

Wholesale trade, July 2021

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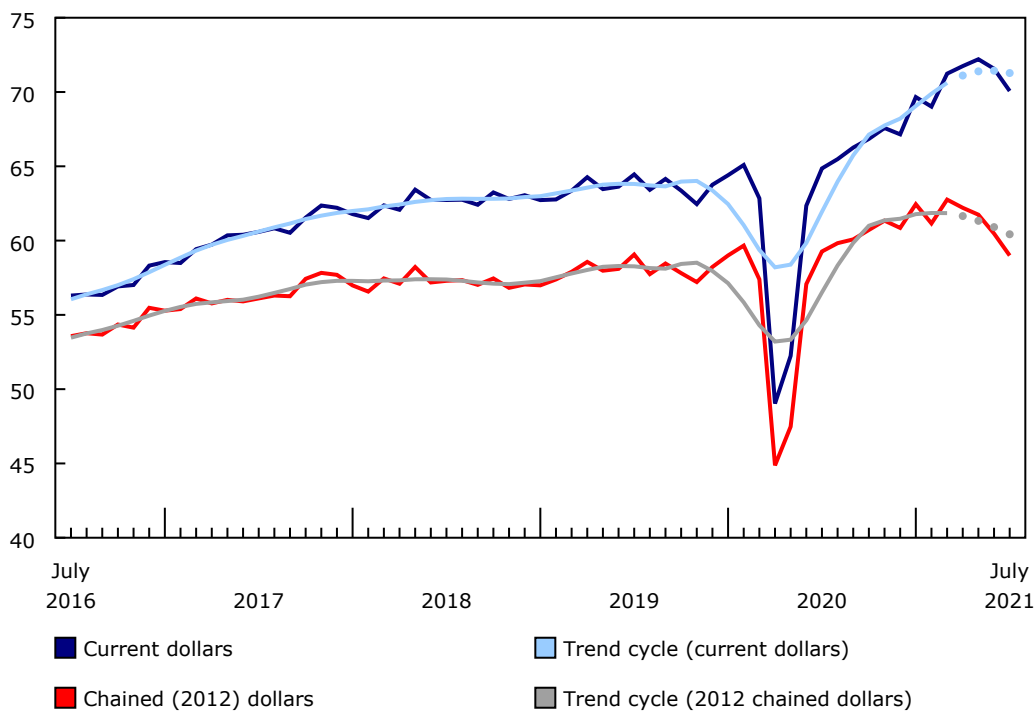
Wholesale sales continue to decline

Wholesale sales fell 2.1% in July, the second consecutive decline and the largest since April 2020. Excluding the sharp decline created by the first wave of COVID-19, July's fall was the largest since February 2016, when sales decreased 2.1%. The decline was entirely the result of a 12.4% drop in sales of building materials and supplies, fuelled by lower prices for lumber. Excluding the building material and supplies subsector, wholesale sales rose 0.1%.

Constant dollar sales fell 2.4% in July.

Chart 1
Wholesale sales decline 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](#).

Building material and supplies sales fall

In July building material and supplies sales fell 12.4%, the largest decline since April 2020 and the second largest decline in the past 12 years. The drop came as a result of sharply falling prices for softwood lumber, sales of which make up more than half of the subsector. In July 2021, the price of lumber and other wood products decreased 23.0%, according to the Industrial Product Price Index. In particular, exports of forestry products and

building and packaging materials fell 12.7%. Notwithstanding the lower sales for the month, activity in the building material and supplies subsector remained robust due to the cumulative strength throughout the pandemic. Sales in July 2021 were 22.4% higher than in July 2020 and represented the seventh highest monthly sales level of all time.

Also contributing to the decline were lower sales in the personal and household goods, and in the food, beverage and tobacco subsectors. Sales of personal and household goods fell 1.6% in July, the second decline in the past three months. Similar to building material and supplies, recent declines are not a sign of subsector weakness, as the subsector's second highest sales on record were posted in July 2021, with the highest coming the previous month. Sales in July 2021 were 4.5% higher than the same month last year.

Food, beverage and tobacco sales fell for the second consecutive month, down 0.8% to \$12.7 billion. Sales in the subsector have been relatively stable since the start of the pandemic, coming in at between \$12 billion and \$13 billion monthly from May 2020 to July 2021.

The largest gains in the month came from the motor vehicle and motor vehicle parts and accessories subsector, which rose 1.8% to \$10.8 billion, driven by a 6.4% increase in exports of motor vehicles and parts. Some motor vehicle companies were able to access more computer chips in order to move vehicles to the wholesale market, but supplies of this key component are still inconsistent across the sector.

Quebec leads sales declines in July

Wholesale sales decreased in seven provinces and one territory in July, accounting for 43% of total national sales. Lower sales in Quebec generated over three-quarters of the drop in national wholesale sales.

Following a record high month in June, sales in Quebec were down 8.8% to \$13.4 billion in July. Excluding the decline in April 2020 due to the COVID-19 pandemic, this was the largest month-over-month decrease in the past 10 years. Sales fell in all seven subsectors, with the largest decrease coming from the building material and supplies subsector, down 19.4% to \$2.1 billion. The motor vehicle and motor vehicle parts and accessories subsector followed closely behind, dropping 21.4% to \$1.6 billion, after posting record high sales in June.

Sales in British Columbia fell for the second consecutive month, down 3.7% to \$7.4 billion in July. This decrease was again largely due to lower sales in the building material and supplies subsector, which fell 17.6% to \$2.3 billion. While this was the largest month-over-month decrease on record, total sales for July were higher than they had been prior to the recent increase in lumber prices. Excluding the building material and supplies subsector, wholesale sales in British Columbia increased 4.3% on the strength of an 18.1% jump in sales of personal and household goods and a 13.4% increase in the miscellaneous goods subsector.

In Ontario, wholesale sales rose 0.4% to \$35.5 billion in July. While sales in the building material and supplies subsector dropped 9.0% to \$4.6 billion, sales in the motor and motor vehicle parts and accessories subsector were up 10.7% to \$7.3 billion, largely contributing to Ontario's overall increased sales in July. Demand for vehicles continues to be strong, despite the ongoing disruptions in motor vehicle plant operations and supplies, and lower inventories.

While seven provinces had lower sales in July than in June, all seven were higher than July 2020.

Inventories rise in July

The value of wholesale inventories rose 0.6% in July to a new all-time high of \$95.7 billion. Inventories in five of seven subsectors increased, representing 77% of total inventories. The increase comes as wholesalers dependent on international markets are contending with sharp increases in the cost of shipping containers as well as shortages of wooden pallets and related shipping materials, driving up the cost of inputs required by a broad range of wholesalers. These developments may affect the levels or timing of inventories wholesalers can, or choose to, carry.

Building material and supplies merchant wholesalers' inventories grew 3.6% to \$17.4 billion. All the component industries increased, but 69% of the increase was in the inventories of metal service centres, which grew 10.7% to \$4.3 billion. The value of inventories of lumber, millwork, hardware and other building supplies increased 0.5% to \$8.4 billion.

Machinery, equipment and supplies merchant wholesalers' inventories were up 1.3%, to \$26.8 billion. Mounting inventories in construction, forestry, mining, and industrial machinery, equipment and supplies merchant wholesalers more than offset mixed results in the subsector's other industries; they added 3.5% for a total of \$12.2 billion.

Inventories of motor vehicles and motor vehicle parts and accessories fell 4.2% to \$11.4 billion. Decreases of 4.0% in motor vehicles and 4.6% in new motor vehicle parts and accessories inventories account for virtually all of the change.

The inventory-to-sales ratio increased to 1.37 in July. 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

	July 2020	June 2021 ^r	July 2021 ^p	June to July 2021	July 2020 to July 2021
	millions of dollars			% change	
Total, wholesale sales (current dollars)	64,856	71,568	70,069	-2.1	8.0
Total, wholesale sales (2012 chained dollars)	59,267	60,474	58,994	-2.4	-0.5
Total wholesale sales (current dollars), excluding motor vehicle and parts	54,288	60,953	59,260	-2.8	9.2
Farm product	869	981	1,138	15.9	31.0
Food, beverage and tobacco	12,413	12,797	12,697	-0.8	2.3
Food	10,877	11,202	11,091	-1.0	2.0
Beverage	805	795	785	-1.2	-2.4
Cigarette and tobacco product	629	631	649	2.9	3.3
Cannabis	103	169	171	1.5	65.5
Personal and household goods	9,852	10,464	10,298	-1.6	4.5
Textile, clothing and footwear	925	1,191	1,171	-1.7	26.6
Home entertainment equipment and household appliance	927	858	845	-1.5	-8.9
Home furnishings	658	615	664	7.9	0.8
Personal goods	949	1,010	935	-7.5	-1.5
Pharmaceuticals and pharmacy supplies	5,225	5,773	5,605	-2.9	7.3
Toiletries, cosmetics and sundries	1,168	1,017	1,079	6.1	-7.6
Motor vehicle and motor vehicle parts and accessories	10,567	10,616	10,809	1.8	2.3
Motor vehicle	8,340	8,259	8,548	3.5	2.5
New motor vehicle parts and accessories	2,175	2,292	2,214	-3.4	1.8
Used motor vehicle parts and accessories	52	65	47	-27.1	-9.2
Building material and supplies	9,013	12,587	11,030	-12.4	22.4
Electrical, plumbing, heating and air-conditioning equipment and supplies	2,833	3,185	3,029	-4.9	6.9
Metal service centres	1,443	2,203	2,162	-1.8	49.8
Lumber, millwork, hardware and other building supplies	4,737	7,200	5,839	-18.9	23.3
Machinery, equipment and supplies	13,637	14,715	14,733	0.1	8.0
Farm, lawn and garden machinery and equipment	1,867	1,970	2,002	1.6	7.3
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,022	4,751	4,701	-1.1	16.9
Computer and communications equipment and supplies	4,538	4,683	4,518	-3.5	-0.4
Other machinery, equipment and supplies	3,211	3,312	3,512	6.1	9.4
Miscellaneous	8,504	9,407	9,364	-0.5	10.1
Recyclable material	790	1,372	1,435	4.6	81.8
Paper, paper product and disposable plastic product	969	1,088	1,107	1.7	14.2
Agricultural supplies	2,618	2,505	2,466	-1.5	-5.8
Chemical (except agricultural) and allied product	1,454	1,781	1,711	-3.9	17.7
Other miscellaneous	2,673	2,662	2,644	-0.7	-1.1

^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

	July 2020	June 2021 ^r	July 2021 ^p	June to July 2021	July 2020 to July 2021
	millions of dollars			% change	
Canada	64,856	71,568	70,069	-2.1	8.0
Newfoundland and Labrador	350	430	410	-4.6	17.3
Prince Edward Island	87	119	117	-1.0	35.0
Nova Scotia	924	1,139	1,072	-5.9	15.9
New Brunswick	599	781	778	-0.4	29.8
Quebec	12,119	14,644	13,359	-8.8	10.2
Ontario	33,969	35,306	35,458	0.4	4.4
Manitoba	1,628	1,614	1,634	1.2	0.4
Saskatchewan	2,324	2,525	2,545	0.8	9.5
Alberta	6,541	7,220	7,186	-0.5	9.9
British Columbia	6,263	7,727	7,442	-3.7	18.8
Yukon	11	17	20	15.7	70.9
Northwest Territories	25	22	25	9.0	-3.8
Nunavut	16	25	24	-6.4	53.8

^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 2020	June 2021 ^r	July 2021 ^p	June to July 2021	July 2020 to July 2021
	millions of dollars			% change	
Total, wholesale inventories	90,042	95,103	95,703	0.6	6.3
Farm product	200	241	252	4.7	25.9
Food, beverage and tobacco	9,472	10,940	10,938	-0.0	15.5
Food	8,332	9,604	9,587	-0.2	15.1
Beverage	563	692	725	4.8	28.9
Cigarette and tobacco product	409	377	368	-2.5	-10.1
Cannabis	168	265	257	-3.0	53.5
Personal and household goods	15,951	16,145	16,196	0.3	1.5
Textile, clothing and footwear	3,599	3,270 ^E	3,330 ^E	1.8	-7.5
Home entertainment equipment and household appliance	759	956	962	0.6	26.7
Home furnishings	1,382	1,447	1,431	-1.1	3.6
Personal goods	1,926	1,857	1,887	1.6	-2.0
Pharmaceuticals and pharmacy supplies	7,231	7,533	7,475	-0.8	3.4
Toiletries, cosmetics and sundries	1,054	1,082	1,110	2.6	5.3
Motor vehicle and motor vehicle parts and accessories	12,139	11,890	11,392	-4.2	-6.2
Motor vehicle	7,496	6,762	6,489	-4.0	-13.4
New motor vehicle parts and accessories	4,555	5,029	4,797	-4.6	5.3
Used motor vehicle parts and accessories	F	F	F	F	F
Building material and supplies	14,496	16,781	17,386	3.6	19.9
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,087	4,538	4,680	3.1	14.5
Metal service centres	3,996	3,922	4,342	10.7	8.6
Lumber, millwork, hardware and other building supplies	6,413	8,322	8,364	0.5	30.4
Machinery, equipment and supplies	26,126	26,424	26,774	1.3	2.5
Farm, lawn and garden machinery and equipment	5,717	5,495	5,459	-0.6	-4.5
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,145	11,753	12,164	3.5	0.2
Computer and communications equipment and supplies	2,661	3,258	3,176	-2.5	19.4
Other machinery, equipment and supplies	5,603	5,918	5,974	0.9	6.6
Miscellaneous	11,658	12,682	12,766	0.7	9.5
Recyclable material	928 ^E	1,334	1,376	3.2	48.3
Paper, paper product and disposable plastic product	1,005	1,088	1,108	1.9	10.3
Agricultural supplies	4,745	4,965	5,125	3.2	8.0
Chemical (except agricultural) and allied product	1,539	1,486	1,470	-1.0	-4.5
Other miscellaneous	3,440	3,810	3,686	-3.3	7.1

^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

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 15.

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). 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.