

Bulletin

September 2001 Retail Sales • Released November 22, 2001

DOWN BUT NOT OUT

It is no surprise to most Canadians and to Canadian retailers that consumers reduced their spending during the month of September. Many Canadians started either “cocooning” or “fortressing” according to economists, focusing more on the home rather than spending. Spare time was spent watching the news events despite politicians’ urges for people to get back to their lives. While the economy was in a deceleration mode, the events of September 11th hurt retailers. The Automotive Group (-5.4%) and the All Clothing and Shoe Stores (-5.3%) were the hardest hit. As a result, both Total Sales and All Stores Less Auto Food and Drug fell by 2.3% compared to last September.

However, the Food and Drug Group was able to post a modest gain of 2.4%, and the resilient Furniture, Appliance, and Furnishings Stores grew by 1.1% over last September.

Early indications, especially from the U.S., show that October retail sales are bouncing back due to deep discounts and consumer confidence being restored. No doubt stores in the U.S. as well as Canadian retailers will be monitoring this all important holiday weekend in an effort to determine how the rest of the holiday season will shape up. J.C. Williams Group maintains that the holiday season will grow by 2% to 3% over last year.

ONTARIO TAKES THE HIT

Retailers in Ontario suffered the worst in September as retail sales for the year only edged up 2.4% and contributed in emphasizing the overall decline for the month.

CANADIAN RETAILERS ARE GETTING IT

J.C. Williams Group, in conjunction with the Retail Council of Canada, recently launched the results of the Canadian Retail Technology Survey. The survey shows that as a group, retailers are boosting their IT budgets, elevating the role of IT in their organizations, and focusing on new and emerging technologies.

The survey was fielded online in June/July 2001, and included analysis, segmented by size of retailer, on the following topics:

- IT department (Staffing issues)
- IT operating budgets and allocation

- New and emerging technologies
- Current technology infrastructure
- Effectiveness of current software applications
- Multi-channel penetration and integration
- Outsourcing status and issues

The Executive Summary Report can be downloaded from our Web site at www.jcwg.com. For further information, contact Rena Granofsky at rgranofsky@jcwg.com.

Many thanks to our sponsors, Canada Post, IBM, and JDA, and to the retailers who took their valuable time to help.

RELEASE DATE OF THE NEXT NATIONAL RETAIL BULLETIN

December 20, 2001

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 use seasonally adjusted figures, J.C. Williams Group believes that using raw figures 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: September	2001	2000	2001 / 2000
All Stores	23,281.5	23,821.2	-2.3%
Automotive Group	9,114.0	9,630.8	-5.4%
All Stores Less Automotive	14,167.5	14,190.5	-0.2%
Food and Drug Group	6,538.5	6,384.2	2.4%
All Stores Less Auto, Food and Drug	7,629.0	7,806.3	-2.3%
General Merchandise Stores	2,471.3	2,508.6	-1.5%
Department Stores (incl concessions)	1,503.0	1,455.5	3.3%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	1,364.3	1,349.3	1.1%
All Clothing and Shoe Stores	1,343.1	1,417.6	-5.3%
Women's Clothing Stores	402.7	433.0	-7.0%
Men's Clothing Stores	106.5	126.3	-15.6%
Other Clothing Stores	676.5	692.1	-2.3%
Shoe Stores	157.4	166.2	-5.3%
All Other Retail (except auto, food, drug)	2,450.3	2,530.8	-3.2%
Year-to-date Sales	2001	2000	2001/2000
All Stores	210,727.0	202,451.2	4.1%
Automotive Group	87,492.1	84,463.2	3.6%
All Stores Less Automotive	123,234.9	117,988.0	4.4%
Food and Drug Group	57,784.9	55,117.3	4.8%
All Stores Less Auto, Food and Drug	65,450.0	62,870.7	4.1%
General Merchandise Stores	21,821.4	21,029.1	3.8%
Department Stores (incl concessions)	12,898.8	11,936.4	8.1%
Furniture, Appliance, Furnishings Stores (incl. Electronics)	11,204.0	10,556.6	6.1%
All Clothing and Shoe Stores	10,717.0	10,356.9	3.5%
Women's Clothing Stores	3,302.0	3,178.7	3.9%
Men's Clothing Stores	951.7	1,011.4	-5.9%
Other Clothing Stores	5,227.9	4,912.8	6.4%
Shoe Stores	1,235.5	1,253.9	-1.5%
All Other Retail (except auto, food, drug)	21,707.6	20,928.2	3.7%

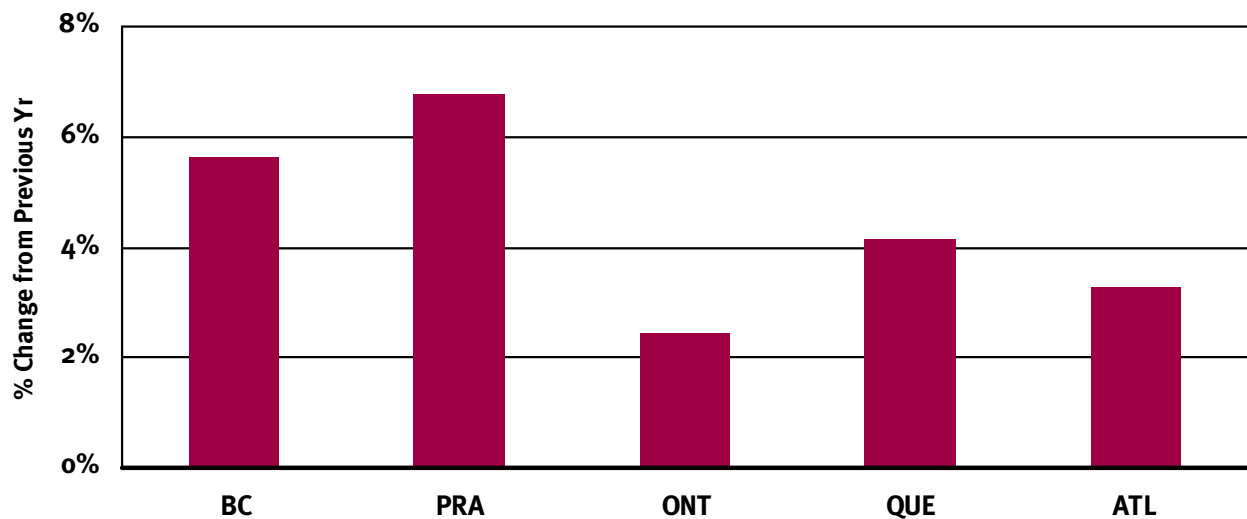
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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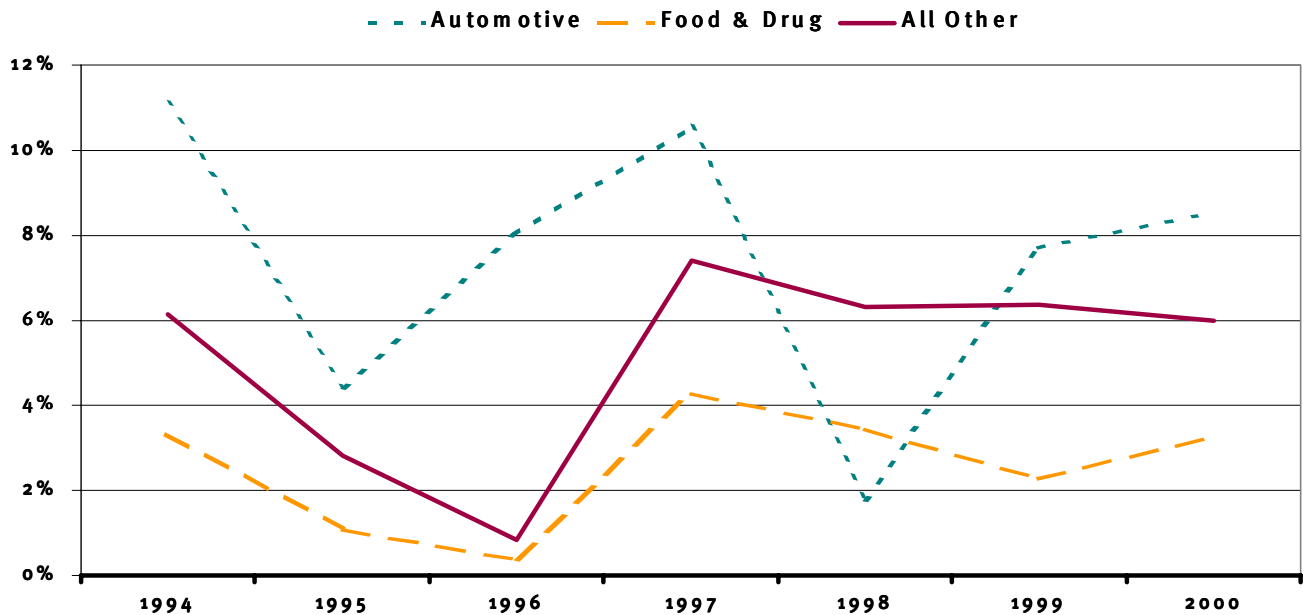
Retail Trade, Canada, All Stores, By Major Region

	Year-to-Date 2001	Same Period 2000	Change 2001 / 2000
British Columbia	27,631.5	26,157.9	5.6%
Prairies	38,234.0	35,809.1	6.8%
Ontario	79,297.4	77,419.2	2.4%
Quebec	48,860.5	46,911.4	4.2%
Atlantic Canada	15,980.8	15,472.1	3.3%

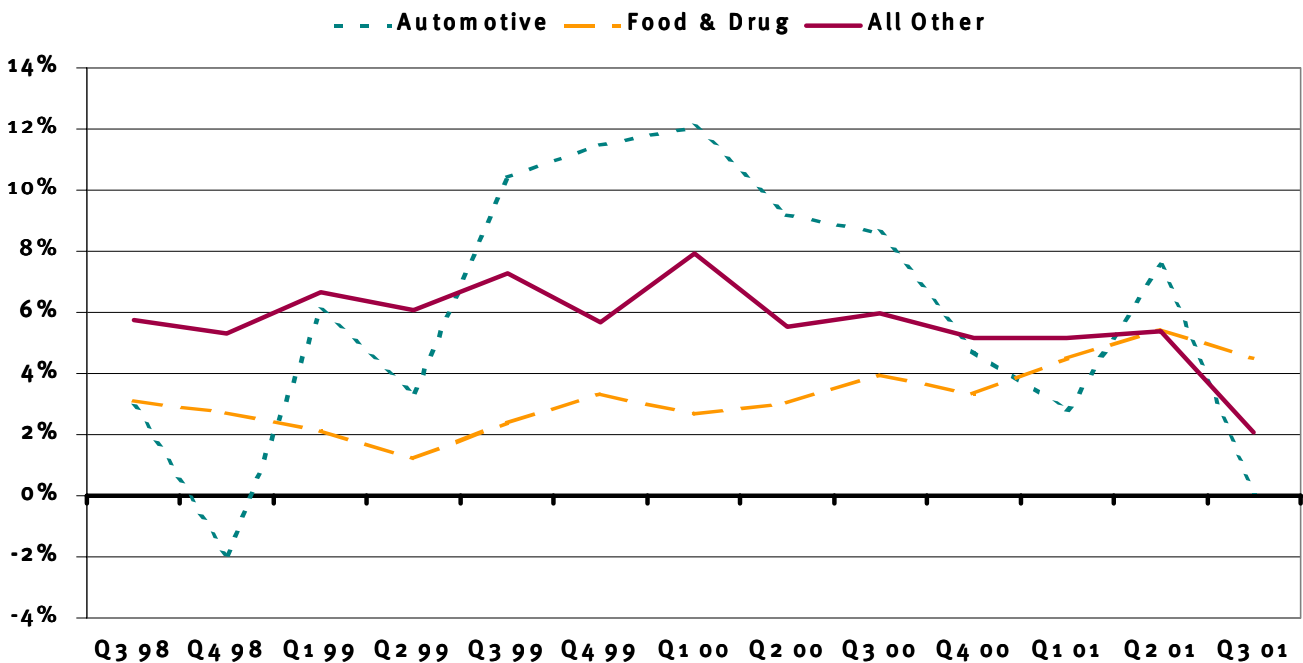
**Percentage Change in Retail Trade, All Stores, by Region
Year-to-Date Compared to Same Period Last Year**



Canadian Retail Sales by Major Product Categories Year Over Year (1994 -2000)



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



Consumer Price Index

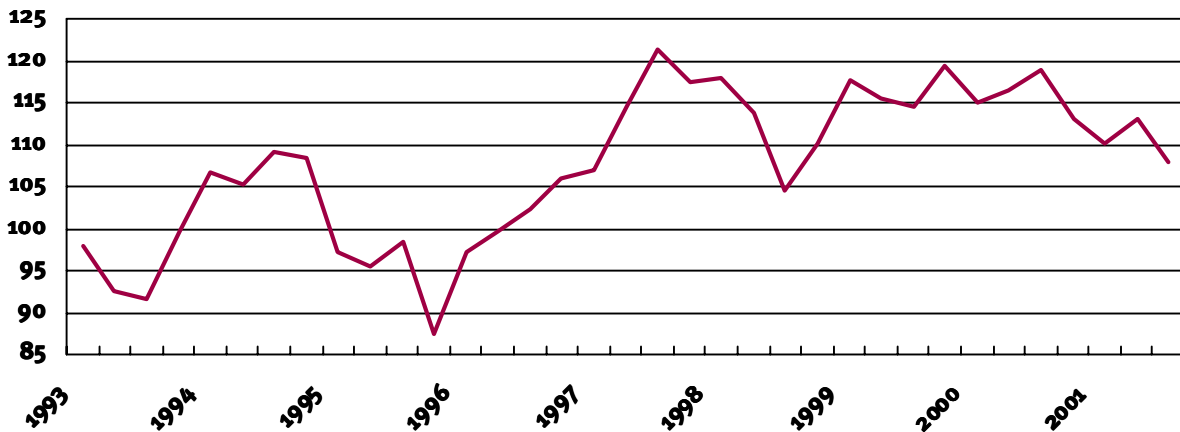
October 2001

vs.

October 2000

1.9%

Canadian Consumer Confidence Index 1993-2001



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2001

