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Country: Argentina

Institution: Indian School Al Ghubra

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

“If conservation of natural resources goes wrong, nothing else will go right.”

— M.S Swaminathan

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The global petroleum market is dominated by a few major competitors that control the price, availability, and quality of petroleum.The influence wielded by these firms extends beyond economics, impacting geopolitical relations and environmental policies. The UN has advocated for transparency in the petroleum sector by supporting initiatives such as the Extractive Industries Transparency Initiative (EITI). EITI encourages governments and companies to disclose information about revenues and payments in the extractive industries, including oil and gas, thereby reducing opportunities for corruption and unfair trade practices. The United Nations and the Argentinian government have passed several such suitable amendments and measures to improve the situation of our world.

The National Hydrocarbons Law No. 17,319, amended by Law Nos 26,197 and 27,007, is the main body of legislation for oil and gas exploration and production.  Despite being of questionable constitutional grounds, the provinces have passed their own laws and regulations on these activities.  The transportation, distribution and marketing of gas are independently regulated by Law No. 24,076. We have become increasingly upbeat in our outlook for Argentina's crude oil production, as shale oil production outperforms. In 2023, crude oil production grew by 8.7% year-over-year, surpassing our forecast of 6.2% y-o-y, primarily due to stronger-than-expected performance in Q423. With several smaller producers contributing to growth, as opposed to some of the largest international oil companies and majors, which saw their output remain stable or decline. oil production as the key driver behind overall oil output growth in Argentina.  The latter continues to decline given maturing asset base and underinvestment as key upstream producers raise spending allocation on their unconventional oil assets. **In 2023, crude oil production grew by 8.7% y-o-y, surpassing our forecast of 6.2% y-o-y, primarily due to stronger-than-expected performance in Q423. We observed a shift in the upstream market dynamics in 2023, with several smaller producers contributing to growth, as opposed to some of the largest international oil companies (IOCs) and majors, which saw their output remain stable or decline.**

**The delegate of Argentina alludes upon numerous techniques** to reduce the embargoes faced in the international petroleum market.They would be based upon the following topics: engaging in energy diplomacy, to help address geopolitical tensions elated to petroleum industry. Diplomatic efforts can focus on fostering understanding, resolving disputes, and promoting cooperation through negotiations, treaties, and agreements. Promoting sustainable development practices and environmental stewardship can be shared goals among petroleum-producing and consuming countries.

Hence, the divine Argentinian land desires for new and stronger multipartite Alliances. Countries that support one another can come together to form alliances, thereby preserve a healthy balance of power sans the alliance becoming imbalanced and tainted.

**Sources of Reference:**

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* <https://www.fitchsolutions.com/bmi/oil-gas/argentinas-oil-production-growth-bolstered-pipeline-expansion-projects-05-02-2024>