

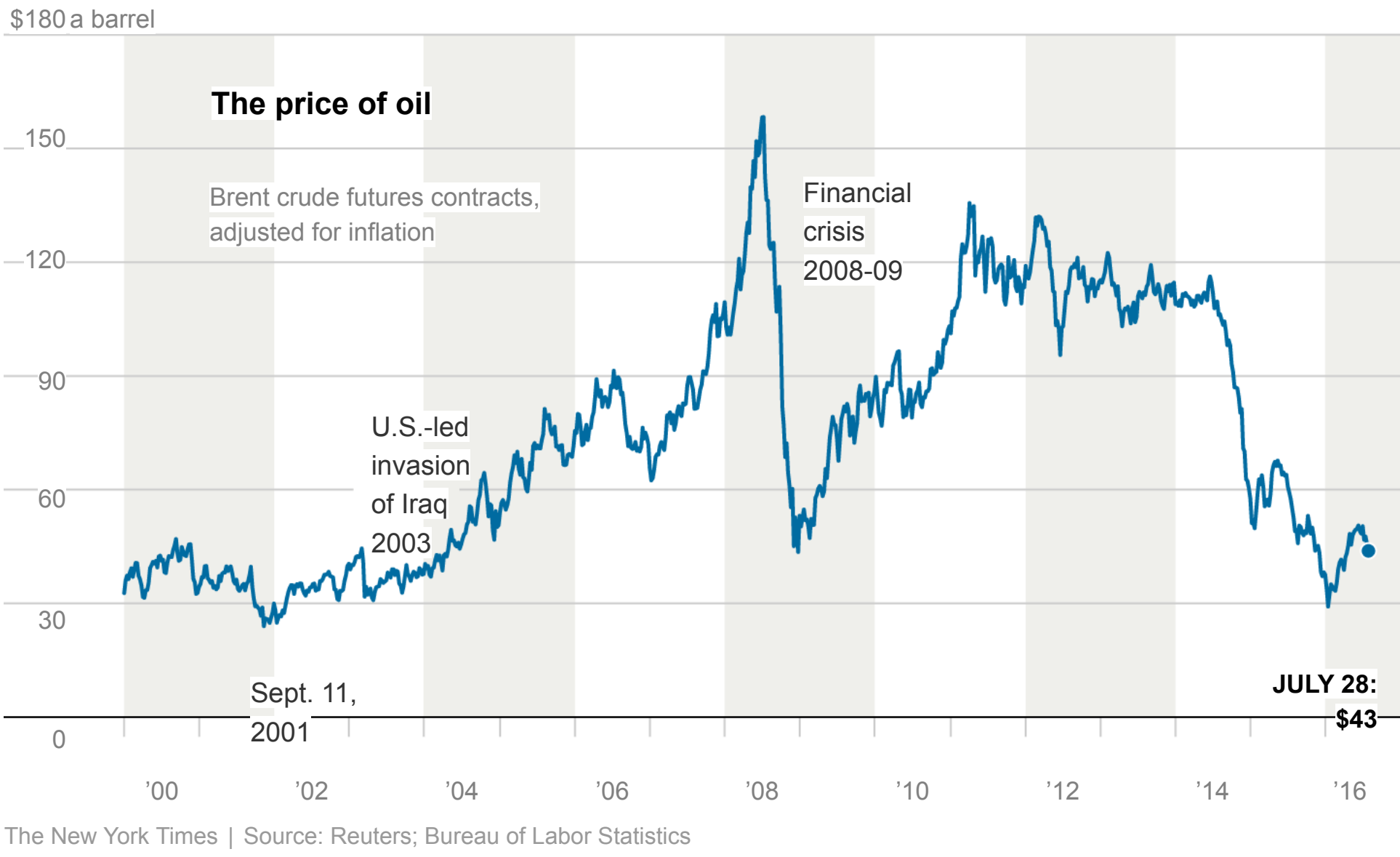
How Oil Prices Are Falling Again, Explained in Four Charts

By **KARL RUSSELL** **UPDATED** July 29, 2016

The depressed price of oil has been wreaking havoc on the industry to the point of making it unprofitable to drill for oil in the United States and even undermining countries whose economies are heavily dependent on exporting oil, like Russia, Venezuela and Nigeria. [RELATED ARTICLE](#)

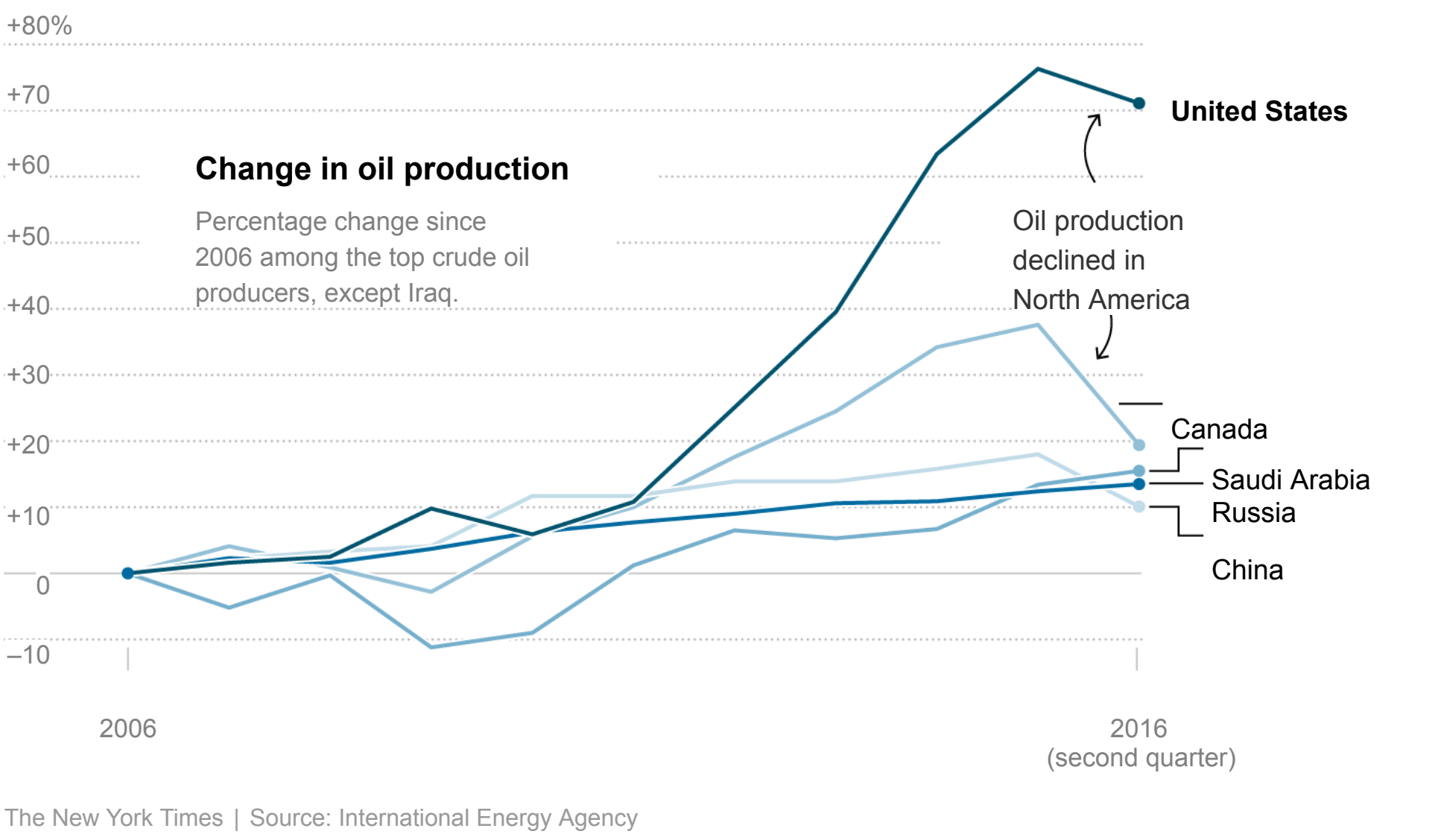
The Price Pressures

After rising earlier this year, crude is back down to about \$43 a barrel. Prices have fallen more than 60 percent in nearly two years. Prices tend to fluctuate in response to geopolitical and economic turmoil. Worries about China's economic health has been one recent factor weighing on oil.



U.S. Production Has Slowed

The low price of oil has cut the profits of United States oil companies, forcing many into bankruptcy. And a devastating forest fire in the oil sands region of Canada forced many companies to slow or stop altogether. For the first time in years North American production decreased, as more than 250,000 oil and gas workers have lost their jobs worldwide — over half of whom worked in the United States.



The Supply-Demand Imbalance

United States production surged in recent years with the shale boom, while major producers like Saudi Arabia and Russia have been pumping at high levels. This year, a balance has returned, but because demand is weak, it will take a while to work through the excess.

