**Delegate Name:** Samy Sheikh Mohhamed

**Country:** Venezuela

**Institution:** Srilankan School Muscat (SLSM)

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

*“The nation behaves well if it treats the natural resources like assets which it must turn over to next generation increase; and not impaired in value”* ~ Theodore Roosevelt

An “oligopoly” is a type of a market in which limited numbers of firms control a whole market and the petroleum market is an example of one. The petroleum market is majorly dominated by the countries in OPEC and alongside them countries like Russia, USA and now even Oman have entered this oligopoly. Not only do these countries rule over the petroleum market, but BP, Shell, and ExxonMobil are three major oil companies that substantially impact the global crude market. While they don’t hold a complete monopoly, their collective market share and control over resources make them an oligopoly This oligopoly in the market allows for the change in the geopolitical scenarios of the world. Moreover petroleum is a necessity in almost all sectors sanctions and embargoes have a massive toll in the world economics. “Embargoes” or “Sanctions” are an official ban on trade or other commercial activity with a particular country: on trade or other commercial activity with a particular country.

Venezuela, once poised to be a titan in the global oil industry, stands at a crossroads. As one of the founding members of the Organization of the Petroleum Exporting Countries (OPEC), this South American nation boasts the largest crude oil reserves in the world, exceeding 300 billion barrels1. However, a combination of mismanagement, production crises, insufficient financial assets, and economic sanctions has pushed Venezuela’s oil industry – and its national economy – to the brink of collapse. The oil and gas industries account for about 25% of Venezuela’s GDP. Approximately 95% of the country’s export earnings come from oil reserves. In 1943, under the Hydrocarbons Law which required oil companies operating within the states borders were required to contribute 50% of its profit to the Venezuelan state. In 2020 the National Assembly passed amendments to the already previous Hydrocarbon which provisions aimed at enhancing foreign investment within the petroleum sector. The proposed amendments sought to create a more conducive environment for international companies to participate in exploration, production, and development. With the help of US officials a new bill which promised the easing of sanctions began in November 2022 with a special license granted to Chevron, allowing the firm to expand operations in Venezuela and export oil to the United States. However, further easing of sanctions remains contingent upon progress toward democratic restoration.

The government of Venezuela can partake in many measures to reduce the embargoes & oligopoly in within the sector. The main issue as of right now is the legitimacy of the government and without a stable government a country cannot run, therefore the country must have new elections. Moreover, Venezuelan government can expand their trade relations and strengthen ties with beyond traditional partners further diversifying the petroleum market. They should also Invest in modernizing oil infrastructure, including refineries, pipelines, and storage facilities. Improved infrastructure can enhance production capacity and reduce operational costs. Lastly, Reevaluate the extent of state control over the petroleum industry striking a balance between regulation and private sector participation is crucial for sustainable growth.

Thus, reducing the exploitation of Venezuelan oil reserves and returning Venezuela to its former glory, the oil haven of the world.

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