PORTLAND MARKET REPORT

"YOUNGSTERS TODAY IT SEEMS, WOULD RATHER DECLARE THAT THEY HAVE THE BUBONIC PLAGUE, THAN CONSIDER JOINING AN OIL COMPANY"

April update

Since 2010, Portland Fuel has recruited 1-2 graduates every year. Back in the good old days, when joining an oil company was an attractive option, the ratio of applicants to jobs available was extremely high. In 2013 for example, Portland received an incredible 224 applications for 1 job advert. This was too much of course for our in-house recruitment team, so it was decided to arbitrarily throw half the applications in the bin – working on the basis that we wouldn't want to recruit unlucky people...

This year for the same graduate position – but with much wider responsibilities and the option of a 6-month posting in Germany – our company received a grand total of 42 applications! Such is the current anti-fossil fuel sentiment, that we received a fifth of the number of applications versus 6 years ago. Youngsters today it seems, would rather declare that they have the bubonic plague, than consider joining an oil company and this represents a major shift in graduate behaviour.

If you go further back in time (when this writer was applying for graduate jobs), it didn't actually get much better than the oil industry, offering as it did good salaries, international opportunities and clear career progression. Indeed, returning to your home town and telling people that you were "getting into oil" received both approving and envious comments (not to mention the occasional bit of female interest!). Nowadays one imagines, shock and mortification would be the more likely reactions from your contemporaries and the only interest shown, would be via a placard!

Clearly the difficulties faced by our small company in recruiting talented young people is of no significance per se to the well-being of the oil industry. But consider the impact on the bigger companies such as BP, Shell and Exxon, who literally recruit hundreds of graduates per year. Clearly no big oil company is going to admit to dwindling graduate interest, but if Portland's experiences are anything to go by, then the number of applications to "Big Oil" must be massively down. Reduced application numbers must mean fewer quality candidates and less young blood coming up through the ranks. Follow that one to its logical conclusion and the sector could be on the road to extinction.

"IF WE DO HAVE AN ENERGY CRISIS AND A CLIMATE CHANGE EMERGENCY, THEN IT IS UNLIKELY TO BE SOLVED BY ANOTHER DIGITAL MARKETING AGENCY IN LONDON"

All of this might be music to the ears of environmentalists. What better evidence could there be of an industry in its death throes, than the fact that no young people want to work there? But is that really the right thing to wish for? If we do have an energy crisis and a climate change emergency, then it is unlikely to be solved by another Digital Marketing Agency in London. Nor are the challenges of supplying 8.5bn people with sustainable and affordable energy, best explained by slogans ("System Change not Climate Change") or 280 characters on social media.

The reality is that the only people who will solve the energy crisis are the people that work at the centre of it and who critically, have an understanding of the scale of global energy consumption. People who are unaware that just one single container ship sailing from Rotterdam to Singapore, will consume 8m litres of fuel on one voyage are far more likely to think that the transition to a low carbon future (that also maintains economic prosperity) is both easy-peasy and should be achieved overnight!

For their part however, the oil companies must also approach things differently. It is all very well telling people that oil consumption will continue to grow for another 20 years, but consumers, investors and now potential employees are beginning to take a rather different view. Just like the tobacco companies before them, big oil corporations are having to face up to the harsh reality that they push a fundamentally unpopular product. Changes therefore are inevitable and all the signs are that they are coming in rapid fashion. In the last 18 months alone, Shell has sold off almost its entire oil sands portfolio, as well as buying 100% renewable energy companies (such as First Utility in the UK). In the same period, both BP and Total have made bets on an electric future – BP via their purchase of Chargemaster (Britain's largest electric car charging network) and Total via a $1bn purchase of Saft Groupe (one of the world's leading battery manufacturers). Even the so-called environmental bad boys ExxonMobil, have spent $500m on developing fuel from algae (rather than from crude oil).

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What we are witnessing then is a fundamental reshaping of the industry, which in turn surely means a rebranding of the sector. By transforming themselves from "Oil Majors" into "Energy Majors", the big oil companies will be able to more carefully select their energy sources and thus take into account both practical and social pressures. No doubt the company strategists will be hoping that such a move will pacify consumers, appease investors and lure young people back to begin their careers in oil energy.

For more pricing information, see page 22

Portland Fuel Price Protection
www.portland-fuel-price-protection.com