

Oil Production - Trends Through Time

Background: Oil is the most valuable commodity in international trade. Those who have it make hundreds of billions of dollars selling it to those who do not.

Your job: Make a graph of oil production in a country, and compare it with other countries.

- 1) Look at the data table for the country you choose (or were assigned).
 - 2) Make a bar or line graph that shows the oil production in each year shown on the table.
 - 3) Compare your finished graph with graphs made by other students for other countries.
 - 4) Write a brief for your congressperson, describing the results of your research.
- Your brief emphasize trends through time and their implications for foreign policy.

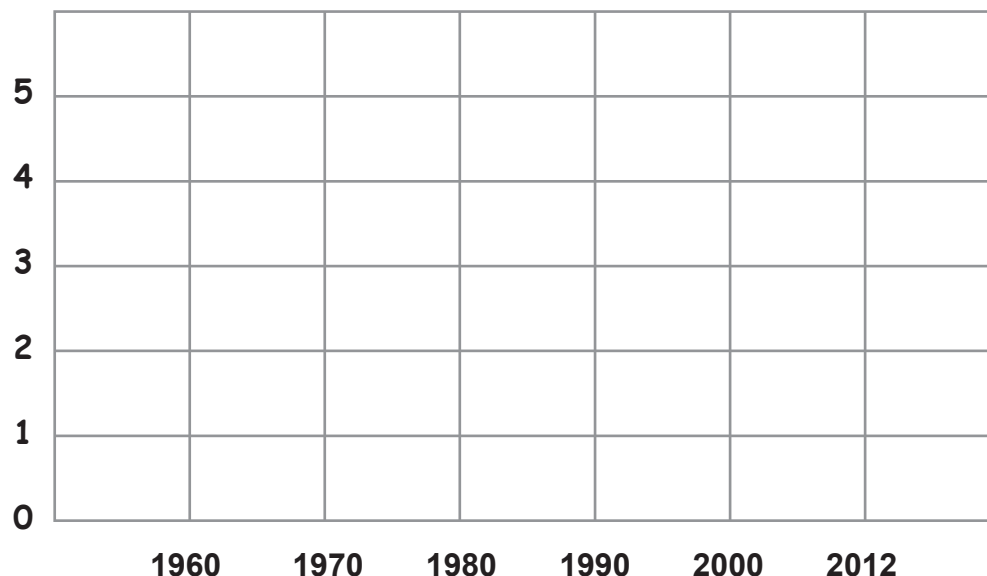
Gigabarrels per year

A gigabarrel is
a billion barrels of oil.
The United States uses
7 gigabarrels each year.

| | 1960 | 1970 | 1980 | 1990 | 2000 | 2012 |
|-----------------|------|------|------|------|------|------|
| I Iran | 0.4 | 1.4 | 0.6 | 1.1 | 1.4 | 1.3 |
| Q Iraq | 0.4 | 0.6 | 0.9 | 0.7 | 0.3 | 1.1 |
| K Kuwait | 0.6 | 1.1 | 0.6 | 0.4 | 0.8 | 1.0 |
| E Emirates | 0.0 | 0.3 | 0.6 | 0.8 | 0.8 | 1.2 |
| S Saudi Arabia | 0.5 | 1.4 | 3.6 | 2.3 | 3.1 | 4.3 |
| N Nigeria | 0.0 | 0.4 | 0.8 | 0.7 | 0.8 | 0.9 |
| V Venezuela | 1.0 | 1.4 | 0.8 | 0.8 | 0.8 | 0.9 |
| Other OPEC | 0.3 | 2.1 | 1.8 | 1.6 | 1.9 | 1.7 |
| C China | 0.0 | 0.2 | 0.8 | 1.0 | 1.2 | 1.6 |
| R Russia | 1.1 | 2.5 | 4.3 | 4.0 | 2.2 | 3.8 |
| N Norway | 0.0 | 0.0 | 0.2 | 0.6 | 1.2 | 0.7 |
| B Britain | 0.0 | 0.0 | 0.6 | 0.7 | 1.0 | 0.5 |
| M Mexico | 0.1 | 0.2 | 0.7 | 0.9 | 1.0 | 1.1 |
| C Canada | 0.2 | 0.5 | 0.5 | 0.6 | 0.7 | 1.4 |
| U United States | 2.6 | 3.5 | 3.1 | 2.7 | 2.3 | 4.0 |
| Other non-OPEC | 0.7 | 1.8 | 3.3 | 5.1 | 6.6 | 5.2 |

Trend of Oil Production in _____

gigabarrels
per year



Major Producers of Crude Petroleum

Background: Oil is the most valuable commodity in international trade. Those who have it make hundreds of billions of dollars selling it to those who do not.

Your job: Make a map of oil production in a specific year, and compare it with other years.

- 1) Look at the data table for the year you choose (or were assigned).
- 2) Draw a circle on top of each letter on the map to show the amount of oil produced in that country. Make the circle the proper size according to the map key.
- 3) Compare your finished map with maps made by other students for other years.
- 4) Write a brief for your congressperson, describing the results of your research.
Your brief should emphasize trends through time and implications for foreign policy.

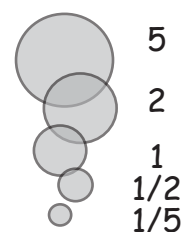
| | 1960 | 1970 | 1980 | 1990 | 2000 | 2012 |
|-----------------|------|------|------|------|------|------|
| I Iran | 0.4 | 1.4 | 0.6 | 1.1 | 1.4 | 1.3 |
| Q Iraq | 0.4 | 0.6 | 0.9 | 0.7 | 0.3 | 1.1 |
| K Kuwait | 0.6 | 1.1 | 0.6 | 0.4 | 0.8 | 1.0 |
| E Emirates | 0.0 | 0.3 | 0.6 | 0.8 | 0.8 | 1.2 |
| S Saudi Arabia | 0.5 | 1.4 | 3.6 | 2.3 | 3.1 | 4.3 |
| N Nigeria | 0.0 | 0.4 | 0.8 | 0.7 | 0.8 | 0.9 |
| V Venezuela | 1.0 | 1.4 | 0.8 | 0.8 | 0.8 | 0.9 |
| Other OPEC | 0.3 | 2.1 | 1.8 | 1.6 | 1.9 | 1.7 |
| C China | 0.0 | 0.2 | 0.8 | 1.0 | 1.2 | 1.6 |
| R Russia | 1.1 | 2.5 | 4.3 | 4.0 | 2.2 | 3.8 |
| N Norway | 0.0 | 0.0 | 0.2 | 0.6 | 1.2 | 0.7 |
| B Britain | 0.0 | 0.0 | 0.6 | 0.7 | 1.0 | 0.5 |
| M Mexico | 0.1 | 0.2 | 0.7 | 0.9 | 1.0 | 1.1 |
| C Canada | 0.2 | 0.5 | 0.5 | 0.6 | 0.7 | 1.4 |
| U United States | 2.6 | 3.5 | 3.1 | 2.7 | 2.3 | 4.0 |
| Other non-OPEC | 0.7 | 1.8 | 3.3 | 5.1 | 6.6 | 5.2 |

Gigabarrels per year

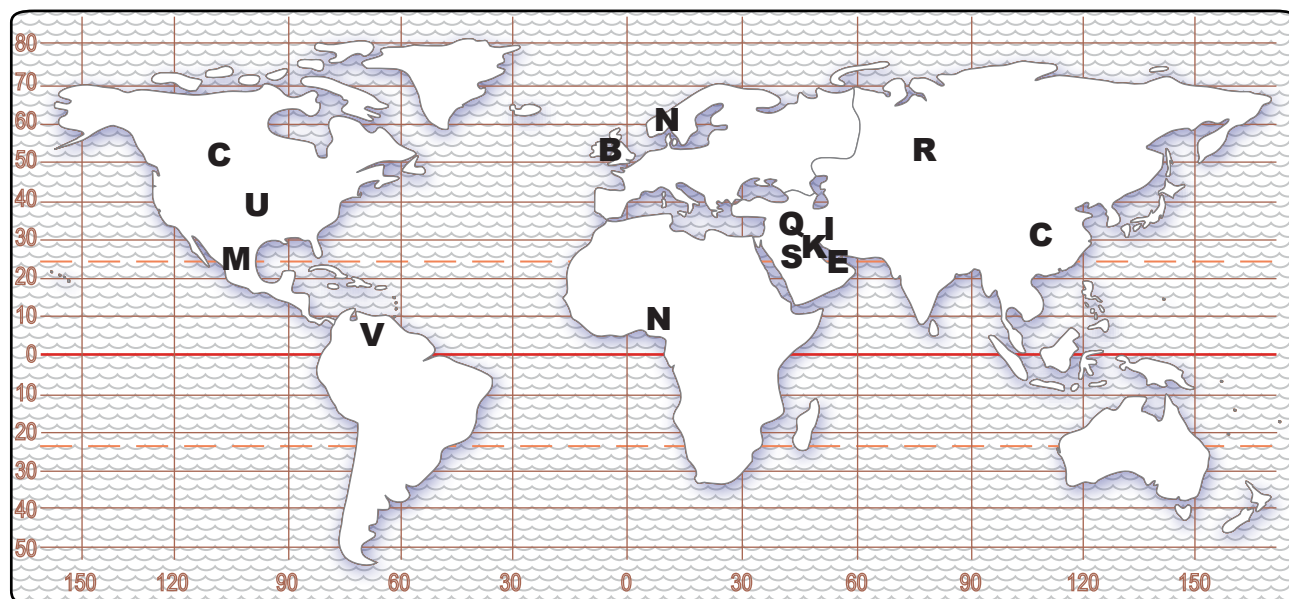
A gigabarrel is a billion barrels of oil.
The United States uses 7 gigabarrels each year.

Map Key

gigabarrels of petroleum



Oil Production in the Year _____



Petroleum Imports - Trends Through Time

Background: Oil is the most valuable commodity in international trade. Those who have it make hundreds of billions of dollars selling it to those who do not.

Your job: Make a graph of oil imports from a country, and compare it with other countries.

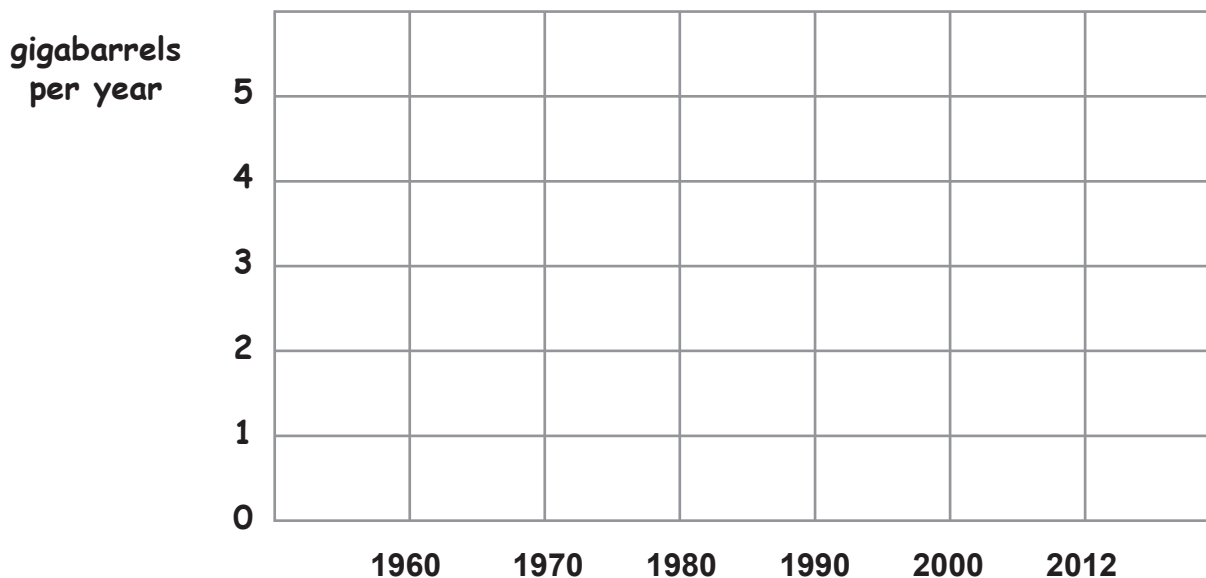
- 1) Look at the data table for the country you choose (or were assigned).
- 2) Make a bar or line graph that shows the oil import in each year shown on the table.
- 3) Compare your finished graph with graphs made by other students for other countries.
- 4) Write a brief for your congressperson, describing the results of your research.

Your brief emphasize trends through time and their implications for foreign policy.

| | | Gigabarrels of Petroleum | | | | | |
|--------------|-----------------|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | 1960 | 1970 | 1980 | 1990 | 2000 | 2012 |
| S | Saudi Arabia | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 | 0.4 |
| P | Persian Gulf | 0.0 | 0.0 | 0.1 | 0.2 | 0.1 | 0.2 |
| A | Algeria | 0.0 | 0.0 | 0.2 | 0.1 | 0.1 | 0.1 |
| N | Nigeria | 0.0 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 |
| V | Venezuela | 0.3 | 0.4 | 0.2 | 0.4 | 0.6 | 0.3 |
| R | Caribbean | 0.0 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| B | Britain | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 |
| M | Mexico | 0.0 | 0.0 | 0.2 | 0.3 | 0.5 | 0.4 |
| C | Canada | 0.0 | 0.3 | 0.2 | 0.3 | 0.5 | 0.9 |
| | Other countries | 0.2 | 0.5 | 0.7 | 0.6 | 0.7 | 0.5 |
| Total | | 0.7 | 1.2 | 2.5 | 2.9 | 3.6 | 3.2 |

A gigabarrel is one billion barrels of oil. The United States uses 7 gb each year.

Trend of Oil Imports from _____



Petroleum Imports - Map of Sources

Background: Oil is the most valuable commodity in international trade. Those who have it make hundreds of billions of dollars selling it to those who do not.

Your job: Make a map of oil imports in a specific year, and compare it with other years.

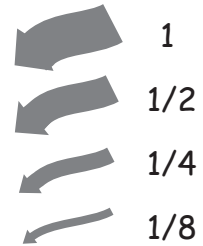
- 1) Look at the data table for the year you choose (or were assigned).
- 2) Draw an arrow from each country to the United States to show the amount of oil bought from that country. Make each line the proper thickness according to the map key.
- 3) Compare your finished map with maps made by other students for other years.
- 4) Write a brief for your congressperson, describing the results of your research.
Your brief should emphasize trends through time and implications for foreign policy.

Gigabarrels of Petroleum

| | 1960 | 1970 | 1980 | 1990 | 2000 | 2012 |
|-----------------|------------|------------|------------|------------|------------|------------|
| S Saudi Arabia | 0.0 | 0.0 | 0.5 | 0.5 | 0.5 | 0.4 |
| P Persian Gulf | 0.0 | 0.0 | 0.1 | 0.2 | 0.1 | 0.2 |
| A Algeria | 0.0 | 0.0 | 0.2 | 0.1 | 0.1 | 0.1 |
| N Nigeria | 0.0 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 |
| V Venezuela | 0.3 | 0.4 | 0.2 | 0.4 | 0.6 | 0.3 |
| R Caribbean | 0.0 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| B Britain | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 |
| M Mexico | 0.0 | 0.0 | 0.2 | 0.3 | 0.5 | 0.4 |
| C Canada | 0.0 | 0.3 | 0.2 | 0.3 | 0.5 | 0.9 |
| Other countries | 0.2 | 0.5 | 0.7 | 0.6 | 0.7 | 0.5 |
| Total | 0.7 | 1.2 | 2.5 | 2.9 | 3.6 | 3.2 |

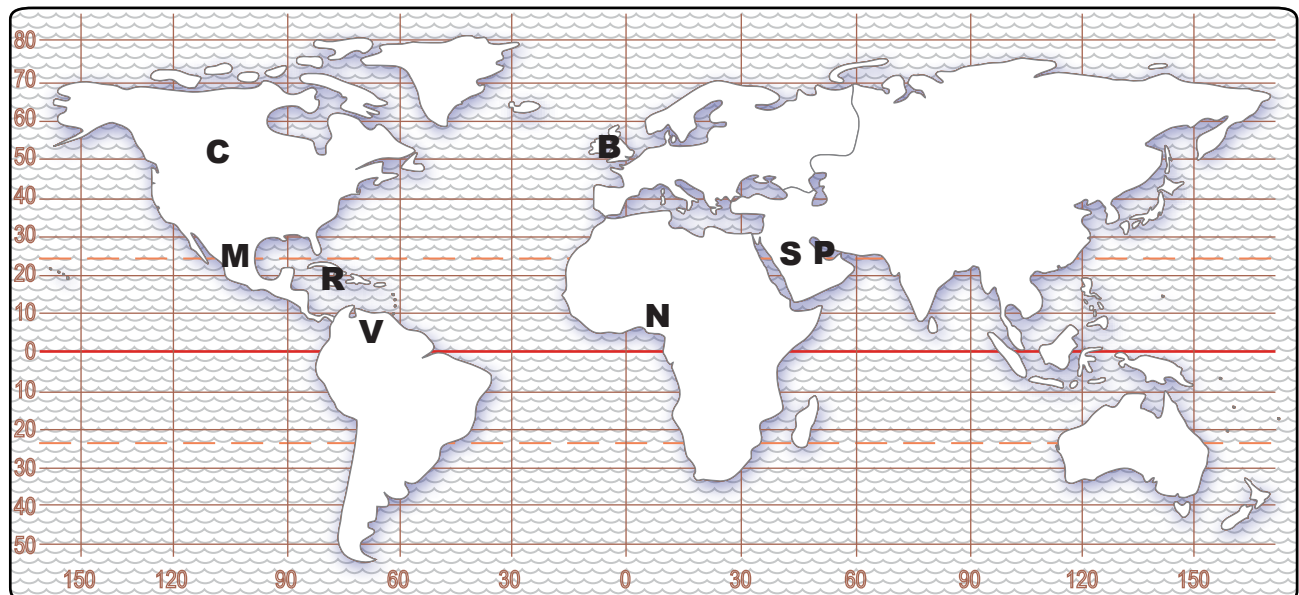
Map Key

gigabarrels of petroleum



A gigabarrel is one billion barrels of oil. The United States uses 7 gb each year.

Oil Imports in the Year _____



BACKGROUND READING ABOUT INTERNATIONAL TRADE

Trade between countries helps people get things they cannot (or just do not) make for themselves. If people can trade efficiently (that is, if they don't have to pay the traders and transporters too much), then they have more money left over to buy other things. For that reason, people are always looking for ways to make trade more efficient. To do that, they have to understand the present pattern of trade in order to see how it might be improved.

To understand trade between countries, we must look at several things:

- 1) **Competition.** If countries have similar environments, then they are able to grow or make similar things. When people produce similar things, their trade tends to be competitive. In a competitive trading situation, efficient producers gain customers, while less efficient producers lose. This kind of trade can be unsettling for producers, but consumers enjoy the benefits of low prices for the products they buy.
- 2) **Exchange.** Countries that are not like each other are more likely to produce things for exchange. In an exchange trading situation, people in one country produce things the other country cannot, and vice versa. For example, a country with good actors and musicians can make movies or CDs and trade them for food from a country that has good cropland.
- 3) **Proximity.** Countries that are close to each other usually do more of both kinds of trading. Greater distance means greater cost of transportation. Greater cost, in turn, tends to make products more expensive and therefore less likely to be traded.
- 4) **Other influences.** Countries that have political alliances, similar languages, or other cultural connections are likely to trade more than countries that are political enemies or have no cultural connections. Treaties and business deals can also help make trade easier. On the other hand, special rules, taxes, and other barriers can make trade more difficult.

When you add all this together, you get a situation in which people in many different countries trade many different things for many different reasons. The result, however, can be summarized in a table of data, which in turn can be made easier to read by putting the information on a graph or map. In this Activity, you will analyze the changes in the world pattern of trade for one of the most important commodities, crude oil.

The North America Free-Trade Agreement (NAFTA)

In 1993, the United States signed the North America Free-Trade Agreement (NAFTA) with Canada and Mexico. This agreement called for gradual elimination of import taxes and other barriers to trade. Trying to make the transition to barrier-free trade has not always been easy. One problem is that the benefits are national in scale (they help people all over the country), but the costs often occur at a local scale (in a specific town).

For example, one shirt factory may employ half of the women in a Georgia town, but it still is only a tiny part of the whole U. S. economy. With NAFTA, clothing factories like that one might have to compete with factories in Mexico. Some of them might lose the competition and have to close. If the main factory in a small town closes, it can have a huge impact on the town. When clothing workers lose their jobs, they spend less money in the stores, restaurants, and theaters of the town. That can hurt people who work in those places, too. So they have less money to spend. And so on, and so on, and so on.

Although closing a factory can have a big impact on a small town, its effect on the country as a whole is small. In fact, NAFTA can actually help people in many parts of the United States. Factories in other places might be able to use Mexican oil or Canadian metals. Prices for many things will go down, because those things are more likely to be made in places where the factories can be efficient.

To try to figure out whether a trade agreement is a good thing, someone has to find out which communities have gained because of the trade agreement. Then, we could use some of those benefits to provide job training, moving services, or other kinds of help to people who lose their jobs in other places.

While the details of the original NAFTA are still being worked out, other countries in Central and South America are also interested in making trade agreements:

- Some Latin American countries have resources that are rare in the United States -- tin in Bolivia and tropical wood in Brazil, to name just a couple.

- Other Latin American countries may have products that compete with things that are produced in various parts of the United States. Examples include steel and soybeans from Brazil, sugar from Cuba, cattle from Argentina, fruit from Chile.

- Still other Latin American countries are already linked to the United States by an illegal drug trade.

- Finally, many Latin American countries have other kinds of agreements with other countries around the world. For example, Venezuela is a major producer of oil. It has agreements with many countries to buy its oil. It also has agreements with other oil-producing countries, to avoid big shifts in production that could disrupt the market. Finally, it has agreements with multinational oil companies. The pattern of oil trade can be influenced by all of those agreements.