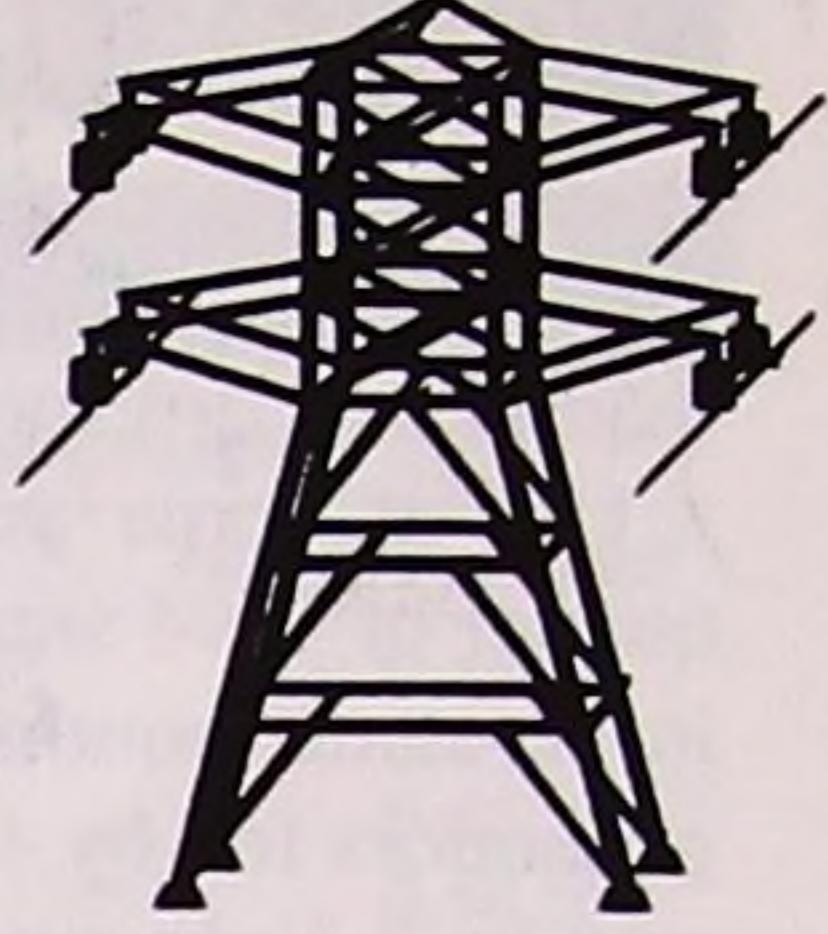


# ENERGY

## Trends



A Statistical Bulletin from the Department of Trade & Industry

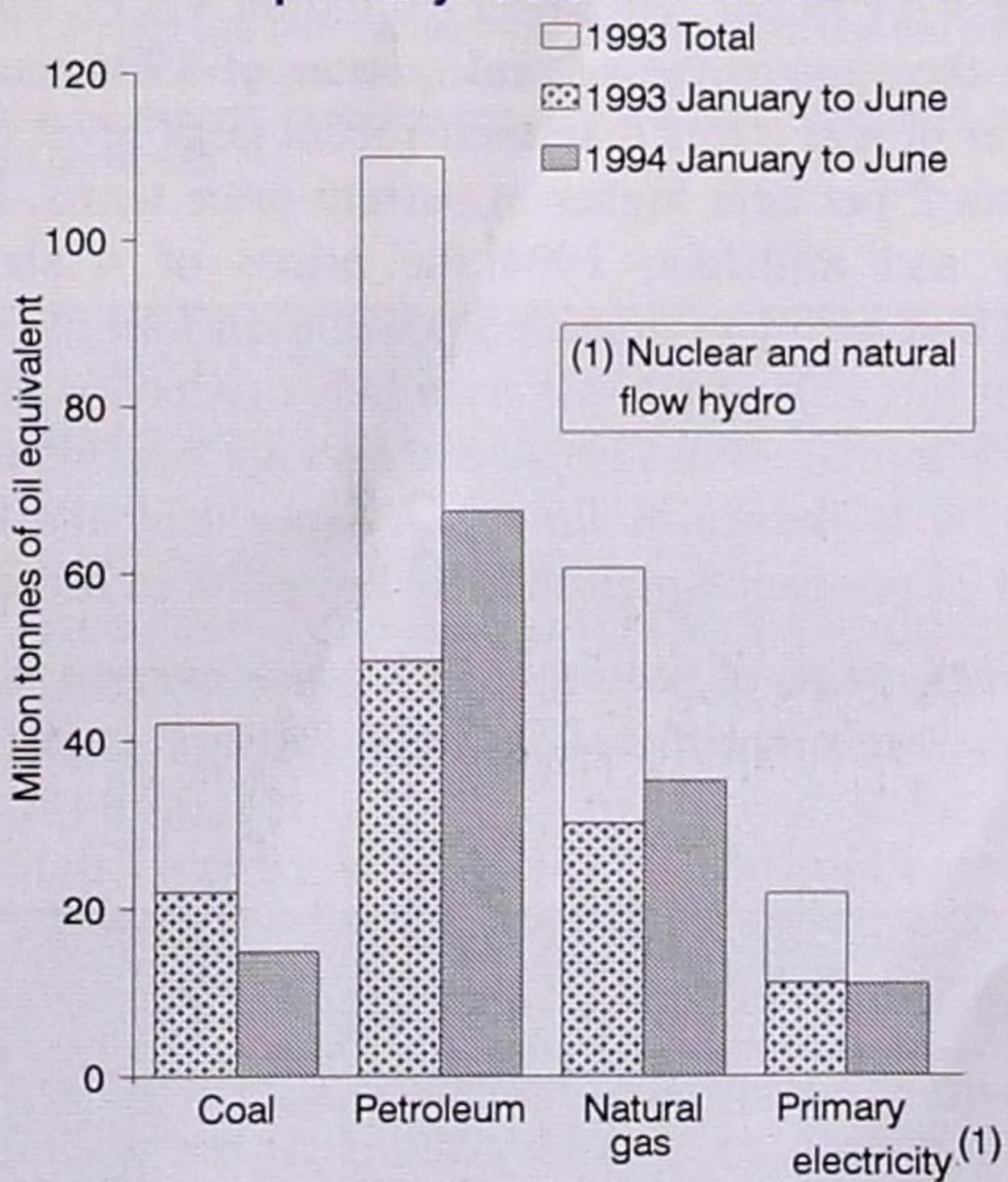
26 AUG 1994  
NATIONAL INSTITUTE OF SOCIAL RESEARCH

# AUGUST 1994

### MAIN POINTS

- ★ Energy production in the second quarter of 1994 was 20 per cent higher than a year earlier, with oil production up by 43 per cent. Oil production was the highest for six years, with June production a record for that month.
- ★ Primary energy consumption in the second quarter of 1994, after temperature correction and seasonal adjustment, was 2 per cent higher than a year earlier.
- ★ The volume of crude oil exports (including NGLs) in the first half of 1994 was nearly 1½ times the volume in the same period of 1993.
- ★ Nuclear accounted for a record third share of fuel used for electricity generation by major power producers in June, while second quarter gas use for generation was also a record 13 per cent share.
- ★ The pre-tax prices of fuels used in the home fell by 5 per cent in real terms in the year to the second quarter of 1994; gas prices fell by 3 per cent and electricity prices by 6 per cent. After adding VAT at 8 per cent these changes became real increases of 5 per cent for gas, 2 per cent for electricity, and 3 per cent for all fuels used in the home.

**Chart 1 : Production of indigenous primary fuels in 1993 and 1994**



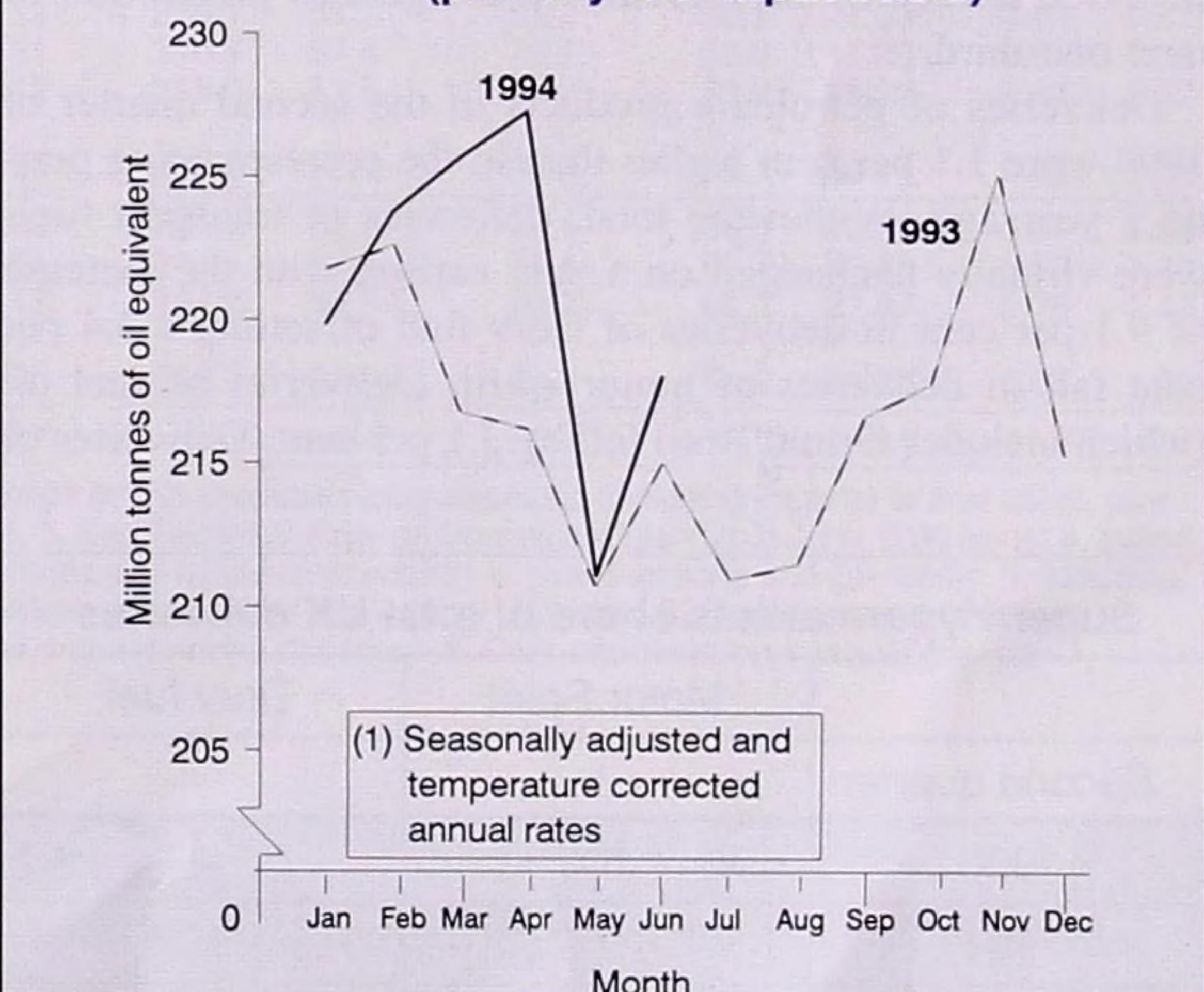
### TOTAL ENERGY PRODUCTION (Table 1)

Indigenous production of primary fuels during the second quarter of 1994 at 60.1 million tonnes of oil equivalent, was 19.9 per cent higher than in the corresponding period of 1993. Production of coal fell by 26.7 per cent, whilst production of petroleum and natural gas rose by 42.9 per cent and by 17.5 per cent respectively, reflecting in both cases the effects of new fields coming on stream during the past year. Nuclear electricity generation rose by 5.4 per cent.

### TOTAL ENERGY CONSUMPTION (Table 2)

Total inland energy consumption, on a primary fuel input basis, in the second quarter of 1994 was 4.6 per cent higher than in the corresponding months a year ago. Consumption of coal fell by 3.4 per cent. Consumption of natural gas rose by 17.6 per cent, mainly as a result of an increase in gas use for electricity generation, whilst consumption of petroleum rose by 1.2 per cent.

**Chart 2 : Total inland consumption (primary fuel input basis)<sup>(1)</sup>**



The average temperature during the period was slightly lower (¾ of a centigrade degree) than a year ago, making total energy consumption, on a seasonally adjusted and temperature corrected basis, in the second quarter of 1994, 2.2 per cent higher than in the same period a year earlier. On this basis, consumption of coal decreased by 4.7 per cent, whilst consumption of natural gas and nuclear electricity rose by 10.5 per cent and 5.5 per cent respectively.

Continued on next page



## COAL (Tables 4 to 7)

Provisional figures for the second quarter of 1994 show that total production was 11.7 million tonnes, 26.7 per cent less than in the corresponding months a year earlier.

Use of home produced and imported coal in the second quarter of 1994 was 18.7 million tonnes, 3.4 per cent less than in the same months a year earlier. Consumption by electricity generators fell by 4.2 per cent whilst consumption by industry rose by 2.2 per cent. Disposals to the domestic sector also fell by 4.2 per cent.

Total stocks of coal at the end of June 1994 were 34.0 million tonnes, 1.7 million tonnes lower than at the end of May 1994 and 13.1 million tonnes lower than at the end of June 1993. Overall productivity in British Coal's mines was 51.8 per cent higher in the first half of 1994 than a year earlier.

## GAS (Tables 8 and 9)

Provisional data for the second quarter of 1994 show that gross production was 16.3 per cent higher than in the corresponding period a year earlier. Exports to Europe from the Markham field were 2,275 gigawatt hours in the period April to June 1994, reducing the UK's net imports of natural gas by 21.8 per cent. Imported supplies were 6.8 per cent of the total gas available compared to 8.0 per cent a year earlier. Gas supplied through the inland transmission system in the second quarter of 1994 was 15.5 per cent higher than in the corresponding period 12 months ago, in part because of the cooler weather, but more because of the significant increase in supplies for electricity generation.

## PETROLEUM (Tables 10 to 16)

Shipments (exports) of crude oil and natural gas liquids were 47.6 per cent higher, and arrivals (imports) 14.2 per cent lower in the first half of 1994 compared with the same period in 1993, reflecting the increase in indigenous production of over one-third.

Deliveries of petroleum products in the second quarter of 1994 were 1.1 per cent higher than in the corresponding period a year ago. Within the total, deliveries of transport fuels were virtually unchanged on a year earlier, with the increase of 9.1 per cent in deliveries of Derv fuel offsetting a 3.4 per cent fall in deliveries of motor spirit. Deliveries of fuel oil (which includes Orimulsion) fell by 3.1 per cent. Deliveries of

unleaded petrol in the second quarter of 1994 represented 56.9 per cent of total motor spirit deliveries, compared with a 52.3 per cent in the corresponding period a year ago. The table below shows that in the second quarter of 1994 super/hypermarkets accounted for an estimated 17 per cent of total UK motor spirit deliveries, more than double their estimated share in 1990.

Stocks of petroleum products rose by 1.1 per cent during June but at the end of the month were still lower (6.8 per cent) than at the end of June 1993. Stocks of crude oil and refinery process oils fell by 6.5 per cent during June and at the end of the month were 7.9 per cent lower than a year earlier.

## ELECTRICITY (Tables 17 to 22)

Electricity supplied by the major power producers in the second quarter of 1994 was 4.4 per cent higher than a year earlier. The supply from conventional steam stations during the period fell by 5.6 per cent. The supply from nuclear stations rose by 8.7 per cent and the supply from Combined Cycle Gas Turbine Power Stations (CCGTs) was 62.7 per cent higher than in the second quarter of 1993. When electricity available from other UK sources (which was less than a year ago) and imports (unchanged from a year ago) are included, total electricity available through the public distribution system rose by 3.4 per cent when compared with the corresponding period a year earlier.

Coal's share of generation by major power producers fell from 54.2 percent in the second quarter of 1993 to 50.2 per cent in the second quarter of 1994. Gas' share rose from 9.2 per cent to 12.8 per cent over the same period. In the month of June 1994 nuclear's share was a record 33.5 per cent of fuel use for generation.

## PRICES (Tables 25 to 29)

In current price terms all fuels used in the home show increases compared with a year earlier because they include VAT at 8 per cent from 1 April 1994. After allowing for inflation (as measured by the GDP deflator) of 3 per cent over the year, the price of fuels used in the home rose by 3 per cent between the second quarter of 1993 and the second quarter of 1994, but this becomes a real decrease of 5 per cent when VAT is excluded. Gas prices rose by 2 per cent including VAT but fell by 6 per cent excluding VAT. The price of coal rose by 6 per cent including VAT but fell by 2 per cent excluding VAT, while heating oil prices were 1 per cent lower in real terms including VAT (9 per cent lower excluding VAT). Motor fuel prices in the year to the second quarter of 1994 were 1 per cent lower in real terms than their recent peak level of a year earlier, but 2 per cent higher in current price terms. Between mid-May and mid-June 1994 the prices of 4 star, super unleaded and premium unleaded petrol each rose by around ½ penny per litre. The crude oil price index (which is calculated in sterling terms) showed that the average cost of crude oil acquired by refineries in June was 3 per cent above May's level and 22 per cent higher than its low point in March 1994.

The back page of this month's issue carries a supplementary article entitled UK 1989 Energy Input-Output Tables.

## SUBSCRIPTION RENEWAL

Every Subscriber to Energy Trends should by now have received an invitation to renew their subscription for the year April 1994 to March 1995. If you have not received the renewal request, please contact Mike Ward, at the address on the back page, or telephone 071 238 3756. If you have not yet paid for the renewal of your subscription, please do so immediately. No further issues of the bulletin will be sent to subscribers for whom no renewal of payment is recorded.



























# UK 1989 Energy Input-Output Tables

The UK 1989 Energy Input-Output Tables are now available. This is a set of tables compiled according to the definitions of the Statistical Office of the European Community. The most distinctive feature is that in these tables the transactions of the energy sectors are expressed in energy units (TJ) as well as in value terms.

In co-operation with the Department of Trade and Industry, the compilation of these tables was undertaken by the Environmental Economics group of Keele University. The compilation was funded by EUROSTAT (the Statistical Office of the European Communities).

The CSO's UK input-output tables were the main sources for the inter-industry structure, complemented by Census of Production data. As regards the energy data, the main source used was the UK Digest of Energy Statistics. Additional sources were unpublished data provided by the Department of Trade and Industry, the Purchases Inquiry and the UK 1989 Energy Balance Sheet, published by the Statistical Office of the European

Communities. Many more sources were used, such as publications by UK departments and comprehensive personal communications with government as well as private institutions.

The objective of the tables is to provide a consistent and very disaggregated picture of the energy flows in the British economy. With 59 energy, industry and service sectors and five final demand categories they allow a detailed analysis of the pattern of energy supply and demand. They can be helpful to decision makers for energy policy as well as environmental policy. In addition, international comparisons are facilitated, since there are tables with exactly the same definitions and structure for most other countries of the European Union.

The UK 1989 Energy Input-Output Tables are available on request from Dr J L R Proops, Department of Economics, Keele University, Keele, Staffordshire ST5 5BG, Fax: 0782 717577. The tables are supplied both as printed versions and as Lotus 1-2-3 worksheets. A charge of £25 is made to cover the cost of reproduction, packing and postage.

## THE ANNUAL ENERGY REPORT

On 15 June 1994, the Government launched the first in the series of its new annual Energy Reports, following its commitment in the Coal Review White Paper to publish information relevant to business and investment decisions. The Government has been advised on the coverage of the Report by a new Energy Advisory Panel of independent experts.

The Energy Report consists of two volumes. Volume 1, "Markets in Transition", highlights the main changes and expected developments in the energy sector as it moves towards a fully competitive market for all fuels. It sets out the Government's energy policy and also looks at current issues such as the environment, low oil prices, security of supply and the international competitiveness of the energy industries.

Volume 2, "Oil and Gas Resources of the UK", deals specifically with the oil and gas sector, as did its predecessor, "The Development of the Oil and Gas Resources of the UK", more commonly known as the "Brown Book".

The two volumes can either be purchased together or separately and are available from HMSO and other good bookshops. "Markets in Transition" (ISBN 0-11-515379-9) costs £25.00 and "Oil and Gas Resources of the United Kingdom" (ISBN 0-11-515380-2) £35.00. For further details contact Peter Dye, Department of Trade and Industry, Room 2.1.10, 1 Palace Street, London SW1E 5HE (tel 071 238 3511).

Enquiries about the data in, or subscriptions to, this bulletin should be addressed to: EPA4, (attention: Jane Rees-Davies) Room 3.3.14, Department of Trade & Industry, 1 Palace Street, London SW1E 5HE (tel: 071-238 3606). Suggestions about changes to the content or scope of the bulletin should be sent to the same address, (attention Mike Ward).