

GENB 7A97
Oil and Governance
National Oil Companies
NOCs

National Oil Companies (NOCs) play an important role in the world economy. They produce most of the world's oil (70%+) and bankroll governments across the globe. Although NOCs may superficially resemble private-sector companies, they often behave in very different ways. Oil and governance explains the variation in performance and strategy for NOCs and provides insights into the future of the oil industry as well as the politics of the oil-rich countries where NOCs dominate.

This study of NOCs in the Middle East, Africa, Asia, Latin America and Europe follows a common research design. Included in the text is information on the industrial structure of the oil industry and the politics and administration of NOCs.

History of the NOCs is traced and the goals of the state leaders in the initial privatization are reviewed. Primarily, the goal is to retain power and most decisions will be or are made to enhance the NOCs ability to retain that power and most countries operate within a system of some checks and balances.

NOCs are known to be secretive but there is a common thread that exists with all:

- Cooperate governance
- Public administration and
- Regulation

Financial information and goals fall under the protection of secrecy to the host country but a few NOCs are commercially minded entities a little different from their private sector international oil company (IOC) counterparts. We will look at NOCs representing both ends of that spectrum.

Our study is based on a text released just over two years ago, Oil and Governance, State-Owned Enterprises and the World Energy Supply, edited by David Victor, David Hutts, and Mark Thaser.