

Industrial capacity utilization rates, third quarter 2019

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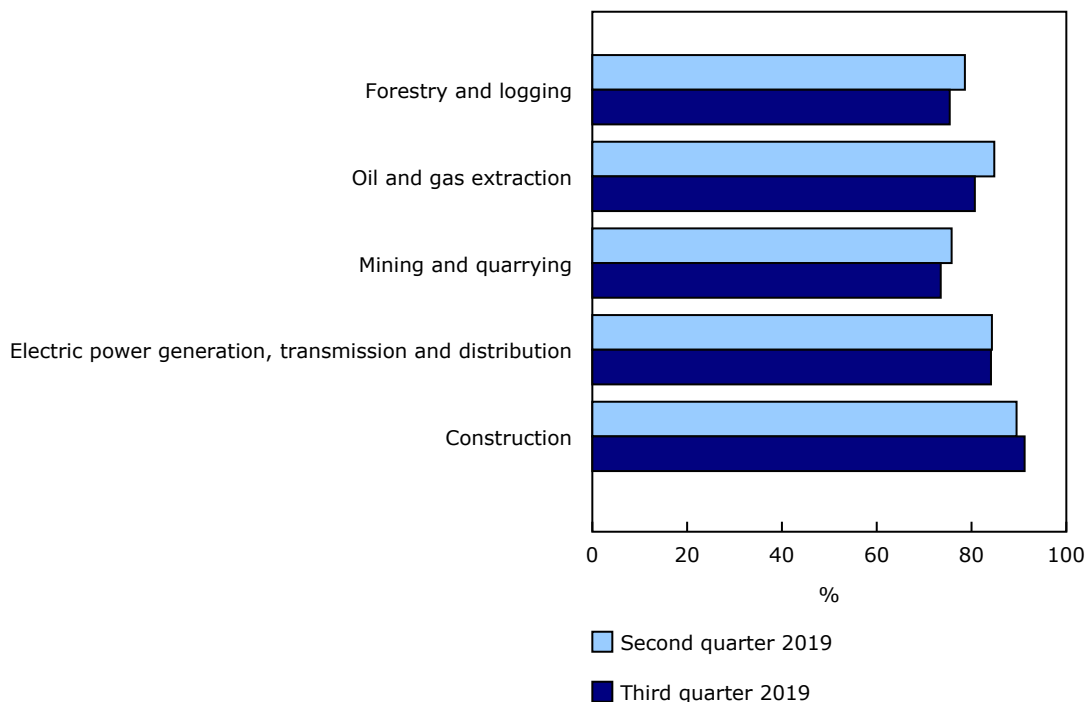
Canadian industries operated at 81.7% of their production capacity in the third quarter, down from 83.3% in the previous quarter.

The mining, quarrying and oil and gas extraction sector was the main source of this decline. An increase in the construction sector was more than offset by declines in the mining, quarrying and oil and gas extraction, manufacturing, electric power generation, transmission and distribution, and forestry and logging sectors.

A considerable decline in capacity utilization in mining, quarrying and oil and gas extraction

After rising in the previous quarter, the capacity utilization rate in the mining, quarrying and oil and gas extraction sector fell 3.5 percentage points to 78.4% in the third quarter.

Chart 1
Industrial capacity utilization in non-manufacturing industries



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

Capacity utilization in oil and gas extraction fell from 84.8% in the second quarter to 80.7% in the third quarter. This decline was attributable to lower production combined with problems at certain production facilities and maintenance of some Atlantic offshore oil platforms.



Capacity utilization in mining and quarrying (excluding oil and gas extraction) fell 2.3 percentage points to 73.5% in the third quarter. Lower activity levels, as measured within gross domestic product, were observed in the subsectors of support activities for mining, quarrying and oil and gas extraction (-8.9%), in non-metallic mineral mining and quarrying (-2.3%) and iron ore mining (-2.8%).

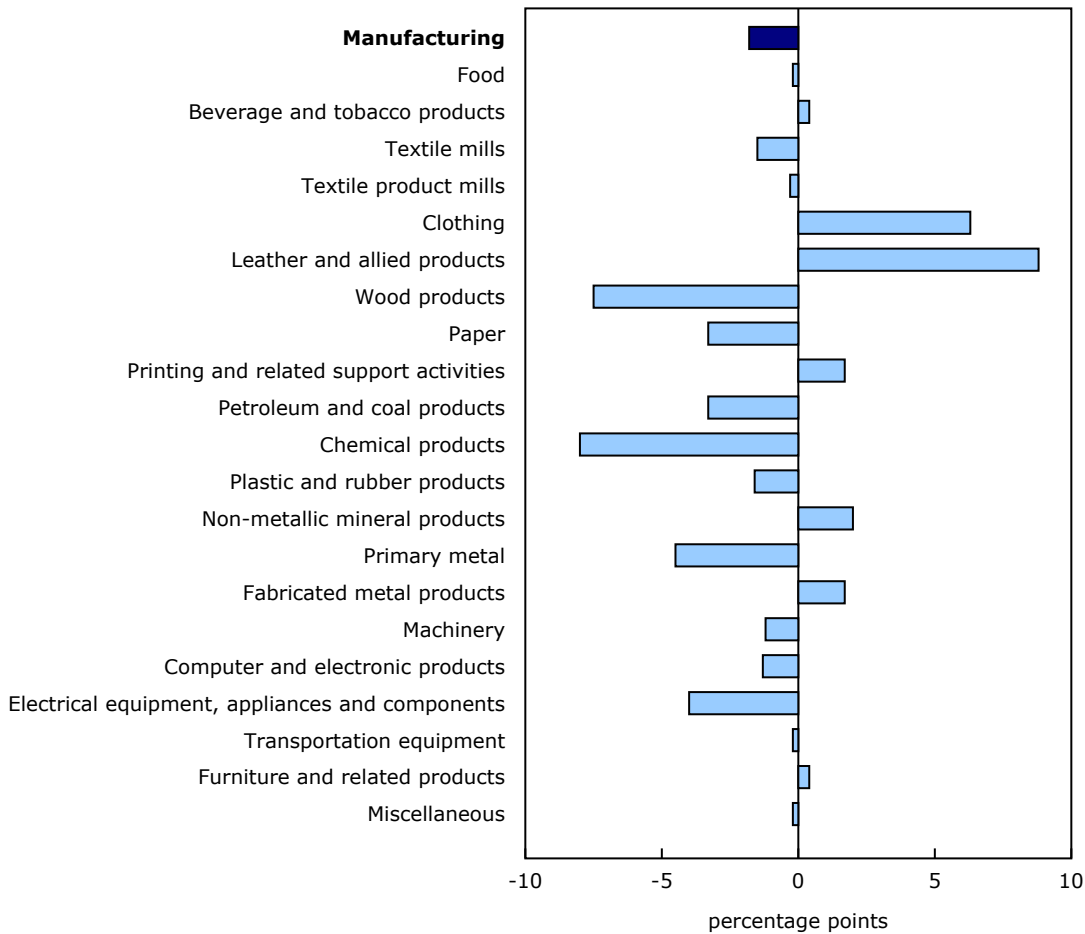
The capacity utilization rate in the construction sector rose 1.7 percentage points to 91.2% in the third quarter. This was the highest capacity utilization rate since the third quarter of 2007 and the third consecutive quarterly increase. This gain coincided with higher investment in building construction, mainly residential building construction.

Manufacturing capacity utilization declines year over year

Year over year, the capacity utilization rate for manufacturing fell 1.8 percentage points. Capacity utilization was down year over year in 14 of the 21 major manufacturing industries, representing approximately 80% of gross domestic product in the manufacturing sector.

The capacity utilization rate in manufacturing was 78.3% in the third quarter, the lowest rate since the first quarter of 2017.

Chart 2
Year-over-year change by industry (third quarter 2019 compared with third quarter 2018)



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

Compared with the same quarter in 2018, the capacity utilization rate of chemical manufacturing decreased 8.0 percentage points to 76.7% in the third quarter. This year-over-year decline was led by decreased activity in pharmaceutical and medicine manufacturing. This was the second straight quarterly decline, as the capacity utilization rate fell 3.6 percentage points from the previous quarter.

The capacity utilization rate of wood product manufacturers fell 7.5 percentage points year over year to 75.5%. Lower activity levels were observed among sawmills and wood preservation manufacturers, and among veneer, plywood and engineered wood product manufacturers.

The capacity utilization rate of primary metal manufacturers decreased 4.5 percentage points year over year to 74.8% in the third quarter. The decline was attributable to lower sales and higher inventories of iron and steel mill and ferro-alloy products in the third quarter.

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 this release on industrial capacity utilization rates, the data were revised back to the first quarter of 2015 to reflect the latest revisions to the source data. For manufacturing industries, the data are not seasonally adjusted.

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.

Next release

Data on industrial capacity utilization rates for the fourth quarter of 2019 will be released on March 11, 2020.

Table 1
Industrial capacity utilization rates

	Third quarter 2018	Second quarter 2019	Third quarter 2019	Second quarter to third quarter 2019	Third quarter 2018 to third quarter 2019
	%			percentage point change	
Total industrial	83.4	83.3	81.7	-1.6	-1.7
Forestry and logging	81.3	78.6	75.4	-3.2	-5.9
Mining, quarrying and oil and gas extraction	82.7	81.9	78.4	-3.5	-4.3
Oil and gas extraction	82.1	84.8	80.7	-4.1	-1.4
Mining and quarrying	84.0	75.8	73.5	-2.3	-10.5
Electric power generation, transmission and distribution	85.0	84.3	84.1	-0.2	-0.9
Construction	89.2	89.5	91.2	1.7	2.0
Manufacturing	80.1	80.4	78.3	-2.1	-1.8
Food	80.4	80.4	80.2	-0.2	-0.2
Beverage and tobacco products	76.3	76.9	76.7	-0.2	0.4
Beverage	77.7	78.2	77.9	-0.3	0.2
Tobacco	68.6	69.3	69.6	0.3	1.0
Textiles	75.3	76.9	74.4	-2.5	-0.9
Textile mills	77.3	77.4	75.8	-1.6	-1.5
Textile product mills	72.9	76.2	72.6	-3.6	-0.3
Clothing	76.9	85.8	83.2	-2.6	6.3
Leather and allied products	76.7	76.7	85.5	8.8	8.8
Wood products	83.0	80.6	75.5	-5.1	-7.5
Paper	89.5	87.8	86.2	-1.6	-3.3
Printing and related support activities	74.3	77.3	76.0	-1.3	1.7
Petroleum and coal products	88.8	85.6	85.5	-0.1	-3.3
Chemical products	84.7	80.3	76.7	-3.6	-8.0
Plastics and rubber products	77.0	78.5	75.4	-3.1	-1.6
Plastic products	76.4	78.1	74.6	-3.5	-1.8
Rubber products	80.0	80.5	79.6	-0.9	-0.4
Non-metallic mineral products	76.9	76.4	78.9	2.5	2.0
Primary metal	79.3	76.9	74.8	-2.1	-4.5
Fabricated metal products	74.7	78.2	76.4	-1.8	1.7
Machinery	78.0	80.2	76.8	-3.4	-1.2
Computer and electronic products	83.0	81.8	81.7	-0.1	-1.3
Electrical equipment, appliances and components	80.3	75.1	76.3	1.2	-4.0
Transportation equipment	78.9	84.1	78.7	-5.4	-0.2
Furniture and related products	79.3	79.6	79.7	0.1	0.4
Miscellaneous manufacturing	78.6	78.1	78.4	0.3	-0.2

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

The [Economic accounts statistics](#) portal, accessible from the *Subject* module of our 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).