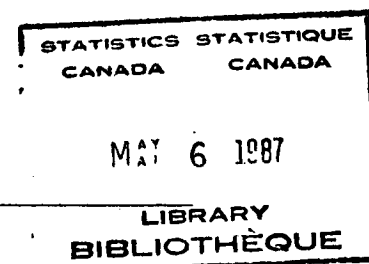


# The Daily

## Statistics Canada

Wednesday, May 6, 1987



### Major Releases

#### Industrial Product Price Index, March 1987

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- The IPPI increased from February (0.2%) because of strengthening petroleum prices.

#### Raw Materials Price Index, March 1987

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- For the fifteenth consecutive month the RMPI showed a year-over-year decline (-0.1%).

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## Major Releases

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### Industrial Product Price Index

March 1987

Preliminary figures show the Industrial Product Price Index (IPPI, 1981=100) rose by 0.2% in March 1987. This monthly rise was mainly attributable to a strengthening of prices for petroleum and coal products. Excluding this component, the IPPI would have decreased by 0.1% in March 1987. In addition to petroleum and coal products, increases for aluminum and copper products also contributed to the monthly advance of the overall index. These increases were partly offset by the negative impact of the rise in the Canadian dollar on prices for woodpulp, newsprint and motor vehicles. Significant decreases were also recorded for lumber, plywood and most meat products.

The IPPI moved up 0.2% between March 1986 and March 1987. From the level of 3.0% posted in January 1986, the yearly rate of change of the IPPI declined rapidly to reach -0.2% in May 1986, mainly as a result of the decrease in world petroleum prices. Significant price increases recorded for lumber, woodpulp and newsprint then pushed the year-over-year movement of the IPPI to a level of 0.8% in October 1986. However, the large increase in the Canadian dollar during the first quarter of 1987 had a significant moderating effect, so that the yearly rate of change of the IPPI fell to -0.6% in February 1987. Excluding the petroleum and coal products component, the IPPI posted a year-over-year advance of 2.5% in March 1987, decelerating for a fifth consecutive month.

According to preliminary estimates, the price index for petroleum and coal products rose by 3.5% in March 1987, but remained 17.5% below its year-earlier level. This strengthening of refined petroleum products prices followed a 14.7% increase in crude oil prices over the December 1986 to March 1987 period.

The price index for primary metal products went up by 0.3% in March 1987, but remained 1.3% below its year-earlier level. Increases of 1.1% for aluminum products and 1.9% for copper and copper alloy products were the main contributors to the monthly advance of the group index.

Mainly as a result of the impact that the 1.6% increase in the Canadian dollar had on export prices quoted in U.S. currency, significant price decreases were observed in March 1987 for sulphate woodpulp (-1.1%), newsprint (-1.1%), passenger cars (-1.2%) and trucks (-1.0%). It should be noted that cash discounts offered by the vehicle manufacturers also contributed, though to a smaller extent, to the decrease for trucks and passenger cars.

The price index for lumber, sawmill and other wood products dropped by 0.3% in March 1987, but was still up 1.5% from March 1986. The monthly decline was mainly attributable to decreases of 1.0% for softwood lumber, 1.3% for Douglas fir plywood and 4.1% for other softwood plywood. The most important price declines for softwood lumber were for spruce in Quebec (-1.6%), for hemlock (-2.6%) and for spruce in B.C. (-2.6%).

The price index for meat products showed no change in March 1987, to stand at a level 7.0% higher than a year earlier. Decreases observed for pork (-1.8%), ham (-2.2%) and chicken price (-0.5%) were completely offset by an increase for various cuts of beef (1.4%).

(see table on page 3)

Available on CANSIM: matrices 1960-1967 and 1970.

Order the March 1987 issue of *Industry Price Indexes* (62-011, \$15/\$150), available towards the end of May. Contact the Information and Current Analysis Unit (613-990-9607), Prices Division.

**Industrial Product Price Indexes**  
(1981 = 100)

Index	Relative Importance <sup>1</sup>	Index <sup>2</sup> March '87	% Change	
			March '87/ Feb. '87	March '87/ March '86
<b>Industrial Product Price Index - Total</b>	100.0	120.4	0.2	0.2
<b>Total IPPI excluding Petroleum and coal products<sup>3</sup></b>	89.3	122.5	-0.1	2.5
<b>Intermediate goods</b>	61.6	116.0	0.3	0.1
First stage intermediate goods	14.6	105.5	0.2	3.2
Second stage intermediate goods	47.0	119.2	0.3	-0.8
<b>Finished goods</b>	38.4	127.6	0.2	0.7
Finished foods and feeds	10.3	130.7	0.1	5.0
Capital equipment	10.2	128.7	-0.4	1.0
All other finished goods	17.9	125.2	0.4	-2.0
<b>Aggregation by commodities:</b>				
Meat, fish and dairy products	7.7	123.9	0	7.2
Fruit, vegetable, feed, miscellaneous food products	7.0	117.9	0.1	1.0
Beverages	1.9	140.4	0.3	2.9
Tobacco and tobacco products	0.7	149.5	-0.2	7.9
Rubber, leather, plastic fabric products	2.8	119.0	0.2	1.4
Textile products	2.4	112.3	-0.1	1.1
Knitted products and clothing	2.4	119.7	0.1	3.0
Lumber, sawmill, other wood products	4.3	119.5	-0.3	1.5
Furniture and fixtures	1.5	131.6	0	4.2
Paper and paper products	8.1	123.6	-0.6	8.8
Printing and publishing	2.4	139.7	0	5.9
Primary metal products	8.8	105.3	0.3	-1.3
Metal fabricated products	5.3	124.3	0.1	2.7
Machinery and equipment	4.8	124.0	-0.1	1.6
Autos, trucks, other transportation equipment	11.6	131.4	-0.8	0.2
Electrical and communication products	5.0	123.9	-0.1	2.1
Non-metallic mineral products	2.5	133.6	0.2	3.6
Petroleum and coal products <sup>3</sup>	10.7	102.9	3.5	-17.5
Chemical, chemical products	7.1	116.2	0	-1.2
Miscellaneous manufactured products	2.3	129.5	-0.2	3.8
Miscellaneous non-manufactured commodities	0.8	96.9	0.1	1.5

<sup>1</sup> Weights are derived from the "make" matrix of the 1981 Input/Output table.

<sup>2</sup> Indexes are preliminary.

<sup>3</sup> This index is estimated for the current month.

## Raw Materials Price Index

March 1987

Preliminary estimates show the Raw Materials Price Index (RMPI, 1981 = 100) decreased 0.9% between February and March to a level of 98.4. This monthly decrease was mainly the result of an estimated 1.4% decrease for the mineral fuels component, a 1.1% decline for the animal and animal products component and a 1.5% drop for the vegetable products component. Of the seven components making up the Raw Materials Price Index, five registered decreases while two increased. Excluding the mineral fuels component, the RMPI decreased 0.5% over the month.

The year-to-year change in the RMPI was -0.1%, the fifteenth consecutive month that the yearly change for the RMPI has registered a decline. However, the rate of the year-to-year declines has been slowing down since May 1986. And since the RMPI in March was 8.3% higher than its April 1986 level, an increase in the yearly movement in April 1987 can be anticipated. The RMPI excluding the mineral fuels component was up 0.7% over the year, despite the monthly decrease registered in March.

After posting increases of 5.2% in January and 6.8% in February, the component index for mineral fuels decreased 1.4% in March to a level 1.2% lower than a year ago. Once again, it was the effect of the change in crude oil prices, down 1.7% in March, that caused the component index to fall.

The animal and animal products component index fell 1.1% in March, due mainly to a drop in prices for hogs (-6.4%). The component index has registered year-over-year

increases every month since April 1986 and posted a yearly increase of 4.9% in March. While hog prices were lower in March, they were still 4.0% higher than in March 1986. Cattle and calves prices also dropped slightly (-0.6%) over the month.

The vegetable products component index decreased 1.5% in March to 12.2% below its year-earlier level. A major contributor to both the monthly and the year-to-year declines has been lower prices for cocoa, coffee and tea - down 11.3% from February and 47.8% from a year ago. Grains decreased 0.4% over the month; barley prices dropped 5.3% but this was partially offset by increases of 1.2% for corn and 1.7% for oats. Oilseeds also declined 0.4% in March; soybeans decreased 1.2% and flaxseed dropped 4.2%, but these decreases were partly offset by a 0.7% increase for rapeseed. Potatoes jumped 9.7% in March to stand 143.9% above the record low levels of one year ago.

The non-ferrous metals index component was up 1.4% in March, though it was still 2.7% below its March 1986 level. Copper concentrates climbed 3.9% over the month and other base metals were up 1.7%. However, on a yearly basis, prices were lower for both copper (-7.8%) and other base metals (-11.4%).

(see table on page 5)

Available on CANSIM: matrix 1980.

Order the March 1987 issue of *Industry Price Indexes* (62-011, \$15/\$150), available towards the end of May. Contact the Information and Current Analysis Unit (613-990-9606/7), Prices Division.

**Raw Materials Price Index**  
(1981 = 100)

	Relative Importance	Index Mar. '87 <sup>1</sup>	% Change	
			Mar. '87/ Feb. '87	Mar. '87/ Mar. '86
<b>Raw materials total</b>	<b>100</b>	<b>98.4</b>	<b>-0.9</b>	<b>-0.1</b>
Mineral fuels	45	91.7	-1.4	-1.2
Vegetable products	11	82.8	-1.5	-12.2
Animal and animal products	20	114.6	-1.1	4.9
Wood products	8	118.7	-0.2	9.2
Ferrous materials	2	106.6	-0.7	-4.1
Non-ferrous metals	11	87.7	1.4	-2.7
Non-metallic minerals	3	129.1	0.5	1.5
Total excluding mineral fuels	55	104.0	-0.5	0.7

<sup>1</sup> These indexes are preliminary.

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## Data Availability Announcements

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### Steel Ingots

Week Ending May 2, 1987

Preliminary estimates indicate that Canadian steel ingot production for the week ending May 2, 1987 totalled 307 491 tonnes, an increase of 4.9% from the preceding week's total of 293 073 tonnes and up 11.4% from the year-earlier level of 275 935 tonnes.

The cumulative total in 1987 was 5 106 704 tonnes, an increase of 4.7% from 4 879 665 tonnes for the same period in 1986.

Contact Gerry Barrett (613-991-3515), Industry Division.

### Asphalt Roofing

March 1987

Shipments of asphalt shingles totalled 3 381 178 bundles in March 1987, an increase of 15.4% from the 2 929 591<sup>r</sup> bundles shipped a year earlier.

January to March 1987 shipments reached 8 765 185 bundles, up 11.8% from the 7 840 407<sup>r</sup> bundles shipped during the same period in 1986.

Available on CANSIM: matrices 32 and 122 (series 27 and 28).

Order the March 1987 issue of *Asphalt Roofing* (45-001, \$4/\$40), to be released the week of May 11. Contact Jacques Lepage (613-991-3510), Industry Division.

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## Publications Released

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**Farm Product Price Index,**  
February 1987.

**Catalogue number 62-003**

(Canada: \$6/\$60; Other Countries: \$7/\$70).

**Building Permits, December 1986.**

**Catalogue number 64-001**

(Canada: \$20/\$200; Other Countries:  
\$21/\$210).

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