

# Consumer Price Index, October 2016

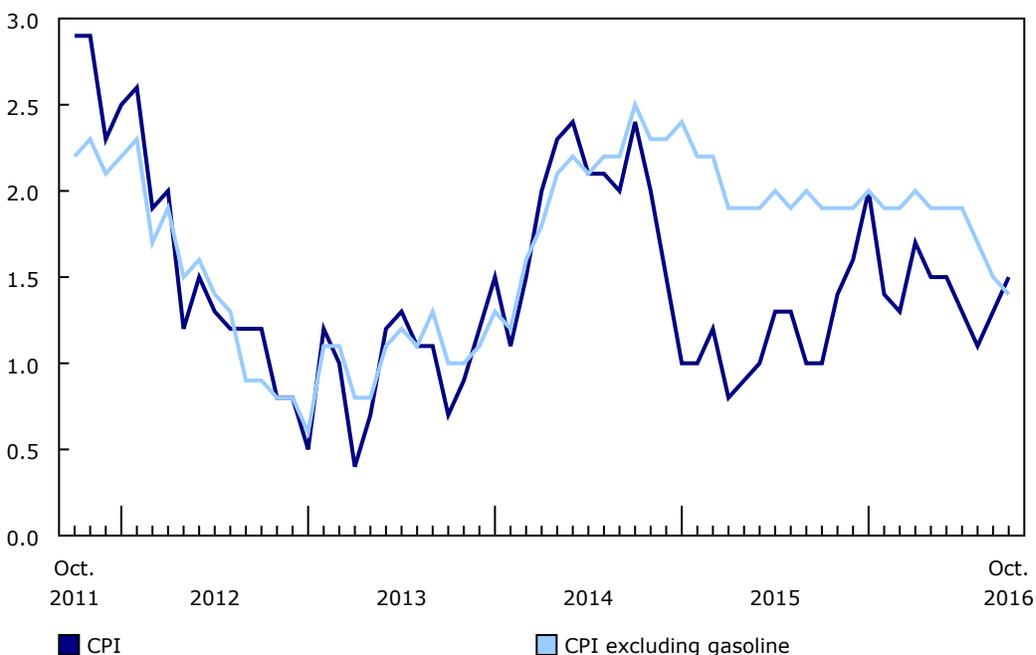
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, November 18, 2016

The Consumer Price Index (CPI) rose 1.5% on a year-over-year basis in October, following a 1.3% gain in September.

Excluding gasoline, the CPI was up 1.4% year over year in October, after posting a 1.5% increase in September.

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

12-month % change



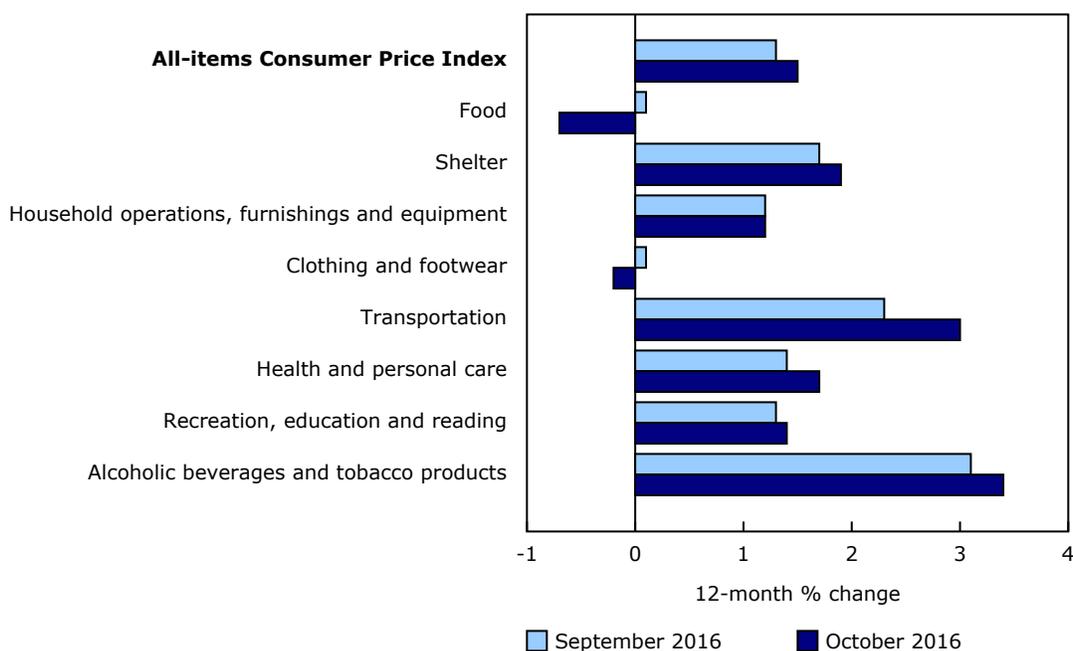
Source(s): CANSIM table [326-0020](#).

## 12-month change in the major components

Prices were up in six of the eight major components in the 12 months to October, with the transportation and shelter indexes contributing the most to the year-over-year rise in the CPI. This increase in the CPI was moderated by a decline in the food index.



**Chart 2**  
**Consumer prices increase in six of the eight major components**



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

The transportation index rose 3.0% in the 12 months to October, following a 2.3% gain in September. This acceleration was mainly attributable to gasoline prices, which posted a 2.5% year-over-year increase in October, after declining 3.2% in September. The purchase of passenger vehicles index rose less year over year in October (+4.4%) than in September (+5.8%), but remained the top upward contributor to the 12-month change in the transportation index.

The shelter index posted its largest increase since January 2015, rising 1.9% in the 12 months to October, after a 1.7% gain in September. The homeowners' replacement cost index was up 4.1% on a year-over-year basis in October, following a 3.9% increase the previous month. Property taxes rose 2.8% in the 12 months to October. At the same time, the natural gas index was down 3.4% on a year-over-year basis in October, after declining 11.1% in September.

Food prices posted their first decline since January 2000, down 0.7% year over year in October after rising 0.1% in September. Prices for food purchased from stores recorded their largest decline since July 1992, down 2.1% in the 12 months to October, after decreasing 0.9% the previous month.

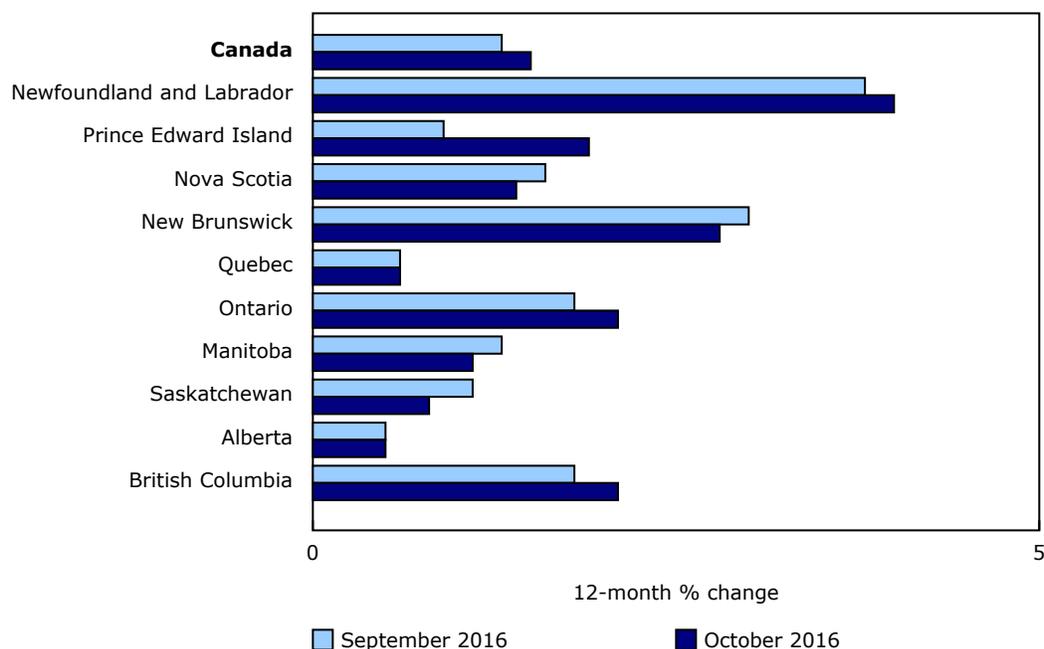
Prices of fresh fruit (-7.4%), meat (-1.7%), dairy products (-2.4%) and fresh vegetables (-3.6%) declined in the 12 months to October. While prices for fish, seafood and other marine products rose year over year in October, the increase was smaller than the one recorded in September. The sugar and confectionary index (+3.1%) was one of the largest upward contributors to the 12-month change in consumer prices of food purchased in stores.

Prices for food purchased from restaurants were up 2.6% in the 12 months to October, following a 2.5% rise in September.

## 12-month change in the provinces

Consumer prices rose more in four provinces on a year-over-year basis in October than in September. At the same time, four provinces reported a deceleration in consumer price growth. In Quebec and Alberta, the CPI's year-over-year gain in October matched that of September.

### Chart 3 Consumer prices rise in all provinces



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

In Prince Edward Island, an increase in the provincial component of the harmonized sales tax (HST), effective October 1, 2016, contributed to an acceleration in consumer price growth in the province. On a year-over-year basis, the CPI rose 1.9% in October following a 0.9% gain in September. Among the CPI components, gasoline prices led the acceleration, up 4.7% year over year in October, after declining 3.0% in September. In contrast, the 12-month change in the fuel oil index was down 5.8% in October, after decreasing 1.0% in September.

In Ontario, the CPI was up 2.1% in the 12 months to October, after rising 1.8% in September. This acceleration partly reflected an increase in passenger vehicle insurance premiums, up 0.8% year over year in October, after decreasing 1.3% in September. In addition, the fresh vegetables index declined 1.5% in the 12 months to October, after decreasing 2.7% in September. The traveller accommodation index posted a 2.1% increase on a year-over-year basis in October, after rising 7.7% in September.

Saskatchewan's CPI increased 0.8% year over year in October, following a 1.1% gain in September. This deceleration was led by the purchase of passenger vehicles index, which increased 4.1% year over year in October, after rising 6.4% in September. Additionally, and contrary to the movement at the national level, gasoline prices were down more on a year-over-year basis in October than in September.

## Seasonally adjusted monthly Consumer Price Index increases

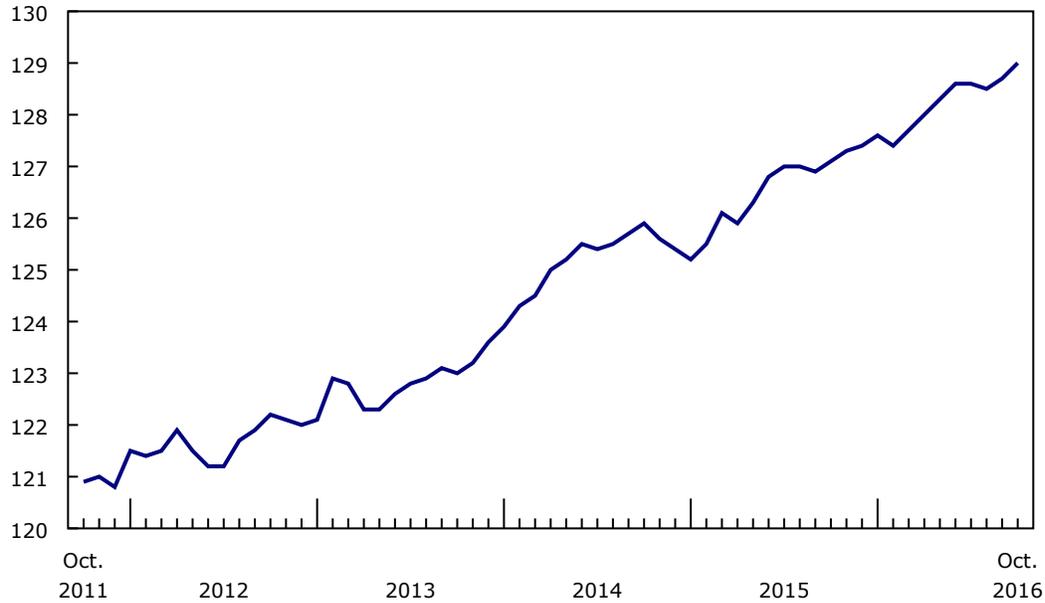
On a [seasonally adjusted monthly basis](#), the CPI increased 0.2% in October, matching the gain in September.

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## Chart 4 Seasonally adjusted monthly Consumer Price Index

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index (2002=100)



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

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In October, five major components increased on a seasonally adjusted monthly basis while two declined. The recreation, education and reading index was unchanged.

On a seasonally adjusted monthly basis in October, the transportation index (+1.1%) recorded the largest gain, while the clothing and footwear index (-0.2%) posted the largest decline.

### Bank of Canada's core index

The [Bank of Canada's core index](#) increased 1.7% year over year in October, after rising 1.8% in September.

On a seasonally adjusted monthly basis, the core index posted no change in October, after rising 0.1% in September.

## Note to readers

With this release, data on inter-city indexes of price differentials of consumer goods and services, appearing in CANSIM table [326-0015](#), have been updated to October 2015.

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](#).

At the request of the Bank of Canada, Statistics Canada will produce and publish the Bank's three preferred measures of core inflation: CPI-trim (trimmed mean), CPI-median (weighted median), and CPI-common (common component). As of the CPI release on December 22, 2016, the following changes will be implemented:

1. The current analysis section of The Daily titled "Bank of Canada's core index" will be omitted.
2. Within The Daily tables, the row titled "Bank of Canada's core index" will be deleted from Table 1 and Table 3.
3. A new table (Table 4) on recent data for the Bank of Canada's preferred measures of core inflation will be introduced in The Daily.
4. A new CANSIM table (326-0023), "Consumer Price Index (CPI) statistics, measures of core inflation – Bank of Canada definitions," will display the results of the following measures: CPI-trim (trimmed mean), CPI-median (weighted median), and CPI-common (common component).
5. The existing measure of core inflation will continue to be produced and published by Statistics Canada, but will no longer be referred to as the Bank of Canada's core index (CPIX). Instead, it will be called the "Consumer Price Index (CPI), all-items excluding eight of the most volatile components as defined by the Bank of Canada and excluding the effect of changes in indirect taxes." The current vectors associated with this measure will be available in their current CANSIM tables (326-0020 and 326-0022) until March 2017. After that, these vectors will be moved and published in the new CANSIM table (326-0023) containing the Bank of Canada's preferred measures of core inflation.

Methodology documents have been created to help data users understand the calculation of these preferred measures of core inflation:

- [Bank of Canada's Preferred Measures of Core Inflation – General Information Document](#)
- [Consumer Price Index: The Bank of Canada's Preferred Measures of Core Inflation –Methodology Document](#)

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.

## Next release

The CPI for November will be released on December 22.

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

	Relative importance <sup>1</sup>	October 2015	September 2016	October 2016	September to October 2016	October 2015 to October 2016
	%	(2002=100)		% change		
<b>All-items</b>	<b>100.00<sup>2</sup></b>	<b>127.2</b>	<b>128.8</b>	<b>129.1</b>	<b>0.2</b>	<b>1.5</b>
Food	16.41	140.9	140.4	139.9	-0.4	-0.7
Shelter	26.80	134.3	136.2	136.9	0.5	1.9
Household operations, furnishings and equipment	13.14	120.6	121.9	122.1	0.2	1.2
Clothing and footwear	6.08	97.7	96.8	97.5	0.7	-0.2
Transportation	19.10	125.8	128.3	129.6	1.0	3.0
Health and personal care	4.73	120.7	122.4	122.8	0.3	1.7
Recreation, education and reading	10.89	110.8	113.8	112.4	-1.2	1.4
Alcoholic beverages and tobacco products	2.86	152.9	157.7	158.1	0.3	3.4
<b>Special aggregates</b>						
Bank of Canada's core index <sup>3</sup>	85.39	127.0	128.9	129.1	0.2	1.7
All-items excluding energy	92.21	125.5	127.2	127.3	0.1	1.4
Energy <sup>4</sup>	7.79	146.6	147.3	150.2	2.0	2.5
Gasoline	3.84	149.0	147.3	152.7	3.7	2.5
All-items excluding food and energy	75.80	122.2	124.3	124.5	0.2	1.9
Goods	46.68	117.1	117.8	118.3	0.4	1.0
Services	53.32	137.4	139.9	139.9	0.0	1.8

- 2013 Consumer Price Index (CPI) basket weights at December 2014 prices, Canada, effective with the January 2015 CPI.
  - 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 index, consult the [Bank of Canada's website](#).
  - The special aggregate "energy" comprises electricity, natural gas, fuel oil and other fuels, gasoline, and fuel, parts and accessories 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 <sup>1</sup>	October 2015	September 2016	October 2016	September to October 2016	October 2015 to October 2016
	%	(2002=100)		% change		
<b>Canada</b>	<b>100.00<sup>2</sup></b>	<b>127.2</b>	<b>128.8</b>	<b>129.1</b>	<b>0.2</b>	<b>1.5</b>
Newfoundland and Labrador	1.38	129.7	134.5	134.9	0.3	4.0
Prince Edward Island	0.34	129.4	130.6	131.9	1.0	1.9
Nova Scotia	2.47	129.8	131.6	131.6	0.0	1.4
New Brunswick	1.87	125.9	129.4	129.4	0.0	2.8
Quebec	21.60	125.2	125.8	125.9	0.1	0.6
Ontario	38.94	127.9	130.1	130.6	0.4	2.1
Manitoba	3.15	128.0	129.0	129.4	0.3	1.1
Saskatchewan	3.01	131.7	132.4	132.7	0.2	0.8
Alberta	13.20	135.1	135.3	135.8	0.4	0.5
British Columbia	13.85	120.6	123.2	123.1	-0.1	2.1
Whitehorse	0.08	124.5	125.9	126.1	0.2	1.3
Yellowknife	0.08	131.6	131.8	132.7	0.7	0.8
Iqaluit (Dec. 2002=100)	0.03	121.1	124.5	123.8	-0.6	2.2

- 2013 Consumer Price Index (CPI) basket weights at December 2014 prices, effective with the January 2015 CPI.
  - 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 adjusted<sup>1</sup>**

	August 2016	September 2016	October 2016	August to September 2016	September to October 2016
	(2002=100)			% change	
<b>All-items</b>	<b>128.5</b>	<b>128.7</b>	<b>129.0</b>	<b>0.2</b>	<b>0.2</b>
Food	142.4	141.7	141.5	-0.5	-0.1
Shelter	136.2	136.2	136.9	0.0	0.5
Household operations, furnishings and equipment	122.1	121.9	122.0	-0.2	0.1
Clothing and footwear	94.5	94.7	94.5	0.2	-0.2
Transportation	127.9	128.5	129.9	0.5	1.1
Health and personal care	122.7	122.5	122.9	-0.2	0.3
Recreation, education and reading	111.2	111.6	111.6	0.4	0.0
Alcoholic beverages and tobacco products	157.3	157.7	158.1	0.3	0.3
<b>Special aggregates</b>					
Bank of Canada's core index <sup>2</sup>	128.6	128.7	128.7	0.1	0.0
All-items excluding food and energy <sup>3</sup>	123.9	124.0	124.1	0.1	0.1

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 release of January data. Users employing Consumer Price Index (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 index, please consult the [Bank of Canada's website](#).
  3. The special aggregate "energy" comprises electricity, natural gas, fuel oil and other fuels, gasoline, and fuel, parts and accessories for recreational vehicles.
- Source(s):** CANSIM table [326-0022](#).

**Available in CANSIM: tables [326-0009](#), [326-0012](#), [326-0015](#), [326-0020](#) and [326-0022](#).**

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

The October 2016 issue of *The Consumer Price Index*, Vol. 95, no. 10 ([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) is available in *The Canadian Consumer Price Index Reference Paper* ([62-553-X](#)).

For information on the history of the CPI in Canada, consult the publication *Exploring the First Century of Canada's Consumer Price Index* ([62-604-X](#)).

Two videos, "[An Overview of Canada's Consumer Price Index \(CPI\)](#)" and "[The Consumer Price Index and Your Experience of Price Change](#)," are available on Statistics Canada's YouTube channel.

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; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).