

Consumer Price Index ♦ November 2006

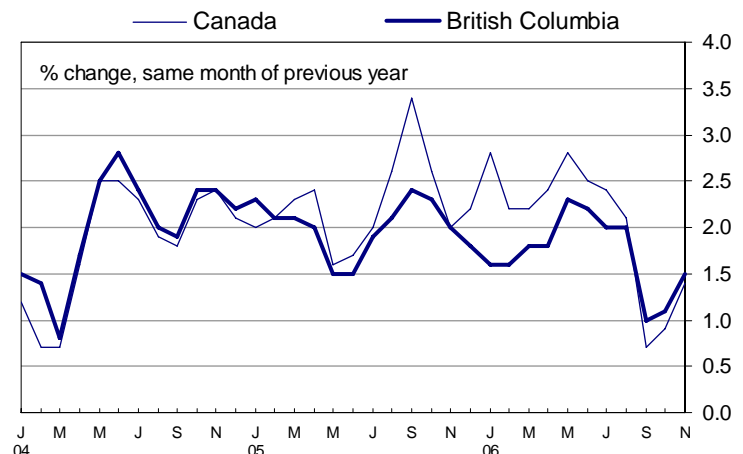
Highlights

- BC's Consumer Price Index rose 1.5% compared to November 2005. New Brunswick had the lowest increase in its CPI with a 0.2% rise, followed by Prince Edward Island (+0.3%). Albertans continue to experience the highest inflation in the country with a 3.7% increase in prices compared to one year ago. Nationally, prices rose 1.4% during the same period.
- Compared to last month, BC's CPI rose marginally by 0.3%, while nationally prices rose by 0.2%.
- Among the metropolitan areas, the boom in Calgary continues to drive up consumer prices, with a 5.0% rise from last November, while Saint John posted the smallest increase (+0.2%). The CPI rose 2.1% in Vancouver and 0.9% in Victoria.
- Energy prices in BC fell only 0.8% between November 2005 and November 2006. Compared to a year ago, BC consumers paid less for fuel oil (-15.5%) and natural gas (-10.4%), but only 0.6% less for gasoline. Offsetting these decreases were higher prices for fresh vegetables (+5.8%), inter-city transportation (+4.5%), and liquor purchased from stores (+4.3%). Electricity prices rose 4.0% from last November.
- BC's CPI, excluding food and energy, was 1.4% higher than in November 2005. The comparable figure for Canada was 1.5%.

Note: Statistics Canada will release the December Consumer Price Index on January 23, 2007.

1992=100	Index	% Change from	
	November 2006	October 2006	November 2005
Canada	130.0	0.2	1.4
BC	128.1	0.3	1.5
Vancouver	129.1	0.4	2.1
Victoria	127.8	0.2	0.9
Core Canada ¹	130.1	0.3	2.2

BC and Canada Inflation Trend



1992=100	Latest 12-Month Average Index (ending in November 2006)	Latest 12-Month Average % Change	2005 Annual Average % Change
Canada	129.7	2.1	2.2
BC	127.2	1.7	2.0
Vancouver	127.8	1.8	1.9
Victoria	127.3	1.6	2.2

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 and BC Stats

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.ca/cgi-bin/downpub/freepub.cgi>)

Prepared by: BC Stats, November 2006