

# Bulletin

July 2002 Retail Sales • Released September 23, 2002

## THE SEASON IS HOT AND THE SPENDING IS EASY

As the heat bore down on the nation in July, Canadians did not seek solace at the nearby pool or beach but at the shopping mall. The net effect was positive for many air-conditioned retailers. As the heat wave cranked up across most of the country, retail sales sped to a 8.4% gain over last year at this time. Obviously, barbecues and air conditioners were hot items.

The Automotive Group, and Furniture, Appliance, and Furnishings Stores heated up sales growth in July gaining 10.7% and 10.8% respectively. Cheap financing is a big draw for these two categories.

Other categories doing well include Department Stores, up 8.4%, and the Food and Drug Group (7.0%). Drug Stores still are performing well nationally and aggressively expanding operations. On the Supermarket front, the changeover to larger format stores is a trend that is continuing.

## READING THE NEWS WITH A GRAIN OF SALT

However, with every piece of news it is good to look at it with a grain of salt. July 2001 retail sales growth figures were relatively soft and somewhat dismal for some retailers. There were signs of deceleration throughout the year.

As an example, Shoe Stores lost 8.9% in July 2001 compared to July 2000. With the 9.7% gain this July, they are slightly ahead of where they were two years ago. Men's Clothing Stores were down 10.9% last year, however, continued spending changes has led to a further decline of 2.3%.

## THE END OF CASUAL?

A silver lining in Men's Clothing Store's future is the move by a small number of companies in Canada and the U.S. to return to business attire every day, and have announced the end of casual Fridays. While interesting news for suit retailers, it is important to note that this represents a small fraction of the total workforce.

## WHAT'S IN STORE?

While inflation increased in August, the CPI for Clothing Sales fell by 1.5%. In July the Index fell 0.8%. This trend will probably continue. Many retailers reported a slow start to the Back-To-School season but said it picked up later in September. Continued low interest rates, job growth, and housing demand are all helping to fuel a relatively strong Canadian retail economy.

The quarterly Canadian Consumer Confidence Index will be updated next month for the third quarter 2002.

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

October 23, 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: July	2002	2001	2002 / 2001
<b>All Stores</b>	<b>26,506.1</b>	<b>24,443.6</b>	<b>8.4%</b>
Automotive Group	11,240.3	10,149.4	10.7%
All Stores Less Automotive	15,265.8	14,294.3	6.8%
Food and Drug Group	6,996.9	6,541.4	7.0%
<b>All Stores Less Auto, Food and Drug</b>	<b>8,268.9</b>	<b>7,752.9</b>	<b>6.7%</b>
<b>General Merchandise Stores</b>	<b>2,700.1</b>	<b>2,543.9</b>	<b>6.1%</b>
Department Stores (incl concessions)	1,627.5	1,501.6	8.4%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,479.7</b>	<b>1,335.7</b>	<b>10.8%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,220.2</b>	<b>1,161.7</b>	<b>5.0%</b>
Women's Clothing Stores	377.0	356.8	5.7%
Men's Clothing Stores	98.9	101.2	-2.3%
Other Clothing Stores	600.8	573.0	4.9%
Shoe Stores	143.5	130.7	9.7%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,868.8</b>	<b>2,711.6</b>	<b>5.8%</b>
<b>Year-to-date Sales</b>	<b>2002</b>	<b>2001</b>	<b>2002 / 2001</b>
<b>All Stores</b>	<b>171,882.6</b>	<b>161,901.7</b>	<b>6.2%</b>
Automotive Group	72,627.4	68,129.2	6.6%
All Stores Less Automotive	99,255.2	93,772.5	5.8%
Food and Drug Group	46,758.9	44,290.5	5.6%
<b>All Stores Less Auto, Food and Drug</b>	<b>52,496.3</b>	<b>49,482.0</b>	<b>6.1%</b>
<b>General Merchandise Stores</b>	<b>17,432.9</b>	<b>16,577.6</b>	<b>5.2%</b>
Department Stores (incl concessions)	10,572.6	9,764.8	8.3%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>9,499.4</b>	<b>8,467.2</b>	<b>12.2%</b>
<b>All Clothing and Shoe Stores</b>	<b>8,256.0</b>	<b>7,981.3</b>	<b>3.4%</b>
Women's Clothing Stores	2,545.4	2,498.4	1.9%
Men's Clothing Stores	711.1	724.0	-1.8%
Other Clothing Stores	4,042.5	3,837.2	5.3%
Shoe Stores	957.1	921.7	3.8%
<b>All Other Retail (except auto, food, drug)</b>	<b>17,308.0</b>	<b>16,455.9</b>	<b>5.2%</b>

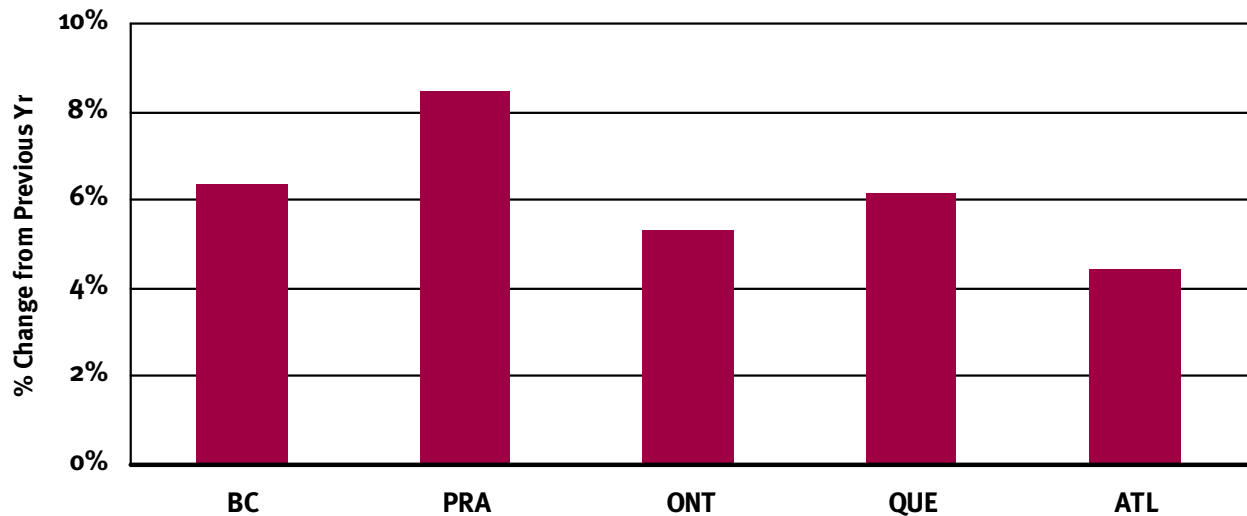
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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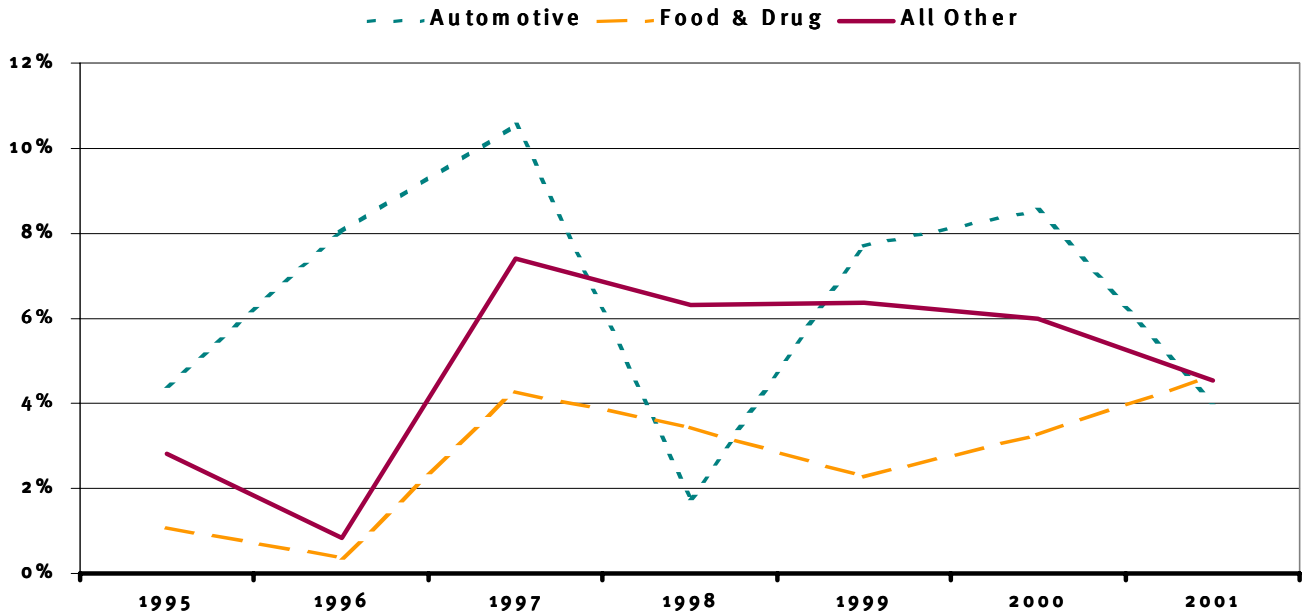
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2002	Same Period 2001	Change 2002 / 2001
British Columbia	22,651.9	21,303.3	6.3%
Prairies	31,799.9	29,322.5	8.4%
Ontario	64,094.9	60,863.6	5.3%
Quebec	39,914.1	37,600.1	6.2%
Atlantic Canada	12,796.5	12,255.1	4.4%

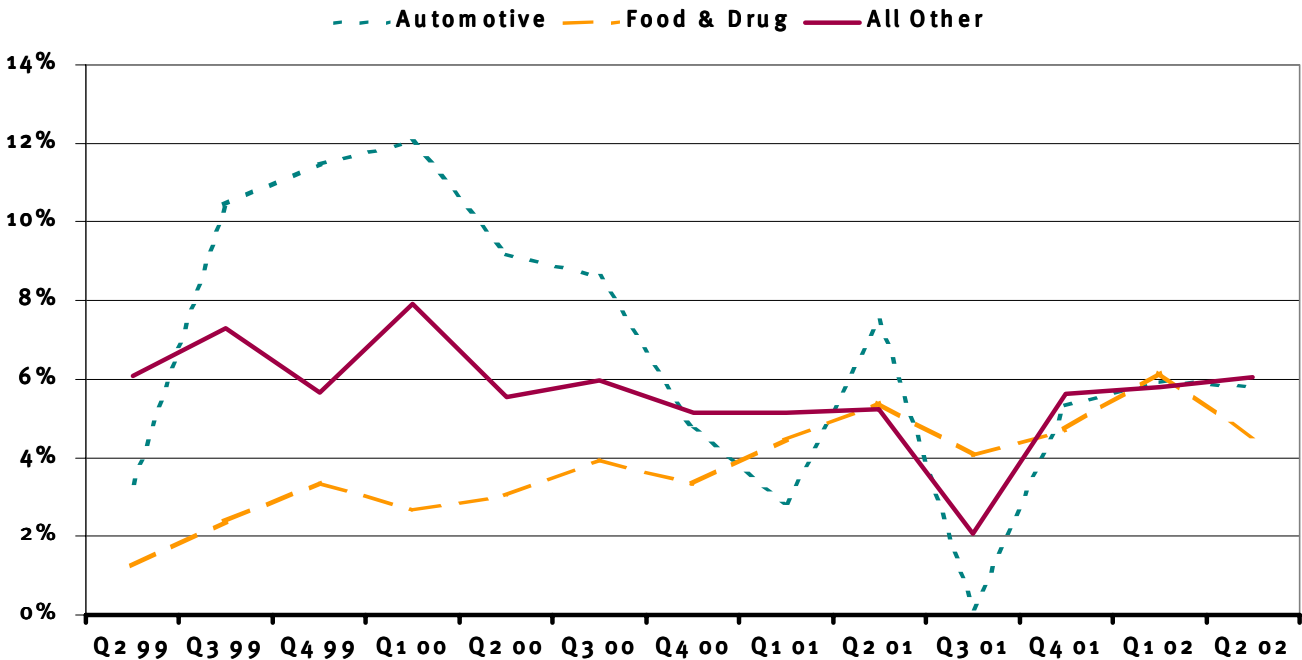
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



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

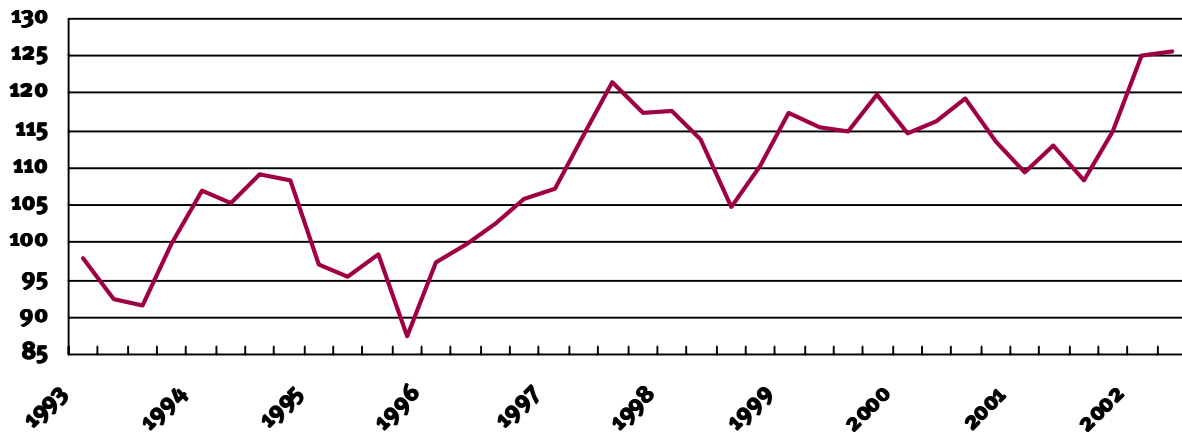
August 2002

vs.

August 2001

2.6%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

