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DAF/CA/SOPP(2011)6/FINAL

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

13-May-2011

English - Or. English

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
CORPORATE GOVERNANCE COMMITTEE**

Cancels & replaces the same document of 11 May 2011

Working Party on State Ownership and Privatisation Practices

The Size and Composition of the SOE Sector in OECD Countries

**29-30 March 2011
OECD Conference Centre
2, rue André-Pascal, 75016 Paris**

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

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JT03301781

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THE SIZE AND COMPOSITION OF THE SOE SECTOR IN OECD COUNTRIES

1. Introduction and background

1. The Working Party State Ownership and Privatisation Practices¹, through its Programme of Work and Budget for 2009/2010, agreed to undertake a project investigating the role of state owned enterprises in the world economy. Specifically, it decided to “give priority to prepare a comprehensive empirical overview of the significance of state-owned enterprises worldwide; their role in markets and their impact on economic activity”. The Working Party decided at its meeting in October 2010 to prolong the project to the first half of 2011, with the purpose of producing a publishable database of state-owned enterprises (SOEs) in OECD countries.

2. The data collection exercise was terminated on 15 March 2011. On that date, 27 member countries (Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Israel, Korea, Mexico, New Zealand, Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and United Kingdom) had submitted final questionnaire responses². In addition, Japan has submitted data for its state-owned, or partly state-owned, exchange listed enterprises. The reporting of 2009 figures is partial for two countries, namely Mexico and Poland, which at the time of reporting did not yet have information for all state-owned statutory corporations.

3. The quality of reporting varies significantly across countries. Some respondents acted in close cooperation with their national statistical offices to ensure a full coverage of all enterprises that may be properly characterised as SOEs. Other respondents, somewhat contrary to what the Working Party had requested, have only reported SOEs that under the oversight of the segments of general government that they (the Working Party delegates) represent.

4. Partly in response to the uneven data definitions and methodologies, a methodology questionnaire was issued alongside with the data questionnaire. The responses to this new questionnaire are reproduced in DAF/CA/SOPP(2011)6/ANN3/FINAL. This annex serves as a documentation of national definitions and methodologies and will be used as such when the data is referenced. The actual reporting by countries in the context of the statistical questionnaire is reproduced in DAF/CA/SOPP(2011)6/ANN1/FINAL and ANN2/FINAL.

2. An overview of the SOE sectors in OECD countries

5. The information presented in this section is based solely on the questionnaire responses. The coverage of 27 OECD countries is deemed sufficient for the calculation of OECD and sectoral totals, although it should be recognised that a couple of the missing (or partly missing) countries (e.g. Japan,

¹ At the time, the Working Party was still named the Working Group on Privatisation and Corporate Governance of State-Owned Assets.

² The responses were “final” in the sense that they followed two previous questionnaire-based exercises.

Turkey, United States) have substantial SOE sectors. Similarly, in case of missing values within individual countries' reporting, these values have mostly been set to zero for the purpose of calculating aggregates³.

6. Table 1 indicates that the reporting OECD countries have SOE sectors with a combined 2,057 enterprises, employing close to 4.3 million people and with an estimated value exceeding US\$ 1.3 trillion. In these numbers are not included the statutory corporations of Mexico and Poland (because of partial reporting for 2009). In 2008 there were 128 such enterprises, valued at US\$ 130 billion⁴.

7. As mentioned the absence of data from the United States and (most of) the Japanese SOE sector is unfortunate, because SOEs such as the US and Japanese postal services, as well as General Motors, are among the largest in the world. If an adjustment of the sum-totals in Table 1 is made, based on secretariat estimates as well as data reported by countries concerning years 2007 and 2008, then one arrives at the conclusion that the total SOE employment in the OECD area exceeds 6 million people and that the value of the entire sector is close to US\$ 1.9 trillion⁵.

8. In terms of both valuation and employment, roughly half of the SOEs in the OECD area are non-listed but fully incorporated enterprises. The remainder of the employment is split more-or-less equally among listed enterprises and statutory corporations. There are currently only 48 listed companies majority owned by the state. That said, and perhaps unsurprisingly, these companies are very highly valued. At close to US\$ 520 billion, they make up 30% of the valuation of the entire SOE sector.

9. In the absence of detailed US reporting⁶, one country stands out from the rest of the reporting countries in terms of total SOE employment, namely France. More than 800,000 persons are employed by French SOEs, which places the country far ahead of number 2 (United Kingdom with 378,000 employees⁷) and number 3 (Italy with 289,000 employees) on the league table. The French figure mostly reflects the employment of half a million people by statutory corporations in transportation and other utilities.

³ However, in some cases this is not done. Where, based on a secretariat estimate, the missing values are of major individual importance no country-specific or type-of-SOEs specific totals are calculated. (Example: in the absence of a valuation of the very large French statutory corporation sector, no total value for France is calculated.)

⁴ The large value is mostly due to the Mexican government's hydrocarbons company PEMEX.

⁵ In this estimate is included earlier data for Japan, Turkey and United States.

⁶ Among the other missing countries, Japan and Turkey also have sizeable SOE sectors but not at a level comparable to France and the United States.

⁷ The prominent position of the United Kingdom is mostly due to the majority government ownership of Royal Bank of Scotland.

Table 1. Enterprises majority-owned by the central level of government

	Majority owned listed entities			Majority owned non-listed enterprises			Statutory corporations			Total ¹		
	N° of enterprises	N° of employees	Market value of enterprises (bn. USD)	N° of enterprises	N° of employees	Book equity value of enterprises (bn. USD)	N° of enterprises	N° of employees	Book equity value of enterprises (bn. USD)	N° of enterprises	N° of employees	Value of enterprises (bn. USD)
Australia ²	0	0	0.0	7	8 283	4.2	10	40 562	13.4	17	48 845	17.6
Austria	2	28 741	8.2	6	50 459	7.8	1	5	0.4	9	79 205	16.4
Belgium	1	17 371	13.2	7	74 990	44.6	0	0	0.0	8	92 361	57.8
Canada	0	0	0.0	33	105 296	21.6	0	0	0.0	33	105 296	21.6
Chile	1	156	0.2	9	5 559	2.7	24	46 013	10.2	34	51 728	13.1
Czech Republic	1	33 000	25.3	82	38 200	9.9	41	95 400	8.7	124	166 600	43.9
Denmark	0	0	0.0	11	8 680	8.3	2	9 828	2.5	13	18 508	10.7
Estonia	0	0	0.0	32	16 261	2.9	22	9 574	0.5	54	25 835	3.4
Finland	3	24 844	29.4	28	61 187	16.3	5	5 758	10.9	36	91 789	56.6
France	2	176 347	116.1	30	120 386	41.6	19	541 841	..	51	838 574	..
Germany ³	0	0	0.0	57	66 419	22.9	2	4 650	18.8	59	71 069	41.7
Greece	7	39 421	15.8	72	..	..	..	..	..	..	..	..
Hungary	0	0	0.0	346	150 528	6.7	12	2 447	0.8	358	152 975	7.5
Israel	0	0	0.0	29	50 264	43.2	..	..	..	29	50 264	43.2
Italy ⁴	0	0	0.0	25	289 329	105.4	0	0	0.0	25	289 329	105.4
Japan	1	49 665	35.8	..	..	..	..	..	..	..	..	..
Korea	8	39 599	38.3	48	81 056	139.4	0	0	0.0	56	120 655	177.6

Mexico⁵	0	0	0.0	45	..	2.2	23	..	..	68	..	..
Netherlands	0	0	0.0	28	60 355	74.1	0	0	0.0	28	60 355	74.1
New Zealand²	1	10 726	0.5	17	17 107	9.1	1	4 019	9.1	19	31 852	18.8
Norway	3	74 723	104.7	33	50 479	18.3	10	104 993	8.0	46	230 195	131.0
Poland⁵	13	184 079	59.5	573	542 082	34.0	..	..	..	..	..	..
Portugal	0	0	0.0	42	81 465	16.6	51	99 112	1.7	93	180 577	18.3
Slovenia	3	3 048	0.9	33	22 276	3.1	..	..	..	..	..	..
Spain⁶	0	0	0.0	115	106 963	36.3	36	53 566	44.3	151	160 529	80.7
Sweden⁷	0	0	0.0	43	143 253	66.1	4	4 879	1.6	47	148 132	67.7
Switzerland	1	19 813	19.8	1	7 534	0.7	2	72 781	12.8	4	100 128	33.3
United Kingdom⁸	1	160 900	50.7	12	202 668	5.5	8	14 730	11.2	21	378 298	67.4
Total OECD	48	862 433	518.4	1 764	2 361 079	743.6	273	1 110 158	154.8	2 085	4 333 670	1416.8

¹ Some "totals" have been obtained by treating missing variables as zero.

² Data relate to the end of FY 2008/9.

³ Some publicly owned enterprises in which the federal government is not a majority owner have been included.

⁴ Only SOEs held by the Central Government – Ministry of Economy and Finance - are included in the aggregate data.

⁵ Data for statutory corporations are only available for part of the enterprises in 2009.

⁶ SOEs in the transport sector are not included.

⁷ The unlisted SOEs are valued at market values.

⁸ For unlisted SOEs the valuation is a mixture of book equity and market values.

10. The highest valuation of a national SOE sector among reporting countries is found in Korea, whose SOE sector is estimated at US\$ 178 billion – although had a valuation of French statutory corporations been available then this country would almost certainly have overtaken Korea. Norway comes second in terms of SOE value, with an SOE sector estimated at US\$ 131 billion. There is an important qualitative difference between number one and number two, in the sense that the large valuation in Norway reflects a few highly-priced listed companies, whereas in Korea it reflects a generally high valuation of unlisted companies with 100% government ownership. The only other OECD country to report an SOE sector valued above US\$ 100 billion in 2009 is Italy (at US\$ 105 billion).

2.1 Recent change

11. The Working Party requested at its meeting in October 2010 that data be collected for 2008 as well as 2009 and asked the Secretariat to prepare an overview of changes in SOE ownership in the course of the financial crisis. However, since five of the reporting countries did not provide figures for 2008 it is not deemed feasible to do this on an OECD-wide basis.

12. From individual country reporting it appears that the weakness of equity prices has held back the stock-market introduction of SOEs as well as divestment of listed SOEs in most countries. Only two countries increased the number of listed SOEs between 2008 and 2009, namely Korea and Poland. The United Kingdom has, statistically speaking, “lost” a listed SOE between 2008 and 2009, because the takeover of HBOS by Lloyds Banking Group in 2009 meant that the State went from being majority to minority shareholder in one financial institution.

13. Among the unlisted SOEs, the trend has been toward a declining public ownership – apparently reflecting privatisation as well as mergers among state-owned enterprises as part of a rationalisation process in some countries. In each of the countries Czech Republic, Hungary and Poland the number of SOEs fell by more than 10 between 2008 and 2009. Somewhat surprisingly, in the case of Poland this went hand-in-hand with a massive increase in the employment in the SOE sector. Other governments to have reduced their portfolios of state-owned enterprises in 2009 include Denmark, Greece and Korea.

14. Relatively few reporting countries have added to their SOE ownership in 2009, and where it has happened it seems to reflect mostly the corporatisation of autonomous government bodies. (Examples include Portugal and Sweden.) In Norway, new SOEs were added through corporatisation of in the health system, while at the same time a minor telecom operator was divested.

3. Listed enterprises

15. In addition to listed SOEs a number of governments hold significant minority stakes (for the purpose of this document defined as at least 10% of the common stock, or equivalent voting rights) in listed companies. These are summarised, alongside with details about the listed SOEs, in Table 2. Taken together, both the value and employment of these listed partly state-owned companies (PSOEs) actually exceed the listed SOE sector by a wide margin. At the end of 2009 there were 54 listed PSOEs in the reporting countries (against 48 listed SOEs), accounting for 2.6 million jobs (0.8 million for listed SOEs) and valued at around US\$ 770 billion (US\$ 500 billion for listed SOEs).

16. The reasons for these minority shareholdings apparently differ across – and sometimes within – countries. In some cases they testify to unfinished privatisation business. (In fact, two of the reporting countries mentioned that convertible bonds had already been issued against the remaining state equity in listed companies.) In other cases, shares of just over 10% (or such thresholds for squeeze-outs as established by national securities law) are being maintained in state hands in order to prevent takeovers. It is not uncommon for state minority shareholders to team up with other investors by means of shareholder

agreements to secure a continued dominant influence in decision areas of particular priority. A special construction is seen in the Nordic region where a couple of listed enterprises (e.g. SAS and TeliaSonora) have among their minority shareholders several national governments that, if they vote as a block, will be able to control the companies.

17. Some of the larger European countries stand out in terms of their portfolio of listed PSOEs. In 2009, nine such French enterprises (including, among others, Air France KLM, EADS, France Telecom and Renault) employed around 925,000 persons and had a market capitalisation of US\$ 244 billion. The three German PSOEs (including, as of recent, Commerzbank) accounted for 727,000 jobs in 2009⁸. The Italian PSOE sector comes third with employment of 224,000 and a market cap of just over US\$ 156 billion. Compared to the size of the national economy, however, it is arguably Finland that stands out most in this context⁹. This country, with around one tenth of the population of either France or Italy, has 9 listed PSOEs with a combined 131,000 employees and a market cap of US\$ 71 billion.

18. In terms of sectoral distribution, the listed PSOEs are found largely in the utilities sectors, plus in some cases financial institutions. This is consistent with the “defensive” agenda suggested above as these are the areas where many governments either perceive a “strategic” interest in continued national, or at least independent, ownership of enterprises, or have been unwilling to divest completely of natural monopolies. In the case of, for example, Germany and the United Kingdom can be added the fact that, in consequence of the financial crisis, the State has become a minority owner of large financial institutions. Finland, France, Italy, Norway and Poland are the only reporting countries to maintain minority state ownership in listed manufacturing companies.

⁸ A valuation at market values is not available for these companies.

⁹ In absolute terms Germany comes third, and Japan fourth. Japan’s position solely reflects the continued state ownership of a third of the shares in the telecom giant NTT.

Table 2. Listed enterprises with a state ownership of at least 10% of the common stock (end-2009)¹

	Majority owned by the State			Minority owned by the State		
	Company name	Combined market value (US\$ bn.)	Number of employees	Company name	Combined market value (US\$ bn.)	Number of employees
Australia	-	-	-	-	-	-
Austria	Österreichische Post (52.9%); VERBUND (51.0%)	8.2	28 741	ÖMV (31.5%); Telekom Austria (28.4%)	19.4	54 058
Belgium	Belgacom (56.3%)	13.2	17 371	-	-	-
Canada	-	-	-	-	-	-
Chile	Zofri (72.7%)	0.2	156	ESVAL (29.5%); ESSBIO (44.3%); Aguas Andinas (35.0%)	2.6	3 346
Czech Republic	CEZ (63.4%)	25.3	33 000	-	-	-
Denmark	-	-	-	Københavns Lufthavne (39.2%); SAS (14.3%)	3.2	20 684
Estonia	-	-	-	-	-	-
Finland	Finnair (57.4%); Fortum (52.2%); Neste Oil (52.2%)	29.4	24 844	Elisa (11.2%); Kemira (17.7%); Metso (12.4%); Outokumpu (40.4%); Rautaruukki (40.7%); Sampo (15.2%); Sponda (35.0%); StoraEnso (16.5%); TeliaSonera (14.0%)	70.6	131 451
France	EDF (84.7%); Aeroports de Paris (60.4%)	116.1	176 347	GDF Suez (39.9%); CNP Assurances (41.4%); Dexia (23.3%); Safran (37.6%); Thales (27.2%); Renault (15.0%); EADS 15.1%); France Telecom (29.7%); Air France - KLM (15.7%)	243.6	924 625
Germany (3)	-	-	-	Deutsche Telekom (31.7%); Deutsche Post (30.5%); Commerzbank (25%)	76.9	757 322

Greece	Agricultural Bank of Greece (77.3%); Public Power Corp. (51.1%); Thessaloniki Water (74.0%); Athens Water (61.3%); Thessaloniki Port (74.3%); Piraeus Port (74.1%)	15.8	39 421	Hellenic Petroleum (35.5%); Organisation of Football Prognostics (34.0%); Hellenic Telecommunications (16.0%); Hellenic Postbank (34.0%)	12.6	39 126
Hungary	-	-	-	Richter Gedeon Nyrt. (25.1%)	4.2	10 090
Israel	-	-	-	-	-	-
Italy	-	-	-	ENEL (31.2%); ENI (30.3%); Finmeccanica (30.2%)	156.3	223 580
Japan (2)	Japan Tobacco (50.0%)	18.5	49 665	NTT (33.7%)	83.6	196 300
Korea	Korea Gas (51.0%); Korea Electric Power (51.4%); Korea Plant Service & Engineering (80.0%); Industrial Bank of Korea (76.2%); Kangwon Land (51.0%); Korea District Heating (75.0%); Korea Power Engineering (80.1%); Grand Korea Leisure (70.0%)	38.3	39 599	-	-	-
Mexico	-	-	-	-	-	-
Netherlands	-	-	-	-	-	-
New Zealand	Air New Zealand (75.5%)	0.5	10 726	-	-	-
Norway	Kongsberg Gruppen (50.0%); Statoil (67.0%); Telenor (54.0%)	104.7	74 723	Cermaq (43.5%); DNB NOR (34.0%); Norsk Hydro (43.8%); Yara International (36.2%); SAS (14.3%)	16.0	60 843

Poland	PGE (85.0%); ENEA (76.5%); Polskie Gornictwo Naftowe i Gazownictwo (72.9%); Grupa Lotos (64.0%); Lubelski Wegiel Bogdanka (60.5%); Zaklady Chemiczne Police (68.2%); Ruch (56.9%); Zaklady Azotowe Pulawy (60.6%); Powszechna Kasa Oszczednosci Bank Polski (51.2%); Bank Ochrony Srodowiska (85.6%); Zaklady Azotowe w Tarnowie-Moscicach (62.7%)	59.5	184 079	KGHM Polska Miedz (41.8%); Ciech (36.7%); Mennica Polska (31.6%); Polski Koncern Naftowy ORLEN (27.5%); Hardex (22.9%); Paged (14.1%)	0.5	7 553
Portugal	-	-	-	-	-	-
Slovenia	Telekom Slovenije (52.5%); Luka Koper (51.0%); Aerodrom Ljubljana (50.7%)	0.9	3 048	Nova KBM (41.5%)	0.2	1 456
Spain	-	-	-	Red Electrica (20.0%)	4.4	1 679
Sweden	-	-	-	SAS (21.4%); Nordea Bank (19.9%); TeliaSonera (37.3%)	20.6	79 533
Switzerland	Swisscom (56.9%)	19.8	19 813	-	-	-
United Kingdom	Royal Bank of Scotland (84.0%)	50.7	160 900	Lloyds Banking Group (43.0%)	52.3	107 144
Total		500.6	851 707.0		767.1	2 618 790.0

¹ Includes companies where governments wield an influence equivalent to an ownership above 50% and 10%, respectively.

² The valuation is at book equity values.

³ Data for NTT are based on Secretariat estimates.

4. Sectors and corporate forms

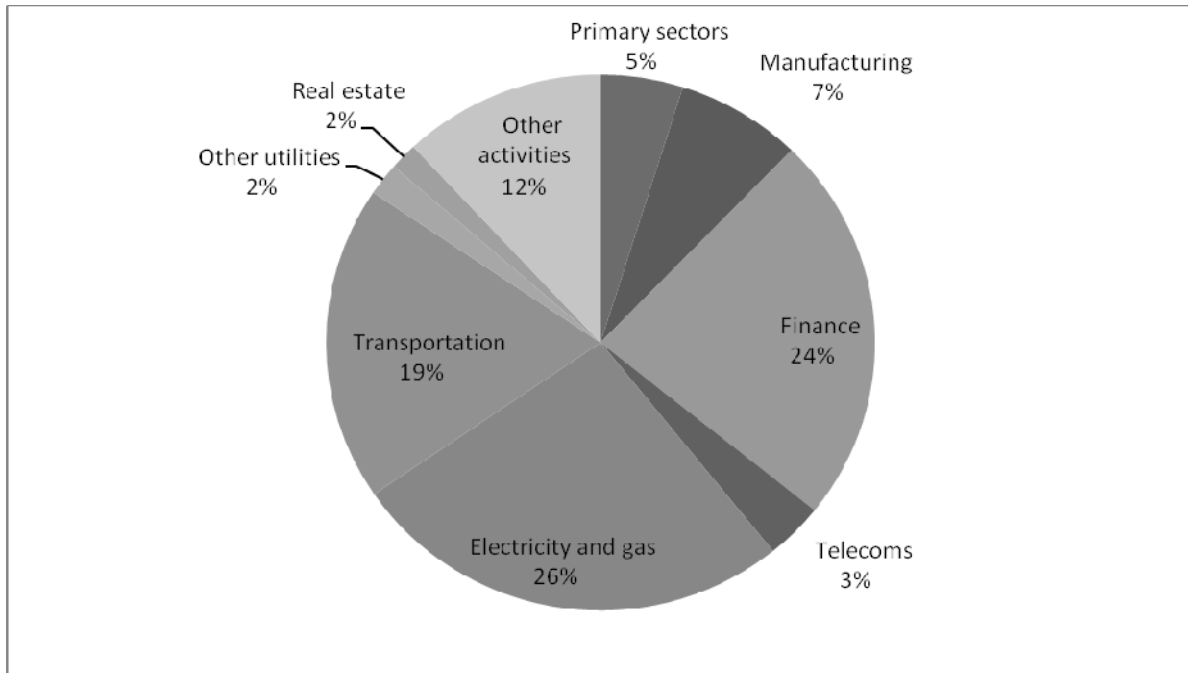
19. The sectoral distribution of SOEs has in recent decades become ever more skewed toward the utilities sector, as countries have pushed ahead with privatisation programmes in other sectors. A complete mapping of the sectoral distribution in reporting countries is provided in Table 3. Among other things the table demonstrates the dominance of the utilities sector in the SOE economy. Almost half of the estimated total SOE employment in 2009 (or 2008, in the case of some of the Mexican and Polish SOEs) was found in the power and transportation sectors.

20. Moreover, Figure 1 illustrates that measured in value terms utilities (telecom, electricity and gas, transportation and other utilities) in the reporting countries account for exactly half of the total SOE sector. The figure has been based on a dataset consisting of reported values, augmented with Secretariat estimates for the SOE sectors of Japan, Turkey and United States.

21. While the figure is influenced by a few individual “behemoths” (one example being EDF of France), the tendency holds strong throughout the OECD area: in most countries the largest SOEs include incumbents in the telecom, power generation and/or railway sectors. In a corporate governance context, this makes it important to understand how they are operated since companies in these sectors are particularly likely to retain an element of monopoly power.

22. The second-largest concentration of SOEs is found in the financial sector (24% of total value). This might come as a surprise, since this sector has seen some of the most active programmes of step-wise privatisation through public offerings since the 1990s. However, the bulk of the remaining SOEs in the financial sector are not banks listed on stock exchanges. They are mostly insurance, pension and specialised financing entities held closely by their national governments. Such SOEs are particularly prevalent in Western Europe. In value terms the governments of Italy and Sweden come out near the top in that particular league table.

23. As for the other sectors, the primary sector figures prominently (5%) solely because of a handful of very large Scandinavian hydrocarbons and mining companies. Manufacturing (7%) is relatively big because of a few listed, majority owned companies, which make up two thirds of the sector totals. These include General Motors of the United States and Japan Tobacco.

Figure 1. Sectoral distribution of SOE sector, by company value (total OECD)

24. The corporate forms of SOEs naturally vary across sectors, and also to a considerable degree across countries. Listed SOEs account for just over 2% of all SOEs in the reporting countries, but these relatively few companies (48 in total) account for one fifth of total employment and close to a third of the SOE sectors' economic value. The value of this segment is partly due to some highly priced listed SOEs in France and Norway.

25. For statutory corporations, a mixed picture is found. Reflecting the ongoing process of corporatisation and commercialisation across the OECD areas, a number of countries have relatively few such "weakly corporatized" companies left, but some of the remaining ones (including the oil company of Mexico) are indeed very large. Reflecting this, they account for one fifth of the value of SOEs in reporting countries and a third of the total employment¹⁰. Finally, non-listed but fully incorporated enterprises remain the "instrument of choice" for governments structuring their SOE sectors – not least where moderately-sized enterprises are concerned. This segment accounts for 80% of the number of reported enterprises, and just over 50% of their total employment and economic value.

¹⁰ It should, however, be stressed that the data for statutory corporations is much less precise than the other two categories. Some reporting countries omitted such corporations from their reporting on account that they were not part of the normal government ownership function. Others included them but could not provide a value estimate.

Table 3. State Owned Enterprises, by sector, in the OECD area, end-2009 (US\$ billion)

	Majority-owned listed entities			Majority-owned unlisted entities			Statutory or quasi corporations (2)			Total		
	No. of enterprises	No. of employees	Value of enterprises (1)	No. of enterprises	No. of employees	Value of enterprises (1)	No. of enterprises	No. of employees	Value of enterprises (1)	No. of enterprises	No. of employees	Value of enterprises (1)
Total	48	862 433	518.4	1 764	2 225 769	741.4	378	1 228 323	383.9	2 190	4 316 525	1 644
Primary sectors	5	62 316	19.4	162	158 162	16.3	22	40 027	46.6	189	260 505	82
Manufacturing	5	66 904	38.5	335	145 184	31.2	69	10 041	65.2	409	222 129	135
Finance	5	206 003	76.9	92	74 975	165.2	29	16 034	37.6	126	297 012	280
Telecoms	4	79 345	56.8	41	217 224	4.9	4	105 369	1.2	49	401 938	63
Electricity and gas	13	372 908	300.7	105	242 715	131.9	7	1 536	36.7	125	617 159	469
Transportation	6	57 876	10.5	296	678 019	205.1	87	422 961	85.5	389	1 158 856	301
Other utilities	4	5 938	1.9	83	243 898	25.1	27	364 352	5.7	114	614 188	33
Real estate	0	0	0.0	100	15 524	14.8	6	4 873	15.3	106	20 397	30
Other activities	6	11 143	13.7	551	450 069	116.5	127	263 130	90.0	684	724 342	220

(1) Market value for listed enterprises; book equity value for others.

(2) Not all countries have reported. Missing values are treated as zero. In the case of Mexico and Poland, 2008 values have been used.

5. The economic “weight” of SOEs

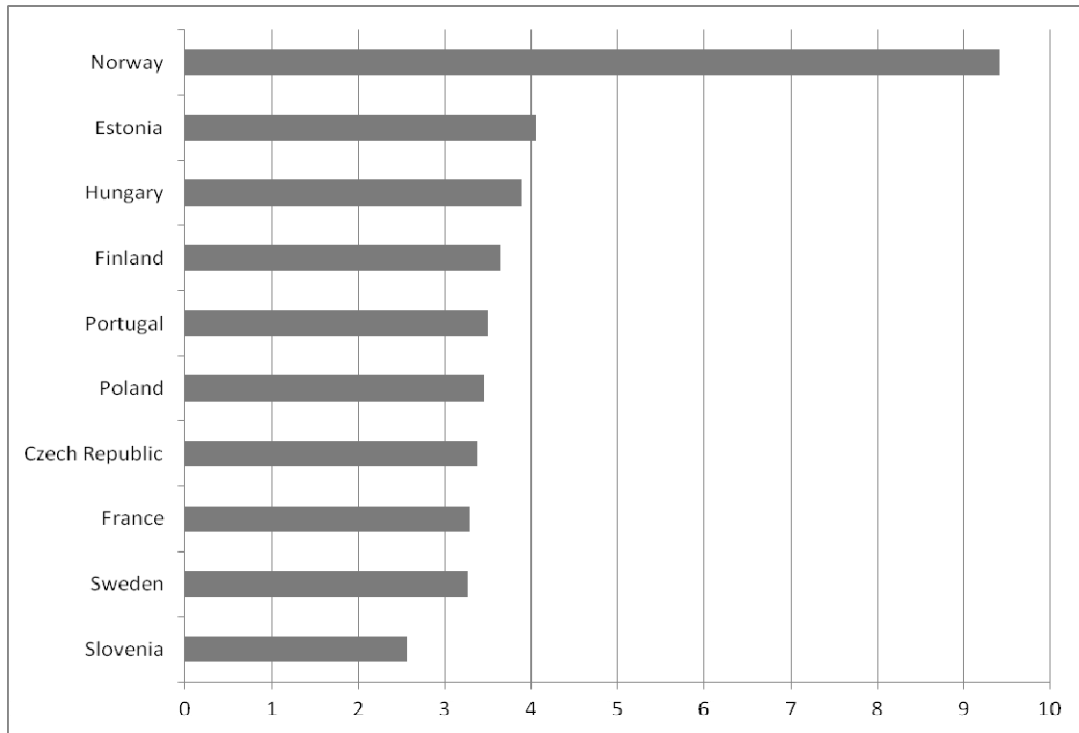
26. As mentioned in earlier documents on SOE data, there is an ongoing exercise in Eurostat and the OECD Working Party on National Accounts Statistics to compile and disseminate data on the share of SOEs in value added and other economic activities. At this point in time, comparable information is regrettably not available to the OECD Secretariat. A much less precise comparison of SOEs’ economic importance across countries may be obtained by measuring the valuation of SOE sectors relative to GDP. It obviously makes limited economic sense to measure asset valuation relative to a flow variable (GDP), but at least it provides for a relativisation of the SOE sector to the size of national economies.

27. By this measure, Mexico (more than 100% of GDP) comes out in top among the reporting countries. Again, this largely reflects the overwhelming importance of the state-owned hydrocarbons company PEMEX. A handful of countries are found in the range from 20% to 30%. They are either Scandinavian nations or countries that have recently made a transition toward more market-based economies: Czech Republic, Finland, Israel, Poland and Norway. The average for all reporting countries is around 15% of GDP.

28. Moreover, the questionnaire responses summarised Table 1, do allow a comparison of the importance of SOEs for total employment in a number of countries. Figure 2 shows the ten OECD countries (among the questionnaire respondents) where SOE employment relative to total employment is highest. The top country in this respect is Norway, with SOEs accounting for more than 9% of total employment. The Norwegian figure basically reflects two factors, namely the size of its listed hydrocarbons company and the fact that the country’s power generation relies on a small number of large statutory corporations. Other countries where SOEs account for more than 3% of total employment include former transition economies such as the Czech Republic, Estonia, Hungary and Poland. Among the other OECD countries, Finland, Portugal, France and Sweden also figure high in the employment table. In fact, both Finland and France would have figured even more prominently if the comparison were broadened to include partly state-owned companies, since as mentioned earlier both countries have a number of large, listed SOEs with significant government minority ownership.

29. The trend over time is clearly declining. Comparing with the Working Group’s 2005 stocktaking (which is not easy, since both coverage and implicit SOE definitions differ), there has been a particularly large drop in employment in some of the former transition economies. Less than 10 years ago it was not uncommon for them to have close to 10% of their employment in SOEs. Likewise, some countries that have reduced the state’s ownership share in a number of large (listed) SOEs to below 50% - whereby by the definitions of the current documents they cease to be SOEs – have also recorded large drops. In the previous study France had 5% of its employment in the SOE sector, and Finland had 10%.

Figure 2. SOE employees as % of total employment (OECD top-10)



Source: Questionnaire responses and OECD Labour Force Statistics.