



# Weekly economic Briefing

volume 12 . number 43 . October 27, 2006

## Robust growth in retail sales

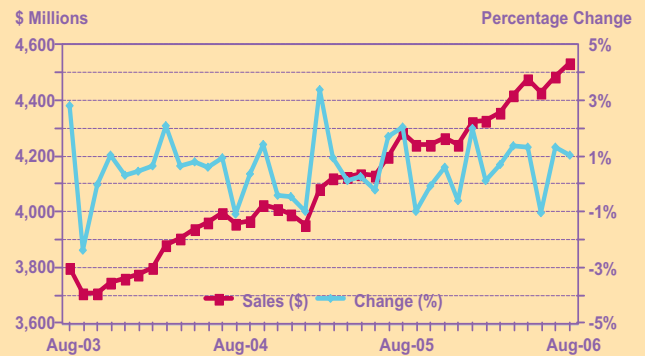
Consumer spending, one of the mainstays of B.C.'s current economic expansion, continues to support overall growth. A substantial portion of consumer expenditures are captured in retail sales statistics. Retail sales in B.C. totalled \$4.54 billion in August, seasonally adjusted, up \$46.9 million (1%) from July. That brought year-to-date sales to \$35.4 billion, up \$2.3 billion (7%) from the first eight months of last year.

Retail sales growth is being supported by stronger growth in labour income, slightly faster population growth, generally low interest rates and robust increases in real estate and business equity asset values. This environment is especially conducive to spending on durable goods such as furniture, appliances, equipment, building materials, electronics and automobiles. The dollar value of spending on non-durable goods has been boosted over the past few years by high gasoline prices, but this will moderate now that gas prices are well off their latest highs.

All major types of retailers have seen increased sales so far this year. Growth has been led by gasoline stations and home centre-hardware stores. Sales at general merchandise, supermarket and drug stores have also grown substantially. Sales of used and recreational motor vehicles, including parts, are up notably and exceed the gains in sales of new automobiles.

Credit Union Central forecasts that retail sales in B.C. will grow by 7% to 8% per year through 2008, up from less than 6% growth in 2005.

Retail Sales, British Columbia  
Monthly, Seasonally Adjusted



Source: Statistics Canada.