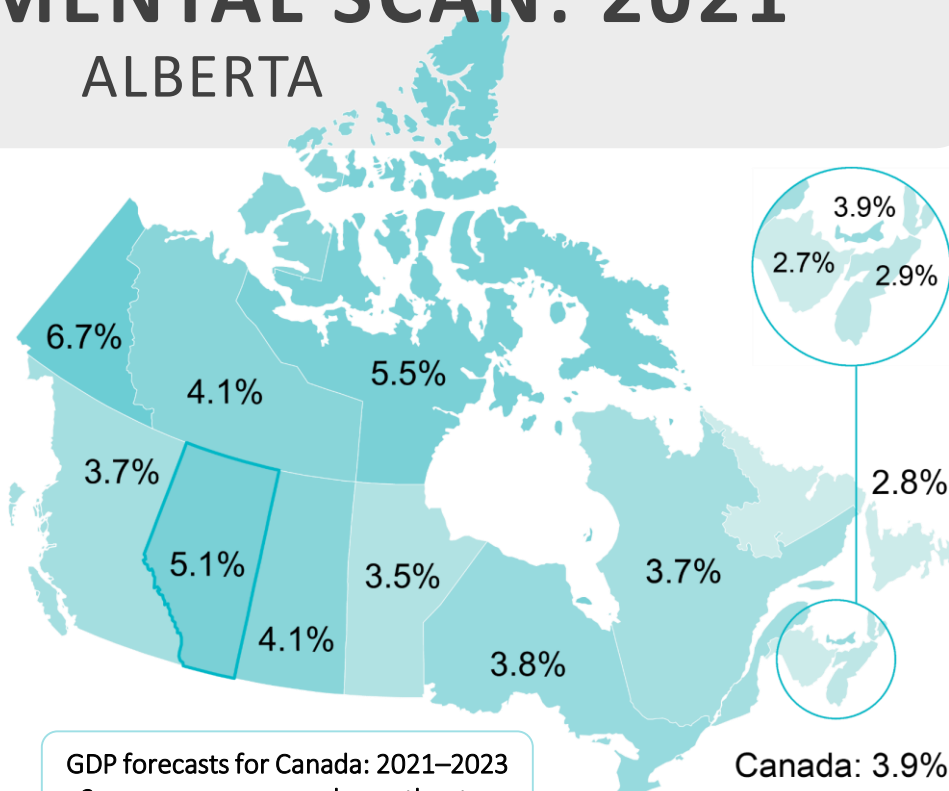


# ENVIRONMENTAL SCAN: 2021

## ALBERTA

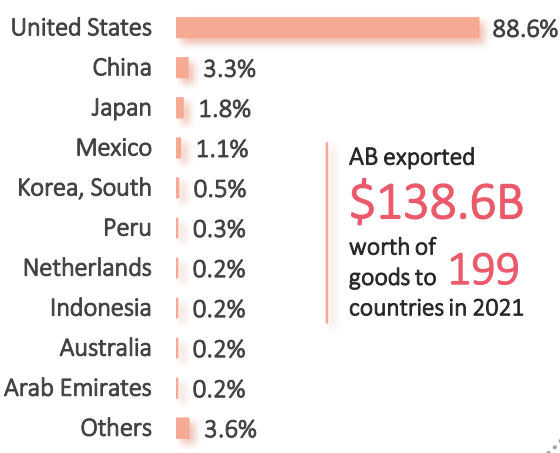
### ECONOMIC CONDITIONS

Alberta had the largest decline in economic activity in 2020 of all the provinces because of the major drop in oil demand brought on by the pandemic. As a result, Alberta saw lower oil and gas extraction and reduced resource-project related engineering construction, and its real GDP shrank by 8.2% in 2020. In 2021 high energy prices, record production levels, steady demand in construction and robust retail sales helped to strengthen economic recovery. As energy prices remain high globally, Alberta is forecast to experience robust GDP growth in the short term.



### TRADE

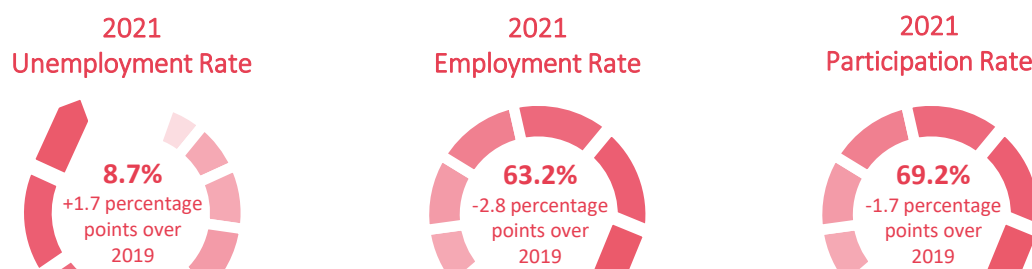
#### Alberta's Top 10 Export Markets



Alberta exported significantly less in 2020 than in years prior due to the COVID-19 pandemic. Exports were down roughly 22% from 2019, due to supply chain disruptions, decreased demand, and the crash in oil prices.

Exports from Alberta increased significantly in 2021. Alberta's international merchandise exports were up by 50% on an annual basis in 2021. The increase in exports was largely driven by oil and gas exports. During the first 11 months of 2021, oil and gas extraction accounted for about 75% of total exports. Out of the 20 largest export industries in Alberta, only 5 had lower year-to-date exports over the first 10 months of 2021.

### LABOUR MARKET CONDITIONS

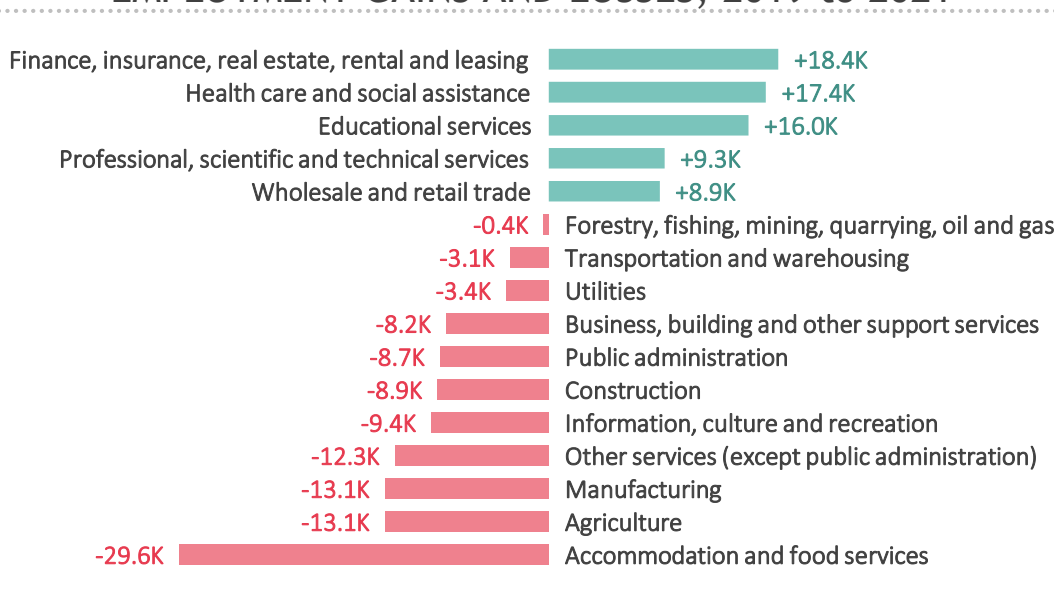


Alberta's labour market was severely impacted in 2020 by the COVID-19 pandemic and collapsing oil prices. On an annual basis, the unemployment rate increased significantly (+4.4 percentage points), and was the second highest in Canada, behind only Newfoundland and Labrador, and much higher than the Canadian average of 9.5%.

In 2021, high energy prices helped to strengthen economic recovery as oil production increased to record rates. Economic recovery was also supported by increased demand in construction and robust retail sales. On an annual basis, the unemployment rate dropped by -2.7 percentage points to 8.7% in 2021.

### INDUSTRY TRENDS

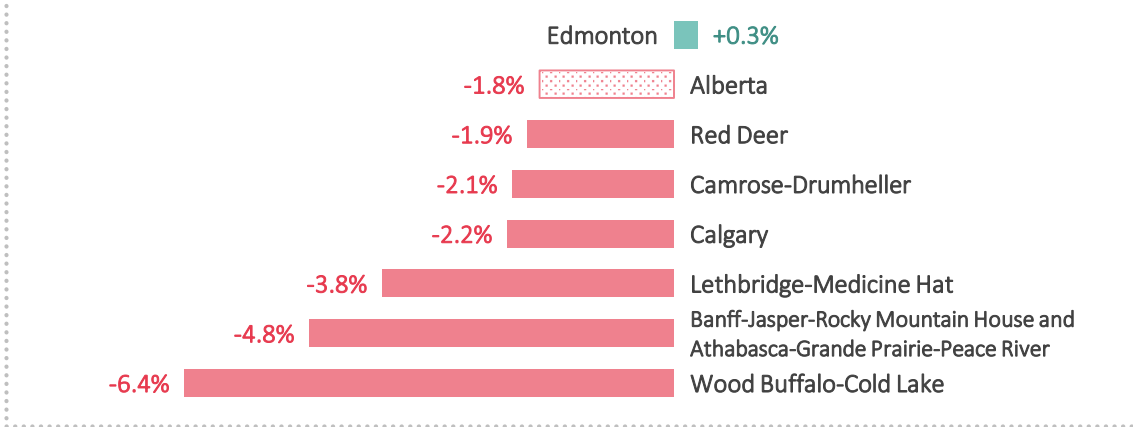
#### EMPLOYMENT GAINS AND LOSSES, 2019 to 2021



- Alberta had the largest decline in economic activity due to COVID-19 of all the provinces in the region, largely because of the major drop in oil demand brought on by the pandemic. Increased demand for oil and record production supported labour market growth in the sector in 2021. Employment in the oil and gas extraction industry increased by +14,238 jobs (+20%) annually in 2021.
- Reduced demand for construction during the early days of the pandemic led to significant job losses. The construction industry lost 17,100 jobs (-7.4%) from 2019 to 2020. In 2021, demand increased as annual housing starts were 33% higher than 2020. Employment also increased by 8,137 jobs (+4%) annually in 2021.
- Accommodation and food services lost 30,600 jobs (-21.3%) from 2019 to 2020. In 2021, the industry continued to be impacted periodically by public health measures and employment increased only slightly (+1,037 jobs or +1%).

### REGIONAL ECONOMIC CONDITIONS

#### EMPLOYMENT GROWTH, 2019 to 2021

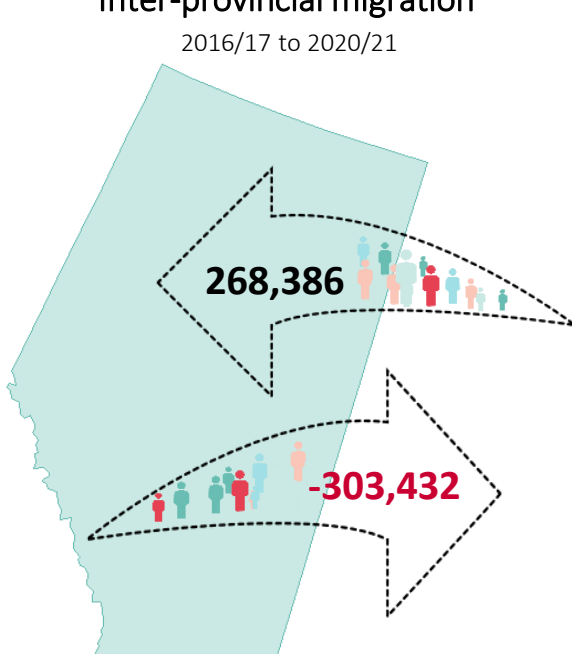


- Calgary experienced significant job losses in 2020, with employment dropping -5.3% from 2019 levels. Employment in 2021 increased by 27,787 jobs (+3.3%) compared to 2020. However, employment continues to remain below 2019 levels (-2.2%).
- Edmonton experienced significant job losses in 2020 and had the highest unemployment rate in the province at 12%. However in 2021 employment increased by 63,199 jobs (+9%). In fact, Edmonton was the only region to have surpassed 2019 employment levels in 2021 (+0.3%).
- The Banff-Jasper-Rocky Mountain House and Athabasca-Grande Prairie-Peace River region was hit especially hard by COVID-19. Employment declined by -9.2%, the most of any economic region. In 2021, employment increased by 8,189 jobs (+5%) as health restrictions that impacted the tourism sector were periodically lifted. However, employment continues to remain below 2019 levels (-4.8%).

### DEMOGRAPHICS

#### Inter-provincial migration

2016/17 to 2020/21

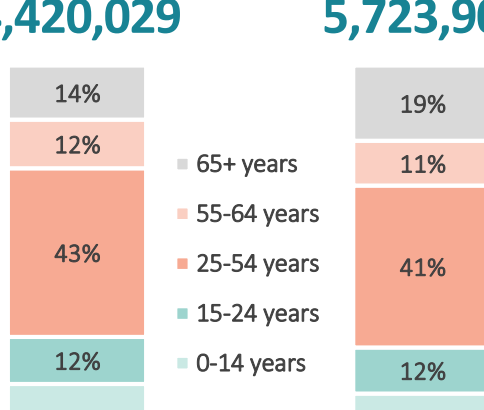


#### 2020 population

4,420,029

#### 2040 projection

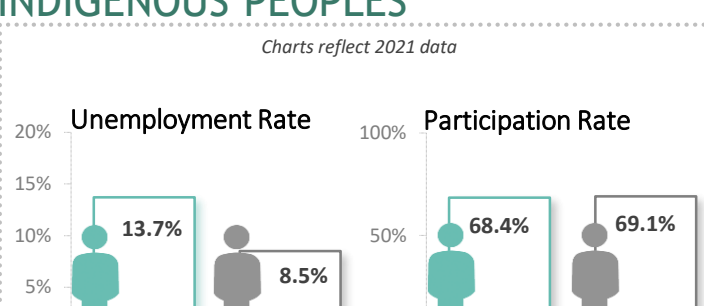
5,723,900



Alberta tends to receive many interprovincial migrants during economic booms, and to lose people through interprovincial migration when the economy is performing poorly. Over the past five years, Alberta has generally seen net losses through interprovincial migration. The trend continued through the pandemic, with Alberta losing 2,377 net residents through interprovincial migration in 2019/2020. Preliminary results for the 2020/2021 period show many more people leaving Alberta for other provinces, with net losses of 11,831 residents.

### INDIGENOUS PEOPLES

Charts reflect 2021 data



As of the 2021, nearly 5% of the working age population in Alberta was Indigenous. Alberta's Indigenous population is young and rapidly growing: one out of ten children (aged 0 to 14 years) in the province is of Indigenous identity. Labour market outcomes of Indigenous people consistently lag behind those of non-Indigenous people. Initially during the pandemic, the employment rate gap between non-Indigenous and Indigenous people increased. However, the gap in employment rate between Indigenous and non-Indigenous people has shrunk slightly in 2021.

### IMMIGRANTS

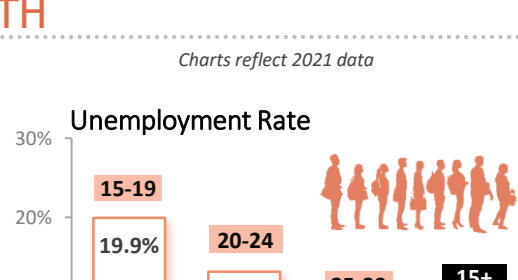
Charts reflect 2021 data



In 2020, landed immigrants (people who have been granted the right by immigration authorities to live in Canada permanently) accounted for around 23.5% of Alberta's labour force, down slightly from the previous year. The unemployment rate for Canadian born workers was 11.0%, lower than all landed immigrant groups. This is partly due to than immigrants being disproportionately employed in the accommodation and food services industry, which was subject to many public health restrictions in 2020 and 2021, leading to periodic waves of layoffs.

### YOUTH

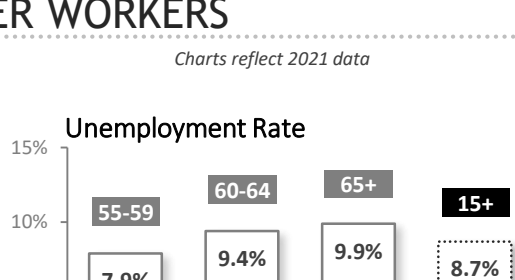
Charts reflect 2021 data



The unemployment rate for Alberta youth (aged 15 to 24) increased significantly in 2020 due to the COVID-19 public health restrictions placed on industries where many youth found employment, such as accommodation and food services and retail. Employment losses were more severe for young women than young men. Women aged 15 to 24 had an increase of 14pp in their unemployment rate between 2019 and 2020, while the rate for young men increased by 10pp. Employment for young men and young women increased by 9.6% and 16.6% respectively in 2021.

### OLDER WORKERS

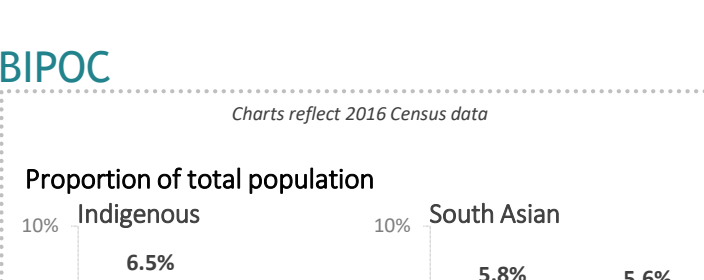
Charts reflect 2021 data



In 2019, older workers (aged 55 to 64) represented roughly 15.5% of Alberta's working age (15+) population, the same percentage of its labour force, and 15.3% of its employment. In 2020, though older workers accounted for slightly less of the working age population than they did the previous year (15.4%), they represented a larger share of the province's employment (15.7%) and labour force (15.6%).

### BIPOC

Charts reflect 2016 Census data



Black, Indigenous and people of colour (BIPOC) make up 30.0% of the population in Alberta, almost three percentage points above the national average (27.1%). Indigenous people are the largest group of racialized Canadians in the province, representing 6.5% of the total population, well above the national average (4.9%). South Asian residents are the second most prevalent racialized ethnic group in the province representing 5.8% of Alberta's total population, followed by Filipino people (4.2%).

### PEOPLE WITH DISABILITIES

Charts reflect 2017 Canadian Survey on Disability data



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 younger demographically. 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.