

# Consumer Price Index, July 2021

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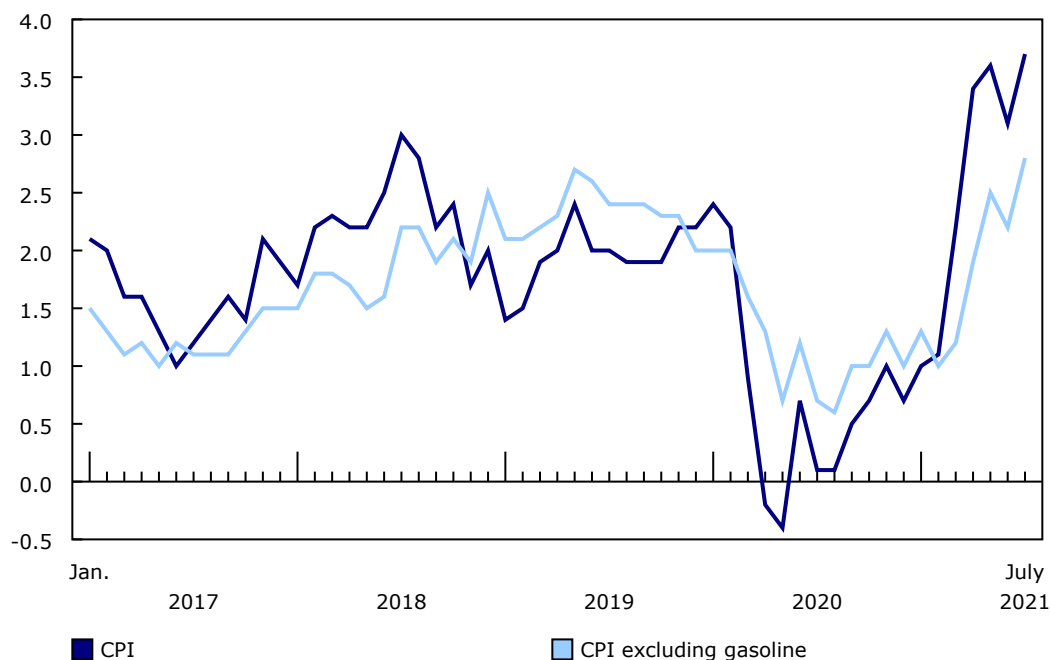
The Consumer Price Index (CPI) rose 3.7% on a year-over-year basis in July, up from a 3.1% gain in June. Excluding gasoline, the CPI increased 2.8% year over year.

On a monthly basis, the CPI rose 0.6% in July, the fastest pace since January 2021. On a seasonally adjusted monthly basis, the CPI was up 0.5%.

## Chart 1

### 12-month change in the Consumer Price Index (CPI) and CPI excluding gasoline

12-month % change



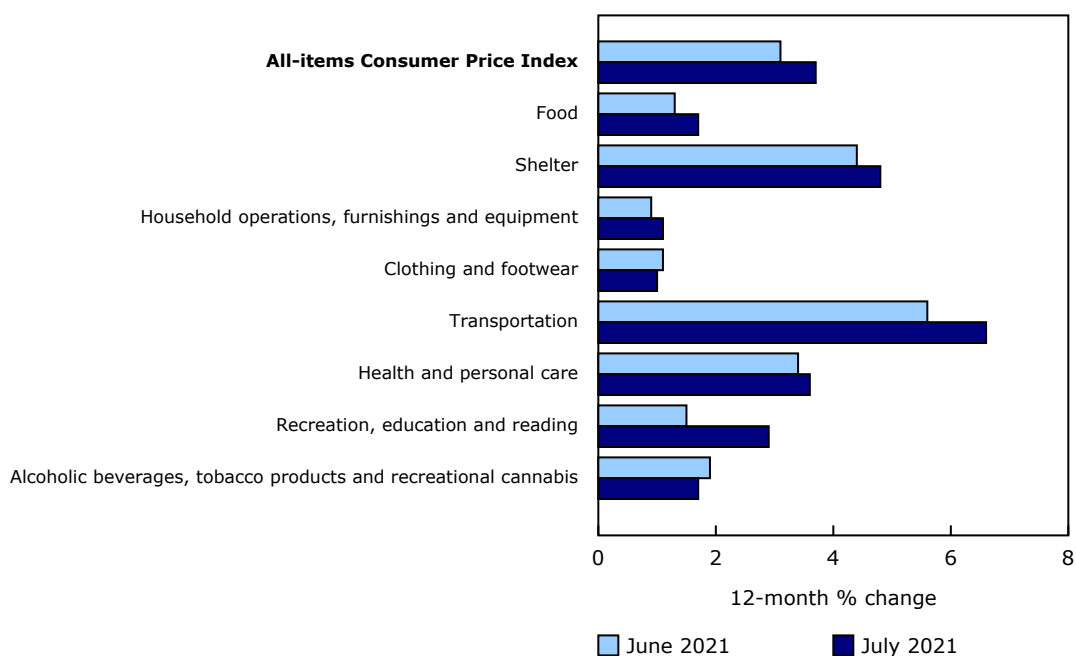
Source(s): Table 18-10-0004-01.

## Highlights

Prices rose at a faster pace year over year in six of the eight major components in July, with shelter prices contributing the most to the all-items increase. Conversely, prices for clothing and footwear as well as alcoholic beverages, tobacco products and recreational cannabis slowed on a year-over-year basis in July compared with June.



**Chart 2**  
**Prices rise at a faster pace in six major components**



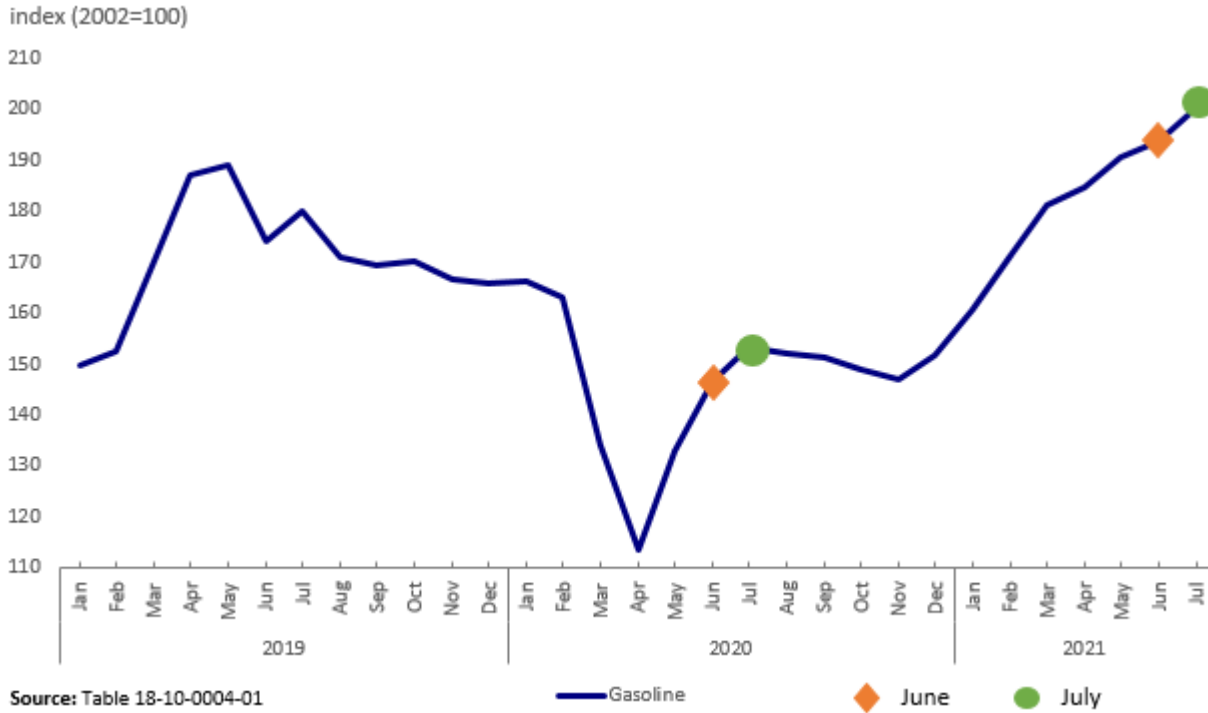
Source(s): Table 18-10-0004-01.

**Gasoline prices rise at a slower pace**

Year over year, prices for gasoline rose less in July (+30.9%) than in June (+32.0%). A base-year effect continued to impact the gasoline index, as prices in July 2020 increased 4.4% on a month-over-month basis when many businesses and services reopened.

In July 2021, gasoline prices increased 3.5% month over month, as oil production by OPEC+ (countries from the Organization of Petroleum Exporting Countries Plus) remained below pre-pandemic levels though global demand increased.

**Infographic 1 – Gasoline prices rise at a slower pace in July**



**Homeowners' replacement cost index rises at its fastest rate since 1987**

The homeowners' replacement cost index, which is related to the price of new homes, continued to trend upward, rising 13.8% year over year in July, the largest yearly increase since October 1987.

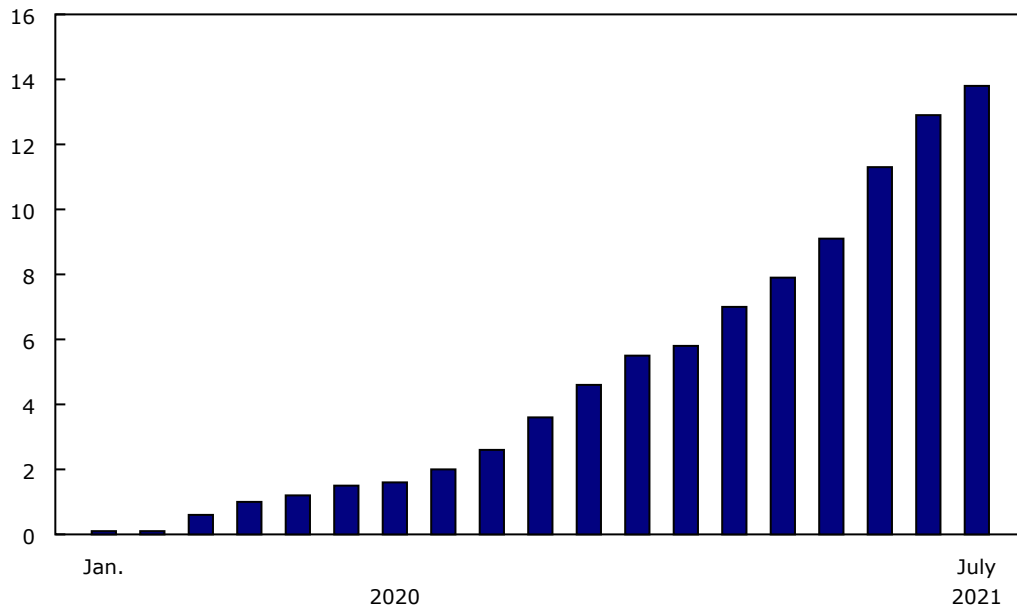
Similarly, the other owned accommodation expenses index, which includes commission fees on the sale of real estate, was up 13.4% year over year in July.

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**Chart 3**  
**Yearly price changes in the homeowners' replacement cost index**

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12-month % change



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

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## Spotlight on food prices

Given that food is a frequently purchased good, high prices are often the subject of discussion, as are great deals. The price of food is influenced by a number of factors. Weather, for example, is the most important variable for maintaining the supply of crops. As farmers weather the elements, prices will reflect a good harvest or the lower supply that comes with a poor harvest. This was experienced in 2019, when lower vegetable yields were partly attributable to an El Niño climate pattern.

The COVID-19 pandemic has also influenced food prices in Canada. As restaurants closed for extended periods in some parts of the country, overall demand changed. Canadians consume different foods at restaurants than at home. For example, this shift led to a temporary over supply of potatoes for French fries early in the pandemic. Suppliers also had to adapt, in some cases shifting products destined for restaurants to grocery stores.

In the Consumer Price Index (CPI), food is the second-most important component by basket weight, representing 16.24% of the 2020 CPI basket. The food component is broken down into two categories: food purchased from stores (11.74% of the basket) and food purchased from restaurants (4.50%).

Overall food prices increased in July 2021 (+1.7%) compared with July 2020. Prices for food purchased from restaurants grew by 3.1%, the highest increase since January 2019, mainly driven by food purchased from fast food and take-out restaurants (+3.3%). Food purchased from stores (+1.0%) also rose in July. Canadians consume a variety of different foods, which can result in large price changes that offset each other at the aggregate level. For instance, prices for meat (+3.1%) and dairy products (+3.5%) increased on a year-over-year basis in July, while prices for fresh vegetables (-7.5%) and fresh fruit (-0.6%) fell during the same period.

Statistics Canada will continue to monitor developments in food prices and the impact on consumer price inflation.

## Prices for durable goods increase at a faster pace

Year-over-year price growth for goods rose at a faster pace in July (+5.0%) than in June (+4.5%), with durable goods (+5.0%) accelerating the most. The purchase of passenger vehicles index contributed the most to the increase, rising 5.5% year over year in July. The gain was partially attributable to the global shortage of semiconductor chips.

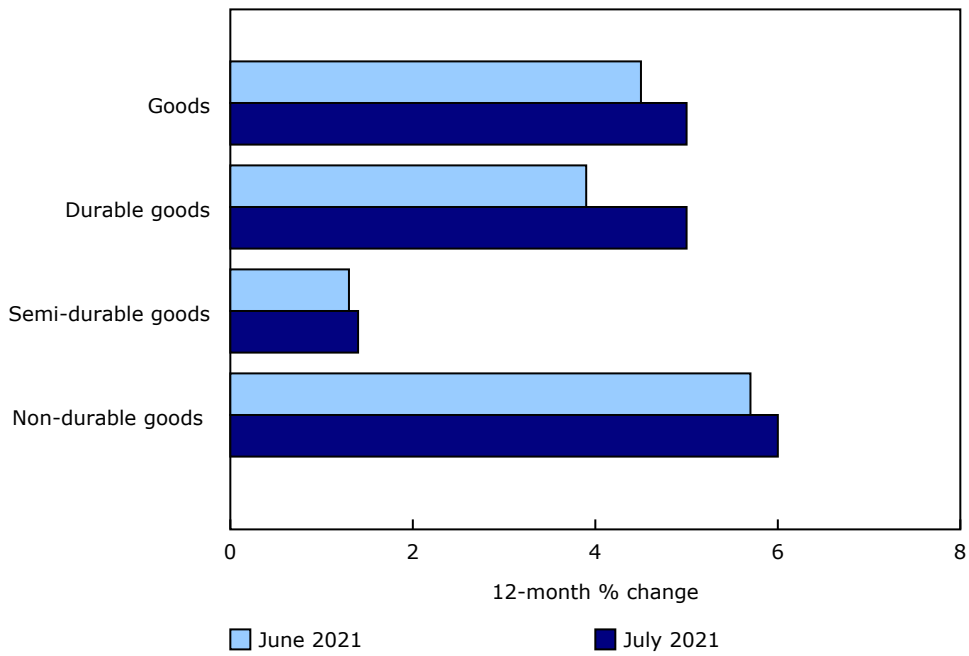
Prices for upholstered furniture rose 13.4% year over year in July, largely as a result of lower supply and higher input costs. The introduction of tariffs on upholstered furniture, first implemented in early May 2021, may also have contributed to the increase.

The video equipment index was up 4.8% year over year, mainly driven by higher prices for televisions.

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**Chart 4**  
**Prices for durable goods accelerate the most year over year**

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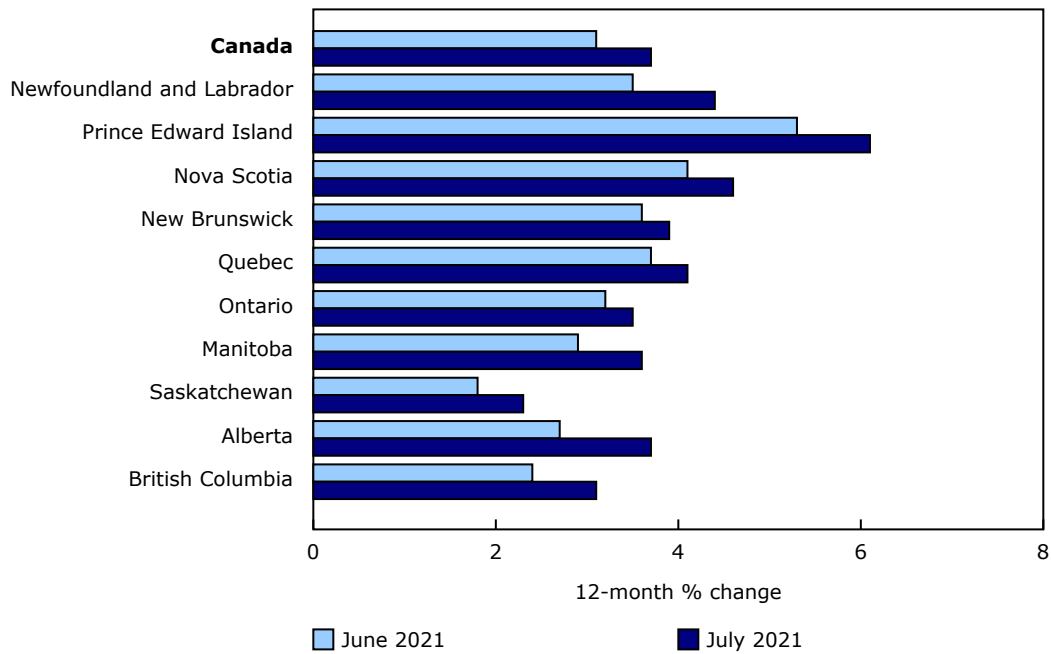
Source(s): Table 18-10-0004-01.

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### Regional highlights

Year over year, prices rose at a faster pace in July than in June in every province.

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



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

### Consumers in Alberta pay more for electricity

The price of electricity in Alberta rose 25.1% on a month-over-month basis, the largest monthly increase since July 2015. The movement is largely attributable to an increase in demand amid high summer temperatures in the province.

### Traveller accommodation prices increase the most in Newfoundland and Labrador

The traveller accommodation index rose 7.4% year over year in July, after falling 3.1% the previous month. Prices in Newfoundland and Labrador (+14.8%) increased the most, as the province lifted its non-essential travel ban that had been in place for nearly 14 months. Consumers in Quebec (+10.3%) and British Columbia (+10.0%) also paid more for traveller accommodations in July.

## Note to readers

### COVID-19 and the Consumer Price Index

Goods and services in the Consumer Price Index (CPI) that were not available to consumers in July 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, and some components of use of recreational facilities and services in some areas.

Air transportation received the same treatments as in June.

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

### 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.

### Real-time data tables

The real-time data table (18-10-0259-01) will be updated on August 30. For more information, consult the document "[Real-time tables](#)."

### Next release

The CPI for August will be released on September 15, 2021.



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

	Relative importance <sup>1,2</sup>	July 2020	June 2021	July 2021	June to July 2021	July 2020 to July 2021
	%	(2002=100)			% change	
<b>All-items</b>	<b>100.00</b>	<b>137.2</b>	<b>141.4</b>	<b>142.3</b>	<b>0.6</b>	<b>3.7</b>
Food	16.24	155.0	156.8	157.6	0.5	1.7
Shelter	30.03	146.4	152.8	153.5	0.5	4.8
Household operations, furnishings and equipment	14.89	124.2	124.8	125.6	0.6	1.1
Clothing and footwear	3.99	92.1	93.4	93.0	-0.4	1.0
Transportation	15.96	142.8	150.8	152.2	0.9	6.6
Gasoline	3.57	153.1	193.6	200.4	3.5	30.9
Health and personal care	4.68	128.8	132.6	133.4	0.6	3.6
Recreation, education and reading	9.40	116.3	118.0	119.7	1.4	2.9
Alcoholic beverages, tobacco products and recreational cannabis	4.80	172.0	175.5	175.0	-0.3	1.7
<b>Special aggregates</b>						
All-items excluding food	83.76	133.9	138.4	139.3	0.7	4.0
All-items excluding food and energy	77.06	131.9	135.0	135.6	0.4	2.8
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	95.20	136.1	140.3	141.2	0.6	3.7
All-items excluding energy	93.30	136.0	138.8	139.5	0.5	2.6
All-items excluding gasoline	96.43	136.4	139.5	140.2	0.5	2.8
Energy <sup>3</sup>	6.70	149.7	174.7	179.2	2.6	19.7
Goods	48.78	122.9	128.1	129.1	0.8	5.0
Durable goods	14.44	92.8	96.6	97.4	0.8	5.0
Semi-durable goods	6.60	95.7	97.0	97.0	0.0	1.4
Non-durable goods	27.73	148.2	155.7	157.1	0.9	6.0
Services	51.22	151.5	154.6	155.4	0.5	2.6

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 <sup>1,2</sup>	July 2020	June 2021	July 2021	June to July 2021	July 2020 to July 2021
	%	(2002=100)			% change	
<b>Canada</b>	<b>100.00</b>	<b>137.2</b>	<b>141.4</b>	<b>142.3</b>	<b>0.6</b>	<b>3.7</b>
Newfoundland and Labrador	1.32	139.6	144.4	145.8	1.0	4.4
Prince Edward Island	0.36	138.2	144.8	146.6	1.2	6.1
Nova Scotia	2.35	137.8	143.2	144.2	0.7	4.6
New Brunswick	1.90	137.1	141.5	142.5	0.7	3.9
Quebec	20.90	133.0	137.7	138.5	0.6	4.1
Ontario	40.59	138.8	143.1	143.7	0.4	3.5
Manitoba	3.21	137.9	141.9	142.8	0.6	3.6
Saskatchewan	2.92	141.4	143.8	144.7	0.6	2.3
Alberta	11.55	144.9	148.9	150.3	0.9	3.7
British Columbia	14.73	132.6	135.8	136.7	0.7	3.1
Whitehorse	0.07	134.2	138.5	139.8	0.9	4.2
Yellowknife	0.08	139.1	141.1	141.9	0.6	2.0
Iqaluit (Dec. 2002=100)	0.03	131.3	133.3	133.0	-0.2	1.3

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 adjusted<sup>1</sup>**

	May 2021	June 2021	July 2021	May to June 2021	June to July 2021
	(2002=100)			% change	
<b>All-items</b>	<b>140.5</b>	<b>140.8</b>	<b>141.5</b>	<b>0.2</b>	<b>0.5</b>
Food	156.2	156.1	156.5	-0.1	0.3
Shelter	151.7	152.8	153.5	0.7	0.5
Household operations, furnishings and equipment	124.6	124.7	125.3	0.1	0.5
Clothing and footwear	94.3	94.0	94.4	-0.3	0.4
Transportation	149.0	148.9	149.9	-0.1	0.7
Health and personal care	132.3	132.7	133.2	0.3	0.4
Recreation, education and reading	116.7	117.2	118.1	0.4	0.8
Alcoholic beverages, tobacco products and recreational cannabis	174.6	175.0	174.9	0.2	-0.1
<b>Special aggregates</b>					
All-items excluding food	137.6	138.0	138.6	0.3	0.4
All-items excluding food and energy <sup>2</sup>	134.6	134.6	135.2	0.0	0.4

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<sup>1,2</sup>**

	April 2021	May 2021	June 2021	July 2021
	% change			
CPI-common <sup>3,5</sup>	1.7	1.8	1.7	1.7
CPI-median <sup>4,6</sup>	2.2	2.3	2.4	2.6
CPI-trim <sup>4,7</sup>	2.4	2.7	2.7	3.1

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 2020 to July 2021
	% change
<b>Main contributors to the 12-month change</b>	
<b>Main upward contributors</b>	
Gasoline	30.9
Homeowners' replacement cost	13.8
Purchase of passenger vehicles	5.5

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

	July 2020 to July 2021
Other owned accommodation expenses	13.4
Rent	2.6
<b>Main downward contributors</b>	
Mortgage interest cost	-9.0
Telephone services	-13.7
Passenger vehicle insurance premiums	-6.1
Fresh vegetables	-7.5
Air transportation	-8.0
	June to July 2021
	% change
<b>Main contributors to the 1-month change, not seasonally adjusted</b>	
<b>Main upward contributors</b>	
Gasoline	3.5
Other owned accommodation expenses	1.4
Meat	2.4
Homeowners' replacement cost	0.9
Telephone services	3.4
<b>Main downward contributors</b>	
Mortgage interest cost	-0.6
Fresh fruit	-2.1
Passenger vehicle insurance premiums	-1.1
Non-alcoholic beverages	-2.6
Preserved fruit and fruit preparations	-2.9

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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).