National Oil Company Database: Global Launch

OpenGovHub, Washington, DC

April 25, 2019

Presented by
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Natural Resource Governance Institute

Oil, gas and mining for development

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

أرامكو السعودية
saudi aramco

GAZPROM

PDVSA

PEMEX

NIGERIAN NATIONAL PETROLEUM CORPORATION

PETRONAS

ecopetrol

Major reverberations

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**

www.oecd.org/fr/corruption/state-owned-enterprises-and-corruption-9789264303058-en.htm.

Resource Governance Index

https://resourcegovernanceindex.org/

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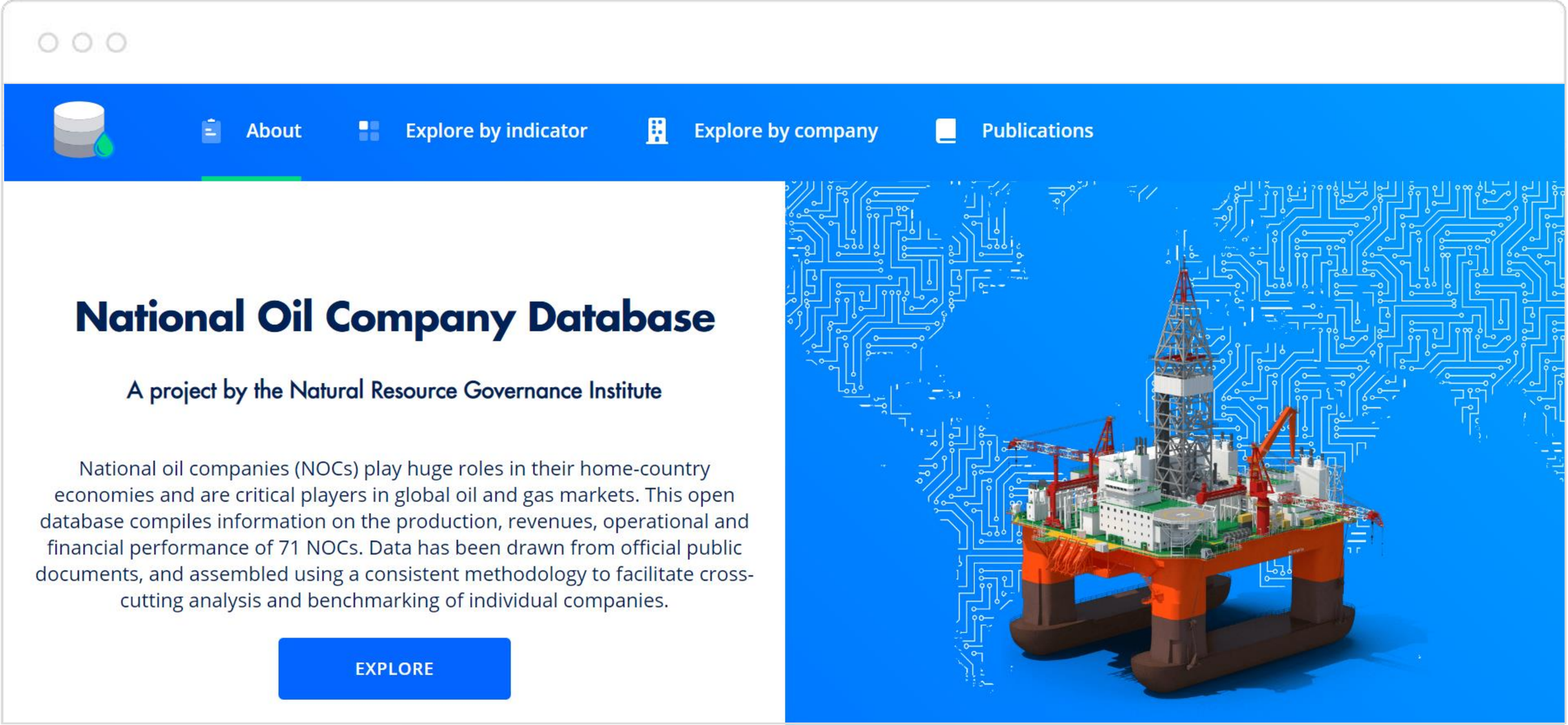
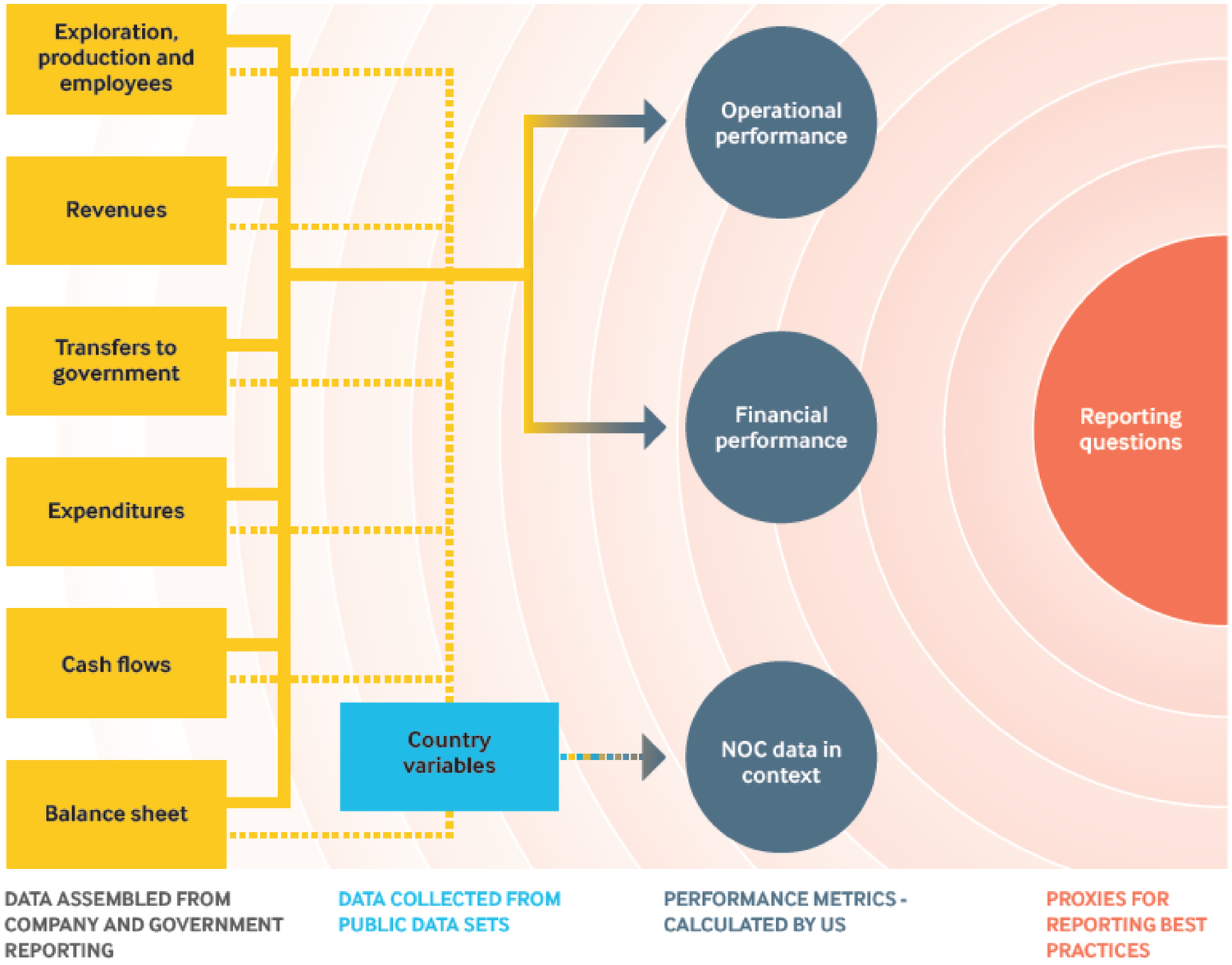
NRGI National Oil Company Database



135 indicators organized into eleven groups



Data challenges

Challenge	Mitigation approach
Data availability: Many companies do not disclose key data. Data on spending, profits and employment was weakest.	Extensive search of official sources. Analysis focuses on data-rich indicators
Inconsistent terminology, accounting practices across companies	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.
Interpreting data: wide variety among different NOCs	Analysts should endeavor to compare NOCs to similarly-situated peers. Website features several filters for different peer groups.

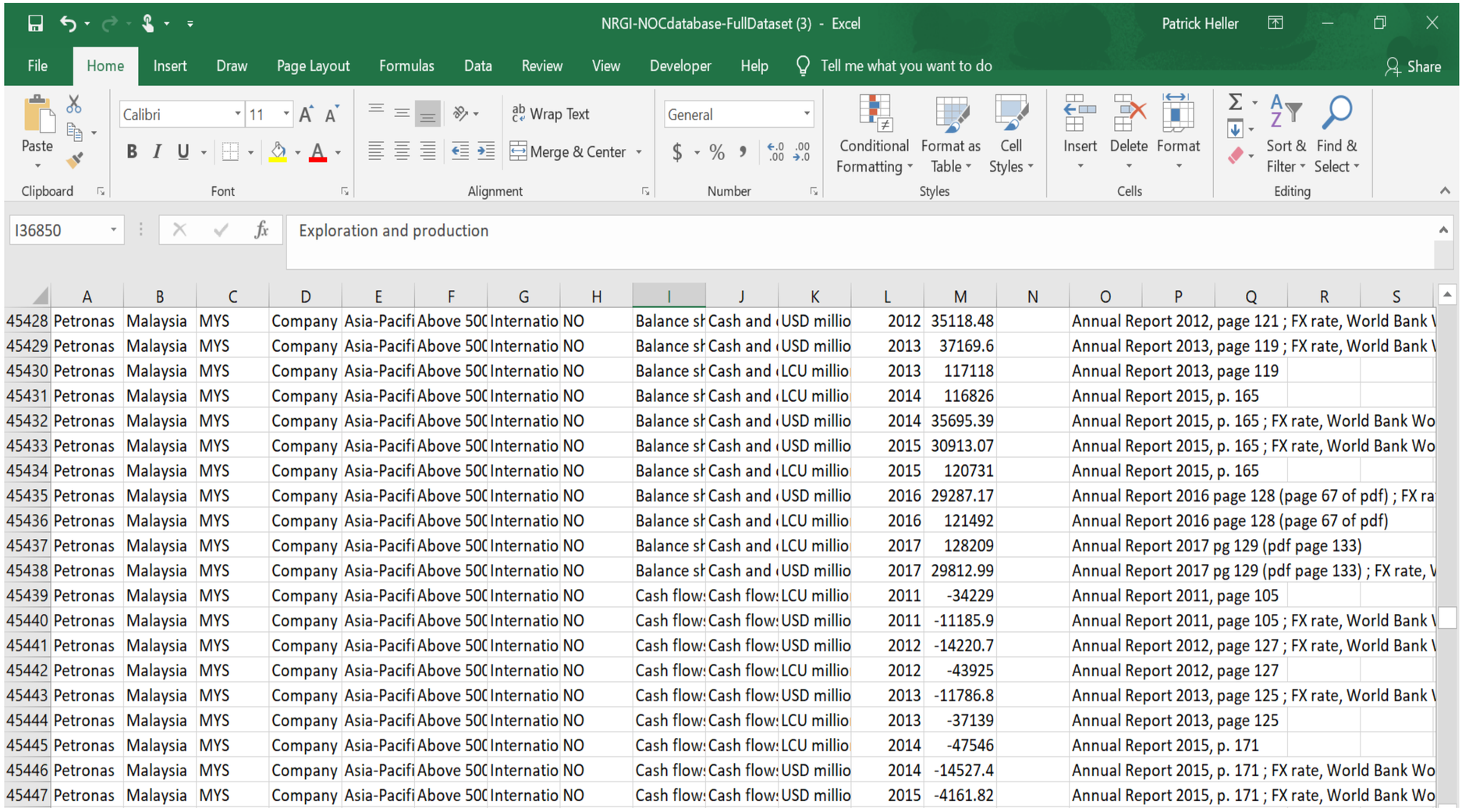
Extensive coverage

71

national oil companies

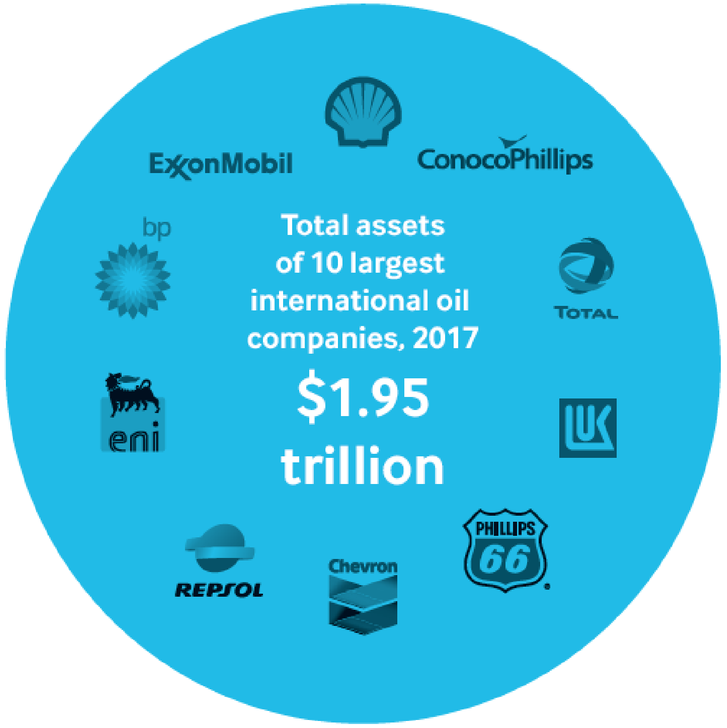
70k+

total data points



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
45428	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2012	35118.48		Annual Report 2012, page 121 ; FX rate, World Bank \				
45429	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2013	37169.6		Annual Report 2013, page 119 ; FX rate, World Bank \				
45430	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	LCU millio	2013	117118		Annual Report 2013, page 119				
45431	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	LCU millio	2014	116826		Annual Report 2015, p. 165				
45432	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2014	35695.39		Annual Report 2015, p. 165 ; FX rate, World Bank Wo				
45433	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2015	30913.07		Annual Report 2015, p. 165 ; FX rate, World Bank Wo				
45434	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	LCU millio	2015	120731		Annual Report 2015, p. 165				
45435	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2016	29287.17		Annual Report 2016 page 128 (page 67 of pdf) ; FX ra				
45436	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	LCU millio	2016	121492		Annual Report 2016 page 128 (page 67 of pdf)				
45437	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	LCU millio	2017	128209		Annual Report 2017 pg 129 (pdf page 133)				
45438	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Balance sh	Cash and	USD millio	2017	29812.99		Annual Report 2017 pg 129 (pdf page 133) ; FX rate, \				
45439	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	LCU millio	2011	-34229		Annual Report 2011, page 105				
45440	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	USD millio	2011	-11185.9		Annual Report 2011, page 105 ; FX rate, World Bank \				
45441	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	USD millio	2012	-14220.7		Annual Report 2012, page 127 ; FX rate, World Bank \				
45442	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	LCU millio	2012	-43925		Annual Report 2012, page 127				
45443	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	USD millio	2013	-11786.8		Annual Report 2013, page 125 ; FX rate, World Bank \				
45444	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	LCU millio	2013	-37139		Annual Report 2013, page 125				
45445	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	LCU millio	2014	-47546		Annual Report 2015, p. 171				
45446	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	USD millio	2014	-14527.4		Annual Report 2015, p. 171 ; FX rate, World Bank Wo				
45447	Petronas	Malaysia	MYS	Company	Asia-Pacifi	Above 50(	Internatio	NO	Cash flows	Cash flows	USD millio	2015	-4161.82		Annual Report 2015, p. 171 ; FX rate, World Bank Wo				

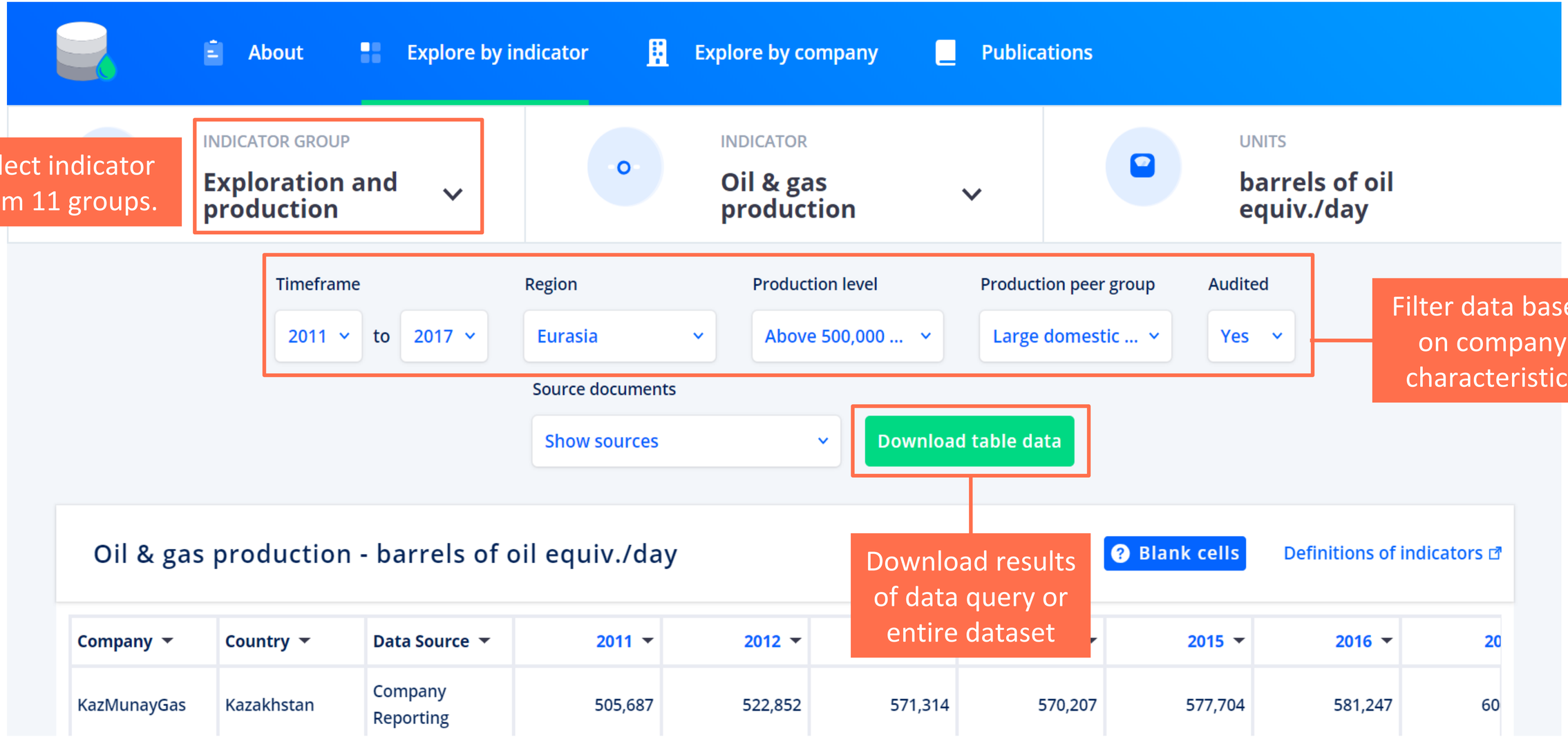
NOC assets in context



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

$1.9T Total NOC revenues captured in the database, 2017

The website: Explore by indicator

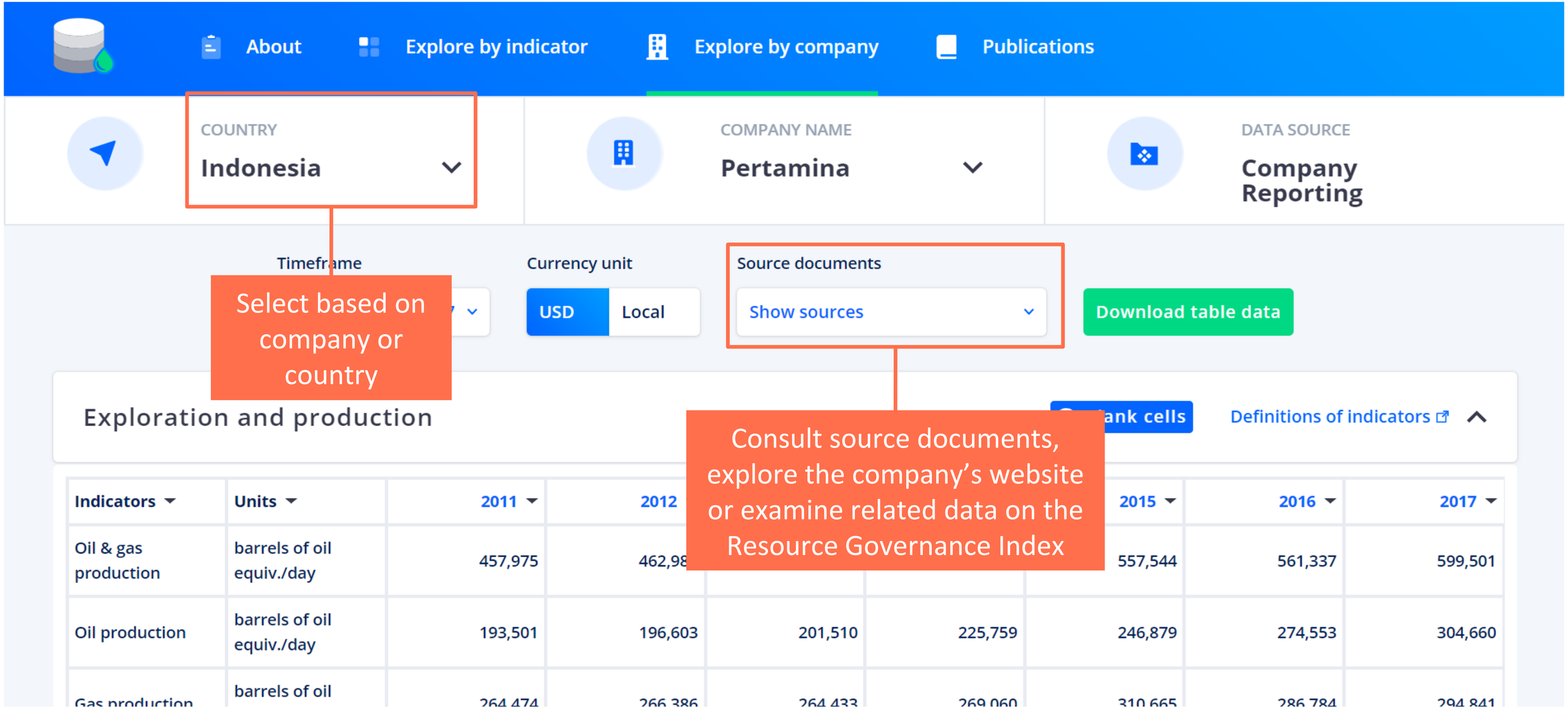


Select indicator from 11 groups.

Filter data based on company characteristics

Download results of data query or entire dataset

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

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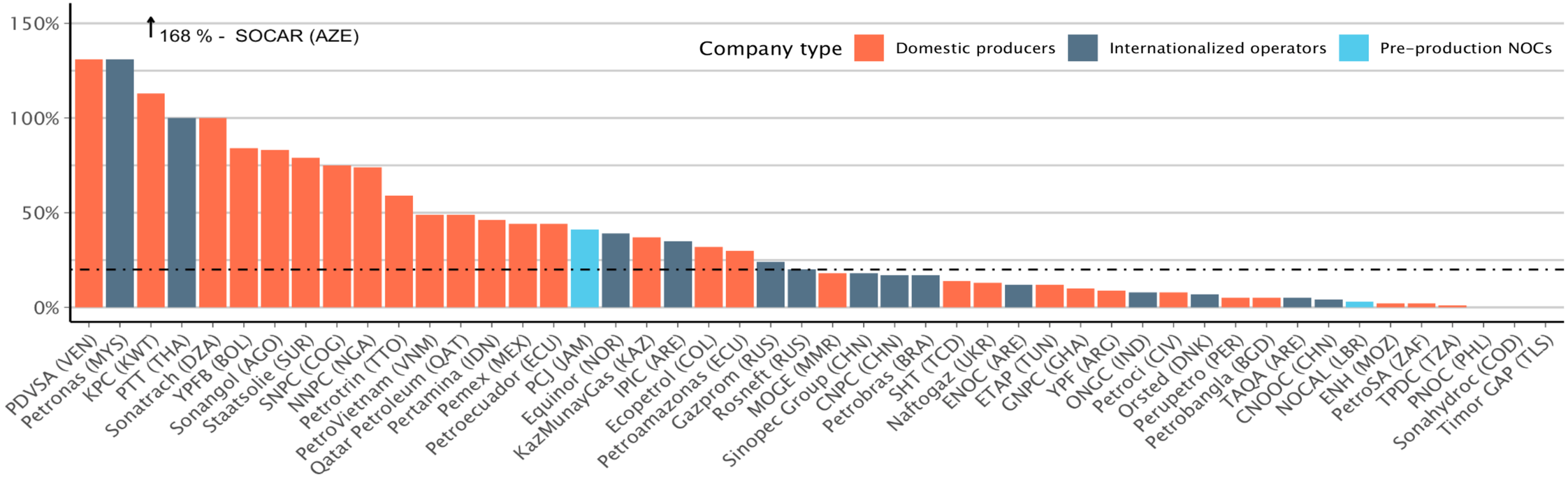
NOCs are giants, playing a bigger role in public financial management than previously understood

NOC gross revenues as % of general government revenue, per IMF, 2013



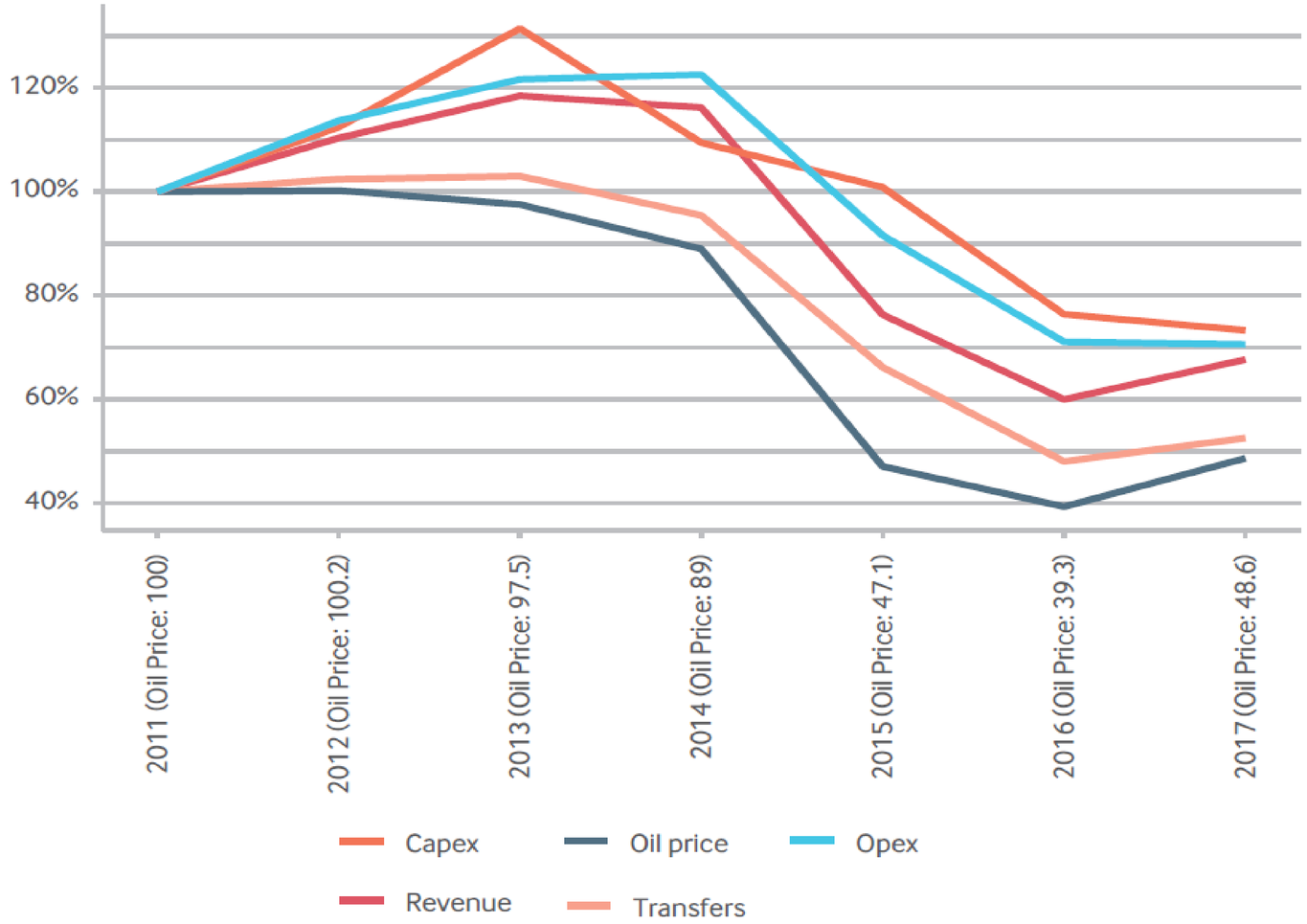
25+ countries where NOC collects revenue equivalent to more than 20% of total government revenue.

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

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.

Median annual changes over time, oil price and various NOC indicators (2011 = 100)



The debts of many NOCs pose economic risks

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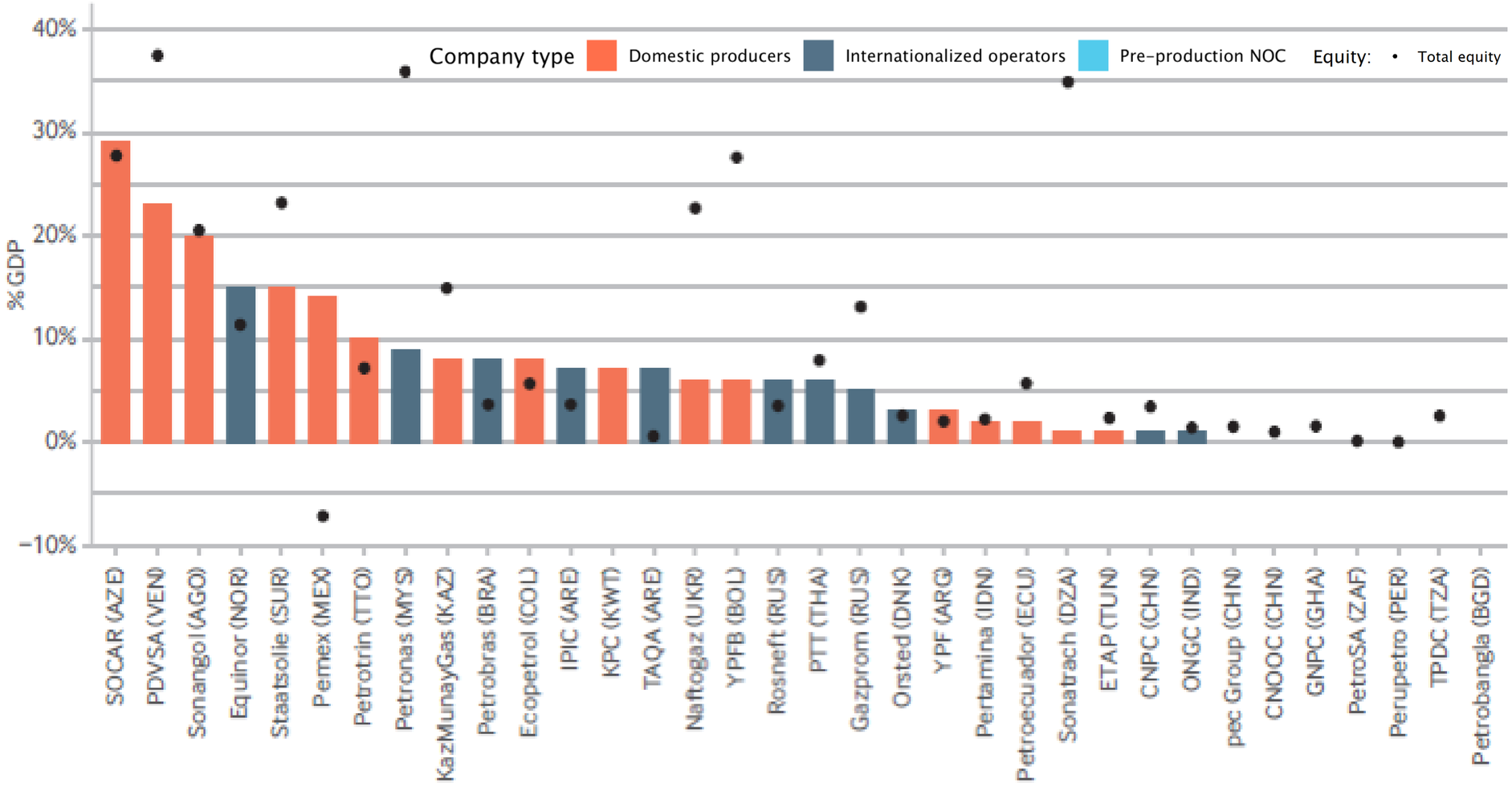
NOCs had debts in excess of 5% of GDP.

$$$

Where NOC is unable to meet debts, costly bail-outs can be necessary.

Long-term liabilities as % of GDP, 2015



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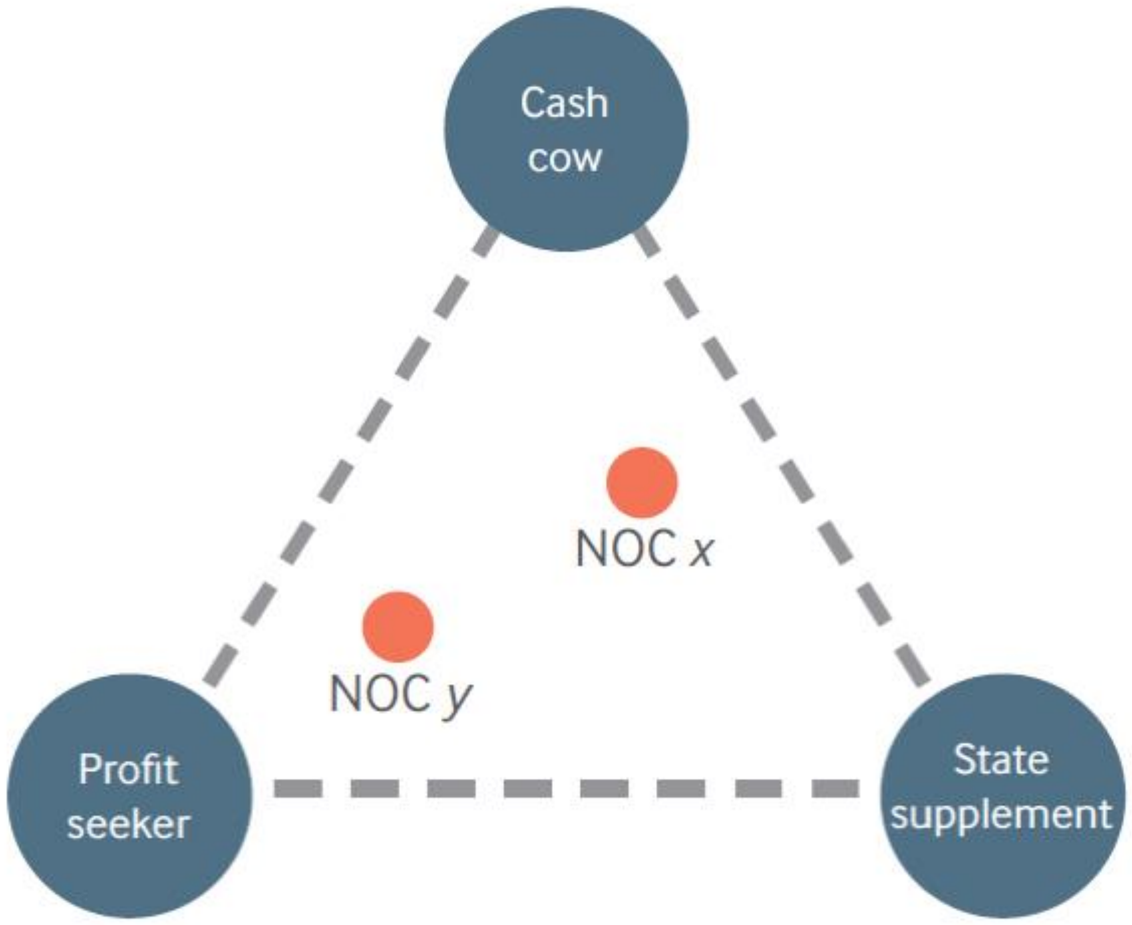
For governments and NOCs: A data-rich approach can facilitate policymaking and oversight

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

Country (company	2011	2012	2013	2014	2015	2016
Angola (Sonangol)	..	91	86	68	35	26
Cameroon (SNH)	80	71	73	63	41	
Chad (SHT)		96	98	51	38	33
Congo (Rep.) (SNPC)	94	109	98	69	..	..
Côte d'Ivoire (Petroci)	27	32	27	20	22	
Ghana (GNPC)	59	63	68	79	23	15
Mozambique (ENH)	..	..	5	5	2	2
Nigeria (NNPC)	..	53	49	48	22	..

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

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

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*

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Natural Resource Governance Institute
Oil, gas and mining for development