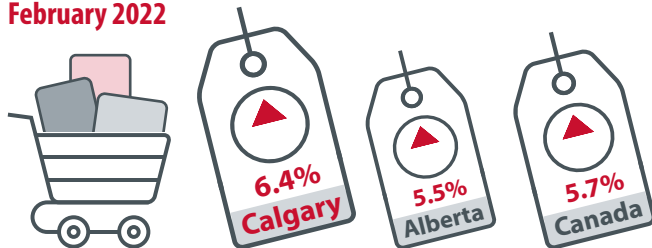


### Headline Inflation Comparison

February 2022



### Inflation in the Calgary Metropolitan Area Grows Even Higher

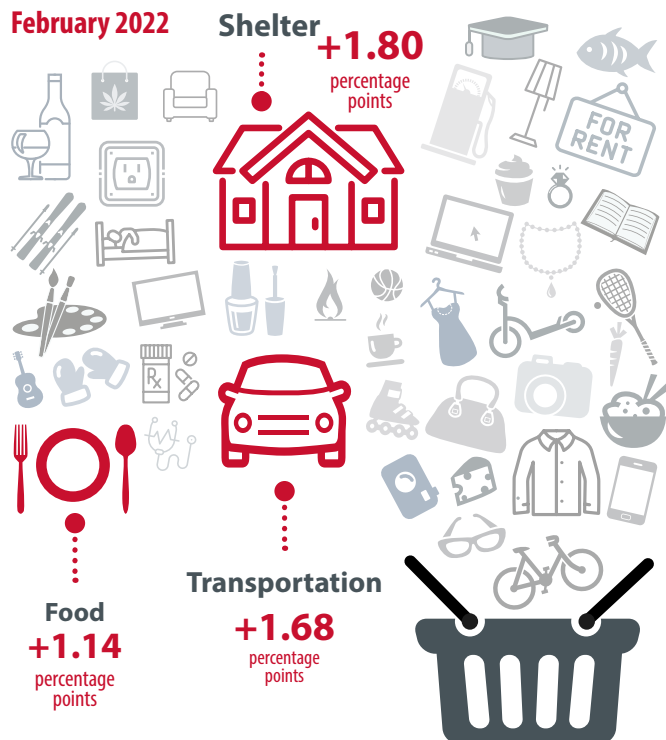
In February 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 1.2 per cent from January 2022 and by 6.4 per cent over the previous twelve months. February's inflation rate outpaced the 5.4 per cent rate reached in January, again representing a 14-year high.

Increasing demand for products, global supply chain disruptions, and surging energy prices have led to increasingly high inflation for the past several months. However, following the Russian invasion of Ukraine beginning on February 24, economic sanctions against Russia and the disruption of Ukrainian production caused sharp price increases in many commodities, including crude oil and many agricultural products. Since these events occurred late in the month, their impacts are only partially reflected in February's inflation rate.

In February 2022, the cost of shelter in the CMA increased by 1.8 per cent since January 2022 and posted a 9.1 per cent year-over-year increase.

### Major Contributors to Alberta's Inflation Rate

February 2022



### Price Inflation Spans All Categories in Alberta

Alberta reported year-over-year CPI inflation of 5.5 per cent in February, slightly less than Canada's 5.7 per cent inflation rate.

The greatest contributor to inflation in Alberta in February was shelter, surpassing the also high contribution of transportation. Shelter costs contributed 1.8 percentage points to total inflation in February, led by large increases in prices for utilities. Natural gas had the highest price increase of all products in February, with prices increasing by 40.6 per cent. Electricity prices were not far behind with a 38.6 per cent increase. In addition, the homeowners' replacement cost, linked to the price of new homes, increased by 15.2 per cent since February 2021.

The next largest contributor to Alberta's February inflation was transportation, contributing 1.68 percentage points to total inflation. Gasoline prices, tied to surging global oil prices, increased by 30.1 per cent.

The contribution of food prices to Alberta's inflation grew further in February, with food contributing 1.14 percentage points. Significant price increases were seen in items such as edible fats and oils as well as meat products such as beef and pork.

Year-over-year price increases were observed in all product groups in February. However, a few individual items still posted price decreases, such as telephone services, children's clothing, and recreational cannabis.

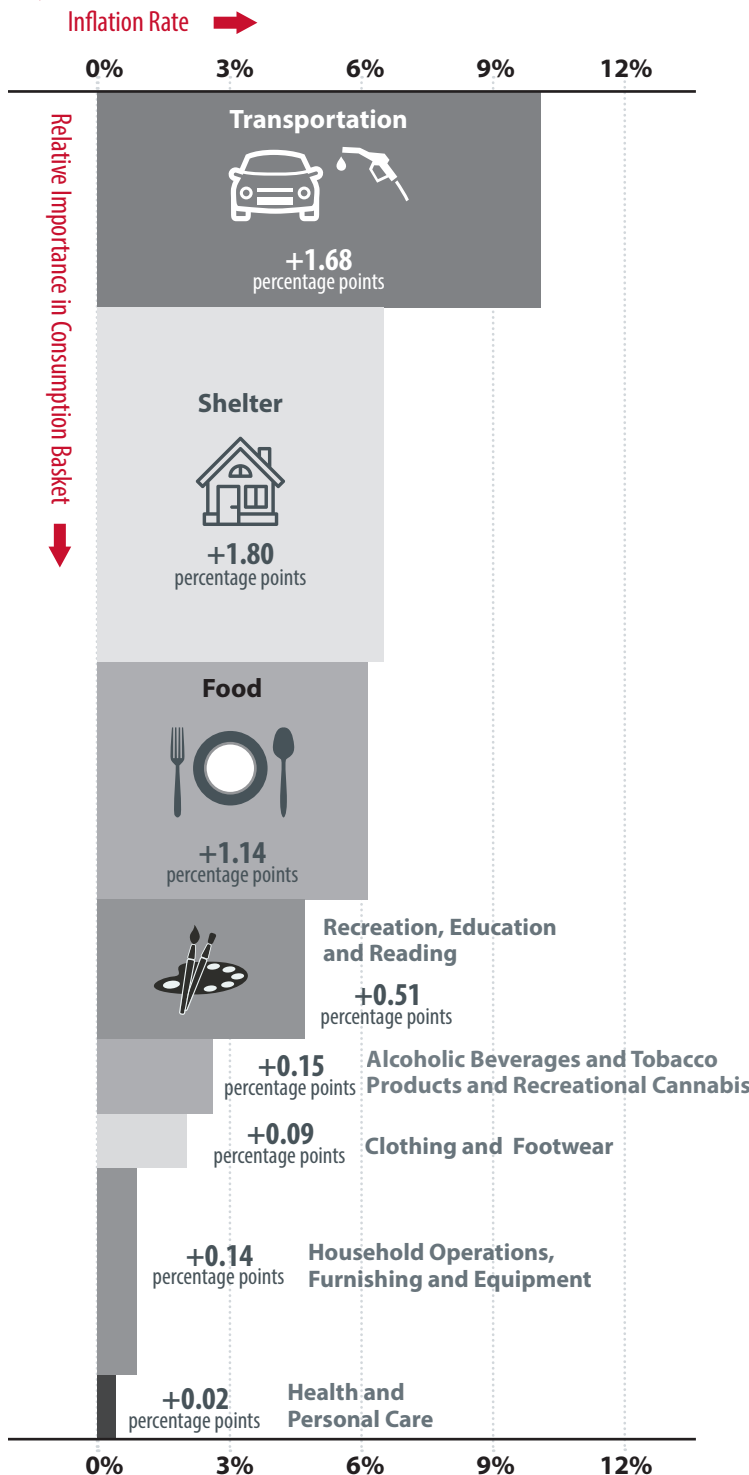
### Inflation Rates

	Relative Importance (%)*	Year-over-year (%)			Year-to-Date (%)
		Feb-22	Jan-22	Dec-21	
Calgary: All-items	100.00	6.4	5.4	5.0	5.9
Shelter	26.35	9.1	7.1	5.6	8.1
Rented accommodation	5.77	7.4	3.0	0.2	5.2
Owned accommodation	16.55	4.4	3.2	3.1	3.8
Water, fuel and electricity	4.03	26.4	24.4	20.4	25.4
Alberta: All-items	100.00	5.5	4.8	4.8	5.2
Alberta: All-items excluding food and energy	75.72	3.1	2.3	2.3	2.7
Canada: All-Items	100.00	5.7	5.1	4.8	5.4
Canada: All-items excluding food and energy	77.06	3.9	3.5	3.4	3.7

\* CPI basket weights are based on the 2020 expenditure data, modified on June 2021.

Sources: Statistics Canada, Corporate Economics, March 16, 2022.

## Contribution of Consumer Items to Inflation: Alberta February 2022



## 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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Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy).

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Sources:

Bank of Canada, Statistics Canada, Corporate Economics.