Chart of the Week #2025-19
Energy Trade Positively Impacts the U.S. Trade Balance

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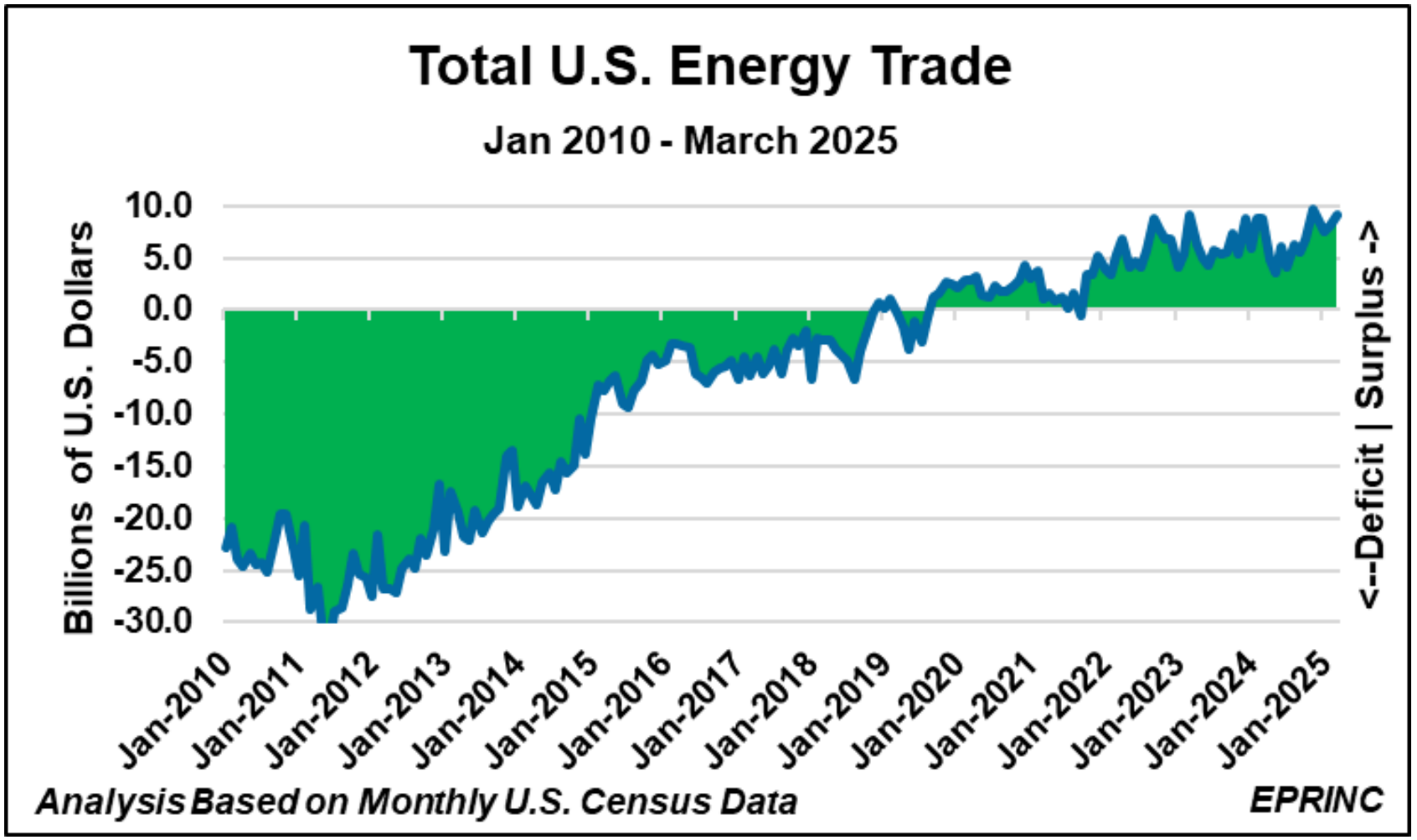

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- Policymakers have long been concerned with the impacts of energy imports on U.S. trade, especially beginning in the late 1950s as the country moved to negative energy trade imbalances. Despite attempting to remedy these imbalances, they exacerbated the 1970s energy shortages creating ongoing concerns of potential future vulnerabilities.
- However, beginning in the 2000s, new extraction technologies knowing as hydrofracking were applied to shale geological formations. With innovation and enhancements these technologies have led to a resurgence of U.S. crude oil and natural gas production.
- This resurgence is broadly visible in a variety of realms. With respect to U.S. trade, the U.S. energy trade balance began moving from a deficit to a surplus in late 2018. Where during 2010, the U.S. reported a $20-plus billion monthly deficit, which breached $30 billion in 2012, the bounty of U.S. energy production has caused the balance to rise to a current $9.5 billion surplus with the trend continuing upward.
- With respect to natural gas, hydrofracking has brought about the shift from the U.S. being a net importer to a net exporter, flipping it from a monthly gas trade deficit of $2 billion during 2010 to a surplus that now ranges from $3 to $5 billion.
- Similarly, the sum of petroleum products (gasoline, jet fuel, diesel) and gas liquids (propane and butane, has generally been in surplus. But it has risen from a monthly amount of $4 billion in 2012 to $7 billion currently.
- Last, while still at a deficit, the net U.S. crude oil trade balance has narrowed from a monthly deficit of $18 to 20 billion in 2010 to a current range of $1.5 to $4 billion.
- This slide deck is available at: https://eprinc.org/chart-of-the-week/ ; for more information on this chart, please contact Max Pyziur (maxp@eprinc.org).

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