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MAJOR RELEASES

OTHER RELEASES

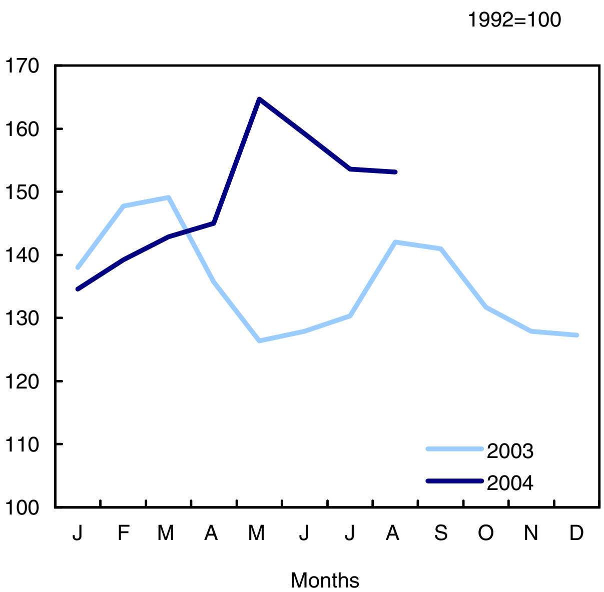
MAJOR RELEASES

Consumer Price Index
August 2004

In August, consumers paid 1.9% more than they did in August 2003 for the goods and services included in the Consumer Price Index (CPI) basket, a slowdown from the 2.3% increase registered in July. However, the 12-month variation in the All-items excluding energy index has been fairly stable, rising 1.5% in August, after increases of 1.6% in June and July.

The slowdown in the 12-month change in the All-items index was essentially due to gasoline prices. The 12-month increase in gasoline prices slowed from 17.9% in July to 7.8% in August. The strong monthly increase in gasoline prices from July to August last year (+9.0%) combined with the small drop from July to August this year (-0.3%) contributed to reduce the gap between the 2003 and 2004 indexes in August compared with what it was in July.

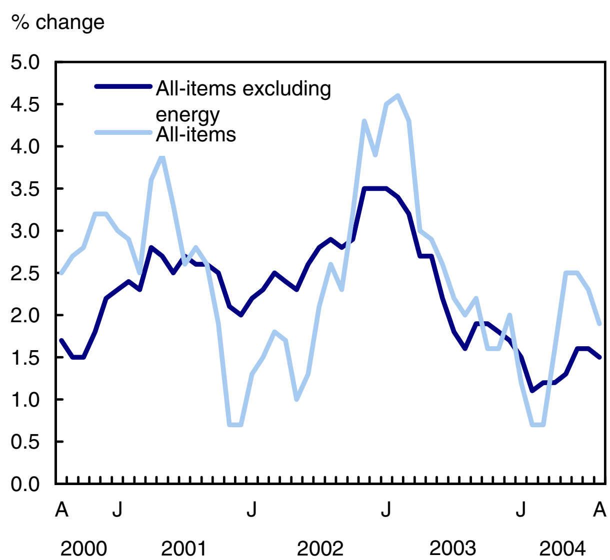
Gasoline Index



The All-items index excluding the eight volatile components identified by the Bank of Canada rose by 1.5% between August 2003 and August 2004. This follows a 1.9% rise in July.

The CPI fell by 0.2% between July and August, mainly as a result of a decline in automotive vehicle prices.

Percentage change from the same month of the previous year



Slowdown in the 12-month increase of the CPI in August

The CPI registered a smaller 12-month increase in August than in the previous three months, increasing 1.9% compared with 2.3% in July and 2.5% in May and June. In August, upward pressure was exerted primarily by gasoline prices, homeowners' replacement cost, cigarette and restaurant meal prices, tuition fees and beef prices.

Dampening these increases were lower prices for computer equipment and supplies, automotive vehicle leasing and fresh vegetables.

Gasoline prices were up 7.8% from August 2003. Increases were observed in all provinces, with the highest in Prince Edward Island (+22.9%) and the lowest in Saskatchewan (+5.1%).

Homeowners' replacement cost, which represents the worn out structural portion of housing and is estimated using new housing prices (excluding land), rose 6.9% from August 2003. Manitoba had the highest increase (+8.5%) and New Brunswick the lowest

(+1.6%). Strong demand in the housing market, as well as higher material and labour costs across Canada are the main factors behind this increase.

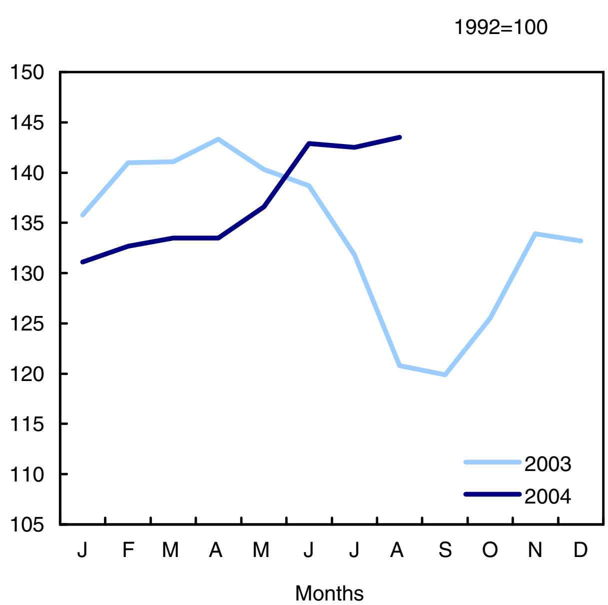
Increases in tobacco taxes over the last 12 months explain most of the 7.7% rise in cigarette prices since August 2003, although higher tobacco prices and transportation costs also contributed.

Restaurant meal prices increased 2.7% between August 2003 and August 2004.

Tuition fees are collected only once a year in September. The 8.1% increase in tuition fees registered last September continues to have an impact on the 12-month increase in the CPI. Tuition fees for the 2004/05 school year will be included in the CPI calculation next month.

Beef prices increased by 18.8% compared with August 2003, the highest 12-month increase since May 2001, when a 19.2% rise was registered. The significant difference between the 12-month increase in August and the 8.1% gain registered in July is mainly attributable to the 8.3% drop in prices in August last year. Hence in August, the 2004 index is being compared with a much lower 2003 index than it was in July, leading to a drastic increase in the 12-month change. The drop in beef prices in August 2003 was the result of restrictions imposed by several countries, including the United States, on imports of Canadian beef following the discovery on May 20, 2003, of a case of bovine spongiform encephalopathy (BSE) in Alberta.

Beef Index



Once again, computer equipment and supplies prices moderated these increases, falling 16.9%, as prices for desktop computers declined.

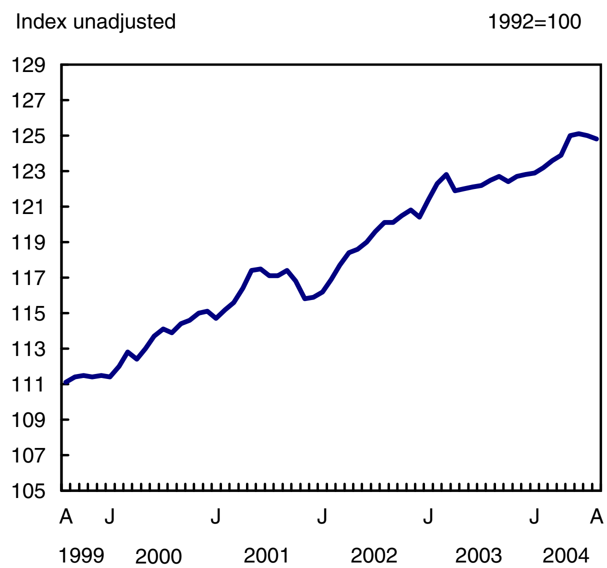
Automotive vehicle leasing prices fell 7.5% in August, following financial incentives offered in the last 12 months.

Prices for fresh vegetables fell by 8.0% between August 2003 and August 2004. There has been a downward trend in vegetable prices since January 2003, as shown by the negative 12-month changes since that date. Favourable growing conditions in Canada and in exporting countries are partly responsible for the decline.

The CPI fell from July to August

The CPI fell 0.2% from July to August. Downward pressure came mostly from lower prices for automotive vehicles. Lower prices for fresh vegetables also contributed to the decline. Higher prices for women's clothing and natural gas exerted a slight dampening effect on these downward pressures.

The Consumer Price Index



Automotive vehicle prices fell on average 2.6% from July to August 2004. Similar declines occurred in all regions of Canada. At this time of year, manufacturers increase incentive programs to help reduce stock before the arrival of new models.

Consumers benefited from local produce which resulted in an 8.5% drop in the price of fresh vegetables in August 2004. Lower prices for "other fresh vegetables", lettuce and tomatoes contributed to this decrease which was dampened somewhat by higher potato prices.

Higher prices for women's clothing (+1.7%) slowed the fall in the CPI in August. Increases are usually observed in the women's clothing index in August.

Natural gas prices also had a moderating effect, rising 1.5% from July to August 2004. The increase was felt mainly in Alberta (+5.8%), Manitoba (+3.9%) and Ontario (+0.2%). In Quebec, consumers benefited from a 1.3% decrease, while prices remained stable in British Columbia and Saskatchewan.

Drop in the seasonally adjusted CPI from July to August

After seasonal adjustment, the CPI fell 0.2% from July to August 2004.

Downward pressure came from the seasonally adjusted indexes for transportation (-1.0%), recreation, education and reading (-0.2%), as well as for health and personal care (-0.3%).

The decreases were dampened by higher seasonally adjusted indexes for food (+0.5%), shelter (+0.2%), clothing and footwear (+0.5%), alcoholic beverages and tobacco products (+0.3%), as well as for household operations and furnishings (+0.1%).

All-items index excluding the eight most volatile components

The All-items index excluding the eight volatile components identified by the Bank of Canada increased by 1.5% from August 2003 to August 2004. The main contributors to this increase were homeowners' replacement cost (+6.9%), tuition fees (+8.1) and beef prices (+18.8%).

From July to August 2004, the All-items index excluding the eight volatile components identified by the Bank of Canada fell by 0.2%, mostly under the influence of price reductions for automotive vehicles (-2.6%). Price increases in women's clothing (+1.7%) and rent (+0.2%) partially offset the downward pressure on the index.

Energy

The energy index rose 6.2% from August 2003 to August 2004, mostly as a result of the 7.8% rise in gasoline prices. Prices for electricity (+4.3%), fuel oil (+10.7%), natural gas (+2.4%) and fuel, parts and supplies for recreational vehicles (+5.7%) also increased.

On a monthly basis, the energy index rose 0.1% under pressure from higher natural gas (+1.5%) and electricity (+0.1%) prices. Lower prices for gasoline (-0.3%) and fuel, parts and supplies for recreational vehicles (-0.2%) dampened this increase.

Available on CANSIM: tables 326-0001, 326-0002, 326-0009, 326-0012 and 326-0016 to 326-0018.

Definitions, data sources and methods: survey number 2301.

More information about the concepts and use of the CPI are also available online in *Your Guide to the Consumer Price Index* (62-557-XIB, free).

Available at 7 a.m. online under *Today's news releases from The Daily*, then *Latest Consumer Price Index*.

The August 2004 issue of the *Consumer Price Index,* Vol. 83, no. 8 (62-001-XIB, $9/$83; 62-001-XPB, $12/$111) is now available. See *How to order products*.

The September 2004 Consumer Price Index will be released on October 26.

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; *infounit@statcan.ca*), Prices Division.

□

Consumer Price Index and major components
(1992=100)

	August 2004	July 2004	August 2003	July to August 2004	August 2003 to August 2004
	unadjusted				
				% change	
All-items	**124.8**	**125.0**	**122.5**	**-0.2**	**1.9**
Food	125.3	125.6	122.1	-0.2	2.6
Shelter	120.9	120.6	117.7	0.2	2.7
Household operations and furnishings	115.0	114.9	114.7	0.1	0.3
Clothing and footwear	101.8	100.9	101.8	0.9	0.0
Transportation	144.7	146.2	142.4	-1.0	1.6
Health and personal care	118.8	119.2	117.4	-0.3	1.2
Recreation, education and reading	128.6	128.9	128.0	-0.2	0.5
Alcoholic beverages and tobacco products	144.7	144.2	137.1	0.3	5.5
All-items (1986=100)	159.9				
Purchasing power of the consumer dollar expressed in cents, compared to 1992	80.1	80.0	81.6		
Special aggregates					
Goods	119.7	120.2	117.9	-0.4	1.5
Services	130.5	130.4	127.7	0.1	2.2
All-items excluding food and energy	121.9	122.2	120.5	-0.2	1.2
Energy	152.4	152.3	143.5	0.1	6.2
All-items excluding the 8 most volatile components[1]	124.7	124.9	122.8	-0.2	1.5

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 (www.bankofcanada.ca/en/inflation/index.htm).*

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

	August 2004	July 2004	August 2003	July to August 2004	August 2003 to August 2004
	unadjusted				
				% change	
Newfoundland and Labrador	123.6	123.9	120.7	-0.2	2.4
Prince Edward Island	124.6	124.6	121.5	0.0	2.6
Nova Scotia	126.6	126.7	124.1	-0.1	2.0
New Brunswick	124.7	124.8	122.7	-0.1	1.6
Québec	120.7	120.9	118.4	-0.2	1.9
Ontario	125.7	126.0	123.8	-0.2	1.5
Manitoba	128.4	128.3	125.2	0.1	2.6
Saskatchewan	129.5	130.1	126.8	-0.5	2.1
Alberta	131.9	132.1	129.3	-0.2	2.0
British Columbia	123.3	123.4	120.9	-0.1	2.0
Whitehorse[1]	121.3	121.8	120.4	-0.4	0.7
Yellowknife[1]	118.8	119.5	118.1	-0.6	0.6
Iqaluit (Dec. 2002=100)[1]	101.4	101.8	100.3	-0.4	1.1

1. *View the geographical details for Whitehorse, Yellowknife and Iqaluit.*

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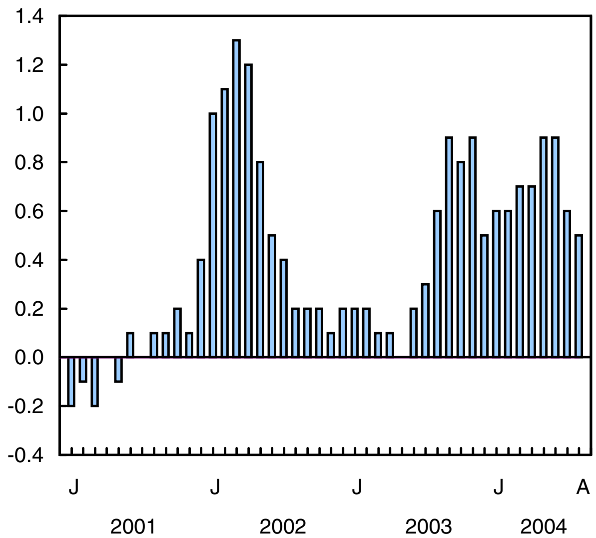
Leading indicators

August 2004

The growth of the leading indicator continued to moderate in August, to 0.5% after slight downward-revised gains of 0.6% in July and 0.9% in May and June. The slowdown over the last two months reflected housing and the US leading indicator backing off from unsustainable gains. Growth remained widespread, however, with 8 of the 10 components rising, the same as in June and July. The two components that fell remained the stock market and the average workweek in manufacturing.

Composite Index

Smoothed % change



The housing index slowed for a second straight month, from 2.9% growth in June to 1.2% in July and 0.4% in August. The weakness shifted to the single-family sector last month. Furniture and appliance sales slowed in tandem with housing.

Business spending continued to strengthen. Investment drove a tenth straight increase for new orders. Stronger demand raised the ratio of shipments to stocks by over 1% for a fourth consecutive month, reaching its highest level since the technology bubble burst in 2000.

Jobs outside of manufacturing were boosted by more business spending. Services employment firmed for a second month in a row, led by the professional, scientific and technical industry which has contributed one-third of all job growth since the start of the year despite accounting for only 6% of overall employment.

In the United States, the growth of the leading indicator slowed from 0.3% to 0.2%. As in Canada, however, gains remain widespread, with 8 of the 10 components advancing.

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 August 2004 issue of *Canadian Economic Observer*, Vol. 17, no. 8 (11-010-XIB, $19/$182; 11-010-XPB, $25/$243), which is 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

	March 2004	April 2004	May 2004	June 2004	July 2004	August 2004	Last month of data available
							% change
Composite leading indicator (1992=100)	**192.0**	**193.4**	**195.2**	**197.0**	**198.2**	**199.2**	**0.5**
Housing index (1992=100)[1]	136.5	138.9	141.7	145.8	147.6	148.2	0.4
Business and personal services employment ('000)	2,627	2,622	2,614	2,608	2,608	2,610	0.1
S&P/TSX stock price index (1975=1,000)	8,395	8,472	8,511	8,516	8,450	8,408	-0.5
Money supply, M1 ($ millions, 1992)[2]	119,791	121,413	123,226	125,724	127,180	128,240	0.8
U.S. composite leading indicator (1992=100)[3]	113.8	114.2	114.5	114.9	115.2	115.4	0.2
Manufacturing							
Average workweek (hours)	38.7	38.7	38.8	38.7	38.6	38.5	-0.3
New orders, durables ($ millions, 1992)[4]	21,684	21,722	22,105	22,428	22,531	22,560	0.1
Shipments/inventories of finished goods[4]	1.77	1.78	1.81	1.84	1.86	1.89	0.03
Retail trade							
Furniture and appliance sales ($ millions, 1992)[4]	1,977	1,991	2,009	2,028	2,040	2,048	0.4
Other durable goods sales ($ millions, 1992)[4]	7,447	7,458	7,463	7,492	7,550	7,629	1.0
Unsmoothed composite leading indicator	**195.5**	**197.5**	**198.4**	**200.2**	**199.4**	**200.5**	**0.6**

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.*

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OTHER RELEASES

Monthly Survey of Large Retailers

July 2004

Following several months of slight gains, sales jumped 1.8% to $7.81 billion in July. After rebounding strongly from a weak December, large retailers have seen increases in six of the past seven months. In 2003, growth in sales was steady between April and November, after having been more volatile in late 2002 and early 2003.

In July, seven of the eight major commodity groups posted increases for the group of large retailers. The strongest growth was seen in sporting and leisure goods, and clothing, footwear and accessory sales. The only exception to the upward movement was a slight decrease in the sales of other goods and services.

Sales by commodity for the group of large retailers

	July 2003	June 2004[r]	July 2004[p]	June to July 2004	July 2003 to July 2004
	seasonally adjusted				
	$ millions			% change	
Commodity					
Food and beverages	2,357	2,470	2,504	1.4	6.2
Health and personal care products	705	754	767	1.6	8.7
Clothing, footwear and accessories	1,309	1,339	1,390	3.8	6.2
Furniture, home furnishings and electronics	1,080	1,159	1,177	1.5	9.0
Housewares	333	343	344	0.3	3.3
Hardware, lawn and garden products	282	304	313	3.0	11.0
Sporting and leisure goods	389	409	427	4.3	9.7
All other goods and services	838	891	889	-0.2	6.1
Total	**7,293**	**7,669**	**7,810**	**1.8**	**7.1**

r Revised figures.
p Preliminary figures.

After declining in May and June, sporting and leisure good sales reversed course, gaining 4.3% in July. This increase was widespread, with sporting goods, toys, and pre-recorded CDs, DVDs, video and audio tape sales all surging ahead. In the case of pre-recorded products, the 7.2% recovery brought sales back to just below May levels after an 8.4% slump in June. Sales of books, newspapers and other periodicals were flat in July.

In July, clothing, footwear and accessory sales posted their strongest sales increase since May 2003. Women's clothing sales increased 4.6% in July, following four months of weak or declining sales. Men's clothing sales have fared better in recent months, advancing 3.8% in July and building on small gains in the previous three months. Clothing, footwear and accessory sales have been gradually increasing for the past three years, with the only notable slowdowns in the summer of 2001 and in the fall and winter of 2002/03.

Other goods and services provided the only decrease in July, partly as a result of declining sales of automotive fuels, oils, and additives at large retailers. This drop may have been price driven, as gasoline was 3.5% cheaper at the pumps than in June.

Sales by commodity for the group of large retailers

	June 2004[r]	July 2003	July 2004[p]	July 2003 to July 2004
	unadjusted			
	$ millions			% change
Commodity				
Food and beverages	2,427	2,366	2,640	11.6
Health and personal care products	722	676	759	12.2
Clothing, footwear and accessories	1,315	1,162	1,267	9.0
Furniture, home furnishings and electronics	1,032	1,024	1,151	12.4
Housewares	318	335	352	5.1
Hardware, lawn and garden products	518	341	397	16.5
Sporting and leisure goods	400	383	418	9.0
All other goods and services	908	878	944	7.6
Total	**7,639**	**7,164**	**7,928**	**10.7**

r Revised figures.
p Preliminary figures.

Note: This survey includes large retailers—mainly in the food, clothing, home furnishings, electronics, sporting goods, and general merchandise sectors. These retailers represent approximately 26% of total annual retail sales, or 35% excluding recreational and motor vehicle dealers.

All data in this release are adjusted for seasonality and all percentages are month-to-month changes unless otherwise indicated. Results from The Monthly Survey of Large Retailers are classified according to the 2002 North American Industrial Classification System.

Available on CANSIM: table 080-0009.

Definitions, data sources and methods: survey number 5027.

A data table is also available in the *Canadian statistics* module online.

Data for the group of large retailers for August 2004 will be released on October 18.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; *retailinfo@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Elton Cryderman (613-951-0669), Distributive Trades Division. ■

Refined petroleum products

July 2004 (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.

Definitions, data sources and methods: survey number 2150.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; (*energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

The Consumer Price Index, August 2004, Vol. 83, no. 8
Catalogue number 62-001-XIB ($9/$83).

The Consumer Price Index, August 2004, Vol. 83, no. 8
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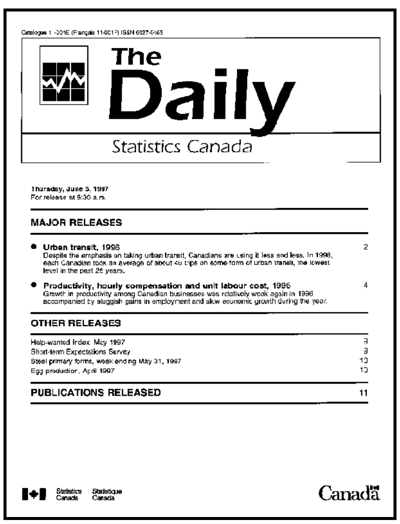

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RELEASE DATES: SEPTEMBER 20 TO 24

(Release dates are subject to change.)

Release date	Title	Reference period
20	**Wholesale trade**	July 2004
20	**National Survey of Non-profit and Voluntary Organizations**	2003
	Non-profit institutions and volunteering: Economic impact	1999
20	**Travel between Canada and other countries**	July 2004
21	**Retail trade**	July 2004
21	**Study: Innovation, survival and performance of Canadian manufacturing plants**	
22	**Pension plans**	January 1, 2003
22	**Deaths**	2002
23	**Electronic commerce: Household shopping on the Internet**	2003