

Weekly Economic Review

Steady growth in earnings

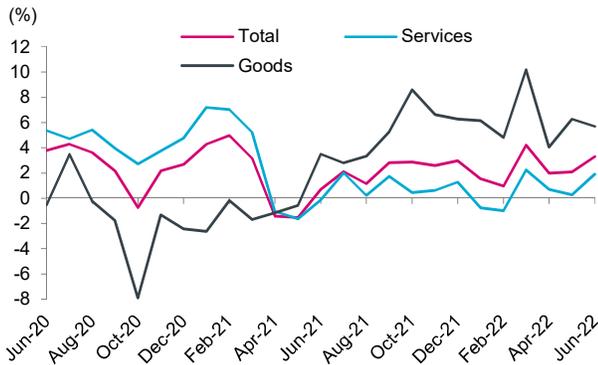
Average Weekly Earnings

Goods sector pushes earnings higher

The goods sector continues to boost Alberta's average weekly earnings (AWE). AWE inched up 0.4% month-over-month (m/m) to \$1,257 in June. Earnings in the goods sector (+1.0% m/m) advanced with higher earnings in manufacturing and ongoing employment gains in mining, oil & gas extraction. Meanwhile, AWE in the service sector nudged up slightly in June (+0.3% m/m). On a monthly basis, earnings and employment increased in health care, and accommodation & food services – the industry most grappling with high vacancy rates. These service-sector gains were partly tempered by pull-backs in real estate, information & culture, and wholesale trade, which were down for the third consecutive month. With the modest monthly improvement, overall earnings continued to grow at a steady pace, up 3.3% year-over-year (y/y) (Chart 1), led by the goods sector.

CHART 1: STRONG GROWTH IN THE GOODS SECTOR EARNINGS CONTINUE

Year-over-year percent change in average weekly earnings in Alberta by sector



Sources: Statistics Canada, Haver Analytics

Employment Insurance

Beneficiaries continue to retreat

Fewer Albertans are receiving employment insurance (EI). The number of Albertans receiving regular EI benefits fell 3.9% m/m to 49,390 in June, with modest employment gains and declining unemployment. This is now back to pre-COVID levels. The decline in total beneficiaries continued despite an 18% increase in the number of Albertans applying for EI. The monthly increase in applications largely reflects an influx of claims from teachers and educational assistants following the end of the school year, which is common in late June or early July.

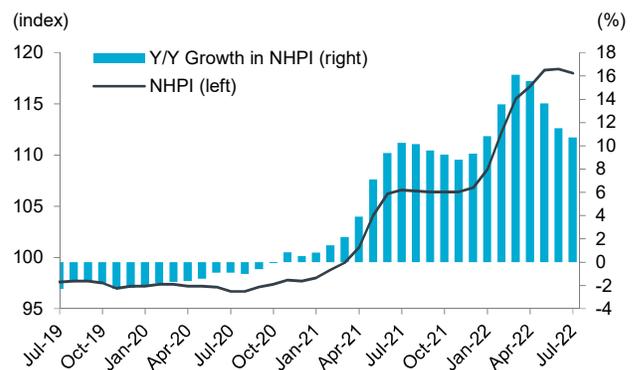
New Housing Price Index

Growth in new house prices slows

The Alberta new housing price index eased in July after months of strong growth. The index dipped 0.3% m/m with lower prices in both Calgary and Edmonton. This was the first monthly pullback since September 2021, while year-over-year growth in the index slowed to 11% y/y from over 16% five months ago (Chart 2). While growth has slowed, Alberta posted the second highest rate among the provinces and growth in Calgary remained the highest among all other Canadian cities for the third month. The relative strength in Alberta's and Calgary's new housing price index largely reflects the firm housing market.

CHART 2: PAUSE IN NEW HOME PRICES

Alberta's new housing price index (NHPI) and year-over-year percent growth



Sources: Statistics Canada, Haver Analytics

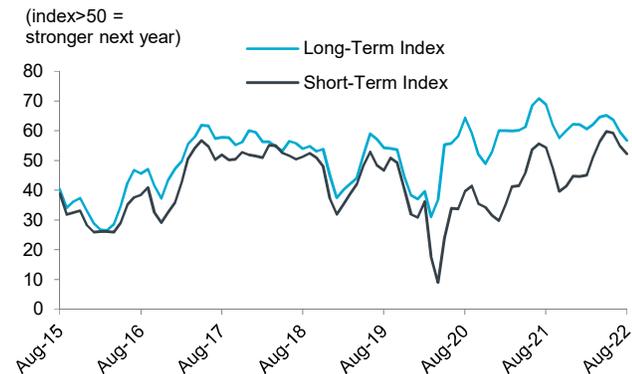
Business Barometer Index

Sentiment eases

Small business sentiment declined for the third consecutive month but remained healthy. Both the Alberta long-term Business Barometer Index (BBI) (-2.9 points m/m) and the short-term outlook (-2.7 points m/m) decreased in August (Chart 3). While labour shortages and high fuel and energy costs have moderated, they continued to weigh on business optimism. Despite the recent declines, the long-term index remained above 50, indicating businesses continue to expect growth next year. Nationally, the long-term BBI remained almost unchanged, lifted by increased levels of confidence in Newfoundland and Labrador and Ontario, while the rest of the provinces posted declines.

CHART 3: ALBERTA'S BUSINESS SENTIMENT DECLINES

Alberta Business Barometer Index (two-month moving average)



Source: Canadian Federation of Independent Business

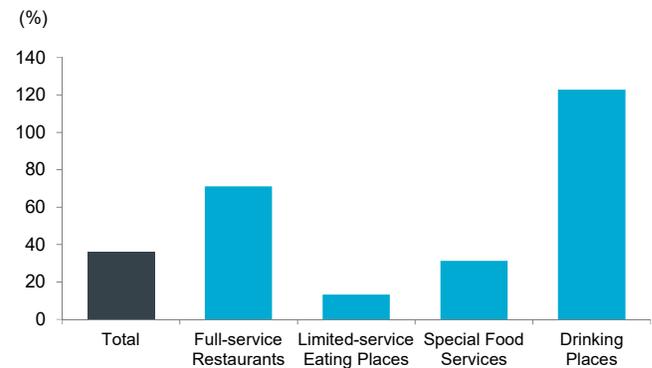
Food Services and Drinking Places

Sales reach a new high

Alberta's restaurant sales continue to climb. Seasonally-adjusted sales at food and drinking places increased 0.5% m/m in June, reaching another historical high. The gain was driven by higher seasonal sales at full-service restaurants and limited-service eating places. While rising prices have certainly contributed to growth, total sales were up 21% y/y, significantly outpacing the 5% increase in prices paid by consumers for food purchased from restaurants. Year-to-date (YTD) sales were up 36%, with strong gains in all types (Chart 4), reflecting higher demand and prices compared to last year during the pandemic.

CHART 4: GAINS ACROSS ALL CATEGORIES

Year-to-date percent change in sales (NSA), June 2022



Sources: Statistics Canada, Haver Analytics

International Travel

Recovery in non-resident travel continues

Non-resident international travel increased further in June but remained well below pre-pandemic levels. The seasonally adjusted number of non-residential travellers entering Canada through Alberta rose by 11% m/m to just under 70 thousand people. While this was 20 times more than a year ago, it only represented 69% of the number of trips observed in June 2019. Meanwhile, the number of returning Canadians via Alberta declined (-7.6% m/m), as a large drop in those returning by airplane offset continued growth in Canadians entering by automobiles. Overall, non-resident and resident travel was 11 and 10 times higher YTD, respectively.

Railway Carloadings

Grain loadings continue to slump

Railway carloadings remain lower than a year ago. Western Canadian railway carloadings stood at 158,653 railcars, down 7.7% y/y. Reduced shipments of wheat (-49% y/y) and canola (-61% y/y) were still the main contributors, reflecting the depletion of stocks and lower crop production due to last summer's drought. Declines were also reported for wood products (-14% y/y), motor vehicles (-24% y/y), and several more categories experienced moderate declines. These declines were partially offset by higher rail carloadings of energy products, particularly for coal (+11% y/y) and non-metallic minerals (+20% y/y). Total Western Canadian volumes of non-intermodal freight loadings were 13% down YTD.

Contact Zoia Komirenko at TBF.ERFPublications@gov.ab.ca

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