



monopolist (monopoly theory), a value theory, i.e. increase the value of the company. Trautwein also identified the motives of integration processes as the desire to build an empire (imperial theory), the desires and ambitions of managers to gain control over a large number of resources and processes (process theory), raider motives, as well as external motives, for example, unrest.

Subsequently, other authors supplemented its classification, and already in 2016, for the first time in the literature, a version was put forward on the motive for acquiring growth, i.e. Acquisition of a company with significant and significant growth potential in the relevant market [4].

Some authors consider mergers and acquisitions as drivers for the development of territories [7], while others analyze their subsequent effectiveness [2; 3; 5]. Also in the literature there is a point of view on industry integration processes through the creation of innovative clusters [9; 6; 1].

The oil industry has been at the forefront of all integration transformations for a number of reasons. The oil industry continued to generate stable cash flows in foreign currency, despite the crisis in the economy. In this industry, there were still long-term contracts for the sale of oil and oil products to counterparties. A large number of potentially accessible fields for development formed a stable operating income in the already conducted geological work. All these factors led to the fact that integration processes began to be actively implemented in the oil industry.

## II. METHODS

In the oil industry for the period from 2001 to 2018, there are

1387 corporate integration processes totaling more than \$ 317 billion.

Table 1 presents the dynamics of integration processes in the oil industry of Russia.

Integration processes in the oil industry of Russia widely illustrate the whole range of existing theories and motives.

As can be seen from table 1, the dynamics of integration processes as a whole coincides with the dynamics of the development of the domestic economy. After the rapid growth of 2000-2007 in the period 2008-2012, there has been a decline in the number of mergers and acquisitions in the oil industry. The surge in 2013 was due to the completion of the transaction on the consolidation by Rosneft of TNK-BP assets.

A feature of the market for corporate integration processes in the Russian oil industry is the fact that the industry is significantly affected by large transactions, mega-mergers, the cost of which starts at \$ 500 million.

Noteworthy for analysis is the cost of implemented integration processes. It is extremely difficult to identify a set of traditional factors affecting the value of mergers and acquisitions. Unlike financial services markets, the IT sector, traditional factors such as asset value, revenue, EBITDA, etc., are supplemented by specific industry indicators - oil prices, the level and nature of reserves, the development degree of deposits, the availability of technology, frames. Also essential for such an important area as the oil industry is political will and the desire to achieve integration. Many of these factors are not required for disclosure by oil companies, therefore, it is possible to justify the price of integration processes using expert estimates and insider information.

**Table 1.** Dynamics of integration processes in the oil industry in Russia

Year	Number of M&A	Amount of M&A deals, million dollars	Share in the total number of integration processes, %	Average transaction value, million dollars
2001	65	3069,4	36,60	47,22
2002	76	4836,04	39,36	63,63
2003	67	14383,56	57,16	214,68
2004	128	3151,94	15,42	24,62
2005	106	28563,78	54,97	269,47
2006	100	12388,79	22,96	123,89
2007	164	34382,66	28,59	209,65
2008	83	8432,66	7,67	101,60
2009	60	28544,44	57,02	475,74
2010	58	5544,35	10,93	95,59
2011	96	16993,94	18,04	177,02
2012	98	9264,24	11,33	94,53
2013	87	79044,19	50,38	908,55
2014	74	20138,77	27,31	272,15
2015	40	16559,74	29,67	413,99
2016	32	16721,5	42,00	522,55
2017	30	12891,17	30,47	429,71
2018	23	2260,3	5,76	98,27

At the same time, it should be noted that integration processes can have a significant impact on the indicators of socio-economic development of the regions and the country as a whole. Given that in total terms, the share of mergers and acquisitions in the Russian oil industry in different years reaches almost 60% of all integration processes in all sectors, we can conclude that it is necessary to analyze the nature and extent of such an impact on macroeconomic indicators.

To conduct a correlation and regression analysis, the author

selected independent variables: the number of mergers and acquisitions in the oil industry for the period from 2001 to 2018 inclusive, their value in millions of dollars, the average cost of 1 transaction, the share of transactions in this field of the total value of all transactions in%. The following indicators were successively analyzed as dependent variables: Russia's GDP in trillion. USD, consolidated budget revenues in billions of dollars, oil and gas condensate production in millions of tons, oil exports in millions of tons. The analysis was performed using the Statistica application package.

### III. RESULTS

The initial data are presented in the table 2.

**Table 2.** Source data for analysis

	Consolidated budget revenues, billion dollars	Russia's GDP, trillion dollars	Number of M&A	Amount of M&A deals, million dollars	Share in the total number of integration processes, %
2001	92	0,305	65	3069	36,6
2002	112,2	0,344	76	4835	39,36
2003	134,8	0,43	67	14384	57,16
2004	188,4	0,59	128	3152	15,42
2005	303,1	0,76	106	28564	54,97
2006	391	0,99	100	12389	22,96
2007	522,5	1,299	164	34383	28,59
2008	650,5	1,66	83	8433	7,67
2009	427,2	1,219	60	28544	57,02
2010	527,9	1,525	58	5544	10,93
2011	709,5	2,05	96	16994	18,04
2012	754,1	2,193	98	9264	11,33
2013	767,4	2,296	87	79044	50,38
2014	695,8	2,058	74	20139	27,31
2015	439,2	1,355	40	16560	29,67
2016	419,4	1,28	32	16722	42
2017	532,4	1,579	30	12891	30,47
2018	595,3	1,656	23	2260	5,76

An initial analysis was conducted on the existence of a correlation between the Consolidated Budget Revenues indicator and the selected three independent variables — the number of integration processes in the country's oil industry, the total volume of transactions and their share in the total number of transactions.

Multiple regression was carried out using the method of stepwise or ridge regression with a stepwise procedure with

the inclusion of variables. As a result, the adjusted determination coefficient was 68%, which characterizes the presence of a fairly strong relationship between the analyzed variables. The 2-total value of mergers and acquisitions and the share of industry transactions in the total number of mergers and acquisitions were selected as significant variables. Brief results of multiple regression are presented in Figure 1.

The regression results for the dependent variable "Consolidated Budget Revenues" are presented in the figure 2.

The final table and regression indicators are presented in the figure 4.

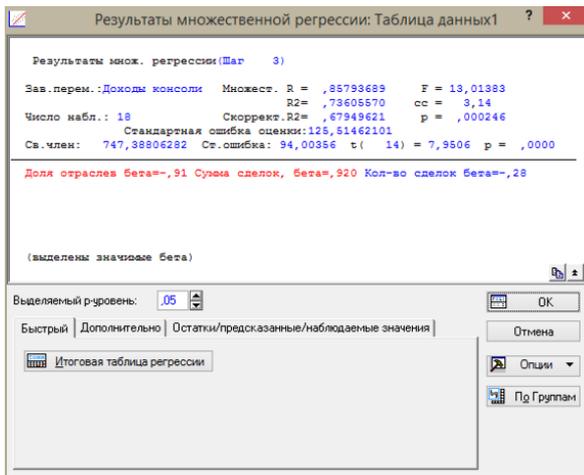


Figure 1. Summary Results of Multiple Regression on Consolidated Budget Revenues

		Итоги регрессии для зависимой переменной: Доходы консолидации				
		R= 85793689 R2= 73605570 Скоорект. R2= 67949621				
		F(3,14)=13.014 p<.00025 Станд. ошибка оценки: 125.51				
	БЕТА	Ст.Ош.	В	Ст.Ош.	t(14)	р-знач.
Св.член			747,3881	94,00355	7,95064	0,000001
Доля отраслевых сделок в общих сделках, %	-0,906978	0,163931	-11,7330	2,12068	-5,53269	0,000074
Сумма сделок, млн. долл.	0,919712	0,168823	0,0114	0,00208	5,44779	0,000086
Кол-во сделок слияний и поглощений, ед.	-0,278822	0,144946	-1,7223	0,89532	-1,92363	0,074977

Figure 2. Regression results for the dependent variable "Consolidated Budget Revenues"

A similar analysis was carried out for the dependent variable "Gross Domestic Product of Russia".

In this case, the adjusted determination coefficient was also 68%, and all 3 variables turned out to be significant. Multiple regression results are shown in the figure 3.

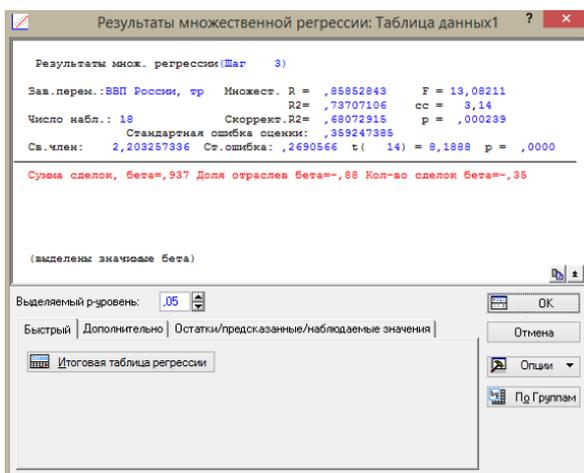


Figure 3. Summary Results of Multiple Regression on Russia's GDP

		Итоги регрессии для зависимой переменной: ВВП России, тр. долл.				
		R= 85852843 R2= 73707106 Скоорект. R2= 68072915				
		F(3,14)=13.082 p<.00024 Станд. ошибка оценки: 35925				
	БЕТА	Ст.Ош.	В	Ст.Ош.	t(14)	р-знач.
Св.член			2,203257	0,269057	8,18893	0,000001
Сумма сделок, млн. долл.	-0,937319	0,168498	-0,000033	0,000006	-5,56279	0,000070
Доля отраслевых сделок в общих сделках, %	-0,882877	0,163615	-0,032753	0,006070	-5,39606	0,000094
Кол-во сделок слияний и поглощений, ед.	-0,354598	0,144667	-0,006281	0,002563	-2,45113	0,027983

Figure 4. Regression results for the dependent variable "GDP of Russia"

An analysis conducted on two other dependent variables - the volume of oil production and the export volume of crude oil, showed a complete lack of correlation between these variables and integration processes.

#### IV. DISCUSSION

Integration processes in all sectors in Russia have a number of features. The first serious wave of integration in terms and procedures consistent with international best practices did not arrive in Russia until the beginning of the 21st century. Raider seizures, collateral auctions, barter transactions and the process of "initial capital accumulation" of the new Russia after the collapse of the USSR cannot be attributed to traditional M&A transactions due to non-compliance with the minimum legal procedures, the participation of criminal structures in such transactions, and the lack of proper legal regulation of the relevant processes.

In Europe and especially in the USA, the M&A market was very developed, the market was attended by relevant highly qualified specialists - lawyers, bankers, investment advisers. Russia was in a situation of the need for a radical change in the system of existing civil and business law, the search for highly qualified specialists in the field of mergers and acquisitions. It is for the period 2000-2005. there is a maximum number of so-called expats, attracted top managers of transnational corporations sent to Russia to coordinate integration processes. At the same time, tens of thousands of Russian citizens improved their skills and gained the basics of knowledge in the field of corporate law and integration processes at leading universities and business schools in the USA and Great Britain.

#### V. SUMMARY

Informal ties and relationships played a great role in the implementation of integration projects in Russia. In the absence of a comprehensive and clear antitrust law, significant gaps in corporate and business law, political and administrative weaknesses of the Federal Antitrust Service and the authorities that preceded it, patronage in large state-owned companies or federal executive bodies was a key link in the successful implementation of integration processes, which carried out the coordination of these projects.

As a result, an independent and separate market for integration processes began to form in Russia, the distinguishing feature

of which was its high margin. The profitability of mergers and acquisitions could reach 400-500% per year. Such profitability leveled all existing economic and political risks in Russia and led to large-scale expansion of foreign capital into the country.

## VI. CONCLUSION

Thus, on the basis of the analysis, we can conclude that there is a correlation between integration processes, namely their quantitative and cost estimates, as well as the share of mergers and acquisitions in the oil industry in the total number of integration processes and revenues of the consolidated budget and gross domestic product .

The revenues dependence of the consolidated budget can be expressed by the regression equation, having the form

$$Y = 747,3881 + 0,0114X_2 - 11,733X_3, \quad 1)$$

where  $X_2$ - is the total value of mergers and acquisitions in the oil industry of Russia;

$X_3$ - the share of industry transactions in the total number of integration processes in the country.

The dependence of the gross domestic product of Russia can be expressed by the regression equation, having the form

$$Y = 2,203257 - 0,006281X_1 + 0,000033X_2 - 0,032753X_3 \quad 2)$$

Where  $X_1$ - the number of mergers and acquisitions in the oil industry of Russia;

$X_2$  – the total value of mergers and acquisitions in the oil industry of Russia;

$X_3$  – the share of industry transactions in the total number of integration processes in the country.

Thus, it can be concluded that integration processes are an important tool of the system of both the state branch management of the oil industry and the whole country as a whole due to the strategic nature of regulated assets and a strong impact on key macroeconomic indicators.

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