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**Committee:**  Economic and Social Council (ECOSOC)

**Topic**: Solving the Oligopoly problem in the International Petroleum Markets to reduce embargoes.

“Effectively, change is almost impossible without industry-wide collaboration, cooperation, and consensus.” - Simon Mainwaring

Every trade, economy, and business on the globe is reliant on the oil industry, either directly or indirectly. The oil industry's oligopoly has the ability to significantly impact not just its own industry but also global trade and industry as a whole. Petroleum is one of the most valuable commodities in the world, therefore any restrictions or sanctions on it have a significant impact on global trade. The most significant oil exporter in the world is generally acknowledged to be Saudi Arabia. Saudi Arabia has the ability to have greater influence on global oil markets than most other producers due to its own output and its status as the de facto leader of OPEC and OPEC+. With around one-third of the total crude oil produced by OPEC, Saudi Arabia is by far the biggest and most powerful member of the group. The world oil market is significantly impacted by Saudi Arabia's oil production and pricing policies, and the country frequently has a say in the general strategy and direction of OPEC.

In October 1973, oil-producing Arab nations imposed the Arab oil embargo, a temporary suspension of oil shipments from the Middle East to the United States, the Netherlands, Portugal, Rhodesia, and South Africa in retaliation for their support of Israel during the Yom Kippur War. The embargo on the United States was lifted in March 1974, but the embargo on the other nations remained in effect for a while longer. The Organization of Petroleum Exporting Countries (OPEC) dramatically increased the price of crude oil at the same time. This decision was taken due to devaluations and depreciation, the US dollars that OPEC received for its oil started declining in value in the early 1970s. The price of oil had not increased in line with other commodities. Contrary to other commodities, the price of oil ascended by only 25% between 1960 and 1973. Wastage of oil originated from underpricing. In order to prevent the depletion of resources, OPEC had to raise prices and reduce output.

Numerous attempts have been made to reduce OPEC's influence on the global oil market in an attempt to address the oligopoly issue in international petroleum markets. As an illustration, in order to stabilize oil prices, OPEC and non-OPEC producers signed the Declaration of Cooperation in 2016. Saudi Arabia’s economy is undergoing a transformation, as it implements reforms to reduce oil dependence, diversify income sources, and enhance competitiveness. In a nutshell, the delegate of Saudi Arabia believes that resolving the oligopoly issue in global petroleum markets necessitates striking a careful balance between fostering competition and maintaining market stability for oil and gas. The OPEC and OAPEC can play a significant role in this sector and that collaboration between these groups and other stakeholders is crucial to securing a fair and sustainable energy future.

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