

The Daily

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Consumer Price Index

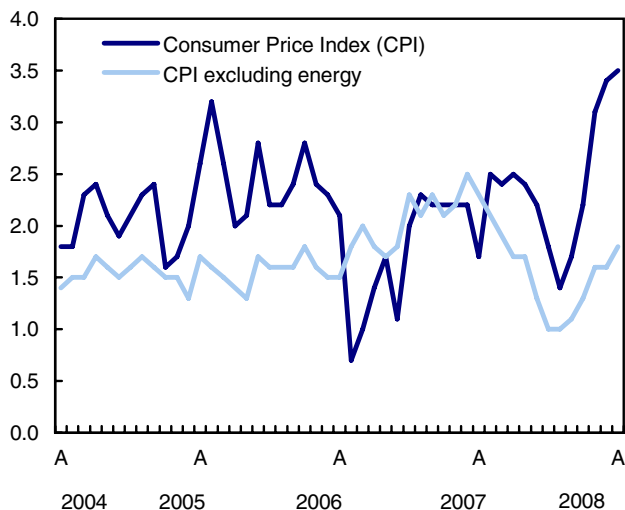
August 2008

Consumer prices rose 3.5% from August 2007 to August 2008, largely driven by higher prices for gasoline. On a monthly basis, consumer prices after seasonal adjustment rose 0.2% from July to August 2008.

The 12-month increase in the Consumer Price Index (CPI) in August was the largest since the 12-month rate of growth of 4.2% in March 2003.

The CPI and the CPI excluding energy edged up from the previous period

12-month % change



Gasoline prices rose 26.3% in August compared with the same month a year earlier. Prices for other energy components, such as natural gas and fuel oil and other fuels, also contributed significantly to the rise in consumer prices. Overall, energy prices rose 20.2% over the 12 months to August 2008.

The increase in the energy price index accounted for about half of the overall increase in the 12-month variation of the CPI in August. Excluding energy, the CPI rose 1.8% over the 12 months to August, up from the 1.6% 12-month rate of growth posted for July.

Driven by price increases for grain and bakery products, prices for food purchased from stores also

contributed significantly to the change in the 12-month CPI in August.

Partially offsetting the impact of rising gasoline prices was a drop in prices to purchase and lease passenger vehicles.

The seasonally-adjusted monthly all-items CPI rose 0.2% from July to August 2008, after rising 0.3% in the previous period.

12-month change: Transportation, shelter and food continue to push up consumer prices

Of the eight major CPI components, transportation costs rose the most in the 12 months to August 2008, followed by price increases for shelter and food. The Canadian consumer faced on average a 5.8% rise in costs for transportation, largely the result of a 26.3% increase in prices for gasoline over the 12 months to August.

While gasoline prices continued to exert the strongest upward pressure on consumer prices in August, a 7.3% drop in prices to purchase and lease passenger vehicles over the 12 months to August helped to mitigate the rise in transportation costs.

August was the 14th consecutive month that prices to purchase and lease passenger vehicles declined on a 12-month basis. Consumers of new vehicles have benefited from competition between vehicle manufacturers.

Rising mortgage costs and prices for energy associated with housing, contributed significantly to the 5.3% 12-month advance in the shelter price index in August.

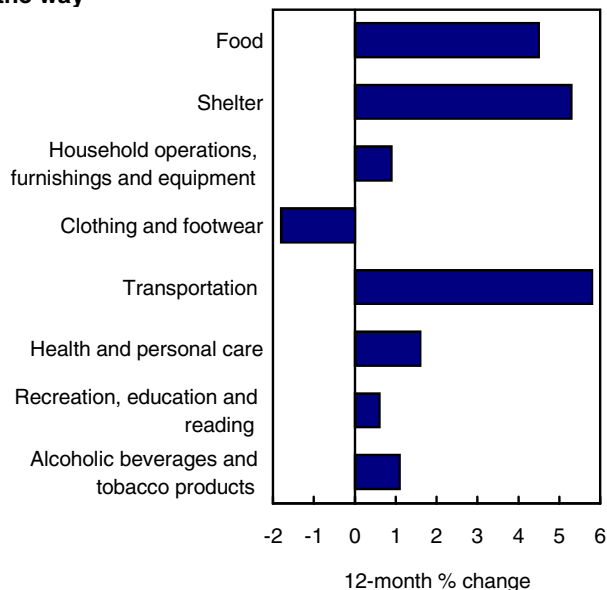
Over the 12 months to August, mortgage costs slowed to a growth rate of 8.1%, down from the 8.5% 12-month rate of growth posted for July. Easing new housing prices primarily accounted for the slowdown in mortgage costs.

A 12-month increase of 31.7% for natural gas prices and a 49.4% rise in prices for fuel oil and other fuels also contributed significantly to the rise in consumer prices and costs associated with shelter over the 12 months to August.

After rising at a 12-month rate of 3.7% in July, food prices rose 4.5% over the 12 months to August and continued to exert upward pressure on the CPI. Prices

for food purchased from stores rose 5.2%, the largest 12-month rise since June 2001.

Out of the eight major Consumer Price Index components, increases in transportation costs led the way



Prices for bakery and cereal products (+14.9%) continued to exert the strongest upward pressure on prices for food purchased from stores. Prices for bakery and cereal products have been trending upward since late 2007 and posted the largest increase since September 1981 in the 12 months to August.

Over the 12 months to August, a 9.2% rise in fresh vegetable prices also pushed up prices for food, partly the result of higher transportation costs related to fuel.

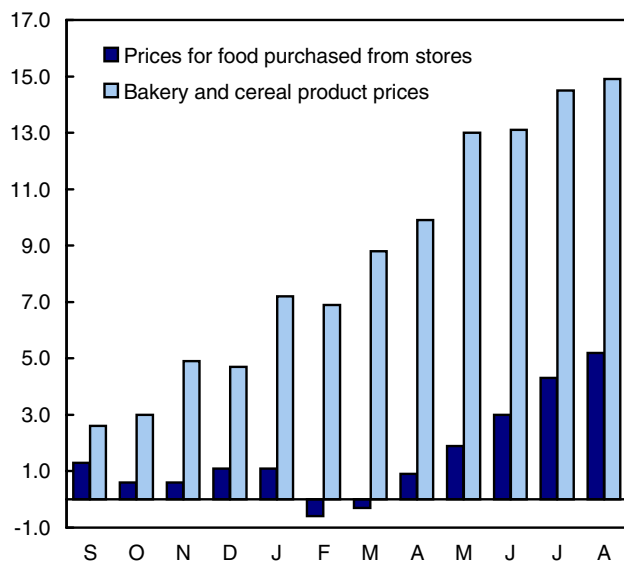
In contrast to prices for food purchased from stores, prices for food purchased from restaurants advanced by a more moderate 2.7% over the 12 months to August.

Continual price declines for clothing and footwear (-1.8%), due primarily to a drop in prices for women's clothing, helped to mitigate the rise in the 12-month CPI in August.

A marginal 0.6% 12-month rise in the recreation, education and reading index also helped to ease the rise in consumer prices over the 12 months to August. Continual price declines for electronic equipment and the purchase of recreational vehicles helped to offset rising prices for other recreation, education and reading goods and services.

Prices for bakery and cereal products continue to push up prices for food

12-month % change



Over the 12 months to August, an 11.6% price decline for computer equipment and supplies was the second most significant downward contributor on the CPI behind the drop in prices to purchase and lease new passenger vehicles.

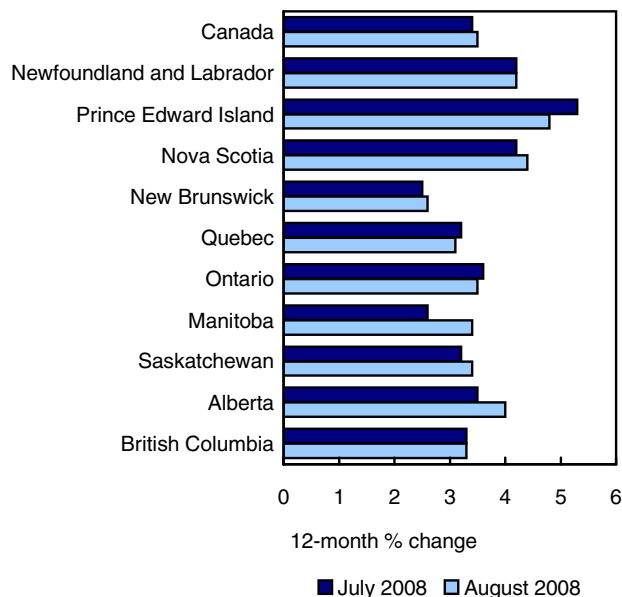
The provinces: Consumer prices on the Prairies bounce back

On the Prairies, the rate of growth in consumer prices was faster in August than it was in July, particularly in Manitoba and Alberta. Consumers in the three most eastern provinces (Newfoundland and Labrador, Prince Edward Island and Nova Scotia), however, continued to face the highest rise in consumer prices over the 12 months to August.

In Manitoba, consumer prices advanced 3.4% over the 12 months to August, up from the 2.6% rise posted in July. After rising 3.5% over the 12 months to July, consumer prices in Alberta rose 4.0% over the 12 months to August.

The advance in consumer prices in Manitoba and Alberta between the 12-month variations reported in July and August was due primarily to increasing natural gas prices.

Consumer prices by province



Higher consumer price increases in the three most eastern provinces were due primarily to strong gains in energy prices.

With the exception of Alberta, the most significant individual upward contributor on consumer prices in August came from higher prices for gasoline. The 12-month variation in the gasoline price index ranged from 30.7% in British Columbia to 21.6% in Saskatchewan.

In Alberta, it was a 73.7% 12-month rise in natural gas prices that contributed largely to rising consumer prices.

Lower prices to purchase and lease passenger vehicles were observed across the country and were the most significant individual downward contributor on the CPI for all provinces.

The 12-month variation of the Bank of Canada's core index makes a move

The Bank of Canada's core index advanced 1.7% over the 12 months to August, faster than the increases of 1.5% recorded over the four previous 12-month periods. Gasoline, mortgage costs, natural gas and fuel oil and other fuels accounted for the majority of the difference between the CPI and the Bank's core index movement of consumer prices.

The seasonally adjusted monthly core index advanced 0.3% from July to August, after advancing 0.1% from June to July.

For a more detailed analysis, consult the publication *The Consumer Price Index*.

Available on CANSIM: tables 326-0009, 326-0012, 326-0015 and 326-0020 to 326-0022.

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.

The August 2008 issue of *The Consumer Price Index*, Vol. 87, no. 8 (62-001-XWE, free), is now available from the *Publications* module of our website. A paper copy is also available (62-001-XPE, \$12/\$111). A more detailed analysis of the CPI is available in this publication. See *How to order products*.

The September Consumer Price Index will be released on October 24.

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.gc.ca), Prices Division.

□

Consumer Price Index and major components (2002=100)

	Relative importance ¹	August 2008	July 2008	August 2007	July to August 2008	August 2007 to August 2008
Unadjusted						
					% change	
All-items	100.00²	115.6	115.8	111.7	-0.2	3.5
Food	17.04	116.8	116.5	111.8	0.3	4.5
Shelter	26.62	123.8	123.3	117.6	0.4	5.3
Household operations and furnishings	11.10	104.4	104.4	103.5	0.0	0.9
Clothing and footwear	5.36	93.7	93.3	95.4	0.4	-1.8
Transportation	19.88	123.1	125.7	116.3	-2.1	5.8
Health and personal care	4.73	109.3	108.5	107.6	0.7	1.6
Recreation, education and reading	12.20	103.5	103.2	102.9	0.3	0.6
Alcoholic beverages and tobacco products	3.07	127.5	127.6	126.1	-0.1	1.1
All-items (1992=100)		137.6	137.8	132.9	-0.1	3.5
Special aggregates						
Goods	48.78	111.5	112.1	107.7	-0.5	3.5
Services	51.22	119.6	119.4	115.6	0.2	3.5
All-items excluding food and energy	73.57	110.5	110.4	109.2	0.1	1.2
Energy	9.38	164.0	169.1	136.4	-3.0	20.2
Core CPI ³	82.71	112.0	111.7	110.1	0.3	1.7

1. 2005 CPI basket weights at April 2007 prices, Canada : Effective May 2007. 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 Web site (<http://www.bankofcanada.ca/en/inflation/index.htm>).

Consumer Price Index by province, and for Whitehorse, Yellowknife and Iqaluit¹ (2002=100)

	August 2008	July 2008	August 2007	July to August 2008	August 2007 to August 2008
Unadjusted					
				% change	
Newfoundland and Labrador	115.8	116.3	111.1	-0.4	4.2
Prince Edward Island	119.3	120.0	113.8	-0.6	4.8
Nova Scotia	117.7	117.8	112.7	-0.1	4.4
New Brunswick	114.3	114.9	111.4	-0.5	2.6
Quebec	113.5	114.1	110.1	-0.5	3.1
Ontario	114.8	115.1	110.9	-0.3	3.5
Manitoba	115.0	115.0	111.2	0.0	3.4
Saskatchewan	117.0	116.9	113.1	0.1	3.4
Alberta	124.1	123.3	119.3	0.6	4.0
British Columbia	114.0	114.2	110.4	-0.2	3.3
Whitehorse	115.4	115.3	110.5	0.1	4.4
Yellowknife ²	116.9	116.6	111.1	0.3	5.2
Iqaluit (Dec. 2002=100)	112.2	111.6	108.9	0.5	3.0

1. View the geographical details for the city of Whitehorse, the city of Yellowknife and the town of Iqaluit.
2. Part of the increase first recorded in the shelter index for Yellowknife for December 2004 inadvertently reflected rent increases that actually occurred earlier. As a result, the change in the shelter index was overstated in December 2004, and was understated in the previous two years. The shelter index series for Yellowknife has been corrected from December 2002. In addition, the Yellowknife all-items CPI and some Yellowknife special aggregate index series have also changed. Data for Canada and all other provinces and territories were not affected.

Employment Insurance

July 2008 (preliminary)

In July, 492,860 people in Canada received regular Employment Insurance (EI) benefits, up 28,230 or 6.1% from June. This increase was led by Manitoba (+21.1%), Saskatchewan (+18.8%) and Ontario (+12.8%). Every province except Quebec showed an increase in July.

The timing for the reference week used for these statistics can influence the month-to-month movements of the EI estimates. As a result of the timing of the June and July 2008 reference weeks, when compared with the past June/July periods, more claimants whose employment lapsed in June had served the mandatory two week EI waiting period in time to receive benefits in July.

Despite the increase in July, the number of regular EI recipients was down 7.4% compared with a year earlier. The number of regular beneficiaries fell in half of the census metropolitan areas over the last year. Because the July EI reference period did not fall during the construction holiday in Quebec in 2008, there was a large decline in the number of regular EI recipients compared with 2007, when the reference period did fall during the construction holiday.

In Windsor and Oshawa, there were large year-over-year increases in the number of regular EI beneficiaries, with Windsor up 60.0% and Oshawa up 18.5% compared with a year ago.

Note: Revisions have been made to the June 2007 estimates for the Total Benefits Payments. Human Resources and Social Development Canada, the administrator of the EI program and provider of these data, revised the estimates as part of a

reconciliation that is performed at the end of the EI fiscal year. The total effect on the June 2007 data that appear in this release is an increase in the Total Benefit Payments of \$57 million at the Canada level for June 2007, or a 5.2% increase. This change is mostly seen in Quebec (+\$38 million), Alberta (+\$35.8 million) and Ontario (-\$19.3 million). CANSIM tables have been updated as of this release to reflect this change. For more information on this revision, contact Gilles Groleau (613-951-4091; gilles.groleau@statcan.gc.ca).

Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the *Employment Insurance Act* or administrative procedures. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits from July 13 to the 19. This coincides with the reference week of the Labour Force Survey for July. The regular benefit payments figure measures the total of all monies paid to individuals during the month.

Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0015 and 276-0016.

Definitions, data sources and methods: survey number 2604.

Data on Employment Insurance for August will be released on October 29.

For more information, or to order data, contact Client Services (toll-free 1-866-873-8788; 613-951-4090; labour@statcan.gc.ca). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091), Labour Statistics Division.

□

Employment Insurance statistics

	July 2008	June 2008	July 2007	June to July 2008	July 2007 to July 2008
Seasonally adjusted					
				% change	
Regular beneficiaries	492,860 ^p	464,630 ^r	532,030	6.1	-7.4
Regular benefits paid (\$ millions)	708.5 ^p	727.8 ^r	704.9	-2.7	0.5
Initial and renewal claims received (thousands)	218.6 ^p	242.2 ^r	217.0	-9.8	0.7
Unadjusted					
All beneficiaries (thousands) ¹	705.4 ^p	603.2 ^p	732.3		
Regular beneficiaries (thousands)	466.2 ^p	359.1 ^p	493.8		-5.6
Men (thousands)	227.3 ^p	211.7 ^p	249.9		-9.0
Women (thousands)	238.9 ^p	147.4 ^p	244.0		-2.1
Initial and renewal claims received (thousands)	301.4	215.1	302.9		
Payments (\$ millions)	1,074.6	1,140.9	1,157.7 ^r		
Year-to-date (January to July)					
			2008	2007	2007 to 2008
					% change
Claims received (thousands)			1,519.6	1,525.3	-0.4
Payments (\$ millions)			9,027.1	8,961.3	0.7

^r revised

^p preliminary

1. "All beneficiaries" includes all claimants receiving regular benefits (for example, as a result of layoff) or special benefits (for example, as a result of illness) and are representative of data for the Labour Force Survey reference week which is usually the week containing the 15th of the month.

Number of beneficiaries receiving regular benefits

	July 2008 ^p	June to July 2008	July 2007 to July 2008
Seasonally adjusted			
			% change
Canada	492,860	6.1	-7.4
Newfoundland and Labrador	35,540	2.0	-1.5
Prince Edward Island	8,040	2.6	-9.2
Nova Scotia	28,690	5.8	-2.2
New Brunswick	29,270	0.7	-8.0
Quebec	151,880	-1.5	-20.1
Ontario	148,430	12.8	3.4
Manitoba	12,530	21.1	-4.4
Saskatchewan	9,660	18.8	-14.7
Alberta	17,980	8.4	-4.8
British Columbia	44,680	8.7	5.9
Yukon	730	0.0	-5.2
Northwest Territories	700	0.0	11.1
Nunavut	290	7.4	-17.1

^p preliminary

Note: The number of beneficiaries includes all claimants who received regular benefits for the Labour Force Survey reference week, usually containing the 15th day of the month.



Natural gas sales

July 2008 (preliminary)

Natural gas sales totalled 3 947 million cubic metres in July, down 1.2% from July 2007.

The volume of sales to the residential (-4.4%), commercial (-2.8%) and industrial including direct (-0.5%) sectors were down in July.

Definitions, data sources and methods: survey number 2149.

For more information, to order data, 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; energ@statcan.gc.ca), Manufacturing and Energy Division.

Natural gas sales

	July 2008 ^P	July 2007	July 2007 to July 2008 % change
	thousands of cubic metres		
Total sales	3 947 236	3 993 673	-1.2
Residential ¹	453 375	474 441	-4.4
Commercial ²	338 281	348 069	-2.8
Industrial ³ and direct sales ⁴	3 155 580	3 171 163	-0.5

^P preliminary

1. Gas sold for domestic purposes, including space heating, water heating and cooking, to a residential dwelling unit.

2. Gas sold to customers engaged in wholesale or retail trade, governments, institutions, office buildings, etc.

3. Gas sold to customers engaged in a process that creates or changes raw or unfinished materials into another form or product. Includes mining and manufacturing establishments. Includes firm, interruptible and buy/sell agreements.

4. Represents direct, non-utility, sales for consumption, where the utility acts solely as the transporter.

School board revenues and expenditures

2005

Data are now available for school board revenues and expenditures up to 2005.

Available on CANSIM: tables 478-0010 to 478-0012.

Definitions, data sources and methods: survey number 3119.

For more information, to order data, or to enquire about the concepts, methods or data quality of this release, contact Client Services (toll-free 1-800-307-3382; 613-951-7608; fax: 613-951-9040; educationstats@statcan.gc.ca), Culture, Tourism and the Centre for Education Statistics.

New products

The Consumer Price Index, August 2008, Vol. 87, no. 8
Catalogue number 62-001-XPE (\$12/\$111).

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

The Consumer Price Index, August 2008, Vol. 87, no. 8
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Retail Trade, July 2008, Vol. 80, no. 7
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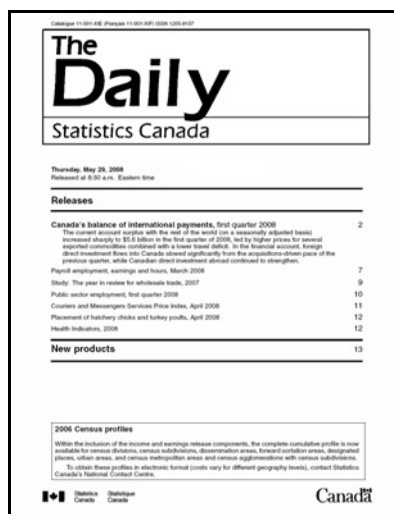
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