

Chart of the Week #2025-05

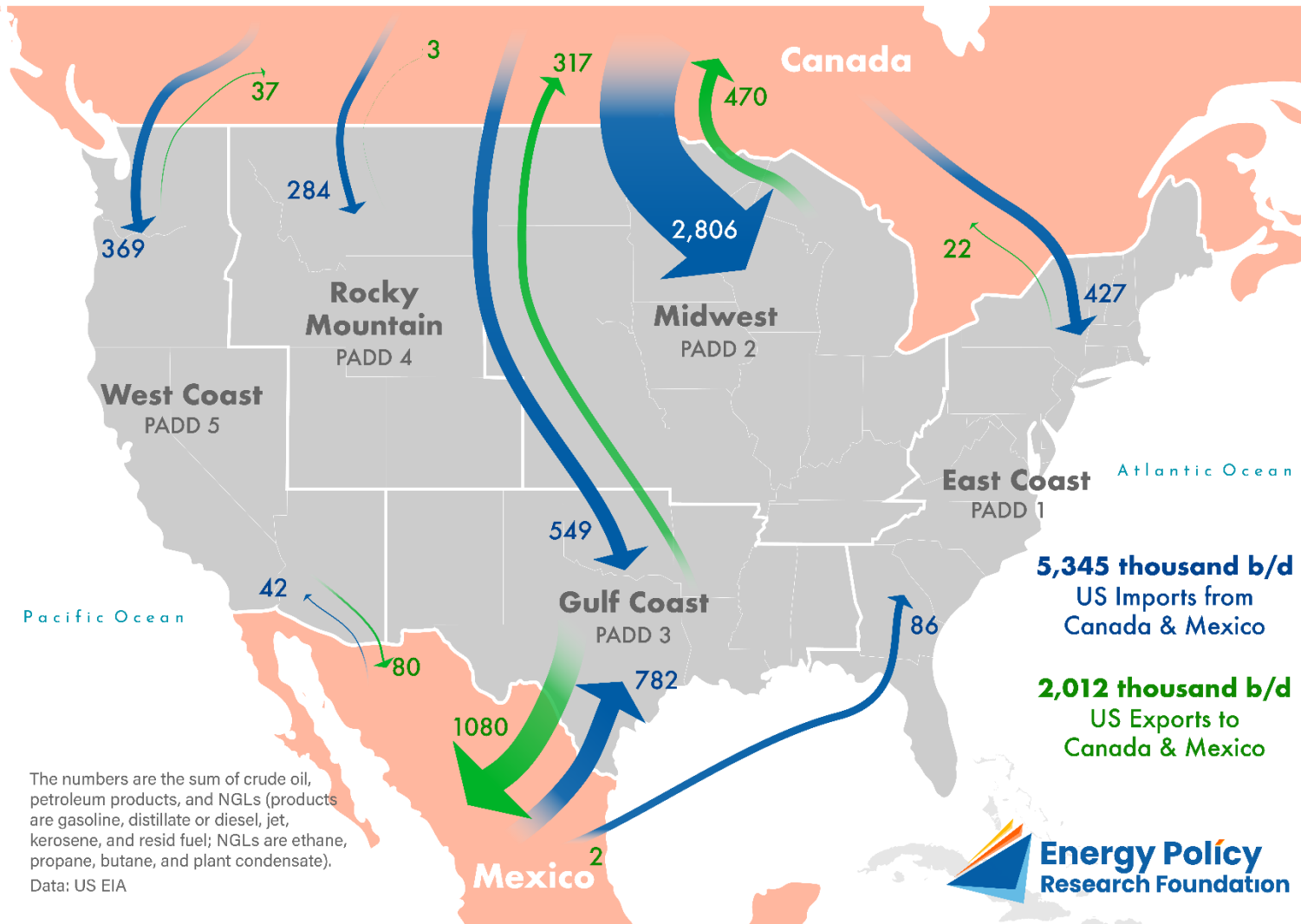
**Crude Oil and Product Movements:
The North American Production Platform**



**Batt Odgerel
Lucian Pugliaresi
Max Pyziur
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The North American Production Platform

Crude and Product Movements (Thousand Barrels per Day, 2023)



At 2,800 thousand barrels per day (TBD) from Canada into the U.S. Midwest and 780 TBD from Mexico into the U.S. Gulf Coast, the quality of these crude oils is critical for refinery fleets in these regions to work efficiently and be sustained commercially (*blue arrows*).

Conversely, the bulk of the distillate (diesel) and propane produced in the U.S. that is in excess of domestic needs, is shipped primarily to Canada and Mexico, (780 TBD and 1,080 TBD, respectively, part of the *green arrows*) and are integral to those markets.

Other U.S. regions, such as the Northwest and the Atlantic Coast are also beneficiaries of the synergies gained from the crude oil and products that are produced and traded across North America.

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- **On February 1, 2025, President Donald Trump issued a set of three Executive Orders (EOs) applying tariffs to all imported goods from Canada, Mexico, and China. They go into effect on February 4, 2025, and will remain so indefinitely until a time when the president decides to remove them. Additional tariffs depending may be levied on the nature of retaliatory actions.**
- **The key rationale across all three EOs is to take punitive action against the flow of illegal drugs and their components from Mexico, Canada, and China.**
- **The tariffs are pegged at a rate of 25% on the value of imported goods from Mexico and Canada, and 10% from China. The key exception is that tariffs on imports of Canadian "energy and energy resources" will be 10%.**
- **If there is no resolution to the issues, the proposed tariffs on Canadian and Mexican oil and refined products will be counter-productive. It will cause prices to rise and will undermine energy security in all three countries.**

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- This slide deck is available at: <https://eprinc.org/chart-of-the-week/>
- For more information on these charts, please contact Batt Odgerel (batto@eprinc.org), Lucian Pugliaresi (loup@eprinc.org), or Max Pyziur (maxp@eprinc.org).