



Environmental Scan

Alberta

2019



Once a year, Service Canada develops Economic/Environmental Scans (E-Scan) that provide a general overview of demographic, economic and labour market conditions and trends. E-scans will be of interest to those who seek to know more about the state of a provincial or regional economy and labour market. Facts and statistics presented in this document reflect information available as of April 2019.

HIGHLIGHTS

**Slower
economic
growth
2018-2020**

**Petrochemical
industry set
for long
term
expansion**

**Oil
production
capacity at
all-time high**

**Pipeline
woes weigh
heavily on oil
& gas**

- 2018 started off well, as Alberta's recovery from the oil-price induced recession of 2015-16 seemed set to continue. However, as the year progressed, business confidence sagged. A perfect storm of pipeline constraints, refinery closures, and falling world oil prices led to a calamitous Q4-2018 for the energy sector.
- Oil production, which expanded sharply in 2017, jumped again in 2018, as Suncor's huge new Fort Hills oilsands mine ramped up to full capacity months ahead of schedule. As a result, 2018 was officially the year that oil production in Alberta exceeded pipeline take away capacity.
- Farmers experienced a difficult year in 2018, with employment falling by 4.5%. While job losses came primarily in animal production, crop production also suffered on the year. Farm income fell 68% in 2018, accounting for one-third of total losses Canada-wide.

- Economic growth slowed over the course of 2018, while still coming in at 2.3% for the year. Despite two years of expansion, Alberta’s economy is still slightly smaller than it was in 2014. Real GDP growth is widely expected to be around 1.0% in 2019.

ECONOMIC CONTEXT

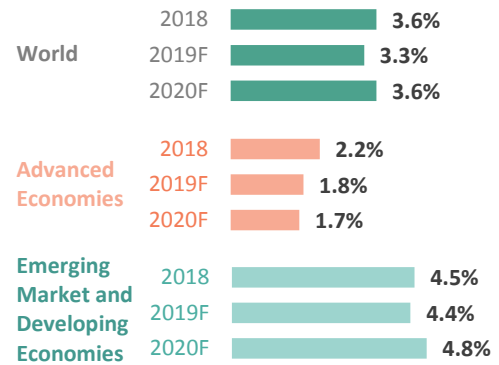
Global Outlook: Slowing down amid uncertainties

After a widespread cyclical upswing that lasted almost two years, global economic expansion slowed in the second half of 2018. Escalating trade tensions leading to lower business confidence, weaker than expected momentum in the euro area, tighter credit policies in China, and the normalization of monetary policy in major advanced economies contributed to the slowdown. Weakened global growth is expected to persist partway through 2019 with considerable uncertainties in the short-term.

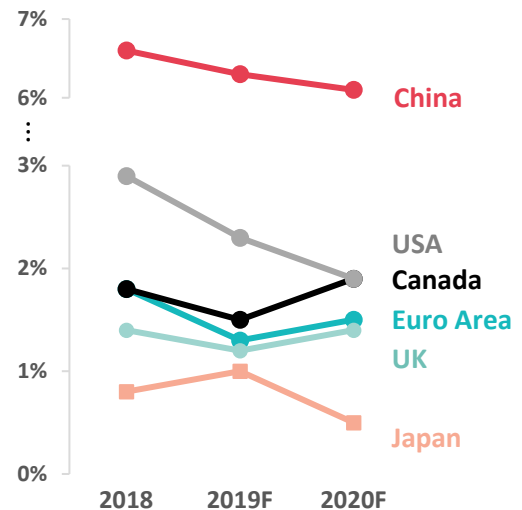
The International Monetary Fund estimates that about two-thirds of the expected deceleration in this year’s global growth will be due to a slowdown in advanced economies.¹ While the US remained robust last year with a tight labour market and strong consumption growth, business investment has softened. The temporary boost from US fiscal stimulus, domestically and on its trading partners, is set to wane. In the Euro area, rising concerns of a no-deal Brexit are weighing on investment spending. Nonetheless, global growth is anticipated to improve in the latter part of 2019 and into 2020.² Many of the world’s major central banks are increasingly leaning towards a more accommodative stance and conditions in stressed emerging market economies are gradually stabilizing. Furthermore, China has been ramping up its fiscal and monetary stimulus to offset the negative impact from trade tariffs.

Difficulties in settling controversial issues, such as the US-China trade dispute, pose downside risks to the outlook. Other issues include Brexit negotiations, disagreements within the EU over the Italian budget, and Mexico’s new policy direction following a change in administration. On the upside, a resolution of trade tensions could lead to a bounce back in business confidence and strengthen investor sentiment.

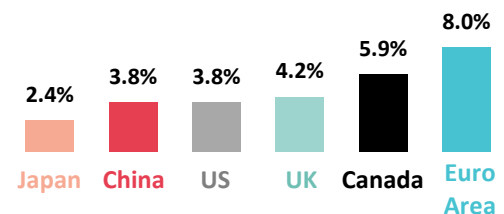
Economic Outlook Projections



Projected Real GDP Growth



Projected Unemployment Rates in 2019



Source: International Monetary Fund
World Economic Outlook April 2019

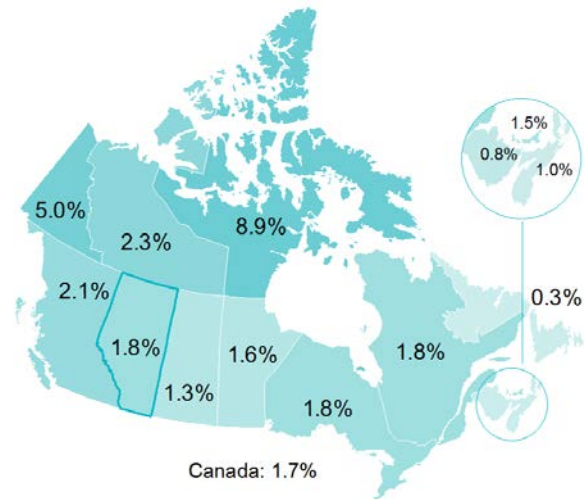
National Overview: Rosier times ahead

In tune with global growth, Canada’s economy expanded in 2017 and the first half of 2018 before weakening in the latter half of the year. Rising US trade protectionism, challenges in the oil sector, and falling global and domestic demand have weighed on investment spending. Consumer consumption also slowed as debt growth continued to outpace incomes. Real GDP in Canada is expected to slow to 1.4% growth this year, with some economic weakness lingering from late 2018, before picking up throughout the year and expanding by 2.0% in 2020.³

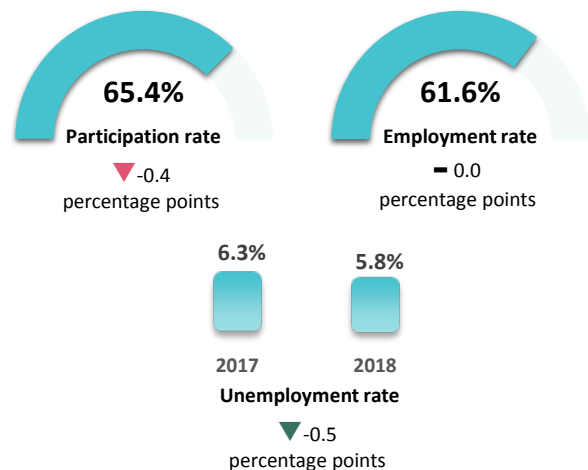
In the first quarter of 2019, the Conference Board of Canada’s Index of Business Confidence dropped to a three-year low of 84.3.⁴ Although a new trade deal with the US and Mexico was reached last year, the agreement has yet to be ratified; however, this could come easier now that steel and aluminum tariffs have been revoked. US duties on Canadian softwood lumber combined with falling lumber prices and log shortages have resulted in curbed production and sawmill closures. The energy sector continues to face significant transportation constraints. Alberta’s oil production cuts have lifted the price of Canadian oil from the record lows last year, but the one-year delay in Enbridge’s Line 3 replacement brings new uncertainties on project timelines and investment decisions. Nonetheless, investment spending in Canada’s energy sector is expected to rebound in 2020, driven by the development of major projects including LNG Canada in British Columbia. The newly elected Alberta government also has plans to reduce business taxes from 12% to 8% gradually over the next four years to attract new investment.

Outside of the energy sector, firms, especially those in service-oriented sectors, have improved outlooks with intentions to increase capital spending and add workers to meet sustained demand.⁵ Accelerated depreciation measures introduced in the federal government’s 2018 Fall Economic Statement have likely contributed to the higher spending intentions. Meanwhile, residential investment is anticipated to soften as the housing market continues to cool, following government measures aimed at cooling demand as well as five interest rate hikes by the Bank of Canada since mid-2017.

GDP forecasts for Canada: 2018–2020 3-year average annual growth rates



Sources: Canada and the Territories: Conference Board of Canada
Provinces: Average of the 'Big 5' Chartered Banks



Source: Statistics Canada Labour Force Survey

Households are starting to feel the pinch from higher interest rates, especially as they owe a record \$1.79 for every dollar of disposable income.⁶ However, Canada’s low unemployment rate⁷ and high job vacancy rate⁸ show that tight labour market conditions persist, providing upward pressure on wages⁹ that could ease the burden somewhat for indebted households. Growth in real personal disposable income is forecast to outpace inflation growth in the near term, resulting in a gain to real incomes.¹⁰ Moreover, Canada added 222,000 jobs between January and April this year, the largest share of total employment for this four-month period since 2002, with most of the gains in full-time positions.¹¹ The strong job market along with the growth in income will likely support consumer activity in the coming months.

Alberta Outlook

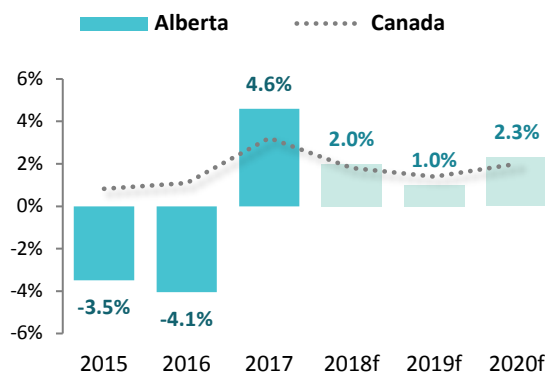
In some respects, 2018 was a good year for Alberta’s economy, with real Gross Domestic Product (GDP) expanding by 2.3%.¹² Oil production expanded sharply, up almost 10% on the year. With oil and gas exports accounting for more than 60% of the total, the overall value of Alberta’s international exports soared.¹³

In the job market, employment increased by 1.9% in 2018, almost double the increase seen the previous year. (Canada-wide, employment increased by 1.3% in 2018.) However, while 2018 started out well for Alberta, momentum began to shift midyear. In Q4-2018, both employment and the labour force contracted two out of three months – and the economy entered 2019 under a cloud.

Arguably, the biggest reason for that cloud is the absence of any new pipeline takeaway capacity to allow for further development of the oilsands. This is not for a lack of trying. Producers and government alike had been counting on Enbridge’s Line 3 replacement project effectively adding 400,000 barrels per day in export capacity later this year. Currently that project is stalled in Minnesota, with completion now expected in the second half of 2020.

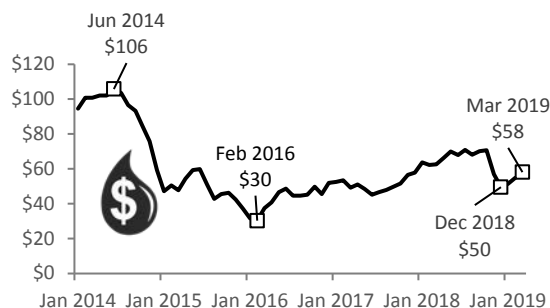
Investments in Alberta’s resource extraction industries, which totalled \$61 billion in 2014, have been less than half that for the past three years. Estimates for 2019 (\$27 billion) are the lowest since 2009.¹⁴ Despite the recession and its aftermath, years of rapid growth prior to mid-2014 mean that Alberta remains a wealthy province. For example, despite the sharp decline in recent years, overall capital investment in Alberta ranked second among all provinces in 2018 and led the country on a per capita basis.¹⁵

GDP forecast



Sources: 2015-2017 Statistics Canada Tables 36-10-0434-01, 36-10-0402-01; 2018-2020F: Canada: Conference Board of Canada; Provinces: Average of the 'Big 5' Chartered Banks

West Texas Intermediate crude oil price (\$USD)



Source: US Energy Information Administration, West Texas Intermediate (WTI) Spot

The slowdown during 2018 could also be seen in the very weak expansion of the labour force – i.e. the number of people either working or looking for work. At 0.5%, this was well below the 10-year average for Alberta (+1.6%) and the lowest rate since 2010. While population growth accelerated in 2018, and may continue to exceed the national average in 2019, labour force growth is off to a poor start this year: -0.3% in Q1-2019 over Q4-2018).¹⁶

Housing starts are unlikely to increase in 2019. While home prices and sales held up remarkably well throughout the recession, there are widespread signs of overbuilding, as inventories of new and unsold properties remain high.¹⁷ Moreover, demand for new homes is now being held back by multiple factors, such as tighter mortgage rules, higher interest rates, and slimmer gains in employment income.

Trade

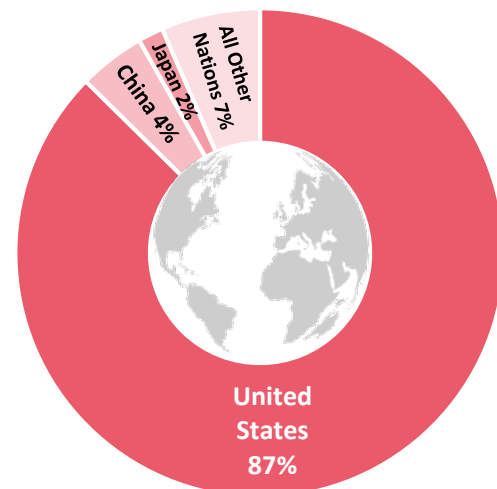
In 2018, exports from Alberta travelled the globe. Regardless, almost 90% of provincial exports were bound for a single country – the United States. Alberta's second and third largest export markets (China and Japan), accounted for just 6% of the total between them. As a point of reference, shipments to the U.S. represented 75% of Canadian exports nationwide last year.¹⁸

Perhaps not surprisingly, crude oil, natural gas, and petroleum products accounted for two-thirds of Alberta's exports by value. The destination for virtually all these energy products, worth over \$82 billion in 2018, was the United States. This lack of market diversity for such a dominant product line has been a long-standing concern in Alberta, hence the on-going push for pipeline access to Canada's west coast.

At the time of writing, the federally-owned Trans Mountain pipeline expansion project remains in limbo. Nevertheless, the upsizing of the pipeline will almost certainly proceed eventually. Even so, it may not radically change Alberta's pattern of crude exports, as diluted bitumen has been shipped to the U.S. west coast from Burnaby's Westridge Marine Terminal for roughly 30 years.

While much of Trans Mountain's increased throughput, when operational, could continue to be U.S.-bound, China did import a record \$400 million worth of crude from Alberta in 2018, via several U.S. ports – and Burnaby's. Still, most of those shipments were in very late 2018 when the price of Alberta crude was extremely low. Since the introduction of curtailment in January, the price of Alberta's crude has more than doubled, and shipments to China have stopped completely.¹⁹

Alberta exported \$117.1B worth of goods to 199 countries in 2018. The US remains Alberta's largest market followed distantly by China and Japan.



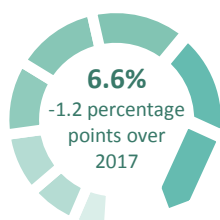
Source: Industry Canada Trade Data Online, accessed March 11, 2019

Agricultural products and manufactured foodstuffs are also major Alberta exports. International shipments of canola seed and wheat, the province's most valuable crops, amounted to \$4.0 billion in 2018, with China and Japan the destinations for about 40% of the total. Meat exports were valued at \$2.5 billion on the year, with 60% of those heading south to the U.S.

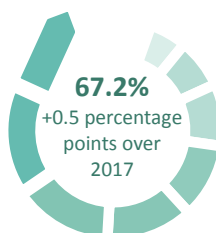
Trade tensions with China have come to the fore, year to date in 2019. China has blocked canola seed shipments from Canada so far this year, citing deficiencies unreported by other buyers. Now soybeans, peas, and pork shipments appear to be facing similar non-tariff trade barriers.²⁰ These developments do not bode well for Alberta's export earnings this year. [See exports table.](#)

Labour Market Conditions

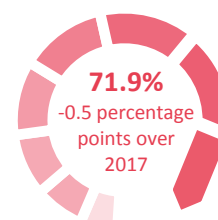
Unemployment rate declined in 2018



Employment rate increased in 2018



Participation rate declined in 2018



Source: Statistics Canada Labour Force Survey
See [Definitions](#) for Participation, Employment and Unemployment

Alberta's labour market improved unevenly in 2018, following a relatively promising 2017. On the one hand, employment expanded by a healthy 1.9%. At the same time the labour force – that is, the number of people either working or looking for work – hardly increased at all. At 0.5%, labour force growth was the lowest since 2010 and far below the provincial ten-year average (+1.6%). Year to date, the trend is continuing: in the first quarter of 2019, Alberta's labour force declined by 0.3% compared to Q4 of last year.²¹

On the personal income front, average weekly earnings increased 1.7% in 2018, a definite improvement after gaining just 1.0% the previous year. However, the uptick in 2018 trailed both the increase seen Canada-wide (+2.6%), and the rate of provincial inflation (+3.3 percentage points).²² Nonetheless, at \$1,148 per week, average earnings in Alberta remain the highest among provinces.²³

Full-time employment was up 50,800, accounting for all job gains on the year. Accordingly, the number of people working part-time declined (-1.7%). Turning to category of worker, job growth occurred across the board: private sector employment (+1.3%); public sector employment (+1.2%); and among the self-employed (+5.0%).²⁴

Unemployment in Alberta retreated for a second consecutive year in 2018, declining by about 30,000. The province's unemployment rate followed suit, although, at 6.6%, it remains the highest among western provinces and well above the national average (5.8%). Particularly troubling is the length of time that unemployed Albertans are going between jobs. In 2018, the average duration of unemployment in Alberta was 21.6 weeks, the longest wait of any province.²⁵ In a recent forecast, ATB Financial pegged Alberta's unemployment rate to remain unchanged at 6.6% in 2019, exceeding the national average for a fourth consecutive year.²⁶

Industry Trends

Alberta’s goods-producing sector represents a far larger share of the economy than in other provinces. Nationally, the goods producing sector accounts for roughly 21% of total employment. In 2018, the sector accounted for 26% of total employment in Alberta, down from 29% in 2014.

Oil and gas: Increasingly, Alberta’s oil and gas firms struggle to remain competitive with their U.S. counterparts. This is particularly true with respect to attracting investment capital.²⁷ The trend was highly apparent during the second half of 2018 and is likely to continue for this year and next.

Oil production expanded sharply for a second consecutive year in 2018, due in large part to the completion of Suncor Energy’s huge new Fort Hills oilsands mine. As a result, 2018 was officially the year in which oil production in Alberta exceeded pipeline take away capacity.

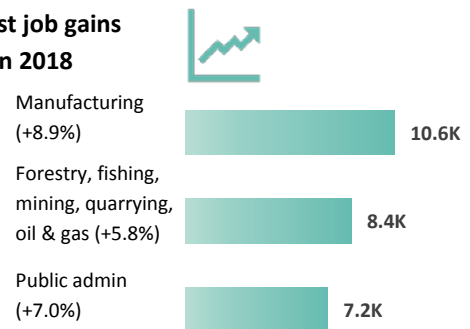
In late 2018, a perfect storm of pipeline constraints, refinery closures, and falling international oil prices led to a calamitous fourth quarter for the provincial energy sector. In November, the price of Western Canada Select (WCS), Alberta’s benchmark bitumen crude, averaged just \$18 USD per barrel for the month.

Caught between a rock and a hard place, the Government of Alberta placed an overall cap (curtailment) on oil production in the province, effective January 2019. The curtailment has been wildly successful in raising the price of WCS, which has averaged \$47 USD per barrel through the first four months of the year.²⁸

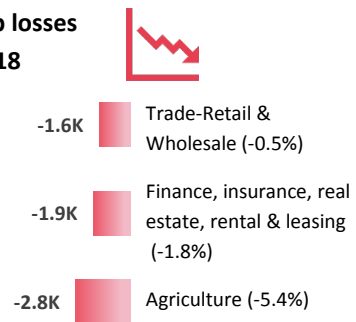
Despite the price hike, the curtailment policy is very unpopular with some of the province’s largest oil producers, particularly Imperial Oil, Husky Energy, and Suncor. Because integrated firms with their own refinery operations can still make money when crude prices are low, these firms are encouraging Alberta’s new provincial government to end curtailment as soon as possible.²⁹

Manufacturing: Alberta’s manufacturing sector added more jobs than any other provincial industry in 2018 (+10,600). Employment growth was concentrated among firms that make things that last (durables) – for example, machinery, and plastics and rubber products. Some non-durable manufacturers, namely food and beverage makers, also added jobs on the year. When measured by employee count, food manufacture is Alberta’s largest manufacturing sub-industry. While low energy prices are a huge negative for the overall oil and gas sector, they are a significant plus for the Alberta’s rapidly expanding petrochemical industry. Aided by government incentives and abundantly available natural gas feedstock, chemical manufacturing is undergoing an investment spree. Calgary-based Inter Pipeline is currently building a \$3.5 billion petrochemical complex in

Largest job gains in 2018



Largest job losses in 2018



Source: Statistics Canada labour force characteristics by industry, annual – Table: 14-10-0018-01 (formerly CANSIM 282-0008)

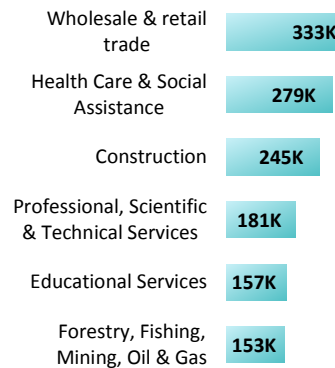
Alberta’s Industrial Heartland, just north of Edmonton’s city limits. Pembina Pipeline Corporation’s \$4.5 billion joint venture with Kuwait’s national petrochemical company will be located nearby. Meanwhile, Calgary-based Nautical, is planning a \$2-billion methanol (wood alcohol) plant outside Grande Prairie, with first construction scheduled for 2022.³⁰

Agriculture: Agricultural employment fell 4.5% in 2018, with much of the job loss occurring in animal production. Provincial cattle producers experienced another uneasy year, plagued by high costs and modest growth in domestic markets. Crop farmers did not fare much better, facing alternate periods of drought and overland flooding. Harvest transport by rail was again challenging in 2018, as farmers competed with the oil industry for available crews and locomotives. In fact, farm incomes fell a shocking 68% in 2018 on an annual basis.³¹

Looking ahead, Alberta’s agriculture industry has already received two shocks in 2019. In January, the first ever case of porcine epidemic diarrhea virus (PED) was confirmed in the province. While not communicable to humans, PED is usually fatal for young piglets and is potentially ruinous for affected producers.³² Then in March, China revoked Winnipeg-based Richardson International’s licence to ship Canadian canola into that country. Richardson is the largest exporter of the valuable Canadian crop. According to a 2016 industry-sponsored report, canola farming directly employs 18,000 Albertans (not including farm family members).³³

[See detailed industry table.](#)

Six industries make up 58% of Alberta employment

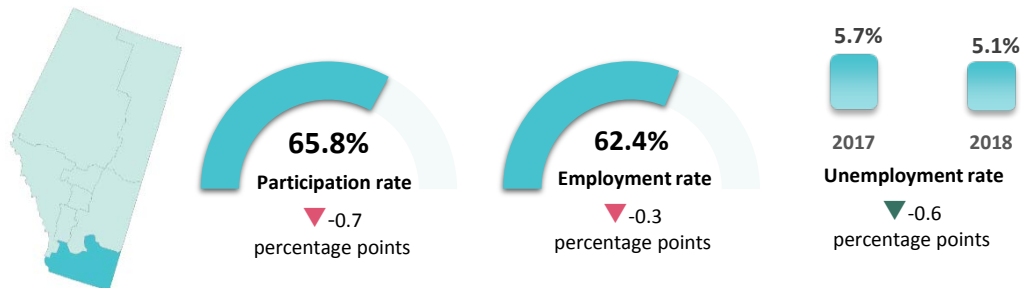


Source: Statistics Canada labour force characteristics by industry, annual – Table: 14-10-0018-01 (formerly CANSIM 282-0008)

Local labour market conditions

Employment in Alberta increased in five of seven economic regions in 2018, with only Lethbridge-Medicine Hat and Wood Buffalo-Cold Lake showing no change or very modest job losses on the year. On a percentage basis, Red Deer led the province in job growth (+4.8%), followed by Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River.

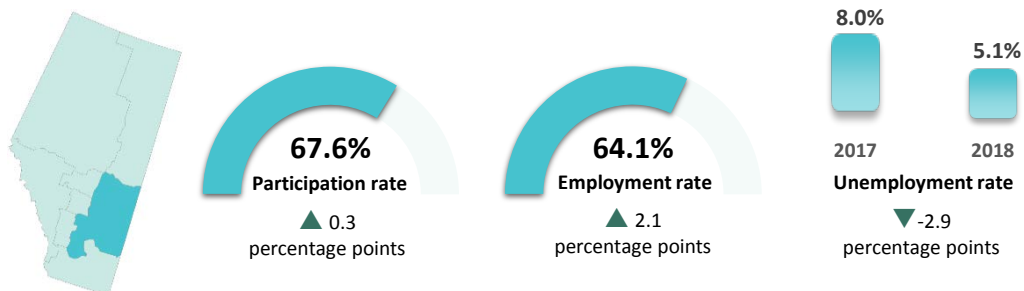
Lethbridge-Medicine Hat



Source: Statistics Canada, Labour Force Survey

In Lethbridge-Medicine Hat, employment remained flat in 2018, while both population (+0.4%) and labour force (-0.6%) were little changed on the year. At 5.1%, the regional unemployment rate tied for lowest in the province. As in other agricultural areas across the Prairies, the region saw strong interest from cannabis start-ups in 2018. Construction of Cavendish Farms’ new \$360 million potato processing facility was ongoing. The plant is on track to be ready for the harvest of fall 2019. Results from the 2016 Census show that the City of Lethbridge and surrounding area is now populous enough to be considered a CMA (Census Metropolitan Area), along with Calgary and Edmonton.

Camrose-Drumheller

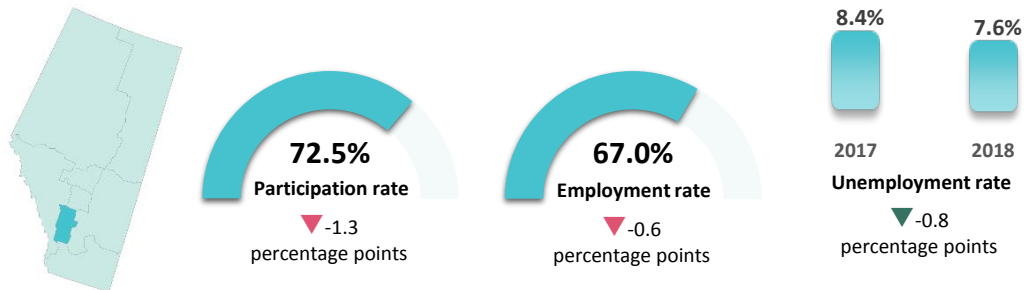


Source: Statistics Canada, Labour Force Survey

Camrose-Drumheller saw employment grow by 2.8% in 2018, despite both population (-0.6%) and labour force (-0.2%) contracting from 2017 levels. At the same time, unemployment dropped substantially (-3,000) – and the area unemployment rate declined by 2.9 percentage points to tie with Lethbridge-Medicine Hat for the lowest rate province-wide. Job gains in 2018 were concentrated in the goods-producing sector, notably in agriculture, and oil and gas extraction. There was no net change in employment across the services-producing sector last year. Looking ahead, two different firms will be adding grain storage and logistics capacity to the town of Stettler. G3 Canada Ltd. is planning to start construction of a grain handling facility this spring, with completion scheduled

for 2020. The G3 site is roughly 80 hectares in size, and large enough to accommodate a 134-car loop track for loading and unloading. The other firm, Viterra, will be upgrading its existing Stettler grain terminal, aiming to increase rail capacity, expand storage, and accelerate throughput.

Calgary

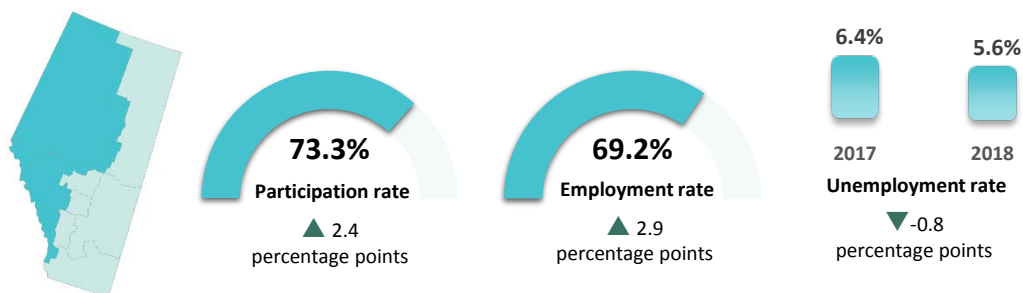


Source: Statistics Canada, Labour Force Survey

In 2018, employment growth in Calgary (+0.9%) slowed drastically compared to the previous year. Moreover, labour force growth in the region came to a complete standstill. On the bright side, unemployment did decline by about 8,000. However, at 7.6%, Calgary’s unemployment rate was one of the highest in the country. Of the 69 Economic Regions in Canada, only eight had higher unemployment rates than Calgary did last year. Employment in the goods-producing sector was surprisingly strong (+14,700), offsetting a decline of 6,500 jobs in the services-producing sector. Job growth in information, culture and recreation was a notable bright spot for the region, due in large part to location shoots by the movie industry.

WestJet is launching three new direct flights to Europe out of Calgary International Airport using Boeing 787-9 Dreamliners this year. The new routes will support an estimated 650 full-time jobs and \$100M in economic output, according to WestJet. The new flights come as the Calgary-based firm juggles its North American routes to deal with the grounding of its Boeing 727 MAX aircraft.

Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River

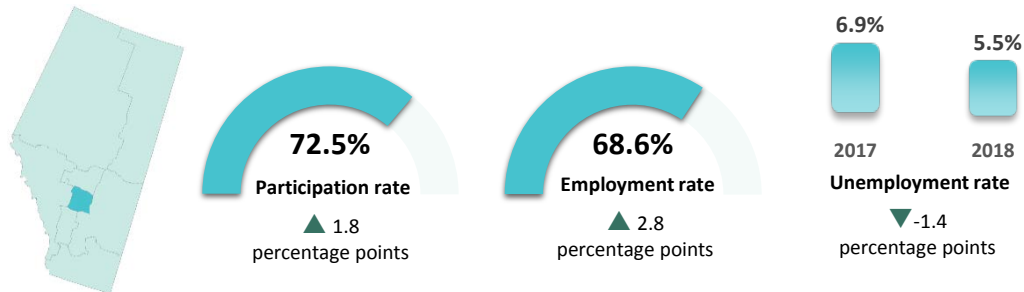


Source: Statistics Canada, Labour Force Survey

Overall employment was up sharply in the Banff-Jasper-Rocky-Mountain House and Athabasca-Grande Prairie-Peace River area in 2018, as strong job gains among services-producing industries (+10,000) offset job losses in the goods-producing sector (-3,000). While Grande Prairie area oil and gas operators were cautiously optimistic in early 2018, that was far from the case in early 2019, when every publicly traded energy firm announced plans

for scaling back operations and reducing capital spending. To the south, the tourism centres of Banff and Jasper enjoyed another excellent year in 2018, despite being blanketed in August by smoke from B.C. wildfires.

Red Deer

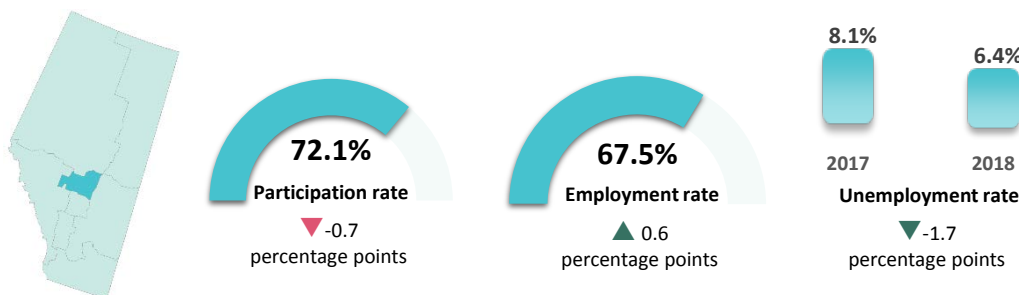


Source: Statistics Canada, Labour Force Survey

Red Deer enjoyed robust job growth (+4.8%) and a below average unemployment rate (5.5%) in 2018. Employment increased by about 2.0% across the goods-producing sector – and much more rapidly among services-producing industries. In March 2019, the federal government pledged \$40 million towards the upgrading of facilities owned by international steelmaker, Evraz, in Red Deer and Regina. The move comes as steelmakers operating in Canada struggle to deal with on-going U.S. tariffs.

Alberta Health Services has started construction on a new youth detox facility in Red Deer. Programs will provide comprehensive assessment, detoxification, addictions counselling, health services, and 24-hour care and supervision for children and teens.

Edmonton

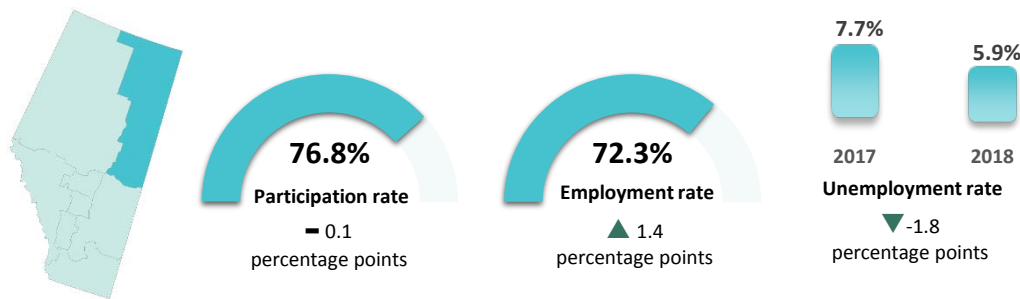


Source: Statistics Canada, Labour Force Survey

Employment in the Edmonton region rose 2.6% in 2018, outpacing both population and labour force growth by a wide margin. Unemployment declined, down 14,000 from 2017, while the region’s unemployment rate averaged 6.4% for the year. Job growth was divided evenly between the goods-producing and services-producing sectors. With the City of Edmonton being the provincial capital, the region tends to benefit when employment in the public sector industries of health care, education, and public administration expand. In 2018, public sector industry employment in the region rose by a combined 22,500 (+11%).

Alberta’s Industrial Heartland is located within the Edmonton Economic Region, just north of the City of Edmonton. The area was frequently in the news in 2018, as the Government of Alberta encouraged large-scale investment in petrochemical manufacturing and similar diversification projects. In one late 2018 development, Sherritt International Corp. announced that it is working on a demonstration plant for a radically different approach to upgrading bitumen, allowing it to flow through pipelines without the need for diluent. Final design will take place throughout 2019 and construction will begin in 2020-21.³⁴

Wood Buffalo–Cold Lake



Source: Statistics Canada, Labour Force Survey

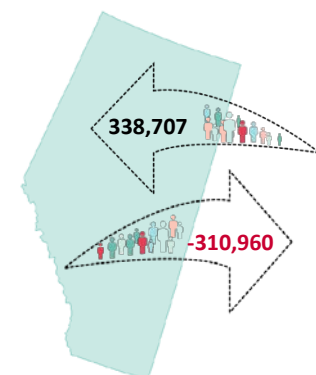
To the northeast, Wood Buffalo–Cold Lake’s Fort McMurray functions as the services centre for Alberta’s oil sands. The region suffered in 2018, as population, labour force, and employment all declined on the year. On the bright side, unemployment in Wood Buffalo-Cold Lake stood at 5,200 in 2018, 25% lower than in 2017. Accordingly, the regional unemployment rate dropped 1.8 percentage points to 5.9%. The Regional Municipality of Wood Buffalo has approved \$2 million to support Fort McMurray residents still struggling to rebuild and return home after the 2016 wildfire. The funds will help cover the costs of interim housing and special assessment fees for homeowners. Despite the uncertain investment climate, Suncor Energy is expected to begin construction this year of a natural gas-fired cogeneration plant at its base mine. The project is expected to cost between \$1.0 and \$1.5 billion, and to be operational in 2022.

DEMOGRAPHICS AND CLIENT OUTCOMES

Alberta is Canada’s fourth most populous province, after Ontario, Quebec, and B.C. For the period between the Census years of 2011 and 2016, Alberta was Canada’s fastest growing province, with the growth driven almost equally by natural increase (births less deaths), net inflows from other provinces (inter-provincial migration), and international immigration. [See inter-provincial migration table.](#)

Alberta’s historically rapid population increase stems from the province’s outsized role in the Canadian economy. People go to where the jobs are – especially young adults as they form households and start families. Population growth, in and of itself, tends to support economic expansion and the creation of jobs.

**Inter-provincial migration, Alberta
2013/14 to 2017/18**

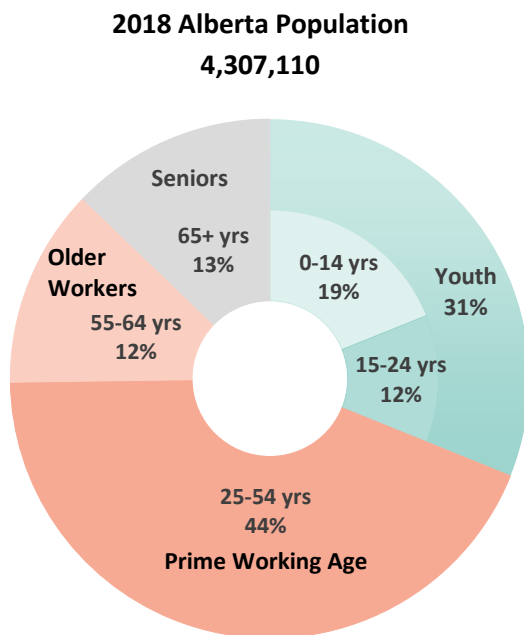


Source: Statistics Canada, Table 17-10-0022-01
Estimates of interprovincial migrants

As mentioned in the Industry section, Alberta’s goods-producing industries account for a larger share of total employment than in other provinces. Such industries – construction and agriculture, for example – have far more male workers than female workers. Perhaps it is not surprising then, that Alberta is one of only two provinces with a larger population of men than women. Nationally, and in every other province except neighbouring Saskatchewan, women slightly out number men due to their longer average lifespan.

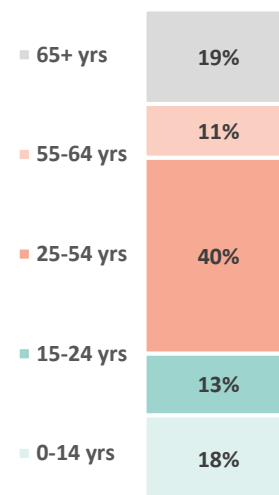
For the five-year period July 2013 to July 2018, Alberta’s population increased by an estimated 325,000, third among provinces in terms of absolute number, and first in terms of percentage growth (+8.2%). Still, population growth did slow somewhat due to the 2015-16 recession. Nonetheless, in 2019 Alberta’s population growth will likely outpace the Canadian average.

Like other provinces, Alberta’s population is aging. The province’s median age has risen from just under 30 years in 1986 to an estimated 36.9 years in 2018, confirming Alberta as Canada’s youngest province. At the National level, Canada’s aging population has been identified as a high priority issue by Statistics Canada. [See detailed population table.](#)



Source: Statistics Canada,
Population estimates,
Table 17-10-0005-01

2038 Population Projection 6,083,000



Source: Statistics Canada
Table 17-10-0057-01
(projection scenario M2)

Client Outcomes

Indigenous People

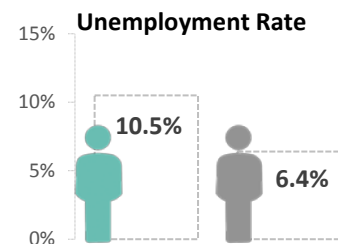
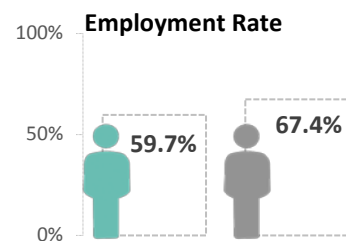
As per the 2016 Census, there are a quarter million Indigenous people living in Alberta, representing 6.5% of the total population. First Nations account for just over half of all Indigenous people, with Métis making up most of the balance. There are few Inuit living in the province. The Indigenous population is disproportionately young, such that one out of ten children in Alberta is of Indigenous identity.³⁵

Historically, Canada’s Indigenous population has been disadvantaged economically and with respect to the labour market. In 2016, one-third of all First Nations members lived on reserve, where only one in three adults is employed. In 2016, at the height of Alberta’s most recent recession, the unemployment rate for the on-reserve population was 28.4% - two times the rate of Indigenous people living off-reserve.

Between Censuses, labour market statistics are only available for people living off-reserve. In 2018, the unemployment rate for Indigenous people living off reserve was 10.5% versus 6.4% for non-Indigenous Albertans.

Still, Indigenous people living in Alberta are more involved in the job market than is normally the case in Canada. In 2018, the employment rate for Indigenous people living off-reserve in Alberta was just under 60%, about 2.5 percentage points above the national average.

■ Indigenous ■ Non-Indigenous



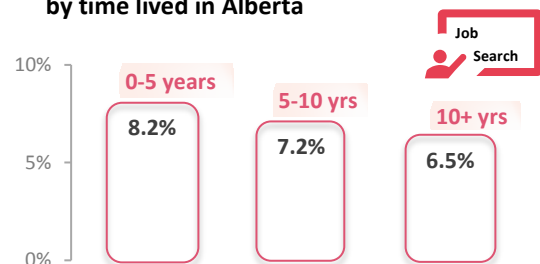
Source: Statistics Canada Labour Force Survey
ESDC custom table, Indigenous people living off reserve only

Immigrants/Newcomers

In 2018, landed immigrants accounted for 23.7% of Alberta’s labour force, up slightly from the previous year. This segment of the provincial population has grown an average of 6% per year since 2014, about ten times the rate of the Canadian-born. These numbers may appear to contradict population growth rates presented earlier, but it must be remembered that labour force statistics exclude by design those under the age of 15.³⁶

Over the past five years, the unemployment rate for landed immigrants has consistently been higher than for the Canadian-born. These differences, however, usually decrease with longer periods of residence. For example, in

Landed immigrant unemployment rates by time lived in Alberta



Source: Statistics Canada Table: 14-10-0083-01
Labour force characteristics by immigrant status

2018 immigrants who arrived within the previous five years had an unemployment rate of 8.2%, compared to 7.2% for those who arrived between five and ten years prior. By contrast, the 2018 unemployment rate for Albertans born in Canada was 6.4%.

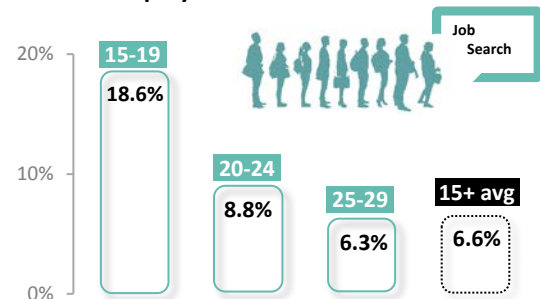
Youth

The unemployment rate for Alberta youth (aged 15 to 24 years) has been above the ten-year average for the last three years. In 2018, Alberta’s youth unemployment rate (12.2%) was more than double that of prime working age adults (25 to 54-years).³⁷

Between 2017 and 2018, the unemployment rate for young men dropped over two percentage points to 13.9%, while the rate for young women inched up to 10.3%. These gender-based differences reflect the fact that 2018’s job gains were most pronounced in Alberta’s goods-producing industries – such as manufacturing – which have traditionally offered more entry-level opportunities to young men than to young women.

Nevertheless, for young women, 2018’s higher unemployment rate came as their employment declined and more than 6,000 exited the labour market.

Youth unemployment rates



Source: Statistics Canada Table 14-10-0327-01 Labour force characteristics by sex and detailed age group, annual

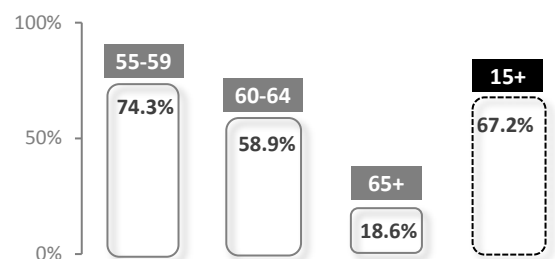
Older Workers

In 2018, 72% of Albertans aged 55 to 64 were either working or actively seeking employment, the same rate as for those aged 15 years and above. In terms of this basic measure at least, there is no real difference between older workers and the general provincial workforce.

Turning to those aged 65 and above, the seniors’ population share in Alberta rose from 11% to 13% during the five-year period from 2013 to 2018. Still, the provincial share of seniors remains significantly lower than the national average (17%). In fact, Alberta consistently has the lowest proportion of seniors among all provinces.

Regardless, the share of Albertan seniors who remain active in the labour market is high by Canadian standards. At 18.6%, the employment rate of seniors in Alberta was second only to Saskatchewan last year.

Employment rates of Older Workers



Source: Statistics Canada Table 14-10-0327-01 Labour force characteristics by sex and detailed age group, annual

As elsewhere in Canada, the employment of Alberta’s seniors varies greatly by sex. In 2018, almost one-quarter of male seniors were working, compared to only 13.5% of female seniors.

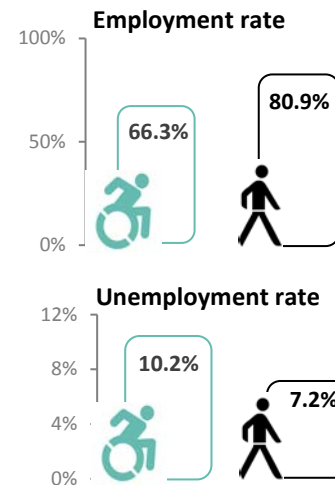
In 2016 (the most recent data available) seniors living in Alberta had the highest average income among provinces. This was true for men as well as women.³⁸

People with Disabilities

In 2017, about 440,000 Albertans were estimated to have some form of disability, representing nearly 20% of the population aged 25 to 64 years. This was the second lowest prevalence of disability of any province, possibly a result of Alberta’s population skewing to the younger end of the age-group.

Two-thirds of Albertans with a disability were employed in 2017, compared to over 80% of persons without a disability. Still, at 66.3%, Alberta’s employment rate for persons with disabilities was the highest among provinces.

In 2017, the unemployment rate for Albertans with a disability was almost half again higher than for persons without. However, despite the high employment rate mentioned above, the unemployment rate of Albertans with a disability was higher than the corresponding rate nationwide. This seeming paradox of both high employment and high unemployment has been a feature of Alberta’s entire workforce since 2016. For the 15 years prior to that, Alberta’s overall unemployment rate was always well below the national average.



Source: Statistics Canada, Canadian Survey on Disability 2017; Charts reflect the 25-64 age group; Disability labour force data are not available below age 25.

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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Definitions Return to [Labour Market Conditions](#).

See **Guide to the Labour Force Survey** <https://www150.statcan.gc.ca/n1/pub/71-543-g/71-543-g2018001-eng.htm>

Labour force: Civilian non-institutional population 15 years of age and over who, during the survey reference week, were employed or unemployed.

Participation rate: Total labour force expressed as a percentage of the population aged 15 years and over. The participation rate for a particular group (for example, women aged 25 years and over) is the labour force of that group expressed as a percentage of the population for that group.

Employment rate (employment/population ratio): Number of employed persons expressed as a percentage of the population 15 years of age and over. The employment rate for a particular group (for example, one defined by age, sex, marital status, or province) is the number employed in that group expressed as a percentage of the population for that group.

Unemployment rate: Number of unemployed persons expressed as a percentage of the labour force. The unemployment rate for a particular group (for example, one defined by age, sex, or marital status) is the number of unemployed persons in that group expressed as a percentage of the labour force for that same group.

Appendix

Detailed industry table. Return to [Industry Trends](#)

Alberta Annual Labour Force Statistics, by Industry

Employment Estimates ('000)	2018	2017	2017 to 2018	
			Number	%
Total employment, all industries	2,330.7	2,286.9	43.8	1.9
Goods-Producing Sector	601.1	578.1	23.0	4.0
Agriculture	49.3	52.1	-2.8	-5.4
Forestry, Fishing, Mining, Oil and Gas	153.2	144.8	8.4	5.8
Utilities	23.4	21.0	2.4	11.4
Construction	245.4	241.0	4.4	1.8
Manufacturing	129.8	119.2	10.6	8.9
Services-Producing Sector	1,729.7	1,708.8	20.9	1.2
Wholesale and retail trade	333.4	335.0	-1.6	-0.5
Transportation and Warehousing	138.8	140.1	-1.3	-0.9
Finance, insurance, real estate, rental and leasing	105.7	107.6	-1.9	-1.8
Professional, Scientific and Technical Services	180.8	178.7	2.1	1.2
Business, Building and Other Support Services	86.1	80.9	5.2	6.4
Educational Services	157.3	153.1	4.2	2.7
Health Care and Social Assistance	278.6	274.1	4.5	1.6
Information, culture and recreation	78.0	73.6	4.4	6.0
Accommodation and food services	147.5	148.1	-0.6	-0.4
Other services (except public administration)	113.8	115.2	-1.4	-1.2
Public administration	109.6	102.4	7.2	7.0

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey Estimates – Table: 14-10-0023 (formerly CANSIM 282-0008)

Notes: Annual July 1 to June 30; Data for 2017/18 is preliminary
 Source: Statistics Canada Table: 17-10-0022-01 (formerly CANSIM 051-0019)

Exports table: Alberta. Return to [Trade](#)

Alberta		
Value in <i>thousands of Canadian dollars</i>		
	2018	% share
United States	102,326,612	87.4%
China	5,142,215	4.4%
Japan	1,962,865	1.7%
Mexico	1,232,050	1.1%
Korea, South	554,588	0.5%
Indonesia	307,987	0.3%
Hong Kong	280,325	0.2%
Australia	244,799	0.2%
United Kingdom	243,492	0.2%
Netherlands	237,447	0.2%
Others	4,566,739	3.9%
Total all countries	117,099,119	100.0%

Source: Industry Canada Trade Data Online, accessed March 11, 2019

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