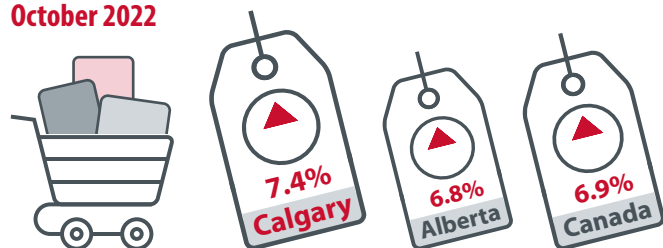


Headline Inflation Comparison

October 2022



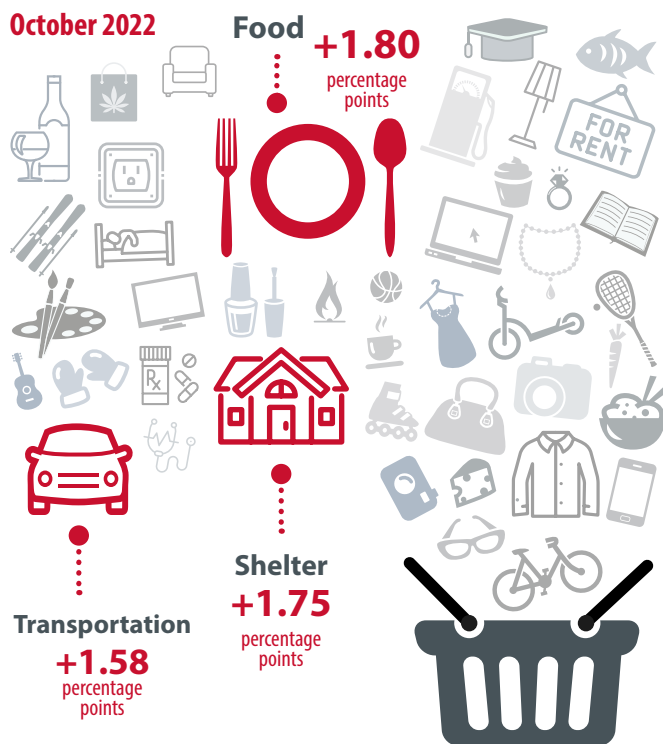
Calgary's inflation rate ticks back higher in October

In October 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 7.4 per cent over the previous twelve months. After decelerating from June 2022 (9.6 per cent) to September 2022 (6.8 per cent), consumer price inflation in Calgary accelerated in October.

Historically in Calgary, hourly wages have grown at a similar average pace to the overall inflation rate. For example, over the past ten years, the average year-over-year growth rate for consumer prices and hourly wages in Calgary was 2.3 per cent. Wages in Calgary are currently rising much faster than the historical average, rising by 5.3 per cent year-over-year in October. However, despite the accelerated pace of wage growth, it lagged 2.1 percentage points behind the inflation rate. Since wage increases have not kept pace with the rate of inflation, it indicates that the average purchasing ability of consumers in Calgary has decreased since last year.

Major Contributors to Alberta's Inflation Rate

October 2022



Significant price increases across all categories in Alberta

Alberta's year-over-year CPI inflation reached 6.8 per cent in October. Canada's inflation rate remained slightly higher at 6.9 per cent. Inflation was lower in both Alberta and Canada than in the Calgary CMA.

In October, food prices grew the fastest of all categories in Alberta, rising by 10.3 per cent year-over-year. A weaker Canadian dollar increased the cost of imported food products while rising input costs also drove up the price of domestically produced food.

The cost of transportation increased by 9.9 per cent in Alberta over the previous 12 months. Gasoline prices were the strongest driver, increasing by 18.1 per cent. Announced production cuts from the Organization of the Petroleum Exporting Countries, a weaker Canadian dollar, and the partial reinstatement of Alberta's fuel tax all contributed to a sharp rise in gasoline prices in October.

Alberta shelter costs increased by 6.7 per cent year-over-year in October. Increasing interest rates drove up the cost of financing a mortgage in addition to increased home prices and rental rates since last year. Higher utility bills also contributed to the shelter cost increase.

Year-over-year price increases occurred across all major categories in Alberta. However, prices for a few individual items have decreased since October 2021. These include home entertainment equipment, telephone services, pork, and children's clothing.

Inflation Rates

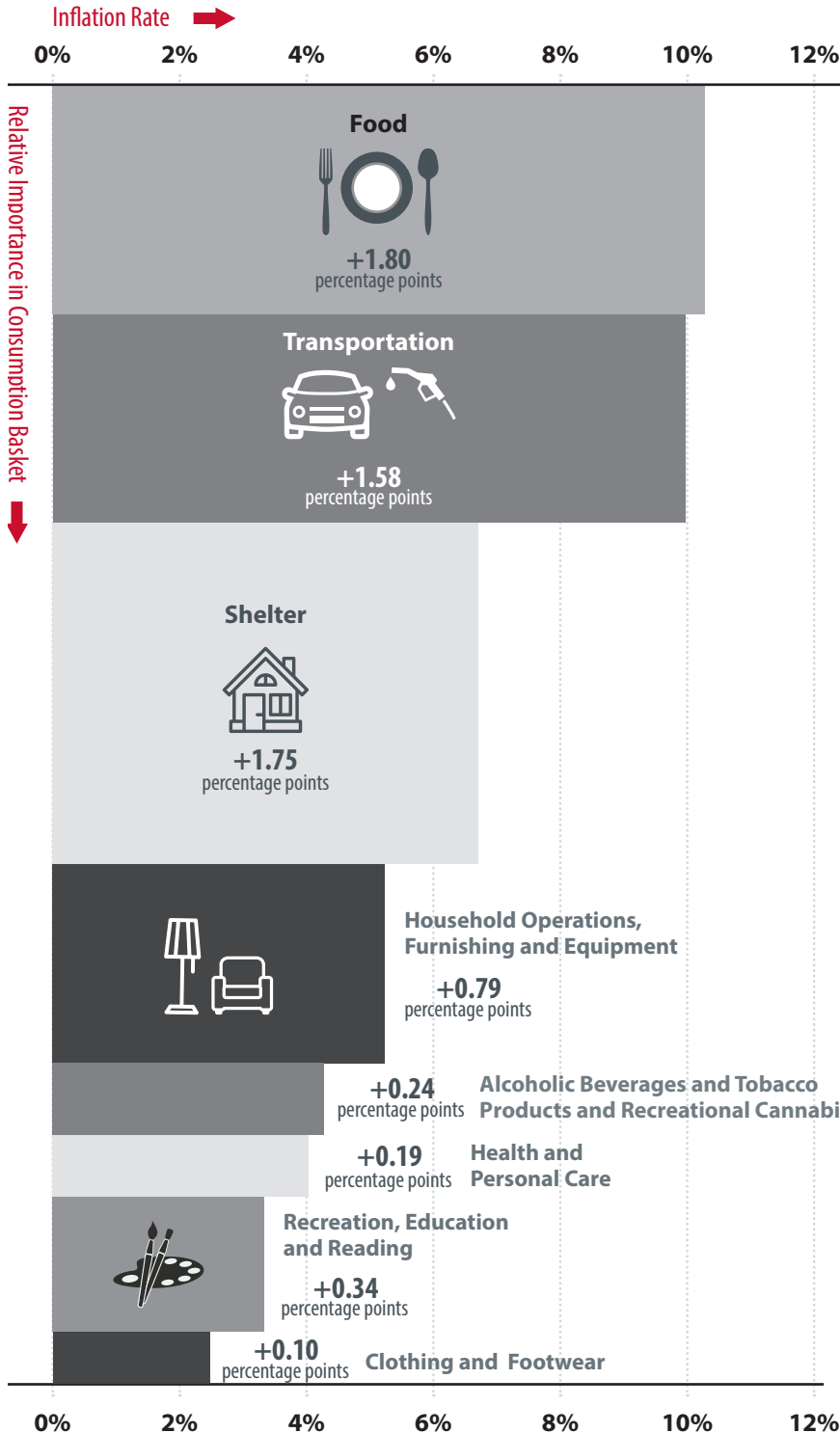
	Relative Importance (%) [*]	Year-over-year (%)			Year-to-Date Average (%)
		Oct-22	Sep-22	Aug-22	
Calgary: All-items	100.00	7.4	6.8	6.7	7.3
Shelter	26.35	8.2	8.1	6.7	8.6
Rented accommodation	5.77	5.8	9.1	6.5	5.5
Owned accommodation	16.55	10.9	8.9	7.9	7.5
Water, fuel and electricity	4.03	2.5	4.0	2.8	15.7
Alberta: All-items	100.00	6.8	6.2	6.0	6.5
Alberta: All-items excluding food and energy	75.72	5.5	5.3	4.9	4.5
Canada: All-items	100.00	6.9	6.9	7.0	6.8
Canada: All-items excluding food and energy	77.06	5.3	5.4	5.3	4.9

^{*} CPI basket weights are based on the 2020 expenditure data, modified on August 2021.

Sources: Statistics Canada, Corporate Economics, November 16, 2022.

Contribution of Consumer Items to Inflation: Alberta

October 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.