War, Oil & Renewable Energy Investments

BY Kareem Manning Posted April 07, 2022

The ongoing conflict between Russia and the Ukraine and its resulting impact on global oil prices is a glaring reminder of the volatility and uncertainty that exists relative to the fossil fuels market.

This provides a strong argument for an increased push towards the development of sustainable alternative energy sources, especially in small island developing states such as Barbados, which remain vulnerable to external shocks and the volatility of crude oil prices. It is for this reason that we are encouraging individuals to invest in its new Renewable Energy Fund.

The Eastern European conflict reminds us of the influence that large oil production states can have, driving up prices significantly and thereby impacting global supply, along with having a contagion effect on manufacturing costs and overall inflation.

There is a great desire globally to move away from the reliance on fossil fuels and develop our own energy sovereignty. The Government of Barbados has made a commitment to transitioning Barbados into a 100% renewable and carbon neutral island by 2030. This will be based on the elimination of fossil fuels for domestic consumption and the exportation of all hydrocarbons produced on and offshore for the generation of foreign exchange and promoting economic growth.

The achievement of these goals requires the development of a framework to facilitate investment, not only to sophisticated investors but also to the ordinary Barbadian. This is being seen locally with Government working with the Financial Services Commission to develop a regulatory regime that would encourage companies and individuals to invest in this space.

This is further supported by the fact that almost every country in the Organisation for Economic Co-operation and Development (OECD) has a national plan to reduce fossil fuel consumption, which is a clear indication that renewable energy is there to stay and will be a long-term pillar of economic growth and stability.

In light of this shift away from fossil fuel and crude oil-based commodities, now would be a good time for individuals to consider diversifying their investment portfolio. Many investors want to get out of the fossil fuel business and start investing within the green energy sector, but don't wish to go through the process of researching and investigating the many companies that are within this growing sector. The Sagicor Renewable Energy Fund is therefore an attractive option for such potential investors who are seeking to a take deep dive into green and sustainable investing.

The Fund will invest in global securities of companies in the renewable energy sector, largely in companies which are expected to benefit from the anticipated rapid growth in use of clean and renewable alternatives to fossil fuels. Investment will also be seen in technologies such as photovoltaic and solar thermal products, wind turbines and other equipment used in alternative energy production. Capital will also be injected into companies generating electrical power from geothermal resources, exploring technology to harness wave and tidal power, firms involved in biotechnological advances in the biofuels field, alternative fuel marketing companies and those engaged in the sale of

alternative energy powered vehicles and related products.

As with all other Sagicor mutual fund products, the minimum initial investment required is BDS $500.00, with a minimum of $100.00 being required for any subsequent injections, the frequency of which are at the option of the shareholder. To find out more about the renewable energy fund* and how they can get involved, individuals can visit https://sami.bb or call (246) 467-7616.

* Please note that this fund is currently available in Barbados and is subject to change. Please check your nearest Sagicor for the latest updates.