SREDA INSIGHTS

▶ SK RETAIL TRADE STILL CATCHING ITS BREATH

When consumers feel optimistic about things such as their job prospects and finances, they often show it by hitting the streets and dropping their hard earned cash at stores.

LATEST FIGURES
Saskatchewan consumers spent a total of $1.55B at retail outlets in May 2016, a small drop from $1.56B in April 2016 and down 0.5% from one year ago. All figures are according to Statistics Canada and adjusted for seasonality.

CONTEXT
In the long-run, retail spending grows due to changes in population, inflation, wages, and people's moods. This trend can be made apparent by graphing the long-term data. However what's also apparent from a long-term graph is that retail spending tells a fairly clear story of what's happening in the economy.

From 1991-2005, retail spending in SK rose remarkably consistently at a compound annual growth rate (CAGR) of 4.7% (dashed orange line). Then starting in 2006, when the economy began to boom, a new trend began and the retail sales CAGR jumped to 5.7% (red line).

Currently, after falling during late 2014, retail spending has been flat since the start of 2015. However, viewed over the long-run, it is apparent that the SK economy is settling down to a more sustainable growth rate after an exceptionally strong economic period.

THE OUTLOOK
Given that commodity prices remain low, it's possible that it will take a few more months before SK retail spending resumes its steady, upward climb. Once it does, it will take strong commodity prices or a boom in another sector to get back to the growth rates of 2006-2014.

SASKATCHEWAN RETAIL TRADE

Source: Statistics Canada
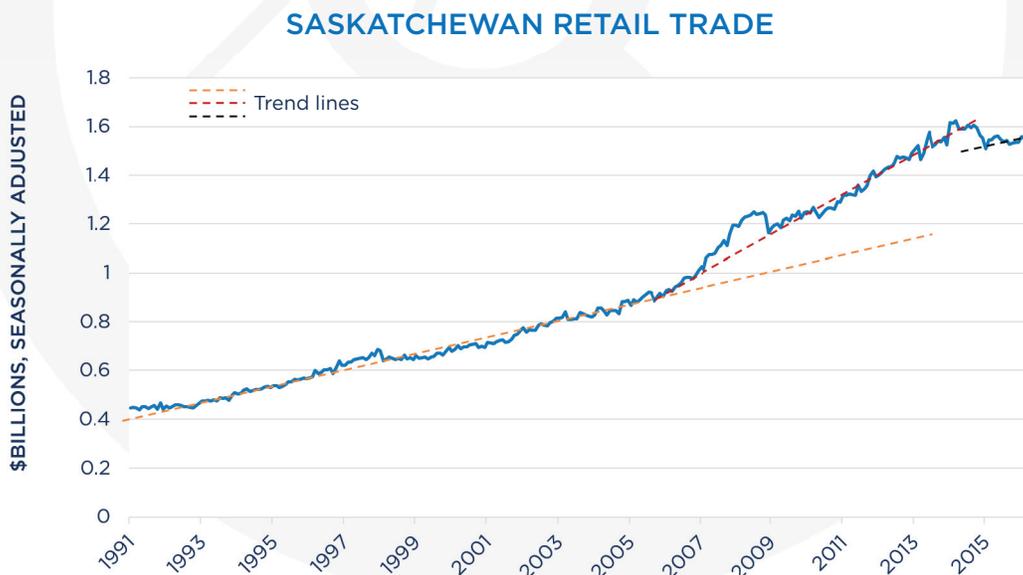
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