

## The Global Race is On

We're headed into challenging terrain, and there's still a lot of uncertainty about the pace of change in the Canadian and global energy marketplace. What's certain is that our climate is changing rapidly. Unless we can start to reduce emissions now, we will soon have to grapple with the human and financial costs of more frequent and extreme storms, floods, heat waves, droughts and forest fires.

The transition to a low-carbon economy necessary to overcome these challenges is a global race, and it won't wait for us. Within a generation, countries like Canada will be using less fossil fuels, and renewable power and other non-emitting sources of energy will command a much larger share of the world's energy supply. Leading economies the world over – from China and India to the US and Europe – are investing tens of billions every year to develop the new technologies, services and knowledge that will supply the world with cleaner and more efficient energy. As part of this global boom, Canada's clean energy sector can contribute new energy products and services to developing markets. Oil and gas will also continue to be part of the global energy mix, and Canada must innovate to lower carbon and costs in order to compete for that demand.

There's real risk involved in falling behind in this energy transition, in failing to build the momentum – and public and investor confidence – required to achieve it.

Canada must step on its accelerator.

## Two Tracks, One Prosperous Destination

In the face of long-term uncertainties and rapidly changing energy markets worldwide, Canada needs to start out on this journey along two tracks. First, we need to rapidly transform our energy production, distribution and consumption systems at home so that they are as clean and efficient as possible – and do more than they ever have before to protect our air, land and water. This will require governments, businesses and citizens alike to make energy transformation a top priority and step up with the new tools and decisive steps necessary to make it happen.

Navigating this first track successfully will require Canada to speed up its shift to low-carbon solutions for our electricity use, transportation, industrial activities, and heating and cooling needs, as well as nurturing new businesses and developing clean energy technologies and energy efficiency solutions to make the shift possible. By doing this at home, we can also stake out a leading position in some of the fastest-growing sectors of the global economy.

On the second track, we must continue to accelerate the development of low-carbon technologies for use in our existing oil and gas sector to reduce carbon pollution, cut costs, and create new value-added products and services. Oil and gas companies will need to take greater initiative, rapidly innovating to stay competitive in global markets. And that will require them to establish carbon footprints smaller than their competitors.

### A GLOBAL CLEANTECH BOOM

The global clean technology market is estimated to grow to \$2.2 trillion by 2022. Here are some key metrics for Canadian performance to date in the sector:

- Canada ranks fourth on the Global Cleantech Innovation Index
- Canada's cleantech industry contributed \$59.3 billion to GDP in 2016
- Canada's cleantech industry employs an estimated 274,000 Canadians
- Nearly 80 percent of Canadian cleantech firms are exporters, and together they generated \$11.5 billion in exports in 2016
- Canada is ranked fourth worldwide and first in the G20 in terms of potential to produce cleantech start-up companies over the next decade
- Canada's share of the global clean tech market has fallen 12 percent in the last decade

