

Industrial capacity utilization rates, first quarter 2022

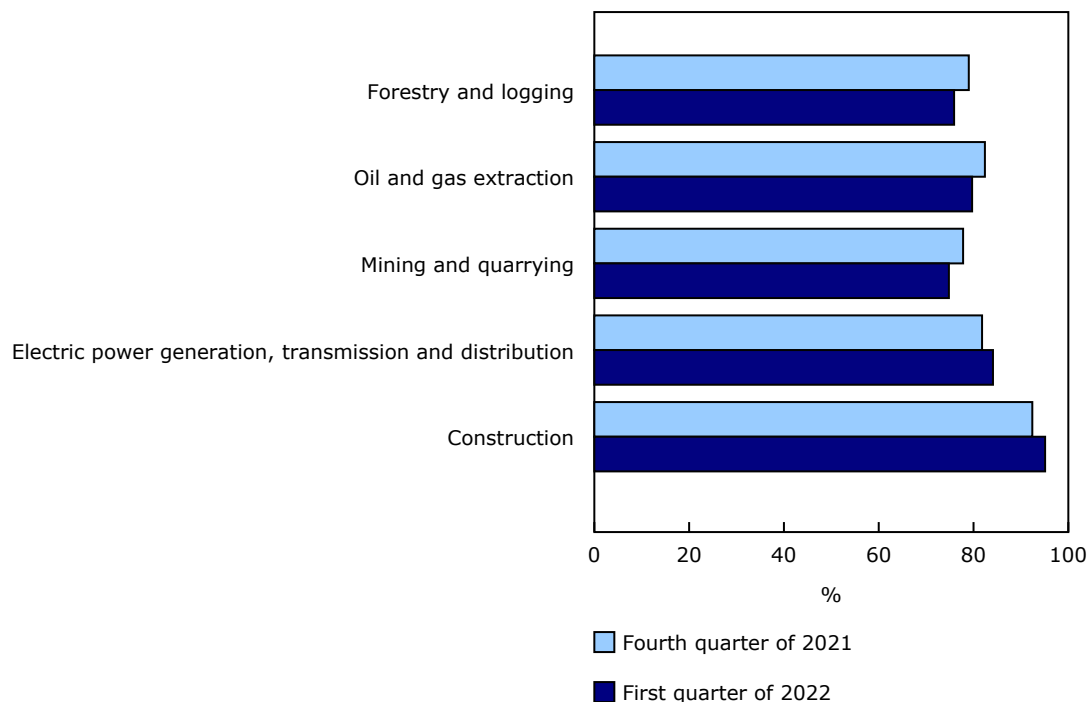
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Canadian industries operated at 82.0% of their production capacity in the first quarter of 2022. This was unchanged from the previous quarter.

The gains in the construction sector, the electric power generation, transmission and distribution industry and the manufacturing sector were offset by declines in the mining, quarrying, and oil and gas extraction and the forestry and logging subsectors.

A second consecutive increase in the construction sector

Chart 1
Industrial capacity utilization in non-manufacturing industries



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

After advancing in the previous quarter, capacity utilization in the construction sector rose 2.7 percentage points to 95.1% in the first quarter. Investment in building construction increased 9.2% in the first quarter, driven mainly by strength in the residential sector. Engineering and other construction activities (+3.5%) also saw an increase. According to the Labour Force Survey (LFS), employment in construction rose from 1.44 million in the fourth quarter of 2021 to 1.51 million in the first quarter.

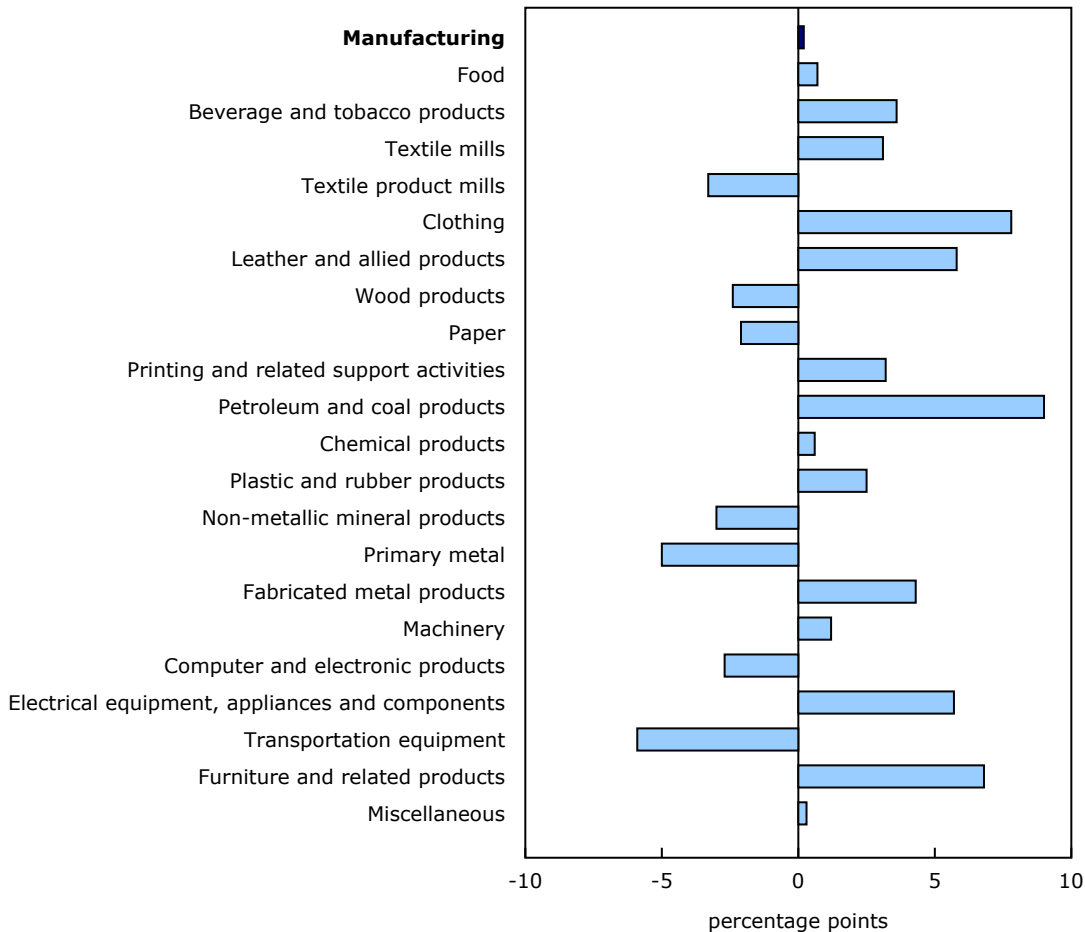
In mining, quarrying, and oil and gas extraction, capacity utilization shrank 2.8 percentage points to 78.1% in the first quarter. This drop was mostly due to lower activity in oil sands extraction and the support activities for mining subsector. Production was affected by below-normal temperatures, COVID-19 outbreaks, limited staff and maintenance of oil sands facilities.



Capacity utilization in manufacturing edges up

Year over year, the capacity utilization rate in manufacturing edged up 0.2 percentage points to 76.3% in the first quarter. According to the LFS, employment in the manufacturing sector increased from 1.75 million in the fourth quarter of 2021 to 1.76 million in the first quarter. On a year-over-year basis, capacity utilization rose in 14 of the 21 major manufacturing industry groups, representing about 70% of gross domestic product in manufacturing.

Chart 2
Year-over-year change by industry, first quarter 2022 compared with the first quarter 2021



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

In the first quarter, the capacity utilization rate of petroleum and coal product manufacturers saw a year-over-year increase of 9.0 percentage points to 90.2%. After being impacted by public health measures, this industry has begun to see a gradual recovery in the domestic consumption of refined petroleum products, mostly thanks to easing of the restrictions imposed to contain COVID-19, including international travel restrictions. The first-quarter capacity utilization rate topped its annual average of 2019 (85.8%). This advance coincided with higher exports of refined petroleum energy products (+21.1%).

The transportation equipment manufacturing subsector saw a second consecutive increase in its capacity utilization rate, rising to 70.0% in the first quarter. Stronger activity was observed in the automobile and light-duty motor vehicle manufacturing (+9.1%) and other transportation equipment (+20.5%) industries. However, the transportation and equipment manufacturing capacity utilization rate is still well below what was recorded in the first quarter of 2021 (75.9%), resulting in a year-over-year decline of 5.9 percentage points. At the beginning of the first quarter, the motor vehicle and part production was impacted by shutdowns at some auto assembly plants due to the global shortage of semiconductor chips.

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 2021 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 a long enough time period to perform a seasonal adjustment.

Next release

Data on industrial capacity utilization rates for the second quarter of 2022 will be released on September 9, 2022.

Table 1
Industrial capacity utilization rates

	First quarter 2021	Fourth quarter 2021	First quarter 2022	Fourth quarter 2021 to first quarter 2022	First quarter 2021 to first quarter 2022
	%			percentage point change	
Total industrial	81.3	82.0	82.0	0.0	0.7
Forestry and logging	90.0	79.0	75.9	-3.1	-14.1
Mining, quarrying and oil and gas extraction	77.3	80.9	78.1	-2.8	0.8
Oil and gas extraction	79.1	82.4	79.7	-2.7	0.6
Mining and quarrying	73.7	77.8	74.8	-3.0	1.1
Electric power generation, transmission and distribution	80.7	81.8	84.1	2.3	3.4
Construction	94.0	92.4	95.1	2.7	1.1
Manufacturing	76.1	76.2	76.3	0.1	0.2
Food	77.8	79.6	78.5	-1.1	0.7
Beverage and tobacco products	71.1	73.1	74.7	1.6	3.6
Beverage	70.9	71.3	73.4	2.1	2.5
Tobacco	71.9	82.1	82.1	0.0	10.2
Textiles	77.4	74.6	77.4	2.8	0.0
Textile mills	79.0	78.9	82.1	3.2	3.1
Textile product mills	75.6	70.0	72.3	2.3	-3.3
Clothing	70.9	71.4	78.7	7.3	7.8
Leather and allied products	72.6	78.3	78.4	0.1	5.8
Wood products	85.6	80.2	83.2	3.0	-2.4
Paper	86.4	83.0	84.3	1.3	-2.1
Printing and related support activities	69.1	77.4	72.3	-5.1	3.2
Petroleum and coal products	81.2	85.0	90.2	5.2	9.0
Chemical products	78.9	75.5	79.5	4.0	0.6
Plastics and rubber products	73.0	71.6	75.5	3.9	2.5
Plastic products	72.7	71.5	74.9	3.4	2.2
Rubber products	74.3	71.8	78.9	7.1	4.6
Non-metallic mineral products	67.4	76.4	64.4	-12.0	-3.0
Primary metal	77.5	76.0	72.5	-3.5	-5.0
Fabricated metal products	67.9	72.8	72.2	-0.6	4.3
Machinery	74.4	77.8	75.6	-2.2	1.2
Computer and electronic products	81.2	79.6	78.5	-1.1	-2.7
Electrical equipment, appliances and components	76.1	78.3	81.8	3.5	5.7
Transportation equipment	75.9	68.4	70.0	1.6	-5.9
Furniture and related products	74.4	81.5	81.2	-0.3	6.8
Miscellaneous manufacturing	77.5	78.6	77.8	-0.8	0.3

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; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).