

MEMBERS

Arphanchanich Parsuk 6404640044

Danusorn Jaisritrakul 6404640127

Narawadee Sittipanya 6404640390

Patpimon Choolekha 6404640697

Thanachote Phootanakit
6404641290



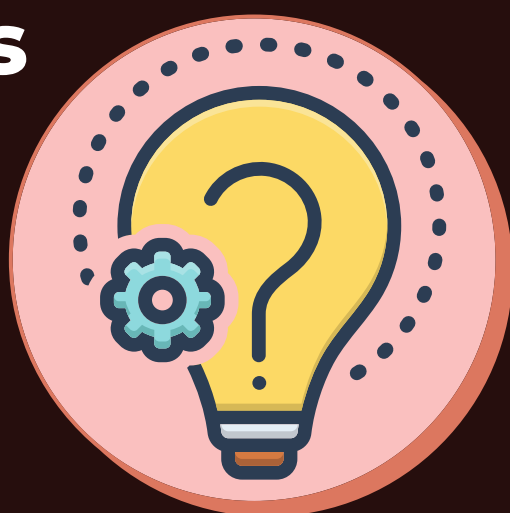


CAUSES AND PROBLEMS OF GLOBAL OIL PRICE CRISIS

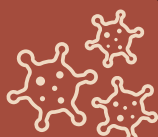
Causes

1 RUSSIA - UKRAINE WAR

The war between Russia and Ukraine has driven oil prices to rise dramatically as Europe imposes sanctions on Russian oil. The fact that Russia is the world's third largest oil producer has resulted in a supply shortage which is the main reason to make oil price rise.



2 COVID-19 PANDEMIC



Regarding the COVID-19 recovery, people have returned their daily lives as the situation has restored to normal. Due to the importance of cars, buses, and other transportation in people's lives, this factor causes the demand for oil to increase rapidly.

3 MONOPOLY ON PRODUCTION BY OPEC

OPEC tries to limit oil supply. OPEC affects the price of oil by coordinating supply cuts when the price is deemed too low and supply increases when prices are too high.



PROBLEMS



INCREASING OF INFLATION

Almost every sectors have use oil as a raw material. If the oil price has increased, the production cost will increase as well. Consequently, the price of goods tends to increased as well.



UNEMPLOYMENT RATE

Oil is the main factor in the production process. The cost of production grows when oil prices rise. As production costs increased, one of the solutions that firms can minimize the cost is lay off the employers. Hence, the unemployment rate has increased.

