

Update 2: Canada - Inflation Rate Dips to -0.2% in April 2020; Turns Negative for First Time Since 2009

- Canada's inflation rate fell to an annualized -0.2% in April, as the COVID-19 pandemic pushed down consumer prices for the first time in more than a decade
- Consumer Price Index plummeted to negative as prices fell
- April's decline was the first time Canada's year-over-year inflation rate fell into negative territory since September 2009
- Among the major categories seeing huge price declines were: Gasoline, down by ~40%; Traveler accommodation, down by ~10%; Electricity prices, down by ~4%; and Clothing and footwear, down by ~6%
- The reading compared with a year-over-year increase of 0.9% in March when the pandemic began
- Economists on average expected a reading of -0.1% for April
- Canada's COVID-19 total cases and deaths are 79,101 and 5,912, respectively
- Supply Wisdom is continuously monitoring the situation and will alert you to any relevant developments
- Please consult Department of Health Canada (<https://www.canada.ca/en/health-canada.html>) for the latest information on COVID-19 in Canada

Source(s)

<https://www.cbc.ca/news/business/inflation-rate-april-covid-1.5576581>
<https://globalnews.ca/news/6962818/canada-inflation-april-2020-coronavirus/>
<https://globalnews.ca/news/6961927/coronavirus-update-canada-may-19/>

Targets Affected:

Canada

Guidance

Actions to consider:

- Consider implementing suggested actions related to 'Negative Impact on Economy' under the 'COVID-19: Actions to Consider' section below / next page

Related Alerts

May 15, 2020

High

[Update 1: Canada - Announces
Reopening of Businesses to Aid
Economy Amid COVID-19 Pandemic](#)

May 9, 2020

Immediate

[Canada - Reports 1,514 New COVID-
19 Cases, Totaling 66,425](#)

Impact level Definitions

Impact Level	Definitions
Immediate	Certain - Supply Wisdom recommends considering prompt action. Examples of Immediate level alert events may include bankruptcy filings, data breaches, unexpected curfews, strikes, power black-outs, major geo-political events etc.
High	Highly likely to occur in the near term (within 3 months) - Supply Wisdom recommends being in a state of readiness to take quick action. Examples of High level alert events may include withdrawal of rating by ratings agencies, hostile takeover, multiple cyber-attacks, new business policies causing significant hardship etc.
Medium	Likely to occur in the mid-term (within 3 to 6 months) - Supply Wisdom recommends reviewing current mitigation steps and being ready to take proactive actions if and when situation deteriorates further. Examples of Medium level alert events may include unplanned C-level exits, suppliers caught in bribery cases, economy slipping into recession.
Low	Possible in the long-term (after 6 months) - Supply Wisdom recommends taking proactive action if situation does not resolve. Examples of Low level alert events may include lawsuits filed against suppliers, client losses, air pollution alerts issued by country's local authorities, unexpected holidays announced for the location etc.
Informational	The event is pertinent information but does not have a risk element associated with it. Examples of Info level alert events may include launch of new solutions, partnerships signed, industry outlook, positive changes in government policies, announcements regarding launch of software parks/ free trade zones/special economic zones etc.