

Weekly Economic Review

Alberta's population continues to surge

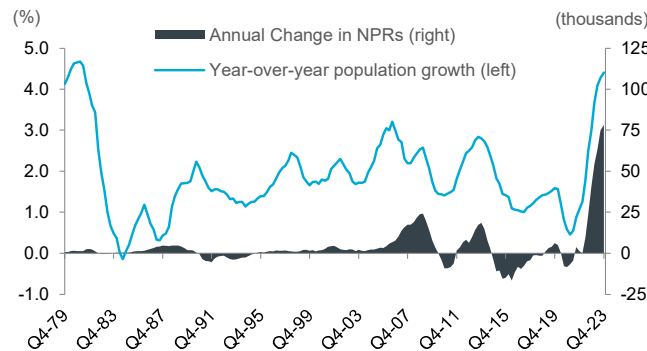
Population

Migration driving population gains

Alberta's population continues to expand at a rapid rate. As of January 1, Alberta's population was 4,800,768, an increase of 44,360 residents or 0.9% since October 1, 2023 (Chart 1). International migration (+31,037) remained the primary source of growth, led by record setting fourth-quarter number of non-permanent residents or NPRs (+18,487). Alberta also continued to draw migrants from other provinces. Net interprovincial migration (+9,913) was the highest in the country for the sixth consecutive quarter. Over the past 12 months, the province's population expanded by over 202,000 people or 4.4%, the highest annual growth rate since 1981 and the highest among all provinces.

CHART 1: POPULATION GROWTH AT 42-YEAR HIGH AS NPR SURGE

Year-over-year growth in Alberta's population



Source: Statistics Canada

Average Weekly Earnings

Widespread rebound

Alberta's average weekly earnings (AWE) rebounded in January with improvements in nearly all industries. AWE increased 0.6% month-over-month (m/m) to \$1,298 as earnings in both the goods and services sector advanced. Goods sector earnings (+0.9% m/m) recouped half of December's pullback, with gains in construction and mining, quarrying & oil & gas extraction outweighing lower AWE in manufacturing. Meanwhile, AWE in the services sector (+0.9% m/m) hit a new high, with gains in 12 of the 15 service-producing industries, led by information & culture, wholesale

trade, and education. Earnings were up 2.5% year-over-year (y/y) in January, led by the strength in the services sector (+3.8% y/y), while the goods sector was down (-0.6% y/y).

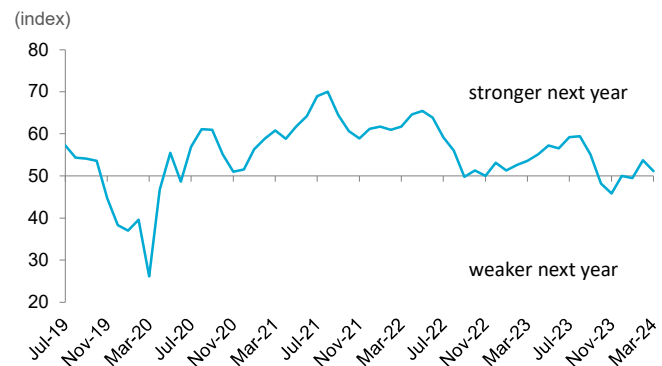
Business Barometer Index (BBI)

Confidence fades

Current conditions continue to weigh on Alberta small business confidence, but companies still remain optimistic about the future. The long-term business barometer index (BBI) slipped by 2.6 points in March, but held above 50 (51.07), indicating businesses continue to expect growth over the next 12 months (Chart 2). Meanwhile, the short-term index remained below 50 despite inching up 0.5 points in the month. The short-term weakness and waning confidence about the future reflect the current economic environment. Small businesses identified insufficient demand, tax, electricity, and insurance as major constraints on production growth.

CHART 2: LONG-TERM SENTIMENT WEAKENS BUT STILL POSITIVE

Long-term Business Barometer Index for Alberta



Sources: Canadian Federation of Independent Business, Haver Analytics

International Travel

Modest winter season continues

The number of non-resident travellers eased in January after increasing in the previous month. The seasonally adjusted number of non-resident travellers entering Canada through Alberta declined 4.1% m/m to 96,593, with fewer US (-3.5%

m/m) and non-US visitors (-5.8% m/m). Since pulling back from the September 2023 record, the number of travellers has been muted, failing to gain traction. Despite the recent moderation, non-resident travellers were up 14% y/y. Similarly, the number of returning Canadians via Alberta also took a step back (-2.2% m/m) in January but remained significantly higher (+15% y/y) from last year's levels.

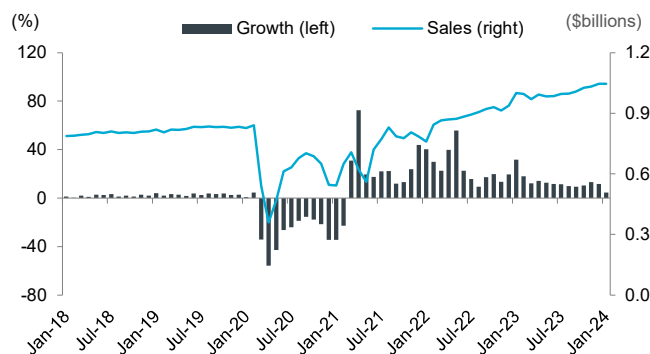
Food Services and Drinking Places

Sales take a breather

Sales at Alberta's restaurants eased slightly in January after increasing for seven successive months to a record high. Seasonally adjusted sales at food and drinking places moderated 0.1% m/m to \$1.0 billion (Chart 3). With the monthly pause, y/y growth slowed from 12% in December to 4.5% in January. Growth moderated as sales at full-service restaurants and drinking places stalled. Meanwhile, limited-service eating places (+4.6% y/y) and special food services, which includes food trucks and catering (+14% y/y), continued to grow at a healthy pace.

CHART 3: SALES GROWTH SLOWS

Year-over-year growth and total sales of food services



Sources: Statistics Canada, Haver Analytics

Railway Carloadings

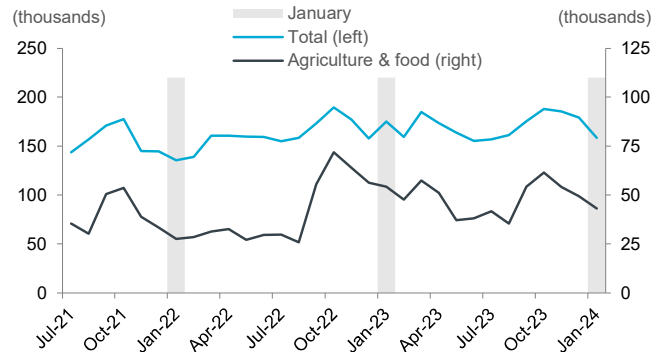
Muted start to the year

Railway carloadings started the year on a soft note. Western Canadian railway carloadings stood at 158,320, down 9.5% from the strong January 2023 levels. The decline was largely the result of the less favourable growing season in 2023 compared to 2022. Agriculture & food (-21% y/y) carloadings were down significantly as both wheat (-25% y/y) and colza

seeds (-47% y/y) failed to match last year's elevated levels (Chart 4). Energy carloadings (-7.4% y/y) also retreated from a 3-year high, led by a pullback in coal (-16% y/y). These declines more than offset gains in motor vehicles, chemicals & fertilizers, and plastic & rubber.

CHART 4: AGRIFOOD BELOW LAST YEAR'S ELEVATED LEVELS

Western Canadian Carloadings



Sources: Statistics Canada, Haver Analytics

Canadian Real GDP by Industry

A strong start to the year

The Canadian economy started the year with surprisingly robust growth. Real GDP by industry increased 0.6% m/m in January, the fastest pace in the last twelve months. While the strong monthly gain was driven by a rebound in the education services sector (+6.0% m/m) following the resolution of public sector strikes in Quebec, the gains were broad-based. Excluding education services, real GDP by industry grew 0.3% m/m with activity expanding in 17 of the remaining 19 industries. Growth in services-producing industries excluding education was led by the real estate and rental and leasing (+0.4% m/m) which was boosted by higher activity in the resale housing market. Meanwhile, activity in goods-producing industries moved up (+0.2% m/m) as the recovery in manufacturing (+0.9% m/m) and the strong growth in utilities (+3.2% m/m) were partially offset by losses in mining, quarrying and oil and gas extraction (-1.9% m/m). On a year-over-year basis real GDP expanded by 0.9% as strong activity in services (+1.6%) outweighed weakness in goods industries (-1.1%).

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For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)