

Alberta Economy

Indicators at a Glance

NEW: Economic Activity

The Alberta Activity Index (AAX) was up 2.9% year-over-year (y/y) in May, as eight of the nine indicators were up y/y. Alberta's real GDP by industry grew by 4.9% in 2017, the largest gain among the provinces.

Population

Alberta's population was 4,334,025 as of April 1, 2018, an increase of 1.4% from the year prior. Canada's population also grew 1.4% from a year ago.

Migration

Net migration to Alberta was 8,500 in the first quarter of 2018. During this time, Alberta welcomed 6,638 net international migrants. The province also recorded a net inflow of interprovincial migrants (+1,862) for the third quarter in a row after eight quarters of outflows.

Employment¹

The economy added 2,000 jobs in June as gains in private sector were partially offset by a pullback in the public sector and self-employment. Employment rose 1.5% y/y, reflecting employment gains in the goods sector (+5.6% y/y).

Unemployment Rate¹

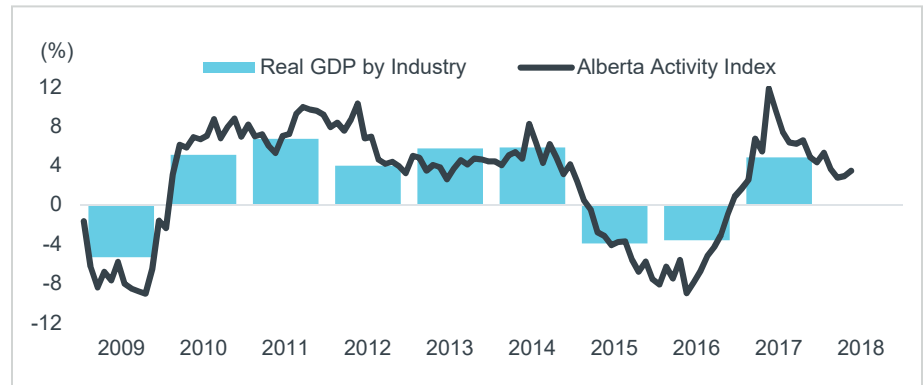
Alberta's unemployment rate rose 0.3 percentage point to 6.5% in June. Canada's unemployment rate ticked up 0.2 percentage points to 6.0%.

Rigs Drilling

The number of active rigs in Alberta averaged 106 in June, up 21% y/y. The average rig utilization rate was 25%, up 4.9 percentage points from a year ago.

Economic Activity

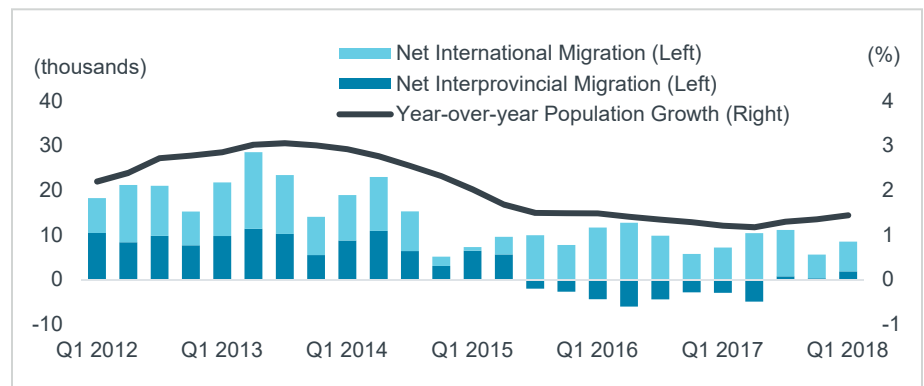
Year-over-year % change



Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics

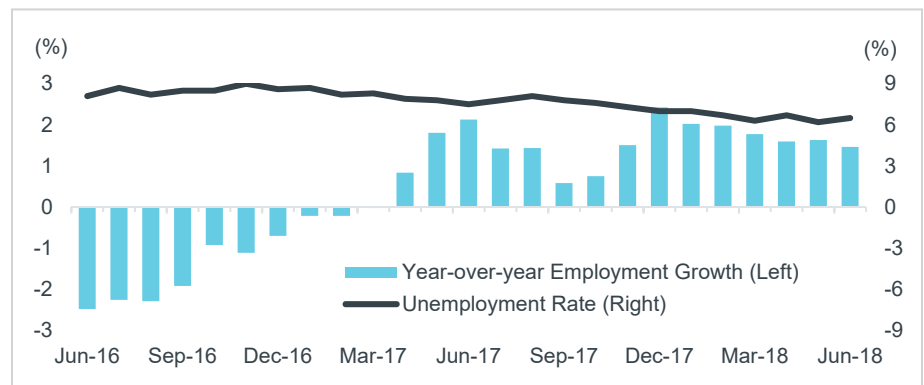
Quarterly



Source: Statistics Canada

Labour Market

Monthly



Source: Statistics Canada

Inflation

The inflation rate in Alberta accelerated to 2.8% y/y in June, up from 2.6% y/y in May. Inflation excluding food and energy was 1.7% y/y.

Average Weekly Earnings¹

Average weekly earnings (AWE) in Alberta decreased 0.2% m/m in May to \$1,150. Earnings have improved 3.4% y/y driven by gains in both the goods and services sectors.

Retail Sales¹

Alberta retail sales jumped 2.0% m/m to \$7.0 billion in May. Retail sales were up 3.7% y/y, the eighteenth consecutive month of year-over-year gains.

Housing Starts¹

Alberta housing starts dropped 27% m/m in June to 26,137 units (annualized) and pulled back 16% y/y. The annual decrease was driven by declines in both single family (-19% y/y) and multi-family (-12% y/y) starts.

New Housing Price Index

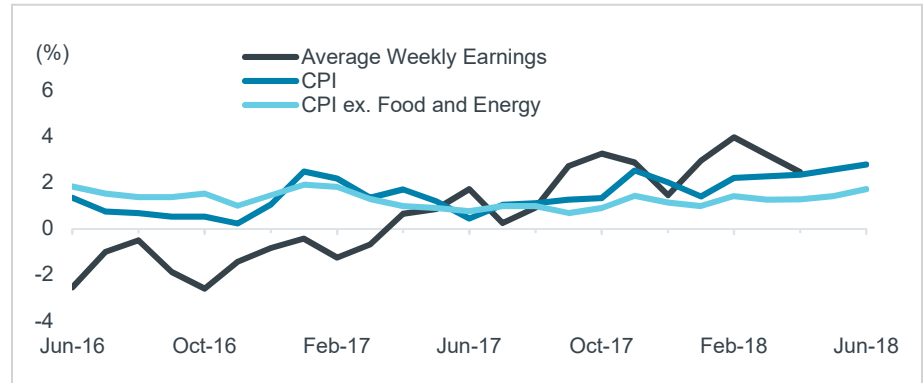
In May, Alberta's New Housing Price Index (NHPI) edged down 0.1% y/y. The house-only component fell 0.6% y/y while land prices were up 0.7% y/y.

Building Permits¹

Alberta building permits dipped 3.9% y/y in May to \$1.2 billion, due to a decrease in non-residential permits (-20% y/y) which overshadowed an increase in residential permits (+6.9% y/y).

Inflation and Earnings

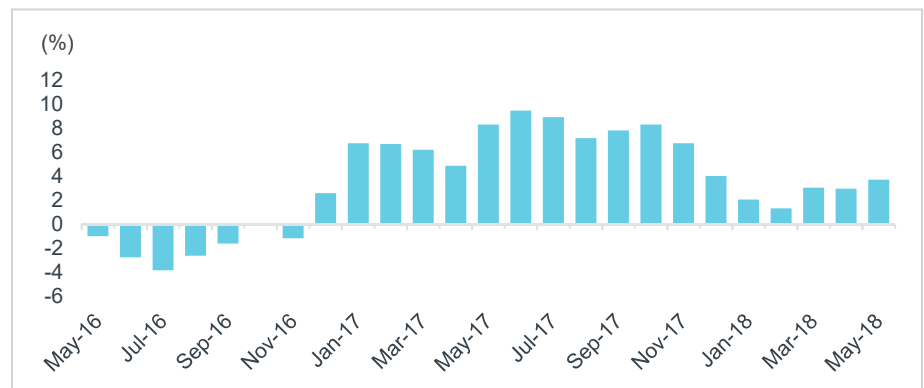
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales

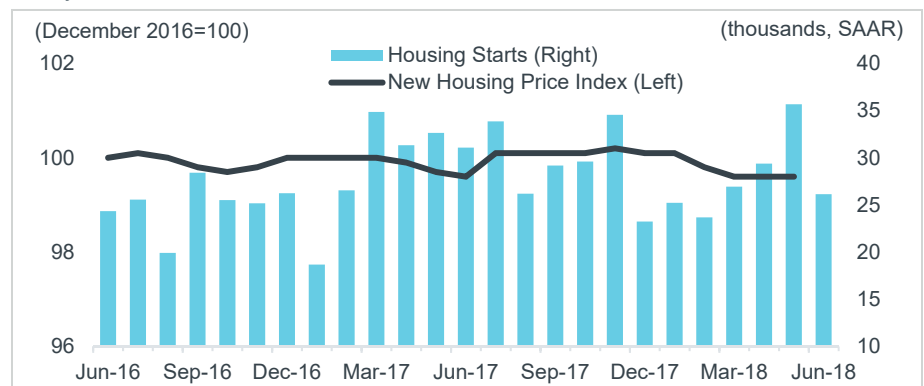
Monthly, year-over-year % change



Source: Statistics Canada

Housing Market

Monthly



Source: Statistics Canada, Canada Mortgage and Housing Corporation

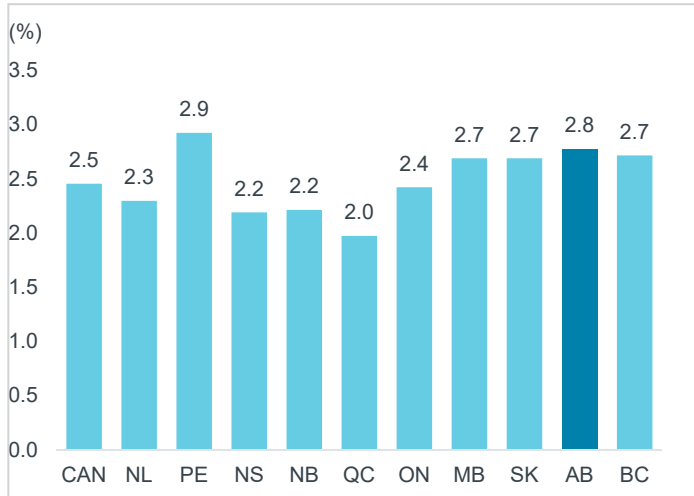
¹ Seasonally adjusted

Contact: [Bijon Brown](#) at 780.643.1876

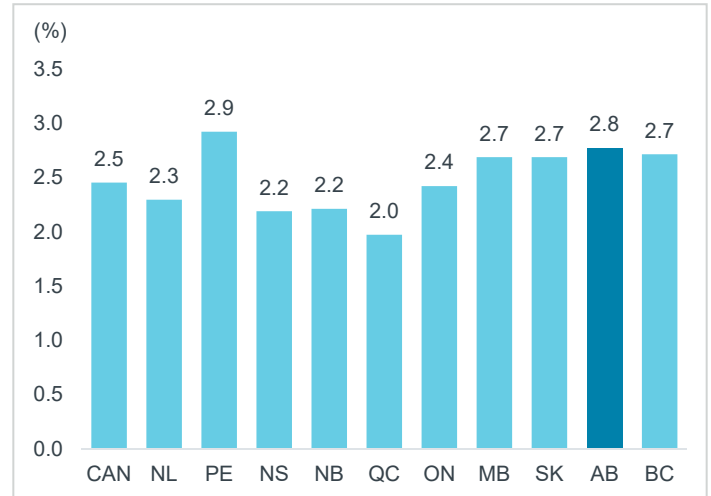
Please see the [Weekly Economic Review](#) for current analysis on the Alberta economy

| | Canadian Dollar (US¢/\$CAN) | WTI Oil (\$US/bbl) | NYMEX Natural Gas (\$US/MMBtu) | Alberta Reference Price (\$C/GJ) |
|-------------------------|-----------------------------|--------------------|--------------------------------|----------------------------------|
| Latest (August 2, 2018) | 76.84 | 68.96 | 2.82 | 0.78 (May) |
| Fiscal year-to-date | 77.14 | 68.56 | 2.82 | 1.02 |

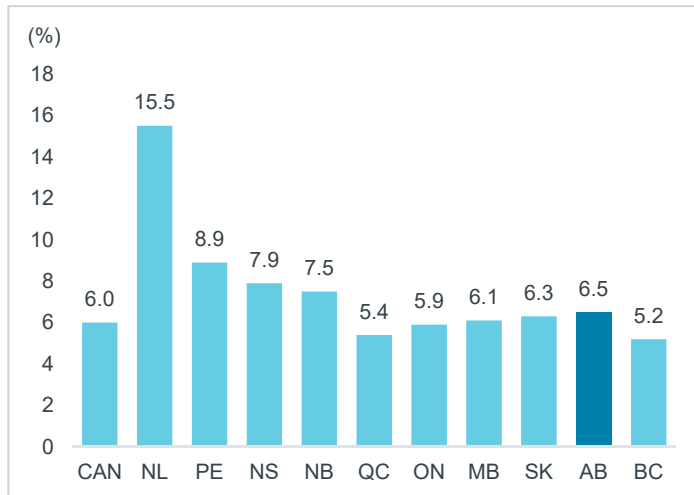
Real GDP by Industry
(2017, year-over-year growth)



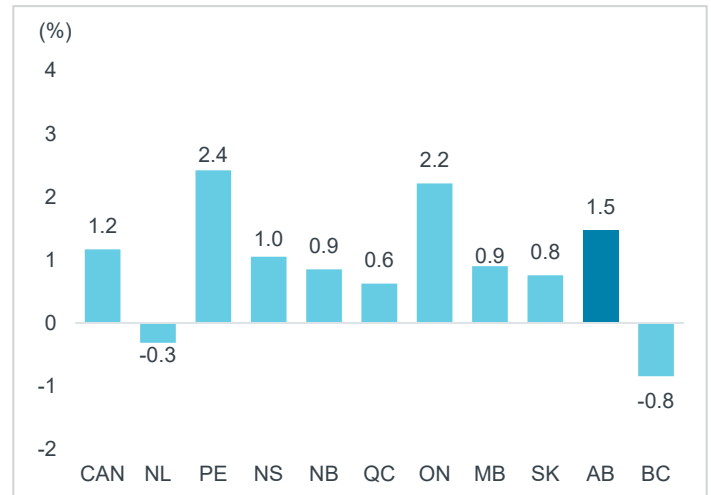
CPI Inflation
(June 2018, year-over-year growth)



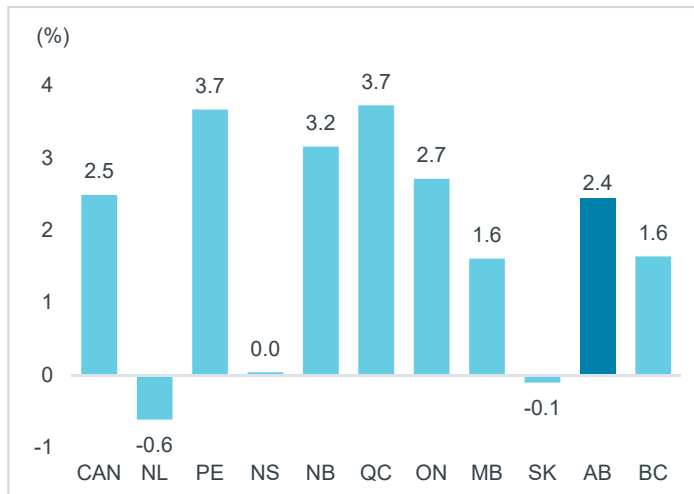
Unemployment Rate
(June 2018)



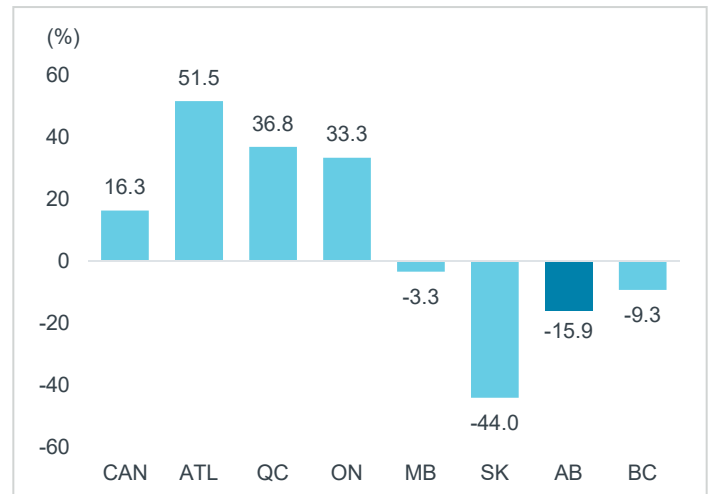
Employment
(June 2018, year-over-year growth)



Average Weekly Earnings
(May 2018, year-over-year growth)



Housing Starts
(June 2018, SAAR, year-over-year growth)



Alberta Economic Indicators

| | 2016 | 2017 | 2018YTD | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 |
|---|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| NEW Alberta Activity Index (y/y % change) | -4.5 | 5.1 | 3.0 | 4.4 | 3.1 | 2.3 | 2.5 | 2.9 | |
| Population¹ | | | | | | | | | |
| Population (thousands) | 4,236 | 4,286 | 4,334 | 4,319 | | | 4,334 | | |
| y/y % change | 1.4 | 1.2 | 1.4 | 1.4 | | | 1.4 | | |
| Net Interprovincial Migration | -15,108 | -15,131 | 2,907 | 302 | | | 1,862 | | |
| Net International Migration | 42,102 | 33,210 | 22,298 | 5,297 | | | 6,638 | | |
| Labour Market | | | | | | | | | |
| Employment (thousands, SA) | 2,264 | 2,287 | 2,322 | 2,315 | 2,317 | 2,325 | 2,323 | 2,326 | 2,328 |
| m/m change (thousands) | | | | -5.9 | 2.3 | 8.3 | -1.8 | 2.9 | 2.0 |
| y/y % change | -1.6 | 1.0 | 1.7 | 2.0 | 2.0 | 1.8 | 1.6 | 1.6 | 1.5 |
| Unemployment Rate (% , SA) | 8.1 | 7.8 | 6.6 | 7.0 | 6.7 | 6.3 | 6.7 | 6.2 | 6.5 |
| Participation Rate (% , SA) | 72.5 | 72.4 | 71.9 | 72.2 | 71.9 | 71.9 | 72.0 | 71.6 | 71.8 |
| Average Weekly Earnings (\$, SA) | 1,119 | 1,130 | 1,152 | 1,145 | 1,154 | 1,155 | 1,153 | 1,150 | |
| y/y % change | -2.4 | 1.0 | 3.2 | 2.9 | 4.0 | 3.2 | 2.4 | 3.4 | |
| Household Sector | | | | | | | | | |
| Retail Sales (\$ million, SA) | 74,997 | 80,318 | 34,084 | 6,736 | 6,744 | 6,790 | 6,838 | 6,976 | |
| y/y % change | -1.1 | 7.1 | 2.6 | 2.0 | 1.3 | 3.0 | 3.0 | 3.7 | |
| New Vehicle Sales (units, thousands) | 224 | 249 | 100 | 16 | 15 | 21 | 22 | 25 | |
| y/y % change | -7.6 | 11.3 | -2.4 | 7.5 | -8.3 | -5.9 | -4.8 | 1.1 | |
| Consumer Price Index (y/y % change) | 1.1 | 1.6 | 2.3 | 1.4 | 2.2 | 2.3 | 2.3 | 2.6 | 2.8 |
| Excluding Food & Energy | 1.7 | 1.1 | 1.3 | 1.0 | 1.4 | 1.3 | 1.3 | 1.4 | 1.7 |
| Housing Starts (SAAR, 000's) | 24.5 | 29.5 | 27.8 | 25.2 | 23.7 | 26.9 | 29.4 | 35.7 | 26.1 |
| y/y % change | -34.2 | 20.1 | -4.6 | 35.1 | -10.8 | -22.7 | -6.2 | 9.3 | -15.9 |
| New Housing Price Index (y/y % change) | -0.5 | -0.2 | -0.2 | 0.1 | -0.2 | -0.4 | -0.3 | -0.1 | |
| Resale Home Sales | 54,848 | 57,219 | 26,745 | 5,003 | 4,512 | 4,265 | 4,209 | 4,318 | 4,438 |
| y/y % change | -7.6 | 4.3 | -6.3 | 3.9 | -11.1 | -11.1 | -11.9 | -4.2 | -3.2 |
| Sales to New Listing Ratio | 0.50 | 0.50 | 0.45 | 0.54 | 0.49 | 0.43 | 0.41 | 0.39 | 0.42 |
| MLS Average Resale Prices (\$ thousands) | 397 | 398 | 390 | 395 | 396 | 387 | 384 | 385 | 391 |
| y/y % change | 0.3 | 0.4 | -2.5 | -0.9 | 0.2 | -3.6 | -4.0 | -3.8 | -2.7 |
| NEW Consumer Bankruptcies (level) | 5,427 | 5,008 | 2,053 | 383 | 384 | 429 | 405 | 452 | |
| y/y % change | 26.8 | -7.7 | -6.2 | -2.0 | -9.9 | -14.9 | -0.5 | -1.7 | |
| Business Sector | | | | | | | | | |
| NEW Goods Exports (customs based,\$ million) | 79,213 | 100,558 | 57,128 | 10,119 | 8,150 | 9,256 | 9,032 | 10,294 | 10,277 |
| y/y % change | -14.3 | 26.9 | 10.9 | 19.2 | -0.8 | -1.7 | 7.6 | 15.3 | 27.6 |
| NEW Energy Products (\$ million) | 51,594 | 69,976 | 40,244 | 7,436 | 5,783 | 6,315 | 6,099 | 7,225 | 7,386 |
| y/y % change | -17.5 | 35.6 | 11.3 | 20.8 | -4.7 | -3.3 | 6.8 | 16.2 | 34.9 |
| NEW Agricultural Products (\$ million) | 6,284 | 7,315 | 3,813 | 667 | 481 | 663 | 672 | 685 | 645 |
| y/y % change | -2.9 | 16.4 | 1.6 | 6.3 | -8.9 | -3.8 | 9.6 | -3.6 | 10.5 |
| Rigs Drilling | 79 | 131 | 134 | 197 | 211 | 142 | 80 | 67 | 106 |
| y/y % change | -34.0 | 66.0 | 4.6 | -0.9 | 12.4 | -4.0 | -5.3 | 9.1 | 21.2 |
| Manufacturing Shipments (\$ million, SA) | 62,597 | 70,940 | 30,434 | 6,157 | 6,078 | 6,118 | 5,810 | 6,272 | |
| y/y % change | -8.1 | 13.3 | 4.4 | 9.8 | 6.4 | 4.5 | -1.9 | 3.3 | |
| Wholesale Trade (\$ million, SA) | 71,442 | 78,032 | 34,387 | 6,697 | 6,819 | 6,782 | 6,817 | 7,272 | |
| y/y % change | -9.8 | 9.2 | 8.5 | 10.0 | 10.4 | 6.2 | 7.4 | 8.7 | |
| Building Permits (\$ million, SA) | 14,200 | 14,245 | 6,042 | 1,106 | 1,261 | 1,278 | 1,190 | 1,207 | |
| y/y % change | -15.2 | 0.3 | 2.7 | -12.2 | 11.9 | 6.7 | 14.0 | -3.9 | |
| Residential Permits (\$ million, SA) | 7,930 | 8,400 | 3,895 | 689 | 839 | 836 | 720 | 811 | |
| y/y % change | -19.7 | 5.9 | 12.8 | 7.0 | 25.2 | 19.2 | 6.2 | 6.9 | |
| Non-Residential Permits (\$ million, SA) | 6,270 | 5,845 | 2,147 | 417 | 422 | 442 | 470 | 396 | |
| y/y % change | -8.8 | -6.8 | -11.7 | -32.4 | -7.5 | -11.0 | 28.6 | -20.3 | |
| Non-Res. Building Cons. Price Index ² (y/y % change) | -2.8 | 1.0 | 1.3 | | | 1.3 | | | |

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

² Quarterly, average of Calgary and Edmonton

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