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Mini Presentation on Tumover/Output

Wholesale Trade<br>in Canada

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## 1. Definition of the service being collected

In Canada, the wholesale sector is defined as those establishments primarily engaged in wholesaling merchandise and providing related logistics, marketing and support services. The wholesaling process is generally an intermediate step in the distribution of merchandise; many wholesalers are therefore organized to sell merchandise in large quantities to retailers, and business and institutional clients. However, some wholesalers, in particular those that supply non-consumer capital goods, sell merchandise in single units to final users. There are two main types of wholesalers, that is, wholesale merchants and wholesale agents and brokers.

Wholesale merchants buy and sell merchandise on their own account and they take title to the goods they sell. They generally operate from warehouse or office locations and they may ship from their own inventory or arrange for the shipment of goods directly from the supplier to the client. In addition to the sale of goods, they may provide, or arrange for the provision of logistics, marketing and support services, such as packaging and labeling, inventory management, shipping, handling of warranty claims, in-store or co-op promotions, and product training. Dealers of machinery and equipment, such as dealers of farm machinery and heavy-duty trucks, also fall within this category.

Wholesale merchants are known by a variety of trade designations depending on their relationship with suppliers or customers, or the distribution method they employ. Examples include wholesale merchants, wholesale distributors, drop shippers, rackjobbers, import-export merchants, buying groups, dealer-owned cooperatives and banner wholesalers.

Wholesale agents and brokers buy and sell merchandise owned by others on a fee or commission basis. They do not take title to the goods they buy or sell, and they generally operate at or from an office location.

Wholesale agents and brokers are known by a variety of trade designations including import-export agents, wholesale commission agents, wholesale brokers, and manufacturer's representatives and agents.

## 2. Surveys of turnover for the wholesale industry

Distributive Trades Division at Statistics Canada carries out three surveys of turnover for the wholesale industry:

- the Monthly Wholesale Trade Survey - is designed to provide a present estimates of sales and inventories from wholesale trade merchants in Canada by province and territory (excluded are wholesalers of grains, and petroleum and agents \& brokers)
- the Annual Wholesale Trade Survey - provides a comprehensive picture of the structural composition of wholesaling industries in Canada.
- and the Wholesale Origin and Destination of Goods Survey - which provides information on the origin and destination of major commodities traded by Canadian wholesalers.


## a) Monthly Wholesale Trade Survey (MWTS)

The MWTS collects data on wholesale sales and the number of trading locations for the 10 provinces and 3 territories plus inventories of goods owned and intended for resale at the Canada level from a sample of wholesalers. MWTS does not survey on a monthly basis wholesalers of grains, petroleum and agents and brokers. These wholesalers are only surveyed once a year as part of the Annual Wholesale Trade Survey (AWTS).Out of a population of about 104,000 establishments, the monthly sample covers approximately 12,000 establishments and is selected from the Central Frame Data Base (CFDB).

As for most Statistics Canada’s business surveys, responding to the MWTS is mandatory. Data are collected directly from survey respondents and extracted from administrative files. Collection of the data is performed by Statistics Canada's Regional Offices. Respondents are sent a questionnaire or are contacted by telephone to obtain their sales and inventory values, as well as to confirm the opening or closing of business trading locations. There is also follow-up of non-response. Collection of the data begins approximately seven working days after the end of the reference month and continues for the duration of that month.

The MWTS also makes use of administrative data to minimize response burden, especially for smaller businesses, relying on establishment data from Goods and Service Tax (GST) files using a statistical model. The GST is the Canadian federal government's value added tax. The model accounts for differences between sales and revenue (reported for GST purposes) as well as for the time lag between the survey reference period and the reference period of the GST file.

Raw data are revised monthly, for the month immediately prior to the current reference month being published (M-1). In other words, when data for December are published for the first time, there may also be revisions to the raw data for November. In addition, revisions may be made once a year, with the release of the preliminary data for February, for all months in the previous years in order to correct any issues that apply for an extended period. The length of the period revised depends on the nature of the issue but rarely exceeds three years.

Since April 2008, the Monthly Wholesale Trade Survey data are seasonally adjusted using the X12-ARIMA (auto-regressive integrated moving average model) software. This consists of extrapolating a year's worth of raw data with the ARIMA model, and of seasonally adjusting the raw time series. Then, the annual totals of the seasonally adjusted series are adjusted to equal the annual totals of the original series.

## b) Annual Wholesale Trade Survey (AWTS)

The AWTS collects information on the operating revenues, cost of goods sold, (including inventory and purchases data), gross margin, operating expenses and net profit before tax of wholesalers in Canada by trade group at the national and provincial or territorial levels, for a calendar year or the 12-month fiscal period for which the final day occurs on or between January 1 of the calendar year and December 31 of the calendar year. The target population consists of all wholesale establishments operating in Canada for at least one day during the reference year.

The survey population consists of approximately 120,000 establishments of incorporated and unincorporated businesses in Canada, coded to NAICS 41 (Wholesale Trade Sector) on Statistics Canada's Business Register, as well as those small unincorporated businesses not on the Business Register, which are classified to the wholesale industry. The annual survey sample covers around 14,000 establishments.

A large portion of the survey data is collected directly from survey respondents. However, in order to reduce response burden, a tax replacement program (TRP) has been implemented since 2002 where survey data are extracted directly from administrative data files instead of being directly collected from respondents. In 2006, TRP units accounted for $26.3 \%$ of the total survey units collected.

## c) Wholesale Origin and Destination of Goods Survey (WODG)

The IWCS (Inter-provincial Wholesale Commodity Survey (IWCS) was completed for reference years 1996, 1998 and 2001. Response rates for this survey have been low. With the increased requirement of the SNA for more detailed provincial and commodity data, aimed at building a full system of provincial economic accounts and provincial inputoutput tables, a task force was formed to recommend how to increase response rates and improve quality of the information from the IWCS.

The wholesale Origin and Destination survey is a critical component in the estimation of inter-provincial trade flows. It fills a critical link as wholesalers represent key middlemen, importers and exporters, shipping both primary commodities to production, and finished or manufactured goods to retail establishments. The development of provincial trade flow estimates is a key component of the PIPES (Project to Improve Provincial Economic Statistics) program for improved provincial statistics.

The importance of wholesale trade within the economy has been heightened by both the trend to increased globalization, and the productivity increases tied to advanced logistics techniques, such as just in time production. The wholesale trade industry is one of the fastest growing industries in the Canadian economy.

The OD flow data for wholesale trade are used by the SNA to develop estimates of trade flows between provinces, where these inter provincial trade flows become key components of both provincial and national estimates of GDP. The Wholesale OD
survey has not been conducted since 2001, and thus our SNA trade patterns for wholesale trade are becoming dated.

Following two years of pilot testing, current plans include re-launching this survey in 2009 for reference year 2008, integrated within the Annual Wholesale Trade (Financial) Survey. The main variables related to commodities to be collected under this survey are province/country of origin and destination of goods sold.

## 3. Market conditions and constraints

In Canada, wholesaling is a multi-billion-dollar sector, accounting for about $5.0 \%$ of economic output as measured by gross domestic product (2004). Based on the annual 2006 survey results, wholesalers did about $\$ 660$ billion worth of business. Between 2003 and 2006, wholesale revenues rose by $24 \%$. Based on contribution to gross domestic product (GDP), as well as sales growth in recent years, wholesale trade is one of the most dynamic and forward-moving industries in Canada.

The top five contributing industries by sales were: petroleum products, food products, motor vehicles, other products, and machinery and equipment (see Table 1).

Table 1: Sales by Wholesalers (\$000 CDN).

|  | 2003 | 2004 | 2005 | 2006 |
| :---: | :---: | :---: | :---: | :---: |
| All wholesale trade groups | 533,824.2 | 582,376.4 | 623,532.9 | 659,951.1 |
| Farm products | 18,101.3 | 19,058.3 | 17,435.1 | 18,129.6 |
| Petroleum products | 70,783.1 | 91,677.8 | 112,475.4 | 121,221.1 |
| Food products | 75,939.5 | 78,034.4 | 79,672.4 | 82,428.9 |
| Alcohol and tobacco | 7,654.4 | 7,768.0 | 7,369.9 | 7,732.8 |
| Apparel | 9,233.2 | 8,856.9 | 9,152.3 | 9,608.5 |
| Home and personal products | 26,650.3 | 28,940.9 | 31,380.2 | 32,369.3 |
| Pharmaceuticals | 26,449.6 | 28,727.6 | 30,929.8 | 33,230.4 |
| Motor vehicles | 74,255.5 | 73,892.0 | 73,578.1 | 75,641.2 |
| Motor vehicle parts and accessories | 17,541.0 | 18,864.3 | 18,541.4 | 19,251.0 |
| Building supplies | 37,388.3 | 41,904.0 | 46,399.7 | 50,663.0 |
| Metal products | 11,009.0 | 14,865.4 | 17,141.3 | 18,675.6 |
| Lumber and millwork | 12,236.3 | 14,404.0 | 14,318.0 | 13,900.0 |
| Machinery and equipment | 38,181.3 | 41,546.0 | 47,569.3 | 51,042.7 |


| Computers and other electronic equipment | $28,086.1$ | $28,873.5$ | $29,651.7$ |
| :--- | ---: | ---: | ---: |
| Office and professional equipment | $19,969.7$ | $20,584.4$ | $21,427.6$ |
| Other products | $53,867.4$ | $57,275.1$ | $59,577.2$ |
| Agents and brokers | $6,478.3$ | $7,103.8$ | $6,413.9$ |

Source: Table 081-0005- Annual wholesale trade survey, financial estimates by trade group based on the North American Industry Classification System (NAICS) (dollars x 1,000); Statistics Canada database CANSIM II.

Wholesalers have been quick to adopt new information and communication technologies and have recorded an above-average growth in capital investment. As a result, the industry has one of the highest levels of labour productivity of any industry in Canada. Growth in business investment and consumer spending, coupled with a healthy construction sector, contributed to higher revenues and profits for wholesalers in 2006.

Globalization, offshore outsourcing, and the arrival of US-style retailing, such as big box stores and club warehouses, have all helped propel wholesalers forward. This is especially true in terms of commodities with a predominantly retail base, such as motor vehicles, food, and home and personal products.

The economic environment in 2006 provided a very favorable context for Canada's wholesale trade industry. Several key factors affecting wholesale trade included increased investment by businesses that continued to drive revenues; robust consumer spending; growth in imports of consumer goods; record levels of residential and non-residential construction; and lower prices for certain products resulting from increases in the value of the Canadian dollar against the US currency.

Nearly all segments of the wholesale sector have experienced strong economic growth in the last two years. Total operating revenues for the sector hit $\$ 660.0$ billion in 2006, up $5.8 \%$ from 2005. This follows increases of $7.1 \%$ in 2005 and $9.1 \%$ in 2004.

## 4. Standard classification structure and product detail/levels.

### 4.1. Output

### 4.1.1. Main variables

The main variables used to measure the turnover and activities for this service industry are:

- Total Operating Revenue includes the sales of goods purchased for resale, net of returns and discounts, including parts used in generating repair and maintenance revenue, labour revenue from repair and maintenance, sales of goods
manufactured as a secondary activity by the wholesaler, revenue from rental and leasing of office space, other real estate, and goods and equipment. Commission revenue and fees earned from buying and selling merchandise on account of others by wholesale merchants are also included, as well as other operating revenue, operating subsidies and grants, shipping, handling, and storing goods for others.
- Inventories are defined as the book value, i.e. the value maintained in the accounting records, of all stock owned at month end and intended for resale. This includes stock in selling outlets, in warehouses, in transit, or on consignment to others. It also includes stock owned within and outside Canada.
- Inventories held on consignment from others (not owned), and store and office supplies and any other supplies not to be sold are excluded.
- Cost of Goods Sold is the book value of the inventory sold, represented by the value of opening inventory, plus purchases, minus ending inventory.
- Gross Margin is the value of Total Operating Revenue minus Cost of Goods Sold.
- Salaries and Wages represent both direct and indirect salaries and wages incurred in the business operation.
- Total Operating Expenses represent all expenses incurred to operate the business and realize the revenue for the period.
- Before-tax profit is the net income from revenue less expenses, realized before income taxes.
- Wholesale establishment is the physical site(s) in which business activity is conducted in each province and territory, and for which financial records are available.
- Origin is defined as the physical location of the immediate supplier(s) from whom the goods were bought.
- Destination is defined as the physical location of the immediate customer to whom the goods were sold.


### 4.2 Main Classifications

The main classification of wholesale activity is by industry. The Monthly Wholesale Trade Survey is based on the definition of wholesale trade under the NAICS (North American Industrial Classification System). NAICS is the agreed upon common framework for the production of comparable statistics by the statistical agencies of Canada, Mexico and the United States. The agreement divides the economy into twenty sectors. NAICS is based on a production-oriented, or supply based conceptual framework in that establishments are grouped into industries according to similarity in production processes used to produce goods and services.

Monthly estimates appear for 15 major wholesale trade groups based on special aggregations of the 2007 North American Industrial Classification System (NAICS) industries (see Appendix A). The 15 trade groups are further aggregated to 7 trade group
sectors which correspond exactly to the 3-digit NAICS codes for wholesale trade industries, with the exception of the following: wholesale agents and brokers; and petroleum and oilseed and grain wholesaler-distributors - who are only covered as part of the annual survey.

Geographically detailed estimates of each of the major variables are produced for Canada and for each province and territory of operation. Estimates of Total Operating revenue, Total Labour Remuneration, Amortization and Depreciation and Total Operating Expenses are produced.

Origin and Destination of Goods estimates, of at least NAICS 5-digit level, will be produced on a provincial/territorial basis. Previously, output was estimated for 125 individual products, at the provincial/territorial level.

## 5. Evaluation of standard definition and market conditions

### 5.1. Output -Industry basis

On a Trade Group basis, Table 2 provides a summary of activity as measured by gross margin. ${ }^{1}$ From these data, the top five contributing industries were: other products, food products, machinery and equipment, building supplies, and household and personal goods.

Table 2: Wholesale Industry Gross Margins, 2006

| Canada | Gross margin | Share of Total <br> Gross Margin <br> $\mathbf{( \% )}$ |
| :--- | :---: | :---: |
| All trade groups | $\mathbf{1 2 5 , 9 0 2 , 4 8 6}$ | $\mathbf{1 0 0 . 0}$ |
| Other products | $15,412,715$ | 12.2 |
| Food products | $14,667,881$ | 11.7 |
| Machinery and equipment | $13,817,900$ | 11.0 |
| Building supplies | $13,395,662$ | 10.6 |
| Household and personal goods | $9,972,131$ | 7.9 |
| Office and professional <br> equipment | $8,240,910$ | 6.5 |
| Motor vehicles | $7,639,171$ | 6.1 |
| Computers and other <br> electronics | $7,139,125$ | 5.7 |
| Pharmaceutical products | $5,965,479$ | 4.7 |
| Petroleum products | $5,617,537$ | 4.5 |
| Motor vehicle parts and <br> accessories | $5,469,736$ | 4.3 |
| Agents and brokers | $4,941,440$ | 3.9 |

[^0]| Metal products | $3,435,644$ | 2.7 |
| :--- | :---: | :---: |
| Apparel | $3,433,649$ | 2.7 |
| Farm products | $2,752,296$ | 2.2 |
| Lumber and millwork | $2,395,190$ | 1.9 |
| Alcohol and tobacco products | $1,606,019$ | 1.3 |

Source: Table 081-0005- Annual wholesale trade survey, financial estimates by trade group based on the North American Industry Classification System (NAICS) (dollars x 1,000); Statistics Canada database CANSIM II

## 6. National accounts concepts and measurement issues for the area related to GDP measurement

### 6.1. Output - Annual GDP

For the current dollar estimates the annual wholesale survey data are used to generate growth rates that are used as the primary source of information leading to the projection of values in the I/O Wholesale table, using last year's IO data as the base. This data is then confronted and reconciled with data projections from the Income and Expenditure Accounts Division programs to establish final Wholesale annual estimates, both nationally and provincially.

The GDP or value -added, is the sum of the following I/O Wholesale table Input commodities;

- Wages and Salaries
- Supplementary Labour Income
- Mixed Income
- Other Operating Surplus
- Indirect taxes and subsidies.


### 6.2. Deflation - Monthly GDP

Constant price estimates for monthly GDP by industry for the wholesale sector are produced using data from the MWTS for the 15 Wholesale Trade Groups, which correspond to a special aggregation of related NAICS level. In addition, other sources of information are used to obtain constant price estimates for two trade groups not covered by the MWTS: Oilseed and Grain Wholesaler-Distributors and Petroleum Product Wholesaler-Distributors.

Constant price sales from the MWTS are calculated by deflating current sales using weighted aggregates of combinations of Industrial Product Price Indexes (IPPI) of commodities traded and of import price indexes. Weights are shares of gross sales.

Finally, margin rates are applied to the deflated trade group sales to obtain constant price monthly value added for the wholesale sector.

### 6.3. Deflation - Annual GDP

For the deflation of Input/Output Accounts, the commodity output is deflated (and not the industry output) using a wide range of price and volume indexes, where the commodity output is the production by all industries of a certain commodity. Obtaining the constant value of various commodity output provides the industry output at constant prices by summing over all commodities produced by certain industry. The deflated industry output in this case is the result of applying a combination of deflators. Commodity intermediate inputs are also deflated in the same fashion applying a weighted implicit price index which is the product of the current value of the net supply divided by its constant value providing the industry intermediate inputs at constant prices.

The real GDP is derived by taking the difference between the industry gross output and the industry intermediate inputs at constant prices which is known as the double deflation method. The deflation operations outlined above are applied to the values at producers’ prices. Input-Output tables lend themselves readily to double deflation because the full detail commodity output and input is specified for each industry. In other words, gross output of an industry is equal to the sum of intermediate and primary inputs. Real GDP at basic prices for business sector industries in input-output accounts is constructed as the difference between total gross output at constant prices and the sum of intermediate inputs and taxes less subsidies on products at constant prices.

For wholesale commodity output (i.e. the wholesale margins), an implicit price index is used to deflate the current dollar (\$C) value of wholesale commodity output. The implicit price index (IPI) applied is the quotient of (\$C/\$K) for total wholesale margins (as one of seven margins representing the difference between producer price and purchaser of all input and final demand commodities). The constant dollar (\$K) wholesale margins for input and final demand commodities used in the calculation of the IPI are obtained by applying current dollars average margin ratio to the current dollar producer value of input and final demand commodities. The sum of margins for all input and final demand commodities at current price divided by the sum of margins value for all input and final demand commodities at constant price gives the IPI needed to deflate the wholesale margins commodity.

## 7. Turnover/output data method(s) and criteria for choosing various output methods.

The results of the Monthly Wholesale Trade Survey data form the basis of the monthly GDP by industry estimates for wholesale trade and the first estimates of the Annual Provincial GDP by Industry. The inventory component is used in the quarterly Income and Expenditure Accounts estimates of GDP. In addition, government agencies and the business community use the data to analyze market performance.

The data from the Annual Survey of Wholesale Trade are primary inputs into both the National and Inter-provincial Input-Output Tables. The survey was designed explicitly to serve the purposes of the CSNA and Input-Output Division. The data are used by government, some government agencies, the wholesale industry and individuals in assessing trends within the industry, measuring performance, benchmarking and to study the evolving structure of the wholesale trade industry.

The product and margin information of the Origin and Destination of goods are input into the National and Inter-provincial Input-Output Tables. Margin is, in Input-Output terms the industry output. The origin and destination data is specifically produced to serve the purposes of the System of National Accounts and Input-Output and helps determine international and inter-provincial trade flows in the Input-Output system. External users both in government and the academic world have been much interested in analyzing inter-provincial and international trade flows.

## 8. Evaluation of comparability of turnover/output data with price indexes.

Under the SPPI development program currently underway at Statistics Canada, a price index for wholesale services has been in development for approximately two years. The index collects data at the five digit level of NAICS, thereby providing adequate industry detail, but also complying closely with the WODG survey, which plans to provide commodity detail based on at least the five digit NAICS.

The current index methodology relies on drawing a sub-sample of the AWTS survey frame to arrive at the SPPI sample. The service price is the margin price per unit, charged by a wholesaler for a specific item of a homogenous product line (i.e. sales price minus acquisition price). The terms or conditions of the wholesaling service are controlled for (e.g. bulk-breaking) in order to achieve a constant quality price index.

## 9. Summary

The wholesale sector is a key player in the distribution of goods and therefore integral to economic prosperity. Statistics Canada is well aware of the importance of wholesale trade and Canada measures and monitors the activity of this sector closely using a variety of surveys in order to provide timely and detailed measures of turnover.

With the re-introduction of the Wholesale Origin and Destination Survey, commodity flow data will receive a much needed update. In the area of prices, development and testing is nearly complete for a wholesale services SPPI. Once this last component is successfully put in place, a comprehensive and robust program measuring the industry activity will be achieved.

# Appendix A: Statistics Canada Concordance between Trade Group and NAICS 

 Special Aggregation:Retail Trade and Wholesale Trade
Based on the North American Industry Classification System (NAICS) 2002
Industries - Wholesale Trade
M Farm Products *
010 Farm Products

- 41111 Live Animal Wholesaler-Distributors
41112 Oilseed and Grain Wholesaler-Distributors
ᄂ 41113 Nursery Stock and Plant Wholesaler-Distributors
$\leq 41119$ Other Farm Product Wholesaler-Distributors
N
Petroleum Products
020 Petroleum Products
ㄴ 41211 Petroleum Product Wholesaler-Distributors
O Food, Beverage and Tobacco products
030ㄴ 41311General-Line Food Wholesaler-Distributors
- 41312 Dairy and Milk Products Wholesaler-Distributors
$\llcorner 41313$ Poultry and Egg Wholesaler-Distributors
$\leq 41314$ Fish and Seafood Product Wholesaler-Distributors
$\llcorner 41315$ Fresh Fruit and Vegetable Wholesaler-Distributors
41316 Red Meat and Meat Product Wholesaler-Distributors
$\llcorner 41319$ Other Specialty-Line Food Wholesaler-Distributors
$\llcorner 41321$ Non-Alcoholic Beverage Wholesaler-Distributors
040 Alcohol and Tobacco
$\leq 41322$ Alcoholic Beverage Wholesaler-Distributors
$\llcorner 41331$ Cigarette and Tobacco Product Wholesaler-Distributors
P Personal and Household Goods
050 Apparel
$\leq 41411$ Clothing and Clothing Accessories Wholesaler-Distributors
ㄴ 41412 Footwear Wholesaler-Distributors
L 41413 Piece Goods, Notions and Other Dry Goods WholesalerDistributors

060 Home and Personal Products
$\llcorner 41421$ Home Entertainment Equipment Wholesaler-Distributors
L 41422 Household Appliance Wholesaler-Distributors
ᄂ 41431 China, Glassware, Crockery and Pottery WholesalerDistributors
$\llcorner 41432$ Floor Covering Wholesaler-Distributors
Ł 41433 Linen, Drapery and Other Textile Furnishings WholesalerDistributors
Ł 41439 Other Home Furnishings Wholesaler-Distributors
ᄂ 41441 Jewellery and Watch Wholesaler-Distributors
$\leq 41442$ Book, Periodical and Newspaper Wholesaler-Distributors
$\llcorner 41443$ Photographic Equipment and Supplies Wholesaler-Distributors
L 41444 Sound Recording Wholesalers
ㄴ 41445 Video Cassette Wholesalers
L 41446 Toy and Hobby Goods Wholesaler-Distributors
$\llcorner 41447$ Amusement and Sporting Goods Wholesaler-Distributors
$\llcorner 41452$ Toiletries, Cosmetics and Sundries Wholesaler-Distributors

070 Pharmaceuticals
ㄴ 41451 Pharmaceuticals and Pharmacy Supplies WholesalerDistributors

## Q Automotive Products

080 Motor Vehicles
$\leq 41511$ New and Used Automobile and Light-Duty Truck WholesalerDistributors
ㄴ 41512 Truck, Truck Tractor and Bus Wholesaler-Distributors
ᄂ 41519 Recreational and Other Motor Vehicles WholesalerDistributors

090 Motor Vehicle Parts and Accessories
41521 Tire Wholesaler-Distributors
41529 Other New Motor Vehicle Parts and Accessories WholesalerDistributors

41531 Used Motor Vehicle Parts and Accessories WholesalerDistributors

|  |  | Statistics Statistique <br> Canada Canada |
| :---: | :---: | :---: |
|  | R | Building Materials |
|  | 100 | Building Supplies |
| $\underline{L}$ | 41611 | Electrical Wiring and Construction Supplies WholesalerDistributors |
| $\underline{L}$ | 41612 | Plumbing, Heating and Air-Conditioning Equipment and Supplies Wholesaler-Distributors |
| $\underline{L}$ | 41631 | General-Line Building Supplies Wholesaler-Distributors |
| $\underline{L}$ | 41633 | Hardware Wholesaler-Distributors |
| $\underline{L}$ | 41634 | Paint, Glass and Wallpaper Wholesaler-Distributors |
| $\underline{L}$ | 41639 | Other Specialty-Line Building Supplies Wholesaler-Distributors |
|  | 110 | Metal Products |
| $\underline{L}$ | 41621 | Metal Service Centres |
|  | 120 | Lumber and Millwork |
| $\underline{L}$ | 41632 | Lumber, Plywood and Millwork Wholesaler-Distributors |
|  | S | Machinery and Electronic Equipment |
|  | 130 | Machinery and Equipment |
| $\leq$ | 41711 | Farm, Lawn and Garden Machinery and Equipment Wholesaler-Distributors |
| $\underline{L}$ | 41721 | Construction and Forestry Machinery, Equipment and Supplies Wholesaler-Distributors |
| $\underline{L}$ | 41722 | Mining and Oil and Gas Well Machinery, Equipment and Supplies Wholesaler-Distributors |
| $\underline{L}$ | 41723 | Industrial Machinery, Equipment and Supplies WholesalerDistributors |
| $\underline{L}$ | 41799 | All Other Machinery, Equipment and Supplies WholesalerDistributors |
|  | 140 | Computers and Other Electronic Equipment |
| $\leq$ | 41731 | Computer, Computer Peripheral and Pre-Packaged Software Wholesaler-Distributors |
| $\underline{L}$ | 41732 | Electronic Components, Navigational and Communications Equipment and Supplies Wholesaler-Distributors |
|  | 150 | Office and Professional Equipment |
| $\underline{L}$ | 41791 | Office and Store Machinery and Equipment WholesalerDistributors |
| $\underline{L}$ | 41792 | Service Establishment Machinery, Equipment and Supplies Wholesaler-Distributors |
| $\underline{L}$ | 41793 | Professional Machinery, Equipment and Supplies WholesalerDistributors |




[^0]:    ${ }^{1}$ Gross margin is obtained by subtracting the cost of goods sold from the total operating revenues. This measure is also known as the return on sales.

