



# OPEC FUNCTION AND STRUCTURE

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# ***INTRODUCTION***

- THE ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES (OPEC) WAS FOUNDED IN BAGHDAD, IRAQ, WITH THE SIGNING OF AN AGREEMENT IN SEPTEMBER 1960 BY FIVE COUNTRIES NAMELY ISLAMIC REPUBLIC OF IRAN, IRAQ, KUWAIT, SAUDI ARABIA AND VENEZUELA. THEY WERE TO BECOME THE FOUNDER MEMBERS OF THE ORGANIZATION.
- THESE COUNTRIES WERE LATER JOINED BY QATAR (1961), INDONESIA (1962), LIBYA (1962), THE UNITED ARAB EMIRATES (1967), ALGERIA (1969), NIGERIA (1971), ECUADOR (1973), GABON (1975), ANGOLA (2007), EQUATORIAL GUINEA (2017) AND CONGO (2018).

# OPEC STRUCTURE AND ECONOMICS

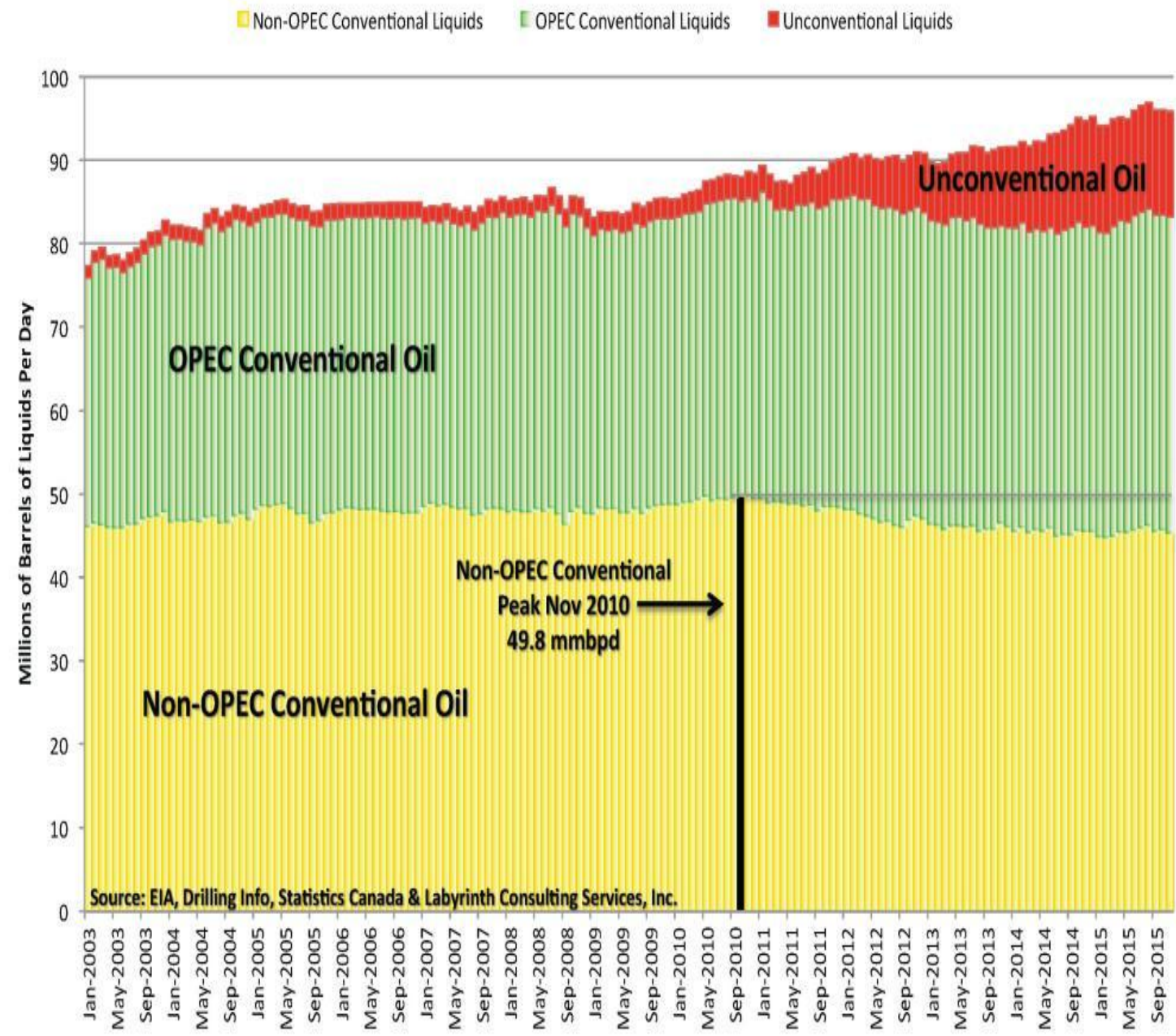
- THE ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES (OPEC) IS A GROUP OF 14 OF THE WORLD'S LARGEST OIL-EXPORTING COUNTRIES. OPEC WAS FOUNDED IN 1960 TO COORDINATE THE OIL POLICY OF ITS MEMBERS AND PROVIDE TECHNICAL AND ECONOMIC ASSISTANCE TO MEMBER STATES. OPEC IS A CARTEL THAT SEEKS TO MANAGE OIL SUPPLIES IN AN ATTEMPT TO SET OIL PRICES ON THE WORLD MARKET IN ORDER TO AVOID FLUCTUATIONS THAT COULD AFFECT THE ECONOMIES OF BOTH PRODUCING AND SUPPLIER COUNTRIES. OPEC COUNTRIES INCLUDE IRAN, IRAQ, KUWAIT, SAUDI ARABIA AND VENEZUELA (FIVE FOUNDERS), AS WELL AS THE UNITED ARAB REPUBLIC, LIBYA, ALGERIA, NIGERIA AND FIVE OTHER COUNTRIES.

- THE OIL INDUSTRY IN THE PAST, AS BEFORE, CONTINUES TO PROVIDE FOR DOMESTIC NEEDS AND EXPORTS. AT PRESENT, THIS TYPE OF OIL IS OF UNIQUE IMPORTANCE, AND WHICH ONLY SOME OF THE COUNTRIES POSSESS. MOREOVER, THE CURRENT SITUATION ON THE WORLD OIL MARKET ONLY WIDENS THE GAP BETWEEN COUNTRIES WITH THIS RESOURCE AND COUNTRIES.



THE STRUCTURE OF OIL AND GAS INDUSTRIES: OIL PRODUCTION AND OIL FIELDS WITH INITIALLY DUE TO THE RATIONAL USE OF THE FOUNTAIN METHOD. IN THE MECHANIZED (COMPRESSOR AND PUMPING) OPERATION OF WELLS. .TRANSPORTATION OF OIL, OIL PRODUCTS AND ESPECIALLY GAS IS ASSOCIATED WITH THE USE OF SPECIALIZED AND EVEN SPECIFIC (PIPELINES, TANKERS, TANKS THAT CANNOT BE USED TO TRANSPORT OTHER GAS AT HIGH RESERVOIR PRESSURE AND NATURAL ENERGY IS SUBSEQUENTLY USED BY AUTOMOBILE RAIL AND TANKERS) VEHICLES, TYPES OF INDUSTRIAL PRODUCTS.

## World Conventional & Unconventional Liquids Production



THE MAIN CONSUMERS OF WORLD OIL ARE THE MOST POPULOUS COUNTRIES - THE UNITED STATES, CHINA AND INDIA. THE SHARE OF THE LAST TWO STATES IN WORLD OIL CONSUMPTION IS 55 PERCENT. THE UNITED STATES CONTINUES TO CONSUME THE MOST CRUDE OIL — MORE THAN 943 MILLION TONS PER YEAR, OR 23.86 PERCENT OF TOTAL GLOBAL CONSUMPTION OF BLACK GOLD, OF WHICH 422.5 MILLION IS PRODUCED DOMESTICALLY, AND MORE THAN 520 MILLION ACCOUNTS FOR IMPORTS. .

- OVER THE PAST THREE DECADES, WORLD CONSUMPTION OF THIS ENERGY HAS INCREASED. ACCORDING TO STATISTICS OBTAINED AT THE END OF 2007, THE PROVEN RESERVES OF THIS HYDROCARBON RAW MATERIAL ARE DISTRIBUTED AS FOLLOWS: MOST OF THEM IN SAUDI ARABIA - 36 BILLION 191 MILLION 800 THOUSAND TONS (21.3 PERCENT OF ALL OIL RESERVES IN THE WORLD); IRAN RANKS SECOND IN THIS INDICATOR - 18 BILLION 958 MILLION 900 THOUSAND TONS (11.18 PERCENT); THE THIRD IS IRAQ, WITH 15 BILLION 753 MILLION 400 THOUSAND TONS (9.29 PERCENT). ACCORDING TO THIS PARAMETER, OUR COUNTRY IS IN SEVENTH PLACE IN THE WORLD. RUSSIAN RESERVES OF BLACK GOLD ARE ESTIMATED AT 10 BILLION 876 MILLION 700 THOUSAND TONS, WHICH CORRESPONDS TO 6.41 PERCENT OF EXPLORED WORLD DEPOSITS. SIGNIFICANTLY.

# OPEC STRATEGY

- OPEC'S LONG-TERM STRATEGY PROVIDES A CONSISTENT FOUNDATION AND CONSISTENT VISION FOR THE FUTURE OF THE ORGANIZATION. THE STRATEGY IS DEVELOPED EVERY FIVE YEARS BY THE OPEC SECRETARIAT UNDER THE LEADERSHIP OF THE DEPUTY MINISTERS OF OIL AND ENERGY OF THE MEMBER COUNTRIES.
- THE STRATEGY ANALYSES FACTORS THAT MAY AFFECT THE ORGANIZATION'S EFFORTS TO ENSURE MARKET STABILITY AND FAIR PRICES, AND ANALYSES GLOBAL TRENDS THAT MAY AFFECT THE SECURITY OF GLOBAL OIL DEMAND. IN ACCORDANCE WITH OPEC'S CORE MISSION, THE STRATEGY CONSIDERS THE GENERAL CONDITIONS NECESSARY FOR REGULAR OIL SUPPLIES TO CONSUMERS



# CONCLUSION

- THE GLOBAL ECONOMY WAS A MAJOR RISK TO THE OIL MARKET AT THE BEGINNING OF THE DECADE, AS GLOBAL MACROECONOMIC UNCERTAINTY AND HEIGHTENED RISKS ASSOCIATED WITH THE INTERNATIONAL FINANCIAL SYSTEM SOWED ON THE ECONOMY. THE ESCALATION OF SOCIAL UNREST IN MANY PARTS OF THE WORLD AFFECTED BOTH DEMAND AND DEMAND IN THE FIRST HALF OF THE DECADE, ALTHOUGH THE MARKET REMAINED RELATIVELY BALANCED. PRICES WERE STABLE BETWEEN 2011 AND MID-2014, BEFORE A COMBINATION OF SPECULATION AND OVERSUPPLY LED TO THEIR FALL IN 2014. THE PATTERN OF TRADE CONTINUED TO CHANGE, WITH DEMAND IN ASIAN COUNTRIES GROWING FURTHER AND THE OECD AS A WHOLE SHRINKING. THE WORLD'S ATTENTION TO MULTILATERAL ENVIRONMENTAL ISSUES HAS BEGUN TO ESCALATE, WITH HOPES OF A NEW UN AGREEMENT ON CLIMATE CHANGE. OPEC CONTINUED TO STRIVE FOR MARKET STABILITY AND SOUGHT TO FURTHER STRENGTHEN DIALOGUE AND COOPERATION WITH NON-OPEC CONSUMERS AND PRODUCERS.

- IN THE 1990S, OPEC CONTINUED TO EMPHASIZE PRODUCTION QUOTAS. OIL PRICES, WHICH COLLAPSED AT THE END OF THE DECADE, BEGAN TO RISE IN THE EARLY 21ST CENTURY, DUE TO GREATER UNITY AMONG OPEC MEMBERS AND CLOSER COOPERATION WITH NON-MEMBERS (SUCH AS MEXICO, NORWAY, OMAN AND RUSSIA), RISING TENSIONS IN THE MIDDLE EAST, AND VENEZUELA'S POLITICAL CRISIS. WITH THE BEGINNING OF THE 21ST CENTURY, INTERNATIONAL EFFORTS TO REDUCE THE BURNING OF FOSSIL FUELS (WHICH HAVE CONTRIBUTED SIGNIFICANTLY TO GLOBAL WARMING; SEE THE GREENHOUSE EFFECT) HAVE MADE IT LIKELY THAT GLOBAL DEMAND FOR OIL WILL INEVITABLY DECLINE. IN RESPONSE, OPEC TRIED TO DEVELOP A CONSISTENT ENVIRONMENTAL POLICY. OPEC'S STRENGTH HAS WAXED AND WANED SINCE ITS INCEPTION IN 1960 AND IS LIKELY TO CONTINUE TO DO SO AS LONG AS OIL REMAINS A VIABLE ENERGY RESOURCE

# THE LIST OF SOURCE

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