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**Country:** Armenia

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

“The earth has enough resources for need, but not for our greed” – Mahatma Gandhi

The global oil market is considered an oligopoly market. Oil revenues are high compared to its production costs because the average fixed costs are higher than the average variable costs. Also, the oil market is an oligopoly market due to the high value of the equipment and the small number of manpower employed to extract oil compared to the rest of the industries this is an advantage for large companies and small companies cannot compete with or enter the market and therefore they achieve great profits due to higher returns compared to production costs. In response to this, the United Nations and the Armenian government have passed suitable amendments to improve the situation in our world.

Article 4 of Law No. 4054 prohibiting agreements and concerted practices between undertakings, decisions, and practices of associations of undertakings that limit competition, passed by the Armenian government in 2000 aims at ensuring the most favourable conditions for selling or acquiring products, as a result of which possibilities of each competitor to unilaterally influence on general conditions of the product circulation in the product market is objectively limited. After independence, over 60% of Armenia’s economy was controlled by monopolies by oligarchs. Now due to the success of the current government especially His Excellency Nikol Pashinyan, current prime minister of Armenia, the Republic of Armenia is ranked 19th in the Davos World Economic Forum indicator characterizing the level of monopolisation.

The Delegate of Armenia cites various methods to reduce embargoes in the international petroleum market. Armenia could create a petroleum and natural gas pipeline from the Republic of Ukraine through the sea and the Republic of Georgia and finally to Armenia. This will ensure our complete independence from oligopolies such as OPEC and OPEC+ to obtain natural gas and petroleum, as most petroleum is imported from the Russian Federation and the Islamic Republic of Iran. Also, the Delegate of Armenia would like Armenia to transition to renewable resources such as solar and wind power, as there are several regulations in place for the smooth transition to renewable sources of energy. Thus, the beautiful land of Armenia yearns for new and stronger multilateral alliances. Countries that support one another can come together to form alliances, thereby preserving a healthy balance of power sans the alliance becoming imbalanced and tainted.