Recent reports about crude oil purchased from the U.S. Strategic Petroleum Reserve (SPR) have captured a lot of attention nationally. Some of our SPR barrels have been exported and people are questioning whether that should have happened and whether exports do anything to help ease prices domestically. U.S. refiners are happy to offer some perspective:

Why was some of the product released from the SPR exported?

An SPR-release—which basically involves making additional barrels of crude oil available for sale to the world market—is meant to increase global supply. Meeting today's demand with more supply is a recipe for lower prices. The United States released millions of barrels from our SPR in the past several months, as did many other countries. Buyers throughout the global market were able to bid for these barrels. You'll recognize many of them from the most recent SPR sale reported by the Department of Energy.

AFPM has made clear that coordinated, global releases of oil and petroleum products from various SPRs can have a short-term calming effect on supply v. demand imbalances, but SPR releases cannot be the center of President Biden's strategy to confront inflation and high energy prices. At best, SPR releases are a short-term remedy, not a long-term solution. Stability and certainty are what global crude oil markets crave.

AFPM has addressed previous SPR releases here.

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About AFPM:

The American Fuel & Petrochemical Manufacturers (AFPM) is the leading trade association representing the makers of the fuels that keep us moving, the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer and more sustainable — we make progress.

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