*Guided Notes for Middle East Economies*

1. Standard of Living vs. Literacy Rate & GDP per capita
   1. ­­­­­­­­­­­­­­­­­­­­­­\_\_Literacy rate\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – percentage of the population at a specific age that can read and write
   2. \_\_GDP per capita\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – GDP based on population
   3. \_\_Standard of living\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – the degree of wealth and material comfort available to the general population of a country.
   4. \_\_Gross Domestic Product (GDP)\_\_\_\_\_\_\_\_\_\_\_\_\_ – total value of all goods and services
2. The Eastern Mediterranean
   1. Turkey
      1. Agriculture: for local use
      2. Exports \_\_cotton and tobacco\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      3. Produces \_textiles, steel, and cars\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      4. Gradually moved from gov’t-directed economy to more private enterprise
   2. Israel
      1. Highly developed and industrial economy
      2. High tech manufacturing (aviation, computers), financial services, timber, and agriculture
      3. Government owns many businesses but is gradually privatizing companies
         1. moving from \_command\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ toward \_\_\_\_\_market economy\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Arabian Peninsula
   1. Countries: Saudi Arabia, Yemen, UAE, Omar, Qatar, Bahrain
   2. Oil exports support economies
   3. Oil discovered in 1930’s
   4. [Major suppliers of the world’s energy](http://www.cnbc.com/id/47173863/The_World_s_Biggest_Oil_Producers?slide=1)
   5. Petrochemicals
      1. Definition: products made from petroleum and natural gas
      2. Used in: plastics, cosmetics, detergents, fertilizers, etc.
   6. OPEC
      1. Stands for: Organization of the Petroleum Exporting Countries
      2. Decides: how much oil to produce and the price
      3. \_14\_\_\_\_ member nations around the world
   7. Saudi Arabia
      1. World’s second leading producer of oil
         1. \_\_schools, hospitals, roads, and airports\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ built with oil income
      2. \_Building new industries\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to diversify economy
      3. Most of oil industry operated by government
      4. Relies on specialized labor from other countries
      5. Gov’t trying to increase \_private ownership of business\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
   8. The Persian Gulf Countries
      1. Includes Kuwait, Bahrain, Qatar, and the United Arab Emirates (UAE)
      2. Profits from oil exports used to build strong, wealthy economies
      3. \_Education and Healthcare\_\_\_\_\_\_\_\_ and other services provided to citizens for free
      4. \_\_Diversifying\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ economy in case oil runs out
4. Diversification
   1. When countries create an economy that depends on \_a variety of\_\_\_\_\_\_\_ goods & services
   2. Purpose: \_To make a country’s economy sustainable (long-lasting)\_\_\_\_\_\_\_\_\_\_\_\_\_
   3. Too many countries in the Middle East depend on \_oil\_\_\_ for their economies
   4. Possible ways to diversify: tourism, clothing, agriculture, manufacturing
5. Trade and Specialization
   1. Voluntary trade helps each country
   2. Remember: Saudi Arabia has a lot of oil, but it cannot easily grow food. The US has fertile plains for growing food, but it’s more expensive for the US to extract its own oil.
   3. LEADS to SPECIALIZATION
   4. Sometimes countries use trade barriers (quota, tariff, embargo) to help their own interests.
      1. Punish another country
      2. Protect an industry within the country
      3. Usually are detrimental (harmful) to both countries involved

Economic Continuum:

