

Energy and society: gas prices in other countries essay

[Business](#), [Industries](#)



Energy and society: Gas prices in other countries1st slide:

IntroductionGasoline - a. k. a. petrol- a petroleum-derived liquid mixture consisting primarily of hydrocarbons and enhanced with benzenes to increase octane ratings, used as fuel in internal combustion engines.- is one of the primary sources of energy sources that keep many countries moving. Gasoline, being used as fuel in internal combustion engines, is highly considered necessary to countries with large volume of vehicles, factories, and people. It is shown in the figures that our personal vehicles alone guzzle 65 billion gallons of gasoline and diesel fuel each year, and that number is projected to increase by 2. 6 percent each year2nd slide:

IntroductionTracking gas prices can feel like a roller coaster ride.

Being unstable, the prices can be down a little one month, up the next, before shooting up more than 50 percent in a year. Different countries, even states and cities can have different prices from each other. The reasons for these differences are the following: a. Currency Exchange Rateb. Economic Disturbancec.

Supply and Demand3rd slide: Currency Exchange RateThe value of a country's currency affects gas prices. It is evident in the following slides how prices are affected by their currency value. Countries with low currency exchange rate have higher gas prices. Ex.

Cambodia, Thailand (this is seen in the succeeding slides)Countries with high currency exchange rate have low gas prices Ex. Germany, Austria (this is seen in the succeeding slides)4rth slide: Currency Exchange RateThis slide shows a table with the currency exchange rate of different countries. US

<https://assignbuster.com/energy-and-society-gas-prices-in-other-countries-essay/>

dollar is the reference currency for all the countries since it is the currency of a strong country which is the United States. Some of the countries stated above are present in the table.

5th slide: Economic Disturbance A country's economic status can affect gas prices too. If one country is experiencing economic disturbance, it can cause gas prices to go up. If source country is experiencing economic disturbance, it will affect the gas supplies of that country. Affecting the supplies will lead to instability of gas prices, and most of the time, the prices doubles up.- Ex. In 1990, Saddam Hussein was the president of Iraq. He decided to attack Kuwait (no. 4 supplier that time) and Saudi Arabia (no.

1 producer of crude oil), which are suppliers of gas. The attacks damaged many oil producing equipments and this affected the supplies of gas in the whole world. Gas prices that time increased as much as 100%. 6th slide: Supply and Demand Supplies are affected by the disturbance in the source country.

The disturbances will affect the production of gas which will lessen the supplies of gas. Low supply of gas combined with high demand of gas will definitely make prices shoot up.- Ex. In 1990's, Iraq experienced UN embargo. This disrupted Iraq's gas supplies.

Since Iraq is one of the countries which give a large amount of gas supplies in the world, the prices of gas went up.- Ex. When Venezuela, the biggest producer in South America, was in civil war, gas supplies were disrupted and gas prices started to go up.

Fortunately, while prices are not that high yet, neighboring countries already bought many supplies. But when Venezuelan supplies was completely down, and neighboring countries have difficulty in getting supplies, gas prices really got high. 7th slide: Supply and Demand The law of Supply and Demand can be really applied in discussion of gas prices. If gas supplies are high and its demands are low, gas price decreases.- Ex.

When the volume of vehicles in a country is low and the supplies of gas on that country is high, there is a room for gas prices to go down. If gas supplies are low but demands are high, gas price increases- Ex. In a country that is experiencing an economic expansion, its demand for supplies will go high. This will lead to increase in prices. Weather can also be a factor for change in gas price.- Ex. When a country is about to experience winter, meaning more gas is needed to create fire, gas prices tend to go up. An example for this is countries up north and down south which have the coldest winters.

Economic expansions are also causes of gas price increase.- More factories and more industrial establishments makes demands higher and this will lead for prices to go up. 8th slide: Global Gas Prices This slide shows the prices gas per gallon in the following countries.

9th slide: Austria Gas prices (all taxes included) for households in the Austria rose by 16% on average between January 2005 and January 2006. Prices (excluding VAT) for industry increased by 33% over the same period Austria is one of the countries that is highest in industrial gas prices (10. 81 euro per

Gigajoule)The conversion for Gigajoule is: 1 GJ = 27 liters of fuel oil or 26 liters of gasoline)Computing this will get 1 liter is to 0. 41 euro. The prices seen in the pictures are proportional to this rate. 10th slide:

CambodiaCambodia is one of the poorest countries in Asia. It has one of the lowest currency exchange rates. As a result, Cambodia is experiencing skyrocketing gas prices and the Cambodian government wants to bring this down.

This is because in Cambodia, the average price per liter today is 3, 500 riels (\$US1= 4200 riels), compared to 2, 500 riels per liter in neighboring countriesAmong 14 million people, the average 40% Cambodians earn less than one dollar per day. This fact makes the gas price really high for them. It is evident in the prices seen in the pictures. 11th slide: ChinaChina is one of the countries who want to expand economically. They are putting up larger industry for the country.

Being the most populated country, there is a reason for the expansion.

However, the expansion has consequences.- bigger gasoline demand- since they have no other source aside from the market, the prices in the market tends to go up- all other countries/ consumers of the supplies are affected by this increase in prices12th slide:

GermanyGermany is also one of the countries with high currency value.

However, like Austria, it also experienced increase in gas prices. The figures are, 16% percent in gas households and 33% in gas in industry.

But Germany is even higher in industrial gas compared to Austria which is 11.58 euro per GJ. Computation gives a result of 0.45 euro per liter. 13th slide: Japan. Even though that Japan is a strong country, its currency exchange rate is low. This makes the gas price to go up. As seen in the pictures, the prices are 100+ compared to countries with higher currency exchange rates. To show some figures, as of August 2006, the nationwide average retail price for regular gasoline stood at 144.00 yen per liter and as of September 2006, it went down 0.10 yen from a week earlier, the first fall in three months.

Even though it went down, the price is still considered since it is still a large amount of yen. 14th slide: Thailand. Last month, Thailand experienced a disturbance. Their prime minister was ousted from the office.

It affected their economy badly. As a result, most of the prices including gasoline went up. However, the recovery for the country was fast enough to make progress.

The price of gasoline went down and the figures are shown in the slide. 15th slide: Venezuela. Venezuela is the biggest oil producer in South America. Being the biggest oil producer, the leader of the country wanted to own the production of oil since foreigners are still controlling the production. The leader declared the nationalization of the country's oil industry.

As a result, the country's gas prices went down. However, since the currency exchange rate of Venezuela is low, the prices still look high. Moreover, the nationalization of the country's oil industry gave them the opportunity to

earn more from the foreign countries who are getting their supply from the nation. The figure would be approximately 1.

2 million dollars for the added revenue. 16th slide plus: Important

Points These are just a review of the previous slides. Please refer to the previous contents of this paper,