

## Inflation rate remains elevated in November

December 21, 2021

The annualised rate of consumer inflation in the Edmonton census metropolitan area (CMA) was 3.9 per cent in November 2021, which represents a slightly slower rate from 4.1 per cent in October. Shelter prices were three per cent higher year-over-year, with much of the gain coming from strong price growth for utilities.

**Edmonton CMA Consumer Price Index – November 2021**

	Nov 2020	Oct 2021	Nov 2021	M/M	Y/Y
	2002=100			% change	
<b>All-items</b>	145.4	151.0	151.1	0.1	3.9
<b>Shelter</b>	176.7	181.1	182.0	0.5	3.0
<b>Rented accommodation</b>	148.4	144.5	144.8	0.2	-2.4
<b>Owned accommodation</b>	172.5	173.2	172.8	-0.2	0.2
<b>Water, fuel and electricity</b>	219.9	253.9	261.7	3.1	19.0

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

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

In Alberta, the annualised consumer inflation rate was 4.3 per cent in November with higher prices in six of the eight major components. Much like many other months in 2021, the elevated pace of price growth was reflective of very strong price growth for energy<sup>1</sup>. Energy prices rose by 34 per cent year-over-year in November with double-digit growth on a consistent basis since March 2021. Food prices were also higher in Alberta, with price growth of almost four per cent year-over-year in November.

Although detailed data are not available for the Edmonton CMA, price growth for energy, particularly natural gas, and food are likely following provincial patterns. Gasoline prices in the

<sup>1</sup> Statistics Canada's special aggregate for energy includes electricity, natural gas, fuel oil, gasoline, and fuel parts and accessories for recreational vehicles.

Edmonton region continued to post double-digit year-over-year growth in November 2021 across all fuel types. The year-to-date inflation rate for the Edmonton region was 2.8 per cent in November. Price pressures from higher energy prices, along with pandemic-related factors affecting the price of goods, are expected to remain elevated over the near to short-term. The inflation forecast for 2022 considers these price pressures, with an expected average rate of 2.8 per cent in 2022. However, uncertainty remains high as to how and when these pressures will start to ease.

### **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 not all the inflationary pressures experienced by organizations, such as the City of Edmonton. Prices used to determine the CPI represent average consumer purchases, such as groceries, clothes, retail goods, rent and mortgages. The CPI does not reflect the type of expenditures required to deliver municipal goods and services, such as construction materials, public transit equipment and professional services.

Consequently, when compared to the national CPI, Edmonton's higher CPI does not mean the cost of living in Edmonton is higher than elsewhere. It does indicate that since 2002, prices for consumer goods have risen somewhat faster in Edmonton compared to the Canadian average.

### **Contact**

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

### **Contact for media inquiries**

Matt Pretty, Communications Advisor  
780-442-0970

