

Five decades of OPEC

The 11-nation Organisation of the Petroleum Exporting Countries pumps a third of the world's oil and controls 80% of its reserves

\$150

1 1960: OPEC established with five founding members Iran, Iraq, Kuwait, Saudi Arabia and Venezuela*.

Price per barrel: **\$3**

2 1973: First oil shock. In response to *Arab-Israeli War*,

OPEC – led by Shah of Iran – quadruples oil price to western nations. West experiences recession and high inflation that persists until early 1980s. Price: **\$12**



led by **Carlos the Jackal**

3 Dec 1975: Attack on OPEC headquarters in Vienna, Austria, by terrorists



4 1979: Islamic Revolution in Iran – oil production is almost halted.

Price: **\$25**

5 1980: Iran, already weakened by revolution, is invaded by Iraq. Global crude oil production falls by 10%.

Second oil shock sparks global recession

Price: **\$40**

6 1986: Record prices result in increased production of 10 million barrels per day outside of OPEC. Cartel abandons fixed pricing structure and cuts prices in bid to win back market share. Price: **\$8.75**



7 1990: Iraq invades Kuwait.

Oil price shock lasts nine months, contributing to early 1990s recession. Price: **\$41.90**

8 1998: Tiger economies of East Asia spiral into crisis, cutting oil demand. Price: **\$9.55**

9 2001: Oil price falls following 9/11 attacks on U.S. Price: **\$19.67**

10 2003-06: Iraq war.

U.S.-led invasion of Iraq, conflict between Israel and Hezbollah militants in Lebanon, and Iran's continued nuclear standoff with West leads to record high price in 2006. Price: **\$78.40**

11 2008: Oil peaks on heightened tension in Middle East and ballistic missile tests by Iran. Price: **\$147.50**

12 2009: Global financial crisis. Price: **\$41.74**

13 Sep 14, 2010: OPEC turns 50 with oil price close to its target of \$75 a barrel



\$120

\$90

\$60

\$30

1960 1970 1980 1990 2000 2010

*These countries are later joined by Qatar (1961), Indonesia (1962-2008) Libya (1962), United Arab Emirates (1967), Algeria (1969), Nigeria (1971), Ecuador (1973-1992), Gabon (1975-1994), and Angola (2007)

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