



# The Daily

Statistics Canada

Wednesday, March 26, 2008

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Household and business consumers opened their wallets at motor vehicle dealerships and in home and garden stores in 2006, driving retail operating profits to their highest level in four years. Retailers in Canada recorded operating profits of \$21.8 billion in 2006, the highest level since 2002.	
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### 2006 Census: Ethnic origin, visible minorities, place of work, mode of transportation

On April 2, 2008, Statistics Canada will release detailed analyses of data from the 2006 Census on ethnic origin, visible minorities, place of work and mode of transportation.

The findings will be released in two online documents: *Canada's Ethnocultural Mosaic, 2006 Census*, and *Commuting Patterns and Places of Work of Canadians, 2006 Census*.

These reports will be available on our website at 8:30 a.m. Eastern time, on April 2.

The first document describes the ethnic or cultural origins of Canada's population and provides data on the visible minority population. It also highlights some selected characteristics of the visible minority population.

The second document examines changes in where Canadians work and their patterns of commuting to work between 2001 and 2006.

For more information, contact Media Relations (613-951-4636), Communications and Library Services Division.



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## Releases

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### Annual retail trade

2006

Consumers and homeowners opened their wallets at motor vehicle dealerships and in home and garden stores in 2006, driving retail operating profits to their highest level in four years.

The nation's retailers recorded operating profits of \$21.8 billion in 2006, a 9.5% increase from the previous year and the highest level since 2002.

Retailers, both store and non-store, reported operating revenues of \$427.2 billion in 2006, up 5.7%. This gain was well above the annual average growth rate of 4.7% recorded between 2002 and 2006.

Chain stores reported operating revenues of \$190.3 billion in 2006, up 7.3%. Revenues for non-chain stores increased 4.6% to \$223.5 billion. Sales for non-store retailers rose 1.3% to \$13.4 billion. Non-store retailing includes sales made exclusively through e-commerce, mail-order, and vending machines.

Chain stores continued to chip away at the dominance of non-chain stores in the Canadian retail landscape. On average, chain stores' share of store-based revenue increases 1% each year. Chain stores accounted for 46% of store-based revenues in 2006, up from 45% in 2005.

Virtually all revenue generated in department stores, as well as beer, wine and liquor stores, are from retail chains. In addition, clothing chain retailers accounted for just over three-quarters of clothing retail revenue (78%). In contrast, most new car dealers were not part of a retail chain, with only 4% of sales generated by retail chains.

Shopping at a non-chain store was still the norm in Quebec, as 61% of retail revenue generated in the province in 2006 was from a non-chain store, the highest level among the provinces. Four other provinces posted levels near 54%, the national average.

Non-store retailing accounted for 3% of total retail activity, unchanged since 2000.

#### Banner year for home and garden stores and vehicle dealers

Excluding gasoline stations, all retail trade groups reported rising gross margins in 2006. Store retailers specializing in home and garden merchandise had a banner year, as did used and recreational motor vehicle and parts dealers.

Gross margins (total operating revenues less cost of goods sold) increased 26.8% for specialized building materials and garden stores, 22.9% for home furnishing

#### Note to readers

*This release combines data from three surveys: the annual Retail Store Survey, covering independent retail outlets, the annual Retail Chain Survey, covering chain retailers, as well as the Retail Non-store Survey.*

*Annualized sales from the monthly Retail Trade Survey exclude any form of direct selling that bypasses the retail store.*

*The information in this report is based on the 2002 North American Industry Classification System.*

*The **gross margin** is obtained by subtracting the cost of goods sold from the total operating revenues. The ratio is expressed as a percentage of the total operating revenues. This measure is also known as the return on sales.*

*The **operating profit** is obtained by subtracting the total operating expenses plus the cost of goods sold (opening inventory plus purchases and direct costs minus closing inventory) from the total operating revenues.*

***Electronic shopping** comprises establishments engaged in retailing all types of merchandise using the Internet. However, it excludes those establishments involved in a combination of store retailing and Internet retailing in the same establishment. This dual activity is classified to the store portion of retailing.*

stores and 20.8% for used and recreational motor vehicle and parts dealers.

The only store-based retailers that recorded a decline in gross margins were gasoline stations, including those with attached convenience stores, whose margins declined 1.4% from 2005. This decline reflects costs growing more rapidly than revenues. Operating revenues rose 8.9%, compared with an 11.2% increase in the cost of goods sold.

This situation was similar for non-store based fuel dealers whose gross margins declined 4.1%. A 4.8% increase in their operating revenues was accompanied by a 7.0% increase in the cost of goods sold.

Geopolitical concerns and production problems in oil producing countries continued to contribute to higher crude oil prices in 2006.

Labour costs fell 16% for gasoline stations, the only retailers to report such a decline. Labour costs represented a third of their expenses. This decline can partly be attributed to a growing trend in which drivers pay at the pump, as gasoline stations are a major player offering convenience and cashless transactions for customers.

#### Expenses for retailers on the way up

The nation's store-based retailers had total operating expenses of \$89.2 billion in 2006, up 9.5% from the previous year. Their operating expenses

represented 21.6% of operating revenues in 2006, up from 20.8% the year before.

This ratio increased particularly fast for home furnishing stores and specialized building materials and garden stores. Operating expenses represented 39.0% of operating revenues in 2006 for home furnishing stores, up from 34.6% in 2005. For specialized building materials and garden stores, the ratio rose from 26.7% to 29.9%.

Labour costs accounted for half of all operating expenses for store-based retailers. Rental and leasing expenses came second at 12.0%, up 12.7% from 2005. Advertising costs also remained high in 2006, with half of the 18 retail trade groups reporting double-digit increases in advertising expenses.

### **Sales surpass national average in Western provinces**

Excluding non-store retailing, total sales for store retailers amounted to \$413.8 billion in 2006, up 5.8% from the previous year. Sales growth surpassed this national average in only Saskatchewan, Alberta and British Columbia.

As a result of rising revenues, retailers in the Western provinces were also more profitable than the national average growth rate of 10.0%.

Operating profits were up 27.2% in Alberta, where consumers opened their wallets the widest. Alberta retail revenues rose 12.2% to nearly \$58.0 billion.

Operating profits also posted strong increases in Manitoba and Saskatchewan, rising 23.5% and 21.5% respectively. Profits trailed in British Columbia (+16.2%) on higher operating expenses, which were up 11.4% in 2006.

Retail revenue growth in Ontario has lagged behind the rest of Canada in the past few years, rising only 3.9% in 2006. Operating expenses rose 7.5%, resulting in a 2.3% decline in operating profits.

The only other province reporting a decline in operating profits was Newfoundland and Labrador, down 9.6%.

### **Inventories down slightly**

Inventory levels were down slightly in 2006. Store-based retailers saw their inventory levels fall from 66.3 days of stock-on-hand in 2005 to 65.2 days in 2006.

The biggest change occurred among home electronics and appliance stores, where the number of days of stock-on-hand fell from 94.4 to 70.5. Among these retailers, merchandise turnover, which represents the number of times stock is turned over in a year, increased from 3.9 in 2005 to 5.1 in 2006.

Shoe, clothing accessories and jewellery stores maintained the largest amount of stock, about seven months' worth. This was followed by sporting goods, hobby, music, and book stores, with just over a four-month supply.

Only retailers in Alberta reported double-digit increases in inventory purchases (+12.8%). The average value of merchandise inventory rose 7.4%, the highest rate among the provinces, while days of stock-on-hand dropped by one day from 2005 to 66.8 days.

Lagging sales in Ontario probably contributed to the average value of merchandise inventory level falling 0.9%, as retailers coped with inventory control. Stock-on-hand fell from 67.0 days to 64.5 days, the largest drop among the provinces.

Data for 2006, as well as revised 2005 data, will be available shortly on CANSIM.

### **Definitions, data sources and methods: survey numbers, including related surveys, 2446, 2447 and 2448.**

To order data or for more information, contact the Client Services Unit (toll-free 1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). To enquire about concepts, methods or data quality of this release, contact Alexander Hays (613-951-3552), Distributive Trades Division.

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## Retail trade by province and territory

	2006		2005 to 2006	
	Operating revenues	Gross margin	Operating revenues	Operating revenues
	\$ millions		% share	% change
<b>Canada</b>	<b>413,802</b>	<b>110,284</b>	<b>100.0</b>	<b>5.8</b>
Newfoundland and Labrador	6,092	1,523	1.5	3.8
Prince Edward Island	1,567	421	0.4	3.8
Nova Scotia	11,517	3,042	2.8	5.5
New Brunswick	9,195	2,246	2.2	5.7
Quebec	92,214	24,216	22.3	5.0
Ontario	150,094	40,517	36.3	3.9
Manitoba	14,532	3,896	3.5	3.5
Saskatchewan	12,689	3,310	3.1	6.0
Alberta	57,980	14,621	14.0	12.2
British Columbia	56,561	16,084	13.7	7.4
Yukon	430	117	0.1	1.8
Northwest Territories	651	192	0.2	1.5
Nunavut	280	99	0.1	1.7

## Retail trade by trade group

	2006			2005 to 2006	
	Operating revenues	Operating expenses	Gross Margin	Operating profit	Operating revenues
	\$ millions				% change
<b>Total</b>	<b>413,802</b>	<b>89,197</b>	<b>110,284</b>	<b>21,087</b>	<b>5.8</b>
New car dealers	80,423	9,446	11,262	1,816	2.0
Used and recreational motor vehicles and parts dealers	19,710	4,322	4,904	583	12.4
Gasoline stations	42,932	4,442	7,336	2,894	8.9
Furniture stores	10,060	3,391	4,027	636	7.7
Home furnishings stores	6,027	2,349	2,655	306	8.5
Computer and software stores	2,226	547	588	41	6.5
Home electronics and appliance stores	11,659	2,708	3,422	714	11.6
Home centres and hardware stores	20,235	4,886	6,012	1,126	8.4
Specialized building materials and garden stores	5,613	1,679	1,909	231	11.8
Supermarkets	65,299	14,113	16,067	1,954	4.8
Convenience and specialty food stores	14,148	3,244	3,728	484	2.6
Beer, wine and liquor stores	14,814	2,296	6,588	4,292	4.1
Pharmacies and personal care stores	27,475	7,290	8,331	1,042	6.0
Clothing stores	18,009	7,571	9,124	1,553	6.9
Shoe, clothing accessories and jewellery stores	5,841	2,445	2,907	462	10.4
General merchandise stores	46,635	10,476	12,362	1,886	5.7
Sporting goods, hobby, music and book stores	10,698	3,517	4,084	567	5.2
Miscellaneous store retailers	11,998	4,477	4,977	500	5.5

## Non-store retail by industry

	2006			2005 to 2006	
	Operating revenues	Gross margin	Operating profit	Operating revenues	Operating revenues
	\$ millions			% share	% change
<b>Total</b>	<b>13,377</b>	<b>4,029</b>	<b>751</b>	<b>100.0</b>	<b>1.3</b>
Electronic shopping and mail-order houses	4,450	1,660	278	33.3	-3.3
Vending machine and coffee service operators	638	344	37	4.8	-2.0
Fuel dealers	6,713	1,208	308	50.2	4.8
Direct selling businesses	1,576	816	127	11.8	1.1

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## Study: Neighbourhood characteristics and the distribution of crime in Edmonton, Halifax and Thunder Bay

2001

The study "Neighbourhood characteristics and the distribution of crime in Edmonton, Halifax and Thunder Bay," which is the fourth of its kind by Statistics Canada, investigated neighbourhood-level crime patterns in three cities: Edmonton, Halifax and Thunder Bay.

It did so by examining how police-reported crimes were distributed across city neighbourhoods, and whether the crime rate in a given neighbourhood was associated with factors specific to that neighbourhood.

The study, funded by the National Crime Prevention Centre at Public Safety Canada, used demographic and socio-economic information from the census, zoning data from the three cities, as well as police-reported crime data for 2001.

The findings show that crime is not distributed randomly in urban areas. For all three cities, violent crime tended to be concentrated in their downtown core neighbourhoods.

While property crime showed similar patterns of concentration around the city cores, there were also a number of other hotspots in the cities, generally located in neighbourhoods with higher commercial activity.

The study also found that the variation in crime levels was related to factors that were specific to each city.

In Edmonton, in 2001, when all neighbourhood characteristics were taken into account, three factors contributed to the variations in both violent and property crime rates: the proportion of lone-parent families, the proportion of those without a high school diploma and the number of workers in retail trade (as an indicator of commercial land use). Crime rates were higher in neighbourhoods where there were higher proportions of people with these characteristics.

The rate of violent crime was also higher in neighbourhoods where there was a larger proportion of low-income earners.

The rate of property crime was lower where there was a higher proportion of children aged 14 and under, namely in residential neighbourhoods with a higher proportion of owner-occupants and single-family homes.

In Halifax, characteristics linked to the variation in neighbourhood crime rates in areas northeast of Halifax Harbour differed from those in areas southwest of the harbour.

Violent crime rates northeast of the harbour were higher in neighbourhoods with larger proportions of commercial zoning and populations with lower levels of education. In the area southwest of the harbour, violent crime rates were higher in neighbourhoods where more

people lived alone, and where a higher proportion of houses were in need of major repairs.

However, violent crime rates on either side of the harbour were higher in neighbourhoods with more single-mother families. These families tended to be living in low-income situations.

Property crime rates in the northeast area of Halifax Harbour were higher in neighbourhoods with more commercial zoning and higher rates of unemployment. On the southwest side of the harbour, property crime rates were higher in neighbourhoods with higher median household incomes and in those in which larger proportions of people spent more than 30% of their income on housing.

In Thunder Bay, violent crime rates were higher in neighbourhoods with higher proportions of people who were single, had limited access to economic resources, were living in low-income households and whose percentage of revenue from government transfer payments made up the greatest proportion of their revenue.

Property crime rates were higher in neighbourhoods with residents whose percentage of revenue from government transfers was higher, who were single, and who were living in buildings built before 1961.

### Definitions, data sources and methods: survey number 3302.

The study "Neighbourhood characteristics and the distribution of crime in Edmonton, Halifax and Thunder Bay," 2001, part of the *Crime and Justice Research Paper Series* (85-561-MWE2008010, free), is now available on our website. From the *Publications* module, choose *Free Internet publications*, then *Crime and Justice*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Information and Client Services (toll-free 1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics. ■

## Railway carloadings

January 2008

The Canadian railway industry started 2008 off on a high note, with January loadings rebounding strongly following two consecutive monthly declines.

The rebound in loadings came on the back of increased demand for hydrocarbons, basic chemicals and chemicals, and transformed metal-based commodities.

In January, railways loaded 22.7 million metric tonnes, an increase of 6.0% over December's levels. Non-intermodal loadings accounted for the vast majority

of the increase, as it climbed 5.6% to 20.3 million metric tonnes.

In total, 51 out of the 64 non-intermodal commodity classifications rose. This rise was in stark contrast to December, when 56 of the commodity classifications had declined.

Growing demand for hydrocarbon-based commodities was one of the strongest factors contributing to the rise in non-intermodal loadings. Among the commodities with the largest increases were fuel oils and crude petroleum (+15.4%), gaseous hydrocarbons, including liquid propane gas (+13.6%), and coal (+8.0%). The increase in loadings for these commodities can be attributed to rising demand for transportation fuels, heating and exports.

Commodities related to basic chemicals and chemicals also saw strong gains for the month. Among the commodities with the largest gains were other basic chemicals (+5.3%), fertilizers, excluding potash (+5.2%), and potash (+4.5%). The increase in loadings, particularly for potash, was the result of rising demand for exports from Asia and South America.

For transformed metal-based commodities, the increase in loadings was primarily the result of gains in iron and steel, primary or semi-finished (+21.5%), and copper (+15.3%). Rising demand for exports to the United States, particularly for iron and steel, was the main factor behind the increase.

Other notable commodity classifications that saw increased loadings include Colza seeds, or canola (+28.2%), and parts and accessories for motor vehicles (+30.6%), as well as automobiles and minivans (+10.0%). The growth in loadings for these commodities was also the result of higher demand for exports.

The non-intermodal portion of the freight loaded in January rose 9.8% to 2.4 million metric tonnes. The increase was primarily the result of a rise in containerized cargo shipments, which advanced 10.0% to 2.3 million metric tonnes.

Rail freight traffic, either destined for or passing through Canada from the United States, also rebounded from December's level, increasing 4.5% to 2.8 million metric tonnes.

On a year-over-year basis, non-intermodal loadings fell 2.0% from January 2007, while intermodal loadings rose 6.0%. Traffic received from the United States continued its strong year-over-year advance, climbing 11.4% from January 2007.

The annual increase in tonnage from US inbound traffic was attributable to a 13.4% rise in the number of carloadings.

Available on CANSIM: table 404-0002.

**Definitions, data sources and methods: survey number 2732.**

The January 2008 issue of *Monthly Railway Carloadings*, Vol. 85, no. 1 (52-001-XWE, free), is now available from the *Publications* module of our website.

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

## Heritage institutions 2006

Canada's heritage institutions, excluding nature parks and archives, again generated operating revenues of just over \$1 billion in 2006.

Total operating revenue in 2006 edged up 1.3% from the previous year. Not-for-profit institutions accounted for the vast majority (88%) of total operating revenue.

The three most populous provinces accounted for four-fifths of the industry's revenues: Ontario (37%), Quebec (29%) and British Columbia (15%).

Revenue increased 14.2% for heritage institutions in Alberta, the fastest rate of growth in the country.

History and science museums, exhibition centres, planetariums, and observatories, combined, generated 43% of the total industry's operating revenues.

Non-commercial art museums and galleries generated 24% of these revenues, the same proportion as for botanical gardens, conservatories, aquariums and zoos. The remainder came from historic sites, buildings and communities.

Heritage institutions recorded a slight decline in their operating profit margin, from 1.3% in 2005 to 1.0% in 2006. Not-for profit institutions broke even in 2006, as they did in 2005.

Revenues for for-profit institutions increased 7.9% in 2006, with the majority of that growth coming from Ontario and Quebec. The operating profit margins for for-profit institutions declined from 12.7% in 2005 to 8.0% in 2006.

Total industry operating expenses edged up 1.5% from the previous year. Salaries, wages and benefits paid out by all heritage institutions to their employees rose by 0.8%. In 2006, they represented 46.1% of the

industry's operating expenses, down slightly from 46.5% in 2005.

Data on wages and salaries do not take into account the services provided by volunteers.

**Available on CANSIM: table 361-0008.**

**Definitions, data sources and methods: survey number 3107.**

Selected details from the 2006 Survey of Service Industries: Heritage Institutions are presented in

the publication *Heritage Institutions: Data Tables* (87F0002XIE, free), which will be available soon. These tables include breakdowns of data by province and industry. Researchers can request special tabulations on a cost-recovery basis.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mario Balerna (613-951-2018; fax: 613-951-6696; [mario.balerna@statcan.ca](mailto:mario.balerna@statcan.ca)) or Gilles Beaudry (613-951-5646; [gilles.beaudry@statcan.ca](mailto:gilles.beaudry@statcan.ca)), Service Industries Division.

#### Selected financial statistics for not-for-profit heritage institutions

	2005	2006	2005	2006	2005	2006	2005	2006
	Operating revenue		Operating expenses		Salaries, wages and benefits		Operating margin	

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## New products

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**Aircraft Movement Statistics: NAV CANADA Towers and Flight Service Stations**, February 2008  
**Catalogue number 51-007-XWE**  
(free).

**Monthly Railway Carloadings**, January 2008, Vol. 85, no. 1  
**Catalogue number 52-001-XWE**  
(free).

**Retail Trade**, January 2008, Vol. 80, no. 1  
**Catalogue number 63-005-XWE**  
(free).

**Crime and Justice Research Paper Series : "Neighbourhood Characteristics and the Distribution of Crime: Edmonton, Halifax and Thunder Bay"**, 2001, no. 10  
**Catalogue number 85-561-MWE2008010**  
(free).

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

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 <b>The Daily</b>	
Statistics Canada	
Thursday, June 3, 1997 For release at 9:30 a.m.	
<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1996</b> Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.	2
• <b>Productivity, hourly compensation and unit labour cost, 1996</b> Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
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