

THE ORIGINS OF OPEC

The history of the world's most powerful oil cartel

OPEC is a **cartel of oil-producing countries**. It is the most powerful producer of oil in the world.

OPEC'S MISSION:

"...To **co-ordinate** and **unify petroleum policies** among Member Countries...**secure fair and stable prices** for petroleum producers; [secure a]...regular **supply of petroleum** to consuming nations; and...[secure] a fair return on capital..."



First OPEC Conference

When?
September 1960

Where?
Baghdad, Iraq

Who?
Founders

Iran Venezuela
Iraq Saudi Arabia
Kuwait

Until the 1970s, world oil production was dominated by seven private American and European oil producers. They were collectively called...

THE SEVEN SISTERS



Standard Oil of New Jersey
(ExxonMobil)



Royal Dutch Shell
(Shell)



Anglo-Persian Oil Company
(BP)



Standard Oil Co. of New York
(ExxonMobil)



Standard Oil of California
(Chevron)



Gulf Oil
(Gulf Oil)



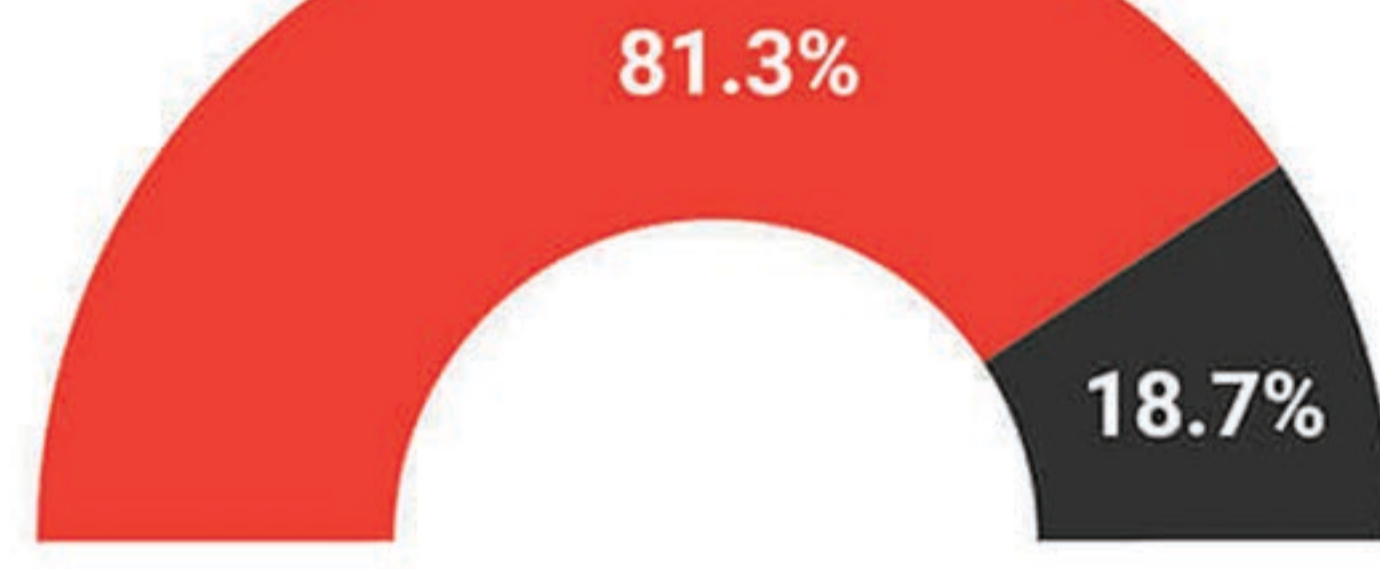
Texaco
(Chevron)

As OPEC became increasingly influential on the world stage, the power to price oil shifted away from the Seven Sisters toward OPEC.

OPEC now owns over **80%** of the world's crude oil reserves.

OPEC'S SHARE OF WORLD OIL (2016)

OPEC possessed 62% more of the planet's crude oil reserves than non-OPEC nations in 2016.

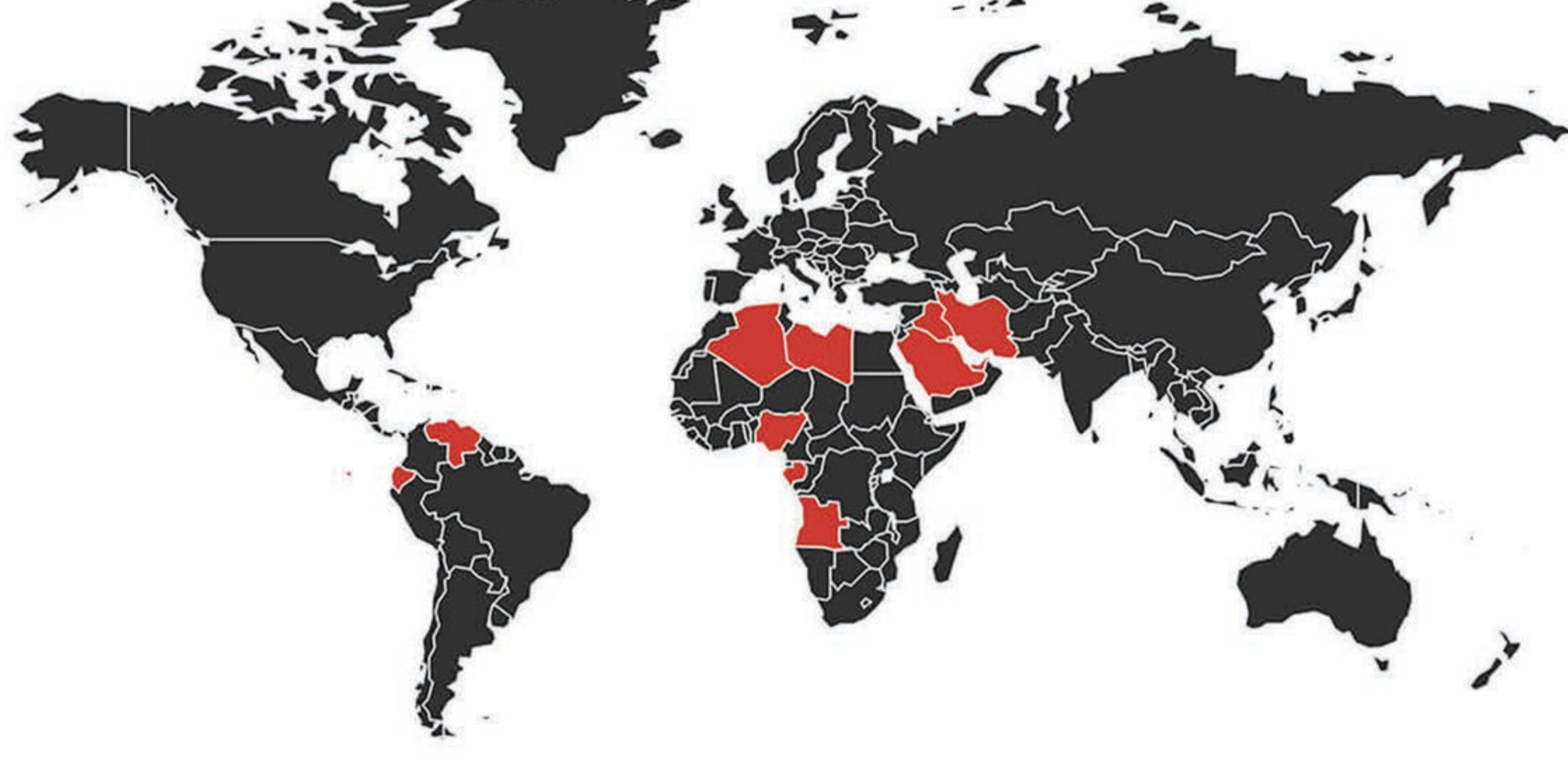


● OPEC nations ● Non-OPEC nations

OPEC has 13 member countries

MAP OF OPEC NATIONS (DECEMBER 2016)

OPEC membership grew from five countries in September 1960 to thirteen countries as of December 2016.



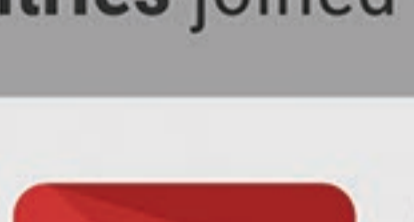
■ OPEC country ■ Non-OPEC country

1960

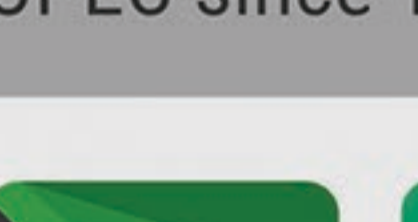
Eight countries joined OPEC since 1960.



Iran



Iraq



Kuwait



Saudi Arabia



Venezuela

1961



Qatar

1962



Libya

1967



United Arab Emirates

1969



Algeria

1971



Nigeria

1973



Ecuador

1975



Gabon

2007



Angola

OPEC's **oil pricing power** has inspired many developed countries to seek cheaper alternative forms of energy.

In the U.S., large companies like Amazon are turning to **wind power**



while the automotive industry is gradually shifting toward **electric propulsion**.



Sources:

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