

# Statistics Canada

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#### Releases

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#### Releases

#### **Consumer Price Index**

December 2006

Consumer prices accelerated for the fourth consecutive month in December.

Please consult the release "Consumer Price Index: A preview of the upcoming basket update" in today's *Daily*.

Consumers paid 1.6% more for the goods and services in the Consumer Price Index (CPI) basket in December 2006 than they did a year earlier. It was a slightly faster pace than the 12-month change of 1.4% in November.

Still, December's increase was below the average gain of 2.0% in the all-items CPI for 2006 as a whole, and well below the much hotter pace in the first eight months of 2006.

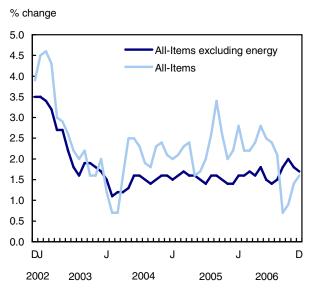
December's upturn was due mainly to the second consecutive 8.2% monthly increase in homeowners' replacement cost, representing the worn-out structural portion of housing. Since August 2006, this index has posted monthly increases of over 8.0%.

In addition, drivers paid slightly more for gasoline. But this was offset by another decline in natural gas prices in the wake of milder weather. Excluding energy, the 12-month change in the all-items index rose 1.7% in December, the result of sustained growth in prices for owned accommodation. Over the past four months, this index has remained relatively stable.

On a monthly basis, consumer prices edged up 0.2% between November and December last year, the same increase as in the previous month. The monthly index, excluding energy, slipped 0.1% in December after a 0.2% increase the month before.

The core Consumer Price Index, used by the Bank of Canada to monitor the inflation-control target, rose by 2.0% between December 2005 and December 2006, compared with 2.2% the previous month. The monthly core CPI slipped 0.2% in December, following a 0.3% increase in November.

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



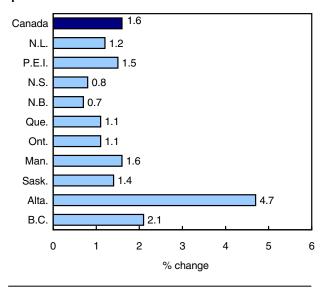
### 12-month change: Prices in housing sector keep increasing

December's 12-month change of 1.6% in the all-items index was attributable primarily to continually rising costs paid by homeowners in recent months, especially in Alberta.

For a second straight month, homeowners' replacement cost, which represents the worn-out

structural portion of housing and is estimated using new housing prices (excluding land), shot up by 8.2%. Since August 2006, increases in this index have exceeded 8.0%.

# Percentage change in the all-items index from the same month of the previous year, Canada and provinces



Most of this increase in replacement cost can be accounted for by the ongoing demand for new houses, fuelled by rising employment and a vigorous economy. In November 2006, building permits reached yearly all-time highs thanks to a strong increase in residential construction in the western provinces, and Alberta in particular, where the economic boom is continuing.

In Alberta alone, replacement costs soared 43.1% in December, the main factor behind the rise in this index at the national level. Price increases elsewhere played a much more modest role. Even so, replacement costs rose 10.3% in Saskatchewan and 6.8% in Manitoba.

Mortgage interest cost, on the rise since early 2006, continued its upward movement with a 4.9% gain. This index was relatively stable in 2005.

Also contributing to the 12-month change in the all-items index were price increases in electricity. Electricity prices rose 6.7% between December 2005 and December 2006, thanks primarily to hikes of 23.7% in Alberta and 7.5% in Ontario.

Rising production costs contributed to a 2.5% increase in the price of foods purchased in restaurants. Higher tobacco taxes in some provinces resulted in a 4.7% rise in cigarette prices.

On the downside, milder temperatures brought a sixth consecutive monthly decline in natural gas prices, which fell 7.5% between December 2005 and December 2006. Almost all Canadian consumers benefited, except residents of Alberta, where natural gas prices rose 3.3%.

Prices for purchasing and leasing vehicles fell 1.9% between December 2005 and December 2006, the result in part of fierce competition among manufacturers who were offering discounts on new 2007 models.

Elsewhere, the growth in the all-items CPI was slowed by continually falling prices for computer equipment and supplies, as well as lower prices for men's and women's clothing.

#### Month-over-month: Slight increase in gas prices

Gasoline prices, as well as increases for cigarettes, household maintenance and repairs and mortgage interest costs, pushed up the all-items index between November and December. They were partly offset by declines in men's and women's clothing and in some non-alcoholic beverages.

Gasoline prices climbed 4.1% after several months of declines. This growth was slightly less than the 4.6% rate posted six months earlier in July.

Gasoline prices were up from coast to coast, except in Manitoba (-0.1%). The biggest increase, 6.8%, occurred in Prince Edward Island. Other increases ranged from 6.6% in Nova Scotia to 1.0% in Saskatchewan.

Cigarette prices rose 1.7% between November and December 2006. Prices for household maintenance and repairs were up 1.7%, while the cost of mortgage interest edged up 0.4%.

Discounts associated with fall sales, combined with holiday sales, reduced the price of women's clothing by 5.4%. It was the biggest decline ever for the month of December, and the largest decrease in women's clothing since a 5.8% plunge in April 2006.

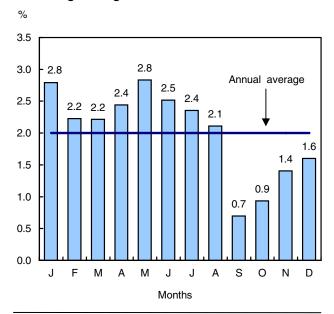
It was the same case with prices for men's clothing, which fell 4.1%, the biggest decline since a 5.1% drop in June 2003.

Prices were down 3.3% for non-alcoholic beverages, the result of holiday season discounts on soft drinks.

#### Annual change: Homeowners paid more this year

This release provides the annual average movement in components of the Consumer Price Index for 2006 as a whole. Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year.

#### Percentage change in the all-items index



Annual averages should not be confused with the 12-month change in the CPI. This compares indexes for a given month to indexes for the same month a year earlier.

For 2006 as a whole, prices rose on average by 2.0%, compared with 2.2% in 2005, 1.9% in 2004 and 2.8% in 2003. The increase in 2003 was the biggest annual average increase since 1991.

In 2006, lower gasoline prices helped offset a strong upturn in prices in the owned accommodation sector.

Available on CANSIM: tables 326-0001, 326-0002, 326-0009, 326-0012 and 326-0015 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 December 2006 issue of the *Consumer Price Index*, Vol. 85, no. 12 (62-001-XWB, free) is now available from the *Publications* module of our website. A paper version is also available (62-001-XPB, \$12/\$111). See *How to order products*. A more detailed analysis of the CPI is available in this publication.

The January Consumer Price Index will be released on February 20.

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

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

	Relative importance <sup>1</sup>	December 2006	November 2006	December 2005	November to	December 2005
	mportanoo	2000	2000	2000	December	to
					2006	December
						2006
			Unad	justed		
					% chan	ge
All-items	100.00 <sup>2</sup>	130.2	130.0	128.1	0.2	1.6
Food	16.89	132.2	132.4	129.3	-0.2	2.2
Shelter	26.75	130.5	129.8	125.7	0.5	3.8
Household operations and furnishings	10.58	116.3	116.3	116.2	0.0	0.1
Clothing and footwear	5.37	98.4	102.0	100.4	-3.5	-2.0
Transportation	19.79	153.4	151.6	152.1	1.2	0.9
Health and personal care	4.52	122.7	123.2	121.5	-0.4	1.0
Recreation, education and reading	11.96	126.5	127.0	126.6	-0.4	-0.1
Alcoholic beverages and tobacco products	4.13	152.2	151.2	147.5	0.7	3.2
All-items (1986=100)		166.8				
Purchasing power of the consumer dollar						
expressed in cents, compared to 1992		76.8	76.9	78.1		
Special aggregates						
Goods	48.84	122.8	122.7	122.7	0.1	0.1
Services	51.16	138.3	138.0	134.1	0.2	3.1
All-items excluding food and energy	74.27	126.4	126.5	124.5	-0.1	1.5
Energy	8.84	164.8	160.5	162.3	2.7	1.5
Core CPI <sup>3</sup>	82.75	129.8	130.1	127.2	-0.2	2.0

<sup>1. 2001</sup> 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).

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

	December	November	December	November	December
	2006	2006	2005	to	2005
				December	to
				2006	December
					2006
			Unadjusted		
				% change	)
Newfoundland and Labrador	128.1	128.0	126.6	0.1	1.2
Prince Edward Island	131.3	130.7	129.4	0.5	1.5
Nova Scotia	131.9	132.2	130.9	-0.2	0.8
New Brunswick	129.4	128.5	128.5	0.7	0.7
Québec	125.5	125.5	124.1	0.0	1.1
Ontario	130.6	130.5	129.2	0.1	1.1
Manitoba	133.7	134.2	131.6	-0.4	1.6
Saskatchewan	134.6	134.5	132.7	0.1	1.4
Alberta	141.8	141.2	135.4	0.4	4.7
British Columbia	128.3	128.1	125.7	0.2	2.1
Whitehorse	125.1	125.1	125.1	0.0	0.0
Yellowknife <sup>2</sup>	126.1	125.2	125.4	0.7	0.6
Igaluit (Dec. 2002=100)	105.7	105.2	103.6	0.5	2.0

<sup>1.</sup> View the geographical details for the city of Whitehorse, the city of Yellowknife and the town of Iqaluit.

<sup>2.</sup> Figures may not add to 100% due to rounding.

<sup>3.</sup> The measure of Core CPI excludes from the all-items CPI the effect of changes in indirect taxes and eight of the most volatile components identified 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. For additional information on Core CPI, please consult the Bank of Canada website (http://www.bankofcanada.ca/en/inflation/index.htm).

<sup>2.</sup> 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.

#### Retail trade

November 2006

After declining for two months, retail sales rose 0.2% in November, thanks to strong sales at gasoline stations. Excluding the automotive sector, which includes gasoline station sales, retail sales actually declined by 0.6% in November.

Total retail sales rose to an estimated \$32.7 billion in November from \$32.6 billion in October. Preceding November, sales declined two months in a row, almost offsetting strong gains made in July and August, resulting in a relatively flat sales trend. Prior to this period, retail sales have been generally rising at a rapid clip since 2004.

### Retail sales edge up after two months of decline

\$ billions 34 33 32 31 30 29 28 Trend 27 Seasonally adjusted 26 DJ J 2002 2003 2004 2006 2005

The story was mixed in November with half the retail sectors registering declines while the other half experienced sales increases.

Sales growth in the automotive (+1.8%), building and outdoor home supplies stores (+1.0%), pharmacies and personal care stores (+0.6%) and furniture, home furnishings and electronics stores (+0.4%) sectors helped offset declines in clothing and accessories stores (-2.7%), miscellaneous retailers (-2.4%), general merchandise stores (-1.5%) sectors as well as a slight decline in the food and beverage stores sector (-0.3%).

Once price changes were taken into account, total retail sales fell by 0.2% in November after a 0.6% decrease in October.

#### Automotive sector sales bounce back

Gasoline station sales grew by 4.5% in November, after three months of consecutive sales declines, partially due to plummeting gasoline prices. Price shifts have strongly influenced sales at gasoline stations in 2006, resulting in a 10.2% sales increase in the second quarter followed by a 3.9% drop in the third quarter.

Sales at used and recreational motor vehicles and parts dealers rose by 1.0% following three months of declines. Sales among these dealers had been strong at the start of 2006 thanks to increased demand for recreational vehicles. Though tempered in recent months, sales were still at historically high levels.

After reaching a record level in August 2006, sales at new car dealers fell for two consecutive months but have started to slowly regain strength with November's increase of 0.6%. Preliminary figures from the automotive industry indicate that sales continued to rebound in December as the number of new vehicles sold is estimated to have increased by approximately 5% in the month.

Within the building and outdoor home supplies stores sector, sales at home centres and hardware stores rose by 1.2% in November, after two consecutive months of decline. Sales by these stores have been posting double digit annual increases since 2002.

Home furnishing stores sales advanced 2.7% after dropping 1.4% in October. After strong gains in late 2005 and early 2006, sales at home furnishing stores have been fluctuating, resulting in a relatively flat trend line.

Pharmacies and personal care stores saw sales increase by 0.6% in November. Sales at these stores have been rising strongly in 2006 with only one monthly sales decline so far in the year.

Partially offsetting these increases were lower sales by clothing stores (-2.7%), shoe, clothing accessories and jewellery stores (-2.7%), sporting goods, hobby, music and book stores (-3.9%) and general merchandise stores (-1.5%), which includes department stores and other general merchandise stores. November marked the second consecutive decline by these store types and followed September 2006's spending spree on clothing. The latest declines have more than offset any of the gains made in September. Warmer than usual weather may have played a part in these declines, as demand for more expensive winter clothing and gear may have been attenuated by warmer temperatures.

Sales in beer, wine and liquor stores declined by 1.4% in November after three straight monthly increases. Supermarkets also registered a sales decline in November (-0.2%). Sales among supermarkets have slowed since the fall of 2005.

#### Sales pick up in most provinces and territories

After two months of decline, retail spending in Quebec (+0.3%) and Ontario (+0.7%) picked up in November, mainly due to gasoline station sales. Retailers in Manitoba (+1.7%) also saw their sales pick up after declining by 2.0% in October. Retailing in Manitoba has been fairly strong so far in 2006 with only two monthly declines.

Sales were also strong in November in each of the Atlantic provinces. Increases occurred in Prince Edward Island (+2.3%), New Brunswick (+2.2%), Newfoundland and Labrador (+2.0%) and Nova Scotia (+0.9%).

Retailers in Alberta and British Columbia registered sales declines for the third month in a row in November. Still, retail sales in Alberta have seen double digit year-over-year increases every month since April 2005. For British Columbia, severe storms at the end of November are thought to have played a role in dampening sales.

#### Related indicators for December

Employment increased by an estimated 62,000 in December, pushing the unemployment rate back down to a 30-year low of 6.1%.

The seasonally adjusted annual rate of housing starts decreased to 211,500 units in December, from November's 229,300, according to the Canadian Mortgage and Housing Corporation.

#### Available on CANSIM: tables 080-0014 to 080-0017.

Definitions, data sources and methods: survey numbers, including related surveys, 2406 and 2408.

The November 2006 issue of *Retail Trade* (63-005-XWE, free) will soon be available.

Data on retail trade for December will be released on February 21.

For more information or to order data, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; retailinfo@statcan.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact Lucy Chung (613-951-1903), Distributive Trades Division.

#### Retail sales

	2005	2006 <sup>r</sup>	2006 <sup>r</sup>	2006 <sup>r</sup>	2006 <sup>p</sup>	to November 2006	November 2005 to November
			Sea	sonally adjuste	ed		2006
			\$ millions			% cha	nge
Automotive	10,723	11,663	11,061	10,945	11,142	1.8	3.9
New car dealers	6,136	6,483	6,326	6,306	6,346	0.6	3.4
Used and recreational motor vehicle and parts							
dealers	1,287	1,512	1,502	1,455	1,469	1.0	14.2
Gasoline stations	3,300	3,668	3,233	3,185	3,327	4.5	8.0
Furniture, home furnishings and electronics							
stores	2,162	2,343	2,345	2,338	2,347	0.4	8.6
Furniture stores	762	808	803	808	805	-0.3	5.8
Home furnishings stores	417	449	456	450	462	2.7	10.7
Computer and software stores	139	137	129	125	124	-0.9	-10.5
Home electronics and appliance stores	844	949	956	955	956	0.1	13.2
Building and outdoor home supplies stores	1,966	2,133	2,121	2,105	2,127	1.0	8.2
Home centres and hardware stores	1,592 374	1,739 394	1,731 390	1,710 395	1,731 397	1.2 0.4	8.7 6.1
Specialized building materials and garden stores Food and beverage stores	7.204	7.385	<b>7.389</b>	7.412	<b>7.392</b>	-0.4 -0.3	2.6
Supermarkets	7,20 <del>4</del> 5,245	5,300	5,282	5,295	5,285	<b>-0.3</b> -0.2	0.8
Convenience and specialty food stores	747	805	812	815	822	0.8	10.0
Beer, wine and liquor stores	1,212	1,280	1,296	1,302	1,284	-1.4	5.9
Pharmacies and personal care stores	2,055	2,263	2,275	2,262	2,275	0.6	10.7
Clothing and accessories stores	1,788	1,874	1,998	1,919	1,867	-2.7	4.4
Clothing stores	1,359	1,426	1,527	1,459	1,419	-2.7	4.5
Shoe, clothing accessories and jewellery stores	430	448	471	460	448	-2.7	4.1
General merchandise stores	3,699	3,912	3,984	3,928	3,869	-1.5	4.6
Miscellaneous retailers	1,597	1,666	1,690	1,696	1,656	-2.4	3.7
Sporting goods, hobby, music and book stores	807	848	875	861	827	-3.9	2.5
Miscellaneous store retailers	790	819	815	835	828	-0.8	4.9
Total retail sales	31,195	33,239	32,864	32,607	32,676	0.2	4.7
Total excluding new car dealers, used and recreational motor vehicle and parts							
dealers	23,772	25,244	25,036	24,847	24,861	0.1	4.6
Provinces and territories							
Newfoundland and Labrador	497	504	503	503	513	2.0	3.1
Prince Edward Island	120	123	123	122	125	2.3	4.1
Nova Scotia	889	954	947	931	940	0.9	5.7
New Brunswick	710	744	736	725	741	2.2	4.3
Quebec	7,000	7,379	7,302	7,205	7,224	0.3	3.2
Ontario	11,405	11,943	11,743	11,667	11,747	0.7	3.0
Manitoba	1,049	1,114	1,119	1,097	1,115	1.7	6.3
Saskatchewan	927	984	994	973	976	0.3	5.2
Alberta	4,223	4,873	4,813	4,803	4,781	-0.5	13.2
British Columbia	4,266	4,510	4,473	4,470	4,403	-1.5	3.2
Yukon Northwest Tarritories	38 49	38	39 50	39	37 51	-3.6	-0.9
Northwest Territories Nunavut	49 21	51 22	50 22	50 22	51 22	2.4 1.3	4.6 7.5

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#### Retail sales

	November	October	November	November
	2005	2006 <sup>r</sup>	2006 <sup>p</sup>	2005
				to
				November
				2006
		Unadjuste	d	
_		\$ millions		% change
Automotive	10,048	10,520	10,479	4.3
New car dealers	5,719	5,875	5,969	4.4
Jsed and recreational motor vehicle and parts				
dealers	1,179	1,367	1,337	13.5
asoline stations	3,150	3,277	3,173	0.7
Furniture, home furnishings and electronics				
stores	2,334	2,325	2,511	7.6
Furniture stores	791	840	843	6.6
Home furnishings stores	487	467	539	10.7
Computer and software stores	138	124	126	-9.3
Iome electronics and appliance stores	918	894	1,003	9.3
Building and outdoor home supplies stores	1,961	2,263	2,119	8.1
Home centres and hardware stores	1,606	1,852	1,741	8.4
Specialized building materials and garden stores	355	411	378	6.5
Food and beverage stores	6,870	7,029	7,133	3.8
Supermarkets	5,032	5,028	5,143	2.2
Convenience and specialty food stores	694	796	768	10.6
Beer, wine and liquor stores	1,143	1,205	1,222	6.9
Pharmacies and personal care stores	2,073	2,256	2,307	11.3
Clothing and accessories stores	1,948	1,930	2,075	6.5
Clothing stores	1,503	1,507	1,604	6.7
Shoe, clothing accessories and jewellery stores	446	423	471	5.8
General merchandise stores	4,157	3,922	4,343	4.5
Miscellaneous retailers	1,636	1,638	1,713	4.7
Sporting goods, hobby, music and book stores	849	786	890	4.8
Miscellaneous store retailers	787	852	823	4.6
Total retail sales	31,028	31,883	32,680	5.3
Total excluding new car dealers, used and recreational motor vehicle and parts				
dealers	24,130	24.640	25,374	5.2
	24,130	24,640	25,374	5.2
Provinces and territories				
Newfoundland and Labrador	517	491	543	4.9
Prince Edward Island	117	118	122	4.3
lova Scotia	894	896	950	6.3
New Brunswick	711	706	754	6.0
Quebec	6,843	7,119	7,134	4.3
Ontario	11,559	11,436	11,968	3.5
Manitoba	1,041	1,081	1,115	7.1
Saskatchewan	916	964	960	4.8
Alberta	4,194	4,634	4,739	13.0
British Columbia	4,138	4,332	4,294	3.8
⁄ukon	35	38	34	-0.9
Northwest Territories	44	46	47	6.8
Nunavut	20	22	21	5.5

revised preliminary

#### Leading indicators

December 2006

The composite leading index grew by 0.3% in December, after a 0.5% surge the month before. Growth continued to be driven by consumer spending and financial markets. Sluggish export markets in the US restrained growth.

Consumers kept spending as Christmas approached, led by more spending on furniture and appliances. Other durable goods were buoyed by strong sales of flat panel televisions, which offset slower auto demand. The personal sector also buttressed the growth in services employment. Housing turned up for the first time in nine months as existing home sales hit their highest level in 2006. Housing starts ended the year on a weak note.

The stock market set another record high. Metals completed a year of strong growth, while energy issues again were lacklustre. These trends were reflected in export earnings, where metals have jumped by one-third in the past year while energy fell 20%, pulling its ranking down from our leading export group to only the fourth largest export.

The trend of the US leading indicator was unchanged in the last two months, after five straight declines. After the first increase in new orders for Canadian manufactured goods in six months, orders slumped anew in October. Manufacturing activity appears to have bottomed out, at least temporarily, as jobs recovered slowly in November and December.

#### Available on CANSIM: table 377-0003.

### Definitions, data sources and methods: survey number 1601.

For more information on the economy, consult the January 2007 issue of *Canadian Economic Observer*, Vol. 20, no. 1 (11-010-XWB, free), now available from the *Publications* module of our website. A printed version (11-010-XPB, \$25/\$243) is also available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; ceo@statcan.ca), Current Economic Analysis Group.

#### Leading indicators

	July 2006	August 2006	September 2006	October 2006	November 2006	December 2006	Last month of data
							available % change
Composite leading indicator (1992=100)	217.0	217.9	218.6	219.3	220.4	221.0	0.3
Housing index (1992=100) <sup>1</sup>	145.8	142.4	141.3	140.5	139.8	140.1	0.2
Business and personal services employment							
('000)	2,719	2,733	2,746	2,755	2,768	2,780	0.4
S&P/TSX stock price index (1975=1,000)	11,901	11,893	11,810	11,930	12,158	12,373	1.8
Money supply, M1 (\$ millions, 1992) <sup>2</sup>	150,303	150,907	151,629	153,439	155,152	156,712	1.0
US Conference Board leading indicator							
$(1992=100)^3$	127.2	127.1	126.8	126.7	126.7	126.7	0.0
Manufacturing							
Average workweek (hours)	38.1	38.3	38.4	38.4	38.5	38.5	0.0
New orders, durables (\$ millions, 1992) <sup>4</sup>	26,281	26,127	26,028	25,669	25,926	25,696	-0.9
Shipments/inventories of finished goods <sup>4</sup>	1.86	1.86	1.87	1.87	1.85	1.83	-0.02 <sup>5</sup>
Retail trade							
Furniture and appliance sales (\$ millions, 1992) <sup>4</sup>	2,522	2,535	2,550	2,569	2,591	2,608	0.7
Other durable goods sales (\$ millions, 1992) <sup>4</sup>	8,447	8,477	8,590	8,684	8,726	8,754	0.3
Unsmoothed composite leading indicator	219.4	219.8	218.8	221.4	222.7	222.3	-0.2

- 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.

#### **Employment Insurance**

November 2006 (preliminary)

An estimated 483,980 Canadians (seasonally adjusted) received regular Employment Insurance benefits in November, down 0.9% from October. This was the third consecutive monthly decrease, continuing a downward trend that began in mid-2003.

The November decline was widespread across most provinces and territories. The largest decline was in Alberta (-3.6%).

Regular benefit payments in November totalled \$716.8 million, while 226,090 people made initial and renewal claims.

**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 for this month is a measure of all persons who received Employment

Insurance benefits from the 5th to the 11th of the month. This coincides with the reference week of the Labour Force Survey. The regular benefit payments figure measures the total of all monies paid to individuals from the 1st to the end 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 December 2006 will be released on February 27.

For general information or to order data, contact Client Services at 613-951-4090 or, call toll free 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.

#### **Employment Insurance statistics** November October November October November 2006 2006 2005 2005 to November to 2006 November 2006 Seasonally adjusted % change Regular beneficiaries 483 980<sup>p</sup> 488 570<sup>r</sup> 501,170 -0.9 -3.4 Regular benefits paid (\$ millions) 716.8<sup>p</sup> 709.0<sup>r</sup> 684 2 4.8 1.1 Initial and renewal claims received ('000) 226.1<sup>p</sup> 224.2<sup>r</sup> 225.0 8.0 0.5 Unadjusted 687.4<sup>p</sup> 740.7 All beneficiaries ('000)1 624.5<sup>F</sup> Regular beneficiaries ('000) 430.3<sup>p</sup> 378.4<sup>p</sup> 444.1 Initial and renewal claims received ('000) 280.5 244.5 278.4 Payments (\$ millions) 1,044.9 1,130.4 1,050.1 Year-to-date (January to November) 2006 2005 2005 to 2006

Claims received ('000)

Payments (\$ millions)

2,414.5

13,372.5

2,525.4

13,538.9

-4.4

-1.2

#### Number of beneficiaries receiving regular benefits

	November 2006 <sup>p</sup> Si	October to November 2006 easonally adjusted	November 2005 to November 2006
_		% change	
Canada Newfoundland and Labrador Prince Edward Island Nova Scotia New Brunswick Quebec Ontario Manitoba Saskatchewan Alberta British Columbia Yukon Territory Northwest Territories	483,980 37,150 8,000 28,580 32,540 173,950 128,080 10,620 9,830 17,240 37,680 730 660	-0.9 -2.2 -1.5 -0.6 -0.8 -0.3 0.0 -2.0 -2.0 -3.6 -0.8 -2.7 -2.9	-3.4 0.4 3.6 0.8 -1.9 0.2 -2.3 -7.6 2.5 -12.5 -19.9 -15.1 -16.5

p preliminary

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.

r revised

p preliminary

<sup>1. &</sup>quot;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 day of the month.

## Consumer Price Index: A preview of the upcoming basket update

Statistics Canada has announced a major update of the Consumer Price Index to reflect changes in the spending patterns of Canadian households.

The update, which occurs periodically, is designed to ensure the CPI's reliability for three key purposes, a measure of inflation, a statistical series deflator, and a tool for indexing various payments and transfers.

The update will take effect on June 19, 2007, when data for the reference period of May 2007 are released in *The Daily*.

It will include two major changes: the weights of various items in the basket of goods and services used to calculate the index will be updated from 2001 to 2005; and the CPI base year (the period for which the value 100 is assigned to the index) will change from 1992 to 2002.

In addition, changing base periods requires the creation of new tables in CANSIM, Statistics Canada's database. The existing series will be discontinued. The new tables and identifiers will be announced in the spring of 2007 and will be available on June 19, 2007.

Also, the content and format of two publications will be reviewed and updated: *Your Guide to the Consumer Price Index* (62-557-XIB) and *Consumer Price Index* (62-001-XIB). An update of the *Consumer Price Index Reference Paper* is planned at a later date.

Although the CPI base year will change from 1992 to 2002, the base period 1992=100 will still be retained for the all-items index. The Consumer Price Index with base period 1986=100 will be discontinued.

In the case of the 1986=100 series, a conversion factor will be available to users on request. When changes occur in the base year, they will be synchronized with changes in the Canadian System of National Accounts.

Users should note that the changeover to the base year 2002=100 will in no way alter rates of changes measured for previous periods, barring rounding.

The weights for the various components of the basket of goods and services are being updated on the basis of the most recent Survey of Household Spending (SHS). The update ensures that the CPI reflects any changes in the consumption patterns of Canadians.

The weights between January 2003 and mid-2007 are based on 2001 consumption patterns. The new basket will be based on patterns captured by the 2005 SHS.

A special effort has been made to ensure that information technology products are reflected as

accurately as possible in the CPI, particularly since they have evolved at a dizzying pace in recent years.

The "rental of videotapes and videodiscs" index will be expanded to include the rental of video games for consoles.

The "photographic equipment" and "photographic services and supplies" categories will be redefined to provide a clearer distinction between the goods component and the services component. After the update, the new categories will be "photographic equipment and supplies" and "photographic services."

The "audio discs and tapes" purchase and the "video tapes and videodiscs" purchase indexes will be replaced with a single index covering the purchase of both audio and video media.

Though unpublished, structures under the "video equipment" and "audio equipment" headings will be updated to include new electronic products.

A special effort has also been made to reflect recent new trends in health care. Two new indexes will be published: one for ophthalmological goods, and another for ophthalmological services.

A final, less important change was dictated by the elimination of detail in the SHS. Detailed indexes for "cooking utensils" and "tableware and flatware" will be discontinued. Now, only the "kitchen utensils, tableware and flatware" aggregate will be published.

Two new special aggregates will be computed and disseminated: the CPI all-items less gasoline and the CPI all-items less housing, insurance and financial services.

For more information, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; fax 613-951-1539; prices-prix@statcan.ca), Prices Division.

### Crude oil and natural gas production

November 2006 (preliminary)

Provincial crude oil and marketable natural gas production data are now available for November.

### Definitions, data sources and methods: survey number 2198.

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

### **New products**

The Consumer Price Index, December 2006, Vol. 85, no. 12

Catalogue number 62-001-XWB (free).

**The Consumer Price Index**, December 2006, Vol. 85, no. 12

Catalogue number 62-001-XPB (\$12/\$111).

**Exports by Commodity**, November 2006, Vol. 63, no. 11

Catalogue number 65-004-XCB (\$40/\$387).

Exports by Commodity, November 2006, Vol. 63, no. 11

Catalogue number 65-004-XPB (\$84/\$828).

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

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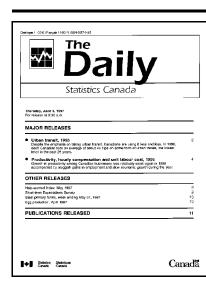
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