

Cabinet Public Question Time 29 April 2020

Question to Cabinet from Joanna Blackman:

The corona virus lockdown has offered us a preview of some of the likely impacts of accelerating climate change and the associated increasing ambition to cut emissions, including: an unprecedented curtailment of national and international travel, a reduction in non-essential production and construction, and a huge and rapid drop in demand for oil.

Former BP CEO John Browne said this week: "People will be very reluctant to consume at the rate that they have been consuming before... The behaviour of people changed as a result of the virus. I would not be surprised if you look at oil prices being much lower for longer."

In the light of the new reality we find ourselves in and the prospects of continued uncertainty in the fossil fuel market, will the Cabinet propose to the Pension Committee that the Shropshire County Pension Fund divests from funds which include fossil fuels?

Background:

Former BP CEO John Browne made the comments above on Bloomberg Television:

<https://www.bloomberg.com/news/videos/2016-03-08/former-bp-ceo-lord-john-browne-weighs-in-on-the-oil-market>

Mark Carney has shared similar reflections on the covid crisis. Writing in the Economist Magazine, he says:

"As our digital and local lives expand and our physical and global ones contract, this sea change will create and destroy value... When pushed, societies have prioritised health first and foremost, and then looked to deal with the economic consequences."

"After the covid crisis, it's reasonable to expect people to demand improvements in the quality and coverage of social support and medical care, greater attention to be paid to managing tail risks, and more heed to be given to the advice of scientific experts."

"The great test of whether this new hierarchy of values will prevail is climate change. After all, climate change is an issue that (i) involves the entire world, from which no one will be able to self-isolate; (ii) is predicted by science to be the central risk tomorrow; and (iii) we can only address if we act in advance and in solidarity."

<https://www.economist.com/by-invitation/2020/04/16/mark-carney-on-how-the-economy-must-lead-to-human-values>

In December 2019, Mark Carney re-iterated his previous warnings:

"If we were to burn all those oil and gas [reserves], there's no way we would meet carbon budget... Up to 80% of coal assets will be stranded, [and] up to half of developed oil reserves... A question for every company, every financial institution, every asset manager, pension fund or insurer: what's your plan?"

<https://www.bbc.co.uk/news/business-50868717>