

## The World's Largest Energy Companies in the Period 2016-2017

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### Abstract

*The energy issues have always constituted an important topic for governments, policy makers, companies, non-governmental organizations, scientists, and academics. The last decades have witnessed the increasing diversification of resources and technologies within the energy sector. However, oil, coal, and natural gas have remained the most important sources of energy in the world. Some of the key stakeholders of the energy sector are the energy companies. The paper aims to present and analyse the evolution of the ten largest energy companies in the world by their revenues in the period 2016-2017. The research is based on a quantitative method. The paper shows that the top of the world's ten largest energy companies in the period 2016-2017 was dominated by the same companies in a relative high proportion.*

**Key words:** energy company, energy, company

**J.E.L. classification:** F00, Q49

### 1. Introduction

Energy's importance for human life and economic activity has been always emphasized and recognized during the time. Consequently, energy issues have constituted an important topic for governments, policy makers, companies, non-governmental organizations, scientists, and academics. As a prerequisite for all economic sectors, energy development has to take into account its significant effects on the natural environment, society and energy sources in order to prevent disastrous global consequences (Lior, 2008; World Economic Forum, 2017).

The last decades have witnessed the increasing diversification of resources (e.g., bioenergy) and technologies (e.g., solar photovoltaic) within the energy sector (World Energy Council, 2016) as concerns about the natural environment and future oil shortages appeared (Henriques et al, 2008). Four major shifts in the global energy system were identified as follows (International Energy Agency, 2017a, p. 1): "the rapid deployment and falling costs of clean energy technologies, the growing electrification of energy, the shift to a more services-oriented economy and a cleaner energy mix in China, and the resilience of shale gas and tight oil in the United States of America (USA)". Since the 1973 oil crisis oil, coal, and natural gas have remained the most important sources of energy in the world. The world crude oil production grew from 2,869 million tonnes in 1973 to 4,321 million tonnes in 2016, the world natural gas production grew from 1,224 billion cubic metres in 1973 to 3,613 billion cubic metres in 2016, and the world coal production grew from 3,074 million tonnes in 1973 to 7,269 million tonnes in 2016 (International Energy Agency, 2017b).

Some of the key stakeholders of the energy sector are the energy companies. In order to succeed in a fluid and volatile market they should be both connected and collaborative, and adaptable and agile (Chidambaram et al, 2017). New technologies, digitization, big data and new business models represent several challenges the energy companies should face in the 21<sup>st</sup> century (Hasse, 2017).

The paper aims to present and analyse the evolution of the ten largest energy companies in the world by their revenues in the period 2016-2017. The research is based on a quantitative method.

## 2. The evolution of the world's largest energy companies in the period 2016-2017

The Platts Top 250 Global Energy Company rankings were launched in 2002. The annual survey of the global energy companies, published yearly by S&P Global Platts, takes into account the following key metrics: asset worth (at least US \$5.5 billion), revenues, profits, and return on invested capital (S&P Global Platts, 2017). The top of the world's ten largest energy companies is dominated by Exxon Mobil (Table no. 1) with total revenues of \$205,004 million in 2016 (Fortune, 2017).

Table no. 1 The world's ten largest energy companies in 2016

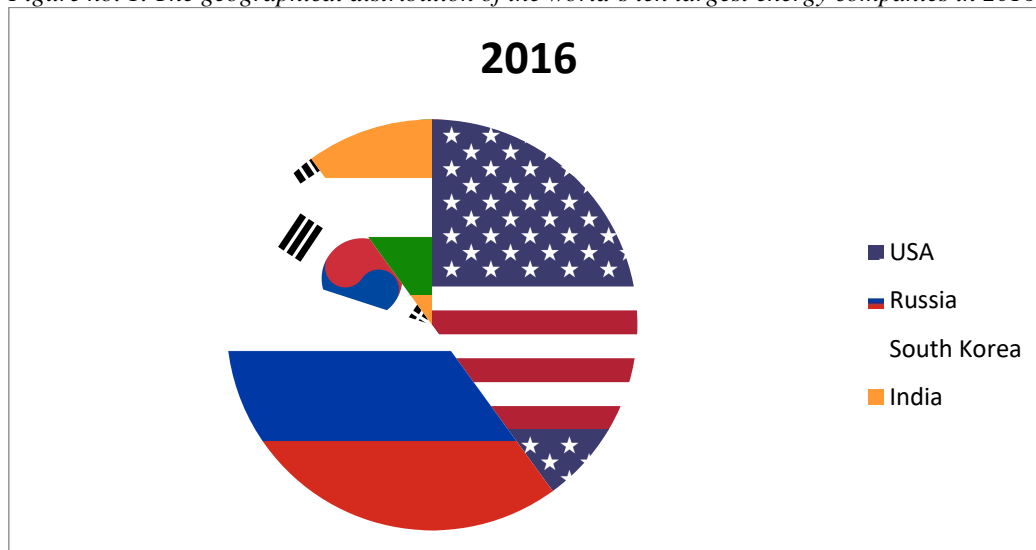
Rank	Company	Region	Industry
1	Exxon Mobil Corp.	Americas	Integrated oil and gas
2	Korea Electric Power Corp.	Asia/Pacific Rim	Electric utilities
3	PJSC Gazprom	Europe, Middle East and Africa (EMEA)	Integrated oil and gas
4	Phillips 66	Americas	Oil and gas refining and marketing
5	Valero Energy Corp.	Americas	Oil and gas refining and marketing
6	PJSC Lukoil	EMEA	Integrated oil and gas
7	PJSC Rosneft Oil Co.	EMEA	Integrated oil and gas
8	Reliance Industries Ltd.	Asia/Pacific Rim	Oil and gas refining and marketing
9	OJSC Surgutneftgas	EMEA	Integrated oil and gas
10	Marathon Petroleum Corp.	Americas	Oil and gas refining and marketing

Source: S&P Global Platts, 2016, p. 1

The above mentioned companies belong to the following countries (Figure no. 1):

- the USA (Exxon Mobil, Phillips 66, Valero Energy, Marathon Petroleum);
- Russia (Gazprom, Lukoil, Rosneft Oil, Surgutneftgas);
- South Korea (Korea Electric Power);
- India (Reliance Industries).

Figure no. 1. The geographical distribution of the world's ten largest energy companies in 2016



Source: Authors' contribution

This year Gazprom dominates the top of the world's ten largest energy companies (Table no. 2) with total revenues of \$107,217 million (S&P Global Platts, 2017). Gazprom is a public joint stock energy company, engaged in both the exploration and sale of gas and oil worldwide.

Table no. 2 The world's ten largest energy companies in 2017

Rank	Company	Region	Industry
1	PJSC Gazprom	EMEA	Integrated oil and gas
2	E.ON SE	EMEA	Multi-utilities
3	Reliance Industries Ltd.	Asia/Pacific Rim	Oil and gas refining and marketing
4	Korea Electric Power Corp.	Asia/Pacific Rim	Electric utilities
5	China Petroleum and Chemical Corp.	Asia/Pacific Rim	Integrated oil and gas
6	PJSC Lukoil	EMEA	Integrated oil and gas
7	Indian Oil Corp. Ltd.	Asia/Pacific Rim	Oil and gas refining and marketing
8	Valero Energy Corp.	Americas	Oil and gas refining and marketing
9	Exxon Mobil Corp.	Americas	Integrated oil and gas
10	TOTAL SA	EMEA	Integrated oil and gas

Source: S&P Global Platts, 2017, p. 1

The above mentioned companies belong to the following countries (Figure no. 2):

- the USA (Valero Energy, Exxon Mobil);
- Russia (Gazprom, Lukoil);
- India (Reliance Industries, Indian Oil);
- South Korea (Korea Electric Power);
- France (Total);
- the People's Republic of China (China Petroleum and Chemical);
- Germany (E.ON).

Figure no. 2. The geographical distribution of the world's ten largest energy companies in 2017



Source: Authors' contribution

Six out of the world's ten largest energy companies were the same (Exxon Mobil, Gazprom, Korea Electric Power, Valero Energy, Lukoil, Reliance Industries) in the period 2016-2017. From a geographical point of view, the world's ten largest energy companies belong to the USA, Russia, India, South Korea, France, the People's Republic of China, and Germany.

### 3. Conclusions

Energy is vital both for human life and economic activity. The diversification of energy resources and the rapid pace of technological change in the energy sector have led to an increasing global competition among energy companies all over the world.

The paper shows that the top of the world's ten largest energy companies in the period 2016-2017 was dominated by the same companies in a proportion of 60%. Also, it reveals that these energy companies are located in a relative small number of countries such as the USA and Russia.

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