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**Country:** Brazil

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

“A step forward and you are not in the same place anymore”

- Chicko Science, Brazilian Composer.

A 2.2 trillion-dollar economy, the Federative Republic of Brazil, is the largest and the most populous country in South America and plays a vital role in rendering economic development, peace and stability to the Americas. Oil producing countries understand the economic and political strength of oil in its entirety and has developed a comprehensive framework to protect the supply and demand curve. The key to the success of oil oligopoly has been due to the ability of its members to make credible commitments despite the great political divisions and enormous uncertainties. The common interest to maintain the prices well above the cost of production has been the guiding force of oil oligopoly and now it has become a mature cartel. The delegate observes that the oil oligopoly remains a fact and a reality accepted and at times approved at international levels. The oligopolistic structure of international oil markets has led to embargoes mostly influenced by geopolitical situations. Brazil emphasizes the need for a more competitive and transparent petroleum market to mitigate the adverse effects of oligopoly.

“Petrobras, (Brazil’s state run petroleum company) will not give up exploring for oil because Fossil fuels will continue to be part of global economy for some time to come.” quotes Lula da Silva, President of Brazil. As part of a major policy decision, Brazil will join OPEC+ group as an observer. With the daily output of 3.4 million barrels per day of crude oil, apart from the natural gas, Brazil is the 9th largest oil producer in the world and explicably important for Brazil to be part of the conglomerate of the oil producing countries. Brazil is on a dual path subtly balancing its role as Renewable Energy Leader and managing its relationship with the OPEC+ alliance. Brazil advocates for regional cooperation to enhance energy security and resilience and support the establishment of regional energy integration mechanisms such as energy corridors and interconnection projects, to facilitate the efficient and sustainable distribution of energy resources within and between regions.

The delegate of Brazil suggests the following solution to reduce the impact of oil oligopoly.

1. Advocates transition from petroleum to renewable sources of energy to mitigate the challenges of oil oligopoly and embargoes.
2. Emphasizes the need for regional and international cooperation for a more secure, resilient and transparent energy market.
3. Recommends to harness the economic power of oil oligopoly by integrating environmental conservation and climate action with petroleum governance.
4. Urges consumer countries to maintain reserves of oil to mitigate any energy crisis founded by geopolitical scenarios.

Brazil recognizes the need to establish a secure and resilient energy market. However, the transition to renewable sources of energy can only be attained through international cooperation. Brazil has a leading role to shape the composition of future energy market.

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