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Wondering Why Gas Costs So Much? Blame Consumer Demands and the Oil Market

by [Simon Henderson](#)

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A post-oil future isn't without risks, whether for Middle Eastern producers or Western economies still tied to hydrocarbons in myriad ways.

Last Wednesday, the *Financial Times* issued an article titled “Oil producers face costly transition as world looks to a net-zero future.” The essence of its argument was that oil producers will struggle to diversify away from hydrocarbons. The result will be drastically falling revenues. Iraq was a worst-case scenario, with Libya a close second. Saudi Arabia and Russia are vulnerable, but their comparatively complex economies have “boosted their resilience.” To policy wonks in Washington, this will be interesting. Some might interpret it, on balance, as good news, but in the Middle East, low government revenues are usually a recipe for domestic trouble and perhaps yet more regional tensions...

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