

What's the Truth about the Price of Oil?

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[Trump](#) went on his Truth Social (where truth is a rare commodity) and said Democrats have closed down the nation's refinery capacity, and this is the reason diesel and gas prices are skyrocketing. Here's what Trump didn't tell you: recent closures were corporate decisions by refinery owners, not a mandate by Democrats.

LyondellBasell Industries in Houston made a strategic decision to exit refining in March, 2025, eliminating approximately 264,000 barrels a day. Phillips 66 in Los Angeles closed in October, 2025, citing uncertain long-term sustainability amid changing market conditions, while also reporting high operating costs and low earnings. The closure removed 139,000 barrels from the market. Valero, in Benicia, California ended refining in 2026, citing high maintenance costs and other business considerations. The corporation produced 145,000 barrels a day.

Valero also mentioned regulatory hurdles in California,

where there are unusually stringent fuel, environmental, emissions, and operating requirements. However, it is not accurate to claim that Democrats or California's governor ordered these refineries closed, or that regulations in the state are responsible for the fuel crisis in the rest of the country.

The 2025 shutdowns at the LyondellBasell Houston and Phillips 66 Los Angeles refineries cut total US refining capacity by about 400,000 barrels per day. Because the two California closures eliminated roughly 17% of California's capacity, their impact is concentrated on West Coast fuel supply and prices rather than the broader US market.

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It's correct to say Ukraine's strikes on Russian refineries affect global energy markets. During his first term, Trump approved the first US provision of lethal weapons to Ukraine, notably Javelin anti-tank missiles. In 2018 and 2019, the United States notified Congress of sales totaling 360 Javelins, plus launchers, training, and related equipment. In other words, US foreign policy, under both Biden and Trump, is responsible for the current crisis.

Diesel and heating oil account for nearly 30% of global petroleum use, with about one-quarter of this supply

moving across borders. When Russian refinery exports drop, the impact extends beyond Europe, resulting in rising costs in transport, farming, construction, freight, and heating, all of which contribute to wider inflation. The Trump administration is responsible for raising oil prices by continuing the war against Iran. When tankers stopped transiting the Strait of Hormuz because of the risk of attack, Gulf producers in Saudi Arabia, Iraq, the UAE, Kuwait, Qatar, and Bahrain were unable to export. Following the start of military action on February 28, Iranian strikes and potential vessel damage led most commercial shipping to bypass the Strait of Hormuz.

The US Energy Information Administration (EIA) estimated 7.5 million barrels per day of crude production was shut down during March, rising to an estimated 9.1 million barrels per day in April. The cost of Brent crude oil on the spot market went from \$69 per barrel in 2025 to \$96 in 2026. On October 5, WTI crude oil traded at \$91.82 per barrel, and Brent crude at \$106.13 per barrel.

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Finally, Trump continues to claim that the Strait of Hormuz remains open. As of October 5, the passage is closed or severely limited for standard commercial shipping. A few ships are moving through, but traffic has dropped to roughly 9 percent of its earlier level, around

seven inbound and outbound ships per day, and war-risk insurance plus recent attacks have rendered routine tanker travel mostly impractical. Before February 28, the strait generally accommodated about 125–135 large commercial vessels each day. Among them, roughly 54 were oil, chemical, or LPG tankers, along with about six LNG carriers. The remainder comprised bulk carriers and container ships.

Trump's misrepresentation of the facts fails to deceive the vast majority of Americans who bear the weight of his economic and foreign policy choices. MAGA paladins, however, tend to accept his folderol without question, reinforcing Orwell's notion of doublethink—a form of indoctrination where people are expected to hold two conflicting beliefs as true, often clashing with their own memory or sense of reality.

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Iranian Minister of Petroleum Mohsen Paknejad has highlighted the uninterrupted export of crude oil, the rapid restoration of damaged facilities, and efforts to maintain production and supply despite US-Israeli attacks on key energy infrastructure, particularly on southern Kharg Island.

Speaking in an interview reviewing the Oil Ministry's performance over the past two years, Paknejad said the ministry continued development projects while managing the country's strategic reserves, production imbalances, and challenges in the South Pars gas field: "After the end of the 12-day war [in June 2025], the country was in a special situation, but while continuing to manage the crisis, we pursued plans to increase oil and gas production with determination. Fortunately, during the period following the 12-day war, we obtained all the necessary approvals and put the project into operation. So far, we have practically achieved around 70,000 to 80,000 barrels per day of that 250,000-barrel capacity," he noted.

The minister said the oil industry faced significant challenges during the recent US-Israeli aggression, which began on February 28, including attacks on oil storage facilities and loading infrastructure: "During the 40-day war, the oil industry suffered further damage. On March 8, Tehran's oil storage facilities were attacked again. In addition to the main storage facilities, the loading facilities were also targeted. At the same time, one of the oil storage facilities in Alborz province was hit, creating a very worrying situation," Paknejad said. He also recalled attacks on four gas refineries in the Asaluyeh area. Paknejad said technical expertise within the National Iranian Gas Company and the National Iranian Oil Company enabled the industry to quickly restore part of

its lost capacity.

“We were able to restore parts of the lost capacity within a short period, in just a matter of hours. A significant portion of production capacity has now been restored, and the process is continuing,” he said. The oil minister said petrochemical facilities in Mahshahr and Asaluyeh also came under attack, with utility units supplying steam, electricity and nitrogen to processing facilities among the targets: “However, through cooperation with other government bodies, particularly the Ministry of Energy, the necessary plans were made during the war through joint meetings, and the situation was largely managed,” Paknejad said.

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Paknejad described the continuation of crude oil exports during the aggression as one of the oil industry’s major achievements: “One particularly important point, which I consider one of the lasting achievements of Iran’s oil industry, is the continuation of exports under crisis conditions.” He added that during the period of the 40-day war “our crude oil exports were not interrupted for even one hour.”

The minister highlighted the role of Kharg Island, Iran’s major oil export hub, during the attacks: “Kharg Island,

with an area of around 23 to 24 square kilometers, was hit more than 550 times, which is a remarkable figure.

Nevertheless, our colleagues continued loading tankers with determination even under bombardment.” He added that crude exports remained in good condition during that period and faced no serious restrictions, while oil prices also increased during the same period.

Paknejad also outlined measures taken to overcome maritime restrictions imposed during the war on Iran: “At the first stage, a line was defined between Ras al-Hadd and Pakistan’s Gwadar port. Through extensive measures, we were able to overcome this blockade, enabling the sale and delivery of oil to customers in very distant areas, thousands of kilometers away from the Persian Gulf and the Gulf of Oman: “Although we faced restrictions on transporting oil beyond the blockade line, we succeeded in making use of the opportunities available,” he said.

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The oil minister said the country had also achieved record levels of upstream crude gas production and increased its oil-processing capacity: “One of the lasting achievements of our colleagues at the National Iranian Oil and Gas companies has been setting a record for raw gas production in the upstream sector and at oil platforms.” He also noted that the ministry has taken major steps

toward increasing crude oil processing capacity. Regarding shared fields, the minister said Iran's production capacity has increased significantly, exceeding 300,000 barrels.

“Over the past seven to eight months, in addition to making up for lost capacity, we have continued round-the-clock efforts to accelerate projects, with our main focus on increasing production through major projects,” Paknejad said. Iran announces discovery of major gas field in southern Fars province He added that another major achievement had been the discovery of approximately 17 trillion cubic feet (TCF) of new in-place gas reserves in the Pazan and Takht fields in southern Fars province.

The minister also pointed to the end of diesel imports as one of the country's major energy developments this year: “Until early 1404 [March 2025-March 2026], the country was an importer of diesel, just as it was of gasoline. However, through technical measures at refineries and increased refinery feedstock, I am proud to announce that we have not imported diesel for several months now,” he stressed.