

# Continued dependence of united states on foreign oil research paper example

[Technology](#), [Future](#)



## **Introduction**

United States of America is among the biggest importers of oil and recently it has been noticed that exorbitant increase in oil prices is posing a great threat to its economic stability as well as future growth. A huge financial deficit in its trade as well as several other economical areas has been occurring for the last few years and it has badly affected the overall balance of trade for United States. The future growth of economy of US largely depends on oil and its continued excessive level of import from foreign countries. United States has been spending a big portion of its financial reserves on oil import. This money could have been easily utilized for better economic growth at home in many development projects. The big dilemma involved here is the increase in earth temperature due to excessive burning of oil which poses serious threats to overall national interest and security.

## **Background**

The imports of United States including oil from more than 10 oil rich countries and oil dependence on such a large number of countries has serious implications on the economic stability and its future growth. There are serious concerns related to risky dependence on oil imports from states that are politically unstable and with unreliable diplomatic relations which can be very chaotic one day. There are various environmental issues which should be addressed on urgent basis which are all closely linked to burning such large quantities of oil. The natural supply of oil is running out of stock in oil producing countries day by day whereas the demand is on the rising end in United States. Many countries are exceedingly relying on oil imports in

order to run their infrastructure and economy including the industrial sector. The ever increase in oil prices can push the slow exploration processes and can make them significant by finding possible alternative for oil. Several possible alternative for oil include solar powered systems, wind power, hydal power. Hybrid power technologies may also be considered a fuel efficiency enhancement tool in order to reduce the consumption of massive quantities of oil while saving foreign reserves .

## **Security Conditions and Oil Dependence**

America has bigger security threat than to stop any other state from becoming a nuclear power as it is the high time to think for a solution to combat forecasted boom in energy sector. This is a difficult task to deal with as there is a big oil market and US can get directly affected by any kind of crises in Middle East as it relies heavily on oil from these countries. America at this point in time cannot afford to risk its economy by tightening its political terms with counties like Iran . Many countries like England and Canada are facing the problem due to hike up oil prices even when they are oil independent then it can be easily gauged how America will be afflicted. Excessive reliance on oil and oil products is a serious national issue and especially when your supplier is not a reliable source and also the forecasted shortfall of supply in future can greatly paralyze those economies which are running largely on oil imports. United states has to not only maintain the long on going war on terrorism to protect its territory but also has to cope with the energy requirements of the industry as well as keep the wheels of economy rotating at smooth rate .

## **OPEC Role**

OPEC role is very critical in this issue and all the member countries mostly face clash of interest and they tend to cheat on each other. Oil is such a commodity which can be sold further once purchased and therefore the OPEC members are entirely helpless over the usage of their oil. Many giant players in oil sector are potential opponent of America oil independency as they make huge profits by importing oil from political unstable states. They even show no concern over the temperature rise taking place on planet earth. Companies like ConocoPhillips and American petroleum institute and shell are the largest consumers of the imported oil. These big giants are not paying any heed to national interest and are only concerned about their profits. US may face great trouble in future as there is no solid backing to support whole infrastructure if one day oil becomes unavailable. Therefore alternative sources should be sort before it gets too late. Companies are spending huge money to ensure that no new entrant in market that could replace oil. Government should take fruitful steps to minimize the impact of such lobbies .

## **Opportunities for United States**

The US has opportunities currently to substantially reduce the dependence on the foreign oils through implementing clean energy plans which will not only ensure sufficient economic recovery but also provide solid economic growth in future. Currently US is facing a struggling economy from a long recession having highest unemployment rate as compared to the past. The saved up money from clean energy implementations will surely uplift US's

economic conditions from the recession and will increase its competitiveness with European and other developed countries. Reducing the oil imports by implementing clean-energy related reforms would substantially reduce money handed over to foreign countries for buying oil to meet the energy requirements of United States. Furthermore, the kept money can be invested within United States for better growth of its economy and industry .

The reduction of usage of oil through applying clean energy measures will also reduce the global pollution significantly owing to the reason that United States is the largest producer of Carbon emissions. An analysis of the Center for US Progress clearly shows that all of the clean energy related provisions present in the US Recovery and Reinvestment Act as well as ACES if combined would save up to \$150 billion annually in terms of clean energy capitalization over just one decade. This spending is considered significant only if it is initiated from the government while becoming secondarily from private sector as well. These investments will also create good job opportunities for the population of US and will surely reduce US's dependence on foreign oil .

Conclusion

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