



The Daily

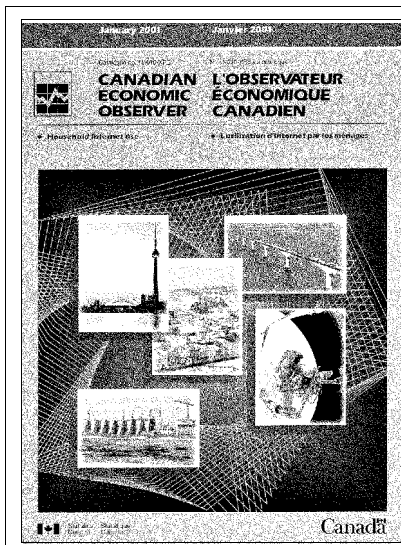
Statistics Canada

Thursday, January 18, 2001
For release at 8:30 a.m.

MAJOR RELEASES

- **The Consumer Price Index, December 2000** 3
Consumers paid 3.2% more in December 2000 than in December 1999 for the goods and services included in the Consumer Price Index basket. This 12-month increase was the same as the rise recorded for November 2000.
- **Wholesale trade, November 2000** 6
Led by falling sales in the automobile and computer sectors, wholesale sales dropped 0.7% in November.

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Canadian economic observer

January 2001

The January issue of Statistics Canada's flagship publication for economic statistics, *Canadian economic observer*, analyses current economic conditions, summarizes the major economic events that occurred in December and presents a feature article entitled "Plugging in: The increase of household Internet use continues." A separate statistical summary contains a wide range of tables and graphs on the principal economic indicators for Canada, the provinces and the major industrial nations.

The January 2001 issue of *Canadian economic observer* (11-010-XPB, \$23/\$227) is now available. See *How to order products*. For more information, contact Cyndi Bloskie (613-951-3634; ceo@statcan.ca), Current Economic Analysis Group.



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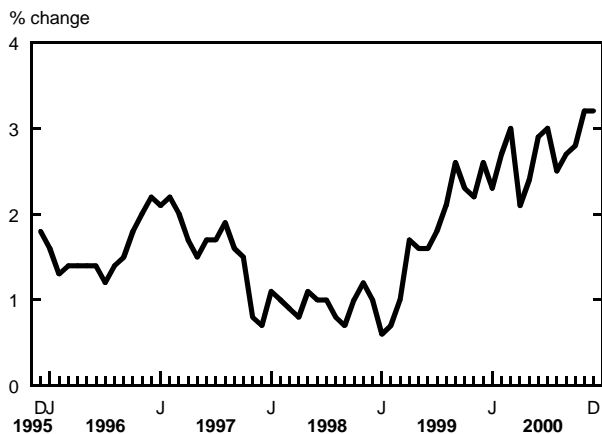
MAJOR RELEASES

The Consumer Price Index

December 2000

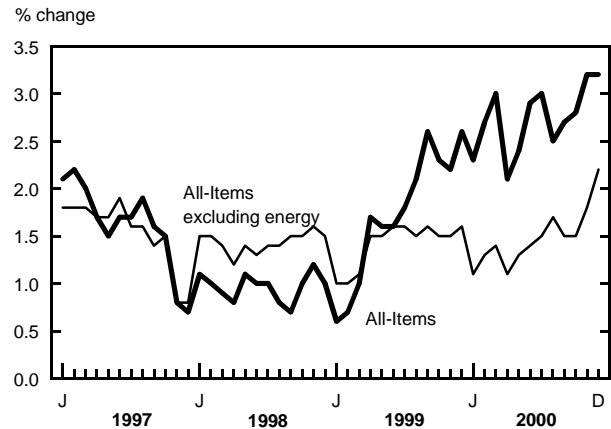
Consumers paid 3.2% more in December 2000 than in December 1999 for the goods and services included in the Consumer Price Index (CPI) basket. This 12-month increase was the same as the rise recorded for November 2000. Aside from the 1991 increases that were affected by the introduction of the Goods and Services Tax (GST), November's and December's 12-month increases are the highest observed since December 1990 (+5.0%). In 2000, the 12-month increases in the All-items CPI ranged between 2.1% and 3.2%. Higher energy prices accounted for more than one-third of the rise in the CPI between December 1999 and December 2000. Over the same period, the All-items excluding energy index rose 2.2%, after moving up 1.8% in November.

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



The energy index rose 13.6% between December 1999 and December 2000, a smaller increase than the 18.0% advance in November 2000. While all of the energy components contributed to the advance in that index, gasoline and natural gas accounted for about three-quarters of the 12-month increase in energy prices.

Annual change in the CPI and in the CPI excluding energy



Other important contributors to the 12-month increase in the All-items CPI in December included mortgage interest cost, fresh vegetables, fresh or frozen meat (excluding poultry), food purchased from restaurants and rent. These advances were partially offset by price declines for air transportation, computer equipment and supplies and child care.

Annual average CPI was highest since 1990

The annual average of the All-items CPI was 2.7% higher in 2000 than in 1999. This increase follows a 1.7% rise in 1999. If the 1991 increase influenced by the introduction of the GST were not taken into account, the 2000 advance is the largest since 1990 (+4.8%). Annual average indexes are obtained by averaging the index levels for the 12 months of the calendar year.

As in 1999, higher energy prices exerted the greatest influence on CPI growth. The annual average index for energy climbed 16.2% in 2000, following a rise of 5.7% in 1999. The increase observed in 2000 is the largest since 1982 (+19.8%). The All-items excluding energy index rose by 1.5% in 2000. This increase is in line with the annual average increases seen since 1996, which ranged between 1.4% and 1.5%.

Monthly rise was slight

The CPI All-items index edged up by 0.1% from November to December, less than the 0.3% increase from October to November. Rising consumer prices for fresh vegetables, fresh fruit, fuel oil and fresh or frozen meat (excluding poultry) led the advance in the

CPI for December. Lower prices for gasoline, traveller accommodation, and air transportation dampened the overall monthly index increase.

Prices of fresh vegetables increased by 16.8% in December, and those of fresh fruit by 6.5%. Unseasonable weather conditions in the major growing regions of Mexico and the southwestern United States contributed to these rising prices.

Fuel oil prices increased by 4.6% in December, a greater rise than in October (+3.1%) and November (+3.2%). Higher prices for fuel oil were widespread across provinces. Quebec and Nova Scotia both posted increases of 7.7%, which contributed significantly to the monthly increase in the fuel oil index for Canada. Prince Edward Island recorded the only monthly decline (-2.5%) in fuel oil prices.

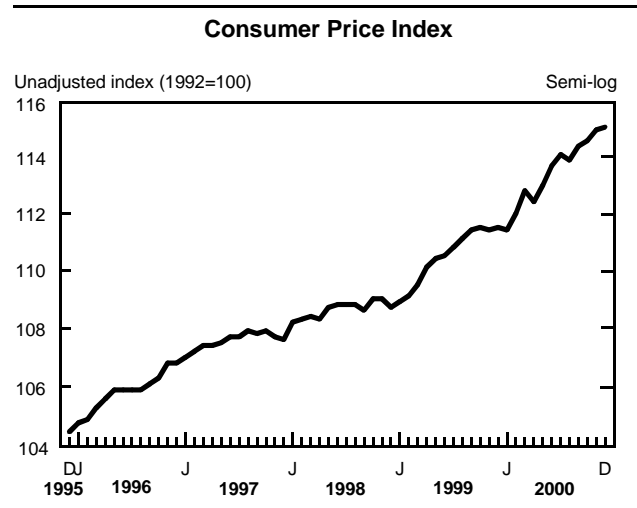
Prices for fresh or frozen meat (excluding poultry) rose by 2.3% in December, after registering monthly declines in October (-1.0%) and November (-0.4%). The December rise for fresh or frozen meat reflects strong consumer demand for these products both in Canada and abroad. The 6.2% increase in the annual average of this index for 2000 was the highest recorded since 1987 (+8.9%).

Consumers paid 4.0% less for gasoline in December than in November. Greater offshore oil supplies contributed to the drop. While gasoline prices fell in all provinces, declines of 4.8% in Ontario and 5.5% in Québec alone accounted for more than three-quarters of the monthly drop in the gasoline index for Canada. The Whitehorse and Yellowknife gasoline indexes were unchanged.

Prices for traveller accommodation fell by 2.7% in December. This decrease continues the off-peak-season decline that began in September. All provincial indexes for traveller accommodation services posted monthly decreases in December.

Prices for air transportation fell by 2.8% in December. This decrease is mostly attributable to

greater availability of cheaper airfares on routes to U.S. and southern destinations.



Available on CANSIM: matrices 9940-9970.

Available at 7 a.m. on Statistics Canada's Web site (www.statcan.ca).

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

The January 2001 Consumer Price Index will be released on February 15.

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. □

Consumer Price Index and major components
1992=100

	Dec. 2000	Nov. 2000	Dec. 1999	Nov. to Dec. 2000	Dec. 1999 to Dec. 2000
not seasonally adjusted					
					% change
All-items	115.1	115.0	111.5	0.1	3.2
Food	114.5	112.9	110.9	1.4	3.2
Shelter	111.7	111.2	106.4	0.4	5.0
Household operations and furnishings	110.5	110.7	109.2	-0.2	1.2
Clothing and footwear	105.2	105.4	103.4	-0.2	1.7
Transportation	132.4	134.0	128.3	-1.2	3.2
Health and personal care	112.8	112.9	110.8	-0.1	1.8
Recreation, education and reading	122.0	122.4	119.4	-0.3	2.2
Alcoholic beverages and tobacco products	99.0	98.6	95.9	0.4	3.2
Goods	113.2	113.1	109.0	0.1	3.9
Services	117.4	117.3	114.5	0.1	2.5
All-items excluding food and energy	113.0	113.0	110.9	0.0	1.9
Energy	134.5	136.6	118.4	-1.5	13.6
Purchasing power of the consumer dollar expressed in cents, compared to 1992	86.9	87.0	89.7		
All-items (1986=100)	147.4				

Consumer Price Index for the provinces, Whitehorse and Yellowknife
1992=100

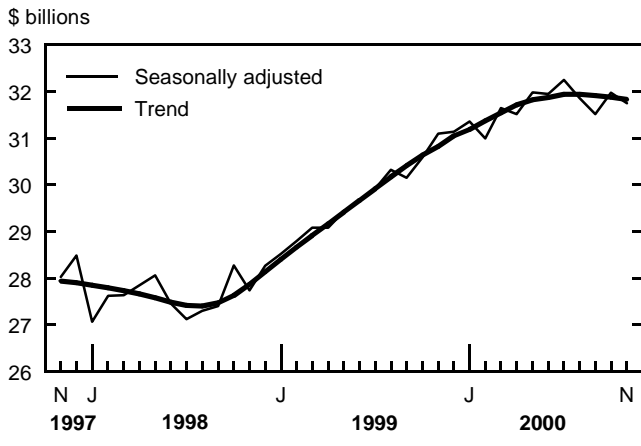
	Dec. 2000	Nov. 2000	Dec. 1999	Nov. to Dec. 2000	Dec. 1999 to Dec. 2000
not seasonally adjusted					
					% change
Newfoundland	114.0	114.3	111.1	-0.3	2.6
Prince Edward Island	113.4	114.1	109.4	-0.6	3.7
Nova Scotia	116.0	116.2	112.0	-0.2	3.6
New Brunswick	113.8	114.4	110.7	-0.5	2.8
Quebec	111.8	111.7	108.7	0.1	2.9
Ontario	116.0	115.9	112.1	0.1	3.5
Manitoba	119.9	119.2	116.5	0.6	2.9
Saskatchewan	119.1	118.0	114.5	0.9	4.0
Alberta	119.6	119.6	115.1	0.0	3.9
British Columbia	114.3	114.5	111.6	-0.2	2.4
Whitehorse	115.8	115.6	113.0	0.2	2.5
Yellowknife	112.1	111.9	110.3	0.2	1.6

Wholesale trade

November 2000 (preliminary)

Led by falling sales in the automobile and computer sectors, wholesale sales dropped 0.7% in November. Accounting for approximately 30% of total wholesale sales, these two sectors alone pulled down total sales. If not for these two sectors, wholesale sales would have risen a modest 0.4% in November. Four other sectors also lost ground. Despite October's 1.4% increase, wholesale sales have been weakening in recent months. Previously, sales had been generally increasing since mid-1998.

Wholesale sales weakened in late 2000



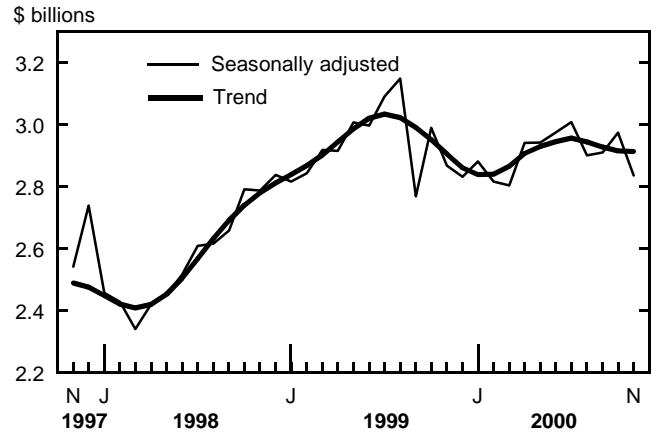
Wholesale sales amounted to \$31.7 billion in November. Major declines were reported in: computers, packaged software and other electronic machinery (-4.7%); motor vehicles, parts and accessories (-3.2%); the other products category, which includes agricultural chemicals, farm products and used automobile parts (-2.0%); and farm machinery, equipment and supplies (-1.7%). In contrast, notable increases were reported in apparel and dry goods (+2.4%), and lumber and building materials (+2.0%).

Weaker sales in the computer and automobile sectors

The 4.7% drop in wholesale sales of computers, packaged software and other electronic machinery follows volatile sales since mid-1999 and, before that, generally rising sales since early 1998. After dropping during the latter half of 1999, sales rebounded in the first

half of 2000. However, since the summer, wholesale sales have started to weaken again. Canadian wholesalers are feeling the effects of lower demand for personal computers.

Wholesale sales in the computer sector weakened



Wholesalers in the automobile sector are also feeling the effect of slowing demand; sales were down 3.2% in November. Wholesale sales in this sector have been falling since the spring of 2000. Weakening demand for new motor vehicles and parts in the United States and Canada is contributing to this decline. Prior to the spring, sales had been generally climbing since mid-1998.

Wholesalers of lumber and building materials, however, reported their second consecutive monthly increase in November, up 2.0%. This follows four monthly declines, in June through September. Following mainly rising sales since mid-1998, sales in this sector started to drop late in 1999. Wholesalers within the building material component of this sector reported healthy sales in November. This is in line with the positive housing market, construction sector, and the rise in building permits (+0.5%) reported in November.

Declines broadly based across the provinces

In November, 6 of the 10 provinces reported declines. The lower wholesale sales of motor vehicles, parts and accessories and computers, packaged software and other electronic machinery contributed to the decrease in Ontario sales (-1.4%). Together, these two sectors account for approximately 40% of total wholesale sales in Ontario. Ontario wholesalers

have seen their sales subside since the spring of 2000, primarily as a result of weakness in these two sectors. Prior to this period, wholesale sales in the province had been generally rising since mid-1998.

Among the provinces to report increases in November, wholesalers in Quebec posted a notable 1.3% rise in sales. Quebec wholesalers of industrial and other machinery, equipment and supplies, beverages, drug and tobacco products, and apparel and dry goods all reported strong increases. Wholesale sales in Quebec have been generally on the rise for two and a half years.

Inventories rose for the fourth consecutive month

Wholesalers continued to increase their inventories in November, up 0.7% to \$43.4 billion. This represents the fourth consecutive monthly increase. The increase was broadly based; 8 of the 11 trade groups reported an increase. Wholesale inventories of food products

remained unchanged. Wholesale inventories have been generally rising over the last several years.

The inventory-to-sales ratio rose from 1.35 in October to 1.37 in November. After generally dropping since the fall of 1998, the ratio levelled off in late 1999. Recently, the ratio has started to increase.

Available on CANSIM: matrices 59, 61, 648-649.

The November 2000 issue of *Wholesale trade* (63-008-XIB, \$14/\$140) will be available shortly. See *How to order products*.

Wholesale trade estimates for December will be released on February 20.

For data or general information, contact the Client Services Unit (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Alexander Hays (613-951-3552; haysale@statcan.ca), Distributive Trades Division. □

Wholesale merchants' sales and inventories

	Nov. 1999	Aug. 2000 ^r	Sept. 2000 ^r	Oct. 2000 ^r	Nov. 2000 ^p	Oct. to Nov. 2000	Nov. to Nov. 2000
seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	31,093	31,856	31,517	31,970	31,749	-0.7	2.1
Food products	4,778	5,024	4,903	5,107	5,189	1.6	8.6
Beverage, drug and tobacco products	1,904	2,111	2,109	2,095	2,097	0.1	10.1
Apparel and dry goods	604	506	541	564	578	2.4	-4.3
Household goods	858	851	861	880	877	-0.3	2.3
Motor vehicles, parts and accessories	6,158	5,991	5,893	5,862	5,677	-3.2	-7.8
Metals, hardware, plumbing and heating equipment and supplies	2,087	2,032	2,055	2,007	1,990	-0.9	-4.6
Lumber and building materials	2,498	2,353	2,318	2,347	2,395	2.0	-4.1
Farm machinery, equipment and supplies	606	642	612	622	611	-1.7	0.8
Industrial and other machinery, equipment and supplies	4,619	5,038	5,030	5,032	5,110	1.5	10.6
Computers, packaged software and other electronic machinery	2,868	2,901	2,910	2,974	2,836	-4.7	-1.1
Other products	4,114	4,407	4,286	4,479	4,390	-2.0	6.7
Sales by province and territory							
Newfoundland	219	227	228	229	230	0.6	5.1
Prince Edward Island	51	55	54	54	54	0.3	7.3
Nova Scotia	539	579	550	582	577	-0.9	7.0
New Brunswick	395	409	406	402	401	-0.3	1.7
Quebec	6,282	6,536	6,428	6,581	6,669	1.3	6.2
Ontario	15,647	15,905	15,794	15,908	15,678	-1.4	0.2
Manitoba	879	909	902	929	908	-2.2	3.3
Saskatchewan	869	903	864	932	881	-5.5	1.4
Alberta	2,858	3,085	3,072	3,118	3,122	0.2	9.3
British Columbia	3,331	3,223	3,197	3,209	3,201	-0.2	-3.9
Yukon	9	11	10	10	10	0.9	16.2
Northwest Territories	12	13	11	13	14	8.0	20.5
Nunavut	3	2	2	3	3	-4.0	-7.8
Inventories, all trade groups	41,165	42,814	42,998	43,098	43,398	0.7	5.4
Food products	2,795	2,880	2,901	2,888	2,889	0.0	3.3
Beverage, drug and tobacco products	2,348	2,630	2,675	2,706	2,712	0.2	15.5
Apparel and dry goods	1,220	1,094	1,115	1,106	1,142	3.3	-6.4
Household goods	1,537	1,579	1,593	1,626	1,637	0.7	6.6
Motor vehicles, parts and accessories	6,059	6,509	6,456	6,379	6,430	0.8	6.1
Metals, hardware, plumbing and heating equipment and supplies	3,758	4,043	4,044	4,028	4,060	0.8	8.0
Lumber and building materials	3,929	3,994	4,008	4,067	4,082	0.4	3.9
Farm machinery, equipment and supplies	2,052	1,937	1,940	1,900	1,895	-0.2	-7.6
Industrial and other machinery, equipment and supplies	9,858	10,572	10,665	10,840	10,976	1.3	11.3
Computers, packaged software and other electronic machinery	2,444	2,346	2,317	2,280	2,252	-1.2	-7.8
Other products	5,166	5,230	5,284	5,278	5,322	0.8	3.0

^r Revised figures.

^p Preliminary figures.

OTHER RELEASES

Steel primary forms

Week ending January 13, 2001 (preliminary)

Steel primary forms production for the week ending January 13 totalled 273 241 metric tonnes, up 23.8% from 220 737 tonnes a week earlier but down 17.2% from 329 885 tonnes in the same week of 2000. The year-to-date total at the end of the reference week was 493 978 tonnes, a 23.1% decrease compared with 642 018 tonnes for the same period in 2000.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Marie Houle (613-951-4925; houlejm@statcan.ca), Manufacturing, Construction and Energy Division. ■

Restaurant, caterers and taverns

November 2000

Estimated total receipts of restaurants, caterers and taverns for November were \$2.52 billion, an increase of 9.8% over the November 1999 estimate.

Available on CANSIM: matrix 62.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bill Birbeck (613-951-3506), Services Industries Division. ■

Construction Union Wage Rate Index

December 2000

The Construction Union Wage Rate Index (including supplements) was unchanged in December compared with November's revised index of 117.8 (1992=100). The composite index increased 2.4% compared with the revised December 1999 index.

Union wage rates are published for 16 trades in 20 metropolitan areas for both the basic rates and rates including selected supplementary payments. Indexes (1992=100) are calculated for the same metropolitan areas and are published for those where a majority of trades are covered by current collective agreements.

Available on CANSIM: matrices 956, 958 and 9922-9927.

The fourth quarter 2000 issue of *Construction price statistics* (62-007-XPB, \$24/\$79) will be available in March. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Denise Potvin (613-951-3350; fax: 613-951-1539; infounit@statcan.ca), Prices Division. ■

NEW PRODUCTS

Canadian economic observer, January 2001
Catalogue number 11-010-XPB (\$23/\$227).

Refined petroleum products, August 2000
Catalogue number 45-004-XIB (\$16/\$155).

Refined petroleum products, August 2000
Catalogue number 45-004-XPB (\$21/\$206).

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

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCD are electronic versions on compact disc.

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Statistics Canada

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MAJOR RELEASES

- **Urban transit, 1995** 2
Changes in expenditures on taking urban transit; Canadians are riding it less and less. In 1996, each Canadian took an average of 860 out of 5 trips 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.

OTHER RELEASES

- **Harbourfront Index, May 1997** 3
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