

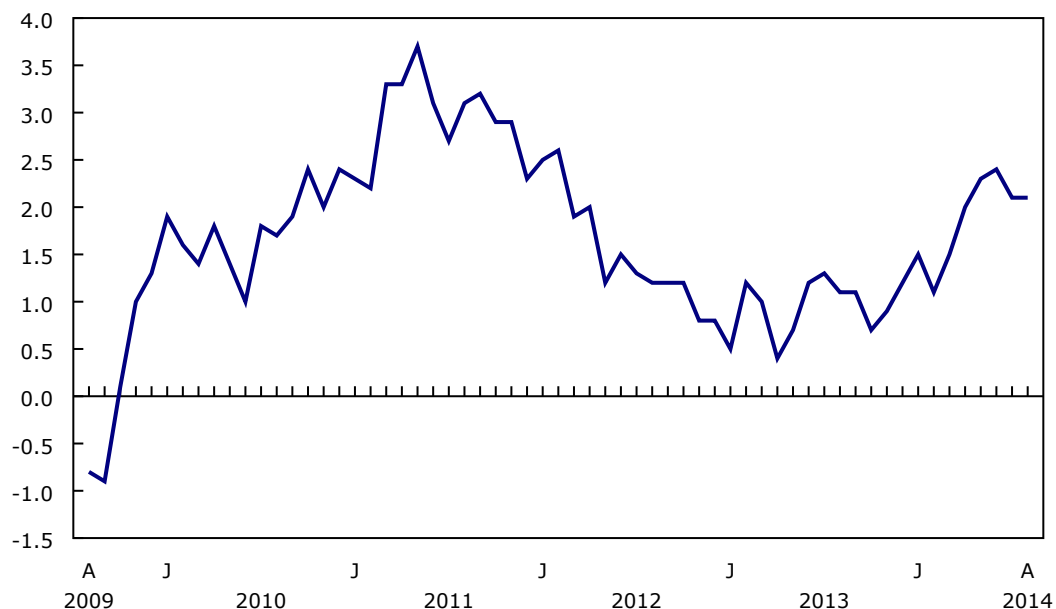
Consumer Price Index, August 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, September 19, 2014

The Consumer Price Index (CPI) rose 2.1% in the 12 months to August, matching the increase in July.

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

12-month % change

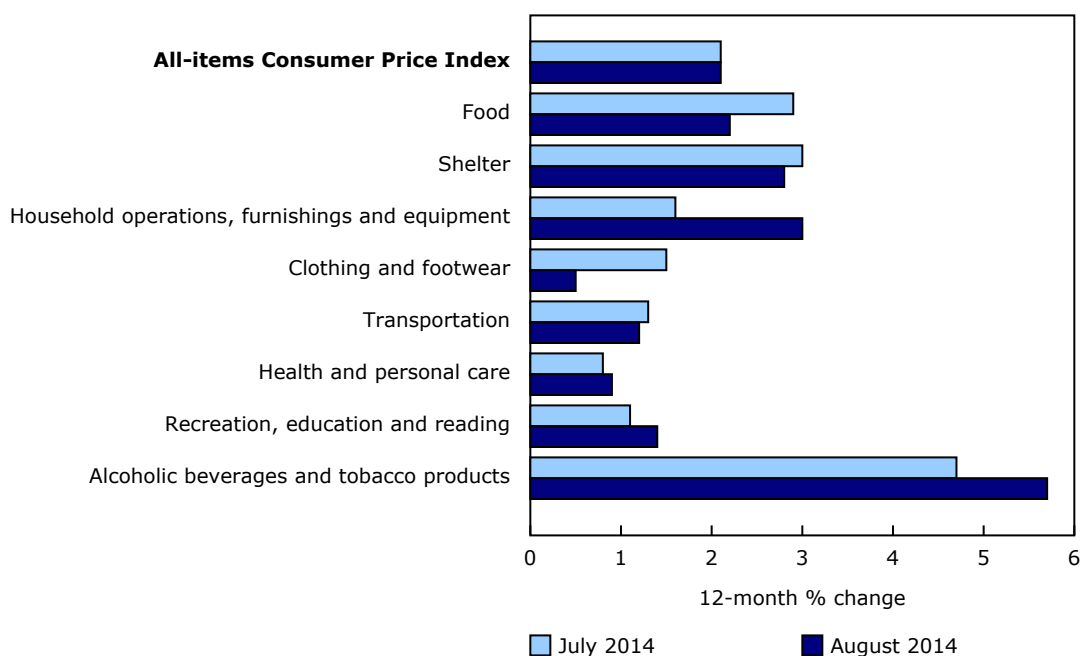


12-month change in the major components

Prices increased in all major components in the 12 months to August. Higher shelter costs led the gain in the CPI. The indexes for household operations, furnishings and equipment, food, as well as transportation also contributed to the rise in the CPI.



Chart 2
Prices increase in all major components



Shelter costs rose 2.8% in August compared with the same month a year earlier. This increase followed a 3.0% gain in July. Natural gas prices increased 17.9% on a year-over-year basis in August, after rising 20.4% the previous month. Consumers also paid more for homeowners' home and mortgage insurance.

The household operations, furnishings and equipment index rose 3.0% on a year-over-year basis in August, led by a 7.6% increase in the cost of telephone services. In addition, the cost of Internet access services rose in the 12 months to August.

Food prices were up 2.2% in the 12 months to August. The cost of food purchased from stores increased 2.3% on a year-over-year basis, after rising 3.2% the previous month. This deceleration was led by prices for fresh fruit and fresh vegetables, both of which recorded smaller increases in August than in July. At the same time, consumers paid 9.3% more for meat in the 12 months to August. Prices for food purchased from restaurants were up 2.1% compared with the same month a year earlier.

Transportation costs rose 1.2% on a year-over-year basis in August, following a 1.3% increase in July. The purchase of passenger vehicles index advanced 2.9% in the 12 months to August, after rising 1.3% the previous month. Conversely, gasoline prices decreased 0.1% in August compared with the same month a year earlier. This decline followed a 2.1% gain in July.

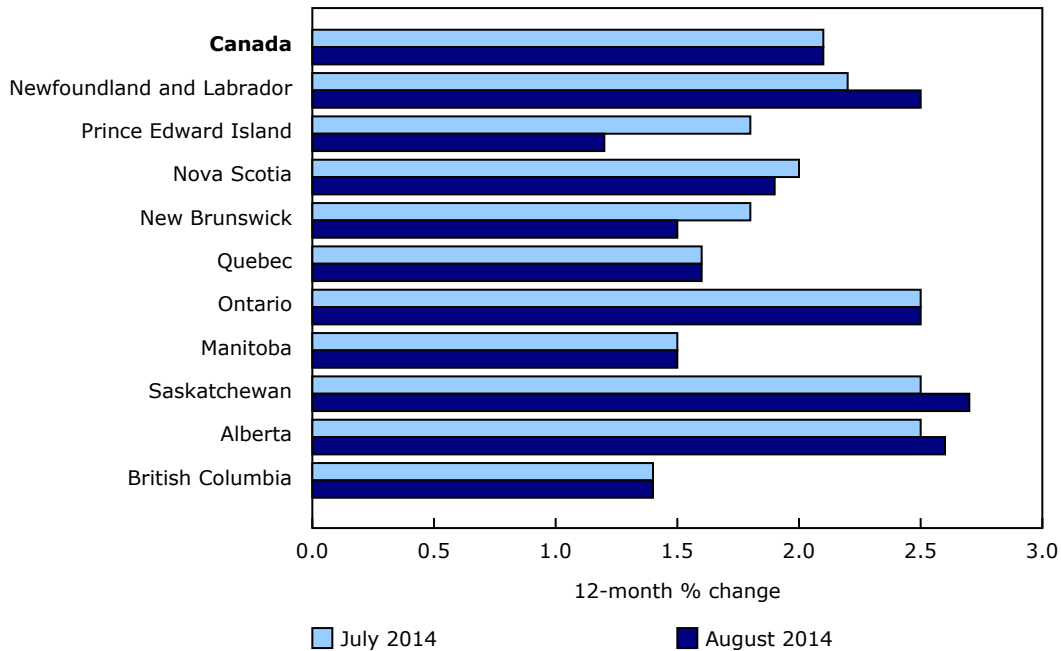
The index for alcoholic beverages and tobacco products advanced 5.7% in the 12 months to August, following a 4.7% gain in July. This larger increase was led by higher prices for beer purchased from stores, which rose 2.8% year over year in August, after increasing 0.3% the previous month. Consumers also paid more for cigarettes on a year-over-year basis in August.

12-month change in the provinces

Consumer prices rose in every province in the 12 months to August. Saskatchewan posted the largest increase, while Prince Edward Island recorded the smallest.

Chart 3

Consumer prices rise the most in Saskatchewan and the least in Prince Edward Island



Saskatchewan's CPI advanced 2.7% in the 12 months to August. Among the provinces, Saskatchewan recorded the highest year-over-year increase in the purchase of passenger vehicles index (+6.1%). It was also one of three provinces, along with Ontario and Alberta, where gasoline prices rose in August compared with the same month a year earlier.

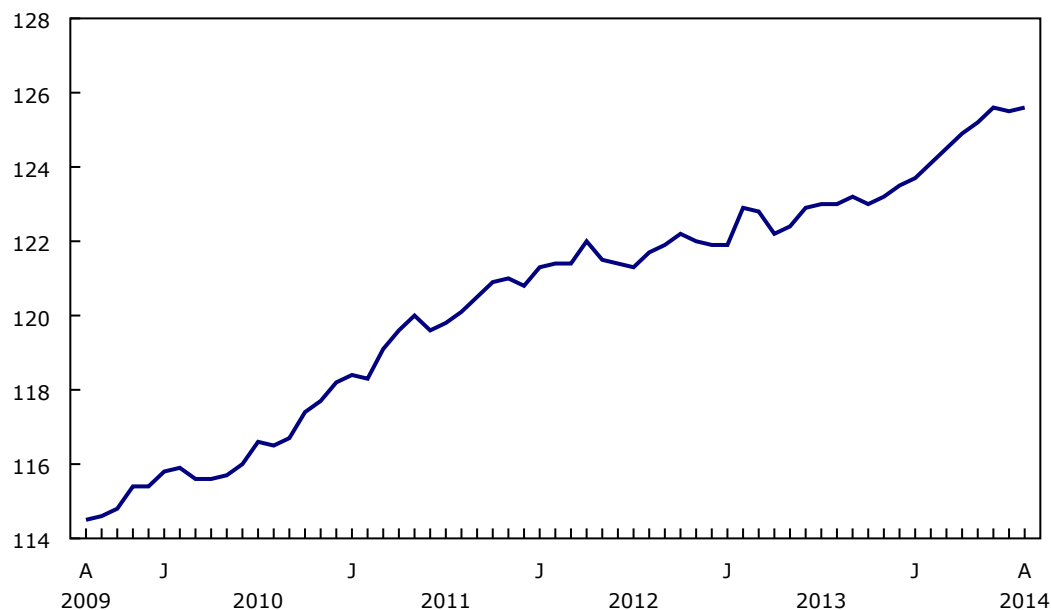
Consumer prices in Prince Edward Island rose 1.2% on a year-over-year basis in August. Prices for clothing declined in the province in the 12 months to August, while at the national level the clothing index increased.

Seasonally adjusted monthly Consumer Price Index increases

On a [seasonally adjusted monthly basis](#), the CPI increased 0.1% in August, following a 0.1% decrease in July.

Chart 4 Seasonally adjusted monthly Consumer Price Index

index (2002=100)



Of the eight major components, half rose and half declined on a seasonally adjusted monthly basis in August.

The seasonally adjusted index for household operations, furnishings and equipment (+1.3%) posted the largest monthly increase in August, followed by the alcoholic beverages and tobacco products index (+0.9%). The indexes for recreation, education and reading, as well as health and personal care also rose on a seasonally adjusted monthly basis.

The seasonally adjusted index for clothing and footwear (-0.4%) recorded the largest decline in August. The indexes for food, shelter and transportation decreased as well.

Bank of Canada's core index

The [Bank of Canada's core index](#) advanced 2.1% in the 12 months to August, after increasing 1.7% in July.

On a year-over-year basis, prices for some of the components included in the core index, such as telephone services and the purchase of passenger vehicles, increased more in August than in July. Movements in these indexes have a larger impact on the core index than on the All-items CPI because certain components are excluded from the core index.

At the same time, prices for gasoline, fresh fruit, fresh vegetables and natural gas, which are excluded from the core index, decelerated on a year-over-year basis in August.

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

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 ¹	August 2013	July 2014	August 2014	July to August 2014	August 2013 to August 2014
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	123.1	125.7	125.7	0.0	2.1
Food	16.60	133.0	136.5	135.9	-0.4	2.2
Shelter	26.26	128.8	132.6	132.4	-0.2	2.8
Household operations, furnishings and equipment	12.66	114.1	116.3	117.5	1.0	3.0
Clothing and footwear	5.82	91.6	91.8	92.1	0.3	0.5
Transportation	19.98	129.2	131.5	130.8	-0.5	1.2
Health and personal care	4.93	118.1	118.9	119.2	0.3	0.9
Recreation, education and reading	10.96	107.9	108.9	109.4	0.5	1.4
Alcoholic beverages and tobacco products	2.79	140.4	147.1	148.4	0.9	5.7
Special aggregates						
Core CPI ³	84.91	121.2	123.1	123.7	0.5	2.1
All-items CPI excluding energy	91.44	120.0	122.1	122.4	0.2	2.0
Energy ⁴	8.56	163.0	171.9	168.3	-2.1	3.3
Gasoline	4.62	189.0	195.0	188.8	-3.2	-0.1
All-items CPI excluding food and energy	74.85	117.1	118.9	119.4	0.4	2.0
Goods	48.18	114.7	117.1	116.7	-0.3	1.7
Services	51.82	131.6	134.2	134.7	0.4	2.4

- 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).
- Figures may not add up to 100% as a result of rounding.
- 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/).
- 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	August 2013	July 2014	August 2014	July to August 2014	August 2013 to August 2014
	%	(2002=100)			% change	
Canada	100.00²	123.1	125.7	125.7	0.0	2.1
Newfoundland and Labrador	1.36	126.0	128.9	129.1	0.2	2.5
Prince Edward Island	0.36	128.6	130.4	130.2	-0.2	1.2
Nova Scotia	2.59	126.6	128.9	129.0	0.1	1.9
New Brunswick	1.96	123.0	124.8	124.9	0.1	1.5
Quebec	22.04	121.9	123.7	123.8	0.1	1.6
Ontario	39.05	123.4	126.5	126.5	0.0	2.5
Manitoba	3.16	123.8	125.8	125.6	-0.2	1.5
Saskatchewan	2.94	125.7	129.0	129.1	0.1	2.7
Alberta	12.32	129.4	132.9	132.7	-0.2	2.6
British Columbia	14.05	118.0	119.6	119.6	0.0	1.4
Whitehorse	0.08	124.1	125.2	125.1	-0.1	0.8
Yellowknife	0.07	126.6	128.7	129.0	0.2	1.9
Iqaluit (Dec. 2002=100)	0.02	117.5	118.9	119.0	0.1	1.3

- 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).
- Figures may not add up to 100% as a result of rounding.

Table 3
Consumer Price Index and major components – Seasonally adjusted¹

	June 2014	July 2014	August 2014	June to July 2014	July to August 2014
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	125.6	125.5	125.6	-0.1	0.1
Food	136.0	135.8	135.5	-0.1	-0.2
Shelter	132.2	132.6	132.4	0.3	-0.2
Household operations, furnishings and equipment	116.3	116.3	117.8	0.0	1.3
Clothing and footwear	93.5	93.5	93.1	0.0	-0.4
Transportation	132.2	131.4	131.3	-0.6	-0.1
Health and personal care	118.8	119.1	119.2	0.3	0.1
Recreation, education and reading	107.5	107.5	107.8	0.0	0.3
Alcoholic beverages and tobacco products	146.7	147.1	148.4	0.3	0.9
Special aggregates					
Core CPI ²	123.2	123.3	123.6	0.1	0.2
All-items CPI excluding food and energy ³	119.1	119.2	119.6	0.1	0.3

- 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).
- 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/).
- 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 August 2014 issue of *The Consumer Price Index*, Vol. 93, no. 8 ([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 September will be released on October 17.

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).