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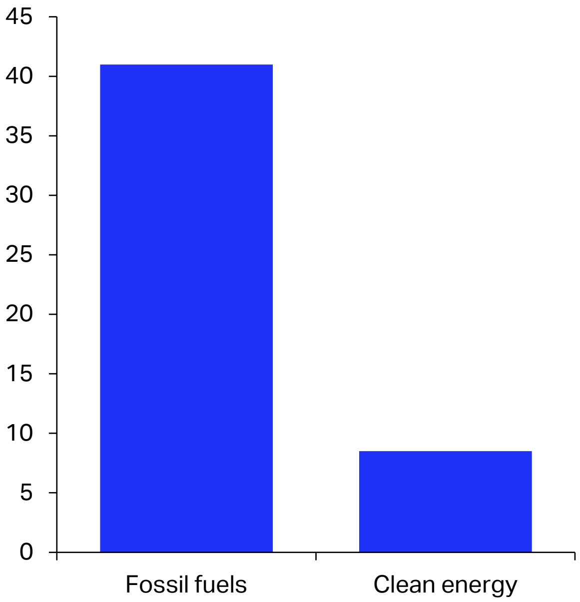
Chart of the Week

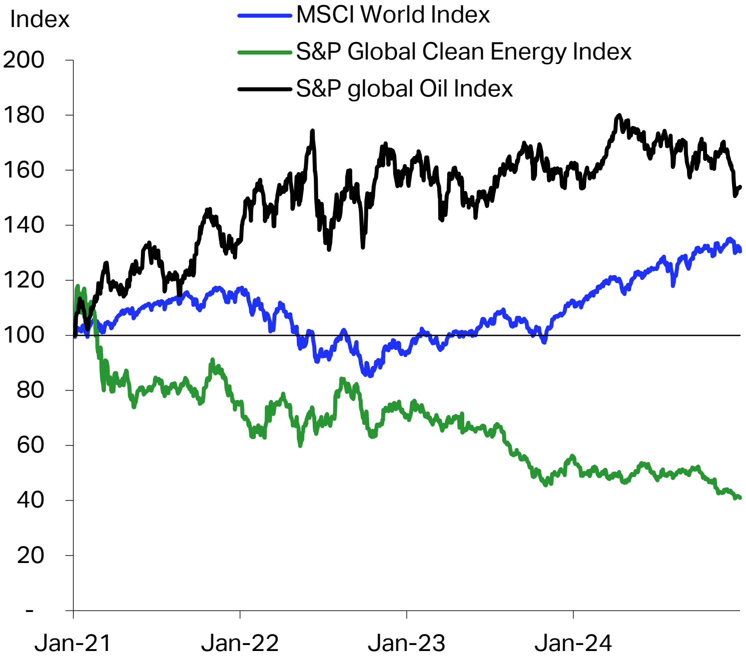
17 January 2024

Public and private money favors Oil over Clean Energy

Export credit agency support, OECD countries, annual average 2018-2020, USD billion



Relative index performance, Jan21=100



Source: LSEG, Oil Change International: https://www.oilchange.org/wp-content/uploads/2023/05/OCI-CHANGING-THE-TRADE-WINDS.pdf

- As the world continues to subsidize oil and gas companies directly, creating a most unlevel playing field for renewable energy producers, we note that export credits also favor the fossil fuel companies. Among OECD countries, around USD 40 billion each year is provided in support for fossil fuel exports, while such assistance for clean energy exports is limited to less than USD 10 billion (see chart on the left).
- Efforts among some OECD countries to get the organization as a whole to stop providing this support for fossil fuel companies failed, Climate Change News reported on 14 January 2025.[1] The UK, Canada, and the EU endeavored to halt, with some exceptions, all export credits for the production, transportation, storage, refining, and distribution of fossil fuels. Worth USD 40 billion per year, this measure alone could have covered 58% of air transportation's capital investment requirements for the production of sustainable fuel on the 2030 horizon[2], if redirected.
- Global capital is still flowing increasingly into oil companies and out of clean energy companies. The S&P Global Clean Energy Index has lost nearly 60% since January 2021, while the S&P Global Oil Index has gained over 60%, more than double the 30% gain in the MSCI AC World Index (a measure of the global stock market). Private money will follow public money, and investors are of course fully capable of understanding where the public support is going. This is an unambiguous case of investors taking the cue from what States are doing, not from what they are saying, in the Paris Agreement, for example. Unfortunately, there are no signs from the OECD countries that the cues given are about to change.

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[1] Climate Home News (2025), Bid to end export credit help for oil and gas fails, with Korea and Türkiye opposed,
[2] IATA (2024), Finance, Net Zero CO2 Emissions Roadmap, IATA