



News Release

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AAA PREDICTS GASOLINE TO COST LESS IN 2013

National Average Expected to Peak at \$3.60-\$3.80 per Gallon this Year

VIRGINIA BEACH, VA (Thursday, January 10, 2013) – Gasoline prices this year will be less expensive than in 2012 as a result of increased domestic oil production and lower demand, according to AAA. The national average price of gasoline should peak at \$3.60-\$3.80 per gallon compared to a peak of \$3.94 a gallon in 2012, without significant unanticipated events.

“Cheaper gas prices are good news for the millions of Americans that depend on their car to travel where they need to go,” said Georjeane Blumling, Vice President of Public Relations for AAA Tidewater Virginia. “Lower gasoline prices should translate into billions of dollars in tangible household savings given that the vast majority of Americans rely on automobiles to live their lives.”

Gasoline prices should rise steadily through April or early May, but at a slower pace than last year. However, prices will rise as a result of seasonal demand increases and in anticipation of the switchover to more expensive summer-blend gasoline. Following a late-spring peak, prices should drop during the first half of the summer to as low as \$3.20-\$3.40 per gallon before rising again in advance of the Gulf Coast hurricane season and the switchover to winter-blend gasoline. Prices should end the year by falling to low or near-low averages for 2013.

“Absent significant storms, majors wars or production and distribution outages, the single largest factor that will influence gasoline prices in 2013 will be the strength of the U.S. economy,” continued Blumling. “Stronger than expected growth in the economy would result in higher oil and gasoline prices in anticipation of higher consumption, while a weaker than expected economy would drive prices downwards. Inaction by Congress to reach a debt deal in two months also would result in increased concern about the U.S. economy and could lead to lower gasoline prices.”

Today’s national average price of gasoline is \$3.31 per gallon, which is .07 cents less than last year and .02 cents less than a month ago. Virginia’s average price is \$3.28 per gallon – .01 cent less than last year and eight cents higher than a month ago. Motorists in approximately 39 states are paying lower average gasoline prices than a year ago. States paying more than last year are located primarily in the Northeast, which is still dealing with the supply aftereffects of Hurricane Sandy.

Gas Prices as of January 10, 2013, for a gallon of self-serve regular gasoline:

	Price Today	Price Last Month	Price Last Year
National	\$3.31	\$3.33	\$3.37
Virginia	\$3.28	\$3.18	\$3.29
Charlottesville	\$3.19	\$3.08	\$3.20
Norfolk	\$3.25	\$3.14	\$3.24
Richmond	\$3.24	\$3.12	\$3.25
Roanoke	\$3.19	\$3.13	\$3.28

The annual average price of gasoline in 2012 was the most expensive on record at \$3.60 per gallon, but the situation for motorists is already improving. On Jan. 5, the national daily average dropped below the year-ago price for the first time since August 20, which means motorists are now paying less for gasoline than last year – a trend that AAA believes is likely to continue.

Gasoline prices in 2012 reached record highs partly as a result of unanticipated production disruptions from refinery fires, pipeline closures and major hurricanes. Oil prices also were higher as a result of tensions in the Middle East including new sanctions on Iran. These types of market-moving events are impossible to predict and any forecast on gasoline prices can change as a result of similar factors.

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