

Alberta Economy

Indicators at a Glance

NEW: Economic Activity

The Alberta Activity Index (AAI) was up 4.4% year-over-year (y/y) in January, due mainly to increased business activity. Alberta's real GDP by expenditure fell by 3.7% in 2016, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,318,772 as of January 1, 2018, an increase of 1.4% from the year prior. Canada's population grew 1.3% from a year ago.

Migration

Net migration to Alberta was 5,599 in the fourth quarter of 2017. During this time, Alberta welcomed 5,297 net international migrants, while there was a net inflow of interprovincial migrants (+302) for the second consecutive quarter after in eight quarters of outflows.

Employment¹

The economy added 2,300 jobs in February, as gains in part-time positions more than offset a decline in full-time positions. Employment rose 2.0% y/y, reflecting employment gains in both the goods (+4.8% y/y) and services (+1.0% y/y) sectors.

Unemployment Rate¹

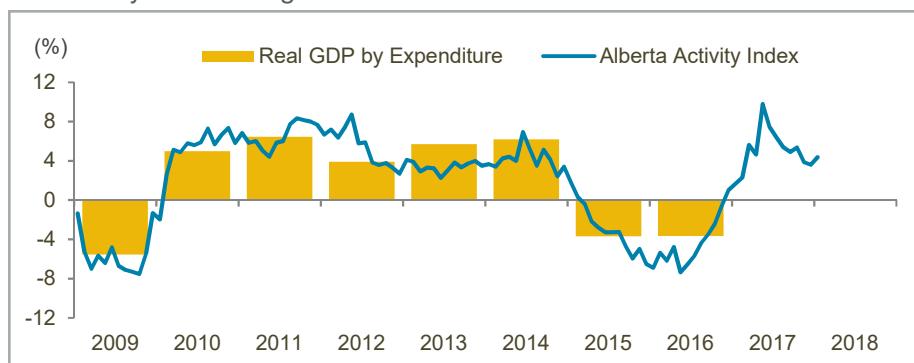
Alberta's unemployment rate fell by 0.3 percentage point to 6.7% in February. Canada's unemployment rate ticked down 0.1 percentage point to 5.8%.

Rigs Drilling

The number of active rigs in Alberta averaged 216 in February, up 15% y/y. The average rig utilization rate was 52%, up from 43% a year ago.

Economic Activity

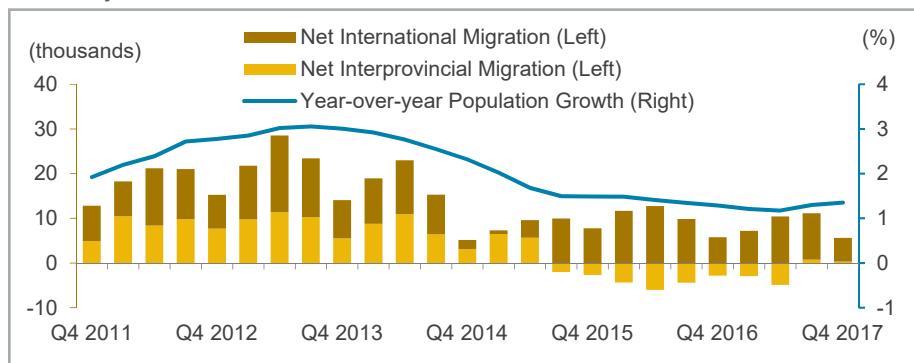
Year-over-year % change



Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics

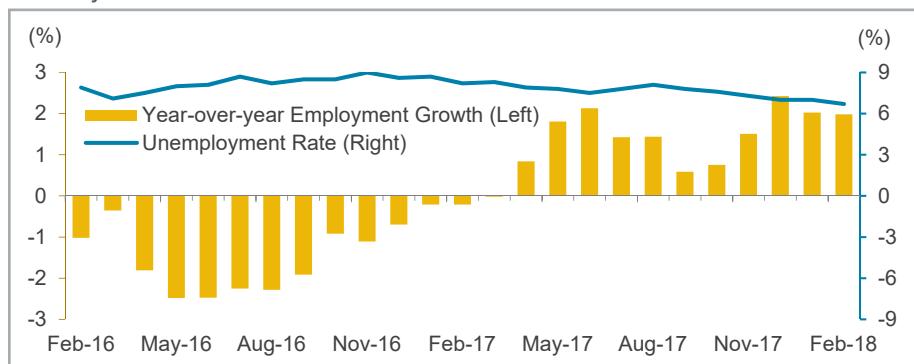
Quarterly



Source: Statistics Canada

Labour Market

Monthly



Source: Statistics Canada

Inflation

The annual Inflation rate in Alberta jumped by 0.8 percentage points to 2.2% y/y in February. Inflation excluding food and energy prices was up 0.4 percentage points to 1.4% y/y.

NEW: Average Weekly Earnings¹

Average weekly earnings (AWE) in Alberta ticked down by 0.1% m/m in January to \$1,147. Earnings increased 3.1% y/y driven by increased earnings in both the goods and services sectors.

Retail Sales¹

Alberta retail sales rose 0.5% m/m to \$6.8 billion in January. Retail sales are up 2.1% y/y, the fourteenth consecutive month of year-over-year gains.

Housing Starts¹

Alberta housing starts fell by 3.5% m/m in February to 24,301 units (annualized). They were down 8.5% y/y, with declines in both multi-family (-14% y/y) and single-family starts (-7.2% y/y).

New Housing Price Index

In January, Alberta's New Housing Price Index (NHPI) ticked up by 0.1% y/y. The house-only component was unchanged, while land prices were up (+0.4% y/y).

Building Permits¹

Alberta building permits eased by 13% y/y in January to \$1.1 billion, as increased residential permits (+5.3% y/y) was more than offset by a decline in non-residential permits (-33% y/y).

¹ Seasonally adjusted

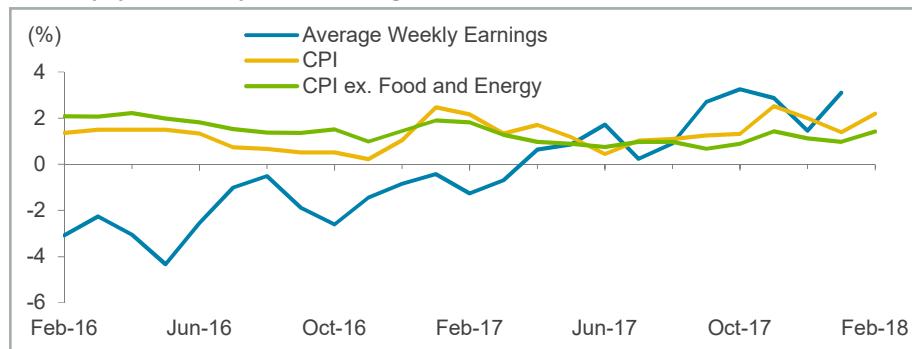
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Inflation and Earnings

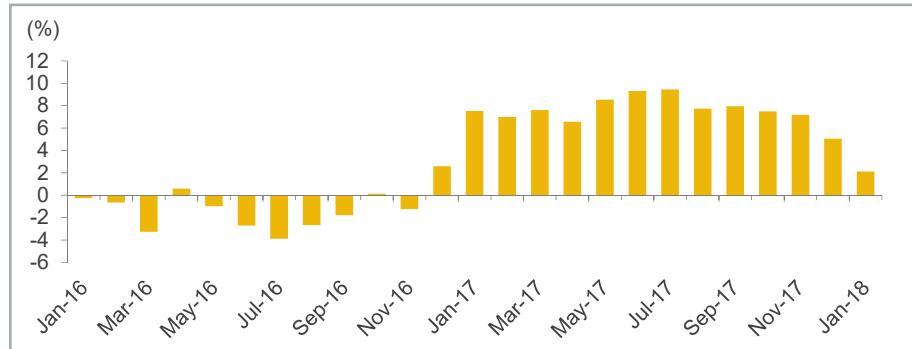
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales

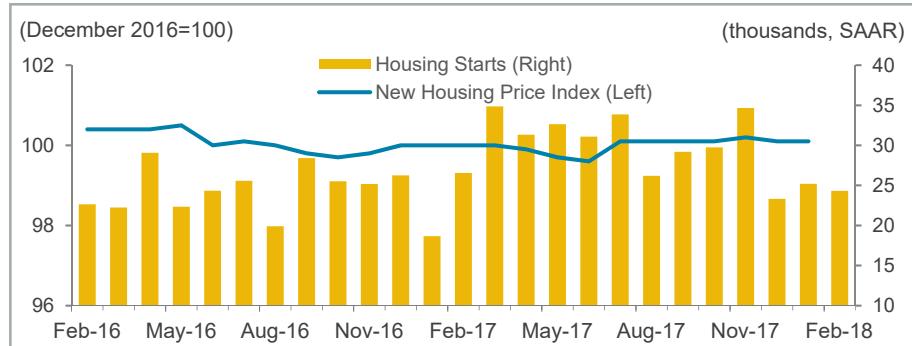
Monthly, year-over-year % change



Source: Statistics Canada

Housing Market

Monthly



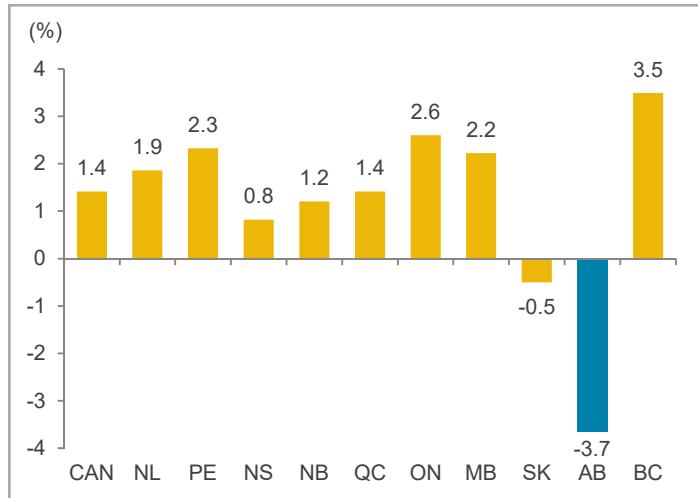
Source: Statistics Canada, Canada Mortgage and Housing Corporation

| | Canadian Dollar (US\$/CAN) | WTI Oil (\$US/bbl) | NYMEX Natural Gas (\$US/MMBtu) | Alberta Reference Price (\$C/GJ) |
|-------------------------|----------------------------|--------------------|--------------------------------|----------------------------------|
| Latest (March 28, 2018) | 77.51 | 64.38 | 2.70 | 1.74 (January) |
| Fiscal year-to-date | 77.98 | 53.52 | 2.96 | 1.85 |

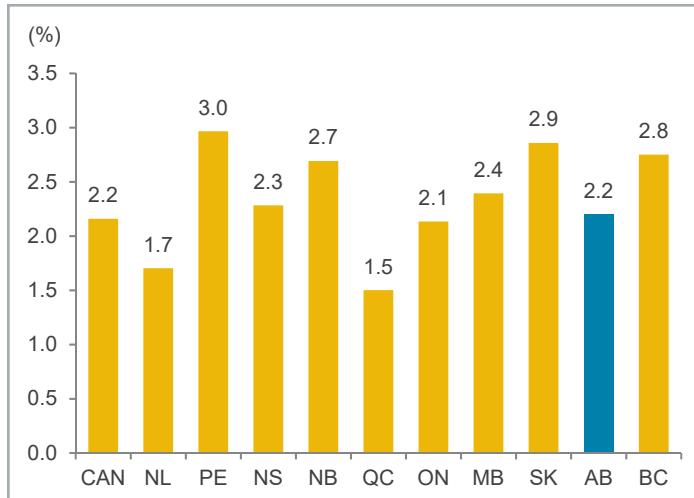
Please see the [Weekly Economic Review](#) for current analysis on the Alberta economy.

Real GDP by Expenditure

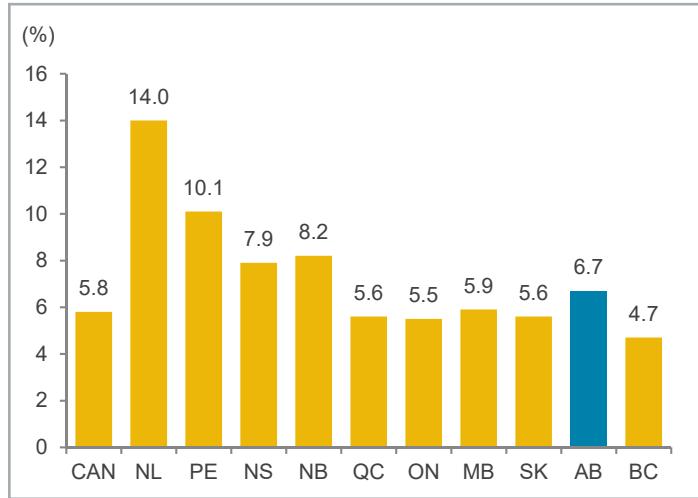
(2016, year-over-year growth)

**CPI Inflation**

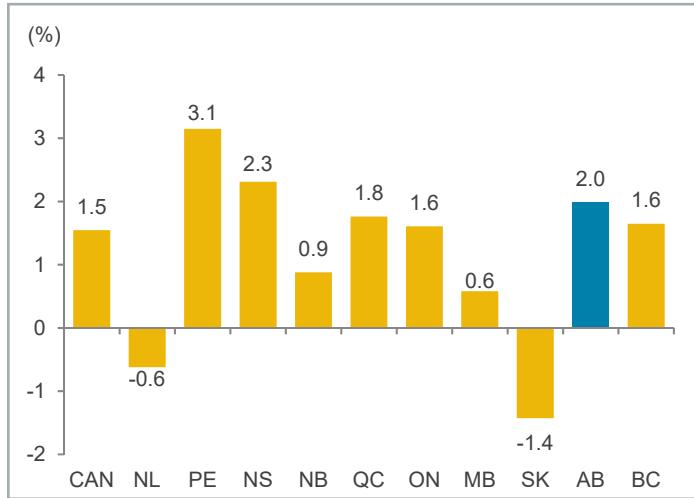
(February 2018, year-over-year growth)

**Unemployment Rate**

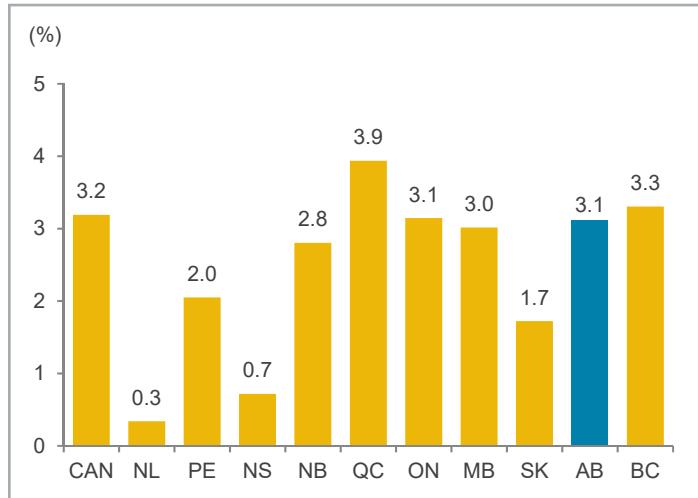
(February 2018)

**Employment**

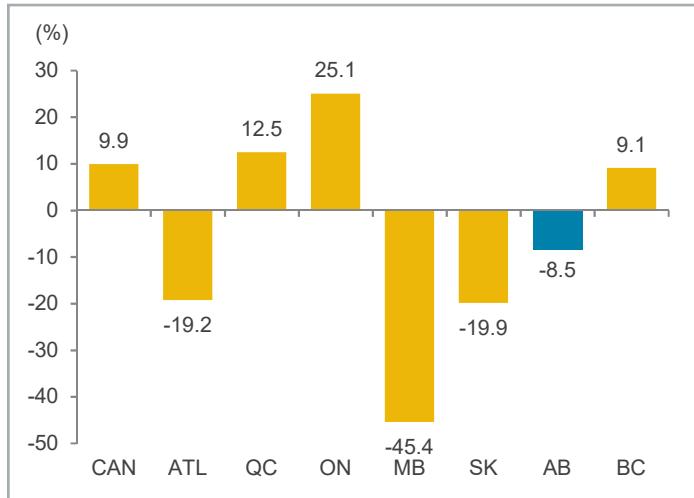
(February 2018, year-over-year growth)

**Average Weekly Earnings**

(January 2018, year-over-year growth)

**Housing Starts**

(February 2018, SAAR, year-over-year growth)



Alberta Economic Indicators

| | 2016 | 2017 | 2018YTD | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 |
|---|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| NEW Alberta Activity Index (y/y % change) | -4.4 | 5.1 | 4.4 | 4.9 | 5.4 | 3.9 | 3.6 | 4.4 | |
| Population¹ | | | | | | | | | |
| Population (thousands) | 4,236 | 4,286 | 4,319 | | 4,306 | | | 4,319 | |
| y/y % change | 1.4 | 1.2 | 1.4 | | 1.3 | | | 1.4 | |
| Net Interprovincial Migration | -15,108 | -15,131 | 1,045 | | 743 | | | 302 | |
| Net International Migration | 42,102 | 33,210 | 15,660 | | 10,363 | | | 5,297 | |
| Labour Market | | | | | | | | | |
| Employment (thousands, SA) | 2,264 | 2,287 | 2,316 | 2,282 | 2,293 | 2,300 | 2,320 | 2,315 | 2,317 |
| m/m change (thousands) | | | | -5.2 | 10.5 | 7.1 | 20.4 | -5.9 | 2.3 |
| y/y % change | -1.6 | 1.0 | 2.0 | 0.6 | 0.8 | 1.5 | 2.4 | 2.0 | 2.0 |
| Unemployment Rate (% , SA) | 8.1 | 7.8 | 6.9 | 7.8 | 7.6 | 7.3 | 7.0 | 7.0 | 6.7 |
| Participation Rate (% , SA) | 72.5 | 72.4 | 72.1 | 72.0 | 72.2 | 72.1 | 72.4 | 72.2 | 71.9 |
| NEW Average Weekly Earnings (\$, SA) | 1,119 | 1,130 | 1,147 | 1,145 | 1,141 | 1,147 | 1,149 | 1,147 | |
| y/y % change | -2.4 | 1.0 | 3.1 | 2.7 | 3.3 | 2.9 | 1.5 | 3.1 | |
| Household Sector | | | | | | | | | |
| Retail Sales (\$ million, SA) | 75,110 | 80,752 | 6,796 | 6,749 | 6,793 | 6,779 | 6,760 | 6,796 | |
| y/y % change | -1.2 | 7.5 | 2.1 | 8.0 | 7.5 | 7.2 | 5.0 | 2.1 | |
| New Vehicle Sales (units, thousands) | 224 | 249 | 16 | 23 | 20 | 19 | 16 | 16 | |
| y/y % change | -7.6 | 11.2 | 7.5 | 9.8 | 17.4 | -0.7 | 0.5 | 7.5 | |
| Consumer Price Index (y/y % change) | 1.1 | 1.6 | 1.8 | 1.3 | 1.3 | 2.5 | 2.0 | 1.4 | 2.2 |
| Excluding Food & Energy | 1.7 | 1.1 | 1.2 | 0.7 | 0.9 | 1.4 | 1.1 | 1.0 | 1.4 |
| Housing Starts (SAAR, 000's) | 24.5 | 29.5 | 24.7 | 29.2 | 29.7 | 34.7 | 23.3 | 25.2 | 24.3 |
| y/y % change | -34.2 | 20.1 | 9.4 | 2.7 | 16.5 | 37.7 | -11.2 | 34.9 | -8.5 |
| New Housing Price Index (y/y % change) | -0.5 | -0.2 | 0.1 | 0.3 | 0.4 | 0.4 | 0.1 | 0.1 | |
| Resale Home Sales | 54,798 | 57,166 | 9,621 | 4,622 | 4,507 | 4,755 | 5,678 | 5,003 | 4,618 |
| y/y % change | -7.6 | 4.3 | -2.7 | -0.9 | -9.9 | 11.5 | 17.8 | 3.9 | -9.0 |
| Sales to New Listing Ratio | 0.50 | 0.49 | 0.53 | 0.47 | 0.47 | 0.50 | 0.58 | 0.54 | 0.51 |
| MLS Average Resale Prices (\$ thousands) | 397 | 398 | 396 | 393 | 399 | 387 | 386 | 395 | 398 |
| y/y % change | 0.3 | 0.4 | -0.1 | -1.9 | 0.2 | -3.2 | -4.6 | -0.9 | 0.6 |
| Consumer Bankruptcies (level) | 5,427 | 5,008 | | 404 | 450 | 403 | 350 | | |
| y/y % change | 26.8 | -7.7 | | -11.8 | 2.3 | -13.3 | -12.7 | | |
| Business Sector | | | | | | | | | |
| Goods Exports (customs based,\$ million) | 79,213 | 100,232 | 10,072 | 7,431 | 8,453 | 8,441 | 9,103 | 10,072 | |
| y/y % change | -14.3 | 26.5 | 18.5 | 5.7 | 19.6 | 7.4 | 14.8 | 18.5 | |
| Energy Products (\$ million) | 51,594 | 69,594 | 7,441 | 4,985 | 5,785 | 5,818 | 6,528 | 7,441 | |
| y/y % change | -17.5 | 34.9 | 20.8 | 4.7 | 24.2 | 5.3 | 17.8 | 20.8 | |
| Agricultural Products (\$ million) | 6,284 | 7,314 | 685 | 502 | 741 | 654 | 607 | 685 | |
| y/y % change | -2.9 | 16.4 | 9.1 | 6.2 | 35.3 | 7.1 | 9.6 | 9.1 | |
| Rigs Drilling | 79 | 131 | 207 | 127 | 133 | 143 | 155 | 197 | 216 |
| y/y% change | -34.0 | 66.0 | 6.9 | 59.7 | 31.3 | 32.4 | 2.9 | -0.9 | 15.1 |
| Manufacturing Shipments (\$ million, SA) | 62,703 | 71,282 | 6,289 | 5,885 | 6,066 | 6,164 | 6,222 | 6,289 | |
| y/y% change | -8.0 | 13.7 | 11.3 | 10.7 | 15.1 | 12.2 | 11.3 | 11.3 | |
| Wholesale Trade (\$ million, SA) | 71,765 | 79,420 | 6,847 | 6,689 | 6,796 | 6,754 | 6,857 | 6,847 | |
| y/y% change | -9.6 | 10.7 | 10.1 | 13.9 | 15.1 | 13.6 | 11.3 | 10.1 | |
| Building Permits (\$ million, SA) | 14,200 | 14,245 | 1,092 | 1,470 | 1,007 | 1,288 | 1,130 | 1,092 | |
| y/y% change | -15.2 | 0.3 | -13.3 | 30.5 | -52.8 | 18.1 | 35.4 | -13.3 | |
| Residential Permits (\$ million, SA) | 7,930 | 8,400 | 678 | 692 | 607 | 715 | 760 | 678 | |
| y/y % change | -19.7 | 5.9 | 5.3 | -0.6 | -58.8 | 12.6 | 69.7 | 5.3 | |
| Non-Residential Permits (\$ million, SA) | 6,270 | 5,845 | 414 | 779 | 401 | 574 | 371 | 414 | |
| y/y% change | -8.8 | -6.8 | -32.8 | 80.6 | -39.4 | 25.7 | -4.3 | -32.8 | |
| Non-Res. Building Cons. Price Index ² (y/y % change) | -2.8 | 0.5 | | 0.9 | | | 1.2 | | |

¹ Population data presented on a census year basis (July 1– June 30). The current census year 2017.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada). All historical data are subject to revision

² Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate. All annual data is unadjusted.