

Consumer Price Index, January 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, February 17, 2021

The Consumer Price Index (CPI) rose at a faster pace in January (+1.0%) year over year than in December (+0.7%). The acceleration in consumer prices was largely due to higher prices for durable goods (+1.7%) and rising gasoline prices (+6.1%) compared with December 2020. Excluding gasoline, the CPI grew 1.3% in January—up from a 1.0% increase in December.

On a [seasonally adjusted monthly basis](#), the CPI rose 0.4% in January.

Enhancements and Developments in the Consumer Price Index Program

The Consumer Price Index (CPI) program evolves over time to incorporate innovations and adapt to changing circumstances. The [Enhancements and Developments in the Consumer Price Index Program](#) paper aims to inform CPI users of plans for the next CPI basket update, and to highlight upcoming changes and enhancements to the program.

Explore the Consumer Price Index

Check out the [Personal Inflation Calculator](#)! This interactive calculator allows you to enter dollar amounts in the common expense categories to produce a personalized inflation rate, which you can compare with the official measure of inflation that represents the average Canadian household—the Consumer Price Index (CPI).

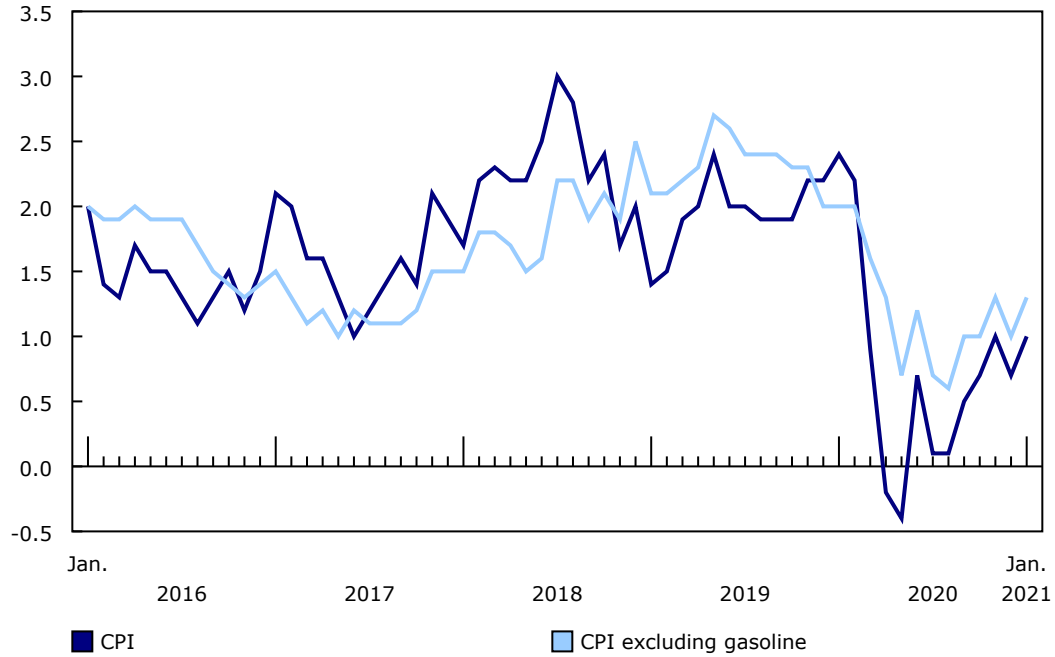
Visit the [Consumer Price Index portal](#) to find all CPI data, publications, interactive tools, and announcements highlighting new products and upcoming changes to the CPI in one convenient location.

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



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

12-month % change



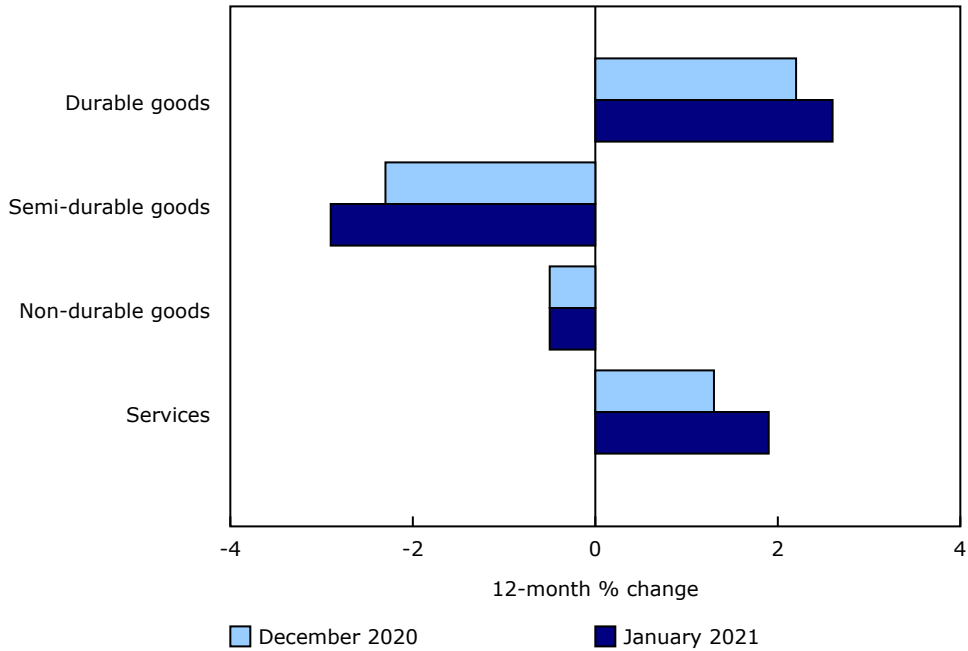
Source(s): Table 18-10-0004-01.

Highlights

The rise in consumer prices (+1.0%) occurred amid continuing economic uncertainty. Although [consumer spending expectations are higher](#) with the vaccine on the horizon, physical distancing measures were extended or reimposed in some regions to contain the spread of COVID-19, resulting in employment loss in close-contact sectors.

Steadily [increasing commodity prices](#) since April also contributed to the overall rise in consumer prices in January.

Chart 2
Prices for durable goods rise, while prices for semi-durable goods fall



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

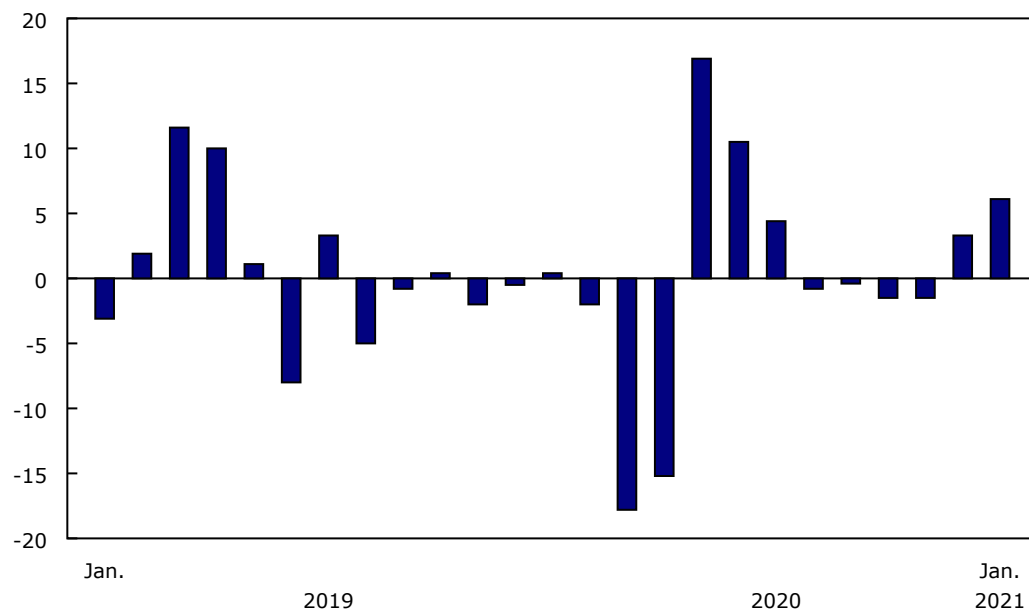
Gasoline prices rise for the second consecutive month

Gasoline prices rose for the second consecutive month, up 6.1% in January compared with December. This increase coincided with production cutbacks by major oil-producing countries in response to low global demand for crude oil.

Nevertheless, gasoline prices were 3.3% lower compared with January 2020, when heightened demand uncertainty first arose in the oil and gas market with the global outbreak of COVID-19.

Chart 3 Monthly changes in gasoline prices

1-month % change



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

New models push passenger vehicle prices higher

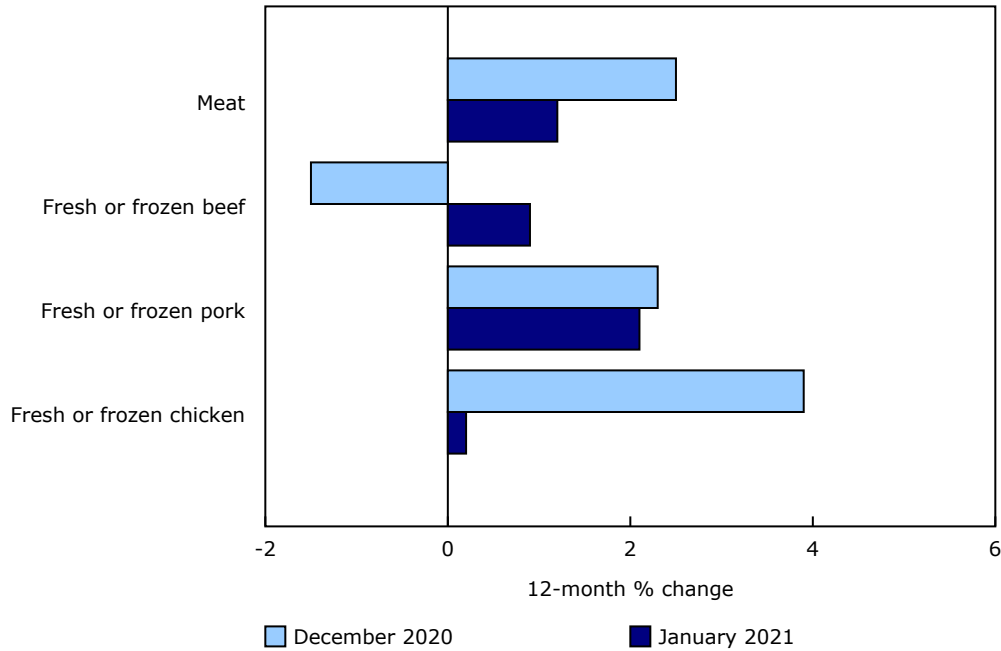
Year over year, passenger vehicle prices rose at a faster pace in January (+2.9%) compared with December (+2.5%), mainly attributable to higher availability of new model-year vehicles compared with January 2020.

Meat and fresh vegetable prices slow in January

Meat prices grew at half the pace in January (+1.2%) year over year compared with December (+2.5%). This was partly due to much slower price growth year over year for fresh or frozen chicken in January (+0.2%) compared with December (+3.9%).

Prices for fresh vegetables edged up 0.2% year over year, following a 1.1% increase in December. Slower vegetable price growth was attributable to abundant supply following a good harvest in the United States and Mexico, as well as the diversion of food destined for the food service sector towards grocers.

Chart 4
Meat price growth slows



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

Consumers pay more for phones and phone plans

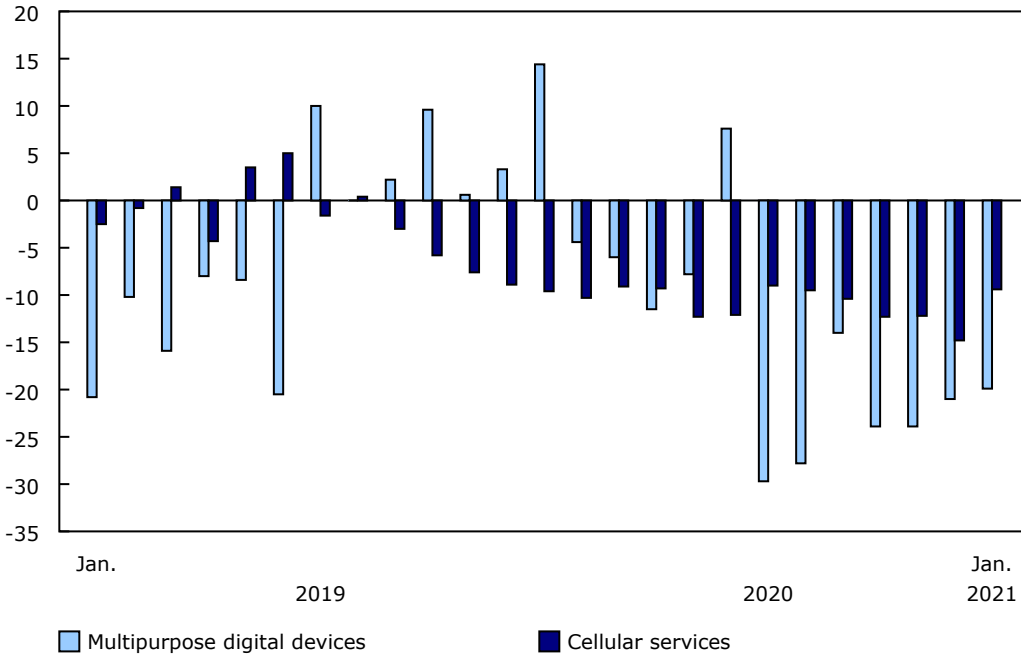
Prices for multipurpose digital devices, including smartphones, were 3.4% higher month over month in January—the highest monthly increase since September 2020.

Prices for telephone services, which include landline and cellular services, rose 4.2% month over month in January, the first monthly increase since July 2020 (+0.2%). In January, prices for cellular services increased 5.5% month over month, following a 4.3% decline in December.

Higher monthly prices for smartphones and service plans in January were largely a result of holiday promotions ending. Despite the monthly increases, prices for multipurpose digital devices (-19.9%) and cellular services (-9.4%) were lower year over year.

Chart 5
Yearly changes in prices for multipurpose digital devices and cellular services

12-month % change



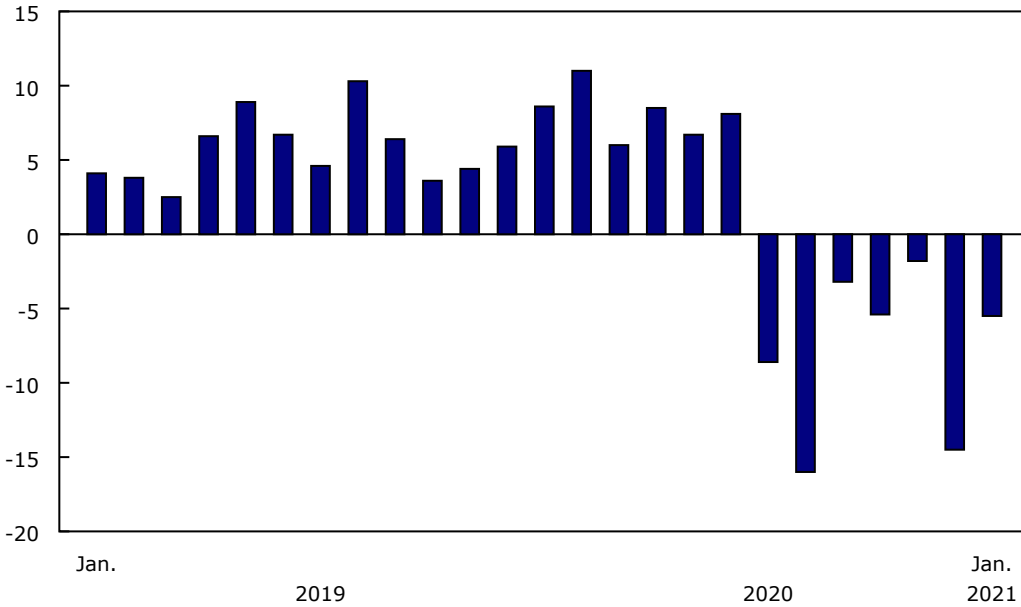
Source(s): Table 18-10-0004-01.

Air transportation price index declines in January

Airfares were down 5.5% year over year in January, the seventh consecutive monthly decline since July 2020. Lower prices coincided with ongoing advisories against non-essential travel.

Chart 6
Yearly changes in air transportation prices

12-month % change



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

Travel tours and COVID-19

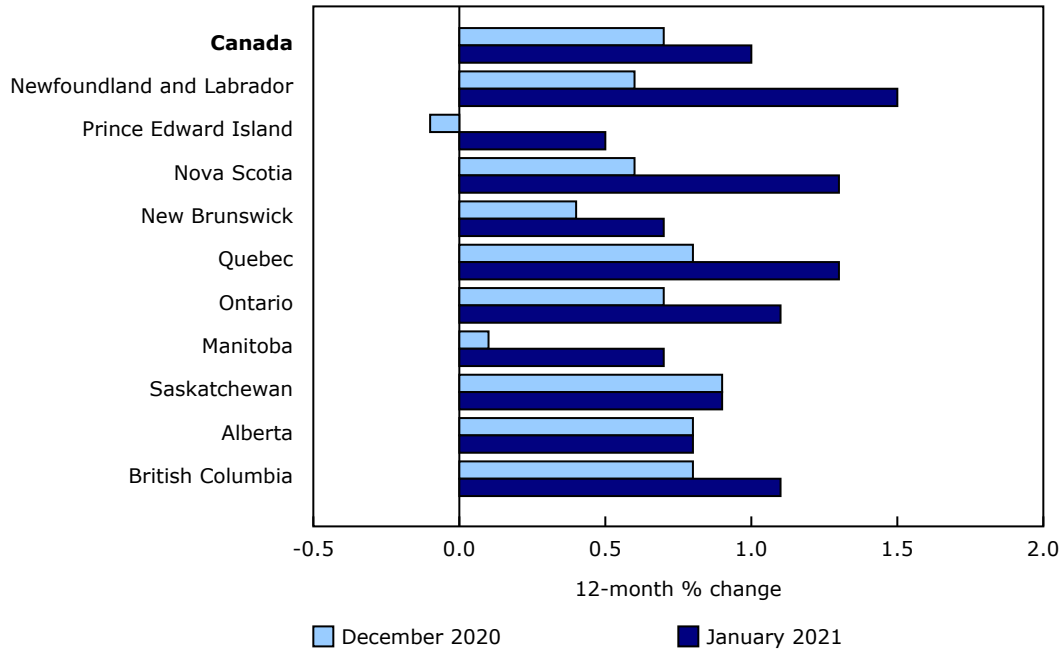
In the wake of international travel advisories, travel tours remained unavailable to consumers in January. A general imputation strategy for services not available to consumers resulted in prices for travel tours being replaced with an imputed movement from the all-items CPI. This imputation effectively removed the impact of travel tours from the monthly CPI movement. At times, this approach has resulted in large year-over-year index movements because prices for travel tours often fluctuate significantly throughout the year, given the highly seasonal nature of travel services.

In January 2020, the travel tours index fell 6.9% during a period of low seasonal demand for international travel. As a result of this decline falling out of the 12-month movement, which resulted in upward pressure on the index in January 2021, and the imputation treatment applied, the travel tours index was up 31.1% compared with January 2020. Given the treatment applied to this index, interpretation of the 12-month price change indicator for travel tours should be done with caution.

Regional highlights

Prices rose more year over year in January than in December in eight provinces, led by Newfoundland and Labrador (+1.5%). Prices rose at the slowest pace in Prince Edward Island (+0.5%), mostly attributable to lower heating fuel costs.

Chart 7
The Consumer Price Index increases in eight provinces



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

Electricity prices decrease in Ontario

Electricity cost 4.4% less in January compared with the same month a year earlier. The decline was most pronounced in Ontario, where consumers paid 13.7% less, largely because the provincial government set all time-of-use electricity prices to the off-peak rate for 40 days, beginning on January 1, 2021.

Note to readers

The Consumer Price Index (CPI) measures the change in prices of consumer goods and services over time. To accurately reflect trends in the market, Statistics Canada periodically updates the methods applied to various components of the CPI.

Enhancement: New approach to estimating the computer equipment, software and supplies index

With the release of January 2021 CPI data on February 17, 2021, the computer equipment, software and supplies index was updated with an enhanced methodology and new data sources. This index represents [0.42% of the 2017 CPI basket](#) and is part of the recreation, education and reading component.

[Detailed documentation](#) is available in the Prices Analytical Series ([62F0014M](#)) describing the new approach to estimating the computer equipment, software and supplies index.

Upcoming enhancement: Resale housing data to be incorporated into the Mortgage Interest Cost Index

Following the release of the [Residential Property Price Index](#), the CPI will incorporate resale house prices into the house sub-index of the Mortgage Interest Cost Index (MICI). This enhancement will be published with the February 2021 CPI data (on March 17, 2021); it does not represent a change in methodology. More information on this enhancement will be included with the February 2021 release of the CPI.

The MICI represents [3.57% of the 2017 CPI basket](#) and is part of the shelter component of the CPI. More information on the MICI model can be found in [Chapter 10 of The Canadian Consumer Price Index Reference Paper](#).

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 CPI.

Goods and services in the CPI that were not available to consumers in January because of 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, recreational services, personal care services in some areas, and some components of use of recreational facilities and services in some areas.

The price indexes for beer served in licensed establishments, wine served in licensed establishments and liquor served in licensed establishments were imputed in several regions, using the indexes to which consumers likely redirected their expenditures: beer purchased from stores, wine purchased from stores and liquor purchased from stores.

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

A document entitled [Technical Supplement for the January 2021 Consumer Price Index](#) is available in the Prices Analytical Series ([62F0014M](#)) publication, with further details on the imputations used to compile the January 2021 CPI.

Real-time data tables

Real-time data table [18-10-0259-01](#) will be updated on March 1. For more information, consult the document [Real-time CANSIM tables](#).

Next release

The Consumer Price Index for February will be released on March 17, 2021.

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

	Relative importance ^{1,2}	January 2020	December 2020	January 2021	December 2020 to January 2021	January 2020 to January 2021
	%	(2002=100)			% change	
All-items	100.00	136.8	137.4	138.2	0.6	1.0
Food	16.48	153.5	153.6	155.0	0.9	1.0
Shelter	27.36	146.4	148.7	148.4	-0.2	1.4
Household operations, furnishings and equipment	12.80	122.6	123.6	124.3	0.6	1.4
Clothing and footwear	5.17	95.8	92.1	91.9	-0.2	-4.1
Transportation	19.95	143.4	142.3	144.9	1.8	1.0
Gasoline	3.13	166.4	151.7	160.9	6.1	-3.3
Health and personal care	4.79	128.6	130.0	130.3	0.2	1.3
Recreation, education and reading	10.24	113.0	115.5	116.3	0.7	2.9
Alcoholic beverages, tobacco products and recreational cannabis	3.21	171.4	171.4	172.5	0.6	0.6
Special aggregates						
All-items excluding food	83.52	133.6	134.3	135.1	0.6	1.1
All-items excluding food and energy	77.01	131.0	132.2	132.8	0.5	1.4
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	96.79	135.7	136.3	137.1	0.6	1.0
All-items excluding energy	93.50	134.9	136.0	136.7	0.5	1.3
All-items excluding gasoline	96.87	135.5	136.6	137.2	0.4	1.3
Energy ³	6.50	158.6	152.0	154.3	1.5	-2.7
Goods	44.29	123.7	122.5	123.8	1.1	0.1
Durable goods	12.94	92.1	92.9	94.5	1.7	2.6
Semi-durable goods	6.63	98.2	95.5	95.4	-0.1	-2.9
Non-durable goods	24.72	149.6	147.5	148.9	0.9	-0.5
Services	55.71	149.7	152.1	152.5	0.3	1.9

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}	January 2020	December 2020	January 2021	December 2020 to January 2021	January 2020 to January 2021
	%	(2002=100)			% change	
Canada	100.00	136.8	137.4	138.2	0.6	1.0
Newfoundland and Labrador	1.31	140.0	140.4	142.1	1.2	1.5
Prince Edward Island	0.33	139.0	138.2	139.7	1.1	0.5
Nova Scotia	2.31	138.5	138.7	140.3	1.2	1.3
New Brunswick	1.76	137.3	136.9	138.2	0.9	0.7
Quebec	20.72	132.6	133.4	134.3	0.7	1.3
Ontario	39.83	138.0	138.8	139.5	0.5	1.1
Manitoba	3.16	137.5	137.5	138.5	0.7	0.7
Saskatchewan	2.98	140.6	140.9	141.9	0.7	0.9
Alberta	12.15	144.7	144.8	145.8	0.7	0.8
British Columbia	15.27	132.1	132.8	133.6	0.6	1.1
Whitehorse	0.08	135.8	134.9	136.1	0.9	0.2
Yellowknife	0.07	141.0	138.1	139.7	1.2	-0.9
Iqaluit (Dec. 2002=100)	0.03	131.8	131.2	132.0	0.6	0.2

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

	November 2020	December 2020	January 2021	November to December 2020	December 2020 to January 2021
	(2002=100)			% change	
All-items	138.1	138.2	138.8	0.1	0.4
Food	154.5	153.9	154.3	-0.4	0.3
Shelter	148.7	148.7	148.4	0.0	-0.2
Household operations, furnishings and equipment	124.2	124.1	124.9	-0.1	0.6
Clothing and footwear	95.0	93.7	94.0	-1.4	0.3
Transportation	142.8	143.1	145.6	0.2	1.7
Health and personal care	130.4	130.3	130.2	-0.1	-0.1
Recreation, education and reading	117.3	118.2	118.7	0.8	0.4
Alcoholic beverages, tobacco products and recreational cannabis	172.3	172.4	172.9	0.1	0.3
Special aggregates					
All-items excluding food	134.9	135.2	135.7	0.2	0.4
All-items excluding food and energy ²	132.9	132.9	133.3	0.0	0.3

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}

	October 2020	November 2020	December 2020	January 2021
	% change			
CPI-common ^{3,5}	1.5	1.5	1.3	1.3
CPI-median ^{4,6}	2.0	1.9	1.9	2.0
CPI-trim ^{4,7}	1.9	1.9	1.8	2.0

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](#) (updated on February 22, 2021).

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

January 2020 to January 2021

	% change
Main contributors to the 12-month change	
Main upward contributors	
Travel tours	31.1
Homeowners' replacement cost	5.8
Purchase of passenger vehicles	2.9
Food purchased from restaurants	2.8
Other owned accommodation expenses	4.9
Main downward contributors	
Mortgage interest cost	-4.3
Telephone services	-6.9
Traveller accommodation	-16.1
Gasoline	-3.3
Women's clothing	-6.0
December 2020 to January 2021	
	% change
Main contributors to the 1-month change, not seasonally adjusted	
Main upward contributors	
Purchase of passenger vehicles	2.8
Gasoline	6.1
Telephone services	4.2
Fresh vegetables	4.7
Food purchased from restaurants	0.6
Main downward contributors	
Electricity	-4.1
Air transportation	-4.8
Mortgage interest cost	-1.0
Bakery products	-2.6
Footwear	-2.1

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 on 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).