



**Aberdeen &
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Chamber of
Commerce**

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Minister,

Thank you for taking the time to listen to the concerns of our members in relation to your recently published energy strategy.

As discussed, it is our view that the terminology used to describe the presumption against oil and gas exploration is unhelpful and damaging to sector confidence. However, we welcome your position that should future exploration meet climate compatibility checks, and that demand can be demonstrated, that future exploration could still occur. Further public articulation of this position would be helpful.

We were also encouraged to hear that you share many of our concerns about the Energy Profits Levy stifling investment in both our oil and gas and renewables sectors. The data coming through backs this up. In comparison to Norway, which sanctioned \$42billion of investment in 2022 that will deliver 2.47 billion barrels of oil equivalent, the UK only sanctioned three projects totalling £577million that will deliver 63 million barrels.

Similarly, the global offshore wind market is growing rapidly as governments round the world seek to use fiscal levers to drive investment such as the US Inflation Reduction Act introduced last year to accelerate the growth of investment. This is at a time where the total US wind capacity in 2022 grew by 14GW compared to the UK who grew by 3GW.

In contrast, we have seen a number of our members take the decision to cut investment plans and step back from active growth opportunities through the 33rd License Round. This reduction in investment has led to investment opportunities being taken off the table and jobs cut as companies retract on investment plans. One of the biggest impacts of this is on the supply chain supporting our sector, which is reporting that millions of pounds of opportunities are dissipating through investment uncertainty.

On future jobs, while we don't dispute that a tightening of the labour market could inflate salaries in the renewables sector, but our concern remains that if displacement from Scotland occurs in the global energy jobs market in the short to medium term, we as a country will struggle to make that ground back. This will be compounded if the UK Government maintains its current position on inward migration to Britain.



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There is an opportunity to grow employment in the energy sector, as the strategy details. However, this is predicated on us getting our energy transition sequencing right. We should not lose sight of Prof Paul De Leeuw's warning that getting this wrong could cost this region 17,000 jobs.

We will be finalising our response to the consultation in the coming weeks, and we look forward to engaging with you further.

Thank you again for your time today.

Yours sincerely,



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