National Oil Company Database: Global Launch

OpenGovHub, Washington, DC
April 25, 2019

Presented by
Patrick Heller
Outline

1. Why national oil companies matter
2. Database content and methodology
3. What we’ve learned
4. Implications for the field
Why NOCs matter

Huge influence

Major reverberations

沙特阿美 (Saudi Aramco)  
 Gazprom  
 PDVSA  
 PEMEX  
 Petronas  
 Ecopetrol
At-risk players

60 percent of survey respondents experienced corruption with SOEs in oil and gas.

Major obstacles to governance:
1. Complex mandates
2. Large rents
3. Opacity

Resource Governance Index

© 2019 NRGI.

https://resourcegovernanceindex.org/
Outline

1. Why NOCs matter
2. Database content and methodology
3. What we’ve learned
4. Implications for the field
NRGI National Oil Company Database

A project by the Natural Resource Governance Institute

National oil companies (NOCs) play huge roles in their home-country economies and are critical players in global oil and gas markets. This open database compiles information on the production, revenues, operational and financial performance of 71 NOCs. Data has been drawn from official public documents, and assembled using a consistent methodology to facilitate cross-cutting analysis and benchmarking of individual companies.

EXPLORE
135 indicators organized into eleven groups
## Data challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Mitigation approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data availability: Many companies do not disclose key data. Data on spending, profits and employment was weakest.</td>
<td>Extensive search of official sources. Analysis focuses on data-rich indicators</td>
</tr>
<tr>
<td>Inconsistent terminology, accounting practices across companies</td>
<td>Standard definitions for indicators, search through detailed/disaggregated information where available. In some cases, a company’s definition of a term may differ from our indicator.</td>
</tr>
<tr>
<td>Interpreting data: wide variety among different NOCs</td>
<td>Analysts should endeavor to compare NOCs to similarly-situated peers. Website features several filters for different peer groups.</td>
</tr>
</tbody>
</table>
Extensive coverage

71 national oil companies

70k+ total data points
NOC assets in context

Total NOC asset value captured in the database, 2017: $3.1T

Total NOC revenues captured in the database, 2017: $1.9T
The website: Explore by indicator

Select indicator from 11 groups.

Filter data based on company characteristics

Download results of data query or entire dataset

### Oil & gas production - barrels of oil equiv./day

<table>
<thead>
<tr>
<th>Company</th>
<th>Country</th>
<th>Data Source</th>
<th>2011</th>
<th>2012</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>KazMunayGas</td>
<td>Kazakhstan</td>
<td>Company Reporting</td>
<td>505,687</td>
<td>522,852</td>
<td>571,314</td>
<td>570,207</td>
<td>577,704</td>
</tr>
</tbody>
</table>

© 2019 NRGI.
The website: Explore by company

Select based on company or country

Consult source documents, explore the company’s website or examine related data on the Resource Governance Index
Outline

1. Why NOCs matter
2. Database content and methodology
3. What we’ve learned
4. Implications for the field
NOCs are giants, playing a bigger role in public financial management than previously understood.

25+ countries where NOC collects revenue equivalent to more than 20% of total government revenue.

<25% Amount of their gross revenues most NOCs transferred to their countries’ governments.

NOC gross revenues as % of general government revenue, per IMF, 2013
During boom times, NOCs spent much of the windfall

- When NOC revenues rose, their spending rose more sharply. Their transfers to government did not rise as much.
The debts of many NOCs pose economic risks

NOCs had debts in excess of 5% of GDP. Where NOC is unable to meet debts, costly bail-outs can be necessary.
Outline

1. Why NOCs matter
2. Database content and methodology
3. What we’ve learned
4. Implications for the field
For governments and NOCs: A data-rich approach can facilitate policymaking and oversight

Transfers to government per barrel of oil equivalent, USD, sub-Saharan African NOCs

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola (Sonangol)</td>
<td>..</td>
<td>91</td>
<td>86</td>
<td>68</td>
<td>35</td>
<td>26</td>
</tr>
<tr>
<td>Cameroon (SNH)</td>
<td>80</td>
<td>71</td>
<td>73</td>
<td>63</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Chad (SHT)</td>
<td>96</td>
<td>98</td>
<td>51</td>
<td>38</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Congo (Rep.) (SNPC)</td>
<td>94</td>
<td>109</td>
<td>98</td>
<td>69</td>
<td>..</td>
<td>..</td>
</tr>
<tr>
<td>Côte d’Ivoire (Petroci)</td>
<td>27</td>
<td>32</td>
<td>27</td>
<td>20</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Ghana (GNPC)</td>
<td>59</td>
<td>63</td>
<td>68</td>
<td>79</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Mozambique (ENH)</td>
<td>..</td>
<td>..</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Nigeria (NNPC)</td>
<td>..</td>
<td>53</td>
<td>49</td>
<td>48</td>
<td>22</td>
<td>..</td>
</tr>
</tbody>
</table>
Remember, not all NOCs are the same

- NOCs vary in size, mandate, geological endowment and experience.
- They also vary in the goals that the companies and their governments prioritize.
- Comparative benchmarking is most appropriate when you look at one company against others that are similar.
For governments and NOCs: Help improve data coverage!
Major gaps in transparency remain

NOC reporting on key indicators, by region, 2015

<table>
<thead>
<tr>
<th>Indicator</th>
<th>All</th>
<th>Asia-Pacific</th>
<th>Eurasia</th>
<th>Latin America/Caribbean</th>
<th>Middle East/North Africa</th>
<th>Sub-Saharan Africa</th>
<th>Western Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of companies in sample</td>
<td>71</td>
<td>16</td>
<td>6</td>
<td>13</td>
<td>17</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Total oil and gas production</td>
<td>75%</td>
<td>69%</td>
<td>83%</td>
<td>92%</td>
<td>59%</td>
<td>76%</td>
<td>100%</td>
</tr>
<tr>
<td>Revenues from oil, gas, product sales</td>
<td>63%</td>
<td>69%</td>
<td>83%</td>
<td>85%</td>
<td>29%</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Total NOC revenues</td>
<td>66%</td>
<td>88%</td>
<td>83%</td>
<td>85%</td>
<td>35%</td>
<td>53%</td>
<td>100%</td>
</tr>
<tr>
<td>Net income from core revenues</td>
<td>51%</td>
<td>69%</td>
<td>67%</td>
<td>77%</td>
<td>24%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Total transfers to the treasury</td>
<td>65%</td>
<td>88%</td>
<td>83%</td>
<td>77%</td>
<td>24%</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>48%</td>
<td>63%</td>
<td>83%</td>
<td>69%</td>
<td>24%</td>
<td>24%</td>
<td>100%</td>
</tr>
<tr>
<td>Operational expenditures</td>
<td>56%</td>
<td>81%</td>
<td>83%</td>
<td>85%</td>
<td>24%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash flows from operations</td>
<td>51%</td>
<td>63%</td>
<td>83%</td>
<td>77%</td>
<td>24%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Total assets</td>
<td>59%</td>
<td>81%</td>
<td>83%</td>
<td>85%</td>
<td>35%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Employees</td>
<td>45%</td>
<td>50%</td>
<td>67%</td>
<td>46%</td>
<td>29%</td>
<td>41%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Improvements require more reporting, but also clearer reporting.
For international actors and civil society

• International standards to help tackle the most persistent gaps in reporting:
  - Company expenditures
  - Composition and distribution of company transfers to government

• Making SOE governance a top priority in public financial management reform

• Facilitating cross-country learning and experience-sharing – NOCs and governments are hungry to keep improving, help them!
Thank you

→ www.nationaloilcompanydata.org

Patrick Heller

pheller@resourcegovernance.org

@prpheller