

Annual retail trade, 2021

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Operating profit margins increase for retailers

In total, retail customers spent \$752.2 billion at Canadian store and non-store retailers in 2021, leading to a 12.3% increase in operating revenue compared with 2020. Many factors affected retail sales throughout the sector; extreme weather events, supply chain disruptions and labour shortages influenced prices, along with increased costs for energy, building and raw materials, transportation and food, among others.

Retail prices notably increased for gasoline (+31.2%) and passenger vehicles (+5.1%). Headline inflation rose 3.4% in 2021, the fastest growth since 1991. Retail sales in volume terms increased by 8.5% in 2021.

Gasoline and motor vehicle sales lead the increase in store sales

Operating revenue grew in most subsectors in 2021, with the strongest gains in gasoline stations and motor vehicle and parts dealers.

Gasoline station sales rose by 19.1% in 2021 to \$64.5 billion, fuelled by gasoline prices increasing by almost one-third.

In 2021, sales in motor vehicle and parts dealers, the largest subsector, rose by 17.5% to \$189.8 billion, as new motor vehicle sales soared after their decline in 2020. Sales for new car dealers, which accounted for over three-quarters of all sales within the subsector in 2021, grew by 16.0%, while the used car market increased by 36.7% to \$18.0 billion. Lack of inventory of new cars, because of semi-conductor chips shortages and supply bottlenecks, contributed to higher prices for new and used cars. According to results from the [New Motor Vehicle Sales Survey](#), higher dollar sales of passenger cars (+18.1%) and trucks (+9.4%) drove the increase in the motor vehicle and parts dealers subsector.

Growth momentum sustained at general merchandise stores but eases quickly at food and beverage stores

Sales (+2.9%) advanced moderately in food and beverage stores, the second-largest subsector, to reach \$147.0 billion in 2021. This can be explained in part by the easing of public health restrictions, which brought more consumers back to restaurants that had been forced to restrict indoor dining in 2020. According to the [Monthly Survey of Food Services and Drinking Places](#), restaurant sales increased by 22.2% in 2021 but were still below 2019 levels.

In 2021, sales at general merchandise stores rose by 9.6% to \$86.4 billion, in part on stronger demand for items for home renovations, such as appliances and furniture. According to the [Retail Commodity Survey](#), in 2021, home furniture, furnishings, housewares, appliances and electronics represented 20.7% of sales at general merchandise stores, while food accounted for approximately one-third (32.4%).

Demand for home renovations continues driving growth in building material stores

In 2021, building material and garden equipment and supplies dealer sales grew by 17.0%, driven by higher demand for home renovations and the general strength of the housing market. This marked a second year of strong growth, after expanding by 11.9% in 2020.

Operating revenue up in all provinces

In 2021, the operating revenue of store retailers grew in all provinces. Ontario (+\$24.6 billion, +10.6%) and Quebec (+\$18.7 billion, +13.6%) had the largest increases in operating revenue. Ontario (36.6%), Quebec (22.2%), British Columbia (14.1%) and Alberta (13.0%) accounted for the largest shares of operating revenue in 2021, representing a combined \$604.7 billion (86.0%) of total operating revenue.



Margins increase for Canadian store retailers for a second straight year

The gross margins of retailers increased slightly for a second consecutive year, from 26.8% in 2020 to 26.9% in 2021. Operating profit margins for retailers rose again, from 4.6% in 2019, before the COVID-19 pandemic, to 4.9% in 2020 to 5.5% in 2021. Profit margins grew in all retail subsectors in 2021, with the exception of electronics and appliance stores. The strongest increases were recorded by clothing and clothing accessories stores (up from 4.0% to 7.1%); furniture and home furnishings stores (up from 5.4% to 7.0%); and sporting goods, hobby, book and music stores (up from 6.6% to 8.0%). According to the [Retail Services Price Index](#), several retail industries recorded higher prices in 2021. In some cases, stronger demand fuelled higher prices, which helped retail margins. For example, prices at furniture stores rose by 9.2% in 2021.

The cost of goods sold by store retailers increased by 11.8% to \$514.1 billion in 2021. The cost of goods sold represented 73.1% of total operating revenue.

Total operating expenses, including labour remuneration, rose by 9.3% to \$150.3 billion in 2021.

Demand for online retail sales expands further

In 2021, retail e-commerce sales grew by 25.0%, while restrictions on in-person shopping were extended and retailers continued to increase their e-commerce practices. E-commerce operating revenue accounted for 8.7% (\$65.7 billion) of the total store and non-store retail revenue in 2021. Compared with 2019, the proportion of e-commerce sales doubled.

Looking at 2022

The estimates in this release are for 2021. While the financial estimates for 2022 have not yet been finalized, a first glance at preliminary results based on published data (through November) from the [Monthly Retail Trade Survey](#) is available. Retail businesses faced many challenges in 2022, as inflation increased to its highest level in decades and Russia's invasion of Ukraine led to higher prices, notably for energy and food. Furthermore, retailers continued facing challenges because of supply chain disruptions and ongoing labour force shortages.

Note to readers

Data have been revised for 2020.

Trucks include minivans, sport utility vehicles, light and heavy-duty trucks, vans, and buses.

As of October 17, 2018, the date of cannabis legalization, the Annual Retail Trade Survey collects and disseminates both store and e-commerce sales statistics for licensed cannabis stores.

Data were collected for the 12-month fiscal period that ended on or between April 1, 2021, to March 31, 2022.

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics portal](#).

Available tables: [20-10-0064-01](#) to [20-10-0066-01](#) and [20-10-0068-01](#).

Definitions, data sources and methods: survey numbers [2447](#) and [2448](#).

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) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).