Owners of the World's Listed Companies

Adriana De La Cruz, Alejandra Medina
and Yung Tang

CORPORATE GOVERNANCE FORUM

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Owners of the World's Listed Companies
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Förord från Corporate Governance Forum

I 25 år har Corporate Governance Forum (CGF) verkat för att förmedla kunskap och bidra till utveckling och debatt inom bolagsstyrning och bolagsfinansiering. CGF grundades år 1993 i kölvattnet av den statliga Ägarutredningen. Redan från start kunde CGF därmed kombinera praktiska erfarenheter och akademisk insikt med tillförlitlig empirisk kunskap om ägarstrukturen i svenskt näringsliv. Många – för att inte säga merparten – av de drygt etthundra CGF-seminarier som hållits under årens lopp har på olika sätt syftat till att belysa dessa strukturer och deras effekter på bolagsstyrningen.

Den svenska aktiemarknaden har vuxit från drygt 200 bolag för 25 år sedan till idag nästan 900 bolag, och det utländska ägandet har under samma period ökat från knappt 20 till drygt 40 procent av börsvärdet – ofta genom komplexa kedjor av intermediärer. I takt med aktiemarknadernas tillväxt och globalisering har det blivit allt viktigare att känna till hur ägarstrukturen ser ut i andra länder. Vikten av sådan kunskap i bolagsstyrningsdebatten kan bland annat illustreras genom den missuppfattning som under en lång tid rådde om att spritt ägande var den globala normen. Slutsatsen av denna verklighetsbeskrivning var att de olika bolagsstyrningsmodellerna skulle komma att konvergera i en anglo-amerikansk riktning. Verkligheten har emellertid visat sig var den motsatta.

Det var därför särskilt glädjande att i Corporate Governance Forums regi den 2 september 2019 kunna hålla ett seminarium med titeln ”*Ownership of Listed Companies around the World – en ny OECD rapport*”, där Alejandra Medina presenterade de preliminära slutsatserna i OECD:s kartläggning av ägarstrukturerna i världens 10 000 största börsbolag, med ett sammanlagt värde av 75 000 miljarder dollar. Presentationen väckte ett mycket stort intresse bland deltagarna.

Den kartläggning som författarna genomfört av ägandet i bolag i 54 länder runtom i världen och med ett sammanlagt värde motsvarande 90 procent av världens alla börsbolag, är unik. Rapporten innehåller ovärderlig fakta och presenterar en analys av de faktiska ägarstrukturerna i världens börsbolag samt de trender som för närvarande omformar bolagsstyrningslandskapet. Bland annat påvisas omfattningen av ägarkoncentration, institutionalisering och offentligt ägande. Vi är därför övertygade om att slutrapporten, som vi nu publicerar i Corporate Governance Forums skriftserie, kommer att få stor betydelse för bolagsstyrningsdebatten såväl i Sverige som internationellt under lång tid framöver.

Rolf Skog *Mats Isaksson*

Foreword

Informed policy making with respect to corporate governance policies and regulations requires reliable and up-to-date information about corporate ownership structures. The distribution of ownership among different categories of owners is of particular interest, as is the ownership concentration in individual companies. This report provides a detailed picture of the ownership structure of listed companies worldwide with a combined market capitalisation of USD 75 trillion.

The report presents:

- a global overview of ownership of publicly listed companies by different categories of investors and cross-border ownership
- the degree of ownership concentration at the company level
- the increasing role of institutional investors in global equity markets
- the importance of public sector ownership in publicly listed companies

The report builds on a unique dataset of firm-level ownership information of almost 10 000 companies representing 90% of the global market capitalisation. The dataset covers 54 markets and is compiled from several financial databases and publicly available company sources. A set of selected indicators and a description of data sources as well as the methodology for data collection and classification are provided in the Annex.

The report is part of the *OECD Capital Market Series*, which informs policy discussions on how capital markets can serve their important role to channel financial resources from households to productive investments in the real economy.

This report has been developed by Alejandra Medina, Economist; Adriana De La Cruz, Policy Analyst; and Yung Tang, Policy

Analyst in the Corporate Governance and Corporate Finance Division of the OECD Directorate for Financial and Enterprise Affairs. The authors are grateful to Mats Isaksson and Serdar Çelik, both also in the Corporate Governance and Corporate Finance Division, for their valuable guidance and input. The authors would like to thank the delegates of the OECD Corporate Governance Committee and Hans Christiansen, Ronald J. Gilson, Jeffrey Gordon, Kai Li, Ulrich Seibert and Rolf Skog for valuable comments. The authors would also like to thank the Swedish Corporate Governance Forum of the Karl-Adam Bonnier Foundation for hosting a seminar to discuss an earlier version of this report.

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EXECUTIVE SUMMARY

At the end of 2017, there were approximately 41 000 listed companies in the world. Their combined market value was about USD 84 trillion, which is equivalent to the global GDP. Who owns these companies and how they perform their role as shareholders is therefore of economy-wide importance. It will affect not only the amount of risk capital that is made available to independent entrepreneurs who can challenge the status quo by developing new technologies and products. It will also affect how the performance of existing corporations is scrutinised and how decisions about their future direction are made.

By using firm-level ownership information from the 10 000 largest listed companies, that together make up 90% of the global market capitalisation, this report provides unique data about who their owners are and how they own. The findings provide an empirical starting point for understanding how important features in corporate ownership may impact key policy priorities such as productivity growth and business sector dynamics.

At least three major concerns stand out: First, is the influence on shareholder scrutiny and small growth company listings that come with increasing institutional ownership. Today, institutional investors hold 41% of global market capitalisation and in advanced economies they have also become significant owners in individual companies. When large institutional investors mainly practice passive index-based investing, it may be quite rational that they pay little attention to risks and opportunities in individual companies. As a consequence, insufficient resources may be spent on one of the capital markets' key functions, namely to scrutinise individual corporate performance and provide new independent companies with capital that help them grow.

Second, is the direct and indirect political influence on publicly traded companies that may follow from the significant amount of public sector ownership. Today 14% of global stock market capitalisation is held by the public sector. Either through direct government ownership or through sovereign wealth funds, public pension funds and state-owned enterprises. In almost 10% of the world's largest listed companies, does the public sector hold more than 50% of the shares. With public sector ownership at this level, it will be important to consider how political priorities directly and indirectly influence corporate decisions as well as their economic effects on ultimate beneficiaries such as tax-payers and pensioners.

Last but not least, is the widespread concentration of ownership in individual companies. In half of the world's listed companies, the three largest shareholders hold more than 50% of the capital. This may obviously have the positive corporate governance effect of overcoming the so-called agency problem that is said to be faced by shareholders in companies with dispersed ownership. But it may also increase the scope for abusing the rights of other shareholders and, if not properly regulated, jeopardise market confidence.

The picture of worldwide corporate ownership presented in this report and the fact that diverse corporate governance regimes continue to co-exist, suggest that the discussion about national corporate governance policies should increasingly consider the ultimate long-term effects on productivity and business dynamics, as well as its impact on alternative funding sources such as private capital markets. After all, the effectiveness with which a country's capital market serves its key functions of providing the real economy with risk capital and the vigilance with which it scrutinises its use in individual companies are critical for a country's long-term competitiveness.

Some key findings:

- Four main categories of investors dominate the ownership of today's publicly listed companies. These are institutional investors, public sector owners, private corporations and strategic individual investors.
- The largest category is institutional investors holding 41% of the global market capitalisation. These are mainly profit-maximising

intermediaries that invest on behalf of their ultimate beneficiaries. The most important ones are mutual funds, pension funds and insurance companies. US-domiciled institutional investors account for 65% of global institutional investor holdings.

- Institutional investors dominate the ownership of listed companies in the United States, the United Kingdom and Canada, both at the aggregate level and at the company level. In these markets, the average combined holdings held by a company's 10 largest institutional investors add up to more than 29% of the company's equity capital. In the United States, the average combined ownership held by a company's 10 largest institutional investors is 43%.
- The second largest category of owner is the public sector, which holds 14% of the global market capitalisation at a total value of USD 10 trillion. Central and local governments are the largest public sector owners accounting for 56% of public sector ownership in listed companies, followed by sovereign wealth funds (SWFs), public pension funds and state-owned enterprises (SOEs). The public sector in the People's Republic of China (China) accounts for 57% of the total public sector investments in global equity markets.
- More than 8% of the world's listed companies have public sector ownership that exceeds 50% of the equity capital. Beyond China, the public sector is an important owner of listed companies in stock markets such as Saudi Arabia, Malaysia and Norway where they hold between 34% and 46% of the total market capitalisation.
- The two other main categories of owners worldwide are private corporations, including holding companies, and strategic individuals, including family members. Together, these two categories of owners hold 18% of the world's market capitalisation.
- Private corporations and holding companies are prominent owners in several countries, including Chile, the Philippines and Turkey where they own 55%, 48% and 40% respectively of the equity capital in listed companies.
- Ownership concentration at the company level is commonly observed across markets. In half of the world's publicly listed companies do the three largest shareholders hold 50% of the capital and in three-quarters of the companies do the three largest

owners hold more than 30% of the capital. In most markets, private corporations or strategic individuals appear as the largest shareholders in individual companies.

- Cross-border investments account for almost one-quarter of the investments in public equity markets in the world. Almost 75% of the cross-border investments in public equity markets are held by investors domiciled in the United States and Europe. At the same time, these two markets also receive 60% of global cross-border investments in public equity.
- Foreign investors own more than 40% of the capital in listed companies in the Netherlands, the United Kingdom, Brazil and Argentina. However, in the world's two largest public equity markets, the United States and China, foreign ownership in publicly listed companies is relatively low compared to domestic holdings.

PART I. GLOBAL CORPORATE OWNERSHIP OVERVIEW

At the end of 2017, there were approximately 41 000 listed non-financial and financial companies worldwide. This report presents the ownership structure for the 10 000 largest of these companies from 54 markets that together represent 90% of global market capitalisation. The dataset includes 77 456 unique investors and 1.4 million company-investor links. The ownership structure in each market is constructed based on records of owners for each company, which include portfolio investors as well as controlling and strategic investors.

Table 1 provides a comparison between the 10 000 largest listed companies covered by this report and all 41 000 listed companies in the world in terms of market capitalisation, number of companies and average company size by region. Asia dominates in terms of the total number of listed companies. In fact, 57% of the listed companies have selected an Asian stock exchange and together these companies account for 37% of the global market capitalisation. The United States, on the other hand, is the largest single market in terms of market capitalisation with 36% of the global market capitalisation, but only 10% of the number of listed companies. This is due to the considerably larger market capitalisation of US listed companies. On average, the market capitalisation of a company listed in the United States is almost four times larger than a company listed in Europe and three times in China. Despite a marked decline in the number of listed companies during the last two decades, the United States still has the largest listed companies in terms of market capitalisation in the world, as 46 of the largest 100 listed companies are listed in the US market.

Table 1. The universe of listed companies by country/region

The table compares the 10 000 largest listed companies covered by this report with all 41 000 listed companies in the world. Market capitalisation, number of companies and average company size are shown for both groups of companies by country/region. Data refers as of end 2017.

	United States	Advanced Asia	Europe	China	Emerging Asia excl. China	Other Advanced	Latin America	Other Emerging	TOTAL
Market capitalisation - 41 000 listed companies	36%	20%	20%	12%	5%	4%	2%	1%	**100%**
Market capitalisation - 10 000 largest listed companies	34%	21%	21%	12%	6%	4%	2%	1%	**100%**
Nº of listed companies - 41 000 listed companies	10%	25%	21%	9%	23%	9%	2%	1%	**100%**
Nº of listed companies - 10 000 largest listed companies	6%	18%	35%	16%	13%	5%	5%	2%	**100%**
Avg. market capitalisation (USD B) - 41 000 listed companies	7.34	1.63	1.91	2.68	0.47	1.06	1.92	2.30	**2.05**
Avg. market capitalisation (USD B) - 10 000 largest listed companies	41.18	9.13	4.63	5.67	3.45	5.90	2.80	4.19	**7.75**

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

The information about total market capitalisation and the number of listed companies for each market included in the analysis is shown in Table 2. For each of the 54 markets, the table also shows the portion of market capitalisation that is covered by this report. For many of the largest markets it is enough to include around 15% of the listed companies in order to cover over 85% of the total market capitalisation. The exception, among the largest markets, is China where the company size is more evenly distributed and 42% of listed companies have to be included in order to cover 89% of market capitalisation. For the remaining markets, half of listed companies typically have to be included to cover 85% of market capitalisation.

Table 2. The universe of listed companies by market, as of end 2017

The table provides the total market capitalisation and number of companies for each of the 54 markets covered in this report. It also shows the portion of market capitalisation and number of companies included in the dataset from those 54 markets. Data refers as of end 2017.

Market	Total market capitalisation (USD M)	Portion of market capitalisation included	Number of listed companies	Number of companies included
UNITED STATES				
United States	30 284 174	85%	4 125	622
ADVANCED ASIA				
Hong Kong (China)	6 883 148	90%	2 300	371
Japan	6 209 680	92%	3 012	587
Korea	1 761 235	87%	2 279	300
Chinese Taipei	1 353 258	85%	2 002	279
Singapore	555 457	95%	663	195
EUROPE				
United Kingdom	3 844 706	92%	1 555	243
France	2 564 935	99%	838	480
Germany	2 231 062	97%	865	461
Switzerland	1 411 279	98%	352	188
Netherlands	884 256	98%	103	84
Spain	832 568	97%	192	143
Italy	801 771	92%	386	269
Sweden	799 247	99%	869	391
Russia	600 932	96%	641	135
Denmark	430 011	98%	154	79
Belgium	409 285	99%	314	92
Norway	326 009	95%	299	169
Finland	315 857	82%	164	115
Turkey	224 002	95%	350	121
Poland	208 921	95%	826	132
Austria	150 043	99%	75	54
Ireland	99 608	99%	30	25
Portugal	75 678	99%	59	36
Greece	51 176	95%	193	66
Hungary	31 519	98%	43	18
Czech Republic	29 433	100%	13	10
Luxembourg	24 814	87%	24	10
Iceland	8 170	97%	23	18
Slovenia	6 713	91%	94	13
Slovak Republic	5 786	86%	58	6
Lithuania	4 600	95%	30	19
Estonia	2 722	94%	17	8
Latvia	915	85%	26	6
OTHER ADVANCED ECONOMIES				
Canada	2 061 236	86%	1 109	148
Australia	1 430 837	74%	1 900	181
Israel	164 937	82%	417	108
New Zealand	89 256	91%	120	80
CHINA				
China	9 827 906	89%	3 673	1 541
EMERGING ASIA EXCL. CHINA				
India	2 389 835	99%	5 131	298
Thailand	534 212	87%	706	150
Indonesia	518 016	86%	622	99
Malaysia	451 269	87%	914	147
Philippines	286 762	96%	259	129
Viet Nam	126 377	88%	768	102
Pakistan	78 660	89%	536	123
Bangladesh	43 722	87%	307	107
Sri Lanka	24 400	88%	285	64
LATIN AMERICA				
Brazil	624 860	94%	268	175
Mexico	381 824	95%	141	93
Chile	275 241	97%	205	140
Argentina	84 526	97%	99	56
OTHER EMERGING MARKETS				
South Africa	625 449	91%	285	141
Saudi Arabia	451 083	94%	184	96
TOTAL	**83 893 377**	**90%**	**40 903**	**9 723**

Note: The market capitalisation coverage ratio is between 74% and 82% for Australia, Finland and Israel.
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

1.1 Ownership structure by investor category

Investors in public equity differ from each other with respect to their commercial business models, which in turn affect their incentives and ownership strategies. These differences have a profound influence on how they allocate their capital among listed companies, how they monitor the performance of their investee companies and how they participate in the decision-making process of investee companies by carrying out their ownership functions. As a consequence, and as a foundation for further analysis, this report classifies owners into five different categories of investors. It should be noted, however, that also within these main categories of owners, significant differences may exist with respect to the owner's ability and economic incentives to actually exercise their ownership functions.

- **Private corporations and holding companies** (hereafter "Private corporations") include listed and unlisted private companies, their subsidiaries, joint ventures and operating divisions.
- **Public sector** includes direct ownership by central governments, local governments, public pension funds, state-owned enterprises (SOEs) and sovereign wealth funds (SWFs).
- **Strategic individuals and families** (hereafter "Strategic individuals") refer to physical persons that are either controlling owners or members of a controlling family or block-holders and family offices.
- **Institutional investors** refer to pension funds, insurance companies, mutual funds and hedge funds. Institutional investors' holdings are recorded according to their domicile country, which can be different than the domicile country of the beneficial owner.
- **Other free-float including retail investors** (hereafter "Other free-float") refers to the shares in the hands of investors that are not required to disclose their holdings. It includes the direct holdings of retail investors who are not required to disclose their ownership and institutional investors that do not exceed the required thresholds for public disclosure of their holdings.

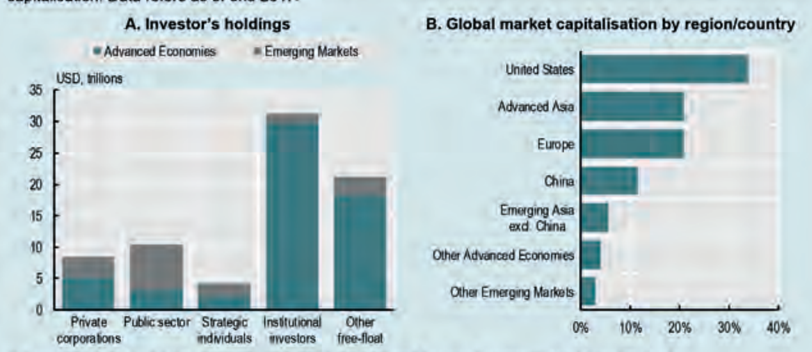
At the end of 2017, the combined holdings of all categories of investors in the world's 10 000 largest publicly listed companies amounted to almost USD 75 trillion. Panel A of Figure 1 shows the distribution of the USD 75 trillion among the five investor categories for advanced and emerging market economies. To complement the investors' holding information, Panel B shows the country and regional distribution of the global equity market capitalisation.

Institutional investors are by far the single largest category of investors accounting for more than USD 30 trillion invested in public equity markets. This is three times the amount invested by public sector owners and six times the value of investments by strategic individuals. Within the institutional investors category, investors from the United States, the United Kingdom and Japan represent 65%, 11% and 4% of the global institutional equity holdings, respectively. The public sector, the second largest category, owns USD 10 trillion in public equity markets. Here, China accounts for 57% of the total public sector ownership in global equity markets with an amount of USD 5.8 trillion. The "other free-float" category in Figure 1 mainly includes direct retail investments and holdings by institutional investors that are below disclosure thresholds.

Panel B shows that worldwide, 78% of the money invested in public equity markets is held by investors from advanced economies and 22% by investors from emerging markets. The United States, which traditionally has been the world's largest public equity market, accounted for 34% of the global market capitalisation in 2017. As a result of the strong growth in the use of public equity markets in Asia over the last decade, the region as a whole today represents 38% of the global market capitalisation. Stock markets in China and Hong Kong (China) accounted for half of the region's share followed by Japan with 20%. The total share of Latin American markets in terms of global market capitalisation was less than 2%, which is well below the region's share in global GDP.

Figure 1. Distribution of ownership by investor category and global market capitalisation by region/country

The figure shows in Panel A the amount owned by the five categories of investors for the 10 000 largest listed companies covered by this report. It also shows the distribution between investors from emerging and advanced markets. For example, from the total amount of USD 8.45 trillion owned by private corporations and holding companies, USD 5.35 trillion belongs to investors in advanced markets. Panel B shows the regional distribution of the market capitalisation. For example, corporations listed in the United States account for 34% of the global market capitalisation. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

The presence and importance of different categories of investors vary across regions (Table 3). As mentioned above, institutional investors is the largest category of investors globally holding 41% of public equity or the equivalent to USD 31 trillion invested in public equity markets. This overall dominance is largely due to their significant presence in advanced markets, notably the United States. The presence of institutional investors in emerging markets is less significant with 7% of total holdings. The public sector, which is the second largest category of investor in listed companies worldwide is a significant owner in many Asian markets, particularly in China, while it has quite limited holdings in the United States. Private corporations and holding companies account for 11% of the global public equity markets, and strategic individuals and families account for 7%. Despite their relatively low presence at the global level, they are important investors in Emerging Asia and Latin America.

Table 3. Regional ownership distribution by investor category

The table shows the distribution of total holdings by investor category in each country/region for the 10 000 largest listed companies covered by this report. The ownership by category of investor is aggregated at market value in USD terms as of end 2017 and expressed as share of the total market capitalisation in each market. The data covers ownership by both domestic and foreign origin. For example, in European listed companies strategic individuals and families own 8% of the total market capitalisation; the public sector owns 9%; private corporations own 13%; institutional investors own 38% and the remaining ownership share corresponds to other free-float including retail investors.

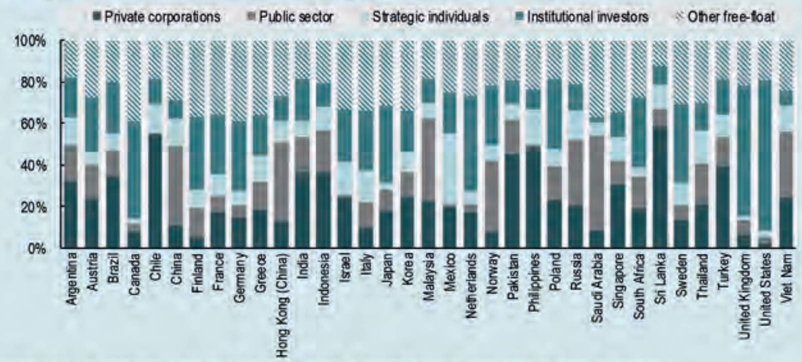
	Private corporations	Public sector	Strategic individuals	Institutional investors	Other free-float
United States	2%	3%	4%	72%	19%
Advanced Asia	17%	23%	7%	23%	30%
Europe	13%	9%	8%	38%	32%
China	11%	38%	13%	9%	28%
Emerging Asia excl. China	34%	19%	10%	16%	21%
Other Advanced	7%	4%	4%	39%	47%
Latin America	34%	7%	17%	20%	21%
Other Emerging	15%	28%	6%	20%	31%
Global average	**11%**	**14%**	**7%**	**41%**	**27%**

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

The relative importance and presence of different investor categories also vary greatly across individual markets. Figure 2 presents the ownership distribution by investor category based on their total USD value holdings in each market. The figure shows that private corporations and holding companies are prominent owners in several markets, such as Chile, the Philippines and Turkey where they own 55%, 48% and 40% respectively of the equity capital in listed companies. Strategic individuals and family members own 34% of the total equity capital in listed companies in Mexico. They are also important investors in Israel and Thailand where they hold 16% of the publicly listed equity capital. The public sector is an important owner in China, Saudi Arabia, Malaysia, Hong Kong (China) and Norway holding between 34% and 46% of the total equity capital of listed companies. In the United States, the United Kingdom and Canada institutional investors show a strong presence holding 72%, 63% and 47% of the listed equity, respectively.

Figure 2. Ownership distribution by investor category

The figure shows the distribution of the total holdings by investor category in each market for the universe of 10 000 largest listed companies (complete information for all 54 markets is presented in the Annex). The holdings by category of investor are aggregated at market value in USD terms as of end 2017 and expressed as share of the total market capitalisation in each market. The data covers ownership by both domestic and foreign origin. For example, in Argentina private corporations own 32% of the total market capitalisation; the public sector owns 18%; institutional investors own 19%; strategic individuals and families own 13%; and the remaining ownership share of the Argentinian market is in the hands of the category "other free-float including retail investors".



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

The information with respect to investor categories presented in this report is constructed by using individual firm-level ownership data. The distribution of ownership between different categories of investors may also be illustrated by using national financial accounts data released by central banks or statistical offices. However, that approach has important limitations. First, for most countries, the information is not available for publicly listed companies separately. Countries also use different inclusion criteria regarding shares reported in the national financial accounts. Notably, since exchange-traded funds (ETFs), closed-end funds can be included, the calculations may lead to double counting problems. Second, and more importantly, national financial accounts data typically do not identify foreign owners with respect to their category (e.g. private companies, institutional investors). As a result of the rapid internationalisation of equity markets, this makes it increasingly difficult to track the relative importance of different categories of investors by using national account data. For example, according to the national statistics in the United Kingdom, foreign ownership increased from 4% to 54% of all public equity between 1980 and 2017,[1] but there is limited data regarding which categories of investors are behind the general category "foreign ownership", which now holds more than half of the UK listed stocks. By using firm-level ownership information on the other hand, it is possible to conclude that the increase in foreign ownership is driven by institutional investors.

Using firm-level data also has its limitations. As seen in Figure 2, a portion of the ownership, "other free-float, including retail investors" is not reported with respect to the category of investor. This is mainly because in many economies, investors are not required to disclose their equity holdings if their holdings are below certain thresholds. An important portion of this "other free-float including retail investors" is associated with small retail ownership. However, it may also include institutional investors who are not required to disclose their full ownership in most jurisdictions due to their overall size or the limited size of their stakes. Despite this limitation, it was possible to identify more than two-thirds of the total ownership in most markets by using firm-level data and identify the categories of owners. In the United Kingdom for example, using company level data makes it possible to identify the category of owner for 78% of the total ownership while national account data allows only 46% of total ownership to be identified with respect to the category of the owner.

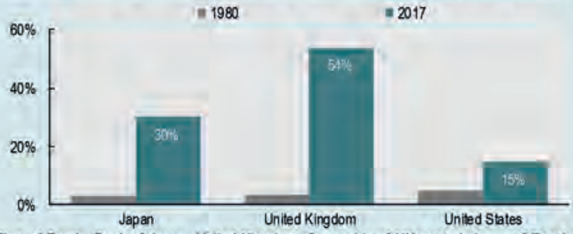
1.2 Internationalisation of equity markets

In recent decades, most advanced markets have seen a significant increase in ownership by foreign investors. In Figure 3, this development is illustrated for Japan, the United Kingdom and the United States. In Japan, foreign ownership increased from 3% to 30% of all public equity between 1980 and 2017. In the United Kingdom foreign ownership increased from 4% to 54% and in the United States it tripled from 5% to 15%.

[1] *Source*: The Statistical Bulletin (2017), Office for National Statistics, the United Kingdom.

Figure 3. Changes in foreign ownership in Japan, the United Kingdom and the United States

The figure shows the foreign holdings of listed corporate equities in Japan, the United Kingdom and the United States. Data represents aggregates from national financial accounts released by central banks or statistical offices in each jurisdiction. For example, in Japan, 3% of corporate equities were in the hands of foreign investors in 1980 and that increased to 30% in 2017. For the United Kingdom, data corresponds to 1981 and 2016 and include shares in quoted companies domiciled in the United Kingdom. US data includes shares of exchange-traded funds, closed-end funds, REITs, closely held corporations and foreign corporate equities including ADRs.

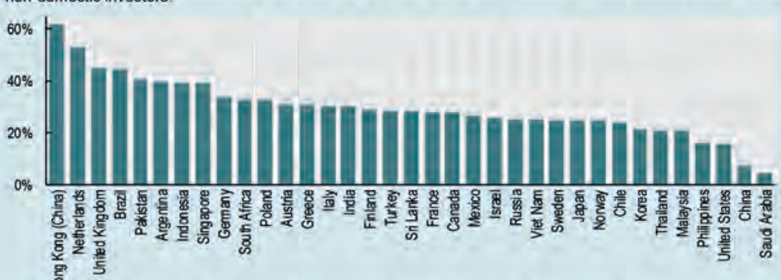


Source: Japan, Flow of Funds, Bank of Japan; United Kingdom, Ownership of UK quoted shares, Office for National Statistics; United States, Financial Accounts, L. 223 Corporate Equities, Federal Reserve.

In order to analyse the importance of foreign ownership in listed companies worldwide, Figures 4 and 5 below use the firm-level ownership dataset developed for this report. On average, at least 30% of public equity investments within markets come from foreign investors. As shown in Figure 4, in countries like the Netherlands, the United Kingdom, Brazil and Pakistan, non-domestic investors account for more than 40% of equity ownership. For countries like China and the United States, non-domestic ownership is relatively low. The significant level of non-domestic ownership observed in Hong Kong (China) is mainly explained by the fact that many Chinese companies are listed in Hong Kong (China) but owned by investors from Mainland China.

Figure 4. Non-domestic investment in each market

The figure shows the share of total market capitalisation in the hands of non-domestic investors for the 10 000 largest listed companies covered by this report (complete information for all 54 markets is presented in the Annex). The numbers shown in the figure represent non-domestic holdings as share of the total market capitalisation in each market as of end 2017. For example, in Italy, 30% of the total market capitalisation of listed corporations is owned by non-domestic investors.

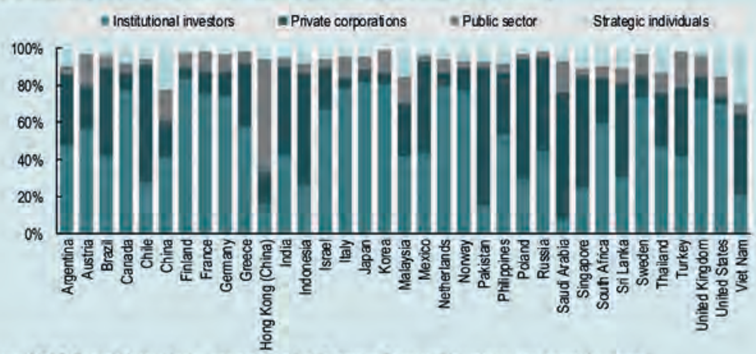


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details

Institutional investors that typically use diversified portfolio investment strategies and track indices engage more frequently in cross-border investments. In fact, in half of the markets they account for more than 50% of all non-domestic ownership (Figure 5; Annex Table A.5.). In addition, private corporations and holding companies are also important cross-border investors and in, for example, Chile, Indonesia, Poland, Saudi Arabia and Singapore they are the largest category of non-domestic owners. In aggregate, the two other categories, the public sector and strategic investors, in general play a relatively limited role in cross-border public equity investments.

Figure 5. Non-domestic investors by market

The figure shows the composition of the non-domestic ownership by investor category for the 10 000 largest listed companies covered by this report (complete information for all 54 markets is presented in the annex). The numbers shown in the figure represent each category's share in the total non-domestic holdings in each market. For example, in Argentina 48% of the non-domestic holdings correspond to institutional investors.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

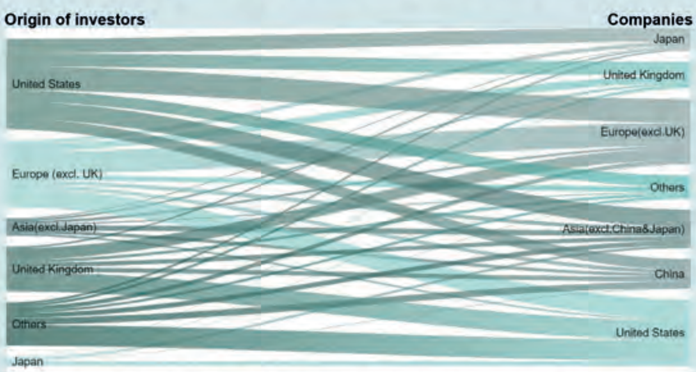
Using the same firm-level ownership data as in Figure 5, Figure 6 displays a graphic overview of cross-market ownership in listed companies based on the origin of the investors and the listing domicile of the company. The investments between China and Hong Kong (China) are not included in this analysis. The figure shows that, in 2017, US listed companies were the world's largest recipients of cross-border equity investments with an outstanding amount of USD 4 trillion. As the second largest recipient of cross-border equity investments, Continental Europe has an outstanding amount of USD 3.9 trillion of foreign ownership.

Today, many large institutional investors use equity market indices when they allocate their investments among listed companies. Given the US listed companies' large share of global equity indices, such as the MSCI World Index, it is not surprising to see that US companies are the largest recipients of cross-market portfolio investments. Despite the United States being the largest recipient of all cross-market investments, the significant size of the US domestic investors means that the share of non-domestic investment in the market is still small compared to other advanced markets (Figure 4).

From the investor's perspective, investors domiciled in the United States are the largest owners of companies listed abroad and account for almost one-third of total cross-market equity investments globally. In terms of markets, Japan and the United Kingdom are the most common destinations for US investments, receiving together more than USD 1.7 trillion. Continental European investors ranked second worldwide with respect to the size of their cross-market equity holdings amounting to USD 4 trillion and investors domiciled in the United Kingdom ranked third with USD 2.7 trillion of cross-border equity holdings. In the United Kingdom, 89% of these cross-border equity investments were held by institutional investors, compared to 53% for Continental Europe. It is important to note that around one-third of the total cross-border investments in Europe are between investors and companies from European countries.

Figure 6. Cross-border public equity investments stock

The figure shows the outstanding amounts of cross-border public equity investments, which are calculated using the firm-level ownership data for the universe of 10 000 largest listed companies. The figure includes all categories of owners and excludes domestic ownership. The ownership is aggregated at market value in USD terms as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

The rapid growth of Asian stock markets and the increased share of the equity held by foreign institutional investors have contributed to the internationalisation of public equity markets. Asia, as a region, ranked second in terms of public equity capital held by non-domestic investors with an amount of USD 5 trillion.[2] Japanese listed companies alone received USD 1.4 trillion, of which the lion's share is held by US-domiciled investors. Listed companies in Hong Kong (China) are the second largest recipients of non-domestic investments in Asia with USD 1.2 trillion. This is largely due to the fact that foreign investors had been historically restricted from directly investing in listed companies in Mainland Chinese markets and a large number of these investors choose to invest in mainland companies listed in Hong Kong (China) (OECD, 2018a). However, the introduction of Stock Connect between Hong Kong, Shanghai and Shenzhen Stock Exchanges in 2014 and 2016 aiming at allowing international and Mainland Chinese investors to access each other's markets has also started to channel non-domestic equity investments into the mainland markets.

PART II. OWNERSHIP CONCENTRATION AT THE COMPANY LEVEL

Part I looks at the distribution of ownership among different categories of owners and developments with respect to cross-border investments in listed firms. This part, documents developments with respect to ownership concentration and control at the company level.

Traditionally, the analysis of ownership structure and the related corporate governance challenges at the company level relies on the concepts of dispersed versus concentrated ownership (Berle and Means, 1932; Fama and Jensen, 1983; La Porta et al., 1999; Becht et al., 2002). One set of challenges relates to the situation when companies are widely held by many small investors, who individually do not have the incentives to carry the cost of actively exercising their ownership functions. The ownership structure is assumed to generate the so-called principal-agent problem between the manager and shareholders who have limited capacity and ability to monitor the manager, except through performance-related incentive schemes and reliance on the market for corporate control.

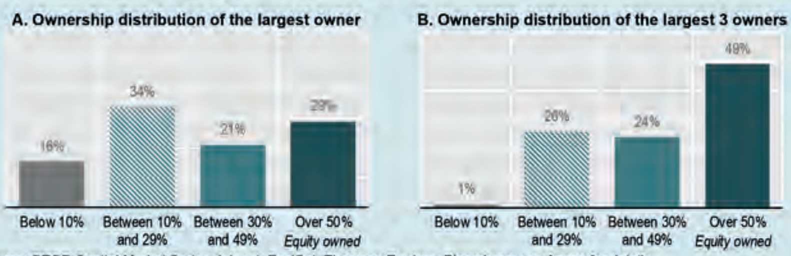
[2] This number excludes the investments from Mainland China to Hong Kong (China).

Under the assumption of concentrated ownership and the presence of controlling owners, the governance challenge is not primarily assumed to be between shareholders and managers. The conflict is rather between the non-controlling shareholders and the controlling shareholder who is expected to extract various types of private benefits, for example through abusive related party transactions.

Today, these two concepts are not sufficient to describe the diversity of existing ownership structures. Not only have cross-border investments and new business models for intermediary ownership grown in importance, the ownership structure in markets that usually have been classified as having dispersed ownership structures has also evolved. Seen at a global level, fully dispersed ownership is today a rather rare phenomenon. As seen in Figure 7, almost 85% of the world's largest listed companies have a single shareholder holding more than 10% of the company's capital. The three largest shareholders hold more than 30% of the capital in three-fourths of all listed companies and above 50% of the capital in half of the listed companies worldwide. In only 1% of the listed companies worldwide, do the three largest shareholders hold less than 10% of the company's equity capital.

Figure 7. Ownership concentration distribution

Panel A displays the share of companies where the largest owner holds different levels of the equity capital for the universe of 10 000 largest listed companies. For example, in 29% of the companies the largest shareholder owns more than 50% of the equity capital. Panel B presents the share of companies where the 3 largest shareholders own different levels of the equity capital. Data refers as of end 2017.

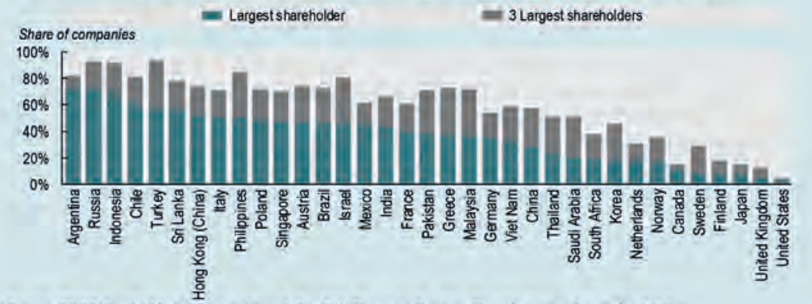


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

Figure 8 shows the share of companies in each national market where the single largest and the 3 largest shareholder(s) own more than 50% of the company's equity capital. In half of the markets shown in the figure, at least 40% of all listed companies have a single owner holding more than 50% of the equity capital. In Argentina, Russia and Indonesia, more than 70% of the companies have a single shareholder holding more than half of the equity capital.

Figure 8. Ownership concentration by market

The figure presents the number of companies where the largest and 3 largest shareholder(s) hold more than 50% of the equity as share of the total number of listed companies in each market. Data refers as of end 2017.

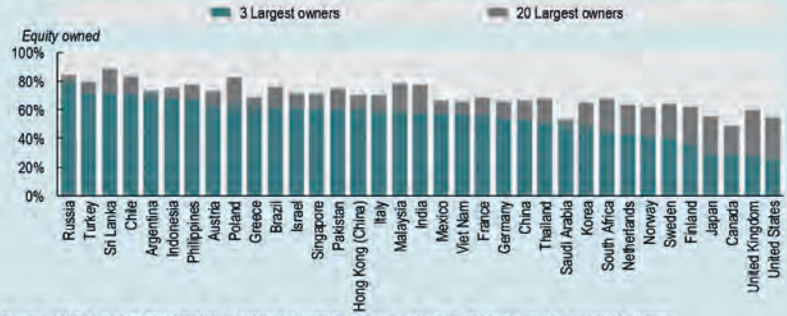


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

Figure 9 takes a closer look at ownership concentration at the company level in each market by showing the average combined holdings of the 3 largest and 20 largest shareholders. The data reveals that in 24 of the 35 jurisdictions, the 3 largest shareholders hold on average more than 50% of the company's equity capital. The markets with the least ownership concentration, measured as the combined holdings of the 3 largest shareholders, are the United States, the United Kingdom, Canada and Japan, where the 3 largest shareholders on average still hold a significant combined share, ranging between 25% and 30% of the company's capital. Moreover, in all of these jurisdictions the 20 largest shareholders, on average, hold between 50% and 60% of the company's capital. Consequently, while the degree of ownership concentration at the company level still differs between markets and companies, no jurisdiction systemically features the kind of atomistic dispersed ownership structure that still influences much of the corporate governance debate.

Figure 9. Ownership concentration at the company level

The figure shows ownership concentration at the company level for each market. It shows the average combined holdings of the 3 and 20 largest owners respectively. For example, in the Russian market, the average combined holdings of a company's 3 largest owners add up to almost 80% of the equity capital. Data refers as of end 2017.

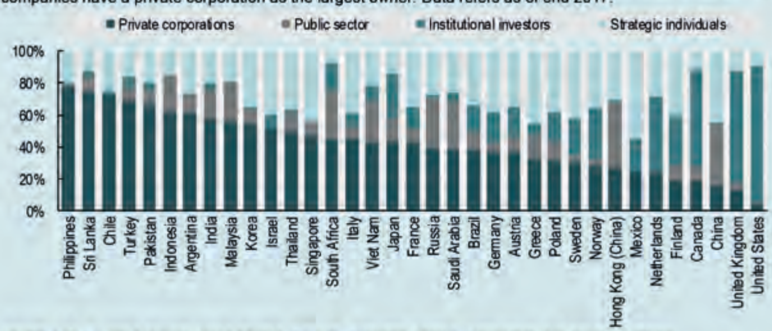


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

With respect to the category of the single largest owner, in most markets it is typically a private corporation or a strategic individual. Figure 10 shows that in 18 out of the 35 markets, over 40% of the companies have a private corporation as the largest shareholder, which in many cases may indicate the presence of company group structures. In particular, private corporations often appear as the largest owner in the Philippines, Sri Lanka and Chile where over 70% of the listed companies have a private corporation as the largest shareholder. In Mexico, Greece and China over 45% of the listed corporations have strategic individuals and family members as the largest shareholder. Institutional investors dominate as the largest shareholder only in the United States, the United Kingdom, Canada and the Netherlands.

Figure 10. Category of the largest investors at the company level

The figure shows the category of the largest investor in each market. For example, in Chile 7 out of 10 listed companies have a private corporation as the largest owner. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details

PART III. INSTITUTIONAL OWNERSHIP IN LISTED FIRMS

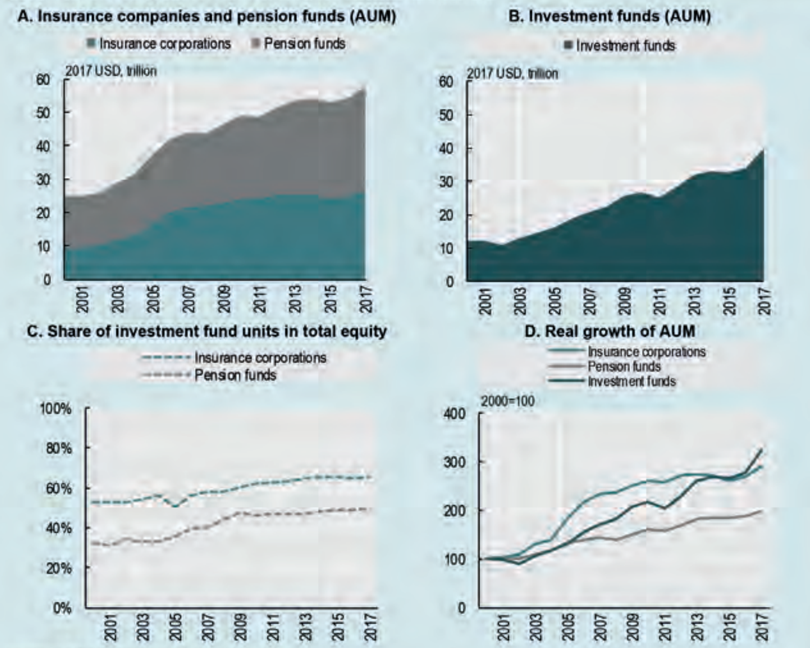
In recent decades, the role of institutional investors in public equity markets has increased significantly. This development has been driven by several factors. One reason has been the transition of pension systems from pay-as-you-go to funded pension plans, leading to growth of both privately and publicly managed pension funds. As a result, pension fund assets have reached significant size, accounting for 50.7% of the GDP in the OECD area as a whole in 2017 and in some countries their assets exceed GDP.[3] In addition, it has become increasingly popular for investors to hold a diversified portfolio that can enhance risk-adjusted returns. As a result, the trend has been to pool assets and invest at a large scale to benefit from diversification. Technology has also facilitated the pooling of household savings and the introduction of new investment vehicles that follow the same diversification principle.

Figure 11 provides an overview of the trend in total assets under management (AUM) by different types of institutional investors and their growth rates. Panel A provides an overview of the AUM by pension funds and insurance corporations in OECD countries. It shows that their combined assets have more than doubled from USD 25 trillion in 2000 to USD 58 trillion in 2017. Since pension funds and insurance corporations can invest via investment funds, in order to avoid double counting when calculating the total assets investment funds are shown separately in Panel B. Indeed, Panel C shows that the share of investment fund units in total equity investments for pension funds and insurance corporations has also significantly increased. In 2017, it reached 65% and 50% of total equity investments for insurance corporations and pension funds in the OECD countries, respectively. Reinforced by the increasing stakes in investment funds by the other two traditional investor categories, investment funds have shown the highest growth among the three traditional types of institutional investors by more than tripling their assets since 2000.

[3] This is the case in Australia (130.2%), Canada (154.7%), Denmark (208.4%), Iceland (164.5%), Netherlands (184.2%), Switzerland (148.8%) and the United States (145.3%) (OECD, 2018b).

Figure 11. Assets under management (AUM) by institutional investors in OECD countries

The figure shows the aggregate trend for three different types institutional investors in OECD countries. Panel A shows the AUM in 2017 USD for pension funds and insurance companies. Similarly, Panel B shows the AUM for investment funds. Since pension funds and insurance corporations also invest in investment funds, the latter is shown separately to avoid double counting when calculating the total AUM. Panel C reports the share of investment fund units in total equity investments for pension funds and insurance corporations. Panel D shows in an index (2000=100) the real growth in AUM for the three institutional investors.



Source: OECD Institutional Investors Database.

The rise of institutional investors has been accompanied by the increasing use of passive investment strategies. Rather than actively selecting individual stocks to maximize the absolute risk-adjusted return, the passive investment strategies typically seek to benchmark their returns against a pre-defined market index. In turn, the index provider defines the investment criteria and sets the inclusion and exclusion methodology.

Aggregate data on the total size of passively managed funds is limited and there are also concerns about the accuracy of available estimations. According to Blackrock (2017) passive investments accounted for 17.5% in global equity market investments in 2017 while BIS estimations show that the share of passive equity funds in equity funds globally was around 36.7% in 2017 up from 15% in 2007. Both passive (or index) mutual funds and ETFs grew significantly over the period. Some markets have shown a higher increase in passively managed funds. According to BIS, the share of passive equity funds in the United States, increased from 18% in 2007 to 43% in 2017 of total US equity fund assets. Similarly, in Japan, passive equity funds' share increased from 32.5% in 2007 to 66.7% in 2017 (BIS, 2018).

3.1 The role of institutional investors in monitoring corporate performance

The rise of institutional investors has lengthened the investment chain between savers and companies. Household savings that in the past were invested directly in the stock market, are today mostly managed by intermediaries on their behalf for a fee. As a consequence, aligning the incentives of the ultimate beneficiaries with those of a variety of profit maximizing institutional intermediaries that manage their money has emerged as a key corporate governance issue.

This development has inspired several regulatory and voluntary initiatives with respect to ownership engagement by institutional investors. Some jurisdictions have, for example, decided to impose different requirements for ownership engagement on different types of institutional investors. Alternative or complementary to such regulatory requirements, some regulators have chosen to rely on investor stewardship codes or other guidelines. In 25 out of the 49 jurisdictions covered in the *OECD Corporate Governance Factbook 2019*, there is a legal requirement for institutional investors to disclose their voting policies and in 14 jurisdictions they are forced to disclose their actual voting records. Similarly, 23 jurisdictions have some form of stewardship codes encouraging the disclosure of their voting policy and 19 encouraging the disclosure of actual voting records.

While these initiatives may result in increased voting among institutional investors, there have also been concerns about the fact that they have had little effect on the actual quality of ownership engagement, since in order to minimise the cost of compliance with voting requirements, many large institutions primarily rely on consultants that provide standardised advice on how to vote. Evidence shows that institutional investors are unlikely to support other shareholders' proposals and usually vote according to management proposals (Lund, 2018). Since institutional investors differ with respect to their commercial business models, their incentives and investment strategies, they will also differ with respect to the exercise of their ownership functions. For some institutions, ownership engagement is not part of their business models and the requirement to vote is, consequently, just seen as a cost that they seek to minimise (Çelik and Isaksson, 2013).

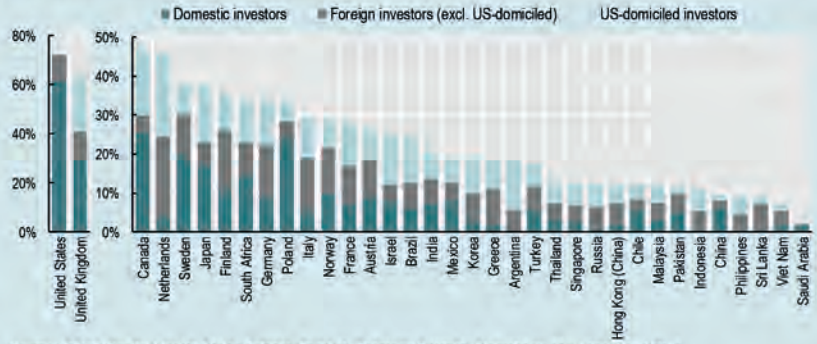
Against this background, the *G20/OECD Principles of Corporate Governance* states that if shareholder engagement is not part of the institution's business model and investment strategy, mandatory requirements to engage, for example through voting, may be ineffective and lead to a box-ticking approach.

3.2 Domestic and non-domestic institutional ownership

Globally, US-domiciled institutional investors have a dominant position with respect to the total value of equity holdings. For each jurisdiction included, Figure 12 shows the portion of shares held by institutional investors. It also illustrates the distribution of institutional holdings between domestic institutions, US-domiciled institutions and non-US institutions. In the United States, institutional investors hold around 72% of the domestic stock market value. About 61% of these holdings are held by US institutions, while foreign institutions account for slightly more than 11%. In addition, US-domiciled institutional investors have significant holdings in most other stock markets. For example, US-domiciled institutions hold 22% and 17% of the public equity in the United Kingdom and in Canada, respectively.

Figure 12. Domestic and non-domestic institutional ownership

The figure shows the aggregate holdings of institutional investors as share of total market capitalisation in each market. Institutional investors are classified as domestic when they are domiciled in the same market they invest in. Given the large size of the US institutions, foreign institutions are classified into two categories; foreign institutions excluding US-domiciled institutions and US-domiciled institutions. For example, in Canada domestic institutional investors hold 25% of the market capitalisation; US-domiciled institutional investors 17% and foreign institutions (excl. US-domiciled institutions) 4%. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

3.3 Institutional ownership concentration at the company level

The overall increase in assets under management by institutional investors has also influenced their presence as owners in individual companies. Figure 13 shows the average combined holdings of the 3, 10 and 20 largest institutional investors at the company level in each market. The highest level of concentration is observed in the United States where the 3 largest institutional investors on average hold 24% of the capital in the listed companies and the 10 largest institutional investors on average hold 43% of the capital. In the United Kingdom, the holdings of the 10 largest institutions on average reach more than 41% of the capital in the listed companies and in Canada and the Netherlands, they reach 29% and 31% of the equity capital, respectively.

Figure 13. Holdings of the largest institutional investors at the company level

The figure shows the average combined holdings of the 3, 10 and 20 largest institutional investors at the company level in each market. The percentage holdings of the largest institutional investors at the company level are aggregated and then averaged for each market. For example, in the United Kingdom, the average combined holdings of a company's 3 (20) largest institutional investors account for 22% (54%) of the shares of the listed companies. Data refers as of end 2017.

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

3.4 Ownership across industries

With respect to institutional ownership across industries, Table 4 shows the average combined holdings for the same 3 and 10 largest institutional investors in the 10 largest companies in each one of the six different industries in the world. The table shows that institutional ownership is particularly high in industries such as online services and pharmaceuticals where the same 3 largest institutional investors together hold 15% and 14% of the capital in the industry worldwide, respectively. The 10 largest institutional investors together hold, on average, 28% of the 10 largest companies in the online services, 27% in the pharmaceuticals industries, 20% in the airlines and 21% in the IT services & consulting industries.

Table 4. Holdings of the largest institutional investors in the ten largest companies by industry

The table shows the average ownership for the combined holdings of the same 3 and 10 largest institutional investors. Each number is calculated by adding up the equity capital share of each institutional investor by company and then dividing it by the number of companies within each industry (10 in this case). For example, in the airlines industry, the largest same 3 (10) institutional investors together hold on average 10% (20%) of the 10 largest companies. Data refers as of end 2017.

	Largest 3	Largest 10
Airlines	10%	20%
Banks	9%	18%
IT services & consulting	11%	21%
Online services	15%	28%
Pharmaceuticals	14%	27%
Telecommunications	6%	12%

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

Table 5 presents country-level data on institutional ownership for four different industries. It shows the average ownership in the hands of the same 3 and 10 largest institutional investors in the 3 largest companies by industry in different markets. For instance, in Belgium, the same top 3 (10) institutional investors on average hold 23% (28%) in the 3 largest telecommunication companies. In 29 out of the 30 industry-country pairs shown in Table 5, the average ownership of the same top 3 institutional investors is greater than 10% of the equity capital.

Table 5. Holdings of top institutional investors across industries and within countries

The panels in the table show the average holdings of the same top institutional investors across industries and within countries. Each number is calculated by adding up the equity capital share of each institutional investor by company and then dividing it by the 3 largest companies within each industry. For example, in Canada, the same top 3 (10) institutional investors hold on average 23% (39%) in the 3 largest telecommunication company. Data refers as of end 2017.

A. Airlines

	Top 3	Top 10
United States	23%	47%
Mexico*	15%	30%
Russia*	27%	30%
United Kingdom	16%	27%
Canada	11%	15%
Japan	7%	14%

B. Banks

	Top 3	Top 10
United States	19%	41%
South Africa	26%	36%
Austria	27%	35%
Poland	18%	32%
Canada	14%	30%
Sweden	16%	30%
United Kingdom	12%	25%
Turkey	17%	24%

C. Pharmaceuticals

	Top 3	Top 10
United States	20%	33%
United Kingdom	13%	25%
Belgium	18%	25%
Spain	13%	23%
Sweden	11%	22%
Brazil	15%	22%
Germany	11%	21%
South Africa	13%	21%

D. Telecommunications

	Top 3	Top 10
Iceland*	31%	59%
Canada	23%	39%
United Kingdom	16%	35%
Belgium	23%	28%
Poland	13%	25%
United States	13%	24%
Israel	16%	23%
Spain	11%	19%

Note: * In Mexico and Russia there are 2 companies in the airlines industry. In Iceland, there are 2 companies in the telecommunications industry.
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

PART IV. PUBLIC SECTOR OWNERSHIP

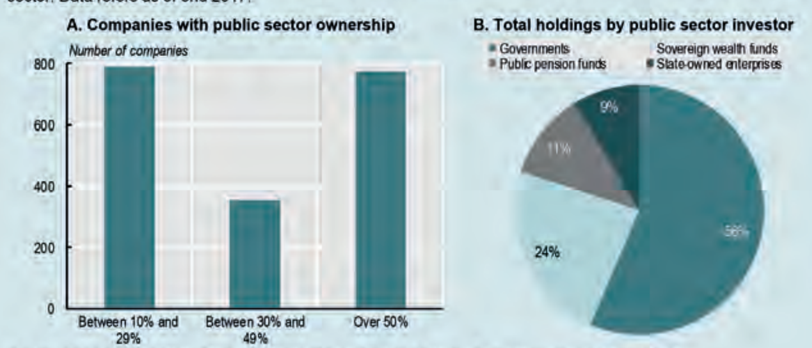
Driven by partial privatisations through stock market listings, the emergence of sovereign wealth funds (SWFs) and the growing role of public pension funds, the public sector has gained a growing presence in public equity markets. In many cases, privatisations through stock market listings of state-owned enterprises (SOEs) have not led to any change in control and today, the public sector has controlling stakes in a large number of companies, in particular in companies listed in Asia, MENA and Europe.

Public sector ownership refers to investments by central and regional governments, public pension funds, SOEs and SWFs. The first type of public sector investor includes both central and regional governments that hold stakes in publicly listed companies. The second type corresponds to public pension funds, which manage mandatory pension schemes or/and retirement savings of public sector employees. The third type is financial and non-financial SOEs that hold shares in listed corporations. The fourth type is SWFs that serve as central state ownership agencies with controlling or non-controlling stakes in publicly listed companies. They include saving funds, stabilisation funds and pension reserve funds.

Panel A of Figure 14 shows that among the world's 10 000 largest listed companies close to 800 companies have public sector ownership above 50% of the equity capital. In addition, in 1 140 companies the public sector holds between 10% and 49% of the equity capital. Central and local governments are the largest public sector investor type, accounting for USD 5.8 trillion or 56% of all public sector holdings in listed equity, followed by SWFs and public pension funds. Public sector investment through state-owned enterprises is less significant and accounts for only 9% of the total public sector equity holdings.

Figure 14. Overview of public sector ownership in global public equity markets

Panel A shows the number of companies in which the public sector owns between 10% and 29%; between 30% and 49%; and over 50% of the equity capital among the 10 000 largest listed companies covered by this report. For example, in almost 800 companies, the public sector ownership is above 50%. Panel B shows the four different public sector investor types; namely, governments, SWFs, public pension funds and SOEs and their share of the total holdings of the public sector. For example, the SWF holdings account for 24% of the total holdings of the public sector. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

There are large differences across markets in terms of public sector ownership in listed companies. Figure 15 shows that in 23 out the 35 markets shown, the public sector holds more than 10% of the listed equity. In particular, the public sector is an important owner in Saudi Arabia, Malaysia and Hong Kong (China) holding between 38% and 46% of the total equity capital of listed companies.

Figure 15. Public sector ownership by market

The figure shows the share owned by the public sector in each market for the 10 000 largest listed companies covered by this report (complete information for all 54 markets is presented in the Annex). The ownership for each category of investor is aggregated at market value in USD terms and expressed as share of the total market capitalisation in each market. The data covers ownership by both domestic and foreign origin. For example, in Saudi Arabia the public sector owns 46% of the total market capitalisation. Data refers as of end 2017.

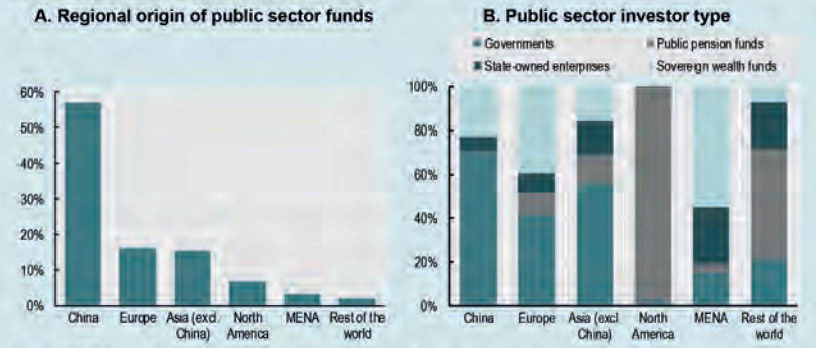
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

With respect to the geographical origin of public sector investors, the state in China accounts for 57% of the total public sector ownership in global equity markets (Figure 16, Panel A). In addition, Asia excluding China accounts for 15%, which means that Asia as a whole makes up for 72% of global public sector ownership. Europe and North America account for 16% and 7%, respectively.

Panel B of Figure 16 shows the distribution of public sector holdings for the four types of investors across some countries and regions. As was shown in Figure 14, the largest type of investor within public sector owners, in terms of total investments, is central and regional governments accounting for 56% and 70% of the total public sector ownership in Asia (excluding China) and China, respectively. In North America, the public sector ownership is almost entirely associated with public pension funds. In Europe, both governments and SWFs hold around 40% of the total public sector ownership, where the latter is dominated by the Norwegian sovereign wealth fund (Government Pension Fund Global). In the MENA region, SWFs also play an important role as owners of publicly listed shares.

Figure 16. Regional origin of public sector ownership and distribution by investor type

Panel A shows the regional distribution of public sector investments in the 10 000 largest listed companies covered by this report (complete information for all 54 markets is presented in the Annex). For example, globally, 57% of the public sector funds originate in China. Panel B, displays for each region, the distribution of public sector funds among the four different public sector investor types. For example, in North America, 97% of the public sector funds come from public pension funds. Data refers as of end 2017.

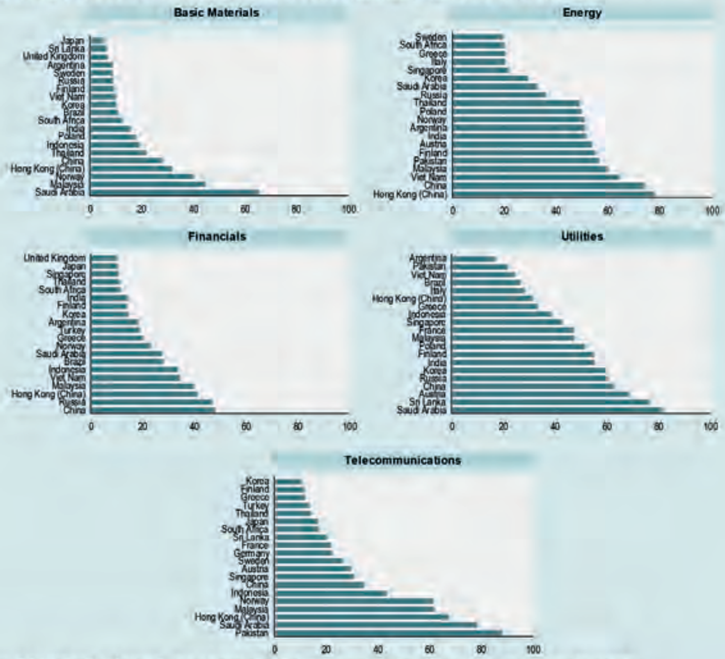


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

Public sector ownership of listed companies has traditionally been concentrated in industries such as energy and utilities. These two industries are often related to central governments due to their strategic importance and/or monopoly position in certain market segments. Figure 17 shows the presence of the public sector in selected industries in each economy. Energy, utilities and telecommunications account for the largest concentration of public sector ownership. In five countries, the public sector holds more than 60% of the equity capital in telecommunication companies. The public sector also holds significant stakes in the utilities industry in Saudi Arabia, and some Asian and European countries. The public sector shows a significant presence also in the energy industry, holding on average more than 50% of the equity capital in 10 out of the 20 markets presented in the figure. Despite the fact that the public sector ownership is on average the lowest in the basic materials industry, its share is still more than 65% in the Saudi Arabian equity market. With respect to financials, China, Russia and Hong Kong (China) exhibit high levels of public sector ownership with an average of 45% of the equity capital in the industry.

Figure 17. Public sector ownership by industry

The figures show the public sector equity ownership in the basic materials, energy, financials, utilities and telecommunications industries. For each industry, it shows the top 20 markets in which the public sector holds the largest stakes. For example, in Saudi Arabia, the public sector owns more than 80% of the equity capital in the utilities industry and 65% of the equity capital in basic materials. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

According to some studies, the identity of the controlling shareholder can affect the company's performance. Other studies claim a relationship between ownership structure and leverage.[4] In order to provide an assessment of how public sector ownership may relate to company performance and leverage, Table 6 reports the difference between the average public sector ownership in companies classified with respect to high/low-performance and high/low-leverage. The table shows statistics for the 20 markets with the highest public sector ownership. For example, in China the state holds on average 7 percentage points larger stakes in low-performance companies than in high-performance companies. The table also shows variations with respect to the relationship between public sector ownership

[4] For details see: Morck, Nakamura and Shivdasani (2000); Xu and Wang (1999); Haniffa and Hudaib (2006); Wiwattanakantang (2001); Douma, George and Kabir (2006); Chen, Firth and Xu (2008); Sarkar and Sarkar (2000); Ben-Nasr, Boubaker and Rouatbi (2015); Lean, Ting and Kweh (2015); Su (2014).

and performance levels across markets. In 11 out of 20 markets, the public sector owns, on average, a larger stake in low performance firms.

The relationship between public sector ownership and leverage levels also varies across markets. In 14 out of the 20 markets analysed, the average public sector ownership stake is higher in high-leverage companies than in low-leverage companies. In particular, in China, Brazil, Hong Kong (China), Malaysia and Viet Nam the average public sector ownership in high-leverage companies is significantly higher than their ownership in low-leverage companies.

Table 6. Public sector ownership in low/high-performance firms and in low/high-leverage firms

The table shows the average public sector ownership for companies with low- and high-performance and for companies with low- and high-leverage. The top 20 markets ranked by public sector ownership are included in the table, financial companies are excluded. High-(low-) performance companies are defined as companies with a 5-year average ROE above (below) the median. High-leverage (low-leverage) companies are defined as companies with a 5-year average leverage above (below) the median. The difference in the size of government ownership is computed as the difference in average holding between low- minus high-performance companies, and high- minus low-leverage companies. Data refers as of end 2017.

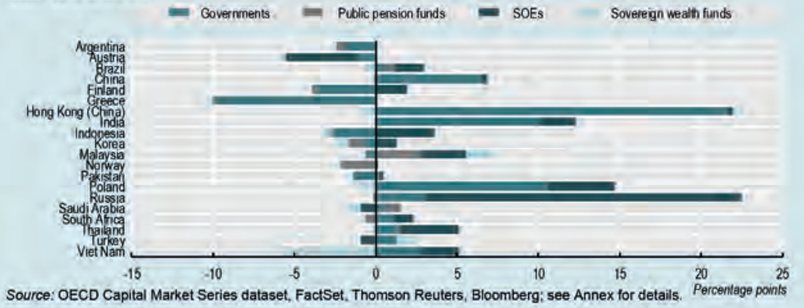
	Performance			Leverage		
	Low	High	Difference	Low	High	Difference
	Average public sector ownership *(in per cent)*		*(percentage points)*	Average public sector ownership *(in per cent)*		*(percentage points)*
Argentina	8	10	-2.4	6	12	6.7
Austria	9	14	-5.8	12	14	2.4
Brazil	10	8	2.2	3	16	12.7
China	24	18	6.6	16	25	9.3
Finland	5	7	-1.9	4	8	3.6
Greece	5	15	-10.0	10	8	-1.2
Hong Kong (China)	36	15	21.1	20	30	10.2
India	20	8	12.3	11	16	4.2
Indonesia	17	16	0.4	16	16	-0.3
Korea	9	10	-1.1	8	12	3.3
Malaysia	27	20	6.7	19	27	8.1
Norway	4	6	-2.1	7	5	-1.6
Pakistan	5	6	-0.9	8	6	-2.6
Poland	15	1	13.8	8	8	-0.2
Russia	38	15	22.4	26	28	2.1
Saudi Arabia	17	17	-0.2	17	16	-1.1
South Africa	13	12	1.5	13	13	0.4
Thailand	11	6	5.1	7	10	3.1
Turkey	6	5	1.5	5	6	0.9
Viet Nam	19	20	-0.7	15	23	7.7

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

In Figures 18 and 19, the differences observed in Table 6 are decomposed by type of public sector investor. Figure 18 reports the difference between the average size of public sector ownership in companies classified with respect to high/low-performance decomposed by type of public sector investor. The figure suggests that when the public sector invests through SOEs, they tend to hold higher stakes in low-performance firms. This is the case in 16 out of 20 markets presented in the figure. Similarly, when the investment is done directly by the government they hold higher stakes in low-performance firms in 11 out of 20 markets. On the contrary, when the public sector owner is public pension funds or SWFs, they hold a higher stake in high-performance firms in 14 out of 20 markets shown in the figure.

Figure 18. Public sector ownership difference between low/high-performance firms by investor type

The figure decomposes the average difference in public sector ownership between low- and high-performance companies shown in Table 6 by public sector investor type. For example, in Table 6 Russian low-performance companies have on average 22 percentage points higher public sector ownership compared to high-performance companies and the difference is most prominent when the public sector investor is a state-owned company. Data refers as of end 2017.

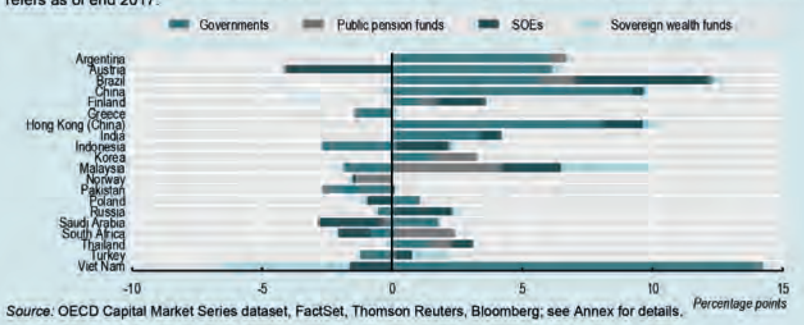


Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

Similarly, Figure 19 shows the difference between the average size of public sector ownership in companies classified with respect to high/low-leverage and decomposes it by the public sector investor type. In most of the jurisdictions where the public sector investor is the government or an SOE, one can observe larger stakes in high-leverage firms. In fact, the differences are the largest when the investor is the government. For the other types of public sector investors the relationship points to no significant differences in public sector ownership between high- and low-leverage firms.

Figure 19. Public sector ownership difference between high/low-leverage firms by investor type

The figure decomposes the average difference in public sector ownership between high- and low-leverage companies shown in Table 6 by public sector investor type. For example, in Table 6 Brazilian high-leverage companies have on average 13 percentage points higher public sector ownership compared to low-leverage companies and the difference is mostly explained when the public sector investor is a SOE and government. Data refers as of end 2017.



Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg; see Annex for details.

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ANNEX

A.1 Description of sample construction and coverage

The OECD Capital Market Series dataset on corporate ownership is a harmonised dataset quantifying the corporate ownership across 54 different markets (OECD member countries, G20 economies and some other selected Asian economies) for almost 10 000 publicly listed corporations with a total market capitalisation of USD 75 trillion as of end 2017 representing 90% of the global market capitalisation. The entire dataset is comprised of 9 723 companies, 77 456 unique investors and 1.4 million company-investor links. The average number of company-investor links in the universe is 143 records by company. The nationality of investors in the universe of companies is not constrained to particular countries, territories or regions. The data cover all non-financial and financial companies and exclude all types of funds and investment vehicles including Real Estate Investment Trusts (REITs).

The main source of information is the FactSet Ownership database. This dataset covers companies with a market capitalisation of more than USD 50 million and accounts for all positions equal to or larger than 0.1% of the issued shares. It is complemented with ownership information from Thomson Reuters Eikon, Bloomberg and publicly available company sources.

The information for the reported owners as of the end of 2017 is collected for each company. Some companies can have up to 5 000 records in their list of owners. Each record contains the name of the institution, the percentage of shares outstanding owned, the investor type classification, the country of origin of the investor, the ultimate parent name, among others.

The primary listing venue is taken into account when identifying the market where the company is listed. Secondary listings are not taken into account. Companies trading over-the-counter (OTC) and on non-regulated segments are excluded. The list of listed companies for each market contains only firms that trade ordinary shares and depositary receipts as their main security.

For each economy, the dataset contains at least 85% of the total market capitalisation. However, the market capitalisation coverage ratio is between 74% and 82% for Australia, Finland and Israel. The number of companies in the sample depends on the size and market capitalisation dispersion in each economy. For instance, to reach 89% of the total market capitalisation in China, the dataset includes 1 541 companies, whereas in other economies like Ireland, 99% of the market capitalisation is reached by including only 25 companies.

A.2 Description of categories of owners

Table A.1 presents the five categories of owners defined and used in this report. Different types of investors are grouped into five categories of owners. In many cases, when the ultimate owner is identified as a Government, a Province or a City and the direct owner was not identified as such, ownership records are reclassified as public sector.

Table A.1. Categories of owners

Investor category	Investor type	
Private corporations and holding companies	Business Association	Operating Division
	Employee Stock Ownership Plan	Private Company
	Holding Company	Public Company
	Joint Venture	Subsidiary
	Non-profit organisation	
Public sector	Government	Regional Governments
	Sovereign Wealth Manager	Public Pension Funds
Strategic individuals and family members	Individual (Strategic Owners)	Family Office
Institutional investors	Bank Investment Division	Mutual Fund Manager
	Broker	Other
	College/University	Pension Fund
	Foundation/Endowment Manager	Pension Fund Manager
	Fund of Funds Manager	Private Banking/Wealth Management
	Fund of Hedge Funds Manager	Private Equity Fund/Alternative Inv.
	Hedge Fund	Real Estate Manager
	Hedge Fund Manager	Research Firm
	Insurance Company	Stock Borrowing/Lending
	Investment Adviser	Trust/Trustee
	Market Maker	Umbrella Fund
	Mutual Fund-Closed End	Venture Capital/Private Equity
Other free-float including retail investors	Shares in the hands of investors that are not required to disclose their holdings. It includes the direct holdings of retail investors who are not required to disclose their ownership and institutional investors that did not exceed the required thresholds for public disclosure of their holdings.	

Table A.2. The universe of listed companies, end-2017

	Total market capitalisation (USD M)	Covered market capitalisation (USD M)	Market coverage ratio	Number of companies included	Cumulated share of total covered market capitalisation
United States	30 284 174	25 613 620	85%	622	31%
China	9 827 906	8 737 351	89%	1541	41%
Hong Kong (China)	6 883 148	6 227 366	90%	371	48%
Japan	6 209 680	5 694 847	92%	587	55%
United Kingdom	3 844 706	3 529 386	92%	243	59%
France	2 564 935	2 547 995	99%	480	62%
India	2 389 835	2 379 197	99%	298	65%
Germany	2 231 062	2 167 683	97%	461	68%
Canada	2 061 236	1 782 400	86%	148	70%
Korea	1 761 235	1 527 194	87%	300	72%
Australia	1 430 837	1 052 503	74%	181	73%
Switzerland	1 411 279	1 376 190	98%	188	75%
Chinese Taipei	1 353 258	1 151 091	85%	279	76%
Netherlands	884 256	869 698	98%	84	77%
Spain	832 568	804 714	97%	143	78%
Italy	801 771	737 802	92%	269	79%
Sweden	799 247	789 927	99%	391	80%
South Africa	625 449	569 871	91%	141	81%
Brazil	624 860	588 325	94%	175	81%
Russia	600 932	579 257	96%	135	82%
Singapore	555 457	529 450	95%	195	83%
Thailand	534 212	467 189	87%	150	83%
Indonesia	518 016	445 319	86%	99	84%
Malaysia	451 269	394 543	87%	147	84%
Saudi Arabia	451 083	422 419	94%	96	85%
Denmark	430 011	422 236	98%	79	85%
Belgium	409 285	405 647	99%	92	86%
Mexico	381 824	363 639	95%	93	86%
Norway	326 009	308 920	95%	169	86%
Finland	315 857	260 268	82%	115	87%
Philippines	286 762	275 997	96%	129	87%
Chile	275 241	266 297	97%	140	87%
Turkey	224 002	213 057	95%	121	88%
Poland	208 921	197 805	95%	132	88%
Israel	164 937	135 715	82%	108	88%
Austria	150 043	149 630	99%	54	88%
Viet Nam	126 377	111 616	88%	102	88%
Ireland	99 608	99 495	99%	25	88%
New Zealand	89 256	81 092	91%	80	89%
Argentina	84 526	81 968	97%	56	89%
Pakistan	78 660	70 121	89%	123	89%
Portugal	75 678	75 101	99%	36	89%
Greece	51 176	48 797	95%	66	89%
Bangladesh	43 722	38 226	87%	107	89%
Hungary	31 519	31 006	98%	18	89%
Czech Republic	29 433	29 364	100%	10	89%
Luxembourg	24 814	21 631	87%	10	89%
Sri Lanka	24 400	21 419	88%	64	89%
Iceland	8 170	7 919	97%	18	89%
Slovenia	6 713	6 104	91%	13	89%
Slovak Republic	5 786	4 948	86%	6	89%
Lithuania	4 600	4 378	95%	19	88%
Estonia	2 722	2 562	94%	8	89%
Latvia	915	779	85%	6	89%

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg.

Table A.3. Market capitalisation weighted average ownership by category of investor, end-2017

	Private corporations	Public sector	Strategic individuals	Institutional investors	Other free-float
Argentina	32%	18%	13%	19%	18%
Australia	5%	3%	4%	27%	62%
Austria	24%	16%	6%	26%	27%
Bangladesh	30%	19%	13%	4%	35%
Belgium	26%	5%	5%	37%	28%
Brazil	34%	13%	8%	25%	20%
Canada	8%	4%	2%	47%	39%
Chile	55%	1%	14%	12%	18%
China	11%	38%	13%	9%	28%
Czech Republic	22%	32%	0%	27%	19%
Denmark	6%	7%	6%	43%	37%
Estonia	41%	4%	12%	17%	26%
Finland	5%	14%	9%	35%	37%
France	18%	7%	11%	28%	36%
Germany	15%	6%	7%	34%	39%
Greece	19%	13%	13%	19%	36%
Hong Kong (China)	13%	38%	10%	12%	27%
Hungary	21%	15%	4%	29%	30%
Iceland	13%	3%	4%	61%	19%
India	37%	17%	8%	20%	19%
Indonesia	36%	20%	12%	11%	21%
Ireland	5%	17%	3%	33%	42%
Israel	25%	1%	16%	25%	33%
Italy	10%	12%	15%	29%	34%
Japan	18%	11%	3%	37%	31%
Korea	24%	12%	10%	20%	34%
Latvia	41%	14%	21%	14%	11%
Lithuania	22%	51%	10%	4%	13%
Luxembourg	57%	4%	6%	14%	20%
Malaysia	22%	40%	7%	12%	19%
Mexico	20%	1%	34%	20%	25%
Netherlands	18%	4%	6%	46%	27%
New Zealand	8%	18%	6%	21%	47%
Norway	8%	34%	7%	29%	21%
Pakistan	45%	16%	8%	12%	19%
Philippines	48%	1%	17%	9%	24%
Poland	23%	17%	8%	33%	19%
Portugal	33%	11%	13%	24%	19%
Russia	20%	32%	14%	12%	21%
Saudi Arabia	9%	46%	7%	2%	37%
Singapore	30%	12%	11%	12%	34%
Slovak Republic	88%	0%	2%	1%	9%
Slovenia	15%	38%	0%	9%	37%
South Africa	19%	15%	5%	34%	27%
Spain	14%	6%	13%	25%	41%
Sri Lanka	59%	8%	12%	9%	12%
Sweden	14%	7%	11%	38%	31%
Switzerland	8%	7%	6%	31%	48%
Chinese Taipei	21%	7%	6%	24%	43%
Thailand	21%	20%	16%	13%	30%
Turkey	40%	14%	10%	17%	18%
United Kingdom	7%	7%	2%	63%	22%
United States	2%	3%	4%	72%	19%
Viet Nam	24%	32%	13%	7%	24%

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg.

Table A.4. Average ownership by category of investor, end-2017

	Private corporations	Public sector	Strategic individuals	Institutional investors	Other free-float
Argentina	40%	10%	18%	7%	25%
Australia	10%	3%	13%	29%	45%
Austria	28%	9%	20%	20%	24%
Bangladesh	21%	8%	20%	2%	48%
Belgium	21%	5%	21%	18%	34%
Brazil	25%	11%	21%	22%	22%
Canada	8%	4%	6%	43%	39%
Chile	57%	1%	17%	10%	16%
China	13%	21%	25%	8%	33%
Czech Republic	33%	15%	1%	28%	23%
Denmark	12%	5%	12%	33%	39%
Estonia	36%	5%	17%	10%	32%
Finland	10%	5%	24%	31%	30%
France	27%	4%	21%	20%	28%
Germany	23%	3%	21%	21%	31%
Greece	22%	8%	29%	10%	31%
Hong Kong (China)	18%	24%	19%	12%	27%
Hungary	42%	10%	7%	15%	27%
Iceland	14%	3%	8%	54%	21%
India	34%	15%	13%	19%	18%
Indonesia	43%	16%	10%	7%	23%
Ireland	8%	10%	11%	40%	32%
Israel	30%	0%	26%	16%	27%
Italy	26%	4%	26%	16%	27%
Japan	24%	5%	6%	31%	35%
Korea	27%	10%	17%	13%	33%
Latvia	37%	6%	34%	9%	14%
Lithuania	24%	25%	26%	8%	16%
Luxembourg	52%	2%	9%	15%	21%
Malaysia	32%	24%	14%	11%	20%
Mexico	16%	1%	32%	19%	32%
Netherlands	12%	2%	17%	39%	30%
New Zealand	16%	11%	16%	18%	39%
Norway	14%	5%	21%	26%	35%
Pakistan	43%	6%	17%	9%	25%
Philippines	54%	2%	18%	5%	22%
Poland	21%	7%	23%	34%	16%
Portugal	40%	5%	20%	17%	19%
Russia	34%	23%	19%	8%	15%
Saudi Arabia	20%	16%	15%	2%	47%
Singapore	33%	4%	29%	6%	28%
Slovak Republic	79%	0%	6%	5%	10%
Slovenia	25%	31%	2%	8%	33%
South Africa	26%	12%	8%	33%	22%
Spain	25%	3%	22%	21%	30%
Sri Lanka	58%	9%	13%	9%	11%
Sweden	14%	4%	22%	27%	32%
Switzerland	13%	9%	19%	23%	36%
Chinese Taipei	22%	4%	9%	18%	47%
Thailand	28%	8%	26%	8%	30%
Turkey	49%	8%	12%	11%	20%
United Kingdom	6%	4%	6%	68%	16%
United States	2%	3%	4%	80%	11%
Viet Nam	27%	17%	13%	8%	34%

Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg.

Table A.5. Domestic and non-domestic ownership, end-2017

	Private corporations		Public sector		Strategic individuals		Institutional investors		Other free-float
	Domestic	Non-domestic	Domestic	Non-domestic	Domestic	Non-domestic	Domestic	Non-domestic	
Argentina	17%	15%	17%	2%	9%	4%	0%	19%	18%
Australia	2%	3%	0%	3%	3%	1%	11%	16%	62%
Austria	17%	7%	11%	5%	5%	1%	9%	17%	27%
Bangladesh	18%	12%	7%	12%	5%	7%	1%	3%	35%
Belgium	12%	14%	3%	2%	3%	1%	2%	35%	28%
Brazil	13%	21%	10%	3%	6%	2%	6%	19%	20%
Canada	5%	3%	3%	1%	0%	2%	25%	22%	39%
Chile	40%	15%	0%	1%	13%	1%	5%	7%	18%
China	10%	1%	37%	1%	12%	2%	6%	3%	28%
Czech Republic	1%	21%	31%	1%	0%	0%	1%	26%	19%
Denmark	6%	1%	5%	2%	6%	0%	19%	25%	37%
Estonia	38%	4%	3%	1%	8%	4%	3%	14%	26%
Finland	4%	2%	12%	2%	8%	1%	11%	24%	37%
France	14%	3%	4%	3%	11%	0%	7%	21%	36%
Germany	11%	5%	3%	3%	6%	1%	9%	25%	39%
Greece	8%	11%	11%	2%	12%	0%	2%	18%	36%
Hong Kong (China)	2%	11%	1%	37%	6%	4%	2%	10%	27%
Hungary	11%	10%	12%	3%	4%	0%	1%	28%	30%
Iceland	11%	1%	3%	0%	3%	1%	55%	6%	19%
India	22%	14%	16%	1%	6%	2%	7%	13%	19%
Indonesia	13%	24%	18%	2%	9%	3%	1%	10%	21%
Ireland	5%	1%	15%	2%	1%	1%	1%	32%	42%
Israel	19%	6%	0%	1%	14%	1%	8%	17%	33%
Italy	8%	2%	9%	3%	14%	1%	5%	24%	34%
Japan	16%	2%	9%	2%	2%	1%	17%	20%	31%
Korea	23%	1%	10%	3%	10%	0%	2%	17%	34%
Latvia	0%	41%	0%	14%	21%	0%	2%	12%	11%
Lithuania	6%	16%	50%	0%	4%	6%	2%	2%	13%
Luxembourg	8%	49%	0%	4%	0%	6%	0%	14%	20%
Malaysia	16%	6%	37%	3%	4%	3%	3%	9%	19%
Mexico	7%	13%	0%	1%	33%	1%	8%	12%	25%
Netherlands	14%	4%	0%	4%	3%	3%	3%	42%	27%
New Zealand	5%	3%	16%	2%	2%	4%	4%	17%	47%
Norway	5%	3%	34%	1%	6%	2%	10%	19%	21%
Pakistan	15%	30%	15%	1%	5%	3%	5%	6%	19%
Philippines	43%	5%	1%	1%	16%	1%	1%	9%	24%
Poland	2%	21%	16%	1%	7%	1%	24%	10%	19%
Portugal	19%	13%	1%	10%	12%	0%	4%	21%	19%
Russia	8%	12%	31%	1%	14%	0%	1%	11%	21%
Saudi Arabia	5%	3%	45%	1%	6%	0%	2%	0%	37%
Singapore	7%	24%	10%	1%	7%	4%	3%	10%	34%
Slovak Republic	1%	87%	0%	0%	0%	2%	1%	0%	9%
Slovenia	9%	6%	37%	1%	0%	0%	2%	7%	37%
South Africa	11%	8%	13%	2%	2%	3%	14%	19%	27%
Spain	10%	4%	3%	3%	11%	2%	2%	23%	41%
Sri Lanka	44%	14%	6%	2%	9%	3%	0%	9%	12%
Sweden	11%	3%	4%	3%	10%	1%	20%	18%	31%
Switzerland	6%	2%	3%	3%	4%	2%	6%	25%	48%
Chinese Taipei	18%	3%	4%	3%	5%	0%	3%	21%	43%
Thailand	15%	6%	18%	2%	13%	3%	3%	10%	30%
Turkey	29%	11%	9%	5%	10%	0%	6%	12%	18%
United Kingdom	1%	5%	1%	5%	1%	2%	30%	32%	22%
United States	1%	1%	2%	2%	1%	2%	61%	11%	19%
Viet Nam	13%	11%	31%	1%	5%	8%	2%	5%	24%

Note: Ownership values represent market capitalisation weighted averages.
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg.

Table A.6. Origin of the public sector investors by investor type, end-2017

Investor	Value of investment (USD)	Governments	Pension funds	SOEs	Sovereign wealth funds
China	5 843 254 771 712	70%	0%	7%	23%
Norway	776 912 699 392	11%	4%	2%	83%
United States	455 942 930 432	2%	97%	0%	0%
India	374 070 837 248	62%	0%	38%	0%
Japan	367 355 265 024	97%	2%	1%	0%
Canada	217 351 176 192	3%	96%	1%	0%
Saudi Arabia	212 011 122 688	15%	6%	22%	56%
Singapore	206 582 595 584	2%	1%	3%	95%
Korea	188 831 612 928	13%	71%	4%	12%
Russia	183 451 729 920	77%	0%	23%	0%
Malaysia	150 064 087 040	18%	35%	31%	16%
France	113 612 210 176	80%	7%	14%	0%
Sweden	113 007 353 856	10%	89%	0%	1%
South Africa	83 679 879 168	1%	95%	4%	0%
Indonesia	82 576 785 408	97%	0%	3%	0%
Thailand	82 399 584 256	60%	8%	31%	0%
Switzerland	67 660 771 328	48%	0%	52%	0%
Italy	62 856 306 688	98%	0%	1%	0%
Brazil	61 232 472 064	37%	9%	54%	0%
Germany	59 223 498 752	98%	0%	2%	0%
Chinese Taipei	49 943 986 176	96%	2%	0%	2%
Qatar	49 064 337 408	9%	0%	51%	40%
United Kingdom	48 343 330 816	65%	22%	12%	0%
Finland	34 511 659 008	54%	16%	30%	0%
Viet Nam	34 425 810 944	82%	0%	1%	17%
Spain	31 736 074 240	97%	0%	3%	0%
Poland	31 345 817 600	98%	0%	2%	0%
Denmark	29 573 885 952	49%	51%	0%	0%
Hong Kong (China)	28 205 326 336	99%	0%	0%	1%
New Zealand	24 937 850 880	38%	0%	9%	53%
United Arab Emirates	22 841 290 752	31%	0%	24%	45%
Kuwait	20 664 815 616	0%	0%	5%	95%
Belgium	18 460 076 032	95%	0%	5%	0%
Turkey	18 247 530 496	28%	4%	40%	28%
Austria	16 769 868 800	95%	0%	5%	0%
Ireland	15 120 093 184	99%	0%	0%	1%
Argentina	13 553 178 624	36%	61%	4%	0%
Pakistan	10 834 529 280	88%	0%	12%	0%
Czech Republic	9 056 549 888	98%	0%	2%	0%
Greece	5 515 532 800	100%	0%	0%	0%
Hungary	3 840 293 120	100%	0%	0%	0%
Luxembourg	3 562 944 256	50%	0%	50%	0%
Liechtenstein	2 725 451 776	37%	0%	63%	0%
Bangladesh	2 636 791 552	78%	0%	22%	0%
Slovenia	2 250 117 632	78%	0%	22%	0%
Lithuania	2 207 022 848	100%	0%	0%	0%
Philippines	1 881 383 424	9%	85%	7%	0%
Netherlands	1 552 009 728	97%	0%	3%	0%
Portugal	1 352 744 576	72%	0%	28%	0%
Sri Lanka	1 291 490 688	20%	58%	22%	0%

Investor	Value of investment (USD)	Governments	Pension funds	SOEs	Sovereign wealth funds
Algeria	1 225 574 912	100%	0%	0%	0%
Libya	1 076 814 720	36%	0%	27%	37%
Angola	961 370 752	100%	0%	0%	0%
Oman	898 434 816	0%	0%	100%	0%
Australia	679 712 128	43%	47%	3%	8%
Monaco	474 553 536	100%	0%	0%	0%
Chile	340 813 120	74%	0%	0%	26%
Azerbaijan	314 292 256	0%	0%	0%	100%
Iceland	268 890 176	40%	0%	60%	0%
Zambia	231 794 064	100%	0%	0%	0%
Namibia	197 263 952	0%	100%	0%	0%
Gabon	195 401 632	100%	0%	0%	0%
Tanzania	138 719 344	0%	100%	0%	0%
Mexico	110 252 032	0%	94%	6%	0%
Kazakhstan	108 357 552	100%	0%	0%	0%
Estonia	84 906 760	100%	0%	0%	0%
Macau	51 822 480	0%	0%	0%	100%
Bahrain	44 155 208	34%	66%	0%	0%
Croatia	35 084 676	68%	0%	32%	0%
Greenland	15 702 631	100%	0%	0%	0%
Iran	6 551 255	100%	0%	0%	0%
European Union	1 929 133	100%	0%	0%	0%
Zimbabwe	853 144	0%	0%	100%	0%
Israel	4	100%	0%	0%	0%

Note: The table shows the origin of the public sector investors. The report covers listed companies from 54 markets, however, since the investors are not constrained by their origin, more than 54 jurisdictions are listed in the table above.
Source: OECD Capital Market Series dataset, FactSet, Thomson Reuters, Bloomberg.

Informed policy making with respect to corporate governance policies and regulations requires reliable and up-to-date information about corporate ownership structures. This report provides such information. The report builds on a unique dataset of firm-level ownership information of almost 10 000 large listed companies worldwide that together represent 90 percent of the global stock market capitalisation and a combined market value of USD 75 trillion. The authors present a comprehensive global overview of how ownership is distributed among different categories of investors and cross-border ownership as well as of the degree of ownership concentration at the company level.

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