



The Daily

Statistics Canada

Thursday, January 22, 2004

Released at 8:30 a.m. Eastern time

MAJOR RELEASES

● Consumer Price Index, December 2003

3

Consumers paid 2.0% more in December for the goods and services included in the Consumer Price Index basket than they did in December 2002. In November, the 12-month advance was 1.6%. Most of the increase in the 12-month change was due to a refund given to many Ontario electricity consumers in December 2002, causing the average bill in December 2003 to be significantly higher than the December 2002 bill.

(continued on page 2)



Canadian economic observer

January 2004

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 titled "Research and development in the service sector." 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 2004 issue of *Canadian Economic Observer*, Volume 17, no. 1 (11-010-XIB, \$19/\$182; 11-010-XPB, \$25/\$243) is now available. See *How to order products*. As a way to encourage you to try the new electronic version, we are offering free access to the electronic version of the August issue of *Canadian Economic Observer*. This will give you a risk-free opportunity to try out the electronic version. We would also encourage you to send us your feedback on this new medium of delivery by filling the Readership Survey.

Visit the *Canadian Economic Observer's* page on our website. From the *Canadian statistics* page, choose *Economic conditions*, and on that page see the banner ad for *Canadian economic observer*. For more information, contact Francine Roy (613-951-3627; ceo@statcan.ca), Current Economic Analysis Group.



Statistics
Canada

Statistique
Canada

Canada

OTHER RELEASES

Deliveries of major grains, December 2003	7
Stocks of frozen poultry meat, as of January 1, 2004	7
Cereals and oilseeds review, November 2003	7

NEW PRODUCTS

MAJOR RELEASES

Consumer Price Index

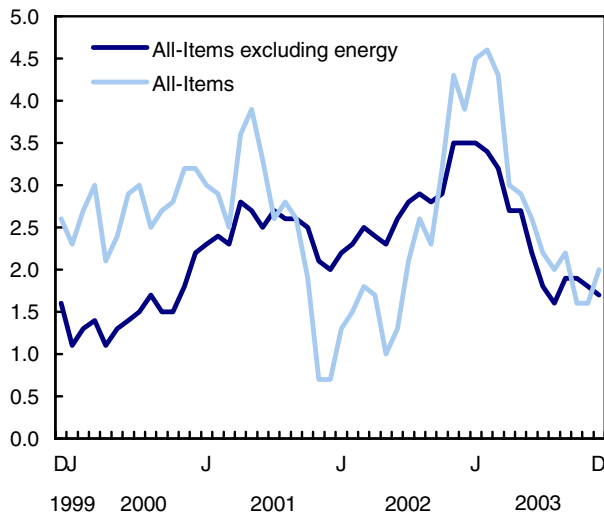
December 2003

Consumers paid 2.0% more in December for the goods and services included in the Consumer Price Index (CPI) basket than they did in December 2002. In November, the 12-month advance was 1.6%. Most of the increase in the 12-month change was due to a refund given to many Ontario electricity consumers in December 2002, causing the average bill in December 2003 to be significantly higher than the December 2002 bill.

The CPI excluding energy, which excludes the impact of the electricity refund, rose 1.7% from December 2002 to December 2003. This is very similar to the 12-month advance of 1.8% observed in November.

Percentage change from the same month of the previous year

% change



The all-items index excluding the eight most volatile components, as defined by the Bank of Canada, rose 2.2% from December 2002 to December 2003, compared with a 1.8% rise in November. This index was also influenced by the refund to electricity consumers in December 2002.

On a monthly basis, the CPI advanced 0.1%, after rising 0.2% in November.

Refund to electricity consumers main factor of 12-month increase in CPI

Significant factors contributing to the 2.0% 12-month increase in the CPI included electricity, automotive vehicle insurance premiums, natural gas, tuition fees, homeowners' replacement cost, cigarettes and homeowners' insurance premiums.

Lower prices for automotive vehicles and, to a lesser extent, weaker traveller accommodation and gasoline prices exerted some downward pressure on the 12-month increase in the CPI.

The electricity index jumped 18.9% from December 2002 to December 2003. This was mostly attributable to a refund of \$75 mailed to many Ontario consumers in December 2002. This refund lowered the average Ontario bill in December 2002 and made the December 2003 bill 84.8% higher in comparison.

Ontario government legislation set the price of electricity at 4.3¢ per kilowatt-hour starting on December 1, 2002 and made a provision for refunds of amounts paid in excess of the 4.3¢ since May 1, 2002.

The CPI excluding energy, which excludes the impact of the electricity refund, rose 1.7% from December 2002 to December 2003. This is very similar to the 12-month rise of 1.8% observed in November.

Automotive vehicle insurance premiums increased on average 8.4% from December 2002 to December 2003.

Natural gas prices jumped 20.6%, with most of the price advances occurring in the first half of the 12-month period. From December 2002 to December 2003, increases ranged from 4.0% in Alberta to 31.5% in Ontario.

Tuition fees rose 8.1%.

Homeowners' replacement cost, which represents the expenditures necessary to compensate for house depreciation and is estimated using new housing prices (excluding land), was up 6.0%.

Cigarette prices were 10.0% higher than in December 2002. This increase was primarily due to higher provincial tobacco taxes introduced throughout the year in most provinces.

Tobacco tax increases have sent cigarette prices skyrocketing by 78.0% since March 2001. In the 33-month period prior to that, cigarette prices rose only 9.0%.

Premiums for homeowners' insurance were up 11.5%.

Automotive vehicle prices were 2.3% lower than in December 2002.

Traveller accommodation prices fell 10.1% since December 2002. Prices in this industry have been

trending down for two and a half years, as the 12-month comparison has been negative since June 2001.

From December 2002 to December 2003, gasoline prices fell 2.1%. Price declines ranged from 0.4% in Manitoba to 8.4% in Alberta. Small increases were observed in British Columbia (+0.3%) and Quebec (+0.5%).

Small monthly increase in CPI

From November to December, the CPI increased 0.1%, following a 0.2% increase in the previous month. Significant factors contributing to the 0.1% increase included higher prices for fresh vegetables, cigarettes, air transportation, and electricity.

Downward pressure came from price decreases for automotive vehicles, traveller accommodation, as well as women's clothing.

Excluding the influence of energy prices, the CPI increased 0.1%.

Fresh vegetable prices rose 12.5% from November to December, following an 11.1% increase last month. Cold and wet weather in harvesting areas put upward pressure on prices for tomatoes, broccoli, cauliflower, celery and lettuce.

Cigarette prices climbed 3.3% in December. This rise was due mostly to higher taxes introduced in mid-November by the Ontario government, and in December by the governments of Quebec and British Columbia.

The electricity index went up 1.2% in December, the result of a 3.9% increase in Ontario's index. A refund to some electricity consumers in November made their December's average bill higher in comparison.

Air transportation prices increased on average 7.0%, reflecting the change from a low season rate category to a more expensive category for Pacific/Asia, transatlantic and southern routes.

Automotive vehicle prices fell 0.7%, after going up 4.0% in November, when 2004 models were introduced in the CPI. Manufacturer rebates and discounts were offered by dealers on some models.

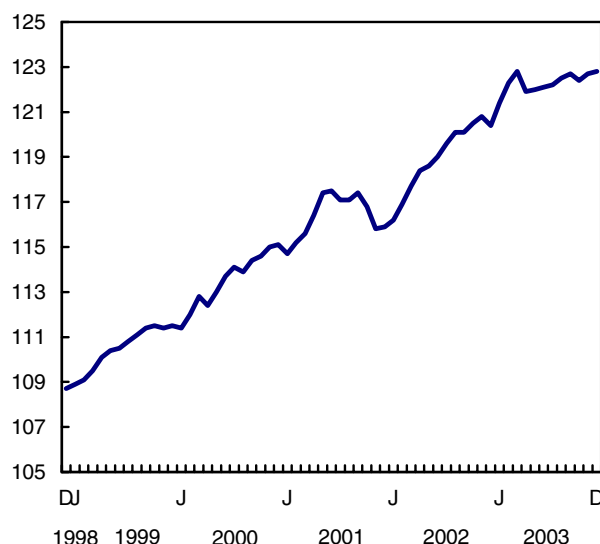
Traveller accommodation prices dropped for the fourth consecutive month, decreasing 5.2% in December. This is typical following the end of the peak tourist season, as prices usually fall about 25% in the last four months of the calendar year.

Clothing prices were 1.9% lower in December than in November. Pre-Christmas sale prices were widespread among women's, men's and also children's clothing.

The strongest decline was observed for women's clothing (-2.1%).

The Consumer Price Index

Unadjusted index (1992=100)



The seasonally adjusted CPI increased from November to December 2003

After seasonal adjustment, the CPI rose by 0.4% from November to December.

Higher seasonally adjusted indexes for shelter (+0.4%), alcoholic beverages and tobacco products (+1.9%), food (+0.3%), household operations and furnishings (+0.1), and clothing and footwear (+0.1%) contributed to the increase.

The indexes for transportation (-0.1%) and recreation, education and reading (-0.1%) exerted some downward pressure. The seasonally adjusted health and personal care index remained stable.

All-items excluding the eight most volatile components

The all-items index excluding the eight most volatile components, as defined by the Bank of Canada, rose 2.2% from December 2002 to December 2003. This follows a 12-month advance of 1.8% in November.

Most of the increase in the 12-month change from November to December is attributable to a refund given to many Ontario electricity consumers in December 2002.

Also contributing to the rise in December were higher automotive vehicle insurance premiums, tuition fees, as well as homeowners' replacement cost and insurance premiums.

Lower prices for automotive vehicles and traveller accommodation moderated the impact of these increases on the all-items CPI excluding the eight most volatile components.

From November to December, the all-items index excluding the eight most volatile components, as defined by the Bank of Canada, fell 0.2%. This marks the first decrease since June 2003.

Downward pressure came mostly from lower automotive vehicle prices, as well as from weaker prices for traveller accommodation, women's and men's clothing, and some cosmetics.

Higher prices for electricity and homeowners' replacement cost exerted some upward pressure on the index.

Energy

Energy prices were up 6.7% from December 2002 to December 2003. This follows 12-month decreases of 1.0% in October and 0.6% in November.

The rise in the electricity index (+18.9%), due mostly to the Ontario refund in December 2002, combined with stronger natural gas prices (+20.6%) were responsible for the increase. Falling gasoline (-2.1%) and fuel oil prices (-2.9%) partially offset these upward pressures.

From November to December, energy prices rose 0.6%, mostly as a result of price increases for

natural gas (+1.8%), electricity (+1.2%) and fuel oil (+3.3%). Gasoline prices decreased slightly (-0.5%).

Available on CANSIM: tables 326-0001, 326-0002 and 326-0016 to 326-0018.

Definitions, data sources and methods: survey number 2301.

More information about the concepts and use of the CPI is also available in the document *Your guide to the consumer price index* (www.statcan.ca/english/freepub/62-557-XIB/free.htm)

Available at 7 a.m. on our website. From the home page, choose *Today's news releases from The Daily*, then *Latest Consumer Price Index*.

The December 2003 issue of the Consumer Price Index (62-001-XIB, \$9/\$83; 62-001-XPB, \$12/\$111) is now available. See *How to order products*.

The January 2004 Consumer Price Index will be released on February 20, 2004.

For more information, or to enquire about the concepts, methods or data quality of this release, call Rebecca McDougall (1-866-230-2248; 613-951-9606; fax: 613-951-1539; Prices Division, or Ron Morency (613-951-3103).

□

Consumer Price Index and major components (1992=100)

	December 2003	November 2003	December 2002	November to December 2003	December 2002 to December 2003
unadjusted					
	% change				
All-items	122.8	122.7	120.4	0.1	2.0
Food	123.4	122.3	121.2	0.9	1.8
Shelter	118.8	118.3	114.0	0.4	4.2
Household operations and furnishings	114.9	114.9	114.0	0.0	0.8
Clothing and footwear	102.5	104.2	102.3	-1.6	0.2
Transportation	140.8	140.9	140.1	-0.1	0.5
Health and personal care	117.6	118.0	116.1	-0.3	1.3
Recreation, education and reading	126.5	127.5	126.0	-0.8	0.4
Alcoholic beverages and tobacco products	140.1	137.6	131.6	1.8	6.5
All-items (1986=100)	157.3				
Purchasing power of the consumer dollar expressed in cents, compared to 1992	81.4	81.5	83.1		
Special aggregates					
Goods	117.6	117.5	116.1	0.1	1.3
Services	128.6	128.4	125.2	0.2	2.7
All-items excluding food and energy	121.2	121.4	119.3	-0.2	1.6
Energy	136.2	135.4	127.6	0.6	6.7
All-items excluding the 8 most volatile components ¹	123.5	123.7	120.9	-0.2	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 website (www.bankofcanada.ca/inflation).

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

	December 2003	November 2003	December 2002	November to December 2003	December 2002 to December 2003
unadjusted					
	% change				
Newfoundland and Labrador	120.3	121.1	119.0	-0.7	1.1
Prince Edward Island	122.0	122.5	120.3	-0.4	1.4
Nova Scotia	123.5	123.8	121.7	-0.2	1.5
New Brunswick	122.0	122.2	121.4	-0.2	0.5
Québec	118.6	118.6	117.0	0.0	1.4
Ontario	124.2	123.9	120.6	0.2	3.0
Manitoba	125.6	125.3	124.6	0.2	0.8
Saskatchewan	127.0	127.1	125.4	-0.1	1.3
Alberta	129.9	130.0	128.3	-0.1	1.2
British Columbia	120.9	120.8	118.8	0.1	1.8
Whitehorse	118.9	118.8	119.4	0.1	-0.4
Yellowknife	118.2	118.1	118.1	0.1	0.1
Iqaluit (Dec. 2002=100)	100.5	100.7	100.0	-0.2	0.5

OTHER RELEASES

Deliveries of major grains

December 2003

Data on major grain deliveries are now available for December.

Available on CANSIM: table 001-0001.

Definitions, data sources and methods: survey numbers, including related surveys, 3403, 3404 and 3443.

The December 2003 issue of *Cereals and Oilseeds Review* (22-007-XIB, \$12/\$120; 22-007-XPB, \$17/\$160) will be available in February. See *How to order products*.

For general information, contact Client Services (1-800-465-1991; agriculture@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Agriculture Division. ■

Stocks of frozen poultry meat

As of January 1, 2004 (preliminary)

Stocks of frozen poultry meat in cold storage on January 1 totalled 46,886 metric tonnes, down 10.8% from January 1, 2003.

Available on CANSIM: tables 003-0023 and 003-0024.

Definitions, data sources and methods: survey number 3425.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandra Giefeldt (613-951-2505; sandy.giefeldt@statcan.ca), Agriculture Division. ■

Cereals and oilseeds review

November 2003

In December, Chicago corn and soybean futures gained from a weaker US dollar. Steady export demand and prospects for less competition from China in Asian markets raised corn futures' prices. Soybean futures' prices were also buoyed by the tight US fundamentals despite the United States Department of Agriculture holding soybean carryout stocks constant from November.

Winnipeg canola futures' prices were supported by spillover from Chicago soybean futures and steady domestic crush demand. However, sluggish export demand, prospects for a substantial increase in Australian canola production and active producer deliveries limited gains.

The data from the November issue of the *Cereals and Oilseeds Review* are now available. The information includes data on production, stocks, cash and futures prices, domestic processing, exports, farmers' deliveries, and supply-disposition analyses.

The December situation report, an overview of current market conditions, both domestic and international, is also included in the November issue of *Cereals and Oilseeds Review* (22-007-XIB, \$12/\$120; 22-007-XPB, \$17/\$160), which will be available soon. See *How to order products*.

For general information, contact Client Services (1-800-465-1991; agriculture@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Les Macartney (613-951-8714; les.macartney@statcan.ca), Agriculture Division. ■

NEW PRODUCTS

Canadian Economic Observer, January 2004, Vol. 17, no. 1

Catalogue number 11-010-XIB (\$19/\$182).

Canadian Economic Observer, January 2004, Vol. 17, no. 1

Catalogue number 11-010-XPB (\$25/\$243).

Monthly Survey of Manufacturing, November 2003, Vol. 57, no. 11

Catalogue number 31-001-XIE (\$17/\$158).

The Consumer Price Index, December 2003, Vol. 82, no. 12

Catalogue number 62-001-XIB (\$9/\$83).

The Consumer Price Index, December 2003, Vol. 82, no. 12

Catalogue number 62-001-XPB (\$12/\$111).

Imports by Commodity, November 2003, Vol. 60, no. 11

Catalogue number 65-007-XMB (\$40/\$387).

Imports by Commodity, November 2003, Vol. 60, no. 11

Catalogue number 65-007-XPB (\$84/\$828).

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 or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

How to order products

Order products by phone:

Please refer to the • Title • Catalogue number • Volume number • Issue number • Your VISA or MasterCard number.

In Canada and the United States call:

1-800-267-6677

From other countries call:

1-613-951-7277

To fax your order:

1-877-287-4369

Address changes or account inquiries:




1-800-700-1033

To order a product by mail write: Statistics Canada, Circulation Management, Dissemination Division, Ottawa, K1A 0T6.

Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 7% GST and applicable PST.

To order by Internet: write to infostats@statcan.ca or download an electronic version by accessing Statistics Canada's website (www.statcan.ca). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

Authorized agents and bookstores also carry Statistics Canada's catalogued publications.

Catalogue 11-001-XIE (F) English 11-001-XIE/001-0007-0-001	
 The Daily	
Statistics Canada	
Thursday, June 3, 1997 For release at 9:30 a.m.	
MAJOR RELEASES	
• Urban transit, 1996 Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.	2
• Productivity, hourly compensation and unit labour cost, 1996 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.	4
OTHER RELEASES	
Help-wanted index, May 1997	3
Short-term Expectations Survey	2
Steel primary forms, steel ending May 31, 1997	12
Egg production, Apr. 1997	13
PUBLICATIONS RELEASED	11
 	

Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to listproc@statcan.ca. Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2004. Citation in newspaper, magazine, radio, and television reporting is permitted subject to the requirement that Statistics Canada is acknowledged as the source. Any other reproduction is permitted subject to the requirement that Statistics Canada is acknowledged as the source on all copies as follows: Statistics Canada, *The Daily*, catalogue 11-001-XIE, along with date and page references.