

OPEC prices are set for the so-called benchmark or "marker" light oil sold by Saudi Arabia, a high quality oil that is more easily refined. Actual market prices, however, vary widely by as much as a dollar or more depending on quality and production location, as well as general market conditions. The benchmark price, nevertheless, is the general guide against which other prices are determined.

Nearly all oil in the non-communist world, including non-OPEC production from countries such as Mexico or Norway, is sold at the OPEC set price. Most of this oil is sold under long-term contracts, but some is sold on a one-time basis on a "spot" market. Iran did this recently bringing prices as high as \$18 a barrel. Depending on market conditions, as much as 5 per cent of the world's exports are sold on a spot basis.

## OPEC Benchmark Prices 1970-1979

