

Executive Summary

The 2018 National Retail Petroleum Site Census, researched and published by Kent Group Ltd, is a comprehensive enumeration of the petroleum retail outlet population in Canada. This is a unique study: there is no other single industry or governmental source of such information.

As of December 31, 2018, there were 11,929 retail gasoline stations operating in Canada, or 3.2 outlets for every 10,000 persons. This is a decrease of 19 sites over last year's survey result, marking the end of three years of consecutive increases that followed a quarter century-long trend that had seen the number of Canadian retail gas stations decline by over 40 percent..

Increased Diversity in Site Operation

Our census illustrates a continued diversity of brands of gasoline in Canada (we documented 88 different "brands" of gas), although the refined products sold by these brands originate largely from 14 refineries in Canada, operated by nine refining organizations (seven of which are integrated refiner marketers). The brands represented by these refining organizations account for nearly 65 percent of all sites in Canada.

However, the posted brand at a gas station is becoming less indicative of the marketer relationship, or ownership at that site. Over 40 percent of the fuel marketers in Canada are operating a portion of their network under a brand that is owned by another company, representing 36 percent of stations in Canada, up from just six percent 15 years ago. These marketers typically operate under a branded supply agreement with the brand owner (often a refiner such as Shell or Esso), benefitting from the brand recognition, marketing support, and loyalty programs of the established brand.

In total, we identified 67 distinct companies marketing gasoline in Canada. Of these 67 companies, 58 market at least a portion of their fuels under their own brands, representing 52 percent of Canadian stations, down from 83 percent in 2004.

Pump Price Control

Nearly half of the sites in Canada (5,500) are price-controlled by individual operators (retailers or dealers), while the remaining 6,000+ sites are directly price-controlled by companies (both refiner and non-refiner) selling fuel through a controlled network of stations. The brands representing the three "major" oil companies (Suncor, Esso or Shell) appear at 40 percent of stations across Canada; however, only 11 percent come under their direct price control.

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Overall, 23 percent of all gas stations come under the price control of one of the seven refiner-marketers in Canada – down from 32 percent in 2004. Although Canadian refiner-marketers have significantly reduced the number of stations where they directly set the retail price, this actually reached a low of less than 15 percent in 2016 before rebounding in 2017 through the Parkland Fuel Corporation acquisition of Chevron Canada’s assets which included a refinery in Burnaby, British Columbia. However, their refining presence is limited to the Lower Mainland of BC and so only functions as a truly integrated refiner-marketer in that region, representing a small percentage of their national network of sites.

One notable change to the Canadian retail fuel landscape in 2018 was:

- BG Fuels’ rebranding of the former Loblaw fuel network to Mobil, representing over 200 sites across Canada. Along with the rebranding of a number of sites within the Global Fuels network to the Mobil brand, the Mobil brand is now the ninth most common brand in Canada, representing roughly two percent of all sites.

Outlet Features and Offerings

In this report we also measure 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 diesel penetration. 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

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Kent Group Ltd is a London-based consultancy specializing in the petroleum refining and marketing industry. Kent Group Ltd publishes the Daily 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.