

Bulletin

April 2003 Retail Sales • Released June 23, 2003

CANADA HIT BY SARS – SLOW APRIL RETAIL SALES

Canadian retailers felt a huge smack in the face in April as retail sales hit the wall. All Stores advanced a paltry 1.9%. The disastrous month brought down year-to-date sales almost a full percentage point from 4.7% in March to 3.9% in April. While the Canadian economy had remained relatively immune to the slow downs experienced in other G8 countries around the world, particularly the U.S., there were signs that we were playing catch up. There has been a general softening in the retail sector despite the very strong start early in the year. In addition, the higher interest rates made the dollar more expensive and adversely affected export goods. The final straw came from the WHO's travel ban that delivered a severe blow to the tourism industry, which was only made worse by the higher exchange rate. The whole tourism industry has experienced massive layoffs for which Ontario has been particularly hurt.

Ontario accounts for the largest proportion of total sales. Unadjusted sales volumes for April 2003 were a meagre 0.5% ahead of April 2002.

On a year-to-date basis, Ontario's retail sales had advanced 4.8% by the end of March; by the end of April, year-to-date sales were only 3.6% greater than last year. This 1.2% drop will be difficult to recover from given the general softening in the country.

OTHER THINGS CONSIDERED

While it may seem like all doom and gloom, there are other things to consider that help to explain April's results. Last April, retail sales were tremendously strong. All Stores were up 8.0%, Furniture, Appliance, and Furnishings Stores were up 17.1% and Apparel was up 4.2%. Competing against these very hard numbers was a difficult task for any retailer. However, on a two-year basis, stating that Furniture, Appliance, and Furnishings Stores were up by 18.1% still sounds very good.

In addition, while All Clothing and Shoe Stores fell by 2.5%, the CPI on clothing and footwear fell by 2.6% more or less evening out the decline.

Given that the Canadian economy is so closely aligned with the U.S., J.C. Williams Group has been closely watching the growing confidence along with other signs of increased economic growth to see if April's slowdown will be short lived. Both countries appear to be ready to lower interest rates in a bid to help prop up the economy. However, whether consumers have satiated their demand for big-ticket items is yet undetermined.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

July 21, 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.

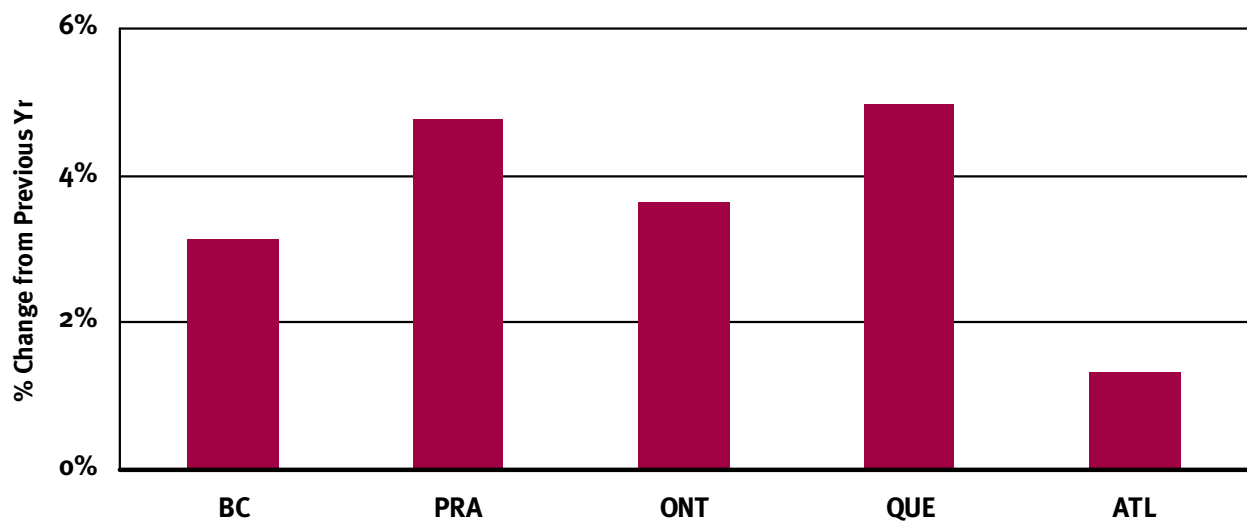
Retail Sales by Store Category

Sales for the Month of: April	2003	2002	2003 / 2002
All Stores	25,995.0	25,499.7	1.9%
Automotive Group	11,232.5	11,465.8	-2.0%
All Stores Less Automotive	14,762.5	14,033.9	5.2%
Food and Drug Group	7,053.9	6,416.8	9.9%
All Stores Less Auto, Food and Drug	7,708.6	7,617.1	1.2%
General Merchandise Stores	2,618.8	2,561.8	2.2%
Department Stores (incl concessions)	1,618.2	1,591.0	1.7%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,378.3	1,364.3	1.0%
All Clothing and Shoe Stores	1,266.1	1,298.6	-2.5%
Women's Clothing Stores	382.1	413.8	-7.6%
Men's Clothing Stores	91.0	109.3	-16.8%
Other Clothing Stores	644.1	615.0	4.7%
Shoe Stores	148.9	160.6	-7.3%
All Other Retail (except auto, food, drug)	2,445.4	2,392.4	2.2%
Year-to-date Sales	2003	2002	2003/2002
All Stores	94,369.3	90,805.8	3.9%
Automotive Group	39,153.3	37,794.1	3.6%
All Stores Less Automotive	55,216.0	53,011.7	4.2%
Food and Drug Group	27,212.4	25,624.0	6.2%
All Stores Less Auto, Food and Drug	28,003.6	27,387.6	2.2%
General Merchandise Stores	9,385.0	9,142.8	2.6%
Department Stores (incl concessions)	5,641.9	5,514.4	2.3%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	5,321.6	5,147.3	3.4%
All Clothing and Shoe Stores	4,342.1	4,307.5	0.8%
Women's Clothing Stores	1,267.3	1,315.3	-3.7%
Men's Clothing Stores	337.3	367.7	-8.3%
Other Clothing Stores	2,258.0	2,137.1	5.7%
Shoe Stores	479.5	487.4	-1.6%
All Other Retail (except auto, food, drug)	8,954.9	8,790.0	1.9%

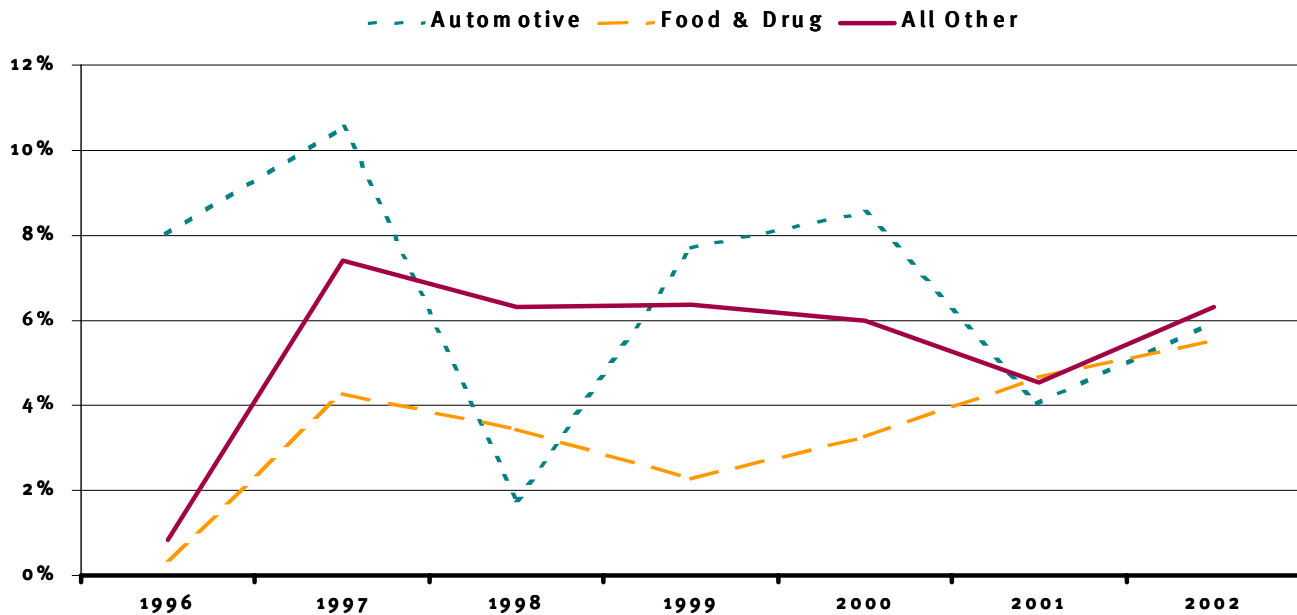
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2003	Same Period 2002	Change 2003 / 2002
British Columbia	12,490.2	12,109.1	3.1%
Prairies	17,759.5	16,952.3	4.8%
Ontario	35,192.4	33,957.5	3.6%
Quebec	21,807.2	20,777.1	5.0%
Atlantic Canada	6,766.0	6,677.7	1.3%

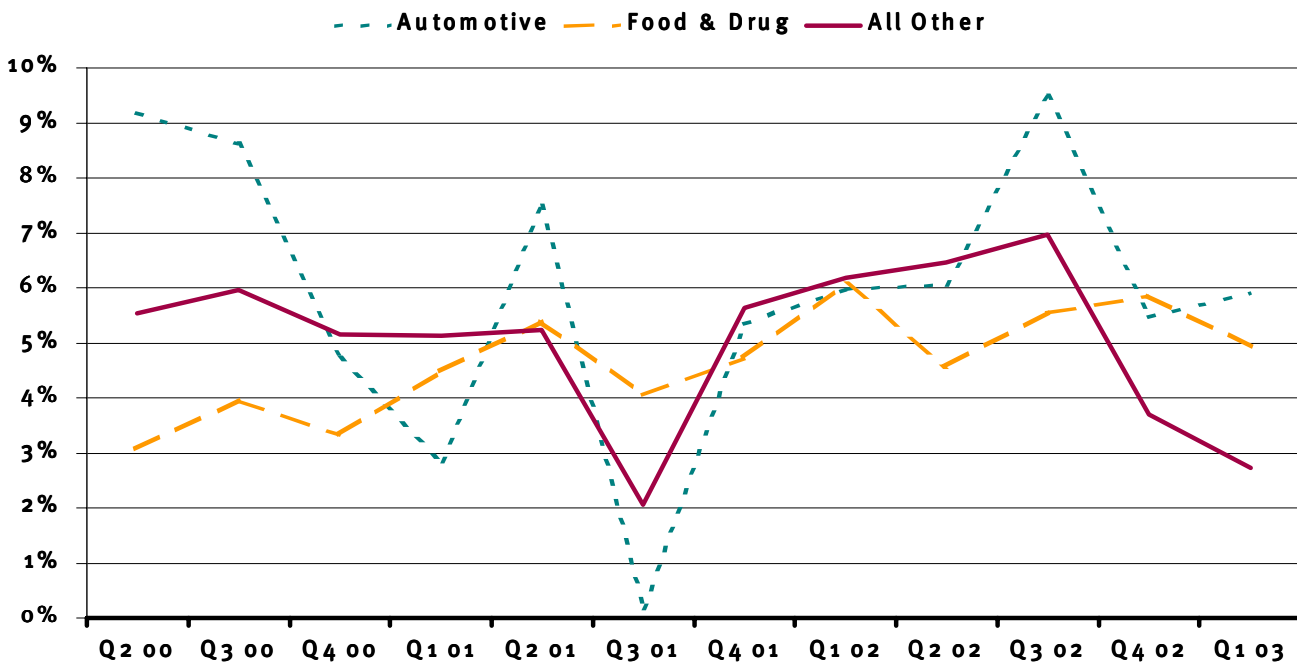
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



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



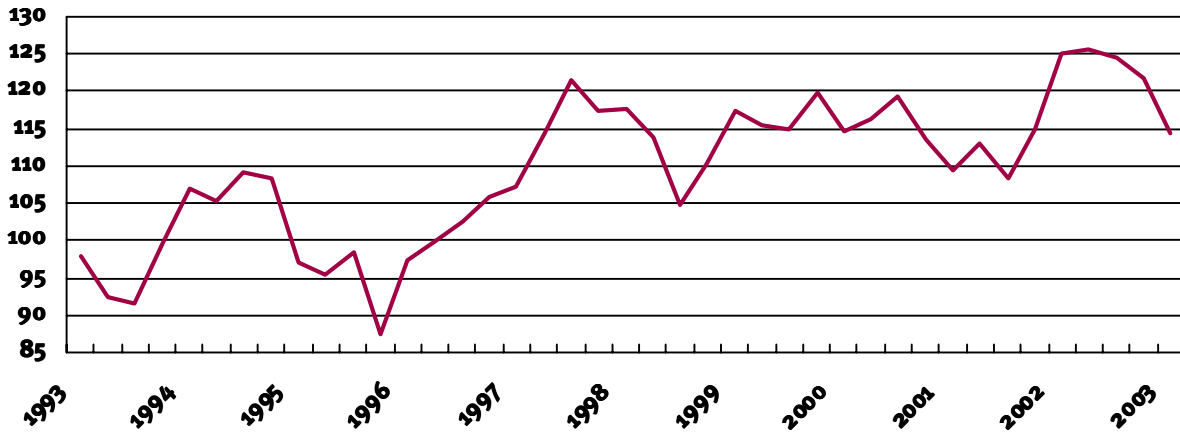
Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

May 2003 vs. May 2002 2.9%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

