

# Weekly economic review

## Alberta economy resilient

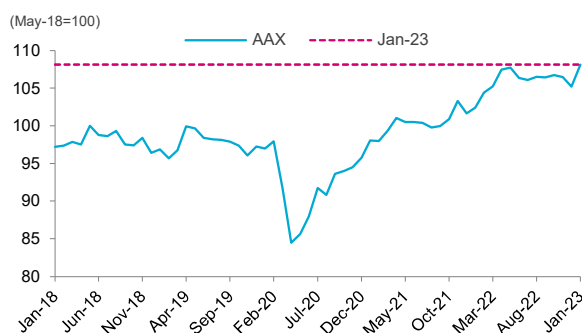
### Alberta Activity Index

#### Activity at a new high

The Alberta Activity Index (AAX) jumped in January, reaching another historical high. The index went up 2.8% month-over-month (m/m) - the highest monthly increase since September 2020 - as activity in nearly all sectors advanced (Chart 1). Activity in the general business sector led the gains as manufacturing shipments hit record levels and wholesale trade grew strongly in the month. Likewise, a surge in employment lifted labour market activity in January. Household sector activity also improved on the back of strong housing starts and solid gains in retail sales. Meanwhile, seasonally adjusted activity in the energy sector went down as drilling activity posted a smaller than usual post-holiday bump and unplanned operational and weather-related issues weighed on oil production. On a year-over-year basis, AAX was up 5.6% in January, supported primarily by general business sector.

#### CHART 1: ACTIVITY PICKS UP TO A NEW HIGH

The Alberta Activity Index



Source: Alberta Treasury Board and Finance

### Business Barometer Index

#### Sentiment improving

Small business sentiment continued to advance in March. The Alberta long-term Business Barometer Index (BBI) increased 1.0 points m/m- to 53.6 while the short-term index increased 1.8 points. Both the long-term and short-term outlooks have improved over the last two months to reach

seven-month highs. Although, business sentiment appears to have turned the corner, it remains well below the 2021 levels, as shortage of skilled labour continues to limit growth. While sentiment has improved in most industries, health, information arts & recreation, and the professional business services continue to have the highest levels of optimism.

### Average Weekly Earnings

#### Earnings steady

Average weekly earnings (AWE) in the province were virtually unchanged to start the year. AWE inched up 0.1% (m/m) to \$1,268 in January, with earnings advancing in the goods sector and no change in the services sector. Average earnings in the goods sector increased (+1.3% m/m) as gains in construction and manufacturing overwhelmed a decline in mining, quarrying, and oil & gas extraction. Meanwhile, AWE in the services sector was unchanged as growth in payroll employment in the lower paying close-contact industries offset higher earnings in 11 of the 15 industries. The strongest gains were in information & culture, finance & insurance, and transportation & warehousing. On a year-over-year basis, earnings were up 1.6% in January, with the goods sector (+3.2% y/y) outpacing the services sector (+1.2% y/y).

### Canadian Real GDP by Industry

#### Broad based surge in activity

National GDP by industry jumped in January. Canadian real gross domestic product (GDP) by industry went up 0.5% (m/m), the largest monthly increase since March 2022. Gains were widespread, with rising output in both the goods (+0.4% m/m) and services sector (+0.6% m/m) and in 17 out of 20 industries. The expansion in the goods sector was led by mining, quarrying and oil & gas extraction industry (+1.1% m/m). Manufacturing output also increased, while construction activity improved as residential construction (+0.6% m/m) increased for the first time since July 2022. Meanwhile, every service industry except for management of companies & enterprises grew in the month with surging activity in the wholesale, transportation, and accommodation & food services. With the monthly gain Canada's GDP by industry was up 3.0% y/y.

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