

2014 | National Retail Petroleum Site Census

EXECUTIVE SUMMARY

The 2014 National Retail Petroleum Site Census, researched and published by MJ Ervin & Associates, is a comprehensive enumeration of the petroleum retail outlet population in Canada. This, our eighth survey of Canada's retail petroleum infrastructure, is a unique study: there is no other single industry or governmental source of such information.

As of December 31, 2014 there were 11,811 retail gasoline stations operating in Canada, or 3.3 outlets for every 10,000 persons. The per capita number of outlets varies significantly from one province to another; and this has a strong relationship to "throughput efficiency" by province, which in turn has significant implications with the level of retail markup in each province's markets. Markets with poor (low) throughput efficiencies tend to have higher retail gasoline prices (after tax differences are factored out) than those with high throughput efficiencies.

Our census illustrates a continued diversity of brands of gasoline in Canada (we documented 94 different "brands" of gas), although the physical product largely originates from 14 refineries in Canada, operated by a total of eight refining organizations. Similarly, we identified 66 companies involved in the marketing of gasoline, where they manage a network of two or more stations. About 5,800 individual outlet operators directly control the price at the pump - in effect; they market their own gasoline (through their own control of the pump price) under the banner of their own brand of gas, or under the banner of a third-party brand owner and supplier.

Fifteen percent of all gas stations come under the price control of one of the three "major" oil companies (Suncor, Esso or Shell). Nineteen percent of all gas stations come under the price control of one of the eight refiner-marketers in Canada – a significant drop from 30 percent in 2006. The remaining 81 percent of all gas stations in Canada are price-controlled by individual outlet proprietors or non-refiner marketers, a diverse genre of petroleum marketers, whose importance and influence is growing, particularly among two sub-types: Regional Distributors and Big Box marketers. The latter in particular have an influence on the retail petroleum market – particularly in terms of price competitiveness – that is far out of proportion to their relatively small numbers of outlets.

We also measured the market representation of a number of site features and offerings: the type of pump service (full, self or split), convenience store size, car washes, fast food, automotive service, and to what degree diesel fuel is offered for sale. The provision of goods or services other than gasoline is of vital importance to the competitiveness and viability of retail gasoline outlets, since (based on other research) the gross margin on gasoline itself is generally not sufficient to provide for the operating costs and reasonable return on the operation of these facilities.

A full version of this report is available for purchase at www.kentgrouppltd.com

For further information, contact Jason Parent at 519-672-7000 ext 112.

MJ Ervin & Associates (a division of The Kent Group Limited) is a London-based consultancy specializing in the petroleum refining and marketing industry. MJEA publishes the Weekly Pump Price Survey, Canada's authoritative source of petroleum prices (available at no cost on our web site www.kentgrouppltd.com). Our clients span a wide range of government, NGO and industry organizations with an interest in downstream petroleum issues. A full description of our consulting services is available on our web site.

