



Highlights

- Retail spending up in Canada and Ontario
- Industry GDP up in October but weakness seen in November
- Non-resident arrivals rise again in October

Ontario monthly retail sales, year to date sales up

Alan Chow, Business Economist

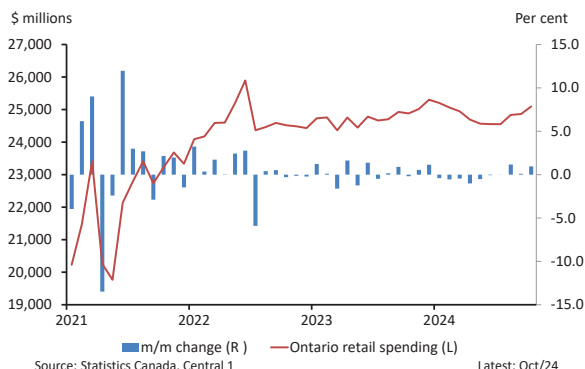
Retail sales increased in Canada for the month of October. Seasonally adjusted sales rose 0.6 per cent from September to \$67.6 billion, marking the highest monthly sales in 2024. Sales have increased in each of the previous five months. Year to date, unadjusted sales are up 1.0 per cent. Advanced estimates for November suggest monthly sales were unchanged, though this figure is likely to be revised.

Five out of the nine subsectors saw higher sales compared to the previous month. Motor vehicle and parts retailers led the growth with a 2.0 per cent increase, followed closely by furniture, home furnishings, electronics, and appliances retailers, up 2.5 per cent. Both categories saw their highest monthly sales this year. The two subsectors that saw the largest decline in seasonally adjusted sales were food and beverage retailers, down 0.7 per cent, and gasoline stations and fuel vendors, down 0.5 per cent.

Ontario saw a slightly higher growth in sales. Seasonally adjusted retail sales grew at just shy of 1.0 per cent in October from September. Year to date unadjusted retail sales in Ontario were up 0.6 per cent over the same period last year. Year-over-year sales for October are up 3.9 per cent.

Six out of the nine subsectors in Ontario reported higher year-over-year unadjusted sales in October. Motor vehicle and parts dealers reported a year-over-year increase of 9.3 per cent to \$7.6 billion. Food and beverage retailers also saw sales rise 6.0 per cent to \$4.7 billion. Clothing, clothing accessories, shoes, jewelry, luggage,

Ontario retail sales rise again in October



and leather goods retailers saw sales increase 7.2 per cent to \$1.6 billion. On the other hand, the two top subsectors with the largest year-over-year monthly decline in sales were gasoline stations and fuel vendors, down 9.0 per cent to \$2.1 billion and building material and garden equipment and supplies dealers, down 1.2 per cent to \$1.4 billion. Year to date, sales are down in five out of the nine subsectors.

Regionally, the Toronto metro area saw seasonally adjusted retail sales rise 2.0 per cent on a month-over-month basis in October 2024. Year-over-year unadjusted monthly sales rose by 6.0 per cent. However, year-to-date unadjusted sales were down 0.3 per cent to \$110.2 billion. Ottawa saw unadjusted monthly sales fall 6.5 per cent year over year, with year-to-date sales now down just below 1.0 per cent to \$20.5 billion.

Strength seen in manufacturing, but weakness seen in finance

Alan Chow, Business Economist

Canada's real industry gross domestic product (GDP) grew by 0.3 per cent in October following a 0.2 per cent increase in September. The service sector expanded by 0.1 per cent, its seventh consecutive month of growth, while the goods producing industries rebounded with 0.9 per cent growth following four consecutive declines. Advanced estimates for November suggest a slight decline of 0.1 per cent with weakness seen in mining, quarry, and oil and gas extraction, transportation and warehousing, and finance and insurance. These declines were partially offset by growth in accommodation and food services and real

estate and rental and leasing. If these estimates are held, it will be the first month GDP has declined since March 2024, but due to the preliminary nature of the estimate, the estimate for November is likely to be revised.

Manufacturing output in Canada increased by 0.3 per cent in October, based on revised numbers. It marks the second consecutive month of growth. Chemical manufacturing was up 1.6 per cent although October's output was the third lowest monthly output in 2024. Plastic and rubber products manufacturing were also up 1.4 per cent. Machinery manufacturing saw a decline of 2.9 per cent, resulting in the lowest monthly output since July 2021. Transportation equipment manufacturing grew 0.6 per cent. Most subsectors in this area grew with the exception of motor vehicle body and trailer manufacturing and Aerospace products and parts manufacturing.

The finance and insurance sector declined 0.2 per cent in October with weakness seen in non-depository credit intermediation, insurance carriers and related activities, and financial investment services.

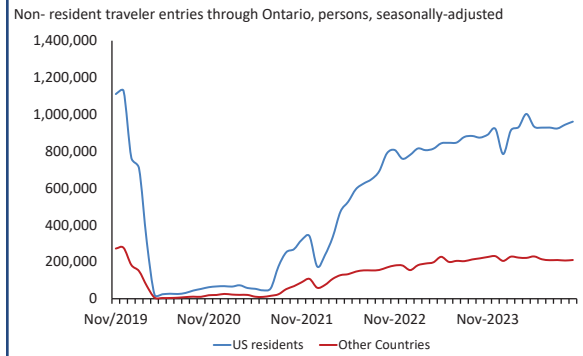
Ontario sees more visitors from U.S. and other countries

Alan Chow, Business Economist

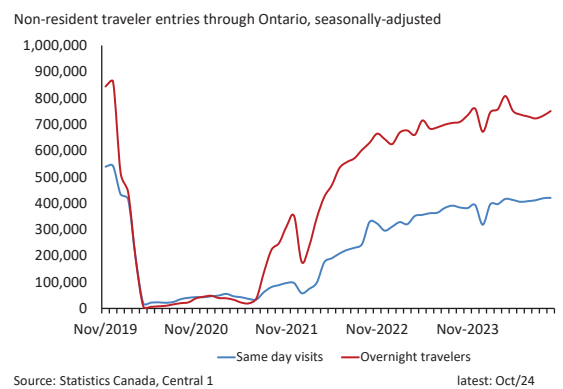
The number of non-resident visitors entering Canada through Ontario grew for the second consecutive month in October. On a seasonally adjusted basis, there were 1.7 per cent more non-resident visitors in October than in September. The number of overnight tourists grew for the second straight month, up 2.4 per cent, while the number of same day excursions increase by 0.4 per cent for its fourth straight month of growth. Overall, the number of non-resident travelers in October was approximately 5.5 per cent of the average in 2019 with same-day excursions at around 79.7 per cent and overnight tourists at around 89.1 per cent.

The number of U.S residents visiting Canada through Ontario rose for the second month in a row, up 1.8 per cent from September to October. Amongst the U.S. residents, there was a rise in overnight tourist of around 2.7 per cent, along with 0.5 per cent increase in same day excursions. While the number of overnight tourists from the U.S. this month is around 95 per cent of the monthly average seen in 2019, the number of same day excursions is only at 79.5 per cent. Overall U.S. visitor numbers are at 87.9 per cent of 2019 monthly averages.

More US travelers entering Canada through Ontario



Higher overnight travelers to Ontario



Residents from countries other than the U.S. saw a 1.4 per cent monthly increase with overnight excursions increasing by 1.7 per cent but same day excursions declining by 3.8 per cent. Overall, the number of residents from countries other than the U.S. visiting Canada through Ontario is at 76.8 per cent of that seen on average in 2019 with same day excursions at 85.2 per cent and overnight tourist at 76.3 per cent.

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