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Canadian oil sands a boon to U.S. economy, big job creator: study

WASHINGTON – The economic impact of oil sands development in neighboring Canada is a boon for the U.S. economy and is expected to lead to the creation of more than 342,000 new U.S. jobs between 2011 and 2015, a new study by the Canadian Energy Research Institute (CERI) finds.

The study, entitled “Canada’s Oil Sands and Economic Impact on the USA,” said greater production of Canadian oil sands would stimulate economic activity in both countries. As oil sands production and investment in Canada rises, demand for U.S. goods and services increases significantly, adding an estimated \$34 billion to U.S. gross domestic product in 2015 and \$42.2 billion in 2025. Canada is the largest trading partner of the United States.

“Oil sands reserves play an increasingly important role in the economic development of Alberta, Canada and the United States,” CERI said in its study. “What is often not clearly understood is that the large investment in the oil sands industry contributes to increased economic activity in the rest of North America by stimulating demand for goods and services across a wide range of industries.”

“Clearly Canadian oil sands development is a win-win for both Canada and the United States,” said API President Jack Gerard. “Not only is greater oil sands production crucial for U.S. energy security, it also supports thousands of American jobs and is a major contributor to our nation’s economic growth.”

In the study commissioned by API, CERI based its assumptions on oil sands output rising from about 1.4 million barrels a day to around 4 million barrels a day in 2025. It estimated annual capital investment and operating costs needed to achieve this output – about \$25 billion in new investment and \$7 billion in operating costs in the peak year of 2015 – and then estimated the economic impact to Canadian and U.S. economies.

According to the study by CERI, a non-profit Canadian energy and environmental research institute, the benefits of oil sands development are broadly shared across many U.S. industry sectors and regions.

Canada is by far the biggest supplier of imported oil and natural gas to the United States. Companies are investing huge sums to expand U.S. refineries and build new infrastructure to transport the Canadian oil into the United States.

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