

Headline Inflation Comparison

April 2021



CPI Inflation in the Calgary Census Metropolitan Area

The headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 0.6 per cent from March of 2021 and by 3.1 per cent over the past twelve months. CPI for Alberta and Canada in April 2021 rose by 3.3 and 3.4 per cent, respectively, from April 2020.

Inflation pressures remained higher in April than in March this year. The base-year effect of the broad decrease in prices in early 2020 due to health-related restrictions is telling. As a result, the annual CPI inflation in April 2021 was higher because of the lower price base in April 2020 on a twelve-month comparison.

In April 2021, the cost of shelter increased by 0.1 per cent from a month ago and rose by 2.2 per cent from April 2020.

External Inflation Conditions and Contributing Factors in Alberta

The major contributor to the April 2021 inflation in Alberta was the cost of transportation. It added 2.4 percentage points to the total inflation, 0.7 percentage points lower than its contribution to total inflation in March 2021.

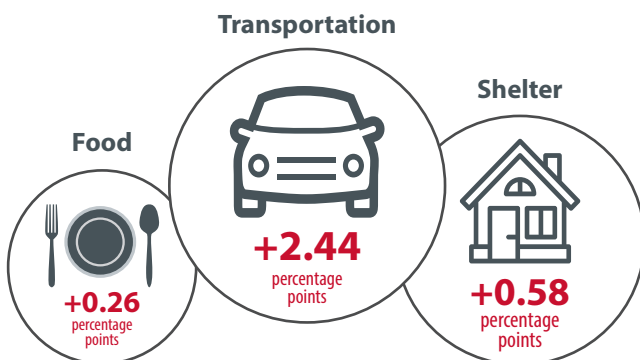
The second-largest contributor to inflation in April was food and shelter. It added 0.84 percentage points to the total inflation. Shelter cost alone increased more in April than in March and contributed 0.6 percentage points to the total inflation.

The most significant factor to offset the April inflation was the price for household operations, furnishings and equipment. It contributed -0.2 percentage points to the total inflation, an increase from its contribution in March 2021.

The three largest inflation ticket-items in Alberta in April 2021 were gasoline, electricity and natural gas spurred by higher crude oil prices, weather conditions, relaxed health restrictions and the lower price base-year. The least three inflation ticket-items were recreational cannabis, telephone services, and traveller accommodation.

Major Contributors to Alberta's Inflation Rate

April 2021



Inflation Rates

	Relative Importance (%) [*]	Year-over-year (%)			Year-to-Date (%)		
		Apr-21	Mar-21	Feb-21	Apr-21	Mar-21	Feb-21
Calgary: All-items	100.00	3.1	1.7	0.5	1.7	1.2	0.8
Shelter	26.26	2.2	1.8	0.8	-0.1	-0.2	-0.5
Rented accommodation	5.68	1.6	-2.1	-2.2	-2.6	-4.3	-4.5
Owned accommodation	15.48	0.6	0.2	0.6	0.1	-0.2	-0.3
Water, fuel and electricity	5.09	9.0	12.8	4.9	2.4	4.5	3.5
Alberta: All-items	100.00	3.3	1.9	0.6	2.0	1.5	1.1
Alberta: All-items excluding food and energy	76.28	0.8	-0.1	-0.4	0.9	0.3	0.2
Canada: All-items	100.00	3.4	2.2	1.1	2.1	1.6	1.1
Canada: All-items excluding food and energy	77.01	1.8	0.9	0.8	1.5	0.9	0.7

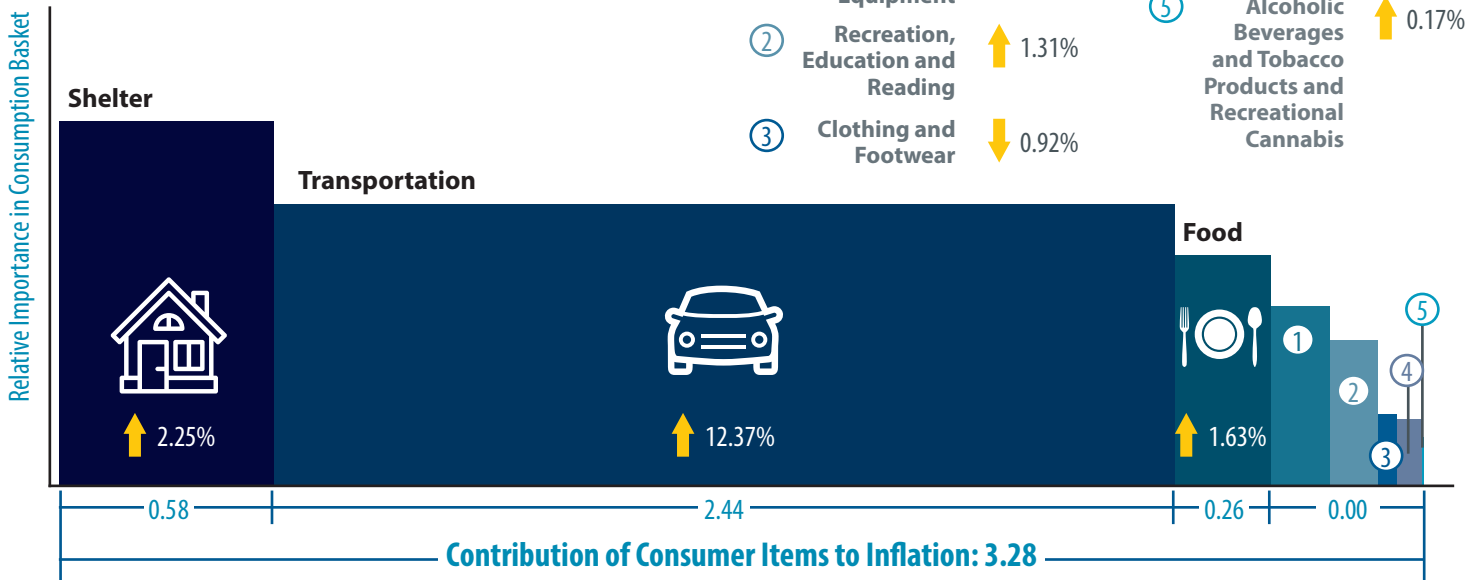
^{*} CPI basket weights are based on the 2017 Survey of Household Spending, modified on March 2019.

Starting from March 2021, we are no longer providing the 12-month-moving averages for CPI except for end of year. We have decided to use Alberta CPI categories rather than estimates of Calgary CMA CPI categories to highlight contributions from the 8 major categories of CPI. Statistics Canada only publicly provides the shelter category with three sub-categories for Calgary CMA.

Sources: Statistics Canada, Corporate Economics, May 19, 2021.

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Contribution of Consumer Items to Inflation: Alberta April 2021



Note: Figures might not add up due to rounding.

Starting from March 2021, we are only going to report on the Alberta CPI categories which Statistics Canada provides.

Sources: Statistics Canada, Corporate Economics, May 19, 2021

Next release: June 16, 2021

Glossary:

Headline Inflation: This is the inflation rate measured using all components of the consumer basket of goods and services.

Core Inflation: This is the inflation rate after excluding food and transportation from the consumer basket of goods and services.

Overnight Rate: The interest rate the Bank of Canada charges commercial banks to borrow money.

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: Statistics Canada, Bank of Canada, Corporate Economics