

Consumer Price Index: Annual review, 2024

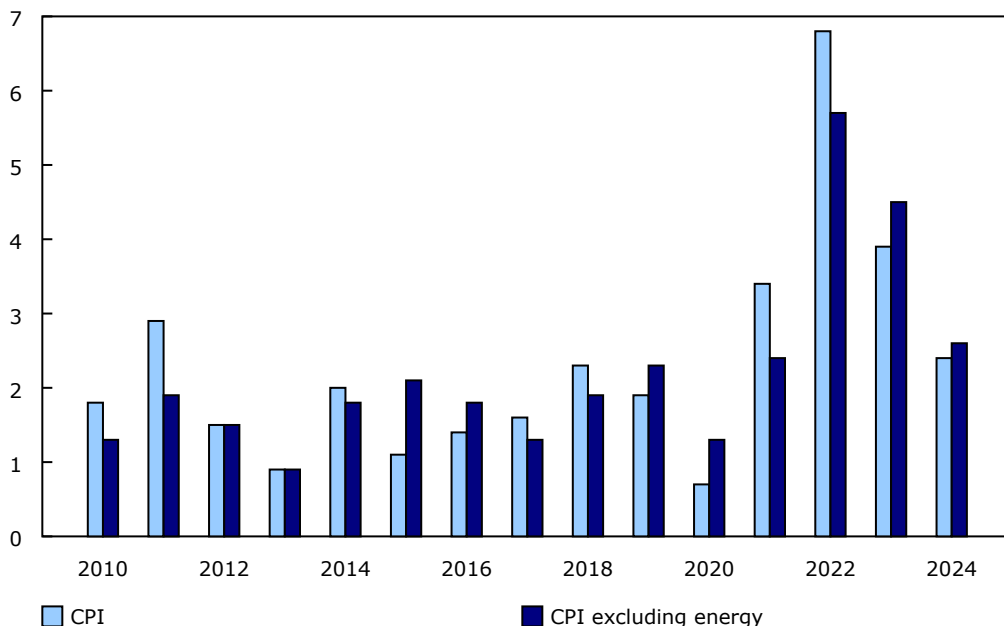
Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, January 21, 2025

On an annual average basis, the Consumer Price Index (CPI) rose 2.4% in 2024, down from 3.9% in 2023. Excluding energy, the annual average CPI rose 2.6% in 2024 compared with 4.5% in 2023.

Excluding the period of higher inflation experienced during the COVID-19 pandemic, from 2021 to 2023, the 2024 annual average represented the highest increase since 2011 (+2.9%). Though the average in 2024 was the lowest it had been since 2020, a year heavily impacted by the pandemic, it remained higher than pre-pandemic annual averages, indicating that the return to historical inflation rates has been slow, yet steady. Cumulatively, since the onset of the pandemic, higher annual inflation rates reflect sustained, elevated prices.

Chart 1
Annual average change in the Consumer Price Index (CPI) and the CPI excluding energy, 2010 to 2024

annual average % change



Source(s): Table 18-10-0005-01.

Price growth for goods slows significantly, while service inflation persists

The rate of price growth for goods and services had distinct trends in 2024. Price growth for goods eased significantly, whereas service inflation was more persistent.

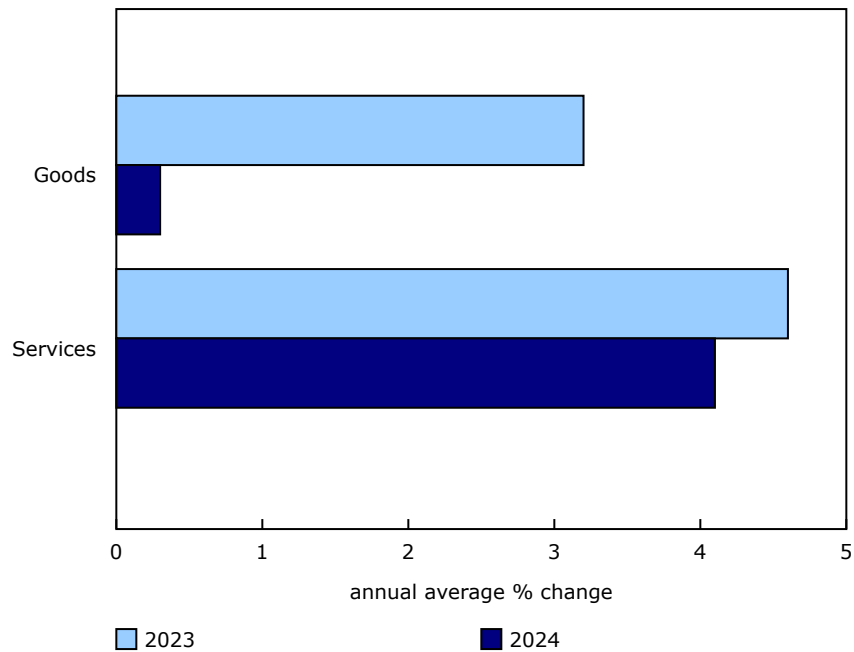
Growth of prices for goods slowed in 2024, rising 0.3% compared with 3.2% one year earlier. Prices for non-durable goods decelerated, increasing 1.3% in 2024 after reaching 4.0% in 2023. Decelerations of growth for other food products and non-alcoholic beverages (+3.0%), bakery and cereal products (+0.9%) and fruit, fruit preparations and nuts (+0.8%) contributed to the smaller increase in 2024.

Durable goods prices fell 0.9% on an annual average basis in 2024, with notable price declines occurring for purchase of passenger vehicles (-0.2%), household equipment (-1.2%) and purchase of digital media (-7.6%).



On an annual average basis, prices for services increased 4.1% in 2024 compared with 4.6% in 2023. A decline in prices for travel services (-1.1%) contributed the most to the deceleration of growth in 2024, alongside smaller price increases for homeowners' maintenance and repairs (+1.8%) and food purchased from table-service restaurants (+3.3%).

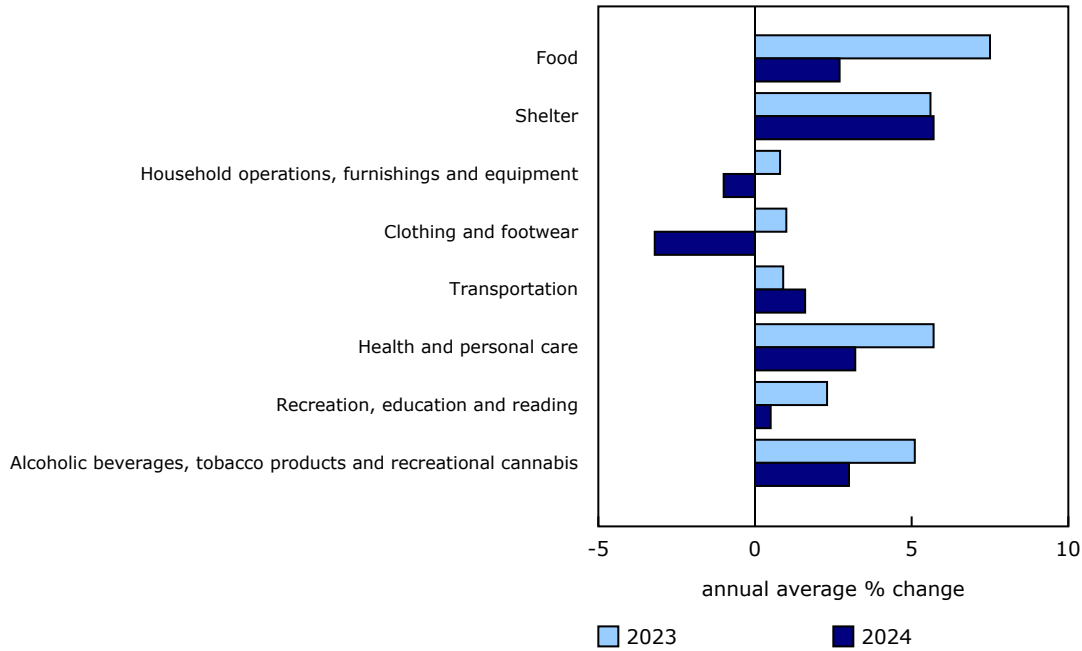
Chart 2
Price growth for goods and services slow in 2024



Source(s): Table 18-10-0005-01.

All major components had smaller price increases in 2024 compared with 2023, aside from transportation (+1.6%) and shelter (+5.7%), which had higher increases, and clothing and footwear (-3.2%) and household operations, furnishings and equipment (-1.0%), which declined.

Chart 3
Transportation and shelter are the only major components with faster price growth in 2024

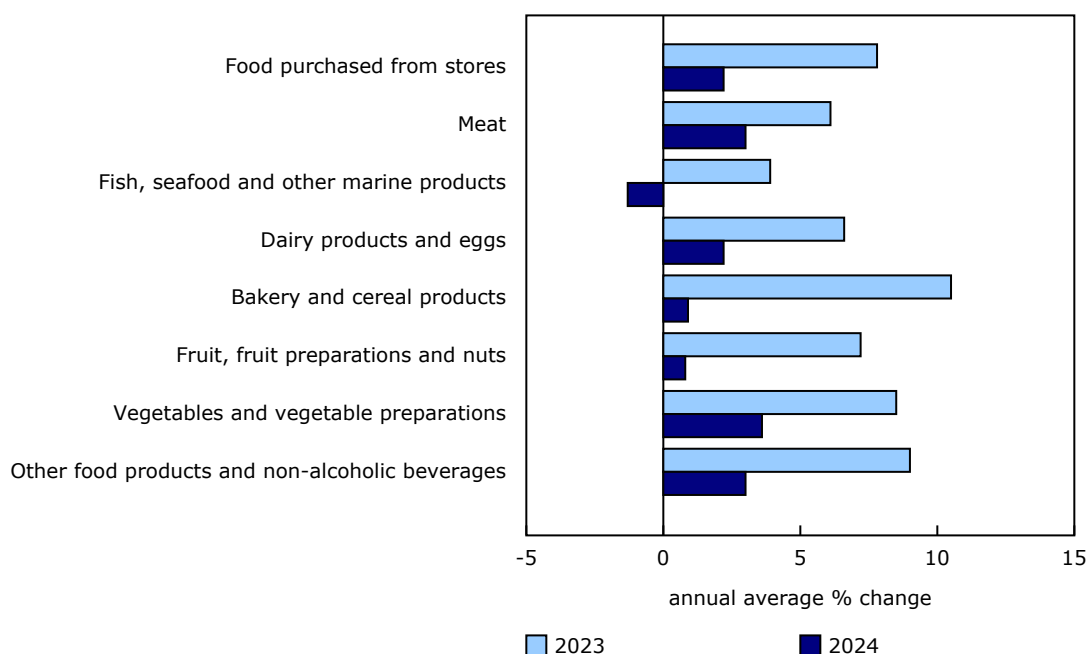


Source(s): Table 18-10-0005-01.

Prices for groceries remain elevated, but their growth slows

While prices for groceries remained elevated, price growth for food purchased from stores was lower in 2024 (+2.2%) compared with 2023 (+7.8%). Notably, prices for virtually all food indexes grew at a slower pace or declined in 2024. At the same time, the other edible fats and oils index (+13.3%) grew at the fastest pace—which was a deceleration when compared with 2023 (+17.1%)—while oranges had the largest decline (-7.9%).

Chart 4
All major food indexes have price declines or slower price growth in 2024



Source(s): Table 18-10-0005-01.

Factors putting upward pressure on food prices were less pronounced in 2024. Supply chain constraints that were present during the pandemic eased, resulting in **lower-priced inputs** and **reduced trucking costs**. Extreme weather trends in producer regions and other factors, including disease outbreaks such as the avian flu, also had a smaller effect on prices in 2024 compared with 2023.

Mortgage interest cost index price growth eases, while rent prices accelerate

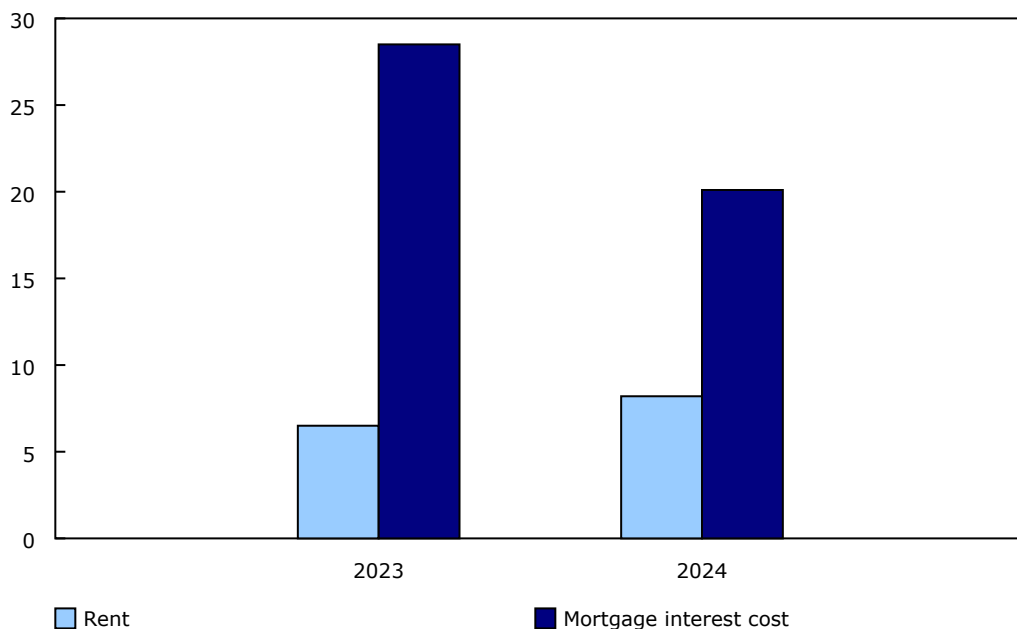
On an annual average basis, the shelter component rose 5.7% in 2024 compared with 5.6% in 2023. Higher borrowing rates, which began to rise in March 2022 and started to ease in June 2024, impacted the shelter component in 2024.

Rent prices accelerated, rising 8.2% in 2024 compared with 6.5% in 2023. Among other factors, higher borrowing rates—which may act as a barrier to home ownership—alongside population growth applied upward pressure to rental prices. Nova Scotia was the only province to have slower rent price growth in 2024 (+7.9%) compared with 2023 (+10.1%).

Although interest rates remained elevated compared with the pre-pandemic period, their growth began easing in mid-2024. This easing contributed to a smaller increase in the mortgage interest cost index in 2024 (+20.1%) compared with 2023 (+28.5%), as mortgages were initiated or renewed at lower interest rates.

Chart 5 The mortgage interest cost index eases, while rent prices accelerate

annual average % change



Source(s): Table 18-10-0005-01.

Prices in the transportation component rise

On an annual average basis, the transportation component rose at a faster rate in 2024 (+1.6%) compared with 2023 (+0.9%).

The acceleration was driven by prices for gasoline, which fell to a lesser extent in 2024 (-0.2%) compared with 2023 (-7.6%). The smaller decline was partially attributed to a base-year effect, stemming from geopolitical tension and uncertainty surrounding global production and consumption.

Passenger vehicle insurance premiums (+8.1%) and passenger vehicle registration fees (+1.1%) also contributed to the stronger growth in prices in 2024.

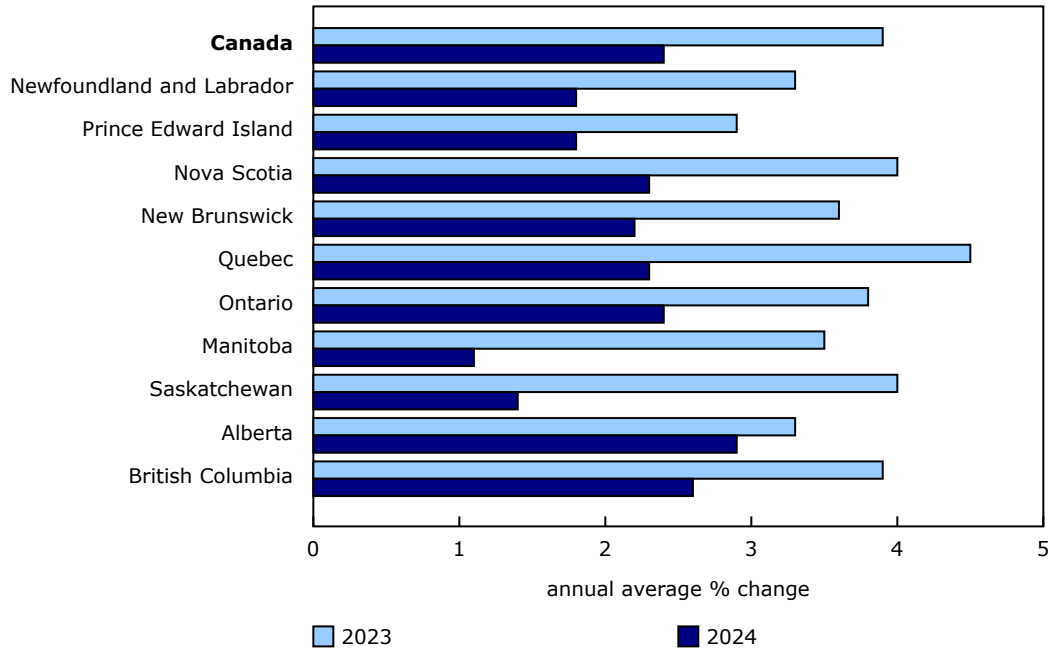
A decline in the purchase of passenger vehicles index (-0.2%) offset some of the upward price pressures in 2024. A smaller price increase for passenger vehicle parts, maintenance and repairs (+3.0%) put further downward pressure on prices.

Regional highlights

On an annual average basis, price growth slowed in all provinces in 2024 compared with 2023.

Of all the provinces, Manitoba (+1.1%) had the slowest price growth in 2024. Lower gasoline prices (-13.6%), driven by a [provincial fuel tax holiday](#), contributed to this slowdown.

Chart 6
Prices increase at a slower pace in every province



Source(s): Table 18-10-0005-01.

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Note to readers

This release examines the percentage change between the annual average Consumer Price Index (CPI) in 2023 and 2024.

Annual average indexes are obtained by calculating the average of the 12 monthly index values over the calendar year. The annual average percent change should not be confused with the 12-month percent change that is published every month with the release of the CPI. Unlike the annual average change, the 12-month change compares the monthly index level with the level from the same month one year earlier.

Explore the Consumer Price Index tools

Check out Statistics Canada's [Food Price Data Hub](#), which features a variety of food price-related statistics, articles and tools.

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 for the average Canadian household—the 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.

Browse the [Consumer Price Index Data Visualization Tool](#) to access current ([Latest Snapshot of the CPI](#)) and historical ([Price trends: 1914 to today](#)) CPI data in a customizable visual format.

Available tables: table [18-10-0005-01](#).

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 is available in *The Canadian Consumer Price Index Reference Paper* ([62-553-X](#)).

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).