



The Daily

Statistics Canada

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Wholesalers sold \$35.8 billion worth of goods and services in June, essentially the same figure as in May. Second quarter sales declined 1.9% from the first quarter.
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NEW PRODUCTS



MAJOR RELEASES

Wholesale trade

June and second quarter of 2003

Wholesalers sold \$35.8 billion worth of goods and services in June, essentially the same figure as in May. Second quarter sales declined 1.9% from the first quarter. This quarterly contraction, largely attributable to a 1.0% drop in sales in April, was the biggest since the first quarter of 1998 (-2.9%). Wholesale sales in that quarter had been affected in part by the ice storm that struck Eastern Canada.

Since February, wholesale sales have generally been declining after a growth spurt that began in the fall of 2001.

In constant dollars, wholesale sales grew 0.8%. Lower prices in the automotive sector and in industrial machinery largely contributed to this increase in sale.

Wholesale sales stall in June

Certain sectors posted increases: industrial machinery (+1.7%), metals and hardware (+1.2%), food products (+1.1%) and beverage, drug and tobacco products (+0.9%). All other industries registered declines, led by farm machinery (-4.4%) and the other products category (-1.9%). That category includes wholesalers of chemicals for household and industrial use and some farm supplies. Smaller declines were also observed in computer and electronic products (-1.1%) and household goods (-1.1%).

Half the provinces reported gains, notably Nova Scotia (+3.8%), Quebec (+0.4%) and Alberta (+0.4%). Wholesalers in Saskatchewan (-4.8%), Prince Edward Island (-3.4%) and New Brunswick (-1.9%) recorded the largest declines in June.

Inventories were down in June for a second consecutive month (-0.9%). The main source of the decline was a reduction of inventories in the other products category and in food products. For wholesalers of motor vehicles, parts and accessories, inventories fell for the first time in four months (-0.9%).

The inventory-to-sales ratio in June was 1.29, down from 1.30 in May. After having fallen to historic lows in January (1.24), the ratio has since been on the rise.

Sales of durable goods decline in the second quarter

After showing a solid increase in sales from the fall of 2001 to January 2003, wholesalers of motor vehicles, parts and accessories have since lost their

Note to readers

Estimates from the Monthly Wholesale Trade Survey are classified according to the 1980 Standard Industrial Classification.

momentum, with sales declining 5.9% in the second quarter. Manufacturers' shipments and imports and exports of automotive products also declined in the second quarter. Motor vehicle wholesalers were not spared from production cutbacks and a drop in demand in the United States and Canada.

Wholesalers of household goods also saw their sales decline in the second quarter (-0.7%). This was the first quarterly decline since the fourth quarter of 2001. This sector is dependent on the housing market, including residential construction. Housing starts in the second quarter were down 9.3% from the first quarter. Also, the resale housing market for the first six months of the year was down 4.3% from the same period of 2002.

This weakness in housing market also affected other sectors. This was notably the case with wholesalers of metals and hardware, whose sales were down for a second consecutive quarter (-5.9%).

Wholesalers of agricultural machinery post a good quarter

Despite the overall decline, sales of farm machinery, equipment and supplies in the second quarter were up 8.4% from the first quarter, when sales had grown 6.2%. Better prospects for stronger sales by western farmers had an impact on wholesalers in this sector. During the last two years, this sector suffered a drop in demand resulting from the drought in Western Canada.

For their part, wholesalers of industrial machinery, equipment and supplies experienced flat sales in the second quarter (0.0%). Sales in this sector had generally been rising slowly since mid-2002 but remain below the strong sales attained at the beginning of 2001.

Wholesale sales in the second quarter varied by province or territory

Wholesale sales contracted in six provinces in the second quarter. The steepest declines were in British Columbia (-5.0%), New Brunswick (-2.5%) and Ontario (-2.4%).

By contrast, notable increases were reported by wholesalers in the Northwest Territories (+11.3%), Yukon (+10.3%) and Prince Edward Island (+8.3%).

The automotive sector was the main factor in the overall drop in wholesale sales in British Columbia and Ontario in the second quarter. The drop recorded in New Brunswick resulted in part from a decrease in sales of computers and electronic products as well as metals and hardware.

The increase registered in Prince Edward Island was largely attributable to farm machinery, and beverage, drug and tobacco products, two sectors that posted growth in the second quarter.

Available on CANSIM: tables 081-0001 and 081-0002.

Definitions, data sources and methods: survey number 2401.

The June 2003 issue of *Wholesale trade* (63-008-XIB, \$14/\$140) will be available soon. See *How to order products*.

Estimates for wholesale sales for July will be released on September 19.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jean Lebreux (613-951-4907; cell: 613-293-3368; jean.lebreux@statcan.ca), Distributive Trades Division.

□

Wholesale merchants' sales and inventories

	June 2002	March 2003 ^r	April 2003 ^r	May 2003 ^r	June 2003 ^p	May to June 2003	June 2002 to June 2003
Seasonally adjusted							
	\$ millions					% change	
Sales, all trade groups	34,622	36,243	35,878	35,787	35,769	0.0	3.3
Food products	5,587	5,810	5,789	5,738	5,799	1.1	3.8
Beverage, drug and tobacco products	2,988	3,097	3,138	3,182	3,209	0.9	7.4
Apparel and dry goods	618	656	664	679	674	-0.8	9.0
Household goods	1,001	1,046	1,053	1,031	1,019	-1.1	1.8
Motor vehicles, parts and accessories	6,779	6,942	6,806	6,724	6,695	-0.4	-1.2
Metals, hardware, plumbing and heating equipment and supplies	2,123	2,223	2,095	2,068	2,092	1.2	-1.5
Lumber and building materials	2,764	2,776	2,860	2,864	2,861	-0.1	3.5
Farm machinery, equipment and supplies	704	770	746	843	806	-4.4	14.6
Industrial and other machinery, equipment and supplies	4,831	4,978	4,890	4,880	4,964	1.7	2.8
Computers, packaged software and other electronic machinery	2,625	2,753	2,745	2,666	2,635	-1.1	0.4
Other products	4,602	5,192	5,093	5,111	5,015	-1.9	9.0
Sales by province and territory							
Newfoundland and Labrador	227	213	211	213	214	0.1	-5.9
Prince Edward Island	54	57	60	61	59	-3.4	9.5
Nova Scotia	606	622	615	625	648	3.8	7.0
New Brunswick	448	447	442	444	436	-1.9	-2.6
Quebec	7,142	7,274	7,358	7,170	7,195	0.4	0.7
Ontario	17,243	18,187	18,013	17,883	17,921	0.2	3.9
Manitoba	1,049	1,063	1,059	1,120	1,102	-1.6	5.0
Saskatchewan	1,028	1,055	1,005	1,081	1,030	-4.8	0.1
Alberta	3,481	3,780	3,655	3,776	3,790	0.4	8.9
British Columbia	3,308	3,512	3,424	3,383	3,342	-1.2	1.0
Yukon	10	10	12	11	11	0.7	8.2
Northwest Territories	23	19	19	18	19	8.0	-17.6
Nunavut	3	2	2	2	3	32.9	2.6
Inventories, all trade groups	43,677	46,482	46,471	46,428	46,025	-0.9	5.4
Food products	3,302	3,532	3,460	3,498	3,586	2.5	8.6
Beverage, drug and tobacco products	3,330	3,690	3,714	3,649	3,687	1.0	10.7
Apparel and dry goods	1,247	1,355	1,356	1,359	1,367	0.6	9.6
Household goods	1,610	1,789	1,670	1,638	1,589	-3.0	-1.3
Motor vehicles, parts and accessories	6,383	7,171	7,253	7,475	7,407	-0.9	16.0
Metals, hardware, plumbing and heating equipment and supplies	3,770	3,831	3,777	3,755	3,708	-1.3	-1.6
Lumber and building materials	4,234	4,665	4,653	4,660	4,595	-1.4	8.5
Farm machinery, equipment and supplies	1,912	1,955	1,965	1,998	2,010	0.6	5.1
Industrial and other machinery, equipment and supplies	10,199	10,166	10,213	10,288	10,263	-0.2	0.6
Computers, packaged software and other electronic machinery	1,971	1,877	1,977	1,935	1,865	-3.6	-5.4
Other products	5,720	6,452	6,433	6,173	5,948	-3.7	4.0

^r Revised figures.

^p Preliminary figures.



OTHER RELEASES

Travel between Canada and other countries June 2003

In June, travel to Canada from the United States and overseas countries posted its first increase after five straight months of declines. Canadian travel abroad increased again in June for the second consecutive month.

Concerns regarding the presence of Severe Acute Respiratory Syndrome (SARS) in Canada began to subside in June, only to be replaced with heightened awareness of bovine spongiform encephalopathy (BSE), or mad cow disease, following the discovery of an infected animal in May.

Travel by non-residents to Canada increased 1.0% in June, as an estimated 3 million visitors came to Canada. While Canada saw only a slight 0.4% increase in visits from the United States in June, the number of visitors from overseas countries jumped 8.5% from May. Despite these strong advances, the number of visitors to Canada remains 22.1% below the level observed in December 2002. (Unless otherwise specified, data are seasonally adjusted.)

In June, only 4 of Canada's top 12 overseas markets saw declines in both same-day and overnight trips. The number of visitors from Italy fell 5.5%, and that of France fell 3.4%.

However, travel from South Korea and Hong Kong increased 32.8% and 27.6%, respectively. Overall, there were 21.0% more visitors from Asian countries in June than in May. The number of visitors from Asia, however, remains 46.7% below the level observed in December 2002.

All of the regions saw an increase in the number of visitors from overseas countries. Ontario posted the largest gain, with a 15.4% monthly rise. The Atlantic region also recorded a noticeable increase, with 13.9% more overseas visitors. British Columbia had a 6.2% gain, followed by 3.5% in the Prairies and 2.1% in Quebec. Every region, however, recorded at least 15% fewer overseas visitors in June than in December 2002.

Even though travel from the United States increased only 0.4% in June, overnight travel to Canada was up 7.8%. While overnight travel by car increased 3.4%, overnight trips by air jumped 15.4%. Slightly offsetting these gains was a 1.1% decline in same-day car trips by Americans to Canada in June.

While there were more overseas visitors throughout the country, two of the five regions recorded decreases in the number of American visitors. The Atlantic provinces had 3.1% fewer American arrivals in June and Ontario also saw a slight decrease in its American visitors (-0.2%). Quebec and British Columbia welcomed 2.3% and 2.2% more American visitors, respectively, while the Prairies had 1.4% more American travellers. Through the first half of 2003, the Prairies have experienced the smallest decline in American travellers compared with other regions of the country.

Travel to the United States increased 4.4%, as an estimated 2.8 million Canadian residents travelled south of the border in June. The number of overnight trips to the United States was up 5.1% from May. Overnight travel by plane changed only slightly (+0.6%) in June, while overnight travel by car jumped 7.7%.

Same day car travel by Canadians also increased. More than 1.7 million Canadians made such trips to the United States in June, up 2.6% from May. This coincided with another strong month for the Canadian dollar, which increased 2.4% against its American counterpart.

Canadian travel to countries other than the United States also increased in June. An estimated 383,000 Canadian residents made trips to overseas countries in June, up 8.1% from May, but still down 9.1% from December 2002.

As the number of visitors to Canada increased 1.0% from May and the number of Canadian residents heading for the United States and overseas countries rose 4.8%, this marked the second straight month that more Canadian residents travelled abroad than international visitors came to Canada. For the previous five years, fewer Canadians travelled abroad than visitors coming to Canada.

Available on CANSIM: tables 427-0001 to 427-0006.

Definitions, data sources and methods: survey number 5005.

The June 2003 issue of *International travel, advance information*, Vol. 19, no. 6 (66-001-PIE, \$6/\$55) is now available in PDF format. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Frances Kremarik (613-951-4240; frances.kremarik@statcan.ca), Culture, Tourism and the Centre for Education Statistics. □

Non-resident travellers to Canada by region of entry

	September 2001 ^f	December 2002 ^f	May 2003 ^f	June 2003 ^p	May to June 2003	December 2002 to June 2003	September 2001 to June 2003	June 2003	June 2002 to June 2003
	Seasonally adjusted					Unadjusted			
	'000				% change			'000	% change
Atlantic provinces									
Non-resident travellers	215	205	197	192	-2.7	-6.7	-11.1	236	-12.0
from the United States	201	197	192	186	-3.1	-5.9	-7.7	227	-12.1
from other countries	14	8	5	6	13.9	-24.7	-58.5	9	-10.9
Quebec									
Non-resident travellers	313	384	313	320	2.3	-16.7	2.1	385	-11.0
from the United States	264	326	265	271	2.3	-16.9	2.4	321	-11.4
from other countries	49	59	49	50	2.1	-15.3	0.7	64	-8.9
Ontario									
Non-resident travellers	1,901	2,378	1,713	1,723	0.6	-27.6	-9.4	2,304	-20.4
from the United States	1,786	2,232	1,629	1,626	-0.2	-27.1	-9.0	2,170	-20.0
from other countries	115	146	83	96	15.4	-33.9	-16.2	135	-26.5
Prairies									
Non-resident travellers	141	158	143	146	1.7	-7.8	3.2	225	-1.6
from the United States	122	136	126	128	1.4	-5.6	4.9	199	-1.3
from other countries	19	22	17	17	3.5	-20.7	-7.8	26	-4.0
British Columbia									
Non-resident travellers	605	685	568	584	2.8	-14.7	-3.4	784	-13.0
from the United States	495	569	486	497	2.2	-12.6	0.5	662	-11.5
from other countries	110	116	82	87	6.2	-25.0	-20.8	122	-20.4

Travel between Canada and other countries

	December 2002 ^r	May 2003 ^r	June 2003 ^p	May to June 2003	December 2002 to June 2003	June 2003	June 2002 to June 2003
	Seasonally adjusted				Unadjusted		
	'000			% change	'000	% change	
Canadian trips abroad¹	3,393	3,043	3,189	4.8	-6.0	3,193	-0.4
to the United States	2,971	2,689	2,806	4.4	-5.6	2,892	0.0
to other countries	421	354	383	8.1	-9.1	301	-4.1
Same-day car trips to the United States	1,786	1,660	1,703	2.6	-4.7	1,833	0.7
Total trips, one or more nights	1,555	1,348	1,427	5.9	-8.2	1,307	-1.2
United States ²	1,134	994	1,044	5.1	-7.9	1,006	-0.4
Car	690	590	635	7.7	-7.9	620	2.0
Plane	350	326	328	0.6	-6.3	275	-0.4
Other modes of transportation	95	78	81	3.9	-14.3	111	-11.6
Other countries ³	421	354	383	8.1	-9.1	301	-4.1
Travel to Canada¹	3,837	2,959	2,990	1.0	-22.1	3,993	-16.5
from the United States	3,484	2,721	2,731	0.4	-21.6	3,632	-16.2
from other countries	353	238	259	8.5	-26.7	361	-19.6
Same-day car trips from the United States	1,981	1,556	1,538	-1.1	-22.4	1,796	-15.9
Total trips, one or more nights	1,700	1,298	1,400	7.8	-17.6	1,955	-17.2
United States ²	1,363	1,067	1,150	7.8	-15.7	1,603	-16.5
Car	902	707	732	3.4	-18.9	1,006	-20.0
Plane	320	250	289	15.4	-9.7	396	-8.5
Other modes of transportation	142	110	130	18.3	-8.5	201	-13.0
Other countries ³	336	231	250	8.1	-25.7	351	-19.8
Most important Overseas markets⁴							
United Kingdom	70	55	55	-0.7	-21.1	84	-5.2
France	28	22	21	-3.4	-23.4	25	-19.2
Germany	27	21	21	-2.0	-24.5	30	-19.5
Japan	42	15	15	0.8	-64.1	17	-57.6
Australia	16	13	13	2.2	-14.5	19	1.9
Mexico	15	10	12	15.4	-22.0	15	-7.5
South Korea	15	8	11	32.8	-26.4	16	-10.3
Netherlands	10	8	9	5.4	-9.9	16	2.4
Switzerland	8	7	7	2.1	-11.6	10	-6.7
Hong Kong	10	4	5	27.6	-46.8	8	-45.0
India	5	4	5	12.3	-7.0	8	-2.1
Italy	10	5	5	-5.5	-52.3	5	-48.8

¹ Totals exceed the sum of "same-day car trips" and "total trips, one or more nights" because they include all of the same-day trips.

² Estimates for the United States include counts of cars and buses, and estimated numbers for planes, trains, boats and other methods.

³ Figures for other countries exclude same-day entries by land only, via the United States.

⁴ Includes same-day and one or more night trips.

^p Preliminary figures.

^r Revised figures.

Sawmills and planing mills

May 2003

Data on sawmills and planing mills are now available for May 2003.

Available on CANSIM: table 303-0009.

Definitions, data sources and methods: survey numbers, including related surveys, 2134 and 2135.

The May 2003 issue of *Sawmills and planing mills*, Vol. 57, no. 5 (35-003-XIB, \$9/\$86) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division.

NEW PRODUCTS

Sawmills and planing mills, Vol. 57, no. 5
Catalogue number **35-003-XIB** (\$9/\$86).

International travel, advance information, Vol. 19,
no. 6
Catalogue number **66-001-PIE** (\$6/\$55).

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MAJOR RELEASES

- **Urban transit, 1995** 2
Discusses the importance of taking urban transit. Canadians are using it less and less. In 1996, about Canadian took an average of about 40 trips on some form of urban transit, the lowest level in the past 27 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses has historically weak, despite in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

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