

# Why Canada Needs New Pipeline Capacity To Tidewater



canadian energy pipeline association  
association canadienne de pipelines d'énergie

## 7 reasons Canada needs additional pipelines.

### WORLD ENERGY NEEDS

World energy demand will grow by about 33% between 2015 and 2040. While the use of renewable energies is expected to increase rapidly, so will oil usage to meet this growing energy demand.

### HIGH DEMAND IN ASIA

Asia's population and income growth is expected to rapidly increase its demand for oil over the next 20 years, particularly for vehicle transportation.

### DECLINE IN U.S. DEMAND

Market analysts predict that the U.S. demand for imported oil will decrease from 60% in 2005 to 7% by 2040 due to the maturity of the U.S. economy and its saturated vehicle market.

Less than 1% of Canada's oil is shipped to markets outside of North America.

### OUTLOOK FOR CANADIAN OIL

The Canadian Association of Petroleum Producers projects production growth of 600,000 barrels of oil per day from 2015 to 2020, which is the equivalent to the size of a major proposed pipeline project.

### COST TO TRANSPORT

Canada has a proximity advantage over the Middle East and Africa for exporting oil to Asia, making it cheaper for China to transport oil from Canada.

### GETTING PRODUCT TO THE RIGHT MARKETS

Our current pipeline system is primarily reaching the U.S. market, which is anticipated to shrink. New pipelines will enable Canada to reach new markets.

And while pipeline capacity is currently adequate, changing market conditions or maintenance needs could result in lost opportunities to transport oil products.

### ECONOMIC PROSPERITY

Oil production and exports make a huge contribution to Canada's economy. The oil and gas sector directly contributes 8% of our GDP and generates \$22 billion a year in taxes. In 2014, it accounted for 17.5% of all Canadian merchandise exports, generating \$92 billion in revenue.

By 2040, Canadian production is expected to be the 3rd highest in the world, after Iraq and Brazil.

Read the full report 'Why Canada Needs New Pipeline Capacity to Tidewater' on CEPA's website:  
<http://bit.ly/2aXDIRE>