

Headline Inflation Comparison

May 2021



CPI Inflation in the Calgary Census Metropolitan Area

In May 2021, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 0.7 per cent from April and by 2.9 per cent over the previous twelve months.

While the twelve-month price inflation of 2.9 per cent for the Calgary CMA reported in May 2021 represented an above-average increase, it was less than the 3.1 per cent increase reported for April 2021. The large twelve-month price increases in both months can be largely attributed to the low prices reported in the spring of 2020 during the initial wave of the COVID-19 pandemic, but this base-year effect was more severe in April than in May.

In May 2021, the cost of shelter increased by 0.6 per cent from the previous month and by 2.0 per cent from May 2020.

External Inflation Conditions and Contributing Factors in Alberta

The CPI in Alberta in May 2021 was up by 3.1 per cent from May 2020, less than the twelve-month increase of 3.6 per cent reported for Canada.

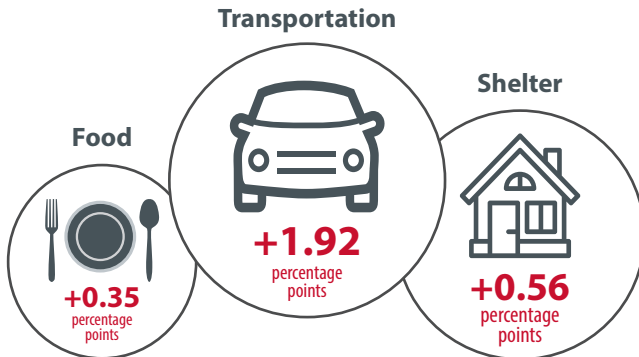
The greatest contributor to inflation in Alberta in May was the cost of transportation, adding 1.92 percentage points to total inflation. The increase in transportation costs was driven largely by a 46.4 per cent increase in gasoline prices since May 2020, the largest of any specific product or service.

The next largest contributors to Alberta's May inflation were shelter and food. Shelter cost increases contributed 0.56 percentage points to total inflation, while food contributed 0.35 percentage points. Increases in natural gas and electricity prices drove up shelter costs, representing the second- and third-highest increases among specific products and services.

The greatest offset to Alberta's price inflation in May came from a small decrease in prices for household operations, furnishings and equipment, contributing -0.01 percentage points to total inflation. The individual products and services that reported the largest price decreases were recreational cannabis, telephone services, and cereal products.

Major Contributors to Alberta's Inflation Rate

May 2021



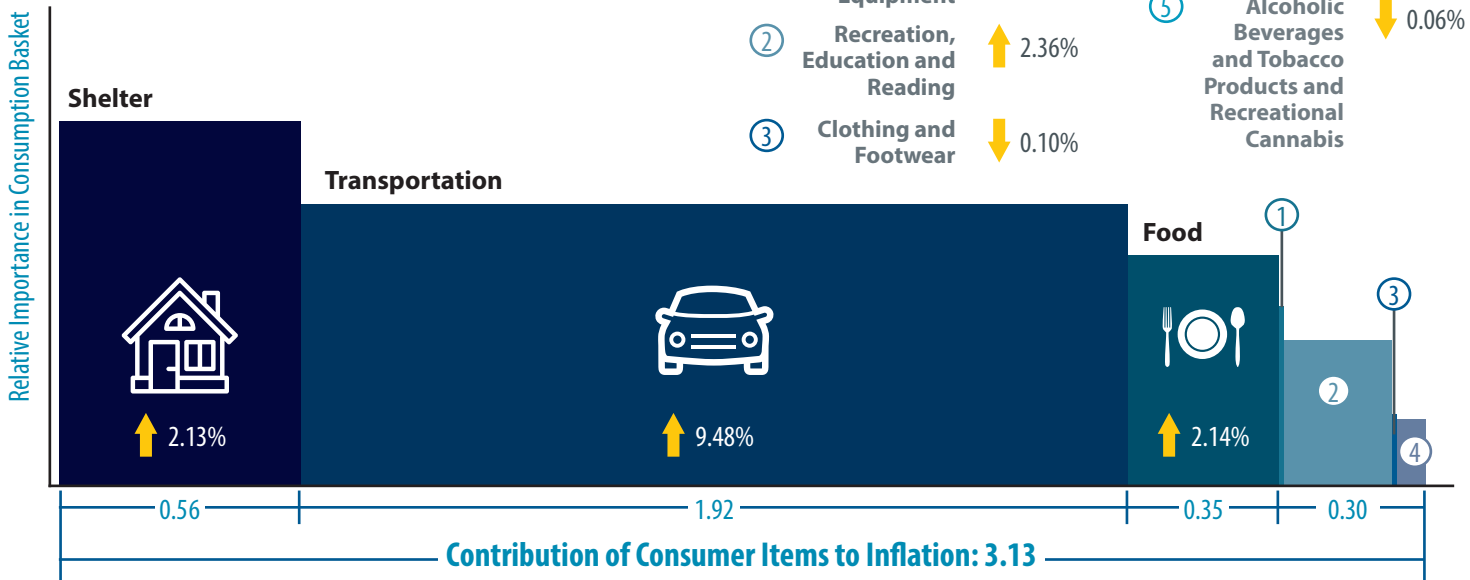
Inflation Rates

	Relative Importance (%)*	Year-over-year (%)			Year-to-Date (%)		
		May-21	Apr-21	Mar-21	May-21	Apr-21	Mar-21
Calgary: All-items	100.00	2.9	3.1	1.7	2.4	1.7	1.2
Shelter	26.26	2.0	2.2	1.8	0.5	-0.1	-0.2
Rented accommodation	5.68	-1.0	1.6	-2.1	-2.6	-2.6	-4.3
Owned accommodation	15.48	1.4	0.6	0.2	0.8	0.1	-0.2
Water, fuel and electricity	5.09	7.2	9.0	12.8	2.7	2.4	4.5
Alberta: All-items	100.00	3.1	3.3	1.9	2.6	2.0	1.5
Alberta: All-items excluding food and energy	76.28	1.3	0.8	-0.1	1.3	0.9	0.3
Canada: All-items	100.00	3.6	3.4	2.2	2.6	2.1	1.6
Canada: All-items excluding food and energy	77.01	2.4	1.8	0.9	1.8	1.5	0.9

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

Sources: Statistics Canada, Corporate Economics, June 16, 2021.

Contribution of Consumer Items to Inflation: Alberta May 2021



Note: Figures might not add up due to rounding.

Sources: Statistics Canada, Corporate Economics, June 16, 2021

Next release: July 28, 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