



The Daily

Statistics Canada

Friday, June 16, 2000
For release at 8:30 a.m.

MAJOR RELEASES

- **Consumer Price Index, May 2000** 2
Consumers paid 2.4% more in May than they did a year ago for the goods and services included in the Consumer Price Index. This is up from the 2.1% year-to-year increase registered in April, but below the five-year high of 3.0% seen in March.

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PUBLICATIONS RELEASED

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RELEASE DATES: June 19 to 23

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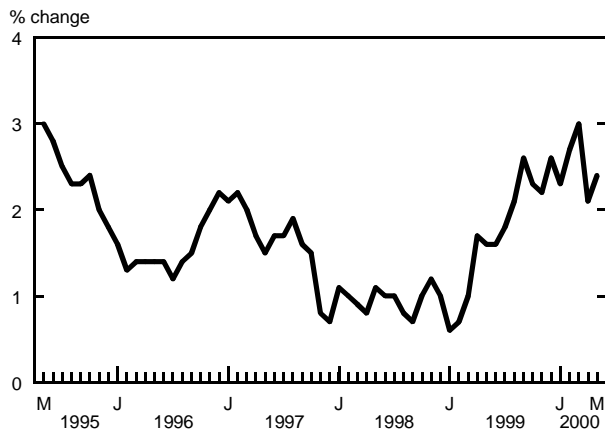

MAJOR RELEASES

Consumer Price Index

May 2000

Consumers paid 2.4% more in May than they did a year ago for the goods and services included in the Consumer Price Index (CPI). This is up from the 2.1% year-to-year increase registered in April, but below the five-year high of 3.0% seen in March. Higher prices for energy remain the largest contributor to the All-items Index's annual increase. For the 12-months ending in May, the CPI excluding energy rose by 1.3%, within the range of 1.0% to 1.6% annual increases that it has posted since January 1998.

Percentage change in the Consumer Price Index from the same month of the previous year



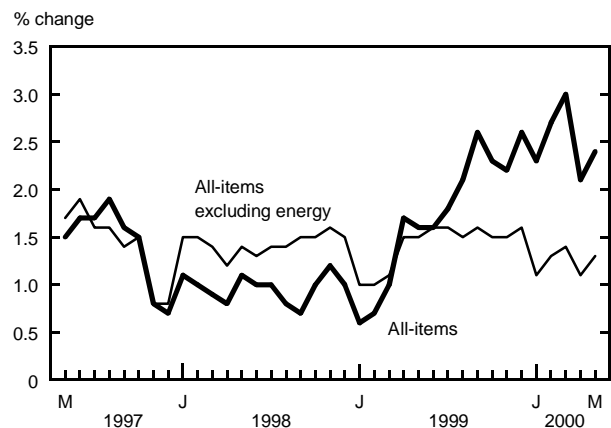
Among the energy components, higher gasoline prices had the greatest impact. Gasoline prices were 20.8% higher in May than in May 1999. This increase is slightly larger than the 20.1% rise posted in April, but notably smaller than the annual increases measured each month from December 1999 to March 2000.

Also contributing to the upward pressure on the All-items CPI, though to a lesser extent, were higher mortgage interest cost and tuition fees. Declines in the indexes for fresh fruit, computer equipment and supplies, and purchases of automotive vehicles moderated the upward movement of the All-items Index.

Slight variation in CPI's monthly rise

The CPI increased by 0.5% from April to May. Important contributors to the increase were higher prices for traveller accommodation, fresh fruit and vegetables, gasoline, natural gas and mortgage interest cost. The increases were countered in part by declines in the indexes for clothing and automotive vehicle insurance premiums.

Annual change in the CPI and in the CPI excluding energy



Prices for traveller accommodation rose by 10.0%, mainly owing to stronger demand, particularly in Quebec, Ontario and British Columbia. This monthly increase is in line with the pattern seen in previous years.

The index for fresh fruit and vegetables increased by 5.3% in May. The 6.5% rise in vegetable prices was partly owing to poor weather conditions leading to temporary shortages for various California crops. In addition, higher prices for some vegetables, such as potatoes, are the result of the transition from storage supplies to new crops. The fresh fruit index rose by 3.7%. Higher prices are normal at this time of the year as storage stocks are diminished.

Gasoline prices rose by 1.9% from April to May. Price increases were registered for most provinces except New Brunswick and the Prairie provinces, which recorded decreases ranging from 0.3% to 2.7%.

Prices for natural gas increased by 2.6% between April and May. This was the result of price rises of 13.8%

in Alberta and 2.2% in Quebec; only the indexes for these provinces moved.

The month-to-month increase in the mortgage interest cost index was 0.6% in May, the ninth consecutive month of increases.

The decrease in the index for clothing was owing to price decreases for women's and children's clothing. Women's clothing prices fell 2.0%, and children's clothing was down 1.0%.

The 0.5% decrease in the automotive vehicle insurance premiums index is the result of a 1.0% decrease in the Ontario provincial sales tax for this service. The Ontario government announced in its budget that it was phasing out the Retail Sales Tax on motor vehicle insurance by 1.0% per year until it is eliminated in 2004.

Available on CANSIM: matrices 9940-9956.

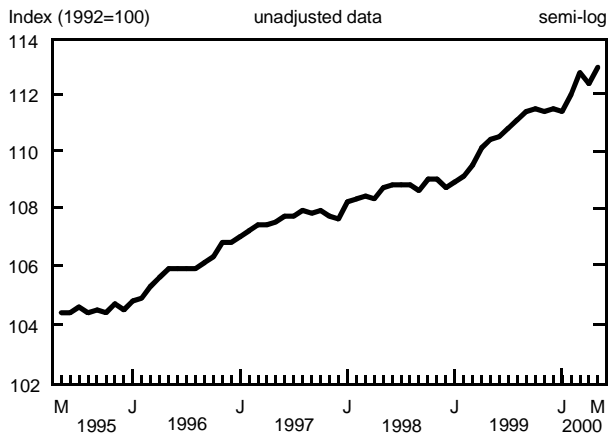
Data are available at 7 am on Statistics Canada's Web site (www.statcan.ca).

The May 2000 issue of the *Consumer Price Index* (62-001-XPB, \$11/\$103) is now available. See *How to order publications*.

The June 2000 CPI will be released July 13.

For more information, or to enquire about the concepts, methods or data quality of this release, contact (613-951-9606; fax: 613-951-1539; infounit@statcan.ca), Prices Division. □

The Consumer Price Index



Consumer Price Index and major components
1992=100

	May 2000	April 2000	May 1999	April to May 2000	May 1999 to May 2000
not seasonally adjusted					
	% change				
All-items	113.0	112.4	110.4	0.5	2.4
Food	112.1	111.3	111.1	0.7	0.9
Shelter	107.8	107.5	104.6	0.3	3.1
Household operations and furnishings	109.6	109.5	109.1	0.1	0.5
Clothing and footwear	104.7	105.1	104.9	-0.4	-0.2
Transportation	129.9	129.2	124.1	0.5	4.7
Health and personal care	112.1	111.5	110.4	0.5	1.5
Recreation, education and reading	122.7	121.0	119.6	1.4	2.6
Alcoholic beverages and tobacco products	97.4	96.8	94.7	0.6	2.9
Goods	110.3	109.8	107.7	0.5	2.4
Services	116.1	115.6	113.6	0.4	2.2
All-items excluding food and energy	111.9	111.6	110.4	0.3	1.4
Energy	123.7	122.2	108.4	1.2	14.1
Purchasing power of the consumer dollar expressed in cents, compared to 1992	88.5	89.0	90.6		
All-items (1986=100)	144.8				

Consumer Price Index by province, Whitehorse and Yellowknife
1992=100

	May 2000	April 2000	May 1999	April to May 2000	May 1999 to May 2000
not seasonally adjusted					
	% change				
Newfoundland	112.2	112.3	110.1	-0.1	1.9
Prince Edward Island	111.5	110.7	106.4	0.7	4.8
Nova Scotia	113.5	113.1	109.9	0.4	3.3
New Brunswick	112.3	112.1	109.3	0.2	2.7
Quebec	110.1	109.6	107.9	0.5	2.0
Ontario	113.7	113.0	110.9	0.6	2.5
Manitoba	117.3	117.3	115.1	0.0	1.9
Saskatchewan	116.2	115.9	113.8	0.3	2.1
Alberta	116.6	115.9	113.0	0.6	3.2
British Columbia	112.8	112.4	111.1	0.4	1.5
Whitehorse	114.3	113.7	112.2	0.5	1.9
Yellowknife	111.2	110.8	109.0	0.4	2.0

OTHER RELEASES

Travel between Canada and other countries April 2000

There were small overall month-to-month declines in the estimated number of same-day (-3.7%) and overnight trips (-1.9%) to the United States, while trips to other countries continued to increase (+4.8%) in April. (Unless otherwise specified, the data are seasonally adjusted.)

Overnight travel between Canada and the United States decreased on both sides of the border. Americans travelled for at least one night to Canada on 1.3 million occasions, down 2.3% from March. The number of overnight trips Canadians took to the United States decreased 1.9% to 1.2 million.

Overnight traffic between the two countries declined in April from March for all modes of transport except for air. Americans took 324,000 overnight trips by plane to Canada, up 1.0% from the previous month, while the number of such trips by Canadians to the United States rose 1.3% to 442,000.

The number of same-day car trips between Canada and the United States also decreased. Americans made 2.3 million car excursions north of the border, down 0.9% from March. The number of car trips by Canadians to the United States fell 3.7% to 2.3 million. April was the third consecutive month in which the Canadian dollar lost ground to the U.S. dollar; it was down from an average of US\$0.69 in January to US\$0.68 in April.

Compared with April 1999, the number of same-day car trips Canadians took to the United States increased 3.8%, while similar trips by Americans to this side of the border decreased 1.3% (unadjusted data).

Residents of overseas countries made a record 410,000 overnight trips to Canada in April, up 9.8% from March. The number of overnight trips to Canada by overseas residents has generally been increasing since mid-1998, after sliding for more than a year owing to the Asian economic crisis, and is now back to the record-breaking levels of the first months of 1997.

Compared with a year ago, residents of countries other than the United States made 30.0% more overnight trips to Canada in April. Among Canada's top overseas markets, travellers from Mexico (+90.6%), South Korea (+62.0%) and United Kingdom (+57.5%) made substantially more overnight trips than they did in April 1999 (unadjusted data).

Travel between Canada and other countries

	March 2000 ^f	April 2000 ^p	March to April 2000	April 2000 ^p	April 1999 to April 2000
	seasonally adjusted			unadjusted	
	'000	% change	'000	% change	
Canadian trips abroad¹	4,104	3,964	-3.4	4,146	6.3
Same-day car trips to the United States	2,367	2,279	-3.7	2,302	3.8
Total trips, one or more nights	1,620	1,614	-0.4	1,768	10.5
United States ²	1,261	1,238	-1.9	1,350	10.9
Car	709	683	-3.6	722	10.6
Plane	436	442	1.3	513	11.3
Other modes of transport	117	113	-3.0	114	10.7
Other countries ³	359	376	4.8	418	9.1
Travel to Canada¹	4,183	4,159	-0.6	3,442	1.0
Same-day car trips from the United States	2,298	2,278	-0.9	2,107	-1.3
Total trips, one or more nights	1,690	1,697	0.4	1,193	5.3
United States ²	1,317	1,287	-2.3	902	-0.8
Car	838	810	-3.3	550	-1.0
Plane	321	324	1.0	251	1.4
Other modes of transport	159	153	-3.4	101	-4.8
Other countries ³	373	410	9.8	291	30.0
Most important overseas markets					
United Kingdom	..	..	..	61	57.5
Japan	..	..	..	32	2.5
France	..	..	..	22	13.4
Germany	..	..	..	21	39.1
Taiwan	..	..	..	14	8.6
Australia	..	..	..	10	15.4
Hong Kong	..	..	..	10	36.0
Mexico	..	..	..	14	90.6
Netherlands	..	..	..	7	9.1
Italy	..	..	..	6	17.6
Switzerland	..	..	..	6	24.1
South Korea	..	..	..	8	62.0

^r Revised figures.

^p Preliminary figures.

¹ Totals exceed the sum of same-day car trips and total trips, one or more nights because they include all of the same-day trips.

² Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

³ Figures for other countries exclude same-day entries by land only, via the United States.

.. Figures not available.

Canadians, for their part, took a record 376,000 overnight trips to overseas countries, 4.8% more than in March. Overnight travel by Canadians to overseas destinations has generally been rising since July 1999, after have dropped for nearly a year. One of the factors contributing to this increase is the appreciation of the Canadian dollar against most European currencies over the same period.

Note: Month-to-month comparisons use seasonally adjusted data. Year-over-year comparisons use unadjusted data.

Available on CANSIM: matrices 2661-2697, 5780-6049 and 8200-8329.

The April 2000 issue of *International travel, advance information* (66-001-PIB, \$6/\$55) is now available. See *How to order publications*.

For data requests, contact Pearl Bellefeuille (613-951-1674; fax: 613-951-2909; pearl.bellefeuille@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Jocelyn Lapierre (613-951-3720; fax: 613-951-2909; jocelyn.lapierre@statcan.ca), Tourism Statistics Program. ■

Exploring patterns of corporate diversification in Canada

While small firms account for the lion's share of new job creation, large sophisticated businesses continue to play a key role in shaping Canada's economic landscape.

A new study released today, *Patterns of corporate diversification in Canada: An empirical analysis* examines the breadth of Canada's most sophisticated firms — companies whose operations span different industries. While these firms comprise less than 1% of all Canadian businesses, they generate more than one-third of all business income and employ about one-quarter of the work force.

The study explores how "diversified" or "multi-industry" firms expand their operations — by looking at whether their activities extend across closely related industries (those linked via strong trading

relationships). It finds that these firms are more likely to develop ownership links across "unrelated" industries — across sectors that do not have strong trading relationships. Only 18% of all corporate diversification involves industries that are linked via strong buyer-seller relationships.

The study also examines whether diversification patterns vary substantially across different economic sectors. Industries with concentrated markets, economies of scale and more-developed trading linkages tend to exhibit greater trends toward diversification.

Note: Data for this study comes from two databases developed at Statistics Canada. Information on business operating structures was obtained from the Business Register, the central database used to support the Agency's business survey program. Information on inter-industry trade flows comes from Statistics Canada's input-output tables.

The research paper *Patterns of corporate diversification in Canada: An empirical analysis* (11F0019MPE, no. 150) is now available. Copies can be obtained by contacting Louise Laurin (613-951-4676). An electronic version (11F0019MIE) can be downloaded from Statistics Canada's Web site (www.statcan.ca); on the *Products and services* page, choose *Downloadable publications (free)*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588), Guy Gellatly (613-951-3758) or Desmond Beckstead (613-951-6199), Micro-Economic Analysis Division. ■

PUBLICATIONS RELEASED

Infomat — A weekly review, June 16, 2000
Catalogue number **11-002-XIE** (\$3/\$109).

Infomat — A weekly review, June 16, 2000
Catalogue number **11-002-XPE** (\$4/\$145).

The input-output structure of the Canadian economy, 1995 and 1996
Catalogue number **15-201-XPB** (\$68).

Energy statistics handbook, May 2000
Catalogue number **57-601-XDE** (\$284).

Energy statistics handbook, May 2000
Catalogue number **57-601-UPB** (\$387).

International travel, advance information, vol. 16,
no. 4
Catalogue number **66-001-PIB** (\$6/\$55).

Science statistics: Biotechnology research and development in Canadian industry, 1997, vol 24,
no. 2
Catalogue number **88-001-XIB** (\$6/\$59).

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 8, 1997
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MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

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RELEASE DATES: JUNE 19 TO 23

June 19 to 23

(Release dates are subject to change.)

Release date	Title	Reference period
20	Canadian international merchandise trade	April 2000
20	Wholesale trade	April 2000
21	Retail trade	April 2000
21	Composite Index	May 2000
22	Canada's international transactions in securities	April 2000
