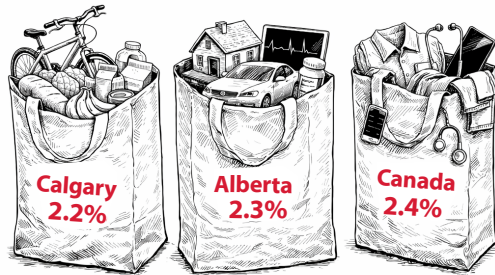


## HIGHLIGHTS

### Headline Inflation Comparison\*

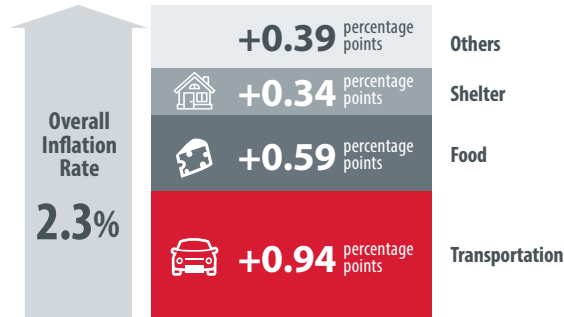
March 2026



\*Compared to the same month last year

### Main Contributors to Alberta's Inflation Rate

March 2026



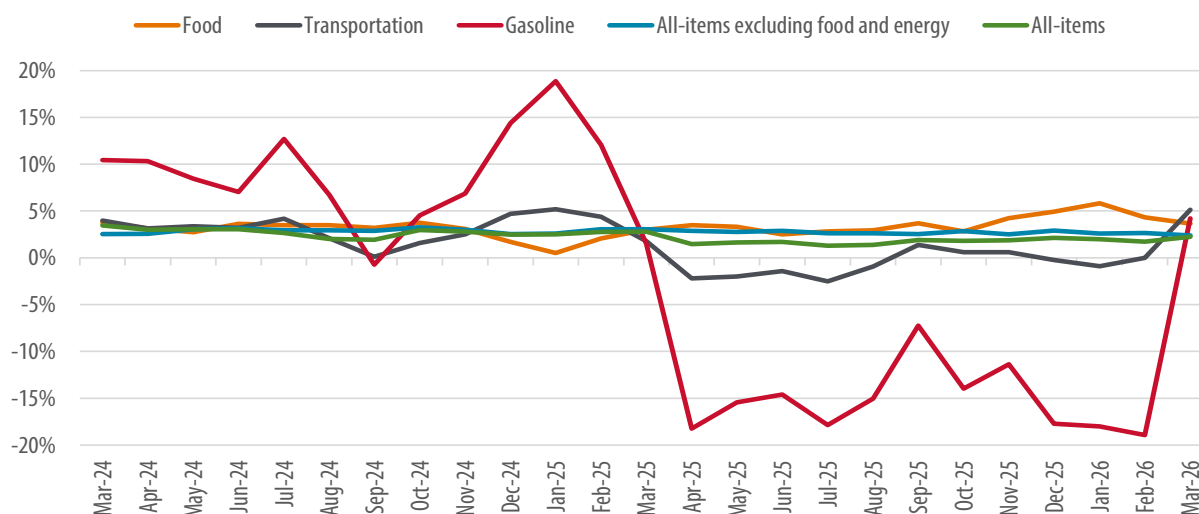
## Rising Fuel Prices driven by the conflict in the Middle East push inflation higher

In March 2026, the consumer inflation rate for the Calgary Census Metropolitan Area (CMA) was 2.2 per cent year-over-year (YoY) up from 1.7 per cent in February 2026. Alberta's inflation rate had a similar increase to 2.3 per cent YoY, from 1.8 per cent. The major contributors to Alberta's inflation rate are Food contributing 0.59 percentage points (pp), Transportation contributing 0.94 pp and Shelter contributing 0.34 pp. As for Canada, the overall inflation rate has risen to 2.4 per cent YoY. The YoY inflation rate for Alberta's Consumer Price Index (CPI) excluding food and energy stood at 2.4 per cent in March 2026, slightly above the headline rate of 2.3 per cent. Once food and energy are excluded, the large rises in auto and home insurance are more reflected in the core measure of inflation.

A 22.7 per cent YoY increase to vehicle insurance premiums made Transportation the largest contributor to Alberta's headline inflation in March. Higher inflation in this category is also largely due to elevated gasoline prices resulting from ongoing conflict in the Middle East. The conflict, which began in late February 2026, has severely disrupted shipping of roughly 20 per cent of global crude oil supplies. In March 2026, West Texas Intermediate (WTI) crude oil prices increased about 42 per cent compared to last month. The scale of the impact will depend on the length of the conflict. However, damage to energy facilities could take years to recover.

In Calgary, the average price of regular unleaded gasoline rose from an average of \$1.22 per litre in February 2026 to \$1.55 per litre in March 2026, an increase of 27 per cent from February. This was the largest monthly percentage increase since May 2020.

Higher oil prices feed indirectly into other goods and services, including food, household goods, and transportation services through production and freight costs. Higher fuel prices are already impacting many sectors even if the effect hasn't shown up in the CPI yet. Major food suppliers are beginning to impose temporary fuel surcharges on deliveries. In aviation, global jet fuel prices have surged prompting many airlines to add new fuel surcharges to their flights. These pressures are expected to appear in the transportation and food components of CPI in the coming months.

**Figure 1: Alberta CPI: Year-over-Year Percentage Change by Category**

Source: Statistics Canada

### Federal Government's response to higher oil prices

The impact of gasoline prices is lower than would otherwise be the case as the March 2025 price base still included the federal consumer carbon tax which the federal government removed in April 2025. Starting in April 2026, Alberta's inflation rate is expected to rise further as base prices no longer include the consumer carbon tax. This will be partially offset, though, by the temporary removal of the federal Fuel Excise Tax from April 20, 2026 through September 7, 2026. This equates to a reduction of 10 cents per litre on regular gasoline and 4 cents per litre on diesel. Part of the gasoline price increase consumers are seeing at the pumps is due to more expensive summer fuel blends, mandated from April 15 to September 15 each year. This doesn't impact annual inflation, though, as it recurs each year.

The Bank of Canada held its policy rate at 2.25 per cent on March 18. They are assessing the turbulent market effects of the oil supply shock as they prepare their next interest rate announcement on April 29.

### Inflation Rates

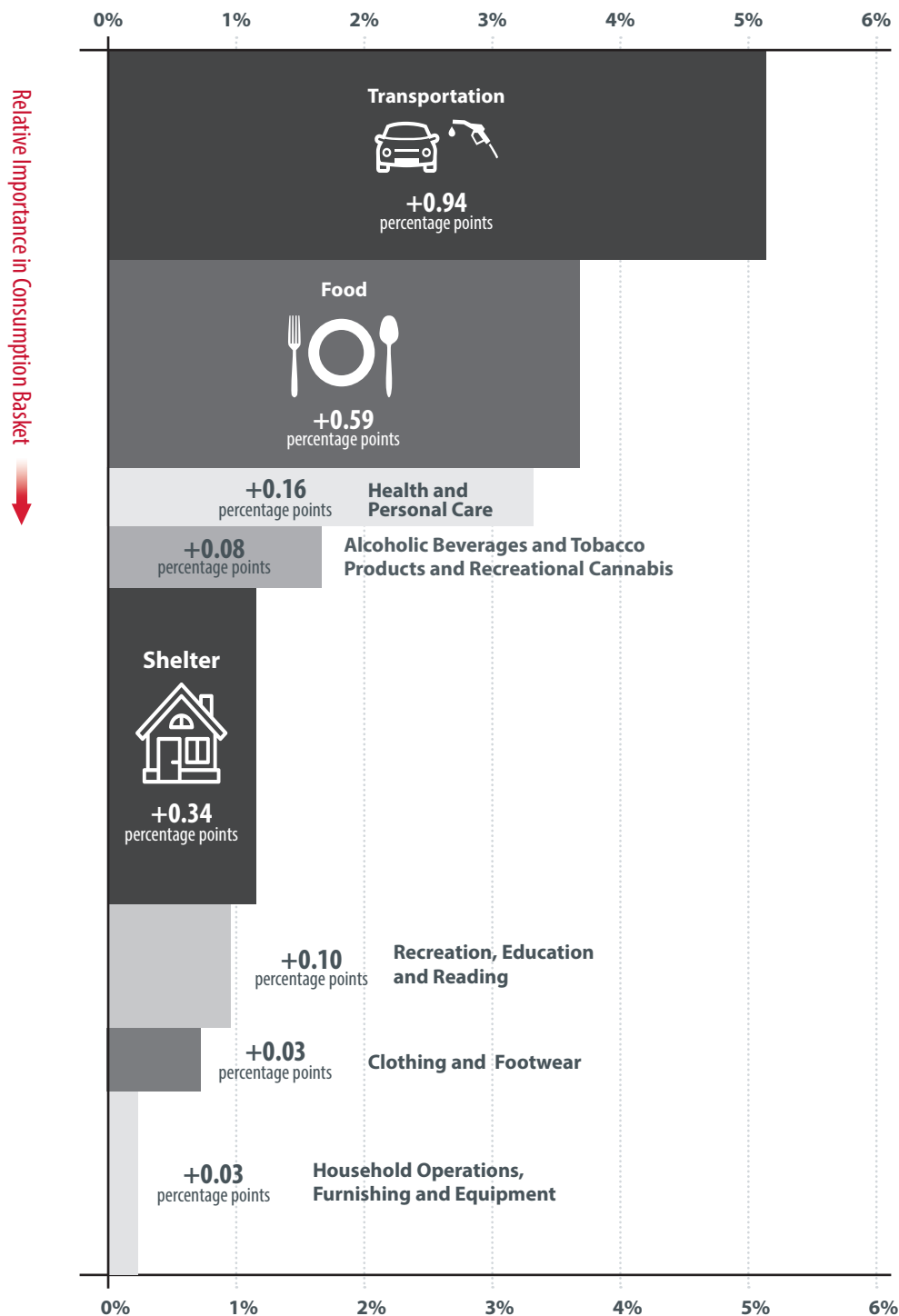
	Relative Importance (%) <sup>*</sup>	Year-over-year (%)		
		Mar-26	Feb-26	Jan-26
<b>Calgary: All-items</b>	<b>100.00</b>	<b>2.2</b>	<b>1.7</b>	<b>2.0</b>
Shelter	28.73	1.0	1.4	1.4
Rented accommodation	6.12	2.1	3.1	2.4
Owned accommodation	19.12	2.0	1.7	1.9
Water, fuel and electricity	3.48	-7.0	-5.1	-3.6
<b>Alberta: All-items</b>	<b>100.00</b>	<b>2.3</b>	<b>1.8</b>	<b>2.0</b>
Alberta: All-items excluding food and energy	78.28	2.4	2.7	2.6
<b>Canada: All-items</b>	<b>100.00</b>	<b>2.4</b>	<b>1.8</b>	<b>2.3</b>
Canada: All-items excluding food and energy	77.26	1.9	2.0	2.4

<sup>\*</sup> CPI basket weights are based on the 2024 expenditure data, modified in June 2025.  
Sources: Statistics Canada, Corporate Economics, April 20, 2026.

## Contribution of Consumer Items to Inflation: **Alberta**

March 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, April 20, 2026.

Next release: **May 19, 2026**

### 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:

**Chris Jacyk**  
Manager, Economics, Regulatory,  
Long-Range Financial Planning  
[chris.jacyk@calgary.ca](mailto:chris.jacyk@calgary.ca)

**Todd Godfrey**  
Leader, Economic Analysis  
[todd.godfrey@calgary.ca](mailto:todd.godfrey@calgary.ca)

**Gurjosh Brar**  
Associate Economist  
[gurjosh.brar@calgary.ca](mailto:gurjosh.brar@calgary.ca)

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

**Lalita Sedrovic**  
Finance Coordinator  
[lalita.sedrovic@calgary.ca](mailto:lalita.sedrovic@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 be contained herein and accepts no liability for any loss arising from any use or reliance on this report.

Sources:  
Bank of Canada, Statistics Canada,  
Corporate Economics