

# Current Economic Analysis

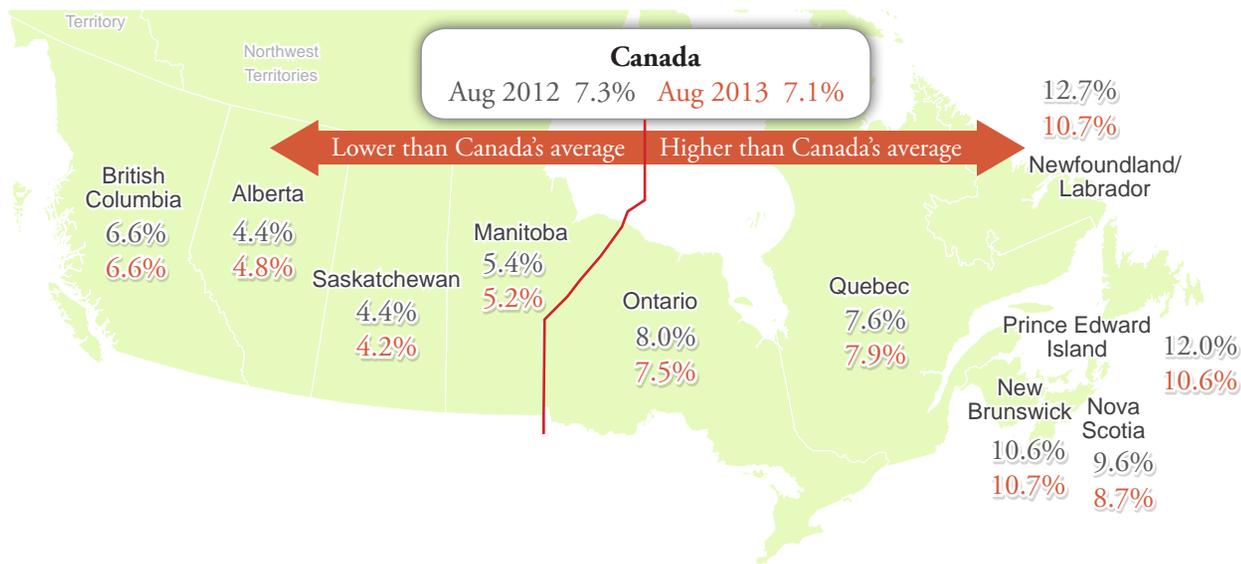
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

September 30, 2013

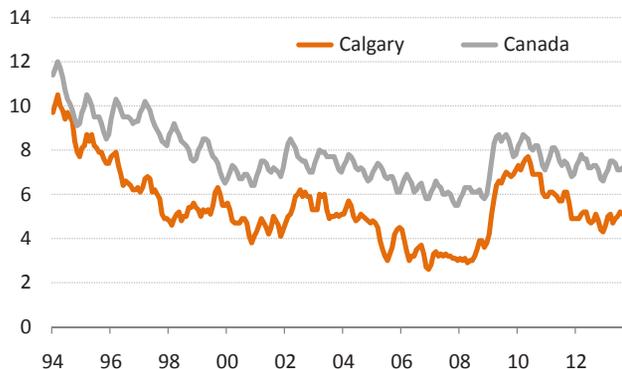
## Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) was 5.1 per cent in August 2013, up from 4.8 per cent for the same time last year. Nationally, the unemployment rate was 7.2 per cent, down from 7.3 per cent in August 2012.
- Total employment in the Calgary Economic Region (CER) was 842,300 in August 2013, a 3.2 per cent increase from 815,800 in August 2012.
- The CER's working age population was estimated at 1,182,200 in August 2013, up 43,400 from August 2012.

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



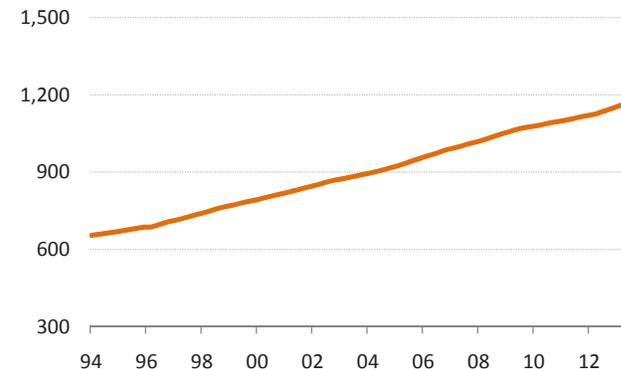
Unemployment Rates (unadjusted, per cent)



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



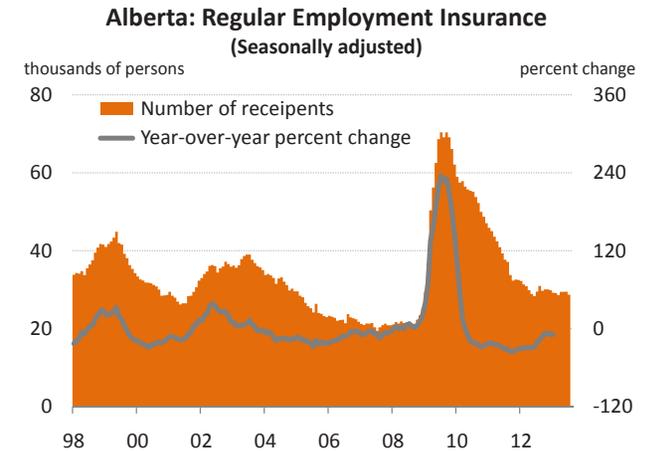
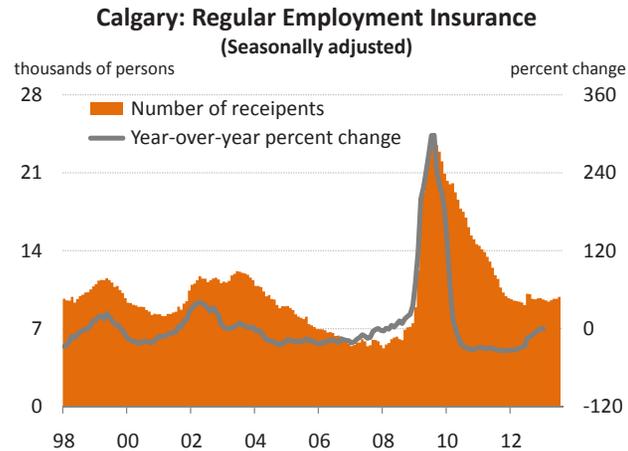
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

## Labour Market (continued)

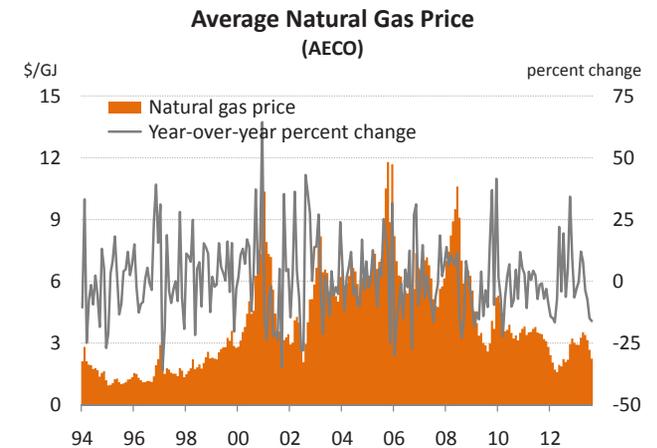
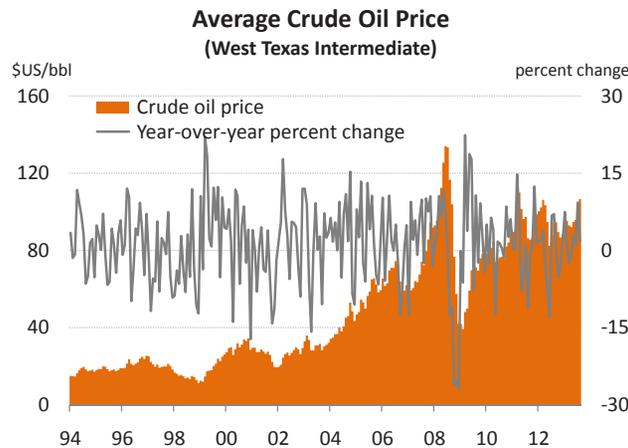
- Between July 2012 and July 2013, the number of Calgarians receiving regular employment insurance fell by 2.7 per cent to 9,860. For Alberta, during the same time period, the number fell by 2.8 per cent to 28,700 year-over-year.



Sources: Statistics Canada, Corporate Economics

## Energy

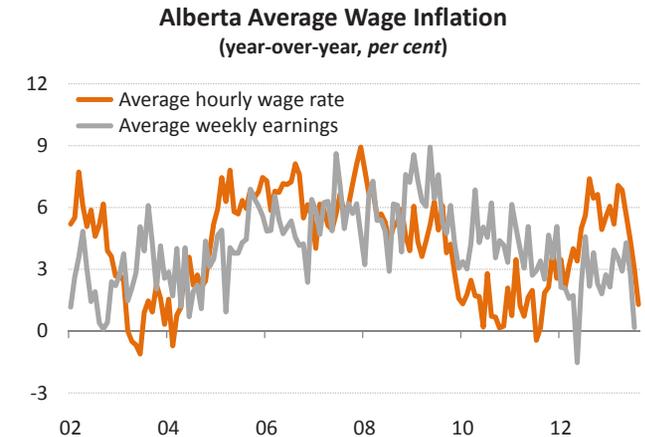
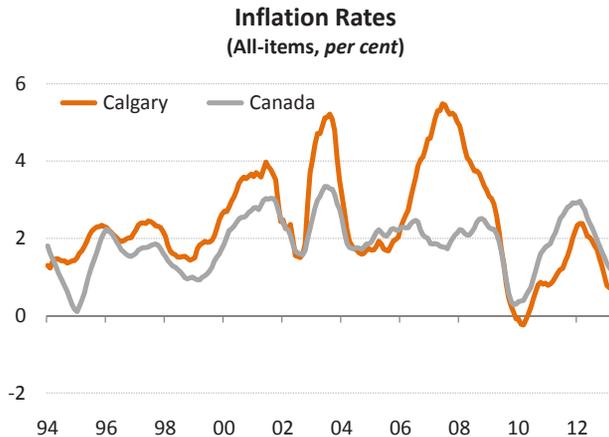
- In August 2013, the average price of crude oil (WTI) was US\$106.54/bbl, up 1.8 per cent from July 2013 and 13.1 per cent from a year ago, driven up by geopolitical uncertainties in Egypt and Syria.
- The average price of natural gas (AECO) was \$2.24/GJ in August 2013, down 16.1 per cent from the previous month but up 7.7 per cent from August 2012.



Sources: GLJ Energy Publications, Corporate Economics

## Prices

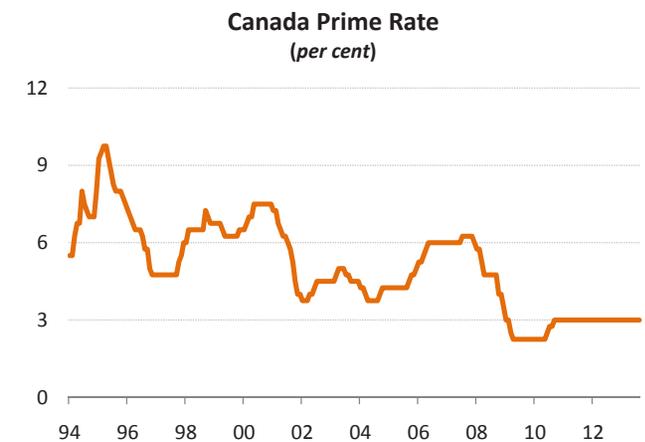
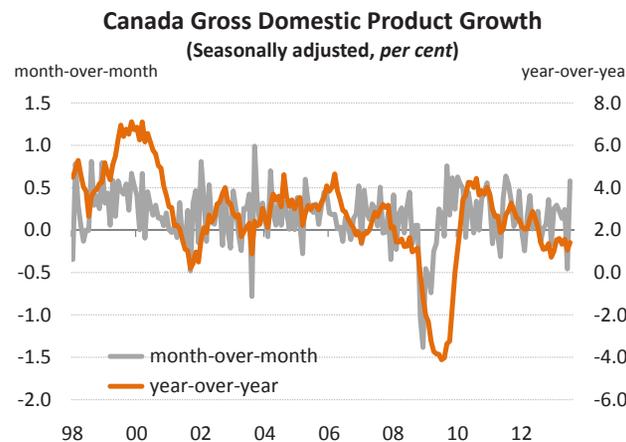
- In August 2013, Calgary's 12-month-moving-average inflation rate remained unchanged at 1.2 per cent compared to the previous month but down from 1.8 per cent in August 2012. Nationally, the inflation rate decreased to 0.9 per cent from 1 per cent in the previous month and 2.1 per cent in August 2012.
- In Alberta, the average hourly wage inflation rate in August 2013 was 1.3 per cent, decreased from 7.4 per cent a year ago. The average weekly earnings growth rate was 0.2 per cent in July 2013, increased from 4.6 per cent in July 2012.



Sources: Statistics Canada, Corporate Economics

## General Indicators

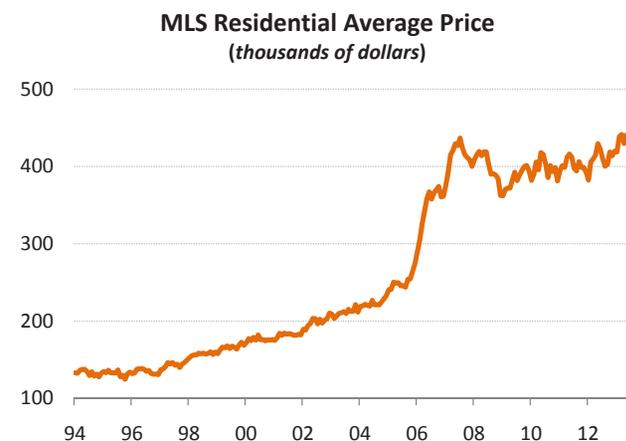
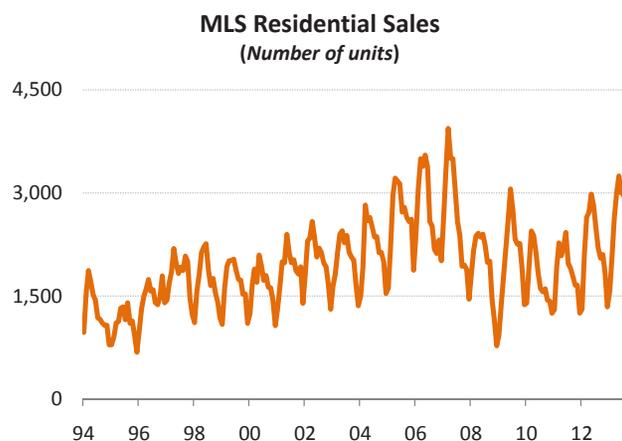
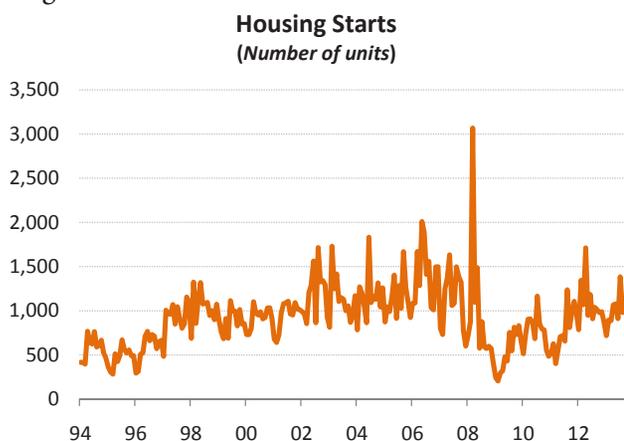
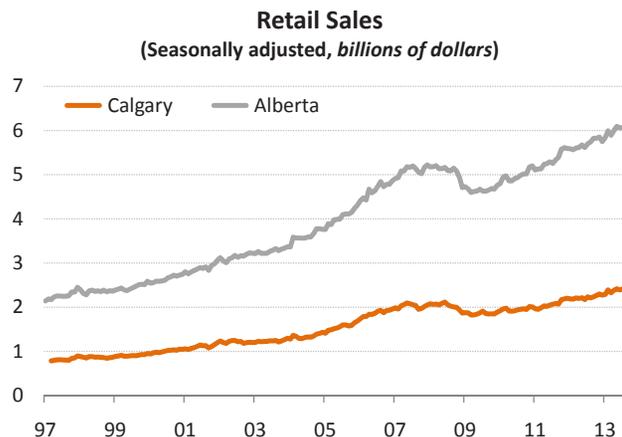
- Canada's real gross domestic product (GDP) growth:
  - ▶ **Month-over-month:** edged up 0.6 per cent in July 2013, following a 0.5 per cent decrease in June 2013.
  - ▶ **Year-over-year:** increased 1.4 per cent in July 2013, following a 1.1 per cent growth in June 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in August 2013.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

## Consumer Indicators

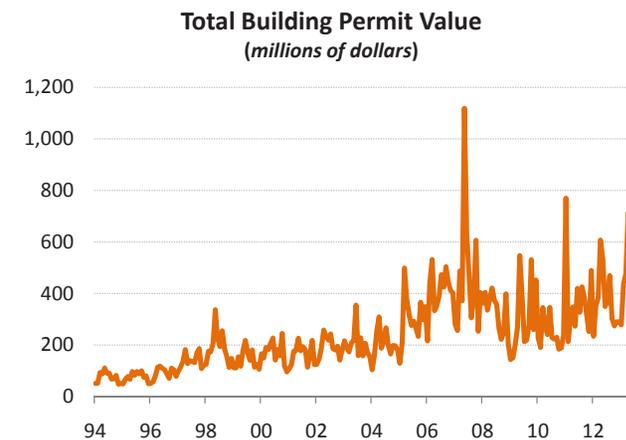
- In July 2013, total retail sales in the CER was estimated at \$2.4 billion (seasonally adjusted), up 1 per cent from June and 8 per cent from a year ago. Alberta retail sales were estimated at \$6.1 billion (seasonally adjusted), indicating a 0.1 per cent increase over the previous month and a 6.4 per cent increase year-over-year.
- The Index of Consumer Confidence increased in August 2013, rising 2.1 points to 84.7 (2002 = 100) from July 2013.
- In August 2013, total housing starts in Calgary (CMA) reached 982 units, down from 1,385 units in July and 1,039 units a year ago.
- Calgary housing sales in August 2013 was 2,830 units, down 4.9 per cent from 2,976 units in July but up 28.8 per cent from 2,198 units a year ago.
- August's MLS average sale price for Calgary was \$432,576, down 1.3 per cent from July's average of \$438,192, but up 8.1 per cent from \$400,277 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 \$6.7 billion (seasonally adjusted) in July 2013, up 2.8 per cent from the previous month and 2.8 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.3 billion (seasonally adjusted) in July 2013, up 2.1 per cent from the previous month and 2.9 per cent from the same time last year.
- In August 2013, the total building permit value in the city of Calgary reached \$482 million, a 39.5 per cent decrease from July's total of \$797 million, but a 2.6 per cent increase from \$469 million a year ago. The building permit value for the first eight months of 2013 totalled \$4.03 billion, up from \$3.32 billion for the same period in 2012.



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

Next update: October 31, 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							
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Labour Market</b>																	
Unemployment Rate - Calgary Economic Region (CER) (%)	7.0%	5.8%	4.9%	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%	5.1%
Unemployment Rate - Canada (%)	8.1%	7.5%	7.3%	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%	7.2%
Employment - CER (Person - 000s)	755.2	776.1	806.3	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	842.3
Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted **	54,065	38,603	30,163	29,520	30,970	29,730	30,070	30,070	29,910	29,240	29,120	28,630	29,450	29,460	29,480	28,700	
Year-over-year % change **	-0.5%	-28.8%	-20.7%	-21.7%	-16.6%	-12.0%	-7.0%	-7.8%	-8.0%	-9.3%	-7.1%	-7.4%	-1.5%	1.9%	3.9%	-2.8%	
Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted **	17,622	12,108	9,628	10,130	10,090	9,680	9,630	9,730	9,750	9,610	9,530	9,430	9,550	9,690	9,690	9,860	
Year-over-year % change **	-0.8%	-31.5%	-18.9%	-14.2%	-12.0%	-9.5%	-6.0%	-2.0%	0.0%	-0.3%	0.1%	-0.5%	1.4%	3.6%	6.3%	-2.7%	
City of Calgary Population Estimate (000s)	1,072 <sup>f</sup>	1,091 <sup>f</sup>	1,120 <sup>f</sup>	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	1,166
<b>Energy</b>																	
West Texas Intermediate (\$US/barrel)	79.52	95.13	94.21	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	106.54
Alberta Natural Gas (Cdn\$/GJ)	3.80	3.43	2.27	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	2.24
<b>Prices</b>																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	0.8%	2.2%	1.0%	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%	1.2%
Inflation Rate - Canada (%)	1.8%	2.9%	1.5%	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%	0.9%
Average Hourly Wage Rate - Alberta y-o-y % change	1.3%	1.7%	4.8%	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%	1.3%
Average Weekly Earnings* - Alberta y-o-y % change	4.4%	4.0%	2.1%	4.6%	2.2%	3.8%	2.3%	1.8%	2.7%	2.1%	3.9%	3.5%	2.9%	4.3%	2.8%	0.2%	
<b>General Indicators</b>																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	3.4%	2.6%	1.8%	2.1%	1.4%	1.1%	1.1%	1.4%	0.7%	1.0%	1.5%	1.6%	1.3%	1.6%	1.1%	1.4%	
Canadian Real GDP m-o-m % change - (Chained 2007 dollar)	--	--	--	0.2%	-0.1%	0.0%	0.1%	0.4%	-0.2%	0.3%	0.3%	0.2%	0.1%	0.2%	-0.5%	0.6%	
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	5.7	5.7	5.8	5.8	5.9	5.7	5.8	6.0	5.9	6.0	6.1	6.1	6.1	
Retail Sales - CER, seasonally adjusted (\$billions)	23.4	24.8	26.7	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4	2.4	2.4	
Index of Consumer Confidence - Canada	84.7	80.6	77.7	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	84.7
Housing Starts - Calgary CMA	9,262	9,292	12,841	910	1,039	1,012	980	990	866	719	896	890	1,067	1,078	912	1,385	982
# of Personal Bankruptcies - Alberta	8,150	7,029	5,759	489	454	421	489	420	346	446	412	429	464	434	375	385	
Calgary Residential Unit Sales MLS	20,996	22,466	26,634	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	2,830
Calgary Residential Sales to New Listings Ratio MLS	48.09	53.69	66.33	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	76.94
Calgary Residential Average Price MLS (\$thousands)	397.4	401.9	410.8	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	432.6
<b>Business Indicators</b>																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	61.4	69.9	77.5	6.5	6.5	6.5	6.5	6.6	6.5	6.5	6.7	6.4	6.5	6.7	6.5	6.7	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	60.6	71.1	73.5	6.2	6.0	6.2	6.0	6.0	5.9	6.1	6.2	6.1	6.0	6.1	6.2	6.3	
# of New Businesses - Calgary	3,537	4,300	3,770	202	445	293	549	533	337	NA	549	344	271	244	153	124	278
# of Business Closures - Calgary	2,503	2,380	2,445	239	124	215	225	124	154	NA	785	243	165	209	146	140	193
# of Business Bankruptcies - Alberta	378	264	230	16	10	21	18	15	16	10	14	12	15	11	9	9	
City of Calgary Total Building Permit Value (\$millions)	2,913.0	4,528.3	4,453.1	367.9	469.3	302.5	274.6	290.0	289.4	278.5	437.4	476.7	714.1	402.1	453.0	796.6	481.6

<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.