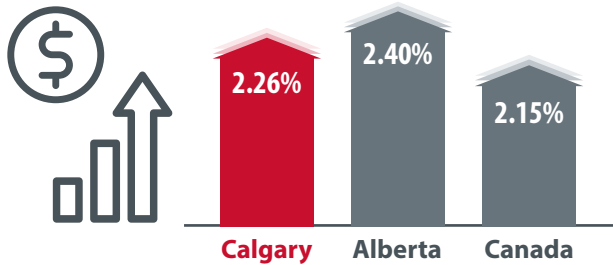


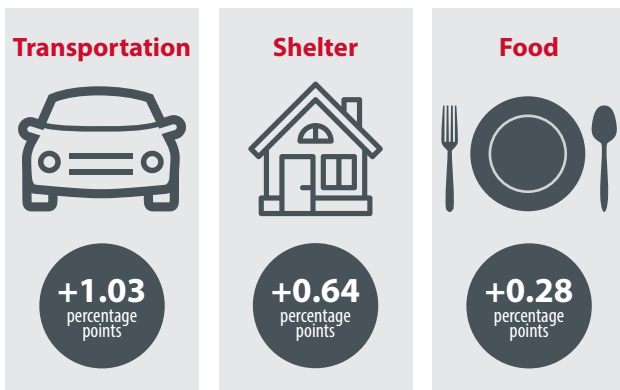


## March 2019 Headline Inflation

Comparison is based on 12-month-moving-average of the Consumer Price Index



## Major Contributors to Calgary's Inflation Rate



**Calgary:** In March 2019, the Consumer Price Index (CPI) increased by 2.26 per cent from March 2018. At the end of the first quarter of 2019, the CPI was higher by 0.37 per cent relative to the end of 2018.

The major contributor to the March 2019 annual inflation rate was the cost of transportation. It added 1.03 percentage points to the annual inflation rate. The contribution of transportation costs to annual inflation at the same time last year was 0.63 percentage points. Excluding the impact of transportation costs, the annual average CPI rose 1.23 per cent in March 2019.

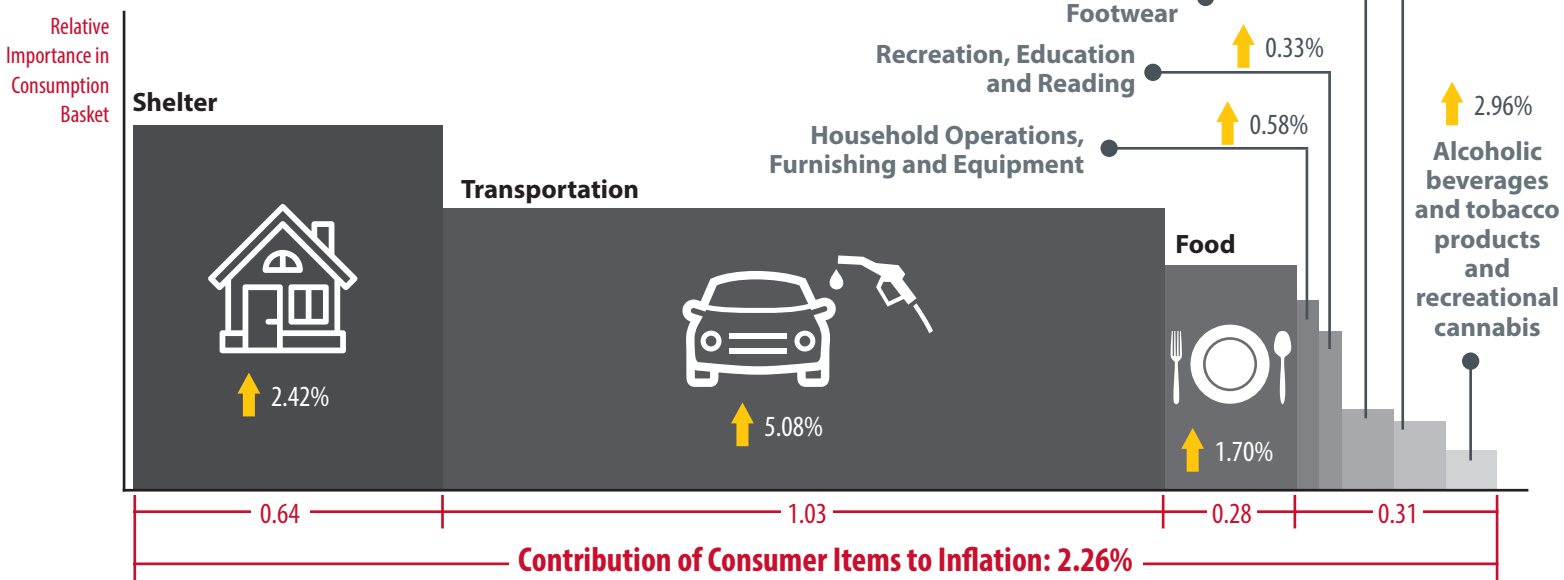
The second significant contributor to inflation was food and shelter. It added 0.92 percentage points to the March 2019 annual inflation rate. The contribution of food and shelter costs to annual inflation was much higher than it was in March 2018 and February 2019.

The inflation category for alcoholic beverages and tobacco products has changed. Until September 2018, it did not include recreational cannabis. Legalization in October 2018 led to its addition to the category. The category-specific annual inflation rate was 2.96 per cent for March 2019. It is the category of consumer goods and services with the second fastest rate of price growth in Calgary.

**Alberta and Canada:** For March 2019, the Alberta and Canada-wide annual inflation rates were 2.40 and 2.15 per cent respectively. The March 2019 annual inflation rates for Calgary and Alberta were higher than for Canada.

Gross domestic product (GDP) reflects the demand for all final goods and services. The growth in global GDP for 2019 is expected to be slower than in 2018. The slower pace is primarily attributable to growth outside Canada. The projected gap between potential GDP and actual GDP (the output gap) is expected to widen. The implication is weaker than expected inflation in 2019.

## Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2017 Weights, March 2019



## Inflation Rates

|   | Relative Importance (%) <sup>*</sup> | Year-over-year (12-MMA, %) |        |        | Year-to-Date (12-MMA, %) |        |        |
|---|--------------------------------------|----------------------------|--------|--------|--------------------------|--------|--------|
|   |                                      | Mar-19                     | Feb-19 | Jan-19 | Mar-19                   | Feb-19 | Jan-19 |
| Calgary: All-items  | 100.00                               | 2.26                       | 2.27   | 2.34   | 0.37                     | 0.20   | 0.08   |
| Calgary: All-items excluding food and energy                    | 76.28                                | 1.54                       | 1.52   | 1.54   | 0.32                     | 0.21   | 0.11   |
| Food  | 16.59                                | 1.70                       | 1.53   | 1.41   | 0.70                     | 0.43   | 0.17   |
| Shelter   | 26.26                                | 2.42                       | 2.30   | 2.26   | 0.73                     | 0.42   | 0.21   |
| Rented accommodation  | 5.68                                 | 0.77                       | 0.65   | 0.39   | 0.46                     | 0.37   | 0.18   |
| Owned accommodation   | 15.48                                | 1.29                       | 1.27   | 1.26   | 0.46                     | 0.29   | 0.14   |
| Water, fuel and electricity                                     | 5.09                                 | 8.03                       | 7.63   | 7.85   | 1.93                     | 0.89   | 0.44   |
| Household operations, furnishing and equipment                  | 12.93                                | 0.58                       | 0.58   | 0.58   | 0.26                     | 0.17   | 0.08   |
| Clothing and footwear   | 5.15                                 | 0.93                       | 0.95   | 1.18   | 0.00                     | -0.06  | -0.05  |
| Transportation  | 20.28                                | 5.08                       | 5.35   | 5.65   | 0.25                     | 0.03   | -0.05  |
| Gasoline  | 3.26                                 | 12.83                      | 14.82  | 16.70  | -1.69                    | -1.58  | -1.09  |
| Health and personal care  | 4.81                                 | 0.99                       | 1.21   | 1.40   | -0.02                    | -0.01  | -0.04  |
| Recreation, education and reading                               | 10.49                                | 0.33                       | 0.40   | 0.51   | -0.18                    | -0.07  | 0.02   |
| Alcoholic beverages, tobacco products and recreational cannabis | 3.48                                 | 2.96                       | 3.14   | 3.26   | 0.48                     | 0.38   | 0.23   |
| Alberta: All-items  | 100.00                               | 2.40                       | 2.40   | 2.44   | 0.42                     | 0.23   | 0.10   |
| Alberta: All-items excluding food and energy                    | 76.28                                | 1.68                       | 1.65   | 1.65   | 0.37                     | 0.24   | 0.12   |
| Canada: All-items   | 100.00                               | 2.15                       | 2.19   | 2.25   | 0.40                     | 0.24   | 0.12   |
| Canada: All-items excluding food and energy                     | 77.01                                | 1.96                       | 1.97   | 1.96   | 0.48                     | 0.32   | 0.16   |

<sup>\*</sup> Consumer Price Index (CPI) basket weights are based on the 2017 Survey of Household Spending, modified on February 2019.

Sources: Statistics Canada, Corporate Economics, April 17, 2019

Next release: May 15, 2019

## Glossary:

**Headline Inflation:** This is the inflation rate measured using all components of the consumer basket of goods and services.

**Core Inflation:** This is the inflation rate after excluding food and transportation from the consumer basket of goods and services.

**Overnight Rate:** The interest rate the Bank of Canada charges commercial banks to borrow money.

## Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and have developed reliable methods of forecasting and analysis.

For media inquiry, please contact:

The Media Line at 403.828.2954 or [media.relations@calgary.ca](mailto:media.relations@calgary.ca)

For the technical questions, please contact:

**Oyin Shyllon**  
City Economist & Regulatory Lead  
403.268.1590  
[oshyllon@calgary.ca](mailto:oshyllon@calgary.ca)

**Chukwudi Osuji, Ph.D.**  
Senior Corporate Economist  
403.268.3752  
[chukwudi.osuji@calgary.ca](mailto:chukwudi.osuji@calgary.ca)

**Estella Scruggs**  
Corporate Research Analyst  
403.268.5556  
[estella.scruggs@calgary.ca](mailto:estella.scruggs@calgary.ca)

Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy)

The City of Calgary provides this information in good faith. However, the aforementioned organization makes no representation, warranty or condition, statutory express or implied, takes no responsibility for any errors and omissions which may contained herein and accepts no liability for any loss arising from any use or reliance on this report.

Sources: Statistics Canada, Bank of Canada, Corporate Economics