



NORWEGIAN MINISTRY
OF TRADE AND INDUSTRY

Topic 1 – Ownership Policy and SOE autonomy

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What is a SOEs – a strange animal?

Different legal framework:

- Limited public company Act
- State-owned Enterprises Act
- Special (individual) company Act
- Agency, Crown Corporation
- Government owned entity
- Conclusion:

SOEs include all form of companies where a State has a strong interest (as a shareholder?)

When do we establish a SOE?

- The activity needs freedom to operate under market conditions
- Regulates its own strategy and budget
- Decides on products and prices
- Operates under business conditions
- Competes with the private sector

Why do we establish a SOE?

- Business activities are not something a Ministry or the Civil Service does well
- We are trained to treat all citizens as equals, to be just and fair to all
- In business you must be egoistic and profitable, though also decent and honest

Aims of State Ownership

- National ownership of key companies
- Control over important natural resources
- Secure a stable ownership structure – keeping negative control in key companies
- Control long term growth, industrial development and production in the nation

Categorizations

- Companies with commercial objectives
- Companies with commercial objectives; ensuring head office functions in the country
- Sompanies with commercial and other specific defined objectives
- Companies with sectoral policy objectives
- Strategic companies?

Corporate Social Responsibility – Contributes to long-term development

- High ambitions and conscious priority on R&D
- Open and constructive handling of restructuring
- Environmental quality in the entire value chain
- Safety values for employees
- Ethical guidelines, combat corruption
- Equality/diversity/apprentice schemes
- 40 % diversity in the Board, members elected by and among the employees

Principles for SOE Autonomy

- The Owner sets goals and expectations for each company
- Policy Document on general expectations
- The company business is led by the Board of Directors and the Management, not by the Ministry
- The Board appoints (and fires) the CEO
- Ownership is exercised with transparency – through the Shareholders' General Meeting
- The Ministry is not directly represented in the Board or the Supervisory Board
- Contact meetings with the company
- Political restraint concerning commercial activities

Separation of roles within the State

- Sector Policy Government Authority
- Supervision and Control Authority
- Manager of State Share Holdings

Further information on Norwegian State Ownership

- The State's Ownership Report 2007 – www.ownershipreport.net
- The Government's Ownership Policy www.ownershippolicy.net