

Study: Global movements in consumer price indexes, 1961 to 2013

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Prior to the mid-1990s, consumer prices for durable goods such as cars and appliances rose, as did prices for semi-durable goods such as clothing. However, by 2000, prices for these goods had peaked and then started to decline.

At the same time, prices for non-durable goods, such as energy and food, which had been rising prior to the mid-1990s, maintained their upward momentum during the 2000s. It was the same case for services.

This pattern was not confined to Canada. The study highlights a similar trend in prices in a number of other Western economies.

Between January 1985 and December 1995, the all-items Consumer Price Index in Canada increased at an average annual rate of 3.4%.

During this period, consumer prices rose for all four major product groups. Increases ranged from an average of 2.8% a year for durable goods to an average of 4.1% a year for services.

By 2000, prices for some types of products had started to fall. Between 2000 and 2013, prices for durable goods fell at an average rate of 1.3% a year. Prices for semi-durable goods declined at an average rate of 0.5% a year.

On the other hand, prices for both non-durable goods and services kept rising. Prices for non-durable goods in particular increased at a faster rate between 2000 and 2013 than they had up to the mid-1990s.

Between 2000 and 2013, the all-items Consumer Price Index increased at an average rate of 2.1% a year. This occurred because price increases for non-durable goods and services were offsetting the impact of deflation on the prices of durable and semi-durable goods.

This general pattern—inflation in non-durables and services and deflation in durables and semi-durables—occurred in virtually every region of Canada between 2000 and 2013. The magnitude, however, varied from one province or territory to another.

The study found that this pattern also existed across North America and most of Europe. Even in countries with higher inflation rates, price increases for durable goods were noticeably weaker than those for non-durable goods.

The study "Global Price Movements in Consumer Price Indices", part of the *Economic Insights* series (11-626-X), is now available from the *Browse by key resource* module of our website under *Publications*.

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To enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588) or Ryan Macdonald (613-951-5687), Economic Analysis Division.