

# Wholesale trade, June 2021

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## Wholesale sales decline

Wholesale sales fell 0.8% in June to \$71.5 billion, ending three consecutive monthly increases with only the third decline since May 2020. June's sales reflect sharp declines in the building material and supplies, as well as the machinery, equipment and supplies subsectors. Moreover, excluding sales in the lumber, millwork, hardware and other building supplies industry, wholesale sales rose 0.4%.

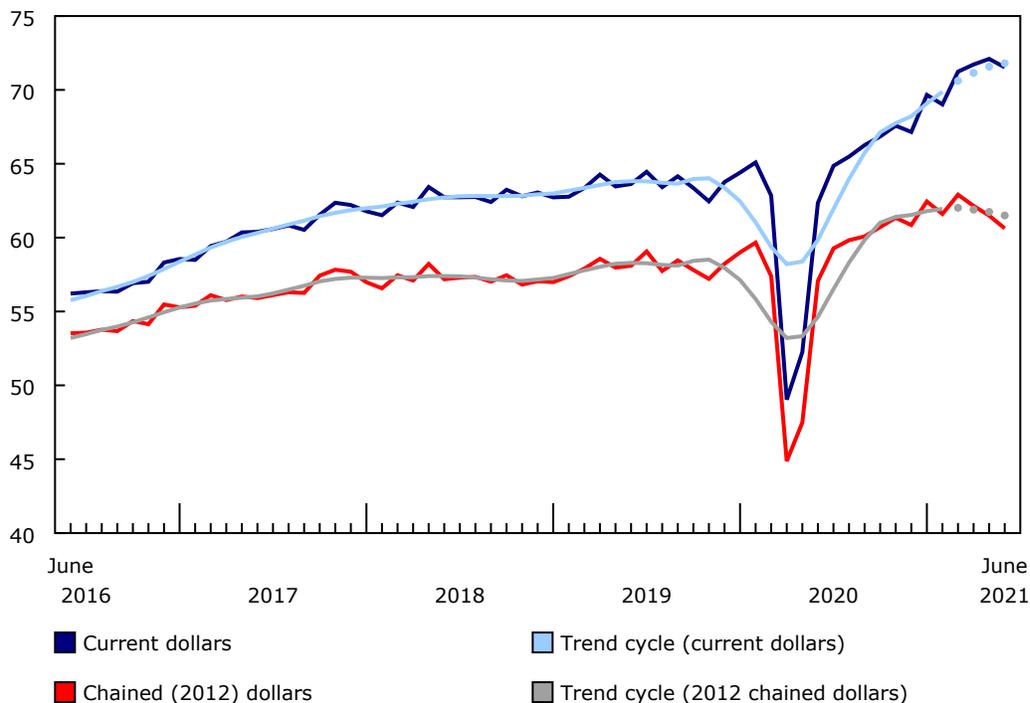
Sales fell in three of seven subsectors representing 56% of the sector.

Most of the drop was offset by gains in the personal and household goods, and motor vehicles and motor vehicle parts and accessories subsectors.

Wholesale volumes fell 1.4% in June.

### Chart 1 Wholesale sales decline 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](#).

## Sales up in second quarter

Despite the decrease in June, second quarter 2021 sales of wholesale goods were 2.6% higher than the first quarter, the fourth consecutive quarterly increase. An 11.4% jump in sales of building materials and supplies drove the gains as prices for lumber surged in the late winter and early spring of 2021. The food, beverage and tobacco, and personal and household goods subsectors, each recorded gains of more than 3%. All three subsectors recorded their highest quarterly sales ever in the second quarter of 2021.

The largest decline for the quarter was posted in the motor vehicle and motor vehicle parts and accessories subsector, which fell for the second consecutive quarter, down 2.8%. An ongoing shortage of semiconductors worldwide directly led to a lack of supply of motor vehicles, which only started to resolve itself in June.

## June sales diverge from second-quarter results

While sales for the second quarter were higher overall, sales in June were down.

Sales of building materials and supplies fell 5.4% in June to \$12.6 billion. The decline was entirely due to lower sales in the lumber and other building supplies industry, as the other two industries in the subsector posted gains. Lumber, millwork, hardware and other building supplies sales fell 10.2%. The price of lumber fell 6.8% in June according to the Industrial Product Price Index, indicating that the drop in the lumber and other building supplies industry has both price and volume elements.

Machinery, equipment and supply sales dropped 3.5% in June to \$14.6 billion. It was the second consecutive decline in the subsector, and the lowest level of 2021 so far. Sales of construction, forestry, mining and industrial machinery, equipment and supplies fell 5.2%, as did receipts in the computer and communications equipment and supplies industry.

Sales of motor vehicles and motor vehicle parts and accessories rose 3.1% in June, the largest increase since August 2020. For the last several months, companies across the automotive sector have been dealing with a chronic shortage of semiconductors. In June, there was a start of a rebound in the automotive elements of the economy, with motor vehicle manufacturing sales up 25.6%, exports of motor vehicles and parts up 14.9% and capacity utilization by auto manufacturers up 3.4 percentage points.

The personal and household goods subsector posted a 4.3% increase in June, the fourth increase in the past five months. Sales in June were \$10.7 billion, the highest level on record for the subsector. The increase came entirely from the pharmaceuticals and pharmacy supplies industry, which rose 8.7% in June. There is no one element of the pharmaceuticals and pharmacy supplies industry that generated the increase, as gains were widespread across a number of companies that supply a range of products.

## Sales down in six provinces

Wholesale sales decreased in six provinces and two territories in June, accounting for 75% of the national total. The drop in sales for British Columbia and Ontario combined represented 91% of the overall decline in national wholesale sales.

Wholesalers in British Columbia reported the largest decrease in sales, down 3.8% to \$7.8 billion in June. Four subsectors in the province dominated the declines. Sales of building material and supplies dropped the most, down 6.8% to \$2.8 billion. Lumber, millwork, hardware and other building supply wholesalers accounted for 77% of sales in the subsector, and sales in that industry decreased 9.2%. Excluding the building material and supplies subsector, wholesale sales decreased by 2.0% in June.

Monthly sales in Ontario dropped 0.6% in June to \$35.3 billion. Four subsectors in the province had lower sales in June, and they accounted for 70% of Ontario sales that month. Machinery, equipment and supplies wholesale sales were down 5.3% to \$7.6 billion. Sales of construction, forestry, mining, and industrial machinery, equipment and supplies decreased by 19.9% in June to \$1.6 billion. Computer and communications equipment sales decreased 2.9% to \$3.6 billion. Meanwhile, personal and household goods wholesalers reported a 7.8% increase in

sales to \$5.9 billion. All of the component industries of the subsector reported higher sales except for home furnishings, which is also the smallest industry. Pharmaceuticals and pharmacy supplies, which accounted for 52% of the subsector in June, reported a 10.8% increase in monthly sales for a total of \$3.1 billion.

June concludes the second quarter of 2021. As such, seven provinces and three territories reported higher sales in the second quarter. These provinces and territories contributed 45% of national wholesale sales for the second quarter. Quarterly wholesale sales increased 8.3% in Quebec, to \$43.7 billion. Alberta's quarterly sales increased 7.3% to \$22.3 billion, and British Columbia's increased 5.7% to \$23.7 billion. During the same quarter, Ontario's sales decreased 1.0% to \$105.8 billion.

### **Lower inventories in June**

Wholesale inventories fell 0.6% to \$94.6 billion in June. Lower inventories were reported in four of the seven subsectors, which combined, accounted for 55% of total inventories. Notwithstanding the decline, June's inventories were the second highest on record. Inventory levels rose 1.4% from the close of the first quarter to the end of the second quarter of 2021, and were 4.6% higher than in June 2020.

The motor vehicle and motor vehicle parts and accessories subsector posted the largest inventory decrease, down 4.7% to \$11.9 billion in June. The subsector accounted for 13% of total inventories in the wholesale sector, and generated more than 90% of the decrease in June.

Inventories in the machinery, equipment and supplies subsector rose 1.1% to \$26.1 billion in June. Inventories in the farm, lawn and garden machinery and equipment industry increased by 6.8% in June and 3.9% in the other machinery, equipment and supplies industry, while the construction, forestry, mining, and industrial machinery, equipment and supplies industry's inventories decreased 2.8%.

The building material and supplies subsector had increasing inventories for the ninth consecutive month. Inventory levels rose by 0.5% to \$16.7 billion, setting a record high for the third consecutive month. On a year-over-year basis, this was 15.2% higher than in June 2020, and a 10.5% increase in the second quarter of 2021. Inventories in June increased 2.1% in the electrical, plumbing, heating and air-conditioning equipment and supplies industry and 0.8% in the metal service centres. Following 11 consecutive months of increases, inventories in the lumber, millwork, hardware and other building supplies industry shrank 0.5%.

The inventory-to-sales ratio remained constant at 1.32 in June. 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 levels.

**Table 1**  
**Wholesale merchants' sales by industry – Seasonally adjusted**

	June 2020	May 2021 <sup>r</sup>	June 2021 <sup>p</sup>	May to June 2021	June 2020 to June 2021
	millions of dollars			% change	
<b>Total, wholesale sales (current dollars)</b>	<b>62,348</b>	<b>72,099</b>	<b>71,530</b>	<b>-0.8</b>	<b>14.7</b>
<b>Total, wholesale sales (2012 chained dollars)</b>	<b>57,070</b>	<b>61,492</b>	<b>60,628</b>	<b>-1.4</b>	<b>6.2</b>
<b>Total wholesale sales (current dollars), excluding motor vehicle and parts</b>	<b>53,431</b>	<b>61,886</b>	<b>61,002</b>	<b>-1.4</b>	<b>14.2</b>
Farm product	817	903	974	7.8	19.3
Food, beverage and tobacco	12,398	13,021	12,860	-1.2	3.7
Food	10,828	11,401	11,259	-1.2	4.0
Beverage	815	805	810	0.7	-0.5
Cigarette and tobacco product	659	668	630	-5.7	-4.4
Cannabis	96	148	161	8.4	67.1
Personal and household goods	9,502	10,212	10,656	4.3	12.1
Textile, clothing and footwear	853	1,145	1,174	2.6	37.6
Home entertainment equipment and household appliance	859	894	857	-4.2	-0.3
Home furnishings	660	650	606	-6.9	-8.2
Personal goods	898	1,038	1,072	3.3	19.4
Pharmaceuticals and pharmacy supplies	5,294	5,467	5,943	8.7	12.3
Toiletries, cosmetics and sundries	938	1,017	1,004	-1.3	7.1
Motor vehicle and motor vehicle parts and accessories	8,917	10,213	10,528	3.1	18.1
Motor vehicle	6,767	7,880	8,200	4.1	21.2
New motor vehicle parts and accessories	2,100	2,267	2,259	-0.3	7.6
Used motor vehicle parts and accessories	51	66	70	6.0	38.4
Building material and supplies	8,774	13,311	12,593	-5.4	43.5
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,999	3,187	3,229	1.3	7.7
Metal service centres	1,364	2,145	2,204	2.7	61.5
Lumber, millwork, hardware and other building supplies	4,410	7,978	7,161	-10.2	62.4
Machinery, equipment and supplies	13,083	15,164	14,639	-3.5	11.9
Farm, lawn and garden machinery and equipment	1,731	1,772	1,813	2.3	4.7
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,113	5,060	4,794	-5.2	16.6
Computer and communications equipment and supplies	4,116	4,970	4,710	-5.2	14.4
Other machinery, equipment and supplies	3,123	3,362	3,321	-1.2	6.4
Miscellaneous	8,858	9,276	9,281	0.1	4.8
Recyclable material	824	1,341	1,327	-1.0	61.0
Paper, paper product and disposable plastic product	973	1,047	1,067	1.9	9.7
Agricultural supplies	2,575	2,544	2,498	-1.8	-3.0
Chemical (except agricultural) and allied product	1,453	1,645	1,708	3.8	17.5
Other miscellaneous	3,033	2,698	2,680	-0.6	-11.6

<sup>r</sup> revised

<sup>p</sup> 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 2020	May 2021 <sup>r</sup>	June 2021 <sup>p</sup>	May to June 2021	June 2020 to June 2021
	millions of dollars			% change	
<b>Canada</b>	<b>62,348</b>	<b>72,099</b>	<b>71,530</b>	<b>-0.8</b>	<b>14.7</b>
Newfoundland and Labrador	316	462	442	-4.5	39.9
Prince Edward Island	83	113	118	3.6	42.5
Nova Scotia	889	1,170	1,131	-3.4	27.1
New Brunswick	620	751	766	2.0	23.6
Quebec	11,973	14,513	14,599	0.6	21.9
Ontario	32,393	35,475	35,263	-0.6	8.9
Manitoba	1,518	1,639	1,605	-2.1	5.7
Saskatchewan	2,332	2,378	2,390	0.5	2.5
Alberta	6,334	7,397	7,321	-1.0	15.6
British Columbia	5,836	8,142	7,835	-3.8	34.3
Yukon	12	19	17	-11.4	33.8
Northwest Territories	29	23	22	-4.9	-24.6
Nunavut	12	16	24	48.0	96.6

<sup>r</sup> revised

<sup>p</sup> 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 2020	May 2021 <sup>r</sup>	June 2021 <sup>p</sup>	May to June 2021	June 2020 to June 2021
	millions of dollars			% change	
<b>Total, wholesale inventories</b>	<b>90,457</b>	<b>95,230</b>	<b>94,623</b>	<b>-0.6</b>	<b>4.6</b>
Farm product	203	233	236	1.3	16.0
Food, beverage and tobacco	9,465	10,998	10,895	-0.9	15.1
Food	8,328	9,615	9,578	-0.4	15.0
Beverage	544	806	685	-15.0	26.1
Cigarette and tobacco product	409	348	368	5.9	-10.0
Cannabis	183	229	263	14.9	43.5
Personal and household goods	15,301	16,375	16,158	-1.3	5.6
Textile, clothing and footwear	3,508	3,361 <sup>E</sup>	3,266 <sup>E</sup>	-2.8	-6.9
Home entertainment equipment and household appliance	819	944	955	1.1	16.6
Home furnishings	1,271	1,519 <sup>E</sup>	1,506	-0.9	18.5
Personal goods	1,697	2,038 <sup>E</sup>	1,897	-6.9	11.8
Pharmaceuticals and pharmacy supplies	7,013	7,424	7,463	0.5	6.4
Toiletries, cosmetics and sundries	992	1,088	1,071	-1.6	8.0
Motor vehicle and motor vehicle parts and accessories	12,570	12,448	11,864	-4.7	-5.6
Motor vehicle	7,717	7,602	6,840	-10.0	-11.4
New motor vehicle parts and accessories	4,778	4,732	4,927	4.1	3.1
Used motor vehicle parts and accessories	F	F	F	F	F
Building material and supplies	14,517	16,638	16,724	0.5	15.2
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,194	4,443	4,538	2.1	8.2
Metal service centres	4,254	3,831	3,861	0.8	-9.2
Lumber, millwork, hardware and other building supplies	6,069	8,364	8,325	-0.5	37.2
Machinery, equipment and supplies	26,663	25,852	26,124	1.1	-2.0
Farm, lawn and garden machinery and equipment	5,699	5,021	5,363	6.8	-5.9
Construction, forestry, mining, and industrial machinery, equipment and supplies	13,002	11,901	11,566	-2.8	-11.0
Computer and communications equipment and supplies	2,610	3,255	3,299	1.3	26.4
Other machinery, equipment and supplies	5,352	5,674	5,896	3.9	10.2
Miscellaneous	11,739	12,686	12,622	-0.5	7.5
Recyclable material	1,013	1,295	1,304	0.7	28.7
Paper, paper product and disposable plastic product	1,065	1,056	1,064	0.8	-0.1
Agricultural supplies	4,732	5,018	4,957	-1.2	4.7
Chemical (except agricultural) and allied product	1,557	1,457	1,474	1.2	-5.3
Other miscellaneous	3,372	3,860	3,823	-1.0	13.4

<sup>r</sup> revised

<sup>p</sup> preliminary

<sup>E</sup> 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 July will be released on September 16.

**Available tables:** [20-10-0003-01](#), [20-10-0074-01](#) and [20-10-0076-01](#).

**Definitions, data sources and methods:** survey number [2401](#).

## Products

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](mailto: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](mailto:jeff.paul@canada.ca)), Mining, Manufacturing and Wholesale Trade Division.