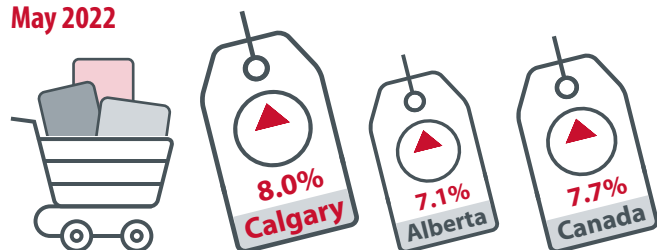


Headline Inflation Comparison

May 2022



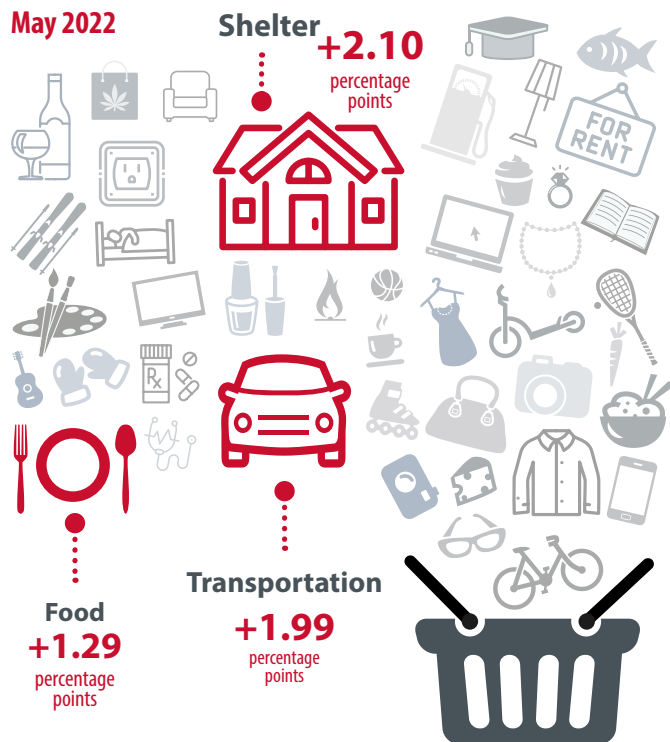
Inflation in the Calgary Census Metropolitan Area at Nearly 20-year High

In May 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 1.5 per cent since April 2022 and by 8.0 per cent over the previous twelve months. The year-over-year inflation rate was the highest Calgary has seen in nearly 20 years, since December 2002.

Global supply chain challenges continued to put upward pressures on prices in May. Supply disruptions from the ongoing Russian invasion of Ukraine contributed to sustained high prices for energy and agricultural commodities. High global oil prices led to increased gasoline prices. High transportation costs also contributed indirectly to price increases for a wide variety of goods. Average weekly wages in the Calgary CMA began to increase more rapidly in May 2022, rising by 5.7 per cent since May 2021. However, the average wage growth rate remained below the rate of inflation.

Major Contributors to Alberta's Inflation Rate

May 2022



Shelter costs in Calgary rose by 10.0 per cent year-over-year in May, with utility bills increasing by 21.1 per cent. Calgary's increases in the cost of rented accommodation (4.1 per cent) and owned accommodation (8.8 per cent) outstripped the rest of the province, contributing to Calgary's higher overall inflation rate.

Price Increases Across All Categories in Alberta

Alberta reported year-over-year CPI inflation of 7.1 per cent in May. Canada's 7.7 per cent inflation rate came in higher than Alberta's but slightly lower than the Calgary CMA's inflation rate.

Shelter costs increased by 7.9 per cent year-over-year in Alberta, led by rapidly rising utility bills and home price increases. Natural gas prices increased the most among individual items from all categories, increasing by 41.1 per cent since May 2021. Electricity prices were also driven up as a result of high natural gas prices, rising by 21.1 per cent year-over-year. With its high weight in the total basket of goods and services, shelter contributed the most to total inflation, adding 2.10 percentage points.

Transportation costs increased the most of all categories, rising by 12.3 per cent year-over-year. Increasing global oil prices drove gasoline prices up by 31.2 per cent since May 2021. The price of food in Alberta also contributed to the price increase in May, rising by 7.2 per cent from the year before.

Year-over-year price increases were observed across all major categories in May. However, a few individual items within some categories still posted price decreases, such as children's clothing and recreational cannabis.

Inflation Rates

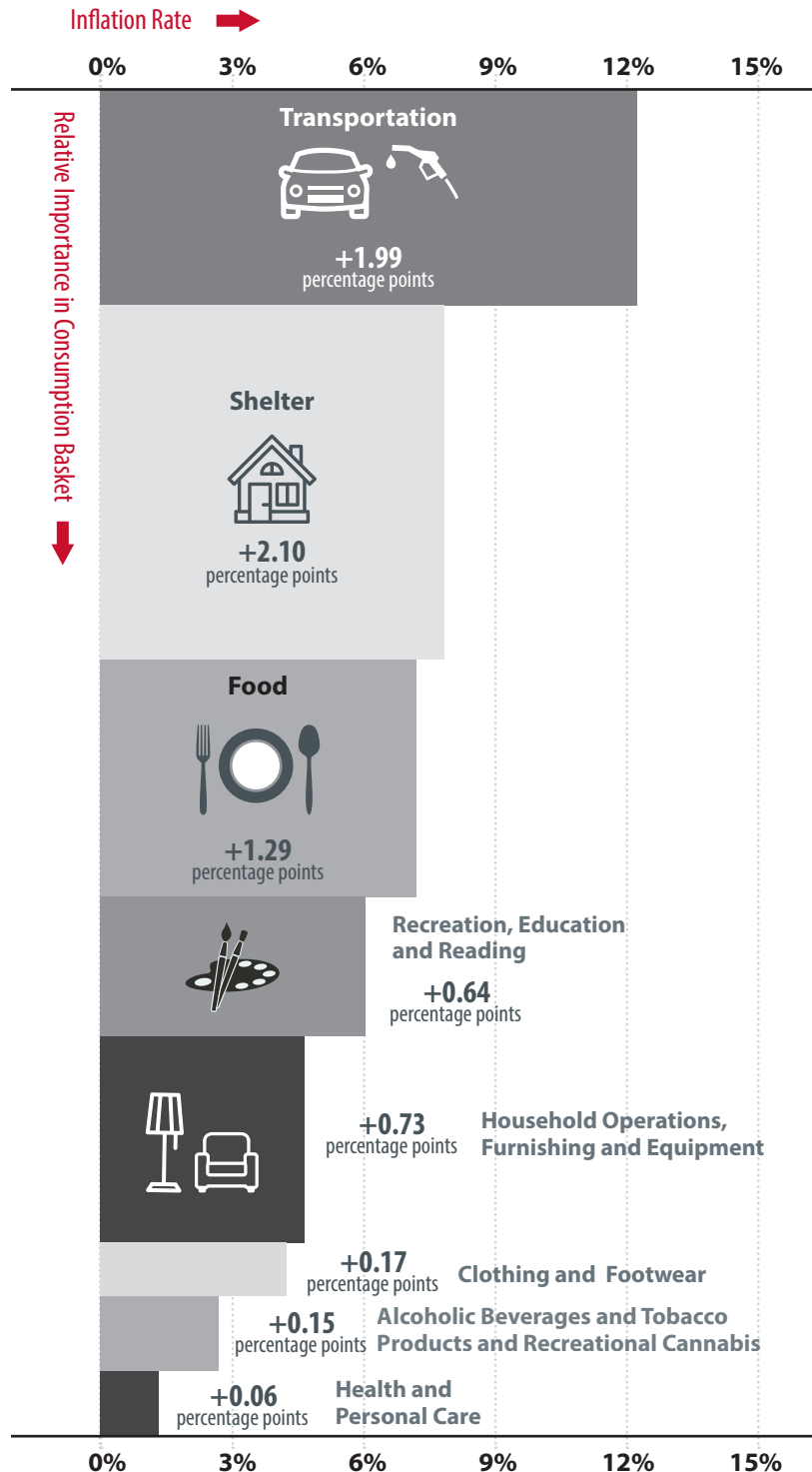
	Relative Importance (%) *	Year-over-year (%)			Year-to-Date Average (%)
		May-22	Apr-22	Mar-22	
Calgary: All-items	100.00	8.0	7.1	7.3	6.8
Shelter	26.35	10.0	9.3	7.7	8.6
Rented accommodation	5.77	4.1	3.3	5.5	4.7
Owned accommodation	16.55	8.8	8.5	6.6	6.3
Water, fuel and electricity	4.03	21.1	18.3	13.6	20.8
Alberta: All-items	100.00	7.1	6.3	6.5	6.1
Alberta: All-items excluding food and energy	75.72	4.9	4.3	4.3	3.8
Canada: All-items	100.00	7.7	6.8	6.7	6.4
Canada: All-items excluding food and energy	77.06	5.2	4.6	4.6	4.4

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

Sources: Statistics Canada, Corporate Economics, June 22, 2022.

Contribution of Consumer Items to Inflation: Alberta

May 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.