

# Consumer Price Index, December 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, January 19, 2022

Canadians continued to feel the impact of rising prices for groceries in December, as unfavourable weather conditions during the growing season and supply chain disruptions put upward pressure on prices. Supply chain disruptions also led to higher prices for durable goods, including passenger vehicles and household appliances, while higher construction costs and the increased frequency and severity of weather events contributed to rising home and mortgage insurance costs.

The Consumer Price Index (CPI) rose 4.8% on a year-over-year basis in December, up from a 4.7% gain in November. Excluding gasoline, the CPI rose 4.0% year over year.

On a monthly basis, the CPI fell 0.1% in December, following a 0.2% increase in November. This was the first monthly decline since December 2020, as gasoline prices fell in response to lower demand amid the spread of the Omicron COVID-19 variant.

## Highlights

The Consumer Price Index (CPI) rose 4.8% on a year-over-year basis in December, up from a 4.7% gain in November.

Headline CPI grew at a faster pace compared with November, due in part to higher prices for food (+5.2%), passenger vehicles (+7.2%) and homeowners' home and mortgage insurance (+9.3%). Excluding gasoline, the CPI rose 4.0% year over year.

On a monthly basis, the CPI fell 0.1% in December, following a 0.2% increase in November. This was the first monthly decline since December 2020.

On a seasonally adjusted monthly basis, the CPI was up 0.3%.

Prices rose in all eight major components on a year-over-year basis in December. Transportation and shelter prices contributed the most to the increase in the CPI.

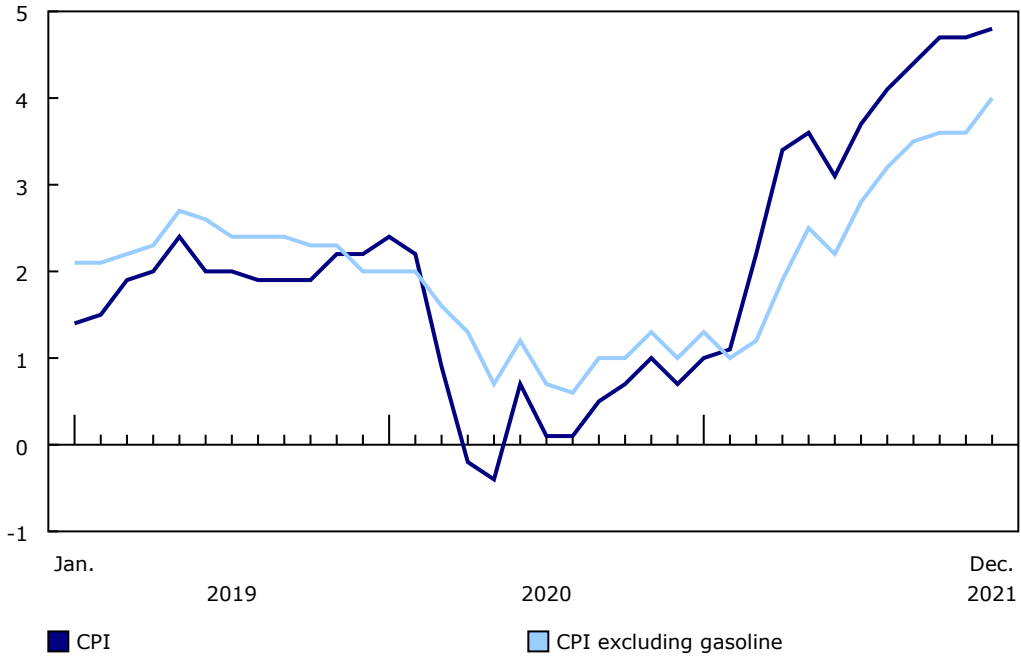
Year over year, prices for services (+3.4%) rose at a faster pace in December compared with November (+2.9%). Prices for goods (+6.8%) grew at a slightly slower pace than in November (+6.9%), moderating the price growth in the CPI. Gasoline prices rose to a lesser extent in December (+33.3%) than in November (+43.6%), contributing to the slowdown in goods prices.

Inflation is often compared with changes to average wages. In December 2021, the CPI rose 4.8% on a year-over-year basis. Wage data, which maintains employment composition by occupation and tenure from the [Labour Force Survey](#), found that wages rose 2.6% during the same period, meaning that, on average, prices rose faster than wages, and Canadians experienced a decline in purchasing power.



**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.

---

## What's new this month?

### 2021 annual *Daily* and infographic

Today, Statistics Canada publishes the release [Consumer Price Index: Annual review, 2021](#) and the infographic [Consumer Price Index: 2021 in Review](#), highlighting the annual average consumer inflation in Canada and the regions in 2021.

### The adjusted price index and monthly adjusted basket weights

Using various sources of expenditure data, Statistics Canada, in partnership with the Bank of Canada, has estimated monthly adjusted consumer expenditure weights that reflect shifts in consumption patterns as the pandemic evolves. For more detailed information, consult the document entitled "[Adjusted Price Index and Monthly Adjusted Consumer Expenditure Basket Weights](#)."

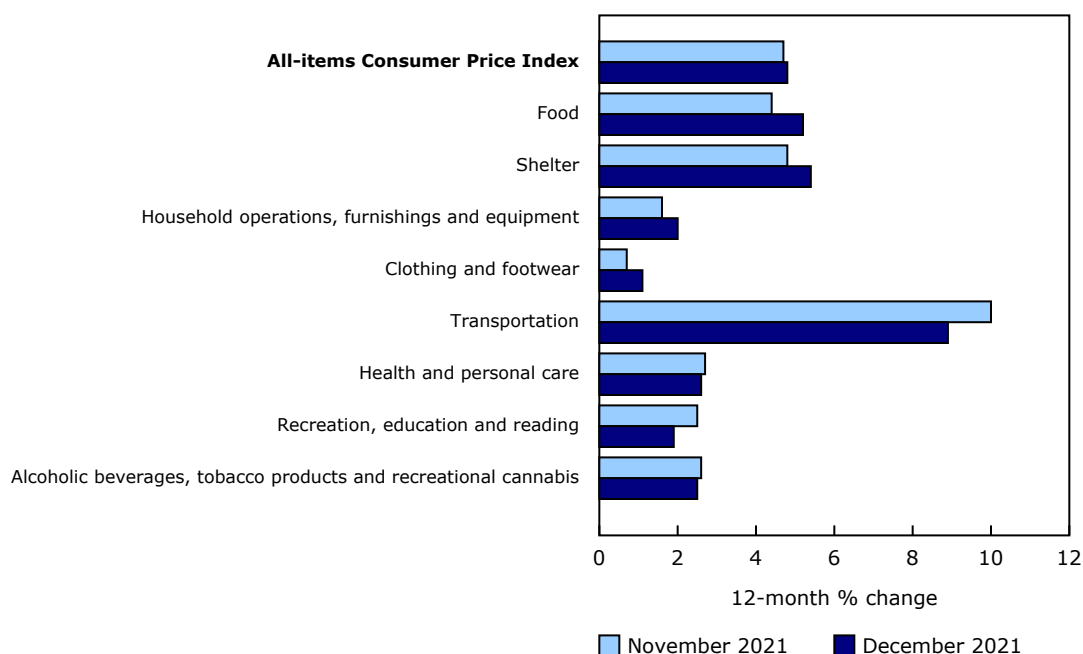
### Explore the CPI tools that can help you make informed financial decisions

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.

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

## Chart 2 Prices rise in all eight major components



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

### Prices for groceries continue to climb

Grocery prices continued to climb in December, rising 5.7% year over year, the largest yearly increase since November 2011. Prices for fresh fruit (+5.6%), including apples (+6.7%), oranges (+6.6%) and bananas (+2.5%), increased on a year-over-year basis. Unfavourable weather conditions in growing regions, as well as supply chain disruptions, led to higher prices for households.

In addition, prices for bakery products rose 4.7% year over year, as drought during the summer months reduced wheat crop yields, in turn raising prices for shoppers.

### Prices for durable goods increase at a faster pace

On a yearly basis, prices for durable goods rose at a faster pace in December (+5.7%) than in November (+5.5%). A durable good is a product that can be used repeatedly or continuously over a period of more than one year. Consumers who purchased a new vehicle in December paid 7.2% more than those who did so in December 2020, as the global shortage of semiconductor chips continued to elevate prices.

Consumers who purchased household appliances, like refrigerators and freezers (+13.9%) and laundry and dishwashing appliances (+10.4%), paid 8.9% more in December 2021 compared with December 2020. This was the largest yearly gain since June 1982. The movement is largely attributable to an increase in demand amid global supply chain disruptions.

## Homeowners pay more for home and mortgage insurance

With the recent increases in construction costs, mainly due to higher prices for building supplies, Canadian homeowners paid 9.3% more for home and mortgage insurance in December 2021 compared with December 2020. An increase in the frequency and severity of weather-related claims, such as those related to fires and flooding, may have also contributed to higher rates.

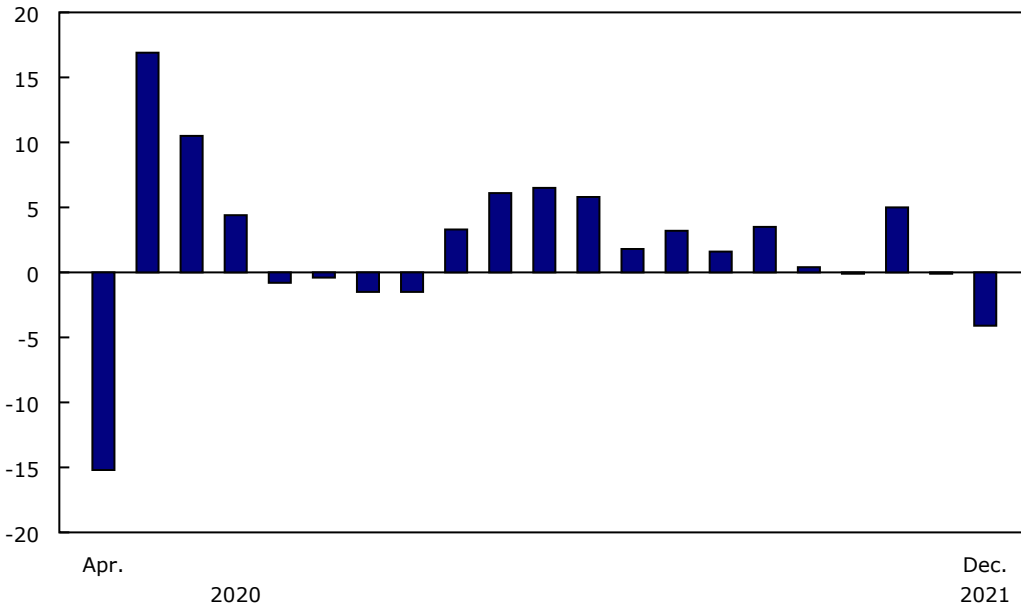
## Gasoline prices increase at a slower rate year over year

Year over year, gasoline prices rose to a lesser extent in December (+33.3%) than in November (+43.6%).

On a monthly basis, Canadian drivers paid less at the pumps as gasoline prices fell 4.1%, the largest monthly decline since April 2020. The tightening of public health restrictions in response to the new Omicron variant weighed on demand for gasoline.

**Chart 3**  
Gasoline prices decrease month over month

1-month % change



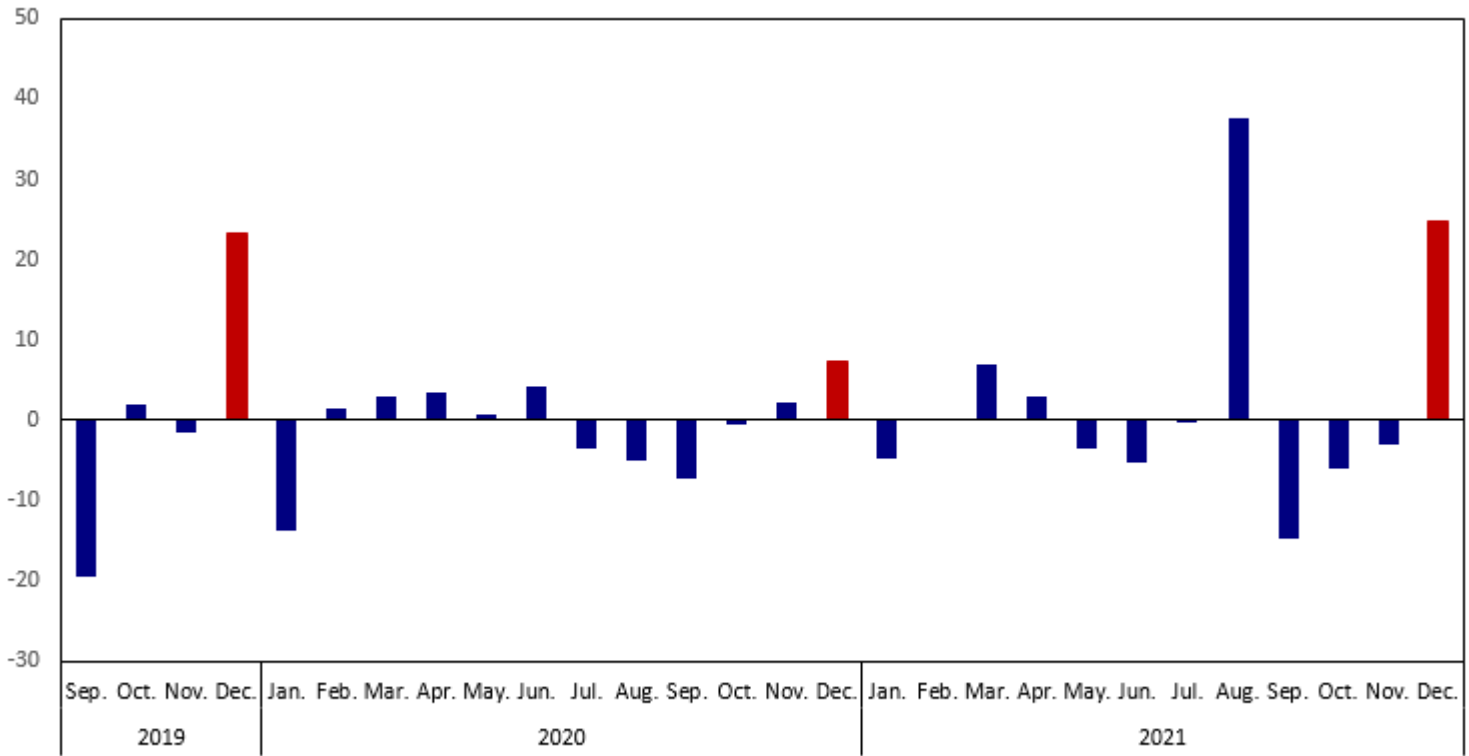
Source(s): Table 18-10-0004-01.

## Prices for air transportation rise amid strong demand for air travel

Month over month, Canadians paid 24.7% more for airfare in December, after a 3.1% drop in November. Strong demand for air travel during the holiday season contributed to the monthly price increase, which was similar to the movement in December 2019 (+23.4%), before the pandemic.

**Infographic 1 – Monthly price change for air transportation**

1-month % change

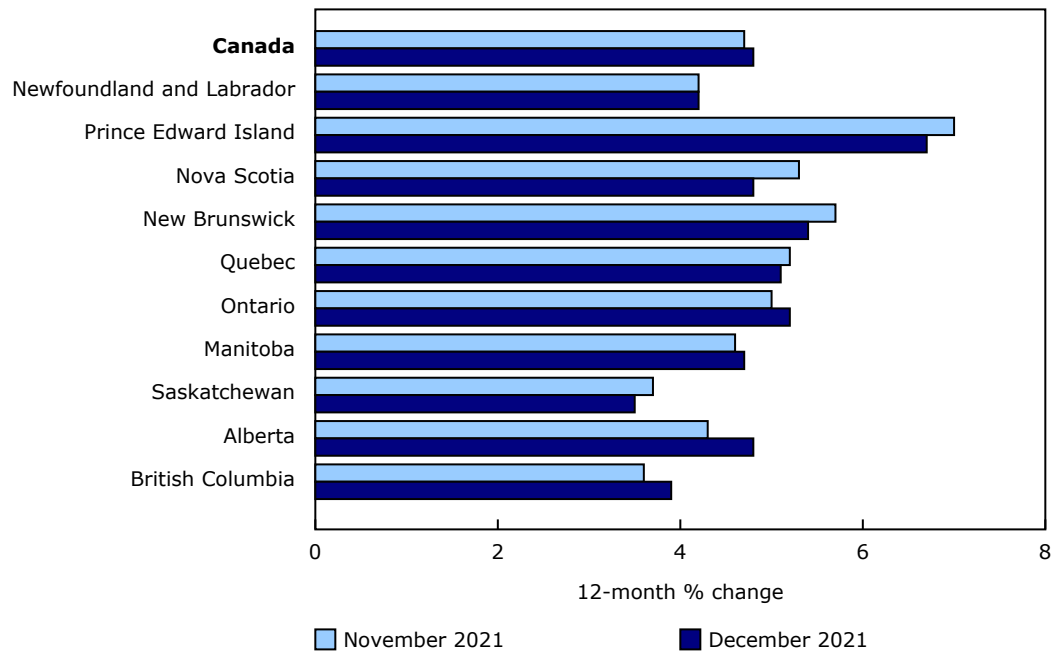


Source: Table 18-10-0004-01

**Regional highlights**

Year over year, prices rose at a faster pace in December than in November in four provinces. The increase in Alberta (+4.8%) was largely attributable to higher prices for natural gas (+35.5%) and electricity (+33.8%). Ontarians paid more for household appliances (+11.8%), contributing to the price growth in Ontario (+5.2%) in December.

**Chart 4**  
**The Consumer Price Index rises at a faster pace in four provinces**



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

---

## **Note to readers**

### **COVID-19 and the Consumer Price Index**

*In December 2021, no special treatments for goods and services due to the COVID-19 pandemic were required. However, Statistics Canada continues to monitor the impacts of the new Omicron variant on the Consumer Price Index (CPI).*

*The details of the special 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 and onwards are available upon request.*

*The CPI is continuously evolving to incorporate the most timely and accurate data sources and methods. In the coming months, new sources of administrative data will be introduced for the mortgage interest cost index and the cellular services price index. Work is also underway to include the price of used cars and trucks, and users will be informed in advance of this change.*

### **Real-time data tables**

*Real-time data table [18-10-0259-01](#) will be updated on January 31, 2022. For more information, consult the document "[Real-time data tables](#)."*

### **Next release**

*The Consumer Price Index for January 2022 will be released on February 16, 2022.*

*The adjusted price index for October 2021 to December 2021 will be released on February 24, 2022.*



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

	Relative importance <sup>1,2</sup>	December 2020	November 2021	December 2021	November to December 2021	December 2020 to December 2021
	%	(2002=100)			% change	
<b>All-items</b>	<b>100.00</b>	<b>137.4</b>	<b>144.2</b>	<b>144.0</b>	<b>-0.1</b>	<b>4.8</b>
Food	16.24	153.6	160.7	161.6	0.6	5.2
Shelter	30.03	148.7	155.9	156.8	0.6	5.4
Household operations, furnishings and equipment	14.89	123.6	126.3	126.1	-0.2	2.0
Clothing and footwear	3.99	92.1	96.9	93.1	-3.9	1.1
Transportation	15.96	142.3	155.4	154.9	-0.3	8.9
Gasoline	3.57	151.7	210.8	202.2	-4.1	33.3
Health and personal care	4.68	130.0	134.1	133.4	-0.5	2.6
Recreation, education and reading	9.40	115.5	118.5	117.7	-0.7	1.9
Alcoholic beverages, tobacco products and recreational cannabis	4.80	171.4	176.6	175.7	-0.5	2.5
<b>Special aggregates</b>						
All-items excluding food	83.76	134.3	141.0	140.7	-0.2	4.8
All-items excluding food and energy	77.06	132.2	136.8	136.7	-0.1	3.4
All-items excluding alcoholic beverages, tobacco products and smokers' supplies and recreational cannabis	95.20	136.3	143.1	143.1	0.0	5.0
All-items excluding energy	93.30	136.0	141.0	141.1	0.1	3.8
All-items excluding gasoline	96.43	136.6	141.9	142.0	0.1	4.0
Energy <sup>3</sup>	6.70	152.0	188.4	184.2	-2.2	21.2
Goods	48.78	122.5	131.7	130.8	-0.7	6.8
Durable goods	14.44	92.9	98.6	98.2	-0.4	5.7
Semi-durable goods	6.60	95.5	99.3	97.1	-2.2	1.7
Non-durable goods	27.73	147.5	160.8	160.1	-0.4	8.5
Services	51.22	152.1	156.5	157.2	0.4	3.4

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>	December 2020	November 2021	December 2021	November to December 2021	December 2020 to December 2021
	%	(2002=100)			% change	
<b>Canada</b>	<b>100.00</b>	<b>137.4</b>	<b>144.2</b>	<b>144.0</b>	<b>-0.1</b>	<b>4.8</b>
Newfoundland and Labrador	1.32	140.4	146.9	146.3	-0.4	4.2
Prince Edward Island	0.36	138.2	148.0	147.4	-0.4	6.7
Nova Scotia	2.35	138.7	146.0	145.4	-0.4	4.8
New Brunswick	1.90	136.9	144.6	144.3	-0.2	5.4
Quebec	20.90	133.4	140.5	140.2	-0.2	5.1
Ontario	40.59	138.8	146.0	146.0	0.0	5.2
Manitoba	3.21	137.5	144.7	144.0	-0.5	4.7
Saskatchewan	2.92	140.9	146.8	145.9	-0.6	3.5
Alberta	11.55	144.8	151.6	151.7	0.1	4.8
British Columbia	14.73	132.8	138.1	138.0	-0.1	3.9
Whitehorse	0.07	134.9	140.3	140.8	0.4	4.4
Yellowknife	0.08	138.1	144.3	144.8	0.3	4.9
Iqaluit (Dec. 2002=100)	0.03	131.2	133.9	134.7	0.6	2.7

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>**

	October 2021	November 2021	December 2021	October to November 2021	November to December 2021
	(2002=100)			% change	
<b>All-items</b>	<b>143.9</b>	<b>144.4</b>	<b>144.8</b>	<b>0.3</b>	<b>0.3</b>
Food	160.4	161.1	161.7	0.4	0.4
Shelter	155.4	155.9	156.8	0.3	0.6
Household operations, furnishings and equipment	126.1	126.2	126.5	0.1	0.2
Clothing and footwear	94.0	95.2	94.5	1.3	-0.7
Transportation	156.1	156.6	156.2	0.3	-0.3
Health and personal care	133.7	133.8	133.8	0.1	0.0
Recreation, education and reading	120.3	119.5	119.5	-0.7	0.0
Alcoholic beverages, tobacco products and recreational cannabis	176.3	176.6	176.6	0.2	0.0
<b>Special aggregates</b>					
All-items excluding food	140.7	141.1	141.4	0.3	0.2
All-items excluding food and energy <sup>2</sup>	136.5	136.7	137.2	0.1	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>**

	September 2021	October 2021	November 2021	December 2021
	% change			
CPI-common <sup>3,5</sup>	1.8	1.8	2.0	2.1
CPI-median <sup>4,6</sup>	2.9	2.8	2.8	3.0
CPI-trim <sup>4,7</sup>	3.4	3.4	3.4	3.7

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. 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**

December 2020 to December 2021	
	% change
<b>Main contributors to the 12-month change</b>	
<b>Main upward contributors</b>	
Gasoline	33.3
Homeowners' replacement cost	13.6
Purchase of passenger vehicles	7.2
Other owned accommodation expenses	13.4
Meat	9.0
<b>Main downward contributors</b>	
Mortgage interest cost	-7.6
Telephone services	-11.1
Passenger vehicle insurance premiums	-6.2
Travel tours	-25.9
Digital computing equipment and devices	-7.6
November to December 2021	
	% change
<b>Main contributors to the 1-month change, not seasonally adjusted</b>	
<b>Main upward contributors</b>	
Air transportation	24.7
Homeowners' home and mortgage insurance	4.4
Homeowners' replacement cost	0.9
Fresh fruit	4.3
Purchase of passenger vehicles	0.5
<b>Main downward contributors</b>	
Gasoline	-4.1
Women's clothing	-4.4
Men's clothing	-5.3
Video equipment	-5.2
Personal care supplies and equipment	-1.5

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; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).