

OIL EXPORTS DISPATCH



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U.S. Oil Exports: Progress Update and New Benchmarks

Last year, Congress and the White House approved legislation to end the ban on U.S. crude oil exports. During the debate to lift the ban, IPAA argued the merits of the case: the United States would see more good-paying American jobs, reduced pressure on gasoline prices, increased investment in free trade, economic growth, and a diminished need for foreign oil from volatile regions of the world, all while reducing the national trade deficit. Lifting the ban was also expected to narrow the spread between West Texas Intermediate and North Sea Brent crude prices.

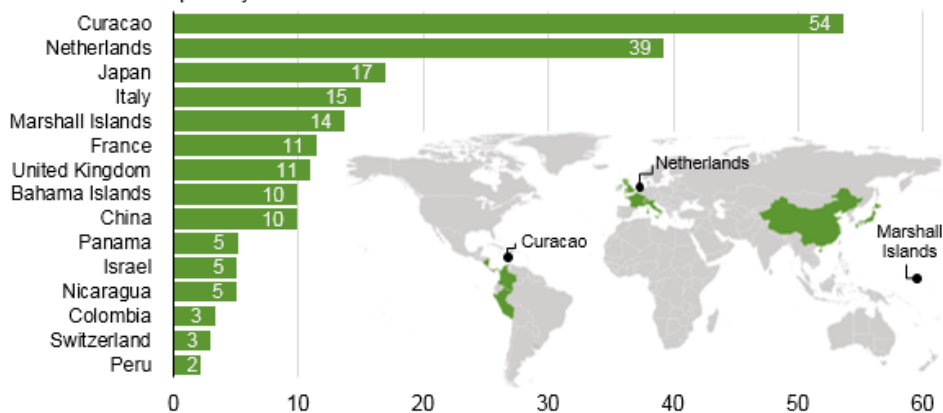
So, what have been the results of lifting the ban and where is the oil going?

Last week, the Energy Information Administration (EIA) [released new data](#) examining U.S. crude oil exports. Some key findings:

- U.S. crude oil exports averaged 501,000 barrels per day (b/d) in the first five months of 2016, 43,000 b/d (9%) more than the full-year 2015 daily average. U.S. exports of crude oil had already increased significantly before the lifting of crude oil export restrictions.
- U.S. crude oil exports to countries other than Canada have surpassed exports to Canada in two months in 2016. In March, total crude oil exports to countries other than Canada reached 259,000 b/d, or 10,000 b/d more than crude oil exports to Canada. In May, total U.S. crude oil exports to countries other than Canada reached 354,000 b/d, 46,000 b/d more than crude oil exports to Canada.
- So far in 2016, U.S. crude oil has been exported to 16 different nations (see destination chart below, minus Canada).

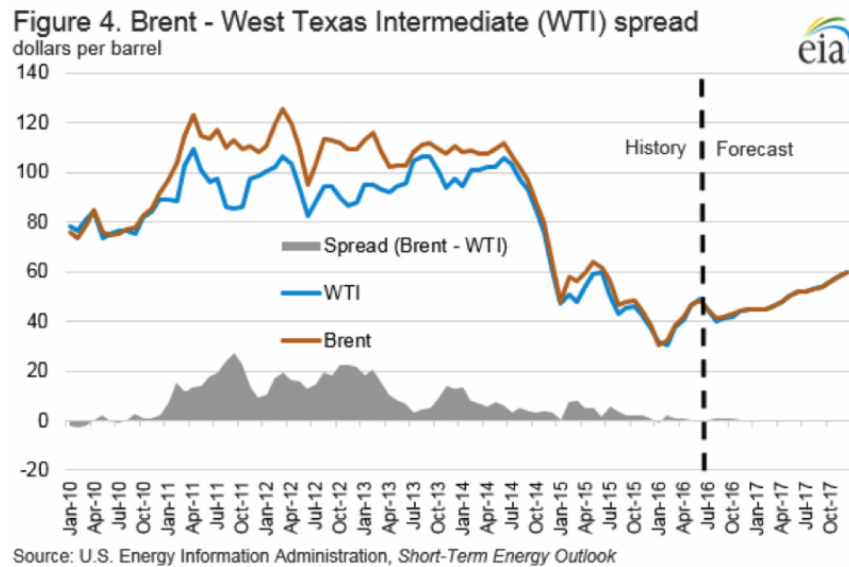
This means total petroleum exports (including products) are up more than 19% vs. 2014. And crude oil exports are up by 62% vs. 2014.

U.S. crude oil exports to countries other than Canada (average, Jan-May 2016)
thousand barrels per day



And what about that price spread? Last year, the spread averaged around \$10/bbl between WTI and Brent. According to EIA:

- Through early August 2016, WTI averaged about \$0.31 per barrel (b) less than Brent, despite a recent widening to \$1.08/b for the week ending July 1 (Figure 4).



Another value added as a result of lifting the ban is the increased growth in [refined petroleum product](#) exports and [other liquids](#). This could relieve pressure on storage capacity with high stockpiles.

Today, America is the world leader in oil and natural gas production. And we're making important strides on the global energy marketplace-making the United States and our allies less reliant on unstable foreign producers.

IPAA will keep you updated as more details emerge on this and other key policy issues. For an archive of IPAA's previous fact sheets and press releases on the export ban, [visit our website here](#).

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