

# Wholesale trade, July 2022

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, September 16, 2022

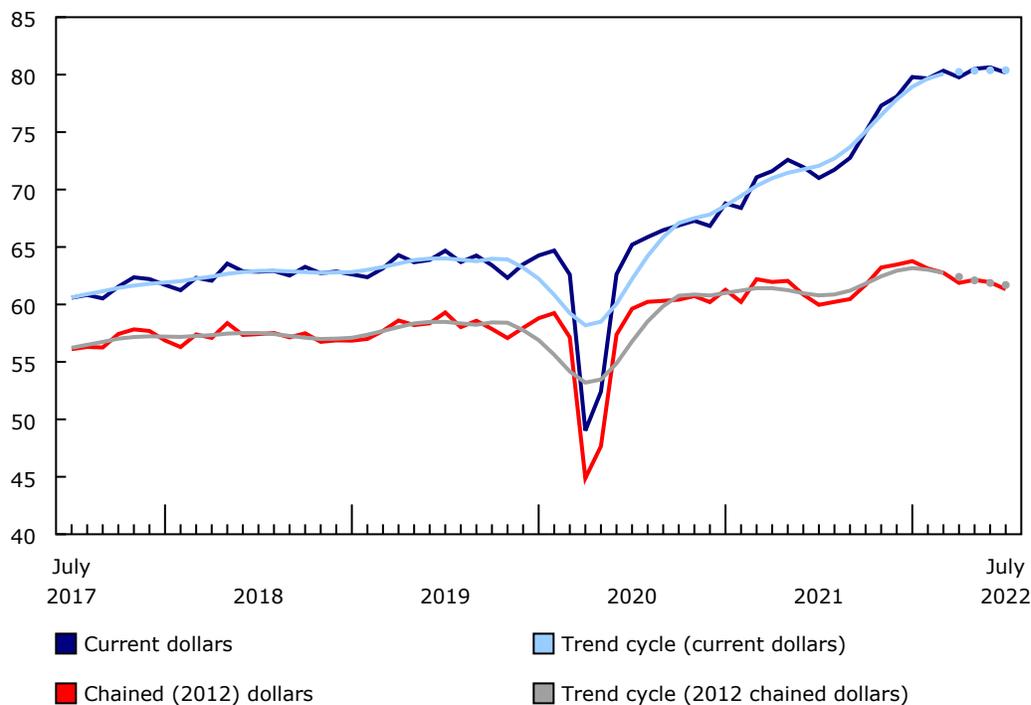
## Wholesale sales decline in July

Following two consecutive months of record-high sales in May and June, wholesale sales fell 0.6% in July to \$80.2 billion. Declines in the personal and household goods subsector led the losses for July, followed by the building material and supplies, and the motor vehicle and motor vehicle parts and accessories subsectors. Sales fell in five of seven subsectors, which represented 63% of wholesale sales.

Constant dollar sales fell 1.0% in July.

**Chart 1**  
**Wholesale sales decrease in July**

billions of dollars



**Note(s):** The higher variability associated with the trend-cycle estimates is indicated on the chart, with a dotted line for the current reference month and the previous three months. For more information, see the Note to readers.

**Source(s):** Tables [20-10-0074-01](#) and [20-10-0003-01](#).

## Personal and household goods wholesalers led losses for July

Sales of personal and household goods fell 2.6% in July to \$10.8 billion. This was the second consecutive month of declining sales and the fourth time in the last six months for the subsector. The textile, clothing and footwear industry led the losses as it fell 13.2% to \$1.3 billion for July, the second consecutive double-digit percentage decrease for the industry. Canadian imports of clothing, footwear and textile products have been down 25.3% since April, with 2.1% of the decrease coming in July. The home entertainment equipment and household appliance industry was the second largest mover, as it fell 7.7% to \$0.9 billion.



In the building material and supplies subsector, sales decreased for the fourth consecutive month, down 1.7% to \$12.8 billion in July. The decrease was predominantly due to lower sales of lumber, millwork, hardware and other building supplies, which fell 2.8% to \$6.4 billion. Exports of lumber and other sawmill products continued to decrease, down 14.6% in July and down 25.9% since April.

Partially offsetting the declines in July was a 1.6% increase in the sales of machinery, equipment and supplies, up to \$17.0 billion. Sales grew for this subsector in 9 of the previous 12 months, for an overall increase of 16.9% over the 12-month period. The computer and communications equipment and supplies (+3.8% to \$5.2 billion) and the construction, forestry, mining, and industrial machinery, equipment and supplies industry (+3.2% to \$5.8 billion) produced all the growth in the subsector in July.

## **Quebec leads decline in sales**

Sales decreased in four provinces and one territory in July, representing 81% of total wholesale sales. Quebec reported the largest decline, followed by Ontario and Alberta.

In Quebec, sales dropped 2.8% to \$14.0 billion in July, the fifth decline in the last six months. Sales fell in six out of seven subsectors, with the largest decrease coming from the personal and household goods subsector. In July, sales for this subsector fell more abruptly than in June, decreasing 8.6% to \$3.0 billion. The decline in this subsector accounted for 68% of the provincial decrease. While sales dropped in four out of the five component industries, the decrease was driven by lower sales in the textile, clothing and footwear and the pharmaceuticals and pharmacy supplies industries.

Ontario sales fell 0.7% to \$40.4 billion, and five of the seven subsectors saw a drop in sales. The driving factor behind the decline in this province was the motor vehicle and motor vehicle parts and accessories subsector, which decreased 4.9% to \$8.4 billion due to a 6.0% decline in the motor vehicle industry. This was the first decline in this subsector since February 2022 and followed a 6.1% increase in June. Sales for this subsector were 9.8% higher in July than the same month a year earlier. The machinery, equipment and supplies (+4.0%) and the miscellaneous (+2.3%) subsectors reported the only increases in July, which did little to offset the provincial decline. Excluding the motor vehicle and motor vehicle parts and accessories subsector, sales in Ontario would have increased 0.5% in July.

Alberta wholesalers reported a 2.9% drop in sales to \$8.7 billion in July. While all subsectors reported lower sales, the largest decrease came from the miscellaneous subsector, down 9.5% to \$1.2 billion, followed by building material and supplies, which dropped 3.9% to \$1.6 billion.

## **Inventories increase in July**

Wholesale inventories rose 1.2% to \$121.5 billion in July, the sixth consecutive monthly increase. Six of the seven subsectors reported increased inventories, led by the machinery, equipment and supplies subsector, as well as the motor and motor vehicle parts and accessories subsector. Farm products was the only subsector with decreased inventories in July.

Inventories in the machinery, equipment and supplies subsector rose 1.5% to \$33.0 billion. This increase was largely due to the farm, lawn and garden machinery and equipment industry, which saw an increase of 4.2% to \$6.7 billion. The machinery, equipment and supplies subsector accounts for the largest share of wholesale trade inventories at 27%.

In the motor vehicle and motor vehicle parts and accessories subsector, following the decrease in June, inventory levels increased 3.4% to \$13.0 billion and thus slightly exceeded the inventories reported in May. The increase in inventories was largely due to the 3.4% increase in the motor vehicle industry, followed by the new motor vehicle parts and accessories industry, where inventories grew 2.6% to \$6.0 billion.

The food, beverage and tobacco subsector also contributed to higher wholesale inventory levels, with a 2.1% increase to \$13.3 billion in July. This growth was largely due to a 1.6% increase in the food industry.

The inventory-to-sales ratio increased from 1.49 in June to 1.51 in July. This ratio is a measure of the time (in months) required to exhaust inventories if sales were to remain at their levels.

## **Early estimates from the 2021 Annual Wholesale Trade Survey**

Preliminary estimates for the 2021 Annual Wholesale Trade Survey are currently being processed and analyzed prior to their release. This article includes preliminary findings of key variables for three wholesale industries with the largest year-over-year growth. Final results will be released on December 21, 2022. Since these estimates were calculated based on a lower weighted response rate, they may be subject to a higher revision rate than the regular annual release.

The total operating revenue of Canadian wholesalers increased 21.9% in 2021 to \$1.3 trillion. The cost of goods sold was up 17.9% to \$1.1 trillion. Due to the cost of goods sold increasing at a slower rate than total operating revenue, gross margins for wholesalers rose from 17.3% in 2020 to 20.0% in 2021. Growth in total operating revenue and cost of goods sold was driven primarily by the petroleum and petroleum products subsector, followed by the building material and supplies and the machinery, equipment and supplies subsectors. Together, these three subsectors accounted for more than two thirds of the growth in the wholesale industry.

Petroleum wholesalers, the largest contributor to wholesale revenues in Canada, saw their revenues increase 44.3% to \$336.1 billion in 2021. The cost of goods sold by the petroleum subsector rose 28.5% in 2021 to \$288.0 billion. Meanwhile, the Raw Materials Price Index for conventional crude oil increased 40.8%. Gross margins for petroleum wholesalers increased to 14.3% in 2021 from 3.7% in 2020 as the cost of goods sold grew at a slower rate than revenues.

Building material and supplies wholesalers reported total operating revenue of \$145.1 billion in 2021, up 35.6% from 2020. This reflects both a change in the volume of goods sold to support housing starts and changes in prices paid for lumber. For the former, the value of single dwelling building permits rose 41.5% in 2021, up to \$40.7 million. For the latter, the price of lumber and other sawmill products averaged 50.0% higher in 2021 than in 2020.

Wholesalers in the machinery, equipment and supplies subsector displayed the third largest growth in total operating revenue, reaching \$190.0 billion. This represented an increase of 13.2%, while the growth recorded by the cost of goods sold reached 16.0%. Therefore, the gross margin decreased from 26.7% in 2020 to 24.9% in 2021.

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

	July 2021	June 2022 <sup>r</sup>	July 2022 <sup>p</sup>	June to July 2022	July 2021 to July 2022
	millions of dollars			% change	
<b>Total, wholesale sales (current dollars)</b>	<b>71,004</b>	<b>80,637</b>	<b>80,180</b>	<b>-0.6</b>	<b>12.9</b>
<b>Total, wholesale sales (2012 chained dollars)</b>	<b>59,967</b>	<b>61,926</b>	<b>61,324</b>	<b>-1.0</b>	<b>2.3</b>
<b>Total wholesale sales (current dollars), excluding motor vehicle and parts</b>	<b>59,777</b>	<b>68,436</b>	<b>68,167</b>	<b>-0.4</b>	<b>14.0</b>
Farm product	1,177	1,197	1,189	-0.7	1.0
Food, beverage and tobacco	12,801	14,140	14,092	-0.3	10.1
Food	11,185	12,568	12,481	-0.7	11.6
Beverage	798	848	908	7.1	13.8
Cigarette and tobacco product	639	500	485	-2.8	-24.0
Cannabis	180	225	218	-3.3	21.2
Personal and household goods	10,420	11,044	10,755	-2.6	3.2
Textile, clothing and footwear	1,168	1,462	1,270	-13.2	8.7
Home entertainment equipment and household appliance	828	970	894	-7.7	8.0
Home furnishings	702	728	739	1.5	5.3
Personal goods	1,012	1,112	1,097	-1.3	8.4
Pharmaceuticals and pharmacy supplies	5,617	5,604	5,596	-0.2	-0.4
Toiletries, cosmetics and sundries	1,093	1,168	1,159	-0.8	6.0
Motor vehicle and motor vehicle parts and accessories	11,227	12,201	12,013	-1.5	7.0
Motor vehicle	8,915	9,581	9,396	-1.9	5.4
New motor vehicle parts and accessories	2,262	2,554	2,523	-1.2	11.6
Used motor vehicle parts and accessories	50	66	94 <sup>E</sup>	43.1	85.8
Building material and supplies	11,132	13,044	12,827	-1.7	15.2
Electrical, plumbing, heating and air-conditioning equipment and supplies	3,060	3,691	3,649	-1.1	19.2
Metal service centres	2,144	2,740	2,749	0.3	28.2
Lumber, millwork, hardware and other building supplies	5,929	6,613	6,429	-2.8	8.4
Machinery, equipment and supplies	14,698	16,773	17,043	1.6	16.0
Farm, lawn and garden machinery and equipment	1,978	2,251	2,244	-0.3	13.4
Construction, forestry, mining, and industrial machinery, equipment and supplies	4,611	5,584	5,762	3.2	25.0
Computer and communications equipment and supplies	4,573	5,043	5,235	3.8	14.5
Other machinery, equipment and supplies	3,536	3,895	3,801	-2.4	7.5
Miscellaneous	9,548	12,238	12,260	0.2	28.4
Recyclable material	1,623	1,414	1,357	-4.1	-16.4
Paper, paper product and disposable plastic product	1,100	1,252	1,271	1.5	15.6
Agricultural supplies	2,477	4,386	4,610	5.1	86.2
Chemical (except agricultural) and allied product	1,716	2,226	2,008	-9.8	17.0
Other miscellaneous	2,633	2,959	3,014	1.9	14.5

<sup>r</sup> revised

<sup>p</sup> preliminary

<sup>E</sup> 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 2021	June 2022 <sup>r</sup>	July 2022 <sup>p</sup>	June to July 2022	July 2021 to July 2022
	millions of dollars			% change	
<b>Canada</b>	<b>71,004</b>	<b>80,637</b>	<b>80,180</b>	<b>-0.6</b>	<b>12.9</b>
Newfoundland and Labrador	390	361	378	4.7	-3.2
Prince Edward Island	121	128	128	0.1	5.8
Nova Scotia	1,095	1,078	1,208	12.1	10.4
New Brunswick	767	768	770	0.2	0.3
Quebec	13,446	14,368	13,959	-2.8	3.8
Ontario	36,289	40,675	40,408	-0.7	11.4
Manitoba	1,671	2,069	2,025	-2.1	21.2
Saskatchewan	2,575	4,192	4,428	5.6	72.0
Alberta	7,193	8,936	8,677	-2.9	20.6
British Columbia	7,391	7,995	8,130	1.7	10.0
Yukon	16	20	17	-14.4	3.9
Northwest Territories	26	34	37	6.7	42.5
Nunavut	23	11	15	36.6	-32.3

<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**

	July 2021	June 2022 <sup>r</sup>	July 2022 <sup>p</sup>	June to July 2022	July 2021 to July 2022
	millions of dollars			% change	
<b>Total, wholesale inventories</b>	<b>96,051</b>	<b>119,966</b>	<b>121,456</b>	<b>1.2</b>	<b>26.4</b>
Farm product	248	299	295	-1.1	19.2
Food, beverage and tobacco	10,905	13,055	13,326	2.1	22.2
Food	9,550	11,611	11,799	1.6	23.5
Beverage	735	776	822	5.9	11.9
Cigarette and tobacco product	384	426	454	6.6	18.2
Cannabis	236	242	251	3.8	6.5
Personal and household goods	16,481	19,548	19,709	0.8	19.6
Textile, clothing and footwear	3,351	3,692	3,499	-5.2	4.4
Home entertainment equipment and household appliance	970	1,454	1,496	3.0	54.2
Home furnishings	1,441	1,988	1,994 <sup>E</sup>	0.3	38.3
Personal goods	1,957	2,849	2,910	2.1	48.7
Pharmaceuticals and pharmacy supplies	7,630	8,429	8,651	2.6	13.4
Toiletries, cosmetics and sundries	1,131	1,135	1,159	2.1	2.4
Motor vehicle and motor vehicle parts and accessories	11,411	12,567	13,000	3.4	13.9
Motor vehicle	6,438	6,600	6,827	3.4	6.0
New motor vehicle parts and accessories	4,865	5,857	6,008	2.6	23.5
Used motor vehicle parts and accessories	F	110 <sup>E</sup>	F	F	F
Building material and supplies	17,429	23,569	23,618	0.2	35.5
Electrical, plumbing, heating and air-conditioning equipment and supplies	4,753	6,629	6,812	2.8	43.3
Metal service centres	4,226	6,587	6,806	3.3	61.0
Lumber, millwork, hardware and other building supplies	8,450	10,353	10,001	-3.4	18.4
Machinery, equipment and supplies	26,732	32,515	33,019	1.5	23.5
Farm, lawn and garden machinery and equipment	5,509	6,416	6,687	4.2	21.4
Construction, forestry, mining, and industrial machinery, equipment and supplies	12,001	14,600	14,777	1.2	23.1
Computer and communications equipment and supplies	3,199	4,648	4,689	0.9	46.6
Other machinery, equipment and supplies	6,023	6,851	6,866	0.2	14.0
Miscellaneous	12,846	18,414	18,489	0.4	43.9
Recyclable material	1,187 <sup>E</sup>	1,228	1,170	-4.7	-1.4
Paper, paper product and disposable plastic product	1,099	1,279	1,270	-0.6	15.6
Agricultural supplies	5,177	9,143	9,118	-0.3	76.1
Chemical (except agricultural) and allied product	1,510	1,954	1,930	-1.2	27.8
Other miscellaneous	3,873	4,810	5,001	4.0	29.1

<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 [Section 2: Issues related to analysis and interpretation](#).

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 (see [Section 1: Concepts and definitions](#)) 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 2022 will be released on October 14, 2022.

**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 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, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).