

# Bulletin

March 2001 Retail Sales • Released May 22, 2001

## WHAT RECESSION? MARCH SALES BOOM!

While February may have been slow, strong sales growth in March helped to buoy the first quarter of 2001. All Stores Less Auto Food and Drug leaped ahead 6.9% to bring first quarter sales in at 5.1% over last year.

While 2001 may be known as the year of “no one knows,” even with the decline in the Canadian Consumer Confidence Index, big-ticket items for the home appear to be as popular as ever. Furniture, Appliance, and Furnishings Stores lead the way with double-digit growth of 11.3% in March compared to last March. Housing starts and an electronics industry that continues to grow are main contributors.

All Stores increased by 3.6%. However, a portion of the increase is due to inflationary pressures, particularly in energy and food. Inflation for food prices of 5.0% for the month of March accounts for a significant proportion of the 7.0% increase. Inflation on clothing and footwear is just over the 1% mark.

## READY TO WEAR

A mild start to spring out west must of helped push spring and summer fashions and helped All Clothing and Shoe Store Retailers to a 5.4% gain in sales. But clearly there are winners and losers. The continued malaise and lack of innovative products (how many khakis can I possibly own syndrome?) have hurt some retailers, especially in the Men's Clothing Stores category. The casual trend at work places have only helped the Other Clothing Retailers (not shown) to 9.8% growth over last March.

A question for some retailers is, “why the continued downward slide for Shoe Stores?” Consumers may not be buying

fewer shoes, but they may be buying them from other locations. Shoe sales at sporting goods stores are reflected in All Other Retail, and sales at family clothing stores, such as Roots, are reflected in Other Clothing Sales.

## REGIONAL DIVIDE

Energy is hot and cars are not! While Alberta's economy shows no signs of slowing down, Ontario's economy is taking a bit of a breather as the auto sector takes a readjustment. In addition, look for continued improvements in B.C.'s retail sales outlook as the recent change in government ushered in a new wave of investment into the province.

### 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: March	2001	2000	2001 / 2000
<b>All Stores</b>	<b>22,871.8</b>	<b>22,077.8</b>	<b>3.6%</b>
Automotive Group	9,479.7	9,552.6	-0.8%
All Stores Less Automotive	13,392.2	12,525.2	6.9%
Food and Drug Group	6,477.7	6,054.7	7.0%
<b>All Stores Less Auto, Food and Drug</b>	<b>6,914.4</b>	<b>6,470.5</b>	<b>6.9%</b>
<b>General Merchandise Stores</b>	<b>2,376.3</b>	<b>2,220.6</b>	<b>7.0%</b>
Department Stores (incl concessions)	1,374.6	1,252.2	9.8%
<b>Furniture, Appliance, Furnishings Stores</b>	<b>1,251.5</b>	<b>1,124.3</b>	<b>11.3%</b>
<b>All Clothing and Shoe Stores</b>	<b>1,133.5</b>	<b>1,075.5</b>	<b>5.4%</b>
Women's Clothing Stores	353.5	331.4	6.7%
Men's Clothing Stores	96.7	100.7	-4.0%
Shoe Stores	115.6	126.3	-8.5%
<b>All Other Retail (except auto, food, drug)</b>	<b>2,153.1</b>	<b>2,050.1</b>	<b>5.0%</b>

Year-to-date Sales	2001	2000	2001 / 2000
<b>All Stores</b>	<b>61,560.0</b>	<b>59,192.3</b>	<b>4.0%</b>
Automotive Group	24,842.9	24,152.3	2.9%
All Stores Less Automotive	36,717.1	35,040.0	4.8%
Food and Drug Group	18,102.6	17,332.3	4.4%
<b>All Stores Less Auto, Food and Drug</b>	<b>18,614.5</b>	<b>17,707.7</b>	<b>5.1%</b>
<b>General Merchandise Stores</b>	<b>6,314.6</b>	<b>6,047.3</b>	<b>4.4%</b>
Department Stores (incl concessions)	3,581.4	3,296.4	8.6%
<b>Furniture, Appliance, Furnishings Stores</b>	<b>3,397.8</b>	<b>3,110.1</b>	<b>9.2%</b>
<b>All Clothing and Shoe Stores</b>	<b>2,946.3</b>	<b>2,828.4</b>	<b>4.2%</b>
Women's Clothing Stores	916.1	867.2	5.6%
Men's Clothing Stores	271.6	282.1	-3.7%
Shoe Stores	308.6	330.2	-6.5%
<b>All Other Retail (except auto, food, drug)</b>	<b>5,955.9</b>	<b>5,721.9</b>	<b>4.1%</b>

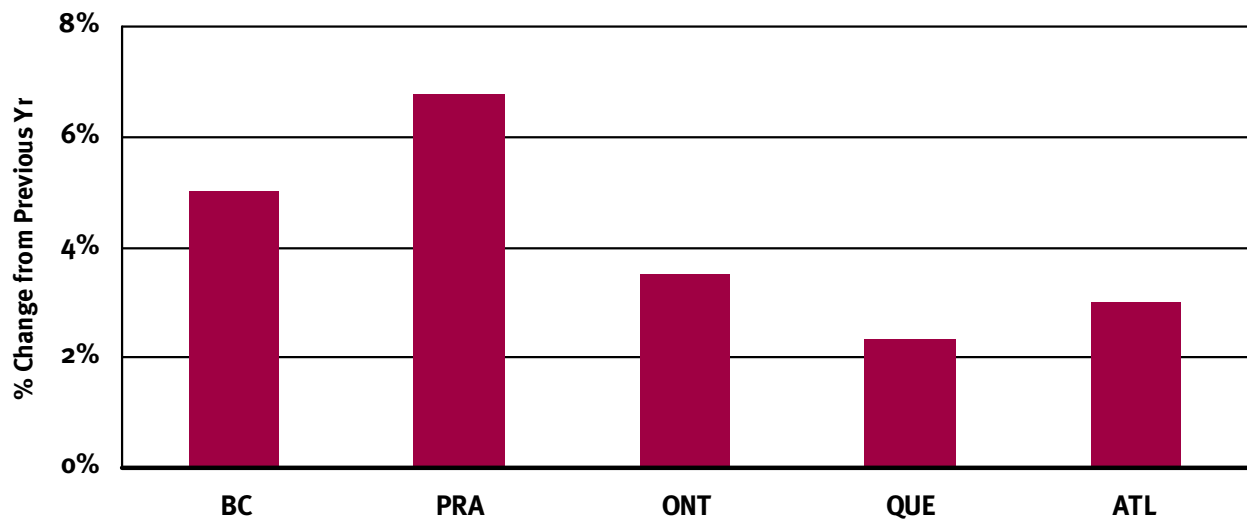
ALL DOLLAR VALUES EXPRESSED IN MILLIONS OF CANADIAN DOLLARS; UNADJUSTED FIGURES; SOURCE: STATISTICS CANADA

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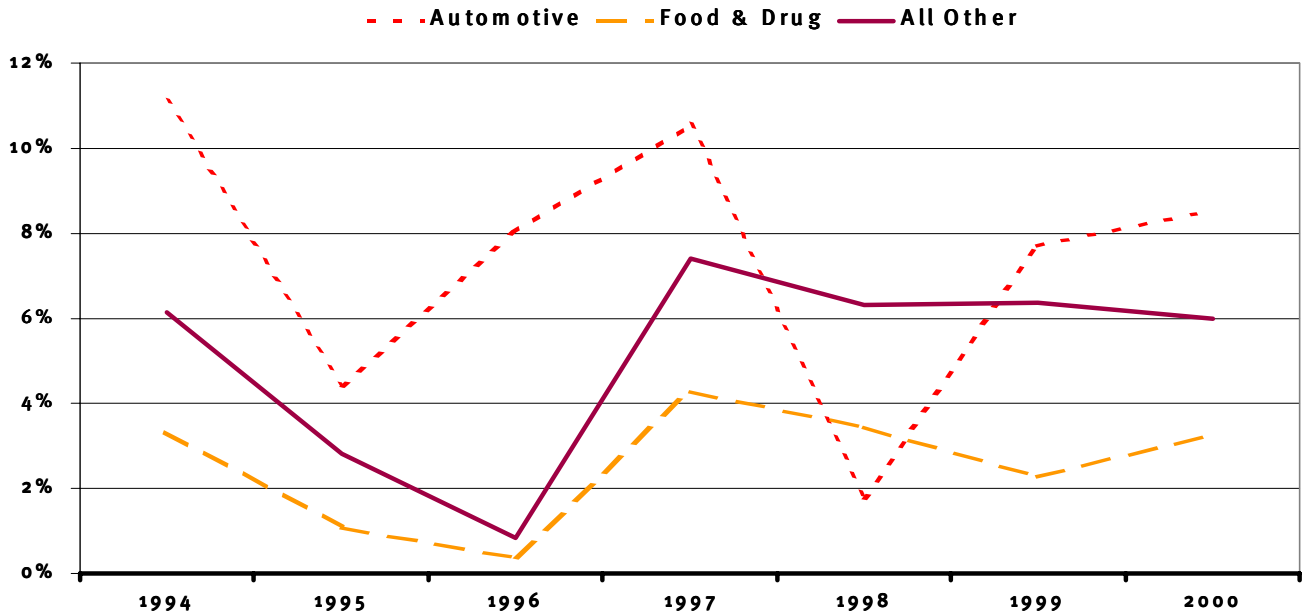
**Retail Trade, Canada, All Stores, By Major Region**

	Year-to-Date 2001	Same Period 2000	Change 2001 / 2000
British Columbia	8,273.5	7,877.8	5.0%
Prairies	11,292.6	10,575.5	6.8%
Ontario	23,323.5	22,529.7	3.5%
Quebec	13,922.9	13,607.8	2.3%
Atlantic Canada	4,533.5	4,401.1	3.0%

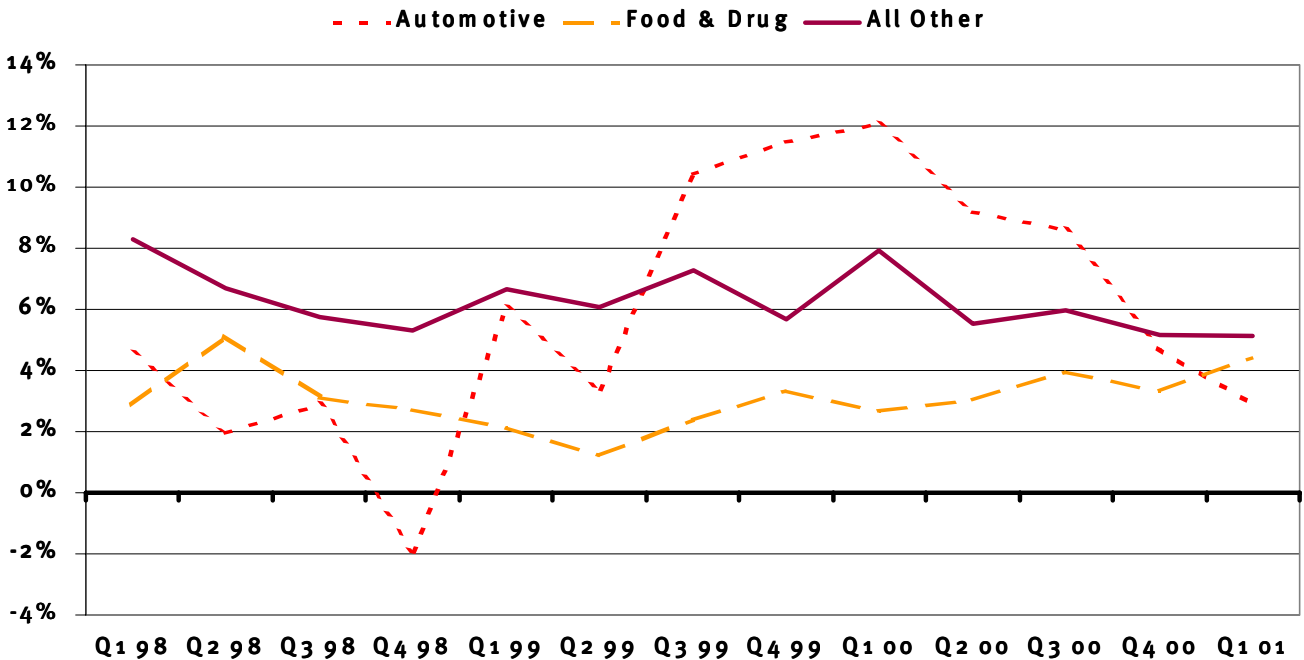
**Percentage Change in Retail Trade, All Stores, by Region  
Year-to-Date Compared to Same Period Last Year**



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

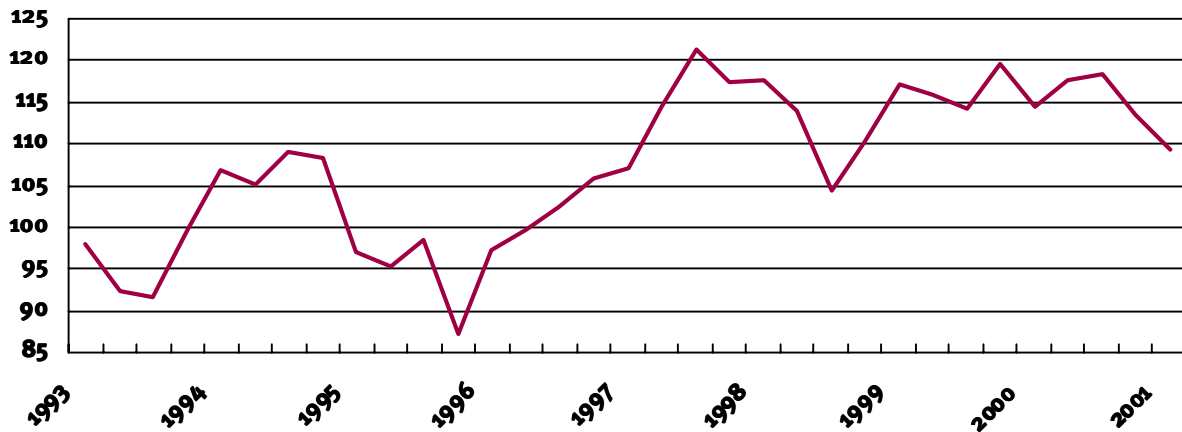
April 2001

vs.

April 2000

3.6%

Canadian Consumer Confidence Index 1993-2000



Source: Conference Board of Canada

Canadian Consumer Expenditures Index 1992 - 2000

