

NEWS RELEASE

Ottawa's emissions cap will cost economy at least \$44 billion in 2030—with little environmental benefit

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For Immediate Release

CALGARY—The federal government's planned cap on greenhouse gas emissions, which will inevitably reduce oil and gas production in Canada, will cost the Canadian economy at least \$44.8 billion in 2030—without any substantive effect on global emissions, finds a new study published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“The federal government seems determined to inflict severe economic pain on the Canadian economy with almost no environmental benefit in return,” said Kenneth Green, senior fellow at the Fraser Institute and author of *Canada's GHG Cap on the Oil and Gas Industry Is All Pain With No Gain*.

According to the government's plan, the oil and gas sector must reduce emissions by 31 per cent (below 2005 levels) by 2030. Of course, to achieve this level of emissions reduction, the sector must reduce the production of oil and gas, which means fewer exports, less revenue (again, an estimated \$44.8 billion less in 2030 alone), and a related significant drop in tax revenue and resource royalties for governments across Canada.

And yet, despite these massive costs, the projected environmental benefits are almost non-existent. For example, if Canada eliminated all greenhouse gas emissions expected from the oil and gas sector in 2030, the reduction would equal only 0.004 per cent of global emissions.

“Despite any claims about its environmental impact, Ottawa's emissions cap will basically have no effect on global greenhouse gas concentrations,” Green said.

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