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Energy's boom could spare Calgary from the worst of 2023's expected recession: economists

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By **Timm Bruch**

CTV News Calgary Video Journalist



By **Michael Franklin**

CTVNewsCalgary.ca Senior Digital Producer

A new outlook on Calgary's economy for the rest of this year and into 2023 suggests that while the city is riding high on housing and retail figures, it will not escape challenges posed by high inflation and recession.

But to report, [from the Conference Board of Canada](#), says that the city could be spared from some of the worst of the recession.

That's because of the energy industry's 2022 resurgence.

"Alberta is sitting on a resource that's extremely valuable to the world economy right now, especially with the disruptions in the worldwide flows," economic forecaster Ted Mallett told CTV News. "We are looking at really stalled growth for the next three quarters across the country, but (the oil and gas sector) should help the Calgary economy tremendously."

The city's real GDP regained its pre-pandemic peak in the first quarter of 2022, setting the stage for a predicted 6.3 per cent GDP expansion in 2022. That's the highest increase since the oil collapse in 2014, according to the board.

The agency says even with oil prices levelling out next year, Calgary's GDP growth will sit at about 3.8 per cent in 2023.

That's well above Canada's expected economic growth of 1.2 per cent.

It's calling for a local GDP rise of 2.7 per cent in 2024.

"We are all facing higher inflation, the uncertainty brought on by the (Russian) invasion (of Ukraine) and those higher interest rates," ATB Financial's Rob Roach said. "Alberta is in the same rough waters. However, our boat is a little bit different because we are getting a boost from commodities, especially oil and gas and agricultural commodities.

"That's enough to keep our economy growing."

And while growing GDP won't pay inflated groceries bills or refinance mortgages, Calgary's situation will likely mean more hiring and investment in the city. It may also encourage government spending, or the extension of some household energy and fuel programs, that could trickle down to resident chequebooks.

"That doesn't necessarily translate into every household and every business doing well, but there is some positive ripple effect out," Roach said.

Nationwide, the board says Saskatoon will outpace all other major Canadian cities – even Calgary – in terms of 2022 GDP growth.



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