

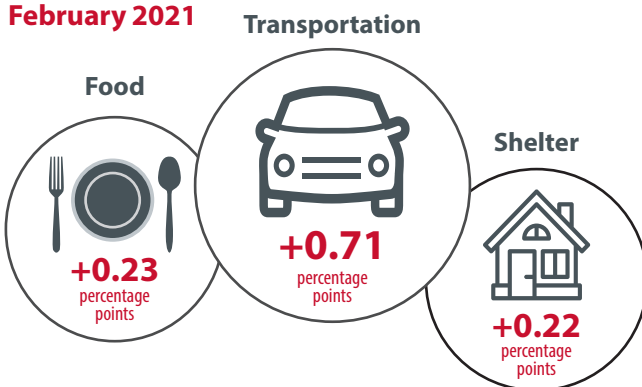
Headline Inflation Comparison

February 2021



Major Contributors to Alberta's Inflation Rate

February 2021



CPI Inflation in the Calgary Census Metropolitan Area

The headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) rose by 0.3 per cent from January of 2021. Over the past twelve months, Calgary's CPI increased by 0.5 per cent.

Inflation pressures were higher in January than in February. As economies continue to relax health-related pandemic measures related to COVID-19 and its variants, global demand increases for energy should contribute to consumer price inflation pressures worldwide.

In February, the cost of shelter increased by -0.11 per cent from a month ago and rose by 0.8 per cent from February of 2020.

External Inflation Conditions and Contributing Factors in Alberta

The major contributor to the February 2021 inflation in Alberta was the cost of transportation. It added a 0.7 percentage point to total inflation, higher than the January contribution to total inflation in 2021.

The second-largest contributor to inflation in February was food and shelter. It added 0.5 percentage points to last month's total inflation, an increase from its contribution in January.

The most significant off-setting factor to the February inflation was clothing and footwear. It contributed -0.4 percentage points to the total inflation, an increase from its contribution in January 2021.

The three largest inflation ticket-items in Alberta in February 2021 were gasoline, natural gas prices and homeowners' home and mortgage insurance. The least three inflation ticket-items were Recreational cannabis, Traveller accommodation and Telephone services, caused by lower demand for those services from border travel restrictions and restricted social activities.

CPI for Alberta and Canada in February 2021 rose by 0.6 and 1.1 per cent, respectively, from February 2020.

Inflation Rates

	Relative Importance (%) *	Year-over-year (%)			Year-to-Date (%)		
		Feb-21	Jan-21	Dec-20	Feb-21	Jan-21	Dec-20
Calgary: All-items	100.00	0.5	0.8	0.8	0.8	0.6	0.8
Shelter	26.26	0.8	1.0	1.0	-0.5	-0.3	1.0
Rented accommodation	5.68	-2.2	-0.6	2.3	-4.5	-2.7	2.3
Owned accommodation	15.48	0.6	0.7	0.9	-0.3	-0.1	0.9
Water, fuel and electricity	5.09	4.9	3.9	-0.2	3.5	1.6	-0.2
Alberta: All-items	100.00	0.6	0.8	0.8	1.1	0.7	0.8
Alberta: All-items excluding food and energy	76.28	-0.4	0.6	0.8	0.2	0.3	0.8
Canada: All-items	100.00	1.1	1.0	0.7	1.1	0.6	0.7
Canada: All-items excluding food and energy	77.01	0.8	1.4	1.1	0.7	0.5	1.1

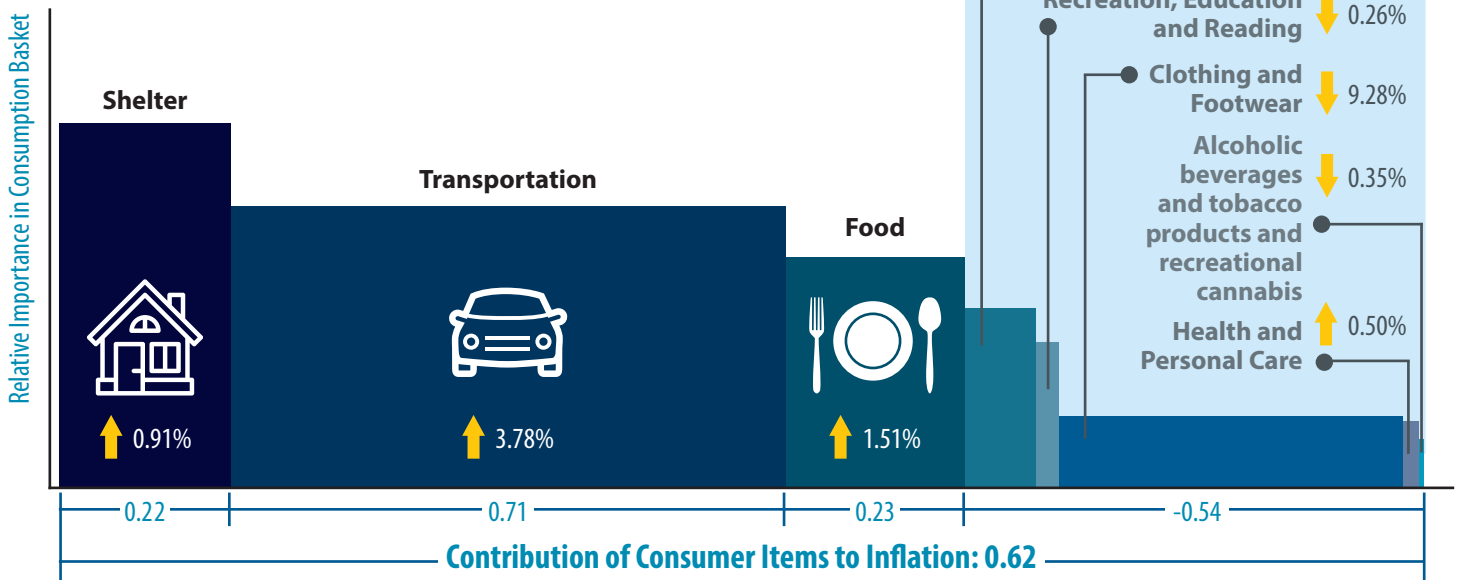
* CPI basket weights are based on the 2017 Survey of Household Spending, modified on February 2019.

Starting from February 2021, we are no longer providing the 12-month-moving averages for CPI except for end of year. We have decided to use Alberta CPI categories rather than estimates of Calgary CMA CPI categories to highlight contributions from the 8 major categories of CPI. Statistics Canada only publicly provides the shelter category with three sub-categories for Calgary CMA.

Sources: Statistics Canada, Corporate Economics, March 17, 2021.

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Contribution of Consumer Items to Inflation: Alberta February 2021



Starting from February 2021, we are only going to report on the Alberta CPI categories which Statistics Canada provides.

Sources: Statistics Canada, Corporate Economics, March 17, 2021

Next release: April 21, 2021

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