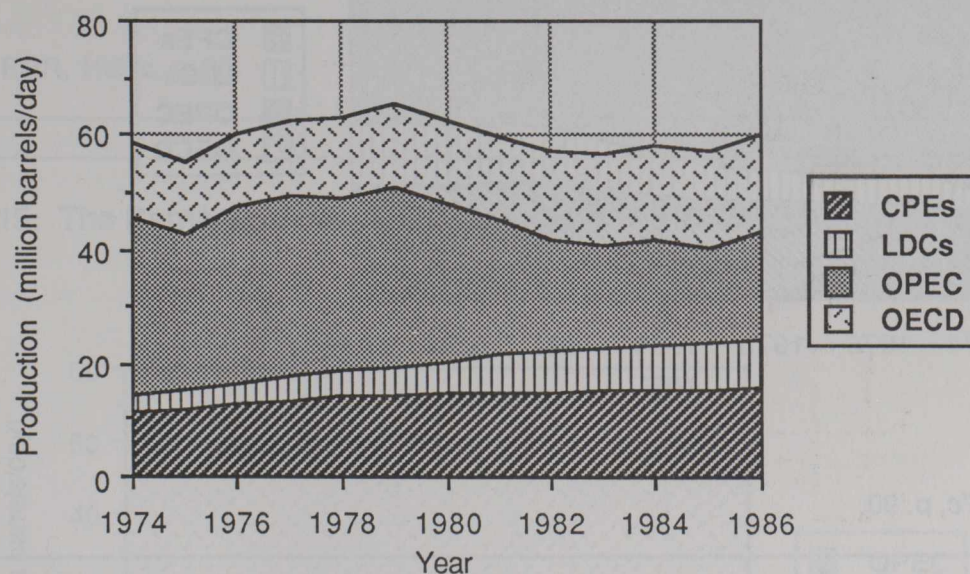


### D. World Oil Production, Consumption and Trade

After decades of almost uninterrupted year-to-year increases in the production of crude oil, output fell in the early 1980s, as industrialized nations reduced consumption after the second oil price shock of 1979-80. The decline was absorbed entirely by OPEC, as production generally rose in other regions of the world.

Figure 12 displays world oil output since 1974, by geopolitical region. After dominating world production in the 1970s, OPEC saw its output fall each year from 1979 through 1985. Not until 1986, with the advent of netback pricing, did OPEC begin to reclaim its former position. Figure 13 shows these same regions by the share of world oil production they have held since 1974. Note that in Figures 12 through 15, OPEC statistics are separated from those of the remainder of the developing world.

Figure 12: World Oil Production by Geopolitical Region Since 1974



Notes: 1. Production includes natural gas liquids.

2. In this chart, OPEC production is separated from that of the other LDCs.

Source: EMR, 1987c, p. 90.