

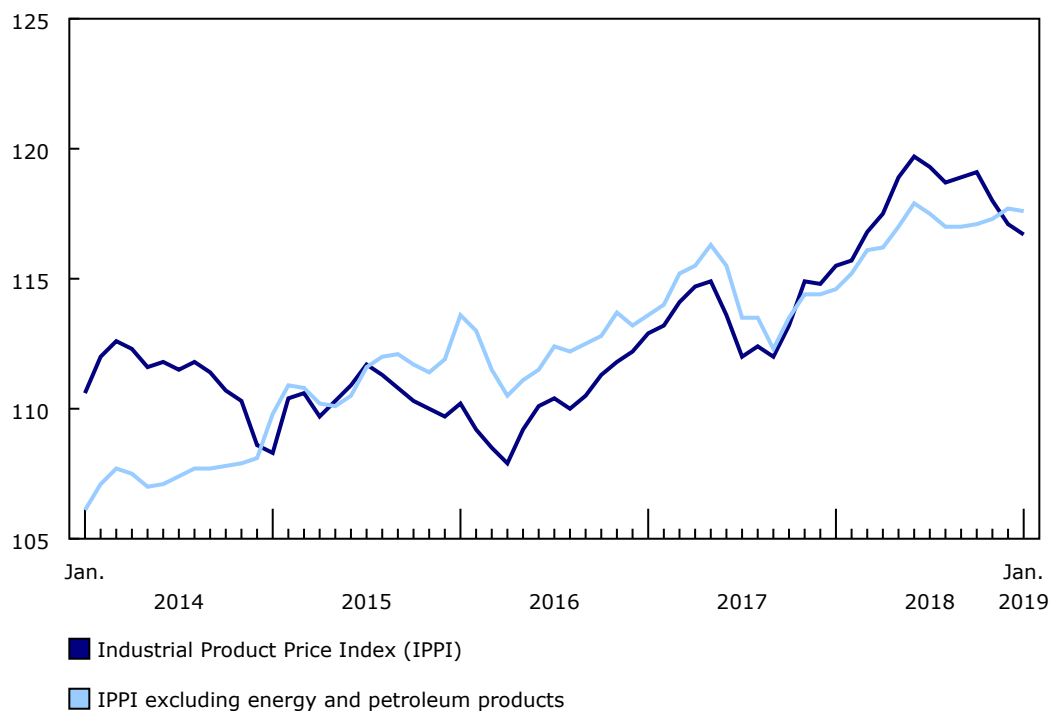
# Industrial product and raw materials price indexes, January 2019

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Prices for products sold by Canadian manufacturers, as measured by the Industrial Product Price Index (IPPI), declined 0.3% in January, driven primarily by lower prices for energy and petroleum products. Prices for raw materials purchased by Canadian manufacturers, as measured by the Raw Materials Price Index (RMPI), rose 3.8%, mainly due to higher prices for crude energy products.

## Chart 1 Prices for industrial goods decrease

index (2010=100)



Source(s): Table 18-10-0029-01.

## Industrial Product Price Index, monthly change

The IPPI (-0.3%) was down for the third consecutive month in January, following a 0.8% decrease in December. Of the 21 major commodity groups, 12 were down, 8 were up and 1 was unchanged.

Energy and petroleum products (-1.8%) were largely responsible for the decrease in the IPPI in January. This decline was mainly due to lower prices for motor gasoline (-2.2%) and lubricants and other petroleum refinery products (-4.3%). The prices of light fuel oils (-1.7%) and diesel fuel (-1.5%) also contributed to the decline in this commodity group. The IPPI excluding energy and petroleum products edged down 0.1%.

Prices for chemicals and chemical products declined 1.0% following a 1.5% decrease in December. The downturn in this commodity group was mainly due to lower prices for petrochemicals (-8.7%). However, higher prices for other basic inorganic chemicals (+3.5%) partially offset this decline.



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Prices for pulp and paper products (-1.2%) also declined compared with December, mainly because of lower prices for wood pulp (-2.9%).

Primary non-ferrous metal products declined 0.3%, primarily driven by lower prices for unwrought copper and copper alloys (-3.6%), unwrought aluminum and aluminum alloys (-3.2%), and other unwrought non-ferrous metals and non-ferrous metal alloys (-2.8%). However, this decline was moderated by higher prices for unwrought precious metals and precious metal alloys (+2.7%).

Conversely, the decline in the IPPI was moderated primarily by higher prices for meat, fish, and dairy products (+1.0%). Growth in this commodity group was driven by prices for processed meat products, other meats and animal by-products (+2.1%), fresh and frozen pork (+1.2%) and fresh and frozen beef and veal (+1.1%).

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 December to January, the Canadian dollar rose 1.0% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have decreased 0.1% instead of 0.3%.

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

The IPPI rose 1.0% over the 12-month period ending in January, following a 2.0% increase in December. Higher prices for motorized and recreational vehicles and primary ferrous metal products were moderated primarily by lower prices for energy and petroleum products.

Prices for motorized and recreational vehicles (+3.8%), which have been up year over year since July 2018, contributed the most to the gain in the IPPI compared with January 2018. Prices for motor vehicle engines and motor vehicle parts (+5.5%), aircraft (+9.3%) and passenger cars and light trucks (+0.8%) were the main reason for this growth.

Prices for primary ferrous metal products (+14.5%), particularly iron and steel basic shapes (+17.4%) and wire and other rolled and drawn steel products (+23.1%), also drove up the IPPI.

Pulp and paper products were up 8.0% compared with January 2018, mainly because of higher prices for wood pulp (+8.9%), newsprint (+11.0%) and paper (except newsprint) (+7.1%).

The growth in the IPPI compared with January 2018 was moderated primarily by lower prices for energy and petroleum products (-8.1%). Prices for motor gasoline (-15.2%) and, to a lesser extent, light fuel oils (-10.5%) and diesel fuel (-6.7%), were the main contributors to this decline.

Year over year, prices for primary non-ferrous metal products (-4.7%) decreased for the sixth consecutive month in January. This decline was mainly attributable to lower prices for other unwrought non-ferrous metals and non-ferrous metal alloys (-13.6%), unwrought aluminum and aluminum alloys (-13.4%) and unwrought copper and copper alloys (-10.3%).

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

The RMPI increased 3.8% in January, after posting an identical gain in December. Of the six major commodity groups, four were up and two were down.

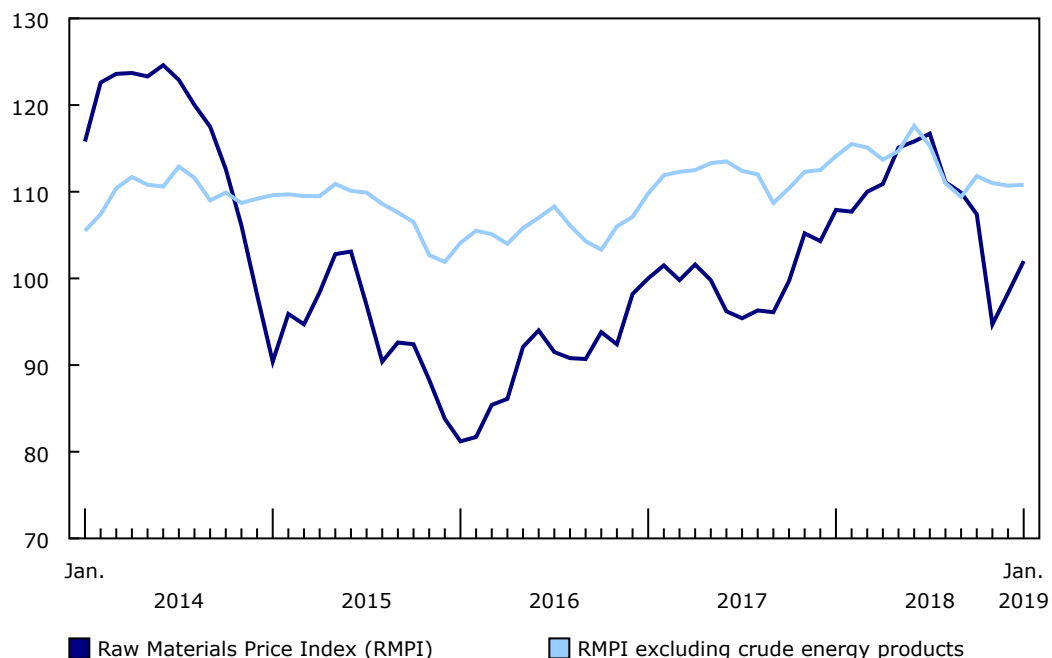
The growth in the RMPI was mainly attributable to higher prices for crude energy products (+8.7%), primarily conventional crude oil prices, which were up 8.8% after a 10.8% increase in December. The RMPI excluding crude energy products edged up 0.1%.

Animals and animal products (+0.9%) also drove up the RMPI, mainly because of higher prices for hogs (+4.0%).

The January growth in the RMPI was slightly moderated by lower prices for metal ores, concentrates and scrap (-0.7%).

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

index (2010=100)



Source(s): Table 18-10-0034-01.

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

Compared with the same month in 2018, the RMPI declined 5.5% in January, after posting a 5.8% decrease in December.

The decline in the RMPI compared with January 2018 was mainly driven by lower prices for crude energy products (-8.6%), especially conventional crude oil (-9.1%). The RMPI excluding crude energy products declined 2.9%.

Prices for animals and animal products (-5.9%), particularly hogs (-17.5%) and cattle and calves (-11.5%), also contributed to the year-over-year decline in the RMPI, but to a lesser extent.

Compared with the same month in 2018, prices for metal ores, concentrates and scrap (-4.4%) were down for the fourth consecutive month in January.

Conversely, prices for crop products (+2.9%) rose compared with January 2018, mainly because of higher prices for oats (+20.4%) and grain corn (+12.3%).

## 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 table 33-10-0163-01 (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

The publication "[A Historical Timeline of Canadian Producer Price Statistics](#)," which is part of the Prices Analytical Series ([62F0014M](#)), 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 table

Real-time table 18-10-0248-01 will be updated on March 11.

### Next release

The industrial product and raw materials price indexes for February will be released on March 29.

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

	Relative importance <sup>1</sup>	January 2018	December 2018 <sup>r</sup>	January 2019 <sup>p</sup>	December 2018 to January 2019	January 2018 to January 2019
	%	(2010=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>115.5</b>	<b>117.1</b>	<b>116.7</b>	<b>-0.3</b>	<b>1.0</b>
<b>IPPI excluding energy and petroleum products</b>	<b>86.40</b>	<b>114.6</b>	<b>117.7</b>	<b>117.6</b>	<b>-0.1</b>	<b>2.6</b>
<b>Aggregation by commodities</b>						
Meat, fish, and dairy products	7.21	124.1	124.1	125.3	1.0	1.0
Fruit, vegetables, feed and other food products	7.53	114.2	115.9	115.8	-0.1	1.4
Beverages (except juices)	1.92	108.5	109.7	109.7	0.0	1.1
Tobacco products	0.25	162.0	173.9	174.6	0.4	7.8
Textile and leather products	0.57	109.9	112.2	112.5	0.3	2.4
Clothing, footwear and accessories	0.51	107.0	109.0	108.9	-0.1	1.8
Chemicals and chemical products	8.46	110.9	110.8	109.7	-1.0	-1.1
Plastic and rubber products	2.79	112.3	117.7	116.9	-0.7	4.1
Lumber and other wood products	2.27	118.1	124.0	123.6	-0.3	4.7
Pulp and paper products	4.09	118.8	129.9	128.3	-1.2	8.0
Energy and petroleum products	13.60	121.1	113.3	111.3	-1.8	-8.1
Primary ferrous metal products	3.32	102.2	117.4	117.0	-0.3	14.5
Primary non-ferrous metal products	8.03	119.7	114.5	114.1	-0.3	-4.7
Fabricated metal products and construction materials	3.17	115.5	124.3	125.2	0.7	8.4
Motorized and recreational vehicles	17.23	114.6	119.0	118.9	-0.1	3.8
Machinery and equipment	5.73	110.3	114.2	114.3	0.1	3.6
Electrical, electronic, audiovisual and telecommunication products	4.69	108.6	112.0	111.6	-0.4	2.8
Furniture and fixtures	1.49	110.3	112.5	112.6	0.1	2.1
Cement, glass, and other non-metallic mineral products	2.34	113.4	114.6	114.9	0.3	1.3
Packaging materials and containers	2.38	121.4	126.6	126.5	-0.1	4.2
Miscellaneous products	2.41	112.6	116.1	116.3	0.2	3.3

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the annual 2010 values of production.

Source(s): Table 18-10-0029-01.

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

	Relative importance <sup>1</sup>	January 2018	December 2018 <sup>r</sup>	January 2019 <sup>p</sup>	December 2018 to January 2019	January 2018 to January 2019
	%	(2010=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>107.9</b>	<b>98.3</b>	<b>102.0</b>	<b>3.8</b>	<b>-5.5</b>
<b>RMPI excluding crude energy products</b>	<b>51.83</b>	<b>114.1</b>	<b>110.7</b>	<b>110.8</b>	<b>0.1</b>	<b>-2.9</b>
Crude energy products	48.17	101.2	85.1	92.5	8.7	-8.6
Crop products	8.68	121.3	124.0	124.8	0.6	2.9
Animals and animal products	15.51	124.6	116.2	117.2	0.9	-5.9
Non-metallic minerals	1.85	111.2	113.6	113.5	-0.1	2.1
Logs, pulpwood, natural rubber and other forestry products	2.84	125.1	128.5	129.1	0.5	3.2
Metal ores, concentrates and scrap	22.96	103.3	99.5	98.8	-0.7	-4.4

<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): Table 18-10-0034-01.

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**Available tables:** [18-10-0029-01](#) to [18-10-0032-01](#) and [18-10-0034-01](#).

**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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).