

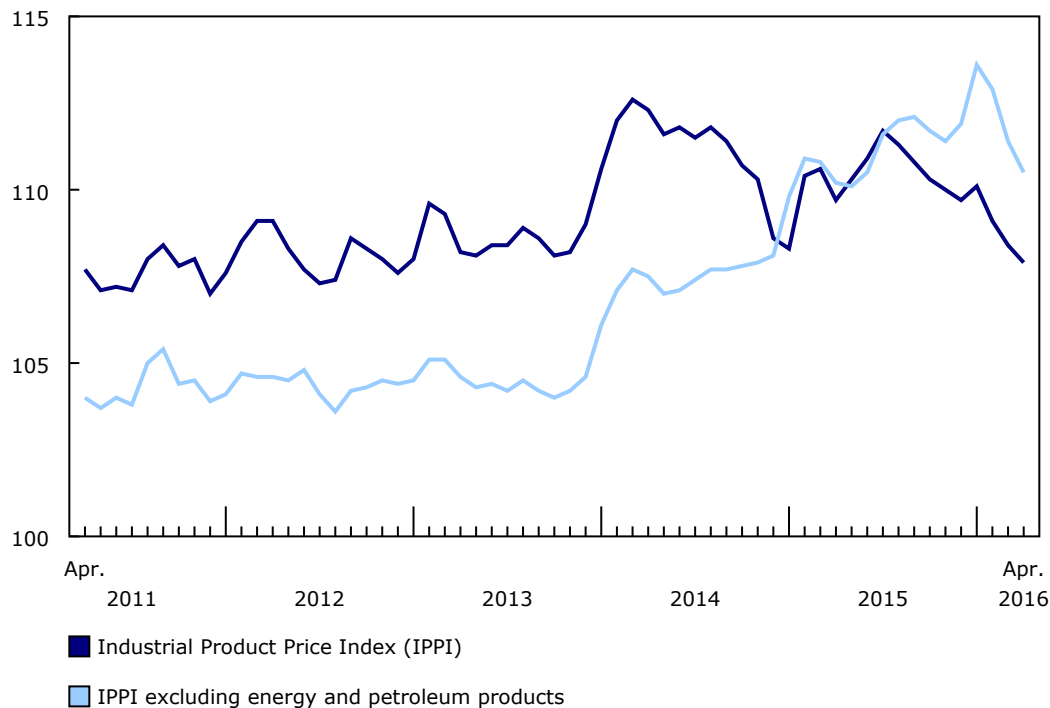
Industrial product and raw materials price indexes, April 2016

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, May 30, 2016

The Industrial Product Price Index (IPPI) declined 0.5% in April. The decrease was led by lower prices for motorized and recreational vehicles, while higher prices for energy and petroleum products helped moderate the fall. The Raw Materials Price Index (RMPI) increased 0.7%, led by higher prices for crude energy products.

Chart 1
Prices for industrial goods decline

index (2010=100)



Source(s): CANSIM table [329-0074](#).

Industrial Product Price Index, monthly change

The IPPI declined 0.5% in April, after falling 0.6% in March. Of the 21 major commodity groups, 3 were up, 14 were down and 4 were unchanged.

The motorized and recreational vehicles commodity group (-2.1%) was the main reason for the drop in the IPPI in April. Lower prices for passenger cars and light trucks (-2.2%), motor vehicle engines and motor vehicle parts (-1.6%), and aircraft (-3.0%) were the main reasons for the decline in the commodity group. Lower prices for motorized and recreational vehicles were closely linked to the appreciation of the Canadian dollar relative to the US dollar.



Also contributing to the decline in the IPPI were lower prices for primary non-ferrous metal products (-2.8%). The main reason for the decrease in the commodity group was lower prices for unwrought precious metals and precious metal alloys (-1.7%), unwrought aluminum and aluminum alloys (-4.7%), and unwrought copper and copper alloys (-4.8%).

To a lesser extent, electrical, electronic, audiovisual and telecommunication products (-1.3%) and meat, fish, and dairy products (-0.1%) also contributed to the decline in the IPPI.

Lower prices for communication and audio and video equipment (-1.2%) and electronic and electrical parts (-1.6%) were the main reasons for the drop in the electrical, electronic, audiovisual and telecommunication products commodity group. Lower prices for fresh and frozen beef and veal (-1.1%) and, to a lesser extent, fresh and frozen poultry of all types (-0.5%) were the main reasons for the decline in meat, fish, and dairy products. Higher prices for fresh and frozen pork (+0.8%) slightly moderated the decrease.

The decline in the IPPI in April was moderated by higher prices for energy and petroleum products (+2.2%). The increase was led by prices for motor gasoline (+7.5%), while lower prices for diesel fuel (-2.7%) and light fuel oils (-2.1%) moderated the gain. The IPPI excluding energy and petroleum products was down 0.8% in April.

Some IPPI prices are reported in US dollars and converted to Canadian dollars using the average monthly exchange rate. Consequently, any change in the value of the Canadian dollar relative to the US dollar will affect the level of the index. From March to April, the Canadian dollar appreciated 3.1% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have increased 0.3% instead of decreasing 0.5%.

Industrial Product Price Index, 12-month change

The IPPI declined 1.6% over the 12-month period ending in April, after falling 2.0% in March.

The main reason for the decline in the IPPI was lower prices year over year for energy and petroleum products (-13.9%). Motor gasoline (-8.1%), light fuel oils (-18.9%), diesel fuel (-18.4%) and heavy fuel oils (-29.6%) contributed to the drop in prices for energy and petroleum products. The IPPI excluding energy and petroleum products increased 0.3% in April from the same month last year.

Lower prices for primary non-ferrous metal products (-5.8%) and primary ferrous metal products (-10.2%) also contributed to the year-over-year decline in the IPPI.

Lower prices for unwrought copper and copper alloys (-17.2%), unwrought aluminum and aluminum alloys (-11.7%), and basic and semi-finished products of aluminum and aluminum alloys (-14.4%) were the main reasons for the decline in primary non-ferrous metal products. The decrease in primary ferrous metal products was led by lower prices for iron and steel basic shapes (-12.6%) and iron and steel pipe and tube (except castings) (-13.0%).

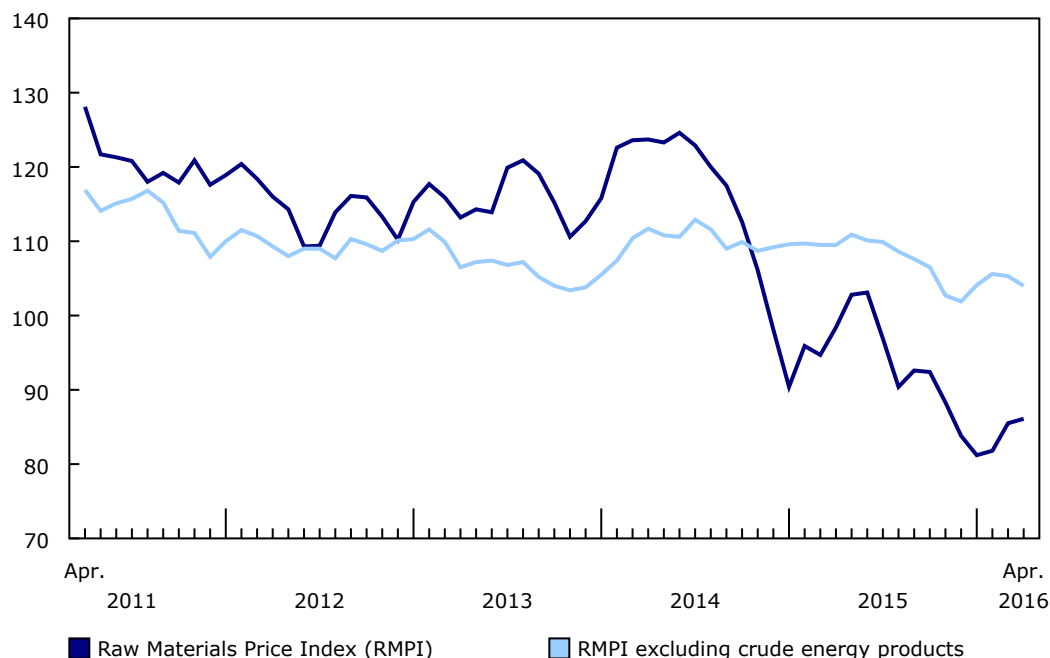
Moderating the year-over-year decline in the IPPI were higher prices for motorized and recreational vehicles (+2.5%), specifically passenger cars and light trucks (+3.1%) and aircraft (+4.5%).

Raw Materials Price Index, monthly change

The RMPI increased 0.7% in April, following a 4.5% gain in March. Of the six major commodity groups, two were up and four were down.

Chart 2
Prices for raw materials increase

index (2010=100)



Source(s): CANSIM table [330-0008](#).

The increase in the RMPI was mainly attributable to higher prices for crude energy products (+4.2%), specifically conventional crude oil (+4.6%). The RMPI excluding crude energy products declined 1.2% in April.

Declining prices for animals and animal products (-2.0%) and metal ores, concentrates and scrap (-1.4%) largely moderated the decrease in the RMPI in April. The drop in prices for animals and animal products was led by lower prices for cattle and calves (-5.8%) and, to a lesser extent, hogs (-1.5%).

Raw Materials Price Index, 12-month change

The RMPI declined 12.5% over the 12-month period ending in April.

Lower prices for crude energy products (-22.7%), specifically conventional crude oil (-23.4%), were largely responsible for the decrease. The RMPI excluding crude energy products declined 5.0%.

To a lesser extent, lower prices for animals and animal products (-7.7%) also contributed to the year-over-year decline in the RMPI. The decrease in this commodity group was led by lower prices for cattle and calves (-22.9%), while higher prices for hogs (+6.6%) helped moderate the fall.

Note to readers

The Industrial Product Price Index (IPPI) and 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 **Industrial Product Price Index** reflects the prices that producers in Canada receive as the goods leave the plant gate. It does not reflect what the consumer pays. Unlike the Consumer Price Index, the IPPI excludes indirect taxes and the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including the transportation, wholesale and retail costs.

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

The conversion of prices received in US dollars is based on the average monthly exchange rate (noon spot rate) established by the Bank of Canada and it is available on CANSIM in table 176-0064 (series v37426). 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 **Raw Materials Price Index** 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.

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](#)), is now available. This infographic demonstrates how producer price indexes for goods and services are calculated and why they are important for the Canadian economy.

Real-time CANSIM tables

Real-time CANSIM table 329-8074 will be updated on June 6. For more information, consult the document, [Real-time CANSIM tables](#).

Next release

The IPPI and RMPI for May will be released on June 30.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	April 2015	March 2016 ^r	April 2016 ^p	March to April 2016	April 2015 to April 2016
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	109.7	108.4	107.9	-0.5	-1.6
IPPI excluding energy and petroleum products	86.40	110.2	111.4	110.5	-0.8	0.3
Aggregation by commodities						
Meat, fish, and dairy products	7.21	121.9	124.0	123.9	-0.1	1.6
Fruit, vegetables, feed and other food products	7.53	111.6	112.5	112.5	0.0	0.8
Beverages (except juices)	1.92	105.7	107.0	107.0	0.0	1.2
Tobacco products	0.25	131.4	138.6	138.4	-0.1	5.3
Textile and leather products	0.57	107.9	111.2	111.0	-0.2	2.9
Clothing, footwear and accessories	0.51	103.7	104.8	104.5	-0.3	0.8
Chemicals and chemical products	8.46	106.9	103.7	103.9	0.2	-2.8
Plastic and rubber products	2.79	110.5	111.2	110.8	-0.4	0.3
Lumber and other wood products	2.27	107.0	109.6	109.3	-0.3	2.1
Pulp and paper products	4.09	103.9	105.2	104.2	-1.0	0.3
Energy and petroleum products	13.60	106.1	89.3	91.3	2.2	-13.9
Primary ferrous metal products	3.32	105.2	94.1	94.5	0.4	-10.2
Primary non-ferrous metal products	8.03	107.8	104.5	101.6	-2.8	-5.8
Fabricated metal products and construction materials	3.17	106.4	106.8	106.1	-0.7	-0.3
Motorized and recreational vehicles	17.23	114.0	119.3	116.8	-2.1	2.5
Machinery and equipment	5.73	107.7	110.0	109.6	-0.4	1.8
Electrical, electronic, audiovisual and telecommunication products	4.69	107.2	111.7	110.2	-1.3	2.8
Furniture and fixtures	1.49	103.8	105.7	105.7	0.0	1.8
Cement, glass, and other non-metallic mineral products	2.34	107.8	110.3	110.3	0.0	2.3
Packaging materials and containers	2.38	112.0	116.1	115.8	-0.3	3.4
Miscellaneous products	2.41	110.2	112.4	111.5	-0.8	1.2

^r revised

^p preliminary

1. The relative importance is based on the annual 2010 values of production.

Source(s): CANSIM table [329-0074](#).

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	April 2015	March 2016 ^r	April 2016 ^p	March to April 2016	April 2015 to April 2016
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	98.4	85.5	86.1	0.7	-12.5
RMPI excluding crude energy products	51.83	109.5	105.3	104.0	-1.2	-5.0
Crude energy products	48.17	86.5	64.2	66.9	4.2	-22.7
Crop products	8.68	123.6	123.4	123.0	-0.3	-0.5
Animals and animal products	15.51	130.9	123.3	120.8	-2.0	-7.7
Non-metallic minerals	1.85	111.3	113.0	112.3	-0.6	0.9
Logs, pulpwood, natural rubber and other forestry products	2.84	110.0	109.4	110.5	1.0	0.5
Metal ores, concentrates and scrap	22.96	89.5	85.2	84.0	-1.4	-6.1

^r revised

^p preliminary

1. The relative importance is based on the annual 2010 values of raw material inputs into production.

Source(s): CANSIM table [330-0008](#).

Available in CANSIM: tables [329-0074 to 329-0077](#) and [330-0008](#).

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).