

Weekly Economic Review

Labour market building momentum

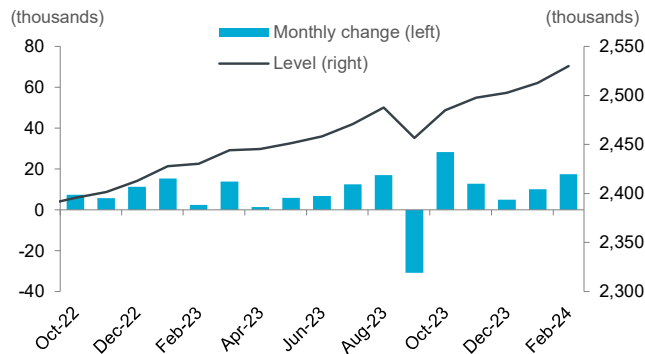
Employment

Employment picks up steam

Alberta's labour market has surged out of the gate this year. The province added 17,400 jobs in February, following January's solid gain (Chart 1), led by strength in the private sector and full-time hiring. After a couple months of weakness, the goods sector increased by 9,700 month-over-month (m/m), with a rebound in the construction sector overwhelming mild declines in oil & gas, and utilities. Meanwhile, employment in the services sector advanced (+7,800 m/m) for the third consecutive month, led by gains in wholesale & retail trade, professional, scientific, & technical services, and business, building, & other support services. The monthly job growth was matched by the continuing expansion in the labour force and the unemployment rate was unchanged at 6.2%. With the solid start to the year, year-over-year (y/y) growth in employment accelerated from 3.5% in January to 4.1% in February.

CHART 1: MOMENTUM PICKING UP

Alberta's seasonally adjusted employment



Sources: Statistics Canada, Haver Analytics

Capital Expenditures

Private sector intentions rise

Private sector investment in the province is expected to rise in 2024 to the highest level since 2015. According to Statistics Canada's annual survey on investment intentions, the private sector expects to invest \$57 billion in 2024, \$2.4 billion more than in 2023. Both the manufacturing (+71% or +2.2 billion) and oil and gas extraction (+5.7% or +\$1.6 billion) sectors plan to make larger investments in 2024. Meanwhile, investment in the transportation and warehousing sector is expected to decline (-36% or -\$3.5 billion) from elevated levels. Despite

the strength in the private sector, total non-residential capital expenditures are expected to ease in 2024 as the pace of public sector investment is expected to moderate following a strong upward revision in 2023 (+30%).

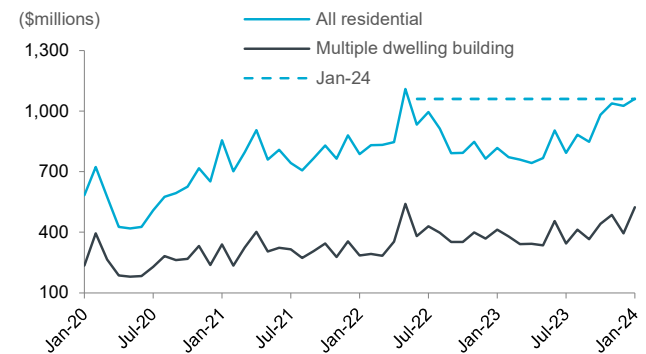
Residential Building Permits

Edmonton's multi-dwelling permits surged

Alberta's residential construction intentions moved up in January to reach a 20-month high. The seasonally adjusted value of residential building permits rose 3.5% m/m to \$1.1 billion. The gain was due to a surge in multi-dwelling permits (+33% m/m) (Chart 2). While multi-dwelling permits picked up in Calgary and in other regions the gain was concentrated in Edmonton (+58% m/m). Meanwhile, single-dwelling permits fell (-15% m/m) from a nine-year high as weakness in Calgary (-17% m/m) overwhelmed an uptick in Edmonton (+5.6% m/m). Compared to a year ago, the value of residential permits was up 30%, with growth across all regions and types.

CHART 2: RESIDENTIAL REMAINS ELEVATED AS MULTI-DWELLING PERMITS JUMP

Alberta's residential building permits



Sources: Statistics Canada, Haver Analytics

Non-Residential Building Permits

Building intentions bounce back

Alberta's non-residential construction intentions rose in January after declining for two consecutive months. The seasonally adjusted value of non-residential building permits increased 8.3% m/m to \$461 million. Industrial permits (+62% m/m) led the growth, while commercial permits (+6.4% m/m) also gained ground, while institutional & governmental permits

moderated for the second consecutive month. Regionally, Edmonton resumed an upward trend (+12% m/m) after two months of moderation, while Calgary (+8.1% m/m) and the rest of Alberta (+3.8% m/m) also advanced. Province wide, total non-residential permits were up 19% year-over-year (y/y) due to strong growth in Edmonton (+93% y/y).

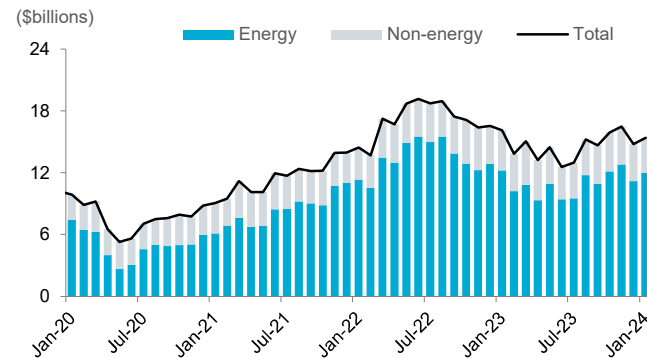
Merchandise Exports

Exports propped up by energy

The value of Alberta's goods exports bounced back in January as energy exports advanced. The total value of merchandise exports increased 4.2% m/m to \$15.4 billion (Chart 3). Energy products lead the way (+7.2% m/m) supported by higher volumes of both heavy and light oil and higher prices and volumes of natural gas. The gain in energy exports was partially offset by weakness in non-energy exports. They moderated (-5.0% m/m) for the third consecutive month, with declines in all categories. Despite the monthly increase, exports (-4.5% y/y) remained lower than the strong level seen a year ago.

CHART 3: ENERGY PROPPED UP EXPORTS

Alberta merchandise exports



Sources: Statistics Canada, Haver Analytics

Rigs Drilling

Activity remains subdued

Drilling activity edged forward in February. The average number of rigs drilling increased by three to 177. Rig activity failed to gain traction during the winter drilling season and remained lower (-7% y/y) than last year's strong levels.

Supply & Disposition of Oil

Oil production remains strong despite seasonal decline

Alberta's oil output took a large step back in January but remains robust. The larger than usual seasonal decline was the result of the elevated production in December and the

significant change in weather. Total oil production plunged 9.1% m/m to 3.81 million barrels per day (mbpd). The monthly decline was widespread, with both non-conventional (-9.6% m/m) and conventional (-6.2% m/m) production pulling back. The monthly moderation followed months of gains, and total oil production remained at elevated levels, up 1.9% y/y and at its strongest in January.

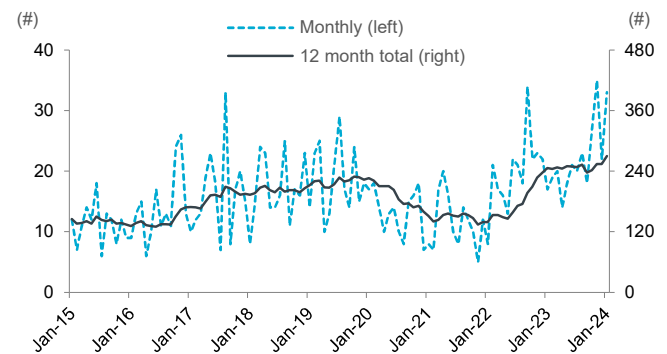
Business Insolvencies

Insolvencies trend higher

The number of Alberta based businesses filing for insolvency resumed their upward trend in January. A total of thirty-three businesses became insolvent, an increase of eleven from December (Chart 4). Over the past 12 months 270 businesses have filed for insolvency, up 9.8% y/y. The increase is the result of rising number of bankruptcies (+12% y/y) and proposals (+7.1% y/y).

CHART 4: BUSINESS INSOLVENCIES ARE ON THE RISE

Business insolvencies in Alberta



Source: Innovation, Science and Economic Development Canada

Purchasing Managers Index (PMI)

Global manufacturing expanding

Manufacturing conditions continued to improve in February. The Global Manufacturing PMI rose from 50.0 in January to 50.3 in February. This was the first time in 18 months that the index was over 50, indicating an expansion. With easing supply chain delays and higher demand for consumer goods, factory output increased to a nine-month high. Supplier delivery times improved after climbing in January due to disruptions in the Red Sea and Panama Canal. Meanwhile, both input and selling prices rose, led by rising wages and shipping costs. Conditions improved in the U.S., continued to advance in China, and were close to stable in Canada.

Contact Asrafuzzaman at TB.FERFPublications@gov.ab.ca
For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)