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## Releases

## Leading indicators, April 2005

The leading indicator rose $0.4 \%$ in April, its largest advance since last fall when the Canadian dollar began to retreat from its 12-year high.
Study: Gift cards, 2002 to 2005
Gift cards are increasingly popular with both retailers and consumers, and are actually shifting retail sales from one period to another, according to a new report that examines this new way to give.4
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## Releases

## Leading indicators <br> April 2005

The leading indicator rose $0.4 \%$ in April, its largest advance since last fall when the Canadian dollar began to retreat from its 12 -year high. Demand for labour pulled out of its lethargic start to the year, while domestic spending continued to improve. Six of the ten components rose, one more than in March, while three were unchanged. The housing index was the only component to decline, continuing to back off slowly from its 25 -year high set last July.


Firms were increasingly willing to hire as well as invest more, partly due to ballooning income in the resource sector. Employment rose in business services, especially architectural and engineering services just as firms announced the launch of a spate of new capital projects. The average workweek grew in most manufacturing industries, especially those related to
construction, machinery and metals. However, sharp declines in beverages and tobacco kept the overall workweek stable.

Western Canada took the lead in manufacturing growth, reflecting its booming resource and investment sectors. New orders continued to improve, adding to the previous month's 12 -month high growth rate. This upturn in demand put an end to a 2-month drop in the ratio of shipments to stocks. Growth again was driven by construction, machinery and metals. Manufacturing in central Canada was hampered by a downturn in transportation equipment, reflecting losses for autos in Ontario and aerospace in Quebec.

Western Canada also dominated the growth of household demand. The Prairies and British Columbia led the advance in retail sales, boosted by the strongest labour markets in the country. Sales of durable goods quickly recovered from a one-month slump in auto demand.

The US leading indicator was unchanged for a fourth straight month. The gap between short- and long-term interest rates levelled off, after being the principal source of weakness over the past year. In March, our exports to the US held on to their February gain, which recouped all of their losses since September.

## Available on CANSIM: table 377-0003.

Definitions, data sources and methods: survey number 1601.

A more detailed analysis of the components is available on our Web site. From the Canadian Statistics page, choose National Accounts, 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 May 2005 issue of Canadian Economic Observer, Vol. 18, no. 5 (11-010-XIB, \$19/\$182).

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

|  | November 2004 | $\begin{array}{r} \text { December } \\ 2004 \end{array}$ | $\begin{array}{r} \text { January } \\ 2005 \end{array}$ | $\begin{array}{r} \hline \text { February } \\ 2005 \end{array}$ | $\begin{array}{r} \hline \text { March } \\ 2005 \end{array}$ | $\begin{aligned} & \text { April } \\ & 2005 \end{aligned}$ | $\begin{array}{r} \text { Last } \\ \text { month } \\ \text { of } \\ \text { data } \\ \text { available } \\ \hline \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  | \% change |
| Composite leading indicator (1992=100) | 200.8 | 201.3 | 201.9 | 202.4 | 202.8 | 203.6 | 0.4 |
| Housing index (1992=100) ${ }^{1}$ | 142.2 | 141.7 | 138.8 | 138.3 | 138.1 | 137.8 | -0.2 |
| Business and personal services employment ('000) | 2,612 | 2,615 | 2,617 | 2,619 | 2,611 | 2,617 | 0.2 |
| S\&P/TSX stock price index (1975=1,000) | 8,681 | 8,839 | 9,004 | 9,204 | 9,352 | 9,420 | 0.7 |
| Money supply, M1 (\$ millions, 1992) ${ }^{2}$ | 130,497 | 130,899 | 131,877 | 133,232 | 134,113 | 135,113 | 0.7 |
| US composite leading indicator (1992=100) ${ }^{3}$ | 115.2 | 115.0 | 115.0 | 115.0 | 115.0 | 115.0 | 0.0 |
| Manufacturing |  |  |  |  |  |  |  |
| Average workweek (hours) | 38.4 | 38.3 | 38.3 | 38.3 | 38.2 | 38.2 | 0.0 |
| New orders, durables (\$ millions, 1992) ${ }^{4}$ | 23,403 | 23,722 | 23,849 | 24,102 | 24,840 | 25,141 | 1.2 |
| Shipments/inventories of finished goods ${ }^{4}$ | 1.91 | 1.91 | 1.91 | 1.89 | 1.88 | 1.88 | 0.00 |
| Retail trade |  |  |  |  |  |  |  |
| Furniture and appliance sales (\$ millions, 1992) ${ }^{4}$ | 2,090 | 2,109 | 2,122 | 2,130 | 2,148 | 2,168 | 0.9 |
| Other durable goods sales (\$ millions, 1992) ${ }^{4}$ | 7,664 | 7,739 | 7,777 | 7,762 | 7,769 | 7,816 | 0.6 |
| Unsmoothed composite leading indicator | 201.1 | 201.7 | 203.3 | 203.7 | 204.3 | 205.2 | 0.4 |

[^0]
## Study: Gift cards <br> 2002 to 2005

Gift cards are taking retailers and consumers by storm, and are actually resulting in a shift of retail sales from one period to another, according to a new report that examines this new way to give.

For both consumers and retailers, gift cards are not the drab gift certificates of old. They are particularly attractive to younger recipients, due to their similarity in appearance to credit cards, and to older recipients who "have everything."

Their popularity was readily apparent in a recent survey of 80 of the nation's largest retailers. They represented just over 11,000 stores selling food, clothing, home furnishings, electronics and sporting goods.

During the Christmas season of 2003, just over one-half ( $53 \%$ ) of these stores offered gift cards. Only a year later, during the 2004 Christmas season, this proportion had increased to two-thirds (68\%).

Gift cards also appear to be the main contributors to a new phenomenon for retailers. Their usual drop-off in sales from December to January has started to moderate.

Strengthening sales in January may be partly a result of gift card redemptions during the month. That's because retailers do not record any actual sales until some or all of the value is redeemed by the card recipient.

## Larger retailers more likely to offer gift cards

The concept of gift cards arrived first among retailers with a large infrastructure which supported their introduction. Such retailers generally have larger stores. Therefore, they account for a larger share of sales and more sales per store, even without considering the effect of gift cards.

Department stores were among the first to embrace the gift card idea. All department stores offered them in both 2003 and 2004. Coming close behind were home electronics and appliance stores, furniture stores and other general merchandise stores. They were followed at a distance by supermarkets and clothing stores.

On average, stores that introduced the cards had higher sales. For example, among those that introduced the cards in 2004, sales per store amounted to $\$ 9.4$ million in 2003 and $\$ 10.0$ million in 2004. (Sales per store for all retailers covered by the survey amounted to $\$ 8.3$ million in 2004.)

In comparison, the group of stores that did not offer gift cards in either year had sales per store

## Note to readers

A gift card, for the purposes of this paper, is a plastic card, similar to a credit card, with a magnetic strip on the back, which is loaded with the desired cash value when it is purchased. Not included are paper gift certificates of any kind, plastic phone cards or gift cards sold by shopping centres or credit card companies.

The group surveyed for this special survey was the regular respondents to the Monthly Survey of Large Retailers (LMR), a panel of about 80 large retail enterprises. The group covers Canada's largest food, clothing, home furnishings, electronics, sporting goods, and general merchandise retailers (department stores are included). Together these retailers represent about 35\% of total annual retail sales after excluding recreational and motor vehicle dealers.
of only $\$ 3.3$ million in 2004 . For those that offered the cards in both years, sales per store amounted to $\$ 10.9$ million in both years.

Gift cards likely were offered first by larger retailers with the resources to set up such programs on their own. It is only in the last year or so that third-party companies have appeared in Canada that will take on the management of such programs on behalf of a retailer, making it easier for smaller retailers to come on board.

## Gift cards shift sales from period to period

Gift cards have the impact of shifting retail sales from one period to another. At the time they are purchased by the consumer, retailers record the value in their accounting system.

However, this is the key: Retailers do not record any actual sales until some or all of the value is redeemed by the card recipient.

This impact may be especially important in the preand post-Christmas holiday shopping season. Gift cards are reportedly purchased in large numbers in November or December and given as gifts at Christmas. But many are not redeemed until January or later.

This may have contributed to a new phenomenon for retailers. The usual drop-off in sales from December to January has started to moderate.

Sales in January 2003 were 40.3\% below the 2002 monthly average. However, in January 2004, sales were $38.3 \%$ below the previous year monthly average, and in January 2005, they were $38.5 \%$ below the previous year monthly average. The strengthening sales in January may be partly a result of gift card redemptions during the month.

The impact of shifting sales can be seen to some extent in all groups. It is most pronounced and consistent in the group that introduced gift cards
in 2004, which showed the most important strengthening in their 2005 January sales. It suggests that this group had the largest one-year impact from gift cards.

In recent years, month-to-month percentage change in sales for all retailers, seasonally adjusted, has been dropping off in December and rising in January.

## Why retailers like gift cards

Gift cards are attractive to retailers for a number of reasons. First and foremost, research shows that a large percentage of consumers spend more than the original face value of their gift card. Many consumers spend nearly twice as much.

These cards often represent a reservoir of funds to the gift recipient, allowing the consumer to purchase something nicer than they might otherwise have done.

Gift cards have no value until loaded at the cash desk. As a result, they can be prominently displayed throughout the store, rather than stored in a drawer
for security reasons, like their predecessor, the gift certificate.

They are also much harder to counterfeit. They are more flexible than gift certificates because they can be loaded for any amount the purchaser desires and many of them can be reloaded.

Because the cards are electronic, the retailer can better track their use, providing another source of data on their customers' purchasing habits.

Definitions, data sources and methods: survey numbers, including related surveys, 2406 and 5027.

The analytical article Gift Cards: A Win-win Way to Give (11-621-MIE2005029, free) is now available online in the Analysis in Brief series (11-621-MIE).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Monica Weise (613-951-3803), Distributive Trades Division.

## International trade in culture goods: Erratum <br> 2004

Due to a data processing error, some of the data contained in the International trade in culture goods release in the Daily of May 19 was incorrect. The release with the correct figures is now available online.

Definitions, data sources and methods: survey number 5088.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Marla Waltman Daschko (613-951-3028; marla.waltmandaschko@statcan.ca), Culture, Tourism and the Centre for Education Statistics.

## Employment Insurance

March 2005 (preliminary)
The estimated number of Canadians (adjusted for seasonality) receiving regular Employment Insurance benefits in March was 530,020, up 0.8\% from February. This was the fourth consecutive monthly increase.

All provinces east of Saskatchewan recorded increases. Compared to March 2004, the number of regular beneficiaries fell 3.5\% nationally.

Also on a seasonally adjusted basis, regular benefit payments in March totalled $\$ 761.5$ million, while the number of people making initial and renewal claims was 272,300.

Note: Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the Employment Insurance Act or administrative procedures. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the fifteenth day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

| Employment Insurance statistics |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{array}{r} \hline \text { Mar. } \\ 2005 \end{array}$ | $\begin{gathered} \text { Feb. } \\ 2005 \end{gathered}$ | $\begin{gathered} \text { Mar. } \\ 2004 \end{gathered}$ | Feb. to Mar. 2005 | $\begin{array}{r} \text { Mar. } \\ 2004 \\ \text { to } \\ \text { Mar. } \\ 2005 \\ \hline \end{array}$ |
| seasonally adjusted |  |  |  |  |  |
|  |  |  |  | \% change |  |
| Regular beneficiaries | 530,020 ${ }^{\text {p }}$ | 526,030 ${ }^{\text {r }}$ | 549,050 | 0.8 | -3.5 |
| Regular benefits paid (\$ millions) | $761.5^{\text {p }}$ | $718.7^{\text {r }}$ | 671.2 | 6.0 | 13.5 |
| Initial and renewal claims received ('000) | $272.3^{\text {p }}$ | $247.3^{r}$ | $236.2$ | 10.1 | 15.3 |
| Unadjusted |  |  |  |  |  |
| All beneficiaries ('000) ${ }^{1}$ | 966.3 | 977.3 | 992.4 | -1.1 | -2.6 |
| Regular beneficiaries ('000) | 665.3 | 674.5 | 690.2 | -1.4 | -3.6 |
| Initial and renewal claims received ('000) | 219.1 | 195.9 | 220.9 | 11.8 | -0.8 |
| Payments (\$ millions) | 1,334.2 | 1,425.7 | 1,409.0 | -6.4 | -5.3 |
|  | year-to-date (January to March) |  |  |  |  |
|  |  |  | 2005 | 2004 | 2004 to 2005 |
|  |  |  | \% change |  |  |
| Claims received ('000) |  |  | 745.1 | 741.9 | 0.4 |
| Payments (\$ millions) |  |  | 4,376.2 | 4,503.7 | -2.8 |

${ }^{r}$ Revised figures.
$p$ Preliminary figures.

1. "All beneficiaries" includes all claimants receiving regular benefits (for example, as a result of layoff) or special benefits (for example, as a result of illness) and are representative of data for the Labour Force Survey reference week which is usually the week containing the 15th of the month.

Number of beneficiaries receiving regular benefits

|  | $\begin{gathered} \text { Mar. } \\ 2005^{p} \end{gathered}$ | Feb. to Mar. 2005 | $\begin{array}{r} \text { Mar. } \\ 2004 \\ \text { to } \\ \text { Mar. } \\ 2005 \\ \hline \end{array}$ |
| :---: | :---: | :---: | :---: |
|  | seasonally adjusted |  |  |
|  | \% change |  |  |
| Canada | 530,020 | 0.8 | -3.5 |
| Newfoundland and |  |  |  |
| Labrador | 37,700 | 0.7 | 1.7 |
| Prince Edward Island | 8,060 | 1.6 | -0.1 |
| Nova Scotia | 30,210 | 1.9 | 1.1 |
| New Brunswick | 34,920 | 0.9 | 2.2 |
| Quebec | 179,530 | 1.2 | -1.5 |
| Ontario | 134,780 | 1.6 | -3.4 |
| Manitoba | 12,800 | 1.7 | -7.6 |
| Saskatchewan | 11,620 | -1.4 | -4.5 |
| Alberta | 24,590 | -2.0 | -19.1 |
| British Columbia | 52,430 | -3.4 | -14.8 |
| Yukon Territory | 870 | -1.1 | -10.3 |
| Northwest Territories and Nunavut | 1,100 | -0.9 | 1.6 |
|  | unadjusted for seasonality |  |  |
|  | \% change |  |  |
| Northwest Territories | 720 | 4.0 | -14.3 |
| Nunavut | 400 | -4.8 | -2.4 |

$p$ Preliminary figures.
Note: The number of beneficiaries includes all claimants who received regular benefits for the Labour Force Survey reference week, usually containing the 15th day of the month.

Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0015 and 276-0016.

Definitions, data sources and methods: survey number 2604.

Data on Employment Insurance for April will be released on June 28.

For general information or to order data, contact Client Services (613-951-4090; 1-866-873-8788; labour@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091), Labour Statistics Division.

## Natural gas sales <br> March 2005 (preliminary)

Natural gas sales totalled 7661 million cubic metres in March, up 3.4\% from March 2004. Stronger sale volumes in the residential ( $+7.8 \%$ ) and commercial ( $+6.1 \%$ ) sector reflected the colder temperatures recorded in most regions of the country. Industrial sales (including direct sales) were slightly down ( $-0.2 \%$ ) compared to last year.

Year-to-date sales at the end of March were down $1.9 \%$ from the same period of 2004 . Both the
commercial (-3.4\%) and industrial (including direct sales) sector ( $-2.5 \%$ ) posted declines. Sales of natural gas to the residential sector has risen $0.2 \%$ so far this year.

Natural gas sales

|  | $\begin{aligned} & \hline \text { March } \\ & 2005 p \end{aligned}$ | $\begin{array}{r} \text { March } \\ 2004 \end{array}$ | March 2004 to March 2005 |
| :---: | :---: | :---: | :---: |
|  | thousands of cubic metres |  | \% change |
| Natural gas sales | 7660998 | 7411656 | 3.4 |
| Residential | 2242615 | 2079483 | 7.8 |
| Commercial | 1631146 | 1537036 | 6.1 |
| Industrial | 1666404 | 1711833 |  |
| Direct | 2120833 | 2083304 |  |
|  | year-to-date |  |  |
|  | $2005^{\text {p }}$ | 2004 | 2004 to 2005 |
|  | thousands of cubic metres |  | \% change |
| Natural gas sales | 25119197 | 25605402 | -1.9 |
| Residential | 7877145 | 7864974 | 0.2 |
| Commercial | 5502326 | 5695045 | -3.4 |
| Industrial | 5240297 | 5411719 |  |
| Direct | 6499429 | 6633664 | 5 |

Definitions, data sources and methods: survey number 2149.

For more information, or to order data, 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.

## Cereals and oilseeds review <br> March 2005

In April, Chicago soybean futures' prices fell early in the month due to expected increases in US and world carryout stocks. Prices later rallied driven by a lower US dollar and increased prospects for corn plantings to expand, displacing some land intended for soybeans. Corn futures' prices weakened over the month, pressured by larger-than-expected United States Department of Agriculture forecast carryout stocks, good planting weather and Chinese subsidies on corn exports.

Winnipeg canola futures' prices slipped in the first half of the month but were then supported by higher soybean and soy oil prices and lower-than-expected Prairie canola seeding intentions.

The data from the March 2005 issue of the Cereals and Oilseeds Review are now available. The information includes data on production, stocks, prices, domestic processing, exports, farmers' deliveries, and supply-disposition analyses.

The April situation report, an overview of current market conditions, both domestic and international, is also included in the March issue of Cereals and Oilseeds Review (22-007-XIB, \$12/\$120), which will be available later in May.

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.

## Crushing statistics

April 2005
According to the monthly survey of crushing plants, Canadian oilseed processors crushed 249,970 metric tonnes of canola in April. Oil production last month totalled 101,641 tonnes while meal production amounted to 156,721 tonnes.

Available on CANSIM: table 001-0005.

Definitions, data sources and methods: survey number 3404.

The April 2005 issue of Cereals and Oilseeds Review (22-007-XIB, \$12/\$120) will be available in June.

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

## Deliveries of major grains <br> April 2005

Data on April grain deliveries are now available.
Available on CANSIM: table 001-0001.
Definitions, data sources and methods: survey numbers, including related surveys, 3403, 3404 and 3443.

The April 2005 issue of Cereals and Oilseeds Review (22-007-XIB, \$12/\$120) will be available in June.

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

## New products

Infomat: A Weekly Review, May 24, 2005 Catalogue number 11-002-XWE (\$100).

Analysis in Brief: Gift Cards: A Win-win Way to Give, 2002 to 2005, no. 29
Catalogue number 11-621-MIE2005029 (free).

Retail Trade, March 2005, Vol. 77, no. 3
Catalogue number 63-005-XIE (\$18/\$166).

## All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XWE, -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.




[^0]:    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.
