



Wholesale Update 2011

Industry, Tourism and Investment

Wholesale businesses provide goods to other businesses and government. Demand and sales respond to a wide variety of stimuli. For example, an industrial supply company's sales might be tied to mineral exploration, sales of a hotel supply company could be impacted by a changing tourism industry, and a company supplying

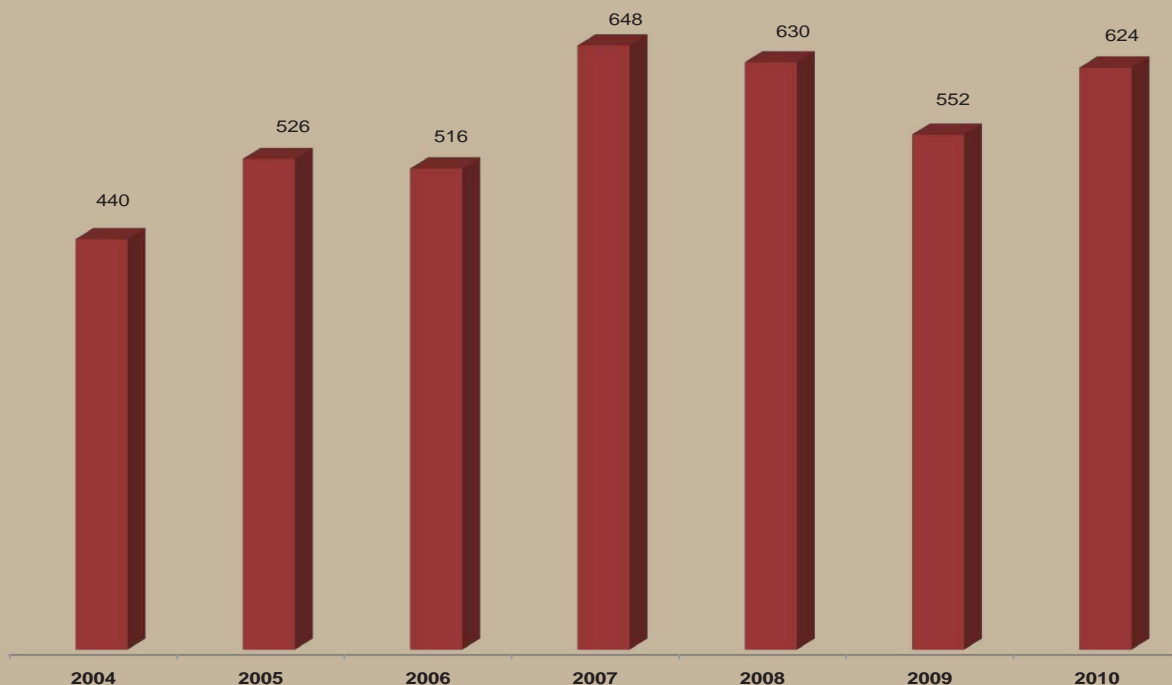
restaurants might be impacted by declining consumer spending.

Chart 1 plots wholesale sales since 2004. Over these six years, sales have increased by \$108 million, or 21%; one of Canada's fastest growth rates. Wholesale trade in the NWT is four times that of the Yukon, reflecting the NWT's larger economy and industrial base.

Industry sales were impacted by the 2009 downturn, declining 14% in 2009, a drop of \$78 million. 2010 showed a complete recovery, with sales approaching previous highs of 2007.

Chart 1: Annual Wholesale Sales (\$ millions)

Source: NWT Bureau of Statistics





NWT Wholesale Trade Performance Within Canada

Chart 2: Growth of Wholesale Sales 2006-2010

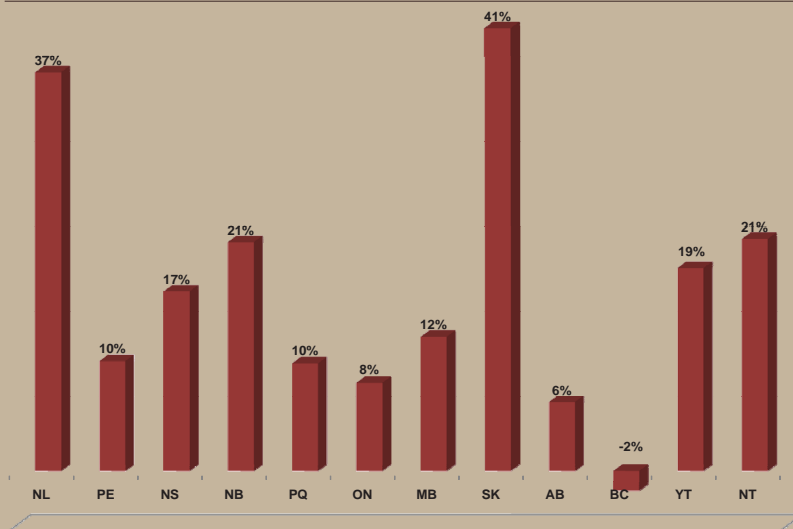
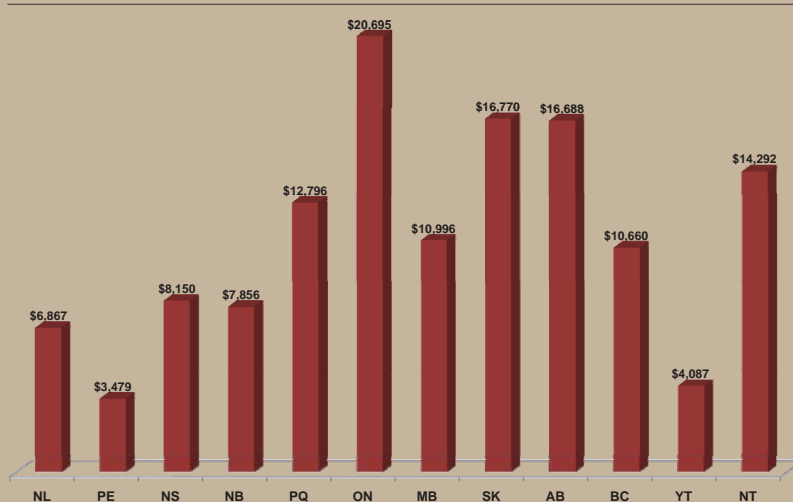


Chart 2 plots the percent growth of wholesale sales over five years in Canada between 2006 and 2010. It illustrates the close relationship between economic growth and wholesale business - the fastest growing economies also had the fastest growth in wholesale trade. The NWT performed well over this period, tying for the 3rd highest growth percentage nationally with New Brunswick.

Chart 3: Per Capita Wholesale Sales 2010



Per capita, the NWT has the 4th highest wholesale trade in Canada. Per capita sales are \$14,300 compared to \$10,700 in BC and \$4,000 in the Yukon. The relative importance of wholesale trade within the NWT highlights the importance of industry and especially mining within the economy.



Wholesale Contribution to the NW7 Economy

In 2004, the wholesale industry contributed \$60 million to GDP. In 2010, the contribution to GDP was \$74 million, up \$6 million, or 9%, from the 2009 downturn.

While the industry represents a small share of GDP there is significant room for further growth, likely linked to resource investment.

Chart 4: Wholesale Contribution to GDP (\$ millions chained)

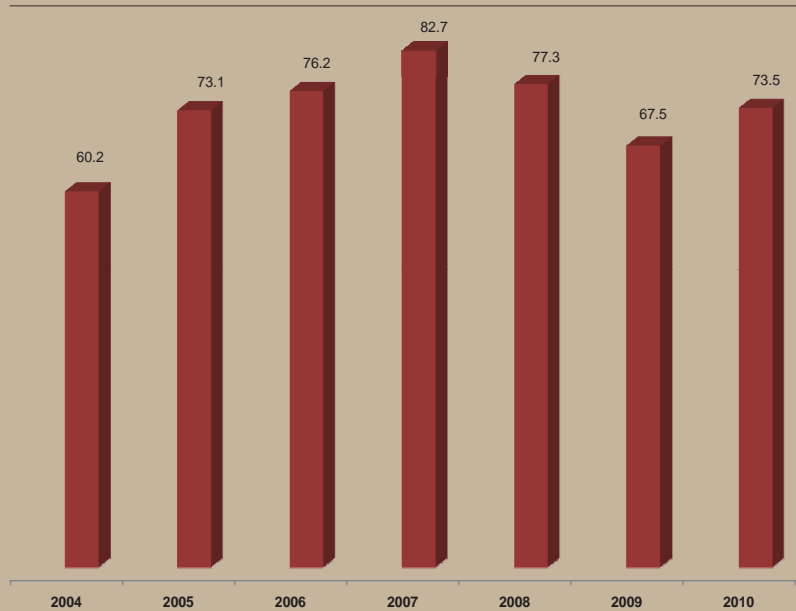


Photo by Aidan Cartwright



Wholesale Employment and Outlook

Chart 5: Monthly Wholesale Employment

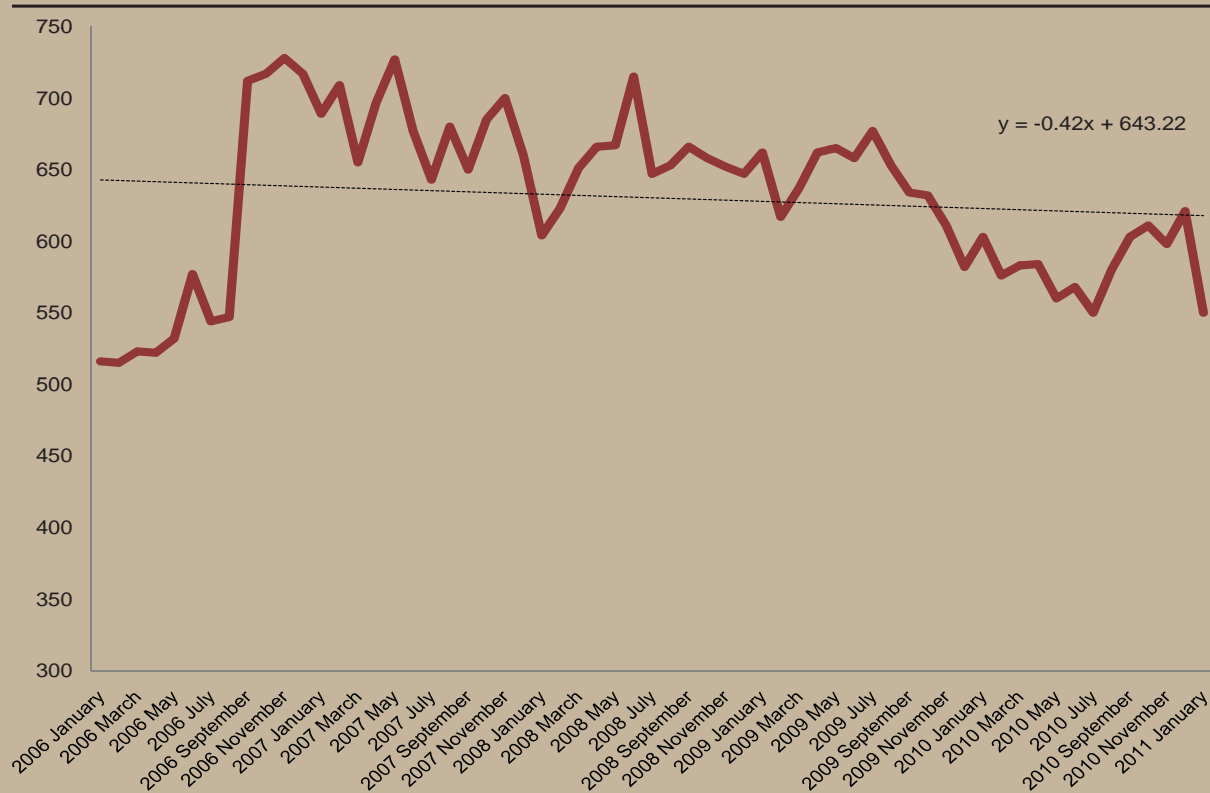


Chart 6: Industry Investment (\$ millions)

Employment in the industry is seasonal, with peaks during summer and winter road resupply.

Investment represents future capacity as well as business expectations. In the NWT, wholesale company investment declined significantly after 2008. Future investments will likely depend on the development of new mining properties or progress with the Mackenzie Valley pipeline project. Industry growth is expected to remain linked to mineral production.

