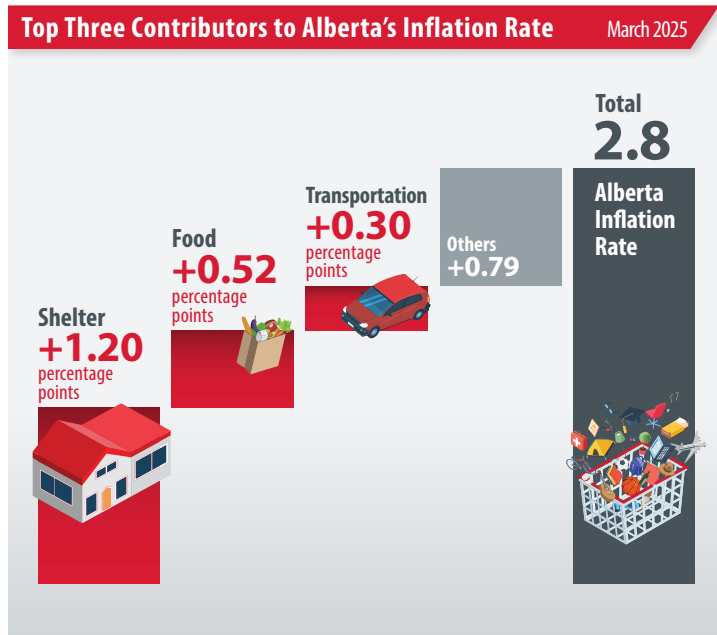
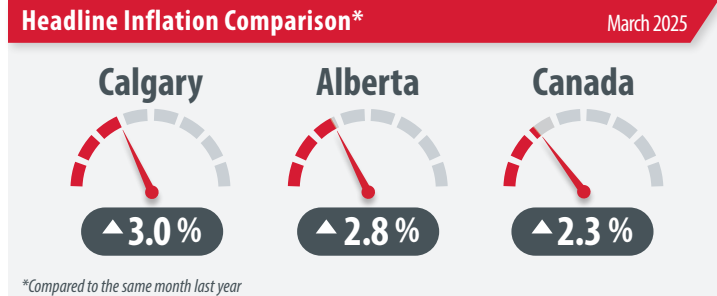


HIGHLIGHTS



The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Mar-25	Feb-25	Jan-25
Calgary: All-items	100.00	3.0	2.8	2.7
Shelter	27.18	5.3	3.6	5.3
Rented accommodation	5.49	4.7	4.1	6.2
Owned accommodation	18.02	6.1	6.4	7.1
Water, fuel and electricity	3.67	1.7	-7.4	-3.4
Alberta: All-items	100.00	2.8	2.8	2.5
Alberta: All-items excluding food and energy	75.39	3.0	3.1	2.6
Canada: All-items	100.00	2.3	2.6	1.9
Canada: All-items excluding food and energy	76.30	2.4	2.9	2.2

* CPI basket weights are based on the 2023 expenditure data, modified in June 2024. Sources: Statistics Canada, Corporate Economics, April 15, 2025.

Calgary's inflation rate rose to 3.0 per cent in March 2025, while national rate slowed to 2.3 per cent

In March 2025, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) rose 3.0 per cent year-over-year (YoY), up from 2.8 per cent in February. Alberta's inflation rate held steady at 2.8 per cent, while Canada's overall inflation decelerated to 2.3 per cent from 2.6 per cent. The national slowdown was driven by lower airfare costs, partly reflecting reduced demand for travel to the U.S., and falling gasoline prices. These declines offset rising dining-out costs following the end of the GST holiday (see below).

The reciprocal tariffs that came into effect on March 4 (partially paused for CUSMA-covered goods) and March 12 following the U.S. tariff announcements appear to have had no immediate impact on inflation data. These Canadian tariffs, targeting about \$60 billion worth of U.S. imports, are expected to pass through with varying rates depending on product type. As of writing, Canada remains exempt from the broad U.S. tariffs announced on April 2. In response to the U.S. 25 per cent tariffs on Canadian automobiles, the federal government announced reciprocal tariffs on all vehicles imports from the U.S. not compliant with CUSMA, effective April 9.

Tomorrow (April 16), the Bank of Canada will announce its interest rate decision for the third meeting of 2025, following a somewhat unexpected 0.25 per cent cut on March 12. Speaking in Calgary on March 20, Governor Macklem said the decision was made not as "about the best monetary policy for a specific economic outlook," but rather as "more about policy that works for different outcomes".

The GST Holiday appeared to heat up the dining scene in Calgary and across Canada, according to OpenTable data

In effect from December 15, 2024, to February 15, 2025, the GST exemption has had a great impact on inflation figures. By removing the federal GST and the full HST on meals in the provinces with HST, dining out became temporarily cheaper. As a result, food purchased from restaurants dropped 2.4 per cent month-over-month (MoM) from November to December 2024 in Alberta. Prices rose by 2.5 per cent MoM again in March 2025 as the GST holiday concluded.

While the GST holiday's effects on prices are well documented, its impact on dining volumes is less understood. Hence, we examined the data on the volume of seated diners from OpenTable, a leading online restaurant reservation service, across major Canadian cities.

The data suggests that the GST holiday brought more diners to the table. From December to February, the seating volumes in Calgary were up 22.3 per cent on average compared to the same months the previous year. Other Canadian cities also saw close to 20 per cent YoY gains. As a comparison, cities in other countries such as the U.S., U.K., and Germany saw more modest increases of about 6 per cent on average during the same period.

Naturally, the removal of HST had a greater impact on dining costs in Toronto and Vancouver than in Alberta, which does not levy a provincial sales tax. Dining prices declined more sharply MoM (-6.9 per cent) in December in Ontario than in Alberta. However, this difference in tax relief did not appear to result in significantly higher YoY increases in seating volumes.

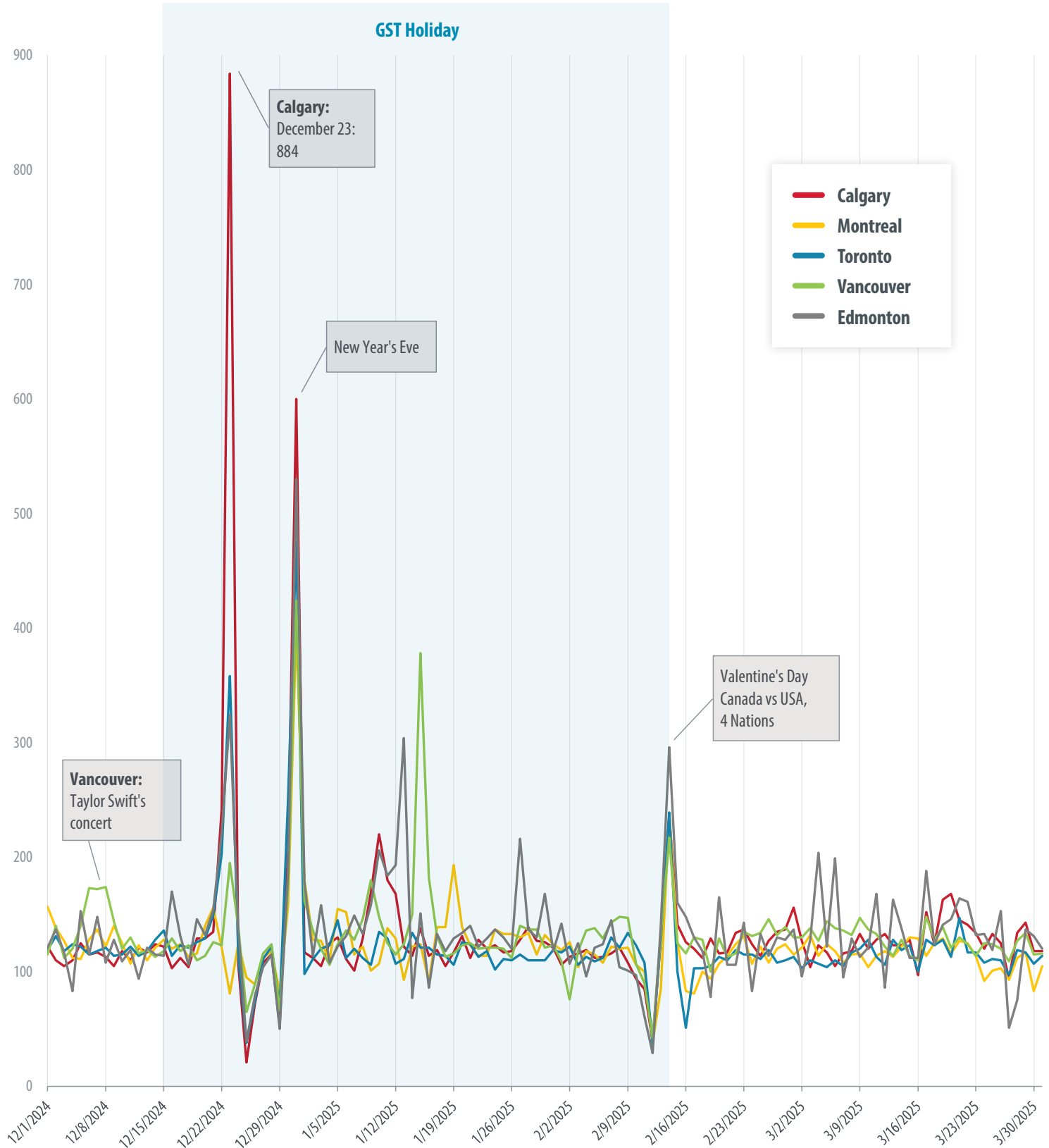
The daily traffic data in Chart 1 (see next page) shows wide variability, with certain dates experiencing acute spikes. While price changes play a role, YoY comparisons in dining activity can be influenced by a range of other factors, including weather. For instance, the spikes observed in January 2025 likely reflects the milder temperatures compared to the extreme cold snap in January 2024.

Special events also appear to drive dining volumes, particularly when combined with favourable weather and the day of the week. In Calgary, Christmas season and New Year's Eve saw sharp increases in seated diners, with December 23, 2024's maximum temperature about 8°C warmer than the same day last year and no recorded snowfall². In Vancouver, the Taylor Swift concert in December seems to have contributed to higher volumes. Valentine's weekend also saw a jump, as this year Valentine's Day coincided with both the end of the GST holiday and the weekend, whereas last year it fell on a Wednesday.

In addition to tracking traditional inflation metrics, Corporate Economics will continue to monitor real-time retail conditions such as dining volume, as discretionary spending is closely tied to the economic realities Calgarians face amidst ongoing economic uncertainty. A more detailed analysis, designed to better isolate the effects of the GST holiday while controlling for population growth, weather, and other factors, will be conducted in the near future.

¹ <https://www.bankofcanada.ca/2025/03/navigating-tariff-uncertainty/>
² <https://climate-change.canada.ca/climate-data/#/daily-climate-data>

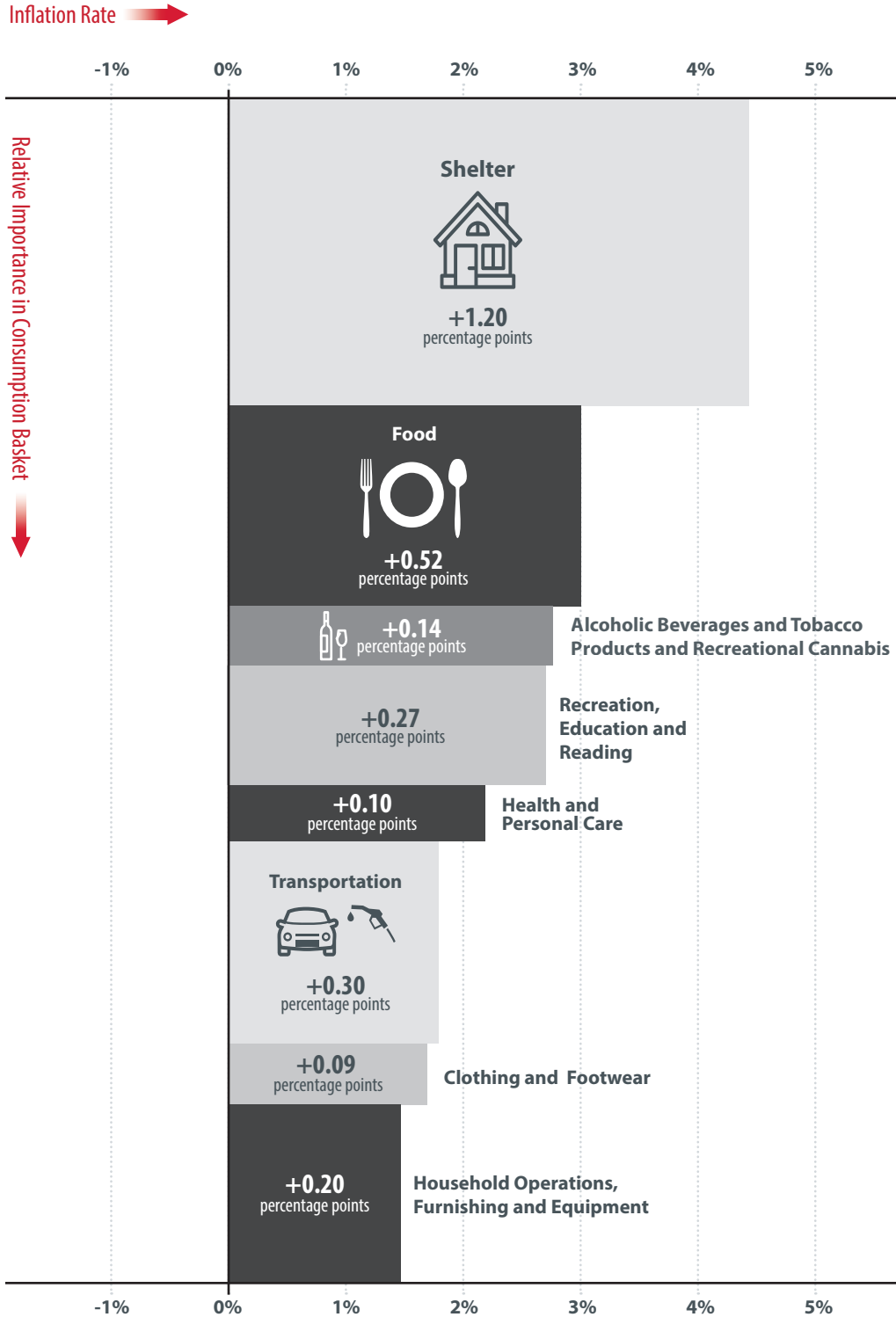
Chart 1: Change in Seated Diners by Canadian Municipality (Same Day Previous Year = 100), OpenTable



Source: OpenTable, Bloomberg

Contribution of Consumer Items to Inflation: Alberta

March 2025



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, April 15, 2025.

Next release: May 20, 2025

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 media inquiry, please contact:
The Media Line at 403.828.2954
or
media.relations@calgary.ca

For the technical questions, please contact:

Stanley Kongnetiman
Manager, Corporate Economics
City Economist
stanley.kongnetiman@calgary.ca

Hotaka Kobori
Associate Economist
hotaka.kobori@calgary.ca

Mark Angelo Uy
Corporate Research Analyst
muy@calgary.ca

Estella Scruggs
Senior Corporate Research Analyst
estella.scruggs@calgary.ca

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

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Sources:
Bank of Canada, Statistics Canada,
Corporate Economics