

# Consumer Price Index, July 2018

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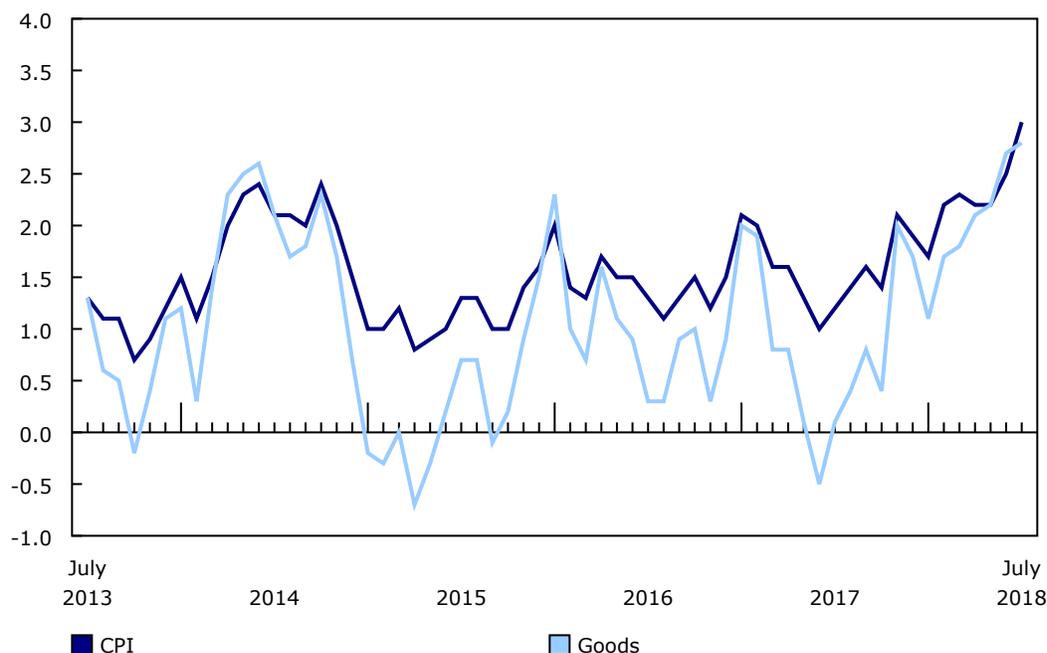
The Consumer Price Index (CPI) rose 3.0% on a year-over-year basis in July, following a 2.5% increase in June. While continued strength in energy prices contributed most to the year-over-year increase, higher prices for various services, including air transportation and travel tours, also contributed to consumer price growth in July.

The Bank of Canada's preferred measures of core inflation remained stable in July.

## Chart 1

### The 12-month change in the Consumer Price Index (CPI) and the goods index

12-month % change



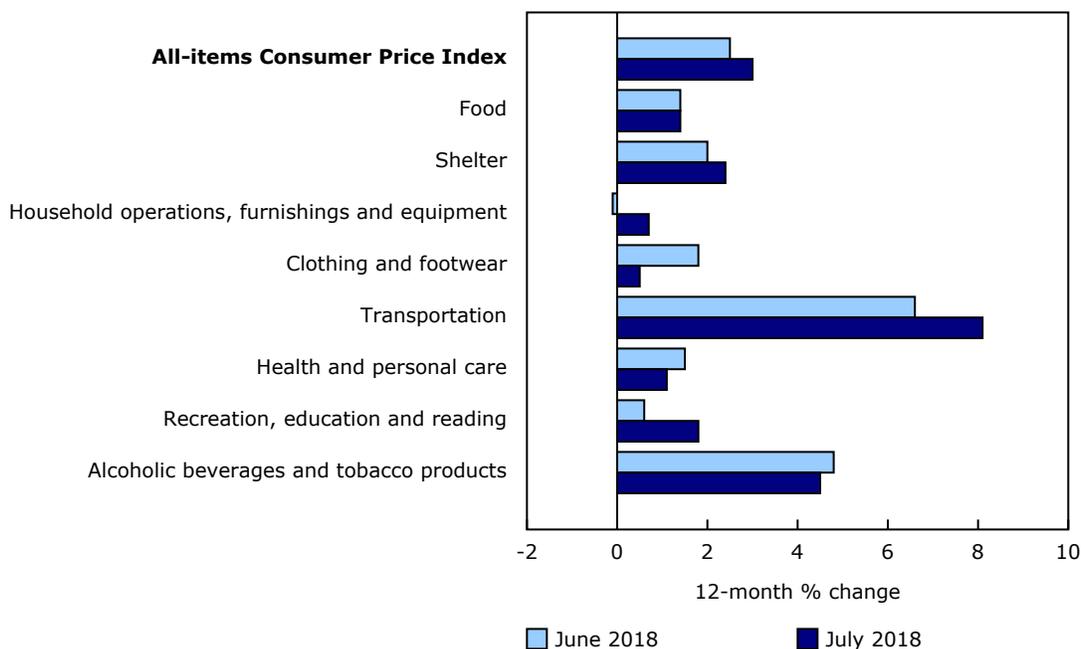
Source(s): Table 18-10-0004-01.

## Component highlights

All eight major components rose year over year in July. The transportation index (+8.1%) was the largest contributor to the year-over-year increase.



**Chart 2**  
**Consumer prices increase in all major components**



Source(s): Table 18-10-0004-01.

Energy costs were 14.2% higher compared with July 2017, after increasing 12.4% year over year in June. Consumer prices for gasoline (+25.4%) and fuel oil and other fuels (+28.1%) continued to increase on a year-over-year basis, amid rising global prices for crude oil following recent supply disruptions.

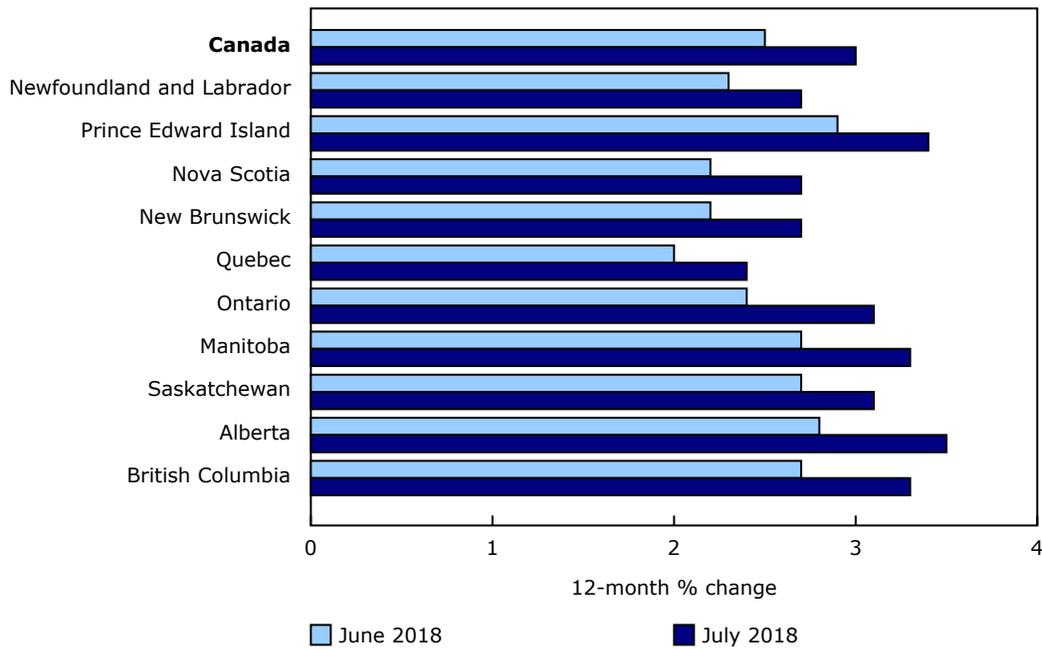
Consumer prices for transportation rose 8.1% in July, following a 6.6% increase in June. In addition to gasoline, the purchase of passenger vehicles index rose more on a year-over-year basis in July (+2.0%) than it did in June (+1.8%). Prices for passenger vehicle insurance premiums were 3.5% higher compared with July 2017, following rate increases in several provinces.

Year-over-year gains in the price of services were higher in July (+3.2%) than in June (+2.2%). Month-over-month increases in the air transportation index (+16.4%) and the travel tours index (+13.9%) reflected higher prices during peak travel season. Prices for telephone services increased 2.2% on a month-over-month basis following declines in May and June, when a series of industry-wide price promotions took place. Recent interest rate increases continued to impact the mortgage interest cost index, which rose 5.2% in the 12 months to July.

**Regional highlights**

In all provinces, prices rose more in July on a year-over-year basis compared with the previous month.

**Chart 3**  
**Consumer prices rise at a faster rate in all provinces**



Source(s): Table 18-10-0004-01.

In Ontario, prices for electricity rose 0.3% on a year-over-year basis, after declining 10.9% in June. Price declines from the *Ontario Fair Hydro Plan Act*, which significantly lowered consumer electricity costs in July 2017, no longer affected the 12-month movement for electricity in Ontario, leading to the first year-over-year increase in the province since December 2016.

At the national level, consumers paid less for traveller accommodation (-4.1%) compared with July 2017, when a significant increase in prices coincided with celebrations related to Canada's 150th birthday. The year-over-year declines were most pronounced in Eastern Canada.

### Seasonally adjusted monthly Consumer Price Index

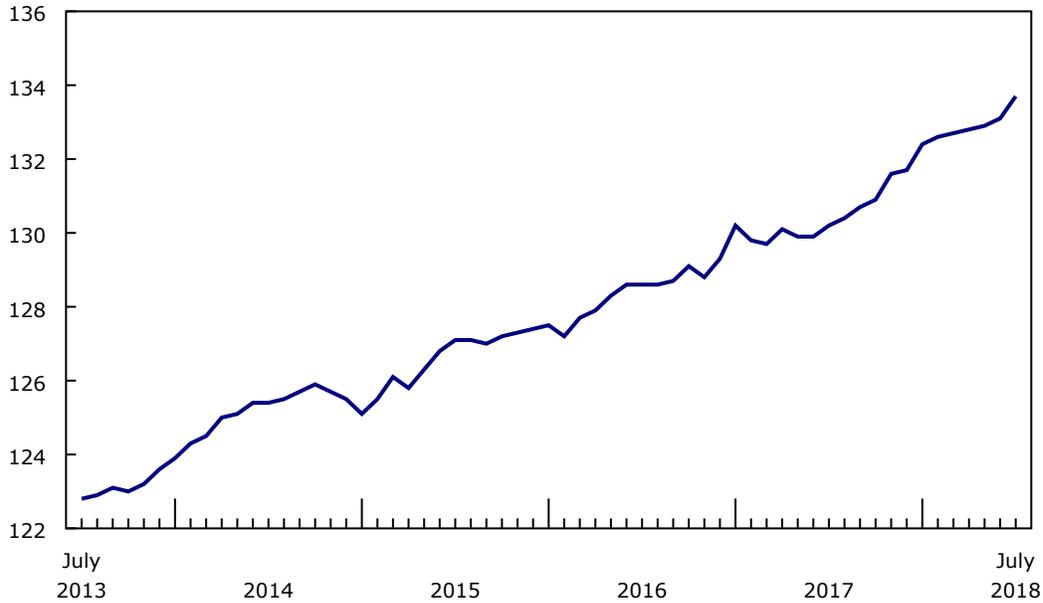
On a [seasonally adjusted monthly basis](#), the CPI rose 0.5% in July, following a 0.2% increase in June. Six of eight major components increased, while the clothing and footwear index (-0.4%) declined and the health and personal care index was unchanged.

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**Chart 4**  
**Seasonally adjusted monthly Consumer Price Index**

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index (2002=100)



Source(s): Table [18-10-0006-01](#).

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**Note to readers**

**Real-time data tables**

Real-time data table 18-10-0259-01 will be updated on September 4.

**Next release**

The Consumer Price Index (CPI) for August will be released on September 21.

**Air transportation index**

Users are reminded that the methodology for the air transportation index was updated in March 2018 as part of the regular review of the CPI methodology. Interpretation of the 12-month price change indicator should be made with caution, particularly in the year following the implementation of the new methodology.

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

	Relative importance <sup>1,2</sup>	July 2017	June 2018	July 2018	June to July 2018	July 2017 to July 2018
	%	(2002=100)			% change	
<b>All-items</b>	<b>100.00</b>	<b>130.4</b>	<b>133.6</b>	<b>134.3</b>	<b>0.5</b>	<b>3.0</b>
Food	16.23	144.1	145.6	146.1	0.3	1.4
Shelter	27.15	137.7	140.5	141.0	0.4	2.4
Household operations, furnishings and equipment	12.97	122.2	122.6	123.1	0.4	0.7
Clothing and footwear	5.44	92.5	94.2	93.0	-1.3	0.5
Transportation	19.70	131.3	140.5	142.0	1.1	8.1
Gasoline	3.37	154.2	191.8	193.3	0.8	25.4
Health and personal care	5.00	124.7	126.3	126.1	-0.2	1.1
Recreation, education and reading	10.89	115.8	115.6	117.9	2.0	1.8
Alcoholic beverages and tobacco products	2.63	161.7	168.9	169.0	0.1	4.5
<b>Special aggregates</b>						
All-items (1992=100)	.	155.3	159.0	159.9	0.6	3.0
All-items excluding food	83.77	127.8	131.2	132.0	0.6	3.3
All-items excluding food and energy	76.71	125.6	127.8	128.5	0.5	2.3
All-items excluding alcoholic beverages, tobacco products and smokers' supplies	97.37	129.4	132.4	133.2	0.6	2.9
All-items excluding energy	92.94	128.9	130.9	131.6	0.5	2.1
All-items excluding gasoline	96.63	129.4	131.5	132.2	0.5	2.2
All-items excluding shelter, insurance and financial services	68.92	126.0	129.2	130.0	0.6	3.2
Energy <sup>3</sup>	7.06	147.8	167.2	168.8	1.0	14.2
Goods	45.32	118.3	121.7	121.6	-0.1	2.8
Durable goods	13.41	89.0	90.3	89.7	-0.7	0.8
Semi-durable goods	6.86	95.1	96.9	96.0	-0.9	0.9
Non-durable goods	25.06	141.7	147.3	147.9	0.4	4.4
Services	54.68	142.6	145.5	147.1	1.1	3.2

. not available for any reference period

1. 2015 Consumer Price Index (CPI) basket weights at December 2016 prices, Canada, effective with the January 2017 CPI.

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

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): Tables [18-10-0004-01](#) and [18-10-0007-01](#).

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

	Relative importance <sup>1,2</sup>	July 2017	June 2018	July 2018	June to July 2018	July 2017 to July 2018
	%	(2002=100)			% change	
<b>Canada</b>	<b>100.00</b>	<b>130.4</b>	<b>133.6</b>	<b>134.3</b>	<b>0.5</b>	<b>3.0</b>
Newfoundland and Labrador	1.39	135.5	138.1	139.1	0.7	2.7
Prince Edward Island	0.33	133.4	137.3	138.0	0.5	3.4
Nova Scotia	2.38	132.4	135.3	136.0	0.5	2.7
New Brunswick	1.85	131.2	134.0	134.8	0.6	2.7
Quebec	20.93	126.7	129.2	129.7	0.4	2.4
Ontario	39.34	131.9	135.3	136.0	0.5	3.1
Manitoba	3.04	130.1	133.7	134.4	0.5	3.3
Saskatchewan	3.08	133.9	137.5	138.0	0.4	3.1
Alberta	13.07	137.0	140.7	141.8	0.8	3.5
British Columbia	14.40	125.6	128.6	129.7	0.9	3.3
Whitehorse	0.08	127.2	131.0	131.9	0.7	3.7
Yellowknife	0.07	132.9	136.2	137.3	0.8	3.3
Iqaluit (Dec. 2002=100)	0.03	126.0	129.6	131.7	1.6	4.5

1. 2015 Consumer Price Index (CPI) basket weights at December 2016 prices, effective with the January 2017 CPI.

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

Source(s): Tables [18-10-0004-01](#) and [18-10-0007-01](#).

**Table 3**  
**Consumer Price Index, major components and special aggregates – Seasonally adjusted<sup>1</sup>**

	May 2018	June 2018	July 2018	May to June 2018	June to July 2018
	(2002=100)			% change	
<b>All-items</b>	<b>132.9</b>	<b>133.1</b>	<b>133.7</b>	<b>0.2</b>	<b>0.5</b>
Food	144.2	145.0	145.3	0.6	0.2
Shelter	140.4	140.5	141.0	0.1	0.4
Household operations, furnishings and equipment	122.5	122.0	122.9	-0.4	0.7
Clothing and footwear	94.4	94.9	94.5	0.5	-0.4
Transportation	138.5	138.9	140.4	0.3	1.1
Health and personal care	125.8	126.1	126.1	0.2	0.0
Recreation, education and reading	115.6	114.7	116.0	-0.8	1.1
Alcoholic beverages and tobacco products	167.6	168.4	168.7	0.5	0.2
<b>Special aggregates</b>					
All-items excluding food and energy <sup>2</sup>	127.2	127.5	128.0	0.2	0.4

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 special aggregate "energy" comprises electricity, natural gas, fuel oil and other fuels, gasoline, and fuel, parts and accessories for recreational vehicles.

Source(s): Table [18-10-0006-01](#).

**Table 4**  
**Consumer Price Index statistics, preferred measures of core inflation – Bank of Canada definitions, year-over-year percent change, Canada<sup>1,2</sup>**

	April 2018	May 2018	June 2018	July 2018
	% change			
CPI-common <sup>3,5</sup>	1.9	1.9	1.9	1.9
CPI-median <sup>4,6</sup>	2.0	2.0	2.0	2.0
CPI-trim <sup>4,7</sup>	2.1	1.9	2.0	2.1

1. For more information on these measures of core inflation, please consult the [methodology](#) and [general information](#) documents found in our Definitions, data sources and methods - record number [2301](#).

2. The Bank of Canada's preferred measures of core inflation, CPI-common, CPI-median and CPI-trim, are subject to revision. In the case of CPI-median and CPI-trim, this results from the fact that these measures are based on seasonally adjusted price index series. In the case of CPI-common, revisions are due to the statistical technique used, as the factor model is estimated over all available historical data. The table 18-10-0259-01 contains the historical release data for these three measures and will be updated every month.

3. This measure is based on the Consumer Price Index (CPI) series adjusted to remove the effect of changes in indirect taxes.

4. This measure is based on CPI series that have been treated to remove the effect of changes in indirect taxes, and that have been seasonally adjusted.

5. CPI-common is a measure of core inflation that tracks common price changes across categories in the CPI basket.

6. CPI-median is a measure of core inflation corresponding to the price change located at the 50th percentile (in terms of CPI basket weights) of the distribution of price changes in a given month.

7. CPI-trim is a measure of core inflation that excludes CPI components whose rates of change in a given month are located in the tails of the distribution of price changes.

Source(s): Table [18-10-0256-01](#).

**Table 5**  
**Main contributors to the 12-month and 1-month change in the Consumer Price Index**

	July 2017 to July 2018
	% change
<b>Main contributors to the 12-month change</b>	
<b>Main upward contributors</b>	
Gasoline	25.4
Air transportation	28.2
Food purchased from restaurants	4.4
Mortgage interest cost	5.2
Purchase of passenger vehicles	2.0
<b>Main downward contributors</b>	
Telephone services	-5.1
Traveller accommodation	-4.1
Natural gas	-5.7
Digital computing equipment and devices	-3.5
Prescribed medicines	-2.8
	June to July 2018
	% change
<b>Main contributors to the 1-month change, not seasonally adjusted</b>	
<b>Main upward contributors</b>	
Air transportation	16.4
Travel tours	13.9
Telephone services	2.2
Gasoline	0.8
Fresh fruit	3.4
<b>Main downward contributors</b>	
Purchase of passenger vehicles	-1.3
Women's clothing	-2.3
Footwear	-1.4
Children's clothing	-1.7
Seeds, plants and cut flowers	-2.0

Source(s): Table [18-10-0004-01](#).

**Available tables:** [18-10-0001-01](#), [18-10-0002-01](#), [18-10-0004-01](#), [18-10-0006-01](#) and [18-10-0256-01](#).

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

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)).