

# Alberta Economy

## Indicators at a Glance

### NEW: Economic Activity

The Alberta Activity Index (AAX) was up 2.5% year-over-year (y/y) in February, due mainly to improvements in the labour market. Alberta's real GDP by industry grew by 4.9% in 2017, the largest gain among the provinces.

### Population

Alberta's population was 4,318,772 as of January 1, 2018, an increase of 1.4% from the year prior. Canada's population grew 1.3% from a year ago.

### Migration

Net migration to Alberta was 5,599 in the fourth quarter of 2017. During this time, Alberta welcomed 5,297 net international migrants, while there was a net inflow of interprovincial migrants (+302) for the second consecutive quarter after eight quarters of outflows.

### Employment<sup>1</sup>

The economy added 8,300 jobs in March, the strongest monthly job gains so far in 2018. Employment rose 1.8% y/y, reflecting employment gains in both self-employment (+5.3% y/y) and full-time work (+2.5% y/y).

### Unemployment Rate<sup>1</sup>

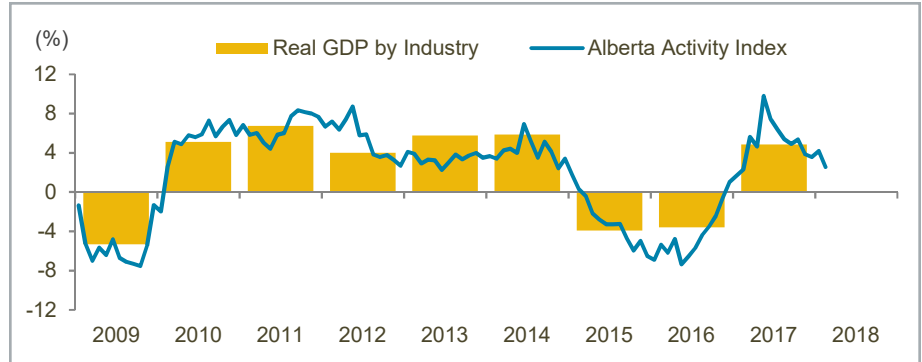
The strong employment gain pushed Alberta's unemployment rate down by 0.4 percentage point to 6.3% in March. Canada's unemployment rate stood unchanged at 5.8%.

### Rigs Drilling

The number of active rigs in Alberta averaged 142 in March, down 4.0% y/y. The average rig utilization rate was 34%, unchanged from a year ago.

### Economic Activity

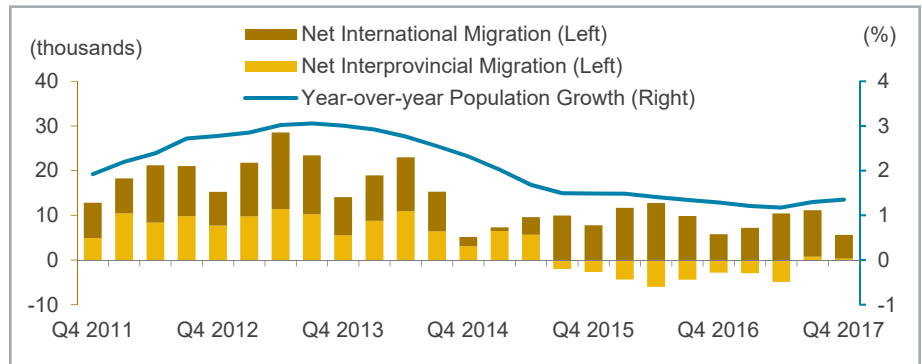
Year-over-year % change



Sources: Statistics Canada and Alberta Treasury Board and Finance

### Demographics

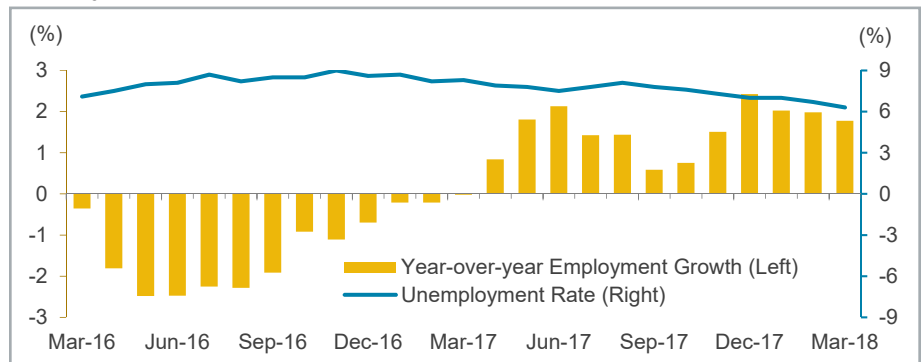
Quarterly



Source: Statistics Canada

### Labour Market

Monthly



Source: Statistics Canada

### Inflation

The annual Inflation rate in Alberta ticked higher by 0.1 percentage point to 2.3% y/y in March. Inflation excluding food and energy prices ticked 0.2 percentage point lower to 1.3% y/y.

### Average Weekly Earnings<sup>1</sup>

Average weekly earnings (AWE) in Alberta increased 1.1% m/m in February to \$1,158. Earnings have improved 4.3% y/y driven by gains in both the goods and services sectors.

### Retail Sales<sup>1</sup>

Alberta retail sales decreased 0.3% m/m to \$6.7 billion in February. Retail sales were up 0.7% y/y, the fifteenth consecutive month of year-over-year gains.

### Housing Starts<sup>1</sup>

Alberta housing starts rose by 14.0% m/m in March to 26,972 units (annualized). They were down 22.6% y/y, as declines in multi-family (-38.8% y/y) overwhelmed gains in single-family starts (+6.7% y/y).

### New Housing Price Index

In February, Alberta's New Housing Price Index (NHPI) ticked down 0.2% y/y. The house-only component fell (-0.6% y/y) while land prices were up (+0.6% y/y).

### Building Permits<sup>1</sup>

Alberta building permits were up 13.2% y/y in February to \$1.3 billion, as increased residential permits (+25.1% y/y) more than offset a decline in non-residential permits (-4.3% y/y).

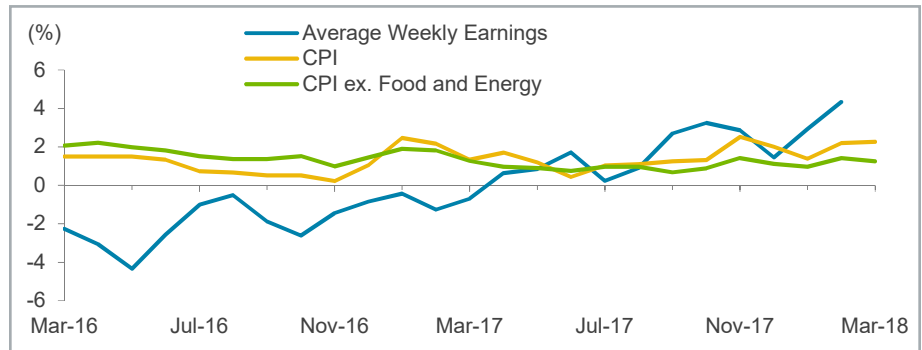
<sup>1</sup> Seasonally adjusted

### Contact

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### Inflation and Earnings

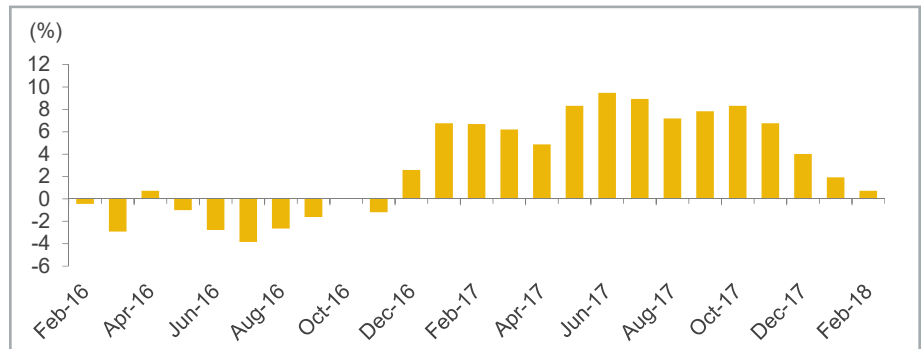
Monthly, year-over-year % change



Source: Statistics Canada

### Retail Sales

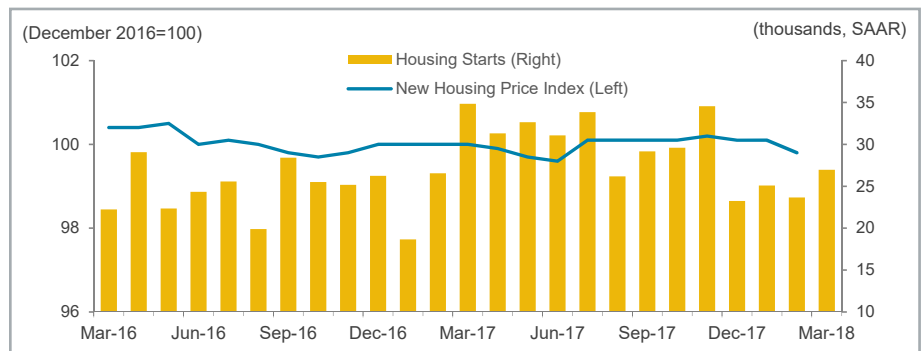
Monthly, year-over-year % change



Source: Statistics Canada

### Housing Market

Monthly



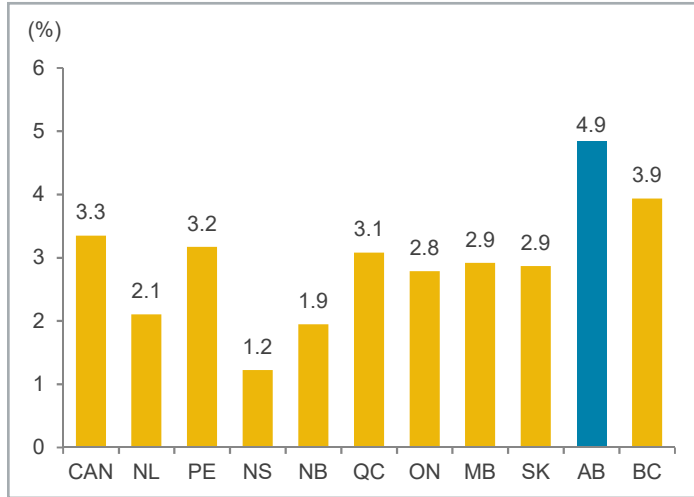
Source: Statistics Canada, Canada Mortgage and Housing Corporation

|                      | Canadian Dollar (US¢/\$CAN) | WTI Oil (\$US/bbl) | NYMEX Natural Gas (\$US/MMBtu) | Alberta Reference Price (\$C/GJ) |
|----------------------|-----------------------------|--------------------|--------------------------------|----------------------------------|
| Latest (May 3, 2018) | 77.75                       | 68.43              | 2.73                           | 1.76 (February)                  |
| Fiscal year-to-date  | 78.45                       | 66.52              | 2.73                           | 1.84 (2017-18)                   |

Please see the [Weekly Economic Review](#) for current analysis on the Alberta economy.

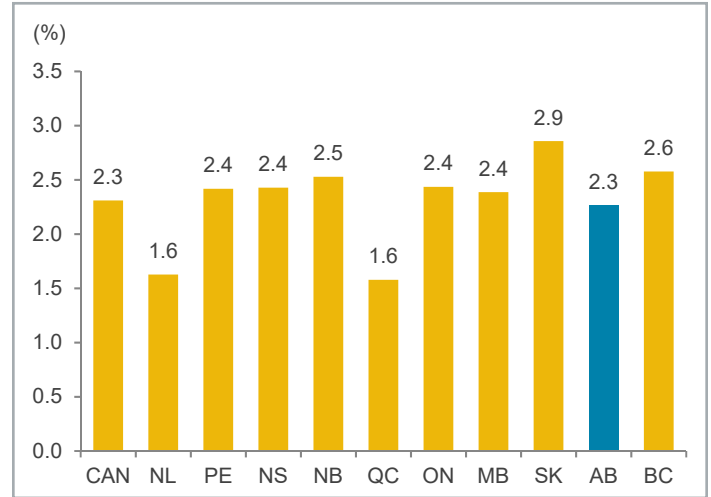
**Real GDP by Industry**

(2017, year-over-year growth)



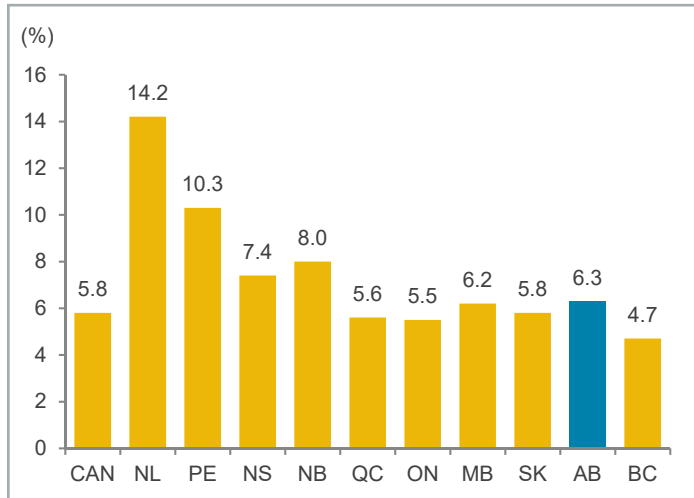
**CPI Inflation**

(March 2018, year-over-year growth)



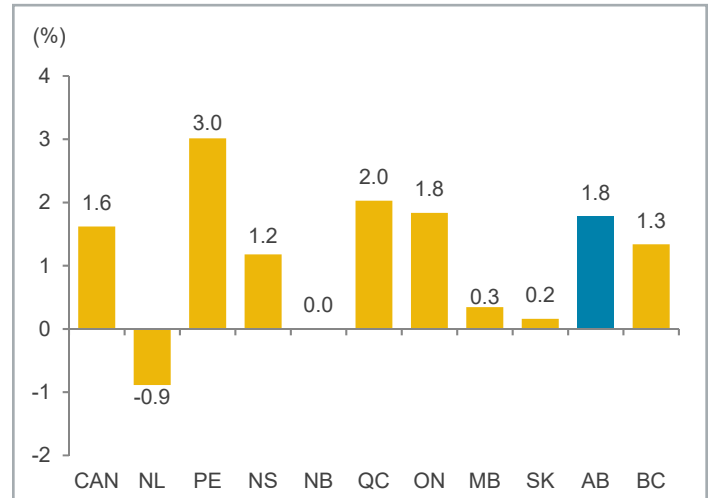
**Unemployment Rate**

(March 2018)



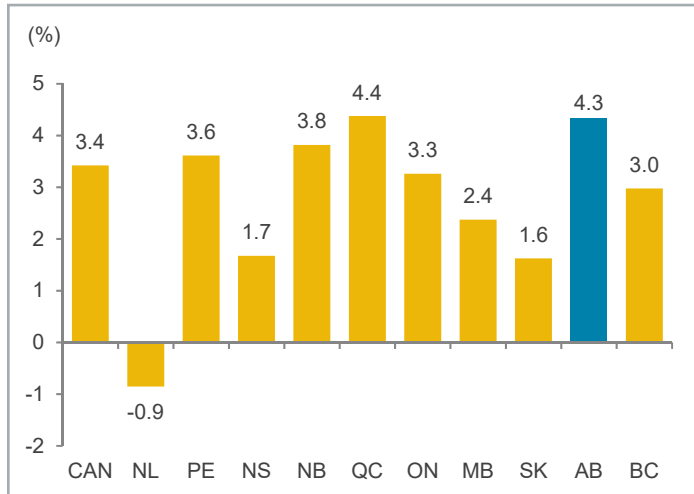
**Employment**

(March 2018, year-over-year growth)



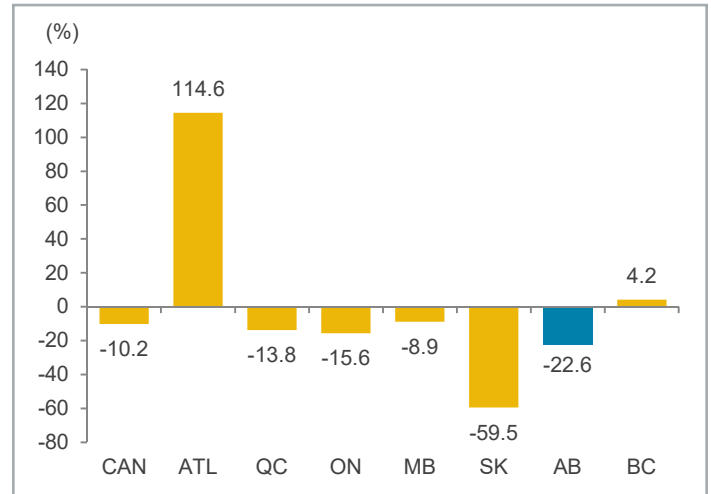
**Average Weekly Earnings**

(February 2018, year-over-year growth)



**Housing Starts**

(March 2018, SAAR, year-over-year growth)



# Alberta Economic Indicators

|   | 2016    | 2017    | 2018YTD | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 |
|---|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| <b>NEW</b> Alberta Activity Index (y/y % change)                | -4.4    | 5.1     | 3.4     | 5.4    | 3.9    | 3.6    | 4.2    | 2.5    |        |
| <b>Population<sup>1</sup></b>                                   |         |         |         |        |        |        |        |        |        |
| Population (thousands)  | 4,236   | 4,286   | 4,319   | 4,306  |        |        | 4,319  |        |        |
| y/y % change  | 1.4     | 1.2     | 1.4     | 1.3    |        |        | 1.4    |        |        |
| Net Interprovincial Migration                                   | -15,108 | -15,131 | 1,045   | 743    |        |        | 302    |        |        |
| Net International Migration                                     | 42,102  | 33,210  | 15,660  | 10,363 |        |        | 5,297  |        |        |
| <b>Labour Market</b>  |         |         |         |        |        |        |        |        |        |
| Employment (thousands, SA)                                      | 2,264   | 2,287   | 2,319   | 2,293  | 2,300  | 2,320  | 2,315  | 2,317  | 2,325  |
| m/m change (thousands)  |         |         |         | 10.5   | 7.1    | 20.4   | -5.9   | 2.3    | 8.3    |
| y/y % change  | -1.6    | 1.0     | 1.9     | 0.8    | 1.5    | 2.4    | 2.0    | 2.0    | 1.8    |
| Unemployment Rate (% , SA)                                      | 8.1     | 7.8     | 6.7     | 7.6    | 7.3    | 7.0    | 7.0    | 6.7    | 6.3    |
| Participation Rate (% , SA)                                     | 72.5    | 72.4    | 72.0    | 72.2   | 72.1   | 72.4   | 72.2   | 71.9   | 71.9   |
| Average Weekly Earnings (\$ , SA)                               | 1,119   | 1,130   | 1,152   | 1,141  | 1,147  | 1,149  | 1,145  | 1,158  |        |
| y/y % change  | -2.4    | 1.0     | 3.6     | 3.3    | 2.9    | 1.5    | 2.9    | 4.3    |        |
| <b>Household Sector</b>   |         |         |         |        |        |        |        |        |        |
| Retail Sales (\$ million, SA)                                   | 74,997  | 80,318  | 13,433  | 6,829  | 6,749  | 6,678  | 6,728  | 6,705  |        |
| y/y % change  | -1.1    | 7.1     | 1.3     | 8.3    | 6.8    | 4.0    | 1.9    | 0.7    |        |
| New Vehicle Sales (units, thousands)                            | 224     | 249     | 31      | 20     | 19     | 16     | 16     | 15     |        |
| y/y % change  | -7.6    | 11.3    | -0.8    | 17.4   | -0.6   | 0.5    | 7.5    | -8.3   |        |
| Consumer Price Index (y/y % change)                             | 1.1     | 1.6     | 1.9     | 1.3    | 2.5    | 2.0    | 1.4    | 2.2    | 2.3    |
| Excluding Food & Energy   | 1.7     | 1.1     | 1.2     | 0.9    | 1.4    | 1.1    | 1.0    | 1.4    | 1.3    |
| Housing Starts (SAAR, 000's)                                    | 24.5    | 29.5    | 25.2    | 29.6   | 34.6   | 23.2   | 25.1   | 23.7   | 27.0   |
| y/y % change  | -34.2   | 20.1    | -5.4    | 16.0   | 37.3   | -11.4  | 34.4   | -10.9  | -22.6  |
| New Housing Price Index (y/y % change)                          | -0.5    | -0.2    | -0.1    | 0.4    | 0.4    | 0.1    | 0.1    | -0.2   |        |
| Resale Home Sales   | 54,800  | 57,161  | 13,777  | 4,507  | 4,755  | 5,678  | 5,003  | 4,512  | 4,262  |
| y/y % change  | -7.6    | 4.3     | -6.2    | -9.9   | 11.5   | 17.8   | 3.9    | -11.1  | -11.1  |
| Sales to New Listing Ratio                                      | 0.50    | 0.49    | 0.49    | 0.47   | 0.50   | 0.58   | 0.54   | 0.49   | 0.42   |
| MLS Average Resale Prices (\$ thousands)                        | 397     | 398     | 393     | 399    | 387    | 386    | 395    | 396    | 388    |
| y/y % change  | 0.3     | 0.4     | -1.4    | 0.2    | -3.2   | -4.6   | -0.9   | 0.2    | -3.5   |
| <b>NEW</b> Consumer Bankruptcies (level)                        | 5,427   | 5,008   | 767     | 450    | 403    | 350    | 383    | 384    |        |
| y/y % change  | 26.8    | -7.7    | -6.1    | 2.3    | -13.3  | -12.7  | -2.0   | -9.9   |        |
| <b>Business Sector</b>  |         |         |         |        |        |        |        |        |        |
| <b>NEW</b> Goods Exports (customs based,\$ million)             | 79,213  | 100,167 | 27,019  | 8,400  | 8,490  | 9,032  | 10,044 | 7,832  | 9,144  |
| y/y % change  | -14.3   | 26.5    | 4.2     | 18.9   | 8.1    | 13.9   | 18.2   | -4.0   | -1.4   |
| <b>NEW</b> Energy Products (\$ million)                         | 51,594  | 69,526  | 19,120  | 5,733  | 5,867  | 6,456  | 7,434  | 5,496  | 6,190  |
| y/y % change  | -17.5   | 34.8    | 3.1     | 23.0   | 6.2    | 16.5   | 20.7   | -8.5   | -3.0   |
| <b>NEW</b> Agricultural Products (\$ million)                   | 6,284   | 7,316   | 1,789   | 741    | 654    | 607    | 667    | 450    | 672    |
| y/y % change  | -2.9    | 16.4    | -3.0    | 35.3   | 7.1    | 9.6    | 6.3    | -14.8  | -2.5   |
| Rigs Drilling   | 79      | 131     | 184     | 133    | 143    | 155    | 197    | 211    | 142    |
| y/y % change  | -34.0   | 66.0    | 2.9     | 31.3   | 32.4   | 2.9    | -0.9   | 12.4   | -4.0   |
| Manufacturing Shipments (\$ million, SA)                        | 62,703  | 71,343  | 12,431  | 6,066  | 6,174  | 6,232  | 6,193  | 6,238  |        |
| y/y % change  | -8.0    | 13.8    | 9.1     | 15.1   | 12.3   | 11.5   | 9.6    | 8.7    |        |
| Wholesale Trade (\$ million, SA)                                | 71,765  | 79,420  | 13,571  | 6,796  | 6,747  | 6,841  | 6,806  | 6,765  |        |
| y/y % change  | -9.6    | 10.7    | 7.9     | 15.1   | 13.5   | 11.0   | 9.5    | 6.3    |        |
| Building Permits (\$ million, SA)                               | 14,200  | 14,245  | 2,386   | 1,007  | 1,288  | 1,130  | 1,111  | 1,276  |        |
| y/y % change  | -15.2   | 0.3     | -0.0    | -52.8  | 18.1   | 35.4   | -11.9  | 13.2   |        |
| Residential Permits (\$ million, SA)                            | 7,930   | 8,400   | 1,535   | 607    | 715    | 760    | 696    | 839    |        |
| y/y % change  | -19.7   | 5.9     | 16.8    | -58.8  | 12.6   | 69.7   | 8.2    | 25.1   |        |
| Non-Residential Permits (\$ million, SA)                        | 6,270   | 5,845   | 851     | 401    | 574    | 371    | 414    | 437    |        |
| y/y % change  | -8.8    | -6.8    | -20.7   | -39.4  | 25.7   | -4.3   | -32.8  | -4.3   |        |
| Non-Res. Building Cons. Price Index <sup>2</sup> (y/y % change) | -2.8    | 0.5     |         |        |        | 1.2    |        |        |        |

<sup>1</sup> Population data presented on a census year basis (July 1– June 30).  
The current census year 2017.

<sup>2</sup> Quarterly, average of Calgary and Edmonton

**YTD** YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate. All annual data is unadjusted.

**Sources:** All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada). All historical data are subject to revision