

Information Bulletin

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ATB FINANCIAL BUSINESS SENTIMENTS INDEX™

WHERE IS THE ALBERTA ECONOMY GOING?
2010 QUARTER 1

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Methodology

These Indexes are based on responses to a telephone survey of business firms, equally distributed between North and South Alberta, in key driving sectors of the economy. The Q1 2010 survey sampled 408 firms between November 24th and December 8th, 2009. The survey was conducted by the Population Research Laboratory at the University of Alberta. Figures in parentheses are the number of respondents from each sector or region included in the sample.

The distribution of respondents by sector is as follows:

- oil and gas exploration and development (67)
- construction (70)
- manufacturing (69)
- transportation and warehousing (67)
- wholesaling (68)
- professional and technical services (69)

The geographical distribution of respondents is as follows:

- North Alberta excluding Edmonton/Red Deer (70)
- Edmonton/Red Deer (138)
- South Alberta excluding Calgary (69)
- Calgary (133)

North Alberta is comprised of North Alberta and Edmonton/Red Deer. South Alberta is comprised of South Alberta and Calgary. The ATB Financial Business Sentiments Index™, the Activity Index and the Hiring Intentions Index are constructed as follows:

Take the difference between the percentage of positive and negative responses to questions about current and future sales and employment requirements, *i.e.* percent stating 'increase' minus percent stating 'decrease'.

Convert the results to an index measure, *i.e.* add 100 to the percentage difference. Combine the weighted index of responses from each sector to obtain a composite index.

To interpret the results:

Growth in the economy if the Index is greater than 100.

An economy is neutral if the Index is at 100.

Decline in the economy if the Index is below 100.

The higher the value of the Index, the stronger is the sentiment for expansion.

The ceiling value of the index is 200 (all respondents expect increase) and the floor value is zero (all respondents expect a decrease).

The sample has a margin of error of plus or minus 5%.

We are continuing the process of **seasonally adjusting** the data. The seasonal adjustment was done using the X-12-ARIMA program, created by the United States

Census Bureau. This is the 17th installment of the indexes and a minimum of 12 data points are required for seasonal adjustment. As such, our confidence in the seasonally adjusted results will grow as more quarters are added to the database. There are some sections, however, for which seasonal adjustment is not possible. In these instances, it has been noted that the data is unadjusted.

Where is the Alberta Economy Going?¹

| Business Sentiments Index™ Q1 2010 | Business Activity Index Q4 2009 | Business Hiring Index Q1 2010 |
|---------------------------------------|------------------------------------|----------------------------------|
| 128.6 ▲ | 111.4 ▲ | 117.4 ▲ |

Quarterly Highlights

This quarter's Business Sentiments Index™ of 128.6 shows continued optimism of Alberta entrepreneurs.

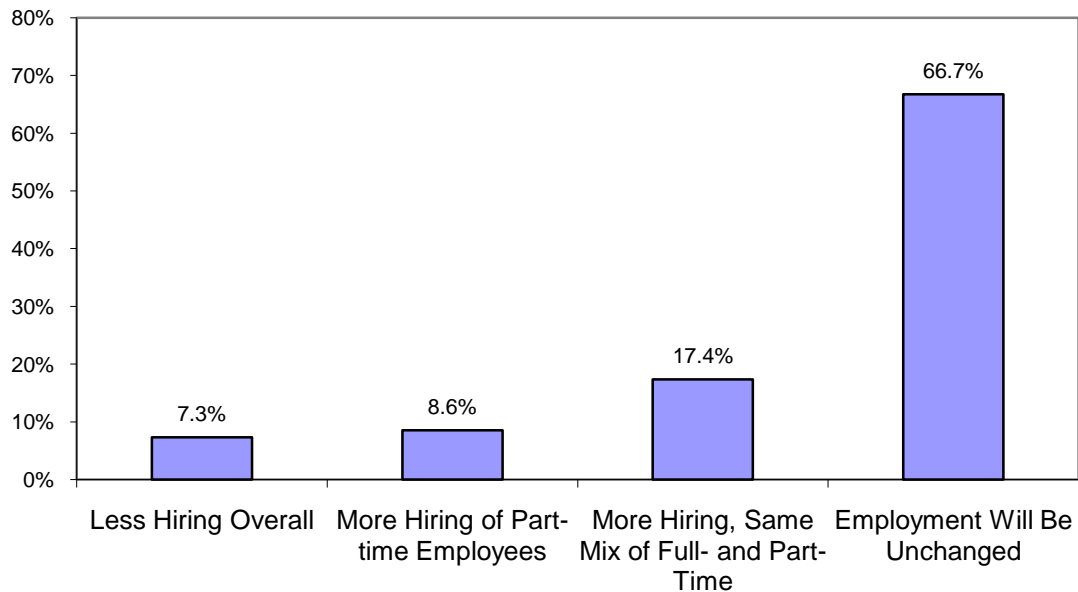
The marked increase in the Business Activity Index, standing at 111.4, shows that the Alberta economy is emerging from the economic downturn. This compares with a level of 84.7 last quarter.

The Business Hiring Index of 117.4 is an improvement over the last quarter, when the index stood at 102.2.

Feature Figure

Two thirds of the responding companies did not intend to increase hiring. This suggests caution in spite of the entrepreneurial optimism seen in the Business Sentiments Index™.

1. With respect to staffing decisions over the next 6 months, what best describes your company's intentions?



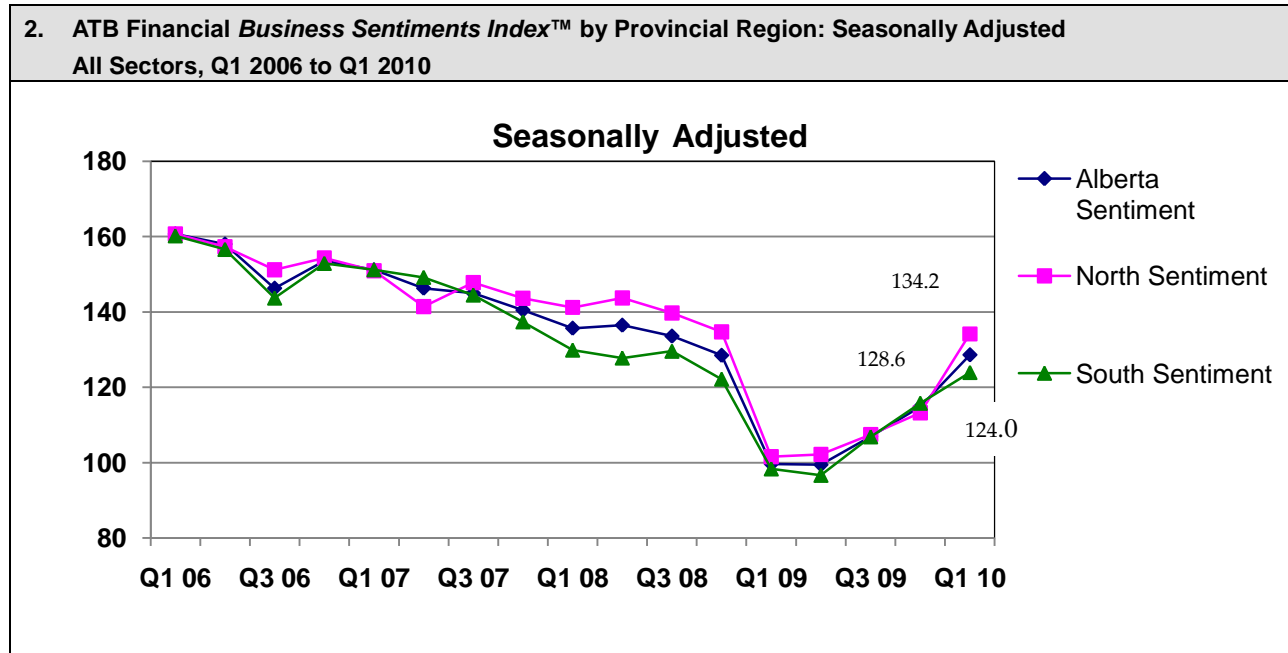
¹ See Appendix A for data tables. Contact the Western Centre for Economic Research if more detail is required.

Outlook for the Next Quarter and for Next Year

The seasonally adjusted ATB Financial Business Sentiments Index™ (BSI) stands at 128.6 for Q1 2010. This compares with 114.9 in Q4 2009, 99.7 in Q1 2009, 135.7 in Q1 2008, 151.2 in Q1 2007 and 160.2 in Q1 2006.

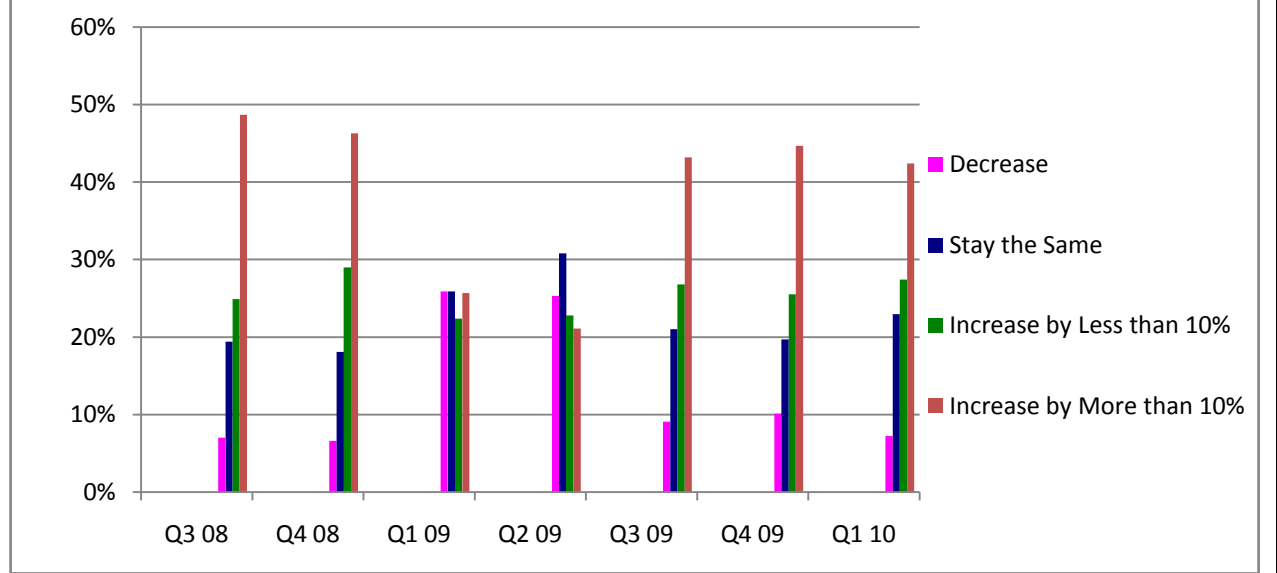
The spread between the Sentiment in the North (134.2) and in the South (124.0) has increased over the last quarter, indicating that slightly higher expectations in the north of the province.

For more information on individual sectors, see Figures 5-10 below.



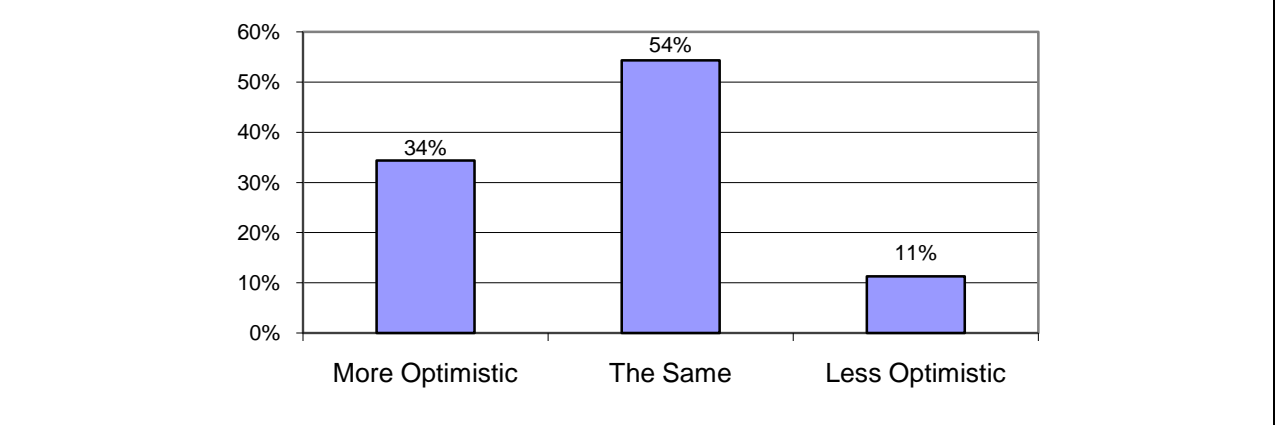
Source: WCER

3. How do you expect your business activity to develop over the next 12 months (Unadjusted)



Source: WCER

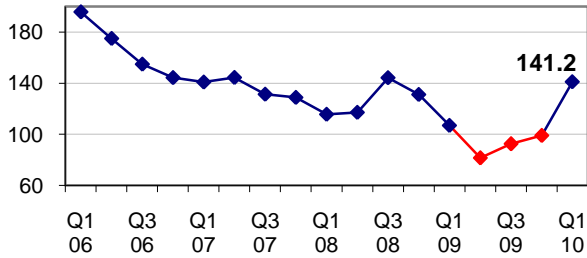
4 How does this prediction differ from a prediction you would have made 3 months ago?



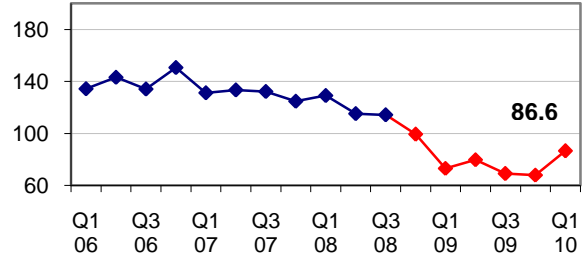
Source: WCER

Business Sentiment Indexes – Sector Analysis – Seasonally Adjusted

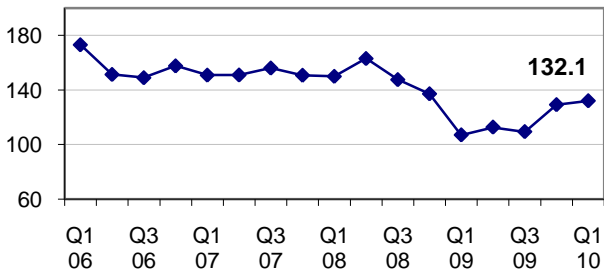
5. Oil & Gas Sector
All Regions, Q1 2006 to Q1 2010



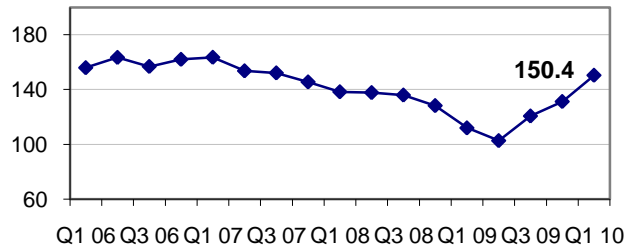
6. Construction Sector
All Regions, Q1 2006 to Q1 2010



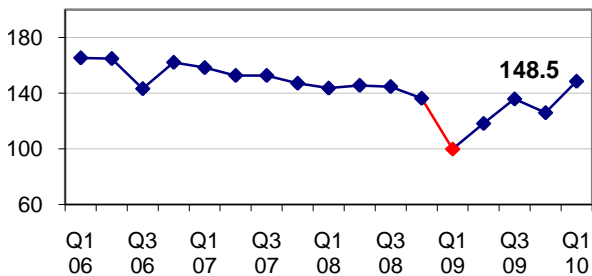
7. Manufacturing Sector
All Regions, Q1 2006 to Q1 2010



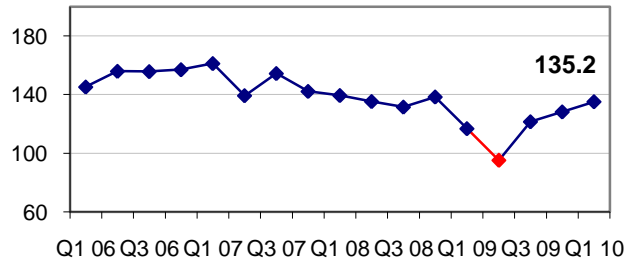
8. Professional & Technical Services Sector
All Regions, Q1 2006 to Q1 2010



9. Transportation & Warehousing Sector
All Regions, Q1 2006 to Q1 2010



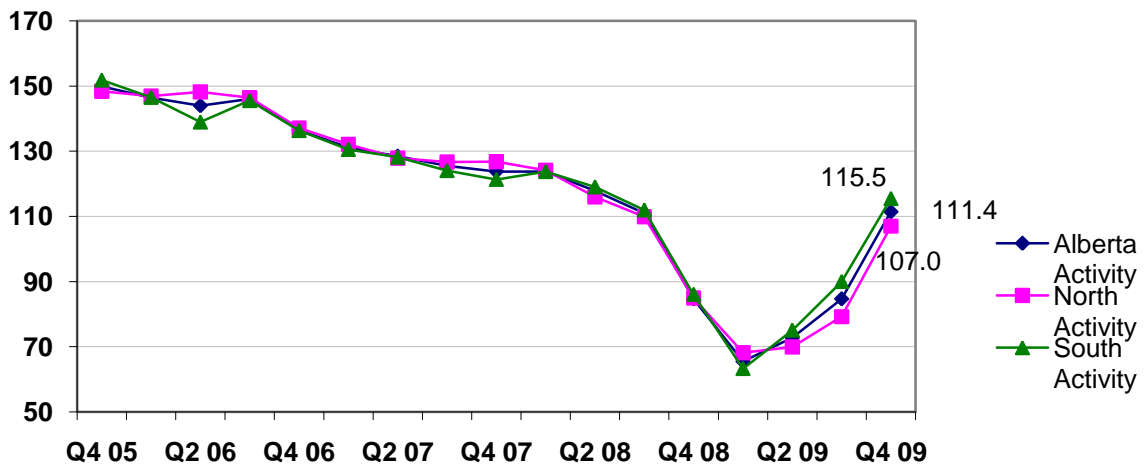
10. Wholesale Sector
All Regions, Q1 2006 to Q1 2010



Source: WCER

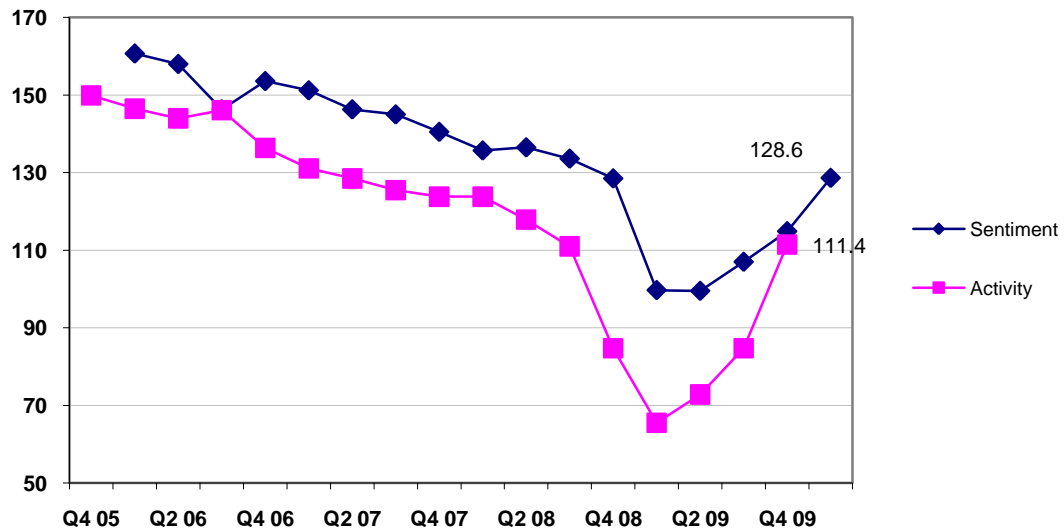
Business Activity Index – Seasonally Adjusted

11. Business Activity Index by Region Q4 2005 to Q1 2010



Source: WCER

12. Business Activity Index vs. Business Sentiments Index™: All Regions, All Sectors, Q4 2005 to Q1 2010



Source: WCER

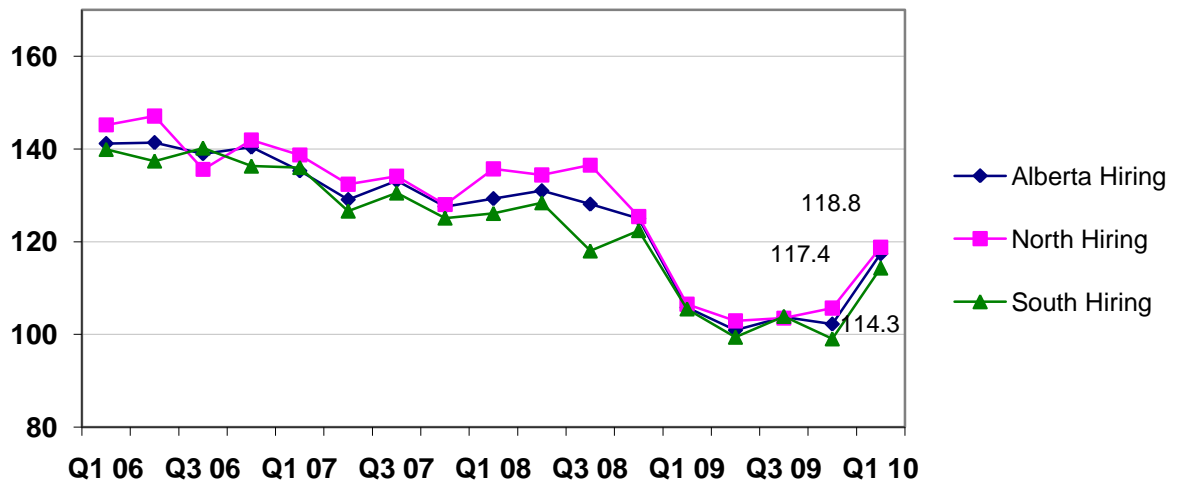
Business Activity Index – Sector Analysis – Seasonally Adjusted

| <p>13. Oil & Gas Sector All Regions, Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>160</td></tr> <tr><td>Q2 06</td><td>140</td></tr> <tr><td>Q4 06</td><td>130</td></tr> <tr><td>Q2 07</td><td>110</td></tr> <tr><td>Q4 07</td><td>100</td></tr> <tr><td>Q2 08</td><td>110</td></tr> <tr><td>Q4 08</td><td>100</td></tr> <tr><td>Q2 09</td><td>40</td></tr> <tr><td>Q4 09</td><td>114.0</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 160 | Q2 06 | 140 | Q4 06 | 130 | Q2 07 | 110 | Q4 07 | 100 | Q2 08 | 110 | Q4 08 | 100 | Q2 09 | 40 | Q4 09 | 114.0 | <p>14. Construction Sector All Regions, Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>145</td></tr> <tr><td>Q2 06</td><td>145</td></tr> <tr><td>Q4 06</td><td>145</td></tr> <tr><td>Q2 07</td><td>140</td></tr> <tr><td>Q4 07</td><td>145</td></tr> <tr><td>Q2 08</td><td>120</td></tr> <tr><td>Q4 08</td><td>80</td></tr> <tr><td>Q2 09</td><td>70</td></tr> <tr><td>Q4 09</td><td>144.2</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 145 | Q2 06 | 145 | Q4 06 | 145 | Q2 07 | 140 | Q4 07 | 145 | Q2 08 | 120 | Q4 08 | 80 | Q2 09 | 70 | Q4 09 | 144.2 |
|--|-------------|-------------|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|----|-------|-------|---|---------|-------------|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|----|-------|-------|
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 160 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 110 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 110 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 114.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 120 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 144.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>15. Manufacturing Sector All Regions, Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>140</td></tr> <tr><td>Q2 06</td><td>145</td></tr> <tr><td>Q4 06</td><td>140</td></tr> <tr><td>Q2 07</td><td>130</td></tr> <tr><td>Q4 07</td><td>120</td></tr> <tr><td>Q2 08</td><td>110</td></tr> <tr><td>Q4 08</td><td>90</td></tr> <tr><td>Q2 09</td><td>60</td></tr> <tr><td>Q4 09</td><td>113.6</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 140 | Q2 06 | 145 | Q4 06 | 140 | Q2 07 | 130 | Q4 07 | 120 | Q2 08 | 110 | Q4 08 | 90 | Q2 09 | 60 | Q4 09 | 113.6 | <p>16. Professional & Technical Services Sector All Regions, Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>150</td></tr> <tr><td>Q2 06</td><td>150</td></tr> <tr><td>Q4 06</td><td>150</td></tr> <tr><td>Q2 07</td><td>145</td></tr> <tr><td>Q4 07</td><td>150</td></tr> <tr><td>Q2 08</td><td>130</td></tr> <tr><td>Q4 08</td><td>100</td></tr> <tr><td>Q2 09</td><td>80</td></tr> <tr><td>Q4 09</td><td>120.4</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 150 | Q2 06 | 150 | Q4 06 | 150 | Q2 07 | 145 | Q4 07 | 150 | Q2 08 | 130 | Q4 08 | 100 | Q2 09 | 80 | Q4 09 | 120.4 |
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 140 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 120 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 110 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 113.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 120.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>17. Transportation & Warehousing Sector All Regions Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>150</td></tr> <tr><td>Q2 06</td><td>145</td></tr> <tr><td>Q4 06</td><td>145</td></tr> <tr><td>Q2 07</td><td>135</td></tr> <tr><td>Q4 07</td><td>135</td></tr> <tr><td>Q2 08</td><td>145</td></tr> <tr><td>Q4 08</td><td>60</td></tr> <tr><td>Q2 09</td><td>70</td></tr> <tr><td>Q4 09</td><td>101.6</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 150 | Q2 06 | 145 | Q4 06 | 145 | Q2 07 | 135 | Q4 07 | 135 | Q2 08 | 145 | Q4 08 | 60 | Q2 09 | 70 | Q4 09 | 101.6 | <p>18. Wholesale Sector All Regions, Q4 2005 to Q4 2009</p> <table border="1" style="margin-top: 10px; width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Quarter</th> <th>Index Value</th> </tr> </thead> <tbody> <tr><td>Q4 05</td><td>145</td></tr> <tr><td>Q2 06</td><td>135</td></tr> <tr><td>Q4 06</td><td>145</td></tr> <tr><td>Q2 07</td><td>135</td></tr> <tr><td>Q4 07</td><td>130</td></tr> <tr><td>Q2 08</td><td>130</td></tr> <tr><td>Q4 08</td><td>100</td></tr> <tr><td>Q2 09</td><td>75</td></tr> <tr><td>Q4 09</td><td>79.4</td></tr> </tbody> </table> | Quarter | Index Value | Q4 05 | 145 | Q2 06 | 135 | Q4 06 | 145 | Q2 07 | 135 | Q4 07 | 130 | Q2 08 | 130 | Q4 08 | 100 | Q2 09 | 75 | Q4 09 | 79.4 |
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 135 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 135 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 101.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quarter | Index Value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 05 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 06 | 135 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 06 | 145 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 07 | 135 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 07 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 08 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 08 | 100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q2 09 | 75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Q4 09 | 79.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Source: WCER

Business Hiring Intentions – Seasonally Adjusted

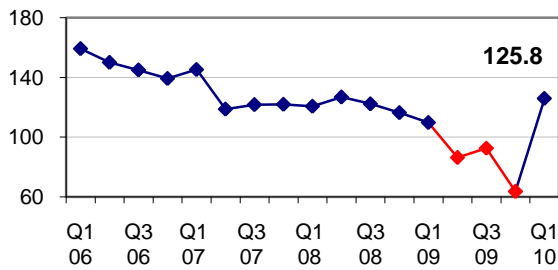
19. Business Hiring Intentions by Region
All Sectors, Q1 2006 to Q1 2010



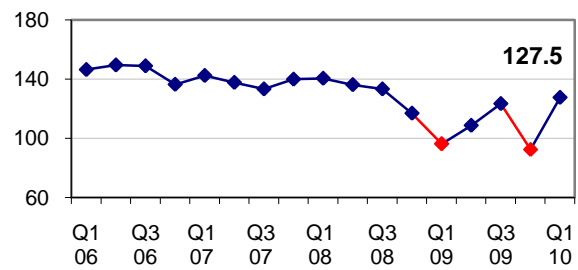
Source: WCER

Business Hiring Intentions – Sector Analysis – Seasonally Adjusted

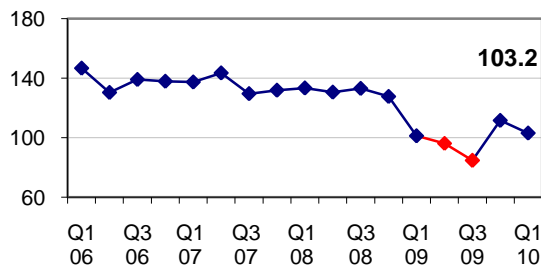
20. Oil & Gas Sector
All Regions, Q1 2006 to Q1 2010



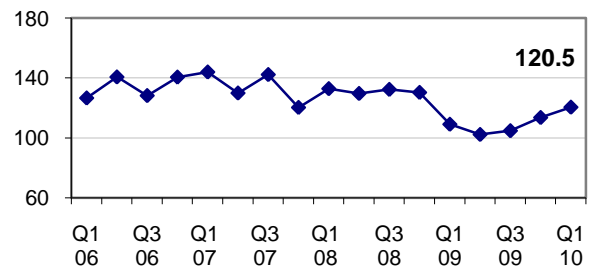
21. Construction Sector
All Regions, Q1 2006 to Q1 2010



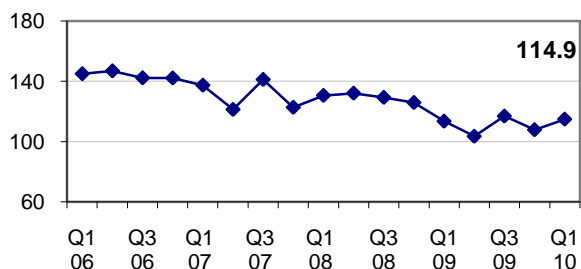
22. Manufacturing Sector
All Regions, Q1 2006 to Q1 2010



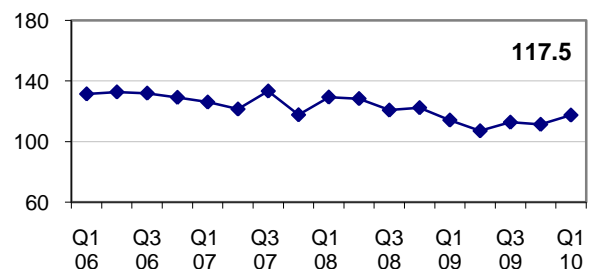
23. Professional & Technical Services Sector
All Regions, Q1 2006 to Q1 2010



24. Transportation & Warehousing Sector
All Regions, Q1 2006 to Q1 2010



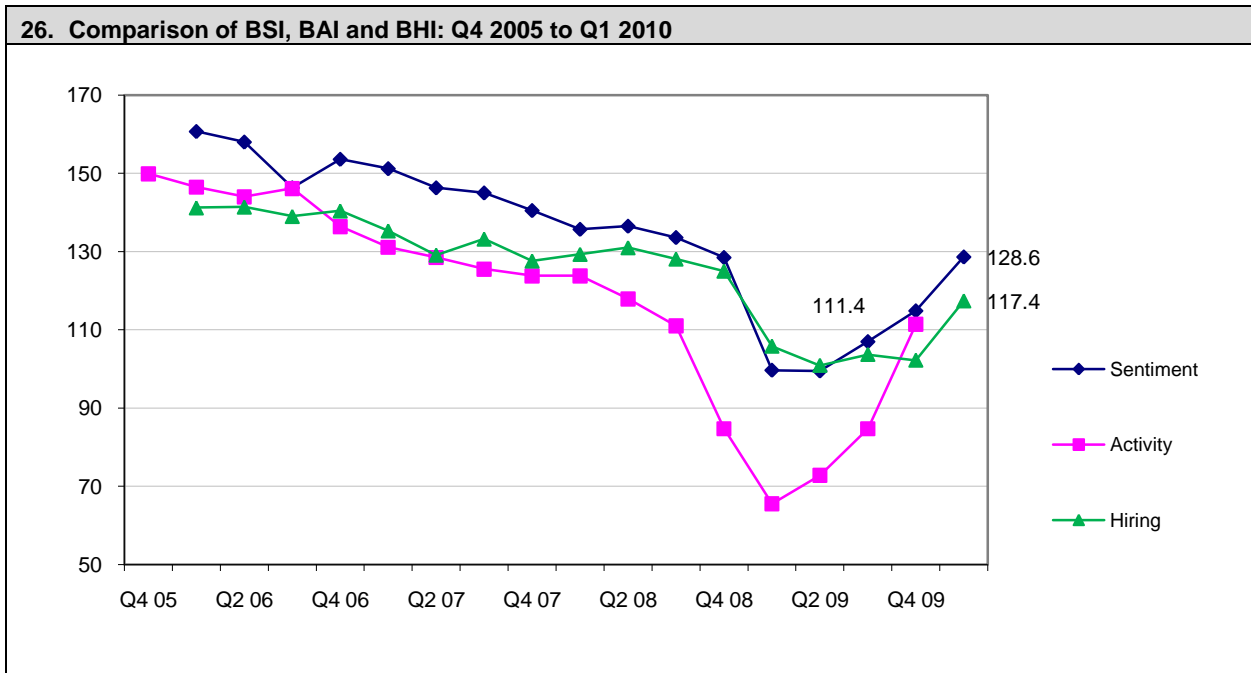
25. Wholesale Sector
All Regions, Q1 2006 to Q1 2010



Source: WCER

Comparison of BSI, BAI and BHI – Seasonally Adjusted

Figure 26 shows a seasonally adjusted comparison of the three indicators since the inception of the BSI survey in 2005. Respondents' expectations (BSI) for their business activity was met by activity that occurred (BAI).



Source: WCER

More on Industry Sectors

Although the overall indices for each sector have been seasonally adjusted, the raw data has not. Therefore, the following data is presented in its unadjusted form.

Oil & Gas

- In the coming Q1 2010, 48% of respondents expect an increase in business, while 15% expect a decrease.
- 32% of respondents expect to increase employment in Q1 2010, while 61% expect to decrease employment and 9% expect no change in employment.
- 42% of respondents indicated activity levels increased in Q4 2009, while 24% indicated activity levels decreased. This is a marked improvement over Q3 2009.

Construction

- 27% of all respondents experienced a decrease in activity in Q4 2009, while 52% of respondents experienced an increase in activity.
- 24% of respondents expect to increase employment over the next quarter, while only 14% expect to decrease employment over the next quarter.
- 70% of respondents have sufficient or more than sufficient jobs on hand for Q1 2010, while 30% have insufficient jobs on hand.

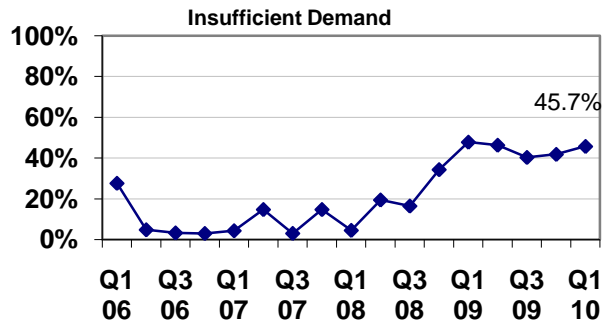
Our survey also asks about potential bottlenecks in the construction industry including: shortage of labour, weather conditions, insufficient demand, shortages of construction material or equipment, financial constraints, land availability, and other factors. Insufficient demand remains the largest potential bottleneck for the construction industry, reflecting the general downturn in building activity, though this has declined over the last two quarters. An increasing number of firms are also reporting financial constraints to be an issue for the industry, again reflecting the current economic situation. The response levels for each potential bottleneck are available in figures 27 through 32.

Figure 33 shows the median number of work on hand for surveyed construction firms. Firms surveyed for this quarter reported a median of 3 months work on hand, well below the levels experienced before the recession. However expectations for the coming quarter are improving and activity in Q4 2009 was improved over Q3 2009. 16% of firms responded that they had one year or more of work on their books.

Construction Sector Bottlenecks

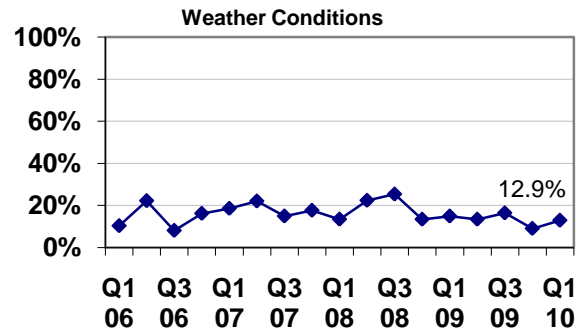
27. Insufficient Demand

All Regions, Q1 2006 to Q1 2010



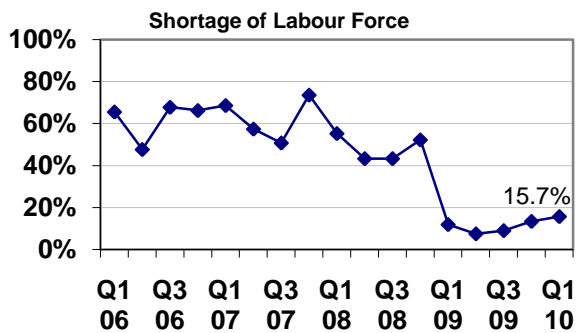
28. Weather Conditions

All Regions, Q1 2006 to Q1 2010



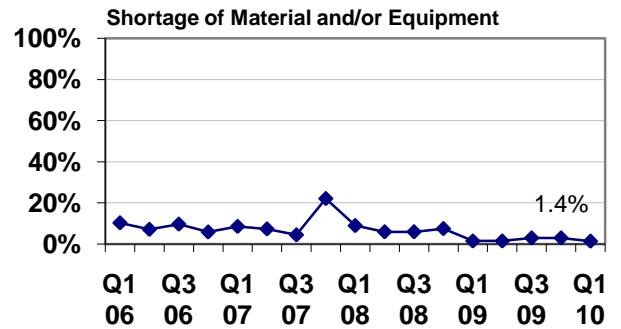
29. Shortage of Labour

All Regions, Q1 2006 to Q1 2010



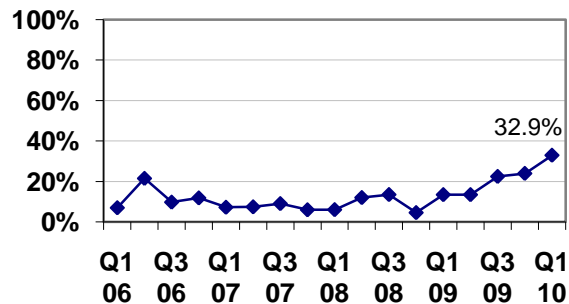
30. Shortage of Material and/or Equipment

All Regions, Q1 2006 to Q1 2010



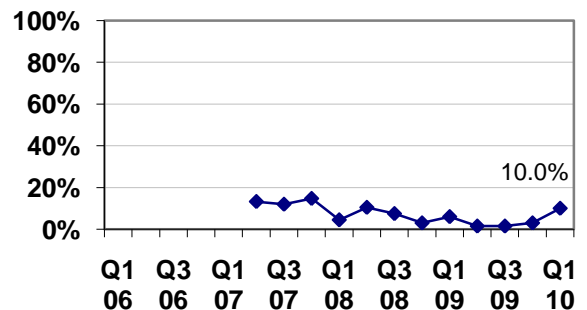
31. Financial Constraints

All Regions, Q1 2006 to Q1 2010



32. Land Availability*

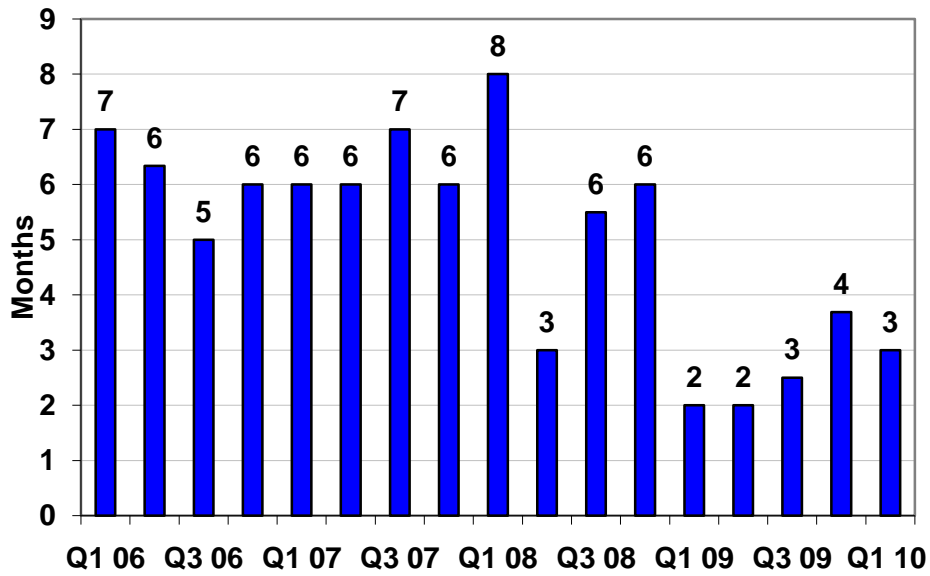
All Regions, Q2 2007 to Q1 2010



*Collection of Land Availability data began in Q2 2007

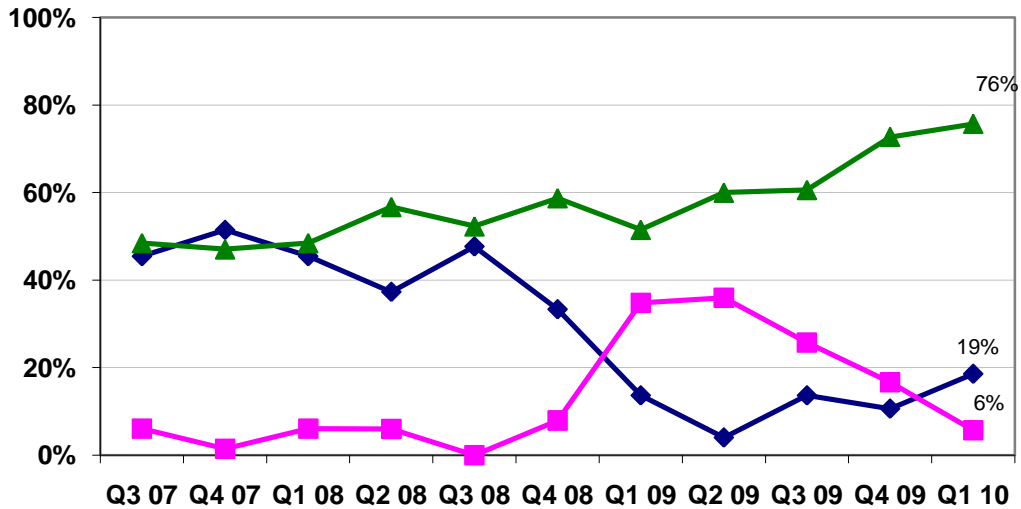
Source: WCER

**33. Median No. of Month's Work Accounted for by Work in Hand or Already Under Contract
All Regions, Q1 2006 to Q1 2010**



Source: WCER

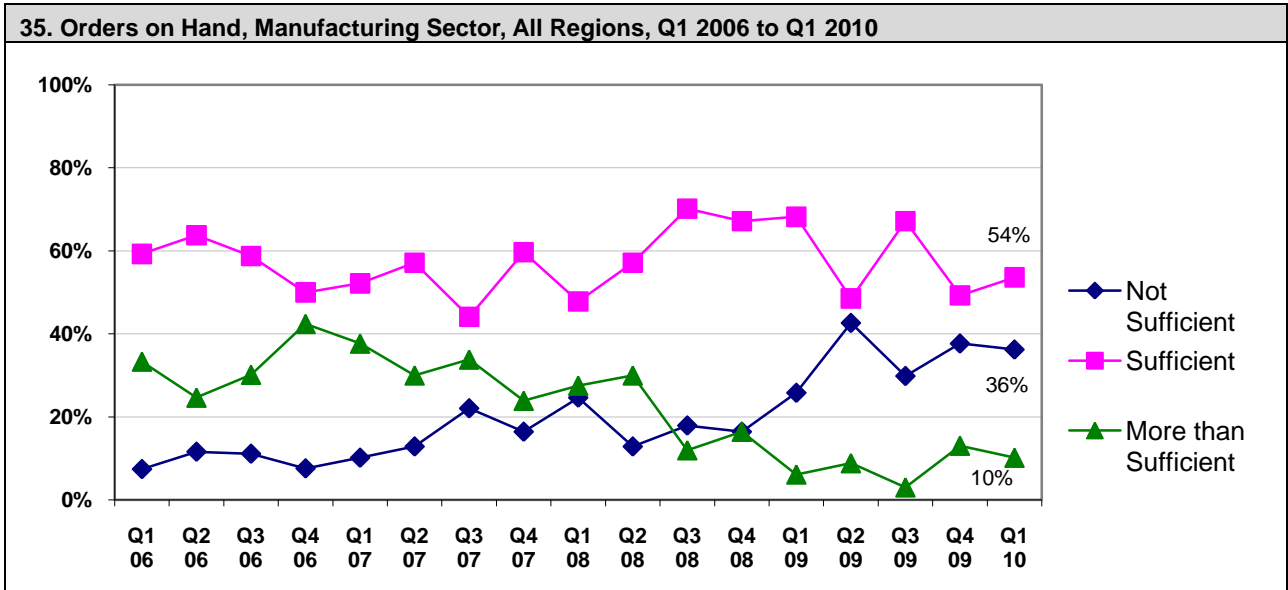
34. Pricing Expectations, Construction Sector, All Regions, Q3 2007 to Q1 2010



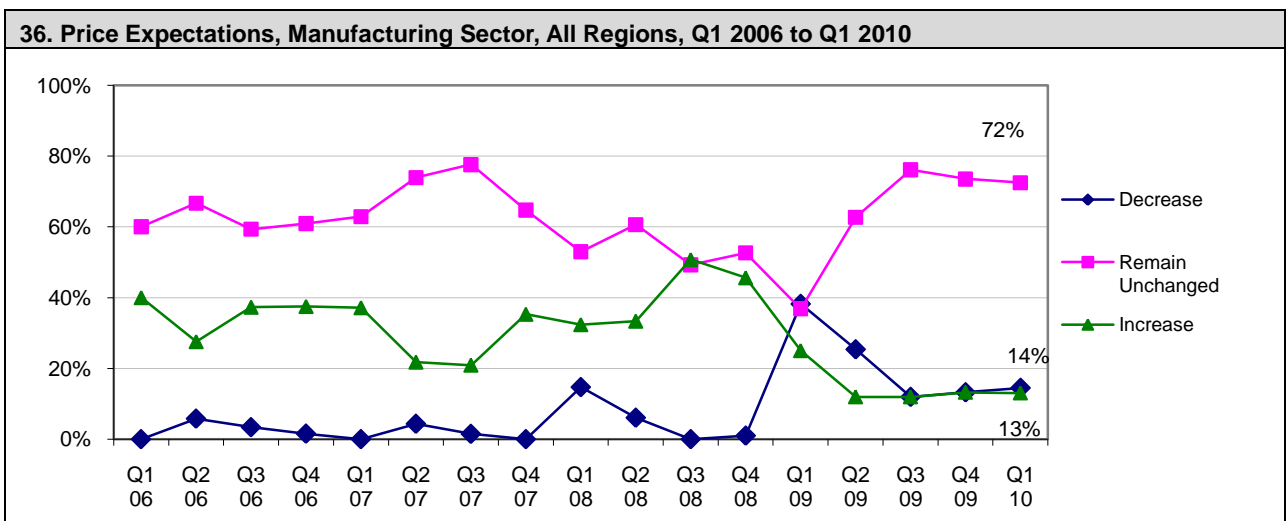
Source: WCER

Manufacturing

- 38% of respondents expect increased production runs in Q1 2010, while 27% expect production runs will decrease.
- 12% of respondents expect to increase employment over the next quarter, while 13% expect to decrease employment.
- 41% of respondents experienced increased production in Q4 2009, while 23% experienced a decrease.
- 54% of respondents had sufficient orders on hand (Fig. 35), while only 10% reported having more than sufficient orders on hand. 73% expect prices to remain as they are during the next quarter (Fig. 36), while 15% expect a decrease.



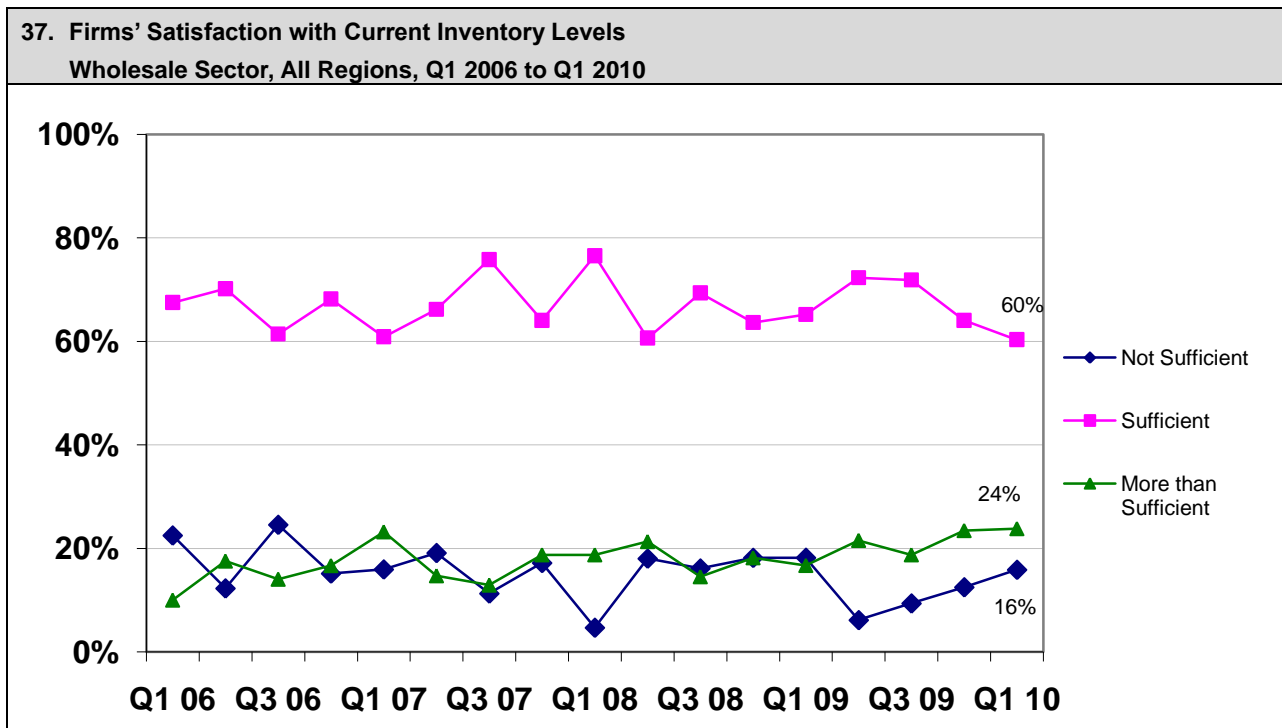
Source: WCER



Source: WCER

Wholesaling

- 43% of respondents expect increased production runs in Q1 2010, while 27% expect decreased activity. This is slightly less optimistic than sentiments in Q4 2009.
- 16% of respondents expect to increase employment over the next quarter, while 5% expect to decrease employment.
- 18% of respondents experienced increased production in Q3 2009, while 34% experienced a decrease.
- 84% of respondents had sufficient or more than sufficient inventory levels (Fig. 37).

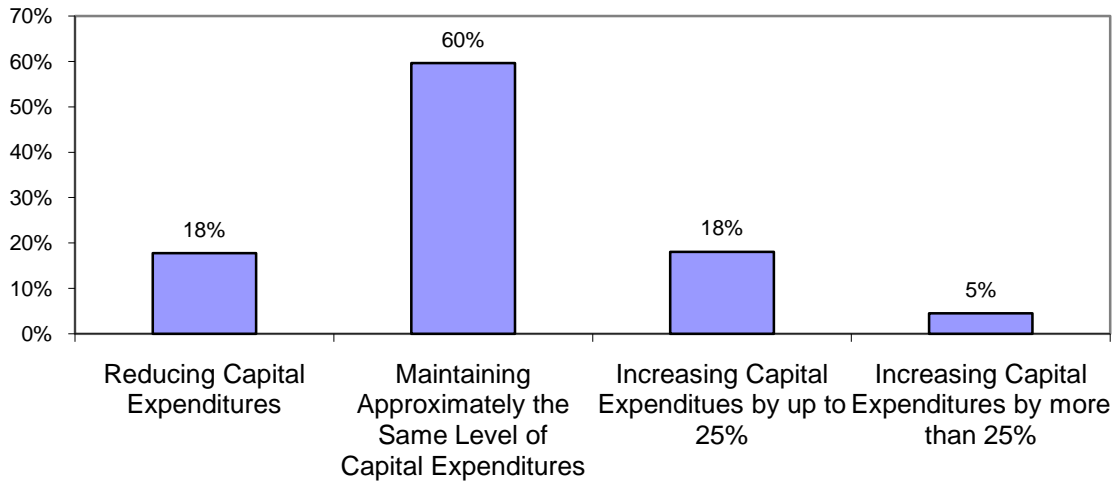


Source: WCER

Additional Question

In addition to questions specific to each sector, we all respondents the following question.

38. With respect to capital spending on the physical plant, equipment or facilities, which of the following best describes your plan over the next 12 months?



Source: WCER

Appendix A – Data Tables

| Respondent Distributions by Region vs. Sector | | | | | |
|--|-------|----------|---------|-------|-------|
| | North | Edmonton | Calgary | South | Total |
| Construction | 6 | 14 | 42 | 8 | 70 |
| Manufacturing | 9 | 24 | 23 | 13 | 69 |
| Professional & Technical | 15 | 26 | 22 | 6 | 69 |
| Transportation & Warehousing | 13 | 27 | 15 | 12 | 67 |
| Wholesale | 9 | 22 | 20 | 17 | 68 |
| Oil & Gas | 18 | 25 | 11 | 13 | 67 |
| Total | 70 | 138 | 133 | 69 | 410 |

| Business Sentiments Index by Region vs. Sector (Unadjusted) | | | |
|--|-------|-------|-------|
| | North | South | All |
| Construction | 70.0 | 92.0 | 85.7 |
| Manufacturing | 106.1 | 117.1 | 111.7 |
| Professional & Technical | 153.7 | 135.7 | 146.4 |
| Transportation & Warehousing | 135.9 | 118.5 | 128.8 |
| Wholesale | 132.3 | 162.7 | 116.7 |
| Oil & Gas | 151.2 | 100.0 | 133.9 |

| Business Activity Index by Region vs. Sector (Unadjusted) | | | |
|--|-------|-------|-------|
| | North | South | All |
| Construction | 90.0 | 118.0 | 110.0 |
| Manufacturing | 100.0 | 97.2 | 98.6 |
| Professional & Technical | 114.6 | 125.0 | 118.8 |
| Transportation & Warehousing | 102.5 | 96.3 | 100.0 |
| Wholesale | 93.5 | 75.7 | 83.8 |
| Oil & Gas | 111.6 | 129.2 | 117.9 |

| Business Hiring Intentions by Region vs. Sector (Unadjusted) | | | |
|---|-------|-------|-------|
| | North | South | All |
| Construction | 90.0 | 118.0 | 110.0 |
| Manufacturing | 110.0 | 97.2 | 98.6 |
| Professional & Technical | 114.6 | 125.0 | 118.8 |
| Transportation & Warehousing | 115.4 | 92.6 | 106.1 |
| Wholesale | 112.6 | 102.8 | 111.9 |
| Oil & Gas | 128.6 | 112.5 | 122.7 |

| Business Sentiments Index by Quarter vs. Sector (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 |
| Construction | 134.4 | 143.2 | 134.2 | 150.7 | 131.3 | 133.5 | 132.3 | 124.8 | 129.2 | 115.3 | 114.4 | 99.4 | 73.2 | 79.9 | 69.2 | 68.0 | 86.6 |
| Manufacturing | 173.2 | 151.4 | 149.0 | 157.7 | 150.9 | 151.0 | 156.1 | 150.8 | 150.0 | 163.1 | 147.6 | 137.2 | 107.0 | 112.7 | 109.4 | 129.2 | 132.1 |
| Professional & Technical | 155.9 | 163.4 | 156.8 | 162.0 | 163.5 | 153.6 | 152.1 | 145.5 | 138.3 | 137.7 | 135.9 | 128.2 | 111.9 | 102.6 | 120.6 | 131.2 | 150.4 |
| Transportation & Warehousing | 165.3 | 164.8 | 143.2 | 162.1 | 158.3 | 152.7 | 152.7 | 147.1 | 143.6 | 145.6 | 144.7 | 136.3 | 99.8 | 118.2 | 135.8 | 126.0 | 148.5 |
| Wholesale | 145.2 | 155.9 | 155.7 | 157.0 | 161.2 | 139.3 | 154.4 | 142.2 | 139.4 | 135.3 | 131.5 | 138.4 | 116.8 | 95.2 | 121.5 | 128.2 | 135.2 |
| Oil & Gas | 195.8 | 175.0 | 154.9 | 144.4 | 140.9 | 144.5 | 131.4 | 128.9 | 115.7 | 117.2 | 144.3 | 131.2 | 107.0 | 81.6 | 92.5 | 99.1 | 141.2 |

| BSI, BAI, BHI by Quarter, (Seasonally Adjusted) | | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q4 2005 | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 |
| BSI | | 160.7 | 158 | 146.3 | 153.6 | 151.2 | 146.3 | 145 | 140.5 | 135.7 | 136.5 | 133.6 | 128.5 | 99.7 | 99.5 | 107.0 | 114.9 | 128.6 |
| BAI | 149.9 | 146.5 | 144 | 146.1 | 136.4 | 131.1 | 128.5 | 125.5 | 123.8 | 123.8 | 117.9 | 111 | 84.7 | 65.5 | 72.8 | 84.7 | 111.7 | |
| BHI | | 141.2 | 141.4 | 139 | 140.4 | 135.3 | 129.1 | 133.2 | 127.6 | 129.3 | 131 | 128.1 | 125 | 105.8 | 100.9 | 103.7 | 102.2 | 117.4 |

| Business Sentiments Index by Quarter vs. Region (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 |
| Alberta | 160.7 | 158 | 146.3 | 153.6 | 151.2 | 146.3 | 145 | 140.5 | 135.7 | 136.5 | 133.6 | 128.5 | 99.7 | 99.5 | 107.0 | 114.9 | 128.6 |
| North | 160.7 | 157.3 | 151.2 | 154.3 | 150.9 | 141.4 | 147.8 | 143.6 | 141.2 | 143.7 | 139.7 | 134.7 | 101.6 | 102.2 | 107.5 | 113.2 | 134.2 |
| South | 160.2 | 156.6 | 143.7 | 152.9 | 151.2 | 149.2 | 144.5 | 137.4 | 129.9 | 127.8 | 129.6 | 122.2 | 98.4 | 96.7 | 106.9 | 115.8 | 124.0 |

| Business Activities Index by Quarter vs. Sector (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q4 2005 | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q1 2010 |
| Oil & Gas | 151.2 | 152.7 | 148.1 | 145.6 | 149.0 | 140.6 | 138.4 | 146.2 | 127.4 | 126.1 | 115.0 | 84.4 | 68.7 | 70.8 | 80.5 | 80.6 | 144.2 |
| Construction | 136.9 | 141.8 | 140.5 | 145.0 | 139.0 | 139.5 | 132.6 | 123.8 | 128.0 | 108.1 | 112.9 | 108.4 | 89.5 | 54.0 | 76.7 | 93.2 | 113.6 |
| Manufacturing | 158.6 | 157.0 | 155.3 | 156.7 | 150.1 | 154.6 | 152.2 | 129.6 | 144.8 | 132.2 | 124.5 | 134.5 | 94.7 | 84.8 | 82.1 | 97.1 | 120.4 |
| Professional & Technical | 153.6 | 154.2 | 147.5 | 149.8 | 140.5 | 143.2 | 131.8 | 131.0 | 128.5 | 120.9 | 143.6 | 104.8 | 62.8 | 64.5 | 71.0 | 76.8 | 101.6 |
| Transportation & Warehousing | 146.8 | 132.2 | 135.0 | 144.8 | 133.8 | 139.2 | 131.1 | 123.0 | 122.6 | 123.8 | 122.4 | 118.9 | 103.8 | 76.0 | 78.5 | 78.2 | 79.4 |
| Wholesale | 164.5 | 126.6 | 150.0 | 135.4 | 124.4 | 118.7 | 104.2 | 99.8 | 100.0 | 106.5 | 100.7 | 120.8 | 100.1 | 38.8 | 46.1 | 74.6 | 114.0 |

| Business Activities Index by Quarter vs. Region (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q4 2005 | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q1 2010 |
| Alberta | 149.9 | 146.5 | 144.0 | 146.1 | 136.4 | 131.1 | 128.5 | 125.5 | 123.8 | 123.8 | 117.9 | 111.0 | 84.7 | 65.5 | 72.8 | 84.7 | 111.4 |
| North | 148.4 | 146.9 | 148.2 | 146.4 | 137.1 | 132.1 | 127.9 | 126.7 | 126.8 | 124.2 | 116.0 | 109.9 | 85.0 | 68.2 | 70.0 | 79.3 | 107.0 |
| South | 151.9 | 146.6 | 139.0 | 145.6 | 136.4 | 130.6 | 128.2 | 124.1 | 121.4 | 123.8 | 119.1 | 112.0 | 86.1 | 63.3 | 75.1 | 90.0 | 115.5 |

| Business Hiring Index by Quarter vs. Sector (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 |
| Oil & Gas | 146.3 | 149.4 | 148.8 | 136.3 | 142.3 | 137.6 | 133.2 | 139.8 | 140.4 | 136.1 | 133.2 | 116.8 | 96.2 | 108.6 | 123.3 | 92.4 | 127.5 |
| Construction | 146.7 | 130.4 | 139.1 | 137.9 | 137.4 | 143.5 | 129.6 | 131.9 | 133.4 | 130.6 | 133.1 | 127.7 | 101.3 | 96.2 | 84.8 | 111.6 | 103.2 |
| Manufacturing | 126.6 | 140.6 | 128.2 | 140.5 | 143.9 | 129.9 | 142.2 | 120.3 | 132.8 | 129.6 | 132.3 | 130.3 | 109.1 | 102.3 | 104.8 | 113.6 | 120.5 |
| Professional & Technical | 145.0 | 146.9 | 142.3 | 142.2 | 137.4 | 121.3 | 141.2 | 122.7 | 130.6 | 132.1 | 129.3 | 125.9 | 113.5 | 103.5 | 116.9 | 107.8 | 114.9 |
| Transportation & Warehousing | 131.5 | 132.8 | 132.0 | 129.2 | 126.1 | 121.5 | 133.4 | 117.7 | 129.4 | 128.4 | 120.8 | 122.4 | 114.2 | 107.1 | 112.8 | 111.4 | 117.5 |
| Wholesale | 159.2 | 150.0 | 144.9 | 139.2 | 145.2 | 118.7 | 121.7 | 121.9 | 120.6 | 126.8 | 122.2 | 116.3 | 109.7 | 86.3 | 92.6 | 63.5 | 125.8 |

| Business Hiring Index by Quarter vs. Region (Seasonally Adjusted) | | | | | | | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Q1 2006 | Q2 2006 | Q3 2006 | Q4 2006 | Q1 2007 | Q2 2007 | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Q4 2008 | Q1 2009 | Q2 2009 | Q3 2009 | Q4 2009 | Q1 2010 |
| Alberta | 141.2 | 141.4 | 139.0 | 140.4 | 135.3 | 129.1 | 133.2 | 127.6 | 129.3 | 131.0 | 128.1 | 125.0 | 105.8 | 100.9 | 103.7 | 102.2 | 117.4 |
| North | 145.2 | 147.1 | 135.6 | 141.9 | 138.7 | 132.4 | 134.1 | 128.0 | 135.7 | 134.4 | 136.5 | 125.4 | 106.5 | 102.9 | 103.5 | 105.7 | 118.8 |
| South | 139.9 | 137.4 | 140.2 | 136.3 | 136.0 | 126.6 | 130.5 | 125.1 | 126.1 | 128.4 | 118.0 | 122.4 | 105.5 | 99.4 | 103.9 | 99.0 | 114.3 |