

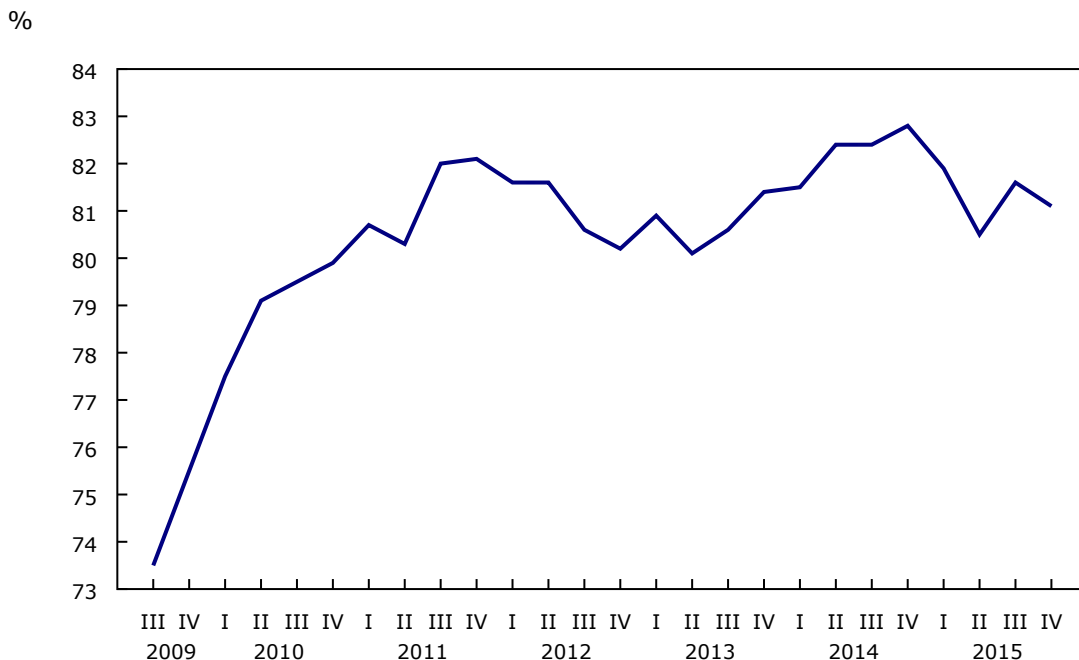
Industrial capacity utilization rates, fourth quarter 2015

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Canadian industries operated at 81.1% of their production capacity in the fourth quarter, down from 81.6% in the previous quarter.

The construction as well as mining, quarrying, and oil and gas extraction industries were the main sources of the decline.

Chart 1
Industrial capacity utilization rate declines after a sharp increase in previous quarter



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

Construction and oil and gas extraction are the main contributors to overall decrease

Construction and oil and gas extraction were the main contributors to the decrease in the capacity utilization rate in the fourth quarter.

The construction capacity utilization rate declined from 84.7% to 83.7%, the fourth consecutive quarterly decrease. The decrease was attributable to lower activity in most industry subsectors.

After rising sharply in the previous quarter, the capacity utilization rate for oil and gas extraction fell 1.1 percentage points to 78.3% in the fourth quarter, as a result of a decrease in oil and gas extraction volumes.

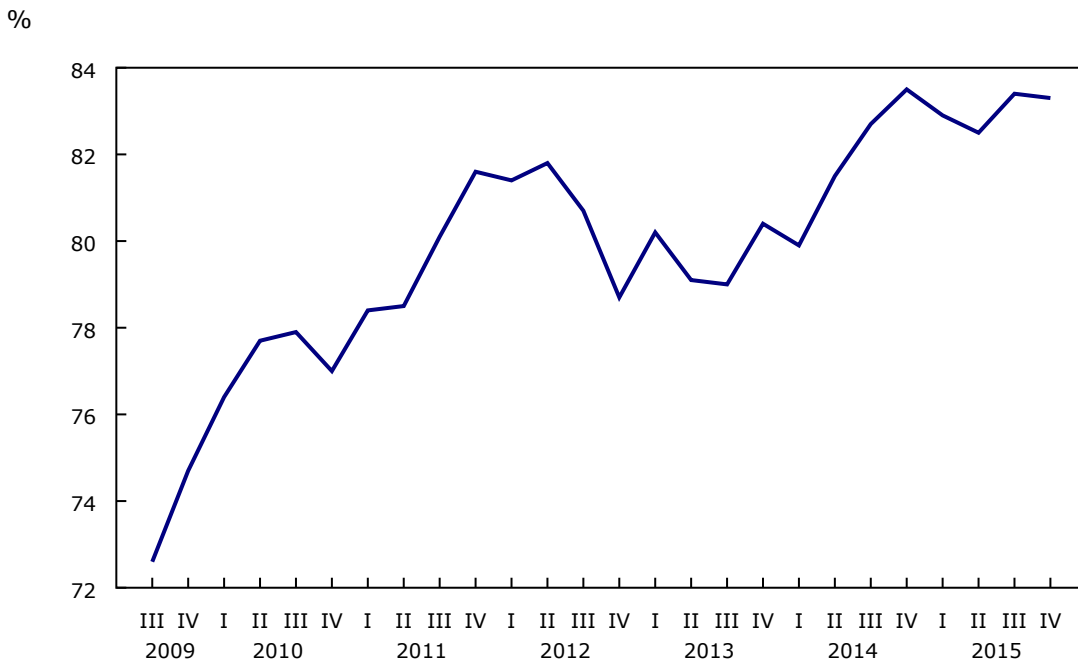
The capacity utilization of the electric power generation, transmission and distribution industry decreased from 81.3% to 80.3% as a result of decreased production. This was the third straight quarterly decline.



Capacity utilization rate for manufacturing as a whole edges down as a result of non-durable manufacturing

Manufacturing as a whole operated at 83.3% of its capacity in the fourth quarter, edging down 0.1 percentage points from the previous quarter. Non-durable manufacturing was the main contributor to the decrease.

Chart 2
Manufacturing capacity utilization down slightly



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

In the fourth quarter, the capacity utilization rate was down in 12 of the 21 major groups in the manufacturing sector, which represented approximately 60% of the sector's gross domestic product.

After rising sharply in the previous quarter, the food manufacturing industry's capacity utilization rate fell 1.4 percentage points to 80.9%. Lower production of meats, preserved fruits and vegetables and specialty food were the main reason for the decline.

The capacity utilization rate for plastics and rubber product manufacturers declined 2.8 percentage points to 84.9% in the fourth quarter. The decrease followed two consecutive quarters of increases. An overall decline in production was behind the drop.

The decline in the manufacturing sector as a whole was moderated by increases, particularly in durable goods manufacturing industries.

The capacity utilization rate for the primary metal industry rose 2.4 percentage points to 75.0% in the fourth quarter. This was the second straight quarterly increase after five consecutive quarterly declines. The increase in the fourth quarter was mainly the result of higher production in most of the industry's subsectors.

The capacity utilization of the wood product manufacturing industry continued to rise, reaching a record high of 99.3% in the fourth quarter. An increase in production and a lack of new investment since 2008 in most of the industry's subsectors were behind the growth.

Annual average rate declines in 2015 after increasing in the previous year

The average capacity utilization rate of Canadian industries fell 1.0 percentage points to 81.3% in 2015, after rising 1.5 percentage points in 2014.

The annual average capacity utilization rate of non-manufacturing industries decreased in 2015, which more than offset the increase posted by manufacturing industries.

The annual average capacity utilization rate of manufacturing industries rose for the second year in a row, up 1.1 percentage points to 83.0% in 2015. The capacity utilization rate was up in 13 of the 21 major groups in the manufacturing sector.

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 of industrial capacity utilization rates, the data were revised back to the first quarter of 1987 to reflect the latest revisions to the source data. Specifically, revised data for capital stock by industry and gross domestic product at basic prices were incorporated to take into account the comprehensive revision in 2015 of the Canadian System of Macroeconomic Accounts.

As well, the methodology used to estimate the industrial capacity utilization rate for the electric power generation, transmission and distribution industry was modified to make it consistent with the methodology used for other non-manufacturing industries. The capacity production for this industry will now be estimated using the Hodrick-Prescott filter.

Next release

Data on industrial capacity utilization rates for the first quarter will be released on June 9.

Table 1
Industrial capacity utilization rates

	Fourth quarter 2014	Third quarter 2015	Fourth quarter 2015	Third quarter to fourth quarter 2015	Fourth quarter 2014 to fourth quarter 2015
	%			percentage point change	
Total industrial	82.8	81.6	81.1	-0.5	-1.7
Forestry and logging	85.1	91.6	90.9	-0.7	5.8
Mining, quarrying and oil and gas extraction	77.1	76.8	76.2	-0.6	-0.9
Oil and gas extraction	77.7	79.4	78.3	-1.1	0.6
Mining and quarrying	75.6	70.0	70.5	0.5	-5.1
Electric power generation, transmission and distribution	83.1	81.3	80.3	-1.0	-2.8
Construction	88.5	84.7	83.7	-1.0	-4.8
Manufacturing	83.5	83.4	83.3	-0.1	-0.2
Food	80.3	82.3	80.9	-1.4	0.6
Beverage and tobacco products	76.1	81.1	80.9	-0.2	4.8
Beverage	79.2	84.8	84.9	0.1	5.7
Tobacco	60.1	62.6	60.5	-2.1	0.4
Textiles	80.9	81.7	79.0	-2.7	-1.9
Textile mills	89.8	96.1	94.8	-1.3	5.0
Textile product mills	74.1	70.4	66.8	-3.6	-7.3
Clothing	73.9	68.0	67.7	-0.3	-6.2
Leather and allied products	70.5	70.7	72.5	1.8	2.0
Wood products	94.5	96.8	99.3	2.5	4.8
Paper	90.2	96.5	98.2	1.7	8.0
Printing and related support activities	69.2	69.0	68.7	-0.3	-0.5
Petroleum and coal products	80.4	79.5	79.8	0.3	-0.6
Chemical products	79.5	81.6	82.5	0.9	3.0
Plastics and rubber products	85.2	87.7	84.9	-2.8	-0.3
Plastic products	85.2	87.2	84.3	-2.9	-0.9
Rubber products	85.1	90.3	88.2	-2.1	3.1
Non-metallic mineral products	75.7	75.0	76.0	1.0	0.3
Primary metal	79.5	72.6	75.0	2.4	-4.5
Fabricated metal products	81.8	78.4	77.8	-0.6	-4.0
Machinery	84.8	75.9	74.2	-1.7	-10.6
Computer and electronic products	84.6	84.7	85.4	0.7	0.8
Electrical equipment, appliances and components	71.3	72.6	75.3	2.7	4.0
Transportation equipment	96.1	97.9	97.8	-0.1	1.7
Furniture and related products	83.8	88.6	88.0	-0.6	4.2
Miscellaneous manufacturing	83.4	86.1	83.3	-2.8	-0.1

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

Table 2
Industrial capacity utilization rates: Annual average

	2013	2014	2015	2013 to 2014	2014 to 2015
	%			percentage point change	
Total industrial	80.8	82.3	81.3	1.5	-1.0
Forestry and logging	92.1	88.0	91.0	-4.1	3.0
Mining, quarrying and oil and gas extraction	75.5	77.8	75.6	2.3	-2.2
Oil and gas extraction	76.1	77.6	78.0	1.5	0.4
Mining and quarrying	74.1	78.1	69.2	4.0	-8.9
Electric power generation, transmission and distribution	84.5	83.5	82.4	-1.0	-1.1
Construction	87.3	87.8	85.0	0.5	-2.8
Manufacturing	79.7	81.9	83.0	2.2	1.1
Food	75.8	79.1	81.2	3.3	2.1
Beverage and tobacco products	72.9	75.4	79.4	2.5	4.0
Beverage	74.4	77.8	82.8	3.4	5.0
Tobacco	65.3	63.4	62.0	-1.9	-1.4
Textiles	67.4	75.4	79.8	8.0	4.4
Textile mills	73.8	84.8	93.0	11.0	8.2
Textile product mills	62.4	68.4	69.5	6.0	1.1
Clothing	67.1	70.9	69.6	3.8	-1.3
Leather and allied products	69.0	69.8	72.7	0.8	2.9
Wood products	86.3	92.1	96.5	5.8	4.4
Paper	88.5	90.9	95.0	2.4	4.1
Printing and related support activities	69.4	69.4	69.1	0.0	-0.3
Petroleum and coal products	79.0	80.3	80.1	1.3	-0.2
Chemical products	77.2	77.8	83.2	0.6	5.4
Plastics and rubber products	77.6	81.0	85.9	3.4	4.9
Plastic products	76.7	80.4	85.5	3.7	5.1
Rubber products	82.6	83.9	88.1	1.3	4.2
Non-metallic mineral products	72.7	75.7	75.0	3.0	-0.7
Primary metal	83.2	82.8	73.4	-0.4	-9.4
Fabricated metal products	78.5	79.3	79.0	0.8	-0.3
Machinery	81.1	82.0	78.7	0.9	-3.3
Computer and electronic products	80.5	82.1	87.2	1.6	5.1
Electrical equipment, appliances and components	75.7	73.3	72.4	-2.4	-0.9
Transportation equipment	87.0	92.0	94.6	5.0	2.6
Furniture and related products	79.1	82.0	86.6	2.9	4.6
Miscellaneous manufacturing	80.9	79.4	84.2	-1.5	4.8

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.

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