**OIL AND GAS INDUSTRY ANALYSIS**

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The American oil industry runs back to the early years of the 19th century. Ancient communities found and used petroleum seeps for different purposes. The growth of the sector as an important economic driver did not take place until huge deposits were found in 1859 at Oil Creek, Pennsylvania. The US was the largest oil producer in the world in the 19th and 20th centuries. Middle East countries have since assumed this position. Today, oil and gas are some of the most used products and the industry has a significant on the global economy.

Growth in the industry hinges on the demand of goods. The price may rise or drop depending on the need in the economies leading in the consumption of oil and gas products such as China. The demand will rely on the strength of these economies which determine the purchasing power of the consumers. Another factor that determines growth in the industry is the move taken by OPEC. This organization of oil-producing countries can affect the prices by controlling how much they Supply the market.

The political situation in oil producing countries is another factor that may hinder or boost development of the industry. It is not long ago that the violence in Libya blocked the flow of oil into the market. This blockage led to the rise of oil prices which in turn pushed the prices of other commodities upwards.

Oil and gas manufacturing plays a significant role in the growth of the entire national economy. The state takes a keen interest in the industry because of its effect on the rest of the economy. A minor change in the oil prices can have serious ripple effects throughout the economy. Control of the industry is conducted by both local and federal authorities. These regulations are necessary to ensure that all industry players manage themselves reasonably to avoid any issues.

Government regulations are also needed to ensure the oil and gas products do not affect the environment. Industry players are expected to adhere to the laws to protect the surroundings. Cases of oil spillage have been reported, and the firms responsible are required to do the cleanup to restore the original condition of the environment. Failure to adhere to these rules can lead to prosecution or cancellation of licenses.

The American gas and oil market has many players. Exxon Mobil dominates the market with a valuation of $356.5 billion. Chevron and ConocoPhillips take second and third positions with a market valuation of $197.4 billion and $76.7 billion respectively. The industry is highly competitive in America just as it is in the rest of the world. New operators are entering the market every day to get a share of the oil and gas cake. The global market share of the industry is valued at about $4 trillion while in the US, it is about $300 billion. These figures indicate how lucrative the market is and the reason it attracts new players.

In the recent years, the world economy has witnessed the rise and growth of new economies such as China, India, and Brazil. This increase leads to higher demand for oil and gas products to fuel economic activities in these countries. As a result of the new demand, oil and gas producers have a larger market to satisfy. The industry has faced serious setbacks arising from reduced prices in the global market. The growing sales trend is expected to remain the same.

As the world population becomes aware of the effect of using fossil fuels on the climate, the danger of a shrinking oil market looms. Companies should consider the consequences of this awareness among the public and there concerns. In a bid to remain relevant, industry players devise methods to reduce the effects of their products on the environment. They are also leading the way in finding new ways to eliminate or reduce the consequences of their goods on the climate. When making changes to management, the companies now hire people with ideas on how face and overcome these new challenges that threaten their existence.

Energy requirements in growing economies have led to the rise in demand for oil and gas. For many years, it looked like nothing would affect the high need for these products. However, in the recent past, emerging trends indicate that this may not last for a long time. People are now seeking alternative ways to power their economic activities after the effects of using fossil are blamed for a rise in global temperatures.

While existing industry players are being faced with the entrance of new companies, the main threat is in the threat of a shrinking market. People are now turning to green sources of energy that have little or no effects on the climate. In response to this shift in demand, oil and gas producers are responding to the challenge by developing technologies that help them come up with green options. As they are doing this, there are new rules they have to abide by about safety of the environment. Companies in the industry are required to ensure their activities do not cause any harm to the surroundings.

Oil and gas products are consumed by industries and households as well. They are used by people of all ages either directly or indirectly. Big and small businesses also use them for one purpose or another. The rich in the society are more aware of the effects of these products on the environment, and they go for those that cause less harm. However, for the poor, they may not be too concerned about the effect of these products because of their limited financial resources.

The market shares of the leading competitors may not remain the same for a long time to come unless they respond swiftly to the changes taking place in the market. New markets are joining them and new consumer demands that affect sales. It is imperative for them to adapt new approaches to help them survive in the turbulent times ahead. The risk of a shrinking domestic market can be reduced by seeking new places to sell their products and developing products that meet the current market needs.

In conclusion, the oil and gas industry plays a significant role in world economy. Its importance is evidenced by the interest taken by authorities which provide regulation to govern it. Despite the value of the industry to the economy, it is faced with an uncertain future due to increased competition and a growing awareness by consumers of the effect of fossil fuel on the climate. The growth of the industry is mainly driven by a rise in demand for oil and gas in emerging economies.