

Britons suffer as leading energy firms reap enormous profits



A sign showing customers that fuel has run out is pictured at a petrol station in Stoke-on-Trent, Staffordshire, UK (Photo by Reuters)

London, July 30 (RHC)-- Soaring profits at energy companies Shell and Centrica have been depicted as an "insult" to millions of Britons struggling with rising prices and the cost of living crisis, with energy bills set to hit record highs in the coming months.

“These eye-watering profits are an insult to the millions of working people struggling to get by because of soaring energy bills,” General Secretary of the Trades Union Congress Frances O’Grady said in London.

The development comes a day after millions of households were warned that average annual energy bills could hit £3,850 from January, triple the level at the beginning of this year. “Working people are facing the longest and harshest wage squeeze in modern history. It’s time working people got their fair share of the wealth they create, starting with real action to bring bills down,” O’Grady said.

European consumers should expect energy rationing next winter amid persisting rise in costs and the potential cut-off of Russian gas supplies, UK-based energy giant warns.

The rising energy bills come on the heels of Shell’s announcement of record earnings of about £10 billion for the three-month period from April to June.

In its announcement, the company also promised to give shareholders payouts worth £6.5 billion. Asked about the company’s soaring profits contradiction with punishingly high bills faced by households already struggling with skyrocketing inflation, Shell’s Chief Executive Ben van Beurden said the company could not “perform miracles”.

Friends of the Earth energy campaigner Sana Yusuf said the bulk of Shell’s profits “should be used to insulate our homes and help cash-strapped households pay for their heating this winter, rather than developing more fossil fuel projects that roast the planet.”

Centrica, a leading energy services company and the owner of British Gas, reported operating profits of £1.3 billion during the first half of 2022, handing its investors £59 million. Soaring wholesale prices for oil and gas have brought a great chunk of profit to the energy companies, while crippling the inflation-hit households with energy bills and prices.

“Profits of Centrica: £1,300,000,000, up 500% in a year... This isn't a coincidence: The system is rigged to put their greed before your need,” Labour MP Zarah Sultana tweeted.

Ed Miliband, the shadow secretary for climate change and net zero, accused the government of being “asleep at the wheel”, amid turmoil in the cabinet after Boris Johnson’s resignation as the country’s prime minister.

“As profits soar to record levels for oil and gas producers, we face a serious and worsening energy bills crisis, far worse even than a couple of months ago,” Miliband said. He said both Liz Truss and Rishi Sunak, as the final contenders for the British premiership, were “living on another planet” when it came to the “cost of living emergency.”

Energy prices have soared across the world as a result of the Covid-19 pandemic and the Ukraine conflict, but Europe has been particularly badly hit. Prior to the war in Ukraine, Germany – the EU’s biggest economy – relied on Russia for the majority of its gas. Overall, Europe depends on Russia for about 40 percent of its gas.

Apart from rising prices, job insecurity and imbalanced payments have brought many Britons onto the streets to protest against their low payments amid the rising inflation and rampant industrial actions.

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