

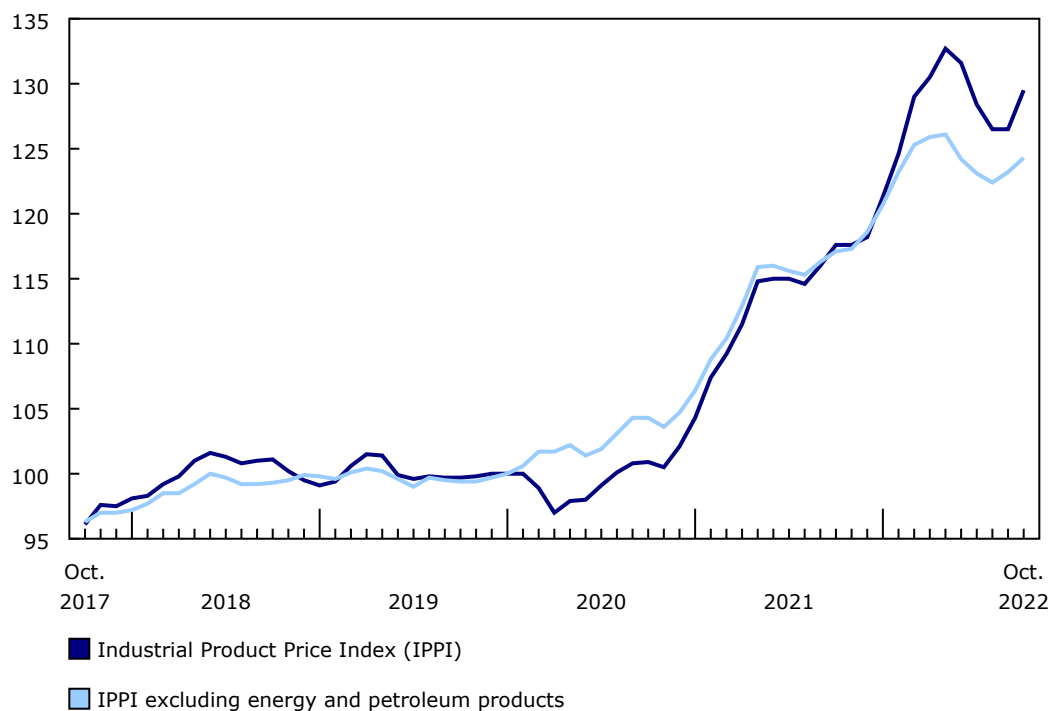
# Industrial product and raw materials price indexes, October 2022

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Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), rose 2.4% on a monthly basis in October and were 10.1% higher than in October 2021. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), increased 1.3% on a monthly basis in October, and posted a 9.0% year-over-year increase.

## Chart 1 Prices for industrial products increase

index (January 2020=100)



Source(s): Table 18-10-0265-01.

## Industrial Product Price Index

In October, the IPPI rose 2.4% month over month and was 10.1% higher than in October 2021. Excluding energy and petroleum products, the IPPI rose 0.9% month over month and 6.1% year over year.

The US dollar appreciated 2.9% against the Canadian dollar from September to October. As prices for some products in the IPPI are reported in US dollars, changes in the CAD-USD exchange rate can influence the index. If the CAD-USD exchange rate had remained the same from September to October, the overall IPPI would have increased 1.7% instead of 2.4%.

Higher prices for refined petroleum energy products (+14.9%) led the gain in the IPPI. This was the first increase in four months, and the largest monthly increase for the category since March 2022 (+19.3%). On a year-over-year basis, prices for refined petroleum energy products were 46.4% higher than in October 2021. Compared with the



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pre-pandemic level in January 2020, prices increased 80.1%. Within the category, month-over-month increases were widespread in October, including gains for distillate products such as diesel (+21.3%), light fuel oils (+17.1%) and jet fuel (+17.5%). The price of finished motor gasoline (+9.8%) also rose compared with September.

Prices for refined petroleum products were affected by the market for crude oil, the primary feedstock for refineries. On October 5, [OPEC+ announced a reduction of two million barrels per day](#) of crude oil production, starting in November 2022. This revised output target has Russia and Saudi Arabia each reducing their production by about half a million barrels per day. This announcement drove up crude oil prices in October as the market anticipated this lower production level going forward.

Prices for distillates, such as diesel and kerosene, were particularly affected due to a confluence of factors. According to the U.S. Energy Information Administration (EIA), distillate inventories were low both in the United States and globally. The EIA estimated that [end-of-October 2022 inventories of distillates were at their lowest level since 1951 for the same period](#). Seasonal demand also increased for this class of products as agricultural activity rises in the fall, and heating oil consumption increases as temperatures drop. Many refineries also undergo planned maintenance in the fall which reduces supply. Furthermore, in Europe, [five out of France's six refineries experienced strikes in October](#), which had ripple effects on the global market.

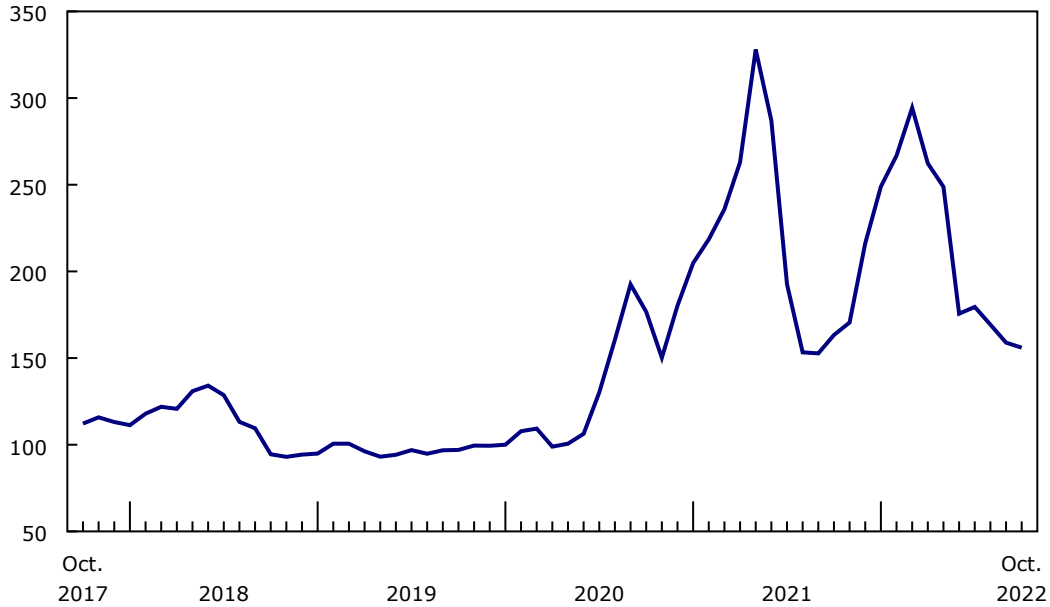
Prices for primary non-ferrous metal products rose 2.2% in October. The increase was led by higher prices for precious metals such as unwrought silver and silver alloys (+5.6%), unwrought gold and gold alloys (+1.8%), as well as unwrought platinum group metals, and their alloys (+4.7%). The monthly gain in the price of silver was mostly due to a rally in the first week of October as market participants expected weak economic data could soften the US Federal Reserve's interest rate hikes.

Prices for motorized and recreational vehicles increased 0.7% month over month in October. Higher prices of passenger cars and light trucks (+0.6%), as well as aircraft engines, aircraft parts and other aerospace equipment (+2.9%), both contributed to the gain. The gain in this category was partially attributable to the appreciation of the US dollar in October.

Prices for softwood lumber fell 1.8% in October, a third consecutive month-over-month decrease. Year over year, prices were 4.5% lower compared with October 2021. This price trend for lumber is linked closely with falling demand for housing as interest rates rise. In October, the [US average 30-year fixed mortgage rate](#) was approaching 7.0%, the highest in 20 years. In September, US housing starts fell 8.1%, while single-family housing starts dropped to the lowest level since May 2020.

**Chart 2**  
**Softwood lumber (except tongue and groove and other edge worked lumber)**

index (January 2020=100)



Source(s): Table 18-10-0266-01.

**Raw Materials Price Index**

The RMPI increased 1.3% on a monthly basis in October and posted a 9.0% year-over-year increase.

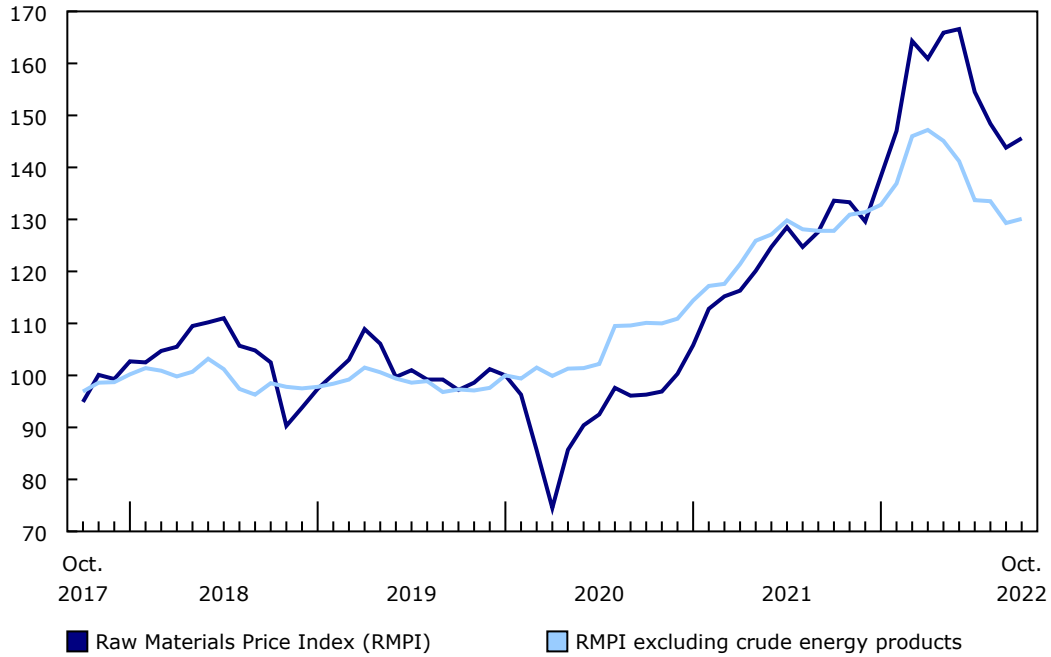
The monthly gain in RMPI was mostly due to higher prices for crude energy products (+2.0%). The price of conventional crude oil rose 5.1% in October. Year over year, conventional crude oil was 18.5% higher compared with the same month in 2021. Expectations of lower crude oil production were a major factor in the price increase, particularly due to OPEC+ announcing a two-million-barrel-per-day cut that starts in November.

Prices for crop products rebounded 4.1% in October, after declining for four consecutive months. The increase was mainly driven by higher prices for canola (+7.7%), the first monthly gain since April 2022. Compared with October 2021, canola prices were 7.1% lower.

Prices of logs, pulpwood, natural rubber and other forestry products (-9.5%) dropped for a third straight month, which moderated the upward movement in the RMPI. The group fell 4.5% compared with October 2021, the first year-over-year decrease since September 2020 (-1.6%). Lower prices for softwood logs and bolts (except fuel wood and pulpwood) (-11.5%) were mainly responsible for the monthly decline in this group. These decreases are linked to lower prices for softwood lumber, as a result of a slowing housing market in the United States.

**Chart 3**  
**Prices for raw materials rise**

index (January 2020=100)



Source(s): Table 18-10-0268-01.

## Note to readers

The Industrial Product Price Index (IPPI) and the Raw Materials Price Index (RMPI) are available at the Canadian 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 IPPI reflects the prices that producers in Canada receive as goods leave the plant gate. The IPPI does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and all costs that occur between the time a good leaves the plant and the time the final user takes possession of the good. This includes transportation, wholesale and retail costs.

Canadian producers export many goods. Canadian producers often indicate goods' prices in foreign currencies, especially in US dollars, which are then converted into Canadian dollars. This is particularly the case for motor vehicles, pulp and paper products, and wood products. Therefore, fluctuations in the value of the Canadian dollar against its US counterpart affect the IPPI. However, the conversion to Canadian dollars reflects only how respondents provide their prices. This is not a measure that takes into account the full effect of exchange rates.

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 RMPI 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.

## Products

The product "[Industrial Product Price Index: 2021 Annual Review](#)" is now available. This document is a review of how producer prices, as measured by the IPPI, changed in 2021 compared with 2020. In 2021, a multitude of factors influenced prices, many of which stemmed from the COVID-19 pandemic. Economies reopened slowly, as lockdowns were lifted and vaccinations became available, driving up demand.

Statistics Canada launched the [Producer Price Indexes Portal](#) as part of a suite of portals for prices and price indexes. This webpage provides Canadians with a single point of access to a variety of statistics, and measures related to producer prices.

The video "[Producer price indexes](#)" is available on the Statistics Canada Training Institute webpage. It introduces Statistics Canada's producer price indexes—what they are, how they are made, and what they are used for.

## Addition of a new table and additional data

Effective February 28, 2022, table 18-10-0272-01 has been added to the Statistics Canada website featuring regional indexes for select refined petroleum products. In addition, tables 18-10-0266-01 and 18-10-0268-01 now contain data for select 6- and 7-digit North American Product Classification System series.

## Next release

The industrial product and raw materials price indexes for November will be released on December 19.

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

	Relative importance <sup>1</sup>	October 2021	September 2022 <sup>r</sup>	October 2022 <sup>p</sup>	September to October 2022	October 2021 to October 2022
	%	(January 2020=100)			% change	
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>117.6</b>	<b>126.5</b>	<b>129.5</b>	<b>2.4</b>	<b>10.1</b>
<b>IPPI excluding energy and petroleum products</b>	<b>91.19</b>	<b>117.1</b>	<b>123.2</b>	<b>124.3</b>	<b>0.9</b>	<b>6.1</b>
<b>Aggregation by commodities</b>						
Meat, fish and dairy products	7.08	109.0	113.7	113.8	0.1	4.4
Fruit, vegetables, feed and other food products	7.96	115.1	133.4	134.8	1.0	17.1
Beverages (except juices)	1.95	101.5	111.9	112.7	0.7	11.0
Tobacco products	0.31	106.9	110.5	113.1	2.4	5.8
Textile and leather products	0.52	106.4	121.5	125.6	3.4	18.0
Clothing, footwear and accessories	0.42	103.1	107.3	106.2	-1.0	3.0
Chemicals and chemical products	8.79	125.4	130.5	132.5	1.5	5.7
Plastic and rubber products	2.80	112.3	127.2	129.0	1.4	14.9
Lumber and other wood products	4.58	140.6	145.7	144.7	-0.7	2.9
Pulp and paper products	3.61	105.9	124.9	127.3	1.9	20.2
Energy and petroleum products	8.81	121.8	155.3	174.7	12.5	43.4
Primary ferrous metal products	2.83	173.7	149.4	151.1	1.1	-13.0
Primary non-ferrous metal products	7.07	137.8	130.1	132.9	2.2	-3.6
Fabricated metal products and construction materials	3.28	132.4	143.6	143.9	0.2	8.7
Motorized and recreational vehicles	22.19	100.9	107.6	108.4	0.7	7.4
Machinery and equipment	6.18	104.2	114.0	115.2	1.1	10.6
Electrical, electronic, audiovisual and telecommunications products	3.69	110.9	124.5	124.8	0.2	12.5
Furniture and fixtures	1.52	108.7	115.9	116.7	0.7	7.4
Cement, glass and other non-metallic mineral products	2.18	104.9	115.3	116.8	1.3	11.3
Packaging materials and containers	2.17	119.2	126.5	126.7	0.2	6.3
Miscellaneous products	2.04	107.7	112.7	112.9	0.2	4.8

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the 2016 annual values of production.

Source(s): Table 18-10-0265-01.

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

	Relative importance <sup>1</sup>	October 2021	September 2022 <sup>r</sup>	October 2022 <sup>p</sup>	September to October 2022	October 2021 to October 2022
	%	(January 2020=100)			% change	
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>133.6</b>	<b>143.8</b>	<b>145.6</b>	<b>1.3</b>	<b>9.0</b>
<b>RMPI excluding crude energy products</b>	<b>66.68</b>	<b>127.8</b>	<b>129.3</b>	<b>130.1</b>	<b>0.6</b>	<b>1.8</b>
Crude energy products	33.32	143.6	169.1	172.5	2.0	20.1
Crop products	12.30	157.7	152.1	158.3	4.1	0.4
Animals and animal products	20.09	114.3	125.6	126.6	0.8	10.8
Non-metallic minerals	3.11	112.5	115.8	120.0	3.6	6.7
Logs, pulpwood, natural rubber and other forestry products	5.81	126.3	133.2	120.6	-9.5	-4.5
Metal ores, concentrates and scrap	25.37	126.3	122.4	123.3	0.7	-2.4

<sup>r</sup> revised

<sup>p</sup> preliminary

1. The relative importance is based on the 2016 annual values of raw material inputs into production.

Source(s): Table 18-10-0268-01.

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**Available tables:** [18-10-0265-01](#) to [18-10-0268-01](#) and [18-10-0272-01](#).

**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; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).