

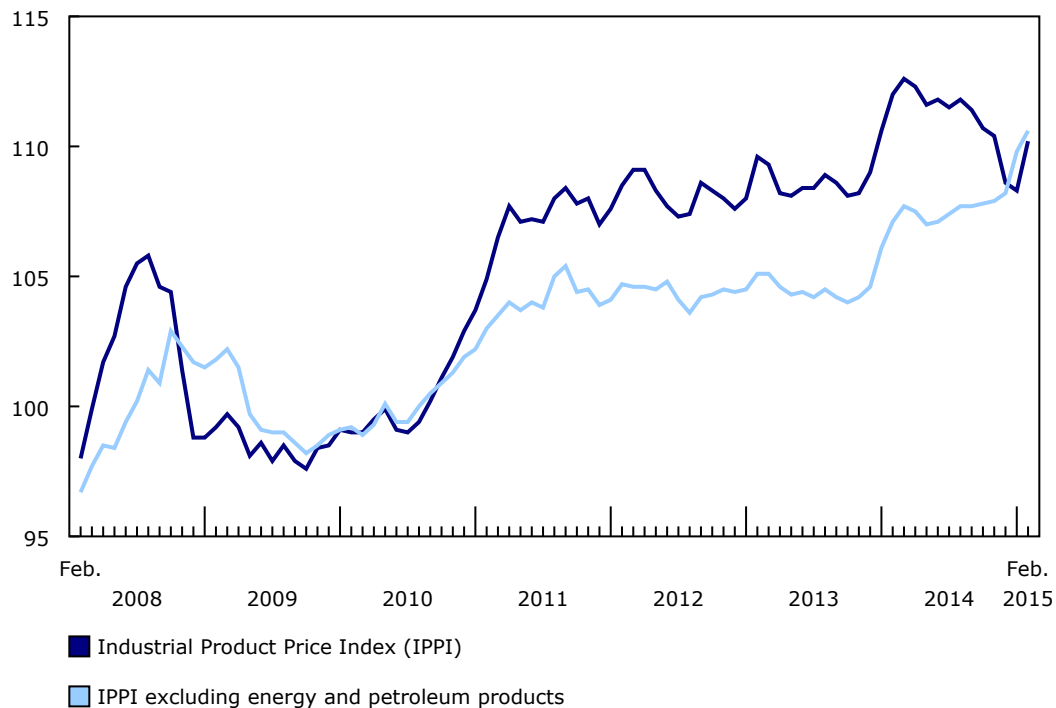
# Industrial product and raw materials price indexes, February 2015

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The Industrial Product Price Index (IPPI) increased 1.8% in February, largely as a result of higher prices for energy and petroleum products. The Raw Materials Price Index (RMPI) rose 6.1%, mainly because of higher prices for crude energy products.

**Chart 1**  
Prices for industrial goods increase

index (2010=100)



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

## Industrial Product Price Index, monthly change

The IPPI (+1.8%) increased for the first time in six months in February, after decreasing 0.3% in January. The last time the IPPI posted an increase was August 2014, when the index rose 0.3%. The rise in the IPPI was widespread as 16 commodity groups were up, 4 were unchanged and 1 was down.

The largest contribution to the rise in the IPPI in February was energy and petroleum products (+8.8%). This was the first increase in the commodity group since June 2014 and the largest gain since June 2009. The rise was mainly due to higher prices for motor gasoline (+13.2%) and, to a lesser extent, light fuel oils (+10.5%) and diesel fuel (+9.9%). The IPPI excluding energy and petroleum products increased 0.7%.



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Also contributing to the increase in the IPPI were higher prices for motorized and recreational vehicles (+2.2%). The main reason for the increase in this commodity group was higher prices for passenger cars and light trucks (+2.3%), motor vehicle engines and motor vehicle parts (+1.6%) as well as aircraft (+3.3%). The increase in the prices of motorized and recreational vehicles was closely linked to the depreciation of the Canadian dollar relative to the US dollar.

Primary non-ferrous metal products (+1.2%) posted a third consecutive increase in February. The increase was mainly due to higher prices for unwrought aluminum and aluminum alloys (+3.1%) as well as unwrought precious metals and precious metal alloys (+0.8%). The increase in this commodity group was slightly moderated by a decline in unwrought copper and copper alloys (-2.0%).

Chemicals and chemical products (+0.5%) rose for the first time since September 2014. The increase was mainly due to higher prices for dyes and pigments, and petrochemicals (+1.7%), basic chemicals (+0.6%) as well as fertilizers, pesticides and other chemical products (+0.6%). Slightly moderating the gain were lower prices for plastic resins (-0.7%).

The lone commodity group to decline in February was meat, fish, and dairy products (-0.2%), primarily as a result of lower prices for fresh and frozen pork (-2.1%). Higher prices for fresh and frozen beef and veal (+0.9%) moderated the decline.

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 January to February, the Canadian dollar depreciated 3.2% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have increased 1.0% instead of rising 1.8%.

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

The IPPI fell 1.6% over the 12-month period ending in February, after decreasing 2.1% in January.

Compared with the same period last year, the decline in the IPPI was mainly the result of lower prices for energy and petroleum products (-24.8%). Motor gasoline (-25.2%) and, to a lesser extent, diesel fuel (-26.0%) and light fuel oils (-23.6%) were the main reason for the decline in this commodity group. The IPPI excluding energy and petroleum products rose 3.3% year over year.

Chemicals and chemical products (-8.3%) also put downward pressure on the IPPI, mainly as a result of lower prices for aromatic hydrocarbon gases (-43.1%), which have been declining year over year since September 2014. Liquefied refinery gases, acyclic hydrocarbons not elsewhere classified (-31.8%) also contributed significantly to the decrease in chemicals and chemical products.

The 12-month decline in the IPPI was mainly moderated by higher prices for motorized and recreational vehicles (+9.1%). The increase in this commodity group was largely due to higher prices for passenger cars and light trucks (+9.4%), motor vehicle engines and motor vehicle parts (+7.5%) as well as aircraft (+15.0%).

Meat, fish and dairy products (+9.0%) and primary non-ferrous metal products (+4.2%) also moderated the decline in the IPPI compared with February 2014.

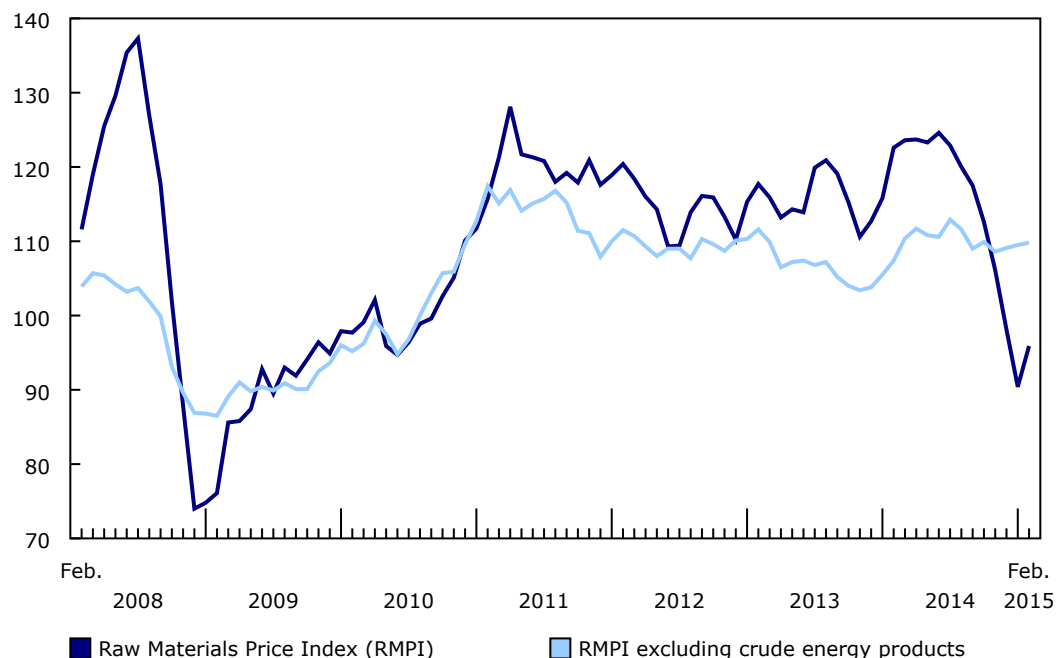
Prices for fresh and frozen beef and veal (+28.4%), fresh and frozen pork (+9.4%) and processed meat products, other meats and animal by-products (+8.0%) were largely responsible for the increase in meat, fish and dairy products. Unwrought aluminum and aluminum alloys (+18.5%) and basic and semi-finished aluminum products (+16.6%) led the increase in non-ferrous metals.

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

The RMPI rose 6.1% in February, the first increase in the index since June 2014. Of the six commodity groups, five were up and one was down.

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

index (2010=100)



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

The increase in the RMPI was largely a result of higher prices for crude energy products (+16.0%), specifically conventional crude oil (+17.0%), which posted the largest increase since March 2009. The RMPI excluding crude energy products increased 0.3%.

Also contributing to the increase in the RMPI, but to a lesser extent, were higher prices for crop products (+1.9%). The rise was mainly due to a 7.3% increase in oilseeds (except canola and soybeans).

The lone moderating effect on the RMPI was lower prices for animals and animal products (-1.2%), specifically hogs (-7.4%). Slightly higher prices for cattle and calves (+1.3%) moderated the decline.

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

The RMPI declined 21.8% over the 12-month period ending in February, after posting a 21.9% decline in January.

Compared with February 2014, the decline in the RMPI was mainly the result of a 41.7% decrease in crude energy product prices. Conventional crude oil (-42.7%) was the main reason for the decrease in this commodity group. Year over year, the RMPI excluding crude energy products rose 2.2% in February.

To a lesser extent, metal ores, concentrates and scrap (-2.7%) also contributed to the year-over-year decline in the RMPI.

The 12-month decrease in the RMPI was moderated by higher prices for animals and animal products (+6.6%), which have been rising on a year-over-year basis since April 2013. Prices for live animals (+12.7%), specifically cattle and calves (+40.8%), were responsible for the increase in this commodity group. The increase in the animals and animal products group was mainly moderated by lower prices for hogs (-13.2%).

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The decline in the RMPI was also moderated, to a lesser extent, by a 5.2% increase in prices for crop products. Other crop products (+4.2%), wheat (+10.8%) and canola (+12.7%) were largely responsible for the increase in crop products.

### **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 <sup>1</sup>	February 2014	January 2015 <sup>r</sup>	February 2015 <sup>p</sup>	January to February 2015	February 2014 to February 2015
	%	(2010=100)		% change		
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>112.0</b>	<b>108.3</b>	<b>110.2</b>	<b>1.8</b>	<b>-1.6</b>
<b>IPPI excluding energy and petroleum products</b>	<b>86.40</b>	<b>107.1</b>	<b>109.8</b>	<b>110.6</b>	<b>0.7</b>	<b>3.3</b>
<b>Aggregation by commodities</b>						
Meat, fish, and dairy products	7.21	110.6	120.7	120.5	-0.2	9.0
Fruit, vegetables, feed and other food products	7.53	111.2	111.3	111.3	0.0	0.1
Beverages (except juices)	1.92	104.5	105.3	105.3	0.0	0.8
Tobacco products	0.25	121.0	129.4	129.6	0.2	7.1
Textile and leather products	0.57	105.7	107.0	107.5	0.5	1.7
Clothing, footwear and accessories	0.51	102.2	103.3	103.6	0.3	1.4
Chemicals and chemical products	8.46	117.2	107.0	107.5	0.5	-8.3
Plastic and rubber products	2.79	106.1	110.2	110.5	0.3	4.1
Lumber and other wood products	2.27	104.3	107.9	108.2	0.3	3.7
Pulp and paper products	4.09	102.4	104.0	104.6	0.6	2.1
Energy and petroleum products	13.60	143.3	99.1	107.8	8.8	-24.8
Primary ferrous metal products	3.32	105.1	108.9	108.9	0.0	3.6
Primary non-ferrous metal products	8.03	104.6	107.7	109.0	1.2	4.2
Fabricated metal products and construction materials	3.17	101.9	104.9	105.5	0.6	3.5
Motorized and recreational vehicles	17.23	105.4	112.5	115.0	2.2	9.1
Machinery and equipment	5.73	104.8	106.6	107.1	0.5	2.2
Electrical, electronic, audiovisual and telecommunication products	4.69	103.1	106.7	107.7	0.9	4.5
Furniture and fixtures	1.49	102.6	103.3	103.3	0.0	0.7
Cement, glass, and other non-metallic mineral products	2.34	106.4	107.4	107.7	0.3	1.2
Packaging materials and containers	2.38	107.0	110.7	110.9	0.2	3.6
Miscellaneous products	2.41	108.6	110.3	111.0	0.6	2.2

<sup>r</sup> revised

<sup>p</sup> 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 <sup>1</sup>	February 2014	January 2015 <sup>r</sup>	February 2015 <sup>p</sup>	January to February 2015	February 2014 to February 2015
	%	(2010=100)		% change		
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>122.6</b>	<b>90.4</b>	<b>95.9</b>	<b>6.1</b>	<b>-21.8</b>
<b>RMPI excluding crude energy products</b>	<b>51.83</b>	<b>107.4</b>	<b>109.5</b>	<b>109.8</b>	<b>0.3</b>	<b>2.2</b>
Crude energy products	48.17	139.0	69.8	81.0	16.0	-41.7
Crop products	8.68	120.0	124.0	126.3	1.9	5.2
Animals and animal products	15.51	120.5	130.0	128.5	-1.2	6.6
Non-metallic minerals	1.85	106.7	110.6	111.6	0.9	4.6
Logs, pulpwood, natural rubber and other forestry products	2.84	110.7	108.2	108.8	0.6	-1.7
Metal ores, concentrates and scrap	22.96	93.3	90.1	90.8	0.8	-2.7

<sup>r</sup> revised

<sup>p</sup> 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 March will be released on April 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](mailto:infostats@statcan.gc.ca)) or Media Relations (613-951-4636; [mediahotline@statcan.gc.ca](mailto:mediahotline@statcan.gc.ca)).