

Oil in Southwest Asia: How “Black Gold” Has Shaped a Region

A decorative graphic in the bottom-left corner consisting of three blue dots of varying sizes connected by thin, curved blue lines, set against a solid blue triangular background.

SS7G7

I. Introduction

A. Southwest Asia has been transformed by oil.

1. This region has the world's largest known oil reserves.

2. There are large reserves of natural gas.

B. Oil money has been used to better the lives of the people in this region.

1. Roads have been paved and modern buildings have been built

2. Improved medical care has helped people to live longer





II. Geographic Setting

A. Vocabulary

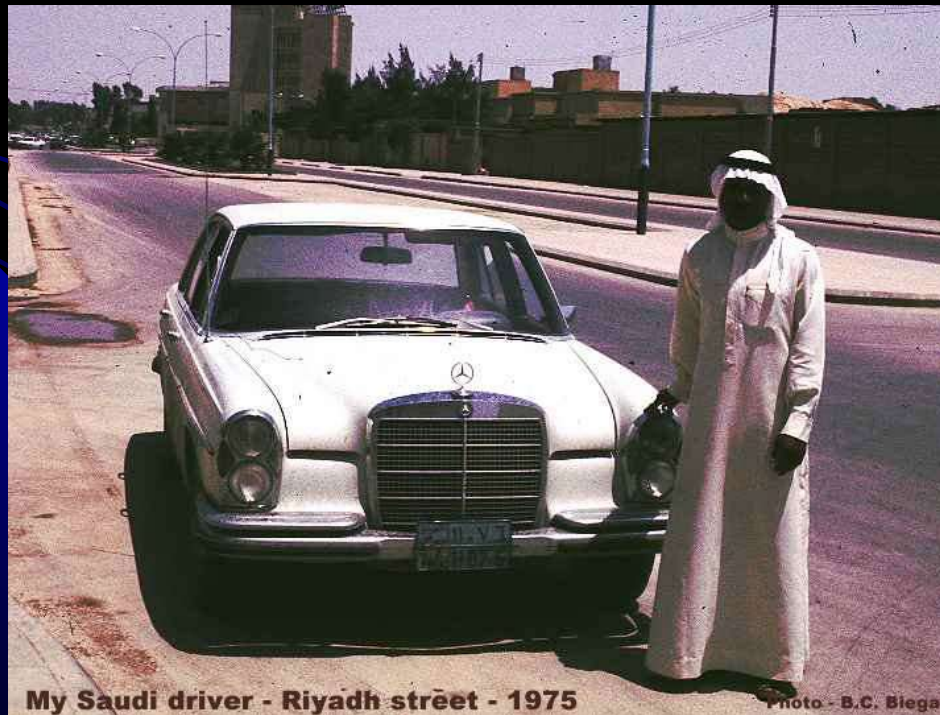
1. Crude oil: petroleum as it comes out of the ground and before it has been refined or processed into useful products
2. Nonrenewable resource: a resource that takes so long to form that it can't be replaced. Oil, which takes millions of years to form, is such a resource.

3. Oil reserves: oil that has been discovered but remains unused in the ground
4. Renewable resource: a resource that can't be used up or that can be replaced quickly as it is used up.

- Can you name examples of renewable resources???

B. Oil: Southwest Asia's Hidden Treasure

1. More than half of the world's proven crude oil reserves lie under this region.
2. Developed countries depend on these fuels to meet their energy needs.
 - a. Transportation (gasoline and oil)
 - b. Electricity depends on oil and natural gas to run power plants
 - c. Plastics
 - d. Medicines



Government Fact...

- In 2006, about 331 million barrels of liquid petroleum gases (LPG) and natural gas liquids (NGL) were used to make plastic products in the plastic materials and resins industry in the United States, equal to about 4.6% of total U.S. petroleum consumption. Of the total, 329 million barrels were used as feedstock and 2 million barrels were consumed as fuel.

3. S.W. Asia has grown rich, supplying the world's oil needs
4. Oil is a nonrenewable resource that will eventually run out.



King of Saudi Arabia and Saddam Hussein





C. Oil Is Not Distributed Equally throughout S.W. Asia

1. Distribution of oil is not even.
2. Saudi Arabia (the largest country) has approximately $\frac{1}{4}$ of the world's known oil reserves.
3. Kuwait (a small country) has $\frac{1}{10}$ of the world's oil reserves.





OIL AND MILITARY FACILITIES

OIL AND NATURAL GAS FACILITIES

- OIL FIELD ■ NATURAL GAS FIELD ■ OFFSHORE PROSPECT (ON/PAN)
- OIL PIPELINE — MAJOR OIL EXPORT PIPELINE (CASPIAN)
- NATURAL GAS PIPELINE — MAJOR NATURAL GAS EXPORT PIPELINE (CASPIAN)
- ★ OIL REFINERY △ TANKER TERMINAL
- NATURAL GAS LIQUIDS (NGL) PIPELINE

UNITED STATES MILITARY FACILITIES

- AIR FORCE ● NAVY ● ARMY

18 SAUDI ARABIA 1 Prince Sultan Ref. Base 2 Dammam 3 King Abdul Aziz Air Base 4 Fakhriyah 5 Mishaf 6 King Abdul Aziz Air Base 7 Mishaf Air Base 8 King Abdul Aziz Int'l. Airport 9 King Abdul Aziz Naval Base 10 King Abdul Aziz Naval Base 11 King Abdul Aziz Military City 12 King Abdul Aziz Military City 13 King Abdul Aziz Air Base 14 King Abdul Aziz Air Base	2 IRAQ 16 Al-Ramadi (Iraqi) 17 Al-Ramadi 18 Al-Ramadi 19 Al-Ramadi 20 Al-Ramadi 21 Al-Ramadi 22 Al-Ramadi 23 Al-Ramadi 24 Al-Ramadi 25 Al-Ramadi 26 Al-Ramadi 27 Al-Ramadi 28 Al-Ramadi 29 Al-Ramadi 30 Al-Ramadi	14 IRAN 25 Mirza Qasbi 26 Mirza Qasbi 27 Mirza Qasbi 28 Mirza Qasbi 29 Mirza Qasbi 30 Mirza Qasbi 31 Mirza Qasbi 32 Mirza Qasbi 33 Mirza Qasbi 34 Mirza Qasbi 35 Mirza Qasbi 36 Mirza Qasbi 37 Mirza Qasbi 38 Mirza Qasbi 39 Mirza Qasbi	24 UAE 40 Al Dhafra Air Base 41 Al Dhafra Air Base 42 Al Dhafra Air Base 43 Al Dhafra Air Base 44 Al Dhafra Air Base 45 Al Dhafra Air Base 46 Al Dhafra Air Base 47 Al Dhafra Air Base 48 Al Dhafra Air Base 49 Al Dhafra Air Base 50 Al Dhafra Air Base 51 Al Dhafra Air Base 52 Al Dhafra Air Base 53 Al Dhafra Air Base 54 Al Dhafra Air Base
--	---	--	--

FACILITIES USED IN OPERATION "ENDURING FREEDOM"

1 AFGHANISTAN 46 Bagram Air Base 47 Kandahar Air Base 48 Mazar-e Sharif Air Base 49 Jalalabad 50 Herat	15 PAKISTAN 51 Islamabad 52 Shikhar Air Base 53 Peshawar 54 Chitral 55 Peshawar	21 TAJIKISTAN 56 Dushanbe 57 Khujand 58 Kulyab (Kulob) 59 Kurgan-Yul'ye	25 UZBEKISTAN 60 Kharkov 61 Tashkent 62 Tashkent 63 Tashkent 64 Tashkent 65 Tashkent 66 Tashkent
--	---	--	--

INTERNATIONAL OVERSEAS FORCES

43 South Camp Shamir (U.S.) 44 North Camp Shamir (U.S.)	12 KYRGYZSTAN 67 Bishkek 68 Bishkek 69 Bishkek 70 Bishkek
--	--

IV. Oil Wealth and People's Well-Being

A. Oil Has Made Many People Better Off

1. Life expectancy has increased by 15 years over the last 30 years.
2. Infant mortality rate (number of babies that die in their first year) fell.
3. Gross domestic product (GDP): all the goods and services produced by a country each year.

4. Per capita GDP (the avg income of people in a country) = *GDP divided by the population & varies greatly for each country*

- a. UAE and Kuwait have high GDP and low population numbers → high per capita GDP
- b. Saudi Arabia and Iran have high GDP and high population numbers → lower per capita GDP.
- c. Bahrain has small oil reserves but high per capita GDP because they earn money by the processing of crude oil and development of an international banking system.

B. Per Capita GDP Does Not Tell the Whole Story

1. Per capita GDP is an average wealth with some people extremely wealthy and others very poor



2. Human Development Index (HDI) looks at the per capita GDP and factors like life expectancy and education.

a. Bahrain has the highest HDI, using its wealth to educate its population.

b. Bahrain provides good health care which has contributed to its low infant mortality rate.

Education in Bahrain



C. Oil Has Not Improved Life for All

1. Yemen is one of the 20 poorest countries in the world (low oil reserves and large population)
2. Iraq has second largest oil reserve but a low HDI.
 - a. Saddam Hussein used oil money for building an army
 - b. Buying weapons and fighting wars has used up their money



Iraqi Soldier

V. The Price and Flow of Oil

A. Oil-Exporting Countries: Working to Control the Price of Oil

1. OPEC (Organization of the Petroleum Exporting Countries) was established in 1960 to control the supply and income of oil producing countries.

a. S.W. Asia members: Iran, Iraq, Saudi Arabia, Kuwait, Qatar, UAE.

- b. Outside S.W. Asia members: Venezuela, Algeria, Libya, Nigeria, Indonesia
- c. S.W. Asia non-members: Bahrain, Yemen, Oman, and Syria
- 2. OPEC can't completely control oil prices and supplies
 - a. There are many non-OPEC oil producers that compete with OPEC.
 - b. OPEC members don't always work together as a unit, undercutting each other

OPEC



B. Oil-Importing Countries: Working to Protect the Flow of Oil

1. Saddam Hussein attacked Kuwait to take over their oil fields.
2. Countries who depended on oil from Kuwait (oil importers) went to war to drive out Iraqi forces. They feared that Hussein would take over Saudi Arabia and cut off the oil, thus damaging their economies.



3. Oil producing (oil exporters) countries also feared losing control of their oil reserves to Iraq.

4. Kuwait was freed from Iraqi control.





VI. Beginning to Think Globally (summary)

- A. Crude oil forms deep within Earth.
- B. Much of the world's oil is under S.W. Asia
- C. Oil reserves are not distributed evenly among the region's countries
- D. The wealth from oil sales is not evenly distributed among the citizens of the countries.

E. Oil is a nonrenewable resource – it will run out.

F. Renewable resources are being developed.

