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The Daily

Statistics Canada

Wednesday, May 22, 2002
Released at 8:30 am Eastern time

MAJOR RELEASES

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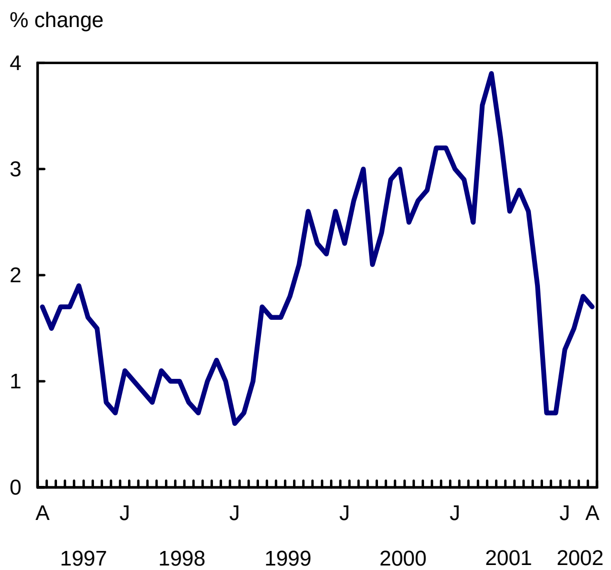
Consumer Price Index

April 2002

Consumers paid 1.7% more than a year ago for the goods and services included in the Consumer Price Index (CPI) basket. This 12-month change is down slightly from the 1.8% increase recorded in March. On a monthly basis, however, the index has been increasing at a steady pace, rising 0.6% in February, 0.7% in March and 0.6% in April. Higher gasoline prices were mainly responsible for the increases in March and April. These monthly price increases in the CPI coincide with a more robust economy and employment gains bolstered by consumer demand.

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



Despite recent increases, energy prices continued to have a moderating effect on the 12-month increase in the index, since the CPI excluding energy has advanced 2.4% in the past year. In fact, energy prices were 5.1% lower than in April 2001. Natural gas continued to lead the way with an average price decrease of 26.5%. Nearly three-quarters of this drop is attributable to the Ontario market, where supply costs have fallen. Gasoline prices, despite recent increases, were nevertheless 4.2% lower than a year ago. Fuel oil prices were also lower than last April, while electricity prices rose 8.2%, somewhat tempering the drop in the energy index.

Higher food prices were again the main factor exerting upward pressure on the CPI. Much of the 3.3% increase recorded since April 2001 can be explained by the prices of restaurant meals and fresh vegetables. The 23.3% rise in cigarette prices, mainly attributable to higher taxes, also contributed significantly to the increase. Also playing a role, but to a lesser extent, were automotive vehicle insurance premiums, rents, air transportation, homeowners' maintenance and repairs, and homeowners' replacement costs. On the other hand, decreases in the indexes for mortgage interest cost, traveller accommodation and computer equipment and supplies exerted some downward pressure on the CPI.

The two economic giants, the United States and Europe, appear to be experiencing a situation similar to that of Canada with respect to consumer prices inflation. European inflation fell for a fourth consecutive month in April. This, along with other factors, paved the way for the European Central Bank to maintain interest rates at their current level. The US Consumer Price Index has registered variations almost identical to that of the Canadian index with increases of 1.6% compared with 12 months ago and 0.6% between March and April.

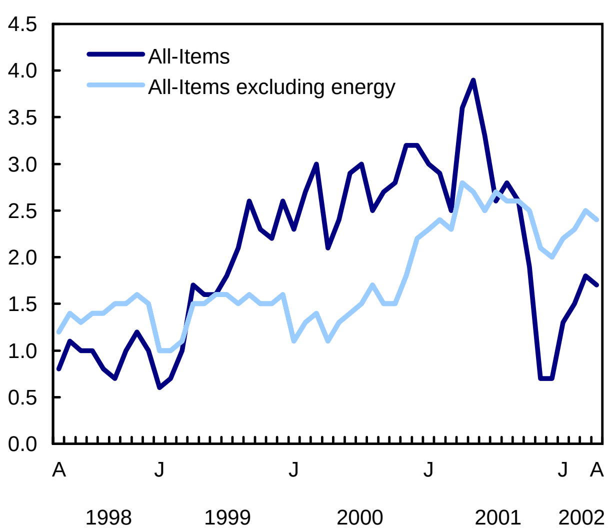
The CPI up for the fifth consecutive month

The overall Consumer Price Index rose for a fifth consecutive month with stronger increases in the last three months. The 0.6% increase between March and April was driven mainly by rising gasoline prices (+6.8%), as was March's increase. Other factors contributing to the rise, although to a lesser extent, were higher prices for cigarettes, new vehicles and air transportation. These increases were partially offset by lower prices for natural gas and lettuce.

The 6.8% jump in gasoline prices for April, though smaller than last month's, was still the main factor in the monthly rise in the All-items Index. Like March, it accounted for at least half of the increase. The steady rise in crude oil prices since the start of the year contributed to these price increases. In fact, the price per barrel of crude oil almost reached its level of last April ($40).

The 4.0% rise in cigarette prices is due mainly to increases in provincial sales taxes. These increases were felt mainly in Alberta (+22.5%) and Saskatchewan (+27.4%), although the governments of Nova Scotia, Newfoundland and Labrador, Prince Edward Island and Manitoba also increased their sales taxes on cigarettes. Except for Nova Scotia and Manitoba, the increases came into effect in March and part of the increase was reflected in the March index.

Percentage change from the same month of the previous year



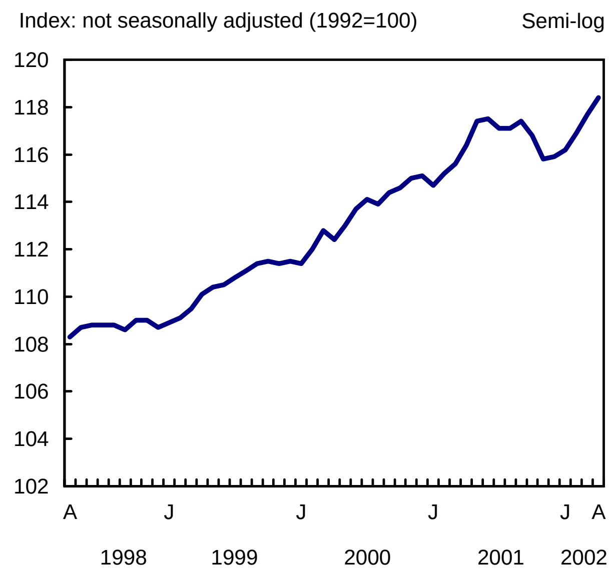
The prices of new vehicles rose 1.0%, largely because of a price increase in the manufacturer's retail suggested price. The price rises were felt mainly in Quebec (+1.4%), Ontario (+1.3%) and Manitoba (+1.0%).

Air transportation prices advanced 4.8% in April. More than half of this rise was attributable to the new Air Traveller Security Charge. That charge is applied as follows: $12 for each departure from Canada for domestic and North American destinations and $24 for other international departures. It therefore costs $24 more to fly Toronto-Vancouver return, for example, and $12 more to fly Toronto-Los Angeles return.

Natural gas prices fell 12.9% from March to April, the sixth consecutive monthly decline. This decrease was attributable to market conditions in Ontario (-23.2%), while the markets for Alberta (+13.9%) and Quebec (+5.1%) registered increases.

Lettuce prices, which had risen dramatically in March, fell back in April. The 29.8% drop was mainly attributable to improved weather conditions in California and Arizona. Crops however remained smaller than last year, which explains why price levels were 67.7% higher than in April 2001.

The Consumer Price Index



Available on CANSIM: tables 326-0001, 326-0003, 326-0004 and 326-0010.

Available at 7 am on Statistics Canada's Web site (*http://www.statcan.ca*).

The April 2002 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 May 2002 Consumer Price Index will be released on June 14.

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

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

	April 2002	March 2002	April 2001	March to April 2002	April 2001 to April 2002
	Unadjusted				
				% change	
All-items	**118.4**	**117.7**	**116.4**	**0.6**	**1.7**
Food	120.9	120.4	117.0	0.4	3.3
Shelter	112.8	113.1	112.5	-0.3	0.3
Household operations and furnishings	113.9	113.7	112.0	0.2	1.7
Clothing and footwear	106.6	107.1	106.5	-0.5	0.1
Transportation	133.8	130.5	132.1	2.5	1.3
Health and personal care	115.3	114.5	114.0	0.7	1.1
Recreation, education and reading	124.7	124.9	123.9	-0.2	0.6
Alcoholic beverages and tobacco products	116.8	114.1	103.3	2.4	13.1
All-items (1986=100)	151.7				
Purchasing power of the consumer dollar expressed in cents, compared to 1992	84.5	85.0	85.9		
Special Aggregates					
Goods	115.7	114.8	114.7	0.8	0.9
Services	121.6	121.1	118.5	0.4	2.6
All-items excluding food and energy	116.5	116.0	113.9	0.4	2.3
Energy	129.4	127.2	136.4	1.7	-5.1
All-items excluding the eight most volatile components [1]	119.6	119.1	117.0	0.4	2.2

[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, Whitehorse and Yellowknife
(1992=100)

	April 2002	March 2002	April 2001	March to April 2002	April 2001 to April 2002
	Unadjusted				
				% change	
Newfoundland and Labrador	116.9	114.9	113.6	1.7	2.9
Prince Edward Island	116.8	114.5	114.6	2.0	1.9
Nova Scotia	118.9	117.1	116.5	1.5	2.1
New Brunswick	117.6	115.8	114.8	1.6	2.4
Quebec	114.9	114.3	113.8	0.5	1.0
Ontario	119.5	119.5	117.9	0.0	1.4
Manitoba	122.5	121.5	121.0	0.8	1.2
Saskatchewan	123.5	121.8	119.2	1.4	3.6
Alberta	122.9	121.0	118.9	1.6	3.4
British Columbia	117.7	116.6	115.0	0.9	2.3
Whitehorse	116.7	115.4	116.3	1.1	0.3
Yellowknife	115.1	114.3	112.2	0.7	2.6

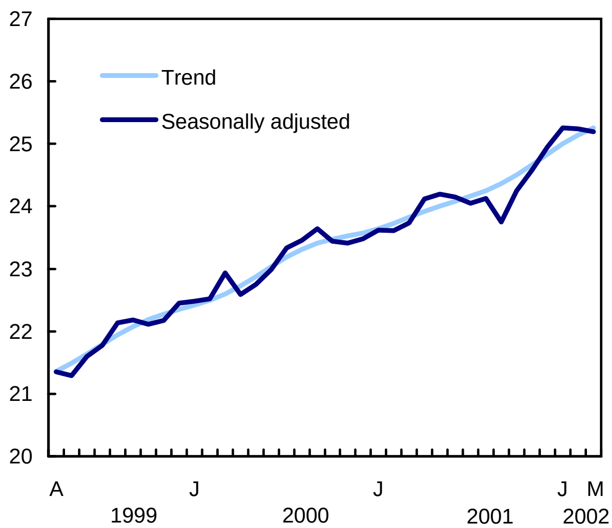
■

Retail Trade

March and first quarter 2002

Consumer spending in retail stores remained essentially flat for a second consecutive month in March. Retail sales stood at $25.2 billion in March, down slightly (-0.2%) from February, when retailers also posted flat sales (-0.1%). This follows strong sales gains of at least 1.2% in January and in each of the last three months of 2001. Previously, retailers suffered a 1.6% sales drop in September after reporting flat sales since April 2001.

Strong first quarter for retail sales despite no growth since January



Drug (+0.8%) and furniture (+0.7%) were the only retail sectors posting sales advances in March. Sales in the remaining sectors declined slightly or remained essentially unchanged, except for clothing stores, which posted a sizeable decline (-1.7%). Retail sales were up in the Maritime provinces in March, while remaining flat in Central Canada and declining in most of the western provinces.

Despite the lack of sales growth in March and February, retailers managed to post a healthy 2.6% gain in the first quarter of 2002 compared with the fourth quarter of 2001. Retail sales in the first quarter were 6.6% above those of the first quarter of 2001.

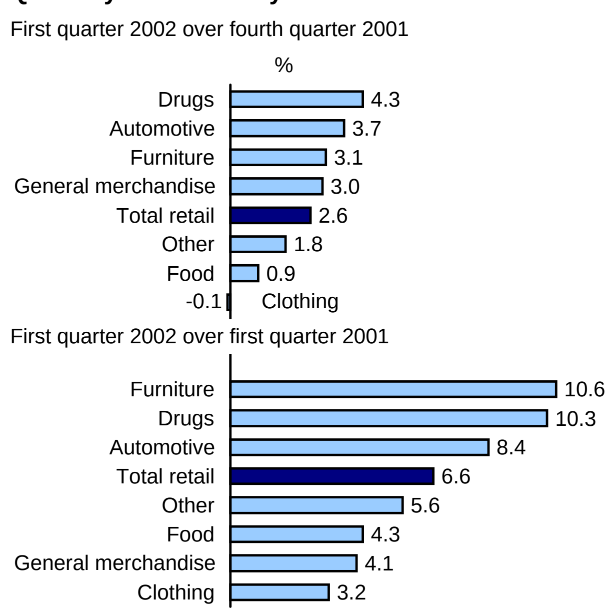
Constant dollar retail sales fell 0.7% in March but advanced 2.4% in the first quarter compared with the fourth quarter of 2001. The most significant price increase in March was observed in gasoline, up 9.2% from February. This was the largest monthly gain in gasoline prices since June 1983.

> ***Note to readers***
>
> *Estimates from the Monthly Retail Trade Survey are classified according to the 1980 Standard Industrial Classification. Revised seasonally adjusted estimates in current and constant dollars are presented this month only for January and February 2002 instead of the usual three-month period. This was necessary in order to keep the sum of unadjusted monthly estimates for 2001 equal to the sum of seasonally adjusted monthly estimates.*

Drug stores led first quarter sales increase

Consumers increased spending in drug stores during the first quarter, pushing sales up 4.3% from the fourth quarter of 2001. This was the strongest quarterly gain in drug store sales in nine years and follows a year of exceptionally strong sales in 2001. Drug store sales in the first quarter were 10.3% higher than the same quarter in 2001. Several factors may explain the general strength seen in drug store sales. Among the more prominent are the introduction of new higher priced pharmaceuticals and increased per capita consumption. Prescription and over-the-counter drugs, as well as vitamins and herbal remedies, account for about two-thirds of all sales in drug stores.

Quarterly retail sales by sector



Even with lower sales in March and February, motor and recreational vehicle dealers reported a 4.0% sales increase in the first quarter from the fourth quarter of 2001, when sales advanced 7.3%. Aggressive incentives, such as zero-percent financing programs introduced in the fall of 2001, led to these strong quarterly results. Overall, sales in the automotive sector advanced 3.7% in the first quarter from the fourth quarter of 2001. Consumers spent 8.4% more in the automotive sector during the first quarter than in the same quarter a year earlier.

Sales in furniture stores bounced back in March (+0.7%) after falling 1.6% in February. In spite of slower growth in the first three months, sales in furniture stores remained 3.1% higher than in the previous quarter and 10.6% above the same quarter of 2001. Housing starts, which provide stimulus for furniture store sales, advanced 6.8% in 2001. Furniture stores generate about 40% of their total sales from household appliances and furniture, and approximately 30% from sales of home electronics and computers.

Consumer spending in the general merchandise sector fell slightly in March and February. However, sales in the first quarter remained 3.0% above total purchases made in the fourth quarter of 2001. Sales in the general merchandise sector were 4.1% higher in the first quarter compared with the same quarter of 2001. New department store openings were partly behind the year-over-year quarterly gain in the sector. Sales by department stores advanced 7.8% in the first quarter compared with the same period in 2001.

Clothing stores were left behind in the first quarter. Sales in clothing stores remained flat (-0.1%), after advancing 3.8% in the fourth quarter of 2001. Due to sizeable discounts in January, prices of clothing and footwear fell 0.5% in the first quarter from the previous quarter. Clothing stores posted the weakest year-over-year sales gain (+3.2%) of all retail sectors in the first quarter.

Strong quarter in most provinces

Retail sales advanced by at least 2.0% in most provinces for a second consecutive quarter. With the exception of Nova Scotia (+3.6%) and Newfoundland and Labrador (+0.5%), all provinces posted retail sales advances between 2.0% and 3.0% in the first quarter.

Related indicators for April

Total employment continued to increase in April (+0.2%) after a 0.6% jump in March. New job creation in April came from full-time employment. Preliminary results from the auto industry indicate a rise in the number of new motor vehicles sold in April, offsetting part of the 3.8% decline observed in March. The number of housing starts in April dropped 11.3% from March but remained 14.9% higher than in the same month in 2001.

Available on CANSIM: tables 080-0001 to 080-0005.

The March 2002 issue of *Retail trade* (63-005-XIB, $16/$155) will be available shortly. See *How to order products*.

Retail sales estimates for April will be released on June 20.

To order data, or for general information, contact Client Services (1-877-421-3067; 613-951-3549; *retailinfo@statcan.ca*). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Paul Gratton (613-951-3541; *paul.gratton@statcan.ca*), Distributive Trades Division. □

Retail sales

	March 2001[r]	December 2001[r]	January 2002[r]	February 2002[r]	March 2002[p]	February to March 2002	March 2001 to March 2002
	Seasonally adjusted						
	$ millions					% change	
Food	**5,244**	**5,413**	**5,405**	**5,447**	**5,436**	**-0.2**	**3.7**
Supermarkets and grocery stores	4,855	4,999	4,987	5,027	5,016	-0.2	3.3
All other food stores	389	414	418	420	419	-0.2	7.9
Drug and patent medicine stores	**1,179**	**1,249**	**1,281**	**1,287**	**1,297**	**0.8**	**10.1**
Clothing	**1,311**	**1,367**	**1,351**	**1,360**	**1,338**	**-1.7**	**2.1**
Shoe stores	143	159	153	151	145	-4.3	1.4
Men’s clothing stores	120	116	121	117	116	-0.2	-3.0
Women’s clothing stores	403	400	393	402	398	-0.8	-1.1
Other clothing stores	645	693	685	691	678	-1.8	5.2
Furniture	**1,355**	**1,488**	**1,489**	**1,465**	**1,475**	**0.7**	**8.8**
Household furniture and appliance stores	1,104	1,210	1,195	1,183	1,190	0.6	7.8
Household furnishings stores	251	278	294	283	285	0.8	13.5
Automotive	**9,409**	**10,017**	**10,251**	**10,188**	**10,168**	**-0.2**	**8.1**
Motor and recreational vehicle dealers	6,128	7,001	7,099	7,024	6,944	-1.1	13.3
Gasoline service stations	1,928	1,620	1,734	1,737	1,834	5.6	-4.9
Automotive parts, accessories and services	1,352	1,396	1,419	1,427	1,390	-2.6	2.8
General merchandise stores	**2,688**	**2,737**	**2,795**	**2,793**	**2,782**	**-0.4**	**3.5**
Retail stores not elsewhere classified	**2,549**	**2,673**	**2,682**	**2,697**	**2,696**	**0.0**	**5.8**
Other semi-durable goods stores	737	793	774	780	783	0.5	6.3
Other durable goods stores	645	648	649	651	656	0.8	1.7
All other retail stores not elsewhere classified	1,168	1,232	1,259	1,267	1,257	-0.7	7.7
Total, retail sales	**23,735**	**24,946**	**25,255**	**25,239**	**25,193**	**-0.2**	**6.1**
Total excluding motor and recreational vehicle dealers	**17,606**	**17,945**	**18,156**	**18,214**	**18,249**	**0.2**	**3.7**
Provinces and territories							
Newfoundland and Labrador	409	414	423	427	417	-2.4	2.1
Prince Edward Island	106	108	111	110	111	0.9	5.0
Nova Scotia	716	744	766	764	779	1.9	8.7
New Brunswick	584	603	616	609	625	2.6	7.0
Quebec	5,434	5,711	5,651	5,769	5,776	0.1	6.3
Ontario	8,971	9,426	9,640	9,460	9,462	0.0	5.5
Manitoba	808	847	869	879	866	-1.5	7.2
Saskatchewan	688	724	734	728	734	0.8	6.7
Alberta	2,823	3,008	3,079	3,082	3,034	-1.6	7.5
British Columbia	3,115	3,273	3,273	3,317	3,300	-0.5	5.9
Yukon	28	34	37	34	33	-2.7	16.2
Northwest Territories	36	38	40	43	40	-8.0	9.8
Nunavut	16	16	16	16	17	5.0	5.1

[r] *Revised figures.*
[p] *Preliminary figures.*

Retail sales

	March 2001[r]	February 2002[r]	March 2002[p]	March 2001 to March 2002
	Unadjusted			
	$ millions			% change
Food	**5,335**	**4,834**	**5,504**	**3.2**
Supermarkets and grocery stores	4,966	4,468	5,084	2.4
All other food stores	369	366	421	14.0
Drug and patent medicine stores	**1,153**	**1,183**	**1,258**	**9.2**
Clothing	**1,126**	**894**	**1,132**	**0.5**
Shoe stores	115	90	112	-2.8
Men’s clothing stores	95	72	89	-6.9
Women’s clothing stores	350	273	345	-1.4
Other clothing stores	566	459	586	3.7
Furniture	**1,255**	**1,138**	**1,336**	**6.4**
Household furniture and appliance stores	1,024	918	1,080	5.5
Household furnishings stores	232	220	256	10.5
Automotive	**9,470**	**7,982**	**9,675**	**2.2**
Motor and recreational vehicle dealers	6,446	5,427	6,720	4.2
Gasoline service stations	1,823	1,488	1,779	-2.4
Automotive parts, accessories and services	1,201	1,067	1,177	-2.0
General merchandise stores	**2,362**	**2,033**	**2,442**	**3.4**
Retail stores not elsewhere classified	**2,170**	**1,998**	**2,286**	**5.4**
Other semi-durable goods stores	578	533	606	4.8
Other durable goods stores	529	484	538	1.6
All other retail stores not elsewhere classified	1,062	981	1,143	7.6
Total, retail sales	**22,871**	**20,063**	**23,635**	**3.3**
Total excluding motor and recreational vehicle dealers	**16,425**	**14,636**	**16,915**	**3.0**
Provinces and territories				
Newfoundland and Labrador	402	321	390	-3.1
Prince Edward Island	92	80	95	2.7
Nova Scotia	680	604	726	6.8
New Brunswick	550	467	569	3.5
Quebec	5,282	4,504	5,468	3.5
Ontario	8,541	7,484	8,756	2.5
Manitoba	794	717	831	4.7
Saskatchewan	651	581	675	3.7
Alberta	2,737	2,459	2,874	5.0
British Columbia	3,059	2,770	3,162	3.4
Yukon	26	25	29	11.3
Northwest Territories	40	38	43	8.3
Nunavut	16	13	17	5.1

r *Revised figures.*
p *Preliminary figures.*

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NEW PRODUCTS

Livestock statistics, first quarter 2002
Catalogue number 23-603-XIE ($34/$112).

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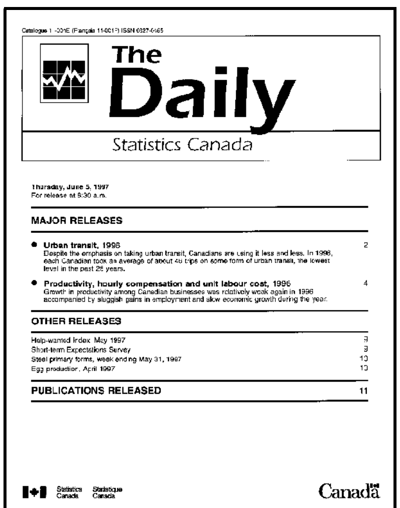
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MAJOR RELEASES

- **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 45 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 relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

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PUBLICATIONS RELEASED — 11

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