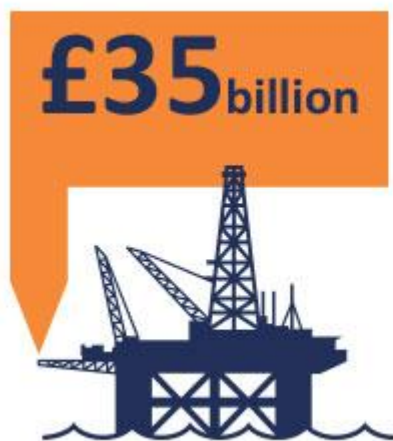




## About the Industry



The UK upstream oil and gas supply chain generated turnover of more than £35 billion in 2012

Turnover in the supply chain increased by £11.4 billion between 2008 and 2012

**£11.4 billion**

## Today

[The UK oil and gas industry benefits our lives in many ways.](#) Its products underpin modern society, supplying [energy](#) to power industry and heat homes, fuel for transport to carry goods and people all over the world and the raw materials used to produce many everyday items. Through its extensive supply chain, it [employs](#) hundreds of thousands of people and makes a major contribution to the UK [economy](#) in terms of tax revenues, technologies and exports.

Since first production in the 1960s, industry [operations](#) have continually adapted to the challenges presented by price volatility, maturity, evolving regulation and changing perceptions within society. Together with Government, its responsibility is to ensure the nation achieves the maximum benefit from its oil and gas reserves. It must balance the considerable economic and social benefits of oil and gas production with good, [safe](#) stewardship of the country's natural resources and [environmental care](#).

In this pursuit, the industry is committed to a range of measures and targets against which progress is monitored in a transparent way. This is done in consultation with the whole supply chain, regulators, Government, non-governmental organisations and the wider stakeholder community.

## **Sustainable Development Ahead**

Oil & Gas UK recognises the need, over time, to move towards a lower-carbon economy to satisfy the UK's energy needs. However, this transition cannot happen overnight; it needs to be managed carefully over not just years, but decades, and we believe that the oil and gas industry can and must provide the foundations for the journey and the endpoint both in terms of energy, the economy and the environment.

### **Energy**

The Government projects that even if its target to source 15% of our energy from renewables in 2020 is achieved, we will still rely on oil and gas for 70% of our needs. Any oil and gas that we do not produce ourselves will be imported, at significant extra cost to the economy. We are fortunate, therefore, that 40% of our oil and gas reserves are still to be extracted and given the right business conditions which promote investment, the industry can continue to supply a significant proportion of our needs to 2020 and beyond.

### **Economy**

Secondly, the oil and gas industry can help to sustain our economy during the move to alternative energy forms which future generations will need. As production declines, increasingly important to wealth creation will be the wealth of technology and expertise that has developed alongside our own oil and gas production over the last forty years and this will manifest itself in several ways.

With energy demand growing around the world, the comprehensive supply chain is well-positioned to provide the goods and services required in oil and gas provinces globally; indeed, it already does to the tune of £5-6 billion per year. This will help maintain employment, tax revenues and support to the balance of trade. The industry has also led the way in the development of drilling, remotely operated vehicles (ROVs) and geophysical technology, all of which are used by scientists and engineers in other fields.

## **Environment**

While continuing to satisfy the majority of our energy needs and making significant contributions to the economy, the oil and gas industry also has an important role to play in the UK's transition towards a lower-carbon economy, at both the energy production and emissions reduction stages of the cycle.

Firstly, the marine technology, skills and expertise pioneered in oil and gas are important in the design, installation and maintenance of offshore wind turbines and therefore, have a role in the continuing evolution of renewable energy.

Secondly, to prevent carbon dioxide building up in the atmosphere, it can be captured and stored. Some of the best natural repositories are depleted oil and gas fields and the industry's knowledge of undersea geology, reservoir management and pipeline transport will play a vital role in enabling this process to be established in the UK.