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EEC TO EXPAND PETROLEUM INDUSTRY

WASHINGTON, D. C., December 21--The European Economic Community is buying a smaller share of its oil from the Soviet bloc than formerly, according to a report released by the EEC Commission.

The EEC executive body has just issued two reports, one of which examines Common Market imports of crude and refined petroleum and the other of which gives a general view of 1965 achievements in prospecting, extracting, refining and transporting petroleum and gas.

Oil Imports Rising

According to the first report, imports of crude oil in 1965 reached 228 million metric tons, an increase of 32 million tons over 1964. The Middle East is the EEC's chief supplier, though its share fell from 62.3 per cent of the market in 1964 to 61.1 per cent in 1965. Africa has gained rapidly in importance and now supplies 30.2 per cent of the total.

The EEC imported 13.2 million tons of oil from the Soviet bloc in 1965, 300,000 tons more than in 1964 but a smaller share of the total. In 1966 the EEC imported an estimated 15.7 million tons from the USSR and the Soviet bloc nations. France is the largest importer from the bloc, taking over half the EEC's imports from them.

Imports of refinery products have been a small part of requirements, and they fell further in 1965 to 18.4 million tons, or 7.5 per cent of total requirements.

Reserves Growing But Still Insufficient

According to the second report, intense prospecting has located new oil resources within the European Community, and proven reserves were estimated at about 219 million tons in 1965. Community production in 1965 was only 15.5 million tons, covering only 7 per cent of requirements.

Reserves of natural gas have fared better, and reserves at the beginning of this year were estimated at 1.6 trillion cubic meters, as against only 300 billion in 1960. Gas, which covered only four per cent of the EEC's total energy consumption in 1965, could account for about eight per cent in 1970.

Total refinery capacity rose to 268 million tons in 1965 and should reach nearly 400 million tons in 1970. Italy was the Common Market's leader in refining capacity with 85 million tons, not including a statutory reserve capacity.

The Community had at the beginning of 1966 3900 kilometers of pipeline and 1265 kilometers more are in the planning stages. In 1970 about 35 per cent of total refining capacity should be linked with pipelines. This will encourage a movement of refineries toward centers of consumption.