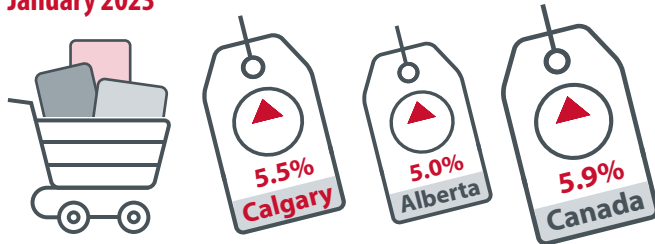


## Headline Inflation Comparison

January 2023



### Year-over-year inflation in Calgary is still high but has decelerated significantly

In January 2023, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 5.5 per cent over the previous twelve months. January marked four consecutive months of decelerating inflation as the year-over-year inflation rate reached its lowest since January 2022. However, the inflation rate remains well above the long-term average of 2.0 per cent.

### Overall inflation gradually relenting in Alberta, but food prices continue to accelerate

Alberta's year-over-year CPI inflation rate for January dropped to 5.0 per cent: lower than the rate for the Calgary CMA. The inflation rate for Canada, at 5.9 per cent, was higher than in Alberta or Calgary.

Despite the overall deceleration in inflation in January, Alberta's food price inflation continued to rise, reaching 10.5 per cent. The three individual items with the most significant year-over-year price increases in January were all food items: eggs (20.3 per cent), edible fats and oils (19.8 per cent), and bakery products (19.6 per cent). Supply issues that continued to affect food prices stemmed from adverse weather conditions in various parts of the world, the ongoing conflict in Ukraine, and a sharp increase in avian influenza cases on Canadian poultry farms.

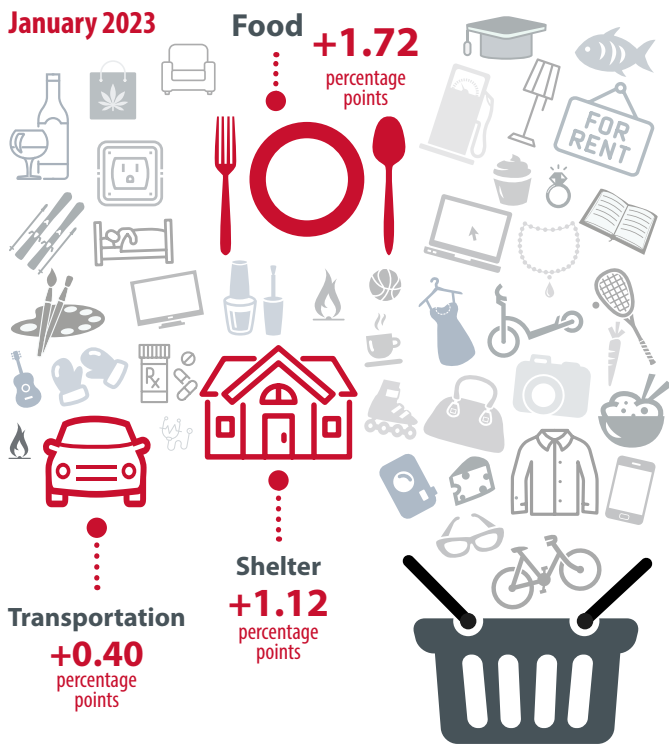
In most categories other than food, inflation pressures continued to subside in January. Alberta shelter costs showed a 4.4 per cent year-over-year increase, most of which was attributable to the cost of owned accommodation. The costs of home ownership increased by 9.7 per cent year-over-year, as both house prices and mortgage rates increased substantially in Alberta. Utility costs, on the other hand, decreased by 12.8 per cent year-over-year.

Inflation in the transportation category continued a dramatic reversal by falling to 2.3 per cent. While transportation had the largest price increases of all categories as recently as July 2022, it now ranks as one of the lowest inflation categories in Alberta. Gasoline prices fell by 31.8 per cent since peaking in June 2022 and fell by 6.4 per cent year-over-year.

Year-over-year price increases occurred across all major categories in Alberta. However, prices for a few individual items across various categories have decreased since January 2022. In addition to gasoline, others are electricity, home entertainment equipment, and telephone services.

## Major Contributors to Alberta's Inflation Rate

January 2023



## Inflation Rates

	Relative Importance (%) <sup>*</sup>	Year-over-year (%)			Year-to-Date Average (%)
		Jan-23	Dec-22	Nov-22	
Calgary: All-items	100.00	5.5	6.6	7.3	5.5
Shelter	25.77	6.1	9.5	8.4	6.1
Rented accommodation	5.81	6.9	5.3	6.3	6.9
Owned accommodation	15.83	12.7	11.8	11.4	12.7
Water, fuel and electricity	4.14	-13.2	7.2	1.6	-13.2
Alberta: All-items	100.00	5.0	6.0	6.6	5.0
Alberta: All-items excluding food and energy	75.90	5.5	5.7	5.8	5.5
Canada: All-items	100.00	5.9	6.3	6.8	5.9
Canada: All-items excluding food and energy	76.65	4.9	5.3	5.4	4.9

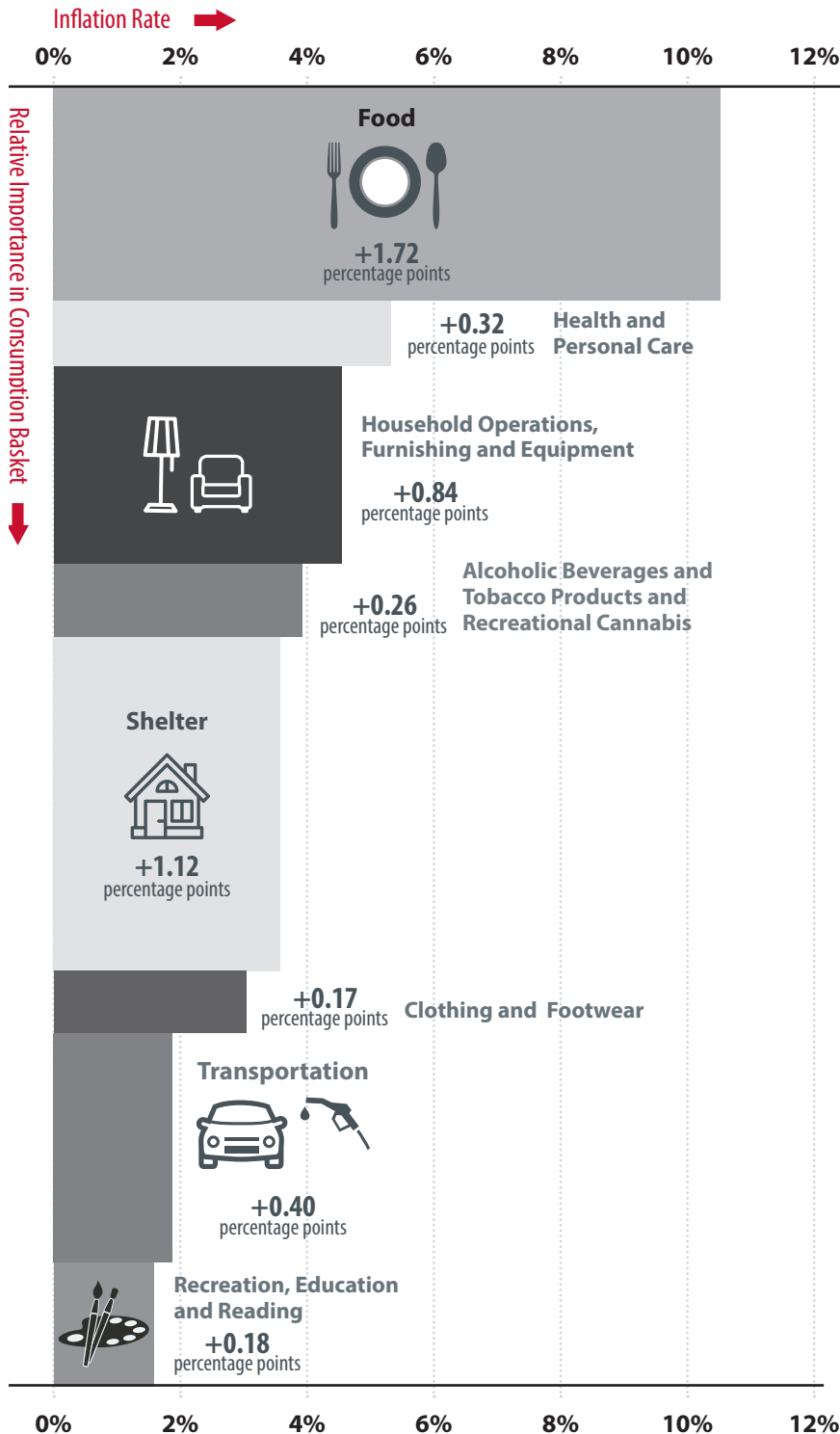
<sup>\*</sup> CPI basket weights are based on the 2021 expenditure data, modified on December 2022.

Sources: Statistics Canada, Corporate Economics, February 21, 2023.

# Inflation Review

## Contribution of Consumer Items to Inflation: Alberta

January 2023



## 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.