

- **Economic Summary**
- **The Chicken Little Report**
- **Market & Business Analysis**
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  - **Retail Trade**

# “CREATING A CONTEXT IN WHICH OTHER PEOPLE CAN THINK.”

EDWIN SCHLOSSBERG

In July, Canada's merchandise exports rose 0.9%, while imports were down 0.7%

Exports to the United States increased 5.0% in July

Transportation & Warehousing Lost 23,000 jobs (-2.1%), effectively reversing July's gains.

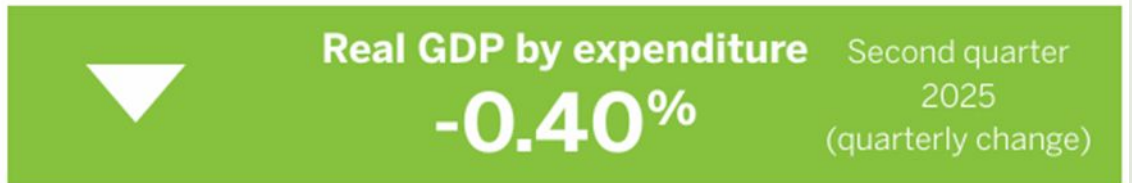
Real gross domestic product (GDP) declined 0.4% in the second quarter of 2025

Exports to countries other than the United States were up 14.0% in July 2025

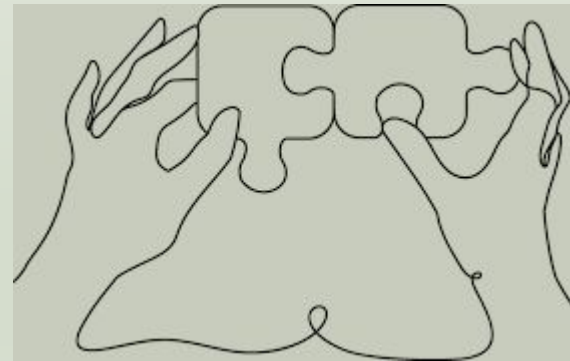
In August, the unemployment rate rose by 0.2 percentage points to 7.1%

Job vacancies fell in the first quarter of 2025 to 524,300

## Economic Summary:



**One piece of the  
puzzle doesn't  
make a picture.**



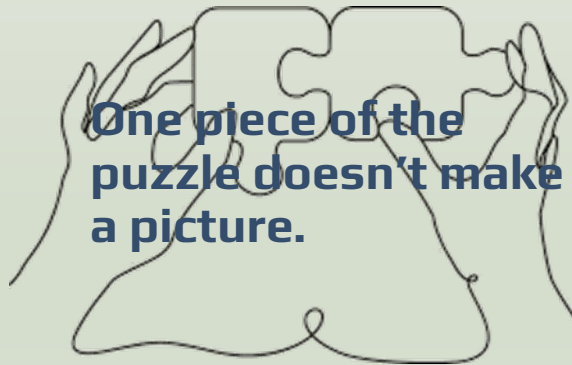
# THE CHICKEN LITTLE REPORT

## “ON THE VERGE OF RECESSION’: TRUMP TARIFFS SLAM CANADA, NEW GDP NUMBERS SHOW”

Toronto Star (& others)

### TARIFFS

BLAME IT ON  
TRUMP



Media often frames tariffs as the villain; however, the deeper story is about how economies respond.

- Tariffs don't create weaknesses—they reveal them!
- For some businesses, tariffs become the catalyst for overdue changes: diversifying supply chains, reshoring production, or investing in automation

# MARKET & BUSINESS ANALYSIS

**The data tables** formerly featured in the Monthly Business Conditions Report have been replaced by the new Market & Business Analysis section. This updated format offers commentary and visual charts that cover the same key indicators, while emphasizing emerging trends, notable events, and year-over-year comparisons.

**The previous tables, which were often tied to varying timeframes and released at different points throughout the year, occasionally led to confusion. If you still require access to the table data, please contact the author directly.**

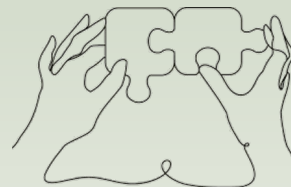
2024								2025					Variance	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	YOY	MOM
Wholesale trade (excluding petroleum, petroleum products, and other hydrocarbons and excluding Oilseed and grain)	83,370	82,540	81,853	81,950	90,105	84,729	78,924	78,143	75,476	89,000	85,718	91,045	-462	5,327
Building material and supplies	12,011	12,021	11,963	11,760	13,044	12,094	9,751	11,351	10,785	12,192	12,083	12,695	-55	612
Computer and communications equipment and supplies	4,792	4,400	4,560	4,981	6,176	6,115	5,617	4,587	4,950	5,929	4,491	4,837	313	346
Electrical, plumbing, heating and air-conditioning equipment and supplies	3,954	4,144	4,011	3,983	4,298	4,054	3,496	3,767	3,930	4,082	4,133	4,236	106	103
Farm, lawn and garden machinery and equipment	2,538	2,796	2,715	2,337	2,929	2,053	2,296	1,874	2,200	3,243	3,433	2,926	-313	-506

## Transportation Price Indexes and Cost Components

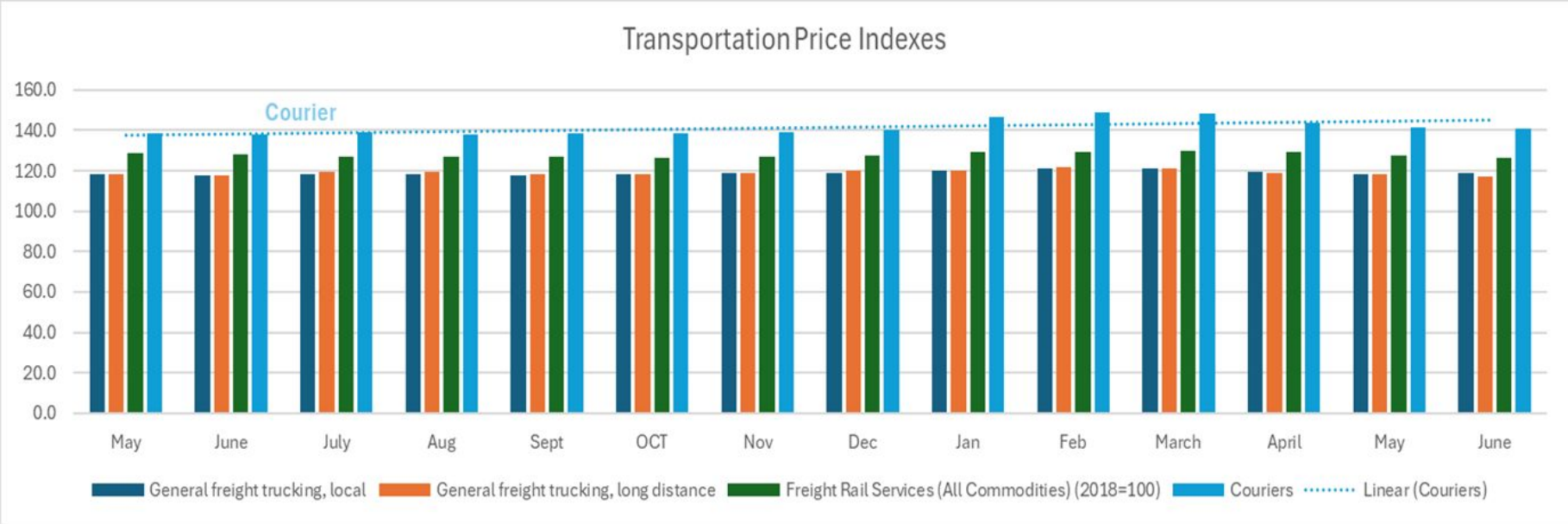
Transportation is a prime example of how price fluctuations stem from a complex web of factors—not just a single input. Costs can be influenced by oil and diesel prices, labor rates, or a combination of other variables.



Multi-Factor Cost Pressures: It's not just raw materials. Labor costs, energy prices, transportation, packaging, and regulatory compliance all contribute. Even if one component spikes, other costs are usually quietly rise too.



# Transportation Price Indexes



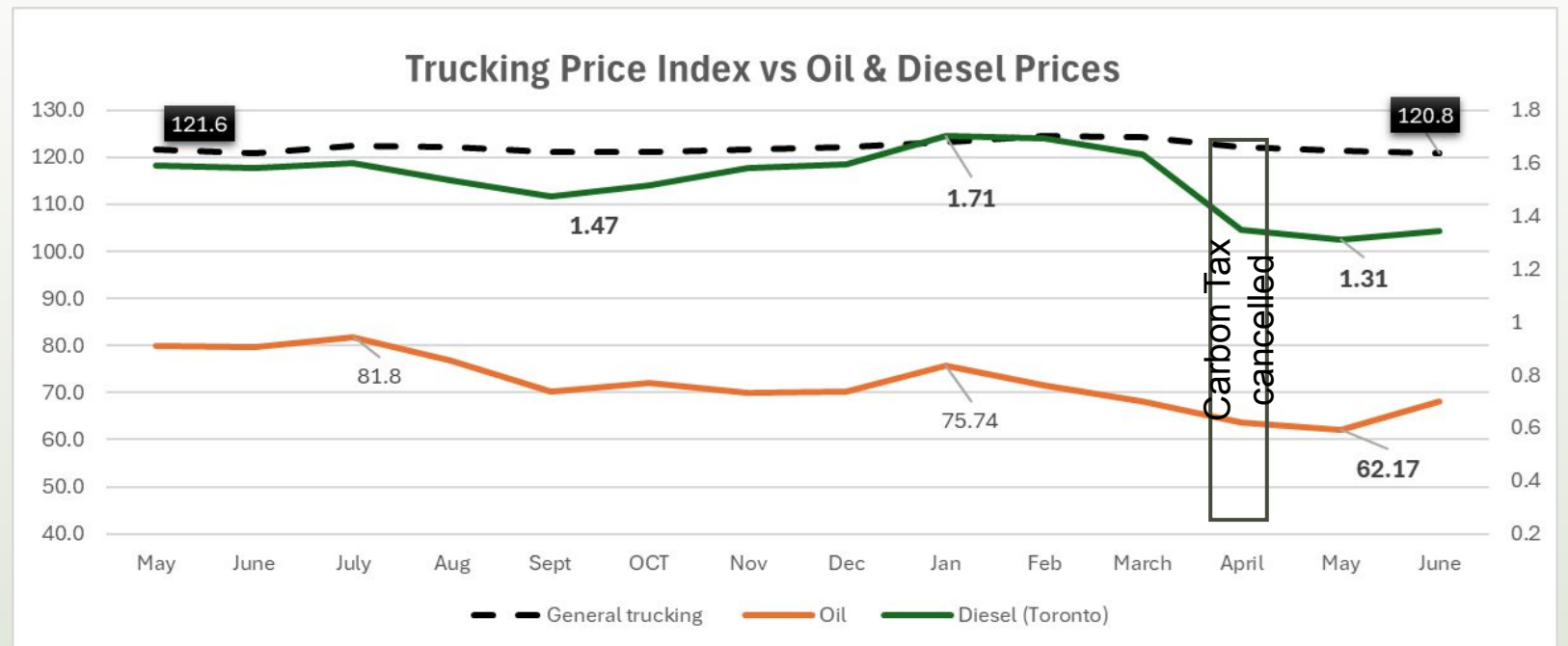
Transportation	2024								2025					
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
General freight trucking, local	118.3	117.7	118.4	118.4	117.7	118.3	118.7	118.8	120.3	121.4	121.2	119.5	118.6	119.0
General freight trucking, long distance	118.1	117.5	119.6	119.2	118.3	118.2	118.8	120.0	120.1	121.5	121.4	118.9	118.1	117.2
Freight Rail Services (All Commodities)	128.6	128.2	126.7	127.1	126.8	126.3	126.7	127.6	129.1	129.1	130.1	129.3	127.4	126.5
Couriers	138.7	138.1	138.9	138.2	138.5	138.5	139.1	140.1	146.5	148.7	148.6	143.8	141.6	141.1

Note: The base year for Trucking was 2021, Rail was 2018 and the Courier base year was 2019

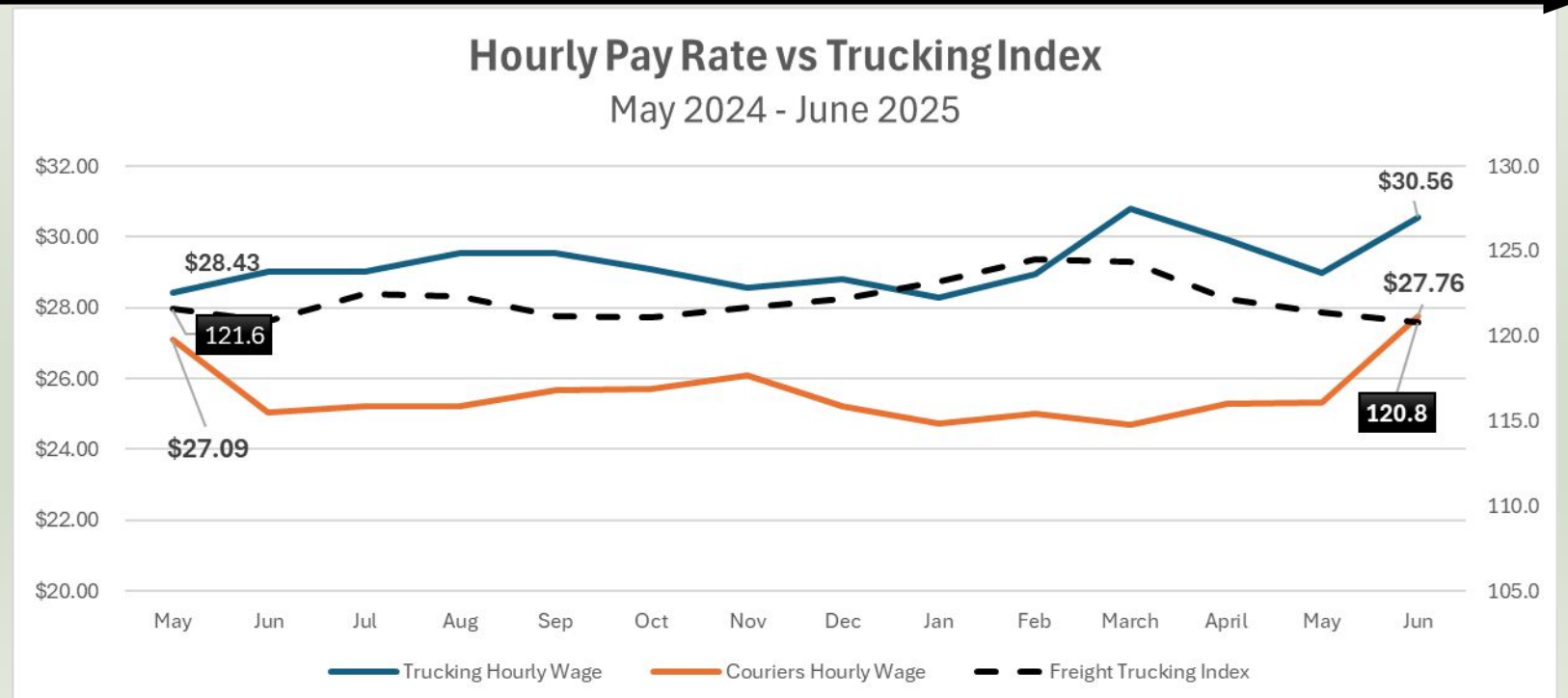


## Trucking Price Index

- Oil & Diesel had similar fluctuations
- General Trucking PI was fairly flat even when the carbon tax was cancelled



- Trucker's & Courier Hourly rate (excl. piece work)
- Union settlements  
April 2025: 116,000 employees





## A core challenge and pitfall in pricing.

**Relying on a single, cost component** like fuel or foreign exchange rates as the main driver of price changes can lead to **oversimplified conclusions**. While cost inputs often interact, **each follows its own rhythm**.

Some, such as fuel, can fluctuate dramatically in a matter of days, while others like wages or capital equipment—adjust slowly over months or even years.

**Consider:**

- **Multi-Factor Cost Pressures**
- **Inflationary Environment**
- **Cumulative Cost Pressure**
- **Delayed Price Response**
- **Breaking Point Dynamics**

**Pricing decisions rarely hinge on one variable; instead, they reflect a strategic mix of market forces, long-term planning, and competitive positioning.**

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# MARKET & BUSINESS ANALYSIS

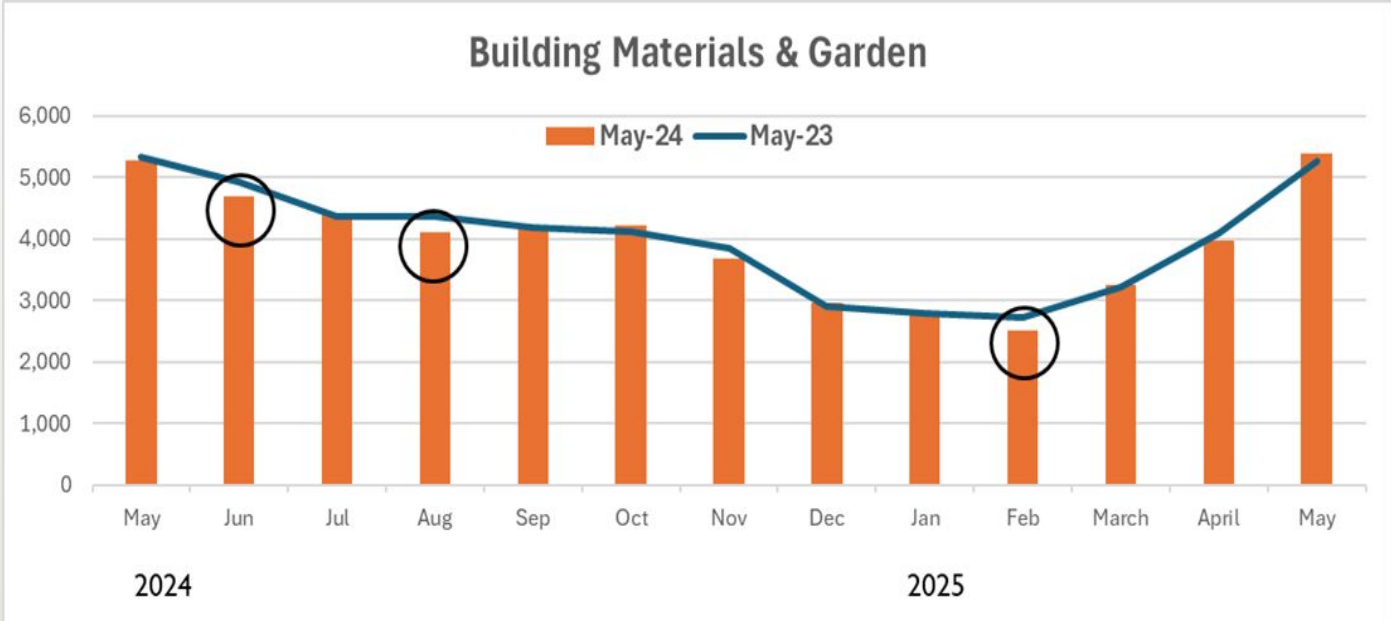
## Retail Trade

“Canada’s retail sector remained resilient despite rising trade tensions.” Stats Can, CBC, CTV



June 2025: \$70,156, July \$69,592  
(million)

Retail Trade	
May 2023-24	\$ 870,100
May 2024-25	\$ 893,033
Incr.	\$ 22,932
Incr.	2.60%
CPI	+/- 2%
CPI Food	+/- 3.3%

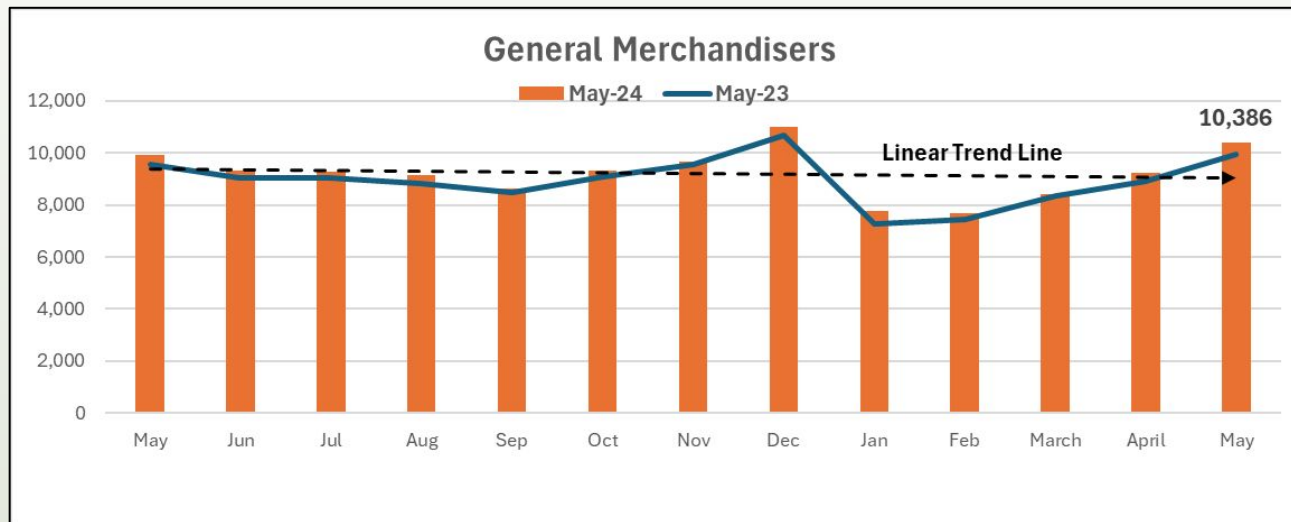


- -1% over 13 months
- only 3 months below previous year

This suggests that the dip in value is likely driven by lower prices and promotions rather than reduced volumes.

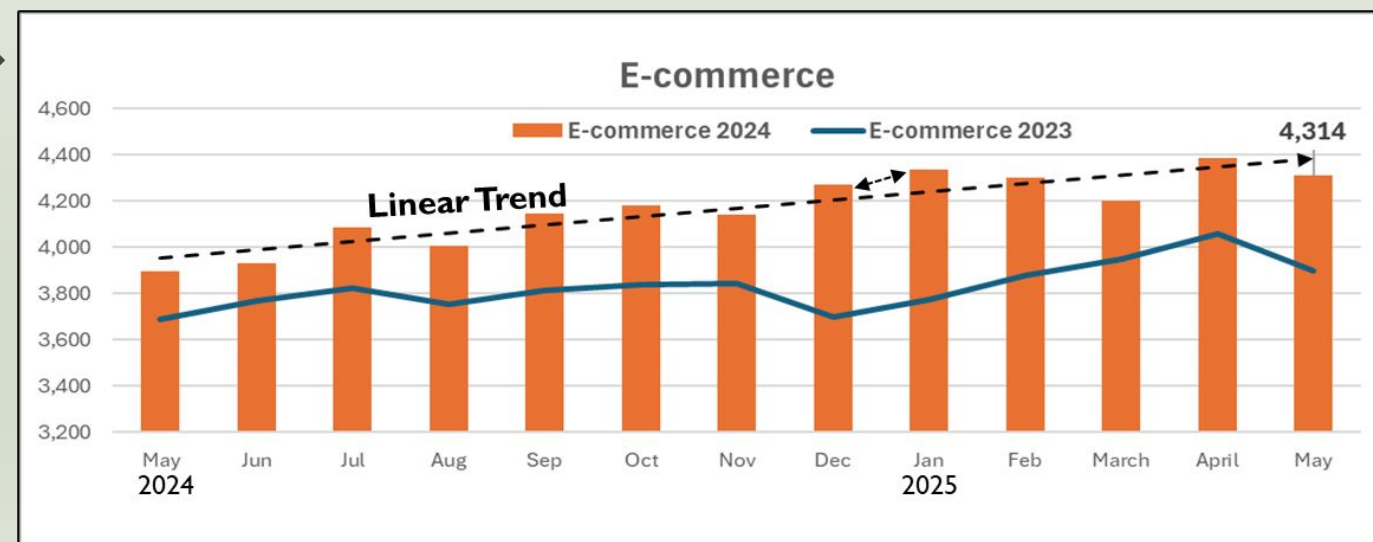
Home Depot (US) despite missing their sales targets in the first two quarters of 2025, the company has reaffirmed its full-year forecast. With access to more granular data, Home Depot’s confidence implies that they believe that underlying demand remains stable, and the headline decline may be more about deflation than consumer retreat.

Building Materials & Garden	
May 2023-24	\$ 52,113
May 2024-25	\$ 51,398
Incr.	-\$715
Incr.	-1.00%



General Merchandisers remain the fourth-largest retail category, trailing only Grocery, Auto Dealers, and Gas Stations. Given that the dominant player in this group—Walmart—sells a substantial volume of food at steadily rising prices and has made significant investments in e-commerce, it's surprising to see sales in this group trending flat or downward.

It's no surprise that e-commerce continues to trend upward, but the path hasn't been smooth. Monthly gains seen in previous years are often followed by declines in the same month the following year, highlighting volatility rather than consistent growth.



Reference  
Retail: Consumer Price  
Index

CONSUMER PRICE INDEXES (INDEX: JAN. 2019 = \$100) (CAD \$)					
				Variance	
Consumer Price Indexes	July	May	June	YOY	MOM
Communications	74.7	73.1	72.4	-0.7	-0.6
Cooking appliances	118.9	119.1	119.1	0.0	0.0
Digital computing equipment and devices	70.8	68.0	66.9	-4.5	-1.1
Household tools (including lawn, garden and snow removal equipment)	109.4	110.9	108.5	-1.0	-2.4
Laundry and dishwashing appliances	109.7	116.9	117.2	5.0	0.4
Non-electric kitchen utensils, tableware and cookware	113.0	111.2	110.0	-3.0	-1.2
Other household appliances	122.7	122.7	117.8	-4.8	-4.8
Other household equipment	109.3	110.8	108.4	-1.0	-2.4
Other recreational equipment	108.2	108.6	110.6	2.3	2.0
Refrigerators and freezers	117.7	119.8	120.3	2.2	0.5
Sporting and exercise equipment	108.9	112.3	112.6	5.4	0.4
Stationery (2013=100)	144.7	146.6	147.8	2.9	1.2
Tools and other household equipment	109.3	110.8	108.4	-1.0	-2.4
Video and audio subscription services	113.6	120.5	120.5	6.7	0.0
Video equipment	77.9	74.3	75.7	-1.3	1.3



Key  
Points:

### **Transportation/ Cost Components**

It's rarely a single cost component like fuel or foreign exchange rates is the main or only driver of price changes.

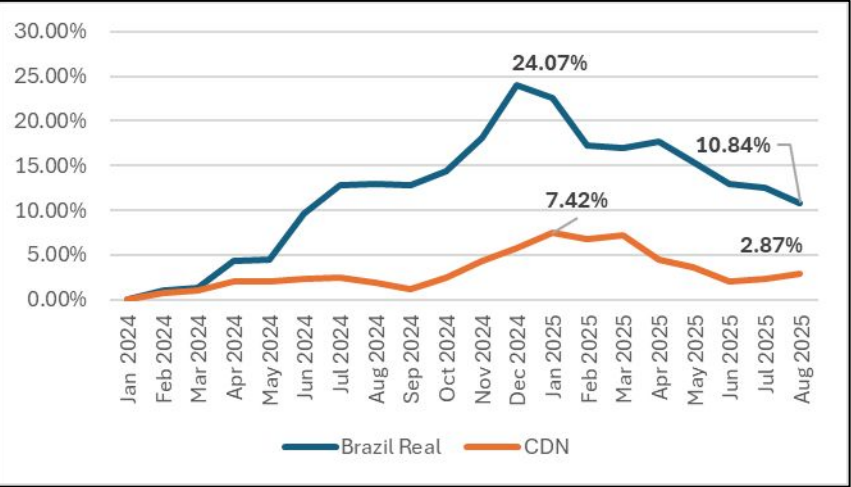
Multi-Factor Cost Pressures, Inflationary Environment, Cumulative Cost Pressure, Delayed Price Response, Breaking Point Dynamics

### **Retail Trade**

Canada's retail sector is stable. (prices or volume)

This suggests that the dip in total sales is likely driven by lower prices and promotions rather than reduced volumes.

Next  
Month



Three party Foreign  
Exchange

	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
USD	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Brazil Real	60.96	60.21	57.65	57.46	57.83	56.67	55.46	55.28	54.46
CDN	\$ 14.18	\$ 14.39	\$ 14.30	\$ 14.36	\$ 14.00	\$ 13.88	\$ 13.67	\$ 13.70	\$ 13.78

Full-time employees, average weekly wages							
	2020	2021	2022	2023	2024	2025	Var
Management occupations	1,988.45	2,065.79	2,167.12	2,296.42	2,410.82	2,380.69	\$ 392.23
Annual Variance %		3.9%	4.9%	6.0%	5.0%	-1.3%	18.5%
CPI	137	141.6	151.2	157.1	160.9	164.8	
CPI %		3.36	6.78	3.90	2.42	2.42	18.88

Consumer Price  
Index

Weekly  
Salaries

	2021	2022	2023	2024	Aug-25	Total
All-items	141.6	151.2	157.1	160.9	164.8	
CPI %	3.36	6.78	3.90	2.42	2.42	18.88
Food	157.5	171.5	184.3	189.3	196.8	
CPI %	2.47	8.89	7.46	2.71	3.96	25.50
Shelter	152.7	163.3	172.5	182.3	188	
CPI %	3.88	6.94	5.63	5.68	3.13	25.26



## **Contacts:**

- **Questions, comments, suggestions**
- **Want a copy of the presentation or report**
- **Need tables or Statistics Canada Data**

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## Template for an Anti-Foo-Foo email

### Part 1 - Opening

Re: Your recent request for a price increase for \_\_\_\_\_

You recently submitted a request for a price increase for the above item(s). Please be advised that, at this time, we respectfully decline to accept this increase until you complete a table like the one shown below. This is to ensure that we have a clear understanding of the impact of the above item(s). Please provide the best estimates. The example below is for illustrative purposes only.

<b>Item(s) name</b>	Widget #1				
<b>Date proposed increase will go into effect:</b>	1-Jul-22				
<b>Name and contact info of requester:</b>					
	Cost Last Time Selling Price Changed	Current Cost	% Difference	% Raw Material Represents of the Selling Price	Affect on Previous Selling Price
<b>Date</b>	7/1/2021	7/1/2022			
<b>Key Raw Material</b>					
Cold Rolled steel	\$1,000/ton	\$1,100/ton	10%	30%	3.00%
Polyethylene resin	\$0.70/pound	\$0.84/pound	20%	20%	4.00%
Freight	\$1,000/delivery	\$1,100/delivery	10%	5%	0.50%
<b>Total impact on selling price</b>					7.50%