

# Bulletin

March 2003 Retail Sales • Released May 21, 2003

## COLD WINTER WEATHER HOLDS ITS GRIP ON CONSUMER SPENDING

Hampered by incessant winter storms, retail sales in March failed to make the grade as most retail categories showed poorly compared to their year-to-date sales growth. Two categories, the Automotive Group and Shoe Stores, outperformed their own year-to-date growth. The strong showing by the Automotive Group, as a result of high gas prices and a robust automotive parts, accessories, and service sector, pulled up retail sales growth overall. Retail sales advanced 3.7% in March, a point off the year-to-date average. The Automotive Group guzzled up 7.0% sales growth ahead of the 5.9% growth witnessed year-to-date. Shoe Stores did well comparatively advancing 1.2% against year-to-date growth of 0.9%.

While All Clothing and Shoe Stores only advanced 1.6% in March, it is important to remember that the CPI for clothing fell in March by 1.5%. While there were hopes for a stronger clothing sector this year compared to previous years, it is still difficult to tell. Many U.S. clothing retailers are feeling the pinch this year but other stores, such as Gap, are making a strong recovery in the last few months. It will be an interesting year, especially in men's apparel sales, as Canadian Tire solidifies its relationship with Mark's Work Wearhouse and Spiegel closes many of its Eddie Bauer locations due to bankruptcy restructuring.

The softening housing market and rising interest rates are taking their toll on the

Furniture, Appliance, and Furnishings Stores. This category maintained growth of 4.1% in March only slightly off their year-to-date growth of 4.3%. Bigger ticket items did not perform as well as smaller home furnishings items.

Most other categories performed poorly. General Merchandise Stores fell 0.2% and All Other Retail fell 0.6%. Food and Drug Stores were only able to gain 1.9% compared to last March.

The poor retail sales results in February combined with March are part of a trend. Higher interest rates, the War in Iraq, and a late Easter did not help retailers win over consumers.

For next month, April's retail sales will show the full effect of SARS on the retail economy. It will be interesting to view Toronto's retail sales figures to measure the impact on the economy.

## QUEBECERS SPEND WHILE MARITIMERS HOLD STEADY

While Alberta remained the top province in terms of retail sales growth, Quebec has surpassed the Prairies overall. Quebec strutted itself on the retail sales catwalk as the fashion-conscious province gained 5.5% retail sales growth over last year. The Prairies grew by 5.3% and Ontario out-performed the national average. British Columbia was a bit off the mark, witnessing 4.0% growth year-to-date, but Atlantic Canada plummeted to 1.0%.

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

June 23, 2003

### Please note:

The J.C. Williams Group National Retail Bulletin compares the latest monthly release of "raw" (i.e., unadjusted for seasonality) retail sales figures to those in the *same calendar month of the previous year*. Statistics Canada also reports seasonally adjusted sales that are compared to the *previous month within the current calendar year* to measure change in Gross Domestic Product (GDP). Although other sources and making comparisons to the previous year's performance more accurately reflects the seasonality of the retail industry and, therefore, are more useful in analysis.

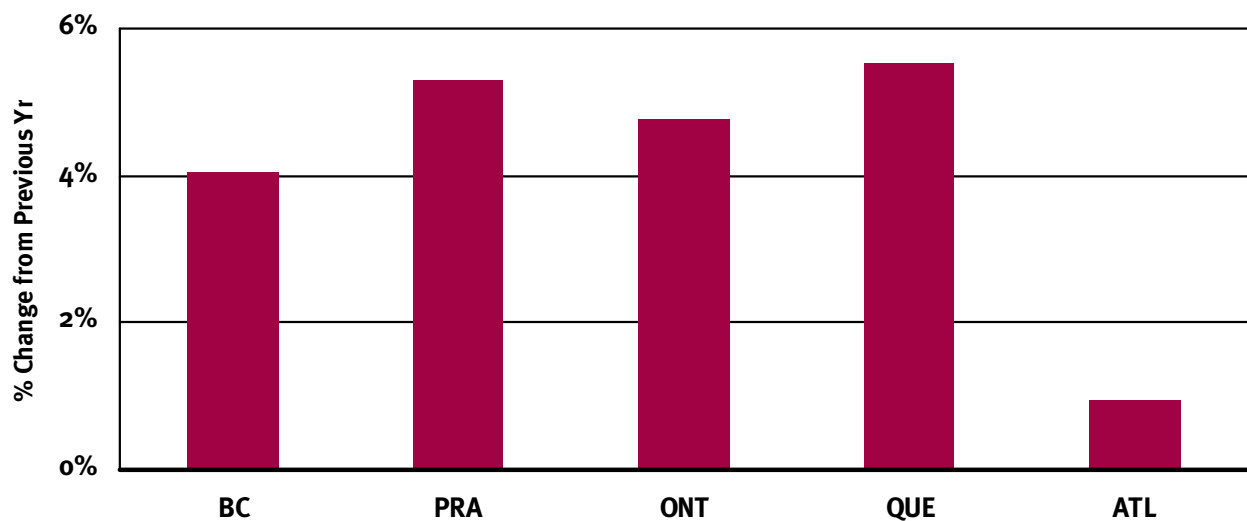
**Retail Sales by Store Category**

<b>Sales for the Month of: March</b>	<b>2003</b>	<b>2002</b>	<b>2003 / 2002</b>
<b>All Stores</b>	<b>24,571.5</b>	<b>23,703.2</b>	<b>3.7%</b>
Automotive Group	10,390.4	9,707.4	7.0%
All Stores Less Automotive	14,181.2	13,995.8	1.3%
Food and Drug Group	6,900.4	6,770.4	1.9%
<b>All Stores Less Auto, Food and Drug</b>	<b>7,280.8</b>	<b>7,225.4</b>	<b>0.8%</b>
<b>General Merchandise Stores</b>	<b>2,448.4</b>	<b>2,453.8</b>	<b>-0.2%</b>
Department Stores (incl concessions)	1,493.3	1,489.6	0.2%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,404.8</b>	<b>1,349.3</b>	<b>4.1%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,141.3</b>	<b>1,122.8</b>	<b>1.6%</b>
Women's Clothing Stores	335.7	342.4	-2.0%
Men's Clothing Stores	85.3	89.2	-4.3%
Other Clothing Stores	603.4	575.8	4.8%
Shoe Stores	116.8	115.5	1.2%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,286.4</b>	<b>2,299.5</b>	<b>-0.6%</b>
<b>Year-to-date Sales</b>	<b>2003</b>	<b>2002</b>	<b>2003/2002</b>
<b>All Stores</b>	<b>68,354.6</b>	<b>65,306.0</b>	<b>4.7%</b>
Automotive Group	27,887.5	26,328.3	5.9%
All Stores Less Automotive	40,467.1	38,977.8	3.8%
Food and Drug Group	20,155.8	19,207.2	4.9%
<b>All Stores Less Auto, Food and Drug</b>	<b>20,311.3</b>	<b>19,770.6</b>	<b>2.7%</b>
<b>General Merchandise Stores</b>	<b>6,761.9</b>	<b>6,581.0</b>	<b>2.7%</b>
Department Stores (incl concessions)	4,023.7	3,923.4	2.6%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>3,945.5</b>	<b>3,783.0</b>	<b>4.3%</b>
<b>All Clothing and Shoe Stores</b>	<b>3,079.1</b>	<b>3,008.9</b>	<b>2.3%</b>
Women's Clothing Stores	885.9	901.6	-1.7%
Men's Clothing Stores	249.8	258.4	-3.3%
Other Clothing Stores	1,613.7	1,522.1	6.0%
Shoe Stores	329.7	326.8	0.9%
<b>All Other Retail (except auto, food, drug)</b>	<b>6,524.7</b>	<b>6,397.6</b>	<b>2.0%</b>

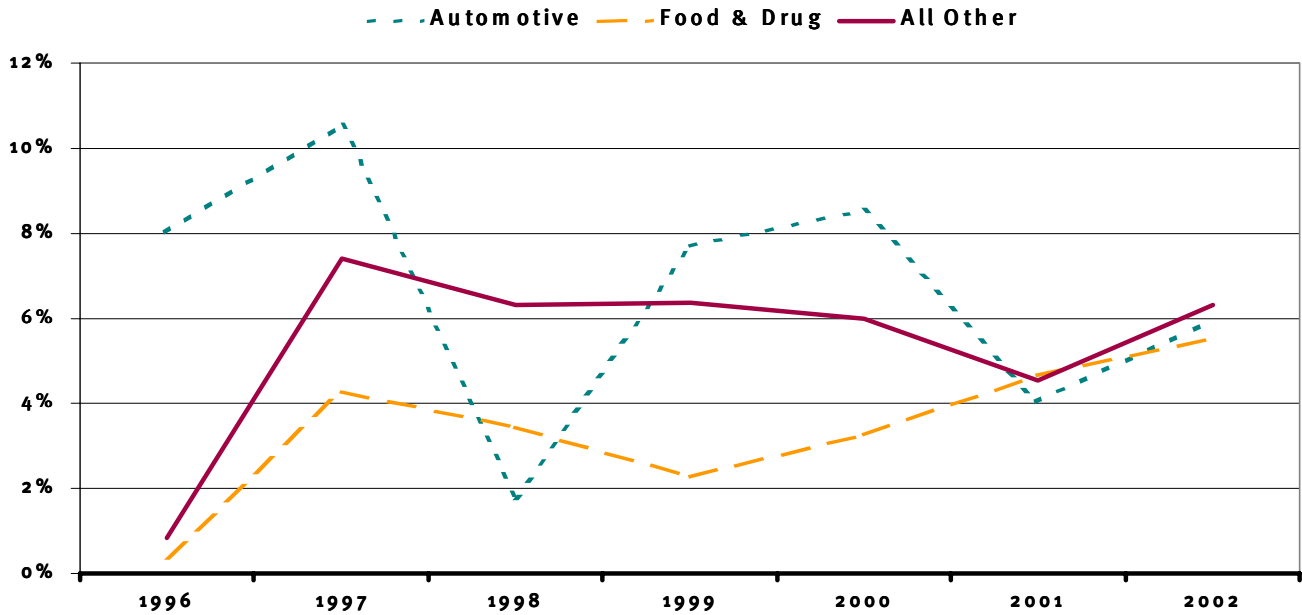
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2003	Same Period 2002	Change 2003 / 2002
British Columbia	9,193.3	8,835.8	4.0%
Prairies	12,912.0	12,264.7	5.3%
Ontario	25,620.9	24,454.4	4.8%
Quebec	15,498.9	14,687.0	5.5%
Atlantic Canada	4,865.6	4,819.7	1.0%

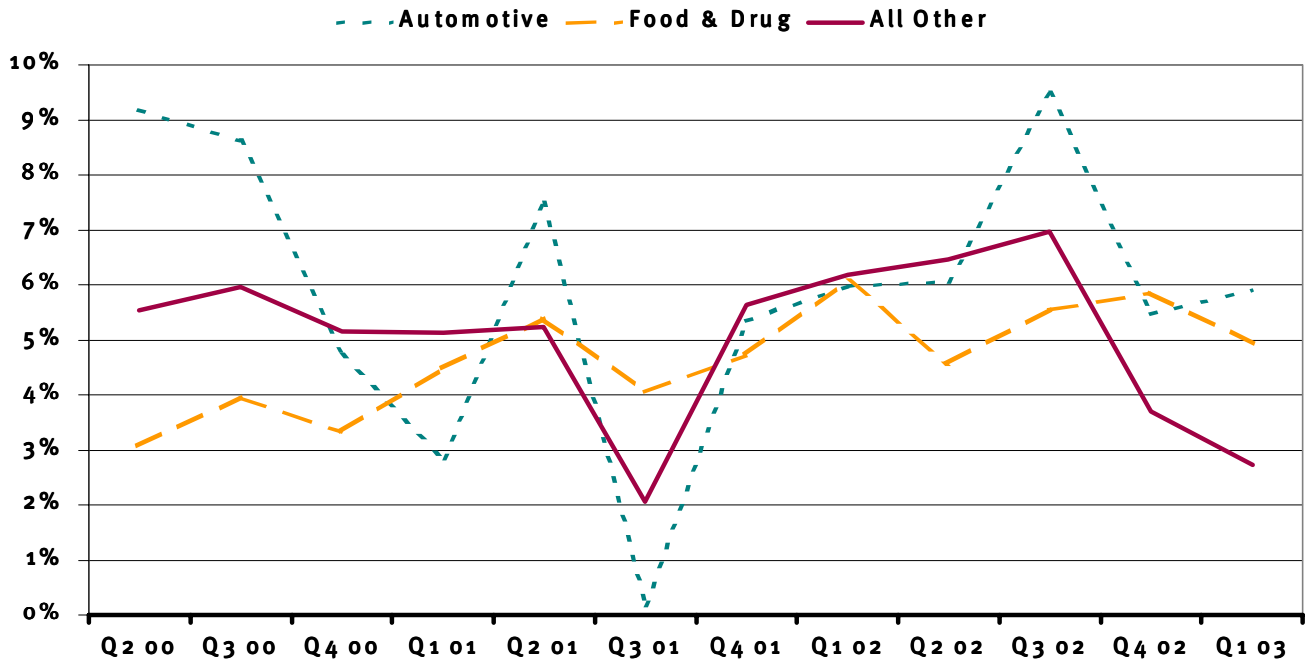
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1994 -2001)



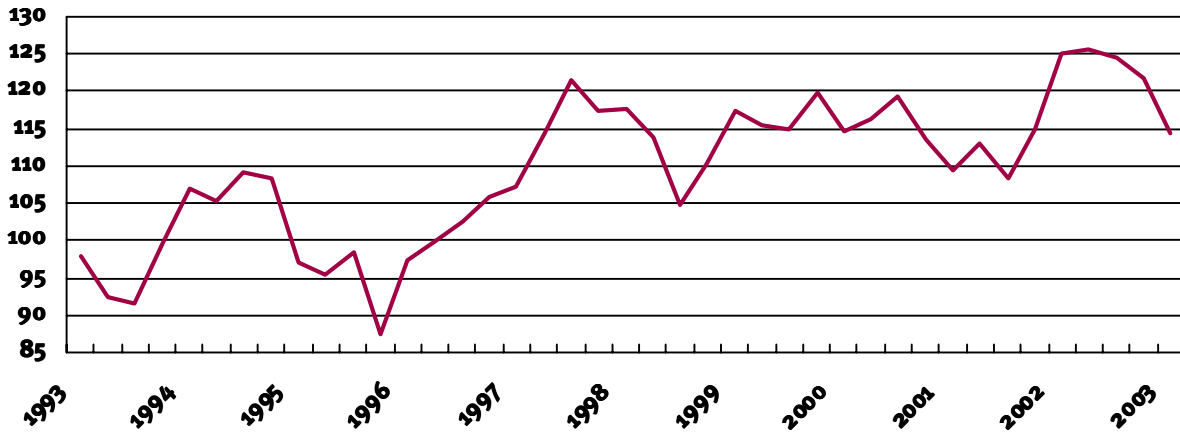
Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

March 2003 vs. March 2002 4.3%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

