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Consumer Price Index, June 2012

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Consumer Price Index, June 2012

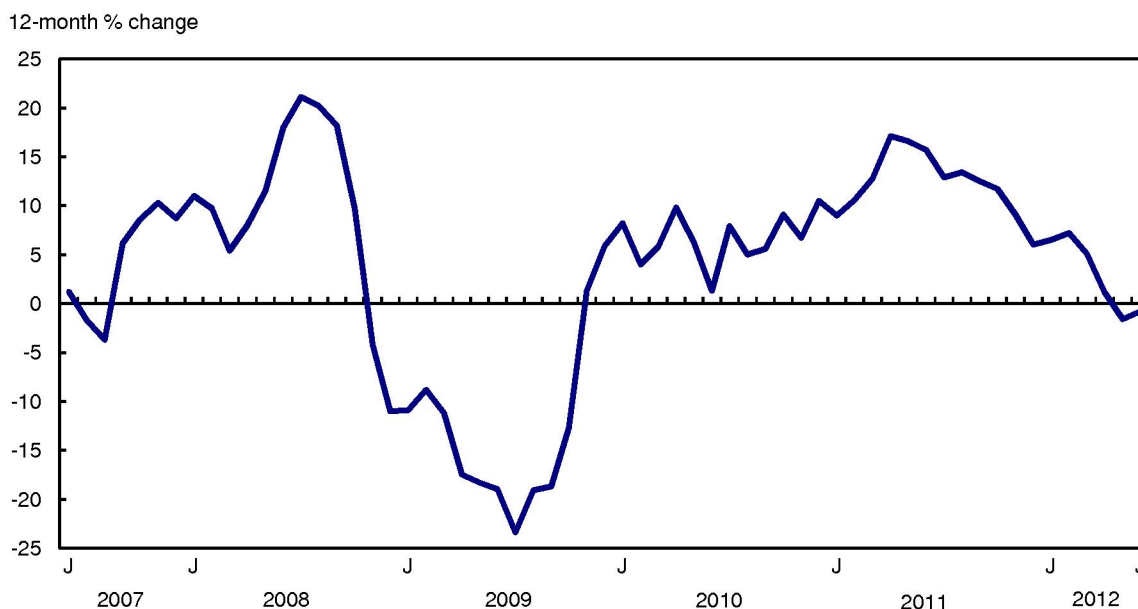
Consumer prices rose 1.5% in the 12 months to June, following a 1.2% gain in May. The increase in the Consumer Price Index (CPI) was led by higher prices for the purchase of passenger vehicles and, to a lesser extent, for electricity.

Prices for the purchase of passenger vehicles increased 3.9% year over year in June, after rising 1.7% the previous month. The June increase was the result of less discounting by manufacturers compared with June 2011.

The cost of electricity rose 5.9% year over year in June, mostly as a result of increases in Ontario, Alberta and British Columbia.

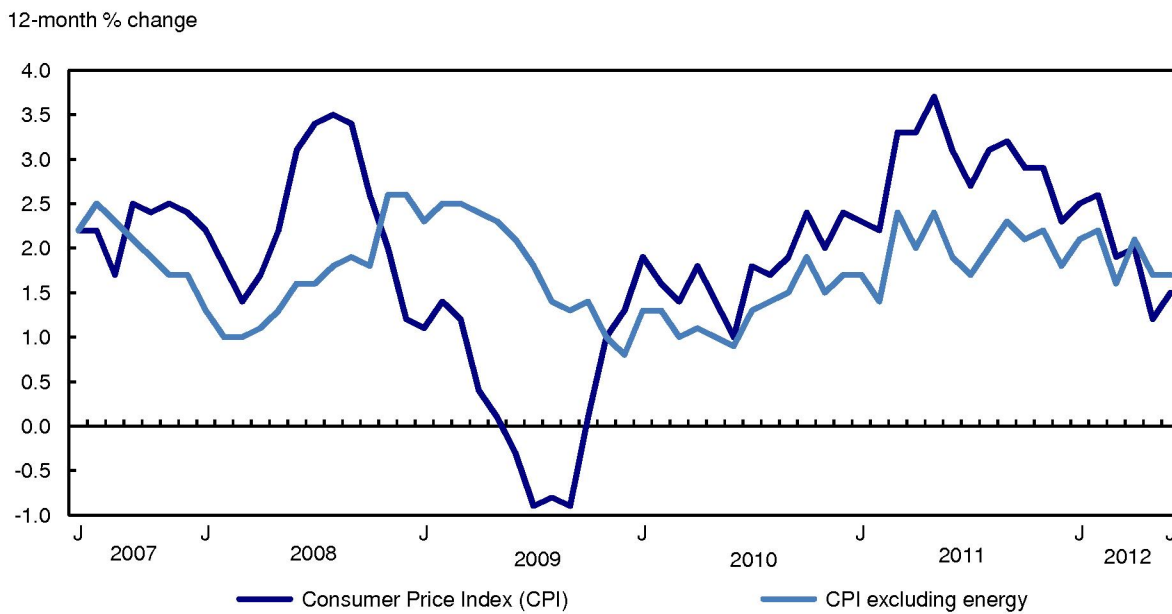
Despite the increase in electricity prices, the energy index declined 0.8% in the 12 months to June, following a 1.6% decrease in May. Gasoline prices fell 1.8% after declining 2.3% in May. Prices for natural gas also declined in the 12 months to June, although at a slower rate than in the previous month.

Chart 1
The 12-month change in the energy index



Excluding energy, the CPI increased 1.7% in the 12 months to June. While this matched the year-over-year change recorded in May, the CPI excluding energy continued to increase at a faster rate than the All-items CPI.

Chart 2
The 12-month change in the CPI and the CPI excluding energy

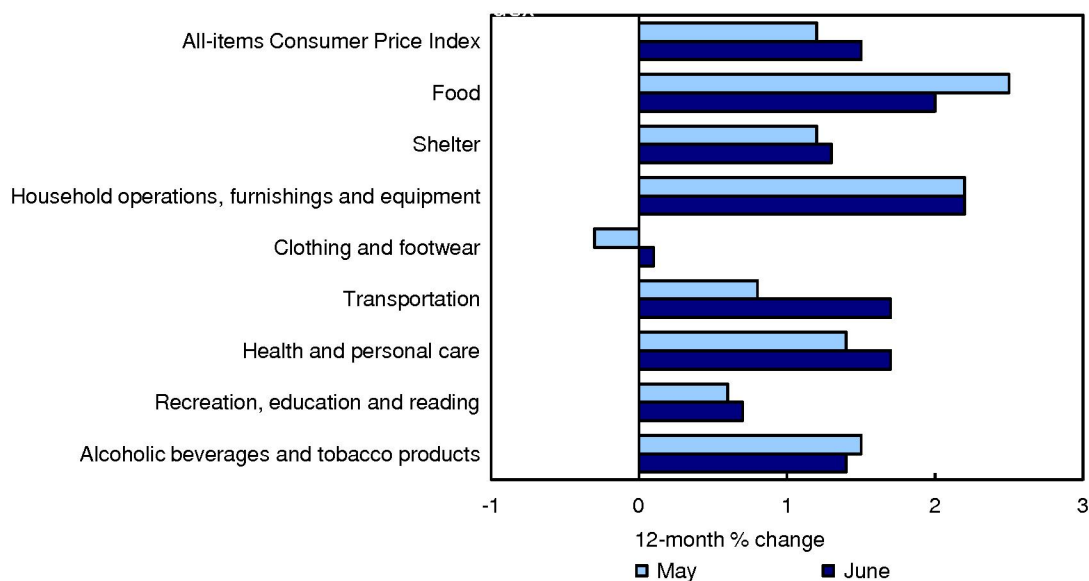


12-month change in the major components

The 1.5% increase in the June CPI was led by year-over-year price gains for shelter and transportation. Prices rose at a faster rate in five of the eight major components in June compared with May.

Chart 3

Shelter and transportation lead increase in June Consumer Price Index



Shelter costs advanced 1.3% in the 12 months to June. In addition to price increases for electricity, homeowners' replacement cost rose 2.1% and rent went up 1.3%. Conversely, natural gas prices and mortgage interest cost declined year over year in June.

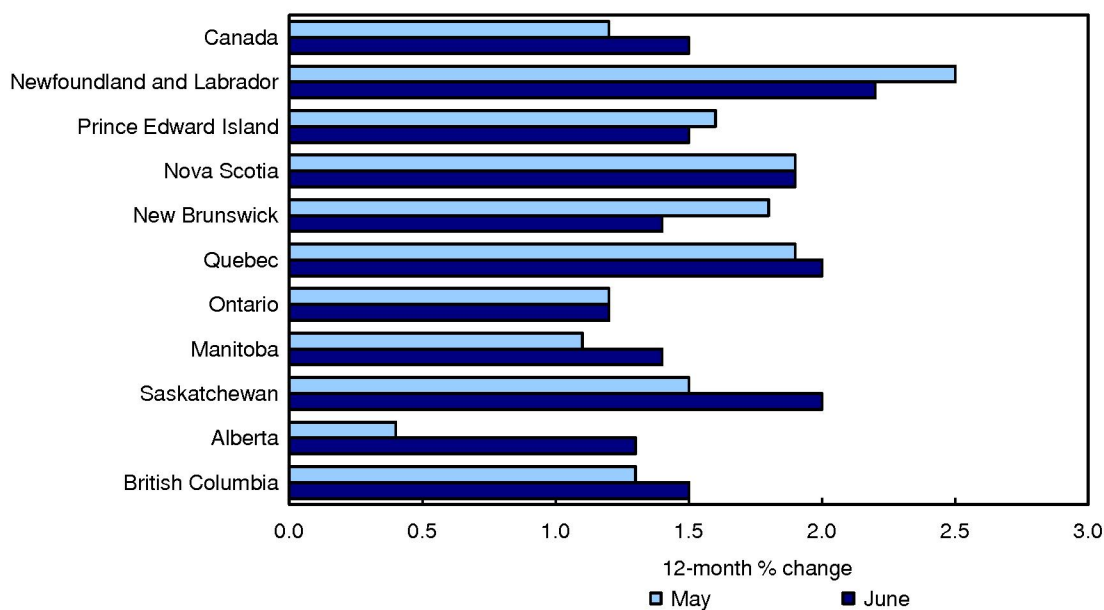
Prices for transportation increased 1.7% year over year in June after rising 0.8% in May. In addition to higher costs for the purchase of passenger vehicles, drivers paid more in passenger vehicle insurance premiums. In contrast, prices for gasoline decreased in the 12 months to June.

The cost of food rose 2.0% between June 2011 and June 2012, following a 2.5% increase in May. The year-over-year price change for food purchased from stores slowed to 1.8% in June from 2.5% in May. This was led by slower price increases for meat. Prices for food purchased from restaurants continued to increase.

12-month change in the provinces

Consumer prices rose in every province in the 12 months to June. Price increases for the purchase of passenger vehicles were a factor in all provinces.

Chart 4
Ontario records smallest increase



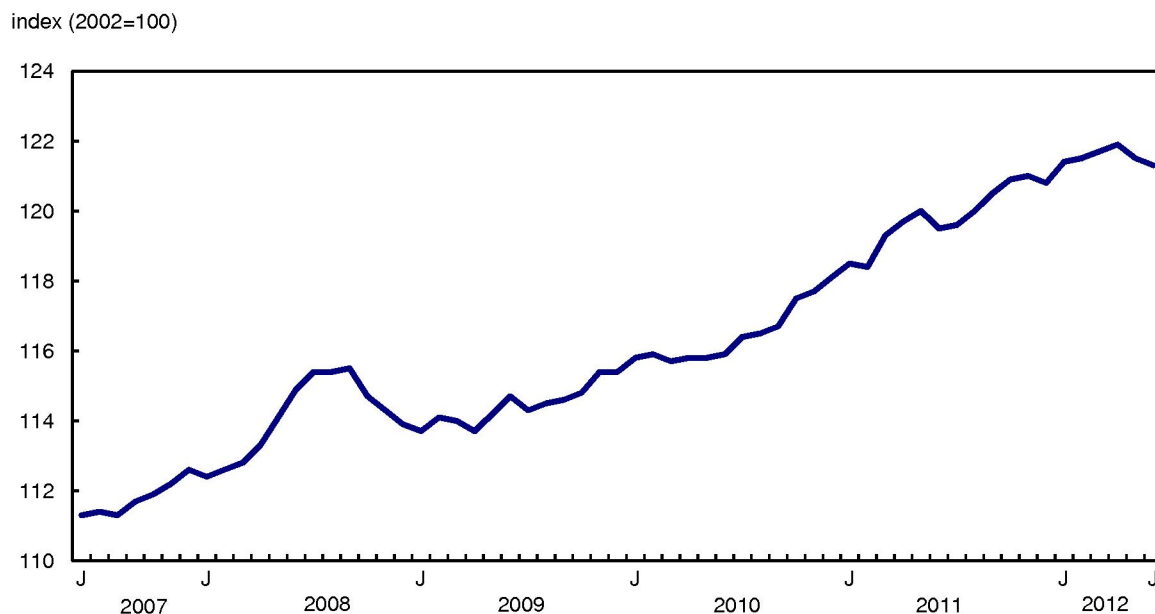
The Ontario CPI (+1.2%) increased the least of all provinces in the 12 months to June. Prices for food purchased from stores rose 1.0%, the smallest year-over-year gain among the provinces. This was largely the result of slower price increases for meat. At the same time, Ontario consumers paid 5.0% less for gasoline, the largest year-over-year decline recorded in all provinces.

Prices in Alberta rose 1.3% in the 12 months to June, following a 0.4% increase in the previous month. This faster rate of growth was led by gasoline prices, which advanced 0.5% year over year in June, after declining 6.6% in May. Smaller price declines for natural gas were also a factor.

Seasonally adjusted monthly Consumer Price Index decreases

On a seasonally adjusted monthly basis, the CPI declined 0.2% in June, after decreasing 0.3% the previous month. These monthly declines have brought the seasonally adjusted index to a level just below what it was in January.

Chart 5
The seasonally adjusted Consumer Price Index decreases



The seasonally adjusted index for transportation fell 1.2% in June, following a 1.8% decline in May. The food index declined 0.2% after rising 0.4% the previous month.

The index for alcoholic beverages and tobacco products also decreased in June, while the clothing and footwear index was unchanged. The indexes for all other major components increased on a seasonally adjusted basis in June.

Bank of Canada's core index

The [Bank of Canada's core index](#) rose 2.0% in the 12 months to June, following a 1.8% gain in May. Price increases for the purchase of passenger vehicles and electricity were main contributors to the year-over-year increase in the core index.

On a monthly basis, the seasonally adjusted core index rose 0.1% in June, after declining 0.1% in May.

Note to readers

The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components.

A seasonally adjusted series is one from which seasonal movements have been eliminated. Users employing Consumer Price Index data for indexation purposes are advised to use the unadjusted indexes.

Table 1
Consumer Price Index and major components, Canada – Not seasonally adjusted

	Relative importance ¹	June 2011	May 2012	June 2012	May to June 2012	June 2011 to June 2012
	%	(2002=100)			% change	
All-items Consumer Price Index (CPI)	100.00²	119.8	122.1	121.6	-0.4	1.5
Food	15.99	128.3	130.9	130.9	0.0	2.0
Shelter	27.49	125.4	126.7	127.0	0.2	1.3
Household operations, furnishings and equipment	11.55	110.7	112.8	113.1	0.3	2.2
Clothing and footwear	5.31	90.4	93.4	90.5	-3.1	0.1
Transportation	20.60	125.5	129.9	127.6	-1.8	1.7
Health and personal care	4.95	116.9	118.8	118.9	0.1	1.7
Recreation, education and reading	11.20	106.0	106.7	106.7	0.0	0.7
Alcoholic beverages and tobacco products	2.91	135.6	137.7	137.5	-0.1	1.4
Special aggregates						
Core CPI ³	82.15	117.1	119.9	119.4	-0.4	2.0
All-items CPI excluding energy	89.92	116.8	119.3	118.8	-0.4	1.7
Energy ⁴	10.08	157.0	157.7	155.7	-1.3	-0.8
Gasoline	5.80	183.5	186.1	180.2	-3.2	-1.8
All-items CPI excluding food and energy	73.93	114.3	116.7	116.2	-0.4	1.7
Goods	47.80	112.8	114.7	113.5	-1.0	0.6
Services	52.20	126.8	129.5	129.6	0.1	2.2

1. 2009 CPI basket weights at April 2011 prices, Canada, effective May 2011. Detailed weights are available under the Documentation section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/2301-eng.htm).

2. Figures may not add to 100% as a result of rounding.

3. The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components. For additional information on the core CPI, please consult the Bank of Canada website (www.bankofcanada.ca/rates/price-indexes/cpi).

4. The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

Table 2
Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit – Not seasonally adjusted

	Relative importance ¹	June 2011	May 2012	June 2012	May to June 2012	June 2011 to June 2012
	%	(2002=100)			% change	
Canada	100.00²	119.8	122.1	121.6	-0.4	1.5
Newfoundland and Labrador	1.29	120.9	124.5	123.5	-0.8	2.2
Prince Edward Island	0.35	123.3	125.9	125.2	-0.6	1.5
Nova Scotia	2.56	122.5	125.6	124.8	-0.6	1.9
New Brunswick	2.06	119.9	122.7	121.6	-0.9	1.4
Quebec	21.21	118.2	121.1	120.6	-0.4	2.0
Ontario	39.85	120.2	122.4	121.6	-0.7	1.2
Manitoba	3.16	118.6	120.8	120.3	-0.4	1.4
Saskatchewan	2.90	121.7	124.5	124.1	-0.3	2.0
Alberta	11.97	125.3	126.6	126.9	0.2	1.3
British Columbia	14.47	116.5	118.6	118.2	-0.3	1.5
Whitehorse	0.08	118.6	121.5	121.3	-0.2	2.3
Yellowknife	0.07	121.6	124.9	124.5	-0.3	2.4
Iqaluit (Dec. 2002=100)	0.02	113.3	115.9	116.1	0.2	2.5

1. 2009 Consumer Price Index basket weights at April 2011 prices, effective May 2011. Detailed weights are available under the Documentation section of survey 2301 (www.statcan.gc.ca/imdb-bmdi/2301-eng.htm).

2. Figures may not add to 100% as a result of rounding.

Table 3
Consumer Price Index and major components – Seasonally adjusted¹

	April 2012	May 2012	June 2012	April to May 2012	May to June 2012
	(2002=100)			% change	
All-items Consumer Price Index (CPI)	121.9	121.5	121.3	-0.3	-0.2
Food	130.0	130.5	130.3	0.4	-0.2
Shelter	126.6	126.7	127.0	0.1	0.2
Household operations, furnishings and equipment	112.5	112.8	113.1	0.3	0.3
Clothing and footwear	93.2	92.6	92.6	-0.6	0.0
Transportation	129.9	127.6	126.1	-1.8	-1.2
Health and personal care	118.7	118.7	118.8	0.0	0.1
Recreation, education and reading	105.8	105.9	106.0	0.1	0.1
Alcoholic beverages and tobacco products	137.7	137.7	137.5	0.0	-0.1
Special aggregates					
Core CPI ²	119.6	119.5	119.6	-0.1	0.1
All-items CPI excluding food and energy ³	116.5	116.4	116.3	-0.1	-0.1

1. Each month, the previous month's seasonally adjusted index is subject to revision. On an annual basis, the seasonally adjusted values for the last three years are revised with the January data release. Since these revisions can lead to changes in both the levels and movements of the indexes, users employing the CPI for indexation purposes are advised to use the unadjusted indexes.

2. The Bank of Canada's core index excludes eight of the Consumer Price Index's most volatile components (fruit, fruit preparations and nuts; vegetables and vegetable preparations; mortgage interest cost; natural gas; fuel oil and other fuels; gasoline; inter-city transportation; and tobacco products and smokers' supplies) as well as the effects of changes in indirect taxes on the remaining components. For additional information on the core CPI, please consult the Bank of Canada website (www.bankofcanada.ca/rates/price-indexes/cpi).

3. The special aggregate "Energy" includes: electricity; natural gas; fuel oil and other fuels; gasoline; and fuel, parts and supplies for recreational vehicles.

Available without charge in CANSIM: tables 326-0009, 326-0012, 326-0015 and 326-0020 to 326-0022.

Definitions, data sources and methods: survey number 2301.

For a more detailed analysis, consult the publication *The Consumer Price Index*. The June 2012 issue of *The Consumer Price Index*, Vol. 91, no. 6 (62-001-X, free), is now available from the *Key resource* module of our website under *Publications*.

More information about the concepts and use of the Consumer Price Index are also available online in *Your Guide to the Consumer Price Index* (62-557-X, free) from the *Key resource* module of our website under *Publications*.

The Consumer Price Index for July will be released on August 17.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca) or the Media Hotline (613-951-4636; mediahotline@statcan.gc.ca).

Canadian potato production, 2012 (preliminary data)

Producers reported seeding 371,900 acres (150 508 hectares) of potatoes in 2012, up 3.0% from 2011. Prince Edward Island had the largest increase in seeded area, up 4.1% to 89,500 acres (36 221 hectares). The area in Manitoba also increased 4.1% to 76,000 acres (30 757 hectares), while in Ontario, 39,800 acres (16 107 hectares) of potatoes were reported, up 5.6% from 2011. The expansion of potato area in Manitoba and Ontario was primarily because of increased contract volumes for processing potatoes.

Note to readers

The publication Canadian Potato Production contains additional tables comparing the area, production and value of potatoes for Canada, the United States and Mexico.

Available without charge in CANSIM: tables 001-0014, 001-0045 and 001-0070.

Definitions, data sources and methods: survey numbers 3401, 3407, 3436, 3446, 3465, 7526 and 7529.

The July 2012 issue of *Canadian Potato Production*, Vol. 10, no. 1 (22-008-X, free), is now available from the *Key resource* module of our website under *Publications*.

For more information, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact David Thibodeau (902-893-7251), Agriculture Division.

Activities of foreign affiliates, 2010

Employment levels at foreign affiliates of Canadian enterprises were up 3.8% in 2010. This followed two years of declines in employment, reflecting the weakness in the global economy in 2008 and 2009. Despite stronger results in 2010, employment remained below 2007 levels.

Canadian foreign affiliates' employment gains in the goods producing sector (+5.6%) outpaced those in the services sector (+1.5%) in 2010. Manufacturing registered its first job gains since 2005, led by automobiles and technology. Employment in the mining and oil and gas extraction sectors recovered from a 9.5% decline in 2009 with a 4.6% growth. On the services side, the wholesale and retail sectors led the increases in employment.

Geographically, employment gains at foreign affiliates of Canadian enterprises were weaker in the United States and the European Union than in the rest of the world in 2010, a trend observed over most of the last 10 years. In 2010, the "other countries" region posted employment gains of 8.2%, compared with 3.9% for the European Union and 1.1% for the United States.

Nevertheless, the United States still accounted for the largest share of employment at Canadian foreign affiliates at 49.1% in 2010, down from 62.3% in 2000. Most of the US decline has been offset by growth in the "other countries" region, which accounted for 31.8% of total employment at Canadian foreign affiliates in 2010. Since 2000, foreign affiliate employment has doubled in the "other countries" region, relative to a 35.7% gain in the European Union and a 0.7% decline in the United States.

Total current dollar sales of goods and services by foreign affiliates of Canadian enterprises fell for a second straight year, down 2.2% in 2010. This was largely because of a stronger Canadian currency in 2010, which reduced the Canadian dollar value of such sales.

Sales of Canadian foreign affiliates were down across most industries as well as for both goods and services, but there were a few notable exceptions. Sales in the mining and oil and gas extraction sectors rose 7.3%, partly reflecting large increases in the global price of oil. Sales of metallic minerals, gold in particular, were also up. Transportation services were up 31.2%, while all other services were down.

Geographically, Canadian foreign affiliates' sales were up 8.5% for the "other countries" region in 2010, compared with declines in the United States (-4.8%) and the European Union (-13.4%). Since 2000, sales have risen 159.6% in the "other countries" region, relative to a 7.9% growth in the European Union and a 3.7% reduction in the United States. The US share of Canadian foreign affiliate sales has correspondingly declined to 49.5% in 2010 from 64.7% in 2000.

Note to readers

The strong growth in Canadian direct investment abroad, evidenced since the mid-1990s, has given rise to interest in understanding the activities of foreign affiliates of Canadian enterprises. This release provides some perspective on the sales and employment of foreign affiliates, including both industry and geographical detail.

To be consistent with the international practice for measuring the activities of foreign affiliates (also known as Foreign Affiliate Trade Statistics), only the information on majority-owned foreign affiliates are included. For operational reasons, depository institutions and foreign branches of firms are excluded from the estimates. Sales and employment figures of majority-owned foreign affiliates represent total sales and employment, even if the Canadian ownership is less than 100%.

Employment is a volume measure that relates more closely to real economic activity. Sales approximate total gross income, and are subject to potentially large price effects. Current dollar sales reflect inflation in various countries as well as exchange rate effects, as they are converted to Canadian dollars (noon averages) for comparison purposes. Both employment and sales can be affected by changes in Canadian direct investment abroad, either through increased investment or divestment.

Table 1
Activities of foreign affiliates

	2006	2007	2008	2009	2010
	Employment (thousands)				
Total by sector	1,083	1,133	1,103	1,077	1,118
Goods-producers	687	677	646	604	638
Service-producers	396	456	457	473	480
Total by region	1,083	1,133	1,103	1,077	1,118
United States	578	594	552	543	549
European Union	227	218	226	205	213
Other countries	279	321	326	329	356
	Sales (billions of Canadian dollars)				
Total by sector	444	477	507	473	462
Goods-producers	300	318	348	304	300
Service-producers	144	159	159	169	162
Total by region	444	477	507	473	462
United States	235	241	253	240	229
European Union	87	92	95	85	73
Other countries	121	144	159	148	160

Available without charge in CANSIM: tables 376-0060 and 376-0061.

Definitions, data sources and methods: survey number 1539.

For more information, contact Statistics Canada's National Contact Centre
(toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Christian Lajule
(613-951-2062; christian.lajule@statcan.gc.ca) or Bruce Nichols (613-951-5665;
bruce.nichols@statcan.gc.ca), Balance of Payments Division.

New products and studies

New products

Canadian Potato Production, 2012 (preliminary data), Vol. 10, no. 1
Catalogue number 22-008-X (HTML, free | PDF, free)

Steel, Tubular Products and Steel Wire, May 2012, Vol. 8, no. 5
Catalogue number 41-019-X (HTML, free | PDF, free)

The Consumer Price Index, June 2012, Vol. 91, no. 6
Catalogue number 62-001-X (HTML, free | PDF, free)

Wholesale Trade, May 2012, Vol. 75, no. 5
Catalogue number 63-008-X (HTML, free | PDF, free)

Release dates: July 23 to 27, 2012

(Release dates are subject to change.)

Release date	Title	Reference period
24	Retail trade	May 2012
24	Police-reported crime statistics	2011
26	Payroll employment, earnings and hours	May 2012

See also the release dates for major economic indicators for the rest of the year.



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