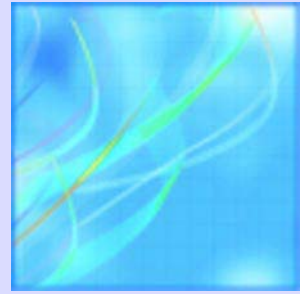


## Aviation

# Air Fare, Canadian Air Carriers, Level I

2006



### Highlights

- In 2006, the all-fare index (2002=100) for domestic and international (including Canada-United States) scheduled services operated by Canadian Level I air carriers rose 3.7% from 2005 to reach 94.3, continuing the upward trend that began in 2005, but at a faster pace. The air fare index for all fares for domestic scheduled services was 93.7, up 2.9% from the 2005 level of 91.1, while the all-fare index for international scheduled services posted an increase of 4.5% from 2005 to reach 94.4.
- In 2006, the average domestic and international one-way air fare (all types) paid by passengers was \$252.00, up 0.3% from \$251.20 in 2005, continuing the upward trend that began in 2004, but at a slower pace. The average domestic air fare (all types) paid by passengers was \$192.00 in 2006, up 0.3% from \$191.40 in 2005, a slowdown from the 5.9% rate of growth posted in 2005. The average international air fare (all types) was \$350.20 in 2006, up 1.4% from \$345.50 in 2005, but still 3.3% lower than in 2004.
- In 2006, 97.3% of passengers on domestic and international scheduled services flew on discount fares, up 0.5 percentage points from 96.8% in 2005. On domestic scheduled services, 96.4% of passengers travelled on discount fares in 2006, up 0.5 percentage points from 95.9% in 2005. On international scheduled services, 98.9% of passengers flew on discount fares in 2006, up 0.6 percentage points from 98.3% in 2005.
- In 2006, average domestic air fares advanced in three of four selected eastern Canadian cities of enplanement compared to 2005, while they edged up in two of six selected western cities of enplanement. From 2005 to 2006, the increases ranged from 0.7% in Toronto to 3.2% in Ottawa. During this period, the fares decreased in Calgary (-0.5%), Halifax (-0.2%) and Vancouver (-0.6%). In 2006, Montreal, Ottawa, Toronto and Vancouver had average domestic air fares above the national average (\$192.00).

## Analysis

### Air fare indexes

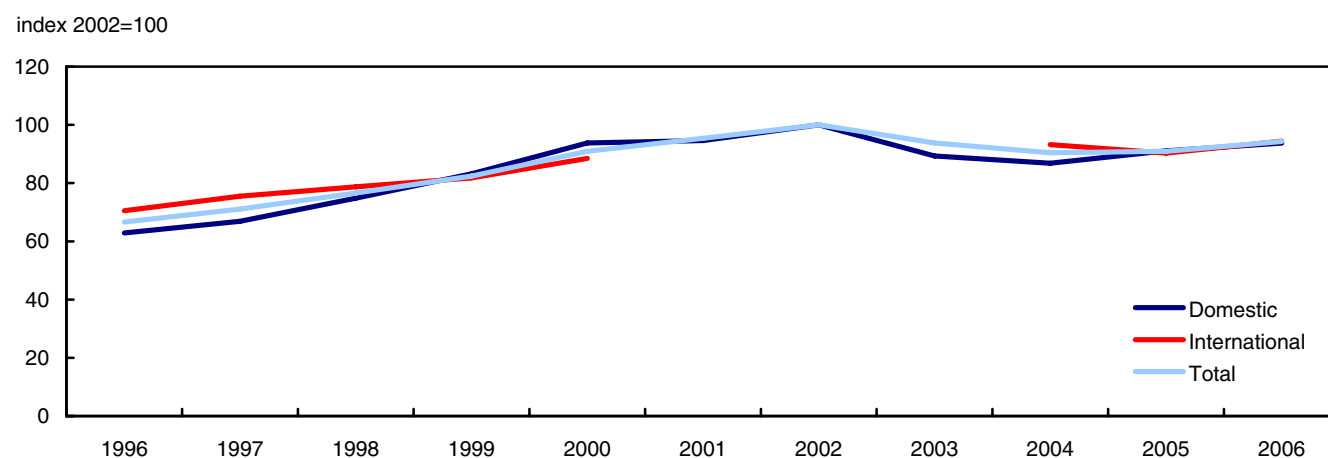
In 2006, the all-fare index (2002=100) for domestic and international (including Canada-United States) scheduled services operated by Canadian Level I air carriers (Air Canada, Jazz, Air Canada's Canadian regional code-share partners, Air Transat and WestJet) rose 3.7% from 2005 to reach 94.3, continuing the upward trend that began in 2005, but at a faster pace. Between 1996 and 2006, the total all-fare index increased 41.6%.

In 2006, the air fare index for all fares for domestic scheduled services was 93.7, up 2.9% from the 2005 level of 91.1. This acceleration was attributable to higher business class fare (+5.3%) and discount fare (+3.3%) indexes. As shown in Chart 1, the domestic air fare index increased steadily from 1996 to 2002 (+59.0%) when it started to trend down until 2004.

The all-fare index for international scheduled services posted an increase of 4.5% from 2005 to reach 94.4. This gain followed the 3.1% decrease registered between 2004 and 2005. Between 1996 and 2006, the international all-fare index advanced at a slower pace (+33.9%) than the domestic all-fare index (+49.0%).

#### Chart 1

#### Air fare indexes — All fares, by sector, 1996 to 2006



**Note(s):** Missing data points in the international sector are confidential.

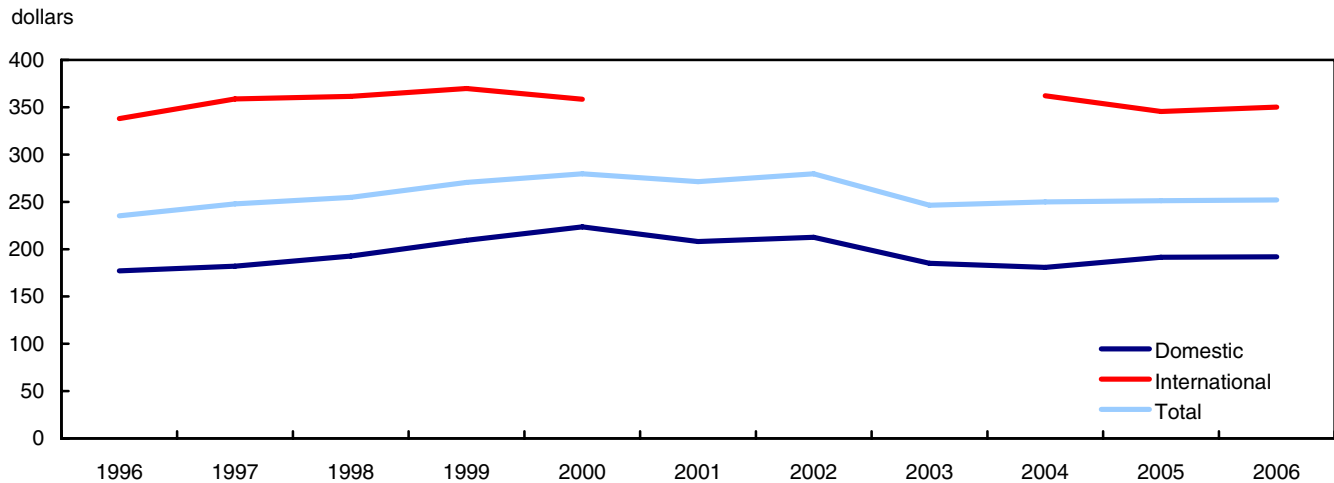
### Average air fares

In 2006, the average air fare (all types, all sectors, on a coupon origin-destination basis) paid by passengers was \$252.00, up 0.3% from \$251.20 in 2005, continuing the upward trend that began in 2004, but at a slower pace. The continuation of the recovery in fares for the third consecutive year slowly neutralized the strong annual decline reported between 2002 and 2003 (-11.8%). The expansion of services by low fare airlines with low-cost structures, the slowdown in demand due to the war in Iraq and the negative impact of SARS partly explained the decrease in air fares in 2003.

The average domestic air fare (all types) paid by passengers was \$192.00 in 2006, up 0.3% from \$191.40 in 2005, a slowdown from the 5.9% rate of growth posted in 2005. These increases followed the 2.4% decrease between 2003 and 2004 and the strong annual decline reported between 2002 and 2003 (-12.9%). As can be seen in Chart 2 below, this second consecutive annual decrease tended to bring the average domestic air fare back to the lowest level reported in the past 10 years, \$177.00 posted in 1996.

The average international air fare (all types) was \$350.20 in 2006, up 1.4% from \$345.50 in 2005, but still 3.3% lower than in 2004. The decline of air fares in the international sector between 2004 and 2005 and the relatively small growth between 2005 and 2006 can be partly explained by the increased fare competition between the major "legacy" scheduled carriers and the low-cost carriers or charter carriers.

**Chart 2**  
**Average air fares — All fares, by sector, 1996 to 2006**



**Note(s):** Missing data points in the international sector are confidential.

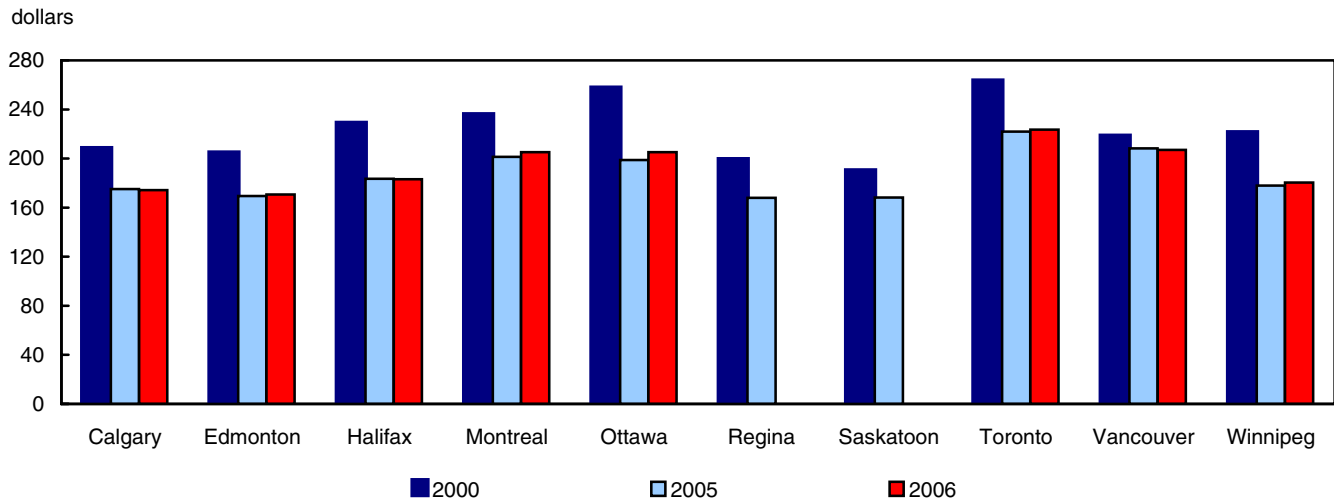
### Average domestic air fares at the city level

In 2006, average domestic air fares advanced in three of four selected eastern Canadian cities of enplanement compared to 2005, while they edged up in two of six selected western cities of enplanement<sup>1</sup>. From 2005 to 2006, the increases ranged from 0.7% in Toronto to 3.2% in Ottawa. During this period, the fares decreased in Calgary (-0.5%), Halifax (-0.2%) and Vancouver (-0.6%). In 2006, Montreal, Ottawa, Toronto and Vancouver had average domestic air fares above the national average (\$192.00).

Between 2000 and 2006, average domestic air fares posted a double-digit decline in all selected cities, except Vancouver, which incurred a loss of 5.1%. In 2000, the average domestic air fare paid by passengers had reached an all-time high (\$223.50). That year, the four eastern cities had average air fares above the national average, while the six western cities had average air fares below the national average.

1. Due to the confidentiality of data, the results for 2006 for Regina and Saskatoon cannot be disclosed.

**Chart 3**  
**Average domestic fares for selected cities of enplanement, 2000, 2005 and 2006**



**Note(s):** Due to the confidentiality of data, the results for 2006 for Regina and Saskatoon cannot be disclosed.

#### Notes:

The estimates are derived from a sample of flight coupons collected as part of the Fare Basis Survey. The estimates relate to the operations of major Canadian air carriers. For 2006, the air carriers included are the Canadian Level I carriers (Air Canada, Jazz, Air Canada's Canadian regional code-share partners, Air Transat and WestJet). Imputation has been performed for incomplete and missing data.

For purposes of statistical tabulations, fare codes reported by the air carriers are grouped by general fare type. These fare types are defined as follows:

- First class. The transportation of a passenger or passengers for whom premium-quality services (e.g. larger seats, complimentary bar) are provided.
- Business class. A fare level which is less expensive than first class and more expensive than the basic fare level. It includes different amenities (e.g. larger seats, advanced seat assignment).
- Economy. A basic fare level which is less expensive than first class but does not include the amenities (e.g. larger seats, complimentary bar) of the first class fare.
- Discount. A reduced fare usually subject to one or more travel restrictions, the price of which is usually calculated as a percentage reduction from the normal full fare. It includes various discount fares such as charter class, seat sales, advance purchase excursion, group.
- Other. Represents industry and agency discount fares, military as well as unknown fare codes.

The air fare index is a measure of the rate of price change, providing indications of the overall trend of domestic and international fares over time, while average fares measure the actual level of fares paid by passengers. The different series of air fare indexes produced by the Aviation Statistics Centre were calculated on an annual basis using the chain Laspeyres index method linked at the annual level, with annual updated weights (the time base is 2002=100).

The average fare is obtained by dividing the carriers' revenue by the passenger volume, as measured by coupon origin and destination.

The average domestic air fares at city level are the average for all coupons originating in that city, for all domestic destinations. The level of average fares can be affected by changes in travel patterns, as well as prices.

Additional information on Fare Basis statistics can be obtained directly from the **Aviation Statistics Centre**. Tables are available in print form or in electronic format. For further information, please contact the Aviation Statistics Centre (telephone: 1-866-500-8400; Internet: [aviationstatistics@statcan.gc.ca](mailto:aviationstatistics@statcan.gc.ca)).

## Statistical Tables

**Table 1**

**Air fare indexes, by sector and fare type group — Canadian air carriers, Level I – Scheduled services**

	Fare type group			
	Total	Business class	Economy	Discounted
	2002=100			
<b>Domestic</b>				
2002	100.0	100.0	100.0	100.0
2003	89.3	110.3	88.0	88.9
2004	86.8	124.4	85.0	86.2
2005 <sup>1</sup>	91.1	115.2	84.0	90.9
2006 p. 1	93.7	121.3	79.7	93.9
<b>International</b>				
2002	100.0	100.0	100.0	100.0
2003	x	x	x	x
2004	93.2	112.5	98.7	92.6
2005 <sup>1</sup>	90.3	107.0	86.2	89.8
2006 p. 1	94.4	119.2	96.9	93.6
<b>Total</b>				
2002	100.0	100.0	100.0	100.0
2003	93.8	109.1	90.8	93.4
2004	90.4	117.3	87.3	89.8
2005 <sup>1</sup>	90.9	111.0	84.4	90.5
2006 p. 1	94.3	121.4	83.1	94.0

1. For 2005 and 2006, the air carriers included are the Canadian Level I carriers, which are comprised of the Air Canada Family (Air Canada, Jazz and regional code-share partners), Air Transat and WestJet.

**Note(s):** The different series of air fare indexes were calculated, from 1995 to 2006, using the chain Laspeyres index method linked at the annual level, with annually updated weights. The index number 100 was assigned to the year 2002 and the base year is always the previous year.

**Table 2**  
**Average fares, by sector and fare type group — Canadian air carriers, Level I – Scheduled services**

	Fare type group					
	Total	First class	Business class	Economy	Discounted	Other
dollars						
<b>Domestic</b>						
2002	212.60	F	824.10	315.40 <sup>E</sup>	202.70	47.00 <sup>E</sup>
2003	185.10	F	923.40 <sup>E</sup>	289.90 <sup>E</sup>	177.10	18.80 <sup>E</sup>
2004	180.70 <sup>E</sup>	F	956.50	F	175.00 <sup>E</sup>	F
2005 <sup>1</sup>	191.40 <sup>E</sup>	F	1,032.00	F	184.80 <sup>E</sup>	F
2006 p. 1	192.00 <sup>E</sup>	F	1,041.30 <sup>E</sup>	F	189.40 <sup>E</sup>	F
<b>Short-haul</b>						
2002	156.40	F	452.50	231.30 <sup>E</sup>	149.20	48.90 <sup>E</sup>
2003	137.70	1,047.30 <sup>E</sup>	478.80 <sup>E</sup>	222.30 <sup>E</sup>	131.30	14.30 <sup>E</sup>
2004	131.50 <sup>E</sup>	F	632.20	F	126.40 <sup>E</sup>	F
2005 <sup>1</sup>	141.60 <sup>E</sup>	F	588.50	F	136.80 <sup>E</sup>	F
2006 p. 1	143.60 <sup>E</sup>	F	596.10 <sup>E</sup>	F	141.60 <sup>E</sup>	F
<b>Long-haul</b>						
2002	269.30	F	1,293.60	427.10 <sup>E</sup>	255.80	46.00 <sup>E</sup>
2003	227.60	F	1,450.70 <sup>E</sup>	365.90 <sup>E</sup>	217.60	23.50 <sup>E</sup>
2004	227.90 <sup>E</sup>	F	1,313.30	F	221.40 <sup>E</sup>	F
2005 <sup>1</sup>	x	x	x	x	x	x
2006 p. 1	237.90 <sup>E</sup>	F	1,305.40 <sup>E</sup>	F	234.90 <sup>E</sup>	F
<b>International</b>						
2002	x	x	x	x	x	x
2003	x	x	x	x	x	x
2004	362.10	F	2,537.40	993.30 <sup>E</sup>	351.60	164.30 <sup>E</sup>
2005 <sup>1</sup>	345.50	F	2,201.70	564.10 <sup>E</sup>	335.30	162.50 <sup>E</sup>
2006 p. 1	350.20	F	2,286.00	F	348.60	146.30 <sup>E</sup>
<b>Total</b>						
2002	279.60	F	1,338.80	353.20 <sup>E</sup>	270.30	57.40 <sup>E</sup>
2003	246.50	F	1,383.60	319.70 <sup>E</sup>	240.20	28.10 <sup>E</sup>
2004	249.90	F	1,846.50	F	243.60	128.00 <sup>E</sup>
2005 <sup>1</sup>	251.20	F	1,593.60	F	244.10	152.60 <sup>E</sup>
2006 p. 1	252.00 <sup>E</sup>	F	1,970.80	F	250.70	126.70 <sup>E</sup>

1. For 2005 and 2006, the air carriers included are the Canadian Level I carriers, which are comprised of the Air Canada Family (Air Canada, Jazz and regional code-share partners), Air Transat and WestJet.

**Note(s):** All estimates shown above (except those marked with the codes E and F) have a coefficient of variation of less than 10% and can be considered reliable from a sampling point of view. An E indicates a coefficient between 10% and 25%. The estimates with a coefficient of variation greater than 25% cannot be released and are shown with the code F.

Estimates are subject to periodic revisions to reflect carrier updates and further refinement of the fare code assignment system.

**Table 3**  
**Distribution of passengers, by sector and fare type group — Canadian air carriers, Level I – Scheduled services**

	Fare type group				
	First class	Business class	Economy	Discounted	Other
	percent				
<b>Domestic</b>					
2002	F	0.6	5.6 <sup>E</sup>	93.7	0.1 <sup>E</sup>
2003	F	0.3 <sup>E</sup>	5.6 <sup>E</sup>	93.4	0.6 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	3.7 <sup>E</sup>	96.1	F
2005 <sup>1</sup>	F	0.3 <sup>E</sup>	3.8 <sup>E</sup>	95.9	F
2006 p. 1	F	0 <sup>E</sup>	F	96.4	F
<b>Short-haul</b>					
2002	F	0.6	6.4 <sup>E</sup>	92.9	0 <sup>E</sup>
2003	F	0.4 <sup>E</sup>	6.3 <sup>E</sup>	92.6	0.7 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	3.8 <sup>E</sup>	96.0	F
2005 <sup>1</sup>	F	0.2 <sup>E</sup>	3.9 <sup>E</sup>	95.9	F
2006 p. 1	0	0 <sup>E</sup>	F	96.6	F
<b>Long-haul</b>					
2002	F	0.5	4.9 <sup>E</sup>	94.6	0.1 <sup>E</sup>
2003	F	0.3 <sup>E</sup>	5.0 <sup>E</sup>	94.1	0.6 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	F	96.2	F
2005 <sup>1</sup>	x	x	x	x	x
2006 p. 1	F	0 <sup>E</sup>	F	96.2	F
<b>International</b>					
2002	x	x	x	x	x
2003	x	x	x	x	x
2004	F	0.4	0.4 <sup>E</sup>	99.0	0.2
2005 <sup>1</sup>	F	0.5	0.8 <sup>E</sup>	98.3	0.4
2006 p. 1	F	0.1	F	98.9	0.2 <sup>E</sup>
<b>Total</b>					
2002	0 <sup>E</sup>	0.6	3.6 <sup>E</sup>	95.7	0.1 <sup>E</sup>
2003	0 <sup>E</sup>	0.4	3.8 <sup>E</sup>	95.4	0.4 <sup>E</sup>
2004	F	0.3	F	97.2	0.1 <sup>E</sup>
2005 <sup>1</sup>	0 <sup>E</sup>	0.4	2.6 <sup>E</sup>	96.8	0.2 <sup>E</sup>
2006 p. 1	F	0.1 <sup>E</sup>	F	97.3	0.1 <sup>E</sup>

1. For 2005 and 2006, the air carriers included are the Canadian Level I carriers, which are comprised of the Air Canada Family (Air Canada, Jazz and regional code-share partners), Air Transat and WestJet.

**Note(s):** All estimates shown above (except those marked with the codes E and F) have a coefficient of variation of less than 10% and can be considered reliable from a sampling point of view. An E indicates a coefficient between 10% and 25%. The estimates with a coefficient of variation greater than 25% cannot be released and are shown with the code F.

Estimates are subject to periodic revisions to reflect carrier updates and further refinement of the fare code assignment system.

**Table 4**  
**Distribution of passenger-kilometres, by sector and fare type group — Canadian air carriers, Level I – Scheduled services**

	Fare type group				
	First class	Business class	Economy	Discounted	Other
	percent				
<b>Domestic</b>					
2002	F	0.6	4.5 <sup>E</sup>	94.8	0.1 <sup>E</sup>
2003	F	0.4 <sup>E</sup>	4.8 <sup>E</sup>	94.1	0.7 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	F	96.3	F
2005 <sup>1</sup>	F	0.5 <sup>E</sup>	F	95.9	F
2006 p. 1	F	0 <sup>E</sup>	F	96.3	F
<b>Short-haul</b>					
2002	F	0.6	6.5 <sup>E</sup>	92.8	0 <sup>E</sup>
2003	F	0.3 <sup>E</sup>	6.8 <sup>E</sup>	92.0	0.8 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	4.4 <sup>E</sup>	95.4	F
2005 <sup>1</sup>	F	0.3 <sup>E</sup>	4.3 <sup>E</sup>	95.4	F
2006 p. 1	0	0 <sup>E</sup>	F	96.1	F
<b>Long-haul</b>					
2002	F	0.6	4.0 <sup>E</sup>	95.3	0.1 <sup>E</sup>
2003	F	0.4 <sup>E</sup>	4.4 <sup>E</sup>	94.6	0.6 <sup>E</sup>
2004	F	0.2 <sup>E</sup>	F	96.5	F
2005 <sup>1</sup>	X	X	X	X	X
2006 p. 1	F	0 <sup>E</sup>	F	96.4	F
<b>International</b>					
2002	X	X	X	X	X
2003	X	X	X	X	X
2004	F	0.5	0.3 <sup>E</sup>	98.9	0.2
2005 <sup>1</sup>	X	X	X	X	X
2006 p. 1	F	0.2	F	99.1	0.2 <sup>E</sup>
<b>Total</b>					
2002	0 <sup>E</sup>	0.7	1.7 <sup>E</sup>	97.5	0.1
2003	F	0.4	2.1 <sup>E</sup>	97.1	0.3
2004	F	0.4	F	98.0	0.1 <sup>E</sup>
2005 <sup>1</sup>	F	0.6	F	97.5	0.3
2006 p. 1	F	0.1	F	98.1	0.2 <sup>E</sup>

1. For 2005 and 2006, the air carriers included are the Canadian Level I carriers, which are comprised of the Air Canada Family (Air Canada, Jazz and regional code-share partners), Air Transat and WestJet.

**Note(s):** All estimates shown above (except those marked with the codes E and F) have a coefficient of variation of less than 10% and can be considered reliable from a sampling point of view. An E indicates a coefficient between 10% and 25%. The estimates with a coefficient of variation greater than 25% cannot be released and are shown with the code F.

Estimates are subject to periodic revisions to reflect carrier updates and further refinement of the fare code assignment system.



**Table 5**  
**Average domestic fares for selected cities of enplanement — Canadian air carriers, Level I – Scheduled services**

	2005 <sup>1</sup>	2006 <sup>p,1</sup>
	dollars	
Calgary	175.10 <sup>E</sup>	174.20 <sup>E</sup>
Edmonton	169.40 <sup>E</sup>	170.70 <sup>E</sup>
Halifax	183.50	183.10
Montreal	201.40	205.20
Ottawa	198.80	205.20
Regina	168.00 <sup>E</sup>	x
Saskatoon	168.20 <sup>E</sup>	x
Toronto	222.00	223.60
Vancouver	208.30 <sup>E</sup>	207.00 <sup>E</sup>
Winnipeg	177.90 <sup>E</sup>	180.40 <sup>E</sup>

1. For 2005 and 2006, the air carriers included are the Canadian Level I carriers, which are comprised of the Air Canada Family (Air Canada, Jazz and regional code-share partners), Air Transat and WestJet.

**Note(s):** All estimates shown above (except those marked with the codes E and F) have a coefficient of variation of less than 10% and can be considered reliable from a sampling point of view. An E indicates a coefficient between 10% and 25%. The estimates with a coefficient of variation greater than 25% cannot be released and are shown with the code F.

Estimates are subject to periodic revisions to reflect carrier updates and further refinement of the fare code assignment system.

Release date: April 2009

### Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 <sup>s</sup>	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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