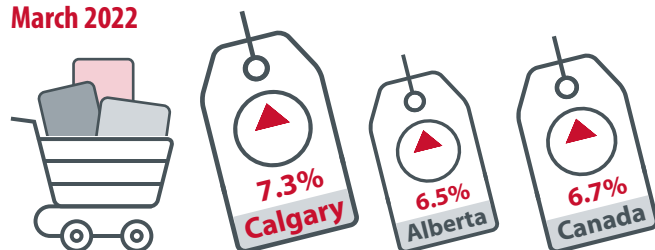


## Headline Inflation Comparison

March 2022



## Inflation in the Calgary Census Metropolitan Area Reaches Highest Rate since 2002

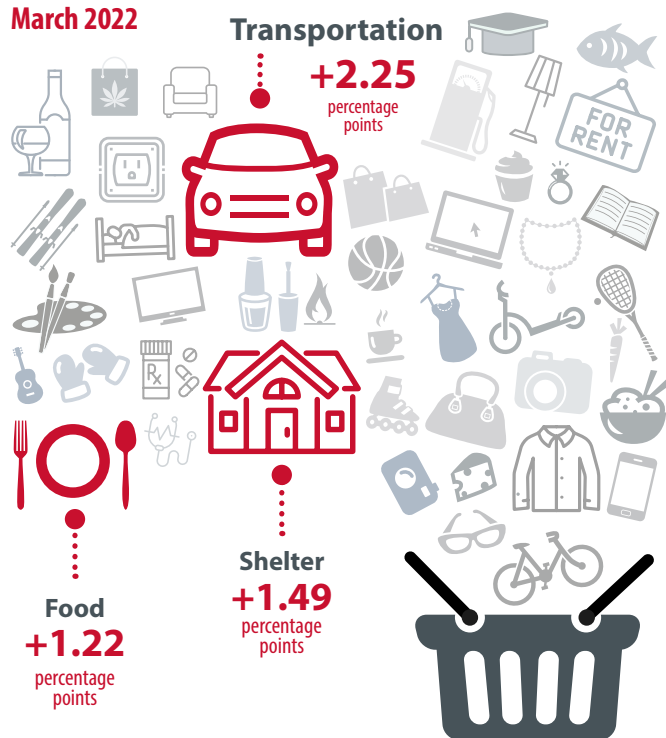
In March 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 1.2 per cent from February 2022 and by 7.3 per cent over the previous twelve months. The last time Calgary saw a higher year-over-year inflation rate was in December 2002.

Russia's invasion of Ukraine, resulting in significant supply disruptions for many commodities, has only added to existing inflationary pressures. The most wide-reaching effects of the conflict have come from increases in global oil prices. With demand for goods and services continuing to increase as the economy recovers following the pandemic, this continuing series of global supply disruptions has led to extensive price increases in Calgary and elsewhere in Canada.

In March 2022, the cost of shelter in the CMA decreased by 1.0 per cent since February 2022 but still posted a 7.7 per cent year-over-year increase.

## Major Contributors to Alberta's Inflation Rate

March 2022



## High Energy Prices Top Drivers of Inflation in Alberta

Alberta reported year-over-year CPI inflation of 6.5 per cent in March, slightly less than Canada's 6.7 per cent inflation rate.

Transportation was the top contributor to inflation in Alberta in March, as global oil prices spiked due to the conflict in Ukraine. Transportation costs contributed 2.25 points to total inflation. The primary driver of inflation in transportation was the price of gasoline, which increased by 40.2 per cent since March 2021.

Shelter costs contributed 1.49 percentage points to Alberta's inflation in March, driven by high utility bills as well as continued price pressures in the housing market. Natural gas prices increased by 23.7 per cent over the past twelve months, while the homeowners' replacement cost--reflecting house price increases--rose by 18.8 per cent.

Food prices also recorded substantial increases, contributing 1.22 percentage points to Alberta's total inflation while rising by 6.8 per cent over the last twelve months. A wide variety of grocery products saw large price increases, but the largest was for fresh or frozen beef, with prices rising by 19.5 per cent.

Year-over-year price increases were observed in all product groups in March. However, a few individual items still posted price decreases, such as household cleaning products, recreational cannabis, and telephone services.

## Inflation Rates

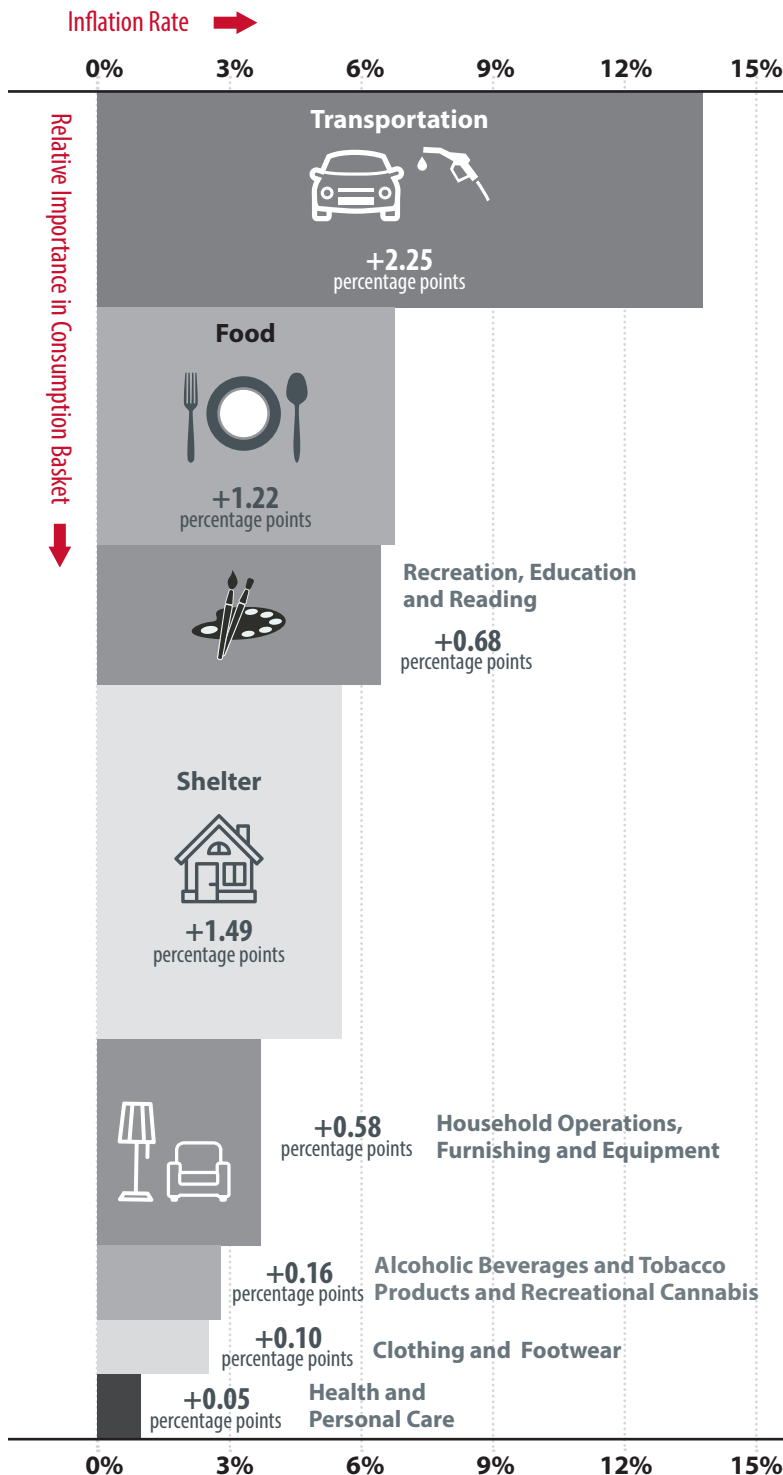
	Relative Importance (%)*	Year-over-year (%)			Year-to-Date (%)
		Mar-22	Feb-22	Jan-22	
Calgary: All-items	100.00	7.3	6.4	5.4	6.3
Shelter	26.35	7.7	9.1	7.1	7.9
Rented accommodation	5.77	5.5	7.4	3.0	5.3
Owned accommodation	16.55	6.6	4.4	3.2	4.7
Water, fuel and electricity	4.03	13.6	26.4	24.4	21.4
Alberta: All-items	100.00	6.5	5.5	4.8	5.6
Alberta: All-items excluding food and energy	75.72	4.3	3.1	2.3	3.2
Canada: All-Items	100.00	6.7	5.7	5.1	5.8
Canada: All-items excluding food and energy	77.06	4.6	3.9	3.5	4.0

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

Sources: Statistics Canada, Corporate Economics, April 20, 2022.

## Contribution of Consumer Items to Inflation: Alberta

March 2022



## 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.