

Wholesale trade, June 2020

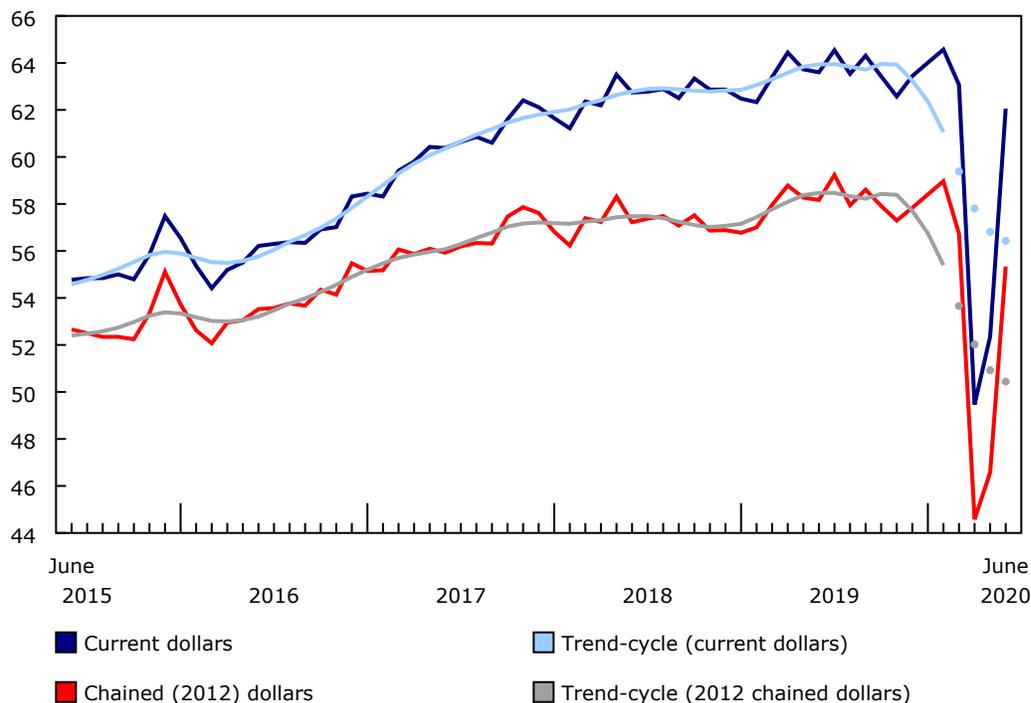
Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, August 19, 2020

Wholesale sales continued to rebound in June, jumping 18.5% to \$62.1 billion, building on a 5.8% gain in May. The increase in June returned wholesale sales to near pre-pandemic levels. All seven subsectors recorded higher sales for the first time since November 2017. In dollar terms, the motor vehicle and motor vehicle parts and accessories subsector led the growth. Excluding this subsector, wholesale sales increased 10.2%.

Wholesale sales volumes were up 18.8%.

Chart 1
Wholesale sales increase in June

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.

Sector continues to recover

Wholesale sales rose by \$9.7 billion as large parts of the economy reopened. Sales in June were \$2.5 billion below February's pre-COVID-19 levels, an improvement from May when sales were \$12.2 billion below February. The wholesale sector recorded its highest-ever sales level in February 2020, before the pandemic generated a \$15.1 billion drop in monthly output over the course of two months. Since then, more than 80% of the drop in monthly sales caused by COVID-19 has been recouped, and June sales were 3.9% below February's record high.



Excluding motor vehicles and motor vehicle parts and accessories, wholesale sales were 0.5% higher in June than they were in February. Specifically, sales in the miscellaneous subsector reached a record high, and, the food, beverage and tobacco, and the farm product subsectors in June were both higher than they were in February. The personal and household goods, building material and supplies, and machinery equipment and supplies subsectors all recorded sales that were less than 4% below pre-COVID-19 levels.

Sales of motor vehicles and motor vehicle parts and accessories continued to be the slowest to recover. While June's sales were up 114.8%, sales were 23.7%, or \$2.8 billion, below February levels.

Provincially, four provinces' June sales were higher than their pre-COVID-19 level: Nova Scotia, New Brunswick, Manitoba and Saskatchewan. Notably, sales in Saskatchewan did not drop below February levels during the pandemic—making it the only province that was able to maintain sales at or above that level. The lowest sales in Saskatchewan during the pandemic came in May, when sales were \$40 million lower than in January, and \$81 million higher than in February. June sales in Ontario and British Columbia were the furthest off their February levels, down 6.2% and 5.9% respectively.

June's sales were largely consistent with other economic indicators, suggesting that the economy has started a widespread rebound. Monthly manufacturing sales increased 20.7%, largely reflecting the fact that motor vehicle manufacturing sales doubled from May to June, employment rose by nearly one million and exports rose 17.1%.

The growth was also reflected in recent responses to the Canadian Survey on Business Conditions, where 14.9% of wholesalers indicated that they planned to increase the number of employees over the next quarter and another 73.2% expected to maintain employment levels. Notwithstanding the generally more positive situation in June, planned capital expenditures in the wholesale trade sector were down 6.9% compared with pre-pandemic forecasts.

Despite the gains in June, wholesalers by and large did not appear to have specific plans in place to recover from the economic consequences of COVID-19. More specifically, 13.8% of respondents indicated that they had a recovery plan in place, ranging from a high of 22.3% in the machinery, equipment and supplies subsector, to a low of 3.2% in the farm product subsector.

All seven subsectors contribute to the sales growth in June

All seven subsectors posted gains in June, with the motor vehicle and motor vehicle parts and accessories subsector leading the way. The subsector posted a record increase to \$8.9 billion, roughly three quarters of the pre-COVID-19 level of \$11.7 billion. With automobile production having resumed in most of North America by late May or early June, and trade flowing more freely in and out of the country, sales in the motor vehicle industry increased 191.2% to \$6.8 billion.

The personal and household goods subsector saw sales rise 17.3% to \$9.7 billion as sales increased in five of six industries. Other subsectors reporting double-digit percentage increases in June were miscellaneous (+18.1%) and building material and supplies (+13.5%).

Sales rise in every province

Every province recorded higher wholesale trade sales in the month of June, led by Ontario, Quebec and British Columbia.

Sales in Ontario rose 27.9% to \$31.9 billion, the largest month-over-month dollar-value increase on record for the province. Six of seven subsectors recorded higher sales in June, with the majority of the increase coming from the strength of the motor vehicle and motor vehicle parts and accessories subsector (+188.0% to \$5.9 billion). Respondents in the subsector noted that the return of near-capacity employment to wholesaling centres, manufacturing plants and many retail outlets resulted in the higher levels compared with previous months. Despite the increase, the motor vehicle and motor vehicle parts and accessories subsector in Ontario was 28.9% lower than the pre-pandemic high of \$8.3 billion.

Quebec recorded a second consecutive month-over-month increase in sales, up 12.0% to \$12.0 billion, following an 11.5% increase in May. Six of seven subsectors recorded higher sales, led by the motor vehicle and motor vehicle parts and accessories subsector (+56.6% to \$1.4 billion) and the personal and household goods subsector (+15.7% to \$2.7 billion). Growth in the personal and household goods subsector was mainly attributable to the pharmaceuticals and pharmacy supplies industry, nearly offsetting the industry's declines of the previous two months.

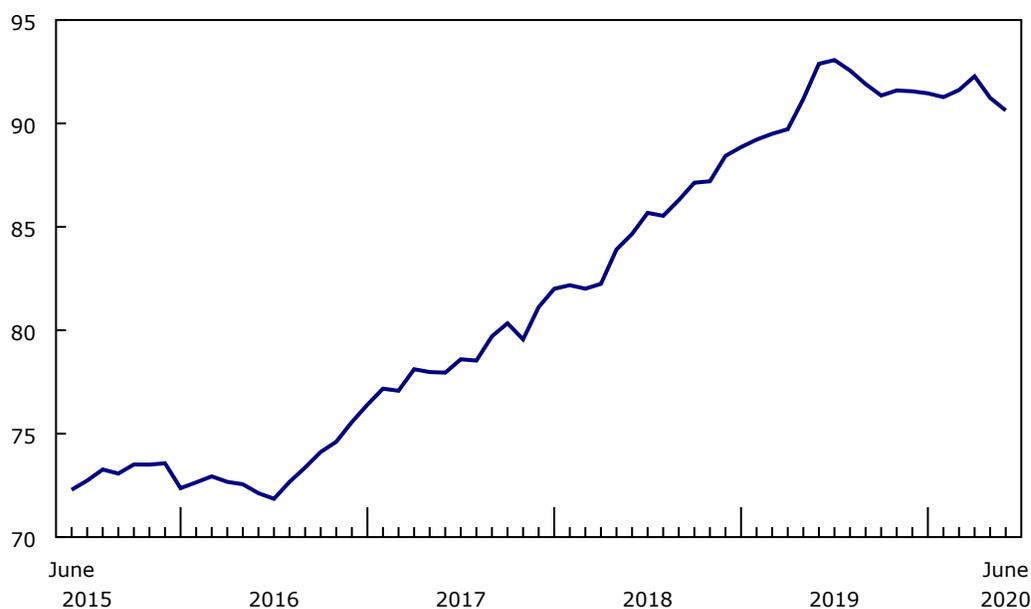
Wholesale sales in British Columbia rose 10.0% to \$5.9 billion in June, as six of seven subsectors recorded higher sales. Increases in the motor vehicle and motor vehicle parts and accessories subsector (+53.7% to \$623 million) and the machinery, equipment and supplies subsector (+12.5% to \$1.1 billion) led the gains, as both subsectors recorded their first monthly increase since February 2020.

Inventories continue their descent in June

Wholesale inventories declined 0.7% to \$90.6 billion in June. Four of seven subsectors recorded decreases, accounting for 43% of total wholesale inventories.

Chart 2 Inventories continue their descent in June

billions of dollars



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

The personal and household goods subsector posted the largest decline, down 4.7% to \$15.7 billion as decreases were seen in all six industries. The toiletries, cosmetics and sundries industry led the decline (-18.3% to \$967 million), followed by the pharmaceuticals and pharmacy supplies industry (-2.5% to \$7.3 billion). These two industries combined contributed roughly half of the subsector's decline in inventories.

The inventory-to-sales ratio continued to decrease, dropping to 1.46 in June from 1.74 in May—more in line with pre-COVID-19 ratios. All subsectors recorded decreases in their inventory-to sales ratios, with the motor vehicle and motor vehicle parts and accessories subsector being the main contributor to the inventory-to-sales ratio decline.

Cannabis

Starting with the June reference month, the Monthly Wholesale Trade Survey is publishing data on cannabis. The data series goes back to October 2018 when cannabis was legalized in Canada. Cannabis sales in Canada in June were \$96 million, up 26.2% from May.

Data provide details on sales and inventories monthly and by province/territory. Cannabis is included in the unadjusted, seasonally adjusted, and constant dollar tables. Tables 1 and 3 from the current release include this commodity, as do tables [20-10-0003-01](#), [20-10-0074-01](#) and [20-10-0076-01](#).

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	June 2019	May 2020 ^r	June 2020 ^p	May to June 2020	June 2019 to June 2020
	millions of dollars			% change	
Total, wholesale sales (current dollars)	63,601	52,356	62,056	18.5	-2.4
Total, wholesale sales (2012 chained dollars)	58,169	46,572	55,334	18.8	-4.9
Total wholesale sales (current dollars), excluding motor vehicle and parts	52,728	48,197	53,125	10.2	0.8
Farm product	838	778	804	3.3	-4.0
Food, beverage and tobacco	11,771	12,056	12,237	1.5	4.0
Food	10,529	10,671	10,754	0.8	2.1
Beverage	637	743	793	6.7	24.4
Cigarette and tobacco product	559	566	594	4.9	6.3
Cannabis	47	76	96	26.2	106.5
Personal and household goods	9,307	8,258	9,686	17.3	4.1
Textile, clothing and footwear	1,351	801	1,012	26.4	-25.1
Home entertainment equipment and household appliance	794	758	781	3.1	-1.7
Home furnishings	606	494	614	24.1	1.3
Personal goods	887	790	989	25.1	11.4
Pharmaceuticals and pharmacy supplies	4,691	4,457	5,349	20.0	14.0
Toiletries, cosmetics and sundries	978	958	942	-1.7	-3.7
Motor vehicle and motor vehicle parts and accessories	10,874	4,158	8,931	114.8	-17.9
Motor vehicle	8,500	2,331	6,790	191.2	-20.1
New motor vehicle parts and accessories	2,319	1,776	2,090	17.7	-9.9
Used motor vehicle parts and accessories	55	51	51	0.4	-6.6
Building material and supplies	8,986	7,751	8,801	13.5	-2.1
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,936	2,495	3,045	22.0	3.7
Metal service centres	1,690	1,107	1,301	17.6	-23.0
Lumber, millwork, hardware and other building supplies	4,359	4,149	4,455	7.4	2.2
Machinery, equipment and supplies	13,778	11,826	12,705	7.4	-7.8
Farm, lawn and garden machinery and equipment	1,457	1,503	1,687	12.2	15.8
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,611	3,620	3,888	7.4	-15.7
Computer and communications equipment and supplies	4,454	4,096	4,118	0.5	-7.5
Other machinery, equipment and supplies	3,256	2,606	3,013	15.6	-7.5
Miscellaneous	8,047	7,528	8,892	18.1	10.5
Recyclable material	780	612	764	24.7	-2.1
Paper, paper product and disposable plastic product	1,057	840	939	11.8	-11.1
Agricultural supplies	2,257	2,179	2,693	23.6	19.3
Chemical (except agricultural) and allied product	1,490	1,347	1,473	9.4	-1.1
Other miscellaneous	2,463	2,549	3,023	18.6	22.7

^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

	June 2019	May 2020 ^r	June 2020 ^p	May to June 2020	June 2019 to June 2020
	millions of dollars			% change	
Canada	63,601	52,356	62,056	18.5	-2.4
Newfoundland and Labrador	367	298	300	0.7	-18.3
Prince Edward Island	89	66	81	23.0	-8.6
Nova Scotia	997	786	925	17.7	-7.2
New Brunswick	621	505	594	17.6	-4.3
Quebec	11,922	10,684	11,970	12.0	0.4
Ontario	32,643	24,953	31,907	27.9	-2.3
Manitoba	1,506	1,480	1,556	5.2	3.4
Saskatchewan	2,199	2,116	2,283	7.9	3.8
Alberta	6,860	6,021	6,453	7.2	-5.9
British Columbia	6,336	5,388	5,926	10.0	-6.5
Yukon	14	13	14	3.4	0.1
Northwest Territories	38	32	36	11.5	-5.4
Nunavut	11	13	12	-13.8	4.5

^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

	June 2019	May 2020 ^r	June 2020 ^p	May to June 2020	June 2019 to June 2020
	millions of dollars			% change	
Total, wholesale inventories	92,883	91,238	90,630	-0.7	-2.4
Farm product	184	209	201	-3.9	9.0
Food, beverage and tobacco	9,214	9,422	9,251	-1.8	0.4
Food	8,199	8,330	8,154	-2.1	-0.6
Beverage	571	546	527	-3.5	-7.7
Cigarette and tobacco product	246	367	387	5.4	57.4
Cannabis	198	178	183	3.0	-7.4
Personal and household goods	15,540	16,445	15,666	-4.7	0.8
Textile, clothing and footwear	3,157	3,672	3,505	-4.6	11.0
Home entertainment equipment and household appliance	1,150	927	862	-7.0	-25.1
Home furnishings	1,540	1,259	1,229	-2.4	-20.2
Personal goods	2,286	1,960	1,845	-5.9	-19.3
Pharmaceuticals and pharmacy supplies	6,337	7,443	7,259	-2.5	14.6
Toiletries, cosmetics and sundries	1,070	1,184	967	-18.3	-9.6
Motor vehicle and motor vehicle parts and accessories	13,012	12,376	12,765	3.1	-1.9
Motor vehicle	7,628	7,240	7,809	7.9	2.4
New motor vehicle parts and accessories	5,280	5,053	4,881	-3.4	-7.6
Used motor vehicle parts and accessories	F	F	F	F	F
Building material and supplies	15,518	14,782	14,276	-3.4	-8.0
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,240	4,324	4,180	-3.3	-1.4
Metal service centres	4,488	3,971	4,031	1.5	-10.2
Lumber, millwork, hardware and other building supplies	6,790	6,487	6,064	-6.5	-10.7
Machinery, equipment and supplies	27,497	26,172	26,551	1.5	-3.4
Farm, lawn and garden machinery and equipment	7,119	5,993	5,850	-2.4	-17.8
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,699	12,196	12,724	4.3	0.2
Computer and communications equipment and supplies	2,611	2,613	2,601	-0.5	-0.4
Other machinery, equipment and supplies	5,069	5,370	5,377	0.1	6.1
Miscellaneous	11,918	11,832	11,920	0.7	0.0
Recyclable material	861	851	995 ^E	16.9	15.5
Paper, paper product and disposable plastic product	952	1,031	1,050	1.8	10.3
Agricultural supplies	5,260	5,122	5,016	-2.1	-4.6
Chemical (except agricultural) and allied product	1,509	1,571	1,560	-0.7	3.4
Other miscellaneous	3,337	3,257	3,300	1.3	-1.1

^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.

Note to readers

This release incorporates annual revisions. Unadjusted monthly wholesale data were revised back to October 2018 to incorporate the inclusion of cannabis data, while seasonally adjusted data were revised back to January 2015. Factors influencing revisions include the late receipt of respondent information, the correction of information in the data provided, the replacement of estimated figures with actual values (once available), the re-classification of companies within, into and out of the wholesale trade sector and updates to seasonal factors.

Data in volume terms were revised back to January 2009.

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 July will be released on September 18.

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.