

The background of the slide is a collage of images related to Edmonton's economy. It features a night view of the city skyline with illuminated buildings, a close-up of a worker in a hard hat and safety vest working on a large industrial pipe, and abstract blue and green geometric patterns and lines overlaid on the scene. The overall color palette is dominated by blues and greens.

Edmonton's Economic Outlook

Chief Economist
Financial Services & Utilities



Agenda

The Context

- Regional & Local Current Indicators

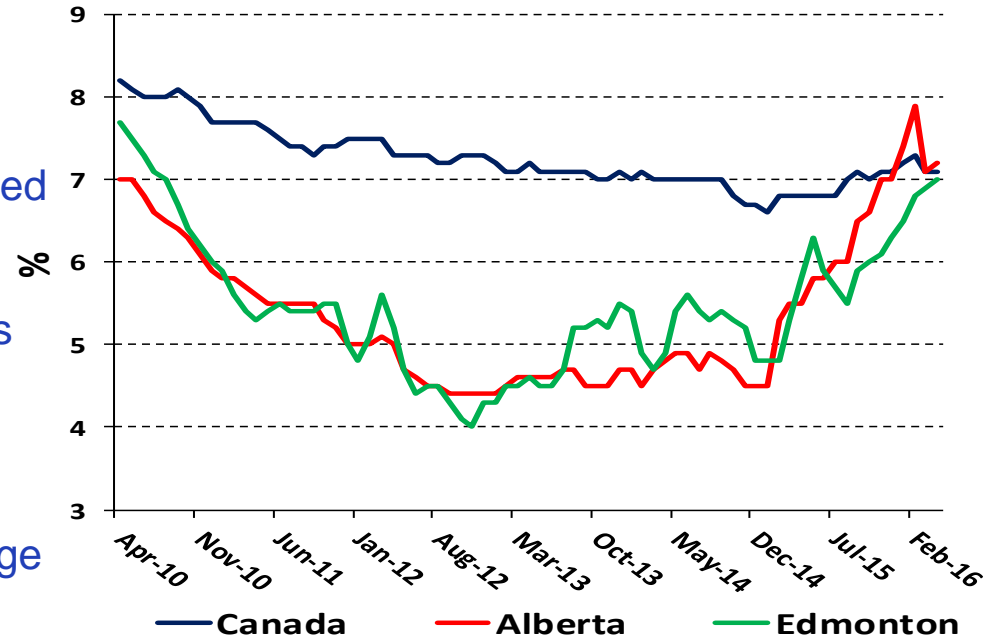
Long-Term Outlook

- Edmonton & the Region
- Risks to the Outlook

Job Growth Continues

Unemployment Rate

- The region's rate of job growth is positive year over year at 3.6%
- Growing labour force has moderated wage pressures
- A recent shift to part-time job gains may undercut consumer spending over the next 12 to 18 months
- Unemployment in the Edmonton region will rise above the 7.0% range by mid 2016



Source: Statistics Canada

Change in Employment

April 2015 to April 2016

Three month moving average

Job Gains		Job Losses	
Alberta (-22,400)			
Education	12,400	Manufacturing	-23,100
Professional Services	12,000	Hospitality	-18,900
Info. Culture & Rec	7,000	Primary	-17,900
Health Care	10,600	Logistics	-15,800
Edmonton CMA (+31,100)			
Logistics	9,100	Manufacturing	-9,600
Public Admin.	5,400	Primary	-2,800
Info, Culture & Rec..	4,300	Hospitality	0
Professional Services	3,300		

Source: Statistics Canada

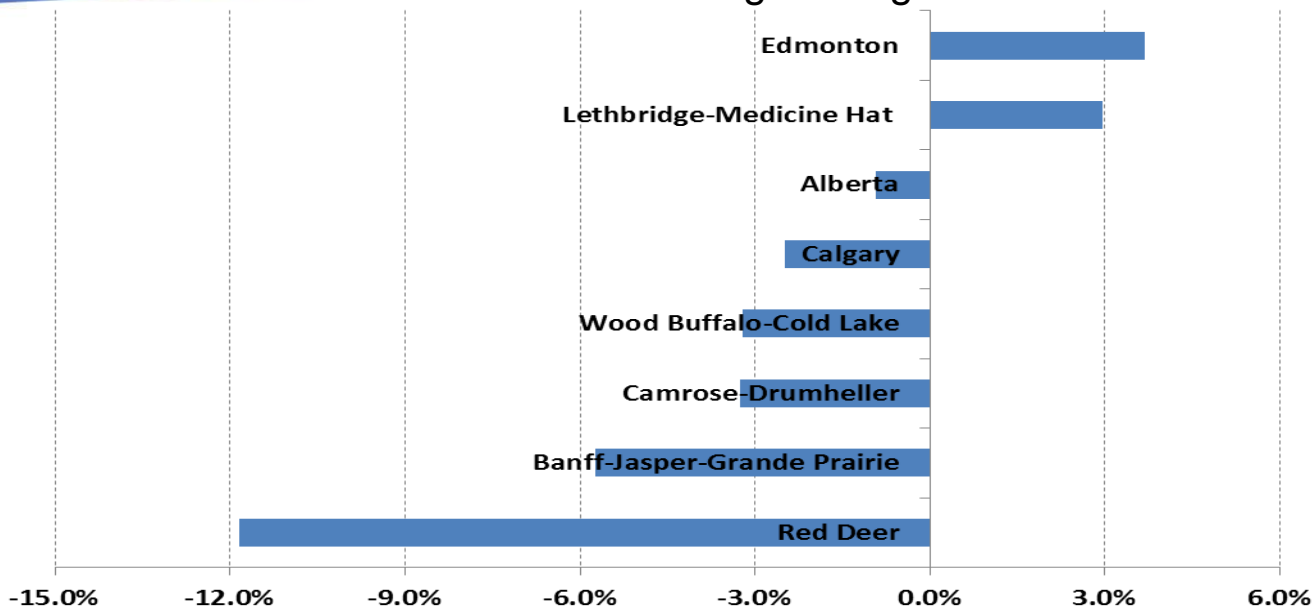
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Slide 4

Employment Growth by Region

March 2015 to March 2016

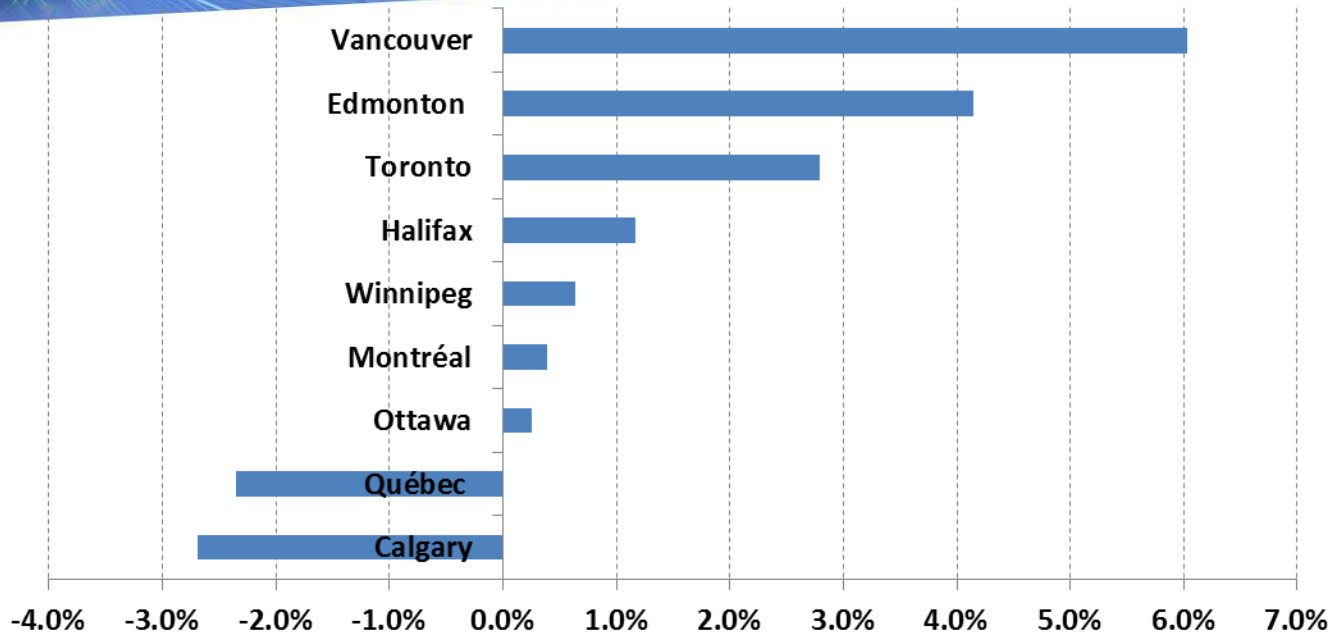
3 Month Moving Average



Source: Statistics Canada

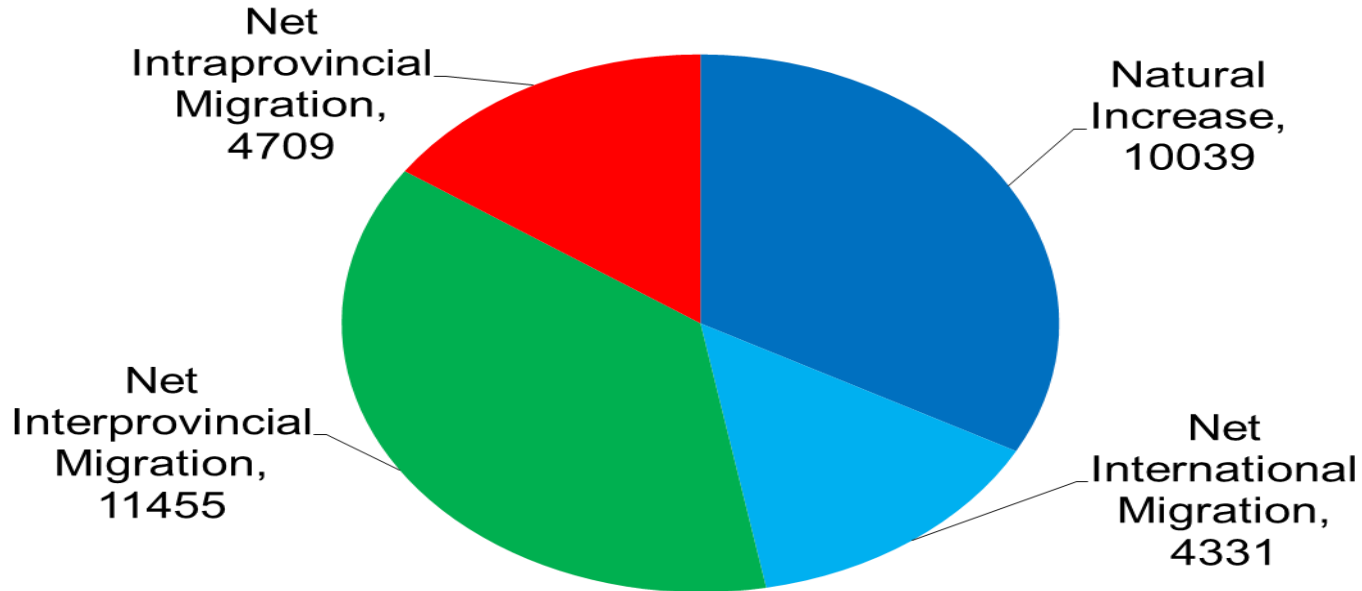
Employment Growth by Metro

April 2015 to April 2016



Source: Statistics Canada

Edmonton CMA's Population Growth 2015



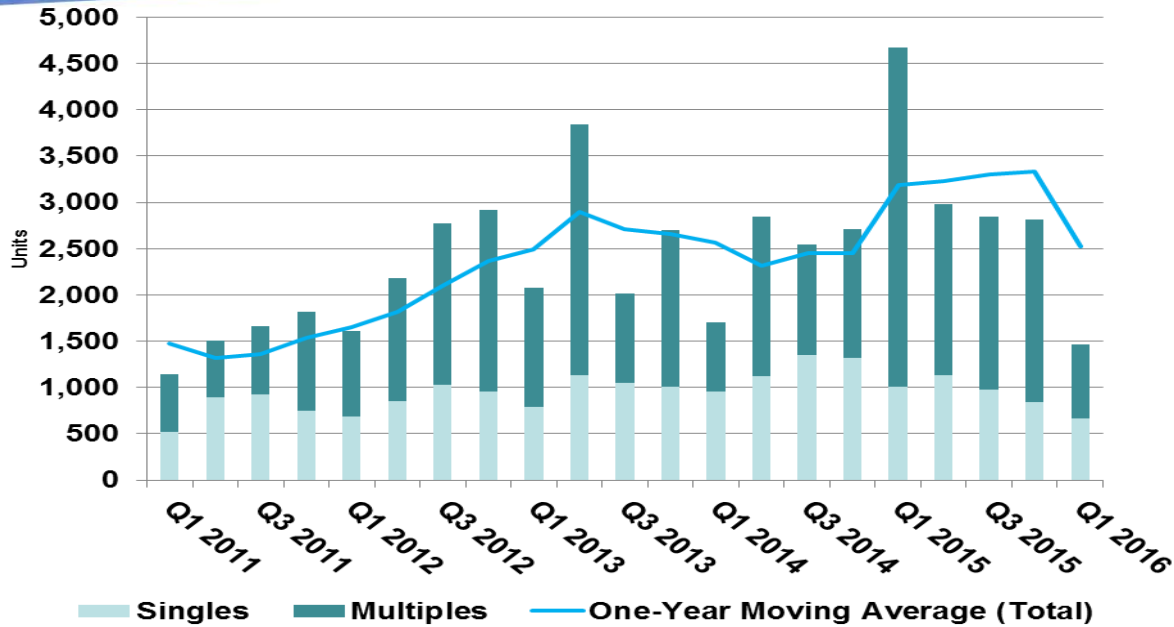
Total 30,534

Slide 7

Source: Statistics Canada

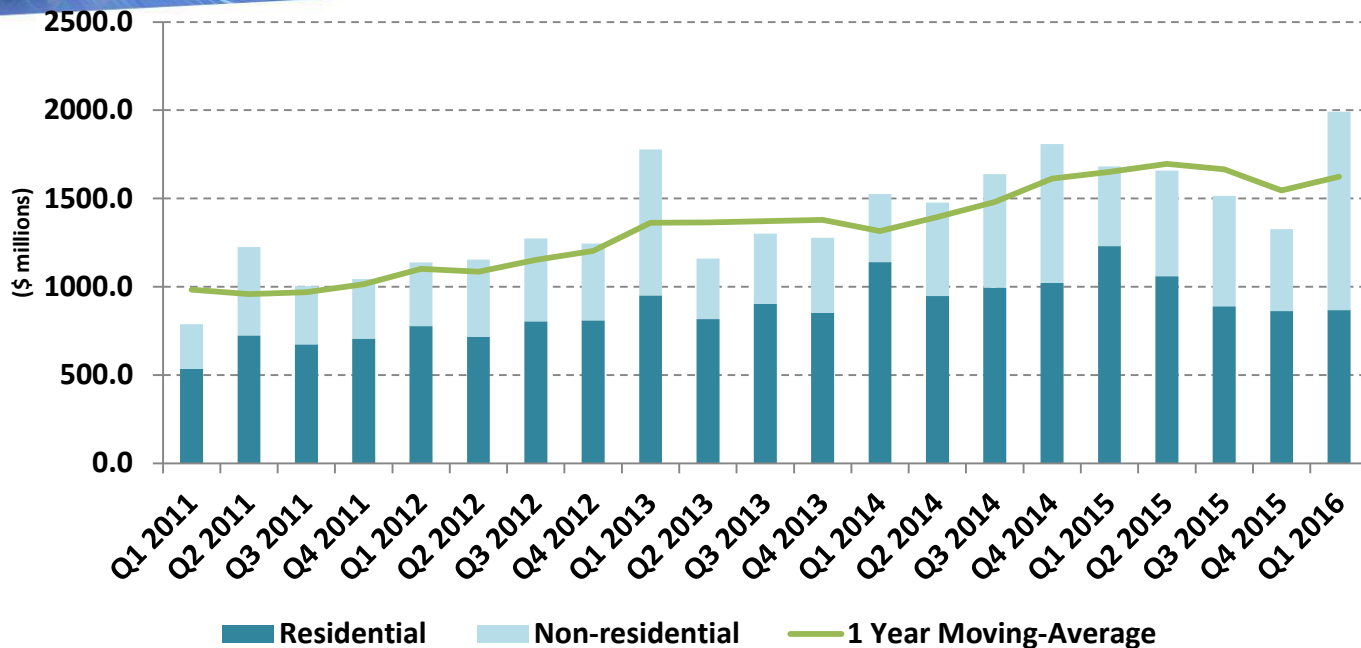
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City of Edmonton Housing Starts



Source: CMHC

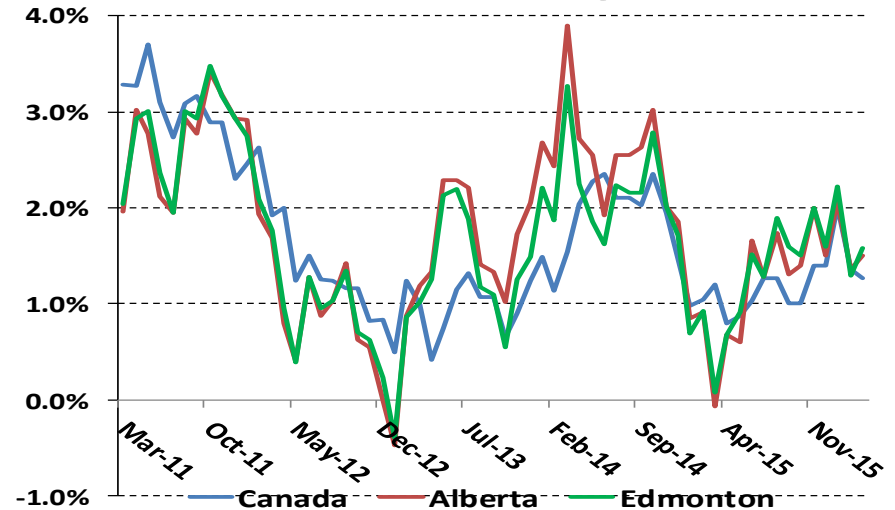
Edmonton CMA Building Permits



Consumer Inflation Normalizing

- The region's year-over-year inflation rate slowed sharply in the first quarter of 2015
- Housing, clothing and food prices continue to move up
- Inflation will hold at current levels. Forecast is for a move toward 2.0% in 2016
- Lower inflation will boost real incomes for Edmonton residents as wages continue to rise.

Year-over-Year Change in CPI

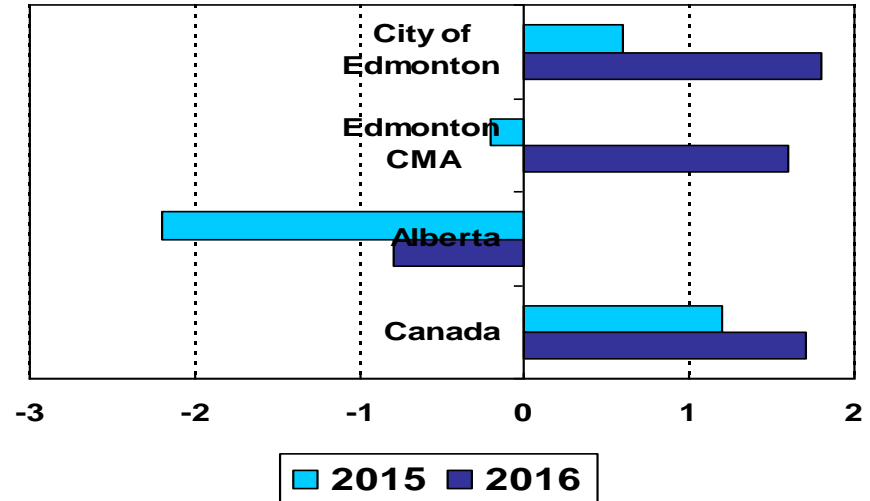


Source: Statistics Canada

Canada, Alberta & Edmonton

- Edmonton will outperform Alberta due to its relatively diverse economy
- 2015 brought dramatically slower growth for the City and negative growth for Alberta and the Edmonton CMA
- A recession scenario for Edmonton requires low oil prices to persist and a pull back in provincial expenditures

% Real GDP Growth

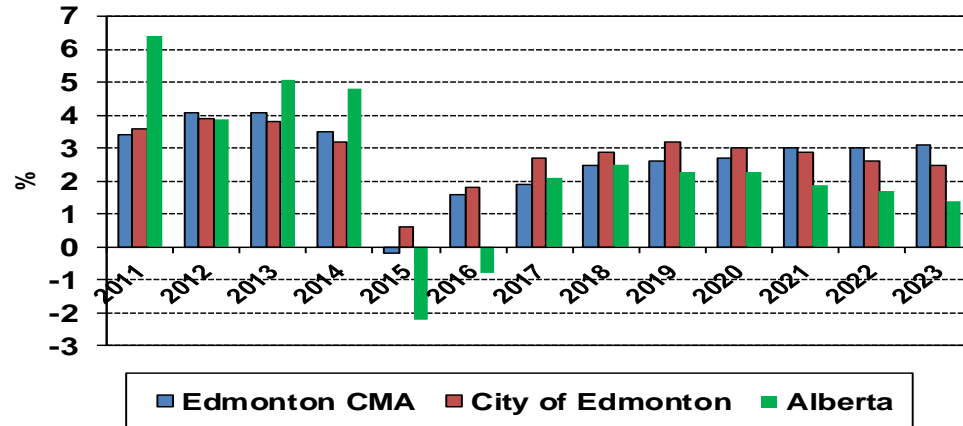


Source: IMF, City of Edmonton, C4SE

Growth Moderates in the Longer Term

- The City experienced a sharp slow down during 2015.
- City and region makes a gradual recovery to faster growth in 2016 while the province lags.
- Continuing in migration allows the City and the region to grow more rapidly than Alberta and Canada in the final years of the outlook.

Real GDP Growth



Source: City of Edmonton, C4SE

Risks to the Edmonton Outlook

Downside

Consumer confidence continues to falter as incomes level off and concerns grow over job security

Low oil prices persist into 2016 and 2017 causing severe slump in energy investment and government spending

Deeper slowdown in China and other emerging markets

Stricter controls on carbon emissions and opposition to energy investments

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Upside

U.S. recovery gains additional momentum

US oil production and inventories are falling firming up North American energy prices

Canadian business investment and exports show more strength and boost growth

Euro Zone countries succeed in stimulating more rapid growth



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John Rose
Chief Economist
Financial Services and Utilities

780-496-6070

john.rose@edmonton.ca