



► **Why Has Saskatchewan Retail Spending Softened in September**

**INTRODUCTION**

After experiencing some of the strongest growth in retail spending across all provinces between 2010 and 2013, Saskatchewan retail activity has cooled off in 2015 and 2016. According to data released yesterday, this cooling trend continued into September of this year.

**LATEST FIGURES**

Provincial retail sales dipped 0.3% to \$1.53B (seasonally adjusted) in September, the lowest monthly amount thus far in 2016. Despite the small month-over-month decline, sales were unchanged from a year earlier. All numbers are according to Statistics Canada.

**THE DETAILS**

The details behind the headlines provide an interesting synopsis for Saskatchewan retailers. Sales are down year-over-year on some of the larger ticket items such as: motor vehicle and parts dealers (-2.6%), electronics

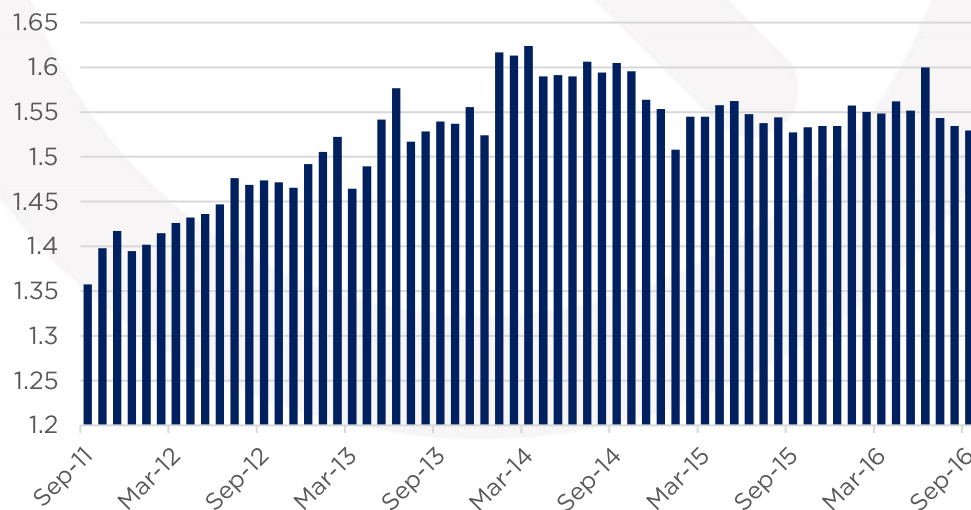
and appliances (-3.5%), and building and garden retailers (-2.6%). By contrast sales are up year-over-year in categories including: health and personal care stores (+10.4%), gas stations (+6.5%) and clothing and accessories stores (+6.6%).

This divergence across categories is consistent with the slower economic growth Saskatchewan has experienced in 2015 and 2016, as consumers often cut back on large scale and “durable” items as opposed to necessities (e.g. gasoline) and smaller life pleasures (e.g. clothing).

A direct analysis of retail spending in the Saskatoon region is not possible as Statistics Canada does not release retail data at the metropolitan level, however considering the Saskatoon region accounts for roughly a third of the provincial population it’s fair to assume the trend here is similar to the province as a whole.

**SASKATCHEWAN RETAIL TRADE**

\$Billions, Seasonally Adjusted



Source: Statistics Canada

SREDA Insights provides commentary and analysis on key economic issues influencing Saskatoon Region businesses and industry. By providing timely, digestible and relevant economic analysis, SREDA helps local businesses adapt to changing market conditions. SREDA provides SREDA Insights to its members in conjunction with other ongoing initiatives through its Economic Forecasting & Analysis division.