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Alberta Oilsands: A Driving Force Behind Canada's Economy For Next 25 To 35 Years, Report Says

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Canadians need to get with the program and realize how [vital Alberta's oilsands are to the economy](#), says a new report.

Deloitte Canada's report, [Gaining Ground in the Sands 2013](#), says the oilsands are crucial to Canada's prosperity and will drive the country's economy for the next 25 to 30 years.

The report also calls for more national collaboration, more pipelines and dialogue that avoids "[a climate of antagonism](#)."

"[Proponents of development argue in favor of the economic benefits](#) while opponents argue those benefits aren't worth the environmental risk," said the report. "From our perspective, [growth of oilsands is key to continued growth in Canadian prosperity](#)."

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 *Oilsands Investment Benefits*

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Handout



The toll of the oilsands has been in the spotlight this week, after two reports were released with findings that do not bode well for the impact of oilsands projects on the environment.

In one report, federal researchers found evidence that [contaminants from Alberta's oilsands are traveling more than 100 kilometres](#) and settling on the bottom of remote lakes, potentially creating a toxic environment for lake inhabitants. The other study found that Canadian oilsands product refined in the United States [emit nine per cent more carbon on average than other forms of refined fuel](#); a three per cent increase over previous findings.

Co-author of the Deloitte report, Marc Joiner, told the Edmonton Journal that [there's a common misconception amongst Canadians that the oil industry ignores the environmental impacts](#) of their work. Rather, he said, it's the absence of education and facts that leads many to harbour anti-oilsands views based on second hand knowledge.

"Our report never suggested this process of increasing literacy on energy would be easy and there is no silver bullet. But it has to happen," Joiner told the Journal. "[We have to find a way to engage the dissidents](#), because with facts, opinions can be changed or at least moderated."

The report highlights the benefits of expansion of the Canadian oilsands to include 905,000 new jobs by 2035, \$2.1 trillion in economic activity and \$5 billion annually in spending and supplies to provinces outside of Alberta.

However, there are some suggesting that Alberta could be in trouble if it continues to approve oilsands projects. The International Energy Agency (IEA) analyzed demand for future oilsands projects under several scenarios and in each scenario they found [global demand for oilsands in 2035 is well below what has currently been approved.](#)

And while the IEA recognizes "production from Canadian oilsands is set to continue to grow over the projection period, making an important contribution to the world's energy security," they conclude that [most of the future demand for Alberta oil can be accomplished by current projects.](#)

Massachusetts Institute of Technology backs up the IEA's findings with their own study, Canada's Bitumen Industry Under CO2 Constraints, finding that [Alberta's oilsands will struggle](#) as more countries, developed and developing, begin to closer examine their climate policies.

"The Canadian oil sands industry appears highly vulnerable to climate policy. This vulnerability stems from the fact that CO2 emissions from the production of bitumen and upgrading are substantial and demand for petroleum products would be reduced with climate policy...When there is substantial participation of developing countries in a climate policy there appears to be little role for Canadian oilsands at least through the 2050 time horizon of our analysis. The main reason for this being that the demand for petroleum falls, and oilsands, with or without CCS, are not competitive with conventional petroleum."

Regardless of how future demand for Alberta oilsands is perceived, however, Deloitte's report suggests that a lack of pipeline capacity at the moment is causing Canadian producers and governments to lose more than \$27 million in revenue every day and says that the [U.S. approval to build the Keystone XL pipeline is essential to improve revenues.](#)

"Canadians must understand that the oil sands are an indispensable economic asset that should be bringing the country together, not driving it apart," Geoff Hill, who heads Deloitte's national oil and gas practice, said in a statement.

"And more than anything, that's going to take a bit of compromise among the provinces as well as other competing interests to ensure we all reap the rewards."