

Weekly Economic Review

Alberta labour market continues to make headway

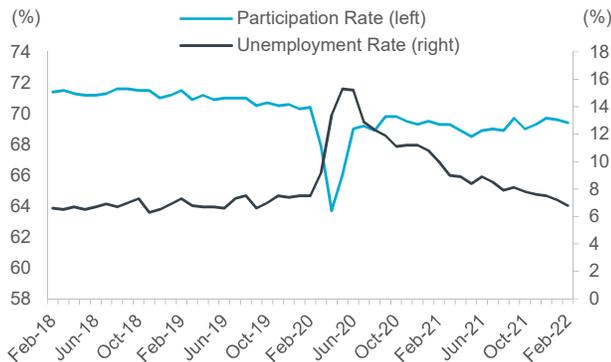
Employment

Labour market improves further

Alberta's labour market advanced in February, following the widespread easing of public health measures early in the month. Employment rose 8,200 month-over-month (m/m), driven by part-time and private sector jobs. Service sector employment rebounded (+9,200 m/m), led by gains in professional & scientific and educational services. Service industries that were impacted the most by the pandemic — information, culture & recreation, accommodation & food services, wholesale & retail trade, and other services — boosted employment. After a large jump in January, goods sector employment dipped slightly (-1,100 m/m), with a pull-back in manufacturing offset by gains in the natural resource sector and agriculture. With the employment gains, the unemployment rate dropped to 6.8% (Chart 1), while the participation rate continued to lag. Nationally, employment increased by over 336,000, on the back of large gains in Ontario and Quebec.

CHART 1: EMPLOYMENT GAINS PUSHED UNEMPLOYMENT RATE LOWER

Unemployment and participation rate, seasonally adjusted



Sources: Statistics Canada, Haver Analytics

Consumer Insolvencies

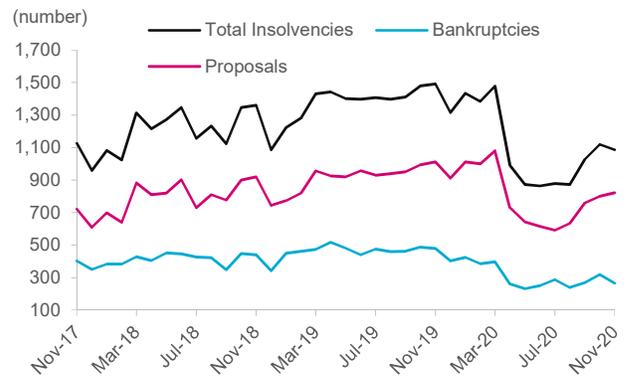
Insolvencies continue to retreat

Alberta's consumer insolvencies trended down in January for the second consecutive month. The number of Albertans that filed for insolvency declined 7.4% m/m to 967, with both bankruptcies and proposals falling (Chart 2). With this

pull back, consumer insolvencies were down 32% from the 12-month high in March 2021 amid Alberta's ongoing labour market recovery. Nationally, consumer insolvencies declined 2.7% m/m, with the largest drops in Manitoba, Saskatchewan, and British Columbia.

CHART 2: INSOLVENCIES APPROACH PRE-PANDEMIC LOWS

Number of consumer insolvencies filed per month in Alberta, by type



Sources: Office of the Superintendent of Bankruptcy, Haver Analytics

Business Insolvencies

Insolvencies decline

Alberta's business insolvencies declined in January as the provincial economy continued its recovery. Eight businesses initiated insolvencies, a decrease of four against December 2021, and unchanged from January 2021. The number bankruptcies ticked up (+1 m/m), while proposals decreased (-5 m/m). Likewise, Alberta's share of national business insolvency filings went down to 3.8%. Nationally, 62 fewer business insolvencies were filed in January, driven by decreases in Ontario and Quebec.

Business Formations

Incorporations advance

Alberta's incorporations picked up in February as Omicron cases subsided. Business formations grew 2.4% m/m to average 4,155 in the three months ending in February, following a 0.1% decrease in January. The number of new incorporations in Alberta were up 1.7% year-over-year (y/y), as well as 23% higher relative to its pre-pandemic February 2020 level.

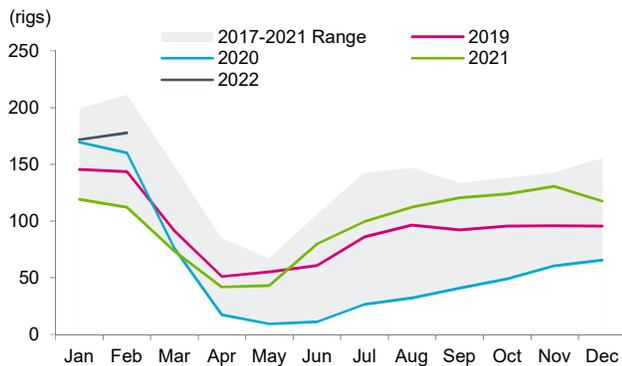
Rigs Drilling

Drilling activity speeds up

Rigs drilling increased further in February, supported by strong demand and oil prices. The number of active rigs averaged 178, growing 3.5% from January (Chart 3). This is a significant improvement from the 2021 low to levels not seen since 2018. On a year-to-date (YTD) basis, rigs drilling in Alberta was up 51%.

CHART 3: RIG ACTIVITY STRONG IN THE PROVINCE

Number of rigs drilling for oil and gas in Alberta



Source: Canadian Association of Energy Contractors (CAOEC)

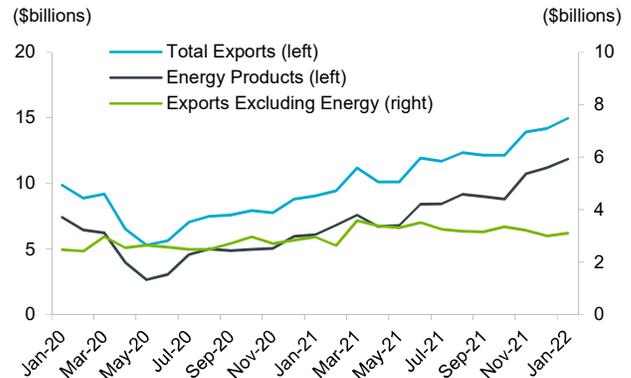
Merchandise Exports

High prices propel exports

Alberta's goods exports continued to rise in January, while exports on the national level inched down. The value of merchandise exports increased 5.5% m/m to just under \$15 billion (Chart 4), driven primarily by higher energy exports (+6.0% m/m) on the back of higher volumes and natural gas & oil prices. Excluding energy, exports improved 3.6% m/m, supported by gains in basic & industrial chemicals (+13% m/m). Compared with January 2021, exports were up 65%. Exports to the US were up 80% y/y, while exports to other countries were down 13% compared to the prior year.

CHART 4: ENERGY AND NON-ENERGY EXPORTS UP

Alberta's merchandise exports



Sources: Statistics Canada, Haver Analytics

National Balance Sheet

Higher asset values boost household wealth

Growth in Canadian household wealth picked up in Q4. Household net worth—the value of all assets less liabilities—grew 4.6% quarter-over-quarter (q/q) to \$15.9 trillion in Q4, supported by strong real estate activity and capital gains. The value of land increased 7.3% q/q and residential structures appreciated 2.5% q/q. Additionally, the market value of equity and investment funds (+5.1% q/q) also improved, as equity markets continued to edge higher in Q4. With labour market recovering, compensation of employees rose 1.9% q/q and led growth in primary household income. However, this was tempered by a decline in government benefit programs payouts, including employment insurance, (-12% q/q). Disposable income shrunk 1.3% q/q in Q4 and savings retreated, while household expenditures continued rising (+1.3% q/q). Although growth in disposable income lost momentum throughout 2021, it remained 2.7% above 2020. Compared to assets, growth in household debt slowed in Q4, although mortgages increased further (+2.3% q/q) to a historical high. The debt-to-service ratio ticked up to 13.8%.

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