



# The Daily

Statistics Canada

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## Releases

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Consumers paid less for gasoline at the pump in February, which pushed the 12-month change in the Consumer Price Index back down to 2.2% from 2.8% the month before.	
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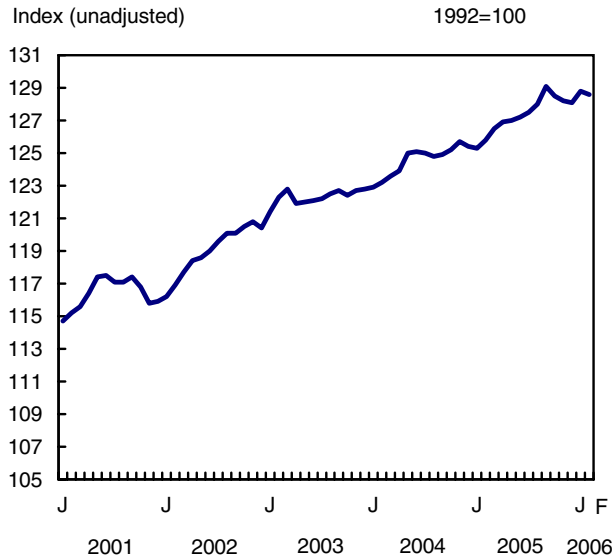
## Releases

### Consumer Price Index

February 2006

Consumers paid less for gasoline at the pump in February, which pushed the 12-month change in the Consumer Price Index (CPI) back down to 2.2% from 2.8% the month before.

#### The Consumer Price Index



February's slowdown in the All-items index was due mainly to a 6.8% decline in the price of gasoline between January and February.

Excluding energy, the All-items index rose 1.6% between February 2005 and February 2006, the same increase as in the previous month.

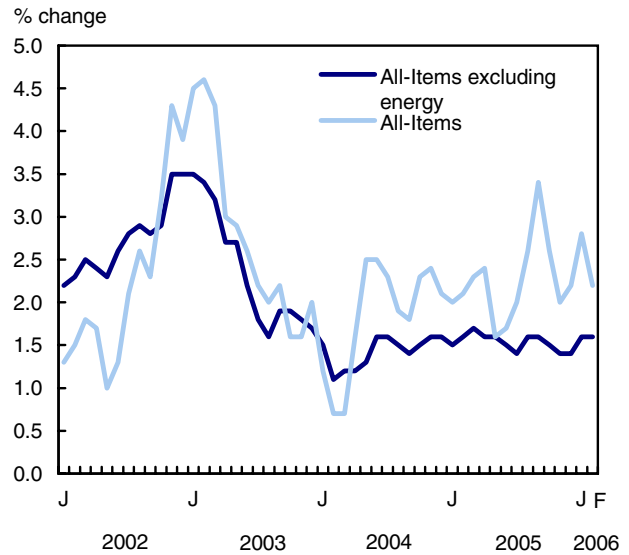
At the same time, the All-items index excluding the eight volatile components identified by the Bank of Canada rose 1.7% on a 12-month basis, also unchanged from January.

On a monthly basis, consumer prices fell 0.2% between January and February this year, after a 0.5% increase between December and January. The decline was due mainly to lower prices for some energy items, especially gasoline, as the All-items index excluding energy rose 0.2%.

The All-items index excluding the eight volatile components identified by the Bank of Canada

increased 0.3% between January and February, the result mainly of increases in travel tour prices.

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



#### Gasoline still influences the 12-month change in the CPI but to a lesser extent

In February, although consumers paid 2.2% more than in February 2005 for the goods and services included in the Consumer Price Index basket, this was down compared to the 2.8% rise recorded in January. The main factors behind the increase in February were gasoline, the purchase and leasing of automotive vehicles, homeowners' replacement cost, and natural gas.

Exerting a moderating effect were lower prices for insurance premiums for automotive vehicles, computer equipment and supplies, and women's clothing.

Average gasoline prices were 7.4% higher in February compared to the same month a year ago, the smallest 12-month increase since June 2005 (+4.2%). Increases were posted in all provinces and ranged from 2.6% in Manitoba to 18.8% in Prince Edward Island.

The price of purchasing and leasing an automotive vehicle rose an average of 3.2% in February. All provinces posted increases, with the most modest

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advance in Alberta (+2.6%) and the strongest in Manitoba (+5.3%).

Homeowners' replacement cost, which represents the worn out structural portion of housing, and is estimated using new housing prices (excluding land), was up 5.8% between February 2005 and February 2006. The increase was mainly due to price gains in Ontario (+4.2%) and Alberta (+18.5%), although all provinces showed advances.

In February, natural gas prices were 17.1% higher compared to February 2005. All provinces posted increases, ranging from 4.6% in Alberta to 22.7% in Ontario.

Exerting a moderating effect, insurance premiums for automotive vehicles were 3.1% lower in February compared to the same month a year earlier. As a result, the automotive vehicle insurance premiums index was at 196.3 (1992=100), its lowest level since July 2003.

Continuing its downward trend, the index for computer equipment and supplies fell 17.1% compared to February 2005.

Women's clothing also moderated the increase, falling by 4.1%. With changing global manufacturing patterns, lower prices for clothing have been the usual trend over the last few years. Except for New Brunswick and Quebec, all provinces reported decreases in February, ranging from 0.4% in Saskatchewan to 11.7% in Manitoba.

For six of the eight major components of the CPI, prices in February 2006 were higher than those of February 2005. The indexes for shelter (+3.7%), transportation (+3.1%), and food (+2.8%) exerted the strongest upward pressure. The indexes for clothing and footwear (-2.5%) and for recreation, education and reading (-0.3%) exerted downward pressure.

### **Monthly CPI pushed down by lower gasoline prices**

Between January and February, the CPI fell by 0.2%, from a level of 128.8 to 128.6 (1992=100). Lower prices for gasoline, natural gas and fresh vegetables were offset only in part by higher prices for travel tours and men's clothing.

Gasoline prices fell by 6.8% between January and February 2006, after having risen sharply in January. All provinces recorded declines, ranging from 0.1% in Newfoundland to 9.5% in Ontario. Crude oil prices fell steadily through the first half of February, then slowly crept up again towards the end of the month, with pump prices following suit.

After a 15.4% hike in January, the price of natural gas decreased by 5.5% in February, due to lower gas commodity costs. Alberta, with a decrease of 31.4%, was the main cause of the national drop. Other provinces posted more modest price changes, from a 9.9% decline in Quebec to an increase of 4.3% in Ontario.

All categories of fresh vegetables posted price decreases in February, leading to a 6.8% decline in the fresh vegetable index. Vegetable prices usually fall in February but, this year, the decline was slightly larger. This decline follows a sharp increase in prices last month resulting from adverse weather conditions. The fresh fruit index was also down, falling 3.8% compared to January.

Exerting upward pressure on the All-items CPI, prices of travel tours increased by 8.1% in February compared to January. This is the usual trend at this time of the year, as the winter holiday season swings into high gear.

Prices for men's clothing also exerting upward pressure, increasing by 3.4% between January and February as end of season sales were winding down.

### **The seasonally adjusted CPI down between January and February**

Seasonally adjusted, the CPI dropped by 0.3% between January and February 2006.

Downward pressure came from the indexes for transportation (-1.8%), clothing and footwear (-0.8%), shelter (-0.1%), recreation, education and reading (-0.2%) and household operations and furnishings (-0.1%).

The seasonally adjusted index was pushed up by the food (+0.2%), alcoholic beverages and tobacco products (+0.4%), and health and personal care (+0.2%) indexes.

### **The All-items index excluding the eight volatile components**

The All-items index excluding the eight volatile components identified by the Bank of Canada increased by 1.7% between February 2005 and February 2006. The main factors behind this increase were the purchase and leasing of automotive vehicles (+3.2%), homeowners' replacement cost (+5.8%), restaurant meals (+2.9%) and electricity (+4.7%). The increase was moderated by lower insurance premiums for automotive vehicles (-3.1%), as well as prices for computer equipment and supplies (-17.1%), women's clothing (-4.1%) and traveller accommodation (-6.7%).

Between January and February 2006, the All-items index excluding the eight volatile components identified by the Bank of Canada increased by 0.3%. The main factors exerting upward pressure were travel tours (+8.1%), men's clothing (+3.4%) and homeowners' replacement cost (+0.9%). Factors pushing the index downward were homeowners' maintenance and repairs (-0.9%), fresh or frozen chicken (-3.0%), and non-alcoholic beverages (-1.3%).

## Energy

Following a 15.3% increase between January 2005 and January 2006, the energy index rose 8.1% between February 2005 and February 2006.

Although all components contributed to the increase in the energy index in February 2006, the gasoline index (+7.4%) was again the main factor, followed closely by natural gas (+17.1%), electricity (+4.7%), fuel oil (+13.7%), and fuel, parts and supplies for recreational vehicles (+6.4%).

The energy index fell by 4.2% on a monthly basis, largely under the influence of lower gasoline prices (-6.8%), and to a lesser extent, natural gas (-5.5%), fuel oil (-0.5%), and fuel, parts and supplies for recreational vehicles (-3.0%). Electricity prices were unchanged from last month.

**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 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 February 2006 issue of the *Consumer Price Index*, Vol. 85, no. 2 (62-001-XIB, \$9/\$83; 62-001-XPB, \$12/\$111) is now available. See *How to order products*.

The March Consumer Price Index will be released on April 20.

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

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

	Relative importance <sup>1</sup>	February 2006	January 2006	February 2005	January to February 2006	February 2005 to February 2006
unadjusted						
% change						
<b>All-items</b>	<b>100.00</b>	<b>128.6</b>	<b>128.8</b>	<b>125.8</b>	<b>-0.2</b>	<b>2.2</b>
Food	16.89	130.2	130.4	126.6	-0.2	2.8
Shelter	26.75	127.1	127.2	122.6	-0.1	3.7
Household operations and furnishings	10.58	116.6	116.4	115.5	0.2	1.0
Clothing and footwear	5.37	100.4	99.0	103.0	1.4	-2.5
Transportation	19.79	151.5	154.2	147.0	-1.8	3.1
Health and personal care	4.52	121.7	121.3	119.7	0.3	1.7
Recreation, education and reading	11.96	125.9	125.2	126.3	0.6	-0.3
Alcoholic beverages and tobacco products	4.13	148.9	148.3	145.2	0.4	2.5
All-items (1986=100)		164.7				
Purchasing power of the consumer dollar expressed in cents, compared to 1992		77.8	77.6	79.5		
<b>Special aggregates</b>						
Goods	48.84	123.2	124.2	120.5	-0.8	2.2
Services	51.16	134.5	134.1	131.7	0.3	2.1
All-items excluding food and energy	74.27	124.7	124.3	123.0	0.3	1.4
Energy	8.84	164.7	171.9	152.3	-4.2	8.1
All-items excluding the 8 most volatile components <sup>3</sup>	82.75	128.0	127.6	125.9	0.3	1.7

1. 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>).

2. Figures may not add to 100% due to rounding.

3. 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](http://www.bankofcanada.ca/en/inflation/index.htm)).

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

	February 2006	January 2006	February 2005	January to February 2006	February 2005 to February 2006
unadjusted					
% change					
Newfoundland and Labrador	127.1	127.1	124.5	0.0	2.1
Prince Edward Island	130.4	129.8	125.6	0.5	3.8
Nova Scotia	130.5	130.9	127.4	-0.3	2.4
New Brunswick	128.9	129.1	125.6	-0.2	2.6
Quebec	124.8	124.9	122.0	-0.1	2.3
Ontario	129.6	130.0	127.1	-0.3	2.0
Manitoba	131.9	132.1	129.5	-0.2	1.9
Saskatchewan	133.4	133.5	130.9	-0.1	1.9
Alberta	136.2	137.1	131.9	-0.7	3.3
British Columbia	125.8	125.6	123.8	0.2	1.6
Whitehorse	124.6	125.1	121.5	-0.4	2.6
Yellowknife	124.8	124.9	121.9	-0.1	2.4
Iqaluit (Dec. 2002=100)	103.7	103.5	101.7	0.2	2.0

1. View the geographical details for the city of Whitehorse, the city of Yellowknife and the town of Iqaluit.

2. 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: Canada's place in world trade

1990 to 2005

Although the share of natural resources in Canada's exports is increasing and the United States remains our dominant export market, the story is different for imports, which now come less and less from the United States and are more diversified by commodity group, according to a new study released today in the *Canadian Economic Observer*.

The study also shows that the marked drop in the US share of imports is unprecedented in the history of Canada-US trade.

The United States and Japan are not as dominant in imports as in the early 1990s, and China has made inroads into many of Canada's consumer and investment goods. But some of the growth in China is illusory, reflecting its role in assembling parts manufactured in other Asian countries. Consequently, Canada's overall deficit with Asia did not deteriorate as it did during the 1990s. Much of the recent growth of imports from China can be explained by a large content from other countries in Asia.

About 40% of Canada's imports in 2005 came from countries other than the United States and Japan, an increase of more than 10 percentage points from the 1990s. Apart from China, Korea, Europe, Mexico and the Organization of the Petroleum Exporting Countries (OPEC) profited from the lower share of imports from the United States and Japan to Canada in recent years.

The US share of imports to Canada dropped primarily because of machinery and equipment, our largest import group. The United States accounted for about 54% of these imports in 2005, down from about 68% in 1990, displaced by China and Mexico. Canada's imports of electrical and electronic products alone from the United States shrank by \$10 billion between 2000 and 2005.

Canadian imports of electrical and electronic products from countries other than China also declined. Between 2000 and 2005, these imports grew by nearly \$4 billion from China (+300%) but part of this growth was at the expense of Japan and the rest of Asia, both down by a third.

Canada's deficit for electronic goods has levelled-off since 2000. That is because Canada imported less directly from Japan and other countries that supply the inputs for China's computer industry, such as Hong Kong, Taiwan and Singapore. Canada now imports much cheaper computer products that have been assembled in China, often from parts made throughout Asia.

On the exports side, Canada is increasingly reliant on resources. Resources have accounted, on average, for about half of Canada's exports over the last 15 years. In 2005, the proportion jumped to 57%, with energy exports to the United States leading the way. Exports of industrial goods to China have also contributed to this increase.

Energy is also one of Canada's least diversified exports in terms of trading partners and it became even less diversified after 2000. Roughly 95% of our energy exports went to the United States in 2005, compared with 84% in 1990. In 2005, energy made up one quarter of Canada's shipments to the United States, double their proportion in the 1990s. Canada exports mainly oil and natural gas, each of which earned at least \$30 billion in 2005.

In contrast to resources, exports of finished products fell sharply after 2000. This drop was led by auto products, which hampered overall Canada's exports to the United States since it is the destination for 96% of our auto exports. The decline affected only North American manufacturers, as foreign automakers with operations in Canada have increased their exports appreciably.

Auto exports to Mexico also have grown, particularly in 2005. More than a quarter of Mexico's imports from Canada in 2005 were automotive products, an increase of more than 10 percentage points from 2004 and the highest proportion since 1991. Still, auto trade with Mexico is only 1% of Canadian auto exports. Trade between Canada and Mexico has been generally lacklustre despite the North American Free Trade Agreement, displaced by growing trade with China over the last 15 years.

### **Definitions, data sources and methods: survey numbers, including related surveys, 2201 and 2202.**

The study "Canada's place in world trade, 1990 to 2005" is now available for free online. The study is also included in the March 2006 Internet edition of *Canadian Economic Observer*, Volume 19, no. 3 (11-010-XIB, \$19/\$182), which is now available. See *How to order products*. The monthly paper version of *Canadian Economic Observer*, Volume 19, no. 3 (11-010-XPB, \$25/\$243) will be available on Thursday, March 23.

For more information about the *Canadian Economic Observer*, go to the *Canadian Statistics* page, choose *National Accounts*, then click on the banner ad for *Canadian Economic Observer*.

To enquire about the concepts, methods or data quality of this release, contact Francine Roy (613-951-3627; [ceo@statcan.ca](mailto:ceo@statcan.ca)), or Gilbert Côté

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(613-951-1789; [ceo@statcan.ca](mailto:ceo@statcan.ca)), Current Economic Analysis Group. ■

## Construction Union Wage Rate Index

February 2006

The Construction Union Wage Rate Index (including supplements) for Canada remained unchanged in February compared to the revised January level of 135.0 (1992=100). The composite index increased 2.4% compared with the revised February 2005 index (131.8).

Union wage rates are published for 16 trades in 20 metropolitan areas for both the basic rates and rates including selected supplementary payments. Indexes on a 1992=100 time base are calculated for the same metropolitan areas and are published for those where a majority of trades are covered by current collective agreements.

**Available on CANSIM: tables 327-0003 and 327-0004.**

**Definitions, data sources and methods: survey number 2307.**

The first quarter 2006 issue of *Capital Expenditure Price Statistics* (62-007-XIE, \$20/\$59) will be available in April.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services Unit (613-951-9606; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)) or Louise Châiné (613-951-3393), Prices Division. ■

## Passenger bus and urban transit

January 2006 (preliminary)

Combined ridership on 10 large urban transit systems in Canada was 2.4% higher in January than it was for the same month in 2005.

Approximately 109.1 million passenger trips were taken on these transit systems in January and they accounted for about 80% of total urban transit in Canada.

The trips generated \$170.4 million in revenue in January (excluding subsidies), a 5.8% increase over January 2005.

**Available on CANSIM: table 408-0004.**

**Definitions, data sources and methods: survey number 2745.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (1-866-500-8400; fax: 1-613-951-0009; [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca)), Transportation Division. ■

## Steel pipe and tubing

January 2006

Data on the production and shipments of steel pipe and tubing are now available for January.

**Available on CANSIM: table 303-0046.**

**Definitions, data sources and methods: survey number 2105.**

The January 2006 issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, \$6/\$51) will soon be available.

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; [manufact@statcan.ca](mailto:manufact@statcan.ca)) Manufacturing, Construction and Energy Division. ■

## New products

**Canadian Economic Observer**, March 2006, Vol. 19, no. 3  
Catalogue number 11-010-XIB (\$19/\$182).

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

**The Consumer Price Index**, February 2006, Vol. 85, no. 2  
Catalogue number 62-001-XIB (\$9/\$83).

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; -XCB or -XCE are electronic versions on compact disc and -XBB or -XBE a database.

**The Consumer Price Index**, February 2006, Vol. 85, no. 2  
Catalogue number 62-001-XPB (\$12/\$111).

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**The Daily**  
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, 65th calendar year, an average of about 40 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**

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Statistics Canada

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