

The Daily

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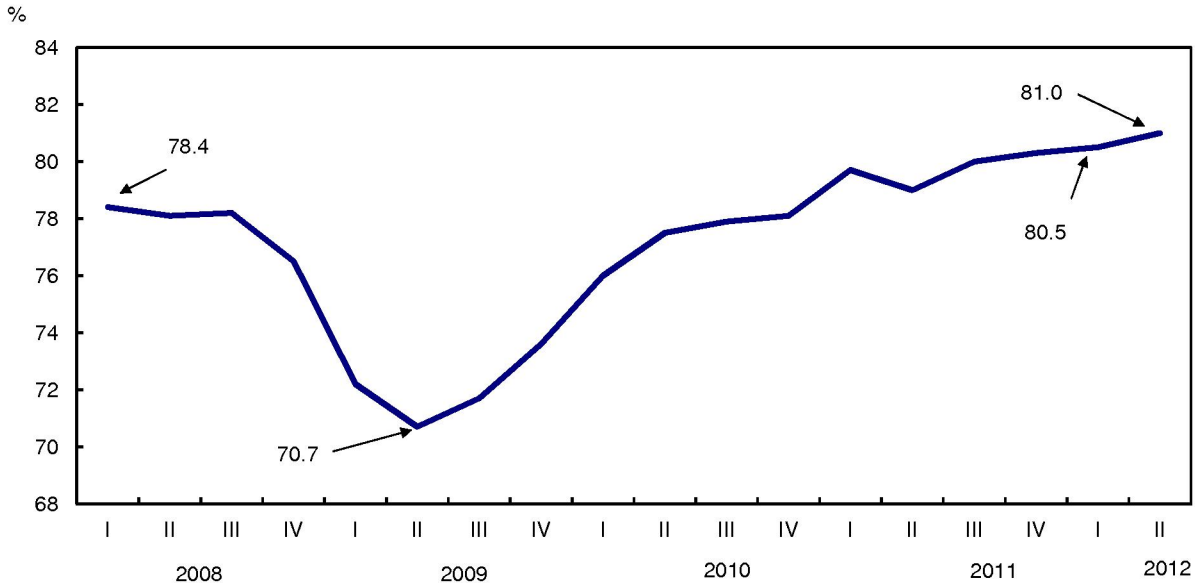
Releases

Industrial capacity utilization rates, second quarter 2012

Canadian industries operated at 81.0% of their production capacity in the second quarter, up 0.5 percentage points from the previous quarter. The manufacturing and non-manufacturing sectors made comparable contributions to the increase.

The advance in the second quarter follows gains of 0.3 percentage points in the fourth quarter of 2011 and 0.2 percentage points in the first quarter of 2012.

Chart 1
Capacity use has increased steadily since the third quarter of 2011

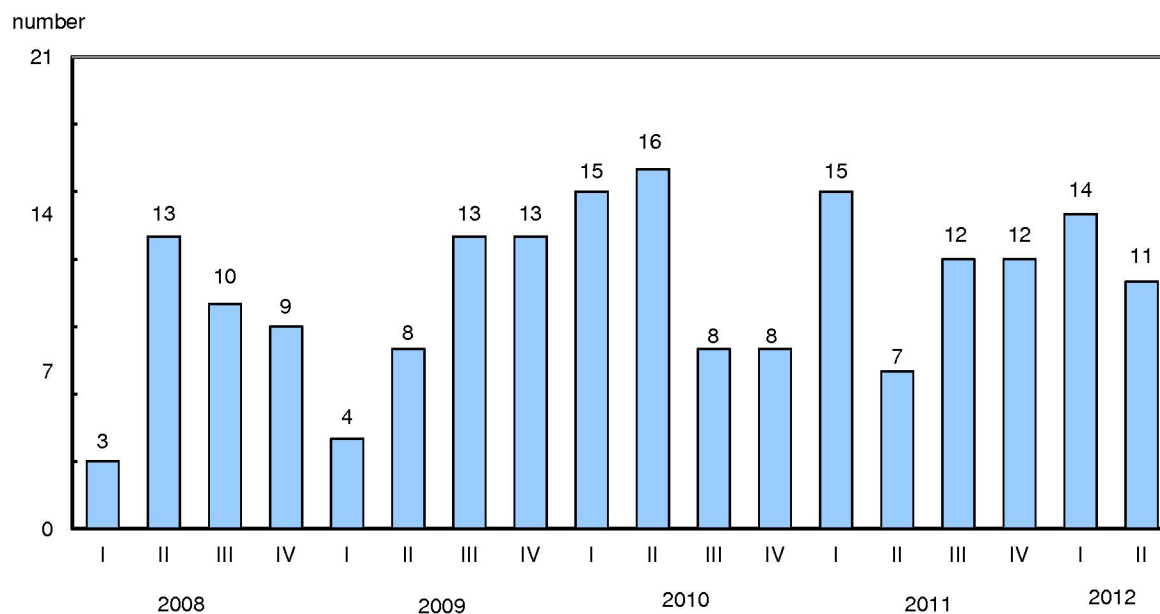


Manufacturing up: Major contribution from the transportation equipment and machinery industries

Capacity utilization in the manufacturing sector increased 0.5 percentage points to 81.6%.

As in the three previous quarters, the strength of the transportation equipment and machinery industries contributed significantly to the growth in capacity utilization of manufacturing industries as a whole in the second quarter.

Chart 2
Capacity utilization rate up in 11 of the 21 major manufacturing industries



The capacity utilization rate was up in 11 of the 21 major manufacturing industries in the second quarter.

The largest contributors to the increase in the capacity utilization rate were the transportation equipment, machinery, wood product manufacturing and non-metallic mineral product manufacturing industries.

Capacity use was down in 10 industries, notably the computer and electronic product manufacturing industry and in the food industry.

Higher production of motor vehicles and motor vehicle parts as well as of aerospace products and their parts raised the capacity utilization rate in the transportation equipment industry by 1.9 percentage points to 91.7%.

Increased output of agricultural, construction and mining machinery and, to a lesser extent, of metalworking machinery helped push the capacity utilization rate in the machinery manufacturing industry up to 89.1%.

In the wood product manufacturing industry, capacity utilization rose from 76.1% in the first quarter to 77.9% in the second quarter. As in the previous quarter, the increase was mainly a result of higher production in the sawmills and wood preservation industry.

The non-metallic mineral product manufacturing industry operated at 81.3% of its capacity, up 3.3 percentage points. Higher production of cement and concrete products was largely responsible for the increase.

The computer and electronic product manufacturing industry ran at 85.1% of its capacity, down 2.6 percentage points. The main reason for the decline was lower production of communications equipment.

Non-manufacturing industries: Widespread small increases

The non-manufacturing sector saw an increase in its capacity utilization similar to the advance seen in the manufacturing industries as a whole.

The construction industry had the largest impact on the sector's increase, as its capacity utilization rate rose from 79.1% to 80.1% between the first and second quarter. The advance was mostly attributable to a substantial increase in engineering construction and residential building construction.

The oil and gas extraction industry also made a significant contribution to the increase in the sector's capacity utilization. The 1.3 percentage point rise in the industry's capacity utilization rate was a result of increased oil extraction, while gas extraction declined.

Higher production by potash mines and copper, nickel, lead and zinc ore mines more than offset the decline in coal extraction, resulting in a 0.2 percentage point increase in capacity utilization in the mining and quarrying industry.

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 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.

At the time of this release, rates have been revised back to the first quarter of 2010 to reflect updated source data.

Table 1
Industrial capacity utilization rates

	Second quarter 2011 ^r	First quarter 2012 ^r	Second quarter 2012	First quarter to second quarter 2012	Second quarter 2011 to second quarter 2012
	%		percentage point change		
Total industrial	79.0	80.5	81.0	0.5	2.0
Forestry and logging	94.7	87.8	88.2	0.4	-6.5
Mining and oil and gas extraction	77.5	78.7	79.6	0.9	2.1
Oil and gas extraction	82.0	88.6	89.9	1.3	7.9
Mining	68.7	60.8	61.0	0.2	-7.7
Electric power generation, transmission and distribution	90.5	83.8	82.5	-1.3	-8.0
Construction	76.9	79.1	80.1	1.0	3.2
Manufacturing	78.4	81.1	81.6	0.5	3.2
Food	81.4	78.1	77.3	-0.8	-4.1
Beverage and tobacco products	67.7	70.1	71.7	1.6	4.0
Beverage	68.6	71.3	73.2	1.9	4.6
Tobacco	61.4	62.3	61.8	-0.5	0.4
Textiles	69.2	74.8	75.8	1.0	6.6
Textile mills	72.6	80.0	82.5	2.5	9.9
Textile product mills	65.2	68.6	67.9	-0.7	2.7
Clothing	74.6	72.3	71.8	-0.5	-2.8
Leather and allied products	66.2	76.0	72.9	-3.1	6.7
Wood products	73.1	76.1	77.9	1.8	4.8
Paper	90.3	83.4	84.1	0.7	-6.2
Printing and related support activities	72.7	72.7	72.9	0.2	0.2
Petroleum and coal products	78.9	77.8	76.3	-1.5	-2.6
Chemical	76.6	79.9	80.1	0.2	3.5
Plastics and rubber products	74.5	79.4	78.0	-1.4	3.5
Plastic products	72.1	77.8	77.1	-0.7	5.0
Rubber products	84.6	86.0	81.6	-4.4	-3.0
Non-metallic mineral products	75.7	78.0	81.3	3.3	5.6
Primary metal	82.4	81.1	80.2	-0.9	-2.2
Fabricated metal products	77.1	81.3	81.0	-0.3	3.9
Machinery	74.6	86.6	89.1	2.5	14.5
Computer and electronic products	90.5	87.7	85.1	-2.6	-5.4
Electrical equipment, appliance and component	77.6	74.2	74.9	0.7	-2.7
Transportation equipment	80.3	89.8	91.7	1.9	11.4
Furniture and related products	76.0	75.6	78.3	2.7	2.3
Miscellaneous manufacturing	81.3	74.0	70.4	-3.6	-10.9

^r revised

Available without charge in CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

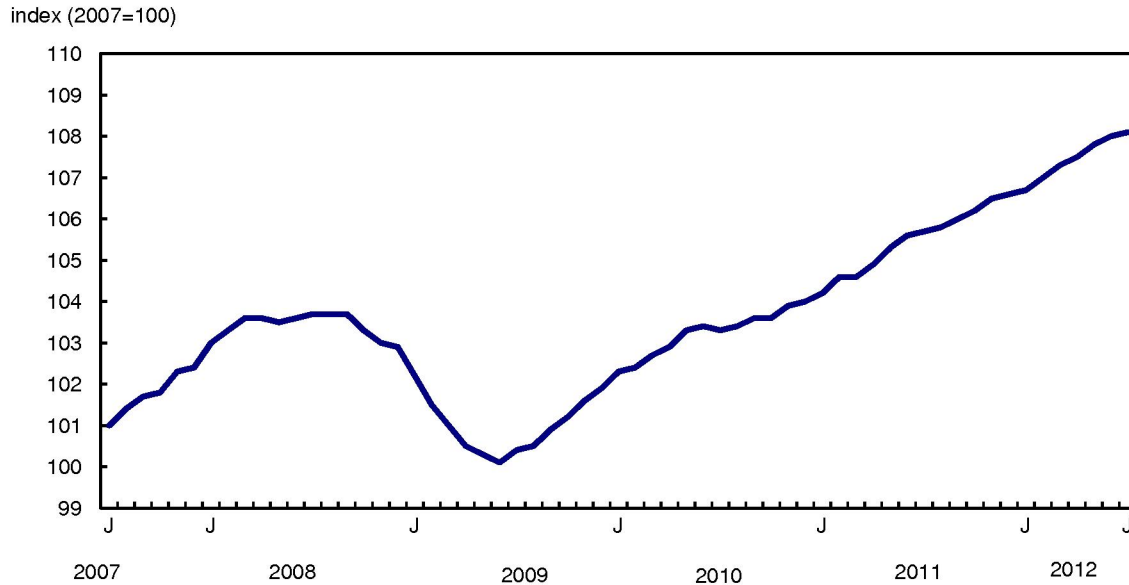
Data on industrial capacity utilization rates for the third quarter will be released on December 13.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca) or the Media Hotline (613-951-4636; mediahotline@statcan.gc.ca).

New Housing Price Index, July 2012

The New Housing Price Index (NHPI) rose 0.1% in July, following a 0.2% increase in June.

Chart 1
New Housing Price Index

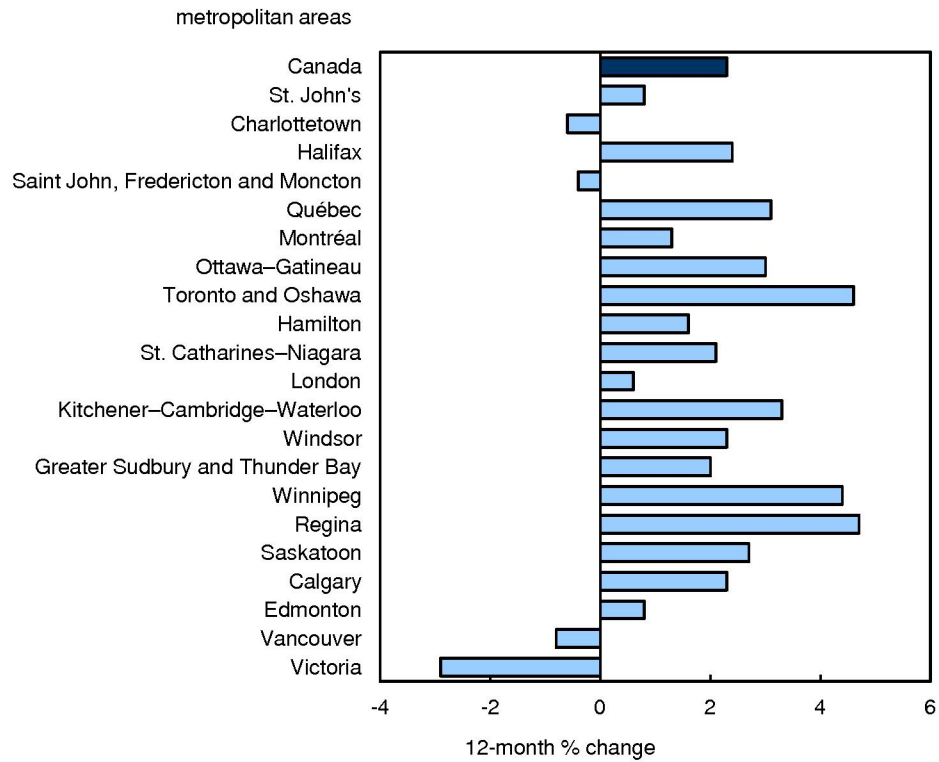


The metropolitan region of Calgary was the top contributor to the advance. Some builders reported that increased material and labour costs were the main reason for higher prices.

The largest monthly price advance in July occurred in the metropolitan region of St. John's (+0.6%), followed by St. Catharines–Niagara and Halifax (both up 0.4%). In St. John's and St. Catharines–Niagara, the increase was primarily the result of higher material and labour costs. In Halifax, the main reason for the advance was market conditions.

Prices were unchanged in 6 of the 21 metropolitan regions surveyed in July. Monthly prices declined 0.3% in Windsor as a result of lower negotiated prices. Prices fell 0.2% in Kitchener–Cambridge–Waterloo as well as Victoria, as some builders recorded lower negotiated selling prices.

Chart 2
Regina posts the highest year-over-year price increase



On a year-over-year basis, the NHPI rose 2.3% in the 12 months to July, following a similar year-over-year increase the previous month. The main contributor to the advance was the combined metropolitan regions of Toronto and Oshawa.

The largest year-over-year increases in contractors' selling prices occurred in Regina (+4.7%), Toronto and Oshawa (+4.6%), and Winnipeg (+4.4%).

Other significant year-over-year increases occurred in Kitchener–Cambridge–Waterloo (+3.3%) and Québec (+3.1%).

Among the 21 metropolitan regions surveyed, 4 posted 12-month price declines in July. The largest decrease was in Victoria (-2.9%).

Note to readers

The New Housing Price Index measures changes over time in the selling prices of new residential houses agreed upon between the contractor and the buyer at the time of the signing of the contract. It is designed to measure the changes in the selling prices of new houses where detailed specifications pertaining to each house remain the same between two consecutive periods. The prices collected from builders and included in the index are market selling prices less value added taxes, such as the Federal Goods and Services Tax or the Harmonized Sales Tax.

The provincial government of British Columbia introduced legislation on May 14, 2012, announcing the return to a provincial sales tax on April 1, 2013. From April 1, 2012, until March 31, 2013, there are new housing transitional rebates in place. After the transition is complete, the provincial sales tax on building materials in British Columbia will be embedded in contractors' selling prices of new houses. These changes will be reflected in the New Housing Price Index as reported by respondents.

The indexes are not subject to revision and not seasonally adjusted.

Table 1
New Housing Price Indexes – Not seasonally adjusted

	Relative importance ¹	July 2011	June 2012	July 2012	June to July 2012	July 2011 to July 2012
	%	(2007=100)			% change	
Canada total	100.00	105.7	108.0	108.1	0.1	2.3
House only	...	105.8	108.4	108.5	0.1	2.6
Land only	...	105.0	106.8	106.8	0.0	1.7
St. John's	1.99	146.7	147.0	147.9	0.6	0.8
Charlottetown	0.25	103.4	102.6	102.8	0.2	-0.6
Halifax	1.25	111.8	114.0	114.5	0.4	2.4
Saint John, Fredericton and Moncton ²	0.67	108.1	107.8	107.7	-0.1	-0.4
Québec	2.98	117.6	121.2	121.2	0.0	3.1
Montréal	10.79	114.0	115.4	115.5	0.1	1.3
Ottawa–Gatineau	5.67	112.7	115.9	116.1	0.2	3.0
Toronto and Oshawa ²	26.56	111.7	116.8	116.8	0.0	4.6
Hamilton	3.08	104.2	105.8	105.9	0.1	1.6
St. Catharines–Niagara	1.01	104.0	105.8	106.2	0.4	2.1
London	1.58	108.8	109.5	109.5	0.0	0.6
Kitchener–Cambridge–Waterloo	2.32	107.7	111.5	111.3	-0.2	3.3
Windsor	0.50	96.3	98.8	98.5	-0.3	2.3
Greater Sudbury and Thunder Bay ²	0.62	105.4	107.5	107.5	0.0	2.0
Winnipeg	2.28	124.0	129.2	129.5	0.2	4.4
Regina	0.99	147.6	154.5	154.5	0.0	4.7
Saskatoon	1.76	115.9	119.0	119.0	0.0	2.7
Calgary	10.84	95.0	97.1	97.2	0.1	2.3
Edmonton	11.99	90.0	90.8	90.7	-0.1	0.8
Vancouver	11.48	99.1	98.2	98.3	0.1	-0.8
Victoria	1.39	88.3	85.9	85.7	-0.2	-2.9

... not applicable

1. The relative importance is calculated using a price adjusted three-year average of the value of building completions for each metropolitan area.

2. In order to ensure data confidentiality, the following census metropolitan areas and census agglomeration are grouped together as follows: Saint John, Fredericton and Moncton; Toronto and Oshawa; and Greater Sudbury and Thunder Bay.

Note(s): View the census subdivisions that comprise the metropolitan areas online.

Available without charge in CANSIM: table 327-0046.

Definitions, data sources and methods: survey number 2310.

The second quarter 2012 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in October.

The new housing price indexes for August will be released on October 11.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Statistics Canada's National Contact Centre (toll-free 1-800-263-1136; 613-951-8116; infostats@statcan.gc.ca) or the Media Hotline (613-951-4636; mediahotline@statcan.gc.ca).

Electric utility construction price indexes, first half 2012

Construction costs for electric utility distribution systems series increased by 0.9% during the first half of 2012 compared with the 2011 annual index. Higher costs for labour (+3.9%) and construction indirects, which includes engineering, administration and overheads (+2.1%), were the major contributors to the increase of the index.

In the first half of 2012, construction costs for the transmission line system series rose 1.4%, while the transmission line component increased 0.6%, largely as a result of installation labour (+3.9%). The substation component increased by 1.8%, led by a 2.1% increase in station equipment costs.

Note to readers

This release presents data that are not seasonally adjusted and the indexes published are subject to a two-year revision period after dissemination of a given year's data.

Available without charge in CANSIM: table 327-0011.

Definitions, data sources and methods: survey number 2316.

The second quarter 2012 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in October.

The electric utility construction price indexes data for 2012 will be released on April 4, 2013.

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Steel pipe and tubing, July 2012

Data on the production and shipments of steel pipe and tubing are now available for July.

Note to readers

Revised data for June 2012 are also available.

Available without charge in CANSIM: table 303-0046.

Definitions, data sources and methods: survey number 2105.

The July 2012 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

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Steel wire and specified wire products, July 2012

Data on the production of steel wire and specified wire products are now available for July.

Available without charge in CANSIM: table 303-0047.

Definitions, data sources and methods: survey number 2106.

The July 2012 issue of *Steel, Tubular Products and Steel Wire* (41-019-X, free) will soon be available.

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