

Machinery and Equipment Price Index, third quarter 2019

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The Machinery and Equipment Price Index (MEPI) decreased 1.2% in the third quarter, following a 0.4% rise in the second quarter. The import component was down 1.4% while the domestic component declined 0.7%.

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 appreciated 1.3% relative to the US dollar in the third quarter compared with the second quarter.

All industries decrease

Finance, insurance and real estate (-1.5%) was the largest contributor to the quarterly decrease in the MEPI. Other major contributors were other services excluding public administration (-1.5%), transportation and warehousing (-1.3%) and mining, quarrying, and oil and gas extraction (-0.9%).

Prices fall for most commodities

Computers and computer peripheral equipment (-3.2%) and light-duty trucks, vans and sport utility vehicles (-1.9%) contributed the most to the quarterly price decrease.

Year-over-year change

The total MEPI rose 1.6% in the third quarter compared with the same quarter in 2018. The import component was up 2.0%, while the domestic component increased 0.4%. The movement in the import component was influenced by the year-over-year depreciation of the Canadian dollar (-1.0%) against the US dollar.



Note to readers

The Machinery and Equipment Price Index 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

With the release of third quarter 2018 data, additional series for the MEPI are now 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

Statistics Canada has launched the [Producer Price Indexes Portal](#) as a part of a suite of portals for the prices and price indexes. This webpage provides Canadians with a single point of access to a wide variety of statistics and measures related to producer prices. The portal offers an array of information on topics such as manufacturing, construction, professional services, distributive trades and financial services. The portal will be continually updated as new information becomes available.

The video "[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

The publication "[A Historical Timeline of Canadian Producer Price Statistics](#)," 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?" and "What do Canadian producer price indexes measure?"

Infographic: Producer Price Indexes at a Glance

The infographic "[Producer Price Indexes at a Glance](#)," part of the series 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	Third quarter 2018	Second quarter 2019 ^r	Third quarter 2019 ^p	Second quarter to third quarter 2019	Third quarter 2018 to third quarter 2019
	%	(2010=100)			% change	
Machinery and Equipment Price Index	100.00	129.5	133.2	131.6	-1.2	1.6
Domestic	26.99	113.2	114.4	113.6	-0.7	0.4
Imported	73.01	135.6	140.2	138.3	-1.4	2.0
Crop and animal production	3.96	138.0	142.8	141.5	-0.9	2.5
Forestry and logging	0.17	135.6	140.0	138.4	-1.1	2.1
Fishing, hunting and trapping	0.07	125.6	128.4	127.3	-0.9	1.4
Support activities for agriculture and forestry	0.13	132.5	136.6	135.0	-1.2	1.9
Mining, quarrying, and oil and gas extraction	12.00	132.5	137.6	136.3	-0.9	2.9
Utilities	5.04	128.2	131.7	130.6	-0.8	1.9
Construction	6.20	134.2	139.1	137.8	-0.9	2.7
All manufacturing	11.72	129.0	132.9	131.6	-1.0	2.0
Trade	5.95	126.4	129.5	127.9	-1.2	1.2
Transportation and warehousing	10.19	135.2	138.7	136.9	-1.3	1.3
Finance, insurance and real estate	18.78	129.1	132.3	130.3	-1.5	0.9
Private education services, health care and social assistance	0.68	125.7	128.6	126.9	-1.3	1.0
Other services (excluding public administration)	11.40	120.7	123.2	121.4	-1.5	0.6
Education services (excluding private), health care and social assistance	3.36	125.0	127.8	126.4	-1.1	1.1
Public administration	9.84	129.8	133.5	131.9	-1.2	1.6
Non-profit institutions serving households	0.51	125.0	127.7	125.9	-1.4	0.7

^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).