

Gasoline Demand and Rebound Effect in Canada

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Gasoline consumption has grown faster than any other oil product consumption within last 30 years all over the world. Therefore, fuel efficiency standards have become popular topic in order to reduce gasoline consumption. Canada is second highest in terms of gasoline consumption among other OECD countries. However, improved fuel efficiency standards are mitigated by rebound effect. Rebound effect measures the tendency to take back potential energy savings from fuel economy improvements. Thus, in this paper, I will estimate rebound effect for personal transportation in Canada.