

Machinery and Equipment Price Index, first quarter 2015

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, May 27, 2015

The Machinery and Equipment Price Index (MEPI) increased 7.8% in the first quarter compared with the previous quarter. The import component was up 9.4% over the period, while the domestic component rose 3.4%.

The Canadian dollar depreciated 8.5% against the US dollar in the first quarter compared with the fourth quarter of 2014. Variations in exchange rates can have a significant influence on the MEPI given the high weight of imported machinery and equipment in the index.

Every industry saw price increases for machinery and equipment purchased in the first quarter. The finance, insurance and real estate industry (+8.2%) was the largest contributor to the quarterly rise in the total MEPI. Both subsectors of this industry experienced increases, as the real estate and rental and leasing subcomponent was up 8.2%, while the finance and insurance subcomponent increased 8.3%. The second largest contributor to the quarterly increase was the mines, quarries and oil wells industry (+7.8%).

Most commodities posted price increases in the first quarter. Logging, mining and construction machinery and equipment (+7.5%) and computers and computer peripheral equipment (+6.9%) were the commodities that contributed the most to the quarterly increase of the total MEPI.

Compared with the first quarter of 2014, the total MEPI increased 11.0%, with the import component rising 13.2% and the domestic component up 4.6%. The movement in the import component was partly influenced by the year-over-year depreciation of the Canadian dollar (-11.1%) against the US dollar.

Note to readers

With the release of third quarter 2014 data, Statistics Canada converted the Machinery and Equipment Price Index (MEPI) series to 2010=100, with 2010 as the base year. The relative importance of the basket items has been updated using the 2010 annual gross additions to capital for machinery and equipment purchases by industries in Canada.

Also, the MEPI (2010=100) adopted the commodity and industry classifications incorporated in the current input-output tables of the Canadian System of National Accounts (CSNA) for final demand expenditures by machinery and equipment categories. With the 2012 historical revision of the CSNA, the classifications incorporated in the input-output tables published by Statistics Canada have been updated. For more information regarding the changes applied to the input-output tables, see the [Modernization of the input-output tables](#) document.

For vectors that have a concordance, MEPI historical data (prior to the first quarter of 2010) based on the new basket (2010=100) are available on CANSIM.

The concordance information between the old CANSIM vectors and the new CANSIM vectors is available in the [Concordance table between the old and new CANSIM vectors](#).

The 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 contribution of a given sub-aggregate to the composite price change depends on both the price change exhibited by the sub-aggregate and on its importance in the basket, as measured by the weight.

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

With the release of second quarter 2015 data, all data for 2014 will be revised.



Table 1
Machinery and Equipment Price Index – Not seasonally adjusted

	Relative importance ¹	First quarter 2014	Fourth quarter 2014 ^r	First quarter 2015 ^p	Fourth quarter 2014 to first quarter 2015	First quarter 2014 to first quarter 2015
	%	(2010=100)			% change	
Machinery and Equipment Price Index	100.00	109.3	112.5	121.3	7.8	11.0
Domestic	26.99	104.3	105.5	109.1	3.4	4.6
Imported	73.01	111.1	115.0	125.8	9.4	13.2
Crop and animal production	3.96	112.8	116.3	126.4	8.7	12.1
Forestry and logging	0.17	112.0	115.4	125.5	8.8	12.1
Fishing, hunting and trapping	0.07	107.5	110.7	119.7	8.1	11.3
Support activities for agriculture and forestry	0.13	110.9	114.3	123.8	8.3	11.6
Mines, quarries and oil wells	12.00	112.3	115.1	124.1	7.8	10.5
Utilities	5.04	109.4	112.5	120.3	6.9	10.0
Construction	6.20	111.9	115.2	124.0	7.6	10.8
All manufacturing	11.72	108.4	111.5	120.1	7.7	10.8
Trade	5.95	107.4	110.4	118.2	7.1	10.1
Transportation and warehousing	10.19	111.5	115.1	124.7	8.3	11.8
Finance, insurance and real estate	18.78	109.1	112.2	121.4	8.2	11.3
Private education services, health care and social assistance	0.68	106.8	110.0	118.4	7.6	10.9
Other services (excluding public administration)	11.40	104.6	107.7	115.6	7.3	10.5
Education services (excluding private), health care and social assistance	3.36	107.0	110.0	117.9	7.2	10.2
Public administration	9.84	109.1	112.6	122.0	8.3	11.8
Non-profit institutions serving households	0.51	106.7	109.8	117.9	7.4	10.5

^r revised

^p preliminary

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

Source(s): CANSIM table [327-0055](#).

Available in CANSIM: tables [327-0054](#) and [327-0055](#).

Definitions, data sources and methods: survey number [2312](#).

The Machinery and Equipment Price Index for the second quarter will be released on August 26.

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 (613-951-4636; mediahotline@statcan.gc.ca).