

ABSTRACT

Demand for oil has been increasing on Average of 1.38/year for the period 1971-2002 particularly by Asian and OECD Pacific, which were led, by increasing incomes, population, industrialization, investment, and trade. In view of its importance, this paper attempts to analyze and forecast the Asian demand for crude oil for the next 4 years. To do this, it has been applied three different methods to contrast their performances in fitting the Asian data: Engle-Granger's error correction model. Hendry's error correction model and ARDL approach.