



The Daily

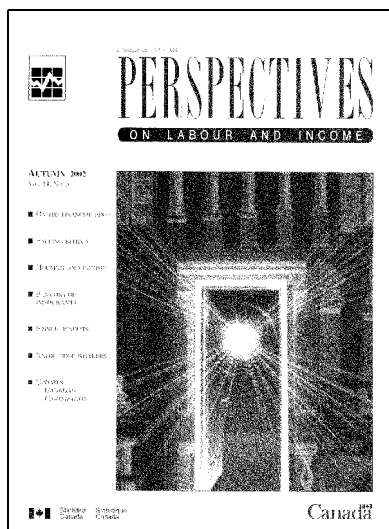
Statistics Canada

Friday, September 20, 2002
Released at 8:30 am Eastern time

MAJOR RELEASES

- **Consumer Price Index, August 2002** 3
In August, consumers had to pay 2.6% more than they did in August 2001 for the goods and services included in the Consumer Price Index.
- **Wholesale trade, July 2002** 6
Wholesale sales rose 0.7% in July. However, not all provinces benefited.

(continued on page 2)



Perspectives on labour and income Autumn 2002

The Autumn 2002 edition of *Perspectives on labour and income*, released today, contains six articles. "Families on the financial edge" shows that families with both low income and little or no financial wealth are particularly vulnerable in the face of income interruptions or unexpected expenses. "Falling behind" looks at people who have trouble keeping up with their payments. In "Housing: an income issue" the focus is on how Canadians were housed in 2000. "Pensions: Immigrants and visible minorities" compares the registered pension plan coverage of these two groups with that of other Canadians.

"Unionization and fringe benefits" looks at insurance and pension plan coverage among unionized and non-unionized workers. Perceptions associated with employees in high-tech workplaces, including the notion that they work long hours and are well paid, are explored in "Better jobs in the new economy?" Completing the issue are updates on gambling and unionization. All of these articles have appeared during the previous three months in the *Perspectives* online edition.

The autumn 2002 issue of *Perspectives on labour and income*, Vol. 14, no. 3 (75-001-XPE, \$18/\$58) 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.

OTHER RELEASES

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MAJOR RELEASES

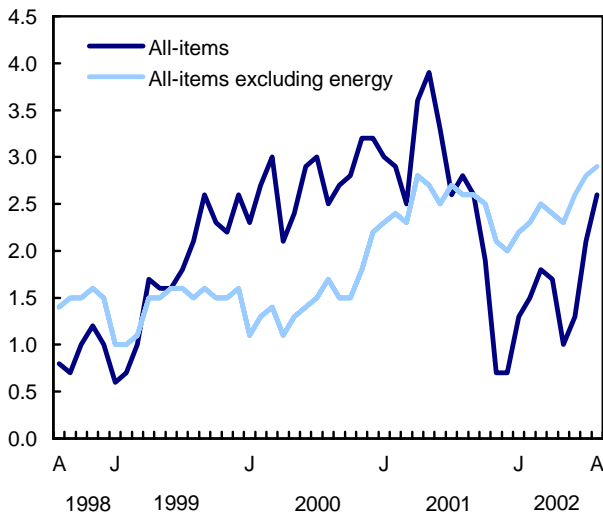
Consumer Price Index

August 2002

Consumers paid 2.6% more in August than they did in August 2001 for the goods and services included in the Consumer Price Index (CPI). This increase followed a 2.1% rise in July from July 2001. Energy accounted for a large part of the gap between these 12-month rates of increase.

Percentage change from the same month of the previous year

% change



The energy sector did not temper the All-items index as it did in recent months. In August, energy prices were at the same level as in August 2001; they had dropped 3.1% from July 2001 to July 2002. Although the price movements for the components of energy were individually important in August, they offset each other as a whole.

The 12-month change in the CPI excluding energy reached 2.9% in August, having accelerated slowly from 2.2% in January.

Cigarette prices, which climbed 40.2% from August 2001, exerted the strongest upward pressure on the All-items CPI. This rise can be attributed largely to increases in provincial and federal taxes in November 2001 and to more recent increases in the spring of 2002.

In addition to cigarette prices, automotive vehicle insurance premiums (+15.5%), electricity prices (+13.0%) and gasoline prices (+6.1%) all played an important role in the All-items' increase. The rise in electricity prices, however, stemmed almost entirely from the 32.7% leap in prices in Ontario from August 2001.

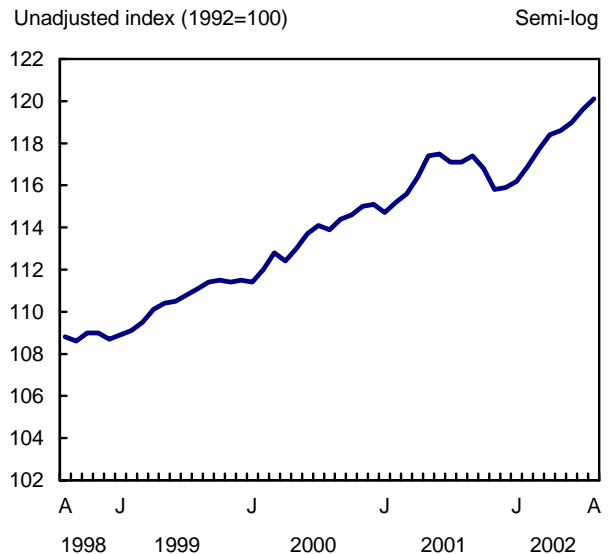
The price of food purchased from restaurants and rent also exerted upward pressure on the All-items CPI, but to a much lesser degree.

The sharp drop in natural gas prices (-32.0%) had the strongest moderating effect on the CPI's 12-month increase. The decrease in the cost of mortgage interest, as well as declining prices for traveller accommodation, also helped to moderate the CPI's increase.

CPI continues to show monthly advance

From July to August, the CPI increased 0.4%, which was similar to the rate recorded from June to July (+0.5%). August's increase was attributable mainly to the rise in prices for electricity and gasoline, as well as to higher automotive vehicle insurance premiums, whereas fresh vegetable prices helped to keep it down.

The Consumer Price Index



The 6.8% rise in the electricity index was the largest monthly increase since January 1991. It was entirely attributable to the 18.3% rise in Ontario prices, which

reflects the fact that electricity is now sold on an open market in this province and that record heat pushed demand up in August.

A widespread increase in prices across Canada pushed the gasoline index up 2.5% in August from July. The price increases ranged from 0.1% in Whitehorse to 4.7% in Prince Edward Island.

Automotive vehicle insurance premiums went up 2.6%, mainly under the influence of price hikes in Quebec, Alberta and Ontario.

Fresh vegetable prices dropped in August (-13.8%), the result of increased supply. Summertime and the local availability of these products explained these price drops. Even so, these prices were 5.7% higher than in August 2001.

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

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

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

The August 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 September Consumer Price Index will be released on October 23.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Louise Chaîné (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)

	August 2002	July 2002	August 2001	July to August 2002	August 2001 to August 2002
Unadjusted					
	% change				
All-items	120.1	119.6	117.1	0.4	2.6
Food	120.2	120.9	117.7	-0.6	2.1
Shelter	114.2	113.2	113.7	0.9	0.4
Household operations and furnishings	114.3	114.2	112.5	0.1	1.6
Clothing and footwear	105.0	105.0	106.6	0.0	-1.5
Transportation	137.0	135.4	130.9	1.2	4.7
Health and personal care	115.6	115.4	114.2	0.2	1.2
Recreation, education and reading	128.5	128.4	126.2	0.1	1.8
Alcoholic beverages and tobacco products	129.8	129.5	106.4	0.2	22.0
All-items (1986=100)	153.8		.		
Purchasing power of the consumer dollar expressed in cents, compared with 1992	83.3	83.6	85.4		
Special aggregates					
Goods	116.8	116.3	114.3	0.4	2.2
Services	123.9	123.5	120.4	0.3	2.9
All-items excluding food and energy	118.5	118.2	115.1	0.3	3.0
Energy	133.4	129.0	133.4	3.4	0.0
All-items excluding the eight most volatile components ¹	121.0	120.4	118.0	0.5	2.5

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 and Yellowknife
(1992=100)

	August 2002	July 2002	August 2001	July to August 2002	August 2001 to August 2002
Unadjusted					
	% change				
Newfoundland and Labrador	117.8	117.9	115.0	-0.1	2.4
Prince Edward Island	118.8	118.6	115.2	0.2	3.1
Nova Scotia	120.7	120.8	116.5	-0.1	3.6
New Brunswick	119.9	119.6	115.1	0.3	4.2
Quebec	116.3	116.2	113.8	0.1	2.2
Ontario	121.7	120.8	118.3	0.7	2.9
Manitoba	124.1	123.8	121.9	0.2	1.8
Saskatchewan	124.4	124.2	121.2	0.2	2.6
Alberta	124.3	124.1	121.5	0.2	2.3
British Columbia	118.7	118.5	116.1	0.2	2.2
Whitehorse	118.9	119.0	117.9	-0.1	0.8
Yellowknife	117.4	117.3	113.8	0.1	3.2

Wholesale trade

July 2002

Wholesale sales increased 0.7% in July. During the month, wholesalers sold \$34.8 billion worth of goods and services. Since November 2001, wholesale sales have generally followed an upward trend, after a relatively flat sales period from the spring of 2000 to October 2001.

Eight of the 11 sectors recorded an increase in July; the strongest, in terms of value, were in the computer and software sector (+5.7%) and the automotive sector (+1.6%). Noticeable gains were also recorded in apparel and dry goods (+1.7%) and in metals, hardware, plumbing and heating equipment and supplies (+1.3%).

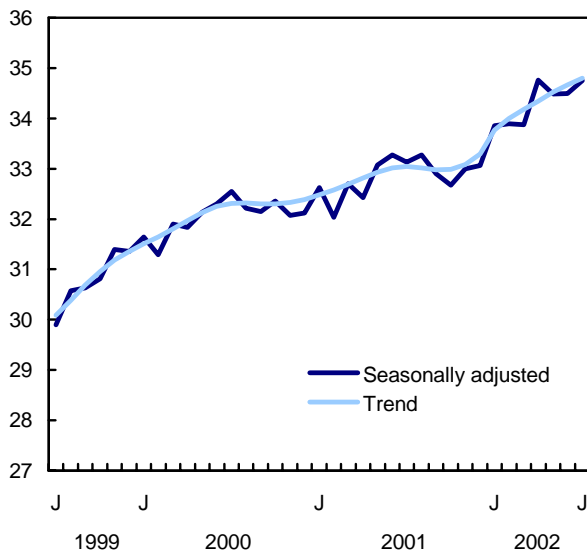
July's advance was partly offset by drops in wholesale sales of industrial machinery (-0.9%), farm machinery (-3.6%) and beverage, drug and tobacco products (-0.4%).

In constant dollars, wholesale sales increased 1.6% in July.

Wholesale sales were up 4.9% from July 2001, compared with a 2.2% rise in the United States over the same period. Since the events of September 2001, Canadian wholesale sales increased 5.6%; US sales grew 2.4%.

Wholesale sales continue to climb

\$ billions



Computer and electronic equipment sales up

Computer and electronic equipment sales jumped 5.7% in July, only partly offsetting the 6.2%

Note to reader:

Estimates from the Monthly Wholesale Trade Survey are classified according to the 1980 Standard Industrial Classification (SIC).

Direct comparisons between wholesale trade in Canada and the United States should be undertaken with care. Canadian monthly wholesale sales estimates exclude wholesalers of oilseeds and grain, as well as petroleum products. This is not the case in the United States.

In addition, unlike the estimates generated in Canada, the estimates from the monthly wholesale trade in the United States are classified according to the North American Industry Classification System (NAICS). Under NAICS, some wholesale trade establishments in a number of SIC industries have been re-classified to other industries. For example, computer equipment wholesalers and office supply stores are now classified in retail trade if they sell primarily through storefront locations similar to other retail establishments. They remain in wholesale trade under SIC.

drop in June. Since October 2001, this sector has been generally on the rise, but sales remained well below levels observed in the fourth quarter of 2000. After the increase in 2000, wholesale sales of electronic equipment weakened from January to September 2001.

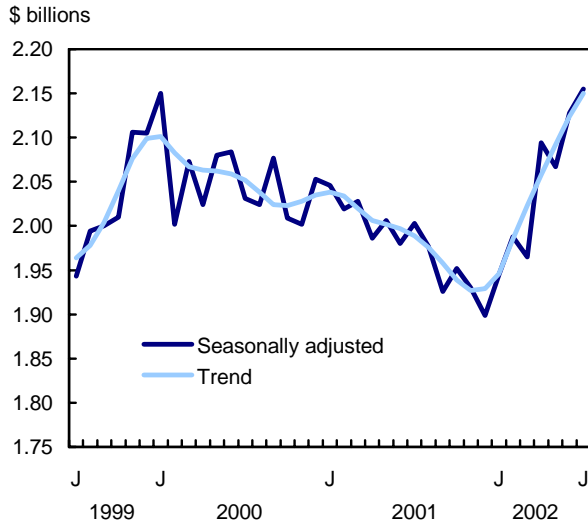
Wholesale sales of motor vehicles and automotive parts also rose in July (+1.6%). After generally declining during the last half of 2000, wholesale sales regained some vitality in early 2001. This was followed by a slowdown in the summer and early fall, but wholesale sales of automotive products have since picked up, thanks to low interest rates and other manufacturers' incentives.

Housing market continues to stimulate wholesale sales

The performance of the housing sector, specifically reflected in healthy housing starts, resales and renovations, continued to stimulate wholesale sales. Wholesale sectors with strong ties to the housing market all saw an increase in July. The lumber and building materials sector and the household goods sector both grew 0.9%, and the metals, hardware, plumbing and heating equipment and supplies sector rose 1.3%. These three sectors have generally shown very strong growth since the fourth quarter of 2001.

The metals, hardware, plumbing and heating equipment and supplies sector seems to be the sector that has profited the most from the boom in housing and renovation, after a strong downward trend from December 1999 to October 2001.

Wholesale sales of metals, hardware, plumbing and heating equipment and supplies continue to show strong growth



Demand for farm and industrial machinery declines

Wholesale sales of farm machinery dropped 3.6% in July but remained 2.8% higher than in July 2001. After showing strong growth in early 2002, sales in this sector stayed relatively stable. For several years, however, this sector has seen considerable volatility in monthly sales.

Wholesalers specializing in industrial and other machinery, equipment and supplies recorded a 0.9% drop. Despite the good performance of the Canadian economy since October 2001, this sector continues to show a downward trend that began early in 2001.

Half the provinces contribute to the increase in wholesale sales

The increase in wholesale sales was felt in only five of the provinces. The most noteworthy gains were in Nova Scotia (+2.5%) and Newfoundland and Labrador (+2.1%). Good results in the wholesale sales of food products and motor vehicles, parts and accessories partly accounted for the increases in these provinces.

Although Ontario accounted for approximately 76% of all wholesale sales in automotive products, it contributed only one-quarter of the increase in this sector. It was mainly the other provinces that benefited from the rise in automotive products sales. The growth in wholesale sales in Ontario (+1.3%) was largely attributable to the lumber and building materials sector, as well as to the metals, hardware, plumbing and heating equipment and supplies sector, two sectors that depend on growth in the housing sector.

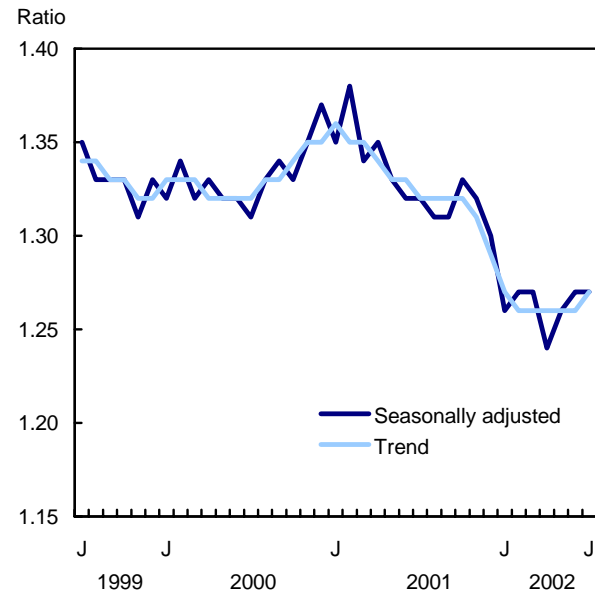
Strong drops were recorded in Saskatchewan (-3.8%) and New Brunswick (-2.4%). Saskatchewan's decline stemmed mainly from weak sales in farm machinery, whereas weak sales in food products contributed to the decline in New Brunswick.

Wholesalers continue to increase inventories

Wholesalers recorded a 1.0% increase in their inventories in July. Since the start of 2002 the trend has been generally upward, following a period in 2001 when wholesalers cut their inventories. With July's increase, wholesale inventories, in terms of value, returned to their January 2001 levels, a month in which wholesale inventories were at an all-time high.

The inventory-to-sales ratio, at 1.27, remained essentially unchanged from June. After reaching an all-time low in April (1.24), the ratio rebounded in recent months. Even so, the ratio continued to be well below the 1.33 average in 2001.

Inventory-to-sales ratio remains the same in July



Available on CANSIM: tables 081-0001 and 081-0002.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 2401.

The July 2002 issue of *Wholesale trade* (63-008-XIB, \$14/\$140) will be available soon. See *How to order products*.

Wholesale trade estimates for August will be released October 21.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; wholesaleinfo@statcan.ca). To enquire about concepts,

methods or data quality of this release, contact Jean Lebreux (613-951-4907; jean.lebreux@statcan.ca), Distributive Trades Division.

Wholesale merchants' sales and inventories

	July 2001	April 2002 ^r	May 2002 ^r	June 2002 ^r	July 2002 ^p	June to July 2002	July 2001 to July 2002
Seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	33,131	34,762	34,480	34,491	34,749	0.7	4.9
Food products	5,391	5,368	5,510	5,575	5,581	0.1	3.5
Beverage, drug and tobacco products	2,771	2,998	2,972	3,000	2,987	-0.4	7.8
Apparel and dry goods	615	610	619	614	625	1.7	1.6
Household goods	864	968	991	993	1,002	0.9	16.0
Motor vehicles, parts and accessories	6,148	6,838	6,826	6,711	6,815	1.6	10.9
Metals, hardware, plumbing and heating equipment and supplies	2,003	2,094	2,067	2,128	2,155	1.3	7.6
Lumber and building materials	2,426	2,691	2,659	2,753	2,778	0.9	14.5
Farm machinery, equipment and supplies	663	766	728	707	682	-3.6	2.8
Industrial and other machinery, equipment and supplies	4,955	4,978	4,795	4,825	4,782	-0.9	-3.5
Computers, packaged software and other electronic machinery	2,643	2,842	2,787	2,614	2,762	5.7	4.5
Other products	4,653	4,611	4,527	4,571	4,580	0.2	-1.6
Sales by province and territory							
Newfoundland and Labrador	217	227	219	228	233	2.1	7.3
Prince Edward Island	57	54	53	54	54	-1.1	-6.7
Nova Scotia	599	601	604	604	619	2.5	3.3
New Brunswick	458	433	438	447	437	-2.4	-4.6
Quebec	6,631	7,041	7,054	7,135	7,212	1.1	8.8
Ontario	16,433	17,606	17,330	17,158	17,379	1.3	5.8
Manitoba	957	1,007	1,007	1,046	1,042	-0.3	8.9
Saskatchewan	1,098	1,009	996	1,036	996	-3.8	-9.2
Alberta	3,509	3,452	3,445	3,454	3,468	0.4	-1.2
British Columbia	3,144	3,305	3,307	3,294	3,274	-0.6	4.1
Yukon	10	10	10	10	10	-1.8	-3.2
Northwest Territories	16	15	16	22	23	5.6	47.4
Nunavut	2	2	2	2	2	-7.5	16.0
Inventories, all trade groups	43,777	43,230	43,461	43,719	44,166	1.0	0.9
Food products	3,231	3,282	3,314	3,306	3,332	0.8	3.1
Beverage, drug and tobacco products	2,879	3,243	3,317	3,332	3,305	-0.8	14.8
Apparel and dry goods	1,242	1,243	1,244	1,238	1,229	-0.7	-1.0
Household goods	1,609	1,606	1,600	1,612	1,662	3.1	3.3
Motor vehicles, parts and accessories	6,530	6,264	6,362	6,393	6,481	1.4	-0.8
Metals, hardware, plumbing and heating equipment and supplies	3,660	3,607	3,661	3,781	3,837	1.5	4.9
Lumber and building materials	4,097	4,205	4,193	4,230	4,278	1.1	4.4
Farm machinery, equipment and supplies	1,875	1,925	1,890	1,922	1,915	-0.4	2.1
Industrial and other machinery, equipment and supplies	10,923	10,171	10,157	10,209	10,272	0.6	-6.0
Computers, packaged software and other electronic machinery	1,871	1,968	1,974	1,981	2,056	3.8	9.9
Other products	5,860	5,716	5,749	5,716	5,798	1.4	-1.1

^r Revised figures.

^p Preliminary figures.

OTHER RELEASES

Refined petroleum products

July 2002 (preliminary)

Data on the production, inventories and domestic sales of refined petroleum products are now available for July. Other selected data about these products are also available.

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 Gerry Desjardins (613-951-4368; desjger@statcan.ca) or Randall Sheldrick (613-951-4804; shelran@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Infomat — a weekly review, September 20, 2002
Catalogue number **11-002-XIE** (\$3/\$109).

Infomat — a weekly review, September 20, 2002
Catalogue number **11-002-XPE** (\$4/\$145).

Agriculture and rural working paper series:
Performance in the food retailing segment of the agri-food chain, 1990–1998
Catalogue number **21-601-MIE2002056**
(free).

Perspectives on labour and income, Autumn 2002,
Vol. 14, no. 3
Catalogue number **75-001-XPE** (\$18/\$58).

Block digital boundary file, 2001
Catalogue number **92F0177XCE**
(various prices).

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 -XCB are electronic versions on compact disc.

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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 modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr. 1997** 12

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RELEASE DATES: SEPTEMBER 23 TO 27

(Release dates are subject to change.)

Release date	Title	Reference period
23	Retail trade	July 2002
24	Canada's international transactions in securities	July 2002
24	Employment insurance	July 2002
24	Life after welfare: The economic well-being of welfare leavers during the 1990s	1992–1997
25	Composite Index	August 2002
25	Employment, earnings and hours	July 2002
25	Homicide in Canada	2001
26	Neighbourhood income and mortality	1971–1996
27	Industrial product price and raw materials price indexes	August 2002
27	National tourism indicators	Second quarter 2002
