

Bulletin

April 2002 Retail Sales • Released June 20, 2002

JUST STARTING TO REV UP

While March was somewhat disappointing, April proved amazing for retail sales growth. As Canadians rounded out the first third of the year, all sources indicate that the Canadian retail economy is firing on all twelve pistons. Retail sales growth is back to its 2000 level with All Stores growing by 6.5% for the year-to-date. The Canadian retail is red hot and is outshining the retail sector south of the border. Continued job growth and relatively low inflation have kept this Canadian retail machine humming.

For the month of April, All Stores soared by 8.0% compared to last April. Clearly, colder damp weather was the fix retailers were looking for as Canadians stayed away from the cottages and vacationed in the stores.

Although it is beginning to sound like a broken record, Furniture, Appliance, Furnishings Stores continue to amaze us. This category grew by 17.1% in April. A sub-sector of this category, Household Furnishings Stores, grew by 22.5% in April compared to last year.

The Automotive Group continues to impress, boasting a double-digit gain of 10.7% in April despite lower prices at the pumps. Strong motor vehicle dealer sales (13.8%) and automotive parts, accessories, and service (11.3%) helped to uplift this sector to this level.

Despite the poor weather, apparel sales bounced back in April proving that the elasticity in new garments can help Clothing Store sales to spring back to life. All Clothing and Shoe Stores gained 4.2% in April led by Shoe Stores which marched ahead 6.0%. The perennial favourite, Other Clothing Stores

only expanded 3.5%. The overall year-to-date increase is still relatively weak (3.3%) for this category but April's gain shows that some retailers in this category are stepping in the right direction.

While inflation on clothing was up 0.1% in April, discounts continue to be the mainstay as May's clothing prices were down 0.3% compared to last May. With such sustained and continued discounting by the apparel sector over the past year, consumers have begun to expect clothing sales specials as part and parcel of their shopping experience.

ON PAR FOR THE COURSE

As mentioned, with one-third of the year gone by, the Canadian retail economy is poised for great growth this year. The other encouraging news is that the regions are more on par with one another. While the Prairies continue to do well, all the other regions of the country are growing by approximately 6% for the year-to-date. This is good news for Ontario retailers who saw their retail sales fall flat in the past year compared to other regions.

PLAN, PLAN, AND MORE PLANNING

Even though the Canadian retail economy is hot and the American one is not, Canadian retailers should reconsider their fall and Christmas planning schedules. While decisions are made many months in advance on product levels for the fall and winter season, with ever-changing events it is important to revisit your buying and inventory levels for the latter half of the year in order to ensure that you have enough stock for this important shopping season.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

July 22, 2002

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	2002	2001	2002 / 2001
All Stores	25,410.3	23,528.6	8.0%
Automotive Group	11,407.4	10,307.6	10.7%
All Stores Less Automotive	14,002.8	13,221.0	5.9%
Food and Drug Group	6,398.7	6,106.1	4.8%
All Stores Less Auto, Food and Drug	7,604.1	7,114.9	6.9%
General Merchandise Stores	2,548.1	2,448.3	4.1%
Department Stores (incl concessions)	1,591.0	1,486.1	7.1%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,352.7	1,155.0	17.1%
All Clothing and Shoe Stores	1,307.5	1,254.8	4.2%
Women's Clothing Stores	415.2	397.5	4.5%
Men's Clothing Stores	109.7	104.6	4.9%
Other Clothing Stores	626.4	605.4	3.5%
Shoe Stores	156.2	147.4	6.0%
All Other Retail (except auto, food, drug)	2,395.7	2,256.7	6.2%
Year-to-date Sales	2002	2001	2002 / 2001
All Stores	90,667.7	85,094.8	6.5%
Automotive Group	37,724.1	35,148.0	7.3%
All Stores Less Automotive	52,943.6	49,946.8	6.0%
Food and Drug Group	25,632.9	24,214.0	5.9%
All Stores Less Auto, Food and Drug	27,310.6	25,732.8	6.1%
General Merchandise Stores	9,097.0	8,719.3	4.3%
Department Stores (incl concessions)	5,514.4	5,067.5	8.8%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	5,107.9	4,565.8	11.9%
All Clothing and Shoe Stores	4,331.3	4,192.4	3.3%
Women's Clothing Stores	1,316.5	1,306.7	0.8%
Men's Clothing Stores	368.8	372.5	-1.0%
Other Clothing Stores	2,173.2	2,057.8	5.6%
Shoe Stores	472.9	455.5	3.8%
All Other Retail (except auto, food, drug)	8,774.5	8,255.3	6.3%

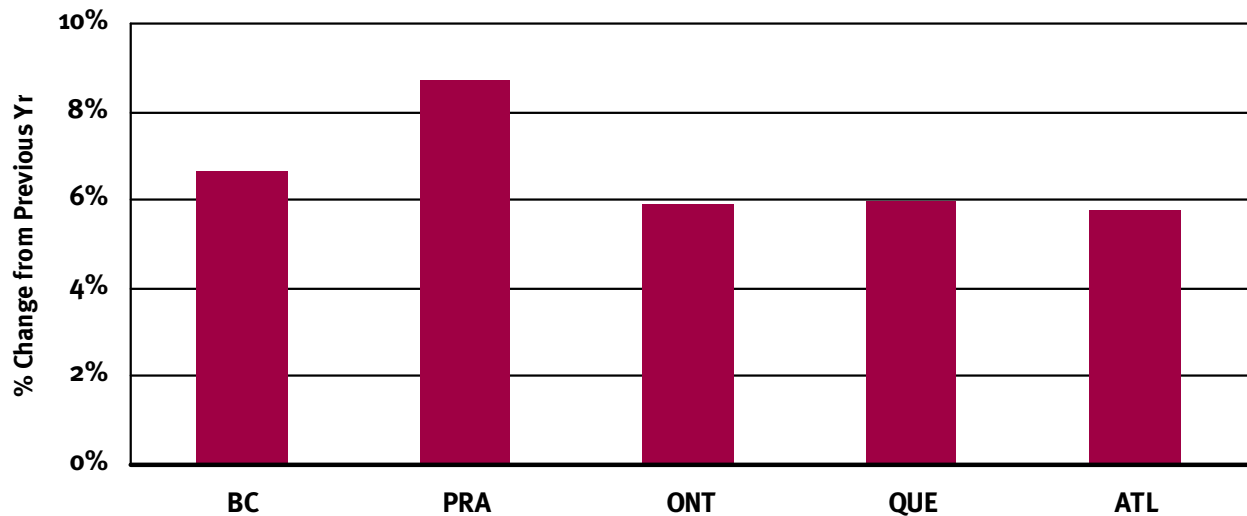
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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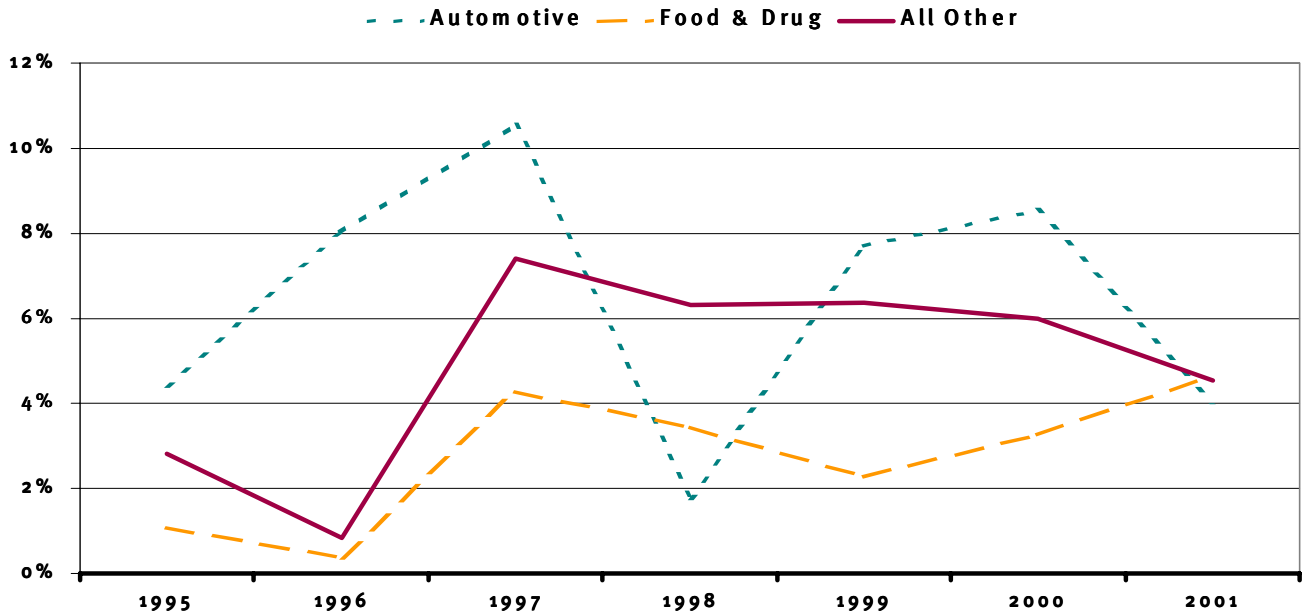
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2002	Same Period 2001	Change 2002 / 2001
British Columbia	12,082.7	11,329.6	6.6%
Prairies	16,873.5	15,518.1	8.7%
Ontario	33,915.2	32,024.1	5.9%
Quebec	20,793.7	19,624.8	6.0%
Atlantic Canada	6,670.6	6,307.1	5.8%

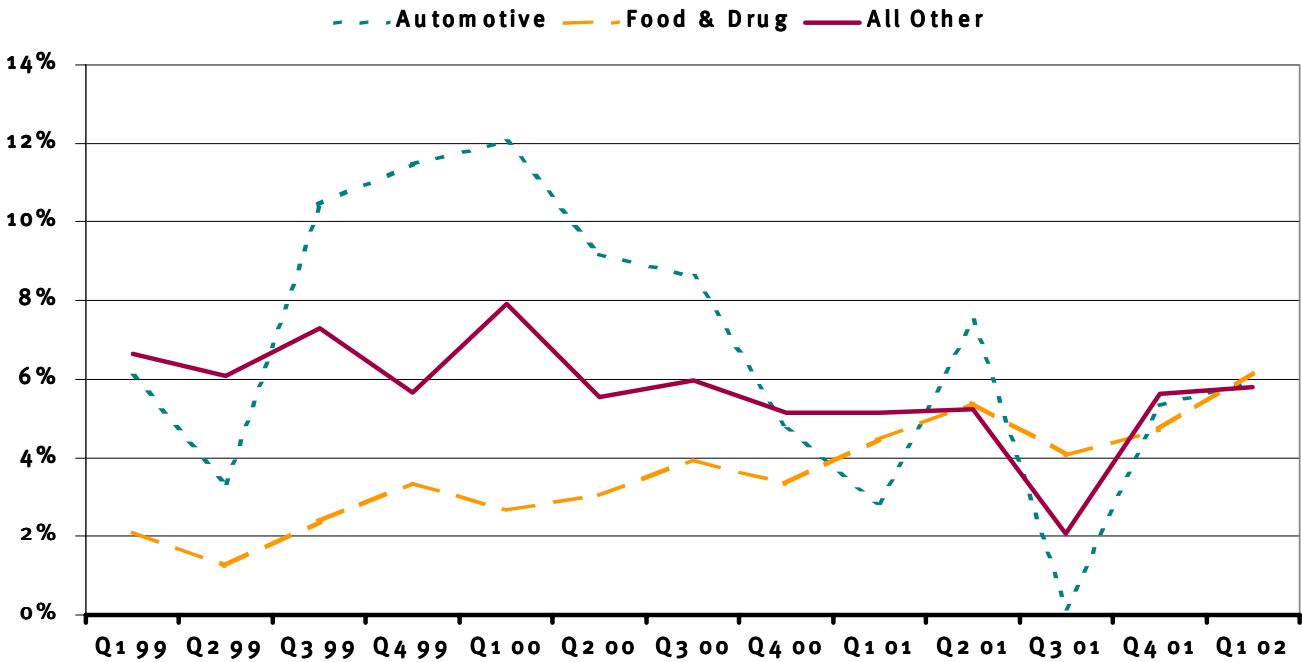
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



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



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



Consumer Price Index

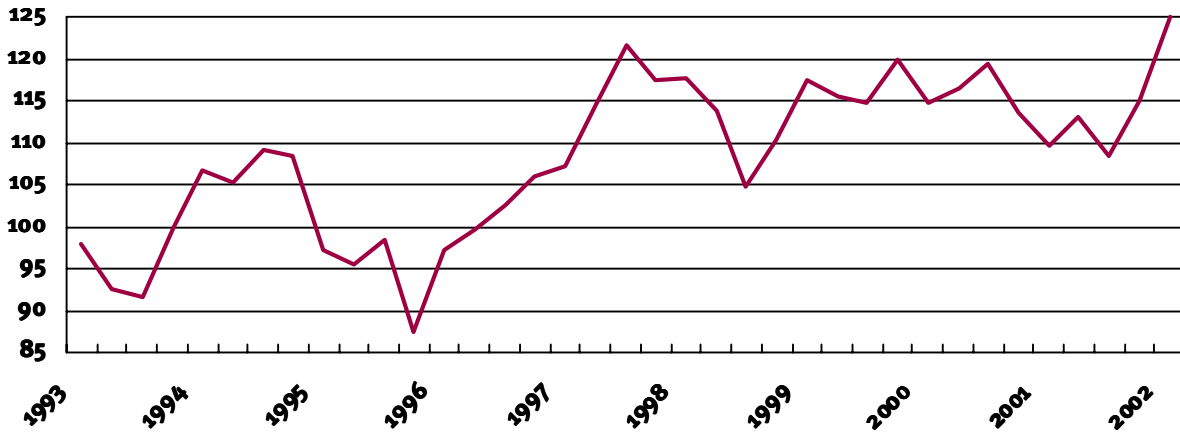
May 2002

vs.

May 2001

1.0%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

