

# Calgary's Monthly INFLATION REVIEW

September 2008

October 24, 2008

## Inflation Lower From Last Year

### Calgary Census Metropolitan Area

Calgary's consumer prices<sup>1</sup> rose by 3.7 per cent in September 2008, down from 5.2 per cent a year earlier. Prices in Alberta increased by 3.8 per cent, from 4.7 per cent the same time last year, while the national inflation rate was estimated at 2.5 per cent, up from the 1.9 per cent in September 2007.

Calgary's prices were driven by:

- The gasoline component of the Consumer Price Index (CPI), increased by 18.5 per cent (1.2 per cent last year) in September 2008, mainly driven by high crude oil prices (30 per cent year-over-year). Gasoline accounts for nearly 4.5 per cent of the consumer basket in Alberta.
- A softer residential real estate market in Calgary pushed the shelter component of the CPI down to 8.6 per cent in September 2008, from 13.8 per cent a year earlier. The shelter component of the CPI accounts for nearly 28.0 per cent of the basket of goods and services purchased by consumers in Alberta.

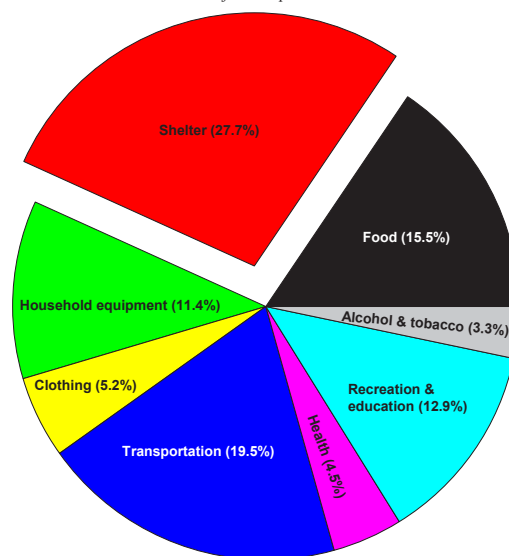
The core inflation rate in Calgary, which excludes energy and food items, rose by 2.7 per cent in September 2008 compared to 2.8 per cent in Alberta and 1.3 per cent in Canada. The Bank of Canada's core inflation rate, which is used as the operational guide for monetary policy, was estimated at 1.7 per cent (year-over-year). This rate is currently below the 2.0 per cent target range.

**Inflation Rates**  
(12-Month-Moving-Average)

	Sep-08	Aug-08	Sep-07
Calgary: All-items	3.7	3.7	5.2
Calgary: All-items excluding food & energy	2.7	2.9	5.6
Food	1.6	1.3	4.6
Shelter	8.6	8.6	13.8
Household operations, furnishing & equipment	0.6	0.6	1.2
Clothing & footwear	(2.2)	(2.0)	1.4
Transportation	3.0	3.1	1.0
Gasoline	18.5	17.8	1.2
Health & personal care	2.0	2.0	1.7
Recreation, education & reading	1.1	1.3	0.6
Alcoholic beverages & tobacco products	4.2	4.6	5.5
Alberta: All-items	3.8	3.9	4.7
Alberta: All-items excluding food & energy	2.8	3.1	5.1
Canada: All-items	2.5	2.4	1.9
Canada: All-items excluding food & energy	1.3	1.4	1.9

Source: Statistics Canada, Corporate Economics, October 2008

Calgary's Consumer Price Index  
Major Components



Source: Statistics Canada, Corporate Economics

<sup>1</sup> This is measured by the 12-month-moving average.

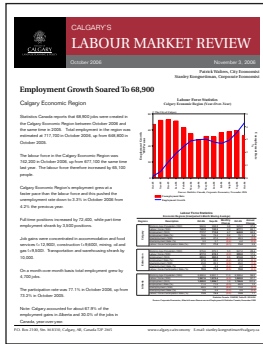
# September 2008

# INFLATION REVIEW

Calgary Census Metropolitan Area (CMA)

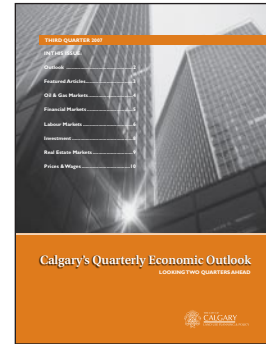
Monthly

Review of Economic Trends



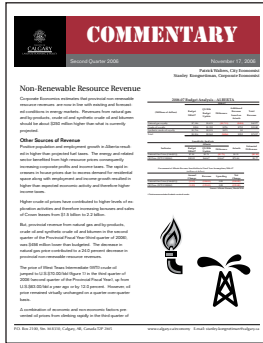
Quarterly

Short-term Economic Outlook



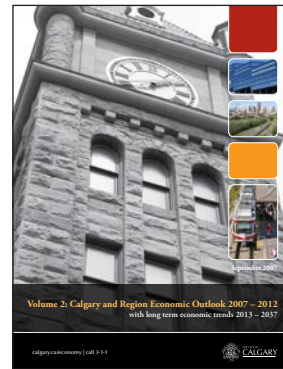
Commentary

Analysis of Opportunities & Challenges



Bi-Annually

In-Depth Economic Analysis



## Who We Are

Over the past ten years Corporate Economics has researched dozens of economic topics and developed reliable methods of forecasting and analysis. Monitoring economic trends allows us to develop unique insights on how external events are impacting the local economy and the Municipal Corporation. We provide services in four areas: forecasting, information provision, consulting and policy analysis.

For more information, please contact:  
 Stanley Kongnetiman at 403.268.5059 or  
 stanley.kongnetiman@calgary.ca.

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

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