

Industrial product and raw materials price indexes, September 2017

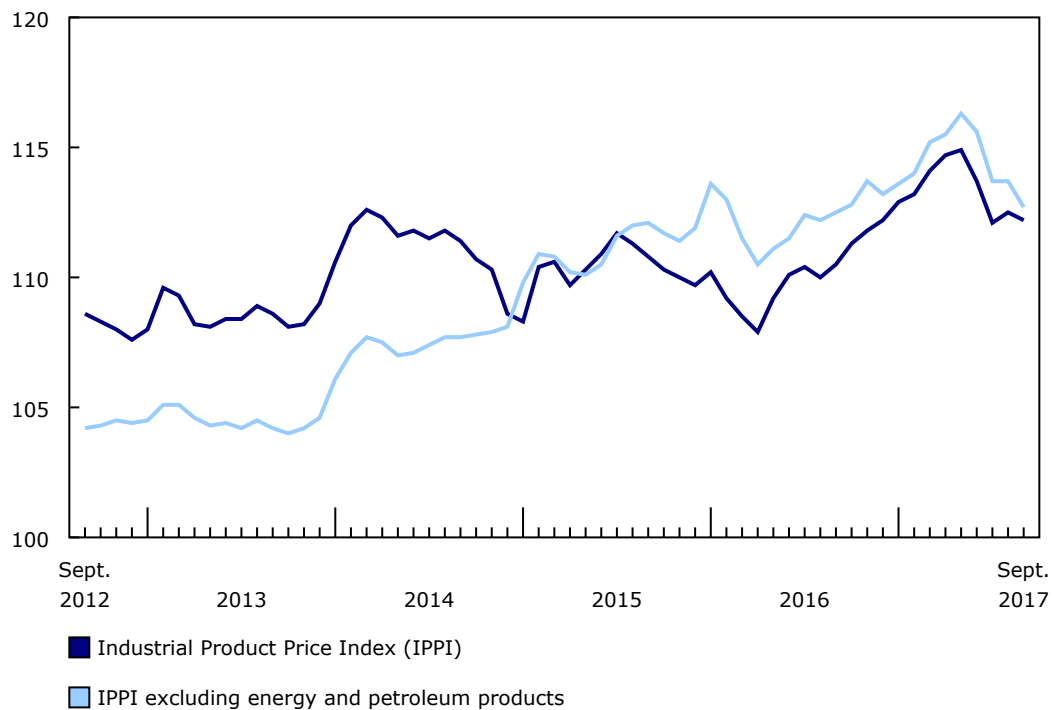
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The Industrial Product Price Index (IPPI) declined 0.3% in September, mainly due to lower prices for motorized and recreational vehicles and meat, fish, and dairy products. Higher prices for energy and petroleum products mostly offset the declines observed elsewhere.

The Raw Materials Price Index (RMPI) edged down 0.1%, primarily due to lower prices for animals and animal products. Higher prices for crude energy products mostly offset the decline.

Chart 1
Prices for industrial goods decrease

index (2010=100)



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

Industrial Product Price Index, monthly change

The IPPI was down 0.3% in September, following a 0.4% increase in August. Of the 21 major commodity groups, 16 were down, 4 were up and 1 was unchanged.

Among the four major commodity groups that saw higher prices in September, energy and petroleum products (+4.4%) posted the largest increase. This growth was primarily due to higher prices for motor gasoline (+3.8%), light fuel oil (+5.7%) and diesel fuel (+4.8%). This was the largest increase for energy and petroleum products since December 2016, when prices rose 5.5%. The IPPI excluding energy and petroleum products decreased 0.9%.



Motorized and recreational vehicles (-1.6%), which decreased for a fourth consecutive month, was the largest contributor to the decline in the IPPI. Lower prices for passenger cars and light trucks (-1.8%), motor vehicle engines and motor vehicle parts (-1.5%) and aircraft (-2.5%) were mainly responsible for the decline in this commodity group. Lower prices for motorized and recreational vehicles were closely linked to the appreciation of the Canadian dollar relative to the US dollar.

The meat, fish and dairy products group (-3.1%) also contributed significantly to the decrease in the IPPI. Lower prices for fresh and frozen pork (-8.9%), fresh and frozen beef and veal (-4.7%) and processed meat products, other meat and animal by-products (-4.1%) were the main contributors to this decrease. This was the third consecutive decline in the meat, fish and dairy products group and the largest since September 2004 (-3.7%).

Pulp and paper products (-1.2%) and electrical, electronic, audiovisual and telecommunication products (-1.0%) also contributed to the decline in the IPPI, but to a lesser extent.

The decrease in the pulp and paper products group was mainly due to lower prices for wood pulp (-1.4%).

Lower prices for communication and audio and video equipment (-1.4%) and electronic and electrical parts (-1.7%) were mainly responsible for the decline in the electrical, electronic, audiovisual and telecommunication products commodity group.

Some IPPI prices are reported in US dollars and 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 August to September, the Canadian dollar rose 2.6% in relation to the US dollar. If the exchange rate had remained constant, the IPPI would have increased 0.3% instead of decreasing 0.3%.

Industrial Product Price Index, 12-month change

The IPPI rose 1.5% in the 12-month period ending in September, following a 2.3% increase in August.

Compared with September 2016, the increase in the IPPI was largely attributable to higher prices for energy and petroleum products (+12.5%), up year over year for a 10th consecutive month. The growth in this commodity group was mainly due to higher prices for motor gasoline (+13.6%), light fuel oil (+12.6%) and diesel fuel (+12.9%). The IPPI excluding energy and petroleum products increased 0.2% from the same month last year.

On a year-over-year basis, primary non-ferrous metal products (+2.5%) also contributed to the increase in the IPPI. Prices for unwrought copper and copper alloys (+31.2%), other unwrought non-ferrous metals and non-ferrous metal alloys (+18.0%) and unwrought aluminum and aluminum alloys (+14.5%) mainly contributed to the increase in primary non-ferrous metal products.

Pulp and paper products were up 4.4% compared with September 2016, primarily due to higher prices for wood pulp (+12.8%).

The year-over-year increase in the IPPI was primarily moderated by lower prices for motorized and recreational vehicles (-4.2%). Lower prices for passenger cars and light trucks (-4.9%) and, to a lesser extent, motor vehicle engines and motor vehicle parts (-2.8%) and aircraft (-4.9%) were largely responsible for the decline in this commodity group.

Prices for electrical, electronic, audiovisual and telecommunication products (-2.4%) were also down compared with September 2016. The decline in this commodity group was mainly attributable to lower prices for electronic and electrical parts (-4.7%) and communications and audio and video equipment (-3.2%).



In celebration of the country's 150th birthday, Statistics Canada is presenting snapshots from our rich statistical history.

With the start of the Second World War, the Canadian economy recovered from the Great Depression, producing food, raw materials and manufactured goods for the Allied war effort. From 1939 to 1945, the Canadian General Wholesale Price Index increased by 33%. The largest increases were for animals and their products (+49%), vegetable products (+48%), wood, wood products, and paper (+44%), fibres, textiles and textile products (+32%), chemicals and allied products (+24%), non-metallic minerals and their products (+14%) and iron and its products (+13%).

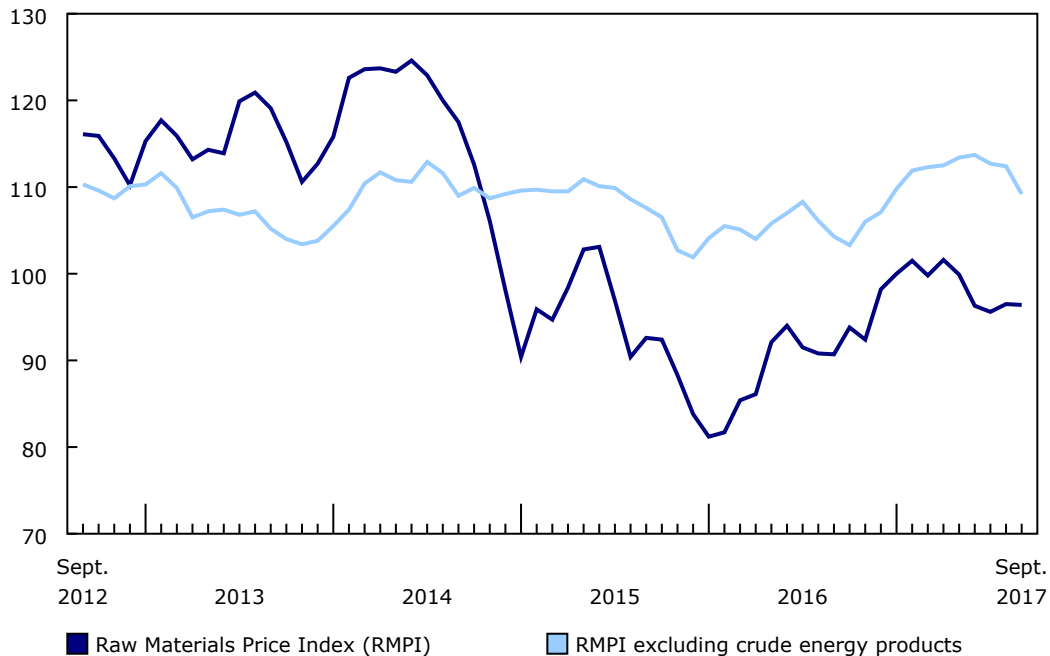
By the end of the war, Canadian exports accounted for a significant share of British consumption, including 57% of wheat and flour, 39% of bacon, 15% of eggs, 24% of cheese and 11% of evaporated milk.

Raw Materials Price Index, monthly change

The RMPI edged down 0.1% in September, following a 0.9% increase in August. Of the six major commodity groups, four were down, one was up and one was unchanged.

Chart 2 Prices for raw materials decrease

index (2010=100)



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

Crude energy products exerted strong upward pressure on the RMPI, as prices rose 3.9% following a 3.0% increase in August. Higher prices for conventional crude oil (+4.0%) were the largest contributor to the increase in this commodity group. The RMPI excluding crude energy products fell 2.8% in September.

Animals and animal products (-7.0%), which posted its largest decrease since July 2003 (-12.0%), mostly offset the upward pressure exerted by crude energy products on the RMPI. Lower prices for live animals (-11.7%), particularly hogs (-23.3%) and, to a lesser extent, cattle and calves (-6.2%), were mainly responsible for the decline in animals and animal products.

To a lesser extent, crop products (-1.6%) also contributed to the decrease in the RMPI, mainly due to lower prices for wheat (-5.8%), canola (including rapeseed) (-3.5%) and other crop products (-0.5%).

Raw Materials Price Index, 12-month change

The RMPI rose 6.3% over the 12-month period ending in September, following an identical increase in August.

Higher prices for crude energy products (+8.3%), particularly conventional crude oil (+8.4%), were mainly responsible for the increase in the RMPI compared with September 2016. Year over year, the RMPI excluding crude energy products rose 4.7%.

Prices for metal ores, concentrates and scrap (+9.4%), which have been rising year over year since July 2016, also contributed significantly to the increase in the RMPI.

Animals and animal products (+2.7%) were also up compared with September 2016. Higher prices for fish, shellfish and other fishery products (+18.8%) and unprocessed fluid milk (+2.8%) were the main contributors to the increase in this commodity group.

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 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 established by the Bank of Canada and available in CANSIM table 176-0081 (series v111666275). 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.

A Historical Timeline of Canadian Producer Price Statistics

To celebrate Canada 150, [A Historical Timeline of Canadian Producer Price Statistics](#), which is part of Statistics Canada — Infographics (11-627-M), was created to showcase the key milestones in the history of Canadian producer price statistics. This historical timeline contains answers to questions such as: Who collected Canada's first statistics? What do Canadian producer price indexes measure?

Infographic: Producer Price Indexes at a Glance

The infographic "[Producer Price Indexes at a Glance](#)," which is part of Statistics Canada — Infographics (11-627-M), demonstrates how producer price indexes for goods and services are calculated and why they are important for the Canadian economy.

Real-time CANSIM tables

Real-time CANSIM table 329-8074 will be updated on November 6. For more information, consult the document [Real-time CANSIM tables](#).

Next release

The industrial product and raw materials price indexes for October will be released on November 28.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	September 2016	August 2017 ^r	September 2017 ^p	August to September 2017	September 2016 to September 2017
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	110.5	112.5	112.2	-0.3	1.5
IPPI excluding energy and petroleum products	86.40	112.5	113.7	112.7	-0.9	0.2
Aggregation by commodities						
Meat, fish, and dairy products	7.21	121.5	127.0	123.0	-3.1	1.2
Fruit, vegetables, feed and other food products	7.53	113.3	114.1	113.7	-0.4	0.4
Beverages (except juices)	1.92	106.8	108.4	108.4	0.0	1.5
Tobacco products	0.25	146.0	156.2	156.0	-0.1	6.8
Textile and leather products	0.57	111.4	109.0	108.9	-0.1	-2.2
Clothing, footwear and accessories	0.51	105.6	106.8	106.2	-0.6	0.6
Chemicals and chemical products	8.46	106.0	107.3	107.2	-0.1	1.1
Plastic and rubber products	2.79	111.7	111.8	111.4	-0.4	-0.3
Lumber and other wood products	2.27	112.5	119.0	118.7	-0.3	5.5
Pulp and paper products	4.09	106.2	112.2	110.9	-1.2	4.4
Energy and petroleum products	13.60	97.3	104.9	109.5	4.4	12.5
Primary ferrous metal products	3.32	100.6	105.6	104.2	-1.3	3.6
Primary non-ferrous metal products	8.03	110.9	114.2	113.7	-0.4	2.5
Fabricated metal products and construction materials	3.17	111.8	113.9	113.5	-0.4	1.5
Motorized and recreational vehicles	17.23	118.5	115.4	113.5	-1.6	-4.2
Machinery and equipment	5.73	109.9	109.2	108.8	-0.4	-1.0
Electrical, electronic, audiovisual and telecommunication products	4.69	110.4	108.8	107.7	-1.0	-2.4
Furniture and fixtures	1.49	107.0	108.8	108.9	0.1	1.8
Cement, glass, and other non-metallic mineral products	2.34	109.4	111.8	112.1	0.3	2.5
Packaging materials and containers	2.38	115.7	119.9	120.3	0.3	4.0
Miscellaneous products	2.41	115.4	112.5	112.0	-0.4	-2.9

^r revised

^p 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 ¹	September 2016	August 2017 ^r	September 2017 ^p	August to September 2017	September 2016 to September 2017
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	90.7	96.5	96.4	-0.1	6.3
RMPI excluding crude energy products	51.83	104.3	112.4	109.2	-2.8	4.7
Crude energy products	48.17	76.2	79.4	82.5	3.9	8.3
Crop products	8.68	118.8	121.7	119.7	-1.6	0.8
Animals and animal products	15.51	116.0	128.0	119.1	-7.0	2.7
Non-metallic minerals	1.85	109.8	110.4	109.6	-0.7	-0.2
Logs, pulpwood, natural rubber and other forestry products	2.84	116.2	119.5	119.5	0.0	2.8
Metal ores, concentrates and scrap	22.96	89.0	97.6	97.4	-0.2	9.4

^r revised

^p 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](#).

Definitions, data sources and methods: survey numbers [2306](#) and [2318](#).

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).