



Pipeline Safety

Expanding Oil and Gas Trade

Building on the largest global energy relationship

Canada has an enormous endowment of petroleum resources but only one significant export customer: 100 percent of our natural gas and 97 percent of our oil exports currently go to the United States (U.S.). This relationship has served both countries well, and will continue to do so in the future. However, Canada will need to find new markets, as Canadian and U.S. oil and gas production grows. To reach these markets, we will need additional pipeline capacity.

Importance of pursuing new markets

Global energy demand is expected to increase by 33 percent from 2011 to 2035,¹ and Canada has the natural resources to support that demand. But without infrastructure like pipelines to move our products to new domestic markets and to coastal ports to access world markets, Canadian oil and gas will be stranded. New pipelines to the west, south and east will help open new markets and ensure Canada is receiving the best price for its natural resources.

The current limits on pipeline capacity prevent Canadian oil from achieving its full value. Insufficient capacity and bottlenecks mean Canadian oil often sells for a lower price than if it had access to global markets. The result is producers, governments and all Canadians feel the effects due to reduced

Canada is a world leader in energy supply

Canada possesses one of the largest and most diverse energy supplies in the world. As of 2013, Canada is

- the world's fifth-largest producer of oil, with the third-largest proven reserves – nearly 173 billion barrels, of which 167 billion are from the oil sands
- the fifth-largest producer of natural gas, with marketable natural gas resources (recoverable) estimated at up to 1,566 trillion cubic feet – more than 300 years of domestic supply at current production rates
- the third-largest producer of hydroelectricity
- the second-largest producer of uranium

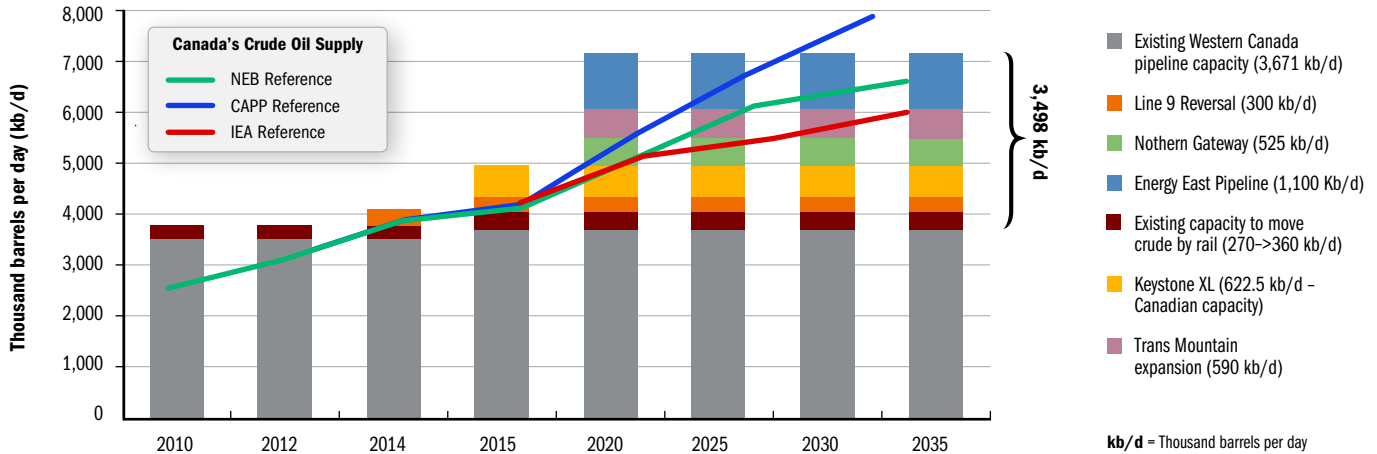
returns on investment, the loss of tax revenue and fewer jobs. In fact, discounted oil prices led to an estimated loss of \$13.3 billion in revenues to Canadian producers in 2012.²

On the other hand, a February 2014 report by the International Monetary Fund forecasts that Canada's gross domestic product would increase by 2 percent by 2020 if market access were improved by addressing energy transportation infrastructure issues.

¹ International Energy Agency, World Energy Outlook 2013, Table 2.1, page 58.

² Natural Resources Canada Fuel Focus, June 14, 2013.

Canada's Pipeline Capacity vs. Crude Oil Supply



Source: Natural Resources Canada

Domestic markets are equally important

Energy market diversification is about reaching new markets internationally and expanding markets at home. Delivering western Canadian crude to central and eastern Canada would allow Canadian refineries to process more Canadian oil instead of importing foreign oil. This would improve the refineries' economic and financial viability and increase markets for Canadian oil producers. Generating Canadian jobs and increasing Canada's energy security are equally as important to the country's future as accessing world markets.

Natural resource sectors play a key role in Canada's economy

Canada's natural resource sectors support 1.8 million jobs and account for almost 20 percent of its gross domestic product. They also contribute more than \$30 billion in tax revenues to governments, which helps pay for important social programs like health care and education. In 2013, natural resource companies comprised almost one-third of Canada's total capital investment and accounted for more than half of our merchandise exports.

Expanding safely and responsibly

Expanded market access and responsible resource development go hand in hand. No pipeline project will proceed unless it is safe for the environment and for Canadians. Through the Government of Canada's plan for *Responsible Resource Development*, Canada is strengthening its already robust safety system. This system rests on three pillars: incident prevention; preparedness and response; and liability and compensation. The Government of Canada is committed to continuously improving these measures to ensure Canada has a world-class pipeline safety system.

Seizing the opportunity

Canada has the opportunity to become a global energy leader. Through the responsible development of our energy resources, pursuing new markets and moving closer to energy security, Canadians can reap the full benefits of our vast natural resources.

Aussi disponible en français sous le titre : La sécurité des pipelines : Développement de nos marchés de pétrole et de gaz

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