



Overview

Oil prices are currently at roughly half of what they were at the beginning of 2020 due to a dramatic decrease in demand for gasoline, diesel, and jet fuel. As states' stay-at-home orders are ending and Americans are going back to work and traveling, petroleum prices are slowly beginning to increase. Overall, many countries across the world are dependent on petroleum products. For example, the transportation sector uses petroleum products such as gasoline and diesel fuel, and many countries rely on petroleum fuels for heating, cooking, or generating electricity. The United States is one of the top oil producers in the world but still depends on foreign oil imports.

American Oil Consumption

Petroleum is the largest American energy source. In 2018, Americans used an average of 20.50 million barrels of oil *per day*. Almost three-fourths of the oil goes toward transportation, including keeping almost 280 million vehicles on the road. Nearly half our petroleum becomes gasoline, while the rest becomes diesel fuel, heating oil, propane, ethane, and jet fuel.

Global Oil Production

Around the world, about 100 countries produce crude oil. The United States was the top crude oil producer in 2018 and 2019. In 2019, five countries accounted for about half of the world's total crude oil production:

- United States 15%
- Russia 13%
- Saudi Arabia 12%
- Iraq 6%
- Canada 5%

In 2019, the United States imported an average of 9.10 million barrels of foreign oil a day from about 90 countries. Our top foreign suppliers of petroleum (including crude oil) in 2019:

- Canada 49%
- Mexico 7%
- Saudi Arabia 6%
- Russia 6%
- Colombia 4%

Domestic Oil Production

In 2019, the United States produced about 19.25 million barrels per day of petroleum. While 32 states produce crude oil, about

Center Forward Basics

Center Forward brings together members of Congress, not-for-profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Facts

- Average American oil consumption per day (2018): **20.50 million barrels**
- Average imports of foreign oil per day (2019): **9.10 million barrels**
- Percentage of oil used for transportation: **69% (14.16 million barrels per day)**
- Average number of gallons of gas used per day (2018): **392 million**
- Top five gasoline-consuming states:
- Gallons used per day, 2018:
 - Texas: 43.51 million
 - California: 39.45 million
 - Florida: 20.08 million
 - New York: 15.25 million
 - Georgia: 13.59 million

69% comes from just five states:

- Texas 41%
- North Dakota 11%
- New Mexico 9%
- Oklahoma 5%
- Colorado 4%

Additionally, the U.S. exported petroleum to about 190 countries in 2019. Top destinations of U.S. petroleum exports include Mexico, Canada, South Korea, Japan, and Brazil.

Oil Producers

Governments and private companies play various roles in moving crude oil from producers to consumers. There are three types of companies that supply crude oil to the global oil marketplace:

- International oil companies (IOCs): companies that are entirely investor owned and are primarily interested in increasing value for their shareholders. Some companies include ExxonMobil, BP, and Royal Dutch Shell.
- National oil companies (NOCs): companies that operate as extensions of a government or a government agency. NOCs financially support government programs and sometimes provide strategic support. They often provide fuels to their domestic consumers at a lower price than the fuels they provide to the international market. NOCs include companies such as Saudi Aramco (Saudi Arabia), Pemex (Mexico), the China National Petroleum Corporation (CNPC), and Petroleos de Venezuela S.A. (PdVSA).
- NOCs with strategic and operational autonomy: corporate entities and do not operate as extensions of their countries' governments. These companies are more profit-oriented but often consider their nations' goals when making investments or strategic decisions. This includes Petrobras (Brazil) and Statoil (Norway).

Crude Oil Prices and Supply

Around the world, geopolitical events and severe weather can disrupt the supply of petroleum products and affect the prices. For example, many crude oil reserves are located in regions that have been subject to political upheaval. Additionally, hurricanes in the Gulf of Mexico often affect oil production and refinery operations for United States' oil companies.

As a result of COVID-19 and a dramatic decrease in demand for oil, the price of a barrel fell below zero for the first time on April 20th, 2020. Some suppliers were even paying buyers to take their oil. Prices are slowly starting to increase as demand for oil rises, but experts fear oil prices may decrease again if there is another wave of coronavirus cases. The changes in petroleum demand and price affect both large and small oil production companies and may result in layoffs, bankruptcy, and other challenges in the coming months.

Links to Other Resources

- U.S. Energy Information Administration - [Energy Explained](#), [Gasoline and Diesel Fuel Update](#), [Oil and petroleum products explained](#)
- U.S. Census Bureau - [U.S. Imports of Petroleum](#)
- U.S. Geological Survey - [World Oil and Gas Resource Assessments](#)
- International Energy Agency - [World Energy Outlook](#)
- The New York Times - [Oil Prices are Coming Back as Demand Rises](#)