

September 4, 2020

The Right Honourable Justin Trudeau, PC MP  
Prime Minister of Canada  
80 Wellington Street  
Ottawa, Ontario K1A 0A2  
Email: [pm@pm.gc.ca](mailto:pm@pm.gc.ca)

Dear Prime Minister:

Over the past six months our industry and the Government of Canada have worked together in the context of COVID-19 to preserve jobs and to ensure that essential services provided by our industry remained available to Canadians. Despite the important actions taken by the government to support Canadians and many Canadian businesses during this crisis, Canada currently faces challenges as it begins to focus on recovery, and this is especially true for the oil and natural gas industry.

As you and your team turn your attention to the reopening of the economy and preparation for a Speech from the Throne, please consider the themes below for consideration and inclusion. It is important that the Throne Speech include these themes because their inclusion *will provide an important signal to international investors* that Canada is a good place to invest. The proposed September Throne Speech provides a perfectly timed opportunity for the government to send that message.

*Building on Canada's Strength in Natural Resources*

Prior to COVID-19, Canada's upstream oil and natural gas industry had been the largest attractor of capital investment and foreign direct investment into Canada. The investment we attracted from around the world drove activity and jobs in producer provinces such as British Columbia, Alberta, Saskatchewan and Newfoundland and Labrador.

Those investments further translated into over half-a-million direct and indirect jobs in every province, including 63,000 direct and indirect jobs in Ontario, as well as a multi-billion-dollar supply chain, procuring manufactured goods and services, from thousands of businesses across Canada. This includes over \$1.8 billion in procurement annually from Indigenous owned businesses. On average, between 2016 and 2018, Canada's oil and gas sector contributed \$8 billion a year in revenue to different levels of government via taxes and royalties. In 2019, Canada's upstream oil and gas sector contributed approximately 6% of Canada's GDP.

The civil lockdowns to slow the COVID-19 pandemic caused a collapse in energy demand and forced our companies to shut in significant amounts of production and cut capital spending programs by over \$8.6 billion. Over 19,000 jobs were lost and a further 15,000 jobs may be lost before the end of 2021.

With public restrictions easing demand is returning and opportunities exist to catalyze the significant economic and innovation engine that exists in the upstream oil and natural gas industry as part of Canada's recovery. Creating the right oil and gas policy environment would result in annual incremental impact of \$20 billion a year in investments, 120,000 additional permanent jobs, \$45 billion increase in GDP, and \$7.5 billion per year increase in government revenue through 2030.<sup>1</sup> Leveraging the strength of Canada's resources, including oil and gas, therefore, will be critical components of Canada's post-COVID recovery and innovation economy.

It is essential the strengths and potential benefits of gas and oil investment are highlighted in the Speech from the Throne, as this will represent a crucial signal to Canadian and international investors.

CAPP and its members look forward to working with the Government of Canada in carving a path forward that leverages Canada's environmental expertise and global leadership in natural resource development. Canada's upstream oil and natural gas industry sees a vital role for lower emission Canadian oil and natural gas in meeting global energy needs and in supporting Canada's post-COVID economic recovery. Please do not hesitate to contact me ([tim.mcmillan@capp.ca](mailto:tim.mcmillan@capp.ca)) or our Vice-President of Government Relations, Shannon Joseph ([shannon.joseph@capp.ca](mailto:shannon.joseph@capp.ca)), if you would like to discuss our recommendations further.

Sincerely,



Tim McMillan  
President & CEO

Cc:  
Hon. Erin O'Toole, P.C., M.P. Leader of the Official Opposition  
Yves-François Blanchet, M.P. Leader of the Bloc Québécois  
Jagmeet Singh, M.P. Leader of the New Democratic Party

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<sup>1</sup> Joint working Group Industry Submission. 2018. [https://www.capp.ca/wp-content/uploads/2020/02/Proposed Actions to Address the Competitiveness of Canada's Upstream Oil and Natural Gas Sector\\_JWG Report\\_357104.pdf](https://www.capp.ca/wp-content/uploads/2020/02/Proposed%20Actions%20to%20Address%20the%20Competitiveness%20of%20Canada's%20Upstream%20Oil%20and%20Natural%20Gas%20Sector%20JWG%20Report%20357104.pdf)