



Canadian coal – core facts and figures

Economic impact analysis

Canada produces well over 60 million tonnes of metallurgical and thermal coal every year, generating significant economic benefits to communities across the country in terms of GDP, employment and tax revenue.

In addition, almost 40% of coal produced in Canada is shipped to international markets, making the coal industry a positive contributor to the country's trade balance.

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The industry at a glance in 2011:

Number of producing coal mines:	24
Number of coal producing provinces:	4
Recoverable coal reserves: (2010 is the most recent data available)	6.6 billion tonnes
Coal production:	67.1 million tonnes
Thermal:	37.7 million tonnes
Metallurgical:	29.4 million tonnes
Coal export shipments:	32.6 million tonnes
Thermal:	4.5 million tonnes
Metallurgical:	28.1 million tonnes
Production value:	\$7.0 billion
Capital investments:	\$1.023 billion
Exploration and development expenditures:	\$380.0 million
Future planned capital expenditures:	\$2.2 billion

Source: Statistics Canada, PwC Survey, Natural Resources Canada

The coal industry contributes to Canada's economy

The Coal Association of Canada engaged PwC to survey coal companies across Canada to determine the industry's economic contributions to the national economy. Of the 25 companies invited to participate in the survey, 18 responded for a 72% response rate to the survey. As such, the results below are considered to be conservative although representative of the industry overall. The survey data was used to estimate the direct and indirect economic impacts of the coal mining industry in terms of output, GDP, employment, wages and salaries, and government tax revenues as shown in the table below.

Summary of the economic impact of the coal mining industry in Canada, 2011

	Direct Impact	Indirect Impact	Total Economic Impact
Output (\$M)	\$5,943	\$3,712	\$9,655
GDP (\$M)	\$3,244	\$1,988	\$5,232
Government revenues (\$M)*	\$450	\$248	\$698
Wages and Salaries (\$M)	\$1,769	\$837	\$2,606
Employment (Number of Jobs)	25,471	16,559	42,030



Source: PwC estimates

* Government tax revenues generated using economic impact analysis do not include royalties collected.

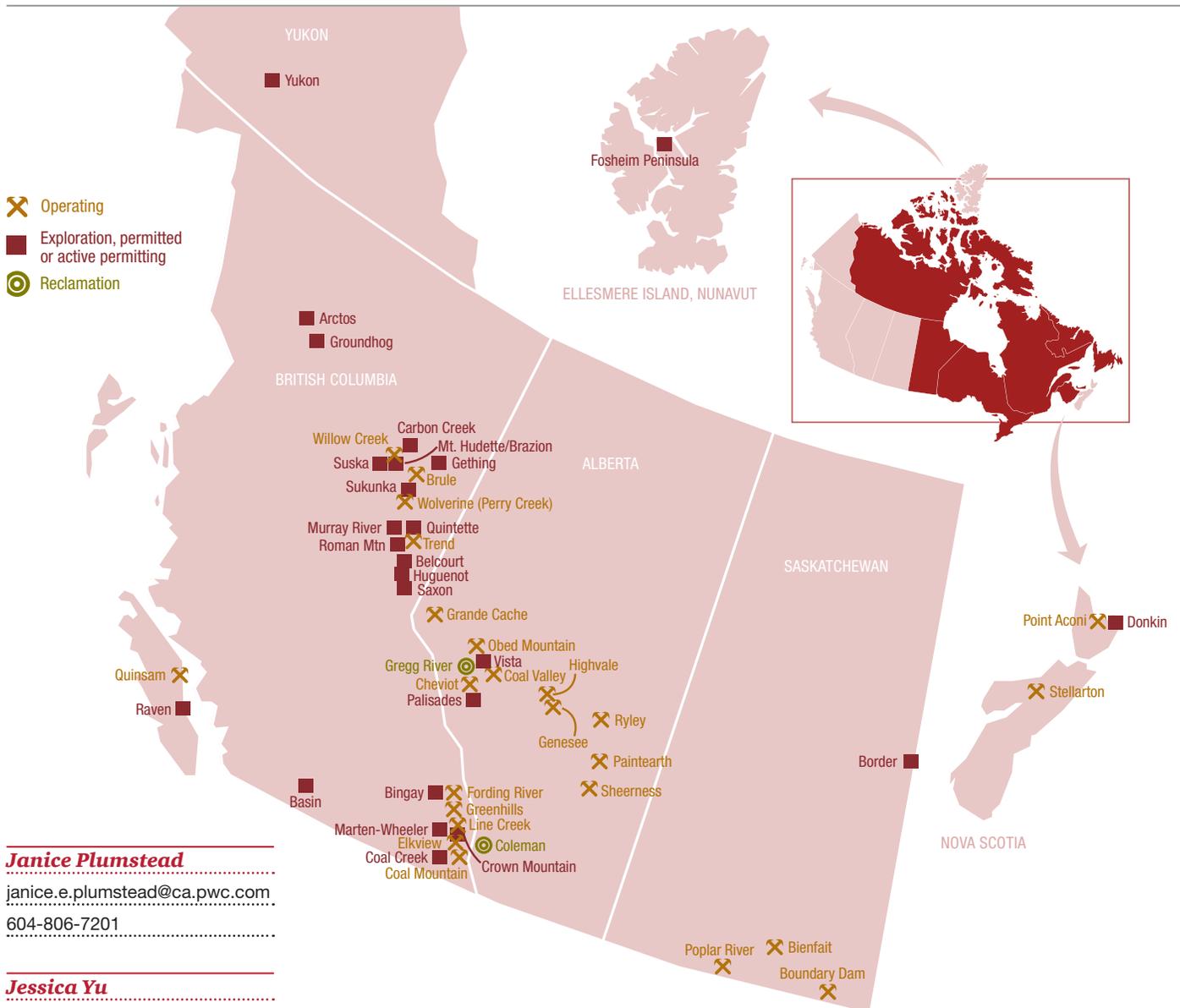
In 2011, the estimated economic impact of the coal mining industry in Canada, in terms of GDP, was estimated to be \$5.2 billion. In 2011, this represented approximately 0.09% of the national GDP.

Total tax revenues from the coal mining industry were approximately \$698 million. As noted above, government tax revenues generated using economic impact analysis does not include royalties collected. Additional mineral royalties collected and reported by provincial governments in 2011 were \$344 million and are in addition to the tax revenues estimated above. Tax revenue generated by the coal mining industry helps to support local community infrastructure and government programs.

Industry expenditures were a source of approximately 42,030 direct and indirect jobs across Canada, with an estimated average annual wage for the industry of \$92,785 for direct employment from coal companies responding to the survey (7,154 employees). The average coal mining industry wage is more than twice that of the average national wage of \$43,700, indicating that coal mining jobs are highly paid.

As coal properties are generally located in remote areas, mine activity contributes towards the retention of local labour with well-paying jobs and support to local businesses.

In 2011, there were 24 producing mines across Canada of which 11 mines were producing metallurgical coal and 13 were producing thermal coal.



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