

In a first, gas and other fuels are top US export

Written by

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For the first time, the top export of the United States, the world's biggest gas guzzler, is [wait for it](#) [fuel](#). Measured in dollars, the nation is on pace this year to ship more gasoline, diesel, and jet fuel than any other single export, according to U.S. Census data going back to 1990. It will also be the first year in more than 60 that America has been a net exporter of these fuels. Just how big of a shift is this? A decade ago, fuel wasn't even among the top 25 exports. And for the last five years, America's top export was aircraft.

The trend is significant because for decades the U.S. has relied on huge imports of fuel from Europe in order to meet demand. It only reinforced the image of America as an energy hog. And up until a few years ago, whenever gasoline prices climbed, there were complaints in Congress that U.S. refiners were not growing quickly enough to satisfy domestic demand; that controversy would appear to be over.

Still, the U.S. is nowhere close to energy independence. America is still the world's largest importer of crude oil. From January to October, the country imported 2.7 billion barrels of oil worth roughly \$280 billion.

Fuel exports, worth an estimated \$88 billion in 2011, have surged for two reasons:

[Crude oil](#), the raw material from which gasoline and other refined products are made, is a lot more expensive. Oil prices averaged \$95 a barrel in 2011, while gasoline averaged \$3.52 a gallon [a record](#). A decade ago oil averaged \$26 a barrel, while gasoline averaged \$1.44 a gallon.

[The volume of fuel exports is rising](#). The U.S. is using less fuel because of a weak economy and more efficient cars and trucks. That allows refiners to sell more fuel to rapidly growing economies in Latin America, for example. In 2011, U.S. refiners exported 117 million gallons per day of gasoline, diesel, jet fuel and other petroleum products, up from 40 million gallons per day a decade earlier.

There's at least one domestic downside to America's growing role as a fuel exporter. Experts say the trend helps explain why U.S. motorists are paying more for gasoline. The more fuel that's sent overseas, the less of a supply cushion there is at home.

Gasoline supplies are being exported to the highest bidder, says Tom Kloza, chief oil analyst at Oil Price Information Service. "It's a world market," he says.

Refining companies won't say how much they make by selling fuel overseas. But analysts say those sales are likely generating higher profits per gallon than they would have generated in the U.S. Otherwise, they wouldn't occur.

The value of U.S. fuel exports has grown steadily over the past decade, coinciding with rising oil prices and increased demand around the globe.

Developing countries in Latin America and Asia have been burning more gasoline and diesel as

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their people buy more cars and build more roads and factories. Europe also has been buying more U.S. fuel to make up for its lack of refineries.

And there's a simple reason why America's refiners have been eager to export to these markets: gasoline demand in the U.S. has been falling every year since 2007. It dropped by another 2.5 percent in 2011. With the economy struggling, motorists cut back. Also, cars and trucks have become more fuel-efficient and the government mandates the use of more corn-based ethanol fuel.

The last time the U.S. was a net exporter of fuels was 1949, when Harry Truman was president. That year, the U.S. exported 86 million barrels and imported 82 million barrels. In the first ten months of 2011, the nation exported 848 million barrels (worth \$73.4 billion) and imported 750 million barrels.

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