



argusmedia.com

Global gasoline trade flows

Do all roads lead to Latin America?

The global gasoline market has traditionally relied on growing demand to absorb excess supply. However, as global capacity continues to outstrip demand growth, competition between exporters is escalating. Demand growth in Latin America is the largest globally, and US suppliers now contend with exports from Europe and Asia. As gasoline flows along new and evolving routes globally, understanding regional price differences is essential.

Gasoline
26%

Total refined product demand is forecast to reach 110mn b/d by 2025

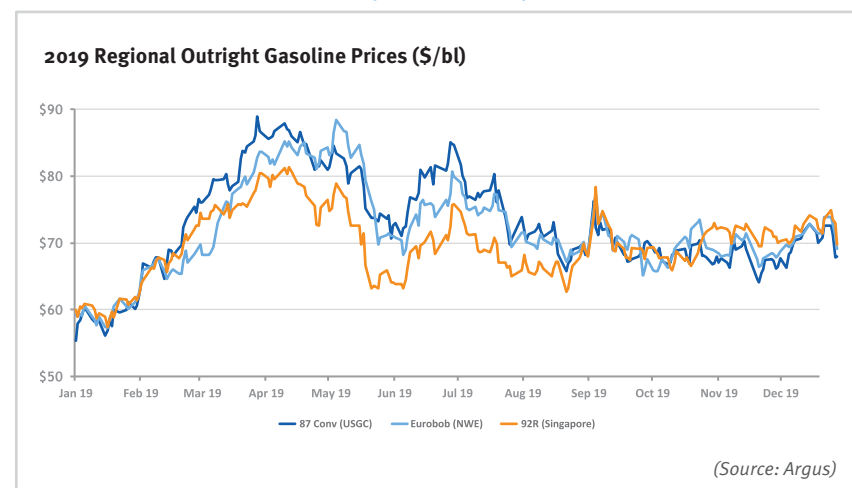
65%
Road fuels

Trade of refined products is set to rise by 1.3mn b/d in the next 5 years

72%
LatAm + Africa

Latin America and Africa currently account for most of the world's gasoline imports

How do regional gasoline prices compare?



Argus is the global leader in gasoline price indexation. With key benchmarks in liquid hubs – ARA Eurobob, New York Harbor and USGC Colonial pipeline – our assessments are used to price trade across the globe.

1. North America

The economic advantages that US Gulf coast refiners now enjoy have led to a significant increase in US refining output. Peaking domestic demand means North America's role as an exporter will steadily increase, with refiners eyeing the deficit market in Latin America. North America's new role as a major exporter is intensifying competition in the Atlantic basin and across the globe.

2. Europe

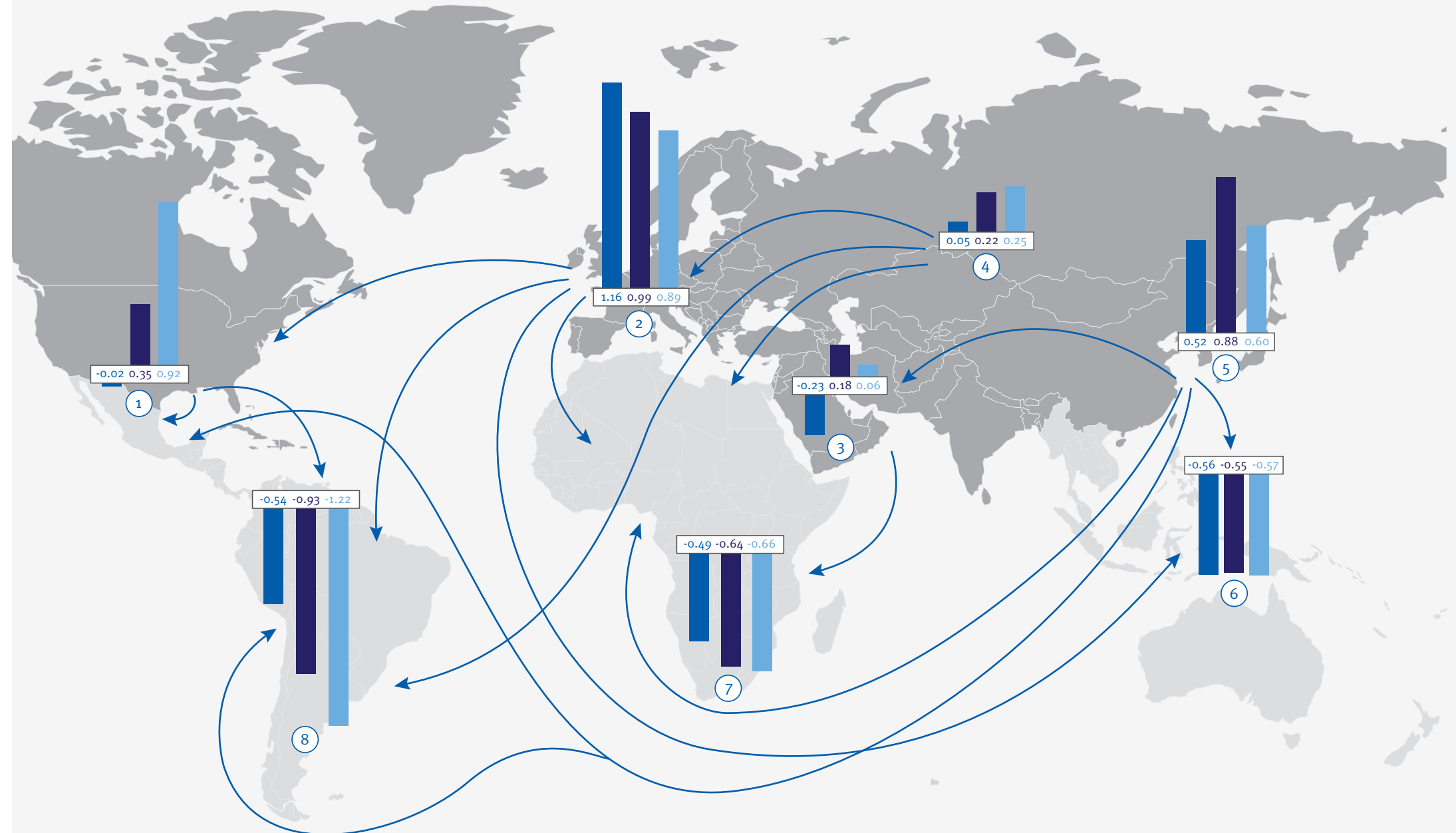
Europe is a structurally oversupplied market and refiners face increasing competition in their traditional export markets. North America, once a home for large volumes of European gasoline, has slowed its imports as domestic production has grown. European refiners now must compete with other emerging suppliers for the Latin American and African demand.

3. Middle East

New refining capacity has seen the Middle East make a significant shift from net importer to net exporter, adding to the pressure of excess global supply. The likely destination for these exports is Africa and South East Asia.

4. Russia and Central Asia

As refinery upgrade programmes in Russia and Kazakhstan increase output, the region will become an increasingly significant exporter of gasoline. The likely destination for these flows will initially be the Mediterranean region, then pushed onward to west Africa and Latin America.



8. Latin America

With 80% of the region's population living in urban areas, growth of the vehicle fleet has been exponential. Minimal investment in refining capacity and sharp demand growth for gasoline have left the region increasingly dependent on imports. Exporters will compete to fill this regional demand, with the US well positioned as a low-cost supplier.

7. Africa

A growing population and a developing middle class mean demand for gasoline will double over the next decade. Geographically well located, Africa has plenty of import options. But is the region's demand growth sufficient to absorb much of the world's excess supply?

6. Southeast Asia and Australasia

South East Asia has a growing gasoline deficit, with Indonesia being Asia-Pacific's single biggest importer. North Asian exports head to Singapore for blending, before being reexported across the region. Global refiners must compete with increasing Chinese capacity.

5. North Asia

Chinese exporters are becoming more ambitious – targeting long-haul, structurally short markets in Latin America and Africa. Mexico is currently one of China's largest markets outside of Asia. Exports to Nigeria threaten to displace supply from Europe.

For more information: support@argusmedia.com

Net exports (mn b/d) 2015 2020 2025 Net export regions Net import regions