WEEKLY ECONOMIC REVIEW

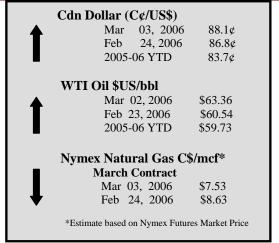
March 3, 2006

The Canadian dollar traded over 88 cents US this week, its highest level since November 1991. Stronger Canadian economic data, as well as weakness in the U.S. dollar, supported the loonie.

In the fourth quarter of 2005, Canada's economic growth slowed to 2.5 per cent (annualized) from 3.5 per cent the previous quarter, as rising imports (+2.7 per cent) satisfied a larger share of domestic spending. Investment, exports and personal expenditures continued to remain key drivers of growth in the fourth quarter. For all of 2005, the Canadian economy expanded by 2.9 per cent.

Average weekly earnings of payroll employees in Canada rose by 3.1 per cent in 2005. Alberta's average weekly earnings increased by 5.2 per cent, the highest growth among the provinces. Led by strong gains in wages and full time employment, labour income in Alberta increased by 9.4 per cent in 2005, 4 percentage points higher than the Canadian average.

Canada's current account surplus with the rest of the world reached a record \$30.2 billion, surpassing its previous record of \$29.3 billion in 2000. Continued strength in the energy sector and a lower investment



income deficit contributed to the current account surplus.

Alberta farm cash receipts were down 1.7 per cent in 2005, as a decline in both crop receipts (-11 per cent) and program payments (-22 per cent) outweighed the improvement in livestock receipts (+12 per cent). Nationally, farm cash receipts were up 1.1 per cent.

The U.S dollar weakened in response to a slowing U.S. housing market and lower consumer confidence. Sales of new and existing homes slipped below expectations and inventories increased. U.S. consumer confidence fell in February as consumers expressed concerns about the short-term health of the economy and job prospects.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date ¹
Average Weekly Earnings (\$)	December			
Alberta	782.38	-0.6%	3.9%	5.2%
Canada	734.60	-0.6%	3.3%	3.1%
Industrial Product Price Index (1997=100)	January			
Canada	111.7	0.5%	2.2%	n/a
Raw Materials Price Index (1997=100)	January			
Canada	155.5	5.0%	17.8%	n/a
GDP (millions chained \$1997)	4 th Quarter	Qtr/Prev. Qtr	Qtr/Prev. Year's Qtr	2005 Growth
Canada	1,170,432	0.6%	2.9%	2.9%

Source: Statistics Canada

¹Year-to-date 2005 compared to the same time period in 2004. For example: January-December 2005 versus January-December 2004