

Energy conservation an alternative to expanding crude oil export capacity for OPEC countries

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Expanding crude oil production capacity is among the most challengeable debates in all OPEC members which lead to attract more investment in their oil section. The other alternative is improving conservation policies. Since these countries benefit from Cheap energy sources it is reasonable to expect non efficient use of energy in their economies resulted in increasing energy intensity. This paper deals with causality relationship between energy and GDP .In this regard first we run the stationary tests for these series across all OPEC members and then if there is cointegration relationship, Error correction Model is applied otherwise standard granger causality test is conducted.

It was discover that for all OPEC members Contries we can not statistically approve causality running from energy to GDP therefore proper conservation policies not only will not threatening economic growth but also will expand their export capacity.