

# Wholesale trade, April 2020

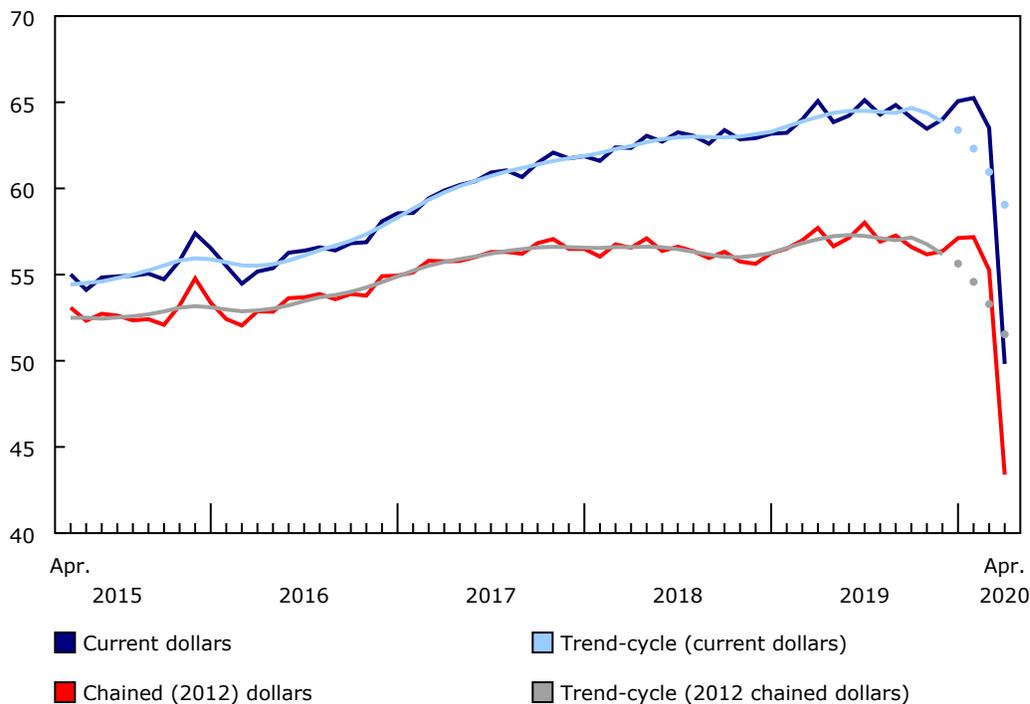
Released at 8:30 a.m. Eastern time in *The Daily*, Thursday, June 18, 2020

As the effect of the COVID-19 pandemic continued to spread throughout the economy, wholesale sales plummeted an unprecedented 21.6% to \$49.8 billion in April, the lowest level since July 2013. All seven subsectors recorded lower sales for the first time since November 2008. In dollar terms, the motor vehicle and motor vehicle parts and accessories subsector contributed the most to the decline. Excluding this subsector, wholesale sales were down 14.2%.

Wholesale sales volumes dropped 21.5%, a record monthly decline, to their lowest level since September 2009.

## Chart 1 Wholesale sales decrease in April

billions of dollars



**Note(s):** The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart for the current reference month and the three previous months. For more information, see the note to readers.

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

## COVID-19 impact in April

Respondents reported that the COVID-19 pandemic pushed sales \$16.9 billion (unadjusted) lower in April, with four-fifths (79.5%) of wholesalers reporting an impact to their business.

The motor vehicle and motor vehicle parts and accessories subsector recorded the largest dollar-value impact from the COVID-19 pandemic in April, down \$5.4 billion (unadjusted). Many of these companies noted that COVID-19 caused manufacturing stoppages, dealership closures and disruptions in consumer demand.



Over nine-tenths (90.1%) of wholesalers in the personal and household goods subsector reported that their businesses were affected by COVID-19, the highest proportion among all subsectors for a second consecutive month. Respondents in the subsector reported that the COVID-19 pandemic resulted in \$2.6 billion (unadjusted) of lost sales in April, led by the textile, clothing and footwear industry (-\$943 million, unadjusted). Respondents in the industry indicated that the lower sales volumes were mainly attributable to retail closures.

### **Lower sales driven by motor vehicle industry**

With the Canadian motor vehicle industry highly reliant on motor vehicle imports, the widespread shutdowns in motor vehicle manufacturing throughout the world and a reduced demand due to the pandemic, continued to impact wholesale sales in April. The motor vehicle and motor vehicle parts and accessories subsector fell for a second consecutive month, dropping 64.7% to \$3.3 billion—eclipsing the previous month's record decline of 21.7%. While all three industries in the subsector recorded declines in April, the motor vehicle industry accounted for about 90% of the decrease; sales in the industry were down 74.8% to \$1.8 billion, their lowest level since March 1993.

Sales in the personal and household goods subsector recorded a second decline in three months, dropping 21.5% to \$7.7 billion in April. While all six industries posted lower sales, the largest drop came in the pharmaceuticals and pharmacy supplies industry (-22.9% to \$4.5 billion). Widespread declines were also reported in the building material and supplies subsector, resulting in a record 22.2% decline in sales to the lowest level since June 2013.

While all seven subsectors recorded lower seasonally adjusted sales in April, there were some sub-industries where sales increased on an unadjusted basis in April, including nursery stock and plants, alcoholic beverages, cigarettes and tobacco, and a handful of agriculture-related sub-industries.

### **Ontario leads April declines**

Nine provinces recorded lower sales in Canada, with Ontario posting the largest drop. Saskatchewan recorded the only provincial increase.

Sales in Ontario were down 30.2% to \$23.0 billion in April, following a 4.2% decline in March. Every subsector in the province had lower sales, with the majority of the decline coming in the motor vehicle and motor vehicle parts and accessories subsector, falling 85.7% to \$930 million. Excluding the motor vehicle and motor vehicle parts and accessories subsector, provincial sales declined 16.6% in April.

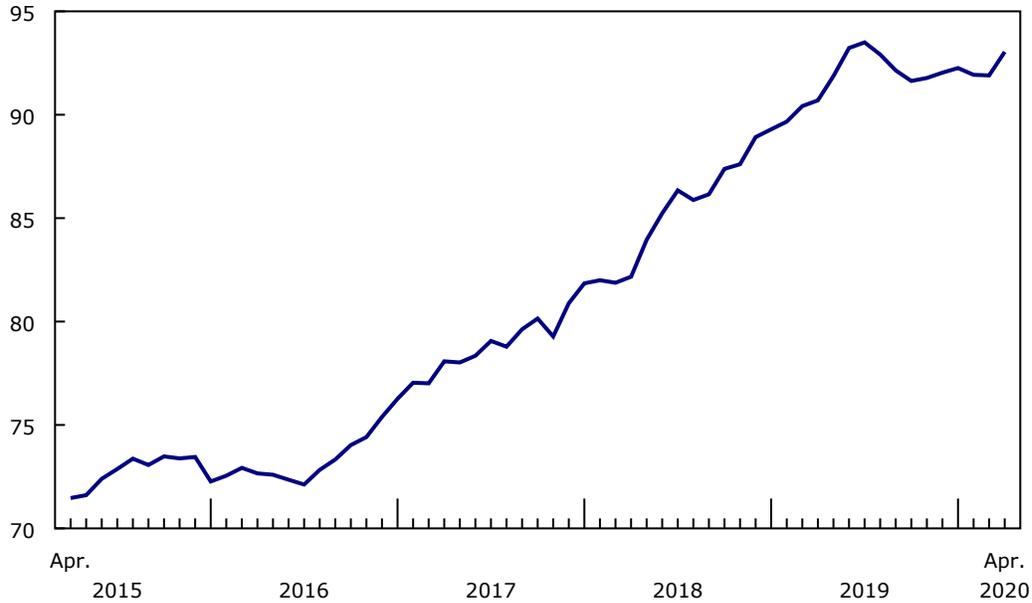
Sales in Saskatchewan rose 1.6% to \$2.3 billion, following a 6.8% increase in March. Higher sales were recorded in four of seven subsectors, led by the machinery, equipment and supplies subsector, up 5.0% to \$653 million. The sole increase in this subsector was observed in the farm, lawn and garden machinery, equipment and supplies industry.

### **Wholesale inventories rise**

Wholesale inventories increased 1.2% in April to \$93.0 billion. Five of seven subsectors recorded gains, accounting for more than half of total wholesale inventories.

**Chart 2**  
**Wholesale inventories rise in April**

billions of dollars



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

The personal and household goods subsector led the gains in April, with inventories rising 6.9% to \$17.0 billion. While three of the subsector's six industries recorded higher stock, the pharmaceutical and pharmacy supplies industry rose the most (+15.0% to \$7.7 billion). With most retail stores closed as a result of the pandemic, wholesale companies in the textile, clothing and footwear industry saw their inventories rise as they were unable to move product.

Following an increase to 1.45 in March, the inventory-to-sales ratio jumped to 1.87 in April, the highest value on record, as all subsectors experienced gains. The motor vehicle and motor vehicle parts and accessories subsector contributed the most to the rise, as its inventory-to-sales ratio climbed from 1.38 in March to 3.83 in April.

**Looking forward: Impacts of COVID-19 on wholesale trade in May 2020**

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 service sector, wholesale trade impacts the whole economy, while acting as the "invisible" intermediary.

May marks the second month of widespread lockdown and it is anticipated that reported impacts on businesses for the month will not be as severe as seen in April.

The motor vehicle industry faced another difficult month as the widespread global manufacturing shutdowns continued and production did not begin to resume until late May or early June. While Ontario dealerships were given the green light to reopen on May 4, by appointment only, market analysts anticipate another decline in May, but one that is far less pronounced than April's record-setting drop.

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In addition, an increase in May employment for the wholesale and retail trade sector, as shown in the Labour Force Survey, and the appreciation of the Canadian dollar are providing some evidence that the Canadian economy may have started the slow road to recovery.

### **COVID-19 impact analysis and 2020 outlook: Wholesale Services Price Index**

The COVID-19 pandemic has significantly impacted and continues to impact many Canadian industries. To provide data users with some insight regarding price movements in selected industries, Statistics Canada is conducting a series of COVID-19 impact analyses.

The first release in this new series is on the [wholesale trade industry](#).

Each impact analysis focuses on the response of a specific industry during past economic recessions and provides the outlook of the price index trend for the year 2020. As part of the analysis, Statistics Canada is releasing projected estimates for a series of price indexes. These projected estimates will be revised when each price index is officially released in the future.

Next planned releases will cover the outlook of price trends in two transportation service industries: the for-hire trucking industry and the couriers and messengers industry.

On June 23, Statistics Canada will host a **webinar** on [COVID-19's Impact on the Wholesale Industry: Sales and Prices](#).

This webinar will provide a comprehensive overview of the measure of the impact of COVID-19 on the activities of wholesalers in Canada. Background information to better understand the value of wholesale trade in Canada will precede this overview.

This webinar will also provide an overview of the price response of wholesalers during past economic recessions, as indicated by the Wholesale Services Price Index, and the current outlook for 2020, amid the COVID-19 pandemic.

**Table 1**  
**Wholesale merchants' sales by industry – Seasonally adjusted**

	April 2019	March 2020 <sup>r</sup>	April 2020 <sup>p</sup>	March to April 2020	April 2019 to April 2020
	millions of dollars			% change	
<b>Total, wholesale sales (current dollars)</b>	<b>65,071</b>	<b>63,510</b>	<b>49,817</b>	<b>-21.6</b>	<b>-23.4</b>
<b>Total, wholesale sales (2012 chained dollars)</b>	<b>57,709</b>	<b>55,263</b>	<b>43,391</b>	<b>-21.5</b>	<b>-24.8</b>
<b>Total wholesale sales (current dollars), excluding motor vehicle and parts</b>	<b>53,407</b>	<b>54,290</b>	<b>46,561</b>	<b>-14.2</b>	<b>-12.8</b>
Farm product	782	797	746	-6.3	-4.5
Food, beverage and tobacco	12,098	13,217	11,660	-11.8	-3.6
Food	10,838	11,846	10,313	-12.9	-4.8
Beverage	657	767	760	-0.9	15.6
Cigarette and tobacco product	603	605	588	-2.9	-2.6
Personal and household goods	9,290	9,751	7,656	-21.5	-17.6
Textile, clothing and footwear	1,239	882	675 <sup>E</sup>	-23.4	-45.5
Home entertainment equipment and household appliance	712	772	689	-10.8	-3.2
Home furnishings	580	556	430	-22.6	-25.8
Personal goods	907	630	486	-22.9	-46.4
Pharmaceuticals and pharmacy supplies	4,909	5,824	4,491	-22.9	-8.5
Toiletries, cosmetics and sundries	944	1,087	885	-18.6	-6.2
Motor vehicle and motor vehicle parts and accessories	11,664	9,220	3,256	-64.7	-72.1
Motor vehicle	9,275	7,295	1,840	-74.8	-80.2
New motor vehicle parts and accessories	2,330	1,870	1,380	-26.2	-40.8
Used motor vehicle parts and accessories	60	55	36	-34.7	-39.9
Building material and supplies	9,028	8,628	6,714	-22.2	-25.6
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,958	2,791	2,116	-24.2	-28.5
Metal service centres	1,739	1,447	1,113	-23.1	-36.0
Lumber, millwork, hardware and other building supplies	4,330	4,390	3,486	-20.6	-19.5
Machinery, equipment and supplies	13,826	13,139	12,096	-7.9	-12.5
Farm, lawn and garden machinery and equipment	1,771	1,605	1,588	-1.1	-10.3
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,656	3,940	3,623	-8.1	-22.2
Computer and communications equipment and supplies	4,181	4,467	4,521	1.2	8.1
Other machinery, equipment and supplies	3,219	3,127	2,364	-24.4	-26.6
Miscellaneous	8,383	8,757	7,687	-12.2	-8.3
Recyclable material	894	837	622	-25.7	-30.4
Paper, paper product and disposable plastic product	1,019	1,028	822	-20.0	-19.3
Agricultural supplies	2,500	2,566	2,540	-1.0	1.6
Chemical (except agricultural) and allied product	1,502	1,616	1,543	-4.5	2.8
Other miscellaneous	2,468	2,711	2,160	-20.3	-12.5

<sup>r</sup> revised

<sup>p</sup> preliminary

<sup>E</sup> use with caution

**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**

	April 2019	March 2020 <sup>r</sup>	April 2020 <sup>p</sup>	March to April 2020	April 2019 to April 2020
	millions of dollars			% change	
<b>Canada</b>	<b>65,071</b>	<b>63,510</b>	<b>49,817</b>	<b>-21.6</b>	<b>-23.4</b>
Newfoundland and Labrador	361	339	283	-16.6	-21.6
Prince Edward Island	82	98	91	-7.5	10.7
Nova Scotia	871	879	707	-19.5	-18.8
New Brunswick	561	592	466	-21.2	-16.8
Quebec	12,146	12,011	9,901	-17.6	-18.5
Ontario	33,066	33,004	23,029	-30.2	-30.4
Manitoba	1,578	1,582	1,438	-9.1	-8.9
Saskatchewan	2,361	2,260	2,297	1.6	-2.7
Alberta	7,478	6,393	6,208	-2.9	-17.0
British Columbia	6,485	6,279	5,340	-15.0	-17.7
Yukon	13	12	11	-8.2	-13.8
Northwest Territories	55	44	33	-26.4	-41.2
Nunavut	13	16	12	-22.4	-9.8

<sup>r</sup> revised

<sup>p</sup> 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**

	April 2019	March 2020 <sup>r</sup>	April 2020 <sup>p</sup>	March to April 2020	April 2019 to April 2020
	millions of dollars			% change	
<b>Total, wholesale inventories</b>	<b>90,695</b>	<b>91,902</b>	<b>93,039</b>	<b>1.2</b>	<b>2.6</b>
Farm product	162	223	224	0.1	38.3
Food, beverage and tobacco	8,924	9,240	9,435	2.1	5.7
Food	7,996	8,255	8,539	3.4	6.8
Beverage	612	623	603	-3.2	-1.6
Cigarette and tobacco product	316	361	292	-19.2	-7.7
Personal and household goods	15,701	15,915	17,017	6.9	8.4
Textile, clothing and footwear	3,435	3,743	3,900 <sup>E</sup>	4.2	13.5
Home entertainment equipment and household appliance	1,020	1,013	945	-6.7	-7.3
Home furnishings	1,481	1,332	1,291	-3.0	-12.8
Personal goods	2,088	2,050	2,029	-1.0	-2.8
Pharmaceuticals and pharmacy supplies	6,613	6,664	7,666	15.0	15.9
Toiletries, cosmetics and sundries	1,064	1,113	1,186	6.5	11.5
Motor vehicle and motor vehicle parts and accessories	12,749	12,717	12,474	-1.9	-2.2
Motor vehicle	7,315	7,546	7,252	-3.9	-0.9
New motor vehicle parts and accessories	5,322	5,070	5,120	1.0	-3.8
Used motor vehicle parts and accessories	113 <sup>E</sup>	100 <sup>E</sup>	102 <sup>E</sup>	2.0	-9.4
Building material and supplies	15,475	14,823	14,870	0.3	-3.9
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,236	4,464	4,509	1.0	6.4
Metal service centres	4,878	3,931	3,893	-1.0	-20.2
Lumber, millwork, hardware and other building supplies	6,361	6,428	6,468	0.6	1.7
Machinery, equipment and supplies	26,555	27,436	27,422	-0.1	3.3
Farm, lawn and garden machinery and equipment	6,999	6,475	6,281	-3.0	-10.3
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,333	13,003	12,859	-1.1	4.3
Computer and communications equipment and supplies	2,570	2,651	2,732	3.1	6.3
Other machinery, equipment and supplies	4,653	5,307	5,551	4.6	19.3
Miscellaneous	11,128	11,547	11,598	0.4	4.2
Recyclable material	906	892	796	-10.8	-12.1
Paper, paper product and disposable plastic product	916	934	964	3.3	5.2
Agricultural supplies	4,740	4,741	4,723	-0.4	-0.3
Chemical (except agricultural) and allied product	1,467	1,748	1,836	5.0	25.1
Other miscellaneous	3,099	3,231	3,278	1.4	5.8

<sup>r</sup> revised

<sup>p</sup> preliminary

<sup>E</sup> use with caution

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

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

**Table 4**  
**Impact of COVID-19 on wholesale trade**

	April 2020 Sales
	change in thousands of dollars
<b>Total</b>	<b>-16,852,159</b>
Farm product	-141,594
Food, beverage and tobacco	F
Food	F
Beverage	-22,325
Cigarette and tobacco product	-22,288
Personal and household goods	-2,561,326
Textile, clothing and footwear	-942,913
Home entertainment equipment and household appliance	-126,890
Home furnishings	F
Personal goods	-458,141
Pharmaceuticals and pharmacy supplies	-171,461
Toiletries, cosmetics and sundries	F
Motor vehicle and motor vehicle parts and accessories	-5,354,777
Motor vehicle	-4,729,456
New motor vehicle parts and accessories	-595,067
Used motor vehicle parts and accessories	-30,254
Building material and supplies	-2,100,856
Electrical, plumbing, heating and air-conditioning equipment and supplies	-756,197
Metal service centres	-521,812
Lumber, millwork, hardware and other building supplies	-822,846
Machinery, equipment and supplies	-2,698,131 <sup>E</sup>
Farm, lawn and garden machinery and equipment	-159,044
Construction, forestry, mining, and industrial machinery, equipment and supplies	-922,830
Computer and communications equipment and supplies	-169,335
Other machinery, equipment and supplies	F
Miscellaneous	-2,516,932 <sup>E</sup>
Recyclable material	-874,919 <sup>E</sup>
Paper, paper product and disposable plastic product	F
Agricultural supplies	F
Chemical (except agricultural) and allied product	-133,319
Other miscellaneous	-785,310

<sup>E</sup> use with caution

<sup>F</sup> 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 on their activities.

### Note to readers

All data in this release are seasonally adjusted and expressed in current dollars, unless otherwise noted.

[Seasonally adjusted data](#) are data that have been modified to eliminate the effect of seasonal and calendar influences to allow for more meaningful comparisons of economic conditions from period to period. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Trend-cycle estimates are included in selected charts as a complement to the seasonally adjusted series. These data represent a smoothed version of the [seasonally adjusted time series](#) and provide information on longer-term movements including changes in direction underlying the series. For information on trend-cycle data, see [Trend-cycle estimates – Frequently asked questions](#).

Both seasonally adjusted data and trend-cycle estimates are subject to revision as additional observations become available. These revisions could be large and could even lead to a reversal of movement, especially for reference months near the end of the series or during periods of economic disruptions.

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 41112), petroleum and petroleum products merchant wholesalers (NAICS 412) and business-to-business electronic markets, and agents and brokers (NAICS 419).

### 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 May will be released on July 17.

**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](mailto: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](mailto:john.burton@canada.ca)), Mining, Manufacturing and Wholesale Trade Division.