Globalization and the oil market: An overview on considering petroleum as a trade commodity

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Today, the process of globalization and globalization of the economy is one of the most important issues in the world. In this process, the manner and rules of trade of some goods with a strategic international trade position are more important. Energy carriers, especially crude oil, are among these commodities that are considered strategic commodities in foreign trade. The inclusion of crude oil among the World Trade Organization commodities has raised various issues. Since the oil price in the market is affected by factors such as psychological factors and supply and demand, the inclusion of oil in the World Trade Organization will, directly and indirectly, affect these factors. Principles such as national behavior can directly affect crude oil demand. Also, the principle of quantitative restriction can directly affect the supply of crude oil. Besides, agreements such as the General Tariff and Trade Agreement, the Service Trade Agreement, and the Technical Barriers to Trade Agreement can influence engineering service providers' roles at various stages and move them toward competition.

keywords: *Petroleum industry, globalization, international trade regulations, world trade organization, GATT*

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NOMENCLATURE

GATT General Tariff and Trade Agreement.

WTO World Trade Organization.

UNCTAD United Nations Conference on Trade and Development.

OPEC Organization of the Petroleum Exporting Countries.

EU European Union.

MENA Middle East and North Africa.

1. INTRODUCTION

Today, the process of globalization at the international level is strongly supported and promoted by the United Nations and its affiliated specialized organizations. In the economic dimension, it can be seen that the three international organizations, the International Monetary Fund, the World Bank, and the World Trade Organization(WTO), as specialized organizations in the field of economics, have adopted policies that are fully in line with the globalization of the economy [1]. They have a coordinating role in the global economy, so using the tools at their disposal leads different world countries, especially developing countries, to pursue their policies. In other words, these organizations' performance creates a kind of compulsion for national economies to participate in the global economic process. Any country that is not ready to participate in this process for any reason finds itself on the path of isolation. It is important to note that the trade rules and regulations of some goods that have a strategic position in international trade are more important [2]. Energy carriers, especially crude oil, are among these commodities that are considered strategic commodities in foreign trade.

The issue of energy, especially crude oil, is not new to the WTO, and no specific rules on energy trade were formed as part of the early General Tariff and Trade Agreement (GATT). Since the establishment of the World Trade Organization, due to the importance of oil in oil-exporting countries' economies and the benefits, oil-exporting countries see from oil entry in the organization, most of these countries want the oil to be included in WTO negotiations. Besides, oil-exporting countries that have not yet been members of the organization tend to join [3]. The effects of WTO membership on trade in petroleum products and their products were first discussed in 1994 at a regional seminar in Casablanca. From 1996 to 1999, this issue was raised in 8 meetings and various international forums. One possible reason for not drafting specific rules for the crude oil trade was the non-membership of crude oil exporters in the GATT. Besides, political and security considerations regarding crude oil have also affected the trade in this commodity. Later, after the crude oil crisis in the 1970s, some countries tried to use trade agreements to reduce crude oil export restrictions [4]. Dependence on oil revenues in these countries will create dangerous conditions for oil exporters for four reasons:

1. If the world price of a product (such as oil) is not fixed, it will be very difficult to design and coordinate the country's economic development plans based on the proceeds from its sale, so that unpredictable changes in the price of the product can affect the country's economic development face a serious challenge [1].
2. Although crude oil can be classified according to various criteria, such as light and heavy crude oil, this product is still a basic and simple commodity that prevents inter-industrial trade [4].
3. Natural resources such as crude oil are limited and non-renewable.
4. In addition to the above, oil-exporting countries, which have relied on the export of natural resources in their economic development due to their competitive advantages in the production and export of this energy source, should be aware of the negative and side effects of the Dutch disease [3]. Consider the reasons for revenues from the export of natural resources and the declining competitiveness of domestically produced goods compared to similar foreign goods. Thus, the conversion of internationally tradable goods into non-tradable goods and ultimately a sudden blow to production and employment.

Therefore, considering the importance of oil as the most important energy carrier for both exporting and importing countries and the importance of the WTO in regulating trade relations, this study intends to examine the WTO's role in the oil market [5]. Based on this, the present study is divided into the following six parts. After the introduction, the first part provides a history of the World Trade Organization and oil. In the second part, the perspective and effects of oil inclusion in the World Trade Organization are discussed, and in the third part, considering the importance of the Organization of the Petroleum Exporting Countries (OPEC) in the oil market, the effect of oil inclusion in the World Trade Organization on OPEC is stated. The fourth section describes the WTO agreements that affect market structure. After stating the agreements affecting the oil market, the fifth section describes the strategies that oil-dependent countries with oil inclusion in the World Trade Organization should use, and the final section discusses the outcome of the discussion [5].

Briefly, one of the most important issues in all countries is the process of globalization and globalization of the economy. In this process, the manner and rules of trade in goods that have a strategic position in international trade are more important. Energy carriers, especially crude oil, are among these commodities that have raised various issues among the WTO. Since the price of oil is affected by psychological factors, supply and demand, etc., its inclusion in the WTO Commodity List directly and indirectly affects these factors. Principles such as national behavior and quantity constraints can directly affect the demand and supply of crude oil, respectively. In addition, general agreements on tariffs and trade, trade in services, and technical barriers to trade can lead engineering companies to become more competitive. The aim of this paper is to study the background of the oil market and investigate impacts of its inclusion in the world trade organization portfolio which is a very important turning point in the oil trade and has a significant impact on the economies of MENA region.

2. BACKGROUND

Following the failure to establish the International Trade Organization in 1947 and the Organization for Trade Cooperation in 1955, the idea of establishing a World Trade Organization resumed with the start of the 1986 Conference of Uruguay negotiations [6]. It was not until 1991 that Canada, the European Union, and Mexico proposed the creation of an organization called the World Multilateral Trade Organization in Uruguay, which was strongly opposed by the United States but at the insistence of other GATT members, in the final days of negotiations [4]. A majority of the members agreed upon round Uruguay, the establishment of the WTO, and finally, the United States formally accepted the establishment of this body, and it was decided that the WTO would begin its work on 1 January 1995, and for two years for the GATT member states. They had signed the conference of Uruguay's final document to provide the conditions for their accession to the World Trade Organization. Of course, the WTO was not a new organization. Before that, there was an organization with less authority called the General Agreement on Tariffs and Trade. The main principles of the World Trade Organization are [7] as the principle of non-discrimination: Trade without discrimination, which is the first principle of a multilateral trading system, includes the following two principles [3] such as the principle of the behavior of the "complete government" government: Accordingly, countries can not discriminate between their trading partners. If special assistance is granted to a country (e.g., lower customs duty rates for one of their products), they must grant the same to other system members.

For this reason, this principle is known as the principle of the behavior of the perfect government [5]. Of course, this principle includes trade between regional business arrangements and the general system of preferences. And the principle of national behavior: When foreign goods enter the domestic market, imported goods and domestic production should be treated equally. The principle of "rational behavior" (treating others as it treats its nation's goods) is found in the multilateral trading system's main agreements. (Article 3 of the GATT, Article 17 of the General Agreement on Trade in Services and Article 3 of the Agreement on Trade-Related Intellectual Property Rights) [2–6]. Also, small trade restrictions, such as quotas and the issuance of import licenses, are prohibited, and domestic industries' protection is possible only through transparent customs tariffs. Reduction and stabilizing customs tariffs and removing non-tariff trade barriers, except agricultural products with payment problems [7, 8].

Establishing a preferential tariffs system to grant trade concessions to developing countries' products to simplify these countries' products' competition with industrialized countries' products. Any action by member states that have to dump (selling goods below cost to capture the market) is prohibited [9]. Member states prohibit the imposition of any tax on imported goods above the tax on domestically made goods. Mentioneworthy that it is illegal to grant any loans (grants) and tax breaks to encourage the export of goods. Obligation to consult on trade policies with other members and resolve disputes arising from trade relations through negotiation. Principle of Transparency: The General Agreement on Tariffs and Trade before the liberalization of trade seeks transparency in countries' trading systems [5]. Firstly, this is because the reduction of trade barriers is possible when these barriers are known, and secondly, traders are more concerned about their lack of transparency than they are about the high level of trade barriers. GATT has ensured transparency in the members' trading system in terms of commitments, including prescribing support for domestic industries and enterprises through tariffs, which is the most transparent means of protection. And the transparency in all commercial laws and regulations and judicial rulings and administrative orders related to trade, including in the tax system [7, 8].

Predictability or The multilateral trading system is an effort to create a stable and predictable business environment (market security) for investors and traders [1]. When countries agree to open their markets to goods in a multilateral trading system, they consolidate their commitments. Tariff stabilization means committing to not raising tariffs. In this case, the tariff becomes stable and predictable. Members of the multilateral trading system can only change their fixed tariffs if the negotiation parties accept them. The multilateral trading system seeks to improve predictability and stability through other means, such as quota bans [9].

With these principles in place, there is still uncertainty about how oil is affected by the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization. For several reasons, crude oil was never included in the GATT trade agreements between 1948 and 1994 [10]. Under current WTO agreements, OPEC organizations believe that crude oil is excluded from these agreements. In contrast, the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) believe that although crude oil is specifically regulated, there are no rules, but there are no exceptions [3]. Of course, there are specific political and economic reasons for not including the oil in the GATT trade negotiations and agreements. Since the beginning of the twentieth century, oil has been considered an economic commodity and a strategic commodity and has played an important role in and after the world wars. Early in the GATT negotiations, most oil fields in North America, the Middle East, and Southeast Asia were controlled by multinational corporations owned by the United States, Britain, the Netherlands, and France, as member states were reluctant to control tensions. They decided to exclude this strategic commodity from the GATT negotiations because they feared that oil's strategic political aspect would turn GATT's technical issues into political issues. At the time, the major oil exporters were not or still were GATT members, with only Indonesia, Kuwait, and Nigeria being members of the GATT [7]. Besides, Europe did not produce much oil, so European countries did not impose high tariffs on oil and petroleum products. Under such circumstances, the relationship between Asia and Africa's oil-exporting countries and the GATT was very weak because they had virtually no control over their oil and could not affect its international trade. Also, the World Trade Organization, which in principle considers itself a defender of free trade globally, has rejected the request of a group of Gulf countries to put oil on this organization's agenda [9]. Oil is a unique commodity that accounts for about half the world trade weight, but because its production, distribution, and pricing systems were not competitive, this trade's benefits were not shared fairly between producing and consuming countries [1]. Comparing European countries' revenues from taxes on petroleum products with oil-exporting countries' revenues from oil exports proves this claim. In the conference of Uruguay negotiations, no negotiations were held to reduce customs tariffs on oil and petroleum products in importing countries (except for EU customs tariffs), as these tariffs are essentially very low. A major reduction in tariffs on petroleum products was created in this round of negotiations based on the full-fledged government principle [5]. As shown in Tables 1-3, import tariff rates range from 5.5 cents per barrel of oil in the United States to 215 yen per thousand liters in Japan. While the customs tariffs for post-Uruguay petroleum products remained higher than the crude oil tariffs, some countries did not change. The United States and Japan did not change their tariffs on petroleum products after the conference of Uruguay, but the European Union reduced those tariffs from 5 to 7 to 3.5 to 4.7 percent. Although the Conference of Uruguay negotiations failed to reduce tariffs on crude oil and petroleum products significantly, it was relatively successful in reducing tariffs on petrochemical products [7]. Of course, these products do not have a large share in the exports of OPEC countries, and the low tariff rates on imports of crude oil in developed countries are fully compatible with their interests as consumers because these countries are not able to produce enough oil to meet their needs and need cheap oil.

Table 1. Oil trade official tariffs before and after the conference of Uruguay in major crude oil import markets [4]

Region	Tariff range pre-conference of uruguay	Tariff range post-conference of uruguay
EU	0	0
USA	5.5 cents/bbl	5.5 cents/bbl
Japan	350 yen/1000 liters	215 yen/1000 liters

Table 2. Oil trade official tariffs before and after the conference of Uruguay in major markets for petroleum products [4]

Region	Tariff range pre-conference of uruguay	Tariff range post-conference of uruguay
EU	5-7%	3.5-4.7%
USA	5.8%	5.8%
Japan	3033 yen/1000 liters	3033 yen/1000 liters

Table 3. Oil trade official tariffs before and after the conference of Uruguay in major hydrocarbon import markets [4](petrochemical products)

Region	Tariff range pre-conference of uruguay	Tariff range post-conference of uruguay
EU	0-14%	0-5.5%
USA	0-18%	0-5.5%
Japan	0-24%	0-5.5%

Besides, the General Agreement on Trade in Services provides a framework for negotiating trade commitments for cross-border services such as oil pipelines and offshore pipelines, and the presence of businesses such as foreign investment in oil fields and gasoline distribution and relocation of persons such as foreigners for exploration and other services was determined. In fact, during various periods of the GATT trade negotiations, oil and its products have often been the subject of indirect negotiations. Numerous laws and regulations have had a tangible impact on the global oil industry and market proposed and negotiated by major oil exporters. These rules and regulations were initially introduced as optional rules but were subsequently added to the WTO set of rules as mandatory rules [5, 6].

3. WTO AND ON THE OIL MARKET

At present, developing oil-exporting countries have not made any commitments on oilfield services but may be requested in future accession negotiations. The content of future WTO negotiations on energy and oil can be explored in regional agreements. In most cases, the regional agreements' views are also reflected in the multilateral agreement [10]. The North American Free Trade Agreement (NAFTA), the Energy Charter Treaty, and the Asia-Pacific Economic Cooperation Council are among the agreements that have given special importance to the oil issue due to its members' composition [9].

NAFTA interprets the GATT Principles to create new commitments that limit NAFTA trading partners' ability to use the dual pricing system to diversify the oil (petrochemical) sector. The Energy Charter Treaty provides a mechanism for investment, trade, and transit in the energy sector, including the European Union, Eastern and Central Europe, Russia, the former Soviet Union, Australia, and Japan [6]. The Regional Agreement, the Asia-Pacific Economic Cooperation Council, established in 1990, adopts energy policies by the Energy Working Group and is approved by the member countries' Ministries of Commerce or Energy. The United States calls for regional and multilateral negotiations to influence trade in energy-related goods and services. The goals of the negotiations are a combination of national policy (export development and access to raw materials), security (the United States needs security in its oil imports due to differences with some oil-exporting countries), and environmental protection [1].

For this reason, the United States is trying to exercise its sovereignty by restricting imports under the pretext of security and environmental protection while increasing exports of energy-related goods, services, and capital. US energy trade policy has always been tailored to its economic and security goals. Given the special role of energy in the country's security, the United States is resisting integrating the energy sector into the global trade system [2]. Therefore, in the future, the energy sector may be included in the negotiations between the various agreements, mostly due to energy importing countries' interests, especially oil. With the entry of oil into world trade negotiations, different groups will be affected. These groups include WTO member and non-member countries, OPEC member countries, oil-importing, developing countries, and non-OPEC oil-exporting countries. Besides, organizations such as the International Energy Agency, NAFTA, and the Energy Charter Council will not be spared. The question that follows is whether the oil trade, like other commodities whose tariffs are being reduced under WTO regulations, will be priced according to removing the small constraint that tends to be competitively priced. What will be the economic effects on different countries? Or what effect will the inclusion of oil in the World Trade Organization have on this organization's upstream and downstream sectors [11]?

A. Impacts on oil importing countries

Given that oil is one of the vital raw materials in importing countries, whether or not it is included in the World Trade Organization can significantly impact this country's industries. The effects of WTO oil inclusion on importing countries can be both positive and negative [1]. With the inclusion of oil in world trade, the oil market structure has become more competitive, and political events will have less impact on oil prices. OPEC's role in oil pricing will also diminish. Besides, according to WTO rules, national oil companies must be privatized or operate commercially, which will lead to competition between national companies and international oil companies, which, given the level of technology of international companies, Companies can make more profit. Under WTO rules on petroleum products, countries with oil reserves cannot implement a dual pricing system, meaning domestic and foreign refineries' oil prices should not differ [4]. This allows foreign petroleum products companies to operate in the domestic markets of oil-exporting countries. In addition to these positive consequences, there will also be negative consequences for oil-importing countries due to oil in the World Trade Organization [5]. The most important negative consequences are the increase in demand and the shortage of crude oil supply in oil-exporting countries. One of GATT's basic principles is to reduce customs duties on imports of goods such as crude oil. So by reducing customs duties on crude oil imports, the consumer's cost price will decrease, and demand will increase. To meet the increase in demand, the crude oil supply must increase in the short term. This increase in supply can be achieved by importing crude oil from countries that can increase production or have excess production capacity, such as Middle Eastern countries. Now, given the growth in consumption in oil-exporting countries, the problems in increasing the reproduction of investment, the time-consuming increase in production, and the decline in production in oil fields, the supply needed to meet rising demand may at least be problematic [12].

B. Impacts on oil exporting countries

The world's oil-exporting countries can be divided into two groups: OPEC countries and non-OPEC countries. The inclusion of oil in the World Trade Organization will have various positive and negative consequences for oil-exporting countries' economies, especially those that depend on oil revenues [11].

The positive effects of oil inclusion in world trade on oil-exporting countries are mentioned in this section. When oil, like other commodities, enters the WTO negotiations and is priced in a free and competitive environment, political factors and unconventional relations between oil importing and exporting countries will no longer play a role in determining oil prices, and oil is a strategic commodity. And politics will become a common commodity [12]. In this case, oil-exporting countries can defend their trade interests within the framework of WTO regulations. Exporting countries have easier access to the oil market, foreign capital, technology, and new technology in the oil industry. Under this organization's rules, member countries can not use economic sanctions against other members, except in cases where Economics sanctions are carried out within the framework of Chapter 7 of the UN Charter [1]. OPEC member countries can overcome the disruptive factors of international oil trade, including taxes and environmental policies of consuming countries, within its regulations. The inclusion of oil in the WTO reduces the effectiveness of tariff and non-tariff barriers to market entry, the elimination or reduction of taxes paid by the consumer, and other factors against the producer's interests. The reduction of customs duties on oil imports is based on the basic principles of the GATT. With the gradual reduction of customs duties, the cost price of oil for the consumer will decrease, and demand will increase [13]. OPEC member countries can use the WTO dispute resolution mechanisms for cases where consuming countries discriminate against oil. Because oil-exporting countries cannot make unilateral commitments to their trading partners due to a lack of sufficient political and economic influence, they can exercise their rights under WTO dispute settlement regulations [5].

Negative consequences of oil inclusion in the World Trade Organization are mentioned in this section. Given that most oil-exporting countries are developing countries and rely on one type of natural reserve, the main effect of WTO laws on these countries is to focus on their right of national sovereignty over their natural resources, which is the only source. Their comparative advantage is in foreign trade [7]. The regulations and agreements ratified or interpreted by this organization can limit these countries from exploiting their natural resources' comparative advantage to achieve development. Since oil is the main source of foreign exchange earnings for oil-exporting countries, any action that reduces their natural reserves' value could negatively affect these countries' economic and political systems. Industrial development policies in developing countries face obstacles in the context of "trade-related investment measures." This means that oil-exporting countries cannot restrict the purchase of oil companies to supply from domestic markets. Despite the consensus on the need to protect the environment, it is clear that environmental policies have been used for protectionist purposes in recent years and have had significant negative consequences for developing countries, especially those exporting fossil fuels [6].

C. Impacts on oil industry

The inclusion of oil in WTO negotiations can affect the upstream and downstream units, activities, and oil industry sectors in oil-exporting countries to varying degrees. Upstream manufacturing industries include machinery, tools, and equipment needed by the industry in addition to the engineering services required to do so, and downstream industries include refineries, petrochemical plants, and chemical products [1]. As mentioned in the previous sections, with the entry of oil into world trade, the demand for this commodity will increase due to removing some barriers. This will increase investment in the oil sector, and since part of the need for machinery must be met from the domestic market and expand oil sales, it will increase the income of producers of tools and equipment needed by the oil industry. Increasing production reduces costs and improves this group of goods, enabling them to compete internationally [7]. In developing oil-exporting developing countries, petrochemical production units are often based on comparative advantage in access to cheap raw materials. Therefore, as long as they are fed cheap raw materials, their inefficiency in production is not obvious, and they can continue their work. The inclusion of oil in WTO negotiations does not affect oil prices' dual policy within non-member countries. Therefore, it does not deprive petrochemical companies of having cheap raw materials. Instead, due to liberalization, oil prices fall internationally, depriving oil-exporting countries of using these raw materials relatively cheaply. However, in general, if a country wants to join the World Trade Organization by entering to make the most of oil in world trade, it must invest in the technological equipment of the oil industry [14].

D. Impacts on OPEC

Since OPEC is one of the influential organizations in the crude oil market, Iran is also an influential member, and it seems necessary to examine the relationship and comparison of this organization with the World Trade Organization. At first glance at the organizational structure, the two organizations are very different from each other, and there is no organization like these two that are so different from each other [3, 15]. The WTO is a multilateral organization with 153 members (about 26 countries are also in accession negotiations), and any other country is free to start accession negotiations, but OPEC is an international organization with 12 members. It is an oil-exporting country, and its membership is open to oil-exporting countries with common interests with other members. With this explanation, it can be said that the World Trade Organization is an organization that controls and supervises various sectors, while OPEC, due to its special position, controls, and monitors only one product. Thus, these two organizations are different in many ways. For example, the WTO's rationale was to establish free trade, while OPEC's rationale as an international body was to control crude oil prices. The goals, tools, and enforcement mechanisms (law-based judgements against collective pressures) adopted by each are different [16].

The World Trade Organization generally seeks to remove trade barriers by imposing sanctions, imposing quantitative restrictions on imports and exports, and in return encouraging reciprocal reductions and the elimination of import tariffs [4]. On the other hand, OPEC opposes competition among members for market share and seeks to regulate prices by controlling product supply. This practice has led some to believe that OPEC is the epitome of a hydrocarbon cartel with a negative and degrading connotation in international energy policy [3]. However, membership in the World Trade Organization has advantages such as a predictable and secure business environment and market access to about 158 countries. Major crude oil producers must use the WTO framework and all its facilities and capacities to address their opposition to high energy taxes in consuming countries. Oil producers can be challenged under the guise of discrimination with any new taxation that widens the gap between oil and other fuels, such as coal or natural gas. On the other hand, given that oil is the main source of foreign exchange earnings in most OPEC countries and will be in the medium term, joining various organizations should be done considering the position of oil and the possibility of maximizing the interests of these countries. In the context of future negotiations, there are issues on which OPEC member countries need to align their views and interests to increase their bargaining power, including issues that disrupt the oil trade (such as taxes on crude oil, petroleum products, and environmental issues in consuming countries) as well as the fact that so far the tax on consumption of crude oil and petroleum products and trade policies has not in itself been a barrier to international crude oil trade [4, 7].

4. REGULATIONS AND LEGAL STRUCTURE OF THE OIL TRADE

Because of the above, to better examine the impact of the World Trade Organization on the oil market, some of the agreements in this organization that affect the structure and market of the oil have been presented and analyzed [1].

A. General tariff and trade agreement

GATT (1994) is a multilateral agreement between member states that sets the framework for international trade conduct in goods and includes exporting and importing goods. The most important GATT rules are conducting a full-fledged government, national conduct, and the prohibition of quantitative restrictions [12]. In this agreement, various issues that are important for oil-exporting countries can be seen, which are:

- **Export restrictions and dual pricing:** Although the GATT negotiations focused mainly on industrial products and focused less on the trade-in raw materials, issues such as dual pricing of natural gas and oil and export restrictions were also discussed in various periods, for example, in 1950 As part of the GATT negotiations. A working group examines the export restrictions on governments' raw materials to ensure the supply of raw materials needed by domestic industries, often accompanied by pricing that keeps prices below world prices [13]. The Working Party concluded that under the GATT agreement, any restrictions on exporting raw materials to support domestic industries consume these materials, either by subsidizing domestic industries to purchase these materials or restricting the supply of materials to foreign applicants. It is forbidden, and governments should abandon such policies [14]. But for political and national security reasons, the United States has imposed export restrictions under the Export Control Act and restricted imports through mandatory crude oil and petroleum products quotas. Given the role of the United States in the formation of the GATT (1947) and the importance of oil in the US economy, as well as the political influence of US domestic producers, this article is included in the agreement to protect US resources and in any case for exporting countries can be cited [12].

- **Tariffs and petroleum products:** Negotiating tariff reductions within the WTO is not a significant global challenge for oil-exporting countries, as tariffs on imports of crude oil, petroleum products, and petrochemicals are very low and, in some cases, generally exempt from customs duties [13–15]. As more and more oil exporters gradually become members of the World Trade Organization, in the future, these countries will be able to prevent the increase of tariffs on oil and its products by participating in negotiations and making exporters more accessible to world markets.
- **Taxes and oil:** Significant tariffs do not hamper international trade in petroleum products. Still, governments' heavy taxes in industrialized countries on the consumption of these products have effectively become an obstacle to the export of more oil and petroleum products to these countries, in addition to these taxes. It generates significant revenue for these governments [9]. According to oil-exporting countries, heavy taxes imposed on oil products by importing countries have a double negative effect on these products' consumption than other energy sources, limiting their ability to earn income from natural resources. In GATT 1994, the tax issue was raised. According to them, countries can impose domestic taxes on goods, provided that there is no exception in the taxation of domestic and imported goods. The current structure of the tax on the consumption of oil and petroleum products in industrialized countries is such that lower taxes are levied on similar fuels produced domestically. For example, in countries with coal mines, inequality in petroleum and coal products' taxation contradicts the national behavior principle [2, 3]. Also, in countries that do not produce any fuel domestically, the imposition of different taxes on importing oil and oil and coal products violates the complete government rule.

B. Agreement on subsidies and compensation measures

During the Conference of Uruguay, an agreement on subsidies and compensatory measures was drafted. Under the agreement, a subsidy is any government grant in the form of a direct transfer of funds, a waiver of receivable government revenue, or the provision of government goods and services (except for access to infrastructure). Under this agreement, three types of subsidies are permitted, prohibited, and traceable [9]: Authorized subsidies include subsidies not limited to a specific industry or company. Prohibited subsidies include export subsidies and subsidies that are contingent on the use of domestic products. Traceable subsidies are subsidies paid to a particular industry or company that harm the industries of other members. Compensatory measures can be taken against these types of subsidies. In general, consumer subsidies, such as fuel subsidies paid to consumers, are not subject to the agreement's rules and are allowed to be paid. The subsidy agreement has implications for oil and gas and their derivatives and petrochemical products [3].

C. Anti-dumping law agreement

According to this agreement, the dumped product is a product that is offered at a price lower than its normal price in the domestic market of the target country, and its export price is lower than the price of similar products in the exporting country market [2]. This agreement could also have significant implications for the export of petroleum products and petrochemical products. The supply of cheap energy, oil, and gas to these industries in oil and gas exporting countries has always been considered a factor for dumping in importing countries in other countries. According to the agreement, this factor will be considered dumping only if production facilities' supply at preferential prices is limited to export industries. In oil-exporting countries, cheap raw materials (oil and gas) are supplied to export and non-export industries almost equally, and in this respect, it can not be considered a dumping case. However, the entry of oil into the WTO negotiations and the membership of oil-exporting countries in this organization can effectively reduce such tariffs and tariffs [17–22].

D. Agreement on technical barriers to trade

This agreement contains a list of legal issues on which the technical regulations should be regulated. The list also includes environmental issues, and since oil and petroleum products directly affect the environment, if oil and gas enter the WTO negotiations, its production and world trade will also be affected by the agreement [23]. A number of the rules adopted in this agreement relate directly to oil-exporting countries. First, it is argued that if oil enters the WTO negotiations and unnecessary technical standards and regulations are removed by other oil-importing member countries, their access to the market, especially the markets of major trading partners, will increase. For example, according to the Principle of National Conduct, the United States should abolish unnecessary standards imposed on gasoline imports from Venezuela because they do not meet US standards for domestic gasoline, which would allow Venezuela access to the US gasoline market. Second, the harmonization of standards and technical regulations will lead to the adoption of standards at the international level and with the cooperation of all countries in the world, including developing countries, and this will prevent the high standards set by developed countries, a serious obstacle to Created countries on the way to export[24]. Besides, the harmonization of developing countries with global standards allows them to access all global markets. Of course, it will depend on harmonizing technical regulations and standards in oil and petroleum products, especially with the emphasis on the environment in recent years and the growing trend worldwide. It is growing, and it can create serious obstacles to the trade of oil and petroleum products. The terms of this agreement are very important for oil-rich countries because the rules and technical standards in the oil sector are more complex than in other industries and can affect their competitive position in accessing their trading partners' markets, for example, compounds used in petroleum products for Entering the market of developed countries sometimes faces technical obstacles of these countries [25–28].

E. General agreement on trade in services

This agreement, however, does not directly affect trade in oil and petroleum products. But because of the significant impact it has on oil production, it indirectly transforms its trade, and this is through changes that will take place in the structure of oil-related services. In general, oil-related services range from oil exploration and extraction services to services related to final product distribution [29]. Activities related to exploration, drilling, refining, transportation, distribution, and management can be considered the core of oil-related services. Other services include design and engineering consulting services, warehousing, etc., which play a significant role in the global oil trade. Concerning energy services, especially services related to oil, it should be said that the structure of the oil market strongly influences these activities. In this structure, all activities related to the oil industry, including related services, are under government control or private companies, leading to competition in these activities to a minimum [19]. Accordingly, in oil and petroleum products entering the WTO negotiations, these service activities, which play an important role in the global oil industry, will also be subject to trade liberalization agreements that could affect different countries. WTO members are committed to ending any restrictions on energy services. Of course, the classification of services in the WTO does not provide a separate section for energy services. However, several separate subsections that can be related to energy activities include "services required for mining, services required for energy distribution and agreement on wages or contractual basis in oil and gas fields in business services and transportation of crude oil, petroleum products, and Gas transmission through the pipeline in service [30]".

F. Agreement on the determination of the country of origin

The country of origin rule determines which country is considered the origin of a product whose production process has occurred in several countries. Today, most products are produced due to cooperation between several countries, and sometimes it is difficult to determine the main source of the product from the point of view of international trade. Typically, three different criteria are used to determine the country of origin of a product [9]:
a) Tariff classification change: This criterion considers the country of origin of the product as a country whose manufacturing, production, and processing operations in that country have led to a change in the product tariff classification [6].
b) Percentage of value-added: According to this criterion, the determining factor of the product's origin is when the country's highest value-added of the product has been created.
c) Manufacturing process criterion: This criterion is the basis of an important and key operation and based on it, the country of origin determines the production of the product [31].

The country of origin agreement's ultimate goal is to achieve coordination rules that members must apply to determine their imported products' origin. These rules should not have a restrictive, disruptive, or destructive effect on international trade and should be based on the principles of non-discrimination and the rule of national conduct [5].

5. STRATEGIES FOR OIL DEPENDENT COUNTRIES

As oil is considered as one of the important sources of meeting global energy needs, the economy of crude oil has become international. However, petroleum products' economy is related to societies and countries' domestic needs, nevertheless in product economics. Oil fields also have a global aspect. In today's world, oil is an economic and industrial determinant and a political and security factor. Oil is a key factor in achieving economic, industrial, political, and national security goals [32]. The inclusion of oil in the World Trade Organization reduces the effectiveness of tariff and non-tariff barriers to market entry, the elimination or reduction of taxes paid by the consumer, and other factors against the producer's interests. Besides, oil exporters can benefit from the WTO dispute resolution mechanism [4, 5]. Information on free trade between Venezuela, Chile, and Argentina shows that free trade has been a factor in expanding market access for these countries. The inclusion of the oil issue in WTO negotiations has different effects on oil-exporting countries. This issue's impact depends on the sustainability of countries' oil resources, economic structure and composition of oil exports, and their development degree. Given that most oil developing countries are not dependent on oil revenues, the following strategies are suggested for these countries if oil joins the World Trade Organization [33]:

- Given the WTO's history, it appears that members with an effective business share in the WTO have been able to successfully influence GATT rules through personal or group interpretations, indicating that GATT rules can be He took different interpretations. Therefore, it is suggested that oil-exporting countries form a group of high-level experts at the OPEC Secretariat or elsewhere with the ability to conduct in-depth studies on complex GATT and oil issues [34]. This group of experts should study the general situation and the issues and problems expected to arise in the WTO and provide appropriate guidance and advice to these countries' negotiators and decision-makers to make the most of the WTO negotiations [35].
- Major oil exporters, especially the Gulf states, which meet most of the world's oil needs, should work to establish the WTO. This cohesive group should hold regular meetings. However, these meetings do not have to be in the form of a formal institution. However, through these meetings, senior experts and officials from these countries can share their experiences through a group and coordinated channel in the WTO negotiations [36].
- It is suggested that in calculating lower energy prices in oil-exporting countries' domestic markets, purchasing power parity should be used as a criterion instead of exchange rates. Based on this criterion, it may be concluded that what is presented as double prices and energy subsidies is not so severe [5, 23].
- As consumption taxes are levied equally on imported oil and domestically produced oil, they are non-discriminatory and are permitted under GATT regulations. However, in many countries, domestically produced oil is scarce or non-existent. Therefore, in this case, there is a possibility of objecting to such taxes in the future. Especially as the WTO is expected to extend its regulations to national economies in the future, this will also be the case if major oil-consuming countries impose higher taxes to protect the environment [3, 24].

- It is suggested that skilled and elite human resources training and recruitment be one of OPEC countries' most important programs. Human capital is the highest and most valuable capital needed by actors in the international arena [7, 25].
- Given the relationship between fossil fuels and the environment, oil-producing countries and other developing countries should be actively and strategically involved in the decision-making process and important decisions on global environmental issues and problems in the form of environmental meetings [6, 26].
- Given that with the accession of oil to the WTO, oil companies will be more competitive in oil countries, and national oil companies in oil countries must compete with these companies according to trade laws, so oil countries, especially OPEC members countries. It should consider technology absorption and development without wasting time and consider falling behind the technology caravan as the most important challenge facing it [2].

6. CONCLUSIONS

This study examined the impact of including crude oil in WTO agreements. To address this issue, various topics were discussed, such as the WTO process, a history of oil and the WTO, a review and comparison between OPEC and the WTO, and the advantages and disadvantages of WTO oil inclusion. Based on what has been said in these sections, based on various principles and agreements such as the principle of full-fledged, national behavior and quantitative restrictions, when the issue of oil, like other commodities, enters the WTO negotiations and is priced in a free and competitive environment, political factors And unbalanced relations between oil importing and exporting countries will no longer play a role in determining oil prices. The oil will change from a strategic and political commodity to an ordinary commodity. Since the oil price in the market is affected by various issues such as psychology and supply and demand, the inclusion of oil in the World Trade Organization will, directly and indirectly, affect the psychological issues and supply and demand of crude oil. Principles such as national behavior can directly affect crude oil demand. Also, the principle of quantitative restriction can directly affect the supply of crude oil. Besides, agreements such as service trade agreements can affect engineering service providers' roles at various stages and move them towards competition. In general, given that most countries globally, both suppliers and suppliers of crude oil, are members of the World Trade Organization, the inclusion of crude oil eliminates some of the issues affecting the oil market and oil prices. For example, non-tariff laws such as sanctions on the oil market will be eliminated by both the supplier and the applicant. Since oil-importing and exporting countries have their interests, exporting countries must increase their influence and influence in this organization to maintain their interests. Of course, since oil is a commodity in which governments in different countries intervene in its trade, the WTO will likely impact the crude oil market over a long period.

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