

Weekly economic review

Solid consumer spending keeps sales near all-time high

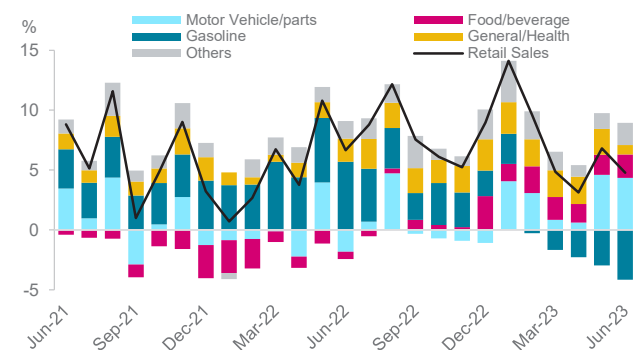
Retail Trade

Motor vehicle sales drive strong year-over-year growth

Alberta's retail sales took a breather in June after advancing for two consecutive months, remaining just shy of January's all-time high. Seasonally adjusted retail sales eased 0.6% month-over-month (m/m) to \$8.5 billion. Sales at motor vehicle & parts dealers took a step back after surging in May but were up 16% from last year. Sales at gasoline stations and general merchandise stores also moved lower in June. These pullbacks shaded monthly growth in food & beverage, sporting & hobby, and building materials & garden supplies stores. Overall, total retail sales were up 5.0% compared to last year, with strong growth in most categories, led by motor vehicle & parts sales. This outweighed a price-driven pullback in gasoline station sales (Chart 1). Year-to-date (YTD), total sales were up 6.8%.

CHART 1: SALES GROWTH REMAIN ROBUST DESPITE PULL-BACK FROM GASOLINE STATIONS

Alberta retail sales and components contribution, NSA, y/y



Sources: Statistics Canada, Haver Analytics

International Travel

Travel nearing pre-pandemic levels

The number of international travellers continues to advance. The seasonally adjusted number of non-resident travellers entering Canada through Alberta increased 9.4% m/m to 106,840 in June. Meanwhile, the number of returning Canadians via Alberta went up 4.5% m/m to 237,711. The number of travellers has been on the rise since mid-2021, and with the monthly increases, both were up significantly from last year's levels. Despite the ongoing gains, the amount of non-resident travellers and returning Canadians remains marginally below the pre-pandemic levels, down 6.6% and 7.1% from June 2019, respectively.

Railway Carloadings

Grain carloadings temper decline

Railway carloadings have pulled back since March despite strong support from agriculture & food shipments. Western Canadian railway carloadings totaled 153,622 railcars in June, down 3.5% year-over-year (y/y). While this was the first y/y decline after eleven consecutive months of positive y/y growth, agriculture & food (61% y/y) and motor vehicles & related (27% y/y) carloadings remained robust. In contrast, notable y/y contractions were observed in chemical & fertilizers, wood products, and energy carloadings. Overall, Western Canadian volumes of non-intermodal freight loadings were 10% higher YTD.

Industrial Product Price Index (IPPI)

Prices edge higher

Prices for Canadian manufactured products inched higher following eight months of decline. Canada's Industrial Product Price Index (IPPI) increased 0.4% m/m in July, led by strong price growth for lumber & wood (+7.5% m/m) and energy & petroleum products (+4.1% m/m). This was tempered by weaker prices for chemical products, primary ferrous metal, and meat, fish & dairy products. On a year-over-year basis, the IPPI was down 2.7%, with lower prices for energy (-22% y/y), lumber (-15% y/y), and chemical (-13% y/y) products leading the way.

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