

Weekly economic review

Alberta labour market resilient

Employment

Employment holds up in January

Alberta's labour market bucked the national trend in January as the economy continued navigating the ongoing Omicron wave. Employment rose 7,000 month-over-month (m/m), driven by part-time and private sector jobs. Goods sector employment surged (+18,400 m/m) on the back of broad-based gains for all goods industries, particularly manufacturing. Employment in the service sector declined (-11,300 m/m), driven by losses in other services, education, and professional & scientific services. They were offset by gains in information & culture, health care, and accommodation & food. The unemployment rate dropped to 7.2% while the participation rate dipped slightly to 69.6%. Nationally, employment declined by over 200,000, driven by losses in Ontario and Quebec.

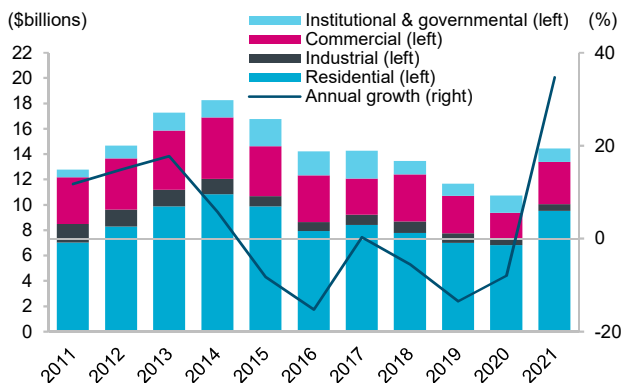
Building Permits

Construction intentions rebound in 2021

Spending intentions are looking up for the construction sector, despite a pull back at the end of 2021. The value of building permits in Alberta declined in December after a spike in November. Permit values dropped 9.6% m/m to \$1.2 billion as Calgary's commercial permits normalized following a large permit issuance for the BMO convention centre in November. On an annual basis, the total value of building permits in Alberta grew 34% in 2021 (Chart 1) to reach the highest level

CHART 1: RESIDENTIAL PERMITS DRIVE INTENTIONS

Annual value of Alberta building permits, by type (NSA)



Sources: Statistics Canada and Haver Analytics

since 2015. Although rising input costs - materials and labour - accounted for almost 60% of the increase, the real value of building permits still grew by over 14% in 2021.

Alberta Activity Index

Activity reaches new peak

The Alberta Activity Index (AAX) jumped in November, surpassing the previous April 2021 high to reach a new peak. The index rose 2.5% m/m, supported by all sectors except energy. Strong gains in the business sector were led by wholesale trade and manufacturing shipments, which both reached their respective historical highs in November. The labour market also posted even gains in employment and earnings. Meanwhile, energy sector activity went down primarily due to weaker oil production on a seasonally adjusted basis, while rigs drilling posted a minor decline. The AAX remained up 9.2% year-to-date.

Canadian Real GDP by Industry

Back to pre-pandemic levels

National economic activity increased further in November and recovered to pre-pandemic levels. Canadian real gross domestic product (GDP) by industry rose 0.6% m/m, with both services- and goods-producing industries contributing to the increase. Growth in the services sectors (+0.6% m/m) was led by wholesale trade on the back of strong international demand for building materials and supplies. The increase in goods-producing industries (+0.5% m/m) was driven by manufacturing amid further recovery in transportation equipment and strong petroleum & coal product manufacturing. Although the goods sector remained below pre-pandemic (-1.8%), growth in the services sector (+1.0%) pushed overall economic activity above the February 2020 level (+0.2%).

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