

## Headline Inflation Comparison

### November 2021



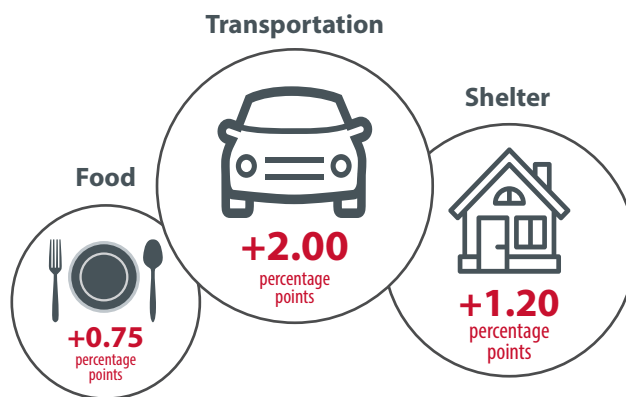
## Inflation in the Calgary Metropolitan Area Remains High

In November 2021, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 0.2 per cent from October and by 4.4 per cent over the previous twelve months. The November year-over-year inflation rate of 4.4 per cent was a slight increase over the October rate of 4.3 per cent, and it marked the fifth consecutive month in which the inflation rate was greater than four per cent.

In November 2021, the cost of shelter in the CMA increased by 1.1 per cent since October and posted a 4.9 per cent year-over-year increase. The biggest factors behind this increase were soaring natural gas and electricity prices, causing utility bills (water, fuel, and electricity) to increase by 19.8 per cent year-over-year. Low interest rates and a demand for bigger living spaces during the pandemic caused house prices to rise, contributing to a 2.6 per cent increase in the cost of owned accommodation. Rental prices had not yet responded to the higher average home values, however, and the cost of rental accommodation decreased by 0.9 per cent.

## Major Contributors to Alberta's Inflation Rate

### November 2021



## Energy Prices Fuel Inflation in Alberta

Alberta reported year-over-year CPI inflation of 4.3 per cent in November. The inflation rate in Canada was even higher at 4.7 per cent in November.

The greatest contributor to inflation in Alberta in November was the cost of transportation, adding 2.00 percentage points to total inflation. Gasoline prices, which increased by 42.2 per cent year-over-year, were the largest factor behind the transportation cost increase.

The next largest contributors to Alberta's November inflation were shelter and food. Shelter cost increases contributed 1.20 percentage points to total inflation, while food contributed 0.75 percentage points. Natural gas prices, which rose by 32.0 per cent since November 2020, contributed to shelter cost increases along with a 27.1 per cent increase in electricity prices. Meat prices increased by 10.9 per cent and contributed to the cost of food.

## Inflation Rates

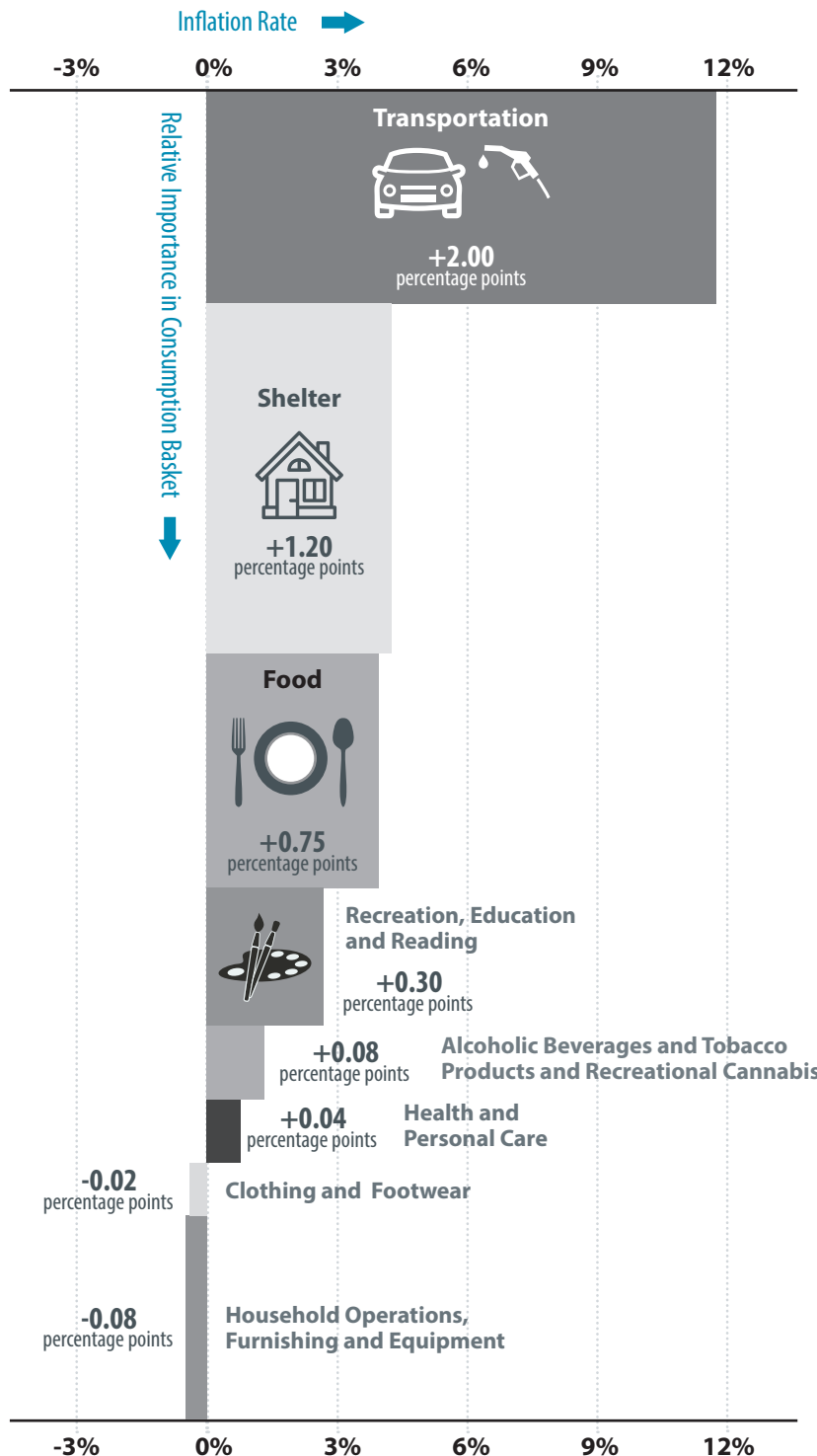
	Relative Importance (%) <sup>*</sup>	Year-over-year (%)			Year-to-Date (%)		
		Nov-21	Oct-21	Sep-21	Nov-21	Oct-21	Sep-21
Calgary: All-items	100.00	4.4	4.3	4.2	4.9	4.7	4.3
Shelter	26.35	4.9	4.4	4.4	4.8	3.6	3.6
Rented accommodation	5.77	-0.9	-1.6	-2.6	-1.2	-2.6	-3.6
Owned accommodation	16.55	2.6	2.4	4.6	2.7	2.7	3.5
Water, fuel and electricity	4.03	19.8	18.6	11.7	18.6	13.9	12.6
Alberta: All-items	100.00	4.3	4.3	4.0	4.7	4.6	4.1
Alberta: All-items excluding food and energy	75.72	1.8	1.9	2.4	2.3	2.5	2.3
Canada: All-items	100.00	4.7	4.7	4.4	4.9	4.7	4.0
Canada: All-items excluding food and energy	77.06	3.1	3.2	3.3	3.5	3.5	3.0

<sup>\*</sup> CPI basket weights are based on the 2020 expenditure data, modified on June 2021.

Sources: Statistics Canada, Corporate Economics, December 15, 2021.

Despite the high inflation rate, not all prices increased. In November, the greatest offset to Alberta's price inflation came from a decrease in prices for household operations, furnishings and equipment, contributing -0.08 percentage points to total inflation. The individual products and services that reported the largest price decreases were telephone services, recreational cannabis and household cleaning products.

### Contribution of Consumer Items to Inflation: Alberta November 2021



### 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.

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Sources:

Bank of Canada, Statistics Canada, Corporate Economics.