

Consumer Price Index, October 2012

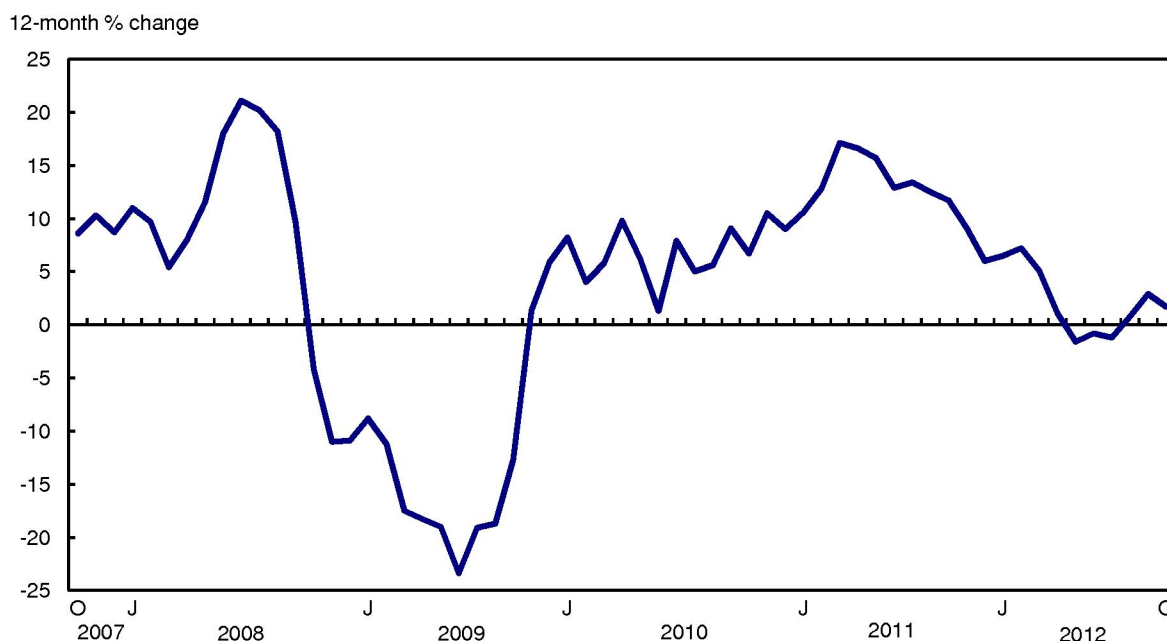
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, November 23, 2012

Consumer prices rose 1.2% in the 12 months to October, matching the increases in August and September. Energy prices rose at a slower year-over-year rate in October compared with September, while air transportation, food purchased from stores and property taxes posted larger price gains.

Energy prices

Energy prices advanced 1.7% in the 12 months to October, after rising 2.9% in September. This slower increase was led by smaller price gains for electricity and gasoline.

Chart 1
The 12-month change in the energy index



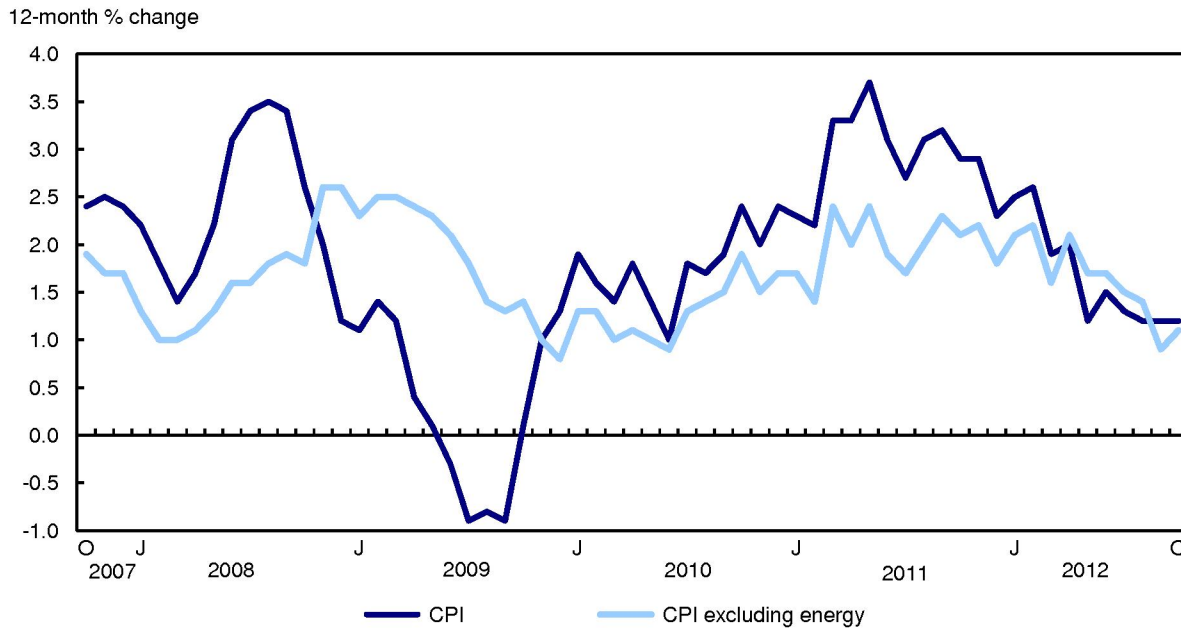
The cost of electricity increased 1.7% on a year-over-year basis in October, after rising 6.0% in September. This smaller increase in the electricity index was the result of price declines recorded in Alberta.

Gasoline prices rose 4.0% in the 12 months to October, following a 4.7% increase in September. Prince Edward Island (+9.0%) had the largest year-over-year increase, while British Columbia (+0.3%) had the smallest.

Natural gas prices declined 11.6% in the 12 months to October, after decreasing 14.2% in September. Despite a monthly price increase, the natural gas index was one of the largest downward contributors to the year-over-year change in the All-items Consumer Price Index (CPI) in October.



Chart 2
The 12-month change in the Consumer Price Index (CPI) and CPI excluding energy

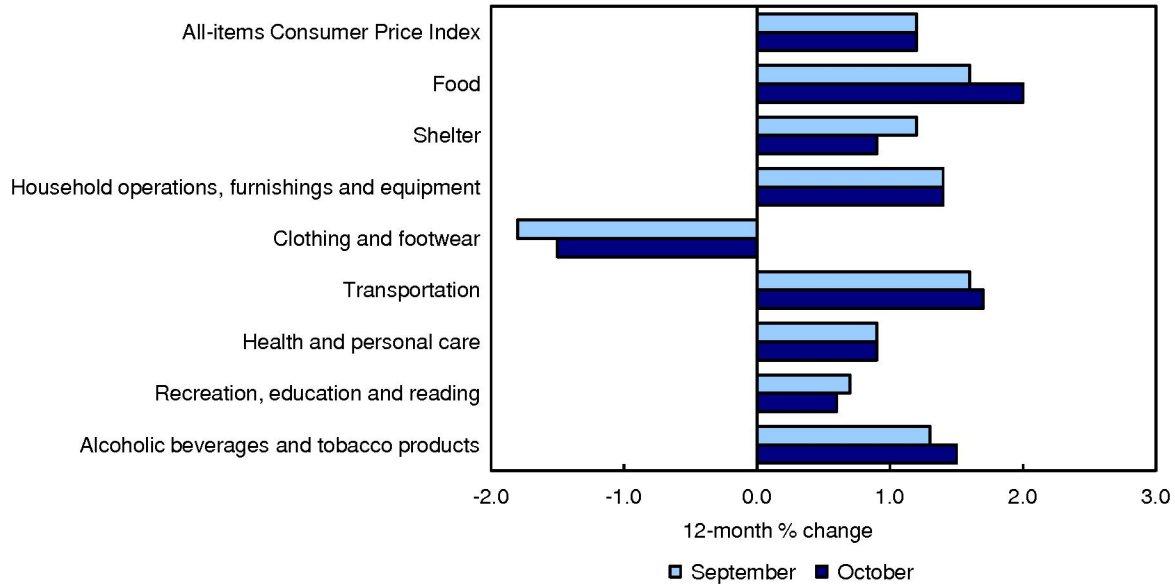


Excluding energy, the CPI rose 1.1% in the 12 months to October, after rising 0.9% in September.

12-month change in the major components

Consumer prices rose in every major component in the 12 months to October, except for clothing and footwear.

Chart 3
Prices rise in every major component except clothing and footwear



Food prices rose 2.0% in the 12 months to October, following a 1.6% increase in September. The October increase was led by year-over-year price gains for meat (+5.1%) and food purchased from restaurants (+2.1%).

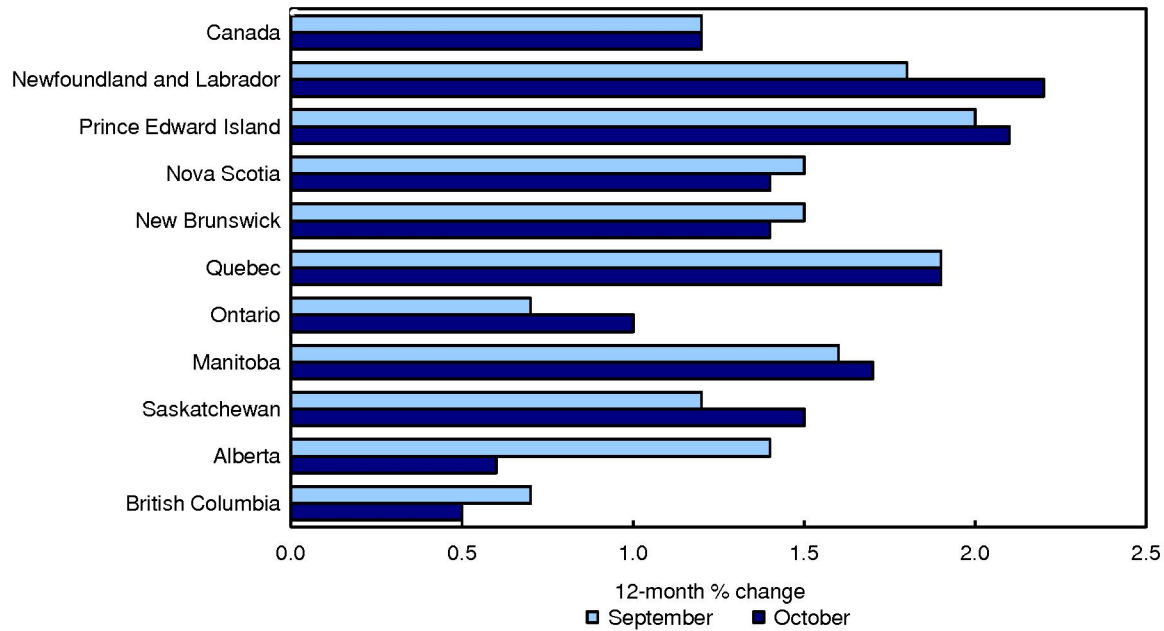
Prices for transportation rose 1.7% on a year-over-year basis in October, after rising 1.6% in September. The increase in the transportation component in October was led by price gains for gasoline. Consumers also paid more for air transportation.

Shelter costs increased 0.9% in the 12 months to October, after rising 1.2% in September. Consumers paid 2.8% more in property taxes. Homeowner's replacement cost and rent also increased. Conversely, mortgage interest cost decreased 2.6%, continuing a pattern of year-over-year declines observed since 2009.

12-month change in the provinces

The largest year-over-year increase in consumer prices in October occurred in Newfoundland and Labrador, while the smallest occurred in British Columbia.

Chart 4
Prices grow the fastest in Newfoundland and Labrador and the slowest in British Columbia



Prices in Newfoundland and Labrador rose 2.2% in the 12 months to October, a full percentage point above the national average of 1.2%. This difference was mainly attributable to larger year-over-year price increases in Newfoundland and Labrador for food purchased from stores and electricity. Additionally, since natural gas is not widely consumed in the province, the downward contribution of natural gas recorded for Canada in October is not a factor in the province's All-items CPI.

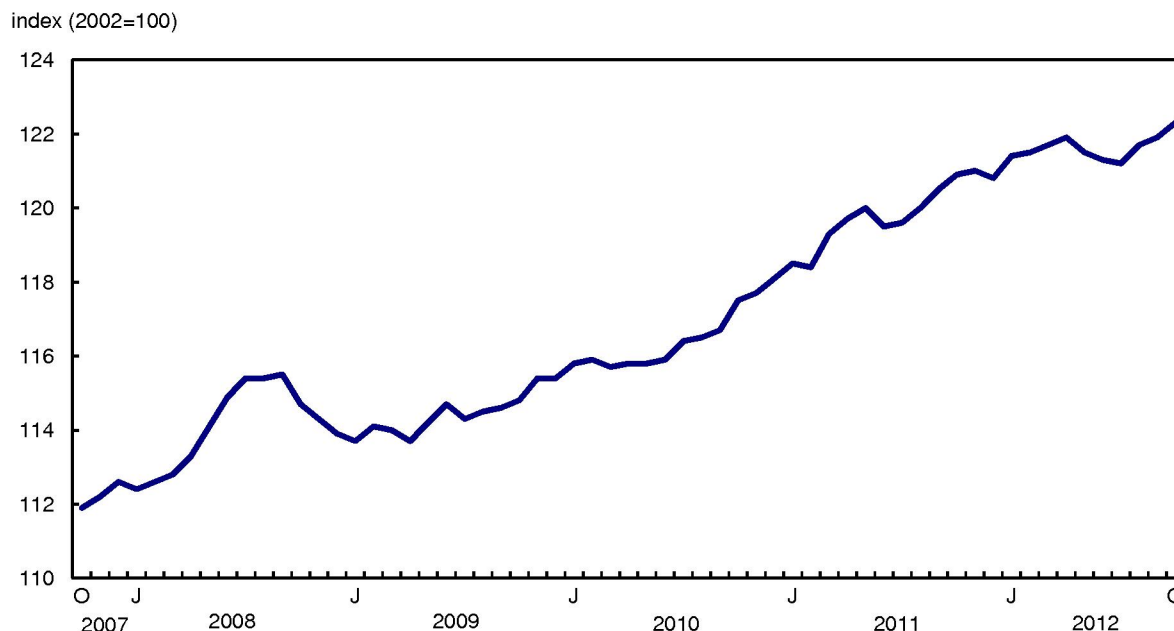
Consumer prices in British Columbia increased 0.5% in the 12 months to October, after rising 0.7% in September. In addition to recording the smallest year-over-year price increase for gasoline, British Columbia posted a decline in homeowner's replacement cost.

In Alberta, consumer prices rose 0.6% on a year-over-year basis in October, after advancing 1.4% in September. This slower increase in the Alberta CPI in October compared with September was the result of price decreases for electricity.

Seasonally adjusted monthly CPI increases

On a [seasonally adjusted](#) monthly basis, the CPI increased 0.3% in October, after rising 0.2% in September.

Chart 5
Seasonally adjusted Consumer Price Index increases



The seasonally adjusted index for transportation advanced 0.9%, matching the increase in September. The food index rose 0.5% in October, after declining 0.2% the previous month. The index for recreation, education and reading was the only major component to record a decrease, while the clothing and footwear index posted no change.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.3% in the 12 months to October, matching the increase in September.

On a monthly basis, the seasonally adjusted core index increased 0.1% in October, after posting no change in September.

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	October 2011	September 2012	October 2012	September to October 2012	October 2011 to October 2012
	%	(2002=100)		% change		
All-items Consumer Price Index (CPI)	100.00²	120.8	122.0	122.2	0.2	1.2
Food	15.99	128.0	130.3	130.5	0.2	2.0
Shelter	27.49	126.5	127.2	127.6	0.3	0.9
Household operations, furnishings and equipment	11.55	111.9	113.2	113.5	0.3	1.4
Clothing and footwear	5.31	96.1	93.3	94.7	1.5	-1.5
Transportation	20.60	126.5	128.3	128.6	0.2	1.7
Health and personal care	4.95	117.4	118.5	118.5	0.0	0.9
Recreation, education and reading	11.20	106.0	107.7	106.6	-1.0	0.6
Alcoholic beverages and tobacco products	2.91	135.8	137.7	137.8	0.1	1.5
Special aggregates						
Core CPI ³	82.15	118.7	119.9	120.2	0.3	1.3
All-items CPI excluding energy	89.92	117.9	118.9	119.2	0.3	1.1
Energy ⁴	10.08	156.9	160.6	159.5	-0.7	1.7
Gasoline	5.80	179.4	188.8	186.6	-1.2	4.0
All-items CPI excluding food and energy	73.93	115.6	116.4	116.7	0.3	1.0
Goods	47.80	113.9	114.2	114.5	0.3	0.5
Services	52.20	127.7	129.8	129.8	0.0	1.6

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/indicators/key-variables/inflation-control-target/).

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	October 2011	September 2012	October 2012	September to October 2012	October 2011 to October 2012
	%	(2002=100)		% change		
Canada	100.00²	120.8	122.0	122.2	0.2	1.2
Newfoundland and Labrador	1.29	122.1	124.5	124.8	0.2	2.2
Prince Edward Island	0.35	123.9	126.2	126.5	0.2	2.1
Nova Scotia	2.56	123.9	125.7	125.6	-0.1	1.4
New Brunswick	2.06	120.8	122.7	122.5	-0.2	1.4
Quebec	21.21	119.0	120.9	121.3	0.3	1.9
Ontario	39.85	121.0	122.0	122.2	0.2	1.0
Manitoba	3.16	119.3	121.0	121.3	0.2	1.7
Saskatchewan	2.90	123.0	124.5	124.8	0.2	1.5
Alberta	11.97	127.2	127.8	128.0	0.2	0.6
British Columbia	14.47	117.4	118.1	118.0	-0.1	0.5
Whitehorse	0.08	119.1	121.4	121.6	0.2	2.1
Yellowknife	0.07	122.6	123.9	124.4	0.4	1.5
Iqaluit (Dec. 2002=100)	0.02	114.3	115.9	115.2	-0.6	0.8

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

	August 2012	September 2012	October 2012	August to September 2012	September to October 2012
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	121.7	121.9	122.3	0.2	0.3
Food	131.4	131.1	131.7	-0.2	0.5
Shelter	127.4	127.2	127.6	-0.2	0.3
Household operations, furnishings and equipment	112.9	113.1	113.4	0.2	0.3
Clothing and footwear	91.1	91.1	91.1	0.0	0.0
Transportation	127.3	128.5	129.7	0.9	0.9
Health and personal care	119.3	118.4	118.7	-0.8	0.3
Recreation, education and reading	106.4	106.1	105.8	-0.3	-0.3
Alcoholic beverages and tobacco products	137.9	137.7	137.8	-0.1	0.1
Special aggregates					
Core CPI ²	119.8	119.8	119.9	0.0	0.1
All-items CPI excluding food and energy ³	116.2	116.2	116.3	0.0	0.1

1. A seasonally adjusted series is one from which seasonal movements have been eliminated. 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. Users employing Consumer Price Index (CPI) data for indexation purposes are advised to use the unadjusted indexes. For more information on the availability and uses of seasonally adjusted CPI data, see the Definitions, data sources and methods section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/2301-eng.htm).

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/indicators/key-variables/inflation-control-target/).

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 October 2012 issue of *The Consumer Price Index*, Vol. 91, no. 10 (62-001-X, free), is now available from the *Key resource* module of our website under *Publications*.

With this issue, data on inter-city indexes of price differentials of consumer goods and services, appearing in [Table 15](#) of the publication and in CANSIM table [326-0015](#), have been updated to October 2011.

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 November will be released on December 21.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).