

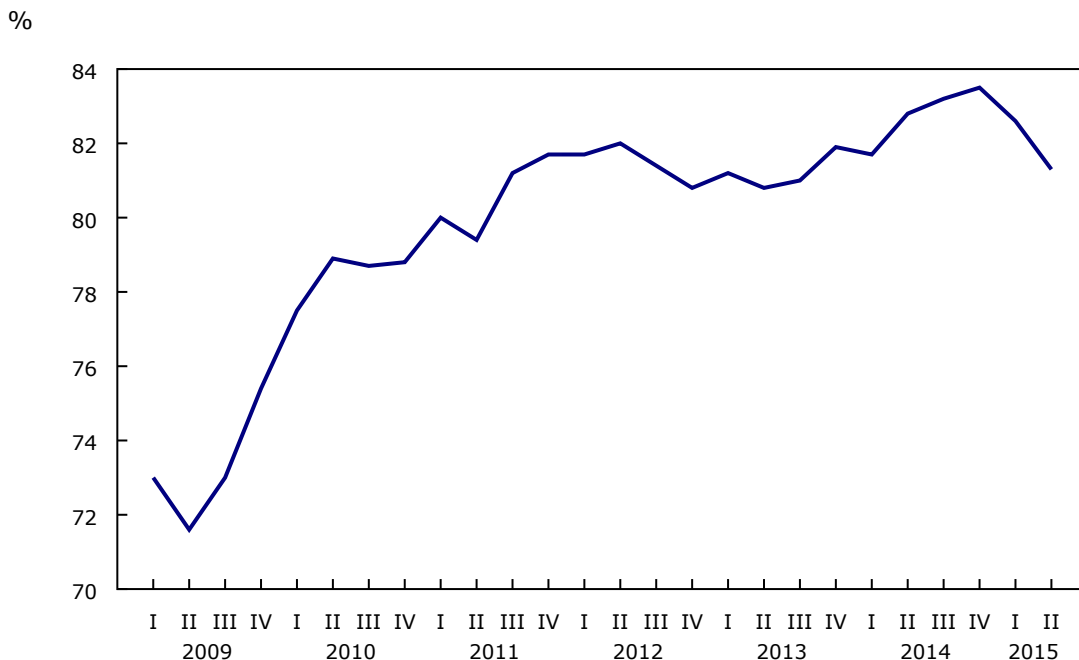
Industrial capacity utilization rates, second quarter 2015

Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, September 10, 2015

Canadian industries operated at 81.3% of their production capacity in the second quarter, down from 82.6% in the first quarter. This was the second consecutive quarterly decline.

As in the previous quarter, the mining, quarrying, and oil and gas extraction and manufacturing industries led the decline.

Chart 1
The industrial capacity utilization rate declines for a second consecutive quarter



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

Mining, quarrying, and oil and gas extraction are the main contributors to the overall decline

Outside of manufacturing, capacity utilization decreased in every industry covered by the survey except forestry and logging.

The capacity utilization rate in the mining, quarrying, and oil and gas extraction industry decreased from 78.9% in the first quarter to 75.9% in the second quarter. Lower demand for support activities for mining and oil and gas extraction as well as decreased oil extraction more than offset the increase in gas extraction.

The capacity utilization rate of the construction industry fell from 83.2% to 82.3%, the third consecutive quarterly decline. This decline was the result of lower production in all industry subsectors.

Capacity utilization in the forestry and logging industry rose from 86.9% to 89.5% as a result of increased production.

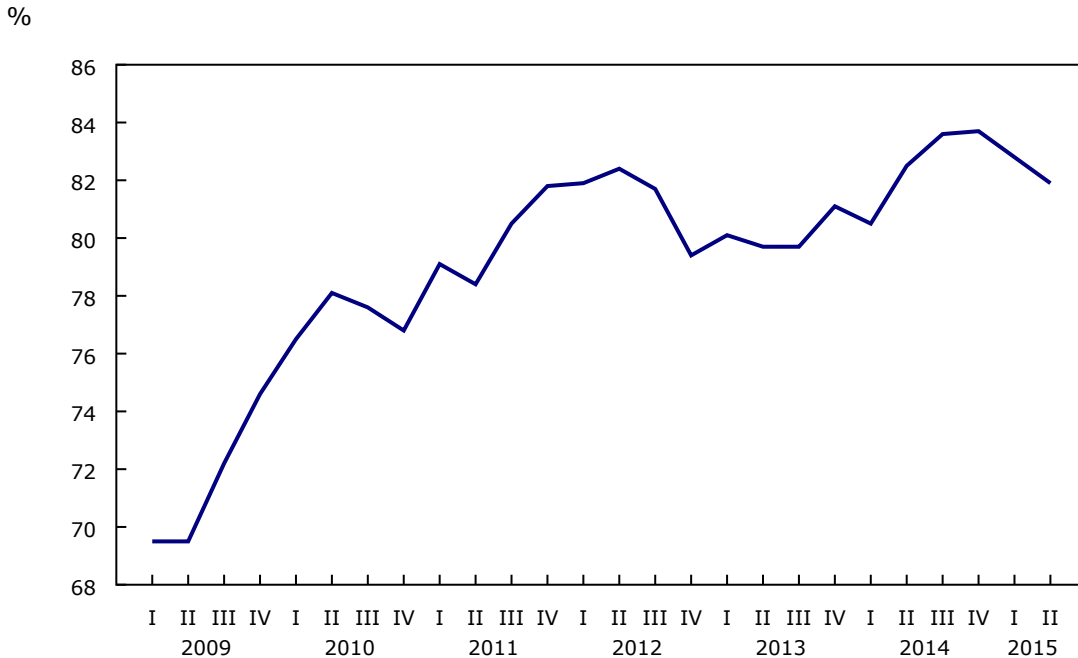


Durable goods continue to pull manufacturing downward

The capacity utilization rate declined in 13 of the 21 major groups in the manufacturing sector in the second quarter, accounting for about 75% of the manufacturing sector's gross domestic product.

Manufacturing industries operated at 81.9% of their capacity in the second quarter, down 0.9 percentage points from the first quarter. As in the previous quarter, durable goods manufacturing industries were the main source of the decline. Capacity utilization increased in only two durable goods manufacturing industries: non-metallic mineral product manufacturing and electrical equipment, appliance and component manufacturing.

Chart 2
Capacity utilization in manufacturing continues to decline



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

In machinery manufacturing, the capacity utilization rate was down 4.4 percentage points to 77.9% in the second quarter, its biggest decline since the fourth quarter of 2012. The decrease was largely attributable to lower production in the agricultural, construction and mining machinery industries.

The capacity utilization rate for metal product manufacturers fell from 75.8% in the first quarter to 73.3% in the second quarter, as a result of lower production in most industry subsectors.

After increasing in the first quarter, the capacity utilization rate for food manufacturers declined 1.6 percentage points to 78.4% in the second quarter. Lower production in most food manufacturing subsectors was the reason for the decline.

The overall decline in manufacturing was moderated by increases in plastics and rubber products manufacturing, beverage and tobacco product manufacturing and non-metallic mineral product manufacturing.

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 Capital and Repair Expenditures Survey 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 and oil and gas extraction, electric power generation, transmission and distribution, and construction industries.

With this release on industrial capacity utilization rates, data were revised back to the first quarter of 2014 to reflect updated source data.

Next release

Data on industrial capacity utilization rates for the third quarter will be released on December 10.

Table 1
Industrial capacity utilization rates

	Second quarter 2014	First quarter 2015	Second quarter 2015	First quarter to second quarter 2015	Second quarter 2014 to second quarter 2015
	%			percentage point change	
Total industrial	82.8	82.6	81.3	-1.3	-1.5
Forestry and logging	86.2	86.9	89.5	2.6	3.3
Mining and oil and gas extraction	80.9	78.9	75.9	-3.0	-5.0
Oil and gas extraction	87.7	87.9	84.7	-3.2	-3.0
Mining and quarrying	67.8	61.0	58.2	-2.8	-9.6
Electric power generation, transmission and distribution	85.4	87.2	85.6	-1.6	0.2
Construction	83.9	83.2	82.3	-0.9	-1.6
Manufacturing	82.5	82.8	81.9	-0.9	-0.6
Food	79.1	80.0	78.4	-1.6	-0.7
Beverage and tobacco products	76.5	76.2	78.3	2.1	1.8
Beverage	78.4	78.5	80.6	2.1	2.2
Tobacco	64.2	61.5	63.8	2.3	-0.4
Textiles	71.5	77.4	75.3	-2.1	3.8
Textile mills	80.8	90.8	87.8	-3.0	7.0
Textile product mills	64.8	68.2	66.7	-1.5	1.9
Clothing	71.3	68.5	70.8	2.3	-0.5
Leather and allied products	70.8	64.9	66.7	1.8	-4.1
Wood products	89.7	97.2	96.5	-0.7	6.8
Paper	91.8	93.3	93.8	0.5	2.0
Printing and related support activities	69.0	67.7	65.9	-1.8	-3.1
Petroleum and coal products	80.8	79.8	80.1	0.3	-0.7
Chemical products	78.8	84.5	84.0	-0.5	5.2
Plastics and rubber products	80.4	82.3	83.6	1.3	3.2
Plastic products	79.8	81.8	83.3	1.5	3.5
Rubber products	83.1	84.6	84.8	0.2	1.7
Non-metallic mineral products	76.0	73.1	74.5	1.4	-1.5
Primary metal	83.3	75.6	75.4	-0.2	-7.9
Fabricated metal products	79.2	75.8	73.3	-2.5	-5.9
Machinery	81.4	82.3	77.9	-4.4	-3.5
Computer and electronic products	81.2	86.8	83.9	-2.9	2.7
Electrical equipment, appliances and components	73.1	69.0	70.9	1.9	-2.2
Transportation equipment	92.4	90.5	90.2	-0.3	-2.2
Furniture and related products	81.3	83.3	82.8	-0.5	1.5
Miscellaneous manufacturing	78.7	82.8	82.2	-0.6	3.5

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

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

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

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 (613-951-4636; mediahotline@statcan.gc.ca).