A close up look at the Canadian oil and gas sector shows an industry that has stalled in recent years but has great potential to expand and progress in the near future. The federal and provincial governments must meet local and global challenges with innovation and directed investment. This in combination with federal incentives for foreign direct investment in sustainable technology and infrastructure will propel the sector in the right direction. It is also important for Canada to develop a long-term plan to decrease dependency on fossil fuels, which will also protect our domestic economy from global political and economic events. This sector is extremely important to the Canadian economy and will continue to be important for decades to come. The goal of this research is to provide policy reform suggestions that will address domestic and global challenges and shape the future of this sector in Canada.

The Oil and Gas sector has played a very important role in the Canadian economy over the past 25 years.

Oil and gas activities are currently ongoing in 12 out of 13 provinces and territories. Canada is the 5th largest producer of oil and home to the 3rd largest known reserves in the world. The Albertan oil sands provide enormous potential for the expansion of this industry. Increased natural gas exploration in Canada is leading to the steady increase of known LNG reserves and increased investment both domestically and from foreign businesses. Between 2000 and 2014 the foreign direct investment from the US into Canada's oil and gas sector has stalled in 12 out of 13 provinces and territories. This interconnectedness causes Canada to be particularly volatile to changes in the American Economy. The drop in oil prices by approximately $50 per barrel explains the decrease in the imports and exports in the graph to the left, however it is important to note that oil prices have been steadily increasing since the decline in 2014.

Canada has committed to achieving a 30% reduction in emissions from greenhouse gases compared with 2005 levels by 2030 under the Paris Agreement. Sector easily influenced by global political and economic conditions, such as the fluctuation in the price of oil, making it extremely important federal and provincial governments handle sector challenges effectively. The high percentage of foreign owned assets in the oil and gas sector make it extremely vulnerable to world political and economic events.

Global push for climate change action threatens the oil and gas industry by increasing pressure to reduce emissions from hydrocarbons.

Global push for climate change action threatens the oil and gas industry by increasing pressure to reduce emissions from hydrocarbons. Rising demand, prices, and exploration in of natural gas industry provides opportunity for future expansion. Revenue could benefit all Canadians. Making carbon taxing mandatory throughout the country with a price floor at $30 per ton will provide incentive for companies to develop low-carbon technologies. Canada must follow through on its commitments to the United Nations Declaration of the Rights of Indigenous Peoples in “recognizing the urgent need to respect the inherent rights of indigenous peoples...especially their rights to their lands, territories, and resources” (UNDRIP, 2008) by including representatives from First Nations peoples at all roundtable discussions regarding decisions that affect our shared land and resources.

In order to protect against the volatile fluctuations in the price of oil and gas, Canada should diversify the economy by investing in other sectors, and foreign direct investment in sustainable technology and infrastructure will propel the sector in the right direction. It is important to note that oil prices have been steadily increasing since the decline in 2014.

The federal government of Canada (2017). Oil and Gas: Foreign Direct Investment.

In order to protect against the volatile fluctuations in the price of oil and gas, Canada should diversify the economy by investing in other sectors. Many of the highly industrialized countries are transitioning to clean energy to lessen their environmental impact, Canada must do the same to remain competitive in the global market. This includes a national strategy for the decarbonization of public transportation and investment in agricultural capital.

Making carbon taxing mandatory throughout the country with a price floor at $30 per ton will provide incentive for companies to develop low-carbon technologies. The development of a long-term plan to phase out fossil fuels with the commitment to an end date and a clear timeline, will provide incentive for companies to develop low-carbon technologies.

In order to protect against the volatile fluctuations in the price of oil and gas, Canada should diversify the economy by investing in other sectors. Many of the highly industrialized countries are transitioning to clean energy to lessen their environmental impact, Canada must do the same to remain competitive in the global market. This includes a national strategy for the decarbonization of public transportation and investment in agricultural capital.

Making carbon taxing mandatory throughout the country with a price floor at $30 per ton will provide incentive for companies to develop low-carbon technologies.

The development of a long-term plan to phase out fossil fuels with the commitment to an end date and a clear timeline, will provide incentive for companies to develop low-carbon technologies. The development of a long-term plan to phase out fossil fuels with the commitment to an end date and a clear timeline, will provide incentive for companies to develop low-carbon technologies."