

Wholesale trade, January 2021

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, March 12, 2021

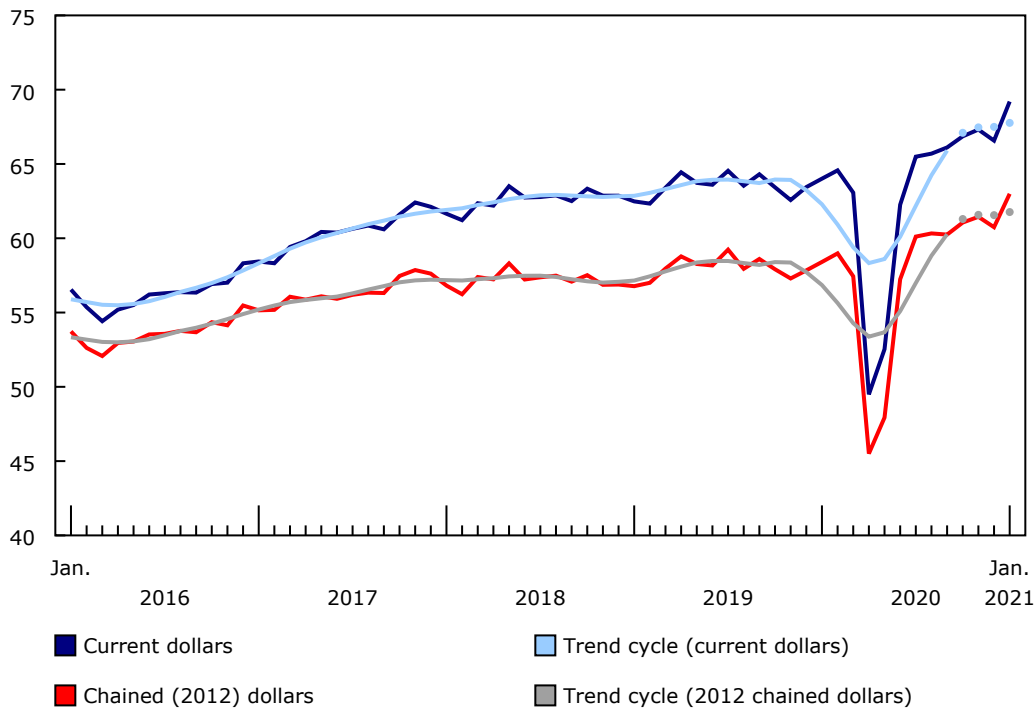
Wholesale sales maintain strong growth trend

Sales of wholesale products rose 4.0% in January to \$69.2 billion, the eighth increase in the past nine months. This jump reflects growth of more than 10% in the machinery, equipment and supplies, and the building material and supplies subsectors. The last time the wholesale trade sector recorded growth that strong, other than the rebound following the COVID-19-induced decline in April 2020, was in December 2014.

Wholesale sales volumes grew 3.7% in January.

Chart 1
Wholesale sales increase in January

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.

Double-digit gains in key subsectors

With in-person services and retail largely shut down due to public health orders, and government [COVID-19 income support](#) more than offsetting income losses (in aggregate), Canadians appear to have shifted their spending patterns in ways that continue to benefit the wholesale sector. In particular, demand for computer equipment, office materials, and lumber for renovations and housing starts remained much stronger than usual in January.



Sales in the machinery, equipment and supplies subsector grew 10.8% to \$15.3 billion in January, the third increase in the past four months. The growth reflects a 27.9% increase in sales of computer and communications equipment and supplies in January. Demand for personal electronics and equipment for those working from home remained high beyond the usual holiday rush because supply chain disruptions in the subsector meant some consumers had to wait to make planned purchases.

Building material and supplies merchants reported a 12.1% increase in sales to \$11.5 billion in January, the eighth increase in the past nine months. The gain is largely due to a 17.3% increase in sales of lumber, millwork, hardware and other building supplies. In particular, [investment in residential construction rose 3.9%](#) in January, which drove the price of wood products up 10.8%, according to the Industrial Product Price Index.

Growth in machinery, equipment and supplies and in building material and supplies subsectors accounts for roughly 90% of the changes in the wholesale sector over the past year. From January 2020 to January 2021 total wholesale sales grew \$5.2 billion, with these two subsectors contributing \$4.8 billion to the increase. As a result, these two subsectors made up 38.8% of the sector in January 2021, compared with 34.5% in January 2020.

The motor vehicle and motor vehicle parts and accessories subsector saw the largest decline over that period, falling from 17.4% in January 2020 to 15.7% in January 2021.

Sales increase in seven provinces

The value of wholesale trade sales increased in seven provinces, accounting for 92.7% of total wholesale sales nationally in January.

Sales grew 3.0% in Ontario, 5.5% in Quebec, and 7.0% in British Columbia in January, more than offsetting the decline in sales observed in December 2020. As a result, all three provinces reported the highest wholesale sales on record.

In Ontario, machinery, equipment and supply wholesalers reported \$8.2 billion in sales, 15.3% higher than December 2020. The province also saw an 8.0% increase in sales of building material and supplies and 2.1% growth in food, beverage and tobacco sales.

In Quebec, sales of building material and supplies rose 17.1% to \$2.4 billion in January, while sales of motor vehicles and motor vehicle parts and accessories saw an 18.6% increase from the previous month. While these subsectors were the largest contributors to month-over-month growth, all subsectors except personal and household goods reported some growth in sales.

Building material and supplies added \$2.4 billion to monthly wholesale sales in British Columbia in January, an increase of 15.3% over the previous month and the biggest contribution of any subsector. All subsectors except miscellaneous reported some growth in sales.

Inventory levels continue to rise

Wholesale inventories increased by 0.7% to \$90.9 billion in January, the second consecutive monthly increase and the strongest growth since June 2019.

The miscellaneous subsector was the largest contributor to this month's growth, with inventories rising by 2.5% to \$12.0 billion. The industry primarily engaged in wholesaling logs, wood chips, minerals and precious metals had the most substantial increase at 5.9% over December.

Inventories of building material and supplies rose by 1.5% to \$14.8 billion. Consistent with the higher sales in this subsector, the largest contributor to this increase was lumber, millwork, hardware and other building supplies, with inventory rising to \$7.2 billion.

Only one subsector, machinery, equipment and supplies, had falling inventory levels in January. This decline can be traced to the construction, forestry, mining and industrial machinery, equipment and supplies industry, and to the other machinery equipment and supplies industry (e.g., office or store). While the decrease was relatively small—this subsector saw a 0.8% decline from December to \$25.9 billion—it countered a quarter of the increases in the other subsectors in January.

The inventory-to-sales ratio declined from 1.36 in December to 1.31 in January, the lowest ratio since November 2017. The inventory-to-sales 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

	January 2020	December 2020 ^r	January 2021 ^p	December 2020 to January 2021	January 2020 to January 2021
	millions of dollars			% change	
Total, wholesale sales (current dollars)	64,010	66,572	69,202	4.0	8.1
Total, wholesale sales (2012 chained dollars)	58,404	60,744	62,993	3.7	7.9
Total wholesale sales (current dollars), excluding motor vehicle and parts	52,852	55,807	58,351	4.6	10.4
Farm product	848	909	903	-0.7	6.5
Food, beverage and tobacco	12,124	12,082	12,246	1.4	1.0
Food	10,863	10,557	10,643	0.8	-2.0
Beverage	643	768	840	9.4	30.7
Cigarette and tobacco product	549	610	636	4.2	15.8
Cannabis	70	147	127	-13.3	82.7
Personal and household goods	9,665	9,828	9,676	-1.6	0.1
Textile, clothing and footwear	1,374	1,256	1,200	-4.5	-12.6
Home entertainment equipment and household appliance	718	902	911	1.0	26.8
Home furnishings	599	641	637	-0.6	6.3
Personal goods	822	974	965	-0.9	17.5
Pharmaceuticals and pharmacy supplies	5,150	5,077	4,965	-2.2	-3.6
Toiletries, cosmetics and sundries	1,002	979	998	1.9	-0.4
Motor vehicle and motor vehicle parts and accessories	11,158	10,764	10,851	0.8	-2.8
Motor vehicle	8,959	8,639	8,716	0.9	-2.7
New motor vehicle parts and accessories	2,139	2,069	2,077	0.4	-2.9
Used motor vehicle parts and accessories	60	57	58	3.0	-2.3
Building material and supplies	8,900	10,279	11,519	12.1	29.4
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,945	2,898	3,074	6.1	4.4
Metal service centres	1,483	1,566	1,621	3.5	9.3
Lumber, millwork, hardware and other building supplies	4,472	5,815	6,823	17.3	52.6
Machinery, equipment and supplies	13,171	13,821	15,315	10.8	16.3
Farm, lawn and garden machinery and equipment	1,562	1,741	1,854	6.5	18.7
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,221	4,187	4,283	2.3	1.5
Computer and communications equipment and supplies	4,167	4,358	5,576	27.9	33.8
Other machinery, equipment and supplies	3,222	3,535	3,602	1.9	11.8
Miscellaneous	8,145	8,887	8,693	-2.2	6.7
Recyclable material	843	1,136	1,042	-8.3	23.7
Paper, paper product and disposable plastic product	970	961	1,023	6.4	5.4
Agricultural supplies	2,393	2,763	2,582	-6.5	7.9
Chemical (except agricultural) and allied product	1,578	1,481	1,504	1.5	-4.7
Other miscellaneous	2,361	2,545	2,542	-0.1	7.7

^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

	January 2020	December 2020 ^r	January 2021 ^p	December 2020 to January 2021	January 2020 to January 2021
	millions of dollars			% change	
Canada	64,010	66,572	69,202	4.0	8.1
Newfoundland and Labrador	329	341	356	4.6	8.4
Prince Edward Island	99	102	112	10.3	13.9
Nova Scotia	957	1,000	999	-0.2	4.4
New Brunswick	611	616	701	13.9	14.8
Quebec	12,257	12,407	13,084	5.5	6.7
Ontario	33,445	34,556	35,593	3.0	6.4
Manitoba	1,522	1,647	1,623	-1.5	6.6
Saskatchewan	2,156	2,396	2,396	-0.0	11.2
Alberta	6,407	6,584	6,929	5.2	8.1
British Columbia	6,156	6,873	7,353	7.0	19.4
Yukon	13	16	16	-2.0	25.1
Northwest Territories	45	22	22	-0.0	-51.8
Nunavut	15	12	18	43.0	21.4

^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

	January 2020	December 2020 ^r	January 2021 ^P	December 2020 to January 2021	January 2020 to January 2021
	millions of dollars			% change	
Total, wholesale inventories	91,455	90,265	90,912	0.7	-0.6
Farm product	211	222	227	2.2	7.3
Food, beverage and tobacco	9,165	10,208	10,296	0.9	12.3
Food	8,079	9,018	9,088	0.8	12.5
Beverage	572	652	623	-4.5	8.8
Cigarette and tobacco product	381	283	360	27.2	-5.4
Cannabis	133	255	225	-11.7	68.8
Personal and household goods	16,033	15,739	15,910	1.1	-0.8
Textile, clothing and footwear	3,514	3,713	3,655 ^E	-1.6	4.0
Home entertainment equipment and household appliance	1,038	759	792	4.5	-23.6
Home furnishings	1,343	1,280	1,279	-0.1	-4.7
Personal goods	2,142	1,896	F	F	F
Pharmaceuticals and pharmacy supplies	6,827	6,997	7,236	3.4	6.0
Toiletries, cosmetics and sundries	1,170	1,095	1,111	1.4	-5.0
Motor vehicle and motor vehicle parts and accessories	13,096	11,720	11,806	0.7	-9.9
Motor vehicle	8,012	7,005	6,990	-0.2	-12.8
New motor vehicle parts and accessories	4,986	4,629	4,730	2.2	-5.1
Used motor vehicle parts and accessories	98 ^E	85 ^E	86 ^E	0.2	-12.7
Building material and supplies	14,709	14,603	14,817	1.5	0.7
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,320	4,256	4,160	-2.2	-3.7
Metal service centres	3,865	3,404	3,472	2.0	-10.2
Lumber, millwork, hardware and other building supplies	6,523	6,943	7,185	3.5	10.2
Machinery, equipment and supplies	26,698	26,065	25,853	-0.8	-3.2
Farm, lawn and garden machinery and equipment	6,504	5,588	5,777	3.4	-11.2
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,479	11,978	11,594	-3.2	-7.1
Computer and communications equipment and supplies	2,646	2,747	2,932	6.7	10.8
Other machinery, equipment and supplies	5,068	5,752	5,550	-3.5	9.5
Miscellaneous	11,543	11,708	12,002	2.5	4.0
Recyclable material	F	1,085	1,074	-1.1	F
Paper, paper product and disposable plastic product	942	1,020	1,068	4.7	13.4
Agricultural supplies	4,846	4,703	4,729	0.6	-2.4
Chemical (except agricultural) and allied product	1,502	1,333	1,355	1.7	-9.8
Other miscellaneous	3,352	3,566	3,776	5.9	12.6

^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.

Note to readers

All data in this release are seasonally adjusted and expressed in current dollars, unless otherwise noted. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

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 in 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).

For information on trend-cycle data, see the [StatCan Blog](#) and [Trend-cycle estimates – Frequently asked questions](#).

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 February will be released on April 16.

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.