

- Canada :Introduction
North America – Second biggest country in term of territory - Population : 35 850 000 millions
2 official languages : French (Quebec) and English (ROC)
- Few economic indicators
In 2014 : Canada's GDP was around 1 873 billions US \$ - makes the eleventh highest economy in terms of GDP in the world
GDP per capita in 2015 : around 44 000 US \$
HDI (Human Development Index) (1 is considered the perfect score) : 0.092, makes Canada the eight country in world rank in term of HDI

This indicates that Canada is one of the most developed countries (member of the G8)

Canada's economy : Canada is considered as a trading nation. domestic demands is quite low (small population). That's why exportation is very important for the economy. USA has big influence in our economy. Their domestic demand is huge and Canada has a lot of natural resources. Between these two countries, it is the biggest economic bilateral relationship in the world.

Canada exports billions of dollars worth of goods to USA every year. Three quarters of total canadian exports goes there.

The canadian economy is divided in three sectors (as almost all the other countries) :

- Services industries : 75 % of working canadian have a job in this sector
- Manufacturing industries
- Natural resources : it includes forestry, fishing and energy (oil sands); Many area in Canada depends on this sector to survive. Alos, a large proportion of Canada's exportations are base on natural resources.

The oil sands, from Alberta, is important for Canada's economy. In 2030, 30 % of the world energy will be provided by oil (transportation, space heating, etc.).

Some facts about the economic impacts of oil sands :

- Approximately 5% of the GDP
- In 2008, Gas companies in Canada has spent over 58 billions dollars in capital expenditure.
- In 2008, Canada's petroleum exports (crude oil and petroleum products, such as gasoline and liquid petroleum gases) accounted for 20 % of all our exports.
- By 2030, there will be an investment of 364 billions \$ and an expected revenu of 172 billions \$ across the country

However, in the first semester of 2015, GDP declined by 0,8% and, in the second semester, il declined again by 0,5 %. The oil sector is the main factor responsible of this fall. What exactly happened ?

It is the lower price of oil in world's market (observed since 2014) that affects Canada's economy. What are the causes of this situation ?

The world supply is way too high and the world demand is slowing.

- Oil's demand from China and Europe decreases because of their poor economic performance
- Also, there's a record of oil production in Irak and Russia, which contributes to oversupply the world market
- But, the most important factor : Saudi Arabia : they don't want to change the tendance. This country has a key role to play in this oil crisis. Is this the most influent actor in the (OPEC – Organization of Petroleum Exporting Countries). This country will keep their oil production at the same level as before and it won't change it.

Why Saudi Arabia is acting this way? There are two hypothesis.

1. With the increasing oil production in USA, Saudi Arabia doesn't want to loose his share in the world market and will continu to produce.
2. They made a deal with USA to keep their production level very high to hurt Iran's and Russia's economy.

This world situation has many effects for Canada's economy.

To stay competitive, the Canadian oil must follow the world price. Since the beginning of the crisis, the federal government has lost 9 billions canadian dollars. Each \$ 10 drop in the price of oil is a revenue loss of \$ 1.5 billion in Ottawa's coffers. Also, a study predicts a loss of 185 000 direct and indirect jobs (more or less 10 % of the active population in Canada) and a decrease of 31 billions dollars in investment.

Several criticisms have been made against the ancient government. Experts said the federal government has put too much effort on oil exploitation and did not diversified enough the canadian exportations. The canadian situation is the perfect example of the importance of diversification in an economy.

Also, the canadian exchange rate is very low in comparation with the US dollar. It is good for canadian exportations and could help the oil sector. But, as mentionned, the oil production in USA is increasing, it is possible that their domestic demand won't need the canadian petrole as much as expected. Furthermore, several other currencies have lost value, which makes the competition very high.

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