

## Manitoba Retail Sales - December 2020

The code red restrictions were felt across retail sales; recovery in 2021 will depend on loosening restrictions.

[Chris Ferris](#), Senior Economist  
February 26, 2021

### Bottom Line

In December 2020, retail sales in Manitoba and the Winnipeg CMA were down on the year, lagging the Canadian average (that was up 5 percent on the year). **Looking forward, we see Manitoba retail sales beginning to recover in February due to the late January and mid-February loosening of public health restrictions.**

E-commerce sales hit a record in December, having remained elevated since April 2020. Building materials and food and beverage sales are two sectors that are doing well across all three geographies. Clothing sales are particularly hard hit in Manitoba on a year-over-year basis.

### Analysis

On February 19, 2021, Statistics Canada released retail trade statistics for December 2020. We reviewed the unadjusted statistics for Canada, Manitoba and the Winnipeg Census Metropolitan Area (CMA).<sup>1</sup>

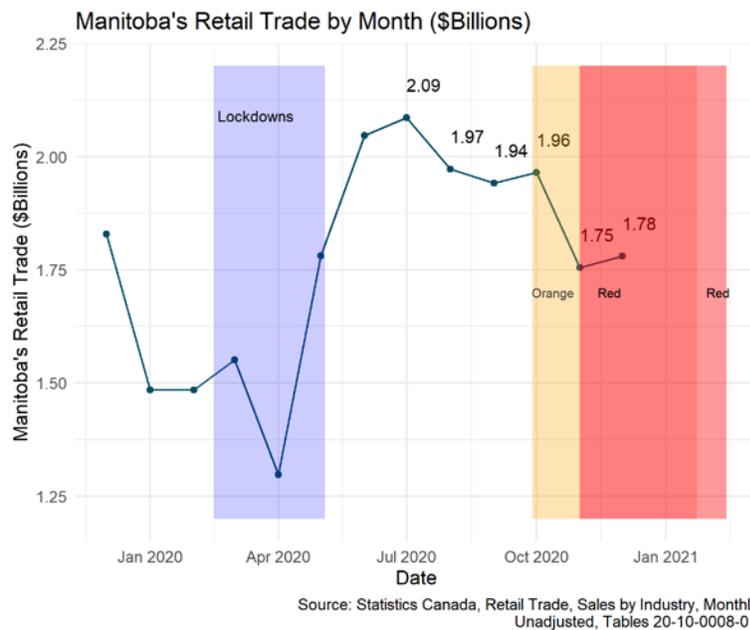
Table 1: Unadjusted Retail Trade by Month by Geography (\$Billions, % change)

Geography	Dec-19 (\$B)	Nov-20 (\$B)	Dec-20 (\$B)	Y/Y % Change	M/M % Change
Canada	\$54.33	\$55.59	\$56.78	+5%	+2%
Manitoba	\$1.83	\$1.75	\$1.78	-3%	+1%
Winnipeg CMA	\$1.20	\$1.04	\$1.04	-14%	0%

As shown in **Table 1**, **Canada's** December 2020 unadjusted retail sales of \$56.78 billion increased by five per cent year-over-year (y/y) and were up 2 per cent month-over-month (m/m). **Manitoba's** December 2020 retail sales of \$1.78 billion was up 1 per cent on the month, but down 3 per cent on the year. December 2020 retail sales of \$1.04 billion in the **Winnipeg CMA** were unchanged on the month, down 14 per cent on the year.

<sup>1</sup> Source: Statistics Canada. Table [20-10-0008-01](#) Retail trade sales by province. We used unadjusted data so that we can include the data from the Winnipeg CMA too.

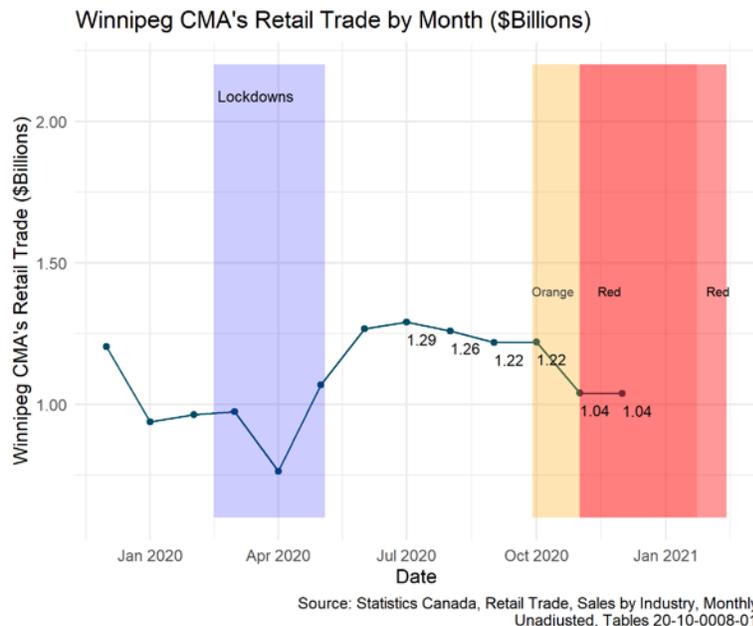
Figure 1: Manitoba's Retail Trade by Month (\$Billions)



As we had expected in [WED Vol. 1, Issue # 42](#), the tightening of public health restrictions in Manitoba and Winnipeg CMA led to soft retail sales in 2020-Q4 (**Figure 1**).

**With restrictions loosening in late January, mid-February and possibly in early March, we expect to see retail sales in Manitoba and the Winnipeg CMA to start strengthening on a y/y basis.** COVID-19 case counts, and related statistics must stay under control, however.

Figure 2: Winnipeg CMA Retail Trade by Month (\$Billions)



December 2020 retail sales in the Winnipeg CMA were \$1.04 billion, flat on the month, but down 14 per cent on the year.

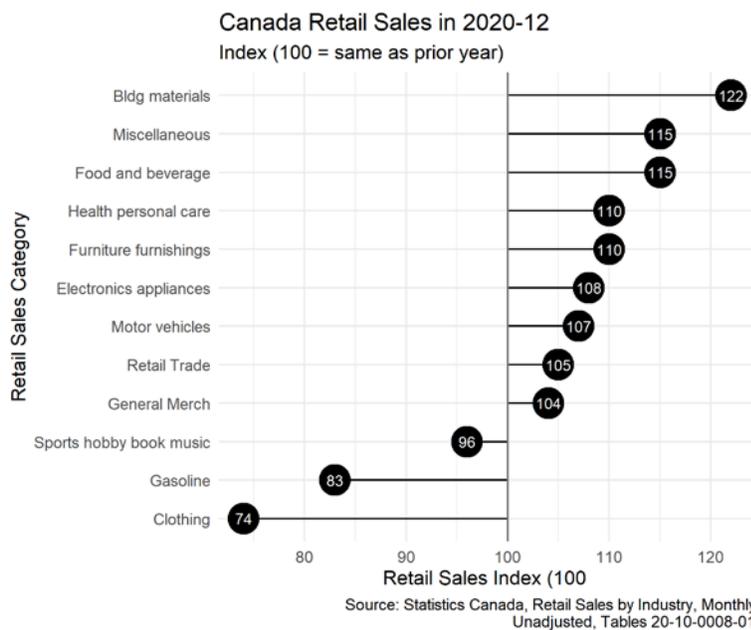
The code red and preceding code orange restrictions led to softer sales in Winnipeg.

We suspect that travel restrictions have had an outsized impact on Winnipeg retail. This because Winnipeg typically attracts a sizeable number of out-of-town shoppers – especially for holiday shopping season.

## Retail Sales by Geography and Retail Subsectors

The next few figures look at the retail subsectors in December 2020 for Canada, Manitoba, and the Winnipeg CMA.

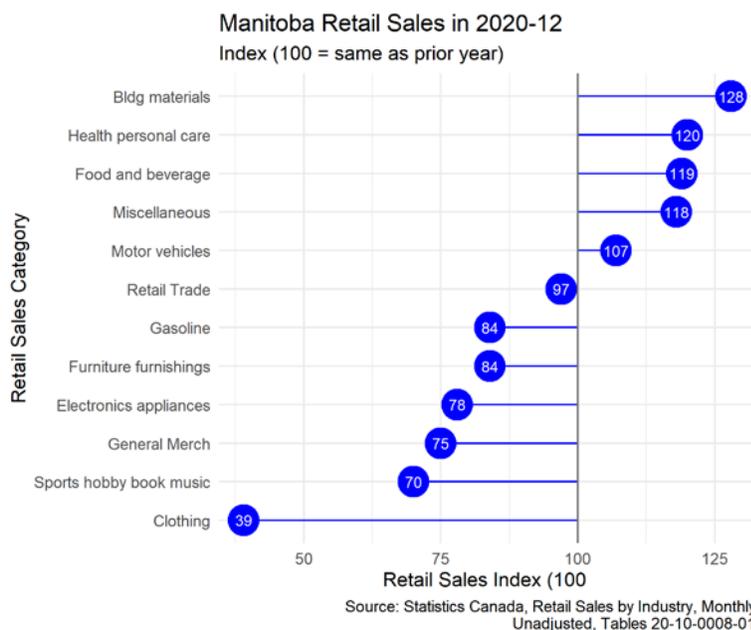
Figure 3: Canada December 2020 Retail Sales by Subsector (100 = same as prior year)



Canada's December 2020 retail sales were up y/y in **(Figure 3) building materials +22%**, and **food and beverages +15%**.

While most Canadian retail subsectors were up on the year, sales of **gasoline** stores were down 17%, and **clothing** stores was down 26% on the year. Direct and indirect effects of COVID-19 are responsible for holding these two subsectors back.

Figure 4: Manitoba December 2020 Retail Sales by Subsector (100 = same as prior year)



Manitoba's December 2020 retail sales were up y/y in **(Figure 4): building materials +28%**, **health personal care +20%**, and **food, beverage +19%**.

Almost as many subsectors were up as down in December 2020. The three subsectors down the most in December are **general merchandise (-25%)**, **sports hobby book and music stores (-30%)**, and **clothing stores (-61%)** on the year.

These subsectors felt the greatest impact of the lockdowns and non-essential goods restrictions. Clothing seemed to be particularly vulnerable to restrictions, possibly due to people preferring not to buy clothes online, or simply choosing to buy fewer clothes as they continue to work from home.

Figure 5: Winnipeg CMA December 2020 Retail Sales by Subsector (100 = same as prior year)



As for the Winnipeg CMA, only two subsectors were in positive territory on the year (**Figure 5**) – namely **building materials (+10%)**, and **food and beverage stores (+8%)**.

The subsector down the most on the year is **clothing** retailers, down 36 per cent.

Some subsector's data is suppressed or missing at the Winnipeg CMA level.

Figure 6: Canada's Retail E-commerce Sales Index (100 = same as prior year)



December 2020 saw record high e-commerce sales of \$4.7 billion.

In Canada, there is typically a Christmas holiday peak in sales. This year, the COVID-19 pandemic caused a massive surge in ecommerce sales in April, while regular retail sales fell off (**Figure 6**).

Canadian e-commerce sales have remained elevated since April, with sales at least 64 per cent over the year prior ever since. Now the top five months for Canadian e-commerce sales

are all in 2020.

EDW Contacts for Assistance or Inquiries:

**For Winnipeg businesses looking for help accessing government programs, please reach out to our Yes! Winnipeg Team** through our [Help us help you form](#) if you are not sure whom to contact on the YW team. For general inquires please email [wpginfo@edwinnipeg.com](mailto:wpginfo@edwinnipeg.com). For Marketing & Communications Inquiries, please email: [marketingandbranding@edwinnipeg.com](mailto:marketingandbranding@edwinnipeg.com).