

Weekly economic review

Earnings regaining some ground

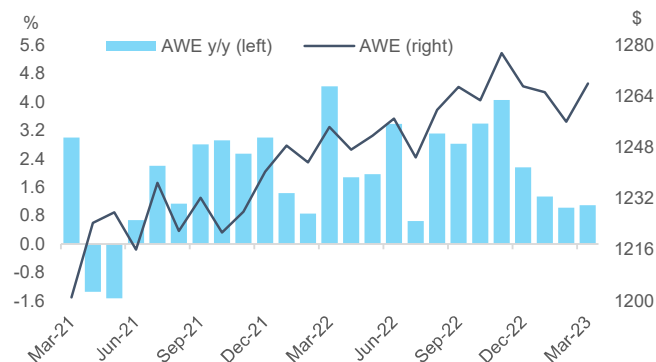
Average Weekly Earnings (AWE)

Goods sector boosts earnings

Average weekly earnings (AWE) in Alberta picked up in March after three months of declines. AWE increased 1.0% month-over-month or m/m to \$1,268, with gains in both the goods (+2.1% m/m) and services (+0.9% m/m) sectors. Goods sector earnings moved higher, as increases in mining, quarrying, and oil & gas extraction, manufacturing, and utilities overwhelmed the pullback in construction. Earnings in the services sector also nudged up with gains in 12 out of 15 industries. Finance & insurance saw the largest monthly growth, while AWE in health care and retail trade (the two largest industries by employment) also increased. Although the monthly improvement offset the last two-months of decline, earnings remained below the November peak. The year-over-year (y/y), earnings were up 1.1% (Chart 1), relatively modest compared to the growth in late 2022 and lower than the national average (+1.4% y/y).

CHART 1: AWE MOVED HIGHER IN MARCH

AWE and year-over-year change in AWE



Source: Statistics Canada and Haver Analytics

Business Barometer Index (BBI)

Sentiment continues to improve

Small business sentiment continued to advance in May. Alberta's long-term Business Barometer Index (BBI) increased 2.2 points m/m to 57.3, while the short-term index increased 3.3 points. Both the long-term and short-term

outlooks have improved since January 2023 to reach ten-month high. Despite the consistent improvement, sentiment remains lower than a year ago, as insufficient domestic demand and shortage of skilled labour continue to limit growth.

Employment Insurance

Beneficiaries continue to pull back

Fewer Albertans are receiving Employment Insurance (EI). The number of Albertans receiving regular EI benefits, on a seasonally adjusted basis, fell 2.8% m/m to 39,110 in March. The number of beneficiaries has retreated steadily over the last 22 months as the number of EI applicants have moderated back to pre-COVID level. With the ongoing declines, the number of regular EI beneficiaries remains below pre-COVID levels.

International Travel

Travel continues to trend higher

The number of international travellers increased in March. The seasonally adjusted number of non-resident travellers entering Canada through Alberta increased 5.2% m/m to 89,196, and the number of returning Canadians via Alberta went up 2.5% m/m to 214,932. While both increased in the month and were up significantly from last year's levels, they remained below the monthly numbers observed before the pandemic. In first quarter of 2023, a total of 256,534 non-resident travellers entered Canada through Alberta, up 144% from same period last year but 15% below the first quarter of 2019. Meanwhile, 632,133 Canadians returned to Canada via Alberta this quarter, up from 284,619 last year but down 17% from the first three months of 2019.

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