

# A RESPONSE TO FORBES

*This IEF Media Brief is based on a letter sent by the IEF Energy Dialogue Director to the editor of Forbes, in response to a recent article that cited data from the Joint Organisations Data Initiative (JODI).*

In his 20 November 2012 *Forbes* article entitled “Is Russia the World’s Largest Oil Producer? It All Depends on Whom You Ask”, author Mark Adomanis compared Russian and Saudi Arabian oil production by using JODI data and data from the US Energy Information Administration (EIA). Mr. Adomanis cited what he perceived to be significant disparities between the JODI and EIA data for the two countries. In truth, Mr. Adomanis failed to recognise some important differences in the two data sets. In his letter to the editor of *Forbes*, IEF Energy Dialogue Director Zack Henry explained where Mr. Adomanis’s assumptions and analysis missed the mark.

First, in his article Mr. Adomanis mistakenly referred to JODI data as estimates: “*And while it’s true that the EIA’s estimates consistently exceed JODI’s...*” In fact, JODI figures are not estimates. JODI data are actual figures collected by oil ministries and national administrations. Every month, those professionals submit a standardised questionnaire that includes oil production, consumption, trade and stocks data to their corresponding JODI Partner. The JODI Partner then reviews the data and subsequently sends its files to the IEF for further review, consolidation and uploading into the JODI database.

## **Chart One: Russia and Saudi Arabia Oil Production 2002-2012 (JODI)**

Regarding the first chart in Mr. Adomanis’s article – in which he uses JODI data to compare Russian and Saudi Arabian oil production from 2002-2012 – he overlooked the fact that up until December 2011 Russia reported both crude oil production and natural gas liquids (NGL) together, as one stream. As of January 2012 Russia started reporting crude and NGL separately. Note that the extended monthly JODI questionnaire includes fields to report crude oil production and NGL individually. To address the reporting inconsistency, the IEF asked JODI Partner APEC to contact the reporting professionals in Russia to request that they revise their data prior to January 2012 and submit two separate streams of historical data. Until the historical data are updated, the IEF has noted the reporting discrepancy in the JODI Russia country notes (an image of the country notes screen shot is attached).

One should also note that Saudi Arabia reports only crude oil production to JODI, and does not report NGL. Thus, in the first chart featured in Mr. Adomanis’s article, from January 2002 through December 2011 he is comparing Russian crude and NGLs production to Saudi Arabian crude production alone. From January 2012 on, he is comparing Russian crude production to Saudi Arabian crude production.

<sup>1</sup> The six JODI Partners are: Asia Pacific Economic Cooperation (APEC), Eurostat, the International Energy Agency (IEA), the Organization of the Petroleum Exporting Countries (OPEC), the Latin American Energy Organization (OLADE), and the United Nations Statistics Division (UNSD).

## Chart Two: Russia and Saudi Arabia Oil Production 2002-2012 (EIA)

In the [second chart](#) in the article, which uses data from the EIA to compare Russian and Saudi Arabian oil production from 2002-2012, one sees that Saudi Arabia is producing more oil than Russia throughout almost the entire timeframe. Note that EIA data compares apples to apples, as the saying goes, because EIA figures include both crude production and NGL for both Saudi Arabia and Russia. Why does the EIA include NGL for Saudi Arabia while JODI does not? Because officials at the EIA estimate NGL production for Saudi Arabia, while JODI only features data that are submitted directly by contributing countries.

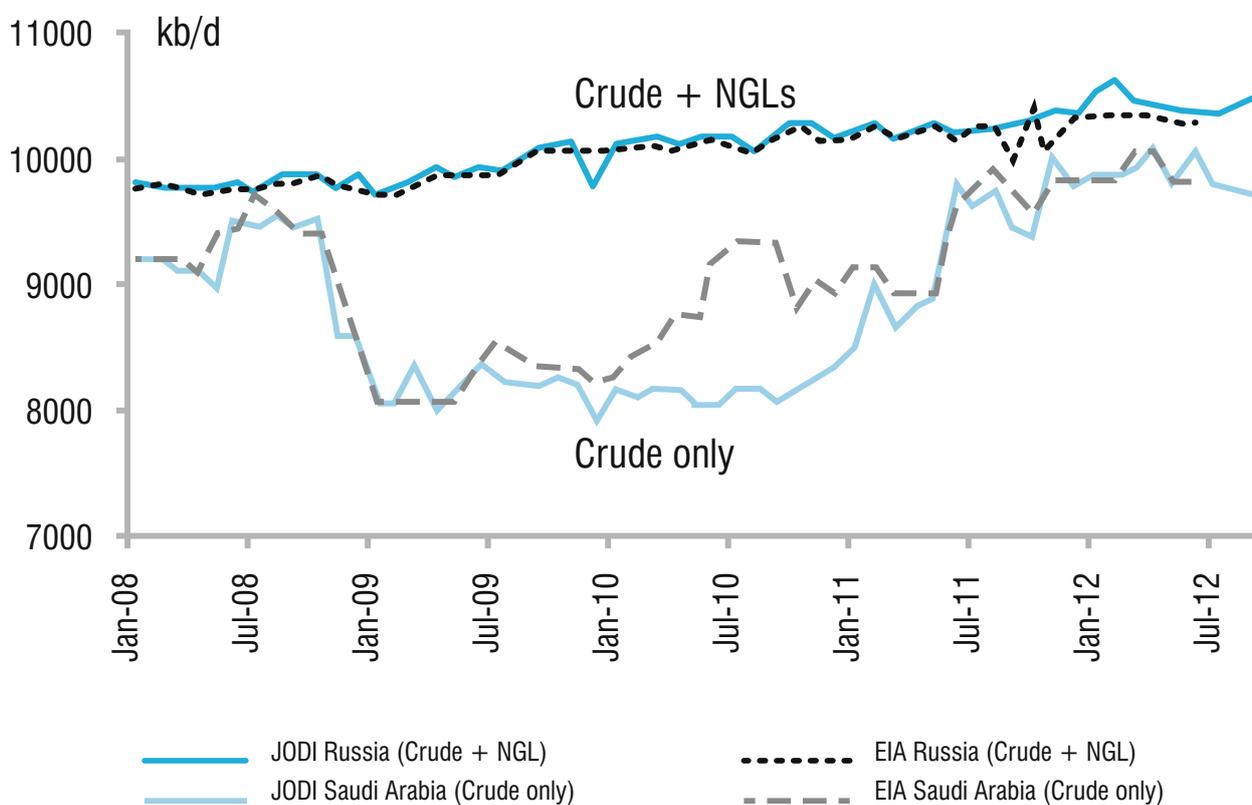
## Chart Three: Difference Between JODI and EIA Production Figures, 2002-2012 (kbpd)

Last, in the [third chart](#) from his article, Mr. Adomanis correctly notes that when comparing Russian “oil production” (which is in fact crude + NGL through December 2011, and then just crude for JODI from January 2012) the historical EIA and JODI figures “are usually very closely matched”. This is because EIA figures for Russia include both crude and NGL, and JODI figures included both crude and NGL through December 2011. The chart shows that the discrepancy between JODI and EIA data for Russia widens from January 2012 on.

In that same chart, Mr. Adomanis compares what he calls “oil production data” from the EIA with JODI data for Saudi Arabia, and he notes that “the Saudi data is an absolute mess. The smallest discrepancy between JODI and the EIA is a million barrels a day, while the largest is close to three million”. He goes on to write that “the difference between the two datasets often exceeds the total production of a major oil producing country like Canada”. As noted above, these perceived gaps are because EIA data contain crude and NGL production volumes, while JODI data contain only crude production.

In order to make this point clear, the IEF Energy Dialogue team created a chart that compares the following:

- (1) Russian crude plus NGLs: JODI data versus EIA data;
- (2) Saudi Arabian crude: JODI data versus EIA data.



Comparing like to like, or apples to apples, one can see that there is relative consistency between JODI figures and EIA figures (except for Saudi Arabian crude production figures in mid to late 2010 – figures from that period were questioned by some market observers).

Thus, the alleged data gaps raised by Mr. Adnomanis are in truth not as wide as he led readers to believe.

In the letter to the editor, the IEF invited Mr. Adomanis to hold a conference call with its Energy Dialogue Team to address any additional questions the writer might have, and likewise invited him to visit the IEF Secretariat to explore the JODI data together with the IEF.

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## JODI Country Notes/Metadata for Russia

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### Summary

#### Joint Organisations Data Initiative Oil (last 15 months)

**Item:** Russian Federation  
**Item code:** RUSSIA

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#### Notes:

##### [General Information]

Data are submitted to APEC in million tons. The definition of crude oil stocks was changed to exclude the so called "reserves" which was not explained further by Russia. The definition only includes the stock level. At the same time, Russia also stopped reporting stock level data of total oil.

Crude oil production includes NGL prior to December 2011. NGL data are available as of January 2012 in the extended JODI Oil format. Russian data on LPG is only on refinery output and no data on other flows. There are no Kerosene and Total Oil data.

##### [Detailed Information]

Crude Oil

Production:

Production data are compared with data from four other sources.

Petroleum Products:

All data are assessed by comparing with annual data and by internal consistency checks.

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.m, .csv and/or .txt files (see 'Downloads' page of the JODI website)      Last update: 18 November 2012 - Data up to September 2012. Additional countries from the previous data