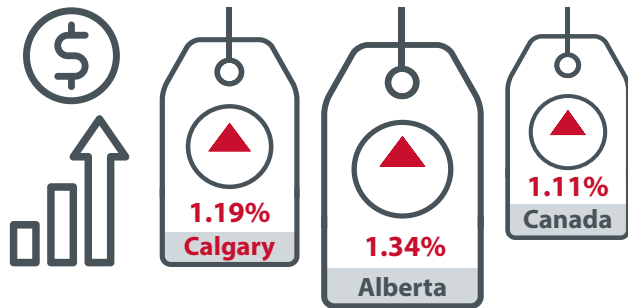


### August 2020 Headline Inflation

Comparison is based on 12-month-moving-average of the Consumer Price Index



### Major Contributors to Calgary's Inflation Rate August 2020



### Calgary Local Inflation Conditions and Contributing Factors

In August 2020, the Consumer Price Index (CPI) in Calgary CMA increased by 1.2 per cent on a twelve-month-moving-average\* basis. The year-over-year CPI increased by 0.6 per cent from August 2019.

The year-to-date inflation was 0.7 per cent in August 2020 compared to 0.92 in August 2019. The pace of consumer price increase this year was slower than in 2019.

The major contributor to the August 2020 inflation was the cost of food and shelter. It added 0.9 percentage points to the overall inflation, lower than the 1.05 percentage points contribution in August 2019.

Transportation cost is usually the second largest contributor to inflation, but in August 2020 it was the third largest contributor following clothing and footwear. It added only 0.1 percentage points to the August 2020 inflation rate. The continued reason for lower transportation costs in August 2020 was the fall in the cost of gasoline caused by lower crude oil prices relative to August 2019.

Excluding transportation, food and shelter costs, the average CPI or 12-month-moving-average did not change in August 2020 compared to August 2019.

### External Inflation Conditions and Contributing Factors

The CPI for Alberta and Canada in August 2020 increased by 1.3 and 1.1 per cent respectively, on a twelve-month-moving-average basis. In August 2020, the year-over-year CPI increased by 0.6 in Alberta and decreased by 0.1 per cent in Canada.

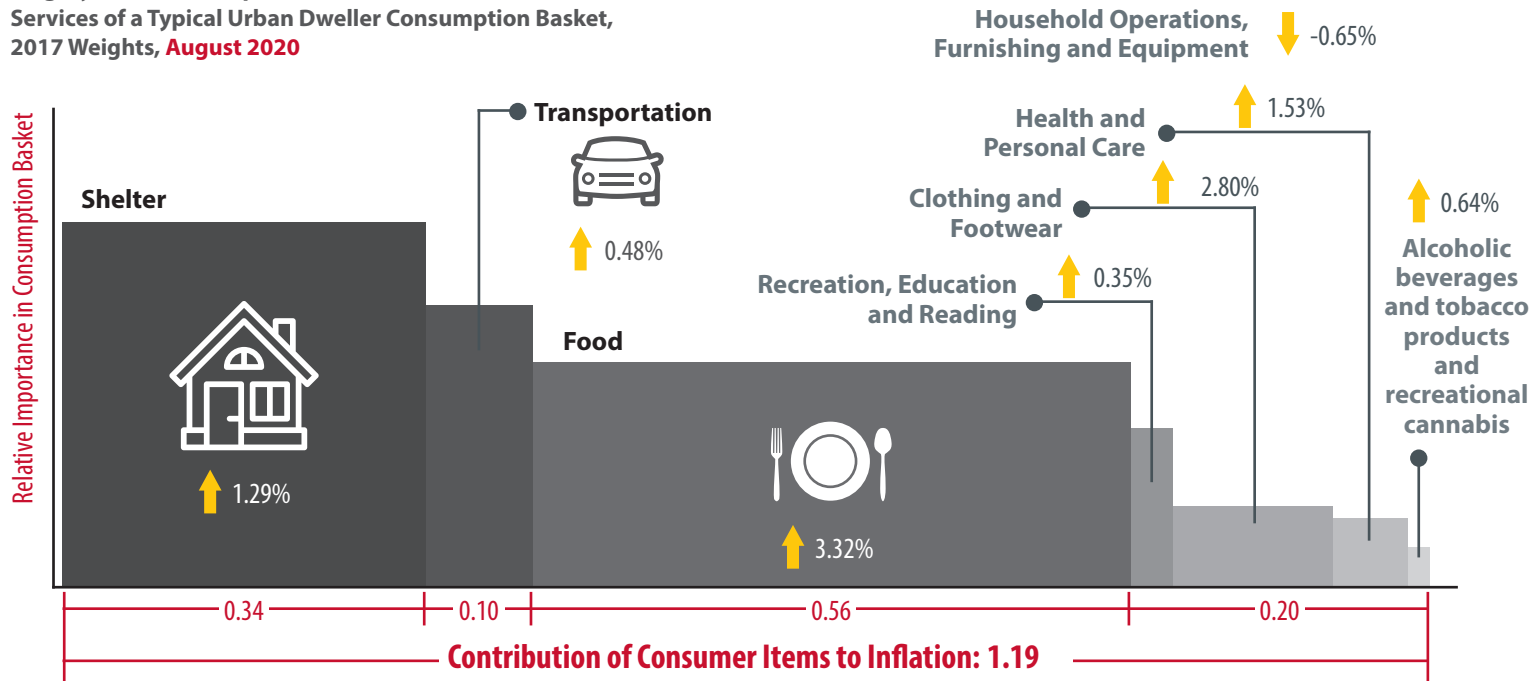
### Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Aug-20	Jul-20	Jun-20	Aug-20	Jul-20	Jun-20
Calgary: All-items	100.00	1.19	1.19	1.20	0.70	0.63	0.56
Calgary: All-items excluding food and energy	76.28	1.51	1.59	1.59	0.93	0.86	0.79
Food	16.59	3.32	3.47	3.62	2.08	1.94	1.74
Shelter	26.26	1.29	1.29	1.11	0.70	0.58	0.41
Rented accommodation	5.68	0.72	0.72	0.32	0.40	0.32	0.08
Owned accommodation	15.48	1.73	1.79	1.79	0.99	0.89	0.73
Water, fuel and electricity	5.09	0.39	0.20	-0.39	-0.13	-0.32	-0.71
Household operations, furnishing and equipment	12.93	-0.65	-0.57	-0.57	-0.41	-0.41	-0.41
Clothing and footwear	5.15	2.80	2.59	2.38	1.64	1.54	1.44
Transportation	20.28	0.48	0.41	0.28	0.21	0.21	0.14
Gasoline	3.26	-15.46	-16.66	-17.39	-11.49	-10.99	-10.19
Health and personal care	4.81	1.53	1.53	1.53	0.87	0.80	0.72
Recreation, education and reading	10.49	0.35	0.61	1.14	-0.26	-0.09	0.26
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.64	0.70	0.58	0.35	0.35	0.23
Alberta: All-items	100.00	1.34	1.34	1.41	0.70	0.63	0.56
Alberta: All-items excluding food and energy	76.28	1.59	1.74	1.81	0.93	0.86	0.79
Canada: All-items	100.00	1.11	1.26	1.49	0.44	0.44	0.44
Canada: All-items excluding food and energy	77.01	1.39	1.54	1.70	0.77	0.77	0.69

\* Consumer Price Index (CPI) basket weights are based on the 2017 Survey of Household Spending, modified on February 2019.

Sources: Statistics Canada, Corporate Economics, September 16, 2020

Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2017 Weights, **August 2020**



Sources: Statistics Canada, Corporate Economics, September 16, 2020

Next release: October 21, 2020

\* Twelve-month-moving average is done by taking an average over a 12-month consecutive data series. The discussion of CPI here is on a twelve-month-moving-average unless stated otherwise.

## 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