

Wholesale trade, July 2020

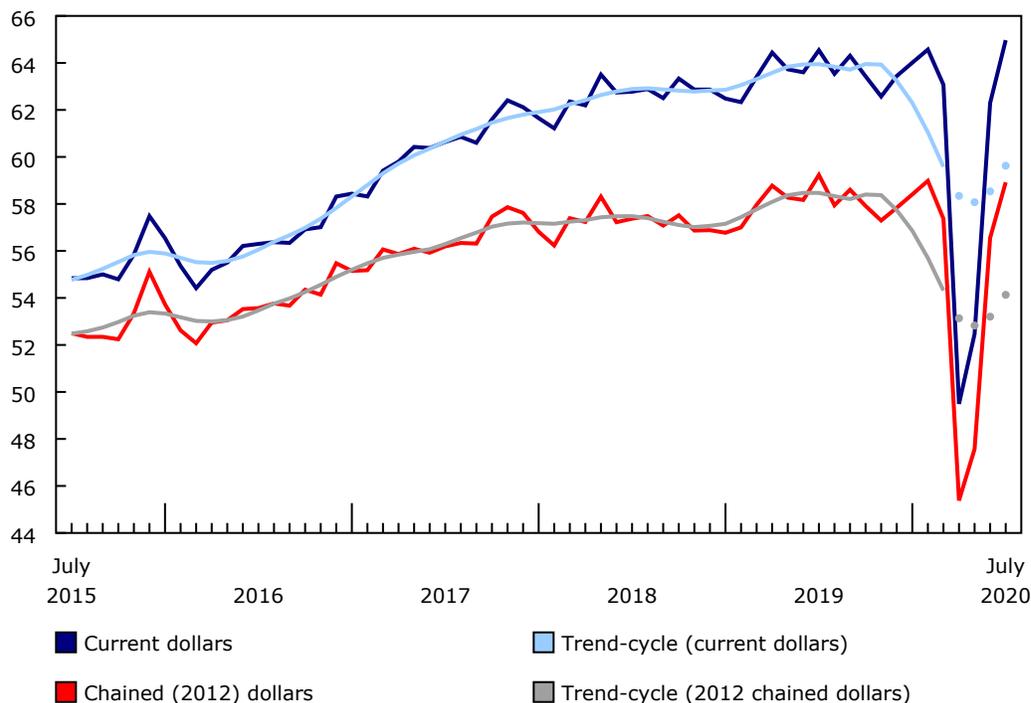
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Wholesale sales grew for a third consecutive month in July as sales rose 4.3% to a record high \$65.0 billion on the strength of higher sales in the motor vehicle and motor vehicle parts and accessories subsector. Sales increased in six subsectors in July. Excluding the motor vehicle and motor vehicle parts and accessories subsector, wholesale sales increased 1.8%.

Wholesale sale volumes grew 4.2% in July.

Chart 1
Wholesale sales increase in July

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](#).

Wholesale sales surpass pre-COVID-19 levels

The wholesale sector has demonstrated considerable resiliency as the Canadian economy started to reopen in the midst of the COVID-19 pandemic. July's sales were 0.6% higher than the pre-COVID-19 level in February 2020.

The recovery from the COVID-19-induced drop has been widespread in the wholesale sector, as most subsectors' sales have reached pre-pandemic levels. Five of the seven subsectors reported sales in July that were higher than in February, led by the miscellaneous; machinery and equipment and supplies; and food, beverage, and tobacco subsectors. Excluding the motor vehicle and motor vehicle parts and accessories subsector, wholesale sales in July were 2.9% higher than in February.



Of all of the goods-producing sectors of the Canadian economy, the motor vehicle and motor vehicle parts industry was one of the hardest hit. For this industry, from February to April, wholesale sales dropped 74.0%, manufacturing sales dropped 93.9%, retail sales were 63.9% lower, imports were down 79.0%, and exports fell 85.4%. Unlike the food sector where goods can be grown, processed, packaged, delivered and consumed all within a very small geographic area, the motor vehicle and motor vehicle parts industry depends on the cohesion of international supply chains and just-in-time delivery. With the pandemic being managed differently in different parts of the world, with different abilities to open workplaces at different levels of capacity, it is taking longer for some parts of the motor vehicle industry to rebound to pre-pandemic levels. So while Canadian auto export, manufacturing, and retail sales have returned to pre-pandemic levels, July imports from the motor vehicle sector were more than 10% below February 2020, and July's wholesale sales of motor vehicles and motor vehicle parts were 9.8% below pre-pandemic levels.

Provincially, wholesale sales were higher in eight provinces in July than February. Ontario and Prince Edward Island were the only provinces that had not returned to pre-COVID-19 levels. Ontario's delay was driven by sales in the motor vehicle and motor vehicle parts industry that were 13.4% below pre-COVID-19 levels in July.

Saskatchewan, on the other hand, reaped the benefits of a strong agricultural supplies industry—whose sales did not drop below February's levels—ensuring that the province did not have a long row to hoe in its COVID-19 recovery. Saskatchewan's July sales were 12.5% higher than those in February.

Higher sales of motor vehicle and motor vehicle parts and accessories continue to aid recovery

Following strong increases in May (+36.2%) and in June (+113.3%), sales in the motor vehicle and motor vehicle parts and accessories subsector increased for a third consecutive month in July as sales grew 19.3% to \$10.6 billion. The three consecutive strong increases were indicative of pent-up demand and production of autos and auto parts. The adjustments made by auto plants to maintain production, including reducing the duration of usual summer shut down in July for maintenance, helped production. Both exports (+37.0%) and imports (+50.3%) of motor vehicle and parts increased in July.

Sales increased in all three industries within this subsector, with the motor vehicle industry (+24.0% to \$8.3 billion) leading the way. Higher sales in this subsector helped the total wholesale sales to surpass the pre-COVID-19 levels, as more than 60% of July's increase, in dollar terms, came from this subsector. However, sales in this subsector were still 9.8% lower than the pre-COVID-19 level in February. On a year-over-year basis, sales were 5.7% lower compared with July 2019.

Higher sales in other subsectors, except for the miscellaneous subsector which fell 0.5%, also contributed to the increase in the total wholesale sales in July, and most of the subsectors reached their pre-COVID-19 levels of sales.

Higher sales in nine provinces

Sales increased in nine provinces in July, led by Ontario, British Columbia and Quebec, accounting for 99% of total wholesale sales.

Sales in Ontario continued to grow in July, up 5.3% to \$33.8 billion for a third consecutive monthly increase. Higher sales were recorded in four of seven subsectors, led by a 21.2% increase in the motor vehicle and motor vehicle parts and accessories subsector, and a 6.4% rise in the machinery, equipment and supplies subsector. The machinery, equipment and supplies subsector recorded a second consecutive monthly increase, reflecting growth in the other machinery, equipment and supplies industry.

Wholesale sales in British Columbia increased for a third consecutive month, up 7.9% to \$6.4 billion. Higher sales were recorded in each of the seven subsectors, led by a 14.3% increase in the building materials and supplies subsector and a jump of 19.3% in the motor vehicle and motor vehicle parts and accessories subsector. Increases

in the building materials and supplies subsector were largely attributable to higher sales in the lumber, millwork, hardware and other building supplies industry, as lumber and other sawmill exports climbed and lumber and other wood products prices increased to their highest level since July 2018.

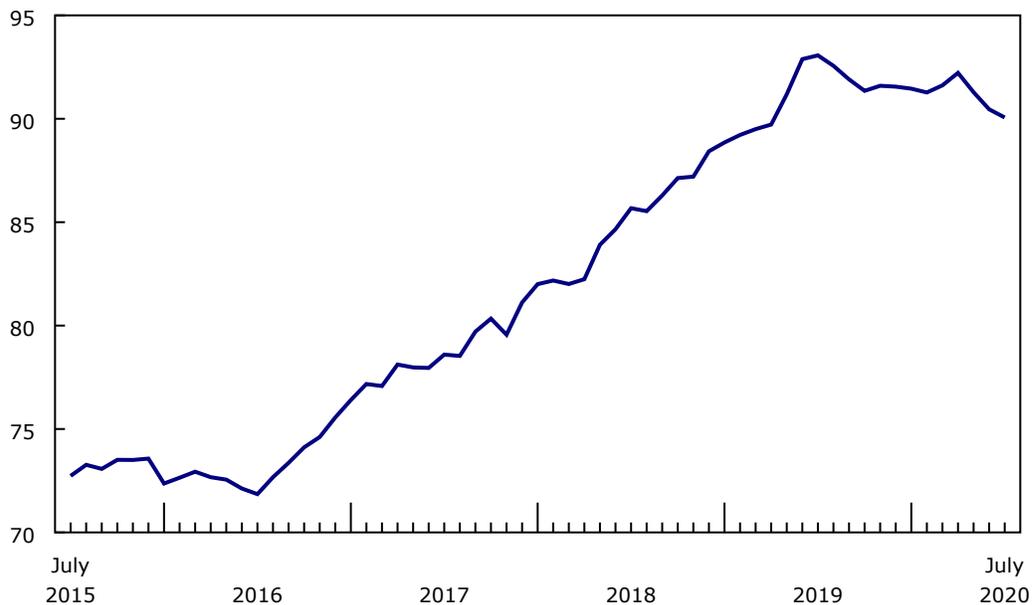
Wholesale sales in Quebec rose 1.6% to \$12.2 billion in July, 0.2% lower than the provincial high of \$12.3 billion recorded in January 2020. Higher sales were recorded in six of seven subsectors, led by the motor vehicle and motor vehicle parts and accessories subsector and the food, beverage and tobacco subsector.

Inventories

Wholesale inventories fell 0.4% in July to \$90.1 billion, their lowest level since April 2019. It was the third consecutive decline for stocks of wholesale goods.

Chart 2 Inventories continue their descent in July

billions of dollars



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

Five of seven subsectors reported lower inventories, with the machinery, equipment and supplies (-2.5%) and the motor vehicle and motor vehicle parts and accessories (-3.0%) subsectors posting the largest declines. Partially offsetting the decline was a 4.4% increase in inventories of personal and household goods.

The inventory-to-sales ratio fell to 1.39 in July from 1.45 in June, the third consecutive decline, and also the lowest level since October 2018.

Today, Statistics Canada unveils its new [retail and wholesale](#) subject-matter portal.

As part of the agency's modernization efforts, the new portal provides users with a single window of access to find, analyze and use a wide range of data and information related to retail and wholesale in Canada.

Users can quickly and easily browse the various key subtopics including the retail and wholesale trade programs and access Statistics Canada's latest data tables and analytical articles.

The new portal now makes it easier, faster and more straightforward to find the information.

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	July 2019	June 2020 ^r	July 2020 ^p	June to July 2020	July 2019 to 2020
	millions of dollars			% change	
Total, wholesale sales (current dollars)	64,541	62,298	64,968	4.3	0.7
Total, wholesale sales (2012 chained dollars)	59,233	56,557	58,921	4.2	-0.5
Total wholesale sales (current dollars), excluding motor vehicle and parts	53,340	53,444	54,410	1.8	2.0
Farm product	826	815	853	4.6	3.2
Food, beverage and tobacco	11,952	12,305	12,390	0.7	3.7
Food	10,623	10,765	10,836	0.7	2.0
Beverage	635	794	799	0.7	25.9
Cigarette and tobacco product	633	650	650	0.1	2.8
Cannabis	61	96	103	7.7	69.6
Personal and household goods	9,704	9,595	9,782	2.0	0.8
Textile, clothing and footwear	1,466	974	984 ^E	1.0	-32.9
Home entertainment equipment and household appliance	810	819	848	3.6	4.7
Home furnishings	572	632	641	1.5	12.1
Personal goods	859	893	914	2.4	6.4
Pharmaceuticals and pharmacy supplies	5,045	5,294	5,238	-1.0	3.8
Toiletries, cosmetics and sundries	952	983	1,156	17.6	21.4
Motor vehicle and motor vehicle parts and accessories	11,201	8,854	10,558	19.3	-5.7
Motor vehicle	8,865	6,728	8,345	24.0	-5.9
New motor vehicle parts and accessories	2,281	2,070	2,157	4.2	-5.4
Used motor vehicle parts and accessories	56	55	56	1.0	0.2
Building material and supplies	9,010	8,921	9,103	2.0	1.0
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,977	2,981	2,817	-5.5	-5.4
Metal service centres	1,607	1,325	1,450	9.5	-9.7
Lumber, millwork, hardware and other building supplies	4,426	4,615	4,836	4.8	9.2
Machinery, equipment and supplies	13,465	12,953	13,468	4.0	0.0
Farm, lawn and garden machinery and equipment	1,616	1,743	1,866	7.1	15.5
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,446	3,951	4,004	1.3	-9.9
Computer and communications equipment and supplies	4,148	4,158	4,388	5.5	5.8
Other machinery, equipment and supplies	3,255	3,101	3,209	3.5	-1.4
Miscellaneous	8,384	8,856	8,814	-0.5	5.1
Recyclable material	882	790	785	-0.6	-11.0
Paper, paper product and disposable plastic product	1,012	943	962	2.0	-4.9
Agricultural supplies	2,547	2,677	2,744	2.5	7.8
Chemical (except agricultural) and allied product	1,564	1,490	1,498	0.5	-4.2
Other miscellaneous	2,379	2,956	2,825	-4.4	18.7

^r revised

^p preliminary

^E 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

	July 2019	June 2020 ^r	July 2020 ^p	June to July 2020	July 2019 to July 2020
	millions of dollars			% change	
Canada	64,541	62,298	64,968	4.3	0.7
Newfoundland and Labrador	342	312	346	11.2	1.1
Prince Edward Island	90	80	84	5.5	-6.4
Nova Scotia	902	907	929	2.4	3.0
New Brunswick	615	623	600	-3.7	-2.4
Quebec	12,066	12,050	12,238	1.6	1.4
Ontario	33,591	32,086	33,785	5.3	0.6
Manitoba	1,523	1,533	1,663	8.5	9.2
Saskatchewan	2,244	2,275	2,289	0.6	2.0
Alberta	6,709	6,455	6,589	2.1	-1.8
British Columbia	6,385	5,924	6,390	7.9	0.1
Yukon	13	13	12	-6.2	-4.3
Northwest Territories	47	30	26	-11.3	-43.9
Nunavut	14	13	16	27.5	13.9

^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

	July 2019	June 2020 ^r	July 2020 ^p	June to July 2020	July 2019 to July 2020
	millions of dollars			% change	
Total, wholesale inventories	93,065	90,458	90,062	-0.4	-3.2
Farm product	174	199	193	-2.8	10.8
Food, beverage and tobacco	9,273	9,240	9,235	-0.1	-0.4
Food	8,250	8,147	8,139	-0.1	-1.4
Beverage	558	533	551	3.3	-1.4
Cigarette and tobacco product	265	376	378	0.4	42.5
Cannabis	199	183	168	-8.6	-15.8
Personal and household goods	15,661	15,424	16,105	4.4	2.8
Textile, clothing and footwear	3,047	3,440	3,452	0.4	13.3
Home entertainment equipment and household appliance	1,181	843	814	-3.3	-31.0
Home furnishings	1,534	1,307	1,392	6.5	-9.3
Personal goods	2,388	1,738	2,027 ^E	16.7	-15.1
Pharmaceuticals and pharmacy supplies	6,439	7,069	7,296	3.2	13.3
Toiletries, cosmetics and sundries	1,073	1,027 ^E	1,123 ^E	9.3	4.6
Motor vehicle and motor vehicle parts and accessories	13,191	12,514	12,136	-3.0	-8.0
Motor vehicle	7,884	7,633	7,401	-3.0	-6.1
New motor vehicle parts and accessories	5,205	4,802	4,642	-3.3	-10.8
Used motor vehicle parts and accessories	F	F	F	F	F
Building material and supplies	15,653	14,460	14,390	-0.5	-8.1
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,282	4,175	4,039	-3.2	-5.7
Metal service centres	4,488	4,181	3,912	-6.4	-12.8
Lumber, millwork, hardware and other building supplies	6,883	6,104	6,439	5.5	-6.5
Machinery, equipment and supplies	27,204	26,658	26,004	-2.5	-4.4
Farm, lawn and garden machinery and equipment	7,066	5,779	5,710	-1.2	-19.2
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,826	12,918	12,156	-5.9	-5.2
Computer and communications equipment and supplies	2,554	2,606	2,644	1.4	3.5
Other machinery, equipment and supplies	4,758	5,356	5,494	2.6	15.5
Miscellaneous	11,907	11,964	12,000	0.3	0.8
Recyclable material	857 ^E	993	901 ^E	-9.2	5.1
Paper, paper product and disposable plastic product	930	1,023	1,000	-2.2	7.5
Agricultural supplies	5,087	5,045	5,101	1.1	0.3
Chemical (except agricultural) and allied product	1,601	1,560	1,556	-0.3	-2.8
Other miscellaneous	3,432	3,344	3,441	2.9	0.3

^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

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 August will be released on October 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 Jeff Paul (613-854-2518; jeff.paul@canada.ca), Mining, Manufacturing and Wholesale Trade Division.