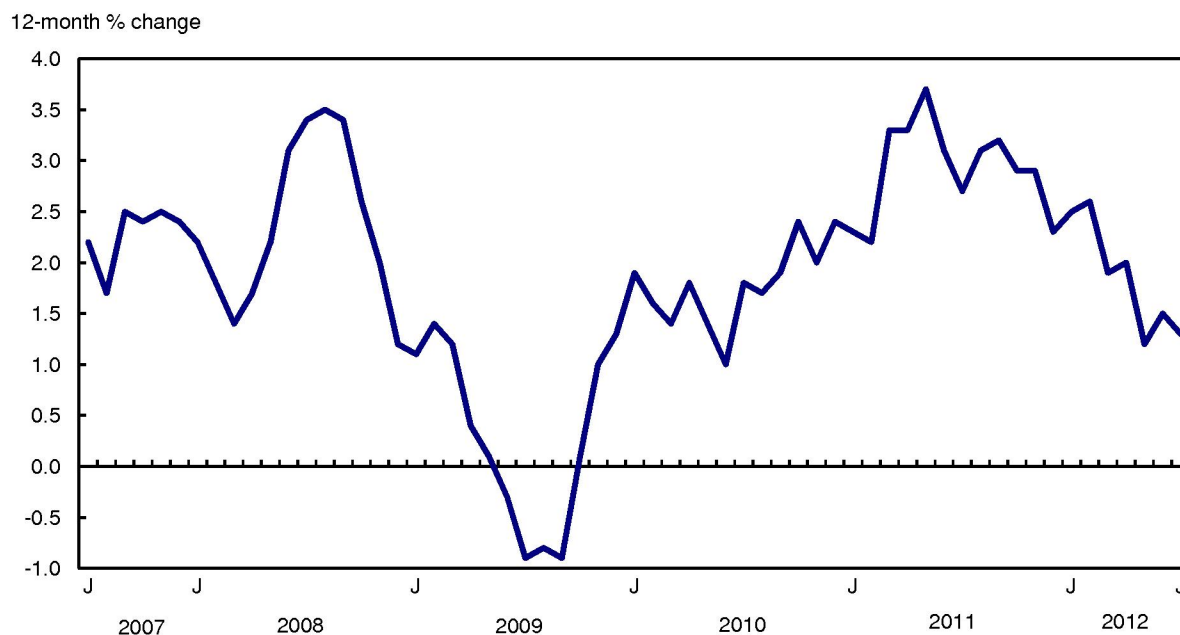


Consumer Price Index, July 2012

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, August 17, 2012

Consumer prices rose 1.3% in the 12 months to July, following a 1.5% gain in June. Higher prices for the purchase of passenger vehicles, food purchased from restaurants, meat and electricity were major factors in the increase of the July Consumer Price Index (CPI).

Chart 1
The 12-month change in the Consumer Price Index

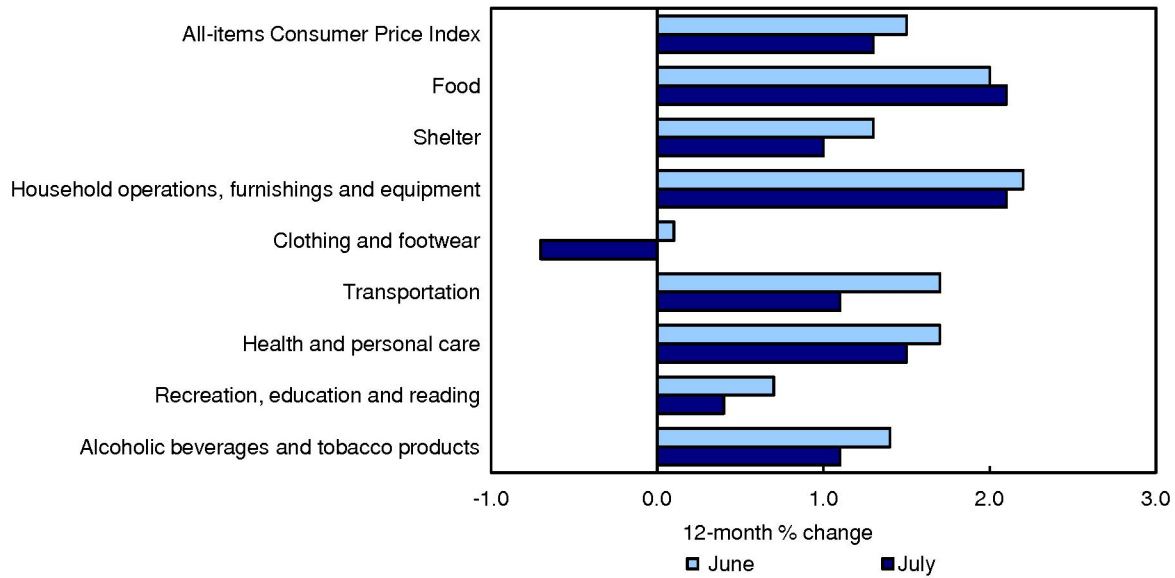


12-month change in the major components

Consumer prices rose for every major component in the 12 months to July, with the exception of clothing and footwear.



Chart 2
Prices rise in every major component except clothing and footwear



Food prices rose 2.1% in the 12 months to July following a 2.0% advance in June. These two increases were the lowest year-over-year gains in food prices since the beginning of 2011. Leading the July increase were higher prices for food from restaurants (+2.4%), meat (+5.3%) and cereal products (+3.7%). In contrast, prices for fresh vegetables declined for the fifth consecutive month.

Shelter costs rose 1.0% in the 12 months to July after increasing 1.3% the previous month. Increases for electricity prices, homeowner's replacement cost, and rent were major factors leading to the July rise in shelter costs. Natural gas prices continued to fall on a year-over-year basis.

Higher costs for telephone services and financial services led to year-over-year price gains for the household operations, furnishings and equipment component.

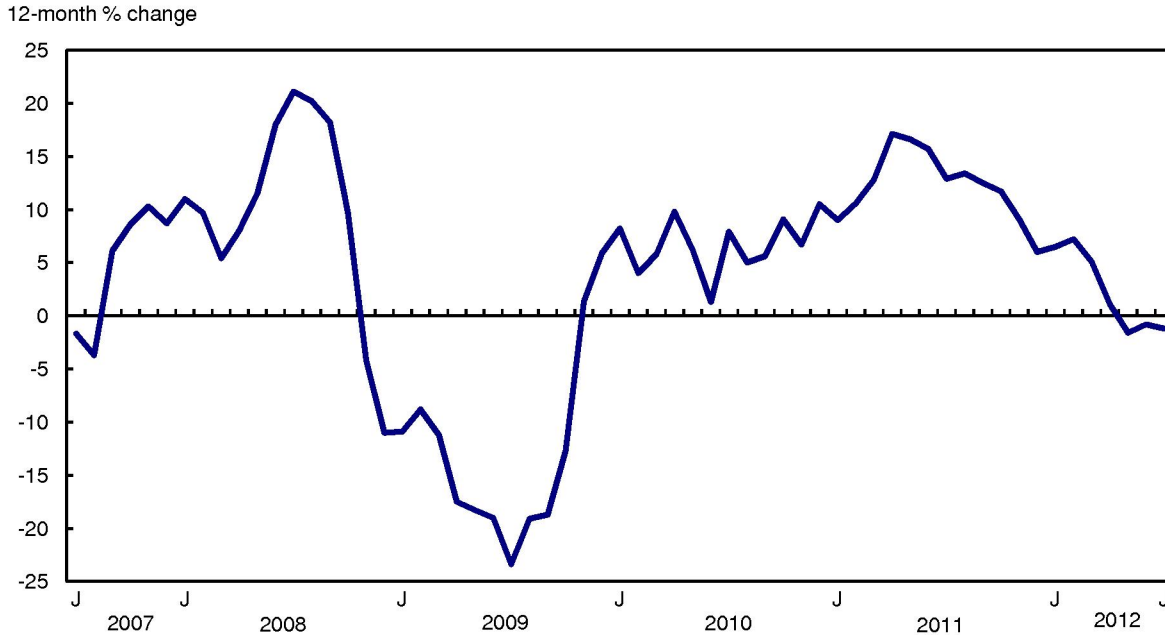
Prices for transportation rose 1.1% on a year-over-year basis in July after increasing 1.7% in June. The cost for the purchase of passenger vehicles increased 2.3% in July, following a 3.9% rise the previous month.

The only major component which declined in the 12 months to July was clothing and footwear (-0.7%), led by price declines for women's clothing.

Energy prices

Energy prices fell 1.2% in the 12 months to July after declining 0.8% in June.

Chart 3
The 12-month change in the energy index



Natural gas prices dropped 15.2% on a year-over-year basis, continuing a pattern of declines observed since January 2011. Notable declines were recorded in Ontario and Alberta.

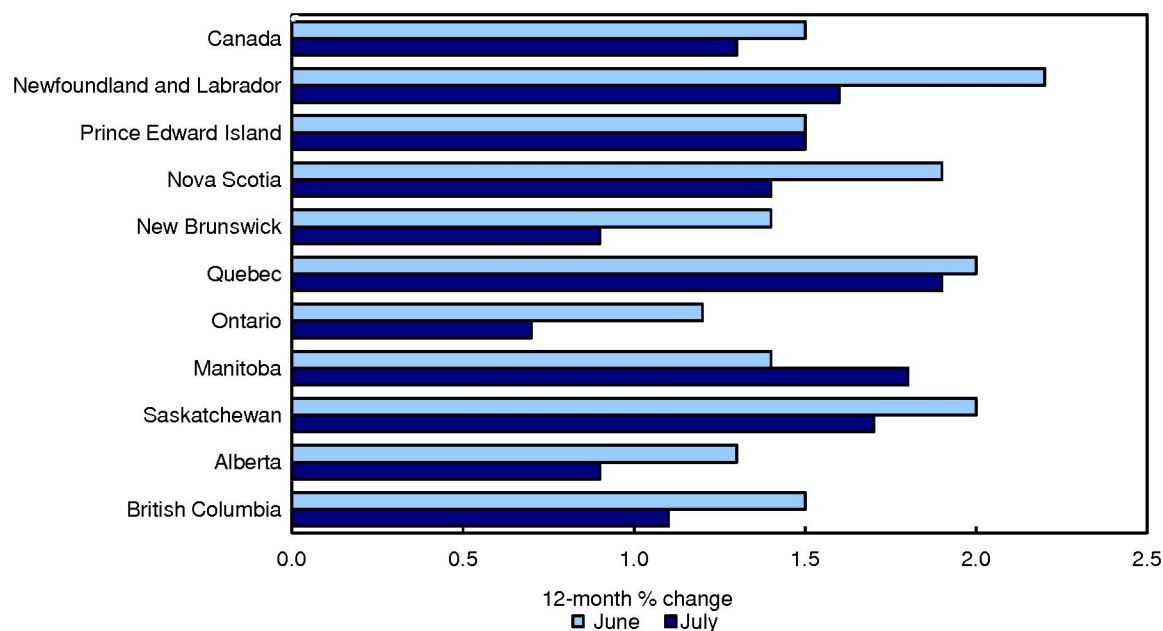
Gasoline prices fell 1.3% in the 12 months to July, the third consecutive year-over-year decline. Prices for gasoline decreased in the Atlantic provinces, Ontario and Quebec, while they rose in the Western provinces.

The cost of electricity increased 3.7% year over year in July, after a 5.9% rise the month before. Increases in electricity prices in Ontario were the biggest factor in this rise.

12-month change in the provinces

Consumer prices rose at a slower rate in eight provinces on a year-over-year basis in July compared with June. Prices in Ontario grew at the slowest pace of any province, while the Quebec CPI recorded the largest increase.

Chart 4
Consumer prices grow at a slower rate in eight provinces



The Ontario CPI rose 0.7% year over year in July, the smallest increase in the province since October 2009. As in June, Ontario recorded the smallest rate of increase for food purchased from stores, which rose 0.8% in July. This compares with a 1.9% increase for Canada. Gasoline prices declined 3.7% in the 12 months to July.

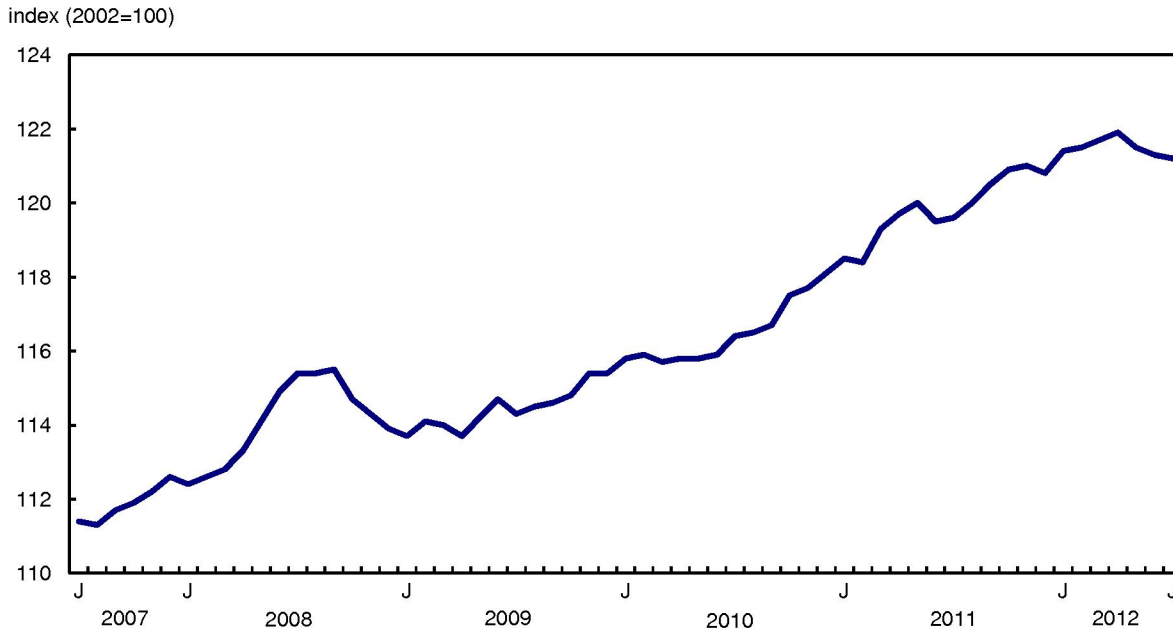
Consumer prices in Quebec increased 1.9% in the 12 months to July after rising 2.0% in June. Prices for food purchased from restaurants, which accounts for a significant proportion of consumer spending in the province, rose 3.6% in July. Prices for the purchase of passenger vehicles and meat also increased.

In Manitoba, consumer prices rose 1.8% in July after increasing 1.4% in June. This faster increase was mainly the result of larger price gains for gasoline, which rose 5.2% in July, following a 0.7% increase in June.

Seasonally adjusted monthly Consumer Price Index decreases

On a seasonally adjusted monthly basis, the CPI declined 0.1% in July, after decreasing 0.2% in June. This marked the third consecutive monthly decline in the seasonally adjusted CPI.

Chart 5
Seasonally adjusted Consumer Price Index declines



The seasonally adjusted index for transportation fell 0.6% in July, following a 1.1% decline in June. The clothing and footwear index declined 0.9% after falling 0.1% the previous month. In contrast, prices for food increased 0.4% on a seasonally adjusted monthly basis in July.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.7% in the 12 months to July, following a 2.0% gain in June.

On a monthly basis, the seasonally adjusted core index was unchanged in July for the second consecutive month.

Note to readers

The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components.

A seasonally adjusted series is one from which seasonal movements have been eliminated. Users employing Consumer Price Index data for indexation purposes are advised to use the unadjusted indexes. For more information on seasonal adjustment, see [Seasonal adjustment and identifying economic trends](#).

**Table 1
Consumer Price Index and major components, Canada – Not seasonally adjusted**

	Relative importance ¹	July 2011	June 2012	July 2012	June to July 2012	July 2011 to July 2012
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	120.0	121.6	121.5	-0.1	1.3
Food	15.99	129.0	130.9	131.7	0.6	2.1
Shelter	27.49	125.9	127.0	127.2	0.2	1.0
Household operations, furnishings and equipment	11.55	110.7	113.1	113.0	-0.1	2.1
Clothing and footwear	5.31	89.7	90.5	89.1	-1.5	-0.7
Transportation	20.60	125.0	127.6	126.4	-0.9	1.1
Health and personal care	4.95	116.7	118.9	118.5	-0.3	1.5
Recreation, education and reading	11.20	106.8	106.7	107.2	0.5	0.4
Alcoholic beverages and tobacco products	2.91	136.1	137.5	137.6	0.1	1.1
Special aggregates						
Core CPI ³	82.15	117.3	119.4	119.3	-0.1	1.7
All-items CPI excluding energy	89.92	117.0	118.8	118.7	-0.1	1.5
Energy ⁴	10.08	157.9	155.7	156.0	0.2	-1.2
Gasoline	5.80	182.5	180.2	180.1	-0.1	-1.3
All-items CPI excluding food and energy	73.93	114.3	116.2	115.8	-0.3	1.3
Goods	47.80	112.9	113.5	113.2	-0.3	0.3
Services	52.20	127.1	129.6	129.7	0.1	2.0

1. 2009 CPI basket weights at April 2011 prices, Canada, effective May 2011. Detailed weights are available under the Documentation section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/2301-eng.htm).

2. Figures may not add to 100% as a result of rounding.

3. The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components. For additional information on the core CPI, please consult the Bank of Canada website (www.bankofcanada.ca/rates/price-indexes/cpi).

4. The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

**Table 2
Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit – Not seasonally adjusted**

	Relative importance ¹	July 2011	June 2012	July 2012	June to July 2012	July 2011 to July 2012
	%	(2002=100)			% change	
Canada	100.00²	120.0	121.6	121.5	-0.1	1.3
Newfoundland and Labrador	1.29	121.6	123.5	123.6	0.1	1.6
Prince Edward Island	0.35	123.3	125.2	125.2	0.0	1.5
Nova Scotia	2.56	122.8	124.8	124.5	-0.2	1.4
New Brunswick	2.06	120.3	121.6	121.4	-0.2	0.9
Quebec	21.21	118.3	120.6	120.5	-0.1	1.9
Ontario	39.85	120.5	121.6	121.4	-0.2	0.7
Manitoba	3.16	118.2	120.3	120.3	0.0	1.8
Saskatchewan	2.90	121.8	124.1	123.9	-0.2	1.7
Alberta	11.97	125.7	126.9	126.8	-0.1	0.9
British Columbia	14.47	116.6	118.2	117.9	-0.3	1.1
Whitehorse	0.08	118.7	121.3	121.4	0.1	2.3
Yellowknife	0.07	122.0	124.5	124.3	-0.2	1.9
Iqaluit (Dec. 2002=100)	0.02	113.3	116.1	116.1	0.0	2.5

1. 2009 Consumer Price Index basket weights at April 2011 prices, effective May 2011. Detailed weights are available under the Documentation section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/2301-eng.htm).

2. Figures may not add to 100% as a result of rounding.

Table 3
Consumer Price Index and major components – Seasonally adjusted¹

	May 2012	June 2012	July 2012	May to June 2012	June to July 2012
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	121.5	121.3	121.2	-0.2	-0.1
Food	130.5	130.5	131.0	0.0	0.4
Shelter	126.7	127.0	127.2	0.2	0.2
Household operations, furnishings and equipment	112.8	113.0	113.2	0.2	0.2
Clothing and footwear	92.6	92.5	91.7	-0.1	-0.9
Transportation	127.6	126.2	125.5	-1.1	-0.6
Health and personal care	118.7	118.7	118.6	0.0	-0.1
Recreation, education and reading	105.9	106.0	106.0	0.1	0.0
Alcoholic beverages and tobacco products	137.7	137.5	137.6	-0.1	0.1
Special aggregates					
Core CPI ²	119.5	119.5	119.5	0.0	0.0
All-items CPI excluding food and energy ³	116.4	116.3	116.0	-0.1	-0.3

1. Each month, the previous month's seasonally adjusted index is subject to revision. On an annual basis, the seasonally adjusted values for the last three years are revised with the January data release. Since these revisions can lead to changes in both the levels and movements of the indexes, users employing the CPI for indexation purposes are advised to use the unadjusted indexes.

2. The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components. For additional information on the core CPI, please consult the Bank of Canada website (www.bankofcanada.ca/rates/price-indexes/cpi).

3. The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

Available without charge in CANSIM: tables 326-0009, 326-0012, 326-0015 and 326-0020 to 326-0022.

Definitions, data sources and methods: survey number 2301.

For a more detailed analysis, consult the publication *The Consumer Price Index*. The July 2012 issue of *The Consumer Price Index*, Vol. 91, no. 7 (62-001-X, free), is now available from the *Key resource* module of our website under *Publications*.

More information about the concepts and use of the Consumer Price Index are also available online in *Your Guide to the Consumer Price Index* (62-557-X, free) from the *Key resource* module of our website under *Publications*.

The Consumer Price Index for August will be released on September 21.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca) or the Media Hotline (613-951-4636; mediahotline@statcan.gc.ca).