

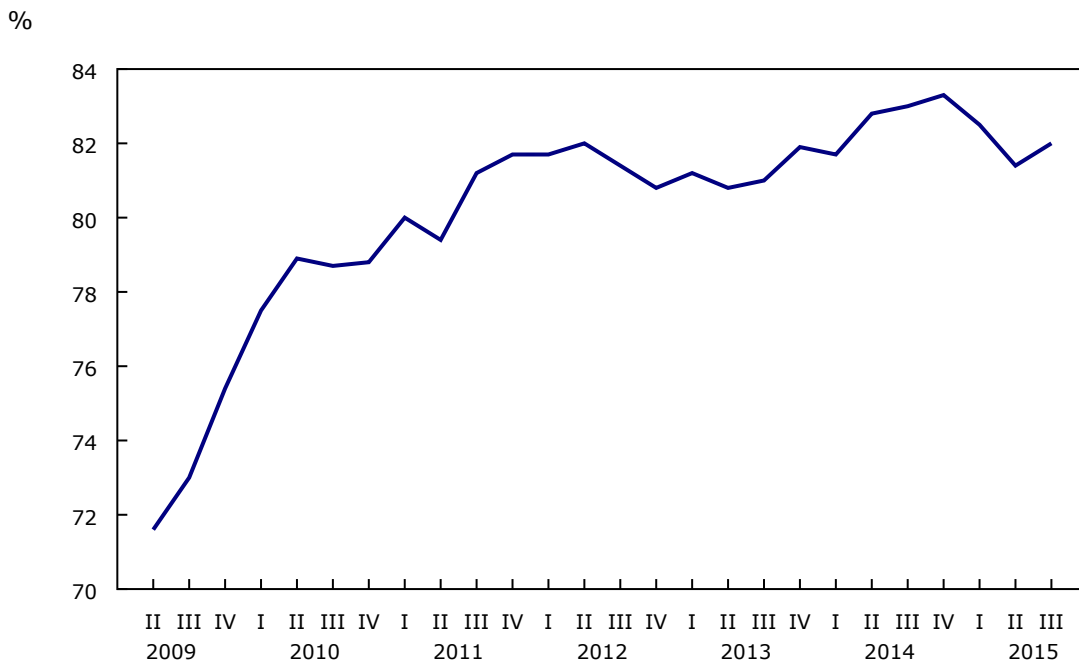
# Industrial capacity utilization rates, third quarter 2015

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Canadian industries increased their production capacity by 0.6 percentage points in the third quarter to 82.0%, following two consecutive quarterly declines.

The increase was largely attributable to the mining, quarrying, and oil and gas extraction and manufacturing industries.

**Chart 1**  
**Capacity utilization rate rebounds after two consecutive quarterly declines**



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

## Oil and gas extraction is the main factor behind the overall increase

Oil and gas extraction was mainly responsible for the growth in the capacity utilization rate, rising 3.1 percentage points to 86.5% in the third quarter, reflecting a higher volume of non-conventional oil extraction as well as gas extraction.

Following two quarters of decline, the capacity utilization rate for construction edged up from 83.5% to 83.6%. This gain was the result of increased residential and non-residential construction activity, which more than offset lower activity in the industry's other subsectors.

Capacity utilization in the electric power generation, transmission and distribution industry declined for a second consecutive quarter, falling from 83.2% to 81.1% as a result of lower production.

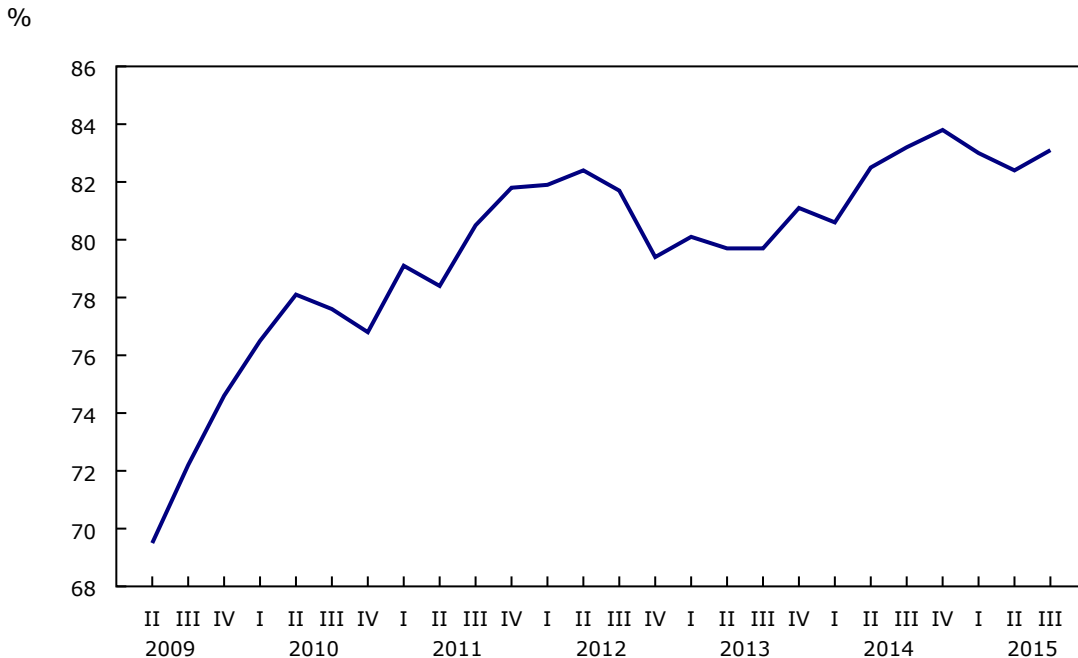


## Recovery in transportation equipment manufacturing contributes to the gain in total manufacturing

As a whole, manufacturing industries operated at 83.1% of their capacity in the third quarter, up 0.7 percentage points from the previous quarter. Following two consecutive quarterly declines, transportation equipment manufacturing was the main contributor to the gain, rising 2.6 percentage points to 93.4% in the third quarter. The increase was largely attributable to a strong gain in the production of motor vehicles and motor vehicle parts.

The capacity utilization rate increased in 14 of the 21 major groups in the manufacturing sector in the third quarter, accounting for about 65% of the gross domestic product of the manufacturing sector.

**Chart 2**  
**Manufacturing capacity use resumes growth**



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

Following a decline in the previous quarter, the capacity utilization rate of food manufacturers rose 2.5 percentage points to 81.5% in the third quarter. Increased production in most food manufacturing subsectors accounted for the gain.

The capacity utilization rate for wood product manufacturing continued to grow, reaching a record high 98.6% in the third quarter. Increased production and weak investment in most subsectors in the industry were behind the gain.

The overall increase in the manufacturing sector was partly offset by declines, notably in machinery manufacturing, where the capacity utilization rate fell for a third consecutive quarter, down 3.0 percentage points to 76.2% in the third quarter. The decline was primarily attributable to lower production of agricultural, construction and mining machinery.

### 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, quarrying 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 fourth quarter of 2015 will be released on March 10, 2016.

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

|  | Third<br>quarter 2014 | Second<br>quarter 2015 | Third<br>quarter 2015 | Second quarter to<br>third quarter 2015 | Third quarter<br>2014 to third<br>quarter 2015 |
|--|-----------------------|------------------------|-----------------------|---|--|
|  | %                     |                        |                       | percentage point change                 |  |
| <b>Total industrial</b>                                  | <b>83.0</b>           | <b>81.4</b>            | <b>82.0</b>           | <b>0.6</b>                              | <b>-1.0</b>                                    |
| Forestry and logging                                     | 84.4                  | 91.5                   | 90.0                  | -1.5                                    | 5.6  |
| Mining, quarrying and oil and gas extraction             | 78.8                  | 74.4                   | 76.9                  | 2.5                                     | -1.9   |
| Oil and gas extraction                                   | 85.0                  | 83.4                   | 86.5                  | 3.1                                     | 1.5  |
| Mining and quarrying                                     | 67.2                  | 57.2                   | 58.0                  | 0.8                                     | -9.2   |
| Electric power generation, transmission and distribution | 83.2                  | 83.2                   | 81.1                  | -2.1                                    | -2.1   |
| Construction   | 85.5                  | 83.5                   | 83.6                  | 0.1                                     | -1.9   |
| Manufacturing  | 83.2                  | 82.4                   | 83.1                  | 0.7                                     | -0.1   |
| Food   | 80.4                  | 79.0                   | 81.5                  | 2.5                                     | 1.1  |
| Beverage and tobacco products                            | 75.4                  | 79.4                   | 80.0                  | 0.6                                     | 4.6  |
| Beverage   | 77.2                  | 81.9                   | 82.6                  | 0.7                                     | 5.4  |
| Tobacco  | 62.8                  | 62.5                   | 62.3                  | -0.2                                    | -0.5   |
| Textiles   | 77.6                  | 77.2                   | 80.7                  | 3.5                                     | 3.1  |
| Textile mills  | 87.8                  | 90.3                   | 96.4                  | 6.1                                     | 8.6  |
| Textile product mills                                    | 70.0                  | 67.6                   | 69.1                  | 1.5                                     | -0.9   |
| Clothing   | 70.5                  | 70.8                   | 74.3                  | 3.5                                     | 3.8  |
| Leather and allied products                              | 68.9                  | 66.9                   | 70.0                  | 3.1                                     | 1.1  |
| Wood products  | 93.4                  | 96.0                   | 98.6                  | 2.6                                     | 5.2  |
| Paper  | 89.4                  | 91.7                   | 92.3                  | 0.6                                     | 2.9  |
| Printing and related support activities                  | 68.9                  | 66.7                   | 66.7                  | 0.0                                     | -2.2   |
| Petroleum and coal products                              | 80.8                  | 79.1                   | 77.8                  | -1.3                                    | -3.0   |
| Chemical products  | 79.1                  | 84.8                   | 84.2                  | -0.6                                    | 5.1  |
| Plastics and rubber products                             | 81.9                  | 84.6                   | 86.1                  | 1.5                                     | 4.2  |
| Plastic products   | 81.3                  | 84.4                   | 85.2                  | 0.8                                     | 3.9  |
| Rubber products  | 84.8                  | 85.7                   | 90.4                  | 4.7                                     | 5.6  |
| Non-metallic mineral products                            | 76.7                  | 73.5                   | 72.2                  | -1.3                                    | -4.5   |
| Primary metal  | 82.3                  | 74.3                   | 74.9                  | 0.6                                     | -7.4   |
| Fabricated metal products                                | 80.4                  | 74.1                   | 73.2                  | -0.9                                    | -7.2   |
| Machinery  | 82.3                  | 79.2                   | 76.2                  | -3.0                                    | -6.1   |
| Computer and electronic products                         | 84.9                  | 86.9                   | 84.0                  | -2.9                                    | -0.9   |
| Electrical equipment, appliances and components          | 73.2                  | 71.1                   | 71.2                  | 0.1                                     | -2.0   |
| Transportation equipment                                 | 92.8                  | 90.8                   | 93.4                  | 2.6                                     | 0.6  |
| Furniture and related products                           | 83.2                  | 83.9                   | 87.9                  | 4.0                                     | 4.7  |
| Miscellaneous manufacturing                              | 78.2                  | 83.1                   | 87.1                  | 4.0                                     | 8.9  |

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; [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)).