

DAILY ECONOMIC COMMENT

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Manufacturing Gears Up

After having fallen steadily for nearly a year, the value of products coming out of Alberta's factories and plants posted a healthy gain at the end of the summer.

The total value of manufacturing shipments in Alberta rose to \$4.521 billion in August. That represents a 4.9% jump from July, and the first month-over-month increase since September of last year.

Comparing the year-to-date totals, manufacturing is down 22% during the January to August period compared to the same period of 2008.

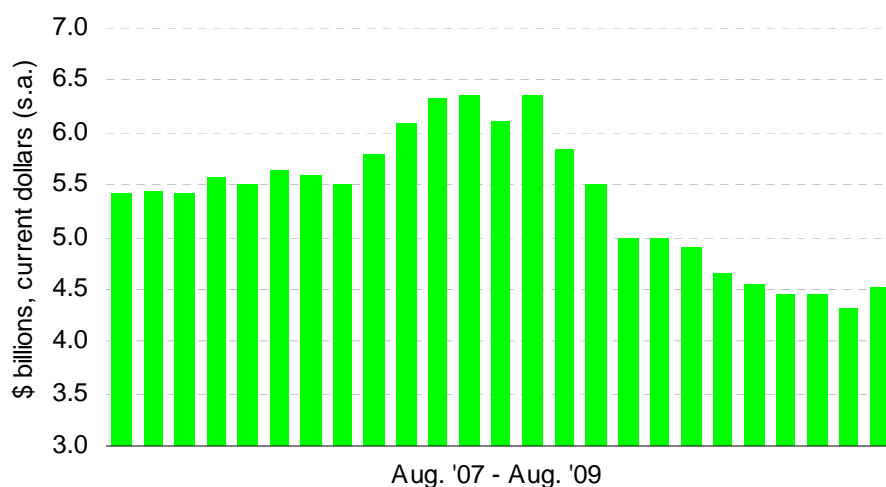
Statistics Canada notes that *"in Alberta, a 4.9% gain in sales largely reflected an increase in the petroleum and coal products industry. Machinery manufacturing*

(+11.6%) also contributed to the province's strength in August."

Manufacturing in Alberta is largely concentrated in three primary areas: refined petroleum products; specialized machinery and steel products used in the energy sector; and food processing. All three of these have felt the pinch of the recession and low energy prices over the past year.

The gains in August reverse the downward trend and mark what is probably the end of the contraction in manufacturing. At best, it suggests that manufacturing in the province is set to rise over the coming months.

Alberta Manufacturing Shipments



Source: Statistics Canada, The Daily, October 15, 2009

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Where there's a way