

Wholesale trade, February 2020

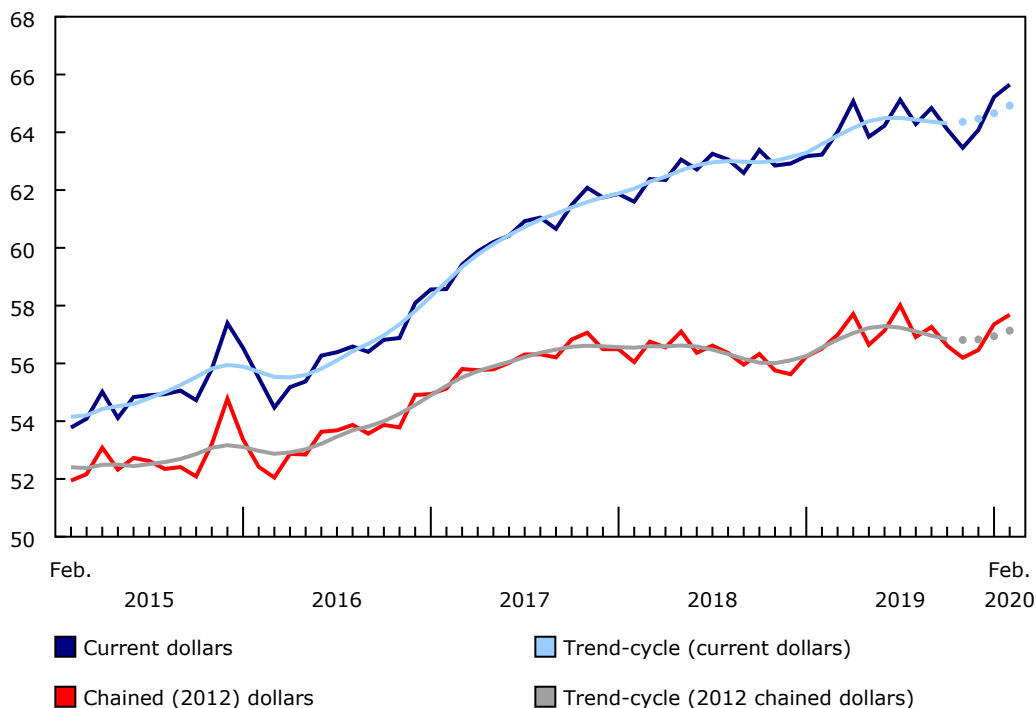
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Wholesale sales rose 0.7% to \$67.5 billion in February, a third consecutive monthly gain. Three of seven subsectors recorded higher sales, accounting for 51% of total wholesale sales. In dollar terms, the motor vehicle and motor vehicle parts and accessories subsector led the increase. Excluding this subsector, Canadian wholesale sales were down 0.1%.

In volume terms, sales increased 0.6%.

Chart 1
Wholesale sales increase in February

billions of dollars



Source(s): Tables [20-10-0074-01](#) and [20-10-0003-01](#).

COVID-19 and railway blockades

Respondents were asked to evaluate the impact of COVID-19 and the railway blockades on their sales and inventories for February 2020. All numbers are estimates provided by the respondents, who in many cases could not distinguish between the impact of the pandemic and that of the railway blockades.

Respondents reported that wholesale sales fell by \$761 million (unadjusted) due to these disruptions. In the absence of these disruptions, seasonally adjusted wholesale sales would have been estimated to increase by 1.5% in February, instead of the 0.7% rise reported above. In unadjusted dollar terms, at the subsector level, the largest impact was in the machinery, equipment and supplies subsector (-\$191 million), led by the computer and communications equipment and supplies industry (-\$122 million). The second largest impact was in the food, beverage and tobacco subsector (-\$190 million), particularly in the food industry (-\$186 million).



The disruptions led to an estimated unadjusted drop in wholesale inventories of \$585 million. In dollar terms, the machinery, equipment and supplies subsector (-\$154 million) had been affected the most. The second largest impact was in the personal and household goods subsector (-\$145 million).

The top two effects of the disruptions as reported by the companies were "disruption in transport" and "raw material shortage," which varied by subsector and industry.

One enterprise out of twelve (8.3%) in the wholesale trade sector reported that their activities were affected by COVID-19 only. In terms of the number of enterprises affected, the impact was largest in the food, beverage and tobacco subsector (15.0%) and the personal and household goods subsector (11.4%). Some wholesalers, including companies in the food, the computer, communication and equipment, the motor vehicle and the personal and household goods industries mentioned that shipments to and from China were adversely affected and caused shortages of raw materials and finished products.

One enterprise out of nine (11.1%) in the wholesale trade sector reported that they were affected only by the railway blockades. In terms of the number of enterprises affected, the impact was largest in the personal and household goods subsector (15.2%) and the building material and supplies subsector (14.7%). Some wholesalers, including companies in the food, the lumber, millwork, hardware and other building supplies and the agriculture supplies industries, mentioned that the railway blockades delayed movements of products to Canadian ports and caused backlogs throughout the supply chain.

Higher sales in February driven by motor vehicle industry

Sales in the motor vehicle and motor vehicle parts and accessories subsector increased 4.2% to \$11.9 billion in February. This was the third consecutive monthly gain, following a 2.6% decrease in November 2019. The increase was entirely driven by the motor vehicle industry which saw sales jump 6.5% to a record \$9.8 billion. Increases in February of manufactured motor vehicles and exports of passenger cars and light trucks, following extended temporary shutdowns of certain automotive assembly plants in January, contributed to the industry's strength in wholesale sales in February.

Sales up in five provinces, led by Ontario and Alberta

Five provinces recorded higher sales in February, accounting for 76% of total wholesale sales. Much of the increase was attributable to gains in Ontario and Alberta.

Wholesale sales in Ontario rose 1.2% to \$34.6 billion in February, mainly on the strength of gains in the motor vehicle and motor vehicle parts and accessories subsector, which increased 5.4% to \$8.5 billion, a third consecutive monthly increase. This subsector gained 12.8% over this three-month span, reaching sales nearly \$1 billion greater than those recorded in November 2019.

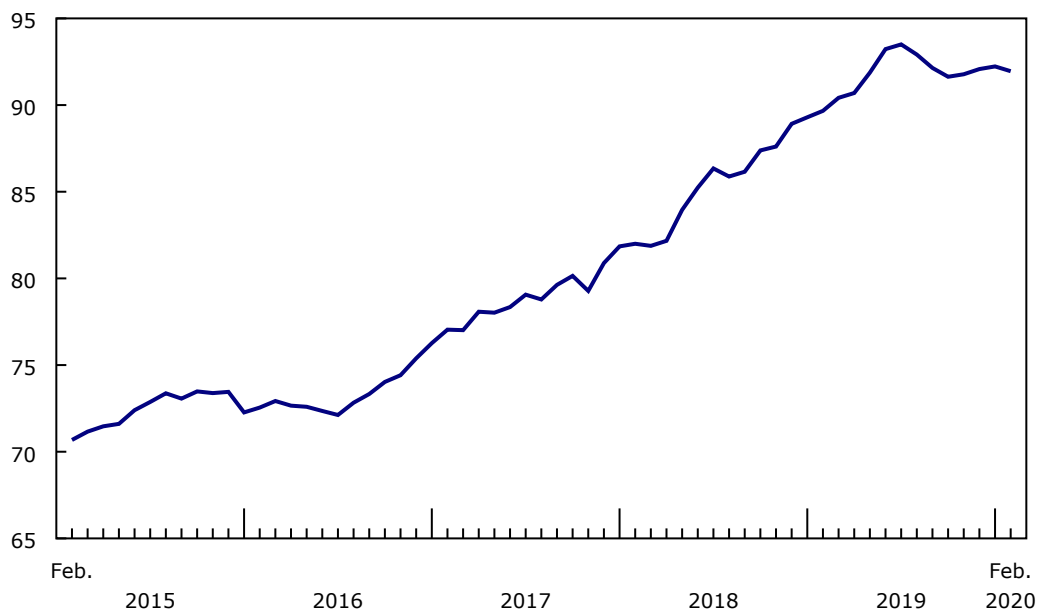
Sales in Alberta increased 2.3% to \$6.7 billion, a second increase in three months. Among the subsectors that recorded higher sales, the machinery, equipment and supplies subsector (+6.9% to \$2.1 billion) increased the most; higher sales in this subsector in February followed four consecutive monthly declines.

Wholesale inventories decline

Wholesale inventories declined 0.3% in February to \$92.0 billion. Four out of seven subsectors recorded declines, with inventories in the building material and supplies subsector falling most.

Chart 2 Inventories decline in February

billions of dollars



Source(s): Table [20-10-0076-01](#).

Inventories in the building material and supplies subsector dropped 2.5% to \$14.5 billion. The decline in February was the subsector's largest monthly drop since February 2001. Inventories declined in all industries within this subsector, with the lumber, millwork, hardware and other building supplies industry decreasing the most (-3.6% to \$6.4 billion).

Inventories fell 0.8% in the motor vehicle and motor vehicle parts and accessories subsector to \$13.4 billion due to lower inventories in the motor vehicle (-0.9% to \$8.3 billion) and new motor vehicle parts and accessories (-0.6% to \$5.1 billion) industries.

Respondents estimated that inventories fell (unadjusted) by \$585 million owing to the COVID-19 pandemic and the railway blockades.

The inventory-to-sales ratio continued to decline for a third consecutive month, falling from 1.41 in January to 1.40 in February. The inventory-to-sales ratio is a measure of the time (in months) required to exhaust inventories if sales were to remain at their current level.

Possible impacts of COVID-19 on wholesale trade

Statistics Canada remains committed to providing an accurate picture of the social and economic impacts of COVID-19.

As the largest component of Canada's services sector, wholesale trade has ramifications within the whole economy, while being the "invisible" intermediary.

Statistics Canada will continue to report on the impacts of COVID-19 through the Monthly Wholesale Trade Survey for the next few months as information becomes available.

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	February 2019	January 2020 ^r	February 2020 ^p	January to February 2020	February 2019 to February 2020
	millions of dollars			% change	
Total, wholesale sales (current dollars)	63,225	65,219	65,653	0.7	3.8
Total, wholesale sales (2012 chained dollars)	56,510	57,354	57,684	0.6	2.1
Total wholesale sales (current dollars), excluding motor vehicle and parts	51,629	53,761	53,708	-0.1	4.0
Farm product	788	891	831	-6.7	5.5
Food, beverage and tobacco	11,869	12,399	12,413	0.1	4.6
Food	10,600	11,126	11,096	-0.3	4.7
Beverage	658	666	673	1.1	2.2
Cigarette and tobacco product	611	608	644	6.0	5.5
Personal and household goods	8,811	9,637	9,606	-0.3	9.0
Textile, clothing and footwear	1,140	1,336	1,226	-8.2	7.5
Home entertainment equipment and household appliance	677	722	815	12.8	20.3
Home furnishings	554	606	610	0.7	10.0
Personal goods	912	809	754	-6.9	-17.3
Pharmaceuticals and pharmacy supplies	4,744	5,158	5,175	0.3	9.1
Toiletries, cosmetics and sundries	783	1,007	1,028	2.1	31.2
Motor vehicle and motor vehicle parts and accessories	11,596	11,459	11,944	4.2	3.0
Motor vehicle	9,210	9,175	9,771	6.5	6.1
New motor vehicle parts and accessories	2,316	2,223	2,111	-5.1	-8.8
Used motor vehicle parts and accessories	70	61	63	3.8	-10.0
Building material and supplies	8,605	9,142	9,230	1.0	7.3
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,790	2,940	2,977	1.3	6.7
Metal service centres	1,786	1,593	1,617	1.5	-9.5
Lumber, millwork, hardware and other building supplies	4,029	4,609	4,636	0.6	15.1
Machinery, equipment and supplies	13,103	13,347	13,324	-0.2	1.7
Farm, lawn and garden machinery and equipment	1,682	1,548	1,561	0.8	-7.2
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,099	4,222	4,310	2.1	5.1
Computer and communications equipment and supplies	4,073	4,258	4,190	-1.6	2.9
Other machinery, equipment and supplies	3,249	3,320	3,264	-1.7	0.4
Miscellaneous	8,454	8,345	8,304	-0.5	-1.8
Recyclable material	888	887	813	-8.3	-8.4
Paper, paper product and disposable plastic product	1,058	969	964	-0.6	-8.9
Agricultural supplies	2,352	2,302	2,287	-0.7	-2.8
Chemical (except agricultural) and allied product	1,518	1,662	1,638	-1.5	7.9
Other miscellaneous	2,637	2,524	2,602	3.1	-1.3

^r revised

^p preliminary

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Tables [20-10-0074-01](#) and [20-10-0003-01](#).

Table 2
Wholesale merchants' sales by province and territory – Seasonally adjusted

	February 2019	January 2020 ^r	February 2020 ^p	January to February 2020	February 2019 to February 2020
	millions of dollars			% change	
Canada	63,225	65,219	65,653	0.7	3.8
Newfoundland and Labrador	376	337	353	4.6	-6.2
Prince Edward Island	83	100	90	-10.3	7.6
Nova Scotia	844	973	900	-7.5	6.6
New Brunswick	558	614	600	-2.3	7.6
Quebec	11,685	12,287	12,145	-1.2	3.9
Ontario	32,961	34,213	34,621	1.2	5.0
Manitoba	1,588	1,506	1,527	1.4	-3.8
Saskatchewan	2,409	2,158	2,141	-0.8	-11.1
Alberta	6,428	6,511	6,660	2.3	3.6
British Columbia	6,220	6,437	6,539	1.6	5.1
Yukon	10	12	12	-2.0	24.4
Northwest Territories	51	56	52	-8.5	1.0
Nunavut	12	14	14	-2.0	22.5

^r revised

^p preliminary

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Table [20-10-0074-01](#).

Table 3
Wholesale merchants' inventories by industry – Seasonally adjusted

	February 2019	January 2020 ^r	February 2020 ^p	January to February 2020	February 2019 to February 2020
	millions of dollars			% change	
Total, wholesale inventories	89,666	92,229	91,953	-0.3	2.6
Farm product	159	217	187	-13.8	17.5
Food, beverage and tobacco	8,956	8,837	9,029	2.2	0.8
Food	8,046	7,945	8,128	2.3	1.0
Beverage	593	629	638	1.5	7.6
Cigarette and tobacco product	317	262	262	0.1	-17.4
Personal and household goods	15,121	16,421	16,439	0.1	8.7
Textile, clothing and footwear	3,075	3,667	3,640	-0.8	18.4
Home entertainment equipment and household appliance	1,033	1,051	1,063	1.1	3.0
Home furnishings	1,441	1,357	1,408	3.8	-2.3
Personal goods	2,103	2,150	2,077 ^E	-3.4	-1.3
Pharmaceuticals and pharmacy supplies	6,488	7,033	7,122	1.3	9.8
Toiletries, cosmetics and sundries	982	1,161	1,130	-2.7	15.1
Motor vehicle and motor vehicle parts and accessories	12,928	13,553	13,450	-0.8	4.0
Motor vehicle	7,455	8,357	8,283	-0.9	11.1
New motor vehicle parts and accessories	5,390	5,097	5,066	-0.6	-6.0
Used motor vehicle parts and accessories	83	99 ^E	100 ^E	0.8	20.5
Building material and supplies	15,251	14,924	14,545	-2.5	-4.6
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,173	4,313	4,288	-0.6	2.8
Metal service centres	4,779	3,986	3,868	-3.0	-19.1
Lumber, millwork, hardware and other building supplies	6,299	6,625	6,389	-3.6	1.4
Machinery, equipment and supplies	25,980	26,765	26,824	0.2	3.2
Farm, lawn and garden machinery and equipment	6,912	6,504	6,399	-1.6	-7.4
Construction, forestry, mining, and industrial machinery, equipment and supplies	11,901	12,535	12,691	1.2	6.6
Computer and communications equipment and supplies	2,532	2,631	2,614	-0.6	3.3
Other machinery, equipment and supplies	4,635	5,094	5,119	0.5	10.5
Miscellaneous	11,270	11,513	11,478	-0.3	1.9
Recyclable material	821	F	F	F	F
Paper, paper product and disposable plastic product	902	913	904	-1.0	0.2
Agricultural supplies	4,770	4,706	4,694	-0.2	-1.6
Chemical (except agricultural) and allied product	1,520	1,732	1,757	1.5	15.6
Other miscellaneous	3,256	3,259	3,233	-0.8	-0.7

r revised

p preliminary

E use with caution

F too unreliable to be published

Note(s): Figures may not add up to totals as a result of rounding.

Source(s): Table 20-10-0076-01.

Table 4
Combined impact of COVID-19 and the railway blockades on wholesale trade

	February 2020	
	Sales	Inventories
	change in thousands of dollars	
Total	-761,073	-584,949
Farm product	-11,316	x
Food, beverage and tobacco	-190,041	F
Food	-185,952	x
Beverage	x	x
Cigarette and tobacco product	x	-80
Personal and household goods	-66,072	-145,193
Textile, clothing and footwear	F	F
Home entertainment equipment and household appliance	-5,393	-4,894
Home furnishings	F	-39,493
Personal goods	-13,562	F
Pharmaceuticals and pharmacy supplies	-49	x
Toiletries, cosmetics and sundries	-7,158	F
Motor vehicle and motor vehicle parts and accessories	-97,896	-56,108
Motor vehicle	-69,648	-40,443
New motor vehicle parts and accessories	-17,513 ^E	-8,675 ^E
Used motor vehicle parts and accessories	F	F
Building material and supplies	-112,075	-69,201
Electrical, plumbing, heating and air-conditioning equipment and supplies	F	F
Metal service centres	-35,341	-58,223
Lumber, millwork, hardware and other building supplies	-61,246	-23,259 ^E
Machinery, equipment and supplies	-191,330	-154,220 ^E
Farm, lawn and garden machinery and equipment	-12,123	-20,863 ^E
Construction, forestry, mining, and industrial machinery, equipment and supplies	-36,703	F
Computer and communications equipment and supplies	-122,275	-45,588
Other machinery, equipment and supplies	F	F
Miscellaneous	-92,343	-34,940
Recyclable material	F	F
Paper, paper product and disposable plastic product	F	F
Agricultural supplies	-10,552 ^E	-4,104
Chemical (except agricultural) and allied product	-18,680	F
Other miscellaneous	-36,848	F

x suppressed to meet the confidentiality requirements of the *Statistics Act*

E use with caution

F too unreliable to be published

Note(s):

Figures may not add up to totals as a result of rounding.

Data are not seasonally adjusted.

Source(s): Data in this table come from additional questions asked to the respondents of the Monthly Wholesale Trade Survey about the impact of COVID-19 and the railway blockades on their activities.

Note to readers

All data in this release are seasonally adjusted and expressed in current dollars, unless otherwise noted. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Total wholesale sales expressed in volume are calculated by deflating current dollar values using relevant price indexes. The wholesale sales series in chained (2012) dollars is a chained Fisher volume index with 2012 as the reference year. For more information, see [Sales in volume for Wholesale Trade](#).

The Monthly Wholesale Trade Survey covers all industries within the wholesale trade sector as defined by the North American Industry Classification System (NAICS), with the exception of oilseed and grain merchant wholesalers (NAICS 4112), petroleum and petroleum products merchant wholesalers (NAICS 412) and business-to-business electronic markets, and agents and brokers (NAICS 419).

For information on trend-cycle data, see the [StatCan Blog](#) and [Trend-cycle estimates – Frequently asked questions](#).

Real-time data tables

Real-time data tables 20-10-0019-01, 20-10-0020-01 and 20-10-0005-01 will be updated soon.

Next release

Wholesale trade data for March will be released on May 20.

Available tables: [20-10-0003-01](#), [20-10-0074-01](#) and [20-10-0076-01](#).

Definitions, data sources and methods: survey number [2401](#).

The product "[Monthly Wholesale Trade Survey: Interactive Tool](#)" ([71-607-X](#)) is now available online. This product is based on the data published in the tables of the Monthly Wholesale Trade Survey: 20-10-0074-01, 20-10-0076-01 and 20-10-0003-01.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca). For analytical information, or to enquire about the concepts, methods or data quality of this release, contact John Burton (613-862-4878; john.burton@canada.ca), Mining, Manufacturing and Wholesale Trade Division.