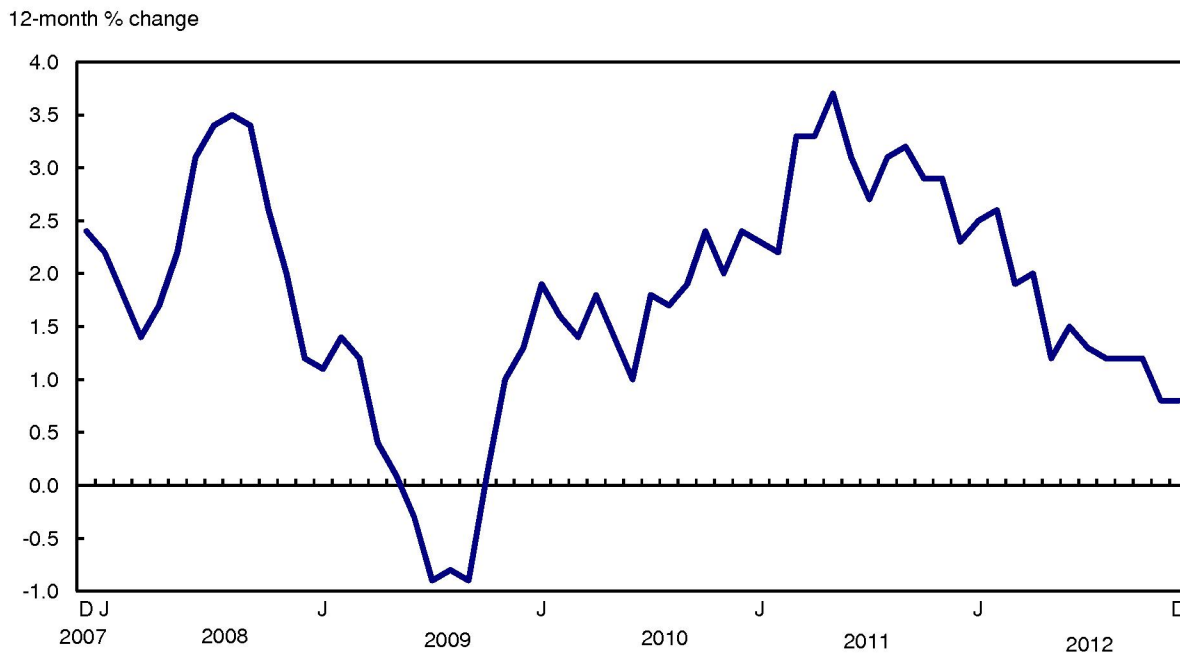


Consumer Price Index, December 2012

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, January 25, 2013

The Consumer Price Index (CPI) rose 0.8% in the 12 months to December, matching the increase in November.

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

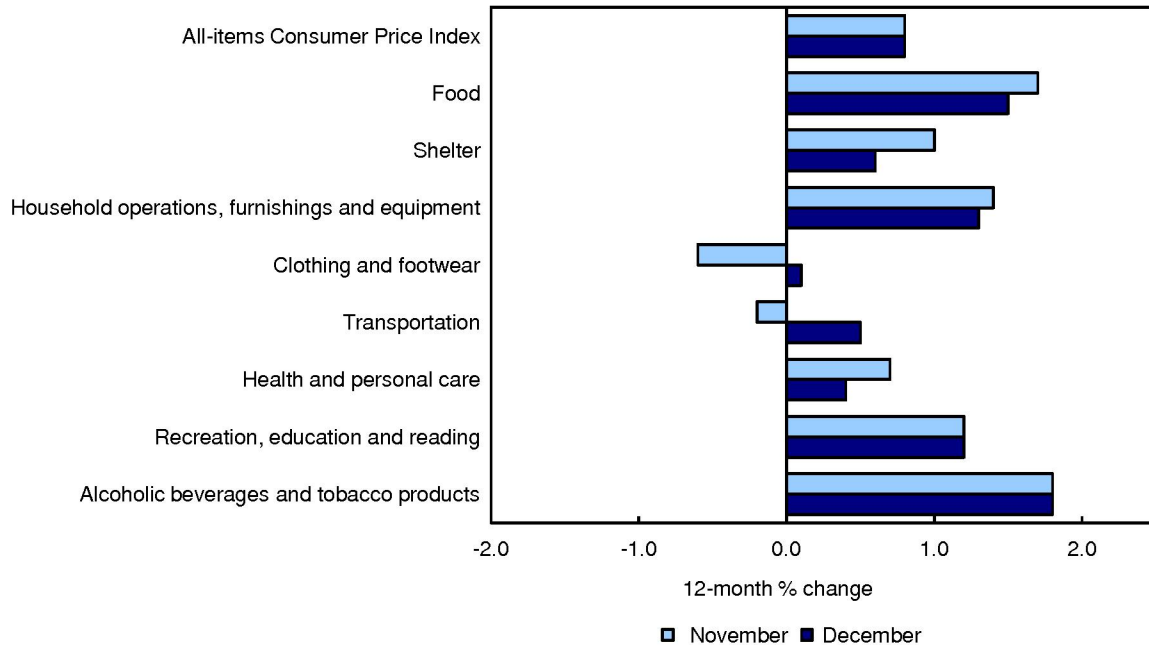


12-month change in the major components

Consumer prices rose in all major components in the 12 months to December.



Chart 2
Prices rise for all major components



Food prices rose 1.5% on a year-over-year basis in December following a 1.7% increase in November. Consumers paid 2.2% more for food purchased from restaurants and 4.4% more for meat. In contrast, prices declined 5.8% for fresh vegetables.

Prices for household operations, furnishings and equipment increased 1.3% year over year in December, as consumers paid 4.2% more for financial services.

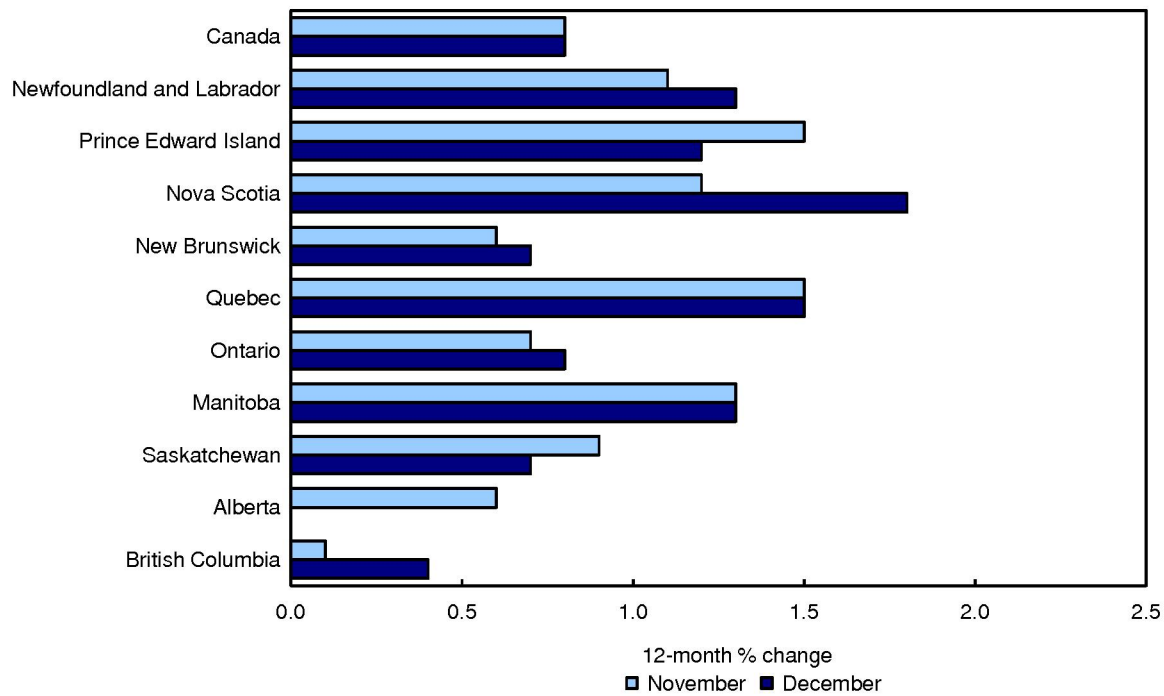
Shelter costs increased 0.6% in the 12 months to December after rising 1.0% in November. Rent and homeowners' replacement cost increased on a year-over-year basis. Conversely, mortgage interest cost and natural gas prices declined.

Prices for transportation increased 0.5% in the 12 months to December, after decreasing 0.2% in November. Gasoline prices rose 1.0% on a year-over-year basis in December compared with a 0.4% increase in November. Prices for the purchase of passenger vehicles fell 0.6% in the 12 months to December after decreasing 1.8% in November.

12-month change in the provinces

Consumer prices rose in all provinces in the 12 months to December, except Alberta which posted no change in its All-items CPI. The largest increase occurred in Nova Scotia.

Chart 3
Prices grow at the fastest rate in Nova Scotia while Alberta posts no price change



Consumer prices in Nova Scotia increased 1.8% on a year-over-year basis in December, after rising 1.2% in November. Nova Scotia posted the largest year-over-year price increase among the provinces for electricity, homeowners' home and mortgage insurance and clothing.

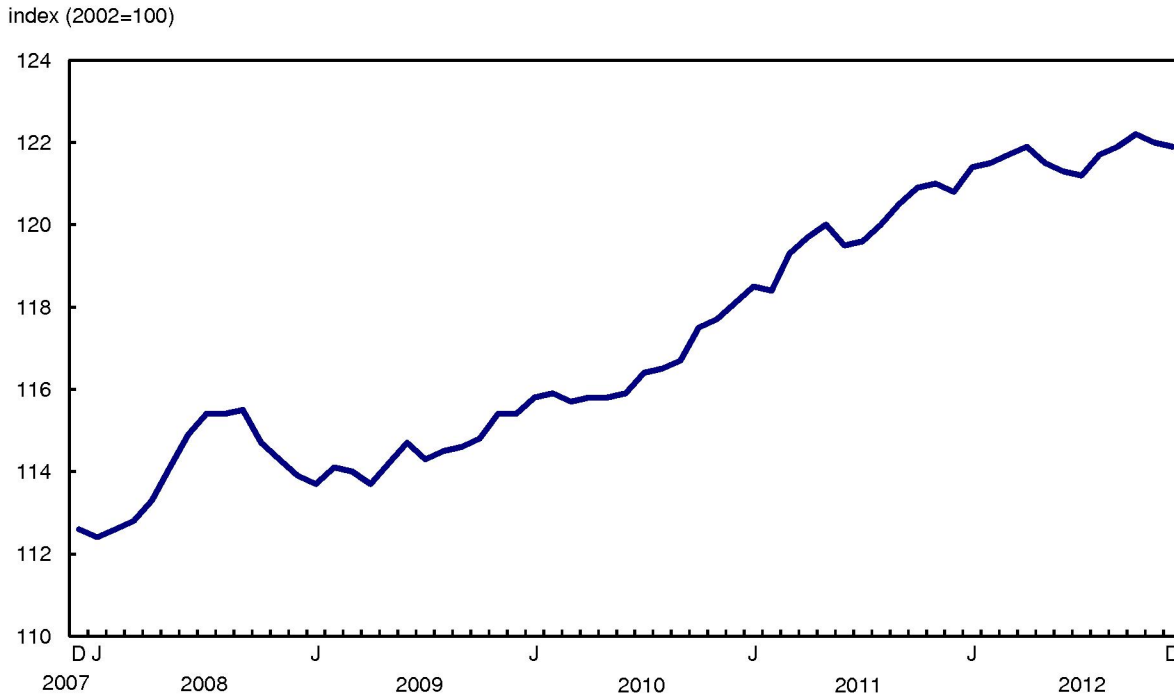
The All-items CPI in Alberta posted no change in the 12 months to December following a 0.6% increase the previous month. Alberta was the only province to post a year-over-year price decrease for electricity.

Prices in British Columbia rose 0.4% year over year in December, compared with a 0.1% increase in November. Smaller year-over-year price decreases for gasoline were observed in December compared with November.

Seasonally adjusted monthly CPI decreases

On a [seasonally adjusted](#) monthly basis, the CPI decreased 0.1% in December after declining 0.2% in November.

Chart 4
Seasonally adjusted monthly Consumer Price Index decreases



In December, five of the eight major components posted no price change while the indexes for clothing and footwear, and health and personal care edged up. The seasonally adjusted index for transportation declined 0.3% in December following a 1.2% decrease in November.

Bank of Canada's core index

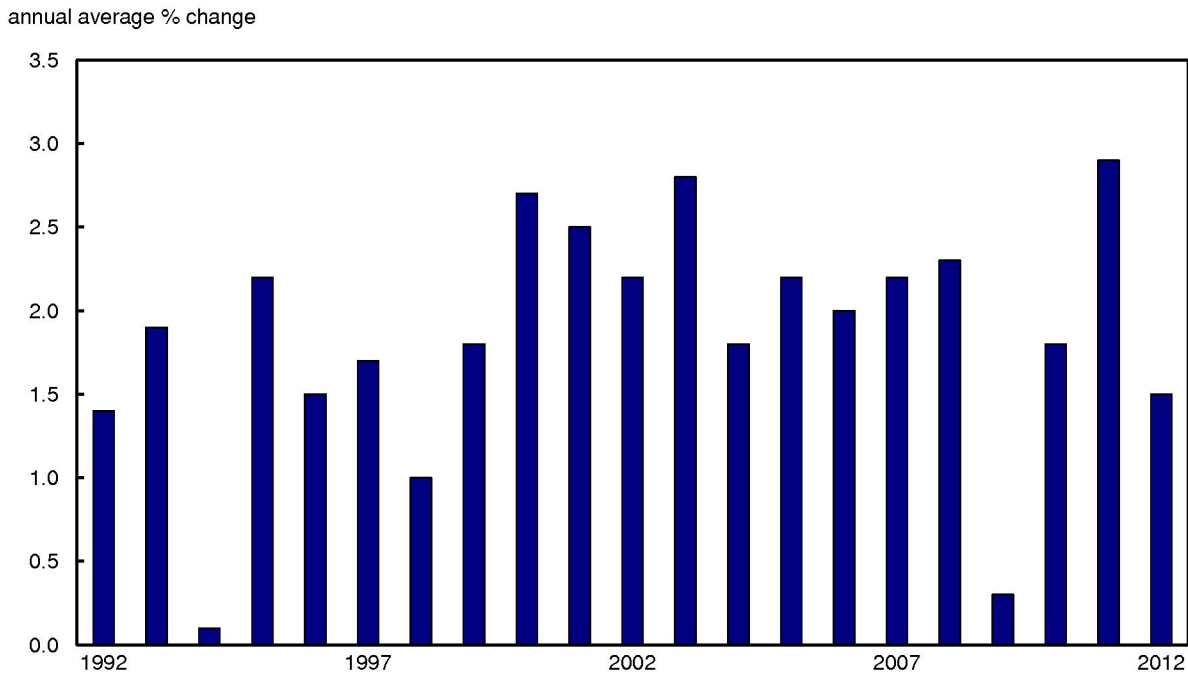
The [Bank of Canada's core index](#) rose 1.1% in the 12 months to December, following a 1.2% advance in November.

On a monthly basis, the seasonally adjusted core index increased 0.1% in December after registering no change in November.

Annual review of the 2012 Consumer Price Index

In 2012, the annual average increase in consumer prices was 1.5%. This followed a 2.9% rise in 2011 and a 1.8% rise in 2010. The 2012 increase in the CPI was the lowest since 2009, when prices increased 0.3%. The average of the annual increases in the CPI since 1992 is 1.8%.

Chart 5
Annual average change in the All-items Consumer Price Index



The slower increase in the CPI in 2012 compared with 2011 was largely attributable to smaller price increases for gasoline and food. Gasoline prices increased 2.5% in 2012 following gains of 20.0% in 2011 and 9.1% in 2010. Food prices rose 2.4% on average in 2012 after increasing 3.7% in 2011.

Note to readers

On March 27, 2013, with the release of the February Consumer Price Index (CPI), the basket of goods and services used in the calculation of the CPI will be updated. For more information, refer to [Consumer Price Index: Basket update and Enhancement Initiative](#).

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	December 2011	November 2012	December 2012	November to December 2012	December 2011 to December 2012
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	120.2	121.9	121.2	-0.6	0.8
Food	15.99	129.3	131.4	131.2	-0.2	1.5
Shelter	27.49	126.8	127.5	127.5	0.0	0.6
Household operations, furnishings and equipment	11.55	111.8	113.7	113.2	-0.4	1.3
Clothing and footwear	5.31	89.1	92.5	89.2	-3.6	0.1
Transportation	20.60	125.2	127.3	125.8	-1.2	0.5
Health and personal care	4.95	118.1	118.7	118.6	-0.1	0.4
Recreation, education and reading	11.20	104.1	106.1	105.3	-0.8	1.2
Alcoholic beverages and tobacco products	2.91	135.8	138.3	138.3	0.0	1.8
Special aggregates						
Core CPI ³	82.15	118.2	120.2	119.5	-0.6	1.1
All-items CPI excluding energy	89.92	117.5	119.3	118.7	-0.5	1.0
Energy ⁴	10.08	152.7	153.8	151.9	-1.2	-0.5
Gasoline	5.80	170.0	175.9	171.7	-2.4	1.0
All-items CPI excluding food and energy	73.93	115.0	116.7	116.0	-0.6	0.9
Goods	47.80	112.6	113.8	112.6	-1.1	0.0
Services	52.20	127.7	129.9	129.7	-0.2	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	December 2011	November 2012	December 2012	November to December 2012	December 2011 to December 2012
	%	(2002=100)			% change	
Canada	100.00²	120.2	121.9	121.2	-0.6	0.8
Newfoundland and Labrador	1.29	121.9	124.3	123.5	-0.6	1.3
Prince Edward Island	0.35	123.4	125.9	124.9	-0.8	1.2
Nova Scotia	2.56	122.7	125.5	124.9	-0.5	1.8
New Brunswick	2.06	120.4	122.0	121.2	-0.7	0.7
Quebec	21.21	118.7	121.1	120.5	-0.5	1.5
Ontario	39.85	120.3	121.9	121.3	-0.5	0.8
Manitoba	3.16	118.6	121.1	120.2	-0.7	1.3
Saskatchewan	2.90	122.4	124.5	123.3	-1.0	0.7
Alberta	11.97	126.5	127.3	126.5	-0.6	0.0
British Columbia	14.47	116.5	117.6	117.0	-0.5	0.4
Whitehorse	0.08	118.8	121.6	121.1	-0.4	1.9
Yellowknife	0.07	123.4	124.9	124.8	-0.1	1.1
Iqaluit (Dec. 2002=100)	0.02	114.2	115.3	115.1	-0.2	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

	October 2012	November 2012	December 2012	October to November 2012	November to December 2012
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	122.2	122.0	121.9	-0.2	-0.1
Food	131.6	131.6	131.6	0.0	0.0
Shelter	127.6	127.5	127.5	-0.1	0.0
Household operations, furnishings and equipment	113.4	113.6	113.6	0.2	0.0
Clothing and footwear	91.1	91.5	91.8	0.4	0.3
Transportation	129.5	128.0	127.6	-1.2	-0.3
Health and personal care	118.7	118.7	118.9	0.0	0.2
Recreation, education and reading	105.8	106.3	106.3	0.5	0.0
Alcoholic beverages and tobacco products	137.8	138.3	138.3	0.4	0.0
Special aggregates					
Core CPI ²	119.9	119.9	120.0	0.0	0.1
All-items CPI excluding food and energy ³	116.3	116.3	116.4	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, please see the , 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 December 2012 issue of *The Consumer Price Index*, Vol. 91, no. 12 (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 January will be released on February 22.

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).