

WIFI

claret81



# “It’s Economics Jim – but not as we know it!”

## Attempting to make sense of what’s going on for those who are considering projects

Andrew Edkins  
The Bartlett  
UCL



**We live in interesting times**

Pensions industry

# Gilts crisis undermines drive to use pension funds for economic growth

Much-flagged government initiative at risk as retirement funds now fighting shy of illiquid assets

3 HOURS AGO

“Are we doubling down on systemic risk in pensions?”



Helen Thomas

**News in-depth.** BoE governor gambles by insisting bond-buying operation will end



Chinese politics & policy

## The Big Read. China's Xi Jinping problem

Editor's picks



**Goldman Sachs sounds alarm on UK commercial property**

3 HOURS AGO

“Sorry but no, procrastinating will not boost your creativity”



Jemima Kelly

### TOP STORIES



FT live news

**Live news updates:** Lockdown fears in Shanghai as new Covid restrictions imposed

LIVE



UK politics & policy

**Kwarteng rejects calls for new 'tax' on UK banks**

3 HOURS AGO

**Truss under pressure from Tory MPs to rewrite 'mini' Budget**



War in Ukraine

**News in-depth.** Military briefing: Ukraine frets about a new Belarus front

3 HOURS AGO

**SpaceX's Starlink terminals in Ukraine back online after outages**



Deloitte LLP

**Deloitte vice-chair to leave Big Four firm after drunken tirade at Royal Ascot**

3 HOURS AGO



# Gilts crisis undermines drive to use pension funds for economic growth

Much-flagged government initiative at risk as retirement funds now fighting shy of illiquid assets



The rout in UK government bonds sparked by the mini-Budget has pushed the UK pension industry into a vicious circle of forced asset sales to raise cash © PA

Harriet Agnew and Emma Dunkley in London 3 HOURS AGO

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The liquidity crisis engulfing the gilts markets has put at risk a government initiative to use pension funds to drive economic growth and the transition to a low-carbon economy, executives have warned.

## The Here and Now



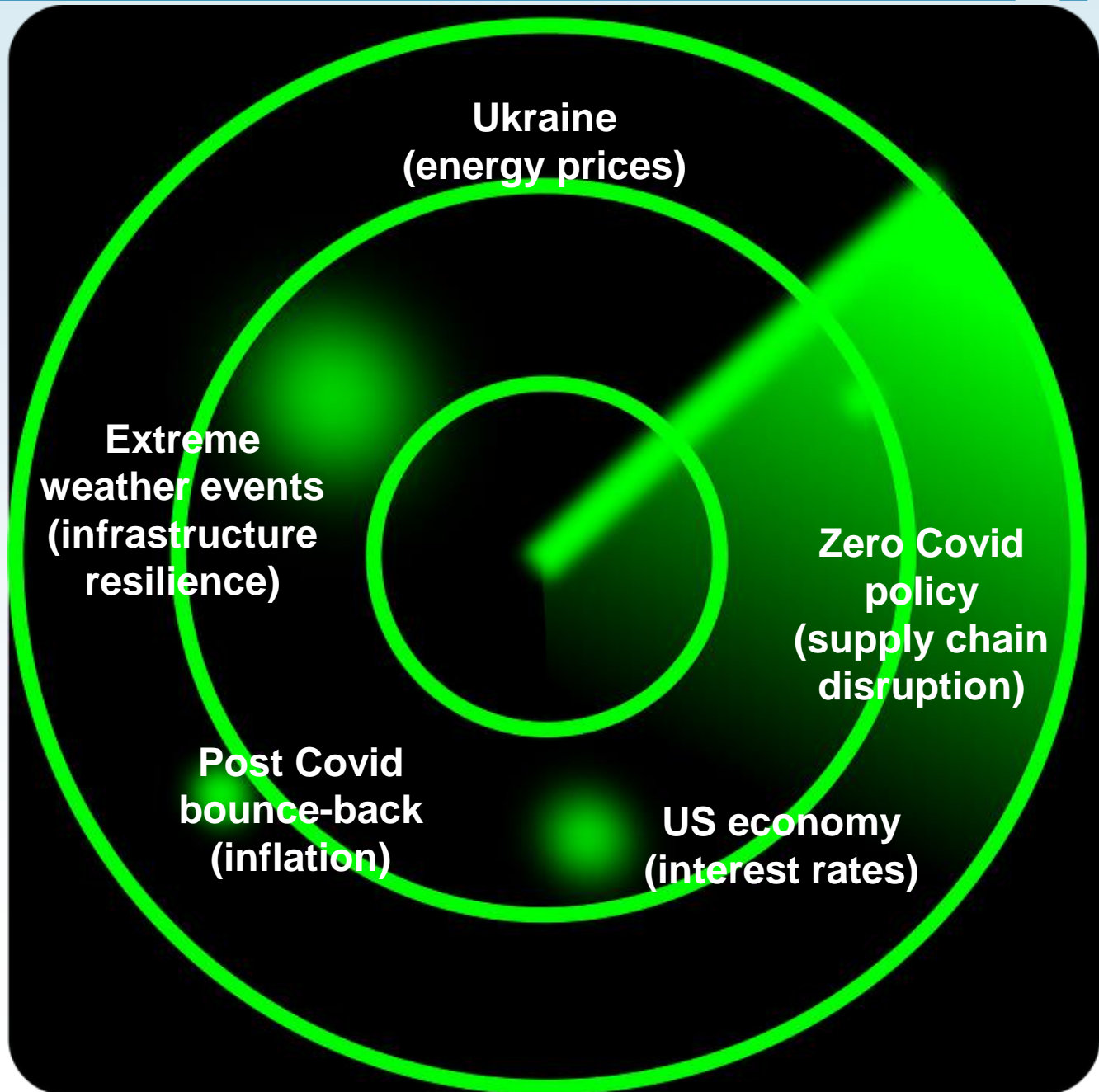
Cost of Living (crisis)

Energy (crisis)

Mini budget (crisis?)

### A couple of other economic snippets from this week:

- The Bank of England wanted to start pressing the QE brakes – but this week has instead been hitting (more blipping) the bond-buying accelerator to stop pension funds collapsing! (*who wants to be a BoE banker at the moment?*)
- More folk (mainly around my age) are withdrawing from the labour market than ever, one reason for lacklustre GDP performance – (*Covid-19 maybe casting a long shadow?*)





## So what for the world of projects?



- For those working on established projects – *phew* 🙌
- For those projects that thrive on confusion and uncertainty – *happy days* 😊
- For those projects that require certainty and confidence – *good luck* 🍀
- Each country and sector will need to assess and determine its own situation and course of action
  - The UK is in a paradoxical situation vis-à-vis the RoW – our currency is currently cheap, and we retain all our fundamental credentials, but we are seen as having ‘issues’ 🤔

# **Turbulence**

## **Geopolitical**

## **Political**

## **Economic**

## **Financial**



# Looking beyond the here-and-now

The road ahead is not set – and the choices we make matter

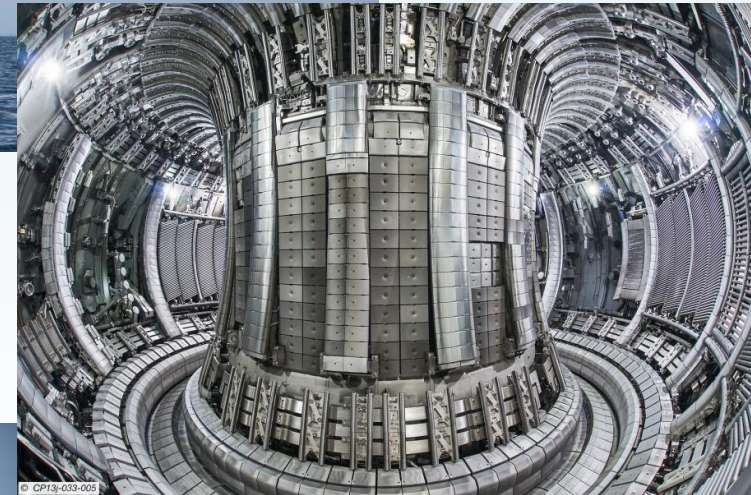
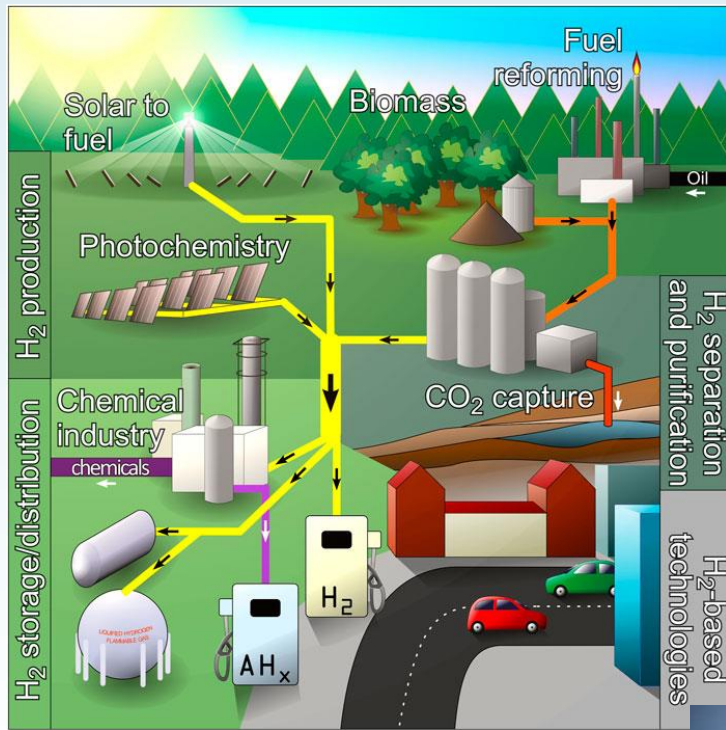


## The Opportunity Space for new projects: selecting three illustrative topics/areas

- **Energy:** (1) new forms of supply; (2) the need for demand control & management
- **Technologies:** (1) type development; (2) adaptation & deployment
- **Paradigm:** (1) improved linear; (2) transitional, (3) the fully sustainable circular



# The Opportunity Space for new projects: Energy





# The Opportunity Space for new projects: Technologies



## Sustainable steel processing and advanced manufacturing in the 21<sup>st</sup> century by the Materials Processing Institute

'Conventional' iron and steelmaking dates back to the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. Blast furnace technology originating several centuries earlier. The process relies on carbon to reduce iron oxide into crude iron, which is then processed into steel by the basic oxygen steel-making process. As carbon acts as a reductant, the process produces significant amounts of carbon dioxide (CO<sub>2</sub>).

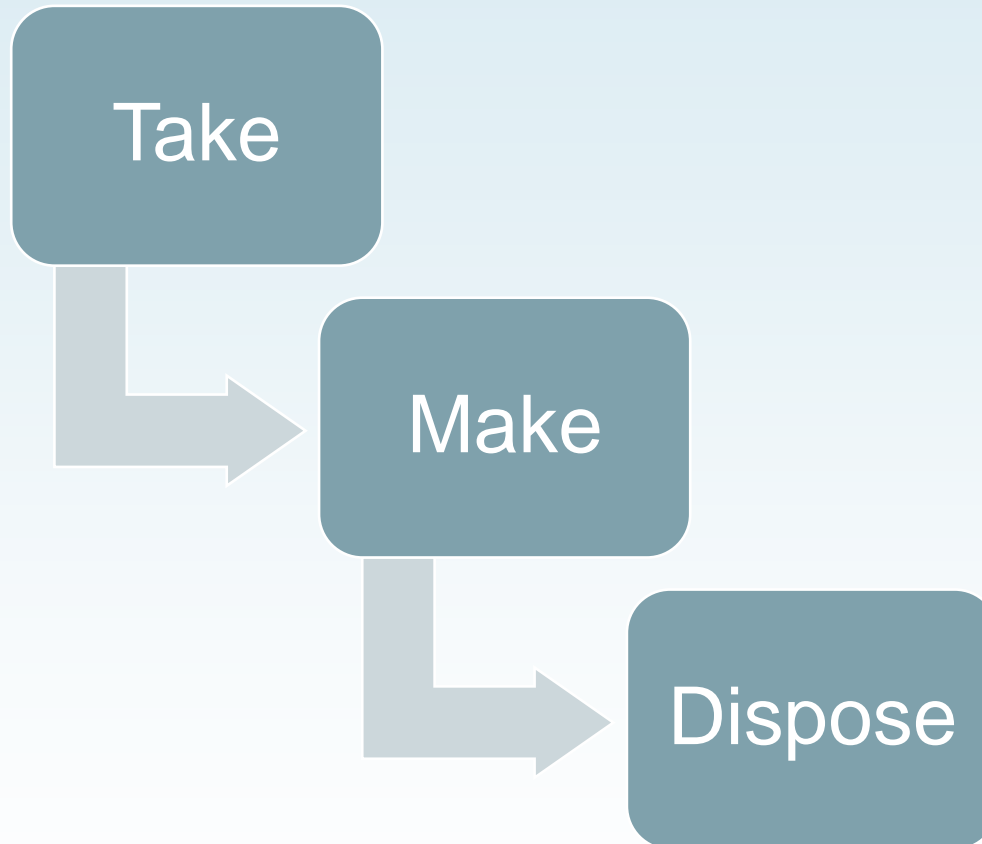
There is an opportunity to explore the use of hydrogen as a sustainable reductant of iron ore. Hydrogen produces water (H<sub>2</sub>O) rather than CO<sub>2</sub> during iron reduction and hydrogen can be produced sustainably by the electrolysis of water. One technology for producing iron with hydrogen is the vertical shaft furnace. This process uses powdered iron ore (Exhibit 1) reduced in the furnace at 800 to 900°C, to produce direct reduced iron - DRI, which is then melted in an electric arc furnace to produce fossil-free crude steel.



Metal additive manufacturing (MAM) is an upcoming technology where spherical powder (Exhibit 3), produced from fossil-free steel in advantages over conventional parts, such as minimal waste, design freedom, reduced costs and fast turnaround times.

UCL Materials Processing Institute  
 All MAM powder produced for research activities  
 by the Materials Processing Institute

# The Opportunity Space for new projects: Established



# The Opportunity Space for new projects: Established

Extract



Produce



Consume



Dispose

from ground  
from land  
from sea  
from air

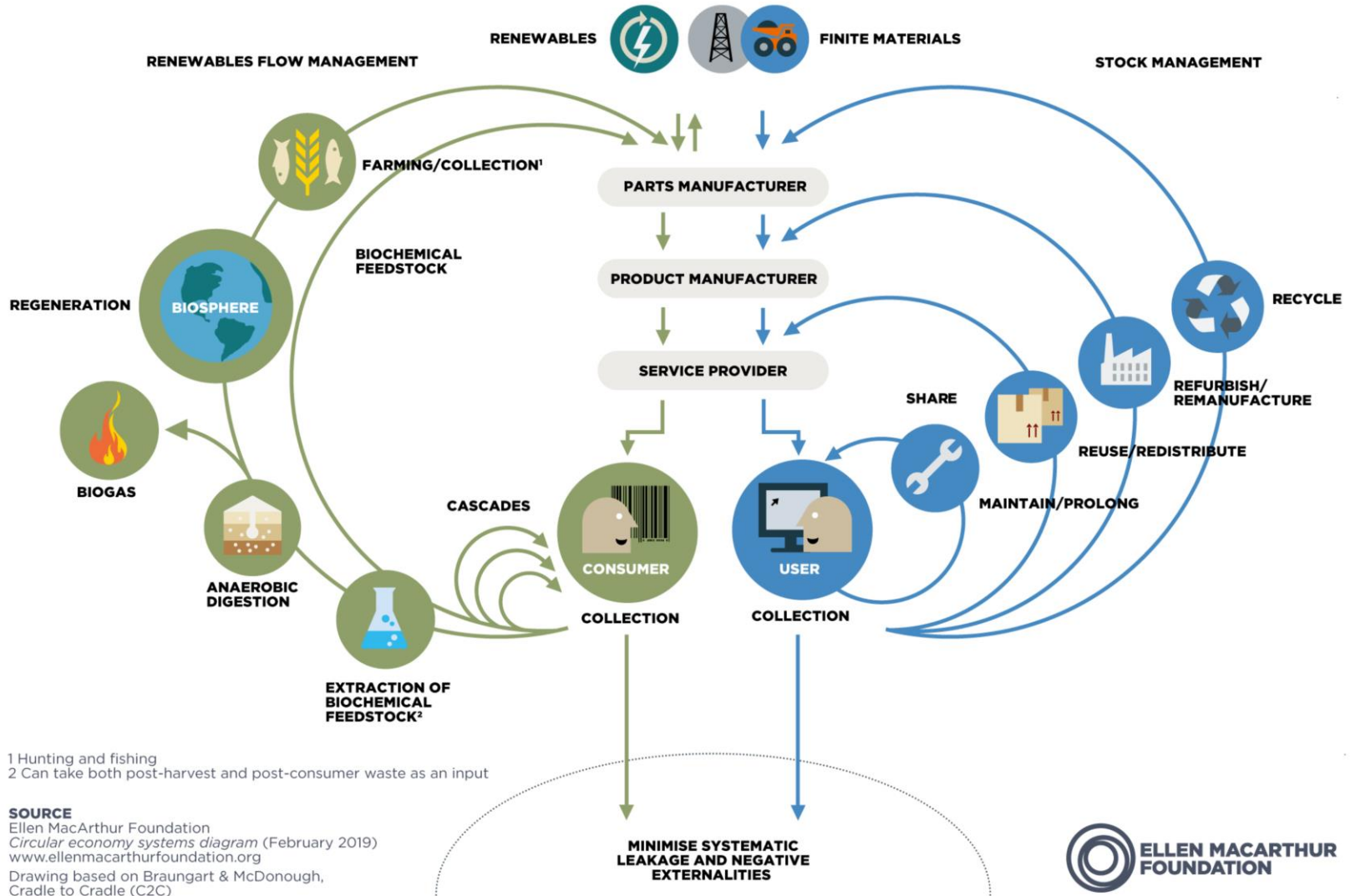
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*from the moon*

Many forms of  
goods & services

in the ground  
on the land  
in the sea  
in the air

# The Opportunity Space for new projects: Paradigm shift



1 Hunting and fishing  
2 Can take both post-harvest and post-consumer waste as an input

**SOURCE**  
Ellen MacArthur Foundation  
*Circular economy systems diagram* (February 2019)  
www.ellenmacarthurfoundation.org  
Drawing based on Braungart & McDonough,  
Cradle to Cradle (C2C)



At the Ellen MacArthur Foundation we have tried to capture the essence of the circular economy in the diagram above, which is somewhat understandably nicknamed the 'butterfly diagram'.

The diagram tries to capture the flow of materials, nutrients, components, and products, whilst adding an element of financial value. It builds on several schools of thought, but is perhaps most recognisably influenced by Cradle to Cradle's two material cycles.

Source:  
<https://archive.ellenmacarthurfoundation.org/explore/the-circular-economy-in-detail>  
(accessed October 2022)

**Change is clearly (to me) the norm,  
ergo projects and project-based  
thinking are and will be needed.**

**These projects need careful  
selection and excellence in delivery**

**The role for the Project Professional  
is clearly established – but we need  
to do more.**



## What I hope you might ponder on

- The times we are living in are ‘testing’ – ***we know this.***
- Change and Challenge can thwart some forms/types of project and stimulate others – ***we also know this.***
- Projects are vehicles that can herald change – whether for good or bad – ***we don’t think carefully enough about this – the consequence of the projects we enact – they are the pathways to change.***
- The decisions we take and projects we create and enact will shape our future – we need to choose wisely – ***as project professionals, don’t we need to have voices in these decisions?***



**Thank You**

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