

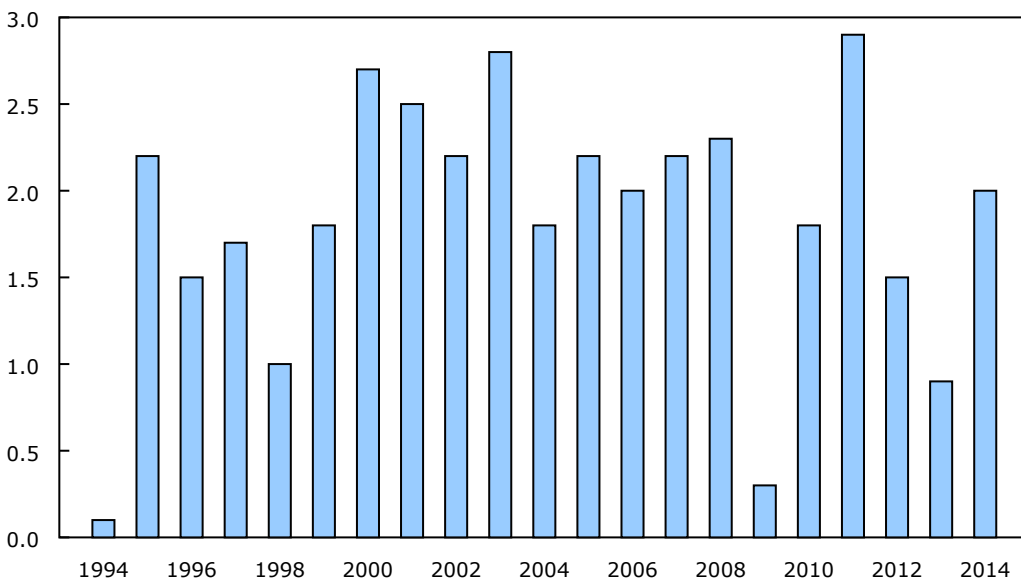
# Consumer Price Index: Annual review, 2014

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

In 2014, the annual average increase in the Consumer Price Index (CPI) was 2.0%. This increase followed gains of 0.9% in 2013 and 1.5% in 2012.

**Chart 1**  
**Annual average change in the Consumer Price Index, 1994 to 2014**

annual average % change



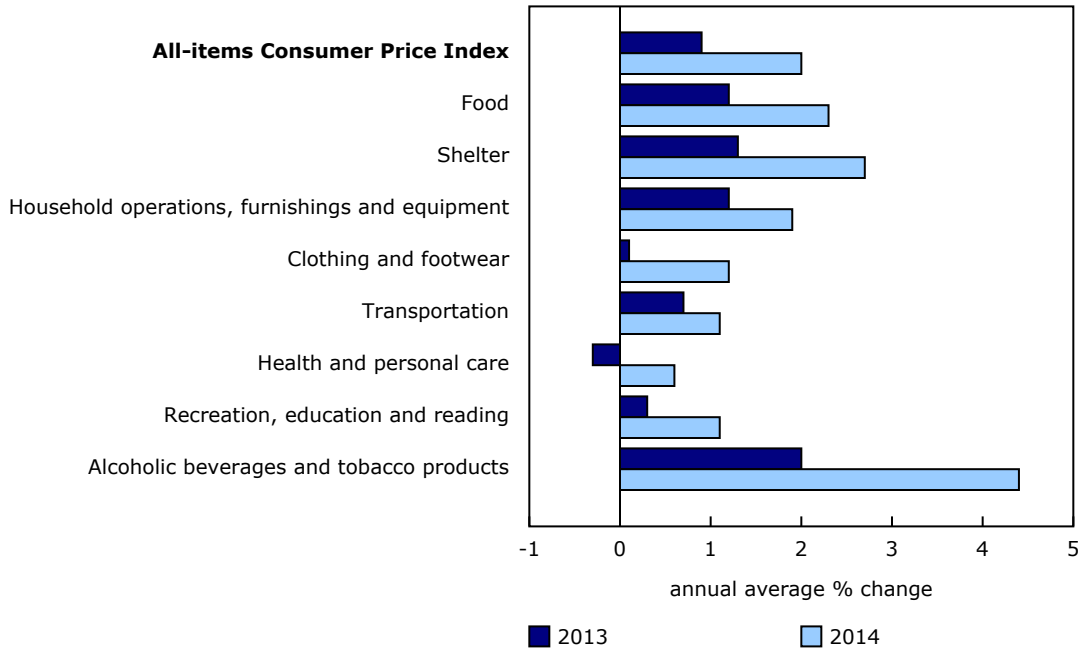
Source(s): CANSIM table [326-0021](#).

## Broad-based acceleration in consumer prices in 2014

All major components posted higher annual average increases in 2014 than in 2013. Larger gains in the indexes for shelter and food contributed the most to the acceleration in the annual average CPI.



**Chart 2**  
**All major components accelerate in 2014**



Source(s): CANSIM table [326-0021](#).

Shelter costs advanced 2.7% in 2014, after increasing 1.3% in 2013. This larger gain was partly attributable to the mortgage interest cost index, which fell 0.2% on an annual average basis in 2014 compared with a 3.4% decrease the previous year. Prices for natural gas rose 16.8% in 2014, after increasing 6.9% in 2013.

On an annual average basis, prices for food increased 2.3% in 2014, following a 1.2% rise the previous year. This acceleration was led by meat prices, which advanced 8.0% in 2014 after rising 2.1% in 2013. Low inventories of cattle and hogs in 2014 contributed to higher meat prices. Consumers paid 2.0% more on an annual average basis in 2014 for food purchased from restaurants.

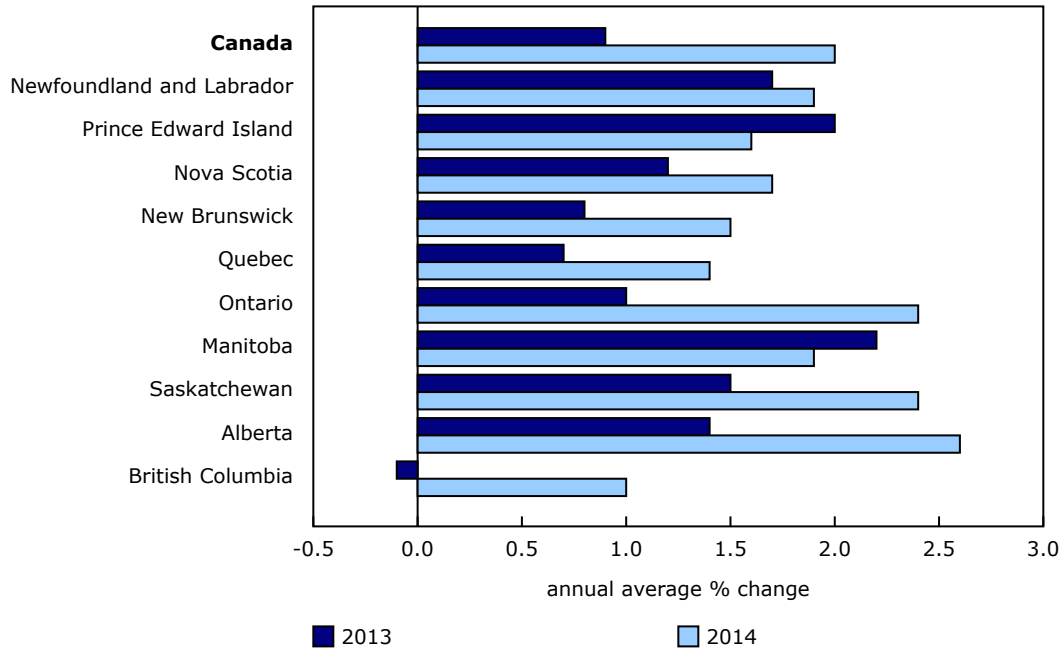
The transportation index rose 1.1% on an annual average basis in 2014, led by higher prices for the purchase of passenger vehicles (+1.3%). Meanwhile, gasoline prices rose 0.2%, the lowest annual average increase since 2009. After increasing in the first half of 2014, the gasoline index posted six consecutive monthly declines. The monthly declines in November and December were the largest since 2008.

Prices for alcoholic beverages and tobacco products rose 4.4% on an annual average basis, primarily the result of a 9.1% rise 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.

### Consumer prices rise at faster rates in eight provinces in 2014

Among the provinces, eight posted larger annual average increases in consumer prices in 2014 than in 2013. Ontario recorded the largest acceleration in consumer price inflation. Prince Edward Island and Manitoba were the only two provinces where annual average price increases were smaller in 2014 than in the previous year.

**Chart 3**  
**Consumer price change accelerates in eight provinces in 2014**



Source(s): CANSIM table [326-0021](#).

**The Bank of Canada's core index**

On an annual average basis, the [Bank of Canada's core index](#) increased 1.8% in 2014, following a 1.3% rise in 2013.

**Note to readers**

*This release examines the annual average movement in the Consumer Price Index (CPI) in 2014 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 that is published every month with the release of the CPI. 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 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.*

**Available in CANSIM: table [326-0021](#).**

**Definitions, data sources and methods: survey number [2301](#).**

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*.

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)).