

Current Economic Analysis

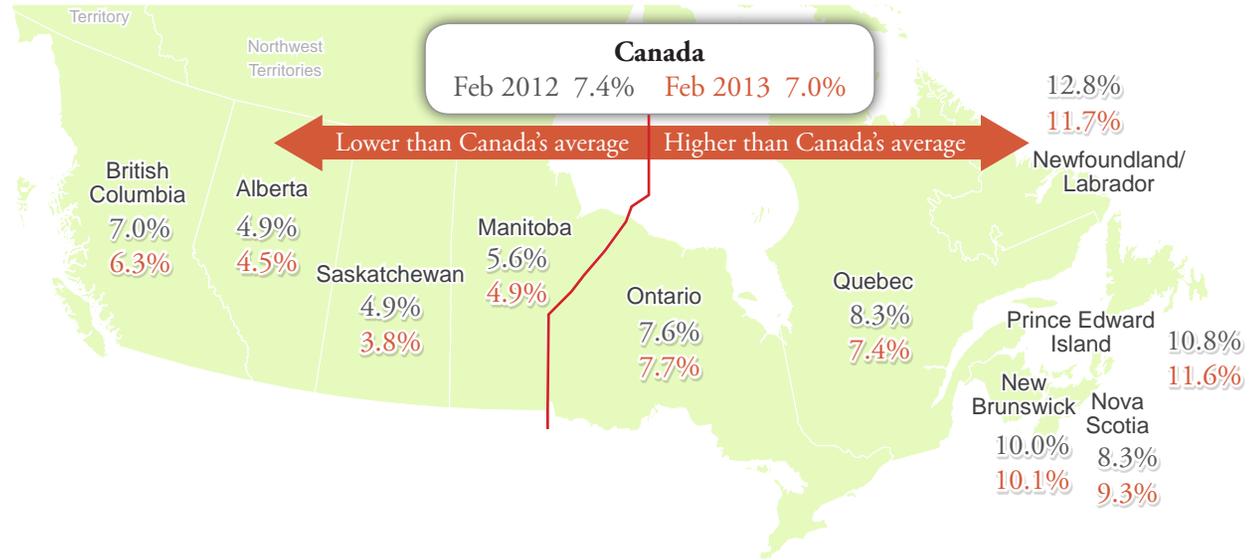
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

March 28, 2013

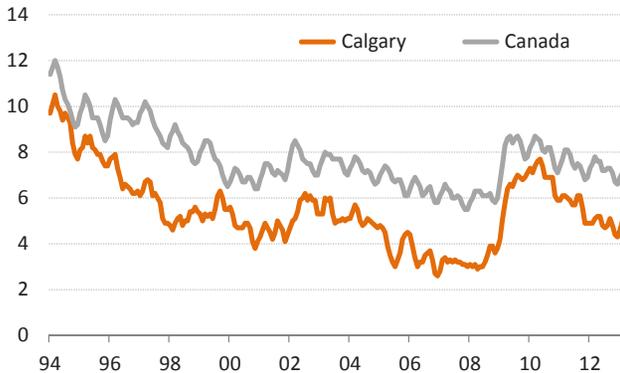
Labour Market (*Unadjusted*)

- The unemployment rate in the Calgary Economic Region (CER) was 5 per cent in February 2013, up from 4.9 per cent in the same time last year. Nationally, the unemployment rate was 7.1 per cent, down from 7.5 per cent in February 2012.
- Total employment in the Calgary Economic Region (CER) was 814,400 in February 2013, a 2.5 per cent increase from 794,400 in February 2012.
- The CER's working age population was estimated at 1,158,000 in February 2013, up 35,500 from February 2012.

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



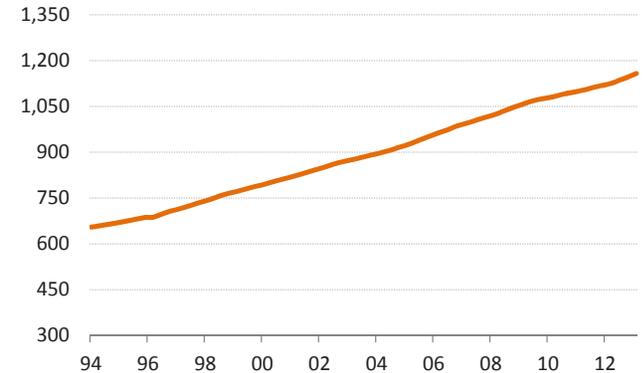
Unemployment Rates (unadjusted, per cent)



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



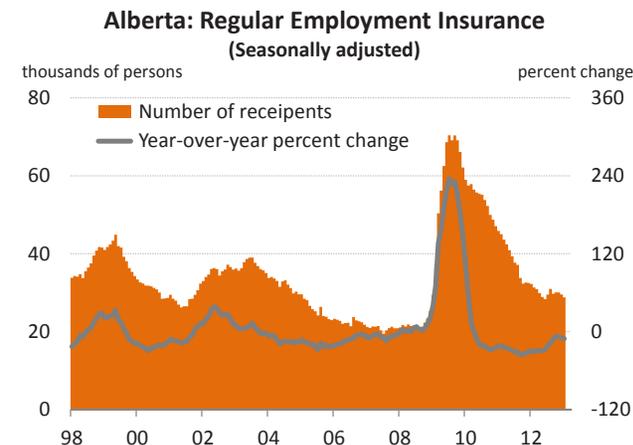
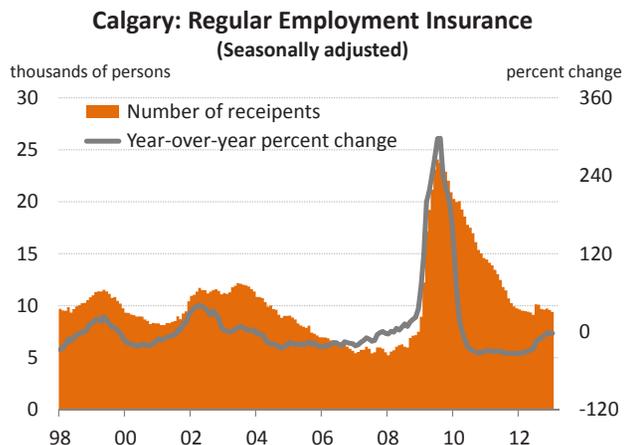
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

Labour Market (continued)

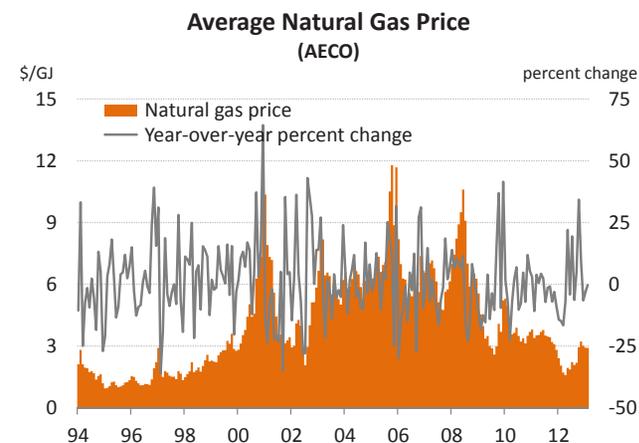
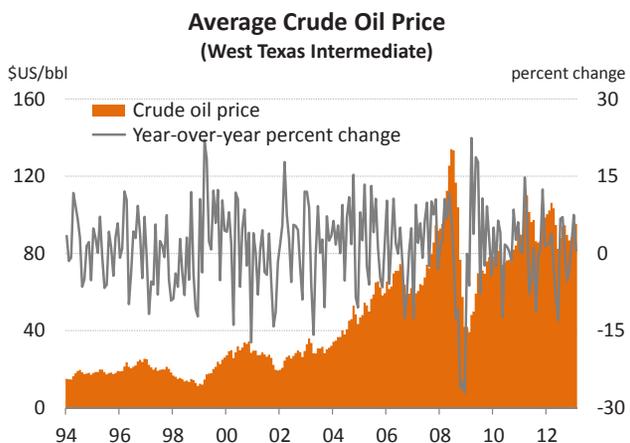
- Between January 2012 and January 2013, the number of Calgarians receiving regular employment insurance fell by 2.5 per cent to 9,400. For Alberta, in the same time period, the number fell by 10.7 per cent to 28,800.



Sources: Statistics Canada, Corporate Economics

Energy

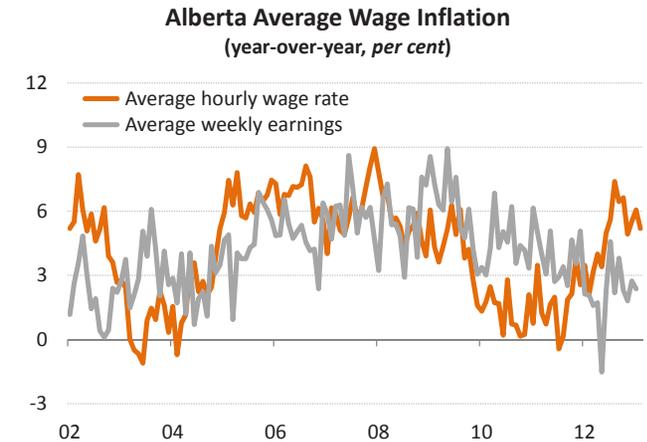
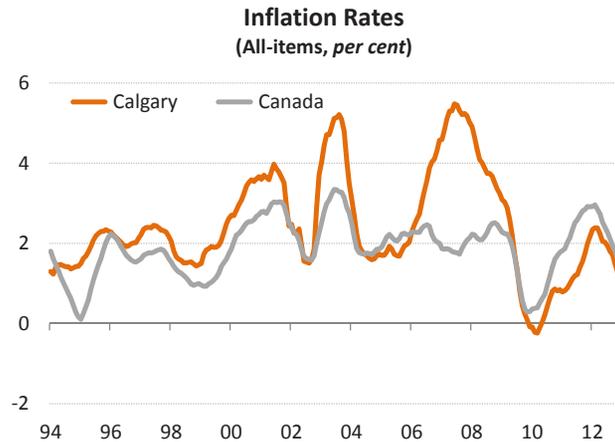
- In February 2013, the average price of crude oil (WTI) was US\$95.32/bbl, up 0.5 per cent from January 2013 but down 6.8 per cent from a year ago.
- The average price of natural gas (AECO) was \$2.91/GJ in February 2013, down 0.3 per cent from the previous month but up 42 per cent from February 2012.



Sources: GLJ Energy Publications, Corporate Economics

Prices

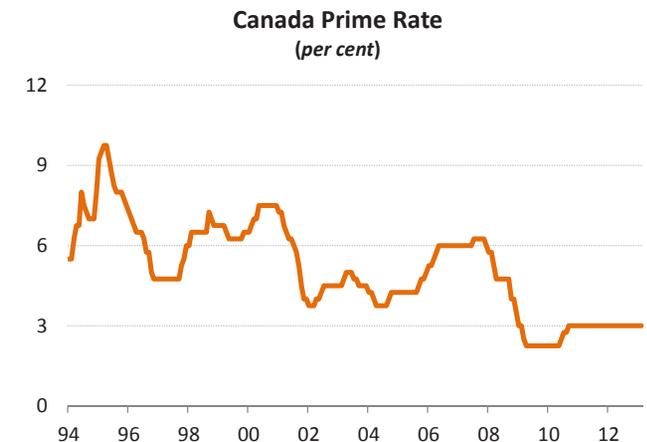
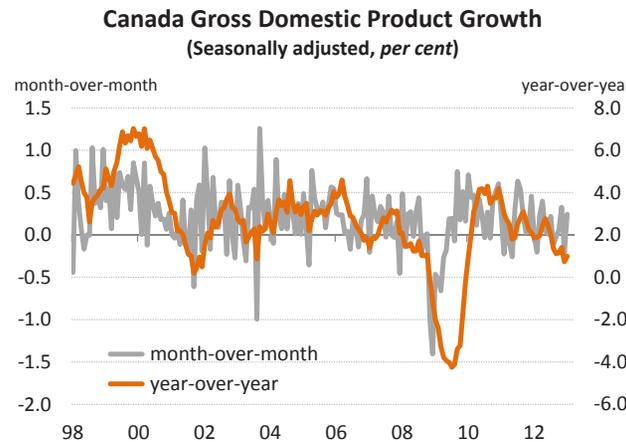
- In February 2013, Calgary's 12-month-moving-average inflation rate decreased to 0.7 per cent from 0.8 per cent in January 2013 and 2.4 per cent in February 2012. Nationally, the inflation rate also decreased to 1.2 per cent from 1.4 per cent in the previous month and 3 per cent in February 2012.
- In Alberta, the average hourly wage inflation rate in February 2013 was 5.2 per cent, increased from 2.1 per cent a year ago. The average weekly earnings growth rate was 2.4 per cent in January 2013, increased from 2.1 per cent in January 2012.



Sources: Statistics Canada, Corporate Economics

General Indicators

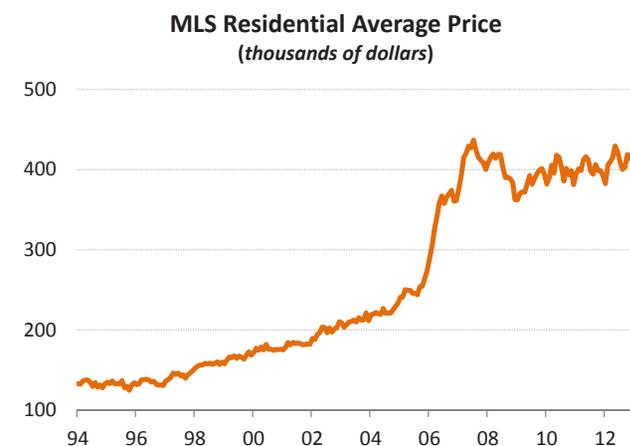
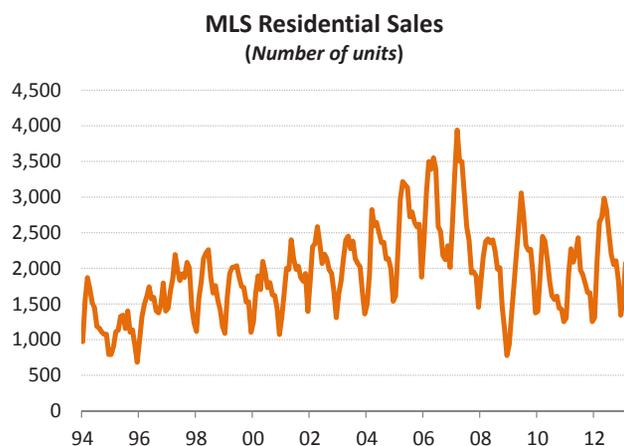
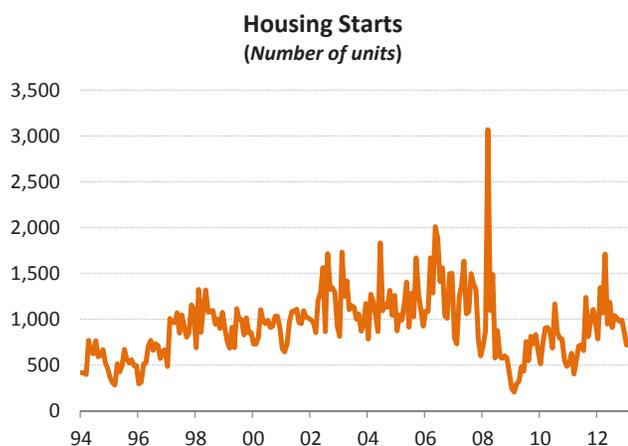
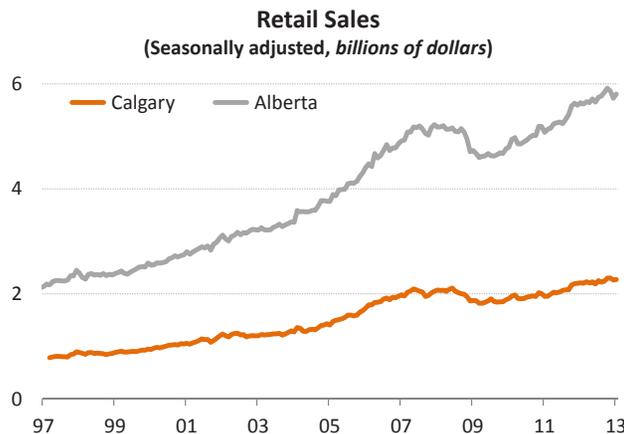
- Canada's real gross domestic product (GDP) growth:
 - ▶ **Month-over-month:** edged up 0.2 per cent in January 2013, following a 0.2 per cent decrease in December 2012.
 - ▶ **Year-over-year:** increased 1 per cent in January 2013, following a 0.7 per cent growth in December 2012.
- The Canadian prime business loan rate remained unchanged at 3 per cent in February 2013.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

Consumer Indicators

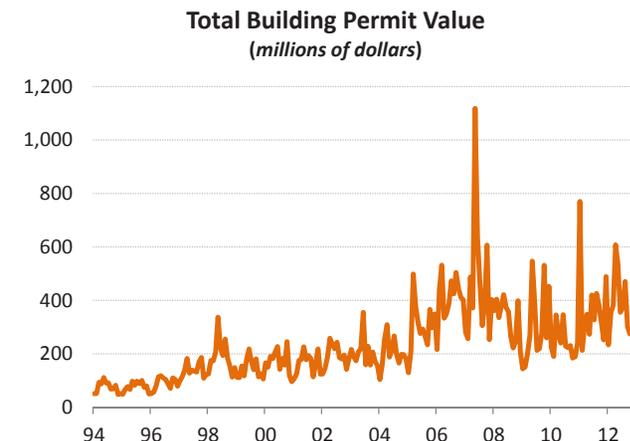
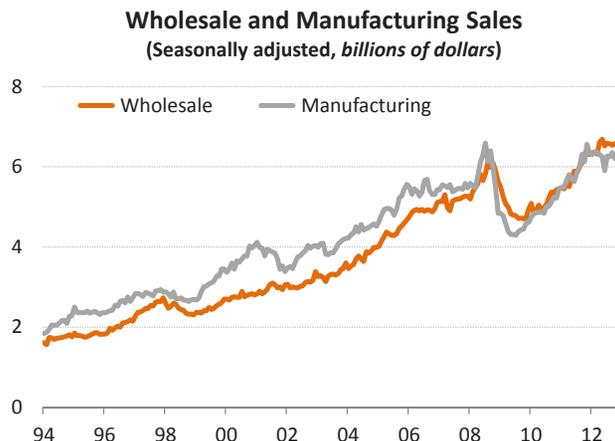
- In January 2013, total retail sales in the CER was estimated at \$2.3 billion (seasonally adjusted), up 0.4 per cent from December and 2.9 per cent from a year ago. Alberta retail sales were estimated at \$5.8 billion (seasonally adjusted), indicating a 1.3 per cent increase over the previous month and a 2.9 per cent increase year-over-year.
- The Index of Consumer Confidence decreased in February 2013 by 2.2 points to 80.8 (2002 = 100).
- In February 2013, total housing starts in Calgary (CMA) reached 896 units, up from 719 units in January but down from 1,345 units a year ago.
- Calgary housing sales in February 2013 was 2,071 units, up 31.7 per cent from 1,572 units in last January and 2 per cent from 2,113 units a year ago.
- February's MLS average sale price for Calgary was \$438,755, up 4.7 per cent from last month's average of \$418,938, but up 8.2 per cent from \$405,687 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 \$6.5 billion (seasonally adjusted) in January 2013, up 0.2 per cent from the previous month and 3.4 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.3 billion (seasonally adjusted) in January 2013, up 6.3 per cent from the previous month but down 0 per cent from a year ago.
- In February 2013, the total building permit value in the city of Calgary reached \$437 million, a 57 per cent increase from last month's total of \$279 million, and a 23.7 per cent increase from \$353 million a year ago.



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

Next update: April 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.

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Current Economic Analysis

City of Calgary Monthly Economic Indicators	2010	2011	2012	2012												2013	
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	7.0%	5.8%	4.9%	4.9%	4.9%	5.1%	5.2%	5.2%	4.8%	4.7%	4.8%	5.1%	4.8%	4.4%	4.3%	4.6%	5.0%
Unemployment Rate - Canada (%)	8.1%	7.5%	7.3%	7.3%	7.5%	7.8%	7.6%	7.6%	7.2%	7.2%	7.3%	7.3%	7.1%	6.7%	6.6%	6.9%	7.1%
Employment - CER (Person - 000s)	755.2	776.1	806.3	795.8	794.4	795.4	795.4	803.5	812.7	818.0	815.8	809.4	808.6	810.6	815.5	813.8	814.4
Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted **	54,065	38,603	30,133	32,240	31,340	30,910	29,910	28,910	28,380	29,520	30,970	29,730	30,070	30,070	29,540	28,800	
Year-over-year % change **	-0.5%	-28.8%	-20.8%	-29.7%	-30.4%	-29.1%	-29.5%	-29.3%	-27.8%	-21.7%	-16.6%	-12.0%	-7.0%	-7.8%	-9.1%	-10.7%	
Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted **	17,622	12,108	9,615	9,640	9,520	9,480	9,420	9,350	9,120	10,130	10,090	9,680	9,630	9,730	9,590	9,400	
Year-over-year % change **	-0.8%	-31.5%	-19.0%	-33.2%	-32.6%	-31.7%	-30.0%	-28.2%	-26.9%	-14.2%	-12.0%	-9.5%	-6.0%	-2.0%	-1.6%	-2.5%	
City of Calgary Population Estimate (000s)	1,072 ^f	1,091 ^f	1,120 ^f	1,113	1,115	1,118	1,120	1,123	1,127	1,130	1,132	1,135	1,138	1,142	1,145	1,148	1,148
Energy																	
West Texas Intermediate (\$US/barrel)	79.52	95.13	94.21	100.32	102.26	106.21	103.35	94.72	82.41	87.95	94.16	94.56	89.57	86.74	88.25	94.83	95.32
Alberta Natural Gas (Cdn\$/GJ)	3.80	3.43	2.27	2.41	2.05	1.71	1.59	1.94	1.86	2.22	2.08	2.19	2.94	3.22	3.01	2.92	2.91
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	0.8%	2.2%	1.0%	2.3%	2.4%	2.4%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%	1.5%	1.3%	1.0%	0.8%	0.7%
Inflation Rate - Canada (%)	1.8%	2.9%	1.5%	2.9%	3.0%	2.8%	2.7%	2.5%	2.4%	2.3%	2.1%	2.0%	1.8%	1.6%	1.5%	1.4%	1.2%
Average Hourly Wage Rate - Alberta y-o-y % change	1.3%	1.7%	4.8%	3.5%	2.1%	3.2%	4.0%	3.4%	5.0%	5.6%	7.4%	6.5%	6.6%	4.9%	5.5%	6.1%	5.2%
Average Weekly Earnings* - Alberta y-o-y % change	4.4%	4.0%	2.1%	2.1%	2.1%	1.6%	1.7%	-1.5%	2.3%	4.6%	2.2%	3.8%	2.3%	1.8%	2.7%	2.4%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	3.4%	2.6%	1.8%	1.9%	1.9%	2.0%	2.4%	2.8%	2.5%	2.0%	1.4%	1.1%	1.2%	1.4%	0.7%	1.0%	
Canadian Real GDP m-o-m % change - (Chained 2007 dollar)	--	--	--	0.0%	-0.2%	0.2%	0.4%	0.1%	0.0%	0.2%	-0.1%	0.0%	0.1%	0.3%	-0.2%	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%
Consumer Indicators																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	59.7	63.9	68.8	5.6	5.6	5.7	5.6	5.7	5.7	5.7	5.8	5.8	5.9	5.9	5.7	5.8	
Retail Sales - CER, seasonally adjusted (\$billions)	23.4	24.8	26.9	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.2	2.2	2.3	2.3	2.3	2.3	
Index of Consumer Confidence - Canada	84.7	80.6	77.7	73.9	75.2	79.5	75.0	80.8	74.0	76.9	75.6	82.2	81.1	80.3	77.9	83.0	80.8
Housing Starts - Calgary CMA	9,262	9,292	12,841	786	1,345	1,069	1,711	949	1,184	910	1,039	1,012	980	990	866	719	896
# of Personal Bankruptcies - Alberta	8,150	7,029	5,759	517	533	568	523	515	484	489	454	421	489	420	346	446	
Calgary Residential Unit Sales MLS	20,996	22,466	26,634	1,308	2,113	2,647	2,720	2,982	2,832	2,502	2,198	2,054	2,104	1,831	1,343	1,572	2,071
Calgary Residential Sales to New Listings Ratio MLS	48.09	53.69	66.33	39.30	56.42	58.45	62.24	60.29	65.06	70.03	64.67	60.11	69.44	84.07	105.83	48.04	59.58
Calgary Residential Average Price MLS (\$thousands)	397.4	401.9	410.8	382.5	405.7	409.8	414.9	429.5	422.1	409.7	400.3	402.8	418.7	413.9	419.8	418.9	438.8
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	61.7	70.5	78.3	6.3	6.4	6.3	6.6	6.7	6.5	6.6	6.6	6.5	6.6	6.6	6.5	6.5	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	60.1	70.9	74.7	6.3	6.4	6.4	6.3	6.3	5.9	6.3	6.3	6.4	6.2	6.2	5.9	6.3	
# of New Businesses - Calgary	3,537	4,300	3,770	NA	101	473	200	162	475	202	445	293	549	533	337	NA	549
# of Business Closures - Calgary	2,503	2,380	2,445	NA	601	189	162	290	122	239	124	215	225	124	154	NA	785
# of Business Bankruptcies - Alberta	378	264	230	20	25	19	20	28	22	16	10	21	18	15	16	10	
City of Calgary Total Building Permit Value (\$millions)	2,913.0	4,528.3	4,466.8	233.9	353.4	382.7	607.8	533.8	355.6	372.8	470.3	302.5	274.6	290.0	289.4	278.5	437.4

^f 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.