

## RESEARCH ARTICLE

# Analysis of the reform of the petroleum industry management system and the construction of market mechanisms

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#### **ABSTRACT**

With China's reform and opening up, the marketing process of the petroleum industry is still lower than our national economy. Which the market mechanism in the oil industry plays a very important role, at the same time to the national economic development also laid the foundation. Under the background development of globalization, how to improve the oil supply capacity and the enterprise's own competitiveness become the main research topics and directions, based on this, this paper analyses the management system and market mechanism in the petroleum industry by standing in the petroleum market in China. Laying the foundation for the improvement of the system.

Keywords: oil industry; management system; market mechanism

### 1. Objectives of the reform of the petroleum industry management system

#### 1.1. Reshaping the petroleum enterprise system

With the continuous promotion of China's reform, oil enterprises in the process of reform, its reform content must achieve policy adjustment and system innovation, in order to ensure the normal operation of the petroleum industry management system. In the process of reform, enterprises must realize the separation of government and enterprise, mixed ownership and legal person management. Separation of government and capital mainly refers to the separation of state administrative functions and state-owned assets management functions, in order to effectively ensure and enhance the effectiveness of the enterprise itself. The property of petroleum industry enterprises is generally owned by the state, which is also the key point that the enterprises cannot operate independently. Therefore, it is necessary to create a diversified investment subject perspective, and at the same time, reduce the direct intervention of the administrative supervisor in the organizational structure, to achieve the ultimate purpose of enterprise asset management integration [1].

#### 1.2. Establishment of a market system for the petroleum industry

The effectiveness of the oil companies themselves is effectively ensured and enhanced through the establishment of a unified and complete oil market system. The perfect market economy management system mainly refers to the establishment of a relatively simple operation and transaction network place in the whole country, and the realization of professional and technical bidding meeting as well as the fixed assets leasing

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between the state and the company. Oil market management is the main prerequisite to ensure the development of market economy, through the establishment of appropriate management institutions and management personnel, to build a specialized oil market management mechanism, and comprehensively promote the construction and development of the oil market. The establishment of perfect oil market regulations, through the establishment of oil commodity laws and regulations, and improve the tax-related system, sort out the oil market supervision mechanism, put forward the corresponding transaction management methods.

## 2. Major problems in the current management of the oil industry

### 2.1. Overall weakening of the management function

The overall weakening of the functions of China's petroleum industry in the process of management is the main cause of the current problem. Since 1988, in the management of China's petroleum industry, the three major groups have ceased to assume the governmental functions of industry coordination and management. Government agencies in the process of adjustment, the basic content related to the petroleum field presents the phenomenon of dispersing multiple government departments, but also no perfect petroleum management system, the dispersion of government management functions, the same thing in the management of petroleum enterprises, will be managed by different business sectors, which leads to the enterprise in the process of management, the status quo of the overlapping of the management, so that the government management functions eventually present the the phenomenon of inefficiency and weakening of management functions [2].

#### 2.2. Lagging legal system

Based on the construction of market economy conditions, the government has analyzed the economic management subjects and management behaviours in the petroleum industry, and at the same time, formulated the government industry guarantee on the basis of relevant laws and regulations, and strengthened the new situation in the field of petroleum industry control through the comprehensive implementation of industry supervision and macro-control policies. In recent years, our country in the original laws and regulations for continuous revision and improvement, but stand in the overall field of view, the petroleum field in the construction of the legal system still presents a backward situation. Mainly manifested in: the legal level is not high. With the petroleum as the field of legal regulation of the object only a few single regulations and departments, while most of the main focus on the upstream exploration and development of the field, in this regard does not fully form the corresponding legal system.

## 2.3. Lack of separation of policy-making and regulatory functions and serious lack of regulation of the petroleum industry

The strategic position of the petroleum industry is an important management content in our country, in the face of the current development of the petroleum industry supervision and management of the important content of the supervision and management of the development of the petroleum industry, we should carry out supervision on the basis of the general supervision, and at the same time, establish the corresponding supervision and management system. At present, China's petroleum industry in the management process, there are specifically for the petroleum industry management functions, while other sectors in the management function does not carry out a comprehensive monitoring, other relevant departments in the market management process, the market for the operation of the behaviour of the management of the general implementation of the phenomenon of supervision.

## 3. Measures for the construction of market mechanism of petroleum industry management

### 3.1. Promotion of legislation in the petroleum sector

Oil is a non-renewable source of energy, which is also related to national security and the development of strategic goods. At the present stage, a perfect legal system is in place to continuously regulate oil and gas exploration and pipeline transport, as well as refining and marketing. China's oil and gas for the corresponding areas have clear regulations, while the responsibilities of all parties to make a clear definition of the status. It also includes issues such as the fee for the use of petroleum mining areas and the collection of resource taxes and levies. In addition, in the process of building the relevant laws, the foreign cooperation mode in the construction of the relevant areas, but also on the maintenance, security protection and three-party access and other corresponding mechanisms for the construction of the corresponding construction, to avoid imperfections in the system and other problems caused by the corresponding management problems.

### 3.2. Sound regulatory system for the petroleum industry in a market economy

In the process of building market mechanisms for the petroleum industry, the government plays a very important role, and at the same time does a good job of leading. The government should set up a special department responsible for the strategic development of natural gas and major policy strategies and so on. In addition, the government should set up a more independent supervision and management departments, but also to build a sound supervision and management system, the formation of sound market prices and open markets.

#### 4. Conclusion

In conclusion, with the vigorous development of national economic construction, the petroleum industry occupies a very important position in China's economic development. At the present stage, the reform of the petroleum industry management system and the construction of market mechanism has a very important role in promoting the macro management system of China's petroleum industry, and at the same time, it has brought great changes to the internal operation system of the petroleum industry, but the market mechanism still has not played a very obvious effect in the operation process. Although the petroleum industry itself has certain special characteristics, but still has a very strong competitive industry characteristics, in addition, economic management market construction is still the main direction of the current petroleum industry development and reform. In the systematic reform of the petroleum industry, the market supervision system under the condition of complete legal system, the formation of diversified competitive main bodies, and the market-oriented price formation mechanism will be its basic composition.

#### **Conflicts of interest**

The authors do not have any conflicts of interest.

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