

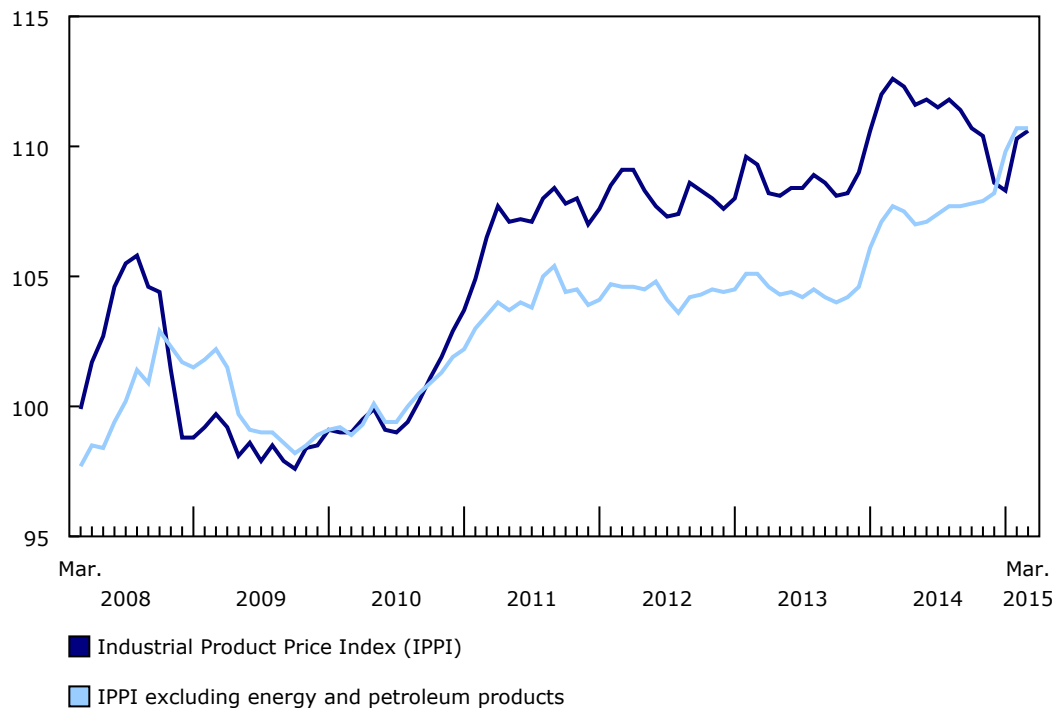
# Industrial product and raw materials price indexes, March 2015

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The Industrial Product Price Index (IPPI) increased 0.3% in March, largely as a result of higher prices for energy and petroleum products. The Raw Materials Price Index (RMPI) declined 0.9%, mainly because of lower 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 increased 0.3% in March following a 1.8% gain in February. Of the 21 commodity groups, 11 were up, 7 were down and 3 were unchanged.

The main contribution to the increase in March was energy and petroleum products (+1.8%). The gain was mainly led by higher prices for motor gasoline (+5.2%), while lower prices for diesel fuel (-0.9%) slightly moderated the gain. The IPPI excluding energy and petroleum products was unchanged, after five consecutive monthly increases.

Also contributing to the gain were higher prices for motorized and recreational vehicles (+0.3%) as well as chemicals and chemical products (+0.2%).

The gain in motorized and recreational vehicles was led by higher prices for passenger cars and light trucks (+0.5%) and, to a lesser extent, motor vehicle engines and motor vehicle parts (+0.4%) as well as aircraft (+0.7%).



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The rise in chemicals and chemical products was mainly a result of higher prices for petrochemicals (+1.9%) and ammonia and chemical fertilizers (+1.7%), while lower prices for plastic resins (-1.5%) moderated the gain in the commodity group.

The increase in the IPPI was largely moderated by a 1.1% decline for primary non-ferrous metal products. The main reason for the decline in this commodity group was lower prices for unwrought precious metals and precious metal alloys (-3.2%) and, to a lesser extent, other unwrought non-ferrous metals and non-ferrous metal alloys (-2.4%). Moderating the decline in this commodity group were higher prices for unwrought copper and copper alloys (+3.6%).

Also putting downward pressure on the IPPI were lower prices for primary ferrous metal products (-1.1%) and, to a lesser extent, meat, fish and dairy products (-0.2%).

The decline in primary ferrous metal products was mainly attributable to lower prices for iron and steel basic shapes (-1.4%), as well as wire and other rolled and drawn steel products (-1.8%).

The decline in meat, fish, and dairy products was mainly a result of lower prices for fresh and frozen pork (-2.7%), while higher prices for fresh and frozen beef and veal (+0.7%) partly moderated the decline. The price of fresh and frozen pork has declined 16.3% since peaking in July 2014.

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 February to March, the Canadian dollar depreciated 1.0% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have increased 0.1% instead of increasing 0.3%.

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

The IPPI decreased 1.8% over the 12-month period ending in March, after decreasing 1.5% in February.

Compared with the same period last year, the decline of the IPPI was largely attributable to energy and petroleum products (-23.5%). Motor gasoline (-23.9%) and, to a lesser extent, diesel fuel (-24.3%) and light fuel oils (-21.3%) were the main reasons for the decline in this commodity group. Excluding energy and petroleum products, the IPPI rose 2.8% compared with the same month last year.

To a lesser extent, chemicals and chemical products (-6.8%) also contributed to the decline in the IPPI. The decrease was primarily a result of lower prices for aromatic hydrocarbon gases (-37.8%) as well as liquefied refinery gases, and acyclic hydrocarbons not elsewhere classified (-25.7%).

The year-over-year decline in the IPPI was moderated by higher prices for motorized and recreational vehicles (+9.3%). The increase was mainly attributable to higher prices for passenger cars and light trucks (+9.9%) and, to a lesser extent, motor vehicle engines and motor vehicle parts (+6.3%) as well as aircraft (+15.1%).

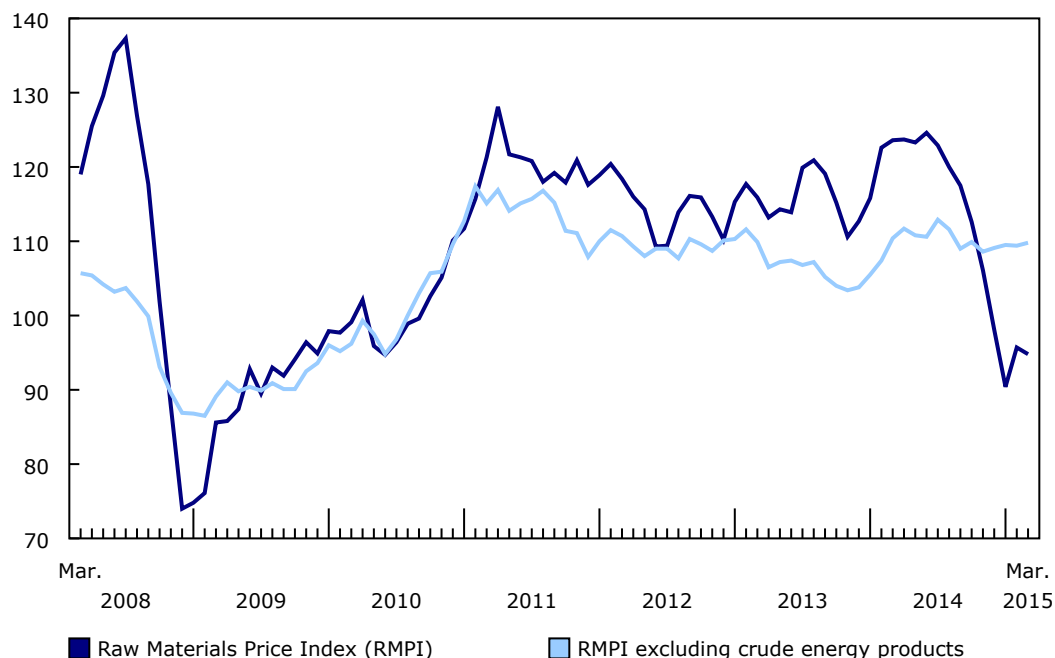
Also moderating the year-over-year decline in the IPPI were higher prices for meat, fish and dairy products (+4.6%), specifically fresh and frozen beef and veal (+24.4%). Moderating the increase in this group were lower prices for fresh and frozen pork (-8.6%), which saw its first year-over-year decrease since March 2013. Year-over-year prices for meat, fish and dairy products have not declined since July 2010.

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

The RMPI fell 0.9% in March following a 5.9% gain in February. Of the six commodity groups, four were up, one was down and one was unchanged.

## Chart 2 Prices for raw materials decrease

index (2010=100)



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

The decline in the RMPI was largely a result of lower prices for crude energy products (-2.8%), specifically conventional crude oil (-2.9%). The RMPI excluding crude energy products increased 0.4%.

Moderating the decline in the RMPI were higher prices for animals and animal products (+0.5%) as well as metal ores, concentrates and scrap (+0.3%).

Higher prices for cattle and calves (+2.4%) were the main reason for the increase for animals and animal products, while lower prices for hogs (-1.9%) moderated the gain.

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

The RMPI fell 23.3% over the 12-month period ending in March, following a 21.9% decline in February.

The year-over-year decline in the RMPI was almost entirely attributable to lower prices for crude energy products (-42.8%), specifically conventional crude oil (-43.8%). The RMPI excluding crude energy products decreased 0.5% year over year.

Also contributing to the decline, but to a much lesser extent, was metal ores, concentrates and scrap (-2.4%).

### 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>	March 2014	February 2015 <sup>r</sup>	March 2015 <sup>p</sup>	February to March 2015	March 2014 to March 2015
	%	(2010=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>112.6</b>	<b>110.3</b>	<b>110.6</b>	<b>0.3</b>	<b>-1.8</b>
<b>IPPI excluding energy and petroleum products</b>	<b>86.40</b>	<b>107.7</b>	<b>110.7</b>	<b>110.7</b>	<b>0.0</b>	<b>2.8</b>
<b>Aggregation by commodities</b>						
Meat, fish, and dairy products	7.21	115.0	120.5	120.3	-0.2	4.6
Fruit, vegetables, feed and other food products	7.53	112.2	111.7	111.9	0.2	-0.3
Beverages (except juices)	1.92	104.7	105.4	105.4	0.0	0.7
Tobacco products	0.25	121.0	130.2	130.3	0.1	7.7
Textile and leather products	0.57	105.9	107.5	108.2	0.7	2.2
Clothing, footwear and accessories	0.51	102.3	103.8	103.8	0.0	1.5
Chemicals and chemical products	8.46	115.3	107.3	107.5	0.2	-6.8
Plastic and rubber products	2.79	106.9	110.3	110.6	0.3	3.5
Lumber and other wood products	2.27	104.7	108.0	107.9	-0.1	3.1
Pulp and paper products	4.09	102.3	104.7	104.8	0.1	2.4
Energy and petroleum products	13.60	143.4	107.8	109.7	1.8	-23.5
Primary ferrous metal products	3.32	106.0	108.3	107.1	-1.1	1.0
Primary non-ferrous metal products	8.03	105.5	108.8	107.6	-1.1	2.0
Fabricated metal products and construction materials	3.17	102.6	105.9	106.0	0.1	3.3
Motorized and recreational vehicles	17.23	105.9	115.3	115.7	0.3	9.3
Machinery and equipment	5.73	104.9	107.6	107.8	0.2	2.8
Electrical, electronic, audiovisual and telecommunication products	4.69	103.4	107.8	108.2	0.4	4.6
Furniture and fixtures	1.49	102.8	103.5	103.5	0.0	0.7
Cement, glass, and other non-metallic mineral products	2.34	106.0	108.0	107.6	-0.4	1.5
Packaging materials and containers	2.38	107.5	112.2	111.8	-0.4	4.0
Miscellaneous products	2.41	109.4	111.0	110.7	-0.3	1.2

<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>	March 2014	February 2015 <sup>r</sup>	March 2015 <sup>p</sup>	February to March 2015	March 2014 to March 2015
	%	(2010=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>123.6</b>	<b>95.7</b>	<b>94.8</b>	<b>-0.9</b>	<b>-23.3</b>
<b>RMPI excluding crude energy products</b>	<b>51.83</b>	<b>110.4</b>	<b>109.4</b>	<b>109.8</b>	<b>0.4</b>	<b>-0.5</b>
Crude energy products	48.17	137.7	81.0	78.7	-2.8	-42.8
Crop products	8.68	125.6	126.3	126.4	0.1	0.6
Animals and animal products	15.51	128.6	128.5	129.2	0.5	0.5
Non-metallic minerals	1.85	107.1	111.8	111.8	0.0	4.4
Logs, pulpwood, natural rubber and other forestry products	2.84	111.3	108.8	108.9	0.1	-2.2
Metal ores, concentrates and scrap	22.96	92.5	90.0	90.3	0.3	-2.4

<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 April will be released on May 28.

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)).