

U.S Domestic Energy Production Provides Economic Security According to Experts at Michigan’s 2020 Consensus Revenue Estimating Conference

As the U.S. moves even closer to energy independence, Michigan’s petroleum industry plays an integral role in providing the safe, secure, reliable, and affordable energy in our own state that helps fuel economic growth here in Michigan and bolsters our national security.

Over the last decade, the U.S has significantly reduced its dependence on foreign oil and established itself as a global energy leader thanks to technological advances. Michigan ranks 18th in both crude oil and natural gas production of producing states. The state’s energy reserves are significant, the proven environmental regulations are a national model, and the future of the industry looks bright.

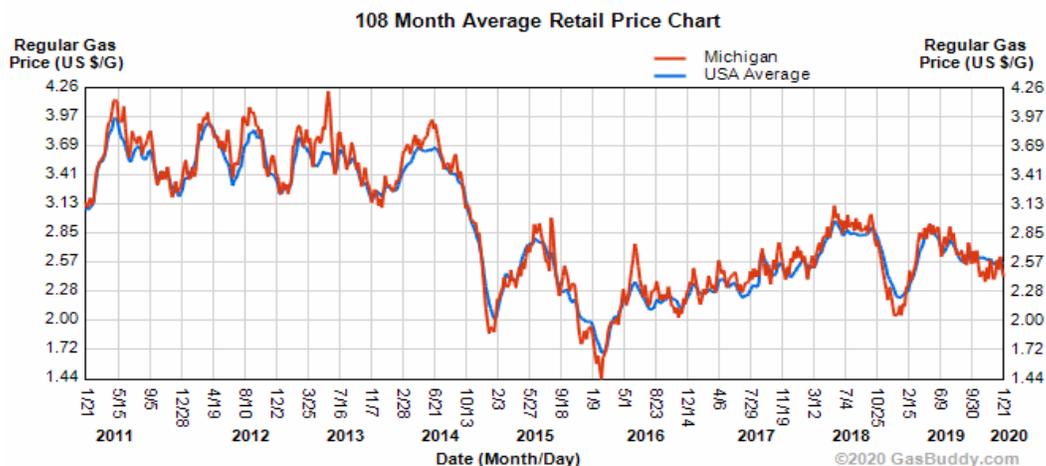
U.S. energy production coupled with proven reserves provides increased economic security in the face of geopolitical threats. Global conflicts that just a decade ago would have significantly impacted the state’s economic outlook are now much less of a concern for economic forecasters as detailed at the Michigan Consensus Revenue Estimating Conference on January 10th, 2020.

Domestic energy production provides more certainty to the state’s economic outlook.

“We know things happen to oil prices, but we think it’s less of a risk this decade compared to prior decades because we were a lot more dependent on foreign imports. We are now, based on the per barrel data, a net exporter of oil. We still import some oil, but we are a net exporter and are projected to be so for the next several years”. - Daniil Manaenkov, US Forecasting Specialist, Research Center in Quantitative Economics (RSQE) at the University of Michigan.

Thanks to domestic energy production, Michigan drivers feel less pain at the pump.

There is a clear relationship between oil prices and rig count here in the United States (That’s exploration and production). Furthermore we have several thousand shale wells that have been drilled and capped that aren’t producing but can be brought back into production if oil prices rise. So what this tells me is that the prospects for permanently elevated oil prices is pretty small, really pretty small. Maybe a spike, but we’d open up our reserves, uncap some of these wells, drilling would go up, so it’s hard to see a spike lasting for all that long. -Joel Prakken, Chief U.S. Economist and co-head of U.S. Economics, Macroeconomic Advisers



Michigan Oil and Gas Association

Learn more at Michiganoilandgas.org

