



Maximizing Canadian oil production and exports over the medium-term could help reduce CO2 emissions over the long-term

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Context

- Addressing climate change is often seen as a zero-sum policy issue
- The choice is stark, the environment or oil and gas production
- The two paths are incompatible, either one or the other
- But there is a third option that is verifiable and allows both to co-exist
- The example is Norway's approach to climate change and energy
- Resources from oil and gas production fund its climate agenda
- Its sovereign wealth fund now totals more than \$1.3 trillion USD
- Oil and gas export revenues pour into a domestic green initiatives
- Some believe that Canada should adopt a similar strategy

Considerations

- Oil and gas exports are critical to the health of the Canadian economy
- During the last 14 years, oil and gas averaged 4.7 per cent of GDP
- Oil and gas export revenues more than cover the cost of Canadian imports
- Value of the Canadian dollar is tied directly to value of oil and gas exports
- Canadian climate policy seeks to reduce oil and gas production
- World demand for oil and gas has not yet peaked
- US Energy Information Office forecasts by 2050 oil largest energy source
- Canada has the world's fourth largest proven oil reserves

Questions

- If world oil demand is strong for decades, what role should Canada play?
- Should Canada reduce oil production, allowing other nations to fill gap?
- How does Canada's environmental standards compare to other producers?
- How does Canada's human rights record compare to other oil nations?
- Should Canada seek to be the supplier of choice in the global market?
- What are the economic consequences of rapidly reducing oil production?
- Does the Norway model make sense for Canada?
- If not, why not? If yes, why yes?