

The oil and gas sector in Russian Supply and Use Tables

Topic: Asia beyond the crisis: visions from international input-output analysis

Author: Natalia Ustinova

Oil and gas sector plays a significant role in the economy of Russia. However it is difficult to measure it precisely as possible because the boundaries of this sector are illegible. Not only producers of oil and gas but also enterprises carrying out transportation and trade of these products can be included in this sector. Therefore measuring the size of oil and gas sector and its role in GDP estimation depends on definition of boundaries of this sector.

Problems connected with the quantification of this sector are caused moreover by the peculiarities of functioning of oil and gas companies in Russia. Most of these companies represent vertically integrated corporations which control groups of subsidiaries engaging in the extraction of crude oil and gas, processing and wholesale and retail trade of finished goods. Being owners of raw materials (crude oil and gas) and consequently owners of finished goods (refined oil, chemical products, etc) these holding corporations receive extra-revenues from wholesale trade of finished goods. The great part of value added of oil and gas sector are concentrated in these companies.

The purpose of this paper is to discuss different methods of measuring the size of oil and gas sector using the data of Supply and Use tables as well as problems and limitations of the current estimates of this sector carried out by the Federal State Statistics Service of Russian Federation. This paper focuses on the measurement issues and contains some figures characterizing parameters of this sector and its role in GDP estimation.

Keywords: oil and gas sector, Supply and Use tables, basic price, consumer price, trade and transport margins.