

INFLATION IN CANADA IN 2011

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Inflation figures were released today by Statistics Canada. Figures are available for the country, by province and territory, by main expense group and some other classifications. The inflation presented is based on the Consumer Price Index. Here are some of the numbers.

NATIONAL INFLATION

Consumer prices increased 2.3% from January to December 2011. This inflation in the country can be compared to that in previous years:

- 2011: 2.30%
- 2010: 2.35%
- 2009: 1.32%
- 2008: 1.16%
- 2007: 2.38%

Also, compared with the inflation in the other NAFTA countries for 2011 (2.96% in the US and 3.82% in Mexico) we can see the price increase in Canada has been lower than in these countries.

INFLATION BY PROVINCE AND TERRITORY

- National 2.3%
- Northwest Territories 3.5%,
- New Brunswick 3.3%,
- Newfoundland and Labrador 3.2%
- Alberta 2.9%
- Prince Edward Island 2.9%
- Nova Scotia 2.8%
- Yukon 2.8%
- Manitoba 2.6%
- Saskatchewan 2.5%
- Quebec 2.5%
- Ontario 2.0%
- Nunavut 1.9%
- British Columbia 1.7%

INFLATION BY MAIN EXPENSE GROUP

- All items 2.3%
- Food 4.4%
- Transportation 3.3%
- Household operations, furnishings and equipment 2.3%
- Health and personal care 2.0%
- Shelter 1.8%
- Alcoholic beverages and tobacco 0.9%
- Clothing and footwear 0.3%
- Recreation, education and reading 0.2%

DEFINITION OF CONSUMER PRICE INDEX (CPI)

The definition presented by Statistics Canada for the Consumers' Price Index (CPI) is the following:

“The Consumer Price Index (CPI) is an indicator of changes in consumer prices experienced by Canadians. It is obtained by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers. Since the basket contains goods and services of unchanging or equivalent quantity and quality, the index reflects only pure price change.

The CPI is widely used as an indicator of the change in the general level of consumer prices or the rate of inflation. Since the purchasing power of money is affected by changes in prices, the CPI is useful to virtually all Canadians. Consumers can compare movements in the CPI to changes in their personal income to monitor and evaluate changes in their financial situation.”

About Acus Consulting. This firm supports companies, organizations and government agencies in financial and strategic analysis, investment project evaluations, financial planning and decision making. It is based in Toronto.

Regards.

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