

# Why is the Middle East a major economic region of the world?

## Learning objective

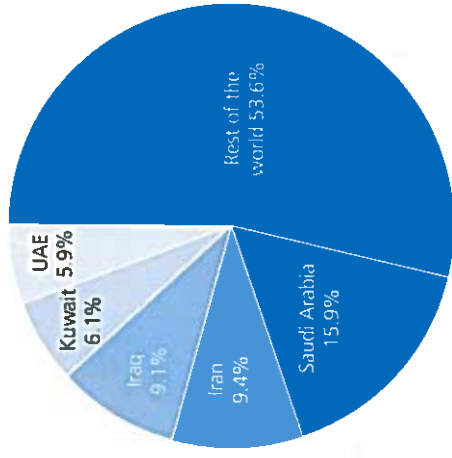
- To understand the importance of oil to the economies of the Middle East and the world.

## Crude oil reserves in the region

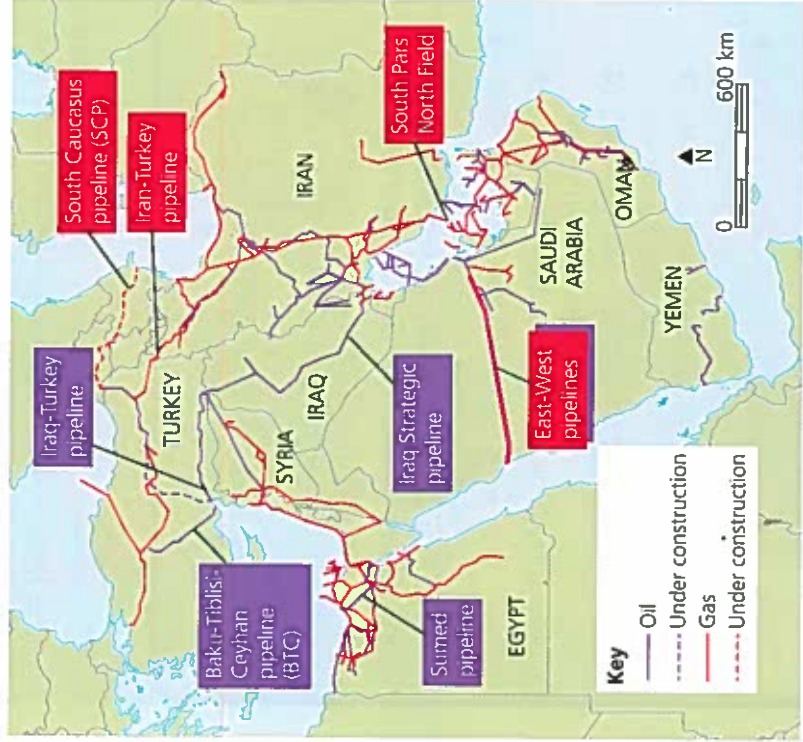
In Lesson 14.2 you investigated the impact of moving plates on the physical geography of the Middle East. They have also had an impact on the economic geography of the region. The Middle East is the source of the world's largest and most important reserves of **crude oil**.

The Arabian plate currently holds 48 per cent of the world's oil reserves and 43 per cent of the world's natural gas. This wealth of oil and gas is the result of the slow continual movement of the Arabian plate. The Arabian plate experienced around 570 million years of nearly uninterrupted sedimentation, an ideal setting for the creation of hydrocarbons, the compounds that make up crude oil.

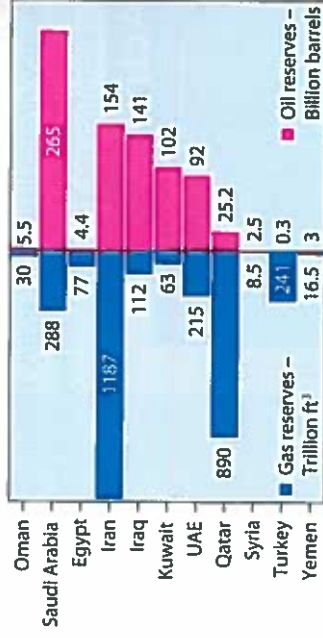
The oil was discovered in 1908 in what was Persia (now Iran), with later discoveries all over the region, as shown in A. These discoveries were made just as the car was becoming an important means of travel and oil was needed as a source of fuel. The world's richest countries, such as the UK and USA, have become very interested in what was, until the oil discoveries, a very poor but historically important part of the world. Oil has brought great wealth to the region.



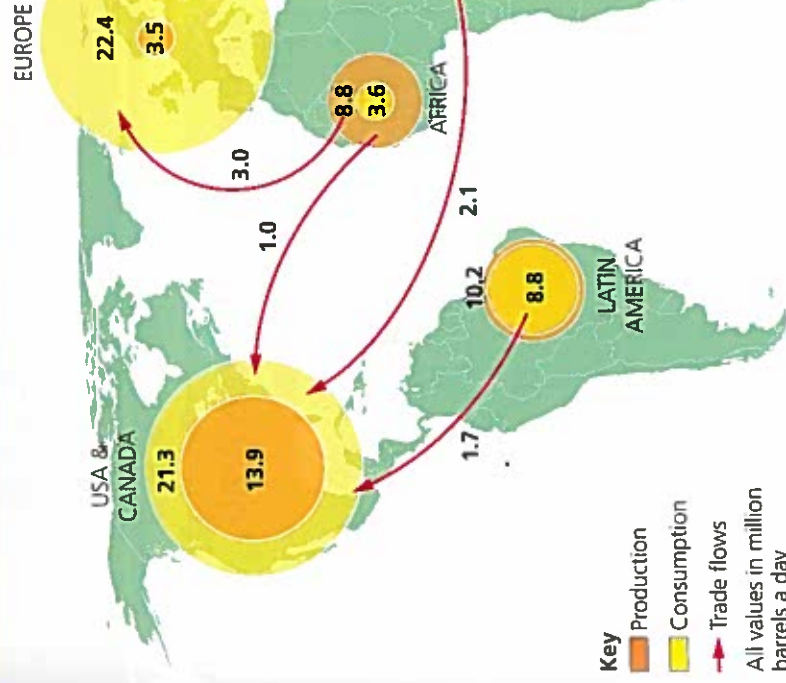
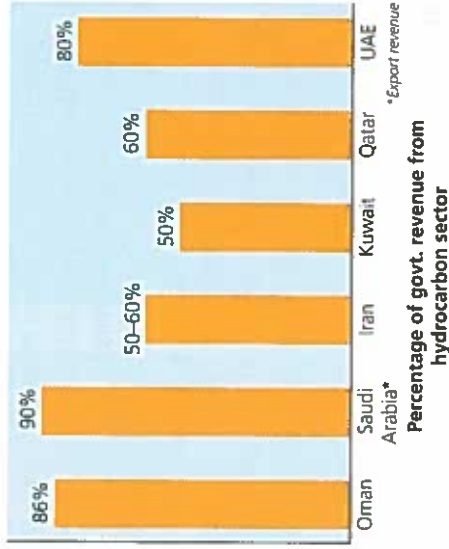
## A Oil and gas in the Middle East



## Share of world oil reserves



## Share of world oil and gas reserves



source: BP Statistical Review

## B The global balance of trade in oil

The discovery of oil has revolutionised the economy of the region. The information in A and Map B show how important the region is today for world economies, dependent on oil. China, for example, which you investigated in Lessons 10.5 and 10.9, has to import 60 per cent of its crude oil needs to sustain its rapid economic growth.

Over 50 per cent of this crude oil comes from the Middle East. Although oil has stimulated great wealth for some countries in the region, their economies are still reliant on one product – oil. They therefore lack the maturity and range of economic sectors found in countries such as the USA and the UK.

## Activities

- Look back at Lesson 2.7, pages 34–35, and explain why oil is so important to the economies of the world.
- What has caused the formation of oil and natural gas in the Middle East?
- What are hydrocarbons?
- When was oil first discovered in the region?
- Look carefully at A.
  - How important are the oil and gas reserves of the Middle East?
  - Make a rank order list of the countries in the region which have oil and gas reserves.
  - Which countries in the Middle East do not have oil or gas reserves?
  - Describe the network pattern of oil and gas pipelines across the region.
  - What evidence can you find to show how far oil and gas dominates the economies of countries in the region?
- Look carefully at Map B.
  - What three sets of data does this map show?
  - Which areas of the world consume the most oil?
  - Which parts of the world produce the most oil?
  - Which parts of the world are the most reliant on importing oil?
  - Compare A with Map B. Which areas of the world do you think will import oil from the Middle East?
  - What potential problems do you think are created by having an economy that relies on money from exporting oil?
  - Consider what you have learnt this lesson about the balance of trade in oil and then write a paragraph to answer the lesson enquiry question: 'Why is the Middle East a major economic region of the world?'