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The Daily

Statistics Canada

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MAJOR RELEASES

(continued on page 2)

Canadian economic observer

February 2004

The February 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 January and presents two feature articles: "Flower power: The recent growth of floriculture" and "The labour market in 2003." 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 February 2004 issue of *Canadian Economic Observer*, Vol. 17, no. 2 (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 *Canadian Economic Observer*'s page online. 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.

OTHER RELEASES

NEW PRODUCTS

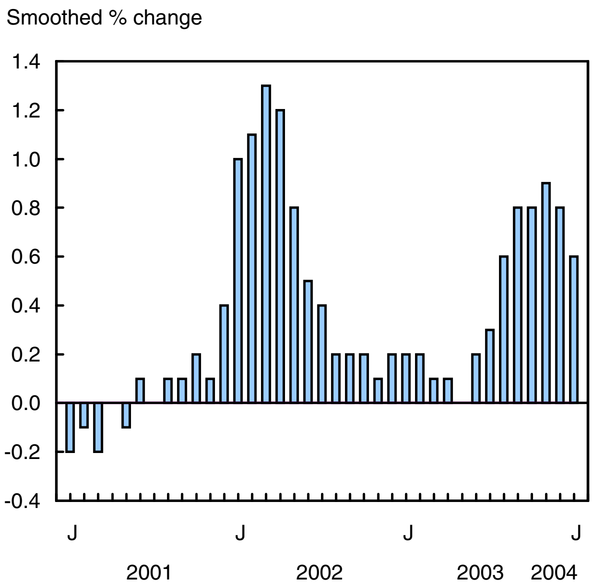
MAJOR RELEASES

Leading indicators

January 2004

The composite leading index rose 0.6% in January, on the heels of increases of about 0.8% over the previous four months. Manufacturing took the lead in growth, after struggling through most of last year. The turnaround in manufacturing was helped by the upturn in the US economy, which also was evident a further improvement in the leading indicator for the United States. Household demand slowed, partly because of unseasonably cold weather. Overall, 6 of the 10 components rose, one fewer than in December.

Composite index



There were several signs of an improvement in the manufacturing sector at the start of the year. Demand for investment and exports led a rapid upswing in the trend of new orders as well as the ratio of shipments to stocks of finished goods. Manufacturers extended their workweek for a third straight month, the longest such string since April 2000. The improved outlook for business continued to be reflected in the stock market, which rose further in January after a 25% gain in 2003.

The US leading indicator continued to grow, up 0.3%. Rising confidence continued to boost household demand.

Household demand in Canada continued to soften, with declines in the same two components as last month. The drop in the housing index accelerated to 2.5%, as housing starts tumbled as a result of the cold snap. Sales of durable goods fell for a second straight month, led by slower auto sales.

Available on CANSIM: table 377-0003.

Definitions, data sources and methods: survey number 1601.

A more detailed analysis of the components is available online. From the *Canadian statistics* page, choose *Economic conditions*, then click on the banner ad for *Canadian economic observer*. From that page, choose *Issues of CEO*, then *Composite Index*. For more information on the economy, consult the February 2004 issue of *Canadian economic observer*, Vol. 17, no. 2 (11-010-XIB, $19/$182; 11-010-XPB, $25/$243), now available. See *How to order products*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Francine Roy (613-951-3627; *ceo@statcan.ca*), Current Economic Analysis Group. ☐

Leading indicators

	August 2003	September 2003	October 2003	November 2003	December 2003	January 2004	Last month of data available
							% change
Composite leading indicator (1992=100)	182.8	184.3	185.8	187.4	188.9	190.1	0.6
Housing index (1992=100)[1]	134.3	138.5	143.0	143.2	141.0	137.5	-2.5
Business and personal services employment ('000)	2,619	2,620	2,626	2,628	2,634	2,635	0.0
S&P/TSX stock price index (1975=1,000)	7,039	7,206	7,389	7,564	7,757	7,959	2.6
Money supply, M1 ($ millions, 1992)[2]	115,996	117,519	117,458	117,371	117,073	116,756	-0.3
U.S. composite leading indicator (1992=100)[3]	110.7	111.3	111.9	112.3	112.8	113.1	0.3
Manufacturing							
Average workweek (hours)	38.9	38.8	38.8	38.9	39.0	39.1	0.3
New orders, durables ($ millions, 1992)[4]	19,965	19,980	19,671	20,061	20,169	20,278	0.5
Shipments/inventories of finished goods[4]	1.69	1.67	1.67	1.69	1.71	1.73	0.02[5]
Retail trade							
Furniture and appliance sales ($ millions, 1992)[4]	1,876	1,895	1,919	1,939	1,949	1,960	0.6
Other durable goods sales ($ millions, 1992)[4]	7,732	7,750	7,780	7,795	7,770	7,723	-0.6
Unsmoothed composite leading indicator	185.7	188.2	188.4	190.5	191.7	191.5	-0.1

1 *Composite index of housing starts (units) and house sales (multiple listing service).*
2 *Deflated by the Consumer Price Index for all items.*
3 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the month immediately preceding.*
4 *The figures in this row reflect data published in the month indicated, but the figures themselves refer to data for the second preceding month.*
5 *Difference from previous month.*

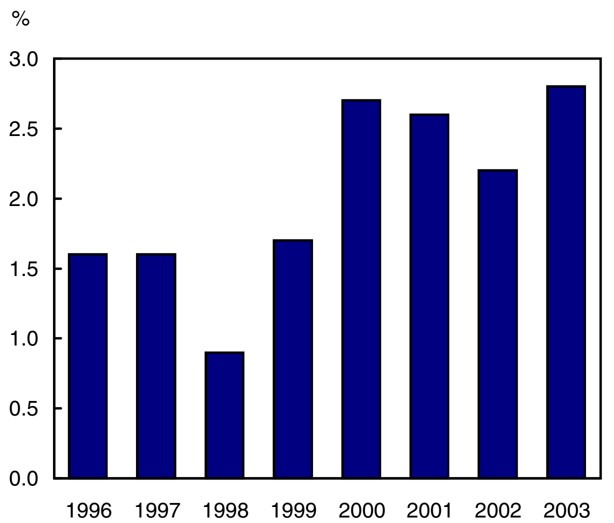
■

Annual Review of the Consumer Price Index
2003

In 2003, consumers paid an average of 2.8% more for the goods and services in the Consumer Price Index (CPI) basket than they did in the previous year.

This rise was slightly larger than the 2.2% annual average gain in 2002, and similar to the increase of 2.6% in 2001.

Percentage change in the All-items annual average index



Most of the upward pull in 2003 occurred in the services sector, where prices rose 3.6% on average. In comparison, prices of goods, which are influenced much more by the impact of the stronger Canadian dollar, increased only 1.9%.

Price increases in the services sector have been accelerating since 1999. Durable goods prices, however, have been trending down over the last four years, falling 0.8% in the last year. Semi-durable goods prices declined 1.5% on average, while prices of non-durable goods jumped 4.3%.

A large part of the jump in the non-durable goods index was the result of a 7.9% increase in energy prices.

Excluding energy prices, the CPI rose 2.4% on average in 2003, after increasing 2.8% in 2002.

Excluding the eight most volatile components, as defined by the Bank of Canada, the CPI rose 2.2% on average in 2003, following a 2.4% average increase in 2002.

Note to readers

This release provides annual average index movements in components of the Consumer Price Index (CPI) for 2003 as a whole. These data should not be confused with the 12-month change in the CPI.

Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year.

Twelve-month percentage changes compare indexes for a month to indexes for the same month of the previous year. As they compare two points in time, they are influenced by unusual or temporary events that can affect either of the two months.

By the nature of the calculation, averaging indexes over the calendar year gives a better representation of price behaviour over the whole year and is closer to the concept of an average price. The use of annual averages is considered the preferred option for indexation purposes.

Transportation had strongest influence on average CPI increase

Higher automotive vehicle insurance premiums (+22.1%) and stronger gasoline prices (+6.4%) were the main factors behind a 5.2% average annual increase in the transportation component of the CPI in 2003.

In fact, the transportation component had the strongest upward influence on the all-items index in 2003. (Influence is measured by taking into account both the magnitude of the price change and the proportion that the spending category represents of the total expenditure patterns of Canadians.)

However, the automotive vehicle purchase index, which fell for a fourth consecutive year, exerted some downward pressure on the transportation component.

The shelter index also exerted an important upward push on the CPI, rising 3.3% on average. The shelter index was pulled up mostly by higher natural gas prices, homeowners' replacement costs and homeowners' insurance premiums, while electricity prices exerted some downward pressure.

Natural gas prices soared 30.1% on average in 2003. However, this substantial gain was largely the result of unusually low index levels between March and October 2002. This was the result of an Alberta gas company returning part of the receipts from the sale of a gas field to its Northern customers. Compared with 2001 levels, natural gas prices in 2003 were only 6.6% higher.

Homeowners' replacement costs were up 6.4% on average, the strongest increase since 1989. The rate of increase in the index has been accelerating in the last four years, as the housing market in Canada has been heating up, helped by low interest rates. Homeowners' replacement costs, which represent the expenditures necessary to compensate for house depreciation, are estimated using new housing prices (excluding land).

The electricity index fell on average 2.0% in 2003, almost entirely because of a 4.4% decline in the electricity index for Ontario. The Ontario government opened its electricity market to competition in May 2002, but subsequently instituted a fixed price in December 2002 retroactive to May 2002. The annual average index was affected both by this change and by refunds paid to consumers in 2003.

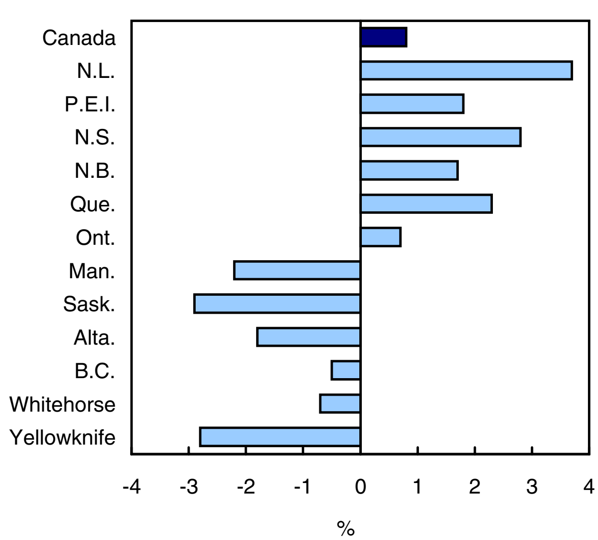
Modest gain in food prices

Food prices advanced only 1.7% on average in 2003, less than the annual average for the all-items CPI. The index for food purchased from stores rose 1.5% on average, while that of food purchased from restaurants increased 2.5%.

A case of bovine spongiform encephalopathy (BSE) discovered in May 2003 in Alberta drove beef prices down over the summer. As a result, the beef index rose only 0.8%, the smallest annual increase since 1997.

At the provincial level, declines in beef prices were much stronger in the Prairie Provinces and in British Columbia. As a result, the annual average index for beef fell in 2003 in those provinces, while it increased in other provinces.

Percentage change in the annual average index for beef, 2002 to 2003



The alcoholic beverages and tobacco products component also exerted upward pressure on the all-items index, rising 10.0% on average. A large part of this increase stemmed from higher cigarette taxes, which contributed to pushing up cigarette prices by 16.2% on average in 2003.

Alcoholic beverage prices were up 2.2% on average.

Substantial drop in traveller accommodation prices

Traveller accommodation prices fell 10.1% on average in 2003, marking the third consecutive annual decline and the strongest to date.

Over the past year, the tourism industry has been affected by a number of factors, including the economic slowdown in the United States, a higher Canadian dollar, global instability and the outbreak of severe acute respiratory syndrome (SARS).

The price drops for traveller accommodation and for computer equipment and supplies helped slow down the increase in the index for the recreation, education and reading component. This index advanced only 0.8% in 2003, the smallest annual average increase since the series began in 1949. Higher tuition and cablevision fees exerted upward pressures.

Health and personal care prices rose 1.3% on average. Most of this increase stemmed from higher prices for health care services, especially dental care.

The clothing and footwear index was the only major component index to decrease in 2003. Prices fell 1.8% on average, declining for a second year in a row.

All components of clothing fell in price, except for men's footwear (excluding athletic footwear), jewellery, and clothing material, notions and services. The steepest decline, 5.9%, was observed for children's clothing.

Available on CANSIM: table 326-0002.

Definitions, data sources and methods: survey number 2301.

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

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

The full article on which this release is based will be available in the January 2004 issue of *Consumer Price Index* (62-001-XIB, $9/$83; 62-001-XPB, $12/$111), to be released on February 20, 2004. See *How to order products*.

For more information, to enquire about the concepts, methods or data quality of this release, or to obtain the full article, call Rebecca McDougall (1-866-230-2248; 613-951-9606; *infounit@statcan.ca*), Prices Division. ■

OTHER RELEASES

Travel between Canada and other countries

December 2003

Canadians set another record in visits to overseas countries in December. An estimated 489,000 Canadian residents made trips to countries other than the United States, up 1.8% from November.

This was the seventh consecutive monthly increase and the fourth record-breaking mark in as many months. This upward trend followed a spring marked by concerns over the outbreak of Severe Acute Respiratory Syndrome (SARS) and the war in Iraq. The figure in December was 17.6% higher than that recorded in January 2003. (Unless otherwise specified, data are seasonally adjusted.)

The number of Canadians visiting the United States declined 2.2%, as fewer than 3.0 million Canadian residents travelled south of the border in December. Overnight travel to the United States decreased 1.2% after four months of gains.

Over 1.8 million Canadian residents made same-day car trips to the United States, the first decline in five months. This represents a 2.8% drop in same-day car visits, although there was no monthly change in the Canadian dollar against its US counterpart.

Meanwhile, an estimated 3.3 million visitors came to Canada in December, down 0.7%. Travel to Canada from the United States fell to less than 3.1 million after three consecutive monthly increases. These increases followed five consecutive monthly decreases at the start of the year. Although the autumn has seen more visitors to Canada from the United States, December figures were 8.1% lower from those recorded at the beginning of the year.

Overall, travel to Canada from the United States declined 0.8% in December, although the number of overnight trips by Americans rose 1.2% to 1.2 million. Overnight car trips increased 3.3%, but were partly offset by a 2.0% drop in overnight plane trips. Same-day car travel from the United States to Canada fell 3.2% in December.

Travel to Canada from overseas countries increased for the seventh consecutive month. Overseas travel to Canada, however, has yet to recover from the impact felt during the advent of SARS and the war in Iraq, as December figures remain 13.9% below those recorded at the beginning of the year.

In December, total travel increased in 10 of Canada's top 12 overseas markets, including the three largest. Visitors from Hong Kong led the way with an 8.3% jump from November. The number of visitors from Switzerland (+8.2%) and from China (+8.1%) also went up. Taiwan recorded the largest decrease (-9.9%).

Available on CANSIM: tables 427-0001 to 427-0006.

Definitions, data sources and methods: survey number 5005.

The December 2003 issue of *International Travel, Advance Information*, Vol. 19, no. 12 (66-001-PIE, $7/$59) is now available. See *How to order products*.

For general information, contact Client Services (1-800-307-3382; 613-951-7608; fax: 613-951-9040; *cult.tourstats@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Frances Kremarik (613-951-4240; *frances.kremarik@statcan.ca*), Culture, Tourism and the Centre for Education Statistics. □

Travel between Canada and other countries

	November 2003[r]	December 2003[p]	November to December 2003	December 2003	December 2002 to December 2003
	seasonally adjusted			unadjusted	
	'000		% change	'000	% change
Canadian trips abroad[1]	**3,526**	**3,467**	**-1.7**	**2,945**	**2.2**
to the United States	3,045	2,978	-2.2	2,534	0.1
to Other Countries	481	489	1.8	411	17.5
Same-day car trips to the United States	1,878	1,826	-2.8	1,682	2.0
Total trips, one or more nights	1,603	1,598	-0.3	1,220	2.9
United States[2]	1,122	1,109	-1.2	809	-3.3
Car	675	658	-2.4	422	-6.7
Plane	359	365	1.7	342	2.0
Other modes of transportation	89	85	-3.9	45	-8.0
Other countries[3]	481	489	1.8	411	17.5
Travel to Canada[1]	**3,368**	**3,346**	**-0.7**	**2,563**	**-12.9**
from the United States	3,079	3,053	-0.8	2,324	-13.3
from Other Countries	289	293	1.2	239	-7.9
Same-day car trips from the United States	1,689	1,634	-3.2	1,366	-18.4
Total trips, one or more nights	1,507	1,523	1.1	1,110	-5.7
United States[2]	1,225	1,239	1.2	876	-5.1
Car	777	802	3.3	557	-6.1
Plane	320	314	-2.0	277	-1.4
Other modes of transportation	128	123	-3.5	42	-13.9
Other countries[3]	282	284	0.5	234	-8.0
Most important overseas markets[4]					
United Kingdom	63	65	2.2	52	-4.9
Japan	25	26	1.5	19	-17.4
France	24	25	2.2	18	-3.0
Germany	22	21	-1.1	12	-13.7
South Korea	13	13	1.7	10	-3.9
Australia	13	13	0.0	15	-12.2
Mexico	11	12	6.8	11	-14.9
Hong Kong	9	9	8.3	9	5.1
Netherlands	8	8	0.1	5	-14.4
China	7	8	8.1	7	-0.9
Switzerland	7	8	8.2	5	2.4
Taiwan	8	7	-9.9	4	-18.6

p *Preliminary figures.*
r *Revised 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.*
4 *Includes same-day and one or more night trips.*

■

Restaurants, caterers and taverns
December 2003

Total receipts of restaurants, caterers and taverns in December were an estimated $2.90 billion, up 2.6% over the December 2002 estimate.

Available on CANSIM: table 355-0001.

Definitions, data sources and methods: survey number 2419.

The December 2003 issue of *Restaurant, Caterer and Tavern Statistics* (63-011-XIE, $7/$59) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts methods or data quality of this release, contact Alain Mbassegue (613-951-2011), Services Industries Division. ■

Monthly railway carloadings
December 2003

Canadian railways carried slightly less tonnage overall in 2003 despite a record-setting second half of the year. Overall, tonnage declined a marginal 0.7% from 2002 to 259.8 million metric tonnes.

During the first half of 2003, railways carried 125.1 million metric tonnes, the lowest level since 1999. In the second half, however, they carried a record 134.7 million metric tonnes, up 7.6% from the first six months of 2003.

On a quarterly basis, first-quarter tonnage was the lowest since 1999. However, tonnage rose 5.5% in the second quarter, 1.0% in the third and 7.6% in the fourth, all compared with the previous quarter.

Tonnage for intermodal traffic, which is "containers and trailers on flat cars," rose 6.2% over 2002 to 26.3 million metric tonnes. Non-intermodal traffic was down 1.4% to 233.5 million metric tonnes.

In 2003, intermodal traffic made up 10% of the overall tonnage. This proportion has slowly increased since 1999, when it was a little less than 9%.

On a monthly basis, railway carloadings actually increased in December for the first time since 1999. Railways carried 23 million metric tonnes in December, up 100,000 tonnes, or 1%, from November. This was mostly due to a significant increase in wheat loadings and a smaller decline than usual in other commodities.

In December 2003, the non-intermodal portion of freight loaded on Canadian railroads totalled 265 000 carloads and 20.9 million tonnes. This represents a 1.4% rise from November of this year and a 14.5% increase in tonnage over December 2002. Non intermodal freight represents approximately 91% of the total tonnage loaded on Canadian railways.

Loadings for the intermodal portion, which is "containers and trailers on flat cars," totalled 2.1 million tonnes. Intermodal loadings showed a 7.1% drop from November 2003 and a 3.9% rise from December 2002.

The cumulative total for January to December of 2003 (excluding intermodal loadings) climbed to 233.5 million tonnes, compared with 236.9 million tonnes for the same period in 2002.

Cumulative tonnage for intermodal traffic for January to December reached 26.3 million tonnes, compared with 24.8 million tonnes for the same period of 2002.

Traffic received from the United States destined for Canada or passing through Canada back into the United States reached 2.7 million tonnes, up 1.4% from November. From January to December, US loadings destined for Canada reached 30.8 million tonnes, compared with 26.9 million tonnes in the same period of 2002.

Available on CANSIM: table 404-0002.

Definitions, data sources and methods: survey number 2732.

The December 2003 issue of *Monthly Railway Carloadings*, Vol. 80, no. 12 (52-001-XIE, $9/$83) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean-Robert Larocque (1-866-500-8400; fax: 1-613-951-0009; *transportationstatistics@statcan.ca*), Transportation Division. ■

NEW PRODUCTS

Canadian Economic Observer, February 2004, Vol. 17, no. 2
Catalogue number 11-010-XIB ($19/$182).

Canadian Economic Observer, February 2004, Vol. 17, no. 2
Catalogue number 11-010-XPB ($25/$243).

Monthly Railway Carloadings, December 2003, Vol. 80, no. 12
Catalogue number 52-001-XIE ($9/$83).

International Travel, Advance Information, December 2003, Vol. 19, no. 12
Catalogue number 66-001-PIE ($7/$59).

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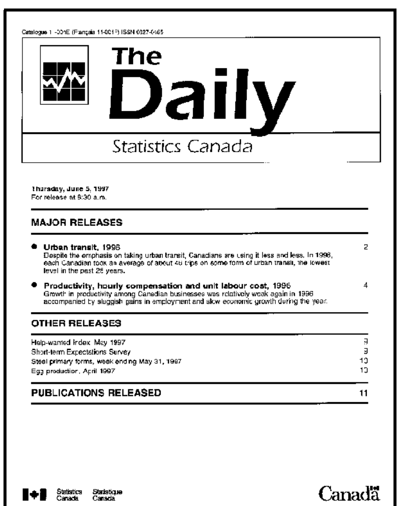

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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

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 46 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

Help-wanted Index, May 1997	9
Short-term Expectations Survey	9
Steel primary forms, week ending May 31, 1997	10
Egg production, April 1997	10

PUBLICATIONS RELEASED — 11

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