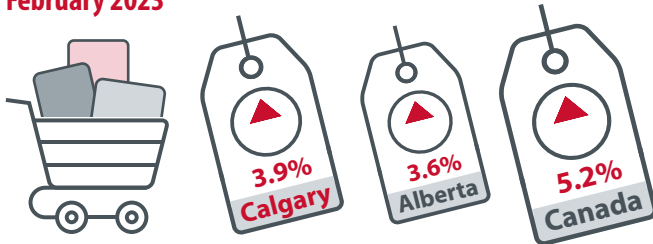


## Headline Inflation Comparison

February 2023



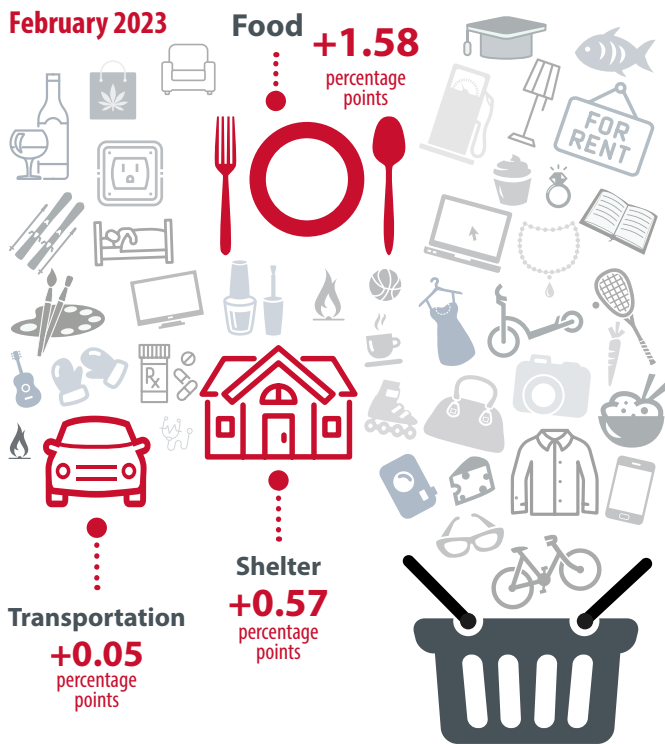
### Year-over-year inflation in Calgary eases for fifth consecutive month

In February 2023, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 3.9 per cent over the previous twelve months. This marked the fifth consecutive month of decelerating inflation in Calgary. February's inflation was the lowest in Calgary since June 2021 as the rate crept closer to its typical range of 1 to 3 per cent.

Base effects also began to play a significant role in the declining year-over-year inflation rate in February. The effects of the Russian invasion of Ukraine and spiking energy prices began appearing in the CPI in February 2022. It effectively 'rebased' the consumer price index to a higher level in February 2022. Since prices continued to rise rapidly between February 2022 and June 2022, base year effects should continue contributing to declining inflation rates over the next few months.

## Major Contributors to Alberta's Inflation Rate

February 2023



### While food price inflation remains high, falling energy costs drive down inflation in Alberta

Alberta's year-over-year CPI inflation rate for February dropped to 3.6 per cent: lower than the rate for the Calgary CMA. The inflation rate for Canada, at 5.2 per cent, was higher than in Alberta or Calgary.

Despite improvements overall, food price inflation in Alberta did not slow much in February 2023. Food prices rose by 9.7 per cent, year-over-year. Global and local supply issues that impact the price of food remained in effect in February.

Inflation for shelter costs dropped to a 2.2 per cent year-over-year rate in Alberta. While the cost of owned accommodation was still up by 9.3 per cent, utility costs declined by 21.8 per cent. Lower natural gas prices and the provincial government's \$75 rebate program for electricity were key factors in February.

Transportation inflation was also down significantly in Alberta, increasing by only 0.3 per cent year-over-year. As recently as June 2022, transportation inflation had reached 16.9 per cent. A significant drop in global oil prices and gasoline prices since that time have contributed to a dramatic deceleration in inflation. In February, gasoline prices fell by 13.3 per cent year-over-year.

Year-over-year price increases occurred across all major categories in Alberta. However, prices for a few individual items across various categories have decreased since February 2022. These include electricity, child care and house-keeping services, and gasoline.

## Inflation Rates

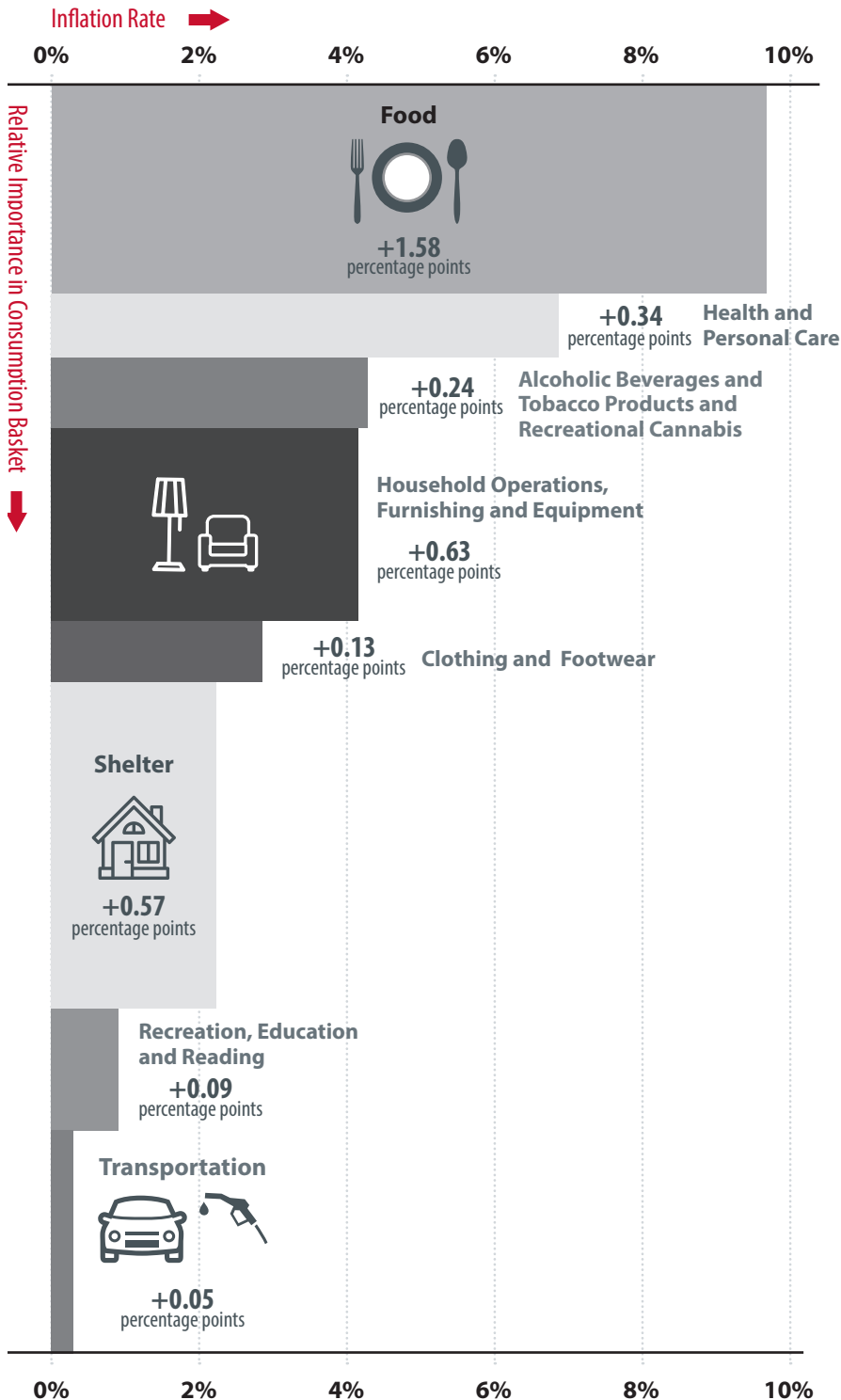
	Relative Importance (%) <sup>*</sup>	Year-over-year (%)			Year-to-Date Average (%)
		Feb-23	Jan-23	Dec-22	
Calgary: All-items	100.00	3.9	5.5	6.6	4.7
Shelter	25.77	3.4	6.1	9.5	4.8
Rented accommodation	5.81	5.4	6.9	5.3	6.1
Owned accommodation	15.83	12.3	12.7	11.8	12.5
Water, fuel and electricity	4.14	-23.1	-13.2	7.2	-18.2
Alberta: All-items	100.00	3.6	5.0	6.0	4.3
Alberta: All-items excluding food and energy	75.90	4.8	5.5	5.7	5.2
Canada: All-items	100.00	5.2	5.9	6.3	5.6
Canada: All-items excluding food and energy	76.65	4.8	4.9	5.3	4.9

<sup>\*</sup> CPI basket weights are based on the 2021 expenditure data, modified on December 2022.

Sources: Statistics Canada, Corporate Economics, March 21, 2023.

## Contribution of Consumer Items to Inflation: Alberta

February 2023



## 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:

Bank of Canada, Statistics Canada, Corporate Economics.