

# Weekly Economic Review

## Consumer spending resilient to end 2023

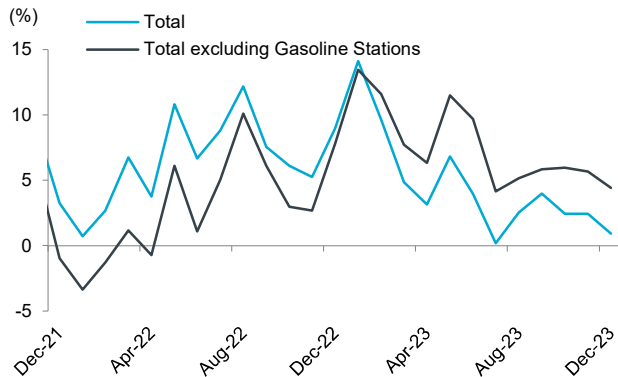
### Retail Trade

#### Modest growth continues

Alberta's retail sales continued to trend higher in December. Seasonally adjusted retail sales increased 0.9% month-over-month (m/m) to \$8.6 billion. Despite the solid monthly gain, year-over-year (y/y) growth (+2.4%) was nearly unchanged and remained well below the significant advances in the first half of 2023 (Chart 1). The moderation in y/y growth reflects lower gasoline prices, which continued to weigh on sales at gasoline stations (-23% y/y). Conversely, growth held firm at motor vehicle & parts dealers (+5.7% y/y) and food & beverage stores (+5.1% y/y) and picked up at general merchandise (+4.1% y/y) and clothing stores (+11% y/y). With the strong start to the year, sales increased 4.4% in 2023, led by strong gains at motor vehicle dealers and food, health, clothing, and sporting/hobby stores.

**CHART 1: SALES SOLID OUTSIDE GASOLINE STATIONS**

Year-over-year growth in Alberta retail sales



Sources: Statistics Canada, Haver Analytics

### Food services and Drinking Places

#### Solid end to the year

Albertans increased their spending at restaurants in December. Seasonally adjusted sales at food and drinking places increased 2.1% m/m to \$1.1 billion, the seventh straight month of growth. Compared to a year ago, sales were up 12%, led by growth in full-service restaurants (+14% y/y) and limited-service eating places (+12% y/y). Sales at special food establishments (including food trucks and catering) were also up sharply from last year (+26% y/y), while sales at drinking places remained subdued (-1.1% y/y). On an annual basis, sales were up 14% in 2023.

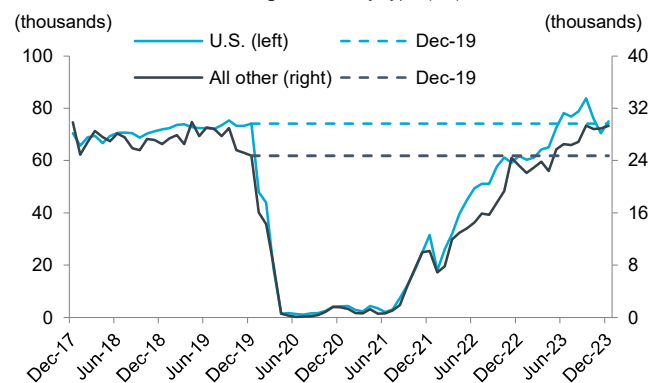
### International Travel

#### Non-resident travel rebounds

The number of international travellers entering Alberta bounced back in December. The seasonally adjusted number of non-resident travellers entering Canada through Alberta increased 4.9% m/m to 104,292. U.S. travellers (+6.4% m/m) moved higher after falling 16% over the previous two months. The number of non-U.S. travellers remained strong, increasing in the month (+1.4% m/m) to just below September's recent high. With the monthly gain, non-resident travellers were up 23% y/y to remain above pre-COVID levels (Chart 2). Meanwhile, after retreating in November, the number of Canadians returning through Alberta rose 4.3% m/m, and were up 22% y/y.

**CHART 2: MORE VISITORS AT THE END OF 2023**

International travellers entering Alberta, by type (SA)



Sources: Statistics Canada, Haver Analytics

### Employment Insurance

#### More Albertans receiving EI

The number of Albertans receiving Employment Insurance (EI) benefits continued to move higher in December. Beneficiaries rose (+3.1% m/m) for the eighth consecutive month to reach 51,730. The growth in beneficiaries was the result of more claims being submitted. Even though seasonally adjusted claims fell in the month (-1.8% m/m), they were up 4.3% in 2023. With the recent increase, the level of beneficiaries was back in line with pre-pandemic levels, but significantly below the pandemic highs.

## Railway Carloadings

### Energy and fertilizers continue to drive carloadings

Railway carloadings remained strong in December and well above last year's level. Western Canadian railway carloadings stood at 179,148, up 13% y/y. The growth was concentrated in energy and fertilizers, with substantial gains in coal (+48% y/y) and potash (+38% y/y). These gains outweighed declines in wheat (-10% y/y) and colza seeds (-41% y/y), which pulled back from the very strong levels of late 2022. With the monthly gain, total Western Canadian carloadings were up 6.8% in 2023, the highest yearly growth since 2018.

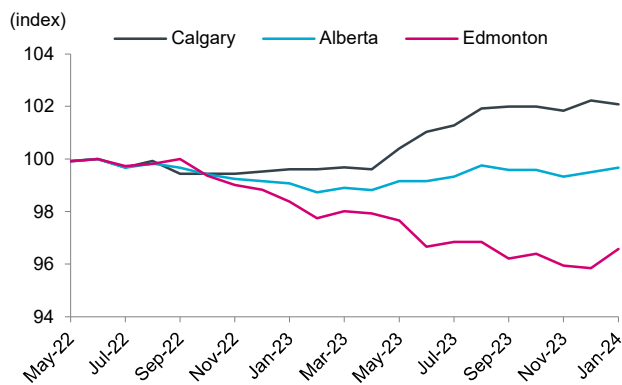
## New Housing Price Index

### Prices pick up in Edmonton

Prices for newly constructed homes in Alberta moved higher in January, supported by a surge in Edmonton. The provincial new housing price index (NHPI) increased 0.2% m/m. Edmonton saw its strongest monthly growth (+0.8% m/m) since May 2022 after months of weakness. Meanwhile, prices in Calgary slipped in January (-0.2% m/m) after increasing in 9 of the previous 12 months. Despite the reversal, prices in Calgary remained elevated and they continued to be the driver of growth in Alberta (Chart 3). On a y/y basis, prices in Alberta were up 0.6%, with Calgary's growth (+2.5% y/y) outweighing lower prices in Edmonton (-1.8% y/y).

#### CHART 3: DIVERGENCE NARROWS BETWEEN CITIES

New housing price index, indexed June 2022 = 100



Sources: Statistics Canada, Haver Analytics

## Consumer Price Index

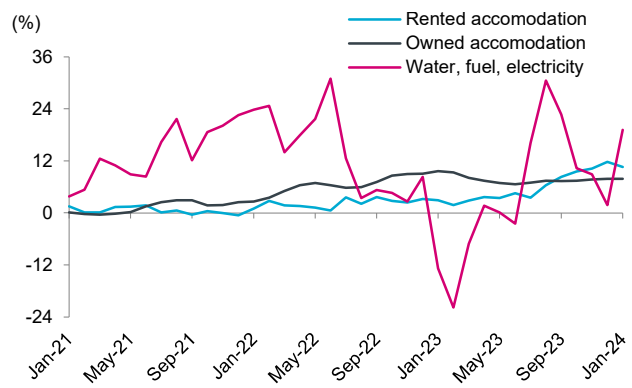
### Housing inflation remains at the fore

Consumer inflation in Alberta moved higher in January. While the consumer price index (CPI) was largely unchanged from December, the year-over-year change increased from 3.0% to 3.4%, reflecting the lower price level of last January.

Shelter costs were the primary driver of the y/y growth (Chart 4). Electricity prices (+120% y/y) were significantly up from last January when prices were suppressed by government affordability programs. Shelter costs were further pushed higher by both owned accommodation (+7.8% y/y) and rental accommodation (+11% y/y). Meanwhile, food inflation slowed 1.0 percentage points to 4.1% y/y in January despite higher prices in the month (+1.0% m/m). In contrast to headline inflation, core inflation (all items outside food and energy) slowed from 3.0% y/y to 2.8% y/y.

#### CHART 4: ELEVATED INFLATION IN ALL MAJOR SHELTER COMPONENTS

Year-over-year % change in selected CPI components



Sources: Statistics Canada, Haver Analytics

## Industrial Product Price Index (IPPI)

### IPPI continues to moderate

Canada's Industrial Product Price Index (IPPI) fell in January for the fourth straight month. The IPPI declined 0.1% m/m. Prices for energy and petroleum products retreated 0.7% m/m, with refined petroleum energy products falling 1.2% m/m. Prices for meat, fish, and dairy products contracted 2.8% m/m, reflecting weak seasonal demand for beef. In contrast, softwood lumber posted the largest growth since July 2023 (+4.2% m/m), partly due to reduced domestic supply. Year-over-year, the IPPI declined 2.9%, led by lower prices for energy and petroleum products (-16% y/y). Excluding energy and petroleum, the IPPI declined 1.0% y/y.

Contact Ceilidh Ballantyne at [TBF.ERFPublications@gov.ab.ca](mailto:TBF.ERFPublications@gov.ab.ca)  
For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)