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The Daily

Statistics Canada

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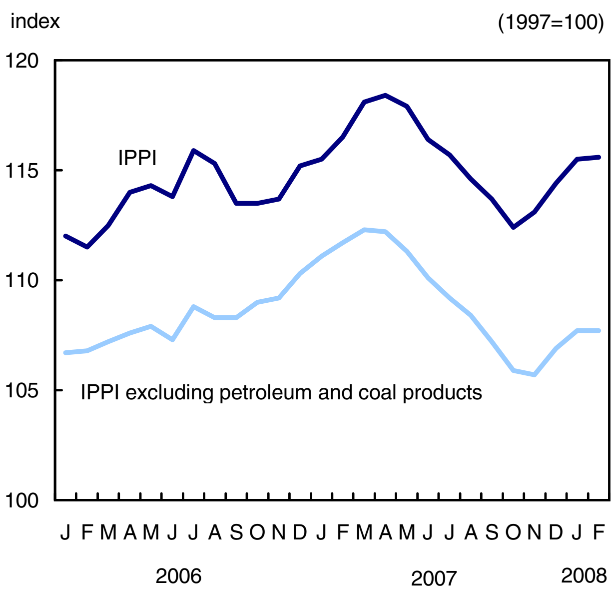
Releases

Releases

Industrial product and raw materials price indexes
February 2008

Prices for manufactured products edged up in February, as higher prices for primary metals were partly offset by lower prices for motor vehicles. The growth in raw materials prices was slowed substantially by a drop in crude oil prices.

Slight increase in prices for manufactured goods



From January to February, prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), rose 0.1%, a marked slowdown compared with the increases of 1.1% in December and 1.0% in January. The growth in prices for petroleum and coal products slowed considerably after three months of vigorous increases. Excluding petroleum and coal products, the IPPI would have remained unchanged in February.

Strong growth for primary metal products and, to a lesser extent, fruit, vegetables and feed products was largely offset by lower prices for motor vehicles and other transport equipment.

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 and paper products, and wood products. Determining the full effect of fluctuating exchange rates on the IPPI is a difficult analytical task. However, it should be noted that many prices collected to calculate the IPPI are quoted in US dollars and then converted into Canadian dollars. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI.

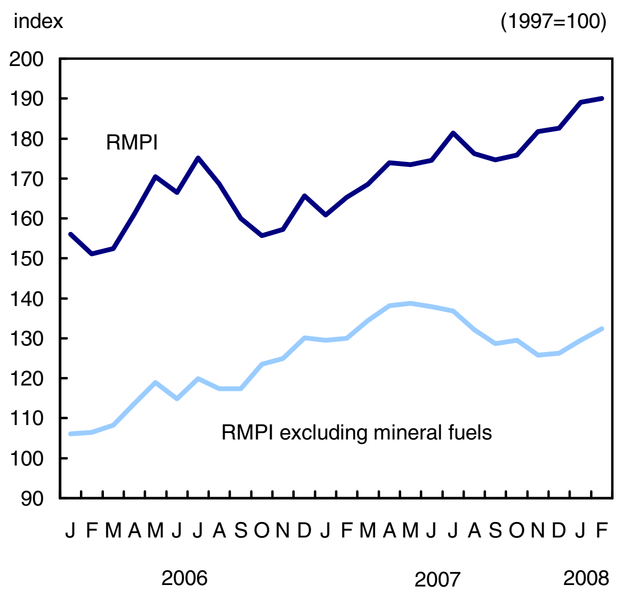
*The **Raw Materials Price Index** (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.*

On a 12-month basis, the IPPI fell 0.8% in February. Lower prices for motor vehicles and other transport equipment, as well as primary metal products, were strongly offset by the significant increase in prices for petroleum and coal products. If petroleum and coal products were excluded, the IPPI would have declined 3.6% instead of 0.8%.

The exchange rate, reflecting the ongoing effect of the Canadian dollar's strength in relation to its US counterpart, had a sizable effect on the movement of prices in February. The Canadian dollar rose 1.2% against the US dollar, whereas it declined 0.8% the previous month. If the exchange rate that is used to convert these prices had remained unchanged in February, the IPPI would have risen 0.4% compared with January instead of 0.1%, and on a 12-month basis, the IPPI would have risen 3.4% rather than falling 0.8%.

The growth of the Raw Materials Price Index (RMPI) slowed with a month-over-month increase of 0.5% following a 3.6% surge in January. Significant increases for vegetable products and non-ferrous metals in February were partly offset by a 1.0% decrease for mineral fuels. Excluding mineral fuels, the RMPI would have risen 2.2%, down slightly from the 2.5% rise posted in January.

Raw materials prices increase again



Compared with February 2007, raw materials cost plants 14.9% more. The rise in the index was driven primarily by higher prices for mineral fuels and vegetable products. Without mineral fuels, the RMPI would have risen 1.8% rather than 14.9%. However, lower prices for non-ferrous metals and animals and animal products moderated the year-over-year increase.

In February, the IPPI was 115.6 (1997=100), up from January's revised level of 115.5. The RMPI was 190.0 (1997=100), up from January's revised level of 189.1.

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 February 2008 issue of *Industry Price Indexes* (62-011-XWE, free) will soon be available.

The industrial product and raw material price indexes for March will be released on April 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*), or Danielle Gouin (613-951-3375, *danielle.gouin@statcan.ca*), Prices Division. ☐

Industrial product price indexes
(1997=100)

	Relative importance	February 2007	January 2008[r]	February 2008[p]	February 2007 to February 2008	January to February 2008
					% change	
Industrial Product Price Index (IPPI)	**100.00**	**116.5**	**115.5**	**115.6**	**-0.8**	**0.1**
IPPI excluding petroleum and coal products	**94.32**	**111.7**	**107.7**	**107.7**	**-3.6**	**0.0**
Aggregation by commodities						
Meat, fish and dairy products	5.78	111.0	108.1	108.4	-2.3	0.3
Fruit, vegetables, feeds and other food products	5.99	108.3	114.8	116.3	7.4	1.3
Beverages	1.57	124.0	125.6	125.5	1.2	-0.1
Tobacco and tobacco products	0.63	203.4	217.8	217.8	7.1	0.0
Rubber, leather and plastic fabricated products	3.30	117.1	116.1	115.9	-1.0	-0.2
Textile products	1.58	100.9	99.4	99.4	-1.5	0.0
Knitted products and clothing	1.51	104.6	104.8	104.8	0.2	0.0
Lumber and other wood products	6.30	86.8	81.2	80.6	-7.1	-0.7
Furniture and fixtures	1.59	119.3	120.9	120.9	1.3	0.0
Pulp and paper products	7.23	108.8	102.6	102.1	-6.2	-0.5
Printing and publishing	1.70	117.6	115.7	115.5	-1.8	-0.2
Primary metal products	7.80	153.4	136.2	139.6	-9.0	2.5
Metal fabricated products	4.11	124.2	124.2	125.1	0.7	0.7
Machinery and equipment	5.48	108.4	104.1	103.8	-4.2	-0.3
Motor vehicles and other transport equipment	22.16	94.3	86.2	85.6	-9.2	-0.7
Electrical and communications products	5.77	94.8	89.7	89.4	-5.7	-0.3
Non-metallic mineral products	1.98	122.2	124.9	124.8	2.1	-0.1
Petroleum and coal products[1]	5.68	206.4	259.4	260.3	26.1	0.3
Chemicals and chemical products	7.07	125.9	130.4	130.1	3.3	-0.2
Miscellaneous manufactured products	2.40	115.6	116.5	116.7	1.0	0.2
Miscellaneous non-manufactured products	0.38	368.4	408.0	357.0	-3.1	-12.5
Intermediate goods[2]	**60.14**	**121.3**	**120.9**	**121.0**	**-0.2**	**0.1**
First-stage intermediate goods[3]	7.71	161.2	149.6	149.5	-7.3	-0.1
Second-stage intermediate goods[4]	52.43	115.2	116.5	116.7	1.3	0.2
Finished goods[5]	**39.86**	**109.5**	**107.6**	**107.5**	**-1.8**	**-0.1**
Finished foods and feeds	8.50	115.3	115.9	116.2	0.8	0.3
Capital equipment	11.73	102.1	95.8	95.4	-6.6	-0.4
All other finished goods	19.63	111.4	111.1	111.0	-0.4	-0.1

r *revised*
p *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	February 2007	January 2008[r]	February 2008[p]	February 2007 to February 2008	January to February 2008
					% change	
Raw Materials Price Index (RMPI)	**100.00**	**165.3**	**189.1**	**190.0**	**14.9**	**0.5**
Mineral fuels	35.16	241.6	318.0	314.7	30.3	-1.0
Vegetable products	10.28	98.8	129.0	145.7	47.5	12.9
Animals and animal products	20.30	107.3	102.8	102.4	-4.6	-0.4
Wood	15.60	82.9	82.8	82.5	-0.5	-0.4
Ferrous materials	3.36	139.3	137.6	135.9	-2.4	-1.2
Non-ferrous metals	12.93	233.2	213.3	215.4	-7.6	1.0
Non-metallic minerals	2.38	147.2	154.5	155.0	5.3	0.3
RMPI excluding mineral fuels	**64.84**	**130.0**	**129.5**	**132.4**	**1.8**	**2.2**

r *revised*
p *preliminary*

■

Newspaper publishers

2006

Canada's newspaper publishing industry experienced modest growth and stable profits in 2006, as rising revenues and profits among publishers in the Western provinces compensated for slower results in the East.

Operating revenues in the industry amounted to $5.34 billion in 2006, up 2.6% from $5.21 billion in 2005. The pace of revenue growth in 2006 was slower than in each of the previous three years. However, the industry in Canada avoided the contraction that occurred in the United States, where newspaper publishing revenues declined 1.7%.

Industry revenue growth in 2006 was a close reflection of regional economic performance, as publishers in the West, and Alberta in particular, had the highest growth rates.

Operating revenues for publishers in Western Canada grew by 3.9%, nearly double the rate of 2.1% in Ontario and 2.0% in Quebec.

Operating revenue results for publishers in the Atlantic provinces were lower due to a restructuring of printing operations that, for statistical purposes, were formerly included in publishing industry estimates.

The operating profit margin for the industry held steady at 13.2%. Profit margins were also healthier in Western Canada, rising from 18.2% in 2005 to 21.1% in 2006.

In contrast, profit margins in Ontario declined from 10.0% in 2005 to 7.4% in 2006, under the weight of a 5.1% increase in operating expenses. Publishers in Quebec and the Atlantic provinces posted profit margins of 13.5% and 12.3% respectively.

Industry operating expenses rose 2.6% in 2006. Salaries, wages and benefits, which account for 39% of industry expenses, rose 3.6% while printing costs, the second largest expense item, held steady.

Estimates for advertising and circulation revenues, which follow, are based on the surveyed portion of the industry. The surveyed portion accounts for all daily newspaper operations and all but $132 million of operating revenues for community newspaper firms.

Advertising revenues, the source of three-quarters of industry revenue, rose 2.7% to $3.98 billion in 2006. Daily newspapers generated $2.85 billion in advertising revenues, compared with $1.13 billion for community newspapers.

Circulation revenues are the second largest revenue source for newspaper publishers, representing 17% of industry revenues. In recent years, competition from free news sources on the Internet and from the proliferation of free daily newspapers have contributed to a downward trend for print circulation figures among the paid daily newspapers.

Despite this, industry circulation revenues rose 1.5% to $862 million in 2006. The majority of the increase stemmed from changing accounting practices, as additional publishing firms switched to reporting gross circulation revenues instead of circulation revenues net of distribution expenses.

Price increases also contributed to the rise, as newspaper prices rose 2.5%, measured by the Consumer Price Index.

Available on CANSIM: table 361-0003.

Definitions, data sources and methods: survey number 4710.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Peter Kalhok (613-951-0663; *peter.kalhok@statcan.ca*; fax: 613-951-6696), Service Industries Division. ■

Air fare

2005

In 2005, the average domestic and international air fare (all types) paid by passengers was $251, up 0.4% from $250 in 2004.

The average domestic air fare (all types) paid by passengers was $191 in 2005, up 5.5% from $181 in 2004. This increase followed the 2.4% decrease between 2003 and 2004 and the strong annual decline reported between 2002 and 2003 (-12.9%).

The average international air fare (all types) was $346 in 2005, down 4.4% from $362 in 2004.

In 2005, 96.8% of passengers on domestic and international scheduled services flew on discount fares, slightly down (0.4 percentage points) from 97.2% in 2004 and up 1.4 percentage points from 95.4% set in 2003.

On domestic scheduled services, 95.9% of passengers travelled on discount fares in 2005, down 0.2 percentage points from 96.1% in 2004 and up 2.5 percentage points from 93.4% in 2003.

On international scheduled services, 98.3% of passengers flew on discount fares in 2005, down 0.7 percentage points from 99.0% in 2004.

Fare Basis Survey data are now available for 2005. The survey covers Air Canada, Jazz, Air Canada's Canadian regional code-share partners, Air Transat and WestJet.

Definitions, data sources and methods: survey number 2708.

The air fare data will appear in the publication *Aviation: Service Bulletin*, Vol. 40, no. 2 (51-004-XWE, free), which will soon be available.

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*), Transportation Division. ■

Crude oil and natural gas production

January 2008 (preliminary)

Provincial crude oil and marketable natural gas production data are now available for January.

Definitions, data sources and methods: survey number 2198.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Marketing and Dissemination Section (613-951-9497; toll-free 1-866-873-8789; *energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Mineral wool including fibrous glass insulation

February 2008

Data on mineral wool including fibrous glass insulation are now available for February.

Definitions, data sources and methods: survey number 2110.

Data is available upon request only. 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); (*manufact@statcan.ca*), Manufacturing, Construction and Energy Division. ■

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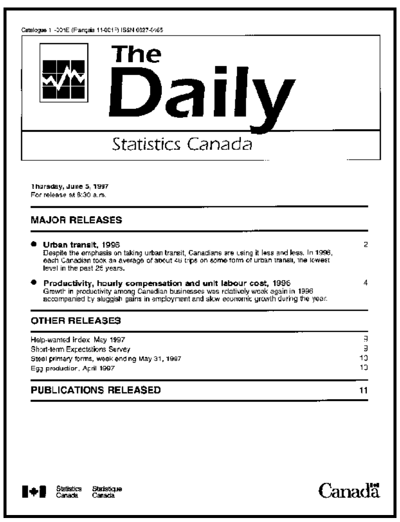

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The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 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 relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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PUBLICATIONS RELEASED 11

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