

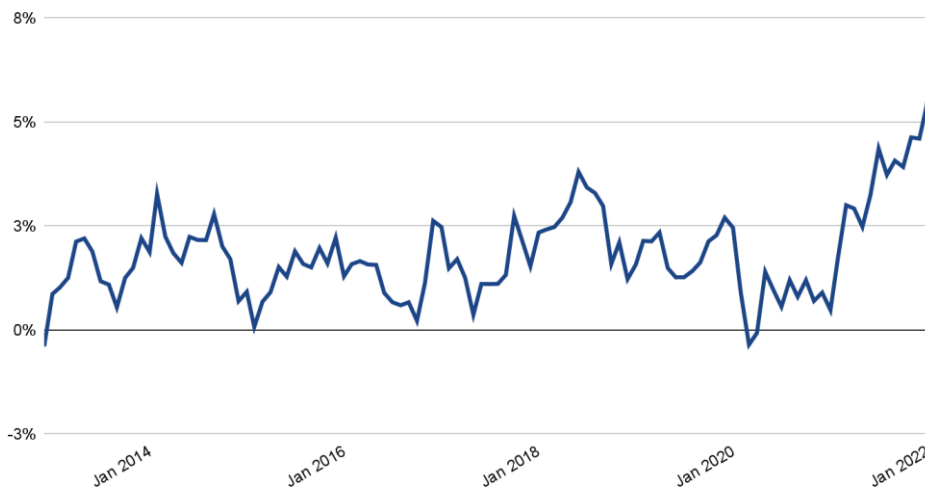
# Economic Indicators

## Consumer inflation rate further accelerates in March 2022

April 20, 2022

- Consumer inflation in the Edmonton census metropolitan area (CMA), as measured by year-over-year changes in Statistics Canada’s Consumer Price Index (CPI), reached a rate of 6.5 per cent in March 2022, the fastest annualised pace since April 2003.
- Prices in the shelter component rose 4.4 per cent year-over-year in March.
- Utility prices still posted a double-digit year-over-year increase in March (+14 per cent), though the pace of increase was relatively slower than in February (+22.8 per cent).

Edmonton CMA Consumer Inflation



Source: Statistics Canada, Table 18-10-0004-01; series ends March 2022

Note: This chart outlines the percentage change in the monthly CPI reading from the same month a year earlier (also known as the annualised rate).

Price pressures continued to be significant in March 2022, not just for the Edmonton CMA, but at the provincial and national levels as well. Global factors, like supply chain disruptions, production shortages of key inputs for durable goods, and Russia’s invasion of Ukraine, are having the greatest impact on headline consumer inflation. Inflationary pressure is broadening at the provincial level, with all major components recording price growth. Across major components at the provincial level, there were notable price increases for food, shelter, and transportation. Even though more detailed information on the Edmonton CMA CPI is not available beyond the shelter component, what is being observed at the provincial level suggests that inflationary pressure in the Edmonton CMA is following suit.

Rising prices and the resulting impact they will have on consumers and industrial production<sup>1</sup> are a key downside risk to Edmonton's economic growth prospects over the short- to medium term even though price pressures stemming from some global factors, like supply chain disruptions and production shortages, are expected to eventually ease. The impact that Russia's invasion of Ukraine is having on select commodity prices, including crude oil, will be more difficult to predict. Rising crude oil prices tend to mean higher retail gasoline prices and retail gasoline prices in the Edmonton CMA have been experiencing extraordinarily strong year-over-year growth rates. However, the provincial government's decision to not collect the provincial fuel tax from April 1 to June 30<sup>2</sup> will provide some relief. Looking ahead, inflationary pressures in the Edmonton CMA on consumer goods and services are expected to remain high over at least the near to short-term.

### **Limitations**

The CPI is a measure of the change in prices and not their absolute levels. It reflects the prices consumers pay on a typical basket of goods and services but is not a cost-of-living index. Prices used to determine the CPI represent average consumer purchases, such as groceries, clothes, retail goods, rent and mortgages.

### **Contact**

Felicia Mutheardy, Corporate Economist  
Financial and Corporate Services  
780-496-6144

### **Contact for media inquiries**

Matt Pretty, Communications Advisor  
780-442-0970

---

<sup>1</sup> Though the Consumer Price Index is a measure of price changes for a fixed basket of consumer goods and services, rising prices for commodities like crude oil are expected to have an impact on operational costs for businesses, though to varying extents across sectors.

<sup>2</sup> According to the Government of Alberta, the provincial government will not start to reinstate collection of the provincial fuel tax before July 1.

