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Consumer Price Index, April 2007 — 2

Consumers paid 2.2% more in April for the goods and services in the Consumer Price Index basket than they did in April 2006, a slightly slower growth than the 2.3% increase recorded in March. However, excluding energy components, consumer prices increased at their fastest pace (+2.4%) in almost four years.

Wholesale trade, March 2007 — 7

A surge in demand for automotive products gave a boost to wholesale sales in March, helping to propel the wholesale industry to its best quarterly gain in almost three years.

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Releases

Consumer Price Index

April 2007

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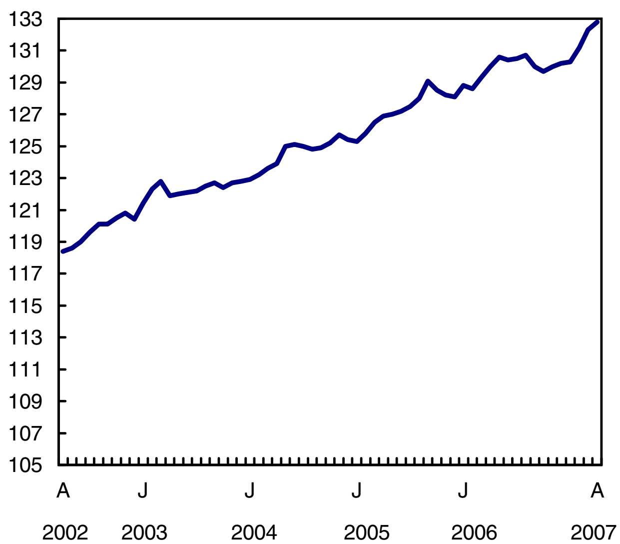
Consumer Price Index

Index (not seasonally adjusted) (1992=100)



Much of the upward pressure on the all-items index in April again came from the owned accommodation sector, while energy components exerted relatively less influence. In April, average gasoline prices were slightly lower than they were last year. Prices at the pump, although relatively high, jumped 13.5% between March and April 2006, while they increased only 2.6% over the same months this year, pushing the 12-month variation of the gasoline index in the negative territory (-0.6%).

The all-items index without energy components advanced by 2.4% in April, up from 2.1% in March. This was the strongest year-over-year rise posted by this index since May 2003.

In April, the Bank of Canada's core index was up 2.5%, compared with the same month of the previous year. The growth in this index, which is used by the Bank of Canada to monitor the inflation-control target, increased in relation to the previous month, when it was 2.3%. This was the strongest rise posted by this index since March 2003.

> ***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, 2007, 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. Documentation is now available. Please see the* What's new *announcement in CANSIM.*

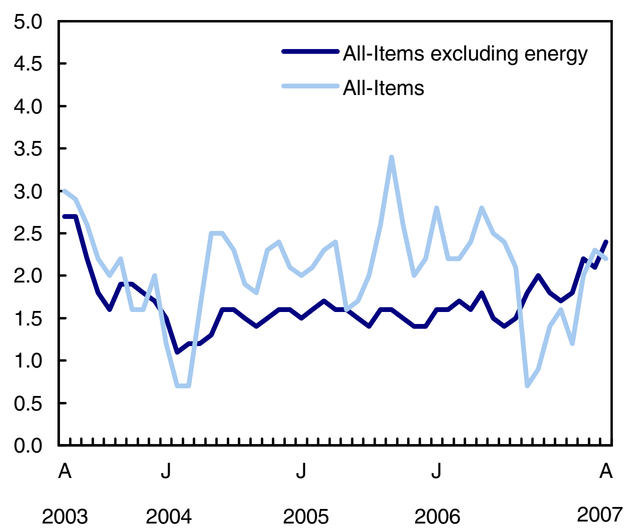
On a monthly basis, the all-items index increased by 0.4% between March and April. This was much slower than the 0.7% and 0.8% increases in the two previous months. Two energy components, gasoline and natural gas, accounted for most of the increase in the index in April.

The all-items index without energy components increased by 0.2% in April. The rate of increase in this index dropped for a second straight month, after rising 0.3% in March and 0.6% in February.

The core index rose by 0.2% between March and April following a 0.3% increase the previous month.

Percentage change from the same month of the previous year

% change



Year-over-year: Owned accommodation costs push up all-items index

Once again in April, costs associated with owned accommodation were the primary factor behind the 2.2% rise in consumer prices across the country.

Mortgage interest cost rose by 5.6% in April, compared with the same month last year. This was the fastest 12-month growth since January 2001. This increase was mainly driven by higher prices paid by consumers for houses.

Mortgage interest cost, which measures changes in the amount of mortgage interest owed by homeowners, has posted a 12-month change above 5.0% since early 2007.

Although its contribution to the rise in the all-items index remains substantial, homeowners' replacement cost, which represents the worn-out structural portion of housing and is estimated using new housing prices (excluding land) rose 6.5% in April. This index has showed some signs of tapering off since November 2006.

Consumers paid 3.8% more for food in April compared with April last year, spending 2.3% more for restaurant meals and 12.9% more at the grocery store for fresh vegetables.

In April, motorists in Canada saw their car insurance premiums rise by 4.3% over April 2006. However, they paid less to fill up their tanks and to purchase or lease new vehicles.

The 1.1% drop in the price of vehicle purchases and leases offset the upward trend in consumer prices to some extent. Consumers were able to get vehicles that were often better equipped for prices lower than those of last year.

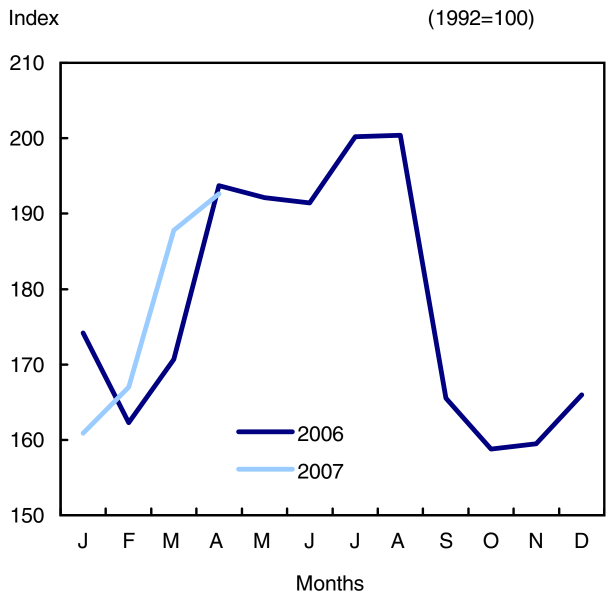
Compared to last year, gasoline prices were down 0.6% in April after posting increases of 10.0% and 2.9% in previous months. In April, average gasoline prices were lower than those observed in the same month last year.

In April, consumers paid 4.5% less for natural gas compared with April 2006. Benefiting most from this downturn in prices were residents of Ontario, where prices fell 12.4%, and Manitoba, where they dropped 8.3%.

Natural gas prices declined for a 10th consecutive month in April on a year-over-year basis. However, the rate of decline in this energy component dropped sharply over the past three months.

Prices for computer equipment and supplies (-18.7%) as well as video equipment (-8.4%) continued the downward trends observed in recent months.

Gasoline



Above-average consumer price gains in Alberta and Saskatchewan

Although prices paid by consumers were up in all provinces, only residents of Alberta (+5.5%) and Saskatchewan (+2.4%) experienced increases higher than the national average.

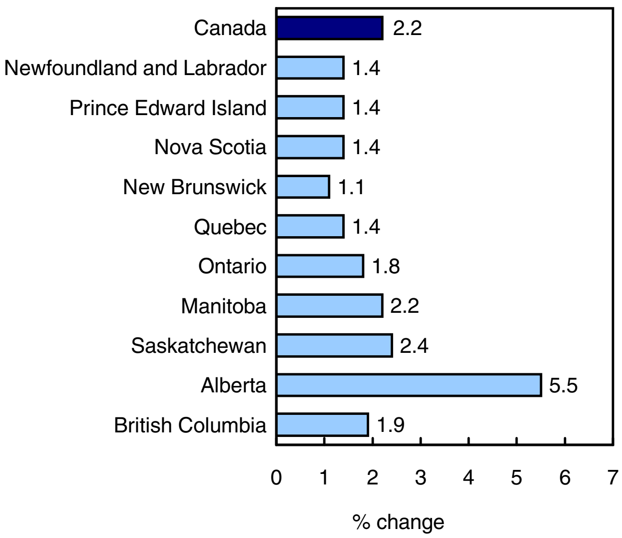
In those two provinces, the strong increase in homeowners' replacement cost accounted for most of the upward pressure on consumer prices.

Manitoba posted a 12-month change in consumer prices equivalent to the national average. All other provinces, however, recorded increases of less than 2.0% between April 2006 and April 2007.

Consumers in the Atlantic provinces experienced the smallest rises. Residents of Ontario (+1.8%) and British Columbia (+1.9%) faced increases larger than those in the Atlantic provinces, but smaller than those of the Prairie provinces.

In Alberta, homeowners' replacement cost shot up by 29.1% in April, compared with the same month last year, while in Saskatchewan it climbed by 20.0%.

Percentage change in the all-items index from the same month of the previous year



In Alberta, the growth in homeowners' replacement cost has shown a steady decline since the 48.6% record level posted in September 2006. In Saskatchewan, it has been over 10.0% since December 2006. Driven by the strength of the natural resource sector, economic vitality in these two provinces has stimulated the housing sector.

Upward pressure on consumer prices for residents of Newfoundland and Labrador, Prince Edward Island and New Brunswick was caused mainly by increases in electricity rates that occurred between April 2006 and April 2007.

Month-over-month: Consumers pay more for gasoline, natural gas

Between March and April, prices for all goods and services rose an average of 0.4%. This was a pronounced slowdown in relation to the 0.8% rise recorded the previous month.

Average gasoline prices were up between March and April for a third month in a row. Although gasoline prices accounted for most of the increase in the monthly CPI, the 2.6% increase observed in April was relatively moderate, compared with the 12.5% rise posted in March.

Given that stocks have declined since February and should normally increase in this period of the year to support summer growth in demand, motorists had to spend more to fill up.

Except for Ontario, where gasoline prices were down slightly (-0.2%), all other provinces posted increases ranging from 3.0% in Nova Scotia to 7.1% in British Columbia.

For Ontario motorists, this slight decrease provided some respite after the substantial increases of the past two months.

Natural gas prices surged by 9.1% between March and April. This was the strongest rate of growth posted by this energy component since January 2001.

Monthly increases in the price of natural gas observed in Ontario (+11.8%) and Alberta (+14.3%) mainly drove the increase in the national index.

Costs of municipal water rose at their fastest pace in 15 months between March and April. Metered and flat running water rates rose 3.8%, the fastest gain since January 2006.

Water costs rose fastest in Alberta (+6.5%) and Ontario (+4.7%). Edmonton residents had to spend 17.4% more for running water in April than they did in March, while in Toronto, the increase was 10.0%.

The 2.4% increase in the price of automotive repairs and maintenance also exerted upward pressure on overall price levels.

Although it cost more to fill up the tank and to maintain a vehicle between March and April, the 0.7% drop in the price of vehicle purchases and leases offset the upward pressure on the monthly all-items index to some extent. Vehicle manufacturers continued to enhance incentives offered to new vehicle purchasers, thus bringing down prices in relation to the previous month.

Lower prices for non-alcoholic beverages (-4.7%) and women's clothing (-1.2%) also mitigated the monthly increase in prices in April.

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 April 2007 issue of the *Consumer Price Index*, Vol. 86, no. 4 (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 May Consumer Price Index will be released on June 19.

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*), Prices Division.

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Consumer Price Index and major components

(1992=100)

	Relative importance[1]	April 2007	March 2007	April 2006	March to April 2007	April 2006 to April 2007
		Unadjusted				
					% change	
All-items	**100.00[2]**	**132.8**	**132.3**	**130.0**	**0.4**	**2.2**
Food	16.89	135.0	135.0	130.0	0.0	3.8
Shelter	26.75	132.2	131.3	127.7	0.7	3.5
Household operations and furnishings	10.58	117.5	117.5	116.4	0.0	0.9
Clothing and footwear	5.37	102.8	102.5	100.8	0.3	2.0
Transportation	19.79	159.4	158.2	158.5	0.8	0.6
Health and personal care	4.52	123.4	122.9	122.3	0.4	0.9
Recreation, education and reading	11.96	127.5	127.4	126.6	0.1	0.7
Alcoholic beverages and tobacco products	4.13	153.9	153.4	150.7	0.3	2.1
All-items (1986=100)		170.1				
Purchasing power of the consumer dollar expressed in cents, compared to 1992		75.3	75.6	76.9		
Special aggregates						
Goods	48.84	126.4	125.9	125.1	0.4	1.0
Services	51.16	139.9	139.3	135.5	0.4	3.2
All-items excluding food and energy	74.27	127.7	127.4	125.2	0.2	2.0
Energy	8.84	180.3	176.1	180.1	2.4	0.1
Core CPI[3]	82.75	131.2	131.0	128.0	0.2	2.5

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. *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 website (http://www.bankofcanada.ca/en/inflation/index.htm).*

Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit[1]

(1992=100)

	April 2007	March 2007	April 2006	March to April 2007	April 2006 to April 2007
	Unadjusted				
				% change	
Newfoundland and Labrador	130.3	129.9	128.5	0.3	1.4
Prince Edward Island	133.8	133.4	131.9	0.3	1.4
Nova Scotia	134.7	134.0	132.9	0.5	1.4
New Brunswick	131.9	131.2	130.5	0.5	1.1
Québec	127.8	127.5	126.0	0.2	1.4
Ontario	133.4	133.0	131.0	0.3	1.8
Manitoba	136.5	135.9	133.6	0.4	2.2
Saskatchewan	138.3	137.3	135.1	0.7	2.4
Alberta	145.9	144.5	138.3	1.0	5.5
British Columbia	129.5	129.1	127.1	0.3	1.9
Whitehorse	127.9	127.0	125.8	0.7	1.7
Yellowknife[2]	128.4	127.7	125.5	0.5	2.3
Iqaluit (Dec. 2002=100)	107.7	106.7	104.5	0.9	3.1

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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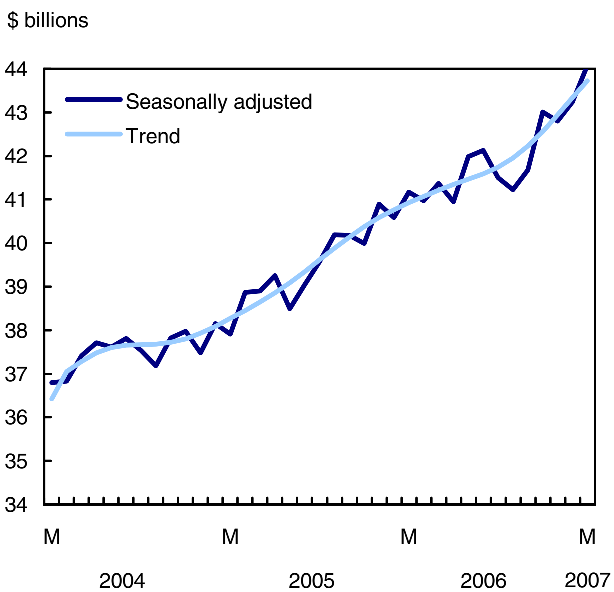
Wholesale trade

March 2007

A surge in demand for automotive products gave a boost to wholesale sales in March, helping to propel the wholesale industry to its best quarterly gain in almost three years.

Wholesale sales increased by 1.9% in March to $44.1 billion, following a 1.0% rise the previous month. The back-to-back monthly increases helped push up sales in the first quarter by 3.4% over the previous quarter.

Auto sector gives a boost to sales



Around half of March's increase was attributable to strong sales of automotive products (+5.5%). There were also widespread gains among the remaining wholesale sectors, notably building materials, machinery and electronic equipment and farm products. Sales excluding the automotive sector rose 1.1% in March.

After showing signs of easing in the fall of 2006, wholesale sales have resumed their upward momentum in recent months, posting gains in four of the past five months. A major factor behind the recent gains has been the pickup in automotive sales, which had experienced a bit of a downturn during the latter part of 2006.

Sales in constant dollars, which remove the effects of price fluctuations to isolate the change in volumes, rose 1.8% in March.

Wholesale sales regain their momentum in the first quarter

Sales in the first quarter rose 3.4%. While this represented the best quarterly performance in almost three years, it was also partly a reflection of the weak (+0.2%) showing in the fourth quarter of 2006.

Although all seven wholesale sectors recorded higher sales in the first quarter, a major factor behind the first quarter's strong growth was the turnaround in automotive sales. The auto sector bounced back from a 3.8% decline in the fourth quarter of 2006 to record its highest quarterly increase (+7.6%) since the second quarter of 2004.

Wholesalers of building materials (+4.4%) and "other products" (+5.4%) were among the other significant gainers in the first quarter.

All provinces and territories recorded higher sales in the first quarter. The turnaround in the automotive sector pushed sales in Ontario up by 2.9% following a 0.1% drop in the fourth quarter of 2006. Sales in Alberta, which had softened significantly towards the end of 2006, posted a 5.3% gain. This was the 15th consecutive quarterly increase for the province.

Wholesalers in Saskatchewan, Nova Scotia and Prince Edward Island also posted increases substantially above the national average during the quarter.

Auto sector picks up speed

Wholesalers of automotive products continued to gain momentum in March, as sales rose a further 5.5% to $8.7 billion. This was the fourth increase in the past five months for this sector, which had previously undergone a mini-slide between August and October of last year.

Higher sales of motor vehicles (+6.6%) accounted for almost all of the increase in March, as sales of motor vehicle parts and accessories rose at a more modest pace (+0.8%). Sales of motor vehicles account for around 80% of all sales in the automotive sector.

The increase in motor vehicle sales coincides with the recent pickup in Canada's auto manufacturing industry. After hitting an eight-year low last October, motor vehicle shipments have risen significantly, culminating in another strong increase in March (+7.2%). As most of these vehicles are exported to the United States, there has also been a significant rise in passenger car exports during this period. In March, passenger cars exports rose 10.2%.

Building materials sector bounces back from February decline

The building materials sector bounced back in March as sales rose 2.1% to $6.2 billion, reversing all of February's decline.

Higher sales of metal products (+3.7%) and building supplies were behind most of the rise this month. Sales of lumber posted a more modest gain (+1.0%) following a substantial drop in February.

For wholesalers of metal products, this was the third increase in four months. The sales trend for this trade group has been on a continuous upswing since August 2005. The strength of oil and gas activity in Alberta, coupled with unprecedented levels of construction in Western Canada, continue to drive demand for metal products.

Sales of building materials rose for the third straight month. Following three years of solid growth, this trade group's sales continue to advance thanks to the strong performance of Canada's renovation and construction market.

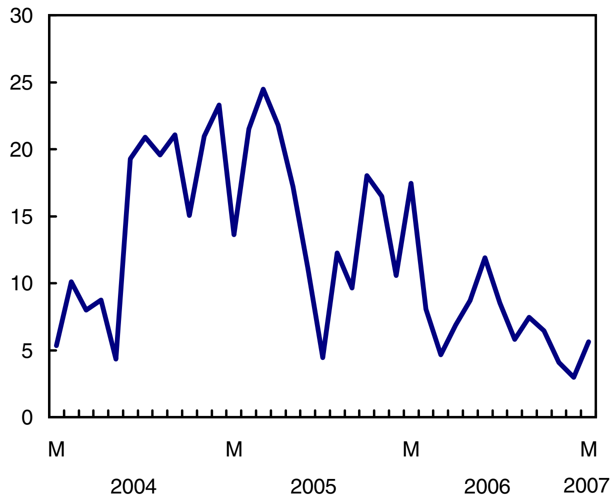
Mixed fortunes for machinery and electronic equipment sector in March

There were mixed fortunes for the machinery and electronic equipment sector in March, as robust sales of machinery and equipment (+4.9%) were partially offset by lower sales of computers and other electronic equipment (-1.8%) and office and professional equipment (-0.8%).

March's increase in the machinery and equipment trade group was the largest monthly gain since April 2005, and was due in part to strong sales of construction equipment. Nevertheless, while the demand for construction equipment remains strong, a slowdown in demand for other types of equipment (notably oil and gas well machinery) has dampened the rate of sales growth in this trade group over recent months. A combination of higher drilling costs and lower natural gas prices explain some of the recent decline in demand for oil and gas well machinery.

Sales growth in machinery and equipment trade group

% change in sales from a year ago



Farm product sales boosted by higher sales of live animals

Wholesalers of farms products enjoyed their biggest monthly gain in nine months, as sales in March jumped 8.2% to $511 million.

This was the third consecutive monthly rise for this sector which, after hitting a recent low in May 2006, has registered generally rising sales. Higher sales of live animals, which make up around half of all sales in the farm products sector, have accounted for much of the recent rise.

Most of these animals are exported and in March exports of live animals increased by 9.4%, following a 12.8% increase the previous month.

Sales rise in most provinces and territories

Overall, 9 out of the 13 provinces and territories recorded higher sales in March.

In Ontario, sales were boosted by the strength of the automotive sector, rising 1.7% to $22 billion. However, sales outside of the key automotive sector were generally flat.

Wholesalers in Quebec continued to gain ground, as sales rose a further 2.9% to $8.3 billion following a 2.7% increase in February. March's increase came in spite of flat sales in the province's key food, beverage and tobacco products sector, which accounts for around a quarter of all sales in Quebec. Higher sales of automotive products, machinery and equipment and "other products" helped to drive up sales during the month. This was the fourth increase in five months for Quebec.

Sales in the Prairie provinces advanced for the fifth consecutive month, thanks to gains in Saskatchewan (+5.3) and Alberta (+2.1%). This also marked the fifth consecutive rise for sales in Saskatchewan, where the growth has been driven primarily by higher sales of "other products" such as agricultural chemicals and fertilizers.

In Alberta, higher sales of building supplies and machinery and equipment were behind most of the rise in sales in March.

Sales rose by 3.5% in Atlantic Canada in March, with Newfoundland and Nova Scotia accounting for most of the gains.

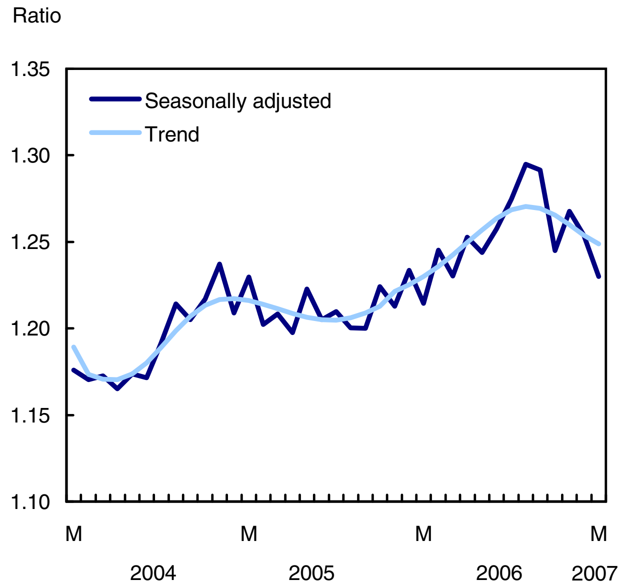
Inventory-to-sales ratio hits 10-month low

There was a significant decline (-10.5%) in motor vehicle inventories in March, but this was completely offset by increases in other trade groups, notably food products, machinery and equipment and "other products." As a result, inventories were unchanged in March at $54.2 billion, following a very small decline in February.

March's big boost in sales, coupled with unchanged inventories, triggered a significant drop in the inventory-to-sales ratio. From February's 1.25, the ratio fell to 1.23 in March, a 10-month low. This was the fourth consecutive decline for this ratio, which hit a three-year high in November.

The ratio is a key measure of the time, in months, that would be required in order to exhaust inventories if sales were to remain at their current level.

Inventory-to-sales ratio hits a 10-month low



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

Definitions, data sources and methods: survey number 2401.

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

Wholesale trade estimates for April will be released on June 20.

For data or general information, contact Client Services (toll-free 1-877-421-3067; 613-951-3549; *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*), Distributive Trades Division.

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Wholesale merchants' inventories and inventory-to-sales ratio

	March 2006	December 2006r	January 2007r	February 2007r	March 2007p	February to March 2007	March 2006 to March 2007	February 2007r	March 2007p
	Wholesale inventories							Inventory-to-sales ratio	
	Seasonally adjusted								
	$ millions					% change			
Inventories	**49,996**	**53,541**	**54,258**	**54,211**	**54,221**	**0.0**	**8.5**	**1.25**	**1.23**
Farm products	160	187	184	182	183	1.0	14.5	0.38	0.36
Food products	4,236	4,264	4,351	4,339	4,449	2.5	5.0	0.61	0.62
Alcohol and tobacco	274	281	312	289	302	4.6	10.2	0.47	0.48
Apparel	1,516	1,728	1,682	1,659	1,643	-1.0	8.4	2.10	2.10
Household and personal products	3,654	3,874	3,947	3,809	3,861	1.4	5.7	1.40	1.41
Pharmaceuticals	3,039	3,122	3,153	3,237	3,336	3.1	9.8	1.14	1.18
Motor vehicles	4,745	5,039	5,184	5,321	4,762	-10.5	0.4	0.80	0.67
Motor vehicle parts and accessories	3,201	3,288	3,387	3,393	3,392	0.0	6.0	2.18	2.16
Building supplies	5,484	5,840	5,853	5,839	5,893	0.9	7.5	1.59	1.58
Metal products	2,458	3,070	2,995	2,967	2,939	-0.9	19.6	2.17	2.08
Lumber and millwork	1,065	1,158	1,225	1,158	1,174	1.4	10.2	1.08	1.08
Machinery and equipment	10,155	11,481	11,564	11,525	11,671	1.3	14.9	2.75	2.65
Computer and other electronic equipment	1,506	1,624	1,644	1,697	1,733	2.1	15.0	0.61	0.63
Office and professional equipment	2,420	2,629	2,652	2,620	2,582	-1.5	6.7	1.32	1.31
Other products	6,082	5,958	6,124	6,177	6,302	2.0	3.6	1.15	1.16

r *revised*
p *preliminary*

Wholesale merchants' sales

	March 2006	December 2006[r]	January 2007[r]	February 2007[r]	March 2007[p]	February to March 2007	March 2006 to March 2007
	Seasonally adjusted						
	$ millions					% change	
Total, wholesale sales	**41,164**	**43,006**	**42,804**	**43,239**	**44,081**	**1.9**	**7.1**
Farm products	**413**	**456**	**464**	**472**	**511**	**8.2**	**23.9**
Food, beverages and tobacco products	**7,425**	**7,542**	**7,555**	**7,760**	**7,791**	**0.4**	**4.9**
Food products	6,738	6,913	6,939	7,142	7,167	0.4	6.4
Alcohol and tobacco	687	629	616	618	624	0.9	-9.2
Personal and household goods	**5,921**	**6,470**	**6,159**	**6,355**	**6,346**	**-0.1**	**7.2**
Apparel	724	830	821	791	782	-1.2	8.1
Household and personal products	2,571	2,825	2,617	2,724	2,737	0.5	6.5
Pharmaceuticals	2,627	2,814	2,720	2,840	2,826	-0.5	7.6
Automotive products	**7,839**	**8,308**	**8,043**	**8,224**	**8,673**	**5.5**	**10.6**
Motor vehicles	6,311	6,771	6,494	6,665	7,103	6.6	12.6
Motor vehicle parts and accessories	1,528	1,537	1,549	1,558	1,570	0.8	2.7
Building materials	**5,924**	**6,057**	**6,228**	**6,108**	**6,233**	**2.1**	**5.2**
Building supplies	3,547	3,619	3,659	3,673	3,737	1.8	5.4
Metal products	1,212	1,389	1,396	1,364	1,414	3.7	16.7
Lumber and millwork	1,166	1,049	1,173	1,071	1,082	1.0	-7.2
Machinery and electronic equipment	**8,848**	**8,881**	**8,948**	**8,968**	**9,110**	**1.6**	**3.0**
Machinery and equipment	4,162	4,234	4,244	4,189	4,396	4.9	5.6
Computer and other electronic equipment	2,625	2,661	2,718	2,786	2,737	-1.8	4.3
Office and professional equipment	2,062	1,985	1,986	1,992	1,977	-0.8	-4.1
Other products	**4,794**	**5,292**	**5,407**	**5,353**	**5,417**	**1.2**	**13.0**
Total, excluding automobiles	**33,325**	**34,697**	**34,761**	**35,016**	**35,408**	**1.1**	**6.2**
Sales, province and territory							
Newfoundland and Labrador	219	263	252	242	262	8.2	19.4
Prince Edward Island	36	40	42	40	41	3.5	15.0
Nova Scotia	518	529	577	563	592	5.1	14.2
New Brunswick	406	420	439	431	426	-1.1	4.9
Quebec	7,731	8,066	7,888	8,103	8,340	2.9	7.9
Ontario	20,824	21,899	21,460	21,633	22,000	1.7	5.6
Manitoba	956	1,028	1,066	1,045	1,055	1.0	10.4
Saskatchewan	1,087	1,267	1,279	1,295	1,364	5.3	25.4
Alberta	5,124	5,203	5,418	5,453	5,569	2.1	8.7
British Columbia	4,226	4,260	4,342	4,396	4,396	0.0	4.0
Yukon	14	10	14	13	12	-12.6	-19.0
Northwest Territories	20	20	25	22	24	12.7	23.3
Nunavut	2	2	2	3	2	-22.9	13.0

r *revised*
p *preliminary*

■

Study: Canada's changing auto industry
2006

One of the most significant changes in the global economic landscape over the last two decades has been the shift by overseas firms of their auto production to North America, following their success in sales. Still, the auto industry in Canada remains on a solid footing according to a new article published today in *Canadian Economic Observer*. The Asian auto manufacturers have sustained output, investment and employment in this industry at a high level, with the prospect for future growth.

The downsizing of the traditional Big 3 firms has been widely-publicized, reflecting the traumatic impact on their employees and their suppliers. Less appreciated, however, is how rapidly overseas firms have ramped up production in Canada to offset many of these losses.

Japanese-based manufacturers have filled much of the gap left by the traditional North American automakers in production in Canada. In 2006, Japanese automakers produced just over 900,000 automobiles in Canada, double their level in 1998. As a result, their share of the domestic market in production jumped from 16% to more than one-third (36%) during this period. This followed a similar trend in sales.

Also, previously unpublished data reveal that these new domestic auto manufacturers behave like the traditional North American firms in terms of exports and imports.

While exports by the traditional North American manufacturers tumbled, exports by the Japanese-owned manufacturers picked up much of this slack. Exports of the traditional North American firms peaked at $51.0 billion in 1999, before falling by almost one-third since then. However, exports of the new Japanese-owned manufacturers rose by one-third, from $10.1 billion in 1999 to $15.9 billion in 2006.

In 2006, the net exports of new domestic manufacturers equalled 68% of the net exports of the Detroit-based manufacturers: as recently as 1997, their share was negligible. Only a shortage of production capacity slowed the growth of their net exports in 2006.

Meanwhile, the behavior of the new domestics and traditional producers in importing parts are comparable. In the mid-1990s, overseas-based manufacturers imported auto parts in such large numbers that they offset their growing revenues from auto exports. Since then, however, the situation has completely turned around, with Japanese-owned manufacturers posting a surplus of $5.9 billion in 2006. These new domestic auto makers used fewer imported parts in their vehicle exports than the traditional Big 3.

Imports into Canada by the traditional North American manufacturers increased much more than imports by the new domestics from 1997 to 2004, before shortages forced the direct importation of more vehicles from overseas. Like the traditional North American manufacturers, the new domestic manufacturers ship most of their exports to the United States.

On the whole, Canadian consumers are now buying almost as many overseas models as North American brands. In the car segment, more overseas brands than North American have been sold in Canada every year since 2001. This gap is growing.

Even in the popular sport utility vehicle segment, overseas brands have practically caught up with the traditional Big 3.

The study "Canada's changing auto industry" is now available for free online. The study is also included in the May 2007, Internet edition of *Canadian Economic Observer*, Volume 20, no. 5 (11-010-XWB, free), which is now available. The monthly paper version of *Canadian Economic Observer*, Volume 20, no. 5 (11-010-XPB, $25/$243) will be available on May 24.

For more information about the *Canadian Economic Observer*, click on our banner ad from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Francine Roy (613-951-3627; *ceo@statcan.ca*), Current Economic Analysis Group. ■

Construction Union Wage Rate Index
April 2007

The Construction Union Wage Rate Index (including supplements) for Canada remained unchanged in April compared to the March level of 138.1 (1992=100). The composite index increased 2.0% compared with the April 2006 index (135.4).

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 second quarter 2007 issue of *Capital Expenditure Price Statistics* (62-007-XWE, free) will be available in September.

For more information, or to enquire about the concepts, methods, and data quality for this release, contact Client Services Unit (613-951-9606; fax: (613-951-1539; *prices-prix@statcan.ca*) or Louise Chainé (613-951-3393), Prices Division. ■

Stocks of frozen poultry meat

May 1, 2007 (preliminary)

Stocks of frozen poultry meat in cold storage on May 1 totalled 59,127 metric tonnes, down 9.9% from a year ago.

Available on CANSIM: tables 003-0023 and 003-0024.

Definitions, data sources and methods: survey number 3425.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Sandra Gielfeldt (613-951-2505; *sandy.gielfeldt@statcan.ca*), Agriculture Division. ■

Primary iron and steel

March 2007

Data on primary iron and steel for March 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 March 2007 issue of *Steel, Tubular Products and Steel Wire* (41-019-XWE, 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*), Manufacturing, Construction and Energy Division. ■

New products

Canadian Economic Observer, Vol. 20, no. 5
Catalogue number 11-010-XWB
(free).

The Consumer Price Index, April 2007, Vol. 86, no. 4
Catalogue number 62-001-XWB
(free).

The Consumer Price Index, April 2007, Vol. 86, no. 4
Catalogue number 62-001-XPB ($12/$111).

Industry Price Indexes, March 2007, Vol. 33, no. 3
Catalogue number 62-011-XWE
(free).

Canada's International Transactions in Securities, Vol. 73, no. 3
Catalogue number 67-002-XWE
(free).

Workplace and Employee Survey: Electronic Data Dictionary, 2004
Catalogue number 71-221-XWE
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All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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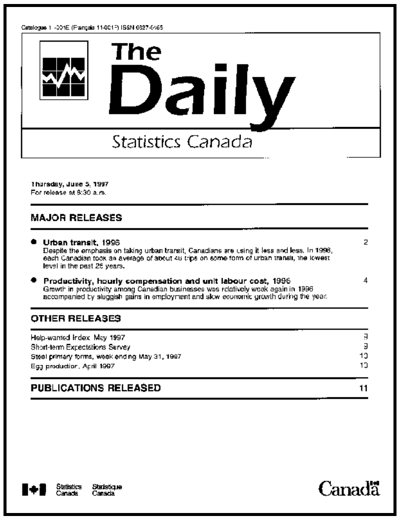

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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

Help-wanted Index, May 1997	9
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