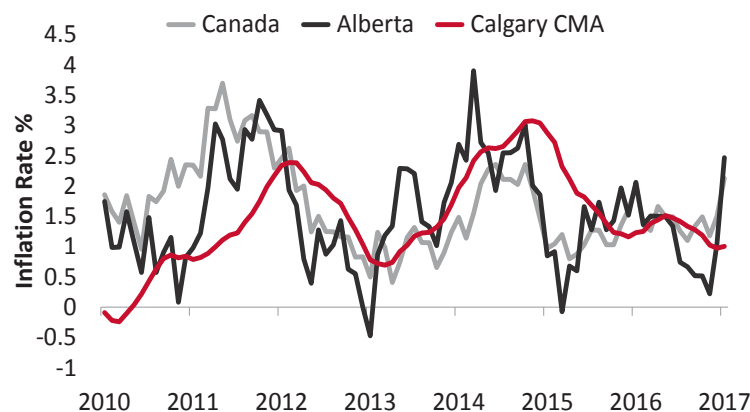


Carbon levy impacts Calgary's headline inflation

Headlights:

- Total CPI in Calgary rose by 1 per cent year over year in January with price increases across the board except for food items (down 2.8 per cent) and rented accommodations (down 2.5 per cent). Excluding food and energy the largest price increases were recorded in recreation and education prices.
- Inflation in Alberta rose by 2.47 per cent in January (year over year), beating out the Canadian national inflation rate of 2.13 per cent. Alberta fared worse with the new Carbon tax affecting industries outside Calgary to a greater extent.
- In January the new Provincial Carbon Tax started being collected; 4.49 cents per litre on gasoline and 5.35 cents per litre on diesel, \$1.011/GJ on natural gas and 3.08 c/litre on propane. These have caused a bump in inflation in Alberta. Calgary gasoline pump prices shot up 34 per cent year over year in January and Calgary natural gas prices spiked 42 per cent year over year. These items represent about 5 per cent of the average Calgarian's monthly budget so the total increase in CPI as a result of the new Carbon Tax is muted.

Headline inflation comparison
(Year-over-year change, January 2010 - January 2017, per cent)



Source: Statistics Canada, Corporate Economics

Next release on March 24, 2017

Inflation Rates

	Relative Importance (%)*	Year-over-year (12 MMA, %)			Month-over-month (12MMA, %)		
		Jan-17	Dec-16	Jan-16	Jan-17	Dec-16	Jan-16
Calgary: All-items	100.00	1.00	0.97	1.23	1.55	(0.07)	0.15
Calgary: All-items excluding food and energy	76.49	1.74	1.29	2.33	0.67	(0.22)	0.23
Food	15.99	(2.80)	(1.35)	3.89	0.07	0.36	1.55
Shelter	26.56	1.77	(0.49)	(0.18)	2.20	(0.24)	(0.06)
Rented accommodation	5.40	(2.47)	(2.55)	1.25	0.00	(0.08)	(0.08)
Owned accommodation	16.24	0.87	0.93	1.95	0.00	0.16	0.05
Water, fuel and electricity	4.84	8.07	(3.39)	(10.05)	11.37	(2.24)	(0.44)
Household operations, furnishing and equipment	12.27	0.93	1.61	2.40	(0.09)	0.00	0.59
Clothing and footwear	5.88	0.50	(0.26)	(0.63)	(0.22)	(3.17)	(0.98)
Transportation	20.44	7.57	3.23	3.42	4.03	1.08	(0.16)
Gasoline	3.81	33.68	7.69	1.61	14.77	4.87	(7.54)
Health and personal care	4.65	0.75	0.76	2.55	0.60	0.38	0.61
Recreation, education and reading	11.37	4.50	2.35	1.62	1.53	(0.54)	(0.56)
Alcoholic beverages and tobacco products	2.83	2.43	2.25	8.56	0.49	(0.06)	0.32
Alberta: All-items	100.00	2.47	1.05	2.06	1.56	(0.07)	0.15
Alberta: All-items excluding food and energy	76.49	1.90	1.45	2.41	0.68	(0.22)	0.23
Canada: All-items	100.00	2.13	1.50	2.01	0.86	(0.16)	0.24
Canada: All-items excluding food and energy	74.85	2.22	1.81	1.76	0.65	(0.40)	0.25

Sources: Statistics Canada, Corporate Economics, January 2017

* 2013 CPI basket weights at January 2015 prices, date modified February 26, 2015

Figures in parentheses indicate negative.

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 more information, please contact:

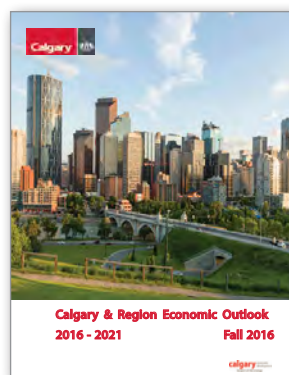
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Many of our publications are available on the internet at www.calgary.ca/inflation.

Forecasting



- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

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- ▶ Current Economic Analysis
- ▶ Labour Market Review
- ▶ Housing Review
- ▶ Inflation Review

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- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

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Sources: Statistics Canada, Bank of Canada, Corporate Economics