

Institutional investors and common ownership in the European energy sector

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Abstract

The spread of minority equity interest by large investors within productive sectors has garnered the attention of major institutions worldwide. This work draws a picture of such “common ownership” in the European energy industry in 2007-2018, by means of novel indicators covering both the firm’s and the investor’s perspectives. We find that in the Oil&Gas sector BlackRock, Vanguard, StateStreet and Norway hold large amounts of market value, since their shares in the held companies amount to about 14.5% of the total assets in 2018. In the Electricity market, France and China play major roles, together with BlackRock and Vanguard, and hold about 17.2% of the market’s total assets. A sizeable amount of firms is also connected through block-holdings in their investor structures, particularly in the Oil&Gas sector, with a portion of them being strongly connected. From the shareholder’s perspective, we identify some large portfolios with high correlation of investment behaviour.

Keywords: ownership, industry concentration, competition, corporate governance, electricity, Oil&Gas.

JEL codes: D21, D22, G10, G30, G32, G34, J41, K21, L10, L16, L21, L40, L41, L42.

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