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Releases

New products

Releases

Study: Retail trade since the turn of the millennium

1996 to 2004

Canada's retail trade industry has grown at a relatively robust pace since the turn of the millennium, even though the economy encountered a series of dampening events, according to a new study.

These events included sluggish demand in the United States, the bust of the information and communication technology manufacturing sector, the appreciation of the Canadian dollar and higher energy prices.

The report provides an in-depth analysis of retail sales nationally and provincially between 2000 and 2004, comparing average growth rates during this period to those between 1996 and 2000.

Alberta retailers led the pack in terms of average growth in retail sales between 2000 and 2004. Sales in British Columbia, Saskatchewan and Manitoba also surpassed the national average, while those in Newfoundland and Labrador and Quebec maintained relatively robust growth. In contrast, sales for retailers in Ontario and the other Atlantic provinces grew at a pace well below the national average.

The report shows that several factors have helped buttress retail sales growth. First, consumers spent an increasing proportion of their disposable income in retail stores, at the sacrifice of immediate savings.

Thanks to historically low interest rates and the housing boom, consumers in most provinces maintained healthy spending on items for their homes, such as household electronics and building materials.

The food retail sector also grew at healthy rates in most provinces, as retailers diversified their offerings to include non-food items. Sectoral growth was more pronounced in provinces, such as Ontario and Alberta, which recorded significant population gains.

The report also found a divergence in growth patterns of retail sales among the provinces since 2000. The major contributor to this divergence was the automotive retail sector.

Retailers in the West outperformed those in the East, largely because of higher retail sales growth in the automotive sector. This sector's ability to dictate retail growth occurred, for one thing, because of its significant share of the consumer's retail dollar. In 2004, automotive sales accounted for about one-third of total retail sales.

Robust retail sales despite slowdown in economic output

Nationally, retail sales remained robust between 2000 and 2004 despite a slowdown in growth rates for both real gross domestic product and disposable income.

During this period, retail sales grew at an annual average rate of 4.8%, somewhat slower than the average of 5.9% between 1996 and 2000.

However, this slowdown was much milder than the deceleration in real GDP, where the growth rates slowed from 4.7% on average before the turn of the millennium to only 2.5% after. Average growth in disposable income slowed from 4.9% to 3.8%.

In 2004, consumers spent $346.7 billion in retail stores, compared to $287.8 billion in 2000 and $228.4 billion in 1996.

They also spent an increasing proportion of their disposable income in retail stores. For every $100 of disposable income in 2000, they spent $45 in retail stores. This rose to $47 in 2004.

Meanwhile, they were saving less. The national savings rate, which is personal savings expressed as a percentage of disposable income, plunged from 4.7% in 2000 to 0.4% in 2004.

Automotive sector: Average growth rate cut in half

Nationally, the automotive sector recorded a drastic slowdown in growth since the turn of the millennium. Between 1996 and 2000, automotive sales grew at an average annual pace of 7.1%. In contrast, between 2000 and 2004, the growth rate was cut almost in half to 3.6%.

Before the millennium, this sector was responsible for 41% of overall retail growth. Between 2000 and 2004, its contribution was only 26%.

In 2000, consumers purchased an average of 52 new motor vehicles for every 1,000 people in the population. By 2004, this had slipped to 49.

Given its significant share of consumer dollars, the automotive sector in turn dictated provincial retail growth. For example, Alberta's $4.7-billion increase in this sector revenue represented over 40% of total growth in retail revenue between 2000 and 2004.

Food and most other sectors followed the national trend. Food sales accelerated in most provinces, in part because retailers diversified their offerings to include non-food items. These included items such as furniture, home electronics, pharmaceuticals and personal care products.

Historically low interest and mortgage rates heated up the housing sector as housing starts soared. With significant savings from financing and refinancing houses, consumers were able to spend more on home-related projects.

The housing boom appeared to have a larger impact on the building materials sector than on the furniture sector. Sales in the building materials sector accelerated, while sales in furniture maintained roughly the same growth rate.

The provinces: Alberta led the pack

Alberta retailers led the pack between 2000 and 2004. Retail sales there increased at an average annual rate of 8.1%, the highest in the country and well above the national average of 4.8%. This growth followed a strong average annual increase of 7.4% between 1996 and 2000.

Sales in British Columbia, Saskatchewan and Manitoba also surpassed the national average, while those in Newfoundland and Labrador and Quebec maintained relatively robust growth.

In contrast, sales for retailers in Ontario and the other Atlantic provinces grew at a pace well below the national average.

In 2004, Alberta retailers sold nearly $43.4 billion worth of goods and services, which represented a 13% share of total Canadian retail sales.

In 2004, retail sales per capita in Alberta led the way and were 25% higher than the national average. Consumer purchasing power in Alberta was the nation's highest. As a result of solid labour market gains for years, disposable income per capita was more than 16% higher than the national average in 2004.

Moreover, the proportion of personal disposable income spent in retail stores had been increasing at one of the nation's fastest paces.

Growth in retail sales in Manitoba was second only to Alberta. During the four-year period, sales increased at an annual average of 5.8% in Manitoba.

Of every $100 of disposable income, Manitoba consumers spent $42 in retail stores in 2000. This rose to $47 in 2004, on par with the national average.

Ontario experienced a significant retail slowdown between 2000 and 2004 following a period of fast growth during the previous four-year period. This slowdown occurred mainly because of a lacklustre performance by the automotive retail sector.

Between 2000 and 2004, Ontario's retail trade grew at an annual rate of 3.7%, half its average rate of 7.4% between 1996 and 2000.

Newfoundland and Labrador was the only Atlantic province where retail growth remained robust. Between 2000 and 2004, retail sales grew at an annual average rate of 4.9%, just above the national average of 4.8%.

Consumers in Newfoundland and Labrador spent a much greater proportion of their disposable income in retail stores than consumers in other provinces. Of every $100 in disposable income, consumers spent $57 in retail stores in 2004, compared to the national average of $47, and only $43 in Ontario.

Definitions, data sources and methods: survey numbers, including related surveys, 1902, 2402, 2406, 2747, 2749 and 3886.

The analytical article "Provincial retail trade since the turn of the millennium," no. 32 (11-621-MIE2005032, free), is now available online in the *Analysis in Brief* series (11-621-MIE).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Yiling Zhang (613-951-2057), Distributive Trades Division. ■

Quarterly Retail Commodity Survey

Second quarter 2005

As in the first quarter of 2005, rising fuel prices at the pump caused consumers to spend proportionally more of their retail dollar on automotive fuels, oils and additives in the second quarter of 2005.

Consumers spent $8.3 billion on automotive fuels, oils and additives in retail stores in the second quarter of 2005, an increase of 12.9% over the same quarter last year. This was due in part to a 5.6% increase in the price of gasoline over the same period.

This was the second consecutive quarter that automotive fuels, oils and additives accounted for 9 cents of every dollar spent in retail stores. In comparison, in 1998, this commodity represented only 6 cents of every retail dollar.

A historical series from 1998 to 2003 based on the NAICS 2002 classification is now available and can be compared with the 2004 and 2005 NAICS based data.

In total, consumers spent $96.5 billion on goods and services in retail stores in the second quarter of 2005, up 7.1% over the second quarter of 2004. All major commodity groups showed year-over-year increases, ranging from 3.5% for sporting and leisure goods to 12.9% for automotive fuels, oils and additives.

Sales of motor vehicles, parts and services amounted to $23.2 billion in the second quarter, up 7.8% over the same quarter last year. Incentive programs offered by dealers and auto manufacturers for new vehicles (cars, trucks, vans and sport utility vehicles) drove up sales of new vehicles by 7.4%. Sales of used vehicles rose 7.0% over last year and sales of automotive parts and services (including tires) rose 13.7%.

Every quarter, consumers spend a significant amount of money on motor vehicles, parts and services. In the second quarter of 2005, consumers spent 24 cents of every retail dollar on motor vehicles, parts and services. Since 1998, spending on these products has been around 23 or 24 cents of every retail dollar, with the exception of 2004, when it dropped to 22 cents.

Hardware, lawn and garden products recorded the second highest year-over-year percentage change of the major commodity groups (+9.5%) in the second quarter. Spending on these products reached $8.1 billion in the second quarter of 2005 or 8 cents of every retail dollar. Typically, hardware, lawn and garden products peak at around 7 to 8 cents of every retail dollar in the second quarter of the year compared to between 4 and 5 cents in the first quarter. This illustrates the seasonal nature of these products as consumers start gardening and outdoor home renovation projects in the spring.

Of all the hardware, lawn and garden products sales, 71.0% were sold in building and outdoor home supplies stores and 17.4% in general merchandise stores.

Sales of clothing, footwear and accessories rose 5.7% from the second quarter of 2004, the biggest increase since the beginning of the series in 1999. This was largely due to a surge in sales of women's clothing (+8.0%). Men's clothing sales were also up (+5.3%), while those of children's clothing remained relatively unchanged. All categories of clothing experienced a decline in prices.

Sales by commodity, all retail stores

	Second quarter 2004[r]	First quarter 2005[r]	Second quarter 2005[p]	Second quarter 2004 to Second quarter 2005
	Unadjusted			
	$ millions			% change
Commodity				
Food and beverages	19,054	18,385	20,124	5.6
Health and personal care products	7,173	7,252	7,594	5.9
Clothing, footwear and accessories	7,072	5,533	7,474	5.7
Furniture, home furnishings and electronics	7,158	7,011	7,587	6.0
Motor vehicles, parts and services	21,523	17,364	23,212	7.8
Automotive fuels, oils and additives	7,364	7,290	8,315	12.9
Housewares	1,710	1,614	1,778	4.0
Hardware, lawn and garden products	7,355	4,047	8,055	9.5
Sporting and leisure goods	2,816	2,511	2,915	3.5
All other goods and services	8,886	6,950	9,411	5.9
Total	**90,111**	**77,957**	**96,465**	**7.1**

r *Revised data.*
p *Preliminary data.*

Within the health and personal care products category, consumers spent 7.0% more on prescription drugs in the second quarter of 2005 compared to the same quarter of 2004. In comparison, sales of non-prescription drugs were up 1.6% which was the smallest increase since the fourth quarter of 2003. Two-thirds of the health and personal care products were sold in pharmacies and personal care stores with the remaining one-third evenly split between food and beverage stores and general merchandise stores (which include department stores).

Note: The Quarterly Retail Commodity Survey collects national level retail sales by commodity, from a sub-sample of businesses in the Monthly Retail Trade Survey. Quarterly data have not been adjusted for seasonality. All percentage changes are year-over-year.

Available on CANSIM: table 080-0018.

Definitions, data sources and methods: survey number 2008.

For general information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; *retailinfo@statcan.ca*). To enquire about the concepts, methods or data quality of this release, contact Ruth Barnes (613-951-6190), Distributive Trades Division. ■

International trade in culture goods: Replacement data

1996 to 2004

Statistics Canada today released new data on international trade in culture goods to replace erroneous data published in *The Daily* of March 29, May 19 and May 24, 2005.

The releases were recalled because some of the values for the import and export of culture goods for the period 1996 to 2004 (including overall totals and trends) were incorrect.

The Agency has fixed the technical problems that caused the errors and the quality control processes have been corrected to ensure that the problems will not recur.

In addition, detailed data tables in the electronic publication *Culture Trade: Goods Data Tables* (87-007-XIE, free) have been updated on our Web site.

Statistics Canada deeply regrets any inconvenience this error may have caused to data users, and to our project partners at the Department of Canadian Heritage.

The new data show that overall, international trade in culture goods (everything from books and periodicals to films, videotapes, compact discs and original art) amounted to $6.8 billion in 2004, a 2.3% decline from 2003.

Canada continued to be a net importer of culture goods, with a trade deficit in 2004 of $2.0 billion. Imports fell 2.2% to $4.4 billion, outstripping a drop in exports to $2.4 billion. This represents a third consecutive year of reductions in overall trade levels.

The deficit with the United States, our principal trading partner, widened marginally to $1.3 billion. Imports from south of the border fell 2.7% to $3.5 billion, while exports levels went down 4.3% to $2.2 billion.

Shrinking domestic demand for printed materials (such as trade catalogues, print photography, and greeting cards) contributed to most of the decrease in imports from the United States, in the wake of growing consumer preferences for new digital media technologies.

Canada's second largest trading partner in culture goods, overall, was China, which accounted for approximately 5% of all Canada's international transactions in culture goods. Exports to China surged 41.2% to $15.5 million in 2004, while import levels edged down 0.8% to $302 million.

Definitions, data sources and methods: survey number 5088.

Detailed and summary data tables for culture goods trade, by type of good and culture framework category, along with cross-tabulations for trade between Canada and selected countries in table format (87-007-XIE, free) are now available online. Researchers can also request custom tabulations on a cost-recovery basis.

For more information, contact Client Services (1-800-307-3382; fax: 613-951-9040; *cult.tourstats@statcan.ca*), Culture, Tourism and the Centre for Education Statistics. ■

Steel primary forms, weekly data

Week ending October 8, 2005 (preliminary)

Steel primary forms production for the week ending October 8 totalled 295 462 metric tonnes, down 1.2% from 299 156 tonnes a week earlier and down 5.2% from 311 665 tonnes in the same week of 2004.

The year-to-date total as of October 8 was 11 876 441 tonnes, down 5.2% from 12 533 724 tonnes in the same period of 2004.

Definitions, data sources and methods: survey number 2131.

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. ■

Industrial chemicals and synthetic resins

August 2005

Data on Industrial chemicals and synthetic resins for August are now available including revisions for January 2005.

Available on CANSIM: table 303-0014.

Definitions, data sources and methods: survey number 2183.

The August issue of *Industrial Chemicals and Synthetic Resins*, Vol. 48, no. 8 (46-002-XIE, $6/$51) 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. ■

Annual Survey of Manufactures: Raw materials purchased and products shipped by Canadian manufacturers

2003

The Annual Survey of Manufactures collects information on raw materials purchased and products shipped by Canadian manufacturers. Data on selected raw materials purchased and selected products shipped by the pulp mills (NAICS 32211) and newsprint mills (NAICS 322122) are now available for Canada and the provinces for reference year 2003.

Definitions, data sources and methods: survey number 2103.

To order this data, or to enquire about the concepts, methods and 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

Analysis in Brief: Provincial retail trade since the turn of the millennium, 1996 to 2004, no. 32
Catalogue number 11-621-MIE2005032
(free).

Agriculture and Rural Working Paper Series: The Competitiveness of Canada's Poultry Processing Industry, 1991 to 2001, no. 75
Catalogue number 21-601-MIE2005075
(free).

Industrial Chemicals and Synthetic Resins, August 2005, Vol. 48, no. 8
Catalogue number 46-002-XIE ($6/$51).

Inter-corporate Ownership, Third quarter 2005
Catalogue number 61-517-XCB ($375/$1,065).

New Motor Vehicle Sales, August 2005, Vol. 77, no. 8
Catalogue number 63-007-XIE ($14/$133).

Culture, Tourism and the Centre for Education Statistics — Research Papers: Participation in Postsecondary Education: Evidence from the Survey of Labour and Income Dynamics, 1998 to 2001, no. 36
Catalogue number 81-595-MIE2005036
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Catalogue number 82-225-XIE2005001
(free).

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Catalogue number 82-225-XIE2005007
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Canadian Cancer Registry Manuals: User Guide to Record Linkage Feedback Reports C1 and C2, no. 8
Catalogue number 82-225-XIE2005008
(free).

Culture Trade — Goods: Data Tables,
Catalogue number 87-007-XIE
(free).

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

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

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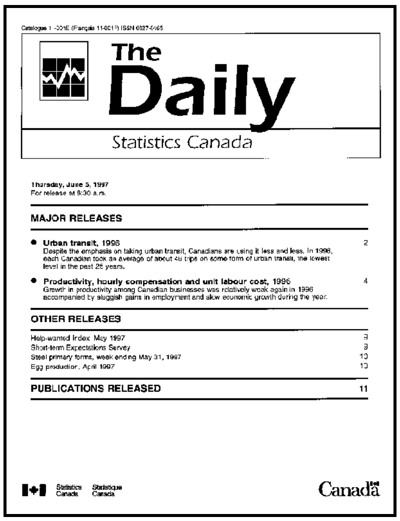

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