Ottawa (October 31, 2011) – A study released today by The Conference Board of Canada confirms the significant contribution that Canadian refiners make to the Canadian economy and highlights the challenges the industry is facing.

“While rising oil prices have encouraged energy companies to invest in oil exploration and production, the refining industry is facing local realities and global challenges,” said Peter Boag, President, Canadian Petroleum Products Institute. “Transportation fuels are a vital component of our energy system. Refiners and marketers reliably provide Canadians annually with 40 billion litres of gasoline and 25 billion litres of diesel fuel. These fuels are the backbone of our economy – moving people and goods across Canada.”

Petroleum refining is a significant contributor to the Canadian economy - $2.5-billion to GDP (2009). The industry is also a major contributor to Canada through regional jobs and significant infrastructure investments. The Conference Board studied the challenging landscape for fuel supply and demand in North America and notes that future economic benefits, job creation and profitability may be less assured. Slowing demand growth and potential new import sources of supply are creating new competitive pressures.

“Our findings suggest that even if the upstream (oil and gas exploration and production) segment of the industry continues its robust expansion in Canada, the economic benefits, job creation, and profits that we might expect in the future from oil refining and processing are less certain,” said Pedro Antunes, Director, National and Provincial Forecast, The Conference Board of Canada.

The study quantifies the potential impact of a loss of refining capacity on the Canadian economy, under the assumption that 10 per cent of refining capacity is permanently lost as a result of a declining market share. Findings suggest that for every $1 reduction in real refining GDP, total real GDP is reduced by $3. Over a five-year period, real GDP is reduced by a cumulative total of $4 billion while roughly 7,700 jobs are lost per year.

The full report is available on The Conference Board of Canada website - conferenceboard.ca and the Canadian Petroleum Products Institute website - cppi.ca.

CPPI is an association of major companies involved in the refining, distribution and marketing of transportation fuels and other petroleum products in Canada.

The refining, distribution and marketing of transportation fuels industry operates through an infrastructure with close to 100,000 employees. The industry’s infrastructure in Canada includes 19 refineries in 8 provinces, a complex network of 21 primary fuel distribution terminals, 50 regional terminals and 12,000 retail service stations.

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You are also invited to visit the organizations’ websites - cppi.ca or conferenceboard.ca – for more information.