

Weekly Economic Review

Alberta labour market continues to improve

Employment

Employment continues to strengthen

Alberta's labour market advanced in March, following the widespread easing of public health measures. Employment rose 7,200 month-over-month (m/m), driven by full-time positions in the private and public sectors. Service sector employment strengthened (+13,100 m/m), led by gains in wholesale & retail trade and business, building, and other support services. Several service industries that were most impacted by the pandemic — information, culture & recreation and accommodation & food services — boosted employment. After a large jump in January, goods sector employment dipped for the second consecutive month (-6,000 m/m). Declines in construction, agriculture, and manufacturing outweighed a small increase in the natural resources sector. With the employment gains, the unemployment rate dropped to 6.5%, while the participation rate continued to lag. Nationally, employment increased by over 72,000, driven by gains in Ontario and Quebec.

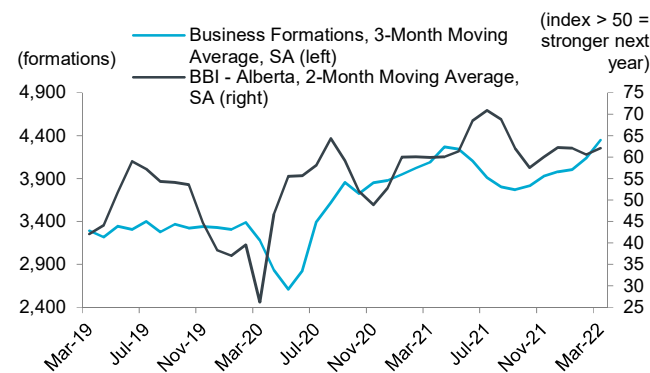
Business Formations

Incorporations jump

Alberta incorporations rose in March as health measures were relaxed and business sentiment improved (Chart 1). Business formations went up 5.0% m/m to average 4,346

CHART 1: INCORPORATIONS IMPROVE AS BUSINESS SENTIMENT RISES

Alberta business formations and Business Barometer Index (BBI)



Sources: Corporate Registry System (CORES), Canadian Federation of Independent Business

in the three months ending in March, reaching multi-year high. The number of new incorporations in Alberta were up 6.3% year-over-year (y/y), as well as 28% higher relative to its pre-pandemic February 2020 level.

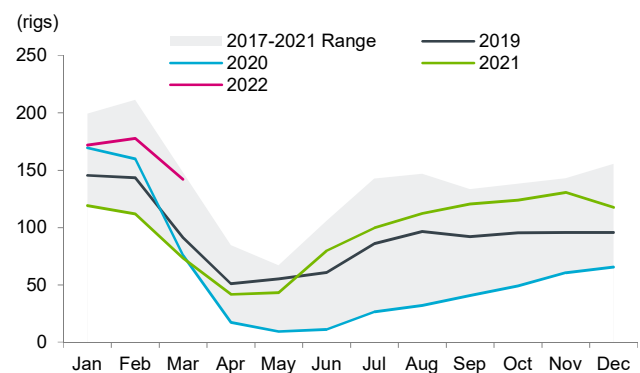
Rigs Drilling

Strong activity amid seasonal slowdown

Drilling activity slowed in March as the heavy drilling season passed. The number of active rigs averaged 142, falling 20% from February (Chart 2). However, this is a significant improvement from the 2021 low (+93% y/y) to seasonal levels not seen since 2018. On a year-to-date (YTD) basis, rigs drilling in Alberta went up 61%.

CHART 2: SOLID DRILLING ACTIVITY IN MARCH

Number of rigs drilling for oil and gas in Alberta



Source: Canadian Association of Energy Contractors (CAOEC)

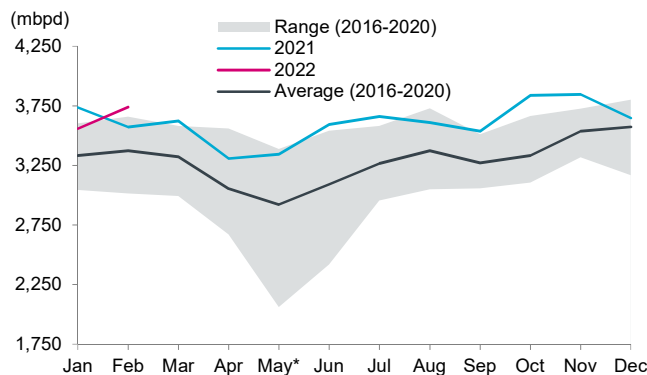
Supply & Disposition of Oil

Bitumen production leading gains

Alberta's oil output increased in February amid strong prices and drilling activity. Oil production went up 5.1% m/m to 3.7 million barrels per day to a historical maximum for the month (Chart 3). Both conventional and non-conventional production rose. Monthly gains were led by bitumen (+4.5% m/m) and synthetic crude oil (SCO) production (+6.6% m/m). On a YTD basis, oil production in Alberta was on par with last year (-0.4%).

CHART 3: OIL PRODUCTION ABOVE HISTORICAL RANGE

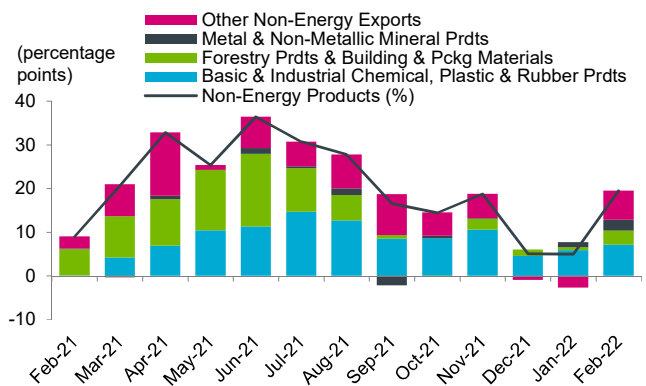
Monthly crude production



Source: Alberta Energy Regulator

CHART 4: GAINS ACROSS NON-ENERGY EXPORTS

Contribution to y/y growth in Alberta's non-energy exports



Sources: Statistics Canada, Haver Analytics

Supply & Disposition of Natural Gas & NGLs

Output declines

Output of the Alberta's natural gas and natural gas liquids retreated in February, following a seasonal pattern. Natural gas supply went down 9.0% m/m to 12.2 billion cubic metres (m3). Conventional gas well production, which accounts for the majority of overall natural gas production in the province, went down by 770 million m3 (-7.3% m/m). In a meantime, natural gas storage remained in the withdrawal mode in February. On a YTD basis, natural gas output stood 1.3% higher. Production of all extracted natural gas liquids (NGLs) went down, led by propane.

Merchandise Exports

Exports retreat

Alberta's goods exports pulled back in February due to lower energy products export volumes. The value of merchandise exports dropped 9.1% m/m to \$13.6 billion, driven by lower energy exports (-12% m/m) on the back of decreased volumes of crude oil and natural gas. Excluding energy, exports improved 1.5% m/m and were 20% higher y/y, led by gains in basic & industrial chemicals (Chart 4). On a YTD basis, goods exports were up 54%. Exports to US were up 63%, while exports to other countries went down 0.8% YTD.

Building Permits

Higher residential permits temper overall decline

Spending intentions for Alberta's construction sector inched down in February following January's increase. Building permit values declined 1.7% m/m to \$1.2 billion as lower non-residential (-9.8% m/m) offset higher residential permits (+3.4% m/m). The non-residential decline was precipitated by lower commercial building permits in Edmonton and Alberta's non-CMA regions. Over the same period, Canada's building permit values surged 21% m/m to a record \$12.4 billion, with BC experiencing significant growth.

Consumer Insolvencies

Insolvencies move higher

Alberta's consumer insolvencies went up in February following two months of decline. The number of Albertans that filed for insolvency increased 20% m/m to 1,162, with both bankruptcies and proposals rising. Despite the increase, consumer insolvencies were down 18% from the March 2021 high amid Alberta's ongoing labour market recovery. Nationally, consumer insolvencies rose 13% m/m, with the largest growth in Alberta, Newfoundland & Labrador, and Manitoba.

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