

DAILY ECONOMIC COMMENT

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Vehicle Sales Level Off

Car and truck sales are an excellent barometer of consumer confidence and general economic conditions. New data released this morning suggest that the economy stabilized over the summer.

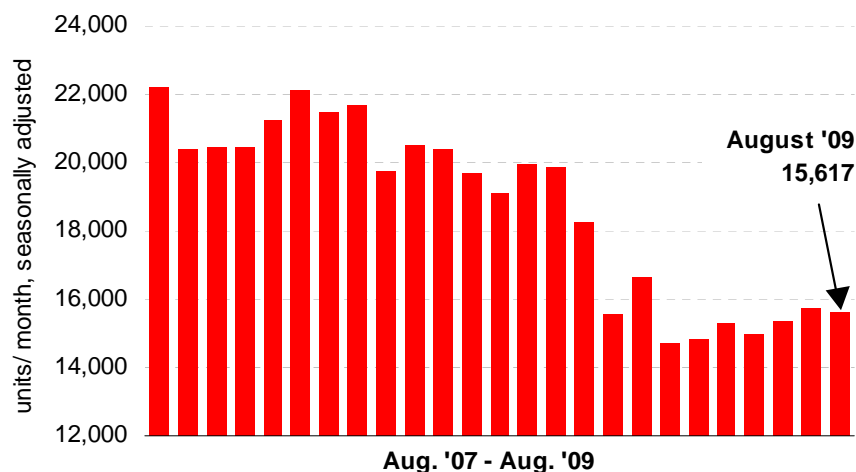
On a seasonally adjusted basis, 15,617 new motor vehicles drove off the dealers' lots in Alberta during the month of August. That's down just a hair from July's total (-1.0%), but still well off the level of sales in August 2008 (-18.3%).

Nationally, there were 126,401 new cars and trucks sold in August, off only 0.3% from the previous month. Interestingly, overseas vehicle sales grew by 11.0% month-over-month, while North American vehicles dropped by 9.3%. (Vehicle sales by origin are not yet available at the provincial level).

Alberta, which used to lead all provinces in sales per population, is now much closer to the middle of the pack. At 4.4 new cars and trucks per 1,000 people, Alberta is just above the national average of 4.1, but well back of Newfoundland and Labrador, which leads the country at 5.3 new vehicles per 1,000 people. Alberta also trails Nova Scotia, Quebec and New Brunswick.

The softer vehicle sales in Alberta are a reflection of a somewhat weaker employment base. With job losses in the province peaking over the summer, consumer confidence has been eroded – particularly for big-ticket items like vehicles. However, vehicle sales are certain to rebound when the provincial job market strengthens in the months ahead.

Total New Vehicle Sales in Alberta



Source: Statistics Canada, The Daily, Oct. 14, 2009

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Where there's a way