



Retail Trade 2011

Industry, Tourism and Investment

Retail trade encompasses a broad range of businesses, including local corner stores, national chains, video rentals, automotive dealers and service stations, to name a few. Most retail businesses are small and locally owned, but “retail” also includes some of the NWT’s largest companies, such as Walmart and Northern Stores.

The industry is a major NWT employer, accounting for about 10% of total employment about 2,500 jobs.

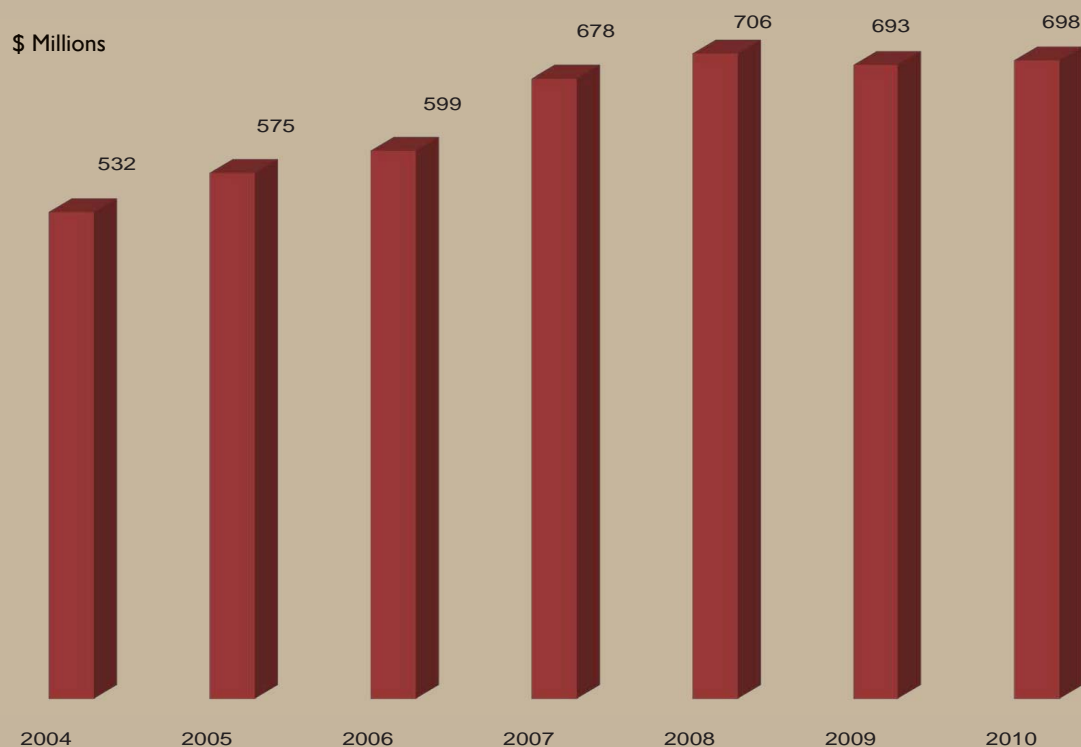
Retail sales are seasonal, and peak over Christmas and summer periods. Longer term sales are heavily impacted by population and income changes.

Retail sales depend upon consumer expenditures,

which in turn depend upon incomes, and confidence. If residents are not confident about future employment, they will increase savings.

Annual sales (Chart 1) have levelled off since 2007, a trend consistent with limited population growth. The chart also highlights the limited impact of the 2008/09 economic downturn, and the recovery over 2010.

Chart 1: Annual Retail Sales Since 2004

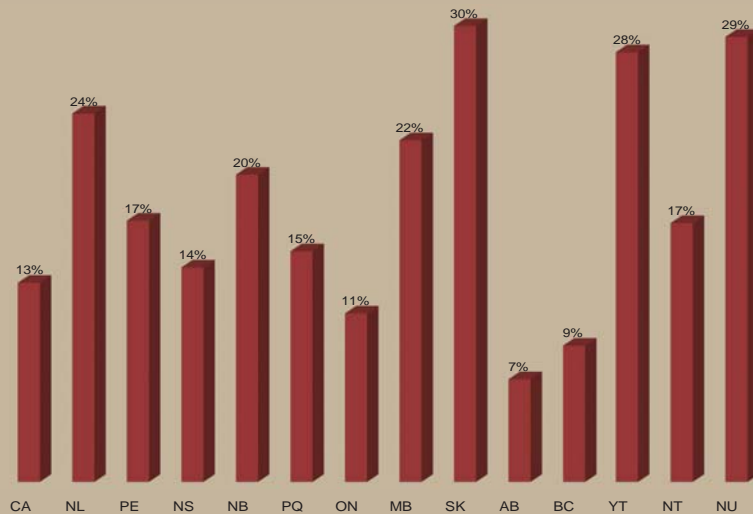


Source: NWT Bureau of Statistics



NWT Retail Trade Performance Within Canada

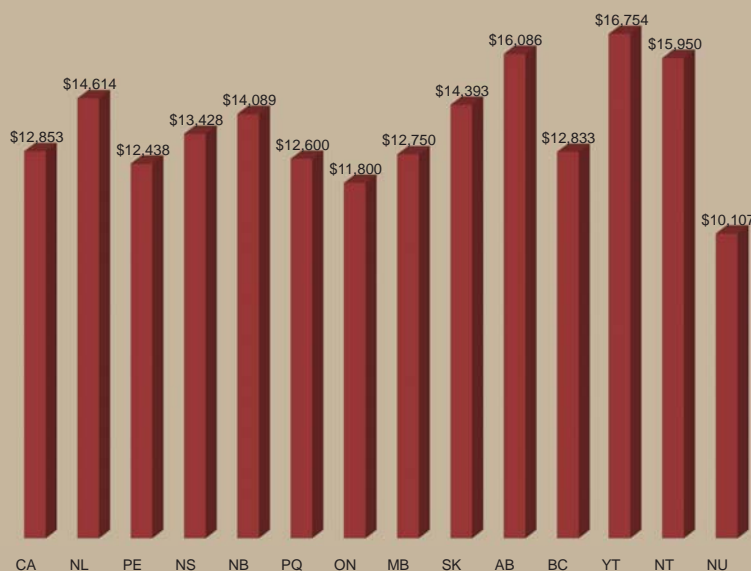
Chart 2: Growth of Retail Sales 2006-2010



Source: NWT Bureau of Statistics

Chart 2 plots the growth of retail sales over five years in Canada between 2006 and 2010. Overall growth in the NWT exceeded the Canadian average, and vastly exceeded Alberta and British Columbia. However, the NWT lagged behind regions with high rates of economic growth like Saskatchewan and the Yukon.

Chart 3: Per Capita Retail Sales 2010



Source: Statistics Canada Summary Tables

Chart 3 plots per capita sales by province and territory for 2010. Per capita sales are simply calculated by dividing total retail sales by population. As both incomes and prices tend to be higher in the NWT, per capita sales are significantly above the national average. The Yukon is slightly higher, which likely reflects their higher tourism volumes; over 300,000 road travellers every summer.



Retail Trade's contribution to the NWT Economy

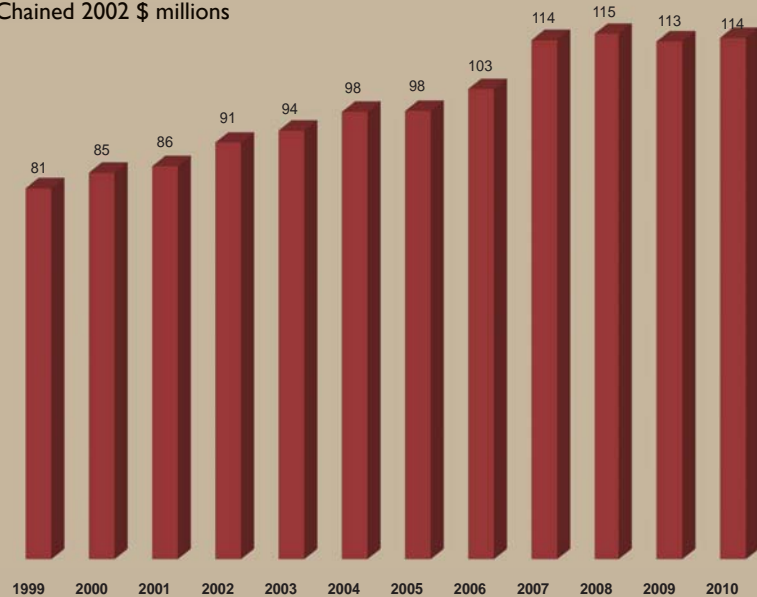
Chart 4: Retail Sales Contribution to GDP

Since 1999, retail trade has consistently averaged between 3-4 percent of the NWT's Gross Domestic Product (GDP).

The industry was not significantly impacted by the 2008/09 economic downturn, as worker income remained fairly consistent over this period, despite temporary mine closures.

In response to static population growth, retail sales have levelled off over the past three years.

Chained 2002 \$ millions



Source: NWT Bureau of Statistics



Photo by Aidan Cartwright



Retail Employment and Outlook

Chart 5: Monthly Retail Employment

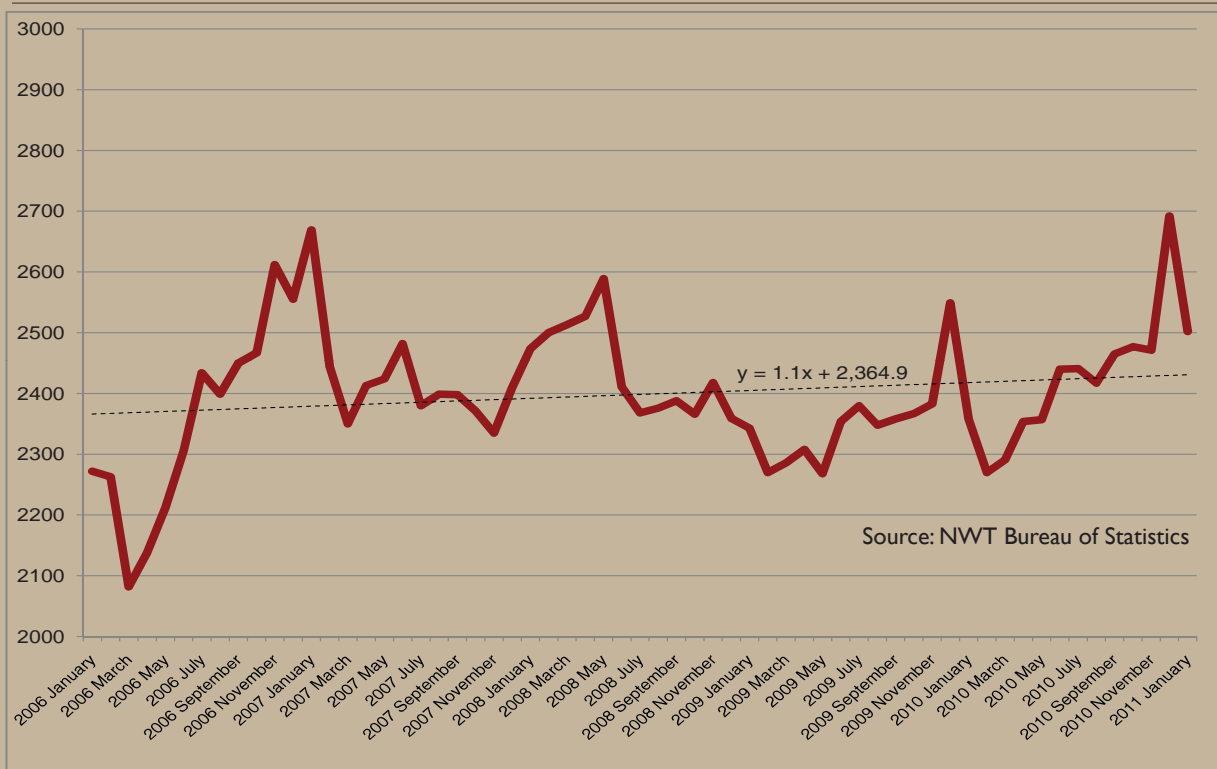
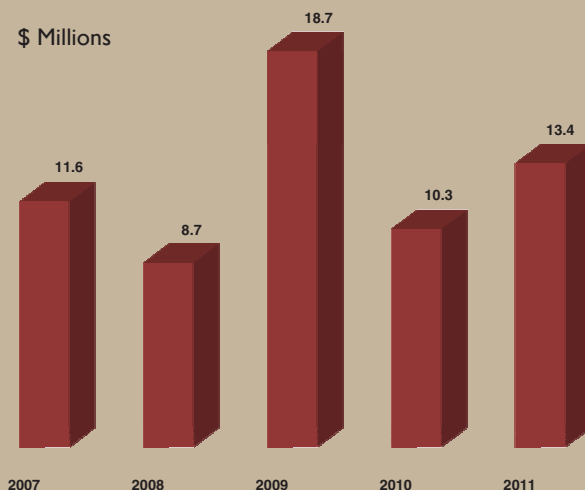


Chart 6: Capital Expenditures

Source: Statistics Canada



On average about 2,500 people in the NWT work in Retail businesses. Employment is seasonal, with extra people being hired over the Christmas period, and smaller increases over summer months.

Investment represents future capacity, as well as business confidence. If businesses see potential growth, they will invest in new equipment or buildings. The recovery in investment plans for 2011 indicates retail businesses in the NWT have a positive outlook. Growth, however, is expected to remain modest until new mineral developments stimulate population growth.