This year’s survey of senior executives in the upstream oil and gas sector is consistent with the methodology used in previous editions of the Global Petroleum Survey. A total of 81 respondents participated in the survey this year, providing sufficient data to evaluate five Canadian provinces and 15 American states.

The jurisdictions that are evaluated are assigned scores on each of 16 questions pertaining to factors known to affect investment decisions. These scores are then used to generate a “Policy Perception Index” for each jurisdiction that reflects the perceived extent of the barriers to investment.

According to this year’s survey, Texas is the most attractive jurisdiction for oil and gas investment followed by Oklahoma (2nd) and Kansas (3rd). Seven other US jurisdictions also ranked in the top 10 this year: Wyoming (4th), US Offshore—Gulf of Mexico (5th), North Dakota (6th), Alabama (7th), New Mexico (8th), Montana (9th), and Mississippi (10th). None of the top 10 most attractive jurisdictions are located in Canada. Among Canadian jurisdictions, Saskatchewan is the most attractive jurisdiction for upstream oil and gas investment (ranked 13th out of 20) while British Columbia poses the greatest barriers to investment (ranked 19th out of 20). Alberta ranks 16th out of 20 jurisdictions.

Investors pointed to the uncertainty concerning environmental regulations, taxation, and regulatory duplication and inconsistencies as major areas of concern in Canadian provinces compared to US states. In particular, in 2019, only 9 percent of respondents in Texas and 12 percent of respondents in Oklahoma indicated that uncertainty concerning environmental regulations was a deterrent to investment there, whereas in British Columbia it was an issue for
94 percent, and in Alberta a problem for 80 percent of respondents. On average, 65 percent of respondents for Canada are deterred by environmental regulations, compared to 37 percent for the United States.

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An Alberta/Texas comparison demonstrates how results vary by region: 53 percent of respondents identified taxation as a deterrent to investment in Alberta versus only 12 percent for Texas. Overall, investors expressed heightened concern over taxation in Canada compared to the United States. The percentage of respondents indicating that taxation in general was deterring investment was, on average, 60 percent for Canada compared to only 32 percent for the United States.

The Alberta/Texas comparison also shows that 65 percent of respondents identified regulatory duplication and inconsistencies as a deterrent to investment in Alberta compared to only 8 percent for Texas. Overall, regulatory duplication and inconsistencies are a significant concern for investors in Canada compared to the United States. On average, 53 percent of respondents indicated that this factor was a deterrent to investment for the Canadian provinces compared to only 31 percent for the United States.

Our analysis of the 2019 survey results indicates that the extent of negative sentiments regarding key factors driving petroleum investment decisions is heightened in many Canadian provinces compared to competing American jurisdictions.

Overall, our analysis of the 2019 survey results indicates that the extent of negative sentiments regarding key factors driving petroleum investment decisions is heightened in many Canadian provinces compared to competing American jurisdictions.