Calgary Census Metropolitan Area (CMA)

July 2026

Inflation Review

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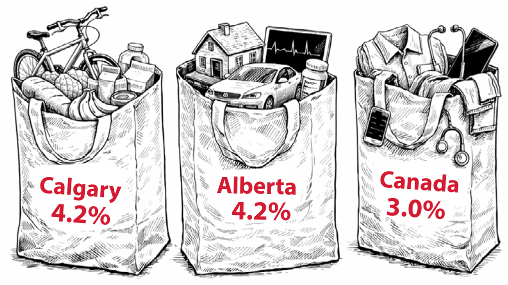
HIGHLIGHTS

Headline Inflation Comparison*

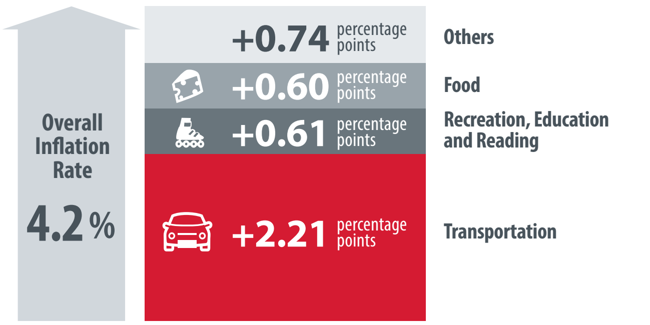
July 2026



*Compared to the same month last year

Main Contributors to Alberta's Inflation Rate

July 2026



Inflationary Trends Overview

In July 2026, Consumer Price Index (CPI) inflation for the Calgary Census Metropolitan Area (CMA) was 4.2 per cent[1], up from the June CMA inflation rate of 3.4 per cent. Alberta's inflation rate followed the same trend, increasing from 3.4 per cent in June to 4.2 per cent in July. Canada's CPI inflation rate rose to 3.0 per cent, significantly lower than Alberta as passenger vehicle insurance premiums continued to put disproportionate upward pressure on Alberta inflation.

On July 15, the Bank of Canada (BoC) announced that it would maintain its policy interest rate at 2.25 per cent for the sixth consecutive meeting. While headline inflation remains above target, holding the rate steady helps limit increases in borrowing costs for major purchases for consumers and businesses. Although both the conflict in the Middle East and U.S. trade policy remain important risks and uncertainties, the BoC expects inflation to gradually ease.

Transportation and Travel Costs Increase, Supply Chain Effects Follow

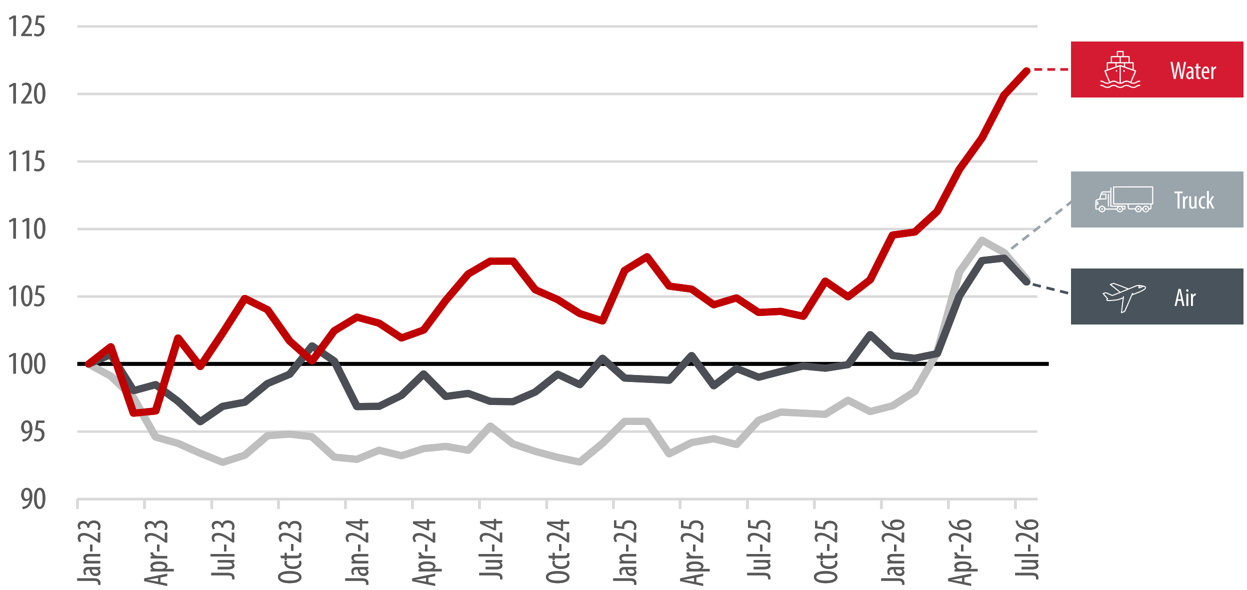
In the interim, however, a resumption of hostilities between the U.S. and Iran has pushed crude oil prices higher for the month of July, causing average gasoline prices to increase by 29.3 per cent over the last year in Calgary. Reduced global refining capacity due to shipping shortages and damaged infrastructure from conflict has also pushed up refining margins for fuel products such as motor gasoline, distillate, and jet fuel. Canadian refining margins remain well above historical averages after reaching an all-time high in May 2026. Higher refining margins suggest fuel prices will remain elevated.

1 All CPI growth rates are year-over-year unless otherwise specified.

While these price pressures feed directly into consumer inflation by raising retail gasoline prices and services such as air travel, they also affect commodity price levels through supply chain disruptions and elevated transportation costs. The Federal Reserve Bank tracks price indexes for truck, air, and water transportation of freight, showing all have risen over the past year, growing by 10.9 per cent, 7.1 per cent, and 17.2 per cent, respectively. Suppliers are likely to eventually pass these additional costs on to consumers, making goods and services more expensive. (Figure 1).

Figure 1: Breakdown of Transportation Industry Prices

Index: January 2023=100



Source: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

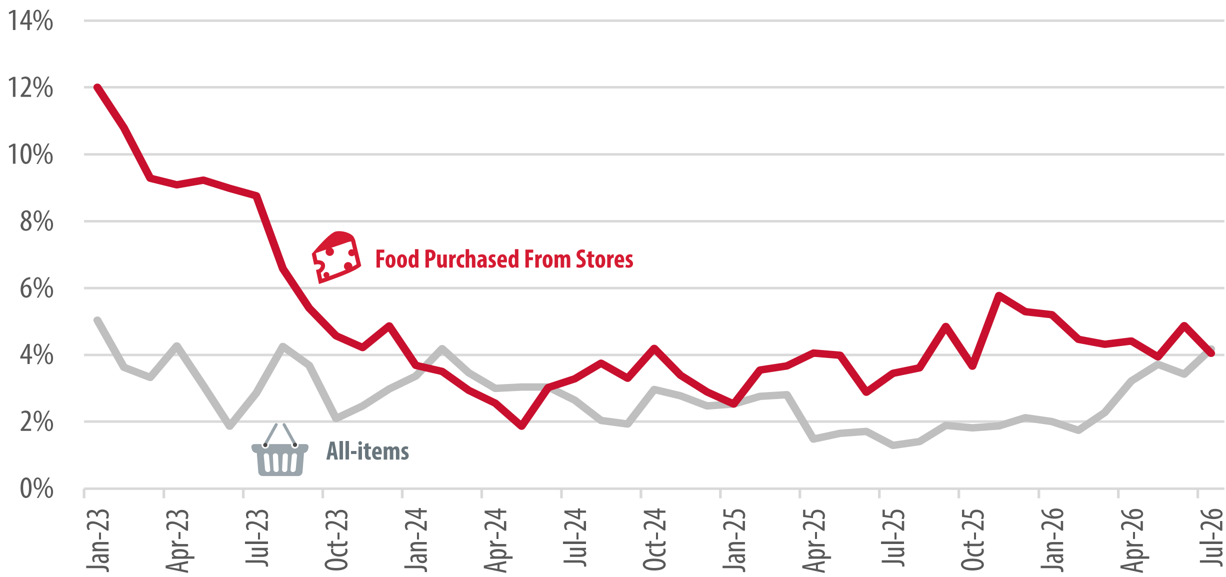
Food Prices and the Canada Groceries and Essentials Benefit

While easing slightly, food prices have continued to be a moderate driving force of CPI inflation over the past year in Alberta, increasing by 3.7 per cent. Headline inflation exceeded inflation for food purchased from stores (groceries), however, grocery inflation remained above CPI inflation when excluding energy.

To help households with lower incomes manage the rising costs of groceries and everyday essentials, the federal government replaced the GST/HST credit program with the Canada Groceries and Essentials Benefit at the beginning of July 2026, providing a 25 per cent increase to the benefit amount. The benefit will not drop prices or slow inflation but will help Canadians deal with higher prices. While Calgary's median income is relatively high, there are still many lower-income households facing particularly acute cost pressures that stand to gain from the expanded program. (Figure 2).

Figure 2: Alberta CPI: All-items and Grocery Trends

Year-over-year percentage change



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

Tariffs and Trade Uncertainty Continue to Put Pressure on Business Costs

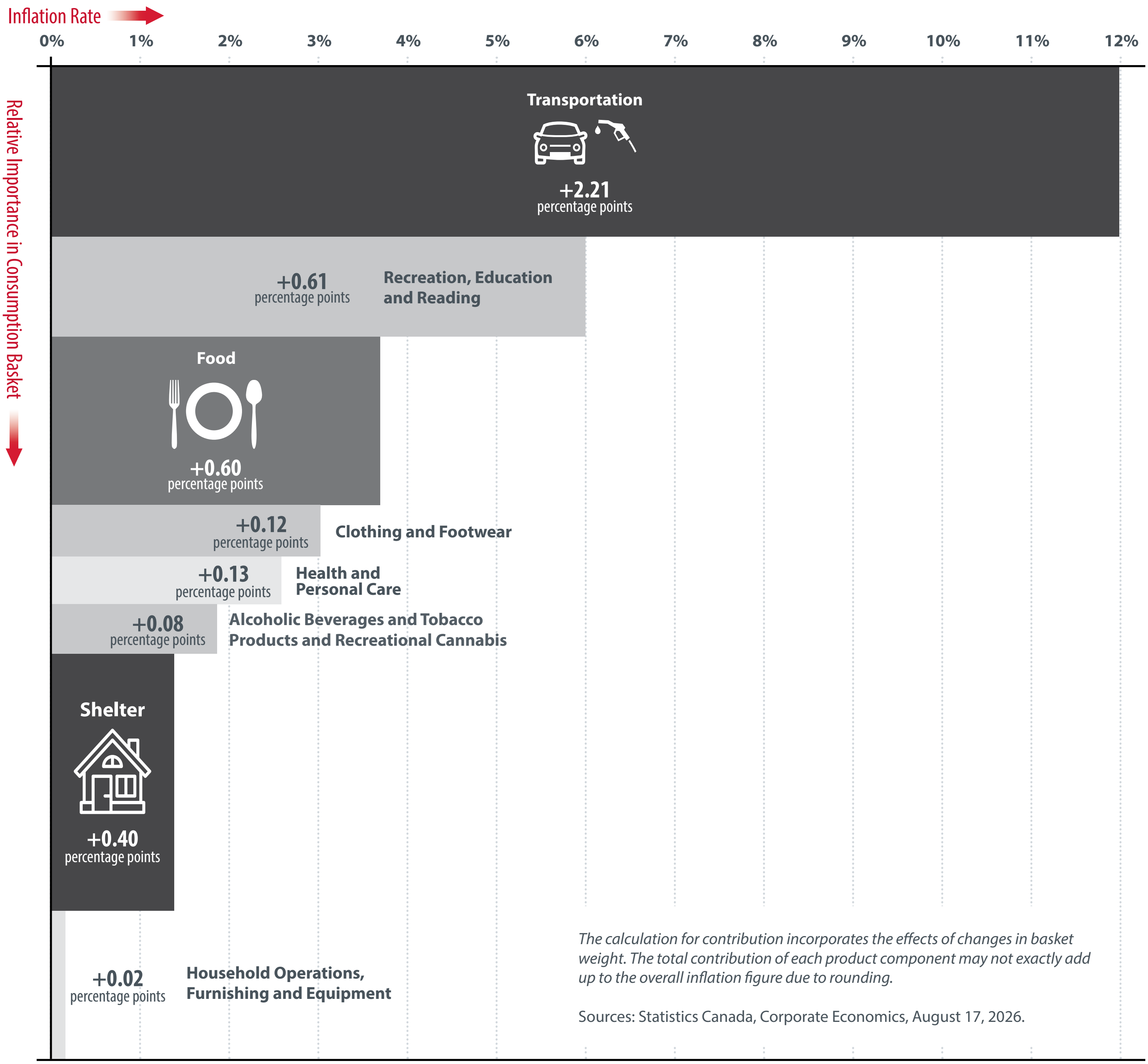
In July, President Trump added to ongoing trade uncertainty between the U.S. and Canada by announcing an additional 50 per cent tariff on select Canadian goods. Tariffs increase costs for U.S. importers and can reduce demand for exports. While U.S. tariffs don't directly impact Canadian prices, Canadians may still eventually see some impact due to highly integrated cross-border supply chains. The newly announced tariffs are expected to take effect mid-August; however, sudden policy shifts have been the norm, creating more uncertainty amidst ongoing Canada-United States-Mexico trade negotiations.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Jul-26	**Jun-26**	**May-26**
Calgary: All-items	**100.00**	**4.2**	**3.4**	**3.7**
Shelter	27.28	1.5	0.7	0.5
Rented accommodation	6.29	0.5	-0.9	-0.8
Owned accommodation	17.68	1.3	0.9	1.2
Water, fuel and electricity	3.31	4.5	4.2	0.4
Alberta: All-items	**100.00**	**4.2**	**3.4**	**3.7**
Alberta: All-items excluding food and energy	77.24	3.3	2.6	2.6
Canada: All-items	**100.00**	**3.0**	**2.8**	**3.2**
Canada: All-items excluding food and energy	76.40	1.9	1.8	1.6

* CPI basket weights are based on the 2025 expenditure data, modified in June 2026.
Sources: Statistics Canada, Corporate Economics, August 17, 2026.

Contribution of Consumer Items to Inflation: Alberta July 2026



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, August 17, 2026.

Next release: September 14, 2026

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