



# The Daily

Statistics Canada

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## MAJOR RELEASES

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- **Annual retail trade, 2001** 2  
 Independent retail outlets, as opposed to chain stores, accounted for the largest share of operating revenues earned by retail stores in 2001. In total, the 194,079 retail stores reported operating revenues of \$339.0 billion, up 7.3% from 2000.
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## MAJOR RELEASES

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### Annual retail trade 2001

Independent retail outlets, as opposed to chain stores, accounted for the largest share of operating revenues earned by retail stores in 2001. A retail chain is an organization operating four or more retail outlets in the same industry class under the same legal ownership, at any time during the survey year. An independent retailer operates fewer than four locations.

The 194,079 retail stores in Canada reported operating revenues of \$339.0 billion in 2001, up 7.3 % from 2000. The vast majority of these operating revenues (97%) came from sales of goods. The remaining amount came from service charges, commissions, income from rentals and leases, and other miscellaneous income.

Independent outlets accounted for 61% of total revenues in 2001. Chains accounted for the remaining 39%. The 40,060 retail chain outlets reported operating revenues of \$132.8 billion in 2001, up 5.6 % from 2000. The 154,019 independent stores reported revenues of \$206.2 billion, up 8.4 %.

#### New car dealers account for more than one-fifth of total revenues

New car dealerships accounted for 22% of total operating revenues in 2001.

Supermarkets held the second largest market share at nearly 18%, followed by general merchandise stores at about 11%. Computer and software stores and home furnishing stores had the lowest market share, at about 1% each.

All major trade groups recorded higher revenues in 2001, except for specialized building materials and garden centres (-15.2%), shoe, jewellery and luggage stores (-4.9%), and sporting goods, hobby, book and music stores (-0.7%). Operating revenues increased 13.2% for pharmacies and personal care stores, the strongest gain, followed by home furnishing stores (+12.9) and supermarkets (+12.2%).

#### Operating revenues up in all provinces and territories

Operating revenues advanced in all provinces and territories in 2001.

Retail stores posted the strongest gains in Alberta, where operating revenues rose 10.0% to more than \$39.8 billion, and Yukon, the Northwest Territories and

#### Note to readers

*This release combines data from two surveys: the annual Retail Store Survey, covering independent retail outlets, and the annual Retail Chain Survey, covering chain retailers.*

*Retail stores can be categorized into two broad groups: chains (including department stores) and independents. A **retail chain** is an organization operating four or more retail outlets in the same industry class under the same legal ownership, at any time during the survey year. An **independent retailer** operates fewer than four locations. This categorization is different from the concept of a franchised or branded operation, where the business (occasionally a chain but more often an independent retailer) is licensed to sell a particular product or service under an advertised trade name.*

*The information in this report is based on the North American Industry Classification System (NAICS). The results may differ from those published elsewhere under the 1980 Standard Industrial Classification (SIC). NAICS includes in the retail sector establishments that were classified to wholesale trade in the 1980 SIC, such as building material dealers, computer and software stores, and office supplies and stationery stores. Under NAICS, establishments primarily engaged in automobile repair are moved to services.*

***Gross margin** is obtained by subtracting cost of goods sold from total operating revenues. The ratio is expressed as a percentage of total operating revenues. This measure is also known as return on sales.*

***Operating profit** is obtained by subtracting total operating expenses plus cost of goods sold (opening inventory plus purchases and direct costs minus closing inventory) from total operating revenues. The ratio is expressed as a percentage of total operating revenues.*

Nunavut combined, where revenues rose 9.9% to just over \$1.1 billion. Manitoba, Saskatchewan and Ontario were the other provinces to record an increase above the national average of 7.3%.

In general, the provincial share of total retail operating revenues reflected population size. For example, Ontario, which had 38.2% of the national population in 2001, reported 38.1% of total operating revenues, or more than \$129.1 billion. The most notable exception is Alberta, which had 9.8% of national population but accounted for 11.7% of total revenues. Alberta is the only province without a provincial sales tax. Quebec had 23.8% of the population, and accounted for 22.8% of operating revenues in 2001.

#### Gross margins improve

Retail stores gross margins as a proportion of operating revenues improved, rising from 25.1% in 2000 to 25.7% in 2001.

The highest gross margin (45.6%) was recorded by the shoe, jewellery and luggage stores group. This was closely followed by clothing stores, with a gross margin of 43.9%. The lowest gross margins in 2001 were recorded by used and recreational motor vehicle and parts dealers (20.6%), and new car dealerships (11.9%).

### Operating profit weakens

The operating profit margin in the retail sector fell from 6.0% of operating revenues in 2000 to 5.4% in 2001. The highest operating profit margin was recorded by beer, wine and liquor stores (25.1%). Gasoline stations posted the second highest profit margin (9.7%). New car dealers, which accounted

for 22% of operating revenues in 2001, reported an operating profit margin of 1.6%.

**Information on methods and data quality available in the Integrated Meta Data Base: survey numbers, including related surveys, 2446 and 2448.**

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Augustine Akuoko-Asibey (613-951-7330; [augustine.akuoko-asibey@statcan.ca](mailto:augustine.akuoko-asibey@statcan.ca)), Distributive Trades Division.

### Retail trade by province and territory

	Number of stores 2001	Operating revenues 2001 \$ million	Operating revenues 2000 to 2001 % change	Operating revenues 2001 % share	Population July 2001
<b>Canada</b>	<b>194,079</b>	<b>338,996</b>	<b>7.3</b>	<b>100.0</b>	<b>100.0</b>
Newfoundland and Labrador	3,776	5,398	5.0	1.6	1.7
Prince Edward Island	1,023	1,324	1.9	0.4	0.4
Nova Scotia	6,002	9,631	5.8	2.8	3.0
New Brunswick	4,862	7,618	2.1	2.2	2.4
Quebec	50,038	77,236	7.3	22.8	23.8
Ontario	70,442	129,063	7.5	38.1	38.2
Manitoba	6,182	12,035	8.1	3.6	3.7
Saskatchewan	6,314	10,129	7.8	3.0	3.3
Alberta	19,376	39,772	10.0	11.7	9.8
British Columbia	25,546	45,685	5.8	13.5	13.2
Yukon, Northwest Territories and Nunavut	518	1,103	9.9	0.3	0.3

### Retail trade by trade group

	Operating revenues 2001 \$ million	Gross margin 2001	Operating profit 2001	Operating revenues 2000 to 2001 % change	Operating revenues 2001 % share
<b>Total</b>	<b>338,996</b>	<b>87,217</b>	<b>18,451</b>	<b>7.3</b>	<b>100.0</b>
New car dealers	74,590	8,868	1,193	7.8	22.0
Used and recreational motor vehicle and parts dealers	15,736	3,247	477	9.3	4.6
Furniture stores	7,643	2,737	494	7.5	2.3
Home furnishings stores	4,037	1,614	293	12.9	1.2
Computer and software stores	3,428	819	101	10.1	1.0
Home electronics and appliances stores	7,640	2,274	340	1.8	2.3
Home centres and hardware stores	10,932	3,122	612	4.6	3.2
Specialized building material and garden centres	4,844	1,460	140	-15.2	1.4
Supermarkets	59,755	14,756	2,824	12.2	17.6
Convenience and specialty food stores	13,439	3,676	672	6.7	4.0
Beer, wine and liquor stores	11,077	4,390	2,776	9.5	3.3
Pharmacies and personal care stores	21,675	7,105	1,660	13.2	6.4
Gasoline stations	28,479	6,786	2,754	3.8	8.4
Clothing stores	15,146	6,656	982	8.5	4.5
Shoe, jewellery and luggage stores	4,642	2,115	28	-4.9	1.4
Sporting goods, hobby, book and music stores	8,867	3,237	549	-0.7	2.6
General merchandise	36,450	9,953	2,121	5.5	10.8
Miscellaneous store retailers	10,616	4,403	435	5.4	3.1

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## OTHER RELEASES

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### Electric Utility Construction Price Index

2001 (final) and 2002 (preliminary)

Preliminary annual figures for 2002 indicate that construction costs for distribution systems increased 1.4% from 2001. The increased cost of equipment (+4.9%) and operating expenses (+16.6%) influenced this annual increase. Finalized 2001 data for distribution systems showed an increase of 0.7 % from 2000.

Construction costs for the transmission line system series rose 1.8% in both 2002 and 2001. The transmission line component increased 1.9% in 2002, and the substation category was up 1.8%, with station equipment (+2.1%) leading the increase. Finalized data for 2001 showed increases of 0.8% for the transmission line component and 2.4% for the substation category.

Available on CANSIM: table 327-0011.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 2316.

The fourth quarter 2002 issue of *Capital expenditure price statistics* (62-007-XPB, \$24/\$79) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606; fax: 613-951-1539; [infounit@statcan.ca](mailto:infounit@statcan.ca)) or Adrian Fisher (613-951-9612; fax: 613-951-2848; [fishadr@statcan.ca](mailto:fishadr@statcan.ca)), Prices Division. ■

### Volatility of manufacturing employment by region: the effects of specialization and trade

1976 to 1997

The study *Regional manufacturing employment volatility in Canada: The effects of specialization and trade* measures the stability of manufacturing employment growth in Canada from 1976 to 1997 across a broad spectrum of rural and urban regions. It covers the entire scope of manufacturing economies in Canada, from small one-industry towns to the large, diverse manufacturing economies found in large cities.

It also examines the extent to which differences in the volatility of employment growth across regions and changes in volatility over time are related to free trade.

Labour market stability is regarded as desirable both by workers and by planners who are providing infrastructure such as schools, roads and hospitals. The economic stability of manufacturing employment varies across rural and urban communities in Canada; stability has generally declined — or, conversely, volatility has increased — over the past 20 years.

According to the study, workers can expect employment to be relatively stable in communities that were on average more export-intensive and had a diversified economic base, larger plants and modest employment growth rates. Canada's growing links to international markets through trade have typically not led to regional economies that suffer from more economic shocks. Rather, trade is usually associated with economies where employment is more stable.

Comparisons across rural and urban regions indicate that the cores of large metropolitan regions, for example, the cities of Montréal and Toronto, are the most stable areas. Rural regions, which include towns such as Truro, Nova Scotia or Castlegar, British Columbia, are the least stable. Manufacturing employment growth rates in rural economies were on average 10 times less stable than those found in the centres of large cities.

In general, communities with strong export links to international markets are more stable than communities whose industries focus on sales to domestic markets. However, the effect of exports on the stability of regional economies is not always positive. The study shows that smaller manufacturing centres, those with employment of fewer than 1,000 jobs, react differently to increases in export intensity than larger manufacturing centres, those with employment greater than 1,000.

For smaller centres, growing export intensity — exports as a proportion of shipments — was associated with less stable employment growth, while the opposite was true of larger centres. Therefore, for smaller centres, whose economies are very sensitive to the opening or closing of one or two plants, increased trade results in stronger fluctuations in their economic growth.

More diversified manufacturing economies are more stable. One reason that rural economies are more volatile than large urban economies is that they are far more specialized; they are more likely to be one-industry towns.

Regions with large manufacturing plants also provide more stable employment growth than regions that have small plants. This finding is consistent with the fact that smaller plants tend to be newer and more vulnerable to closure.

There is a trade-off between high growth rates and stability. Those regions that experience higher rates of employment growth also tended to be less stable. Economies that experience high growth in one period are all too likely to decline in subsequent periods.

The economic analysis research paper *Regional manufacturing employment volatility in Canada: The effects of specialization and trade* (11F0027MIE2003005, free) is now available on Statistics Canada's website ([www.statcan.ca](http://www.statcan.ca)). From the *Our products and services* page, under *Browse*

*our Internet publications*, choose *Free*, then *National Accounts*.

Also available on Statistics Canada's website is information on related papers on economic geography ([www.statcan.ca/english/studies/eaupdate/geo.htm](http://www.statcan.ca/english/studies/eaupdate/geo.htm)). From this site, click on *Highlights* to access a condensed version of the research paper released today.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588) or Mark Brown (613-951-7292), Micro-Economic Analysis Division. ■

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## NEW PRODUCTS

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**Infomat — a weekly review**, April 11, 2003  
Catalogue number **11-002-XIE** (\$3/\$109).

**Infomat — a weekly review**, April 11, 2003  
Catalogue number **11-002-XPE** (\$4/\$145).

**Regional manufacturing employment volatility in Canada: the effects of specialization and trade**,  
Economic analysis research paper no. 5  
Catalogue number **11F0027MIE2003005**  
(free).

**People, products and services, Agriculture Division, 2003**  
Catalogue number **21F0003GIE**  
(free).

**Supply and disposition of crude oil and natural gas**,  
June 2002, Vol. 54, no. 6  
Catalogue number **26-006-XPB** (\$19/\$186).

**Exports by commodity**, January 2003, Vol. 60, no. 1  
Catalogue number **65-004-XPB** (\$78/\$77).

**Exports by commodity**, January 2003, Vol. 60, no. 1  
Catalogue number **65-004-XMB** (\$37/\$361).

**Marriages — Shelf tables**, 1999  
Catalogue number **84F0212XPB** (\$20).

**General summary of vital statistics by local area**, 1999  
Catalogue number **84F0001XPB** (\$20).

**All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.**

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCB are electronic versions on compact disc.

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Statistics Canada

Thursday, June 3, 1997  
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**MAJOR RELEASES**

- **Urban transit, 1996** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4  
Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 2
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, Apr. 1997** 12

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**RELEASE DATES: APRIL 14 TO 17**

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(Release dates are subject to change.)

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<b>Release date</b>	<b>Title</b>	<b>Reference period</b>
16	<b>Monthly Survey of Manufacturing</b>	February 2003
16	<b>Travel between Canada and other countries</b>	February 2003
17	<b>New motor vehicle sales</b>	February 2003
17	<b>University enrolment by age groups</b>	2000/01

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