

Consumer Price Index, March 2020

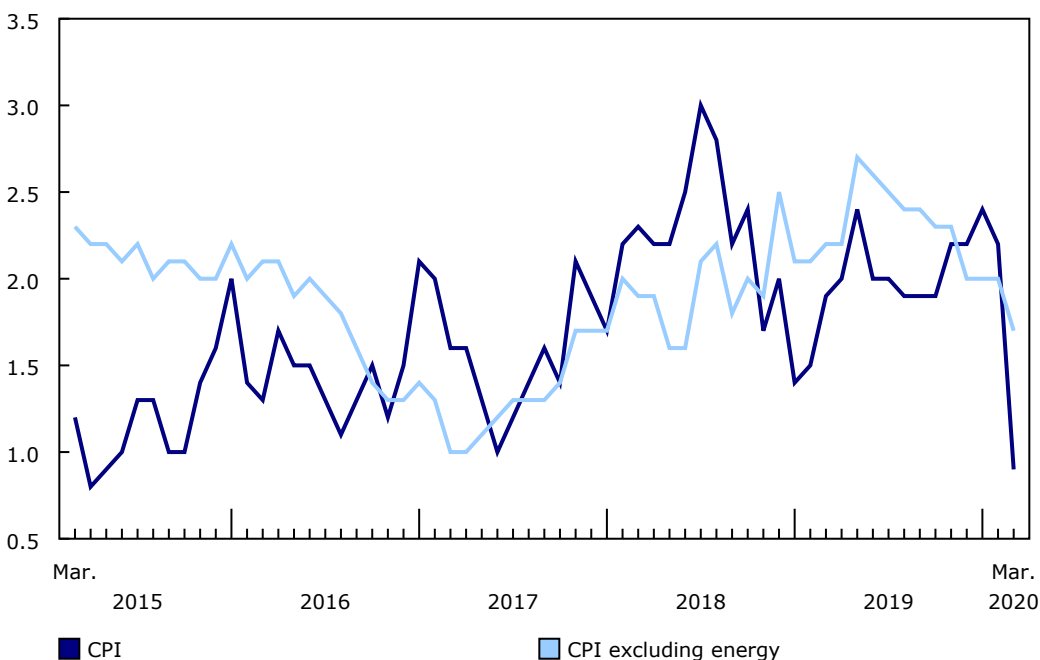
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, April 22, 2020

The Consumer Price Index (CPI) rose 0.9% on a year-over-year basis in March, down from a 2.2% gain in February. Year over year, consumer price growth decelerated the most since September 2006, as global economic activity continued to slow due to the COVID-19 outbreak. Excluding energy, the CPI rose 1.7%.

On a [seasonally adjusted monthly basis](#), the CPI fell 0.9% in March, the largest decline in the seasonally adjusted CPI since its inception in 1992. Excluding food and energy, the seasonally adjusted CPI rose 0.1%.

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

12-month % change



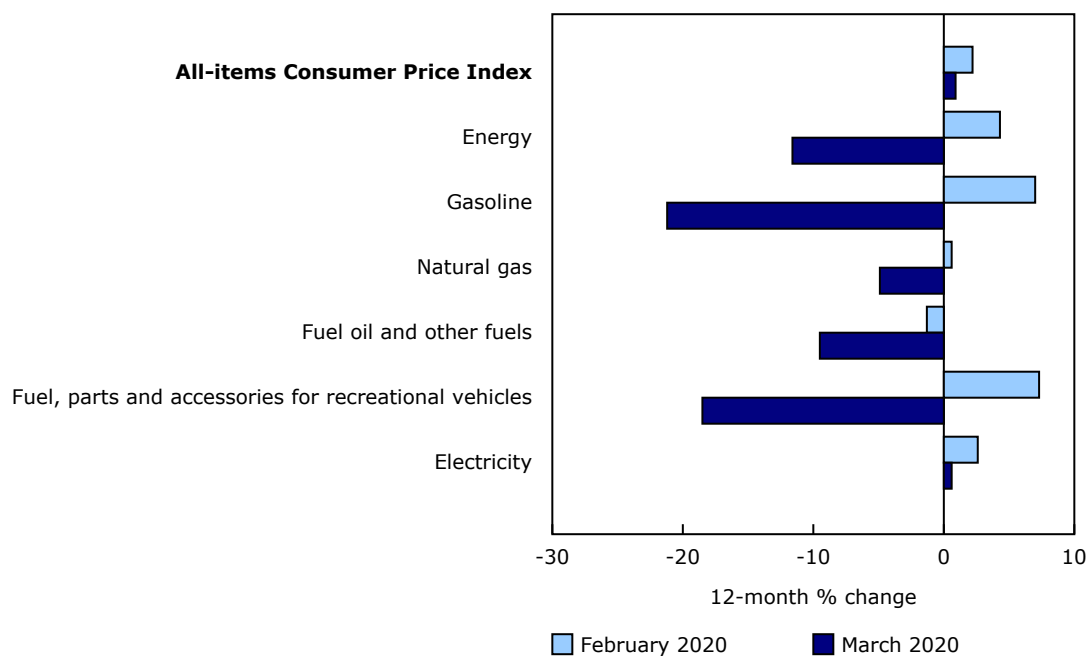
Source(s): Table 18-10-0004-01.



Infographic 1 – COVID-19 response: Key economic events in March

March 4:	Bank of Canada lowers the overnight interest rate from 1.75% to 1.25%
March 9:	Government of Canada advises Canadians to avoid travel on cruise ships
March 11:	COVID-19 is declared a pandemic by the World Health Organization
March 13:	Government of Canada advises Canadians to avoid non-essential travel abroad
March 13:	Coordinated federal economic response package announced
March 14 to 22:	On March 14, Quebec declares a state of public health emergency. By March 22, all provinces have followed suit.
March 16:	Bank of Canada lowers the overnight interest rate from 1.25% to 0.75%
March 16:	Government restricts entry to foreigners (except for citizens of the United States) and limits international flights
March 16 to April 1:	On March 16, Prince Edward Island closes non-essential businesses. By April 1, all provinces and territories have closed restaurants, bars and night clubs as well as non-essential businesses.
March 19:	Canada–US border closes to non-essential travel
March 27:	Bank of Canada lowers the overnight interest rate from 0.75% to 0.25%

Chart 2 Energy prices fall in March

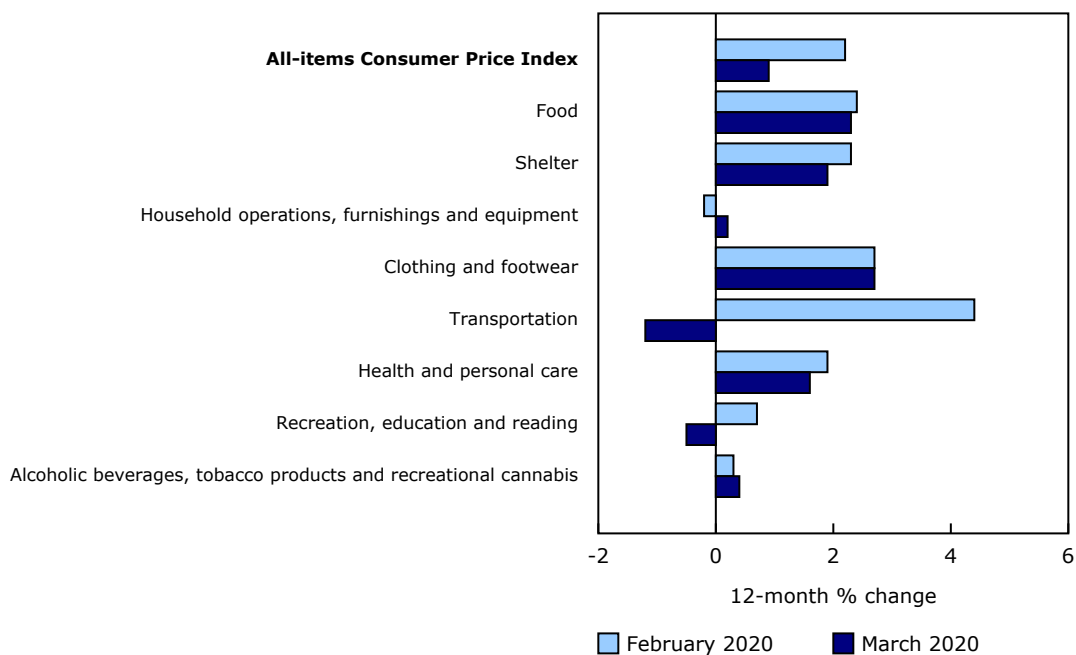


Source(s): Table 18-10-0004-01.

Highlights

Prices rose in six of the eight major components on a year-over-year basis, with shelter prices (+1.9%) contributing the most to the all-items increase. Consumers paid less for transportation (-1.2%) and recreation, education and reading (-0.5%) compared with March 2019.

Chart 3 Prices rise in six of eight major components



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

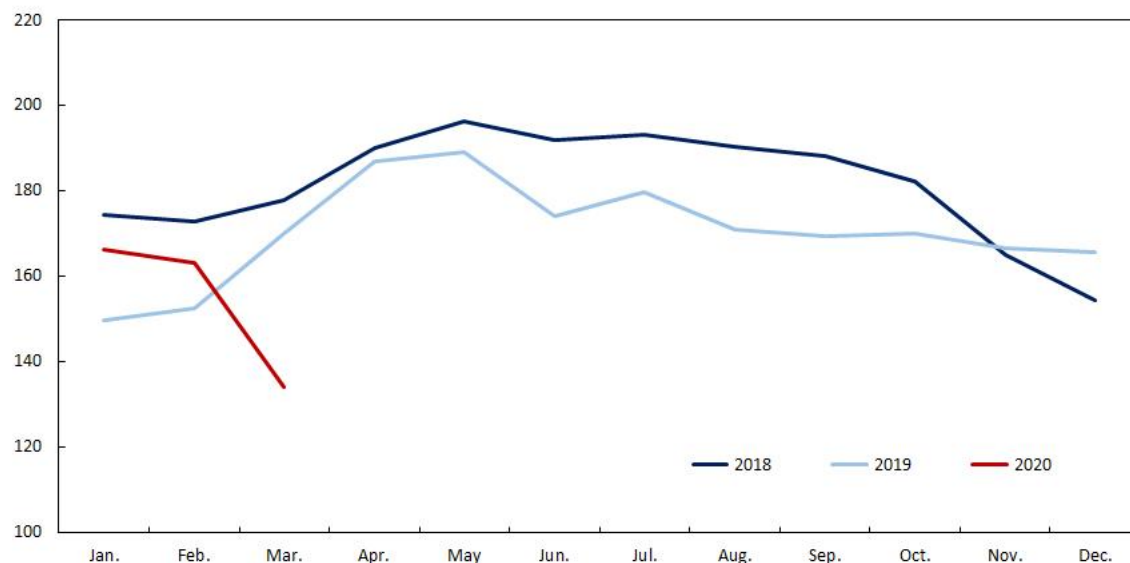
Energy prices drop on lower demand and higher supply

Energy prices fell 11.6% on a year-over-year basis in March, driven by the largest one-month price decline since November 2008. Compared with March of last year, consumers paid 21.2% less for gasoline, stemming from low crude oil prices, which also resulted in lower prices for fuel oil and other fuels (-9.5%) and fuel, parts and accessories for recreational vehicles (-18.5%).

Crude oil prices fell in March as a result of lower demand as global economic activity, trade and travel slowed in response to the COVID-19 outbreak, as well as an oversupply of oil amid tensions between oil-producing nations. The year-over-year decline in energy prices was accentuated by an increase in gasoline prices in March 2019, when crude oil prices began to recover from a sustained supply glut, which has fallen out of the 12-month movement.

Infographic 2 – Gasoline prices tank in March

index (2002=100)



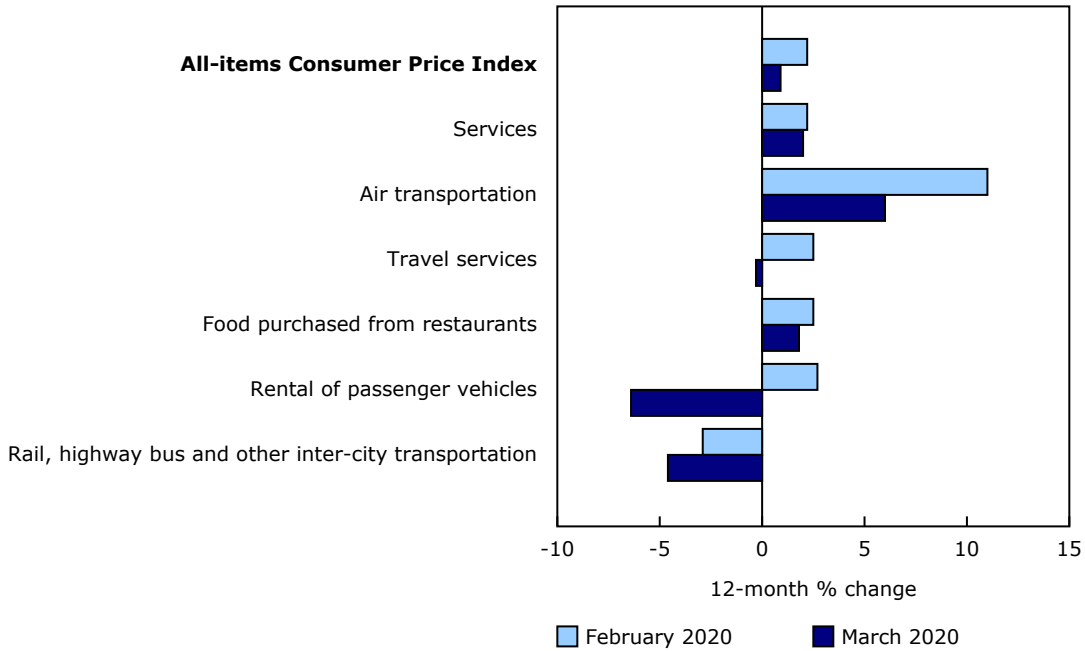
Source(s): Table 18-10-0004-01.

Consumer prices for durable goods rose 0.3% year over year in March, after a 1.1% gain in February. Year-over-year growth in the purchase of passenger vehicles index slowed to 1.0% from a 2.2% gain in February, attributable, in part, to higher incentives for customers and lower availability of new model-year vehicles compared with March 2019.

Year-over-year growth in service prices slows amid COVID-19

Year-over-year growth in service prices slowed to 2.0% in March, following a 2.2% gain in February. Much of the slowdown stemmed from services impacted by travel advisories and flight suspensions aimed at reducing the spread of COVID-19. Prices for travel tours (+1.0%) and air transportation (+6.0%) rose less in March than in February as a number of international trips became unavailable to consumers. Lower year-over-year prices for traveller accommodation (-2.2%), rental of passenger vehicles (-6.4%) and rail, highway bus and other inter-city transportation (-4.6%) reflected reduced demand for travel within Canada. These movements coincided with increasing emphasis on physical distancing, including the cancellation of major events and advisories against non-essential travel.

Chart 4
Year-over-year growth in service prices slows in March

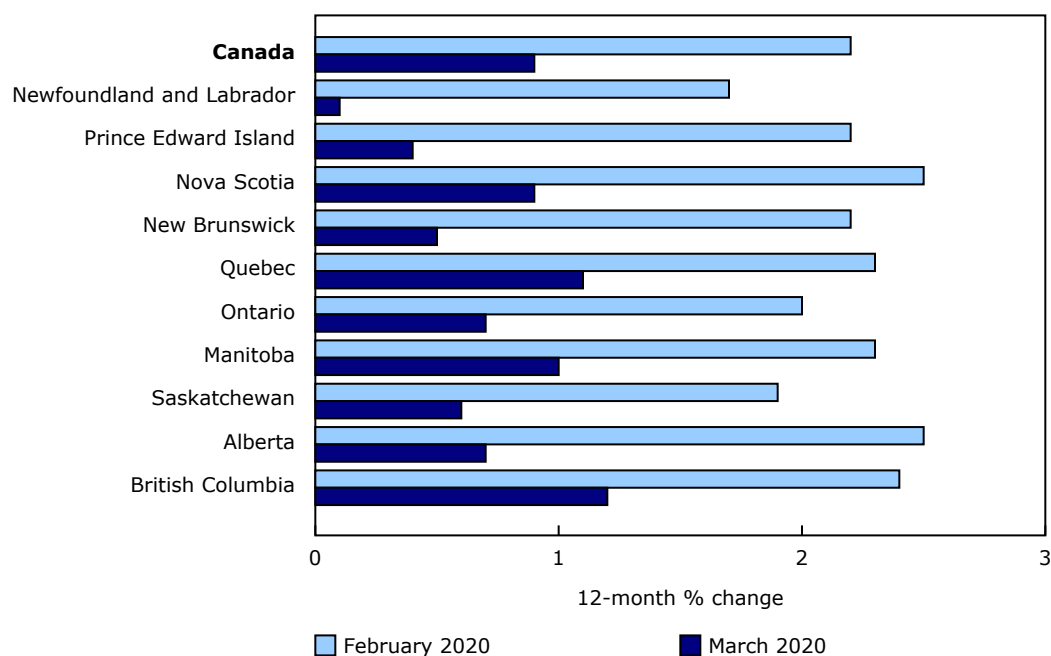


Source(s): Table 18-10-0004-01.

Regional highlights

On a year-over-year basis, prices rose less in March than in February in every province, led by lower prices at the gas pump. Price growth slowed the most in the Atlantic region, where furnace fuel oil is commonly used for home heating. Consumers paid less for fuel oil and other fuels as a result of low global oil prices.

Chart 5
The Consumer Price Index rises at a slower pace in all provinces



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

Energy prices fall in Alberta and Ontario

Consumers in Alberta paid 21.1% less for natural gas compared with March 2019, when natural gas prices rose in response to colder-than-expected weather. In March, lower consumer prices reflected a decline in commodity prices around the world. As with other energy products, the COVID-19 pandemic resulted in lower demand for natural gas, while inventories remained high.

In Ontario, electricity prices declined 1.4% on a year-over-year basis, largely due to changes to the province's time of use electricity rates. On March 24, following the mandatory closure of non-essential businesses in Ontario in an effort to limit the spread of COVID-19, the provincial government suspended time of use rates. This measure resulted in residential customers being billed at lower, off-peak rates at all hours.

Consumers pay less for traveller accommodation in Alberta

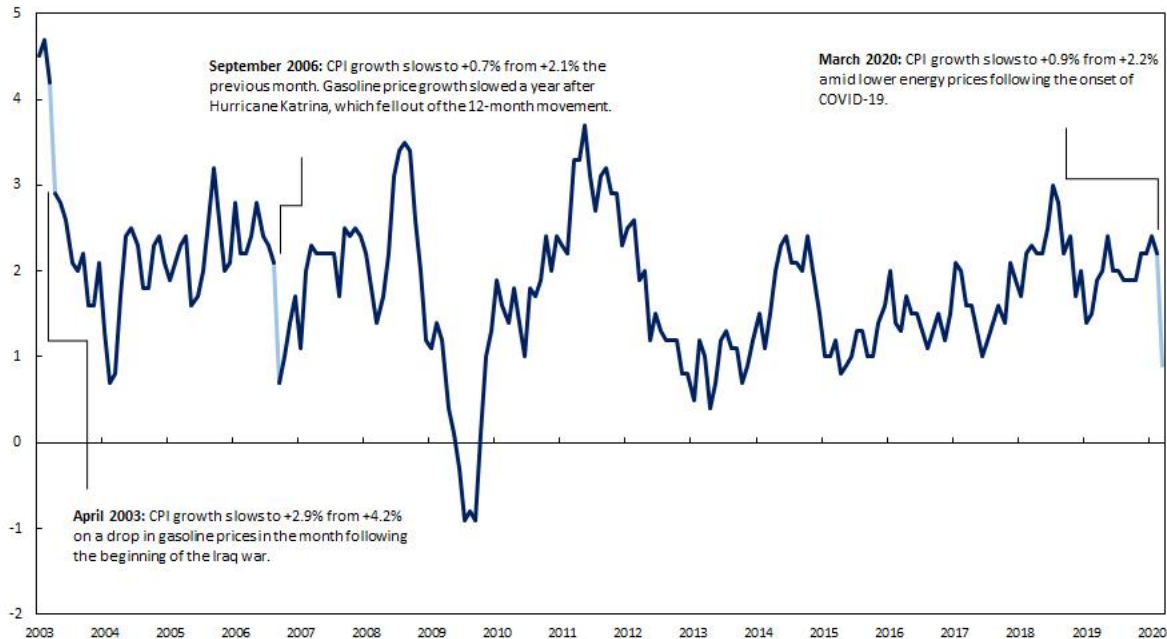
While prices for traveller accommodation declined in most provinces, prices decreased the most in Alberta (-10.8%), largely influenced by lower demand as a result of limited tourism to Rocky Mountain resort towns.

Year-over-year Consumer Price Index growth slows at a pace unseen since 2006

In March, headline CPI growth slowed to a 0.9% gain, following a 2.2% increase the previous month. This was the largest year-over-year deceleration in the growth of consumer prices since September 2006.

Infographic 3 – The 12-month change in the Consumer Price Index, January 2003 to March 2020

12-month % change



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

COVID-19 and the Consumer Price Index

Statistics Canada continues to closely monitor the impacts of the novel coronavirus (also known as COVID-19) on Canada's Consumer Price Index (CPI).

Price collection for the March CPI was largely unaffected by the COVID-19 pandemic, as the majority of prices were collected prior to the implementation of local travel limitations. Statistics Canada has, where necessary, adopted measures to reflect the limitations faced by Canadian consumers.

In March, several international flights were suspended indefinitely in an effort to limit the spread of COVID-19. Although information on airfares was collected prior to the suspension of flights, these flights are excluded from the March CPI calculation because passengers were ultimately unable to consume these services.

As with airfares, prices for travel tours were collected in advance of the advisories against non-essential travel, announced on March 13. Prices for travel tours taking place after this point are imputed from a higher level index (travel services).

Traveller accommodation prices were also collected in advance, prior to the closure of the Canadian border and advisories against non-essential travel. Additional prices were collected towards the end of the reference period to ensure the price movement is representative of the consumer experience across the entire reference period. The published price movement represents an average of all collected prices for the reference period.

Two ways of exploring the Consumer Price Index (CPI)

Visit the [Consumer Price Index Portal](#) to find all CPI data, publications, interactive tools, and announcements highlighting new products and upcoming changes to the CPI in one convenient location.

Check out the [Consumer Price Index Data Visualization Tool](#) to access current and historical CPI data in a customizable, visual format.

Note to readers

For the March reference month, 99.8% of collection for the Consumer Price Index (CPI) was completed as scheduled prior to the closures of non-essential businesses.

Treatment of air transportation and travel services in the March CPI

Price collection for the March CPI was largely unaffected by the COVID-19 pandemic, as the majority of prices were collected prior to the implementation of closures and local travel limitations. Statistics Canada has, where necessary, adopted measures to reflect the experience faced by Canadian consumers.

In March, several international flights were suspended indefinitely in an effort to limit the spread of COVID-19. Although information on airfares was collected prior to the suspension of flights, these flights are excluded from the March CPI because passengers were ultimately unable to consume these services.

Prices for travel tours were collected in advance of the advisories against non-essential travel, announced on March 13. Prices for travel tours taking place after this point are imputed from a higher level index (travel services). Because Canadians are unlikely to have travelled internationally after these travel advisories were issued, this intervention ensures that the published price movement reflects trips that were taken during the first half of March.

Traveller accommodation prices were also collected in advance, prior to the closure of the Canadian border and advisories against non-essential travel. Additional prices were collected towards the end of the reference period to ensure the price movement is representative of the consumer experience in March. The published price movement represents an average of all collected prices for the reference period.

Cellular services index

The cellular services price index is now available upon request. For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca).

Real-time data tables

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

Next release

The Consumer Price Index for April will be released on May 20.

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

	Relative importance ^{1,2}	March 2019	February 2020	March 2020	February to March 2020	March 2019 to March 2020
	%	(2002=100)		% change		
All-items	100.00	135.4	137.4	136.6	-0.6	0.9
Food	16.48	149.4	152.9	152.8	-0.1	2.3
Shelter	27.36	143.8	146.7	146.5	-0.1	1.9
Household operations, furnishings and equipment	12.80	123.5	123.3	123.7	0.3	0.2
Clothing and footwear	5.17	96.4	97.4	99.0	1.6	2.7
Transportation	19.95	140.6	144.0	138.9	-3.5	-1.2
Gasoline	3.13	170.1	163.1	134.0	-17.8	-21.2
Health and personal care	4.79	126.6	128.8	128.6	-0.2	1.6
Recreation, education and reading	10.24	116.6	116.0	116.0	0.0	-0.5
Alcoholic beverages, tobacco products and recreational cannabis	3.21	170.9	171.4	171.5	0.1	0.4
Special aggregates						
All-items excluding food	83.52	132.7	134.5	133.5	-0.7	0.6
All-items excluding food and energy	77.01	130.0	132.1	132.2	0.1	1.7
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	96.79	134.3	136.3	135.5	-0.6	0.9
All-items excluding energy	93.50	133.5	135.7	135.8	0.1	1.7
All-items excluding gasoline	96.87	134.1	136.3	136.3	0.0	1.6
Energy ³	6.50	159.1	156.6	140.6	-10.2	-11.6
Goods	44.29	122.7	123.9	122.0	-1.5	-0.6
Durable goods	12.94	91.9	92.8	92.2	-0.6	0.3
Semi-durable goods	6.63	98.5	99.6	100.7	1.1	2.2
Non-durable goods	24.72	147.4	148.8	144.7	-2.8	-1.8
Services	55.71	148.1	150.8	151.1	0.2	2.0

1. 2017 Consumer Price Index (CPI) basket weights at December 2018 prices, Canada, effective with the January 2019 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 ^{1,2}	March 2019	February 2020	March 2020	February to March 2020	March 2019 to March 2020
	%	(2002=100)			% change	
Canada	100.00	135.4	137.4	136.6	-0.6	0.9
Newfoundland and Labrador	1.31	139.1	140.3	139.2	-0.8	0.1
Prince Edward Island	0.33	137.0	138.9	137.5	-1.0	0.4
Nova Scotia	2.31	136.8	139.1	138.0	-0.8	0.9
New Brunswick	1.76	135.9	137.6	136.6	-0.7	0.5
Quebec	20.72	131.0	133.2	132.5	-0.5	1.1
Ontario	39.83	137.0	138.7	137.9	-0.6	0.7
Manitoba	3.16	136.1	138.3	137.4	-0.7	1.0
Saskatchewan	2.98	139.2	141.2	140.0	-0.8	0.6
Alberta	12.15	143.1	145.5	144.1	-1.0	0.7
British Columbia	15.27	130.7	132.9	132.3	-0.5	1.2
Whitehorse	0.08	131.6	135.9	135.1	-0.6	2.7
Yellowknife	0.07	138.5	141.2	140.0	-0.8	1.1
Iqaluit (Dec. 2002=100)	0.03	130.5	132.4	132.7	0.2	1.7

1. 2017 Consumer Price Index (CPI) basket weights at December 2018 prices, effective with the January 2019 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 adjusted¹

	January 2020	February 2020	March 2020	January to February 2020	February to March 2020
	(2002=100)			% change	
All-items	137.4	137.6	136.3	0.1	-0.9
Food	152.8	152.2	152.4	-0.4	0.1
Shelter	146.4	146.7	146.5	0.2	-0.1
Household operations, furnishings and equipment	123.1	123.2	123.4	0.1	0.2
Clothing and footwear	98.2	98.3	98.2	0.1	-0.1
Transportation	144.6	144.9	138.8	0.2	-4.2
Health and personal care	128.9	128.8	128.8	-0.1	0.0
Recreation, education and reading	116.4	116.6	116.1	0.2	-0.4
Alcoholic beverages, tobacco products and recreational cannabis	171.9	171.6	171.5	-0.2	-0.1
Special aggregates					
All-items excluding food	134.6	134.8	133.2	0.1	-1.2
All-items excluding food and energy ²	131.6	131.9	132.0	0.2	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 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^{1,2}

	December 2019	January 2020	February 2020	March 2020
	% change			
CPI-common ^{3,5}	1.9	1.8	1.8	1.7
CPI-median ^{4,6}	2.2	2.1	2.1	2.0
CPI-trim ^{4,7}	2.0	2.1	2.0	1.8

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

	March 2019 to March 2020
	% change
Main contributors to the 12-month change	
Main upward contributors	
Passenger vehicle insurance premiums	8.4
Rent	2.6
Mortgage interest cost	4.4
Meat	7.2
Food purchased from restaurants	1.8
Main downward contributors	
Gasoline	-21.2
Telephone services	-6.5
Tuition fees	-3.6
Fresh fruit	-6.6
Natural gas	-4.9
February to March 2020	
	% change
Main contributors to the 1-month change, not seasonally adjusted	
Main upward contributors	
Women's clothing	3.3
Travel tours	4.0
Meat	1.2
Homeowners' replacement cost	0.5
Other food preparations	1.8
Main downward contributors	
Gasoline	-17.8
Purchase of passenger vehicles	-1.2
Electricity	-2.6
Air transportation	-2.9
Fresh fruit	-4.3

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](#).

The [Consumer Price Index Data Visualization Tool](#) is available on the Statistics Canada website.

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) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).