



Link to publication:  
News Release 19-xx

---

## **CANADA'S PROPANE INDUSTRY HELPING TO FUEL THE COUNTRY'S ECONOMY**

Ottawa, December 07, 2018 — From extraction to end-use, Canada's propane industry supports a significant level of economic activity. A new Conference Board of Canada report finds that propane production is expected to increase by more than 20 per cent over the next 7 years, and so will the industry's economic footprint.

The report, *Fuelled Up: An Updated Overview and Outlook of Canada's Propane Market and Industry*, estimates that the propane industry accounted for \$3.5 billion in economic activity in 2016. Between 2017 and 2025, this figure is expected to increase to an average of \$4.4 billion per year. The industry's activities are also estimated to support close to 21,000 jobs annually across the country, and to generate roughly \$1 billion per year in government revenues in this timeframe.

### **Highlights**

- Canada's propane industry will support close to \$4.4 billion in value-added GDP with supplies set to increase by more than 20 per cent between 2017 and 2025.
- Fuel-switching opportunities have the potential to boost domestic propane demand and sales significantly, while helping to reduce Canada's greenhouse gas emissions.

Canadian propane production is expected to increase from just over 220 thousand barrels per day (kb/d) in 2016, to more than 270 kb/d by 2025. The increase will mainly be driven by steady gas production levels, increasing natural gas liquids availability, and ongoing investments in midstream infrastructure.

Meanwhile, domestic demand for propane will also see some significant upside. Wide availability of propane, competitive prices, and government incentives, should provide a boost to propane use in Alberta's petrochemical sector. Demand for propane in Canada could increase by more than 50 per cent by 2025.

Opportunities also exist for Canada's propane industry to play a greater role in the country's transition to a clean-energy economy, helping reduce greenhouse gas emissions. Increasing energy demand, innovations in technology, and environmental issues related to air quality and GHG emissions suggest that propane can offer fuel-switching options in market sectors like automotive fleets and power generation (among others).

Although Canada's domestic propane market outlook is mostly favourable, the industry faces stiff competition from other fuels in some sectors, and challenges in finding markets for its exports. "Historically, the U.S. has been the primary market for Canadian propane exports, but U.S. domestic competition and increasing transportation costs for Canadian product will continue to challenge Canadian propane in U.S. markets over the coming years", explained Carlos A. Murillo, Senior Research Associate, The Conference Board of Canada. "The Canadian propane industry will need to continue diversifying its exports towards overseas markets. A story that increasingly resonates with all our energy commodities, but one where propane is clearly taking the lead."

This report was prepared with financial support from The Canadian Propane Association (CPA). A summary report is publicly available from the Conference Board's website. An extended version of the report is available to CPA's members.

A French version of the summary report will be released by The Conference Board of Canada in the coming weeks.

[Follow The Conference Board of Canada on Twitter.](#)

A copy of the report is provided for reporting purposes only. Please do not redistribute it or post it online in any form.

**FOR MORE INFORMATION**

Yvonne Squires, Media Relations  
The Conference Board of Canada  
Tel.: 613- 526-3090 ext. 221  
E-mail: [corpcomm@conferenceboard.ca](mailto:corpcomm@conferenceboard.ca)

or

Juline Ranger, Director of Communications  
The Conference Board of Canada  
Tel.: 613- 526-3090 ext. 431  
E-mail: [corpcomm@conferenceboard.ca](mailto:corpcomm@conferenceboard.ca)

If you would like to be removed from our distribution list, please e-mail [corpcomm@conferenceboard.ca](mailto:corpcomm@conferenceboard.ca).