



The Daily

Statistics Canada

Friday, March 21, 2003

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MAJOR RELEASES

- **Consumer Price Index, February 2003**

The Consumer Price Index rose 4.6% from February 2002 to February 2003. Excluding the effect of energy prices, however, the 12-month increase of 3.4% is similar to that of the previous three months.

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- **Benefiting from extended parental leave, 2001**

Since the extension of parental benefits two years ago, qualifying mothers are staying home longer with their newborn infants, and more fathers are claiming benefits. According to a new study, mothers receiving benefits increased their time off work from 6 months to 10.

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- Workplace and Employee Survey: Stock purchase plans, 1999 9

NEW PRODUCTS 11

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Perspectives on labour and income

March 2003 online edition

The March 2003 online edition of *Perspectives on labour and income*, released today, features three articles. "Benefiting from extended parental leave" examines the labour market activity of mothers in light of changes in the Employment Insurance (EI) maternity and parental benefit programs. Supplementing this article is "New maternity and parental benefits," which presents statistics documenting the extent to which parents have responded to the EI changes. A third article, "Taking stock of equity compensation" looks at stock purchase plans — who has them and what they entail.

The March 2003 online edition of *Perspectives on labour and income*, Vol. 4 no. 3 (75-001-XIE, \$5/\$48), is now available. See *How to order products*. For more information, contact Henry Pold (613-951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.



The Daily, March 21, 2003

RELEASE DATES: March 24 to 28

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MAJOR RELEASES

Consumer Price Index

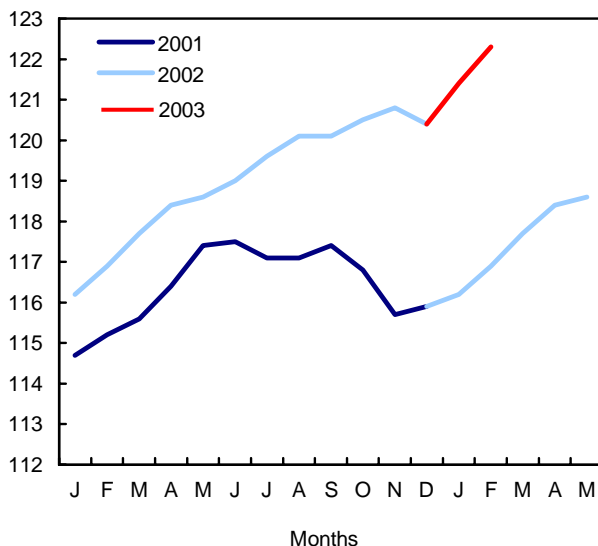
February 2003

The All-items Consumer Price Index (CPI) increased 4.6% from February 2002 to February 2003. Energy prices, and especially gasoline prices, were the main factor behind this rise. The 12-month increase in the index is comparable to that of January, which was 4.5%.

The 12-month increase in the CPI excluding energy has seen little variation over the past four months, remaining relatively stable at 3.4% in February after registering 3.5% in the previous three months.

All-items Index

Indexes (1992=100)



In February, gasoline prices were up 32.1% from February 2002; they had increased 25.1% from January 2002 to January 2003. Fuel oil price increases also contributed to the rise in the energy index in February. The 12-month increase in fuel oil prices climbed from 31.2% in January to 47.8% in February. The base effect will have faded away by next month when the index used as the base for comparison (March 2002) will return to a level comparable to that of September 2001.

Base effect

The 12-month change is calculated by comparing the current month's index with the index for the same month in the previous year. In the All-items index graph, the 12-month variation is represented by the gap between the two curves. Thus, the 12-month variation can increase from one month to the next because of the mere fact that the base serving as the point of comparison decreased. The base effect largely explained the marked increases observed in the 12-month changes in the CPI since October 2002. In March 2003, the index used as the base of comparison will return to a level comparable to that of September 2001.

The CPI increases from January to February

After a 0.8% increase from December 2002 to January 2003, the CPI rose 0.7% from January to February 2003. The increase was largely due to higher prices for gasoline, women's clothing, travel tours, fuel oil, cigarettes and traveller accommodation. The drop in prices of fresh fruit and fresh vegetables slightly offset these increases.

In February, consumers paid 7.0% more for gasoline than they had in January. This monthly increase was greater than that of the previous month (+6.2%). Price increases ranged from 2.1% in Newfoundland and Labrador to 9.2% in Manitoba. The steady rise in crude oil prices since November 2002 contributed to the price hikes.

The women's clothing index rose 5.8% in February, as several items returned to regular price following discounts in January. Price hikes in this sector were felt most in Prince Edward Island, Quebec, Ontario and British Columbia.

Travel tour prices rose 11.0% in February. This monthly increase is in keeping with the changes observed for the same month over the past five years.

The price of fuel oil increased 11.9%. This was the largest increase since the 16.0% increase in September 2000. In Newfoundland and Labrador, the price of fuel oil rose only 1.4%; increases in the other Atlantic provinces, Quebec and Ontario ranged from 11.0% to 15.9%. Price increases in the western provinces were lower, ranging from 5.0% to 6.6%.

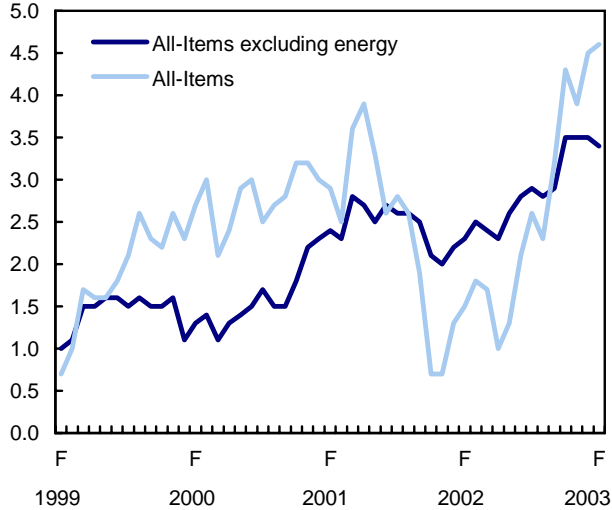
Overall, the price of cigarettes in Canada rose 2.1% in February, mainly the result of an increase in manufacturers' prices and of higher taxes on tobacco products in British Columbia.

Travellers also experienced a 5.1% increase in accommodation prices. The largest increase was recorded in Quebec (+10.5%), where the Carnaval de Québec was in full swing.

The price of fresh vegetables fell 5.8% and that of fresh fruit, 4.1%. Price decreases were mainly due to favourable weather conditions in exporting countries, as well as to the simultaneous harvesting of crops from many different countries.

Percentage change from the same month of the previous year

% change



The seasonally adjusted CPI rises

After adjustment for seasonal variations, the All-items CPI increased 0.4% from January to February. The transportation index (+1.6%), led by the increase in gasoline prices, contributed the most to the rise in the index. The indexes for alcoholic beverages and tobacco products (+1.0%), shelter (+0.4%), clothing and footwear (+0.4%), household operations and furnishings (+0.2%), as well as for recreation, education and reading (+0.2%) also contributed to this monthly increase. The seasonally adjusted indexes for food and for health and personal care remained stable.

All-items excluding the eight most volatile components

The prices of goods and services included in the All-items index excluding the eight most volatile components as defined by the Bank of Canada increased 3.1% from February 2002 to February 2003. This increase was a slowdown compared with January (+3.3%). The cumulative effect of several minor

factors, rather than that of a major factor, explained this slowdown.

The All-items index excluding the eight most volatile components as defined by the Bank of Canada increased 0.5% from January to February, after climbing 0.7% in January. Contributing the most to this monthly increase were higher prices for travel tours, women's clothing and traveller accommodation.

Energy

Energy prices continued to rise, jumping 19.7% from February 2002 to February 2003. Higher gasoline prices (+32.1%) accounted for three-quarters of this increase, and higher prices for fuel oil (+47.8%), natural gas (+6.8%) and electricity (+2.0%) accounted for the rest.

From January to February, energy prices rose 4.3%. Aside from electricity prices, which remained unchanged, prices for all components of energy increased. The factors that played the largest role in this increase were still gasoline prices, which were up 7.0% in February. This was the highest monthly increase since March of last year when the gasoline index climbed 9.2%. In March 2002, the price of a barrel of crude oil shot up by almost \$6; in February, the increase was approximately \$4 a barrel.

Basket update

In January 2003, the weights used to calculate the CPI were updated to take into account changes in consumer spending patterns. Weights that were based up until then on 1996 spending patterns were replaced by those reflecting 2001 spending patterns. For users interested in finding out the effect of the change in weights for analytical purposes, the January CPI was recalculated using 1996 basket weights.

**Consumer Price Index
January 2003 (1992=100)**

	1996 basket (analytical series)	2001 basket (official series)
Index	121.6	121.4
12-month % change	4.6	4.5
Monthly % change	1.0	0.8

Several other changes have been made to the CPI starting with the January 2003 data. Among these were changes to the CPI seasonally adjusted series. The reference year, however, remains the same (1992=100).

For more information on the basket update or on the treatment of seasonal adjustment, please contact

Client Services (1-866-230-2248; 613-951-1539; infounit@statcan.ca), Prices Division.

Available on CANSIM: tables 326-0001 and 326-0016 to 326-0018.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 2301.

Available at 7 am on Statistics Canada's website (www.statcan.ca). From the home page, choose *Today's news releases from The Daily*, then *Latest Consumer Price Index release*.

The February 2003 issue of the *Consumer Price Index* (62-001-XIB, \$8/\$77; 62-001-XPB, \$11/\$103) is now available. See *How to order products*.

The March Consumer Price Index will be released on April 23.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Rebecca McDougall (1-866-230-2248; 613-951-9606; fax: 613-951-1539), or Joanne Moreau (613-951-7130), Prices Division.

□

The Consumer Price Index and major components
(1992=100)

	February 2003	January 2003	February 2002	January to February 2003	February 2002 to February 2003
Unadjusted					
	% change				
All-items	122.3	121.4	116.9	0.7	4.6
Food	122.1	122.3	120.6	-0.2	1.2
Shelter	116.7	116.2	113.1	0.4	3.2
Household operations and furnishings	114.5	113.9	113.1	0.5	1.2
Clothing and footwear	103.8	101.6	105.4	2.2	-1.5
Transportation	144.1	141.9	127.5	1.6	13.0
Health and personal care	116.4	116.1	114.8	0.3	1.4
Recreation, education and reading	127.1	125.4	124.1	1.4	2.4
Alcoholic beverages and tobacco products	133.5	132.0	112.9	1.1	18.2
All-items (1986=100)	156.7				
Purchasing power of the consumer dollar expressed in cents, compared to 1992	81.8	82.4	85.5		
Special Aggregates					
Goods	119.2	117.9	113.7	1.1	4.8
Services	126.1	125.5	120.7	0.5	4.5
All-items excluding food and energy	119.9	119.2	115.4	0.6	3.9
Energy	146.5	140.4	122.4	4.3	19.7
All-items excluding the 8 most volatile components ¹	122.3	121.7	118.6	0.5	3.1

¹ Excluded from the All-items CPI are the following eight volatile components, as defined by the Bank of Canada: fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuel; gasoline; inter-city transportation; and tobacco products and smokers' supplies. The Bank of Canada further adjusts this series to obtain their measure of core inflation, which also excludes the effect of changes in indirect taxes. For data and information on core inflation, please consult the Bank of Canada Web site: <http://www.bankofcanada.ca/inflation>.

The Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit
(1992=100)

	February 2003	January 2003	February 2002	January to February 2003	February 2002 to February 2003
Unadjusted					
	% change				
Newfoundland and Labrador	119.9	119.7	114.2	0.2	5.0
Prince Edward Island	121.3	119.9	113.7	1.2	6.7
Nova Scotia	124.3	123.1	116.4	1.0	6.8
New Brunswick	123.3	122.4	115.0	0.7	7.2
Québec	119.1	117.8	114.2	1.1	4.3
Ontario	123.4	122.4	118.2	0.8	4.4
Manitoba	125.5	125.0	120.6	0.4	4.1
Saskatchewan	126.2	125.6	120.8	0.5	4.5
Alberta	129.0	128.6	120.7	0.3	6.9
British Columbia	119.6	119.0	115.9	0.5	3.2
Whitehorse	120.6	119.7	115.2	0.8	4.7
Yellowknife	118.7	118.3	114.2	0.3	3.9
Iqaluit (Dec. 2002=100)	99.8	99.9	...	-0.1	...

... Figures not applicable.

Benefiting from extended parental leave

2001

Since the extension of parental benefits two years ago, qualifying mothers are staying home longer with their newborn infants, and more fathers are claiming benefits. According to a new study, mothers receiving benefits increased their time off work from 6 months to 10.

Amendments to the *Employment Insurance Act* in December 2000 increased parental leave benefits from 10 weeks to 35 weeks, effectively increasing the total maternity and parental paid leave time from six months to one year. In addition, the threshold for eligibility was lowered from 700 to 600 hours of insurable employment.

This study, using data from the Employment Insurance Coverage Survey, a supplement to the Labour Force Survey, showed that in just one year, the amendments had a major impact on new mothers and fathers.

A monthly average of 4,900 parents who would not have qualified under the old program received parental benefits in 2002. These people — 4,700 mothers and 200 fathers — received benefits after having worked between 600 and 700 hours in the year before they requested benefits.

The proportion of all new mothers receiving maternity or parental benefits increased from 54% in 2000 to 61% in 2001. The 39% of mothers in 2001 who did not receive birth-related benefits consisted of those who were not in the labour force (23%), were paid workers who were ineligible or did not apply for benefits (12%), or were self-employed (5%).

Time off nearly doubles for benefit recipients

Over 80% of all employed mothers in 2000 and 2001 returned or planned to return to work within two years. However, only those receiving maternity or parental benefits substantially extended their stay at home following the parental benefit amendment.

The median time at home for mothers with maternity or parental benefits increased from 6 months in 2000 to 10 months in 2001. Employed mothers not receiving benefits took about 4 months off work in both years.

Although the majority of mothers with benefits in 2001 took nine or more months off work, one-quarter were re-employed within eight months. Significant factors linked with a shorter leave from work included a father's participation in the parental benefit program, a mother's job being non-permanent, and low employment earnings.

Note to readers

This release is based on an article that examines the labour market behaviour of a sample of employed mothers who gave birth before and after the parental benefit amendment in 2000. The analysis covers births in 1999 or 2000, and 2001. Complementing this article is a note providing some statistics on the use of the new benefits.

In December 2000, Bill C-32 amended the Employment Insurance Act regarding paid parental leave. Starting December 31, 2000, paid benefits for employed parents increased from 10 to 35 weeks. To qualify, parents must have worked for 600 hours in the previous 52 weeks, down from 700.

The 35 weeks of benefits can be taken by one qualifying parent, or split between both qualifying parents, with only one waiting period required between them. The benefit entitlement remains at 55% of average insured earnings, up to a maximum of \$413 per week.

Maternity leave benefits, administered in the same way as parental leave, can be claimed for 15 weeks by women only, and up to eight weeks before the birth. The combination of maternity and parental benefits now enables parents to receive up to one year of paid leave to care for their infants.

Data for this study came from the Employment Insurance Coverage Survey, a supplement to the Labour Force Survey. The sample included roughly 1,350 mothers with children less than 13 months of age in both the 2000 and 2001 surveys. However, almost 500 of those interviewed in 2001 had given birth or adopted their child in 2000 and were, therefore, excluded from the analysis. Beneficiary statistics are compiled from administrative data provided by Human Resources Development Canada.

Some of the events analysed, such as returning to work, are based on both actual and intended behaviour.

If fathers claim some of the 35 weeks of benefits, mothers would have less than a year of paid leave for themselves, and thus a shorter stay at home.

Also, despite receiving benefits, mothers with non-permanent work were almost five times more likely to return to work in less than nine months than those with a permanent job. Similarly, lower earnings were associated with a quicker return to work. For example, those returning within four months had median earnings of \$16,000, compared with \$28,000 for those returning between 9 and 12 months.

One in 10 dads take formal leave to care for a newborn

Not only were newborns receiving full-time care by their mothers for longer, but many more children had a father at home for some of the time as well.

The average number of fathers receiving parental benefits each month reached 7,900 in 2002, five times more than the average of 1,600 two years earlier.

In 2000, only 3% of fathers claimed or planned to claim paid parental benefits. By 2001, this proportion had more than tripled to 10%. This is not only a

statistically significant increase, but a socially significant one as well.

This claim rate for fathers moves Canada ahead of many other countries, but still leaves it considerably behind those that offer non-transferable leave to fathers. In Norway, for example, almost 80% of fathers take parental leave.

Previously, fathers were required to serve a two-week waiting period if they wished to share benefits with the mother, who also had to serve a two-week period at the beginning of her claim for maternity benefits. The father is no longer required to serve the second waiting period.

The articles "Benefiting from extended parental leave" and "New maternity and parental benefits" are available in the March 2003 online edition of *Perspectives on labour and income*, Vol. 4, no. 3 (75-001-XIE, \$5/\$48). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Katherine Marshall (613-951-6890; katherine.marshall@statcan.ca), Labour and Household Surveys Analysis Division. For more information on Employment Insurance data, contact Gilles Groleau (613-951-4091; gilles.groleau@statcan.ca), Labour Statistics Division. ■

OTHER RELEASES

Natural gas sales

January 2003 (preliminary)

Natural gas sales totalled 9 146 million cubic metres in January, up 10.4% from January 2002. All three sectors (residential, commercial and industrial) recorded higher sales. Colder-than-normal temperatures throughout most of Canada resulted in sales rising sharply in the residential (+10.4%) and commercial (+17.0%) sectors. The use of natural gas by the industrial sector (including direct sales) rose 7.2% from January 2002, the result of a higher demand by electric utilities.

Natural gas sales

	Jan. 2003 ^P	Jan. 2002	Jan. 2002 to Jan. 2003
	Thousands of cubic metres		% change
Natural gas sales	9 146 334	8 284 868	10.4
Residential	2 833 882	2 567 875	10.4
Commercial	2 176 361	1 859 732	17.0
Industrial	1 924 711	1 801 077	7.2
Direct	2 211 380	2 056 184	

^P Preliminary figures.

Note: Since March, direct sales relating to the residential and commercial sectors have been allocated to the appropriate sectoral sale category.

Available on CANSIM: tables 129-0001 to 129-0004 (these tables will be available soon).

For general information or to order data, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Pierre Després (613-951-3579; pierre.després@statcan.ca), Tom Lewis (613-951-3596; tom.lewis@statcan.ca), or Lloyd Cundell (613-951-7346; lloyd.cundell@statcan.ca), Manufacturing, Construction and Energy Division. ■

Workplace and Employee Survey: Stock purchase plans

1999

Nearly 1 in every 10 private-sector employees, about 815,000, had a stock purchase plan in 1999, according to a new study based on data from the Workplace and Employee Survey.

Stock options garnered headlines during the recent high-tech boom and bust. While media attention focussed on fortunes gained and lost, little background information was offered on the nature of various plans, or the employers and employees involved. A new study, available today in the online version of *Perspectives on labour and income*, fills this gap.

Of the 815,000 employees who had a stock purchase plan, 81% worked for employers who contributed or offered discounts on purchases. Participants tended to be middle-aged or older, work full time and have permanent jobs.

In 1999, stock purchase plans were more heavily concentrated among employees with higher earnings, and in certain occupations and industries. Employees with stock purchase plans also tended to work in large workplaces, particularly those with 500 or more employees.

Almost one-third of professionals, such as engineers, scientists and architects, as well as computer programmers and systems analysts, had stock purchase plans in 1999.

More than one-third of employees in the computer and telecommunications sector had stock purchase plans in 1999, as did about one-quarter of employees in forestry, mining, and oil and gas extraction. About 20% of employees in information and cultural industries had such plans; the construction sector had the lowest incidence, less than 3%.

Although more than 60% of private-sector employees worked in environments with less than 100 employees, these workplaces were less likely to have stock purchase plan participants than larger firms. About 13% of employees in firms with 100 to 499 employees had plans, as did 20% of those in firms with 500 employees and over.

The median hourly wage of stock purchase plan participants was \$22, about \$7 more than the median wage of those with no plan. Overall, the prevalence of stock purchase plans rose with wages and salaries.

Three types of stock purchase plans are common in Canada. They can be combinations of employee ownership and equity plans. The best known is a stock option, which is a legal agreement between an employee and employer giving the employee the right to buy a fixed number of company shares at a fixed price.

The article "Taking stock of equity compensation" is available in the March 2003 online edition of *Perspectives on labour and income*, Vol. 4, no. 3 (75-001-XIE, \$5/\$48). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sophie Lefebvre (613-951-5870; sophie.lefebvre@statcan.ca), Labour and Household Surveys Analysis Division. ■

NEW PRODUCTS

Infomat — a weekly review, March 21, 2003
Catalogue number **11-002-XIE** (\$3/\$109).

Infomat — a weekly review, March 21, 2003
Catalogue number **11-002-XPE** (\$4/\$145).

Monthly Survey of Manufacturing, January 2003,
Vol. 57, no. 1
Catalogue number **31-001-XIB** (\$15/\$147).

Canada's international transactions in securities,
January 2003, Vol. 69, no. 1
Catalogue number **67-002-XIE** (\$14/\$132).

Perspectives on labour and income, March 2003,
Vol. 4, no. 3
Catalogue number **75-001-XIE** (\$5/\$48).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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Statistics Canada

Thursday, June 3, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
Changes in expenditures on taking urban transit; Canadians are riding 8.1 less and less. In 1996, each Canadian took an average of 860.0 or 1.6 ps on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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PUBLICATIONS RELEASED

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The Daily, March 21, 2003

RELEASE DATES: MARCH 24 TO 28

(Release dates are subject to change.)

Release date	Title	Reference period
24	Retail trade	January 2003
25	Employment Insurance	January 2003
26	Foreign direct investment	2002
26	Life after welfare: The economic well-being of welfare leavers during the 1990s	
27	Employment, earnings and hours	January 2003
27	Industrial Product Price and Raw Materials Price Indexes	February 2003
27	University enrolment	2000–2001
28	Canadian biotech innovative firms	1997–2001
28	National tourism indicators	Fourth quarter 2002
