

Weekly Economic Review

Employment regains ground

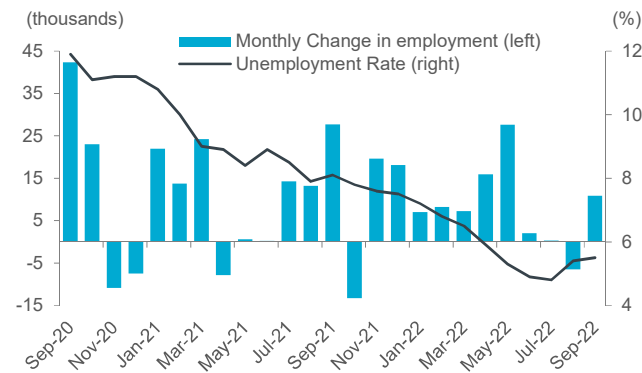
Employment

Employment rebounds

Alberta's labour market started the fall on a positive note. Employment increased 10,800 month-over-month (m/m), recouping the losses from the previous month (Chart 1). Goods sector employment went up (+2,700 m/m) as gains in construction, utilities, and manufacturing outweighed pullbacks in natural resources and agriculture. Employment in the service sector also grew (+8,300 m/m), with increases in 8 out of 11 industries. Professional, scientific, and technical services continued to lead the gains. Wholesale & retail trade, health care & social assistance, and educational services gained ground while employment in information, culture, & recreation pulled back. Overall, the monthly growth was concentrated in the private sector and self-employment, with a boost in part-time positions offsetting lower full-time jobs. With a growing labour force and an uptick in the participation rate, the unemployment rate nudged up 0.1 percentage point to 5.5%.

CHART 1: EMPLOYMENT REBOUNDS IN SEPTEMBER

Alberta monthly change in employment and unemployment rate



Sources: Statistics Canada, Haver Analytics

Building Permits

Permits ease

Spending intentions on construction in Alberta continued to retreat from the five-year high reached in May. The value of building permits fell 8.5% (m/m) to \$1.4 billion, with declines in both non-residential (-17% m/m) and residential (-4.0% m/m) permits. Non-residential permits were lower largely due to a pullback in commercial intentions (-26% m/m), as an outsized decline in Calgary overshadowed a large gain in Edmonton. Residential permits softened for the third month in a row, with ongoing contractions in both singles (-3.8% m/m) and multiple dwelling buildings (-4.3% m/m). Despite the monthly dip, the total value of building permits remained significantly higher than a year ago and was up 13% year-to-date (YTD), with gains in all types except institutional & governmental permits.

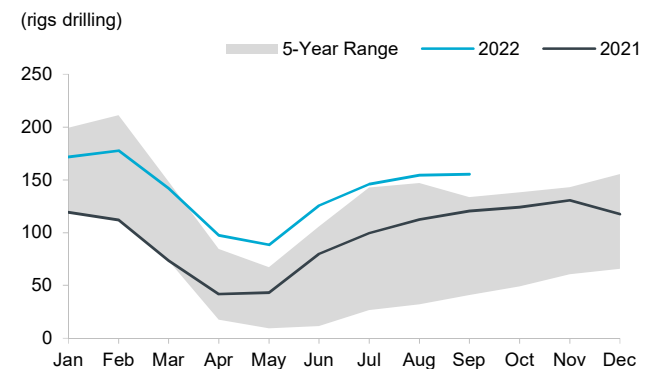
Rigs Drilling

Rig count remains at an eight-year high

Alberta's rig count remained steady and at the strongest seasonal level since 2014. The average number of rigs drilling was virtually unchanged at 155 in September (Chart 2). After expanding over the summer, the number of rigs drilling counts typically stabilizes in the late summer and fall. Compared to a year ago, the rig count was up 29% and with the strong activity over the last six months, they are up 57% YTD.

CHART 2: RIGS DRILLING

Number of rigs drilling and five-year seasonal range



Sources: Canadian Association of Energy Contractors (CAOEC)

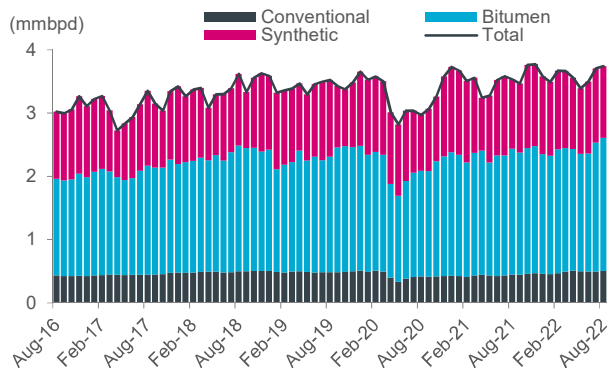
Supply of Oil

Bitumen leading the growth

Alberta's oil production continues to rise. Production increased 1.0% to 3.8 million barrels per day in August, led by a surge in bitumen production (+3.3% m/m) (Chart 3). Conventional oil production also improved (+2.0% m/m) with increases across all oil types. With the gain, average daily oil production reached a new high for 2022 and held close to its all-time high reached in late 2021. On a YTD basis, oil production in Alberta was up 3.0%, lifted by conventional oil production (+12%) and bitumen (+2.3%), while synthetic production was similar to last year despite monthly volatility (+0.1%).

CHART 3: OIL PRODUCTION NEARING ALL TIME HIGH

Conventional, Non-conventional, and Total Oil Production



Sources: Alberta Energy Regulator

Supply of Natural Gas

Output edges down

Alberta's natural gas output slowed in August but remains robust. Natural gas supply inched down 1.2% m/m to 10.9 billion cubic metres. Conventional gas well production, which accounts for most of the province's overall natural gas production, declined by 148 million cubic metres (-1.3% m/m). At the same time, the supply of natural gas liquids (NGLs) fell in August (-5.8% m/m), led by lower ethane production. Despite the slowdown, production of all types remained higher than a year ago.

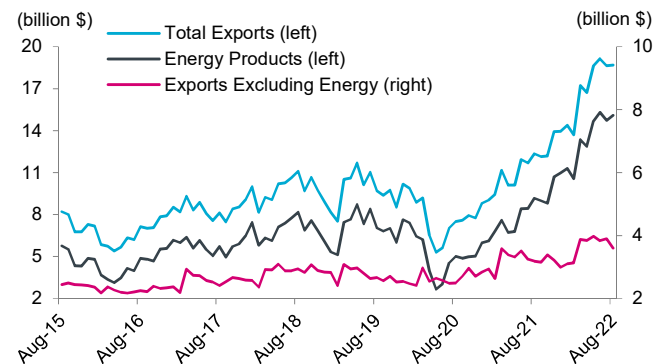
Merchandise Exports

Higher oil volume boost energy exports

Alberta's goods exports improved in August with higher volumes of crude oil exports. The value of merchandise exports ticked up 0.3% m/m to \$18.7 billion (Chart 4) as an increase in energy exports (+2.4% m/m) was largely offset by declines in non-energy product exports (-7.8% m/m). Energy exports increased as higher volumes of oil overwhelmed the impact of lower prices. Meanwhile, farm, fishing & food exports (-19% m/m) retreated as wheat exports fell after surging in the previous month, reflecting historically low inventories. Basic & industrial chemical, plastic & rubber products were also down 10% m/m. On a YTD basis, goods exports were up 60%, with exports to the U.S. surging 65%.

CHART 4: EXPORT EDGED HIGHER

Merchandise Export of Alberta



Sources: Statistics Canada, Haver Analytics

Business Formations

Incorporations soften

Alberta incorporations retreated further in September as business sentiment declined. Business formations decreased by 2.6% m/m to an average of 4,289 in the three months ending in September. Although this was the third consecutive monthly decline, the number of new incorporations in Alberta was still up 14% year-over-year (y/y), and 9.3% higher YTD.

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