

Economic Development Winnipeg

WEEKLY ECONOMIC DIGEST



MANITOBA WHOLESALE SALES APRIL 2021

BUILDING MATERIAL SALES PROPEL HIGHER SECTOR RESULTS

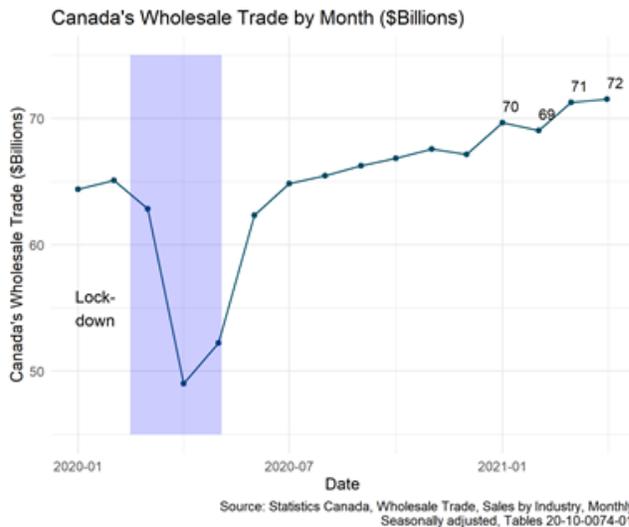
Chris Ferris, Senior Economist

Bottom Line

Canada's **building materials** sales continue to show great strength, driven by higher lumber prices and continued consumer demand for renovations and building projects. **Machinery equipment** sales continue to show strength nationally.

In Manitoba, strong year-over-year sales of building materials, machinery and equipment are supporting the sector on an aggregate level. The wholesaling sector is expected to continue to expand, given strong consumer demand and the sector's robust performance in the face of the COVID-19 pandemic.

APR'21 CANADIAN WHOLESALE SALES



Cdn Wholesale Sales

In April 2021, Canada's wholesale sales rose to **\$72 billion**, up 10 per cent over February 2020. /1

Cdn Wholesale Sales by subsector

- **Building materials** wholesale sales in April 2021 were up 45 per cent over February 2020. This was supported by strong wood product manufacturing sales, driven by unprecedented price levels for lumber as discussed in our last issue.
- **Farm Product** sales in April 2021 were up 21 per cent over February 2020.
- **Machinery equipment** sales in April 2021 were up 15% over February 2020.
- Only **motor vehicle** sales in April 2021 were down (-15 per cent) versus February 2020.

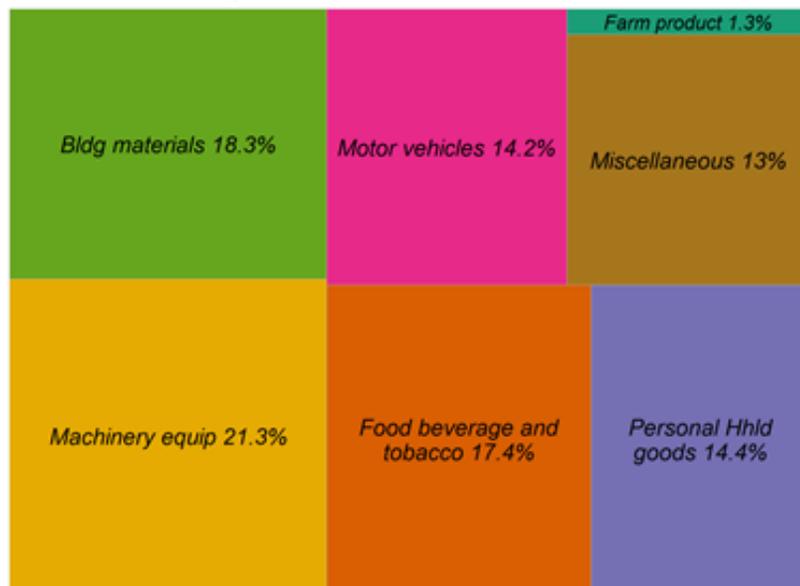


Sources: Statistics Canada. Table 20-10-0074-01 Wholesale Trade, Sales, Seasonally Adjusted.

/1 For April and May 2021, we will index against February 2020. June 2021 analysis will resume annualized comparison.

APR'21 CANADIAN WHOLESAL SALES

Canada Wholesaling Trade by SubSector On 2021-04-01



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

Canada Wholesaling Trade by subsector share in April 2021

Canada's top four wholesale sales subsectors in April 2021 by share of total sales were: **Machinery equipment** (21.3%), **Building materials** (18.3%), **Food, beverage, and tobacco** (17.4%), and **Motor vehicles** (14.2%).

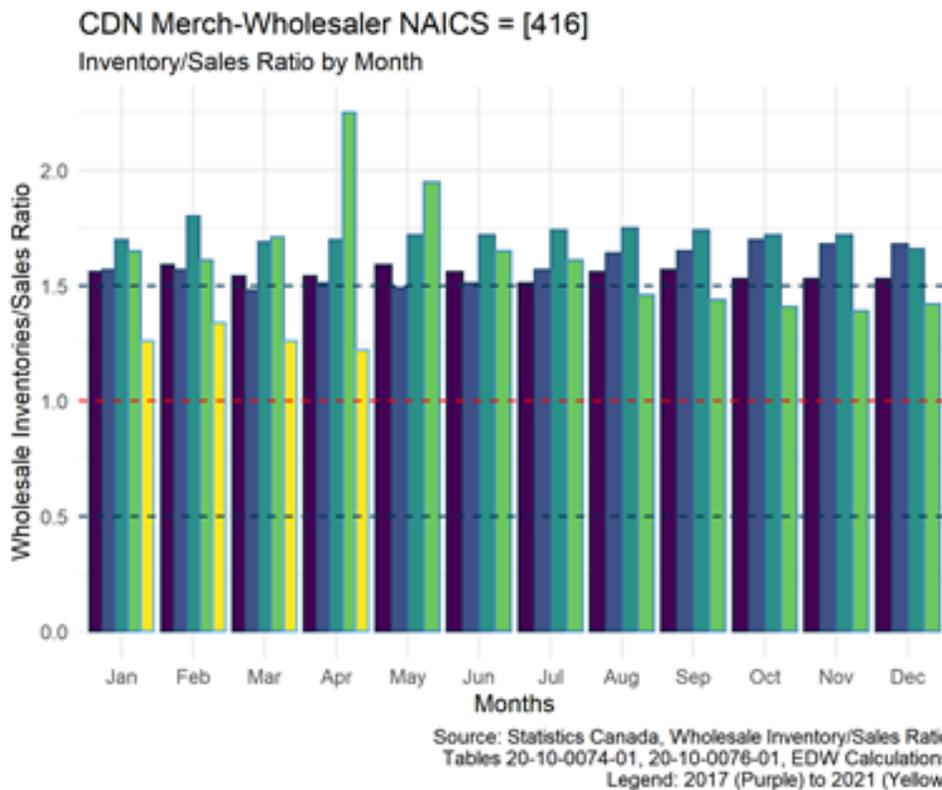


Lumber Futures

Random length lumber futures for July 2021 hit a peak in mid-May and since have dropped significantly (closing at US\$842.3/mbft on June 24, 2021). As a result, we expect building materials sales to be strong when the May 2021 figures are released.

Sources: CME Group LB (USD/mbft), Statistics Canada. Table 20-10-0074-01 Wholesale Trade, Sales, Seasonally Adjusted.

APR'21 CANADIAN WHOLESALE SALES



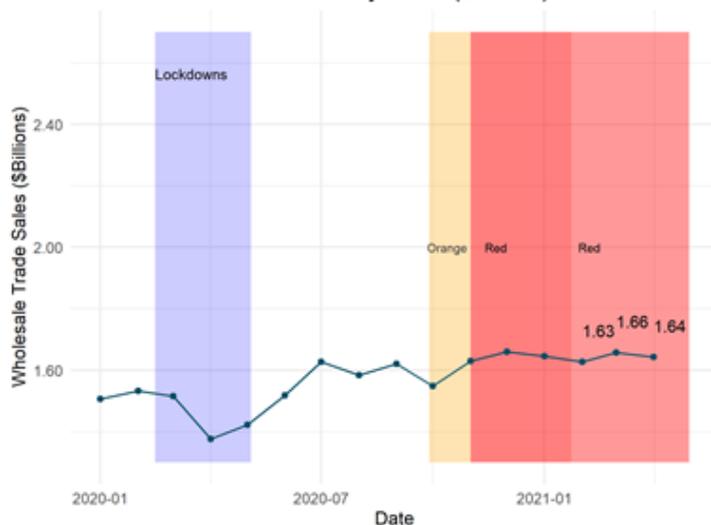
Wholesale Trade Inventory/Sales Ratio

The Canada level data indicates that the inventory/sales ratio for [416] - **Building material and supplies merchant wholesalers** continues to be tight. For Jan - Apr, building material inventory was typically held for just a bit more than a month, so we can expect to see softness at the manufacturing level to begin being reflect about 1 - 1.5 months afterwards in the wholesale sector – so long as lumber futures continue to ease toward a more normal level.

Sources: Statistics Canada. Table 20-10-0074-01 Wholesale Trade, Sales, Seasonally Adjusted, and Table 20-10-0076-01 Wholesale Trade, Inventory, Seasonally Adjusted.

APR'21 MANITOBA WHOLESALE SALES

Manitoba's Wholesale Sales by Month (\$Billions)



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

MB Wholesale Trade Sales

Manitoba's wholesale sales in April 2021 were \$1.64 billion, up 7 per cent over February 2020, but down 1.2% over March 2021.

Manitoba Wholesaling Trade Sales by Sector Index 2021-04
(2020-02 Index = 100)



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

MB Wholesale sales by subsector

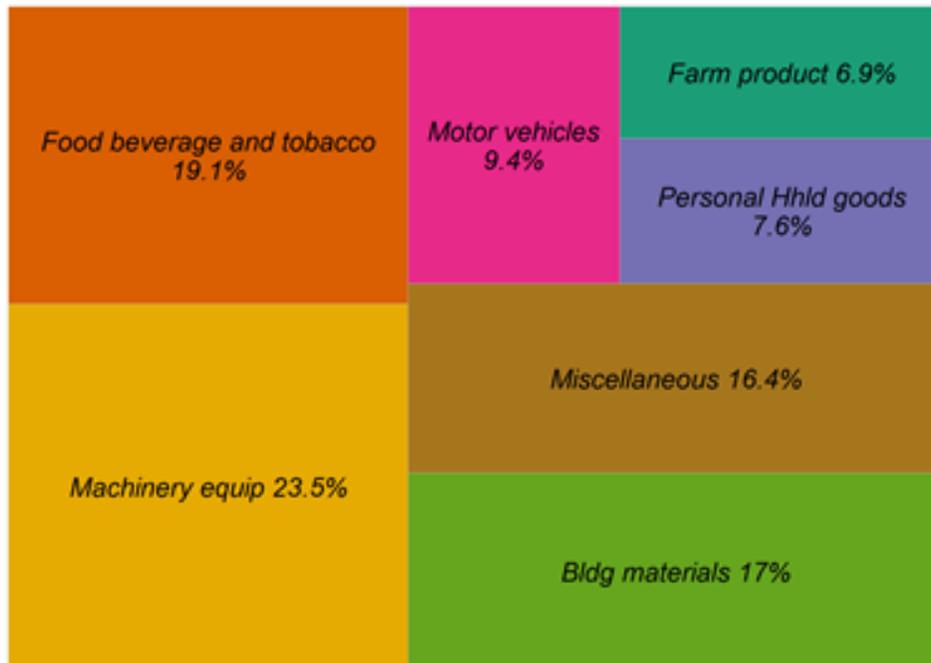
- **Building materials** wholesale sales in April 2021 were up 36 per cent over February 2020. This increase was supported by strong wood product manufacturing sales.
- **Machinery equipment** sales in April 2021 were up 24% over February 2020.
- **Farm Product** sales in April 2021 were up 10 per cent over February 2020.

Sources:

Statistics Canada. Table 16-10-0047-01 Manufacturing Sales by Industry, Seasonally Adjusted.

APR'21 MANITOBA WHOLESALE SALES

Manitoba Wholesaling Trade by SubSector On 2021-04-01



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

MB Wholesaling Trade by subsector share in April 2021

Manitoba's top three wholesale sales subsectors in April 2021 by share of total sales were: **Machinery equipment** (23.5%), **Food, beverage, and tobacco** (19.1%), and **Building materials** (17%).

If inventory/sales ratios at the Canadian level are similar to Manitoba, we should see a similar easing of lumber prices at the manufacturing level at the wholesale level within a few months of that easing.

INQUIRIES AND CONTACTS

If you require help accessing government programs, contact our YES! Winnipeg team through the [Help us help you form](#).

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