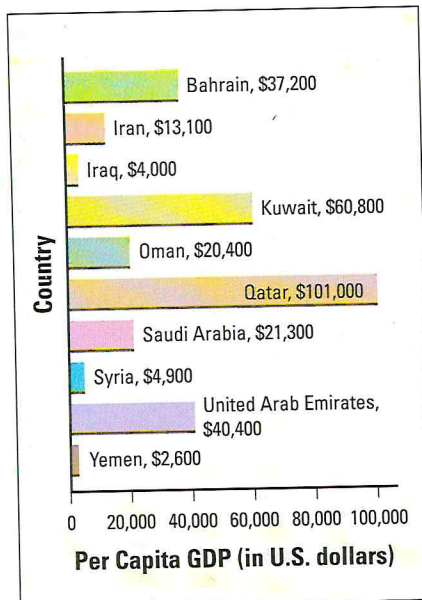


## Per Capita GDP of Southwest Asian Oil Countries, 2008



Source: Central Intelligence Agency.

### Wealth from Oil

This bar graph compares the per capita GDP of 10 Southwest Asian countries. Per capita GDP shows how rich one country is compared to another. But it does not show whether a country's wealth is being divided evenly among its people.

### Rich and Poor

Oil has brought great wealth to some people in Southwest Asia. But as these images show, that wealth is not distributed evenly. Some people are fabulously rich. Others are desperately poor.

## 24.4 Oil Wealth and People's Well-Being

Oil has made the royal family of Saudi Arabia extremely wealthy. Consider the expensive vacation the royal family took in 2002. King Fahd and about 3,000 guests visited the town of Marbella, which is on the southern coast of Spain. The royal family spent about \$185 million preparing a palace in Marbella for the vacation. Among the expenses was the cost of hiring hundreds of attendants. After the king arrived, he requested daily flower deliveries, with each delivery running approximately \$1,500.

Few people in Saudi Arabia have such a luxurious lifestyle. Just as some countries have more oil reserves than others, some of the people living in oil-rich countries have much more wealth than others.

**Oil Has Made Many People Better Off** In general, oil money has improved the lives of many people in Southwest Asia. In 2002, researchers from the United Nations studied changes in the region over the past 30 years. These researchers determined that **life expectancy** has increased by 15 years and that the number of infants who die in their first year of life, or the **infant mortality rate**, has fallen by two thirds.

There is no doubt that oil has made some countries rich, but just how rich? There are two common methods to measure a country's wealth. The first method is to examine a country's **gross domestic product**, or GDP. As you read in Chapter 8, GDP is a measure of all the goods and services produced by a country each year. The second method of determining a country's wealth is to look at the **per capita** GDP, which measures the average income of the people in a country. To calculate this per-person GDP figure, divide the total GDP by the number of people in the country.

Per capita GDP varies extensively from country to country for many reasons. The United Arab Emirates and Kuwait, for example, both have a high GDP from selling oil. Since both of these countries also have small populations, they both have a per capita GDP that is relatively high. Countries with larger populations, such as Saudi Arabia and Iran, have to divide their GDP among many more people, thereby resulting in a lower per capita GDP.

Bahrain, in contrast, has far smaller oil reserves than the other oil-rich countries of Southwest Asia. Nevertheless, its per capita GDP is quite high because the country earns much of its GDP by processing, instead of pumping, crude oil. Bahrain's wealth has also increased as a result of the country's development into an international banking center.

