

2018 Economic Report Series

**A GLOBAL VISION FOR THE FUTURE
OF CANADIAN OIL AND NATURAL GAS**



C  **PP**

CANADA'S OIL & NATURAL GAS PRODUCERS



CAPP's Vision for the Future of Canada's Oil and Natural Gas Industry

For more than 150 years, Canada's oil and natural gas industry has been a reliable and affordable supplier of energy for all Canadians, and has improved the future of our nation. From spurring economic growth to developing major nation-building energy projects, our country's energy sector is woven into the fabric of our nation, and is as much a part of Canada as the maple leaf.

The Canadian Association of Petroleum Producers (CAPP) represents an energy industry that is looking to the future – one that values sustainable development practices and lower-carbon processes. With a growing world where many emerging economies need a variety of energy products, we want to help create a vision for Canada's oil and natural gas industry that recognizes the significant role our resources play in the world's future energy mix.

Canada has taken a leadership role in becoming one of the world's most responsible oil and natural gas producers, recognizing resource development needs to be done in a responsible manner. The onus is on all Canadians to ensure we remain the world's energy supplier of choice.

Our joint vision for the future needs to look at the big picture – a global view of the long term that includes access to world markets, effective regulatory outcomes, commitments to innovation, global climate leadership, and enabling a strong, reliable and dynamic fiscal framework.

We need collaboration between industry and all levels of government to rebalance the playing field and restore our country's competitiveness to benefit all Canadians, not just the oil and natural gas industry. We can satisfy the world's demand for energy but to do so we need to work collectively to create an ambitious plan for the future.

Together we can provide the world with the energy of tomorrow.

Sincerely,

Tim McMillan
President and CEO
Canadian Association of Petroleum Producers



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THE FUTURE ENERGY MIX AND THE ROLE OF OIL AND NATURAL GAS

The oil and natural gas sector will play a major role in the world's energy future. Global demand is expected to continue to grow, and even with the rise of renewable energy, oil and natural gas will likely continue to be the most significant player in the world's future energy mix for years to come.

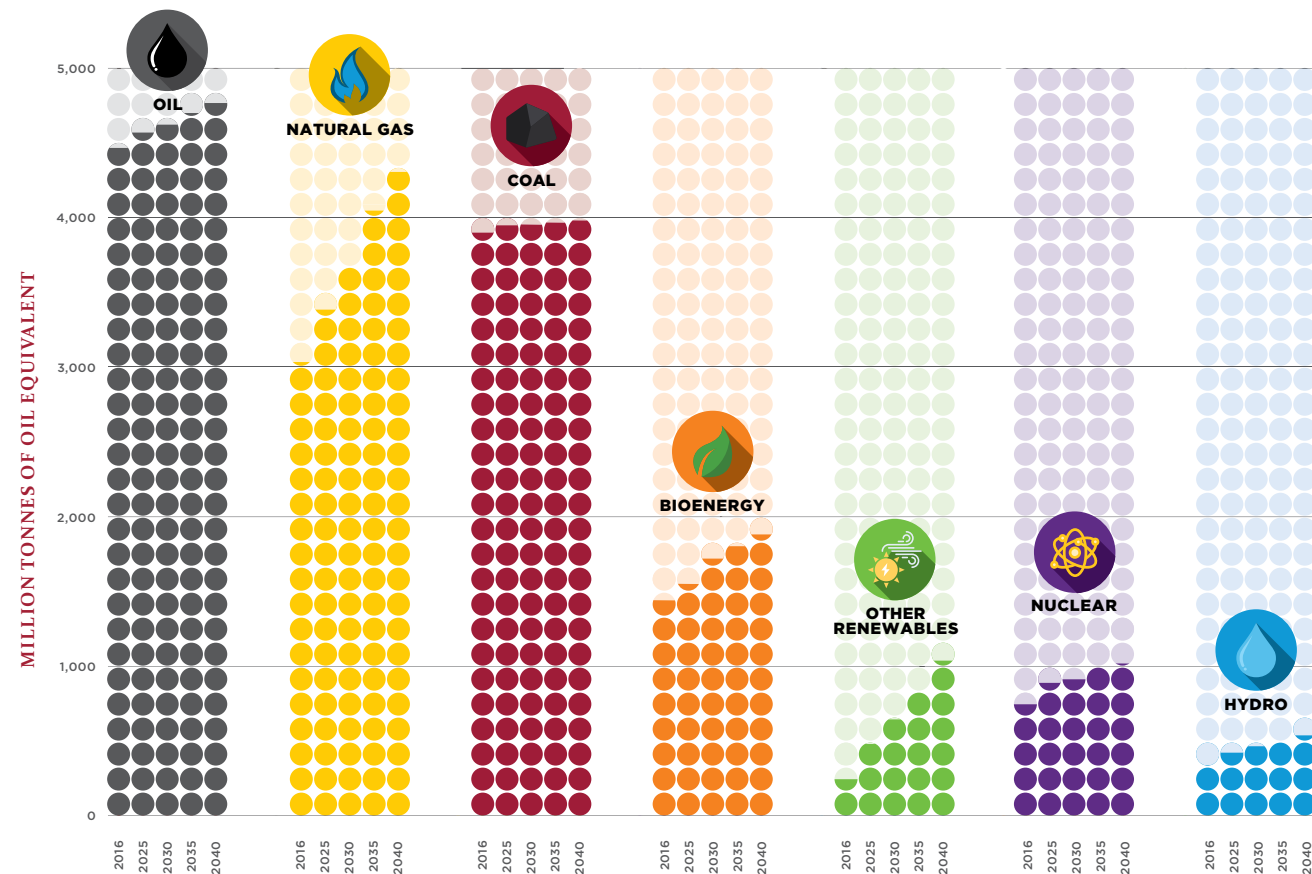
The global population is estimated to increase to 9.8 billion people by 2050 from 7.6 billion in 2016¹. This rise in population, led by a growing middle class, is expected to increase global energy demand 30 per cent by 2040². At that time, all forms of energy will be needed including nuclear, hydroelectricity, and renewables such as wind, solar, and bioenergy. The International Energy Agency (IEA) found oil and natural gas demand would also continue to grow with a more urbanized and industrialized population, according to the New Policies Scenario (NPS) outlined in its World Energy Outlook 2017.

The NPS considered commitments, plans, and Paris Climate Agreement pledges made by countries around the world to reduce greenhouse gas (GHG) emissions³. It also considered the way the world meets its increased energy consumption is evolving. Even under the IEA's Sustainable Development Scenario, Canada will continue to work towards achieving emissions reductions.

The IEA noted renewable energy such as wind, solar, and others would increase substantially compared to current levels. Hydroelectric power would jump 52 per cent, nuclear energy more than 40 per cent, and biomass in modern forms such as biofuels, rises 33 per cent. It also projects global oil consumption growing to about 105 million barrels per day (b/d) by 2040.

Growth in the Global Energy Mix from 2016-2040

Source: IEA 2017 World Energy Outlook, New Policies Scenario



Altogether, the IEA projects renewable, hydroelectric and nuclear energy demand would increase and account for about 25 per cent of the total energy mix, compared to 20 per cent today. By 2040, power generation is largely decarbonized, and renewables account for the majority of generation. Energy efficiency is critical too, and is expected to cut demand in half to 30 per cent from 60 per cent.

While the contribution of renewable sources is increasing, oil and natural gas continues to make up the largest part of the total energy mix. It would account for 52 per cent of total energy demand, with oil rising by 12 per cent by 2040 driven by a higher global standard of living and industrialization in emerging economies. Although the popularity of electric vehicles is expected to grow, oil consumption will still continue to rise due to demand from industries such as aviation, shipping, and petrochemicals.

With the world's continuing need for large amounts of oil and natural gas, there is an opportunity for Canadian energy to be the preferred source of global supply in the future, and to provide the most sustainable barrel at the lowest cost. Canada is home to the world's third-largest oil reserves and is the fifth-largest natural gas producer. By 2030, Canadian oil production is forecast to increase to 5.1 million b/d compared to 3.9 million b/d in 2016⁴.

In terms of global demand, the world wants Canadian oil and natural gas. Canada was ranked No. 1 as the global energy supplier of choice among 32 countries⁵ based on its commitment to the environment, regulatory framework, and ethical production.

It is important to recognize the role Canada's oil and natural gas can play in the future. As the rest of the world's energy producers struggle to evolve to be more environmentally sustainable, Canada is already demonstrating what it looks like to be a responsible global energy citizen.



Canada is the preferred choice globally for oil and natural gas imports out of 11 producing countries.



CLIMATE LEADERSHIP

Climate change is bigger than one industry. It's bigger than one person, one province or one country – which makes it difficult for governments to strike the right balance between environmental stewardship, economic prosperity and energy security for our nation.

In 2014, Canada generated two per cent of the world's total GHGs, while the United States contributed 14 per cent – making it the world's second largest emitter.

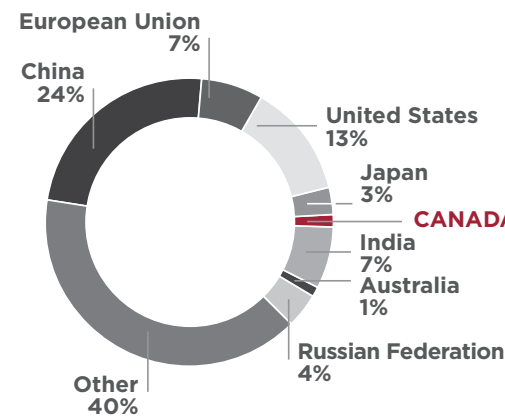
The Canadian energy sector can thrive in a carbon-constrained future by reducing GHG emissions through the development of cost-effective, clean technology. But in order to do so, it needs the support of governments and Canadians to meet new and emerging innovation challenges. If we want to succeed as a nation, we must work together to develop competitive policies and increase access to international markets.

Canada is a global leader in sustainability practices – it has some of the world's most stringent regulations on carbon emissions⁶. Unlike other countries and competing jurisdictions, Canada has increased the price on carbon to help meet its international climate change commitments – targeting emissions reductions of 30 per cent by 2030.

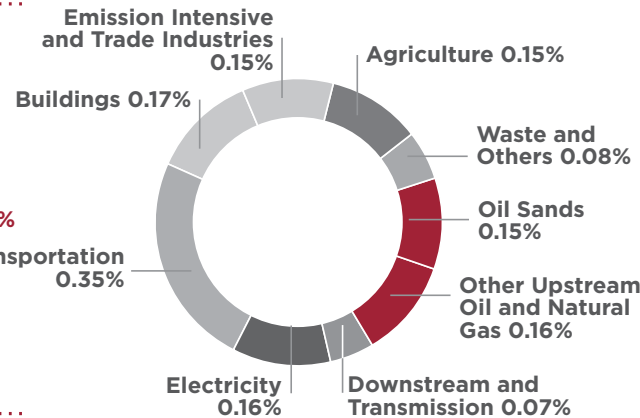
Canadian GHG Emissions in Global Context

Source: Environment and Climate Change Canada, 2018 & World Resources Institute, 2017

GLOBAL EMISSIONS - 2014



CANADIAN EMISSIONS - 2016 (Percentage of Global Emissions)



Our country's sustainable energy practices – which meet our current needs without compromising future generations' ability to meet their own needs – are among the most ambitious and aggressive in the world. Several provinces have already set their own prices on carbon, or created climate action plans, that support a nationwide carbon-price increase to \$50 per tonne by 2022.

In addition to Canada's strict regulations, the industry proactively reduces GHG emissions and encourages responsible resource development. However, increasing costs are chasing capital investment away to other jurisdictions and putting future development at risk, as well as potentially causing an increase to global carbon leakage.

Carbon leakage occurs when one country's emissions reductions policies lead to increased production in another country with less stringent regulations. The net effect is that carbon emissions do not decrease and at worst, rise due to less stringent regulations in other countries.

In order to achieve our climate commitments, the federal government needs to invest in innovation and clean technology, and create the right emissions-intensive, trade-exposed provisions necessary in a responsible climate plan.

We can help avoid carbon leakage in global oil and natural gas production and still meet Canada's environmental commitments, all the while growing our economy through the responsible development of our natural resources.

As our nation moves towards a more sustainable future, the U.S. administration has abandoned its international climate change commitments. It has aggressively streamlined regulations, re-adjusted tax rates, and relaxed the rules around emissions reductions and regulations related to carbon leakage.

The constantly-evolving nature of Canada's energy industry has led to significant advances in clean technology. Innovation such as hydraulic fracturing has made horizontal drilling in the conventional oil and natural gas sector possible. Producers are able to increase production while maintaining a small footprint on the landscape.

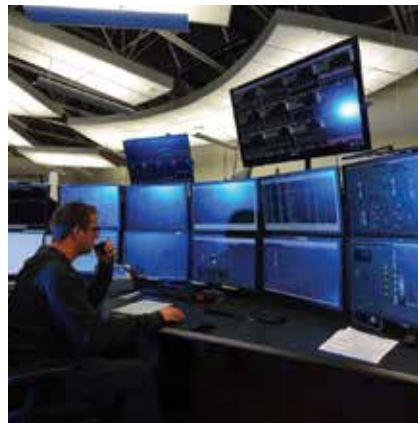
Encouraging clean technology growth and maintaining a competitive tax jurisdiction – all the while maintaining our high environmental standards and robust oversight – will help Canada's oil and natural gas industry transition towards creating a lower-carbon economy and energy future, and enhance our global competitiveness.

Canada is a global leader in sustainability practices – it has some of the world's most stringent regulations on carbon emissions.



INNOVATION

The history of Canada's energy sector is filled with stories of entrepreneurship and innovation. From the country's first commercial oil well in Ontario 160 years ago to major technological advances in industry such as hydraulic fracturing in natural gas and tight oil, our industry was built on a desire to evolve and succeed.



The energy industry is committed to being a global leader in environmental performance through innovation, and by sharing our advances in technology for use around the world. Responsible energy development, driven by technology, is critical – not only to the future of our sector but the future of the Canadian economy. By supporting and enabling the development and adoption of efficient technologies to reduce environmental impacts, we can continue to encourage investment, create jobs, diversify the economy and promote the growth of the oil and natural gas sector in an environmentally responsible manner.

It's become a desire of Canada's producers to improve our environmental performance by making innovation a priority, while reducing costs through clean technology and best practices.

Some of our most innovative technologies include horizontal drilling and hydraulic fracturing (fracking) used to unlock North America's vast shale resources, or carbon capture and storage (CCS). The country's first commercial-scale CCS project began operations in 2015. Since then, it has safely stored underground two million tonnes of carbon dioxide that was captured from large industrial emitters.

In the oil sands, commercial success is directly linked to innovation, dating back more than 50 years. The transition from bucket wheels to trucks and shovels in the 1990s substantially improved the capacity and cost effectiveness of oil sands mining operations.

Pad drilling has changed the way industry targets conventional shale oil production. Rig operators can drill multiple horizontal wells from a well pad – ultimately reducing drilling time and the overall footprint of an operation. This technology has been further optimized and applied to oil sands in situ operations to help reduce its environmental footprint, optimize resource recovery, and lower costs.

Industry advanced and accelerated these initiatives through collaboration. In 1993, the energy industry worked with government to create the National Oil Sands Task Force (NOSTF). Its goal was to support innovation through the creation of the right fiscal framework, encourage investment, and generate substantial benefits to Canadians. Although it has since been disbanded, NOSTF represents one of the best examples of successful collaboration between industry and government, and led the oil sands to becoming the world's third-largest source of global supply growth between 2005 and 2014.

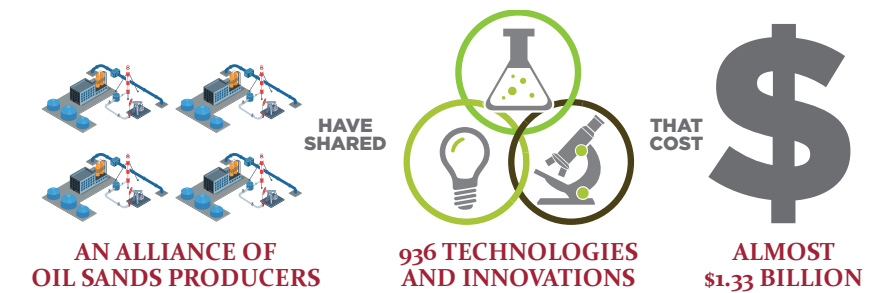


The energy industry is continuing with its commitment to collaboration by working with other groups such as Canada's Oil Sands Innovation Alliance (COSIA), Clean Resource Innovation Network (CRIN), Petroleum Technology Alliance Canada (PTAC), and the Petroleum Technology Research Centre (PTRC).

Since COSIA was launched in 2012, its oil sands members have invested almost \$1.33 billion to develop 936 distinct technologies aimed at improving tailings management and reducing the impacts on air, land and water. At present there are 185 projects underway demonstrating results, and new technologies are being adopted all the time.

Canada's Oil Sands Innovation Alliance (COSIA)

Source: COSIA, 2017



The oil and natural gas industry is driven by a desire to be better. Advances in sequestering carbon through CCS, injection of hydrocarbon to increase recovery rates and lower emissions intensity in the oil sands, and reducing methane emissions through early industry action are making significant strides to improve the way we do business.

Our country's energy sector is constantly striving to find solutions to accelerate environmental performance and improve standards, lower operation costs and help meet or exceed Canada's climate change commitments. We can be the future of energy development.

The energy industry is committed to being a global leader in environmental performance through innovation, and by sharing our advances in technology for use around the world.



MARKET ACCESS: INTERNATIONAL OIL AND NATURAL GAS MARKET DEVELOPMENTS AND OPPORTUNITIES

Canada's energy industry has an opportunity to supply the world with sustainably produced oil and natural gas, but before we can look beyond North America's borders we have to find a way to get our resources to the coast for global export. We can be internationally competitive but without access to emerging markets, such as China and India, it will be difficult to maintain our competitiveness in the long run.

However, there are solutions to our market access problems. To help supply those global economies in need of our resources the most, and to secure our own energy future, we must have additional transportation infrastructure.

Although Canada is the world's fifth-largest natural gas producer, and our resources are abundant, production has been declining since 2007. Markets for western Canadian natural gas are hampered by delays in the development of liquefied natural gas (LNG) export projects, and intense competition from increasing U.S. shale gas production for those same traditional markets.

In 2017, Malaysian-owned PETRONAS cancelled its Pacific NorthWest LNG project citing poor market conditions. It faced continued opposition by environmental non-government organizations (ENGOS) and some Indigenous communities in British Columbia. At \$36 billion, it would have been the largest private capital project in Canadian history, if it had proceeded.

At one time there were more than 20 LNG export projects proposed in B.C. To date, only one small-scale project – Woodfibre LNG – has come to fruition.

If our natural gas resources are to be developed to their full potential, we need to diversify our customer base and seek additional markets for our resources.

Access to markets creates a value-added opportunity. Global demand for ethylene, propylene, methanol and their other derivatives of natural gas is expected to grow. Plays such as the Montney and Duvernay formations in Western Canada are rich in ethane and propane, and are ripe for development.

However, as a result of advances in fracking technology, the U.S. has developed its shale resources at a faster rate, making it one of Canada's biggest competitors in the natural gas market. As such, several petrochemical projects have been announced in the U.S., each in various stages of development or operations. These projects are supported by financial incentives aimed at improving economics and attracting investment.

Setbacks exist for Canadian oil production, too. At present our four-million b/d oil pipeline network is operating at near maximum capacity and will continue to see increased constraints by 2030 when Canadian oil supply is expected to grow to 5.4 million b/d⁷.

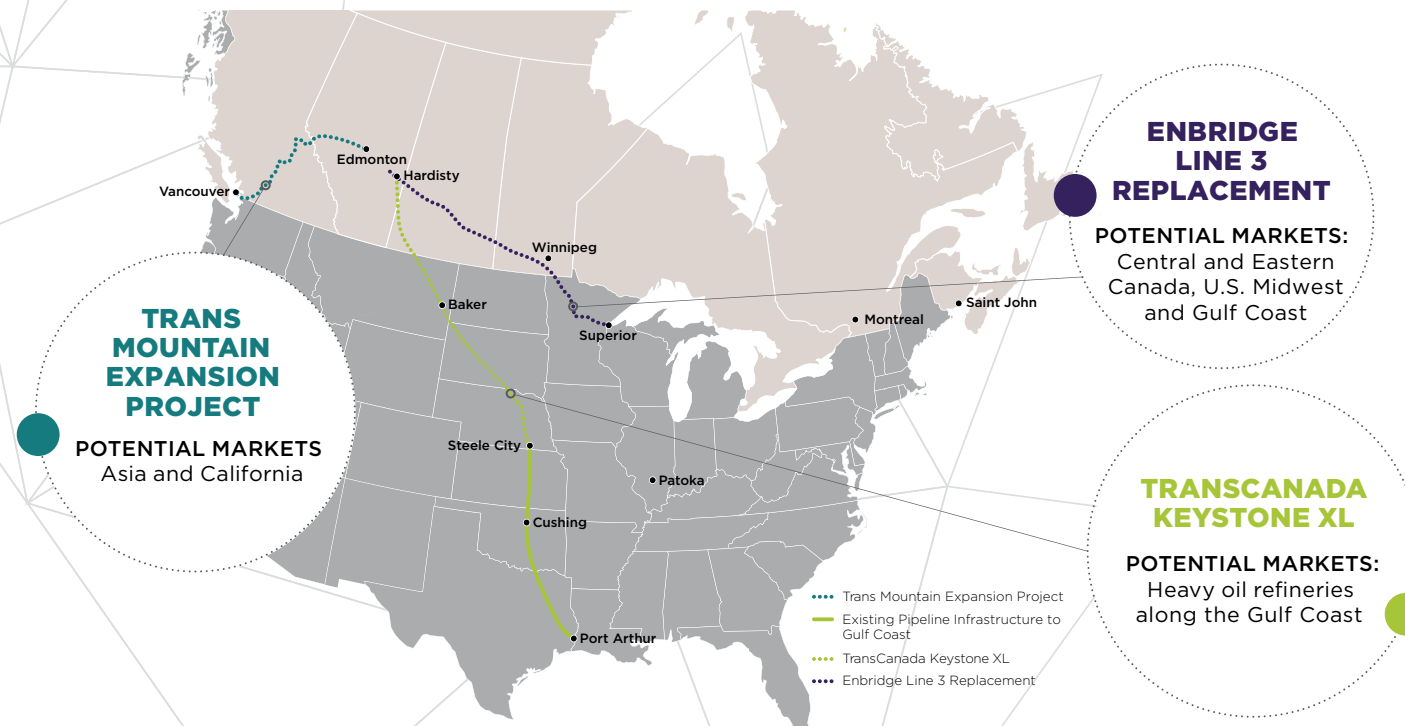
In recent years several new major pipeline projects have been proposed to deliver western Canadian oil south to U.S. markets, and to the country's East and West Coasts for domestic refining and global export on marine tankers. Regulatory uncertainty and a challenging investment climate within Canada have forced some projects to be delayed or cancelled.

Without access to new markets Canada's oil and natural gas industry will suffer.

Presently, three pipelines have received regulatory approval from the Canadian government, including Enbridge's Line 3 replacement, Kinder Morgan's Trans Mountain expansion pipeline, and TransCanada's Keystone XL. Despite approvals for all three projects – each granted after rigorous regulatory reviews – opposition from ENGOS or some communities continue to delay these projects from proceeding.

Pipeline Proposals in Canada and the United States

Source: CAPP, 2017



Two major projects have already been cancelled – TransCanada's \$15.7-billion Energy East and Enbridge's \$7.9-billion Northern Gateway pipelines.

Further adding to Canada's challenges is our country's inability to get a large-scale LNG project built in a timely fashion.

As we struggle to get pipelines built, Canada continues to import 600,000 b/d to Ontario, Quebec, and Atlantic Canada from the U.S., Africa, and the Middle East. Another 2.4 billion cubic feet per day (Bcf/d) of natural gas is imported into Eastern Canada.

Another challenge facing industry is the federal government's proposed Oil Tanker Moratorium Act, aimed at prohibiting tankers from accessing the north coast of B.C. In addition to limiting marine traffic, it would prevent the shipment of western Canadian condensate – a unique, light hydrocarbon with very different properties than heavy oil – from being shipped.

Rail remains the only other alternative to delivering oil across North America to regions either lacking pipeline access, or to address existing pipeline constraints. While it does provide a solution, the costs associated with shipping by rail are much higher.

Canada's largest energy-producing province, Alberta, could be cost competitive but faces major challenges when it comes to encouraging value-added investments, due to incentives offered by competing jurisdictions, such as the U.S.

Without access to new markets Canada's oil and natural gas industry will suffer. Right now, the difference between West Texas Intermediate and Western Canadian Select commodity pricing is significant – the greatest it's been in four years – and the differential continues to widen. Our abundant natural resources will remain stranded, which means our country's economy would struggle to grow, and the prosperity and quality of life of Canadians would be at stake.



BENEFITS OF OIL AND NATURAL GAS TO CANADA

A healthy oil and natural gas industry benefits all Canadians. It boosts our GDP and financially contributes to the costs associated with providing goods and services to communities across the country. There is an opportunity to significantly enhance those benefits and make the lives of Canadians better if our governments put competitive policies in place to help attract investment.

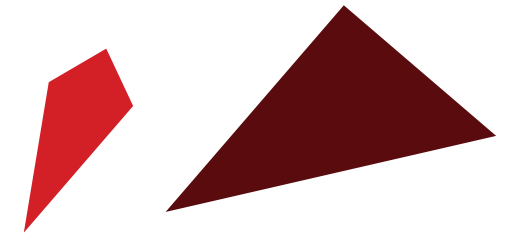
Many Canadians aren't aware how the country's energy sector affects our daily lives. Industry's contribution to government revenues help support social programs and encourage community engagement from one coast to another. A strong energy sector is necessary to ensure our nation's prosperity for the future.

Capital investment generates activity, which in turn spurs job and economic growth across the nation and for all levels of government. Investing more than \$40 billion annually, Canada's oil and natural gas industry is the largest private investor in the country – larger than the automotive industry in Ontario, aerospace in Quebec, and forestry in B.C.

All told, in 2015 about \$7.4 billion in payments were made to the federal government and \$11.4 billion in payments were made to provincial and municipal governments. Those taxes and other fees paid include federal and provincial corporate income tax, natural resources revenues, personal income tax, and municipal property and education property taxes.

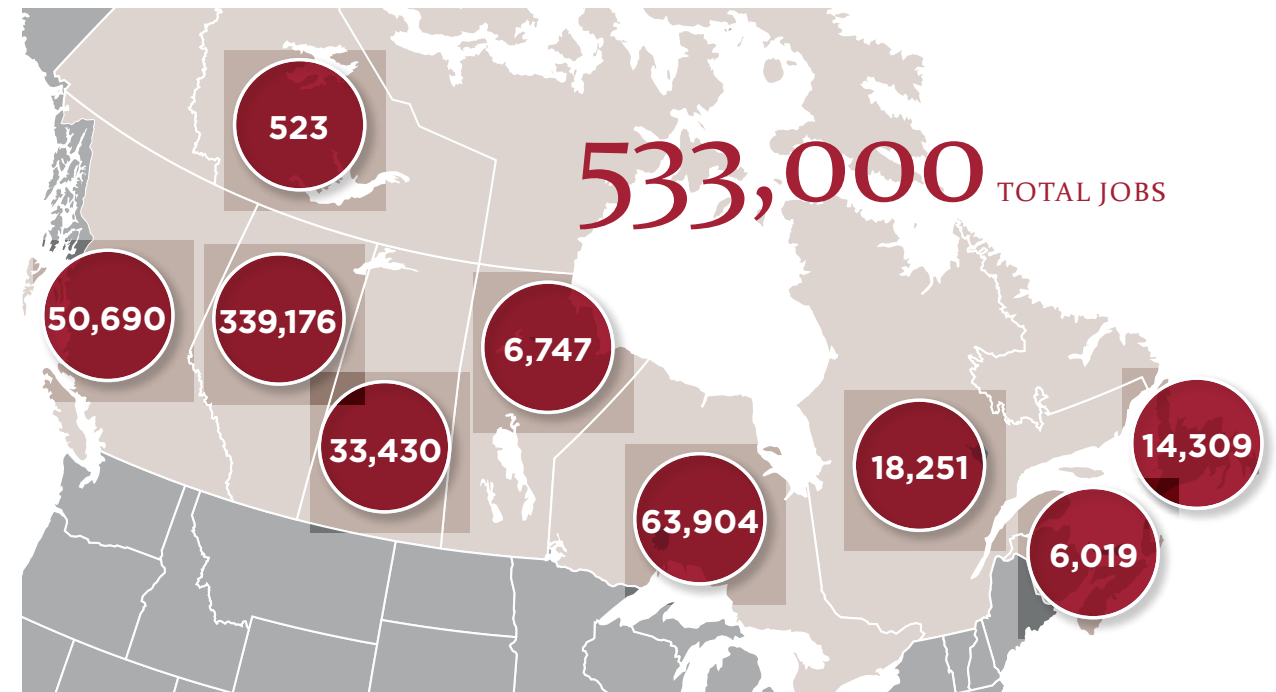
Investment results in economic activity. The strength of the oil and natural gas sector's contribution is evident in our total GDP, which measures the total amount of goods and services produced over a given period of time. In 2015, more than \$160 billion in GDP came from the energy industry in a direct, indirect, or induced form – equal to about eight per cent of Canada's total GDP⁸. In fact, the sector's contribution to the change in real GDP (which adjusts to remove the effects of changes in prices) between August 2012 and August 2017 placed Canada's oil and natural gas industry second only to our country's real estate industry⁹.

Not only do investments in energy spur economic growth and provide broad-based prosperity for Canada, it supported and created more than 640,000 direct and indirect jobs across the country in 2015¹⁰ and 533,000 jobs in 2017. The majority of jobs were in Alberta, but Ontario had the second-highest concentration of employment, demonstrating the oil and natural gas sector relies upon and supports other Canadian industries to complete and operate energy projects.



Number of Jobs Across Canada in 2017 (Direct and Indirect)

Source: Prism Economics and Statistics Canada, 2017



From a socio-economic perspective, strong growth in Canada's oil and natural gas industry has helped reduce wage inequality in some provinces. Individuals working in Alberta, Saskatchewan, and Newfoundland and Labrador saw faster wage growth connected to industry's economic growth, even

if they were not employed in the energy sector. As well, those people with high school education working in Saskatchewan and Alberta experienced faster wage growth than those workers with university degrees, resulting in a reduction to wage inequality¹¹.

Through effective consultation, co-operation, and more competitive policies, Canadians could continue to benefit from our nation's abundant natural resources for years to come, with the potential to see those benefits grow even higher.



A strong energy sector is necessary to ensure our nation's prosperity for the future.



INDIGENOUS COMMUNITIES AND CANADA'S OIL AND NATURAL GAS INDUSTRY

Canada's success as a nation depends on its broad view of the future, including the valuable and significant contribution of its Indigenous peoples comprised of First Nations, Métis, and Inuit. Engaging with Indigenous peoples has been a priority of the energy sector for decades and is important to our success in the future.

Today, we have an opportunity to transform that relationship through the work done by the Truth and Reconciliation Commission of Canada, and our country's commitment to implement the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Canada's oil and natural gas industry supports the principles outlined in UNDRIP and, in fact, has been working with the country's Indigenous peoples since before UNDRIP was issued. The energy sector was one of the first industries to endorse its implementation¹² in a manner consistent with the Constitution of Canada and the country's laws because UNDRIP reinforces our commitment to and practice of open, collaborative dialogue. We are enthusiastic for the opportunity to be a thoughtful and valued partner in future discussions.

The energy sector is committed to engaging and working with Indigenous peoples on important issues such as advancing our understanding of industry's role in reconciliation. Indigenous peoples' participation in and contribution to the Canadian economy are important aspects of reconciliation.

Responsible energy development can support Indigenous self-determination and prosperity in the same way it supports and benefits the rest of Canada. Our energy sector has a long history of contributing to the country's economy, and welcomes more opportunities to further engage with communities to create mutually-beneficial outcomes.

The oil and natural gas industry is one of the biggest economic drivers in Indigenous communities and represents one of the most significant economic opportunities for its people. Between 2013 and 2014, oil sands developments conducted \$4 billion in business with 327 Indigenous-owned companies. Following the economic downturn, in 2015 and 2016 about \$3.3 billion was invested in 396 Indigenous businesses in 66 communities.

Responsible energy development can support Indigenous self-determination and prosperity in the same way it supports and benefits the rest of Canada.

In 2011 about six per cent of Canada's oil and natural gas industry's labour force was made up of Indigenous peoples, compared to 3.4 per cent employment in all industries across Canada¹³.



The energy sector is committed to engaging and working with Indigenous peoples on important issues such as advancing our understanding of industry's role in reconciliation.





COMPETITIVENESS

Canada can realize significant economic benefits if governments support our oil and natural gas industry with competitive policies aimed at attracting investment and spurring innovation. The country has one of the most stringent regulatory systems in the world. To the benefit of all Canadians, we need that regulatory system to be streamlined and clarified, eliminate uncertainty, and enhance investor confidence.

Competition for capital investment in the global market is fierce and if Canada wants its industry to be a major player in the international game, a number of factors need to be considered.

While the U.S. remains Canada's biggest customer, it has also become our biggest competitor as it exports a significant amount of oil and natural gas to the same emerging markets Canada is seeking to serve. Increasing shale production in the U.S. has resulted in a decreased reliance on Canadian natural gas exports, and the more favourable regulatory system in the U.S. has reduced the amount of investment directed towards Canada's energy sector.

U.S. natural gas imports to Canada have increased since 2005, particularly from sources closer to markets in Central Canada, making it harder for western Canadian producers to compete. Canadian imports of U.S. oil have also increased to 301,000 b/d in 2016 from 67,000 b/d in 2012, highlighting our inability to get western Canadian oil across the country.

Canada's industry is challenged to rebound as quickly as commodity prices increase. Most analysts' predictions suggest the industry will continue to face a lower price range, higher volatility and uncertainty, and increased competition for markets.

While capital investments in oil and natural gas globally increased in 2017, investment in Canada was not as substantial. CAPP estimates total capital spending in 2017 was \$45 billion – a 44 per cent decline compared to \$81 billion in 2014. Meanwhile, capital spending in the U.S. rose about 38 per cent to \$120 billion in 2017.

Capital Investment in Canada's Oil and Natural Gas Industry

Source: Statistics Canada, 2017



While our industry is committed to strong environmental performance, our regulatory system is becoming increasingly inefficient. Policy and regulatory challenges at home are creating uncertainty and additional costs are negatively affecting our ability to attract capital and remain competitive.

There are up to 50 policy and regulatory initiatives currently being considered by provincial and federal governments that could undermine investor confidence.

The scope and pace of these changes are creating investment uncertainty, as well as unexpected and unnecessary costs, and delays for industry.

We operate in one of the world's most stringent regulatory environments¹⁴. It's important that we have a robust regulatory framework that meets environmental goals, but not one that creates additional costs, delays and inefficiencies. In contrast, the U.S. is aggressively streamlining and reducing the costs associated with its regulations, and eliminating unnecessary regulatory red tape.

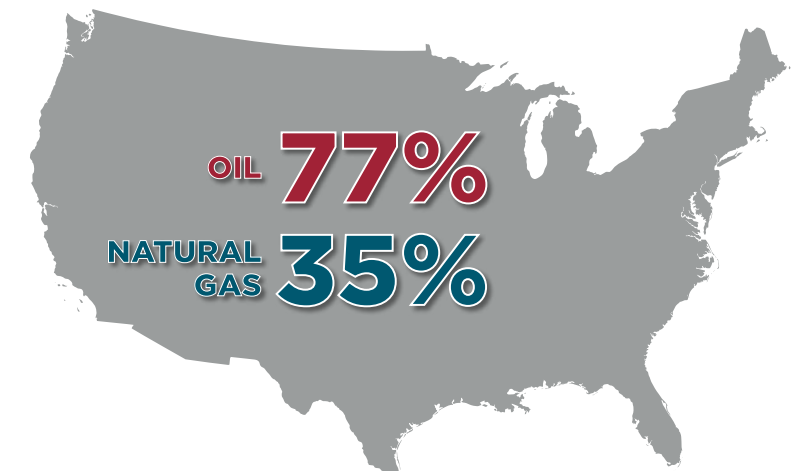
Competing with Our Biggest Customer (2008-2016)

Source: CAPP and U.S. Department of Energy, 2017

What took Canada 150 years to accomplish, took the U.S. 8 years.

BETWEEN 2008 AND 2016 THE U.S. HAS:

- Increased oil production 77%.
- Increased natural gas production 35%.



In order to ensure Canadian producers continue to attract investment we must balance our social and environmental goals with thoughtful policies that provide predictability and avoid unnecessary burdens.

A modernized and streamlined regulatory framework could provide stronger environmental performance, more meaningful consultation, and increased industry certainty – leading to improved competitiveness for Canada's oil and natural gas sector.

Our industry is not subsidized by the government. Taxable income is computed with common principles of business and accounting practice, and in general, there is no special tax treatment for the oil and natural gas industry¹⁵. All Canadian businesses deduct capital expenses consistent with global accounting principles. Capital deductions, under the Income Tax Act, help support exploration and recognize the unique business challenges of the energy sector, but are not subsidies.

In Canada, oil and natural gas companies are taxed at the same rate as other industries¹⁶ and, in fact, pay higher marginal effective tax rates than other sectors¹⁷. In addition to federal and provincial corporate income tax, personal income tax, provincial royalties, and sales tax, the energy sector pays other levies such as land fees, rentals and bonuses, and municipal property taxes. Payments to the federal government in 2015 totalled \$7.8 billion, and an additional \$10 billion was paid to multiple provincial and municipal governments.

Canadian oil and natural gas projects are at a disadvantage to those in the U.S. due to the comparative tax treatment of capital investment. This situation is getting worse as the new tax reform bill in the U.S., just signed into law – the biggest tax reform since the 1980s – is implemented. The bill has reduced the federal corporate tax rate to 21 per cent from 35 per cent and has provided a 100 per cent deduction for most capital spending until 2023.

The competition is fierce and Canada needs to ensure it doesn't fall behind.

It's important that we have a robust regulatory framework that meets environmental goals, but not one that creates additional costs, delays and inefficiencies.

CONCLUSION: PROVIDING THE WORLD WITH THE ENERGY OF TOMORROW

Canada's oil and natural gas industry could be one of the world's most sustainable energy suppliers at a time when environmental stewardship and responsible development are needed the most. Our industry will help grow Canada's economy and enhance opportunities for future generations. We can be the world's energy of tomorrow.

In order for our oil and natural gas to be a part of the world's future energy mix, it's important the challenges facing Canada's industry are addressed with urgency. Obstacles impeding our growth such as a lack of market access and competitiveness, additional regulatory burdens, inequitable Canadian tax policies, and decreasing investment in clean technology, need to be addressed before we miss this global opportunity.

Industry and government could, and should, ensure the responsible development of our resources continue to provide jobs and prosperity for Canadians while valuing sustainable practices and lower-carbon processes.

We want to create a Canadian energy strategy that reflects the values our country embraces – transparency, hard work, opportunity, economic strength, and environmental leadership.

CAPP wants to work collaboratively with government to develop a framework that effects real change. The industry can spur economic growth, create jobs, and generate broad-based prosperity.

Let's work together to create a global vision for Canadian oil and natural gas that all Canadians can be proud of.

Our industry will help grow Canada's economy and enhance opportunities for future generations. We can be the world's energy of tomorrow.



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