

# Current Economic Analysis

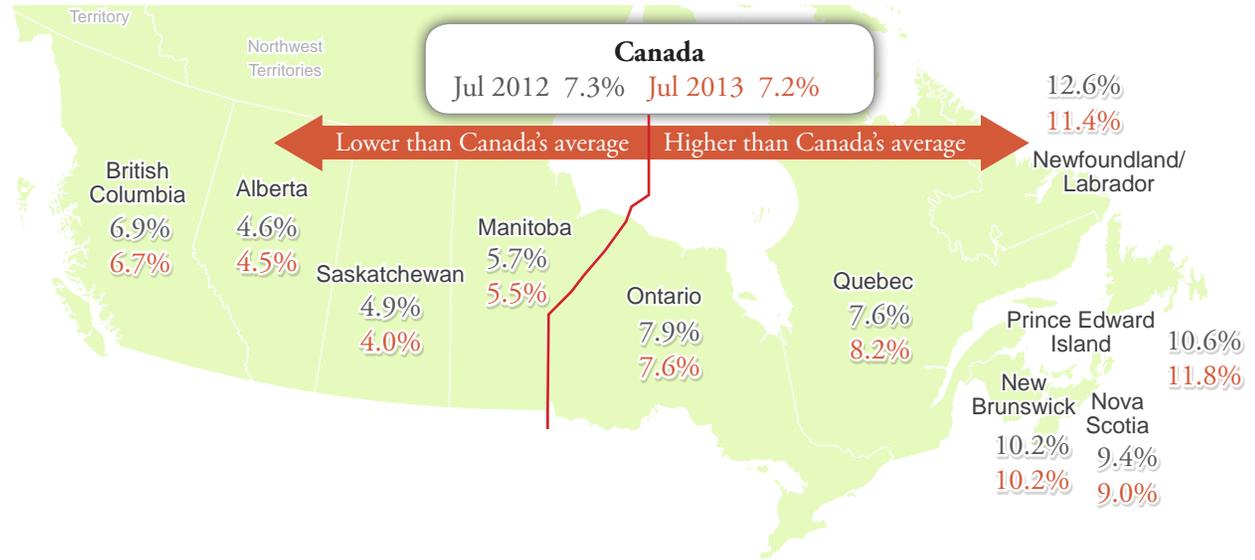
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

August 29, 2013

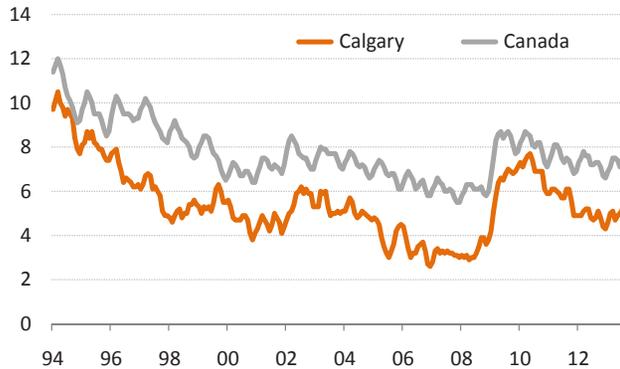
## Labour Market (*Unadjusted*)

- The unemployment rate in the Calgary Economic Region (CER) was 5.2 per cent in July 2013, up from 4.7 per cent for the same time last year caused by a larger labour force. Nationally, the unemployment rate was 7.1 per cent, down from 7.2 per cent in July 2012.
- Total employment in the Calgary Economic Region (CER) was 836,500 in July 2013, a 2.3 per cent increase from 818,000 in July 2012.
- The 2013 Civic Census placed Calgary's population at 1,149,552, up from 1,120,225 in 2012 representing an increase of 29,327 persons.

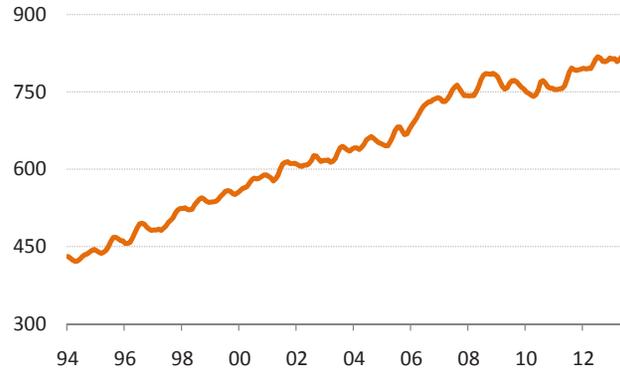
## Unemployment Rates, Canada and Provinces (*Seasonally adjusted*)



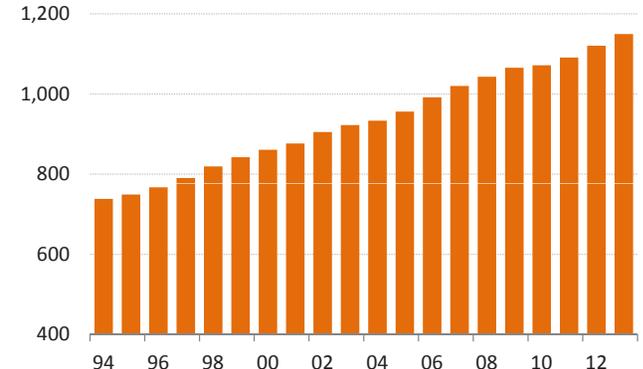
Unemployment Rates (unadjusted, per cent)



Calgary CER: Total Employment (unadjusted, thousands of persons)



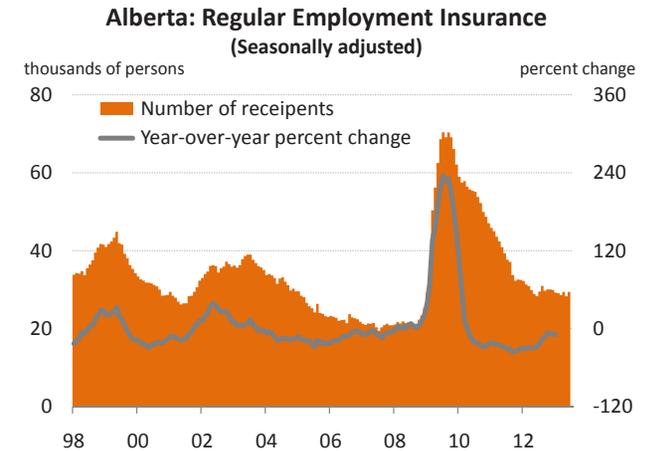
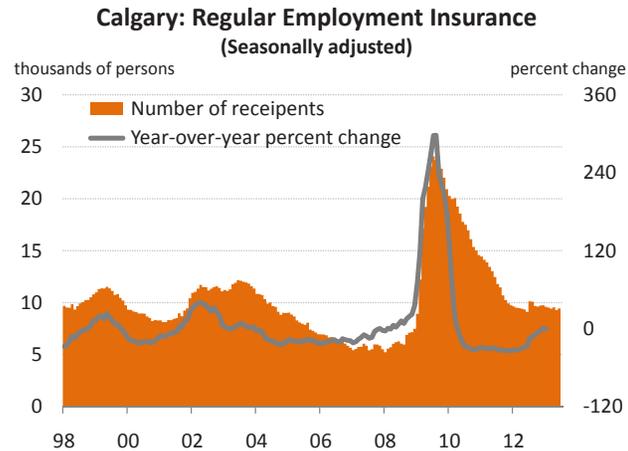
City of Calgary: Total Population (thousands of persons)



Sources: Statistics Canada, City of Calgary Civic Census, Corporate Economics

## Labour Market (continued)

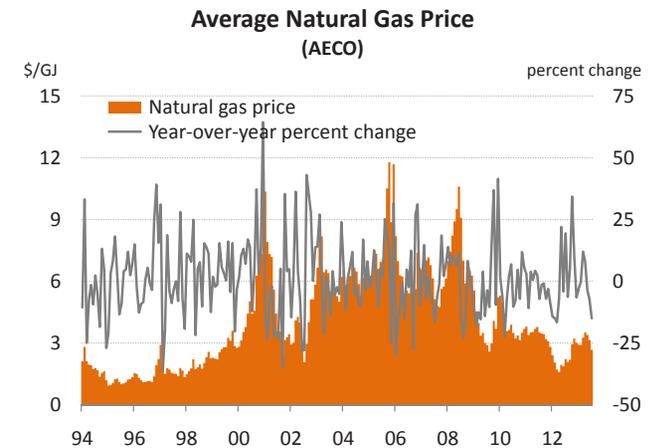
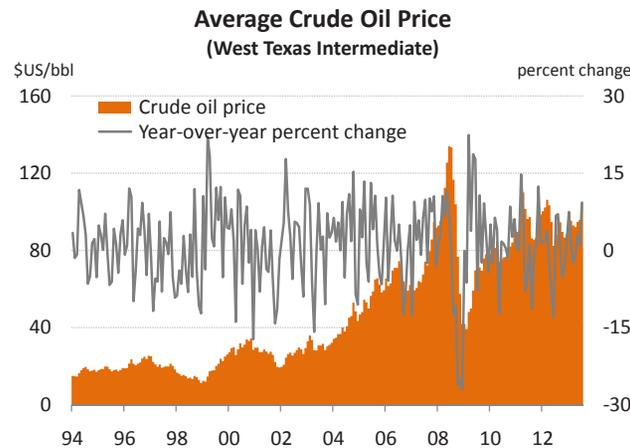
- Between June 2012 and June 2013, the number of Calgarians receiving regular employment insurance increased by 3.5 per cent to 9,440. For Alberta, during the same time period, the number increased by 3.8 per cent to 29,450 year-over-year.



Sources: Statistics Canada, Corporate Economics

## Energy

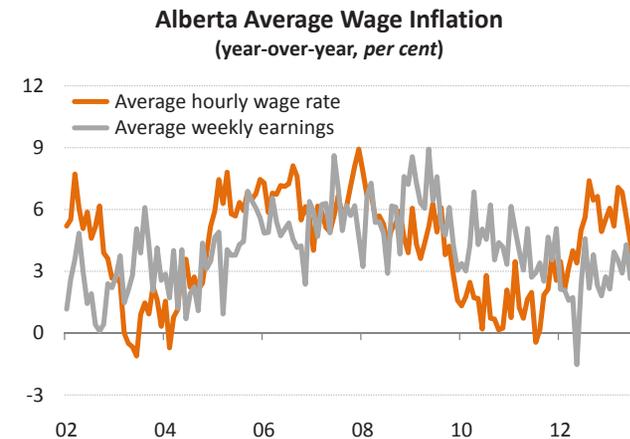
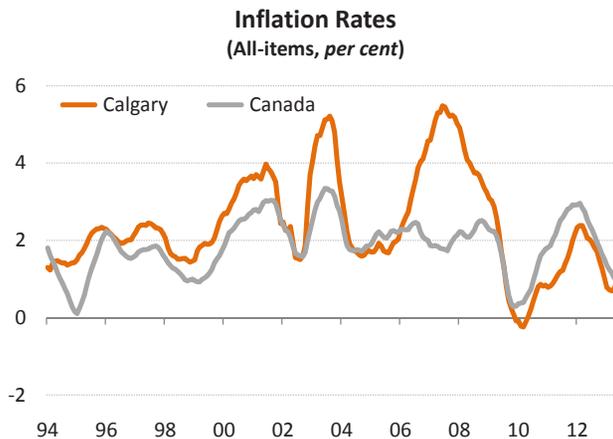
- In July 2013, the average price of crude oil (WTI) was US\$104.7/bbl, up 9.3 per cent from June 2013 and 19 per cent from a year ago driven up by geopolitical uncertainties in Egypt and Syria.
- The average price of natural gas (AECO) was \$2.67/GJ in July 2013, down 15 per cent from the previous month but up 20.3 per cent from July 2012.



Sources: GLJ Energy Publications, Corporate Economics

## Prices

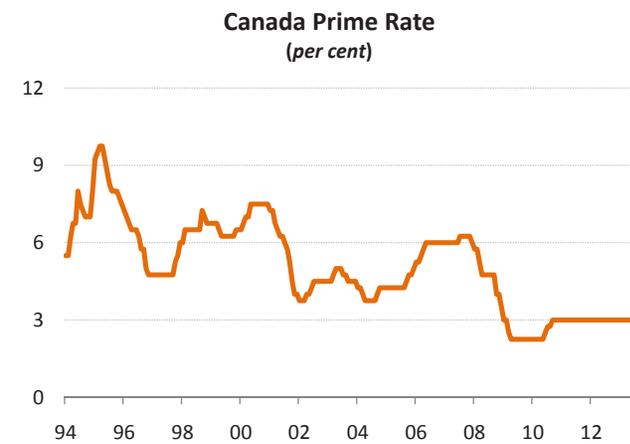
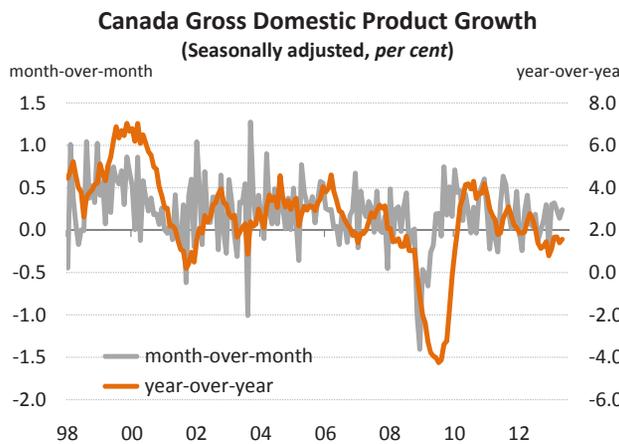
- In July 2013, Calgary's 12-month-moving-average inflation rate increased to 1.2 per cent from 1 per cent in June 2013 but down from 1.9 per cent in July 2012. Nationally, the inflation rate remained unchanged at 1 per cent in July 2013 from the previous month, but decreased from 2.3 per cent in July 2012.
- In Alberta, the average hourly wage inflation rate for July 2013 was 3 per cent, decreased from 5.6 per cent a year ago. The average weekly earnings growth rate was 2.6 per cent in June 2013, increased from 2.3 per cent in June 2012.



Sources: Statistics Canada, Corporate Economics

## General Indicators

- Canada's real gross domestic product (GDP) growth:
  - ▶ **Month-over-month:** edged up 0.2 per cent in May 2013, following a 0.1 per cent increase in April 2013.
  - ▶ **Year-over-year:** increased 1.6 per cent in May 2013, following a 1.4 per cent growth in April 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in July 2013.

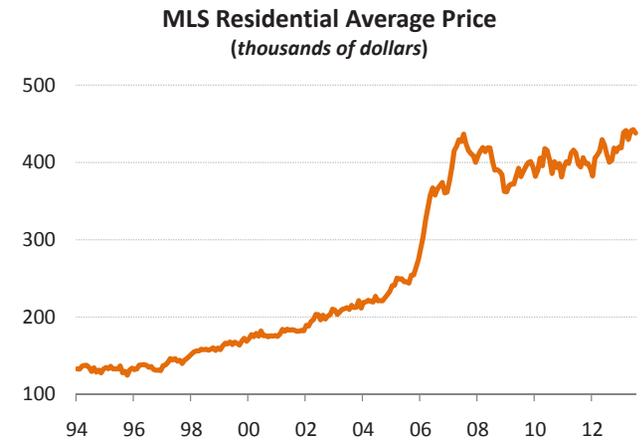
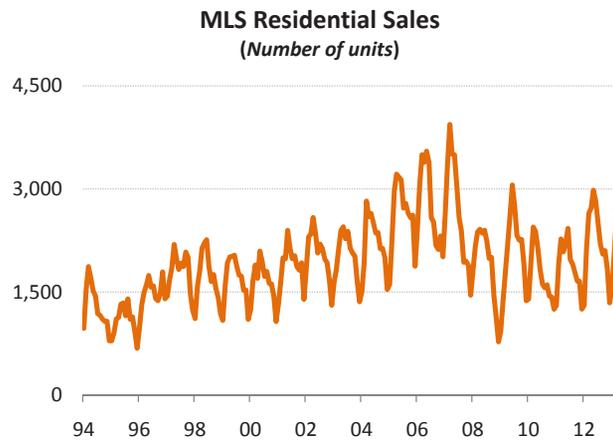
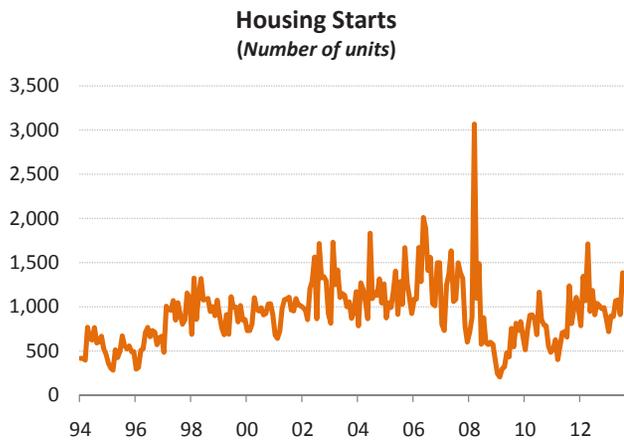
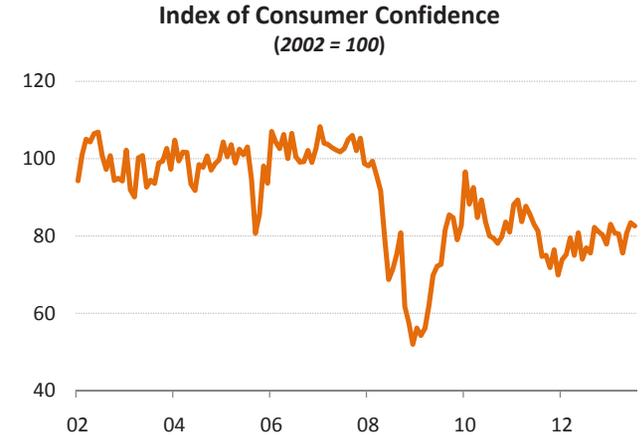
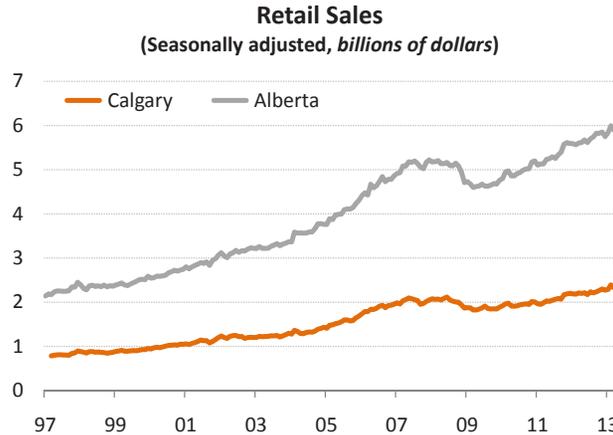


Sources: Statistics Canada, Bank of Canada, Corporate Economics

# Current Economic Analysis

## Consumer Indicators

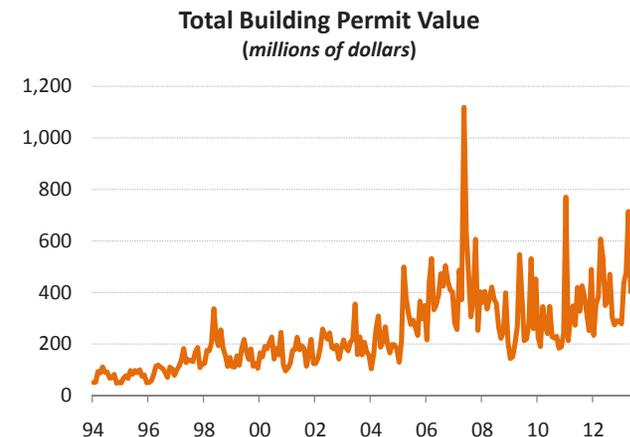
- In June 2013, total retail sales in the CER was estimated at \$2.4 billion (seasonally adjusted), down 1.2 per cent from May but up 9.8 per cent from a year ago. Alberta retail sales were estimated at \$6 billion (seasonally adjusted), indicating a 0.6 per cent decrease over the previous month but a 7.7 per cent increase year-over-year.
- The Index of Consumer Confidence decreased slightly in July 2013, dropping 0.8 point to 82.6 (2002 = 100) from June 2013.
- In July 2013, total housing starts in Calgary (CMA) reached 1,385 units, up from 912 units in June and 910 units a year ago.
- Calgary housing sales in July 2013 was 2,976 units, down 0.9 per cent from 3,002 units in June but up 18.9 per cent from 2,502 units a year ago.
- July's MLS average sale price for Calgary was \$438,192, down 1 per cent from June's average of \$442,529, but up 7 per cent from \$409,670 a year ago.



Sources: Statistics Canada, Conference Board of Canada, Calgary Real Estate Board (CREB), Canada Mortgage and Housing Corporation (CMHC), Corporate Economics

## Business Indicators

- Alberta wholesale merchants' sales were estimated at \$6.6 billion (seasonally adjusted) in June 2013, down 1.5 per cent from the previous month but up 2.5 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.1 billion (seasonally adjusted) in June 2013, up 0.1 per cent from the previous month and 2.7 per cent from the same time last year.
- In July 2013, the total building permit value in the city of Calgary reached \$797 million, a 75.8 per cent increase from June's total of \$453 million, and a 116.5 per cent increase from \$368 million a year ago.



Sources: Statistics Canada, The City of Calgary, Corporate Economics

Next update: September 30, 2013

## Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and developed reliable methods of forecasting and analysis.

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Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

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# Current Economic Analysis

City of Calgary Monthly Economic Indicators	2010	2011	2012	2012							2013						
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Labour Market</b>																	
Unemployment Rate - Calgary Economic Region (CER) (%)	7.0%	5.8%	4.9%	4.8%	4.7%	4.8%	5.1%	4.8%	4.4%	4.3%	4.6%	5.0%	5.1%	4.7%	4.9%	5.0%	5.2%
Unemployment Rate - Canada (%)	8.1%	7.5%	7.3%	7.2%	7.2%	7.3%	7.3%	7.1%	6.7%	6.6%	6.9%	7.1%	7.5%	7.5%	7.4%	7.1%	7.1%
Employment - CER (Person - 000s)	755.2	776.1	806.3	812.7	818.0	815.8	809.4	808.6	810.6	815.5	813.8	814.4	808.7	812.5	817.8	827.1	836.5
Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted **	54,065	38,603	30,163	28,380	29,520	30,970	29,730	30,070	30,070	29,910	29,240	29,120	28,630	29,450	28,310	29,450	
Year-over-year % change **	-0.5%	-28.8%	-20.7%	-27.8%	-21.7%	-16.6%	-12.0%	-7.0%	-7.8%	-8.0%	-9.3%	-7.1%	-7.4%	-1.5%	-2.1%	3.8%	
Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted **	17,622	12,108	9,628	9,120	10,130	10,090	9,680	9,630	9,730	9,750	9,610	9,530	9,430	9,550	9,280	9,440	
Year-over-year % change **	-0.8%	-31.5%	-18.9%	-26.9%	-14.2%	-12.0%	-9.5%	-6.0%	-2.0%	0.0%	-0.3%	0.1%	-0.5%	1.4%	-0.7%	3.5%	
City of Calgary Population Estimate (000s)	1,072 <sup>f</sup>	1,091 <sup>f</sup>	1,120 <sup>f</sup>	1,125	1,128	1,130	1,132	1,135	1,137	1,140	1,142	1,145	1,147	1,150	1,153	1,157	1,162
<b>Energy</b>																	
West Texas Intermediate (\$US/barrel)	79.52	95.13	94.21	82.41	87.95	94.16	94.56	89.57	86.74	88.25	94.83	95.32	92.96	92.07	94.79	95.80	104.70
Alberta Natural Gas (Cdn\$/GJ)	3.80	3.43	2.27	1.86	2.22	2.08	2.19	2.94	3.22	3.01	2.92	2.91	3.26	3.52	3.39	3.14	2.67
<b>Prices</b>																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	0.8%	2.2%	1.0%	2.0%	1.9%	1.8%	1.7%	1.5%	1.3%	1.0%	0.8%	0.7%	0.7%	0.7%	0.9%	1.0%	1.2%
Inflation Rate - Canada (%)	1.8%	2.9%	1.5%	2.4%	2.3%	2.1%	2.0%	1.8%	1.6%	1.5%	1.4%	1.2%	1.2%	1.0%	1.0%	1.0%	1.0%
Average Hourly Wage Rate - Alberta y-o-y % change	1.3%	1.7%	4.8%	5.0%	5.6%	7.4%	6.5%	6.6%	4.9%	5.5%	6.1%	5.2%	7.1%	6.8%	5.6%	4.4%	3.0%
Average Weekly Earnings* - Alberta y-o-y % change	4.4%	4.0%	2.1%	2.3%	4.6%	2.2%	3.8%	2.3%	1.8%	2.7%	2.1%	3.9%	3.5%	2.9%	4.3%	2.6%	
<b>General Indicators</b>																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	3.4%	2.6%	1.8%	2.5%	2.0%	1.4%	1.1%	1.2%	1.5%	0.8%	1.1%	1.7%	1.7%	1.4%	1.6%		
Canadian Real GDP m-o-m % change - (Chained 2007 dollar)	--	--	--	0.0%	0.2%	-0.1%	0.0%	0.1%	0.3%	-0.2%	0.3%	0.3%	0.2%	0.1%	0.2%		
Prime Lending Rate - Bank of Canada (%)	2.60%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Consumer Indicators</b>																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	59.7	63.9	68.3	5.6	5.7	5.7	5.8	5.8	5.9	5.7	5.8	6.0	5.9	6.0	6.1	6.0	
Retail Sales - CER, seasonally adjusted (\$billions)	23.4	24.8	26.7	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	
Index of Consumer Confidence - Canada	84.7	80.6	77.7	74.0	76.9	75.6	82.2	81.1	80.3	77.9	83.0	80.8	80.5	75.6	80.7	83.4	82.6
Housing Starts - Calgary CMA	9,262	9,292	12,841	1,184	910	1,039	1,012	980	990	866	719	896	890	1,067	1,078	912	1,385
# of Personal Bankruptcies - Alberta	8,150	7,029	5,759	484	489	454	421	489	420	346	446	412	429	464	434	375	
Calgary Residential Unit Sales MLS	20,996	22,466	26,634	2,832	2,502	2,198	2,054	2,104	1,831	1,343	1,572	2,071	2,631	3,003	3,247	3,002	2,976
Calgary Residential Sales to New Listings Ratio MLS	48.09	53.69	66.33	65.06	70.03	64.67	60.11	69.44	84.07	105.83	48.04	59.58	62.27	64.39	65.76	75.29	78.30
Calgary Residential Average Price MLS (\$thousands)	397.4	401.9	410.8	422.1	409.7	400.3	402.8	418.7	413.9	419.8	418.9	438.8	441.4	429.7	440.7	442.5	438.2
<b>Business Indicators</b>																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	61.4	69.9	77.5	6.4	6.5	6.5	6.5	6.5	6.6	6.5	6.5	6.7	6.4	6.5	6.7	6.6	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	60.6	71.1	73.5	6.0	6.2	6.0	6.2	6.0	6.0	5.9	6.1	6.2	6.1	6.0	6.1	6.1	
# of New Businesses - Calgary	3,537	4,300	3,770	475	202	445	293	549	533	337	NA	549	344	271	244	153	124
# of Business Closures - Calgary	2,503	2,380	2,445	122	239	124	215	225	124	154	NA	785	243	165	209	146	140
# of Business Bankruptcies - Alberta	378	264	230	22	16	10	21	18	15	16	10	14	12	15	11	9	
City of Calgary Total Building Permit Value (\$millions)	2,913.0	4,528.3	4,454.1	349.7	367.9	470.3	302.5	274.6	290.0	289.4	278.5	437.4	476.7	714.1	402.1	453.0	796.6

<sup>f</sup> Taken from April Civic Census \* Average weekly earnings is wage rate with benefits (including overtime) \*\* In March 2013, employment insurance data have been reconstructed with a new methodology by Statistics Canada. This change has affected the data over the entire historical period.