

Machinery and Equipment Price Index, first quarter 2019

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The Machinery and Equipment Price Index (MEPI) increased 1.0% in the first quarter, following a 1.5% rise in the fourth quarter. The import component was up 1.0%, while the domestic component increased 0.8%.

The prices of imported machinery and equipment are reported in US dollars and are converted to Canadian dollars. Consequently, any change in the value of the Canadian dollar relative to the US dollar will affect the level of the index. The Canadian dollar depreciated 0.6% relative to the US dollar in the first quarter compared with the fourth quarter of 2018.

All industries increase

Transportation and warehousing (+1.6%) was the largest contributor to the quarterly increase in the MEPI. Other major contributors were mines, quarries and oil wells (+1.3%) and finance, insurance and real estate (+0.7%).

Prices rise for most commodities

Logging, mining and construction machinery and equipment (+1.6%), freight and utility trailers (+4.3%), buses (+4.1%) and aircraft and aircraft engines (+1.4%) all contributed to the quarterly price increase.

Year-over-year change

The total MEPI rose 6.2% in the first quarter compared with the same quarter in 2018.

The import component was up 7.3%, while the domestic component increased 2.4%. The movement in the import component was influenced by the year-over-year depreciation of the Canadian dollar (-4.8%) against the US dollar.



Note to readers

The Machinery and Equipment Price Index (MEPI) provides quarterly estimates of price changes for machinery and equipment purchased by industries in Canada.

Data are available at the Canada level only.

The conversion of prices received in US dollars is based on the average monthly exchange rate (end of day) established by the Bank of Canada, which is available in table 33-10-0163-01 (formerly CANSIM 176-0081). Quarterly and year-over-year 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 contribution of a given sub-aggregate to the composite price change depends on both the price change exhibited by the sub-aggregate and its importance in the basket, as measured by the weight.

With each release, data for the previous two quarters may have been revised. This index is not seasonally adjusted.

Additional series available

As of the release of third quarter 2018 data, additional series for the MEPI are available in tables 18-10-0057-01 and 18-10-0057-02 with a data quality indicator of "E." Users are currently advised to use these indexes with caution.

Products

A video entitled "[Producer Price Indexes](#)" is available on the Statistics Canada Training Institute webpage. It provides an introduction to Statistics Canada's Producer Price Indexes: what they are, how they are made and what they are used for.

A Historical Timeline of Canadian Producer Price Statistics

"[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.

Table 1
Machinery and Equipment Price Index – Not seasonally adjusted

	Relative importance ¹	First quarter 2018	Fourth quarter 2018 ^r	First quarter 2019 ^p	Fourth quarter 2018 to first quarter 2019	First quarter 2018 to first quarter 2019
	%	(2010=100)			% change	
Machinery and Equipment Price Index	100.00	125.0	131.4	132.7	1.0	6.2
Domestic	26.99	111.7	113.5	114.4	0.8	2.4
Imported	73.01	130.0	138.1	139.5	1.0	7.3
Crop and animal production	3.96	133.0	141.0	142.2	0.9	6.9
Forestry and logging	0.17	130.8	137.9	139.1	0.9	6.3
Fishing, hunting and trapping	0.07	122.3	126.7	128.0	1.0	4.7
Support activities for agriculture and forestry	0.13	128.3	135.0	136.2	0.9	6.2
Mines, quarries and oil wells	12.00	127.4	135.0	136.8	1.3	7.4
Utilities	5.04	123.4	129.9	131.0	0.8	6.2
Construction	6.20	129.3	136.7	138.4	1.2	7.0
All manufacturing	11.72	124.2	130.6	131.6	0.8	6.0
Trade	5.95	121.9	128.5	129.4	0.7	6.2
Transportation and warehousing	10.19	129.3	136.2	138.4	1.6	7.0
Finance, insurance and real estate	18.78	125.4	131.3	132.2	0.7	5.4
Private education services, health care and social assistance	0.68	121.6	127.2	128.5	1.0	5.7
Other services (excluding public administration)	11.40	117.2	122.1	123.2	0.9	5.1
Education services (excluding private), health care and social assistance	3.36	121.3	126.6	127.7	0.9	5.3
Public administration	9.84	125.7	131.6	132.9	1.0	5.7
Non-profit institutions serving households	0.51	121.0	126.8	127.8	0.8	5.6

^r revised

^p preliminary

1. The relative importance in the Machinery and Equipment Price Index represents shares of capital investment by industry for 2010, and is derived from the final demand matrix of the input-output table, compiled by the Canadian System of National Accounts.

Source(s): Table 18-10-0058-01.

Available tables: 18-10-0057-01 and 18-10-0058-01.

Definitions, data sources and methods: survey number 2312.

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).