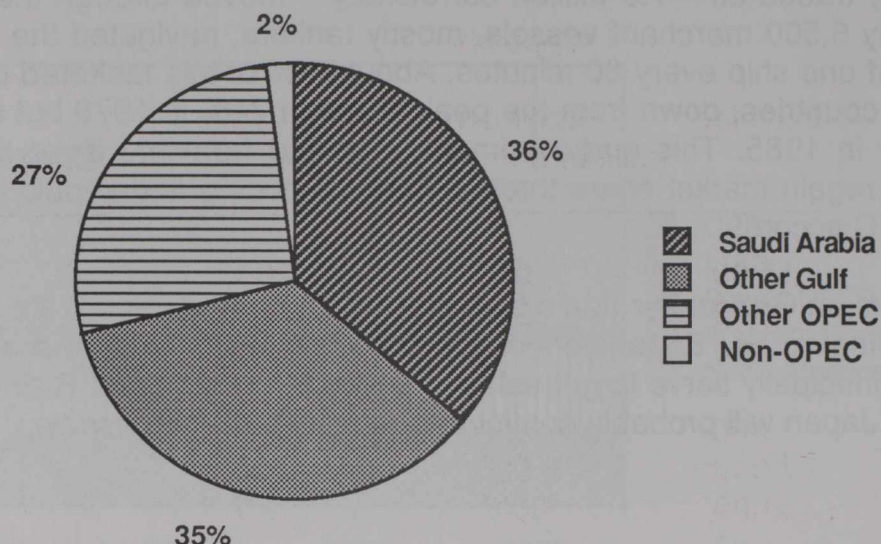

Figure 17: Where the World's Non-Communist Surplus Oil Producing Capacity Lies



Note: "Other Gulf" producers include both OPEC and non-OPEC Persian Gulf states apart from Saudi Arabia. "Other OPEC" covers all OPEC members outside of the Gulf region. "Non-OPEC" includes the OECD and LDCs other than OPEC and the non-OPEC Persian Gulf producers.

Source: U.S. Department of Energy, 1987, p. 18.

The U.S. Central Intelligence Agency (CIA) regularly estimates crude oil productive capacities for each member of OPEC. At the end of 1986, the CIA estimated that OPEC's overall available capacity to produce crude oil stood at 27.2 million barrels/day, with 31% of this capability held by Saudi Arabia and 65% held by OPEC Gulf members in total. The actual OPEC December 1986 production rate was 18.1 million barrels/day, only two-thirds of available capacity. The CIA also calculated that OPEC's maximum sustainable capacity – the highest production rate that could be maintained for a period of several months – was 34.4 million barrels/day at the time. Table 3 shows the CIA estimates for year-end 1986.

In recent years, OPEC has attempted to extend its influence in the international oil business. During the 1970s, host governments nationalized most of OPEC's oil fields, relegating the petroleum companies to the role of operator. In 1970, foreign oil companies accounted for more than 95% of the equity in OPEC oil producing rights. After a decade of nationalization, in 1980, foreign oil companies held less than a 15% equity in OPEC's oil production. Hence the ability of the multinational oil companies to act as a buffer between producing and consuming countries has been reduced.