

Estimating world oil demand — what went wrong?

The IEA and Opec produce monthly reports that estimate and forecast demand, along with production, inventories and the "call on Opec crude". The IEA's numbers are crucial because Opec follows them like a hawk. But the IEA, and therefore Opec, appear to have it wrong. They underestimate world demand significantly.

This paper demonstrates:

- that the IEA numbers are wrong
- how and why they are wrong
- why it matters
- what are the solutions
- why it is best to believe the price signal