

Consumer Price Index ♦ March 2009

Consumer Price Index (2002=100)

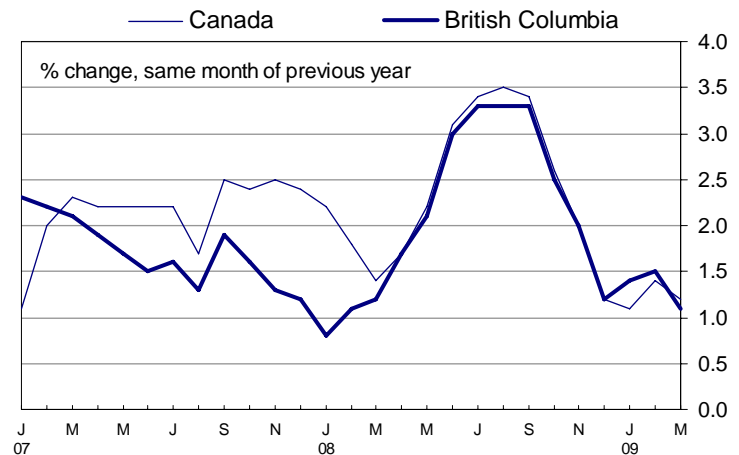
Highlights

- British Columbia's Consumer Price Index (CPI) rose 1.1% from March 2008, after a 1.5% year-over-year increase last month. Ontario matched Saskatchewan for the highest inflation among the provinces (+1.8%), while Prince Edward Islanders experienced price declines (-0.2%) from last March. Nationally, prices increased 1.2% from a year ago.
- Among the metropolitan areas, Regina continued to have the highest year-over-year increase in consumer prices (+2.6%) followed by Toronto and Ottawa (+2.1). Charlottetown and Halifax had the lowest increase in consumer prices (+0.2%) compared to last March. Vancouver's CPI rose 1.3% from March 2008, while prices in Victoria rose 1.1%
- BC's energy prices were 9.6% lower than March of 2008, with price declines for fuel oil (-34.8%) and gasoline (-16.8%) the main drivers. The cost of footwear (-3.1%) and clothing (-2.8%) also dropped from last year, particularly men's (-5.7%) and children's clothing (-5.0%). However, food prices rose substantially (+7.7%), largely driven by significant increases in the price of fresh fruit (+20.0%) and fresh vegetables (+18.4%). Other notable price increases were seen for bakery & cereal products (+10.0%), meat (+9.5%), inter-city transportation (+8.3%), fish & seafood (+8.1%), and piped gas (+7.8%).

Note: Statistics Canada will release the April Consumer Price Index on May 20, 2009.

2002=100	All-Items Index	% Change from	
		February 2009	March 2008
	March 2009		
Canada	114.0	0.2	1.2
BC	112.0	0.1	1.1
Vancouver	112.6	0.1	1.3
Victoria	111.6	0.2	1.1
Core Canada ¹	113.1	0.3	2.0

BC and Canada Inflation Trend



2002=100	Latest 12-month Average Index (ending in March 2009)	Latest 12-month Average % Change	2008 Annual Average % Change
Canada	114.4	2.2	2.3
BC	112.7	2.2	2.1
Vancouver	113.2	2.4	2.4
Victoria	112.1	2.1	1.8

¹The Core CPI for Canada: 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.

Consumer Price Index—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

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) (<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=62-557-X&lang=eng>)

Prepared by: BC Stats, March 2009