

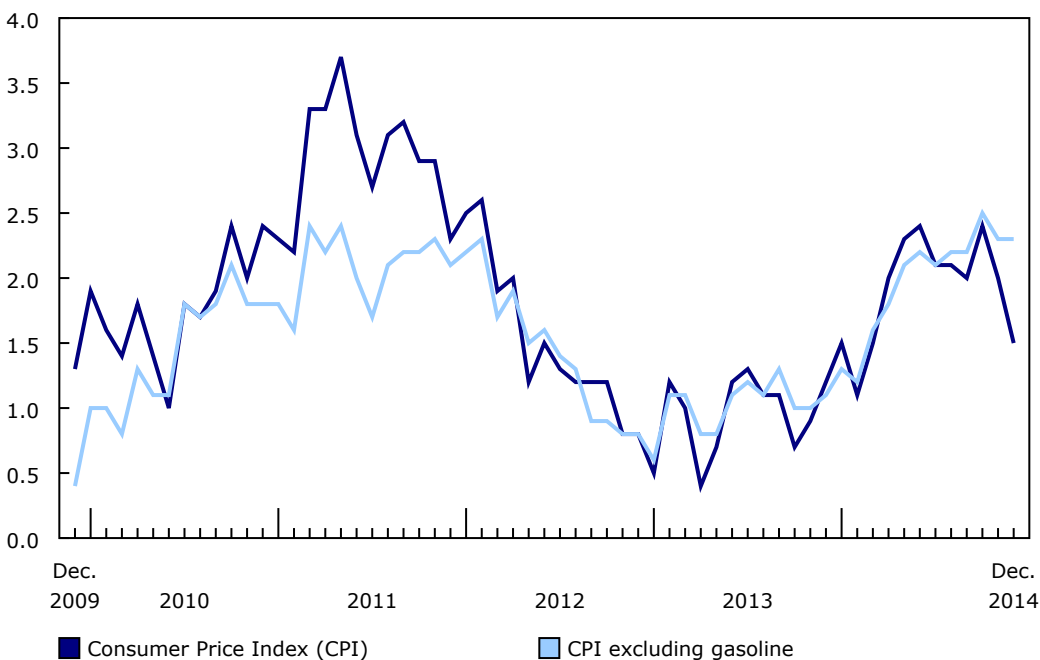
Consumer Price Index, December 2014

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, January 23, 2015

The Consumer Price Index (CPI) rose 1.5% in the 12 months to December, following a 2.0% increase in November.

Chart 1
The 12-month change in the Consumer Price Index (CPI) and the CPI excluding gasoline

12-month % change



Source(s): CANSIM table [326-0020](#).

Lower gasoline prices lead the deceleration in the Consumer Price Index

The slower year-over-year rise in the CPI was mostly attributable to gasoline prices, which dropped 16.6% in the 12 months to December, after falling 5.9% in November.

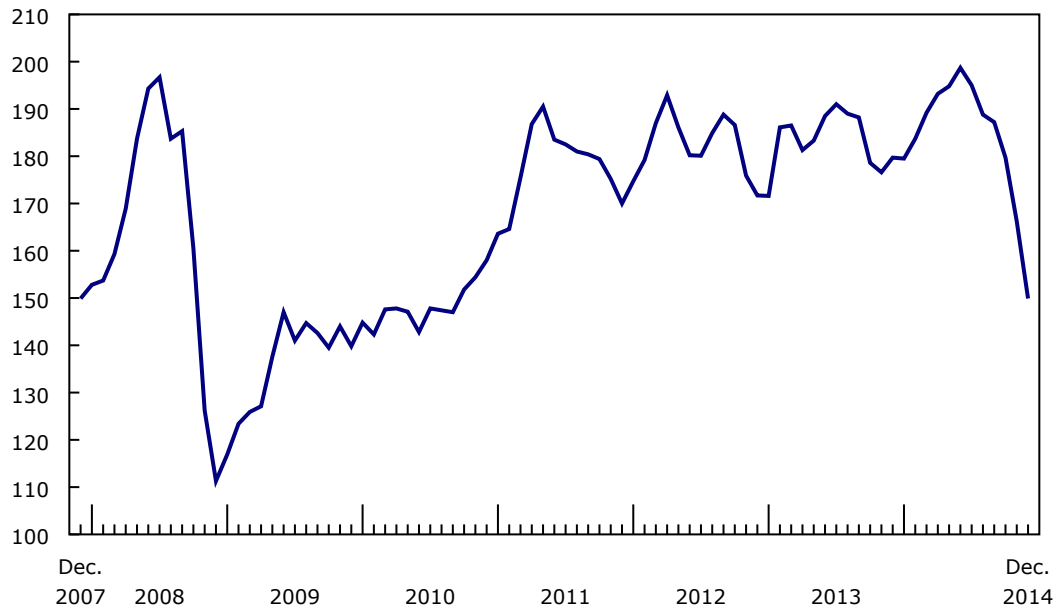
Excluding gasoline, the CPI increased 2.3% on a year-over-year basis in December, matching the rise in November.

On a monthly basis and before seasonal adjustment, the gasoline price index fell 9.8% in December. Between June and December 2014, gasoline prices decreased 24.6%. In comparison, prices for gasoline declined 42.7% between June and December 2008.



Chart 2
Gasoline prices continue to fall in December

index (2002=100)

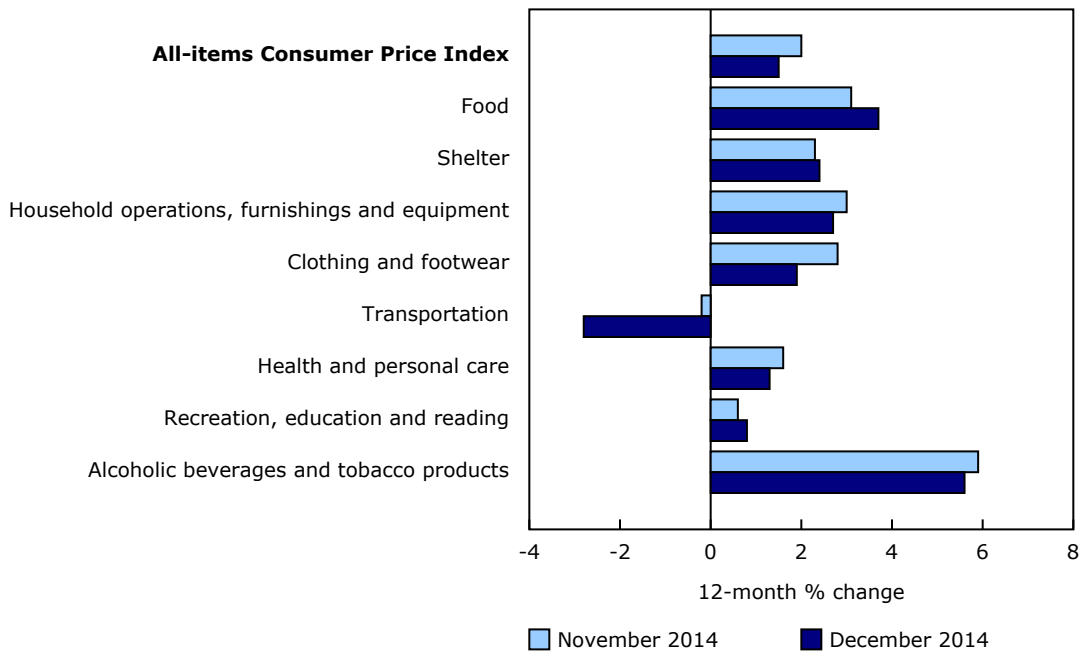


Source(s): CANSIM table [326-0020](#).

12-month change in the major components

Prices increased in seven of the eight major components in the 12 months to December. Higher shelter and food costs contributed the most to the rise in the CPI, while the transportation index, which includes gasoline, declined on a year-over-year basis for the second consecutive month.

Chart 3
Prices rise in seven of eight major components



Source(s): CANSIM table [326-0020](#).

The shelter index rose 2.4% in the 12 months to December, following a 2.3% gain in November. Natural gas prices increased 16.5% on a year-over-year basis in December, after recording a 14.7% rise the previous month. As well, electricity prices were up 4.3% year over year in December, following a 3.6% increase in November. In contrast, consumers paid less for fuel oil in December compared with the same month a year earlier.

Food prices advanced 3.7% on a year-over-year basis in December, after posting a 3.1% gain in November. Prices for food purchased from stores were up 4.2% in the 12 months to December, following a 3.3% increase the previous month. This acceleration was led by prices for fresh vegetables, which advanced 6.9% year over year in December, after rising 2.6% in November. Consumers also paid more for meat (+13.1%) and food purchased from restaurants (+2.5%) in December compared with the same month in 2013.

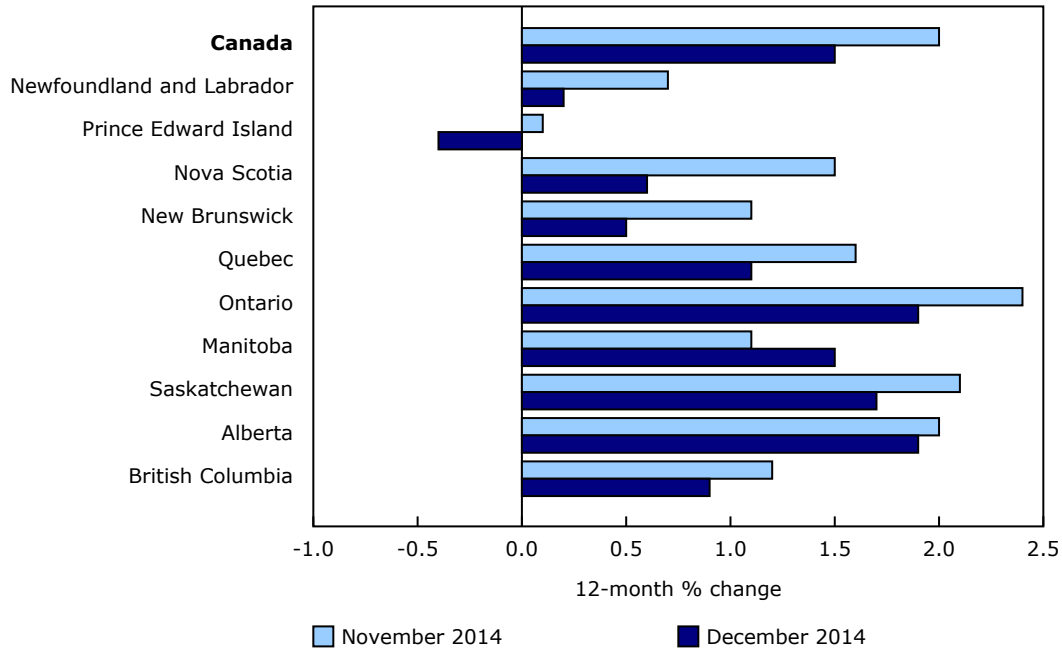
Transportation costs declined 2.8% in the 12 months to December as gasoline prices fell. Conversely, consumers paid 1.6% more for the purchase of passenger vehicles on a year-over-year basis in December.

12-month change in the provinces

Year-over-year change in consumer prices decelerated in nine provinces in December compared with November. Manitoba was the exception. Prince Edward Island was the only province to record a decline in its CPI in the 12 months to December.

Lower gasoline prices were observed in all provinces.

Chart 4
Consumer price change decelerates in nine provinces



Source(s): CANSIM table [326-0020](#).

Consumer prices in Prince Edward Island declined 0.4% in the 12 months to December, marking the first decrease since October 2009. Gasoline prices in the province fell 18.5% year over year in December. In addition, the cost of fuel oil declined more in Prince Edward Island (-15.7%) than at the national level (-9.8%). The CPI basket weight for fuel oil is 10 times larger in this province than in Canada as a whole.

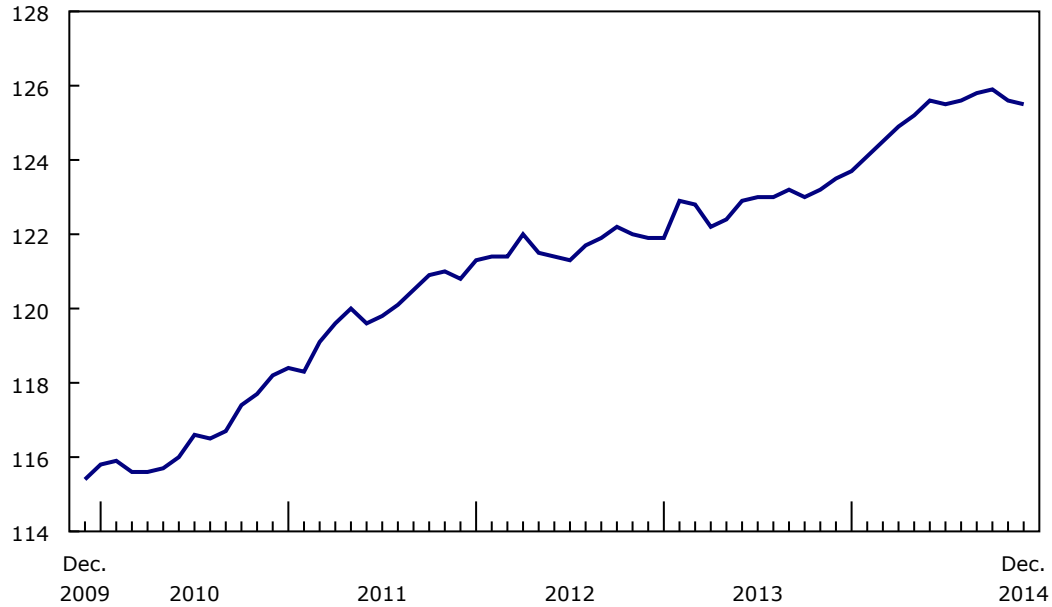
Manitoba was the only province where consumer prices rose more on a year-over-year basis in December (+1.5%) than in November (+1.1%). The clothing and footwear index in the province accelerated, rising 3.2% in the 12 months to December, after falling 2.7% the previous month.

Seasonally adjusted monthly Consumer Price Index decreases

On a [seasonally adjusted monthly basis](#), the CPI decreased 0.1% in December, after declining 0.2% in November.

Chart 5 Seasonally adjusted monthly Consumer Price Index

index (2002=100)



Source(s): CANSIM table [326-0022](#).

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

The seasonally adjusted transportation index fell 1.2% in December, the largest monthly decline of all the major components. This followed a 1.4% decrease in November.

Conversely, the seasonally adjusted food index (+0.5%) recorded the largest rise in December. This marked its fourth consecutive monthly gain on a seasonally adjusted basis.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 2.2% in the 12 months to December, after increasing 2.1% in November.

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

Note to readers

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

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.

Upcoming basket update

On February 26, 2015, with the release of the January CPI, the basket of goods and services used in the calculation of the CPI will be updated.

The new weighting pattern will be based on the 2013 Survey of Household Spending (SHS). It will replace the current weights, which are based on the 2011 SHS.

The index base period, for which the CPI equals 100, will remain 2002.

There will be no changes to the CANSIM table and vector numbers. There will be some minor changes to published index titles to clarify the definition of some series.

There has been and will continue to be ongoing work to update the CPI sample to make it more representative of Canadians' spending patterns. This work is part of the CPI Enhancement Initiative and includes sample increases to improve geographic, outlet and product coverage, as well as updates to the CPI product classification.

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

	Relative importance ¹	December 2013	November 2014	December 2014	November to December 2014	December 2013 to December 2014
	%	(2002=100)		% change		
All-items Consumer Price Index (CPI)	100.00²	122.7	125.4	124.5	-0.7	1.5
Food	16.60	132.5	136.9	137.4	0.4	3.7
Shelter	26.26	129.9	132.8	133.0	0.2	2.4
Household operations, furnishings and equipment	12.66	114.7	118.2	117.8	-0.3	2.7
Clothing and footwear	5.82	89.4	94.7	91.1	-3.8	1.9
Transportation	19.98	128.5	127.7	124.9	-2.2	-2.8
Health and personal care	4.93	118.1	119.9	119.6	-0.3	1.3
Recreation, education and reading	10.96	105.3	106.8	106.1	-0.7	0.8
Alcoholic beverages and tobacco products	2.79	141.2	149.4	149.1	-0.2	5.6
Special aggregates						
Core CPI ³	84.91	121.0	124.1	123.7	-0.3	2.2
All-items CPI excluding energy	91.44	119.9	122.9	122.5	-0.3	2.2
Energy ⁴	8.56	158.9	156.5	148.7	-5.0	-6.4
Gasoline	4.62	179.7	166.2	149.9	-9.8	-16.6
All-items CPI excluding food and energy	74.85	117.1	119.8	119.3	-0.4	1.9
Goods	48.18	113.8	116.2	114.6	-1.4	0.7
Services	51.82	131.7	134.5	134.5	0.0	2.1

1. 2011 CPI basket weights at January 2013 prices, Canada, effective February 2013.

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's website](#).

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

Source(s): CANSIM tables [326-0020](#) and [326-0031](#).

Table 2
Consumer Price Index for the provinces and for Whitehorse, Yellowknife and Iqaluit – Not seasonally adjusted

	Relative importance ¹	December 2013	November 2014	December 2014	November to December 2014	December 2013 to December 2014
	%	(2002=100)		% change		
Canada	100.00²	122.7	125.4	124.5	-0.7	1.5
Newfoundland and Labrador	1.36	126.6	127.9	126.8	-0.9	0.2
Prince Edward Island	0.36	128.6	129.3	128.1	-0.9	-0.4
Nova Scotia	2.59	126.7	128.6	127.4	-0.9	0.6
New Brunswick	1.96	123.5	124.9	124.1	-0.6	0.5
Quebec	22.04	121.5	123.8	122.8	-0.8	1.1
Ontario	39.05	123.1	126.3	125.4	-0.7	1.9
Manitoba	3.16	122.7	125.4	124.5	-0.7	1.5
Saskatchewan	2.94	126.1	129.0	128.3	-0.5	1.7
Alberta	12.32	129.1	132.1	131.5	-0.5	1.9
British Columbia	14.05	117.0	118.8	118.1	-0.6	0.9
Whitehorse	0.08	123.2	123.9	123.1	-0.6	-0.1
Yellowknife	0.07	126.6	129.0	128.7	-0.2	1.7
Iqaluit (Dec. 2002=100)	0.02	116.2	118.1	117.9	-0.2	1.5

1. 2011 Consumer Price Index basket weights at January 2013 prices, effective February 2013.

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

Source(s): CANSIM tables [326-0020](#) and [326-0031](#).

Table 3
Consumer Price Index, major components and special aggregates – Seasonally adjusted¹

	October 2014	November 2014	December 2014	October to November 2014	November to December 2014
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	125.9	125.6	125.5	-0.2	-0.1
Food	136.5	137.1	137.8	0.4	0.5
Shelter	132.8	132.8	133.0	0.0	0.2
Household operations, furnishings and equipment	117.9	118.0	118.1	0.1	0.1
Clothing and footwear	94.2	94.2	93.9	0.0	-0.3
Transportation	130.5	128.7	127.1	-1.4	-1.2
Health and personal care	119.1	119.9	119.7	0.7	-0.2
Recreation, education and reading	108.0	107.2	107.3	-0.7	0.1
Alcoholic beverages and tobacco products	149.2	149.4	149.1	0.1	-0.2
Special aggregates					
Core CPI ²	124.0	124.1	124.3	0.1	0.2
All-items CPI excluding food and energy ³	119.8	119.7	119.9	-0.1	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](#).
 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's website](#).
 3. The special aggregate "energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.
- Source(s): CANSIM table [326-0022](#).

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 December 2014 issue of *The Consumer Price Index*, Vol. 93, 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 (CPI) are available online in *The Canadian Consumer Price Index Reference Paper* ([62-553-X](#)) from the *Browse by key resource module* of our website under *Publications*.

The CPI for January will be released on February 26.

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).