Energy
Sector Profile

Sector Facts and Figures	
Total GDP *Share of Canadian GDP*	$155.6 billion *7.87%*
Exports	$142.8 billion
Imports	$37.4 billion
Foreign Trade Balance *5-year change*	+$105.5 billion *+64.1%*
Total Employment *Change since 2011*	182,200 *-2.0%*
Real wage growth (2011-2019)	+4.6%
Labour Productivity (2019)	$386.1/hr
Average Work Hours/Week (2019)	38.3
Greenhouse Gas Emissions (2019) *Change since 2009* *Share of Canadian industry total*	261,000kt *-2.5%* *41.4%*
Union Coverage Rate	40%
Unifor Members in the Industry	13,900
Share of Total Unifor Membership	4.5%
Number of Unifor Bargaining Units	125
Average Bargaining Unit Size	94

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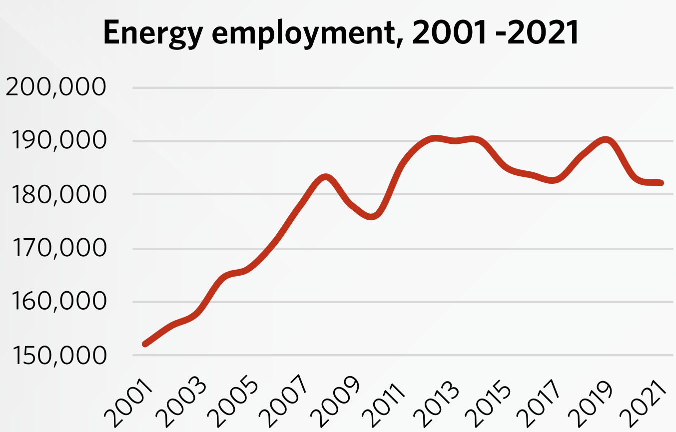
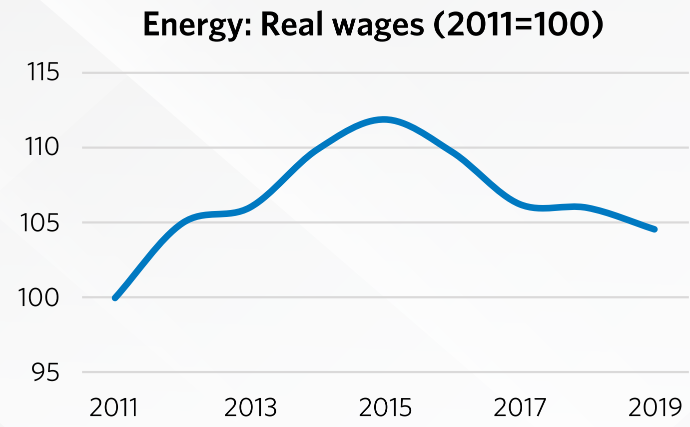
Source: Statcan; Unifor Research Department.
Data refers to 2021 except where indicated.

Current Conditions

Canada's energy sector is one of the most important drivers of economic growth, having generated more than $155 billion in gross domestic product (GDP), or nearly 8% of Canada's total economic output last year. When it comes to trade, our energy sector is even more significant, with nearly $143 billion in energy exports accounting for 22.4% of total Canadian exports in 2021. Canada's net energy trade balance of +$105.5 billion, which has grown 64% since 2017, is one of the primary reasons why the Canadian economy posted a positive foreign trade balance last year. In other words, without our energy sector, Canada would consistently import more than it exports to the rest of the world.



Despite the vitality of energy production to Canada's economic health, the sector has experienced significant headwinds since the mid 2010s, when a major global energy price shock led to a sustained downturn, particularly for the oil and gas industry. While 2021's employment figures for the sector amount to just a 2% decline since 2011, the total figure for the sector



is somewhat misleading, since it excludes the secondary impacts of the downturn on indirect forms of employment supporting oil and gas extraction, which fell more than 30%. Direct losses in oil and gas extraction and petroleum product manufacturing were also offset by employment growth in the utilities, including electric power generation and natural gas distribution. Many of the energy sector layoffs occurred as the oil and gas industry switched from investments in new oil and gas extraction sites, particularly in the oil sands, towards a holding pattern of sustaining existing projects while deferring new capital spending. In recent years, the offshore industry has been the primary locus of potential oil and gas expansion, including the recently approved Bay du Nord project and the undecided (as of this writing) West White Rose project. However, with oil prices hitting new highs, the sector may see a renewed boom.

The energy sector has consistently put up some of the highest labour productivity figures for the entire economy, owing to the capital-intensive nature of most energy projects. Despite the sector's post-2015 economic decline, labour productivity only briefly dipped before resuming its upwards climb. Real wages, however, have not followed suit, with wages adjusted for inflation topping out in 2015. The growing gap between labour productivity and real wages is concerning since it suggests workers in the sector are not being adequately rewarded for the growing intensity of energy sector work, which is partially reflected in long working hours – at an average of 38.3 hours a week in 2019, energy sector workers routinely put up some of the longest working weeks.

Unifor in the Energy Industry

Select Unifor Employers	Approx. # Members
Suncor Energy	3,900
Enbridge	1,500
SaskEnergy/TransGas	850
Consumers' Co-op Refineries	700
Shell Canada	600

Unifor is Canada's premier energy union, with nearly 14,000 members working in oil and gas extraction, natural gas distribution, electric utilities, and petroleum refineries. More than half of Unifor's energy sector members work in the Prairies region (Alberta, Saskatchewan and Manitoba) while just over a quarter work in Ontario. British Columbia, Quebec, Nova Scotia and Newfoundland together account for approximately one-fifth of Unifor's energy sector membership.

Unionization rates in the energy industry are highly variable, with the proportion of workers covered by a collective agreement relatively high in the utilities segment, at approximately 65% in 2021, compared to just 20% of workers in oil and gas extraction. However, Unifor represents the vast majority of unionized oil and gas workers, accounting for about 70%.

Unifor's energy sector members make up around 4.5% of the union's total membership, and more than half of all Unifor energy sector members are concentrated among the five largest employers in the sector.

Moving Forward: Developing the Energy Industry

Canada's energy sector is at an important crossroads, with recent global economic conditions spurring plans for both traditional fossil fuel projects as well as investments in renewable energies. Tight energy supplies caused by a combination of production constraints, pandemic-related supply chain issues, and the recovery of consumer demand worked in combination with the war in Ukraine to push oil and gas prices to record levels. This surge in prices is incentivizing companies to renew fossil fuel spending even as major countries are actively exploring ways to wean themselves off their dependency on Russian fuel, including scaling up renewable energy production.

In the short-term, Canada's energy sector stands to potentially benefit from a global diversification of energy consumption away from Russian fossil fuels, and the Canadian government has already pledged to increase its oil and gas exports by up to 300,000 barrels a day to support European energy security.

Over the longer term, however, the Canadian energy sector will have to find a way of competing in a global economy that is less reliant on traditional fossil fuels and one where solar, wind, biomass and hydrogen energies play a significant role. The federal government has also announced that it intends to cap oil and gas industry emissions while achieving a net-zero electricity grid by 2035, but has been short on details. Meanwhile, workers continue to wait on the promised delivery of a Just Transition plan that will provide a bridge for workers to transition to new growth industries in the energy sector.

Major Sector Development Issues

- The revival of energy prices due to supply constraints and the war in Ukraine is pushing the energy sector in opposing directions, by increasing spending on both fossil fuel and renewable energy projects.
- Canada is in a good position to fill the gap when it comes to global fossil fuel shortages, but may fall further behind in renewable energy development and climate target fulfillment without active government support.
- Energy sector workers continue to await details on the federal government's plans to transition the sector to net-zero and to deliver on Just Transition.