The Essence of Calgary

Our Economy, People and Competitiveness

Calgary Real Estate Forum 2009

Adam Legge – VP + Chief Economist
The Economy
## The Nature of Calgary’s Economy

### Calgary Gross Domestic Product

#### Top 5 Industries

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>2008 GDP ($Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Finance, Insurance and Real Estate</td>
<td>$ 15.46</td>
</tr>
<tr>
<td>2</td>
<td>Mining and Oil and Gas Extraction</td>
<td>$ 10.14</td>
</tr>
<tr>
<td>3</td>
<td>Construction</td>
<td>$ 8.06</td>
</tr>
<tr>
<td>4</td>
<td>Trade</td>
<td>$ 6.97</td>
</tr>
<tr>
<td>5</td>
<td>Professional, Scientific &amp; Technical Services, Business Services</td>
<td>$ 6.62</td>
</tr>
</tbody>
</table>

Source: City of Calgary
The Nature of Calgary’s Economy

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>2008 Employment (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Professional, Scientific &amp; Technical Services, Business Services</td>
<td>117.6</td>
</tr>
<tr>
<td>2</td>
<td>Trade</td>
<td>110.0</td>
</tr>
<tr>
<td>3</td>
<td>Construction</td>
<td>75.1</td>
</tr>
<tr>
<td>4</td>
<td>Health and Welfare Services</td>
<td>67.2</td>
</tr>
<tr>
<td>5</td>
<td>Mining and Oil and Gas Extraction</td>
<td>55.6</td>
</tr>
</tbody>
</table>

Source: City of Calgary
### The Nature of Calgary’s Economy

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>2008 Business Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Professional, Scientific &amp; Technical Services</td>
<td>11,387</td>
</tr>
<tr>
<td>2</td>
<td>Construction</td>
<td>6,830</td>
</tr>
<tr>
<td>3</td>
<td>Other Services</td>
<td>5,513</td>
</tr>
<tr>
<td>4</td>
<td>Retail Trade</td>
<td>4,755</td>
</tr>
<tr>
<td>5</td>
<td>Finance, Insurance and Real Estate</td>
<td>3,964</td>
</tr>
</tbody>
</table>

Source: City of Calgary
The Nature of Calgary’s Economy

Common theme…
The Nature of Calgary’s Economy

Professional, Technical & Scientific Services
Finance, Insurance & Real Estate
Mining and Oil and Gas Extraction
Construction
Trade

Top 5 in at least 2 of 3
The Nature of Calgary’s Economy

Conclusion....?
The engine of Calgary’s economy is oil and gas.
The Nature of Calgary’s Economy

Professional, Technical & Scientific Services – Engineering

Finance, Insurance & Real Estate – Capital markets, real estate

Mining and Oil and Gas Extraction – E+P

Construction – Commercial and residential

Trade – Business and consumer
The majority of economic activity is direct oil and gas E+P, or associated with the support services and infrastructure needed by the oil and gas industry.
The Nature of Calgary’s Economy

What about other economic engines?
The Nature of Calgary’s Economy

Right now, if oil and gas is a V12,
The Nature of Calgary’s Economy

Right now, if oil and gas is a V12,

Everything else is a turbo-charged in-line 4.
Financial Services

• Leading financial services centre in Canada

• Supporting:
  • Large head office base – huge capital requirements
  • Small business base
  • Growing wealth and asset accumulation

• Calgary FS employment growth 98-07: 45.6%
Information and Communication Technology

• Leading centre in wireless and geomatic technologies

• 2nd highest ICT employees per capita behind San Francisco

• Concentration of ICT talent within other sectors
Transportation and Logistics

• Leading pacific northwest distribution hub

• Intersection of CANAMEX and Trans-Canada highways

• Rail and air service

• Growing opportunity for distribution of energy products to export markets
Creative Industries

• Niche location for film activity
• Well kept secret of digital marketing expertise
• Growth opportunities in unique co-location Creative Hub concept
The People
Calgary Demographics

- Median age is 35.7 with 81.6% aged 15 and older; 47% of Calgarians are within core working age group of 25 - 54
- 23.6% of Calgarians are immigrants, and 1.1% of Calgary are non-permanent residents
- 22.2% of population is a visible minority with Chinese and South Asians leading
- Median income 2005 -- $79,084 (all Census families)
- Average household size – 2.6 people
- Second highest level of educational attainment of population aged 25 – 64 of major Canadian cities

Calgary Population Growth
2005-2008

Source: Calgary Civic Census, 2009;
NOTE: City of Calgary Geography
Calgary Immigration 2004 - 2008

Source: Statistics Canada, NOTE: Calgary CMA Geography
Calgary Demographics

<table>
<thead>
<tr>
<th>Source Country</th>
<th>PRs</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>11,239</td>
<td>100.0%</td>
</tr>
<tr>
<td>India</td>
<td>1,383</td>
<td>12.3%</td>
</tr>
<tr>
<td>Philippines</td>
<td>1,349</td>
<td>12.0%</td>
</tr>
<tr>
<td>China</td>
<td>1,098</td>
<td>9.8%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>932</td>
<td>8.3%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>698</td>
<td>6.2%</td>
</tr>
<tr>
<td>United States</td>
<td>475</td>
<td>4.2%</td>
</tr>
<tr>
<td>Korea</td>
<td>269</td>
<td>2.4%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>260</td>
<td>2.3%</td>
</tr>
<tr>
<td>Colombia</td>
<td>249</td>
<td>2.2%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>229</td>
<td>2.0%</td>
</tr>
<tr>
<td>Top 4 Countries</td>
<td>4,762</td>
<td>42.4%</td>
</tr>
<tr>
<td>Top 10 Countries</td>
<td>6,942</td>
<td>61.8%</td>
</tr>
</tbody>
</table>

Source: Citizenship and Immigration Canada, Facts and Figures, 2007
Labour Force – Age Cohort Profile (2006)

Source: RDA Global
Labour Force – Age Cohort Profile (2016)

Source: RDA Global
What is the future of jobs in Calgary?

Highest growth occupations (total jobs) 2007 - 2017

1. Retail salespersons;
2. Retail trade managers;
3. Registered nurses;
4. Information systems analysts & consultants;
5. Financial auditors & accountants;
6. Petroleum engineers;
7. Elementary school & kindergarten teachers;
8. Geologists, geochemists & geophysicists;
9. Computer programmers & interactive media developers;
10. Sales representatives for wholesale trade
What is the future of jobs in Calgary?

Top Industries (by job growth) 2007 - 2017

1. Professional, scientific and technical services;
2. Health care and social assistance;
3. Retail trade;
4. Construction;
5. Manufacturing;
6. Accommodation and food services.
7. Transportation and warehousing
8. Wholesale trade;
9. Educational services; and,
10. Mining, and oil and gas extraction
Competitiveness
Competitiveness

- Strength of the energy sector
- Business climate and culture
- Nucleus of economic activity in Canada
- Dependent upon business strategy of company
  - People
  - Business drivers
Competitiveness - Scorecard

- Top Economic indicator performance  
  (Source: Conference Board of Canada)
  - Disposable income growth 2002 – 2007
  - Unemployment rate 2007
Competitiveness - Scorecard

• Top Labour Attractiveness indicator performance  (Source: Conference Board of Canada)

  • Proportion of population at or below Low Income Cut Off (poverty level) – 2006
  • Average population growth 2002 – 2007
  • Housing affordability 2007
The Essence of Calgary

• Conclusion?
The Essence of Calgary

- Focus on our strength – energy
- Grow other emergent strengths – financial services, T+L, niche ICT, Creative Industries
- Continue to focus on people
  - Training
  - Wages
  - Quality of life
- [www.calgaryeconomicdevelopment.com](http://www.calgaryeconomicdevelopment.com)
- Calgary Scorecard on Prosperity
- CED 2010 Calgary Economic Outlook Report
- 2009 Calgary Business Survey
- Calgary Economic Development Strategy
- Labour Force Demand Forecast 2007-2017