

Consumer Price Index



BCStats

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Consumer Price Index (2002=100)

Highlights

British Columbia's consumer price index (CPI) was 3.0% higher (*unadjusted*) in October than in the same month of last year. On a monthly basis, the rate of inflation was up 0.4% from September 2018.

The overall annual inflation rate increases to 3.2% when food is excluded from the index, but declines to 2.8% when energy is also excluded.

The cost of food climbed 1.9% since October of 2017. Prices for groceries purchased from stores (+1.0%) and meals purchased from restaurants (+3.6%) were both up from the previous year. Within the food category, the highest rise in prices was for fresh vegetables (+6.1%), fresh fruit (+1.9%), and meat (+0.8%). Food products that saw price decreases were coffee and tea (-1.7%), fish and other seafood (-1.5%) and non-alcoholic beverages (-0.7%).

The cost of shelter continued to climb in October (+2.9%), with prices for both renters (+2.1%) and home owners (+3.4%) rising. Within the shelter category, there were increases in the cost of some utilities, including fuel oil and other fuel (+19.7%), and electricity (+2.8%). Conversely, the cost of piped gas was lower (-4.7%).

The overall cost of clothing and footwear was also on the rise (+1.8%) compared to October 2017. An increase in the price for clothing (+2.3%) offset a decrease for footwear (-0.2%).

The transportation index rose 4.9% in October, with the price of both private (+4.6%) and public (+6.6%) transportation going up. The price of gasoline (+15.9%) rose since last October, and public transportation passengers paid more to travel between cities (+8.1%).

Compared to a year ago, consumers paid more for alcoholic beverages and tobacco products (+6.6%), recreation, education and reading (+3.0%), household operations and furnishing (+2.4%), and health and personal care (+1.1%). Within these categories, items with significant price increases include cigarettes (+13.8%), recreation (+3.4%), household operations (+2.6%), and education (+2.2%). Reading material and other printed matter (-3.0%) saw a decrease in price from October of the previous year.

Consumer prices rose in both Vancouver (+2.7%) and Victoria (+3.0%) in October compared to the same month last year.

Canada's CPI was up 2.4% (*unadjusted*) in October. The rate of inflation in British Columbia (+3.0%), Nova Scotia (+2.9%), Alberta (+2.8%), and New Brunswick (+2.8%) were highest among the provinces. Inflation rates for the other provinces ranged from 2.7% in Manitoba to a low of 1.7% in Quebec.

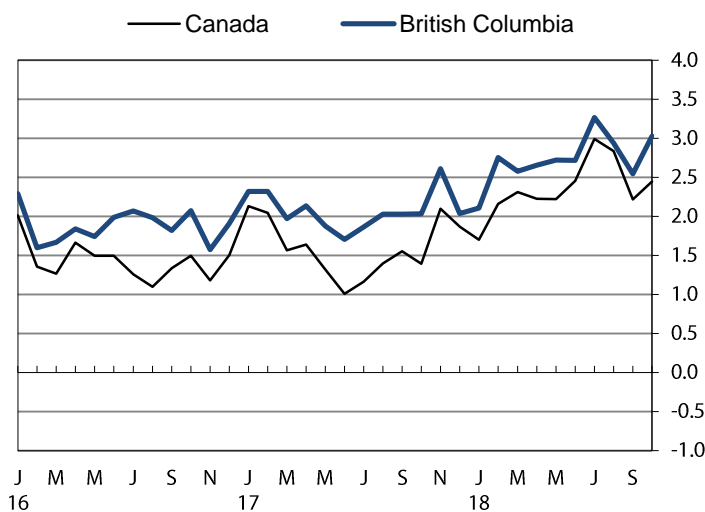
Note: Statistics Canada will release the November Consumer Price Index on December 19, 2018.

2002=100	All-Items Index October 2018	% Change from	
		September 2018	October 2017
Canada	134.1	0.3	2.4
BC	129.4	0.4	3.0
Vancouver	131.9	0.2	2.7
Victoria	127.0	0.3	3.0
Canada-X ¹	132.4	0.4	1.6
BC (excluding energy)	126.3	0.4	2.7

¹ Defined by the Bank of Canada as the All-items index excluding the eight most volatile components (fruit, vegetables, gasoline, fuel oil, natural gas, mortgage interest, inter-city transportation and tobacco products). Also excluded is the effect of changes in indirect taxes on the remaining components.

BC and Canada Inflation Trend

(% change, same month of previous year)



2002=100	Latest 12-month Average Index (ending in October 2018)	Latest 12-month Average % Change	2017 Annual Average % Change
Canada	133.0	2.3	1.6
BC	127.8	2.7	2.1
Vancouver	130.4	2.9	2.2
Victoria	125.3	2.1	1.9

Terms and definitions

Base effect

The 12-month variation in the CPI is calculated by comparing the current month's index with the index for the same month of the previous year. The 12-month change is represented by the difference in the indexes of the reference months. Thus, the 12-month variation can decrease from one month to the next merely because the base serving as the point of comparison increased.

Source: Statistics Canada

Twelve-Month Percent Changes

Also referred to as "year-over-year", twelve-month percent changes compare indexes for a given month to indexes for the same month of the previous year. As they compare two points in time, they are influenced by unusual or temporary events that can affect either of the two months. Their calculation does not include any of the intervening monthly indexes.

Source: Statistics Canada

Annual Average Index

Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year. These data should not be confused with the 12-month change in the CPI. By the nature of the calculation, averaging indexes over the calendar year gives a better representation of price behaviour over the whole year and is closer to the concept of an average price. The use of annual averages is considered the preferred option for indexation purposes.

Source: Statistics Canada

Latest Twelve-Month Average Index

The latest twelve-month average index (ending in the current month) is a 12-month moving average of the indexes of the most recent 12 months. It is calculated like the annual average index. Hence, in theory, the December twelve-month average index would be equal to the annual average index for the calendar year. However, in practice, when BC Stats makes these calculations from published data, the December 12-month average index may differ from Statistics Canada's published annual average index due to rounding.

Source: Statistics Canada

Harmonized Sales Tax

On July 1, 2010, the Harmonized Sales Tax (HST) came into effect in British Columbia and Ontario. As well, Nova Scotia increased its HST by two percentage points.

On April 1, 2013, the Harmonized Sales Tax came into effect in Prince Edward Island, while British Columbia returned to the Provincial Sales Tax and the Goods and Services Tax.

Source: Statistics Canada

Additional information

More information about the concepts and use of the CPI is available online in the Statistics Canada publication [Your Guide to the Consumer Price Index](#) (catalogue 62-557-XIB).

With the release of the May 2011 CPI, Statistics Canada has updated the basket of goods & services used in the calculation of the Index. [Learn more.](#)

Prepared by: BC Stats, November 2018