



- Big oil budgets shun green investments

Global energy groups are spending only a fraction of their investment budgets on low-carbon projects, even as the industry faces fire over its greenhouse gas emissions.— PAGE 13; EDITORIAL COMMENT, PAGE 8

Oil groups budget just 1% of spending to green projects

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The biggest energy companies are spending only a fraction of their investment budgets on low-carbon projects, even as the oil and gas industry comes under fire for its contributions to global greenhouse gas emissions.

European groups such as Total, Shell, Equinor and Eni are among those spending the most on low-carbon projects, but the industry on aggregate allocated just 1.3 per cent of its 2018 capital expenditure to these ventures.

The figure comes in a report from environmental non-profit and investment research provider CDP, which has ranked 24 companies by their preparedness for a transition to cleaner fuels.

European energy majors, which are pivoting towards less polluting gas, setting climate-related targets and investing in low-carbon technology, ranked the highest in building resilience. China's Cnooc and Sinopec, Russia's Rosneft, and Marathon Oil of the US were at the bottom of the list.

"The shift to a low-carbon economy presents the question of what role oil and gas companies will play," said Luke Fletcher, senior analyst at CDP. "Companies are now facing increasing scrutiny from investors."

Shareholders have put pressure on energy companies to take responsibility for the sector's role in contributing to global warming. Even as a number of companies have launched initiatives to cut gas flaring, reduce methane emis-

sions and set long-term ambitions to reduce their net carbon footprint, environmental advocates and investors do not believe they have gone far enough.

Energy groups are grappling with how to invest in greener projects when they are not as profitable as their traditional business. Investors are also pushing companies to disclose the risks to returns posed by global warming.

Big producers have warned that forcing companies to cut spending on oil and gas projects in favour of low-carbon investments or flexible US shale production will only threaten energy security and create supply shortages.

BP chief Bob Dudley has said renewables could supply a third of energy by 2040. "But we still need to meet the remaining two-thirds of demand."



Peso: 1-1%, 13-9%