

Quebecers' personal disposable income grew in 2010, as did retail sales.

Photograph by: Pierre Obendrauf, Montreal Gazette

MONTREAL - Quebec retail sales increased 6.6 per cent to almost \$100 billion in 2010 - the strongest growth in this sector since 2005.

The results were released as part of an annual survey conducted by Groupe Altus for Quebec's retail council.

The study found that retail sales in Canada as a whole increased 5.1 per cent to \$436.4 billion in 2010. Overall, retail sales in Quebec and the rest of the country grew at a faster rate than they did before the economic crisis that clobbered the industry in 2008 and 2009.

Quebecers' personal disposable income grew from \$26,031 in 2009 to \$26,725 in 2010. However, it is still lower than the personal disposable income of \$29,499 for the country as a whole, the study found.

While consumer confidence in Canada has improved, "we are still at a relatively low level," said Francis Boucher of Groupe Altus at a news conference.

The overall surge in retail sales was partly because of the sector recovering from the losses incurred during the recession and the rate of growth is expected to slow down, said Gaston Lafleur, president of the Conseil Québécois du commerce de detail (CQCD).

In light of continued weak employment and consumer confidence, retail sales in Quebec are forecasted to grow by three to 3.5 per cent in 2011, he said.

Four retail sub-sectors in Quebec had better-than-average growth in 2010. Retail sales at service stations grew by 20.9 per cent, home furnishings stores saw their sales rise by 11.6 per cent, sales at automobile and auto parts dealers grew by 10 per cent and sporting goods, hobby, book and music stores experienced sales growth of 8.6 per cent.

The report found retail sales of food and beverages rose five per cent. The increased price of certain basic food items contributed to this hike in sales in sector, the study found. The opening of three price-competitive Walmart Superstores in Quebec this year is expected to bring down the cost of some food items. The arrival of U.S.-based Target in Quebec is also expected to provoke reactions from retail establishments that sell diverse merchandise.

While pharmacy and personal care retail sales grew only 2.3 per cent in 2010, the purchasing patterns of an aging population is expected to increase sales in this sector in coming years, the CQCD said.

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