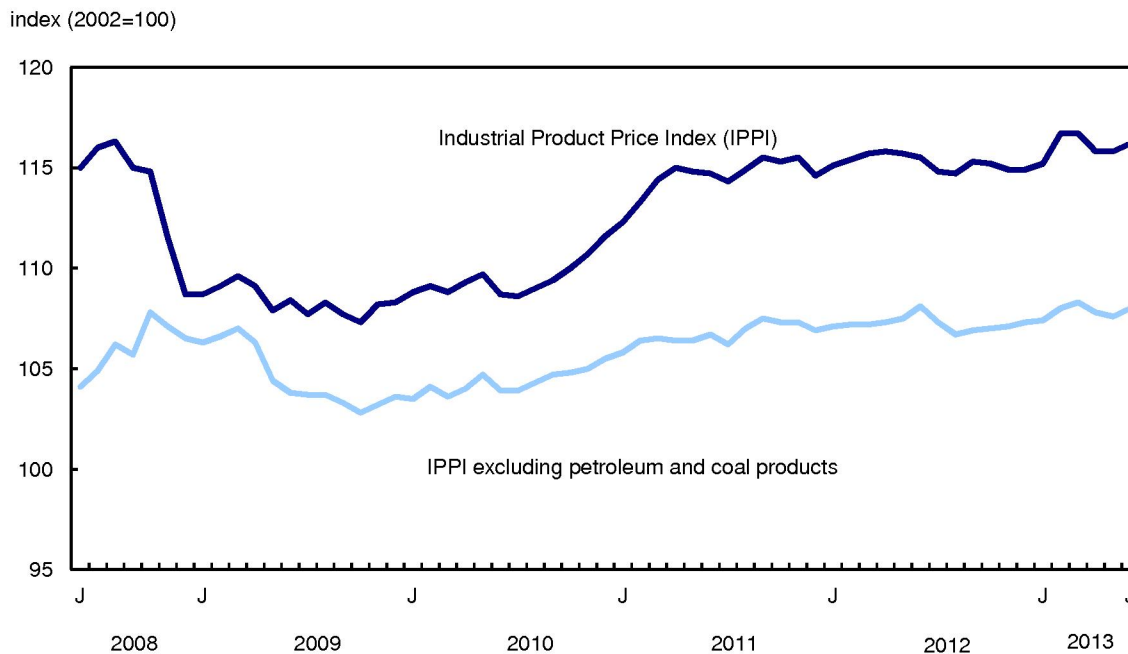


# Industrial product and raw materials price indexes, June 2013

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The Industrial Product Price Index (IPPI) rose 0.3% in June, as a result of higher prices for motor vehicles and other transportation equipment as well as petroleum and coal products. The Raw Materials Price Index (RMPI) advanced 0.3%, mostly because of higher prices for animals and animal products and crude oil.

**Chart 1**  
**Prices for industrial goods rise**



## Industrial Product Price Index, monthly change

The IPPI was up 0.3% in June, after registering no change in May. It was the first increase since February 2013. Of the 21 major commodity groups, 15 were up, 2 were down, and 4 were unchanged.

The growth of the IPPI was mostly attributable to motor vehicles and other transportation equipment (+0.8%), primarily because of higher prices for motor vehicles (+1.0%). The depreciation of the Canadian dollar relative to the US dollar was largely responsible for this advance.

Some Canadian producers who export their products report their prices in US dollars. Consequently, the 1.1% 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 0.1% instead of 0.3%.

Petroleum and coal products (+0.5%) also exerted upward pressure on the IPPI, mostly because of gasoline (+1.4%) prices, which rose for a second consecutive month. To a lesser extent, fuel oil and other fuels also contributed to the advance in petroleum and coal products.



Among the other product groups that posted gains were pulp and paper products as well as meat, fish and dairy products.

Conversely, prices for lumber and other wood products were down for a third consecutive month, falling 0.7%.

### **Industrial Product Price Index, 12-month change**

The IPPI rose 0.6% during the 12-month period ending in June, after edging up 0.1% in May.

Compared with June 2012, the advance of the IPPI occurred primarily because of higher prices for petroleum and coal products (+5.3%), specifically motor gasoline (+5.4%), which posted its largest gain since March 2012. Fuel oil and other fuels were also up, as a result of higher prices for diesel fuel (+5.6%). The IPPI excluding petroleum and coal products declined 0.1% on a year-over-year basis.

Compared with June of last year, prices for lumber and other wood products increased by 4.2%, continuing the upward trend that began in February 2012. Higher prices for softwood lumber (+7.1%) were largely responsible for this gain.

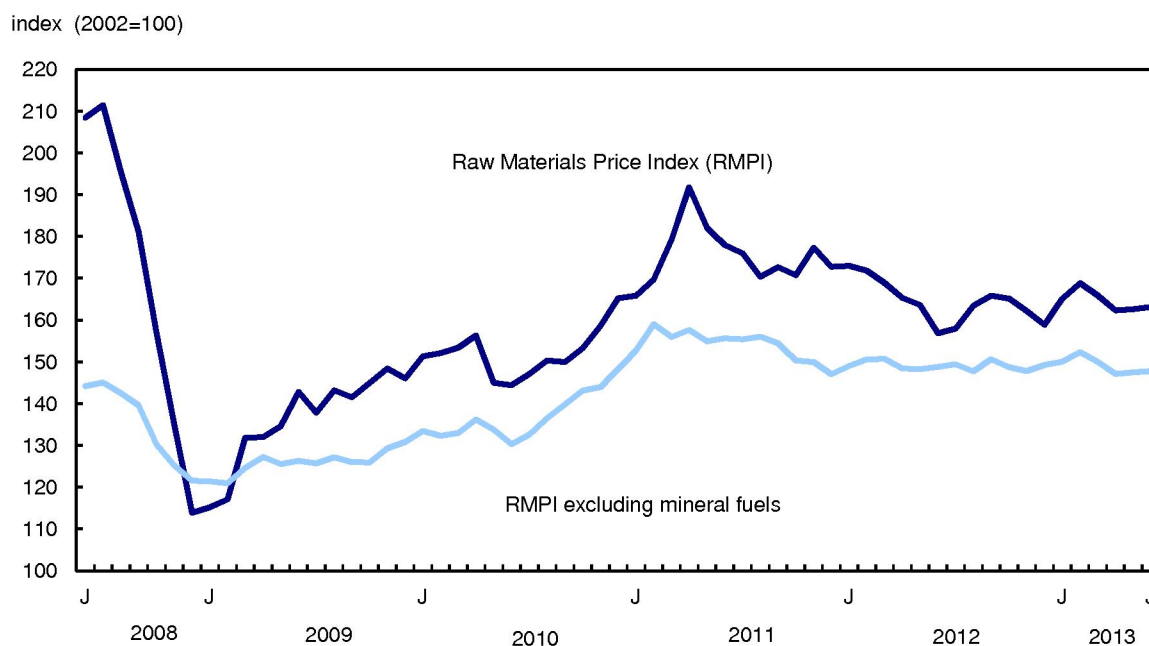
Among the other product groups that advanced on a year-over-year basis were electrical and communications products and meat, fish and dairy products.

Compared with June 2012, the increase of the IPPI was moderated by primary metal products (-4.4%), mainly as a result of lower prices for other non-ferrous metal products, specifically silver and platinum (-18.2%) and gold and gold alloys in primary form (-13.2%).

### **Raw Materials Price Index, monthly change**

The RMPI grew by 0.3% in June, after posting a 0.2% increase in May. Of the seven major product groups, three were up, three were down and one was unchanged.

**Chart 2**  
**Prices for raw materials increase**



Animals and animal products (+2.5%) was the largest contributor to the increase of the RMPI, mainly because of higher prices for slaughter hogs (+12.3%), which posted a third consecutive monthly advance. It was the largest gain since June 2012 for slaughter hogs.

Mineral fuels (+0.4%) also exerted upward pressure on the RMPI, as a result of higher prices for crude oil (+0.5%). The RMPI excluding mineral fuels was up 0.2% in June.

The advance of the RMPI was moderated mainly by vegetable products (-1.6%), which declined primarily because of lower prices for grain (-1.7%), specifically corn (-3.9%). Prices for natural rubber and allied gums as well as cocoa, coffee and tea were also down in June.

### Raw Materials Price Index, 12-month change

Over the 12-month period ending in June, the RMPI rose 4.0%. This represents a change in the downward trend observed since March 2012.

Compared with June of last year, mineral fuels (+9.9%) was the largest contributor to the advance of the RMPI, mainly because of higher prices for crude oil (+10.5%). The RMPI excluding mineral fuels was down 0.7% on a year-over-year basis.

Compared with June 2012, animals and animal products (+3.7%) also contributed to the increase of the RMPI, mostly because of higher prices for slaughter cattle (+6.8%).

Compared with June of last year, the growth of the RMPI was moderated primarily by non-ferrous metals (-6.4%), specifically radioactive concentrates (-21.4%), precious metals (-14.3%) and copper and nickel concentrates (-3.9%).

### 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. But 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.

#### Upcoming changes: Basket update and new classification

Statistics Canada is undertaking two important initiatives for the IPPI and the RMPI programs.

Changes will soon be made in the IPPI and RMPI classification, and the basket will be updated (2010=100). These changes will be made at the end of 2013. For more information, see [Upcoming changes](#).

**Table 1**  
**Industrial Product Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	June 2012	May 2013 <sup>r</sup>	June 2013 <sup>p</sup>	May to June 2013	June 2012 to June 2013
	%	(2002=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>115.5</b>	<b>115.8</b>	<b>116.2</b>	<b>0.3</b>	<b>0.6</b>
<b>IPPI excluding petroleum and coal products</b>	<b>93.70</b>	<b>108.1</b>	<b>107.6</b>	<b>108.0</b>	<b>0.4</b>	<b>-0.1</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	6.08	111.1	111.7	112.5	0.7	1.3
Fruit, vegetable, feeds and other food products	5.52	128.8	129.4	129.9	0.4	0.9
Beverages	1.52	123.6	124.1	124.6	0.4	0.8
Tobacco and tobacco products	0.56	181.4	182.5	182.6	0.1	0.7
Rubber, leather and plastic fabricated products	3.51	122.2	122.7	122.8	0.1	0.5
Textile products	1.37	103.5	103.7	103.7	0.0	0.2
Knitted products and clothing	1.33	103.0	103.2	103.2	0.0	0.2
Lumber and other wood products	6.04	94.5	99.2	98.5	-0.7	4.2
Furniture and fixtures	2.19	117.9	118.9	118.9	0.0	0.8
Pulp and paper products	6.40	101.2	101.3	102.1	0.8	0.9
Printing and publishing	1.84	105.6	105.9	106.1	0.2	0.5
Primary metal products	6.99	142.6	136.1	136.3	0.1	-4.4
Fabricated metal products	4.45	125.3	123.2	123.4	0.2	-1.5
Machinery and equipment	4.41	107.1	107.2	107.7	0.5	0.6
Motor vehicles and other transport equipment	24.34	79.2	78.8	79.4	0.8	0.3
Electrical and communications products	5.02	94.0	95.5	95.8	0.3	1.9
Non-metallic mineral products	2.07	118.3	119.6	119.6	0.0	1.1
Petroleum and coal products	6.30	227.6	238.4	239.6	0.5	5.3
Chemicals and chemical products	7.19	139.9	137.4	137.8	0.3	-1.5
Miscellaneous manufactured products	2.60	123.4	121.8	121.9	0.1	-1.2
Miscellaneous non-manufactured products	0.30	275.6	234.4	233.5	-0.4	-15.3
<b>Intermediate goods<sup>2</sup></b>	<b>62.15</b>	<b>123.5</b>	<b>123.8</b>	<b>124.1</b>	<b>0.2</b>	<b>0.5</b>
First-stage intermediate goods <sup>3</sup>	7.56	138.2	136.3	137.1	0.6	-0.8
Second-stage intermediate goods <sup>4</sup>	54.60	121.5	122.0	122.3	0.2	0.7
<b>Finished goods<sup>5</sup></b>	<b>37.85</b>	<b>102.4</b>	<b>102.6</b>	<b>103.2</b>	<b>0.6</b>	<b>0.8</b>
Finished foods and feeds	7.12	120.4	120.7	121.0	0.2	0.5
Capital equipment	12.19	88.8	88.7	89.2	0.6	0.5
All other finished goods	18.54	104.6	104.9	105.5	0.6	0.9

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the annual 2002 values of production.

2. Intermediate goods are goods used principally to produce other goods.

3. First-stage intermediate goods are items used most frequently to produce other intermediate goods.

4. Second-stage intermediate goods are items most commonly used to produce final goods.

5. Finished goods are goods most commonly used for immediate consumption or for capital investment.

**Table 2**  
**Raw Materials Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	June 2012	May 2013 <sup>r</sup>	June 2013 <sup>p</sup>	May to June 2013	June 2012 to June 2013
	%	(2002=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>156.8</b>	<b>162.6</b>	<b>163.1</b>	<b>0.3</b>	<b>4.0</b>
<b>RMPI excluding mineral fuels</b>	<b>58.56</b>	<b>148.8</b>	<b>147.5</b>	<b>147.8</b>	<b>0.2</b>	<b>-0.7</b>
Mineral fuels	41.44	168.2	184.1	184.9	0.4	9.9
Vegetable products	9.89	146.4	150.0	147.6	-1.6	0.8
Animal and animal products	19.81	125.0	126.4	129.6	2.5	3.7
Wood	11.82	94.0	97.9	98.0	0.1	4.3
Ferrous materials	2.88	152.9	148.7	143.9	-3.2	-5.9
Non-ferrous metals	11.32	245.1	230.1	229.4	-0.3	-6.4
Non-metallic minerals	2.82	163.2	162.2	162.2	0.0	-0.6

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the annual 2002 values of intermediate inputs.

**Available in CANSIM: tables 329-0056 to 329-0068 and 330-0007.**

Table 329-0056: Industrial Product Price Index, by major commodity aggregations.

Table 329-0057: Industrial Product Price Index, by industry.

Table 329-0058: Industrial Product Price Index, by stage of processing.

Tables 329-0059 to 329-0068: Industrial Product Price Index, by commodity.

Table 330-0007: Raw Materials Price Index, by commodity.

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

The June 2013 issue of *Industry Price Indexes* (62-011-X) will be available soon.

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; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).