

Alberta Petrochemicals Incentive Program

Join the companies making Alberta
a global powerhouse

Located in the western part of Canada, Alberta stands out for its strong mix of business-friendly policies and vast natural resources.

Alberta offers one of the lowest tax rates in North America, abundant natural gas and oil reserves, and world-leading experience in energy industries as well as related sectors like the petrochemical industry.



Petrochemicals in Alberta

Natural Advantages

Canada is already the world's fourth largest producer of natural gas, and over two-thirds of that natural gas is produced in Alberta.

Sitting on top of the Western Canadian Sedimentary Basin, Alberta has potential reserves of 223 trillion cubic feet, representing a multi-generational supply of gas deposits.

Investor Friendly

Alberta has one of the most investor friendly business environments in North America.

The corporate tax rate is the lowest in Canada and compares favourably with the lowest rates in the United States.

Alberta job creators also benefit from new policies that streamline government processes and increase trade. The Alberta Government is committed to supporting the energy sector, including through diversification into sectors like petrochemicals.

Growing Petrochemical Industry

Petrochemicals are already Alberta's largest manufacturing sector, with over 50,000 people employed directly and indirectly by the industry.

There are existing centres of petrochemical excellence in several regions across the province, and numerous midstream and downstream companies capable of providing new projects with key feedstocks and support services. These include low-cost methane, ethane, and propane that are critical for petrochemical manufacturing.

We aim to be a top global petrochemical manufacturing centre by 2030.

Canada's Energy Leader

Alberta is already Canada's largest producer of oil and natural gas, and now the province is turning these strengths into new and expanding opportunities. With well-developed infrastructure and a skilled workforce, Alberta is well positioned to enter growing fields related to oil and gas, including hydrogen, circular plastics recycling, and petrochemicals.





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Alberta Petrochemicals Incentive Program (APIP)

The Alberta Petrochemical Incentive Program (APIP) offers a direct financial incentive to companies building new petrochemical facilities – or expanding existing ones – in Alberta’s thriving petrochemical sector.

By building on Alberta’s existing strengths – including its natural resources and welcoming business environment – with targeted grant funding, companies from around the world will benefit from investments in the province’s petrochemical future.

Investors in eligible projects will be able to count on a reimbursement of 12 per cent of their eligible capital costs to be paid as a grant once the facility is built and operating. Smaller projects (with capital investments between CAD \$50-\$150 million) will receive the grant all at once, while larger projects (more than \$150 million) will receive the grant over a three-year period.

The program will be open for five years for smaller projects, and 10 years for larger ones. This matches with investment cycles for the type of projects Alberta is aiming to attract.

Eligibility

APIP is open to almost all types of petrochemical and fertilizer manufacturing plants such as petrochemical, fertilizers, hydrogen, and fuel plants. To be eligible for APIP:

- The project must be physically located in Alberta.
- The capital costs must be at least CAD \$50 million.
- The facility must use natural gas, natural gas liquids, or petrochemical intermediaries such as ethylene, propylene, benzene etc. in the manufacturing of its own products.
- The project must create permanent jobs in Alberta.

The full eligibility rules for projects are available on [Alberta.ca/APIP](https://alberta.ca/APIP).

Competitiveness

APIP makes Alberta competitive with similar programs offered by American states like Texas, Louisiana, and Pennsylvania.

The program’s focus on providing incentives related to capital costs helps alleviate the largest investment cost on fixed facilities like petrochemical plants.

A direct cash reimbursement on a set cost is easier, more direct, and less open to fluctuations in factors like land values, tax assessments, or product prices. Compared to other jurisdictions focusing on tax credits, Alberta’s simple process makes it easier to plan projects and make investment decisions.

Eligible Costs

Costs eligible for reimbursement under APIP are related to manufacturing and processing capital expenditures. This makes the list of eligible capital costs easy to understand and easy to work with for planning, budgeting, and reporting purposes.

Applications

Applications are open now. Companies can express their interest by registering on [Alberta.ca/APIP](https://alberta.ca/APIP).