

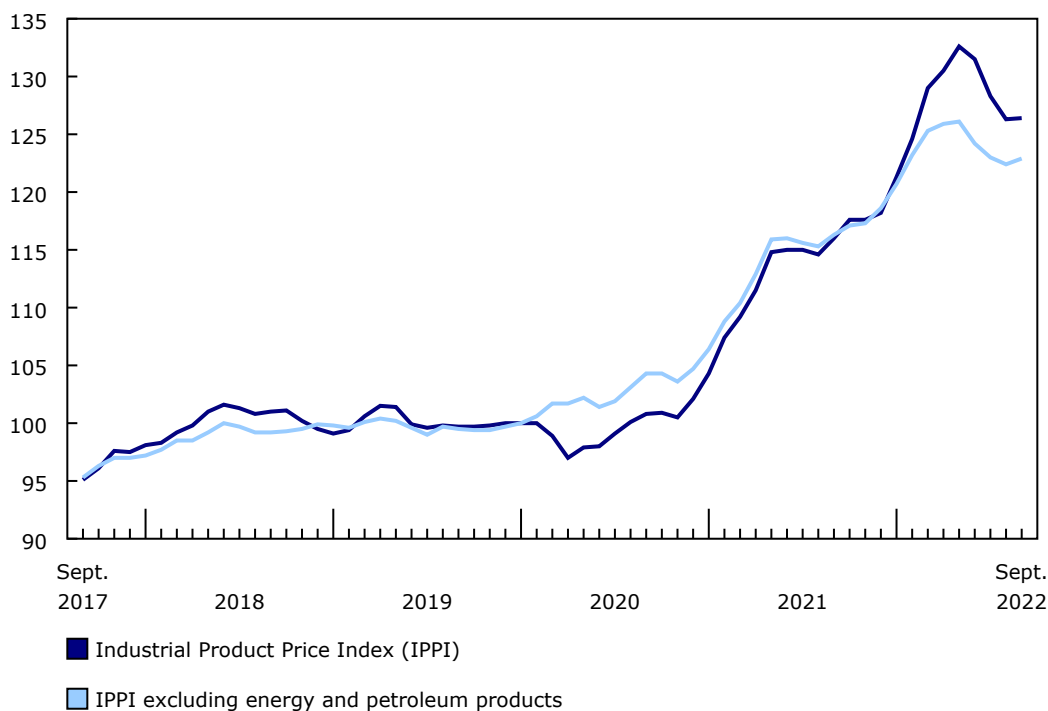
Industrial product and raw materials price indexes, September 2022

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Prices of products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), edged up 0.1% month over month in September and rose 9.0% year over year. Prices of raw materials purchased by manufacturers operating in Canada, as measured by the Raw Materials Price Index (RMPI), decreased 3.2% on a monthly basis in September and rose 11.0% year over year.

Chart 1
Prices for industrial products edged up

index (January 2020=100)



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

Industrial Product Price Index

The IPPI edged up 0.1% month over month in September, following three months of consecutive decreases. Year over year, the IPPI was up 9.0%. As prices for some products in the IPPI in Canada are reported in US dollars, changes in the CAD-USD exchange rate can exert an influence on prices. From August to September, the Canadian dollar depreciated 3.0% against the US greenback. Many factors are contributing to the rise of the US dollar, including its use as a reserve currency and as a haven in uncertain times. Rising interest rates are also a factor making the greenback attractive to investors. If the CAD-USD exchange rate had remained the same from August to September, the overall IPPI would have fallen 0.6% instead of edging up 0.1%.

Prices for energy and petroleum products (-2.5%) fell for a third consecutive month in September; however, they were 38.4% higher than the same period last year. Compared with January 2020, the product group was up 56.8%. The monthly decrease in the group was mainly due to lower prices for refined petroleum energy products (-3.0%).



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The price of finished motor gasoline declined 5.2% in September, while diesel fuel was down 1.9%. Price decreases for energy and petroleum products were largely linked to lower prices for crude oil (-4.9%), which fell due to concerns of slowing global demand and increased production. According to the U.S. Energy Information Administration, the 180-million-barrel release from the US strategic petroleum reserve may have contributed to alleviating supply concerns. In early October, [the Organization of the Petroleum Exporting Countries announced a production cut of 2 million barrels per day](#) starting in November 2022.

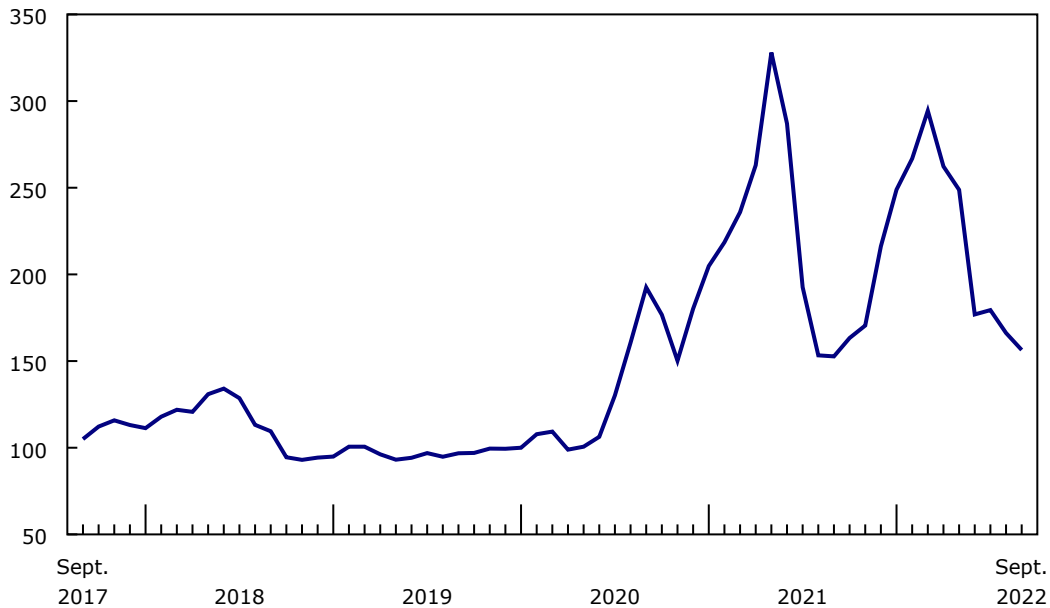
Prices for motorized and recreational vehicles rose 1.3%, mainly on higher prices for motor vehicle engines and motor vehicle parts (+2.2%), the highest month-over-month increase since March 2020 (+2.4%) at the onset of the COVID-19 pandemic. The depreciation of the Canadian dollar against the US dollar played a part in the price increases in this group. Supply shortages and elevated costs for transportation and energy also contributed to the rise in prices.

Prices for softwood lumber fell 5.9% month over month in September. Compared with the same month in 2021, softwood lumber prices increased 2.4%. A slowing housing market in the United States was the main reason for falling softwood lumber prices. [In September 2022, the average interest rate on a 30-year fixed mortgage in the United States was 6.1% compared with 5.2% the previous month.](#)

Prices for pulp and paper products rose 3.0% on a monthly basis and 15.4% year over year. The price increase in this group was in part attributable to the appreciation of the US dollar.

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 decreased 3.2% in September and rose 11.0% compared with the same month in 2021.

Prices for crude energy products fell 3.6%, a third consecutive monthly decrease. The price of conventional crude oil was down 4.9% in September; however, it was up 26.3% year over year. Expectations of slowing economic activity worldwide contributed to the decrease in prices.

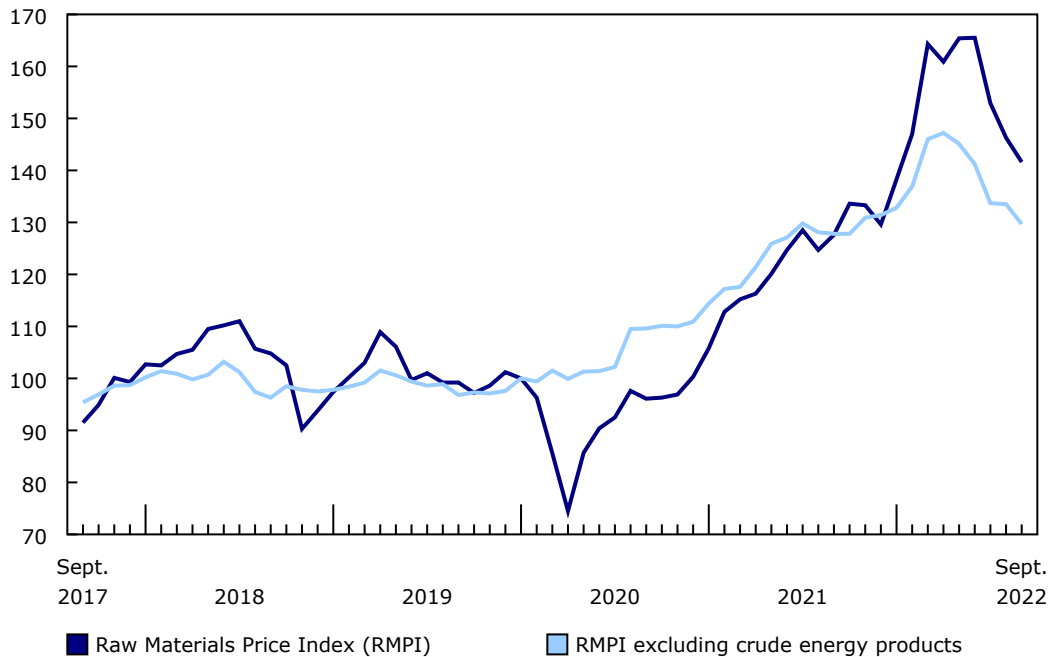
The price of natural gas rebounded 14.9% in September, following a 19.4% drop in August. Low prices in August were mostly attributable to pipeline maintenance which reduced the ability to move product. Globally, natural gas prices have been on the rise, particularly due to the Russian invasion of Ukraine. The benchmark price of natural gas in Alberta was CAD4.36/GJ on average in September. Comparatively, the price in Europe was CAD74.60/GJ, and the price in the US was CAD9.80/GJ.

Prices for metal ores, concentrates and scrap were down 2.9% in September, due in part to a stronger US dollar, as well as concerns about economic growth.

Prices for logs, pulpwood, natural rubber and other forestry products decreased 11.7% in September, a record month-over-month decline since the start of the series in January 2010. Year over year, the group was 9.1% higher than in September 2021. Lower prices for softwood logs and bolts (except fuel wood and pulpwood) (-13.9%) reflect recent declines in prices for lumber.

Chart 3
Prices for raw materials fall

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 October will be released on November 18.

Table 1
Industrial Product Price Index – Not seasonally adjusted

	Relative importance ¹	September 2021	August 2022 ^r	September 2022 ^p	August to September 2022	September 2021 to September 2022
	%	(January 2020=100)			% change	
Industrial Product Price Index (IPPI)	100.00	116.0	126.3	126.4	0.1	9.0
IPPI excluding energy and petroleum products	91.19	116.3	122.4	122.9	0.4	5.7
Aggregation by commodities						
Meat, fish and dairy products	7.08	113.4	115.1	115.2	0.1	1.6
Fruit, vegetables, feed and other food products	7.96	114.7	133.1	133.9	0.6	16.7
Beverages (except juices)	1.95	100.5	112.7	111.9	-0.7	11.3
Tobacco products	0.31	107.2	110.0	110.5	0.5	3.1
Textile and leather products	0.52	106.1	120.7	120.7	0.0	13.8
Clothing, footwear and accessories	0.42	102.8	107.6	107.0	-0.6	4.1
Chemicals and chemical products	8.79	121.2	128.3	128.8	0.4	6.3
Plastic and rubber products	2.80	111.8	123.2	127.2	3.2	13.8
Lumber and other wood products	4.58	138.3	149.9	144.6	-3.5	4.6
Pulp and paper products	3.61	108.0	121.0	124.6	3.0	15.4
Energy and petroleum products	8.81	113.3	160.8	156.8	-2.5	38.4
Primary ferrous metal products	2.83	172.4	150.6	151.0	0.3	-12.4
Primary non-ferrous metal products	7.07	135.2	130.4	130.2	-0.2	-3.7
Fabricated metal products and construction materials	3.28	127.3	144.0	141.9	-1.5	11.5
Motorized and recreational vehicles	22.19	101.0	105.3	106.7	1.3	5.6
Machinery and equipment	6.18	103.4	111.9	113.9	1.8	10.2
Electrical, electronic, audiovisual and telecommunications products	3.69	107.0	122.7	124.6	1.5	16.4
Furniture and fixtures	1.52	106.9	116.5	116.1	-0.3	8.6
Cement, glass and other non-metallic mineral products	2.18	104.3	114.4	114.7	0.3	10.0
Packaging materials and containers	2.17	119.6	127.3	126.5	-0.6	5.8
Miscellaneous products	2.04	108.7	112.4	112.1	-0.3	3.1

^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	September 2021	August 2022 ^r	September 2022 ^p	August to September 2022	September 2021 to September 2022
	%	(January 2020=100)			% change	
Raw Materials Price Index (RMPI)	100.00	127.6	146.3	141.6	-3.2	11.0
RMPI excluding crude energy products	66.68	127.8	133.5	129.7	-2.8	1.5
Crude energy products	33.32	127.4	168.5	162.5	-3.6	27.6
Crop products	12.30	154.4	154.0	152.2	-1.2	-1.4
Animals and animal products	20.09	115.9	126.7	126.0	-0.6	8.7
Non-metallic minerals	3.11	111.7	119.8	113.5	-5.3	1.6
Logs, pulpwood, natural rubber and other forestry products	5.81	123.0	152.0	134.2	-11.7	9.1
Metal ores, concentrates and scrap	25.37	127.4	126.6	122.9	-2.9	-3.5

^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).