Demand

The energy price increases of the 1970s and early 1980s led to two major changes in the pattern of energy use in Canada: a marked decrease in energy-use intensity[17] and a switch to non-oil energy sources. The combination of higher energy prices and government off-oil programs led to a pronounced decline in the energy-use intensity at an average annual rate of 1.5% per year between 1972 and 1988. At the same time, the share of oil in total energy consumption declined from 49% in 1978 to about 40% in 1988. Despite the fact that prices have not increased much during the past four years, these duel trends of reduction in energy-use intensity and a switch to non-oil energy sources have continued. EMR, DRI and NEB do expect these trends to continue in all sectors of the economy during this decade as well as in the post 2000 period.

Charts 8 shows the outlook for Canadian demand for crude oil during the next 18 years. NEB's projection of oil demand growth in the 1990s is relatively subdued, with average annual growth rate of 0.4%, whereas DRI and EMR are more optimistic and expect oil demand to increase at around 1.0% annually. In the post 2000 period, each of the forecasters is projecting relatively higher increases in oil consumption. However, during this period, EMR is somewhat more optimistic (with 2.0% annual growth rate) than DRI or NEB, which expect oil demand to increase at an average annual rate of almost 1.0%. Of all the end-use sectors, transportation is expected to remain the largest user of oil, with small increases in its share in primary oil demand. As a result, motor gasoline, aviation fuels and diesel are expected to show the most growth. According to DRI, an increase in trade with Asia should increase transportation fuel demands in western Canada.

Supply/demand Balances

In 1992, total crude oil and product imports were about 88 thousand cubic metres daily and exports were approximately 132 thousand cubic meters daily, thus making Canada a net exporter of crude oil and equivalents to the extent of 44 thousand cubic meters per day. Net imports of 31 thousand cubic meters per day of light crude oil were more than offset by net exports of heavy crude oil and petroleum products of 60 and 15 thousand cubic meters per day respectively.

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[17] Energy consumption divided by total real domestic product (RDP).