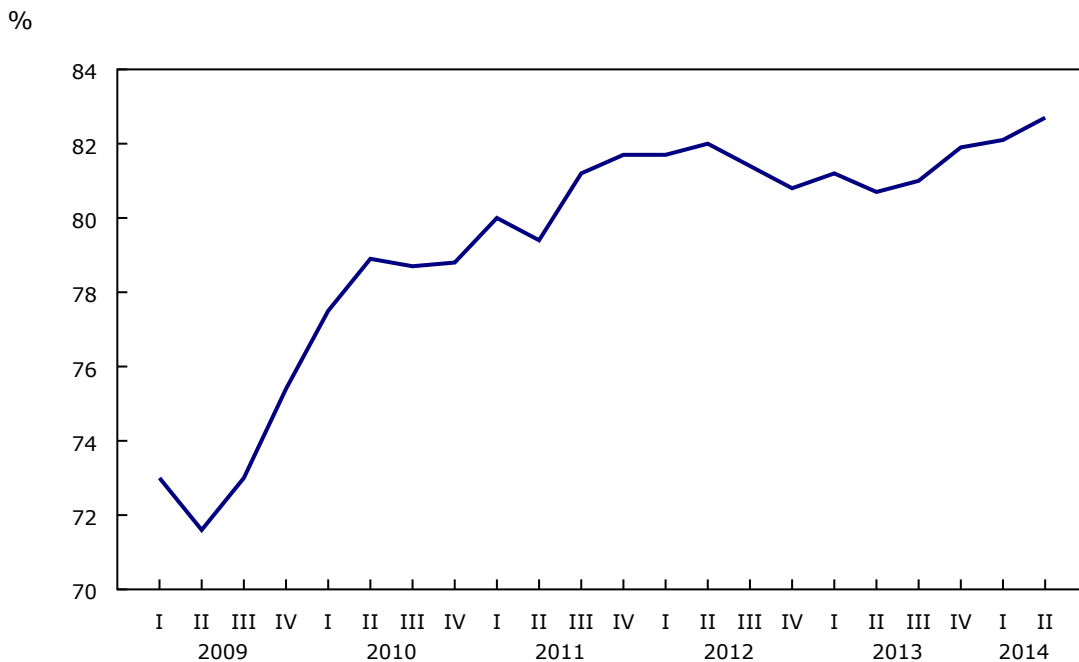


Industrial capacity utilization rates, second quarter 2014

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Canadian industries operated at 82.7% of their production capacity in the second quarter, up 0.6 percentage points from the first quarter and the fourth consecutive quarterly gain. Manufacturing industries as a whole were the main source of this increase.

Chart 1
The industrial capacity utilization rate continues to rise



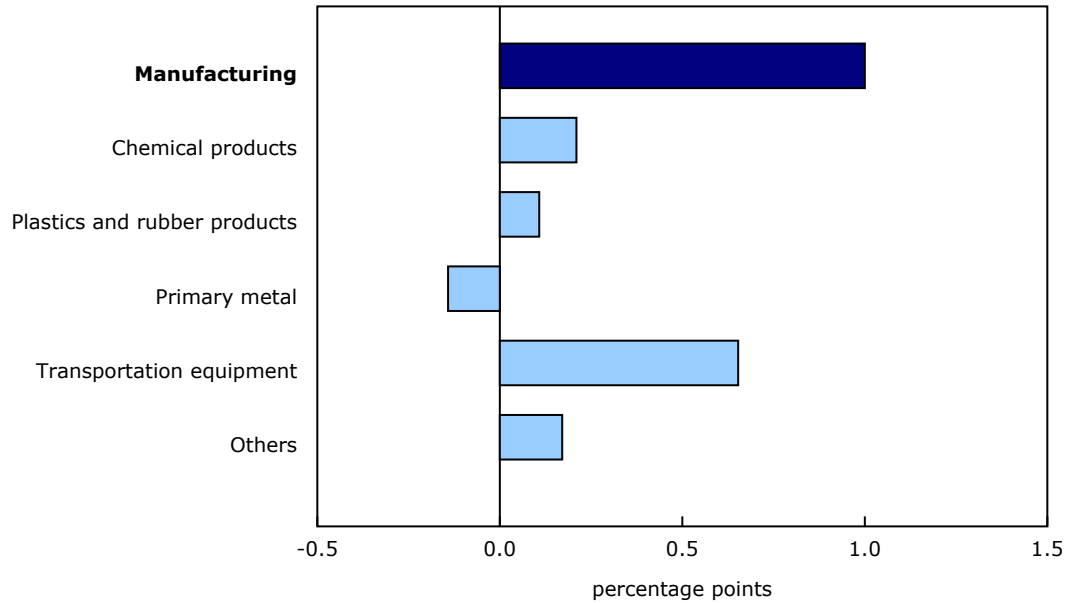
Manufacturing rebounds after edging down in the first quarter

The manufacturing sector operated at 82.0% of its capacity in the second quarter, up 1.0 percentage point from the first quarter. After declining the previous quarter, the transportation equipment and chemical product industries were mainly responsible for this increase.

Declines in seven industries, particularly the primary metal industry (down 2.2 percentage points to 83.1%), moderated the growth in the manufacturing sector as a whole.



Chart 2
Contribution to the change in the industrial capacity utilization rate in manufacturing by main sector, second quarter 2014



The capacity utilization rate in the transportation equipment manufacturing industry rose 3.9 percentage points to a record high 93.7% in the second quarter. This upturn was attributable to widespread gains in the production of all types of transportation equipment, except ships and boats.

Chemical product manufacturers' capacity use increased 2.5 percentage points to 76.7% in the second quarter. Higher output by pharmaceutical and medicine as well as basic chemical manufacturers was mostly responsible for the 3.7% production gain in the industry.

Increase in overall non-manufacturing capacity use moderated by electric utilities

Following a particularly cold winter, demand for electricity declined in the second quarter. This resulted in a decrease in the electric power generation, transmission and distribution industry's capacity use, which fell 2.8 percentage points to 85.7% in the second quarter. This was the largest drop since the fourth quarter of 2011. This decline was more than offset by gains in the construction and mining and oil and gas extraction industries.

In the mining and quarrying industry, the rate rose 2.7 percentage points to 67.5% in the second quarter. The higher rate was due to increased activity in most of the industry's subsectors.

The capacity utilization rate in oil and gas extraction increased 0.2 percentage points to 88.0% in the second quarter, as a result of increased oil extraction.

Capacity use in the construction industry rose 0.6 percentage points to 84.1%, as production rose in all parts of the industry except non-residential building construction.

Note to readers

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

For most industries, the annual estimates are obtained from the Capital and Repair Expenditures Survey while 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.

This program covers all manufacturing as well as forestry and logging, mining, oil and gas extraction, electric power generation, transmission and distribution and construction.

With this release on industrial capacity utilization rates, data were revised back to the first quarter of 2013 to reflect updated source data.

Table 1
Industrial capacity utilization rates

	Second quarter 2013	First quarter 2014	Second quarter 2014	First quarter to second quarter 2014	Second quarter 2013 to second quarter 2014
	%			percentage point change	
Total industrial	80.7	82.1	82.7	0.6	2.0
Forestry and logging	86.1	85.2	84.8	-0.4	-1.3
Mining and oil and gas extraction	76.1	80.0	81.0	1.0	4.9
Oil and gas extraction	83.6	87.8	88.0	0.2	4.4
Mining and quarrying	61.9	64.8	67.5	2.7	5.6
Electric power generation, transmission and distribution	88.3	88.5	85.7	-2.8	-2.6
Construction	83.7	83.5	84.1	0.6	0.4
Manufacturing	79.6	81.0	82.0	1.0	2.4
Food	75.3	77.7	77.8	0.1	2.5
Beverage and tobacco products	75.4	78.3	78.0	-0.3	2.6
Beverage	76.6	80.2	80.3	0.1	3.7
Tobacco	66.8	65.5	62.8	-2.7	-4.0
Textiles	65.1	74.1	72.9	-1.2	7.8
Textile mills	69.6	84.0	80.9	-3.1	11.3
Textile product mills	61.7	67.0	67.0	0.0	5.3
Clothing	66.9	69.9	71.0	1.1	4.1
Leather and allied products	69.5	69.3	69.9	0.6	0.4
Wood products	85.6	90.7	91.9	1.2	6.3
Paper	87.1	91.6	93.5	1.9	6.4
Printing and related support activities	69.5	68.9	67.6	-1.3	-1.9
Petroleum and coal products	78.4	77.8	78.4	0.6	0.0
Chemical products	78.1	74.2	76.7	2.5	-1.4
Plastics and rubber products	77.8	76.1	78.1	2.0	0.3
Plastic products	76.7	74.9	77.4	2.5	0.7
Rubber products	83.0	82.1	81.9	-0.2	-1.1
Non-metallic mineral products	71.2	74.1	76.4	2.3	5.2
Primary metal	80.1	85.3	83.1	-2.2	3.0
Fabricated metal products	77.9	77.2	76.9	-0.3	-1.0
Machinery	82.3	81.3	81.4	0.1	-0.9
Computer and electronic products	76.1	80.6	82.2	1.6	6.1
Electrical equipment, appliances and components	78.9	70.5	69.4	-1.1	-9.5
Transportation equipment	85.7	89.8	93.7	3.9	8.0
Furniture and related products	78.1	79.8	80.1	0.3	2.0
Miscellaneous manufacturing	82.4	79.1	76.8	-2.3	-5.6

Available in CANSIM: table 028-0002.

Definitions, data sources and methods: survey number 2821.

Data on industrial capacity utilization rates for the third quarter will be released on December 11.

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 (613-951-4636; mediahotline@statcan.gc.ca).