

Petroleum Demand Highest for August Since 2007

The **American Petroleum Institute (API)**, Washington, D.C., has released its Monthly Statistical Report for September, 2017. Total petroleum deliveries in August moved up by 1.3 percent from August 2016 to average 20.5 million barrels per day. These were the highest August deliveries in 10 years, since 2007. Compared with July, total domestic petroleum deliveries, a measure of U.S. petroleum demand, decreased 0.6 percent. For year-to-date, total domestic petroleum deliveries moved up 1.3 percent compared to the same period last year.

The overall economy in the U.S. showed gains in August, adding 156,000 jobs, according to the Bureau of Labor Statistics (BLS). The U.S. unemployment rate and the number of unemployed persons increased slightly, up 4.4 percent and 7.1 million, respectively. “Strong economic growth is boosting petroleum demand,” said API Director of Statistics Hazem Arafa. “Meanwhile domestic production remains high allowing consumers and businesses to continue to enjoy relatively low fuel costs. This is a winning combination.”

U.S. crude oil production remained above 9.0 million barrels per day for the seventh consecutive month. Domestic crude oil production in August decreased from the prior month but was up from the prior year and the prior year-to-date to reach the second highest August output in 45 years, since 1972. Domestic crude oil production decreased 1.3 percent from July but was up by 6.8 percent from August 2016 to average 9.3 million barrels per day in August. For year-to-date, crude production increased 2.4 percent compared with year-to-date 2016, and was the second highest year-to-date level in 44 years, since 1973.

Natural gas liquids (NGL) production, a co-product of natural gas production, was up from the prior month, the prior year, and the prior year-to-date to reach a record level. NGL production in August averaged 3.7 million barrels per day, up 1.0 percent from last month, 8.6 percent from last year, and 2.9 percent from last year-to-date.

According to the latest reports from Baker-Hughes, Inc., the average U.S. rig count for August 2017 decreased 0.6 percent from July but increased 96.9 percent from August 2016 to 947. This was the highest August count in three years, but remained the third lowest August count in 15 years, since 2002. Year-over-year increases were seen for the eighth month straight.

U.S. total petroleum imports decreased 2.0 percent from July and decreased 6.4 percent from August 2016 to average just below 9.7 million barrels per day in August. These were the lowest imports since November 2015. For year-to-date, total petroleum imports were up 1.6 percent compared with year-to-date 2016. Crude oil imports decreased 7.0 percent from August 2016 to nearly 7.5 million barrels per day in August. These were also the lowest imports since November 2015. Compared with July, crude oil imports were 3.2 percent lower. For year-to-date, crude imports were up 3.1 percent compared with year-to-date 2016.

Gasoline deliveries in August were down from the prior month, the prior year, and the prior year to date. Total motor gasoline deliveries, a measure of consumer gasoline demand, decreased 1.5 percent from August 2016, to average 9.5 million barrels per day—but remained the fourth highest deliveries to date. Compared with July, total motor gasoline deliveries decreased 1.5 percent.

For year-to-date, total motor gasoline deliveries decreased 0.3 percent compared with year-to-date 2016 to the second highest year-to-date level at 9.3 million barrels per day. Distillate deliveries in August were up from the prior month, the prior year, and the prior year-to-date to reach the highest August deliveries in 10 years and the highest deliveries since March. Distillate deliveries averaged 4.1 million barrels per day, up 6.5 percent compared with August 2016, and were up 0.7 percent compared with July. For year-to-date, distillate deliveries increased 3.2 percent compared to year-to-date 2016.

API is the only national trade association representing all facets of the oil and natural gas industry, which supports 10.3 million U.S. jobs and nearly 8 percent of the U.S. economy. API's more than 625 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. They provide most of the nation's energy and are backed by a growing grassroots movement of more than 40 million Americans.