



EIA expects a slight increase in oil prices following the OPEC+ announcement of production cuts

The U.S. Energy Information Administration increased its forecast for the Brent crude oil price by 2.5% for this year, after OPEC and partner countries announced they are cutting crude oil production for the remainder of 2023.

Despite OPEC's announced cuts in crude oil production, EIA expects global petroleum product production, such as gasoline, diesel, and jet fuel, to hit a record high this year, according to the agency's April Short-Term Energy Outlook. Increased production in North and South America should offset the announced OPEC+ production cuts.

EIA expects U.S. gasoline prices to average around \$3.50 per gallon this summer, peaking between \$3.60 per gallon and \$3.70 per gallon in June. Those prices are significantly lower than at this time last year, when the average gasoline price peaked at \$4.93 per gallon in June 2022.

EIA says its forecasts for gasoline prices are uncertain in the face of recent economic issues in the banking sector, which could slow economic and oil demand growth.

This is Nate Washburn, for EIA, in Washington