

# Current Economic Analysis

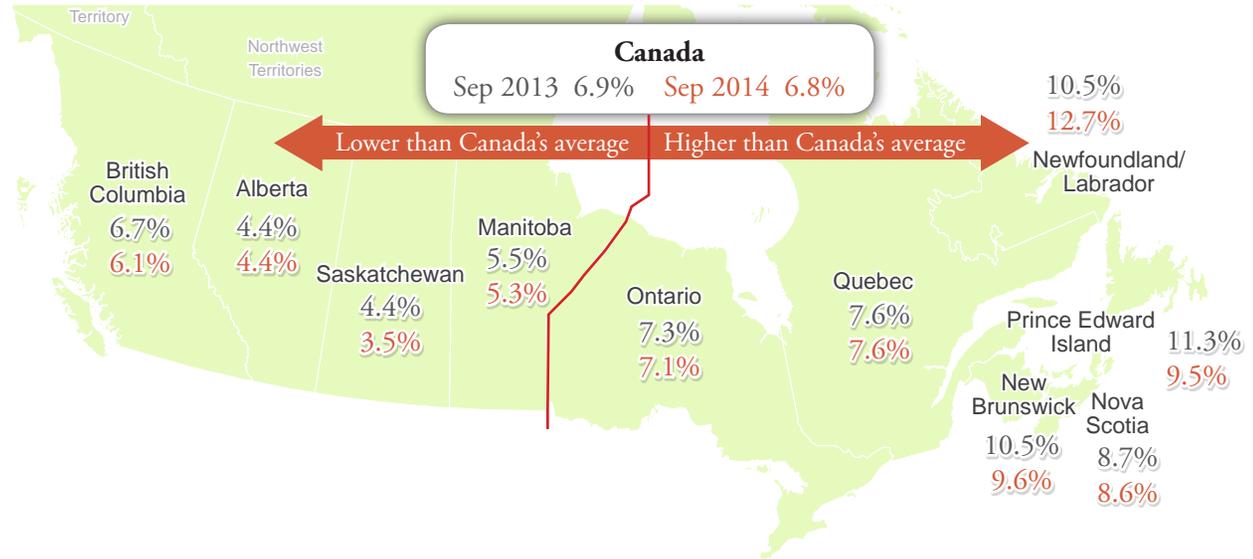
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November 4, 2014

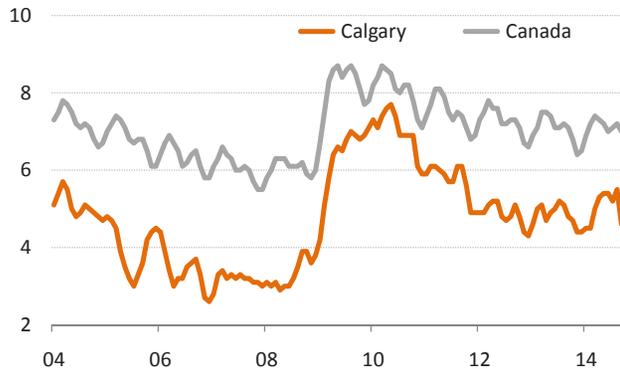
## Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) was 4.6 per cent in September, a sharp drop of 0.9 percentage point from August and a decline of 0.2 percentage point from the same time last year. Meanwhile the national rate was 7.0 per cent, a 0.1 percentage point decrease from September 2013.
- In September total employment in the CER rose 2.1 per cent year-over-year, landing at 864,900.
- The total working age population in the city was estimated at 1,232,500 in September, jumping 3.9 per cent from the same time last year.

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



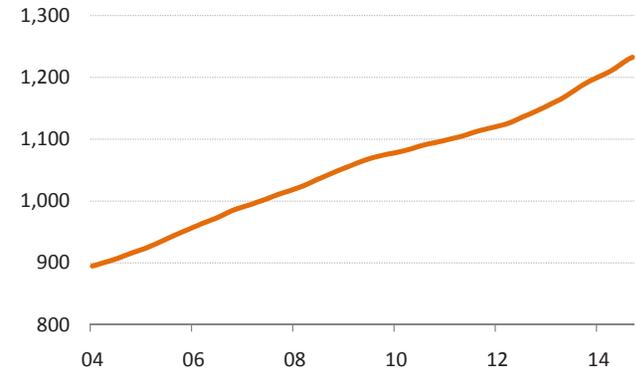
Unemployment Rates (unadjusted, per cent)



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



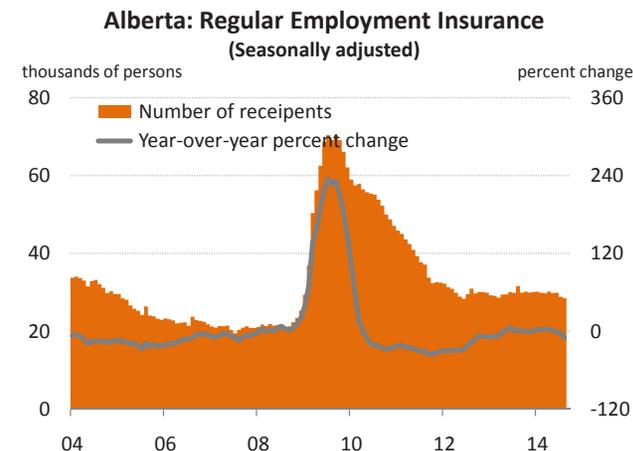
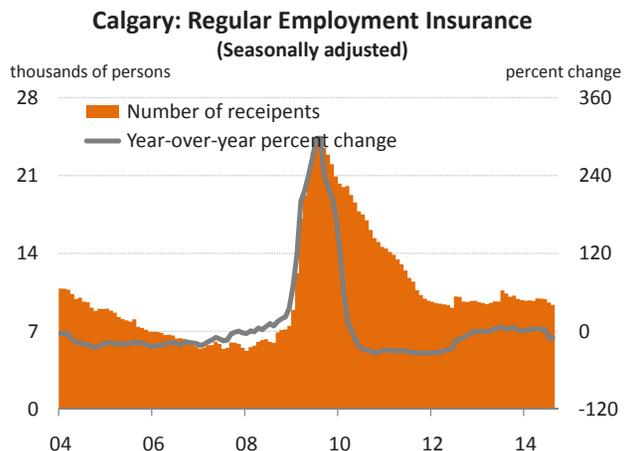
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

## Labour Market (continued)

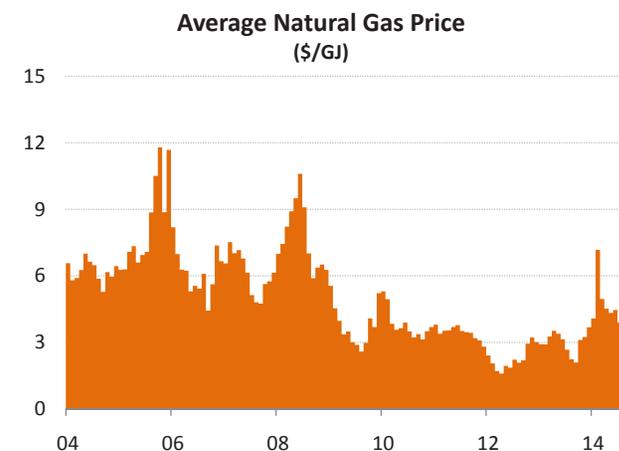
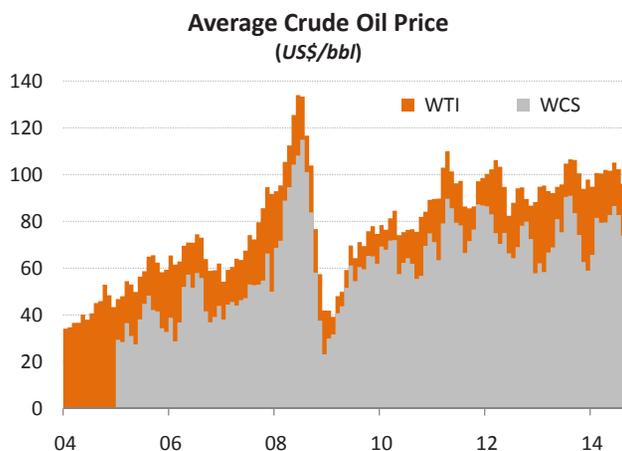
- In August, the number of Calgarians receiving regular employment insurance benefits fell 9.9 per cent to 9,370 persons from the year before. For Alberta, the number declined 9.8 per cent to 28,490 persons.



Sources: Statistics Canada, Corporate Economics

## Energy

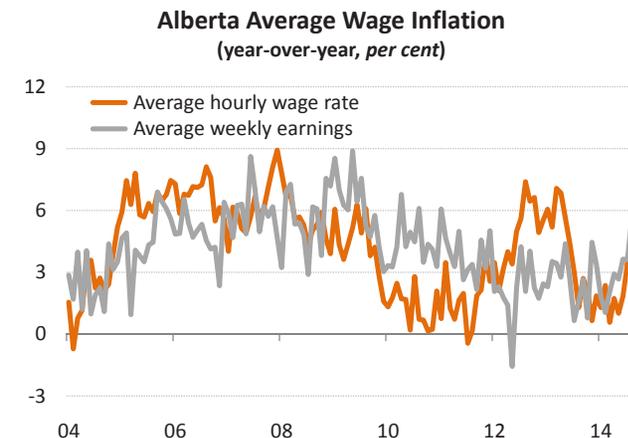
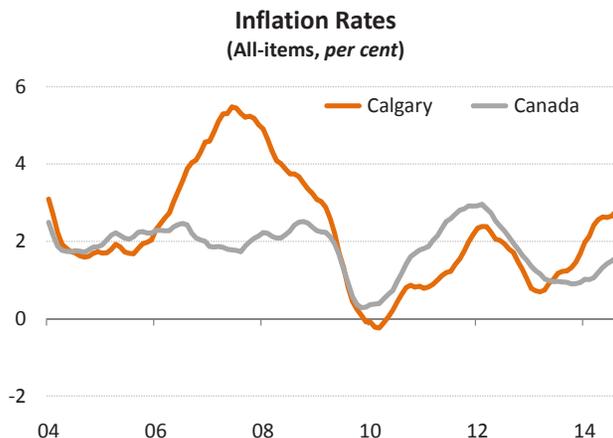
- West Texas Intermediate (WTI) prices continued to tumble in September, dropping 3.2 per cent from August to US\$93.03/bbl. The price for Western Canada Select (WCS), on the other hand, rose slightly by 0.6 per cent to US\$74.35/bbl. The differential between WTI and WCS tightened during the month of September to US\$18.68/bbl.
- Natural gas prices remain very elevated in comparison to the same time last year. AECO price averaged \$3.78/GJ in September, up 80.9 per cent.



Sources: GLJ Energy Publications, Corporate Economics

## Prices

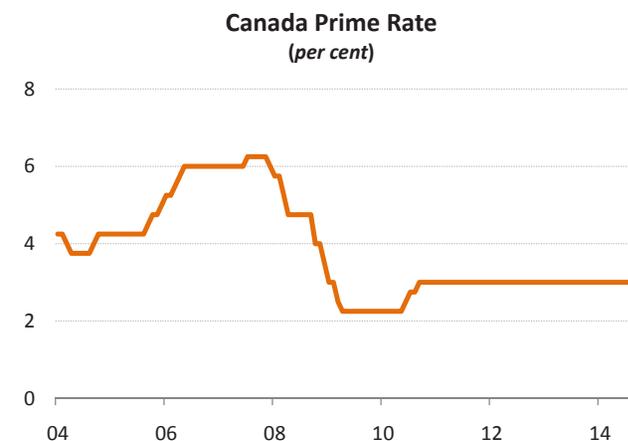
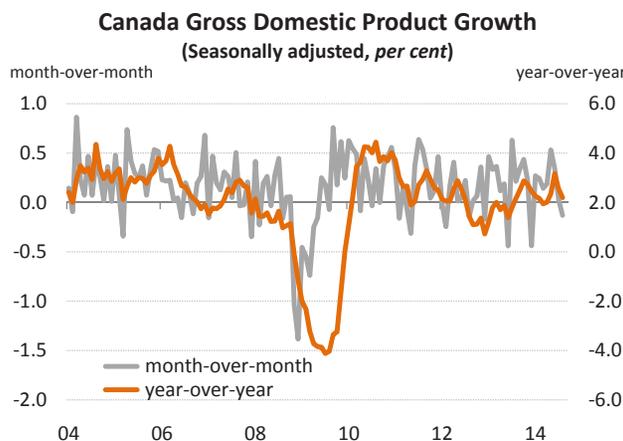
- In September, the inflation rate in the Calgary Census Metropolitan Area (CMA) crept up again. At 2.9 per cent, the inflation rate was running 1.7 percentage points higher than September 2013. The inflation rate at the national level came in at a comparatively benign 1.7 per cent, up from 0.9 per cent the year before.
- During the month of September average hourly wages in Alberta rose 0.8 per cent year-over-year. Average weekly earnings were up 5.7 per cent in August.



Sources: Statistics Canada, Corporate Economics

## General Indicators

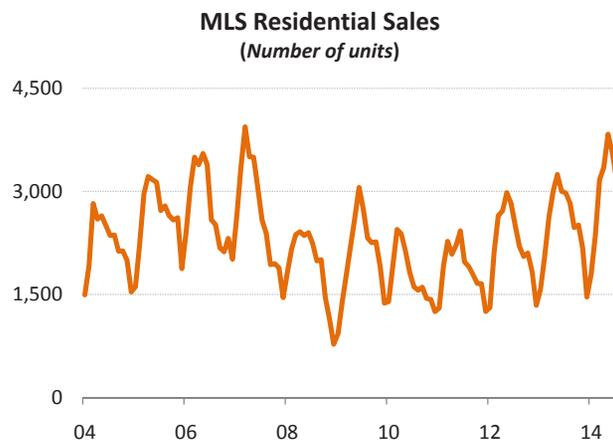
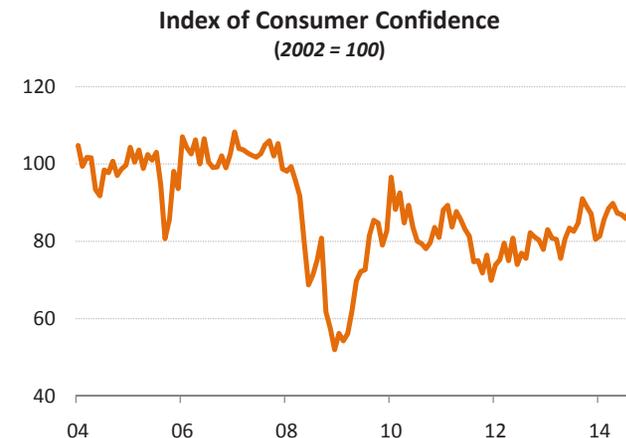
- In August, Canada's real gross domestic product (GDP):
  - ▶ Contracted by 0.1 per cent on a monthly basis.
  - ▶ On an annualized basis, this amounted to a 2.2 per cent increase from August 2013.
- In September the prime business loan rate held steady at 3.0 per cent yet again. Rates have been on hold for four years straight.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

## Consumer Indicators

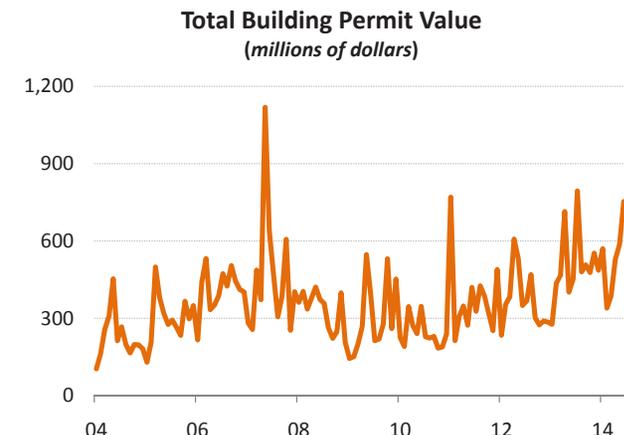
- During the month of August, total retail trade sales in Alberta amounted to \$6.6 billion. Trade activity retreated 0.5 per cent month-over-month, while annual growth picked up to 8.0 per cent. Calgary's August retail sales totalled \$2.6 billion, a 0.1 per cent contraction month-over-month but a 7.5 per cent increase annually.
- The Canadian Consumer Confidence Index (where 2002=100) edged down 0.5 point from August to 87.9 in September.
- Housing starts in Calgary experienced a slow down in September, falling from 1,627 units in August to 1,528 units in September. This marked an increase of 69.0 per cent from the same time in 2013.
- Resale activity rose 14.6 per cent year-over-year as there were 2,837 homes sold in September compared to 12 months ago.
- The average MLS sale price for Calgary climbed 5.8 per cent year-over-year in September, reaching \$461,099.



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 picked up during the month of August, hitting \$7.2 billion (seasonally adjusted). Wholesale trade activity rose 0.1 per cent month-over-month and jumped 8.4 per cent year-over-year.
- Meanwhile, manufacturing sales tumbled 2.8 per cent on a monthly basis in August, but were up 4.8 per cent year-over-year. Overall sales came in at \$6.7 billion (seasonally adjusted).
- The City of Calgary issued \$510.1 million worth of building permits in September, down from \$705.0 million in August. The total value of building permits for the first nine months of 2014 was \$5.0 billion, up from \$4.5 billion for the same period in 2013.



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

Next update: December 1, 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 have 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								
				Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>Labour Market</b>																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	5.1%	4.8%	4.7%	4.4%	4.4%	4.5%	4.5%	5.0%	5.3%	5.4%	5.4%	5.2%	5.5%	4.6%
Unemployment Rate - Canada (%)	7.5%	7.3%	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%	7.2%	7.0%
Employment - CER (Person - 000s)	776.1	806.3	830.0	842.3	847.1	846.7	846.4	846.7	845.4	841.7	838.9	837.6	845.4	857.2	868.0	866.9	864.9
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	31,600	29,920	30,150	29,950	30,100	30,170	29,910	29,760	30,200	29,800	29,900	28,850	28,490	
Year-over-year % change **	-28.8%	-20.7%	-1.1%	2.0%	0.6%	0.3%	-0.4%	0.6%	3.2%	2.7%	3.9%	2.5%	1.2%	-0.5%	-3.4%	-9.8%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	10,400	10,110	10,210	9,910	9,800	9,750	9,780	9,740	9,960	9,940	9,900	9,580	9,370	
Year-over-year % change **	-31.5%	-18.9%	2.6%	3.1%	4.4%	6.0%	1.8%	0.5%	1.5%	2.6%	3.3%	4.3%	2.6%	2.3%	-10.3%	-9.9%	
City of Calgary Population Estimate (000s)	1,091 <sup>†</sup>	1,120 <sup>†</sup>	1,157 <sup>†</sup>	1,170	1,173	1,176	1,179	1,182	1,186	1,189	1,192	1,195	1,198	1,203	1,207	1,213	1,216
<b>Energy</b>																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	106.54	106.24	100.55	93.93	97.91	94.86	100.67	100.48	102.02	101.65	105.13	102.30	96.08	93.03
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	90.97	83.57	74.21	62.62	58.95	65.69	81.54	79.42	79.56	82.72	86.56	82.73	73.89	74.35
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	2.24	2.09	3.11	3.24	3.68	4.08	7.17	4.96	4.52	4.33	4.46	3.90	3.74	3.78
<b>Prices</b>																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%	2.4%	2.6%	2.6%	2.6%	2.7%	2.8%	2.9%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	1.3%	2.7%	2.1%	0.7%	1.9%	1.3%	2.4%	0.6%	1.7%	1.0%	1.8%	3.5%	2.6%	0.8%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.0%	2.1%	2.9%	2.7%	3.6%	3.6%	5.7%	
<b>General Indicators</b>																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	2.2%	2.5%	2.9%	2.7%	2.5%	2.3%	2.2%	1.9%	2.0%	2.4%	3.2%	2.5%	2.2%	
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	6.2	6.2	6.3	6.2	6.4	6.5	6.5	6.5	6.5	6.6	6.6	6.6	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	84.7	91.0	88.9	87.1	80.5	81.4	85.7	88.5	89.8	87.3	86.9	85.9	88.4	87.9
Housing Starts - Calgary CMA	9,292	12,841	12,584	982	904	1,162	1,693	896	1,328	1,270	1,667	1,592	1,030	2,407	1,354	1,627	1,528
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	379	375	383	323	284	336	302	365	367	369	329	296	289	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	2,830	2,475	2,510	2,173	1,464	1,802	2,363	3,170	3,348	3,832	3,569	3,177	2,976	2,837
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	76.94	68.18	75.65	90.73	112.88	56.77	67.36	72.08	67.22	66.64	69.63	72.37	71.13	66.99
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	432.6	435.9	436.2	445.1	439.4	444.2	460.3	463.0	457.5	465.6	467.0	460.8	455.0	461.1
<b>Business Indicators</b>																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.7	6.6	6.8	6.8	6.6	6.8	6.9	7.0	7.0	7.0	7.2	7.2	7.2	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	69.9	71.7	73.8	6.4	6.2	6.3	6.4	6.2	6.4	6.5	6.5	6.5	6.6	6.9	6.9	6.7	
Number of New Businesses - Calgary	4,300	3,770	3,890	278	665	481	524	257	0	471	406	331	287	243	403	363	358
Number of Business Closures - Calgary	2,380	2,445	2,581	193	211	156	215	118	1	606	189	159	237	154	210	140	125
Number of Business Bankruptcies - Alberta	264	230	137	7	13	15	8	14	7	11	6	9	13	3	7	11	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,046.1	480.1	507.2	477.5	552.9	486.4	569.8	339.5	387.5	528.2	587.4	752.7	645.7	705.0	510.1

<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.