Calgary's Annual inflation for August 2012 was 1.8 per cent

Statistics Canada estimates that consumer prices rose, on average, by 1.0 per cent in Calgary, 1.0 per cent in Alberta and 1.2 per cent in Canada, for the month of August 2012 over August 2011. In this period on an annual (12-month-moving-average) basis, inflation was 1.8 per cent in Calgary, 1.9 per cent in Alberta and 2.1 per cent in Canada. If the present trend continues, Calgary's consumer price inflation rate should average 1.0 per cent for 2012.

The inflation rate in Calgary was driven by price increases in water, fuel and electricity (6.2 per cent), gasoline (4.6 per cent), transportation (3.2 per cent) and health and personal care (3.2 per cent). Lower prices for clothing and footwear (-0.9 per cent) and recreation, education and reading (-0.2 per cent) moderated the rate of price increase.

- Water, fuel and electricity accounts for a 5.7 per cent share of the household budget and therefore added 0.351 percentage points to the overall inflation rate.

- Transportation costs account for 21.1 per cent of the household budget and therefore added 0.666 percentage points to the overall inflation rate. The transportation cost increase was driven by increases in the price of gasoline (4.6 per cent).

- Finally, food prices rose by an average of 3.0 per cent and accounted for an average of 15 per cent of household expenditures and therefore contributed 0.452 percentage points to the overall inflation rate.

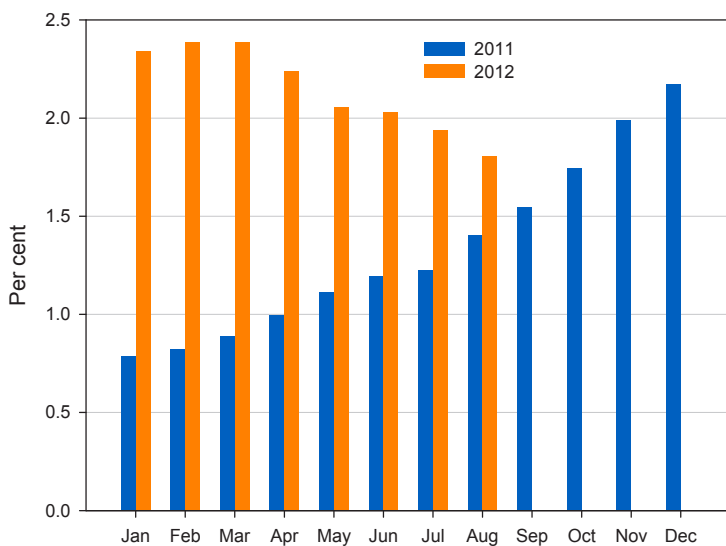*Next release: October 19, 2012*

Inflation Rates

(12-Month-Moving-Average or average inflation rate for the past 12 months)

	Relative Importance (%)*	Aug-12 (%)	Jul-12 (%)	Aug-11 (%)
Calgary: All-items	100.0	1.8	1.9	1.4
Calgary: All-items excluding food and energy	74.7	1.3	1.3	0.4
Food	15.0	3.0	3.1	2.2
Shelter	27.0	1.4	1.8	1.4
Owned accommodation	16.4	0.8	0.7	0.8
Water, fuel and electricity	5.7	6.2	9.1	6.9
Household operations, furnishing and equipment	11.5	1.7	1.7	0.5
Clothing and footwear	5.3	(0.9)	(1.2)	(2.9)
Transportation	21.1	3.2	3.4	4.1
Gasoline	5.3	4.6	5.9	15.4
Health and personal care	5.0	3.2	3.3	2.1
Recreation, education and reading	11.9	(0.2)	(0.2)	(0.4)
Alcoholic beverages and tobacco products	3.2	2.0	2.0	0.7
Alberta: All-items	100.0	1.9	2.1	1.7
Alberta: All-items excluding food and energy	74.7	1.4	1.4	0.5
Canada: All-items	100.0	2.1	2.3	2.7
Canada: All-items excluding food and energy	73.9	1.5	1.6	1.6

Source: Statistics Canada, Corporate Economics, September 2012
*2009 CPI basket weights at April 2011 prices, Alberta and Canada, date modified December 2011
Figures in red and parentheses indicate negative.

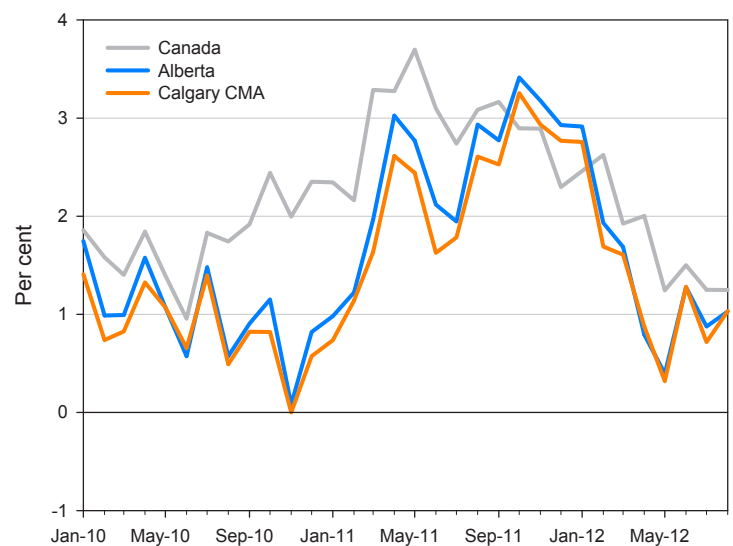**Calgary CMA inflation rate (all-items)**
(12-month-moving-average, January 2011 - August 2012, *per cent*)

Source: Statistics Canada, Corporate Economics, September 2012

Inflation rates (all-items) comparison
(year-over-year change, January 2010 - August 2012, *per cent*)

Source: Statistics Canada, Corporate Economics, September 2012

AUGUST
2012

Inflation Review

Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

Calgary Census Metropolitan Area (CMA)

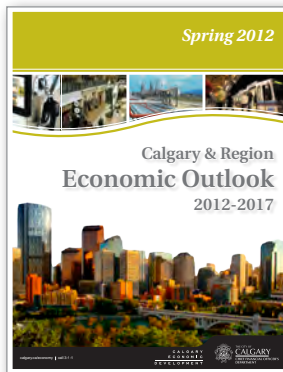September 21, 2012

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 developed reliable methods of forecasting and analysis.

For more information, please contact:

Patrick Walters

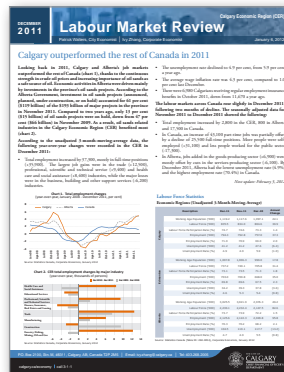**403.268.1335 or patrick.walters@calgary.ca**

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

Forecasting

- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

Information Provision

- ▶ Labour Market Review
- ▶ Inflation Review
- ▶ Current Economic Analysis
- ▶ Construction Inflation

Policy Analysis

- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

Corporate Research Analyst: Estella Scruggs

Sources: Statistics Canada, Corporate Economics.