

Wholesale trade

18.1.4

In the field of wholesale statistics a program of upgrading has been implemented which includes biennial coverage of the operations of wholesale merchants, beginning in 1973 and of agents and brokers, commencing in 1974. As well as producing more up-to-date statistics on these two types of operation, the results, in the case of wholesale merchants, will be used as the base for a new sample of monthly sales and inventory estimates.

Wholesalers are primarily engaged in buying merchandise for resale to retailers; to industrial, commercial, institutional and professional users; to farmers for farm use; to other wholesalers; or acting as agents in connection with such transactions. Businesses engaged in more than one activity, e.g. wholesaling and retailing or wholesaling and manufacturing, are considered to be primarily in wholesale trade if the greater part of their gross margin (the difference between the total sales and the cost of goods sold) is due to their wholesaling activity.

Wholesale trade statistics give a measure of the total volume of Canadian wholesale trade, i.e. the total volume of trade (domestic and export sales) conducted by all wholesalers operating in Canada, whether they are Canadian-owned or subsidiaries of foreign companies. The total volume of trade measured by Statistics Canada cannot be equated with the value of goods passing through the wholesale sector of the economy because at times wholesale businesses sell to each other and thus the value of the same merchandise may be recorded more than once.

According to certain common characteristics, each wholesale establishment and location (wholesale outlet) is assigned to one of the following types of operation: primary product dealers (grain, livestock, raw furs, fish, leaf tobacco, pulpwood, etc., including cooperative marketing associations); wholesale merchants (buying and selling goods on own account); agents and brokers (buying and selling goods for others on a commission basis); manufacturers' sales branches (wholesale businesses owned by manufacturing firms for marketing their own products); or petroleum bulk tank plants and truck distributors (wholesale distribution of petroleum products).

Wholesale merchandising, one of the main types of operation (accounting for about 60% of the total wholesale volume of trade) had estimated sales in 1975 of \$45,379 million, up by 5.0% from the 1974 volume of \$43,210 million. Industrial goods trades accounted for \$24,390 million of the 1975 total volume of trade while the remaining \$20,989 million was in consumer goods trades, which showed an accelerated growth for the year of 11.2% as compared with the industrial goods increase of 0.2%. Data for 1973-75 are given in Table 18.21.

Farm implement and equipment sales. Data are collected annually from manufacturers and importers active in the farm implement and equipment field. Dollar sales are reported at dealers' buying price before the deduction of dealers' cash discounts, value of trade-ins, volume or performance bonuses and export sales are excluded. The value of repair parts is excluded from Table 18.22 but their dollar value in 1975 of \$144.0 million was 9.0% greater than the \$132.2 million reported for 1974.

Farm equipment sales reached a low point in 1970 but in subsequent years have shown a steady recovery, attaining a record level of \$966.3 million in 1975. The two most important products were farm use tractors with a sales volume of \$373.3 million, representing 38.6% of total sales volume and harvesting machinery with sales of \$181.8 million or 18.8% of all farm implement and equipment sales in 1975.

Construction machinery and equipment sales include sales by Canadian distributors, direct sales by manufacturers to end-users (at actual final selling price) and revenue derived from the renting of equipment to users. In 1974 new machinery entering the market (by outright sale, first lease or rental) was valued at \$1,316.0 million, 23.2% above 1973 (Table 18.23). The sale of used machinery