

Consumer Price Index, May 2014

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The Consumer Price Index (CPI) rose 2.3% in the 12 months to May, following a 2.0% increase in April.

Higher energy prices lead the rise in the Consumer Price Index

The year-over-year rise in the CPI in May was led by energy prices, which increased 8.4% in the 12 months to May, matching the rise in April.

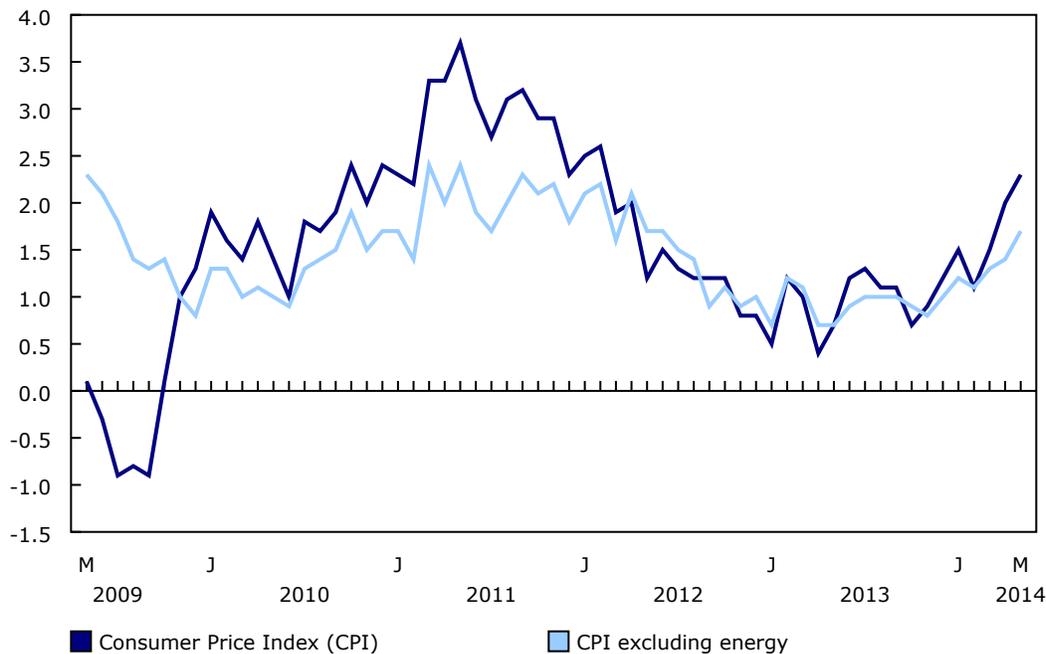
Prices for gasoline increased 6.3% in the 12 months to May, while natural gas prices advanced 21.3%. Electricity prices rose 7.0% year over year in May, following a 4.6% rise in April. The faster rise in the electricity index was led by a gain in Alberta. At the national level, consumers also paid 12.7% more for fuel oil in May.

Excluding energy, the CPI advanced 1.7% year over year in May, after rising 1.4% the previous month.

Chart 1

The 12-month change in the Consumer Price Index (CPI) and the CPI excluding energy

12-month % change

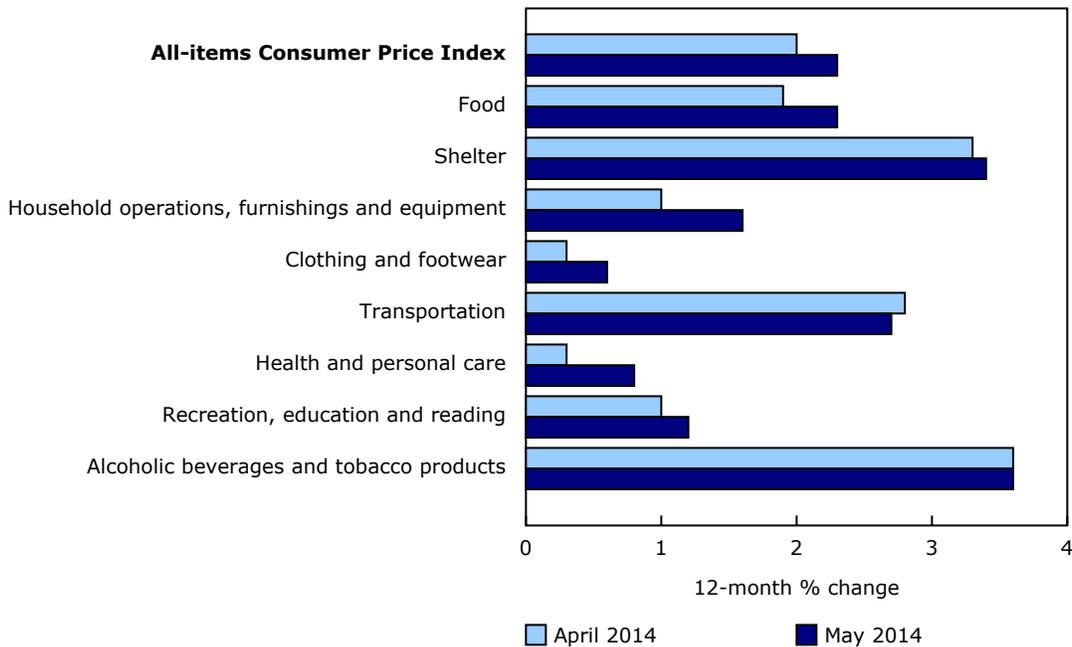


12-month change in the major components

Prices rose in all major components in the 12 months to May, with higher prices for shelter, transportation and food contributing the most to the increase in the CPI.



Chart 2
Prices increase in all major components



Shelter costs increased 3.4% in the 12 months to May. In addition to natural gas, electricity and fuel oil, consumers paid more in property taxes. The mortgage interest cost index rose 0.2% year over year in May. However, on a monthly basis, the mortgage interest cost index fell 0.1% in May, the first decrease since August 2013.

Transportation costs rose 2.7% year over year in May. In addition to higher prices for gasoline, prices for the purchase of passenger vehicles increased 2.0%, after rising 1.5% in April.

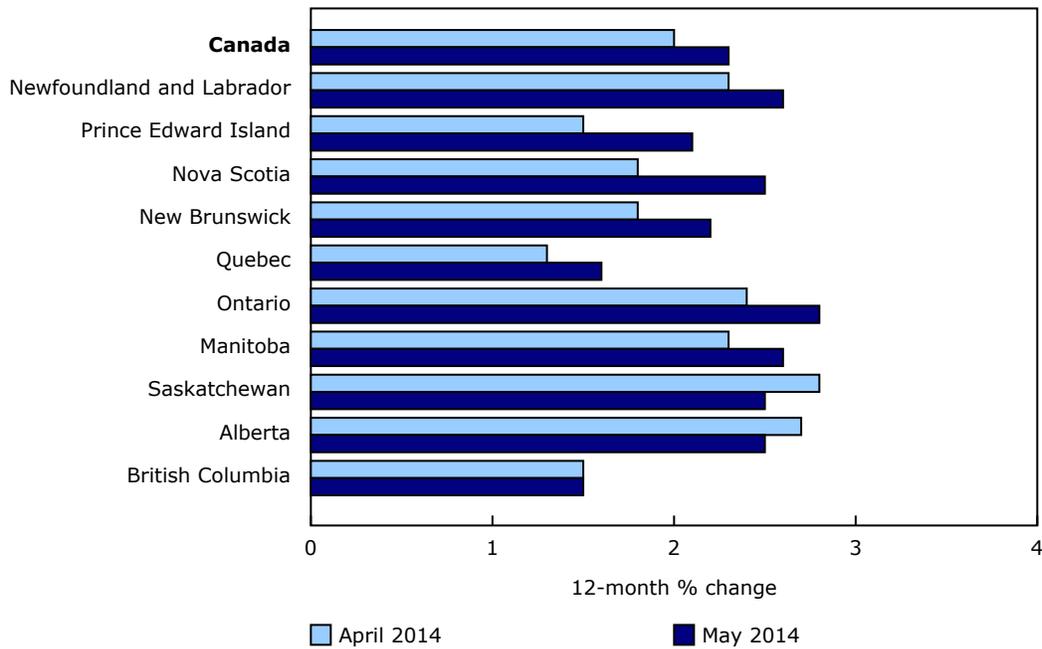
Food prices increased 2.3% in May compared with the same month a year earlier. This gain followed a 1.9% rise in April. Prices for food purchased from stores rose 2.5% year over year in May, after increasing 1.7% in April. Meat prices led the faster rise, advancing 8.0% on a year-over-year basis in May, following a 4.5% gain in April. Prices for both fresh vegetables and fresh fruit rose 8.5%. Consumers paid 2.1% more for food purchased from restaurants in the 12 months to May.

For more information on food price inflation, see the *Consumer prices at a glance* article in today's *Daily*.

12-month change in the provinces

Consumer prices rose in every province in the 12 months to May. Ontario posted the largest increase, while British Columbia recorded the smallest. Higher energy prices were observed in every province.

Chart 3
Consumer prices rise in all provinces



Consumer prices increased 2.8% in Ontario in the 12 months to May, following a 2.4% gain in April. Natural gas prices rose 39.4% and gasoline prices advanced 8.6% on a year-over-year basis in May. Consumers in Ontario paid 8.1% more for electricity and 9.1% more for meat.

Prices in Quebec rose 1.6% on a year-over-year basis in May. Compared with Canada as a whole, prices for natural gas and electricity rose at slower year-over-year rates in Quebec. In addition, clothing prices fell 2.8% in the province, while they rose at the national level.

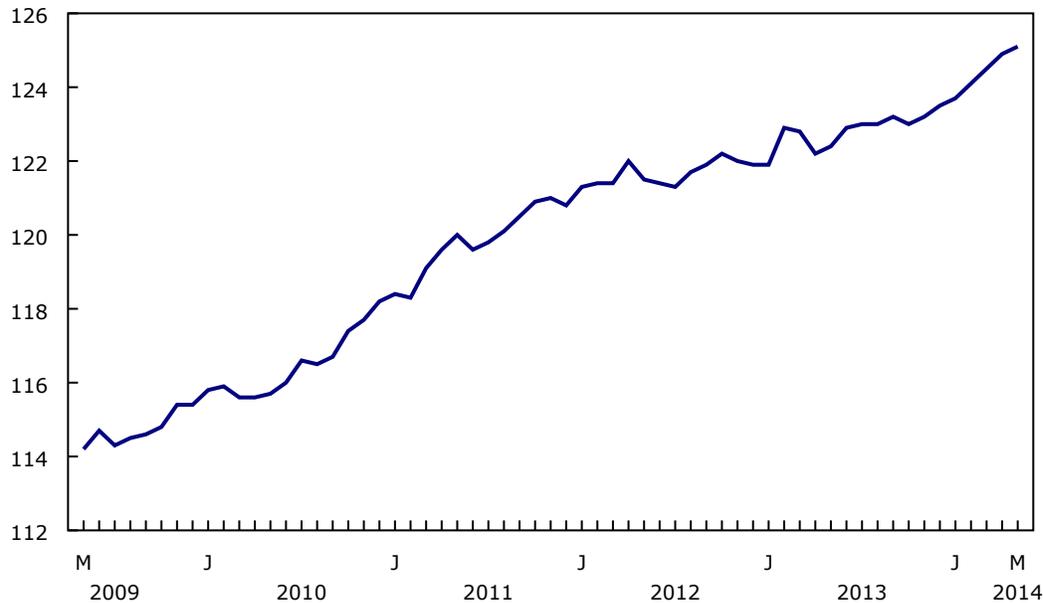
British Columbia saw consumer prices increase 1.5% in the 12 months to May. Among the provinces, British Columbia posted the smallest year-over-year increase in gasoline prices (+2.7%). As well, homeowners' replacement cost fell 2.0% in the 12 months to May.

Seasonally adjusted monthly Consumer Price Index increases

On a [seasonally adjusted monthly basis](#), the CPI rose 0.2% in May, following a 0.3% rise in April.

Chart 4 Seasonally adjusted monthly Consumer Price Index

index (2002=100)



All major components increased on a seasonally adjusted monthly basis in May. The index for alcoholic beverages and tobacco products (+0.8%) posted the largest rise.

The seasonally adjusted food index rose 0.4% in May, matching the increases in March and April. On an unadjusted basis, the food index increased 0.8%, led by meat prices, which rose 3.3% in May compared with April.

The recreation, education and reading index increased 0.3% on a seasonally adjusted monthly basis in May. Before seasonal adjustment, this index, which includes traveller accommodation, rose 1.5%.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.7% in the 12 months to May, after increasing 1.4% in April. Meat, traveller accommodation and electricity were notable contributors to the faster rise in May compared with April.

The seasonally adjusted core index rose 0.2% on a monthly basis in May, matching the increase in April.

Note to readers

The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

A seasonally adjusted series is one from which seasonal movements have been eliminated. Users employing Consumer Price Index (CPI) data for indexation purposes are advised to use the unadjusted indexes. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

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.

The travel tours index, which is part of the recreation, education and reading major component, underwent a [methodology update](#) effective with the September 2013 CPI. Therefore, until the release of the September 2014 CPI, the 12-month rate of change for this index should be interpreted with caution (because it compares periods before and after the update).

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

	Relative importance ¹	May 2013	April 2014	May 2014	April to May 2014	May 2013 to May 2014
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	123.0	125.2	125.8	0.5	2.3
Food	16.60	132.6	134.6	135.7	0.8	2.3
Shelter	26.26	128.3	132.4	132.6	0.2	3.4
Household operations, furnishings and equipment	12.66	114.0	115.5	115.8	0.3	1.6
Clothing and footwear	5.82	93.9	95.0	94.5	-0.5	0.6
Transportation	19.98	129.2	132.2	132.7	0.4	2.7
Health and personal care	4.93	118.3	118.9	119.2	0.3	0.8
Recreation, education and reading	10.96	106.5	106.2	107.8	1.5	1.2
Alcoholic beverages and tobacco products	2.79	141.1	145.1	146.2	0.8	3.6
Special aggregates						
Core CPI ³	84.91	121.2	122.7	123.3	0.5	1.7
All-items CPI excluding energy	91.44	120.1	121.6	122.1	0.4	1.7
Energy ⁴	8.56	159.3	171.2	172.7	0.9	8.4
Gasoline	4.62	183.3	193.2	194.8	0.8	6.3
All-items CPI excluding food and energy	74.85	117.3	118.8	119.1	0.3	1.5
Goods	48.18	115.0	117.5	117.9	0.3	2.5
Services	51.82	130.9	132.9	133.6	0.5	2.1

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 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	May 2013	April 2014	May 2014	April to May 2014	May 2013 to May 2014
	%	(2002=100)			% change	
Canada	100.00²	123.0	125.2	125.8	0.5	2.3
Newfoundland and Labrador	1.36	125.9	128.8	129.2	0.3	2.6
Prince Edward Island	0.36	127.9	130.5	130.6	0.1	2.1
Nova Scotia	2.59	126.4	129.1	129.5	0.3	2.5
New Brunswick	1.96	122.6	125.0	125.3	0.2	2.2
Quebec	22.04	121.9	123.4	123.8	0.3	1.6
Ontario	39.05	123.0	125.9	126.5	0.5	2.8
Manitoba	3.16	123.0	125.4	126.2	0.6	2.6
Saskatchewan	2.94	126.0	128.9	129.2	0.2	2.5
Alberta	12.32	129.5	132.2	132.8	0.5	2.5
British Columbia	14.05	117.9	119.0	119.7	0.6	1.5
Whitehorse	0.08	122.6	124.4	125.1	0.6	2.0
Yellowknife	0.07	126.1	127.7	128.7	0.8	2.1
Iqaluit (Dec. 2002=100)	0.02	117.2	117.7	118.1	0.3	0.8

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

	March 2014	April 2014	May 2014	March to April 2014	April to May 2014
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	124.5	124.9	125.1	0.3	0.2
Food	134.1	134.7	135.3	0.4	0.4
Shelter	131.4	132.4	132.6	0.8	0.2
Household operations, furnishings and equipment	115.3	115.4	115.7	0.1	0.3
Clothing and footwear	91.5	92.3	92.6	0.9	0.3
Transportation	130.6	130.7	130.9	0.1	0.2
Health and personal care	118.3	118.6	118.9	0.3	0.3
Recreation, education and reading	107.1	106.8	107.1	-0.3	0.3
Alcoholic beverages and tobacco products	145.3	145.1	146.2	-0.1	0.8
Special aggregates					
Core CPI ²	122.3	122.6	122.8	0.2	0.2
All-items CPI excluding food and energy ³	118.3	118.5	118.7	0.2	0.2

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, 326-0020 and 326-0022.

Definitions, data sources and methods: survey number 2301.

For a more detailed analysis, consult the publication *The Consumer Price Index*. The May 2014 issue of *The Consumer Price Index*, Vol. 93, 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 18.

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).