

## ECONOMIC NEWS

# Canada: Retail Growth Was Very Good in 2021 despite Large Fluctuations

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### HIGHLIGHTS

- ▶ The value of retail sales slid 1.8% in December.
- ▶ Core retail sales, which excludes motor vehicle and auto parts dealers as well as service stations, were down 2.4% during the month.
- ▶ In real terms, total sales grew 2.5%.
- ▶ For 2021 as a whole, the value of retail sales was up 11.6%. This was the biggest annual increase since the compilation of statistics began in 1991.

### COMMENTS

December's fall in retail sales is largely explained by concerns over the spread of the Omicron variant. Moreover, interruptions of certain retail activities were observed around the country after the flooding in British Columbia. All of these factors are temporary, and retail sales should quickly improve. According to Statistics Canada's preliminary results, the value of retail sales increased 2.4% in January.

These fluctuations mirror the major ups and downs observed throughout 2021 as the pandemic evolved. In general, the gradual easing of health measures and the progress of the vaccination rollout allowed consumers easier access to stores in 2021. Ultimately, 2021 as a whole saw exceptional growth in retail sales. Obviously, a part of the increase in sales was attributable to accelerated inflation throughout the year. Retail sales in real terms (excluding price fluctuations) increased more than 8.4% in 2021, which is still a very high level of growth.

### GRAPH

#### Exceptional growth in retail sales in 2021



Sources: Statistics Canada and Desjardins, Economic Studies

### IMPLICATIONS

For the fourth quarter of 2021, real retail sales were up 1.4% (quarterly annualized) compared to 6.0% in the previous quarter. The increase in consumer spending could thus be less steep in the last quarter of 2021.