

Consumer Price Index: Annual review, 2019

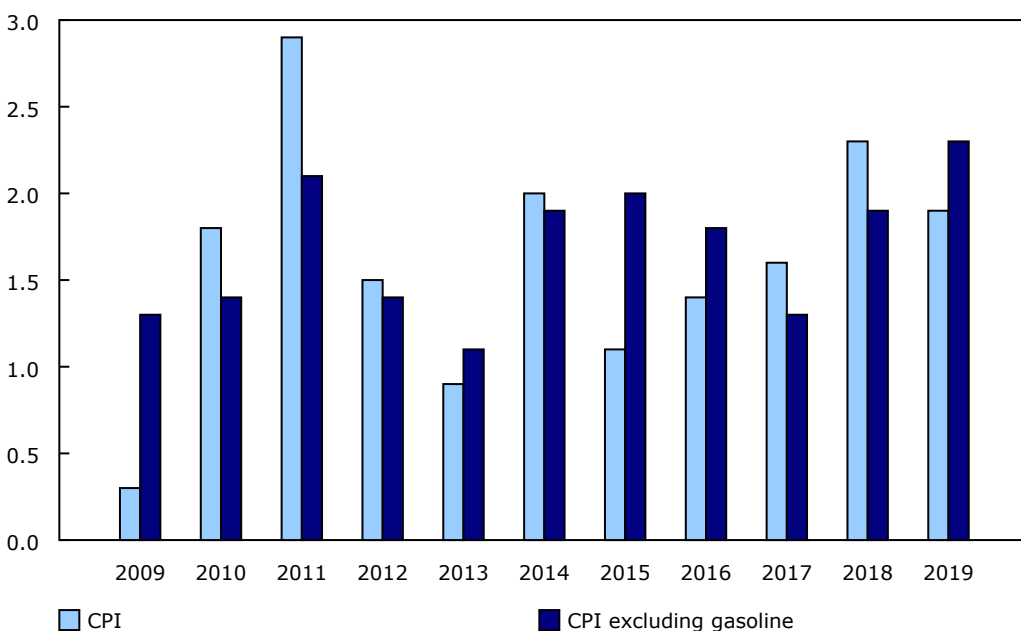
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, January 22, 2020

In 2019, the annual average increase in the Consumer Price Index (CPI) was 1.9%, following average gains of 2.3% in 2018 and 1.6% in 2017. Excluding gasoline, the annual average CPI rose 2.3% in 2019, the largest increase since 2003. This increase coincided with favourable labour market conditions, including a low unemployment rate throughout 2019 and strong wage growth in the last seven months of the year.

Chart 1

Annual average change in the Consumer Price Index (CPI) and the CPI excluding gasoline, 2009 to 2019

annual average % change



Source(s): Table 18-10-0005-01.

Check out the 2019 annual review infographic!

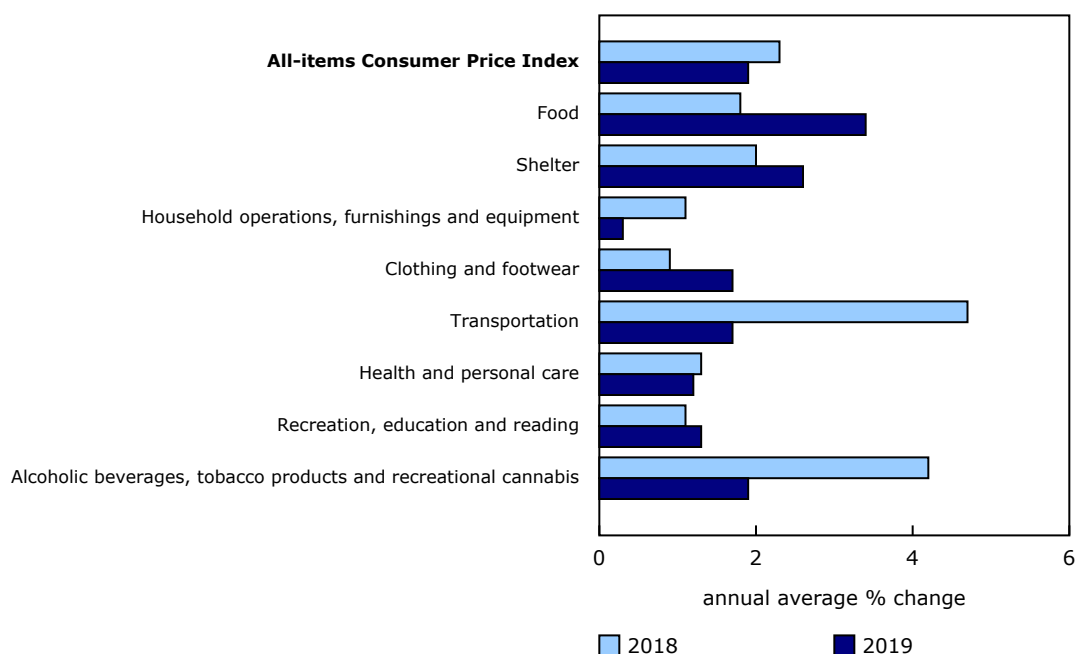
Today, Statistics Canada released the infographic [Consumer Price Index: 2019 in Review](#), highlighting the annual average Consumer Price Index. This infographic looks at the annual average consumer inflation in Canada and the regions in 2019, while also highlighting the noteworthy average price movements of the year.

Highlights

Prices were up on an annual average basis in all eight major components in 2019, with the food (+3.4%) and shelter (+2.6%) components increasing the most.



Chart 2
Consumer prices increase in all major components



Source(s): Table 18-10-0005-01.

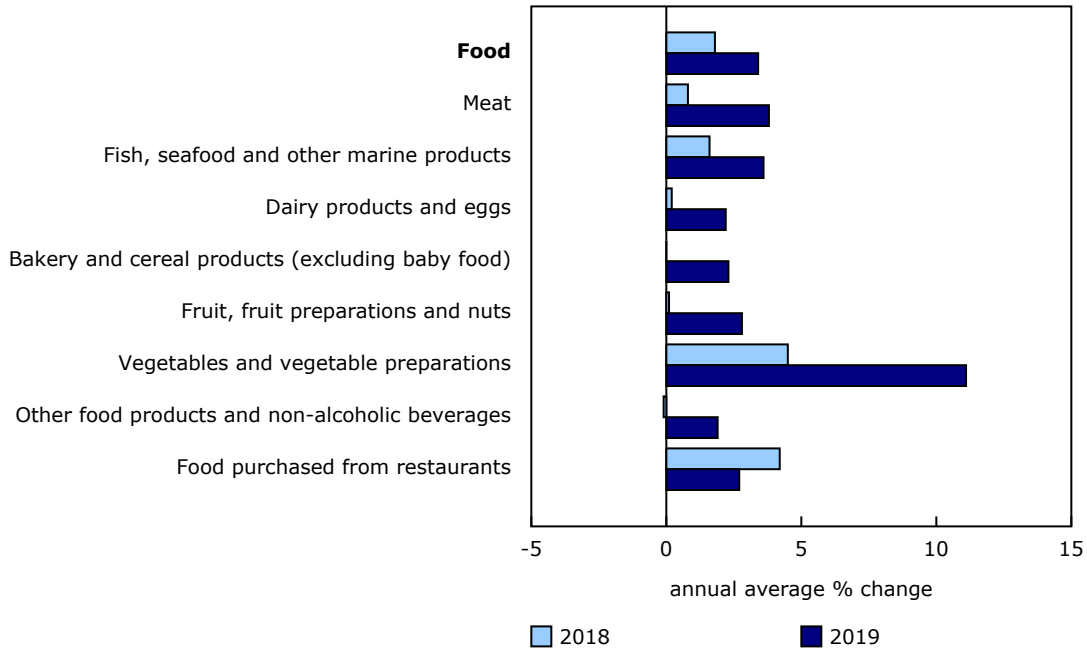
Energy prices fall

Consumers paid 2.2% less for energy products in 2019 compared with 2018. After increasing in 2017 and 2018, gasoline prices fell 6.1% on an annual average basis as crude oil prices remained low in the wake of slowing global demand, leading to lower prices at the pump. Prices for fuel oil and other fuels, which are more commonly used in eastern Canada for home heating, decreased 1.6% on an annual average basis.

Consumers pay more for food

The cost of food rose 3.4% on an annual average basis in 2019, as consumers paid more for food purchased from stores (+3.7%) and restaurants (+2.7%). Prices for fresh vegetables increased 12.7%, largely attributable to a combination of exchange rate pressures and ongoing supply issues in growing regions stemming from severe weather patterns. Consumers also paid more on average for meat, as prices for beef rose more in 2019 than in 2018. These gains coincided with strong international demand for, and higher exports of, Canadian beef products.

Chart 3 Meat and vegetables lead the gain in food prices

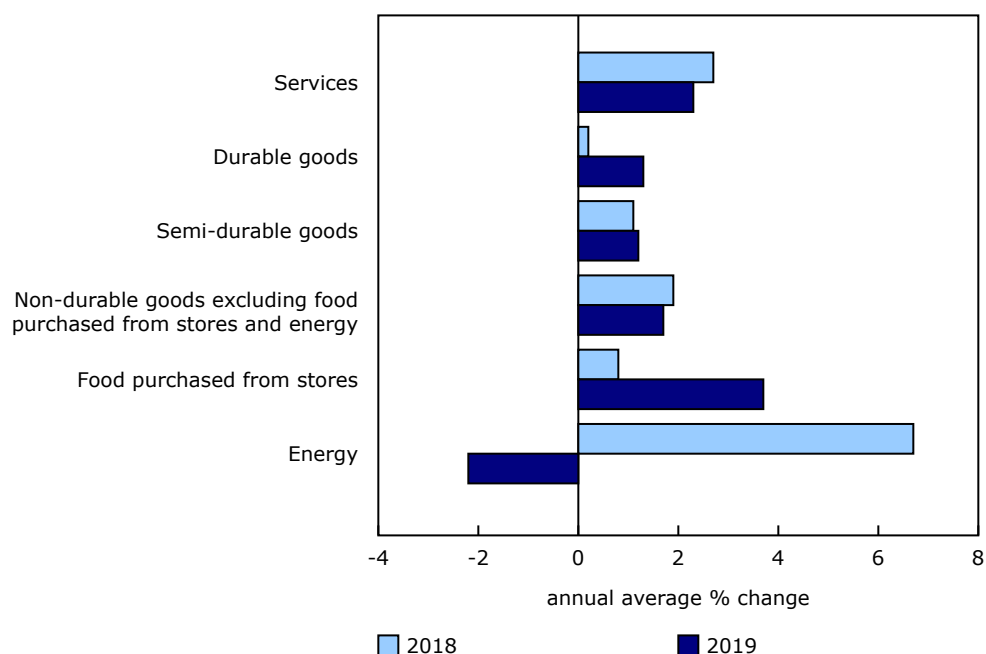


Source(s): Table 18-10-0005-01.

Passenger vehicles lead the increase in prices for durable goods

Prices for durable goods rose 1.3% on an annual average basis in 2019, after increasing 0.2% in 2018. The gain was led by higher prices for passenger vehicles (+2.5%), which coincided with depreciation of the Canadian dollar relative to the US dollar.

Chart 4
Prices for services rise at a slower rate, while prices for durable goods rise at a faster rate



Source(s): Table 18-10-0005-01.

Consumers pay more for services

As more Canadians acquired or renewed mortgages at higher interest rates, the mortgage interest cost index rose 7.6% on an annual average basis, the largest increase since 2008. At the same time, the homeowners' replacement cost index, which is related to the price of new homes, declined for the first time since 2009, reflecting cooling conditions in Canada's most expensive housing markets.

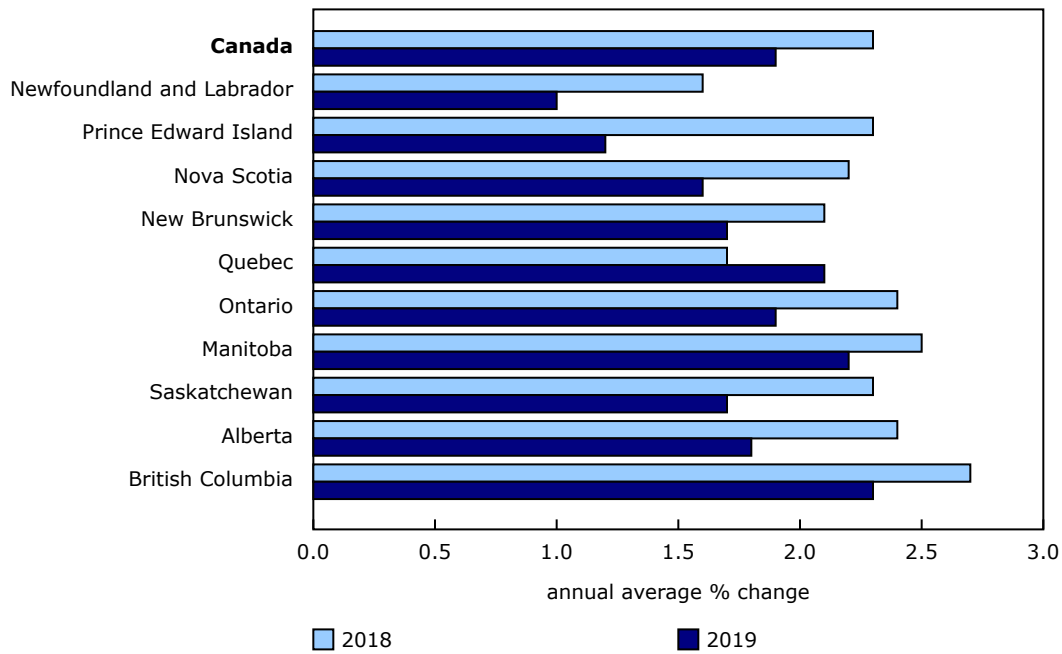
Following a series of rate increases, consumers paid more for passenger vehicle insurance premiums (+7.6%) and homeowners' home and mortgage insurance (+5.9%) in 2019. The increases were attributable, in part, to the rising cost and frequency of insurance claims associated with weather-related events.

In 2019, consumers paid 7.2% less for Internet access services, reflecting both lower-priced plans and faster Internet speeds offered to consumers. Following the widespread introduction of unlimited data cellular plans in July, prices for telephone services declined 0.8%. At the same time, the cost of video and audio subscription services—which includes both cable and streaming services—rose 7.6%.

Regional highlights

The annual average CPI increased in all provinces in 2019, with prices rising the most in British Columbia (+2.3%). Prices in Quebec rose at a faster rate in 2019 compared with all other provinces, where inflation slowed. Among the provinces, the homeowners' replacement cost index (+2.9%) rose the most in Quebec, coinciding with strength in the housing market in Montréal.

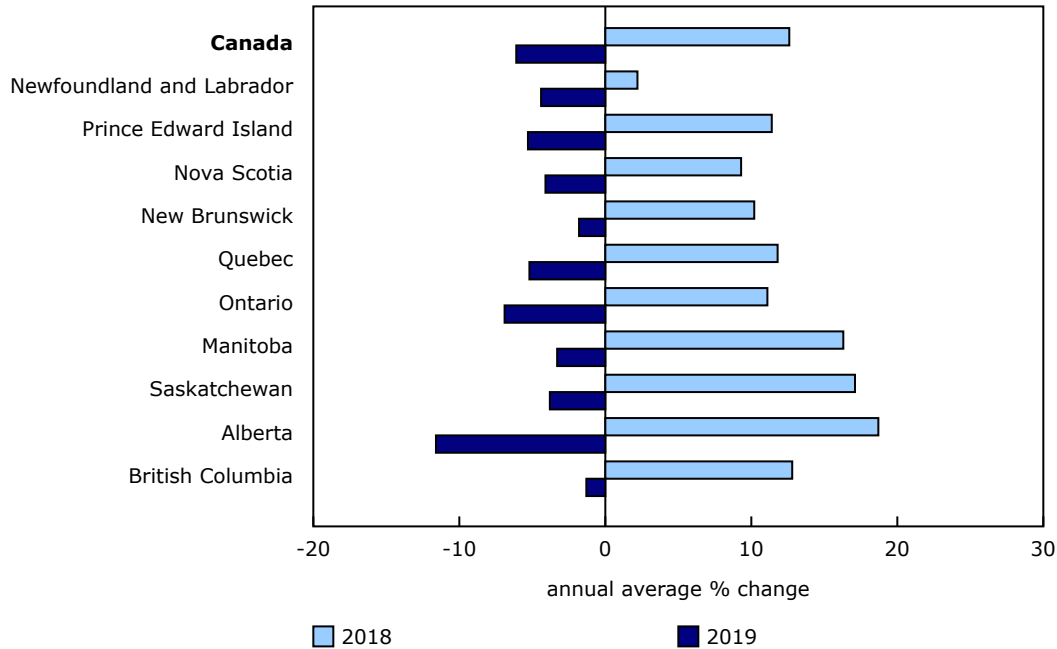
Chart 5
Consumer prices rise at a slower rate in nine provinces



Source(s): Table 18-10-0005-01.

While annual average prices for gasoline declined in every province in 2019, prices fell the most in Alberta (-11.6%), where the provincial government repealed its carbon levy at the end of May. In British Columbia (-1.3%), where the gasoline market is more closely aligned with the United States Pacific Northwest than with the rest of Canada, consumers saw the smallest decline in gasoline prices.

Chart 6
Gasoline prices decrease in all provinces



Source(s): Table 18-10-0005-01.

The annual average tuition fees index (+0.8%) recorded its smallest increase since 1976, following tuition cuts enacted by the Ontario government for the 2019/2020 academic year. Tuition fees in Ontario declined 0.7%.

Note to readers

This release examines the percentage change between the annual average Consumer Price Index (CPI) in 2018 and 2019.

Annual average indexes are obtained by calculating the average of the 12 monthly index values over the calendar year. Annual average percent change should not be confused with the 12-month percent change that is published every month with the release of the CPI. Unlike annual average change, 12-month change compares the monthly index level with the level from the same month a year earlier.

Two ways of exploring the CPI

Visit the [Consumer Price Index Portal](#) to find all CPI-related data, publications, interactive tools, and announcements highlighting new products and upcoming changes to the CPI in one convenient location.

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

Available tables: table [18-10-0005-01](#).

Definitions, data sources and methods: survey number [2301](#).

The [Consumer Price Index Data Visualization Tool](#) is available on the Statistics Canada website.

More information about the concepts and use of the Consumer Price Index are available in *The Canadian Consumer Price Index Reference Paper* ([62-553-X](#)).

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).