UK Oil & Gas Workers Demand Transition to Renewable Energy Jobs

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In recent years, the global energy sector has been undergoing a transition to renewable energy. This is due to the growing awareness about climate change and the need to reduce greenhouse gas emissions.

The UK government has announced its plans to achieve net-zero emissions by 2050. However, this transition poses a challenge for the oil and gas industry, which has been a significant source of employment and revenues for the country.

The UK oil and gas sector employs around 40,000 people directly and supports another 100,000 jobs indirectly. These jobs are concentrated in regions like Aberdeen, which has a strong history in the oil and gas industry and has been termed the "Oil Capital of

Europe." The sector also contributes significantly to the UK economy, with oil and gas exports accounting for 3% of GDP.

However, the aforementioned industry is also a major contributor to greenhouse gas emissions. According to a report by the Oil and Gas Authority, it accounted for 3.5% of UK's gas emissions in 2019. This has led to demands for a just transition to a low-carbon economy, which would allow workers in the oil and gas sector to switchover jobs in renewable energy.

One of the key demands is the allocation of a just transition fund that would provide financial support for workers who went jobless due to the shift. The Scottish government has already committed to building a just transition fund, which will be financed by the Scottish National Investment Bank.

The UK workers' demand for better wages and working conditions is driven by the fact that their employers have earned significant profits following the COVID-19 pandemic, particularly due to the increase in oil and gas prices.

When the pandemic hit, many companies in the UK, like elsewhere, experienced a decline in revenues due to economic slowdown. However, as the economy started to recover, and oil and gas prices increased, some companies were able to make significant profits.

The workers believe that since their employers benefited from the pandemic and the rebound in oil and gas prices, they should also have their share of profits through improved wages and working conditions.

Another demand is for training and education in renewable energy. Many workers in the sector have skills and experience that could be suitable for jobs in wind, solar and other renewable energy sectors. However, they might need additional training to make the transition.

The UK government has announced a £16 billion plan to create 250,000 jobs in low-carbon industries, such as offshore wind, hydrogen production, and carbon capture and storage. This plan has been welcomed by workers in the oil and gas industry, who see it as an opportunity to transition to jobs in renewable energy.

However, there are concerns that the shift may not be as smooth as expected. There is a risk for the workers to be left behind if they do not receive adequate support in terms of the transition. This could lead to job cuts and economic hardship in regions that are heavily dependent on the oil and gas industry.

The transition to a low-carbon economy is a complex and challenging process but it is also an opportunity for UK to lead the way in sustainable energy. The government and the industry must work together to ensure that this transition is just and equitable for all, with support for workers in the oil and gas industry to move to renewable energy jobs. By doing so, UK can create a sustainable and prosperous future for its citizens.

In the context of this changing landscape, let’s see how some of the biggest UK-based oil and gas companies like **Shell plc** (SHEL - Free Report) , **BP plc** (BP - Free Report) and **TechnipFMC** (FTI - Free Report) are gearing up for sustainable energy in recent years.

Shell has set an ambitious target of becoming a net-zero emissions energy business by 2050, in line with the Paris Agreement on climate change. To achieve this, the Zacks Rank #3 (Hold) company is focusing on reducing its carbon footprint. It is increasing its renewable energy usage and investing in low-carbon technologies like electric vehicle charging, biofuels and hydrogen. The energy supermajor is also committed to reducing its operations’ emission intensity by 65% within 2025, and investing $2-$3 billion every year in new energy technologies.

Shell’s continental rival, BP, has also set a target of becoming a net-zero emissions company by 2050 or sooner. It has also pledged to reduce its operations’ emissions and its products’ carbon intensity. For this, the company is investing heavily in renewable energy. It aims at increasing its annual low-carbon investment to $5 billion by 2030.

BP is also exploring new technologies like carbon capture, utilization, and storage, and working toward developing new business models that support the transition to a low-carbon economy.

Meanwhile, TechnipFMC, a London-based oilfield services provider, has also taken steps toward sustainable energy. The company has formed a new business unit, Technip Energies, which focuses on delivering sustainable solutions across the energy industry. The unit is working on projects like offshore wind farms, green hydrogen production and CCUS. It has set a target of deriving 50% of its revenues from renewable and low-carbon technologies by 2025.