

NEWS RELEASE

Newfoundland and Labrador's regulatory regime is making the province unattractive for oil and gas investment

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For immediate release

HALIFAX—Texas is once again the most attractive jurisdiction in North America for oil and gas investment, while Newfoundland and Labrador ranked 16th out of 22 provinces, territories, and US states in the latest survey of petroleum-sector executives released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“Newfoundland and Labrador’s onerous and uncertain regulatory environment is making the province less attractive in the eyes of oil and gas investors,” said Elmira Aliakbari, director of the Fraser Institute’s centre for natural resource studies and co-author of the [*Canada-US Energy Sector Competitiveness Survey*](#).

The survey, conducted between May and August of 2021, ranks 22 North American jurisdictions (17 states and five provinces and territories) based on policies affecting oil and gas investment.

This year, Canadian provinces were shut out of the top ten, with Saskatchewan—Canada’s highest-ranked jurisdictions—ranked 11th, Alberta ranked 12th and Newfoundland and Labrador ranked 16th.

Investors pointed to the uncertainty concerning environmental regulations, regulatory duplication and inconsistencies, and the cost of regulatory compliance as major areas of concern in Canadian jurisdictions compared to US states.

Critically, 75 per cent of respondents indicated that environmental regulatory uncertainty was a deterrent to investing in Newfoundland and Labrador, whereas that figure for US states, on average, is 49 per cent.

Likewise, 88 per cent of respondents identified the cost of regulatory compliance as a deterrent to investment in Newfoundland. That figure is higher than the Canadian average (70 per cent), and more than double the average (43 per cent) for the United States.

In addition, all respondents (100 per cent) for Newfoundland indicated that regulatory duplication and inconsistencies was discouraging investment in the province - the worst performing jurisdiction in the overall ranking on this particular policy factor.

“It’s important we pay attention when the oil and gas sector signals a clear preference that it would far rather invest somewhere other than Newfoundland and Labrador,” said Alex Whalen, an analyst with the Fraser Institute’s Atlantic Canada Prosperity Initiative.

“Newfoundlanders and Labradorians deserve the opportunity and prosperity that investment in the province’s energy sector would bring.”

(30)

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