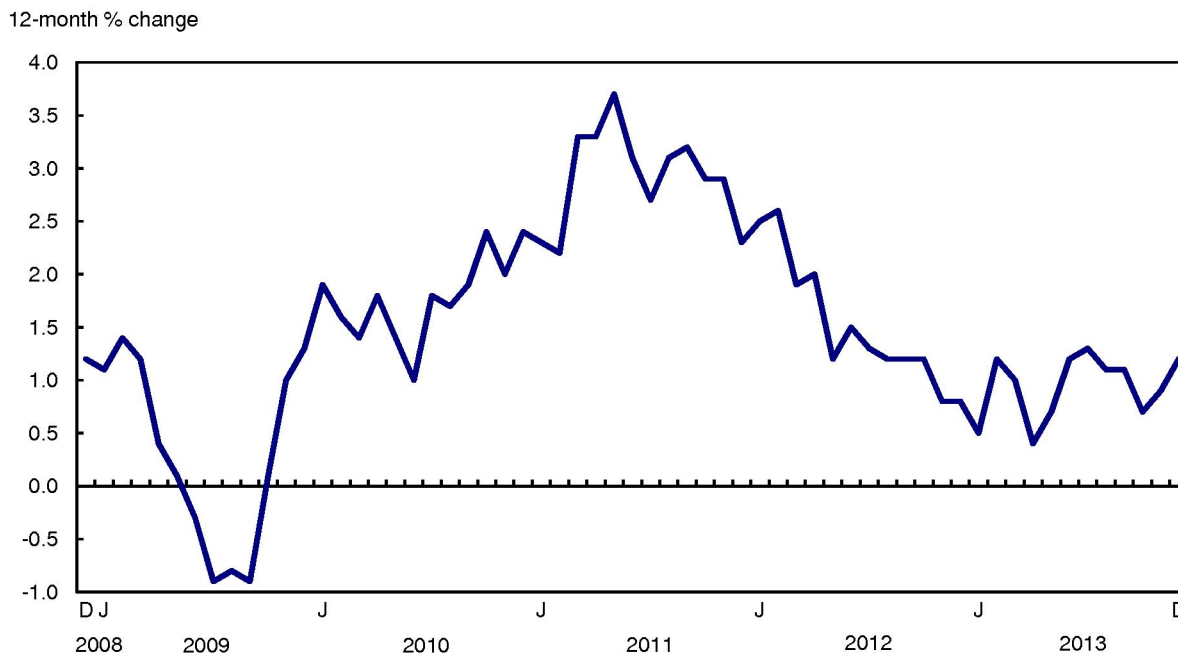


Consumer Price Index, December 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, January 24, 2014

The Consumer Price Index (CPI) rose 1.2% in the 12 months to December, following a 0.9% increase in November.

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

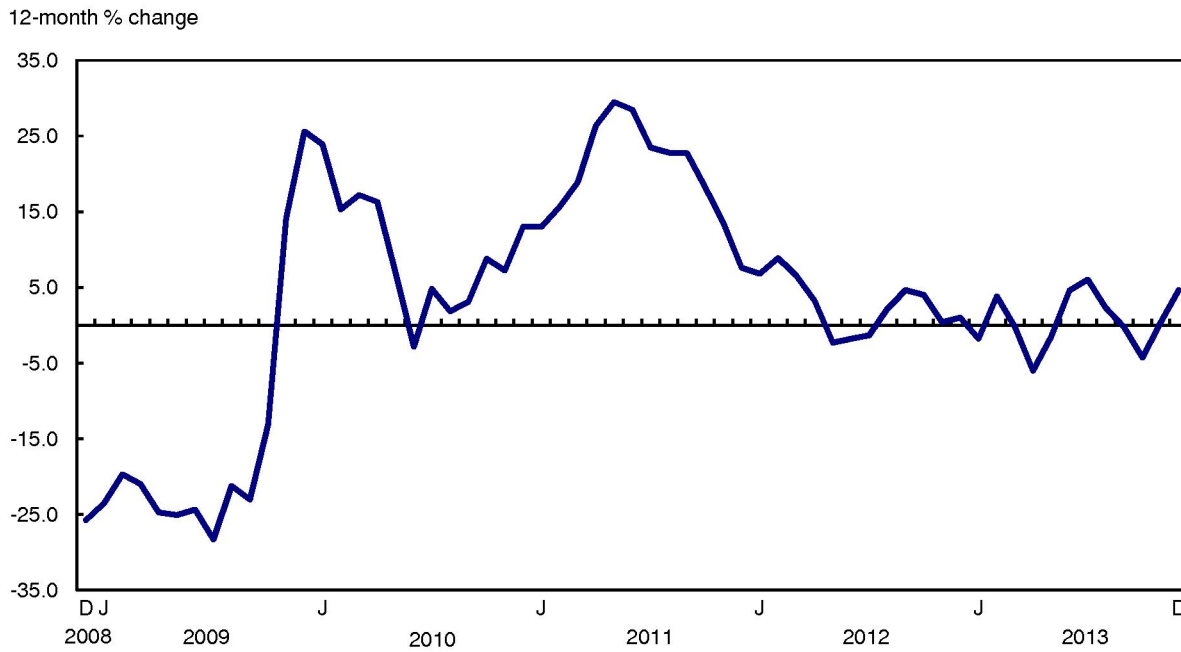


The faster year-over-year increase in the CPI was largely attributable to higher gasoline prices, which advanced 4.7% in the 12 months to December, following a 0.4% gain in November. Gasoline prices rose on a monthly basis this December, while they declined in the same month a year ago.

Excluding gasoline, consumer prices rose 1.1% on a year-over-year basis in December, after posting a 1.0% increase in November.



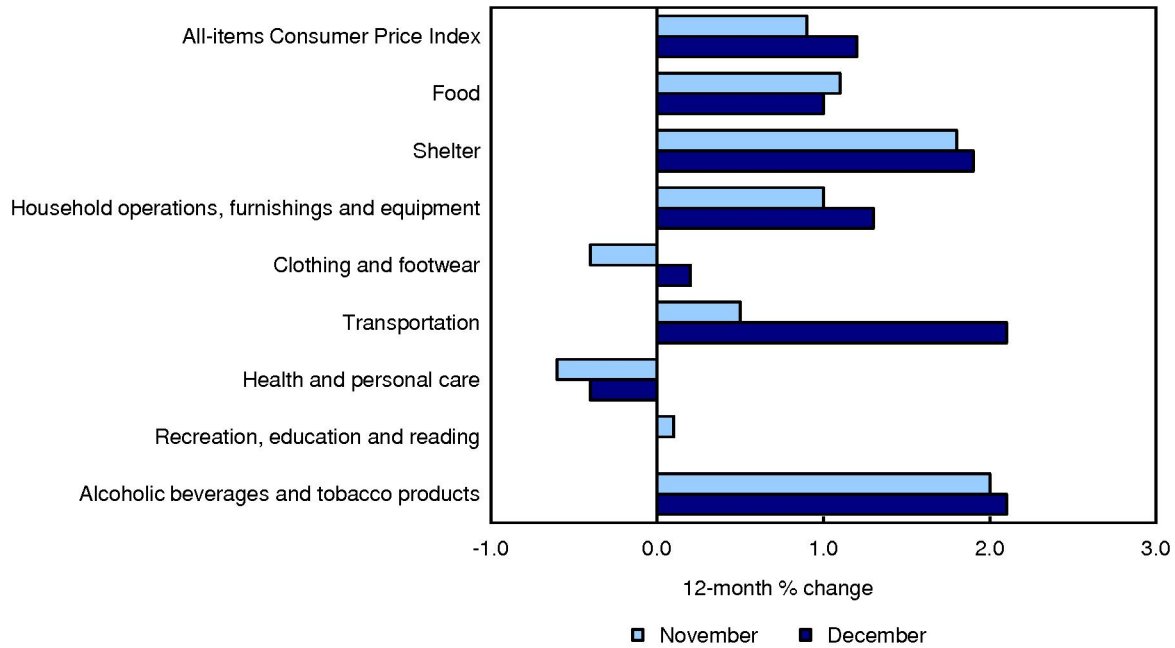
Chart 2
The 12-month change in the gasoline price index



12-month change in the major components

Among the eight major components, six recorded gains in the 12 months to December. The increase in the CPI was led by a rise in the transportation index, followed by higher shelter costs and food prices. The recreation, education and reading index posted no change on a year-over-year basis, while the health and personal care component declined.

Chart 3
Prices increase in six of eight major components



Transportation prices advanced 2.1% on a year-over-year basis in December, after rising 0.5% the previous month. In addition to gasoline, prices for the purchase of passenger vehicles rose more in the 12 months to December (+1.4%) than in the 12 months to November (+0.4%).

Shelter costs rose 1.9% in the 12 months to December, following a 1.8% gain in November. Consumers paid 4.1% more for electricity and 1.6% more in rent. Conversely, mortgage interest cost decreased 1.3% on a year-over-year basis in December, after falling 2.1% the previous month.

Food prices rose 1.0% in December compared with the same month a year earlier. Prices for food purchased from stores increased 0.8% in the 12 months to December, following a 1.1% gain the previous month. Prices for fresh vegetables, meat and bakery products all posted smaller year-over-year increases in December compared with November.

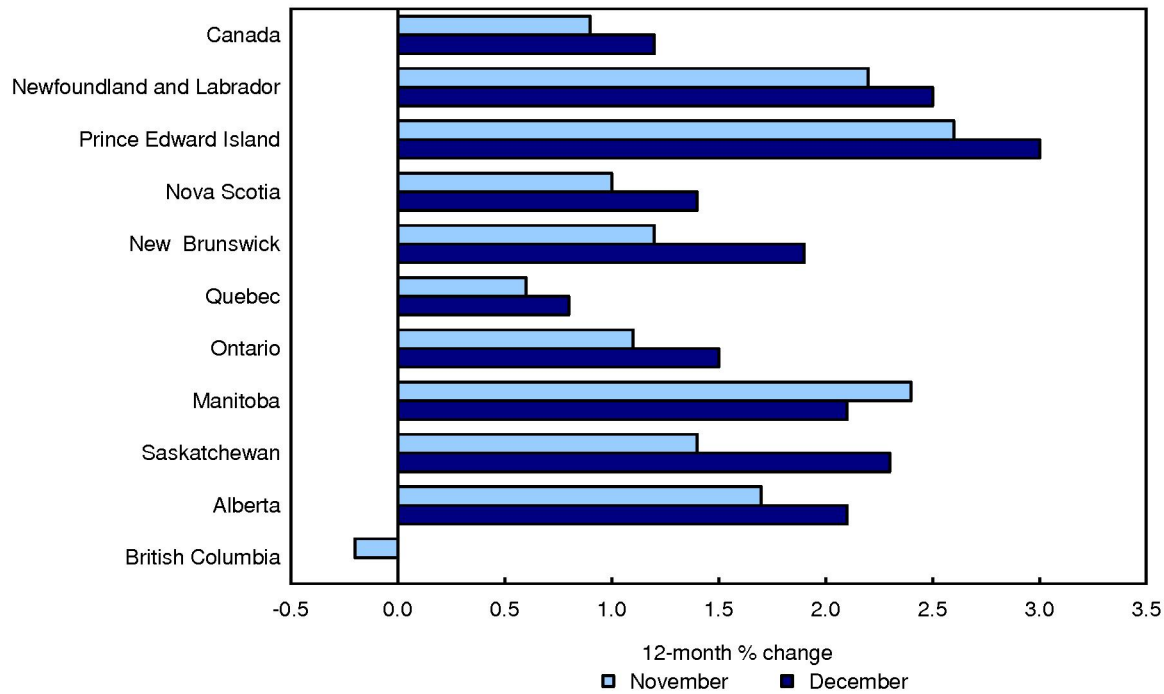
Prices for food purchased from restaurants increased 1.4% on a year-over-year basis in December, following a 1.2% gain in November.

The health and personal care component decreased 0.4% in the 12 months to December, as the indexes for prescribed medicines, and personal care supplies and equipment declined.

12-month change in the provinces

Consumer prices rose in nine provinces in the 12 months to December. British Columbia was the exception, recording no change on a year-over-year basis. The largest increase was in Prince Edward Island, while the smallest gain was in Quebec. Manitoba was the only province where consumer prices rose at a slower year-over-year rate in December than in November.

Chart 4
Consumer prices increase in nine provinces



In Prince Edward Island, consumer prices increased 3.0% in the 12 months to December, following a 2.6% rise in November. Of all the provinces, Prince Edward Island recorded the largest year-over-year increase in gasoline prices (+8.5%) and in homeowner's replacement cost (+9.5%).

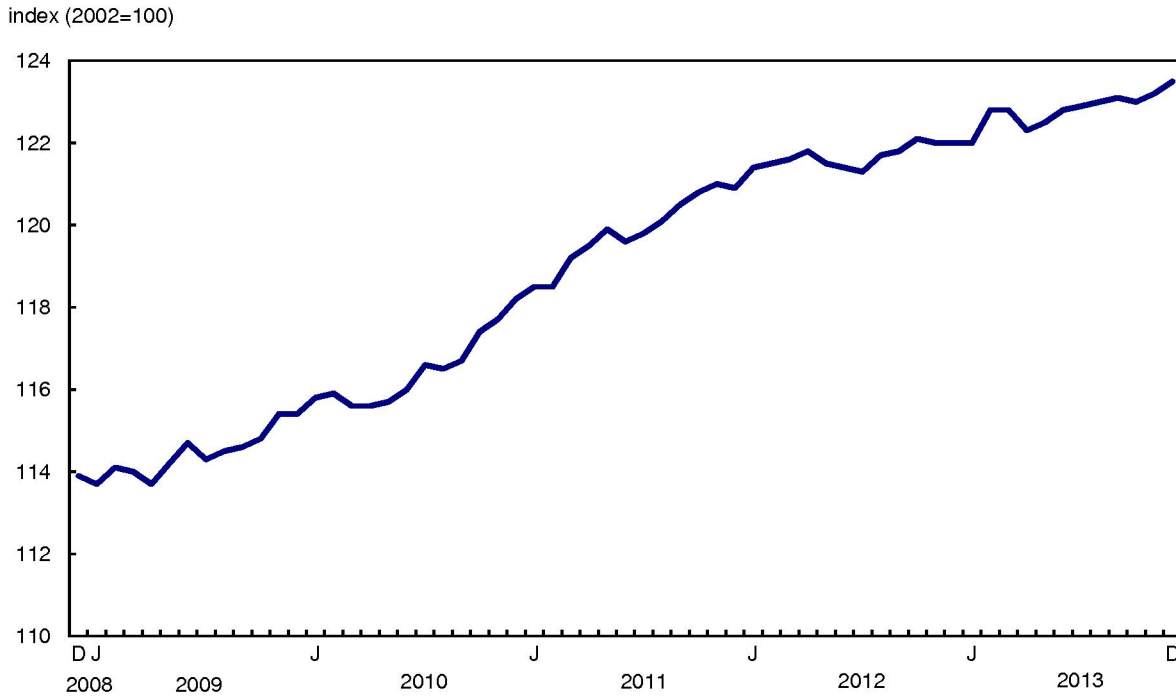
Quebec recorded a 0.8% increase in consumer prices on a year-over-year basis in December, following a 0.6% gain in November. Quebec was the only province where prices for food purchased from stores (-0.6%) declined in the 12 months to December. Additionally, Quebec recorded the smallest year-over-year price increase for the purchase of passenger vehicles (+0.3%) of all the provinces.

Consumer prices in Manitoba rose 2.1% in the 12 months to December, a smaller increase than in November (+2.4%). Of all the provinces, Manitoba posted the smallest year-over-year increase in gasoline prices (+0.2%).

Seasonally adjusted monthly Consumer Price Index increases

On a [seasonally adjusted](#) monthly basis, the CPI rose 0.2% in December, matching the increase in November.

Chart 5
Seasonally adjusted monthly Consumer Price Index



On a seasonally adjusted basis, six of the eight major components posted increases in December. The transportation index (+1.0%) recorded the largest gain.

The seasonally adjusted index for clothing and footwear rose 0.4% in December. However, before seasonal adjustment the index declined 2.9%. This indicates that the observed decline in the clothing and footwear index was largely seasonal.

The food index (-0.1%) was the only component to decline on a seasonally adjusted basis.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.3% in the 12 months to December, after increasing 1.1% in November.

On a monthly basis, the seasonally adjusted core index rose 0.2% after posting no change in November.

Note to readers

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.

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.

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

	Relative importance ¹	December 2012	November 2013	December 2013	November to December 2013	December 2012 to December 2013
	%	(2002=100)		% change		
All-items Consumer Price Index (CPI)	100.00²	121.2	123.0	122.7	-0.2	1.2
Food	16.60	131.2	132.8	132.5	-0.2	1.0
Shelter	26.26	127.5	129.8	129.9	0.1	1.9
Household operations, furnishings and equipment	12.66	113.2	114.8	114.7	-0.1	1.3
Clothing and footwear	5.82	89.2	92.1	89.4	-2.9	0.2
Transportation	19.98	125.8	128.0	128.5	0.4	2.1
Health and personal care	4.93	118.6	118.0	118.1	0.1	-0.4
Recreation, education and reading	10.96	105.3	106.2	105.3	-0.8	0.0
Alcoholic beverages and tobacco products	2.79	138.3	141.1	141.2	0.1	2.1
Special aggregates						
Core CPI ³	84.91	119.5	121.5	121.0	-0.4	1.3
All-items CPI excluding energy	91.44	118.7	120.3	119.9	-0.3	1.0
Energy ⁴	8.56	151.9	157.4	158.9	1.0	4.6
Gasoline	4.62	171.7	176.6	179.7	1.8	4.7
All-items CPI excluding food and energy	74.85	116.0	117.5	117.1	-0.3	0.9
Goods	48.18	112.6	114.3	113.8	-0.4	1.1
Services	51.82	129.7	131.8	131.7	-0.1	1.5

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 up to 100% as a result of rounding.

3. 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. For additional information on the core CPI, 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 2012	November 2013	December 2013	November to December 2013	December 2012 to December 2013
	%	(2002=100)		% change		
Canada	100.00²	121.2	123.0	122.7	-0.2	1.2
Newfoundland and Labrador	1.36	123.5	127.0	126.6	-0.3	2.5
Prince Edward Island	0.36	124.9	129.2	128.6	-0.5	3.0
Nova Scotia	2.59	124.9	126.7	126.7	0.0	1.4
New Brunswick	1.96	121.2	123.5	123.5	0.0	1.9
Quebec	22.04	120.5	121.8	121.5	-0.2	0.8
Ontario	39.05	121.3	123.3	123.1	-0.2	1.5
Manitoba	3.16	120.2	124.0	122.7	-1.0	2.1
Saskatchewan	2.94	123.3	126.3	126.1	-0.2	2.3
Alberta	12.32	126.5	129.5	129.1	-0.3	2.1
British Columbia	14.05	117.0	117.4	117.0	-0.3	0.0
Whitehorse	0.08	121.1	123.0	123.2	0.2	1.7
Yellowknife	0.07	124.8	126.6	126.6	0.0	1.4
Iqaluit (Dec. 2002=100)	0.02	115.1	116.1	116.2	0.1	1.0

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 up to 100% as a result of rounding.

Table 3
Consumer Price Index and major components – Seasonally adjusted¹

	October 2013	November 2013	December 2013	October to November 2013	November to December 2013
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	123.0	123.2	123.5	0.2	0.2
Food	132.8	133.0	132.9	0.2	-0.1
Shelter	129.2	129.8	129.9	0.5	0.1
Household operations, furnishings and equipment	114.6	114.7	115.0	0.1	0.3
Clothing and footwear	91.3	91.7	92.1	0.4	0.4
Transportation	129.5	128.8	130.1	-0.5	1.0
Health and personal care	118.1	118.1	118.2	0.0	0.1
Recreation, education and reading	106.2	106.3	106.3	0.1	0.0
Alcoholic beverages and tobacco products	141.0	141.1	141.2	0.1	0.1
Special aggregates					
Core CPI ²	121.3	121.3	121.5	0.0	0.2
All-items CPI excluding food and energy ³	117.4	117.3	117.6	-0.1	0.3

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 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 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. 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 December 2013 issue of *The Consumer Price Index*, Vol. 92, no. 12 (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 choose *Publications*.

The Consumer Price Index for January will be released on February 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; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).