

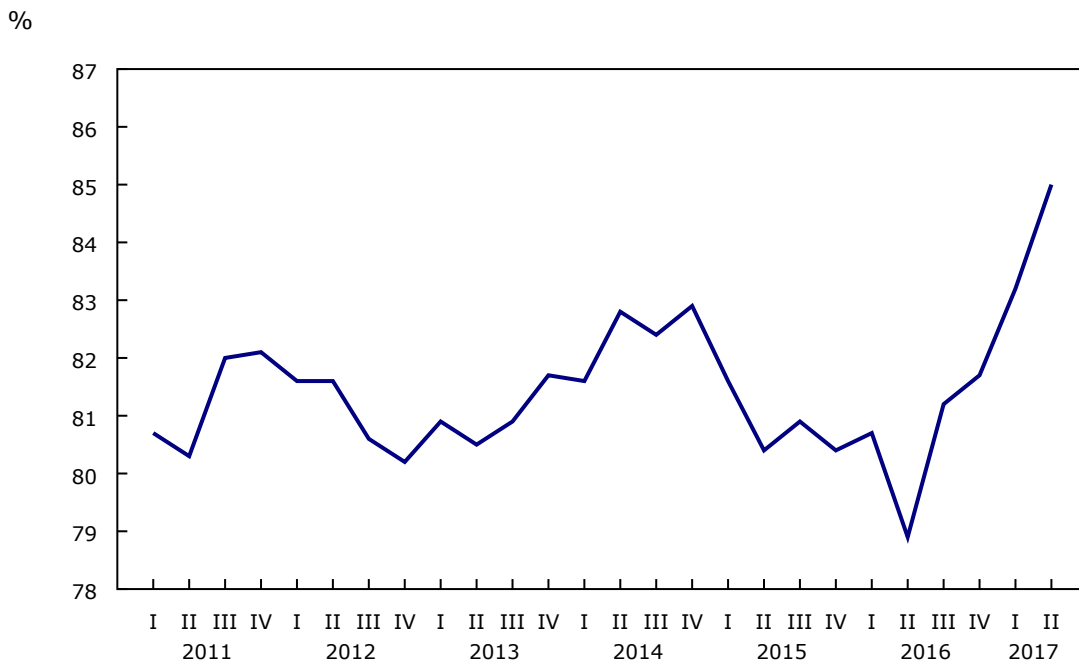
# Industrial capacity utilization rates, second quarter 2017

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Canadian industries operated at 85.0% of their production capacity in the second quarter of 2017, up from 83.2% in the previous quarter. This reflected the very strong growth in economy-wide production. This was the second straight quarter where the industrial capacity utilization rate exceeded the historical average of 83.1%.

The mining, quarrying and oil and gas extraction sector was the main source of the increase.

**Chart 1**  
**The industrial capacity utilization rate continues to rise**



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

## Oil and gas extraction is the main source of the increase

Following two consecutive quarters of declines, the capacity utilization rate in oil and gas extraction rose 3.3 percentage points to 84.0% in the second quarter, due to higher volumes of oil and gas extraction.

The capacity utilization rate in construction posted a third consecutive quarterly increase, rising from 86.4% to 87.7%. As in the previous quarter, the increase was mainly due to residential construction, and to engineering and repair work.

The capacity utilization rate in forestry and logging fell from 86.8% to 85.7% in the second quarter, a third consecutive quarterly decline. This decrease was attributable to a decline in activities in the industry.

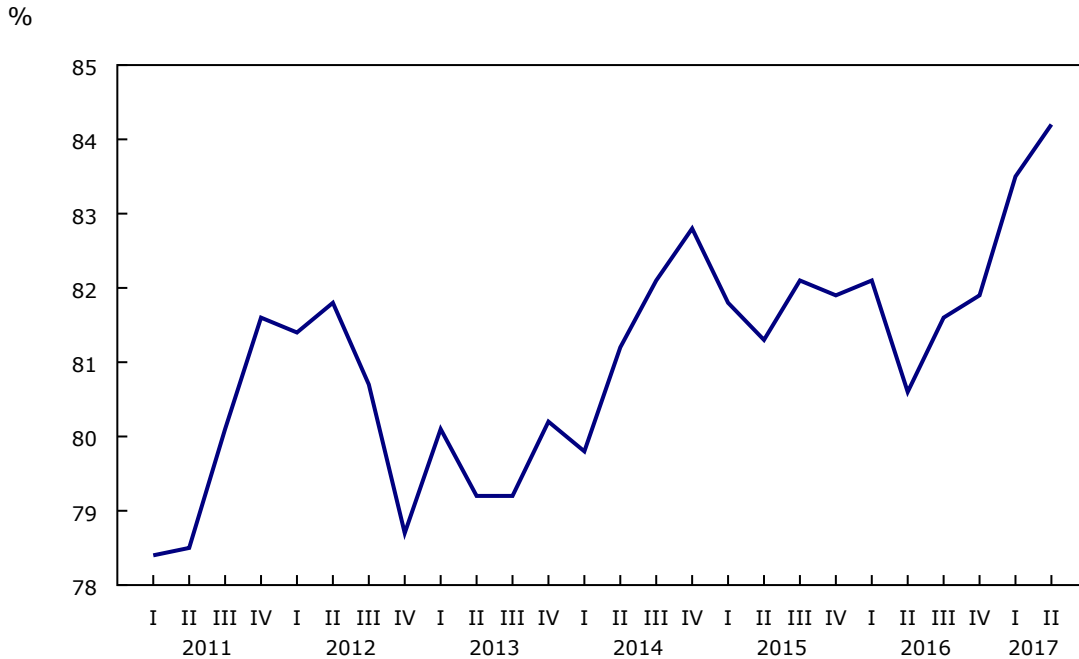


## Increases in the manufacturing sector are attributable to durable goods manufacturing

The manufacturing industry operated at 84.2% of its capacity, up 0.7 percentage points from the previous quarter. Durable goods manufacturing industries were the main source of this increase.

The capacity utilization rate rose in 15 of 21 major manufacturing industries, representing approximately 85% of the gross domestic product in the manufacturing industry.

**Chart 2**  
**Capacity utilization in manufacturing sector increases again**



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

The capacity utilization rate in the machinery manufacturing industry rose 5.1 percentage points to 85.3% in the second quarter, the largest gain since the fourth quarter of 2011. This increase was attributable to an overall gain in production in the industry.

The rate for transportation equipment manufacturers rose from 86.7% to 87.8%, due to increased production in most industry subsectors.

After declining in the first quarter, the capacity utilization rate for computer and electronic product manufacturers rose 4.4 percentage points to 86.8% in the second quarter. A widespread increase in production in all computer and electronic product manufacturing subsectors led to this gain.

The overall increase in the manufacturing sector was partially offset by declines in a few industries, notably in beverage and tobacco product manufacturing. This industry saw its capacity utilization rate fall from 87.0% to 82.2%, reflecting lower production.

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**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 third quarter will be released on December 8.

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

	Second quarter 2016	First quarter 2017	Second quarter 2017	First quarter to second quarter 2017	Second quarter 2016 to second quarter 2017
	%			percentage point change	
<b>Total industrial</b>	<b>78.9</b>	<b>83.2</b>	<b>85.0</b>	<b>1.8</b>	<b>6.1</b>
Forestry and logging	88.9	86.8	85.7	-1.1	-3.2
Mining, quarrying and oil and gas extraction	72.0	80.3	83.7	3.4	11.7
Oil and gas extraction	73.3	80.7	84.0	3.3	10.7
Mining and quarrying	68.4	79.1	82.8	3.7	14.4
Electric power generation, transmission and distribution	82.3	83.3	85.2	1.9	2.9
Construction	83.5	86.4	87.7	1.3	4.2
Manufacturing	80.6	83.5	84.2	0.7	3.6
Food	82.2	86.1	86.6	0.5	4.4
Beverage and tobacco products	81.5	87.0	82.2	-4.8	0.7
Beverage	85.2	91.8	86.4	-5.4	1.2
Tobacco	62.1	62.1	60.3	-1.8	-1.8
Textiles	72.0	82.6	83.4	0.8	11.4
Textile mills	75.1	88.8	91.0	2.2	15.9
Textile product mills	69.2	77.3	76.9	-0.4	7.7
Clothing	72.8	70.7	73.5	2.8	0.7
Leather and allied products	84.8	88.8	92.4	3.6	7.6
Wood products	88.1	90.9	89.8	-1.1	1.7
Paper	87.2	88.5	89.3	0.8	2.1
Printing and related support activities	69.3	71.6	71.2	-0.4	1.9
Petroleum and coal products	81.7	87.6	90.3	2.7	8.6
Chemical products	84.0	86.5	86.7	0.2	2.7
Plastics and rubber products	84.0	90.5	91.0	0.5	7.0
Plastic products	83.7	91.4	91.5	0.1	7.8
Rubber products	85.9	85.9	88.0	2.1	2.1
Non-metallic mineral products	72.8	75.6	75.8	0.2	3.0
Primary metal	79.5	75.4	75.6	0.2	-3.9
Fabricated metal products	72.6	76.2	76.6	0.4	4.0
Machinery	71.0	80.2	85.3	5.1	14.3
Computer and electronic products	75.6	82.4	86.8	4.4	11.2
Electrical equipment, appliances and components	73.6	78.1	75.1	-3.0	1.5
Transportation equipment	88.1	86.7	87.8	1.1	-0.3
Furniture and related products	86.3	90.2	92.7	2.5	6.4
Miscellaneous manufacturing	79.8	79.6	78.4	-1.2	-1.4

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](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)).