Catalogue 11-001-XIE (Français 11-001-XIF) ISSN 1205-9137

The Daily

Statistics Canada

Friday, February 1, 2008
Released at 8:30 a.m. Eastern time

Releases

Releases

Industrial product and raw materials price indexes

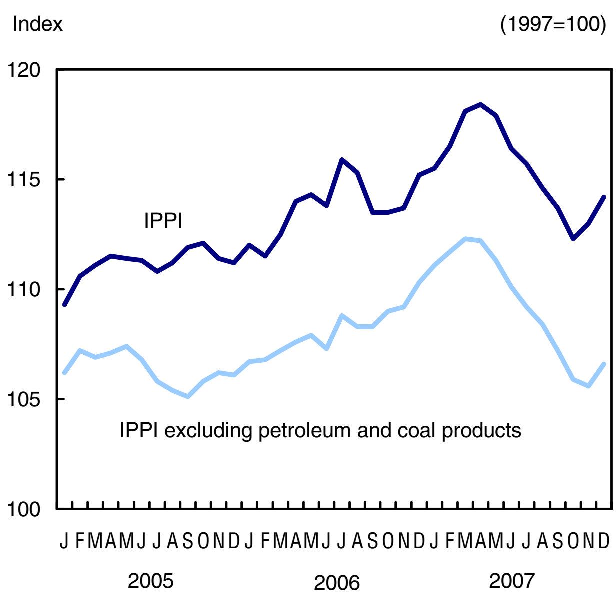
December 2007

Prices for manufactured products increased for a second consecutive month in December, led by motor vehicles and refined petroleum products. On the other hand, the rise in prices for raw materials was dampened by the stabilization of crude oil prices and a decrease in non-ferrous metal prices.

From November to December, prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), rose 1.1%, surpassing November's increase (+0.6%). The rise in the index was caused by higher prices for motor vehicles and other transport equipment, petroleum and coal products, and pulp and paper products. Almost all major product groups registered an increase, except for primary metal products.

On a 12-month basis, the IPPI declined 0.9%, continuing its downward trend. Lower prices for motor vehicles and other transport equipment, primary metal products and pulp and paper products were tempered by a strong increase in the prices for petroleum and coal products.

Prices for manufactured goods increase again



Note to readers

*The **Industrial Product Price Index** (IPPI) 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 the transportation, wholesale, and retail costs.*

Canadian producers export many goods. They often quote their prices in foreign currencies, particularly for motor vehicles, pulp and paper products, and wood products. Determining the full effect of fluctuating exchange rates on the IPPI is a difficult analytical task. However, it should be noted that many prices collected to calculate the IPPI are quoted in US dollars and then converted into Canadian dollars. Therefore, a rise or fall in the value of the Canadian dollar against its U.S. counterpart affects the IPPI.

*The **Raw Materials Price Index** (RMPI) reflects the prices paid by Canadian manufacturers for key raw materials. Many of these prices are set in a world market. Unlike the IPPI, the RMPI includes goods not produced in Canada.*

The exchange rate, reflecting the ongoing effect of the Canadian dollar's strength in relation to its US counterpart, had a major impact on the increase in prices. In December, the Canadian dollar lost 3.7% of its value in relation to the US dollar, which is a reversal after three consecutive monthly increases. If the exchange rate that is used to convert these prices had remained unchanged from the previous month, the IPPI would have risen 0.1% compared with November instead of 1.1%, and on a 12-month basis, the IPPI would have risen 2.8% rather than falling 0.9%.

The Raw Materials Price Index (RMPI) rose 0.2% from November to December, a much lower rate of increase than the 3.4% gain recorded in November. In December, the increase in prices for vegetable products and animals and animal products was tempered by a steep decline in prices for non-ferrous metals, while prices for mineral fuels remained unchanged.

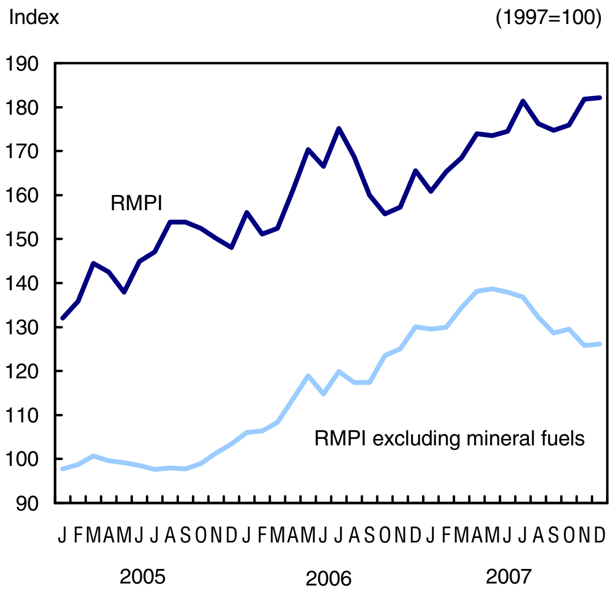
Compared with December 2006, raw materials cost plants 10.0% more. The increase in the index was driven primarily by higher prices for mineral fuels and vegetable products.

In December, the IPPI was 114.2 (1997=100), up from November's level of 113.0. The RMPI was 182.1 (1997=100), up from November's revised level of 181.8.

For 2007 as a whole, manufacturers received an average of 1.5% more for their products in 2007 than in 2006, which was much less than the 2.3% increase received in 2006. The index was mainly propelled by the prices for primary metal products.

Raw material prices were up an average of 7.7% in 2007 compared with the 11.3% increase in 2006. This rise in prices was mainly attributable to the increase for non-ferrous metals.

Raw materials prices increase slightly



IPPI: Monthly increase affected by the weakened Canadian dollar

Month over month, manufacturers' prices were pushed up mainly by the prices for motor vehicles and other transport equipment as well as petroleum and coal products. However, primary metal products were the only group to record a decrease, and this downward movement was mainly a result of the economic slowdown in the United States.

In December, the prices for motor vehicles and other transport equipment rose 2.3% after three consecutive monthly decreases. This strong increase actually masks a decline, since the US dollar appreciated 3.7% against its Canadian counterpart. Also, analysts in the automotive sector point out that, despite numerous sales incentives, the weak demand in December follows a decade of robust activity in the motor vehicle market.

The increase in prices for petroleum and coal products was moderate (+2.0%) compared with the jump recorded in November (+7.9%). Fluctuations in petroleum prices are highly sensitive to the uncertainties of economic agents regarding the evolution of the American economy and its effect on the world economy. Also, expectations of a milder-than-usual winter moderated the increase in energy prices. If the prices for petroleum and coal products were excluded, the IPPI would have risen 0.9% instead of 1.1%, and this would have been its first increase after eight consecutive monthly declines.

Among other price increases, those for pulp and paper products contributed the most to the rise in the IPPI with a gain of 1.8%. Following production cutbacks, newsprint and other paper for printing rose 3.7%, the first substantial increase in 2007. The price for pulp rose 3.0% owing to the combined effect of increased demand and reduced supply. This was its first increase after three consecutive monthly declines.

On the other hand, primary metal products were the only product group to decline in December (-1.5%), continuing the downward trend for an eighth month. Nickel products fell 15.8% compared with November and as a result were down 54.8% from their historic peak in March 2007.

IPPI: 12-month change shows that the decline in the IPPI was tempered by higher petroleum prices

The IPPI declined 0.9% from December 2006 to December 2007, after posting two consecutive decreases in October (-1.1%) and November (-0.6%). The effect of surging prices for petroleum and coal products on the overall index was tempered by lower prices for motor vehicles, primary metal products and pulp and paper products.

Prices for motor vehicles and other transport equipment fell 8.0%, a ninth consecutive price decline. During the same period, the US dollar lost 13.0% of its value against the Canadian dollar.

Primary metal prices continued their downward movement, registering a 13.4% decline, the steepest 12-month drop in the past five years. The index has given up all the gains registered since April 2006. All metal groups recorded 12-month declines.

Prices for pulp and paper products fell by 6.1%, with an especially steep decline for newsprint and other paper for printing (-16.4%).

The drop in the IPPI was mainly moderated by prices for petroleum and coal products, which jumped 23.9%, a fourth straight increase. If petroleum and coal products were excluded, the IPPI would have fallen 3.4% instead of 0.9%.

RMPI: Prices for raw materials post slower growth

In December, prices for raw materials rose a modest 0.2% compared with the robust 3.4% increase recorded in November. Prices for mineral fuels stabilized after jumping 9.7% in November. Increased prices for vegetable products and animals and animal products were almost entirely offset by decreases in the prices for non-ferrous metals.

The prices for mineral fuels remained unchanged in December, masking the strong volatility of crude oil prices. Crude oil prices reached $100 per barrel at the start of the month, and then quickly dropped back to $92. The RMPI excluding mineral fuels therefore rose 0.2%, the same rate as for the overall RMPI, to reach a level 9.1% below the historic peak of May 2007.

Vegetable products (+8.0%) and animals and animal products (+2.3%) contributed the most to the rise in the RMPI.

Non-ferrous metals were the only group to register a reduction in prices, and this was almost entirely offset by the contribution of other products. Prices for non-ferrous metals continued their downward trend with a decrease of 4.7%. The index was down 22.4% from its historic peak in May 2007. Prices for non-ferrous metals continued to react to the economic slowdown in the US housing sector and more generally to the contraction in global demand for metals. In particular, the largest decreases were for concentrates of lead (-25.2%), zinc (-6.5%) and nickel (-15.4%).

On a 12-month basis, prices for raw materials rose 10.0%, down from the increases of 13.0% in October and 15.6% in November. Raw material prices were mainly pushed up by a 31.2% surge in crude oil prices and, to a lesser extent, by the 27.7% jump in the prices for vegetable products. Without mineral fuels, the RMPI would have declined 3.1% instead of rising 10.0%, recording its first decrease since August 2005.

Prices for intermediate goods: Second monthly increase

From November to December, prices for intermediate goods posted a second gain (+0.8%) after six consecutive monthly declines. Intermediate goods were pushed up by petroleum and coal products and, to a lesser extent, pulp and other paper products, motor vehicles and other transport equipment, chemical products, and fruit, vegetables and feed products. Primary metal products were the only group to slow the increase for intermediate goods.

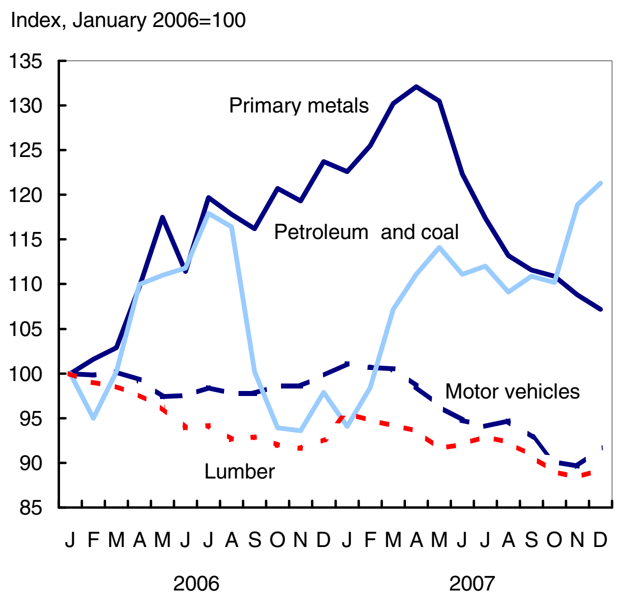
From December 2006 to December 2007, prices for intermediate goods declined 0.6%, after a slight 0.1% increase in November and a 0.5% drop in October. Decreases were recorded for primary metal products and, to a lesser extent, for pulp and paper products, motor vehicles, electrical and communication products, and lumber and other wood products. Intermediate goods prices showing increases included those for petroleum and coal products, fruit, vegetables and feed products, and chemical products.

Prices for finished goods: Monthly increase led by motor vehicles

From November to December, prices for finished goods rose 1.2%, the second increase after seven consecutive monthly declines. Motor vehicles accounted for most of the increase. Minor contributions were made by petroleum and coal products, machinery and equipment, electrical and communication products, and meat, fish and dairy products. No finished products group recorded a decrease.

Prices for finished goods were down 1.5% in December compared with the same month a year earlier, a sixth consecutive 12-month decline. Prices for finished goods were mainly pulled down by lower prices for motor vehicles, machinery and equipment, and electrical and communication products. However, the reduction in prices for finished goods was slowed by an increase in prices for petroleum and coal products, tobacco products and food products.

Price indexes for selected manufactured goods



Available on CANSIM: tables 329-0038 to 329-0049 and 330-0006.

Definitions, data sources and methods: survey numbers, including related surveys, 2306 and 2318.

The December 2007 issue of *Industry Price Indexes* (62-011-XWE, free) will soon be available.

The Industrial product and raw material price indexes for January will be released on February 29.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (613-951-9606; fax: 613-951-1539; *prices-prix@statcan.ca*) or Danielle Gouin (613-951-3375, *danielle.gouin@statcan.ca*), Prices Division.

Industrial product price indexes
(1997=100)

	Relative importance	December 2006	November 2007[r]	December 2007[p]	December 2006 to December 2007	November to December 2007
					% change	
Industrial Product Price Index (IPPI)	**100.00**	**115.2**	**113.0**	**114.2**	**-0.9**	**1.1**
IPPI excluding petroleum and coal products	**94.32**	**110.3**	**105.6**	**106.6**	**-3.4**	**0.9**
Aggregation by commodities						
Meat, fish and dairy products	5.78	108.1	107.3	108.3	0.2	0.9
Fruit, vegetables, feeds and other food products	5.99	106.8	111.4	112.8	5.6	1.3
Beverages	1.57	123.0	125.4	125.5	2.0	0.1
Tobacco and tobacco products	0.63	203.2	218.4	218.4	7.5	0.0
Rubber, leather and plastic fabricated products	3.30	118.0	115.6	116.0	-1.7	0.3
Textile products	1.58	100.8	98.5	99.0	-1.8	0.5
Knitted products and clothing	1.51	104.5	104.6	104.6	0.1	0.0
Lumber and other wood products	6.30	84.9	81.1	81.8	-3.7	0.9
Furniture and fixtures	1.59	119.0	120.2	120.2	1.0	0.0
Pulp and paper products	7.23	108.0	99.6	101.4	-6.1	1.8
Printing and publishing	1.70	116.0	115.7	116.3	0.3	0.5
Primary metal products	7.80	151.2	133.0	131.0	-13.4	-1.5
Metal fabricated products	4.11	123.4	122.9	123.2	-0.2	0.2
Machinery and equipment	5.48	107.3	102.8	103.7	-3.4	0.9
Motor vehicles and other transport equipment	22.16	93.3	83.9	85.8	-8.0	2.3
Electrical and communications products	5.77	94.9	88.5	89.5	-5.7	1.1
Non-metallic mineral products	1.98	119.9	123.3	123.6	3.1	0.2
Petroleum and coal products[1]	5.68	205.3	249.4	254.4	23.9	2.0
Chemicals and chemical products	7.07	123.8	124.9	126.1	1.9	1.0
Miscellaneous manufactured products	2.40	113.7	112.7	113.6	-0.1	0.8
Miscellaneous non-manufactured products	0.38	345.2	407.5	418.1	21.1	2.6
Intermediate goods[2]	**60.14**	**119.7**	**118.0**	**119.0**	**-0.6**	**0.8**
First-stage intermediate goods[3]	7.71	157.3	145.4	145.2	-7.7	-0.1
Second-stage intermediate goods[4]	52.43	114.1	113.8	115.1	0.9	1.1
Finished goods[5]	**39.86**	**108.5**	**105.6**	**106.9**	**-1.5**	**1.2**
Finished foods and feeds	8.50	114.1	115.3	115.7	1.4	0.3
Capital equipment	11.73	100.9	93.9	95.3	-5.6	1.5
All other finished goods	19.63	110.6	108.5	110.0	-0.5	1.4

r *revised*
p *preliminary*
1. *This index is estimated for the current month.*
2. *Intermediate goods are goods used principally to produce other goods.*
3. *First-stage intermediate goods are items used most frequently to produce other intermediate goods.*
4. *Second-stage intermediate goods are items most commonly used to produce final goods.*
5. *Finished goods are goods most commonly used for immediate consumption or for capital investment.*

Raw materials price indexes
(1997=100)

	Relative importance	December 2006	November 2007[r]	December 2007[p]	December 2006 to December 2007	November to December 2007
					% change	
Raw Materials Price Index (RMPI)	**100.00**	**165.6**	**181.8**	**182.1**	**10.0**	**0.2**
Mineral fuels	35.16	242.3	302.9	303.0	25.1	0.0
Vegetable products	10.28	93.2	110.2	119.0	27.7	8.0
Animals and animal products	20.30	104.5	100.9	103.2	-1.2	2.3
Wood	15.60	82.8	82.4	82.5	-0.4	0.1
Ferrous materials	3.36	122.0	123.4	128.2	5.1	3.9
Non-ferrous metals	12.93	247.7	218.1	207.8	-16.1	-4.7
Non-metallic minerals	2.38	141.3	149.6	149.6	5.9	0.0
RMPI excluding mineral fuels	**64.84**	**130.1**	**125.8**	**126.1**	**-3.1**	**0.2**

r *revised*
p *preliminary*

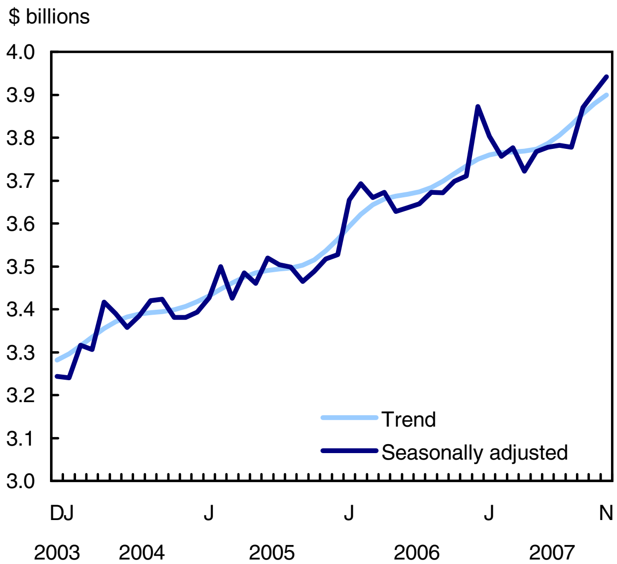
■

Food services and drinking places

November 2007 (preliminary)

Sales in the food services and drinking places industry were estimated at $3.9 billion in November (seasonally adjusted), up 0.9% from October. Sales in the industry have been on an upward trend since the fall of 2007 after having been flat earlier in the year.

Food services sales are up in November



In November, sales at full-service restaurants increased a marked 1.3% from October, while sales at limited-service eating places remained stable. These two sectors accounted for more than 85% of the sales for the industry during the month. Sales in the special food services sector, which includes food service contractors, caterers and mobile food services, increased 4.4% in November, while sales in the drinking places sector declined 0.8%.

Among the provinces, Nova Scotia (+4.3%) and British Columbia (+1.9%) registered the strongest sales increases in November. Newfoundland and Labrador (-1.7%) and Quebec (-0.6%) were the only provinces to post declines.

Note: This release is the first release of the Monthly Survey of Food Services and Drinking Places which replaces the Monthly Restaurants, Caterers and Taverns Survey. In addition to an improved methodology, the survey now covers a target population which has been redefined to include non employer establishments. Estimates for November 2007 as well as estimates from January 1998 to October 2007 are now available in the new CANSIM table 355-0006.

The main methodological changes, other than population coverage, include the extended use of administrative data and the reallocation and restratification of the sample. Administrative data (from the Goods and Services Tax) are the main source for the estimates for the new take-none strata and for the take-some strata for the full-service restaurants and the limited-service eating places for the following provinces: Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. The introduction of the take-none strata and increased use of administrative data have allowed an important reduction in response burden for the smaller establishments subject to this survey.

The new survey has been run in parallel with the old survey from March to October 2007 to validate results and assess the changes brought by the adoption of the new concepts. As well, the survey now produces seasonally adjusted data. These data (along with the unadjusted data) were backcast from August 2007 to January 1998 taking into account the methodological changes introduced with the new survey.

Available on CANSIM: table 355-0006.

Definitions, data sources and methods: survey number 2419.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Pierre Felx (613-951-0075; fax: 613-951-6696; *pierre.felx@statcan.ca*), Service Industries Division. □

Food services and drinking places

	November 2006	September 2007r	October 2007r	November 2007p	October to November 2007
	Seasonally adjusted				
	$ thousands				% change
Total, food services sales	3,710,591	3,870,369	3,906,001	3,941,377	0.9
Full-service restaurants	1,665,958	1,764,823	1,784,330	1,806,778	1.3
Limited-service eating places	1,526,168	1,577,390	1,597,346	1,597,552	0.0
Special food services	314,959	324,995	324,961	339,292	4.4
Drinking places	203,506	203,161	199,364	197,755	-0.8
Provinces and territories					
Newfoundland and Labrador	43,660	45,654	45,796	45,039	-1.7
Prince Edward Island	14,212	13,375	12,856	12,894	0.3
Nova Scotia	92,422	94,735	96,310	100,489	4.3
New Brunswick	69,134	67,884	68,121	68,213	0.1
Quebec	717,881	781,389	790,533	786,172	-0.6
Ontario	1,420,871	1,461,194	1,471,355	1,486,231	1.0
Manitoba	107,215	107,740	109,055	109,958	0.8
Saskatchewan	95,068	98,085	102,586	104,375	1.7
Alberta	530,837	549,900	547,624	552,775	0.9
British Columbia	609,067	639,270	650,944	663,433	1.9
Yukon	3,290	3,816	3,601	3,982	10.6
Northwest Territories	6,367	6,877	6,660	7,166	7.6
Nunavut	567	450	560	650	16.1

r *revised*
p *preliminary*
Note: *Data may not add to totals as a result of rounding.*

Food services and drinking places

	November 2006	September 2007r	October 2007r	November 2007p	November 2006 to November 2007
	Not seasonally adjusted				
	$ thousands				% change
Total, food services sales	3,639,657	3,917,063	3,948,548	3,903,011	7.2
Full-service restaurants	1,598,025	1,794,377	1,776,734	1,764,617	10.4
Limited-service eating places	1,502,014	1,575,151	1,622,890	1,571,748	4.6
Special food services	334,511	345,161	348,289	364,912	9.1
Drinking places	205,107	202,372	200,635	201,734	-1.6
Provinces and territories					
Newfoundland and Labrador	43,927	45,904	45,859	45,076	2.6
Prince Edward Island	13,113	15,713	13,095	11,771	-10.2
Nova Scotia	88,656	104,735	100,057	96,982	9.4
New Brunswick	68,900	70,010	70,205	69,103	0.3
Quebec	688,749	785,041	802,129	763,813	10.9
Ontario	1,436,274	1,497,914	1,514,087	1,518,242	5.7
Manitoba	108,136	109,786	112,508	111,282	2.9
Saskatchewan	89,390	99,456	101,317	100,285	12.2
Alberta	520,044	536,167	543,436	549,717	5.7
British Columbia	572,933	641,299	635,374	625,701	9.2
Yukon	2,909	3,856	3,410	3,473	19.4
Northwest Territories	6,117	6,719	6,470	6,978	14.1
Nunavut	509	463	602	588	15.5

r *revised*
p *preliminary*
Note: *Data may not add to totals as a result of rounding.*

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Coal and coke statistics

November 2007

Data on coal and coke are now available for November.

Available on CANSIM: table 303-0016.

Definitions, data sources and methods: survey numbers, including related surveys, 2003 and 2147.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; *energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Electric power selling price indexes

September to December 2007

Electric power selling price indexes (1997=100) are now available for September to December.

Available on CANSIM: table 329-0050.

Definitions, data sources and methods: survey number 2325.

The December 2007 issue of *Industry Price Indexes* (62-011-XWE, free) will be available in February.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Client Services Unit (toll-free 1-866-230-2248; 613-951-9606; fax: 613-951-1539; *prices-prix@statcan.ca*) or Adrian Fisher (613-951-9612; *adrian.fisher@statcan.ca*), Prices Division. ■

Electric power statistics

November 2007

Data on electric power are now available for November.

Available on CANSIM: table 127-0001.

Definitions, data sources and methods: survey number 2151.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; *energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

Supply and disposition of refined petroleum products

September 2007

Data on the supply and disposition and domestic sales of refined petroleum products are now available for September.

Available on CANSIM: tables 134-0001 to 134-0004.

Definitions, data sources and methods: survey number 2150.

The September 2007 issue of *The Supply and Disposition of Refined Petroleum Products in Canada*, Vol. 62, no. 9 (45-004-XWE, free) is now available from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Marketing and Dissemination Section (613-951-9497; toll-free 1-866-873-8789; *energ@statcan.ca*), Manufacturing, Construction and Energy Division. ■

New products

Steel, Tubular Products and Steel Wire,
November 2007, Vol. 3, no. 11
Catalogue number 41-019-XWE
(free).

The Supply and Disposition of Refined Petroleum Products in Canada, September 2007, Vol. 62, no. 9
Catalogue number 45-004-XWE
(free).

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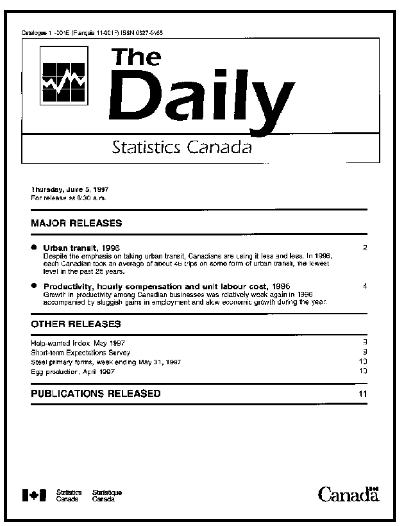

Catalogue 11-001E (Français 11-001F) ISSN 0827-0465

The Daily

Statistics Canada

Thursday, June 5, 1997
For release at 8:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
  Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

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PUBLICATIONS RELEASED 11

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Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

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Release dates: February 4 to 8, 2008

(Release dates are subject to change.)

Release date	Title	Reference period
5	**Grain stocks**	As of January 1, 2008
5	**Study: Linking urban economies with productivity growth**	1989 to 1999
6	**Building permits**	December 2007
7	**University Enrolments**	2005/2006
7	**Sport Participation in Canada**	2005
8	**Labour Force Survey**	January 2008