

Weekly Economic Review

Consumers save on energy prices

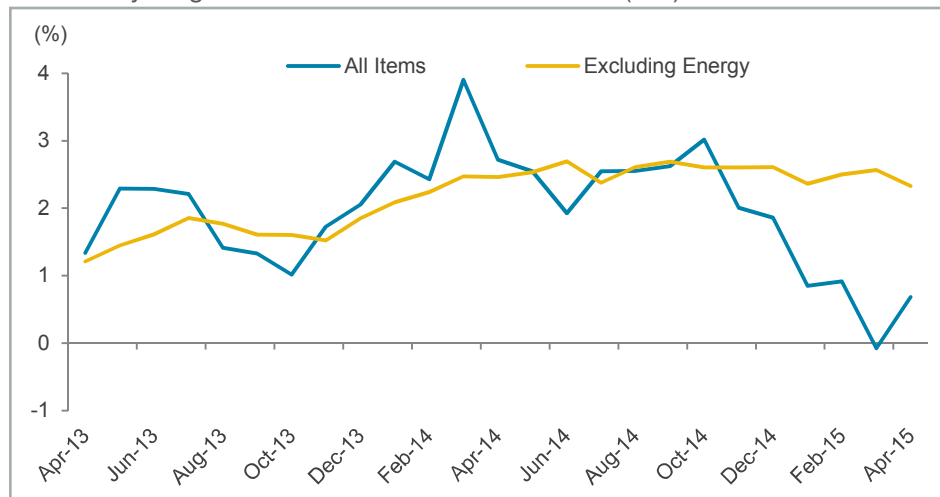
Consumer Price Index (CPI)

Inflation remains low on energy prices

Alberta consumer prices rose 0.7% year-over-year (y/y) in April, up from slight deflation in March. Energy prices continue to weigh on inflation (Chart 1), falling 18% in April. Energy prices were down across the board (Chart 2), with major declines in the prices of gasoline, natural gas and, to a lesser extent, electricity.

Chart 1: Energy prices weigh on inflation

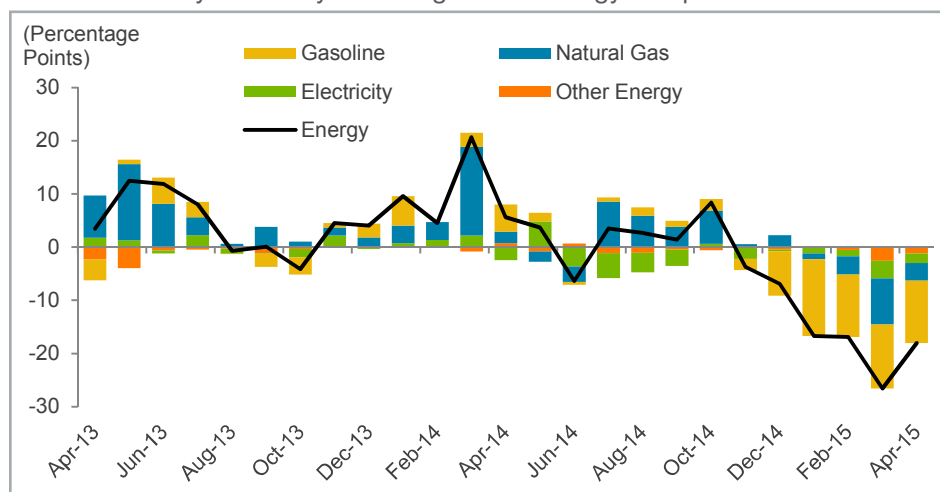
Year-over-year growth in the Consumer Price Index (CPI) for Alberta



Source: Statistics Canada

Chart 2: Alberta energy prices fall across the board

Contribution to year-over-year change in the energy component of CPI



Source: Statistics Canada

Inflation excluding energy was 2.3%, bolstered by a 3.8% y/y increase in food prices, mostly due to higher prices for meat, fresh fruit and vegetables. Shelter costs drove inflation in 2014, but have since slowed, up just 0.4%, due to slower home price growth and lower heating bills.

Nationally, energy prices also weighed on inflation, which was 0.8% in April. Core inflation excludes the eight most volatile components of CPI and is used to measure underlying inflation by the Bank of Canada; it was 2.3% in April.

Retail Trade

Gasoline prices pull down sales

Alberta retail sales were \$6.4 billion in March, up 1.1% from February, but still down 1.7% y/y. Retail sales continue to be dragged down by lower sales at gasoline stations, which fell by 22% y/y, on lower gas prices. Excluding gasoline stations, retail sales were up a modest 1.5% y/y. The largest contributors to growth were building material and garden equipment dealers (+12% y/y) and general merchandise stores (+3.9%).

There were \$42.5 billion-worth of retail sales across Canada in March, an increase of 3.1% y/y. Retail sales growth was led by British Columbia (+7.9% y/y) and Ontario (+5.9% y/y).

Employment Insurance (EI)

EI claims keep climbing

After jumping in February, Alberta initial employment insurance (EI) claims continued to climb. They reached 29,880 in March, the most since March 2009 and 12,950 more claims than in March 2014. As a result, the total number of EI beneficiaries increased by 3,180 to 38,750. Calgary and Edmonton together accounted for nearly half of

the monthly growth in EI beneficiaries, jointly rising by 1,530. By occupation, trades, transport and equipment operators had the highest monthly growth in beneficiaries, growing by 830 (Chart 3).

Job Vacancies

Fewer jobs available

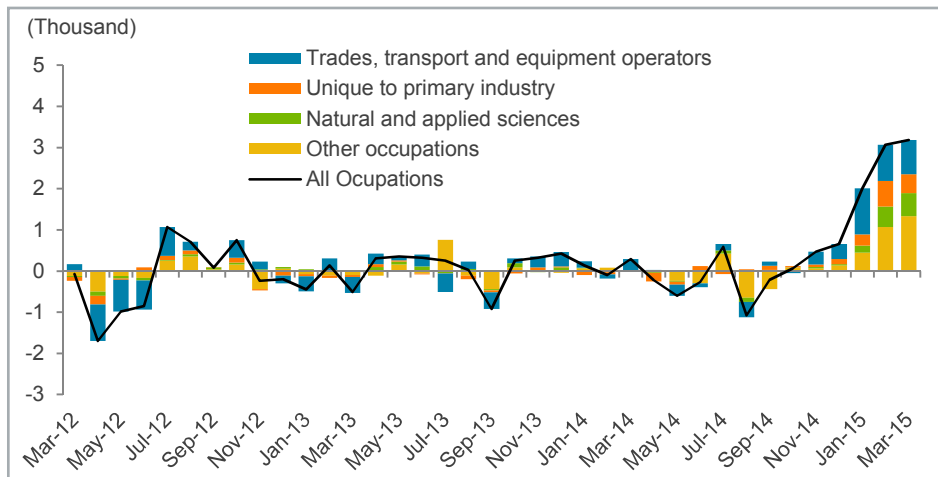
Alberta job vacancies continued to decline, averaging 35,600 in the three months ending in February, the lowest level since the series began in March 2011 (Chart 4). Job vacancies were down a sizeable 20% over the same period last year. This pushed the job vacancy rate, or the proportion of positions that were unfilled,

to a new low of 1.8%. The fall in job vacancies, along with a surge in the number of unemployed during this period, lifted the unemployment-to-job vacancies ratio to 3.4, a new high for that series.

There were 220,300 job vacancies across Canada for the three months ending in February, an increase of 14% over the same period last year. The job vacancy rate remained stable at 1.5%.

Chart 3: The number of Alberta EI beneficiaries continues to climb

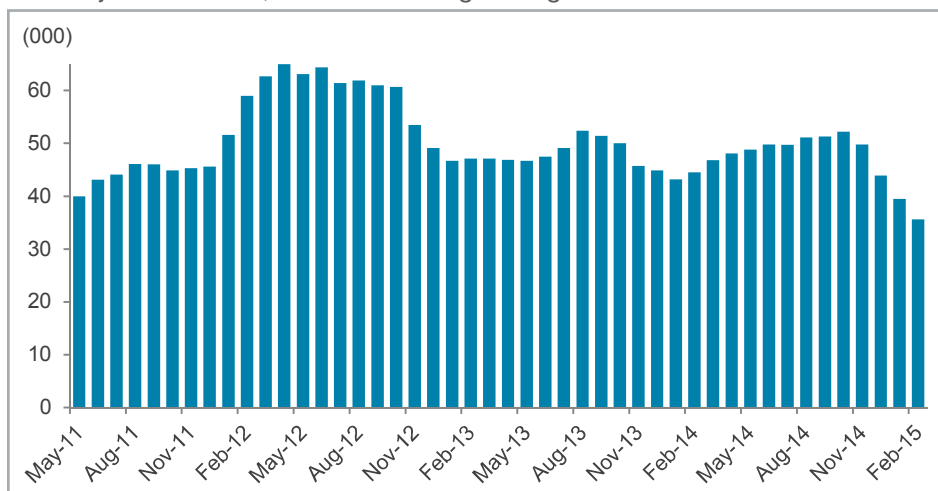
Monthly change in Employment Insurance (EI) beneficiaries by occupation



Source: Statistics Canada

Chart 4: Alberta job vacancies fall to the lowest level in over 4 years

Alberta job vacancies, 3-month moving average



Source: Statistics Canada

New Housing Construction

Construction maintains strength

Adjusted for inflation, new housing investment in Alberta rose 13% y/y in March, continuing a trend of strong growth that began in 2012. Much of the growth in investment came from multiple-unit dwellings, led by a 39% increase in apartment construction. Over the last several years, investment in row houses and doubles has surged. This continued in March, with spending increasing 32% for row houses and 17% for doubles. Investment in single-unit dwellings rose 4.6% y/y.

Wholesale Trade

Trade activity up mildly

Wholesale trade in Alberta was \$7.0 billion, up a modest 2.9% year-over-year, led by food, beverage & tobacco (+6.4%) and non-agricultural chemical sales (+31.2%). Sales of machinery and equipment fell 0.8% y/y, due to industrial machinery sales, which were down 8.1%. After strong sales in 2014, building materials and supplies wholesalers have seen sales soften, down 1.2% y/y. Despite the year-over-year increase, wholesale trade has been falling steadily since November 2014.

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