

2022 Energy Sector Review

The energy sector is a major economic contributor, generating employment across communities in New Brunswick. In 2022, the sector comprised 56 primary and secondary businesses, generating 3,805 full-year equivalent jobs. A significant proportion of output produced by the energy sector is generated by processing activities. Part of this output is consumed locally, and the rest is shipped out of the country. New Brunswick has the largest oil refinery in Canada. Additionally, in 2022, New Brunswick was the leading exporter of energy products in Atlantic Canada, with sales totaling \$12.3 billion. Energy products represented 65 per cent of the province's total export value in 2022. The main export destination for New Brunswick's energy products is the United States, accounting for 99 per cent of exports. Together, oil and gas account for 98 per cent of export share.

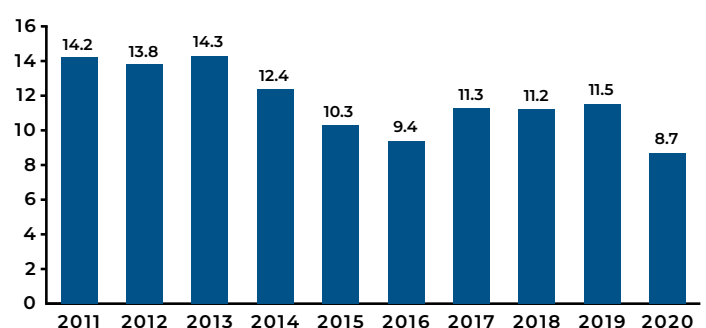
2022 HIGHLIGHTS

- Annual output produced by the energy sector has fluctuated over the years, largely due to changes in petroleum product manufacturing in response to world oil prices. Due to a reporting lag, data on the value of energy output are only available up to 2020. Compared to 2019, total output fell by \$2.7 billion (24 per cent) to \$8.7 billion in 2020, as the COVID-19 pandemic led to reduced global demand for energy products and volatile prices. Furthermore, increased oil supply from Russia and Saudi Arabia drove the prices down further.
- The province's electrical energy industry produced 11,926 Gigawatt-hours (GWh) of electricity in 2022, up marginally by one per cent (163 GWh) from 2021. Electricity generated by hydraulic energy, coal and coke, and liquid petroleum rose by 802 GWh (30 per cent), 694 GWh (35 per cent), and 450 GWh (119 per cent), respectively. On the other hand, electricity generated by nuclear energy, natural gas, and wind fell by 879 GWh (20 per cent), 759 GWh (48 per cent), and 146 GWh (19 per cent), respectively.
- New Brunswick's marketable natural gas production decreased marginally by one per cent, from 46.1 million cubic metres in 2021 to 45.5 million cubic metres in 2022.
- Production volumes of New Brunswick's refined petroleum products are suppressed by Statistics Canada due to confidentiality requirements.
- New Brunswick exported a record-high \$12.3 billion worth of energy products in 2022, up 43 per cent (\$3.7 billion) compared to the year prior. Increases were noted in sales of refined petroleum products and electrical energy, while sales of natural gas and liquefied petroleum gases fell.
- The export value of refined petroleum products increased by \$3.6 billion (45 per cent) to an all-time high \$11.6 billion in 2022. Sales to the United States increased the most, by \$3.7 billion (47 per cent), followed by exports to the United Kingdom, by \$58.0 million (from \$0 in 2021), and Belgium, by \$29.6 million (from \$0).
- The province's electrical energy exports grew by 59 per cent (\$97.8 million) to total \$263.6 million in 2022, with 100 per cent of exports going to Maine, United States. This growth resulted from higher market prices and export volume.
- Exports of liquefied petroleum gases totaled \$201.6 million in 2022, down \$14.8 million (seven per cent) from 2021. This was due to a decline in export volume of liquefied propylene, outweighing an increase in average market price. All exports of the province's liquefied petroleum gases went to the United States.
- Natural gas exports were valued at \$166.5 million in 2022, about 13 per cent (\$25.1 million) lower than the year prior. This resulted from a decrease in export volume, outweighing a rise in average market price. All New Brunswick natural gas exports were destined for Massachusetts, United States.
- The United States continued to be the top destination market for the province's energy products, up 44 per cent (\$3.7 billion) from 2021 to total \$12.1 billion in 2022.
- Other key markets for New Brunswick's energy products in 2022 were the United Kingdom, the Netherlands, and Belgium valued at \$58.0 million, \$31.3 million, and \$29.6 million, respectively.
- Note that the exports reported above are international and do not include interprovincial sales. For instance, a significant proportion of New Brunswick electrical output is sold to other Canadian provinces.

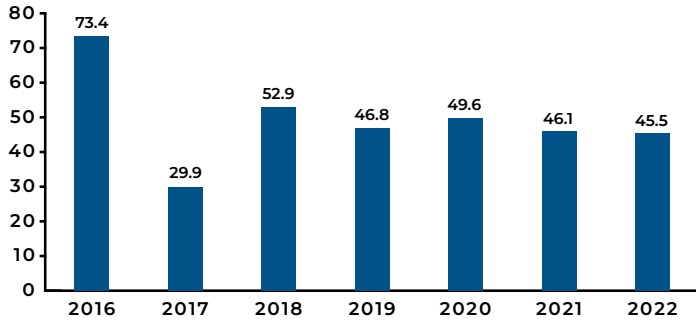
| INDUSTRY AT A GLANCE | |
|---------------------------------------|----------------|
| Number of primary energy businesses | 4 |
| Number of secondary energy businesses | 52 |
| Total energy output (2020) | \$8.7 billion |
| Value of exports | \$12.3 billion |
| GDP - direct (chained 2017 dollars) | \$1.8 billion |
| Employment-Primary ¹ | 90 |
| Employment-Secondary ² | 3,715 |

^{1,2} Full-year equivalent jobs.

TOTAL ENERGY OUTPUT (\$ BILLION)



**MARKETABLE NATURAL GAS PRODUCTION
(MILLION CUBIC METRES)**



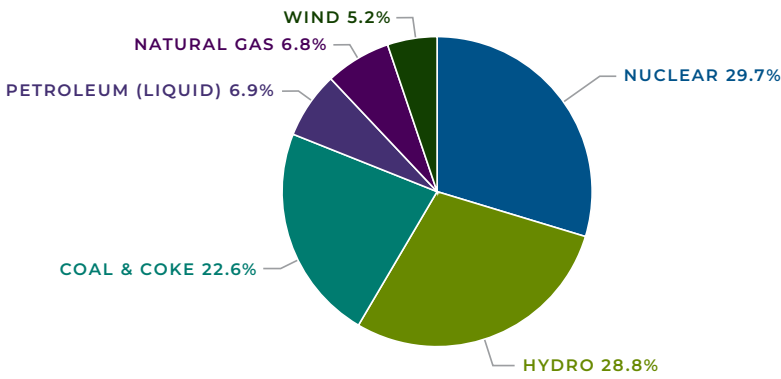
ELECTRICITY GENERATION BY TYPE

| TYPE | PRODUCTION (GIGAWATT-HOURS) | |
|--------------------|-----------------------------|---------------|
| | 2021 | 2022 |
| Nuclear | 4,419 | 3,540 |
| Hydro | 2,632 | 3,434 |
| Coal & coke | 1,997 | 2,691 |
| Petroleum (liquid) | 377 | 828 |
| Natural gas | 1,576 | 817 |
| Wind | 764 | 617 |
| Total | 11,763 | 11,926 |

Sources: Statistics Canada, Table 25-10-0020-01 and Table 25-10-0084-01.

The table above includes electricity generated by organizations that, as their prime purpose, generate, transmit and/or distribute electric energy for sale. They can be private or public (provincial or municipal).

ELECTRICITY GENERATION BY TYPE (11,926 GWH)



EXPORTS BY COUNTRY

| COUNTRY | VALUE (\$ MILLION) | |
|-----------------------------------|--------------------|-----------------|
| | 2021 | 2022 |
| United States | 8,430.0 | 12,142.4 |
| United Kingdom | 0.0 | 58.0 |
| Netherlands | 26.5 | 31.3 |
| Belgium | 0.0 | 29.6 |
| Bonaire, Sint Eustatius, and Saba | 67.0 | 16.6 |
| Other | 67.0 | 1.5 |
| Total | 8,590.5 | 12,279.4 |

Source: Trade Data Online (January 2024).

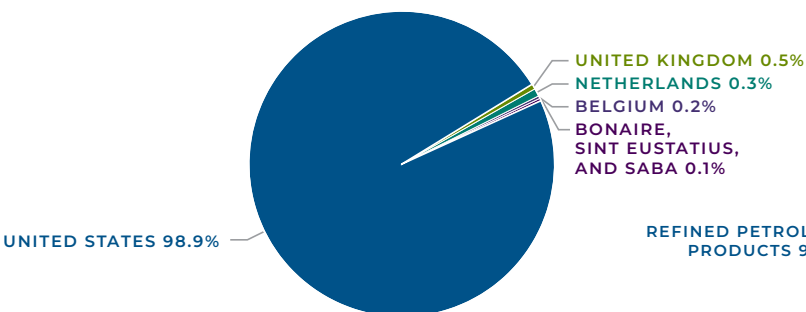
EXPORTS BY PRODUCT

| PRODUCT | VALUE (\$ MILLION) | |
|----------------------------|--------------------|-----------------|
| | 2021 | 2022 |
| Refined petroleum products | 8,016.9 | 11,647.8 |
| Electrical energy | 165.7 | 263.6 |
| Liquefied petroleum gases | 216.3 | 201.6 |
| Natural gas | 191.6 | 166.5 |
| Other | 0.0 | 0.0 |
| Total | 8,590.5 | 12,279.4 |

Source: Global Trade Tracker (January 2024).

Due to rounding, numbers in the tables in this report may not add up precisely to the totals provided.

EXPORTS BY COUNTRY (\$12.3 BILLION)



EXPORTS BY PRODUCT (\$12.3 BILLION)

