

# Bulletin

May 2001 Retail Sales • Released July 23, 2001

## WHAT'S GOING ON HERE?

By all accounts, Canadian retailers should be suffering. Report after report coming out of the U.S. inform us of profit warnings and lower than expected revenues south of the border. Slower retail growth in the U.S. should indicate slower growth in Canada however, the resolve to continue to spend pervades in Canada.

Overall, May brought Canadians out of the house and into the streets and shopping malls to increase their total shopping over last year by 7.4%. In every store category retail sales growth for the month of May was almost equal to or greater than the year-to-date growth rates with the exception of Furniture, Appliance, and Furnishings Stores (3.7% for May compared to 6.6% year-to-date). The decelerating growth for this retail category is related to the inability to sustain high growth rates over the long term and some products such as PCs selling at lower price points.

All Clothing and Shoe Stores performed well in May growing by 6.7%. This represents almost total spending growth, as inflation in the clothing sector for May was a negligible 0.2%.

In the Food and Drug Group, both the Drug Stores and Food Stores witnessed increased consumer spending of 8.8% in May 2001 compared to May 2000.

However, inflation on food prices accounted for two-thirds of the growth (5.2%).

## SIMILAR BUT DIFFERENT

On a year-to-date basis retail sales increased by 5.3% compared to last year. Last year at this time retail sales fared slightly better, increasing by 6.8% compared to 1999. While the growth rate overall is similar, the breakout for the different categories is completely different. Exceptional examples include:

Category	Year-to-date 2001/2000	Year-to-date 2000/1999
Automotive	5.9%	10.7%
Department Stores	8.5%	2.3%
Furniture, Appl., Furnishings	6.6%	13.7%
Women's Clothing	7.3%	1.8%
Men's Clothing	-2.3%	1.6%
Ontario	4.3%	8.2%

Retail spending in Ontario and some Atlantic provinces is not advancing as fast as other regions. The West remains a hot bed for retail spending. Also, Quebec is gaining momentum, by building off of double-digit growth (10.1%) for May to bring their year-to-date growth to 5.6% over last year.

## CONFIDENCE BOOST

May's good news for retailers is buoyed by the Conference Board's recent update in the Canadian Consumer Confidence Index. The Index, which had been falling since late last year (from 118.4 to 109.8), regained some lost ground to settle in at 113.5 for Spring 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.

J.C. WILLIAMS GROUP

**Retail Sales by Store Category**

<b>Sales for the Month of: May</b>	<b>2001</b>	<b>2000</b>	<b>2001 / 2000</b>
<b>All Stores</b>	<b>26,393.7</b>	<b>24,578.0</b>	<b>7.4%</b>
Automotive Group	11,739.0	10,900.0	7.7%
All Stores Less Automotive	14,654.7	13,678.0	7.1%
Food and Drug Group	6,695.8	6,156.9	8.8%
<b>All Stores Less Auto, Food and Drug</b>	<b>7,958.9</b>	<b>7,521.1</b>	<b>5.8%</b>
<b>General Merchandise Stores</b>	<b>2,648.5</b>	<b>2,527.0</b>	<b>4.8%</b>
Department Stores (incl concessions)	1,585.3	1,444.5	9.7%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>1,218.3</b>	<b>1,174.9</b>	<b>3.7%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,344.2</b>	<b>1,259.4</b>	<b>6.7%</b>
Women's Clothing Stores	438.0	408.1	7.3%
Men's Clothing Stores	125.2	125.7	-0.4%
Other Clothing Stores	605.8	556.6	8.8%
Shoe Stores	175.1	169.0	3.6%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,747.9</b>	<b>2,559.7</b>	<b>7.4%</b>
<b>Year-to-date Sales</b>	<b>2001</b>	<b>2000</b>	<b>2001/2000</b>
<b>All Stores</b>	<b>111,473.8</b>	<b>105,840.2</b>	<b>5.3%</b>
Automotive Group	46,865.9	44,241.8	5.9%
All Stores Less Automotive	64,608.0	61,598.4	4.9%
Food and Drug Group	30,914.0	29,578.1	4.5%
<b>All Stores Less Auto, Food and Drug</b>	<b>33,693.9</b>	<b>32,020.3</b>	<b>5.2%</b>
<b>General Merchandise Stores</b>	<b>11,429.8</b>	<b>10,936.1</b>	<b>4.5%</b>
Department Stores (incl concessions)	6,652.8	6,133.4	8.5%
<b>Furniture, Appliance, Furnishings Stores (incl. Electronics)</b>	<b>5,766.7</b>	<b>5,409.9</b>	<b>6.6%</b>
<b>All Clothing and Shoe Stores</b>	<b>5,547.0</b>	<b>5,231.1</b>	<b>6.0%</b>
Women's Clothing Stores	1,755.1	1,635.0	7.3%
Men's Clothing Stores	505.2	517.4	-2.3%
Other Clothing Stores	2,656.5	2,438.5	8.9%
Shoe Stores	630.3	640.2	-1.5%
<b>All Other Retail (except auto, food, drug)</b>	<b>10,950.4</b>	<b>10,443.2</b>	<b>4.9%</b>

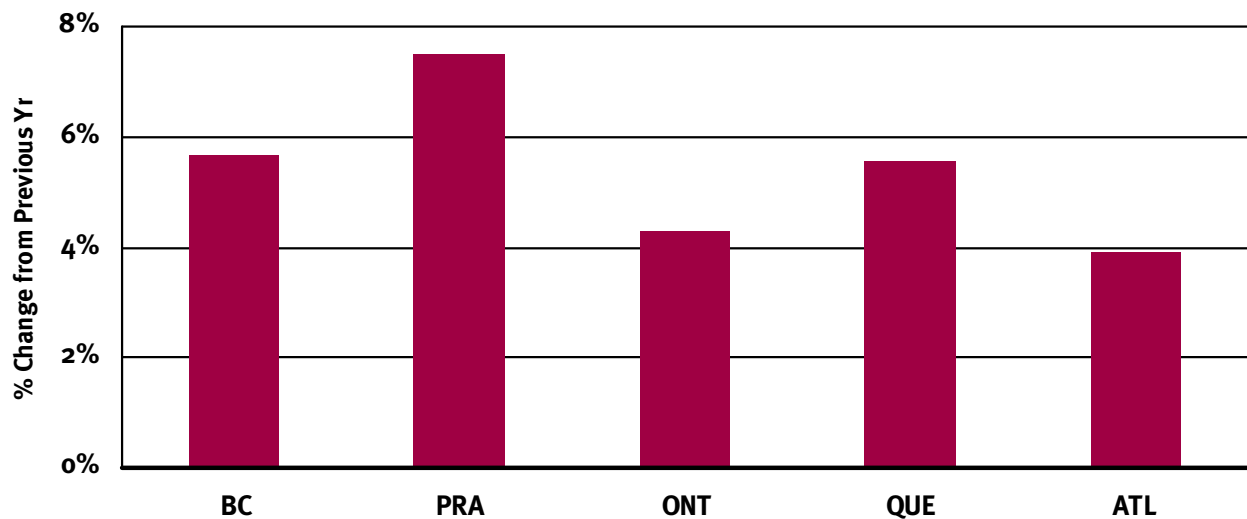
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

17 Dundonald St., Toronto, Ontario M4Y 1K3 Tel: (416) 921-4181 Fax: (416) 921-4184 Website: <http://www.jcwg.com>  
 Chicago Office: 350 West Hubbard St. Ste 240, Chicago, Il. 60610 Tel:(312) 673-1254 Fax: (312)822-9162  
 For more information, please contact John Archer or Maureen Atkinson at (416) 921-4181 or e-mail [info@jcwg.com](mailto:info@jcwg.com)

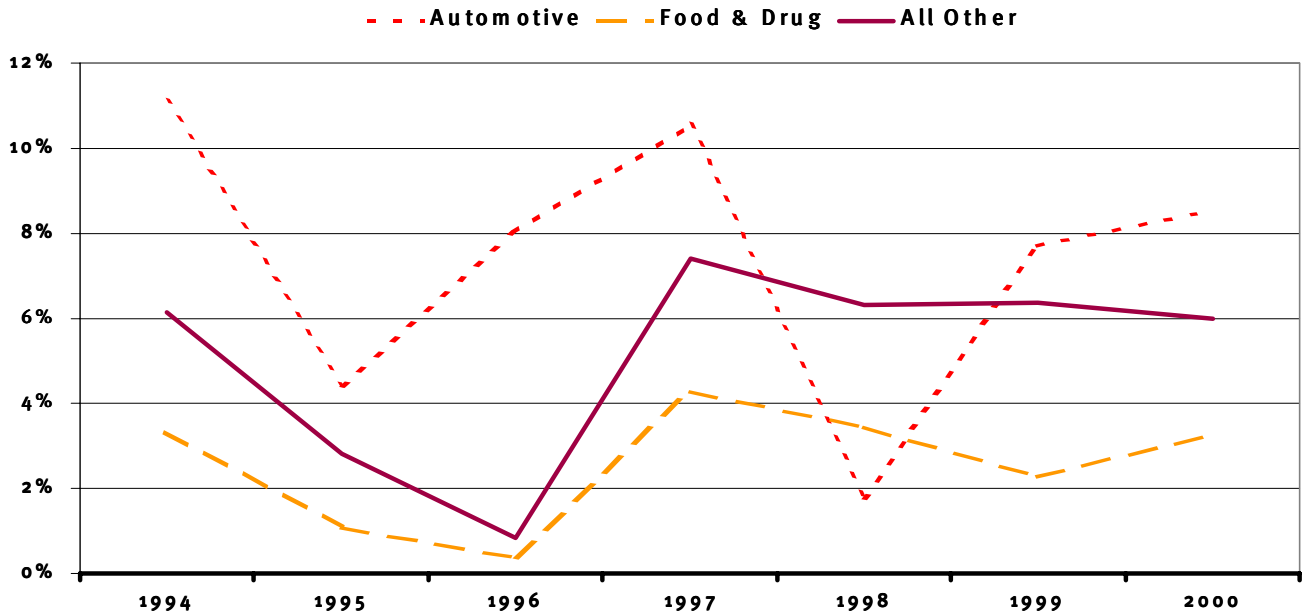
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2001	Same Period 2000	Change 2001 / 2000
British Columbia	14,544.4	13,760.9	5.7%
Prairies	20,174.6	18,767.9	7.5%
Ontario	42,080.2	40,343.0	4.3%
Quebec	26,037.6	24,663.8	5.6%
Atlantic Canada	8,260.4	7,949.2	3.9%

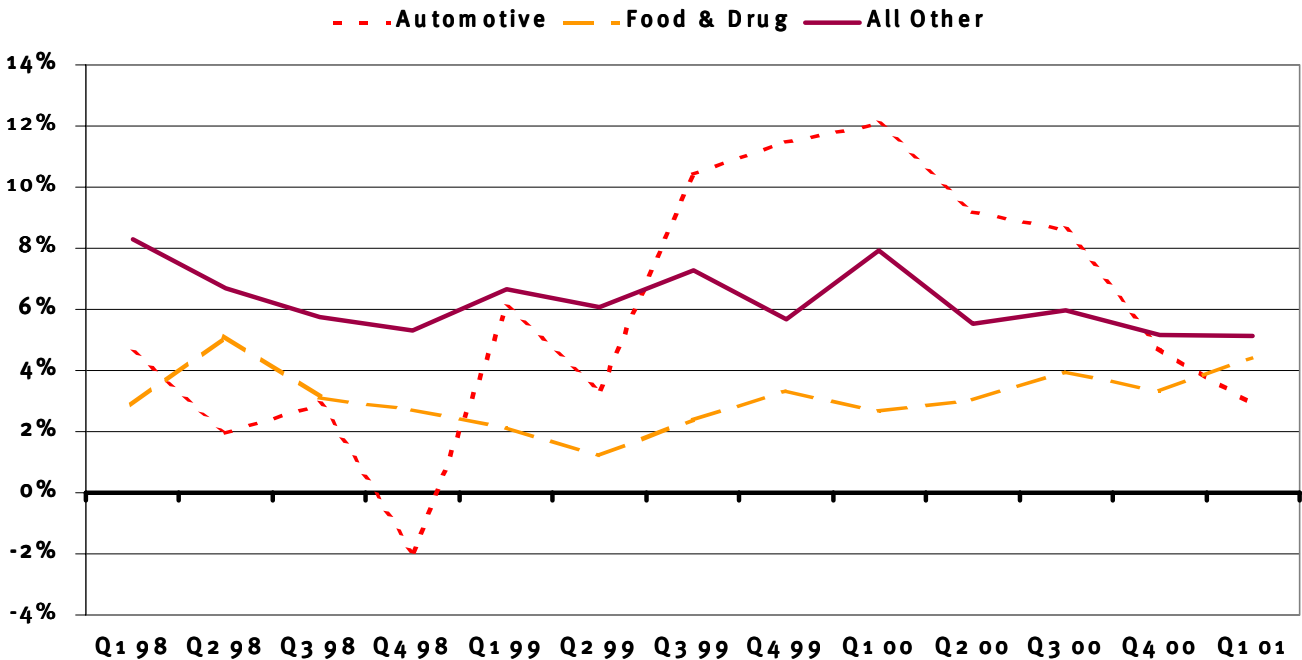
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



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

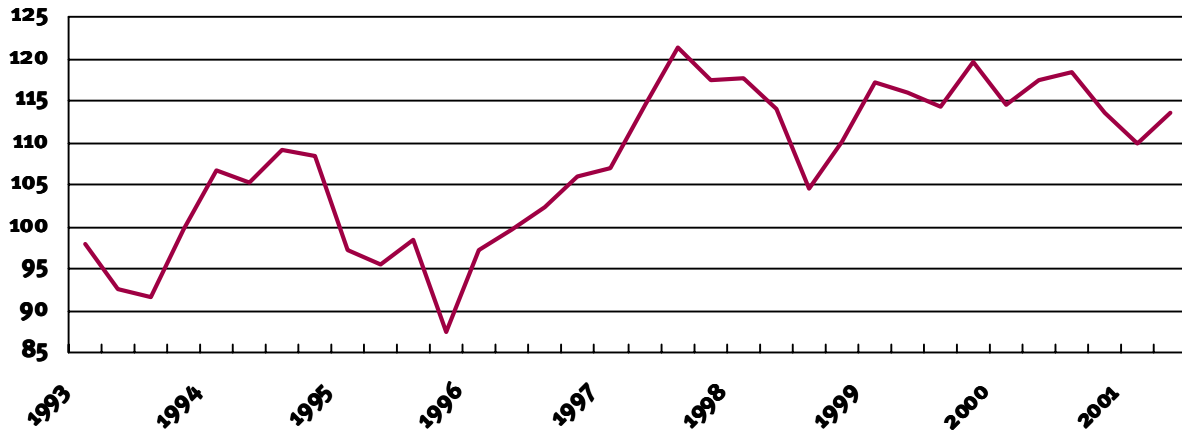
June 2001

vs.

June 2000

3.3%

Canadian Consumer Confidence Index 1993-2001



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2001

