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Releases

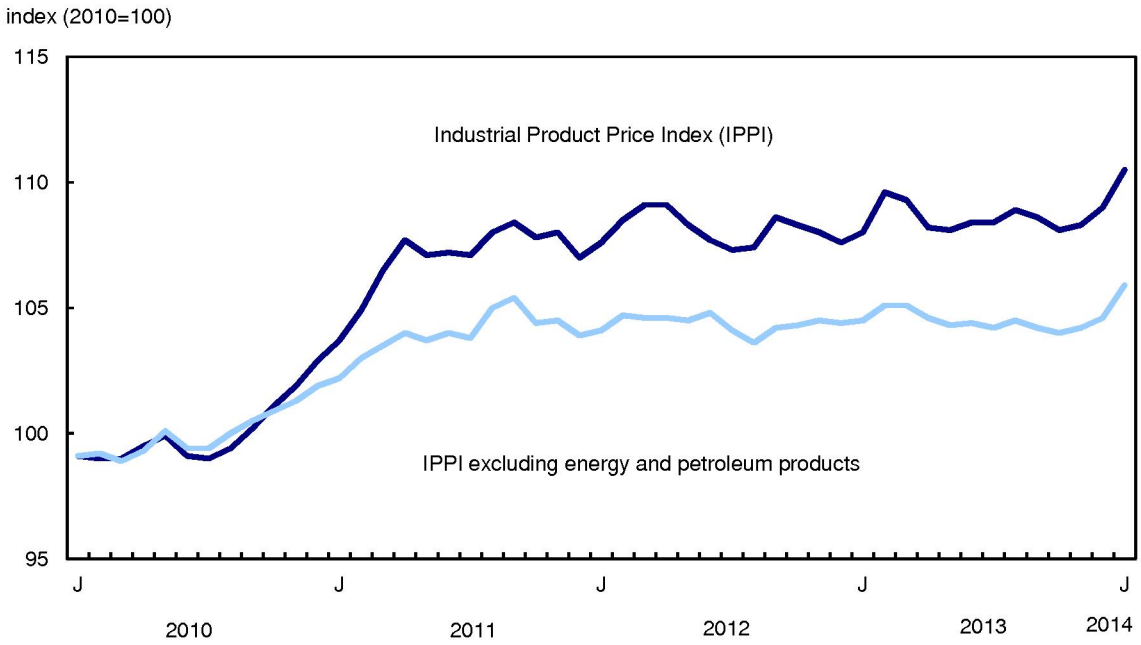
New products and studies

Releases

Industrial product and raw materials price indexes, January 2014

The Industrial Product Price Index (IPPI) rose 1.4% in January, led by higher prices for energy and petroleum products. The Raw Materials Price Index (RMPI) increased 2.6% as a result of higher prices for crude energy products.

Chart 1
Prices for industrial goods increase



Industrial Product Price Index, monthly change

The IPPI rose 1.4% in January, after advancing 0.6% in December. This was the third consecutive increase and the largest gain since February 2013. The gains were widespread, as 19 of 21 major commodity groups were up.

The growth of the IPPI was mainly attributable to higher prices for energy and petroleum products, which rose 2.3%. Light fuel oil (+4.2%) and diesel fuel (+3.7%) were primarily responsible for the increase in this commodity group. The IPPI excluding energy and petroleum products was up 1.2% in January.

Motorized and recreational vehicles also made a significant contribution to the increase in the IPPI, posting a 1.7% advance. Higher prices for passenger cars and light trucks (+1.6%) were the main reason for the increase in this commodity group. The advance of the motorized and recreational vehicles index was closely linked to the depreciation of the Canadian dollar relative to the US dollar.

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 2.8% decrease in the value of the Canadian dollar relative to the US dollar may have had the effect of increasing the IPPI. Without the measurable effect of the exchange rate, the index would have risen 0.7% instead of 1.4%.

Chemicals and chemical products (+2.9%) and primary non-ferrous metal products (+2.7%) also pushed the IPPI upward in January.

The increase in chemicals and chemical products was largely due to higher prices for petrochemicals (+6.6%) and, to a lesser extent, fertilizers, pesticides and other chemical products (+4.4%).

Higher prices for unwrought precious metals and precious metal alloys (+5.1%) led the increase in primary non-ferrous metal products. To a lesser extent, unwrought copper and copper alloys (+4.9%) also contributed to the advance of this commodity group.

Industrial Product Price Index, 12-month change

The IPPI grew 2.3% during the 12-month period ending in January, after rising 1.3% in December.

Compared with January 2013, the increase in the IPPI was mainly attributable to energy and petroleum products (+7.0%). The advance of this commodity group resulted primarily from higher prices for motor gasoline (+7.2%) and, to a lesser extent, light fuel oil (+11.5%) and diesel fuel (+10.0%). The IPPI excluding energy and petroleum products rose 1.3% on a year-over-year basis.

Motorized and recreational vehicles (+5.3%) also contributed to the year-over-year increase in the IPPI, as a result of higher prices for passenger cars and light trucks (+5.8%) and aircraft (+12.5%). Prices for motorized and recreational vehicles continued the year-over-year upward trend that began in July 2013.

To a lesser extent, chemicals and chemical products (+4.4%) and meat, fish, and dairy products (+2.1%) also contributed to the year-over-year advance of the IPPI.

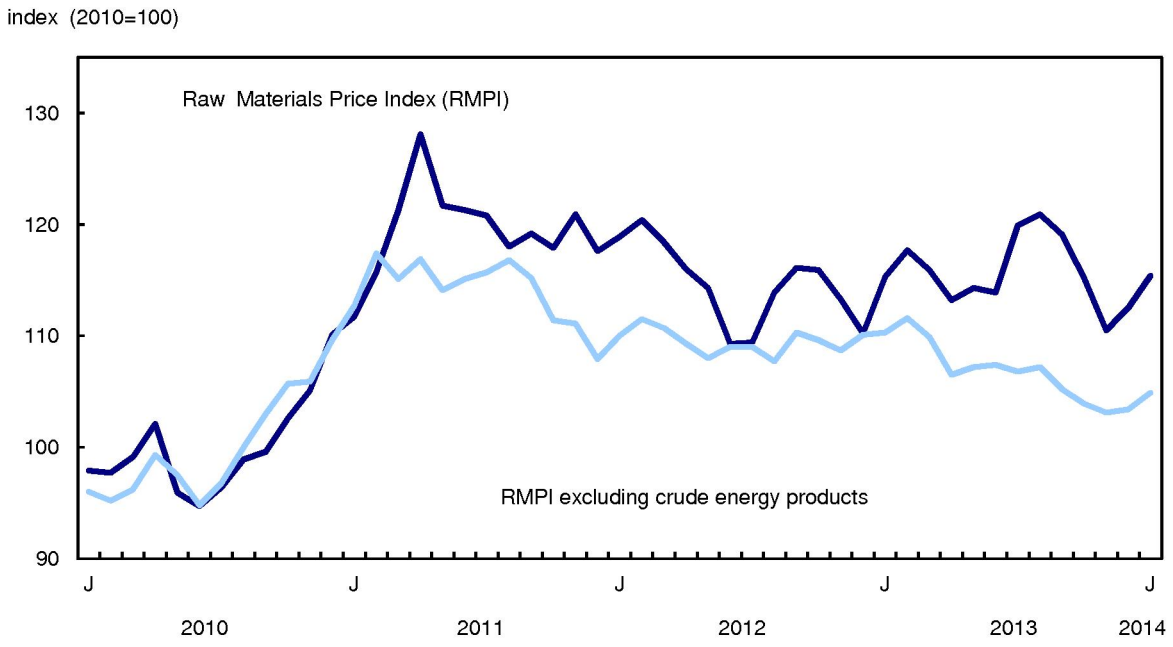
Compared with January 2013, higher prices for petrochemicals (+9.5%) led the increase in chemicals and chemical products, while the meat, fish, and dairy products group was pushed upward by fresh and frozen pork (+10.8%).

Conversely, the advance of the IPPI over a 12-month period was moderated mostly by lower prices for primary non-ferrous metal products (-8.0%), specifically unwrought precious metals and precious metal alloys (-19.1%). On a year-over-year basis, primary non-ferrous metal products have been declining since December 2011.

Raw Materials Price Index, monthly change

The RMPI rose 2.6% in January, the second consecutive monthly advance and the largest increase since July 2013. Of the six major commodity groups, four were up and two were down.

Chart 2
Prices for raw materials rise



Crude energy products (+3.7%) was the main contributor to the increase in the RMPI, largely because of higher prices for conventional crude oil (+3.6%). The January increase in crude oil prices was partly due to higher demand because of the cold weather in North America. The RMPI excluding crude energy products was up 1.5% in January.

To a lesser extent, metal ores, concentrates and scrap (+2.0%) also contributed to the advance of the RMPI in January, posting the largest gain since August 2013.

Animals and animal products (+2.2%) was also up compared with December, mainly as a result of higher prices for live animals (+3.6%), specifically cattle and calves (+7.0%).

Conversely, the increase in the RMPI was moderated primarily by crop products (-0.3%), which was led by lower prices for wheat (-5.7%) and canola (-3.9%).

Raw Materials Price Index, 12-month change

The RMPI edged up 0.1% during the 12-month period ending in January, after rising 2.1% the previous month.

Compared with January 2013, the advance of the RMPI was primarily due to higher prices for crude energy products (+5.0%), specifically conventional crude oil (+5.0%). On a year-over-year basis, the RMPI excluding crude energy products was down 4.9%.

To a lesser extent, animals and animal products (+2.3%) also contributed to the year-over-year increase in the RMPI, as a result of higher prices for live animals (+5.3%), specifically cattle and calves (+14.9%).

The advance of the RMPI over a 12-month period was moderated largely by lower prices for metal ores, concentrates and scrap (-9.3%) as well as crop products (-10.4%).

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance[1]	January 2013	December 2013[r]	January 2014[p]	December 2013 to January 2014	January 2013 to January 2014
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	**100.00**	**108.0**	**109.0**	**110.5**	**1.4**	**2.3**
IPPI excluding energy and petroleum products	**86.40**	**104.5**	**104.6**	**105.9**	**1.2**	**1.3**
Aggregation by commodities						
Meat, fish, and dairy products	7.21	106.2	108.0	108.4	0.4	2.1
Fruit, vegetables, feed and other food products	7.53	112.4	111.2	111.5	0.3	-0.8
Beverages (except juices)	1.92	104.4	104.3	104.2	-0.1	-0.2
Tobacco products	0.25	110.1	115.0	115.2	0.2	4.6
Textile and leather products	0.57	103.2	105.4	105.8	0.4	2.5
Clothing, footwear and accessories	0.51	101.1	101.7	102.0	0.3	0.9
Chemicals and chemical products	8.46	108.7	110.3	113.5	2.9	4.4
Plastic and rubber products	2.79	103.8	105.2	105.3	0.1	1.4
Lumber and other wood products	2.27	109.2	102.6	103.2	0.6	-5.5
Pulp and paper products	4.09	98.6	101.9	102.4	0.5	3.9
Energy and petroleum products	13.60	130.8	136.8	139.9	2.3	7.0
Primary ferrous metal products	3.32	98.2	100.3	102.1	1.8	4.0
Primary non-ferrous metal products	8.03	111.6	100.0	102.7	2.7	-8.0
Fabricated metal products and construction materials	3.17	99.6	101.2	101.8	0.6	2.2
Motorized and recreational vehicles	17.23	99.4	103.0	104.7	1.7	5.3
Machinery and equipment	5.73	103.4	103.9	104.3	0.4	0.9
Electrical, electronic, audiovisual and telecommunication products	4.69	100.4	101.6	102.6	1.0	2.2
Furniture and fixtures	1.49	101.6	101.8	101.8	0.0	0.2
Cement, glass, and other non-metallic mineral products	2.34	103.1	104.9	105.1	0.2	1.9
Packaging materials and containers	2.38	102.5	105.4	105.7	0.3	3.1
Miscellaneous products	2.41	109.7	105.7	107.4	1.6	-2.1

[r] *revised*

[p] *preliminary*

1. The relative importance is based on the annual 2010 values of production.

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance[1]	January 2013	December 2013[r]	January 2014[p]	December 2013 to January 2014	January 2013 to January 2014
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	**100.00**	**115.3**	**112.5**	**115.4**	**2.6**	**0.1**
RMPI excluding crude energy products	**51.83**	**110.3**	**103.4**	**104.9**	**1.5**	**-4.9**
Crude energy products	48.17	120.8	122.3	126.8	3.7	5.0
Crop products	8.68	129.5	116.3	116.0	-0.3	-10.4
Animals and animal products	15.51	114.3	114.4	116.9	2.2	2.3
Non-metallic minerals	1.85	105.9	103.9	104.9	1.0	-0.9
Logs, pulpwood, natural rubber and other forestry products	2.84	100.8	107.2	107.1	-0.1	6.3
Metal ores, concentrates and scrap	22.96	101.8	90.5	92.3	2.0	-9.3

[r] *revised*

[p] *preliminary*

1. The relative importance is based on the annual 2010 values of raw material inputs into production.

Note to readers

For vectors that have a concordance, Industrial Product Price Index historical data (prior to January 2010) based on the new basket (2010=100) and the new North American Product Classification System (NAPCS) are now available on CANSIM.

The concordance between the old CANSIM vectors and the new CANSIM vectors is available at the following link: Concordance Table between PCG and NAPCS vectors.

With each release, data for the previous six months may have been revised. The indexes are not seasonally adjusted.

*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 indicate their prices in foreign currencies, especially in US dollars, which are then converted into Canadian dollars. In particular, this is the case 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. However, the conversion into Canadian dollars only reflects how respondents provide their prices. This is not a measure that takes the full effect of exchange rates into account.

The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada, and it is available on CANSIM in table 176-0064 (series v37426). Monthly and annual variations in the exchange rate, as described in the release, are calculated according to the indirect quotation of the exchange rate (for example, CAN$1 = US$X).

*The **Raw Materials Price Index (RMPI)** reflects the prices paid by Canadian manufacturers for key raw materials. Many of those prices are set on the world market. However, as few prices are denominated in foreign currencies, their conversion into Canadian dollars has only a minor effect on the calculation of the RMPI.*

Available in CANSIM: tables 329-0074 to 329-0077 and 330-0008.

Table 329-0074: Industrial Product Price Index, by major commodity aggregations.

Table 329-0075: Industrial Product Price Index, by commodity.

Table 329-0076: Industrial Product Price Index, for selected groups, by region.

Table 329-0077: Industrial Product Price Index, by North American Industry Classification System.

Table 330-0008: Raw Materials Price Index, by commodity.

Definitions, data sources and methods: survey numbers 2306 and 2318.

The industrial product and raw materials price indexes for February will be released on April 1.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Industrial product and raw materials price indexes: Annual review, 2013

Industrial Product Price Index

The Industrial Product Price Index (IPPI) rose 0.5% in 2013, mainly because of higher prices for energy and petroleum products.

On an annual basis, it was the fourth consecutive increase for the IPPI. However, the advance in 2013 was smaller than in the three previous years, as the IPPI posted gains of 1.5% in 2010, 7.0% in 2011 and 1.0% in 2012.

Of the 21 major commodity groups, 17 posted higher prices compared with 2012.

A 2.1% increase in the prices of energy and petroleum products was the main reason for the overall advance of the IPPI in 2013. Price increases were observed for most petroleum products, notably motor gasoline (+2.1%) and diesel fuel (+4.0%).

The IPPI excluding energy and petroleum products edged up 0.1%. This advance resulted primarily from higher prices for motorized and recreational vehicles (+1.2%). The IPPI excluding energy and petroleum products has not declined on an annual basis since 2005.

The increase in prices for motorized and recreational vehicles was closely associated with the 3.0% depreciation of the Canadian dollar relative to the US currency in 2013.

Other products also contributed to the increase of the IPPI excluding energy and petroleum products, notably meat, fish, and dairy products (+2.5%). The advance of this commodity group was mostly attributable to higher prices for meat products (+3.6%), specifically fresh and frozen pork (+12.4%).

Conversely, the advance of the IPPI was moderated in large part by primary non-ferrous metal products (-7.2%), which registered a second consecutive decline on an annual basis. The decrease was mostly due to lower prices for unwrought precious metals and precious metal alloys (-12.9%), specifically unwrought silver and silver alloys, as well as unwrought gold and gold alloys.

Raw Materials Price Index

In 2013, the Raw Materials Price Index (RMPI) increased 0.9% compared with 2012, after falling 4.0% in 2012. Of the six major commodity groups, three were up, two were down, and one was unchanged.

The advance of the RMPI was mainly attributable to higher prices for crude energy products (+4.2%). While all of the subcomponents of this group posted higher prices compared with 2012, the increase was mostly due to conventional crude oil (+4.0%).

To a lesser extent, animals and animal products (+2.7%) also pushed the RMPI upward in 2013, primarily as a result of higher prices for live animals (+5.3%), specifically hogs (+8.1%) and cattle and calves (+4.6%). On an annual basis, prices for animals and animal products have been rising since 2007.

The logs, pulpwood, natural rubber and other forestry products group (+2.7%) was also up, as a result of higher prices for logs, pulpwood and other forestry products (+6.4%).

Conversely, the increase of the RMPI was moderated mainly by metal ores, concentrates and scrap (-7.9%), which posted a second consecutive annual decline.

Note to readers

Monthly data on the industrial product and raw materials price indexes are available in CANSIM tables 329-0074 to 329-0077 and 330-0008.

Definitions, data sources and methods: survey numbers 2306 and 2318.

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Households and the Environment Survey, 2011

Data from the Households and the Environment Survey pertaining to the use of fertilizers and pesticides are now available for 2011.

Available in CANSIM: table 153-0064.

Definitions, data sources and methods: survey number 3881.

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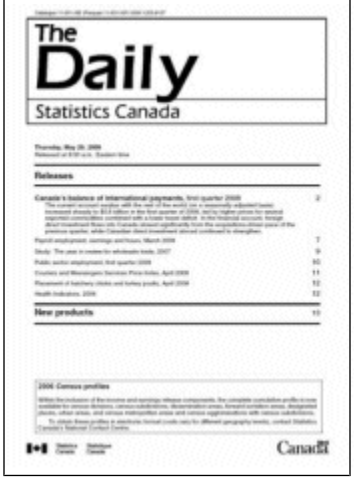
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