



# OIL PRICE FLUCTUATIONS AND THEIR IMPACT ON THE ECONOMIC INDICATOR OF SUSTAINABLE DEVELOPMENT REPRESENTED BY THE GROSS DOMESTIC PRODUCT IN IRAQ FOR THE PERIOD 2010-2023

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Article history:	Abstract:
<p><b>Received:</b> 10<sup>th</sup> April 2026 <b>Accepted:</b> 8<sup>th</sup> May 2026</p>	<p>The funds made from crude oil so important for the financial resources of Iraq that it has become the chief financing source of development projects in the general budget.</p> <p>The study that we have if, however, it finds a co-integration relation between two variables, that is the oil prices and the GDP, will achieve the aims set above. Investigating causality between oil prices and GDP through the directionality of the analysis. That is to say, the economic review. The recent shift in oil prices influenced GDP, which is one of the sustainable development indicators, and it was looked into. There was a positive short-run link between oil prices and GDP. For instance, a \$1 rise in oil prices will result in a \$10 rise in GDP. The study finds the opposite according to this data. Put differently, for every dollar oil price increases GDP will fall by a dollar 1.8. Utilization of oil revenues should take place as soon as possible. For a long time, the foreign monopolistic firms' control or wars and economic sanctions hardly gave rise to the application of revenue in the competitive market. They were squandered because of corruption over in Iraq, on the other hand. A rise in crude oil prices will create new regime and opportunities for growth in type of GDP and a production increase in the long term.</p>

Oil prices, GDP

## Keywords:

### INTRODUCTION

As of 2019, oil continues to be a good that is in demand in the world market. The commodity is non-renewable and has a limited supply. The pricing of a commodity is determined solely by the cost of production and the demand-supply pricing. The price can be affected by economic factors and political factors. Both the exporting and importing countries are affected by these factors. In early 2010, oil markets began to suffer a crisis due to the fluctuation of oil prices. The biggest drop of oil prices in 2014 make a major shift of the oil market. The incident has made people remember that the loss of oil is very dangerous to oil producers in particular Iraq because of Iraq's place in the world economy. To sum it all up, Iraq's economy is a rentier economy relying on oil revenues to achieve economic growth. Prices of oil affect GDP which is a measure of fundamental growth. Thus, oil prices do have a significant impact on the country's trade balance and other economic activity. In that regard, it plans to estimate and study the effect of changes in oil price on the GDP of Iraq measured by sustainable development through ARDL program.

### Study problem

Iraq receives a significant portion of its overall budget from oil revenue whose international price fluctuations affect the sustainability of gross domestic product and the economy of Iraq as a whole. The next inquiry that shapes question or issues under .

In what ways does the change in the price of oil affect the gross domestic product of Iraq as an economic barometer of sustainable development?

### Study hypothesis

Iraq's GDP would positively correlate with changes in oil prices worldwide as per the theory of sustainable development.

### Importance Of The Study



The oil used in refining may act as either a feedstock or a fuel. This study is thus important. Supply and demand shifts can cause displacements to happen. The study aims to present and analysis the most important consequences of the change of oil prices on the sustainable development economic indicators that is the gross domestic product in Iraq.

**Study objective:**

The aim of the study is to recognize the effect of oil price volatility on the sustainable development economic indicator (gross domestic product) and to recognize oil as an essential commodity in the production process or the main production factor.

**Study methodology:**

The research started with linking the theoretical side of things. It analyzed the relationship between oil and the economic indicator of sustainable development which is gross domestic product. The analysis investigated the relationship between changes in oil prices and the GDP. Finally, it used standard analysis methods to measure the relationship of these two variables using ARDL model.

**Study limits :**

**Spatial dimension :** Study of the Iraqi economy.

**Time dimension:** Study period ( 2010 - 2023 ).

**Study plan**

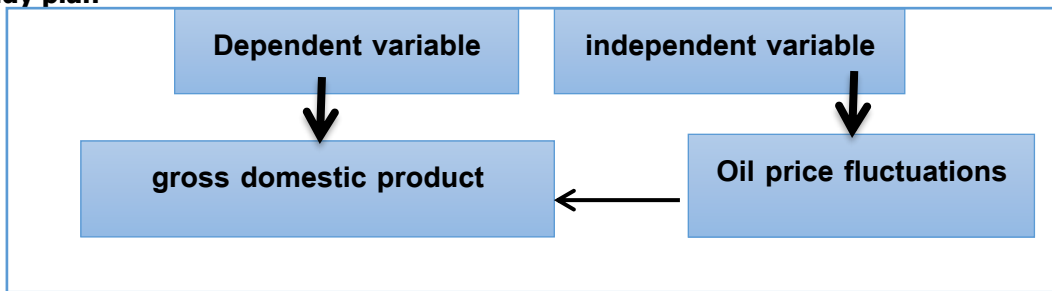


Figure (1) shows the hypothetical scheme of the study.

**Part One**

**THEORETICAL FRAMEWORK OF OIL PRICE AND GDP**

**THE FIRST REQUIREMENT: THE THEORETICAL FRAMEWORK OF THE CONCEPT OF OIL PRICE**

**First: The Concept Of Oil Price**

It is regarded as a key commodity and an essential ingredient needed for trade and industry. This commodity, referred to as "black gold", has been linked with contemporary economic history and has most affected the traits of the world economy. The finding of a scarce, limited and vital basic commodity which controls entire economies is not a chance discovery. A single oil shock might effectively paralyze and shift existing economies. (Majid, 2016, 235). Oil price refers to the value in monetary terms of a petroleum commodity at a given location and time (Al-Hiti, 2006, p. 63). The monetary value of petroleum, or its commodity, most recently quoted by reference to cash during a certain time and under the impact of a number of other economical, social, political and other variables, represents oil prices. Sudden and unexpected changes in oil prices, sometimes so sudden and sharp that they obviously affect economic agents, both producer and consumer, are called oil price fluctuations; the type of these effects varies by producer . (Al-Tamimi 39, 2022)The money value, or monetary image, of a barrel of crude oil, that is measured in United States dollars (USD) and consists of (159) liters, is known as the oil price is expressed in U.S. monetary units.. The price of Oil is subject to constant fluctuation due to the global oil market that is both dynamic and volatile. The rising instability of oil market prices has made oil prices unstable or subject to constant fluctuations until the phenomenon of fluctuations has become a global concern since the early 1970s until now. The global financial crisis that took place in the world economy had an adverse affect on the oil economy which was quite visible in the international oil market as a drop in the oil prices. From these criteria, one can see that the changing price of oil has good and bad effects on importing and exporting countries (Saudi, 2019, 8.). When oil prices go up, exporting nations profit and importing nations lose; when they go down, they switch. Due to the dependence of other industries on oil revenues for general government spending, importing countries gain from the fall in oil prices because of increases in real income; exporting countries are hurt.

**Second : Reasons for oil price fluctuations:**



The price of oil is impacted by a number of factors and forces that make this price highly volatile. Among these factors, some have to do with the economy, some politics and some the climate. The following are the major factors that affect the oil price:

**1- Economic factors:**

The equilibrium between demand and supply, along with international oil reserves, is essential for ensuring market stability as it is a potent commodity and helps in the economic development at various levels. The global oil supply and demand are influenced by various factors (Abdul Redha, 2011: 24).

**2- Technological development and renewable energy.**

Improving the pattern and methods of oil operations in their various stages, reducing costs, and increasing the efficiency of oil extraction from oil fields and reservoirs leads to a positive impact on overall prices. Oil-consuming countries have agreed to establish the International Renewable Energy Agency to reduce the need for crude oil, search for environmentally friendly alternatives, and confront the risks of depletion of oil and gas reserves. Among these were the use of methanol as a fuel for cars, the use of electric cars, and the use of solar energy, wind, water currents, and hot water in the earth's crust to generate electricity, in addition to nuclear energy. There is what is known as cosmic electromagnetic energy to drive car wheels without fuel, which is known as the third industrial revolution, which is still at the level of future research that has not been applied on the ground. The decline in oil prices no longer affects the process of growth and increase in renewable energies due to the continuous support of this agency (Kitan 2017, 7).

**3- Political factors.**

According to analysts, the oil market is feeling the heat of political moves on the global front, where many geopolitical advices threatens in different world regions. The geo-political menace is too much and a never-ending global phenomena of politics affecting economic decision will never cease to exist. The experts suggest that the oil crises, geopolitics, natural disasters, and others explain the imbalance in price levels. You see, in the past few years, there has been no shortage in supplies, which is the key traditional reason behind any rise or fall in prices. It was interesting to note that the short-term price booms were all unplanned. (Al-Nadawi, 2010, 4).

**4- Oil reserve size**

The quantity of oil reserves is one of the key variables influencing oil pricing. This happened when the discovery of new and proven oil reserves with the economic costs of being produced in accordance with the level of crude oil prices prevailing in the oil markets, affect price behaviour and price level. 106. (Abdul Redha, 2011)

**5- Climate change**

Climate changes throughout the year affect the levels of demand for oil. For example, it has been observed that demand levels in consuming countries decrease during the summer due to high temperatures, while demand increases in the winter (Ehsan, 2021, 16).

**6- US dollar exchange rate.**

There is a strong and stable correlation between the price of dollar and price of oil. All oil transactions are done in US dollar because of this reason and that is how international price of crude oil is determined. The economies of producing countries will therefore be adversely or positively affected by the stability or increase in value of the dollar. Due to the variation in the exchange rate, crude oil prices move up or down and as the dollar decreases, the oil price goes up in dollars (3) (Kitan 2017, 9).

**Second Requirement: The theoretical framework of the gross domestic product**

**First: The concept of gross domestic product**

The Gross Domestic Product (GDP) is the value of all the goods and services which take place in an economy in a year. GDP or Gross Domestic Product represents the aggregate value of all goods and services generated in a specific period. Yearly manufacturing (Al-Rawi, 2011, 13). The current GDP refers to the monetary value of the output of any goods and services produced by individuals and organisations of the same community during a stipulated time period, mostly a year by the residents of the territorial area of the nation regardless of nationality. The domestic product is a geographical concept; national income depends on the country's physical area (Al-Jalabi, 2015, 19). Some understand heterodox GDP as the sum of added values produced by the production sectors which all occurs within the borders of the state by the domestic and foreign forces of production (Alhasnawi, 2014:190). By contrast, directing to the whole value of output is indicative. One of the uses of gross domestic product (GDP) is to measure gross value of total output. Accordingly, the manufacture of a foreigner residing on the state's territory is included but the manufacturing of a person who is outside the state is excluded (Al-Rawi, 2011, p. 14).

**Second: The importance of GDP:**

The GDP gives a broad outlook of the economy. According to government policies and actions by central bank central bankers, it can tell us whether the economy is growing or shrinking, and if it needs a stimulus or a restraint or if



recession or high inflation risks loom. Policymakers, economists, and businesses can assess the impact of monetary and fiscal policy and economic shocks, such as higher oil prices, tax and spending initiatives on particular subgroups and the economy as a whole through the national income and product accounts that GDP measuring tool. National accounts have participated via more educated institutions and policies in reducing the severity of economic cycles since the end of World War II.

**Third: Methods of calculating the gross domestic product**

The GDP in any country may be measured by three main means which may be shown by the following items (Al-Shammari ,2018:31{.

Measured According to Production Item:It measured according to the production items and then the economic sectors which are which are constitutive of this country and method ultimately which rely on the general supply side of the economy. The GDP are being measured according to an whose economy and we take the difference between the sum of the values of the final production of goods and services for all production units decision-makers in the economy and the values of the goods and services which whereupon which consumed as intermediary in the production process, in the end, we obtain what is called The value-added of all economic sectors the total of which is the GDP:

Calculated According to Expenditure Item:It is the second indicator for calculating GDP. This method focus on overall demand side and includes the following items. first total domestic consumption. It consists of two parts one is totally private consumption which represents the total expenditure on goods and services which produced locally by households and public institution and for purpose of Own consumption. The second part will be total public consumption, which is what was spent by the government to purchase goods and services which government uses to consume itself.

Total local investment: This is represented by spending on public projects, such as spending on establishing a project to produce electricity, establishing a housing project, establishing transportation companies, or what they spend to purchase fixed assets such as equipment used in the production process or the infrastructure for the public and private sectors.

The net exports refer to the value of the products and services we export minus those we import.

The process of assessing a nation's GDP via income components entails aggregating the total returns received by the country from diverse production articles depicted as land, capital and organization.. (Majid, 2016, 250)

**PART TWO :ANALYTICAL FRAMEWORK FOR OIL PRICE AND GDP**

**THE FIRST REQUIREMENT: THE ANALYTICAL FRAMEWORK FOR THE CONCEPT OF OIL PRICE**

During this period, oil prices fluctuated due to the instability that this year was exposed to during this period. As seen in Table (1), oil prices went up to (77) dollars per barrel in (2010-11). After that, there was rising and falling of oil prices. The year with the peak oil price was 2012 when it recorded (109) US dollars per barrel while the lowest year was 2016 when oil prices reached (41) US dollars but the average for the years from 2010-2023 reached (76.07) US dollars as in the following table:

Table (1) Evaluating the reality of oil price movements for 2010-2023..

Growth rate	Oil prices dollar	Years
0.39	77	2010
0.02	107	2011
0.03	109	2012
-0.09	106	2013
-0.48	96	2014
-0.18	50	2015
0.29	41	2016
0.32	53	2017
-0.09	70	2018
-0.36	64	2019
0.71	41	2020
0.36	70	2021
-0.09	95	2022
-1.00	86	2023
	76.07	Average



Source: IMF data, OPEC, various editions.

According to the graph (1) during the study period (2010-2023) the prices of oil reached their highest levels in 2012 when they reached (109) dollars, and the reason for this is the improvement of the security situation and political stability in the world while they were the lowest Throughout 2010-2023, they were in 2016 when they reached (41) dollars, which is very low as a result of the deterioration of the security situation and economic instability in the countries as shown in the following graph:

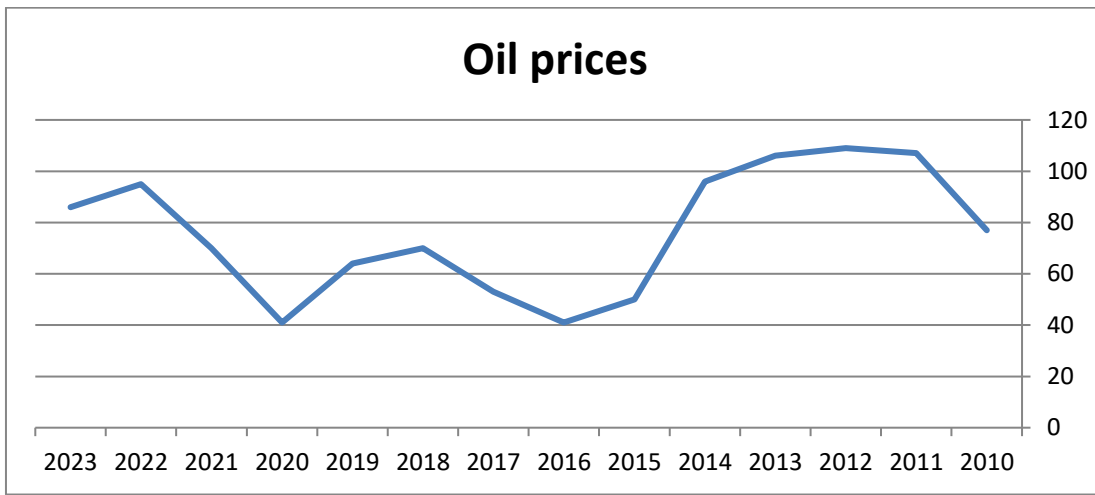


Figure (1) The trend of Iraqi oil prices for the period 2010- 2023

Source: The researcher made this based on the information from the Table (1);

**Second: Analysis of the reality of the gross domestic product in Iraq.**

Performing the years when extraordinary occurrences led to a decline in GDP, there has been a remarkable rise in the GDP as a whole. Due to the significant rise in oil exports, the lifting of sanctions and the opening of the economy to the world, GDP growth has increased and consequently the value of the Iraqi dinar has increased which increased the value of the dinar against other currencies as well. According to the research, increased exports and oil prices helped increased economic sector of Iraq and thus GDP is increasing at different rates due to increased oil sector value added and crude oil income.

The GDP in 2010 was 132687028.6 million dinars. The worth continued to climb. Due to the consequences of the security situation that Iraq has witnessed, which took place at the beginning of 2014, as represented by the entry of terrorist groups and their takeover of some governorates, as well as the sharp fall in oil prices and thus the fall in oil revenues, demand did witness recovery, but this recovery was short-lived as it began to reverse course and enter the downward path once again.

In 2020, the GDP dropped by 0.01% before rising to approximately To (205,130,066.9) million dinars in 2021. After that, there was nothing but slow growth in the GDP. Because the situation has improved and the criminal groups of ISIS have been eliminated. Expulsion of Iraqi cities such as Mosul was yet another factor. Also, we noted the increase in the exported oil price and oil export as well. Ultimately, this was reflected in the GDP.

Table (2) A study of the reality of the gross domestic product development in Iraq for the period (2010-2010).

Growth rate	gross domestic product	Years
-	132687028.6	2010
0.07	142700217.7	2011
0.13	162587533.1	2012
0.07	178951406.9	2013
0.02	178951406.9	2014
0.02	183616252.1	2015

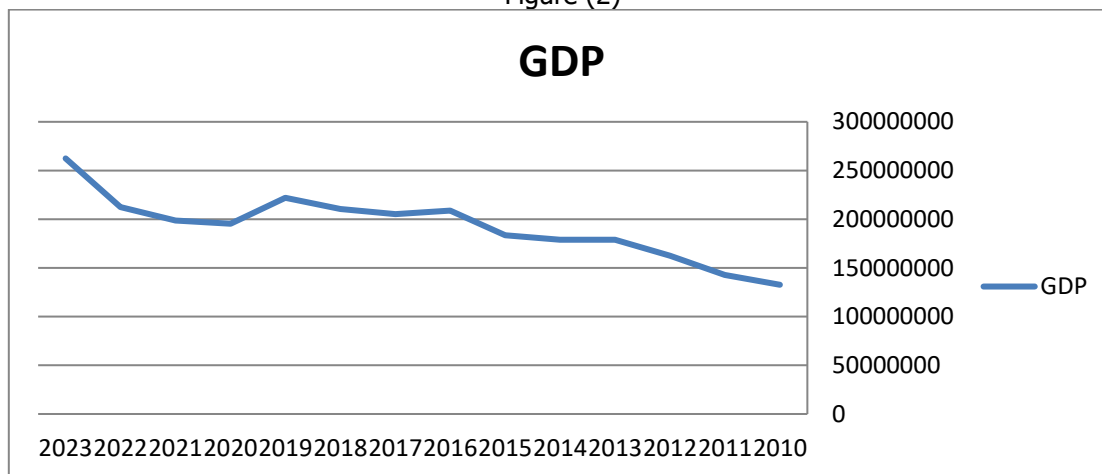


0.13	208932109.7	2016
-0.01	205130066.9	2017
0.02	210532887.2	2018
0.05	222141229.7	2019
-0.12	195402549.5	2020
0.015	198496540.5	2021
0.07	212408657.3	2022
0.23	262431112.3	2023
192497785.6		Average

Source: Ministry of Planning, Central Statistical Agency, National Accounts Directorate.

The GDP in 2013 reached the peak point of 262431112.3 million dinars as shown in the graph (2) below, which is the greatest amount throughout the 2010-2023 period. In 2010, it recorded its lowest value (132,687,028.6) million dinars, which is a significant low according to the below graph. It is reported that the increase in oil revenues has been due to the recent rise in global oil prices, growth in exports and security improvement leading to the gains.

Figure (2)



The general direction of the GDP trend in Iraq for 2023.

Source: As the data in Table (2) illustrates, this was made by the researcher.

### Third: The contribution of oil revenues to public revenues and the gross domestic product

Government revenues and gross domestic product mainly comes from the oil industry. The economy of Iraq is primarily reliant on quarterly data. The changes in both the internal and external sectors will affect this sector, hence, there will be some impact upon the structure of the GDP. According to Table 3, the oil industry's contribution to the gross domestic product of the economy and the formation of state revenue at constant prices between 2010 to 2023 is 95.2 %. Also, 54 % of the income of the state comes from oil production. Up until the year of 2014, GDP oil revenue's share was continuously on the rise. In 2014, two events partially contributed to the financial failure of the Iraqi state: the occupation of large areas and major cities in Iraq by ISIS gangs and the drop-in oil price to \$50.77. The oil revenues contributed to the state revenues, 54.2%. An increase in crude oil prices means that oil money makes up more than 94% of all government revenues. As can be noted from the table given below, the GDP of the country is around 76.2%.

Table (3) Forecast of oil revenues implication on public revenues and GDP in Iraq over the period 2010-2023.

Oil price	relative importance	gross domestic product	relative importance	General revenues	Oil revenues	Years
77	50.4	132687028.6	95.2	70178223	66819670	2010
107	68.7	142700217.7	98.1	99998776	98191214	2011
109	71.7	162587533.1	97.6	119466403	116597176	2012
106	63.2	178951406.9	97.3	113767395	110677542	2013
96	54.2	178951406.9	77.2	105386623	97072410	2014
50	27.9	183616252.1	81.4	66470252	51312621	2015



41	21.2	208932109.7	84.4	54409270	44267063	2016
53	31.7	205130066.9	89.7	77335955	65071929	2017
70	47.2	210532887.2	92.2	106569834	95619820	2018
64	46.8	222141229.7	86.3	107566995	99216318	2019
41	27.9	195402549.5	86.3	63199689	54448514	2020
70	47.8	198496540.5	87.3	109081464	95270298	2021
95	72.1	212408657.3	95	161697437	153623277	2022
86	76.2	262431112.3	94	175787564	165432176	2023

Source: Ministry of Planning, Central Statistical Organization, Baghdad, Iraq. OPEC, various issues.

**PART THREE: THE STATISTICAL ASPECT OF THE IMPACT OF OIL PRICE FLUCTUATIONS ON THE ECONOMIC INDICATOR OF SUSTAINABLE DEVELOPMENT**

**First: Study indicators**

Table ( 4) Study indicators

Description	Variable name	Variable symbol
The dimension is dependent	gross domestic product	GDP
The dimension is independent	Oil prices	OIL Price

Source: Prepared by researchers.

**Second : Unit root test:**

Before a statistical measurement, unit root tests help us to understand the Stationarity of time series data. The table below gives us the Stationarity test of our time series. Therefore, we based it on the Phelps-Perron test. The reason for getting ground floor for its accuracy of results is the uniqueness of Student as well as Teacher..

Table ( 5) Results of Phillips-Perron Test Statistic.

Stability test						
Variable	Level			1 <sup>st</sup> Difference		
	PP	Sig.	Result	PP	Sig.	Result
<b>OIL Price</b>	<b>2.9983</b>	<b>0.0015</b>	<b>stationary</b>	<b>2.1009</b>	<b>0.0000</b>	<b>stationary</b>
<b>GDP</b>	<b>4.3454</b>	<b>0.0765</b>	<b>stationary</b>	<b>2.6723</b>	<b>0.0000</b>	<b>stationary</b>

Source: Eviews.13 output

According to the table above, the results show that the data are stationary at level and first difference means that the data are economically measurable..

**Third : Estimating the simple regression model to determine the impact of oil price fluctuations on the economic indicator of sustainable development.**

**1- appreciation ARDL:**

Based on the stationarity tests conducted in this research, most of the main desired statistical tests can be interpreted with the data stationary at level or at first difference as shown below.

Table ( 6 ) This is ARDL model preliminary estimation results..

Dependent Variable: GDP			
R-squared	0.97846	Mean dependent Var	19304.23
Adjusted R-squared	0.97758	SD dependent var	272836.1
F-statistic	1113.188	Durbin-Watson stat	2.195178
Prob(F-statistic)	0.000000		

Source: Eviews13 outputs

As shown from R2 test result given in Table 6, oil prices explain 97% of changes taking place in the GDP while 12% are unexplained due to external factors. In case of F test, it shows that overall significance of the model at probability level less than 5 percent..



**2- Bound Test:**

This test can apply Bound Test to study whether these indicators study co-integrated or not, as presented in the below table..

Table ( 7)

Bound Test: Results of Limit Test.

Null hypothesis: No relationship levels		
Test Statistic		Value
F-statistic		10.9797

5%	
I(1)	I(0)
4.233	3.34

Source: Eviews.13 outputs.

The values in F in the earlier F-test are the result for (10.9797) in parentheses that surpasses the value table of F. At 5% probability level, oil price volatility and gross domestic product at independent level have cointegration relationship of 6810.543. This indicates that these two dimensions have a good cointegrating relationship because they are moving into the same direction.

**3- The simple decline between oil prices and GDP in the short term.**

The purpose of this test is to present the results of the short-term simple regression testing of the research variables that show the size of the effect. Independent dimension and dependent dimension are two types of dimensions. Below data on the link between.

Table ( 8)

The uncomplicated decrease between oil prices and gross domestic product in the short run.

Dependent Variable: D(GDP)				
Method: ARDL				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
COINTEQ*	0.0541857	0.0250729	2.161126	0.0356
OIL Price	10.078656	27.478867	3.667784	0.0006

Source: Eviews.13 outputs

OIL Price GDP table above will hence simple regression result the existence of positive effect or the relationship of regression is success or positive. The GDP increases tenfold as the oil price rises by one unit..

**4- The simple decline between oil prices and GDP in the long run**

Through this test, we know the long-run parameter estimates to show the support of the independent variable to the dependent variable. Also, it studies the type of long-run relationship as in the following table. .

Table ( 9)

Long-term parameter estimation results

Variable *	Coefficient	Std. Error	t-Statistic	Prob.
OIL Price	-1.860020	7.36528.4	-2.525388798	0.0147
C	2.580178	4.208406	6.797979848	0.0000

Source: Eviews.13 outputs

The results of the simple regression showed through the previous table that there is a negative effect between the independent dimension OIL Price and the dependent dimension GDP , meaning that the regression relationship is successful and inverse, meaning that if OIL Price increases by one unit, then GDP increases. It decreases by 1.8 times

**Third: Post-tests (confirmatory):**

After completing the statistical tests and for the purpose of Verify And accuracy Results which we got in previous tests will We begin By procedure some Tests Dimensionality Mission To prove that And as The following:

- 1- **Correlation problem** : This test shows whether there is a correlation problem between the independent dimension and the dependent dimension through Prob. If the significance is less than (5%), this means that there are no correlation problems between the dimensions. If the opposite is true, then the model suffers from a correlation problem between the study dimensions, as in the following table:

Table ( 10) Self-association

LM Test			
F-statistic	0.08764	Prob. F(2,37)	0.6654
Obs*R-squared	0.08764	Prob. Chi-Square(2)	0.4432

Table: Outputs ( 13. Eviews ) .

- 2- **Heteroskedasticity test** This test shows whether there is a problem of heterogeneity between the independent dimension and the dependent dimension through Prob. If the significance is less than (5%), this means that there are no problems of homogeneity between the dimensions. If the opposite is true, then the model suffers from a problem of homogeneity of variance between the dimensions of the study, as in the following table:

Table ( 11) heterogeneity of variance

ARCH			
F-statistic	<b>2.0098</b>	Prob. F(1,42)	<b>0.2253</b>
Obs*R-squared	<b>2.7865</b>	Prob. Chi-Square(1)	<b>0.2634</b>

Table: Outputs ( 13. Eviews)

- 3- **Normal distribution problem**: This test shows whether the data is normally distributed. This can be known through the significance of the graph as follows:

Figure (3) Normal distribution

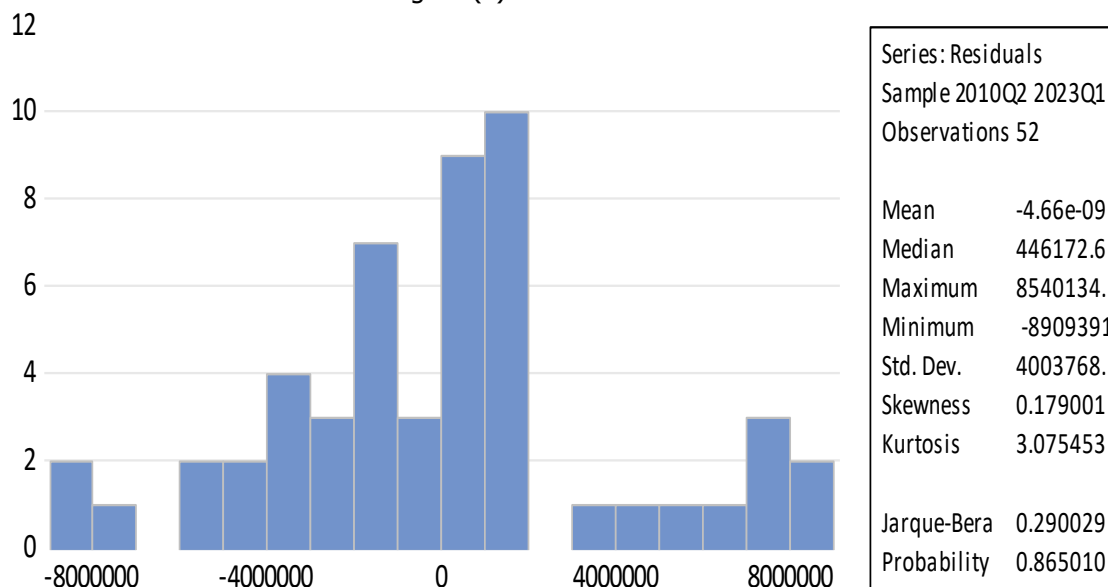


Figure: Outputs ( 13. Eviews. )

## RESULTS AND SUGGESTIONS

### First: Results

1. The unit root test showed that the study variables do not suffer from standardization problems.
2. the ( Adjusted-squared ) test showed that oil prices It explained ( 97 %) of the change that occurs in ( GDP ), and the remaining percentage ( 12 %) is due to external factors that cannot be measured.
3. The results of the study showed that there is joint integration between the dimensions, meaning that the dimensions move in one direction.



4. The basic regression results in the short run show some link we noticed in the data. The Oil price As an independent variable and GDP As a dependent variable. That is to say, when increasing If the OIL price increases by one unit GDP rises by 10 units.
5. The results are those from the simple regression which show some relationship in the long-run. Using OIL Price as an independent variable and GDP as a dependent variable, a reverse correlation is noted. That is, if OIL Price increases by 1 unit then the GDP will decrease by 1.8 units..

### **Second: Proposals**

1. Working to invest the oil wealth from the available and discovered fields, increasing production and increasing the number of oil exporting outlets to avoid abnormal conditions that may lead to the cessation of some of them, and the sustainability of continued production and export.
2. Working to exploit oil revenues as quickly as possible and to compensate for the long period of time that was not exploited properly, either due to the control of monopolistic foreign companies, wars and economic sanctions, or as a result of the waste and corruption that Iraq suffered from.
3. of GDP growth and increased production can be achieved in the long run by taking advantage of high oil prices.
4. And relying on a well-balanced production system and efficient management that has the ability to exploit the available opportunity.

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