

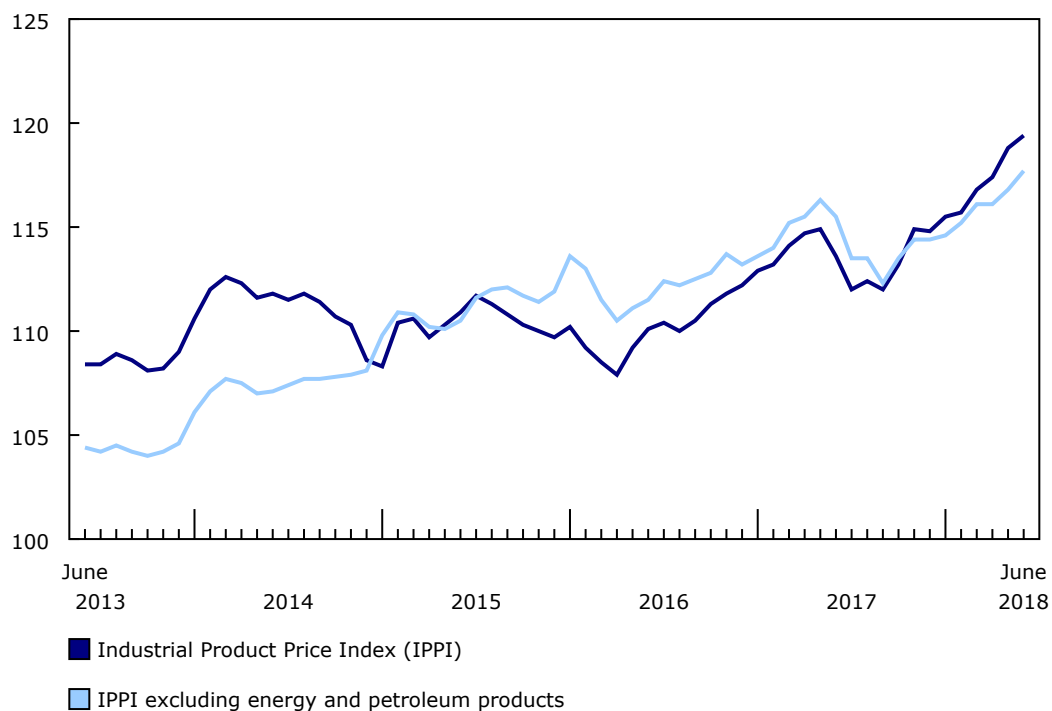
Industrial product and raw materials price indexes, June 2018

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Prices for products sold by Canadian manufacturers, as measured by the Industrial Product Price Index (IPPI), rose 0.5% in June, primarily as a result of higher prices for primary non-ferrous metal products and motorized and recreational vehicles. Prices for raw materials purchased by Canadian manufacturers, as measured by the Raw Materials Price Index (RMPI), also increased 0.5%, mainly on the strength of higher prices for animals and animal products and metal ores, concentrates and scrap.

Chart 1
Prices for industrial goods increase

index (2010=100)



Source(s): Table 18-10-0029-01.

Industrial Product Price Index, monthly change

The IPPI (+0.5%) rose in June for a sixth consecutive month, following a 1.2% increase the previous month. Of the 21 major commodity groups, 16 were up, 4 were down and 1 was unchanged.

Primary non-ferrous metal products (+1.5%) contributed the most to the growth of the IPPI in June. This increase was mainly due to higher prices for unwrought copper and copper alloys (+4.0%), unwrought precious metals and precious metal alloys (+1.2%) and other unwrought non-ferrous metals and non-ferrous metal alloys (+2.8%). Conversely, prices for unwrought aluminum and aluminum alloys fell 2.8% from May to June.



Motorized and recreational vehicles increased 0.7%, led mainly by prices for motor vehicle engines and motor vehicle parts (+1.2%), aircraft (+2.2%) and aircraft engines, aircraft parts and other aerospace equipment (+2.0%). Higher prices for motorized and recreational vehicles were closely linked to the depreciation of the Canadian dollar relative to the US dollar.

Pulp and paper products (+1.5%) gained for a second consecutive month, primarily due to higher prices for wood pulp (+2.5%).

Meat, fish, and dairy products rose 0.7% in June. The increase in this product group was primarily attributable to higher prices for fresh and frozen pork (+5.1%), while lower prices for fresh and frozen beef and veal (-1.6%) moderated this increase.

Primary ferrous metal products (+1.7%), chemicals and chemical products (+0.7%) and electrical, electronic, audiovisual and telecommunication products (+1.1%) also saw increases in June.

Energy and petroleum products (-0.5%) declined for the first time in four months. Motor gasoline (-2.5%) and, to a lesser extent, diesel fuel (-1.4%) and light fuel oils (-1.0%) were the main sources of this decrease. The IPPI excluding energy and petroleum products increased 0.8%.

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 May to June, the Canadian dollar fell 1.9% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have remained unchanged.

Industrial Product Price Index, 12-month change

The IPPI rose 5.1% over the 12-month period ending in June, following a 3.4% gain in May. This was the largest year-over-year increase since May 2017.

Compared with June 2017, the growth in the IPPI was mainly due to higher prices for energy and petroleum products (+28.2%). Motor gasoline (+27.4%), light fuel oils (+38.4%) and diesel fuel (+39.8%) were the main contributors to this increase. The IPPI excluding energy and petroleum products rose 1.9% compared with the same month in 2017.

Year over year, prices for primary non-ferrous metal products were up 7.3% in June, continuing an upward trend that began in August 2017. Other unwrought non-ferrous metals and non-ferrous metal alloys (+20.0%), unwrought copper and copper alloys (+20.4%) and unwrought aluminum and aluminum alloys (+12.4%) were mainly responsible for the increase in this product group.

Compared with the same month the previous year, pulp and paper products increased 12.7%, mainly due to higher prices for wood pulp (+24.6%) and newsprint (+18.4%).

Lower prices for motorized and recreational vehicles (-2.2%), especially passenger cars and light trucks (-4.1%), moderated the year-over-year increase in the IPPI in June.

Prices for meat, fish, and dairy products (-3.4%) also fell compared with June 2017. This decline was mainly due to lower prices for fresh and frozen pork (-9.0%) and fresh and frozen beef and veal (-5.8%).

Raw Materials Price Index, monthly change

The RMPI (+0.5%) posted a fourth consecutive monthly increase in June, after rising 3.8% in May. Of the six major commodity groups, four were up and two were down.

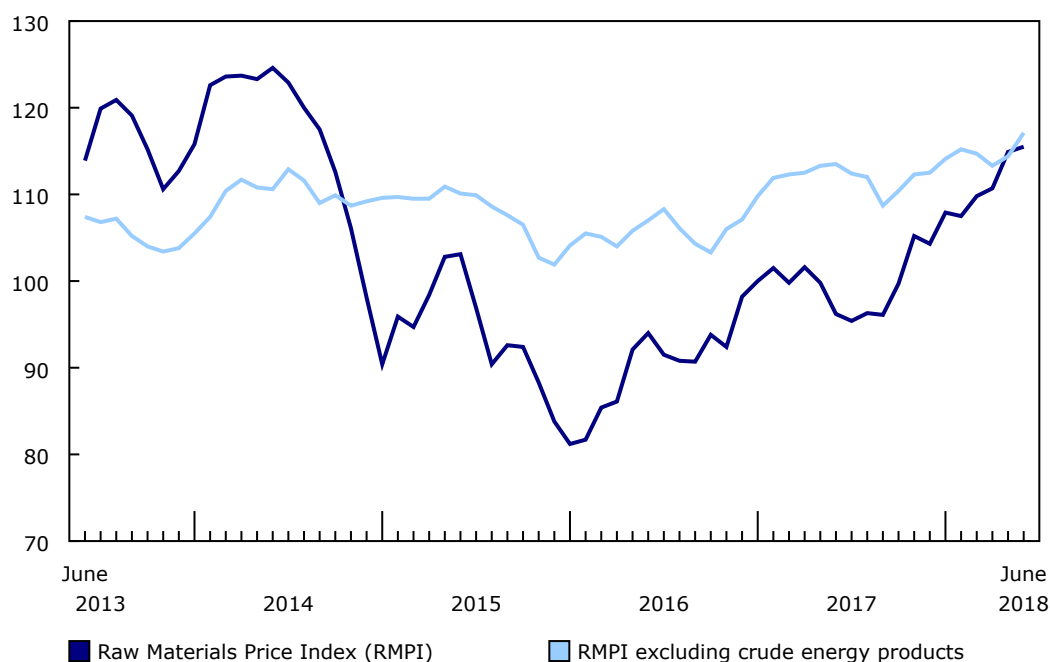
Animals and animal products (+4.1%) was the largest contributor to the increase in the RMPI, mainly due to higher prices for hogs (+23.0%), which saw their biggest monthly increase since March 2014 (+24.3%). Lower prices for cattle and calves (-2.9%) slightly offset the increase in this product group.

Prices for metal ores, concentrates and scrap (+3.2%) also contributed significantly to the increase in the RMPI.

The increase in the RMPI was largely offset by crude energy product prices, which fell 1.5% following three straight monthly increases. Lower prices for conventional crude oil (-1.5%) were the main source of this decline. The decrease in prices for crude energy products in June coincided with the decision by the Organization of Petroleum Exporting Countries (OPEC) members and its allies to increase their production. The RMPI excluding crude energy products was up 2.4%.

Chart 2 Prices for raw materials increase

index (2010=100)



Source(s): Table 18-10-0034-01.

Raw Materials Price Index, 12-month change

The RMPI rose 20.1% over the 12-month period ending in June, after increasing 15.1% in May.

Compared with June 2017, growth in the RMPI was mainly driven by higher prices for crude energy products (+46.6%), particularly conventional crude oil (+48.4%). Year over year, the RMPI excluding crude energy products rose 3.2%.

To a lesser extent, prices for metal ores, concentrates and scrap (+10.0%), which have posted year-over-year increases since July 2016, also contributed to the rise in the RMPI.

Compared with the same month in 2017, the growth of the RMPI in June was slightly offset by lower prices for animals and animal products (-4.5%), particularly cattle and calves (-12.3%) and hogs (-6.9%).

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 all the costs that occur between the time a good leaves the plant and the time the final user takes possession of it, including 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 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 **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.

A Historical Timeline of Canadian Producer Price Statistics

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

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

Real-time table

Real-time table 18-10-0248-01 will be updated on August 7.

Next release

The industrial product and raw materials price indexes for July will be released on August 31.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	June 2017	May 2018 ^r	June 2018 ^p	May to June 2018	June 2017 to June 2018
	%	(2010=100)			% change	
Industrial Product Price Index (IPPI)	100.00	113.6	118.8	119.4	0.5	5.1
IPPI excluding energy and petroleum products	86.40	115.5	116.8	117.7	0.8	1.9
Aggregation by commodities						
Meat, fish, and dairy products	7.21	129.2	123.9	124.8	0.7	-3.4
Fruit, vegetables, feed and other food products	7.53	114.4	116.2	116.3	0.1	1.7
Beverages (except juices)	1.92	108.6	109.0	109.1	0.1	0.5
Tobacco products	0.25	156.6	169.3	172.4	1.8	10.1
Textile and leather products	0.57	111.5	111.1	111.1	0.0	-0.4
Clothing, footwear and accessories	0.51	106.6	108.2	108.1	-0.1	1.4
Chemicals and chemical products	8.46	110.3	110.6	111.4	0.7	1.0
Plastic and rubber products	2.79	113.7	114.2	115.1	0.8	1.2
Lumber and other wood products	2.27	116.7	127.1	128.3	0.9	9.9
Pulp and paper products	4.09	113.5	126.0	127.9	1.5	12.7
Energy and petroleum products	13.60	101.7	131.1	130.4	-0.5	28.2
Primary ferrous metal products	3.32	107.0	111.0	112.9	1.7	5.5
Primary non-ferrous metal products	8.03	114.8	121.4	123.2	1.5	7.3
Fabricated metal products and construction materials	3.17	114.0	120.5	121.1	0.5	6.2
Motorized and recreational vehicles	17.23	119.5	116.1	116.9	0.7	-2.2
Machinery and equipment	5.73	110.9	111.9	112.6	0.6	1.5
Electrical, electronic, audiovisual and telecommunication products	4.69	111.4	110.3	111.5	1.1	0.1
Furniture and fixtures	1.49	109.5	111.5	111.3	-0.2	1.6
Cement, glass, and other non-metallic mineral products	2.34	110.8	115.2	115.0	-0.2	3.8
Packaging materials and containers	2.38	120.4	124.8	125.3	0.4	4.1
Miscellaneous products	2.41	114.2	114.8	115.5	0.6	1.1

^r revised

^p preliminary

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

Source(s): Table 18-10-0029-01.

Table 2
Raw Materials Price Index – Not seasonally adjusted

	Relative importance ¹	June 2017	May 2018 ^r	June 2018 ^p	May to June 2018	June 2017 to June 2018
	%	(2010=100)			% change	
Raw Materials Price Index (RMPI)	100.00	96.2	114.9	115.5	0.5	20.1
RMPI excluding crude energy products	51.83	113.5	114.4	117.1	2.4	3.2
Crude energy products	48.17	77.6	115.5	113.8	-1.5	46.6
Crop products	8.68	122.9	126.0	124.7	-1.0	1.5
Animals and animal products	15.51	132.3	121.4	126.4	4.1	-4.5
Non-metallic minerals	1.85	112.2	115.4	116.3	0.8	3.7
Logs, pulpwood, natural rubber and other forestry products	2.84	117.6	129.4	129.6	0.2	10.2
Metal ores, concentrates and scrap	22.96	96.8	103.2	106.5	3.2	10.0

^r revised

^p preliminary

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

Source(s): Table 18-10-0034-01.

Available tables: [18-10-0029-01](#) to [18-10-0032-01](#) and [18-10-0034-01](#).

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