

Weekly Economic Review

Alberta jobs continue to rise

Employment

Private sector leads jobs gains

Employment in the province grew at a modest pace for a second straight month. The economy added 2,000 jobs in June, with gains entirely in the private sector and part-time work. Gains in the private sector (+14,000) were mainly offset by losses in self-employment and the public sector. On an industry basis, job gains were concentrated in the trade and construction industries. Employment gains have stabilized since reaching a post-recession peak in December 2017 (Chart 1), with 7,800 jobs added over the first six months of 2018. Despite the monthly rise in employment, the unemployment rate rose 0.3 percentage point to 6.5% as the participation rate bounced back from a 25-year low reached in May. The unemployment rate has declined from a recession peak of 9.0% in November 2016.

Merchandise Trade

Exports surge on broad-based gains

Merchandise exports rebounded to a three-and-a-half year high in June completely reversing the impacts of temporary transportation bottlenecks and refinery outages over the winter months. The value of Alberta merchandise exports rose 13.6% month-over-month (m/m) to \$10.2 billion, driven by broad-based gains. Energy products led the way with the largest monthly dollar increase since December 2014 (+\$1.1 billion), supported by growing oil production and higher oil prices. Excluding energy, exports grew by 4.7%, largely lifted by forestry products which shot to a record high. Solid growth in consumer goods, machinery and equipment and chemical exports also contributed to the monthly rise. In the first five months in the year, merchandise

exports were up 8.3% year-to-date (YTD) with both energy and non-energy products improving.

Rigs Drilling

Solid start to summertime drilling

Drilling activity in the province bounced back in June after reaching a seasonal low in the previous month. The number of rigs drilling for oil and gas averaged 106, an increase of 39 rigs from May. With the solid start to summertime drilling season, the rigs count jumped 21% from the previous year. The rig utilization rate rose to 25%, which was within the upper half of the 2010-2014 range for this time of year.

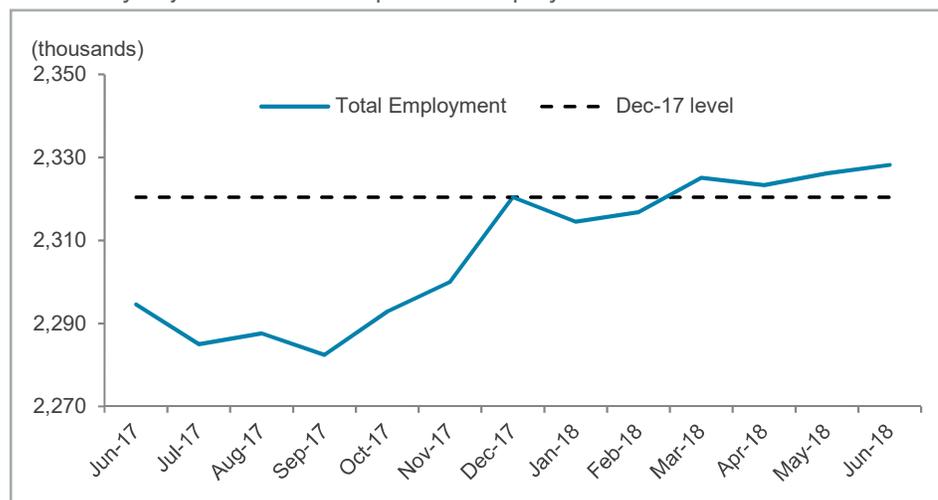
Crude Oil Production

Non-conventional output rises

Higher non-conventional oil production lifted total crude oil production in May following a slowdown in the preceding months. Daily crude oil production in the province increased by 6.7% m/m to 3.4 million barrels per day (Mbpd). Most of the rebound was driven by synthetic crude (+15%) as an oil sands upgrader returned online after completing maintenance. Bitumen production also increased (+4.8%), hitting a new high of 1.84 Mbpd. Meanwhile, conventional output took a breather after posting solid gains in the past three months. Overall, in the first five months of 2018, oil production was up 9.0% YTD supported by the ramping up of production in a recently completed oil sands mine and robust growth in conventional oil production.

Chart 1: Employment continues to trend higher, though gains have moderated

Seasonally adjusted number of persons employed in Alberta



Source: Statistics Canada

Contact

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