

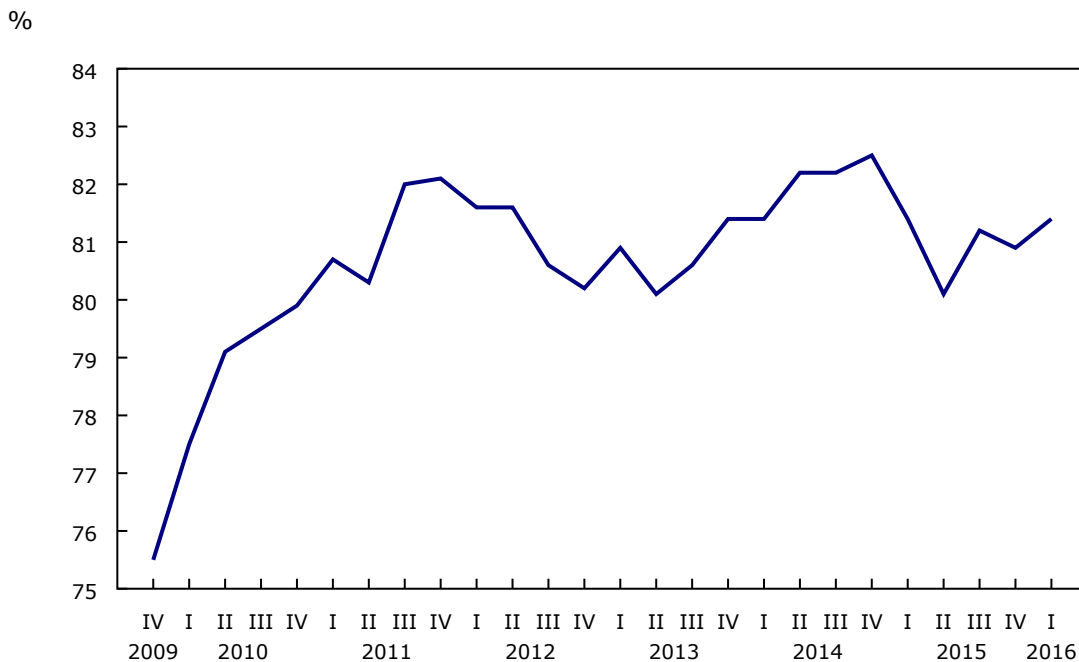
# Industrial capacity utilization rates, first quarter 2016

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, June 9, 2016

Canadian industries operated at 81.4% of their production capacity in the first quarter, up from 80.9% in the previous quarter.

The mining, quarrying, and oil and gas extraction industries were the main source of this increase.

**Chart 1**  
**Industrial capacity utilization rate is stable year over year**



Source(s): CANSIM table [028-0002](#).

## Oil and gas extraction main source of gain

Oil and gas extraction was primarily responsible for the increase in the capacity utilization rate in the first quarter.

Following a decline in the previous quarter, the capacity utilization rate for oil and gas extraction rose 1.7 percentage points to 79.0% in the first quarter, due to higher volumes of oil and gas extraction.

As a result of increased production, capacity use in electric power generation, transmission and distribution was up for the first time in four quarters, rising from 80.9% to 82.5%.

The capacity utilization rate in forestry and logging fell from 91.7% to 88.0% in the first quarter, the third consecutive quarterly decline. The decrease was attributable to weakened activity in the industry.

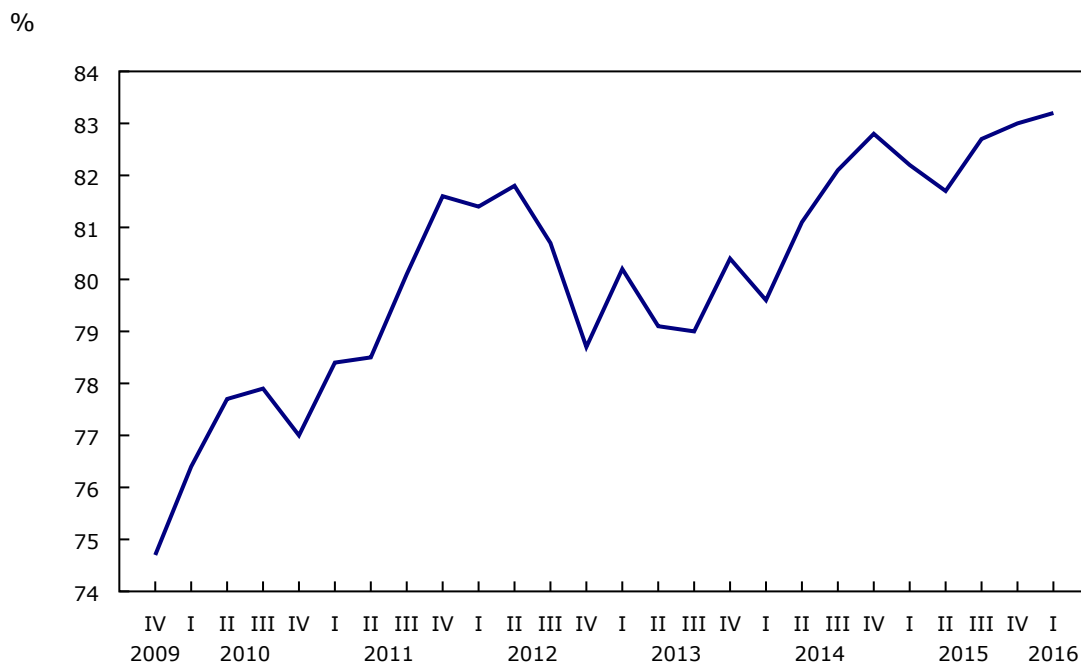


## Manufacturing increase mainly attributable to food and transportation equipment

Manufacturing as a whole operated at 83.2% of its capacity in the first quarter, edging up 0.2 percentage points from the previous quarter. Food manufacturing and transportation equipment manufacturing were the main sources of the increase.

In the first quarter, capacity utilization rates rose in 11 of the 21 major groups in the manufacturing sector, accounting for approximately 60% of the sector's gross domestic product.

**Chart 2**  
**Manufacturing capacity utilization up slightly**



Source(s): CANSIM table [028-0002](#).

Following a decline in the previous quarter, the capacity utilization rate of food manufacturing rose 1.7 percentage points from 80.9% to 82.6%. Increased production in most food manufacturing subsectors led to the gain.

The capacity utilization rate of transportation equipment manufacturing was up 1.5 percentage points in the first quarter to 94.8%, the fourth consecutive increase. A sharp rise in the production of motor vehicles and motor vehicle parts was the main reason for the growth.

The overall increase in the manufacturing sector was moderated by declines, notably in metal products manufacturing and machinery manufacturing.

The capacity utilization rate of the metal products manufacturing industry fell 3.4 percentage points to 77.2% in the first quarter. The decline was the result of decreased production in most of the industry's subsectors.

Capacity use in the machinery manufacturing industry (73.4%) declined for a fourth straight quarter. Lower production in most of the industry's subsectors led to the decrease in the first quarter.

### Note to readers

The **industrial capacity utilization rate** is the ratio of an industry's actual output to its estimated potential output.

For most industries, the annual estimates are obtained from the Annual Survey of Manufacturing and Logging Industries, while the quarterly pattern is derived from the output-to-capital ratio series, the output being the real gross domestic product at basic prices, seasonally adjusted, by industry.

This program covers all manufacturing industries, as well as forestry and logging, mining, quarrying and oil and gas extraction, electric power generation, transmission and distribution, and construction industries.

With this release of industrial capacity utilization rates, data were revised back to the first quarter of 2014 to reflect the latest revisions to source data. Specifically, data for capacity utilization rates of manufacturing industries collected from the Annual Survey of Manufacturing and Logging Industries were incorporated.

### Next release

Data on industrial capacity utilization rates for the second quarter will be released on September 8.

**Table 1**  
**Industrial capacity utilization rates**

	First quarter 2015	Fourth quarter 2015	First quarter 2016	Fourth quarter 2015 to first quarter 2016	First quarter 2015 to first quarter 2016
	%			percentage point change	
<b>Total industrial</b>	<b>81.4</b>	<b>80.9</b>	<b>81.4</b>	<b>0.5</b>	<b>0.0</b>
Forestry and logging	87.6	91.7	88.0	-3.7	0.4
Mining, quarrying and oil and gas extraction	75.6	75.9	77.0	1.1	1.4
Oil and gas extraction	78.3	77.3	79.0	1.7	0.7
Mining and quarrying	68.7	72.2	71.5	-0.7	2.8
Electric power generation, transmission and distribution	84.4	80.9	82.5	1.6	-1.9
Construction	86.6	83.5	83.5	0.0	-3.1
Manufacturing	82.2	83.0	83.2	0.2	1.0
Food	81.1	80.9	82.6	1.7	1.5
Beverage and tobacco products	76.3	80.9	78.1	-2.8	1.8
Beverage	79.1	84.9	81.4	-3.5	2.3
Tobacco	62.1	60.7	61.7	1.0	-0.4
Textiles	77.3	78.2	75.5	-2.7	-1.8
Textile mills	86.5	88.3	83.2	-5.1	-3.3
Textile product mills	69.9	69.9	69.1	-0.8	-0.8
Clothing	72.6	71.7	72.3	0.6	-0.3
Leather and allied products	78.5	83.4	83.5	0.1	5.0
Wood products	89.0	94.8	96.9	2.1	7.9
Paper	89.5	97.2	97.6	0.4	8.1
Printing and related support activities	71.1	71.4	70.6	-0.8	-0.5
Petroleum and coal products	83.1	82.4	85.4	3.0	2.3
Chemical products	84.8	81.6	80.4	-1.2	-4.4
Plastics and rubber products	83.7	85.7	87.6	1.9	3.9
Plastic products	83.3	85.2	87.3	2.1	4.0
Rubber products	86.1	88.3	89.1	0.8	3.0
Non-metallic mineral products	73.7	76.2	75.5	-0.7	1.8
Primary metal	72.1	74.5	75.1	0.6	3.0
Fabricated metal products	81.9	80.6	77.2	-3.4	-4.7
Machinery	86.1	75.0	73.4	-1.6	-12.7
Computer and electronic products	91.8	86.5	84.9	-1.6	-6.9
Electrical equipment, appliances and components	72.4	74.8	74.0	-0.8	1.6
Transportation equipment	85.8	93.3	94.8	1.5	9.0
Furniture and related products	84.6	88.2	89.2	1.0	4.6
Miscellaneous manufacturing	82.7	82.5	85.8	3.3	3.1

Source(s): CANSIM table [028-0002](#).

Available in CANSIM: table [028-0002](#).

Definitions, data sources and methods: survey number [2821](#).

The [System of Macroeconomic Accounts](#) module, accessible from the *Browse by key resource* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is available from the *Browse by key resource* module of our website, under *Publications*.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available from the *Browse by key resource* module of our website, under *Publications*. This publication will be updated to maintain its relevance.

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)).