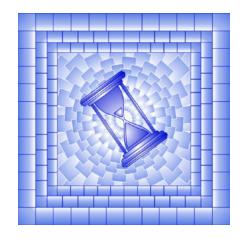
An Analysis of the 2021 Consumer Price Index Basket Update, Based on 2020 Expenditures



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An Analysis of the 2021 Consumer Price Index Basket Update, Based on 2020 Expenditures

Introduction

The Consumer Price Index (CPI) is one of the most widely known, cited and used economic indicators in Canada. The CPI compares, through time, the cost of a fixed basket of goods and services purchased by consumers, providing insight into overall economic conditions and consumer price inflation. It is also used for indexation and contract escalation.

The COVID-19 pandemic has had an undeniable impact on the way Canadians spend their money, and capturing these shifts in purchasing patterns is critical to ensure that the CPI reflects the price change experienced by Canadians. As Canada continues to chart a path to economic recovery, Statistics Canada is updating its methods to ensure its core statistical programs, including the CPI, are accurate, timely and of the highest quality.

As a Laspeyres-type¹ price index, the CPI basket quantities are fixed to the reference period of the basket weights, which are used to estimate quantities consumed for upper-level aggregation. The larger the basket weight of a given aggregate in the CPI basket, the more a price change in that aggregate will impact the all-items CPI.

Private and public pension programs, income tax deductions, and some government social payments are adjusted using the CPI. The index is used as a deflator of various economic aggregates to obtain estimates at constant prices. The CPI is also a tool for setting and monitoring economic policy. For example, the Bank of Canada uses the CPI and special aggregates of the CPI for this purpose.

Historically, basket weights have been derived primarily from household expenditures reported in Statistics Canada's Survey of Household Spending (SHS)² and, since 2011, updated every two years. The June 2021 CPI will mark the introduction of updated basket weights in the calculation of the index. As of its release on July 28, 2021, the basket weights and classification structure used in the aggregation of the CPI will be updated based on consumer spending patterns from the 2020 national Household Final Consumption Expenditure (HFCE) series, replacing those derived from the 2017 SHS. These updates to the data sources and the classification structure of the basket enhance the quality and relevance of the CPI.

Importance of updating the Consumer Price Index basket weights

The Consumer Price Index is a weighted average of the price changes of a fixed basket of goods and services, based on the expenditures of a target population¹ in a certain reference period. Typically, spending patterns change slowly and do so in response to shifts in prices, income levels, demographic changes, evolving habits and the availability of new technology. New products and services are introduced to the market and existing ones may be modified or become obsolete. As a result, the basket needs to be revised periodically to reflect changes in consumer spending patterns. A fixed-basket price index, such as the Canadian CPI, can only reflect the expenditure changes when the CPI basket weights are updated. Under normal economic circumstances, these changes are minimized by scheduling basket updates at regular intervals.

In addition to the review of the expenditure weights, a basket update is also an opportunity to review and update other aspects of the indices. This includes changing the CPI classification to make it more representative of consumer spending and the products and services available for purchase. It is also an opportunity to review and update the sample of prices collected, review price index estimation methodologies, and update documentation and dissemination products, although these activities are not limited to basket updates.

The COVID-19 pandemic, which characterized most of 2020, had a significant impact on household spending. Crude oil prices began to fall, and soon after, restrictions on air travel and land border crossings led to massive

^{1.} The Laspeyres formula is a basic method for calculating price indices and is consistent with the CPI's fixed basket concept. It expresses the change in the cost between period 0 and period t of buying a fixed basket of products, by aggregating the prices of products in the basket using quantities consumed from the price reference period 0 as weights.

CPI basket shares may differ from SHS shares of total expenditure due to differences in item classification. Further, some consumer expenses considered to be in scope of the CPI are not included in the SHS. In addition to the SHS, other expenditure data sources such as national accounts data, retail sales data and census data enters into the calculation of the CPI basket weights. Users can consult the Survey of Household Spending for further information.

disruptions in the tourism sector. Physical distancing measures were enacted to limit the spread of the virus, and Canadians bought more groceries, less gasoline and fewer clothes.3 Expenditures for some products and services, such as recreational services and live spectator entertainment, which remain largely unavailable for consumption into 2021, fell close to zero. As a result of the unexpected and profound changes in consumption habits due to the pandemic, the basket weight update, planned for February 2021, was delayed in order to include more recent 2020 national expenditures, rather than solely relying on 2019 household expenditures as originally planned.

Given the pandemic continues to evolve as the vaccine campaign is ongoing and reopening plans are being phased in, the recovery is likely to be gradual, staggered and region-dependent. As a result, Statistics Canada continues to monitor the impact of recovery on consumer spending and the CPI.

Methodological approach to the 2021 basket update

Statistics Canada's priority is to ensure the CPI remains a high quality measure of inflation and reflects the changing consumption patterns of Canadians. The previous basket, based on 2017 expenditure weights, are further away from current spending patterns. As such, the 2021 basket update uses the most recently

available 2020 annual expenditure data, based on national HFCE data, in addition to data from the SHS and provincial HFCE series. Alternative sources of data for 2020 were used to account for pandemic-related expenditure shifts at more detailed levels of geography and CPI components.

In order to ensure transparency in the basket update process and consistency with international methods, Statistics Canada consulted extensively with the Price Measurement Advisory Committee (PMAC) and peer statistical institutions.

Weight reference period

The basket weights based on 2017 spending patterns no longer characterize the spending patterns of the new normal arising from the COVID-19 pandemic and will be replaced with weights from the 2020 reference year. The new basket weight reference period is the 2020 calendar year, which covers a seasonal cycle and includes pre-pandemic expenditures, initial pandemic impacts, some recovery and the emergence of new consumption patterns. This allows for the derivation of expenditure shares that are as reflective as possible of actual consumption patterns at the time of the introduction of the basket, even as the pandemic and recovery continue to evolve. Although 2020 expenditures represent an unusual period, the shifts in spending due to the pandemic may lead to more permanent changes as remote work becomes more common, consumers increasingly rely on online shopping and households direct a relatively higher share of expenditures to shelter costs. In addition, post-pandemic consumer spending patterns will take some time to stabilize, as reopening and recovery are likely to be gradual and staggered, depending on the region.

continuous relevance. Going forward, Statistics Canada will move towards annual weight updates based on the with the next publication planned for the end of 2021.

The next basket weight adjustment is planned for 2022, to account for post-pandemic spending, and to ensure most recently available household expenditure data. Improvements to the adjusted price index⁴ are also underway,

Each good or service in the basket is

representative of consumer spending

are assigned a basket share that

is proportional to the consumption

expenditure for which they account.

For example, 29.78% of total consumer

expenditures in scope of the CPI

accounted for shelter-related goods

and services. This corresponds with the

29.78% weight assigned to shelter in the

2020 CPI basket. The weights of goods

and services are fixed during the life of a

given basket and play an important role in

determining the impact of a given item's

price change on the CPI. For instance, Canadians on average spend a much

larger share of their total expenditures

on gasoline than on milk. As a result, a 10% price increase in gasoline prices will have a greater impact on the all-items

CPI than an equivalent increase in the

price

movements

and

patterns,

price of milk.

Retail scanner data used to produce the CPI and alternative expenditure data obtained in partnership with the Bank of Canada reveal that consumers directed more money to groceries in the days and months following the pandemic and less to gasoline and clothing.

The adjusted price index is derived using current, punctual sources of expenditure data to estimate an alternate set of basket weights that reflect shifting consumption patterns.

Incorporation of HFCE from the System of National Accounts and alternative data sources

This will be the first CPI basket update based on national HFCE data. In addition to 2020 HFCE, the most recent SHS (2019) and 2019 provincial HFCE were also incorporated into the CPI basket weights, as part of an ongoing effort to improve data quality and strengthen underlying methods. These data provide high quality provincial estimates for CPI geographical regions and are further disaggregated to CPI specific elementary aggregates by using detailed data from SHS and other alternative data for 2020.

The decision to incorporate HFCE from the System of National Accounts (SNA) as the main source of expenditure weights in the CPI was made prior to the COVID-19 pandemic, and is the result of extensive research and analysis conducted on conceptual alignment, coherence and practicality. Since the SHS, as with all household surveys, can be prone to measurement and sampling challenges, the incorporation of SNA data represents added coherence with other economic indicators, such as retail sales. However, there are important differences between SNA and SHS in terms of their coverage (Table 1).

Table 1
Comparison of coverage: Survey of Household Spending and System of National Accounts

	Survey of Household Spending	System of National Accounts	Quality Assurance
Target population	Measures domestic consumption	Measures domestic expenditures made by private Canadian households, institutional households and non-residents within Canada	 A residential adjustment is required to exclude consumption abroad, consumption outside of the province of residence¹ and expenditures by foreigners
Product classification	Follows distinct classification structure	Based on Classification of Individual Consumption According to Purpose (COICOP)	A robust product classification concordance was implemented following review by subject matter experts
Target Geography	Covers 19 regions within Canada, including sub-provincial detail in Quebec, Ontario and British Columbia	Covers all 13 provinces and territories in Canada	Sub-provincial detail from the SHS was used
Revision policy	Non-revisable	Subject to revision within SNA cycle	An assessment was done to eliminate any systematic revision Overall data quality can be guaranteed through the rigour embedded in each SNA release

^{1.} Interprovincial consumption is only in scope of the CPI for tuition fees, through a process known as residentialization, because students often attend postsecondary institutions outside their province of residence.

While the SHS (2019) and SNA (HFCE from Provincial Economic Accounts, 2019) data provided a comprehensive portrait of consumer expenditures in 2019, the 2020 basket builds on this structure by incorporating HFCE national-level data from all four quarters of 2020. In addition, a wealth of survey and administrative data from Statistics Canada added insight into provincial variation within the context of the COVID-19 pandemic.

In deriving the basket weights, various data sources were integrated to ensure the best quality estimates. For example, multiple data sources were analyzed before finalizing the method for calculating provincial rent expenditures. The <u>Starts and Completions Survey</u> and <u>Rental Market Survey</u> from the Canada Mortgage and Housing Corporation was used as the basis for changes in the rental universe, while the average price movement captured by the CPI provided additional insight into the change in consumer rent expenditures. Similar consideration was applied to the weight for homeowners' replacement cost index,⁵ which was derived using self-reported SHS property values from 2019, while also factoring in SNA housing stock data. Other publicly available real estate data, including the change in the average house resale price and the change in the number of owner-occupied dwellings between 2019 and 2020, were also incorporated into the weight estimate. The housing depreciation rate remained at 1.5% as in the previous basket.

^{5.} Homeowners' replacement cost represents the consumer cost of maintaining the value of a house, which, unlike the land it sits on, is considered a depreciating asset.

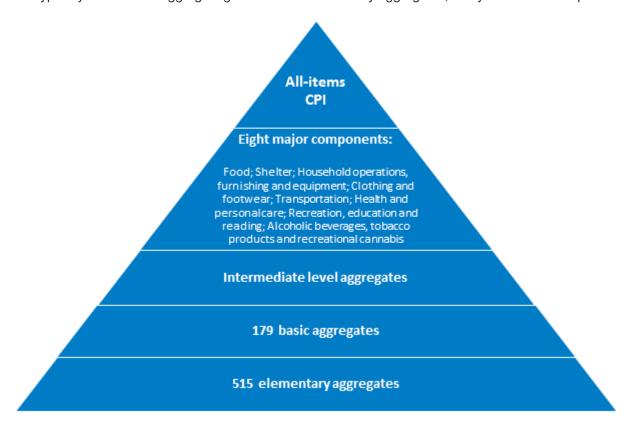
In addition to these examples, the 2021 basket update considered data from a variety of other sources, including:

- Retail scanner data
- Monthly Retail Trade Survey
- Survey of Food Services and Drinking Places
- Office of the Superintendent of Financial Institutions
- New Housing Price Index annual weights
- Official airline guides
- · Tourism indicators
- Inter-Urban Transit Survey
- Shipping services
- Streaming and cable service usage reports

- Goods and services tax
- Retail Commodity Survey
- Labour Force Survey
- Canada Mortgage and Housing Corporation
- Canadian Real Estate Association
- New Motor Vehicle Sales Survey
- Monthly Urban Transit Survey
- Canadian Urban Transit Association
- Tuition enrolment

Composition of the CPI basket

The Consumer Price Index classification of goods and services is organized according to a top-down hierarchical structure (see diagram below). At the top of the structure is the all-items CPI, which contains eight major components. Below the eight major components are intermediate level aggregates, such as owned accommodation and operation of passenger vehicles, which, along with the major components, provide insight into the sources of monthly and annual price change. There are 179 basic aggregates. These basic aggregates are typically the result of aggregating one or more elementary aggregates, many of which are unpublished.



^{6.} While indices are published for 179 basic aggregates at the Canada level, not all are published at the provincial level and below.

Elementary aggregates are added or deleted from the basket as consumption patterns change over time. The aggregate for shipping fees and local delivery fees, for instance, was added to the 2020 basket as online shopping became more popular with consumers and subsequently contributed to a growing portion of overall expenditures. At the elementary aggregate level, the classification includes a sample of items that are chosen to characterize all products in that class. Representative products are chosen with emphasis on items that are widely available and known to be among the most popular with consumers, ensuring that the items selected are representative of the purchases consumers actually make. The number of representative products assigned to an elementary aggregate can vary based on the basket weight of the aggregate, as well as the price variability and heterogeneity of products in that class. For instance, when pricing certain dry grocery products, representative products typically include both brand-name and store-brand items. In contrast, there is only one representative product priced under the bananas aggregate.

Overview of the 2021 basket update based on 2020 expenditures

The continuity of the CPI series is maintained by chain linking⁷ the corresponding indices obtained from consecutive baskets. This is done separately for each aggregate series, which is defined as the intersection of a commodity and a geographic area.

With the introduction of the 2020 basket weights, new product classes were added to reflect the evolving consumption patterns of Canadians. Two new elementary aggregates were added to the basic aggregate postal and other communications services: shipping fees and local delivery fees, the latter of which includes both restaurant and grocery delivery fees. Two additional elementary aggregates were added to the basket classification structure: digital subscription service to magazines was added to the basic aggregate magazines and periodicals, while video game consoles were added to the basic aggregate video equipment.

While four basic aggregates (clothing material and notions, laundry services, dry cleaning services, other clothing services) will no longer be published, the classification structure of the existing basic aggregates remains intact. At the elementary aggregate level, 12 additional indices will no longer be published due to their low basket shares:

- Crackers and crisp breads
- Fermented or pickled vegetables
- Herbs, spices and seasonings
- Foil supplies
- Contact lenses
- · Perfume and cologne

- · Cookies and sweet biscuits
- · Sauces, condiments and dips
- Plastic supplies
- Prescription eyeglasses
- Other eye care goods
- Hair preparations and other toilet preparations

The index reference period or index base period is the period in which the index is set to equal 100. For the CPI, the index base period is usually a calendar year expressed as "index year=100". The current index base period for the all-items CPI remains 2002=100 for the 2021 basket update based 2020 weight reference period.

Update to basket weights

Considerations

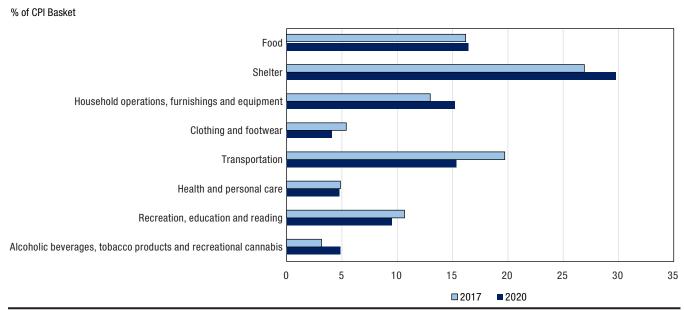
Expenditure share is a relative measure. Basket weight changes are a function of the expenditure growth within a given category, as well as the growth rate of all other expenditures in scope of the CPI. Between periods, the basket share for a given good or service may either increase, decrease or remain unchanged, corresponding with the change in the proportion of overall expenditures between the 2017 and 2020 reference years. A basket share that is declining, for instance, indicates that the rate of growth in that category was less than the rate of growth of overall expenditures.

^{7.} Chain linking is the process of chaining a fixed-basket index to another fixed-basket index in order to create a continuous time series. This process ensures that period-over-period percentage changes in a chain-linked index will only reflect price change and not changes in the fixed quantities.

Given that basket weights are rounded and published at the second decimal place, minute changes in expenditure share may not be apparent. Basket share changes of smaller magnitudes are, however, accounted for in the CPI, as full-precision expenditure weights are used in its calculation.

Analysis of basket weights

Chart 1 Basket share by major component, Canada, 2017 to 2020



Notes: Weights are expressed as proportions of total household consumption expenditures in scope of the CPI in the weight reference period dollars.

Source: Statistics Canada Table 18-10-0007-01 Basket Weights of the Consumer Price Index.

With the release of the latest basket weights from 2020, there are several significant shifts in basket weights. Three of the eight major components saw unprecedented growth in their basket weights. Shelter, already the highest-weighted major component, grew the most from 2017 and now comprises 29.78% of the overall CPI basket. The household operations, furnishings and equipment component grew to 15.21% and the basket share for alcoholic beverages, tobacco products and recreational cannabis component expanded to 4.86%.

At the same time, four of the major components declined in basket share. The transportation component shrank the most, from 19.72% to 15.34%. The basket share for clothing and footwear fell from 5.39% to 4.08% and was surpassed in importance by the health and personal care (4.76%) and alcoholic beverages, tobacco products and recreational cannabis (4.86%) components for the first time. The basket share of the recreation, education and reading component also declined, from 10.66% to 9.53%.

Many of these shifts in basket weights reflect changes in consumer behaviour that emerged as a result of the COVID-19 pandemic, such as an increase in remote work, reliance on e-commerce and a reduction in international travel. While the recovery from the pandemic continues to evolve, the 2020 expenditure patterns influenced by the pandemic represent the most recent available data on how Canadians allocate their household spending. The 2020 basket weights remain relevant, given the gradual and asymmetric reopening across the country and that some structural changes to consumer behaviour are likely to remain beyond the pandemic recovery.

The growth in basket share for shelter was in large part due to widespread increases in the owned accommodation (19.46%) subcomponent. While interest rates fell at the onset of the pandemic and remained at record-low levels for the rest of the year, consumers directed a greater share of their expenditures to mortgage interest due to rising home prices and the increased number of new mortgages. As a result, the basket weight for mortgage interest cost increased from 3.30% in 2017 to 3.68% in 2020, reversing the declining trend in its

basket share since 2011. The homeowners' replacement cost edged up to 5.24% of the basket, while consumers also directed significantly more spending toward other owned accommodation expenses, including real estate commissions and legal fees, which gained in basket share from 1.96% to 4.01%. These gains reflect the active housing market toward the end of 2020, with both housing prices and residential real estate transactions reaching new highs. Offsetting these gains, two components declined in the shelter category, both utilities. The basket weight of electricity fell from 2.25% in 2017 to 1.88% in 2020, in part due to policy changes introduced by the provincial government to lower consumer electricity costs in Ontario.8 In spite of higher prices, natural gas (0.70%) declined in basket share as households decreased their consumption of natural gas.9

Financial services, including bank fees and stock and bond commissions, also increased notably in basket share. The gain reflects higher household savings rates throughout most of 2020.

As Canadians spent more time at home during the pandemic, spending on household furnishings and equipment increased substantially, with its basket share climbing from 3.58% in 2017 to 5.08% in 2020.¹⁰ Consumers directed more spending toward tools and other household equipment as they carried out home improvement projects to make their living spaces more conducive to working from and spending more time at home.¹¹ While gyms remained closed for extended periods of time, Canadians bought more exercise equipment and engaged in more outdoor activities,¹² directing more of their spending toward the sporting and exercise equipment component (0.50%) and purchasing and operating recreational vehicles (1.57%). Home entertainment equipment, parts and services (1.07%) and toys, games (excluding video games) and hobby supplies (0.54%) both increased in importance.¹³

The importance of alcoholic beverages (2.94%) and cigarettes (1.27%) increased in the 2020 basket. These gains reflect the incorporation of SNA data, which does not rely on self-reported spending habits and provides a more accurate estimate of consumer expenditures on alcohol, cigarettes and cannabis.¹⁴

Among the major components, the transportation component declined the most in basket share, mainly due to significant decreases in consumer spending related to passenger vehicles and air travel. The purchase of passenger vehicles basket share dropped from 7.60% in 2017 to 6.11% in 2020, contributing the most to this decline. A reduction in sales of new passenger vehicles in 2020¹⁵ contributed to their reduced importance in the CPI basket. As economic activity contracted at the beginning of the pandemic, demand for gasoline and, consequently, gasoline prices, plummeted, reducing the basket weight for gasoline to 2.84% in the 2020 basket, the lowest basket share for gasoline on record. As more Canadians continue to work from home on a permanent basis, the extent to which demand for gasoline will recover is unclear. The importance of passenger vehicle insurance premiums (1.93%), fell, as did the weight of passenger vehicle maintenance and repair services (0.98%). The basket share of air transportation (0.26%) dropped to an all-time low, declining from a 1.14% basket weight in 2017. Although consumer confidence has been increasing with the vaccine rollout, consumer demand for air travel will likely return gradually, beginning with domestic air travel as international travel advisory restrictions are gradually eased. The basket weight for local and commuter transportation, which includes public transit and taxis (0.25%), also declined due to an increase in remote work, which is likely to persist in the recovery period.

The basket share for travel services declined from 2.44% in 2017 to 0.91% in 2020. There were significant declines in the basket shares of both traveller accommodation and travel tours, the result of border closures and physical distancing measures to limit the spread of COVID-19. As with air travel, consumer demand for traveller accommodation and travel tours will likely return gradually. The importance of other cultural and recreational

^{8.} Consumers in Ontario saw a significant decline in electricity prices in 2017 as a result of the Fair Hydro Plan Act. The provincial government also temporarily reduced rates for five months in response to the pandemic in 2020.

^{9.} Statistics Canada. Table 25-10-0055-01 Supply and disposition of natural gas, monthly (data in thousands) (x 1,000).

^{10.} According to the Retail Commodity Survey, sales of housewares and home appliances increased by 19.0% and 24.9%, respectively, between 2017 and 2020. Source: Statistics Canada. No date. Table 20-10-0016-01 Retail commodity survey, retail sales (x 1,000).

^{11.} Sales of hardware, tools, and renovation and lawn and garden products increased by 19.1% between 2017 and 2020. Source: Statistics Canada. No date. Table 20-10-0016-01 Retail commodity survey, retail sales (x 1,000).

^{12.} Sales of sporting equipment (including bicycles) increased by 23.5% and exercise equipment by 44.9% between 2017 and 2020. Source: Statistics Canada. No date. Table 20-10-0016-01 Retail commodity survey, retail sales (x 1,000).

^{13.} Between 2017 and 2020, sales of toys and games (except game consoles and software) increased by 18.8%. Source: Statistics Canada. No date. Table 20-10-0016-01 Retail commodity survey, retail sales (x 1,000).

^{14.} While self-reported smoking rates in the Canadian Community Health Survey have steadily declined over time, sales of tobacco products and accessories and electronic cigarettes increased by 23.8% between 2017 and 2020. Source: Statistics Canada. No date. Table 20-10-0016-01 Retail commodity survey, retail sales (x 1,000).

^{15.} Statistics Canada. Table 20-10-0001-01 New motor vehicle sales.

services also decreased from 2.28% to 1.70%, as consumer expenditures directed to movie theatres, concert venues and gyms, which were shut down for extended periods of time in 2020, slowed.

Other notable declines in expenditures arose from public health measures. The basket share for food purchased from restaurants shrank from 5.03% in 2017 to 4.54% in 2020, its lowest basket share on record, reflecting periodic restrictions on in-person dining to limit the spread of COVID-19. This shift was most notable in British Columbia and Quebec, while consumers in the Atlantic region saw their share of spending on food from restaurants increase. Consumer spending on child care, including daycares, which were periodically closed (except on an emergency basis) in some regions, fell from 0.86% to 0.45%. The importance of personal care services (0.62%), such as haircuts, also declined.

The importance of clothing and footwear also declined in the 2020 basket, shrinking from 5.39% in 2017 to 4.08% in 2020 and reflecting both lower prices and a significant decline in sales. ¹⁶ In-person shopping for nonessential retail stores, including clothing stores, was suspended for part of the year in large parts of the country and retailers offered bigger discounts online amid lower demand. As more Canadians continue to work remotely post-pandemic, it is unclear whether consumer expenditures for clothing will recover to pre-pandemic consumption levels.

Conclusion

With the 2021 basket update, Statistics Canada introduced important changes aimed at improving the quality of the Canadian CPI. The most recent annual national expenditure data, for the 2020 weight reference period, were used. Other data sources were also incorporated such that the basket of goods and services was updated to reflect changing consumer behaviour.

As Canada continues to chart a path to economic recovery, Statistics Canada is updating its methods to ensure its core statistical programs, including the CPI, are accurate, timely and of the highest quality. As the pandemic subsides, the agency will continue to monitor consumer expenditure patterns during the reopening and recovery period. The next weight adjustment is planned for 2022, to account for post-pandemic spending, and to maintain relevance. Going forward, Statistics Canada will move towards annual weight updates based on the most recently available household expenditure data. Improvements to the adjusted price index are also underway, with the next publication planned towards the end of 2021.

Working with price experts, other national statistical organizations and key stakeholders ensures the data and methods used in the calculation of the CPI are aligned with international standards and best practices. Ongoing access to reliable, granular and timely expenditure information will enable Statistics Canada to pursue the development of other sought-after indicators, such as measures of inflation for different groups, household types and geography. The agency will continue to explore new potential sources of expenditure information for future basket updates, and to adopt the most appropriate methods in order to keep the CPI relevant for Canadians.

^{16.} According to the Retail Trade Survey, sales at clothing and shoe stores fell 21.6% and 25.7%, respectively, between 2017 and 2020. Source: Statistics Canada. No date. Statistics Canada. Table 20-10-0008-01 Retail trade sales by province and territory (x 1,000).

Appendix

Table 2 Basket Share (%) by Consumer Price Index Component, 2011 – 2020

	Basket reference year					
	2011	2013	2015	2017	2020	
Major components, selected product groups	percent					
Food	16.35	16.07	16.45	16.31	16.44	
Food purchased from stores	11.48	11.36	11.54	11.28	11.90	
Food purchased from restaurants	4.88	4.71	4.92	5.03	4.54	
Shelter	25.86	26.19	26.79	26.92	29.78	
Rent	5.76	5.67	6.20	6.24	6.59	
Mortgage interest cost	4.13	4.03	3.50	3.30	3.68	
Homeowners' replacement cost	4.25	4.52	4.80	5.18	5.24	
Other owned accommodation expenses	1.49	1.60	1.64	1.96	4.01	
Household operations, furnishings and equipment	12.57	12.92	13.01	12.98	15.21	
Furniture and household textiles	1.47	1.35	1.46	1.41	2.18	
Household equipment	1.93	1.78	1.84	1.81	2.43	
Other household goods and services	3.38	3.86	3.82	3.88	5.31	
Financial services	0.68	1.00	1.14	1.21	2.40	
Communications	3.31	3.45	3.51	3.55	3.03	
Telephone services	2.37	2.42	2.37	2.39	1.77	
Internet access services	0.78	0.89	0.97	1.06	1.07	
Clothing and footwear	6.20	6.25	5.68	5.39	4.08	
Transportation	20.05	20.01	19.48	19.72	15.34	
Private transportation	18.06	17.85	17.42	17.70	14.61	
Purchase of passenger vehicles	6.64	6.68	7.08	7.60	6.11	
Gasoline	4.85	4.77	3.49	3.34	2.84	
Passenger vehicle maintenance and repairs	1.08	1.17	1.60	1.54	0.98	
Passenger vehicle insurance premiums	2.92	2.88	2.80	2.68	1.93	
Public transportation	1.99	2.16	2.06	2.02	0.72	
Local and commuter transportation	0.64	0.69	0.65	0.66	0.72	
Inter-city transportation	1.22	1.34	1.29	1.23	0.20	
Air transportation	1.14	1.25	1.19	1.14	0.26	
Health and personal care	4.95	4.75	4.98	4.86	4.76	
Recreation, education and reading	11.26	11.07	11.02	10.66	9.53	
Traveller accommodation	1.33	1.12	1.16	1.13	0.43	
Travel tours	0.95	1.00	1.25	1.31	0.48	
Purchase and operation of recreational vehicles	1.40	1.25	1.13	0.95	1.57	
Other cultural and recreational services	2.27	2.45	2.49	2.28	1.70	
Home entertainment equipment, parts and services	0.86	0.61	0.57	0.40	1.07	
Video equipment	0.46	0.33	0.30	0.40	0.66	
Purchase of digital media	0.40	0.33	0.12	0.20	0.00	
Alcoholic beverages, tobacco products and recreational cannabis	2.76	2.74	2.58	3.16	4.86	
Alcoholic beverages, tobacco products and recreational cannabis	2.76 1.60	1.63	2. 36 1.66	1.74	4.00 2.94	
Tobacco products and smokers' supplies	1.00	1.03	0.92	0.87	1.37	
Cigarettes	1.10	1.04	0.89	0.82	1.37	
Recreational cannabis				0.62	0.55	
not available for a specific reference period		••	••	0.00	0.00	

^{..} not available for a specific reference period

Notes: Figures may not add to 100% due to rounding. Weights are expressed as proportions of All-items CPI in the weight reference period dollars. Basket weights are at basket weight reference year price.

Source: Statistics Canada, Consumer Prices Division.