



► Growth in Saskatchewan retail sales decelerates

Latest data from Statistics Canada show Saskatchewan retail sales struggling to maintain traction as building and garden centre sales take a big fall. Retail sales were barely changed at \$1.6 billion in June after retreating from its positive trajectory in April (Chart 1). Compared to a year ago, sales were up a modest 1.0% (seasonally adjusted) and rank ninth lowest among the provinces.

Chart 1: Long way to go before returning to pre-recession trends

Total retail sales (seasonally adjusted)

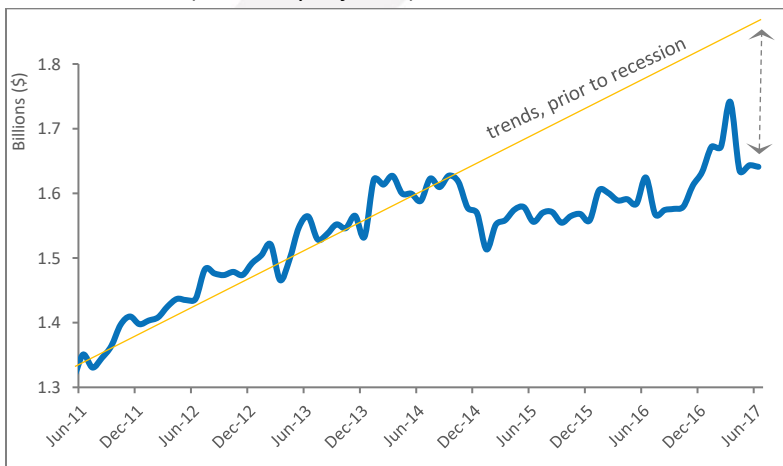


Chart 2: Lower building & garden center sales put a dumper on total retail sales growth

Y/Y change in Sask. retail sales (not seasonally adjusted) – June, 2017

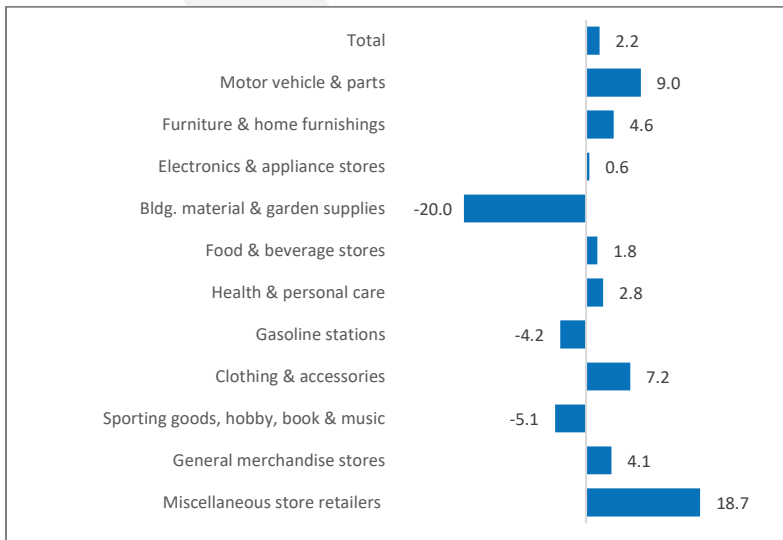
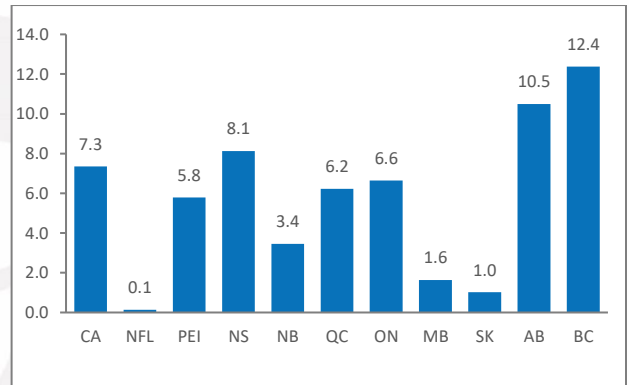


Chart 3: Sask. sales growth 9th lowest in Canada

Y/Y growth in retail sales (seasonally adj.) – June, 2017



Despite the slowdown in sales growth, Saskatchewan retail sales are still on track to outperforming last year's gains. Over the first six months of 2017, retail sales were up 4.3%, 2.5 percentage points lower than the national average (Table 1).

Table 1: Sask. sale still on truck to outperform

	2016	2017			
		YTD	Apr	May	Jun
SK (\$million)*	19,135	10,004	1,675	1,674	1,617
y/y % chg.	2.2	4.3	2.8	3.8	1.0
CA (\$million)*	550,793	291,074	48,674	48,930	48,992
y/y % chg.	5.1	6.8	7.0	7.3	7.3

Source: Statistics Canada, Table 080-0020

* Seasonally adjusted

Insight

Retail sales are important economic indicators because when consumers open their wallets, the economy hums along. The June retreat in building and garden center sales is particularly concerning because slowdown in sales mirror activity in the construction and housing market. Overall, other retail sales are expected to remain stronger than last year as the economy emerges from recession.