

SYNERGY CONSULTING GROUP, LLC

Helping business out-perform itself

References for “The high price of gasoline... and what to do about it!”

[1] Nearly 50% of Americans:

Population distribution by age groups,		
Age Groups	1996	2031
0-14	23%	16%
15-24	17%	12%
25-44	28%	22%
45-64	20%	28%
65+	12%	21%

http://www.shb.ie/content-725487140_1.cfm

[2] World Oil Shock of 1973: <http://www.worldhistory.com/wiki/1/1973-energy-crisis.htm>

The world oil shock of 1973 began in earnest on October 17, 1973, when Arab members of the Organization of Petroleum Exporting Countries (OPEC), in the midst of the Yom Kippur War, announced that they would no longer ship petroleum to nations that had supported Israel in its conflict with Egypt—that is, to the United States and its allies in Western Europe. At around the same time, OPEC-member states agreed to use their leverage over the world price-setting mechanism for oil to quadruple world oil prices. The complete dependence of the industrialized world on oil, much of which resided beneath the surface of Middle Eastern countries, became painfully clear to the U.S., Western Europe, and Japan.

[3] <http://www.wtrg.com/prices.htm> (4 million barrels / day = 7% of total production.)

[4] World Oil Shock of 1973: <http://www.worldhistory.com/wiki/1/1973-energy-crisis.htm>

[5] Energy Information Administration / Annual Energy Review - 2003, Figure 14:

www.eia.doe.gov/emeu/aer/pdf/perspectives.pdf

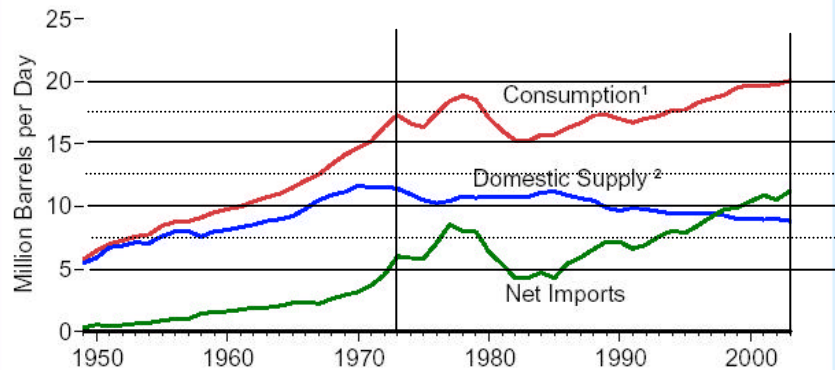
1970: Consumption = 17.5 million barrels ; Imports = 6 MBD. 33%

2003: Consumption = 20.0 million barrels ; Imports = 11 MBD. 55%



55/33 = 67% increase!

Figure 14. Petroleum Overview



¹ Petroleum products supplied used as an approximation for consumption.

² Crude oil and natural gas plant liquids production; refinery gains; and field production of other components.

When U.S. domestic supply of petroleum peaked at 11.7 million barrels per day in 1970, net imports stood at 3.2 million barrels per day. As domestic supply declined, consumption grew. In 1998, for the first time, net imports surpassed domestic supply. In 2003, domestic supply was 8.8 million barrels per day and net imports were 11.2 million barrels per day.

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