

# Bulletin

January 2003 Retail Sales • Released March 24, 2003

## CANADIANS TAKE A BITE OUT OF THE WINTER BLUES

There is nothing like a new pair of shoes to help brighten a cold and dreary January day. Many Canadian consumers felt that way, not only buying shoes, but they also tried to cheer themselves up with increased clothing and food purchases in an effort to beat away the winter blues.

January 2003 got off to a good start based on raw retail sales numbers. Sales at Canadian retailers advanced 4.2% overall and 5.0% for All Stores Less Auto Food and Drug.

Consumers stocked up at Supermarkets and Grocery Stores, which posted a healthy gain of 8.9% over last year. It appears as though consumers in Eastern Canada sought comfort from the cold in their kitchens. The strength of this store group helped to propel sales growth for the Food and Drug category by 7.2% over last year.

The other good news story for the month belongs to All Clothing and Shoe Stores. With apparel being out of fashion for many consumers for such a sustained period of time it is welcoming news to see that January proved to be a good month. Sales at All Clothing and Shoe Stores advanced 5.7% despite a continued deflationary environment. In January, the consumer price index on clothing fell by 0.7%. While Men's Clothing Stores fell almost 3%, Women's Clothing Stores, Other Clothing Stores, and Shoe Stores pulled up their britches, managed their

inventories better and pulled off some impressive gains. Other Clothing Stores strutted their stuff down the catwalk gaining 8.5%, Shoe Stores marched ahead 6.2%, and Women's Clothing Stores racked up gains of 3.6%. In addition, to better inventory management, the cold weather in Eastern Canada helped to extend the selling season of big-ticket clothing items such as boots and coats.

## REGIONS JOCKEY FOR POSITION

While much has been said about the cold weather helping sell winter merchandise, the continued and sustained winter storm pounding on the east coast did little to help raise retail sales. Retail sales in Atlantic Canada gained half a percent in January compared to last January.

Clearly, the place to be this January was B.C. Retail sales in lotus land beat out the energy rich Prairie provinces in terms of retail sales growth. With the warm and

drier weather in B.C., retailers were fanning themselves with a further 6.0% in sales growth compared to last year. Prairies retailers had to settle with 4.7% growth.

In a surprise move, retail sales growth in Quebec was ahead of the Prairies. The fashion conscious province partook in some of the national clothing and shoe store growth. Quebec retail sales grew by almost 5.0% in January.

Auto dependent Ontario started the year on a cautious note as auto sales have been slipping for the past few months. Sales growth clocked in at 3.7%.

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

April 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.

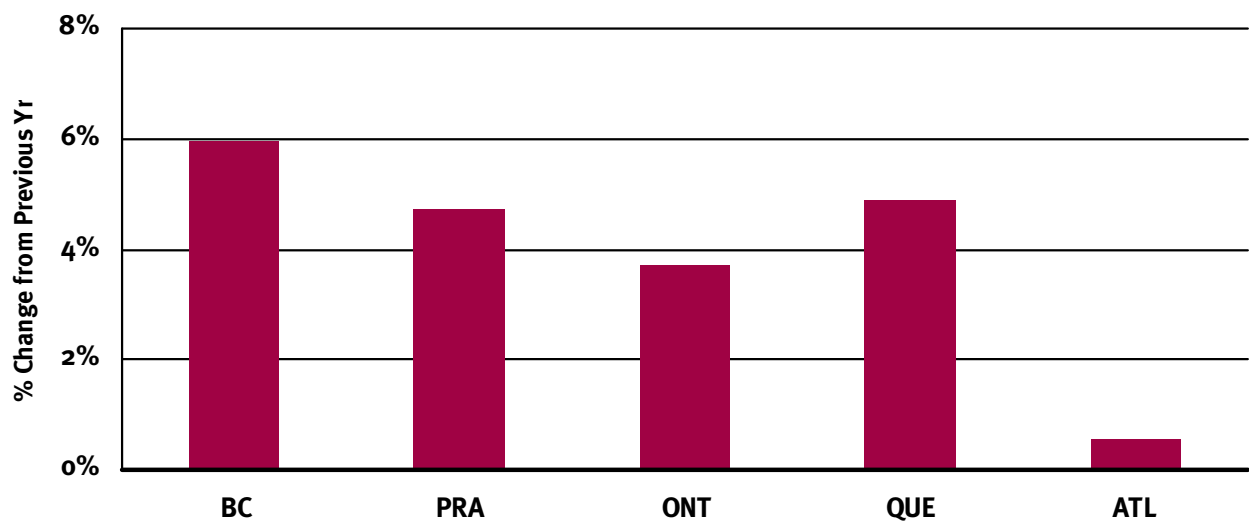
**Retail Sales by Store Category**

<b>Sales for the Month of: January</b>	<b>2003</b>	<b>2002</b>	<b>2003 / 2002</b>
<b>All Stores</b>	<b>22,447.5</b>	<b>21,537.4</b>	<b>4.2%</b>
Automotive Group	8,780.1	8,655.1	1.4%
All Stores Less Automotive	13,667.4	12,882.3	6.1%
Food and Drug Group	6,906.4	6,443.5	7.2%
<b>All Stores Less Auto, Food and Drug</b>	<b>6,761.0</b>	<b>6,438.8</b>	<b>5.0%</b>
<b>General Merchandise Stores</b>	<b>2,191.5</b>	<b>2,074.8</b>	<b>5.6%</b>
Department Stores (incl concessions)	1,281.2	1,232.2	4.0%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,337.7</b>	<b>1,274.2</b>	<b>5.0%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,056.0</b>	<b>999.0</b>	<b>5.7%</b>
Women's Clothing Stores	295.4	285.1	3.6%
Men's Clothing Stores	95.2	98.0	-2.9%
Other Clothing Stores	543.6	501.1	8.5%
Shoe Stores	121.9	114.8	6.2%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,175.8</b>	<b>2,090.8</b>	<b>4.1%</b>
<b>Year-to-date Sales</b>			
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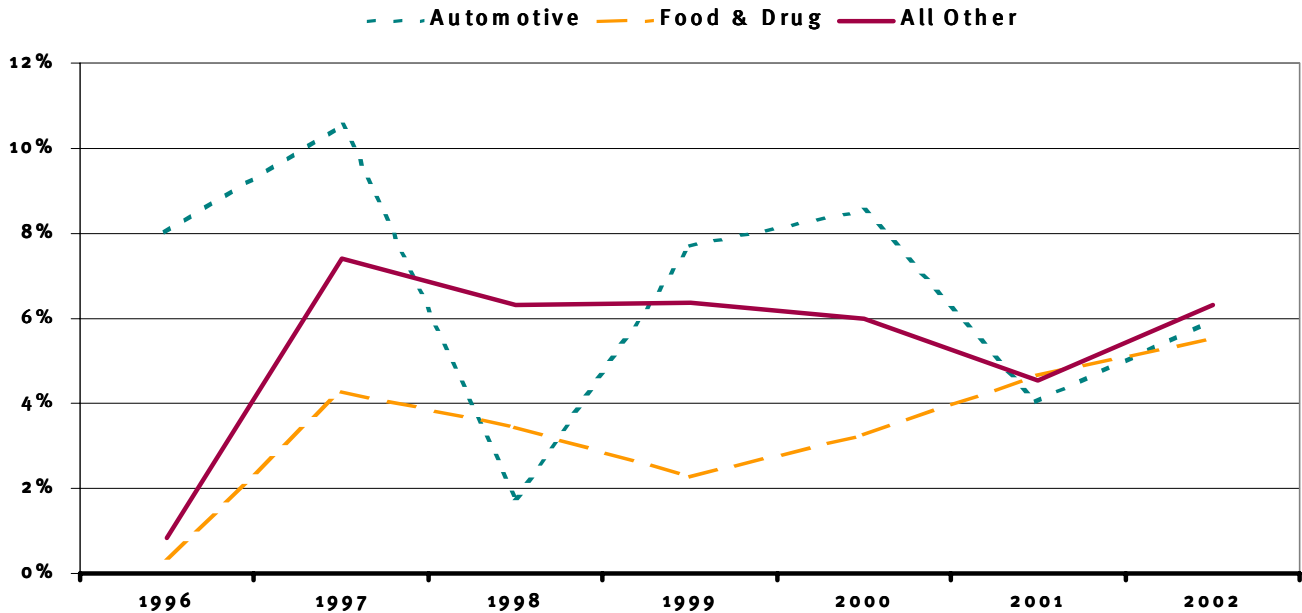
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2003	Same Period 2002	Change 2003 / 2002
British Columbia	3,055.4	2,883.6	6.0%
Prairies	4,266.2	4,074.1	4.7%
Ontario	8,484.7	8,182.7	3.7%
Quebec	4,974.0	4,743.1	4.9%
Atlantic Canada	1,584.1	1,575.5	0.5%

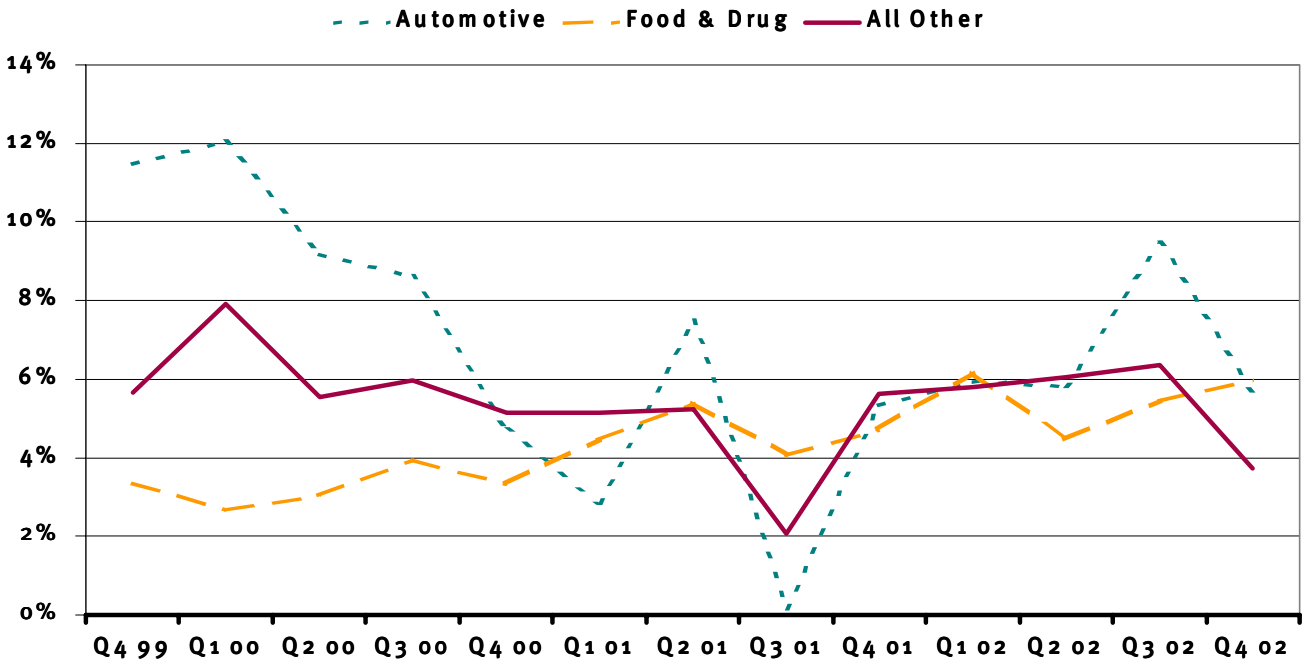
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



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

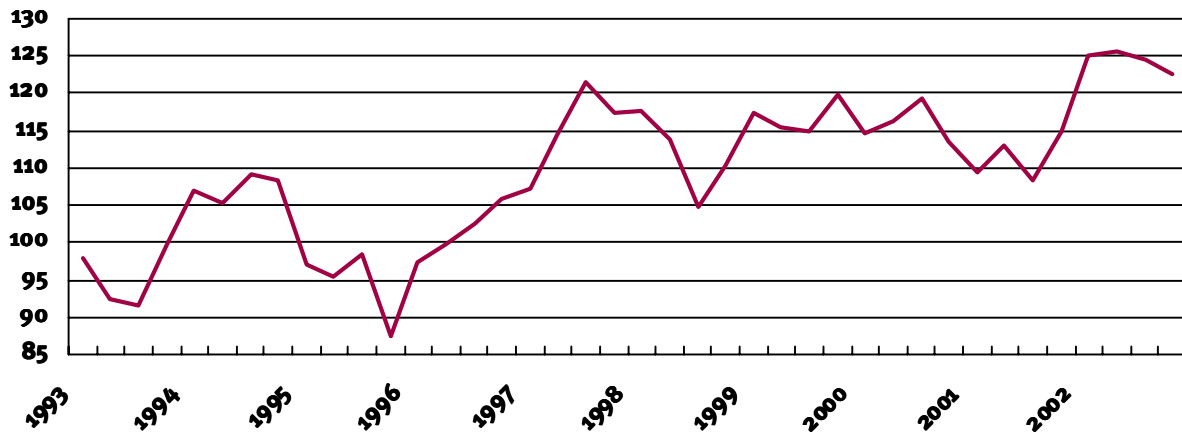
February 2003

vs.

February 2002

4.6%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

