

# Industrial capacity utilization rates, fourth quarter 2022

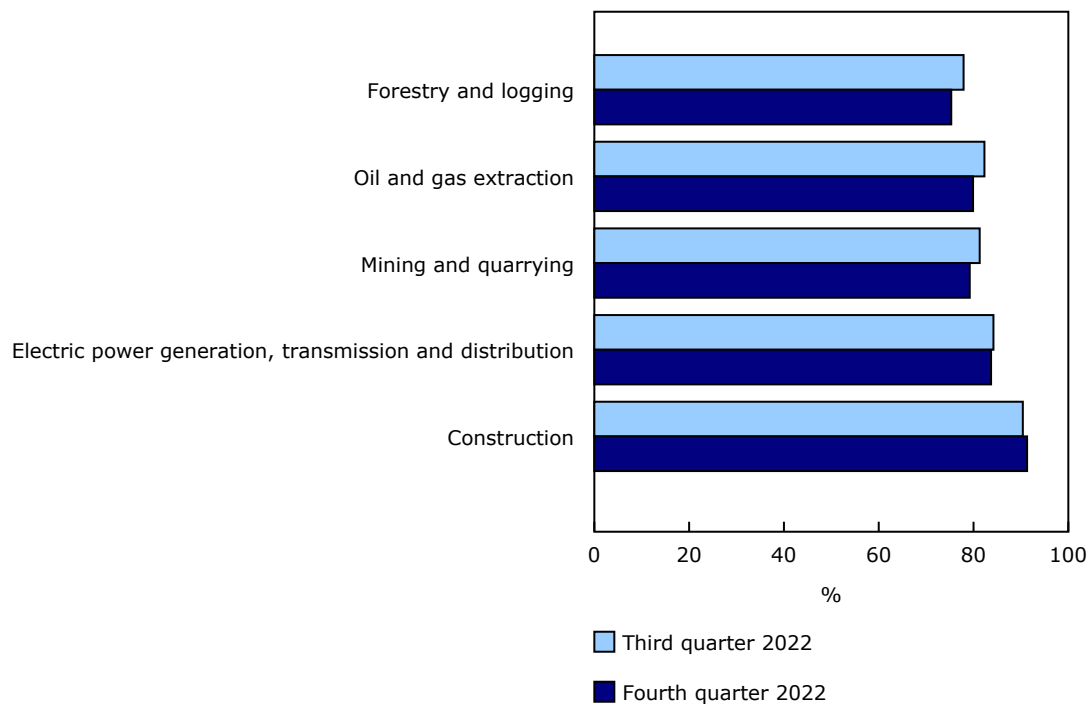
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, March 10, 2023

Canadian industries operated at 81.7% of their production capacity in the fourth quarter, down from 82.2% in the third quarter.

This downturn in the fourth quarter was primarily attributable to declines in the mining, quarrying, and oil and gas extraction sector.

## Mining, quarrying, and oil and gas extraction sector contracts

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



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

Following two consecutive quarterly increases, capacity utilization in the mining, quarrying, and oil and gas extraction sector fell 2.3 percentage points to 79.7% in the fourth quarter. This decline was driven by scaled-back operations, particularly in oil sands extraction. Crude oil production was curbed by an oil spill from the Keystone pipeline in Kansas, which is used to export crude oil to the United States.

In the construction sector, capacity utilization rose 0.9 percentage points to 91.3% in the fourth quarter. Increased activity in engineering construction more than offset the decline in residential construction. According to the Labour Force Survey, the employment level in construction rose from 1.53 million in the third quarter to 1.58 million in the fourth quarter.

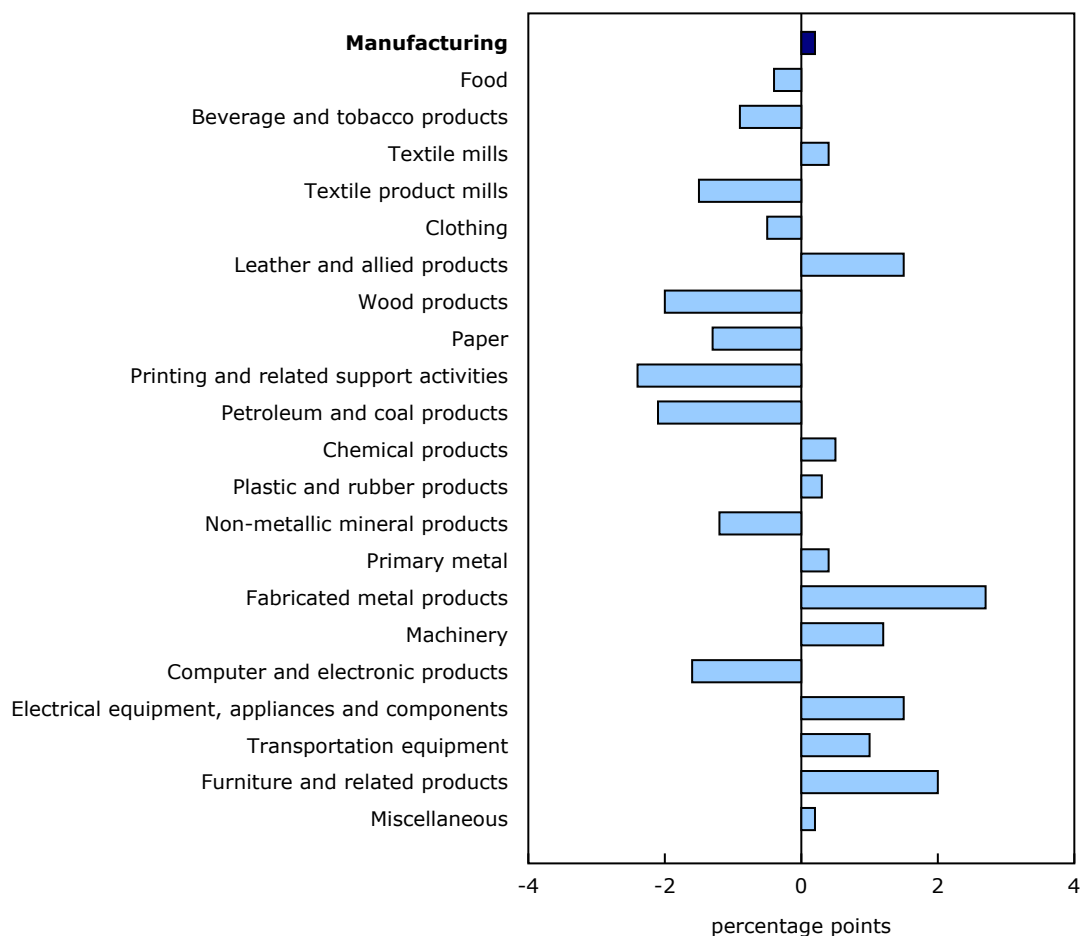


## Slight uptick in the capacity utilization of manufacturing

The capacity utilization rate in the manufacturing sector edged up 0.2 percentage points to 76.8% in the fourth quarter. Capacity utilization increased in 11 of the 21 major manufacturing industry groups, representing approximately 60% of gross domestic product in the manufacturing sector.

### Chart 2

#### Variation by industry, in percentage points, fourth quarter of 2022 versus third quarter of 2022



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

In the fourth quarter, the capacity utilization rate of transportation equipment manufacturers rose 1.0 percentage points to 75.7%. This advance coincided with increased activity in the miscellaneous transportation equipment manufacturing (+17.5%) and motor vehicle parts manufacturing (+2.4%) subsectors.

### Year 2022 in review

In 2022, the industrial capacity utilization rate posted a second consecutive annual increase after a decline in 2020. The capacity utilization rate reached 81.9% in 2022, up 0.9 percentage points from 2021.

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Oil and gas extraction rose 2.0 percentage points to 81.0% in 2022. Stronger activity was observed in gas extraction (+7.4%) and oil sands extraction (+2.2%).

The manufacturing sector saw an annual increase of 0.9 percentage points in the capacity utilization rate to 77.1% in 2022. Capacity utilization saw annual growth in 14 of the 21 major industry groups.

Among the industries that contributed to the overall gain in manufacturing, transportation equipment manufacturers saw their capacity utilization rate increase 4.6 percentage points to 73.4% in 2022. Although the supply chain issues observed in 2021 persisted in 2022, global supply chains began to see improvement, and, as a result, automakers were affected less.

The annual capacity utilization rate of petroleum and coal product manufacturers was up 2.7 percentage points to 86.3% in 2022. A gradual increase in travel activity contributed to the rise in demand for transportation fuels.

The construction sector saw its capacity utilization edge down 0.5 percentage points to 91.3% in 2022. The decline was driven by weaker activity in residential building construction (-5.7%) after interest rates gradually rose in 2022.

### **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.*

*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 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 2022 to account for revisions to the source data and new estimates from the statistical model.*

### **Next release**

*Data on industrial capacity utilization rates for the first quarter of 2023 will be released on June 9, 2023.*

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

	Fourth quarter 2021	Third quarter 2022 <sup>1</sup>	Fourth quarter 2022	Third quarter to fourth quarter 2022	Fourth quarter 2021 to fourth quarter 2022
	%			percentage point change	
<b>Total industrial</b>	<b>81.1</b>	<b>82.2</b>	<b>81.7</b>	<b>-0.5</b>	<b>0.6</b>
Forestry and logging	78.4	77.9	75.3	-2.6	-3.1
Mining, quarrying and oil and gas extraction	79.6	82.0	79.7	-2.3	0.1
Oil and gas extraction	80.9	82.3	79.9	-2.4	-1.0
Mining and quarrying	77.0	81.3	79.2	-2.1	2.2
Electric power generation, transmission and distribution	80.7	84.2	83.7	-0.5	3.0
Construction	90.7	90.4	91.3	0.9	0.6
Manufacturing	76.1	76.6	76.8	0.2	0.7
Food	79.1	79.4	79.0	-0.4	-0.1
Beverage and tobacco products	74.6	72.7	71.8	-0.9	-2.8
Beverage	73.2	74.5	77.3	2.8	4.1
Tobacco	81.2	67.0	56.6	-10.4	-24.6
Textiles	75.3	77.8	77.2	-0.6	1.9
Textile mills	79.5	80.9	81.3	0.4	1.8
Textile product mills	70.8	74.5	73.0	-1.5	2.2
Clothing	67.3	77.8	77.3	-0.5	10.0
Leather and allied products	76.4	75.2	76.7	1.5	0.3
Wood products	80.2	80.5	78.5	-2.0	-1.7
Paper	83.8	85.2	83.9	-1.3	0.1
Printing and related support activities	74.4	77.0	74.6	-2.4	0.2
Petroleum and coal products	84.4	85.6	83.5	-2.1	-0.9
Chemical products	76.1	74.4	74.9	0.5	-1.2
Plastics and rubber products	73.4	69.4	69.7	0.3	-3.7
Plastic products	73.5	69.5	68.7	-0.8	-4.8
Rubber products	73.2	68.7	74.7	6.0	1.5
Non-metallic mineral products	75.4	73.0	71.8	-1.2	-3.6
Primary metal	75.9	72.6	73.0	0.4	-2.9
Fabricated metal products	72.6	74.2	76.9	2.7	4.3
Machinery	77.3	78.3	79.5	1.2	2.2
Computer and electronic products	78.8	78.3	76.7	-1.6	-2.1
Electrical equipment, appliances and components	78.5	83.8	85.3	1.5	6.8
Transportation equipment	67.7	74.7	75.7	1.0	8.0
Furniture and related products	81.3	79.0	81.0	2.0	-0.3
Miscellaneous manufacturing	77.7	75.6	75.8	0.2	-1.9

1. revised

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

**Table 2**  
**Industrial capacity utilization rates, annual average**

	2020	2021	2022	2020 to 2021	2021 to 2022
	%			percentage point change	
<b>Total industrial</b>	<b>77.0</b>	<b>81.0</b>	<b>81.9</b>	<b>4.0</b>	<b>0.9</b>
Forestry and logging	77.4	83.2	76.4	5.8	-6.8
Mining, quarrying and oil and gas extraction	73.0	77.9	80.0	4.9	2.1
Oil and gas extraction	75.8	79.0	81.0	3.2	2.0
Mining and quarrying	67.3	75.7	77.8	8.4	2.1
Electric power generation, transmission and distribution	82.7	81.2	83.4	-1.5	2.2
Construction	87.1	91.8	91.3	4.7	-0.5
Manufacturing	72.6	76.2	77.1	3.6	0.9
Food	77.7	78.9	79.5	1.2	0.6
Beverage and tobacco products	72.8	73.4	73.7	0.6	0.3
Beverage	73.2	72.6	75.8	-0.6	3.2
Tobacco	70.8	76.6	67.1	5.8	-9.5
Textiles	72.0	75.9	77.2	3.9	1.3
Textile mills	73.9	78.3	80.0	4.4	1.7
Textile product mills	69.6	73.3	74.2	3.7	0.9
Clothing	71.1	71.4	80.3	0.3	8.9
Leather and allied products	64.3	77.4	76.9	13.1	-0.5
Wood products	78.2	83.1	80.7	4.9	-2.4
Paper	85.0	84.9	84.3	-0.1	-0.6
Printing and related support activities	68.1	72.6	75.6	4.5	3.0
Petroleum and coal products	74.4	83.6	86.3	9.2	2.7
Chemical products	73.8	77.4	76.2	3.6	-1.2
Plastics and rubber products	71.9	72.8	71.6	0.9	-1.2
Plastic products	72.3	73.0	71.3	0.7	-1.7
Rubber products	70.2	72.0	73.4	1.8	1.4
Non-metallic mineral products	70.1	74.6	73.0	4.5	-1.6
Primary metal	73.0	76.9	73.7	3.9	-3.2
Fabricated metal products	64.2	72.0	74.8	7.8	2.8
Machinery	69.4	76.2	78.4	6.8	2.2
Computer and electronic products	77.1	79.9	77.3	2.8	-2.6
Electrical equipment, appliances and components	71.6	78.5	83.7	6.9	5.2
Transportation equipment	69.9	68.8	73.4	-1.1	4.6
Furniture and related products	70.8	79.2	82.6	8.4	3.4
Miscellaneous manufacturing	71.1	77.6	77.6	6.5	0.0

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)).