

Chemicals and Petrochemicals

Industry at a Glance

Alberta has one of the largest petrochemical industries in Canada, characterized by modern, world-scale plants, efficient transportation systems and access to the abundant energy resource opportunities.

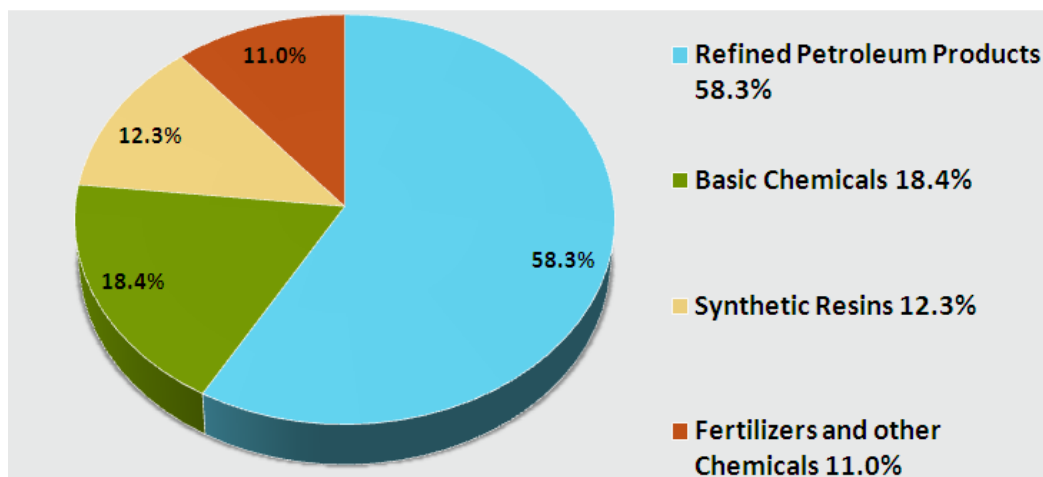
Expanding Our Market Reach

There is increasing world demand for petrochemicals, transportation fuels and other refined petroleum products. Alberta's natural gas and oil resources have the potential to be long-term supplies of competitively-priced refining and petrochemical feedstock. The Alberta government recognizes the strategic benefits of market diversification and is looking to broaden and diversify export markets for Alberta products to U.S and Asian markets.

Fast Facts

- Alberta's chemicals and petroleum refining industry is the province's largest manufacturing sector with revenues of \$25.2 billion (2010), accounting for 40% of Alberta's manufacturing revenues.
- In 2010, the sector employed approximately 13,000 employees in 275 businesses; most of these companies (82%) are small, with less than 50 employees.
- About 30% of this sector's output is exported internationally. In 2010, exports were valued at 8.4 billion, a 20% increase from 2009.
- Top five Alberta exports: polyethylene (and other ethylene polymers), ethylene glycol, urea, anhydrous ammonia, and styrene.
- Ethylene crackers owned by NOVA Chemicals and Dow Chemical at Joffre and Fort Saskatchewan are among the largest ethane-based crackers in the world.

Revenue Shares in 2010 for Major Sub-Sectors



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Opportunities

Enhancing Industry Competitiveness

The Alberta Government is looking to ensure Alberta remains one of the most competitive jurisdictions in the world. That approach is being addressed through Alberta's Competitiveness Initiative, a joint initiative by government and industry to highlight actions that will improve the petrochemical and chemical sector's capacity, innovation and productivity. The initiative focuses on three important areas for improving competitiveness:

- Accessing additional low-cost feedstock supplies;
- Strengthening regulatory involvement for value-added development in Alberta; and
- Building the opportunity for a western Canadian natural gas processing hub that encourages the development of a natural gas liquids market.

Further information on the Alberta's Competitiveness Initiative is available at:

<http://finance.alberta.ca/economic-development/competitiveness/>

Incremental Ethane Extraction Policy (IEEP)

The Incremental Ethane Extraction Policy (IEEP) provides incentives through royalty credits to encourage greater production of ethane and to promote value-added petrochemical production. For more information on the IEEP program, refer to: <http://www.energy.alberta.ca/OurBusiness/Petrochemicals.asp>

How we Can Help

There is abundant opportunity to invest in value-added upgrading of Alberta's bitumen resource. We can help you:

- Gain insight into the challenges and opportunities of petrochemical production in Alberta
- Build strategic alliances with local and international partners, and
- Connect you with relevant industry officials

Industry Resources

Visit the Chemicals and Petrochemicals at www.albertacanada.com/petrochemicals to learn about:

- Industry facts and opportunities
- Policies and regulations
- Key stakeholders and industry associations
- News and events

Contact Information

For further information about Alberta's chemical and petrochemical industry contact:

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