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DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
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## Working Party on State Ownership and Privatisation Practices

The Size and Composition of the SOE Sector in OECD Countries

Annex 3: Methodological Notes from Participating Countries

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*This document provides country specific information regarding the definitions and methodologies underlying the statistics in DAF/CA/SOPP(2011)6/FINAL.*

*This document was derestricted by the Working Party on 9 May 2011.*

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## **OECD DATABASE ON STATE-OWNED ENTERPRISES: METHODOLOGY AND DEFINITIONS**

1. This document reproduces the explanations and data definitions that countries participating in the data collection exercise (the “reporting countries”) have sent to the Secretariat. The reporting countries did so in response to a methodology questionnaire circulated in the second half of 2010. The text of the questionnaire is reproduced in an annex at the end of this document.
2. The text for each reporting country is essentially unchanged from their questionnaire responses. The only exceptions are occasional style changes proposed by the Secretariat: the national contributions will be published as data documentation, so some examples of “personal” style and remarks addressed at the Secretariat have been weeded out. Delegates from reporting countries are invited to verify that the relevant text still provides an adequate description of their data.

## **Australia**

### **1) *Reporting agency/agencies***

No specific Australian Government agency has responsibility for reporting on state ownership of enterprises. However, if the definition of state owned enterprise that applies to this data, the Australian Government's Department of Finance and Deregulation (the Department) is the most appropriate reporting agency as the Department carries oversight responsibility for most of these reportable enterprises and is therefore best able to collate the data from each enterprise.

### **2) *Definition of state-owned enterprises***

The criteria we applied to determine relevant entities was "autonomous Federal Government entities outside the General Government Sector (GGS) who are 'market producers' charging 'economically significant prices'; as well as Defence Housing Australia, which is within the GGS but also a 'market producers' charging 'economically significant prices'. All those entities complying with this definition have their data reported.

### **3) *Consolidation and degree of ownership***

Holdings by [institutional investors controlled by government] are not included.

### **4) *Valuation methods***

Entity valuations are based on consolidated entity equity, as reported in the Annual Reports of each of the entities for a given Australian Financial Year (the period 1 July to 30 June the following year). As such, data on valuations and employee numbers is as at 30 June of the financial year (e.g. in the case of 31 December 2008, data is as at 30 June 2009).

### **5) *Listed enterprises***

Does not apply.

## **Austria**

### **1) *Reporting agency/agencies***

The Ministry of Finance is responsible for the provided reporting on state ownership of enterprises.

### **2) *Definition of state-owned enterprises***

The reported enterprises fulfil the criteria of 100% state owned holding companies of the Republic of Austria or meet the definition of partly-state-owned enterprises. Concerning the enterprises, reported by the Ministry of Finance, all the necessary data and information could be obtained and there are no further enterprises that achieve the mentioned requirements. Entities which are controlled by any public unit and are market producers have been reported without any exclusion. Regarding the national framework the reported enterprises are listed as well as unlisted enterprises and statutory corporations.

### **3) *Consolidation and degree of ownership***

By referring to specification of the term “public corporation” all enterprises where the state owns more than 50 per cent of the shares have been reported. The state holds the effective control and can appoint at least half of the members of the undertaking’s administrative, managerial or supervisory bodies within those companies. There is no accordant company to report where the state holds between 10 and 50 per cent of shares.

### **4) *Valuation methods***

In the case of Austria, no valuation problems arise from cascading ownership or companies or from several public units holding shares in the same company, since this does not occur. For listed companies both the market capitalisation and the book equity value have been reported; regarding unlisted companies and statutory corporations book equity value is the only available valuation.

### **5) *Listed enterprises***

According to the definitions given in the questionnaire, stakes in ordinary share capital of partly-stated owned listed enterprises that are held either directly by the government or indirectly via OEIAG, which is the holding company of the Republic of Austria, were reported on a consolidated basis. There is no investment of autonomous state bodies like public investment or pension funds in these companies.

## **Belgium**

### **1) *Reporting agency/agencies***

The railways (SNCB, SNCBholding, Infrabel), bpost, Belgacom, Belgocontrol are established as a commercial company with specific corporate governance regulations. They are known as "autonomous state enterprises ", they have the legal form of a "société anonyme de droit public and are governed by the law of 21 March 1991 reforming certain public economic enterprises (the 1991 Law).

The Minister of Mobility is responsible for Belgocontrol, the minister of State Owned Enterprises is responsible for SNCB, SNCBholding, Infrabel, bpost, Belgacom.

The National Lottery (a former autonomous state enterprise) was transformed to a public limited company by the law of 9 July 2002 and is the responsibility of the minister of Finance.

The Federal Holding and Investment Company (FHIC) is also the responsibility of the minister of Finance.

### **2) *Definition of state-owned enterprises***

The reporting is based on the 1991 Law on autonomous state enterprises (Law of 21 March 1991 reforming certain public economic enterprises). Considering that for the purpose of this exercise the public corporations controlled, directly or via other government-controlled institutional units have to be taken into account, it has been decided to further include the holding company FHIC. No companies that meet this definition have been excluded from the reporting.

### **3) *Consolidation and degree of ownership***

In the National lottery, FHIC holds 21.28% of the shares and the State 78.72%. In bpost, FHIC has 25.87% and the State 24.13% whereby together they hold 50% plus one share. As from 1st January 2005 the SNCB, previously an integrated enterprise, was split into 3 companies (collectively referred to as the SNCB Group). As a result, the former SNCB evolved into the following legal entities: The SNCB Holding: 100% state owned; The SNCB: the operator for the inland and international passenger traffic and for the freight transport: 100% owned by the SNCB Holding; Infrabel: in charge of the management of the infrastructure; for 80% owned by the SNCB Holding and for 20% by the State, with voting rights of the State at 80%+1.

### **4) *Valuation methods***

For the SOEs subject to the 1991 Law and for the National Lottery book equity values was used. The FHIC has its own valuation method mainly based on the capital of the enterprises in which it is invested, but the valuation is some cases adjusted, for instance to allow for depreciation.

### **5) *Listed enterprises***

Belgacom is a limited liability company under public law, and is also governed by the law of 21 March 1991 reforming certain public economic enterprises (the 1991 Law). Belgacom is listed on Euronext, 53,5% State, >45% float.

## **Canada**

### **1) *Reporting agency/agencies***

Statistics Canada – Public Sector Statistics Division

### **2) *Definition of state-owned enterprises***

State owned enterprises are part of the public sector domain because they are controlled by the government. However, they operate in the market place, often in competition with privately owned organizations. SOE are classified as profit-oriented entities or government business enterprises (GBEs). The target population consists of all institutional units conducting market activities (government business enterprises) controlled by the federal government in Canada.

A classification process is necessary in order to determine whether or not an entity belongs in the public sector universe. This process involves analysing and documenting the legal and operating structures, financial performance and activities of the entity in question. There are three criteria used to assess an entity for potential inclusion in the public sector universe:

- Is the entity an institutional unit?
- Is the entity controlled by a government?
- Is the entity a non-market or market producer of goods and services?

A classification process was necessary on all reported SOE to determine whether or not an entity belongs in the public sector universe and adhering to the Canadian System of National Accounts requirements. All institutional units conducting market activities are classified as government business enterprises and included in the data. There are no federal government quasi corporations in Canada. Any statutory corporations conducting market activities would be included as GBEs.

### **3) *Consolidation and degree of ownership***

The data provided do not include any cascading shareholdings, owned jointly by different parts of the state or level different levels of government.

In 2009 the Federal and Ontario governments combined had an investment of 11.7% of common shares in General Motors. In exchange for \$US 8,022 million Canada acquired % 4.5 of preferred shares 11.7% of common shares in General Motors. The Federal Government entered into agreements with Ontario government to provide financial assistance to the automotive sector, whereby Ontario contributed one-third of the financial assistance and participates with the Government in any future economic benefit or loss resulting from these transactions.

In addition, the Federal government's investment in Chrysler was 2% of the common shares in 2009.

### **4) *Valuation methods***

The valuation method applied to the majority owned non-listed enterprises was the total equity valuation. The total equity includes the SOE retained earnings.

5) *Listed enterprises*

The Public Sector Universe in Canada includes two major components; governments and GBE's. The government sector includes federal, provincial/territorial and local governments, the Canada and Quebec pension plans, the First Nations and other aboriginal governments. The government component includes all ministries, departments, agencies, non autonomous funds and organizations, universities and colleges, health and social service institutions and school boards. The data provided reflect the federal government's investment in GBEs as per the GBEs financial statements.

The data do not include any investments of pension plans (e.g. CPP) in corporations.

## **Czech Republic**

### **1) *Reporting agency/agencies***

Ministry of Finance of the Czech Republic.

### **2) *Definition of state-owned enterprises***

Only SOEs held by the Central Government are included. SOEs “in liquidation” and SOEs “in bankruptcy” are not included in the aggregate numbers. Statutory corporations are called “state enterprises”. This type of SOE is incorporated in accordance with the Act. No. 77/1997 Coll. of Laws, on state enterprise. The “state enterprises” are fully state-owned. Major SOEs are incorporated and operated in accordance with special laws (e.g. Czech Railways, a.s.).

Majority owned listed and non-listed enterprises are incorporated in accordance with the Commercial Code (Act No. 513/1991 of the Coll. of Laws, the Commercial Code). These types of companies are fully or partially state-owned.

All enterprises consistent with these criteria were included in the reporting.

### **3) *Consolidation and degree of ownership***

All companies owned through cascading shareholding, owned jointly by different parts of the state sector, have been reflected in the number and values reported.

### **4) *Valuation methods***

Book equity values have been reported for unlisted SOEs and statutory corporations.

### **5) *Listed enterprises***

All equity owned by government institutions is included.



**Denmark**

**1) *Reporting agency/agencies***

Ministry of Finance.

**2) *Definition of state-owned enterprises***

The report includes state owned and partly state owned companies (limited companies and limited liability companies) and statutory corporations. No such enterprises have been omitted from the reporting.

**3) *Consolidation and degree of ownership***

Does not apply, since no enterprises are held jointly by different parts of general government or through other enterprises.

**4) *Valuation methods***

As regards unlisted state owned enterprises and statutory corporations, the book equity value is reported. As regards listed state owned enterprises, both the market and book equity value is reported.

**5) *Listed enterprises***

The report includes strictly state owned enterprises that are under direct government control. That is, companies owned by bodies with independent boards (such as government controlled institutional investors) are not included.

## **Estonia**

### **1) Reporting agency/agencies**

Ministry of Finance.

### **2) Definition of state-owned enterprises**

Only operating private limited companies and public limited companies, where state owns more than 50% of share capital are included. Companies owned by municipal level are not included.

From reporting are excluded enterprises, which were under liquidation process, because they were not market producers by that time (in several cases their assets had been already transferred to another SOE). At the end of 2009 the state owned 2 of such companies (OÜ Tartu Keskkonnauuringud and OÜ Eesti Näitemänguagentuur) and at the end of 2008 3 companies (OÜ Eesti Näitemänguagentuur, AS Sakala Keskus and AS Tartu Puukool).

As quasi corporations are classified profit-making state agency and foundations, which turnover is at least 25% of total revenues (and where the state has the right to appoint alone or with municipalities of other government agencies more than half of the supervisory board members). Foundations, which turnover forms less than 25% of total revenues, are not considered to be a market producer and are therefore excluded from the reporting. Other types of agencies are not considered to be market producers and are therefore not included.

### **3) Consolidation and degree of ownership**

In case of enterprises, there is no operating state owned enterprise, where part of the share is held by another state agency.

In case of quasi-corporations (foundations), there are 6 foundations, where state has control only with municipal level and which are included in the reporting. All mentioned foundations are classified under "other activities" and their total number of employees in 2009 was 3 423 and in 2008 3 427, their total value (net assets) in 2009 were 95 617 thousand EUR and in 2008 89 720 thousand EUR.

### **4) Valuation methods**

In cases of non listed entities book net assets (equity) is reported. In case of listed entities, equity (as book value) and market capitalization (as market value) are reported

### **5) Listed enterprises**

The State had share in only one listed company (AS Eesti Telekom), where state owned directly 24.2% and legal person in public law Eesti Arengufond owned directly 3% of the share capital. Both state and Eesti Arengufond sold their shares in 2009.

## France

### 1) *Reporting agency/agencies*

L'Agence des participations de l'État (APE) rend compte de la situation des entreprises ou organismes relevant de son périmètre, tel que prévu par le décret n°2004-963 du 9 septembre 2004 (Art. 1-II) et son annexe.

### 2) *Definition of state-owned enterprises*

Sont concernés par la réponse de l'APE les entreprises ou organismes contrôlés ou détenus, majoritairement ou non, directement ou indirectement, par l'État et qui figurent dans l'annexe au décret précité. Le périmètre n'est pas exactement celui des comptes combinés car il exclut les entreprises en fin d'activité. A contrario, il prend en compte certaines entités exclues du périmètre de combinaison mais qui sont pourtant suivies par l'APE, il s'agit soit de filiales d'entités du périmètre de combinaison, telles que CNP Assurances, ou Dexia, soit d'entités dont le chiffre d'affaire ou le total du bilan n'est pas assez significatif, comme l'EPRD.

La dénomination d'entreprise publique peut être attribuée si celle-ci exerce une activité sur un marché et qu'un ou plusieurs personne(s) publique(s) y exerce(nt) une influence dominante en ayant le pouvoir de déterminer la politique ou le programme général de l'entité : en raison de capitaux publics majoritaires ou/et en vertu de pouvoirs exceptionnels dérogatoires au droit commun (actions spécifiques).

À contrario, la dénomination d'entreprise à participation publique sous-entend que la ou les personnes publiques ne contrôlent pas les décisions de l'entreprise : du fait que l'actionnariat public y est minoritaire (et parfois-même temporaire) ou/et que la personne publique ne détient aucune pouvoir spécifique qui déroge au droit commun.

L'APE n'est pas en mesure de répondre pour les entreprises ou organismes à participation publique majoritaire ou minoritaire qui ne relèvent pas de son périmètre.

Il est impossible de fournir une estimation incontestable de la valeur des entreprises non cotées et des établissements publics. Il serait en effet hasardeux de le faire à partir d'hypothèses sur le taux de croissance ou les résultats futurs.

### 3) *Consolidation and degree of ownership*

La présente réponse prend en compte, pour déterminer le taux de participation du secteur public, le taux de participation global toutes administrations confondues (État + autres secteurs publics).

### 4) *Valuation methods*

Dans le cadre du portefeuille APE : pour les entreprises cotées, c'est la capitalisation (Equity value) qui a été prise en compte pour renseigner la valeur de l'entreprise sur les deux aspects : valeur de marché (Market capitalisation) et valeur des fonds propres (Book Equity). La valeur fournie pour les entreprises cotées est d'une part la valeur de marché des fonds propres en M€, et d'autre part la valeur comptable des fonds propres. Pour les entreprises non cotées, seule la valeur comptable des fonds propres a été renseignée.

5) *Listed enterprises*

Tous les types de titres de fonds propres souscrits par l'État ont été pris en compte : actions, titres super subordonnés et actions de préférence.

## **Finland**

### **1) *Reporting agency/agencies***

The Prime Minister's Office, Ownership Steering Department

### **2) *Definition of state-owned enterprises***

The reporting includes:

1. All listed companies where the Government, alone or together with other majority-owned SOE's or other public entities such as State-controlled pension schemes, directly or through the 100 % State-owned holding company Solidium Oy, holds at least 10 % of the shares or the votes,
2. All non-listed companies, having the corporate form of a limited liability company as defined in the Company Law of 2006, where the Government, in some cases together with such public entities as described above, directly holds at least the majority of 50 % + 1 of the shares or the votes,
3. The statutory corporations operating commercially within the State budget economy but having an independent organisation and accounting, covered by the Law on State Statutory Corporations of 2002.

No subsidiaries are separately reported. As a rule they are not independent, and they are very numerous. Also, certain statutory corporations have subsidiaries organised as limited companies under the Company Law but they are not separately reported either.

Applying the definition of SOE's in the Questionnaire, no SOEs owned or controlled by the government are excluded from the reporting. Companies and statutory corporations owned by the 342 municipalities or companies owned by the universities are not included since these are not "government-controlled".

### **3) *Consolidation and degree of ownership***

Where applicable, the holdings of the Government, directly or through the holding company Solidium, and those of other majority-owned SOE's and/or State-controlled pension schemes have been added together. In a few cases this has taken the respective company above the 50 % threshold.

Sometimes the companies may own their own shares. These have been taken into account in the total number of shares but have not been added to the holding of the Government since such shares carry no voting rights as long as they are held by the company itself.

Values have been given, as requested, for the total value of the corporation.

### **4) *Valuation methods***

For listed companies two valuations are provided, namely the market capitalisation and the book value of equity as per 31.12.2009 and for unlisted companies and statutory corporations the book value of equity (total equity).

5) *Listed enterprises*

Stora Enso Oyj has two listed series of shares with different voting rights. Thus the State holding company Solidium Oy holds 12,3 % of the shares of Stora Enso but 25,1 % of the votes. In all other cases the equity owned by the State is common stock. Otherwise see replies in 2 and 3 above.

**Greece****1) Reporting agency/agencies**

Disclosure is made by Ministry of Finance, (General Accounting Office (GAO), Special Secretariat of Public Enterprises and Entities), Hellenic Statistical Authority (ELSTAT), Line Ministries (on operational issues). The present reporting was done by the Special Secretariat.

**2) Definition of state-owned enterprises**

State owned enterprises (SOE), are understood as companies in which the state is a significant shareholder (above 50%) or has a significant control on the companies' decisions via appointed members of the board of directors. In some cases, line ministries, have under their control a few small companies, in which the supervision and all the rights of the state as a shareholder are exercised by the line ministers. These cases are not included since they are not monitored by the Ministry of Finance.

All "societe anonyme" (S.A) companies have been included, in which the Ministry of Finance is a shareholder (included or not in the general government). At the moment no data is available for other public bodies (not "societe anonyme"), since they were not monitored by the secretariat of Public Enterprises and Entities in the years 2008-2009.

**3) Consolidation and degree of ownership**

In the cases of SOEs that are S.A, the State as a shareholder is either the Minister of Finance or the Line Ministers. Therefore there is never any divided ownership.

**4) Valuation methods**

In case of the listed companies the Market Value is the total value of the company i.e. Total Shares x Average Market Share price December 2008 or December 2009. As far as non-listed, the total or sectoral book value, there are not sufficient data to support the overall reporting.

**5) Listed enterprises**

There are no available data.

## **Hungary**

### **1) *Reporting agency/agencies***

MNV Zrt. (Hungarian State Holding Company – HSHC) is responsible for the reporting. HSHC owns the majority of SOEs. (From mid-2010 onwards the Hungarian Development Bank is defined as the ownership body of approximately 40 SOEs).

### **2) *Definition of state-owned enterprises***

The definition provided in the questionnaire was followed, taking as a starting point the Hungarian legal framework. Companies in which the state owned less than 10 % are excluded. SOE subsidiaries are included to the fully extent possible, but HSHC has consolidated data only from the directly owned companies. In practice this means that the larger subsidiaries are included. SOEs under liquidation are included in the reporting.

All statutory corporations are included. The reporting agency interpreted ‘statutory corporation’ as follows: commercial or quasi commercial entities generally operate under corporate law, but in some of the cases there is a *ius specialae* with special legal requirements that the company must follow and the company is stipulated by this legal act. Some of these companies are not real commercial entities, but have been included by virtue of the method of their incorporation. Quasi corporations do not exist in Hungary, since companies owned by the state operate under the general company law.

### **3) *Consolidation and degree of ownership***

Data are reported on a consolidated basis. Cascading shareholdings and similar structures are not common in Hungary.

### **4) *Valuation methods***

Listed SOEs: market value and book equity value according to Hungarian Accounting Standards. The state holding company owns only one listed company with more than 10% ownership.

Unlisted SOEs: book equity value according to Hungarian Accounting Standards. (Hungarian Accounting Standards are slightly differs from IFRS.) In most cases of company groups, the shareholders’ equity is consolidated, except if consolidated data was not available. (Significant company groups of the report do have consolidated data). Group members are classified into the sector of their parent company.

### **5) *Listed enterprises***

Listed companies where direct government ownership is higher than 10% is included. Investment by autonomous state bodies has not been included.



**Israel**

**1) *Reporting agency/agencies***

The Government Companies Authority, an autonomous ownership coordination agency located with the Ministry of Finance.

**2) *Definition of state-owned enterprises***

SOEs in Israel are officially divided into three categories: government companies, government subsidiaries and mixed companies. Government companies are those where the state possesses over half of the voting power or of the right to appoint over half of the board of directors. Government subsidiaries are separately incorporated entities subordinate to existing government companies where the government company alone or together with the state possesses over half of voting power or the right to appoint over half of the board of directors. Mixed companies are those companies where the state has a degree of ownership or control that do not meet these thresholds.

The SOEs included in the reporting are commercially oriented. Statutory corporations and banks are not considered as SOEs under Israeli law and are not included in the reporting.

**3) *Consolidation and degree of ownership***

Does not apply.

**4) *Valuation methods***

The data provided is based on the total assets of the companies based on their financial reports.

**5) *Listed enterprises***

Following the definitions applied to this exercise there are no listed SOEs in Israel. However, the Israeli authorities commonly consider SOEs having issued exchange-listed debt instruments as “listed”. There are currently three such enterprises.

## **Italy**

### **1) *Reporting agency/agencies***

Italian Ministry of economic and finance – Department of Treasury – Directorate for Finance and Privatisations – Fifth Office.

### **2) *Definition of state-owned enterprises***

All enterprises included in the reporting are those whose equity is totally or partly owned by the Italian Ministry of Economy and Finance. They take the same form and comply with the same regulations of privately owned companies. Some of them are subject to special provisions regarding board nominations and the shareholding rights exercise. As far as the contents of the reporting is concerned, the SOEs included in it are only those directly held by the Italian Ministry of Economy and Finance, not others.

The Italian Ministry of Economy and Finance does not hold neither statutory corporations nor quasi corporations. So, they are not included in the reporting. The majority owned non-listed enterprises that cannot be defined as “market producer” are: ARCUS, ANAS, Italia Lavoro, CONI Servizi (every one of them 100% MEF).

### **3) *Consolidation and degree of ownership***

Refer to the previous point.

### **4) *Valuation methods***

For listed SOEs: both market and book equity value method; for unlisted SOEs: only book equity value method.

### **5) *Listed enterprises***

Only listed SOEs directly held by the Italian Ministry of Economy and Finance has been included in the reported ownership shares. No holdings by public investment or pension funds have been considered.

**Mexico**

**1) *Reporting agency/agencies***

Federal Ministry of Finance.

**2) *Definition of state-owned enterprises***

As state-owned enterprises are considered public corporations controlled by the central level of government, which are market producers.

Information on public corporations at the sub-national level was excluded, since there is no centralized information.

All statutory corporations are included in the reporting.

**3) *Consolidation and degree of ownership***

There are no public corporations co-owned by different levels of government. The ones owned by different parts of the state sector but administered by central government, are all included as SOEs (valuation accounts for the whole company). Only public majority owned companies are included. Where government owns less than 100% the valuation applies to the whole company.

**4) *Valuation methods***

All valuation is at book value in national currency.

**5) *Listed enterprises***

No investments by autonomous state bodies were included. The SOE information was obtained from the “Relación de Entidades Paraestatales de la Administración Pública Federal”, published yearly in the Official Federation Daily (DOF).

## **Netherlands**

### **1) *Reporting agency/agencies***

Ministry of Finance, Financial Directorate.

### **2) *Definition of state-owned enterprises***

Entities incorporated according to general corporate law in which the central government has a shareholding are included in the reporting. Entities held by provincial, district or municipal segments of government are not reported. Entities held indirectly, through other SOEs, are rare in the Netherlands, but have been included in the reporting.

### **3) *Consolidation and degree of ownership***

Affiliated companies, shareholders and other interest are consolidated according to IFRS.

### **4) *Valuation methods***

Listed entities (of which there are currently none) generally appear in government accounts at market value. Unlisted entities are counted at book value of equity. There are no statutory corporations in the Netherlands.

### **5) *Listed enterprises***

No such enterprises exist. However, many Dutch enterprises are foundation owned. These include Holland Casino and Staatsloterij, which are formally non-profit foundations rather than companies. However, they are considered as SOEs and report accordingly.

## **New Zealand**

### **1) *Reporting agency/agencies***

Treasury provides consolidated reporting, while the enterprises themselves provide disclosures approaching the disclosure requirements expected of a publicly listed company. The questionnaire reporting was provided by the Treasury.

### **2) *Definition of state-owned enterprises***

The reporting covers publicly listed companies, entities covered by the State owned enterprise Act, as well as Kiwi Rail, which is a statutory corporation subject to the New Zealand Railways Corporation Act. For all such enterprises data are available and have been reported.

Crown Research Institutes have been excluded on the basis that they do not charge economically significant prices (2009 commercial valuation of NZ\$ 420 mill.), as has Housing New Zealand, and Crown financial institutions such as the New Zealand Superannuation Fund.

### **3) *Consolidation and degree of ownership***

The only listed company is Air NZ, which the Crown directly owns 75%. The extent to which Crown financial institutions may hold minority stakes does not therefore impact the 50% threshold.

### **4) *Valuation methods***

Air NZ is based on market capitalization. For all other entities, entity boards are required – in addition to book equity value – to provide commercial valuations, which are generally performed on a discounted cashflow basis.

### **5) *Listed enterprises***

(Refer to previous points)

**Norway**

**1) *Reporting agency/agencies***

The information given to the OECD has been taken from the annual ownership report for 2008 and 2009, published by the Ministry of Trade and Industry. The companies are managed by different ministries within the Government, including the Ministry of Trade and Industry.

**2) *Definition of state-owned enterprises***

All listed companies and all non-listed companies where the state owns more than 50% of the shares are included. Such companies/public corporations as have not been included in the reporting are mostly cultural institutions in which the state ownership is minimal and universities where the necessary data is not available.

**3) *Consolidation and degree of ownership***

Does not apply.

**4) *Valuation methods***

In listed SOEs market value is reported. In non listed entities has been used book value adjusted for minority interests.

**5) *Listed enterprises***

Only direct state ownership is reported, which implies that other state holdings through the State Pension Fund Global and the State Pension Fund Norway are not included. Neither is assets held through the States Direct Financial Interest in the petroleum sector.

## **Poland**

### **1) *Reporting agency/agencies***

Majority of the information in the reporting comes from the Ministry of Treasury IT database, as well as other databases maintained by the Ministry.

### **2) *Definition of state-owned enterprises***

No official (formal) procedure of qualification of entities as public corporations is used by the Ministry. Entities with the Treasury shareholding supervised by the Minister of Treasury are registered taking into account direct Treasury shareholding in the share capital of such entities. A separate – limited – register is maintained for state-owned enterprises supervised by other bodies and state institutions.

The reporting includes only enterprises remaining under direct supervision of public units representing the Treasury. Due to lack of available data, the report does not cover enterprises controlled by territorial self-government units, as well as majority of subsidiaries of state-owned enterprises which, according to the OECD definitions, should be classified as public corporations.

Data concerning un-incorporated entities are insufficient in some cases. For example Lasy Państwowe (State Forests) undertake substantial commercial activity while not being legal entity. It would be difficult to assess its value, as the forests and the land are not included in financial statements.

### **3) *Consolidation and degree of ownership***

If the Treasury has no shareholding in a company which is a member of a capital group (but has a substantial shareholding in the company dominating in this group) then such company could not be specified as a separate entity. As far as possible – depending on the data published by the mother companies, its assets and employment were included using the capital group's statements. In some cases data from individual statements were used for one year (relatively small assets and small employment) while much more comprehensive information about the capital group was available for another year.

The companies where the majority of the share capital is jointly held by different public units were treated as entities in which the Treasury is a majority shareholder.

It must be noted that in some cases, where SOE was owned (even partially) by another SOE, part of company value was simultaneously included as a component of assets of a company, which is the owner of the shares. Based on available data, such double counting of the same assets could not be avoided.

### **4) *Valuation methods***

Standard methods of valuation of enterprises have been applied. Capitalisation and book value of equity were taken as the value of enterprises for stock companies and unlisted entities respectively.

### **5) *Listed enterprises***

There was no difficulty in identifying listed enterprises with both direct and indirect Treasury ownership. Shares in possession of State-owned enterprises/entities were pointed out in "Comments" section. "Government ownership" column shows only shares owned directly by the Treasury. However, as mentioned above, valuation of SOEs partially owned by other SOEs was difficult in some cases.

## **Slovenia**

### **1) *Reporting agency/agencies***

Ministry of Finance of the Republic of Slovenia.

### **2) *Definition of state-owned enterprises***

The data reported per 31. 12. 2009 in on the extent of State ownership of enterprises are included enterprises, which are subject to Companies Act, and in which Republic of Slovenia has direct ownership shares equal or more than 10 %.

As Ministry of Finance keep record of data of Republic of Slovenia indirect ownership shares manually, data of enterprises, in which Republic of Slovenia has indirect ownership shares per 31. 12. 2009, is excluded from reporting.

Statutory corporations: In Slovenia all SOEs are subject to Companies Act, although they were established upon the special law that determines their operation. Therefore the data of those entities are together with other listed entities or not listed enterprises specified in columns and not in column "Statutory corporations and quasi-corporations".

### **3) *Consolidation and degree of ownership***

As mentioned in no.2 the data reported per 31. 12. 2009 includes only direct ownership by the Republic of Slovenia.

### **4) *Valuation methods***

The valuation methods of Market Value of listed SOEs is: the number of shares of SOEs listed in Ljubljana Stock Exchange till 31. 12. 2009 multiplied with the price of shares of SOEs listed in Ljubljana Stock Exchange per 31. 12. 2009.

The valuation methods of book equity of listed SOE are the same as the valuation method of value of non-listed enterprises: the booked capital of the respective enterprises.

### **5) *Listed enterprises***

Report includes listed enterprises with shares listed in Ljubljana Stock Exchange, which are subject to Companies Act, and in which Republic of Slovenia has direct ownership shares equal or more than 10% per 31. 12. 2009.



## Spain

### 1) *Reporting agency/agencies*

Sociedad Estatal de Participaciones Industriales (SEPI), attached to the Ministry of Economics and Finance, is the entity in charge of preparing the statistics for all the Spanish entrepreneurial public sector (see also item 5).

### 2) *Definition of state-owned enterprises*

The criteria stated in the methodology submitted by the OECD for in the context of this exercise have been applied. The financial assessment of one entity which belongs to the transport industry has been omitted: Aeropuertos Españoles (AENA, the entity in charge of managing Spain's airports and its air space). Its assessment is underway, because it is going soon to be partially privatized (around 30%). Once this has been carried out, it shall be possible to have a reliable value, at the end of 2011.

No entity has been excluded. All public-law companies which operate according to their own legal framework have been included, as well as the so-called quasi corporations.

Although the total number of entities may seem high (152), a large number of them are small instrumental companies. The Spanish entrepreneurial public sector has been much reduced, as a result of the privatizations carried out during the nineties, and it has disappeared altogether from industries such as electricity, telecommunications, iron and steel, etc.

### 3) *Consolidation and degree of ownership*

Not applicable.

### 4) *Valuation methods*

There is no longer in Spain any listed state-owned company in which the State has a majority stake (majority-owned listed entities). And there is only one listed company in which the State has a stake, albeit a minority one: RED ELECTRICA. All the remaining companies and corporations (116 and 36) are not listed in the stock exchange, and have been valued according to their "book value".

### 5) *Listed enterprises*

[Not applicable]

### 6) *Other information*

In Spain there are basically three groups of state-owned enterprises: (i) Sociedad Estatal de Participaciones Industriales (SEPI), a holding attached to the Ministry of Economics and Finance (65 public-law enterprises and companies); (ii) The Group of companies which belong to "Patrimonio del Estado", which is also attached to the Ministry of Economics and Finance (35 companies); and (iii) The corporate public sector bodies which are attached to the, Ministerio de Fomento (transport infrastructures): railways, airports and seaports, and which amount to 20 companies and 33 public-law entities).

## Sweden

### 1) *Reporting agency/agencies*

Ministry of Enterprise, Division for State Enterprises

### 2) *Definition of state-owned enterprises*

Listed state-owned enterprises, majority owned non-listed corporations owned by the state and statutory corporations (independent balance sheet).

SOEs held by municipalities and counties are excluded because data could not be obtained. Some of these can be large local employers although their market value is small in comparison to the rest of the portfolio.

No statutory corporations control market producers. Two Swedish incorporated SOEs own shares in listed companies that are market producers. These are included.

### 3) *Consolidation and degree of ownership*

Swedish SOEs are almost entirely owned directly by the Swedish State. Consolidation has, as far the reporting agency knows, not affected the 10% and 50% reporting thresholds.

### 4) *Valuation methods*

Listed entities are market valued per 31 December 2008 and 2009. Majority owned non-listed entities are market valued in their totality but since we don't communicate individual valuations book value is used for each company. The valuation of non-listed entities is performed twice a year through a structured process using mainly DCF and comparing with relevant listed competitors in the relevant sectors.

### 5) *Listed enterprises*

Only enterprises directly owned by the state are reported. The type of equity considered is common shares with normal voting rights. Shares owned by SOEs are not treated separately (see response to question 2). The holdings of pension funds, foundations, etc. have not been included.

## Switzerland

### 1) *Reporting agency/agencies*

Federal Departement of Finance FDF / Federal Finance Administration FFA.

### 2) *Definition of state-owned enterprises*

According to OECD's definition of SOEs (see also below) are market producing units owned by the federal state. Hence, educational and cultural institutions owned by the federal state are not considered in the reporting (no "market producers"). Equally, the reporting covers federal state ownership only, whereas local government ownership or participations (cantonal, municipal level) comprising e.g. utilities within the energy sector or hospitals are not considered. In the case of Switzerland, all the relevant data for such entities have been obtained and reported.

### 3) *Consolidation and degree of ownership*

All of the relevant 4 enterprises are majority owned. Thus, the thresholds do not affect number or values reported.

### 4) *Valuation methods*

Listed companies: market capitalization (stock market price \* total number of shares).

Unlisted companies and statutory corporations: share capital + accumulated profit + net result = net assets (book value of SOE).

### 5) *Listed enterprises*

With "Swisscom", the federal state controls by a majority of 56% only 1 listed enterprise. Equity consists solely of nominal shares (one share one vote). No other public shareholders have been included in the reported ownership shares, as they do not hold relevant stakes for ownership policy.

## ANNEX: TEXT OF THE METHODOLOGY QUESTIONNAIRE

### ***Reporting agency/agencies***

Please specify what government agency, or agencies, are responsible for the reporting from your country.

### ***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 partly-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.