Trends in oil consumption

In today's economy many trends in consumption patterns can determine where the supply and demands are needed. In the article " East Bay Oil Exports Have Become Huge Business," by Glantz (2012), it touches on the subject of trends and consumption of oil. Many people are aware; however forget that there is a lot of oil around us that can be used.

This paper will discuss and address the utilities derived, the change in that demand for the product or service of market and equilibrium prices, what has occurred to change the demand and supply of the oil, and is demand for oil product or service price elastic or inelastic. According to Glantz (2012), the utilities derived from the article have to do with the way the community consumes the oil that is being used. When the gas prices are up there is a necessity for the oil or fuel, and it will most likely cause the prices to go down.

In contrast, when the prices of the oil go down, there will be more of a demand and a possible shortage of oil because the demand would have been great. According to Glantz (2012), the increased of oil export from the East Bay was linked to the economic changes and the way individuals are consuming in the United States. Also, in the West Coast they also saw the same increase in demand for oils as the demand for domestic used was lowered.

For example: higher gas prices, manufactures vehicle that are fuel efficient and fewer individuals commuting to and from work have all contributed to the changes in the demand for such oils consumption. Additionally, the economy and individuals losing their job also changed the demand because they no longer needed to commute to work. Therefore, the demand for oils was no longer needed causing the prices of the gasoline to increase. According to Colander (2010), the market and equilibrium changes that have occurred to the supply (oil) by assuming that the demand stayed the same.

It revealed that it did cause a big change to the price. The fewer consumers used the product the more the price rose causing a change in the market. When the prices changed and began to rise, the consumers used other methods of getting to places they needed to go without using oil or their vehicles. * It is my opinion that oil supply can either be elastic or inelastic. According to Colander (2010), elastic is when the supply or demand percentage changes in quantity is much larger than the percentage change in the price.

On the other hand, inelastic is when the percentage changes in the quantity are much lower than the percentage change in the price. The oil supply can be elastic because at times when the prices rise individual will try to preserve and us other alternative to not have to pay the bigger price causing the supply of oil to be increased. Vice versa, the oil supply can also be inelastic because an individual are always going to need fuel for their vehicle in order to get from point A to point B. In conclusion, no matter the cost or shortage of the supply, some individuals or consumers will always pay what is needed in order to get where they need to go. Oil is one supply that will always be needed for either our vehicles, ourfood, or for exportation to other companies.

Reference

1. Glantz, A. (2012, March 8). East Bay Oil Exports Have Become Huge Business. THe New York Times. Retrieved from http://www. nytimes.

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2. Colander, D. C. (2010). Economics (8th ed.). New York, NY: McGraw-Hill.