

Wholesale trade, November 2020

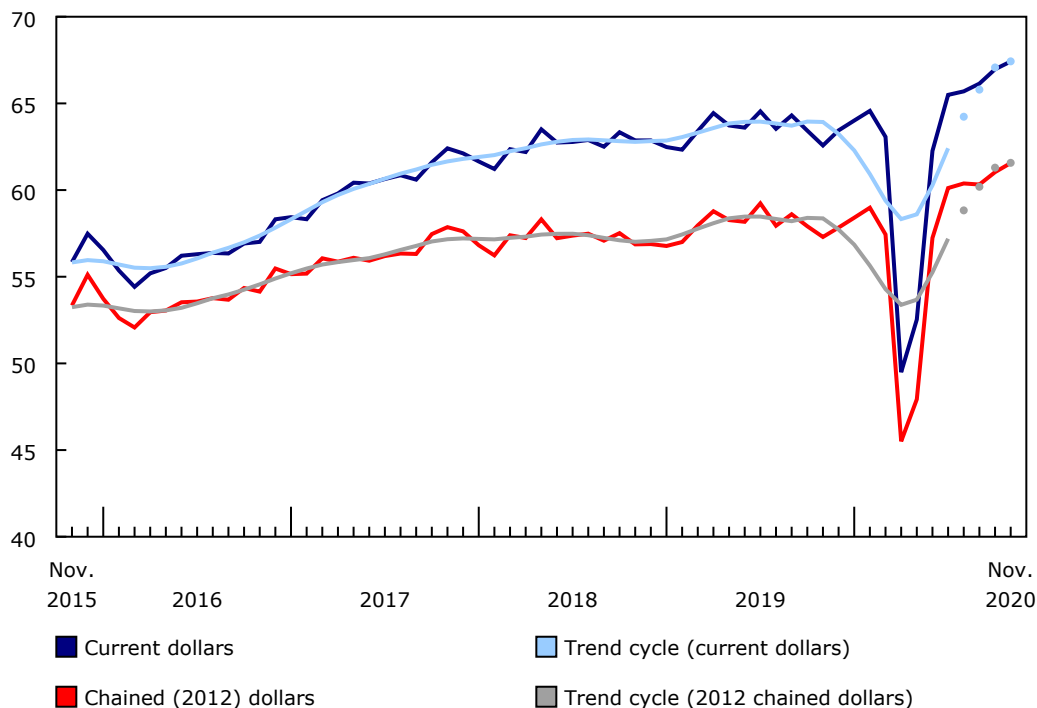
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Wholesale sales grew for the seventh consecutive month in November—up 0.7% to an all-time high of \$67.4 billion. Five of seven subsectors reported stronger sales, led by the machinery, equipment and supplies subsector and the building material and supplies subsector. Notably, the increase reflects higher domestic sales of Canadian goods, as both imports and exports of key commodities fell in November.

Wholesale trade volumes increased 0.9% in November.

Chart 1
Wholesale sales increase in November

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 sector continues to show strength

The demand for wholesale goods largely held firm through November as sales grew for the seventh consecutive month. This occurred notwithstanding the fact that some restrictions on business activities started to be tightened in some provinces in November in response to the second wave of COVID-19. However, for the most part, significant restrictions did not come into effect until December.

November sales were 4.4% higher than the pre-pandemic level recorded in February 2020, with six of the seven subsectors' sales higher than pre-COVID-19 levels. Additionally, all subsectors posted sales in November 2020 that were higher than in November 2019, as was the case for October 2020 compared with October 2019.



The performance of the machinery, equipment and supplies subsector, as well as the building material and supplies subsector, has been the foundation of the recovery in the wholesale sector since the spring. This may be in part because the products sold by companies in these subsectors (e.g., computers and electronics, smart phones, home renovation materials, large machinery) are tied closely to activities and businesses that have been allowed to continue or have been in high demand during the pandemic.

At \$1.3 billion above February 2020 levels, sales in the machinery, equipment and supplies subsector have surpassed pre-COVID-19 levels by more than any other subsector, followed by the building material and supplies subsector at \$1.1 billion above pre-COVID-19 levels. As has been the case throughout the pandemic, the motor vehicle and motor vehicle parts and accessories subsector remains the furthest behind, and the only subsector whose November sales were not higher than pre-pandemic levels.

Sales rise in five subsectors

Five of the seven wholesale subsectors reported higher sales in November, representing more than 80% of the sector. The increases came despite weaker imports and exports of key products.

Sales of machinery, equipment and supplies rose 2.8% to \$14.3 billion. This was the fourth increase in the past six months, bringing total sales to their highest level on record. Three of the four industries in the subsector reported gains. Higher sales in this subsector reflect greater domestic sales as exports of industrial machinery, equipment and parts fell 0.7% in November.

Sales of building material and supplies rose 1.1% to \$10.2 billion, the sixth increase in the past seven months, reaching a record high in November. The increase reflects primarily higher sales in the lumber, millwork, hardware and other building supplies industry, which makes up more than half of the subsector. It appears that this increase was also driven by stronger domestic sales as exports of lumber and other sawmill products fell approximately 10% in November.

Sales of motor vehicles and motor vehicle parts and accessories fell 1.8% to \$11.1 billion—the first decline after six months of gains. Despite the decline, sales were 5.6% higher than in November of 2019. As in the other subsectors, the domestic market was a source of the higher sales of motor vehicles and motor vehicle parts and accessories as exports fell 4.1% in November.

Higher sales in nine provinces

Sales increased in nine provinces in November, accounting for more than 98% of total wholesale sales. Alberta, Ontario and Quebec led the gains, while Nova Scotia was the only province that posted a slight decrease for the month.

Alberta sales rose 2.1% to \$6.6 billion—its second straight month of growth. Higher sales were recorded in four of the seven subsectors, led by a 7.7% increase in the machinery, equipment and supplies subsector. After three months of declining sales, the subsector posted its second consecutive month of gains, with increases in all industries.

Sales in Ontario continued to rise in November, up 0.2% to \$35.0 billion—the third consecutive increase and the sixth in the past seven months. The building material and supplies subsector and the miscellaneous subsector led the gains for Ontario, more than offsetting the lower sales in the other five subsectors. The building material and supplies subsector posted higher sales across all three of its industries for the second month in a row. The motor vehicle and motor vehicle parts and accessories subsector mitigated the increase in Ontario.

Quebec sales increased 0.6% to \$12.6 billion in November. Higher sales were recorded in five of the seven subsectors. The personal and household goods subsector rose 2.8% to \$2.7 billion, led by strong growth in the pharmaceuticals and pharmacy supplies industry in November. The building material and supplies subsector (+1.3% to \$2.0 billion) built off the strength in the metal service centres industry and the lumber, millwork, hardware

and other building supplies industry. Conversely, a decrease of 2.2% to \$1.3 billion in the miscellaneous subsector was headed by weak sales in the chemical (except agricultural) and allied products industry and the recyclable material industry.

Nova Scotia was the only province to post a decline in November, as sales fell 0.6% to \$927 million. The food, beverage and tobacco subsector (-4.8% to \$302 million) posted the largest decline in the province, reflecting a sharp decline in the sale of fish and seafood products.

Inventories fall for a second month

Wholesale inventories fell for the second month in a row. November inventories decreased 0.6% to \$89.6 billion—its lowest level since March 2019.

Lower inventories were reported in all seven subsectors in November. The machinery, equipment and supplies subsector posted the largest decreases—down 1.1% to \$26.6 billion. Decreases in the inventory of the construction, forestry, mining, and industrial machinery, equipment and supplies industry more than offset the gains in the three other industries within the machinery, equipment and supplies subsector.

The personal and household goods subsector's inventories fell 0.6% to \$15.9 billion in November. The home furnishings industry and the toiletries, cosmetics and sundries industry led the decreases in inventories for this subsector.

The inventory-to-sales ratio fell for the second straight month to 1.33 for November—the lowest level since May 2018. This ratio is a measure of the time (in months) required to exhaust inventories if sales were to remain at their current level.

Table 1
Wholesale merchants' sales by industry – Seasonally adjusted

	November 2019	October 2020 ^r	November 2020 ^p	October to November 2020	November 2019 to November 2020
	millions of dollars			% change	
Total, wholesale sales (current dollars)	62,572	66,970	67,417	0.7	7.7
Total, wholesale sales (2012 chained dollars)	57,294	61,034	61,559	0.9	7.4
Total wholesale sales (current dollars), excluding motor vehicle and parts	52,050	55,655	56,310	1.2	8.2
Farm product	866	942	900	-4.5	4.0
Food, beverage and tobacco	11,903	12,206	12,227	0.2	2.7
Food	10,669	10,630	10,659	0.3	-0.1
Beverage	647	828	837	1.1	29.3
Cigarette and tobacco product	535	622	613	-1.5	14.6
Cannabis	52	125	117	-5.8	126.8
Personal and household goods	9,507	9,856	9,935	0.8	4.5
Textile, clothing and footwear	1,332	1,218	1,260	3.5	-5.4
Home entertainment equipment and household appliance	794	882	904	2.5	13.9
Home furnishings	580	658	640	-2.7	10.3
Personal goods	789	1,010	1,013	0.3	28.5
Pharmaceuticals and pharmacy supplies	5,039	4,955	5,138	3.7	2.0
Toiletries, cosmetics and sundries	973	1,133	979	-13.6	0.6
Motor vehicle and motor vehicle parts and accessories	10,522	11,315	11,108	-1.8	5.6
Motor vehicle	8,338	9,048	8,895	-1.7	6.7
New motor vehicle parts and accessories	2,127	2,208	2,147	-2.8	0.9
Used motor vehicle parts and accessories	57	58	66	13.2	15.5
Building material and supplies	8,806	10,074	10,184	1.1	15.7
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,959	2,943	2,922	-0.7	-1.3
Metal service centres	1,519	1,443	1,479	2.5	-2.7
Lumber, millwork, hardware and other building supplies	4,328	5,689	5,784	1.7	33.7
Machinery, equipment and supplies	13,237	13,935	14,325	2.8	8.2
Farm, lawn and garden machinery and equipment	1,591	1,580	1,777	12.5	11.7
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,299	4,182	4,281	2.4	-0.4
Computer and communications equipment and supplies	4,146	4,790	4,677	-2.4	12.8
Other machinery, equipment and supplies	3,201	3,383	3,590	6.1	12.1
Miscellaneous	7,732	8,643	8,739	1.1	13.0
Recyclable material	784	922	961	4.1	22.5
Paper, paper product and disposable plastic product	1,007	1,006	1,009	0.3	0.2
Agricultural supplies	2,009	2,555	2,601	1.8	29.5
Chemical (except agricultural) and allied product	1,558	1,475	1,432	-3.0	-8.1
Other miscellaneous	2,374	2,684	2,737	2.0	15.3

^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

	November 2019	October 2020 ^r	November 2020 ^p	October to November 2020	November 2019 to November 2020
	millions of dollars			% change	
Canada	62,572	66,970	67,417	0.7	7.7
Newfoundland and Labrador	358	353	357	0.9	-0.4
Prince Edward Island	92	88	89	1.5	-2.6
Nova Scotia	895	932	927	-0.6	3.6
New Brunswick	572	625	627	0.4	9.7
Quebec	11,748	12,500	12,575	0.6	7.0
Ontario	32,628	34,929	35,013	0.2	7.3
Manitoba	1,497	1,548	1,621	4.7	8.3
Saskatchewan	2,029	2,403	2,464	2.6	21.5
Alberta	6,470	6,506	6,644	2.1	2.7
British Columbia	6,212	7,037	7,052	0.2	13.5
Yukon	10	13	13	-0.5	36.9
Northwest Territories	45	23	20	-9.2	-54.1
Nunavut	15	12	14	14.9	-8.9

^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

	November 2019	October 2020 ^r	November 2020 ^p	October to November 2020	November 2019 to November 2020
	millions of dollars			% change	
Total, wholesale inventories	91,595	90,189	89,622	-0.6	-2.2
Farm product	172	224	217	-3.3	26.1
Food, beverage and tobacco	9,110	10,087	10,041	-0.5	10.2
Food	8,120	8,980	8,827	-1.7	8.7
Beverage	586	586	647	10.4	10.3
Cigarette and tobacco product	267	335	337	0.8	26.2
Cannabis	136	187	230	22.8	69.2
Personal and household goods	15,607	16,010	15,918	-0.6	2.0
Textile, clothing and footwear	3,376	3,573	3,555 ^E	-0.5	5.3
Home entertainment equipment and household appliance	1,075	710	715	0.7	-33.4
Home furnishings	1,412	1,366	1,238	-9.3	-12.3
Personal goods	2,056	1,872	1,851	-1.1	-10.0
Pharmaceuticals and pharmacy supplies	6,559	7,286	7,456	2.3	13.7
Toiletries, cosmetics and sundries	1,130	1,202	1,102	-8.4	-2.5
Motor vehicle and motor vehicle parts and accessories	12,917	11,289	11,233	-0.5	-13.0
Motor vehicle	7,835	6,682	6,549	-2.0	-16.4
New motor vehicle parts and accessories	4,982	4,523	4,606	1.8	-7.5
Used motor vehicle parts and accessories	F	84 ^E	F	F	F
Building material and supplies	15,147	14,088	14,051	-0.3	-7.2
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,432	3,960	3,947	-0.3	-10.9
Metal service centres	4,047	3,438	3,308	-3.8	-18.3
Lumber, millwork, hardware and other building supplies	6,669	6,691	6,796	1.6	1.9
Machinery, equipment and supplies	27,174	26,902	26,615	-1.1	-2.1
Farm, lawn and garden machinery and equipment	6,742	5,424	5,535	2.0	-17.9
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,794	12,780	12,312	-3.7	-3.8
Computer and communications equipment and supplies	2,675	2,909	2,913	0.1	8.9
Other machinery, equipment and supplies	4,963	5,788	5,856	1.2	18.0
Miscellaneous	11,468	11,590	11,548	-0.4	0.7
Recyclable material	886	920 ^E	1,032 ^E	12.2	16.5
Paper, paper product and disposable plastic product	912	975	962	-1.4	5.5
Agricultural supplies	4,740	4,764	4,566	-4.2	-3.7
Chemical (except agricultural) and allied product	1,515	1,391	1,346	-3.2	-11.1
Other miscellaneous	3,415	3,540	3,642	2.9	6.7

^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.

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 December 2020 will be released on February 12, 2021.

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.