

Consumer Price Index, September 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, October 21, 2020

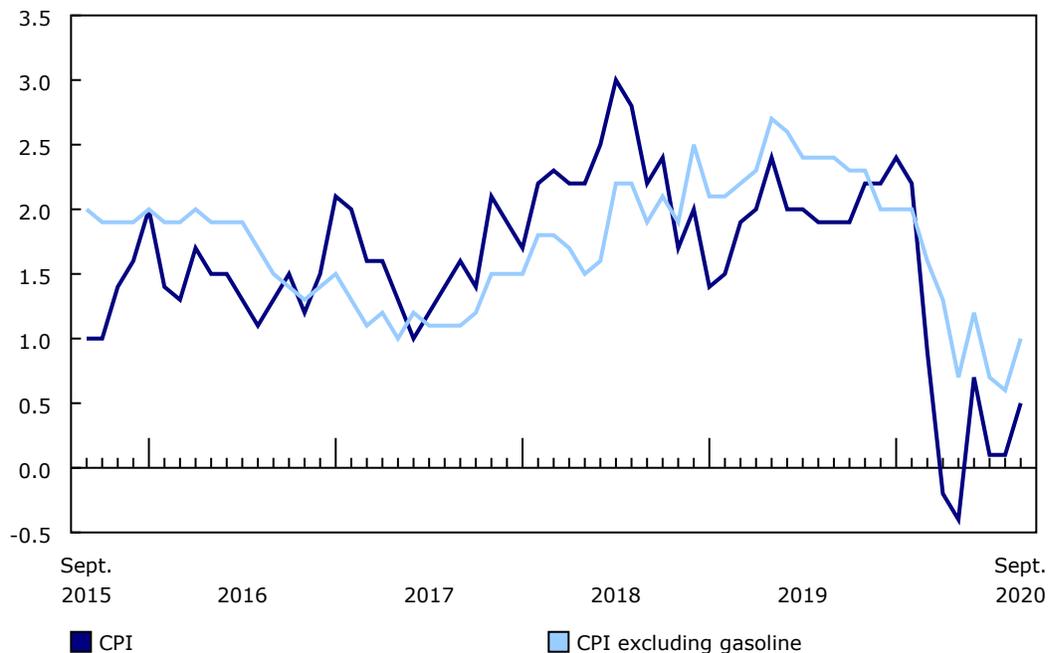
The Consumer Price Index (CPI) rose 0.5% on a year-over-year basis in September, up from a 0.1% increase in August. Excluding gasoline, the CPI rose 1.0% in September, following a 0.6% increase in August. The acceleration in the CPI was largely due to price changes in the transportation, recreation, education and reading, and shelter components.

Year over year, the decline in gasoline prices (-10.7%) in September was comparable to the 11.1% decrease in August, while food price growth (+1.6%) slowed slightly compared with last month (+1.8%).

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

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

12-month % change



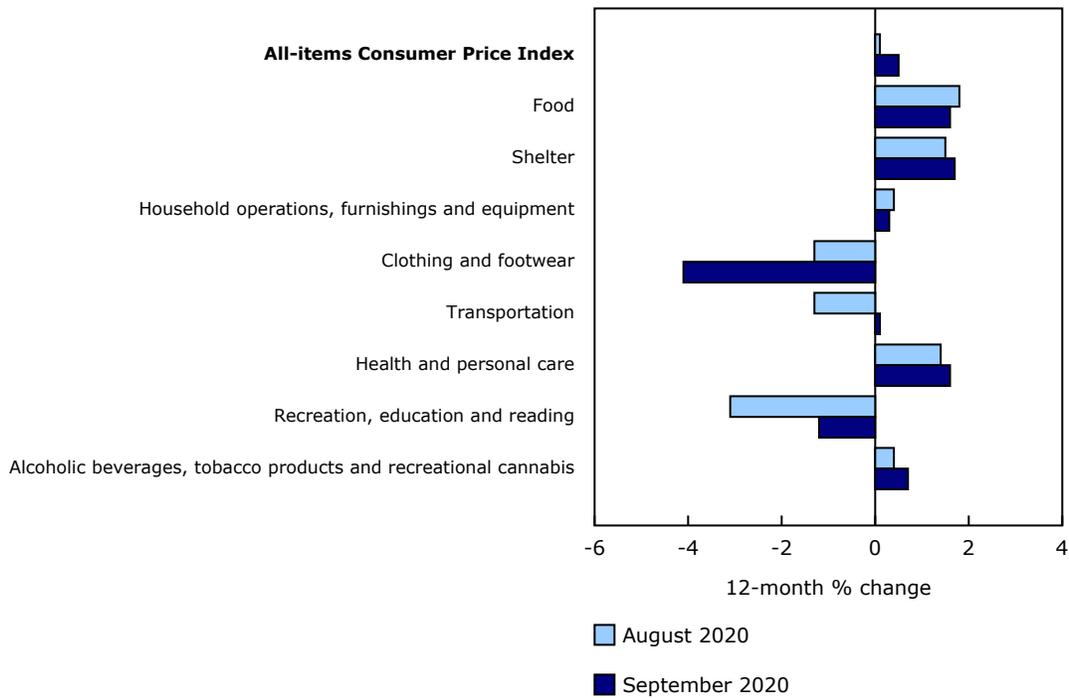
Source(s): Table [18-10-0004-01](#).

Highlights

Prices rose in six of the eight major components on a year-over-year basis in September.



Chart 2
Prices rise in six of eight major components



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

Air transportation prices accelerate year over year, while traveller accommodation prices decline

Year over year, air transportation prices fell less in September (-3.2%) than in August (-16.0%). Traditionally, prices decline in September as demand weakens after prices rise during the peak summer travel season. Prices did not follow their usual seasonal pattern this year, as airfares fell during July and August amid the COVID-19 pandemic. As a result, prices fell less on a monthly basis in September 2020 (-7.3%) than in September 2019 (-19.5%) or September 2018 (-16.6%).

Tourist activity has remained weak since the onset of COVID-19 and related safety measures, including land border closures and travel advisories, which contributed to lower prices for air travel and traveller accommodation. Traveller accommodation prices were 26.5% lower in September 2020 compared with September 2019.

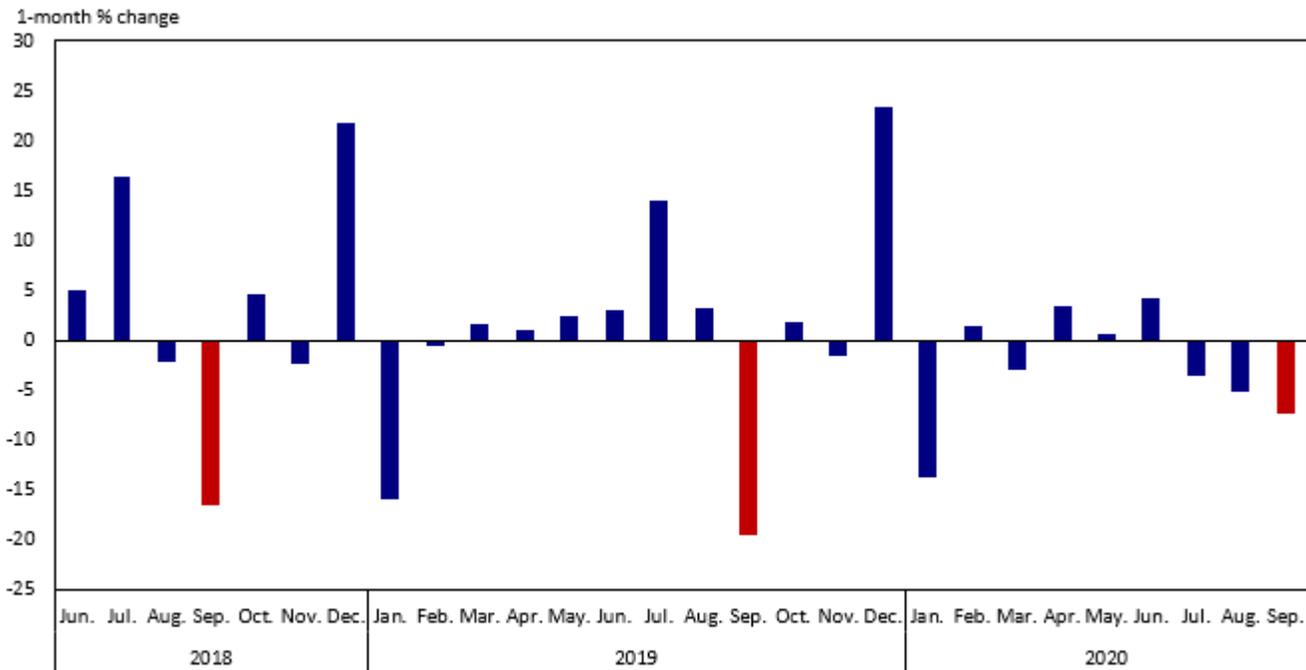
Additional research related to COVID-19

For more information about the impact of COVID-19 on consumer spending, please consult the research document entitled "[Adjusting the Consumer Price Index to the new spending realities during the pandemic](#)" released on October 8, which explores new sources of expenditure data to estimate basket weights that reflect shifting consumption patterns during the pandemic. The [monthly adjusted price index \(provisional\)](#) and the [monthly adjusted consumer expenditure basket weights](#) data tables are available.

For more information on consumer expenditures during COVID-19, users can consult two available documents. The first is "[Canadian Consumers Prepare for COVID-19](#)," 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](#)," 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](#)).

Infographic 1 – Monthly air transportation price change



Source: Table 18-10-0004-01.

Passenger vehicle prices higher on a year-over-year basis in September

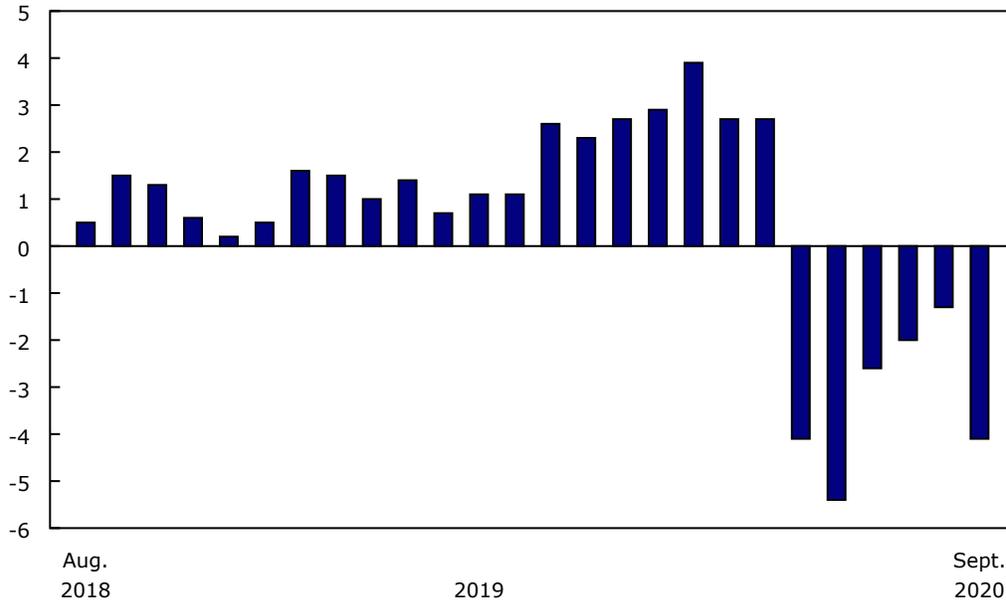
Year over year, the increase in prices for passenger vehicles was higher in September (+2.7%) than in August (+2.2%). [Demand for passenger vehicles](#) has been stronger in recent months compared with the onset of the pandemic, which contributed to higher prices.

Consumers pay less for clothing compared with September 2019

Clothing and footwear prices fell 4.1% on a year-over-year basis in September, down from a 1.3% decrease in August. Demand for back-to-school clothing this September may have been impacted by factors related to COVID-19, continuing a trend of [lower clothing sales during the pandemic](#) and contributing to lower prices for consumers.

**Chart 3
Clothing and footwear prices fall on a year-over-year basis**

12-month % change



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

Price growth slows in the mortgage interest cost index, but ticks up in the homeowners' replacement cost index

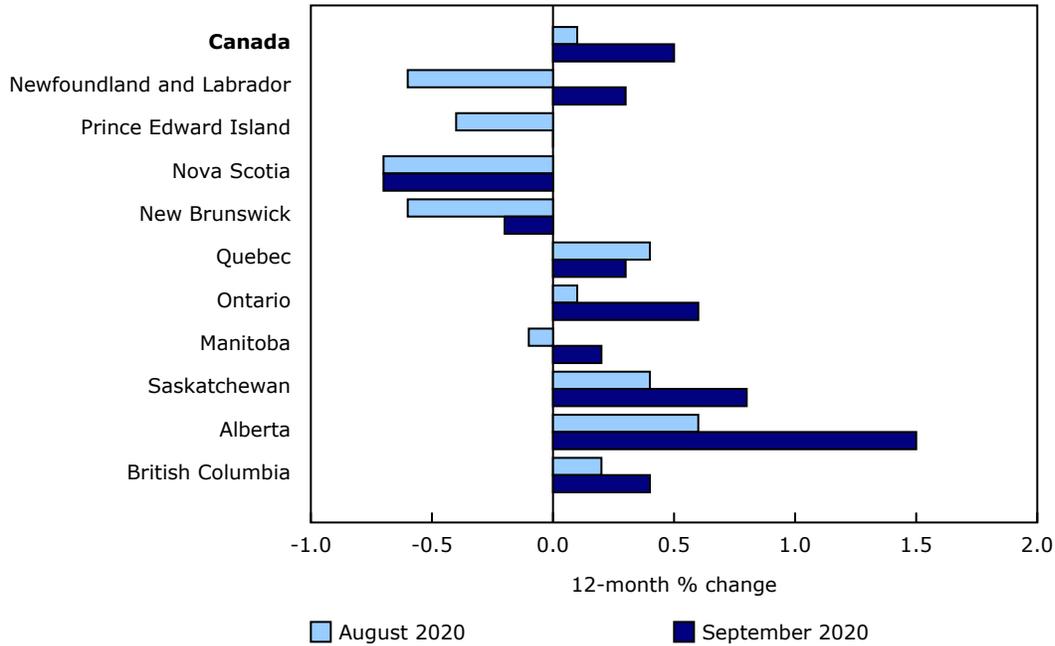
Year over year, the mortgage interest cost index grew less rapidly in September (+0.1%) than in August (+0.9%). Mortgage rates continue to face downward pressure from lower interest rates following reductions in the Bank of Canada's policy interest rate in March.

Lower interest rates coincided with increased demand for single-family homes, which, along with higher building material costs and low inventory of homes for sale, contributed to [higher costs for new housing](#). Year over year, the homeowners' replacement cost index, which is related to the price of new homes, rose 2.6% in September, up from a 2.0% increase in August.

Regional highlights

Prices rose in seven provinces on a year-over-year basis in September. Year-over-year price increases were generally lower in the Atlantic provinces, where furnace fuel oil is more commonly used. Prices for fuel oil and other fuels were 20.7% lower in September 2020 than in September 2019.

Chart 4
The Consumer Price Index increases in seven provinces

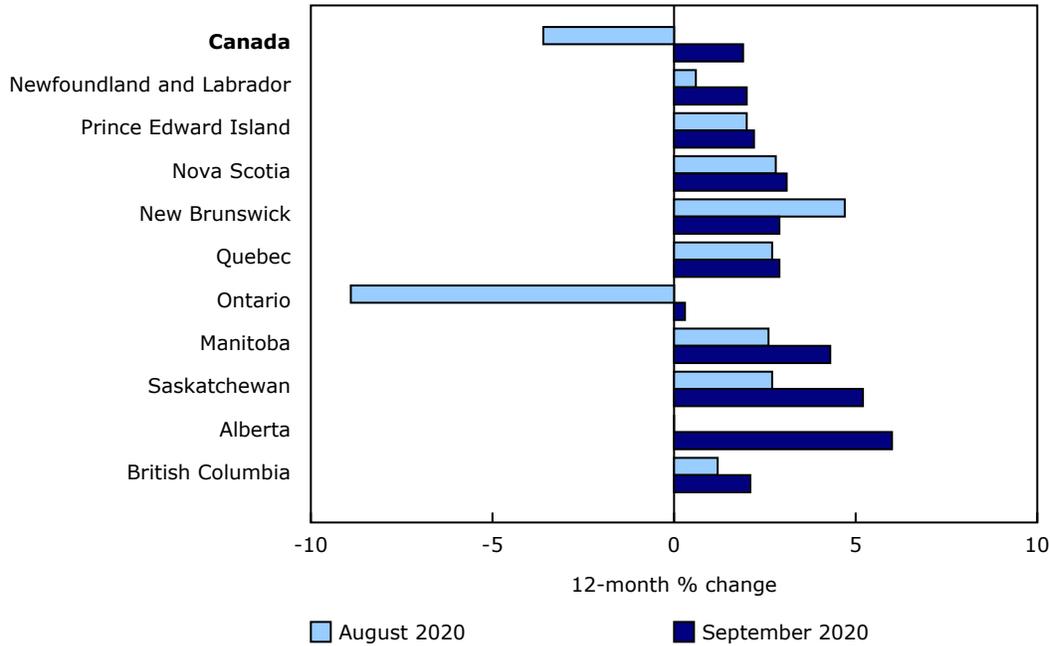


Source(s): Table 18-10-0004-01.

Tuition fees increase the most in Alberta

The tuition fees index, priced annually in September, increased 1.9% after falling 3.6% in September 2019. Tuition fees rose the most in Alberta (+6.0%) following the end of a freeze to tuition fees in the province. Prices rose the least in Ontario (+0.3%), following an 8.9% decrease in 2019 when the Ontario government enacted tuition cuts.

Chart 5
Tuition fees increase the most in Alberta



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

The Personal Inflation Calculator—Coming Soon!

This interactive tool will allow users to calculate a personal inflation time-series. By entering dollar amounts into expense categories, users will create their own unique basket weights! These weights will be combined with official CPI price movements to produce a personalized inflation trend that can be compared with the official measure of inflation.

Two ways of exploring the Consumer Price Index

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

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 September, 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 September 2020, select sub-components of the CPI received temporary special imputations.

Goods and services in the Consumer Price Index (CPI) which were not available to consumers in September due to COVID-19 restrictions received special treatments, effectively removing their impact on the monthly CPI. The following sub-indexes were imputed from the monthly change in the All-items index: travel tours, components of spectator entertainment, and recreational services.

Consistent with previous months affected by the COVID-19 pandemic, prices for suspended flights are excluded from the September 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 (air transportation).

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 September 2020 Consumer Price Index](#)" is available in the Prices Analytical Series ([62F0014M](#)) publication, with further details on the imputations used to compile the September 2020 CPI.

Cellular services index

The cellular services index is now published in data table [18-10-0004-01](#).

Real-time data tables

Real-time data table [18-10-0259-01](#) will be updated on November 2. For more information, consult the document *Real-time CANSIM tables*.

Next release

The Consumer Price Index for October will be released on November 18.

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

	Relative importance ^{1,2}	September 2019	August 2020	September 2020	August to September 2020	September 2019 to September 2020
	%	(2002=100)			% change	
All-items	100.00	136.2	137.0	136.9	-0.1	0.5
Food	16.48	150.2	153.8	152.6	-0.8	1.6
Shelter	27.36	144.8	146.8	147.3	0.3	1.7
Household operations, furnishings and equipment	12.80	123.6	124.0	124.0	0.0	0.3
Clothing and footwear	5.17	98.5	93.5	94.5	1.1	-4.1
Transportation	19.95	140.3	141.5	140.4	-0.8	0.1
Gasoline	3.13	169.5	151.9	151.3	-0.4	-10.7
Health and personal care	4.79	127.8	129.6	129.8	0.2	1.6
Recreation, education and reading	10.24	118.0	116.1	116.6	0.4	-1.2
Alcoholic beverages, tobacco products and recreational cannabis	3.21	170.9	171.8	172.1	0.2	0.7
Special aggregates						
All-items excluding food	83.52	133.5	133.8	133.9	0.1	0.3
All-items excluding food and energy	77.01	130.8	131.9	131.9	0.0	0.8
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	96.79	135.1	135.9	135.8	-0.1	0.5
All-items excluding energy	93.50	134.3	135.7	135.6	-0.1	1.0
All-items excluding gasoline	96.87	134.8	136.2	136.1	-0.1	1.0
Energy ³	6.50	158.7	149.3	149.8	0.3	-5.6
Goods	44.29	122.7	122.3	122.2	-0.1	-0.4
Durable goods	12.94	90.9	92.4	92.6	0.2	1.9
Semi-durable goods	6.63	100.2	96.3	97.0	0.7	-3.2
Non-durable goods	24.72	147.6	147.1	146.3	-0.5	-0.9
Services	55.71	149.5	151.6	151.5	-0.1	1.3

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}	September 2019	August 2020	September 2020	August to September 2020	September 2019 to September 2020
	%	(2002=100)			% change	
Canada	100.00	136.2	137.0	136.9	-0.1	0.5
Newfoundland and Labrador	1.31	139.0	139.1	139.4	0.2	0.3
Prince Edward Island	0.33	138.2	138.3	138.2	-0.1	0.0
Nova Scotia	2.31	138.4	137.5	137.5	0.0	-0.7
New Brunswick	1.76	136.6	136.6	136.3	-0.2	-0.2
Quebec	20.72	132.1	132.9	132.5	-0.3	0.3
Ontario	39.83	137.5	138.6	138.3	-0.2	0.6
Manitoba	3.16	136.9	137.2	137.2	0.0	0.2
Saskatchewan	2.98	139.7	140.8	140.8	0.0	0.8
Alberta	12.15	142.9	144.2	145.0	0.6	1.5
British Columbia	15.27	132.0	132.4	132.5	0.1	0.4
Whitehorse	0.08	133.5	133.6	133.9	0.2	0.3
Yellowknife	0.07	138.2	137.5	137.1	-0.3	-0.8
Iqaluit (Dec. 2002=100)	0.03	131.2	130.5	130.3	-0.2	-0.7

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

	July 2020	August 2020	September 2020	July to August 2020	August to September 2020
	(2002=100)			% change	
All-items	136.8	136.9	137.1	0.1	0.1
Food	154.0	153.6	153.8	-0.3	0.1
Shelter	146.4	146.8	147.3	0.3	0.3
Household operations, furnishings and equipment	124.2	124.1	124.0	-0.1	-0.1
Clothing and footwear	95.2	95.6	92.9	0.4	-2.8
Transportation	141.1	141.2	141.9	0.1	0.5
Health and personal care	128.6	129.3	129.6	0.5	0.2
Recreation, education and reading	113.1	114.4	114.6	1.1	0.2
Alcoholic beverages, tobacco products and recreational cannabis	171.8	171.7	172.0	-0.1	0.2
Special aggregates					
All-items excluding food	133.5	133.7	134.1	0.1	0.3
All-items excluding food and energy ²	131.6	131.8	132.1	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}

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

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

September 2019 to September 2020

	% change
Main contributors to the 12-month change	
Main upward contributors	
Purchase of passenger vehicles	2.7
Travel tours	11.2
Homeowners' replacement cost	2.6
Passenger vehicle insurance premiums	4.0
Food purchased from restaurants	2.2
Main downward contributors	
Gasoline	-10.7
Traveller accommodation	-26.5
Telephone services	-7.9
Women's clothing	-7.2
Fuel oil and other fuels	-20.7
August to September 2020	
	% change
Main contributors to the 1-month change, not seasonally adjusted	
Main upward contributors	
Tuition fees	1.9
Homeowners' replacement cost	0.6
Women's clothing	2.0
Digital computing equipment and devices	4.8
Internet access services	2.1
Main downward contributors	
Air transportation	-7.3
Telephone services	-2.7
Fresh vegetables	-4.0
Passenger vehicle insurance premiums	-0.9
Cereal products (excluding baby food)	-3.8

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).