



# The Daily

Statistics Canada

**Monday, July 30, 2007**

Released at 8:30 a.m. Eastern time

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## Releases

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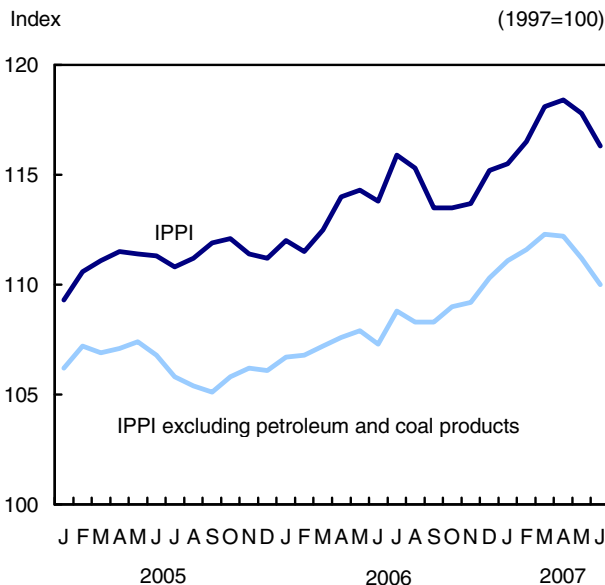
## Releases

### Industrial product and raw materials price indexes

June 2007

Metals and the continuing strength of the Canadian dollar pulled down the prices for manufactured goods in June. Crude oil pushed up the prices for raw materials.

#### Prices for manufactured goods decrease again



From May to June, prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), registered a 1.3% decline. The drop in prices essentially reflects lower prices for primary metal products as well as petroleum and coal products and motor vehicles and other transportation equipment.

On a 12-month basis, the IPPI advanced 2.2%, down from the 3.1% increase registered in May. The upward pressure came mainly from higher prices for primary metal products and chemical products and, to a lesser extent, increased prices for fruit, vegetables and feed products, meat, fish and dairy products, and tobacco products. The upward movement was slowed by a drop in prices for motor vehicles and lumber products.

The Raw Materials Price Index (RMPI) rose 0.6% after declining 0.2% in May. The month-over-month increase in the index was mainly attributable to prices for mineral fuels and vegetable products, while prices

#### Note to readers

The **Industrial Product Price Index (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 the 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 US counterpart affects the IPPI.

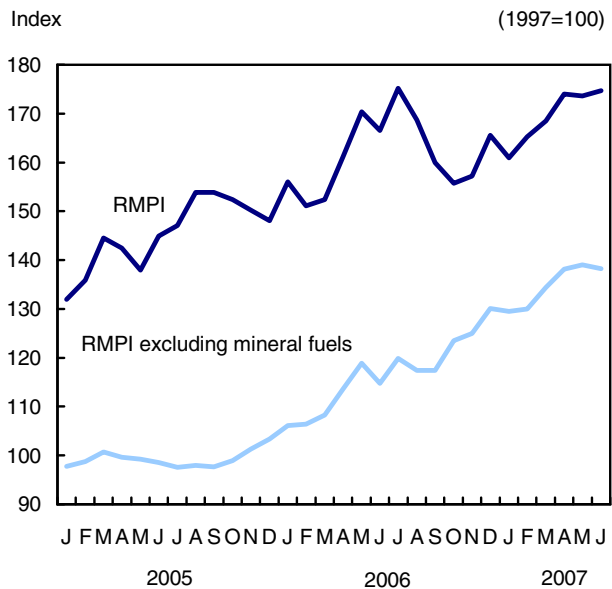
The **Raw Materials Price Index (RMPI)** reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.

for animals and animal products registered their first decline since November 2006.

Compared with June 2006, raw materials cost plants 4.9% more, up from the 1.9% rate of increase recorded in May. The rise in the index was mainly led by non-ferrous metals and was slowed by mineral fuels.

In June, the IPPI was 116.3 (1997=100), down from May's revised level of 117.8. The RMPI was 174.7 (1997=100), up from May's revised level of 173.6.

#### Raw materials prices increase



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### **IPPI: Second month-over-month decline for industrial prices**

The month-over-month decrease in manufacturers' prices was led mainly by the decline in prices for primary metal products, petroleum products and motor vehicles.

Prices for primary metal products declined 6.1% in June, the largest decrease since the 5.2% drop observed in June 2006. Nickel prices fell 22.2%, mainly owing to concerns over weaker demand from the stainless steel industry as well as higher nickel inventories. Prices for copper and copper alloys retreated 4.9% on weak demand from Asia and the United States. Price decreases were also observed for aluminum products (-2.8%), refined zinc products (-8.6%) and gold and gold alloys (-4.2%).

Petroleum and coal products fell 2.6% after four consecutive monthly increases. If the prices for petroleum and coal products had been excluded, the IPPI would have declined 1.1% rather than 1.3%.

Prices for motor vehicles fell 1.7% from May, their fifth consecutive month-over-month decline. This decrease was mainly attributable to the strengthening of the Canadian dollar against its US counterpart.

Other price declines were observed for pulp and paper products (-1.3%), machinery and equipment (-0.8%), electrical and communication products (-0.8%), and meat, fish and dairy products (-0.7%), but their contribution was smaller.

### **IPPI: Primary metals and chemical products lead the 12-month change**

The IPPI rose 2.2% from June 2006 to June 2007, and the growth of the index continued to slow for a third month. The IPPI was mainly pushed up by rising prices for primary metals and chemical products. The 12-month IPPI excluding petroleum and coal grew more slowly than in previous months. If petroleum and coal products had been excluded, the increase in the IPPI compared with June 2006 would have been 2.5%.

Primary metal prices were up 9.9% from June 2006. Most of the year-over-year increase came from higher prices for nickel products, which rose 93.1%. Prices remained high, mainly because of lower inventories and continuing strong demand. On the other hand, the prices for aluminum and copper products were down 8.0% and 1.5% respectively.

On a 12-month basis, the prices for chemical products rose 6.2%, owing to higher prices for inorganic industrial chemical products and fertilizers. Fruit, vegetables and feed products, meat, fish and dairy products and tobacco products also contributed to the year-over-year increase, although to a lesser extent.

The annual rate of growth in the IPPI was mitigated by lower prices for motor vehicles (-2.7%), lumber and other wood products (-2.1%), machinery and equipment (-1.5%), electrical and communication products (-1.6%), pulp and paper products (-1.2%) and petroleum and coal products (-0.7%).

### **RMPI: Mineral fuel prices rise**

The prices for raw materials rose 0.6% in June, after dropping 0.2% in May. The RMPI was pushed up by higher prices for mineral fuels, vegetable products and wood. On the other hand, lower prices for animals and animal products dampened the rise in the overall RMPI.

Mineral fuels advanced 2.1%, owing to the increase in the price for crude oil (+2.6%), mainly attributable to concerns over supply disruptions. Without mineral fuels, the RMPI would have declined 0.6% from May, rather than rising 0.6%.

Prices for vegetable products rose 1.9%; in particular, the prices for grains (+3.2%) and oilseeds (+3.0%) increased because of climatic conditions and strong demand.

The 3.3% drop in prices for animals and animal products dampened the rise in the RMPI. In particular, cattle and hogs for slaughter posted decreases of 10.3% and 4.8% respectively, as a result of higher inventories.

On a 12-month basis, prices for raw materials rose 4.9% in June, up sharply from the 1.9% increase observed in May. Prices for mineral fuels dropped 8.8%, putting a brake on the growth of prices for raw materials. Without mineral fuels, the RMPI would have increased 20.4% rather than 4.9%.

Non-ferrous metals contributed the most to the 12-month advance with a 45.4% rise in prices, mainly because of year-over-year increases in the prices for radioactive concentrates and concentrates of lead, zinc and nickel.

Prices were also up from the previous year for vegetable products (+17.5%), wood (+12.4%), animals and animal products (+2.9%), and non-metallic minerals (+4.7%).

### **Impact of the exchange rate**

The value of the Canadian dollar against the US dollar rose 2.8% from May to June. Consequently, without the effect of the exchange rate, the IPPI would have decreased 0.5% instead of dropping 1.3%.

On a 12-month basis, the value of the Canadian dollar rose 4.6% against the US dollar. If the impact of the exchange rate had been excluded, producer prices would have risen 3.4% instead of 2.2% between June 2006 and June 2007.

### Prices for intermediate goods post second decline

Prices for intermediate goods declined 1.3% between May and June, a second consecutive monthly decrease. The reduction in prices was widespread across product categories, with the exception of fruit, vegetables and feed products. The greatest contributions to the decrease came primarily from primary metal products, petroleum products, pulp and paper products and motor vehicles.

In June, producers of intermediate goods received 3.6% more for their products than in June 2006. The majority of the increase came from primary metal products and chemical products and, to a lesser extent, fruit, vegetables and feed products, meat, fish and dairy products, non-metallic mineral products, and metal fabricated products.

On the other hand, prices for lumber products, pulp and paper products, petroleum products, motor vehicles and electrical and communication products slowed the year-over-year increase.

### Prices for finished products pulled down by motor vehicle prices

From May to June, prices for finished products (-1.2%) fell for a third consecutive month, as a result of a decrease in prices for motor vehicles, a sector that is more sensitive to exchange rate changes, as well as lower prices for petroleum and coal products. The

drop in prices for finished products was lessened in part by higher prices for chemical products and tobacco products.

Since June 2006, prices for finished products have edged down 0.1%. Lower prices were observed for motor vehicles, machinery and equipment and electrical and communication products. The decrease in prices for finished goods was nearly offset by higher prices for tobacco products, meat, fish and dairy products, chemical products, petroleum products, fruit, vegetables and feed products, beverages, and furniture and fixtures.

**Available on CANSIM: tables 329-0038 to 329-0049 and 330-0006.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2306 and 2318.**

The June 2007 issue of *Industry Price Indexes* (62-011-XWE, free) will soon be available.

The industrial product and raw material price indexes for July will be released on August 30.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606, fax: 613-951-1539, [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)) or Philippe Rhul (613-951-3818, [philippe.rhul@statcan.ca](mailto:philippe.rhul@statcan.ca)), Prices Division.

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**Industrial product price indexes**  
(1997=100)

	Relative importance	June 2006	May 2007 <sup>r</sup>	June 2007 <sup>p</sup>	June 2006 to June 2007	May to June 2007
					% change	
<b>Industrial product price index (IPPI)</b>	<b>100.00</b>	<b>113.8</b>	<b>117.8</b>	<b>116.3</b>	<b>2.2</b>	<b>-1.3</b>
<b>IPPI excluding petroleum and coal products</b>	<b>94.32</b>	<b>107.3</b>	<b>111.2</b>	<b>110.0</b>	<b>2.5</b>	<b>-1.1</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	5.78	107.0	111.4	110.6	3.4	-0.7
Fruit, vegetables, feeds and other food products	5.99	104.3	108.0	108.3	3.8	0.3
Beverages	1.57	122.5	124.3	124.2	1.4	-0.1
Tobacco and tobacco products	0.63	187.9	205.7	206.8	10.1	0.5
Rubber, leather and plastic fabricated products	3.30	118.3	116.2	116.2	-1.8	0.0
Textile products	1.58	100.2	100.5	100.4	0.2	-0.1
Knitted products and clothing	1.51	104.8	104.5	104.5	-0.3	0.0
Lumber and other wood products	6.30	86.1	84.1	84.3	-2.1	0.2
Furniture and fixtures	1.59	118.1	119.5	119.5	1.2	0.0
Pulp and paper products	7.23	104.4	104.5	103.1	-1.2	-1.3
Printing and publishing	1.70	115.0	116.9	116.0	0.9	-0.8
Primary metal products	7.80	136.1	159.3	149.6	9.9	-6.1
Metal fabricated products	4.11	123.8	125.3	125.2	1.1	-0.1
Machinery and equipment	5.48	106.9	106.1	105.3	-1.5	-0.8
Motor vehicles and other transport equipment	22.16	91.3	90.3	88.8	-2.7	-1.7
Electrical and communications products	5.77	93.3	92.5	91.8	-1.6	-0.8
Non-metallic mineral products	1.98	119.9	122.8	122.7	2.3	-0.1
Petroleum and coal products <sup>1</sup>	5.68	234.4	239.1	232.8	-0.7	-2.6
Chemicals and chemical products	7.07	121.5	128.9	129.0	6.2	0.1
Miscellaneous manufactured products	2.40	112.0	114.2	113.4	1.3	-0.7
Miscellaneous non-manufactured products	0.38	234.6	501.9	576.0	145.5	14.8
<b>Intermediate goods<sup>2</sup></b>	<b>60.14</b>	<b>117.5</b>	<b>123.3</b>	<b>121.7</b>	<b>3.6</b>	<b>-1.3</b>
First-stage intermediate goods <sup>3</sup>	7.71	138.8	170.7	164.6	18.6	-3.6
Second-stage intermediate goods <sup>4</sup>	52.43	114.3	116.1	115.3	0.9	-0.7
<b>Finished goods<sup>5</sup></b>	<b>39.86</b>	<b>108.3</b>	<b>109.5</b>	<b>108.2</b>	<b>-0.1</b>	<b>-1.2</b>
Finished foods and feeds	8.50	113.4	115.7	115.4	1.8	-0.3
Capital equipment	11.73	99.4	99.1	97.9	-1.5	-1.2
All other finished goods	19.63	111.4	113.1	111.3	-0.1	-1.6

<sup>r</sup> revised

<sup>p</sup> preliminary

1. This index is estimated for the current month.
2. Intermediate goods are goods used principally to produce other goods.
3. First-stage intermediate goods are items used most frequently to produce other intermediate goods.
4. Second-stage intermediate goods are items most commonly used to produce final goods.
5. Finished goods are goods most commonly used for immediate consumption or for capital investment.

**Raw Materials price indexes**  
(1997=100)

	Relative importance	June 2006	May 2007 <sup>r</sup>	June 2007 <sup>p</sup>	June 2006 to June 2007	May to June 2007
					% change	
<b>Raw materials price index (RMPI)</b>	<b>100.00</b>	<b>166.5</b>	<b>173.6</b>	<b>174.7</b>	<b>4.9</b>	<b>0.6</b>
Mineral fuels	35.16	278.2	248.5	253.7	-8.8	2.1
Vegetable products	10.28	83.8	96.7	98.5	17.5	1.9
Animals and animal products	20.30	105.3	112.1	108.4	2.9	-3.3
Wood	15.60	77.7	86.4	87.3	12.4	1.0
Ferrous materials	3.36	133.2	136.8	135.4	1.7	-1.0
Non-ferrous metals	12.93	183.9	267.7	267.4	45.4	-0.1
Non-metallic minerals	2.38	140.6	147.1	147.2	4.7	0.1
<b>RMPI excluding mineral fuels</b>	<b>64.84</b>	<b>114.8</b>	<b>139.0</b>	<b>138.2</b>	<b>20.4</b>	<b>-0.6</b>

<sup>r</sup> revised

<sup>p</sup> preliminary

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## Crude oil and natural gas: Supply and disposition

May 2007 (preliminary)

The overall production of crude oil and equivalent hydrocarbons increased 10.4% in May compared with May 2006. This rise was led by a jump in Newfoundland and Labrador offshore production and Alberta bitumen output.

Newfoundland and Labrador offshore production grew 62.5% from the same period in 2006, the result of a return to production from the Terra Nova oil field and higher output from the White Rose oilfield.

Newfoundland and Labrador produced 15.6% of all Canadian crude and equivalent hydrocarbons during this period, compared with only 10.6% in May 2006.

The 33.0% rise in Alberta bitumen production contributed to the overall growth in production at the national level. This increase in production was influenced by an oil sand field slowdown last year.

Exports of crude oil and equivalent hydrocarbons advanced 5.1% from May 2006. During this period, 68.4% of Canada's total production went to the export market.

Residential gas sales (+8.0%) fuelled the increase in natural gas sales, which reached 4.7 billion cubic metres, up 2.2% from the same period in 2006, according to natural gas sales data. This increase was the result of lower temperatures compared with last year.

Marketable natural gas production declined 2.2% from May 2006. Natural gas exports, which made up 59.1% of marketable natural gas, increased 1.3%.

**Available on CANSIM: tables 126-0001 and 131-0001.**

**Definitions, data sources and methods: survey number 2198.**

**Note:** Preliminary data is available on CANSIM at the national level up to May 2007 inclusive. At the national and provincial level, detailed information is available for crude oil (126-0001) up to March 2007 inclusive, and for natural gas (131-0001) up to February 2007 inclusive.

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; [energ@statcan.ca](mailto:energ@statcan.ca)), Manufacturing, Construction and Energy Division. □

## Crude oil and natural gas

	May 2006	May 2007 <sup>P</sup>	May 2006 to May 2007 % change
thousands of cubic metres			
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	12 171.4	13 438.5	10.4
Exports	8 743.0	9 186.8	5.1
Imports <sup>2</sup>	3 308.8	4 121.4	24.6
Refinery receipts	7 489.0	7 639.1	2.0
millions of cubic metres			
<b>Natural gas<sup>3</sup></b>			
Marketable production	14 300.2	13 985.6	-2.2
Exports	8 167.9	8 272.1	1.3
Domestic sales <sup>4</sup>	4 565.9	4 665.6	2.2
January to May 2006		January to May 2007	
thousands of cubic metres			
<b>Crude oil and equivalent hydrocarbons<sup>1</sup></b>			
Production	62 517.5	66 557.6	6.5
Exports	41 553.4	43 657.4	5.1
Imports <sup>2</sup>	18 797.9	20 750.0	10.4
Refinery receipts	41 022.5	42 758.0	4.2
millions of cubic metres			
<b>Natural gas<sup>3</sup></b>			
Marketable production	73 039.6	72 264.5	-1.1
Exports	41 472.0	45 051.4	8.6
Domestic sales <sup>4</sup>	33 188.5	36 083.2	8.7

<sup>P</sup> preliminary

- Disposition may differ from production because of inventory change, industry own-use, etc.
- Crude oil received by Canadian refineries from foreign countries for processing. Data may differ from International Trade Division (ITD) estimates because of timing differences and the inclusion of crude oil landed in Canada for future re-export in the ITD data.
- Disposition may differ from production because of inventory change, usage as pipeline fuel, pipeline losses, line-pack fluctuations, etc.
- Includes direct sales. Includes other statistical adjustments.

## Computer and peripherals price indexes May 2007

The index for commercial computers remained unchanged from April at 34.9 (2001=100). The index for consumer computers fell 2.7% to 14.5.

In the case of computer peripherals, monitor prices decreased 2.4% to 52.5. Printer prices also declined, dropping 1.0% to 47.8.

These indexes are available at the Canada level only.

**Available on CANSIM: tables 331-0001 and 331-0002.**

**Definitions, data sources and methods: survey number 5032.**

For more information on these indexes, contact Client Services (toll-free 1-866-230-2248;

613-951-9606; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Neil Killips (613-951-5722; [neil.killips@statcan.ca](mailto:neil.killips@statcan.ca)), Prices Division. ■

## Traveller accommodation services price indexes

Second quarter 2007

Statistics Canada today publishes monthly indexes that measure the price movements of accommodation services for the second quarter of 2007. These indexes reflect changes in room rates, excluding all indirect taxes, for overnight or short stays with no meals or other services provided. The indexes are available by province and by territory, for Canada, by major client group.

**Available on CANSIM: table 326-0013.**

**Definitions, data sources and methods: survey number 2336.**

For more information on these indexes, contact Client Services (toll-free 1-866-230-2248;

613-951-9606; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Matthew MacDonald (613-951-8551; [matthew.macdonald2@statcan.ca](mailto:matthew.macdonald2@statcan.ca)), Prices Division. ■



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**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian rode 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, 1996** 4  
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Highered Index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, units ending May 31, 1997** 12
- **Flag production, April 1997** 12

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