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Gap between U.S. and world oil prices to be cut by more than half over next two years

The current wide price gap between a key U.S. and a world benchmark crude oil is expected to narrow significantly over the next two years.

The spot price for U.S. benchmark West Texas Intermediate crude oil, also known as WTI, averaged \$94 a barrel in 2012. That's \$18 less than North Sea Brent oil, which is a global benchmark crude that had an average price of \$112 last year.

The new monthly forecast from the U.S. Energy Information Administration expects the price gap between the two crude oils to shrink to \$16 a barrel this year and then to \$8 in 2014. That's when WTI would average \$91 a barrel and Brent would be at \$99.

The smaller price gap will result from new pipelines coming on line that will lower the cost of moving more crude oil produced from the center of the United States. to refineries on the Gulf Coast. At the same time, this will cut U.S. imports of crude oil such as Brent.

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