

Consumer Price Index ♦ September 2009

Consumer Price Index (2002=100)

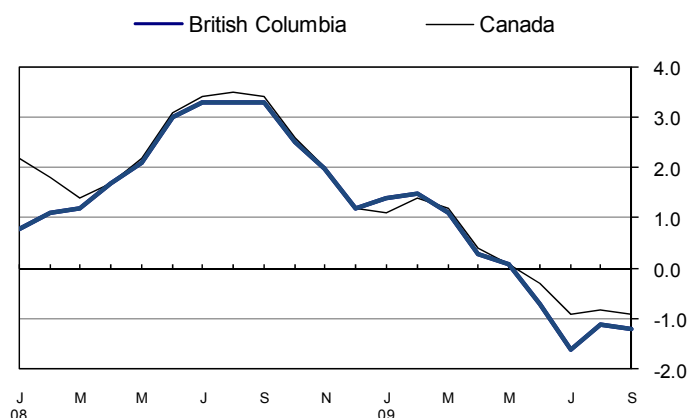
Highlights

- British Columbia's Consumer Price Index (CPI) fell 1.2% from September 2008, the fourth month in a row of declines. Prince Edward Island had largest year-over-year drop (-1.4%), while Saskatchewan was the only province to experience inflation with a 0.2% rise from last September. Nationally, prices declined 0.9% from a year ago.
- Among the metropolitan areas, Regina continued to have the highest year-over-year increase in consumer prices (+0.6%) followed by Saskatoon (+0.2%). Residents in Thunder Bay (-1.6%) experienced the largest decline in consumer prices, while Vancouver's and Victoria's CPI fell 1.0% from September 2008.
- Energy prices continued to drive the cost of living down across the country. In BC, major price declines from a year ago were seen for fuel oil (-29.3%), piped gas (-20.2%) and gasoline (-20.0%). Consumers also paid less for owned accommodation (-4.2%) and children's clothing (-3.4%). Food prices rose (+2.3%), with increases in the price of fish & other seafood (+9.6%) offset by lower prices for fresh vegetables (-4.5%) and fresh fruit (-2.5%). Other notable price increases were seen for reading material & other printed matter (+8.4%) and cigarettes (+4.1%).
- BC's All-Items CPI excluding energy rose 0.4% from September 2008. The comparable figure for Canada was 1.3%.

Note: Statistics Canada will release the October Consumer Price Index on November 18, 2009.

2002=100	All-Items Index	% Change from	
		August 2009	Sept. 2008
	Sept. 2009		
Canada	114.7	0.0	-0.9
BC	112.7	-0.1	-1.2
Vancouver	113.5	-0.1	-1.0
Victoria	112.2	-0.1	-1.0
Core Canada ¹	114.1	0.3	1.5

BC and Canada Inflation Trend
(% change, same month of previous year)



2002=100	Latest 12-month Average Index (ending in Sept. 2009)	Latest 12-month Average % Change	2008 Annual Average % Change
Canada	114.2	0.6	2.3
BC	112.3	0.4	2.1
Vancouver	112.9	0.6	2.4
Victoria	111.9	0.6	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, September 2009