

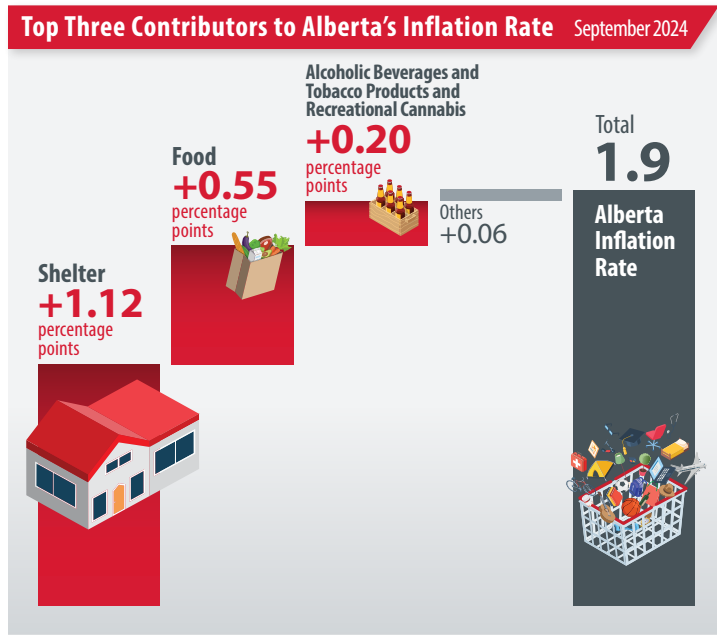
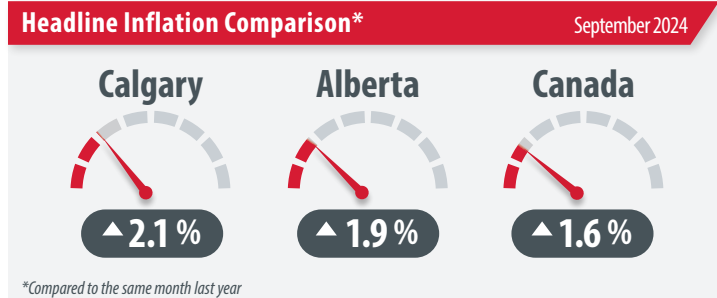


Inflation Review September 2024

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HIGHLIGHTS



The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Sep-24	Aug-24	Jul-24
Calgary: All-items	100.00	2.1	2.3	2.9
Shelter	27.18	4.8	4.4	5.6
Rented accommodation	5.49	14.3	15.9	13.5
Owned accommodation	18.02	8.1	9.4	9.9
Water, fuel and electricity	3.67	-17.8	-22.4	-17.4
Alberta: All-items	100.00	1.9	2.0	2.7
Alberta: All-items excluding food and energy	75.39	2.9	3.0	3.0
Canada: All-items	100.00	1.6	2.0	2.5
Canada: All-items excluding food and energy	76.30	2.4	2.4	2.7

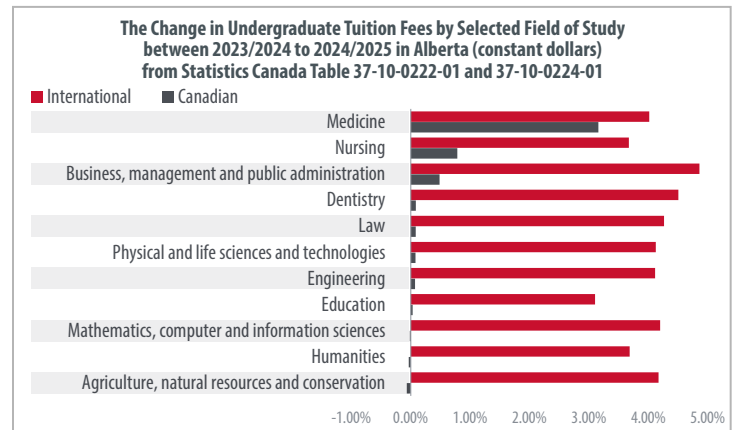
* CPI basket weights are based on the 2023 expenditure data, modified in June 2024. Sources: Statistics Canada, Corporate Economics, October 15, 2024.

Calgary's inflation rate eased to 2.1 per cent in September 2024, while Canada's inflation softened to 1.6 per cent.

In September 2024, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) rose by 2.1 per cent year-over-year (YoY), down from 2.3 per cent recorded in August. This marks three consecutive months of deceleration in Calgary's inflation and the lowest inflation level since June 2023. Alberta's inflation rate also eased slightly, declining to 1.9 per cent from 2.0 per cent in August. Lower electricity prices and cheaper clothing and footwear were key contributors to the decline in inflation. Meanwhile, Canada's national inflation rate slowed to 1.6 per cent, down from 2.0 per cent in August. The ongoing slowdown in inflation was driven by lower gasoline prices, which resulted from falling crude oil prices due to weak global economic activity in September. Nationally, rent inflation showed signs of easing, amid tighter immigration policies that reduced the number of temporary foreign workers. These developments are expected to further support the Bank of Canada's monetary easing policies. The next Bank of Canada rate decision is scheduled for October 23rd, 2024. Core inflation, which excludes volatile items such as food and energy, remained unchanged at 2.4 per cent in Canada, while it dropped slightly to 2.9 per cent from August's 3.0 per cent in Alberta.

Students in Alberta feel the pinch amid rising tuition fees.

As the fall semester begins, students in Alberta are facing growing financial pressure due to rising tuition fees. According to Statistics Canada, which updates its tuition fee index within CPI every October (for the reference period of September) tuition fees in Alberta increased by 2.3 per cent YoY in September 2024, a drop from 4.8 per cent growth during the same period last year, following the tuition cap for domestic students introduced by the province last year¹. As tuition fees grew faster than headline inflation, the cumulative tuition inflation since September 2020 stands at 22.0 per cent, the largest in Canada. Although tuition inflation has slowed, the impacts remain uneven. According to the latest Tuition and Living Accommodation Costs (TLAC) survey, international tuition for both undergraduate and graduate programs has risen by about 4 per cent in constant dollars this academic year compared to last year in Alberta. The largest increases in undergraduate tuition were seen in fields such as business, dentistry, and pharmacy. These tuition hikes, combined with rising rent inflation, a cooling labour market, and reduced working hours for international students, are making this a particularly challenging time for students in Alberta.



Sugar prices rise ahead of Halloween.

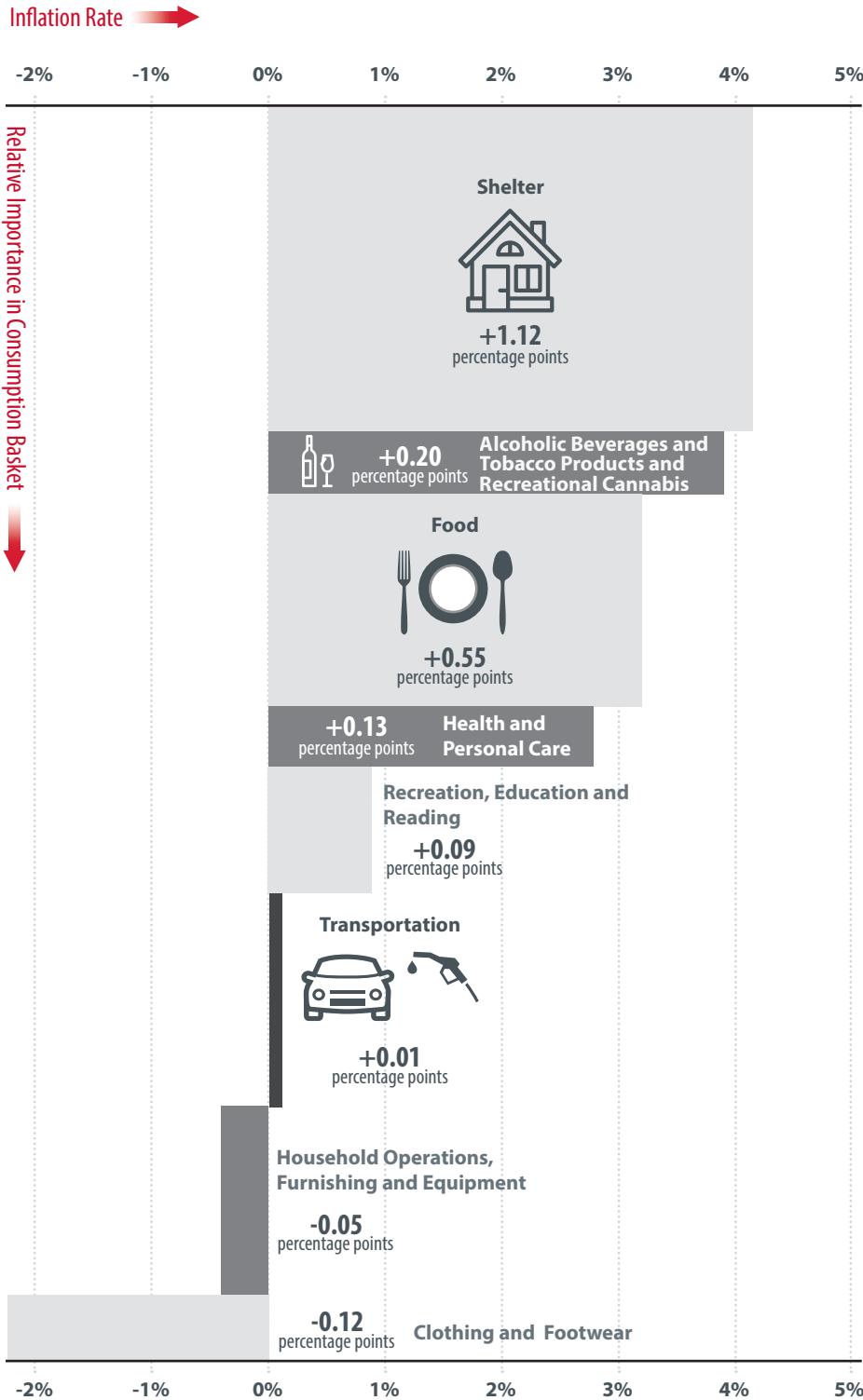
With Canadian Thanksgiving behind us and Halloween quickly approaching, sugar and confectionery prices are expected to increase, driven in part by a severe drought and wildfires in Brazil, one of the world's largest sugar producers. As of August 2024, Brazil was the largest trading partner for sugar and sugar confectionery with Canada². In September, the raw sugar futures in New York surged to the highest level since February. In Canada, sugar and syrup prices have risen 6.1 per cent year-over-year (YoY), up from August's 2.1 per cent. Prices for sugar and confectionery and cookies and crackers have also gone up by 2.2 per cent and 1.6 per cent in September, respectively. The drought in Brazil is impacting other key crops, such as coffee and soybeans, further contributing to global food price pressures.

¹ <https://www.alberta.ca/release.cfm?xID=8654891207C47-BBDC-34F1-37A9D11289386AF4>

² <https://www150.statcan.gc.ca/n1/pub/71-607-x/2021004/imp-eng.htm>

Contribution of Consumer Items to Inflation: Alberta

September 2024



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, October 15, 2024.

Next release: November 19, 2024

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Sources:

Bank of Canada, Statistics Canada, Corporate Economics.