

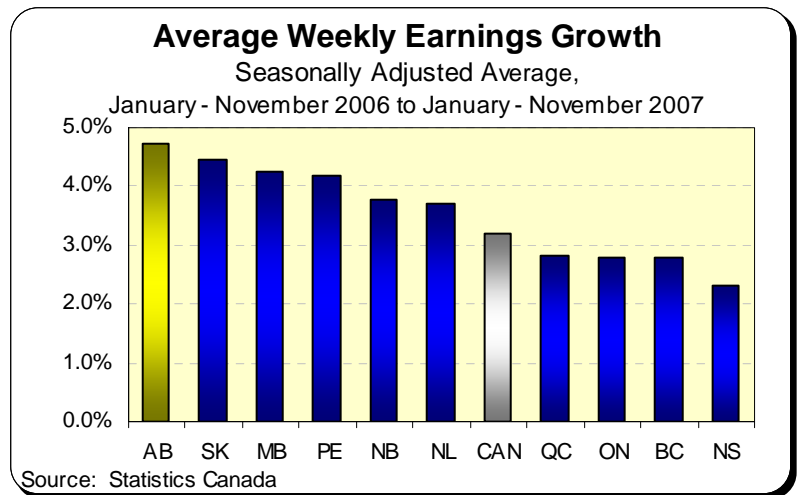
Weekly Economic Highlights

Average Weekly Earnings

Alberta's wage growth highest among the provinces ...

In November 2007, average weekly earnings of Alberta payroll employees increased by 5.6% from November 2006, to \$854.28. Over the same period, Canadian earnings rose 4.0%. Alberta continues to have the highest wages in Canada, and the gap between Alberta and Canadian weekly earnings has more than doubled during the past three years to \$69.45 in November 2007.

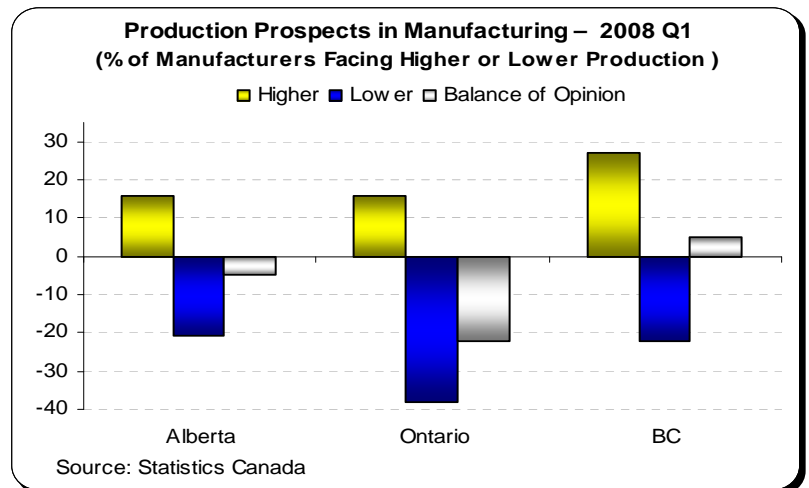
On a year-to-date basis, weekly earnings rose by 4.7% from the same period in 2006. This was the highest growth recorded among the provinces. By comparison, earnings in Canada rose by 3.2% over the same period.



Business Conditions Survey

Alberta manufacturers anticipate little change in production this quarter ...

Statistics Canada's *Business Conditions Survey* is a quarterly survey of manufacturers' opinions on a range of business issues such as production and employment. Sixteen per cent of Alberta manufacturers stated that they expect to increase production in the first quarter of 2008, while 21% expect to lower their production. Over the same period, 17% of Alberta manufacturers expected to increase the size of their workforce, while 9% anticipated downsizing.



On a national basis, 19% of manufacturers stated they would increase output and 33% forecast lower production in the first quarter. Lower net production prospects were reported in Ontario, Quebec, Alberta, New Brunswick, and Newfoundland and Labrador. Seventeen per cent of Canadian manufacturers anticipated adding to their work force and 21% envisioned lower employment levels.

Housing Affordability Index

Housing affordability improvement expected in 2008...

RBC Financial Group's Housing Affordability Index measures the proportion of median pre-tax household income required to service the cost of mortgage payments, property taxes and utilities for a home. A lower affordability index score indicates increased affordability.

In the third quarter of 2007, Alberta housing affordability deteriorated from the second quarter. Besides condominiums in Alberta and detached bungalows in Edmonton, most housing classes in every province saw declines in the affordability index. The percentage of income taken up by ownership costs increased by 0.4% in the third quarter to 42.6% for detached bungalows, by 0.7% to 45.5% for standard two-storey's, and by 1.1% to 32.8% for standard townhouses increased. Condominiums were the only housing type which became marginally more affordable with the index declining by 0.1% to 28.0%.

However, RBC expects affordability to improve in 2008 in Alberta because "price gains are expected to slow dramatically from 30% in 2007 down to the 9% range this year".

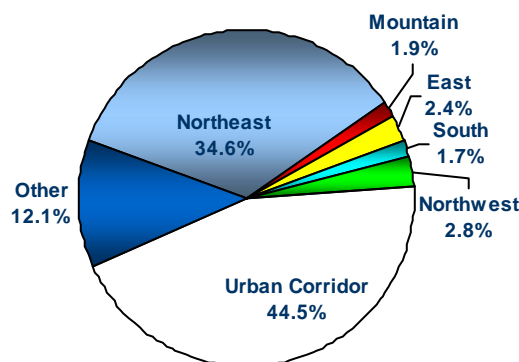
Inventory of Major Alberta Projects

Investment still going strong...

In January 2008, the value of major construction projects in Alberta totaled \$255 billion. The Inventory of Major Alberta Projects (IMAP) tracks projects that are planned, underway, or have been recently completed. The majority of these construction projects (65%) were oil sands related projects. In terms of regional location, the urban corridor consisting of Calgary, Red Deer and Edmonton accounted for 44.5% of total construction projects, followed by the North East region at 34.6%.

Major Capital Projects for January 2008

Alberta = \$255 Billion
(Includes \$30.8 Billion unallocated to location)



Source: Inventory of Major Alberta Projects, Alberta Employment, Immigration and Industry