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Белогорцева Нина Андреевна

бакалавр направления подготовки
«Экономика»
Финансовый университет при Правительстве
Российской Федерации
Россия, Москва
nab9919@gmail.com

Nina A. Belogortseva

Bachelor of Economics
Financial University under the Government of the
Russian Federation
Russia, Moscow
nab9919@gmail.com

ОСНОВНЫЕ ОСОБЕННОСТИ ЭНЕРГЕТИКИ В РОССИИ¹

THE MAIN FEATURES OF THE ENERGY INDUSTRY IN RUSSIA

Аннотация

Статья посвящена анализу основных особенностей топливно-энергетического комплекса России. Приведены характеристики и основные направления развития топливно-энергетического комплекса России. Рассмотрены показатели, характеризующие динамичное развитие отрасли. Сделаны выводы относительно мер, которые следует принять для снижения зависимости отрасли от цен на энергоносители.

Ключевые слова:

топливно-энергетический комплекс, энергетика, энергоресурсы

Abstract

The article is devoted to the analysis of the main features of the fuel and energy sector in Russia. The article includes characteristics and the main directions of the development of the fuel and energy complex in Russia. There are given indicators which characterize the dynamic development of the sector. The article contains conclusions concerning measures that should be taken to reduce the industry's dependence on energy prices.

Keywords:

fuel and energy complex, energy, energy resources

The role of the Russian oil and gas sector remains crucial in the country's economic development. Its significance is based on the scale of this industry in the Russian Federation's economy. According to data of 2018, the share of the fuel and energy complex in the Gross Domestic Product amounted to 27%, the sector's share of total exports was 63.7% [1]. Alexander Novak, the Minister of Energy of the Russian Federation, notes that the energy sector is also a major customer for many industries: the industry brings about 5 trillion rubles of annual investment to the economy, which is about 40% of all investments in the country's economy [2].

The relevance of this topic is also explained by the value of the share of revenues of the oil and gas complex in the country's budget. According to the Ministry of Finance of the Russian Federation, the share of the fuel and energy sector revenues in 2018 amounted to 46.4% of all federal budget revenues [3]. This figure emphasizes the importance of the

¹ Научный руководитель: Мещерякова Ольга Владимировна, старший преподаватель кафедры языковой подготовки, Финансовый университет при Правительстве Российской Федерации

energy sector in Russia and the need to analyze the role of the oil and gas sector, as well as to identify problems in this sphere.

Speaking about Russia's position in the global energy market, it is worth noting that the most competitive sectors are oil and gas production and export of energy resources to foreign markets. It can be clearly observed with the help of the some indicators.

Let us analyze the dynamics of the oil industry. So, from 2000 to 2018, crude oil production in Russia increased by 210.4 million tons. It makes the country the third largest producer of this energy resource in the world. In comparison, in 2018 Russia produced 548 million tons of crude oil, which is 12.6% of world production. At the same time, Saudi Arabia, the leader in oil production in the world, produced 0.3% more in 2018 (which is 12.9% of the total world production).

Since 2000, Russian oil exports have grown from 144.4 million tons to 254 million tons in 2018. It increased by more than 75%. According to the International Energy Agency, it ranked the country the 2nd largest exporter of crude oil in the world [4]. The largest importers of Russian oil are China, the Netherlands, Germany, Poland, Belarus and Japan. They account for about 70% of the exported natural resources.

Let us consider the position of Russia in the global gas market. Russia is the largest producer and exporter of natural gas. From 2000 to 2018, the extraction of this natural resource increased by 14%. According to the International Energy Agency, Russia ranks 2nd in the world after the United States in terms of gas production, with a share of 18.4 from world production. So, in 2018, US oil production amounted to 760 billion cubic meters, and Russia – 694 billion cubic meters.

By 2018, gas exports had grown by almost 20% compared to the year 2000 [2]. It should be noted that the following feature is observed in the supply of natural gas – seasonality. Figure 1 represents the dynamics of export of this resource. In the period from November to March, the volume of energy supplies abroad far exceeded the figures for the period April-October due to the heating season. In the warmer months, gas demand falls, while in winter it rises. So, in July 2014, 43 billion cubic meters of gas were delivered and in December 2014 62.6 billion cubic meters of gas were supplied.

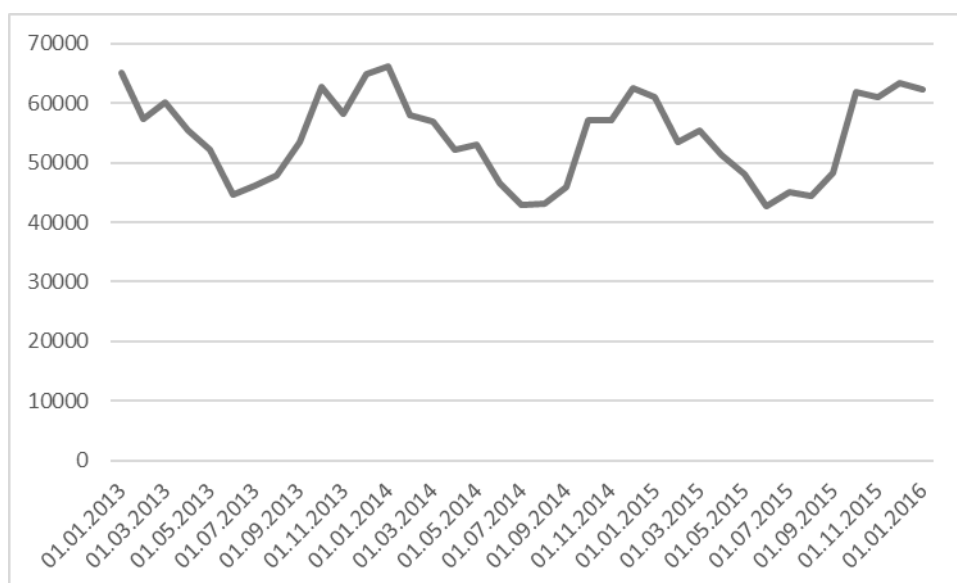


Figure 1 – Dynamics of export of natural gas. January 2013 – January 2016, million cubic meters

Speaking about the role of Russia in the global pipeline gas market, it is worth noting that the country is the first gas exporter in the world, ahead of Norway, Qatar and Australia. The largest importers of pipeline gas in Russia are Germany, Turkey, Ukraine and China. If we take the volumes of deliveries of LNG (liquefied natural gas), then Russia's share in the world market is rather modest – less than 8% of Russian LNG is bought by China, Japan and South Korea.

The peculiarity of the location and characterization of Russia's natural resources plays an important role in the development of the country's fuel and energy industry. As it is known, regions, which are rich in natural resources, are located in the zone of the Far North and territories equated to it. Over 80% of the extracted oil reserves and almost all the natural gas produced are located in this territory. Climate conditions and difficult production negatively affect the efficiency of energy production. Moreover, deposits of heavy and viscous oil with impurities prevail in Russia, the cost of which in the crude oil market is lower than the price of light raw material. All these conditions increase the cost of oil production and makes it unprofitable to trade on foreign markets if the oil price is at the lowest point. So, the cost of oil at old fields in Russia is \$20, while in Saudi Arabia – \$4 [5].

The Russian oil industry is represented by vertically integrated companies and independent oil companies (small and medium ones).

According to the Ministry of Energy of the Russian Federation, as of January 2018, 288 organizations, licensed to use natural resources, carried out the extraction of oil and oil

raw materials (including gas condensate) in the country. These include the following companies (Table 1).

Table 1 – Oil companies licensed to use mineral resources in Russia. According to the Ministry of Energy of the Russian Federation on 01/01/2018

Number of companies	Company profile
104	are part of 11 vertically integrated oil companies
181	independent mining companies not included in the structure of vertically integrated oil companies
3	operate under production sharing agreements

Sources: compiled by the author

The main vertically integrated companies include Rosneft, Lukoil, Surgutneftegaz, Gazpromneft, Tatneft, Slavneft. At the end of 2017, a total of eleven VINK companies accounted for 85.7% of the total oil production.

As for natural gas production, 254 companies carry out such activities in Russia. A more detailed classification is presented in Table 2.

Table 2 – Gas companies producing natural gas in Russia. According to the Ministry of Energy of the Russian Federation on 01/01/2018

Number of companies	Company profile
85	included in the structure of vertically integrated companies
15	Gazprom subsidiaries
7	structural divisions of NOVATEK
144	independent oil and gas companies
3	operate under a production sharing agreement

Sources: compiled by the author

The largest natural gas producing companies include Gazprom, NOVAT, Surgutneftegaz, Itera, Northgas and Petromir.

In 2017 natural gas production in Russia increased by 8.0% (in absolute units: +50.9 billion cubic meters compared to 2016). Volumes reached a record level for the entire period of the existence of Russian gas production – 691.1 billion cubic meters.

Let us consider the role of oil and gas companies in the structure of the formation of the country's revenue. Firstly, companies engaged in the extraction of energy resources are required to pay a mineral extraction tax in favor of the state. Secondly, companies pay an export duty for the export of crude oil, natural gas, petroleum products and other energy resources. Thirdly, all enterprises operating in the territory of the Russian Federation are required to pay corporate income tax. All these articles make up the revenue side of the Russian budget.

Let us consider the role of the largest companies Gazprom and Rosneft in the formation of budget revenues. In 2013-2015, there was a dispute between these giants of the fuel and energy industry, which of them is the largest taxpayer in the country. Gazprom CEO Alexei Miller said that in 2012 that the total amount of tax payments amounted to 1.9 trillion. rubles [5]. In the same year, Rosneft paid 1.7 trillion rubles to the budget. Igor Sechin, chairman of the company's board, added that Rosneft's tax payments increased by 16% compared to 2011. This means that in 2012, Gazprom was the largest taxpayer in the country.

In 2014, the position changed: now Rosneft has become the largest taxpayer, having paid 3.1 billion rubles to the country's budget of customs duties and taxes. In comparison, in the same year, Gazprom paid 1.56 billion rubles. This difference can be explained by the fact that in 2014 the tax burden on oil and gas production and export was significantly different. Thus, the taxation level of Rosneft amounted to 61% of revenue, and Gazprom's – 30% [6], according to the Russian economist Nikita Krichevsky. In 2016, Rosneft also became the largest taxpayer with a total payment of over 3.3 billion rubles. In the social and political newspaper Labor, it is noted that Rosneft is the largest taxpayer in Russia, since the country receives enormous income from the sale of securities, products and services of the company [7].

Thus, Russia is the largest participant in the energy market. The largest contribution to the development of the sector is made by the largest Russian energy companies. There is an increase in energy supplies and an increase in oil and gas production. It is necessary to pay special attention to the development of the fuel and energy complex, since not only the federal budget revenues depend on it, but also the economic development of the country. When determining the energy strategy of companies, it is necessary to take into account not only the geographical position of the country, the features of deposits, but also take into account external factors, such as competition in the international market, energy

prices and seasonality. The oil and gas sectors remain significant for the economy, its role in economic development is difficult to overestimate. However, there is a strong dependence on energy exports. Therefore, it is necessary to develop the fuel and energy complex in terms of the creation and implementation of high technologies. This will help reduce the dependence of budget revenue on energy prices.

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