

Weekly Economic Review

Inflation and retail sales up with gasoline prices

Consumer Price Index

Energy prices continue to elevate inflation

Annual consumer inflation accelerated to the fastest pace in more than three years. The consumer price index rose to 2.6% year-over-year (y/y) in May, up from 2.3% April. Gasoline prices continued to drive inflation higher (+31.6% y/y) as prices rose to the highest level in more than nine years. While electricity prices pulled back from last month's recent high, they remained sharply higher than year-ago (+29.0% y/y). Excluding energy, inflation was unchanged at 1.3% y/y.

Retail Sales

Higher gasoline prices lift retail sales

Retail sales edged slightly higher in April. They increased 0.2% month-over-month (m/m) to \$6.8 billion as gasoline prices rose to near record levels across the province which led to a jump in gasoline station sales. Sales excluding gasoline station dipped with seasonally soft sales in most categories. Compared to a year ago, sales were up 2.2% led by ongoing strength in building material and garden equipment dealers (+11.3% y/y) and gasoline stations (+16.5% y/y). The growth in retail sales has eased in 2018 as sales at motor vehicle and parts dealers (-1.6% y/y) have pulled back from 2017 levels, and sales at food and beverage stores (-3.2% y/y) declined. Year-to-date, retail sales are up 2.0%.

Wholesale Trade

Sales tick higher

After taking a breather in March, Alberta wholesale trade ticked up in April. It increased 0.7% m/m to \$6.8 billion as machinery and equipment sales rebounded

from two consecutive monthly declines. Adding to the gains were food, beverage and tobacco as well as motor vehicle and parts, which hit the highest level since December 2014. Growth was moderated by building materials and supplies, which pulled back from a recent high in March, and weakness in farm products. Annually, wholesale trade remained robust (+6.8% y/y) with five of the seven categories posting solid gains.

Employment Insurance

El beneficiaries continue to decline

The number of Albertans receiving regular Employment Insurance (EI) benefits continues to move lower. EI beneficiaries fell 5.1% m/m to 56,320 in April, the lowest level since August 2015. While the number of beneficiaries has fallen, the number of EI applications edged higher (+9.4% m/m), completely reversing the previous months' drop. Despite the monthly increase, EI claims remain lower than last year's level (-6.7% y/y).

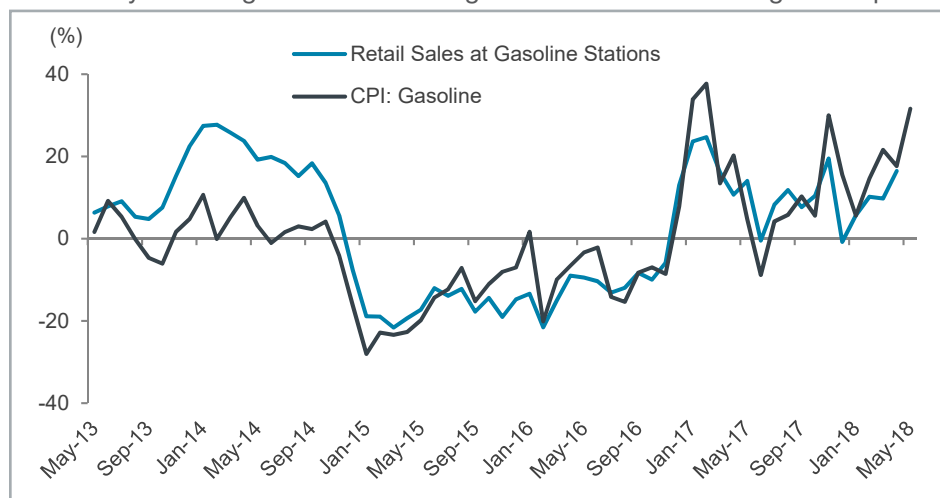
International Travel

Visitors to Alberta remain elevated

The number of travelers arriving in Alberta remains robust despite a dip in April. The seasonally adjusted number of non-resident visitors entering Canada via Alberta pulled back 3.5% m/m to 90,359 persons. While the number of US visits dropped, non-US visits grew for the third month in a row. Despite the decline, the overall number of visitations remained solid, up 7.5% y/y, with both US and international visitors higher than a year ago.

Chart 1: Higher gasoline prices lift retail sales at gasoline stations

Year-over-year change in retail sales at gasoline stations and CPI gasoline prices



Source: Statistics Canada

Contact

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