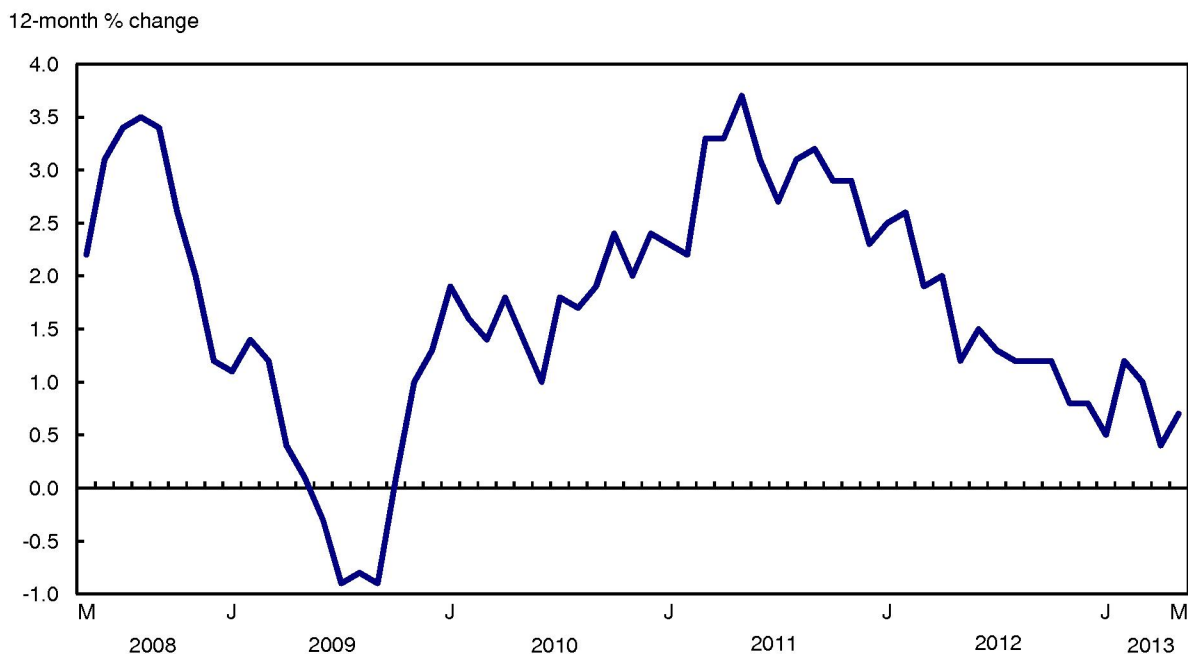


Consumer Price Index, May 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, June 21, 2013

The Consumer Price Index (CPI) rose 0.7% in the 12 months to May, following a 0.4% increase in April. The year-over-year rise in the May CPI was led by higher shelter costs, notably natural gas.

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



Natural gas prices advanced 15.4% in the 12 months to May, the largest increase since December 2008. The May increase was the third year-over-year gain in four months in the natural gas index. These increases came after 25 consecutive declines.

Natural gas prices rose on a year-over-year basis in May across the country, with Alberta posting the largest advance.



Chart 2
The 12-month change in the natural gas index

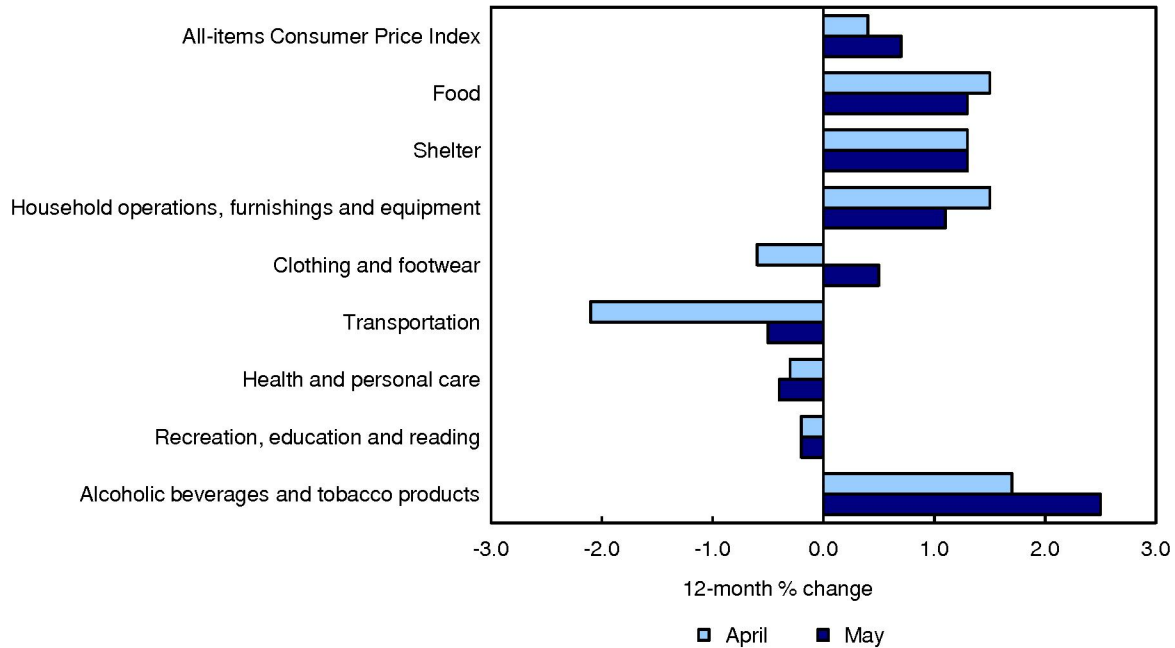
12-month % change



12-month change in the major components

For the second consecutive month, the shelter and food components were the main upward contributors to the rise in the CPI, while the transportation component was the main downward contributor.

Chart 3
Five of eight major components increase in May



Shelter costs rose 1.3% in the 12 months to May, matching the increase in April. In addition to natural gas, rent and property taxes rose on a year-over-year basis. In contrast, mortgage interest cost declined 4.1%.

Food prices rose 1.3% year over year in May, after increasing 1.5% in April. Compared with May 2012, consumers paid more for food purchased from stores, notably fresh vegetables (+5.8%) and bakery products (+3.9%). Prices for fresh fruit and meat also rose in the 12 months to May, although at a slower rate than in April.

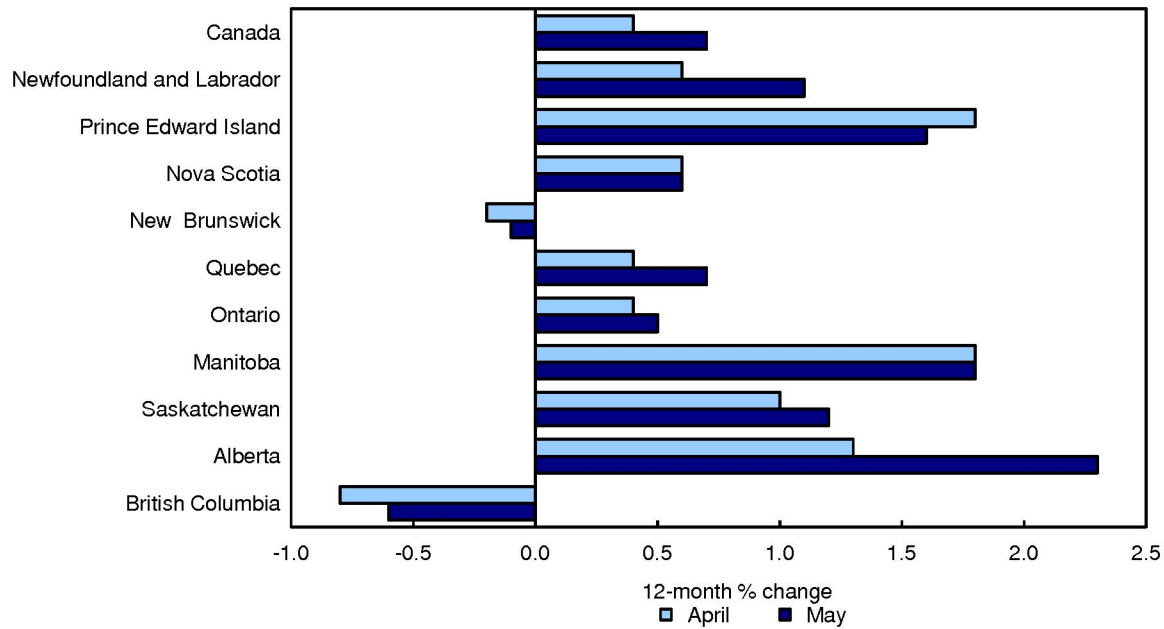
Transportation prices fell 0.5% in May compared with the same month a year earlier, following a 2.1% decrease in April. The smaller decline in the transportation index was led by gasoline prices, which fell less in the 12 months to May (-1.5%) compared with April (-6.0%). Prices for the purchase of passenger vehicles also decreased year over year in May.

Prices for alcoholic beverages and tobacco products advanced 2.5% on a year-over-year basis in May, led by higher prices for cigarettes in most provinces. Consumers also paid 2.1% more for alcoholic beverages purchased from stores, notably beer.

12-month change in the provinces

Consumer prices rose in eight provinces in the 12 months to May with the largest increase occurring in Alberta. The exceptions were New Brunswick and British Columbia, where prices declined on a year-over-year basis.

Chart 4
Prices increase the most in Alberta, and decrease in New Brunswick and British Columbia



Prices in Alberta rose 2.3% in the 12 months to May following a 1.3% increase in April. Compared with the same month a year ago, consumers paid 1.6% more for gasoline in May after paying 7.4% less in April. The year-over-year increase in natural gas prices was also a contributor to the rise in Alberta's CPI.

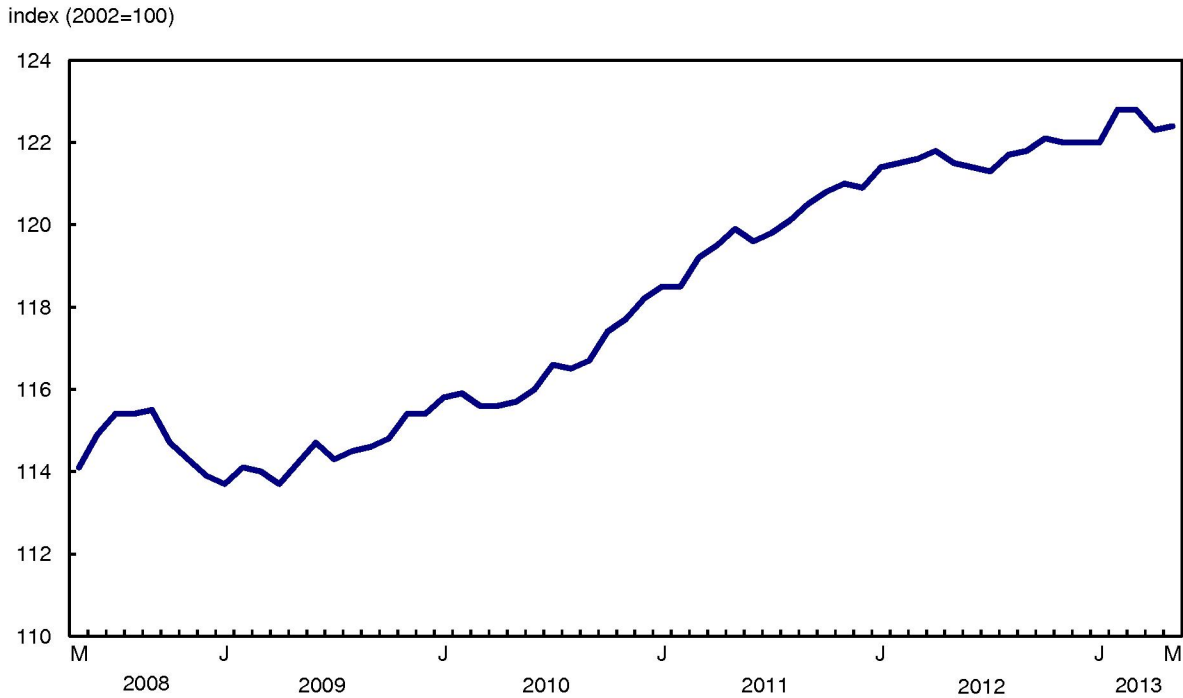
Prices in British Columbia fell 0.6% in the 12 months to May after declining 0.8% in April. British Columbia was the lone province to record a year-over-year price decline for food purchased from restaurants. Homeowners' replacement cost also decreased.

In New Brunswick, consumer prices decreased 0.1% in the 12 months to May following a 0.2% decline in April. Compared with the national average, the province posted larger year-over-year price decreases for gasoline (-5.4%) and for prescribed medicines (-15.2%).

Seasonally adjusted monthly Consumer Price Index increases

On a [seasonally adjusted](#) monthly basis, the CPI edged up 0.1% in May after declining 0.4% in April.

Chart 5
Seasonally adjusted monthly Consumer Price Index



The seasonally adjusted indexes for six of the eight major components posted increases in May. The largest rise occurred in the alcoholic beverages and tobacco products component (+0.7%). The food index rose 0.3% and the clothing and footwear index went up 0.2%. Conversely, the indexes for household operations, furnishings and equipment (-0.2%), and health and personal care (-0.1%) declined on a seasonally adjusted basis in May.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.1% in the 12 months to May, matching the increase in April.

On a monthly basis, the seasonally adjusted core index posted no change in both April and May.

Note to readers

A seasonally adjusted series is one from which seasonal movements have been eliminated. Users employing CPI data for indexation purposes are advised to use the unadjusted indexes. For more information on seasonal adjustment, see *Seasonal adjustment and identifying economic trends*.

The Bank of Canada's core index excludes eight of the CPI'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.

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

	Relative importance ¹	May 2012	April 2013	May 2013	April to May 2013	May 2012 to May 2013
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	122.1	122.7	123.0	0.2	0.7
Food	16.60	130.9	132.1	132.6	0.4	1.3
Shelter	26.26	126.7	128.2	128.3	0.1	1.3
Household operations, furnishings and equipment	12.66	112.8	114.3	114.0	-0.3	1.1
Clothing and footwear	5.82	93.4	94.7	93.9	-0.8	0.5
Transportation	19.98	129.9	128.6	129.2	0.5	-0.5
Health and personal care	4.93	118.8	118.6	118.3	-0.3	-0.4
Recreation, education and reading	10.96	106.7	105.2	106.5	1.2	-0.2
Alcoholic beverages and tobacco products	2.79	137.7	140.1	141.1	0.7	2.5
Special aggregates						
Core CPI ³	84.91	119.9	121.0	121.2	0.2	1.1
All-items CPI excluding energy	91.44	119.3	119.9	120.1	0.2	0.7
Energy ⁴	8.56	157.7	158.0	159.3	0.8	1.0
Gasoline	4.62	186.1	181.3	183.3	1.1	-1.5
All-items CPI excluding food and energy	74.85	116.7	117.2	117.3	0.1	0.5
Goods	48.18	114.7	114.9	115.0	0.1	0.3
Services	51.82	129.5	130.3	130.9	0.5	1.1

1. 2011 CPI basket weights at January 2013 prices, Canada, effective February 2013. 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	May 2012	April 2013	May 2013	April to May 2013	May 2012 to May 2013
	%	(2002=100)			% change	
Canada	100.00²	122.1	122.7	123.0	0.2	0.7
Newfoundland and Labrador	1.36	124.5	125.9	125.9	0.0	1.1
Prince Edward Island	0.36	125.9	128.6	127.9	-0.5	1.6
Nova Scotia	2.59	125.6	126.8	126.4	-0.3	0.6
New Brunswick	1.96	122.7	122.8	122.6	-0.2	-0.1
Quebec	22.04	121.1	121.8	121.9	0.1	0.7
Ontario	39.05	122.4	122.9	123.0	0.1	0.5
Manitoba	3.16	120.8	122.6	123.0	0.3	1.8
Saskatchewan	2.94	124.5	125.4	126.0	0.5	1.2
Alberta	12.32	126.6	128.7	129.5	0.6	2.3
British Columbia	14.05	118.6	117.2	117.9	0.6	-0.6
Whitehorse	0.08	121.5	121.6	122.6	0.8	0.9
Yellowknife	0.07	124.9	126.0	126.1	0.1	1.0
Iqaluit (Dec. 2002=100)	0.02	115.9	116.5	117.2	0.6	1.1

1. 2011 Consumer Price Index basket weights at January 2013 prices, effective February 2013. 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

	March 2013	April 2013	May 2013	March to April 2013	April to May 2013
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	122.8	122.3	122.4	-0.4	0.1
Food	132.4	131.8	132.2	-0.5	0.3
Shelter	128.0	128.2	128.3	0.2	0.1
Household operations, furnishings and equipment	114.4	114.2	114.0	-0.2	-0.2
Clothing and footwear	92.5	92.4	92.6	-0.1	0.2
Transportation	128.7	127.2	127.3	-1.2	0.1
Health and personal care	118.5	118.2	118.1	-0.3	-0.1
Recreation, education and reading	105.8	105.6	105.8	-0.2	0.2
Alcoholic beverages and tobacco products	139.8	140.1	141.1	0.2	0.7
Special aggregates					
Core CPI ²	120.8	120.8	120.8	0.0	0.0
All-items CPI excluding food and energy ³	117.0	117.0	117.0	0.0	0.0

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 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 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 May 2013 issue of *The Consumer Price Index*, Vol. 92, no. 5 (62-001-X), is now available from the *Browse by 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), from the *Browse by key resource* module of our website under *Publications*.

The Consumer Price Index for June will be released on July 19.

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).