



## **MEDIA RELEASE: EMBARGOED**

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### **PETROLEUM INDUSTRY TRANSFORMS PROVINCIAL ECONOMY**

**St. John's, Newfoundland and Labrador, November 30, 2005:** The oil and gas industry is not simply creating economic growth for the province – it is transforming the economy of Newfoundland and Labrador.

Petroleum Research Atlantic Canada (PRAC) released a new study today documenting how the oil and gas industry has made a major contribution to the province. For instance, there has been a steady increase in the number of jobs as a result of oil and gas activity. The industry has helped local companies diversify and export their goods and services internationally. The industry has also advanced the province's research and development sector, helping position Newfoundland and Labrador as a center of excellence in areas such as cold ocean engineering.

The study also notes that sectors not related to oil and gas have experienced substantial spin-off growth. For instance, between 2002 and 2004 personal incomes grew by over \$450 million as a result of the industry. This was over 50 percent of the total growth in personal incomes for the province and resulted in higher retail sales and additional housing starts. The local hospitality industry has also grown with new restaurants and hotels opening. Other beneficiaries include office supply companies, printers, truckers and couriers.

The research, carried out by Jacques Whitford of St. John's, is an update of two previous studies and identifies ways in which the oil and gas industry is benefiting the province, based on oil production, expenditures and employment data from 1999 to 2004. Using the Newfoundland and Labrador provincial government's economic model, it provides a detailed description of the benefits that have accrued to the province.

According to the study's author, Mark Shrimpton of Jacques Whitford, the oil and gas industry has changed how people conduct business in the province. "Companies are now more ambitious, more competitive and more confident," says Shrimpton. "The industry has also encouraged the adoption of international standards and business practices in such areas as health and safety, quality management and document control. This is all transformational change."

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PRAC's Acting President, Carey Ryan adds, "This is an unbiased study, independently conducted by the third-party consultant with assistance from the Government of Newfoundland and Labrador. It clearly demonstrates that the oil and gas industry has made an important contribution to the economy and society of Newfoundland and Labrador."

Petroleum Research Atlantic Canada, the Newfoundland and Labrador Department of Natural Resources and Canadian Association of Petroleum Producers jointly funded the study. The Department of Finance, Government of Newfoundland and Labrador contributed in-kind support by providing the macroeconomic analysis. For access to the full report, please visit [www.pr-ac.ca](http://www.pr-ac.ca).

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