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Media Contact: Doug Gavel, doug.gavel@gmail.com, (617) 429-4417

BP Group Chief Economist Spencer Dale Shares Thoughts on Oil-and-Gas Industry 'Energy Transition' in New Episode of "Environmental Insights"

Podcast is a production of the Harvard Environmental Economics Program

CAMBRIDGE MA. – [Spencer Dale](#), group chief economist at BP, expressed his hopes for a strategic “energy transition” within the oil-and-gas industry in the latest episode of “[Environmental Insights: Discussions on Policy and Practice from the Harvard Environmental Economics Program](#),” a podcast produced by the [Harvard Environmental Economics Program](#). Listen to the interview [here](#).

Hosted by [Robert N. Stavins](#), A.J. Meyer Professor of Energy and Economic Development at [Harvard Kennedy School](#) and director of the [Harvard Environmental Economics Program](#) and the [Harvard Project on Climate Agreements](#), Environmental Insights is intended to promote public discourse on important issues at the intersection of economics and environmental policy.

In his current role at BP, Spencer Dale manages the company’s global economics team, and is responsible for advising the board and executive team on economic drivers and trends in global energy. He previously served in a number of roles at the [Bank of England](#), including as executive director for financial stability, a member of the Financial Policy Committee, and ultimately as chief economist.

The swift and sharp decline in oil demand in recent months, driven by the global coronavirus pandemic and policy responses to it, has had a significantly negative impact on the oil and gas industry, Dale remarked in the interview, due to falling prices and reduced revenues. But he noted that it may also create opportunities for companies and countries to support the transition to cleaner energy sources as they strive toward net-zero emissions in the coming decades.

“I think the pandemic has highlighted the fragility of the planet and the unsustainable way in which we are living on the planet today. Moreover, the scale of the government interventions we are seeing around the world give us an unprecedented opportunity to use those government interventions to boost the economy in such a way that the growth we see going forward is greener and more sustainable than it otherwise would have been,” he said.

In the meantime, however, Dale predicted that the COVID-19 pandemic will continue to take its toll on oil demand as people and businesses conclude that they and their employees can work just as productively at home as in an office, and can save considerable amounts of time and money via reduced business travel.

“I think the far greater impact on oil demand is not through these behavioral changes, however, it’s through the economic impacts,” he said. “Hopefully the pandemic will be brought under control within the next year or so, but the economic scars from the pandemic are likely to last far longer, and in particular, those economic scars are likely to fall disproportionately on emerging markets around the world.”

Dale said he is proud of the leadership role BP is playing in the industry by pledging to reach net-zero emissions by 2050 and by shifting its business profile away from being an “international oil company” toward being an “integrated energy company.”

“The nature of energy demand is likely to shift materially over the next 20 to 30 years, away from fossil fuels,” he said. “And that’s to be replaced by very significant growth in renewable energy led by wind and solar power, and so we want to pivot away from those fossil fuels into a wider energy company.”

Dale also acknowledged the difficult challenge facing policymakers as they try to both revive their economies and address the threats posed by climate change.

“If you ask governments today, with levels of unemployment...going back to levels not seen since many decades, if you ask them to trade off near-term jobs versus long-term climate issues, that’s a hard challenge,” he stated. “But there doesn’t need to be a tradeoff between those two. You can design smart policies which are both good for the long-run sustainability and also generate jobs in the near-term.”

Dale’s interview is the 18th episode in the [Environmental Insights](#) series, with future episodes scheduled to drop each month.

“Environmental Insights is intended to inform and educate listeners about important issues relating to an economic perspective on developments in environmental policy, including the design and implementation of market-based approaches to environmental protection,” said Stavins. “We speak with accomplished Harvard colleagues, other academics, and practitioners who are working on solving some of the most challenging public problems we face.”

Environmental Insights is hosted on [SoundCloud](#), and is also available on [iTunes](#), [Pocket Casts](#), [Spotify](#), and [Stitcher](#).