BP’s impact on the UK economy between 2014 and 2018
Bird’s-eye view on board the semi-submersible drilling rig Deepsea Aberdeen, in the North Sea, west of Shetland in Scotland.
BP’s impact on the UK economy between 2014 and 2018

This summary reflects the economic contribution for the calendar year 2018 and can be read alongside the previous reports for a year-on-year comparison. It also highlights the consistency of BP’s contribution to the UK economy over the previous five-year period.

BP’s impact has remained consistently strong over time

Between 2014 and 2018, BP worked with an average of 800 UK suppliers of capital goods and 3,150 UK suppliers of goods and services to generate an average yearly contribution of:

- £9.7 billion to UK GDP
- 128,000 jobs
- £4.2 billion in UK taxes paid or collected.

The combined productivity of BP’s employees and supply chain increased by 26% between 2014 and 2018, helping increase BP’s gross value added to the UK economy by 18% over that period.

BP – advancing the energy transition

BP is committed to providing the energy that fuels growth but with fewer emissions. It launched an updated strategy in 2018 to tackle this dual challenge, including the 'reduce, improve, create' framework.

Find out more at bp.com/energytransition
BP performed strongly in 2018

In comparison to previous years, BP’s overall UK economic impact increased in 2018 in terms of gross value added to the UK economy, largely due to an increase in profitability and direct contribution to the economy.

2018 UK highlights

BP’s Downstream business:
- Acquired the UK’s largest electric vehicle charging company, rebranding it as BP Chargemaster.
- Opened 7 new retail sites with M&S Simply Food, creating over 100 new jobs.
- Became a founding partner in the Smart Mobility Living Lab: London to build the UK’s most advanced environment for developing future transport technologies, services and business models.

The North Sea business celebrated two milestones:
- 20 years of production from the Eastern Trough Area Project (ETAP) hub – the model for industry collaboration within the Oil & Gas Authority’s Maximising Economic Recovery strategy.
- Start-up of the giant Clair Ridge project, 75 km west of Shetland in the North Sea:
  - Designed for a 40-year production life.
  - First offshore deployment of BP’s LoSal© enhanced oil recovery technology.

In addition, innovative engineering work led by UK-based BP teams led to the start-up of the Shah Deniz 2 development in Azerbaijan to bring new sources of natural gas to Europe via the Southern Corridor Pipeline. This complex project was recognized with the Royal Academy of Engineering Major Project Award 2019.

In low carbon and venturing activities:
- BP Ventures invested in Voltaware – a monitoring system to track energy consumption, improve efficiency and reduce costs.
- AB InBev and Lightsource BP announced the UK’s biggest ever unsubsidised solar power deal to brew Budweiser beer with 100% renewable electricity.
- BP announced its part in the Clean Gas Project, a world-first in CCUS technology for capturing emissions from gas-fired power generation.
BP's impact on the UK economy in 2018

BPme
app for digital fuel purchases launched in UK

7 M&S Simply Food stores opened in 2018

1,228
BP retail stores across the UK

Serving over
7 million customers each week
2018 economic impact highlights

- BP supported an estimated £10.3 billion gross value added contribution to the UK’s gross domestic product (GDP) and 123,120 UK jobs in 2018.

- Of this total, BP’s direct UK operations – such as oil and gas fields, petrochemical plants, fuels retailing facilities and major offices – created a £4.8 billion gross value added contribution to UK GDP and employed 15,835 people.

- An estimated 0.5% of UK GDP in 2018 was in some way reliant on BP’s activities – whether directly, indirectly, or through BP’s capital expenditure. That is £1 in every £183 of GDP created in the UK during the year.

- BP spent a total of £6.4 billion with UK suppliers:
  - Over £4.5 billion on non-capital goods and services from 2,620 suppliers, supporting an estimated £3.9 billion indirect contribution to GDP and 78,000 jobs.
  - Almost £1.9 billion spent on capital goods from 630 suppliers, supporting an estimated £1.7 billion gross value added contribution to GDP and 29,000 jobs.
BP’s impact on the UK economy in 2018

- BP’s direct activity, as well as its operational and capital expenditures with UK suppliers, is estimated to have supported 1 in every 263 jobs in the UK in 2018, or 0.4% of all employment in the country.
- BP spent a further £1.4 billion with UK-registered businesses operating overseas.
- BP Ventures invested a total of over £55 million in 11 businesses across the UK, aligned with its Upstream, Downstream and Alternative Energy interests.
  - Investment increased by £37 million over the period 2014-2018.
- Around 40% of BP’s global R&D expenditure in 2018 was on work conducted in the UK.
- BP paid more than £1.8 billion in dividends to UK-based shareholders in 2018.
- In 2018, BP paid or collected £2.8 billion in UK taxes. That is equivalent to £1 for every £222 paid to HMRC in 2018, or 0.45% of all tax receipts.
£10.3bn
contribution made to UK GDP

123,120
jobs supported by BP, one in every 263 in the UK

1968
BP has been working with UK schools since 1968

£1.8bn
paid in dividends to UK-based shareholders

1966
Supporting world-class arts and culture in the UK since 1966

£1.4bn
spent with UK-registered businesses operating overseas
0.5% of UK GDP supported by BP’s activity

£6.4bn spent with UK suppliers

£4.6bn spent on non-capital goods and services from UK suppliers

630 UK suppliers for capital expenditure

£1.9bn spent on capital goods from UK suppliers

2,620 UK suppliers of goods and services
Channels through which BP contributes to the UK economy

BP employs staff. Its operations generate GDP and tax for HM Treasury.

BP spends money with suppliers across the UK who employ staff, generate GDP and pay taxes.

BP also undertakes capital investment, spending money with additional UK suppliers, which generates more jobs, GDP and tax.

Together all these effects comprise the total economic impact of BP on the UK economy.

BP’s impact on the UK economy by sector

Ten UK industrial sectors receiving the largest amount of BP’s UK operational procurement spend in 2018

£ billion
Source: Oxford Economics

<table>
<thead>
<tr>
<th>Sector</th>
<th>Operational Spend</th>
<th>Capital Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale trade (not to consumers)</td>
<td>0.62</td>
<td></td>
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<tr>
<td>Employment services</td>
<td>0.60</td>
<td></td>
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<tr>
<td>Computer programming</td>
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<tr>
<td>Architecture</td>
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<tr>
<td>Coke and petroleum products</td>
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<td></td>
</tr>
<tr>
<td>Petrochemical manufacturing</td>
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<tr>
<td>Water transport services</td>
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<tr>
<td>Warehousing</td>
<td>0.21</td>
<td></td>
</tr>
<tr>
<td>Repair and installation</td>
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<td></td>
</tr>
<tr>
<td>Machinery manufacturing</td>
<td>0.16</td>
<td></td>
</tr>
</tbody>
</table>
The Clair Ridge platform

Designed for a 40-year production life

71 of 122 project contracts delivered in the UK

£1.5 billion invested with UK suppliers

View overlooking the Clair Ridge platform and the Floatel Victory, west of the Shetland Islands in the North Sea, UK.
BP’s impact on the UK’s regional economy

Procurement impact and supplier diversification

BP has relationships with a diverse range of UK suppliers, from architectural and engineering services to water transport.

BP’s 2,620 UK suppliers of goods and services in 2018 are distributed throughout the UK, receiving a total of over £4.5 billion.

Some 27% of them were located in London, 21% in the South East, 11% in Scotland and 10% in the Midlands.

In 2018, BP spent almost £1.9 billion on capital goods from around 630 UK suppliers. Of these, 18% were in Scotland, 20% were in the South East and another 20% were in London.

In addition, around £1.4 billion was spent by BP with UK-registered businesses operating abroad.
Clockwise from top:
A night-time view of the BP service station in Hammersmith, London, UK.
Gas trading at the BP office in Canary Wharf, London, UK.
BP employees at the petrochemicals business in Saltend in Hull, UK.
Engines waiting for testing at BP’s Technology Centre in Pangbourne, Berkshire, UK.
A laboratory technician at the Enhanced Oil Recovery laboratory (EOR) in Sunbury, UK.
Laboratory analysis in the petrochemicals business in Saltend in Hull, UK.
123,120 British jobs were supported by BP in 2018, with direct UK operations creating £4.6 billion gross value added contribution to UK GDP and employing 15,835 people.

The indirect impact of BP procurement of goods and services and capital expenditure supported an estimated additional 107,285 people in the wider UK economy.

Overall, London, the South East and Scotland were the biggest jobs beneficiaries from BP’s direct and indirect impacts. BP supported employment equivalent to 1% of all employment in London, 0.7% in Scotland, and over 0.4% in the South East.

Source: BP, Oxford Economics, ONS
Direct GVA (£m)
Direct employment
Indirect jobs supported

Yorkshire and the Humber
£160m
530 directly employed
4,272 indirect jobs supported

Scotland
£667m
2,214 directly employed
16,213 indirect jobs supported

East of England
£426m
1,416 directly employed
6,615 indirect jobs supported

London
£957m
3,178 directly employed
42,292 indirect jobs supported

South East
£2,023m
6,718 directly employed
13,514 indirect jobs supported

Rest of UK
£536m
1,779 directly employed
24,380 indirect jobs supported
BP’s UK operating locations

Estimated geographic distribution of BP’s 2,620 UK suppliers of goods and services in 2018
Source: Oxford Economics

Estimated geographic distribution of BP’s 630 UK suppliers of capital goods in 2018
Source: Oxford Economics
BP’s ongoing social contribution to the UK

**Committed to UK arts, culture and education**

BP continued to demonstrate a consistent commitment to UK communities through its support for schools, arts and culture, sport, community organizations and charities.

Building on its ground-breaking Enterprising Science educational research programme to understand how and why young people choose to study STEM subjects, BP extended its relationship with the Science Museum Group as the founding partner of its Academy of science engagement across the UK.

2019 marks the 30th anniversary of BP’s support for the BP Portrait Award at the National Portrait Gallery – the most prestigious portrait painting competition in the world.

**Creating value in local communities**

BP’s UK employees volunteered 22,500 hours and generated over £2 million of contributions to community organizations during 2018.

On average over the period 2014-2018, BP’s UK employees have volunteered 33,965 hours and generated over £2.5 million of contributions each year.

You can find out more: bp.com/uk/bpinthecommunity

**Methodology**

For a description of the methodology used in performing this analysis, please refer to the information at: bp.com/uk/economicimpact

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Increasing science engagement across the UK

Delivering courses to at least 600 teachers and 250 scientists and professionals each year.

Delivering science capital training programme to 300 STEM Ambassadors.

Building capacity in 15 UK science centres.

Creating resources for teachers and educators.
