

Wholesale trade, May 2020

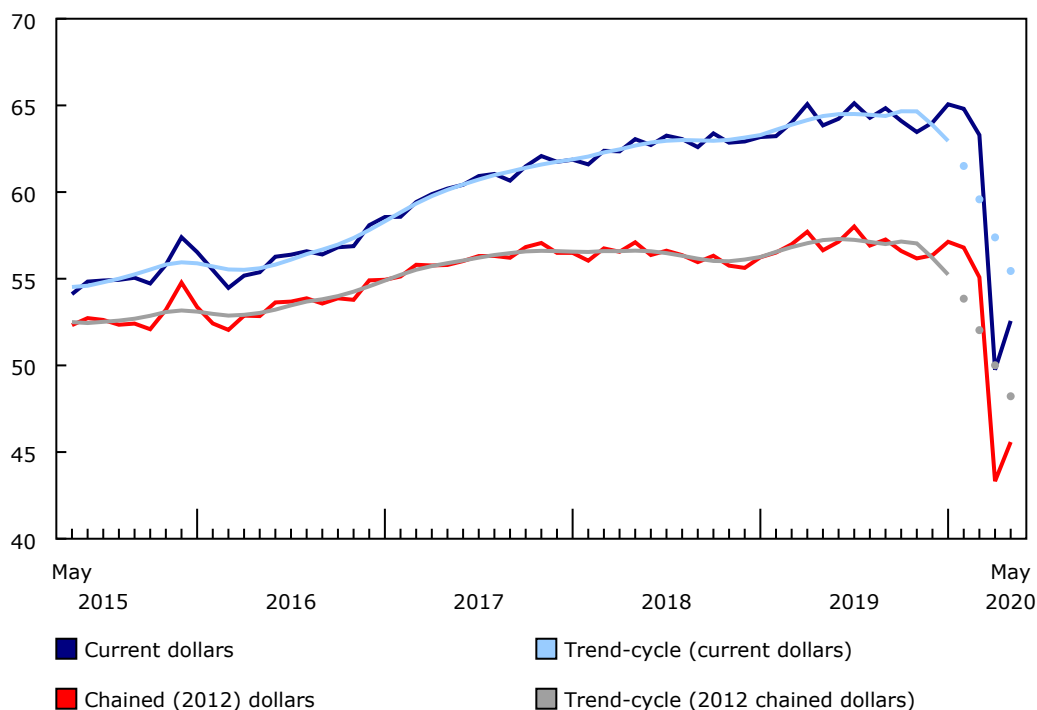
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Following historic declines in April that saw wholesale sales plummet an unprecedented 21.4% due to the COVID-19 pandemic, wholesale sales increased 5.7% to \$52.6 billion in May. Six of seven subsectors recorded higher sales, accounting for about 78% of total wholesale sales. In dollar terms, the building material and supplies and the motor vehicle and motor vehicle parts and accessories subsectors contributed the most to the gain.

Wholesale sales volumes increased 5.2%.

Chart 1
Wholesale sales increase in May

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 recovery and impacts

After rising 1.7% in January to \$65.1 billion, sales in the wholesale trade sector fell sharply as a result of the COVID-19 pandemic and the railway shutdowns that preceded it. From February through April, sales of wholesale goods fell \$15.3 billion. The increase of \$2.8 billion in May amounts to a recovery of 18.4% of the 2020 decline. Wholesale sales in May remained \$12.5 billion (-19.2%) below January's level.

About 60% of the difference in sales between January and May came from the motor vehicles and motor vehicle parts subsector. Sales in this subsector rose in February, despite the rail blockades, but fell \$8.6 billion in March and April combined. While sales in the subsector rose \$1.0 billion in May, they were still \$7.5 billion below the recent high in February, and \$7.2 billion (-63.2%) below January 2020. The sales pattern here largely reflects manufacturers being closed for all of April and parts of May—there was little inventory for most motor vehicle and



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motor vehicle parts wholesalers to sell as Canadian motor vehicle manufacturing sales fell 97.8% in April and only partially recovered in May. However, this pattern was not uniform across the wholesale motor vehicle subsector. Some motor vehicle and motor vehicle parts wholesalers were able to access inventory that was available or in transit to make sales in April. For these companies, the low point in sales came in May, not April, despite the fact that the economy started to re-open in May.

By comparison, the food and beverage subsector has not experienced the same size of shocks as other subsectors. Food, beverage and tobacco sales in May were only 2.1% lower than January sales. There are a number of factors for this. Food is traditionally less prone to economic shocks as the demand for food is largely stable. Indeed, grocery stores have largely been open throughout the pandemic. March was actually a strong month for food, beverage and tobacco wholesalers despite the onset of the pandemic, with sales rising 8.6%. This may be due in part to stockpiling by consumers at the beginning of the pandemic. After an 11.4% drop in April, sales in May rose 3.4% to \$12.1 billion. Sales in May were \$258.0 million below January's level, and \$1.1 billion lower than the subsector's most recent high in March. Wholesale food and beverage sales throughout this period reflect similar activity in the retail sector, where sales from food and beverage stores rose 23.5% in March and only partially pulled back in April. In contrast, sales by food services and drinking places fell 58.6% from February to April.

May sales for the remaining subsectors were \$5.0 billion (-12.2%) below January levels.

Notwithstanding the increases in sales in May, COVID-19 was still having a large negative effect on wholesalers, with 73% of them reporting that the pandemic had an impact on their businesses—only 7 percentage points lower than the month before. Moreover, no subsectors appeared to be shedding COVID-19 impacts in May, as the percentage of wholesalers reporting an impact from COVID-19 ranged from a low of 64% in the food, beverage and tobacco subsector to a high of 86% in the personal and household goods subsector.

Wholesalers estimated that COVID-19 caused a \$16.5 billion drop in sales, with more than half of that coming from the motor vehicle and motor vehicle parts subsector.

Sales rise in six of seven subsectors

With the Canadian construction industry fully resuming in May, the building material and supplies wholesale subsector saw the largest gain in dollar terms in May, up 16.1% to \$7.8 billion. While all three industries within the subsector saw their sales rise, the gains were largely attributable to higher sales in the lumber, millwork, hardware and other building supplies industry, where sales increased 20.4% to \$4.2 billion.

Following a drop of 65.7% in April, the motor vehicle and motor vehicle parts and accessories subsector rebounded 33.4% to \$4.2 billion in May. With most auto manufacturers resuming production in May, the wholesale sector saw growth in both the motor vehicle (+33.0%) and the new motor vehicle parts and accessories (+33.6%) industries.

Only machinery equipment and supply wholesalers reported lower sales in May, down 4.7% to \$11.5 billion.

Sales higher in Ontario and Quebec

Seven provinces recorded higher sales in May, with Ontario and Quebec posting the largest increases.

Ontario sales rose 8.5% to \$25.0 billion, following a 29.9% decline in April. Higher sales were recorded in six of seven subsectors, with the machinery, equipment and supplies subsector (-5.4% to \$5.9 billion) posting the lone decline. The motor vehicle and motor vehicle parts and accessories subsector led the gain, recording a \$1.1 billion increase from April, up 121.3% to \$2.0 billion. The reopening of motor vehicle manufacturing plants and retail dealerships generated the higher sales.

Sales in Quebec rose 8.9% to \$10.7 billion in May, following an 18.0% decline in April. Four of seven subsectors recorded higher sales, led by the building material and supplies subsector and the personal and household goods subsector. The building material and supplies subsector rose 39.6% to \$1.7 billion in May, more than offsetting

a 27.4% decline in April. Higher sales were recorded in each of the subsector's industries, led by the lumber, millwork, hardware and other building supplies industry. Sales in the personal and household goods subsector climbed 14.7% to \$2.4 billion, following three consecutive monthly declines.

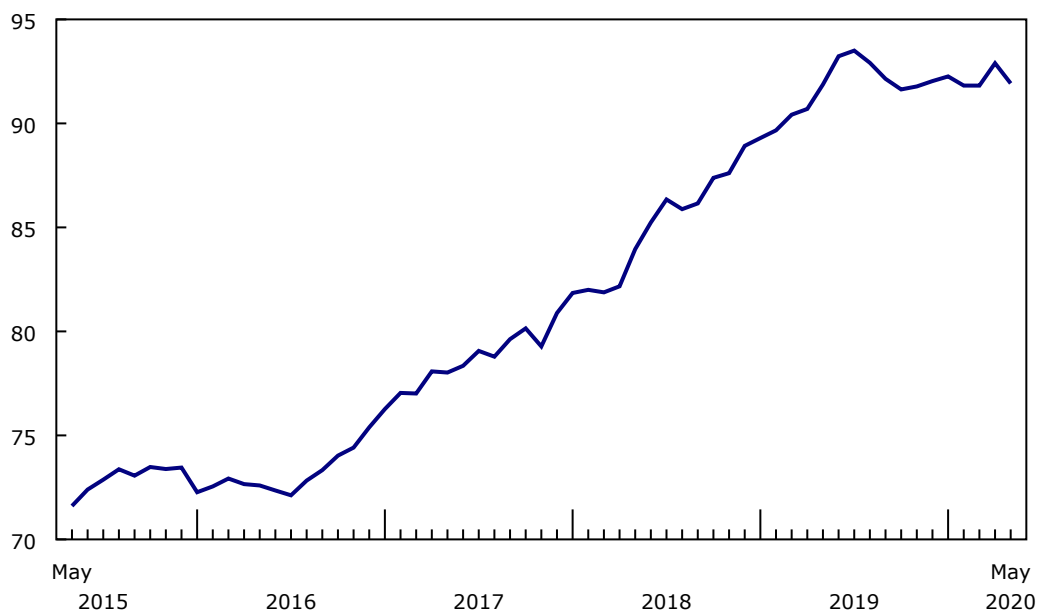
Alberta recorded the largest dollar-value decline in May, down 5.1% to \$5.9 billion. Lower sales were recorded in four of seven subsectors, with the machinery, equipment and supplies subsector leading the decline (down 12.4% to \$1.7 billion). Respondents stated that the reduction in sales was mainly attributable to closures of customer plants and non-essential business shutdowns.

Inventories drawn down in May

Wholesale inventories declined 1.0% to \$91.9 billion in May. Five of seven subsectors recorded decreases, accounting for about 73% of total wholesale inventories. The last time inventories fell more than 1.0% was in November 2017.

Chart 2 Inventories drawn down in May

billions of dollars



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

In dollar terms, the machinery, equipment and supplies subsector led the declines in May, down 3.2% to \$26.5 billion as decreases were seen in all four industries. Roughly two-thirds of the subsector's decline was attributable to the construction, forestry, mining, and industrial machinery, equipment and supplies industry, down 4.5% to \$12.4 billion in May.

After rising to a record 1.87 in April, the inventory-to-sales ratio dropped to 1.75 in May. Five of seven subsectors recorded decreases in their inventory-to-sales ratios, with the motor vehicle and motor vehicle parts and accessories subsector contributing the most.

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change	
Total, wholesale sales (current dollars)	63,846	49,751	52,568	5.7	-17.7
Total, wholesale sales (2012 chained dollars)	56,642	43,320	45,579	5.2	-19.5
Total wholesale sales (current dollars), excluding motor vehicle and parts	52,667	46,614	48,383	3.8	-8.1
Farm product	781	745	778	4.5	-0.3
Food, beverage and tobacco	11,935	11,723	12,121	3.4	1.6
Food	10,692	10,376	10,724	3.4	0.3
Beverage	658	762	772	1.4	17.4
Cigarette and tobacco product	585	585	624	6.7	6.6
Personal and household goods	9,316	7,699	8,391	9.0	-9.9
Textile, clothing and footwear	1,261	616	897	45.7	-28.9
Home entertainment equipment and household appliance	764	693	741	7.0	-2.9
Home furnishings	583	441	503	14.0	-13.8
Personal goods	888	464	782	68.3	-12.0
Pharmaceuticals and pharmacy supplies	4,851	4,579	4,505	-1.6	-7.1
Toiletries, cosmetics and sundries	969	906	964	6.3	-0.5
Motor vehicle and motor vehicle parts and accessories	11,180	3,137	4,185	33.4	-62.6
Motor vehicle	8,805	1,777	2,363	33.0	-73.2
New motor vehicle parts and accessories	2,318	1,324	1,770	33.6	-23.7
Used motor vehicle parts and accessories	57	36	52	43.0	-9.3
Building material and supplies	9,100	6,736	7,822	16.1	-14.0
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,963	2,114	2,490	17.8	-15.9
Metal service centres	1,867	1,148	1,149	0.1	-38.4
Lumber, millwork, hardware and other building supplies	4,271	3,474	4,182	20.4	-2.1
Machinery, equipment and supplies	13,629	12,061	11,493	-4.7	-15.7
Farm, lawn and garden machinery and equipment	1,627	1,540	1,477	-4.1	-9.2
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,503	3,750	3,651	-2.6	-18.9
Computer and communications equipment and supplies	4,248	4,469	4,064	-9.1	-4.3
Other machinery, equipment and supplies	3,252	2,302	2,301	-0.0	-29.2
Miscellaneous	7,906	7,651	7,778	1.7	-1.6
Recyclable material	827	656	636	-3.1	-23.1
Paper, paper product and disposable plastic product	1,042	790	838	6.2	-19.5
Agricultural supplies	2,141	2,447	2,248	-8.1	5.0
Chemical (except agricultural) and allied product	1,497	1,540	1,389	-9.8	-7.2
Other miscellaneous	2,399	2,218	2,667	20.2	11.2

^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

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change	
Canada	63,846	49,751	52,568	5.7	-17.7
Newfoundland and Labrador	364	275	299	9.0	-17.7
Prince Edward Island	91	91	64	-29.2	-29.3
Nova Scotia	881	681	817	20.0	-7.3
New Brunswick	561	460	490	6.6	-12.7
Quebec	12,087	9,820	10,695	8.9	-11.5
Ontario	32,796	23,069	25,028	8.5	-23.7
Manitoba	1,497	1,442	1,510	4.7	0.9
Saskatchewan	2,275	2,269	2,157	-4.9	-5.2
Alberta	6,837	6,255	5,937	-5.1	-13.2
British Columbia	6,373	5,332	5,519	3.5	-13.4
Yukon	14	13	13	-0.9	-11.5
Northwest Territories	54	33	26	-19.5	-50.8
Nunavut	17	13	13	4.1	-23.8

^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

	May 2019	April 2020 ^r	May 2020 ^p	April to May 2020	May 2019 to May 2020
	millions of dollars			% change	
Total, wholesale inventories	91,871	92,893	91,923	-1.0	0.1
Farm product	174	220	211	-4.5	21.2
Food, beverage and tobacco	9,198	9,434	9,213	-2.3	0.2
Food	8,297	8,517	8,313	-2.4	0.2
Beverage	625	621	611	-1.7	-2.2
Cigarette and tobacco product	277	294	289	-1.7	4.4
Personal and household goods	15,943	16,954	16,941	-0.1	6.3
Textile, clothing and footwear	3,609	3,878 ^E	3,895 ^E	0.4	7.9
Home entertainment equipment and household appliance	1,113	930	941	1.1	-15.5
Home furnishings	1,485	1,291	1,290	-0.0	-13.1
Personal goods	2,185	2,033	1,984	-2.4	-9.2
Pharmaceuticals and pharmacy supplies	6,525	7,643	7,652	0.1	17.3
Toiletries, cosmetics and sundries	1,025	1,179	1,178	-0.1	15.0
Motor vehicle and motor vehicle parts and accessories	12,964	12,447	12,650	1.6	-2.4
Motor vehicle	7,513	7,230	7,469	3.3	-0.6
New motor vehicle parts and accessories	5,339	5,120	5,101	-0.4	-4.5
Used motor vehicle parts and accessories	F	97 ^E	F	F	F
Building material and supplies	15,552	14,880	14,612	-1.8	-6.0
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,264	4,518	4,347	-3.8	1.9
Metal service centres	4,842	3,891	3,922	0.8	-19.0
Lumber, millwork, hardware and other building supplies	6,446	6,471	6,343	-2.0	-1.6
Machinery, equipment and supplies	26,758	27,378	26,494	-3.2	-1.0
Farm, lawn and garden machinery and equipment	7,052	6,226	6,052	-2.8	-14.2
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,223	12,939	12,351	-4.5	1.0
Computer and communications equipment and supplies	2,604	2,699	2,601	-3.6	-0.1
Other machinery, equipment and supplies	4,879	5,515	5,491	-0.4	12.5
Miscellaneous	11,282	11,580	11,802	1.9	4.6
Recyclable material	901 ^E	832	835	0.3	-7.3
Paper, paper product and disposable plastic product	962	937	958	2.3	-0.4
Agricultural supplies	4,909	4,735	5,014	5.9	2.1
Chemical (except agricultural) and allied product	1,431	1,844	1,804	-2.2	26.1
Other miscellaneous	3,081	3,232	3,191	-1.3	3.6

^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
Impact of COVID-19 on wholesale trade

	May 2020 Sales
	change in thousands of dollars
Total	-16,456,157
Farm product	-110,388
Food, beverage and tobacco	F
Food	F
Beverage	-34,197
Cigarette and tobacco product	-8,545
Personal and household goods	-1,075,553
Textile, clothing and footwear	-507,558
Home entertainment equipment and household appliance	-45,844
Home furnishings	-186,890
Personal goods	-160,695
Pharmaceuticals and pharmacy supplies	-93,691
Toiletries, cosmetics and sundries	-80,876
Motor vehicle and motor vehicle parts and accessories	-8,530,926
Motor vehicle	-6,584,211
New motor vehicle parts and accessories	-1,931,175
Used motor vehicle parts and accessories	-15,540
Building material and supplies	-1,935,252
Electrical, plumbing, heating and air-conditioning equipment and supplies	F
Metal service centres	-457,425
Lumber, millwork, hardware and other building supplies	-423,642
Machinery, equipment and supplies	-2,064,823
Farm, lawn and garden machinery and equipment	-186,360
Construction, forestry, mining, and industrial machinery, equipment and supplies	-775,489
Computer and communications equipment and supplies	-356,979
Other machinery, equipment and supplies	F
Miscellaneous	-1,535,914
Recyclable material	-258,136
Paper, paper product and disposable plastic product	F
Agricultural supplies	-88,361
Chemical (except agricultural) and allied product	F
Other miscellaneous	-684,445

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 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 [Deflation of wholesale sales](#).

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 June will be released on August 19.

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.