

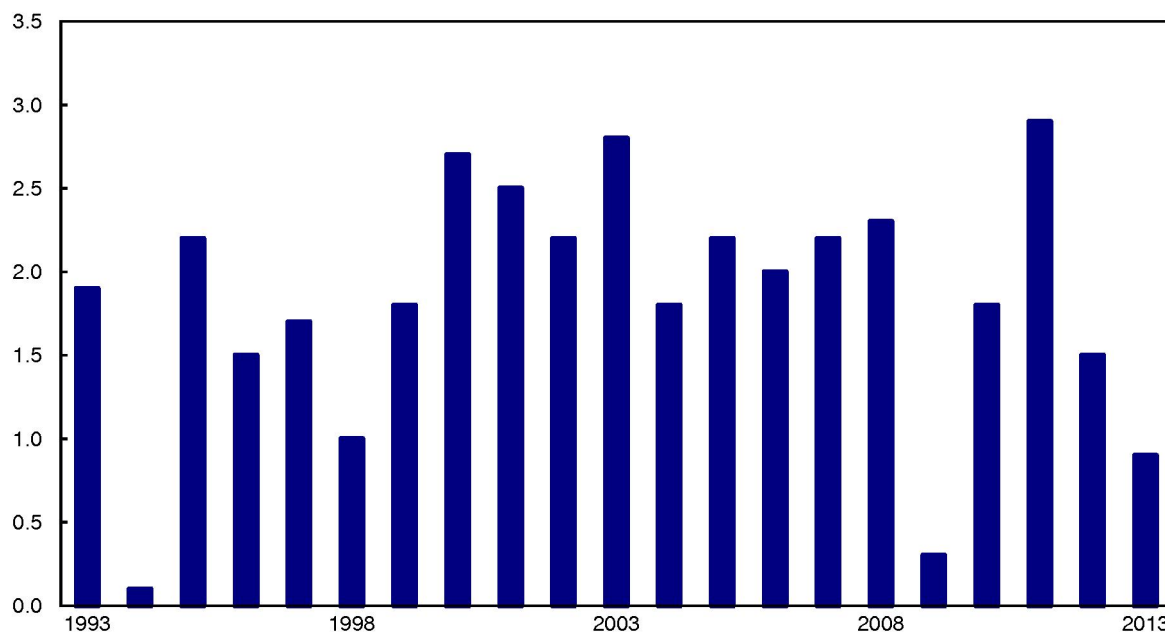
Consumer Price Index: Annual review, 2013

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

In 2013, the annual average increase in consumer prices was 0.9%. This advance followed gains of 1.5% in 2012 and 2.9% in 2011.

Chart 1
Annual average change in the All-items Consumer Price Index: 1993 to 2013

annual average % change



The deceleration in the Consumer Price Index (CPI) was led by smaller price increases for food and for transportation.

Food prices rose 1.2% in 2013, the smallest annual average gain since 1999. The 2013 advance followed an increase of 2.4% in 2012. This deceleration in the food index was led by meat prices, which increased 2.1% in 2013 after rising 5.3% in 2012. In contrast, prices for fresh vegetables and fresh fruit posted larger gains in 2013 compared with the previous year.

Prices for food purchased from restaurants increased 1.5% in 2013, the lowest annual average gain for this index since 1994.

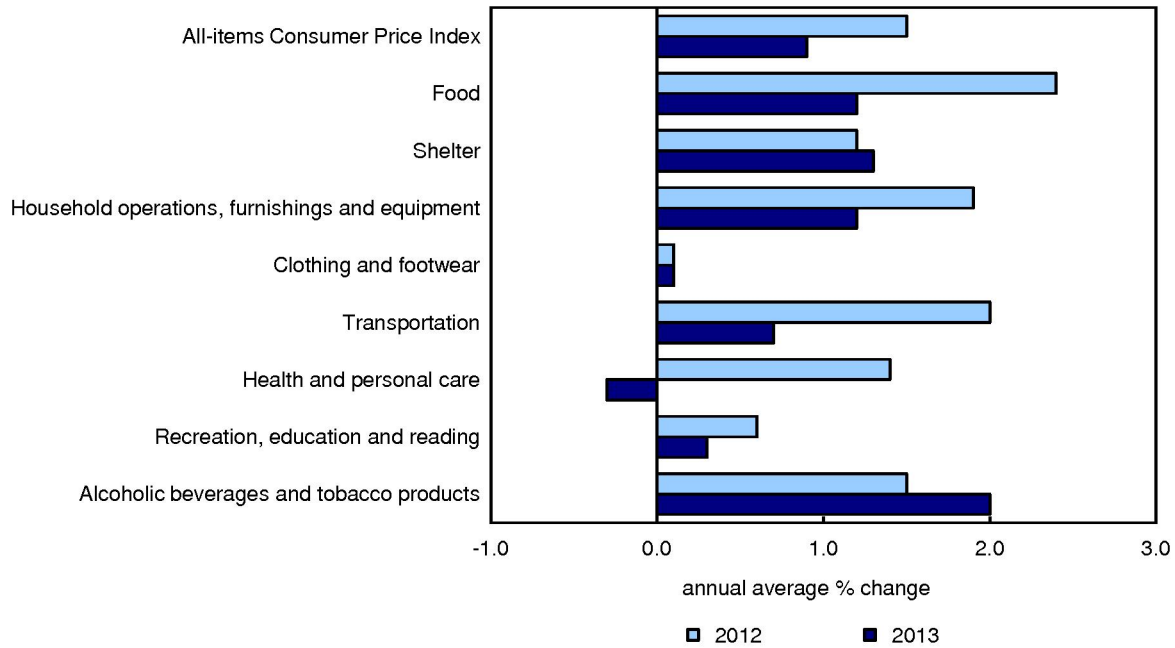
Transportation costs rose 0.7% in 2013, following a 2.0% gain in 2012. Gasoline prices rose 0.6% in 2013 after rising 2.5% in 2012. Prices for the purchase of passenger vehicles also recorded a smaller increase in 2013 (+0.9%) compared with 2012 (+1.4%).

Shelter costs are the major contributor to the rise in the Consumer Price Index

The increase in the CPI in 2013 was largely attributable to higher shelter costs. Health and personal care was the only component to post a decline.



Chart 2
Six major components decelerate

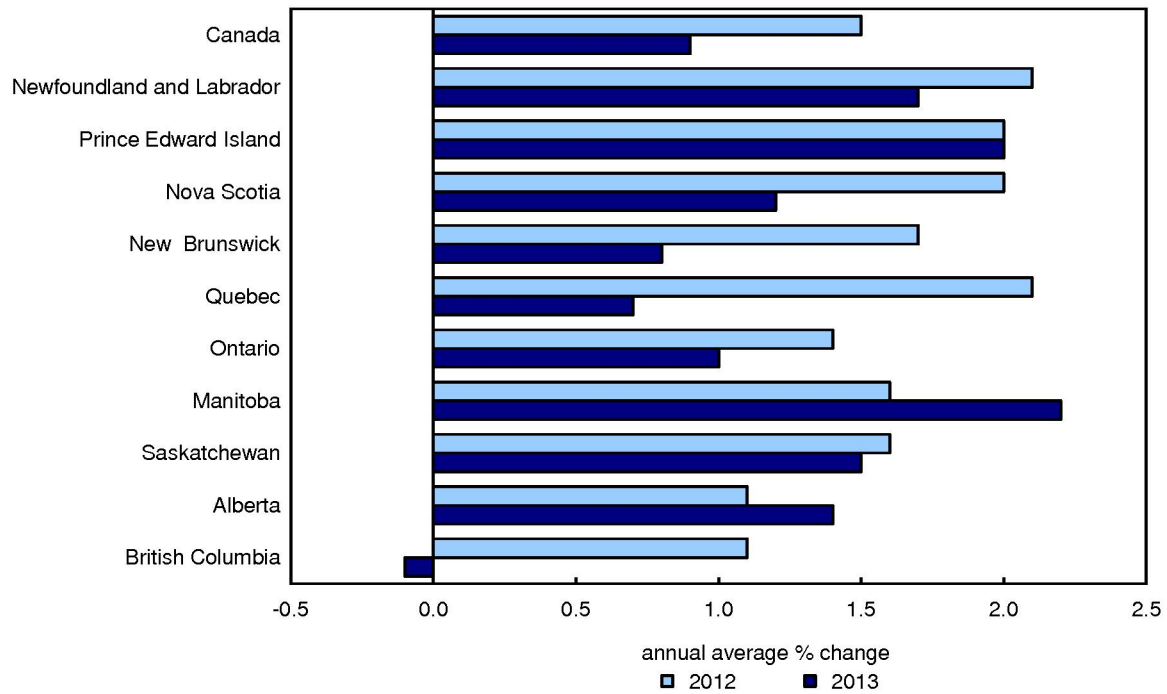


The annual average increase in the CPI was led by shelter costs, which rose 1.3% in 2013. Consumers paid more in property taxes (+2.8%), rent (+1.6%) and homeowners' replacement cost (+1.9%) in 2013. In contrast, mortgage interest cost declined 3.4%, marking the fourth consecutive annual average decrease in this index.

Prices increase in nine provinces

Consumer prices rose in nine provinces in 2013, the exception being British Columbia where prices declined 0.1%. The largest annual average gain in consumer prices was recorded in Manitoba (+2.2%) and the smallest in Quebec (+0.7%).

Chart 3
Prices increase in nine provinces



The Bank of Canada's core index

On an annual average basis, the [Bank of Canada's core index](#) increased 1.3% in 2013 following a 1.7% rise in 2012.

Note to readers

This release examines the annual average movement in the CPI in 2013 as a whole. Annual average indexes are obtained by calculating the average of the 12 monthly index values over the calendar year. Annual average percent change should not be confused with the 12-month percent change in the CPI that is published every month. Unlike annual average change, 12-month change compares the monthly index level with the level from the same month a year earlier.

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.

Available in CANSIM: table 326-0021.

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 under *Publications*.

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).