

# Industrial capacity utilization rates, first quarter 2020

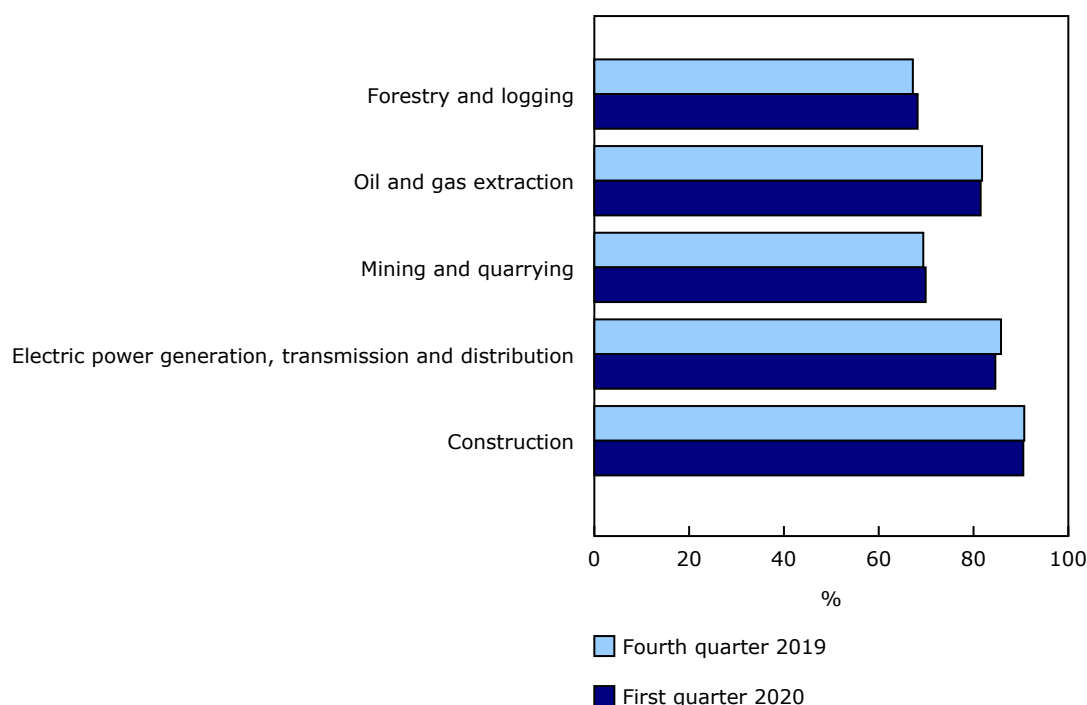
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, June 12, 2020

Canadian industries operated at 79.8% of their capacity in the first quarter, down from 81.4% in the previous quarter. This was the third consecutive quarterly decline and was because of the slowdown in most sectors caused by physical distancing measures implemented in response to the COVID-19 pandemic.

The manufacturing sector led this decrease. In the Monthly Survey of Manufacturing, many manufacturers reported that their activities were affected by the COVID-19 pandemic and, to a lesser extent, by the rail blockades that occurred across Canada in February. Since February, a number of manufacturers have reported supply issues. In addition, for some industries, production was slowed and plants were closed in March because of a drop in overall demand and in response to physical distancing measures.

## Capacity utilization in mining, quarrying, and oil and gas extraction sector unchanged

**Chart 1**  
**Industrial capacity utilization in non-manufacturing industries**



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

Following a decline in the previous two quarters, the capacity utilization rate in the mining, quarrying, and oil and gas extraction sector was unchanged at 77.8% in the first quarter.

The capacity utilization rate in the mining and quarrying sector (excluding oil and gas extraction) edged up 0.5 percentage points to 69.9% in the first quarter, following the previous quarter's decrease. Increased activity levels in support activities for mining and oil and gas extraction and in iron ore mining more than offset decreases observed in the other industry subsectors.



The capacity utilization rate in the oil and gas extraction sector fell slightly, from 81.8% in the fourth quarter of 2019 to 81.5% in the first quarter of 2020. The COVID-19 lockdown measures led to a drop in overall demand, which in turn led to lower production, except in oil sands extraction.

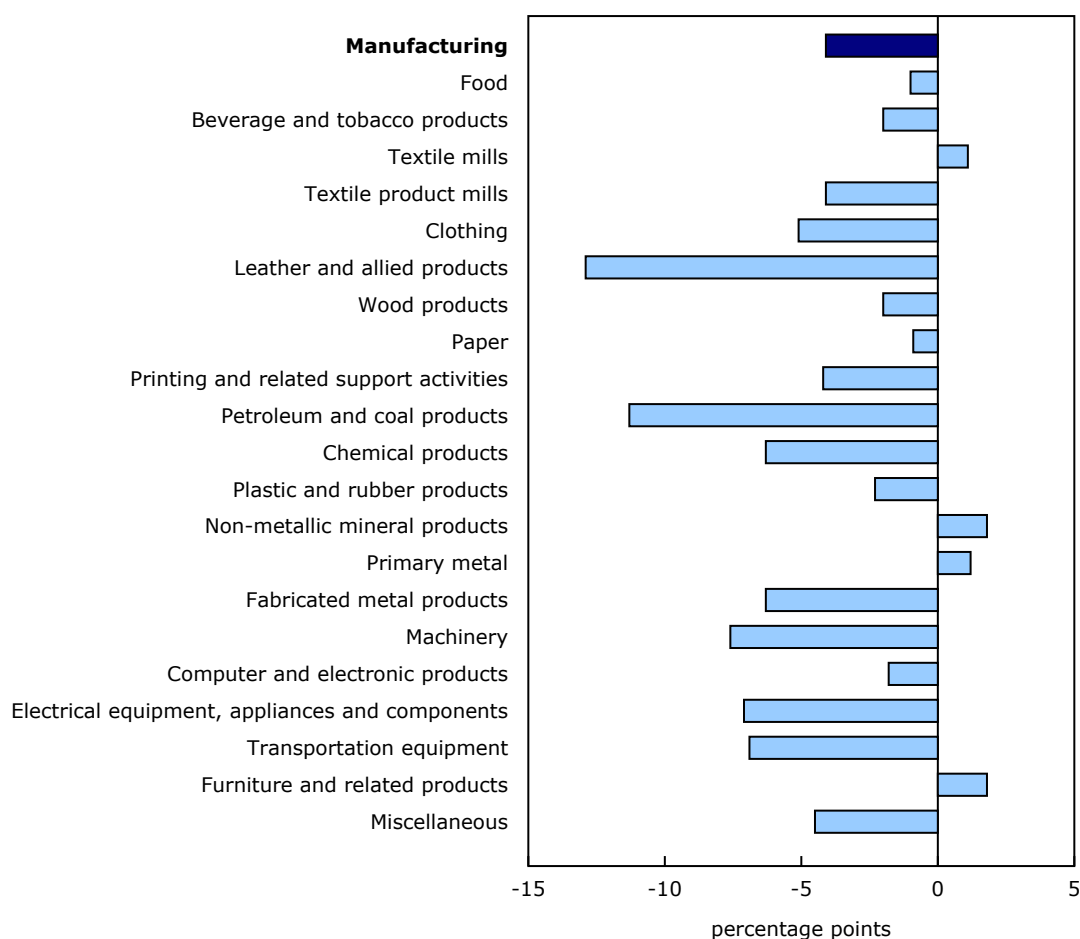
The capacity utilization rate in the construction sector edged down 0.2 percentage points to 90.5% in the first quarter. Reduced activity in engineering and other construction activities was the main source of the decline.

The forestry and logging sector posted a capacity utilization rate of 68.2%, its first increase in four quarters. This gain was driven in part by resolved labour disputes in British Columbia.

## Manufacturing capacity utilization rate down compared with same quarter last year

Year over year, the capacity utilization rate in manufacturing fell 4.1 percentage points to 74.4% in the first quarter—the lowest rate since the third quarter of 2009. Capacity utilization was down year over year in 17 of the 21 major manufacturing industries, representing roughly 90% of gross domestic product in the manufacturing sector.

**Chart 2**  
Year-over-year change by industry (first quarter 2020 compared with first quarter 2019)



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

The capacity utilization rate of transportation equipment manufacturers fell 6.9 percentage points year over year, to 75.4%. This decrease was because of lower production following the closure of assembly plants in the last two weeks of March and because of supply chain disruptions.

Compared with the same quarter in 2019, the capacity utilization rate of petroleum and coal product manufacturing fell 11.3 percentage points to 75.0%. This was because of a drop in demand for fuel caused by the lockdown, and delays in maintenance work caused by an effort to limit the number of employees on site.

Year over year, chemical product manufacturers saw a decrease in their capacity utilization rate of 6.3 percentage points, to 76.4%. This year-over-year decline was partly offset by higher production of resin, synthetic rubber, and artificial and synthetic fibres and filaments, for which demand rose sharply.

### **Note to readers**

*The **industrial capacity utilization rate** is the ratio of an industry's actual output to its estimated potential output.*

*This program covers all manufacturing industries, and forestry and logging; mining, quarrying, and oil and gas extraction; electric power generation, transmission and distribution; and construction.*

*For non-manufacturing industries, 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.*

*For this release on industrial capacity utilization rates, the data were revised back to the first quarter of 2019 to reflect the latest revisions to the source data. For manufacturing industries, the data are not seasonally adjusted.*

*As certain data inputs have been impacted by unforeseen constraints on data collection and operations as a result of COVID-19, the revision rate for the 2020 first quarter estimate of the capacity utilization rate is expected to be higher than usual. Moreover, because of the physical distancing measures implemented in April and the first half of May, the capacity utilization rate is expected to follow a downward trend in most industries in the second quarter.*

### **Next release**

*Data on industrial capacity utilization rates for the second quarter will be released on September 11.*

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

|                                                          | First quarter 2019 | Fourth quarter 2019 | First quarter 2020 | Fourth quarter 2019 to first quarter 2020 | First quarter 2019 to first quarter 2020 |
|----------------------------------------------------------|--------------------|---------------------|--------------------|-------------------------------------------|------------------------------------------|
|                                                          | %                  |                     |                    | percentage point change                   |                                          |
| <b>Total industrial</b>                                  | <b>81.0</b>        | <b>81.4</b>         | <b>79.8</b>        | <b>-1.6</b>                               | <b>-1.2</b>                              |
| Forestry and logging                                     | 80.7               | 67.2                | 68.2               | 1.0                                       | -12.5                                    |
| Mining, quarrying and oil and gas extraction             | 77.0               | 77.8                | 77.8               | 0.0                                       | 0.8                                      |
| Oil and gas extraction                                   | 80.0               | 81.8                | 81.5               | -0.3                                      | 1.5                                      |
| Mining and quarrying                                     | 70.9               | 69.4                | 69.9               | 0.5                                       | -1.0                                     |
| Electric power generation, transmission and distribution | 85.9               | 85.8                | 84.6               | -1.2                                      | -1.3                                     |
| Construction                                             | 88.8               | 90.7                | 90.5               | -0.2                                      | 1.7                                      |
| Manufacturing                                            | 78.5               | 77.9                | 74.4               | -3.5                                      | -4.1                                     |
| Food                                                     | 79.7               | 81.0                | 78.7               | -2.3                                      | -1.0                                     |
| Beverage and tobacco products                            | 73.6               | 71.9                | 71.6               | -0.3                                      | -2.0                                     |
| Beverage                                                 | 74.5               | 72.2                | 71.6               | -0.6                                      | -2.9                                     |
| Tobacco                                                  | 68.7               | 69.6                | 71.6               | 2.0                                       | 2.9                                      |
| Textiles                                                 | 75.4               | 75.5                | 74.2               | -1.3                                      | -1.2                                     |
| Textile mills                                            | 77.2               | 78.3                | 78.3               | 0.0                                       | 1.1                                      |
| Textile product mills                                    | 73.1               | 72.1                | 69.0               | -3.1                                      | -4.1                                     |
| Clothing                                                 | 82.7               | 88.9                | 77.6               | -11.3                                     | -5.1                                     |
| Leather and allied products                              | 83.3               | 84.0                | 70.4               | -13.6                                     | -12.9                                    |
| Wood products                                            | 79.9               | 76.0                | 77.9               | 1.9                                       | -2.0                                     |
| Paper                                                    | 88.2               | 85.4                | 87.3               | 1.9                                       | -0.9                                     |
| Printing and related support activities                  | 75.8               | 78.4                | 71.6               | -6.8                                      | -4.2                                     |
| Petroleum and coal products                              | 86.3               | 86.5                | 75.0               | -11.5                                     | -11.3                                    |
| Chemical products                                        | 82.7               | 76.0                | 76.4               | 0.4                                       | -6.3                                     |
| Plastics and rubber products                             | 72.8               | 71.9                | 70.5               | -1.4                                      | -2.3                                     |
| Plastic products                                         | 71.6               | 71.5                | 70.2               | -1.3                                      | -1.4                                     |
| Rubber products                                          | 79.2               | 74.0                | 72.1               | -1.9                                      | -7.1                                     |
| Non-metallic mineral products                            | 60.1               | 74.6                | 61.9               | -12.7                                     | 1.8                                      |
| Primary metal                                            | 76.7               | 75.2                | 77.9               | 2.7                                       | 1.2                                      |
| Fabricated metal products                                | 74.9               | 73.3                | 68.6               | -4.7                                      | -6.3                                     |
| Machinery                                                | 79.2               | 74.7                | 71.6               | -3.1                                      | -7.6                                     |
| Computer and electronic products                         | 81.9               | 81.4                | 80.1               | -1.3                                      | -1.8                                     |
| Electrical equipment, appliances and components          | 79.3               | 73.6                | 72.2               | -1.4                                      | -7.1                                     |
| Transportation equipment                                 | 82.3               | 82.7                | 75.4               | -7.3                                      | -6.9                                     |
| Furniture and related products                           | 73.0               | 77.1                | 74.8               | -2.3                                      | 1.8                                      |
| Miscellaneous manufacturing                              | 78.1               | 78.3                | 73.6               | -4.7                                      | -4.5                                     |

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

**Available tables: table 16-10-0109-01.****Definitions, data sources and methods: survey number 2821.**

The data visualization product "[Overview of the industrial capacity utilization rate: Interactive tool](#)," which is part of *Statistics Canada — Data Visualization Products (71-607-X)*, is now available.

The [Economic Accounts Statistics Portal](#), accessible from the *Subjects* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

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 available.

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)).