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MAJOR RELEASES

- **Retail trade, May 1997** 2
Retail sales continued to grow as consumers purchased more big-ticket items. In May, retail sales advanced 0.5% to \$19.3 billion.

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MAJOR RELEASES

Retail trade

May 1997

Retail sales continued to grow as consumers purchased more big-ticket items. In May, retail sales advanced 0.5% to \$19.3 billion, building on April's large increase (+1.2%) and continuing the pattern of strong growth in sales since the fall of 1996. Retail sales for May were 7.6% higher compared with the same month a year earlier.

Retail sales continue to grow



Advances spurred by big-ticket items

Many consumers appeared to be parking a new car in the driveway of their newly furnished homes. The purchase of big-ticket items drove up retail sales in May. Sales by motor and recreational vehicle dealers (+2.2%) and furniture stores (+2.1%) were major contributors to the advances. Continued low interest rates made the costs of financing purchases attractive. In addition, improving sales by furniture stores may, in part, have been spurred by the strong housing market (housing starts increased 5% in May). Furniture stores have enjoyed robust growth since April 1996.

The increases observed in the automotive sector were entirely due to advancing sales by motor and recreational vehicle dealers (+2.2%), which were able to offset declines by gasoline service stations (-1.9%) and automotive parts, accessories and service shops (-0.4). The number of new motor vehicles sold rose 1.8% in May. The automotive sector has generally been increasing since the spring of 1995. The strong

advances posted in the automotive sector since the fall of 1996 played a pivotal role in the surge in retail sales in recent months.

Department stores storm ahead...

The general merchandise sector reported a strong increase in sales in May (+1.1%). Nearly two-thirds of the increase was due to rising department store (+1.2%) sales. In the past 12 months, department stores have experienced only 1 month of declining sales. Department store sales for May 1997 were 11.2% higher compared with the same month a year earlier. Sales in other general merchandise stores advanced 0.9% and stood 6.4% higher compared with the same period in 1996. With the exception of a pause in the last half of 1995, general merchandise stores have trended upwards since July 1993.

... while more specialized stores retreat

The increasing sales for general merchandisers, especially department stores, has occurred despite very small increases among all stores selling department store type merchandise (+0.1%). Increasing sales by general merchandise stores in May has come at the cost of clothing stores (-1.1%), drugstores (-0.7%) and the group of stores which includes bookstores, florists, lawn and garden supplies, paint and wallpaper, toys and gifts (-3.8%). This continues a trend that was first observed at the end of 1996.

Clothing stores saw a large drop in sales in May. Declining sales in women's clothing stores (-5.9%) accounted for most of the decline. Shoe stores also suffered weakening sales in May (-4.8%). These declines were partially offset by increased sales in more specialized clothing stores (+3.5%) and men's clothing (+0.1%). Clothing stores have generally been experiencing a decline in sales since February 1997, following a one-year period of growth in sales.

The decline in drug store sales in May (-0.7%) followed a strong advance in April (+1.3%). In a broader context, however, sales in drugstores, which peaked in January 1997, have generally been declining since. The decline in drugstore sales may be a result of stiffer competition from supermarkets and department stores.

Sales in food stores advanced 0.4% in May, partially offsetting the 0.9% decline in April. In general, sales in the food sector have remained flat since the start of the year, following a period of advances since April 1996.

Retailers in the West see strongest advances

Retail sales in the West rose 2.1% in May, led by British Columbia (+3.6%). This was the first increase in sales in British Columbia since January. Manitoba also posted a strong advance in sales in May (+3.5%) partially offsetting the April reduction (-5.0%) which occurred just prior to the Red River flood.

After a generally weak period for most of last year, sales in Ontario have improved since the end of 1996. The level of sales in May was 6.5% higher compared with the same period in 1996.

Retail sales in Quebec declined in May following a large increase in April. Sales in May were 8.6% higher than they were in the same period in 1996.

Atlantic Canada posted a 0.2% decline in retail sales in May. Increases in Newfoundland and Prince Edward Island offset declines in New Brunswick and Nova Scotia.

Related indicators of June sales

Initial estimates indicate an increase in the number of new motor vehicles sold in June. The number of

employees in retail trade increased by 0.2% in June. The number of housing starts in June declined by 7.4% from the same period in 1996. The Bank of Canada raised the bank rate by one-quarter of a percentage point in June.

Available on CANSIM: matrices 2299, 2398-2417 and 2420.

The May 1997 issue of *Retail trade* (63-005-XPB, \$21/\$206) will be available shortly. See *How to order publications*.

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Retail sales

| | May 1996 | Feb. 1997 ^r | March 1997 ^r | April 1997 ^r | May 1997 ^p | April 1997 to May 1997 | May 1996 to May 1997 |
|--|---------------|---------------------------|----------------------------|----------------------------|--------------------------|------------------------------------|----------------------------------|
| Seasonally adjusted | | | | | | | |
| | \$ millions | | | | | % change | |
| Food | 4,353 | 4,678 | 4,653 | 4,613 | 4,633 | 0.4 | 6.4 |
| Supermarkets and grocery stores | 4,010 | 4,314 | 4,308 | 4,277 | 4,293 | 0.4 | 7.0 |
| All other food stores | 343 | 364 | 345 | 336 | 340 | 1.3 | -0.8 |
| Drug and patent medicine stores | 1,038 | 1,068 | 1,044 | 1,057 | 1,050 | -0.7 | 1.1 |
| Clothing | 1,065 | 1,099 | 1,079 | 1,079 | 1,067 | -1.1 | 0.1 |
| Shoe stores | 144 | 145 | 129 | 143 | 137 | -4.8 | -5.2 |
| Men's clothing stores | 128 | 131 | 133 | 131 | 132 | 0.1 | 2.6 |
| Women's clothing stores | 337 | 356 | 351 | 357 | 336 | -5.9 | -0.3 |
| Other clothing stores | 456 | 466 | 466 | 447 | 463 | 3.5 | 1.4 |
| Furniture | 877 | 962 | 952 | 960 | 980 | 2.1 | 11.8 |
| Household furniture and appliance stores | 684 | 748 | 737 | 743 | 755 | 1.6 | 10.3 |
| Household furnishings stores | 193 | 214 | 215 | 217 | 226 | 3.9 | 17.0 |
| Automotive | 6,649 | 7,185 | 7,151 | 7,321 | 7,397 | 1.0 | 11.2 |
| Motor vehicle and recreational vehicle dealers | 4,237 | 4,634 | 4,649 | 4,790 | 4,897 | 2.2 | 15.6 |
| Gasoline service stations | 1,412 | 1,390 | 1,375 | 1,382 | 1,355 | -1.9 | -4.0 |
| Automotive parts, accessories and services | 1,000 | 1,162 | 1,127 | 1,150 | 1,145 | -0.4 | 14.4 |
| General merchandise stores | 1,957 | 2,093 | 2,106 | 2,113 | 2,137 | 1.1 | 9.2 |
| Retail stores not elsewhere classified | 1,945 | 1,995 | 1,952 | 2,016 | 1,988 | -1.4 | 2.2 |
| Other semi-durable goods stores | 606 | 668 | 636 | 664 | 638 | -3.8 | 5.2 |
| Other durable goods stores | 464 | 464 | 454 | 480 | 485 | 1.1 | 4.5 |
| All other retail stores not elsewhere classified | 875 | 864 | 863 | 872 | 865 | -0.9 | -1.2 |
| Total, retail sales | 17,884 | 19,080 | 18,937 | 19,159 | 19,251 | 0.5 | 7.6 |
| Total, excluding motor vehicle and recreational vehicle dealers | 13,648 | 14,446 | 14,289 | 14,369 | 14,355 | -0.1 | 5.2 |
| Department store type merchandise | 6,007 | 6,354 | 6,271 | 6,352 | 6,356 | 0.1 | 5.8 |
| Provinces and territories | | | | | | | |
| Newfoundland | 288 | 294 | 299 | 298 | 309 | 3.9 | 7.5 |
| Prince Edward Island | 79 | 81 | 84 | 83 | 85 | 1.9 | 7.1 |
| Nova Scotia | 560 | 582 | 582 | 579 | 578 | -0.2 | 3.2 |
| New Brunswick | 448 | 440 | 434 | 471 | 457 | -3.0 | 2.1 |
| Quebec | 4,243 | 4,681 | 4,473 | 4,679 | 4,606 | -1.6 | 8.6 |
| Ontario | 6,475 | 6,784 | 6,877 | 6,857 | 6,893 | 0.5 | 6.5 |
| Manitoba | 648 | 697 | 693 | 658 | 682 | 3.5 | 5.2 |
| Saskatchewan | 591 | 633 | 619 | 658 | 647 | -1.7 | 9.4 |
| Alberta | 1,896 | 2,112 | 2,113 | 2,122 | 2,144 | 1.0 | 13.1 |
| British Columbia | 2,592 | 2,706 | 2,696 | 2,686 | 2,783 | 3.6 | 7.4 |
| Yukon | 24 | 24 | 25 | 25 | 25 | 0.4 | 4.5 |
| Northwest Territories | 40 | 44 | 42 | 42 | 43 | 1.6 | 6.0 |

^p Preliminary figures.

^r Revised figures.

Retail sales

| | May 1996 | April 1997 ^r | May 1997 ^p | May 1996 to May 1997 |
|--|---------------|----------------------------|--------------------------|----------------------------------|
| Unadjusted | | | | |
| | \$ millions | | | % |
| | | | | change |
| Food | 4,658 | 4,436 | 5,070 | 8.9 |
| Supermarkets and grocery stores | 4,288 | 4,108 | 4,706 | 9.8 |
| All other food stores | 370 | 328 | 364 | -1.6 |
| Drug and patent medicine stores | 1,051 | 1,021 | 1,055 | 0.3 |
| Clothing | 1,096 | 988 | 1,118 | 2.0 |
| Shoe stores | 163 | 138 | 159 | -2.5 |
| Men's clothing stores | 131 | 114 | 139 | 6.4 |
| Women's clothing stores | 367 | 336 | 367 | 0.0 |
| Other clothing stores | 435 | 400 | 452 | 4.0 |
| Furniture | 829 | 873 | 938 | 13.1 |
| Household furniture and appliance stores | 635 | 670 | 712 | 12.1 |
| Household furnishings stores | 194 | 203 | 226 | 16.2 |
| Automotive | 7,868 | 8,284 | 8,712 | 10.7 |
| Motor vehicle and recreational vehicle dealers | 5,254 | 5,804 | 6,010 | 14.4 |
| Gasoline service stations | 1,486 | 1,302 | 1,421 | -4.4 |
| Automotive parts, accessories and services | 1,128 | 1,178 | 1,280 | 13.6 |
| General merchandise stores | 1,916 | 1,902 | 2,122 | 10.8 |
| Retail stores not elsewhere classified | 2,098 | 1,788 | 2,180 | 3.9 |
| Other semi-durable goods stores | 704 | 585 | 739 | 5.0 |
| Other durable goods stores | 470 | 424 | 498 | 6.1 |
| All other retail stores not elsewhere classified | 924 | 778 | 943 | 2.0 |
| Total, retail sales | 19,516 | 19,291 | 21,195 | 8.6 |
| Total, excluding motor vehicle and recreational vehicle dealers | 14,262 | 13,487 | 15,185 | 6.5 |
| Department store type merchandise | 6,066 | 5,793 | 6,470 | 6.7 |
| Provinces and territories | | | | |
| Newfoundland | 308 | 296 | 339 | 10.0 |
| Prince Edward Island | 85 | 77 | 93 | 9.6 |
| Nova Scotia | 602 | 573 | 628 | 4.3 |
| New Brunswick | 482 | 469 | 500 | 3.8 |
| Quebec | 4,862 | 4,814 | 5,307 | 9.1 |
| Ontario | 7,046 | 6,903 | 7,555 | 7.2 |
| Manitoba | 702 | 658 | 750 | 6.9 |
| Saskatchewan | 624 | 650 | 692 | 10.9 |
| Alberta | 2,025 | 2,112 | 2,331 | 15.2 |
| British Columbia | 2,710 | 2,673 | 2,925 | 8.0 |
| Yukon | 26 | 24 | 27 | 3.0 |
| Northwest Territories | 43 | 43 | 46 | 8.1 |

^p Preliminary figures.

^r Revised figures.



PUBLICATIONS RELEASED

Monthly Survey of Manufacturing, May 1997
Catalogue number 31-001-XPB
(Canada: \$20/\$196; outside Canada: US\$20/US\$196).

Primary iron and steel, May 1997
Catalogue number 41-001-XPB
(Canada: \$7/\$62; outside Canada: US\$7/US\$62).

Service bulletin: Surface and marine transport, Vol 13, no. 4
Catalogue number 50-002-XPB
(Canada: \$13/\$83; outside Canada: US\$13/US\$83).

Oil pipeline transport, April 1997
Catalogue number 55-001-XPB
(Canada: \$12/\$114; outside Canada: US\$12/US\$114).

Service bulletin: Communications, Vol. 27, no.1
Catalogue number 56-001-XPB
(Canada: \$13/\$42; outside Canada: US\$13/US\$42).

Construction price statistics, first quarter 1997
Catalogue number 62-007-XPB
(Canada: \$24/\$79; outside Canada: US\$24/US\$79).

Service Bulletin: Science statistics, Vol. 21, no. 6
Catalogue number 88-001-XPB
(Canada: \$8/\$79; outside Canada: US\$8/US\$79).

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