

WESTERN POLICY Analyst

Bi-Weekly Briefing

Volume 3, Issue 5

JOHNSON
SHOYAMA GRADUATE SCHOOL OF
PUBLIC POLICY

MARCH 12, 2012

This Week...

Employment Trends
Manufacturing Sales
Restaurant and Bar Receipts
Border Traffic



Employment Trends By Doug Elliott, Editor

The labour market in western Canada is starting 2012 in much the same way that it ended 2011, namely with

strong employment growth in Alberta.

Employment in the West has averaged 5.5 million in the first two months of 2012 which is a 2.1% increase over the same period in 2011. This follows a 1.9% employment increase for the calendar year 2011. The increase in Canada as a whole is much lower than it was in 2011 – 0.7% for the first two months of 2012 compared with 1.6% in 2011.

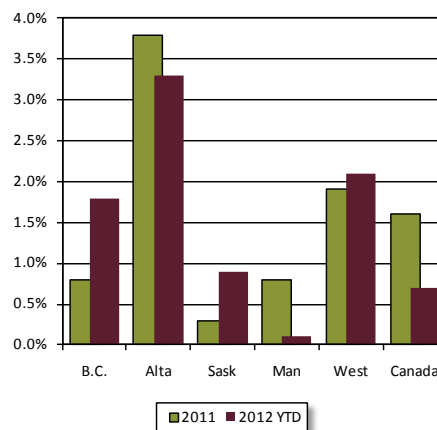
There are increases in each of the four western provinces but the growth is strongest in Alberta where employment is up 3.3% and in B.C. where the increase is 1.8%. The labour market is weakest in Manitoba and Saskatchewan where the year-to-date increases are 0.1% and 0.9% respectively.

The western labour market started 2012 with continued strong employment growth in Alberta.

Manufacturing Sales

The first estimates for the value of manufacturing shipments in 2011 have been released by Statistics Canada. They show that over the past two years, the sector has recovered almost all of the ground lost in 2009 when sales fell by 19%. The same pattern is evident nationally but sales in the

Figure 1: Change in Employment, 2011 and 2012 Year-to-Date



Canadian manufacturing sector are still 4% below their 2008 level.

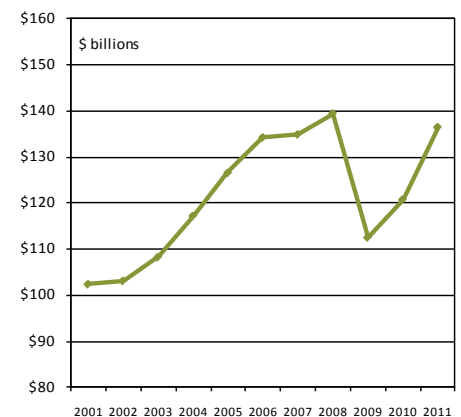
Much of the 2009 collapse and the subsequent recovery can be traced to the drop in the value of refined petroleum products (including petrochemicals). Nevertheless, the same drop in 2009 and recovering in 2010 and 2011 is evident among manufacturers of paper and wood products and fabricators of metal products.

Alberta is the manufacturing powerhouse in the West, accounting for over one half of the value of sales. The 2012 increase occurred in each of the provinces with growth rates of:

- 6% in B.C.;
- 18% in Alberta;
- 15% in Saskatchewan; and
- 6% in Manitoba.

There are no data to estimate what proportion of the fluctuation in sales is purely a function of price but the trends suggest that it will be a major cause.

Figure 2: Annual Sales by Manufacturers, Western Canada Total



Employment in the manufacturing sector was 397,000 in 2011 which is up 3.4% from 2010 but still well below the 431,000 in 2008.

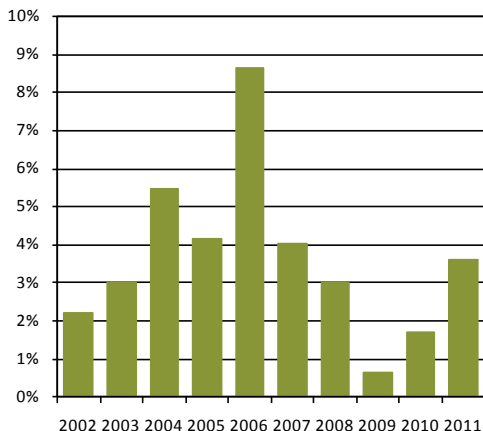
Restaurant and Bar Receipts

Generally speaking, we have better statistics about the goods-producing parts of the economy than we have about the service-producing parts. Restaurants and bars are an exception to this rule. Statistics Canada has just released preliminary estimates for 2011 gross receipts in “food service establishments”, a category that includes both full-service and fast-food restaurants, caterers, bars, and taverns.

Sales in the four western provinces increased by 3.6% to \$17.9 billion in 2011. As Figure 4 shows, the sector has recovered from the slump in 2009 and 2010 but is still not growing as quickly as in the mid-2000s.

The 2011 increase was most pronounced in full-service restaurants where sales grew by 4.3% compared with 2.4% in limited-service restaurants

Figure 3: Annual Change in Gross Receipts, Restaurants, Caterers, and Bars, Western Canada Total



and 0.4% in bars and taverns. The increase is only evident in the prairie provinces with growth rates of 5.5% in each of Manitoba and Saskatchewan and 7.4% in Alberta. Sales fell by 0.3% in B.C.

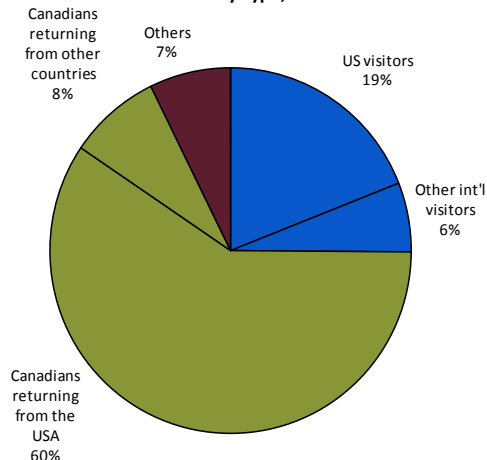
After falling in 2010, employment in the western accommodation and food services sector increased by 7.4% in 2011.

After a slump in 2009 and 2010, restaurant and bar receipts grew by 3.6% in 2011.

Border Traffic

The number of persons arriving in western Canada from other countries is almost exclusively a function of the border crossings in the lower mainland of B.C. In 2011, 74% of the 27.5 million international travellers entering western Canada arrived in B.C. More people cross the USA border at the Douglas crossing than in Manitoba and Saskatchewan combined.

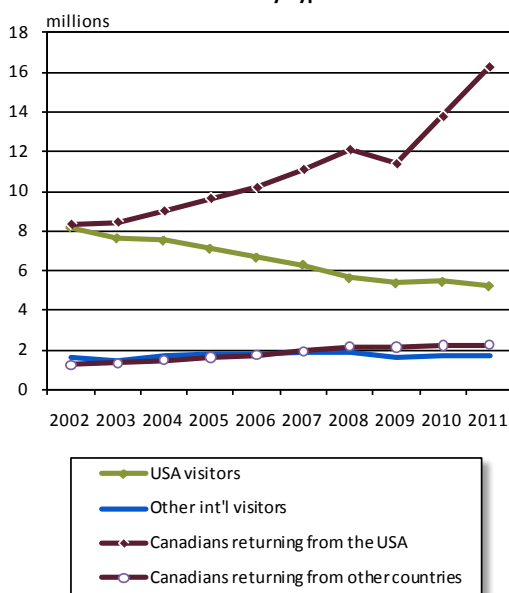
Figure 4: International Arrivals in Western Canada by Type, 2011



The majority of the travellers (60% in 2011) are Canadians coming back from a trip to the USA to shop, have a vacation, return from a winter residence, or conduct business (see Figure 5). About one quarter of those coming to western Canada are international visitors and three quarters of these were from the USA. The remaining 15% were comprised of Canadians returning from countries other than the USA and the "other" category which is mainly airline flight crews.

The increase from 2010 to 2011 was 9% overall with the most pronounced increase (18%) among Canadians returning from the USA, presumably taking advantage of the high value of the loonie to do some shopping. The number of international visitors declined by 5% and the number of visitors from the USA fell by 4%.

Figure 5: International Arrivals in Western Canada by Type



The number of Americans who are visiting western Canada, a measure sometimes used as a proxy for the tourism industry, has fallen steadily from 8.2 million in 2002 when the Canadian dollar was trading at 64¢ to 5.2 million in 2011 when the loonie was above par. Over the same period, the number of Canadians visiting the USA has grown from 8.3 million to 16.3 million.

Upcoming Releases

In the next two weeks, Statistics Canada will be releasing data describing:

- January motor vehicle sales on March 14;
- January manufacturing sales on March 16;
- January wholesale trade on March 19;
- January retail trade on March 22; and
- February consumer price index on March 23.

Sources:

The figures are adapted from the following sources.

Employment Trends: Statistics Canada CANSIM Table 282-0001

Manufacturing Sales: Statistics Canada CANSIM Table 304-0015

Restaurant and Bar Receipts: Statistics Canada CANSIM Table 355-0005

Border Traffic: Statistics Canada CANSIM Table 427-0001

The Western Policy Analyst is published bi-weekly and quarterly by the Johnson-Shoyama Graduate School of Public Policy. No reproduction of any material is allowed without express consent of the publishers.

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ISSN 1923-9971



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