



The developments in the world oil market have implications for the sourcing of Canadian oil imports. Canada currently imports about 62% of its oil from Western Europe, 14% from the Middle East, 13% from Latin America (Venezuela and Mexico), about 9% Africa, and the rest from the U.S. and some other countries (see Table A11 of the Appendix). During the past three years, the share of oil from Latin America has increased from 10% to 13% at the expense of the U.S. and "other" countries, whereas the share of Western Europe, the Middle East and Africa stayed constant. *With expected declines in North Sea production, more Latin American oil (in particular Venezuelan and perhaps new Colombian production; Mexican oil is heavy) can be expected in Canada.* Venezuela does have great production potential and perhaps could prove to be a more secure source of supply than the Middle East OPEC countries.

Canadian exports of heavy crude to the U.S. quadrupled during the 1980s, from 15 thousand cubic metres per day in 1980 to 60 thousand cubic metres per day in 1990. Heavy crude oil exports are projected to remain stable at the 1990 level during this decade. Although Canada is expected to be a large exporter of heavy crude in the post 2000 period, the growth in exports will be well below the growth in the 1980s.