

Industrial capacity utilization rates, first quarter 2014

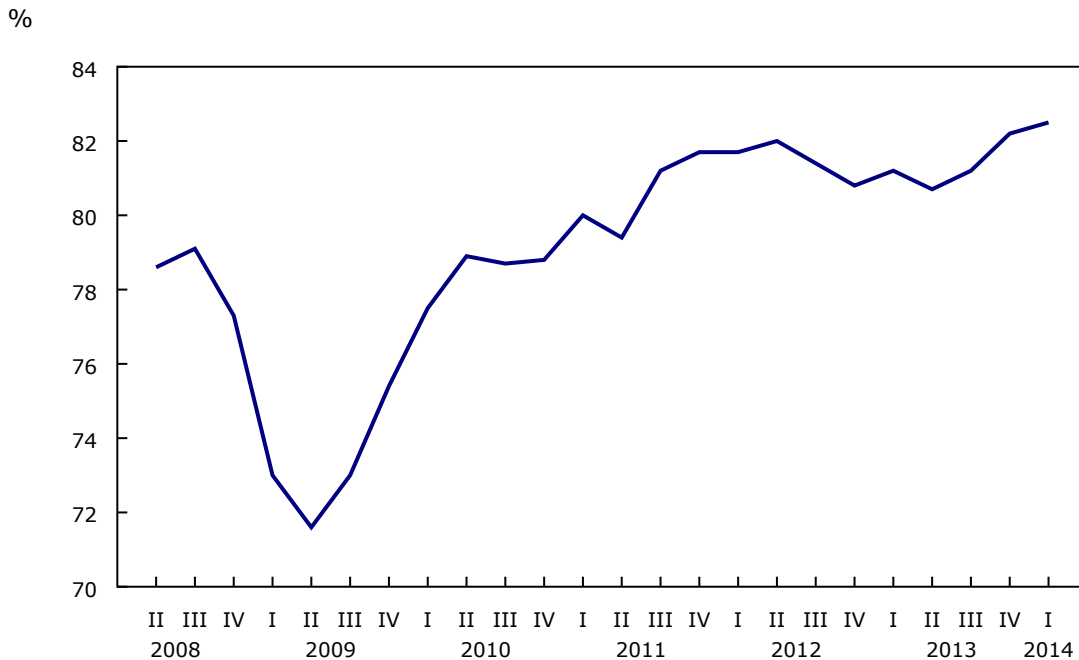
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Canadian industries operated at 82.5% of their production capacity in the first quarter, up slightly from 82.2% in the fourth quarter of 2013. The mining and oil and gas extraction industries were the main sources of this increase.

The rate in the first quarter was the highest since the second quarter of 2007.

Chart 1

Industrial capacity utilization rate reaches its highest level since the second quarter of 2007



Mining and oil and gas extraction lead the overall increase

Mining and oil and gas extraction were mainly responsible for the growth of the capacity utilization rate in the first quarter, more than offsetting declines in manufacturing and forestry and logging.

The capacity use rate in oil and gas extraction rose 1.9 percentage points to 88.7% in the first quarter, as a result of increased oil and gas extraction.

In the mining and quarrying industry, the rate increased 2.3 percentage points to 65.5% in the first quarter. As in the fourth quarter, the higher rate was due to an increase in metallic and non-metallic mineral extraction.

The capacity utilization rate in forestry and logging declined 2.3 percentage points to 84.8% in the first quarter, as a result of reduced activity in the industry.



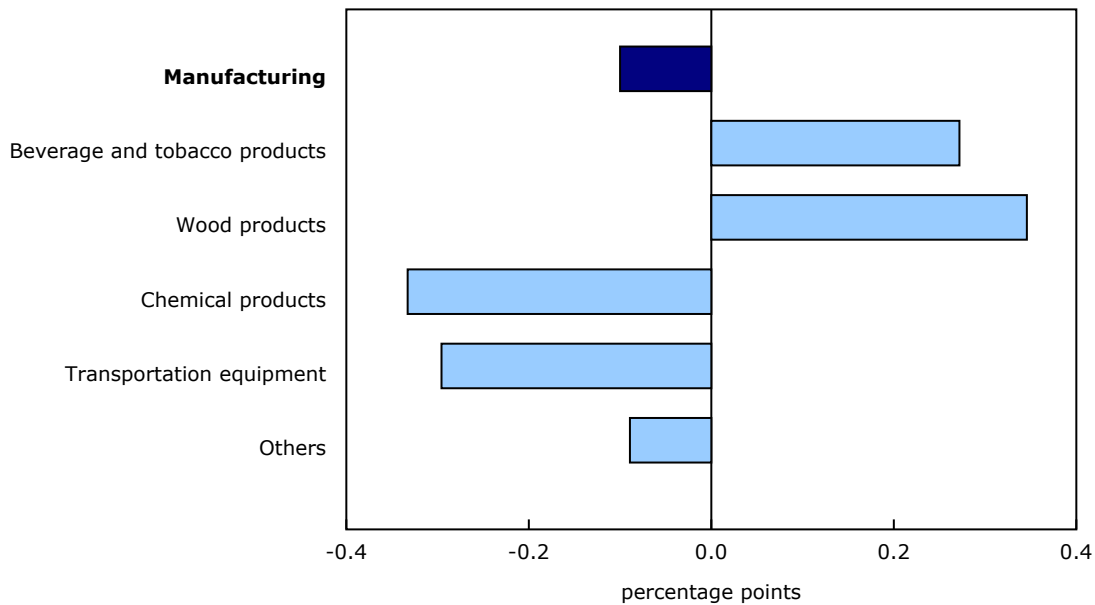
Manufacturing down slightly after two quarters of gains

The manufacturing sector operated at 81.2% of its capacity in the first quarter, down 0.1 percentage points from the fourth quarter of 2013. The chemical product manufacturing and transportation equipment manufacturing industries were largely responsible for this decrease.

Of the 21 major groups in the manufacturing sector, 9 posted a decline in their capacity utilization rate and 12 recorded an increase.

Chart 2

Main manufacturing industries' contribution to change in the overall manufacturing industrial capacity utilization rate, first quarter of 2014



The capacity use of chemical product manufacturers declined from 78.3% to 76.5% in the first quarter because of lower production in most of the industry's subsectors.

In the transportation equipment manufacturing industry, the rate fell 0.8 percentage points to 90.5% in the first quarter. This decrease was mostly attributable to a decline in the production of motor vehicles.

In contrast, the wood product manufacturing and beverage and tobacco product manufacturing major groups were up, partly compensating for the decline in the manufacturing sector's overall rate.

Production increased in all wood product manufacturing subsectors, pushing the industry's capacity utilization rate up 2.5 percentage points to 89.8%.

The beverage and tobacco product manufacturing industry increased its capacity utilization rate from 73.2% to 76.7% between the fourth quarter of 2013 and the first quarter of 2014. Beverage production was up, more than offsetting the decline in tobacco 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 and selected non-manufacturing industries.

With this release on industrial capacity utilization rates, data were revised back to the first quarter of 2013 to reflect updated source data.

Table 1
Industrial capacity utilization rates

	First quarter 2013	Fourth quarter 2013	First quarter 2014	Fourth quarter 2013 to first quarter 2014	First quarter 2013 to first quarter 2014
	%			percentage point change	
Total industrial	81.2	82.2	82.5	0.3	1.3
Forestry and logging	82.2	87.1	84.8	-2.3	2.6
Mining and oil and gas extraction	78.1	78.8	80.8	2.0	2.7
Oil and gas extraction	85.7	86.8	88.7	1.9	3.0
Mining and quarrying	63.7	63.2	65.5	2.3	1.8
Electric power generation, transmission and distribution	87.6	89.0	89.0	0.0	1.4
Construction	84.0	84.1	84.1	0.0	0.1
Manufacturing	79.8	81.3	81.2	-0.1	1.4
Food	76.3	77.5	77.7	0.2	1.4
Beverage and tobacco products	73.5	73.2	76.7	3.5	3.2
Beverage	74.9	74.2	78.5	4.3	3.6
Tobacco	63.5	66.0	64.5	-1.5	1.0
Textiles	64.5	72.1	74.3	2.2	9.8
Textile mills	68.4	79.5	83.4	3.9	15.0
Textile product mills	61.5	66.6	67.7	1.1	6.2
Clothing	67.3	67.5	69.7	2.2	2.4
Leather and allied products	69.6	68.1	69.0	0.9	-0.6
Wood products	84.8	87.3	89.8	2.5	5.0
Paper	88.0	89.7	90.5	0.8	2.5
Printing and related support activities	70.5	69.1	68.8	-0.3	-1.7
Petroleum and coal products	79.4	77.9	78.0	0.1	-1.4
Chemical products	76.8	78.3	76.5	-1.8	-0.3
Plastics and rubber products	77.3	77.8	76.7	-1.1	-0.6
Plastic products	76.4	76.8	75.5	-1.3	-0.9
Rubber products	81.7	83.0	82.8	-0.2	1.1
Non-metallic mineral products	71.3	74.0	73.1	-0.9	1.8
Primary metal	83.2	86.0	85.8	-0.2	2.6
Fabricated metal products	80.2	77.9	77.6	-0.3	-2.6
Machinery	79.7	82.8	83.0	0.2	3.3
Computer and electronic products	86.0	78.6	77.1	-1.5	-8.9
Electrical equipment, appliances and components	79.7	70.0	69.9	-0.1	-9.8
Transportation equipment	83.9	91.3	90.5	-0.8	6.6
Furniture and related products	77.7	80.0	80.6	0.6	2.9
Miscellaneous manufacturing	82.8	78.5	79.2	0.7	-3.6

Available in CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data on industrial capacity utilization rates for the second quarter will be released on September 10.

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).