

BP, profits and windfall taxes

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There is nothing like an oil company when it comes to unreliable profit reporting, and BP's gain today is partly because it wrote off so many assets a year ago.

What however cannot be denied is that BP's profit is not due to entrepreneurial ability. It is just good fortune.

Nor will most of the investment it will supposedly fund go into green energy. The vast majority will be in carbon production.

I am wary about carbon taxes because I do not trust energy company profit data. It is all about game playing when it comes to their accounts.

But given nationalisation is not on the agenda, and we can deeply regret the sale whose proceeds have long been frittered, what else is there but a windfall tax to tackle the gross rentierism implicit in the operation of oil companies?

The time to tackle this abuse has come, and tax is one way to do that.