

Report: World demand for gasoline may never recover

17 March 2021, by Cathy Bussewitz



In this March 31, 2020 file photo, a worker cleans and sanitizes a pump at the Speedway gas station in Concord, N.H. The world's once-insatiable demand for gasoline is unlikely to recover to pre-pandemic levels, according to a report Wednesday, March 17, 2021 from the International Energy Agency. (AP Photo/Charles Krupa, File)

The world's once-insatiable demand for gasoline is unlikely to recover to pre-pandemic levels, according to a report Wednesday from the International Energy Agency.

Gasoline use cratered during the pandemic as cities shut down and many people began working from home, a trend that will likely continue as the COVID-19 crisis eases. Many governments also have been pushing for low-carbon alternatives.

Oil demand, meanwhile, is expected to continue rising as developing countries with growing populations use more of the fuel. But it is not expected to return to pre-pandemic levels until 2023, according to the Paris-based intergovernmental agency.

Gasoline demand is unlikely to fully return because

increased demand in the developing world will be offset by consumers shifting to electric vehicles, manufacturers improving fuel efficiency and businesses increasing telework while decreasing travel, the report said.

Meanwhile, gasoline prices have surged. Americans are paying 14% more for a gallon of regular than they did in February, and 29% more than a year ago, according to AAA.

That spike has been caused in part by Texas storms that knocked out power to millions of residents and took several oil refineries offline. The price of gasoline has also been boosted by oil prices that have risen along with expectations of economic recovery as coronavirus vaccines are distributed.

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