

# Weekly Economic Review

## Economic activity holds steady

### Alberta Activity Index

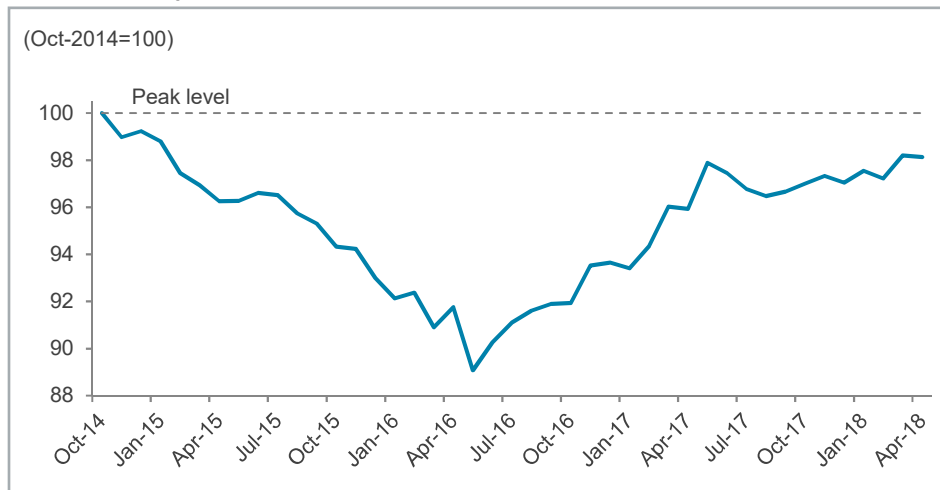
#### Steady activity level

The Alberta Activity Index (AAX) held steady in April after rising to a 38-month high in March (Chart 1). Refinery outages weighed on manufacturing shipments, while retail sales pulled back; this just offset strong drilling and housing readings, while the remaining five indicators were effectively unchanged. On a year-over-year (y/y) basis, growth moderated to 2.3% from 4.4% in January, as oil production

was the sole indicator to record an improved 12-month growth rate. The AAX continues to reflect the economic recovery in the province, having regained over three-quarters of peak-to-trough losses.

Chart 1: AAX holds on to annual gains

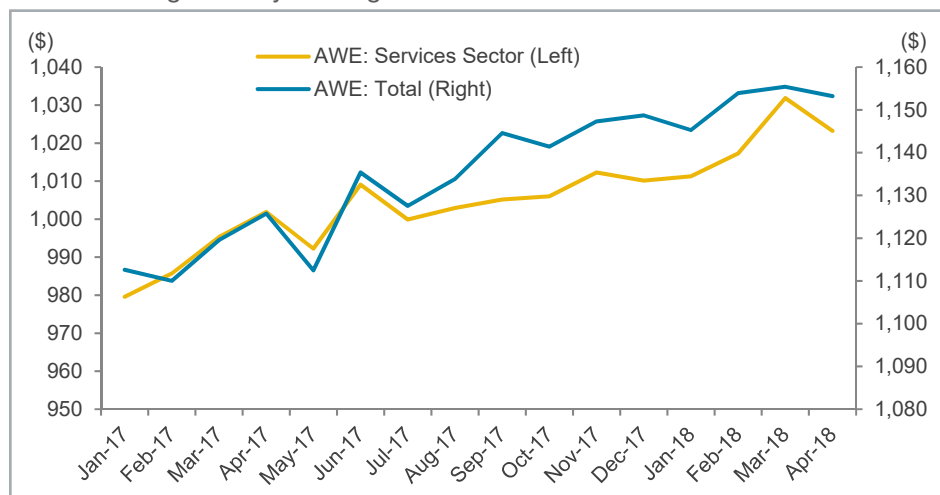
Alberta Activity Index



Source: Treasury Board and Finance

Chart 2: Services sector weigh on total weekly earnings

Alberta average weekly earnings



Source: Statistics Canada

### Average Weekly Earnings

#### Earnings holding on to gains

Average weekly earnings (AWE) in Alberta eased slightly in April, but remained near a three-year high. They ticked lower to \$1,153 in April (-0.2% month-over-month or m/m), dragged down by services sector earnings (-0.8% m/m) which pulled back from an all-time high in March (Chart 2). Lower earnings in the services sector mainly reflected declines in the trade sub-sector, management of companies and the real estate, rental and leasing industries. This was partially offset by growth in goods sector earnings (+0.5% m/m), which regained some of the previous months' decline, led by the utilities and mining, oil and gas extraction industries. AWE improved 2.4% from a year ago with gains in both the services (+2.1% y/y) and goods (+2.7% y/y) sectors.

### Job Vacancies

#### Job vacancies tick up

Job vacancies are on the rise in Alberta. There were 38,400 vacant employment positions in the three-month period ending in March. This was 400 more than in the previous month and 11,500 more than a year ago. Unfilled jobs have increased substantially since the December 2016 low, and remain near the August 2017 post-recession peak of 39,100. With more job openings and fewer unemployed, there are now 4.4 unemployed Albertans for every job vacancy, down significantly from the high of 8.4 in December 2016 (Chart 3).

## New Housing Investment

### Solid gains in April

Investment in Alberta’s new housing construction increased for the third month in a row as the construction season started in earnest. It jumped by a solid 11.5% m/m to reach \$753 million in April, reflecting gains across all housing types. Compared to a year ago, new housing investment was up 4.8%, as higher investment in single-unit and row houses were partially offset by declines in double and apartment construction. The year-over-growth has slowed considerably since reaching a peak of over 25% in August 2017, largely reflecting moderating growth in single-family construction.

## Metres Drilled

### Bitumen weighs on metres drilled

Metres drilled for oil and gas eased back from last year’s high level. There was a total of 0.7 million metres drilled for oil and gas in April, down 14% y/y. While metres drilled for conventional oil grew 18% y/y, metres drilled for bitumen (-47% y/y) declined from a record high reached in March 2018. Natural gas metres (-9.7% y/y) were down from last year’s level. Despite the overall pullback, metres drilled were within the 2010-14 range for this time of year (Chart 4).

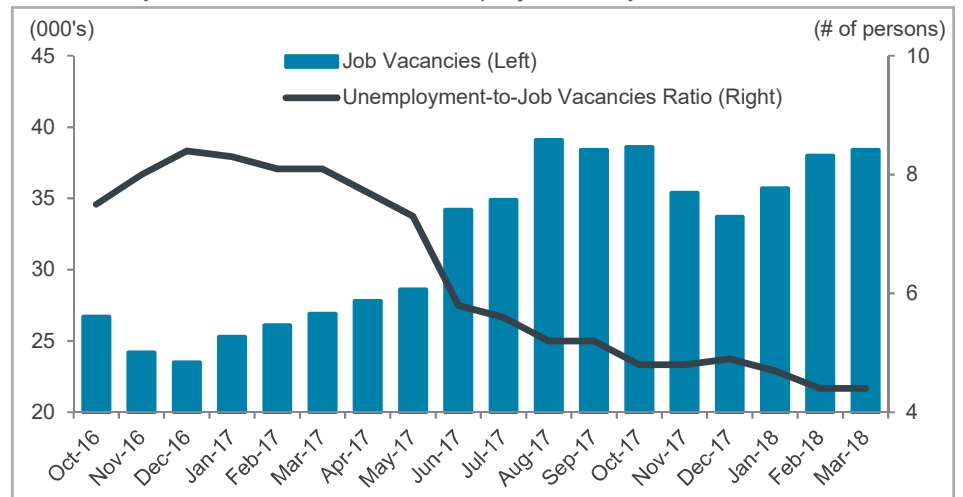
## GDP by Industry

### Transitory factors impact growth

Canadian economic growth cooled in April reflecting the impact of transitory factors. Real GDP by industry grew 0.1% month-over-month (m/m) after growing by an average of 0.4% in the previous two months. Strong gains in manufacturing (+0.8% m/m) were bolstered by increases in food, chemical, and machinery manufacturing. This was partially offset by a large decline in petroleum refineries, with output declining at a number of refineries across the country for maintenance. Colder-than-normal weather conditions in eastern and central Canada induced declines in construction and retail trade, in which the latter had virtually offset growth in a few other services industries. On an annual basis, GDP was up 2.5%.

### Chart 3: Job vacancies growing

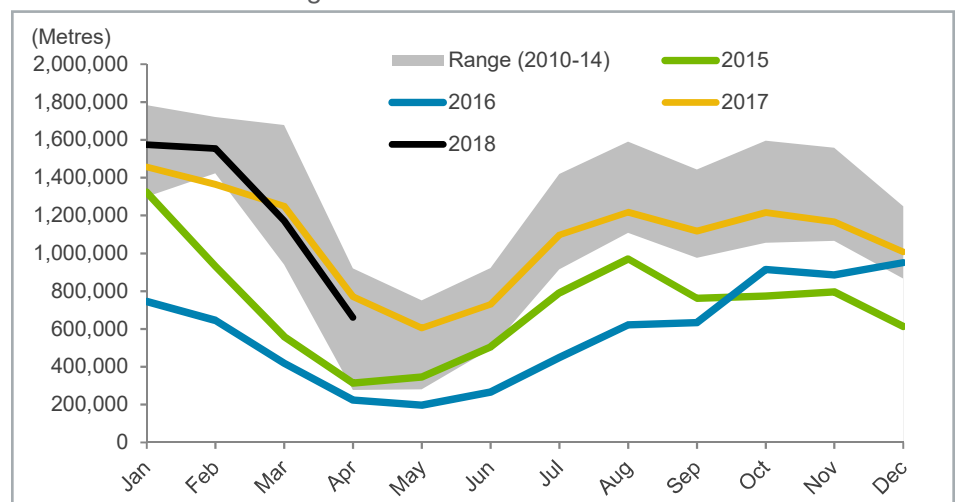
Number of job vacancies and the unemployment to job vacancies ratio



Source: Statistics Canada

### Chart 4: Metres drilled within the pre-recession range

Metres drilled for oil and gas in Alberta



Source: Alberta Energy Regulator

## Contact

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Please see the [Alberta Economy - Indicators at a Glance](#) for a snapshot of Alberta indicators.