

Sector Profile

Wholesale and Retail Trade

Atlantic Region

2024



HIGHLIGHTS

- The trade sector is Atlantic Canada’s second largest labour market (just behind healthcare and social assistance) providing more than 183,000 jobs and contributing nearly \$11B to the economy.
- The workforce tends to be younger and less educated – particularly in retail trade which has the lowest wages by sector in Atlantic Canada.
- After almost fully recovering from the pandemic (-0.3% jobs compared to 2019), job growth in the sector has been stagnant as levels remain below what they were a decade ago.
- Employment in the trade sector is projected to grow by an average annual rate of 1.5% to 2026 – and reaching an all-time high in 2025.

ABOUT THE INDUSTRY

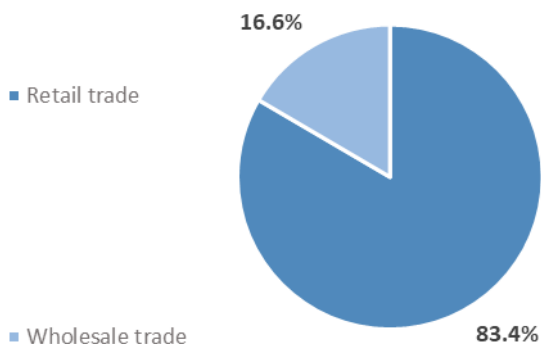
Composition and Importance of the Sector

Atlantic Canada’s trade sector contributes nearly \$10.9B in economic activity and provides over 183,000 jobs to the Atlantic region. The trade sector is broken down into two sub-sectors: wholesale and retail (with the latter employing over 8 in 10 workers in the overall trade sector). Wholesale trade operators typically sell merchandise in large quantities to businesses and institutional clients, while those in retail operators sell merchandise in relatively smaller quantities directly to the public.

In 2023, there were an estimated 293 firms that employed at least 100 workers each. Of those, most were associated with the retailing of food and beverage products (58.0%).

While trade provides the second highest number of jobs by sector in the region, productivity in retail trade is one of the lowest amongst all sectors. This is primarily due to retail tasks like customer service and stocking frequently depend on human interaction, making it difficult to utilize more efficient processes like automation.

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2023



Geographic Distribution of Employment

Wholesale and retail trade employed 15.2% of Atlantic Canada's workforce in 2023, with an employment level of 183,600, making it the second largest employing sector in the region behind healthcare and social assistance (198,600 workers). Employment shares vary slightly between the Atlantic provinces, with a high of 15.9% in Nova Scotia and a low of 11.9% in Prince Edward Island.

About 43.0% of the region's jobs in this sector are in Nova Scotia, followed by 31.2% in New Brunswick mostly due to the large number of grocers, food wholesale depots, and liquor retail locations. Prince Edward Island had the lowest industry share in the trade sector at 11.9%, as its economy has higher concentrations in other industries such as fishing, agriculture, manufacturing, and public administration.

administration compared to other Atlantic provinces.

| | Employed 2023 | Industry Share (%) |
|---------------------------|------------------|-----------------------|
| Atlantic Canada | 183,600 | 15.2% |
| Newfoundland and Labrador | 36,600 | 15.5% |
| Prince Edward Island | 10,600 | 11.9% |
| Nova Scotia | 79,000 | 15.9% |
| New Brunswick | 57,400 | 14.9% |

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Workers in the wholesale and retail trade sector tend to be less educated than those across all industries. In 2023, less than half of workers in the trade sector had a post-secondary degree (46.5%) compared to 68.8% across all industries; and nearly 41% had no more than a high school diploma (compared to 31% amongst Atlantic Canadian workers overall). Furthermore, 11.6% of individuals employed in this sector had only some high school education, almost twice the share across all industries (6.5%). The share of lower education levels was much higher in retail than the wholesale trade sub-sector.

Almost a quarter of jobs in the trade sector is employed by youths (persons aged 15 to 24) - driven primarily by a relatively higher youth complement in the retail trade sub-sector (at nearly 28%) compared to the wholesale side (at nearly 6%). This large contribution of youth employment leads to there being just over half of workers being aged 25 to 54 (51.0%) compared to 63.3% for Atlantic Canada as a whole. Furthermore, there is an abundance of part-time workers (27.4%) in the trade sector, which is considerably higher relative to 16.1% for all-industries. Just over 96.2% of all part-time employment in the trade sector is allocated to the retail trade sub-sector. The combination of younger-aged workers lacking seniority, a high prevalence of part-time work, and less educational attainment leads to retail trade having the lowest average wage across all industries at \$15.32 per hour which aligns with large share of minimum wage workers and entry level jobs. In contrast, the wholesale trade sub-sector has the opposite workforce characteristics, and its average wage is slightly above the all-industries average (\$29.19 per hour) at \$29.81 per hour.

In 2023 there were slightly more men (52.6%) employed in wholesale and retail trade compared to women, which was nearly identical to the gender composition across all industries that year. Notably, about three quarters of those employed in wholesale trade were men (74.5%) while retail trade was almost evenly split.

Main Occupations

Employment in the trade sector is mostly concentrated in retail-related occupations with the five largest occupations accounting for more than half of total sectoral employment (58.4%).

The most common occupations in the wholesale trade sub-sector were sales and account representatives (comprising 2.8% of total trade sector employment), material handlers (2.3%), technical sales specialists (2.2%), and shippers and receivers (1.6%). All four occupations combined amounted to just over 16,000 jobs, or 8.9% of total sectoral employment.

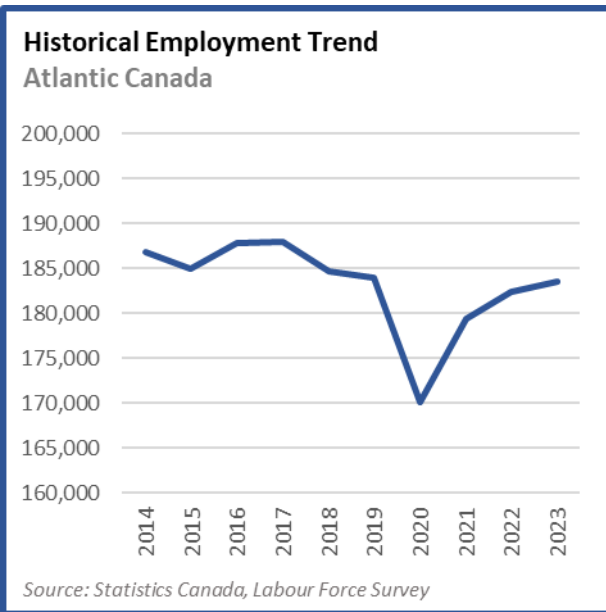
| Top 5 largest occupations | Employed 2023 | % Share of Industry |
|--|------------------|------------------------|
| Retail salespersons and visual merchandisers | 30,550 | 16.6% |
| Cashiers | 22,575 | 12.3% |
| Retail sales supervisors | 18,975 | 10.3% |
| Store shelf stockers, clerks and order fillers | 17,675 | 9.6% |
| Retail and wholesale trade managers | 17,375 | 9.5% |

Source: ESDC/Service Canada



RECENT HISTORY

The trade sector has seen reasonable employment gains as it transitioned out of the COVID-19 pandemic with three consecutive years of employment growth, including an annual increase of 0.7% in 2023. Although the sector has mostly recovered from the sharp decline experienced in 2020 due to COVID-19 containment measures, employment is still below levels observed a decade earlier in 2014 (-1.7%). Much of this recovery was due to increased foot traffic and a resurgence of tourism after pandemic measures became more relaxed. Peak employment hit 188,000 in 2017, which is 4,400 more than in 2023, the year with the most-recently available data. Much of this shortfall was due to job losses in the motor vehicle and parts dealers (-3,000) and clothing store (-2,000) sub-industries.



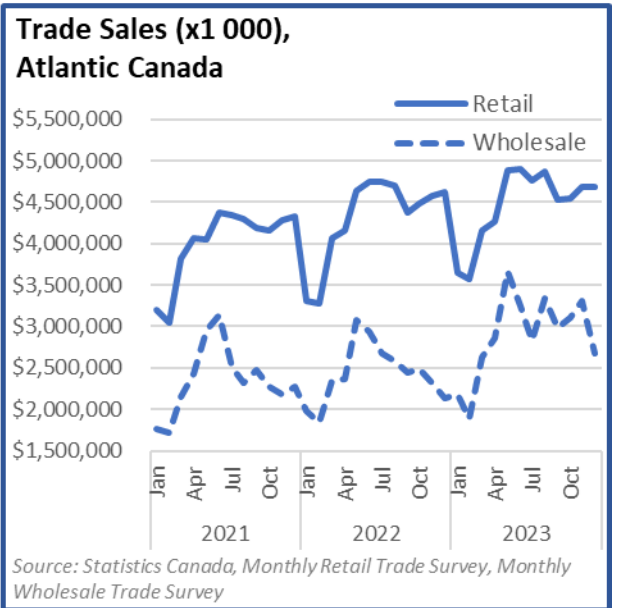
Demand for labour in the trade sector remained high during 2021 and 2022 as the number of vacancies surged above 7,000 for multiple quarters. In contrast, vacancies in the pre-pandemic period peaked at just over 5,000. This spike in labour demand during the 2021/22 period resulted in a tight labour market making it difficult for employers to recruit workers. Labour market conditions have since loosened in 2023 and 2024, as quarterly vacancies fell to under 6,000. This labour market cooling has indeed been experienced across regions. For example, in late 2023, retail employers in Prince Edward Island reported not adding staff to their payroll and having 1,100 fewer part-time positions during the holiday season compared to a year earlier.

The retail trade sub-sector has also experienced the lowest growth in productivity (measured as total output in dollars

by worker per hour of labour) amongst major sectors in the Atlantic Canada labour market, unlike its wholesale trade counterpart. In 2023, productivity for retail trade was \$31.69 per hour worked while it was \$47.60 in wholesale trade. However, both sectors have experienced stagnant productivity growth since 2019. For comparison, productivity in Atlantic Canada across all industries was \$54.30 per hour worked in 2023.

Despite stagnant productivity gains in recent years, the sector overall continues to modernize as retail E-commerce sales nationally comprised 5.7% of all retail transactions in 2023, up from 2.6% in 2017. Moreover, local sourcing has been a growing trend in recent years, as consumers are prioritizing locally made products which has benefited retailers in the region.

Although the number of jobs are lower compared to ten years ago, sales values in both retail and wholesale trade remain high. Monthly sales for the retail and wholesale trade sub-sectors reached all-time highs in 2023, specifically: in June (\$4.9B) and May (\$3.7B), respectively. The main contributors of consumer spending in the retail trade sub-sector were motor vehicles and parts (representing 28.8% of total retail sales in June 2023) and food and beverage (18.0%). With respect to wholesale trade, food, beverage and tobacco (16.2%) and building material and supplies (13.9%) had the largest share of sales in May 2023. Inflation has been a strong driver towards the rise in sales as the sector has also had to contend with rising transportation and fuel costs in recent years, which has resulted in higher prices for consumers.



OUTLOOK

Employment growth in the trade sector is projected to average 1.5% over the next two years, to 2026. This is slightly below the pace of overall employment growth in Atlantic Canada (+1.7%) by 0.2 of a percentage point.

Provincially, Prince Edward Island is expected to have the strongest job growth rate in this sector at 3.6%, exceeding its overall growth by 0.5 of a percentage point. The province also had the highest average annual growth rate in trade GDP over the past decade at 1.9%, almost doubling the Atlantic rate of 1.1%. Much of Prince Edward Island's rapid growth can be attributed to robust population growth driving high demand for domestic goods and services; as well as healthy lobster landings and favourable wharf prices, which supported the wholesale trade sub-sector. Conversely, Newfoundland and Labrador is projected to have the slowest growth rate amongst the Atlantic provinces at 0.5% over the next two years, however, this exceeds the -0.1% negative rate projected for the province's workforce.

So far in 2024, unemployment in Atlantic Canada has increased annually every month between January to July, with April and May experiencing almost 4,000 more unemployed compared a year earlier. Along with falling vacancies, a loosening labour market will make it difficult for unemployed workers to find employment. Furthermore, minimum wage is scheduled to increase in 2024 for Prince Edward Island and 2025 for all other Atlantic provinces which should provide some incentive for job seekers. Overall, this indicates that workers will be competing amongst themselves for positions in the near future, a stark contrast to firms trying to attract workers in recent years. Regardless, drivers toward projected employment growth are expected to more than offset these setbacks.

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.

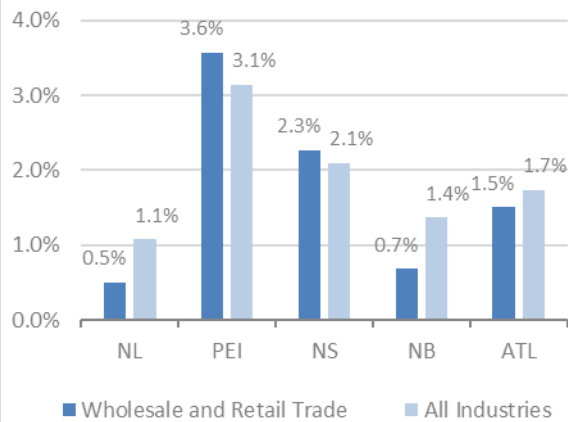
The analysis in this report was finalized as of **October, 2024**.

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Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2024-2026



Source: ESDC/Service Canada

Falling interest rates and inflation stabilizing represent factors that should help generate growth in this sector by stimulating consumer spending. Moreover, population growth will be a critical factor to increasing both the consumer base and labour pool in all Atlantic provinces. This expansion, mostly driven by immigration, will remain one of the most sought-after labour pools as our aging population struggles to meet demand in a sector with a high prevalence of youth workers. Overall, trade is expected to grow strongly in the upcoming years and is likely to surpass all-time high levels observed in 2017.



APPENDIX

| Real GDP (2023) and Employment (2023) for Atlantic Canada | | | | | | |
|---|----------------------------|----------|-------|----------------|----------|-------|
| | Wholesale and Retail Trade | | | All Industries | | |
| | Number | Share of | | Number | Share of | |
| Total | | AAGR* | Total | | AAGR* | |
| Real GDP (M\$) | \$10,873.1 | 100.0% | 1.1% | \$114,774.4 | 100.0% | 0.9% |
| Newfoundland and Labrador | \$2,383.5 | 21.9% | -0.1% | \$28,950.2 | 25.2% | -0.5% |
| Prince Edward Island | \$639.5 | 5.9% | 1.9% | \$7,267.1 | 6.3% | 2.5% |
| Nova Scotia | \$4,385.6 | 40.3% | 1.6% | \$43,765.1 | 38.1% | 1.5% |
| New Brunswick | \$3,464.5 | 31.9% | 1.3% | \$34,792.0 | 30.3% | 1.1% |
| Employment (000s) | 183.5 | 100.0% | -0.2% | 1210.0 | 100.0% | 0.8% |
| Male | 96.5 | 52.6% | 0.4% | 613.0 | 50.7% | 0.8% |
| Female | 87.0 | 47.4% | -0.8% | 597.0 | 49.3% | 0.8% |
| 15-24 years old | 44.5 | 24.3% | 0.5% | 161.8 | 13.4% | 0.8% |
| 25-54 years old | 93.6 | 51.0% | -1.4% | 765.4 | 63.3% | 0.5% |
| 55 years and older | 45.4 | 24.8% | 2.2% | 282.7 | 23.4% | 1.6% |
| Worked full-time | 133.3 | 72.6% | -0.3% | 1015.6 | 83.9% | 0.9% |
| Worked part-time | 50.3 | 27.4% | 0.2% | 194.4 | 16.1% | 0.2% |
| Self-employed | 11.0 | 6.0% | -3.5% | 124.5 | 10.3% | -0.7% |
| Employees | 172.6 | 94.0% | 0.1% | 1085.4 | 89.7% | 1.0% |
| Permanent job | 154.8 | 84.3% | 0.1% | 923.3 | 76.3% | 1.4% |
| Temporary job | 17.8 | 9.7% | 0.0% | 162.1 | 13.4% | -1.1% |
| Less than high school | 23.2 | 12.7% | -1.4% | 92.1 | 7.6% | -2.6% |
| High school graduate | 74.9 | 40.8% | -0.4% | 284.9 | 23.5% | -0.4% |
| Postsecondary cert. or diploma | 55.5 | 30.2% | -0.7% | 465.0 | 38.4% | 0.6% |
| University degree | 30.0 | 16.3% | 2.8% | 367.9 | 30.4% | 3.3% |
| Newfoundland and Labrador | 36.5 | 19.9% | -0.5% | 236.8 | 19.6% | -0.1% |
| Prince Edward Island | 10.6 | 5.8% | -0.6% | 89.0 | 7.4% | 2.0% |
| Nova Scotia | 79.0 | 43.1% | 0.1% | 497.8 | 41.1% | 1.1% |
| New Brunswick | 57.4 | 31.3% | -0.3% | 386.5 | 31.9% | 0.8% |

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 2014-23 and Employment 2014-23)

