

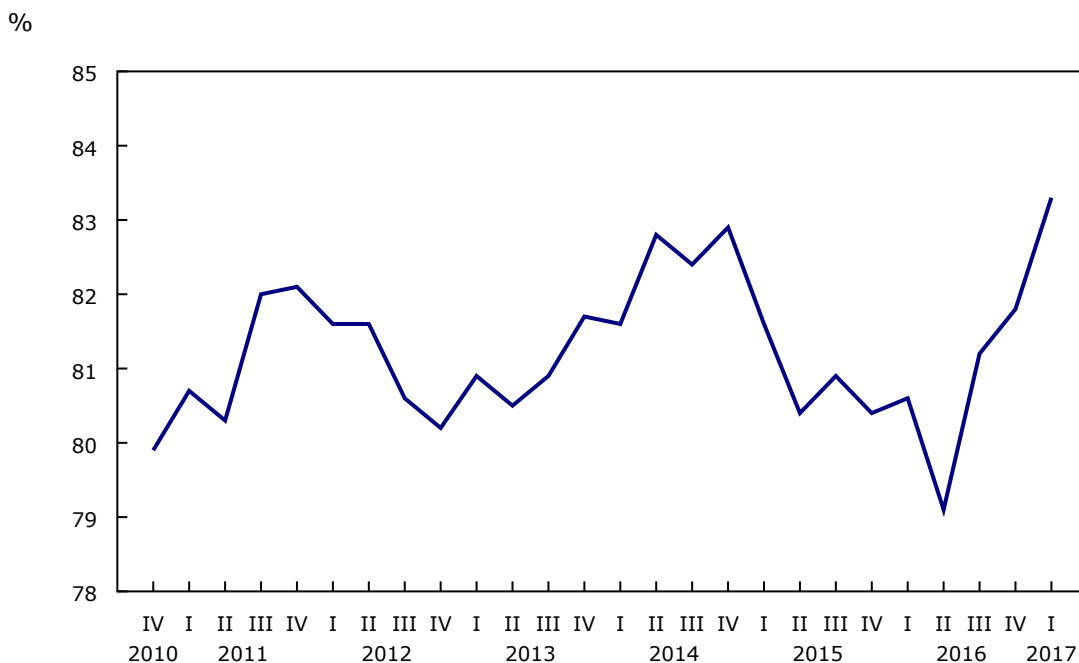
Industrial capacity utilization rates, first quarter 2017

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Canadian industries operated at 83.3% of their production capacity in the first quarter, up from 81.8% in the previous quarter and the highest level since the third quarter of 2007.

Increases in capacity utilization in manufacturing, construction, and mining and quarrying more than offset the declines in oil and gas extraction and forestry and logging. Capacity utilization in electric power generation, transmission and distribution were unchanged.

Chart 1
The industrial capacity utilization rate increases for the third consecutive quarter



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

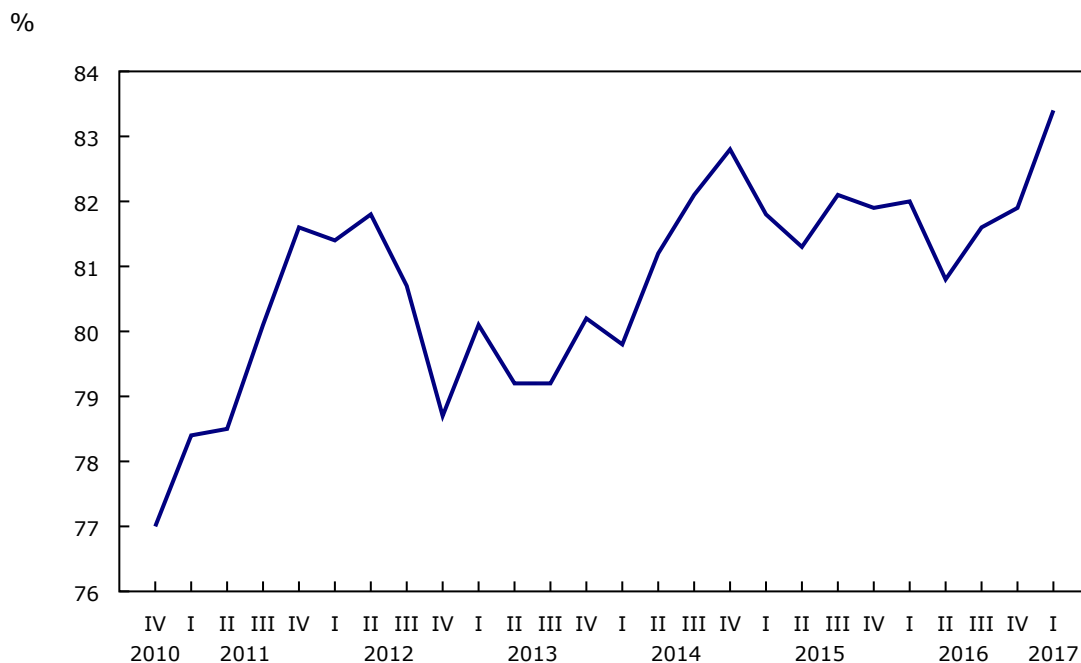
Manufacturing gains led by fabricated metal product and food manufacturing

The manufacturing industry drove the increase in the capacity utilization rate in the first quarter, operating at 83.4% of its capacity, up 1.5 percentage points from the previous quarter. The fabricated metal product manufacturing and food manufacturing industries were the primary sources of that growth.

The capacity utilization rate rose in 15 of the 21 major manufacturing industries, representing approximately 80% of the gross domestic product in the manufacturing industry.



Chart 2
Capacity utilization in manufacturing at its highest level since the second quarter of 2007



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

After falling for four consecutive quarters, the capacity utilization rate in the fabricated metal product manufacturing industry rebounded from 72.0% in the fourth quarter to 76.8% in the first quarter. The gain was attributable to increased production in most subsectors of fabricated metal product manufacturing.

The capacity utilization rate in the food manufacturing industry rose for a fifth consecutive quarter, reaching a record high 86.8% in the first quarter. Increased production in most subsectors of this industry accounted for the gain.

Capacity utilization in the machinery manufacturing industry rose 3.4 percentage points to 79.2% in the first quarter. This gain was attributable to higher production of most types of machinery.

The overall increase in the manufacturing sector was partially offset by decreases, particularly in chemical product manufacturing.

The utilization rate of chemical product manufacturers in the first quarter was 85.8%, down from 89.4% in the previous quarter. Lower production of pharmaceutical products and medication was the main reason for this decline.

Construction and mining and quarrying continues to advance

The capacity utilization rate in construction rose for only the second time in nine quarters, from 84.5% in the fourth quarter to 86.6% in the first quarter. As in the previous quarter, residential construction and repairs were mostly responsible for the increase.

Due to an acceleration in support activities for mining and oil and gas extraction, the capacity utilization rate in the mining and quarrying subsector rose 5.9 percentage points to 79.4% in the first quarter. This gain followed a 4.5 percentage point increase in the previous quarter.

After edging up 0.1 percentage points in the fourth quarter, the capacity utilization rate in oil and gas extraction fell 0.3 percentage points to 80.8% in the first quarter. The decline was attributable to a lower volume of oil extraction, which more than offset increased gas extraction activities.

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, the data were revised back to the first quarter of 2016 to reflect the latest revisions to the source data.

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 2016	Fourth quarter 2016	First quarter 2017	Fourth quarter 2016 to first quarter 2017	First quarter 2016 to first quarter 2017
	%			percentage point change	
Total industrial	80.6	81.8	83.3	1.5	2.7
Forestry and logging	90.3	87.4	85.9	-1.5	-4.4
Mining, quarrying and oil and gas extraction	75.6	79.1	80.4	1.3	4.8
Oil and gas extraction	77.8	81.1	80.8	-0.3	3.0
Mining and quarrying	69.7	73.5	79.4	5.9	9.7
Electric power generation, transmission and distribution	81.7	83.1	83.1	0.0	1.4
Construction	84.1	84.5	86.6	2.1	2.5
Manufacturing	82.0	81.9	83.4	1.5	1.4
Food	82.1	84.2	86.8	2.6	4.7
Beverage and tobacco products	79.6	82.8	88.5	5.7	8.9
Beverage	83.1	86.5	93.6	7.1	10.5
Tobacco	61.4	64.1	62.5	-1.6	1.1
Textiles	75.4	79.9	85.9	6.0	10.5
Textile mills	76.7	89.7	89.6	-0.1	12.9
Textile product mills	74.2	71.6	82.6	11.0	8.4
Clothing	74.3	69.8	69.3	-0.5	-5.0
Leather and allied products	92.3	86.2	87.9	1.7	-4.4
Wood products	90.8	89.2	89.2	0.0	-1.6
Paper	89.7	88.0	88.5	0.5	-1.2
Printing and related support activities	70.2	70.2	72.8	2.6	2.6
Petroleum and coal products	83.2	80.4	86.8	6.4	3.6
Chemical products	84.5	89.4	85.8	-3.6	1.3
Plastics and rubber products	85.1	88.8	90.5	1.7	5.4
Plastic products	84.5	89.7	91.4	1.7	6.9
Rubber products	88.2	84.0	85.9	1.9	-2.3
Non-metallic mineral products	75.6	73.9	74.9	1.0	-0.7
Primary metal	76.5	75.7	76.6	0.9	0.1
Fabricated metal products	75.8	72.0	76.8	4.8	1.0
Machinery	73.4	75.8	79.2	3.4	5.8
Computer and electronic products	79.3	85.5	82.4	-3.1	3.1
Electrical equipment, appliances and components	75.0	74.6	76.6	2.0	1.6
Transportation equipment	91.4	86.0	86.7	0.7	-4.7
Furniture and related products	86.8	87.9	88.9	1.0	2.1
Miscellaneous manufacturing	82.5	79.9	79.6	-0.3	-2.9

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 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.

The *User Guide: Canadian System of Macroeconomic Accounts (13-606-G)* is also available. 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) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).