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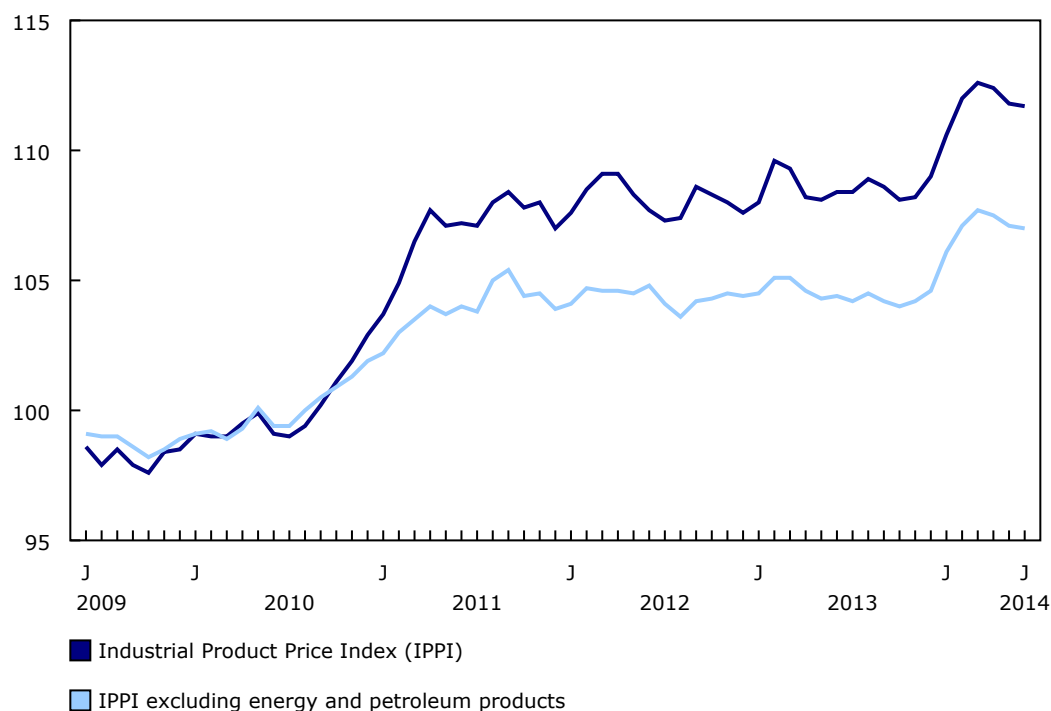
Releases

Industrial product and raw materials price indexes, June 2014

The Industrial Product Price Index (IPPI) edged down 0.1% in June, mainly because of lower prices for motorized and recreational vehicles. The Raw Materials Price Index (RMPI) rose 1.1%, largely as a result of higher prices for crude energy products.

Chart 1 Prices for industrial goods decrease

index (2010=100)



Industrial Product Price Index, monthly change

The IPPI posted a third consecutive monthly decline in June (-0.1%), after decreasing 0.5% in May. Of the 21 major commodity groups, 4 were up, 11 were down and 6 were unchanged.

The decrease in the IPPI was mainly due to lower prices for motorized and recreational vehicles (-0.3%). Lower prices for passenger cars and light trucks (-0.4%) were largely responsible for the decline in this commodity group. The decrease in the prices of motorized and recreational vehicles was closely linked to the appreciation of the Canadian dollar relative to the US dollar.

Fruit, vegetables, feed and other food products (-0.4%) also put downward pressure on the IPPI, mostly because of lower prices for animal feed (-2.1%), which declined for the first time since November 2013.

Primary non-ferrous metal products (-0.3%) was down for a third consecutive month, mainly as a result of lower prices for unwrought precious metals and precious metal alloys, specifically unwrought gold and gold alloys (-2.3%). The decline was moderated by higher prices for unwrought aluminum and aluminum alloys (+3.4%).

Conversely, the decrease in the IPPI was moderated largely by higher prices for meat, fish and dairy products (+0.8%). Meat products, specifically fresh and frozen pork (+2.0%), were mainly responsible for the advance in this commodity group.

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 0.6% increase in the value of the Canadian dollar relative to the US dollar may have had the effect of lowering the IPPI. Without the measurable effect of the exchange rate, the IPPI would have been unchanged instead of decreasing 0.1%.

Industrial Product Price Index, 12-month change

The IPPI rose 3.0% during the 12-month period ending in June, following a 3.4% gain in May.

Compared with June 2013, the advance of the IPPI was mainly attributable to energy and petroleum products (+5.9%), specifically motor gasoline (+6.2%), light fuel oils (+10.5%) and diesel fuel (+7.2%). The IPPI excluding energy and petroleum products increased 2.5% on a year-over-year basis.

Prices for meat, fish and dairy products were up 7.7% from June 2013, primarily as a result of higher prices for meat products, specifically fresh and frozen pork (+26.5%).

Motorized and recreational vehicles (+3.5%) also contributed to the year-over-year increase of the IPPI, because of higher prices for passenger cars and light trucks (+3.4%), motor vehicle engines and motor vehicle parts (+2.9%) and aircraft (+6.8%). On a year-over-year basis, prices for motorized and recreational vehicles have been on an upward trend since July 2013.

To a lesser extent, chemicals and chemical products (+3.3%) and primary ferrous metal products (+7.8%) also contributed to the year-over-year advance of the IPPI.

Compared with June 2013, the increase in chemicals and chemical products was largely due to higher prices for plastic resins (+10.3%) as well as dyes and pigments, and petrochemicals (+3.5%).

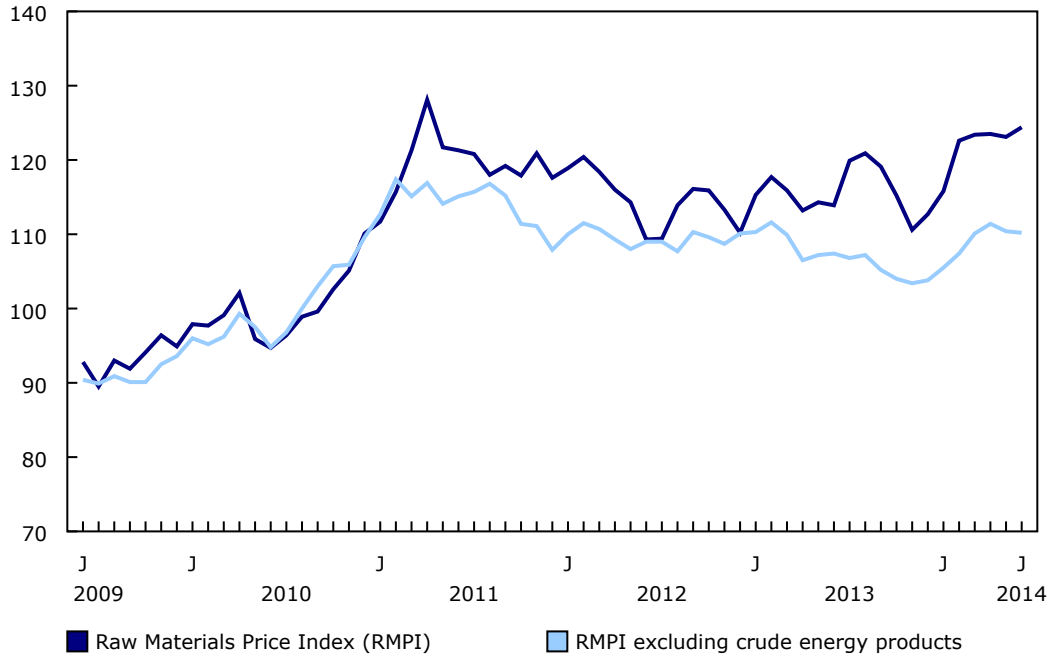
On a year-over-year basis, primary ferrous metal products was pushed upward mainly by higher prices for basic and semi-finished iron and steel products (+8.0%), specifically iron and steel basic shapes (+12.0%).

Raw Materials Price Index, monthly change

The RMPI advanced 1.1% in June, following a 0.3% decline in May. Of the six major commodity groups, two were up, three were down and one was unchanged.

Chart 2
Prices for raw materials increase

index (2010=100)



The increase in the RMPI was mainly attributable to higher prices for crude energy products (+2.2%), which posted a second consecutive monthly gain. The advance of this commodity group was led by conventional crude oil, up 2.2% from May. The RMPI excluding crude energy products was down 0.2%.

To a lesser extent, animals and animal products also contributed to the increase in the RMPI with a 1.3% gain in June, following a 2.9% decline the previous month. Higher prices for live animals (+1.9%), specifically cattle and calves (+3.0%) and hogs (+1.2%), were primarily responsible for the advance in the animals and animal products group.

The increase of the RMPI was moderated by crop products (-1.9%), down for the first time since December 2013. Lower prices for wheat (-7.1%) and other crop products (-1.1%) were largely responsible for the decline in this commodity group.

Prices for metal ores, concentrates and scrap (-0.8%) also moderated the advance of the RMPI in June, following a 0.3% increase in May.

Raw Materials Price Index, 12-month change

The RMPI increased 9.2% during the 12-month period ending in June, after advancing 7.7% in May.

Compared with June 2013, the increase in the RMPI was mainly attributable to higher prices for crude energy products (+15.6%). This was the largest gain since July 2013. Conventional crude oil (+15.8%) was largely responsible for the increase in this commodity group. On a year-over-year basis, the RMPI excluding crude energy products was up 2.6%.

To a lesser extent, animals and animal products (+10.4%) also contributed to the year-over-year gain of the RMPI, primarily as a result of higher prices for live animals (+17.2%), particularly hogs (+21.7%) and cattle and calves (+21.5%). On a year-over-year basis, animal prices have been on an upward trend since April 2013.

Prices for logs, pulpwood, natural rubber and other forestry products (+5.0%) as well as metal ores, concentrates and scrap (+0.4%) were also up compared with June 2013.

The 12-month increase in the RMPI was moderated slightly by lower prices for crop products (-5.7%), which have been decreasing since July 2013. Other crop products (-6.6%), canola (-19.8%) and wheat (-11.6%) were responsible for the decline in crop products.

Note to readers

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.*

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	June 2013	May 2014 ^r	June 2014 ^P	May to June 2014	June 2013 to June 2014
	%	(2010=100)		% change		
Industrial Product Price Index (IPPI)	100.00	108.4	111.8	111.7	-0.1	3.0
IPPI excluding energy and petroleum products	86.40	104.4	107.1	107.0	-0.1	2.5
Aggregation by commodities						
Meat, fish and dairy products	7.21	109.6	117.1	118.0	0.8	7.7
Fruit, vegetables, feed and other food products	7.53	113.4	112.8	112.3	-0.4	-1.0
Beverages (except juices)	1.92	104.3	104.7	104.8	0.1	0.5
Tobacco products	0.25	113.8	122.1	122.1	0.0	7.3
Textile and leather products	0.57	104.3	105.9	105.7	-0.2	1.3
Clothing, footwear and accessories	0.51	101.5	102.1	102.1	0.0	0.6
Chemicals and chemical products	8.46	109.5	113.1	113.1	0.0	3.3
Plastic and rubber products	2.79	105.1	107.6	107.6	0.0	2.4
Lumber and other wood products	2.27	104.9	105.0	105.0	0.0	0.1
Pulp and paper products	4.09	101.4	101.0	100.8	-0.2	-0.6
Energy and petroleum products	13.60	133.5	141.3	141.4	0.1	5.9
Primary ferrous metal products	3.32	98.2	106.0	105.9	-0.1	7.8
Primary non-ferrous metal products	8.03	100.3	103.2	102.9	-0.3	2.6
Fabricated metal products and construction materials	3.17	100.6	102.5	102.2	-0.3	1.6
Motorized and recreational vehicles	17.23	100.8	104.6	104.3	-0.3	3.5
Machinery and equipment	5.73	104.1	105.1	105.0	-0.1	0.9
Electrical, electronic, audiovisual and telecommunication products	4.69	102.8	102.4	102.2	-0.2	-0.6
Furniture and fixtures	1.49	101.5	102.8	102.8	0.0	1.3
Cement, glass, and other non-metallic mineral products	2.34	104.6	105.6	106.3	0.7	1.6
Packaging materials and containers	2.38	104.8	107.6	107.5	-0.1	2.6
Miscellaneous products	2.41	105.7	108.1	107.9	-0.2	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	June 2013	May 2014 ^r	June 2014 ^P	May to June 2014	June 2013 to June 2014
	%	(2010=100)		% change		
Raw Materials Price Index (RMPI)	100.00	113.9	123.1	124.4	1.1	9.2
RMPI excluding crude energy products	51.83	107.4	110.4	110.2	-0.2	2.6
Crude energy products	48.17	120.9	136.7	139.7	2.2	15.6
Crop products	8.68	132.7	127.6	125.2	-1.9	-5.7
Animals and animal products	15.51	118.7	129.3	131.0	1.3	10.4
Non-metallic minerals	1.85	106.8	106.1	106.0	-0.1	-0.7
Logs, pulpwood, natural rubber and other forestry products	2.84	105.0	110.2	110.2	0.0	5.0
Metal ores, concentrates and scrap	22.96	90.5	91.6	90.9	-0.8	0.4

^r revised

^P preliminary

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

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 July will be released on August 29.

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).

Study: The labour market in Canada and the United States since the last recession, 2007 to 2014

In June 2014, the unemployment rate in Canada, adjusted to US concepts, was 6.1%, a rate identical to that in the United States.

From May 2008 to May 2014, the Canadian unemployment rate remained below that in the United States. In November 2010, the difference between the unemployment rates in the United States and Canada was 3.1 percentage points. That marked the largest difference in Canada's favour since 1976. The gap between the two unemployment rates then gradually narrowed as the decline in the unemployment rate in the United States was more rapid than the decline in Canada.

Declining unemployment rates in Canada and the United States over the past four years have been largely driven by declines in labour force participation. The participation rate—the percentage of the working-age population that is employed or looking for work—has declined in both countries since the beginning of the last downturn.

In Canada, the participation rate adjusted to US concepts was at its pre-recession peak in April 2008 at 67.9%. The rate has since declined to 66.0% as of May and June 2014. This was the lowest participation rate in Canada since August 2001.

The participation rate in the United States was 66.4% in January 2007. It subsequently fell by 3.6 percentage points and for the fifth time in nine months stood at 62.8% in June 2014, which was the lowest level since March 1978.

In Canada, the participation rate among prime-age workers aged 25 to 54 remained relatively stable during and after the recession, before declining 1.1 percentage points to 84.9% from November 2013 to June 2014.

In the United States, the decline in the participation rate among that same age group was larger and more gradual. At 80.9% in June 2014, it was 2.5 percentage points lower than it was in January 2007.

In the United States as in Canada, the employment rate, the proportion of the working-age population that is employed, remained relatively stable over the past five years. In Canada, the employment rate in June 2014, adjusted to US concepts, stood at 62.0%, a rate identical to that of July 2009. In the United States, the employment rate did not change much from the end of the last recession to 2013. It increased slightly in the wake of a rise in employment growth in the first half of 2014. It stood at 59.0% in June 2014. A stable employment rate indicates that employment growth is similar to growth in the working-age population.

Note to readers

This article reports on recent labour market trends in both Canada and the United States since the last recession. The data for Canada come from Statistics Canada's Labour Force Survey, while those for the United States come from the Current Population Survey, a survey produced for the Bureau of Labor Statistics. For the purposes of comparison, the Canadian data have been adjusted to follow the concepts used in the United States.

Definitions, data sources and methods: survey number 3701.

The study "The Labour Market in Canada and the United States since the Last Recession," part of the *Economic Insights* series (11-626-X), is now available from the *Browse by key resource* module of our website under *Publications*.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact André Bernard (613-951-4660), Analytical Studies Branch.

Railway carloadings, May 2014

The volume of rail freight carried in Canada totalled 31.4 million tonnes in May, a 7.0% gain from the same month last year. The increase in shipments was brought on by higher volumes of domestic freight as well as traffic received from the United States.

Domestic rail freight originating in Canada and destined within Canada and other parts of the world increased 5.4% to 27.5 million tonnes. These shipments are composed of non-intermodal freight (that is, cargo moved via box cars or loaded in bulk) and intermodal freight (that is, cargo moved via containers and trailers on flat cars).

Non-intermodal freight advanced 5.1% to 300,000 carloads. The amount of freight loaded into these cars totalled 24.7 million tonnes, up 5.2%. Among the commodity groups that posted the largest increases were those of an agricultural nature. These included wheat (up 951 000 tonnes) and colza seeds (up 508 000 tonnes). Other groupings with strong gains included fuel oils and crude petroleum (up 262 000 tonnes) and coal (up 243 000 tonnes).

Intermodal freight loadings rose 7.1% to 189,000 units in May. From a tonnage perspective, traffic grew 6.8% to 2.9 million tonnes. The gain stemmed from increases in both containerized cargo shipments and trailers loaded on flat cars.

Traffic received from the United States increased a robust 20.0% to 3.8 million tonnes. The rise in tonnage was brought on solely by increased shipments of non-intermodal freight.

Note to readers

Data in this release are not seasonally adjusted.

For non-intermodal traffic, rail carriers report the number of cars and tonnes by commodity of revenue-generating freight that they have loaded in Canada.

For intermodal freight, the carriers report the number of units and tonnes for containers on flat cars and trailers on flat cars, with no commodity data.

Available in CANSIM: table 404-0002.

Definitions, data sources and methods: survey number 2732.

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).

Survey of Innovation and Business Strategy, 2012

Relocation or outsourcing of business activities

During the 2010 to 2012 period, 5.2% of Canadian enterprises relocated their business activities from Canada to another country. Enterprises in finance and insurance (15.0%) and utilities (10.4%) had the highest rates of relocating any business activities to another country.

For the three-year period of 2010 to 2012, large enterprises (18.2%) led in relocating any business activities to another country, followed by medium-sized (5.7%) and small enterprises (3.5%). During 2010 to 2012, the rates of enterprises across all the size groups relocating business activities to another country declined from the 2007 to 2009 period.

For the three-year period from 2010 to 2012, 20.6% of enterprises outsourced (contracted out) business activities from Canada to another country, up from 16.8% for the 2007 to 2009 period.

Canadian enterprises relocating business activities from another country into Canada edged up from 1.8% in 2007 to 2009 to 2.2% for 2010 to 2012. Large enterprises (6.2%) led all enterprise size groups in relocating business activities into Canada during the 2010 to 2012 period.

Table 1
Relocation or outsourcing of any business activities, by regions, all surveyed industries, 2010 to 2012

	Canada	Atlantic region ¹	Quebec	Ontario	Alberta	Rest of Canada ²
	%					
Relocation of any business activities to another country	5.2 ^A	1.4 ^A	7.9 ^B	4.1 ^A	2.4 ^A	10.1 ^B
Outsourcing of any business activities to another country	20.6 ^B	10.1 ^B	13.4 ^B	25.2 ^B	11.1 ^B	22.6 ^E
Relocation of any business activities from another country into Canada	2.2 ^A	1.0 ^A	4.0 ^B	2.3 ^A	0.5 ^A	1.1 ^A

^A very reliable (standard error between 0% and 2.49%)

^B reliable (standard error between 2.50% and 7.49%)

^E use with caution

1. The Atlantic region comprises Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick.

2. The rest of Canada comprises Manitoba, Saskatchewan, British Columbia, Yukon, the Northwest Territories and Nunavut.

Note(s): Survey of Innovation and Business Strategy (SIBS) 2012 estimates are provided as percentages accompanied by quality indicators. Data quality indicators are based on the standard error (SE) and number of observations in the estimates. Quality indicators for SIBS are the following: A is very reliable (SE between 0% and 2.49%); B is reliable (SE between 2.50% and 7.49%); E is use with caution (SE between 7.50% and 14.99%); and F is too unreliable to be published (SE greater than or equal to 15.00%). Categories are not mutually exclusive and do not add up to 100%.

Global value chains module: Data availability

Data on global value chains from the Survey of Innovation and Business Strategy, first released in The Daily on [March 10, 2014](#), are now available in CANSIM for 2009 and 2012. Tables on enterprise structure, operational activities, relocation of business activities from Canada to another country, relocation of business activities into Canada, sales activities, changes to business practices and relationship with main suppliers are available by region, enterprise size and all surveyed industries.

Available in CANSIM: tables 358-0271 to 358-0303.

Tables 358-0271 to 358-0276: Enterprise structure.

Tables 358-0277 to 358-0283: Operational activities.

Tables 358-0284 to 358-0291: Relocation of business activities from Canada to another country.

Tables 358-0292 to 358-0294: Relocation of business activities into Canada.

Tables 358-0295 to 358-0301: Sales activities.

Table 358-0302: Changes to business practices.

Table 358-0303: Relationship with main suppliers.

Definitions, data sources and methods: survey number 5171.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Louise Earl (613-951-2880) or Marc Nadeau (613-951-3692), Investment, Science and Technology Division.

Sawmills, May 2014

Lumber production by sawmills decreased 6.7% from April to 4 904.4 thousand cubic metres in May. Compared with May 2013, lumber production declined by 5.2%. Sawmills shipped 5 139.1 thousand cubic metres of lumber in May, up 3.4% from April.

Available in CANSIM: tables 303-0064 and 303-0065.

Definitions, data sources and methods: survey number 2134.

The May 2014 issue of *Sawmills*, Vol. 68, no. 5 (35-003-X), will soon be available.

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).

New products and studies

New products

Income Research Paper Series: "User's Guide for Cross-Sectional Public-Use Microdata File: Survey of Labour and Income Dynamics (SLID), 2011", No. 1
Catalogue number 75F0002M2014001 (HTML | PDF)

Survey of Labour and Income Dynamics: Public-Use Microdata File, 2011
Catalogue number 75M0010X (CD-ROM)

New studies

Economic Insights: "The Labour Market in Canada and the United States since the Last Recession", No. 36
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