



Highlights

- B.C. inflation rate up to 2.8 per cent in July
- Retail spending declines in Canada while B.C. sales remained unchanged

B.C. inflation rate increases in July

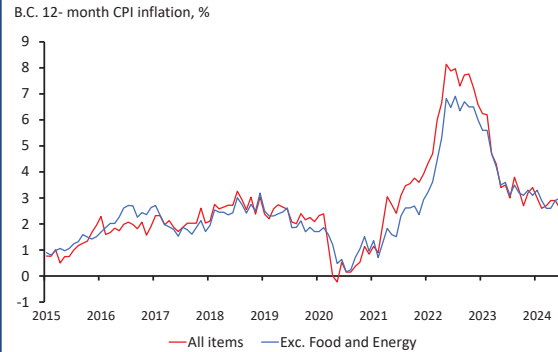
Eloho Ennah, Economic Analyst

B.C.'s inflation rate sped up in July from June's pace as consumer price inflation rose from 2.6 per cent to 2.8 per cent. This was higher than the national figure which came in at 2.5 per cent, down from 2.7 per cent in June and the slowest pace since March 2021. In addition, core inflation (excluding food and energy), rose from three per cent to 3.2 per cent.

High shelter prices continued to keep consumer prices growth elevated on a year-over-year basis, although down from 6.9 per cent to 6.5 per cent in July. Contributing to still elevated growth was high rented and owned accommodation costs. In contrast, gasoline prices dipped for a second month, down by 4.9 per cent year over year, after a 6.1 per cent drop in June. Similarly, energy prices declined by 2.6 per cent year over year but transportation costs increased by one per cent.

Growth in food prices decelerated in July, with a year-over-year reading of 2.8 per cent. Goods prices increased by 0.3 per cent on a year-over-year basis. High services prices also are fueling headline inflation, growing by 4.6 per cent, a consistent growth rate since September 2023. Items related to recreation, education and reading posted a price decrease of 0.8 per cent while alcoholic beverages, tobacco products and recreational cannabis prices rose by 3.1 per cent.

B.C. Inflation up in July



Source: Statistics Canada, Central 1

Latest: July - 24

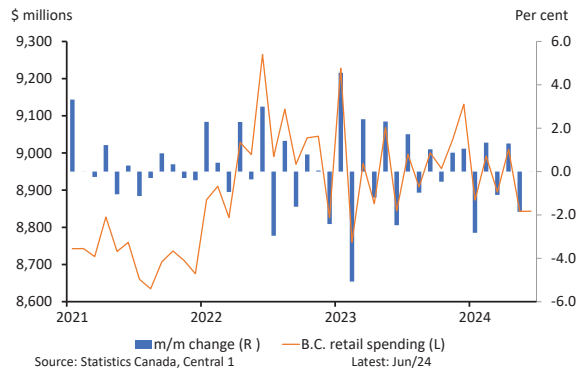
B.C. retail sales flattened

Ivy Ruan, Economic Analyst

The weakness in spending profile was seen in B.C. where sales had virtually no change at seasonally adjusted \$8.8 billion in June, despite inflation and population growth. Year-to-date unadjusted retail sales were just up 0.3 per cent at 51.7 billion. During the same period, the national seasonally adjusted sales decreased by 0.3 per cent in June, from \$65.7 billion in May. This was the lowest monthly sales this year and the lowest monthly sales since August 2023. Year to date, national unadjusted sales are up 0.8 per cent, down from last month's 1.7 per cent.

Five out of the nine subsectors in B.C. recorded lower year-over-year unadjusted June retail sales. Motor vehicle and parts dealers reported a month-over-month sales decrease of 9.5 per cent in June, bringing unadjusted sales to \$2.0 billion, and this is down 5.9 per cent from the same month last year. General merchandise retailers saw a monthly year-over-year gain of 2.3 per cent to \$1.1 billion, building material and garden equipment supplies dealers saw a 3.7 per cent year-over-year increase to \$574 million. Lower year-over-year sales were food and beverage retailers, down 2.2 per cent to \$2.0 billion and gasoline stations and fuel vendors, down 6.9 per cent to \$898 million.

B.C. retail sales flat in June



In the metro Vancouver area, seasonally adjusted retail sales were up 0.4 per cent in June 2024, compared to \$4.3 billion in May. Year over year, monthly unadjusted retail sales had zero growth while year-to-date sales were down 1.4 per cent, compared with last month's 1.8 per cent increase.

Advanced estimates for June suggested a national retail sales, however, this figure is likely to be revised.

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