

Industrial capacity utilization rates, second quarter 2021

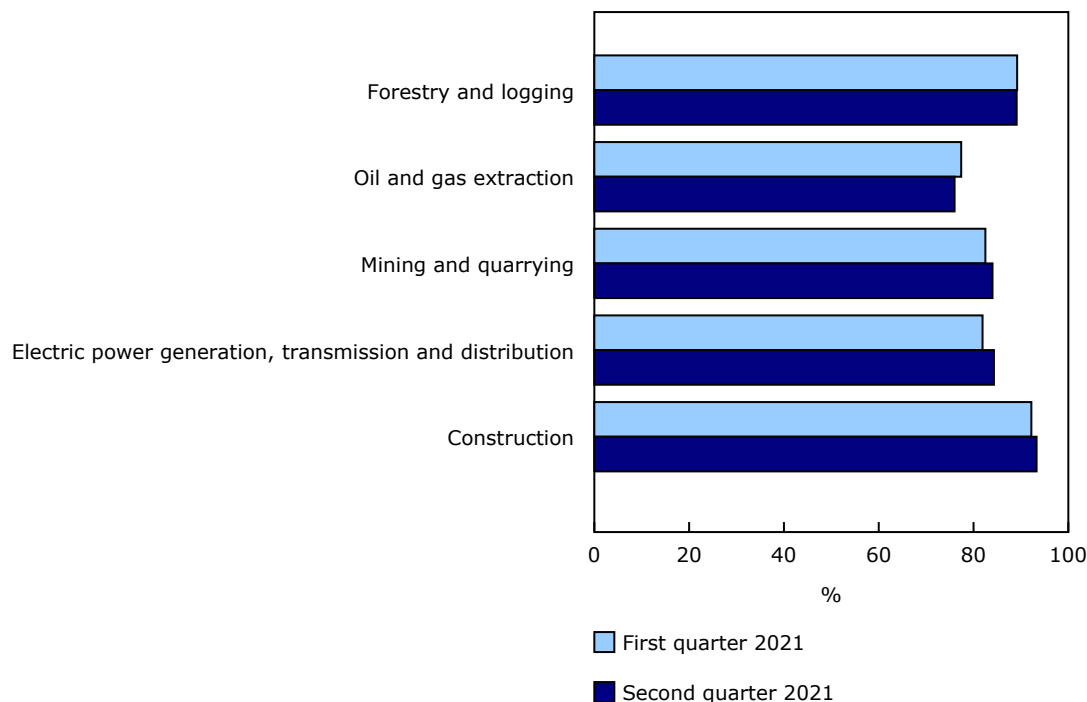
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Canadian industries operated at 82.0% of their production capacity in the second quarter of 2021, up from 81.4% in the first quarter. This is the fourth consecutive quarterly increase following the sharp decline caused by plant closures and the various restrictions related to the COVID-19 pandemic in the second quarter of 2020.

The increase in the second quarter was led by gains in manufacturing and construction, which offset the decrease in the oil and gas extraction subsector.

A fourth increase in the construction sector

Chart 1
Industrial capacity utilization in non-manufacturing industries



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

In the construction sector, capacity utilization rose for a fourth consecutive quarter, reaching 93.3% in the second quarter. Capacity utilization increased by 1.1 percentage points, less than in the previous quarter (+3.7 percentage points). Strength in residential construction continued to contribute to the growth in this sector. Investment in residential construction increased 9.3% in the second quarter.

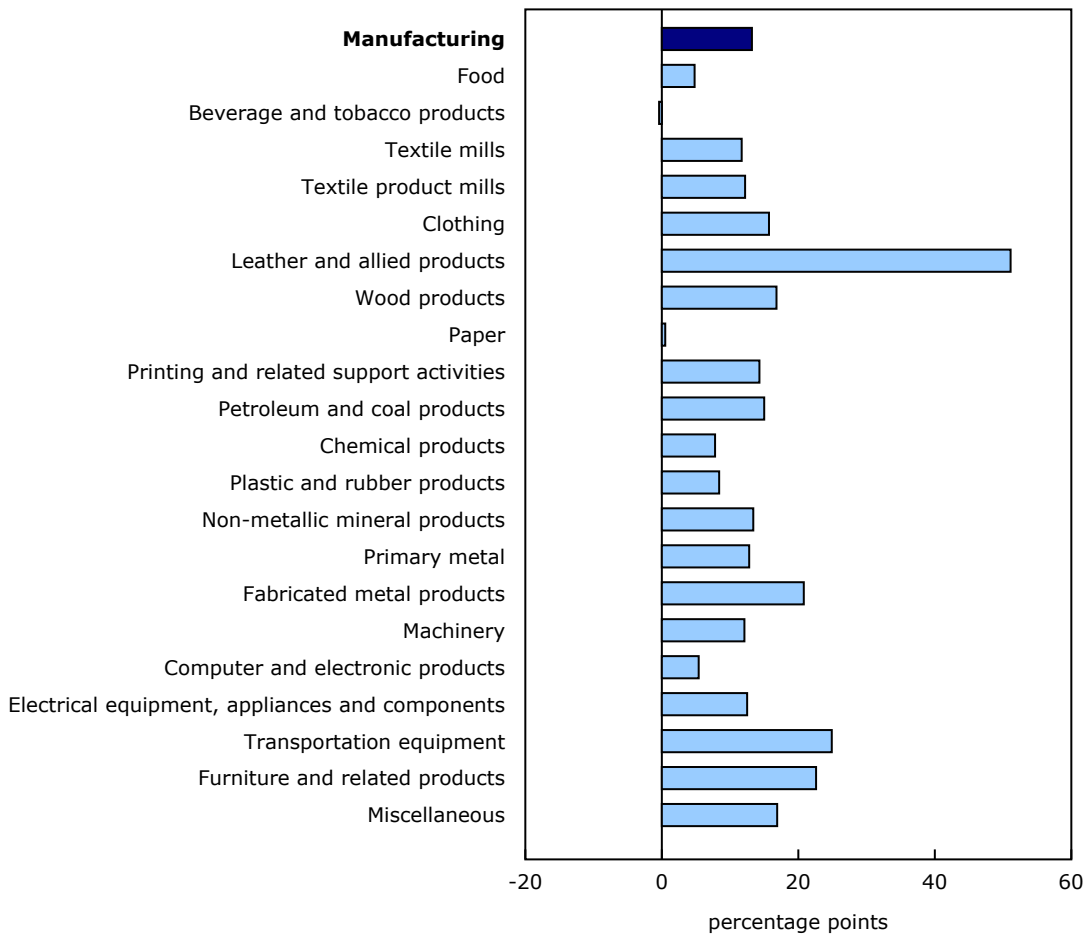
Following a sharp increase in the previous quarter, capacity utilization in the mining and quarrying (except oil and gas) subsector rose 1.5 percentage points to 84.0% in the second quarter. This increase was driven by higher activity levels in the support activities for mining, and the oil and gas extraction subsector, including drilling and rigging services.

Capacity utilization in the oil and gas extraction subsector recorded its first quarterly decrease following two consecutive quarterly increases. The capacity utilization rate fell from 77.4% in the first quarter of 2021 to 76.0% in the second quarter. Oil sands extraction gradually resumed after some worksites were affected by COVID-19 outbreaks and had to reduce or stop production at the beginning of the quarter.

The capacity utilization rate in manufacturing remains below its value in the second quarter of 2019

Year over year, the capacity utilization rate in manufacturing increased 13.2 percentage points to 77.0% in the second quarter of 2021. This came after a significant decrease in the second quarter of 2020 (-9.8 percentage points) as a result of the pandemic. The capacity utilization rate remained lower than the level in the second quarter of 2019 (80.2%). Year over year, capacity utilization rose in 20 of the 21 major manufacturing industries, representing approximately 95% of the manufacturing sector gross domestic product.

Chart 2
Year-over-year change by industry, second quarter 2021 compared with second quarter 2020



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

Year over year, the capacity utilization rate of transportation equipment manufacturing rose 24.9 percentage points to 68.2%. However, the utilization rate level remained below that of the second quarter of 2019 (84.1%). The industry was hit hard by the recent shortage of semiconductor chips as supply struggled to meet the growing demand, forcing some automotive manufacturing plants to close. Moreover, imports of motor vehicles and parts fell significantly (-17.7%) during the quarter.

The capacity utilization rate in the machinery manufacturing industry rose 12.1 percentage points compared with the second quarter of 2020. The capacity utilization rate reached 76.2% in the second quarter of 2021. Despite this increase, the industry level remained lower than in the second quarter of 2019 (80.2%). According to the Monthly Survey of Manufacturing, the industry experienced a shortage of raw materials, including semiconductor chips, and a delay in shipments.

Among petroleum and coal product manufacturers, the capacity utilization rate increased 15.0 percentage points year over year to 81.9% in the second quarter of 2021. However, activity remained relatively soft compared with before the pandemic. In the second quarter of 2020, there was a significant decrease in the capacity utilization rate (-9.0 percentage points) after a decrease in global demand and delays in maintenance work associated with the pandemic. Even with the 15.0 percentage point increase, the utilization rate level remained lower than the second quarter of 2019 (85.9%).

Year over year, wood product manufacturing saw an increase of 16.8 percentage points in the second quarter of 2021. Its capacity utilization rate reached 86.5%. This increase is attributable to ongoing demand in residential construction. Exports of forestry products and building and packaging materials increased sharply (+15.3%) during the quarter. The industry exceeded its level in the second quarter of 2019 (80.6%).

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, 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 2020 to reflect the latest revisions to the source data. For manufacturing industries, the data are not seasonally adjusted, as the new survey source (Monthly survey of manufacturing) does not have data to cover a long enough time period to perform a seasonal adjustment.

Next release

Data on industrial capacity utilization rates for the third quarter of 2021 will be released on December 10, 2021.

Table 1
Industrial capacity utilization rates

| | Second quarter 2020 | First quarter 2021 | Second quarter 2021 | First quarter to second quarter 2021 | Second quarter 2020 to second quarter 2021 |
|--|------------------------|--------------------|------------------------|--|--|
| | % | | | percentage point change | |
| Total industrial | 71.9 | 81.4 | 82.0 | 0.6 | 10.1 |
| Forestry and logging | 74.4 | 89.2 | 89.1 | -0.1 | 14.7 |
| Mining, quarrying and oil and gas extraction | 72.7 | 79.0 | 78.5 | -0.5 | 5.8 |
| Oil and gas extraction | 76.8 | 77.4 | 76.0 | -1.4 | -0.8 |
| Mining and quarrying | 64.0 | 82.5 | 84.0 | 1.5 | 20.0 |
| Electric power generation, transmission and distribution | 82.5 | 81.9 | 84.3 | 2.4 | 1.8 |
| Construction | 80.6 | 92.2 | 93.3 | 1.1 | 12.7 |
| Manufacturing | 63.8 | 76.1 | 77.0 | 0.9 | 13.2 |
| Food | 75.3 | 78.6 | 80.1 | 1.5 | 4.8 |
| Beverage and tobacco products | 74.6 | 70.8 | 74.2 | 3.4 | -0.4 |
| Beverage | 75.2 | 70.7 | 73.8 | 3.1 | -1.4 |
| Tobacco | 70.5 | 71.9 | 77.4 | 5.5 | 6.9 |
| Textiles | 65.3 | 77.5 | 77.1 | -0.4 | 11.8 |
| Textile mills | 67.1 | 79.3 | 78.8 | -0.5 | 11.7 |
| Textile product mills | 63.2 | 75.6 | 75.4 | -0.2 | 12.2 |
| Clothing | 54.2 | 70.8 | 69.9 | -0.9 | 15.7 |
| Leather and allied products | 24.0 | 73.8 | 75.1 | 1.3 | 51.1 |
| Wood products | 69.7 | 85.5 | 86.5 | 1.0 | 16.8 |
| Paper | 85.1 | 86.2 | 85.6 | -0.6 | 0.5 |
| Printing and related support activities | 59.0 | 69.0 | 73.3 | 4.3 | 14.3 |
| Petroleum and coal products | 66.9 | 81.2 | 81.9 | 0.7 | 15.0 |
| Chemical products | 70.9 | 78.8 | 78.7 | -0.1 | 7.8 |
| Plastics and rubber products | 65.3 | 73.0 | 73.7 | 0.7 | 8.4 |
| Plastic products | 66.1 | 72.7 | 74.1 | 1.4 | 8.0 |
| Rubber products | 61.0 | 74.7 | 71.5 | -3.2 | 10.5 |
| Non-metallic mineral products | 62.5 | 67.1 | 75.9 | 8.8 | 13.4 |
| Primary metal | 66.4 | 77.5 | 79.2 | 1.7 | 12.8 |
| Fabricated metal products | 55.0 | 67.6 | 75.8 | 8.2 | 20.8 |
| Machinery | 64.1 | 74.8 | 76.2 | 1.4 | 12.1 |
| Computer and electronic products | 74.1 | 82.2 | 79.5 | -2.7 | 5.4 |
| Electrical equipment, appliances and components | 63.8 | 76.3 | 76.3 | 0.0 | 12.5 |
| Transportation equipment | 43.3 | 75.9 | 68.2 | -7.7 | 24.9 |
| Furniture and related products | 57.2 | 74.8 | 79.8 | 5.0 | 22.6 |
| Miscellaneous manufacturing | 60.4 | 77.4 | 77.3 | -0.1 | 16.9 |

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 the *Statistics Canada — Data Visualization Products* series (71-607-X), is now available.

The [Economic Accounts Statistics](#) Portal, accessible from the *Subjects* module of the Statistics Canada 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) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).