



**NEWS RELEASE
FOR IMMEDIATE RELEASE
October 25, 2011**

***Economic Outlook* forecasts growth for Calgary in the face of global uncertainty**

Calgary, Alberta – Ben Brunnen, Chief Economist with the Calgary Chamber of Commerce, released an *Economic Outlook* that projects strong growth for Calgary but with many global risks. Brunnen's *Economic Outlook* was featured at a Risk Management Association economic panel event this morning.

Despite continued global economic uncertainty, annual investment has grown in Alberta's energy sector since 2009, suggesting companies expect oil prices to remain in a profitable range for the foreseeable future.

"Strong provincial energy industry investment combined with real GDP growth across most sectors suggests that Calgary's economy will perform well into 2012 and 2013," said Brunnen. "But this growth comes with the caveat that the global economy stabilizes. Otherwise, all bets are off."

Calgary is Canada's energy hub, whose fortunes are tied to global energy markets. Provincial energy sector investment has created favourable conditions for growth in the city.

"Calgary's economy really turned a corner in 2010 with employment growth in most major sectors," said Brunnen. "In 2011, the value of commercial building permits will increase for the first time since 2007, indicating a new phase of business expansion."

The *Economic Outlook* predicts Alberta's real GDP growth to be between 3.8 and 4 per cent in 2011 and slightly lower in 2012 and 2013 due to global economic concerns. For Calgary, GDP growth is forecast to be between 3 and 3.2 per cent in 2011 and between 3.1 and 3.3 per cent in 2012. Growth is expected to decline to between 2.9 and 3.1 in 2013, as conditions in the US and global economies weaken.

Calgary's unemployment rate is expected to close out 2011 at 5.8 per cent (down from 6.9 per cent in 2010) and continue to decline to between 5.6 to 5.8 per cent in 2012 and 5.7 to 5.9 per cent in 2013.

"Calgary experienced 10 consecutive months of total employment increases," said Brunnen. "Though we are unlikely to return to the acute labour shortages of 2006 – 2008, a gradual tightening of Calgary's labour market is expected."

Key risks to the forecast include insufficient action to address the European debt crisis, a further slowdown in the US, and moderation in the Chinese economy.

The Outlook recommends Calgary businesses:



1. **Re-evaluate and prioritize operations** – Allocate resources to areas of highest and best use and streamline operations to take advantage of opportunities without over-leveraging.
2. **Hire for talent and prioritize employee retention** – The labour market in Calgary and Alberta is tightening, and companies need to prioritize quality over quantity when making workforce decisions. This will ensure value for salary, and foster good decision-making during periods of economic growth and uncertainty.
3. **Be prudent in long-term commitments** – Entering into long-term contracts can be a risky proposition in uncertain times. Conduct thorough market research before signing agreements, as good deals can likely still be found.
4. **Seek out new markets** – With North American demand expected to be relatively subdued for the foreseeable future, businesses would be wise to seek out new markets – areas where new industry growth is occurring, or where growth is expected to occur.

“Calgary fared better than most during the Great Recession,” said Brunnen. “It continues to be one of the best places to live and do business in North America.”

The complete 2012 *Economic Outlook* is available at www.calgarychamber.com.

About Ben Brunnen:

Ben Brunnen, Director of Policy and Government Affairs and Chief Economist, leads the Calgary Chamber’s economic, public policy and advocacy efforts. Currently in his fifth year with the Calgary Chamber of Commerce, Ben has extensive experience in economic and public policy research. Previously he has held positions with the BC Ministry of Municipal Affairs and the Canada West Foundation. Ben has published and consulted in the fields of economic development, municipal finance, skilled labour shortages, and Aboriginal education and employment. He has a Masters of Public Administration from the University of Victoria, and a BA in Economics from the University of Calgary.

About the Chamber:

The Calgary Chamber of Commerce is a member-driven, sustainable organization whose mission is to connect, serve and champion the Calgary business community in its quest to excel. On critical and emerging issues in public policy, the Chamber acts as the leading forum for debate, and advocates public policy solutions that improve the business climate on behalf of its members.

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