



# The Daily

Statistics Canada

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Consumers paid 2.3% more in March for the goods and services in the Consumer Price Index basket than they did in March 2006, owing largely to the strong increase in gasoline prices throughout the country. This was slightly higher than the 2.0% increase recorded for February.	
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## Releases

### Consumer Price Index

March 2007

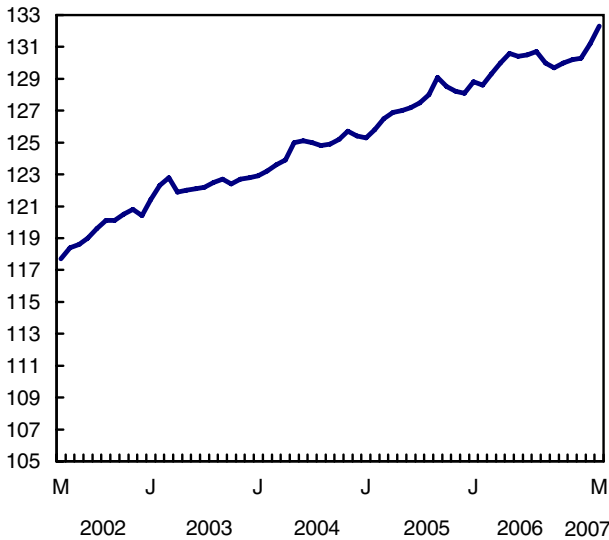
Consumers paid 2.3% more in March for the goods and services in the Consumer Price Index (CPI) basket than they did in March 2006, owing largely to the strong increase in gasoline prices throughout the country. This was slightly higher than the 2.0% increase recorded for February.

**Note to readers**

*In January, Statistics Canada announced a major update of the CPI to reflect changes in the spending patterns of Canadian households. This update, which will occur on June 19, is designed to ensure the CPI's reliability as a measure of inflation, a statistical series deflator and a tool for indexing various payments and transfers. For more information, consult the article released in The Daily on January 23, 2007, titled "Consumer Price Index: A preview of the upcoming basket update".*

**All-items Consumer Price Index**

Not seasonally adjusted (1992=100)



from 0.7% the previous month. The leap in gasoline prices accounted for most of this month-over-month increase. There has not been such a pronounced monthly increase in the CPI since September 2005, when consumer prices shot up 0.9% in the wake of Hurricane Katrina.

Between February and March, the all-items index excluding energy increased by 0.3% compared with a 0.6% increase recorded in February. This rise was largely the result of increases in the indexes for insurance premiums for automotive vehicles, women's clothing and travel tours.

On a monthly basis, the Bank of Canada core index posted 0.3% growth in March, slightly slower than the 0.5% increase in the previous month.

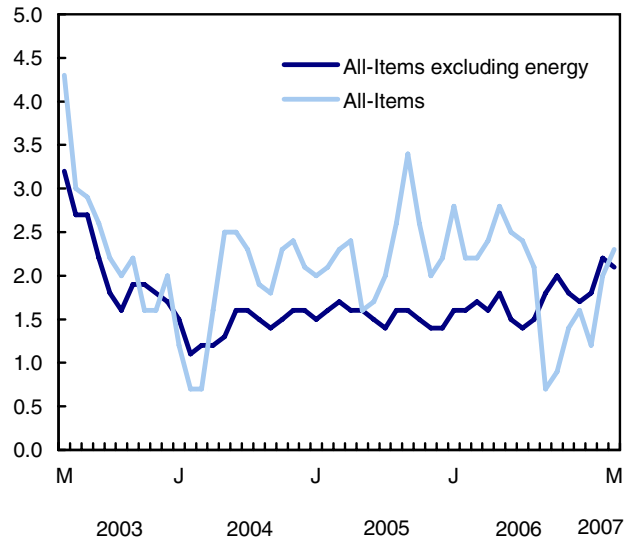
Costs associated with owned accommodation also exerted upward pressure on the all-items index, while a decline in natural gas prices had a moderating effect on the 12-month change in the all-items CPI.

Excluding energy components, the 12-month rate of increase in the all-items index slowed to 2.1% in March after a 2.2% increase the previous month. This index was pushed up by costs for owned accommodation and by prices for food purchased in restaurants and fresh vegetables.

The Bank of Canada's core index rose by 2.3% compared with March last year. This index, used by the Bank to monitor the inflation-control target, had posted a slightly faster rate of growth (+2.4%) the previous month.

On a monthly basis, the all-items index climbed by 0.8% between February and March, a slight increase

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



**12-month change: High gasoline prices push up all-items index**

Higher gasoline prices were largely responsible for the 2.3% increase in the all-items index in March. Mortgage interest cost, as well as homeowner's replacement cost, also exerted upward pressure on the all-items CPI. However, this pressure was moderated by the drop in the price of natural gas.

Canadian consumers paid 10.0% more for gasoline in March than in March 2006, the strongest 12-month increase since the 16.1% increase in July 2006. Strong demand for gasoline in the United States translated into a continual decrease in American gasoline reserves over the last seven weeks. This was an important factor behind the rise in gasoline prices.

The index for mortgage interest cost, which measures changes in the amount of mortgage interest owed by homeowners, increased 5.4% between March 2006 and March 2007. This was a slightly faster rate than the 5.3% recorded the previous month.

The 12-month increase in the index for homeowner's replacement cost, which represents the worn-out structural portion of housing and is estimated using new housing prices (excluding land), was 6.9% in March. It followed a 7.1% rise the previous month, continuing a slowdown that began six months earlier.

The increase in prices for fresh vegetables and for food purchased in restaurants also exerted upward pressure.

A decline in natural gas prices had a moderating impact on the all-items index, continuing a trend observed over the past nine months. Natural gas prices fell 15.7% in March compared with March 2006, in the wake of a 19.3% decline recorded the previous month.

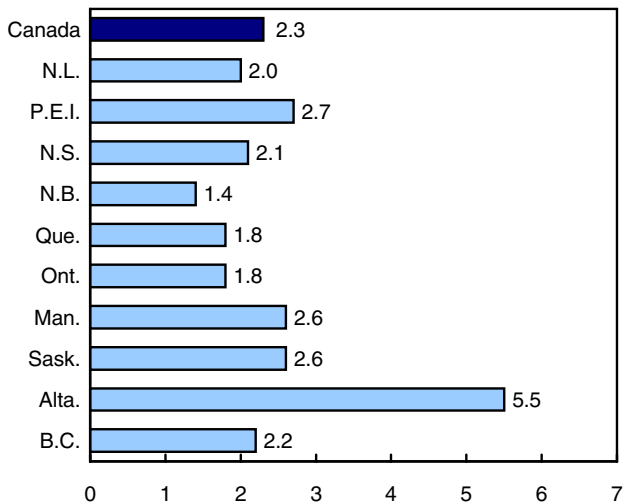
Prices for computer equipment and supplies and video equipment continued their downward trend of the past several years. Prices for women's and men's clothing were also down in March. All these components exerted slight downward pressure on the 12-month growth in the all-items CPI.

**Provinces: Year-over-year gasoline prices up throughout the country**

Consumer prices rose on average in all provinces on a 12-month basis in March, primarily because of higher gasoline prices throughout the country.

Gasoline prices in most provinces posted increases ranging from 7.5% in Manitoba to 14.3% in Prince Edward Island on a 12-month basis. In New Brunswick, pump prices were up by only 2.2%.

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



In Alberta, prices for the goods and services in the CPI basket were 5.5% higher in March than they were a year earlier. Most of the increase came from costs for housing and for filling up the gas tank.

Even though homeowner's replacement cost was up 34.3% in Alberta on a 12-month basis, the growth of this component has been decelerating since October.

The all-items index increased 2.6% in both Manitoba and Saskatchewan, while British Columbia residents paid 2.2% more.

Except for New Brunswick, the Atlantic provinces recorded rates of increase slightly higher than or equal to 2.0%. Consumers in Quebec, Ontario and New Brunswick all saw 12-month changes of less than 2.0%.

A 30.4% plunge in natural gas prices in Ontario accounted for the bulk of the decline in the national index in March. Residents of almost all other Canadian provinces enjoyed reductions in natural gas prices.

The sole exception was Alberta, where natural gas prices shot up 23.5% in March compared with a year earlier. This was due partly to cold weather in March, combined with a decrease in the stock of natural gas already in storage. The result was an increase in demand, leading to a rise in the price offered by certain natural gas suppliers in Alberta.

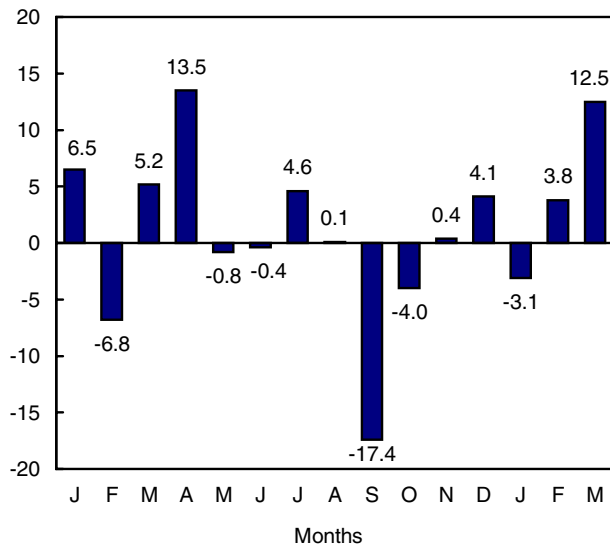
**Month-over-month: Surge in prices at the pump**

Consumer prices were up 0.8% between February and March, following a 0.7% rise in February. This

monthly increase was largely attributable to the surge in prices that drivers paid at the pump in March.

Nationally, gasoline prices climbed by 12.5% between February and March. The price of a barrel of crude oil was about US \$62 in early March and, following a few fluctuations, it closed the month at close to US \$66.

**Percentage change in the gasoline index from the previous month**



This increase in crude oil prices, partly as a result of geopolitical tensions, pushed up gasoline wholesale prices, leading to higher retail prices for gasoline in March. Production losses associated with refinery maintenance in anticipation of strong demand from drivers during the summer also added to the rise in prices at the pump.

Residents of the Atlantic provinces and Quebec paid around 14.0% more for their gasoline in March. Consumers in Ontario and Alberta paid almost 13.0% more at the pump, while elsewhere increases ranged from 8.2% in British Columbia to 12.1% in Manitoba.

For Ontario residents, the 12.8% rise in average gasoline prices noted in March added to the 9.8% increase posted the previous month. Drivers filling their tanks with regular fuel at service stations in the Toronto region in March had to pay an average of 100.7 cents per litre, after paying only 80.1 cents per litre in January.

Automotive vehicle insurance premiums were up 2.3% in March compared with February.

Most of the increase can be attributed to adjustments reflecting the fact that we now track the insurance premiums for a more recent automotive vehicle model.

Retailers generally introduce their summer women's clothing lines in March. In keeping with this historical trend, prices for women's clothing increased by 4.4% between February and March because of the new lines.

Again this month, the upward pressure exerted on the CPI by these indexes was only slightly offset by components posting downward monthly changes.

Fresh fruit prices were down 5.3% and vegetable prices were down 2.6% in March. The effects of freezing temperatures on the West Coast of the United States were not as negative as anticipated. The supply from other countries also served to lower the price of these foods between February and March.

Between February and March, the price of vehicle purchases and leases declined 0.5%. Some manufacturers increased the financial incentives they had put in place in previous months, which pushed down this index in March.

**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 March 2007 issue of the *Consumer Price Index*, Vol. 86, no. 3 (62-001-XWB, free) is now available from the *Publications* module of our website. A paper copy is also available (62-001-XPB, \$12/\$111). A more detailed analysis of the CPI is available in this publication. See *How to order products*.

The April Consumer Price Index will be released on May 17.

For more information or to enquire about the concepts, methods or data quality of this release, call Client Services (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>	March 2007	February 2007	March 2006	February to March 2007	March 2006 to March 2007
Unadjusted						
					% change	
<b>All-items</b>	<b>100.00</b>	<b>132.3</b>	<b>131.2</b>	<b>129.3</b>	<b>0.8</b>	<b>2.3</b>
Food	16.89	135.0	135.5	130.2	-0.4	3.7
Shelter	26.75	131.3	130.7	127.3	0.5	3.1
Household operations and furnishings	10.58	117.5	117.2	116.5	0.3	0.9
Clothing and footwear	5.37	102.5	100.4	103.3	2.1	-0.8
Transportation	19.79	158.2	153.6	153.5	3.0	3.1
Health and personal care	4.52	122.9	123.0	121.9	-0.1	0.8
Recreation, education and reading	11.96	127.4	126.5	126.6	0.7	0.6
Alcoholic beverages and tobacco products	4.13	153.4	153.5	150.2	-0.1	2.1
All-items (1986=100)		169.5				
Purchasing power of the consumer dollar expressed in cents, compared to 1992		75.6	76.2	77.3		
<b>Special aggregates</b>						
Goods	48.84	125.9	124.2	124.1	1.4	1.5
Services	51.16	139.3	138.8	135.0	0.4	3.2
All-items excluding food and energy	74.27	127.4	126.9	125.2	0.4	1.8
Energy	8.84	176.1	164.7	168.5	6.9	4.5
Core CPI <sup>3</sup>	82.75	131.0	130.6	128.1	0.3	2.3

- 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.
- The measure of Core Consumer Price Index (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 web site (<http://www.bankofcanada.ca/en/inflation/index.htm>).

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

	March 2007	February 2007	March 2006	February to March 2007	March 2006 to March 2007
Unadjusted					
				% change	
Newfoundland and Labrador	129.9	129.1	127.4	0.6	2.0
Prince Edward Island	133.4	131.7	129.9	1.3	2.7
Nova Scotia	134.0	133.0	131.3	0.8	2.1
New Brunswick	131.2	130.0	129.4	0.9	1.4
Québec	127.5	126.6	125.2	0.7	1.8
Ontario	133.0	131.7	130.7	1.0	1.8
Manitoba	135.9	134.7	132.4	0.9	2.6
Saskatchewan	137.3	136.0	133.8	1.0	2.6
Alberta	144.5	142.9	137.0	1.1	5.5
British Columbia	129.1	128.6	126.3	0.4	2.2
Whitehorse	127.0	126.2	124.5	0.6	2.0
Yellowknife <sup>2</sup>	127.7	127.0	124.5	0.6	2.6
Iqaluit (Dec. 2002=100)	106.7	106.5	103.7	0.2	2.9

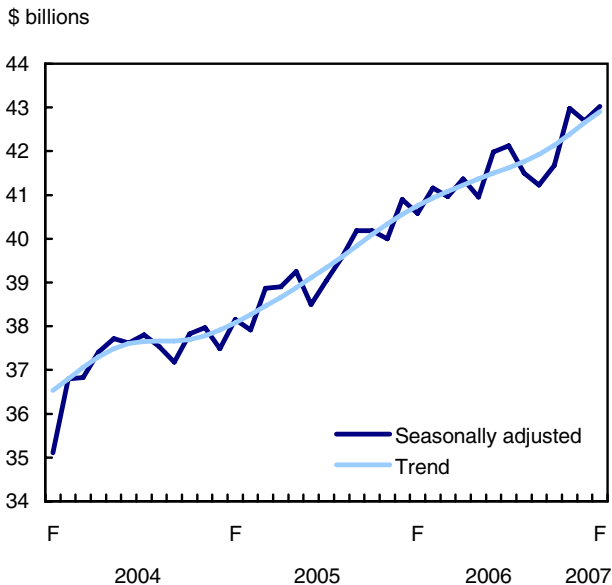
- View the geographical details for the city of Whitehorse, the city of Yellowknife and the town of Iqaluit.
- Part of the increase first recorded in the shelter index for Yellowknife for December 2004 inadvertently reflected rent increases that actually occurred earlier. As a result, the change in the 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.

## Wholesale trade

February 2007

Following a lackluster start to the year, wholesaling activity picked up in February with higher sales of food and personal and household products accounting for much of the increase.

### Wholesale sales pickup in February



Wholesale sales rose by 0.8% to \$43.0 billion in February, reversing all of the 0.7% decline posted in January. The most significant increase came in the personal and household goods sector (+4.0%), which resumed its upward momentum after a significant drop in January. The food, beverages and tobacco products sector also had a solid month (+2.4%), as did the automotive products (+1.9%) sector.

These gains were partially offset by declines in the building materials (-2.2%) and "other products" (-1.5%) sectors.

Wholesalers in Quebec were the main beneficiaries of February's rise, with Ontario accounting for most of the remaining increase. Meanwhile, overall sales in the Prairie provinces were essentially flat during the month,

#### Note to readers

Wholesale estimates are normally revised every year. With the release of the February 2007 estimate, the unadjusted current and constant dollar series have been revised back to January 2004, while the seasonally adjusted estimates in current and constant dollars have been revised back to January 2002.

Factors influencing revisions include late receipt of respondent information, correction of information on data provided, the replacement of estimated figures with actual values (once available), the re-classification of companies within, into and out of the wholesale trade industry and updates to seasonal and trading day factors. The revised estimates are now available on CANSIM and by request, and will also appear in the February issue of Wholesale Trade (63-008-XWE).

A detailed look at wholesale trade in 2006 using the revised numbers will be published on May 10.

while the Atlantic provinces gave back some of the large gains recorded in January.

Overall price effects were minimal in February, as sales in constant dollars rose by 0.9%.

### Personal and household goods sector bounces back

The personal and household goods sector resumed its upward momentum in February (+4.0%) after registering a significant drop (-4.6%) the previous month. Two of the three trade groups reported higher sales in February, with the only setback coming in the apparel trade group.

The largest increase (+6.2%) came in the household and personal products trade group. This was the third rise in four months for this trade group, which had seen a substantial decline in January. Higher sales of personal care products and amusement and sporting goods were behind much of the February increase. A return to more seasonable winter conditions likely contributed to the increase in amusement and sporting goods' sales.

It was a similar story for the pharmaceutical trade group, with February's increase (+4.5%) more than offsetting January's decline. The decline in January was in fact only the fourth since the start of 2005 for this trade group, which continues to benefit from higher consumer demand for pharmaceutical products. According to the latest release of the Quarterly Retail Commodity Survey, annualized sales of prescription and non-prescription drugs increased 11.0% and 7.2% respectively in 2006.

February's decline (-4.7%) in apparel sales was the largest monthly drop since July 2005, but this masks what has been a fairly solid performance in recent months, and even with the decline in February, sales were still substantially higher than a year ago. Sales in this trade group have been somewhat volatile of late as the normal seasonal patterns may have been affected by the late start to the winter in much of Canada.

### **Food products sector increase the highest in almost two years**

The food, beverage and tobacco products sector was boosted by stronger sales of food products (+2.7%), as sales of alcohol and tobacco (-0.2%) were little changed.

The increase in the food products trade group was the highest since September 2005 and follows several months of declines after sales peaked in August 2006.

### **Large drop in lumber sales cools building materials sector**

A large drop in lumber and millwork sales was the primary factor behind a 2.2% decline in the building materials sector, which gave back nearly all of the gains it had made in January.

The decline (-8.6%) in the lumber and millwork trade group followed a substantial increase (+11.8%) in January, with the milder than usual weather likely giving a temporary boost to sales. Prior to the large drop in February, lumber and millwork sales had staged a bit of a mini-rally since hitting a two and a half year low last July, with increases in five of the six subsequent months. February's drop also coincided with a large decline (-14.1%) in lumber exports, which had also been on a bit of an upswing of late. Around 30% of the lumber and millwork sold by wholesalers is exported.

The other drop in this sector came in the metal products group (-3.9%), which had recorded a substantial increase in sales as recently as December. The sales trend for this trade group has been on a continuous upswing since August 2005, with the strength of oil and gas activity in Alberta, coupled with unprecedented levels of construction in Western Canada, continuing to drive demand for metal products.

The only growth (+0.4%) in February came in the building supplies trade group, which registered its third

increase in the past four months. Wholesalers of building supplies continue to benefit from generally healthy levels of construction activity prevailing across the country.

### **Most gains concentrated in Quebec**

Quebec was the main beneficiary of February's rise, as sales in the province rose (+2.4%) for the third time in four months. Higher sales of food products and pharmaceuticals were behind much of the increase.

Most of the remaining increase came in Ontario (+0.7%), which benefited from higher sales of automotive products and personal and household goods. Although total sales in this province have generally been rising over the past six months or so, there has been quite a bit of volatility in the monthly figures during this period. Much of this has been due to large swings in the automotive sector, which accounts for around one-quarter of all sales in the province.

Wholesalers outside of Canada's two largest provinces did not fare so well in February. In the Prairies, overall sales were unchanged during the month, with a gain in Saskatchewan (+1.0%) offset by a decline (-1.9%) in Manitoba. Sales in Alberta were little changed (+0.1%) following a strong increase in January.

Meanwhile, sales in the Atlantic provinces fell back after a strong start to the year, with all four provinces recording a drop during the month.

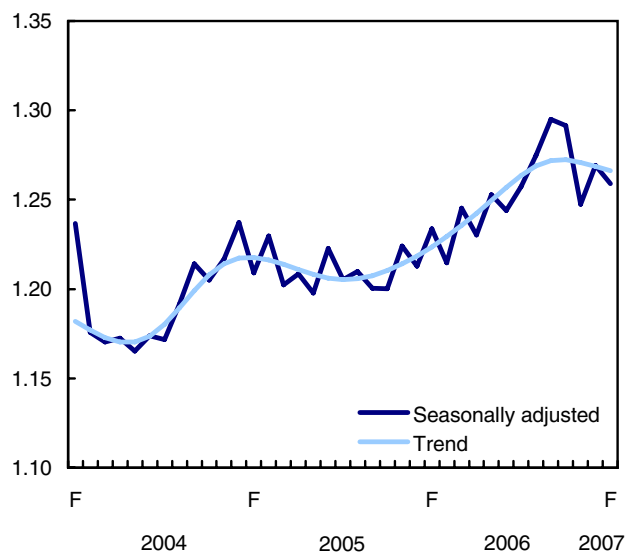
### **Inventories remain unchanged in February**

After rising by 1.1% in January, wholesale inventories remained unchanged in February. Although 11 out of 15 trade groups reported lower inventory levels this month, these declines were completely offset by higher inventories of motor vehicles, "other products", pharmaceuticals and computers and other electronic equipment.

The combination of higher sales and stable inventories meant that the inventory-to-sales ratio edged down from 1.27 to 1.26 in February. The ratio measures the amount of time (in months) that it would take to exhaust inventories at the current rate of sales.

After rising steadily since November 2005 to its recent peak last October, there has been a slight drop in the inventory-to-sales ratio over the past four months, with most trade groups showing a decline during this period.

**Inventory-to-sales ratio drops**



Available on CANSIM: tables 081-0007 to 081-0010.

**Definitions, data sources and methods: survey number 2401.**

The February 2007 issue of *Wholesale Trade* (63-008-XWE, free) will soon be available.

Wholesale trade estimates for March will be released on May 17.

For data or general information, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; [wholesaleinfo@statcan.ca](mailto:wholesaleinfo@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Marc Atkins (613-951-0291; [marc.atkins@statcan.ca](mailto:marc.atkins@statcan.ca)), Distributive Trades Division.

**Wholesale merchants' inventories and inventory-to-sales ratio**

	February 2006	November 2006 <sup>r</sup>	December 2006 <sup>r</sup>	January 2007 <sup>r</sup>	February 2007 <sup>p</sup>	January to February 2007	February 2006 to February 2007	January 2007 <sup>r</sup>	February 2007 <sup>p</sup>
	Wholesale inventories					Inventory-to-sales ratio			
	Seasonally adjusted								
	\$ millions					% change			
<b>Inventories</b>	<b>50,064</b>	<b>53,822</b>	<b>53,613</b>	<b>54,179</b>	<b>54,165</b>	<b>0.0</b>	<b>8.2</b>	<b>1.27</b>	<b>1.26</b>
Farm products	168	200	184	182	176	-3.3	4.4	0.39	0.38
Food products	4,225	4,326	4,281	4,302	4,274	-0.6	1.2	0.62	0.60
Alcohol and tobacco	284	271	281	305	282	-7.5	-0.9	0.50	0.46
Apparel	1,593	1,659	1,724	1,686	1,664	-1.3	4.5	2.04	2.11
Household and personal products	3,735	3,887	3,871	3,975	3,890	-2.1	4.1	1.52	1.40
Pharmaceuticals	3,119	3,222	3,125	3,144	3,179	1.1	1.9	1.16	1.12
Motor vehicles	4,762	5,164	5,057	5,214	5,392	3.4	13.2	0.81	0.82
Motor vehicle parts and accessories	3,232	3,297	3,296	3,384	3,373	-0.3	4.4	2.19	2.17
Building supplies	5,508	5,752	5,820	5,816	5,781	-0.6	5.0	1.59	1.58
Metal products	2,350	3,059	3,065	3,003	2,974	-1.0	26.6	2.16	2.23
Lumber and millwork	1,057	1,119	1,169	1,202	1,183	-1.5	11.9	1.03	1.10
Machinery and equipment	9,943	11,564	11,469	11,596	11,546	-0.4	16.1	2.75	2.81
Computer and other electronic equipment	1,514	1,590	1,623	1,633	1,686	3.2	11.4	0.60	0.60
Office and professional equipment	2,481	2,677	2,692	2,648	2,597	-1.9	4.7	1.33	1.30
Other products	6,093	6,033	5,956	6,090	6,167	1.3	1.2	1.13	1.16

<sup>r</sup> revised  
<sup>p</sup> preliminary



**Wholesale merchants' sales**

	February 2006	November 2006 <sup>r</sup>	December 2006 <sup>r</sup>	January 2007 <sup>r</sup>	February 2007 <sup>p</sup>	January to February 2007	February 2006 to February 2007
Seasonally adjusted							
	\$ millions					% change	
<b>Total, wholesale sales</b>	<b>40,583</b>	<b>41,673</b>	<b>42,977</b>	<b>42,691</b>	<b>43,026</b>	<b>0.8</b>	<b>6.0</b>
<b>Farm products</b>	<b>436</b>	<b>467</b>	<b>455</b>	<b>461</b>	<b>464</b>	<b>0.6</b>	<b>6.5</b>
<b>Food, beverages and tobacco products</b>	<b>7,398</b>	<b>7,653</b>	<b>7,540</b>	<b>7,529</b>	<b>7,712</b>	<b>2.4</b>	<b>4.2</b>
Food products	6,722	7,001	6,912	6,914	7,098	2.7	5.6
Alcohol and tobacco	676	652	627	614	613	-0.2	-9.3
<b>Personal and household goods</b>	<b>5,724</b>	<b>6,202</b>	<b>6,465</b>	<b>6,168</b>	<b>6,414</b>	<b>4.0</b>	<b>12.0</b>
Apparel	713	750	830	826	788	-4.7	10.4
Household and personal products	2,402	2,805	2,822	2,620	2,783	6.2	15.8
Pharmaceuticals	2,609	2,647	2,813	2,722	2,843	4.5	9.0
<b>Automotive products</b>	<b>7,944</b>	<b>7,686</b>	<b>8,303</b>	<b>7,985</b>	<b>8,137</b>	<b>1.9</b>	<b>2.4</b>
Motor vehicles	6,404	6,117	6,768	6,440	6,586	2.3	2.8
Motor vehicle parts and accessories	1,540	1,568	1,535	1,546	1,551	0.4	0.7
<b>Building materials</b>	<b>5,864</b>	<b>5,897</b>	<b>6,054</b>	<b>6,213</b>	<b>6,074</b>	<b>-2.2</b>	<b>3.6</b>
Building supplies	3,543	3,620	3,617	3,651	3,667	0.4	3.5
Metal products	1,167	1,248	1,389	1,390	1,336	-3.9	14.4
Lumber and millwork	1,153	1,029	1,048	1,172	1,071	-8.6	-7.1
<b>Machinery and electronic equipment</b>	<b>8,509</b>	<b>8,831</b>	<b>8,867</b>	<b>8,927</b>	<b>8,897</b>	<b>-0.3</b>	<b>4.6</b>
Machinery and equipment	4,068	4,145	4,216	4,216	4,104	-2.7	0.9
Computer and other electronic equipment	2,487	2,653	2,662	2,719	2,794	2.7	12.4
Office and professional equipment	1,954	2,033	1,990	1,992	1,999	0.4	2.3
<b>Other products</b>	<b>4,708</b>	<b>4,938</b>	<b>5,293</b>	<b>5,408</b>	<b>5,329</b>	<b>-1.5</b>	<b>13.2</b>
<b>Total, excluding automobiles</b>	<b>32,639</b>	<b>33,988</b>	<b>34,674</b>	<b>34,705</b>	<b>34,889</b>	<b>0.5</b>	<b>6.9</b>
<b>Sales, province and territory</b>							
Newfoundland and Labrador	225	242	262	248	241	-3.1	7.2
Prince Edward Island	37	38	40	42	40	-4.3	9.1
Nova Scotia	525	532	524	574	559	-2.6	6.5
New Brunswick	399	419	421	438	435	-0.6	9.1
Quebec	7,610	7,920	8,053	7,871	8,063	2.4	6.0
Ontario	20,536	20,892	21,916	21,424	21,584	0.7	5.1
Manitoba	963	1,010	1,028	1,065	1,045	-1.9	8.5
Saskatchewan	1,061	1,190	1,263	1,268	1,281	1.0	20.7
Alberta	5,043	5,259	5,179	5,391	5,398	0.1	7.0
British Columbia	4,157	4,143	4,260	4,327	4,343	0.4	4.5
Yukon	9	7	10	14	13	-6.3	41.7
Northwest Territories	17	19	20	25	21	-14.9	27.6
Nunavut	1	1	2	2	3	76.4	151.2

<sup>r</sup> revised  
<sup>p</sup> preliminary



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## Travel between Canada and other countries

February 2007

Travel between Canada and the United States fell in both directions in February, possibly the result of new passport requirements for air travel into the United States that came into force on January 23.

However, overnight plane travel from the United States to Canada rebounded from the three-year low in January, up 2.7% to 312,000. Despite the increase, figures were still 2.5% lower than the monthly average observed during the 12 previous months. (Unless otherwise specified, monthly data are seasonally adjusted.)

Overnight car travel from the United States fell 6.0% to 629,000 trips in February, the lowest level in 22 years.

Overall, United States residents made 1.1 million overnight trips to Canada in February, down 3.5% from the previous month and the lowest figure since the height of the severe acute respiratory syndrome (SARS) crisis in May 2003.

Same-day car travel from the United States did not fare better. It declined 5.9% to 902,000 trips in February, the lowest monthly total since record keeping started in 1972.

The drop in travel was even greater for Canadian residents travelling to the United States. Canadians made 1.3 million overnight trips south of the border in February, down 7.9% from the previous month.

Overnight plane travel by Canadians to the United States dropped to 463,000, down 4.3% from the record high observed in January. As a result, February was the lowest monthly figure since July.

Canadians made 753,000 overnight car trips to the United States in February, a 10.3% decline from the 11-year high in January.

Same-day car travel to the United States fell 6.9% to 1.8 million trips, the lowest figure in over two years.

These generally lower figures might be attributable to the new regulations on passport requirements for air

travel into the United States. Extensive media coverage in both Canada and the United States might have led to confusion, discouraging all travellers from crossing the border, not just those travelling by plane.

February's drop in travel by Canadians to the United States was also compounded by relatively high figures in January. Canadians who did not have a passport might have squeezed in their travel plans to the United States before the new regulations came into force.

Travel from countries other than the United States edged up to 390,000 in February, with increases in travel from 9 of Canada's top-12 overseas markets. Residents of the United Kingdom, Canada's most important overseas market, made 75,000 trips to Canada, up 1.2% from the previous month. Among the top-12 markets, China recorded the largest increase in travel to Canada (+6.4%), while trips from Hong Kong fell 14.8%.

Travel by Canadian residents to non-US destinations slipped to 593,000 trips in February, down 2.1% from the record high observed in January.

**Note:** Seasonally adjusted data have been revised back to January 2004.

**Available on CANSIM: tables 427-0001 to 427-0006.**

**Definitions, data sources and methods: survey number 5005.**

The February 2007 issue of *International Travel, Advance Information*, Vol. 23, no. 2 (66-001-PIE, free) is now available from the *Publications* module of our website.

For general information, contact Client Services (toll-free 1-800-307-3382; 613-951-9169; fax: 613-951-2909; [cult.tourstats@statcan.ca](mailto:cult.tourstats@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Eric Desjardins (613-951-1781; [eric.desjardins@statcan.ca](mailto:eric.desjardins@statcan.ca)), Culture, Tourism and the Centre for Education Statistics. □

## Travel between Canada and other countries

	January 2007 <sup>r</sup>	February 2007 <sup>p</sup>	January to February 2007	February 2007	February 2006 to February 2007
	Seasonally adjusted			Unadjusted	
	thousands		% change <sup>1</sup>	thousands	% change <sup>1</sup>
<b>Canadian trips abroad<sup>2</sup></b>	<b>4 005</b>	<b>3 742</b>	<b>-6.6</b>	<b>3 175</b>	<b>0.1</b>
To the United States	3 400	3 149	-7.4	2 461	-2.4
To other Countries	605	593	-2.1	713	9.5
Same-day car trips to the United States	1 927	1 795	-6.9	1 443	-4.5
Total trips, one or more nights	2 022	1 898	-6.2	1 683	4.9
United States <sup>3</sup>	1 417	1 305	-7.9	969	1.8
Car	840	753	-10.3	417	1.6
Plane	483	463	-4.3	514	3.1
Other modes of transportation	94	89	-5.7	39	-11.0
Other countries <sup>4</sup>	605	593	-2.1	713	9.5
<b>Travel to Canada<sup>2</sup></b>	<b>2 550</b>	<b>2 450</b>	<b>-3.9</b>	<b>1 543</b>	<b>-15.5</b>
From the United States	2 162	2 060	-4.7	1 322	-18.4
From other Countries	387	390	0.6	221	7.5
Same-day car trips from the United States	959	902	-5.9	696	-25.1
Total trips, one or more nights	1 488	1 451	-2.5	805	-3.6
United States <sup>3</sup>	1 109	1 070	-3.5	587	-7.2
Car	669	629	-6.0	346	-9.3
Plane	304	312	2.7	205	-1.6
Other modes of transportation	136	129	-5.0	36	-15.7
Other countries <sup>4</sup>	379	381	0.6	218	7.7
<b>Travel to Canada: Top overseas markets, by country of origin<sup>5</sup></b>					
United Kingdom	74	75	1.2	48	8.3
France	32	32	1.0	24	6.7
Japan	31	32	3.5	19	-11.1
Germany	28	28	0.5	13	6.6
Mexico	21	22	3.2	10	27.4
South Korea	18	18	-0.7	11	5.0
Australia	17	17	0.3	9	7.3
China	12	13	6.4	7	20.8
Netherlands	11	11	1.3	5	15.6
India	9	9	-0.3	4	12.3
Italy	9	9	1.1	3	18.8
Hong Kong	10	9	-14.8	8	48.9

<sup>p</sup> preliminary

<sup>r</sup> revised

1. Percentage change is based on unrounded data.

2. Totals exceed the sum of "same-day car trips" and "total trips, one or more nights" because they include all of the same-day trips.

3. Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

4. Figures for other countries exclude same-day entries by land only, via the United States.

5. Includes same-day and overnight trips.

## Current economic conditions

Output and employment continued to grow early in the new year, although the change from record warmth to below-average temperatures after mid-January make monthly changes hard to interpret.

Employment increased 0.3% in March, capping its largest quarterly increase (+1%) in over four years. However, hours worked in the first quarter rose only 0.3%. Part-time positions grew faster than full-time, a reversal of the trend in 2006. Partly, this reflects the sharp growth of jobs held by youths, who have a marked preference for part-time work.

Cross-border shopping trips by Americans to Canada fell 12% in January, tumbling below the 1 million

mark for the first time on record back to 1972. US same-day car trips to Canada have declined steadily from about 2 million when the loonie began to rise four years ago. Almost all of the January drop was into Ontario, which was plagued by poor weather. Fewer travellers to Canada dampened retail sales and travel-related services, notably gambling (which is heavily reliant on cross-border trips from the United States).

Business investment intentions for 2007 grew the most in Central Canada, after lagging Western Canada's growth in 2006. (Business investment is defined as total non-residential investment less public administration, health and education.) This broadly reflects strong growth in utilities as well as a rebound in

manufacturing in Central Canada, and a cooling of the oil and gas sector in the West. Investment in Atlantic Canada continues to rise only 2% a year.

Quebec led the major provinces with an 8% increase in business investment plans, after trailing the national average for four years. Mining led the way with a 50% (\$0.4 billion) hike in spending, reflecting intense interest in metals in the North. Manufacturers plan a 7% increase, led by more investment in resource industries. However, food processing, textiles and clothing all plan more cutbacks. Services were buoyed by gains for commercial real estate, transport and wholesale trade.

Firms plan to spend 6% more in Ontario, slightly less than the year before. Electric utilities (including wind energy) again accounted for nearly half the increase. Most manufacturers intend to spend more, apart from the auto industry, which made large investments in 2006. Most services plan to expand, led by transportation, retailers and finance.

After double-digit gains in 2006, investment growth in both Alberta and British Columbia slowed to less than 5%. Most of the slowdown originated in sharp cutbacks in conventional oil and gas (mostly the latter). In Alberta, these cuts were offset by an acceleration of spending on the oil sands (which kept total spending on oil and gas rising) and utilities. Growth in British Columbia was sustained by utilities as well as resource-based manufacturing. Transportation investment also remains strong (after rising nearly 50% in 2006) as British Columbia ports, harbors, air terminals and roads all struggled to handle the increasing flow of people and cargo, especially from Asia.

Investment plans fell outright for Saskatchewan, Newfoundland and Labrador and Nova Scotia: all three declines were the result of cutbacks in the oil and gas sector (of 14%, 33% and 57%, respectively). New Brunswick and Manitoba posted large increases in investment, mostly reflecting strong growth in utilities and manufacturing.

**Definitions, data sources and methods: survey numbers, including related surveys, 1301, 1901, 2152, 2306, 2406 and 3701.**

The print version of the April 2007 issue of *Canadian Economic Observer*, Vol. 20, no. 4 (11-010-XPB, \$25/\$243) is now available. See *How to order products*. This issue summarizes the major economic events that occurred in March and presents an article entitled "Year end review: Westward ho!"

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](mailto:ceo@statcan.ca)), Current Economic Analysis Group. ■

## Profile of Canadian exporters

1996 to 2005

The number of Canadian establishments that export merchandise fell for the first time according to the latest version of the Exporter Register. While the number of exporters declined, the value of exports increased between 2004 and 2005.

Some 45,737 establishments exported merchandise in 2005, down 2.6% from 2004. However, the level was 16% higher than it was in 1996, but only 3.1% higher than in 2000.

These establishments exported \$401.5 billion in merchandise in 2005, a 5.7% gain from 2004 and the highest value ever recorded by the register. This was the second consecutive year of reported gains after three years of declining levels that began in 2001.

The manufacturing sector accounted for over half of the overall drop in the number of exporters. However, that represented a drop of only 2% in the number of exporters in manufacturing. Despite the drop in the number of exporters, the manufacturing sector represented 10% of the increase in the value of exports.

The wholesale trade industry accounted for 21% of the decline in the number of exporters, yet it represented 7% of the increase in the value of exports. The finance and insurance industry accounted for almost one-third of the increase in the value of exports followed by the mining and oil and gas extraction industry that accounted for 17% of the increase in exports in 2005.

Ontario accounted for 55% of the drop in number of exporters in 2005, followed by British Columbia which accounted for 27%, and Quebec, 9%. Newfoundland and Labrador, Prince Edward Island, Saskatchewan, and Yukon reported marginal increases.

In terms of value, exporters from Alberta accounted for 67% of the gain in the value of exports, followed by Quebec, 9%, Ontario, 8%, and British Columbia, 7%. Newfoundland and Labrador, Nova Scotia, Manitoba and Northwest Territories reported marginal decreases.

Establishments exporting more than \$25 million annually continued to account for the majority of merchandise exports. The largest 4% of exporting establishments accounted for 83% of the total value of merchandise trade in 2005.

Those exporting less than \$1 million a year represented 72% of all exporting establishments yet

they accounted for only 2% of the value of merchandise exports.

Establishments with fewer than 50 employees accounted for 72% of exporters, but only 30% of the total value of merchandise exports. Conversely, only 6% of all exporters employed more than 200 people, but they represented 43% of all merchandise exports.

**Note:** The current Canadian Exporter Register incorporates the same main aggregates as the previous versions. These main aggregates consist of the number of establishments whose merchandise exports exceeded \$30,000 in at least one year between 1996 and 2005, classified by industry grouping,

exporter size, province or territory of residence of the exporter, destination of export and employment size (for 2005 only). This follow-up set of tables includes data for 2005, as well as revisions from 1996 to 2005. Data for 1993 to 1995 is available on request.

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

For more information on our products and services, contact Sharon Nevins (toll-free 1-800-294-5583; 613-951-9798). To enquire about the concepts or data quality of this release, contact Phil Armstrong (613-951-6755), International Trade Division.

### Number of exporters by industry grouping<sup>1</sup>

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	Number of exporters (establishments)									
Agriculture, forestry, fishing hunting	2,003	2,093	2,190	2,180	2,402	2,429	2,477	2,297	2,225	2,114
Mining, oil and gas extraction	403	424	405	419	452	497	459	515	625	548
Utilities	52	57	56	59	68	61	64	54	69	62
Construction	810	876	894	1,023	1,076	1,126	1,143	1,122	1,207	1,203
<b>Manufacturing (total)</b>	<b>17,780</b>	<b>18,694</b>	<b>19,242</b>	<b>19,806</b>	<b>20,389</b>	<b>20,610</b>	<b>21,150</b>	<b>21,526</b>	<b>22,055</b>	<b>21,475</b>
Wholesale trade	9,438	9,876	9,845	10,037	10,117	10,242	10,285	10,384	10,410	10,200
Retail trade	1,607	1,584	1,737	2,046	2,123	2,241	2,395	2,119	2,126	2,105
Transportation and warehousing	1,160	1,209	1,426	1,385	1,490	1,443	1,426	1,315	1,516	1,449
Information and cultural industries	506	525	535	538	569	558	525	537	565	529
Finance and insurance	856	897	930	946	994	1,018	952	954	990	1,090
Business service	2,456	2,741	2,818	2,931	3,114	3,206	3,275	3,350	3,456	3,507
Other <sup>2</sup>	955	1,031	1,043	1,147	1,198	1,264	1,245	1,257	1,411	1,455
<b>Exporter Registry total</b>	<b>38,026</b>	<b>40,007</b>	<b>41,121</b>	<b>42,517</b>	<b>43,992</b>	<b>44,695</b>	<b>45,396</b>	<b>45,430</b>	<b>46,655</b>	<b>45,737</b>

1. North American Industry Classification System.

2. Includes service industries such as government and education.

### Primary iron and steel

February 2007

Data on primary iron and steel for February are now available.

Available on CANSIM: tables 303-0048 to 303-0051.

**Definitions, data sources and methods: survey numbers, including related surveys, 2116 and 2184.**

The February 2007 issue of *Steel, Tubular Products and Steel Wire* (41-019-XIE, free) will soon be available.

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

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## New products

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**The Consumer Price Index**, March 2007, Vol. 86, no. 3  
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**The Consumer Price Index**, March 2007, Vol. 86, no. 3  
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**International Travel: Advance Information**,  
February 2007, Vol. 23, no. 2  
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**Canada's International Transactions in Securities**,  
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