

Canada

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Statistics Canada

Periodicity: Monthly

Index reference period: 2002 = 100

Weights reference period: 2009 Annual Expenditure Patterns.

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments, main inflation indicator used for monetary policy, computation of purchasing power of households, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households, persons living on Indian reserves, officials representing foreign countries and their families, and residents of Yukon, Northwest Territories and Nunavut outside Whitehorse, Yellowknife and Iqaluit.

Consumption expenditure includes:

- Mortgage interest;
- Housing maintenance, minor repairs;
- Major repairs, conversions and extensions to owner occupied housing;
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims

Consumption expenditure excludes:

- Income in-kind receipts of services;
- In-kind goods received as gifts;
- Purchase of owner-occupied housing;
- Life insurance premiums;
- Investment-related expenditures (e.g. purchase of shares/stocks)

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: Consumer Price Index is an indicator of the changes in consumer prices experienced by Canadians through time and obtained by comparing the cost of a fixed basket of commodities purchased in a particular year. Since the basket contains commodities of unchanging or equivalent quantity and quality, the index reflects only pure price movements.

Classification: COICOP (Classification of individual consumption by purpose)

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

Price updating of weight reference period to the index reference period: The weights from the weight reference period are adjusted to the index reference period by price change updates using link month prices.

D: Sample design

Sampling methods:

Outlets: Judgmental sampling

Products: Judgmental sampling

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Outlet selection: For rents and traveller accommodation, stratified random sampling. For other items, judgemental, taking into account types of stores, sales volumes, and locations within cities.

Item selection: Judgmental. The selected items should represent the price movement of the basic class and should be available for a reasonable length of time. The list of specifications is reviewed on an on-going basis and can be changed at any time. For rents and traveller accommodation, stratified random sampling. For other items, judgemental, taking into account types of stores, sales volumes, and locations within cities.

Sample size: Approximately 8,000 rent quotes and 35,000 other quotes are collected each month at approximately 7,000 outlets.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Specifications provide detailed descriptions of the characteristics of the product surveyed. A fairly narrow quality range may be specified. In some cases specific models are identified.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 76, Outlets: 7,000, Price observations: 8,000 rent quotes, 35,000 other quotes.

Frequency with which prices are collected: The frequency of data collection depends on the nature of the item, many specifications: monthly.

Reference period for data collection: Price collection is spread over the first three weeks of the month.

Methods of Price Collection

- Personal data collection for most of the items.
- Telephone interviews for few items
- Labor force survey for rent.

Treatment of:

Discounts and sales prices: Unconditional discounts and sales taxes are reflected in price collection.

Missing or faulty prices: For missing prices, either the previous price is carried forward or the price is not used in the calculation of the current month's price change.

Disappearance of a given type or quality from the market: If an item disappears from the market, the interviewer is asked to find another item meeting the specification. The new item must meet the specification, and should be similar to the item previously priced.

Quality differences: Commodity specialists estimate quality differences based on product and market knowledge, taking into account information received from retailers and manufacturers. Hedonic techniques are used for computer equipment and are being investigated for clothing and other products.

Appearance of new items: Whenever a new product has gained a sufficient market share, a specification for the product is added to the pricing sample.

Treatment of seasonal items and seasonality

Treatment of housing

Treatment of owner-occupied housing: The user cost approach is used for owner-occupied housing. Components are mortgage interest cost, replacement cost, property taxes, homeowners' insurance, homeowners' maintenance and repairs, and other owned accommodation expenses.

Types of dwellings covered by the rent data: Rent information is collected in the labor force survey (LFS) in most locations.

F: Computation

Formula used for calculation of elementary indices: The ratio of arithmetic mean prices (Dutot index) (Chained form) and the ratio of geometric mean prices (Jevons index) (Chained form)

Formula to aggregate elementary indices to higher level indices: Laspeyre's methodology, in which fixed weights are used, is used to aggregate basic class indices to higher levels.

Formula of aggregating regional/population group indices into national index: The national CPI is calculated by combining the urban and rural indices using as weights the country-wide urban and rural household expenditure multiplied by the total number of urban/rural households as available from population census data.

Monthly and annual average prices: Annual average indexes are obtained by averaging the indexes for the 12 months of the calendar year.

Seasonally adjusted indices: Seasonally adjusted indices are published for all-items, 8 major components and 4 special aggregates only. The procedure used is X-12 ARIMA program.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Prices are verified at head office for reasonableness. Interviewers verify all price changes and are required to provide explanations for unusual movements.

Control procedures used to ensure the quality of data processed: Calculations are reviewed by commodity specialists and economists for reasonableness and consistency with external information. Consumer prices division has an internal price index quality assurance team and an external price measurement advisory committee which review all aspects of the CPI.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI data is disseminated 16 – 22 working days after the end of the reference month and no later than one month after the end of the reference month.

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups

Online: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups

Documentation

Publications and websites where indices can be found: Internet website:

<http://www.statcan.gc.ca/> for the data published in "Daily News - Latest Release from the Consumer Price Index" and a limited number of analytical series.

<http://www.statcan.gc.ca/dai-quo/index-eng.htm> for the data released in "The Daily". All data

series on consumer prices are available, for free, in English and French on CANSIM (Statistics Canada database) at the following Internet address:
http://cansim2.statcan.gc.ca/cgi-win/CNSMCGI.EXE?LANG=Eng&Dir-Rep=CII/&CNSM-Fi=CII/CII_1-eng.htm

Publications and websites where methodological information can be found: "Your Guide to the CPI" is available on the Statistics Canada Internet website
<http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=62-557-X&lang=eng&chropg=1>.

I: Other Information

Completed by ILO in 2013.