

# Economic Spotlight

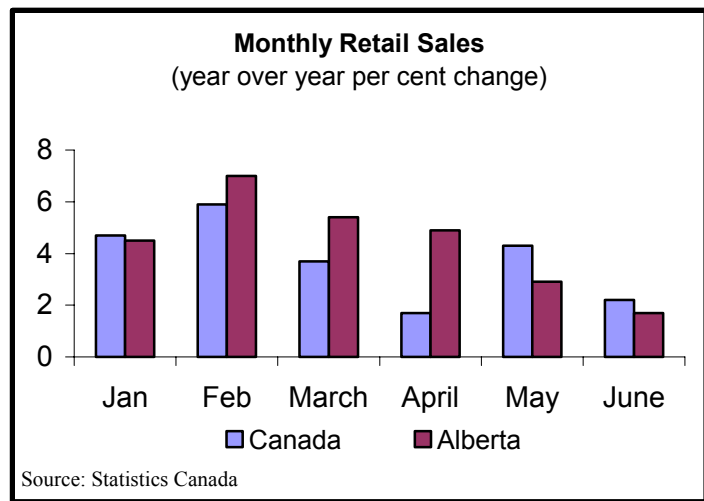
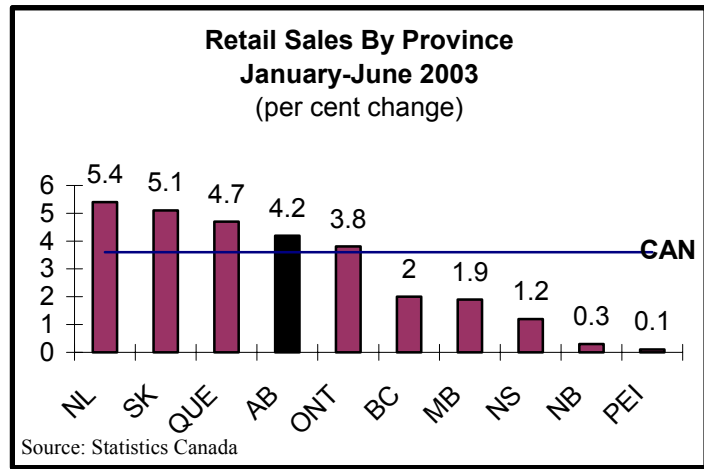
## RECENT TRENDS IN RETAIL SALES

Through the first half of 2003, Alberta's growth in retail sales was 4.2%, the fourth highest among the provinces and exceeding the national average of 3.6%. Newfoundland (5.4%), Saskatchewan (5.1%), and Quebec (4.7%) had the largest increases in retail sales.

Alberta's second-quarter sales were up 3.1% from the same period in 2002, but down marginally (0.2%) from the first quarter of 2003, about the same as the drop in national retail sales for the quarter.

In June, Alberta retail sales were up 1.7% from June 2002. Comparing monthly retail sales on a year over year basis, Alberta has had stronger growth than Canada for the majority of 2003, averaging 4.4% growth (compared to 3.8% nationally). Alberta's growth in May and June was slightly below the Canadian average.

On a month-to-month basis, Alberta's June retail sales were up 0.6% from May. Alberta (tied with Quebec) had the highest year-to-date average month-over-month growth rate at 0.6% - double the national average.



Alberta continues to have the highest per capita retail sales among the provinces. Year to date, Alberta retail sales per capita averaged \$1027 per month, 23% above the national average.

Alberta's robust economy strengthens both consumer confidence and consumer expenditures. Alberta's retail sector continues to benefit from strong general economic conditions in the province. Employment is up by over 46,000 year-to-date (2.8% growth) and Alberta's unemployment rate was at 5.1% in August - the second lowest among the provinces. Alberta's housing market has also displayed continued strength, with August housing starts at 38,000. These factors should help sustain retail sales in the second half of the year.