Abstract. The end of the XX and beginning of the XXI centuries is considered the most dynamic in terms of the growth and expansion of the global energy market and, specifically, the oil market as its key component. At the present stage of world economic development and the fuel and energy market, we can talk about the emergence of a new global energy economy, where the demand and supply for fuel and energy resources significantly increase the interdependence of regions on each other. This international energy interdependence, together with growing dependence on energy reserves and production (and supply chains), has been steadily increasing in the world economy recently.

The article presents the study of transnationalization processes through the prism of the international energy market development, reveals the strengthening of the monopoly position of large oil-producing and refining companies in the world, and analyses oil market conditions and organizational structure. The article also reveals the issues of dependence and interdependence between the development
processes of the modern international energy market and its separate segments, on the one hand, and the strengthening of global imbalances in the formation and changes in the global oil consumption resources, on the other hand.

The past two decades have been marked by major structural changes in the oil market, driven by the dynamic development of transnationalization. Transnational corporations are one of the most important subjects in the international economy and are a key part of the transnationalization process. They have a direct influence on new trends in international business and energy, global competitiveness in international markets, as well as on the economies of individual states parties to international economic relations. This shows how important transnational corporations are in modern global economic processes, which are characterized by some turbulence and variability, as well as by sustained economic growth in the world economy. Also in certain sectors, and the fuel and energy sector is no exception, the concentration process is spreading quite rapidly; the role of transnational corporations is growing; the nature and form of development processes, energy resources production, sales chain, etc. are changing.

A detailed analysis and study of the consequences of the transnationalization and monopolization processes taking place in the oil market will strengthen the capabilities of states around the world in the aspect of solving problems related to the uneven distribution of oil reserves between countries and price fluctuations caused by this and other factors. Various conflicts and crises in the oil sector have recently led to higher prices for this type of fuel. In a globalizing economy, each country’s energy policy is developed in the context of the evolution and changes set by the international energy market.

**Keywords.** International oil market, oil market transnationalization processes, monopolization processes, oil extraction, production of oil products, international oil companies, oil prices.

**Problem statement.** The issue of the functioning and constant development of the oil market, as well as the energy market, acquires unconditional relevance not only in the context of any particular state but also for all countries in the world without exception. This can be explained by the fact that energy is considered a key feature and an advantage for the existence and development of any country, not to mention the functioning of the world economy. The energy sector development and the country’s energy endowment influence the production capacity of individual countries (and regions), and the competitiveness level of their production and the economic growth rates. Today’s international oil market, formed in the context of transnationalization processes, constitutes the global space (in the context of economic relations) regarding the production and sales of oil and oil products, as well as close communication between oil producers and consumers through the prism of purchase and sale processes based on international demand and supply.
Analysis of recent studies and publications. In the scientific literature, a significant number of researchers paid special attention to various features of the transnationalization process in the energy market. Thus, the features of transnational processes and modern factors of oil market development are devoted to the work of such economists as Geyer G. V., Yergin D., Zhykov S. V., Ten M. G., Zhyznin S., Myronov N., as well as to the works of such domestic scholars as Dorozhkina M. S., Amosha O. I., Garkovenko Ye. Ye., Kryzhanivskyi Ye. I., Dzoba O. G., Dzhus A. P., Mironov Yu. V., Leshchenko I. Ch., Vdovychenko A. I., Marchuk L. P., Shydlovskyi A. K., Stognii O. V. Monica Sullivan, Umar Ali, Nathan Reiff, Oleksandr Rogach studied the role of transnational corporations in the functioning of oil sector. The influence of OPEC and OPEC+ on the formation of the energy market is covered by numerous works of such authors as Nick Lioudis, Rakesh Sharma, Mihaela Preda, etc.

The analytical departments of such international organizations as IAEA, OPEC, International Energy Agency (IEA) are engaged in the publication of statistical materials regarding the main indicators, figures and processes of the international energy market development, in particular the oil market, and the performance indicator of major international companies in this market. The annual analysis is published by the BP Statistical Review of World Energy. However, the issues of the development and strengthening of transnationalization processes in the oil market, the increase of monopoly position of major international oil producers and refiners, and their influence on market fluctuations in the relevant market are not well understood.

The purpose of the article. The main purpose of the article is to study the transnationalization processes occurring in the international oil market; to analyze major monopoly companies which comprise the organizational structure of the oil market and recognize the specifics of its formation and market fluctuations; as well as to analyze the main imbalances in the development of the international oil market in terms of production and consumption of oil resources in the global aspect.

Presentation of the main material. The issue of transnationalization, in particular in the global energy market, has gained significant popularity and therefore has become one of the most discussed topics today. It is viewed through the prism of many aspects, and that is why we can talk about the emergence of many approaches to its study and research. Transnationalization can be distinguished from economic, political and social perspectives, as well as with the help of its tools, manifestations and immediate effects. There are three main trends in the world economy. The first is to strengthen the influence of transnational corporations, the second is to reduce the national influence of an individual state, and the third is to create concentration regions of transnational corporations’ activities as a new space for economic activity.
Considering the main theories of transnationalization, it is necessary to study some of them from the perspective of the transnational processes of the international oil market. The eclectic paradigm of John Dunning, in which a key role is devoted to the advantages of ownership, location and internalization, requires special attention [1]. In this context, we can talk about the obvious advantages of location, namely, access to a resource base in such countries as Venezuela, Saudi Arabia, Canada, Iran, Iraq, the USA, Russia, etc. (although OPEC controls more than 70% of this market, providing itself with an unconditional advantage). The advantages of internalization and ownership are owned by most corporations located in these countries, and according to their level of competitiveness and effective annual activity, they have a high level of technology, innovation, and highly developed internal corporate communications and markets.

At the same time, the theory of “flying geese” should be applied to countries such as Ukraine (which can be attributed to import-dependent economies of the oil sector), since it cannot satisfy the demand for oil and oil products and is obliged to resort to imports (despite its sufficient resource potential). Thus, K. Akamatsu, T. Ozawa, T. Ito, I. Yamazawa, K. Kojima, and M. Shinohara define their approach as catch-up development, formed on the basis of the experience of Japan, consisting of three main phases: import of products from more developed countries; development of own production capacities to produce a sufficient level of such products; achieving a production level that not only satisfies domestic demand but also enables exports [1]. The first phase of this approach has been implemented by our state quite steadily for 10-15 years. The challenge is to use our capacity more efficiently for the productive development of the fuel and energy sector to reach such a level of oil production (using the latest technologies and modern equipment) in order not only to cover our demand but also to be able to export surplus product of own and high quality.

It is also relevant to consider the negotiation theory, which has recently been applied more and more in the fuel and energy sector and the oil sector. Since the establishment of OPEC, there was a tendency to negotiate in order to regulate the volume of oil production and, consequently, the distribution of the influence on oil pricing. Thus, transnational corporations can not only get guaranteed access to the necessary innovations and technologies but also to the desired financing sources, markets for exports, etc. It should also be noted that this approach is characterized by significant control over the oil industry, which may lead to decisions that will not always be advantageous to those participants who find themselves outside the mainstream. This situation may create an environment in which players in the market cannot reach a compromise, and this will only deepen the conflict situation (and this, in turn, translates into increased production in certain countries and sharp increases in the price of oil and oil products) [2].
As OPEC is a key player in the fuel and energy sector, the study of transnationalization processes in the international oil market should focus on the direct consideration of the position of the organization. In 2019-2020, OPEC production fell by 2 million bpd, which was the strongest fall within this organization since 2009. Much of this fall was due to a combination of sanctions and economic hardship in Iran (-1.3 million bpd) and Venezuela (-560 000 billion bpd). In addition, an updated agreement on cutting OPEC+ production reduced production levels in other countries, and Saudi Arabia’s production fell (430 000 bpd). Despite this agreement, production in some OPEC member countries has increased, in particular in Iraq and Nigeria, whose production increased by 150 000 and 100 000 bpd [2].

Trading in oil markets can be quite risky, given the increase in volatility in recent years. Where supply and demand are constantly changing, the oil price is also changing. Oil prices are highly volatile, and demand and market sentiment have a significant influence. In general, we can determine the following factors that had a significant influence on the oil price: natural disasters, wars, civil riots; seasonal demand; population growth; global economic growth; availability of delivery and freight rates; development of alternative fuels that increases the demand for renewable energy; political situation in oil-producing countries; decision on OPEC quotas or simply a change in opinion of oil market analysts. At the end of 2019, Brent’s oil prices (the most popular grade of oil, representing the pricing standard for OPEC and other countries) were slightly lower, averaging $64.21 per barrel compared to $71.31 per barrel in 2018 [2]. In 2021, average oil prices amounted to $70.91 per barrel, the second high indicator since 2015. Oil trade during 2019-2020 fell by 230 000 bpd (0.3%), marking the first fall since the financial crisis in 2009. Most of this fall was concentrated in the crude oil trading sector: the sharp fall in raw material exports in the Middle East (-1.4 million bpd), mainly due to Iran’s sanctions, was only partially offset by the constant growth in oil exports to the USA (0.9 million bpd), while the fall in the US raw material imports (-1 million bpd) largely offset the strong growth in purchases in China (0.9 million bpd). In general, net oil imports to the USA (including oil products) fell by 1.8 million bpd to 1.1 million bpd, compared to 9.5 million bpd in net imports ten years earlier. As of the end of 2021, world oil production increased by 1.4 million bpd in 2021, and OPEC+ accounted for more than three quarters of the increase. Among all countries, Libya (840,000 bpd), Iran (540,000 bpd) and Canada (300 000 bpd) had the largest increase. In contrast, Nigeria (-200 000 bpd), Great Britain (-170 000 bpd) and Angola (-150 000 bpd) reported the strongest fall in production [3].

In general, oil refineries’ capacity fell by nearly 500 000 barrels per day last year due to sharp cuts in the OECD group for the first time in more than 30 years (1.1 million bpd). As a result, in 2021 the OECD refinery capacity reached its
lowest level since 1998. It should be noted the fact that the oil demand in 2021 was 3.7 Mb/d below 2019 levels on average. Much of this weakness was concentrated in aviation-related oil demand, which was more than 2.5 Mb/d (or 33%) below 2019 levels [3].

Let’s look at the manifestation of the processes of transnationalization and monopolization in the world oil market. Chinese and American companies account for half of the top 10 transnational companies in the oil market. Major players also come from Saudi Arabia, Europe and Russia (Table 1).

<table>
<thead>
<tr>
<th>No.</th>
<th>Company name</th>
<th>Annual income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China Petroleum &amp; Chemical Corp.</td>
<td>355.8</td>
</tr>
<tr>
<td>2</td>
<td>PetroChina Co. Ltd.</td>
<td>320</td>
</tr>
<tr>
<td>3</td>
<td>Saudi Aramco</td>
<td>286.9</td>
</tr>
<tr>
<td>4</td>
<td>Royal Dutch Shell PLC</td>
<td>263.1</td>
</tr>
<tr>
<td>5</td>
<td>BP PLC</td>
<td>230.7</td>
</tr>
<tr>
<td>6</td>
<td>Exxon Mobil Corp.</td>
<td>213.9</td>
</tr>
<tr>
<td>7</td>
<td>Total SE</td>
<td>146.1</td>
</tr>
<tr>
<td>8</td>
<td>Chevron Corp.</td>
<td>115.0</td>
</tr>
<tr>
<td>9</td>
<td>Marathon Petroleum Corp.</td>
<td>102.4</td>
</tr>
<tr>
<td>10</td>
<td>PJSC “Lukoil”</td>
<td>99.1</td>
</tr>
</tbody>
</table>

Source: made by the author [4]

As of 2020, China Petroleum & Chemical Corp. (SNP) occupied the highest place in the rating of annual income, its income was $355.8 billion; net income was $486.6 million, and market capitalization was $53.9 billion. China Petroleum & Chemical is a producer and distributor of various petrochemical resources and oil products. Also known as Sinopec, China Petroleum & Chemical is one of the largest oil, gas and petrochemical refining companies in the world. In the coming years, Sinopec aims to spend 66.8 billion yuan on exploration production with a direct focus on shale gas development in southwestern China and the construction of terminals for importing liquefied natural gas in coastal areas (for comparison, the indicator was 56.4 billion yuan last year). In 2020, crude oil production amounted to 280.22 million barrels, which is 1.4% less than in the same period last year [4].

The second place of the rating is occupied by PetroChina Co. Ltd. (PTR), whose income was $320 billion; net income was $-1.8 billion, and market capitalization was $59.5 billion. The company’s main products include crude oil, petrochemical products and their derivatives. PetroChina is an exchange affiliate of China National Petroleum Corporation, which today is one of the largest oil and gas
producers. China National Petroleum Corporation (CNPC) is the sole sponsor and controlling shareholder of PetroChina, so this large public enterprise run by investment authorities authorized by the State-owned Assets Supervision and Administration Commission. If we look at the position of the company through the prism of transnationalization, its main activity is quickly reoriented to the world market, instead of focusing on the domestic market, striving for presence in international markets and distributing resources around the world. In addition, PetroChina is expanding the transnationalization of all enterprises on a corporate scale to improve global business opportunities and capital transactions worldwide. The company also plans to purchase and sell assets to optimize their structure.

The third monopolist is the Saudi Arabian Oil Company (Saudi Aramco), whose income was $286.9 billion; net income was $64.5 billion, and market capitalization was $1.9 trillion. Saudi Aramco, traded on the stock exchange in 2019, is one of the largest companies in the world. An interesting feature of the company’s activity is that its shares are not traded in the USA, although it is considered a sufficiently important player in the oil industry. Saudi Aramco’s subsidiaries are key players in the energy market of the Asia region and are one of the main suppliers of crude oil to India, China (including Taiwan province), Japan, South Korea, and the Philippines, also responsible for the supply of marketing services, asset portfolio management, and other business support not only to subsidiaries and associates in the region but also to its major partners. Transnational activity is also evident in the European region, where Saudi Aramco owns a network of offices primarily responsible for financial, administrative, and technical support, supply chain management, etc. In terms of the company’s activity on the American continent, its subsidiaries mainly store, transport, and ship crude oil sold directly by Saudi Aramco or Saudi Refining for oil refineries in the USA. For the better part of the past year, Aramco shares held well compared to the shares of world oil companies in developed and emerging markets but when oil prices began to resume its results were not as satisfactory. This is why the company has developed a new long-term strategy for optimizing its oil and gas portfolio to remedy the situation caused by Aramco’s 44.4% fall in income in 2020.

The next place in the rating is occupied by Royal Dutch Shell PLC (RDS.A), whose income was $263.1 billion; net income was $-11.3 billion, and market capitalization was $109.4 billion. Royal Dutch Shell is based in the Netherlands, exploring, producing and processing oil through its subsidiaries. In addition to filling stations around the world, Shell produces and sells fuel, lubricants, and other chemicals. It is also worth mentioning the most high-profile case of transnationalization in the oil market, the merger of Royal Dutch Shell and BG Group in 2016. This process not only strengthened the position of both companies in the oil and gas market but also increased oil and gas reserves by a quarter (up to
17 billion barrels of oil equivalent) and by 20% hydrocarbon production (up to 3.7 million barrels per day).

The fifth place in the rating is occupied by BP PLC (BP), whose income was $230.7 billion, net income was $-21.9 billion, and market capitalization was $68.1 billion. British oil company BP is engaged in the exploration, production, and supply of oil and petrochemicals. The company refines and sells oil products including chemicals such as acetic acid, ethylene, and polyethylene, produces solar energy for sale, and manages shops and petrol stations of trademarks such as BP, Aral, ARCO, and am/pm. Even before the pandemic, the company faced significant losses due to the situation when in 2010 the Deepwater Horizon offshore drilling rig (owned by Transocean and leased by BP) exploded and collapsed, causing a riser rupture in a deep oil well. It is estimated that 4.9 million barrels of oil were released into the Gulf of Mexico, so this is the largest oil spill in history. The company has paid $1 billion in losses to individuals and entities affected by the spill. In 2012, BP agreed to pay US government fines and compensation over $4.5 billion and plead guilty to 14 criminal charges, and agreed to pay about $20 billion in a civil procedure in 2015 [4].

The sixth place is occupied by Exxon Mobil Corp. (XOM), whose income was $213.9 billion; net income was $7.2 billion, and market capitalization was $161.4 billion. Exxon Mobil is a global oil and petrochemical transnational company. The company explores, produces, trades, transports, and sells oil and natural gas. It is also engaged in the production of electricity with coal and minerals. Among the many products Exxon Mobil sells are fuels, lubricants, and other chemicals derived from oil. After Saudi Aramco, Exxon Mobil is the world’s second largest oil company by market value, although Exxon Mobil is more than 10 times smaller than Saudi Aramco. In general, we can say that the income of leading Western oil companies suffered heavy losses in 2020: Royal Dutch Shell’s income fell to their lowest levels in at least two decades, and the US’s largest energy company Exxon Mobil published its first-ever annual losses.

Total SE (TOT, whose income was $146.1 billion; net income was $-2.9 billion, and market capitalization was $99.9 billion) owns and operates petrol stations across Europe, the USA, and Africa. Like most of its major powerful competitors, Total is an integrated energy company engaged in all aspects of the oil and gas business, starting with exploration and ending with sales.

Chevron Corp. (CVX, whose income was $115.0 billion; net income was $-8.7 billion, and market capitalization was $147.5 billion) is an integrated oil corporation that is also engaged in chemical and mining activities and non-energy activities, such as technology development. With regard to transnational activities, the corporation provides commercial support for crude oil and natural gas production operations to its own refining and distribution network worldwide,
including centers in Houston, London, Singapore and San Ramon, California. The corporation’s Trade Division carries out commodity operations on average 5 million barrels per day.

The next place in the rating is occupied by Marathon Petroleum Corp. (MPC, whose income was $102.4 billion; net income was $-7.7 billion, and market capitalization was $21.0 billion.), which is the lessor or owner of thousands of miles of oil pipelines and is the owner of the Speedway petrol station network.

The last place in the rating is occupied by PJSC “Lukoil”, whose income was $99.1 billion; net income was $3.9 billion, and market capitalization was $40.3 billion [5]. These indicators, which are almost at the level of the world’s top income leaders, can be attributed to the current situation in the oil sector related to Russia’s refusal to comply with oil production volumes set by OPEC.

Oil now accounts for a little less than a third of the world’s energy resources, and oil companies have invested much into exploration and foreign projects to ensure that they can continue to help meet global energy needs. We can conclude that the demand for oil extends beyond the energy sector and ensures that oil companies play an important role not only in the oil products pricing but also in the development of society.

If we consider the largest oil companies separately by production volume (and by market control), the rating will be as follows (Table 2):

Table 2

<table>
<thead>
<tr>
<th>No.</th>
<th>Company name</th>
<th>Oil production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saudi Aramco</td>
<td>10 963 091</td>
</tr>
<tr>
<td>2</td>
<td>Rosneft</td>
<td>4 217 780</td>
</tr>
<tr>
<td>3</td>
<td>Kuwait Petroleum Company</td>
<td>3 412 203</td>
</tr>
<tr>
<td>4</td>
<td>National Iranian Oil Company (NIOC)</td>
<td>3 256 486</td>
</tr>
<tr>
<td>5</td>
<td>China National Petroleum Corporation (CNPC)</td>
<td>2 981 246</td>
</tr>
<tr>
<td>6</td>
<td>Exxon Mobil Corp.</td>
<td>2 294 701</td>
</tr>
</tbody>
</table>

Source: made by the author [4]

1) Saudi Aramco, Saudi Arabian Oil Company is the world leader in oil production with a production rate of more than 10 million barrels per day (million bpd). The company has the world’s second largest proven crude oil reserves of 261.5 billion barrels of oil equivalent (BBOe), about 10% of world’s crude oil supplies.

2) “Rosneft” is a Russian integrated energy company. “Rosneft” is the world’s second-largest oil producer and the world’s largest publicly traded oil company with a production volume of more than 4.2 million bpd.
3) Kuwait Petroleum Corporation (KPC) is the world’s third-largest oil producer with a production volume of more than 3.4 million bpd. The corporation produces about 7% of the world’s total crude oil with proven reserves of about 111 BBe. At the end of 2018, KPC announced an investment plan worth about $115 billion as part of its intention to increase oil production to 4 million bpd by 2020.

4) National Iranian Oil Company (NIOC) is an important company in the oil and gas market with a production volume of more than 3.2 million bpd, despite US sanctions against Iran. Although the sanctions imposed on Iran due to the country’s nuclear program restrain foreign investment in Iranian oil and gas, NIOC continues to invest in exploration projects to exploit the country’s 200 undeveloped oil and gas fields.

5) China National Petroleum Corporation (CNPC) is the largest oil producer in East Asia, with a production volume of at least 3 million bpd. As mentioned above, CNPC is also one of the largest oil and gas corporations by income, its income is $326 billion. In recent years the corporation’s international diversification has contributed to its influence on the global energy market, despite a long-running trade dispute between China and the USA.

6) ExxonMobil is an American energy company and member of Big Oil. The company is one of the most influential companies in the world and the largest oil producer in the USA, with a production volume of 2.3 million bpd. Recently the company has expanded its global portfolio through some foreign exploration and mining projects, in addition to increasing the US production [4].

To identify the development of transnationalization processes, it is also necessary to note a change in the position of the most active participants in the oil products market, which are responsible for the development of this sector of the economy. The first category includes oil giants called Seven Sisters. As of the 1940s and 1970s, they included British Petroleum, Exxon, Gulf Oil, Exxon, Royal Dutch Shell, and Chevron, which controlled about 85% of the oil market. But in the XXI, century they were replaced by the New Seven Sisters as defined by the Financial Times in 2007: CNPC (China), Gazprom (Russia), National Iranian Oil Company (Iran), Petrobras (Brazil), PDVSA (Venezuela), Petronas (Malaysia), Saudi Aramco (Saudi Arabia). In addition, there are also independent oil companies not belonging to the Seven Sisters cartel, and oil traders (Fibro, Marc Rich) [6].

Transnationalization not only enhances the interaction between states, facilitating economic and financial expansion, but can lead to an uncontrolled expansion of economic and social and political models that contribute to different effects. The main determinants of the new energy economy, which has evolved over the transnationalization process, include the following factors:

1) The emergence of new giants in the world economy, such as China and India, recorded important economic and demographic growth in the context of
transnationalization; both states exert considerable pressure on the demand for fossil resources and influence the rise in fossil fuel prices.

2) The Russian Federation’s desire to become the main center for fuel prices on the international market by putting “energy pressure” on consumers of Russian fossil fuels, especially on European market.

3) The need to find new fuel suppliers for European countries due to the unwillingness to purchase fuel and energy resources from the aggressor country, as well as to find new methods of transportation due to the disruption of transit supply chains in Ukraine.

4) The emergence of the need for sustainable economic development as a top priority to limit and address the functional deficiencies created by “environmental pressure”. Greenhouse gas emissions have already affected temperatures rising by 0.6 degrees globally, according to the Intergovernmental Committee on Climate Change. If governments do not plan for corrective measures, rise will reach between 1.4 and 5.8 degrees by the end of this century.

5) Understanding the reality of the problem that primary energy resources are limited, and as a result, countries that rely on energy imports are rethinking their energy policies by considering renewable energy and energy efficiency. This has a direct influence on oil production and consumption.

The transnationalization process only emphasizes the fact that fossil fuel prices are highly sensitive. Various events occurring in any part of the world, mainly in important oil-producing and exporting countries, affect oil prices. In recent years, it was possible to observe the effects of shock from unstable regimes in countries such as Iraq or Iran (due to the nuclear threat), combined with an increase in demand and a decrease in global oil production. The main subjects directly influencing oil pricing: OPEC, which controls oil production by member states; and parallel markets (New York Mercantile Exchange, Singapore Exchange, International Petroleum Exchange, London) directly involved in decisions to fix global crude oil prices. Parallel markets can influence international oil prices even in opposition to OPEC decisions [7,8].

It should also be noted that since transnational corporations are actively involved in the development of foreign infrastructure, their relations abroad can also be considered as a sufficiently functional alternative to diplomatic action in those cases when military and state subjects face difficulties or even fail. In this study, it is necessary to give an example of how the presence of American oil companies in the Middle East allowed communication lines to bridge the gap between different Western and Islamic worlds.

For effective and safe operations, multinational oil corporations must actively and steadily form relations with other states, and coordinate economic relations with each other. Looking further ahead, US oil companies will face the challenge of
competing with Saudi Aramco, the world’s largest transnational corporation [9]. OPEC+ controls more than 50% of the world’s oil supply and about 90% of proven oil reserves. This dominant position guarantees the organization a significant influence on oil prices, at least in the short term. In the long run, its ability to influence oil prices has vague chances, as individual countries have slightly different motivations when compared with OPEC+ (the organization began its existence, in part, to counteract the ability of other countries to produce oil, which may limit OPEC’s ability to control supplies and prices). As a cartel, OPEC+ member countries jointly agree on the amount of oil produced, which directly affects the final crude oil supply to the world market at any moment. In recent years, OPEC+ has had a significant influence on the oil market price around the world and, as therefore strives to maintain it at a relatively high level in order to maximize profitability.

In general, the following trend can be observed: if the OPEC+ countries are not satisfied with the oil price, it will be in their interest to reduce oil supplies in order to increase the product price. However, no single country wants to cut supply as it would mean lower incomes (for all the most acceptable option would be an increase in oil prices, and at this moment such countries could increase supply for the product in order to proportionally increase income). In fact, OPEC’s announcement of supply cuts leads to an immediate increase in oil prices, after which the price usually reverts to a lower level. After all, the laws of supply and demand will determine the equilibrium of prices, although OPEC+ announcements may have a temporary influence on the oil prices by changing forecasts and expectations [10].

OPEC+ remains influential because of three main factors: the lack of alternative sources equivalent to its dominant position; lack of economically viable alternatives to crude oil in the energy sector; OPEC, especially Saudi Arabia, has the lowest barrel production costs in the world. These advantages allow OPEC+ to have a broad influence on oil prices. Thus, when there is an oil surplus in the world, OPEC+ cuts production quotas [11].

The question about the cost of an oil barrel is the most important. Consider the cost of oil in the world’s major producing states: shale oil in the USA is from $16 to $32; crude oil in Russia is from 16 to 30; in Norway (the North Sea area) is 17; bitumen oil in Canada is 16; bituminous oil production in Mexico and Venezuela is 9; in Saudi Arabia, Iran, Libya is from 4 to 5. But in North America, this value in some regions reaches $60-70. In Canada, when producing oil from sands, you have to spend about $120-150 per barrel. Due to the “shale revolution”, the cost of oil in the USA has changed significantly from $100 in 2012 to almost $30 in 2015. Thus, the cost of oil production varies significantly across the world and this affects countries’ decisions to use their oil or imported raw materials.
Special attention is given to the situation that has been going on for several years between OPEC and the United States. This clearly illustrates the transnational processes in the oil market. Until the mid-20th century, the USA was the largest oil producer and controlled oil prices, after which OPEC took control of oil markets and product prices over the next few years. As of 2018, OPEC member states held 79.4% of the world’s proven oil reserves and produced about 40% of world oil production, at the same time, the USA was the world’s largest oil-producing country in 2019, and produced nearly 19.5 million barrels per day. Even though OPEC can still determine prices, the USA has limited the cartel’s pricing power by increasing production, at a time when OPEC has begun reducing its output [11].

At the first meeting, held in Vienna in March 2020, OPEC+ members agreed to cut production by two million barrels per day (to less than 42 million barrels) starting in August 2022. The cut, which will take effect from November 2022, represents about 2% of the world’s oil supply and is more than expected. It should be noted that this is the biggest cut in OPEC+ since 2020, when it cut production by more than nine million barrels per day due to the pandemic. This move is aimed at increasing the oil prices, which fell below $90 from a peak of $122 in June, as prices responded with an instant increase after the announcement of this plan [12]. It could be said that regions with price power control the vital levers of the world economy. The United States controlled oil prices for most of the last century, and only ceded this role to OPEC countries in the 1970s. However, recent events helped to return part of the pricing power to American and Western oil companies, which made OPEC conclude an alliance with Russia and create the abovementioned OPEC+.

Despite the sufficient influence of OPEC and OPEC+ on oil prices, the USA continues to be one of the world’s leading oil consumers, and since domestic production increases, the US demand for OPEC oil will only decrease. However, the USA is considered to be the largest producer of oil and oil products, leading exporters predominantly include OPEC+ members. This factor means that they are still a key player in the process of determining the oil prices.

We should also highlight the main oil traders operating in the oil market and having an extremely important influence on its development and activities. These include the following companies: Vitol, headquartered in Singapore (engaged in the extraction, trade, refining, storage and transportation of oil and other energy resources); Glencore (operates worldwide in production, supply, processing, transportation, storage, financing and supply of metals and minerals, energy products, including oil); Gunvor International B.V. (engaged in trade, transportation and storage of oil and oil products at the international level); Trafigura Beheer B.V. (engaged in the supply and trade of crude oil, oil products, renewable energy sources, etc.); Mercuria (the main activities of the company are supply and trade of
crude oil and oil products); Arcadia Petroleum Limited (the company is a major trader in oil products, oil, liquefied natural gas, gasoline, kerosene, etc.); Mabanaft (trading firm Marquard & Bahls AG is a leading independent oil company engaged in the wholesale and import of oil products to Europe, North America, South America, Africa and Asia); and Hin Leong Trading Pte Ltd (engaged in oil trading, bunkering, lube oil mixing and sale, diesel retail, logistical support, and storage) [13]. The volumes of reserves and production, and any changes in them, give traders an idea of trends in oil production and consumption over a period of time. When reserves increase over time, it is a sign that production exceeds demand, and this should lead to lower energy prices. In the case when production reserves are reduced, traders face the opposite situation. The main factors influencing the activities of oil traders, apart from raw material reserves, include a list of data focused on crude oil production covering domestic production, commissioning and operation of oil refineries and their transfer to other levels of reserves, as well as data on the import and export of oil and oil products [14].

All the above data and factors have a direct influence on the crude oil market. In the context of transnationalization, the following example can be given: traders will consider the workload and efficiency of oil refineries in order to determine how much more capacity will become available to receive additional offers in the market. If refinery utilization rates are high enough, it will be rather difficult to transport additional oil through the refinery. This, in turn, will lead to a decrease in oil supply and as a consequence to an increase in prices. The tendency of some states to replenish the reserves from the crisis has contributed to all of the above. All this caused a reorientation of energy policies in all countries (energy importing countries), taking into account renewable sources and energy efficiency.

Conclusions. Transnationalization is an extremely important and dynamic process, and the following features of the oil market provide sufficient reasons for its development: sellers and buyers of the international oil market predominate in their volumes of sellers and buyers in the market of initial demand goods; subjects of the international oil market are reflected in monopolists and oligopolists; annual increase in production of this fuel and energy resource; advantage of oil consumption over oil production, etc.

The modern world oil market, formed in the context of transnationalization processes, represents the global area of production and sale of oil and oil products, as well as the extremely important and interconnected relations between oil producers and consumers through the prism of purchase and sale processes based on international demand and supply. It is also important that oil remains the dominant energy source worldwide, fuelled by giant oil corporations which routinely sell billions of barrels of oil products to energy-dependent economies, despite growing public concern about climate change and measures to reduce the use of carbon-based fuels i.e. oil itself.
Oil prices are highly volatile and are influenced by a number of factors, including natural disasters, wars, seasonal demand; global economic growth; development of alternative fuels that increases the demand for renewable energy; political situation in oil-producing countries; decision of oil market analysts, etc. Of course, oil prices were affected by extreme volatility in 2020 due to the COVID-19 pandemic and escalating trade tensions, although most of the world’s leading oil companies earned substantial income. In general, it can be concluded that oil prices increased by about 70% in 2022, as at the end of last year Brent oil prices were around $70/barrel.

For effective operations that ensure sufficient production, multinational oil corporations must actively and steadily form relations with other states, and coordinate economic relations with each other. At the same time, OPEC+ announcements and measures may have a strong but temporary influence on the oil prices by changing forecasts and expectations in the market. In general, despite the obvious influence on the formation of oil pricing processes using the tools to cut and increase production according to the current situation, the laws of supply and demand will have a decisive influence on the price balance.

It can also be concluded that the demand for oil extends beyond the energy sector and ensures that oil companies play an important role not only in the oil products pricing but also in the development of society.

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