

INFLUENCE OF CONFLICT-GENIC FACTORS ON THE NATURE OF THE INTERNATIONAL OIL MARKET (Part 1)

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Abstract. The article explores the key role of oil in the global economy and politics, emphasizing its importance as an instrument of geopolitical pressure. The factors influencing pricing are analyzed, including conflicts between exporters (OPEC, Russia) and importers (USA, EU), as well as the consequences of sanctions and military actions (for example, the war in Iraq). The author notes that sharp price fluctuations (falling to \$35 in 2020 due to the COVID-19 pandemic and rising to \$122 in 2022 after sanctions against Russia) reflect the market's dependence on geopolitics. Special attention is paid to the US strategy of diversifying oil imports (Canada, Mexico, the Middle East) and conflicts over control of resources. The connection of the oil market with financial crises is emphasized, including the role of the dollar as the main settlement currency. The article is based on data from the EIA, the US Federal Reserve and academic research.

Keywords: conflictogenic factors, oil market, volume of oil production, oil price, conflicts.

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ВЛИЯНИЕ КОНФЛИКТОГЕННЫХ ФАКТОРОВ НА ХАРАКТЕР МЕЖДУНАРОДНОГО РЫНКА НЕФТИ (Часть 1)

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Аннотация. В статье исследуется ключевая роль нефти в мировой экономике и политике, подчеркивается ее значение как инструмента геополитического давления. Анализируются факторы, влияющие на ценообразование, включая конфликты между экспортерами (ОПЕК, Россия) и импортерами (США, ЕС), а также последствия санкций и военных действий (например, война в Ираке). Автор отмечает, что резкие колебания цен (падение до \$35 в 2020 г. из-за пандемии COVID-19 и рост до \$122 в 2022 г. после санкций против России) отражают зависимость рынка от геополитики. Особое внимание уделено стратегии США по диверсификации импорта нефти (Канада, Мексика, Ближний Восток) и конфликтам за контроль над ресурсами. Подчеркивается связь нефтяного рынка с финансовыми кризисами, включая роль доллара как основной расчетной валюты. Статья основана на данных ЕИА, ФРС США и академических исследованиях.

Ключевые слова: конфликтогенные факторы, рынок нефти, объем добычи нефти, цена нефти, конфликты.

Информация о финансировании: данное исследование выполнено без внешнего финансирования.

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INTRODUCTION

Oil plays a crucial role in the world economy. The 21st century is the century of motors. To keep the engines running, you need oil. World politics, economics and military affairs are concentrated in global oil prices. Persons or states that keep under control oil market control the entire world economy. We will analyse conflict factors at the global oil production and prices. Oil prices fell down to \$35 per barrel on March 9, 2020, as a result of the COVID-19 pandemic. We try to analyse which conflict factors have the greatest impact on the global oil market. Oil can also be a

good pressure tool. There are many examples, when oil was used as a pressure tool. As a result of such pressure, was the ban by OPEC countries to sell oil to Western countries, in response to Israel's occupation of part of Arab lands. Oil prices rose from \$3.5 to \$15 per barrel in those time. The attempt West countries to use oil prices ceiling as an element political and economic pressure again Russia we clearly see too. Western countries tried to impose oil prices ceiling for oil from Russia. Oil prices rose significantly after Western countries imposed economic sanctions against Russia. The oil price

reached \$122 per barrel in June 2022 [1].

According to analysts, if the price of oil is limited by West countries and Russia responds, the price of oil may exceed \$318 per barrel. Russia refused to invest in the US economy bonds worth \$425 billion in response to the political oil prices ceiling from Western countries.

The Russian Federation badly hit the US economies in such way. Russia's refusal to sell oil and gas exclusively for US dollars. Thus, Russia did heavy blow to the dollar. Oil has a big impact on foreign exchange rates and gold prices. Even rumours that oil will be sold for another currency have a bad effect on world exchange rates. Iraq's refusal to sell oil for US dollars led to the occupation of Iraq by troops of the United States of America. The amount of money that the US government decided to spend on these military actions says a lot. According to the American news agency CNN, the US government spent more than \$576 billion on military operations in Iraq in 2007. The United States spent \$1.6 trillion on the wars in Iraq and Afghanistan in 2007. Taking into account the US budget deficit, which was at the end of 2007 more than 1.3 trillion dollars, these figures speak about the desire to control the areas of the world where oil is produced [2].

According to CNN, in 2008 the US government spent \$3.2 trillion on military operations in Iraq and Afghanistan. As we see, conflicts in the global oil market were often resolved with the help of military force. The situation on the oil market is also aggravated by the general crisis of the world economy and the American economy in particular. This crisis means an increase in energy needs in countries such as China, India, Russia, and Brazil. These countries need to increase oil consumption

by 1.2 million barrels per day. The conflict situation on the oil market is also aggravated by the global financial crisis. The United States of America is one of the largest consumers of oil in the world, so the United States was interested in low oil prices in order to correct the crisis in the American economy through low energy prices. The US authorities, by manipulating the discount rate and uncontrolled money printing, are trying to prevent the US from falling into another Great Depression. As we know, the economy has the property of being cyclical. The largest in the economy – the Kondratiev cycle, occurs once every 48-55 years. The scale of this crisis can be imagined if we compare the pace of reduction in the US Federal Reserve's discount rate, which fell from 5.25% at the beginning of 2007. After the start of the crisis in the mortgage lending system, the US cut the discount rate by 0.75%. In October 2007, the Fed's interest rate was 4.25%. In January 2008, the Fed cut the key rate by 0.75%, but this did not help. Therefore, they decreased it by another 0.5% to 3%. However, even these unprecedented actions were not enough. The crisis in the American and world economies has only just begun to gain momentum [1].

In February 2008, the Fed rate was reduced by another 0.75% to 2.25. But that was just the beginning of the crisis. On October 1, 2008, the American stock market fell by more than \$1 trillion in one day. At the moment, the crisis in the US economy has further developed. The graph presents the dynamics of quarterly average oil prices (in USD per barrel) in relation to changes in US GDP [3]. For a quantitative analysis, the following key aspects can be highlighted:

Correlation Analysis: shows synchronous movements (e.g., GDP growth alongside rising oil prices), this may indicate the

economy's dependence on the energy sector. An inverse correlation (GDP decline amid rising prices) is typical for oil-importing economies, where high oil prices increase costs [4].

Oil Price Volatility: Sharp price spikes (e.g., exceeding \$100/barrel) are often tied to geopolitical events or supply-demand imbalances. Periods of consistently low prices (e.g., \$40–60/barrel) may reflect overproduction or reduced demand [5].

Impact on GDP: For the US as a major oil producer, rising prices can stimulate sector investments, positively affecting GDP. However, for the consumer and transportation sectors, high oil prices are a negative factor, driving inflation [6].

Data Sources: Data from the Federal Reserve Bank of St. Louis and the U.S. Energy Information Administration ensure statistical reliability. The inclusion of FINANCIAL.ru incorporates market forecasts and analytics [3-7].

OBJECTIVE OF THE STUDY

Considering the degree to which the problem has been developed, its complexity and versatility, the work emphasizes that aspect of the analysis of international relations that is associated with the theoretical understanding of international conflict processes in the oil market. The purpose and objectives of the study are to find constructive aspects of eliminating conflict in the process of analysing international relations in the context of conflicts of civilizations and conflicts between oil exporters and oil consumers.

Achieving this goal led to the formulation and solution of the following tasks:

- analyse the main approaches to resolving conflicts in the energy sector, namely in the oil market.
- carry out an analysis of the basic principles and approaches to the study of

international conflicts in the oil market, reveal their essence and give classification characteristics.

- give an exhaustive description of the main strategies and methods of managing international conflicts in the oil market.

- identify constructive opportunities for negotiations and mediation as a way to remove destructive tendencies in the conflict in the oil market.

- identify and trace the connection between the global financial crisis and the oil market.

The object of the study is international conflicts in the energy sector (namely in the oil market). The influence of the oil market on exchange rates of currencies and on the international financial crisis in general is also examined.

The subject of research is the oil market.

SCIENTIFIC NOVELTY

Analysis of all conflict factors and the degree of their influence on the global oil market. This article analyses the impact of conflict-generating factors on the global oil market and the global financial market as a whole.

METHODOLOGY

The methodological basis of the work was both general scientific methods (the method of scientific abstraction, historical and logical system analysis and synthesis) and special methods (the statistical method of planning, the structural approach, the functional approach, forecasting methods). The theoretical basis of this work is the work of well-known specialists in the field of international conflictology.

RESULTS AND DISCUSSION

Energy supply as an indicator of international contradictions. International conflicts that are associated with contradictions between oil exporters and oil importers are the subject

of research. G.P. Anilionis G.P., N.A. Zotova (2005) [8, p. 59], assessed the conflicts of the modern world as follows: "In connection with the concepts of the role of great countries and systemic cycles, the problem of conflicts was formed, which determine the structure of the global political system and considers world wars." It is very revealing how the role of the United States in the conflict is seen from the position of A. Bergeson. He expressed the following idea: "The actual level of development of a state is more connected with its hierarchical position in the global distribution of labor than with its internal growth". Thus, the United States declares, that it can influence on the world oil market various methods, including military ones. More eloquently about the possible ways of overcoming the crisis, L. Brgegsnski expressed himself in [9] "To mitigate the energy crisis, one of the options is to increase pressure on the Arabs, the military-strategic elimination of oil producing countries in order to reduce oil prices." That is, we see a deep conflict between oil exporters and importers. The purpose of this is very eloquently stated in Huntington's book [10, p.135]: "If during the heyday of its power the West actually controlled 48.5% of the world's territory, 48% of human resources, 84.2% of the world's industry, then at the end of this century the sphere of direct control of the West has radically decreased. By 2020, the West can control 24% of the world's territory, 10% of the world's population, and possibly 15-20% of the socially mobile population. The West's share of the world's gross product will decrease from 70% to 30%. Therefore, the West needs to control the world oil market in order to slow down its economic decline." Using official statistics from the United States of America, we can compare oil production in the world by the

main producing countries from 1970 to 2007. We see how much oil production has grown among the world's oil-producing countries. If we compare the table Word Nominal Oil Price with horology: 1970-2006, we see that the biggest conflicts between oil exporters and importers are:

- the beginning of the oil embargo on 10/19/1973, which began as a way to put pressure on Western countries, when the OPEC countries, in response to Israel's occupation of part of the Arab lands, refused to sell oil to Western countries, oil prices rose from 3.35 US dollars per barrel to 15 US dollars per barrel. 5) After US pressure, OPEC countries froze oil prices (1974);
- Iran took US hostages and cancelled US contracts (1980);
- (1982) The United States boycotts the purchase of Libyan oil;
- (1991) (Beginning of Operation Desert Storm) with the US war against Iraq on the territory of Kuwait;
- (1997) The United States shelled Iraqi territory;
- US military actions in Iraq¹ 03/09/2003.

These are only direct conflicts between oil-exporting and oil-importing countries. As we see, everywhere the main actors are the United States of America and the oil-exporting countries (1973 – OPEC; 1982 – Libya; 1991 – Iraq; 1997 – Iraq; 2003 – Iraq). But this conflict is not only a conflict between the USA and OPEC, this conflict is also a civilizational one.

According to the source data, namely [11, p. 514] "Over the past century, industrial production volumes have grown approximately 50 times, and energy supply volumes have grown 30 times (it is expected that it will grow further by 2010 – 2015)".

According to the data of [11, p. 518], the volumes of mineral resources extracted from the earth's interior are:

1890	–	12	billion	tons
1950	–	60	billion	tons

1980 – 120 billion tons
 2000 – 300 billion tons
 2021 – 4221.4 billion tons

This echoes the point of view of A. G. Bogomolov that "the greatest undoubted reason for the division of labor is the difference in natural resources between countries" [12, p.46].

All this echoes the report "Global Trends – 2015", which was created under the leadership of the CIA and which indicated such key factors as: demographic trends, natural resources and the environment. Among the main factors, an increase in energy demand by 50% was emphasized. The Persian Gulf will become the world's most important source of oil. Two systems of regional distribution of energy resources are relatively separated; reserves of the Atlantic Ocean and, to a lesser extent, reserves of the Persian Gulf, the Caspian region, and Central Asia.

The most striking conflict between oil exporters and importers is the war between Iraq and the United States of America. It is very interesting to calculate the costs of the United States for the military campaign against Iraq. According to the United States, they spent 576 billion dollars on military actions in Iraq, according to [13].

Now let's try to calculate the profit that the United States government receives for the war in Iraq. We know interest rates on Eurobonds are 7-8% per annum. The US dollar inflation index is approximately 2% per annum, from the formula:

$$PV = FV * (1 / (1 + R))^N, \quad \text{где} \quad (1)$$

where, PV – the actual value of resources;
 FV – future value of resources;
 R – discount rate $(8+2) = 10\%$
 N – number of years.

If we know the PV actual value, and this corresponds to the level of economic profit of the US government for a year of war in Iraq and is 95,173,750,000 US

dollars. For greater convenience, let's take this figure equal to 95 billion US dollars - this will be PV, then we get:

$$FV = PV * (1 + R)^N, \quad (2)$$

We take 10 years of war for N, we get:

$$FV = 95 * (1 + 0.1)^{10} = 95 * 2.85 = 271 \text{ billion US dollars.}$$

This \$95 billion results in an investment return of \$271 billion for the US economy over 10 years. Now let's find the economic profit for the US economy for 10 years, if we know that the US budget for 5 years received the amount of 4 trillion 757 billion, this will be our PV.

Let's find the investment profit from this money for the US economy over 10 years.

$$\text{We get: } FV = 4.8 \text{ trillion} * (1 + 0.1)^{10} = 4.8 \text{ tr.} * 2.85 = 13.68 \text{ trillion US dollars.}$$

Thus, we received an investment effect from the military actions of the United States in Iraq over 10 years amounted to 13.7 trillion US dollars. If we take into account that only 10% of US dollars are backed by goods and gold, it looks like only the US war in Iraq supported the US economy, but even the war did not help and could not prevent the financial crisis of October 2008.

We see that the United States, as real businessmen, shift their own problems onto the shoulders of the whole world. Let's examine how the largest oil importer, the United States, addresses this challenge. According to the U.S. Energy Information Administration (January 2006), the U.S. strategically diversified its crude oil imports to mitigate supply risks and geopolitical dependencies [14].

The table "Origin of United States Imports of Crude Oil", published by the U.S. Congressional Mapping Program in 2006 (based on EIA data), reveals the following distribution of U.S. oil imports by region: Canada: 16.4%; Mexico: 15.2%; Saudi Arabia: 14.6%; Venezuela: 12.9%; Nigeria: 10.4%; Other sources

(Iraq, Angola, Algeria, etc.): 30.5%.

This diversification reflects deliberate policy choices to reduce reliance on any single supplier, particularly after the 1973 oil embargo. Notably, imports from Canada

and Mexico—geopolitically stable neighbors—accounted for over 30% of total U.S. crude oil imports by 2006, while Middle Eastern sources (Saudi Arabia, Iraq) comprised approximately 25%." (table 1) [15].

Table 1. Oil exporting countries

Таблица 1. Страны экспортеры нефти

Exporting Country	Barrels Each Month	Percent of U.S. Monthly Need, %
Canada	50,224	16.3
Mexico	46,272	15.0
Saudi Arabia	41,973	13.6
Venezuela	35,127	11.4
Nigeria	32,062	10.4
Iraq	16,108	5.2
Angola	14,183	4.6
Ecuador	7,756	2.5
United Kingdom	7,664	2.5
Kuwait	7,000	2.3
Colombia	5,638	1.8
Russia	4,419	1.4
Gabon	3,740	1.2
Norway	3,692	1.2
Brazil	3,577	1.2
Equatorial Guinea	2,675	0.9
Chad	2,51	0.5
Trinidad and Tobago	1,823	0.6
Libya	1,754	0.6
Argentina	1,752	0.6
Oman	1,162	0.4
Countries that export less than 1,000 barrels per month	9,209	3
All countries	308,700	100

That is, we see that the United States is very seriously diversifying its own risks of not receiving oil. On the one hand, this allows the United States to not depend on one country, but on the other hand, it makes the US economy vulnerable

and dependent on many countries of the world. This makes it possible to diversify the risks of the United States, but makes them more vulnerable. It is very interesting from what regions the United States receives oil in percentage terms. According to

the Energy Information Administration, January 2006 [14-15]. The United States imports the most oil, about 22%, from the Middle East. This is the most conflict-prone region (contradictions between Israel and the Arab world, the war between the United States and Iraq, and the US plans for military action against Iran). Events related to this region are directly reflected in the oil market. This includes the level of production and threats during oil transportation. All this echoes the data in the textbooks "World Economy" by A.S. Filipchenko (2008) [16, p. 498] "The limited resources objectively raise the question of such an economic distribution that would make it possible to use them most effectively." It is precisely the limited resources that dictates the need to import oil. From the most conflict-prone regions. The next largest region that exports oil to the United States is the African region. The US also imports about 22% of its oil needs from this region. The largest oil reserves in Africa are located in the Niger Delta. According to Time magazine on 26.06.2006. bonus section «Global business» page A2 the Niger Delta is one of the 10 largest oil reserves in the world. Their reserves exceed the oil reserves of Canada and Mexico together and amount to about 34 billion barrels of oil. This region is also very conflict-ridden. The cost of world crude oil and large percentages are constantly added to the news about the guerrilla movement in Nigeria. The next region from which the US consumes the most oil is Latin America. From this region the US receives 19% of the oil consumed in the US. This is also a very conflict-ridden region of the world. These conflicts became especially well-known after the President of Venezuela publicly called US President Bush Jr. a fool. Since then, this region has been a powder keg for the

United States. And the US is unable to do anything about Hugo Chavez or Latin America. The smallest conflicts that occur in these regions rapidly increase the price of oil on the world oil market. The US importing 17% oil from Canada, 15% oil from Mexico and 5% from Northern Europe.

If you look at the regions from which the United States and other countries import oil, such as the Middle East, Africa, and Latin America, you will find many ethnic, religious and other conflicts. With a certain desire and material resources, these conflicts can be easily blown out of proportion. And thus, these conflicts will affect the price of oil and other energy resources, and this will lead to a change in production volumes and thus, these factors affect the price of oil. In addition, there is a large world conflict, which can be formulated as follows: for what currency will oil and other energy resources be sold. The United States is trying to impose the US dollar on the whole world. We see that oil-producing countries have begun to give preference to the euro and the English pound.

International conflict situations against the background of growing competition for oil consumption as the main energy source

The higher the oil prices, the fiercer the struggle for control over the places where oil is extracted and the places where it is transported. In the magazine "External Affairs" No. 9 (September 2008) [17, p. 44] we can see an article "Oil and Gas Dependence". US Energy Policy in the Context of Increased International Competition by Andrei Nadzhos "increased international competition for access to energy resources is changing the current geopolitical model of a unipolar world". An example of such competition was the military conflict between Georgia and Russia. The goal of this conflict is control over the

transposition of Caspian oil to Europe. Another very well-known conflict is the struggle for control over the Arctic Ocean shelf. On January 1, 2008, Russia informed the entire world that it had every reason to consider the entire territory of the Arctic Ocean up to the North Pole its shelf. And we remember well what aggravation this caused around the world. The Arctic Ocean shelf is rich in oil resources. This statement of Russia caused a strong reaction from Canada and the United States, where this part of the world is considered their economic territory. Another quote from the article "Oil and Gas Dependence" speaks volumes about this. "US Energy Policy in the Context of Increased International Competition for Access to Energy Resources" [17, p.44]: "The critical dependence of the US on foreign energy exports (especially oil) creates a tense atmosphere of competition for access to energy resources between the US, the European Union, India and China, complicating relations between these countries" [18, p.7]. This gives us information about the level of tension. And this tension will only increase, because the level of oil consumption will only grow. The competition in the oil market is growing between the US, which accounts for 4.6% of the world's population and consumes 25% of the world's oil production, and countries like India, China. The article "Energy Formats" [19, p.11] provides the following information about China's oil needs: "Already today, due to a shortage of oil, a third of Chinese enterprises do not operate at full capacity. Being the next largest consumer of oil in the world after the US, China has its own oil reserves of only 2.2% of the world's total. With average annual GDP growth rates in China in 1986-2003 at 8.5%, oil consumption increased by 4.4% per year. In 2004-2010, average annual GDP growth rates in China are 7-8%, and oil consumption

growth rates are at 3.5-4%. At the same time, oil production growth in China itself did not exceed 1% per year. Since 1993, China has been an oil importer. "China's dependence on oil imports (the ratio of net imports to total domestic demand) has been growing from 5% in 1993-1994 and 20% in 2000 to 50-55% in 2010. At the same time, China's share in oil production has decreased from 4% in 1990 to 3-5% in 2010-2015. By 2010, China was the third-largest oil importer in the world, after the United States and Japan. The gap between domestic oil demand and production has increased from 20 million tons in 1993 and 40 million tons in 2000 to 90-100 million tons in 2015" [17, p.11]. It will be very interesting to compare the forecast with official US statistics. Thus, we see how international conflicts in the oil market are significantly intensifying, and this competition is especially intensifying between the USA, Europe, China and India.

According to international analysts, two main factors influence the well-being of the United States:

- 1) Recognition of the dollar at the Bretton Woods Conference in 1944 as an international currency;
- 2) The agreement with Saudi Arabia that Saudi Arabia will sell its oil only for US dollars.

These two events had a very significant impact on the world economy. Since 1945, all external debts of developing countries have been denominated in US dollars since 1945. Since 1973, oil has been sold exclusively in US dollars on the world market. Since then, the global need for US dollars has acquired the status of a "dollar advantage". And the growth of global oil consumption led to an increase in demand for US dollars throughout the world and became a source of strength and prosperity for the American economy. However, the emergence of the euro

and the possibility of OPEC countries changing to a new standard of international settlements created a threat to the stability of the US dollar and revealed the limitations of the US Federal Reserve in addressing the situation. The war of currencies acquired real features. In his article "Taming the States," A. Shapovalov writes: "The larger Europe becomes, the smaller the United States becomes. Strengthening the EU could cross out the plans of the United States, pull the American economy through the dollar and the reduction in the cost of oil" [20, p. 13]. Meanwhile, according to I. I. Gladkiy, "Countries are not economies, but ways to capture various economies" [21, p. 17].

Increased global competition in the oil products market significantly affects the introduction of new technologies for preserving energy resources, even among countries such as Russia. In the "Strategy for Innovative Development of the Russian Federation until 2030." is due to "innovative renewal of the country's fixed assets, a turn of investments into fixed capital" [22, p.9]. The USA solves its energy problems in a very interesting way. The first oil-producing country that dared to change the dollar to the euro in its international settlements was Iraq. This happened on 11/01/2000, when the euro cost 82 cents, which dealt a significant blow to the dollar. Due to the constant decrease in the value of the dollar (the value of the dollar in 2002 decreased by 17%), Iraq's reserve fund in the UN (10 billion US dollars) was transferred to euros, a move that became significant factor leading to the US war in Iraq. The next country after Iraq is Iran. In 2002, most of the reserves of the Central Bank of Iran were transferred to dollars, but later, by decision of the parliament, it was decided to sell oil to Europe for euros. At the Asian conference on oil and gas in June 2003, which

was devoted to the development of the oil and gas markets, the Prime Minister of Malaysia Mahathir Mohammed proposed that OPEC countries sell oil for euros. In their decision, OPEC countries are guided by the volumes of oil exports. If before this, settlements were made in dollars and were associated the status of the USA as the main buyer of oil from OPEC, now this status is transferred to Europe. According to 2007 data, oil imports to the European Union amounted to, the USA – 6.187 million barrels daily, Europe – 5.306 million barrels daily. A very tense and conflictual struggle is ongoing regarding which national currency should be used for oil settlements. The USA, the euro, and in the future the Russian ruble and the Chinese yuan are in very keen competition [15].

Oil consumption in the world is growing at a very significant rate. First of all, this is due to the growth of oil consumption in countries such as China, India, Russia, Brazil, where this growth is more than 1.2 million barrels each year. The main factors contributing to the growth of oil consumption include rapid population growth. The difference in the amount of oil produced is also striking. According to the "Statistical Yearbook of Ukraine 2005", in the amount of oil produced in Ukraine was 77.4 kg per capita, while in Qatar this figure was 54,180 kg of oil per person [23, p. 1].

Calculations confirmed the high rates of population growth and the increase in absolute and relative indicators of population growth. According to the calculations of the English demographer K. Dyer, before the beginning of the Christian era the population of the Earth was 160 million people and in the next 900 years it only doubled to 320 million. In 1700 the population of the Earth already numbered 600 million people. According to the calculations

of American biologist and sociologist P. Erlich from the 13th century BC until 1650 the population of the Earth doubled every 1500 years. But the next doubling occurred 200 years later, that is, by 1850. In the following years the rate of population growth accelerated dramatically a galloping character. If in 1850 more than 1 billion people lived on Earth, 75 years later – 2 billion, and another 50 years later in 1975 – 4 billion. In the future, an increase of 1 billion was given every decade. About 9/10 of the world population growth was in developing countries and regions, and only 1/10 in industrially developed regions. The greater the population growth, the higher the oil consumption in the world. According to the data presented in Table 4.4, world oil consumption increased from 48,941 thousand barrels per day in 1970 to 84,594 thousand barrels per day in 2007, that is, in 30 years, oil consumption has almost doubled. We can observe the dynamics of oil consumption growth in different countries of the world from 1970 to 2007 (tables are attached). It is interesting to compare the level of consumption and oil production with retail prices for gasoline in countries around the world.

According to the international rating company GTZ, in July 2006 the highest prices for gasoline were recorded in three countries:

- 1) Eritrea – \$1.9 per liter;

- 2) Turkey – \$1.88 per liter;

- 3) Iceland – \$1.86 per liter.

And the countries with the lowest prices for gasoline were:

- 1) Turkmenistan – \$0.02 per liter;

- 2) Venezuela – \$0.03 per liter;

- 3) Iran – \$0.09 per liter;

- 4) USA – \$0.63 per liter;

- 5) Russia – \$0.77 per liter;

- 6) Ukraine – \$0.8 per liter.

It is very interesting to observe the American oil market. According to the Rocky Mountain Institute, the United States spends approximately \$285 billion on oil transportation [24]. According to other data, the United States spends 69% of the oil produced on transportation [14]. Industry consumes 23%, residents consume 7%, and 1% is spent on energy (table “US oil use by sector” is attached).

CONCLUSIONS

The world is on the threshold of another qualitatively new stage in the consumption of energy resources, namely, in the oil market. Thanks to the latest technologies, increase production. A very important component for preserving the environment is the development of nuclear and thermonuclear energy. Another way to remove conflict factors in the energy sector (tidal energy, wind). A very important factor for reducing conflicts in the energy sector is the development of production and other renewable energy sources.

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