

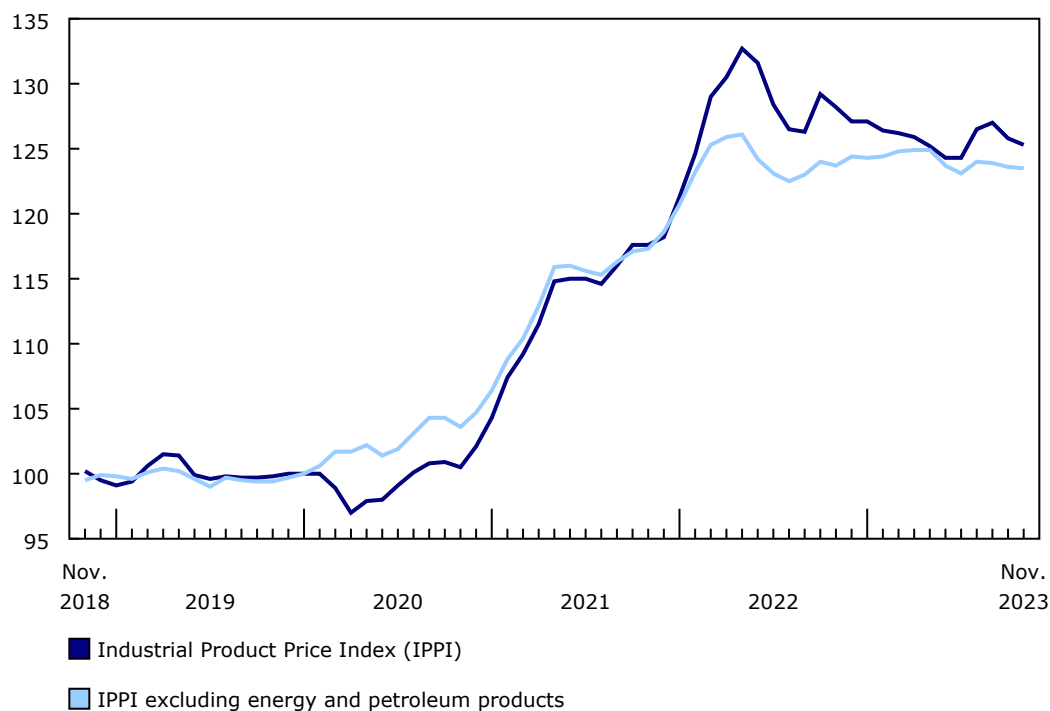
Industrial product and raw materials price indexes, November 2023

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, December 19, 2023

Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), fell 0.4% month over month in November and were 2.3% lower than in November 2022. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), decreased 4.2% on a monthly basis in November and fell 4.6% year over year.

Chart 1
Prices for industrial products decrease in November

index (January 2020=100)



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

Industrial Product Price Index

The IPPI declined 0.4% month over month in November, following a 0.9% decrease in October.

Prices for energy and petroleum products (-2.3%), which fell for a second consecutive month in November, led the monthly decrease in the IPPI. Lower prices for finished motor gasoline (-3.9%) were mainly responsible for the monthly decline in this group. Heavy fuel oils (-7.8%), diesel fuel (-0.6%) and jet fuel (-1.6%) also decreased compared with October. Concerns about oil demand and continued high levels of supply put downward pressure on prices for refined petroleum energy products in November. Demand for gasoline typically falls as winter approaches, mainly due to a seasonal decrease in driving activities. Also, according to the Energy Information Administration, crude oil inventories in the United States rose by 3.6 million barrels in early November.



Prices for chemicals and chemical products fell 0.9% in November, mainly on lower prices for petrochemicals (-2.9%) and plastic resins (-1.8%). These decreases were partly attributable to lower prices for crude oil.

Prices for meat, fish and dairy products fell 0.8% month over month in November, driven by lower prices for fresh and frozen chicken (-7.3%), which posted its largest monthly decline since January 2023 (-8.1%). Ample supply for chicken and relatively weak seasonal demand put downward pressure on chicken prices in November. According to Agriculture and Agri-Food Canada, Canadian chicken storage stocks had been increasing for two consecutive months in November and were 18.7% higher compared with the same month in 2022. By contrast, prices for fresh and frozen beef and veal rose 1.4% in November 2023. The supply level remained tight for both Canada and the United States. [Canadian beef cold storage fell 4.4% in the fourth quarter of 2023](#) compared with the previous quarter. In the United States, beef cold storage posted a year-over-year decrease in October.

After posting six months of consecutive declines, prices for primary non-ferrous metal products rose 2.0% in November, moderating the decrease in the IPPI. Prices went up for the precious metals group and some industrial metal groups. Higher prices for unwrought gold, silver, and platinum group metals, and their alloys (+3.8%), led the increase in the group. Expectations that the United States Federal Reserve is done raising interest rates and may start cutting rates by the second quarter of 2024 partly influenced the increase. Unwrought copper and copper alloys (+3.1%) and unwrought aluminum and aluminum alloys (+4.1%) also posted monthly increases in November. Higher prices for copper and aluminum were partially attributable to the Chinese government's announcement of financial support for real estate developers. Prices for unwrought nickel and nickel alloys (-6.9%) continued to decline for the seventh month in a row in November, as global nickel supply continued to be high.

Year over year

The IPPI decreased 2.3% year over year in November.

Prices for refined petroleum energy products (-16.9%) led the yearly decrease of the IPPI in November, including price declines for diesel fuel (-23.7%), finished motor gasoline (-10.9%) and light fuel oils (-20.5%).

Excluding energy and petroleum products, the IPPI declined 0.2% year over year in November. Key contributors to the decline were lower prices for softwood lumber (-17.7%), unwrought nickel and nickel alloys (-32.2%), wood pulp (-21.3%), and ammonia and chemical fertilizers (-23.8%).

Prices rose on a year-over-year basis in November for unwrought gold, silver, and platinum group metals, and their alloys (+11.5%), fresh and frozen beef and veal (+18.7%), as well as light-duty trucks, vans and sport utility vehicles (+3.5%), which partially offset the decline in the IPPI.

Raw Materials Price Index

The RMPI fell 4.2% on a monthly basis in November, following a 2.6% decrease in October.

In November, prices for crude energy products (-10.3%) posted the largest monthly decline since April 2020 (-47.5%) and led the monthly decrease in the RMPI. The price of conventional crude oil fell 12.2% month over month in November 2023, and the price of synthetic crude oil (-7.7%) was also down. Excluding crude energy products, the RMPI edged up 0.1%.

Prices for live animals fell 2.1% in November, mainly due to lower prices for hogs (-5.7%). Abundant supply partly influenced hog prices, as seasonal demand is slow. According to Agriculture and Agri-Food Canada, slaughter counts for both Canada and US hogs rose in November from October.

Prices for metal ores, concentrates and scrap rose 2.5% month over month in November. Prices increased for gold, silver, and platinum group metal ores and concentrates (+3.9%), lead and zinc ores and concentrates (+3.4%), as well as iron ores and concentrates (+10.1%). Greater amounts of lead and zinc were scheduled for delivery from London Metal Exchange warehouses in November, suggesting increased global demand for the metals. In contrast, prices for nickel ores and concentrates (-7.0%) were lower in November than in October.

Year over year

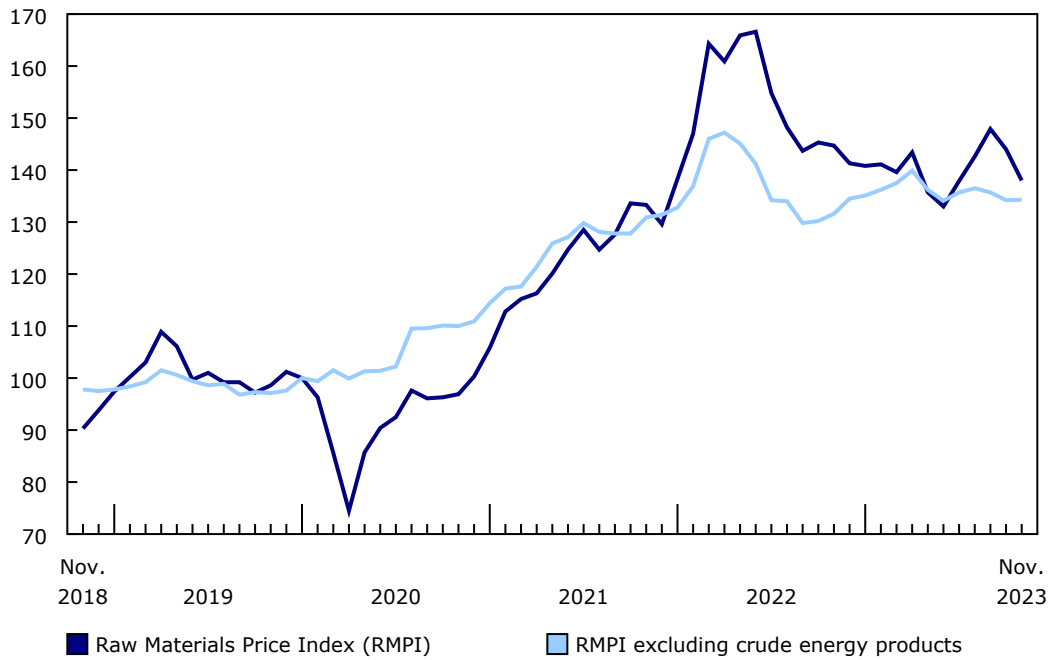
The RMPI decreased 4.6% year over year in November.

Conventional crude oil (-11.5%) and natural gas (-36.6%) led the year-over-year decrease in the RMPI in November. Lower prices for canola (-19.4%) and nickel ores and concentrates (-29.6%) also contributed to the decrease.

Higher prices for cattle and calves (+29.7%) and gold, silver and platinum group metal ores and concentrates (+11.3%) partially offset the year-over-year decline in the RMPI in November.

Chart 2
Prices for raw materials decrease in November

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 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 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

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.

Next release

The industrial product and raw materials price indexes for December 2023 will be released on January 17, 2024.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	November 2022	October 2023 ^r	November 2023 ^p	October to November 2023	November 2022 to November 2023
	%	(January 2020=100)			% change	
Industrial Product Price Index (IPPI)	100.00	128.2	125.8	125.3	-0.4	-2.3
IPPI excluding energy and petroleum products	91.19	123.7	123.6	123.5	-0.1	-0.2
Aggregation by commodities						
Meat, fish and dairy products	7.08	113.7	118.4	117.4	-0.8	3.3
Fruit, vegetables, feed and other food products	7.96	136.3	134.2	134.2	0.0	-1.5
Beverages (except juices)	1.95	114.9	119.5	119.3	-0.2	3.8
Tobacco products	0.31	113.1	123.7	123.7	0.0	9.4
Textile and leather products	0.52	125.2	120.3	119.7	-0.5	-4.4
Clothing, footwear and accessories	0.42	107.1	116.9	117.3	0.3	9.5
Chemicals and chemical products	8.79	129.0	122.6	121.5	-0.9	-5.8
Plastic and rubber products	2.80	127.1	127.0	125.8	-0.9	-1.0
Lumber and other wood products	4.58	138.2	122.0	122.4	0.3	-11.4
Pulp and paper products	3.61	126.6	117.4	117.7	0.3	-7.0
Energy and petroleum products	8.81	167.8	144.8	141.5	-2.3	-15.7
Primary ferrous metal products	2.83	143.9	141.8	139.8	-1.4	-2.8
Primary non-ferrous metal products	7.07	137.7	134.5	137.2	2.0	-0.4
Fabricated metal products and construction materials	3.28	142.9	140.1	139.1	-0.7	-2.7
Motorized and recreational vehicles	22.19	108.9	112.6	112.5	-0.1	3.3
Machinery and equipment	6.18	114.4	118.1	118.0	-0.1	3.1
Electrical, electronic, audiovisual and telecommunications products	3.69	124.2	130.7	131.1	0.3	5.6
Furniture and fixtures	1.52	116.6	115.8	115.9	0.1	-0.6
Cement, glass and other non-metallic mineral products	2.18	115.7	127.1	126.7	-0.3	9.5
Packaging materials and containers	2.17	124.8	131.5	131.7	0.2	5.5
Miscellaneous products	2.04	112.7	116.2	115.8	-0.3	2.8

^r revised

^p 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 ¹	November 2022	October 2023 ^r	November 2023 ^p	October to November 2023	November 2022 to November 2023
	%	(January 2020=100)			% change	
Raw Materials Price Index (RMPI)	100.00	144.7	144.0	138.0	-4.2	-4.6
RMPI excluding crude energy products	66.68	131.6	134.2	134.3	0.1	2.1
Crude energy products	33.32	167.4	161.1	144.5	-10.3	-13.7
Crop products	12.30	158.1	142.4	141.0	-1.0	-10.8
Animals and animal products	20.09	125.6	135.2	133.6	-1.2	6.4
Non-metallic minerals	3.11	121.2	132.4	132.2	-0.2	9.1
Logs, pulpwood, natural rubber and other forestry products	5.81	123.8	129.5	123.7	-4.5	-0.1
Metal ores, concentrates and scrap	25.37	127.0	131.0	134.3	2.5	5.7

^r revised

^p 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.

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).