

Weekly economic review

Large rebound in exports

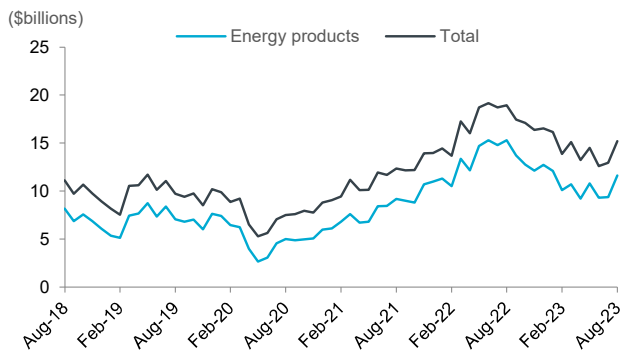
Merchandise Exports

Energy products lift exports

The value of Alberta's merchandise exports surged in August as energy exports rebounded. The total value of merchandise exports increased 18% month-over-month (m/m) to \$15.2 billion. The value of energy product exports increased by 24% m/m with higher prices and volumes of oil (Chart 1). Non-energy exports also ticked up (0.3% m/m) as gains in forestry products & electronics were offset by declines in farm, fishing & intermediate food and metal and non-metallic products. Despite the monthly rise, total exports were down year-over-year (y/y) for the sixth consecutive month. The y/y declines reflect lower prices and were primarily due to the lower value of exported energy, forestry, and chemical products.

CHART 1: ENERGY FUELS TOTAL EXPORT GROWTH

Alberta export values



Source: Statistics Canada

Employment

Employment reverses gains

Alberta's labour market fell back after months of strong employment gains. The province lost 37,800 jobs in September, giving back much of the gains made over the previous four months. The employment losses were concentrated in the private sector, full-time positions and in a handful of industries. Service sector employment fell 18,300 m/m, led by decreases in wholesale and retail trade and professional, scientific & technical services. Meanwhile, the decline in the goods sector employment (-19,600 m/m)

was almost entirely due to construction (-18,700 m/m). Despite the job losses, Alberta's unemployment rate was unchanged at 5.7% as the labour force retreated (-39,900 m/m). Employment remains 40,300 higher compared to its December 2022 level and is up 3.4% year-to-date.

Consumer Insolvencies

Insolvencies trend upwards

The number of Albertans filing for insolvency continued to trend higher. A total of 1,465 consumer insolvencies were submitted in August, 145 more than in July and 212 more than a year ago. While insolvencies have been volatile month-to-month, they have increased on a y/y basis since March 2023. The ongoing growth in insolvencies in Alberta and Canada partly reflects growing pressure on consumers from rising prices and higher interest rates.

Rigs Drilling

Activity steady

Drilling activity remained steady for the third month in a row. The average number of rigs drilled was unchanged at 139 in September. With no seasonal pick-up over the summer, activity has remained below last year's strong levels (-11% y/y). Nonetheless, activity remains higher than all other years since 2014. Year-to-date (YTD), activity is only down slightly (-2% YTD), largely due to the strong gains at the start of the year.

Business Formations

Incorporations take a breather

The number of new incorporations being established in Alberta eased in September after reaching a record high. The seasonally adjusted business formations edged down 0.6% m/m to average 4,816 in the three months ending in September. The pause comes after months of growth, and formations were up 6.6% YTD.

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