

Consumer Price Index, July 2020

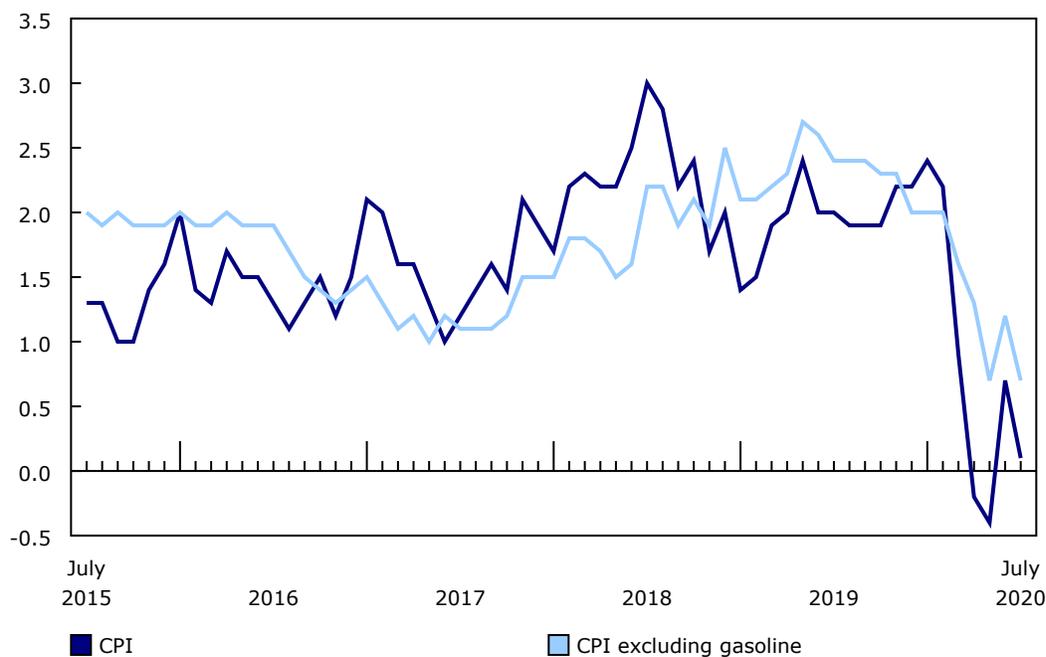
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, August 19, 2020

The Consumer Price Index (CPI) rose 0.1% on a year-over-year basis in July, down from a 0.7% increase in June. Excluding gasoline, the CPI rose 0.7%.

On a [seasonally adjusted monthly basis](#), the CPI fell 0.1% in July.

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

12-month % change



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

Highlights

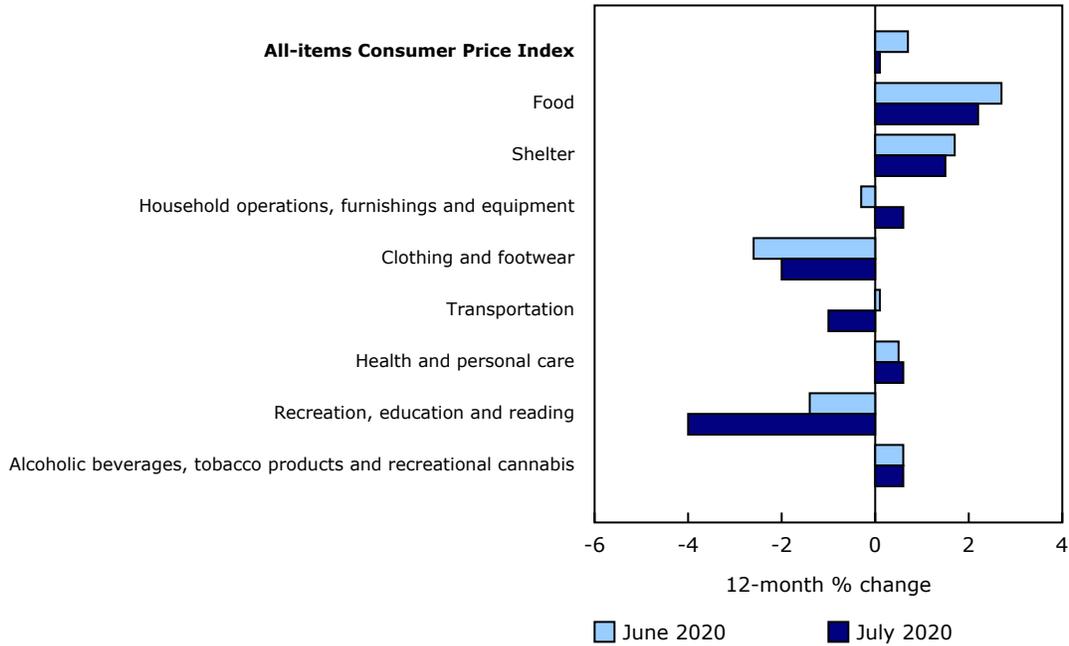
Prices rose in five of the eight major components on a year-over-year basis in July. The CPI grew at a slower pace than in June as a result of a broad-based slowdown in price growth, spanning both goods and services. Growth slowed the most in the transportation component, mostly due to the air transportation index.



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Chart 2
Prices rise in five of eight major components



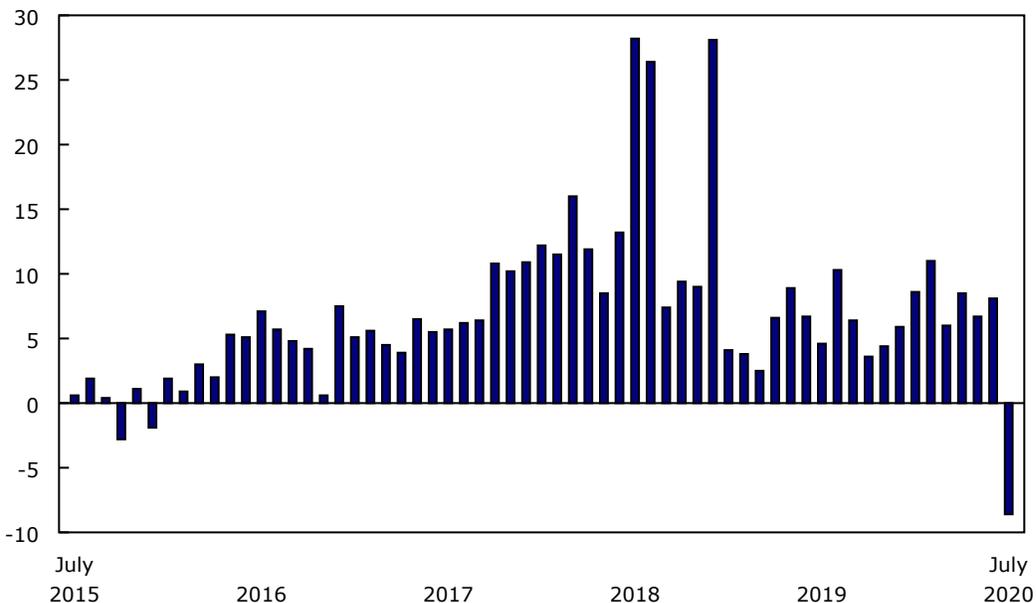
Source(s): Table 18-10-0004-01.

Prices fall for air transportation and traveller accommodation

In July, air transportation prices (-8.6%) fell for the first time on a year-over-year basis since December 2015, when prices declined amid low prices for crude oil and airline fuel. Although many flights remained cancelled or suspended as a result of the COVID-19 pandemic, airlines were offering various incentives such as reduced fees, discounts and promotions to encourage a return to travel. Prices for traveller accommodation fell 27.0% year over year, posting record declines for the third consecutive month.

Chart 3
First year-over-year decline in air transportation prices since 2015

12-month % change



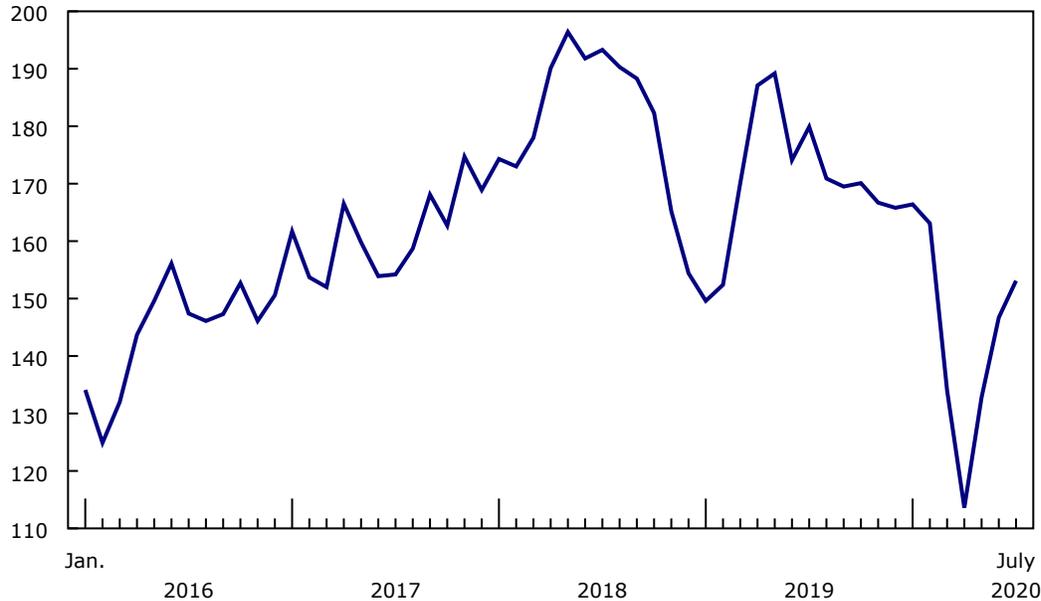
Source(s): Table 18-10-0004-01.

Fifth consecutive year-over-year decline in gasoline prices

Gasoline prices fell 14.9% on a year-over-year basis in July, following a 15.7% decline in June. Although gasoline prices rose 4.4% on a monthly basis amid the reopening of many businesses and services, crude oil prices increased minimally in July due to concerns that surging coronavirus infections around the world could jeopardize a recovery in fuel demand. This followed several months of volatile monthly price movements related to changes in demand for gasoline during the COVID-19 pandemic.

Chart 4
The gasoline index edges up on a monthly basis

index (2002=100)



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

Meat prices increase at a slower pace

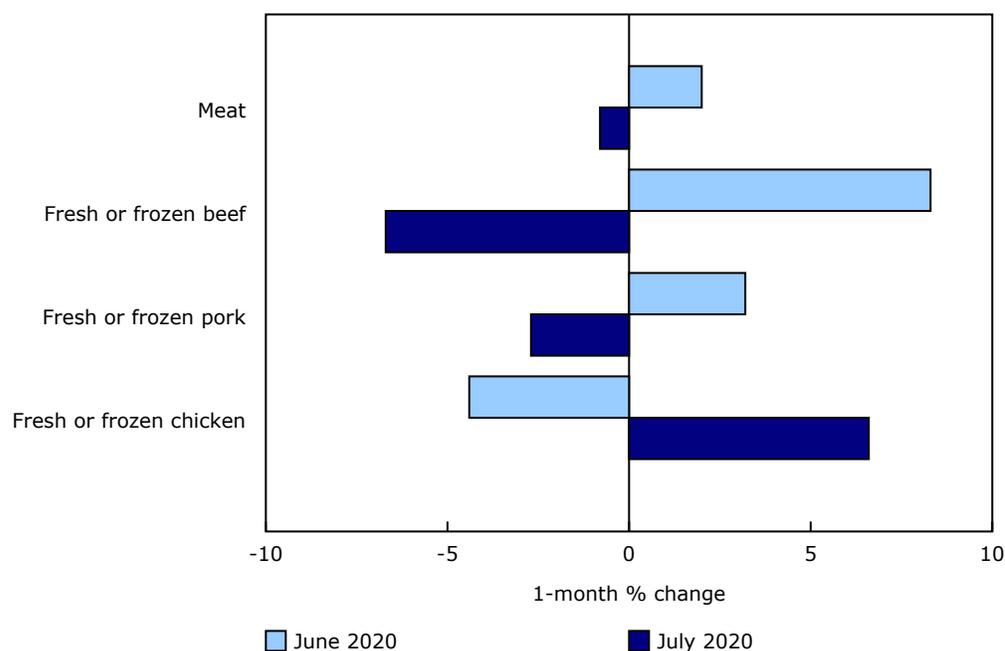
Meat prices rose at a slower pace, year over year, in July (+4.8%) than in June (+8.1%). This was partly attributable to lower month-over-month prices for fresh or frozen beef in July (-6.7%), following a significant increase in June (+8.3%). The decrease in beef prices marked the largest monthly decline since August 2003. Beef prices fell as production increased, gradually returning to pre-COVID-19 production levels.

The index for fresh or frozen pork fell 2.7% month over month following a 3.2% increase in June as pork production recovered, despite initially being less affected than beef production by plant closures.

Fresh or frozen chicken prices rose 6.6% on a monthly basis following a 4.4% decline in June, the largest monthly decline since November 2004. Chicken prices rebounded, coinciding with strong demand and lower production, as well as summer-related seasonality.

The monthly price movements for both beef and chicken were most pronounced in the Western Canadian provinces.

Chart 5
Beef and pork prices fall on a monthly basis while chicken prices rise



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

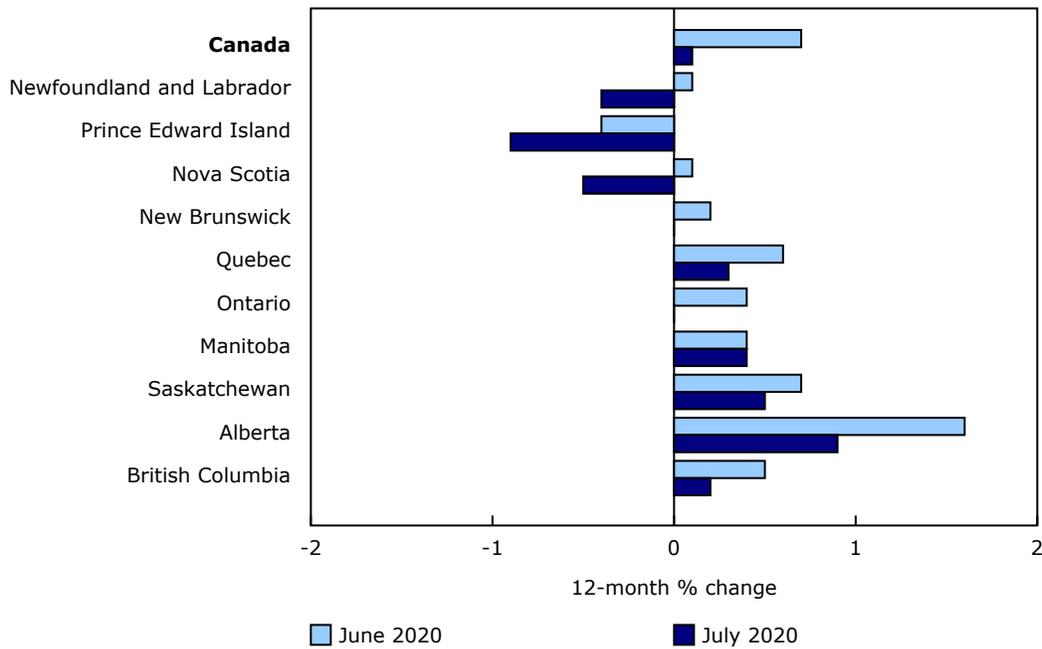
Prices for multipurpose digital devices decline year over year

The price index for multipurpose digital devices fell 29.7% compared with July 2019, when subsidies for wireless devices were reduced following the widespread introduction of unlimited data plans, shifting more of the cost of devices to consumers. Since then, however, consumers have paid less for multipurpose digital devices during the past year, due in part to industry-wide promotional pricing aimed at clearing inventories prior to the release of new smartphone models.

Regional highlights

Prices rose in five provinces on a year-over-year basis in July. Year-over-year price declines were observed in three of the four Atlantic provinces, where furnace fuel oil is more commonly used. Fuel oil and other fuels (-20.6%) are subject to similar oil price dynamics as gasoline, and prices remained low compared with July 2019.

Chart 6
The Consumer Price Index increases in five provinces



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

Lower prices for homeowners' home and mortgage insurance in Manitoba

Homeowners' home and mortgage insurance costs fell 6.4% in Manitoba compared with June, the largest monthly decline on record, mostly attributable to Retail Sales Tax (RST) exemption. Effective July 1, the provincial government eliminated the RST on tenants, mortgage and homeowners' insurance.

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.

Additional research related to COVID-19

For more information about the impact of COVID-19 on the CPI, please consult the research document entitled "[Consumer expenditures during COVID-19: An exploratory analysis of the effects of changing consumption patterns on consumer price indexes](#)," released on July 13, which explores new sources of expenditure data to estimate basket weights that reflect shifting consumption patterns during the pandemic.

For more information on consumer expenditures during COVID-19, users can consult two available documents. The first is "[Canadian Consumers Prepare for COVID-19](#)," released on April 8, which examines the shifting consumption patterns of Canadians during the COVID-19 pandemic up to March 14. The second is "[Canadian Consumers Adapt to COVID-19: A Look at Canadian Grocery Sales up to April 11](#)," released on May 11, which explores a continued shift in the consumption patterns of Canadians during the COVID-19 pandemic up to April 11.

All of the above publications can be found in the *Prices Analytical Series* ([62F0014M](#)).

Note to readers

COVID-19 and the Consumer Price Index

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

In July, measures remained in place across much of the country to restrict gatherings and the movement of people. In-person field collection continued to be conducted via telephone or Internet for health and safety reasons, supplementing prices collected via web scraping, transaction data and administrative data. Due to the impact of COVID-19 on product availability in the month of July 2020, select sub-components of the CPI received temporary special imputations.

Some products and services, such as personal care services, that were unavailable for consumption in previous months were available for consumption in July, while others, such as travel tours, remained unavailable. Availability of goods and services varied throughout the country, as different provinces reopened to various extents at different times. The following sub-indexes were imputed from the monthly change in the All-items index: travel tours, components of spectator entertainment, and use of some recreational facilities. These imputations have the effect of removing the impact of these goods and services from the CPI.

Consistent with previous months affected by the COVID-19 pandemic, prices for suspended flights are excluded from the July CPI calculation because passengers were ultimately unable to consume them. As a result, select sub-components of the air transportation index were imputed from the parent index.

Where prices were missing due to high levels of out-of-stock products or the temporary closure of businesses, they were imputed with the average price movement of available prices for those items.

A document entitled [Technical Supplement for the July 2020 Consumer Price Index](#) is available in the Prices Analytical Series ([62F0014M](#)) publication, with further details on the imputations used to compile the July 2020 CPI.

Cellular services index

The cellular services index is 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 August 31.

Next release

The Consumer Price Index for August will be released on September 16.

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

	Relative importance ^{1,2}	July 2019	June 2020	July 2020	June to July 2020	July 2019 to July 2020
	%	(2002=100)			% change	
All-items	100.00	137.0	137.2	137.2	0.0	0.1
Food	16.48	151.6	154.8	155.0	0.1	2.2
Shelter	27.36	144.3	146.4	146.4	0.0	1.5
Household operations, furnishings and equipment	12.80	123.5	123.7	124.2	0.4	0.6
Clothing and footwear	5.17	94.0	92.4	92.1	-0.3	-2.0
Transportation	19.95	144.2	142.8	142.8	0.0	-1.0
Gasoline	3.13	179.9	146.7	153.1	4.4	-14.9
Health and personal care	4.79	128.0	128.3	128.8	0.4	0.6
Recreation, education and reading	10.24	121.1	116.3	116.3	0.0	-4.0
Alcoholic beverages, tobacco products and recreational cannabis	3.21	171.0	172.2	172.0	-0.1	0.6
Special aggregates						
All-items excluding food	83.52	134.2	133.8	133.9	0.1	-0.2
All-items excluding food and energy	77.01	131.3	132.1	131.9	-0.2	0.5
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	96.79	135.9	136.0	136.1	0.1	0.1
All-items excluding energy	93.50	134.9	136.1	136.0	-0.1	0.8
All-items excluding gasoline	96.87	135.4	136.5	136.4	-0.1	0.7
Energy ³	6.50	163.4	146.2	149.7	2.4	-8.4
Goods	44.29	123.2	122.6	122.9	0.2	-0.2
Durable goods	12.94	91.4	93.0	92.8	-0.2	1.5
Semi-durable goods	6.63	96.6	95.8	95.7	-0.1	-0.9
Non-durable goods	24.72	149.8	147.3	148.2	0.6	-1.1
Services	55.71	150.7	151.6	151.5	-0.1	0.5

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}	July 2019	June 2020	July 2020	June to July 2020	July 2019 to July 2020
	%	(2002=100)			% change	
Canada	100.00	137.0	137.2	137.2	0.0	0.1
Newfoundland and Labrador	1.31	140.1	139.5	139.6	0.1	-0.4
Prince Edward Island	0.33	139.5	137.5	138.2	0.5	-0.9
Nova Scotia	2.31	138.5	137.6	137.8	0.1	-0.5
New Brunswick	1.76	137.1	136.6	137.1	0.4	0.0
Quebec	20.72	132.6	132.8	133.0	0.2	0.3
Ontario	39.83	138.8	138.6	138.8	0.1	0.0
Manitoba	3.16	137.4	137.9	137.9	0.0	0.4
Saskatchewan	2.98	140.7	141.2	141.4	0.1	0.5
Alberta	12.15	143.6	145.0	144.9	-0.1	0.9
British Columbia	15.27	132.4	132.6	132.6	0.0	0.2
Whitehorse	0.08	135.1	134.3	134.2	-0.1	-0.7
Yellowknife	0.07	139.2	139.3	139.1	-0.1	-0.1
Iqaluit (Dec. 2002=100)	0.03	132.8	131.3	131.3	0.0	-1.1

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

	May 2020	June 2020	July 2020	May to June 2020	June to July 2020
	(2002=100)			% change	
All-items	135.6	136.9	136.8	1.0	-0.1
Food	154.0	154.1	154.1	0.1	0.0
Shelter	145.6	146.4	146.4	0.5	0.0
Household operations, furnishings and equipment	123.4	123.6	124.2	0.2	0.5
Clothing and footwear	90.6	93.2	94.9	2.9	1.8
Transportation	139.5	141.4	141.0	1.4	-0.3
Health and personal care	128.3	128.2	128.5	-0.1	0.2
Recreation, education and reading	114.1	115.7	113.0	1.4	-2.3
Alcoholic beverages, tobacco products and recreational cannabis	171.6	171.7	171.8	0.1	0.1
Special aggregates					
All-items excluding food	132.1	133.6	133.5	1.1	-0.1
All-items excluding food and energy ²	131.5	131.8	131.6	0.2	-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 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}

	April 2020	May 2020	June 2020	July 2020
	% change			
CPI-common ^{3,5}	1.5	1.4	1.4	1.3
CPI-median ^{4,6}	2.0	1.8	1.9	1.9
CPI-trim ^{4,7}	1.8	1.6	1.8	1.7

1. For more information on these measures of core inflation, please consult the [methodology](#) and [general information](#) documents found in the "Definitions, data sources and methods" section of survey [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 2019 to July 2020	
	% change
Main contributors to the 12-month change	
Main upward contributors	
Purchase of passenger vehicles	3.2
Passenger vehicle insurance premiums	5.1
Food purchased from restaurants	2.1
Meat	4.8
Homeowners' replacement cost	1.6
Main downward contributors	
Gasoline	-14.9
Traveller accommodation	-27.0
Telephone services	-6.9
Air transportation	-8.6
Digital computing equipment and devices	-13.2
June to July 2020	
	% change
Main contributors to the 1-month change, not seasonally adjusted	
Main upward contributors	
Gasoline	4.4
Furniture	3.5
Fresh fruit	3.1
Electricity	1.1
Food purchased from restaurants	0.4
Main downward contributors	
Purchase of passenger vehicles	-1.0
Women's clothing	-3.1
Air transportation	-3.6
Rent	-0.3
Meat	-0.8

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).