

Weekly economic review

Tourism activity up in the summer

Food Services and Drinking Places

Restaurant receipts move higher

Alberta's restaurant sales grew again in July, as the province entered stage three of the reopening on July 1st and most remaining public health measures were lifted. Seasonally adjusted sales at food and drinking places rose 8.1% month-over-month (m/m), following a sizable bounce-back in June. Sales grew in all sub-components, led by full-service restaurant receipts (+35% year-over-year or y/y) that suffered the most earlier in the pandemic. Overall, restaurant sales were up 7.1% year-to-date (YTD) but remained 4.7% below the February 2020 level.

International Travel

Easing restrictions boost travel activity

Travel activity ramped up in July with some easing of Canadian border restrictions. The number of non-resident travellers entering Canada via Alberta jumped 45% m/m to 4,776 people in July, following back-to-back declines in May and June. Much of Canada's non-essential travel restrictions continued to be in place in July. However, the mandatory 14-day quarantine and completion of an on-arrival test no longer applied to eligible, fully vaccinated travellers entering Canada as of July 5th. Meanwhile, the number of Canadian residents returning from overseas travel to Alberta also grew (+49% m/m) to reach a seven-month high of 25,604 people. Despite the monthly gains, both non-resident and returning resident travellers remained significantly down from pre-pandemic levels.

Retail Trade

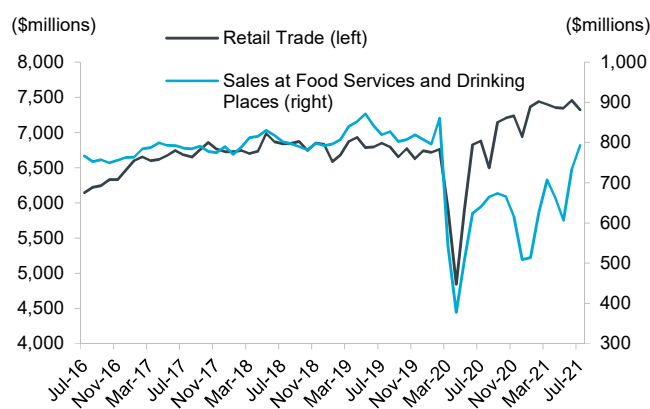
Sales dip but remain strong

Alberta retail sales pulled back in July after setting a new record high in the previous month. They dipped 1.8% m/m to \$7.3 billion. With the province's stage three reopening on July 1st, capacity restrictions among retailers and service establishments were lifted, prompting some consumers to spend more on services and less on goods (Chart 1). The decline in retail activity was concentrated in motor vehicle and parts dealers, where sales retreated from exceptionally strong levels earlier in the year, but remained higher than a year ago (+7.5% y/y). Sales at building materials and garden supply stores also fell, coinciding with moderating residential construction activity and a pullback in lumber prices. These

declines were tempered by higher sales at food and beverage stores. Despite the monthly decline, retail sales were up 17.8% YTD in Alberta.

CHART 1: RESTAURANT SALES GET A LIFT FROM REOPENING COMPARED TO RETAIL ACTIVITY

Retail trade and sales at food services and drinking places, seasonally adjusted



Sources: Statistics Canada, Haver Analytics

New housing price index

New home prices level off

New home prices in Alberta eased in August after months of rapid growth. The new housing price index (NHPI) ticked down 0.1% m/m, as a decline in the house-only component (-0.2% m/m) offset an uptick in land prices (+0.1% m/m). This was the first monthly decline in the overall index after eight months of significant growth. Compared to a year ago, the NHPI was up 10.1% led by the house-only component (+14.1% y/y), which grew sharply amid a surge in input costs. Regionally, the price increase has been led by Calgary (+13.3% y/y), with smaller gains in Edmonton (+6.8% y/y).

Contact [Kathleen Macaspac](#) at 587.785.4138

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