

ABSTRACT

This research is studying on the rise of oil price and its impacts on global economy. At the beginning, the research provides the basic knowledge on the effect of rising oil price including oil crises occurring in the past. Then, the paper analyzing the root causes of recent rise of oil price starting in around 2004 – now.

In the later part, the research will analyze different effects resulted from the increase of oil prices, on the three groups of states; developed countries, developing countries and oil producing countries which include OPEC (Organization of Petroleum Exporting Countries) and Non OPEC state members.

The final part of this paper will, however, explore several approaches considered most effective, with regard to my personal analysis. This study therefore suggests the 3Is: Improvement in Energy Efficiency, Infrastructural Development and Intensive in R & D in substituted and renewable energy.