

Weekly Economic Review

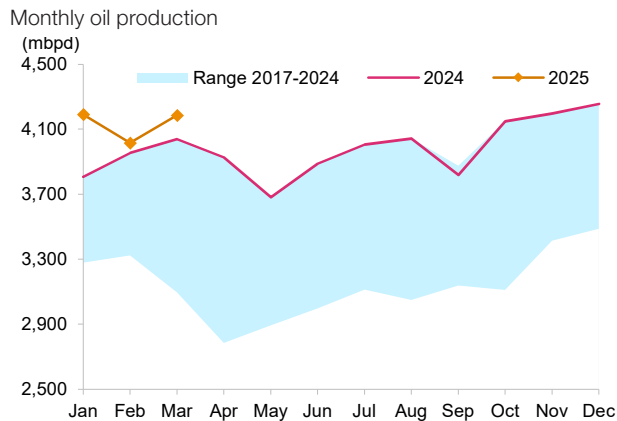
Oil production rebounds in March

Supply & Disposition of Oil

Production bounces back

Alberta's oil production rebounded in March after cold weather dampened activity in the previous month. Total oil output rose 4.2% month-over-month (m/m) to 4.2 million barrels per day (mbpd). Non-conventional output (+4.4% m/m) led the gains, as a jump in bitumen production (+23% m/m) more than offset a pullback in synthetic production (-24% m/m). Conventional oil production (+3.0% m/m) also moved higher on the back of light & medium production (+5.0% m/m). Total production continued to set new seasonal highs (Chart 1) and was up 3.6% year-over-year (y/y).

CHART 1: OIL PRODUCTION HITS ANOTHER SEASONAL RECORD



Source: Alberta Energy Regulator

Real GDP by Industry

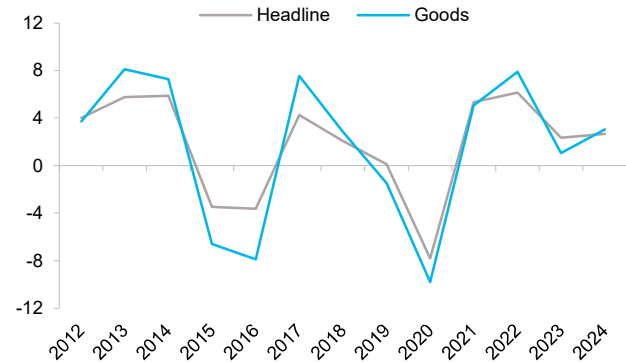
Alberta's economy gained momentum in 2024

Alberta's economy continued to move forward in 2024. Alberta's real GDP by industry rose by 2.7%, an improvement from 2.3% in 2023. The economy advanced at a faster pace as growth in goods-producing industries accelerated to 3.0%, up from 1.0% the previous year (Chart 2). The acceleration was led by the construction sector (+4.7%), which recovered from the previous year's decline as residential construction activity surged 14%. Activity was also strong in oil & gas

extraction (+3.7%) and utilities (+3.6%), while manufacturing declined (-1.1%) for the first time in four years. The services sector also expanded, driven by health care & social assistance (+5.0%), real estate & rental leasing (+2.0%), and transportation & warehousing (+3.9%). Alberta's annual growth rate was well above the national rate (+1.6%) and ranked third highest among the provinces.

CHART 2: GOODS SECTOR DRIVES GROWTH

Year-over-year change in GDP by Industry, Alberta (%)



Source: Statistics Canada

Food Services and Drinking Places

Sales inch up

Alberta restaurant sales edged higher in February. Seasonally-adjusted sales at food and drinking places rose 0.7% m/m to \$1.0 billion. While sales increased in the month, year-over-year growth slowed, reflecting the strong sales last February which were boosted by an extra day in the month. On a seasonally-unadjusted basis, average daily sales at full-service restaurants (+0.8% y/y), limited-service eating places (+2.5% y/y), and special food services (+5.2% y/y) were higher than a year ago. However, sales continued to be weak at drinking place (-13% y/y).

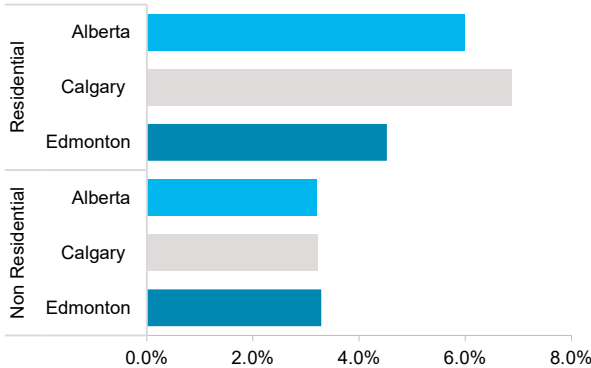
Building Construction Price Index

Costs increase across sectors

Construction costs moved higher in the first quarter of 2025. Alberta's residential construction price index increased 1.6% quarter-over-quarter (q/q) with gains in Calgary (+1.8% q/q) and Edmonton (+1.0% q/q). In addition, the non-residential price index grew 0.9% q/q with similar gains in Calgary (+1.0% q/q) and Edmonton (+0.8% q/q). While lumber prices remained elevated and builders continued to face cost pressure from skilled labour shortage, the quarterly gain was led by price growth for concrete and foundation work. On a y/y basis, residential construction costs were up 6.0%, while non-residential costs increased 3.2% (Chart 3).

CHART 3: RESIDENTIAL PRICES LEAD THE GAIN

Year-over-year growth in building construction price index



Sources: Statistics Canada, Haver Analytics

Alberta Activity Index

Activity eases from elevated levels

The Alberta Activity Index (AAX) took a step back from record levels in February. The index inched down 0.2% m/m as a pullback in the energy sector overwhelmed gains in other sectors. The energy sector lost the previous month's gains as oil production was hampered by extreme weather and facility maintenance. Conversely, the household sector continued to gain momentum, with strength in housing starts outweighing a decline in retail sales, while activity in the business sector moved up on robust manufacturing and new truck sales. Lastly, the labour market was buoyed by sustained momentum in average weekly earnings. Despite the monthly decline, the AAX was up 2.8% y/y and 3.4% year-to-date (YTD).

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[Weekly Economic Review](#)

Canadian Real GDP by Industry

Activity impacted by cold weather

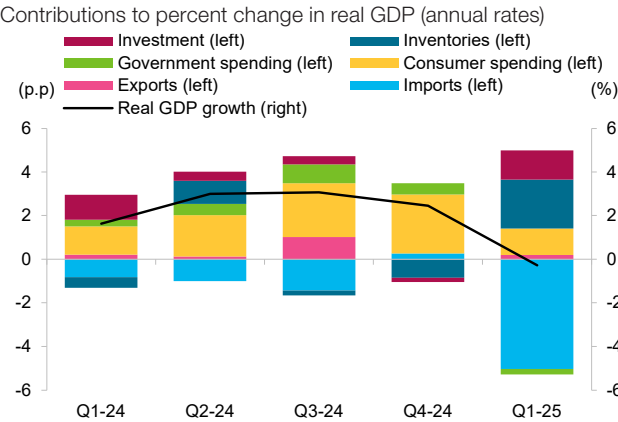
The Canadian economy took a step back in February. Real GDP by industry fell 0.2% m/m after a solid increase in January. The decline was led by lower output in the goods sector (-0.6% m/m), particularly in oil & gas extraction (-2.8% m/m), where activity was hampered by cold weather and maintenance. This was accompanied by a pullback in construction (-0.5% m/m) which lost momentum as lower residential building construction (-0.9% m/m) outweighed ongoing strength in the non-residential building sector (+0.6% m/m). Meanwhile, manufacturing (+0.6% m/m) output was up for the second consecutive month ahead of tariffs, led by machinery equipment and motor vehicle parts manufacturing. The services sector (-0.1% m/m) saw a mild contraction, with real estate (-0.4% m/m) leading the drop and adverse weather weighing on transportation & warehousing (-1.1% m/m). Real GDP by industry was up 1.6% y/y, with gains in most sectors.

U.S. Real GDP

Better than headline suggests

The U.S. economy contracted in the first quarter of the year. Advance estimates indicate that annualized U.S. real GDP contracted by 0.3%. On a quarterly basis, the decline reflected a surge in imports (+9.0% q/q) as businesses rushed to stock up on imported goods ahead of tariffs (Chart 4). While the headline GDP moved lower, underlying domestic demand remained robust. Private fixed investment was buoyed by a jump in business investment (+2.4% q/q), led by spending on information processing equipment. Additionally, consumer spending advanced (+0.4% q/q), but at a slower rate than the previous quarter as spending on durable goods dropped 0.9% q/q after a strong end to 2024.

CHART 4: IMPORTS WEIGH ON FIRST QUARTER GROWTH



Sources: Bureau of Economic Analysis, Haver Analytics