

## HIGHLIGHTS

### Headline Inflation Comparison\*

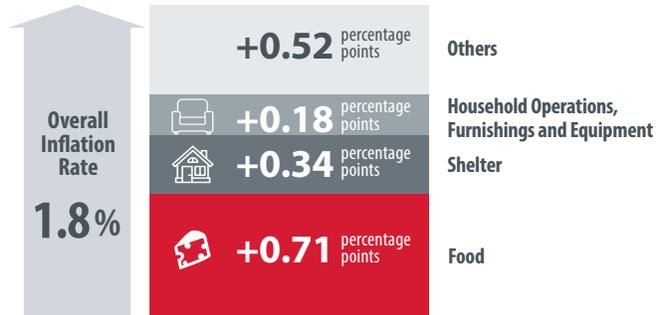
February 2026



\*Compared to the same month last year

### Main Contributors to Alberta's Inflation Rate

February 2026



## Calgary's inflation rate eased further to 1.7 per cent; the national rate declined to 1.8 per cent

In February 2026, the consumer inflation rate for the Calgary Census Metropolitan Area (CMA) was 1.7 per cent year-over-year (YoY), down from 2.0 per cent in January 2026. Alberta's inflation rate also fell to 1.8 per cent from 2.0 per cent in January 2026, while Canada's overall inflation dropped to 1.8 per cent in February 2026 from 2.3 per cent in January 2026.

The national deceleration was partly driven by lower gasoline prices and the fading impact of the GST/HST holiday that ended in February 2025 (see below). Slower price increases for coffee and beef also eased food inflation. While muted by lower gasoline prices, sustained inflationary pressures in vehicle insurance premiums persisted in Alberta's transportation category. Auto insurance costs in Alberta increased 22.8 per cent YoY, recording the highest rate of increase in the country for the seventh consecutive month and contributing about 0.63 percentage points to overall inflation. The contribution of this item alone exceeded the contribution of all main CPI categories except food (0.71 percentage points).

## Bumpy road ahead amid geopolitical tensions

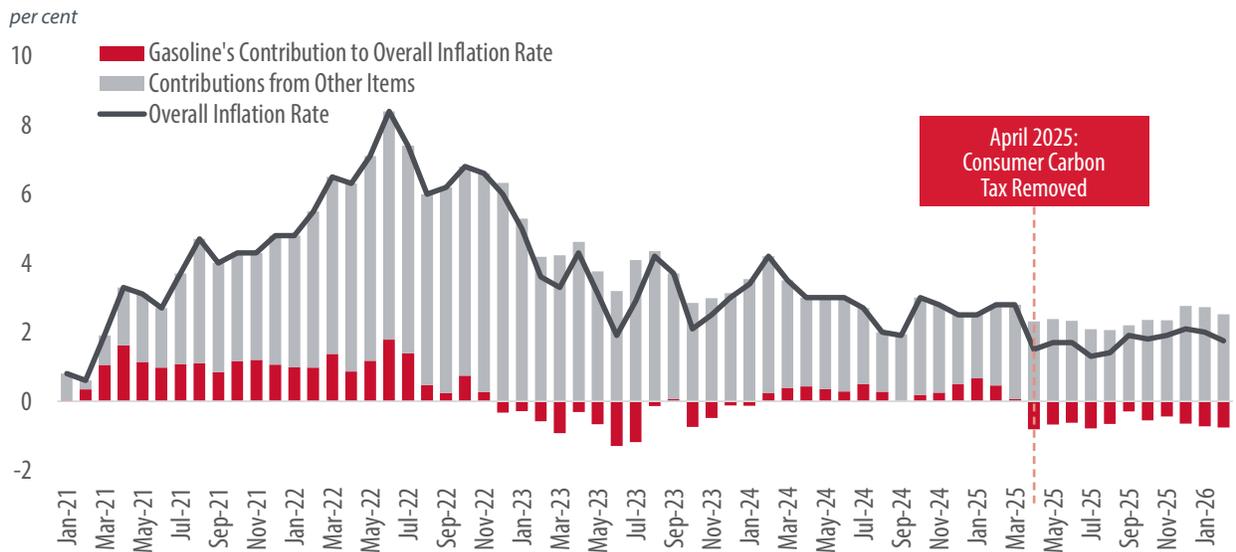
In the coming months, the inflation trajectory is expected to be bumpy as two tax policies introduced in 2024/25 that have been affecting inflation figures begin to fade.

One such measure is the GST/HST holiday, which temporarily removed GST/HST on eligible items between December 2024 and mid-February 2025. This policy artificially lowered base prices in the CPI from December 2024 to mid-February 2025, but no longer affects price comparisons with 2025, easing February inflation relative to January.

However, starting in Spring 2026, inflation is expected to increase as the effects from the consumer carbon tax removal also unwind. Since the suspension of the \$80-per-tonne carbon levy in April 2025, gasoline has been the major factor reducing headline inflation in Alberta. Between April 2025 and February 2026, decreases in gasoline CPI averaged about 15 per cent, pulling down overall inflation by roughly 0.6 percentage points over the same period (Figure 1). However, starting in April 2026, this effect will drop out of the YoY calculation, removing a key source of downward pressure on inflation. Coupled with weakening global oil demand and improved supply conditions, nominal gasoline prices in Calgary had been at their lowest levels since 2021 until recently. (Figure 2). Between April 2024 and February 2025, the average gasoline price in Calgary was 150.3 cents per litre compared

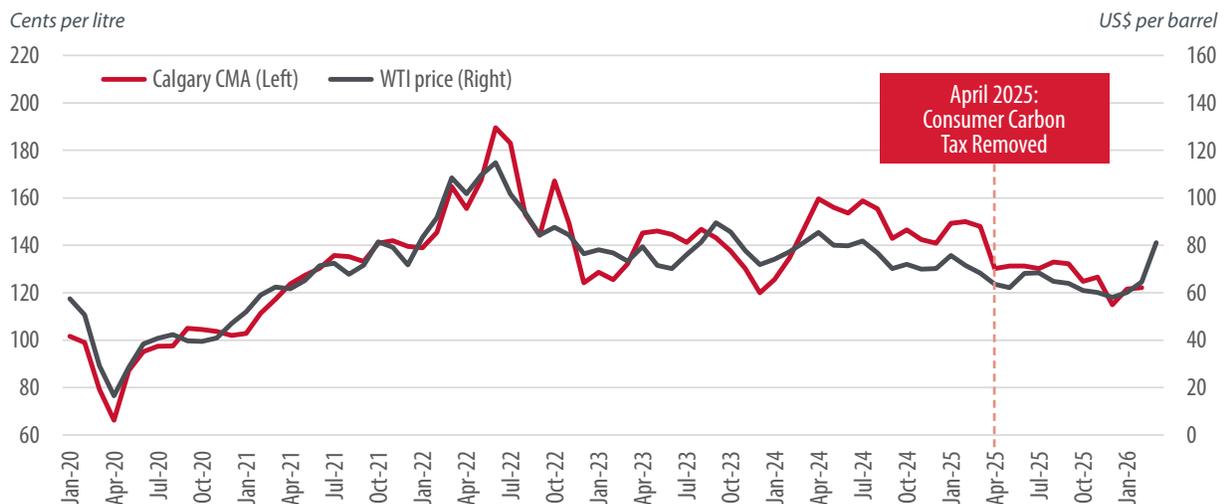
to an average of 127.1 cents per litre over the same period a year later (April 2025 to February 2026). While global energy prices were dropping at the same time, about 80 per cent of the total decrease in gasoline prices is directly attributable to the removal of the consumer carbon tax.

**Figure 1: Gasoline has been a major force in reducing the overall inflation figure in Alberta since April 2025**



Source: Statistics Canada

**Figure 2: Nominal gasoline prices in Calgary were at the lowest level since 2021, but rising global energy prices driven by geopolitical conflicts are expected to reverse this trend**

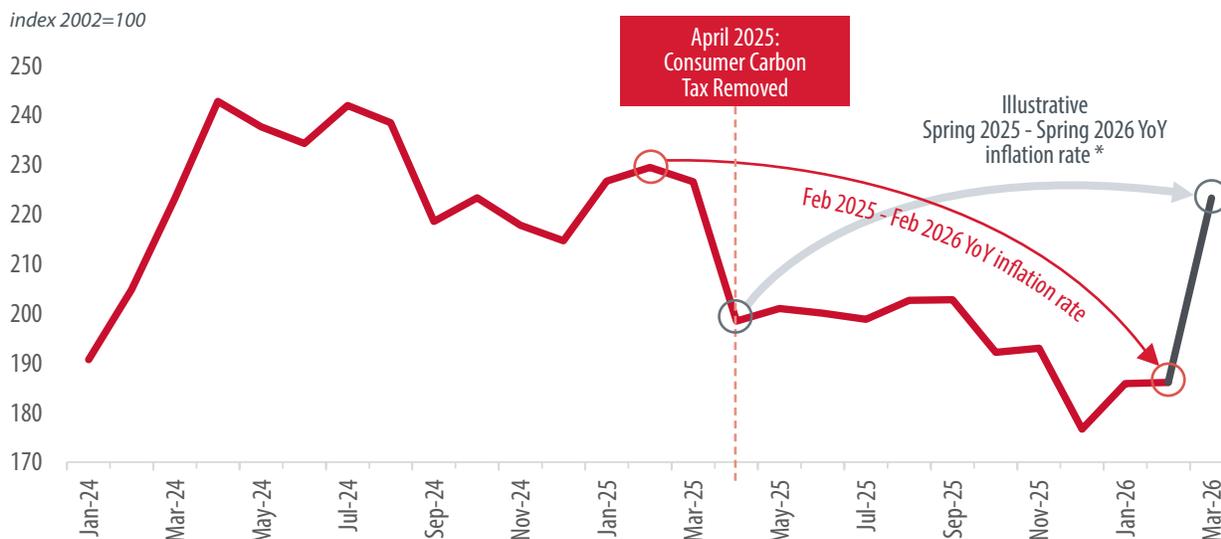


Note: Regular unleaded gasoline at self-service filling stations

Source: Statistics Canada, Table 18-10-0001-01 and U.S. Energy Information Administration

In addition, rising energy prices linked to geopolitical conflicts in the Middle East that began in March are expected to add further inflationary pressure. Beyond direct impacts on gasoline and household energy costs, higher oil prices also feed indirectly into a wide range of goods and services, both as direct inputs in production and in transportation costs. Taken together, these geopolitical and tax impacts imply that, from Spring 2026 onward, gasoline's contribution to headline CPI is expected to shift from reducing inflation to increasing it (Figure 3).

**Figure 3: Baseline effects of the removal of consumer carbon tax and higher energy prices will raise gasoline YoY inflation**



\*Price index for March 2026 is for illustrative purpose only, assuming a 20 per cent increase in gasoline prices from February 2026, and actual data may differ.

Source: Statistics Canada Table: 18-10-0004-01

These dynamics highlight the importance of distinguishing between temporary tax effects (such as one-time price-level adjustments) and longer-term inflation trends when interpreting CPI and making policy decisions. Other CPI indicators, such as CPI excluding food and energy, which removes more volatile components, suggest more stable and persistent underlying inflation pressures. This measure stood at 2.7 per cent in February 2026.

### Inflation Rates

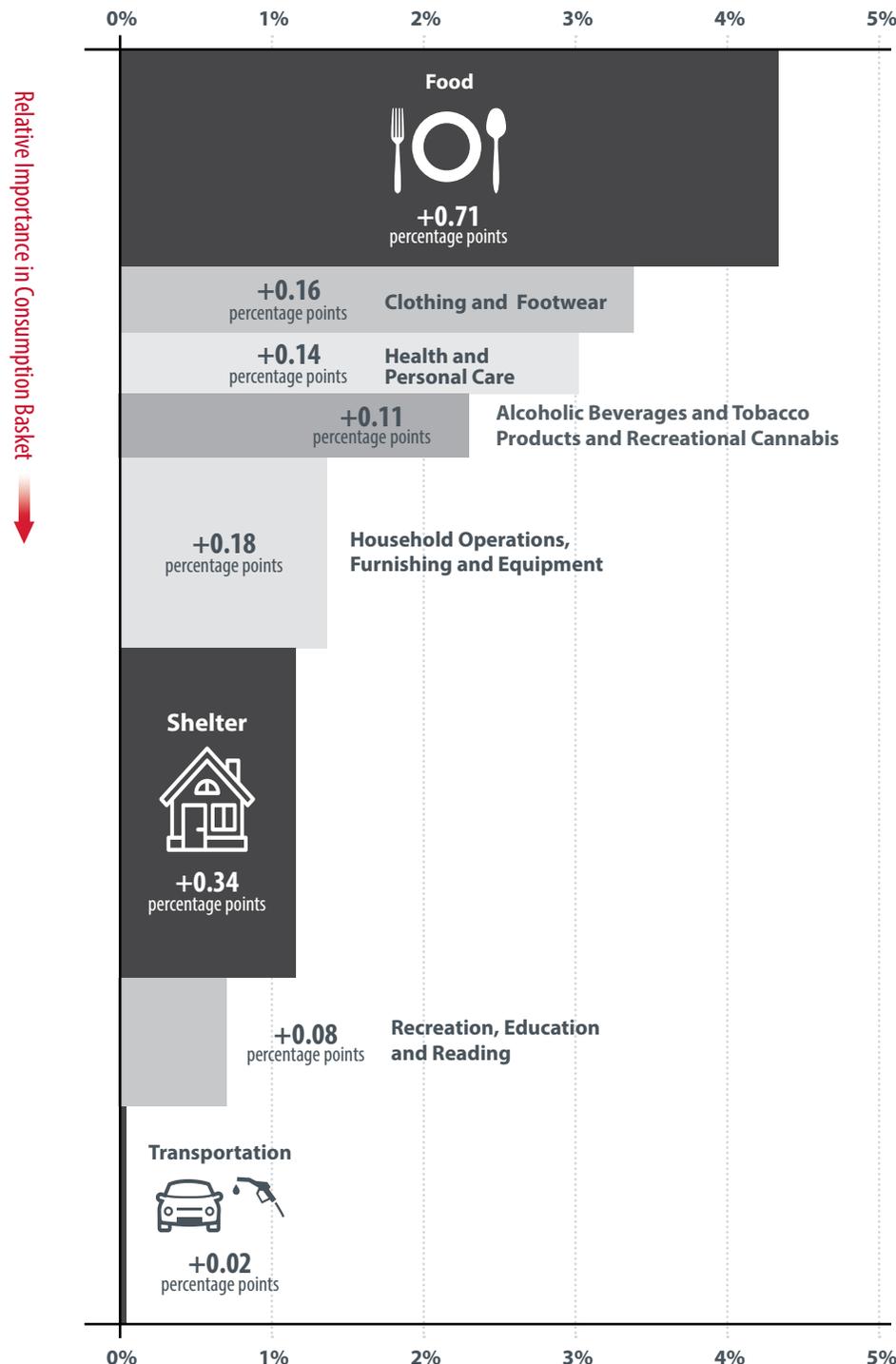
	Relative Importance (%)*	Year-over-year (%)		
		Feb-26	Jan-26	Dec-25
<b>Calgary: All-items</b>	<b>100.00</b>	<b>1.7</b>	<b>2.0</b>	<b>2.3</b>
Shelter	28.73	1.4	1.4	2.3
Rented accommodation	6.12	3.1	2.4	4.9
Owned accommodation	19.12	1.7	1.9	2.3
Water, fuel and electricity	3.48	-5.1	-3.6	-4.6
<b>Alberta: All-items</b>	<b>100.00</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>
Alberta: All-items excluding food and energy	78.28	2.7	2.6	2.9
<b>Canada: All-items</b>	<b>100.00</b>	<b>1.8</b>	<b>2.3</b>	<b>2.4</b>
Canada: All-items excluding food and energy	77.26	2.0	2.4	2.5

\* CPI basket weights are based on the 2024 expenditure data, modified in June 2025. Sources: Statistics Canada, Corporate Economics, March 16, 2026.

## Contribution of Consumer Items to Inflation: Alberta

February 2026

Inflation Rate 



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, March 16, 2026.

Next release: April 20, 2026

### Who We Are

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Sources:  
Bank of Canada, Statistics Canada, Corporate Economics