

Weekly Economic Review

Consumer spending resilient in the first quarter

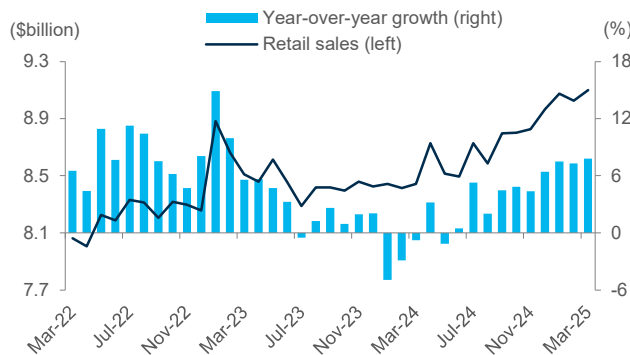
Retail Trade

Sales remain robust

The strong momentum in retail sales has continued into 2025. Alberta's seasonally adjusted retail sales increased 0.8% month-over-month (m/m) to \$9.1 billion in March. With the monthly increase, year-over-year (y/y) growth accelerated to a two-year high of 7.8% (Chart 1). Growth was broad-based, with the largest increases at clothing & accessories stores and motor vehicle & parts dealers. There was also a notable improvement in sales at building materials & garden supplies dealers after months of weakness. Sales are up 7.5% year-to-date (YTD), building on the strong gains made in the fourth quarter of 2024.

CHART 1: SALES CONTINUE TO ADVANCE IN 2025

Alberta's retail sales, seasonally adjusted



Sources: Statistics Canada, Haver Analytics

International Travel

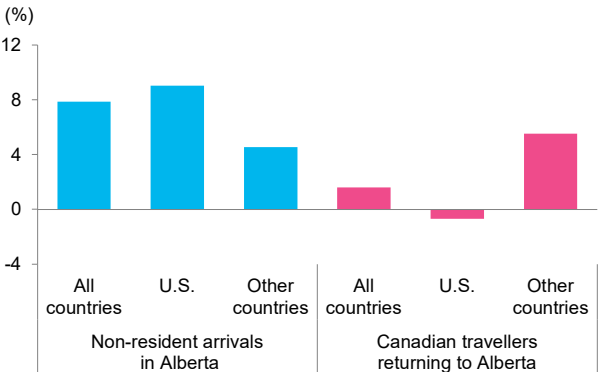
Non-resident travellers edge up

The number of non-resident travellers arriving in Alberta remained strong in March. The seasonally adjusted number of non-resident travellers entering Canada through Alberta rose 0.6% m/m to 110,773. In the first three months of the year, the number of non-resident arrivals was up 7.9% compared to the same period last year, led by a 9.0% increase in U.S.

travellers, which was boosted by a strong USD (Chart 2). Conversely, the number of Canadian travellers returning to Alberta has been weighed down by fewer individuals returning from the U.S. The number of Canadians returning via Alberta declined 2.6% m/m in March and was up a modest 1.6% YTD as the decline in the number of Canadians returning from the U.S. (-0.7% YTD) moderated the increase in those returning from other countries (+5.5% YTD).

CHART 2: U.S. TRAVELLERS LED NON-RESIDENTIAL ARRIVALS

Year-to-date percent change in international travel



Sources: Statistics Canada, Haver Analytics

Railway Carloadings

Carloadings back on track

Railway carloadings in Western Canada bounced back in March. The number of carloadings rose 7.9% y/y to 191,000, following a decline in the previous month due to extreme weather. The increase came with rebounds in agriculture and food (+17% y/y), energy (+3.6% y/y), chemicals & fertilizers (+5.8% y/y), and motor vehicles (+18.3% y/y). These gains were only partly tempered by continuing weakness in carloadings of wood products (-3.9% y/y) and plastics & rubber (-5.2% y/y). With the monthly increase, total carloadings were up 3.3% YTD.

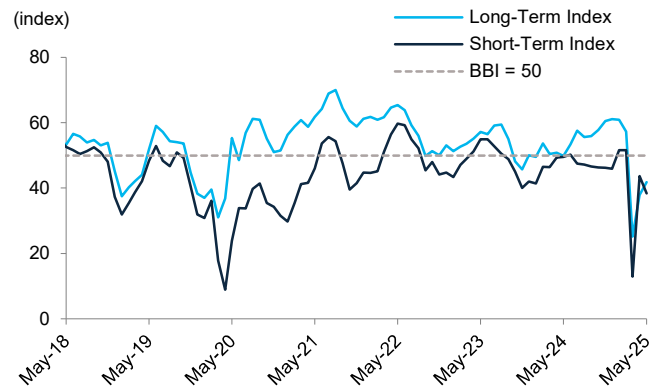
Business Barometer Index (BBI)

Sentiment improves but remains subdued

Alberta's small business sentiment partially recovered but remained weak in May. While the long-term (12-month) sentiment increased 3.8 points to 41.8, it remained well below the positive threshold (BBI>50) (Chart 3). This indicates that small businesses continue to expect the outlook to deteriorate over the next 12 months – although not as much as in March and April. Long-term sentiment was also weak in Canada, with Alberta ranking second highest among provinces. Meanwhile, the short-term (3-month) sentiment index declined 5.3 points to 38.4, also significantly below the positive threshold.

CHART 3: SMALL BUSINESSES REMAIN PESSIMISTIC

Alberta's Business Barometer Index



Source: Canadian Federation of Small Businesses

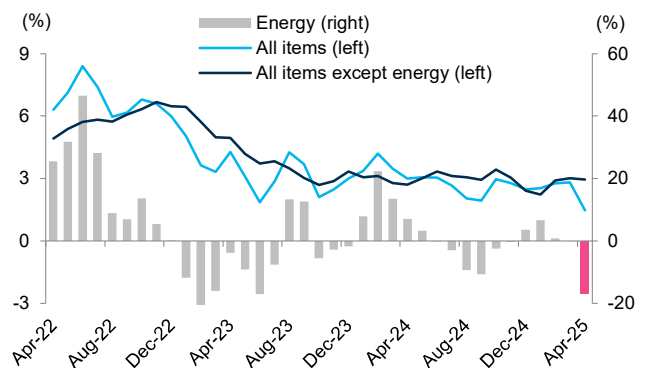
Consumer Price Index

Carbon tax removal cools inflation

Inflation eased in April with the removal of the consumer carbon tax. Alberta's Consumer Price Index (CPI) increased 1.5% y/y, a significant slowdown from 2.8% y/y in the previous month (Chart 4). The energy price index was down 12% m/m as lower wholesale prices and the removal of the federal carbon tax resulted in significantly lower consumer prices for natural gas (-28% m/m) and gasoline (-12% m/m). Excluding energy, inflation eased from 3.0% y/y to 2.9% y/y, as an acceleration in food inflation and higher prices for durable goods was offset by lower rent inflation.

CHART 4: INFLATION COOLS ON TUMBLING ENERGY PRICES

Alberta's CPI, year-over-year percent change



Sources: Statistics Canada, Haver Analytics

Canada's Industrial Product Price Index

Prices pullback

Prices of products manufactured in Canada declined in April after six consecutive months of increases. Canada's Industrial Product Price Index (IPPI) fell 0.8% m/m. The monthly decline was broad-based as prices edged down in 15 of the 20 major product categories. Prices for energy and petroleum products (-3.6% m/m) dropped for a second month in a row, while prices for motorized and recreational vehicles (-0.9% m/m) declined at the fastest pace since June 2020. In contrast, prices for meat, fish, and dairy products (+2.2% m/m) and fruit, vegetables, and other food products (+2.0% m/m) edged higher. Despite the monthly drop, industrial prices were up 2.0% y/y and excluding energy and petroleum products, they were up 3.6% y/y.

U.S. Consumer Price Index

Inflation eases

U.S. inflation continued to ease in April with lower energy prices. The headline consumer price index (CPI) increased 2.3% y/y, below 2.4% y/y in March and the lowest since February 2021. Inflation has moderated over the last three months as gasoline prices have pulled back and are now down 12% y/y. Food inflation also eased from 3.0% y/y in March to 2.8% y/y in April. Meanwhile, core inflation (excluding food and energy) was unchanged at 2.8% y/y as higher housing and medical care inflation offset smaller gains in other goods and services.

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For current snapshot of Alberta indicators [Alberta Economy - Indicators at a Glance](#)