

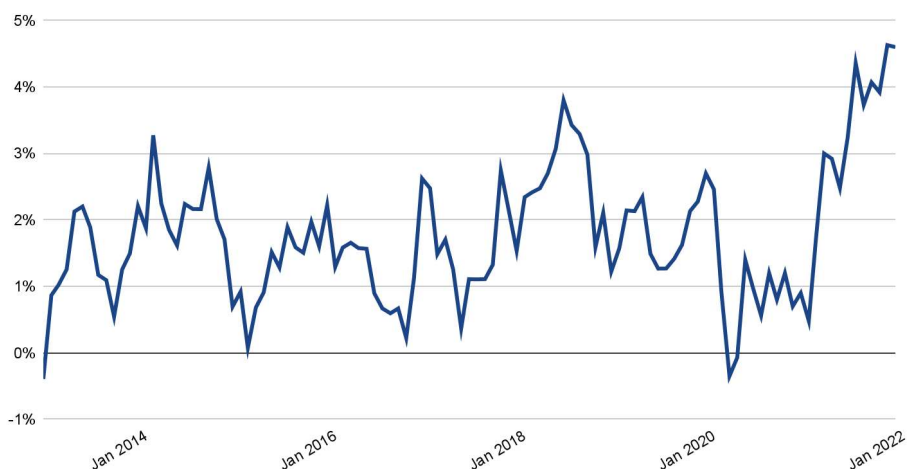
# Economic Indicators

## Elevated inflation continues into January 2022

February 16, 2022

- Consumer inflation in the Edmonton census metropolitan area (CMA) was relatively unchanged on a month-over-month basis in January 2022 at 4.6 per cent.
- Shelter prices rose one per cent on a month-over-month basis in January 2022, reaching an annualised inflation rate of 4.5 per cent.
- Utility prices rose 22.8 per cent year-over-year in January 2022, representing the seventh consecutive month of double-digit price growth.

Edmonton CMA Consumer Inflation



Source: Statistics Canada, Table 18-10-0004-01

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 in the Edmonton CMA are still being influenced by the pandemic and are concentrated in three primary areas – food, energy, and durable goods. While disaggregated CPI data are not available for the Edmonton CMA to quantify specific price growth in these areas, provincial price trends have been useful gauges. In January 2022, provincial food prices rose 5.7 per cent year-over-year, with much of the price growth coming from food purchased from stores. Strong price growth for natural gas, electricity, and gasoline can help to explain the 32 per cent increase in aggregate Alberta energy prices in January. As for goods, prices rose 3.9 per cent year-over-year in January. It is important to note that goods can be classified as either durable, semi-durable, or non-durable goods. Classifications reflect the life span of the good; for example, fresh food products and gasoline would be classified as non-durable goods,



whereas a car would be classified as a durable good. All three classifications of goods saw notable price growth on a year-over-year basis in January at the provincial level, outpacing price growth for services.

Price pressures are expected to remain elevated in the Edmonton CMA while factors like supply chain disruptions, including transportation bottlenecks, market imbalances (affecting the price of some energy commodities), and public health protocols (affecting household consumption patterns) continue to have an impact on prices. The City of Edmonton's November 2021 forecast for the Edmonton CMA CPI is for inflation to average 2.8 per cent in 2022. However, if price pressures persist at current levels, the risk of inflation running higher than expected increases.

### **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

