

# Alberta's Economic Outlook

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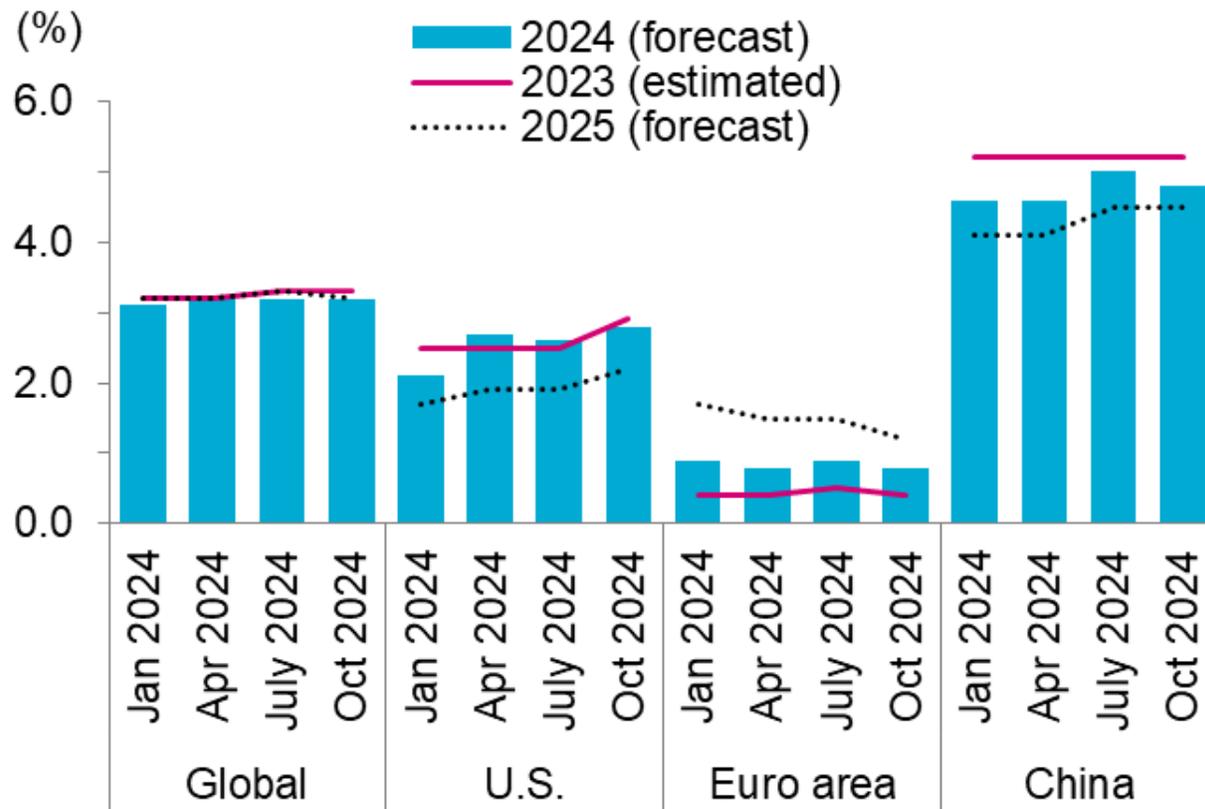
# Economic backdrop

- Alberta's economy bucking the trend this year
  - Economy showing some momentum
  - Energy sector and residential construction leading the way
- Risks to the outlook are rising
  - Rising protectionism and geopolitical tensions pose risks to outlook
  - Heightened uncertainty and demand concerns weighing on oil prices
  - Slowing momentum in labour market might be a challenge heading into next year.
  - Lower interest rates should provide some support to growth in 2025



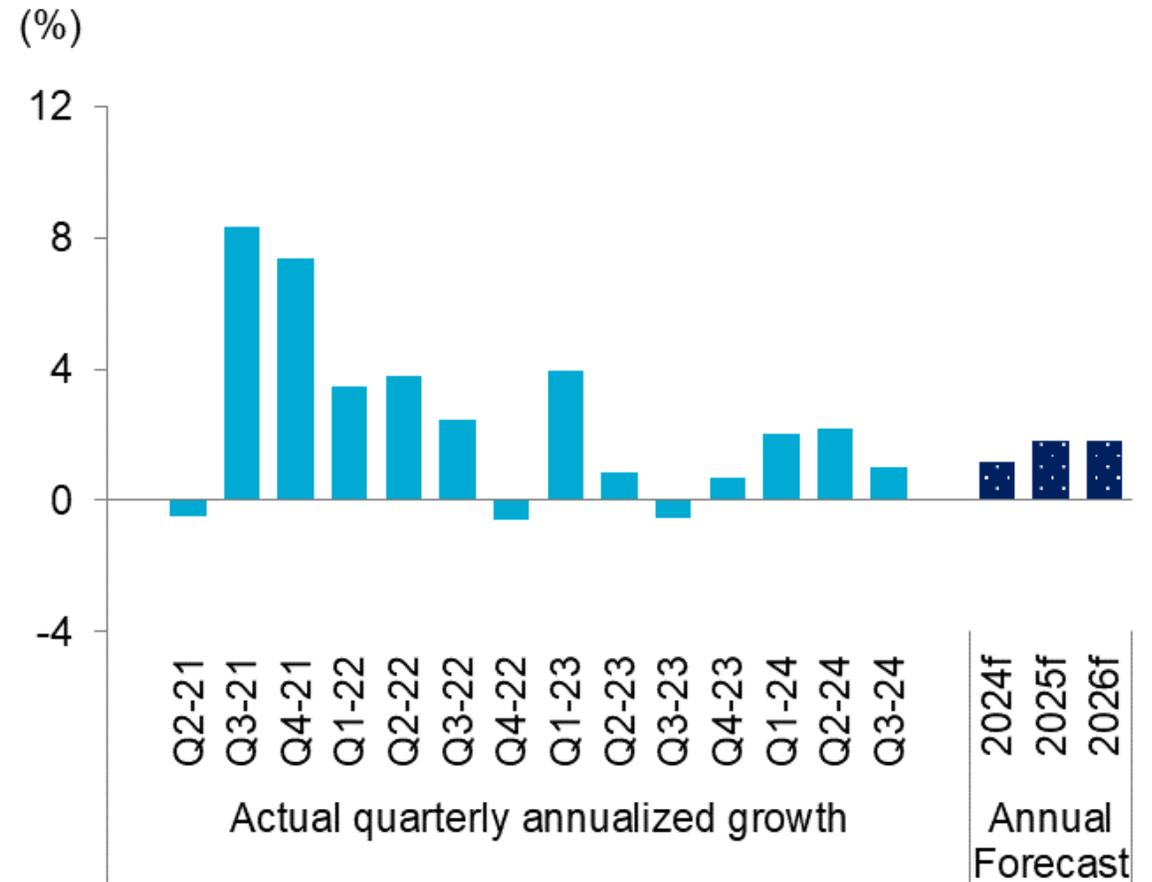
# Threat of U.S. tariffs clouding global and Canadian economic outlook

Actual and forecast of real GDP growth



Source: International Monetary Fund

Year-over-year growth in Canadian real GDP

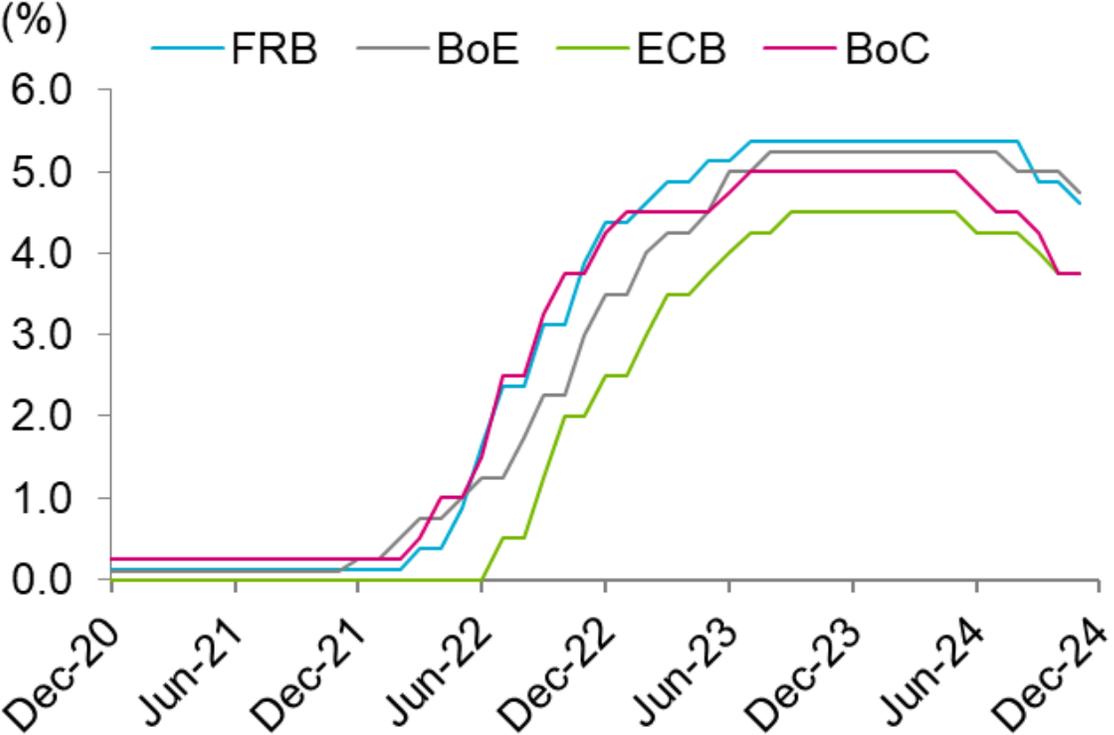


Sources: Statistics Canada, Haver Analytics, Alberta Treasury Board & Finance; f-forecast

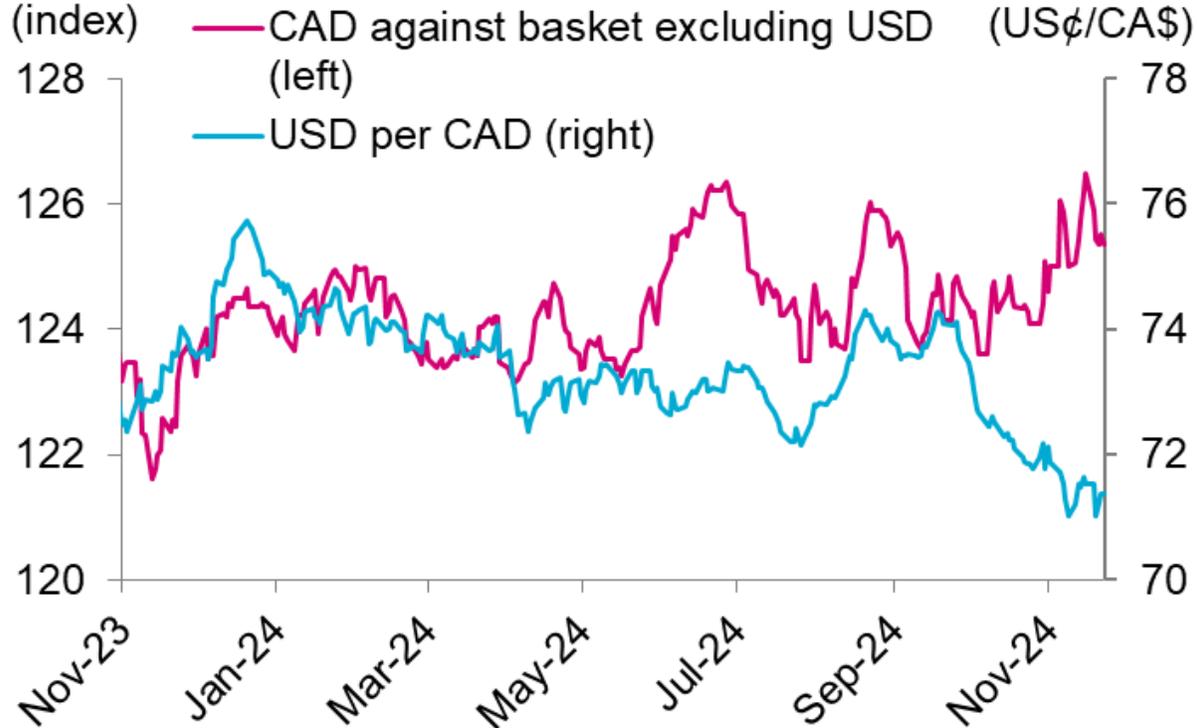


# Diverging interest rates a drag on the Loonie

Policy interest rates in selected economies



Canadian dollar exchange rates



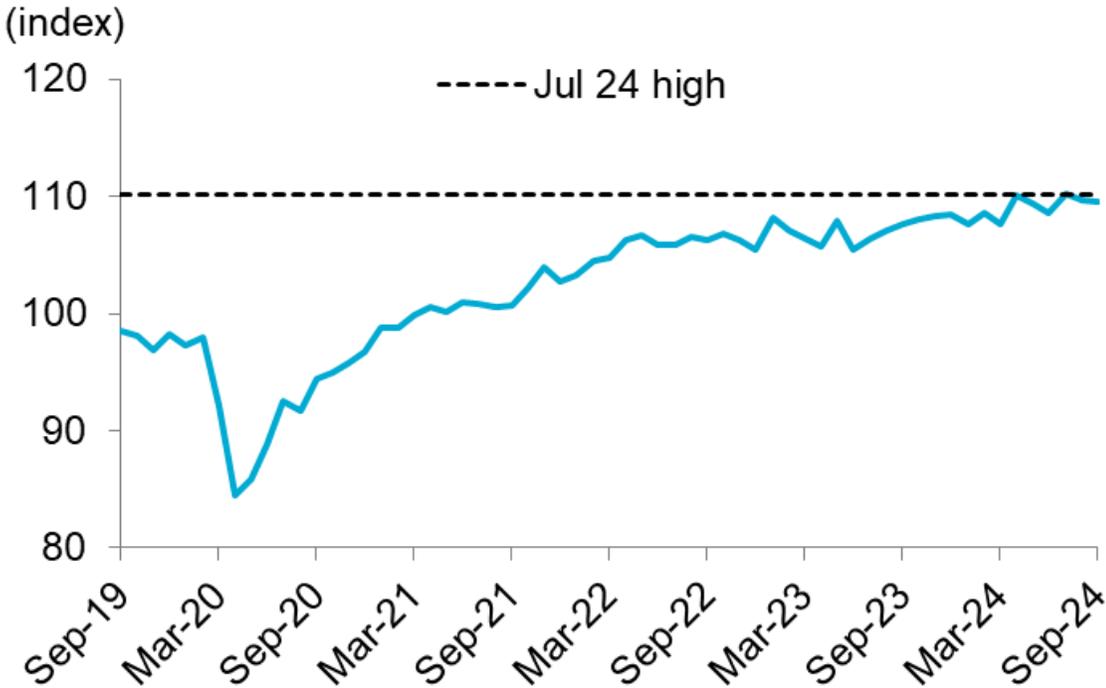
Sources: U.S. Federal Reserve, Bank of England, European Central Bank, Bank of Canada, Haver Analytics and Alberta Treasury Board & Finance

Source: Alberta Treasury Board & Finance

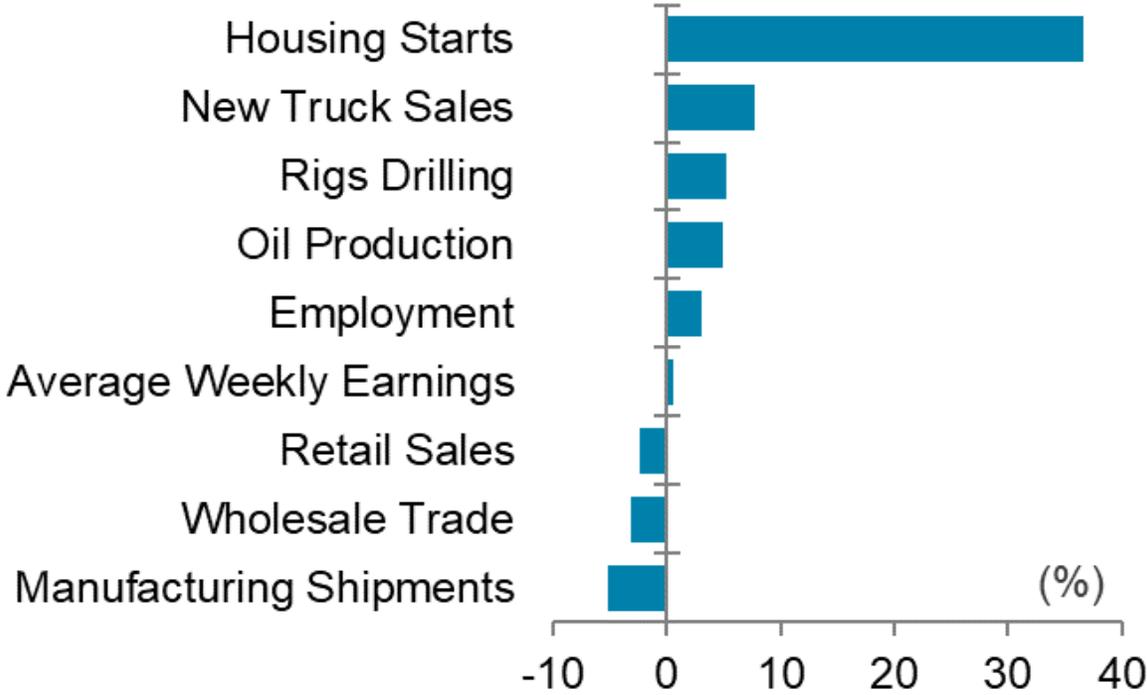


# Alberta's expansion led by housing and energy sector activity

Alberta Activity Index (May 2018 = 100)



Year-to-date growth in Alberta Activity Index by components, September 2024

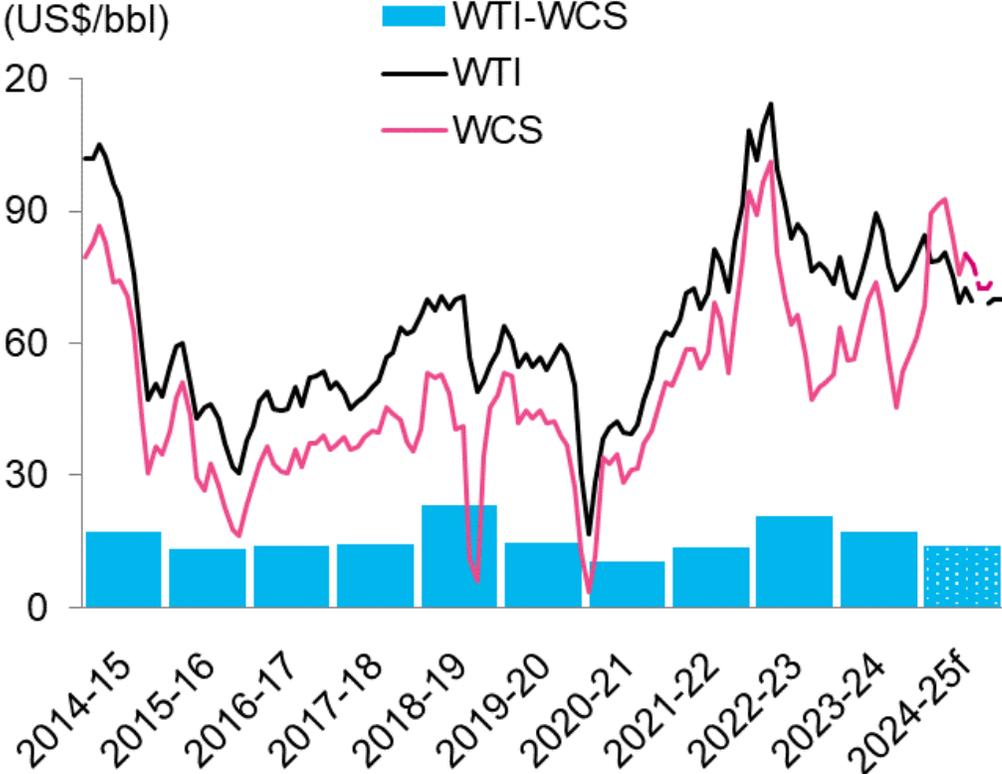


Source: Alberta Treasury Board & Finance



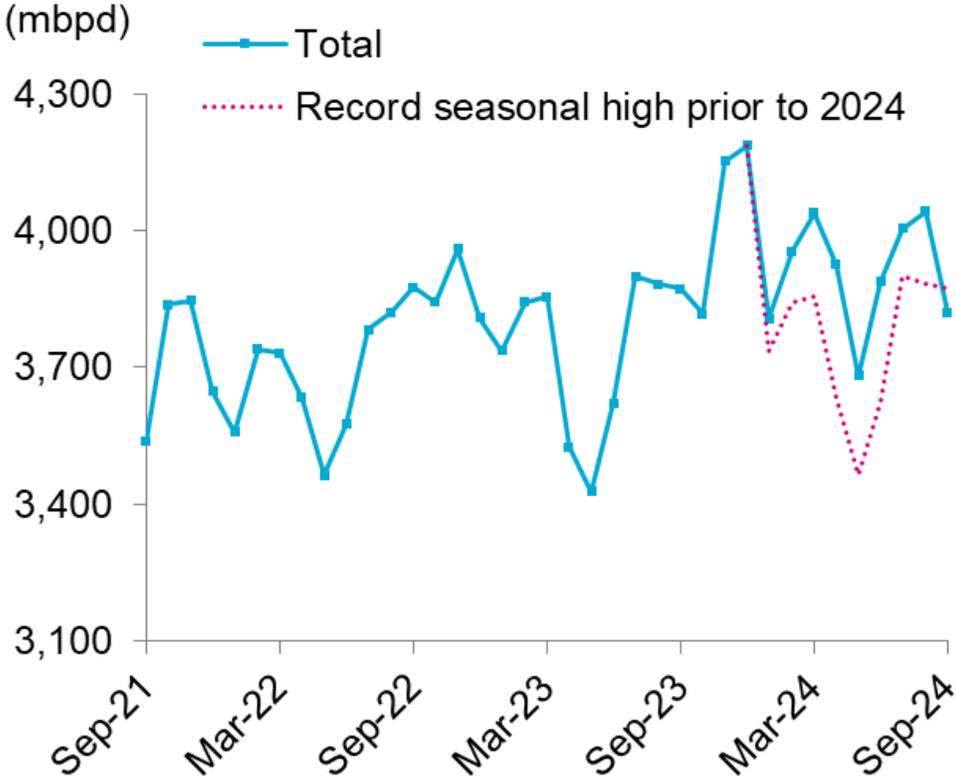
# Oil production ramping up amid volatility in prices

Oil Prices



Sources: Alberta Energy, Alberta Treasury Board & Finance, f-forecast

Alberta's total oil production

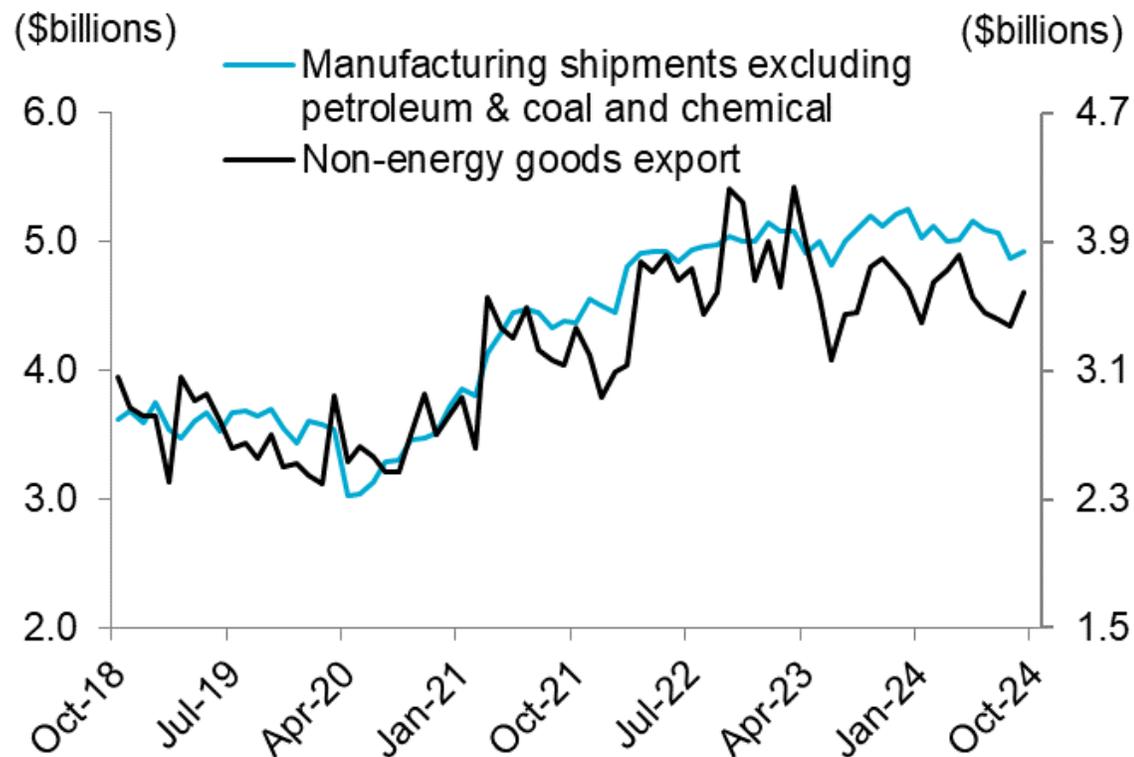


Source: Alberta Energy Regulator



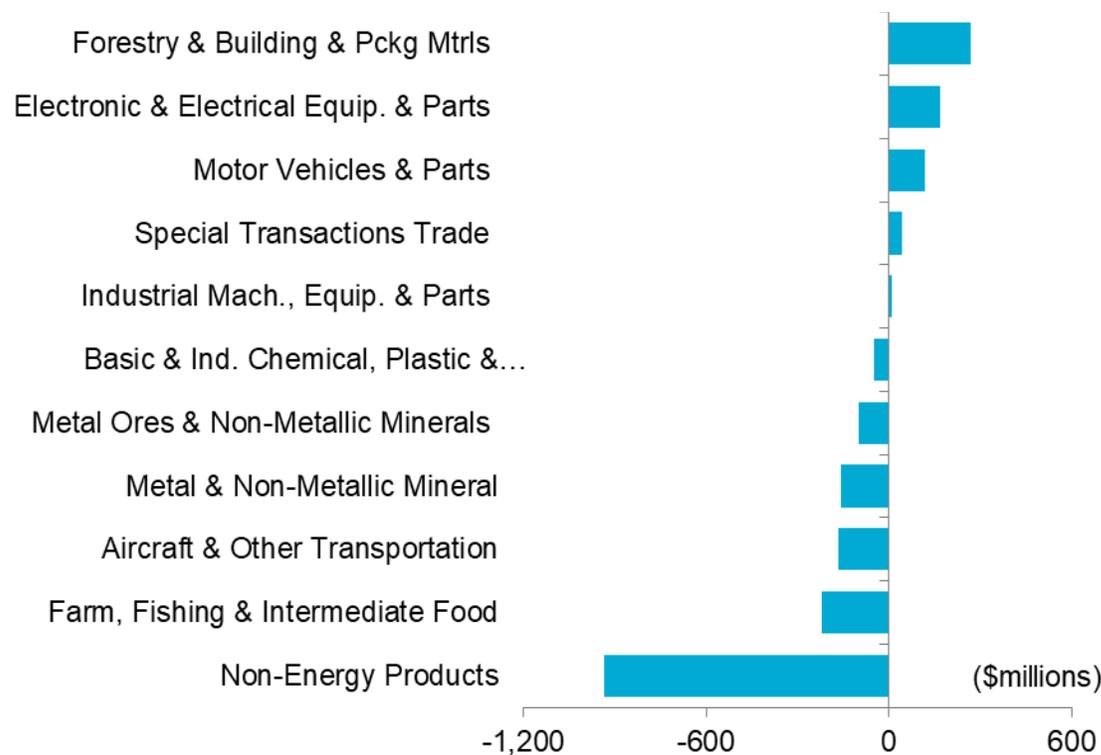
# Non-energy business output slow to pick up

Alberta's non-energy related merchandise exports and manufacturing shipments



Sources: Statistics Canada and Haver Analytics

Alberta's non-energy merchandise exports by category, YTD change (Sept 24)

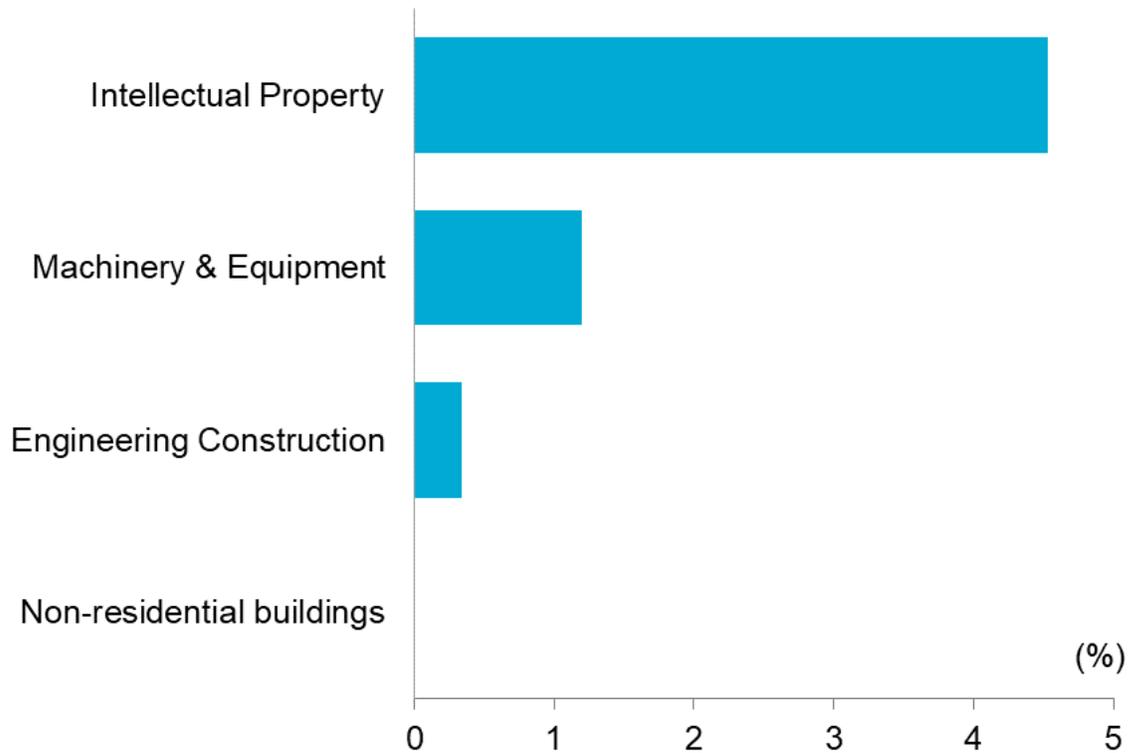


Sources: Statistics Canada and Haver Analytics

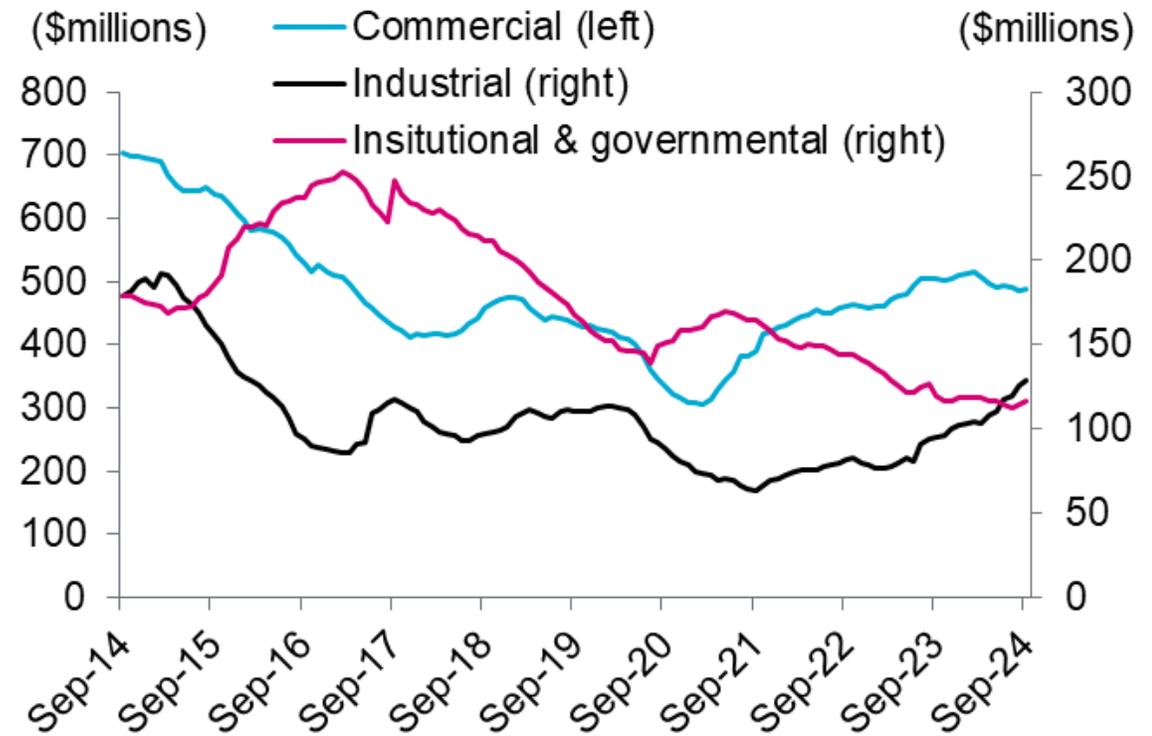


# Industrial building sector leading the way

Alberta's fixed non-residential investment by type, year-to-date growth



Non-residential building investment by type



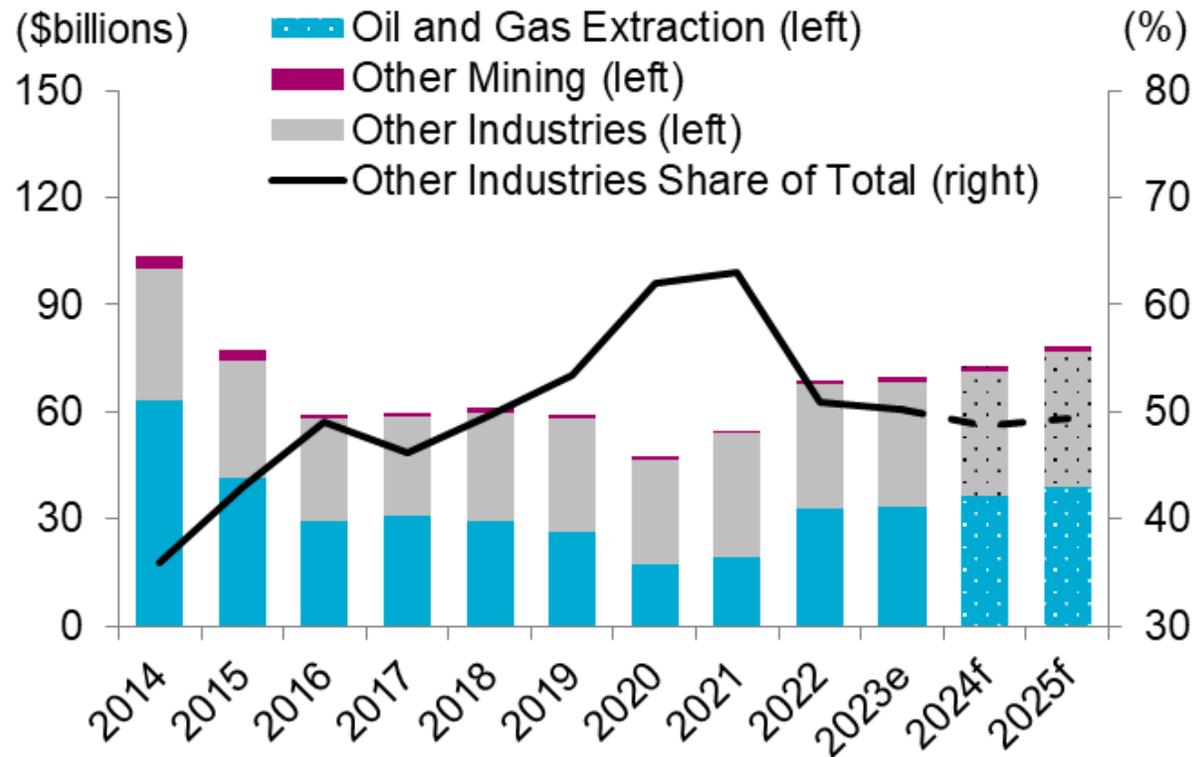
Sources: Statistics Canada, Haver Analytics; seasonally unadjusted

Sources: Statistics Canada, Haver Analytics

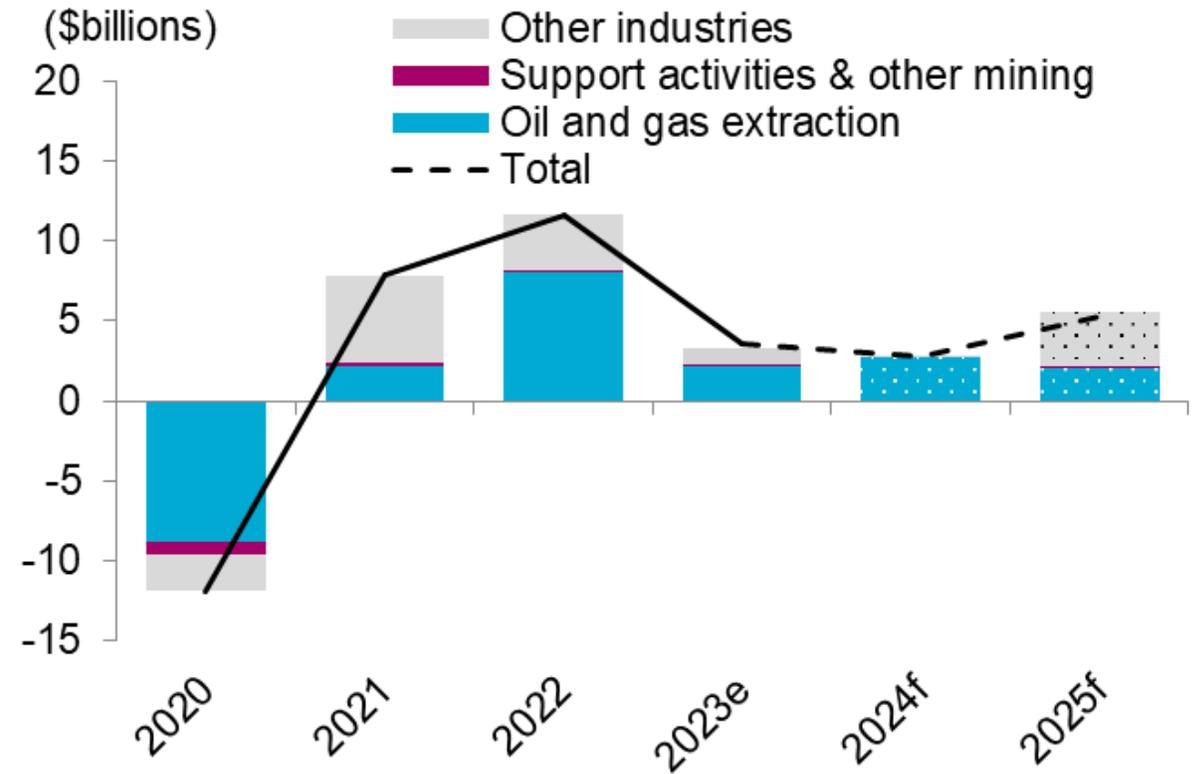


# Investment continues to diversify

Annual level of business investment



Annual change in business investment

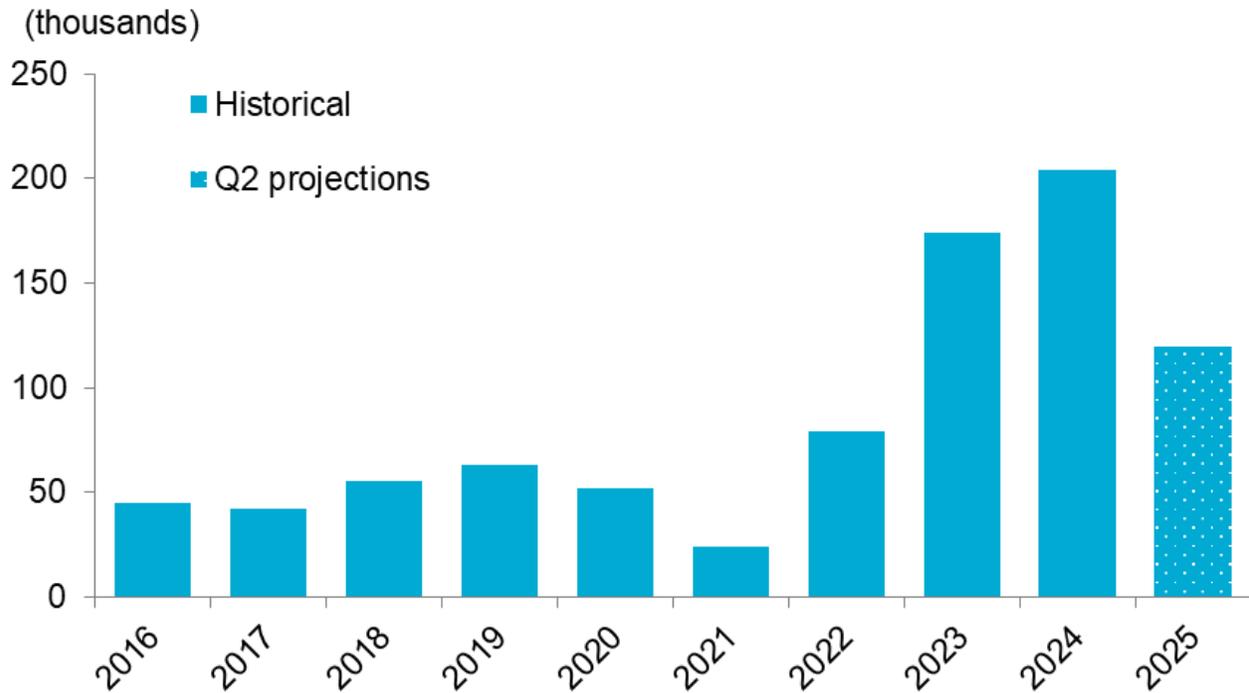


Sources: Statistics Canada and Alberta Treasury Board and Finance; e-estimate, f-forecast; 2024 and 2025 figures are Q2 forecast.

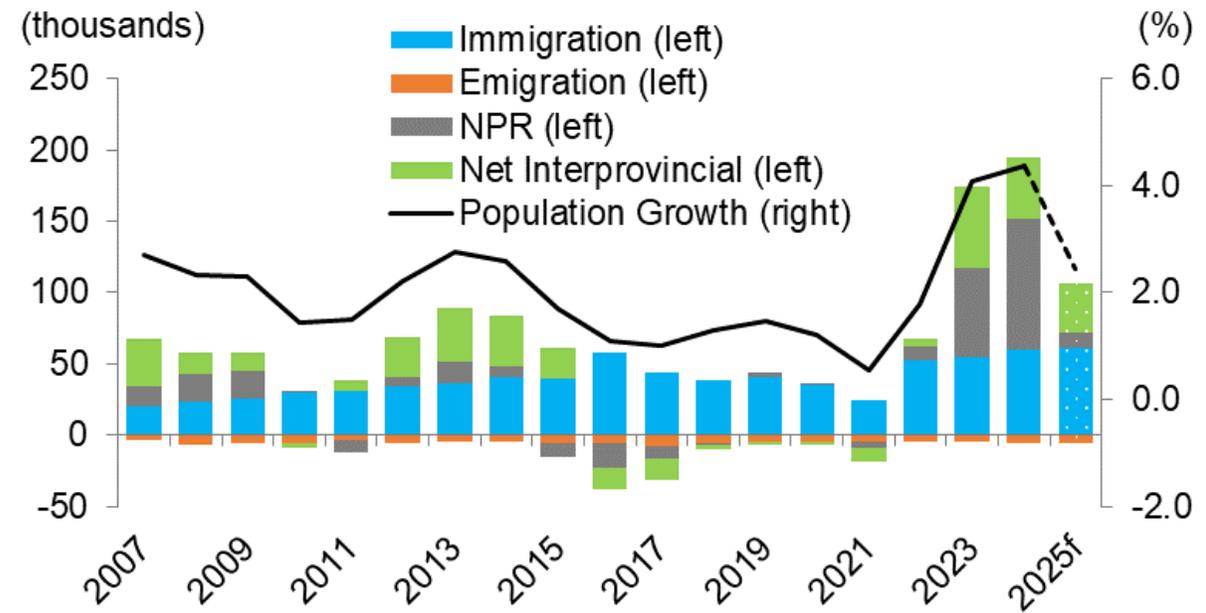


# Fed's immigration plan to weigh on Alberta's population growth in 2025

Annual change in population, historical and forecast\*



Annual change in the Alberta population by migration component\*

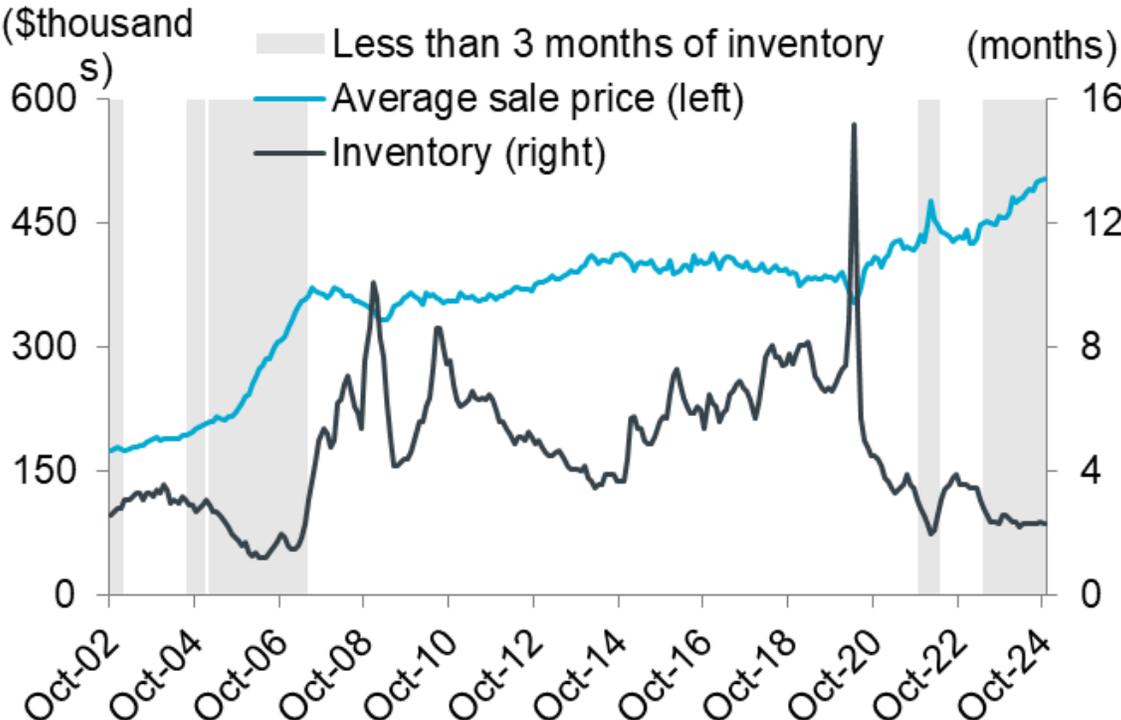


Sources: Statistics Canada, Haver Analytics and Alberta Treasury Board and Finance; f-forecast; \* census year basis



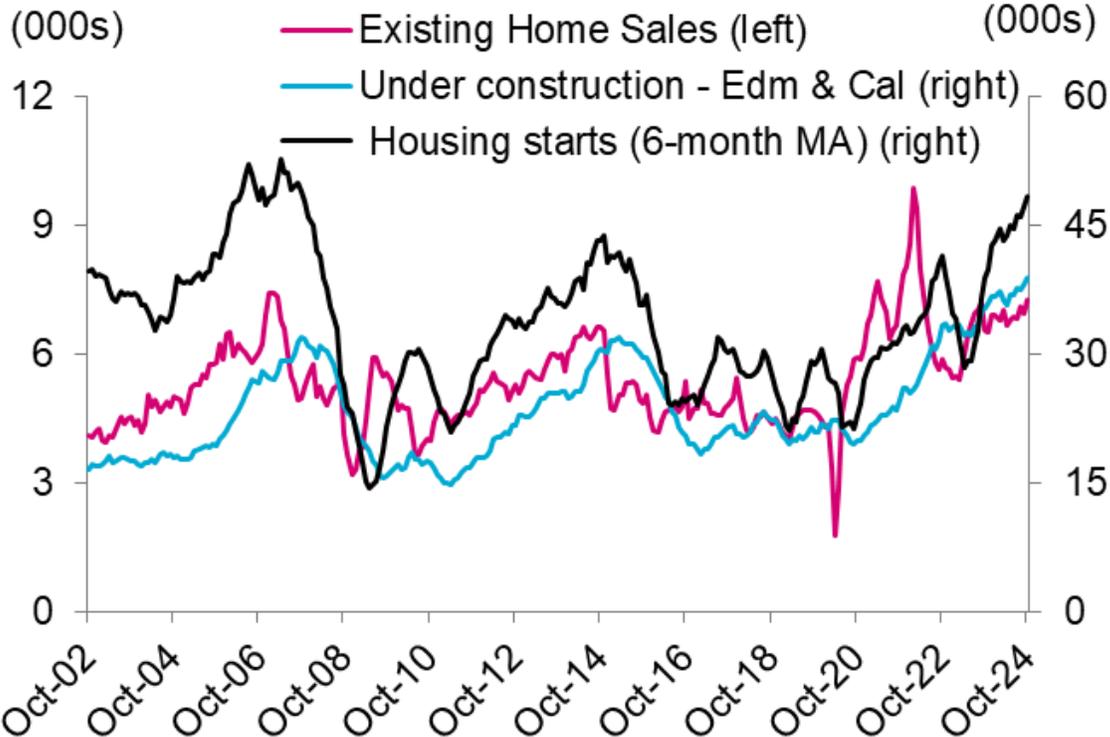
# Housing activity booming amid strong demand and low inventories

Average sale price and months of inventory, SA



Sources: Canadian Real Estate Association, Haver Analytics

Existing home sales, units under construction and housing starts

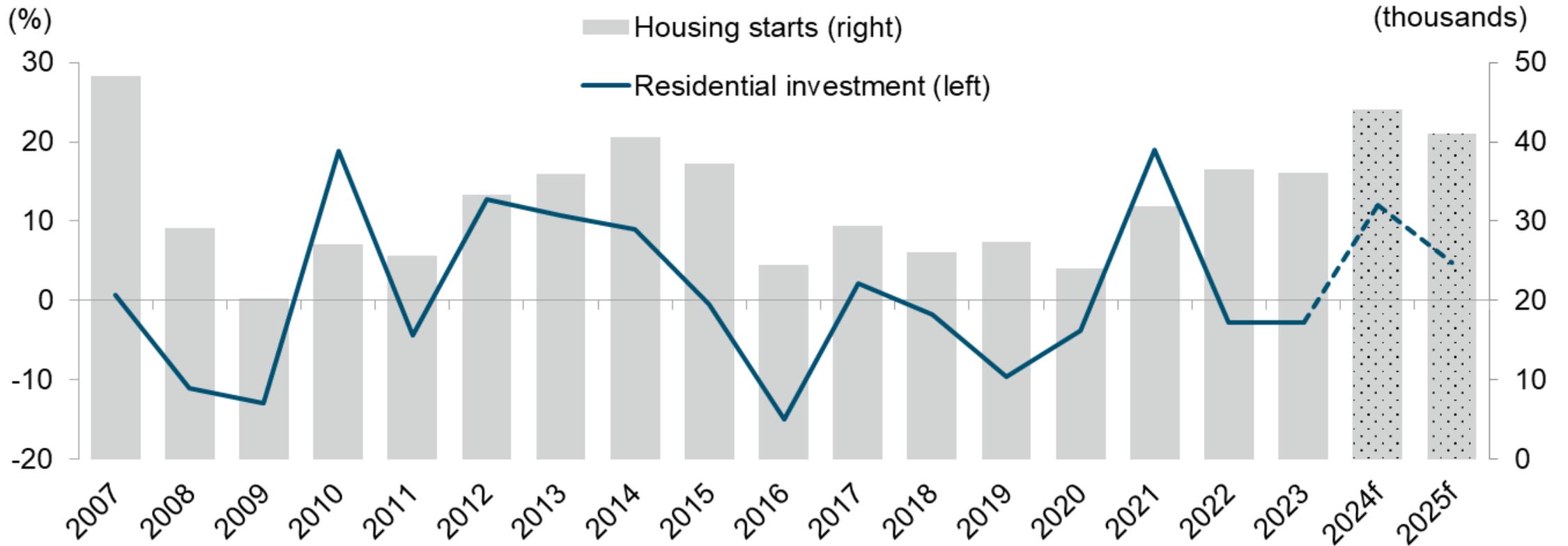


Sources: Canada Mortgage and Housing Corporation, Canadian Real Estate Association and Haver Analytics



# Residential activity to remain strong

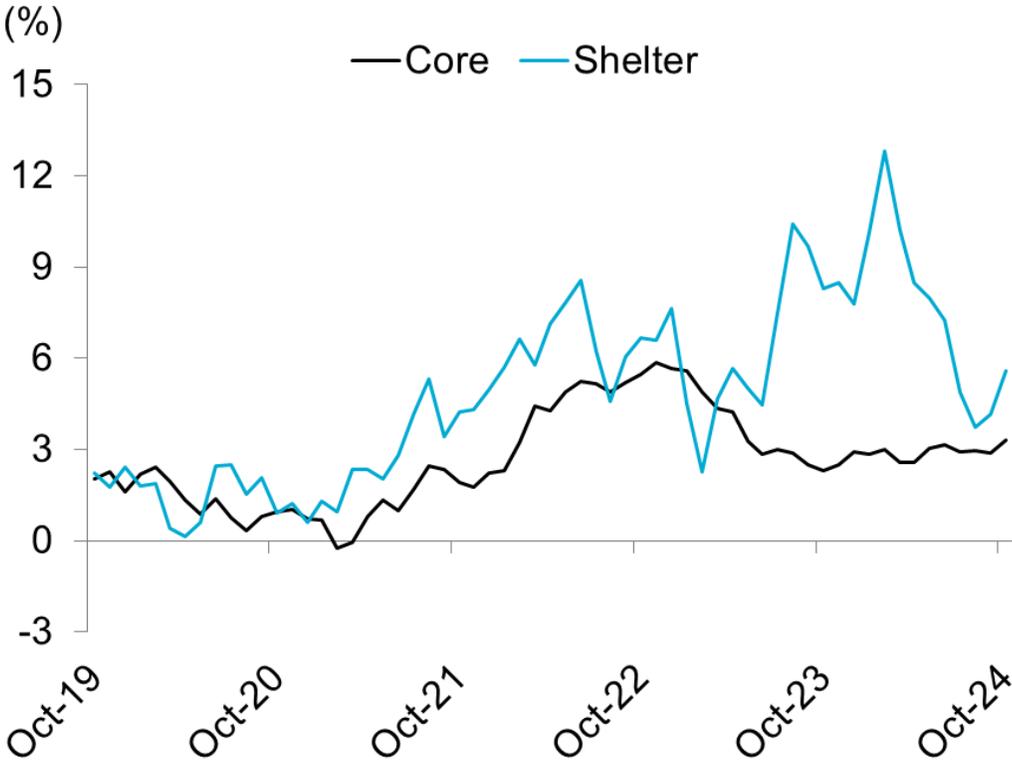
## Real residential construction forecast



Sources: Statistics Canada, Haver Analytics, Alberta Treasury Board & Finance; f-forecast

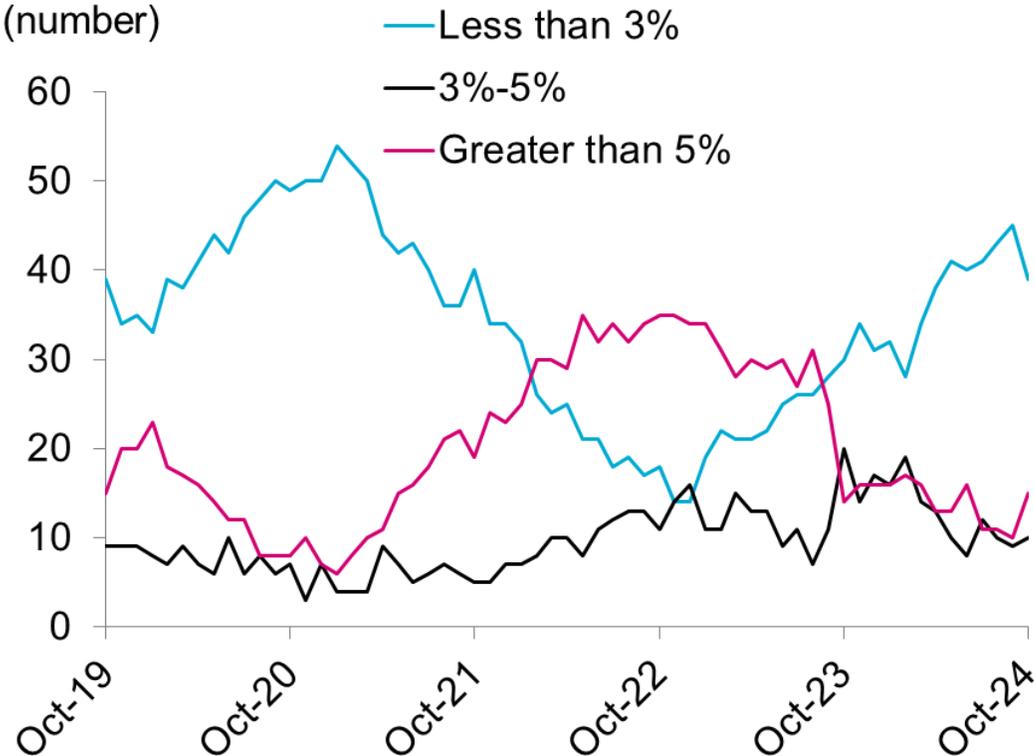
# Underlying inflationary pressures easing

### Annual rate of Inflation



Sources: Statistics Canada, Haver Analytics

### Number of CPI components by annual price growth

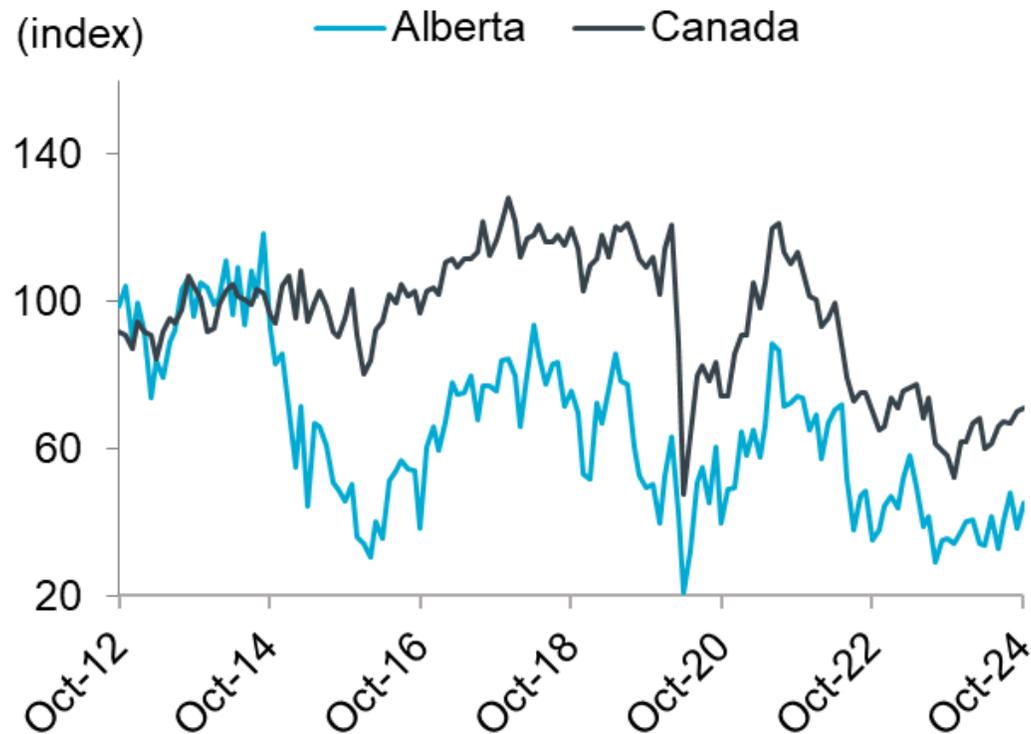


Sources: Statistics Canada, Alberta Treasury Board & Finance calculations



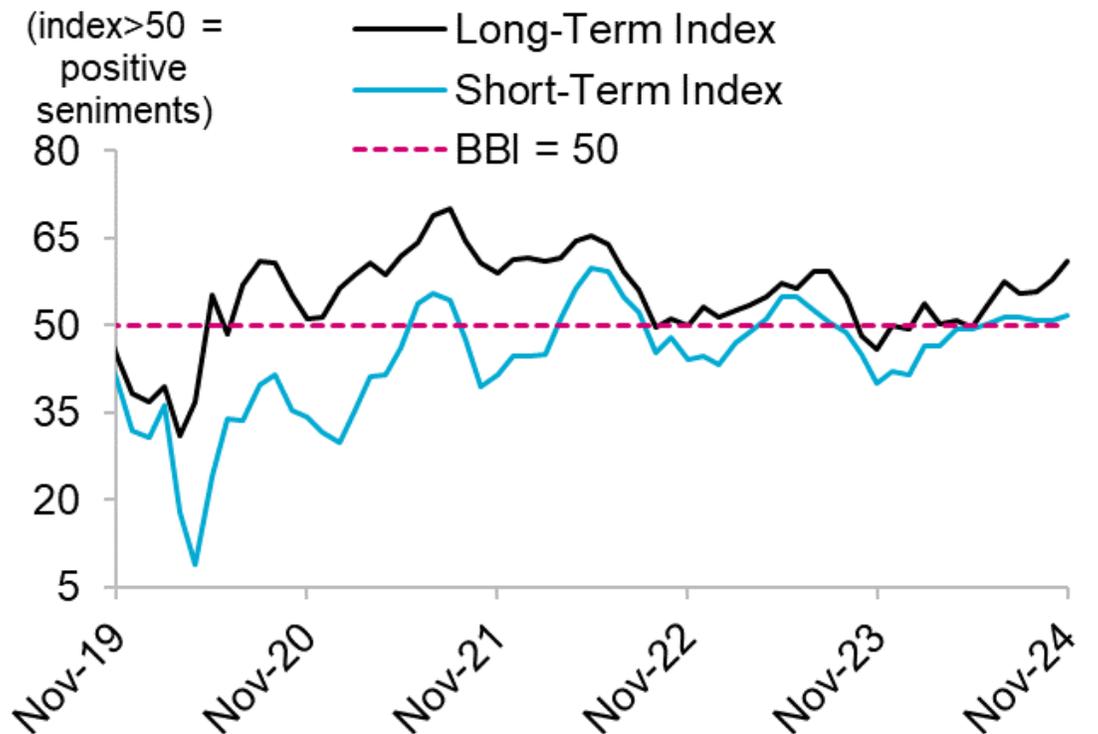
# Consumer and small business confidence moving up

Index of consumer confidence, 2014=100



Source: The Conference Board of Canada

Alberta Business Barometer Index

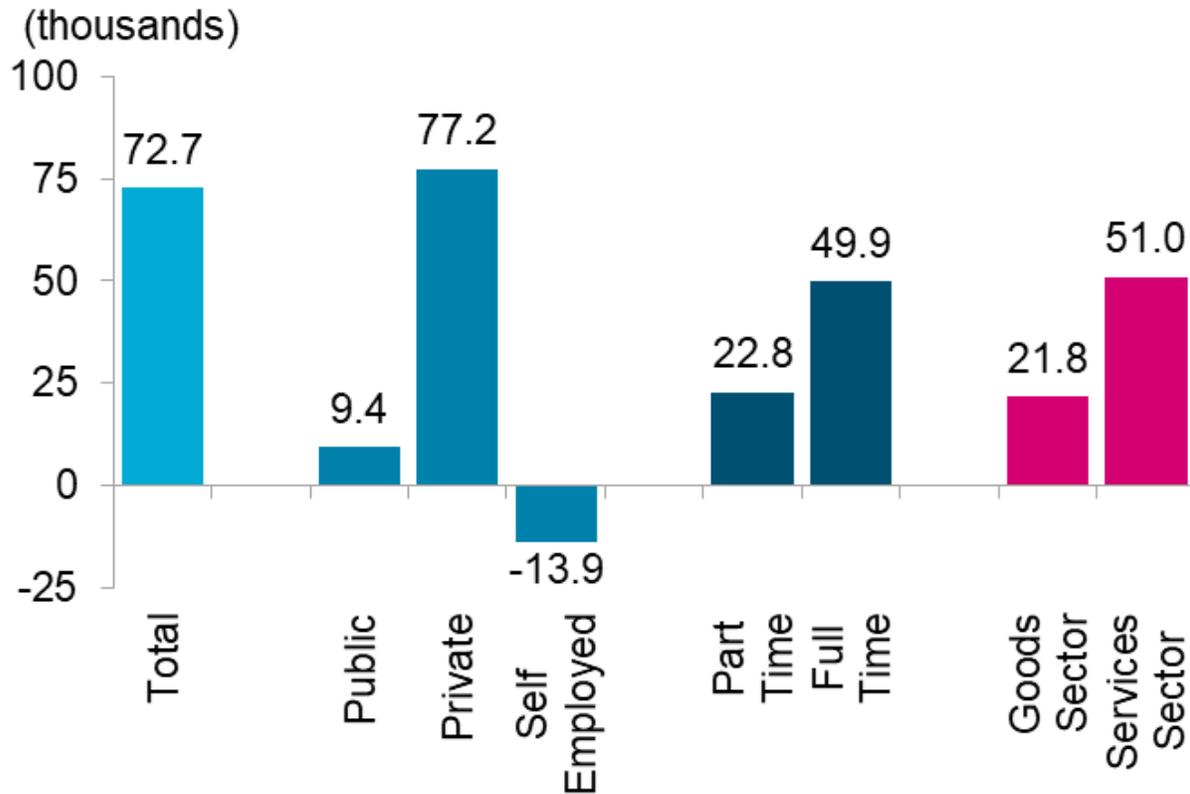


Source: Canadian Federation of Independent Business

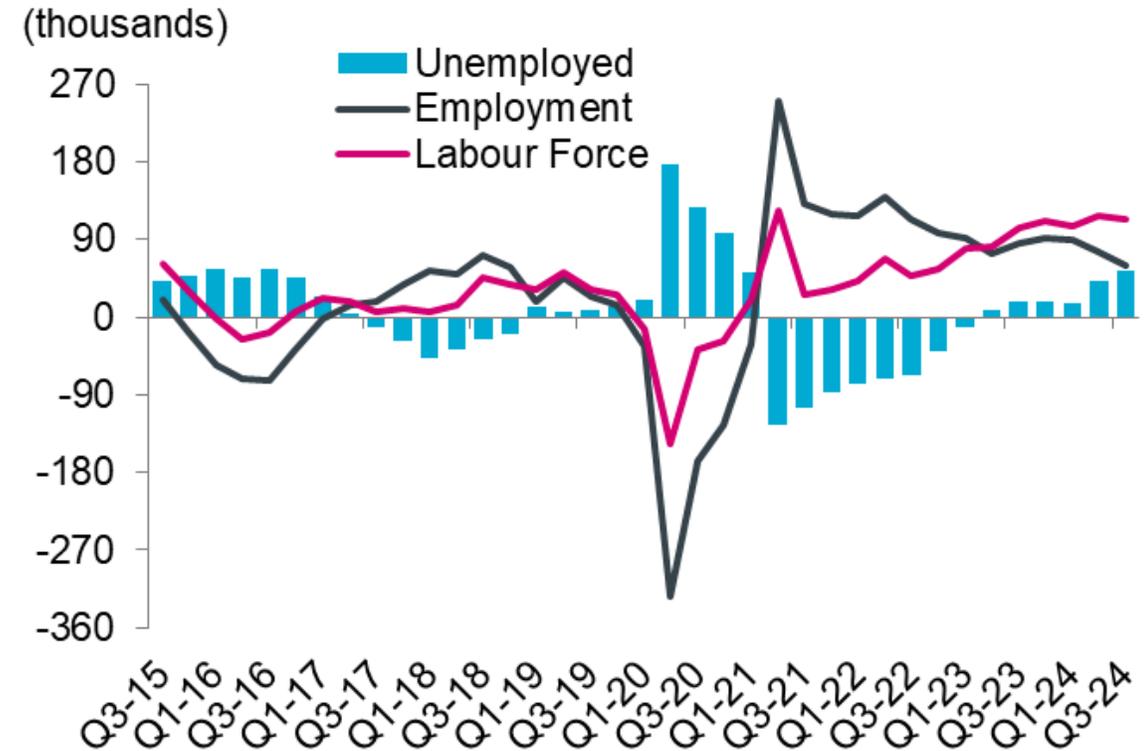


# Job gains strong but falling behind growth in labour force

Year-to-date employment change, Oct 2024



Annual level change in labour market indicator



Sources: Statistics Canada and Haver Analytics

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# Employment growth slowing as vacancies are being filled

Unemployment rate and job vacancy rate in Alberta (last 10 years)



Sources: Statistics Canada, Haver Analytics

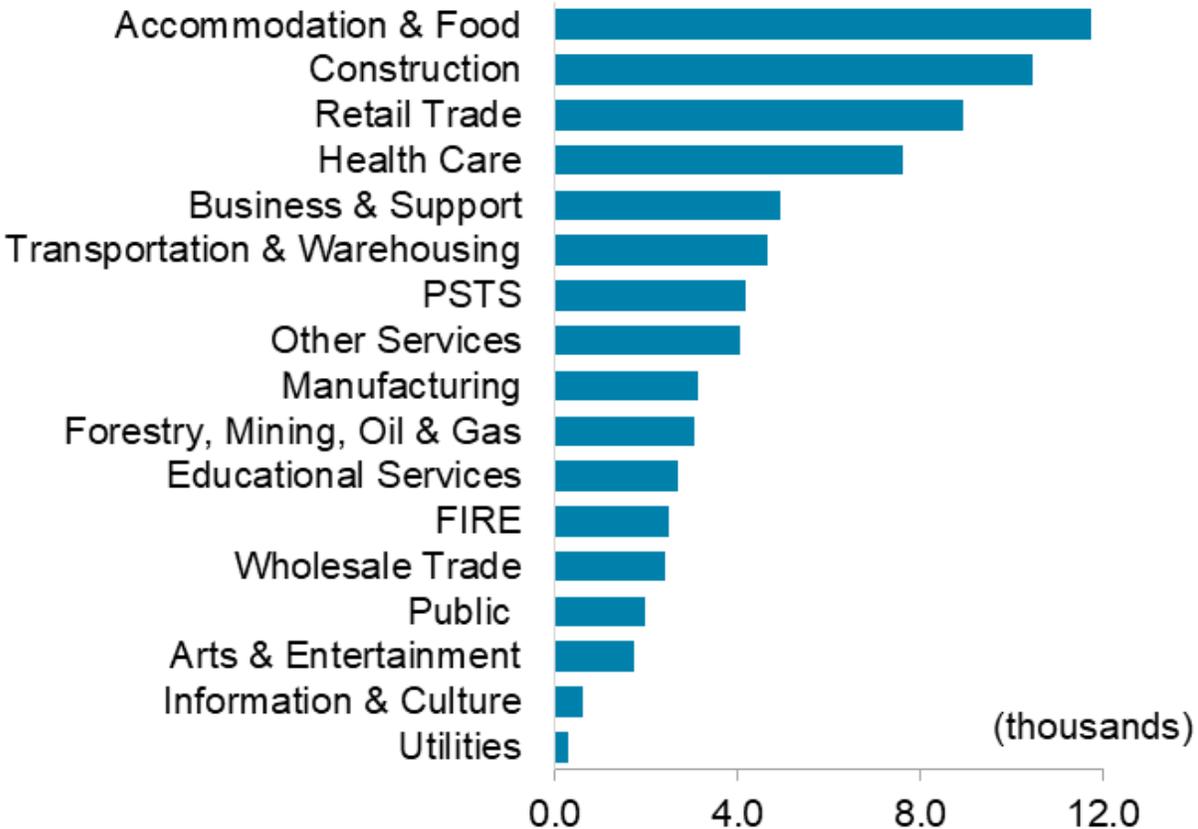
Job vacancy and job finding rate, 3-month moving average



Sources: Statistics Canada, Haver Analytics

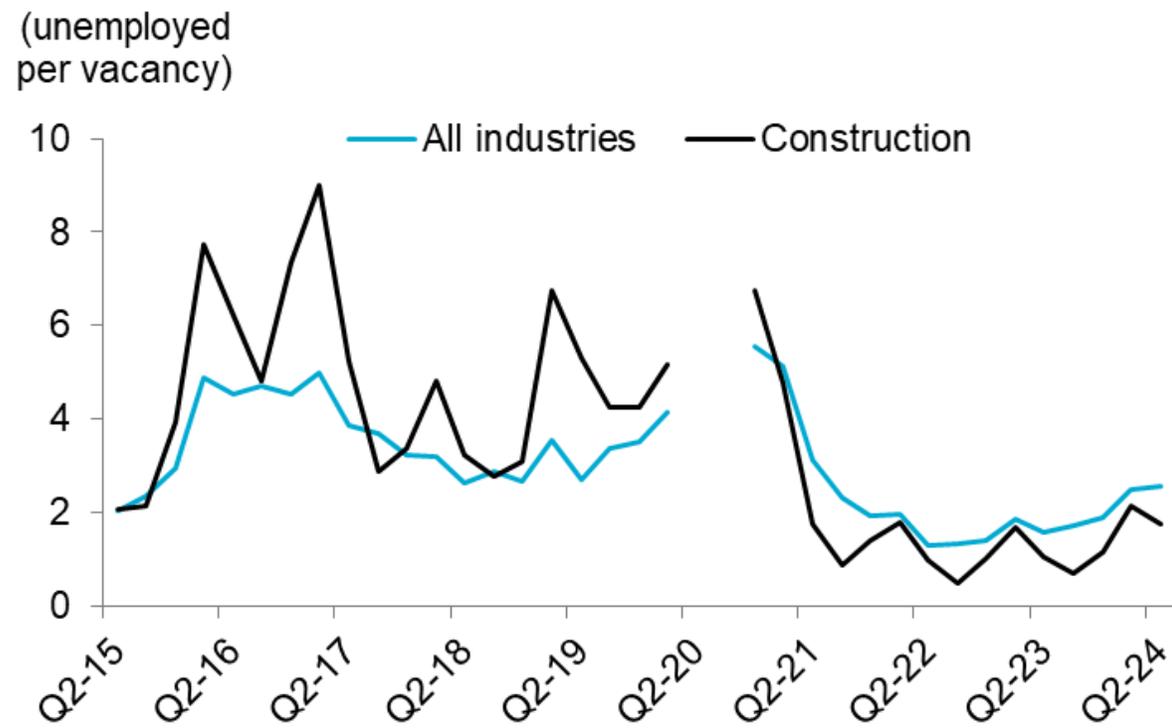
# Construction labour market tighter than rest

Job vacancies by industry, Q2-2024



Source: Statistics Canada and Haver Analytics

Unemployed per vacant position

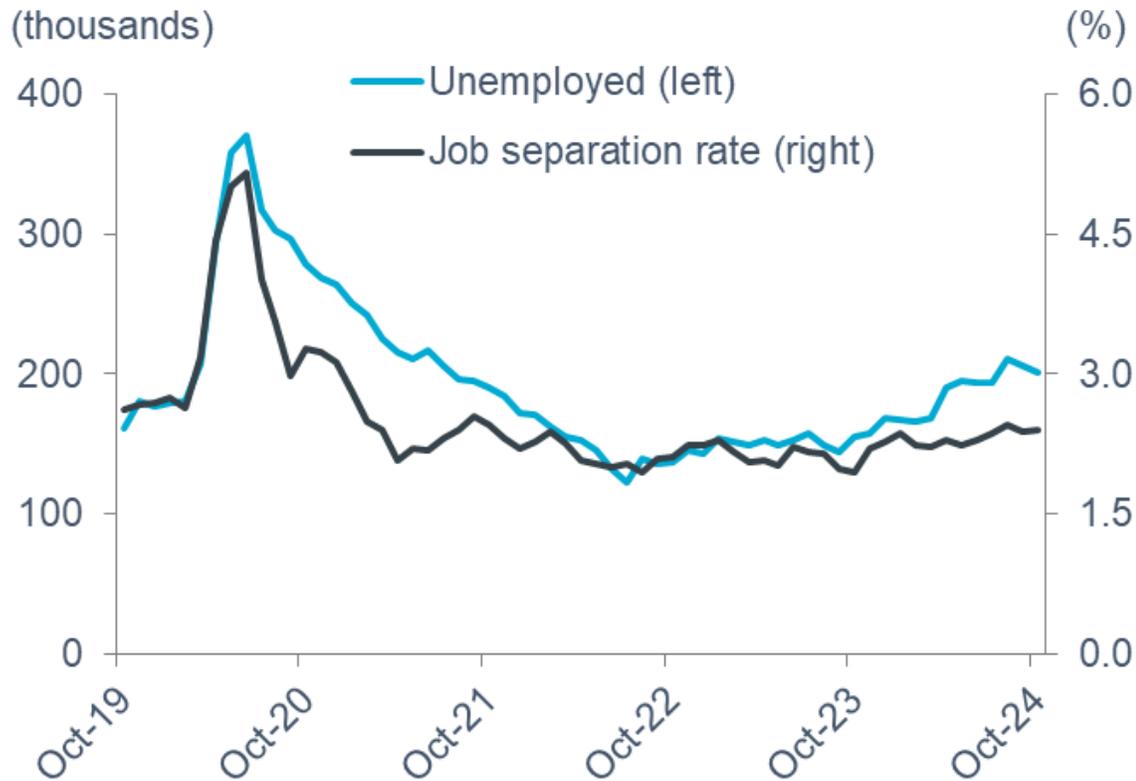


Sources: Statistics Canada, Alberta Treasury Board & Finance calculations



# Layoffs remain muted

The number of unemployed and the 3-month moving average job separation rate



Sources: Statistics Canada, Haver Analytics

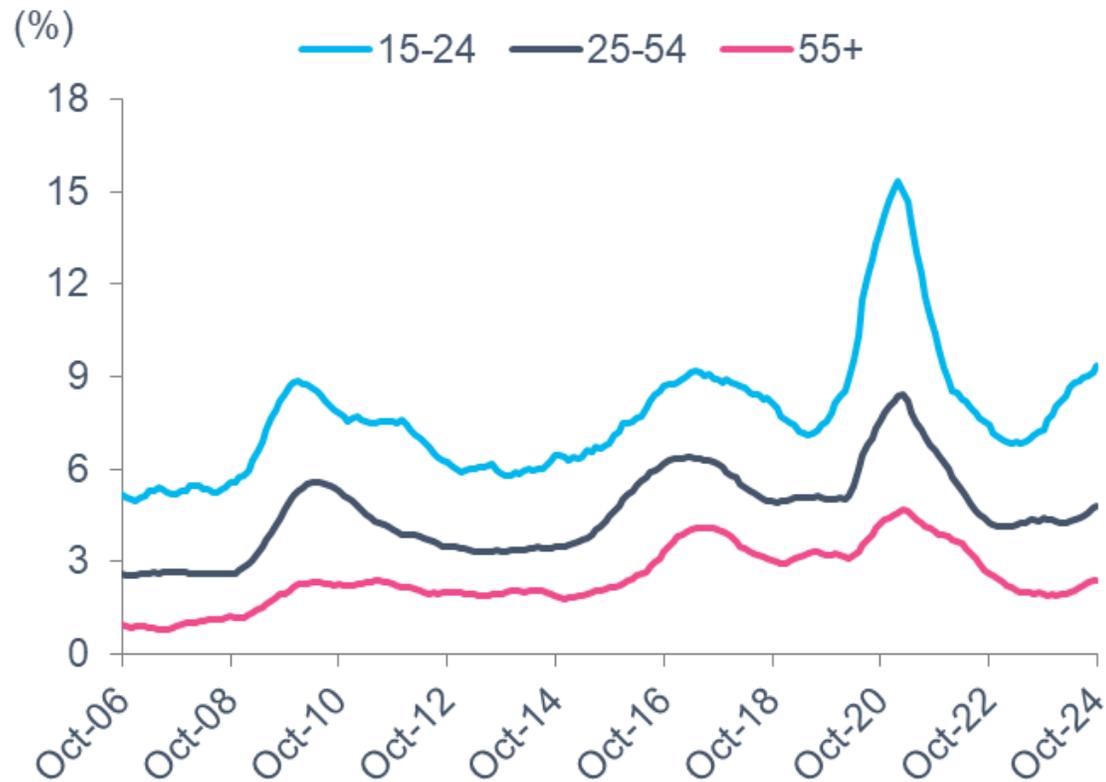
Contribution to the unemployment rate



Sources: Statistics Canada, Haver Analytics

# Disproportionate increase in unemployment among youth and newcomers

Percent of age cohort unemployed



Sources: Statistics Canada, Haver Analytics

Unadjusted 3-mth MA\* of unemployment rates by immigrant status, aged 24 to 54

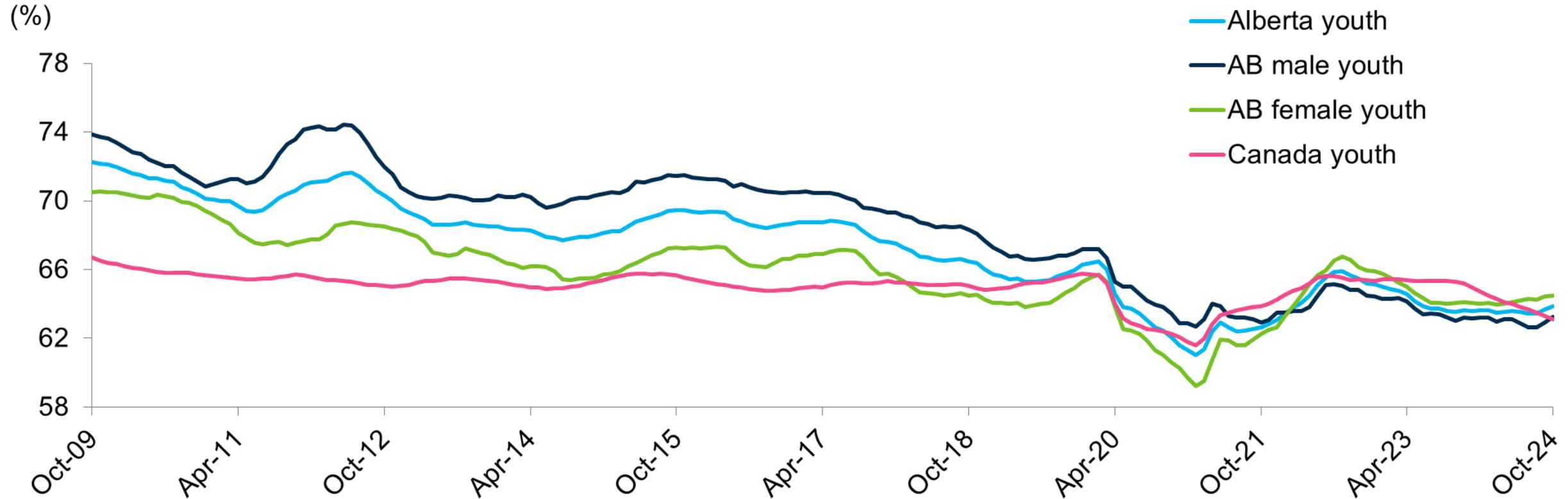


Sources: Statistics Canada, Haver Analytics; MA – moving average



# Youth part rate converges to national average

Participation rate by gender, 12-month moving average, Alberta and Canada

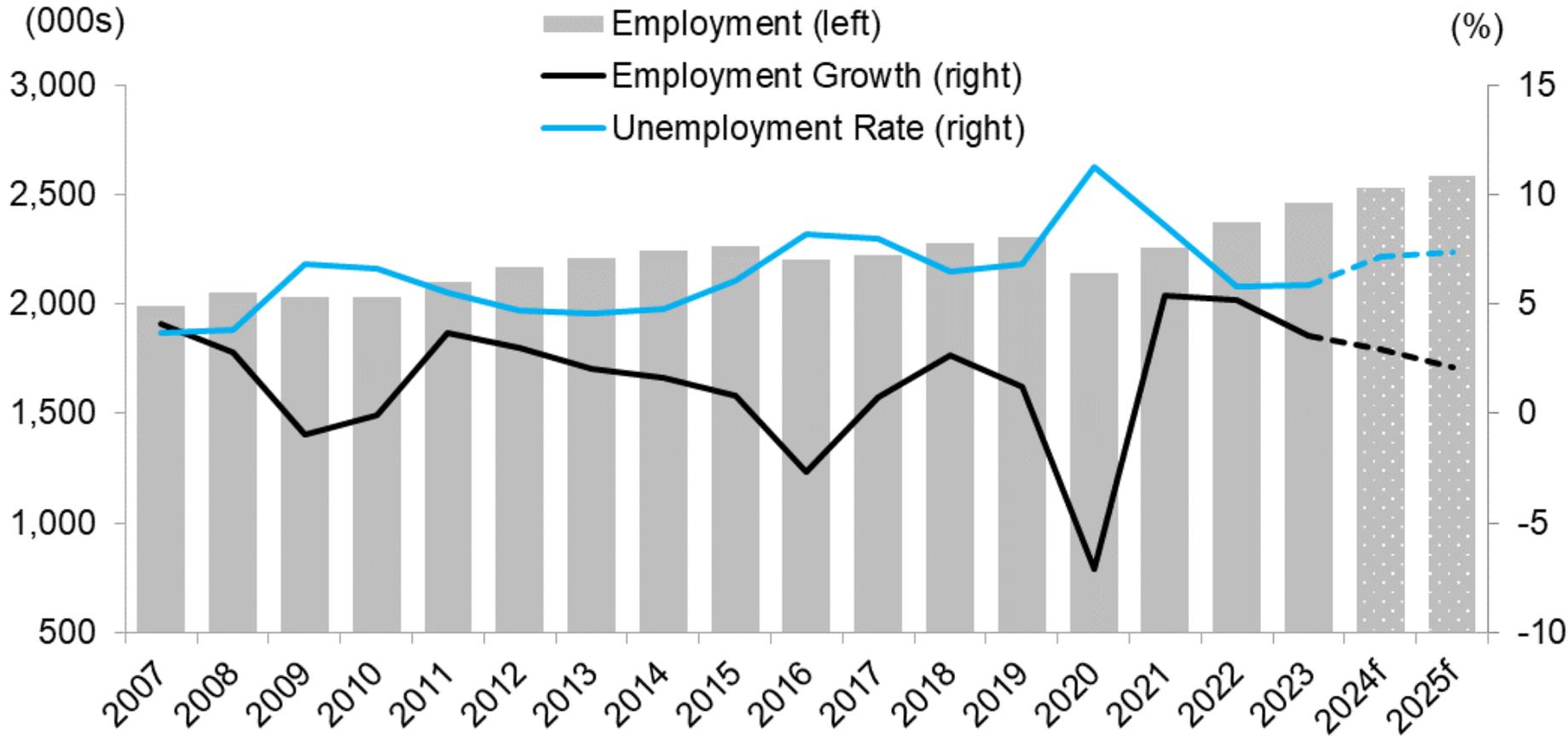


Sources: Statistics Canada, Haver Analytics



# Slower population growth to help with gradual rebalancing of labour market

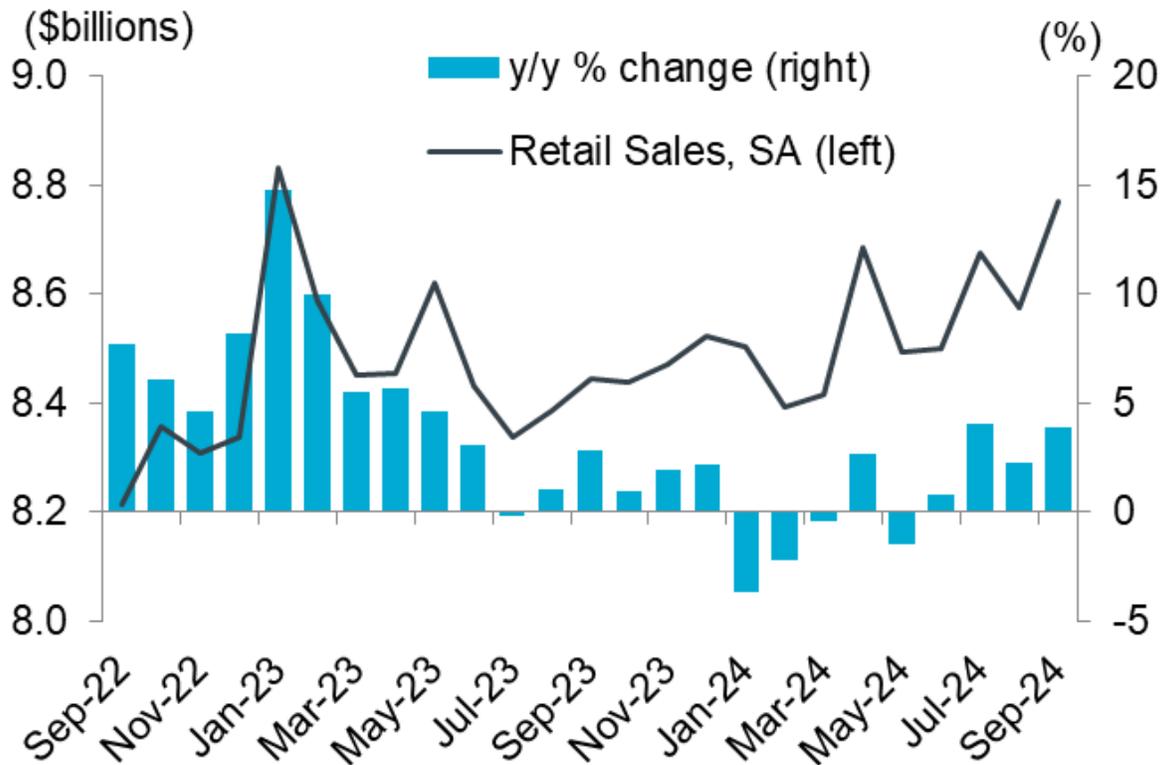
## Labour market indicators



Sources: Statistics Canada, Haver Analytics and Alberta Treasury Board and Finance; f-forecast;

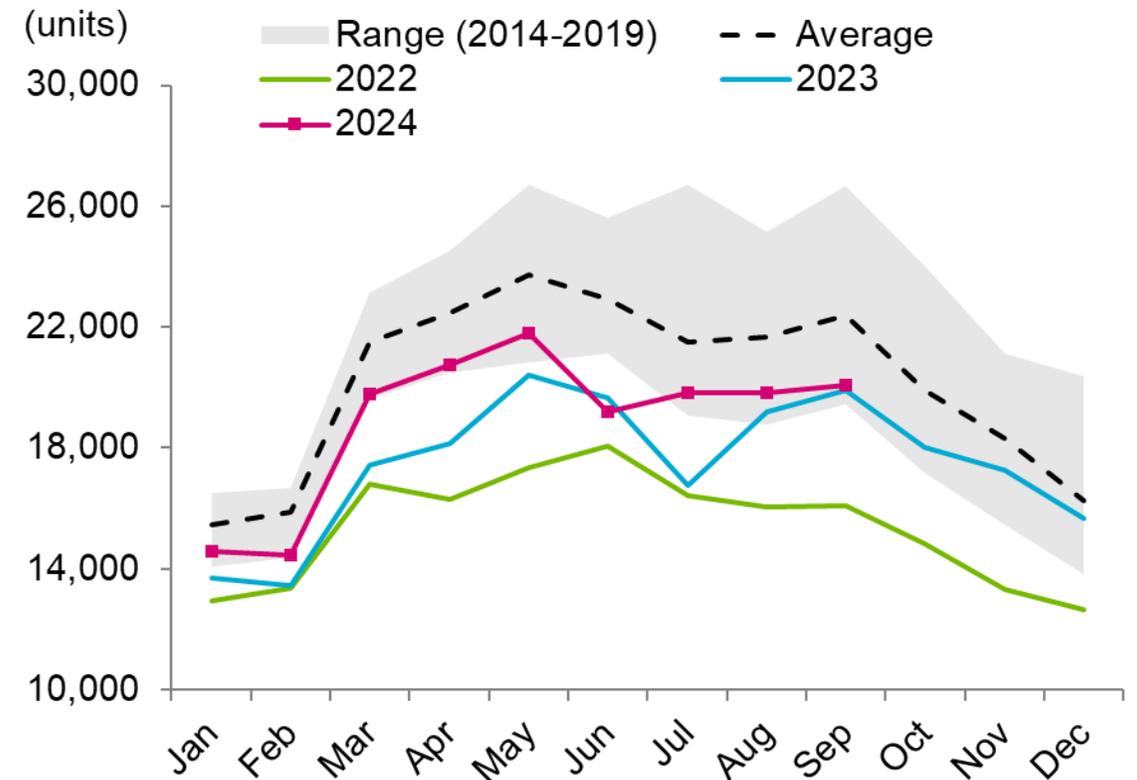
# Consumers pulling back on discretionary spending

Level and annual growth in retail sales



Sources: Statistics Canada, Haver Analytics

Alberta new vehicle sales by month (NSA)

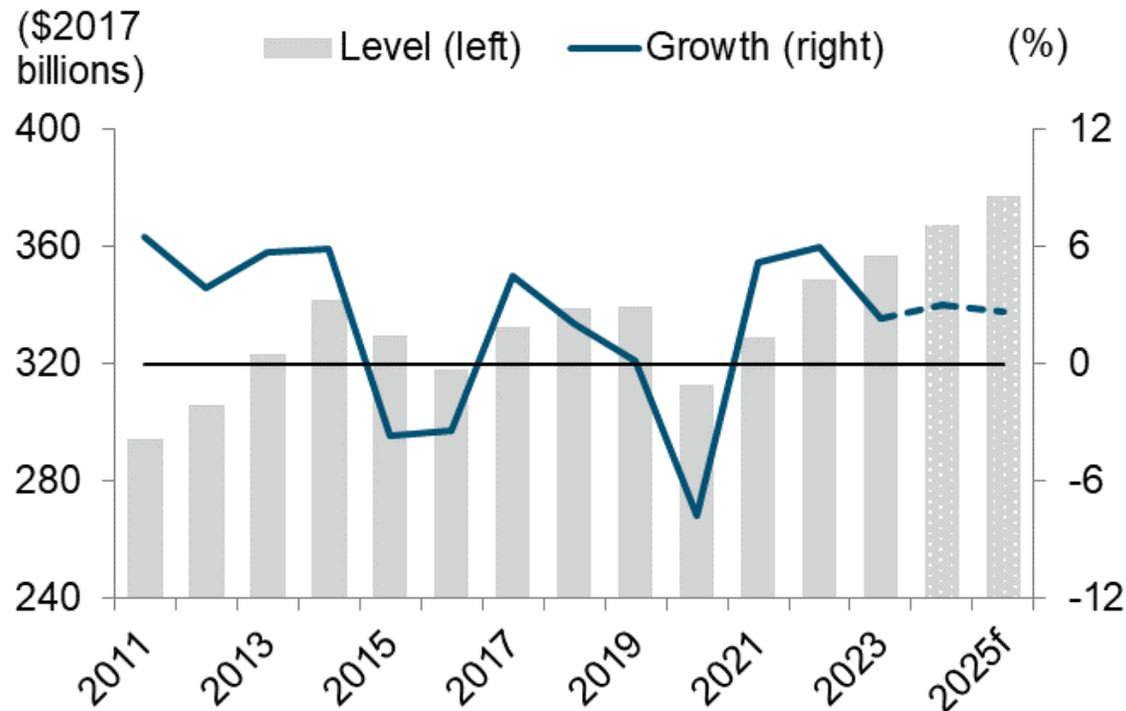


Sources: Statistics Canada, Haver Analytics



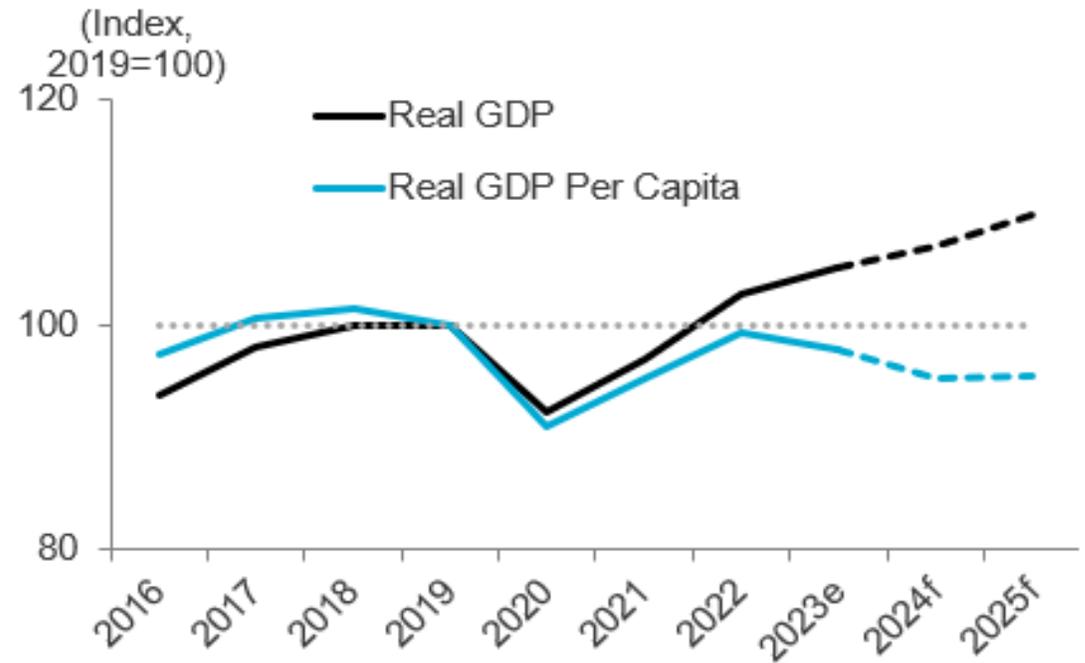
# GDP per capita falling behind despite solid headline growth

Alberta's real GDP, actual and forecast



Sources: Statistics Canada, Haver Analytics, Alberta Treasury Board & Finance; f-forecast

Alberta real GDP and real GDP per capita



Sources: Statistics Canada, Haver Analytics, Alberta Treasury Board & Finance; f-forecast



# Thank you!

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