

# Weekly Economic Review

## Public health measures weigh on Alberta's service industries

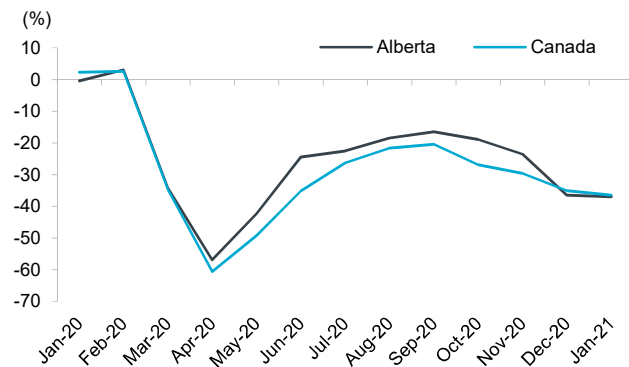
### Food Services and Drinking Places

#### Sales still weak

With health measures still in place, restaurant sales in Alberta continued to decline in January, but at a slower pace. Seasonally adjusted sales at food and drinking places fell 2.8% month-over-month (m/m). Declines in receipts were broad-based, led by sales at full-service restaurants, and reflected the mandatory closure of in-person dining services in January. Compared to a year ago, sales at food and drinking places in Alberta were down 37% year-over-year (y/y) (Chart 1). This story was echoed nationally, with sales down by a similar magnitude.

#### CHART 1: RESTAURANT RECEIPTS REMAIN SUBDUED

Year-over-year growth in seasonally adjusted food services and drinking places receipts



Sources: Statistics Canada, Haver Analytics

### International Travel

#### Travel activity remains depressed

International travel activity stayed lackluster in January. The seasonally adjusted number of non-residential travelers entering Canada via Alberta grew to 5,838 people, up 0.4% from December, but down 91% y/y. Restrictions on all non-essential travel, along with the 14-day quarantine period, have been in place since March 2020. As a result, visitations from international destinations and the number of Canadians returning from trips abroad remained severely impacted.

### New Motor Vehicle Sales

#### Sales muted to start the year

New vehicles sales held steady in January. The number of new vehicles sold in Alberta was mostly unchanged at 13,634 units, as a decline in new truck sales was partially offset by gains in passenger cars. Sales in Alberta were down 7.5% y/y in January, partly due to a jump in January 2020 sales. Nationally, sales declined 15% y/y, driven by weak sales in Ontario and Quebec.

### Business Barometer Index

#### Sentiment unchanged

Small business confidence in Alberta was steady in March. The Business Barometer Index (BBI) for Alberta stood at 59.9, down 0.2 points from a six-month high reached in February. Despite a slightly weaker long-term outlook, Alberta businesses' short-term outlook improved for the second straight month. Meanwhile, Canada's BBI surged to 68.2, the highest reading in almost a decade, driven largely by big gains in Ontario (+8.7 m/m), Quebec (+4.8 m/m) and Nova Scotia (+6.3 m/m).

### Railway Carloadings

#### Non-energy shipments boost railcar loadings

Railway carloadings held strong with widespread increases at the start the year. Western Canadian railway carloadings in January stood at 187,309 railcars, up 9.7% y/y. The surge was driven largely by higher shipments of agriculture & food, chemicals and wood products, all of which exceeded their pre-pandemic levels. This was tempered, once again, by weaker loadings of fuel oils and crude, which eased for the tenth consecutive month in January. However, with the overall increase, Western Canadian volumes of non-intermodal freight loadings were 18% above the February 2020 level.

Contact [Siddhartha Bhattacharya](#) at 780.644.0021

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