

# Current Economic Analysis

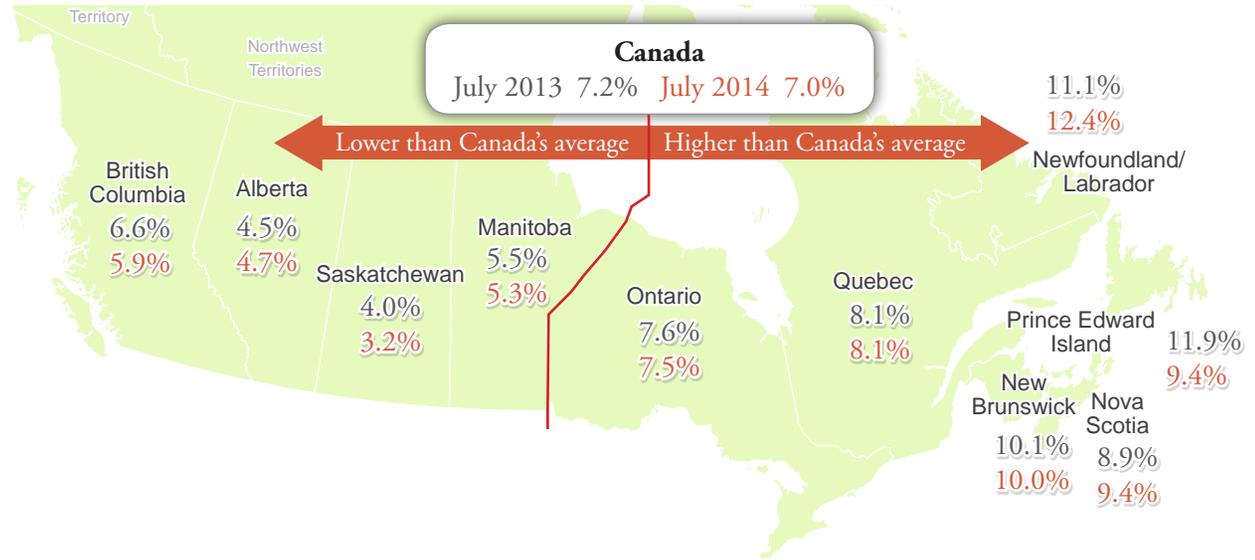
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August 29, 2014

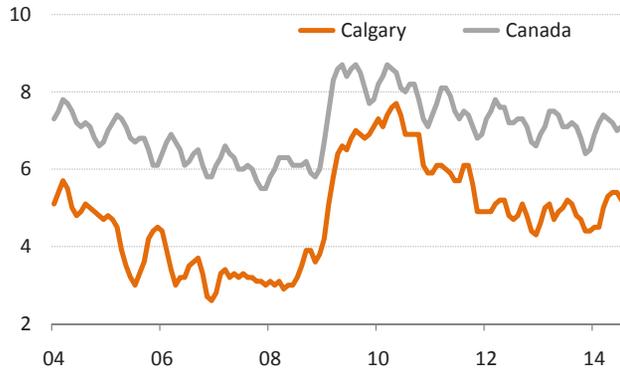
## Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) decreased in July to 5.2 per cent, down 0.2 percentage point from the month before. The national unemployment rate saw a jump in July to 7.1 per cent, a change of 0.1 percentage point from June, but unchanged from the same time last year.
- Total employment grew to an estimated 868,000 persons in July, a 3.7 per cent increase from the previous year.
- The working age population of Calgary was estimated at 1,224,600, a leap of 46,900 persons over the same time last year.

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



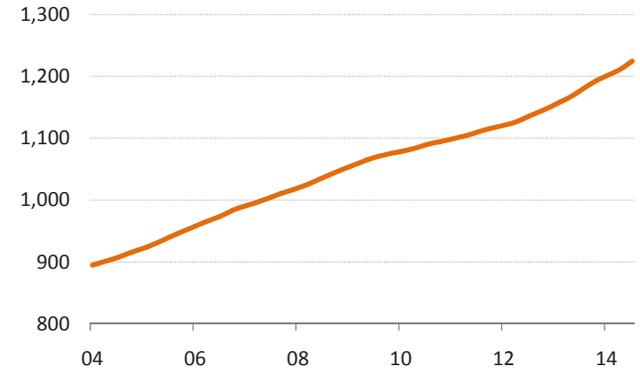
Unemployment Rates (unadjusted, per cent)



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



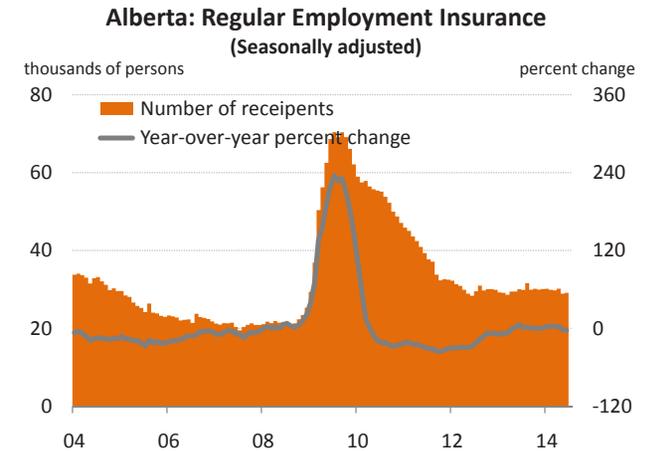
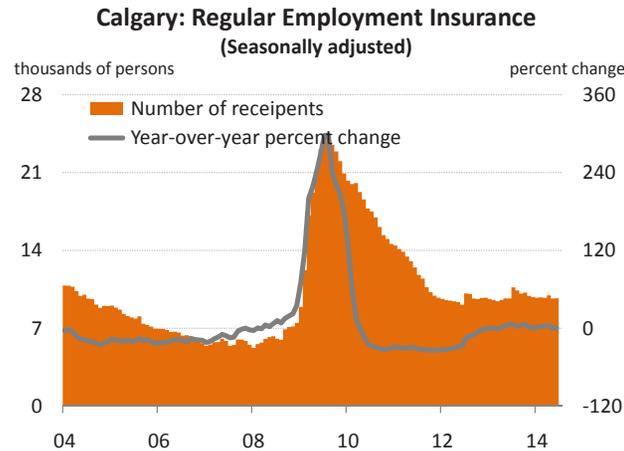
Calgary CER: Working Age Population (unadjusted, thousands of persons)



Sources: Statistics Canada, Corporate Economics

## Labour Market (continued)

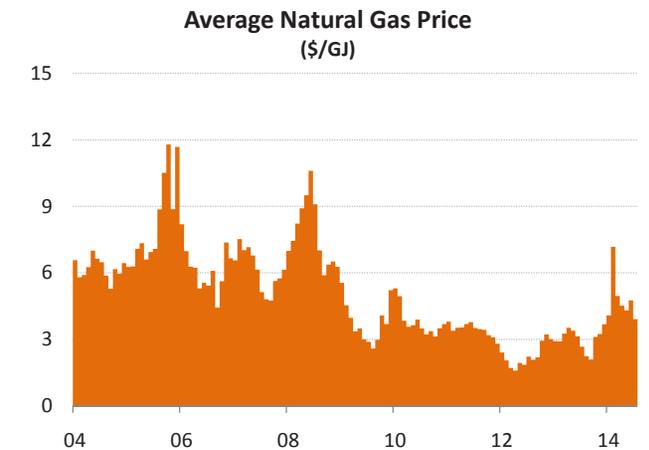
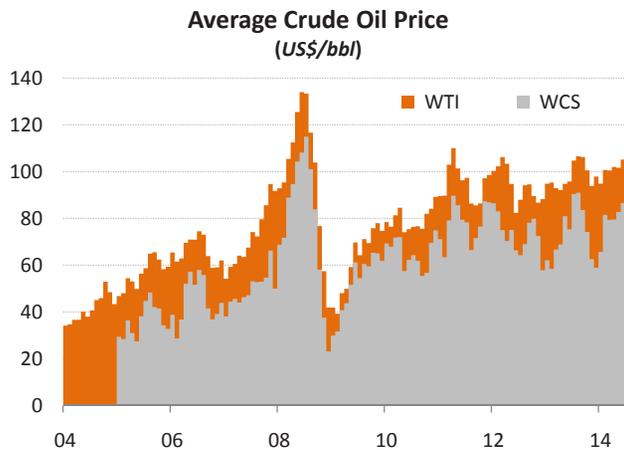
- Between June 2013 and June 2014, the number of Calgarians receiving regular benefits increased by 0.2 per cent to 9,700 persons. Provincially, the measure fell to 29,110 persons, totaling a 3.1 per cent decrease during the same time period.



Sources: Statistics Canada, Corporate Economics

## Energy

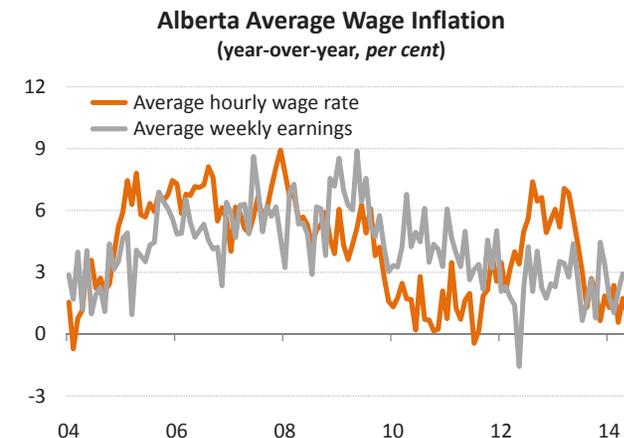
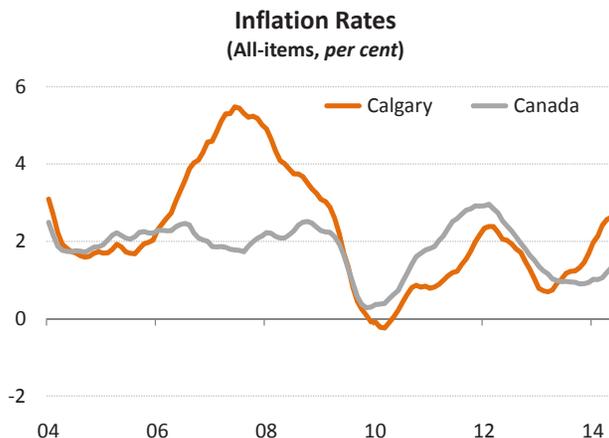
- West Texas Intermediate (WTI) prices fell in July to US\$102.30/bbl, a 2.7 per cent dip from last month's price. Similarly, Western Canada Select (WCS) prices dropped to US\$82.73/bbl, 4.4 per cent lower than the previous month and an 8.6 per cent decline from the same time last year.
- AECO prices contracted to \$3.91/GJ, a change of 17.9 per cent from the previous month, but a 46.4 per cent leap from the year before.



Sources: GLJ Energy Publications, Government of Alberta, Corporate Economics

## Prices

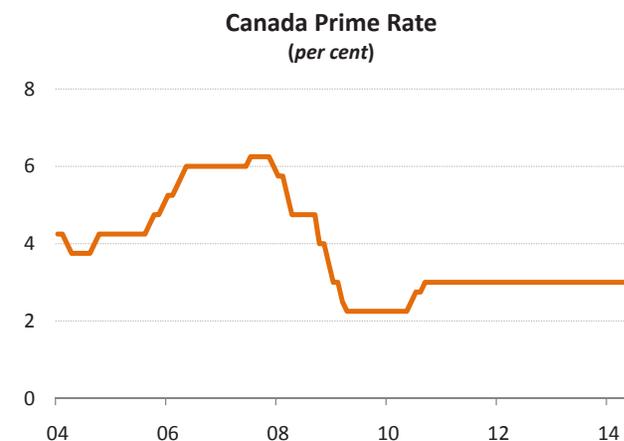
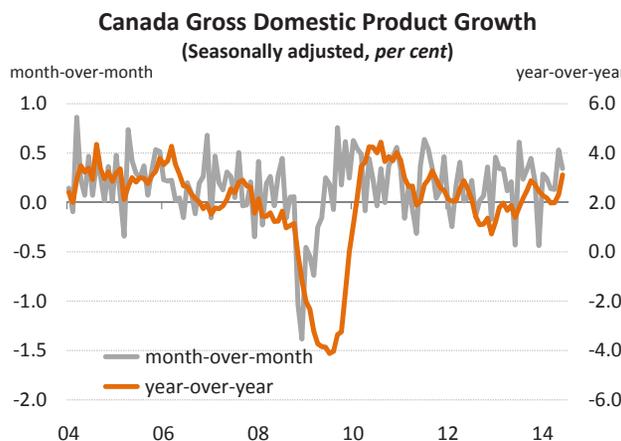
- The inflation rate in the Calgary Census Metropolitan Area (CMA) was 2.7 per cent in July, a jump of 1.4 percentage points from last year. Furthermore, the national inflation rate advanced to 1.5 per cent, up 0.1 percentage point from June, and a 0.5 percentage point increase from the previous year.
- In July 2014, the average hourly wage of Albertans grew by 3.5 per cent year over year, a larger jump than June's 1.8 per cent. Though average hourly wages increased from July 2013, they fell by 16 cents by from the previous month. Additionally, average weekly earnings were up 4.3 per cent in June.



Sources: Statistics Canada, Corporate Economics

## General Indicators

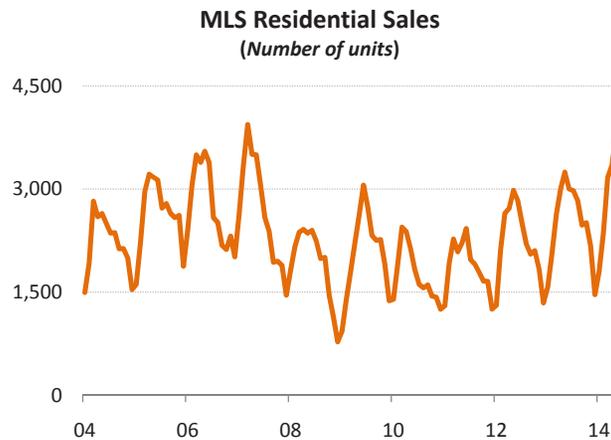
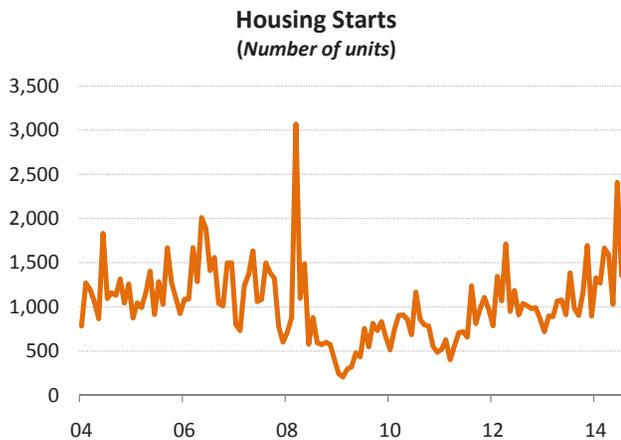
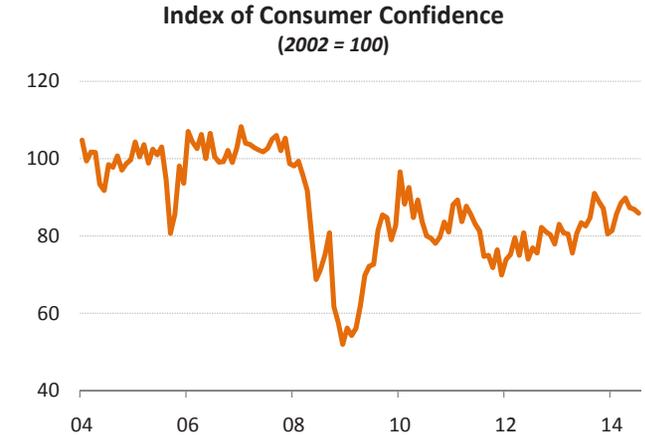
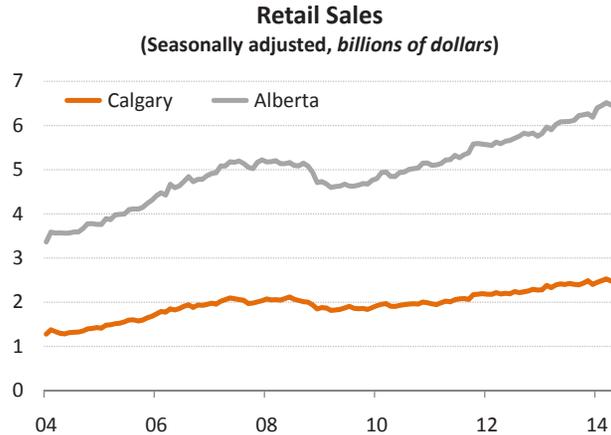
- Canada's real gross domestic product (GDP):
  - ▶ Grew by 0.3 per cent month-over-month in June following a larger increase the month before.
  - ▶ On an annualized basis the Canadian economy experienced a substantial 3.1 per cent boost in economic activity.
- The Canadian prime business loan rate has remained at 3.0 per cent, keeping a constant rate for 46 months straight.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

## Consumer Indicators

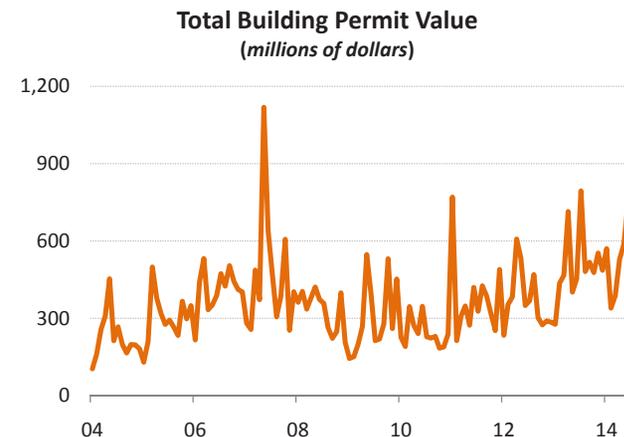
- During the month of June, Alberta retail sales hit 6.6 billion dollars, a 1.7 per cent gain from the month before. Calgary retail sales also increased, advancing 1.2 per cent from June, and surged 6.5 per cent from the same time last year.
- The Canadian Consumer Confidence Index (where 2002=100) contracted in July 2014 by 1.0 point.
- Calgary housing starts experienced a slow down in July reaching 1,354 units, down from 2,407 units the month before, and a 2.2 per cent decline from the same time last year.
- In July 3,177 units were sold in Calgary, a dip from the previous month's 3,569 units, totaling a 11.0 per cent change month over month.
- July's MLS average sale price for Calgary settled at \$460,790, a 1.3 per cent drop from June, but a 5.2 per cent climb from the preceding year.



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

## Business Indicators

- Alberta's wholesale trade pushed forward during the month of June, reaching 7.2 billion (seasonally adjusted). Wholesale trade jumped 2.0 per cent from the previous month and 10.6 per cent from the same time last year.
- Manufacturing sales for Alberta increased in June to a total of 6.9 billion, a 4.7 per cent jump from the previous month. The rise in sales can be attributed to higher demand in the petroleum and coal product industries.
- Building permits issued in the City of Calgary was estimated at \$645.7 million in July. The value of permits drop 14.2 per cent from June and also fell 18.7 per cent from the same time in 2013.



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

Next update: September 30, 2014

## 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	2011	2012	2013	2013							2014						
				Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Labour Market</b>																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	5.0%	5.2%	5.1%	4.8%	4.7%	4.4%	4.4%	4.5%	4.5%	5.0%	5.3%	5.4%	5.4%	5.2%
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	7.1%	7.1%	7.2%	7.1%	6.8%	6.4%	6.5%	6.9%	7.2%	7.4%	7.3%	7.2%	7.0%	7.1%
Employment - CER (Person - 000s)	776.1	806.3	830.0	827.1	836.5	842.3	847.1	846.7	846.4	846.7	845.4	841.7	838.9	837.6	845.4	857.2	868.0
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	30,040	29,860	31,600	29,920	30,150	29,950	30,100	30,170	29,910	29,760	30,200	28,920	29,110	
Year-over-year % change **	-28.8%	-20.7%	-1.1%	5.8%	1.2%	2.0%	0.6%	0.3%	-0.4%	0.6%	3.2%	2.7%	3.9%	2.5%	-1.8%	-3.1%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	9,680	10,680	10,400	10,110	10,210	9,910	9,800	9,750	9,780	9,740	9,960	9,680	9,700	
Year-over-year % change **	-31.5%	-18.9%	2.6%	6.1%	5.4%	3.1%	4.4%	6.0%	1.8%	0.5%	1.5%	2.6%	3.3%	4.3%	-0.1%	0.2%	
City of Calgary Population Estimate (000s)	1,091 <sup>†</sup>	1,120 <sup>†</sup>	1,157 <sup>†</sup>	1,163	1,166	1,170	1,173	1,176	1,179	1,182	1,186	1,189	1,192	1,195	1,198	1,203	1,208
<b>Energy</b>																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	95.80	104.70	106.54	106.24	100.55	93.93	97.91	94.86	100.67	100.48	102.02	101.65	105.13	102.30
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	75.39	90.50	90.97	83.56	74.21	62.62	58.96	65.68	81.53	79.42	79.56	82.72	86.56	82.73
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	3.14	2.67	2.24	2.09	3.11	3.24	3.68	4.08	7.17	4.96	4.52	4.31	4.76	3.91
<b>Prices</b>																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	1.0%	1.2%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%	2.4%	2.6%	2.6%	2.6%	2.7%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	4.4%	3.0%	1.3%	2.7%	2.1%	0.7%	1.9%	1.3%	2.4%	0.6%	1.7%	1.0%	1.8%	3.5%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.0%	2.1%	2.9%	2.7%	4.3%	
<b>General Indicators</b>																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.4%	1.8%	2.2%	2.5%	2.9%	2.7%	2.5%	2.3%	2.2%	2.0%	2.0%	2.3%	3.1%	
Prime Lending Rate - Bank of Canada (%)	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%	3.00%
<b>Consumer Indicators</b>																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	63.9	68.3	73.0	6.1	6.1	6.1	6.2	6.2	6.3	6.2	6.4	6.5	6.5	6.5	6.5	6.6	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.6	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	83.4	82.6	84.7	91.0	88.9	87.1	80.5	81.4	85.7	88.5	89.8	87.3	86.9	85.9
Housing Starts - Calgary CMA	9,292	12,841	12,584	912	1,385	982	904	1,162	1,693	896	1,328	1,270	1,667	1,592	1,030	2,407	1,354
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	375	385	379	375	383	323	284	336	302	365	367	369	329	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	3,002	2,976	2,830	2,475	2,510	2,173	1,464	1,802	2,363	3,170	3,348	3,832	3,569	3,177
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	75.29	78.30	76.94	68.18	75.65	90.73	112.88	56.77	67.36	72.08	67.22	66.64	69.63	72.37
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	442.5	438.2	432.6	435.9	436.2	445.1	439.4	444.2	460.3	463.0	457.5	465.6	467.0	460.8
<b>Business Indicators</b>																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.5	6.8	6.7	6.6	6.8	6.8	6.6	6.8	6.9	7.0	7.0	7.1	7.2	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	69.9	71.7	73.8	6.1	6.3	6.4	6.2	6.3	6.4	6.2	6.4	6.5	6.5	6.5	6.6	6.9	
Number of New Businesses - Calgary	4,300	3,770	3,890	153	124	278	665	481	524	257	0	471	406	331	287	243	403
Number of Business Closures - Calgary	2,380	2,445	2,581	146	140	193	211	156	215	118	1	606	189	159	237	154	210
Number of Business Bankruptcies - Alberta	264	230	137	9	9	7	13	15	8	14	7	11	6	9	13	3	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,057.4	453.0	794.0	481.6	516.9	477.5	552.9	486.4	569.8	339.5	387.5	528.2	587.4	752.7	645.7

<sup>†</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.