**OECD Review of the Corporate Governance of State-Owned Enterprises**

**Questionnaire part 1 of 2: data describing the state-owned sector**

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| This questionnaire is for use by the OECD Secretariat in conducting national reviews of state-owned enterprise (SOE) governance relative to the *OECD Guidelines on Corporate Governance of State-Owned Enterprises* (“SOE Guidelines”). This Part 1 of the questionnaire seeks to establish an overview of the main characteristics of the SOE sector, including the size of SOEs (by value and employment), their sectors of operation and their corporate forms. In completing the data tables, respondents are invited to not only to take recourse to the resources available within the part of the public sector they represent, but also to share the questionnaire widely within their national administration, including as appropriate with statistical agencies. If respondents are unable to provide a full coverage of SOEs then they are asked to inform the Secretariat of the exact limitations in their reporting. |

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# Scope and definitions

## Scope of the questionnaire

* **Table 1** requests aggregate data on enterprises held by the central level of government (for the purpose of this exercise, “SOEs”, a breakdown by corporate form, degree of state ownership and sectors of operation.
* **Table 2** requests aggregate data on enterprises held by the sub-national level(s) of government (e.g. regional and municipal), if applicable. While the SOE Guidelines primarily focus on enterprises under the purview of the central level of government, a full picture of the government business sector requires at least an estimate of activities at the sub-national level.
* **Table 3** requests a listing of majority or minority state-owned corporations whose shares are listed on stock markets. Respondents are invited to take full recourse to available stock market data in filling out this part of the questionnaire.
* **Table 4** requests an overview of the country’s largest SOEs, including their size, main activities, any subsidiaries and reporting on recent material changes to their ownership and control structures. Criteria for inclusion are included in the relevant section.
* A **methodological note** requests information on the methodology and definitions used to complete the tables. Respondents are invited to note any national specifics or data availability limitations which may have impacted their responses.
* **Annex 1** provides a definition of quasi-corporations according to the System of National Accounts (SNA) that respondents should refer to when determining which entities to include in the related reporting.

## Timing of data

The information provided should be from the end of the latest full year (e.g. if the questionnaire is being completed in mid-2018, figures should relate to end-2017). However, if this is not possible – for example, some respondents may be constricted to reporting by financial years – then respondents are asked to get as close to the desired dates as they can and clearly state in their reporting what cut-off dates have been applied. For information on listed SOEs, respondents should resist the temptation to provide stock market data “as fresh as possible”, since it jeopardises the comparability with the rest of the data set.

## Definition of terms

### State-owned enterprises

**State-owned enterprises (SOEs),** as reported in this questionnaire, are understood to denote public corporations (as defined by the System of National Accounts – SNA) that are controlled, directly or via other government-controlled institutional units, by the central or federal level of government. “Public corporation” is understood to denote any autonomous public entity involved in commercial activities (not to be confused with publicly traded enterprises). Respondents are asked to take full account of the following definition of “public corporation”, according to SNA: “To be classified as a public corporation, a corporation must be (1) controlled by another public unit; and (2) it must be a market producer. Control is defined as the ability to determine the general policy or program of an institutional unit. The definition of being a ‘market producer’ depends on a separate assessment of whether or not the institutional unit charges ‘economically significant prices’.”

### Degree of ownership

**Majority-owned enterprises** will include all enterprises where the state owns more than 50 per cent of the shares or by other means holds effective control. Respondents are invited to follow the EU definition which effectively includes cases where the government: (i) holds the major part of the undertaking's subscribed capital; or (ii) controls the majority of the votes attaching to shares issued by the undertakings; or (iii) can appoint more than half of the members of the undertaking's administrative, managerial or supervisory body."

**Minority-owned enterprises** will include all those enterprises in which the state holds between 10 and 50 per cent of the ordinary share capital or voting rights (applying a similar definition as the above). All companies where the state holds a majority of shares or votes is seen as “controlled” and hence SOEs. Companies where the state holds between 10 and 50 percent of shares or votes are considered as partly state-owned enterprises (PSOEs).

Importantly, the above text about “another public unit” implies that the 50 and 10 per cent thresholds apply to direct as well as indirect shareholdings. For example, majority-owned subsidiaries of SOEs shall themselves be considered as SOEs. Furthermore, ownership shares should be consolidated across the state sector. For example, if a majority-state owned company itself owns 25 per cent of company X; and the state owns 30 per cent of company X; then the state ownership of company X shall be considered to be 55 per cent and it shall be considered as an SOE.

Enterprises in which the state and sub-national levels of government jointly own the majority of shares may also – subject to the discretion of the questionnaire respondent – be reported as SOEs. A test of whether such enterprises should be considered as SOEs would be whether the state acts as a “sleeping partner” or uses its ownership share to exercise real influence.

### Corporate form

The corporate forms of SOEs depend on national frameworks, and in providing a breakdown respondents are asked to exercise discretion. The questionnaire uses four main categories of enterprises: listed enterprises, unlisted enterprises, statutory corporations and quasi-corporations (the latter two categories pooled in reporting). In countries which do not incorporate public corporations under general corporate law, but which have a comprehensive, generally-applicable law bearing on state-owned enterprises, the companies that are subject to such laws should be reported as SOEs.

**Listed enterprises** are enterprises whose shares are quoted on a stock exchange or otherwise offered to the general public.

**Unlisted SOEs** are SOEs whose shares are not publicly traded, but which are incorporated pursuant to general corporate law.

**Statutory corporations** are commercial entities operating subject to their own specific legal framework, outside general corporate law.

**Quasi-corporations** are autonomous commercial activities carried out inside the general government sector without a specific legal framework. They charge economically significant prices and are ring-fenced from other parts of the public sector *inter alia* by having separate assets and liabilities. Annex 1 provides a full definition according to the System of National Accounts (SNA).

### Number of enterprises and valuation method

The value of corporations should be reported on a **consolidated** basis: in the case of cascading ownership of companies, double counting should be eliminated; and if several public units are hold shares (directly or indirectly) in the same company then the ownership shares should be added together.

Valuation applies to the **total value of a given corporation** – even if the public sector may not own 100% of its shares. If, for example, the state owns 55 per cent of a company with a value of US$ 5 billion then that company shall be considered as an SOE and its value reported as US$ 5 billion. The reporting unit is millions of national currency; in case of deviations, respondents should note this clearly.

Corporate valuation ideally reflects enterprises’ market value. However, in recognition of the fact that many countries have market values only for listed companies the following methodology is proposed. In the case of listed companies, both the market capitalisation and the book equity value should be reported. In the case of unlisted companies, the book equity value should be reported. Respondents that possess estimates of market value of unlisted SOEs are strongly encouraged also to report these.

The number of state-owned enterprises is subject to a degree of discretion by the respondent. Subsidiaries of other companies that are purely “operational” and have no “independent corporate identity” should normally not be reported as individual enterprises. In practice this may imply an assessment about whether such companies engage in corporate activities that are materially different from those of their parent companies.

# Table 1: Aggregate data on state-owned enterprises held at the central level of government[[1]](#footnote-1)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Majority-owned listed entities** | | | | **Minority-owned listed entities (PSOEs)** | | | | **Majority owned unlisted enterprises** | | | **Statutory corporations and quasi-corporations** | | |
|  | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)** | | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)** | | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)[[2]](#footnote-2)** | **N° of enterprises** | **Number of employees** | **Value of enterprises (USD mn)2** |
| **Market** | **Book equity** | **Market** | **Book equity** |
| Primary sectors[[3]](#footnote-3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Telecoms |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Electricity and gas |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transportation |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other utilities (including postal services) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Real estate |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other activities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Memorandum items*** | | | | | | | | | | | | | | |
| Listed SOEs as % of market capitalisation | | | | |  | | | | | | | | | |
| SOEs’ share of domestic value added (GDP) | | | | |  | | | | | | | | | |
| SOE employment as share of total employment | | | | |  | | | | | | | | | |

# Table 2: Aggregate data on enterprises held at the sub-national level of government[[4]](#footnote-4)

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Majority-owned listed entities** | | | | **Minority-owned listed entities (PSOEs)** | | | | **Majority owned unlisted enterprises** | | | **Statutory corporations and quasi-corporations** | | |
|  | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)** | | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)** | | **N° of enterprises** | **N° of employees** | **Value of enterprises (USD mn)[[5]](#footnote-5)** | **N° of enterprises** | **Number of employees** | **Value of enterprises (USD mn)2** |
| **Market** | **Book equity** | **Market** | **Book equity** |
| Primary sectors[[6]](#footnote-6) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Manufacturing |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Finance |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Telecoms |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Electricity and gas |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transportation |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other utilities (including postal services) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Real estate |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other activities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

# Table 3: Listed companies with a consolidated public sector ownership of no less than 10%[[7]](#footnote-7)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company name:** | **Main economic activity:** | **Stock exchange(s) of listing:** | **Percentage government ownership**[[8]](#footnote-8)**:** | **Market value of company** | **N° of employees** |
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# Table 4: Individual large state-owned enterprises

In completing the below table, respondents are invited to include at least the country’s 5 largest SOEs by value, as well as any additional SOEs that fulfil one out of the following three criteria: (1) having a market capitalisation or estimated value of more than USD 100 million; (2) having annual revenues exceeding USD 100 million; (3) having more than 500 employees. (In case respondents need to deviate from this definition they are kindly requested to explain to the Secretariat why, and describe the alternative definitions they have applied.)

Respondents are further invited to provide supplementary information regarding companies that do not fulfill at least one of the above criteria, but where public authorities nevertheless exert a considerable degree of influence. This could for example include companies with large investments by public pension funds or other government-influenced investment vehicles. It could also include companies in which the government wields an influence greatly exceeding its ownership of voting shares, for instance due to golden shares or provisions in the companies’ articles of association. Please add rows if necessary.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Name of the SOE  and its subsidiaries (if possible please include link to website)** | **Main sector of operation[[9]](#footnote-9)** | **Corporate form (e.g. listed company, unlisted joint stock company, statutory corporation, other)** | **Size of enterprise** | | **Share of the enterprise owned by the state[[10]](#footnote-10)** | **Name and nature of the government body/bodies owning and exercising  the ownership function** | **Changes within the last five years  of the ownership and control structures (change in government ownership share; change in corporate structure; reallocation of the ownership/control within the general government sector)** |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
|  |  |  | **Asset value** |  |  |  |  |
| **Book equity** |  |
| **Market capitalisation** |  |
| **Annual turnover** |  |
| **N° employees** |  |
| **N° employees** |  |

# Methodological note

## Reporting agency/agencies

Please specify what government agency, or agencies, are responsible for the reporting from your country. Please also report on the number of employees within the ownership entit(y)ies responsible for state-owned enterprises.

## Definition of state-owned enterprises

Please define the criteria that lead you to include an enterprise in your reporting as a state-owned enterprise (or a minority state-owned enterprise). Are SOEs held by certain parts of the government sector excluded from your reporting because data could not be obtained? If yes, please provide details. The questionnaire asked countries to include in their reporting any corporation that is *“(1) controlled* by another public unit; and (2) is a market producer. Control is defined as the ability to determine the general policy or program of an institutional unit. The definition of being a ‘market producer’ depends on a separate assessment of whether or not the institutional unit charges ‘economically significant prices’.” Have you excluded any such entities from your reporting? In particular, are statutory corporations (entities operating with their own legal framework) and quasi corporations (units of general government involved in commercial activities) fully covered? Please provide details.

## Consolidation and degree of ownership

Please provide details of the methodology that has been applied to reporting on companies owned through cascading shareholdings, owned jointly by different parts of the state sector or involving ownership at different levels of government. How has the divided ownership affected the 10% and 50% reporting thresholds? How is it reflected in the number and values reported?

## Valuation methods

Please provide details of the valuation methods applied, including any differences between valuation of listed SOEs, unlisted SOEs and statutory corporations (or, if applicable, SOEs that are in the process of privatisation).

## Listed enterprises

Please provide details of the methodology and definitions underpinning your selection of enterprises to report, including the types of equity in government ownership and the degree to which investment by autonomous state bodies (e.g. public investment or pension funds) have been included in the reported ownership shares.

# Annex 1: Definition of quasi-corporations according to the System of National Accounts

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| **4.120** When a government unit wishes to intervene in the sphere of production it has three options:  a. it may create a public corporation whose corporate policy, including pricing and investment, it is able to control;  b. it may create a non-profit institution (NPI) that it controls;  c. it may produce the goods or services itself in an establishment that it owns but that does not exist as a separate legal entity from the government unit itself.  **4.121** However, a government establishment, or group of establishments engaged in the same kind of production under common management, should be treated as a quasi-corporation if the following three criteria hold:  a. the unit charges prices for its outputs that are economically significant;  b. the unit is operated and managed in a similar way to a corporation; and  c. the unit has a complete set of accounts that enable its operating surpluses, savings, assets and liabilities to be separately identified and measured. Such quasi-corporations are market producers that are treated as separate institutional units from the government units that own them. They are classified, sectored and subsectored in the same way as public corporations.  **4.122** In order to be treated as a quasi-corporation the government must allow the management of the enterprise considerable discretion not only with respect to the management of the production process but also the use of funds. Government quasi-corporations must be able to maintain their own working balances and business credit and be able to finance some or all of their capital formation out of their own savings, depreciation reserves or borrowing. The ability to distinguish flows of income and capital between quasi-corporations and government implies that their operating and financing activities are not fully integrated with government revenue or finance statistics in practice, despite the fact that they are not separate legal entities.  **4.123** Producer units of government that cannot be treated as quasi-corporations, like all unincorporated enterprises that cannot be separated from their owners, remain in the same institutional unit as the owner, in this case within the general government sector. They are likely to consist largely, or entirely, of non-market producers: that is, producers most or all of whose output is supplied to other units free, or at prices that are not economically significant. In addition to providing non-market goods or services to the general public, such units may include government producers supplying non-market goods or services to other government units for purposes of intermediate consumption or gross fixed capital formation: for example, munitions factories, government printing offices, transport agencies, computer or communications agencies, etc. However, it is possible for an unincorporated enterprise within a government to be a market producer. The example often quoted is that of a bookshop within a museum.  *Source:* United Nations (2008), *System of National Accounts 2008*, European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations and World Bank, New York, 2009. |

1. The number of enterprises, employees and valuation must all reflect the situation at the end of the latest year. Any deviations therefrom should be clearly specified by the reporting agency. [↑](#footnote-ref-1)
2. Please specify valuation method and, if available, report alternative valuations. Value should be specified in USD millions. [↑](#footnote-ref-2)
3. Including the production and refining of hydrocarbons. [↑](#footnote-ref-3)
4. The number of enterprises, employees and valuation must all reflect the situation at the end of the latest year. Any deviations therefrom should be clearly specified by the reporting agency. [↑](#footnote-ref-4)
5. Please specify valuation method and, if available, report alternative valuations. Value should be specified in USD millions. [↑](#footnote-ref-5)
6. Including the production and refining of hydrocarbons. [↑](#footnote-ref-6)
7. Please include only companies whose voting stock is quoted on a stock exchange. Add lines if necessary. [↑](#footnote-ref-7)
8. If a company is owned indirectly through other companies, please indicate the entire ownership chain. [↑](#footnote-ref-8)
9. For sector of operation, please follow the two-digit ISIC classification, which can can be found at: http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27&Lg=1. [↑](#footnote-ref-9)
10. Please specify percentage of both cash flow and voting rights. If relevant, please add the ownership by other institutions under state control. [↑](#footnote-ref-10)