



**WIG**

The Whitehall & Industry Group  
connecting the sectors



# 'Economic Growth & Prosperity' Series

## COVID-19 Sector Updates: Energy

### With Peter Mather, Group Regional President, Europe and Head of Country, UK, BP

## Expert Insight

We were joined by Peter Mather, Group Regional President of Europe and Head of Country, UK at BP, as he discussed the impact that COVID-19 has had on the energy sector, and what this means for BP's net-zero commitment. Please find some key points of the discussion below:



- With an oversupply in oil and gas of around 10%, prices were already dropping below many companies' break-even points before the COVID-19 pandemic created a huge loss of demand.
- The combination of over-supply, COVID-19, demand shock, and net-zero efforts presented the energy sector with a perfect storm. Since then, supplies of oil and gas have decreased with the oversupply problem being eased, while demand has steadily picked up again.
- With the pressure to keep the economy going, the energy industry was incredibly strict on the spread of COVID-19 and began testing very early on, taking a 'test-and-wait' approach.
- With an international flow of workers and products, there has been an enormous need for collaboration with government, which has been very successful. For example, collaboration with Westminster and the Scottish Government allowed international shipping to continue.
- After the 2008 financial crisis, the climate agenda fell away. This may have been due to the fact that a commitment to net-zero was not embedded in policy and civil society. In 2020, we have strong environmental commitments, and this time round, the energy sector has been driving towards net-zero, looking at how to 'build back better'.
- However, while there is optimism across the industry, there is a long road to recovery for the energy sector. Small and medium-sized firms are set to struggle, with bigger companies already announcing job losses of up to 25%.

## Our members' questions

Our members raised some challenging questions to be answered, some of the big issues raised included:

- The nature of a clean, resilient recovery and the spending commitments needed to achieve it
- Reskilling and new jobs as a huge benefit of the 'new' energy sector, and their role in a COVID recovery
- As relatively renewable-energy-intense, the challenges of kickstarting a green hydrogen economy

WIG members can listen to Peter's presentation [here](#)  
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