



APRIL 2022

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# Inflation Review

May 18, 2022

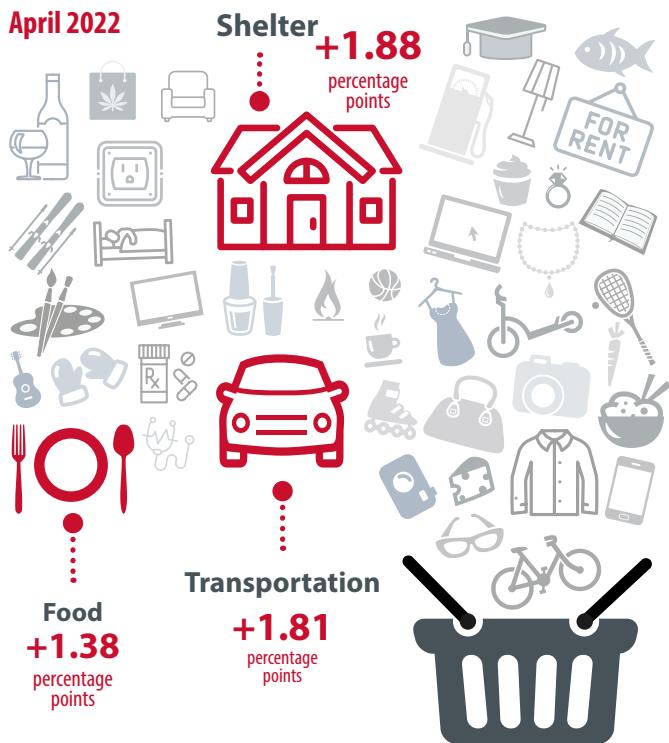
## Headline Inflation Comparison

April 2022



## Major Contributors to Alberta's Inflation Rate

April 2022



## Inflation Rates

	Relative Importance (%) *	Year-over-year (%)			Year-to-Date Average (%)
		Apr-22	Mar-22	Feb-22	
Calgary: All-items	100.00	7.1	7.3	6.4	6.5
Shelter	26.35	9.3	7.7	9.1	8.3
Rented accommodation	5.77	3.3	5.5	7.4	4.8
Owned accommodation	16.55	8.5	6.6	4.4	5.7
Water, fuel and electricity	4.03	18.3	13.6	26.4	20.7
Alberta: All-items	100.00	6.3	6.5	5.5	5.8
Alberta: All-items excluding food and energy	75.72	4.3	4.3	3.1	3.5
Canada: All-items	100.00	6.8	6.7	5.7	6.1
Canada: All-items excluding food and energy	77.06	4.6	4.6	3.9	4.2

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

Sources: Statistics Canada, Corporate Economics, May 18, 2022.

## Inflation in the Calgary Census Metropolitan Area Remains High

In April 2022, the headline consumer price index (CPI) in the Calgary Census Metropolitan Area (CMA) increased by 0.4 per cent since March 2022 and by 7.1 per cent over the previous twelve months. The year-over-year inflation rate in April decreased only slightly from the nearly 20-year high (7.3 per cent) set in March 2022.

In April 2022, the conflict in Ukraine continued to impact global commodity markets. Global oil price benchmarks remained above 100 US\$/bbl, a threshold that, prior to the conflict, had not been reached since 2014. Food prices have also been impacted by the conflict, as Russia and Ukraine are major suppliers of products such as wheat and fertilizer. Additional supply chain challenges arose from strict COVID-19 lockdown policies coming into effect in parts of China. Sharp price increases have resulted from the combination of rapidly rising demand for goods and services and continuing supply disruptions. Overall, however, cost-push factors are becoming increasingly dominant in 2022.

## Price Increases Across All Categories in Alberta

Alberta reported year-over-year CPI inflation of 6.3 per cent in April. Canada's 6.8 per cent inflation rate came in higher than Alberta's but lower than the Calgary CMA's inflation rate.

Shelter costs increased by 7.1 per cent year-over-year in Alberta, led by rapidly rising utility bills and home price increases. Natural gas prices increased the most among individual items from all categories, increasing by 44.7 per cent since April 2021. The homeowner's replacement cost-related to house price increases-grew by 21.6 per cent. With its high weight in the total basket of goods and services, shelter contributed the most to total inflation, adding 1.88 percentage points.

Transportation costs increased the fastest year-over-year at 11.2 per cent. A 25.5 per cent increase in gasoline prices was the biggest culprit. Global oil price increases drove the high gasoline price increases. However, the temporary removal of the provincial fuel tax on April 1 brought down local gasoline prices. Transportation costs added 1.81 percentage points to Alberta's total inflation.

The price of food in Alberta also contributed to the price increase in April, rising by 7.7 per cent from the year before. Prices for many types of food increased by as much as 11 to 17 per cent, including prices for beef, pork, fresh fruit, fresh vegetables, and cereal products. Food prices contributed 1.38 percentage points to Alberta's total inflation figure.

Year-over-year price increases were observed across all major categories in April. However, a few individual items still posted price decreases, such as children's clothing and telephone services.



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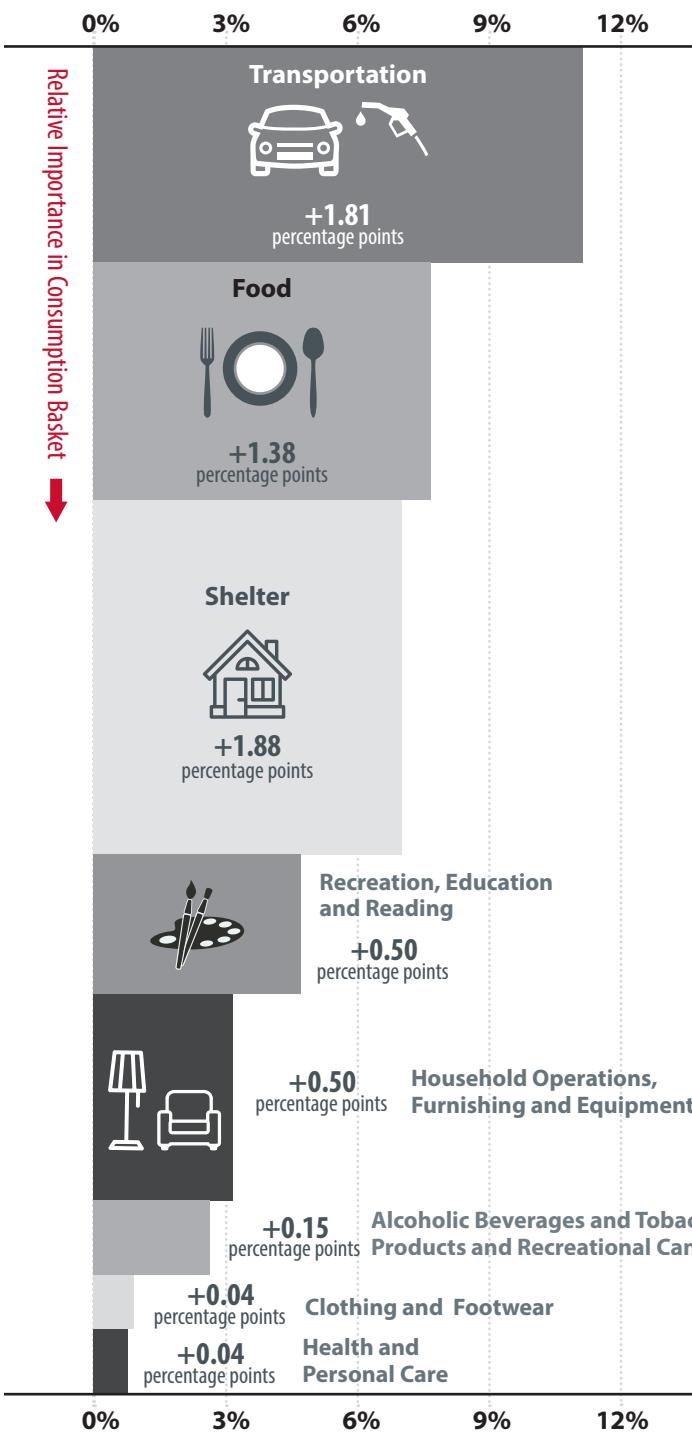
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## Contribution of Consumer Items to Inflation: Alberta

April 2022

Inflation Rate →



Sources: Statistics Canada, Corporate Economics, May 18, 2022.

Next release: June 22, 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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Sources:

Bank of Canada, Statistics Canada, Corporate Economics.