

Sector Profile

Wholesale and Retail Trade

Atlantic Region

2023

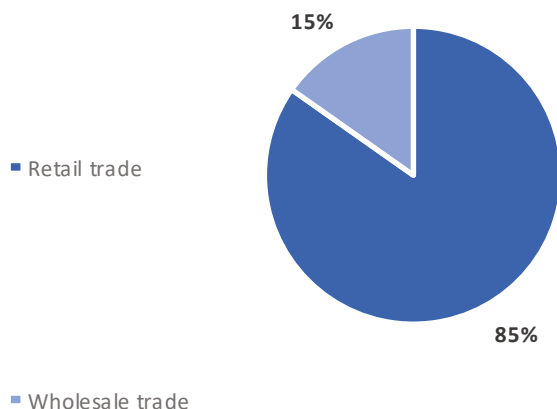


HIGHLIGHTS

- Atlantic Canada's Trade industry contributes roughly \$10.2B in economic activity to the Atlantic region and supports over 182,000 jobs.
- Retail trade remains an important source of youth employment. In recent years, however, there has been a growing number of older workers employed in the industry.
- Employment in Atlantic Canada's Trade industry is expected to be flat over the course of the forecast period. Trade is expected to be negatively impacted by strong inflationary pressures and high interest rates.
- Employment in Trade has continued to grow on a year-over-year basis in 2022. During this time, retail spending was also up.

ABOUT THE INDUSTRY

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2022

Composition and Importance of the Sector

Atlantic Canada's Trade industry contributes roughly \$10.2B in economic activity to the Atlantic region and supports over 182,000 jobs. The industry is broken down into two sub-sectors: wholesale and retail. Wholesale trade operators typically sell merchandise in large quantities to businesses and institutional clients, while those in retail trade sell merchandise in smaller quantities to the general public.

While Trade is a large employer in the region, productivity gains in recent years have limited job growth by allowing employers to expand without having to hire more workers. New technologies like online shopping and self-checkouts have been particularly important in this regard.

The volume of sales conducted through e-commerce platforms has been growing at a rapid pace, and developments in mobile ordering, online grocery shopping and other technologies have accelerated over the last several years.



Geographic Distribution of Employment

Wholesale and retail trade makes up roughly 15% of the jobs in the Atlantic Canadian economy. This number varies slightly between the Atlantic provinces, with a high of 16% in NL and a lower share of 13% in PEI.

Nearly 41% of the Region's jobs in this industry are in NS. NB holds the second largest share at 32%. These provinces have the largest and second largest populations in Atlantic Canada, respectively, creating relatively larger retail markets.

	Employed 2022	Industry Share (%)
Atlantic Canada	182,300	15.5%
Newfoundland and Labrador	38,000	16.3%
Prince Edward Island	11,200	13.3%
Nova Scotia	74,300	15.3%
New Brunswick	58,800	15.7%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Retail trade remains an important source of youth employment. Indeed, this industry's workforce is comprised of a disproportionately high share of part-time and minimum wage earners. In recent years, however, there has been a growing number of older workers employed in the industry. Retailers have also turned to immigrants as a means of filling job vacancies.

In 2022 there was just slightly more men (52%) employed in Wholesale and retail trade jobs compared to women, which was nearly identical to the gender composition across all industries. People working in Trade were more likely to have 'less than high school' education compared to the general workforce. Furthermore, only 46% of people working in the Trade industry had a post secondary or university credentials, which is much lower than the rate across all industries (68%).

Main Occupations

The Trade industry's workforce is quite diverse in terms of the roles carried out. The two most common non-managerial/supervisory roles are retail salespersons and cashiers.

Retail salespersons sell goods and services directly to consumers. They are employed by stores and other retail businesses, as well as wholesale businesses that sell directly to the public.

Cashiers operate cash registers, price scanners, computers or other equipment to record and accept payment for the purchase of goods, services and admissions. They are employed mostly in stores and restaurants.

Top 5 largest occupations	Employed 2022	% Share of Industry
Retail salespersons and visual merchandisers	34,350	18.8%
Cashiers	22,350	12.3%
Retail sales supervisors	19,200	10.5%
Retail and wholesale trade managers	15,700	8.6%
Store shelf stockers, clerks and order fillers	15,225	8.4%

Source: ESDC/Service Canada



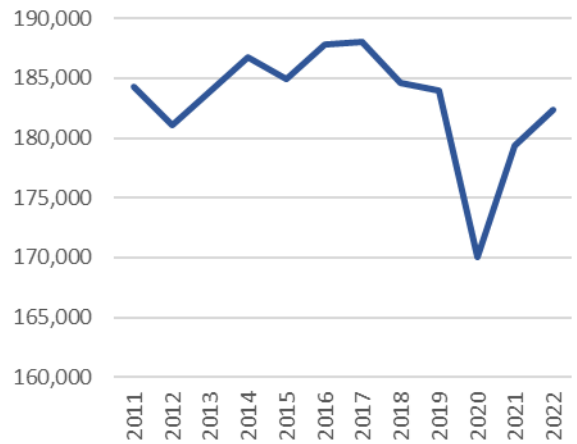
RECENT HISTORY

Employment growth in Atlantic Canada’s Wholesale and retail trade industry has been slower than the average for all industries over the past decade. The most significant event to impact employment during this time was the Covid-19 pandemic. This led to temporary closures of retail operations, followed by a period of restrictions for consumers entering retail outlets. Additionally, wholesale trade operations were slowed as supply chain issues arose from the restrictions placed on factories and manufacturers. The Trade industry fared slightly better than the average of all industries over the 2019 and 2020 period, when employment was down across all sectors. During this time, NB and PEI were less affected relative to the rest of the country as they were among the first in the nation to reopen after the first period of lockdowns. Conditions improved across Atlantic Canada in 2021, with employment in Trade growing by nearly 4%, which was in line with overall employment growth in the region.

More recently, employment in Trade has continued to grow on a year-over-year basis in 2022. During this time retail spending was also up. Nevertheless, growth in retail spending can largely be attributed to inflation. Compared to 2021, retail spending was up 7.2% across the region in 2022. During this same period, PEI led the country in inflation at 8.9%, while NS (7.5%) and NB (7.3%) outpaced the national average. NL had an inflation rate of 6.4% in 2022.

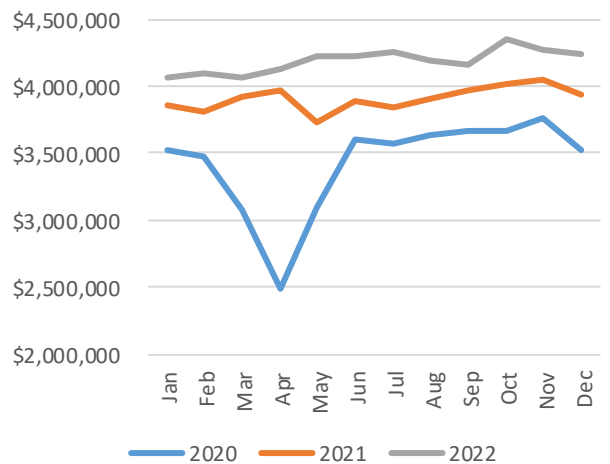
In recent years some retailers have been experiencing difficulty filling positions during a time when there are worker shortages in many industries. Further complicating matters since the pandemic was weaker than expected immigration as application backlogs to admit new residents to the region were slower than usual to process, as was also the case with Temporary Foreign Worker permits. Into 2022, these backlogs limited a supply of labour often utilized by retailers. By the Fall of 2022, the Federal Government lifted a 20-hr work week cap for international students as a temporary measure to help employers access more labour resources. This was particularly noteworthy for retail trade, where the workforce has historically been made up of a large segment of younger workers.

**Historical Employment Trend
Atlantic Canada**



Source: Statistics Canada, Labour Force Survey

Retail Sales in ATL Since The Pandemic



OUTLOOK

Looking forward, Atlantic Canada's Trade workforce is expected to be flat over the course of the forecast period. Growth will be slower this year compared to 2022 when the industry continued to rebound from the closures and job losses brought on by the pandemic. NL will likely experience the weakest employment growth in Trade over the forecast period with an expected average annual contraction of -1.7%. Growth in NB's trade industry is expected to be relatively flat over the next several years, which coincides with the trend observed within the province since even before the covid-19 pandemic.

Employment in NS and PEI's trade industries are both projected to be above the regional average, at 0.7% and 0.6%, respectively. Nonetheless, the average annual growth rates for both NS and PEI are below the rates for all-industries in their respective provinces. Both NS and PEI have experienced strong population growth in recent years and this trend is expected to continue over the forecast period. This in turn is expected to support continued employment growth in their respective Trade industries.

Although covid-related measures have long since been phased out, the changes to consumer behavior and business practices from the pandemic have modified how retailers do business. Digitalization of the overall retail market has been ongoing for the past decade, with the pandemic accelerating this trend.¹ Traditional brick-and-mortar retailers face constrained opportunities going forward.

1. <https://www.ictc-ctic.ca/digital-roles-critical-post-covid-canadian-retail-new-report/>

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

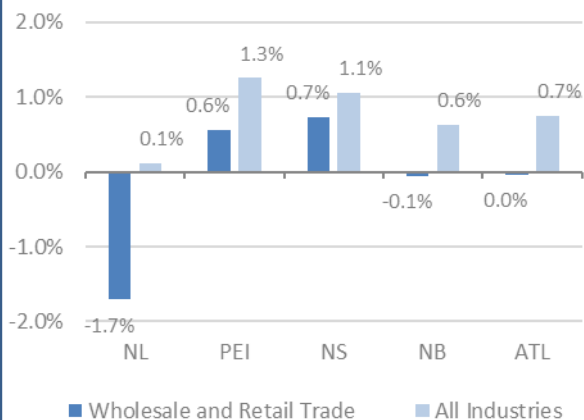
The analysis in this report was finalized as of November, 2023.

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Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2023-2025



Source: ESDC/Service Canada

The Trade industry is expected to be negatively impacted during the forecast period by inflationary pressures and high interest rates. Atlantic Canadians in particular have been faced with a level of inflation that has outpaced the national average during 2022, which is expected to result in households tightening their non-essential spending budgets. Furthermore, consumers are becoming increasingly hesitant to spend as the cost of borrowing increases and higher interest rates make saving money more attractive.



APPENDIX

Real GDP (2022) and Employment (2022) for Atlantic Canada						
	Wholesale and Retail Trade			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$10,246.2	100.0%	1.6%	\$109,227.1	100.0%	1.0%
Newfoundland and Labrador	\$2,290.7	22.4%	0.6%	\$30,150.3	27.6%	0.1%
Prince Edward Island	\$589.6	5.8%	2.3%	\$6,542.6	6.0%	2.5%
Nova Scotia	\$4,058.3	39.6%	2.0%	\$40,011.5	36.6%	1.5%
New Brunswick	\$3,307.6	32.3%	1.8%	\$32,522.7	29.8%	1.1%
Employment (000s)	182.4	100.0%	0.1%	1175.2	100.0%	0.4%
Male	94.7	51.9%	0.6%	596.0	50.7%	0.4%
Female	87.6	48.1%	-0.5%	579.2	49.3%	0.5%
15-24 years old	48.4	26.5%	1.1%	158.7	13.5%	0.4%
25-54 years old	89.6	49.1%	-1.4%	734.4	62.5%	-0.2%
55 years and older	44.4	24.3%	2.5%	282.1	24.0%	2.2%
Worked full-time	131.9	72.3%	0.0%	990.6	84.3%	0.6%
Worked part-time	50.5	27.7%	0.4%	184.6	15.7%	-0.4%
Self-employed	11.3	6.2%	-3.9%	123.2	10.5%	-1.0%
Employees	171.0	93.8%	0.4%	1052.0	89.5%	0.6%
Permanent job	152.5	83.6%	0.6%	884.4	75.3%	1.0%
Temporary job	18.5	10.2%	-0.8%	167.6	14.3%	-1.4%
Less than high school	24.8	13.6%	-2.4%	95.5	8.1%	-3.9%
High school graduate	73.2	40.1%	0.2%	275.3	23.4%	-0.5%
Postsecondary cert. or diploma	58.4	32.0%	0.0%	456.3	38.8%	0.3%
University degree	26.0	14.3%	2.7%	348.2	29.6%	3.3%
Newfoundland and Labrador	38.0	20.8%	0.2%	232.5	19.8%	-0.3%
Prince Edward Island	11.2	6.2%	1.3%	84.3	7.2%	1.5%
Nova Scotia	74.3	40.8%	-0.5%	484.9	41.3%	0.6%
New Brunswick	58.8	32.2%	0.5%	373.5	31.8%	0.5%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2013-22 and Employment 2013-22)

