Through the first half of 2010, Whitehorse’s year-over-year inflation rate, which compares one month to the same month in the previous year, remained fairly level hovering above (inflation) and below (deflation) 0.0%.

As energy prices began to rise, the inflation rate steadily rose reaching 3.6% in May 2011 and remained high throughout 2011. Some relief was seen in 2012 as a downward trend appeared finishing the year out at 1.9%.

Highlights:
- The Whitehorse 2012 annual average inflation rate was 2.3%; Canada’s was 1.5%.
- Whitehorse 2012 prices increased over 2011 in all major Consumer Price Index components.
- Whitehorse prices increased at a higher rate than Canada in the major components of: Food; Shelter; Clothing and Footwear; Transportation; and Alcoholic Beverages and Tobacco Products.

2012 and Historical Inflation Rates

The annual inflation rate in Whitehorse in 2012 was 2.3%; 0.7 percentage points lower than in 2011 (3.0%). Canada’s 2012 rate was 1.5%; 1.4 percentage points lower than in 2011.

All Canadian jurisdictions saw increases in the overall 2012 inflation rate; ranging from 1.1% in Alberta and British Columbia, to 2.3% in Whitehorse.

<table>
<thead>
<tr>
<th>Province/City</th>
<th>Inflation Rate '11 to '12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whitehorse, Yukon</td>
<td>2.3%</td>
</tr>
<tr>
<td>Yellowknife, NWT</td>
<td>2.2%</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>2.1%</td>
</tr>
<tr>
<td>Quebec</td>
<td>2.1%</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>2.0%</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>2.0%</td>
</tr>
<tr>
<td>Iqaluit, Nunavut</td>
<td>1.7%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>1.7%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>1.6%</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>1.6%</td>
</tr>
<tr>
<td>Ontario</td>
<td>1.4%</td>
</tr>
<tr>
<td>Alberta</td>
<td>1.1%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

3-Year Index and Inflation Rate

Through the first half of 2010, Whitehorse’s year-over-year inflation rate, which compares one month to the same month in the previous year, remained fairly level hovering above (inflation) and below (deflation) 0.6%.

As energy prices began to rise, the inflation rate steadily rose reaching 3.6% in May 2011 and remained high throughout 2011. Some relief was seen in 2012 as a downward trend appeared finishing the year out at 1.9%.

About CPI

The Consumer Price Index (CPI) is a measure of the rate of price change for goods and services bought by Canadian consumers. It is the most widely used indicator of price changes in Canada. CPI is not a cost-of-living index.

The CPI should be thought of as a measure of the percentage change over time of the average cost of a large basket of goods and services purchased by Canadians. The CPI does not count the price of each item equally but weights each according to its share of total household expenditures in the base period (2009).

The quantity and quality of the goods and services in the basket remain the same. Therefore, changes in the cost of the basket over time are not due to changes in the quantity and/or quality of the goods and services observed, but are purely due to price movements.

Related Links
The weighting of the Index is based on consumer spending patterns within each geographic area; the weighting of the Whitehorse CPI is unique to Whitehorse residents’ spending patterns as currently reported in the 2009 Survey of Household Spending.

Example: Whitehorse residents spend 26.8 cents out of every dollar on Shelter, while only spending 4.4 cents of each dollar on Health and Personal Care.

These differences of relative importance should be kept in mind when analysing the inflation of individual components of the consumer price index.

In the two largest contributors to the Whitehorse CPI basket, Shelter (26.8% share) and Transportation (18.3% share) prices rose 3.3% and 2.9% respectively in 2012 compared to 2011; rose 2.9%. Conversely, the lowest contributing component shares, Health and Personal Care and Alcoholic Beverages and Tobacco Products (both 4.4% share) increased 0.4% and 3.0% respectively.

All major components saw price increases in 2012 over 2011.

**2012 Year-over-Year Inflation Rate and Index**
20-Year Index of Major Components (2002 = 100)

• Comparing 1993 to 2012, annual average prices in Whitehorse rose 39.0%. In that same time period, Yukon average weekly earnings (according to the Survey of Employment, Payrolls and Hours) rose 36.4%.

• Price increases over the past 20 years have not been even across components - the *Alcoholic Beverages and Tobacco Products* index has increased 83.6%; Transportation 67.3%; Shelter 50.8%; Food and Personal Care 42.7%; Household Operations, Furnishings and Equipment 22.4%; Recreation, Education and Reading 14.1%; and Clothing and Footwear prices increased 1.7%.

### Food and Energy-Related Indices and Inflation Rates, 5 Years

• Because food and energy prices are seen as especially volatile, analysis can be done excluding them.

• As displayed in graphs at right, year-over-year figures for both the *Food* component and *Energy* aggregate saw large increases when comparing one month in 2008 to same month in 2007, while 2009 year-over-year figures saw the reverse with large decreases.

• Comparing annual average 2012 to 2008 rates, the *All-items CPI* index in Whitehorse rose 6.5%; *All-items CPI excluding Food and Energy* increased 6.2%; *Food and Energy* increased 7.5%; *Food* increased 10.2%; and *Energy* rose 3.3%.

• Comparing 2012 annual average rates to 2011, inflation remained relatively stable: *All-items CPI* index rose 2.3%; *All-items CPI excluding Food and Energy* increased 2.0%, *Food and Energy* increased 3.0%; *Food* increased 2.6%; and *Energy* rose 3.8%.
Components Related to Energy and Food

- The Energy aggregate is comprised of the sub-components Electricity; Natural Gas (no Yukon data available); Fuel Oil and Other Fuels; Gasoline; and Fuel, Parts and Supplies for Recreational Vehicles (no Yukon data available). Therefore, portions of the Energy aggregate are located under the major components of: Shelter; Transportation; and Recreation, Education and Reading.

- As seen in the spread of line heights in the bottom set of above graphs (each representing the price index for one month in the year), both Fuel Oil and Other Fuels and Gasoline were especially volatile in 2008 and 2009, but had more stable numbers in 2010 through to 2012.

- In 2012, the year-over-year Food prices increase of 2.6% is due to an increase in all food-related sub-components with the exception of Vegetables and Vegetable Preparations.

- The largest increase was seen in Dairy Products and Eggs with an increase of 5.9%.

Inflation Rate of Food-Related Components and Sub-Components

Additional information
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