

# Alberta Economy

## Indicators at a Glance

### Economic Activity

The Alberta Activity Index (AAX) continued to level off in October. The AAX was up 5.3% year-over-year (y/y) due to broad-based improvements. In 2016, Alberta's real GDP by expenditure fell by 3.7%, the largest drop among the provinces for the second year in a row.

### Population

Alberta's population was 4,306,039 as of October 1, 2017, an increase of 1.3% from the year prior. Canada's population grew 1.3% from a year ago.

### Migration

Net migration to Alberta was 11,106 in the third quarter of 2017. During this time, Alberta welcomed 10,363 net international migrants, while there was a net inflow of interprovincial migrants (+743) for the first time in eight quarters.

### NEW: Employment<sup>1</sup>

The economy added 26,300 jobs in December, mostly in the self-employed and private sectors. Employment increased 2.4% y/y, reflecting employment gains in both the goods and services sectors from a year ago.

### NEW: Unemployment Rate<sup>1</sup>

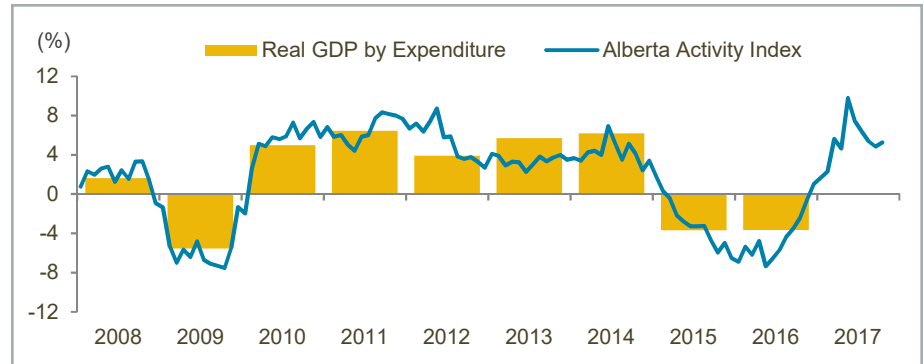
Alberta's unemployment rate fell 0.4 percentage points to 6.9% in December. Canada's unemployment rate declined 0.2 percentage points to 5.7%.

### NEW: Rigs Drilling

The number of active rigs in Alberta averaged 155 in December, up 2.9% y/y. The average rig utilization rate was 30% for 2017 up from 17% in 2016.

### Economic Activity

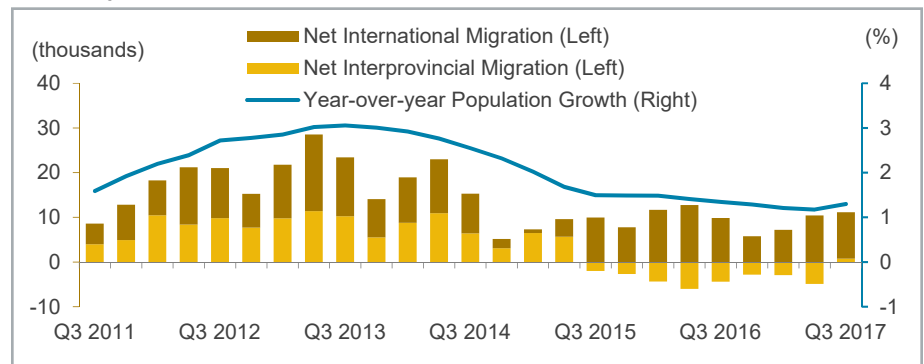
Year-over-year % change



Sources: Statistics Canada and Alberta Treasury Board and Finance

### Demographics

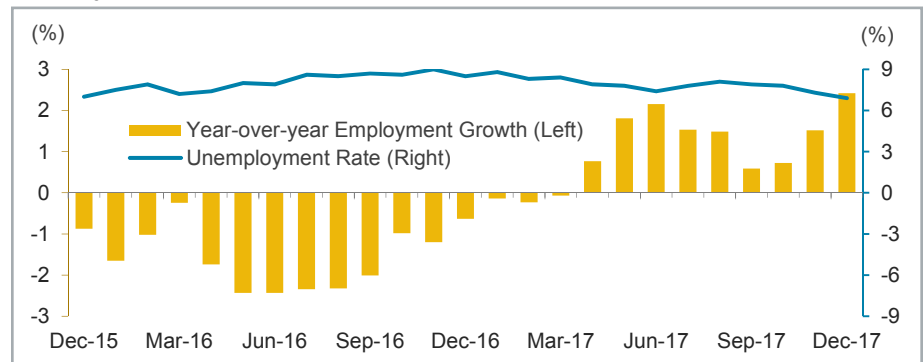
Quarterly



Source: Statistics Canada

### Labour Market

Monthly



Source: Statistics Canada

### Inflation

The Alberta Consumer Price Index (CPI) jumped by 1.2 percentage points to 2.5% y/y in November fueled by a spike in gasoline prices. Excluding food and energy prices, core inflation rose by 0.5 percentage points to 1.4% y/y.

### Average Weekly Earnings<sup>1</sup>

Average weekly earnings (AWE) in Alberta ticked lower by 0.1% m/m in October to \$1,143. Earnings increased 3.5% y/y as both the goods and service sectors earnings improved from a year ago.

### Retail Sales<sup>1</sup>

Alberta retail sales grew 0.8% m/m to \$6.8 billion in October. Retail sales are up 7.8% y/y, the eleventh consecutive month of year-over-year gains.

### Housing Starts<sup>1</sup>

Alberta housing starts increased 16% m/m in November to 33,955 units (annualized). Housing starts were up 35% y/y, as multi-family starts jumped 75% y/y, while single-family starts held steady (-1.1% y/y).

### New Housing Price Index

Alberta's New Housing Price Index (NHPI) increased 0.4% y/y in October as the price of land (+0.6% y/y) and the house-only component (+0.3% y/y) were up.

### Building Permits<sup>1</sup>

Alberta building permits fell 25% m/m (-51% y/y) in October to \$992 million. Both residential (-14% m/m) and non-residential permits (-37% m/m) were down from the previous month.

<sup>1</sup> Seasonally adjusted

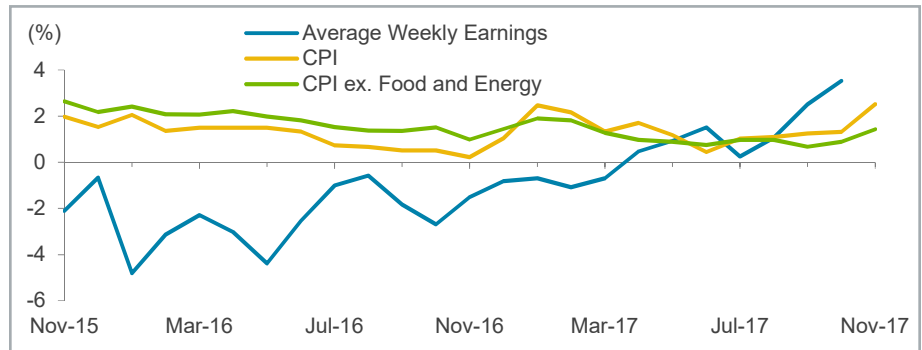
### Contact

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### Inflation and Earnings

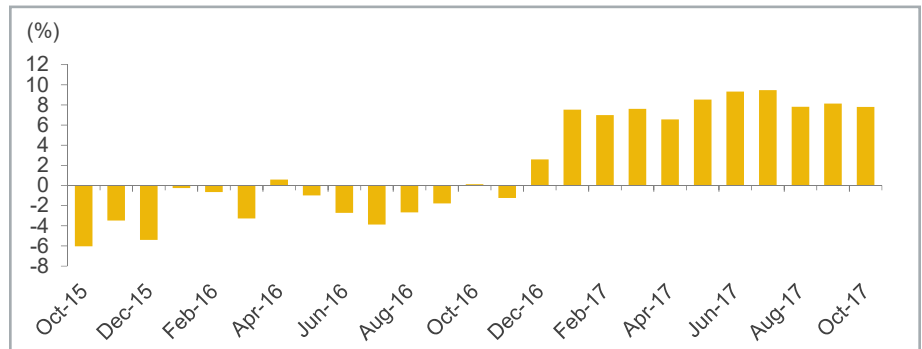
Monthly, year-over-year % change



Source: Statistics Canada

### Retail Sales

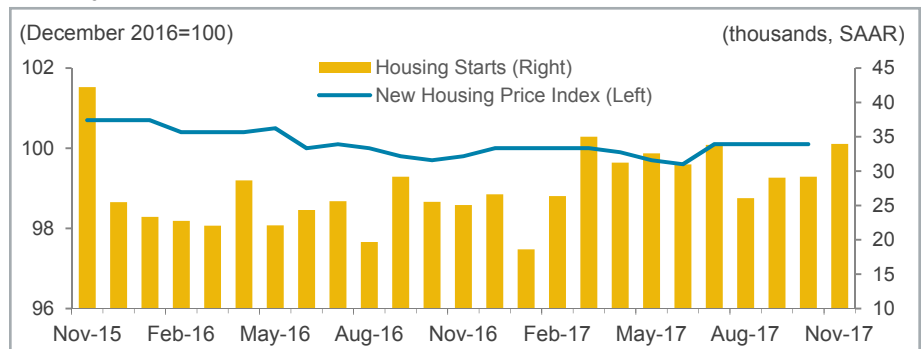
Monthly, year-over-year % change



Source: Statistics Canada

### Housing Market

Monthly



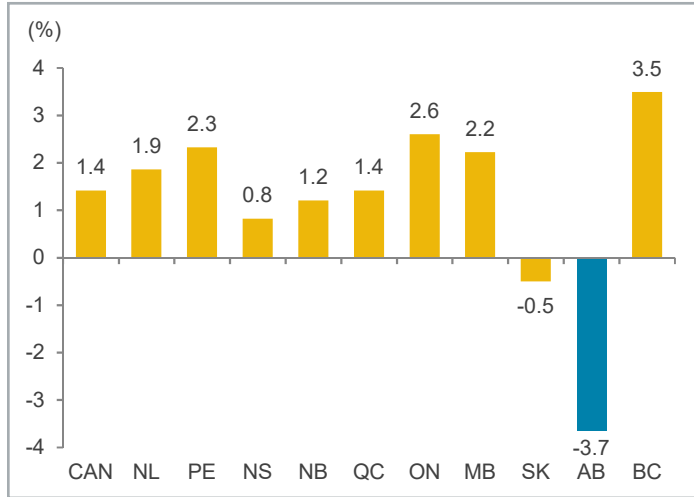
Source: Statistics Canada, Canada Mortgage and Housing Corporation

	Canadian Dollar (US¢/\$CAN)	WTI Oil (\$US/bbl)	NYMEX Natural Gas (\$US/MMBtu)	Alberta Reference Price (\$C/GJ)
Latest (January 04, 2018)	79.90	62.01	2.88	1.11 (October)
Fiscal year-to-date	77.64	50.72	3.00	1.86

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

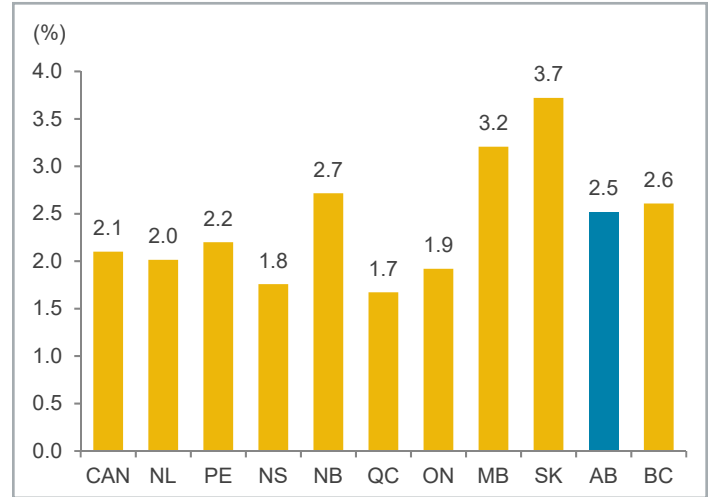
**Real GDP by Expenditure**

(2016, year-over-year growth)



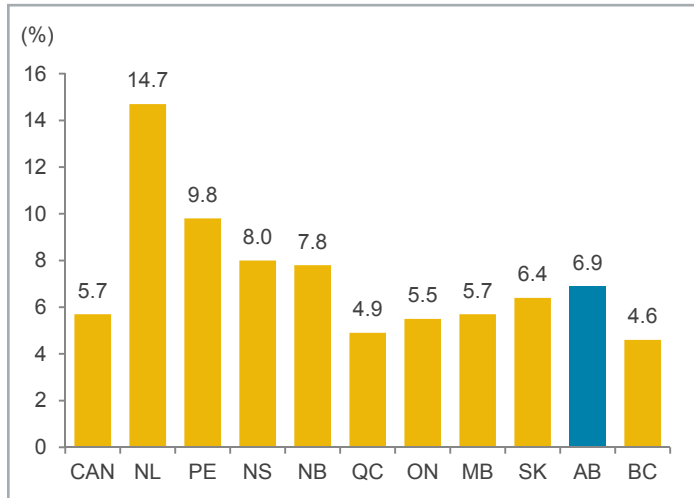
**CPI Inflation**

(November 2017, year-over-year growth)



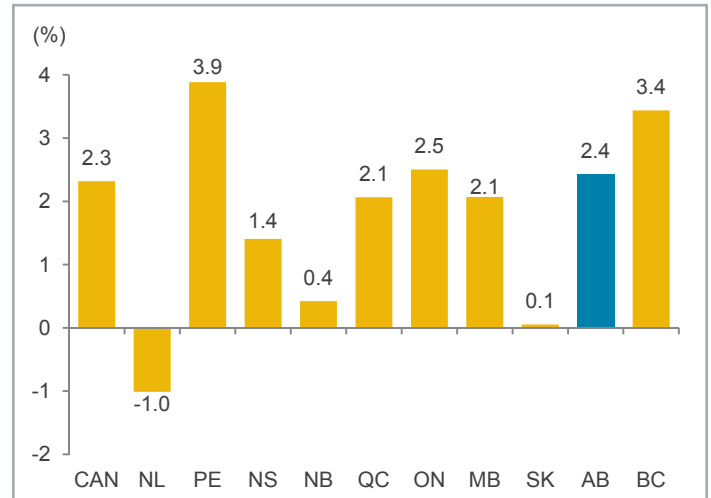
**Unemployment Rate**

(December 2017)



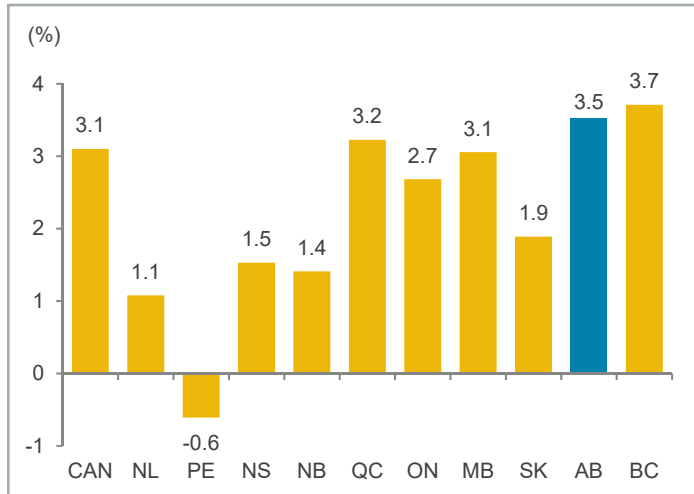
**Employment**

(December 2017, year-over-year growth)



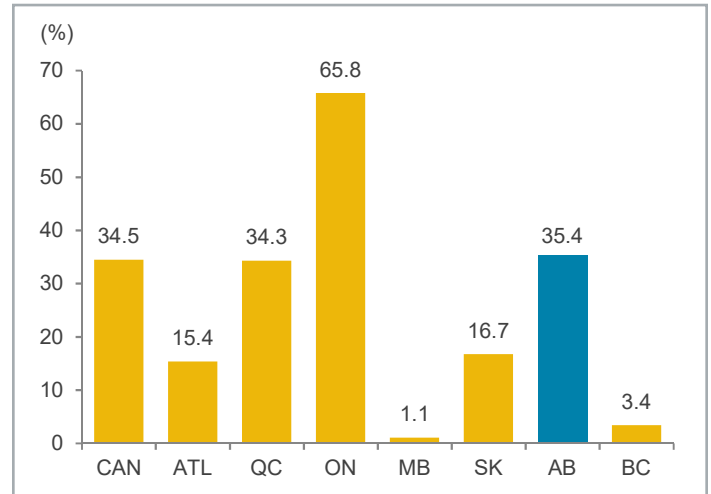
**Average Weekly Earnings**

(October 2017, year-over-year growth)



**Housing Starts**

(November 2017, SAAR, year-over-year growth)



# Alberta Economic Indicators

	2016	2017YTD	2018YTD	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Alberta Activity Index (y/y % change)	-4.4	5.3		6.4	5.4	4.8	5.3		
<b>Population<sup>1</sup></b>									
Population (thousands)	4,236	4,286	4,306	4,286			4,306		
y/y % change	1.4	1.2	1.3	1.2			1.3		
Net Interprovincial Migration	-15,108	-15,131	743	-4,914			743		
Net International Migration	42,102	33,210	10,363	10,400			10,363		
<b>Labour Market</b>									
<b>NEW</b> Employment (thousands, SA)	2,264	2,289		2,284	2,287	2,279	2,291	2,296	2,322
m/m change (thousands)				-14.4	2.3	-7.8	11.9	5.4	26.3
y/y % change	-1.6	1.0		1.5	1.5	0.6	0.7	1.5	2.4
<b>NEW</b> Unemployment Rate (% , SA)	8.1	7.9		7.8	8.1	7.9	7.8	7.3	6.9
<b>NEW</b> Participation Rate (% , SA)	72.5	72.5		72.2	72.5	72.0	72.2	71.9	72.5
Average Weekly Earnings (\$ , SA)	1,119	1,126		1,127	1,133	1,144	1,143		
y/y % change	-2.4	0.8		0.2	1.1	2.5	3.5		
<b>Household Sector</b>									
Retail Sales (\$ million, SA)	75,110	67,316		6,760	6,718	6,759	6,812		
y/y % change	-1.2	8.0		9.5	7.8	8.1	7.8		
New Vehicle Sales (units, thousands)	224	213		22	22	23	20		
y/y % change	-7.6	13.4		14.3	18.4	9.8	17.4		
Consumer Price Index (y/y % change)	1.1	1.5		1.0	1.1	1.3	1.3	2.5	
Excluding Food & Energy	1.7	1.1		1.0	1.0	0.7	0.9	1.4	
Housing Starts (SAAR, 000's)	24.5	29.7		33.8	26.1	29.0	29.2	34.0	
y/y % change	-34.2	21.8		32.0	32.4	-0.5	14.2	35.4	
New Housing Price Index (y/y % change)	-0.5	-0.2		0.0	0.1	0.3	0.4		
Resale Home Sales	52,166	51,602		4,549	4,624	4,672	4,537	4,733	
y/y % change	-7.6	8.6		1.4	6.4	5.0	-4.5	19.1	
Sales to New Listing Ratio	0.49	0.49		0.46	0.47	0.48	0.47	0.51	
MLS Average Resale Prices (\$ thousands)	395	397		395	395	394	399	388	
y/y % change	0.4	1.1		-1.7	0.6	-1.1	1.0	-2.2	
<b>NEW</b> Consumer Bankruptcies (level)	5,427	4,255		328	450	404	450		
y/y % change	26.8	-6.7		-13.9	2.5	-11.8	2.3		
<b>Business Sector</b>									
<b>NEW</b> Goods Exports (customs based,\$ million)	78,905	91,095		7,611	8,133	7,452	8,493	8,415	
y/y % change	-14.6	28.3		23.2	15.0	6.8	21.0	7.4	
<b>NEW</b> Energy Products (\$ million)	51,537	63,153		5,069	5,738	5,027	5,828	5,793	
y/y % change	-17.5	37.3		27.8	18.9	6.0	25.6	5.2	
<b>NEW</b> Agricultural Products (\$ million)	6,284	6,709		540	520	496	741	663	
y/y % change	-2.9	17.1		12.3	19.2	4.8	35.3	8.6	
<b>NEW</b> Rigs Drilling	79	128		119	126	127	133	143	155
y/y % change	-34.0	62.5		103.6	66.8	59.7	31.3	32.4	2.9
Manufacturing Shipments (\$ million, SA)	62,703	58,684		5,796	5,858	5,775	6,018		
y/y % change	-8.0	13.7		10.3	9.3	8.7	14.2		
Wholesale Trade (\$ million, SA)	71,765	65,801		6,804	6,670	6,697	6,790		
y/y % change	-9.6	10.3		15.4	10.8	14.1	15.0		
Building Permits (\$ million, SA)	14,200	11,234		1,037	1,153	1,320	992		
y/y % change	-15.2	-8.6		-8.2	5.4	11.7	-51.2		
Residential Permits (\$ million, SA)	7,930	6,845		666	779	695	601		
y/y % change	-19.7	-0.3		11.3	29.8	-0.5	-56.1		
Non-Residential Permits (\$ million, SA)	6,270	4,388		371	373	624	391		
y/y % change	-8.8	-19.1		-30.2	-24.3	29.4	-40.9		
Non-Res. Building Cons. Price Index <sup>2</sup> (y/y % change)	-2.8	0.2				0.9			

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

<sup>2</sup> Quarterly, average of Calgary and Edmonton

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

**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