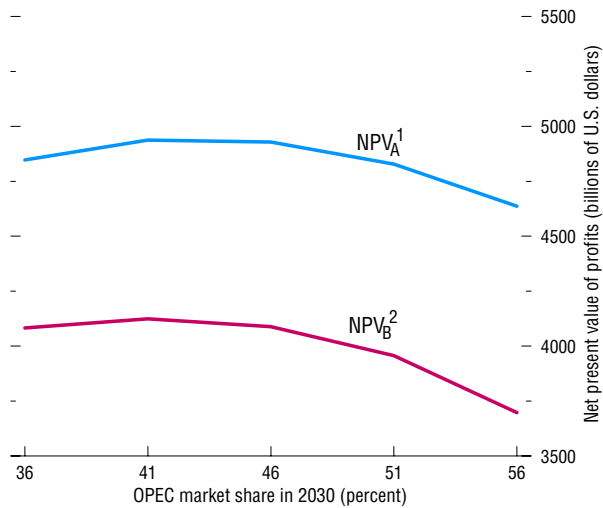


Figure 4.8. Profitability of Various OPEC Market Strategies

According to the model of Gately (2005), the Net Present Value (NPV) of OPEC profits is highest for OPEC market shares between 41 and 46 percent. This is in contrast with the 50–58 percent OPEC market share projected in the baseline scenario in Table 4.5.



Source: Gately (2005).

¹NPV_A corresponds to the Net Present Value of discounted profits in the baseline scenario, with the International Energy Agency non-OPEC supply path.

²NPV_B corresponds to the Net Present Value of discounted profits in the baseline scenario, with the United States Department of Energy non-OPEC supply path.