

NEWS RELEASE

Alberta must cut red tape to attract investment

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For immediate release

VANCOUVER—If Alberta wants to attract more investment in the oil and gas sector, it must cut unnecessary red tape, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Investors have been saying loud and clear for years that Alberta is increasingly an unattractive jurisdiction for investment because of needless and costly red tape,” said Kenneth Green, Fraser Institute senior fellow and author of *Natural Resource Regulation in Alberta*.

In the eyes of oil, gas and mining executives, finds the study, Alberta’s investment attractiveness has diminished, primarily due to the province’s increasing regulatory burden.

For example, in 2013, 32 per cent of respondents to the Fraser Institute’s annual *Global Petroleum Survey* said environmental regulations were a deterrent to investment compared to 68 per cent in 2017, the latest year of comparable data.

Likewise, the costs of complying with provincial regulations deterred investment for 32 per cent of respondents in 2013 compared to a staggering 70 per cent in 2017. Crucially, also in 2017, only nine per cent identified compliance costs as a deterrent in Texas and 24 per cent in North Dakota.

A separate study also released today, *Strategies for Deregulation: Concepts and Evidence*, outlines how other jurisdictions—for example, British Columbia in 2001 and the federal government in 2015—successfully reduced outdated regulations. Best practices include:

- Specifically task an independent agency or government department to reduce regulations.
- Require a net reduction of existing regulations, commonly with a one-for-one rule that requires any new regulation be offset by the elimination of another outdated regulation.
- Consult with the public and stakeholder groups to identify regulations for elimination.

“Reducing the province’s regulatory burden would help attract much-needed investment, spur economic growth and improve living standards for Albertans,” said Steven Globerman, Fraser Institute senior fellow and author of the second study.

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