



# The Daily

Statistics Canada

Friday, October 20, 2006

Released at 8:30 a.m. Eastern time

## Releases

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The 18.7% drop in gasoline prices substantially decreased the 12-month change of the All-items Consumer Price Index from 2.1% in August to 0.7% in September. However, excluding energy, the index increased from 1.5% to 1.8% during the same period.	
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### Perspectives on Labour and Income

October 2006 online edition

The October 2006 online edition of *Perspectives on Labour and Income*, released today, features two articles.

"Earnings instability" looks at trends in the earnings instability of lone parents and unattached individuals in the past two decades. It also examines the role of government transfers and the tax system in reducing income instability among lone parents and unattached individuals.

"Training through the ages" uses the 2003 Adult Education and Training Survey to compare the job-related training rate of older workers (55 to 64 years old) with that of younger workers (25 to 34 years old). The comparison is based on personal and job-related characteristics associated with training, such as employer support, self-directed learning, barriers faced by older and younger employees, as well as the objectives and outcomes of training. The study found that training opportunities are not evenly distributed. For example, those who are younger and more highly educated tend to participate in job-related training at a higher rate.

The October 2006 online edition of *Perspectives on Labour and Income*, Vol. 7, no. 10 (75-001-XIE, free) is now available from the *Publications* module of our website.

For more information, contact Henry Pold (613-951-4608; [henry.pold@statcan.ca](mailto:henry.pold@statcan.ca)), Labour and Household Surveys Analysis Division.



*The Daily, October 20, 2006*

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**Release dates:** October 23 to 27, 2006

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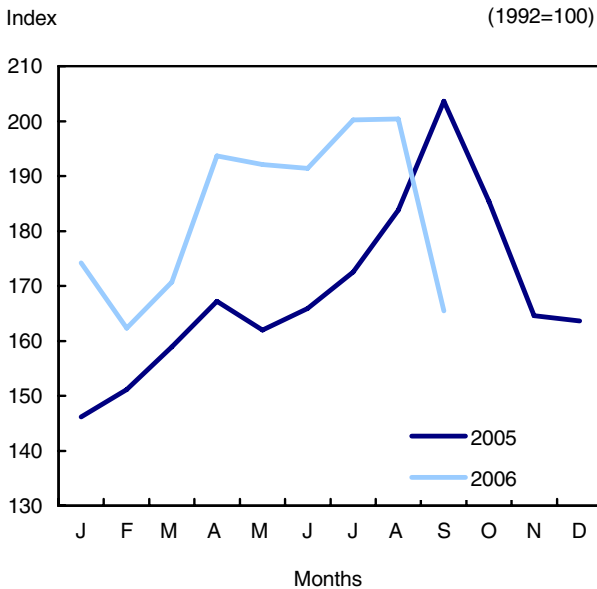
## Releases

### Consumer Price Index

September 2006

The 18.7% drop in gasoline prices substantially decreased the 12-month change of the All-items Consumer Price Index (CPI) from 2.1% in August to 0.7% in September. Excluding energy, the index increased from 1.5% to 1.8% during the same period.

#### Gasoline



The 12-month percentage change in the CPI is obtained by comparing the index for the current month with the index for the same month of the previous year. In the gasoline price index graph, the 12-month change is represented by the gap between the two curves. Hence, the 12-month change may decrease from one month to the next because the baseline used as a point of comparison has increased. As shown in the gasoline graph, the effect of Hurricane Katrina on the September 2005 index is a very important factor

#### Note to readers

Starting with the Consumer Price Index (CPI) release for October, which will be released in November 2006, Statistics Canada will publish on behalf of the Bank of Canada, the Core Consumer Price Index (Core CPI) used to guide monetary policy.

Although Statistics Canada will henceforth announce and publish the Core CPI Index, the underlying methodology for the Index was established by the Bank of Canada and remains the latter's responsibility.

The Core CPI is obtained by removing the effect of the changes in indirect taxes from the All-items CPI from which eight of the most volatile components identified by the Bank of Canada have been excluded. These volatile components are 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.

To accommodate users of the Core CPI, Statistics Canada also plans to make the following changes to the information products related to the CPI.

The Core CPI index will be announced in The Daily at the same time as the CPI. Therefore, the CPI excluding eight of the most volatile components identified by the Bank of Canada will be replaced by the Core CPI.

In terms of data availability, the Bank of Canada's Core CPI index data will henceforth be available in CANSIM at the same time as all CPI data.

in explaining the differences in the 12-month changes from August to September 2006.

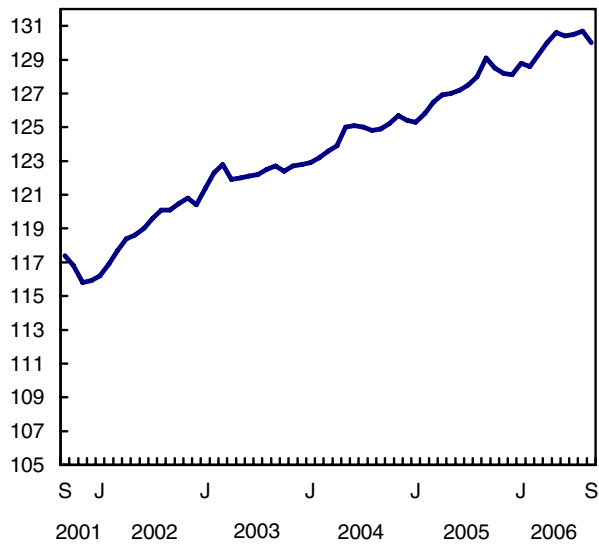
This means that energy, gasoline in particular, was the component that pushed down the CPI during this period. Since June 2004, the CPI excluding energy varied between 1.4% and 1.8%, suggesting relative moderation in price changes.

The CPI excluding eight of the most volatile components as identified by the Bank of Canada reported a similar behaviour in the All-items index excluding energy. This index posted a 12-month change of 1.7% in September compared with 1.5% in August.

On a monthly basis, after a 0.2% increase in August, the CPI posted a 0.5% decrease in September. The 17.4% drop in gasoline prices during this period was the main reason behind this shift.

**Consumer Price Index**

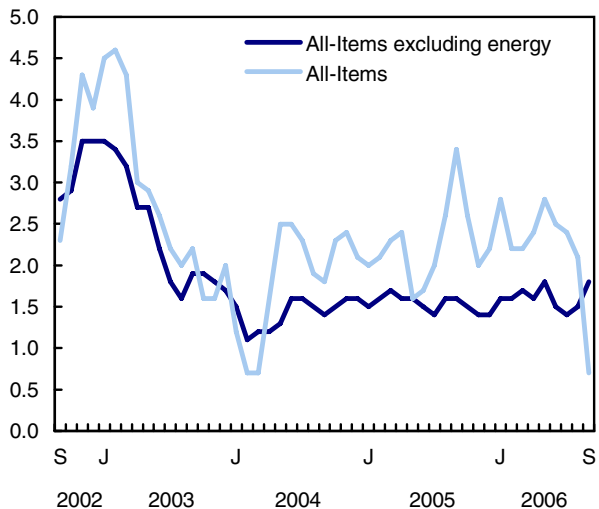
Index (not seasonally adjusted) (1992=100)



The All-items index excluding energy rose 0.5% in September, compared with 0.2% in August. Higher prices for women's clothing and for the purchase and leasing of automotive vehicles were the main sources for this rise.

**Percentage change from the same month of the previous year**

% change



The All-items index excluding eight of the most volatile components identified by the Bank of Canada rose 0.5% in September, up from the 0.2% increase in August.

**Notable drop in the 12-month variation of the All-items index**

In September 2006, prices paid by consumers increased 0.7% over September 2005. This represents a sharp decline from the 2.1% increase posted in August, the result of lower gasoline prices.

Prices paid by consumers at the gas pump dropped 18.7% between September 2005 and September 2006. Such a decline has not been observed since December 2001, when gasoline prices plunged 19.3%.

Despite the increase in homeowners' replacement cost, mortgage interest costs and electricity, the recent trend in gasoline prices, combined with the significance of gasoline in the basket of goods, had a positive impact on the purchasing power of Canadian consumers over the past 12 months.

Homeowners' replacement cost, which represents the worn-out structural portion of housing and is estimated using new housing prices (excluding land), rose by 8.8% between September 2005 and September 2006. Since the beginning of the year, the 12-month increases posted by homeowners' replacement cost have been higher than 5.0%. Given its importance in the CPI basket, the increase in the replacement cost index pushed up the All-items CPI.

The growth in replacement cost was not consistent from province to province. It ranged from a high of 48.6% in Alberta to lows of about 4.0% in other large provinces such as Ontario (+4.4%), Quebec (+3.5%) and British Columbia (+4.6%).

Once again, Alberta's housing sector clearly stood out from its provincial counterparts. A prosperous oil and gas industry, along with high employment and strong consumer confidence, continued to spur the demand for new houses.

Mortgage interest cost, which measures the changes brought about by prices in the amount of mortgage interest owed by consumers, rose 3.3% between September 2005 and September 2006, a sharp increase from the 2.7% increase in August.

Although the upswing in prices for new properties was a significant factor in the increase in the mortgage interest cost index, it was the recent rise in interest rates that accounted for most of the climb in this index. More

than 80% of the 0.6 percentage point rise, noted in the 12-month percentage change in the mortgage cost index between August and September 2006, came from higher interest rates.

Aside from replacement cost and mortgage interest cost, electricity prices constituted the third source of the increase in the All-items CPI. Between September 2005 and September 2006, electricity prices climbed 6.6%. This was primarily a reflection of the rate hikes that have occurred over the past year in Ontario, Quebec, British Columbia and Alberta, which once again led the way with a yearly increase of 18.4%.

### **Gasoline pushes down the monthly CPI**

The CPI dropped 0.5% between August and September 2006, the most pronounced decrease since October 2005, when gasoline prices once again played the main role in pushing down the index (-0.5%).

With a monthly decrease of 17.4%, gasoline appeared to be the main source of the September decrease in the All-items index. Canadian drivers paid substantially less at the pump than they did during the summer, although there were provincial variations. The 20.7% reduction recorded in Alberta was the most substantial of any province and stood in marked contrast with Newfoundland and Labrador, which showed the smallest drop (-12.7%).

Although the slowdown in the monthly increase of gasoline prices has been observed in the last few months, a drop of this magnitude has never been recorded since the introduction of gasoline to the CPI basket. Previously, the largest drop (-11.2%) was recorded in November 2005 after Katrina's effects on refined petroleum were known.

Aside from cyclical factors associated with global energy markets, anticipated seasonal considerations, such as harvests of fruit and vegetables, where prices fell 4.6%, influenced the downward movement of the CPI in September.

However, higher prices for other goods and services, such as women's clothing, the purchase and leasing of automotive vehicles, natural gas and tuition fees, mitigated the drop in the All-items CPI in September.

The launch of the new fall women's collections by retailers translated into an 8.5% increase between August and September 2006, mitigating the drop in the All-items CPI as a whole.

The decrease in incentives offered by car manufacturers generated a 1.0% price increase in the purchase and leasing of automotive vehicles.

With a 6.3% increase compared to the previous month, natural gas prices also slowed the decline in the CPI. Alberta led the way with a 31.9% increase.

University students paid 3.0% more for their education in 2006. Higher tuition fees in Ontario (+5.7%) explained most of the upward trend in this index. The tuition fees index for a particular province takes into account the fact that some residents attend educational institutions in other provinces.

### **The seasonally-adjusted CPI declined between August and September**

The seasonally-adjusted CPI declined 0.3% between August and September 2006. Many indexes exerted downward pressure, mainly the transportation index (-4.4%). The recreation, reading and education index (-0.2%) as well as the clothing and footwear index (-0.1%) also declined. These downward pressures were mitigated by increases in the shelter (+0.5%), food (+0.5%) and health and personal care (+0.4%) indices.

The seasonally-adjusted CPI excluding eight of the most volatile components identified by the Bank of Canada rose 0.3% between August and September 2006, just like in the previous month.

### **All-items index excluding eight of the most volatile components**

The All-items CPI excluding eight of the most volatile components identified by the Bank of Canada posted a 12-month increase of 1.7% in September 2006. The primary factors that contributed to this increase were homeowners' replacement cost (+8.8%), electricity prices (+6.6%), the purchase and leasing of automotive vehicles (+1.8%), and restaurant meal prices (+2.1%). This increase was offset to some extent by lower prices for computer equipment and supplies (-20.3%) and men's clothing (-4.4%).

Between August and September 2006, this index rose 0.5%. Women's clothing (+8.5%), the purchase and leasing of automotive vehicles (+1.0%), tuition fees (+3.0%), and homeowners' replacement cost (+1.3%) were the most important factors behind the rise in this index.

The Bank of Canada identified eight of the most volatile components as being: 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.

### **Energy**

The energy index fell 9.4% between September 2005 and September 2006, compared to a 7.1% increase in August.

All fossil fuel prices declined, reflecting the current world conditions in which the upward pressure on

prices has been partially offset by the apparent slowdown in economic activity in the United States, which accounts for approximately one-quarter of the world's consumption of petroleum products. Gasoline, at the top of the list with an 18.7% decline, was the primary source of the drop in the index, followed at some distance by natural gas (-3.9%), fuel oil (-4.3%), and fuel, parts and supplies for recreational vehicles (-7.4%). Electricity pushed the index in the opposite direction, with a 12-month increase of 6.6%.

On a monthly basis, the energy index fell 9.1% between August and September 2006. Gasoline (-17.4%), fuel oil (-2.9%), and fuel, parts and supplies for recreational vehicles (-8.6%) all contributed to the decrease in the monthly index, while natural gas (+6.3%) and electricity (+0.3%) exerted upward pressure.

**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) from the *Publications* module of our website.

Available at 7 a.m. online under *The Daily* module of our website.

The September 2006 issue of the *Consumer Price Index*, Vol. 85, no. 9 (62-001-XIB, free) is now available from the *Publications* module of our website. A paper copy is also available (62-001-XPB, \$12/\$111). See *How to order products*.

The October Consumer Price Index will be released on November 22.

For more information, or to enquire about the concepts, methods or data quality of this release, call Client Services Unit (toll-free 1-866-230-2248; 613-951-9606; fax 613-951-1539; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)), Prices Division.

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**Consumer Price Index and major components**  
(1992=100)

	Relative importance <sup>1</sup>	September 2006	August 2006	September 2005	August to September 2006	September 2005 to September 2006
Unadjusted						
					% change	
<b>All-items</b>	<b>100.00<sup>2</sup></b>	<b>130.0</b>	<b>130.7</b>	<b>129.1</b>	<b>-0.5</b>	<b>0.7</b>
Food	16.89	130.9	131.3	127.3	-0.3	2.8
Shelter	26.75	129.8	129.1	125.2	0.5	3.7
Household operations and furnishings	10.58	116.1	115.7	116.2	0.3	-0.1
Clothing and footwear	5.37	103.6	100.4	105.8	3.2	-2.1
Transportation	19.79	151.6	158.6	157.0	-4.4	-3.4
Health and personal care	4.52	122.5	121.9	121.1	0.5	1.2
Recreation, education and reading	11.96	128.3	127.8	129.1	0.4	-0.6
Alcoholic beverages and tobacco products	4.13	150.8	150.5	148.3	0.2	1.7
All-items (1986=100)		166.5				
Purchasing power of the consumer dollar expressed in cents, compared to 1992		76.9	76.5	77.5		
<b>Special aggregates</b>						
Goods	48.84	123.1	125.1	125.2	-1.6	-1.7
Services	51.16	137.5	136.9	133.5	0.4	3.0
All-items excluding food and energy	74.27	126.2	125.4	124.2	0.6	1.6
Energy	8.84	166.9	183.6	184.2	-9.1	-9.4
All-items excluding eight of the most volatile components <sup>3</sup>	82.75	129.4	128.7	127.2	0.5	1.7

- 2001 CPI basket weights at June 2004 prices, Canada, effective July 2004. Detailed weights are available under the Documentation section of survey 2301 at (<http://www.statcan.ca/english/sdds/index.htm>).
- Figures may not add to 100% due to rounding.
- Excluded from the All-items CPI are the following eight of the most 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 website ([www.bankofcanada.ca/en/inflation/index.htm](http://www.bankofcanada.ca/en/inflation/index.htm)).

**Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit<sup>1</sup>**  
(1992=100)

	September 2006	August 2006	September 2005	August to September 2006	September 2005 to September 2006
Unadjusted					
				% change	
Newfoundland and Labrador	128.7	130.0	128.5	-1.0	0.2
Prince Edward Island	131.3	132.7	131.6	-1.1	-0.2
Nova Scotia	132.5	133.5	132.3	-0.7	0.2
New Brunswick	129.1	130.5	129.5	-1.1	-0.3
Quebec	125.3	126.1	125.3	-0.6	0.0
Ontario	130.3	131.1	130.0	-0.6	0.2
Manitoba	133.9	135.0	132.7	-0.8	0.9
Saskatchewan	135.3	136.6	133.6	-1.0	1.3
Alberta	141.7	141.4	136.6	0.2	3.7
British Columbia	127.8	128.4	126.5	-0.5	1.0
Whitehorse	126.1	126.7	125.6	-0.5	0.4
Yellowknife <sup>2</sup>	125.4	125.6	124.5	-0.2	0.7
Iqaluit (Dec. 2002=100)	105.0	104.4	103.8	0.6	1.2

- View the geographical details for the city of Whitehorse, the city of Yellowknife and the town of Iqaluit.
- Part of the increase first recorded in the shelter index for Yellowknife for December 2004 inadvertently reflected rent increases that actually occurred earlier. As a result, the change in the shelter index was overstated in December 2004, and was understated in the previous two years. The shelter index series for Yellowknife has been corrected from December 2002. In addition, the Yellowknife All-items CPI and some Yellowknife special aggregate index series have also changed. Data for Canada and all other provinces and territories were not affected.

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## Study: Earnings instability

1984 to 2004

Lone mothers had the highest degree of volatility in earnings of any family type during the past two decades, according to a new study.

Earnings instability was measured by short-term, up-and-down movements in an individual's or family's earnings around a longer-term average.

For instance, the volatility in earnings among lone mothers aged 30 to 34 during the 1999 to 2004 period was almost twice that of two-parent families with a husband in the same age group. Without a second adult earner, lone mothers have a limited ability to smooth the flow of earnings.

The study also found that earnings instability rose for lone mothers under 40 years of age between the 1984 to 1989 period and the 1999 to 2004 period. In contrast, two-parent families showed little indication of a widespread increase in volatility.

The study, published today in the online edition of *Perspectives on Labour and Income*, found no evidence that volatility in earnings among unattached men rose during the past two decades. However, among unattached women, it increased in all but the youngest age groups. The instability among unattached women was lower than that of lone mothers, but higher than that of two-parent families.

Government transfers, such as Employment Insurance, and the tax system both play roles in reducing income instability. However, Employment Insurance has been a more important means for unattached individuals, while social assistance has played a key role for lone mothers.

In all age groups, social assistance appeared to be the single most important factor in reducing income instability among lone mothers, much more than for two-parent families. In the youngest age group, for example, it reduced instability among lone mothers in the lowest third of the income distribution by 32%.

Employment Insurance was the second most important factor in mitigating instability among lone mothers in the lowest income group. Tax credits and especially family benefits also played an important role for this group.

Employment Insurance was a far more important factor in reducing instability among unattached individuals. It reduced instability among unattached men in the bottom third of the income distribution by 17% to 24%, and among unattached women by 13% to 20%.

**Definitions, data sources and methods: survey number 4107.**

The article "Earnings instability" is now available in the online edition of *Perspectives on Labour and Income* (75-001-XIE) from the *Publications* module of our website.

For further information or to enquire about the concepts, methods or data quality of this release, contact René Morissette (613-951-3608, [rene.morissette@statcan.ca](mailto:rene.morissette@statcan.ca)), Business and Labour Market Analysis Division. ■

## Aircraft movement statistics

September 2006 (preliminary)

The 42 Canadian airports with NAV CANADA air traffic control towers reported 398,947 aircraft take-offs and landings in September, up 0.7% compared with September 2005 (396,070 movements). Year-over-year increases in aircraft movements were reported by 18 airports in September. The variations ranged from a 35.4% increase for Abbotsford to a 26.6% decline for Windsor.

The September 2006 issue of *Aircraft Movement Statistics*, Vol. 5, no. 9 (51F0001PIE, TP1496, free) is now available from the *Publications* module of our website.

Preliminary statistics for the 56 Canadian airports with NAV CANADA flight service stations are also available for September.

**Available on CANSIM: table 401-0005.**

**Definitions, data sources and methods: survey number 2715.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; [aviationstatistics@statcan.ca](mailto:aviationstatistics@statcan.ca)), Transportation Division. ■

## Steel primary forms, weekly data

Week ending October 14, 2006 (preliminary)

Steel primary forms production for the week ending October 14 totalled 309 380 metric tonnes, down 1.4% from 313 674 tonnes a week earlier, but up 4.2% from 296 845 tonnes in the same week of 2005.



The year-to-date total as of October 14 was 12 456 607 tonnes, up 2.3% from 12 173 286 tonnes in the same period of 2005.

**Definitions, data sources and methods: survey number 2131.**

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

are available by province, country of origin, importer size and industry.

**Definitions, data sources and methods: survey number 2201.**

For more information on our products and services, contact the Marketing and Client Services Section (toll-free 1-800-294-5583; *trade@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Phil Armstrong (613-951-6755), International Trade Division. ■

**Profile of Canadian importers: Textile and apparel commodities**

2002 to 2004

Data from the importer register (textile and apparel commodities) are now available. Counts of importers

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## New products

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**Aircraft Movement Statistics**, September 2006,  
Vol. 5, no. 9  
**Catalogue number 51F0001PIE**  
(free).

**The Consumer Price Index**, September 2006, Vol. 85,  
no. 9  
**Catalogue number 62-001-XIB**  
(free).

**The Consumer Price Index**, September 2006, Vol. 85,  
no. 9  
**Catalogue number 62-001-XPB** (\$12/\$111).

**Wholesale Trade**, August 2006, Vol. 69, no. 8  
**Catalogue number 63-008-XIE**  
(free).

**Canada's International Transactions in Securities**,  
Vol. 72, no. 8  
**Catalogue number 67-002-XIE**  
(free).

**Perspectives on Labour and Income**, Vol. 7, no. 10  
**Catalogue number 75-001-XIE**  
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Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 6% GST and applicable PST.

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**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**

Catalogue 11-001-XIE (F) (English) 11-001-XIE(11-001-0017-0-01)



Statistics Canada

Thursday, June 3, 1997  
For release at 8:30 a.m.



**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr. 1997** 12

**PUBLICATIONS RELEASED** 11



### Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-G, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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*The Daily, October 20, 2006*

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**Release dates: October 23 to 27, 2006**

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(Release dates are subject to change.)

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<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
23	<b>Retail trade</b>	August 2006
24	<b>Employment Insurance</b>	August 2006
26	<b>Business Conditions Survey: Canadian manufacturing industries</b>	October 2006
26	<b>Population estimates by age and sex</b>	July 1, 2006

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