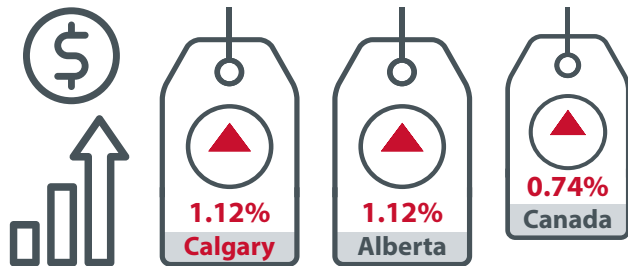


December 2020 Headline Inflation

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



Calgary's Inflation Conditions and Contributing Factors

In December 2020, the Consumer Price Index (CPI) in Calgary Census Metropolitan Area (CMA) increased by 1.1 per cent on a twelve-month-moving-average* basis. The annual inflation in 2020 Calgary CMA was 0.3 percentage points lower than 2019.

The major contributor to the 2020 inflation was the cost of food and shelter. It added a 0.8 percentage point to the overall inflation in 2020, lower than the 1.0 percentage point contribution to the inflation rate in 2019.

Transportation was the second largest contributor to inflation in 2020. It added 0.3 percentage points to the overall inflation rate in 2020 compared to 0.2 percentage points in 2019.

The largest decline of consumer price was in household operations, furnishing and equipment, and it contributed -0.1 percentage points to the total inflation.

Major Contributors to Calgary's Inflation Rate December 2020



External Inflation Conditions and Contributing Factors

The three largest annual inflation ticket-items in Alberta for 2020 were increases in natural gas prices, homeowners' home and mortgage insurance, and passenger vehicles' operation. The three least annual inflation ticket-item were local and commuter transportation, women's clothing and communications.

The annual CPI for Alberta and Canada in 2020 rose by 1.1 and 0.7 per cent, respectively.

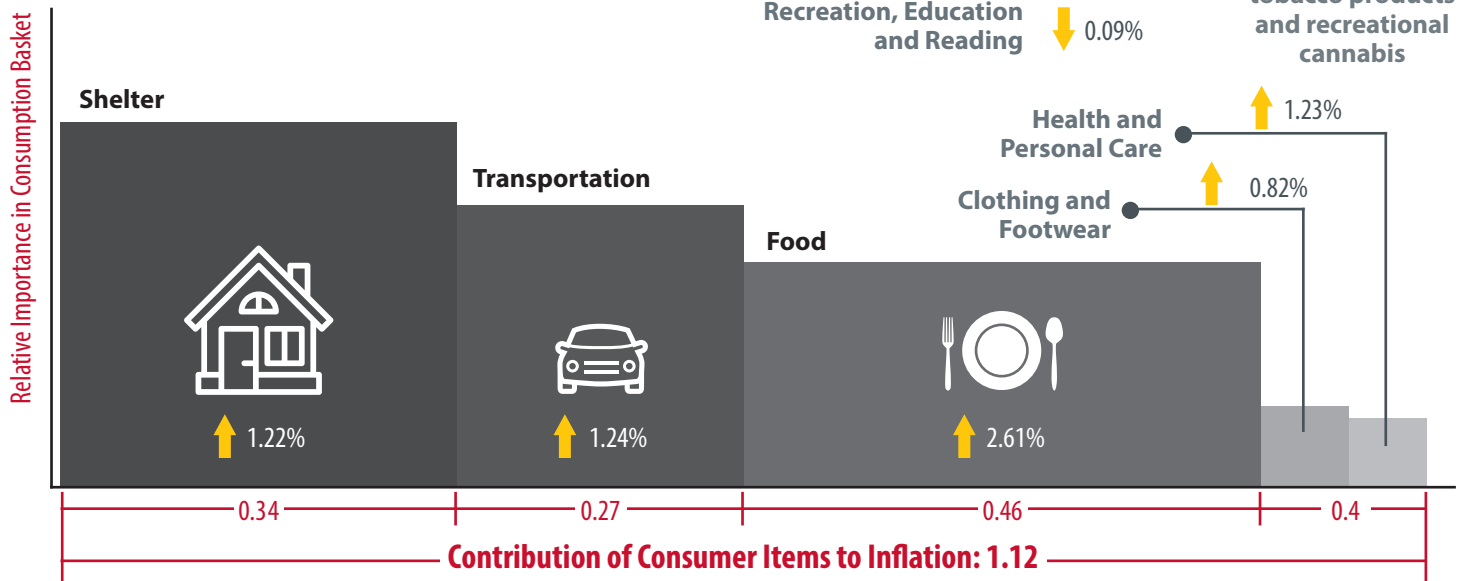
Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Dec-20	Nov-20	Oct-20	Dec-20	Nov-20	Oct-20
Calgary: All-items	100.00	1.12	1.19	1.19	1.12	1.05	0.91
Calgary: All-items excluding food and energy	76.28	1.22	1.22	1.37	1.22	1.15	1.08
Food	16.59	2.61	2.75	2.90	2.61	2.48	2.34
Shelter	26.26	1.22	1.34	1.34	1.22	1.16	1.05
Rented accommodation	5.68	0.79	0.63	0.48	0.79	0.55	0.40
Owned accommodation	15.48	1.35	1.46	1.52	1.35	1.30	1.20
Water, fuel and electricity	5.09	0.97	1.37	1.31	0.97	0.97	0.78
Household operations, furnishing and equipment	12.93	-0.41	-0.41	-0.57	-0.41	-0.33	-0.41
Clothing and footwear	5.15	0.82	1.54	2.07	0.82	1.13	1.33
Transportation	20.28	1.24	1.24	1.04	1.24	1.04	0.69
Gasoline	3.26	-11.30	-11.31	-12.13	-11.30	-11.37	-11.43
Health and personal care	4.81	1.23	1.45	1.45	1.23	1.23	1.09
Recreation, education and reading	10.49	-0.09	-0.09	0.09	-0.09	-0.26	-0.26
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.00	-0.06	0.29	0.00	0.00	0.17
Alberta: All-items	100.00	1.12	1.26	1.26	1.12	1.05	0.91
Alberta: All-items excluding food and energy	76.28	1.22	1.29	1.44	1.22	1.15	1.08
Canada: All-items	100.00	0.74	0.88	0.96	0.74	0.66	0.59
Canada: All-items excluding food and energy	77.01	1.15	1.23	1.23	1.15	1.07	0.92

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

Sources: Statistics Canada, Corporate Economics, January 20, 2021

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



Note: Figures might not add up due to rounding.
Sources: Statistics Canada, Corporate Economics, January 20, 2021

Next release: February 17, 2021

* 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