

Energy Advances Economic Growth

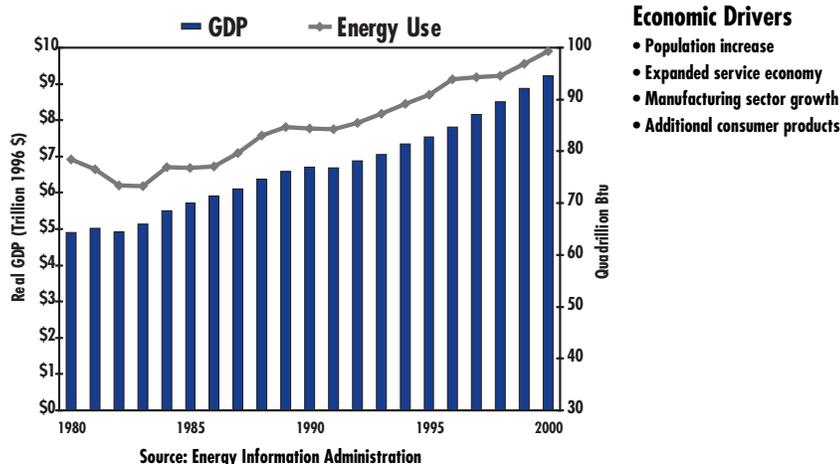
“The fact of the matter is: our economy is run on energy.”

— Bruce Josten, Executive Vice President, U.S. Chamber of Commerce

- U.S. prosperity is closely tied to the availability of affordable supplies of energy. In fact, economic growth and energy growth follow similar cyclical trends, as seen in the chart below.

- According to the Energy Information Administration (EIA), “the output of the nation’s economy, measured by gross domestic product (GDP), is projected to increase by 3 percent per year between 2001 and 2025 (with GDP based on 1996 chain-weighted dollars).” The agency expects that growth in energy demand also will continue to increase as it has historically.¹

Energy and the U.S. Economy



- As our energy demands and economy grow, supply and demand imbalances – shortfalls in production and bottlenecks in delivery infrastructure – are becoming more evident and threaten our continued economic prosperity.

“It is essential that we do not lose sight of the policies needed to ensure long-term economic growth. One of the most important objectives of these policies should be an assured availability of energy. ...[D]evelopments in energy markets will remain central in determining the longer-run health of our nation’s economy.”

– Federal Reserve Chairman Alan Greenspan

¹ Energy Information Administration, *Annual Energy Outlook 2003*, DOE/EIA-0383 (2003), January 2003.

Alliance for ENERGY & ECONOMIC GROWTH

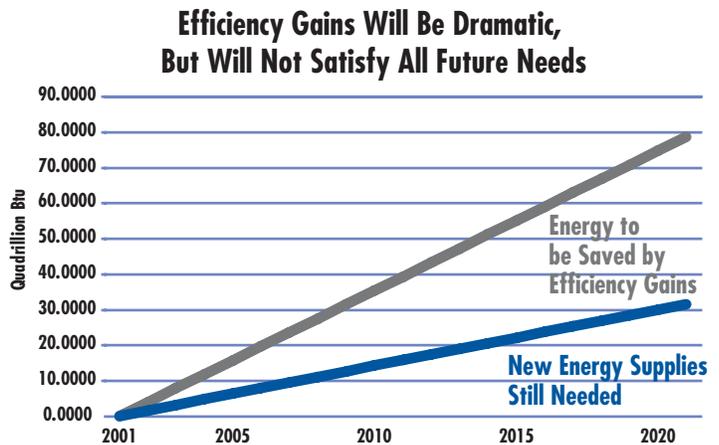
Energy to secure America's future

www.yourenergyfuture.org

“The AFL-CIO has long recognized that the production, transportation, and distribution of energy are critical to the success of the United States economy.”

– John Sweeney, President, AFL-CIO

- Energy fuels homes, offices, small businesses, and industries; powers computers, appliances, technology, and the Internet; and runs transportation, among other things. Energy is vital to every sector of the U.S. economy.
- Energy-efficiency improvements have had a major impact in meeting national energy needs since the 1970s, relative to new supply. If U.S. energy intensity (Quadrillion Btu per GDP) stayed constant since 1972, consumption would be about 72 Quadrillion Btus (73 percent) higher in 2000 than it actually was.
- While new technology applications will lead to further dramatic energy-efficiency improvements, these will not be enough to satisfy all future needs. As the graph at right illustrates, more than half of the nation’s incremental energy requirements through 2020 will be met through energy-efficiency gains. However, the U.S. will still need an additional 30 Quadrillion Btus to support economic growth through 2020.



Source: Annual Energy Outlook 2002, Energy Information Administration

“We enjoyed historic economic growth during the past decade, not coincidentally during a time of abundant energy supplies.”

– Jerry Jasinowski, President, National Association of Manufacturers

Alliance for ENERGY & ECONOMIC GROWTH

Energy to secure America’s future

www.yourenergyfuture.org

March 2003