

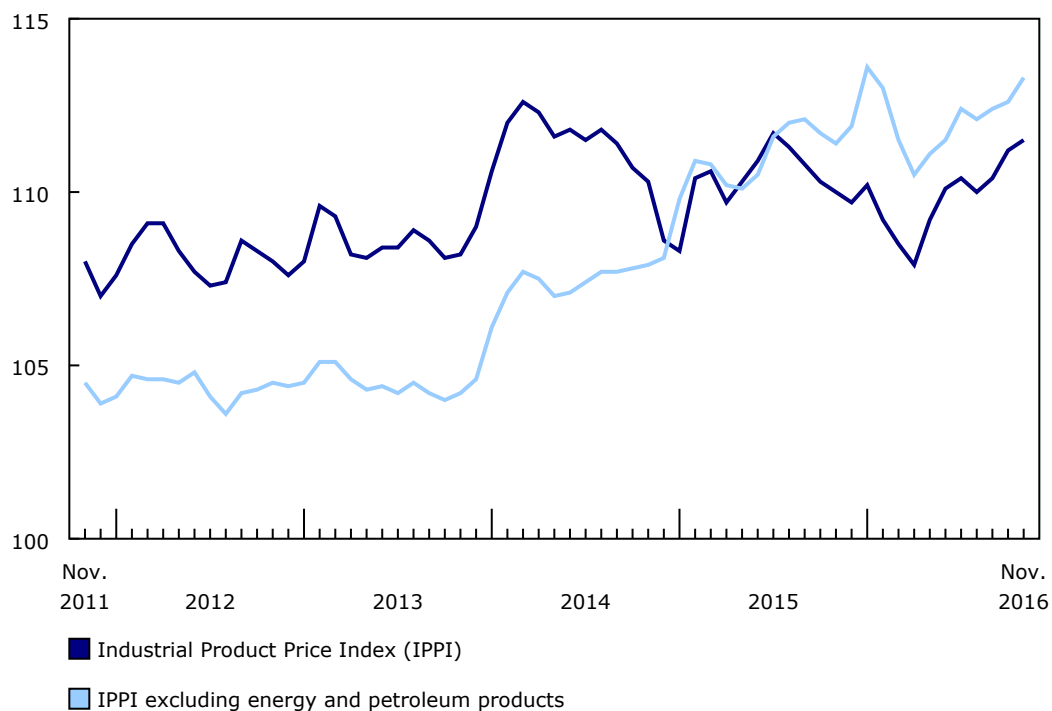
# Industrial product and raw materials price indexes, November 2016

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The Industrial Product Price Index (IPPI) rose 0.3% in November. Higher prices for motorized and recreational vehicles and primary non-ferrous metal products were largely moderated by lower prices for energy and petroleum products. The Raw Materials Price Index (RMPI) decreased 2.0%, mainly due to lower prices for crude energy products.

**Chart 1**  
**Prices for industrial goods increase**

index (2010=100)



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

## Industrial Product Price Index, monthly change

The IPPI rose 0.3% in November, following a 0.7% increase in October. Of the 21 major commodity groups, 14 were up, 2 were down and 5 were unchanged.

The rise in the IPPI in November was mainly attributable to higher prices for motorized and recreational vehicles (+1.1%) and primary non-ferrous metal products (+2.3%).

Within motorized and recreational vehicles, price gains were reported for passenger cars and light trucks (+1.0%), motor vehicle engines and motor vehicle parts (+0.7%) as well as aircraft (+1.5%). Higher prices for motorized and recreational vehicles were closely linked to the depreciation of the Canadian dollar relative to the US dollar.



Price increases for primary non-ferrous metal products were widespread in November, led by higher prices for unwrought copper and copper alloys (+16.7%). Other unwrought non-ferrous metals and non-ferrous metal alloys (+3.4%) also increased, particularly unwrought lead and lead alloys (+8.3%) as well as unwrought tin and tin alloys (+6.7%). Unwrought aluminum and aluminum alloys rose 3.4%.

Chemicals and chemical products (+0.9%) rose for a third straight month, led by higher prices for petrochemicals (+3.2%) and plastic resins (+2.1%).

Fruit, vegetables, feed and other food products rose 0.4%, primarily due to price increases for intermediate food products (+1.9%), specifically flour and other grain mill products (+2.4%) as well as grain and oilseed products, not elsewhere classified (+0.7%).

Moderating the rise in the IPPI in November were lower prices for energy and petroleum products, which fell 2.2% after rising 5.0% the previous month. Motor gasoline prices fell 5.5%. Jet fuel (-3.5%), asphalt (other than natural) and asphalt products (-1.3%) and light fuel oils (-0.4%) also recorded price declines. The IPPI excluding energy and petroleum products rose 0.6% in November.

Prices for meat, fish and dairy products (-0.3%) edged down in November. This was almost entirely due to lower prices for fresh and frozen pork (-1.2%) and fresh and frozen poultry of all types (-1.2%).

Some IPPI prices are reported in US dollars and are 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 October to November, the Canadian dollar depreciated 1.4% relative to the US dollar. If the exchange rate had remained constant, the IPPI would have decreased 0.1% instead of rising 0.3%.

## **Industrial Product Price Index, 12-month change**

The IPPI rose 1.4% during the 12-month period ending in November, following a 0.8% increase in October.

Compared with November 2015, the increase in the IPPI was largely attributable to higher prices for primary non-ferrous metal products (+12.0%), which posted their largest year-over-year gain since September 2011. The increase in this commodity group was driven by unwrought precious metals and precious metal alloys (+14.4%) and other unwrought non-ferrous metals and non-ferrous metal alloys (+28.3%).

Fruit, vegetables, feed and other food products (+2.0%) also contributed to the year-over-year increase in the IPPI, but to a lesser extent. Higher prices for grain and oilseed products, not elsewhere classified (+6.1%), confectionery products (+6.1%), and breads, rolls and flatbreads (+4.2%) were the main drivers for the increase in this commodity group.

The year-over-year advance in the IPPI was moderated mainly by lower prices for meat, fish and dairy products (-2.2%), particularly fresh and frozen beef and veal (-12.5%) and, to a lesser extent, fresh and frozen pork (-2.6%). On a year-over-year basis, meat, fish and dairy product prices have been falling since May 2016.

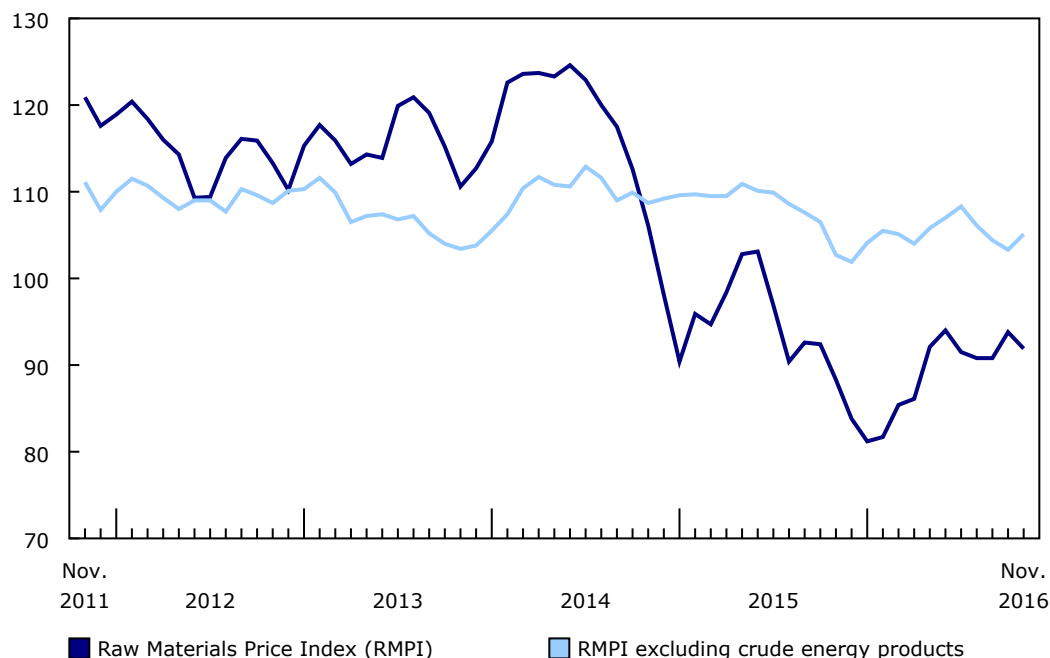
The increase in the IPPI was also offset by lower prices for energy and petroleum products (-1.1%), specifically asphalt (other than natural) and asphalt products (-7.5%), lubricants and other refined petroleum products (-3.5%) and motor gasoline (-3.7%). The IPPI excluding energy and petroleum products rose 1.7% compared with the same month last year.

## **Raw Materials Price Index, monthly change**

The RMPI decreased by 2.0% in November following a 3.3% increase in October. Of the six major commodity groups, two were up, three were down and one was unchanged.

## Chart 2 Prices for raw materials decrease

index (2010=100)



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

The decrease in the RMPI was mainly due to lower prices for crude energy products (-6.9%), specifically conventional crude oil (-7.4%). This was the first decline in conventional crude oil since July 2016 (-8.7%). The RMPI excluding crude energy products rose 1.7%.

Higher prices for metal ores, concentrates and scrap (+4.0%) moderated the decline.

Prices also rose for crop products (+2.4%). Fresh fruit, nuts and vegetables (+3.8%), canola (including rapeseed) (+4.9%) and wheat (+2.0%) rose in November.

### Raw Materials Price Index, 12-month change

The RMPI increased 4.1% over the 12-month period ending in November, following a 1.5% gain in October.

The advance in the RMPI was primarily driven by higher prices for metal ores, concentrates and scrap (+14.7%), which posted their largest year-over-year increase since August 2011.

Crude energy products (+6.6%), especially conventional crude oil (+6.6%), also significantly contributed to year-over-year increase in the RMPI. The RMPI excluding crude energy products rose 2.3% year over year.

The year-over-year increase in the RMPI was offset mainly by animals and animal products (-8.7%), led by lower prices for cattle and calves (-18.9%) as well as hogs (-21.9%).

## 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 (noon spot rate) established by the Bank of Canada and available in CANSIM 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 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 January 12, 2017. For more information, consult the document [Real-time CANSIM tables](#).

### Next release

The industrial product and raw materials price indexes for December 2016 will be released on January 31, 2017.

**Table 1**  
**Industrial Product Price Index – Not seasonally adjusted**

	Relative importance <sup>1</sup>	November 2015	October 2016 <sup>r</sup>	November 2016 <sup>p</sup>	October to November 2016	November 2015 to November 2016
	%	(2010=100)		% change		
<b>Industrial Product Price Index (IPPI)</b>	<b>100.00</b>	<b>110.0</b>	<b>111.2</b>	<b>111.5</b>	<b>0.3</b>	<b>1.4</b>
<b>IPPI excluding energy and petroleum products</b>	<b>86.40</b>	<b>111.4</b>	<b>112.6</b>	<b>113.3</b>	<b>0.6</b>	<b>1.7</b>
<b>Aggregation by commodities</b>						
Meat, fish, and dairy products	7.21	123.6	121.3	120.9	-0.3	-2.2
Fruit, vegetables, feed and other food products	7.53	112.0	113.8	114.2	0.4	2.0
Beverages (except juices)	1.92	106.3	107.7	107.7	0.0	1.3
Tobacco products	0.25	134.2	146.1	146.2	0.1	8.9
Textile and leather products	0.57	110.0	111.1	111.4	0.3	1.3
Clothing, footwear and accessories	0.51	104.5	105.8	105.9	0.1	1.3
Chemicals and chemical products	8.46	106.9	107.0	108.0	0.9	1.0
Plastic and rubber products	2.79	111.0	111.9	112.3	0.4	1.2
Lumber and other wood products	2.27	109.0	112.2	112.2	0.0	2.9
Pulp and paper products	4.09	105.4	104.9	105.7	0.8	0.3
Energy and petroleum products	13.60	101.1	102.2	100.0	-2.2	-1.1
Primary ferrous metal products	3.32	100.3	100.5	100.8	0.3	0.5
Primary non-ferrous metal products	8.03	100.0	109.5	112.0	2.3	12.0
Fabricated metal products and construction materials	3.17	107.5	111.1	111.3	0.2	3.5
Motorized and recreational vehicles	17.23	119.8	119.1	120.4	1.1	0.5
Machinery and equipment	5.73	109.2	109.7	109.9	0.2	0.6
Electrical, electronic, audiovisual and telecommunication products	4.69	111.6	111.1	111.7	0.5	0.1
Furniture and fixtures	1.49	105.5	106.9	106.9	0.0	1.3
Cement, glass, and other non-metallic mineral products	2.34	109.3	108.8	108.8	0.0	-0.5
Packaging materials and containers	2.38	113.5	116.5	116.9	0.3	3.0
Miscellaneous products	2.41	110.8	114.6	114.6	0.0	3.4

<sup>r</sup> revised

<sup>p</sup> 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 <sup>1</sup>	November 2015	October 2016 <sup>r</sup>	November 2016 <sup>p</sup>	October to November 2016	November 2015 to November 2016
	%	(2010=100)		% change		
<b>Raw Materials Price Index (RMPI)</b>	<b>100.00</b>	<b>88.3</b>	<b>93.8</b>	<b>91.9</b>	<b>-2.0</b>	<b>4.1</b>
<b>RMPI excluding crude energy products</b>	<b>51.83</b>	<b>102.7</b>	<b>103.3</b>	<b>105.1</b>	<b>1.7</b>	<b>2.3</b>
Crude energy products	48.17	72.9	83.5	77.7	-6.9	6.6
Crop products	8.68	124.0	121.4	124.3	2.4	0.2
Animals and animal products	15.51	121.3	111.7	110.7	-0.9	-8.7
Non-metallic minerals	1.85	113.3	110.1	110.1	0.0	-2.8
Logs, pulpwood, natural rubber and other forestry products	2.84	110.9	118.3	117.9	-0.3	6.3
Metal ores, concentrates and scrap	22.96	80.2	88.5	92.0	4.0	14.7

<sup>r</sup> revised

<sup>p</sup> preliminary

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

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

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**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](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).