

**Consumer Price Index (2002=100)
January 2008**

CPI by Component	Nova Scotia			Canada		
	Jan'08 Index	% Change from Dec'07	% Change from Jan'07	Jan'08 Index	% Change from Dec'07	% Change from Jan'07
All-Items	113.5	-0.1	3.1	111.8	-0.2	2.2
Food	115.4	0.4	2.2	112.4	0.6	1.4
Shelter	122.4	0.4	7.4	119.2	0.0	3.8
Household Operations & Furnishings	104.1	-0.8	0.7	103.3	-0.2	0.9
Clothing & Footwear	91.0	1.8	-2.0	92.2	-1.6	-2.1
Transportation	116.2	0.0	3.9	117.6	0.1	3.8
Health & Personal Care	106.9	-0.1	1.3	107.5	-0.2	1.1
Recreation, Education & Reading	103.5	-1.0	-0.4	99.6	-1.6	0.4
Alcoholic Beverages & Tobacco	138.2	-0.1	4.1	126.4	0.2	1.8
Products						
<i>Energy</i>	148.5	1.7	16.2	139.0	0.6	11.0
<i>All-items excluding Energy</i>	109.5	-0.4	1.4	109.6	-0.2	1.3

HIGHLIGHTS

Impact of Decline in GST:

“Since the price changes measured by the Consumer Price Index (CPI) take into account the value of the consumption taxes paid by Canadians, the one-percentage-point decrease in the GST announced by the government took effect January 1, 2008. A rough estimation of this impact is that the rate of change would be lower by 0.6 per cent than it otherwise would have been if the entire amount the decrease were transferred to consumers through lower prices. To the extent that businesses raise their margins at the same time the impact could be correspondingly less. Also, if some businesses had already reduced their prices in anticipation of the coming GST reduction (e.g., car dealers), the impact in January would also be less.”

Halifax Metro's January 2008 all-items CPI index of 112.9 (2002=100) decreased 0.2 per cent from last month and increased 2.9 per cent over January 2007.

Nova Scotia's overall monthly price index declined 0.1 per cent in January 2008; it increased 3.1 per cent over January 2007.

Since last month notable declines:

- non-alcoholic beverages (-7.1%); food purchased from restaurants (-0.8%)
- women's clothing (-5.1%)
- inter-city transportation (-4.1%)
- recreational equipment & services, excluding recreational vehicles (-2.9%)
- passenger vehicle insurance premiums (-1.6%)

Notable offsetting increases since last month included:

- sugar & confectionery (+8.8%); fresh fruit (+6.9%); fresh vegetables (+5.8%); processed meats (+3.0%)
- fuel oil and other fuels (+3.8%); gasoline (+2.0%)

Canada's all-items CPI, from December 2007 to January 2008, declined 0.2 per cent; Canadians paid 2.2 per cent more for the goods and services contained in the CPI basket than they did a year ago.

Since last month notable declines:

- tour package prices (-10.3%); air transportation (-4.6%)—rollback in cost of transatlantic flights and flights to Asia and Pacific—air travel prices are frequently lower in January

- men's clothing (-3.4%)—a typical price decline experienced from December to January
- vehicle purchase & leasing (-0.5%)—result of manufacturers incentives and drop in GST

Offsetting increases since last month:

- fresh vegetables (+7.1%)—seasonal increase
- municipal water (+5.2%)—fastest increase since January 2006, however, higher prices often occur at this time of year in many municipalities
- gasoline (+1.9%)—high seasonal demand and lower production in OPEC created decline in inventories
- mortgage interest cost (+0.7%)—almost identical change in interest rates & in new housing prices

CPI for February 2008 will be released March 18, 2008

Source: Statistics Canada, *The Daily*, CPI release day, Catalogue No. 11-001-XIE; *The Consumer Price Index*, Catalogue 62-001-XIE; *CANSIM* Tables 326-0020 and 326-0021