

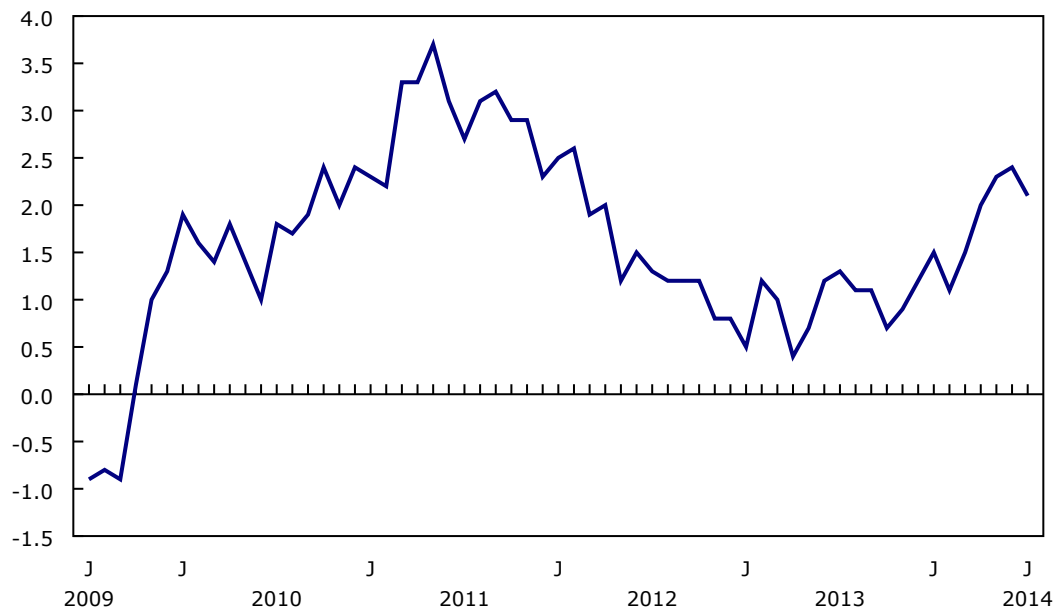
# Consumer Price Index, July 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, August 22, 2014

The Consumer Price Index (CPI) rose 2.1% in the 12 months to July, following a 2.4% increase in June.

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

12-month % change

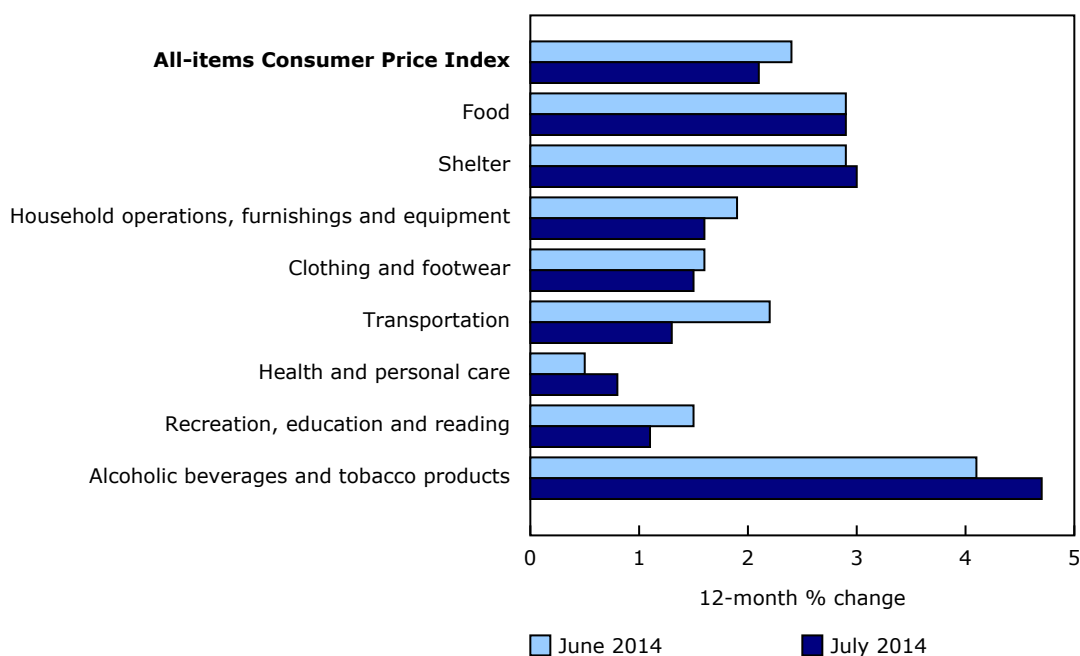


## 12-month change in the major components

Prices increased in all major components in the 12 months to July. Higher prices for shelter and food contributed the most to the rise in the CPI. At the same time, the transportation index led the deceleration in the CPI.



**Chart 2**  
**Prices increase in all major components**



Shelter costs rose 3.0% in the 12 months to July, after advancing 2.9% in June. Natural gas prices increased 20.4% in July compared with the same month the previous year. Consumers also paid more for homeowners' home and mortgage insurance as well as property taxes on a year-over-year basis in July.

Food prices increased 2.9% year over year in July, matching the rise in June. Prices for food purchased from stores rose 3.2% in the 12 months to July, led by higher prices for meat (+9.2%). Prices for fresh vegetables rose 7.5% on a year-over-year basis in July, after increasing 9.5% in June. On a month-to-month basis, prices for fresh vegetables fell 3.0% in July. Food purchased from restaurants cost 2.1% more in July compared with the same month a year earlier.

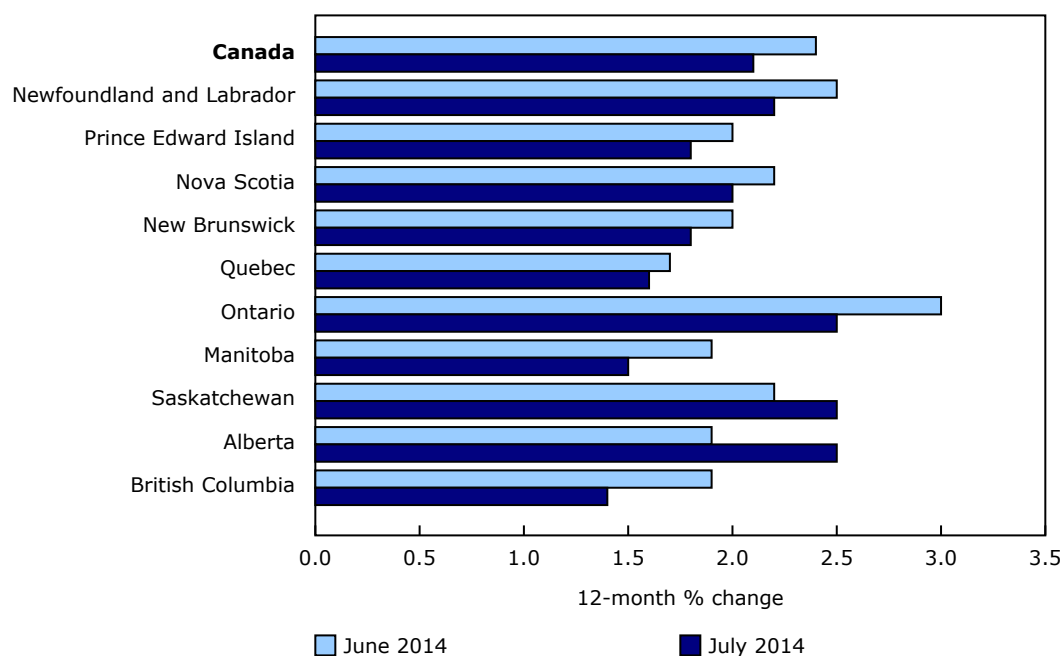
Transportation costs rose 1.3% on a year-over-year basis in July, a smaller gain than in June (+2.2%). Gasoline prices increased 2.1% in the 12 months to July, after rising 5.4% in June. On a monthly basis, consumers paid 1.9% less for gasoline, with prices falling more in Western Canada than in Eastern Canada. In addition, prices for the purchase of passenger vehicles rose 1.3% year over year in July, following a 1.6% increase in June.

The index for alcoholic beverages and tobacco products increased 4.7% in the 12 months to July. This rise was mainly due to a 10.7% year-over-year advance in cigarette prices. In 2014, the federal excise tax on tobacco, as well as the tobacco taxes in Newfoundland and Labrador, Quebec, Ontario and British Columbia increased.

### 12-month change in the provinces

Consumer prices rose in every province in the 12 months to July. Ontario, Saskatchewan and Alberta posted the largest increases, while British Columbia recorded the smallest. Saskatchewan and Alberta were the only provinces where prices rose at faster rates in July compared with June.

**Chart 3**  
**Consumer prices rise at slower rates in eight provinces**



Ontario's CPI advanced 2.5% in the 12 months to July, after rising 3.0% in June. Natural gas prices in Ontario increased 18.3% year over year in July, a smaller rise than in the previous month (+38.4%). In addition, consumers in Ontario paid 4.2% more for gasoline on a year-over-year basis in July, after paying 9.4% more in June.

Consumer prices in Saskatchewan increased 2.5% on a year-over-year basis in July. This followed a 2.2% rise in June. Prices for natural gas in Saskatchewan advanced 16.2% in the 12 months to July, after increasing 2.1% in June.

Consumer prices rose 2.5% in Alberta in the 12 months to July, after increasing 1.9% in June. Among the provinces, Alberta recorded the largest year-over-year increase in natural gas prices (+41.8%) in July. As well, the indexes for passenger vehicle insurance premiums and homeowners' replacement cost rose more in Alberta compared with the rest of Canada.

In British Columbia, consumer prices increased 1.4% year over year in July, following a 1.9% gain in June. The indexes for homeowners' replacement cost (-1.5%) and gasoline (-1.0%) declined in British Columbia, while they rose at the national level. British Columbia also posted the smallest year-over-year increase in natural gas prices among the provinces.

### Seasonally adjusted monthly Consumer Price Index decreases

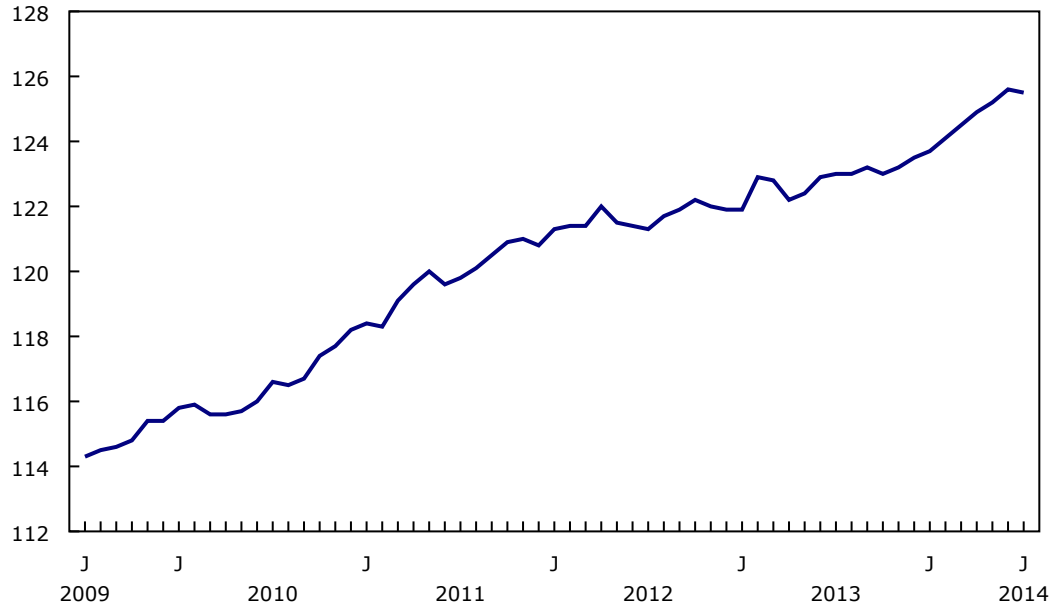
On a [seasonally adjusted monthly basis](#), the CPI fell 0.1% in July, marking its first decrease since October 2013. The decline in July followed a 0.3% rise in June.

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## Chart 4 Seasonally adjusted monthly Consumer Price Index

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index (2002=100)



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Of the eight major components, three declined and three increased on a seasonally adjusted monthly basis in July.

The seasonally adjusted transportation index (-0.6%) posted the largest monthly decrease in July. On an unadjusted basis, the transportation index (-1.2%) declined more this July compared with the decreases it typically exhibits in the month.

The seasonally adjusted indexes for food and for household operations, furnishings and equipment declined in July. Conversely, the indexes for shelter, health and personal care, as well as alcoholic beverages and tobacco products increased.

### Bank of Canada's core index

The [Bank of Canada's core index](#) rose 1.7% in the 12 months to July, after increasing 1.8% in June.

The seasonally adjusted core index rose 0.1% on a monthly basis in July, following a 0.2% increase in June.

### Note to readers

A [video](#) providing an overview of the Consumer Price Index (CPI) is now available on Statistics Canada's website.

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 [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 as it compares periods before and after the update.

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

	Relative importance <sup>1</sup>	July 2013	June 2014	July 2014	June to July 2014	July 2013 to July 2014
	%	(2002=100)			% change	
<b>All-items Consumer Price Index (CPI)</b>	<b>100.00<sup>2</sup></b>	<b>123.1</b>	<b>125.9</b>	<b>125.7</b>	<b>-0.2</b>	<b>2.1</b>
Food	16.60	132.7	136.4	136.5	0.1	2.9
Shelter	26.26	128.8	132.2	132.6	0.3	3.0
Household operations, furnishings and equipment	12.66	114.5	116.4	116.3	-0.1	1.6
Clothing and footwear	5.82	90.4	92.7	91.8	-1.0	1.5
Transportation	19.98	129.8	133.1	131.5	-1.2	1.3
Health and personal care	4.93	118.0	119.0	118.9	-0.1	0.8
Recreation, education and reading	10.96	107.7	108.2	108.9	0.6	1.1
Alcoholic beverages and tobacco products	2.79	140.5	146.7	147.1	0.3	4.7
<b>Special aggregates</b>						
Core CPI <sup>3</sup>	84.91	121.0	123.2	123.1	-0.1	1.7
All-items CPI excluding energy	91.44	119.9	122.2	122.1	-0.1	1.8
Energy <sup>4</sup>	8.56	164.2	173.0	171.9	-0.6	4.7
Gasoline	4.62	191.0	198.7	195.0	-1.9	2.1
All-items CPI excluding food and energy	74.85	117.1	119.1	118.9	-0.2	1.5
Goods	48.18	114.7	117.8	117.1	-0.6	2.1
Services	51.82	131.5	133.9	134.2	0.2	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](http://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/](http://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 <sup>1</sup>	July 2013	June 2014	July 2014	June to July 2014	July 2013 to July 2014
	%	(2002=100)			% change	
<b>Canada</b>	<b>100.00<sup>2</sup></b>	<b>123.1</b>	<b>125.9</b>	<b>125.7</b>	<b>-0.2</b>	<b>2.1</b>
Newfoundland and Labrador	1.36	126.1	129.1	128.9	-0.2	2.2
Prince Edward Island	0.36	128.1	130.5	130.4	-0.1	1.8
Nova Scotia	2.59	126.4	129.2	128.9	-0.2	2.0
New Brunswick	1.96	122.6	124.9	124.8	-0.1	1.8
Quebec	22.04	121.8	123.9	123.7	-0.2	1.6
Ontario	39.05	123.4	126.9	126.5	-0.3	2.5
Manitoba	3.16	123.9	126.0	125.8	-0.2	1.5
Saskatchewan	2.94	125.9	129.0	129.0	0.0	2.5
Alberta	12.32	129.6	132.3	132.9	0.5	2.5
British Columbia	14.05	117.9	119.8	119.6	-0.2	1.4
Whitehorse	0.08	124.0	125.3	125.2	-0.1	1.0
Yellowknife	0.07	126.5	128.8	128.7	-0.1	1.7
Iqaluit (Dec. 2002=100)	0.02	117.5	118.7	118.9	0.2	1.2

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](http://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 adjusted<sup>1</sup>**

	May 2014	June 2014	July 2014	May to June 2014	June to July 2014
	(2002=100)			% change	
<b>All-items Consumer Price Index (CPI)</b>	<b>125.2</b>	<b>125.6</b>	<b>125.5</b>	<b>0.3</b>	<b>-0.1</b>
Food	135.3	136.0	135.9	0.5	-0.1
Shelter	132.6	132.2	132.6	-0.3	0.3
Household operations, furnishings and equipment	115.8	116.3	116.2	0.4	-0.1
Clothing and footwear	92.8	93.5	93.5	0.8	0.0
Transportation	131.3	132.2	131.4	0.7	-0.6
Health and personal care	118.9	118.8	119.1	-0.1	0.3
Recreation, education and reading	107.2	107.5	107.5	0.3	0.0
Alcoholic beverages and tobacco products	146.2	146.7	147.1	0.3	0.3
<b>Special aggregates</b>					
Core CPI <sup>2</sup>	122.9	123.2	123.3	0.2	0.1
All-items CPI excluding food and energy <sup>3</sup>	118.8	119.1	119.1	0.3	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 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](http://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/](http://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.

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**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 July 2014 issue of *The Consumer Price Index*, Vol. 93, no. 7 (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 August will be released on September 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; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).