

2017 Energy Sector Review



The energy sector is a major economic contributor, generating employment across communities in New Brunswick. In 2017, the sector comprised 65 primary and processing businesses, generating approximately 7,100 full-time 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 shipped out of the country. New Brunswick has the largest oil refinery in Canada. Additionally, New Brunswick is the leading exporter of energy products in Atlantic Canada and the second largest exporter in the country behind Alberta, with sales estimated at \$7.8 billion in 2017. The main export destination for New Brunswick's energy products is the United States, accounting for 98 per cent of exports. Together, oil and gas account for 99 per cent of export share.

Industry at a Glance

Number of primary energy businesses	18
Number of energy processing businesses	47
Total energy output (2015)	\$10.3 billion
Value of processed energy product shipments	x
Value of exports	\$7.8 billion
GDP (direct)	\$1.9 billion
Employment-Primary (FTEs)*	1,900
Employment-Processing (FTEs)*	5,200

x Data are suppressed

* Estimate

Exports by Country

Country	Value (\$ Million)	
	2016	2017
United States	5,841.9	7,707.4
Italy	0.0	39.5
France	0.0	22.5
Netherlands	0.0	22.0
Germany	0.0	21.9
Spain	0.0	11.9
Other	6.7	1.3
Total	5,848.6	7,826.6

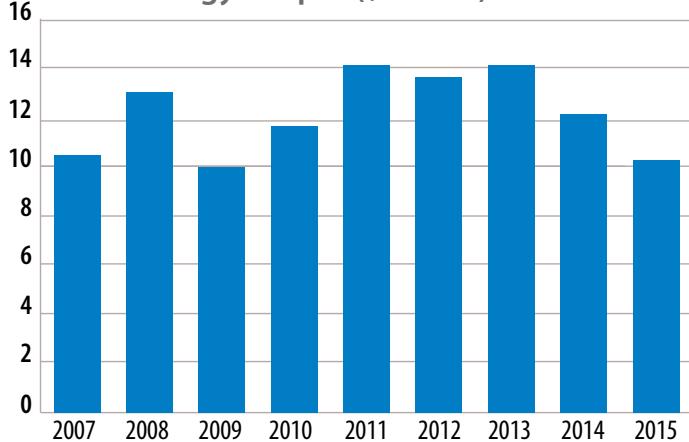
Source: Trade Data Online (January 2019)

Exports by Product

Product	Value (\$ Million)	
	2016	2017
Refined petroleum products	5,468.3	7,373.4
Liquefied petroleum gases	121.9	205.4
Natural gas	141.1	146.0
Electrical energy	116.6	92.8
Other	0.6	9.0
Total	5,848.6	7,826.6

Source: Global Trade Tracker (January 2019)

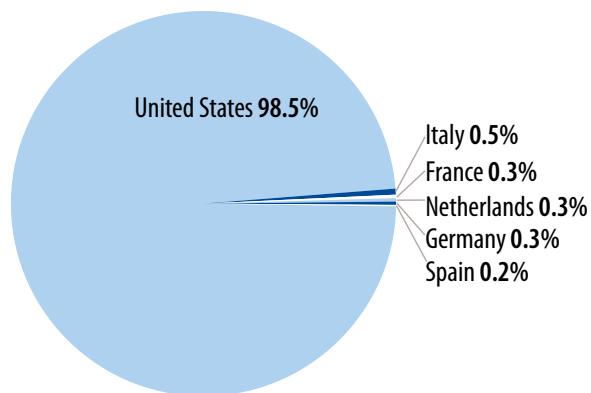
Total Energy Output (\$ Billion)



2017 Highlights

- Annual output produced by the energy sector has fluctuated considerably over the years, largely due to changes in petroleum product manufacturing in response to world oil prices. Due to a three-year lag in reporting, data on energy output are only available up to 2015. Particularly, output levels fell 17 per cent between 2014 and 2015 due to a significant drop in oil prices.
- New Brunswick energy product exports increased significantly by about one-third (\$2 billion) to \$7.8 billion in 2017. This largely resulted from higher sales of refined petroleum products to the United States.
- Exports of refined petroleum products rose significantly by \$1.9 billion (35 per cent) to total \$7.4 billion in 2017, due to notable increases in average market price and export volume. This reflects better market conditions.
- Sales of liquefied petroleum gases totaled \$205 million in 2017, about two-thirds or \$84 million higher than in 2016. This increase resulted from higher market price and export volume, indicating improved market conditions.
- Natural gas exports were up \$4.9 million (three per cent) to \$146 million in 2017, due to an 11-per-cent increase in market price outweighing a seven-per-cent decline in export volume. Note that sales were particularly high in December 2017, about triple the sales seen in December 2016, as the United States endured an extreme cold wave with record low temperatures.
- Electrical energy exports amounted to \$93 million in 2017, down \$24 million (20 per cent) compared to the previous year. This decline in sales resulted from a 30-per-cent drop in export volume outweighing a 13-per-cent rise in price.
- The United States continued to be New Brunswick's most important trading partner for energy products, up 32 per cent (\$1.9 billion) to \$7.7 billion in 2017. Additionally, new export markets included Italy and Spain, valued at \$40 million and \$12 million, respectively.
- Note that the exports reported above are international and do not include interprovincial exports. For instance, a significant proportion of New Brunswick electrical output is exported to other Canadian provinces.

Exports by Country (\$7.8 Billion)



Exports by Product (\$7.8 Billion)

