

Labour Force Survey

Employment losses in Alberta slowed down in second quarter of 2009...

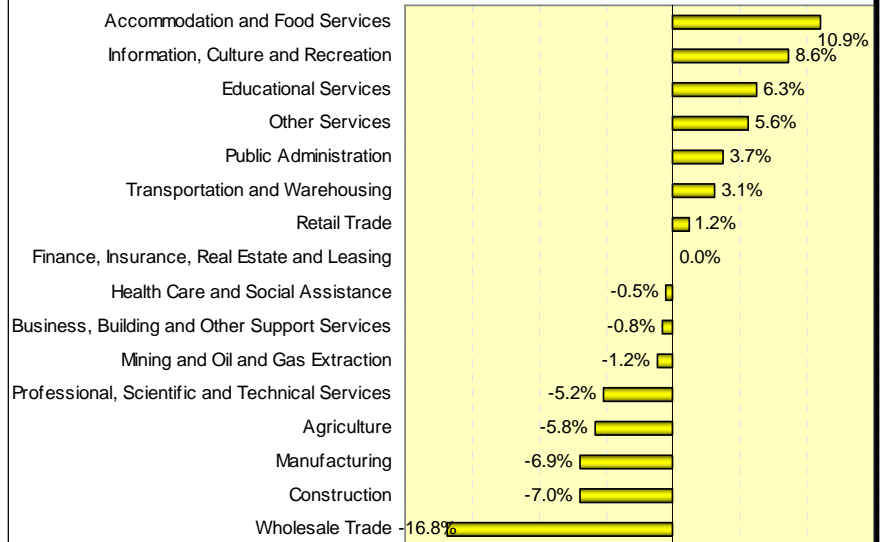
Alberta's unemployment rate in June 2009 was 6.8%, up from the 6.6% recorded in May. The increase in the unemployment rate can be attributed to a 2,800 rise in unemployment between May and June coupled with a 4,000 fall in the number of people employed.

In 2009 employment losses in the first quarter totalled 35,300, but in the second quarter employment losses slowed down considerably to 2,300.

The year-to-date average unemployment rate ranged from 1.6% in public administration and agriculture to 10.7% in construction.

The industries with the largest year-to-date increases in the number of people employed are accommodation and food services (up 12,300 or 10.9%), education services (up 8,100 or 6.3%) and information, culture and recreation (up 6,100 or 8.6%). Industries with sizable losses in employment include wholesale trade (down 16.8% or 15,000), construction (down 7.0% or 13,800) and manufacturing (down 6.9% or 9,500).

Percentage Change in Average Employment by Industry
January - June 2008 to January - June 2009



Source: Statistics Canada

* Industries with highest percentage increase in average employment

Merchandise Exports

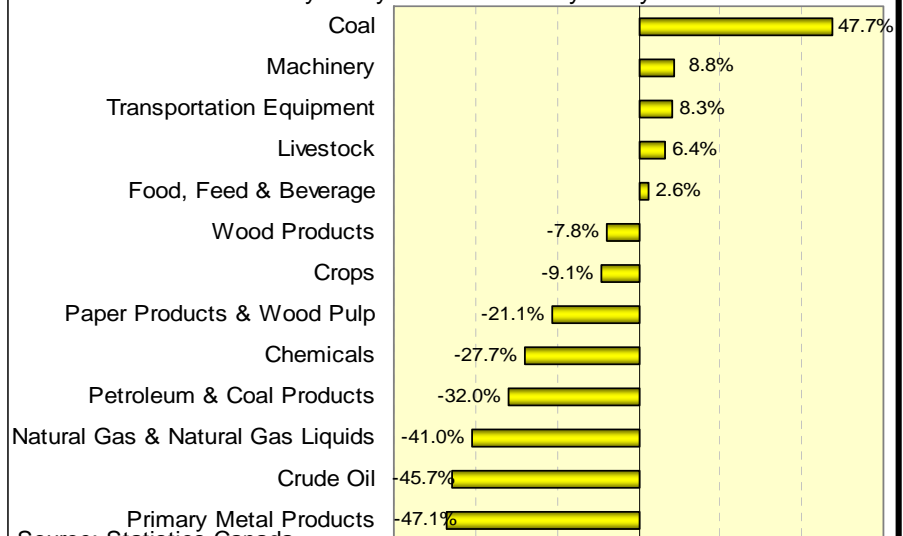
Exports continue to fall in May ...

The value of Alberta's international merchandise exports decreased by 46.0% in May 2009, compared to May 2008, to \$4.9 billion. On a year-to-date basis, Alberta registered the largest provincial decrease of 36.3% (compared to the same period of 2008), to \$28.0 billion.

Gains of 47.7%, 8.8%, 8.3%, 6.4% and 2.6% were registered for coal, machinery, transportation equipment, livestock and food, feed and beverages, respectively.

Percentage Change in Exports for Selected Industries

January - May 2008 to January - May 2009



Source: Statistics Canada

Sizable losses were recorded for the following exports: primary metal products (down 47.1%); crude oil (down 46.7%); natural gas and natural gas liquids (down 41.0%); and petroleum and coal products (down 31.0%).

Manufacturing Shipments

Manufacturing shipments reach lowest level since February 2004...

In May 2009, the value of Alberta’s manufacturing shipments declined by 27.4% from 12 months earlier, to \$4.4 billion. This is the lowest level of shipments since February 2004. Sizable declines in all but two industries were the major cause of this decrease. The only industries that registered increases compared to May 2008 were printing and publishing (up 4.7%) and food products (up 4.0%). Canadian manufacturing shipments fell 6.0% to \$38.4 billion over the same period.

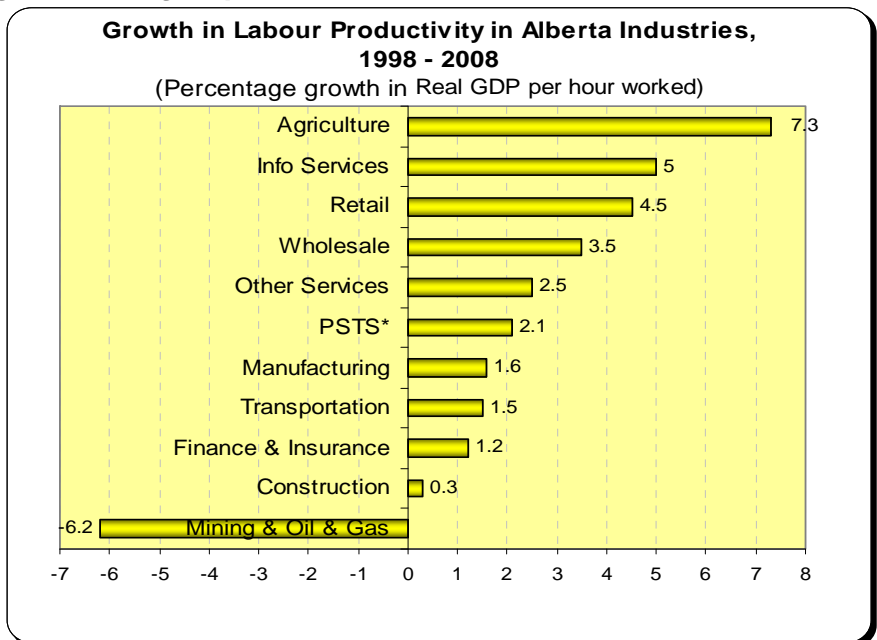
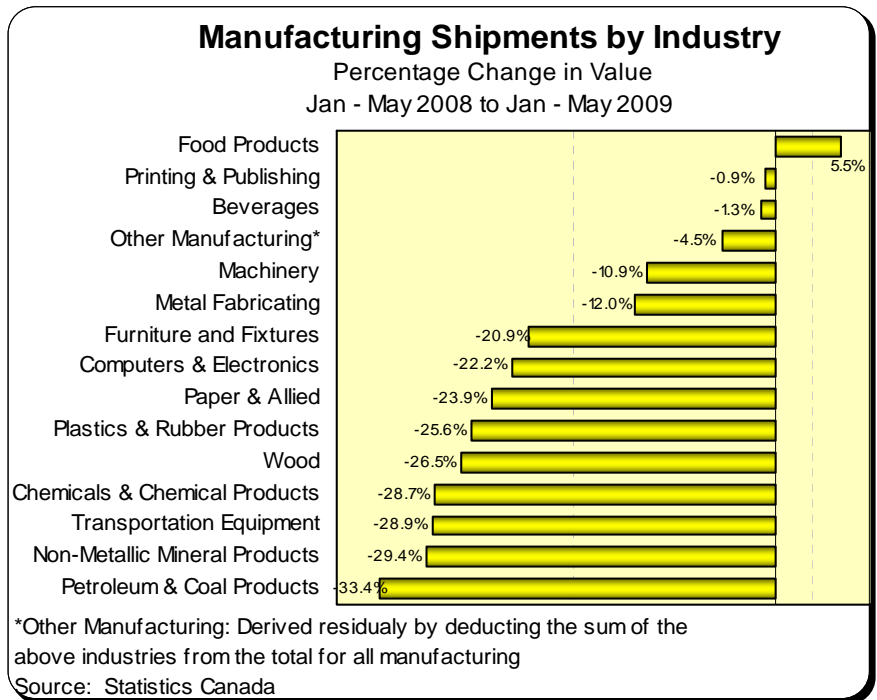
Year-to-date, Alberta manufacturing shipments fell by 17.9% from the same period last year, to \$23.5 billion. Out of 15 industries, 14 industries recorded decreases in shipments. The largest decrease (of 33.4%) was registered in the petroleum and coal products industry;

the only increase (of 5.5%) was recorded in the food products industry. Other sectors with sizable decrease of between 25% and 30% include non-metallic mineral products, transportation equipment, chemicals, wood products, plastics and rubber products.

Productivity Growth

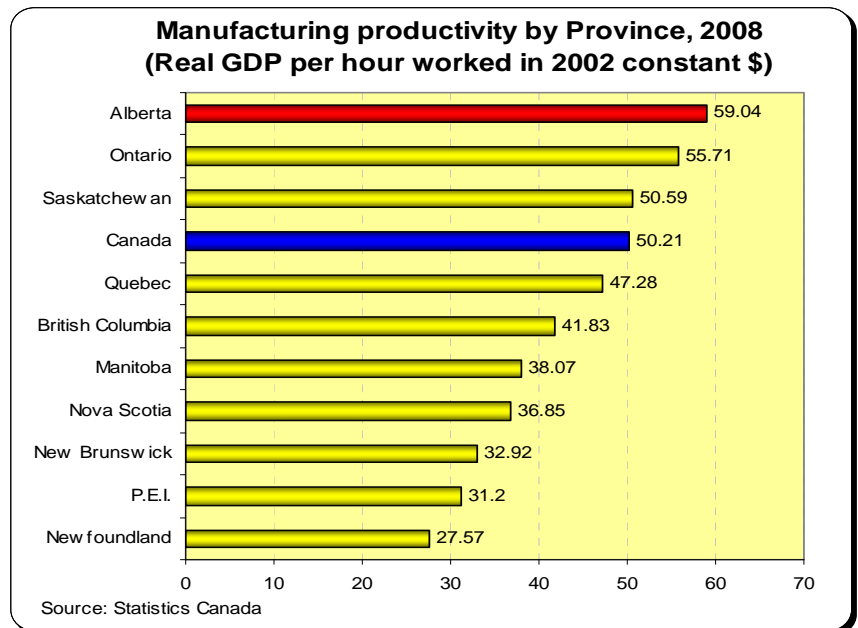
Alberta’s manufacturing productivity highest among all provinces...

In 2008, Alberta’s labour productivity was \$47.53 per hour worked, down 1.4% from 2007 but still the highest provincial productivity level recorded and well ahead of the Canadian average of \$40.86 per hour worked. However, between 1998 and 2008 Alberta’s productivity level inched up at an average annual growth rate of 0.8%, which was the lowest provincial productivity growth rate. This weak growth can be attributed to sharply lower productivity in the mining and oil and gas sector (from \$221 per hour worked in 1998 down to \$116 per hour worked in 2008). Declining productivity in Alberta’s energy sector is



mostly the result of Alberta's declining conventional oil and gas reserves (it takes more labour effort to find and extract each additional unit of oil and gas output), sharp declines in drilling and exploration, and the shift from conventional extraction to lower productivity non-conventional production (i.e. oil sands).

Sectors with high productivity growth between 1998 and 2008 include agriculture (up 7.3% per year to \$44.44/hour), information services (up 5.0% to \$80.40), retail (up 4.5% to \$26.61) and wholesale (up 3.5% to \$48.84). In the manufacturing sector real GDP per hour worked increased by 1.6% per year to \$59.04. This was the highest provincial manufacturing productivity level in 2008.



Note: Labour productivity is defined as real gross domestic product (GDP) per hour worked.