

Weekly economic review

Sentiment bounces back in Alberta

Consumer Confidence

Consumer sentiment strengthens

Alberta's consumer sentiment improved in March, largely recovering from February's decline. The Conference Board of Canada's index of consumer confidence grew 9.8 points, as surging oil prices and the relaxing of public health mandates boosted sentiment surrounding future finances and job prospects. Nationally, consumer confidence advanced 2.2 points, buoyed by gains in BC, Alberta, and Ontario.

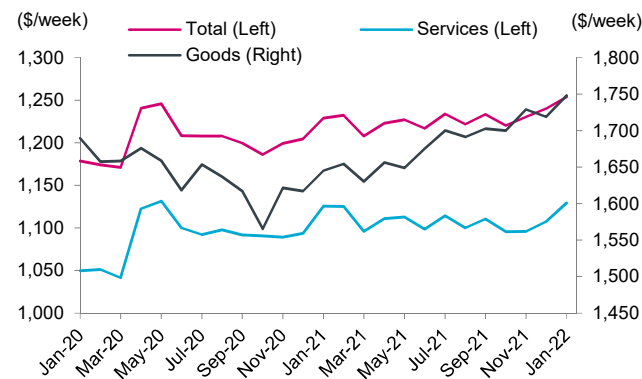
Average Weekly Earnings

Earnings gain ground in January

Alberta's average weekly earnings (AWE) edged higher in January for the third consecutive month. AWE rose 1.1% month-over month (m/m) to \$1,254, with gains for both goods and services sectors (Chart 1). In the goods sector, increased payroll employment lifted earnings in construction and mining, quarrying, & oil & gas extraction. In the services sector, the monthly gain in AWE was propped up by transportation and professional, scientific, & technical services, with the latter steadily increasing since mid-2021 to reach a record high in January. This was partly offset by lower earnings in arts & entertainment and accommodation & food services, where employment dipped as a result of the Omicron wave and the associated public health measures. On a year-over-year (y/y) basis, overall earnings were up 2.0%.

CHART 1: BOTH GOODS AND SERVICES PUSH AWE HIGHER

Average weekly earnings in Alberta by sector



Sources: Statistics Canada and Haver Analytics

Business Barometer Index

Sentiment bounces back

Small business sentiment in Alberta went up in March despite continuing supply chain pressures and higher energy input costs. The Business Barometer Index (BBI) increased 1.5 points m/m, rebounding from February's decline. Alberta's short-term outlook grew 5.9 points m/m, as it did for all provinces, on the heels of relaxed public health mandates. Nationally, the BBI rose 2.6 points m/m, propelled by increases in Newfoundland and Labrador, Ontario, and Quebec.

Alberta Activity Index

Activity bounces back

The Alberta Activity Index (AAX) increased in January after taking a step back in the prior month. The index went up 1.1% m/m, led by strong wholesale trade sales and an improving labour market. For the business sector, combined gains in wholesale trade and new truck sales far outweighed a slight reduction in manufacturing shipments. Labour market activity was boosted by growth in both employment and earnings. Meanwhile, energy sector activity softened slightly due to weaker drilling activity. Similarly, activity in the household sector declined as lower housing starts outweighed gains in retail sales. The AAX was 4.5% higher y/y.

Food Services and Drinking Places

Omicron wave weighs on sales

Alberta's restaurant sales dipped in January amid the Omicron wave and the associated public health mandates. Seasonally-adjusted sales at food and drinking places declined for the second consecutive month, down 0.8% month-over-month (m/m). The growth for limited-service eating places (+0.7% m/m) was more than offset by declines in all other components, particularly full-service restaurants (-2.0% m/m). Overall, restaurant sales were up 42% year-over-year from the very low level in January 2021. However, they remained down from pre-COVID levels, indicating that the recovery is still underway.

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