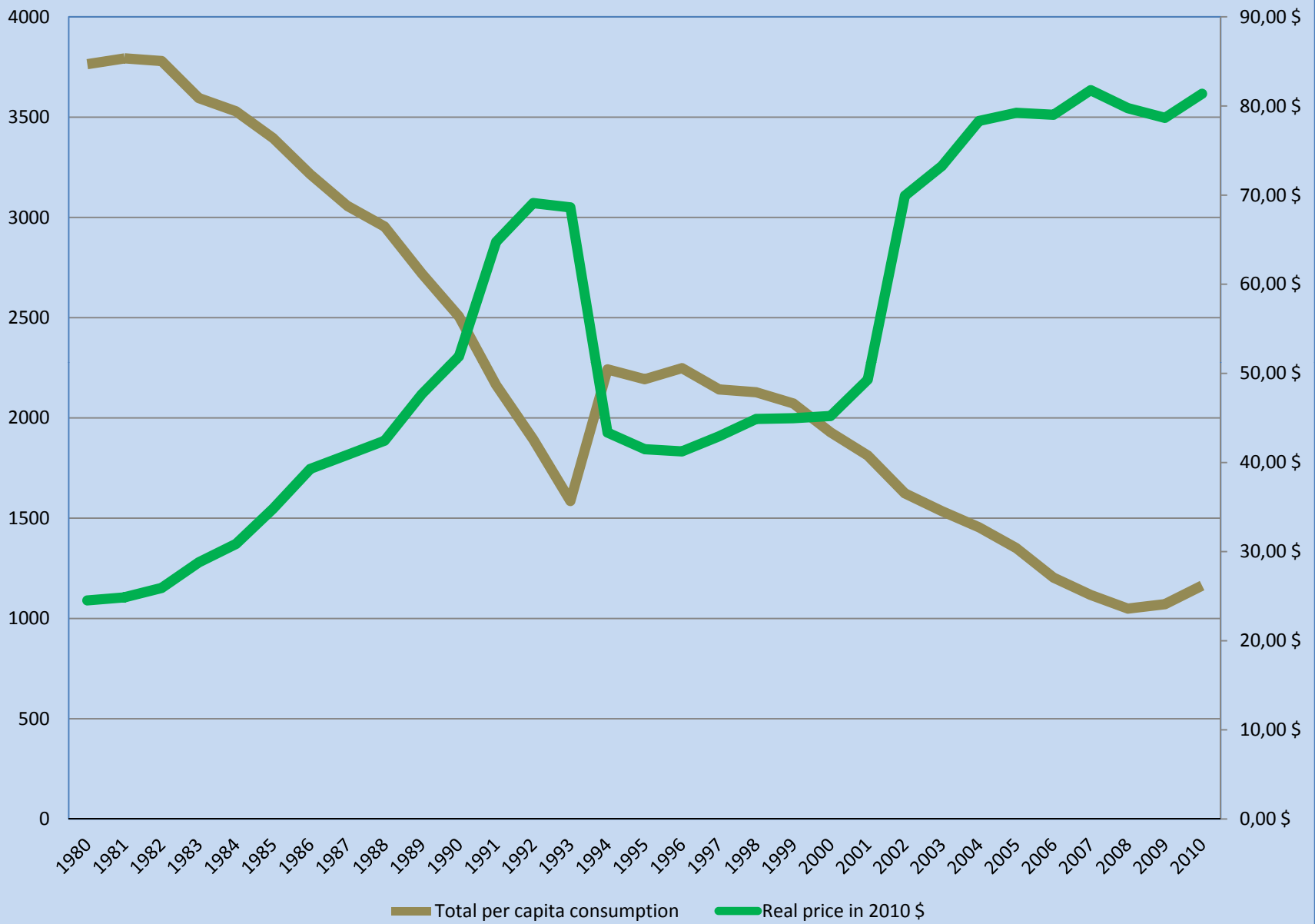


## Real price vs. per capita consumption of cigarettes in Canada



## Real price in 2010\$ vs. per capita consumption cigarettes & fine-cut in Canada

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Price	\$24.53	\$24.87	\$25.92	\$28.80	\$30.86	\$34.82	\$39.28	\$40.86	\$42.45
Consump	3 764	3 793	3 780	3 595	3 529	3 395	3 215	3 057	2 954

	1989	1990	1991	1992	1993	1994	1995	1996	1997
Price	\$47.67	\$51.91	\$64.75	\$69.10	\$68.62	\$43.35	\$41.49	\$42.94	\$44.88
Consump	2 720	2 506	2 164	1 893	1 586	2 242	2 193	2 248	2 142

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Price	\$44.88	\$44.97	\$45.22	\$49.29	\$69.92	\$73.27	\$78.32	\$79.23	\$79.02
Consump	2 128	2 072	1 928	1 813	1 624	1 535	1 454	1 351	1 204

	2007	2008	2009	2010					
Price	\$81.78	\$79.76	\$78.67	\$81.37					
Consump	1 117	1 049	1 071	1 164					

**Per capita consumption:** Health Canada publishes data for wholesale shipments of cigarettes and fine-cut tobacco. By converting loose tobacco to cigarette equivalents at the standard rate of 0.7 gm of tobacco per cigarette, it is possible to calculate the total cigarette equivalents, or “units”. Dividing total units in a year by the population age 15 and older provides per-capita consumption.

**Real price of 200 cigarettes:** A straightforward calculation converts the nominal price of a commodity to the equivalent price in a later year to take account of inflation. The required data are the price of 200 cigarettes for each year of interest, and the rate of all-items inflation over the years. The nominal price for 200 cigarettes in a given year as reported by Statistics Canada (e.g., \$31.20 in 1995) is converted to the price in 2010 dollars as follows: multiply the 1995 price by the ratio of the CPI in 2010 to the CPI in 1995:  $\$31.20 \times 116.5/87.6 = \$41.49$ .