

# Industrial capacity utilization rates, third quarter 2022

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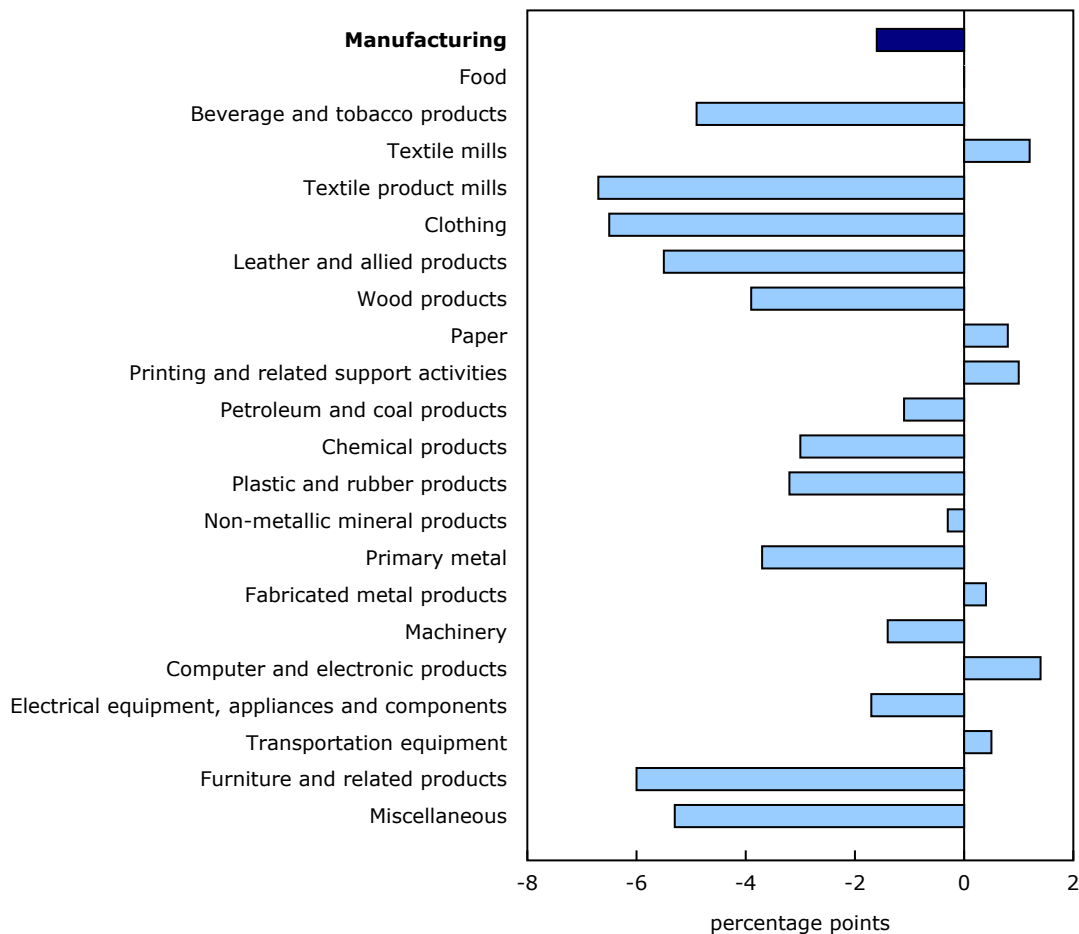
Canadian industries operated at 82.6% of their production capacity in the third quarter, down 0.2 percentage points from the previous quarter. This is the first decline in the capacity utilization rate since the third quarter of 2021.

A decline in the manufacturing sector more than offset the gains posted in the other sectors.

## Capacity utilization rate in manufacturing falls

The capacity utilization rate in the manufacturing sector fell 1.6 percentage points to 76.6% in the third quarter, the first drop since the third quarter of 2021. Capacity utilization was down in 14 of the 21 major manufacturing industries, representing approximately 60% of gross domestic product in the manufacturing sector. The manufacturing sector decline coincided with a drop in compensation of employees (-0.4%) in the third quarter of 2022, the first decline since the second quarter of 2020.

**Chart 1**  
Quarterly change by industry, third quarter 2022 compared with second quarter 2022



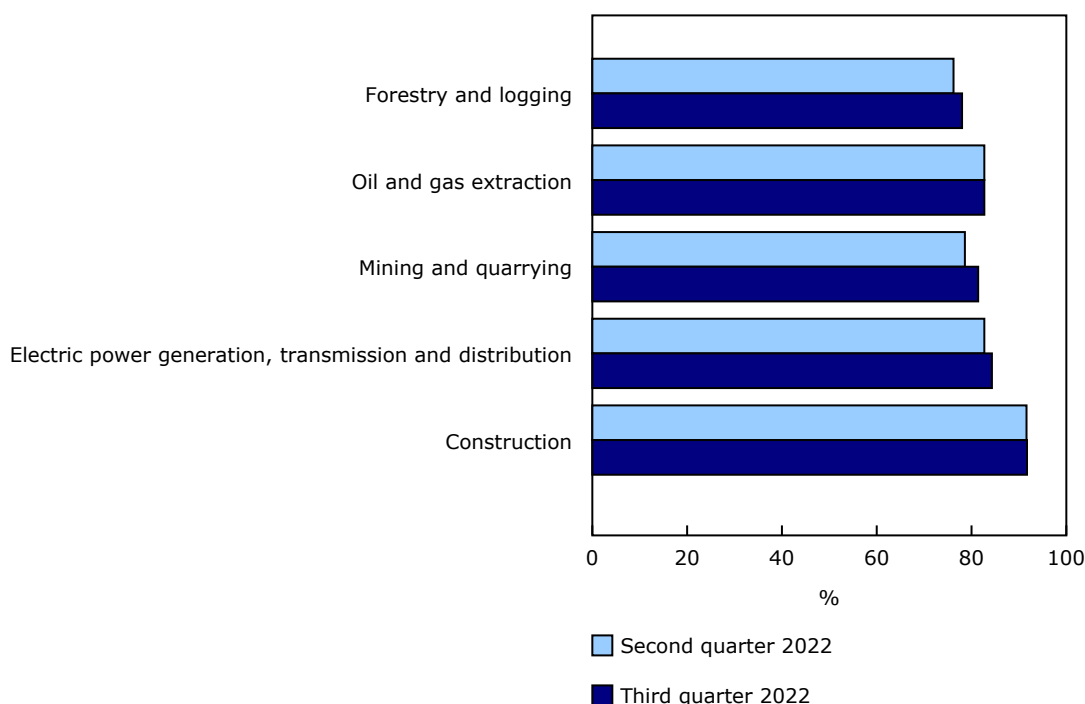
Source(s): Table 16-10-0109-01.

Primary metal manufacturing declined 3.7 percentage points to 72.2% in the third quarter. This decline was partly due to unexpected interruptions at some major primary metal manufacturers.

The capacity utilization rate of wood product manufacturers fell to 79.4% in the third quarter, down 3.9 percentage points. The downturn in residential construction contributed to pulling the demand for Canadian wood products downward. This decrease coincided with a drop in exports of building and packaging materials (-11.9%).

## Mining, quarrying and oil and gas extraction rises

**Chart 2**  
**Industrial capacity utilization in non-manufacturing industries**



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

In the mining, quarrying, and oil and gas extraction sector, capacity utilization rose 0.9 percentage points to 82.3% in the third quarter, the highest rate since the second quarter of 2019. This increase was driven by higher activities in the support activities for mining and in mining and quarrying subsector.

After falling in the previous quarter, capacity utilization in the construction sector edged up 0.1 percentage points to 91.7% in the third quarter. Higher activities in engineering and other construction work were moderated by a decline in residential construction, which was affected by gradually rising interest rates.

### 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, as well as forestry and logging, mining, quarrying, and oil and gas extraction, electric power generation, transmission and distribution, and construction.

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*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.*

*In this release, the industrial capacity utilization rates from the Monthly Survey of Manufacturing, including data revised from the first quarter of 2018, were seasonally adjusted using X-12 ARIMA from the first quarter of 2017.*

*Data for non-manufacturing industries have been revised back to the first quarter of 2017 to account for revisions to the source data and new estimates from the statistical model. Gross domestic product was revised from the first quarter of 2018, and capital stock from the first quarter of 2019.*

**Next release**

*Data on industrial capacity utilization rates for the fourth quarter of 2022 will be released on March 10, 2023.*

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

	Third quarter 2021	Second quarter 2022	Third quarter 2022	Second quarter to third quarter 2022	Third quarter 2021 to third quarter 2022
	%			percentage point change	
<b>Total industrial</b>	<b>80.9</b>	<b>82.8</b>	<b>82.6</b>	<b>-0.2</b>	<b>1.7</b>
Forestry and logging	79.6	76.2	78.0	1.8	-1.6
Mining, quarrying and oil and gas extraction	79.8	81.4	82.3	0.9	2.5
Oil and gas extraction	80.6	82.7	82.7	0.0	2.1
Mining and quarrying	78.1	78.6	81.4	2.8	3.3
Electric power generation, transmission and distribution	81.3	82.7	84.3	1.6	3.0
Construction	90.1	91.6	91.7	0.1	1.6
Manufacturing	75.6	78.2	76.6	-1.6	1.0
Food	78.5	79.6	79.6	0.0	1.1
Beverage and tobacco products	73.4	76.8	71.9	-4.9	-1.5
Beverage	73.1	78.4	73.6	-4.8	0.5
Tobacco	75.1	70.2	65.3	-4.9	-9.8
Textiles	75.6	78.4	75.6	-2.8	0.0
Textile mills	77.4	79.4	80.6	1.2	3.2
Textile product mills	73.5	77.2	70.5	-6.7	-3.0
Clothing	73.0	84.1	77.6	-6.5	4.6
Leather and allied products	76.0	80.7	75.2	-5.5	-0.8
Wood products	81.6	83.3	79.4	-3.9	-2.2
Paper	85.0	84.3	85.1	0.8	0.1
Printing and related support activities	71.7	76.5	77.5	1.0	5.8
Petroleum and coal products	86.1	87.2	86.1	-1.1	0.0
Chemical products	77.3	77.8	74.8	-3.0	-2.5
Plastics and rubber products	72.0	72.4	69.2	-3.2	-2.8
Plastic products	72.2	72.2	68.8	-3.4	-3.4
Rubber products	70.9	73.3	70.9	-2.4	0.0
Non-metallic mineral products	74.0	74.6	74.3	-0.3	0.3
Primary metal	77.9	75.9	72.2	-3.7	-5.7
Fabricated metal products	71.7	74.8	75.2	0.4	3.5
Machinery	76.3	79.6	78.2	-1.4	1.9
Computer and electronic products	79.5	77.1	78.5	1.4	-1.0
Electrical equipment, appliances and components	78.9	85.3	83.6	-1.7	4.7
Transportation equipment	63.8	73.5	74.0	0.5	10.2
Furniture and related products	78.8	84.9	78.9	-6.0	0.1
Miscellaneous manufacturing	78.8	80.7	75.4	-5.3	-3.4

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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).