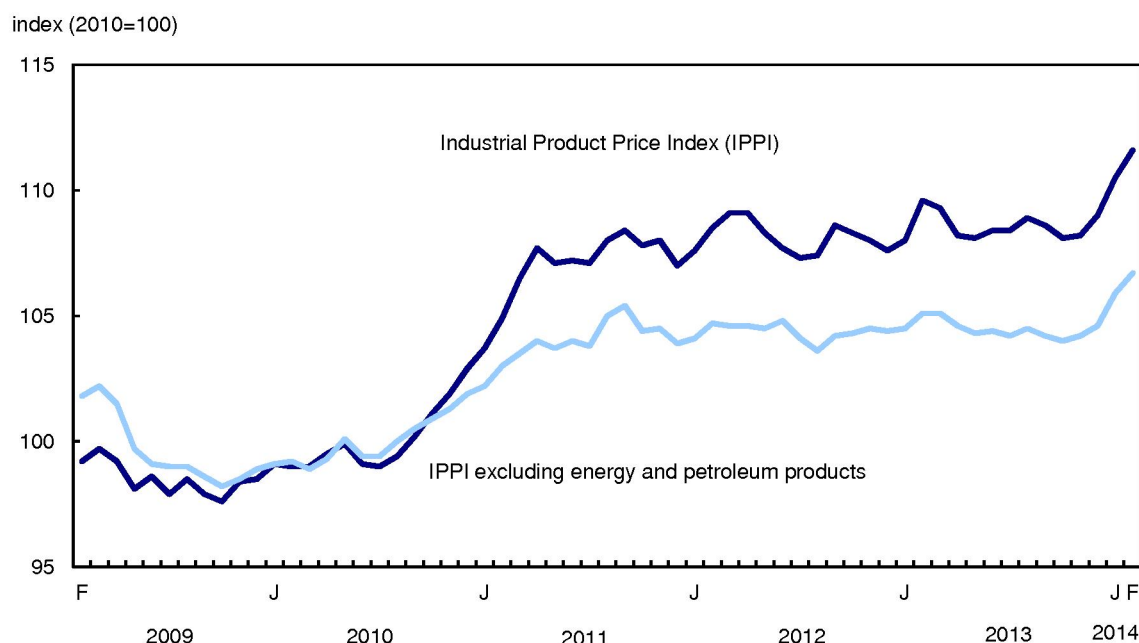


Industrial product and raw materials price indexes, February 2014

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The Industrial Product Price Index (IPPI) rose 1.0% in February, mainly because of higher prices for energy and petroleum products. The Raw Materials Price Index (RMPI) increased 5.7%, led by crude energy products.

Chart 1
Prices for industrial goods increase



Industrial Product Price Index, monthly change

The IPPI increased 1.0% in February, following a 1.4% gain in January. It was the fourth consecutive monthly advance. The increase in the IPPI was broad-based, as 16 of the 21 major commodity groups were up.

The growth of the IPPI was mainly attributable to higher prices for energy and petroleum products (+2.4%). Motor gasoline (+2.5%) and diesel fuel (+4.1%) led the increase in this commodity group. The IPPI excluding energy and petroleum products was up 0.8% in February.

Chemicals and chemical products (+2.1%) also contributed to the increase in the IPPI, influenced by higher prices for petrochemicals (+7.9%). The chemicals and chemical products group has not declined since October 2013.

Motorized and recreational vehicles (+0.7%) posted a fifth consecutive increase, mainly as a result of higher prices for passenger cars and light trucks (+0.8%). The advance of the motorized and recreational vehicles index was closely linked to the depreciation of the Canadian dollar relative to the US dollar.



Some Canadian producers who export their products report their prices in US dollars. Consequently, the 1.0% 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 0.8% instead of 1.0%.

To a lesser extent, meat, fish, and dairy products (+1.4%) and primary non-ferrous metal products (+1.2%) also exerted upward pressure on the IPPI.

Higher prices for meat products (+2.1%), specifically fresh and frozen pork (+8.8%), were mainly responsible for the advance of the meat, fish, and dairy product group.

The primary non-ferrous metal products group was led by higher prices for unwrought precious metals and precious metal alloys (+3.0%), specifically silver (+6.0%) and gold (+3.9%).

Industrial Product Price Index, 12-month change

The IPPI increased 1.8% during the 12-month period ending in February, after rising 2.3% in January.

Compared with February 2013, the growth of the IPPI was mainly attributable to higher prices for motorized and recreational vehicles (+5.3%), specifically passenger cars and light trucks (+5.9%). On a year-over-year basis, prices for motorized and recreational vehicles have been increasing since July 2013.

Energy and petroleum products (+3.5%) also contributed to the year-over-year increase in the IPPI, as a result of higher prices for light fuel oils (+9.7%) and diesel fuel (+8.2%). The IPPI excluding energy and petroleum products rose 1.5% on a year-over-year basis.

Chemicals and chemical products were up 5.2% compared with February 2013, primarily because of higher prices for petrochemicals (+13.6%).

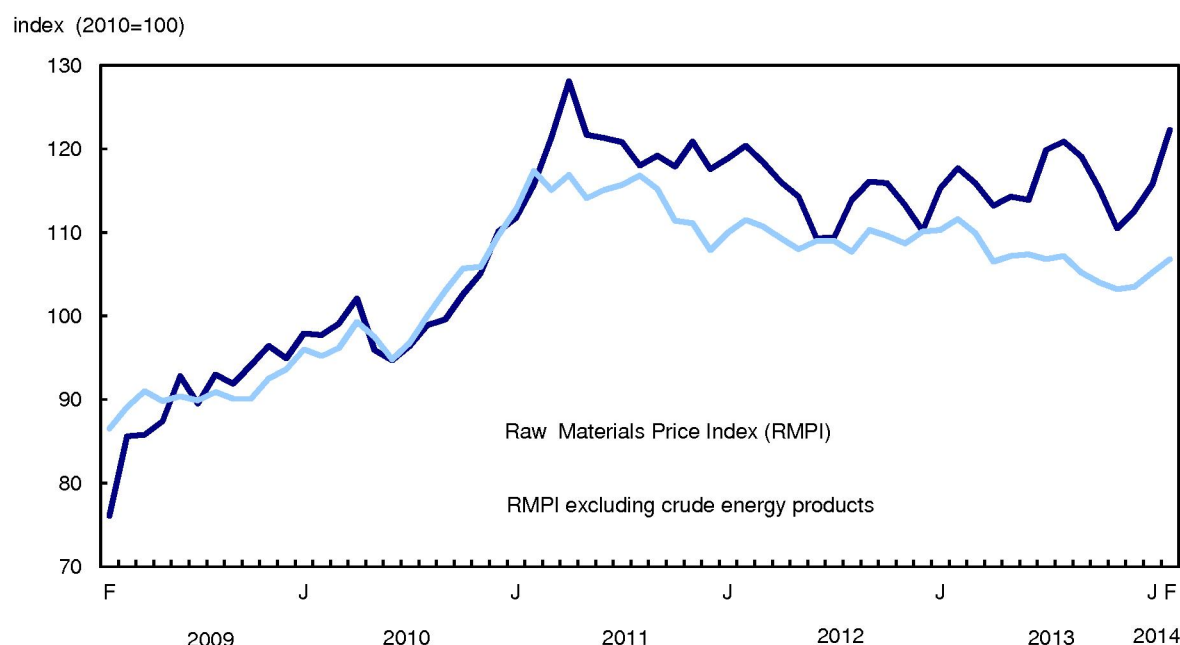
To a lesser extent, meat, fish, and dairy products (+3.4%) also contributed to the year-over-year increase in the IPPI, mostly as a result of higher prices for fresh and frozen pork.

Conversely, the growth of the IPPI over the 12-month period was moderated mainly by lower prices for primary non-ferrous metal products (-8.1%), specifically unwrought precious metals and precious metal alloys (-16.6%). On a year-over-year basis, primary non-ferrous metal products have been declining since December 2011.

Raw Materials Price Index, monthly change

The RMPI rose 5.7% in February, after advancing 2.8% in January. This was the third consecutive monthly increase and the largest gain since June 2009.

Chart 2
Prices for raw materials rise



Although all major commodity groups posted price increases compared with January, the growth of the RMPI was mostly attributable to crude energy products (+9.4%). Conventional crude oil led the increase of this commodity group, up 9.8%. The RMPI excluding crude energy products increased 1.5% in February.

Animals and animal products (+1.9%) and crop products (+3.4%) also contributed to the increase of the RMPI.

Live animals (+3.6%), particularly hogs (+8.8%), were responsible for the growth of the animals and animal products group. The increase of hog prices in February was partly attributable to the pork epidemic diarrhea virus in North America.

Other crop products (+3.6%) as well as fresh fruit, nuts and vegetables (+5.7%) contributed the most to the advance of the crop products group.

Among other commodity groups that posted gains were metal ores, concentrates and scrap (+0.5%) as well as logs, pulpwood, natural rubber and other forestry products (+0.7%).

Raw Materials Price Index, 12-month change

The RMPI rose 3.9% during the 12-month period ending in February, after increasing 0.3% in January.

Compared with the same month a year earlier, the growth of the RMPI was mainly due to higher prices for crude energy products (+12.0%), specifically conventional crude oil (+11.9%). On a year-over-year basis, the RMPI excluding crude energy products was down 4.3%.

To a lesser extent, animals and animal products (+3.8%) also contributed to the year-over-year increase in the RMPI, as a result of higher prices for live animals (+8.3%), particularly cattle and calves (+18.4%).

Conversely, the growth of the RMPI over a 12-month period was moderated primarily by lower prices for metal ores, concentrates and scrap (-10.1%), which have been declining since January 2013.

Note to readers

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

The concordance between the old CANSIM vectors and the new CANSIM vectors is available at the following link: [Concordance table between PCG and NAPCS vectors](#).

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

The **Industrial Product Price Index (IPPI)** reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including the transportation, wholesale and retail costs.

Canadian producers export many goods. They often indicate their prices in foreign currencies, especially in US dollars, which are then converted into Canadian dollars. In particular, this is the case for motor vehicles, pulp, paper and wood products. Therefore, a rise or fall in the value of the Canadian dollar against its US counterpart affects the IPPI. However, the conversion into Canadian dollars only reflects how respondents provide their prices. This is not a measure that takes the full effect of exchange rates into account.

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

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

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	February 2013	January 2014 ^r	February 2014 ^p	January to February 2014	February 2013 to February 2014
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	109.6	110.5	111.6	1.0	1.8
IPPI excluding energy and petroleum products	86.40	105.1	105.9	106.7	0.8	1.5
Aggregation by commodities						
Meat, fish, and dairy products	7.21	106.3	108.4	109.9	1.4	3.4
Fruit, vegetables, feed and other food products	7.53	112.9	111.3	111.7	0.4	-1.1
Beverages (except juices)	1.92	105.0	104.1	104.1	0.0	-0.9
Tobacco products	0.25	113.5	115.2	115.2	0.0	1.5
Textile and leather products	0.57	103.0	105.4	105.9	0.5	2.8
Clothing, footwear and accessories	0.51	101.1	102.1	102.2	0.1	1.1
Chemicals and chemical products	8.46	110.1	113.4	115.8	2.1	5.2
Plastic and rubber products	2.79	104.3	105.2	105.6	0.4	1.2
Lumber and other wood products	2.27	110.4	103.4	103.8	0.4	-6.0
Pulp and paper products	4.09	99.6	102.6	103.1	0.5	3.5
Energy and petroleum products	13.60	138.4	139.9	143.3	2.4	3.5
Primary ferrous metal products	3.32	96.0	102.2	103.5	1.3	7.8
Primary non-ferrous metal products	8.03	113.0	102.7	103.9	1.2	-8.1
Fabricated metal products and construction materials	3.17	99.6	101.9	101.9	0.0	2.3
Motorized and recreational vehicles	17.23	100.1	104.7	105.4	0.7	5.3
Machinery and equipment	5.73	103.4	104.3	104.5	0.2	1.1
Electrical, electronic, audiovisual and telecommunication products	4.69	101.2	102.7	103.0	0.3	1.8
Furniture and fixtures	1.49	101.3	101.9	101.9	0.0	0.6
Cement, glass, and other non-metallic mineral products	2.34	103.8	104.7	104.7	0.0	0.9
Packaging materials and containers	2.38	102.9	105.7	106.1	0.4	3.1
Miscellaneous products	2.41	109.9	107.4	108.0	0.6	-1.7

^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	February 2013	January 2014 ^r	February 2014 ^p	January to February 2014	February 2013 to February 2014
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	117.7	115.7	122.3	5.7	3.9
RMPI excluding crude energy products	51.83	111.6	105.2	106.8	1.5	-4.3
Crude energy products	48.17	124.1	127.0	139.0	9.4	12.0
Crop products	8.68	132.0	116.0	119.9	3.4	-9.2
Animals and animal products	15.51	114.7	116.9	119.1	1.9	3.8
Non-metallic minerals	1.85	106.2	105.0	105.4	0.4	-0.8
Logs, pulpwood, natural rubber and other forestry products	2.84	101.1	110.0	110.8	0.7	9.6
Metal ores, concentrates and scrap	22.96	103.6	92.6	93.1	0.5	-10.1

^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 March will be released on April 30.

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).