

## Manitoba Wholesale Sales – January 2021

*Building material sales propel sector returns higher than pre-pandemic levels.*

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### Bottom Line

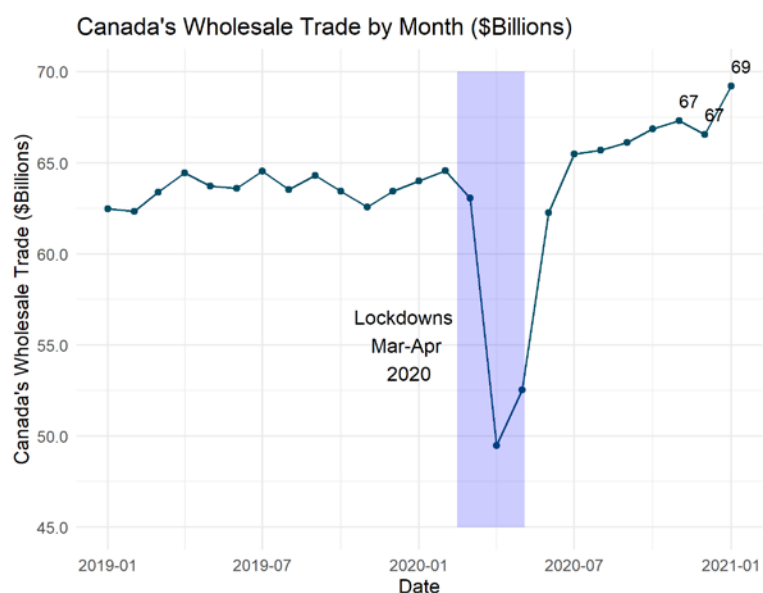
Since July 2020, the Canadian wholesaling sector has continued to see revenues higher than in February 2020. Building materials sales continue to show the greatest strength, driven by higher lumber prices and strong consumer demand for renovations and building projects. Machinery equipment sales are also showing strength nationally.

Since June 2020, Manitoba’s wholesale sector has continued to see revenues higher than February 2020. Strong year-over-year sales of building materials, machinery and equipment, and motor vehicles are supporting the sector aggregate. We expect the wholesaling sector to continue to expand, given sustained consumer demand, and the sector’s robust performance in the face of the COVID-19 pandemic.

Canada’s GDP by the transportation and warehousing industry is consistent with the above view, when you split out the portions of transportation that suffering due to the COVID-19 pandemic.

### Analysis of Canadian Wholesale Sector in January 2021

Figure 1: Canada’s Wholesale Trade by Month (\$Billions)



Source: Statistics Canada, Wholesale Trade, Sales by Industry, Monthly Seasonally adjusted, Tables 20-10-0074-01

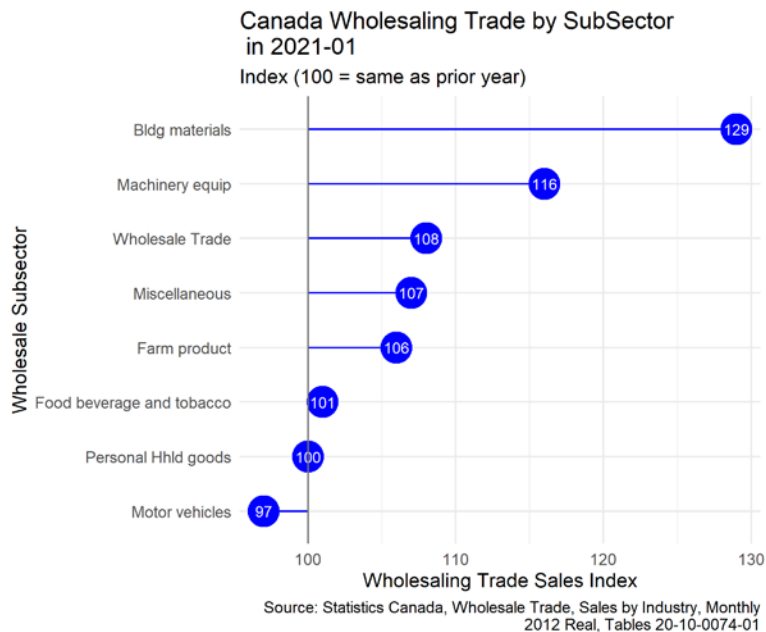
Canada’s wholesale sales have exceeded February 2020 levels since July 2020, after the sharp decline during the first COVID-19 lockdown.

**In January 2021, Canada’s wholesale sales rose to \$69 billion (Figure 1), up 8 per cent on the year.**

On a month-over-month (m/m) basis, Canada’s wholesale sales rose 4 per cent. On the month wholesale sales of:

- **building materials** rose 12 per cent, and
- **Machinery equipment** rose 11 per cent.

Figure 2: Index of Canada's Wholesale Trade by Subsector (100 = same as prior year)



On a year-over-year (y/y) basis, Canada's wholesale sales were up 8 per cent (**Figure 2**).

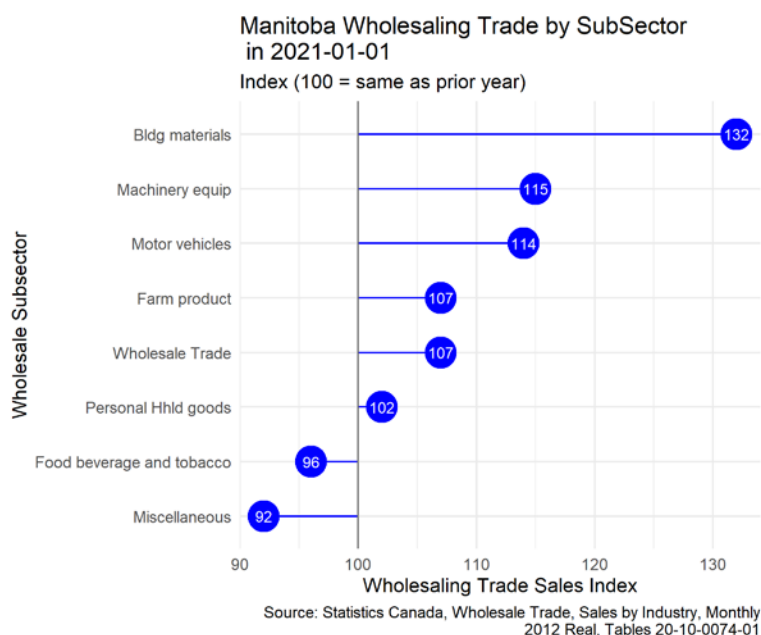
**Building materials wholesale sales were up 29 per cent on the year.** This was supported by strong wood product manufacturing sales.

**Machinery equipment wholesale sales were up 16 per cent on the year.**

## Analysis of Manitoba Wholesale Sector in January 2021

Since June 2020, Manitoba's wholesale sales have exceeded the February 2020 levels. **The value of Manitoba's wholesale sales in January 2021 was \$1.62 billion, up 7 per cent on the year, and down 1 per cent on the month. Building materials were up 5 per cent on the month, while motor vehicles were down 17 per cent on the month.**

Figure 3: Index of Manitoba Wholesaling Trade by Subsector (100 = same as prior year).



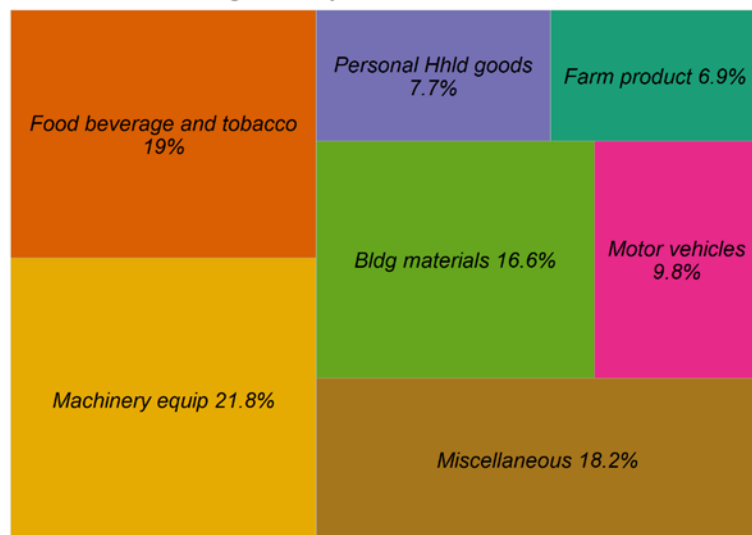
The value of Manitoba's wholesale sales in January 2021 was \$1.62 billion, up 7 per cent on the year (**Figure 3**).

The top three areas of y/y growth were:

- **Building materials** wholesale sales up 32 per cent,
- **Machinery and equipment** up 15 per cent, and
- **Motor vehicles** up 14 per cent.

Figure 4: Manitoba Wholesaling Trade Share by subsector in Jan 2021 (%)

Manitoba Wholesaling Trade by SubSector On 2021-01-01



Source: Statistics Canada, Wholesale Trade, Sales by Industry, Monthly 2012 Real, Tables 20-10-0074-01

Figure 4 shows the share of Manitoba’s wholesale trade sales in January 2021.

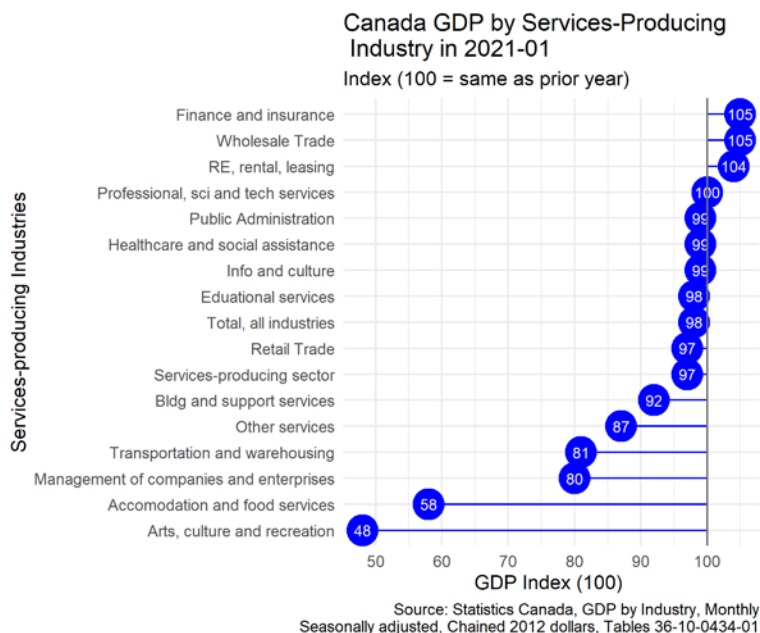
Manitoba’s top four wholesale sales subsectors in January 2021 were:

- **Machinery equipment,**
- **Food, beverage and tobacco,**
- **Miscellaneous, and**
- **Building materials.**

## Canada’s GDP – January 2021

Canada’s GDP by industry for January 2021 was released on March 31, 2021. Canada’s GDP in January 2021 was estimated to be down about 2 per cent year-over-year (**Figure 5**). Agriculture and forestry were estimated to be up 12 per cent on the year.

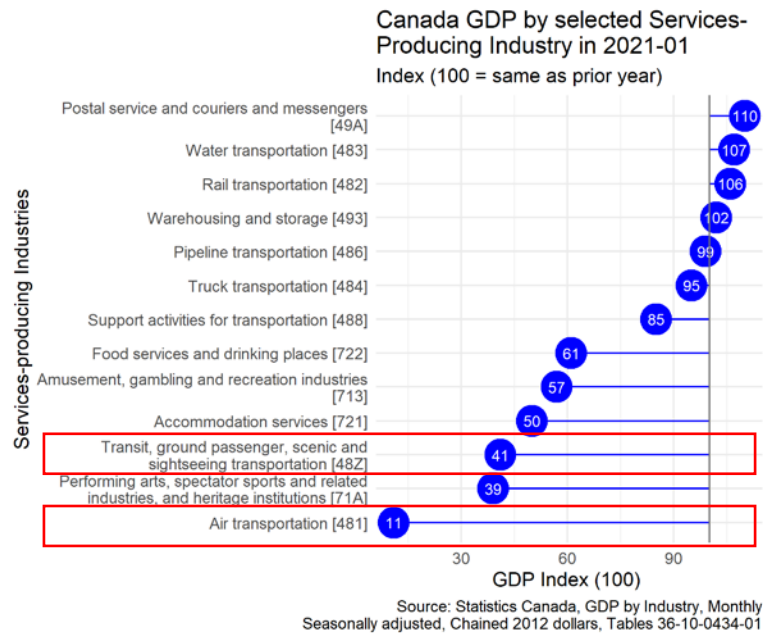
Figure 5: Canada’s GDP by Services Producing Industries Index (100 = same as prior year)



Some services-producing industries are still down on the year, including:

- **Transportation and warehousing** – down 19 per cent,
- **Management of companies and enterprises** – down 20 per cent,
- **Accommodation and food services** - down 42 per cent, and
- **Arts, culture and recreation** – down 52 per cent.

Figure 6: Break-out of Transportation & Warehousing, Accommodation and food services, and Arts, culture and recreation Index (100 = same as prior year)



We can see that when we breakout the subcomponents of Transportation & warehousing that **Transit, ground passenger, scenic and sight-seeing transportation** is down 59 per cent on the year, and **Air transportation** is down 89 per cent on the year (**Figure 6**). This is due to strict lockdown restrictions that has affected these specific subcomponents. Other subsectors are benefiting from the pandemic’s boost for ecommerce.

For arts, culture and recreation, which is down 52 per cent on the year, its subsector **performing arts, spectator sports and related industries and heritage institutes** is down 61 per cent on the year. **Accommodations** is down 50 per cent on the year. Again, this is related to the restrictions imposed by governments.

As restrictions begin to ease, we expect a rebound for all these subsectors, but planning and various supports will almost surely be needed for a smooth restart.

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