

# Current Economic Analysis

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

February 18, 2011



- In January 2011, Calgary's 12-month-moving-average inflation rate remained unchanged at 0.8 per cent. Nationally, the inflation rate also remained unchanged at 1.8 per cent in January but up from 0.4 per cent a year ago.
- The unemployment rate in Calgary remained unchanged at 5.9 per cent in January 2011 from a month earlier, but down from 7.3 per cent in the previous year. Nationally, the unemployment rate was 7.4 per cent, up from 7.1 per cent in December 2010 and down from 8.2 per cent in January 2010.
- Total employment in the CER was 754,200 in January 2011, an increase of 4,300 from 749,900 in January 2010.
- In January 2011, the average wage inflation was 0.3 per cent in Calgary compared to 1.0 per cent a year ago. In Alberta, the average wage inflation was 0.8 per cent down from 1.3 per cent from last January.
- There were 12,990 Calgarians receiving regular employment insurance benefits in December 2010, down 34 per cent from December last year. For Alberta, there were 46,780 recipients, down 30.2 per cent from last December.
- In January 2011, the average price of oil (WTI) was USD\$89.6/bbl, up 4 per cent from December 2010. The average price of natural gas was \$3.8/GJ, up 3.1 per cent from last month.
- The Canadian prime business loan rate remained unchanged at 3 per cent in January 2011.
- In November 2010, Alberta retail sales were estimated at \$5.2 billion (seasonally adjusted), a 2.2 per cent increase over the previous month and a 8.8 per cent increase year-over-year.
- Alberta wholesale merchants' sales were estimated at \$5.5 billion (seasonally adjusted) in December 2010, up 0.8 per cent from November 2010 and 20.3 per cent from December 2009.
- Alberta manufacturing sales were estimated at \$5.4 billion (seasonally adjusted) in December 2010 and \$5.2 billion in November 2010. This was an increase of 3.3 per cent from November 2010 to December 2010 and 15.8 per cent from December 2009 to December 2010.
- January Canadian consumer confidence was up 7.1 points from December 2010, standing at 88.1 points – the highest level since May 2010.
- The number of personal bankruptcies in Alberta was 667 in November 2011, down 4.7 per cent from the previous month and 2.8 per cent from November 2010.
- The number of business bankruptcies in Alberta was 19 in November 2011, down 20.8 per cent from October and 40.6 per cent from November 2010.
- In January, total housing starts in Calgary (CMA) reached 518 units, up from 486 units from the previous month and 514 units year-over-year.
- Calgary housing sales in January 2011 was 1,292 units, up 3.3 per cent from 1,251 units in December 2010, but down from 1,398 units in January last year.
- January MLS average price for Calgary was \$402,304, up 3.2 per cent from last month's average price of \$389,912, and 1.7 per cent from a year ago.

*Next release: March 18, 2011*

**Note:** In January 2011, Statistics Canada applied a standard revision to its Labour Force Survey estimates following the release of final population estimates from Census 2006. As a result, the data that are related to employment have been revised accordingly.

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Sources: Statistics Canada, CMHC, CREB, MLS, Bank of Canada, Conference Board of Canada, GLJ Energy Publications, The City of Calgary, Office of the Superintendent of Bankruptcy and others.

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City of Calgary Monthly Economic Indicators	2008	2009	2010	2009	2010												2011
				Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
<b>General Indicators</b>																	
<b>Inflation (12 month moving average)</b>																	
Calgary Census Metropolitan Area (CMA)	3.2%	-0.1%	0.8%	-0.1%	-0.1%	-0.2%	-0.2%	-0.1%	0.0%	0.2%	0.4%	0.6%	0.8%	0.9%	0.8%	0.8%	0.8%
Canada	2.4%	0.3%	1.8%	0.3%	0.4%	0.4%	0.4%	0.5%	0.6%	0.7%	1.0%	1.2%	1.4%	1.6%	1.7%	1.8%	1.8%
<b>Unemployment Rate</b>																	
Calgary Economic Region (C.E.R.)	3.3%	6.3%	7.0%	7.1%	7.3%	7.1%	7.4%	7.6%	7.7%	7.4%	6.9%	6.9%	6.9%	6.9%	6.1%	5.9%	5.9%
Canada	6.1%	8.1%	8.1%	7.8%	8.2%	8.4%	8.7%	8.6%	8.5%	8.1%	8.0%	8.2%	8.2%	7.8%	7.3%	7.1%	7.4%
C.E.R. Employment (Person - 000s)	768	765	755	755	750	747	744	741	745	754	769	772	767	760	757	757	754
Employment insurance Alberta - # of recipients (seasonally adjusted)	17,702	56,556	49,848	67,050	59,060	55,610	52,630	50,540	49,260	48,680	47,370	45,900	48,020	47,210	47,120	46,780	
Year-over-year % change	5.7%	217.3%	-0.2%	197.6%	130.0%	62.7%	19.6%	-0.8%	-13.0%	-22.6%	-24.0%	-20.9%	-33.1%	-35.4%	-34.6%	-30.2%	
Employment insurance Calgary - # of recipients (unadjusted)	4,903	17,747	15,645	19,680	20,790	20,060	19,240	17,570	15,900	14,630	15,180	15,700	12,280	11,600	11,810	12,990	
Year-over-year % change	9.7%	261.9%	-11.8%	211.9%	122.6%	63.0%	18.3%	-2.0%	-13.7%	-24.1%	-29.3%	-29.1%	-35.2%	-37.2%	-36.9%	-34.0%	
City of Calgary Population Estimate (000s) <sup>†</sup>	1043 <sup>#</sup>	1065 <sup>#</sup>	1065 <sup>#</sup>	1,069	1,070	1,071	1,071	1,072	1,073	1,075	1,077	1,079	1,081	1,082	1,083	1,085	1,086
West Texas Intermediate (\$US/barrel)	99.64	61.78	79.52	74.66	78.40	76.45	81.31	84.58	74.12	75.40	76.38	76.68	75.55	81.97	84.14	89.23	89.62
Alberta Natural Gas (Cdn\$/GJ)	7.73	3.78	3.80	5.22	5.30	4.95	3.84	3.57	3.65	3.89	3.49	3.22	3.37	3.13	3.50	3.69	3.80
Canadian real GDP y-o-y % Change - (Chained 2002 dollar)	0.6%	-2.6%	NA	0.3%	1.7%	2.1%	3.2%	3.5%	4.0%	4.1%	3.9%	4.2%	3.5%	3.4%	3.0%		
Canadian real GDP m-o-m % Change - (Chained 2002 dollar)	NA	NA	NA	0.5%	0.6%	0.3%	0.5%	0.0%	0.1%	0.3%	0.0%	0.3%	-0.1%	0.2%	0.4%		
Prime lending rate - Bank of Canada (%)	4.73%	2.40%	2.60%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%
<b>Consumer Indicators</b>																	
Hourly earnings - Alberta (\$) Year-over-year % change	5.6%	4.4%	1.3%	1.6%	1.3%	1.8%	2.5%	1.7%	1.7%	0.2%	2.8%	0.7%	0.7%	0.2%	0.2%	2.1%	0.8%
Hourly earnings - Calgary (\$) Year-over-year % change	5.8%	3.7%	1.0%	2.0%	1.0%	0.8%	1.8%	1.9%	2.2%	0.7%	1.0%	0.3%	0.8%	0.3%	0.6%	1.0%	0.3%
Retail sales - Alberta (\$ billions)	61.1	56.0	NA	4.8	4.8	4.9	5.0	4.9	4.8	4.8	4.9	5.0	5.0	5.1	5.2		
Consumer confidence - Canada	77.7	71.4	84.7	82.8	96.6	88.2	92.5	84.8	89.3	83.6	80.0	79.4	78.1	79.7	83.6	81.0	88.1
Housing starts - Calgary CMA	11,438	6,318	9,262	657	514	743	904	909	862	685	1,166	858	796	784	555	486	518
# of personal bankruptcies - Alberta	6,066	9,986	NA	634	684	637	776	744	672	778	626	615	732	700	667		
Calgary Housing (# of units sold) MLS	23,137	24,880	20,996	1,374	1,398	1,913	2,446	2,382	2,133	1,824	1,612	1,562	1,606	1,442	1,427	1,251	1,292
Household sales/listing ratio - Calgary	41.77	61.13	47.97	83.78	40.09	47.22	45.01	43.98	41.42	38.14	44.83	45.70	41.47	46.16	57.33	84.24	36.28
Current month average house price - Calgary Metro (\$000)	412.9	394.8	409.6	402.1	395.4	399.7	420.7	405.9	433.0	433.2	416.1	395.9	410.7	403.7	411.2	389.9	402.3
Year-over-year % change of Calgary City MLS average prices	-2.9%	-4.4%	3.7%	7.6%	5.7%	5.4%	10.9%	7.8%	9.8%	7.6%	5.3%	-0.5%	-0.4%	-1.5%	-0.9%	-3.0%	1.7%
<b>Business Indicators</b>																	
Wholesale sales - Alberta - seasonally adjusted (\$billions)	68.7	59.0	62.7	4.9	5.1	4.9	5.0	5.0	4.9	5.0	5.2	5.4	5.5	5.5	5.5	5.6	
Manufacturing sales - Alberta - seasonally adjusted (\$billions)	70.4	54.7	60.5	4.8	4.9	5.1	5.1	4.9	5.0	4.9	4.8	5.0	5.1	5.2	5.2	5.4	
# of new businesses <sup>++</sup>	**	**	**	387	N/A	64	72	166	218	365	236	269	374	571	553	649	
# of business closures - Calgary <sup>++</sup>	**	**	**	204	290	275	305	185	136	229	162	211	174	141	198	197	
# of business bankruptcies - Alberta	447	405	NA	32	27	30	48	37	35	23	27	30	34	24	19		

\*\* Tracking of these indicators commenced in late 2008. Some comparative historical data has not been obtained. ++ February figures are YTD to 2009 February 28. # Taken from April Civic Census. † Revised monthly data based on April 2010 Civic Census. Revised Data