Consumer Price Index, August 2012

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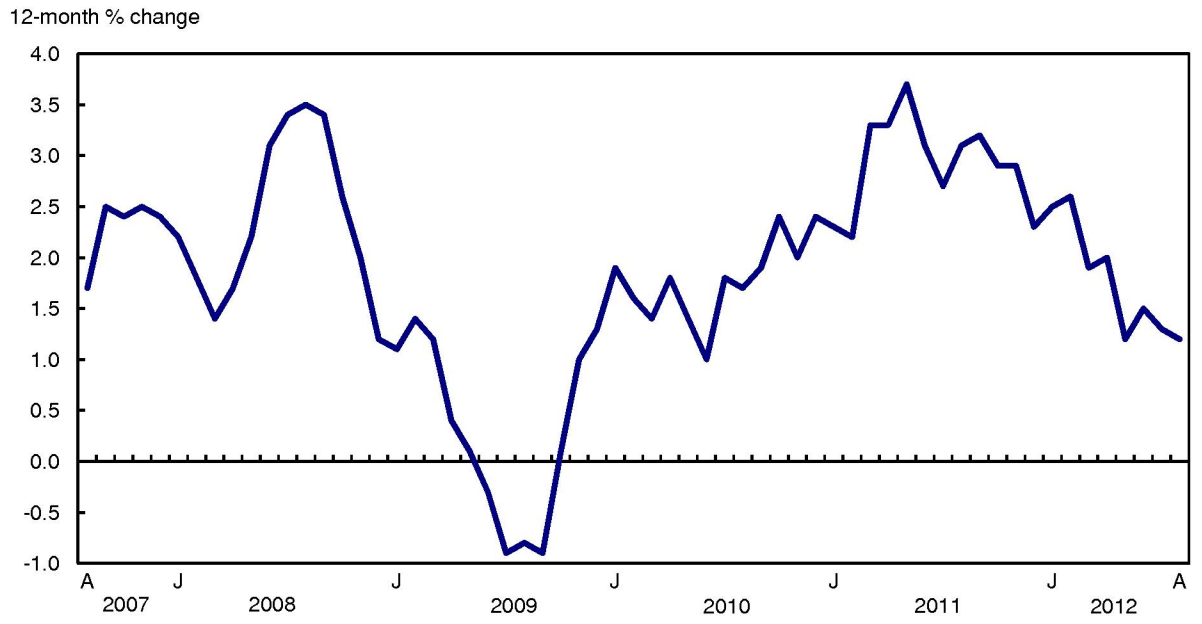
Consumer prices rose 1.2% in the 12 months to August, following a 1.3% gain in July. Higher prices for the purchase of passenger vehicles, gasoline, meat and food purchased from restaurants were major factors in the year-over-year increase of the August Consumer Price Index (CPI).

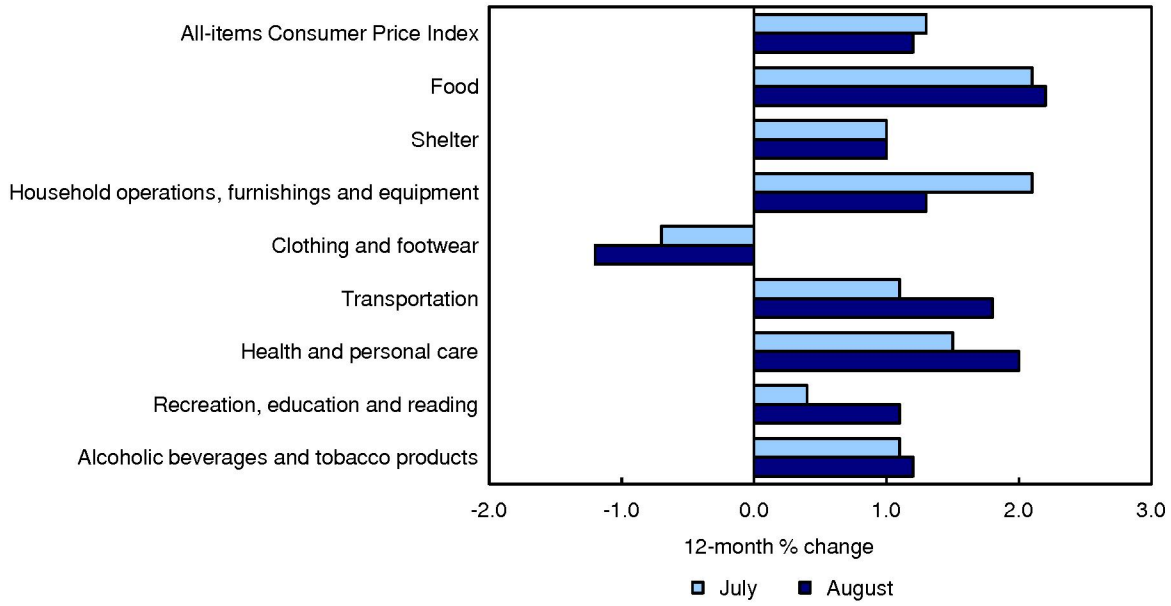
Chart 1
The 12-month change in the Consumer Price Index



12-month change in the major components

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

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



Prices for transportation rose 1.8% in the 12 months to August, after rising 1.1% in July. The cost for the purchase of passenger vehicles rose 2.0% and gasoline prices increased 2.2%.

Food prices increased 2.2% year over year in August following a 2.1% advance in July. Leading the August increase were higher prices for meat (+5.7%), food purchased from restaurants (+2.2%), and cereal products (+4.5%). In contrast, prices for fresh vegetables declined.

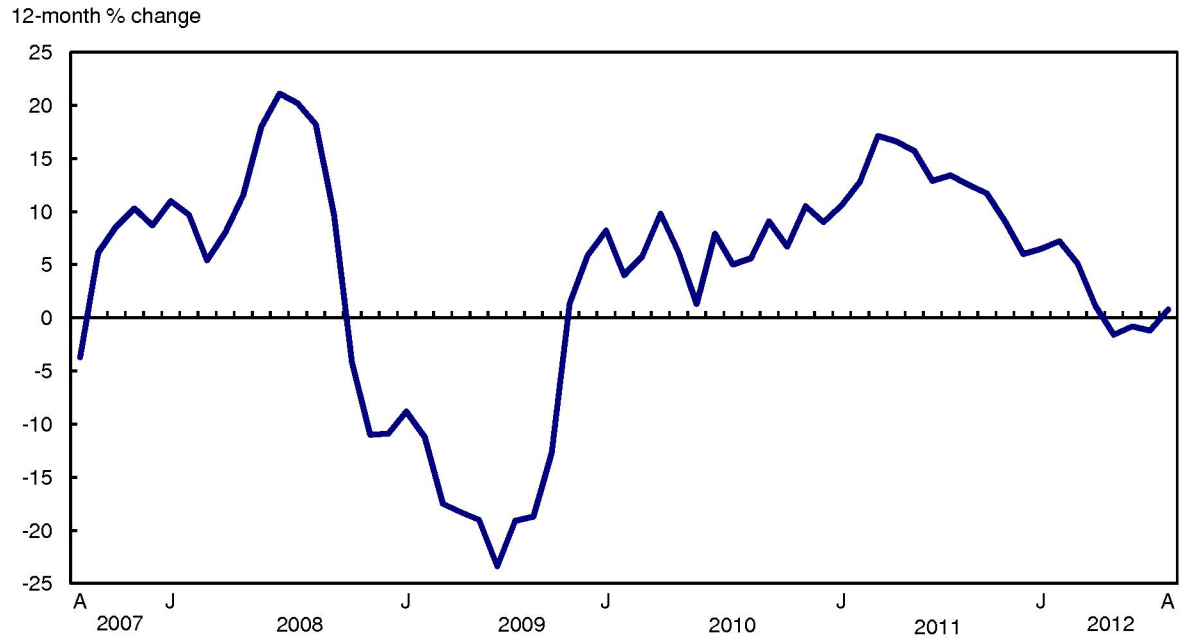
Shelter costs rose 1.0% in the 12 months to August, matching the increase in July. Increases for homeowner's replacement cost (+2.2%), electricity prices (+3.4%), and rent (+1.4%) were major factors leading to the August rise in shelter costs. Natural gas prices continued to fall on a year-over-year basis.

The only major component which decreased in the 12 months to August was clothing and footwear (-1.2%), led by price declines for women's clothing. At the same time, jewellery prices rose 4.2%.

Energy prices

Energy prices rose 0.8% in the 12 months to August, following three consecutive months of year-over-year declines.

Chart 3
The 12-month change in the energy index



Gasoline prices rose 2.2% in the 12 months to August, after declining 1.3% in July. The largest year-over-year increases were recorded in Manitoba and Quebec, while New Brunswick was the lone province to post a decline in August.

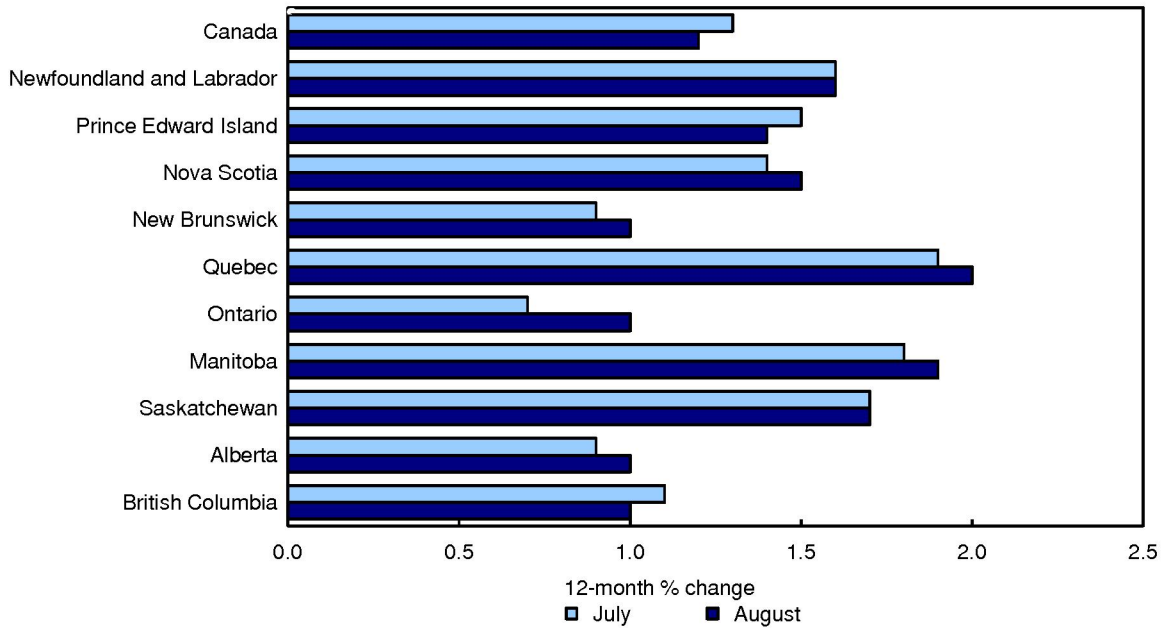
The cost of electricity increased 3.4% year over year in August, after a 3.7% rise the month before. Higher electricity prices in Ontario continued to be the biggest factor in these recent increases.

In contrast, natural gas prices fell 13.9% in the 12 months to August, continuing a pattern of decreases observed since January 2011. Year-over-year declines in Ontario and Alberta contributed the most to the decrease at the national level.

12-month change in the provinces

Consumer prices grew at a larger year-over-year rate in six provinces compared with Canada as a whole. The largest increase was recorded in Quebec's CPI.

Chart 4
Consumer prices in Quebec grow at the fastest rate



Consumer prices in Quebec increased 2.0% in the 12 months to August, after rising 1.9% in July. Prices for gasoline rose 4.6%, more than twice the pace of the national average. This was one of the main factors pushing Quebec's CPI higher in comparison to other provinces. In addition to price gains for gasoline, price increases for food purchased from restaurants, and the purchase of passenger vehicles were important contributors to the August rise in the Quebec CPI.

In Ontario, consumer prices rose 1.0% in the 12 months to August, following a 0.7% increase in July. Higher homeowners' replacement cost and electricity prices led the increase in the provincial CPI, while natural gas prices declined.

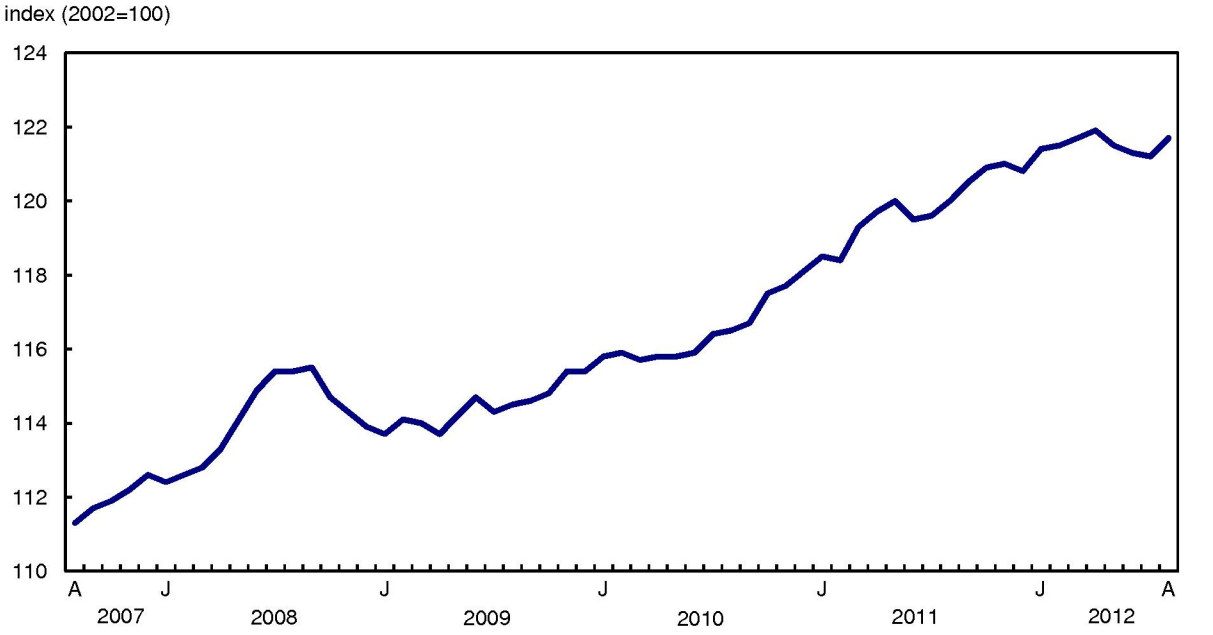
In British Columbia, prices increased 1.0% on a year-over-year basis in August after rising 1.1% in July. Prices rose for gasoline, food purchased from restaurants, and electricity.

Prices in Alberta rose 1.0% year over year in August, following a 0.9% gain the previous month. Higher prices for gasoline, property taxes, and the purchase of passenger vehicles were important factors in the August increase in the Alberta CPI.

Seasonally adjusted monthly CPI increases

On a seasonally adjusted monthly basis, the CPI increased 0.4% in August, after decreasing for three consecutive months. Prices rose in August for every major component except for clothing and footwear, and household operations, furnishings and equipment.

Chart 5
Seasonally adjusted Consumer Price Index increases



The seasonally adjusted index for transportation rose 1.3% in August, following a 0.5% decline in July. The food index rose 0.4% in August, matching the increase recorded the previous month. The index for shelter increased 0.2%, after rising at the same rate in July.

Bank of Canada's core index

The Bank of Canada's core index rose 1.6% in the 12 months to August, following a 1.7% gain in July.

On a monthly basis, the seasonally adjusted core index rose 0.3% in August after posting no change in June and July.

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]	August 2011	July 2012	August 2012	July to August 2012	August 2011 to August 2012
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	**100.00[2]**	**120.3**	**121.5**	**121.8**	**0.2**	**1.2**
Food	15.99	128.9	131.7	131.7	0.0	2.2
Shelter	27.49	126.2	127.2	127.4	0.2	1.0
Household operations, furnishings and equipment	11.55	111.2	113.0	112.7	-0.3	1.3
Clothing and footwear	5.31	90.6	89.1	89.5	0.4	-1.2
Transportation	20.60	125.3	126.4	127.5	0.9	1.8
Health and personal care	4.95	117.5	118.5	119.8	1.1	2.0
Recreation, education and reading	11.20	106.4	107.2	107.6	0.4	1.1
Alcoholic beverages and tobacco products	2.91	136.1	137.6	137.8	0.1	1.2
Special aggregates						
Core CPI[3]	82.15	117.8	119.3	119.7	0.3	1.6
All-items CPI excluding energy	89.92	117.2	118.7	118.8	0.1	1.4
Energy[4]	10.08	157.9	156.0	159.2	2.1	0.8
Gasoline	5.80	181.0	180.1	184.9	2.7	2.2
All-items CPI excluding food and energy	73.93	114.7	115.8	116.0	0.2	1.1
Goods	47.80	113.2	113.2	114.0	0.7	0.7
Services	52.20	127.3	129.7	129.6	-0.1	1.8

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]	August 2011	July 2012	August 2012	July to August 2012	August 2011 to August 2012
	%	(2002=100)			% change	
Canada	**100.00[2]**	**120.3**	**121.5**	**121.8**	**0.2**	**1.2**
Newfoundland and Labrador	1.29	122.0	123.6	124.0	0.3	1.6
Prince Edward Island	0.35	123.9	125.2	125.6	0.3	1.4
Nova Scotia	2.56	123.2	124.5	125.0	0.4	1.5
New Brunswick	2.06	120.7	121.4	121.9	0.4	1.0
Quebec	21.21	118.5	120.5	120.9	0.3	2.0
Ontario	39.85	120.6	121.4	121.8	0.3	1.0
Manitoba	3.16	118.3	120.3	120.5	0.2	1.9
Saskatchewan	2.90	122.1	123.9	124.2	0.2	1.7
Alberta	11.97	126.3	126.8	127.6	0.6	1.0
British Columbia	14.47	116.9	117.9	118.1	0.2	1.0
Whitehorse	0.08	118.6	121.4	121.5	0.1	2.4
Yellowknife	0.07	122.0	124.3	124.3	0.0	1.9
Iqaluit (Dec. 2002=100)	0.02	113.4	116.1	115.9	-0.2	2.2

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 adjusted[1]

	June 2012	July 2012	August 2012	June to July 2012	July to August 2012
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	**121.3**	**121.2**	**121.7**	**-0.1**	**0.4**
Food	130.5	131.0	131.5	0.4	0.4
Shelter	127.0	127.2	127.4	0.2	0.2
Household operations, furnishings and equipment	113.0	113.1	112.9	0.1	-0.2
Clothing and footwear	92.5	91.6	91.2	-1.0	-0.4
Transportation	126.2	125.6	127.2	-0.5	1.3
Health and personal care	118.7	118.6	119.2	-0.1	0.5
Recreation, education and reading	106.0	106.1	106.4	0.1	0.3
Alcoholic beverages and tobacco products	137.5	137.6	137.9	0.1	0.2
Special aggregates					
Core CPI[2]	119.5	119.5	119.8	0.0	0.3
All-items CPI excluding food and energy[3]	116.3	116.1	116.2	-0.2	0.1

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 August 2012 issue of *The Consumer Price Index*, Vol. 91, no. 8 (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 September will be released on October 19.

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).