

# Bulletin

September 2002 Retail Sales • Released November 22, 2002

## APPAREL TAKES THE HEAT

A warmer than usual September is just one of the contributing factors that led Clothing and Shoe Stores to post a 1.2% decline in retail sales in September. This is especially troublesome considering this is building upon September 2001. In the two years since September 2000, Clothing and Shoe Store sales have fallen 6.4%.

Men's Specialty Clothing Stores took the biggest hit falling almost 6% in September. Shoe Stores also suffered under the heat and fell 5.2%. Women's Specialty Clothing Stores could not handle the pressure and fell 2.6%. Other Specialty Clothing Stores helped to stop some of the bleeding by gaining 1.3%. Clothing sales at department stores suffered in September as well. Department Store sales have not performed well in September gaining only 3.2% however, on a year-to-date basis, they are still up 7.4% compared to last year.

While Drug Stores remain strong, growing by 8.7% in September, Food Stores performed relatively weak. Overall, Food Stores fell 0.3% and when inflation is taken into consideration, the fall is greater. Inflation on food items for September 2002 was 2.0%.

However, despite a bad retail month in September, retail sales for the year are doing well. Entering into the final quarter of 2002, All Stores have grown by 6.3% compared to last year and All Stores Less Auto, Food, and Drug have kept pace gaining 6.1% on the year. While sales levels are greater, there is a mood of cautiousness and skepticism concerning what is happening south of the border, and questions regarding when our retail sales bubble will burst.

Given the anomaly of last year, J.C. Williams Group thought it would be informative to illustrate how retail sales have been performing on a two-year basis. The following chart highlights major retail store categories and their sales growth in September compared to September 2000. The last column shows the annualized change.

Store Category	Sept 2002/2000	Annualized Change
Total	4.7%	2.3%
Food Stores	1.6%	1.6%
Drug Stores	12.2%	5.9%
Automotive	16.4%	7.9%
General Merchandise	3.2%	1.6%
Department Stores	6.6%	3.2%
Apparel	-6.4%	-3.2%
Furniture, Appliances, Furnishings	12.9%	6.3%

The Automotive Group has grown by almost 8% each year. Furniture, Appliances, and Furnishings Stores and Drug Stores have maintained a yearly increase of over 6%. Compared to September 2000, sales at specialty clothing and shoe stores has fallen by 3.2% each year.

## REGIONAL REALITY

Alberta's retail economy continues to lead the country, helping to keep the Prairie region ahead of the others. For the first nine months of 2002, retail sales in the Prairie provinces have grown by 8.3%. Quebec has surpassed B.C. growing by 6.4% for the year. B.C.'s retail economy is decelerating as the year progresses. Retail sales for the year are up 6.0% in the province, but in September they only advanced 4.4% leading to a downward trend. Ontario continues to gain momentum throughout the year growing by 5.7% for the year-to-date and 7.2% in September.

## RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

December 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.

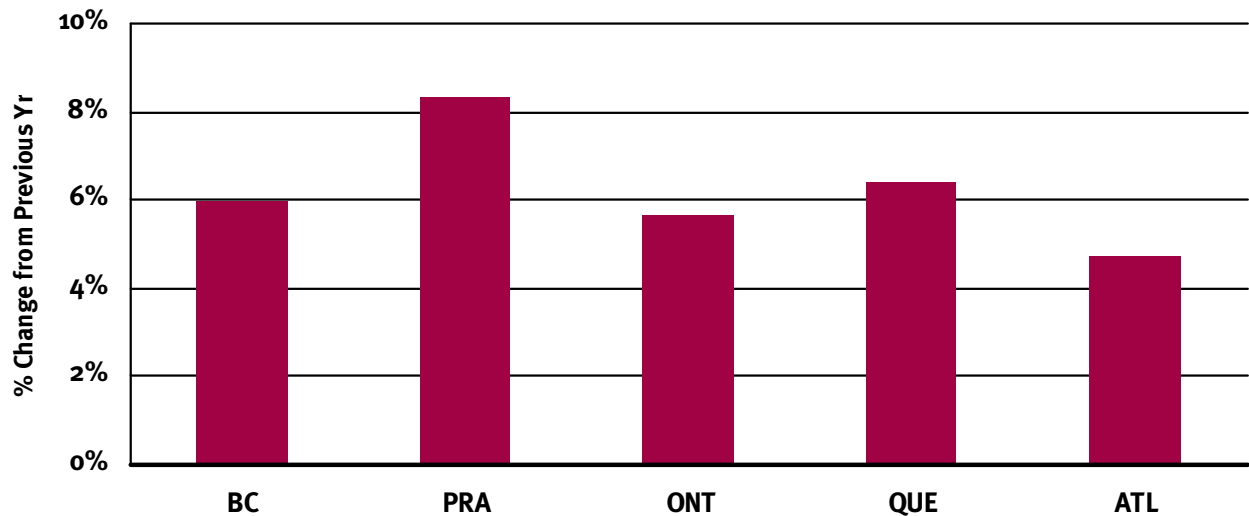
**Retail Sales by Store Category**

<b>Sales for the Month of: September</b>	<b>2002</b>	<b>2001</b>	<b>2002 / 2001</b>
<b>All Stores</b>	<b>24,934.0</b>	<b>23,323.8</b>	<b>6.9%</b>
Automotive Group	10,235.9	9,138.6	12.0%
All Stores Less Automotive	14,698.1	14,185.2	3.6%
Food and Drug Group	6,606.0	6,521.9	1.3%
<b>All Stores Less Auto, Food and Drug</b>	<b>8,092.0</b>	<b>7,663.3</b>	<b>5.6%</b>
<b>General Merchandise Stores</b>	<b>2,588.7</b>	<b>2,469.0</b>	<b>4.8%</b>
Department Stores (incl concessions)	1,551.3	1,503.0	3.2%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,523.6</b>	<b>1,360.7</b>	<b>12.0%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,326.5</b>	<b>1,342.3</b>	<b>-1.2%</b>
Women's Clothing Stores	392.2	402.8	-2.6%
Men's Clothing Stores	98.8	104.9	-5.9%
Other Clothing Stores	687.0	677.9	1.3%
Shoe Stores	148.5	156.7	-5.2%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,653.2</b>	<b>2,491.2</b>	<b>6.5%</b>
<b>Year-to-date Sales</b>	<b>2002</b>	<b>2001</b>	<b>2002 / 2001</b>
<b>All Stores</b>	<b>223,905.7</b>	<b>210,595.3</b>	<b>6.3%</b>
Automotive Group	93,717.7	87,511.1	7.1%
All Stores Less Automotive	130,188.0	123,084.2	5.8%
Food and Drug Group	60,773.7	57,675.0	5.4%
<b>All Stores Less Auto, Food and Drug</b>	<b>69,414.4</b>	<b>65,409.2</b>	<b>6.1%</b>
<b>General Merchandise Stores</b>	<b>22,832.6</b>	<b>21,701.7</b>	<b>5.2%</b>
Department Stores (incl concessions)	13,854.1	12,898.8	7.4%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>12,603.2</b>	<b>11,223.2</b>	<b>12.3%</b>
<b>All Clothing and Shoe Stores</b>	<b>11,002.2</b>	<b>10,689.4</b>	<b>2.9%</b>
Women's Clothing Stores	3,329.7	3,289.3	1.2%
Men's Clothing Stores	913.9	931.4	-1.9%
Other Clothing Stores	5,495.0	5,235.2	5.0%
Shoe Stores	1,263.7	1,233.5	2.4%
<b>All Other Retail (except auto, food, drug)</b>	<b>22,976.4</b>	<b>21,794.8</b>	<b>5.4%</b>

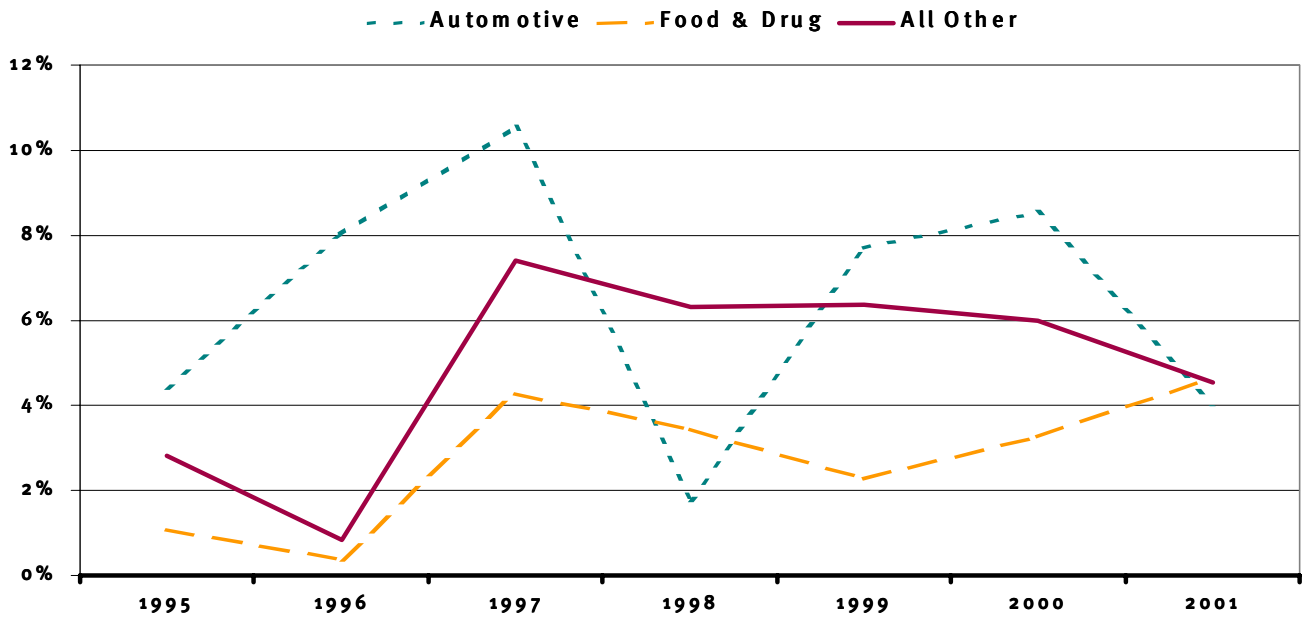
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2002	Same Period 2001	Change 2002 / 2001
British Columbia	29,415.1	27,754.5	6.0%
Prairies	41,448.1	38,258.7	8.3%
Ontario	83,614.1	79,130.6	5.7%
Quebec	51,846.8	48,726.0	6.4%
Atlantic Canada	16,760.7	16,000.3	4.8%

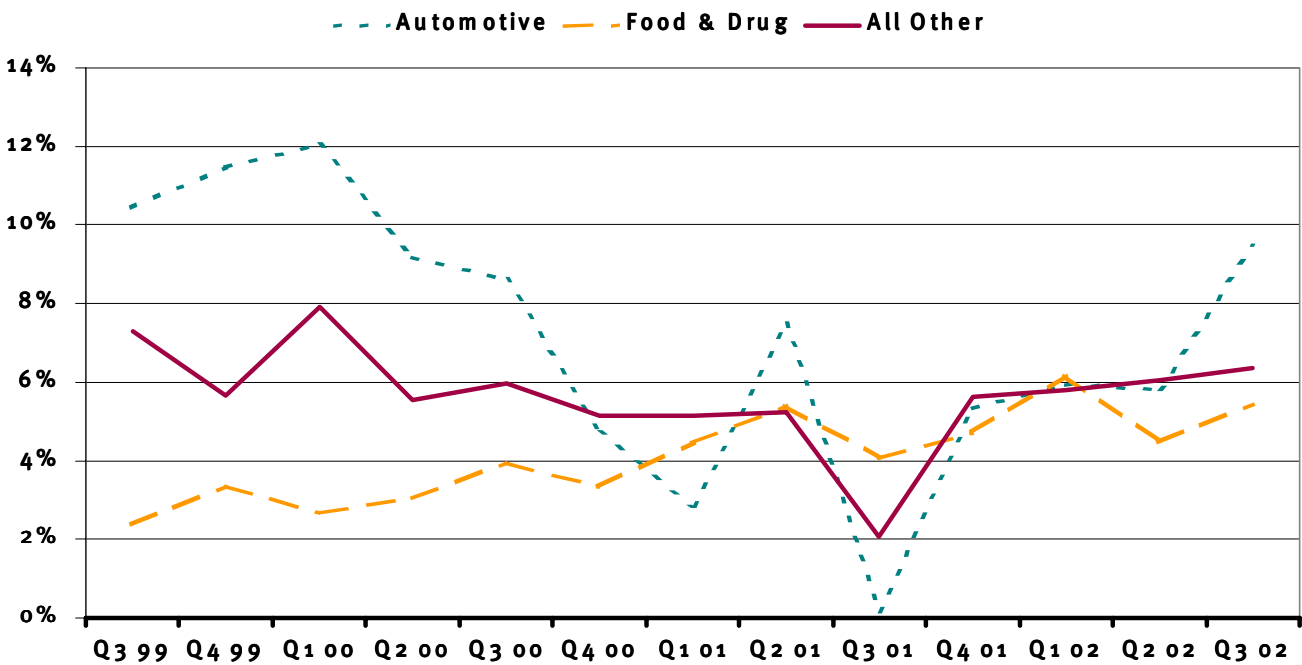
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



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



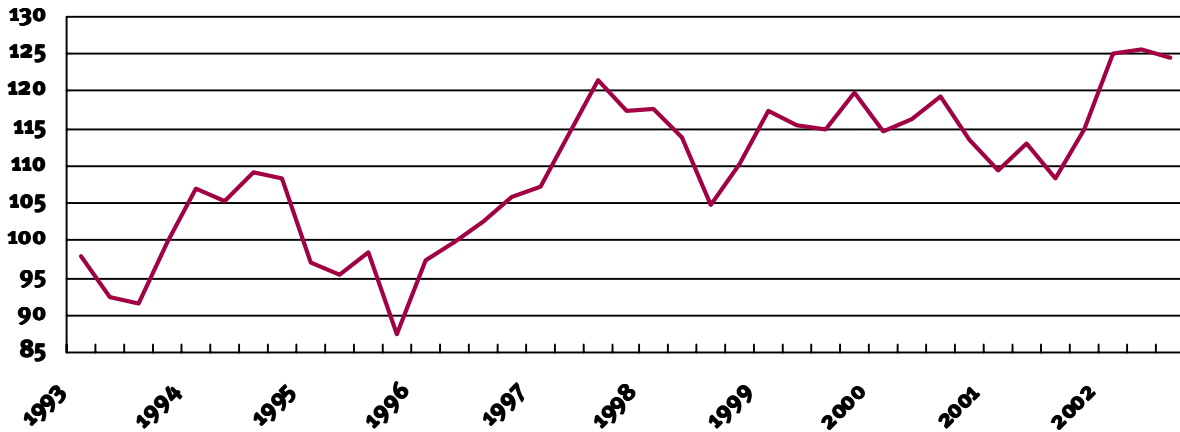
Canadian Retail Sales by Major Product Categories From the Same Quarter A Year Earlier



Consumer Price Index

October 2002 vs. October 2001 3.2%

Canadian Consumer Confidence Index 1993-2002



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2002

