



# The Daily

Statistics Canada

Thursday, January 4, 2001

For release at 8:30 a.m.

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## MAJOR RELEASES

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- **Industrial product and raw materials price indexes, November 2000** 2  
With rising petroleum product prices and a stronger U.S. dollar, industrial prices grew at their fastest annual pace since June 2000. In contrast, the annual rate of increase in raw materials prices slowed slightly in November.
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## MAJOR RELEASES

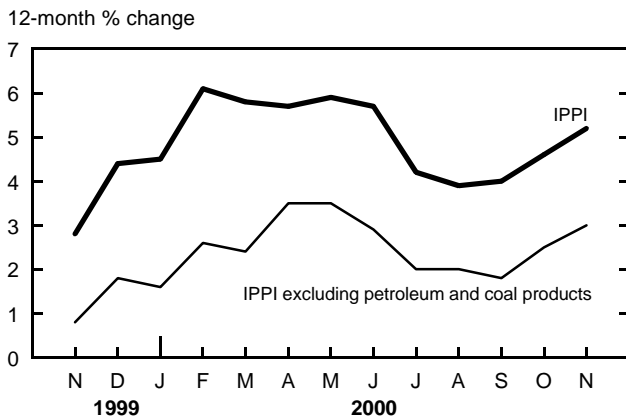
### Industrial product and raw materials price indexes

November 2000

With rising petroleum product prices and a stronger U.S. dollar, industrial prices grew at their fastest annual pace since June 2000. In contrast, the annual rate of increase in raw material prices slowed slightly in November.

Manufacturers' prices, as measured by the Industrial Product Price Index (IPPI), gained 5.2% between November 1999 and November 2000, the largest annual increase since June.

#### Petroleum product prices boosted the IPPI



Rising petroleum and coal product prices accounted for close to half the annual increase in November. If the impact of petroleum and coal product prices were excluded, industrial product prices would have increased 3.0% instead of 5.2%. Prices for paper and paper products and motor vehicles also contributed to the annual increase, while falling prices for lumber had a dampening influence.

Industrial prices gained 0.6% in November compared with October. Higher prices for motor vehicles and petroleum and coal products were partly offset by lower prices for primary metal products.

Manufacturers paid 18.9% more for their raw materials in November compared with November 1999. This follows an annual growth rate of 20.6% in October and remains well below the recent peak of 37.3% in February 2000.

Once again, mineral fuels were at the forefront of this gain, accompanied by more modest increases in all

#### Note to readers

This release combines the Industrial Product Price Index (IPPI) and the Raw Materials Price Index (RMPI), which were previously reported in separate releases. These releases were combined to provide a consolidated view of industrial prices.

The IPPI reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including transportation, wholesale, and retail costs.

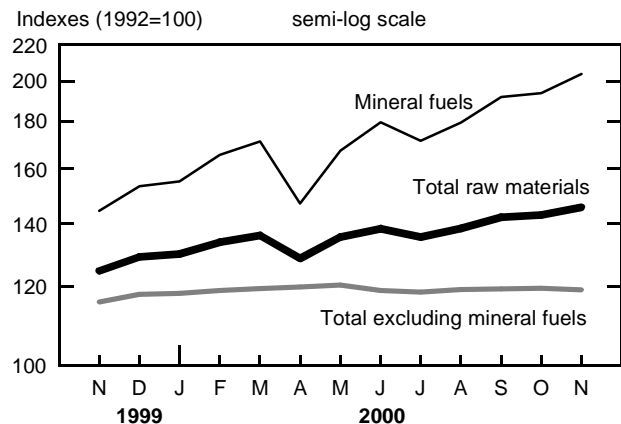
Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp, paper, and wood products. Therefore, a rise or fall in the value of the Canadian dollar against its U.S. counterpart affects the IPPI.

The RMPI reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.

major categories but ferrous materials, which lost ground compared with November 1999.

The Raw Materials Price Index (RMPI) rose 2.1% in November over October, boosted by mineral fuel prices.

#### Crude oil prices continued to rise



Mineral fuel prices were at the heart of both the annual and monthly increases in the RMPI. If mineral fuels were excluded, the index would have advanced only 3.4% on an annual basis. The monthly change would have been negative (-0.5%).

Crude oil prices rose 5.7% in November, coinciding with reports of low inventories and cold weather in the United States. Crude oil prices were 47.0% higher than in November 1999.

The IPPI (1992=100) was 130.1 in November, up from its revised level of 129.3 in October. The RMPI (1992=100) rose to 153.8, up from a revised 150.7 in October.

### **Exchange rate effect significant**

The American dollar continued to gain value vis-à-vis the Canadian dollar, influencing prices of commodities quoted in U.S. dollars. The impact on the IPPI was such that if the effect of the exchange rate were removed, the IPPI would not have changed between October and November.

This effect is even more evident on a 12-month basis, where the exchange rate pushed up the IPPI. If the exchange rate had remained unchanged between November 1999 and November 2000, the IPPI would have increased by 3.5% rather than by 5.2%.

Motor vehicle prices are particularly susceptible to exchange rate fluctuations. This reflects the fact that most motor vehicles manufactured in Canada are destined for the United States, and their prices are quoted in U.S. dollars. The impact of the exchange rate can be seen in the monthly prices for both automobiles and trucks. Prices for automobile exports gained 2.0% between October and November, while domestic prices remained unchanged. Similarly, domestic truck prices edged up 0.6%, while export prices advanced 2.1%.

Altogether, prices for the motor vehicle category rose 1.9% on a monthly basis and 6.6% on an annual basis, the largest annual gain since March 1999.

### **Motor vehicle prices led monthly rise in finished goods**

Manufacturers received 0.8% more for their finished goods in November compared with the previous month,

down from 1.1% in October. These gains were largely made on the strength of autos, trucks and other transport equipment.

On an annual basis, prices for finished goods rose 4.9% in November, their largest increase since January 1995. This was primarily the result of rising prices for autos, trucks and other transport equipment, and petroleum products.

"Finished goods" are considered to be goods generally purchased for the purpose of either consumption or investment. Most of the foods and feeds category ends up in the hands of consumers. Most capital goods are equipment and machinery generally bought as investment by companies, government agencies or governments. Much of the remainder is bought by consumers.

### **Intermediate good prices boosted by petroleum prices**

Prices for petroleum products boosted both monthly and annual prices for intermediate goods. Prices for intermediate goods gained 0.5% between October and November to stand 5.4% higher than in November 1999.

"Intermediate goods," sometimes referred to as "input goods," are goods that are generally bought by other manufacturers to be further used in the production process (i.e., to make other goods).

### **Available on CANSIM: matrices 1870-1879.**

The November 2000 issue of *Industry price indexes* (62-011-XPB, \$22/\$217) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (613-951-3350; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)), Prices Division. □

## Industrial product price indexes (1992=100)

	Relative importance	Nov. 1999	Oct. 2000 <sup>r</sup>	Nov. 2000 <sup>p</sup>	Nov. 1999 to Nov. 2000 % change	Oct. to Nov. 2000
<b>Industrial Product Price Index</b>	<b>100.00</b>	<b>123.7</b>	<b>129.3</b>	<b>130.1</b>	<b>5.2</b>	<b>0.6</b>
<b>Intermediate goods<sup>1</sup></b>	<b>59.28</b>	<b>124.5</b>	<b>130.5</b>	<b>131.2</b>	<b>5.4</b>	<b>0.5</b>
First-stage intermediate goods <sup>2</sup>	7.91	133.1	146.6	146.5	10.1	-0.1
Second-stage intermediate goods <sup>3</sup>	51.37	123.1	128.0	128.8	4.6	0.6
<b>Finished goods<sup>4</sup></b>	<b>40.72</b>	<b>122.5</b>	<b>127.5</b>	<b>128.5</b>	<b>4.9</b>	<b>0.8</b>
Finished foods and feeds	10.38	114.3	116.8	116.7	2.1	-0.1
Capital equipment	10.21	124.7	127.7	129.1	3.5	1.1
All other finished goods	20.13	125.7	133.0	134.3	6.8	1.0
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.27	119.7	123.7	123.2	2.9	-0.4
Fruit, vegetable, feed, miscellaneous food products	6.72	109.7	111.0	111.3	1.5	0.3
Beverages	2.12	117.0	121.4	121.6	3.9	0.2
Tobacco and tobacco products	0.72	140.0	147.7	147.7	5.5	0.0
Rubber, leather, plastic fabric products	3.01	116.2	119.6	119.6	2.9	0.0
Textile products	1.82	107.9	107.9	108.0	0.1	0.1
Knitted products and clothing	1.93	110.1	110.8	110.9	0.7	0.1
Lumber, sawmill, other wood products	5.20	142.5	127.4	129.3	-9.3	1.5
Furniture and fixtures	1.46	117.0	119.7	119.7	2.3	0.0
Pulp and paper products	7.65	132.7	150.3	151.2	13.9	0.6
Printing and publishing	3.05	135.5	139.9	140.6	3.8	0.5
Primary metal products	7.58	126.5	128.2	126.9	0.3	-1.0
Metal fabricated products	4.11	124.1	125.2	125.2	0.9	0.0
Machinery and equipment	4.08	115.2	115.6	116.1	0.8	0.4
Autos, trucks, other transportation equipment	18.76	130.4	135.5	137.7	5.6	1.6
Electrical and communications products	6.03	106.3	105.7	106.3	0.0	0.6
Non-metallic mineral products	2.12	115.6	119.4	119.4	3.3	0.0
Petroleum and coal products <sup>5</sup>	6.01	133.2	177.9	182.0	36.6	2.3
Chemicals and chemical products	7.60	119.9	124.8	125.0	4.3	0.2
Miscellaneous manufactured products	2.45	119.8	120.4	120.5	0.6	0.1
Miscellaneous non-manufactured commodities	0.31	118.0	117.7	116.6	-1.2	-0.9

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

<sup>1</sup> Intermediate goods are goods used principally to produce other goods.

<sup>2</sup> First-stage intermediate goods are items used most frequently to produce other intermediate goods.

<sup>3</sup> Second-stage intermediate goods are items most commonly used to produce final goods.

<sup>4</sup> Finished goods are goods most commonly used for immediate consumption or for capital investment.

<sup>5</sup> This index is estimated for the current month.

## Raw materials price indexes (1992=100)

	Relative importance	Nov. 1999	Oct. 2000 <sup>r</sup>	Nov. 2000 <sup>p</sup>	Nov. 1999 to Nov. 2000 % change	Oct. to Nov. 2000
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>129.3</b>	<b>150.7</b>	<b>153.8</b>	<b>18.9</b>	<b>2.1</b>
Mineral fuels	31.47	152.3	210.0	221.3	45.3	5.4
Vegetable products	9.41	113.5	115.9	116.9	3.0	0.9
Animals and animal products	24.41	113.1	118.8	118.4	4.7	-0.3
Wood	14.88	135.8	142.3	141.8	4.4	-0.4
Ferrous materials	3.17	122.1	115.1	114.3	-6.4	-0.7
Non-ferrous metals	13.81	113.5	118.8	116.3	2.5	-2.1
Non-metallic minerals	2.85	118.2	121.8	121.8	3.0	0.0
<b>RMPI excluding mineral fuels</b>	<b>68.53</b>	<b>118.8</b>	<b>123.4</b>	<b>122.8</b>	<b>3.4</b>	<b>-0.5</b>

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

## OTHER RELEASES

### Crude oil and natural gas

October 2000 (preliminary)

Crude oil production totalled 10 658 400 cubic metres in October, up 3.0% from October 1999. Newfoundland and Saskatchewan both posted increases. The production of crude oil in Alberta decreased because of a longer-than-expected maintenance shutdown at a major oil sands facility. Exports of crude oil advanced 6.3%.

### Crude oil and natural gas

	Oct. 1999	Oct. 2000	Oct. 1999 to Oct. 2000 % change
	thousands of cubic metres		
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	10 345.8	10 658.4	3.0
Exports	6 063.7	6 443.3	6.3
Imports <sup>2</sup>	4 280.4	3 456.9	-19.2
Refinery receipts	8 452.9	7 698.4	-8.9
	millions of cubic metres		% change
<b>Natural gas<sup>3</sup></b>			
Marketable production	13 921.2	14 178.5	1.8
Exports	8 196.1	7 989.3	-2.5
Canadian domestic sales <sup>4</sup>	4 732.6	5 338.7	12.8
			Jan.-Oct. 1999 to Jan.-Oct. 2000
	thousands of cubic metres		% change
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	100 837.6	106 102.2	5.2
Exports	59 017.5	66 805.6	13.2
Imports <sup>2</sup>	39 697.7	43 340.2	9.2
Refinery receipts	81 247.9	82 687.2	1.8
	millions of cubic metres		% change
<b>Natural gas<sup>3</sup></b>			
Marketable production	134 379.9	137 491.2	2.3
Exports	78 704.9	81 514.7	3.6
Canadian domestic sales <sup>4</sup>	53 295.8	57 318.2	7.5

<sup>1</sup> Disposition may differ from production because of inventory change, industry own-use, etc.

<sup>2</sup> Crude oil received by Canadian refineries from foreign countries for processing. Data may differ from International Trade Division estimates because of timing differences and the inclusion of crude oil landed in Canada for future export.

<sup>3</sup> Disposition may differ from production because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations, etc.

<sup>4</sup> Includes direct sales.

Year-to-date production of crude oil increased 5.2% over the same period of 1999. Exports increased a strong 13.2%, owing to higher demand for Canadian crude oil by U.S. refineries.

Marketable natural gas production increased 1.8% over October 1999. Domestic sales rose a strong 12.8%, reflecting higher demand by the industrial sector. Exports of natural gas were down 2.5% from October 1999.

Year-to-date marketable production of natural gas increased by 2.3% over the same period of 1999. Year-to-date exports of natural gas were up 3.6%, while year-to-date domestic sales rose 7.5%.

### Available on CANSIM: matrices 530 and 539.

The October 2000 issue of *Supply and disposition of crude oil and natural gas* (26-006-XPB, \$19/\$186) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gerry Desjardins (613-951-4368; [desjger@statcan.ca](mailto:desjger@statcan.ca)), Manufacturing, Construction and Energy Division. ■

## NEW PRODUCTS

Coal and coke statistics, October 2000  
Catalogue number 45-002-XIB (\$9/\$85).

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

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCD are electronic versions on compact disc.

### How to order products

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Catalogue 11-001E (F# 0496 11-001E) ISBN 0957-6143



Statistics Canada

Thursday, June 3, 1997  
For release at 9:30 a.m.



**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Discusses the attitudes 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.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was noticeably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

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### Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.ca>. To receive *The Daily* each morning by E-mail, send an E-mail message to [listproc@statcan.ca](mailto:listproc@statcan.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

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