

# U.S. gasoline consumption

## Selected indicators

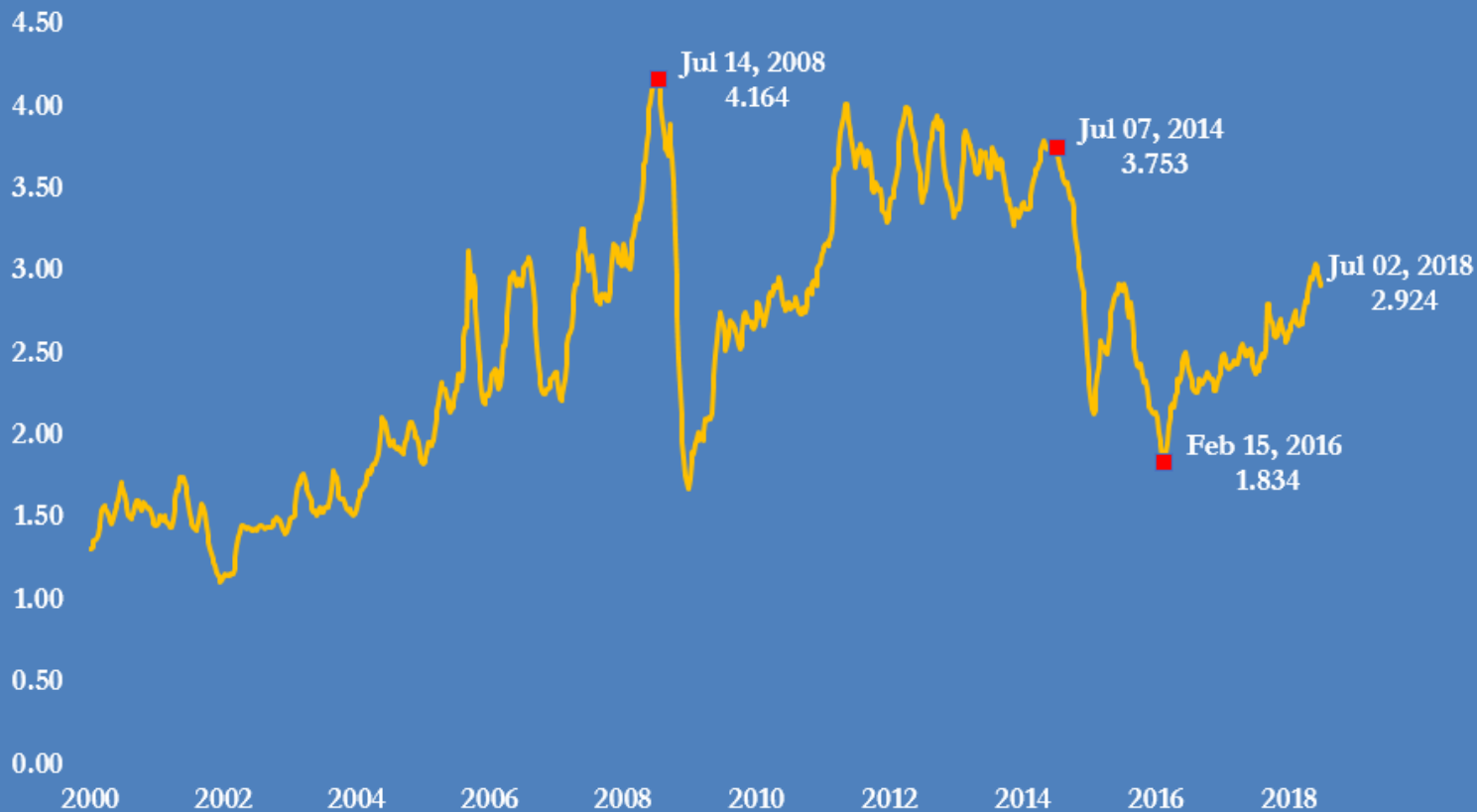
**JOHN KEMP**  
**REUTERS**

3 Jul 2018

# U.S. retail gasoline prices are at highest level since 2014

Politically sensitive and impact on vehicle choices/driver behaviour

U.S. gasoline prices, 2000-2018  
Weighted average pump prices, including taxes, U.S.\$/gal

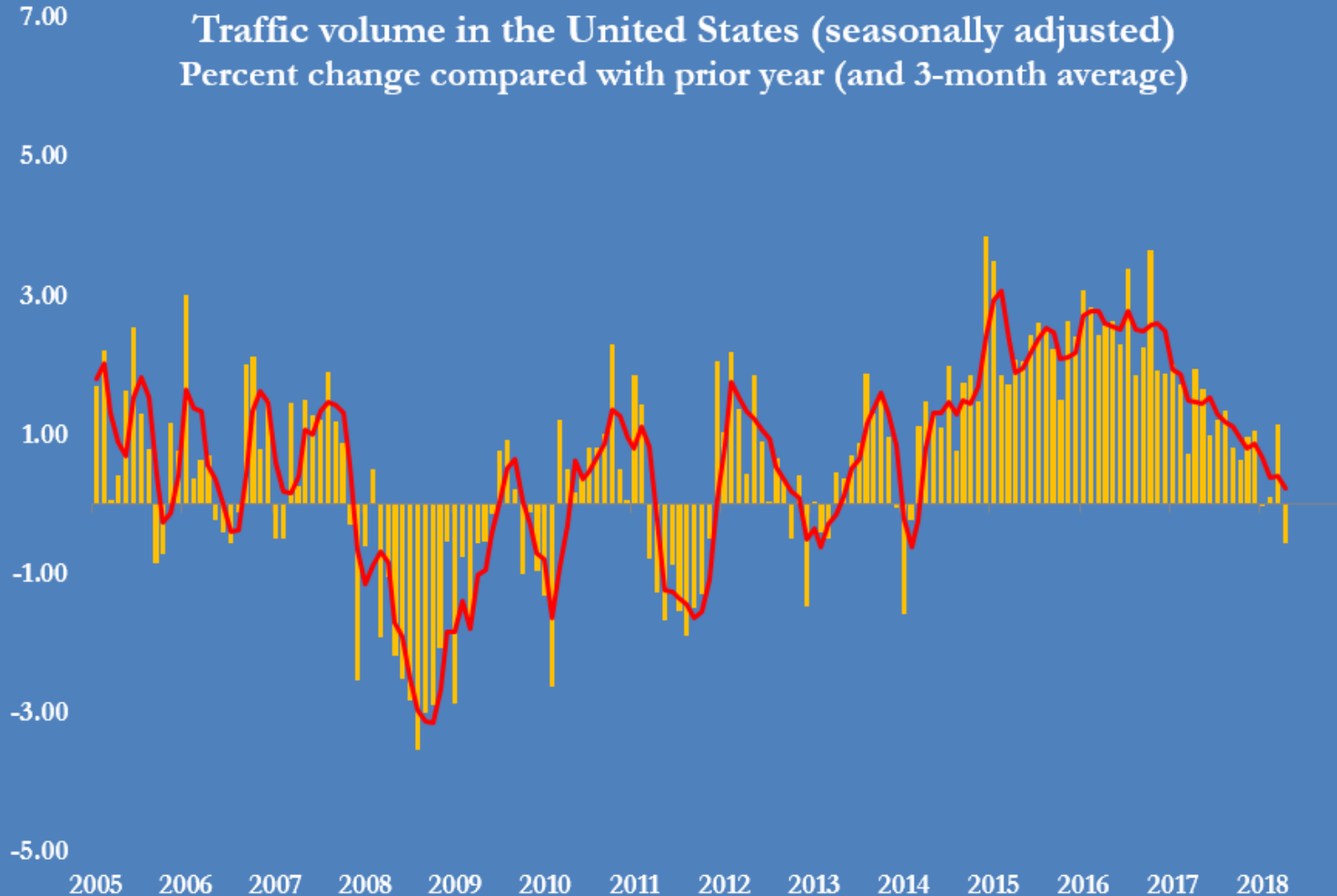


Source: U.S. Energy Information Administration

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# U.S. traffic volumes growing more slowly as price stimulus fades

## Rapid increase in driving volumes coincided with oil price slump in 2014-2016



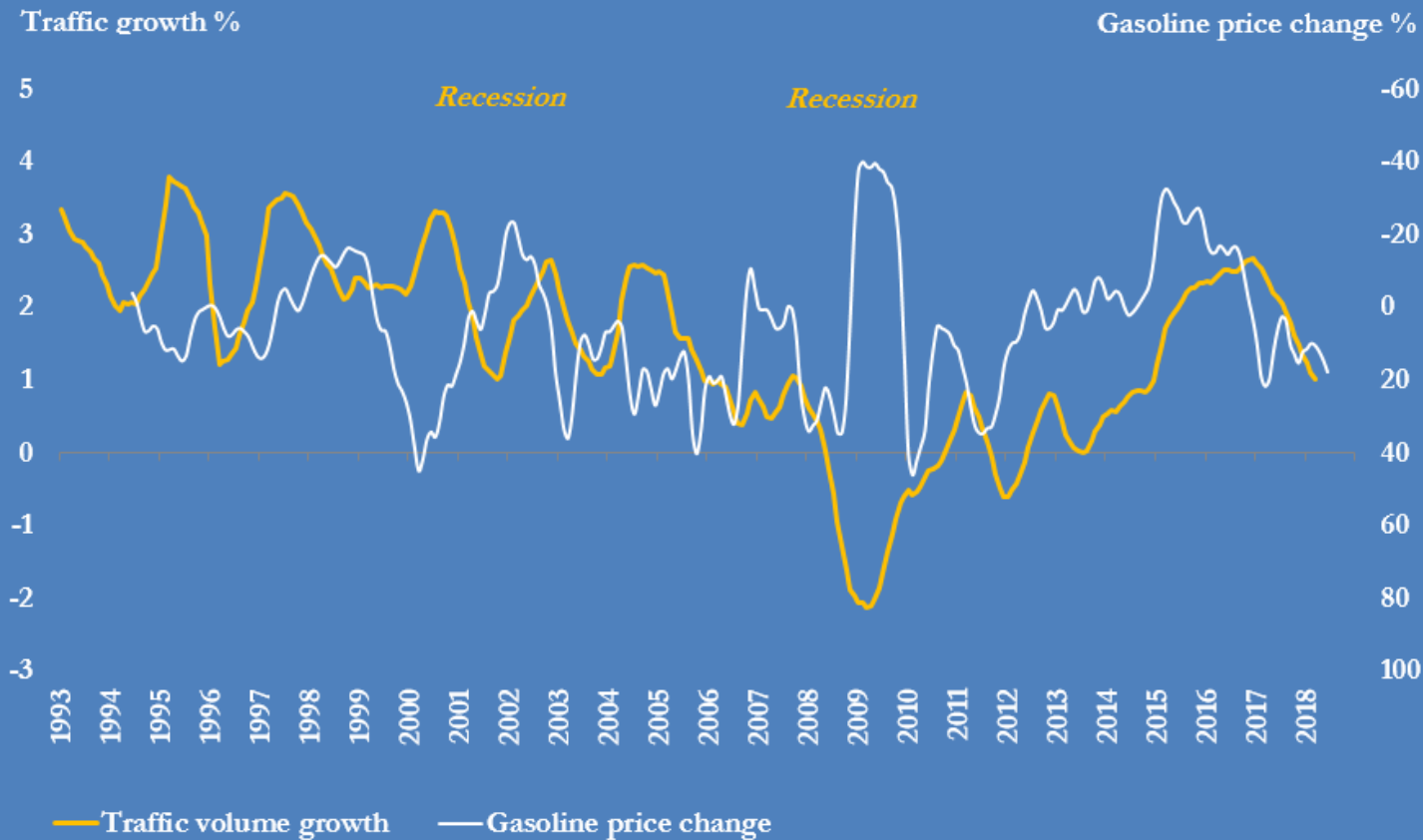
■ Percent change compared with prior year  
— 3-month moving average

Source: U.S. Federal Highway Administration  
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# U.S. traffic volumes are correlated with gasoline prices

## Traffic volumes grow faster when gasoline prices are low and falling

### Traffic growth on U.S. highways compared with change in gasoline prices

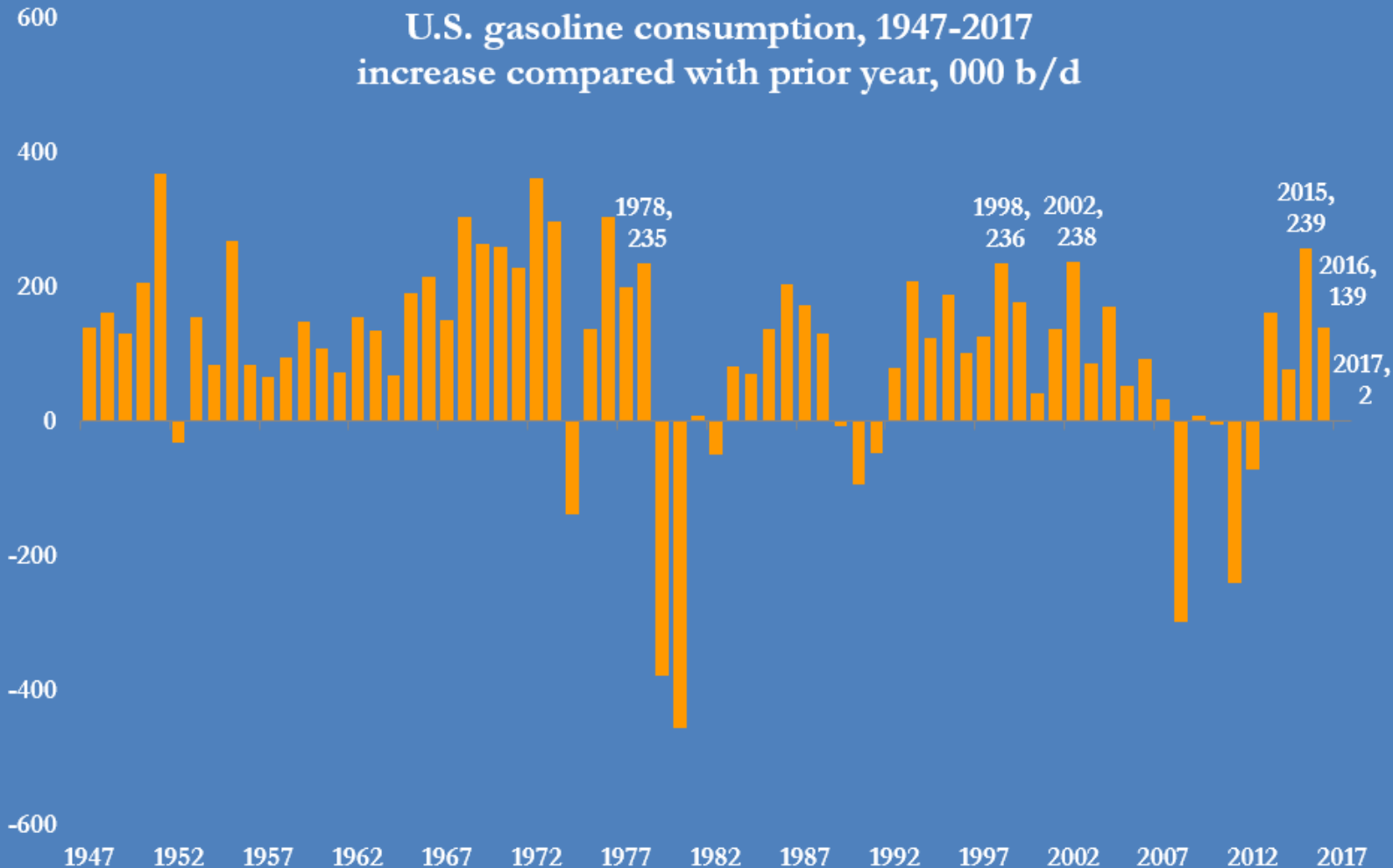


Sources: U.S. Federal Highway Administration, *Traffic Volume Trends*,  
U.S. Energy Information Administration, *Petroleum Supply Monthly*  
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# U.S. gasoline consumption is responsive to oil prices

## Consumption growth accelerated during slump but now close to zero

U.S. gasoline consumption, 1947-2017  
increase compared with prior year, 000 b/d

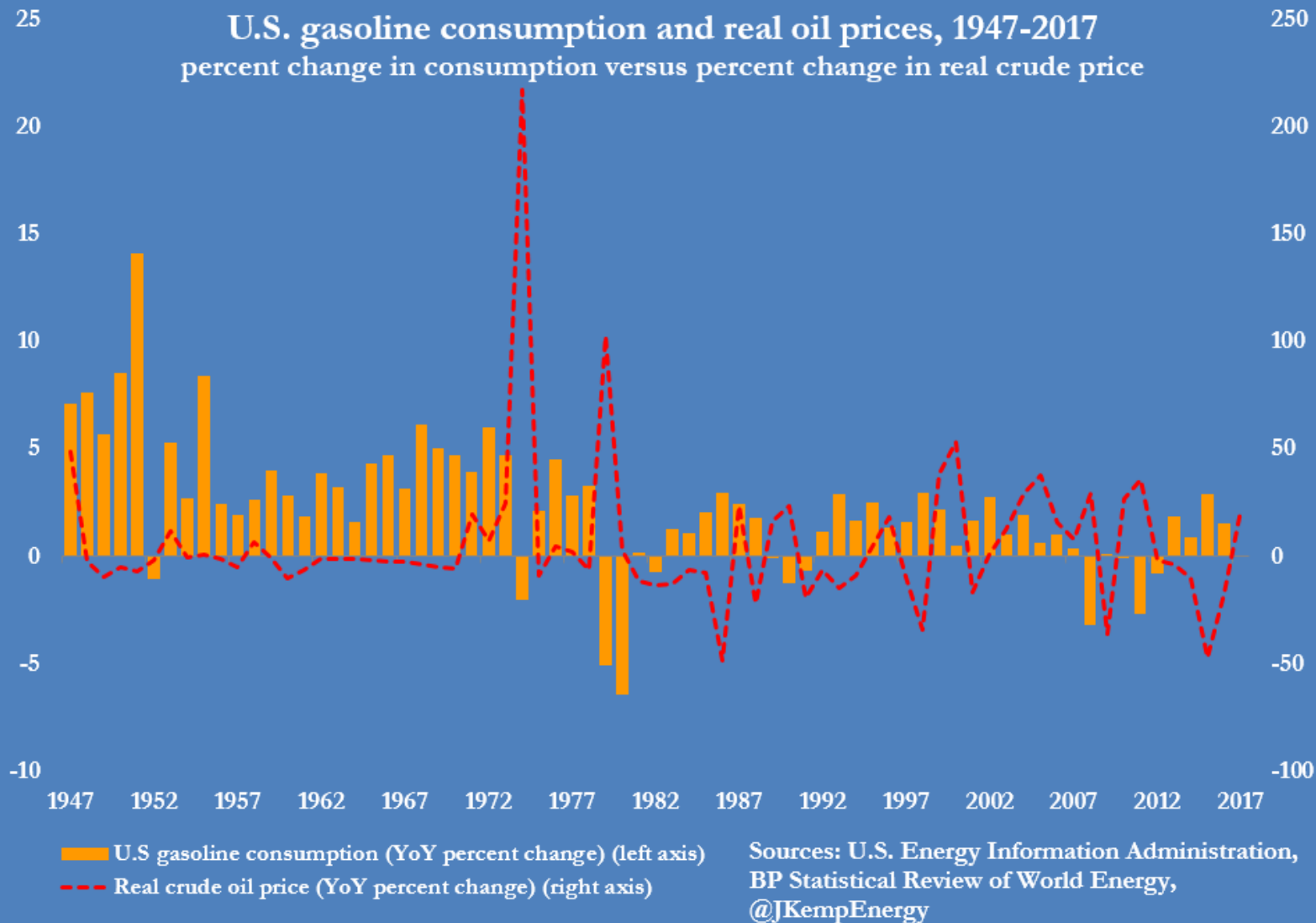


Source: U.S. Energy Information Administration,

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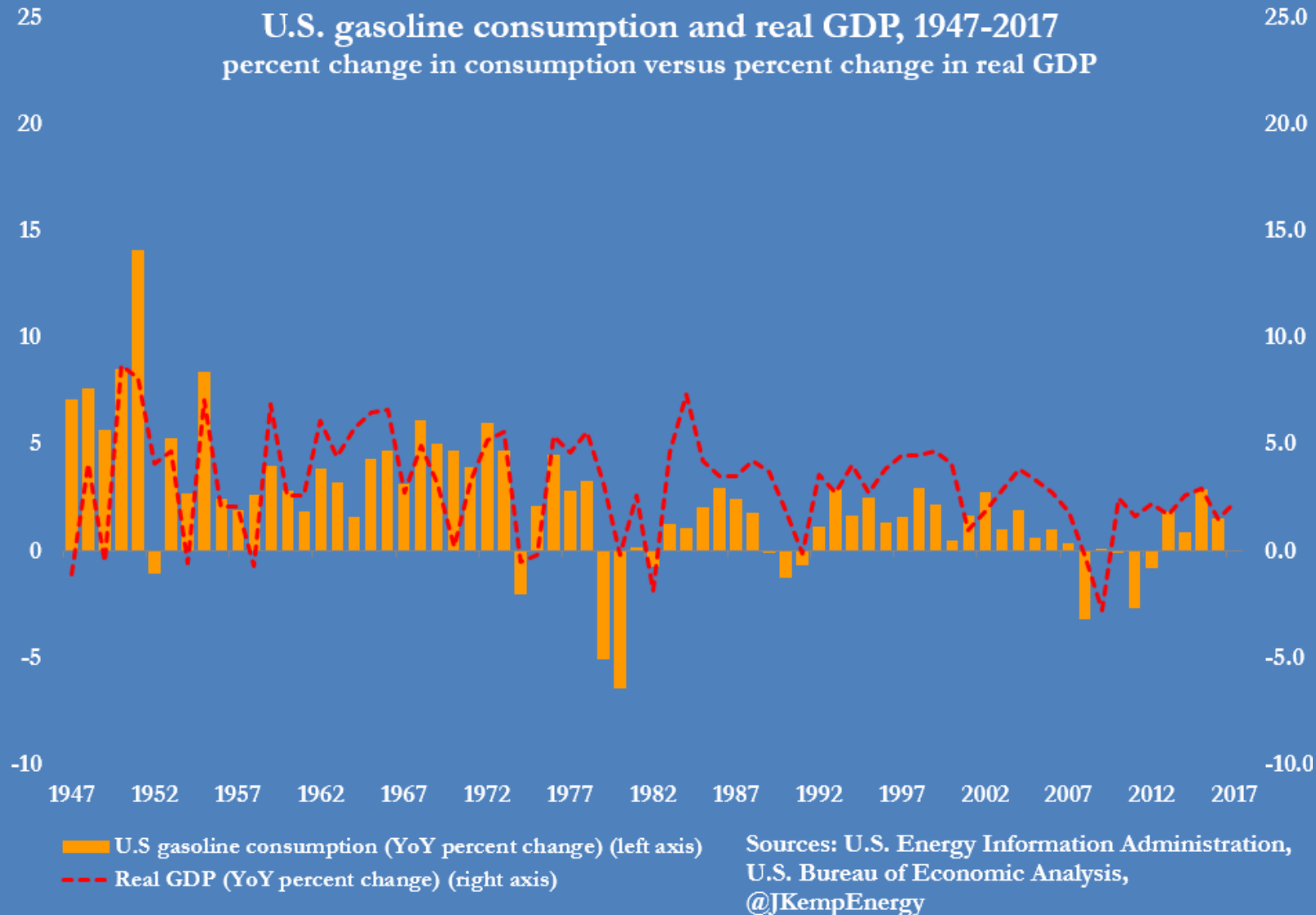
# Gasoline consumption has always responded to big price changes

## Low responsiveness to price changes is not no responsiveness



# Gasoline consumption is responsive to economic growth

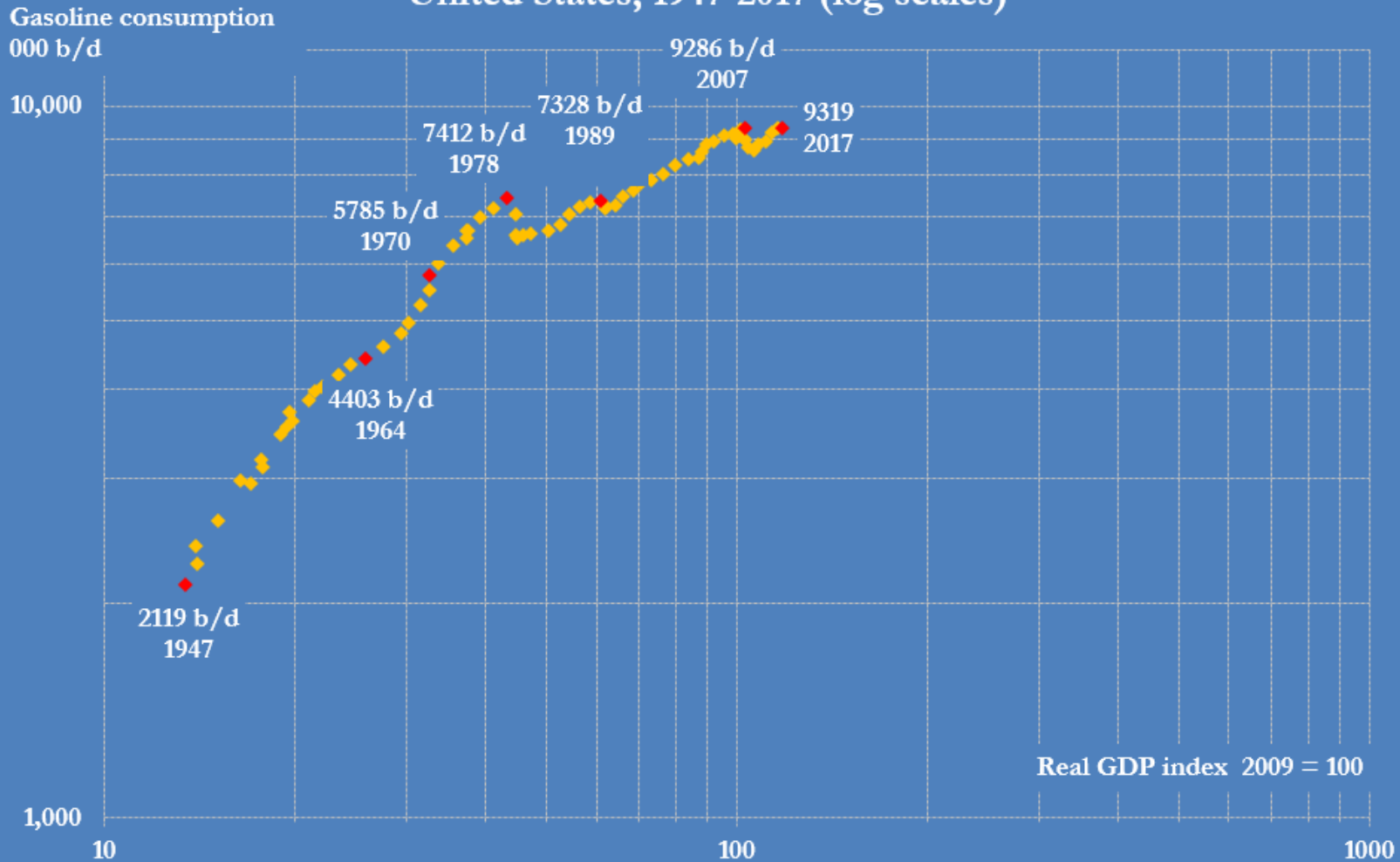
## But price is critical in explaining short-term deviations around trend



# U.S. gasoline consumption growth slowed after the oil shocks

## Evident impact from both oil prices and recessions

Relationship between real GDP and gasoline consumption in the United States, 1947-2017 (log scales)

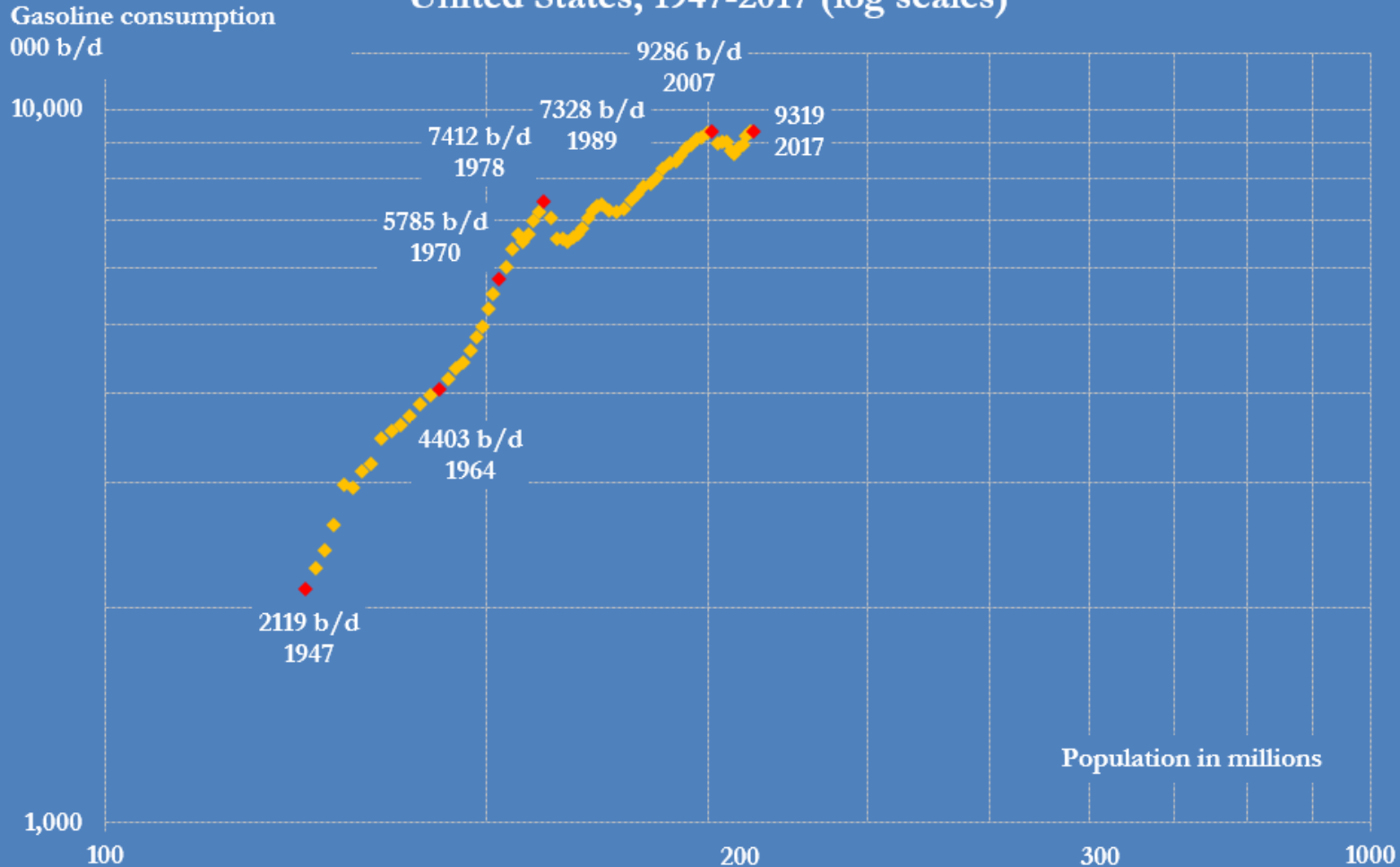




# U.S. gasoline consumption trajectory slowed after oil shocks

## Evident impact from both oil prices and recessions

Relationship between population and gasoline consumption in the United States, 1947-2017 (log scales)



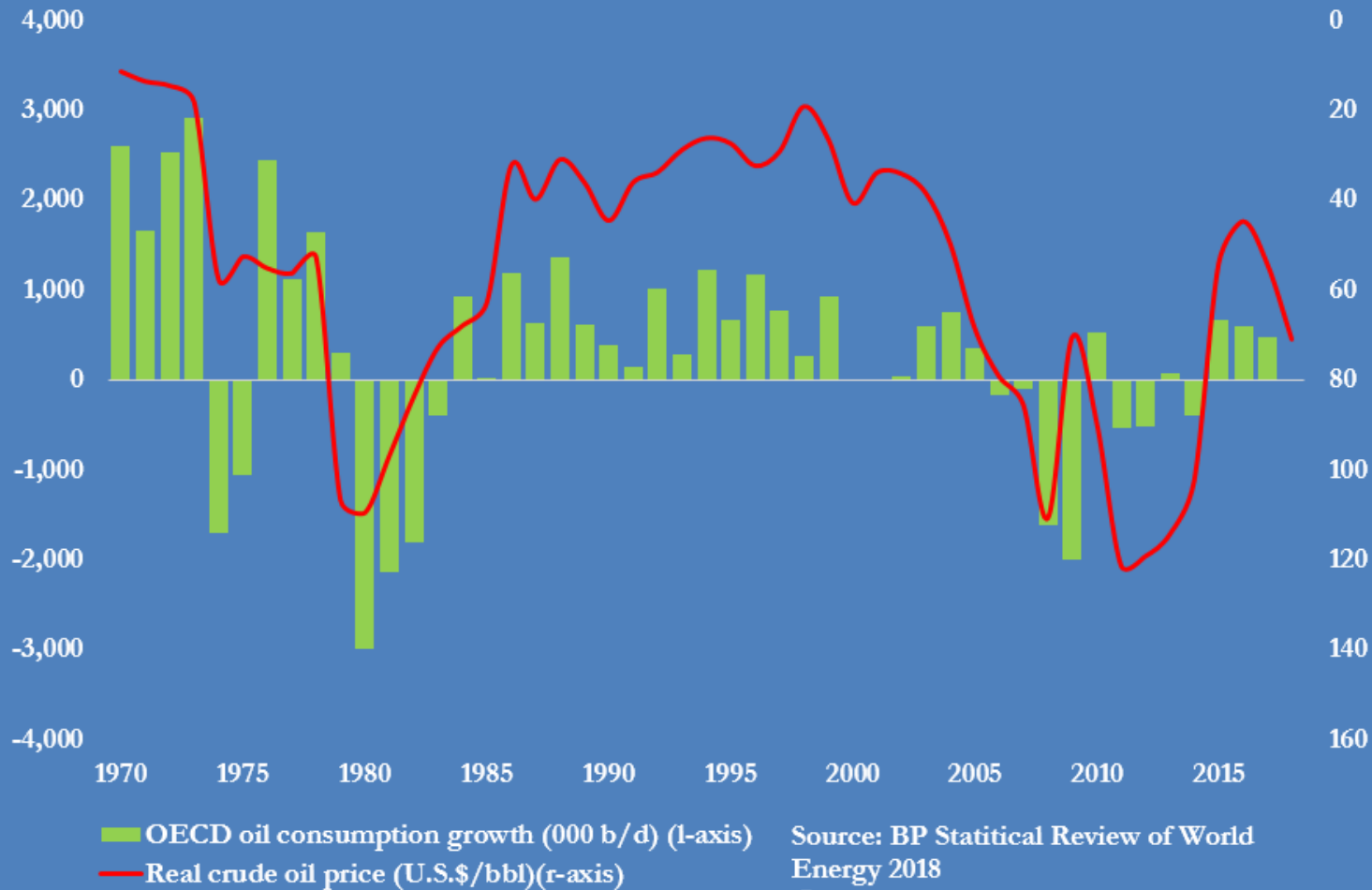
Source: U.S. Energy Information Administration, U.S. Bureau of Economic Analysis

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# OECD oil consumption has proved flexible to big price changes

## Consumption in advanced economies plays important market-balancing role

OECD oil consumption, 1970-2017  
Annual change 000 b/d (with real oil prices to 2018)



Source: BP Statistical Review of World Energy 2018  
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# Global oil consumption growth is responsive to prices Especially in the advanced economies

