Our View: Keeping Gasoline Prices High by Making American Refining Great Again (MARGA)

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Inflation threatens the Republican hold on Congress. Voters are in a deeply sour mood despite President Trump asserting that we have the "best economy ever." Belatedly, the administration has begun to address "affordability." It has lowered tariffs, for example, on goods such as coffee and bananas produced outside of the United States. It has, though, ignored a key commodity: petroleum products. Retail gasoline and diesel prices would be 20% and 25% lower, respectively, today if the government had kept refiners from capturing almost all the benefits, i.e., increased profits, from lower crude prices. These gains, which have made refining great again, should be a prime target for the administration's newfound focus on saving Americans money.

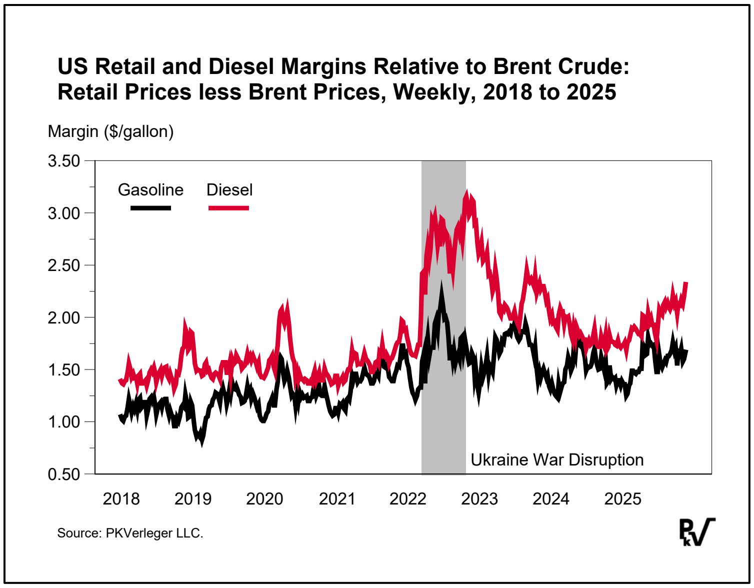
They are not, however. Instead of turning Justice Department lawyers loose on refiners, many of whom wrote hefty checks to the 2024 Trump campaign, the administration is directing Justice to investigate the relationships of Democrats, such as former President Clinton, with Jeffrey Epstein. Meanwhile, refiners will continue their lucrative practices, which include boosting exports to keep domestic inventories tight and retail prices high.

The refiners' most recent "golden age" began after Russia invaded Ukraine in 2022, and the United States and other nations then released strategic petroleum reserves to moderate rising energy prices and supply disruptions. At the time, President Biden did nothing to ensure that refiners passed on the benefits of lower, more stable crude prices to consumers. Today, President Trump is making the same mistake, turning a blind eye as US refiners reap robust rewards that stem from the oil-exporting countries flooding the world market with crude and pushing oil prices down. Freight transport companies, independent semitruck drivers, construction workers, and rural gasoline consumers in the United States are paying heavily for his negligence.

Nationwide, US retail gasoline prices were $3.23 per gallon when President Trump was inaugurated on January 20, and retail diesel prices were $3.715 per gallon. On the same day, Dated Brent prices were $82.25 per barrel, the equivalent of $1.95 per gallon.

On November 10, nearly 10 months later, US gasoline prices had declined by $0.04 per gallon, while diesel prices had increased by $0.12 per gallon. Meanwhile, Brent crude oil had decreased by $18.85 per barrel or $0.44 per gallon.

In his battle to win back voters, President Trump recently cited the decline in gasoline prices. On November 7, he told reporters, "Every price is down. The biggest price is energy. We're at almost $2 for gasoline."[1]



The POLITICO authors who reported his assertions then explained that, at the time, gasoline cost $3.08 per gallon, not $2. They might have added that the retail gasoline price would have been $2.68 rather than $3.08 on that date **if gasoline prices had declined in parallel with crude**. They might also have explained that diesel fuel would have cost truckers $3.29 per gallon, not $3.87, if diesel prices had fallen with crude prices.

The authors could have gone even further had they looked at the data. Gasoline prices would have been below $2.50 per gallon if the margin refiners and marketers earned from 2010 to 2019 applied today, and those buying diesel would have paid less than $2.85, not almost $3.85.

Gasoline and diesel consumers have suffered financially because the last two administrations have ignored refiners' and marketers' ability to raise prices. In essence, Presidents Trump and Biden have "**Made American Refining Great Again**" at a substantial cost to citizens. The figure above shows the increase in refiner margins between 2018 and 2025. Specifically, it presents the differences between retail diesel and gasoline prices and the Dated Brent spot price. The shaded area denotes the period of the Ukraine disruption and strategic stock release.

From these data, we note the following margins.

Retail Gasoline and Diesel Margins to Brent for Three Periods after January 2010

Period	Gasoline (Per Gallon)	Diesel (Per Gallon)
January 2010 to End-February 2022	$1.25	$1.55
Ukraine Disruption: March 2022 to September 2022	$1.77	$2.68
October 2022 to November 2025	$1.58	$2.10

Source: PKVerleger LLC.

[1] James Bikales and Ben Johansen, "Trump says he brought down gas prices. The reality is more complicated." POLITICO, November 7, 2025 [https://tinyurl.com/328r8hdm].

Left unfettered, the refining and marketing industry will uphold the high margins. Refineries have shut. Refineries are also experiencing “upsets.” These factors contribute to lower oil inventories, which lead to wider margins.

Exports are a second factor that leads to lower domestic inventories and higher margins. By boosting gasoline and diesel exports and thus drawing down product stocks, refiners can raise prices here, and the firms seem to be playing the market this way. Gasoline exports averaged 540,000 barrels per day from 2011 to 2019. Exports have doubled since 2022. The exports depress stocks and, in our view, have been the primary explanation for the doubling of refiner gasoline margins.

The story is the same for diesel, although the export increase is much more modest.

The Trump administration, should it choose, can successfully begin to attack “affordability” by focusing on refinery profits, just as it has focused on pharmaceutical company profits. In doing so, it can exercise the authority it has to limit petroleum product exports to lower retail prices.