

# Weekly economic review

## Increased earnings bolster Alberta's labour market recovery

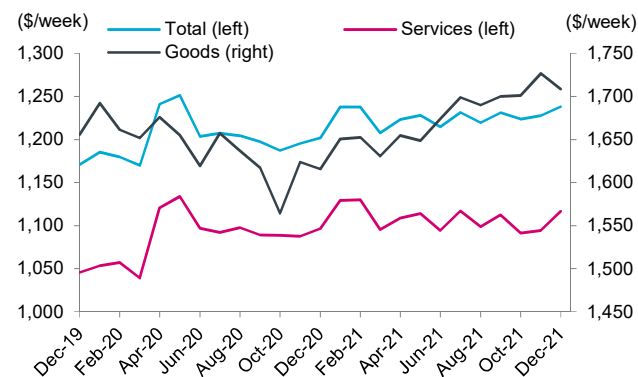
### Average Weekly Earnings

#### Earnings advance

Alberta's average weekly earnings (AWE) edged higher in December for the second consecutive month. AWE rose 0.8% month-over-month (m/m) to \$1,238, as gains in the services sector outweighed declines in the goods sector (Chart 1). Both sector groups experienced an increase to payroll employment, with diverging impacts to AWE. For the goods sector, growth in employment – particularly in construction – pushed AWE down. In the services sector, both employment and earnings grew, led by retail trade and finance & insurance. For arts & entertainment and other services – close-contact industries still recovering from the pandemic – gains in AWE were accompanied by stable and rising employment, respectively. Earnings in Alberta increased 2.0% in 2021 from 2020, up for nearly all industries.

**CHART 1: SERVICES PUSH AWE HIGHER**

Average weekly earnings in Alberta by sector



Sources: Statistics Canada and Haver Analytics

### Consumer Confidence

#### Consumer sentiment slumps

Alberta's consumer sentiment fell in February, reversing January's slight gain. Despite the easing of public health restrictions, the Conference Board of Canada's index of consumer confidence shed 12.1 points in February, as inflationary pressures and supply-chain disruptions caused by protests weakened sentiment surrounding future finances and job prospects. Nationally, consumer confidence retreated 7.6 points, weighed down by losses in BC, Ontario, and the Atlantic Region.

### International Travel

#### Travel keeps rising

International travel continued its recovery in December, following the opening of the US land border to all fully-vaccinated Canadian travellers in late November. The seasonally adjusted number of non-residential travellers entering Canada through Alberta rose by 21% m/m to over 37 thousand people, the largest number of travellers in one month since February 2020. Similarly, the number of returning Canadians via Alberta also increased to over 106 thousand people. On an annual basis, non-resident travel was down 9.8% in 2021 compared to 2020, while the number of returning Canadian travellers was down 47%.

### Railway Carloadings

#### Carloadings remain down

Railway carloadings declined in December due to disruptions caused by flooding in BC in the prior month. Western Canadian railway carloadings stood at 144,471 railcars and were down 24% year-over-year (y/y), the lowest December level since 2013. Reduced shipments of wheat and canola seeds were the main contributors, as the flooding temporarily halted rail shipments to and from the Port of Vancouver—a critical link in the Canadian agricultural supply chain. Declines in agricultural shipments were further exacerbated by the drought conditions in many parts of Alberta during the growing season, lowering crop production. Similarly, decreases were reported for energy shipments, chemical and fertilizer shipments, and wood products. On an annual basis, Western Canadian volumes of non-intermodal freight loadings were 4.7% lower in 2021 than in 2020 due to ongoing supply chain disruptions, container shortages, and weather-related events.

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