

Weekly Economic Review

Manufacturing gains further momentum

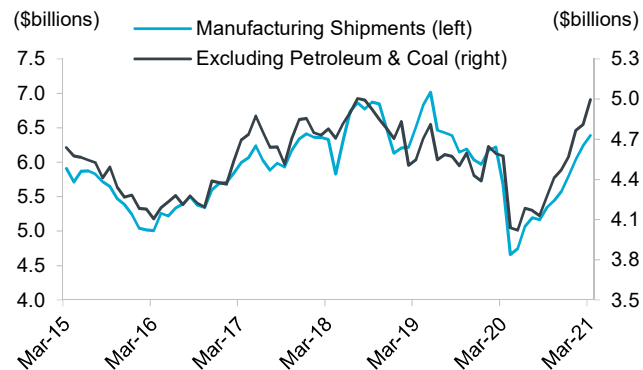
Manufacturing Shipments

Activity surpasses pre-COVID level

Manufacturing activity in Alberta posted its seventh consecutive gain in March, buoyed by higher shipments of non-energy products (Chart 1). The value of manufacturing shipments was up 2.4% month-over-month (m/m), following a 3.2% increase in February. The gains were fairly widespread, led by wood products which jumped 11% m/m mostly reflecting higher prices. Chemical shipments also edged higher for the third consecutive month, supported by both higher prices and volumes in March. Meanwhile, petroleum and coal product shipments tempered these gains as it declined despite higher energy prices, after a big gain in the previous month. Overall, Alberta's factory sales surpassed its pre-pandemic February 2020 level by 2.7% and were also up 3.3% year-to-date (YTD).

CHART 1: NON-ENERGY AND TOTAL SHIPMENTS CONTINUE TO GROW

Alberta manufacturing shipments, seasonally adjusted



Sources: Statistics Canada, Haver Analytics

Non-Residential Construction Investment

Activity starts to turn a corner

Alberta non-residential construction spending inched up in March for the first time since mid-2019. Investment in non-residential building construction was up 2.0% m/m to \$542 million. The increase was led by institutional and government investment as it rose for the fifth straight month. The gain was also supported by a turnaround in commercial

building construction from record lows, as an increase in trade & services and warehouse spending in Edmonton offset a pullback in Calgary. Meanwhile, industrial activity continued to decline across every region in the province. Despite the uptick, non-residential building construction in Alberta remained 21% lower YTD compared to the same period last year.

Residential Construction Investment

Construction eases but still up sharply from 2020

Investment in residential construction in Alberta continued to retreat from the elevated levels seen at the start of the year. Residential construction spending decreased 6.5% m/m to \$1.2 billion in March, with pullbacks in single and multiple dwellings. The declines were widespread across Alberta and largely driven by a drop in renovation spending as new construction investment continued to grow since August 2020. Following pandemic-related disruptions, recent gains in housing starts and a strong resale market bode well for residential construction. In the first quarter of 2021, residential construction spending grew 12% compared to a year ago and increased 26% nationally.

Consumer Insolvencies

Insolvencies move closer to pre-pandemic levels

Alberta consumer insolvencies increased for the third straight month. The number of Alberta consumers that filed for either a bankruptcy or submitted a proposal rose to 1,421 in March, 26% m/m higher than in February. With the increase in both bankruptcies and proposals, consumer insolvencies moved closer to pre-pandemic levels. It remained down 4% compared to March 2020 when insolvencies increased prior to the full impact of COVID-19.

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