

Crude Oil Now NZ's No. 1 Export to Australia

Oil products are now the largest item in trans-Tasman trade both ways between New Zealand and Australia.

Almost all exports of crude oil and condensate from New Zealand went to Australian markets. The export of 845,000 tonnes of crude oil and condensate to Australia were worth NZ\$455MM in the year to March 2001. This headed off the second biggest item in New Zealand exports across the Tasman, that of timber products, worth NZ\$271MM in the same period. Total petroleum imports from Australia were worth NZ\$920MM for the March 2001 period. In addition to the Australian market, small amounts of crude went to Japan, Korea and the Philippines.

Exports of crude oil, condensate and naphtha in the year to March 2001 were approximately 1,240,000 tonnes, worth NZ\$670MM.

Total production of crude oil and condensate were both down about 10% in the March 2001 year from the previous year. However, naphtha output from the Maui field increased over 5%. Crude oil, condensate and naphtha production from the Taranaki fields in the March 2001 year was approximately 13 MMbbl (1,600,000 thousand tonnes), of which about 75% was exported. The remaining 25% was used as refinery feedstocks for the Marsden Point refinery.

For naphtha, which is extracted from the Maui condensate stream at the Oaonui production station, the principal market is Japan, with smaller amounts going to the US and Korea. New Zealand's self-sufficiency in liquid oil products declined slightly to 34% in the March 2001 year from 37% a year earlier.

The overwhelmingly largest use of liquid oil products in New Zealand is in transport, both for commercial and domestic use.

Out of total oil consumed of 218 PJ (approximately 38 MMbbl) in the March 2001 year, transport accounted for 85%, or 185 PJ.

Use of oil products in all road, rail, shipping and air transport has grown steadily in recent years while in other sectors of the economy like agriculture, industry and residential use (such as for home heating), oil use has remained static or declined.

Petrol still remains the most popular fuel for New Zealand motorists. Petrol accounted for the largest share of petroleum products consumed in New Zealand, though the 2.17MM tonnes used in the March 2001 year was 2.5% down on the record 2.23MM tonnes used in the previous year. Higher petrol prices in the latest year may have helped keep consumption down.

Diesel continues, meanwhile, to take a growing share of the liquid fuels market. Diesel consumption has risen rapidly over the past decade. With more diesel-engine trucks, vans, tractors, trains, boats and cars in operation, consumption of diesel fuel rose to a record level of almost 1.92MM tonnes in the year to March 2001. This is 2% up on the March 2000 year of 1.89MM tonnes - and twice the 1989 diesel consumption of 950,000 tonnes.

Imports of refined petrol have been growing over the past decade, but in the year to March 2001, imports of refined petrol fell 20% to 712,000 tonnes, from 887,000 tonnes brought into the country in the March 2000 year.

In addition to petroleum trade, New Zealand also exports 2.4MM tonnes of chemical grade methanol made largely from Maui gas.