**Delegate Name:** Gouri Reghu

**Country:** Hungary

**Institution:** Indian School Al Ghubra

**Topic:** Solving the oligopoly problem in the international petroleum market to reduce embargoes

“The conservation of natural resources is the fundamental problem. Unless we solve that problem, it will avail us little to solve all others.” – Theodore Roosevelt

The petroleum extracting industry is modelled based on an influential hierarchy, where few dominant suppliers have access to conducting distribution and fixing charges. This pattern of oligopolistic formulation leads to an unfair competitive aura deprived of stable geopolitical connections and versatility of new energy sources. This power-accumulation drifts into inflation and affect global economic stability due to trade imbalance. The United Nations has impacted several assessments in cooperation with the IPIECA (International Petroleum Industry Environmental Conservation) to attribute fruitful outcome of the SDGs. The IPIECA advocates an alternate energy road map that supports scale up of solar and biofuel technology. The Hungarian government with the United Nations has operationalised efforts to charter a path towards sustainable development.

The Act CXVI of 1996 enabled the secured and effective use of nuclear energy, thus facilitating alternate energy usage by replacing half of the electric energy for the country, thereby aiming to foster reduced emissions and environmental upgradation. While nuclear energy occupies 33.3% of electricity consumption, solar energy occupies 9.4% (more than 5.6 GW) which gives it a 20% renewability resource share in Europe. However, Hungary being a major importer of crude petroleum, had $2.39B, around 40%, of oil imported from its major exporter Russia in 2022. The Russo-Ukraine War which resulted in the EU trade ban from Russia, had profound repercussions on the nation, leading to a price hike of 645 HUF from 530 HUF which made it the highest price in the Central-Eastern European region. Despite this, the browse for alternate exporters like Turkey facilitated price caps up till 480 HUF. The reduced number of importers to Hungary, has made it necessary for the country to put a rise in oil prices and inflation, thereby pressing the need for an integral distribution system.

The delegate of Hungary adduces several measures to tackle and resolve the detrimental effects of embargoes in the petroleum market. A few of the aforementioned are: addressing the need for a free and fair market at times of socio-political issues, through an improvised, non-economic distribution system. Governments can focus on endorsing a path of sustainable development, adopt recoverable energy sources with less emissions such as nuclear fusion, hydroelectricity along with other viable resources like oil shale and wind energy. The solution to this oligopolistic model, mostly the quantity produced by the suppliers, should be subjected to certain assumptions and organisations should successfully aim to provide for consumeristic policies. Therefore, the winsome nation of Hungary wishes for the development of a dependable dynamic model to solve foreign policy problems and the energy crisis which is not fiction. Nations worldwide need to hold hands in setting resolutions and committees to alleviate the inept policies of dominant competitors, thus developing a niche for a collaborative and well-built petroleum industry devoid of inequalities.

**BIBLIOGRAPHY**

* <https://www.tandfonline.com>
* https://ensz-newyork.mfa.gov.hu/page/hungary-in-the-un
* https://oec.world/en/profile/bilateral-product/crude-petroleum/reporter/hun
* https://www.un.org/esa/earthsummit/hunga-cp.htm
* https://education.nationalgeographic.org/resource/oil-shale/
* <https://world-nuclear.org>
* ECOSOC\_E.A. MUNC Background Guide