

Importance of project management information system in improving the mechanism of investment activity of oil and gas enterprises

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Article Info

Page Number: 7770-7775

Publication Issue:

Vol. 71 No. 4 (2022)

Article History

Article Received: 25 March 2022

Revised: 30 April 2022

Accepted: 15 June 2022

Abstract

Background: Non-existence of methods of integrated assessment of mutual harmony, coherence, economic efficiency of projects in the organization of investment activities of oil and gas enterprises is one of the important factors that have a negative impact on the effective organization of investment relations today. For this purpose, this article examines the importance of project management information system in improving the mechanism of investment activity of oil and gas enterprises and gives practical recommendations.

Keywords: mutual harmony, coherence, economic projects investment oil and gas enterprises

1. Introduction

The efficiency of the enterprises operating in the oil and gas sector is considered one of the most important strategic directions for the economy of the countries of the world. The development of this sector is of great importance not only in the financial and economic, but also in the development of social, cultural and humanitarian spheres.

The stable development of the economy of most foreign countries in the short, medium and long term is directly related to the trends of sustainable development of oil and gas enterprises, and in many cases they even have mutual proportionality.

The performance of oil and gas enterprises differs from other sectors of the economy in that it is directly related to factors such as high sensitivity to the foreign market, price changes, geopolitical situation, and climate changes.

In 2019, the factors listed above had a significant impact on the occurrence of significant changes in the ranking of world integrated oil and gas companies (Table 1).

| Company Name | Country | Assets | Revenue | Profit | ROIC* | Growth |
|-------------------|-----------------|---------|---------|--------|-------|--------|
| Royal Dutch Shell | The Netherlands | 399 194 | 388 379 | 23 352 | 8 | 13,6 |
| Exxon Mobil | USA | 346 196 | 279 332 | 20 840 | 9 | 5,0 |
| Лукойл | Russia | 87 894 | 123 214 | 9 494 | 13 | 11,8 |
| Газпром | Russia | 319 085 | 126 101 | 22 329 | 8 | 10,6 |
| Equinor ASA | Norway | 112 508 | 78 556 | 7 535 | 11 | 10,7 |
| Chevron Corp | USA | 253 863 | 158 902 | 14 824 | 8 | 9,0 |
| Total SA | France | 256 762 | 184 106 | 11 446 | 7 | 8,7 |
| Сургутнефтегаз | Russia | 78 747 | 23 572 | 12 138 | 18 | 15,7 |
| Роснефть | Russia | 163 380 | 100 541 | 6 508 | 6 | 26,6 |

In the conditions of the market economy, the long-term effective operation and competitiveness of the production complexes and enterprises that are part of the network are evaluated, first of all, by the effective organization of the investment activity mechanism, the level of its harmony with technological and innovative factors.

Equally effective investment activity at all levels of oil and gas enterprises should be carried out on the basis of a well-thought-out investment development strategy based on all the characteristics of the industry.

Taking into account that speed and availability of information serve as the most important decisive factors in decision-making in investment processes, as we mentioned above, standardization and automation of these processes is undoubtedly the most correct way to the goal.

We will consider the mechanism of investment activity of a number of large oil and gas enterprises of the Russian Federation, which have an important place in the world economy in the field of oil and gas.

The role of the oil and gas network in the national economy of the Russian Federation is very important. The total amount of hydrocarbon resources mined in the country not only fully covers the country's domestic needs, ensures energy independence, but also creates a huge export potential. The economy of several countries of the world is closely connected with oil and gas raw materials imported from Russia.

Today, it ranks second in the world in terms of reserves of liquid hydrocarbons, the share of this country in the volume of world reserves of hydrocarbons is more than 10 percent. Russia's oil and gas network total

It includes 2352 explored oil fields, oil reserves have been explored on an industrial scale in 35 subjects of the country and are being developed in the fields. The Russian Federation ranks sixth in the world in terms of proven oil reserves.¹

The proven gas reserves of the country are more than 47.6 trillion cubic meters, which is the first indicator in the world and is about 1/3 of the world's gas reserves.

Oil and gas facilities in the Russian Federation are divided between more than 20 large private companies for use and exploitation, among them such enterprises as "Gazprom", "Rosneft", "Lukoil", "Surgutneftegaz", "Zarubezhneft" can be cited.

We will choose the Lukoil company as an experimental object for the issue under consideration. The main directions of the company's activities are oil and gas exploration, production and processing, and sale of oil and oil products.

2. Methods

Lukoil is among the fifteen largest oil and gas companies in the world. In 2018, the free capital flows of the company amounted to 555 billion rubles, and this indicator was 2.2 times more than in 2017. Today, "Lukoil" company operates in more than 30 countries of the world, 1%

of the proven oil reserves of the world, and 2% of the extracted oil are accounted for by this company.

"Lukoil" company has its own school in terms of effective organization of investment activities. As a result of the proper organization of this mechanism, by the end of 2018, the company's ROACE (Return on Average Capital Employed) index was 15 percent (11 percent in 2017). According to the EBIDTA (Earnings before interest, taxes, depreciation and amortization) index, the company's profit excluding interest, tax and amortization deductions amounted to 1,115 billion rubles at the end of the year.

The investment policy of this company envisages maximum return while guaranteeing the principal amount invested.

The investment strategy is to achieve the necessary level of liquidity through rational allocation of assets to medium-term projects. At the same time, the company's investment policy refuses to spend money in order to reduce risk. The investment portfolio consists of stocks, bank deposits and fixed income securities.⁵

International rating agencies analyzed the financial situation of Lukoil at the end of 2018 and gave it a rating of "Baa2" ("stable").

When analyzing the reasons why the company achieved such large financial indicators in a short period of time, it is permissible to focus on the investment activity and its mechanism first of all.

The issue of improving the mechanism of the company's investment activity has been one of the most urgent issues on the operational agenda for many years.

The decline in efficiency in investment projects was assessed by the company's management as the main factor behind the unsatisfactory overall performance index. In the analysis of the last decade alone, 75 percent of investment projects were considered to be economically unproductive, and this caused an average loss of 35 percent of the expected economic indicators (financial units) from the implementation of the projects.

3. Results

It is known from the experience of large multinational corporations operating in the oil and gas sector that one of the most effective means of increasing the efficiency of investment activities is the complete systematization of the processes of selecting, implementing and operating investment projects on the basis of a single platform. In doing so, corporations organize design processes in different ways based on their strategic goals (Figure 1).

According to the ranking of the largest oil and gas companies compiled by Forbes in 2019, the US company "ExonMobil", which is one of the first in the world, conditionally implements investment.

project management processes in four stages, and the second stage itself is further divided into three separate sub-stages. These stages are: business planning, project development (selection, optimization, development), project implementation and the last stage - launch.

From the attention to the more in-depth organization of the project development process at ExxonMobil, it is clear that quality development of projects is first of all important in the management of investment projects in the company.

4. Discussion

It is the quality organization of the project development process that serves as the basis for the successful organization of the next stages.

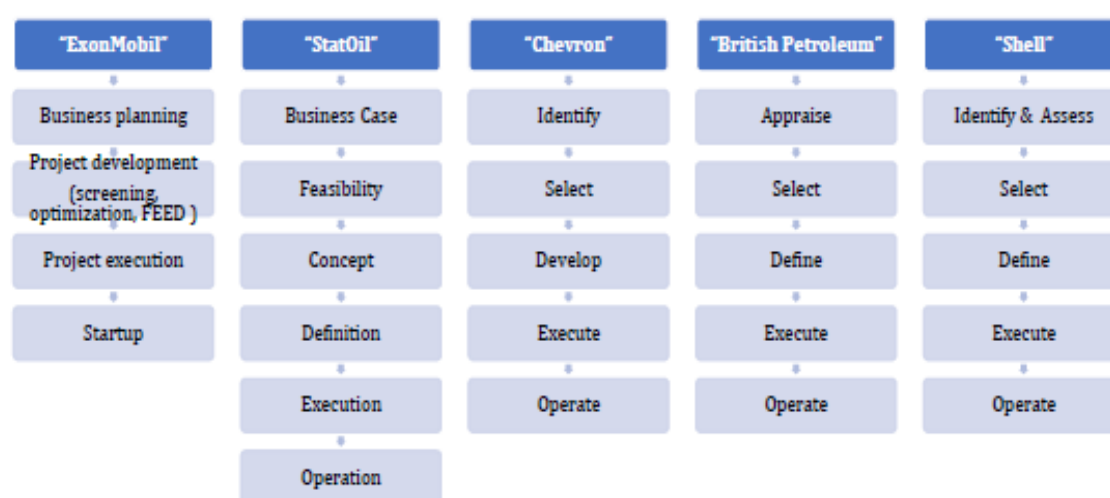
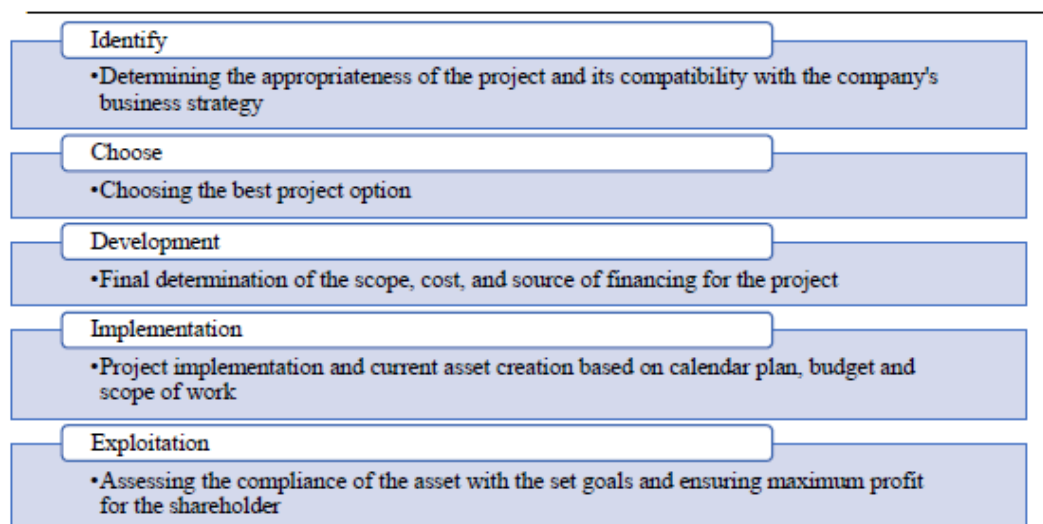


Figure 1. Processes of managing investment projects of transnational oil and gas companies.

In a number of other large corporations, project management processes consist of five interrelated stages that are almost identical, in particular: in the Chevron (USA) company - identification, selection, development, implementation, operation; in the company "British Petroleum" (Great Britain) - assessment, selection, identification, implementation, operation; At Shell (Great Britain-Netherlands) - definition and assessment, selection, identification, implementation, exploitation. The experience of foreign companies was deeply studied at Lukoil, and in 2015, an independent integrated system of project management was introduced for the first time in the business segment of "geological exploration and mining". Later this system was implemented for all business segments. The system represents a fully integrated system consisting of five interrelated phases: identification, selection, development, implementation, exploitation.



2 pictures. Stages of investment project management at Lukoil

In a short period of time, all investment projects that are being considered, developed, implemented and in the operational stage in the company's system were completely classified according to this scheme (Fig. 2).

Based on the above, it is proposed to form an integrated platform that evaluates mutual harmony, coherence, economic efficiency and logic of investment projects of oil and gas enterprises in the Republic of Uzbekistan.

The creation of a single electronic platform for investment evaluation will significantly increase the efficiency of investment processes, create an independent and objective view of their evaluation, create a method based on market mechanisms for creating a financial model and calculating prices.

The introduction of an integrated system of electronic project management of capital construction projects allows to identify risk management, key performance indicators (KPI), budget implementation, deadlines, problems, and currently leads to 20-25 percent efficiency per year.

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