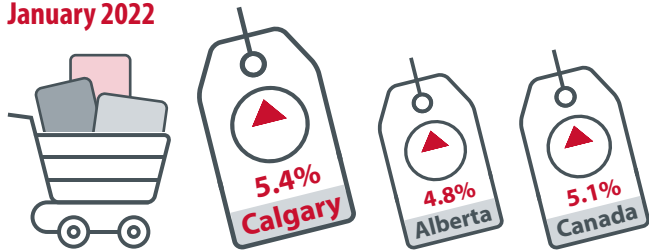


Headline Inflation Comparison

January 2022



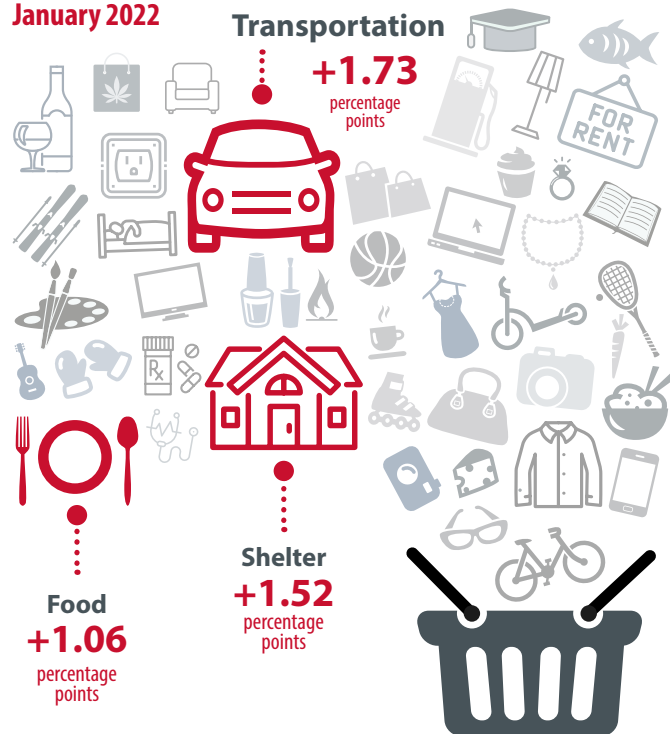
Inflation in the Calgary Metropolitan Area Grows Even Higher

In January 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 0.9 per cent from December 2021 and by 5.4 per cent over the previous twelve months. January's year-over-year increase represented a 14-year high, climbing even higher than the rate of 5.0 per cent reached in December 2021.

In January 2022, the cost of shelter in the CMA increased by 1.0 per cent since December 2021 and posted a 7.1 per cent year-over-year increase.

Major Contributors to Alberta's Inflation Rate

January 2022



Alberta Inflation spans Transportation, Food and Shelter

Alberta reported year-over-year CPI inflation of 4.8 per cent in January, less than Canada's 5.1 per cent inflation rate.

The greatest contributor to inflation in Alberta in January was the cost of transportation, adding 1.73 percentage points to total inflation. Gasoline prices, which increased by 33.5 per cent year-over-year, were the largest driver of the increase in transportation costs.

The next largest contributor to Alberta's January inflation was shelter, contributing 1.52 percentage points to total inflation. The fastest-rising prices within the shelter category were those for utilities. In January, electricity became the individual item with the highest increase across all categories, rising 42.9 per cent year-over-year. Natural gas prices also rose at a rapid rate, with a 30.9 per cent increase. High demand amid cold winter weather in January contributed to high utility rates in Alberta, while global natural gas prices rose in the face of supply challenges and geopolitical tensions in Russia and Ukraine.

The contribution of food prices to Alberta's inflation grew in January, with food contributing 1.06 percentage points. A combination of climate change related disruptions to agriculture, supply chain backups, labour shortages, and increasing transportation costs fed into the rising cost of food. With a year-over-year increase of 5.7 per cent, food prices rose at the fastest rate seen since 2009.

Inflation Rates

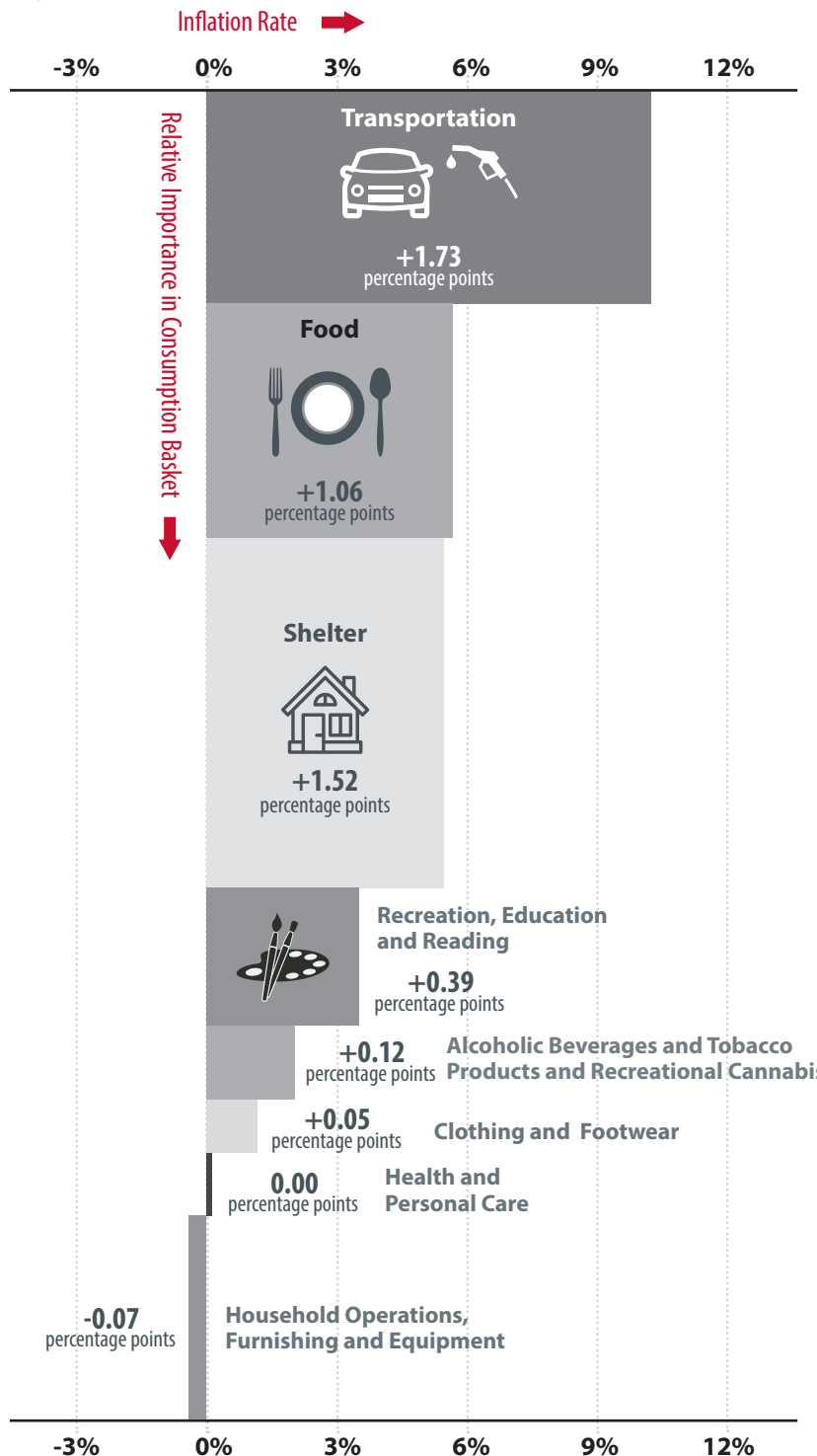
	Relative Importance (%) *	Year-over-year (%)			Year-to-Date (%)
		Jan-22	Dec-21	Nov-21	
Calgary: All-items	100.00	5.4	5.0	4.4	5.4
Shelter	26.35	7.1	5.6	4.9	7.1
Rented accommodation	5.77	3.0	0.2	-0.9	3.0
Owned accommodation	16.55	3.2	3.1	2.6	3.2
Water, fuel and electricity	4.03	24.4	20.4	19.8	24.4
Alberta: All-items	100.00	4.8	4.8	4.3	4.8
Alberta: All-items excluding food and energy	75.72	2.3	2.3	1.8	2.3
Canada: All-Items	100.00	5.1	4.8	4.7	5.1
Canada: All-items excluding food and energy	77.06	3.5	3.4	3.1	3.5

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

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

Despite the high inflation rate, not all prices increased. In January, a minor offset to Alberta's price inflation came from a decrease in prices for household operations, furnishings and equipment, contributing -0.07 percentage points to total inflation. The individual products and services that reported the largest price decreases were telephone services, recreational cannabis, and home entertainment equipment, parts and services.

Contribution of Consumer Items to Inflation: Alberta January 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.

For media inquiry, please contact:
The Media Line at 403.828.2954 or
media.relations@calgary.ca

For the technical questions, please contact:

Chukwudi Osuji, Ph.D.
City Economist & Regulatory Lead
chukwudi.osuji@calgary.ca

Gilbert Lybbert
Associate Economist
gilbert.lybbert@calgary.ca

Estella Scruggs
Corporate Research Analyst
estella.scruggs@calgary.ca

Many of our publications are available on the internet at www.calgary.ca/economy.

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Sources:

Bank of Canada, Statistics Canada, Corporate Economics.