

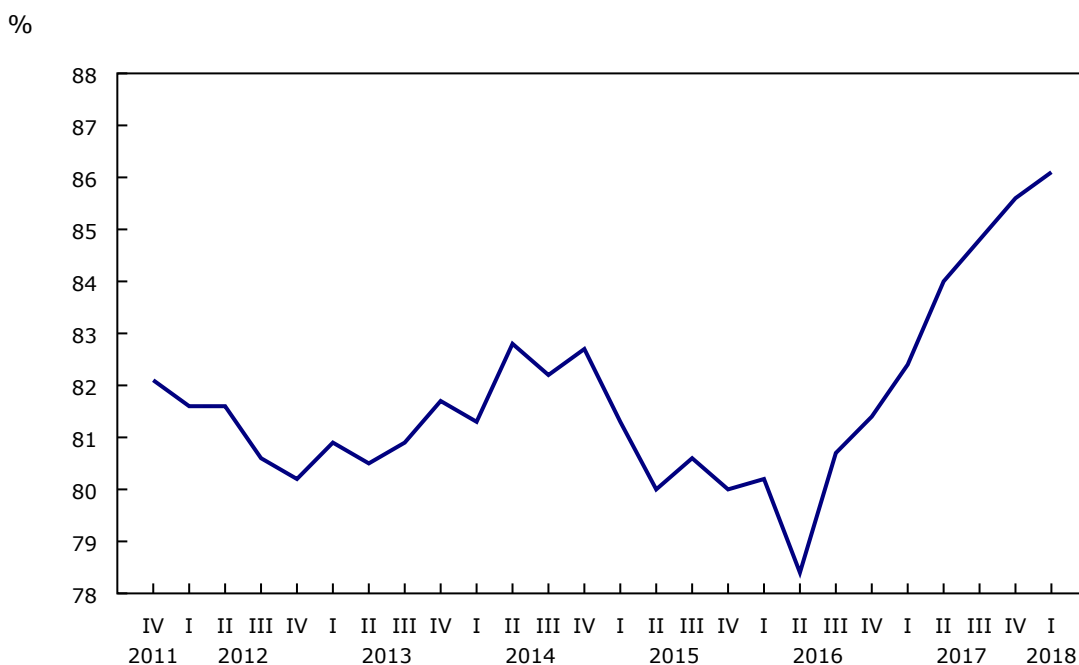
# Industrial capacity utilization rates, first quarter 2018

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Canadian industries operated at 86.1% of their production capacity in the first quarter, up from 85.6% in the previous quarter. This was the seventh consecutive quarterly gain and the longest sequence of increases since the third quarter of 2009 to the first quarter of 2011.

The increase in the first quarter of 2018 was mainly attributable to the construction sector and, to a lesser extent, the manufacturing sector.

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



Source(s): Table 16-10-0109-01.

## Increase mainly attributable to the construction sector

The capacity utilization rate in the construction industry posted a seventh consecutive quarterly increase, rising from 90.8% in the fourth quarter to 92.4% in the first quarter. As in the previous quarter, the gain was due to a widespread increase in construction activity.

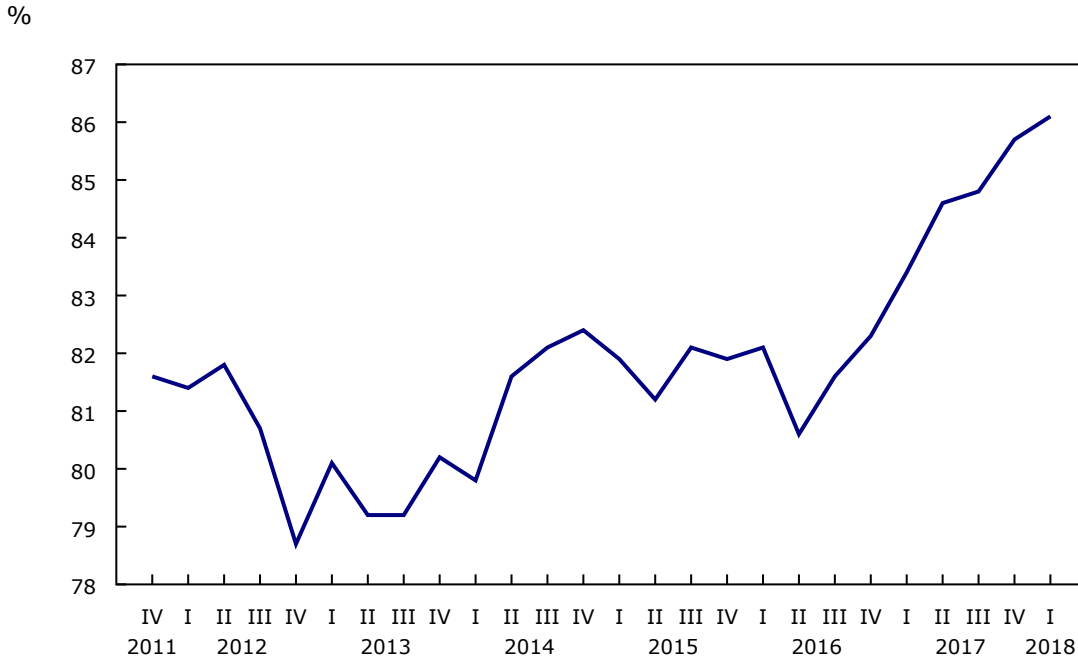
Conversely, the capacity utilization rate in the forestry and logging industry decreased from 87.0% to 85.6% in the first quarter, the fifth decline in six quarters.

## Durable goods manufacturing leads capacity utilization in the manufacturing sector

The capacity utilization rate of manufacturing edged up 0.4 percentage points in the first quarter to 86.1%. This was the seventh consecutive quarterly increase and the highest level since the fourth quarter of 2000. As in the previous quarter, durable goods manufacturing industries continued to be the main sources of the gain.



**Chart 2**  
**Capacity utilization in manufacturing slows**



Source(s): Table 16-10-0109-01.

Among transportation equipment manufacturers, the capacity utilization rate rose from 83.6% in the fourth quarter to 85.6% in the first quarter, led by motor vehicle and motor vehicle parts manufacturing, and other transportation equipment manufacturing. This was the second quarterly increase following a large decline in the third quarter of 2017. Transportation equipment manufacturers have not had back-to-back increases since the first and second quarters of 2012.

The capacity utilization rate of the machinery manufacturing industry rose for the seventh consecutive quarter, up 2.5 percentage points to 90.2% in the first quarter on widespread production increases in every subsector of the industry.

The overall gain in the manufacturing sector was partly offset by some declines, particularly in the wood product manufacturing industry. After rising 4.1 percentage points in the fourth quarter, the capacity utilization rate in the wood product manufacturing industry declined for the first time in seven quarters, falling from 94.0% in the fourth quarter to 91.7% in the first quarter on widespread production declines. The United States imposed final countervailing and anti-dumping duties on Canadian softwood lumber in January.

Primary metals manufacturing, which includes aluminum and steel manufacturing, declined 1.1 percentage points to 81.2% in the first quarter, the first decrease in four quarters.

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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 have been revised back to the first quarter of 2017 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 12.*

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

	First quarter 2017	Fourth quarter 2017	First quarter 2018	Fourth quarter 2017 to first quarter 2018	First quarter 2017 to first quarter 2018
	%			percentage point change	
<b>Total industrial</b>	<b>82.4</b>	<b>85.6</b>	<b>86.1</b>	<b>0.5</b>	<b>3.7</b>
Forestry and logging	87.5	87.0	85.6	-1.4	-1.9
Mining, quarrying and oil and gas extraction	77.7	81.4	81.5	0.1	3.8
Oil and gas extraction	79.2	82.9	82.9	0.0	3.7
Mining and quarrying	73.3	76.9	76.9	0.0	3.6
Electric power generation, transmission and distribution	82.7	85.4	85.1	-0.3	2.4
Construction	86.5	90.8	92.4	1.6	5.9
Manufacturing	83.4	85.7	86.1	0.4	2.7
Food	85.6	86.6	86.9	0.3	1.3
Beverage and tobacco products	86.5	83.0	84.5	1.5	-2.0
Beverage	91.4	87.3	89.5	2.2	-1.9
Tobacco	62.2	62.3	59.2	-3.1	-3.0
Textiles	81.9	82.8	81.5	-1.3	-0.4
Textile mills	88.2	89.9	90.1	0.2	1.9
Textile product mills	76.6	76.8	73.9	-2.9	-2.7
Clothing	69.4	78.2	74.8	-3.4	5.4
Leather and allied products	81.8	72.0	70.6	-1.4	-11.2
Wood products	89.5	94.0	91.7	-2.3	2.2
Paper	90.6	94.3	92.5	-1.8	1.9
Printing and related support activities	70.3	74.7	73.2	-1.5	2.9
Petroleum and coal products	87.5	92.9	90.9	-2.0	3.4
Chemical products	87.4	88.5	87.2	-1.3	-0.2
Plastics and rubber products	90.3	93.0	93.7	0.7	3.4
Plastic products	91.5	93.2	93.3	0.1	1.8
Rubber products	84.5	92.2	95.5	3.3	11.0
Non-metallic mineral products	76.6	80.6	80.5	-0.1	3.9
Primary metal	76.6	82.3	81.2	-1.1	4.6
Fabricated metal products	77.5	79.3	81.2	1.9	3.7
Machinery	80.2	87.7	90.2	2.5	10.0
Computer and electronic products	80.7	87.8	89.8	2.0	9.1
Electrical equipment, appliances and components	76.8	78.3	81.1	2.8	4.3
Transportation equipment	86.1	83.6	85.6	2.0	-0.5
Furniture and related products	87.7	90.8	89.2	-1.6	1.5
Miscellaneous manufacturing	77.4	77.7	78.6	0.9	1.2

Source(s): Table 16-10-0109-01.

**Available tables: table 16-10-0109-01.**

**Definitions, data sources and methods: survey number 2821.**

The *Latest Developments in the Canadian Economic Accounts (13-605-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.

The *Methodological Guide: Canadian System of Macroeconomic Accounts (13-607-X)* is available.

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)).