

Bulletin

June 2003 Retail Sales • Released August 21, 2003

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RETAIL REALITY

While retail showed small signs of recovering in May, June's retail sales growth brought back a little dose of reality that we are not out of the woods just yet. Most retailers posted moderate gains in June, compared to last June, except for the apparel sector.

All Stores advanced 2.2% in June. For the first six months of the year sales grew by 3.6% overall. There were a number of factors producing unfavourable conditions for retailers: the second wave of SARS hit Ontario, the weather was extremely wet and not particularly warm, Mad Cow disease hit the beef industry particularly affecting Alberta, and the dollar was gaining on the U.S. greenback.

The Automotive Group can't seem to get themselves into the proper gear. There have been massive swings in sales of automobiles, as well as at the gas pumps throughout the year. The Food and Drug Group was off their year-to-date growth gaining only 2.1% in the month compared to last June. Mad Cow was probably somewhat attributable for smaller sales growth.

Furniture, Appliance, and Furnishings Stores remain the sweetheart in the retail economy. In June retail sales hammered ahead 4.9% which, was faster than their year-to-date growth of 4.3%. The housing industry remains a hot industry throughout the country affecting home furnishings' sales.

All Clothing and Shoe Stores were stripped down to the bare essentials during June. Sales remained flat for the sector with Men's Clothing Stores losing 7.5% in the month compared to last June, but other Clothing Stores were able to gain 3.3% over last year. However, as has been the case, just like a broken record, continued deflation continues to target this industry helping to explain some of the losses. In June the CPI for clothing fell by 3.1%. In July, clothing prices continued to fall by 3.2%.

While these series of unexpected tragedies continue to plague the Canadian retail economy, it will be important to see how the blackout will affect the retail economy. While the U.S. retail economy is heating up, the Canadian retail economy is trading water. One positive sign to watch out for is how the double-cohort, university student market will affect back-to-school sales. One would expect a surge at stores like IKEA and Future Shop.

The retail economy in the Prairies has

been unable to sustain the higher gains realized in the past. Quebec dominates the retail economy with year-to-date growth of 4.7%. For June, B.C.'s retail economy actually fell by 0.6% compared to last June. Overall, B.C.'s year-to-date retail growth stands at 2.0%.

Integrated Multi-channel Retailing: A Roadmap to the Future

Can multi-channel retailing really help drive long-term growth in sales, customer satisfaction, and profits? Find out what other retailers have learned, and how you can get the most from call centers, kiosks, Websites, and more. Click on the link to request this report, complements of IBM.

[Integrated Multi-channel Retailing](#)

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

September 22, 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.

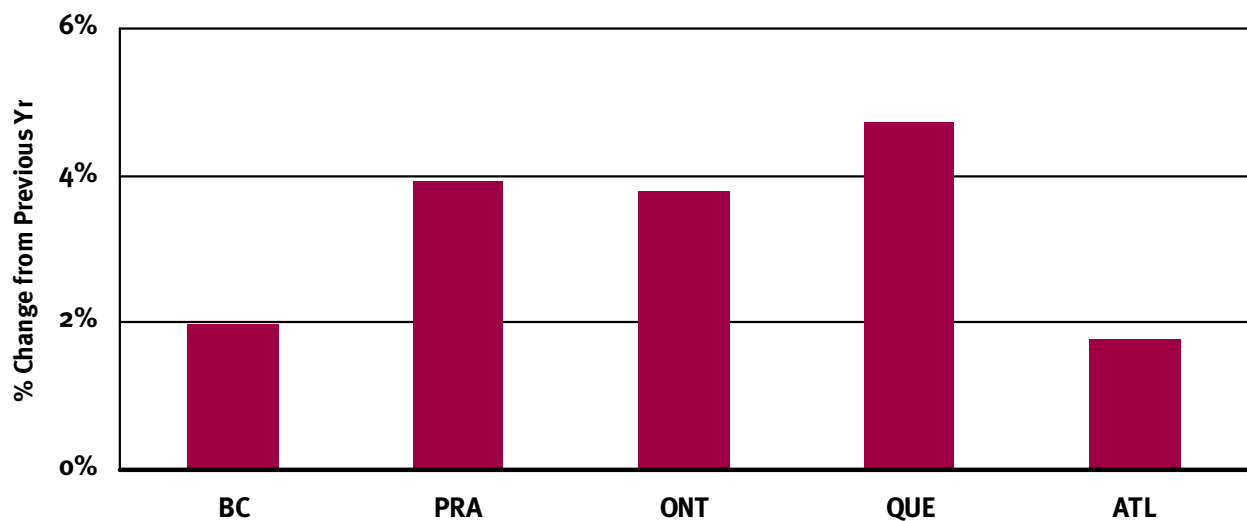
Retail Sales by Store Category

Sales for the Month of: June	2003	2002	2003 / 2002
All Stores	27,577.7	26,976.7	2.2%
Automotive Group	11,769.9	11,466.1	2.6%
All Stores Less Automotive	15,807.8	15,510.6	1.9%
Food and Drug Group	7,115.4	6,966.1	2.1%
All Stores Less Auto, Food and Drug	8,692.4	8,544.5	1.7%
General Merchandise Stores	2,889.4	2,863.2	0.9%
Department Stores (incl concessions)	1,763.9	1,745.1	1.1%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,550.8	1,478.7	4.9%
All Clothing and Shoe Stores	1,356.0	1,356.0	0.0%
Women's Clothing Stores	414.5	418.8	-1.0%
Men's Clothing Stores	115.5	124.8	-7.5%
Other Clothing Stores	663.6	642.7	3.3%
Shoe Stores	162.4	169.7	-4.3%
All Other Retail (except auto, food, drug)	2,896.2	2,846.6	1.7%
Year-to-date Sales	2003	2002	2003/2002
All Stores	150,908.9	145,595.9	3.6%
Automotive Group	63,351.6	61,473.8	3.1%
All Stores Less Automotive	87,557.3	84,122.1	4.1%
Food and Drug Group	41,964.9	39,746.0	5.6%
All Stores Less Auto, Food and Drug	45,592.4	44,376.1	2.7%
General Merchandise Stores	15,216.1	14,785.8	2.9%
Department Stores (incl concessions)	9,213.8	8,945.1	3.0%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	8,426.3	8,075.8	4.3%
All Clothing and Shoe Stores	7,146.1	7,011.9	1.9%
Women's Clothing Stores	2,136.9	2,166.0	-1.3%
Men's Clothing Stores	568.4	610.1	-6.8%
Other Clothing Stores	3,615.0	3,404.9	6.2%
Shoe Stores	825.8	831.0	-0.6%
All Other Retail (except auto, food, drug)	14,803.9	14,502.6	2.1%

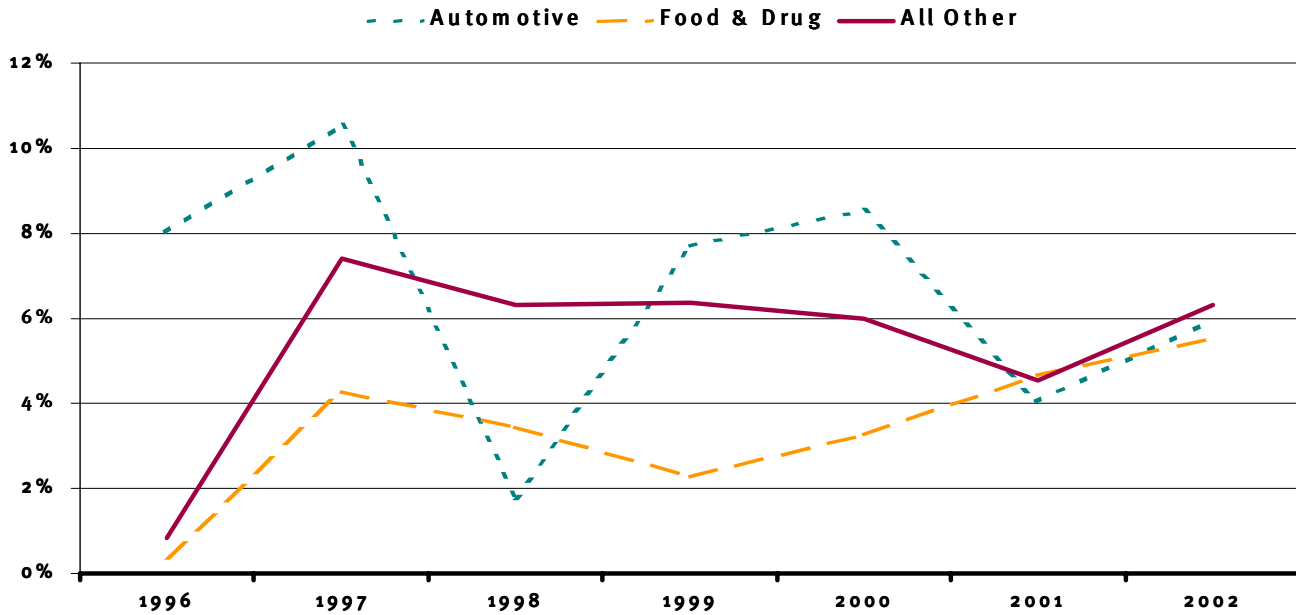
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2003	Same Period 2002	Change 2003 / 2002
British Columbia	19,598.0	19,217.2	2.0%
Prairies	28,113.3	27,049.9	3.9%
Ontario	56,381.3	54,324.7	3.8%
Quebec	35,294.6	33,702.5	4.7%
Atlantic Canada	10,965.1	10,775.3	1.8%

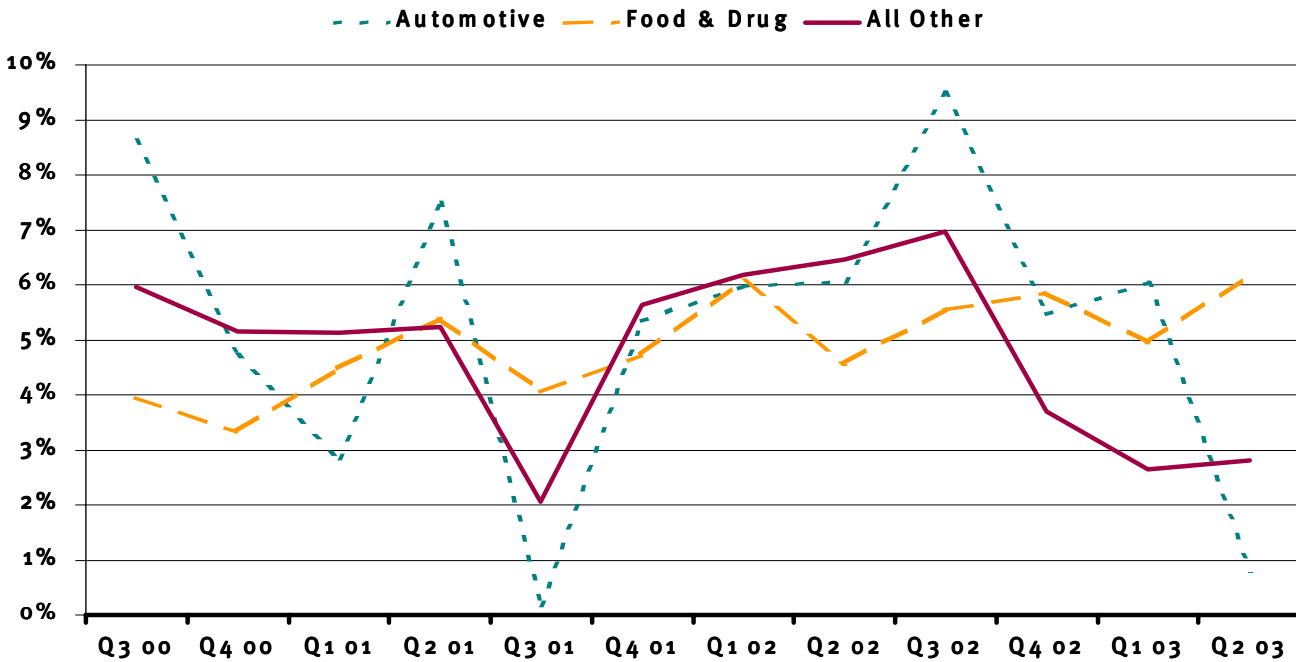
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1994 -2002)



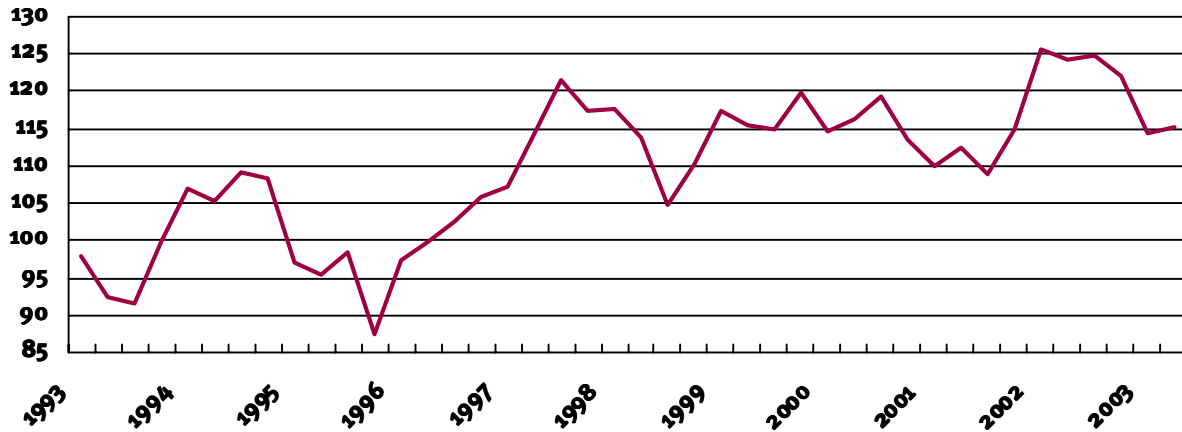
Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

July 2003 vs. July 2002 2.2%

Canadian Consumer Confidence Index 1993-2003



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2003

