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Releases

Canadian economic accounts, fourth quarter 2014 and December 2014

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Real gross domestic product (GDP) grew 0.6% in the fourth quarter, following a 0.8% gain in the third quarter. On a monthly basis, real GDP increased 0.3% in December.

Industrial product and raw materials price indexes, January 2015

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The Industrial Product Price Index declined 0.4% in January, largely as a result of lower prices for energy and petroleum products. The Raw Materials Price Index decreased 7.7% in January, mainly because of lower prices for crude energy products.

New products and studies

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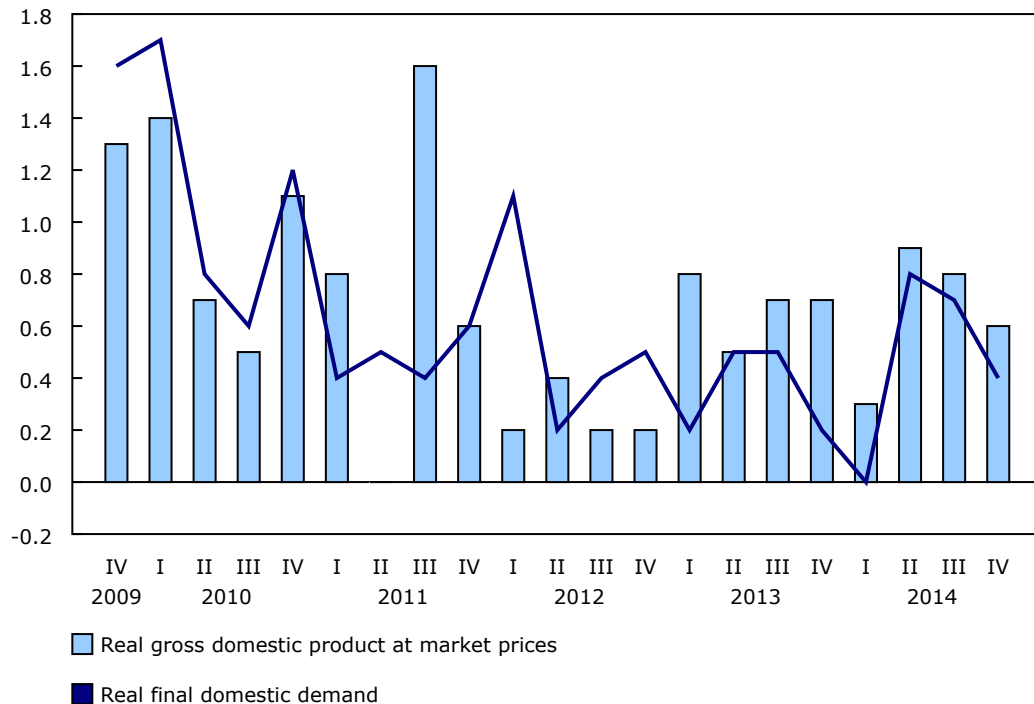
Releases

Canadian economic accounts, fourth quarter 2014 and December 2014

Real gross domestic product (GDP) grew 0.6% in the fourth quarter, following a 0.8% gain in the third quarter. On a monthly basis, real GDP increased 0.3% in December.

Chart 1 Gross domestic product and final domestic demand

quarterly % change, chained (2007) dollars



Source(s): CANSIM table 380-0064.

Household final consumption expenditure rose 0.5%, contributing to economic growth in the fourth quarter, while business gross fixed capital formation edged down 0.1% after a strong third quarter. Final domestic demand rose 0.4%, following a 0.7% increase.

After two quarters of drawing down on inventories, businesses, mostly in retail and wholesale trade, added \$8.0 billion to stocks.

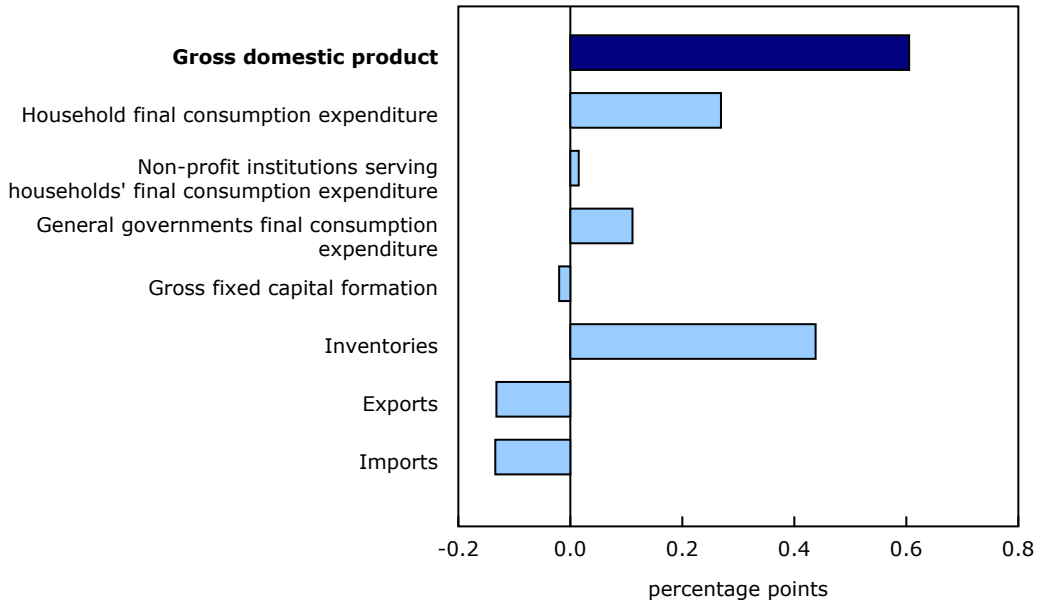
Household spending on durable, semi-durable and non-durable goods all increased. Outlays on services were also higher.

Lower business gross fixed capital formation was driven by a decrease in investment in non-residential structures (-0.5%) and machinery and equipment (-0.8%).

Exports of goods and services fell 0.4% after increasing 2.2% in the previous quarter. Exports of goods were lower, while those of services were higher. Imports were up 0.4%.

Chart 2

Contributions to percent change in real gross domestic product, fourth quarter 2014



Source(s): CANSIM table [380-0064](#).

Most major industrial sectors increased production in the fourth quarter. The value added of service industries rose 0.6%, while that of goods-producing industries increased 0.5%.

Oil and gas extraction and the finance and insurance sector were the main contributors to growth in the fourth quarter. The public sector posted a notable increase, led by educational services. There were also gains in utilities, construction, wholesale and retail trade, professional services, accommodation and food services as well as transportation and warehousing services.

Expressed at an annualized rate, real GDP expanded 2.4% in the fourth quarter. By comparison, real GDP in the United States grew 2.2%.

Household spending continues to increase

Household final consumption expenditure rose 0.5% in the fourth quarter, following a 0.6% gain in the third quarter. Outlays on goods were up 0.4%, with durable (+0.4%), semi-durable (+0.8%) and non-durable (+0.3%) goods all contributing to the increase. Outlays on services advanced 0.6%.

Expenditures on transport advanced 1.1%, as operation of transport equipment rose 2.6%, mainly as a result of increases in fuel and lubricants, spare parts and accessories for vehicles as well as maintenance and repair for vehicles. Purchase of vehicles declined 0.2% following two strong quarters of growth. Insurance and financial services increased 1.6%, while housing, water, electricity, gas and other fuels was up 0.4%.

Lower business investment in plant and equipment

Following two consecutive quarters of growth, business investment in non-residential structures fell 0.5% in the fourth quarter as a result of lower investment in both engineering structures (-0.5%) and non-residential buildings (-0.3%).

Business outlays on machinery and equipment (-0.8%) decreased after two consecutive quarters of growth. Lower investment in industrial machinery and equipment (-1.7%), communications and audio and video equipment (-3.8%) and other electrical and electronic machinery and equipment (-4.3%) contributed to the decline.

Outlays on intellectual property products by businesses increased 1.0% in the fourth quarter, after a 2.8% gain in the third quarter. Business investment in mineral exploration and evaluation rose 6.9%, a second consecutive quarterly increase. Purchases of software were down 0.9%.

Investment in housing decelerates

Following two strong quarters, business investment in residential structures rose 0.4% in the fourth quarter. Increased investment in new home construction (+1.6%) and renovations (+0.7%) were tempered by lower ownership transfer costs (-2.8%), reflecting weaker real estate activity.

Business inventories grow

Businesses added \$10.5 billion to non-farm inventories in the fourth quarter, compared with \$3.7 billion in the third quarter.

Retailers' inventories of durable goods rose mainly as a result of increased inventory accumulation of motor vehicles (+\$3.2 billion). Wholesalers' inventories of durable goods rose \$4.5 billion in the fourth quarter. Manufacturers' inventories of non-durable goods increased \$3.7 billion and that of durable goods declined \$1.9 billion.

Farm inventories, notably grains, were reduced for a third consecutive quarter. However, inventories of grain in commercial channels increased by \$0.9 billion.

Exports down

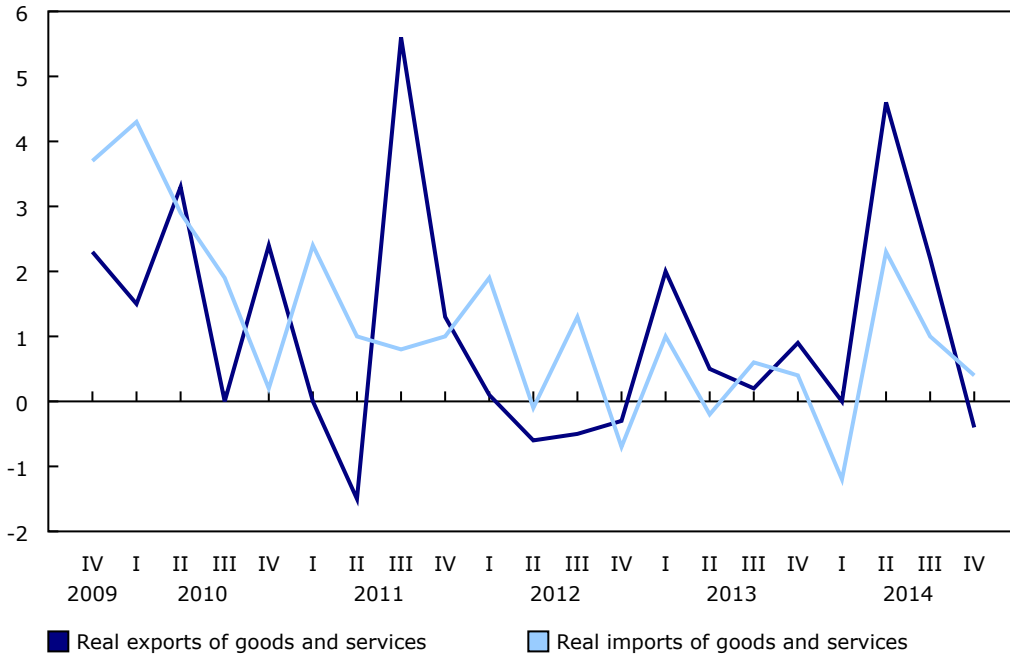
Exports of goods and services were down 0.4% in the fourth quarter, following a 2.2% gain in the third quarter. Exports of goods decreased 0.6%, with farm, fishing and intermediate food products (-13.4%) contributing most to the decrease.

Exports of motor vehicles and parts (-3.5%) and energy products (-1.3%) were notably lower. Metal and non-metallic mineral products grew 5.4%.

Service exports increased 0.9%, following a 0.6% decline in the third quarter. The increase was driven by higher exports of commercial services (+0.9%).

Chart 3
Exports and imports

quarterly % change, chained (2007) dollars



Source(s): CANSIM table [380-0064](#).

Imports advance at a slower pace

Imports of goods and services grew 0.4% in the fourth quarter, after increasing 1.0% in the third quarter.

Imports of goods advanced 0.5%, led by energy products (+8.1%), metal and non-metallic mineral products (+3.0%) and motor vehicles and parts (+1.1%).

Imports of metal ores and non-metallic minerals (-8.8%), basic and industrial chemical, plastic and rubber products (-1.6%) and industrial machinery, equipment and parts (-1.3%) were among the main sources of weakness.

Imports of services edged down 0.1%, the second consecutive quarterly decline. Imports of commercial services (-0.6%) contributed most to the decrease.

Terms of trade weaken

The terms of trade, measured by export prices relative to import prices, weakened for the third consecutive quarter. As a result, real gross domestic income edged down 0.1%.

Export prices declined 1.6% in the fourth quarter, while import prices were 0.5% higher. The overall price of goods and services produced in Canada fell 0.6% after increasing 0.4% in the previous quarter, with the lower price of energy products contributing to the decline.

Economy-wide income unchanged

Nominal GDP was unchanged in the fourth quarter after advancing 1.1% in the previous quarter. This was the slowest growth since the second quarter of 2009.

Compensation of employees rose 0.5%, following a 1.0% gain in the previous quarter. Wages and salaries (+0.5%) and employers' social contributions (+0.6%) both contributed to the increase.

Gross operating surplus of non-financial corporations decreased 1.0%, after five consecutive quarters of growth. That of financial corporations fell 2.9% after posting an 8.6% increase in the previous quarter. Overall, the gross operating surplus of corporations decreased 0.9%, the weakest showing since the second quarter of 2012.

Household saving rate edges down

The household saving rate decreased for the third consecutive quarter and, at 3.6%, was the lowest since the first quarter of 2010.

The household debt service ratio, defined as household mortgage and non-mortgage interest paid divided by disposable income, was 6.88%, virtually unchanged from the previous quarter.

The national saving rate went from 6.0% in the third quarter to 5.3% in the fourth quarter, as national net saving fell 12.3%. National disposable income was down 0.2%, following five consecutive quarterly increases.

Annual 2014

Real GDP rose 2.5% in 2014 after increasing 2.0% in 2013. Final domestic demand advanced 1.6% following a similar increase the previous year.

Household final consumption expenditure rose 2.8%, as outlays on goods (+3.4%) and services (+2.2%) both advanced. Spending on durable (+5.3%), semi-durable (+3.6%) and non-durable (+2.4%) goods all increased. In 2013, household spending increased 2.5%.

Business gross fixed capital formation rose 0.9% in 2014 after increasing 0.8% in 2013. This follows an average annual increase of 8.9% in the previous three years. Business investment in residential structures increased 2.8%, after declining 0.4% in 2013. Outlays on renovations and new home construction were up 3.9% and 0.5% respectively. Business investment in plant and equipment edged up 0.1%, its growth decelerating for the fourth consecutive year.

Governments' gross fixed capital formation (-2.3%) decreased for the fourth consecutive year.

Exports of goods rose 6.0%, while those of services were 2.3% higher. Overall, exports advanced 5.4% after increasing 2.0% in 2013. Imports of goods increased 2.4% and were partially offset by a 1.3% decline in imports of services. Overall, imports grew 1.7%, following a 1.3% increase the previous year.

Value added of all major industrial sectors rose in 2014 with the exception of the agriculture and forestry sector.

Mining and oil and gas extraction as well as manufacturing were the main contributors to overall growth in goods production (+2.4%). Construction and utilities also advanced. The gains were partly offset by a decrease in the agriculture and forestry sector, pulled down by falling crop production following strong growth in 2013. Wholesale and retail trade, finance and insurance, the public sector (education, health and public administration combined), transportation and warehousing services, professional services as well as accommodation and food services contributed to the increase in service-producing industries (+2.4%).

Household disposable income (in current dollars) grew 3.4%, the slowest pace in five years. As a result, the household saving rate declined from 5.2% in 2013 to 4.0% in 2014.

Real gross domestic income grew 2.1%, following a 2.0% increase in 2013. Canada's terms of trade declined 1.3%, after edging up in 2013.

The price of goods and services produced in Canada increased 1.8% in 2014, compared with a 1.4% gain in 2013. The price of final domestic demand grew 2.2% following a 1.7% gain in the previous year.

Gross domestic product by industry, December 2014

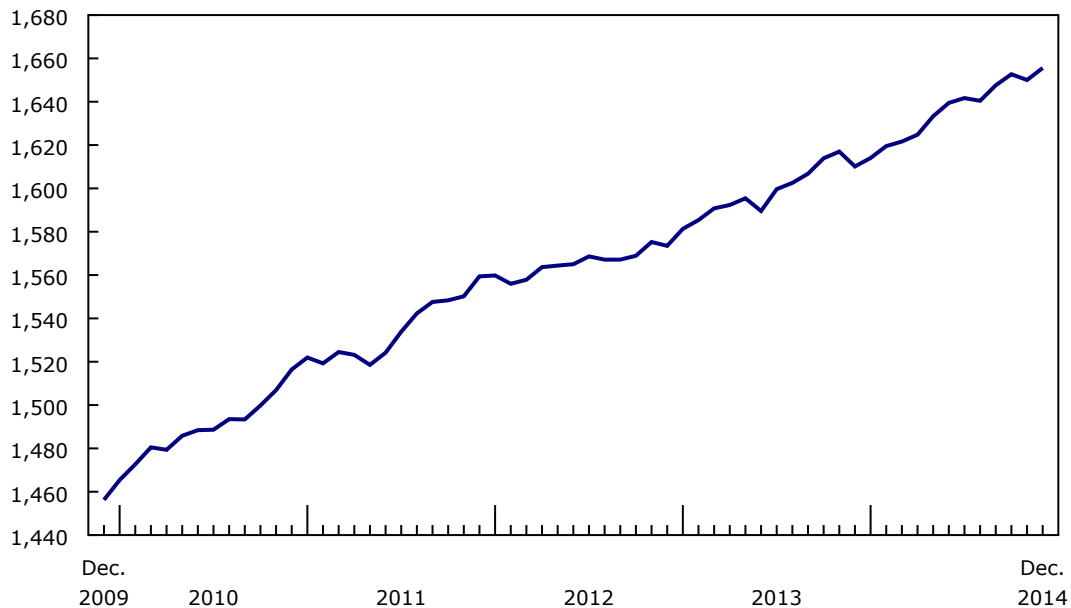
Real GDP advanced 0.3% in December after declining 0.2% in November, led mainly by growth in manufacturing.

Goods production increased 0.6% in December. Notable gains were registered in manufacturing and, to a much lesser extent, in construction. In contrast, mining, quarrying, and oil and gas extraction as well as utilities declined.

The output of service industries advanced 0.2% in December. Notable gains in wholesale trade and the finance and insurance sector were partially offset by declines in retail trade and the public sector (education, health and public administration combined).

Chart 4 Real gross domestic product grows in December

billions of chained (2007) dollars — All industries



Source(s): CANSIM table [379-0031](#).

Manufacturing output advances

Manufacturing output increased 2.5% in December after declining 1.6% in November.

Durable-goods manufacturing advanced 2.3% in December, as most industrial subgroups recorded increases. There were notable increases in the manufacturing of machinery, transportation equipment and fabricated metal products.

Non-durable goods manufacturing increased 2.9% in December, mostly as a result of notable increases in chemical, food, and, to a lesser extent, plastic and rubber products manufacturing.

Mining, quarrying, and oil and gas extraction declines

Mining, quarrying, and oil and gas extraction decreased 0.8% in December, following a 1.1% decline in November.

Oil and gas extraction was down 1.4% in December following a 0.9% decrease in November. Conventional oil and gas as well as non-conventional oil extraction declined.

Support activities for mining and oil and gas extraction decreased 1.6% as rigging services declined.

In contrast, mining and quarrying (excluding oil and gas extraction) rose 1.4% in December. Increases in non-metallic mineral, iron ore and coal mining were partially offset by a decrease in copper, nickel, lead and zinc mining.

Wholesale trade increases while retail trade declines

Wholesale trade advanced 1.6% in December, reversing the declines in October and November. The wholesaling of building materials and supplies, miscellaneous products and supplies (which include agricultural supplies), motor vehicle and parts as well as personal and household goods were up.

Retail trade was down 1.4% in December following a 0.7% increase in November. All industrial subgroups of retail trade were down with the exception of retailing activity at food and beverage stores, as well as health and personal care stores. Decreases were notable in clothing and clothing accessories stores, general merchandise stores (which include department stores), and electronics and appliance stores.

The finance and insurance sector increases

The finance and insurance sector was up 1.3% in December. There were notable gains in banking and financial investment services, and, to a lesser extent, in insurance services.

Construction rises

Construction rose 0.3% in December. Increases in residential building, repair and engineering construction were partially offset by a decline in non-residential building construction.

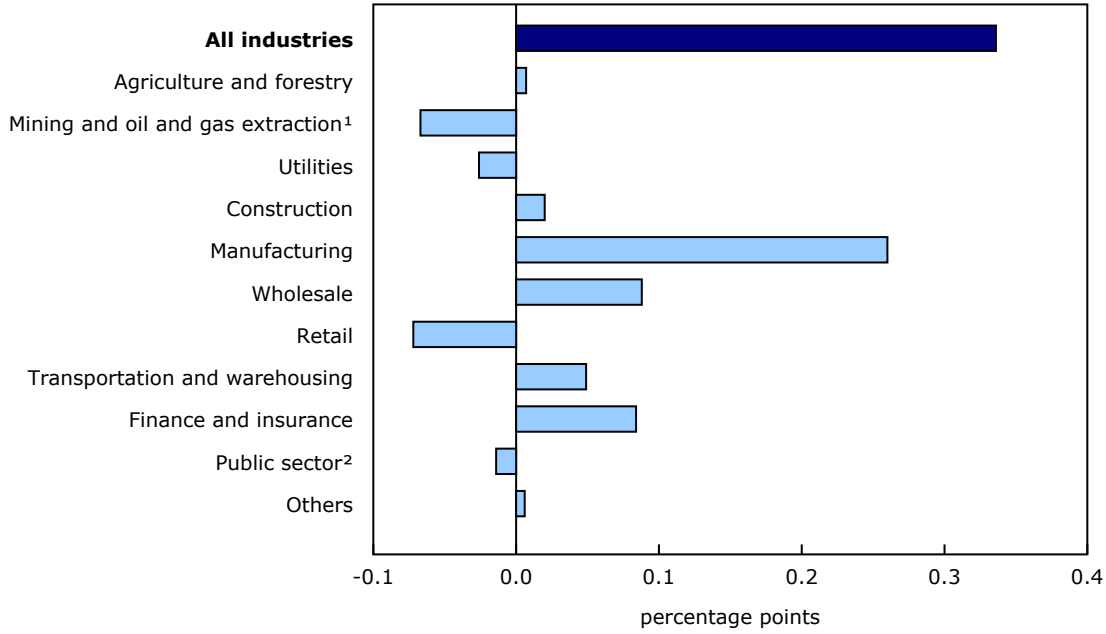
The output of real estate agents and brokers declined 3.1% in December, a fourth consecutive monthly decline.

Other industries

Utilities decreased 1.1% in December, after increasing 2.7% in November. The demand for both electricity and natural gas declined in December, partly as a result of unseasonably warm weather in some parts of the country.

The agriculture and forestry sector grew 0.4% in December, mainly the result of higher crop production.

Chart 5
Main industrial sectors' contribution to the percent change in gross domestic product,
December 2014



1. Includes quarrying.

2. Education, health and public administration.

Source(s): Gross domestic product by industry (1301).

Note to readers

For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Percentage changes for expenditure-based and industry-based statistics (such as personal expenditures, investment, exports, imports and output) are calculated from volume measures that are adjusted for price variations. Percentage changes for income-based and flow-of-funds statistics (such as labour income, corporate profits, mortgage borrowing and total funds raised) are calculated from nominal values; that is, they are not adjusted for price variations.

There are four ways of expressing growth rates for gross domestic product (GDP) and other time series found in this release.

1. Unless otherwise stated, the growth rates of all quarterly data in this release represent the percentage change in the series from one quarter to the next, such as from the third quarter to the fourth quarter of 2014.

2. Quarterly growth can be expressed at an annual rate by using a compound growth formula, similar to the way in which a monthly interest rate can be expressed at an annual rate. Expressing growth at an annual rate facilitates comparisons with official GDP statistics from the United States. Both the quarterly growth rate and the annualized quarterly growth rate should be interpreted as an indication of the latest trend in GDP.

3. The year-over-year growth rate is the percentage change in GDP from a given quarter in one year to the same quarter one year later, such as from the fourth quarter of 2013 to the fourth quarter of 2014.

4. The growth rates of all monthly data in this article represent the percentage change in the series from one month to the next, such as from November to December 2014.

Products, services and contact information

Detailed analysis and tables

The [System of macroeconomic accounts](#) module, accessible from the *Browse by key resource* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The paper "Quarterly estimation of investments of the oil and gas extraction industry" is now available, as part of *Latest Developments in the Canadian Economic Accounts (13-605-X)*.

Links to other releases from the national accounts can be found in the fourth quarter 2014 issue of [Canadian Economic Accounts Quarterly Review](#), Vol. 13, no. 4 ([13-010-X](#)). This publication is now available from the *Browse by key resource* module of our website under *Publications*. This publication will be updated on March 12, at the time of the release of the national balance sheet and financial flow accounts.

Table 1

Gross domestic product by income account – Seasonally adjusted at annual rates

	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	Third quarter 2014	Fourth quarter 2014	Third quarter 2014	Fourth quarter 2014
	quarter-to-quarter % change						millions of dollars	
Compensation of employees	0.8	1.1	1.1	0.6	1.0	0.5	999,224	1,004,328
Gross operating surplus	2.6	0.4	3.1	1.5	1.7	-0.9	566,932	561,592
Gross mixed income	1.4	0.0	0.3	1.2	0.9	0.9	226,392	228,324
Taxes less subsidies on production	-0.9	1.0	-0.9	1.4	0.5	-0.4	77,740	77,412
Taxes less subsidies, on products and imports	1.4	1.6	3.3	0.6	1.6	0.3	122,028	122,400
Statistical discrepancy (millions of dollars)	-1,048	-76	836	188	-1,132	-1,124	-292	-1,416
Gross domestic product at market prices	1.3	0.8	1.7	1.0	1.1	0.0	1,992,024	1,992,640

Source(s): CANSIM table [380-0063](#).

Table 2
Real gross domestic product by expenditure account, quarterly change – Seasonally adjusted at annual rates, chained (2007) dollars

	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	Third quarter 2014	Fourth quarter 2014	Third quarter 2014	Fourth quarter 2014
	quarter-to-quarter % change						millions of dollars	
Final consumption expenditure	0.5	0.5	0.2	0.9	0.4	0.5	1,351,287	1,358,232
Household final consumption expenditure	0.8	0.7	0.3	1.1	0.6	0.5	978,053	982,885
Non-profit institutions serving households' final consumption expenditure	-0.8	0.1	0.8	-0.1	1.0	1.1	25,460	25,732
General governments final consumption expenditure	-0.1	-0.0	-0.1	0.4	-0.1	0.5	348,969	350,813
Gross fixed capital formation	0.3	-0.6	-0.6	0.7	1.6	-0.1	410,110	409,763
Business gross fixed capital formation	0.4	-0.4	-0.5	0.8	1.8	-0.1	345,121	344,775
Residential structures	0.1	-0.6	-0.9	2.8	3.0	0.4	117,529	117,965
Non-residential structures, machinery and equipment	0.1	-0.4	-0.3	0.5	0.9	-0.6	195,594	194,449
Intellectual property products	2.9	0.1	-0.6	-4.2	2.8	1.0	33,488	33,831
General governments gross fixed capital formation	0.0	-1.7	-1.1	0.1	0.6	0.0	62,902	62,922
Investment in inventories (millions of dollars)	4,069	5,132	-2,174	-9,270	-5,242	7,364	653	8,017
Exports of goods and services	0.2	0.9	0.0	4.6	2.2	-0.4	562,994	560,663
Less: imports of goods and services	0.6	0.4	-1.2	2.3	1.0	0.4	576,646	579,017
Statistical discrepancy (millions of dollars)	947	64	-742	-163	994	1,002	254	1,256
Gross domestic product at market prices	0.7	0.7	0.3	0.9	0.8	0.6	1,757,162	1,767,784
Final domestic demand	0.5	0.2	0.0	0.8	0.7	0.4	1,759,789	1,766,335

Source(s): CANSIM table [380-0064](#).

Table 3
Real gross domestic product by expenditure account, annualized change – Seasonally adjusted at annual rates, chained (2007) dollars

	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	Third quarter 2014	Fourth quarter 2014	Third quarter 2014	Fourth quarter 2014
	quarter-to-quarter % change, annualized						millions of dollars	
Final consumption expenditure	2.1	1.9	0.9	3.7	1.8	2.1	1,351,287	1,358,232
Household final consumption expenditure	3.1	2.7	1.3	4.6	2.6	2.0	978,053	982,885
Non-profit institutions serving households' final consumption expenditure	-3.3	0.4	3.3	-0.5	4.2	4.3	25,460	25,732
General governments final consumption expenditure	-0.2	-0.0	-0.3	1.4	-0.3	2.1	348,969	350,813
Gross fixed capital formation	1.4	-2.3	-2.5	2.7	6.4	-0.3	410,110	409,763
Business gross fixed capital formation	1.6	-1.5	-2.2	3.2	7.3	-0.4	345,121	344,775
Residential structures	0.5	-2.3	-3.7	11.6	12.5	1.5	117,529	117,965
Non-residential structures, machinery and equipment	0.5	-1.4	-1.2	2.0	3.5	-2.3	195,594	194,449
Intellectual property products	11.9	0.5	-2.6	-15.8	11.5	4.2	33,488	33,831
General governments gross fixed capital formation	0.2	-6.5	-4.3	0.5	2.3	0.1	62,902	62,922
Investment in inventories (millions of dollars)	4,069	5,132	-2,174	-9,270	-5,242	7,364	653	8,017
Exports of goods and services	0.6	3.7	0.2	19.7	8.9	-1.6	562,994	560,663
Less: imports of goods and services	2.4	1.4	-4.7	9.7	4.2	1.7	576,646	579,017
Statistical discrepancy (millions of dollars)	947	64	-742	-163	994	1,002	254	1,256
Gross domestic product at market prices	2.7	2.9	1.0	3.8	3.2	2.4	1,757,162	1,767,784
Final domestic demand	1.9	0.9	0.1	3.4	2.9	1.5	1,759,789	1,766,335

Source(s): CANSIM table [380-0064](#).

Table 4
Real gross domestic product by expenditure account – Seasonally adjusted at annual rates

	Third quarter 2014	Fourth quarter 2014	Fourth quarter 2014		
			Contributions to percent change in real gross domestic product	Contributions to percent change in implicit price indexes	Annualized contributions to percent change in real gross domestic product
	millions of chained (2007) dollars		percentage points		
Final consumption expenditure	1,351,287	1,358,232	0.395	0.069	1.590
Household final consumption expenditure	978,053	982,885	0.269	0.027	1.081
Goods	451,707	453,439	0.093	-0.076	0.371
Durable goods	142,859	143,401	0.026	0.010	0.105
Semi-durable goods	82,207	82,864	0.031	0.008	0.125
Non-durable goods	228,573	229,177	0.035	-0.095	0.141
Services	526,205	529,270	0.176	0.103	0.710
Non-profit institutions serving households' final consumption expenditure	25,460	25,732	0.015	0.004	0.061
General governments final consumption expenditure	348,969	350,813	0.111	0.039	0.448
Gross fixed capital formation	410,110	409,763	-0.020	0.139	-0.076
Business gross fixed capital formation	345,121	344,775	-0.020	0.128	-0.076
Residential structures	117,529	117,965	0.026	0.047	0.105
Non-residential structures, machinery and equipment	195,594	194,449	-0.065	0.106	-0.262
Non-residential structures	115,189	114,661	-0.033	0.024	-0.133
Machinery and equipment	77,526	76,889	-0.032	0.083	-0.129
Intellectual property products	33,488	33,831	0.020	-0.025	0.081
Non-profit institutions serving households' gross fixed capital formation	2,264	2,239	-0.001	0.000	-0.004
General governments gross fixed capital formation	62,902	62,922	0.001	0.011	0.004
Investment in inventories	653	8,017	0.438	-0.083	1.768
Exports of goods and services	562,994	560,663	-0.132	-0.515	-0.533
Goods	481,087	478,010	-0.173	-0.504	-0.698
Services	82,778	83,484	0.041	-0.012	0.165
Less: imports of goods and services	576,646	579,017	0.134	0.180	0.545
Goods	469,829	472,265	0.139	0.162	0.561
Services	106,553	106,475	-0.004	0.018	-0.016
Statistical discrepancy	254	1,256	0.057	0.000	0.230
Gross domestic product at market prices	1,757,162	1,767,784	0.605	-0.570	2.434
Final domestic demand	1,759,789	1,766,335	0.375	0.209	1.514

Source(s): CANSIM table [380-0064](#) and [380-0066](#)

Table 5
Canadian economic accounts key indicators – Seasonally adjusted

	Third quarter 2013	Fourth quarter 2013	First quarter 2014	Second quarter 2014	Third quarter 2014	Fourth quarter 2014
Economy-wide						
Real gross domestic income (index 2007=100)	109.8	110.3	111.0	111.5	112.2	112.0
Gross domestic product deflator (index 2007=100)	111.3	111.4	113.0	113.0	113.4	112.7
Terms of trade (index 2007=100)	102.4	101.5	103.1	101.3	100.7	98.5
Household sector						
Household disposable income (millions of dollars)	1,082,044	1,095,188	1,107,636	1,112,920	1,122,476	1,127,836
Household net saving (millions of dollars)	50,444	54,200	55,616	42,272	41,108	40,584
Household saving rate (%)	4.7	4.9	5.0	3.8	3.7	3.6
Household debt service ratio (%)	7.10	7.00	6.92	6.88	6.87	6.88
Government sector						
General government disposable income (millions of dollars)	378,836	379,908	388,892	389,280	398,620	397,308
General government net saving (millions of dollars)	-29,628	-30,424	-27,328	-27,484	-18,732	-23,024
Corporate sector						
Non-financial corporations' net operating surplus (millions of dollars)	230,116	234,068	245,504	249,288	252,644	245,796
Financial corporations' net operating surplus (millions of dollars)	29,260	25,488	26,920	29,028	32,772	31,220
Non-financial corporations' net saving (millions of dollars)	17,480	13,948	22,320	28,796	26,488	11,920
Financial corporations' net saving (millions of dollars)	39,748	41,944	38,620	45,656	49,988	59,176
National						
National net saving (millions of dollars)	76,588	77,940	88,676	89,040	97,548	85,532
National saving rate (%)	5.0	5.0	5.6	5.6	6.0	5.3

Source(s): CANSIM tables [380-0065](#), [380-0066](#), [380-0071](#), [380-0072](#), [380-0073](#), [380-0076](#) and [380-0079](#).

Table 6
Real gross domestic product by expenditure account, year-over-year change – Seasonally adjusted at annual rates, chained (2007) dollars

	2009	2010	2011	2012	2013	2014	2013	2014
	year-over-year % change						millions of dollars	
Final consumption expenditure	1.2	3.2	1.9	1.7	1.9	2.0	1,320,106	1,347,030
Household final consumption expenditure	0.3	3.5	2.2	1.9	2.5	2.8	947,321	973,441
Non-profit institutions serving households' final consumption expenditure	2.9	-0.8	6.5	2.3	1.6	1.3	25,082	25,406
General governments final consumption expenditure	3.3	2.7	0.8	1.2	0.4	0.3	348,251	349,258
Gross fixed capital formation	-11.5	11.5	4.8	4.8	0.4	0.4	404,755	406,186
Business gross fixed capital formation	-15.6	11.7	7.9	7.0	0.8	0.9	338,438	341,377
Residential structures	-7.0	8.7	1.7	5.7	-0.4	2.8	112,048	115,167
Non-residential structures, machinery and equipment	-20.2	14.5	12.7	9.0	2.6	0.1	193,959	194,222
Intellectual property products	-16.9	9.9	5.7	1.0	-4.6	-1.4	33,944	33,484
General governments gross fixed capital formation	9.3	10.5	-7.1	-4.8	-1.6	-2.3	64,168	62,710
Investment in inventories (millions of dollars)	-13,136	4,651	11,364	-3,474	4,930	-4,935	12,368	7,433
Exports of goods and services	-13.1	6.9	4.6	2.6	2.0	5.4	522,052	550,404
Less: imports of goods and services	-12.4	13.6	5.7	3.7	1.3	1.7	561,603	571,021
Statistical discrepancy (millions of dollars)	154	601	-642	428	-1,163	327	-279	48
Gross domestic product at market prices	-2.7	3.4	3.0	1.9	2.0	2.5	1,705,567	1,748,748
Final domestic demand	-1.9	5.0	2.5	2.5	1.5	1.6	1,723,322	1,751,573

Source(s): CANSIM table [380-0064](#).

Table 7
Monthly gross domestic product by industry at basic prices in chained (2007) dollars –
Seasonally adjusted

	July 2014 ^r	August 2014 ^r	September 2014 ^r	October 2014 ^r	November 2014 ^r	December 2014 ^p	December 2014 ^p	December 2013 to December 2014 ^p
	month-to-month % change						millions of dollars ¹	% change
All industries	0.1	-0.1	0.4	0.3	-0.2	0.3	1,655,573	2.8
Goods-producing industries	-0.2	-1.0	1.0	0.4	-0.6	0.6	500,287	3.1
Agriculture, forestry, fishing and hunting	-1.2	-1.6	-0.2	0.3	0.8	0.4	25,812	-6.8
Mining, quarrying, and oil and gas extraction	-1.6	-1.5	2.1	1.3	-1.1	-0.8	138,343	4.6
Utilities	-1.8	1.3	1.5	-1.2	2.7	-1.1	39,654	-1.2
Construction	0.6	-0.5	-0.0	0.3	-0.0	0.3	118,554	2.4
Manufacturing	1.0	-1.1	0.8	0.1	-1.6	2.5	177,003	5.3
Services-producing industries	0.3	0.3	0.2	0.3	0.0	0.2	1,156,229	2.7
Wholesale trade	-0.2	0.4	1.7	-0.1	-0.9	1.6	94,875	7.2
Retail trade	0.1	0.1	0.7	-0.2	0.7	-1.4	89,414	3.5
Transportation and warehousing	-0.3	0.2	-0.2	0.0	-0.1	1.2	70,043	4.9
Information and cultural industries	-0.0	-0.0	-0.2	-0.1	-0.1	-0.3	52,186	-1.0
Finance and insurance	0.5	0.9	0.9	0.4	-0.0	1.3	114,766	4.8
Real estate, and rental and leasing	0.2	0.2	0.1	0.2	0.2	0.0	208,188	2.6
Professional, scientific and technical services	0.7	0.5	0.0	0.2	-0.1	0.0	88,160	2.8
Management of companies and enterprises	0.1	0.2	0.3	0.4	1.0	0.8	12,050	1.6
Administrative and support, waste management and remediation services	-0.2	0.1	0.1	-0.2	-0.3	-0.2	41,061	0.4
Educational services	1.8	0.5	-1.0	2.4	0.5	-0.1	86,180	1.6
Health care and social assistance	0.2	0.2	0.0	0.2	0.1	-0.0	111,345	1.5
Arts, entertainment and recreation	0.1	0.5	-0.7	-0.7	1.1	-0.5	11,352	-1.7
Accommodation and food services	-0.1	0.9	0.2	0.0	0.1	0.6	34,728	4.9
Other services (except public administration)	0.2	0.1	0.4	0.4	-0.1	0.2	33,040	2.6
Public administration	0.1	0.0	-0.2	0.0	-0.0	-0.1	109,794	-0.1
Other aggregations								
Industrial production	-0.3	-1.0	1.4	0.4	-0.9	0.8	361,175	4.3
Non-durable manufacturing industries	-0.1	-1.0	-0.4	0.7	-1.8	2.9	72,885	4.7
Durable manufacturing industries	1.9	-1.2	1.7	-0.4	-1.4	2.3	104,530	5.8
Information and communication technologies industries	0.9	0.6	0.2	-0.3	-0.1	0.2	73,048	3.0
Energy sector	-2.1	-1.3	1.9	0.7	-0.0	-1.0	159,929	2.8
Public sector	0.6	0.2	-0.3	0.7	0.1	-0.1	307,334	1.0

^r revised

^p preliminary

1. At annual rates.

Source(s): CANSIM table [379-0031](#).

Table 8
Quarterly gross domestic product by industry at basic prices in chained (2007) dollars –
Seasonally adjusted

	Third quarter 2013	Fourth quarter 2013	First quarter 2014 ^r	Second quarter 2014 ^r	Third quarter 2014 ^r	Fourth quarter 2014 ^p	Fourth quarter 2014 ^p
	quarter-to-quarter % change						millions of dollars ¹
Goods-producing industries	0.9	0.6	0.6	0.9	0.3	0.5	499,196
Agriculture, forestry, fishing and hunting	1.7	-2.5	-3.8	-2.1	-3.3	0.3	25,674
Mining, quarrying, and oil and gas extraction	2.3	1.6	2.8	1.5	-0.4	1.2	139,563
Utilities	0.0	1.3	0.4	-1.5	-1.2	1.6	39,596
Construction	0.3	-0.5	-0.3	0.7	1.1	0.2	118,353
Manufacturing	0.3	1.0	0.3	1.5	1.3	0.0	175,008
Services-producing industries	0.6	0.7	0.2	0.9	0.8	0.6	1,154,514
Wholesale trade	1.6	0.6	-0.1	2.6	2.1	1.1	94,120
Retail trade	1.1	0.8	0.1	1.8	1.1	0.3	90,036
Transportation and warehousing	0.0	2.4	0.4	2.4	0.7	0.2	69,531
Information and cultural industries	0.1	0.1	0.1	-0.2	-0.1	-0.4	52,315
Finance and insurance	0.4	0.8	0.3	0.4	1.8	1.7	113,831
Real estate, and rental and leasing	0.8	0.6	0.3	1.1	0.7	0.5	208,061
Professional, scientific and technical services	0.1	0.4	-0.1	1.0	1.4	0.4	88,177
Management of companies and enterprises	1.6	0.7	-0.7	-0.3	0.2	1.6	11,949
Administrative and support, waste management and remediation services	0.6	0.9	0.3	0.6	0.1	-0.3	41,148
Educational services	-0.1	0.9	-0.4	-0.8	0.4	2.2	86,087
Health care and social assistance	0.4	0.3	0.5	0.5	0.4	0.3	111,356
Arts, entertainment and recreation	0.1	1.9	-2.8	1.9	-0.0	-0.4	11,349
Accommodation and food services	0.1	0.0	0.6	1.7	0.8	0.8	34,570
Other services (except public administration)	0.6	0.7	0.3	0.9	0.8	0.7	33,001
Public administration	0.6	0.5	0.4	-0.1	-0.0	-0.1	109,880
Other aggregations							
Industrial production	1.0	1.3	1.3	1.1	0.3	0.6	360,461
Non-durable manufacturing industries	-0.9	1.4	0.2	1.9	0.6	-0.2	71,967
Durable manufacturing industries	1.2	0.8	0.4	1.1	1.9	0.1	103,460
Information and communication technologies industries	0.9	0.9	0.3	0.8	1.6	0.0	72,972
Energy sector	2.4	1.4	2.3	1.5	-1.4	1.1	161,059
Public sector	0.3	0.5	0.2	-0.1	0.2	0.7	307,340

^r revised

^p preliminary

1. At annual rates.

Source(s): CANSIM table [379-0031](#).

Gross domestic product by industry

Available in CANSIM: table [379-0031](#).

Definitions, data sources and methods: survey numbers [1301](#).

With this release of monthly gross domestic product by industry, revisions have been made back to January 2014.

Data on gross domestic product by industry for January will be released on March 31.

For more information, or to order data, 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 Allan Tomas (613-951-9277), Industry Accounts Division.

Gross domestic product by income and by expenditure accounts

Available in CANSIM: tables [380-0063 to 380-0076](#), [380-0078 to 380-0088](#), [380-0100 to 380-0107](#) and [382-0006](#).

Definitions, data sources and methods: survey numbers [1901](#) and [2602](#).

Data on gross domestic product for the fourth quarter has been released along with revised data for the first, second and third quarters. These data incorporate new and revised source data and updated data on seasonal patterns.

Data on gross domestic product by income and by expenditure for the first quarter will be released on May 29. For more information, consult the *Guide to the Income and Expenditure Accounts* ([13-017-X](#)).

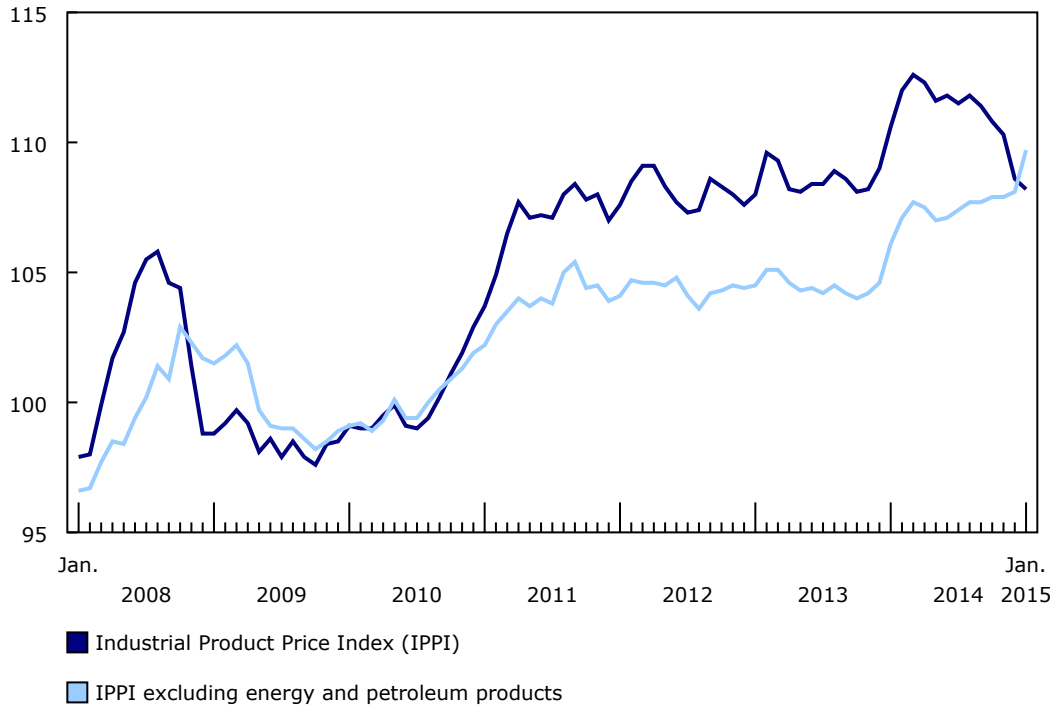
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Industrial product and raw materials price indexes, January 2015

The Industrial Product Price Index (IPPI) declined 0.4% in January, largely as a result of lower prices for energy and petroleum products. The Raw Materials Price Index (RMPI) decreased 7.7% in January, mainly because of lower prices for crude energy products.

Chart 1 Prices for industrial goods decrease

index (2010=100)



Source(s): CANSIM table [329-0074](#).

Industrial Product Price Index, monthly change

The IPPI (-0.4%) declined for a fifth consecutive month in January, following a 1.5% decline the previous month. Despite the decline in the IPPI, 18 commodity groups were up, while 2 were down, and 1 was unchanged.

Energy and petroleum products (-11.2%) posted another substantial decline in January and have decreased 30% since June 2014. The drop in January was again led by lower prices for motor gasoline (-12.2%) and, to a lesser extent, diesel fuel (-11.9%), light fuel oils (-10.0%) and heavy fuel oils (-15.8%). Lower prices for petroleum products reflected rising supply of North American oil as well as the decision by the Organization of Petroleum Exporting Countries to maintain market share by not cutting production. The IPPI excluding energy and petroleum products increased 1.5%.

Also contributing to the decline in the IPPI, but to a lesser extent, were lower prices for chemicals and chemical products (-1.6%). The main reason for the decline in this commodity group was petrochemicals (-14.0%), specifically aromatic hydrocarbon gases (-16.4%) as well as liquefied refinery gases, and acyclic hydrocarbons not elsewhere classified (-19.0%). Slightly moderating the decline in chemicals and chemical products were higher prices for ammonia and chemical fertilizers (+7.3%).

Of the 18 commodity groups that posted increases in January, motorized and recreational vehicles (+3.5%) had the largest moderating effect on the IPPI decline. The increase in prices was mainly due to passenger cars and light trucks (+3.8%), motor vehicle engines and motor vehicle parts (+2.4%) as well as aircraft (+5.6%). Higher prices for motorized and recreational vehicles were closely linked to the depreciation of the Canadian dollar relative to the US dollar.

Also moderating the decline in the IPPI were higher prices for primary non-ferrous metal products (+4.6%). The increase was led by higher prices for unwrought gold and gold alloys (+10.2%) as well as unwrought silver and silver alloys (+12.9%).

Some IPPI prices are reported in US dollars and are converted to Canadian dollars using the average monthly exchange rate. Consequently, any change in the value of the Canadian dollar relative to the US dollar will affect the level of the index. From December 2014 to January 2015, the Canadian dollar depreciated 5.1% relative to the US dollar, which was the largest depreciation since October 2008. If the exchange rate had remained constant, the IPPI would have declined 1.5% instead of decreasing 0.4%.

Industrial Product Price Index, 12-month change

The IPPI fell 2.2% over the 12-month period ending in January, after decreasing 0.4% in December.

Compared with January 2014, the decrease of the IPPI was mainly attributable to energy and petroleum products (-29.2%), primarily as a result of lower motor gasoline prices (-32.4%), which have been dropping year over year since July 2014. Diesel fuel (-29.7%), light fuel oils (-28.6%) and heavy fuel oils (-39.3%) also contributed significantly to the decrease in energy petroleum products. The IPPI excluding energy and petroleum products rose 3.4% year over year.

To a lesser extent, chemicals and chemical products (-6.4%) also contributed to the year-over-year decrease of the IPPI. Lower prices for petrochemicals products (-32.8%), specifically aromatic hydrocarbon gases (-44.5%), were the main reason for the decline in this commodity group.

The 12-month decline of the IPPI was moderated mainly by prices for motorized and recreational vehicles (+7.6%), essentially passenger cars and light trucks (+7.5%), motor vehicle engines and motor vehicle parts (+6.4%) as well as aircraft (+12.6%).

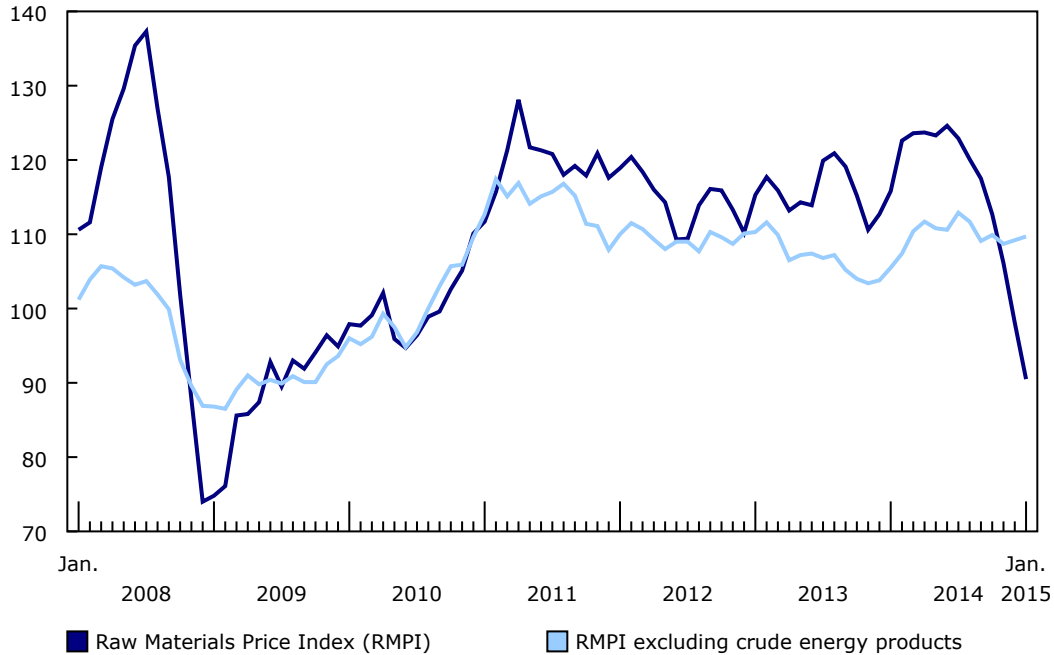
Compared with the same month a year earlier, the decline of the IPPI was also moderated by the meat, fish and dairy products group (+11.1%). Higher prices for fresh and frozen beef and veal (+27.7%) and fresh and frozen pork (+21.6%) contributed the most to the increase in this commodity group.

Raw Materials Price Index, monthly change

The RMPI (-7.7%) fell for the seventh consecutive month in January, after declining 7.5% in December 2014. Of the six major commodity groups, four were up and two were down.

Chart 2
Prices for raw materials decrease

index (2010=100)



Source(s): CANSIM table [330-0008](#).

The decline in the RMPI was mainly due to lower prices for crude energy products (-19.1%), specifically conventional crude oil (-20.1%), which fell for the seventh consecutive month and has decreased 51.2% since June 2014. The lower price of crude oil reflected a global surplus in the supply of crude oil. The RMPI excluding crude energy products increased 0.5%.

Slightly moderating the decline in the RMPI were higher prices for metal ores, concentrates and scrap (+1.0%).

Raw Materials Price Index, 12-month change

The RMPI declined 21.8% over the 12-month period ending in January, after decreasing 13.0% in December. Year over year, this was the largest decline in the index since September 2009.

Compared with the same month a year earlier, the decline in the RMPI was mainly attributable to a 45.0% decrease in the price of crude energy products. Conventional crude oil (-46.2%) was the main reason for the decrease in this commodity group. The RMPI excluding crude energy products increased 4.0% in January.

To a lesser extent, metal ores, concentrates and scrap also put downward pressure on the RMPI year over year, with prices falling 2.2% following a 0.8% decline in December.

The 12-month decline of the RMPI was primarily moderated by animals and animal products (+11.2%), which have been on an upward trend since April 2013. Live animals (+18.8%), specifically cattle and calves (+40.0%), were the main contributor to the increase in this commodity group.

Note to readers

The Industrial Product Price Index (IPPI) and Raw Materials Price Index (RMPI) are available at the Canada level only. Selected commodity groups within the IPPI are also available by region.

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

The **Industrial Product Price Index** 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** 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	January 2014	December 2014 ^r	January 2015 ^p	December 2014 to January 2015	January 2014 to January 2015
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	110.6	108.6	108.2	-0.4	-2.2
IPPI excluding energy and petroleum products	86.40	106.1	108.1	109.7	1.5	3.4
Aggregation by commodities						
Meat, fish, and dairy products	7.21	108.6	119.9	120.7	0.7	11.1
Fruit, vegetables, feed and other food products	7.53	110.5	111.0	111.4	0.4	0.8
Beverages (except juices)	1.92	104.4	105.1	105.1	0.0	0.7
Tobacco products	0.25	115.2	129.1	129.4	0.2	12.3
Textile and leather products	0.57	104.2	106.5	107.2	0.7	2.9
Clothing, footwear and accessories	0.51	102.1	103.0	103.3	0.3	1.2
Chemicals and chemical products	8.46	114.5	108.9	107.2	-1.6	-6.4
Plastic and rubber products	2.79	105.4	108.9	110.0	1.0	4.4
Lumber and other wood products	2.27	103.8	106.9	107.6	0.7	3.7
Pulp and paper products	4.09	102.1	102.0	103.8	1.8	1.7
Energy and petroleum products	13.60	139.8	111.5	99.0	-11.2	-29.2
Primary ferrous metal products	3.32	103.8	107.5	108.2	0.7	4.2
Primary non-ferrous metal products	8.03	103.3	103.0	107.7	4.6	4.3
Fabricated metal products and construction materials	3.17	102.0	104.3	105.0	0.7	2.9
Motorized and recreational vehicles	17.23	104.5	108.6	112.4	3.5	7.6
Machinery and equipment	5.73	104.3	105.7	106.4	0.7	2.0
Electrical, electronic, audiovisual and telecommunication products	4.69	102.9	105.0	106.9	1.8	3.9
Furniture and fixtures	1.49	102.5	103.2	103.3	0.1	0.8
Cement, glass, and other non-metallic mineral products	2.34	106.0	107.0	107.2	0.2	1.1
Packaging materials and containers	2.38	106.2	110.2	110.4	0.2	4.0
Miscellaneous products	2.41	107.5	107.5	110.3	2.6	2.6

^r revised

^p preliminary

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

Source(s): CANSIM table [329-0074](#).

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	January 2014	December 2014 ^r	January 2015 ^p	December 2014 to January 2015	January 2014 to January 2015
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	115.8	98.1	90.5	-7.7	-21.8
RMPI excluding crude energy products	51.83	105.5	109.2	109.7	0.5	4.0
Crude energy products	48.17	127.0	86.3	69.8	-19.1	-45.0
Crop products	8.68	117.0	122.0	124.1	1.7	6.1
Animals and animal products	15.51	116.9	131.0	130.0	-0.8	11.2
Non-metallic minerals	1.85	106.1	108.8	110.5	1.6	4.1
Logs, pulpwood, natural rubber and other forestry products	2.84	108.6	105.4	105.6	0.2	-2.8
Metal ores, concentrates and scrap	22.96	93.0	90.1	91.0	1.0	-2.2

^r revised

^p preliminary

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

Source(s): CANSIM table [330-0008](#).

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 March 30.

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