

Weekly economic review

Strong momentum continues in the labour market

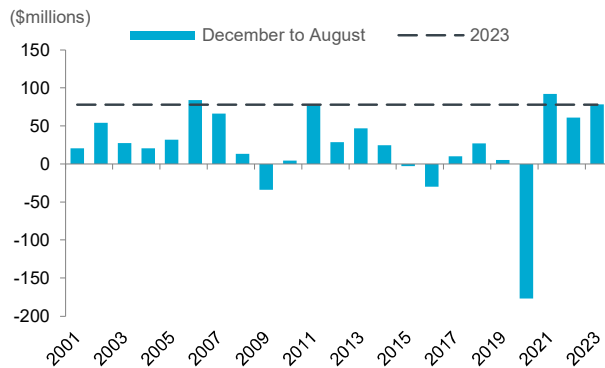
Employment

Robust employment gains continue

Alberta's labour market continues to march ahead. The province added 17,700 jobs in August, the highest monthly gain since February, and the largest of all provinces. Goods sector employment led the gains (+11,800 month-over-month m/m) with robust monthly growth in construction, manufacturing, and natural resources. Services sector employment also advanced (+5,800 m/m), with gains in most sectors, led by wholesale & retail trade, other services, and professional & scientific services. Employment has risen in 10 of the last 11 months and was up 4.1% year-over-year (y/y), driven by hiring in the private sector and full-time positions. Alberta's unemployment rate decreased 0.4 percentage points to 5.7% in August, reflecting strong employment gains and a modest pullback in the labour market participation rate (Chart 1).

CHART 1: STRONG EMPLOYMENT GAIN IN 2023

Change in Seasonally adjusted employment



Sources: Canadian Association of Energy Contractors (CAOEC)

Merchandise Exports

Exports stabilize

Alberta's goods exports ticked up in July after posting an outsized decline in the previous month. The value of merchandise exports rose 1.9% month-over-month (m/m) to \$12.9 billion, propped up by increases in non-energy products. The value of non-energy exports rebounded 9.1% in the month, led by farm, fishing & intermediate food products,

as grain terminals in BC continued to operate during the strike, reducing any strike-related impacts. Higher shipments of basic & industrial chemicals also contributed to the monthly gain. Meanwhile, energy exports edged down (-0.7% m/m). The value of exports has been trending downwards since reaching a high in June 2023. Despite the monthly rise, total exports were down year-over-year (y/y) for the fifth consecutive month. These declines reflect lower prices and were primarily due to energy products, forestry products, and chemicals.

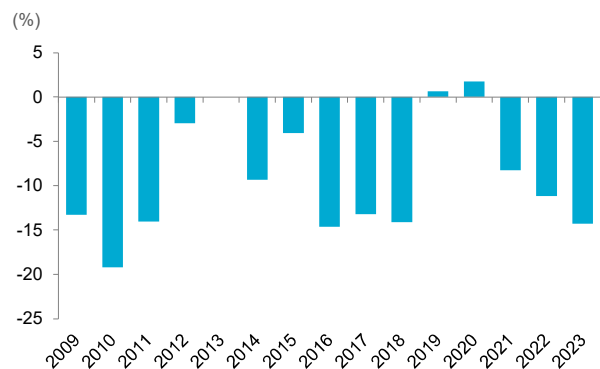
Consumer Insolvencies

Seasonal dip in Insolvencies

The number of Albertans filing for insolvency pulled back sharply in July. A total of 1,320 insolvencies were submitted, 220 fewer than in June with a decline in both proposals and bankruptcies. Insolvencies are volatile and fluctuate with the seasons, and the monthly drop was similar to declines in previous Julys (Chart 2). On a year-over-year basis insolvencies were up 13% y/y, the 16th consecutive month of growth. The rise of insolvencies partly reflects the growing pressures on Alberta's consumers from higher interest rates and rising prices.

CHART 2: LARGE SEASONAL DECLINE IN INSOLVENCIES

Percentage change in the number of Insolvencies in July, by year



Sources: Office of the Superintendent of Bankruptcy, Haver Analytics

Rigs Drilling

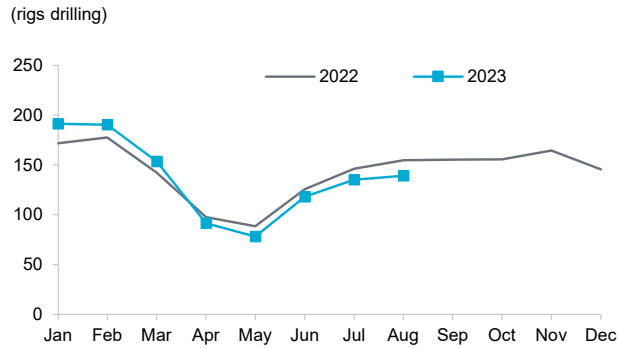
Modest gains in activity

Drilling activity in Alberta continued to increase at a modest pace. The number of rigs drilled averaged 139 in August, 4 more than in July. With the small seasonal gain, the level of

activity remained lower than a year ago for the fifth month in a row (Chart 3). Even though drilling is slightly lower than last year's level, it continues to be one of the strongest since 2014.

CHART 3: MUTED SEASONAL GAINS IN RIGS DRILLING

Number of rigs drilling and five-year seasonal range



Sources: Canadian Association of Energy Contractors (CAOEC)

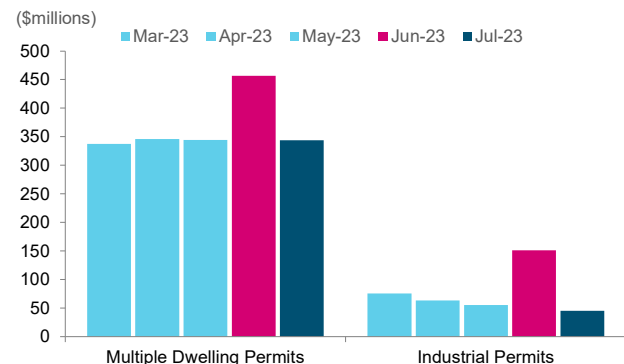
Building Permits

Fallback after recent advance

Alberta's construction intentions retreated in July after two consecutive months of strong growth. The seasonally adjusted value of building permits decreased 15.2% month-over-month (m/m) to \$1.3 billion. The decline was almost entirely due to a reversal in multiple-dwelling residential and industrial permits after they both spiked in June (Chart 4). The value of multiple-dwelling permits declined 25% after surging 33% in the previous month, while single permits were nearly unchanged in July (-0.7%). At the same time, industrial permits declined 70% m/m after gaining 174% in June, pulling non-residential permits lower. With the monthly pullback, permit values were down 5.7% year-to-date (YTD) from elevated levels, with residential (-12% YTD) lower, while non-residential permits saw increases (+7.9% YTD).

CHART 4: LARGE REVERSAL IN MULTI AND INDUSTRIAL PERMITS

Alberta building permits, by selected type (seasonally adjusted)



Sources: Canadian Real Estate Association, Haver Analytics

Supply of Oil

Data issues persist

Published data on oil production continues to be incomplete. Data released for both June and July remain impacted by reporting issues. Other data sources indicate that actual production is likely significantly higher.

Business Formations

Incorporations growth continues upwards

The number of new corporations being initiated/established in Alberta continues to grow. The seasonally adjusted business formations edged up 1.0% month-over-month (m/m) to average 4,795 in the three months ending in August. Formations have increased every month but one this year and were up 12% year-over-year (y/y) and 5.0% year-to-date.

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