

Weekly economic review

Strong employment gains in the first quarter

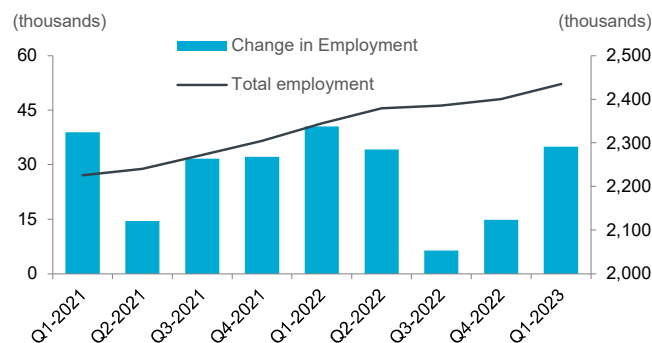
Employment

Service sector drives employment gains

Alberta's labour market is gathering momentum (Chart 1). The province added 13,700 jobs in March, stringing together six months of positive employment gains. The service sector added almost 22,000 jobs in the month, as 8 out of 11 service industries saw gains. Transportation & warehousing led the growth, followed by trade and financial services. In contrast, the goods sector (-8,200) pulled back after making some headway in the first two months of 2023. The losses were broad-based and led by natural resources. Overall, most of the employment gains were in full-time positions (+10,500), while part-time also went up (+3,300). With the jump in employment and a steady participation rate the unemployment rate declined from 5.8% in February to 5.7% in March.

CHART 1: ALBERTA EMPLOYMENT GAINING MOMENTUM IN 2023

Alberta Average Quarterly Employment (Q1-2021 to Q1-2023)



Sources: Statistics Canada, Haver Analytics

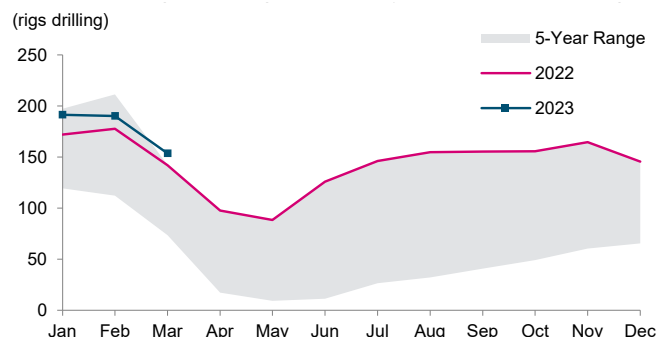
Rigs Drilling

Drilling remains robust

Alberta's drilling activity continues to be strong, even with activity slowing with the spring break up. The average number of rigs drilling stood at 154 in March, 36 lower than that from February (Chart 2), but the highest level for March since 2014. Drilling declines in the spring as warmer temperatures limits activities in areas previously accessible during winter. The number of rigs drilling was up 8.1% year-over-year (y/y).

CHART 2: RIGS DRILLING EIGHT YEARS HIGH

Number of rigs drilling and five-year seasonal range



Sources: Canadian Association of Energy Contractors (CAOEC)

Merchandise Exports

Exports continue to retreat

Alberta's goods exports continued their descent in February since peaking last June. The value of merchandise exports went down by 6.0% month-over-month or m/m to \$14.6 billion. The monthly decline was largely driven by a decrease in energy products (-6.0% m/m) with lower volumes and prices. Non-energy exports were also down (-5.9% m/m), led by lower exports of farm, fishing & intermediate food products (-11.5% m/m) and a sharp pull back in metal & non-metallic raw materials and products. While exports have declined in 6 of the last 8 months, they remain at elevated levels and were up 6.8% y/y.

Building Permits

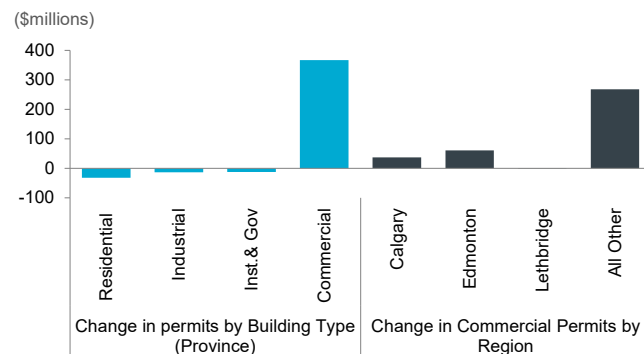
Surge in commercial permits

Non-residential construction intentions in Alberta jumped in February with surge in commercial permits. The seasonally adjusted value of building permits grew 26% month-over-month (m/m) to \$1.5 billion (Chart 3). The gain was led by non-residential permits (+91% m/m) which soared to the highest level since February 2022. The increase in non-residential permits was solely due to a significant leap in commercial permits (+141% m/m) and more particular the result of several high-value projects which boosted permits for warehouses and indoor recreation buildings in non-CMA regions. Meanwhile, residential permits (-3.9% m/m) retreated

in the month, as multiple permits (-7.3% m/m) fell while single intentions were largely unchanged. On a year-over-year (y/y) basis, permits values were up 24% as both non-residential (+63% y/y) and residential (+1.4% y/y) permits advanced.

CHART 3: COMMERCIAL PERMITS DRIVING THE GROWTH IN FEBRUARY

Value of Building Permits in Alberta



Sources: Statistics Canada, Haver Analytics

Supply of Natural Gas

Production and supply both ease

Production of natural gas and natural gas liquids fell in February. Conventional gas well production, which accounts for most of the overall natural gas production in the province, decreased 9.4% m/m to 10 billion cubic meters. Natural gas supply also declined in the month due to a lower withdrawal from storage amid lower consumption in Alberta, lower exports to other provinces, and the U.S. Meanwhile, the supply of natural gas liquids (NGLs) was also down in February (-14 % m/m).

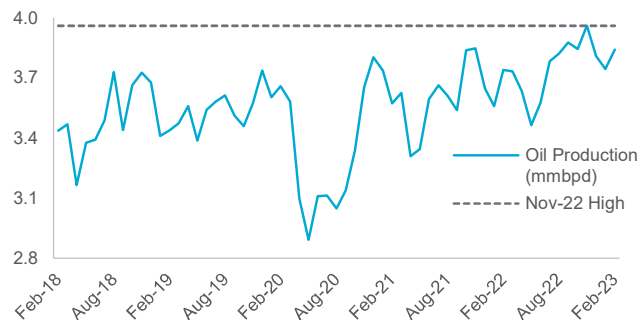
Supply of Oil

Partial rebound in synthetic production

Alberta's oil output picked up in February with a partial recovery in synthetic crude production. Oil production jumped 2.6% m/m to 3.8 million barrels per day (mmbpd) in the month (Chart 4), led by non-conventional production (+3.1% m/m). The growth in non-conventional was the result of an increase in synthetic crude production (+12% m/m) after production was hampered by multiple outages and maintenance issues in January. The recovery in synthetic production was tempered by a decline bitumen production (-2.0% m/m), while conventional production was unchanged in the month. On a year-over-year (y/y) basis, total oil production increase by 2.7%, supported by light & medium conventional and synthetic crudes.

CHART 4: OUTPUT PARTIALLY RECOVERS

Alberta's total oil production



Sources: Alberta Energy Regulator

Consumer Insolvencies

Insolvencies steady but up from a year ago

Alberta's consumer insolvencies were unchanged in February. The number of Albertans filing for insolvency held at 1,370, with the monthly uptick in proposals offset by a decline in bankruptcies. While they held steady, consumer insolvencies remained elevated than a year ago, up 18% y/y.

Business Insolvencies

Insolvencies tick up

The number of businesses filing for insolvencies increased in February. Nineteen businesses in Alberta initiated insolvencies, two more than in January. While the number of bankruptcies (+7 m/m) was up, proposals (-5 m/m) decreased. Over the past 12 months, 244 businesses filed for insolvency, up 60% y/y, primarily due to a gain in proposals (+118% y/y).

Bank of Canada Business Outlook Survey

Sentiment moderates further

Canadian businesses continue to grow more cautious. The Canada Business Outlook Survey (BOS) indicator eased for the fifth consecutive quarter in 2022 and reached negative territory for the first time since the early stages of pandemic (Q2-2020). The deterioration in sentiment can mostly be attributed to ongoing cost pressures, rising interest rate and recession concerns. These constraints eventually weighed on expectations for future growth in sales, employment, and investment, nonetheless, the outlook for all three remained positive. The more subdued outlook help alleviate some of the concerns arising from the tight labour market, wage pressures and supply chain constraints.

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For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)