

Consumer Price Index, June 2021

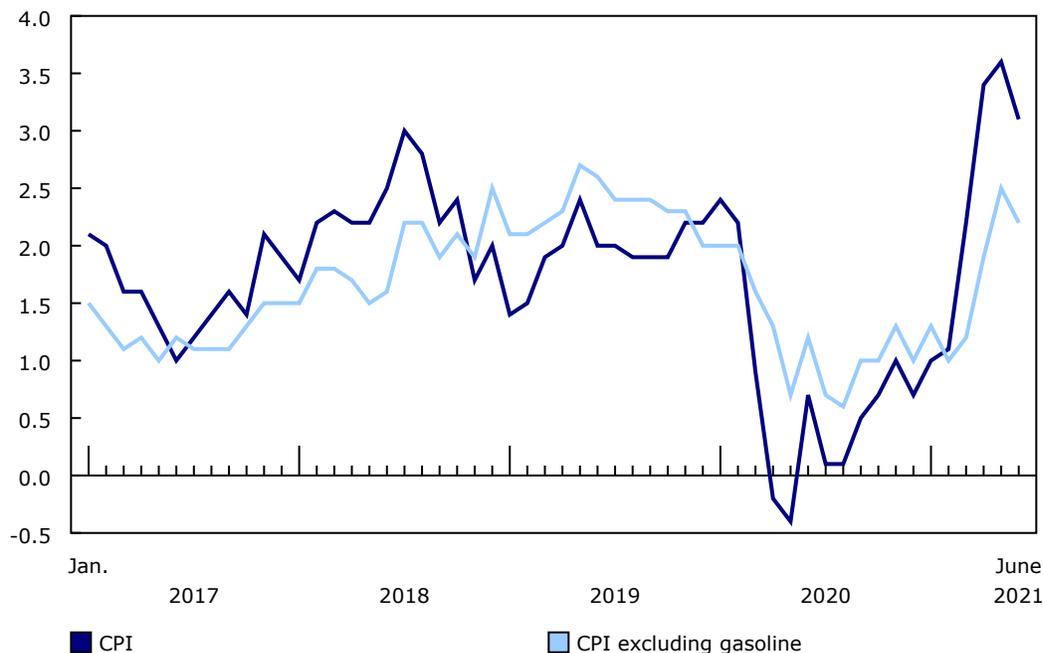
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, July 28, 2021

The Consumer Price Index (CPI) rose 3.1% on a year-over-year basis in June, down from a 3.6% gain in May. As a result of price increases in June 2020, base-year effects had a downward impact on consumer inflation, contributing to the slowdown in June 2021. Excluding gasoline, the CPI rose 2.2% year over year.

The monthly CPI rose 0.3% in June 2021, down from a 0.5% increase in May. On a seasonally adjusted monthly basis, the CPI rose 0.1% in June.

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

12-month % change



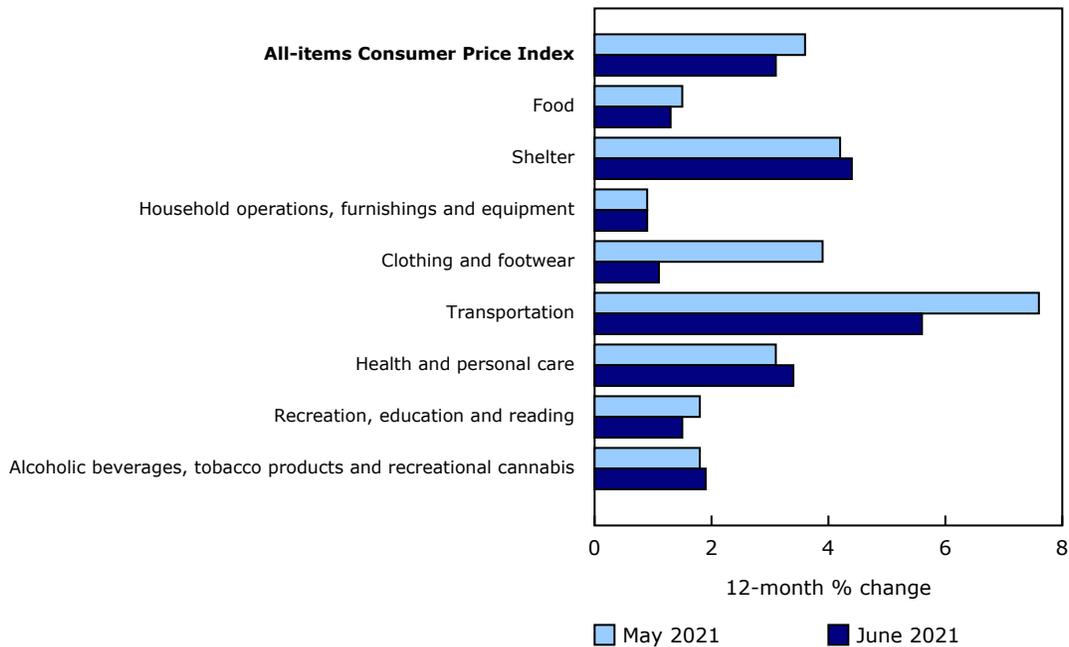
Source(s): Table 18-10-0004-01.

Highlights

While shelter (+4.4%) and transportation (+5.6%) prices contributed the most to the all-items increase, prices rose at a slower pace in four of the eight major components on a year-over-year basis in June. The headline CPI grew at a slower pace compared with May due in part to a slowdown in price growth for goods. Growth slowed the most in the clothing and footwear component, mostly due to lower prices for women's clothing.



Chart 2
Prices rise at a slower pace in four major components



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

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 to the official measure of inflation for the average Canadian household — the Consumer Price Index (CPI).

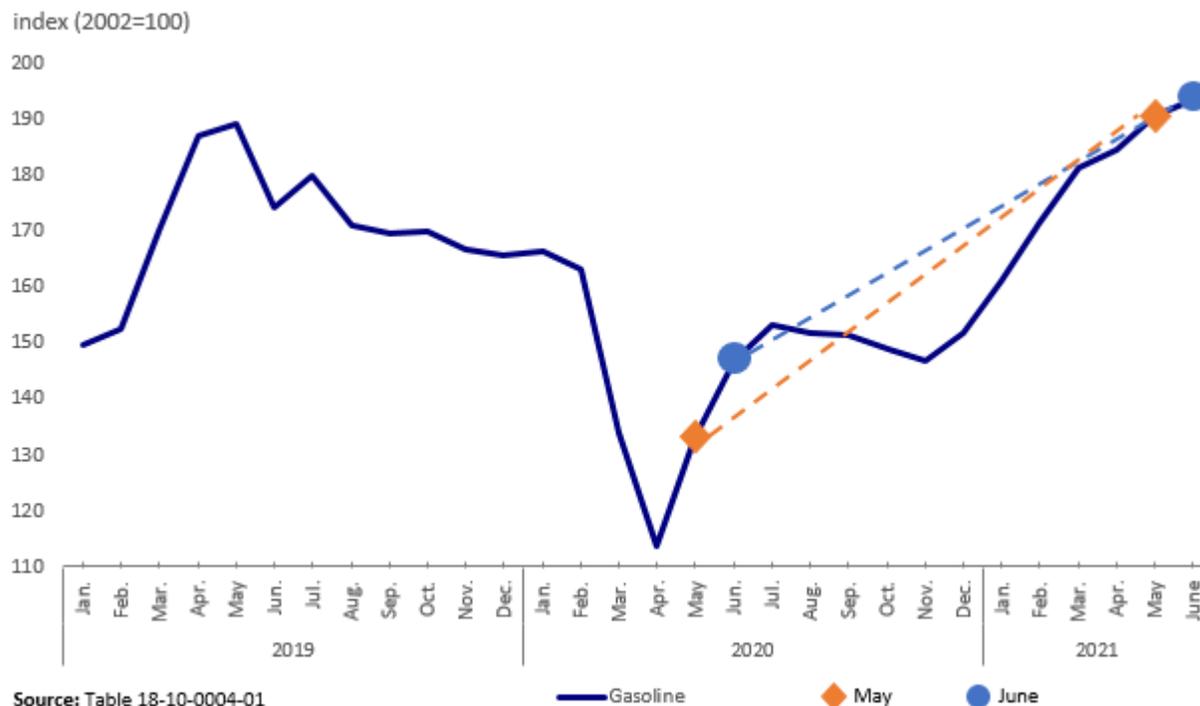
Visit the [Consumer Price Index portal](#) to find all CPI data, publications, interactive tools, and announcements highlighting new products and upcoming changes to the CPI in one convenient location.

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

Gasoline prices increase at a slower rate

On a year-over-year basis, gasoline prices rose to a lesser extent in June (+32.0%) than in May (+43.4%) due to a base-year effect. The slower price growth in June stemmed from an increase in June 2020, when gasoline prices partially recovered after falling significantly during the early stages of the pandemic. Gasoline prices rose 10.5% month over month in June 2020, the result of higher demand as businesses gradually reopened.

Infographic 1 – Gasoline prices rise at a slower pace on a year-over-year basis



Shelter costs continue to rise

Year over year growth in shelter costs (+4.4%) continued to increase in June, driven mostly by the continued rise in the homeowners' replacement cost index, up 12.9% in the 12 months to June. Prices for new homes continue to be impacted by shifting consumer preferences as well as higher building costs compared with June 2020.

The other owned accommodation expenses index, which includes commissions and legal fees on the sale of real estate, rose 12.0% year over year in June.

Conversely, the mortgage interest cost index fell 8.6% year over year, the strongest decline on record, as interest rates remained at historically low levels.

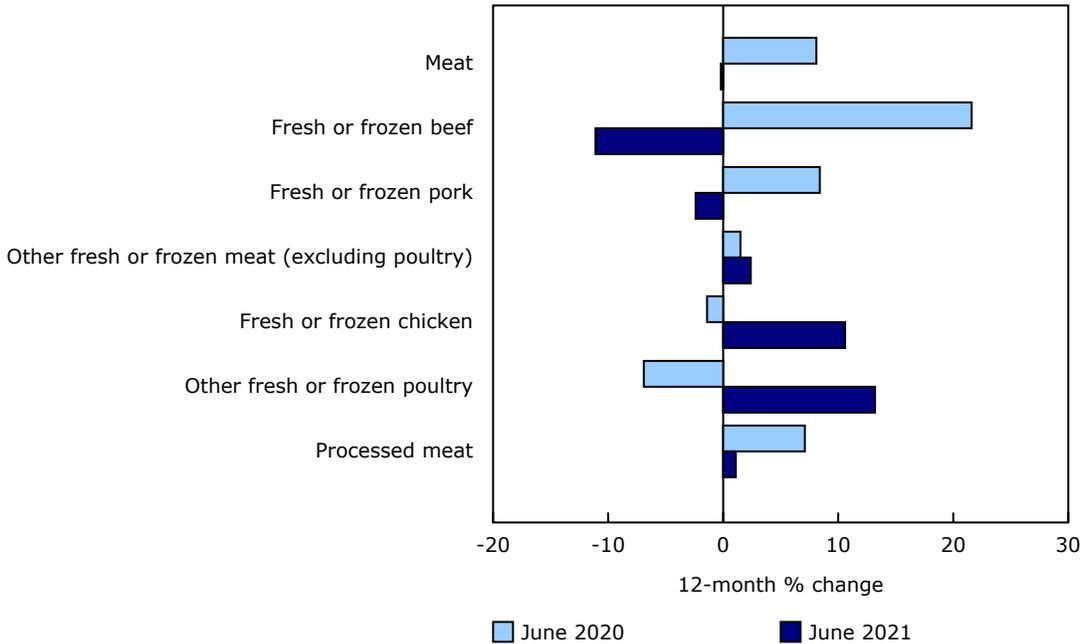
Consumers pay less for beef and more for chicken year over year

The fresh or frozen beef index fell 11.1%, compared with June 2020 when beef prices rose 8.3% month over month as a result of reduced supply following plant closures due to COVID-19 outbreaks. The year-over-year drop, the largest yearly decline since 1982, was mainly driven by base-year effects.

In contrast, prices for fresh or frozen chicken rose 10.6% year over year, the largest increase since 2004, as a base-year effect due to lower prices in June 2020 had an upward impact on the index.

On a monthly basis, prices for beef (+0.6%) and chicken (+0.7%) increased compared with May 2021.

Chart 3
Beef prices fall and chicken prices rise year over year



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

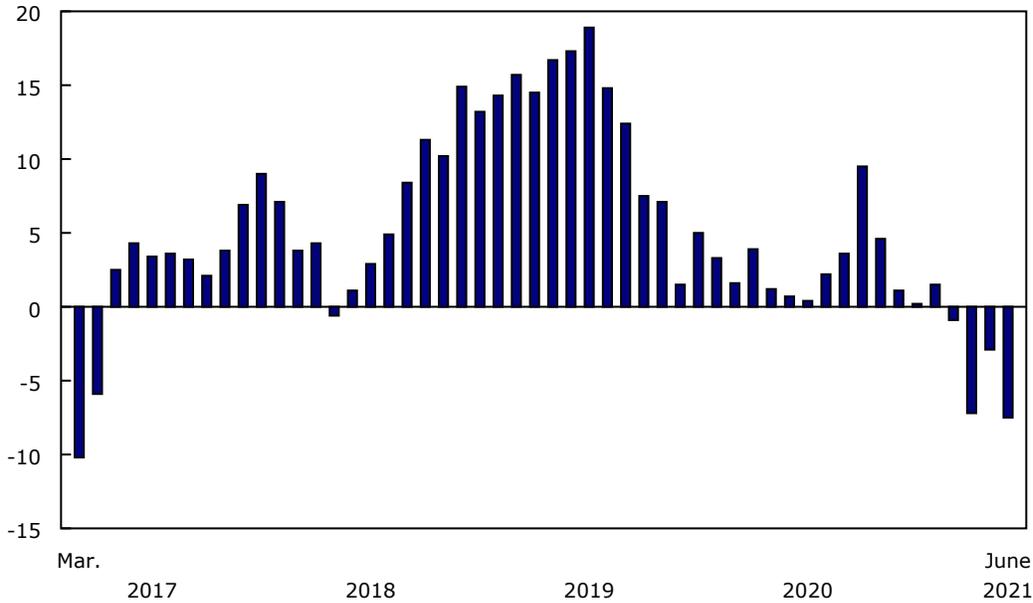
Prices for fresh vegetables fall for the fourth consecutive month

The fresh vegetables index continued to trend downwards in June, falling 7.5% year over year — the largest yearly decline since March 2017. This was partially attributable to lower prices for tomatoes (-30.3%) and potatoes (-7.7%) in June. The declines occurred amid increased supply stemming from favourable weather conditions in growing regions.

In addition, the fall in prices for tomatoes was partly driven by a base-year effect as prices rose 16.2% month over month in June 2020 due to lower supply.

Chart 4
Yearly changes in prices for fresh vegetables

12-month % change



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

Consumers pay less for cellular phone plans and devices

Consumers paid 21.4% less for cellular services on a year-over-year basis in June, following a 17.0% decline in May. The decrease was mainly due to a variety of promotions across the industry offering lower prices for cellular phone plans and bonus data.

Prices for multipurpose digital devices, which include smartphones and tablets, fell 13.7% on a year-over-year basis in June, largely due to industry-wide price promotions for various smartphones.

Spotlight on supply chains

Trade brings many benefits to Canadians, including access to a broader variety of consumer goods. International trade occurs through complex networks of firms—such as manufacturers, distributors, and retailers, among others—who cooperate to produce and deliver finished goods to consumers. This process is known as a supply chain.

The global supply chain has grappled with exceptional challenges as a result of the COVID-19 pandemic. Against a backdrop of input shortages, production bottlenecks, higher shipping costs and delivery delays, and the reopening of some economies, the international flow of raw materials and finished products has experienced disruptions.

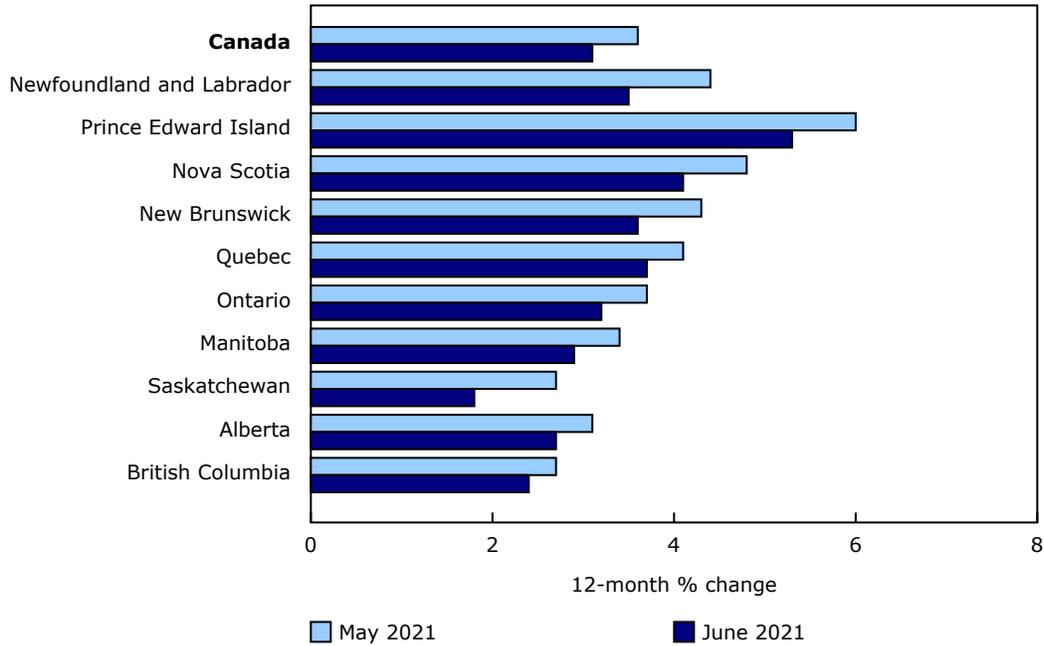
Strain on the global supply chain has affected the Canadian CPI in a number of ways. For example, in June 2021, a global shortage of semiconductor chips partly contributed to higher year-over-year prices for passenger vehicles (+4.1%). Prices for household appliances (+5.2%), which includes cooking appliances (+6.3%), refrigerators and freezers (+9.8%), and laundry and dishwashing appliances (+7.1%), also increased year over year in June, as supply chain bottlenecks, including higher shipping costs and delays for imported appliances, put upward pressure on the index.

As Canada and major trading partners gradually reopen, Statistics Canada will continue to monitor supply chain conditions, and the potential impact on consumer price inflation.

Regional highlights

Year over year, prices rose at a slower pace in June than in May in every province.

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



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

Price growth slows the most in Saskatchewan

Among the provinces, price growth in Saskatchewan slowed the most year over year in June (+1.8%) compared with May (+2.7%). Much of this slowdown stemmed from lower prices for passenger vehicle insurance premiums (-24.2%), which fell for the second consecutive month, as a rebate for drivers continued from May. Consumers in Saskatchewan also paid less, on a year-over-year basis, for rent (-0.5%) compared with other provinces.

Note to readers

Reddit Ask Me Anything

Do you have questions about the Consumer Price Index, Canadian inflation or what the new CPI basket means for measuring consumer prices? Join us for our [Reddit](#) AMA event on July 29, 2021, at 1:30 p.m., Eastern Time.

Basket Update

The basket of goods and services used in the calculation of the Consumer Price Index (CPI) has been updated with the release of the June 2021 data. For the first time, several new sources of expenditure data were used to ensure the new CPI weights reflect evolving consumer spending patterns, particularly as the country transitions from pandemic response to recovery. The new basket weights are based on 2020 expenditure data, which include information on pre-pandemic expenditures, initial pandemic impacts, some recovery data and the emergence of new consumption patterns. The data reflect shifts in spending due to the COVID-19 pandemic that will likely take some time to stabilize across goods and services, and geographic regions.

The new basket weight reference period is 2020, based on the [national household final consumption expenditure \(HFCE\)](#) data, in addition to data from the [Survey of Household Spending](#) and [provincial HFCE](#) series. Alternative data for 2020 has been used to account for pandemic-related shifts at more detailed levels of geography and CPI components.

The base period, in which the CPI is set to equal 100, remains 2002.

The headline CPI for June 2021 would have been the same using the 2017 basket weights.

For more detailed information, consult the document entitled "[An Analysis of the 2021 Consumer Price Index Basket Update, Based on 2020 Expenditures](#)" in the [Prices Analytical Series \(62F0014M\)](#) and the infographic entitled "[The Consumer Price Index: Keeping Up with Canadian Consumers](#)".

When will the CPI basket weights be updated again?

Statistics Canada will continue to monitor consumer expenditure patterns during the reopening and recovery period. Another weight adjustment is planned for 2022, to account for post-pandemic spending, and to ensure an even greater degree of relevance. Going forward, Statistics Canada will move towards annual weight updates based on the most recent household expenditure data available. Improvements to the [Adjusted Price Index](#) are also underway, with the next publication planned towards the end of 2021.

COVID-19 and the Consumer Price Index

Goods and services in the CPI that were not available to consumers in June 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, 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, as well as air transportation received the same treatments as in May.

The details of the treatments from April 2020 to March 2021 are provided in technical supplements available through the [Prices Analytical Series](#). Details and treatments for April 2021 to June 2021 are available upon request.

As COVID-19 restrictions ease throughout the country, products and services that were unavailable for consumption in previous months will start to become available. Statistics Canada continues to monitor the impacted sectors and will remove these special treatments and reintroduce monthly pricing as the goods and services become widely available for consumption.

Real-time data tables

The real-time data table (18-10-0259-01) will be updated on August 9. For more information, consult the document "[Real-time tables](#)."

Next release

The CPI for July will be released on August 18.

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

	Relative importance ^{1,2}	June 2020	May 2021	June 2021	May to June 2021	June 2020 to June 2021
	%	(2002=100)			% change	
All-items	100.00	137.2	141.0	141.4	0.3	3.1
Food	16.24	154.8	156.6	156.8	0.1	1.3
Shelter	30.03	146.4	151.7	152.8	0.7	4.4
Household operations, furnishings and equipment	14.89	123.7	124.7	124.8	0.1	0.9
Clothing and footwear	3.99	92.4	95.1	93.4	-1.8	1.1
Transportation	15.96	142.8	150.3	150.8	0.3	5.6
Gasoline	3.57	146.7	190.5	193.6	1.6	32.0
Health and personal care	4.68	128.3	132.4	132.6	0.2	3.4
Recreation, education and reading	9.40	116.3	117.6	118.0	0.3	1.5
Alcoholic beverages, tobacco products and recreational cannabis	4.80	172.2	175.2	175.5	0.2	1.9
Special aggregates						
All-items excluding food	83.76	133.8	138.0	138.4	0.3	3.4
All-items excluding food and energy	77.06	132.1	134.6	135.0	0.3	2.2
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	95.20	136.0	139.9	140.3	0.3	3.2
All-items excluding energy	93.30	136.1	138.5	138.8	0.2	2.0
All-items excluding gasoline	96.43	136.5	139.2	139.5	0.2	2.2
Energy ³	6.70	146.2	173.2	174.7	0.9	19.5
Goods	48.78	122.6	127.9	128.1	0.2	4.5
Durable goods	14.44	93.0	96.4	96.6	0.2	3.9
Semi-durable goods	6.60	95.8	97.7	97.0	-0.7	1.3
Non-durable goods	27.73	147.3	155.1	155.7	0.4	5.7
Services	51.22	151.6	154.0	154.6	0.4	2.0

1. 2020 Consumer Price Index (CPI) basket weights at May 2021 prices, Canada, effective with the June 2021 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}	June 2020	May 2021	June 2021	May to June 2021	June 2020 to June 2021
	%	(2002=100)			% change	
Canada	100.00	137.2	141.0	141.4	0.3	3.1
Newfoundland and Labrador	1.32	139.5	144.3	144.4	0.1	3.5
Prince Edward Island	0.36	137.5	144.2	144.8	0.4	5.3
Nova Scotia	2.35	137.6	143.1	143.2	0.1	4.1
New Brunswick	1.90	136.6	141.4	141.5	0.1	3.6
Quebec	20.90	132.8	137.3	137.7	0.3	3.7
Ontario	40.59	138.6	142.6	143.1	0.4	3.2
Manitoba	3.21	137.9	141.5	141.9	0.3	2.9
Saskatchewan	2.92	141.2	143.7	143.8	0.1	1.8
Alberta	11.55	145.0	148.6	148.9	0.2	2.7
British Columbia	14.73	132.6	135.1	135.8	0.5	2.4
Whitehorse	0.07	134.3	138.0	138.5	0.4	3.1
Yellowknife	0.08	139.3	141.2	141.1	-0.1	1.3
Iqaluit (Dec. 2002=100)	0.03	131.3	133.3	133.3	0.0	1.5

1. 2020 Consumer Price Index (CPI) basket weights at May 2021 prices, effective with the June 2021 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

	April 2021	May 2021	June 2021	April to May 2021	May to June 2021
	(2002=100)			% change	
All-items	140.0	140.5	140.7	0.4	0.1
Food	155.6	156.2	156.1	0.4	-0.1
Shelter	150.7	151.7	152.8	0.7	0.7
Household operations, furnishings and equipment	124.3	124.6	124.6	0.2	0.0
Clothing and footwear	93.8	94.3	93.9	0.5	-0.4
Transportation	148.9	149.0	148.7	0.1	-0.2
Health and personal care	132.3	132.3	132.6	0.0	0.2
Recreation, education and reading	117.2	116.7	116.9	-0.4	0.2
Alcoholic beverages, tobacco products and recreational cannabis	173.9	174.6	175.0	0.4	0.2
Special aggregates					
All-items excluding food	137.2	137.6	137.8	0.3	0.1
All-items excluding food and energy ²	134.1	134.6	134.5	0.4	-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}

	March 2021	April 2021	May 2021	June 2021
	% change			
CPI-common ^{3,5}	1.5	1.7	1.8	1.7
CPI-median ^{4,6}	2.0	2.2	2.3	2.4
CPI-trim ^{4,7}	2.1	2.3	2.6	2.6

- 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](#).
- 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.
- This measure is based on the Consumer Price Index (CPI) series adjusted to remove the effect of changes in indirect taxes.
- 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.
- CPI-common is a measure of core inflation that tracks common price changes across categories in the CPI basket.
- 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.
- 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

	June 2020 to June 2021
	% change
Main contributors to the 12-month change	
Main upward contributors	
Gasoline	32.0
Homeowners' replacement cost	12.9
Purchase of passenger vehicles	4.1
Other owned accommodation expenses	12.0
Food purchased from restaurants	2.8
Main downward contributors	
Mortgage interest cost	-8.6
Telephone services	-16.3
Passenger vehicle insurance premiums	-5.2
Air transportation	-11.0
Fresh vegetables	-7.5
	May to June 2021
	% change
Main contributors to the 1-month change, not seasonally adjusted	
Main upward contributors	
Other owned accommodation expenses	2.2
Homeowners' replacement cost	1.6
Gasoline	1.6
Homeowners' home and mortgage insurance	2.8
Household appliances	2.2
Main downward contributors	
Telephone services	-4.3
Women's clothing	-3.0
Mortgage interest cost	-0.7
Purchase of digital media	-11.1
Men's clothing	-2.7

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).