

Weekly economic review

Alberta labour market takes a step back

Employment

Employment pulls back

Employment in the province retreated in November after gaining some momentum earlier in the fall. Following two months of solid gains, employment declined by 15,100 month-over-month (m/m), with the pullback concentrated in a few industries. In the goods sector, employment went down 2,800 m/m, as the sizeable contraction in construction outweighed gains in manufacturing, natural resources, and agriculture. Service sector employment also fell (-12,300 m/m) led by a large drop in wholesale & retail trade, which eased following very strong gains earlier in the year. Further declines in accommodation & food services (still recovering from the pandemic) and transportation & warehousing overwhelmed gains in 7 other service industries. The unemployment rate increased 0.6 percentage points to 5.8% as the decline in the participation rate was not able to offset the employment losses. However, the unemployment rate remained significantly lower than the 7.6% from last November.

Supply of Oil

Oil production remains near historical high

Alberta's oil output edged down in October, retreating slightly from the record level in the prior month. Oil production declined to 3.8 million barrels per day (-0.9% m/m), driven by a tick down in non-conventional oil (-1.5% m/m). Meanwhile, conventional oil production went up (+2.7% m/m) with increases in condensate and light and medium crudes. Despite the monthly decline, oil production in Alberta remained slightly higher than a year ago and on a year-to-date (YTD) basis up 3.3%. The gains in 2022 have been propelled by higher production of conventional oil (+12%) and bitumen (4.0%).

Alberta Activity Index

Activity remained stable in September

The Alberta Activity Index (AAX) remained steady for the fourth consecutive month. The AAX was unchanged in September as gains in the labour market offset declines in business sector. The labor market continued to increase with improvements in employment and average weekly earnings. This was countered by the business sector, which fell amid

modest declines in all subcomponents. While activity in this sector has pulled back from recent highs, it remains up more than 12% so far this year. Meanwhile, both the energy and household sectors held steady in the month. The AAX remained 6.0% higher YTD.

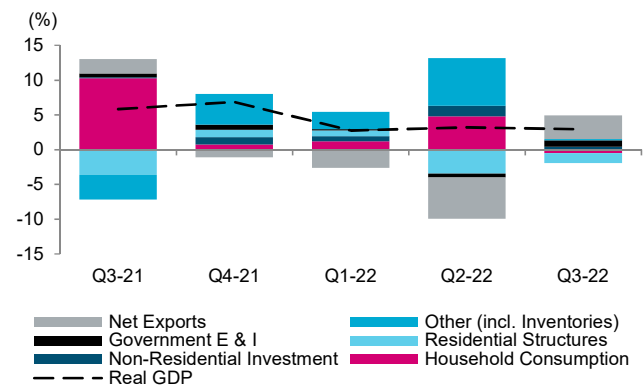
Canadian Real GDP by Expenditure

Export propels growth

The national economy continued advancing in the third quarter of 2022. Canadian real GDP posted a 2.9% annualized gain, the fifth consecutive quarterly gain. Gains were led by export, which were propped up by growth in crude oil, wheat and other agricultural products (Chart 1). However, the gains in exports and growth in inventories concealed slowing demand and activity. Final domestic demand declined 0.6% in Q3, the first contraction in since Q2 2021. The decline came as households pulled back spending on goods and residential investment fell with rising interest rates. This was partly offset by increasing investment in non-residential structures and more spending on household services. Despite the decline in domestic demand, it remained 2.0% higher than a year ago.

CHART 1: EXPORTS LEAD GROWTH

Contribution to quarter-over-quarter annualized growth



Sources: Statistics Canada, Haver Analytics

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