



New BP statistical review

Posted by [Stuart Staniford](#) on June 14, 2006 - 1:47pm

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The new BP statistical review is out, with figures through the end of 2005. I'm sure I'll be making lots of graphs from it over coming months, but for now let me just point you at:

- [Lord Browne's remarks](#) at the launch.
- the [section on oil](#), and most important
- the [Excel spreadsheet](#)

Let's hear a little from Lord "\$40" Browne:

BP is one of the largest private sector suppliers of oil and gas around the world, and we talk to a lot of customers - individuals and businesses.

We are very conscious that people are nervous about the energy market. They want to understand why prices have moved as they have, and most of all, they want to know what we are going to do about it.

The first question is why prices are today at \$65 a barrel Brent. The basic answer is the price has been driven by anxiety about the reliability of supply.

Despite conflict in the Middle East, and the impact of extreme weather conditions in the US and elsewhere, there has been no physical shortage.

Prices are high, because spare capacity is low, and because too many of the key suppliers seem at risk. The estimated amount of spare capacity in the market is around 1.8 million barrels a day, which is not only lower than normal, but also less than the production from Iran, Iraq, Venezuela, and of course Nigeria which has been the main source of the market uncertainty over the last six months, because violence has reduced supply by some 500,000 barrels a day.

That is why the world crude price and petrol prices at the pump are so high.

As well as prices, there are longer term concerns about climate change and energy security which are feeding anxiety here in the UK and elsewhere.

and later

The current concentration of carbon dioxide in the atmosphere is around 380 parts per

million. That figure has risen over the last 20 years by about 10 per cent. Last year carbon emissions increased by 2.9 per cent and the level of emissions worldwide is now about 20 per cent higher than it was when the Kyoto protocol was signed in 1997.

Of course, the detailed science of climate change continues to evolve. There are many things we don't yet know. But we in BP don't believe that we can ignore the mounting evidence, the weight of scientific opinion and the risks of a fundamental shift in the earth's climate.

Climate change of course is a matter of public policy. Technology is important but it's the framework of rules which will determine the pace at which technology is developed and applied. Governments have the power to create an energy market in which the externalities such as carbon emissions, and indeed the value of energy security, are properly priced for example through trading systems.

That will take bold leadership starting at the national and regional level. We won't move instantly to a global solution, but the individual steps are important and are the steps towards a long-term answer.

Only governments can set the rules in that way. But business has a crucial role to play as well.

The role of business is not to engage in politics or propaganda. Equally the role is not to deny reality. The role of business is to offer solutions.

That is what BP is trying to do - by investing in alternative sources of energy including wind, photovoltaics for solar and the new technology of carbon capture and storage. We will invest at least \$8 billion in this new business over the next ten years.

And today we want to announce a new step in addition to that programme.

We are already one of the largest marketers of biofuels, which is a rapidly developing market capable of both improving energy security and producing fuels with lower emissions.

Now we want to do more, beginning with a ten-year investment of \$500 million to create a dedicated biosciences energy research laboratory, attached to a major academic centre. This will be the first facility of its kind in the world.

We have already started discussions with several leading universities here, and in the US to identify which could host the BP Energy Biosciences Institute (EBI), with the aim of launching the first research programmes by the end of 2007.



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