



## 2026 CGAI Energy Analyst Summit: Is Canadian Energy Competitive Internationally? Remarks by Johanne Senecal Vice President, Canadian Association of Petroleum Producer

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# Are We Competitive? Yes...and...No

### Highlights:

- Canada's oil and natural gas production and our potential to grow, combined with the international respect our country has earned, make us perhaps the most secure and reliable supplier of energy in the world today.
- Canada stands out in a world where countries are increasingly using economic power, energy resources, and even military leverage to secure strategic advantage and influence global trade patterns.
- But amongst this global volatility, Canada also faces its own economic challenges. Productivity growth has stalled. GDP growth is sluggish. Investment has lagged our peers for more than a decade. And unless we act with urgency, Canada risks falling further behind at precisely the moment when global competition is intensifying.

### Check against delivery.

Good morning, everyone – and thank you for that introduction.

It's quite an honour to follow Minister Hodgson on stage here – and it will probably be a big challenge for me to match his presence – but I will do my best.

The question we're asking today is: Is Canadian oil and natural gas competitive?

To answer that, we need to first define competitiveness – because it can mean different things to different people.

For CAPP and our members, competitiveness is about cost, clarity, certainty, and speed. And all of these have to be put in a global context. It's not good enough to just improve on our own past performance – we have to outperform all the other countries that are competing for a limited supply of global investment dollars.

### Economic Strength Is Geopolitical Strength

First, I'd like to talk about that global context. The events of the past few weeks have brutally reinforced what has been said many times over the past year: we are living through an intense period of unpredictable global change.

What is most unsettling is not only the pace of this change but also the realization that what we have known is now lost, and we are living within a new global paradigm.

In the past few years we have witnessed the ongoing invasion of Ukraine, major conflict between Israel and Palestine, and global tariffs and trade wars initiated by the United States. In just the past few weeks we have seen regime change in Venezuela and significant pressure on Cuba, violence erupting in Mexico, and a new war in the Middle East – major global events that are rewriting the geopolitical order while permanently reshaping decades-old trading relationships.

I want to directly address the conflict in the Middle East and its lasting impact on the world. We have seen this play out in the past where supply disruptions result in a spike in commodity prices – but once the conflict is settled, the world returns to normal and oil flows once again.

But I believe this time is different. This is another dramatic shock to the geopolitical order that reinforces the fact there are few trusted, safe, and reliable suppliers of oil and natural gas in the world.

As Minister Hodgson said recently, “Canadian oil and natural gas is more important today than it was before the weekend.” I will take it one step further:

Canada's oil and natural gas production and our potential to grow, combined with the international respect our country has earned, make us **perhaps the most secure and reliable supplier of energy in the world today.**

In this context, Canada is competitive. Canada stands out in a world where countries are increasingly using economic power, energy resources, and even military leverage to secure strategic advantage and influence global trade patterns.

But amongst this global volatility, Canada also faces its own economic challenges.

Productivity growth has stalled. GDP growth is sluggish. Investment has lagged our peers for more than a decade.<sup>i</sup> And unless we act with urgency, Canada risks falling further behind at precisely the moment when global competition is intensifying.

When we look at the actions of the federal government and Prime Minister Carney over the past year:

- numerous trade deals negotiated,
- the launch of the Major Projects Office,
- the signing of the Alberta MOU, and
- a renewed focus on competitiveness...

...it is clear this government understands that if we want to protect our sovereignty, we must strengthen our economic foundation.

And that starts by making Canada the **best place in the world to invest**, because in today's environment and to become an energy superpower, being marginally competitive is not enough.

### Canada Has a Few Strategic Advantages

Despite global challenges, Canada has something many countries do not: a resource-rich, talent-heavy economy with the capacity to deliver rapid and meaningful economic returns.

No industry is better positioned to do this—right now—than oil and natural gas.

Our sector is the most productive in the country, generating extraordinary economic value per hour worked, nearly **seven times the average of all other industries.**<sup>ii</sup> That productivity matters. It means higher wages, stronger public finances, and greater resilience during economic downturns.

Large-scale energy projects are not short-term bets. They are nation-building investments with lifespans measured in decades.

Canada's emerging LNG industry is one of the most exciting opportunities in a generation. The first phase of LNG Canada, at an estimated capital cost of \$40 billion, represented the largest private investment in the history of our country – and has put Canada on the map as a global LNG provider. The two additional projects being considered by Canada's Major Projects Office, LNG Canada Phase 2 and the Ksi Lisims project, represent more than **\$60 billion of new investment** should they proceed.<sup>iii</sup>

These projects create tens of thousands of jobs, grow GDP across the country, and generate revenues for governments at every level—revenues that support healthcare, education, infrastructure, and defence.

Projects like the two I just mentioned, along with Cedar LNG, and Woodfibre LNG, which are under construction, put Canada on a credible track to become one of the **top five LNG exporters in the world.**<sup>iv</sup>

This matters because global demand for natural gas is increasingly becoming the backbone of the global energy system. It is displacing higher emitting fuels, supporting industrial growth, and—critically—powering the digital economy.

On the oil side, Canada's position is equally strong.

Pipeline optimization projects over the next two to five years could increase export capacity by nearly **800,000 barrels per day.**<sup>v</sup>

The Trans Mountain Expansion is already delivering results—adding an estimated **\$4 billion annually**<sup>vi</sup> to industry revenues, increasing GDP, and boosting government revenues.

This is the low-hanging fruit—near-term opportunities that allow Canada to diversify beyond the U.S. market, play a larger role in global energy security, and capture full value for our resources.

**Also working in our favour is the growing global demand for our energy products.**

Despite the current commodity volatility and uncertainty, the long-term fundamentals are clear.

Traditional drivers will continue to push up energy demand—population growth and the modernization of economies, particularly throughout the Global South.

In the Global North, the energy demand curve is changing rapidly and unexpectedly, driven by the push for more electrification and the development of data centres to enable the global implementation of artificial intelligence.

For example, the U.S. is projected to consume more energy in 2030 for processing data than what is consumed for manufacturing **all** energy-intensive goods combined, including aluminum, steel, cement, and chemicals.<sup>vii</sup>

Today, natural gas supplies roughly **40 percent of the incremental power demand** driven by AI and data centres in the US.<sup>viii</sup>

Canada is already the largest supplier of natural gas to the United States and with our growing LNG capacity, we can also responsibly supply markets in India and Asia that are actively seeking stable, democratic energy partners.

For oil, global demand is projected to continue growing for decades. According to the International Energy Agency, just maintaining the global supply will require approximately **\$540 billion in investment every year through 2050**.<sup>ix</sup>

And expected new oil demand is near-perfectly suited for Canadian oil.

Europe, Australia, and other regions are closing older, less profitable refineries. China and India are building new, larger, and more complex refining capacity, designed to efficiently process heavier oils.<sup>x</sup>

India is expected to account for about 2.5 million barrels per day of demand growth by 2035, while petrochemical feedstocks are forecasted to account for about two million barrels per day of demand growth by 2030 – most of that growth coming from China.<sup>xi</sup>

China's significant investment in petrochemical facilities is shifting the end use of oil. Rather than being converted into fuels and burned, heavy oils are in demand as feedstocks for plastics and fibers for use in manufactured goods and construction.

Canada has a geographic advantage with shorter shipping routes to both these growing oil markets, which are going to need exactly the type of oil Canada produces.

A question I often get is: Can Canada supply our own needs while growing our exports? The simple answer is most certainly, yes.

Canada is currently the fourth-largest global producer of crude oil and the fifth-largest producer of natural gas, yet we still sit on one of the largest untapped oil and natural gas reserves on the planet.<sup>xii</sup>

We have over 160 years' worth of marketable natural gas in the Western Canada Sedimentary Basin alone.<sup>xiii</sup>

And with oil reserves larger than either the U.S. or Russia, we produce less than half of the U.S. and about half of what Russia produces, annually.

Canada has all the ingredients to become the world's next energy superpower. We are ideally situated to access the largest and fastest growing oil and natural gas markets in the world, we have the world class resources to meet growing global demand, and we have the talent to develop them the Canadian way – with respect for the environment, in partnership with Indigenous communities, to the benefit of all Canadians.

### **Canada Must Become the Best Place in the World to Invest**

But here is the hard truth.

Canada needs to rebuild its reputation as a destination for oil and natural gas investment.

While we have a strong international reputation for democratic stability and trade reliability, a decade of regulatory uncertainty, shifting policy signals, and growing complexity has weakened investor confidence.

We are struggling when it comes to cost, clarity, certainty, and speed.

There are signs Canada is beginning to change. In late 2020, only 41 percent of Canadians viewed the oil and gas industry as important to the future of our country's economy. At the end of 2025, nearly 70 percent of Canadians now view this industry as important to our country's future.<sup>xiv</sup>

This dramatic shift in public opinion reflects a recognition that growth matters and an appreciation that oil and natural gas are and will remain an important part of that equation.

Policy tone has evolved as well. More constructive engagement between governments and industry, a renewed focus on competitiveness, the drive to diversify our trading partners, and the push to build nation-defining major projects demonstrate the awareness that Canada must act decisively if it hopes to keep pace with global competitors.

Around the world, investment capital is moving quickly to jurisdictions that offer clarity, certainty, and the ability to execute.

After years of uncertainty, investors need durable signals that Canada is serious about growth and competitiveness.

We cannot fall back to the patterns of the past decade with an ever-changing regulatory regime and distrust across jurisdictions.

For example, the new federal methane rules and the proposal to significantly alter industrial carbon taxes are initiatives that will impose billions of dollars in costs to the oil and gas and other resource-based industries.

Adding new costs, particularly when no oil and natural gas producing jurisdiction is doing the same, will make us uncompetitive at precisely the moment we need to be doing the opposite.

We cannot control global commodity markets. But we can control the cost, complexity, and timelines of doing business in this country.

That starts with regulatory clarity. Speed. Stability. And a clear understanding that competitiveness is not a luxury—it is a prerequisite for investment.

### **The Time to Build Is Now**

To conclude – is Canadian oil and gas competitive?

Yes....and no.

We are desired as a trading partner. We have world-class resource basins with hundreds of years' worth of supply. We are literally tied directly into the world's largest oil and natural gas consuming market on the planet –the U.S.

We also have a massive opportunity to diversify our customer base into some of the fastest growing energy markets in the world.

Importantly for the oil and natural gas industry, diversification means growth, not replacement. It's about growing our production, growing our exports, and growing our global customer base to grow the Canadian economy.

But right now, we can't get products to those markets. We must move faster to simplify our regulatory environment to give long-term investors greater certainty that they can get projects built in time to capitalize on market opportunities.

We need to become the best place in the world to invest in energy projects on the basis of cost, certainty, and speed.

We have the resources.  
We have the global demand for our products.

We have the talent.  
And we have a once in a generation opportunity to turn Canada's natural resource wealth into lasting economic and geopolitical strength.

**The time to build is now.**

Thank you.

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