

# Bulletin

December 2005 Retail Sales • Released February 21, 2006

## THE WEST IS IN

There has been a marked shift in the retail marketplace. While the Federal election in January 2006 affirmed this notion, retailers have known that the West is well on its way to becoming a retail powerhouse.

Retail sales in December were 6.5% higher bringing the entire year to close at 6.1%. However, on a regional basis only the Prairie Provinces exceeded this growth rate. Double digit gains of 10.4% were recorded on top of a comparable high growth last year (9.4%).

It is Alberta that is leading the pack (12.1%) but Saskatchewan (7.6%) and Manitoba (6.4%) are both above the national average.

The high growth rates in Alberta year after year almost appear to defy logic. Growth is so strong that retailers are having difficulty finding employees. The result is that they have to pay higher wages and bonuses for staying. Unemployment rates in the provinces are hovering very close to 4%.

The growth is not abating. The combination of warm weather and the Alberta government's release of "Ralph Bucks" in January will continue to stimulate an already hot retail climate.

## HOME FOR THE HOLIDAYS

The theme for the 2005 holiday season was home. The Furniture and Home Furnishings Stores carried the banner theme for December as sales rose 9.5%. Both Furniture Stores (8.8%) and Home Furnishings Stores (10.6%) experienced strong sales growth. Building and Outdoor Home Supplies Stores were well greeted by customers as well gaining 7.1%. However, this was slightly off track for their year-to-date growth.

Other categories that had a good or not-so-good holiday season were Beer, Wine, and Liquor Stores. The category, which is included under Food and Beverage Stores, gained 14.6% in December. This is partly the result of consumers switching up and buying more expensive products and not necessarily drinking more.

Clothing and Accessory Stores managed a good finish with growth at 5.6% for December and 4.4% for the year. The sector was good but not stellar. Certainly, the weather cooperated with seasonal merchandise sales.

Sporting Goods Stores are on a comeback. The whole Sporting Goods, Hobby, Music, and Book Store category gained 6.0% in December and 7.1% year-to-date. However, Toy Stores and Music Stores appeared to be a little beaten up particularly from online retailers such as Amazon and iTunes.

**RELEASE DATE OF THE NEXT  
NATIONAL RETAIL BULLETIN**  
March 21, 2006

### 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 use seasonally adjusted figures, J.C. Williams Group believes that using raw figures 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.

J.C. WILLIAMS GROUP

## Retail Sales by Store Category

Sales for the Month of: December	2005	2004	2005/2004
<b>All Stores</b>	<b>36,785.2</b>	<b>34,548.8</b>	<b>6.5%</b>
Automotive	9,358.5	8,749.6	7.0%
<b>All Stores Less Automotive</b>	<b>27,426.7</b>	<b>25,799.2</b>	<b>6.3%</b>
Food and Beverage Stores	8,765.9	8,128.4	7.8%
Pharmacies and Personal Care Stores	2,456.9	2,304.4	6.6%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>16,203.9</b>	<b>15,366.4</b>	<b>5.4%</b>
<b>General Merchandise Stores</b>	<b>5,723.5</b>	<b>5,498.2</b>	<b>4.1%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>3,337.6</b>	<b>3,099.1</b>	<b>7.7%</b>
Furniture and Home Furnishings Stores	1,475.9	1,348.2	9.5%
Computer, Software, Home Electronics, and Appliance Stores	1,861.7	1,751.0	6.3%
<b>Clothing and Accessories Stores</b>	<b>3,083.4</b>	<b>2,920.9</b>	<b>5.6%</b>
Clothing Stores	2,257.0	2,137.0	5.6%
Shoes, Clothing Accessories, and Jewellery Stores	826.4	783.9	5.4%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>1,446.1</b>	<b>1,363.7</b>	<b>6.0%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>1,612.3</b>	<b>1,505.3</b>	<b>7.1%</b>
<b>Miscellaneous Store Retailers</b>	<b>1,001.9</b>	<b>979.3</b>	<b>2.3%</b>

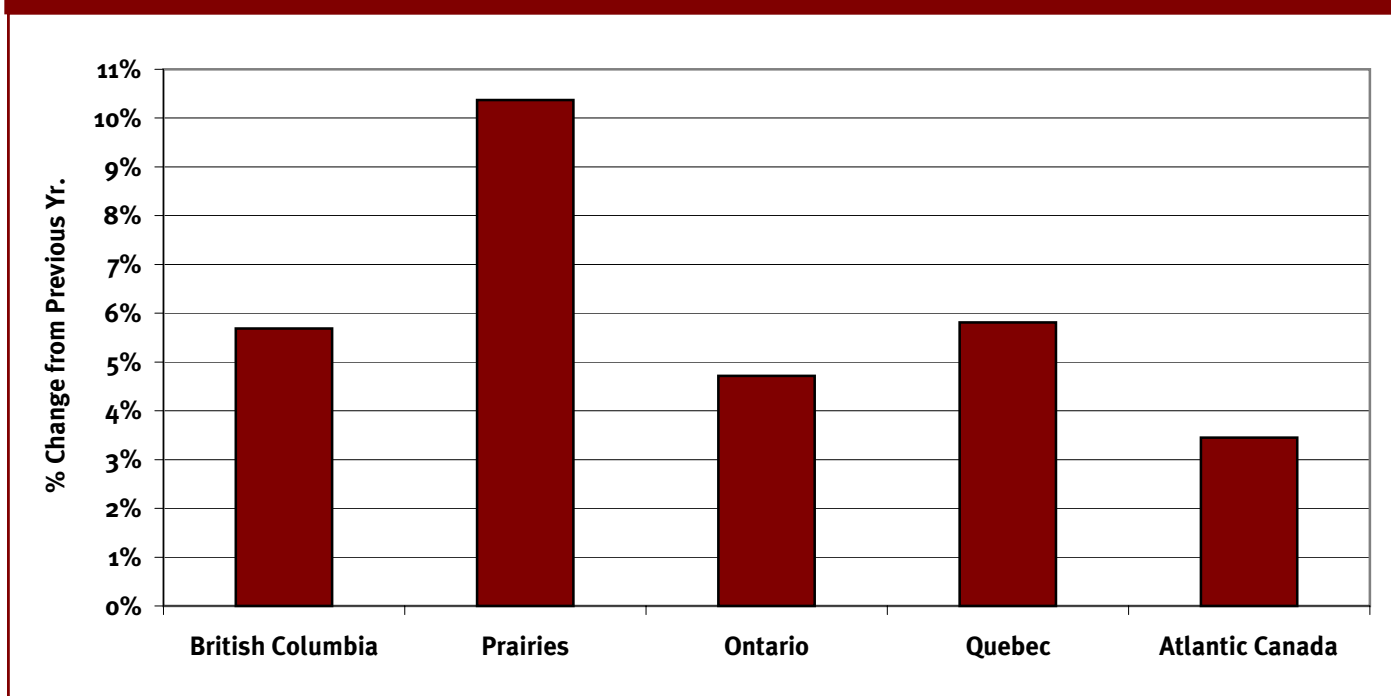
Year-to-date Sales	2005	2004	2005/2004
<b>All Stores</b>	<b>367,800.0</b>	<b>346,721.5</b>	<b>6.1%</b>
Automotive	125,678.0	116,064.1	8.3%
<b>All Stores Less Automotive</b>	<b>242,122.1</b>	<b>230,657.4</b>	<b>5.0%</b>
Food and Beverage Stores	86,312.2	82,357.6	4.8%
Pharmacies and Personal Care Stores	23,950.8	22,769.3	5.2%
<b>All Stores Less Automotive, Food, Pharmacies</b>	<b>155,809.9</b>	<b>148,299.9</b>	<b>5.1%</b>
<b>General Merchandise Stores</b>	<b>43,681.8</b>	<b>42,123.7</b>	<b>3.7%</b>
<b>Furniture, Home Furnishings and Electronics Stores</b>	<b>25,522.5</b>	<b>23,970.3</b>	<b>6.5%</b>
Furniture and Home Furnishings Stores	13,726.0	12,945.4	6.0%
Computer, Software, Home Electronics, and Appliance Stores	11,796.5	11,024.9	7.0%
<b>Clothing and Accessories Stores</b>	<b>21,083.0</b>	<b>20,188.4</b>	<b>4.4%</b>
Clothing Stores	16,110.5	15,311.6	5.2%
Shoes, Clothing Accessories, and Jewellery Stores	4,972.5	4,876.8	2.0%
<b>Sporting Goods, Hobby, Music, and Book Stores</b>	<b>9,461.4</b>	<b>8,831.4</b>	<b>7.1%</b>
<b>Building and Outdoor Home Supplies Stores</b>	<b>22,701.8</b>	<b>20,970.6</b>	<b>8.3%</b>
<b>Miscellaneous Store Retailers</b>	<b>9,409.5</b>	<b>9,446.1</b>	<b>-0.4%</b>

ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

## Retail Trade, Canada, All Stores, by Region

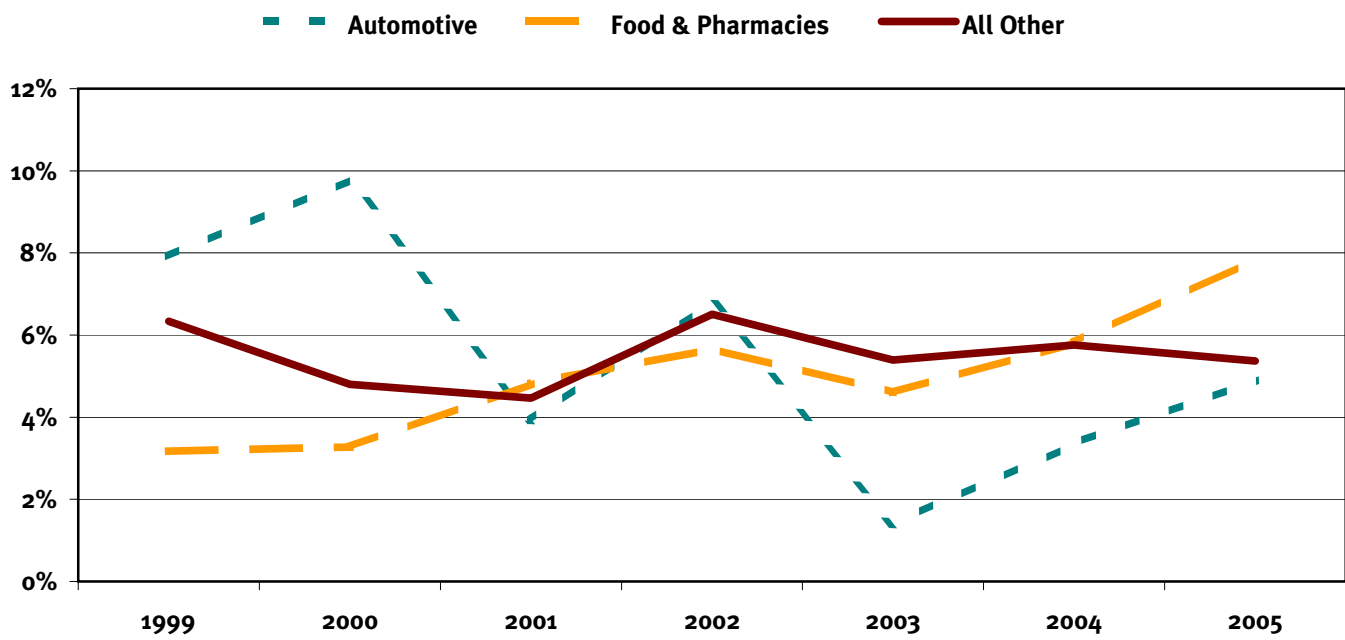
	Year-to-date 2005	Same Period 2004	Change 2005/2004
British Columbia	49,901.7	47,216.6	5.7%
Prairies	72,096.7	65,322.6	10.4%
Ontario	135,170.3	129,085.8	4.7%
Quebec	83,083.3	78,517.9	5.8%
Atlantic Canada	26,275.3	25,399.4	3.4%

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

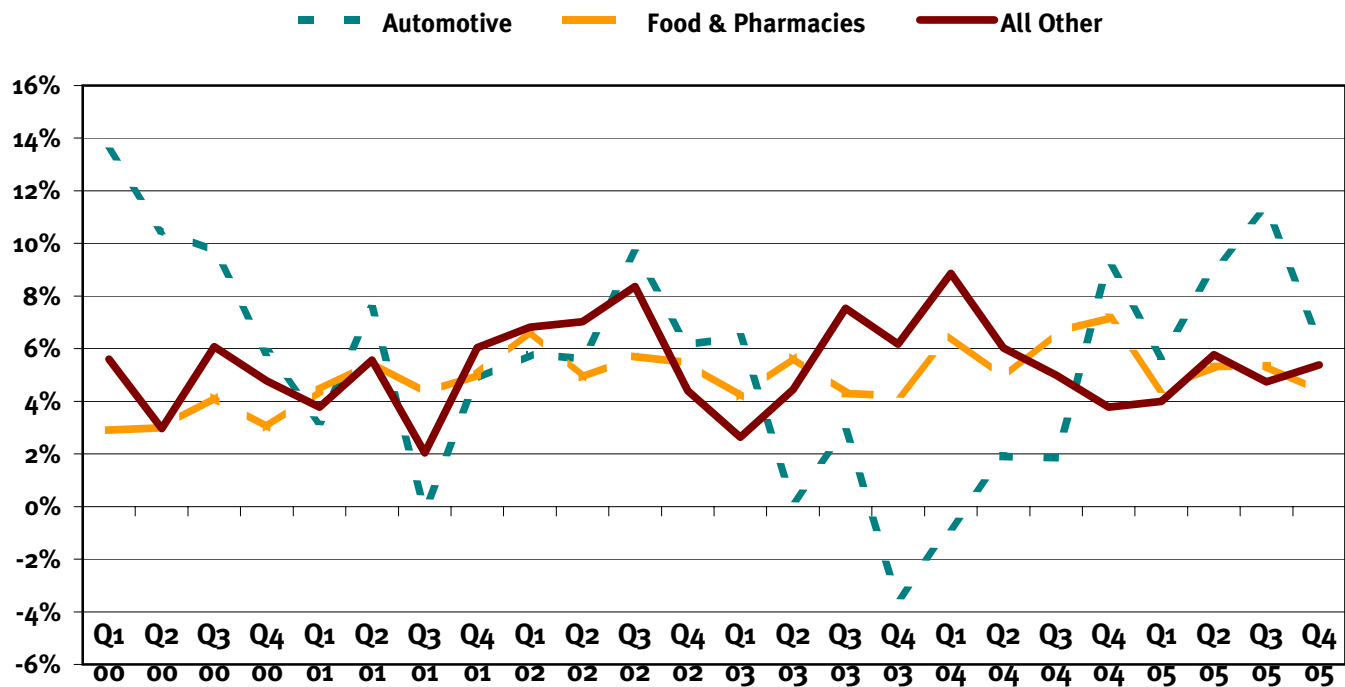


**For more detailed information on retail sales, please contact J.C. Williams Group**

Canadian Retail Sales by Major Product Category, Year Over Year (1999–2005)



Canadian Retail Sales by Major Product Category, From the Same Quarter a Year Earlier



Consumer Price Index

December 2005

vs.

December 2004

2.2%

Canadian Consumer Confidence Index 1999–2005



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1999–2005

