

A cannabis economic account – The framework

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Canada's society and economy continue to grow and evolve. Statistics Canada strives to keep its programs up to date with changing trends and circumstances to ensure Canadians are well informed about current developments. This means Statistics Canada has to innovate and invest in the statistical system continuously. Statistics Canada is therefore preparing Canada's statistical system to capture the associated economic and social implications of the prospective legalization of cannabis.

On April 13, 2017, the Government of Canada tabled legislation in the House of Commons to legalize, regulate and restrict access to cannabis for non-medical purposes. If legislation is approved by Parliament, the drug's new status might come into effect by mid-2018.

Currently, the non-medical use of cannabis is not captured by the statistical system and there is a lack of available information from which to compile reliable estimates. Once cannabis is legalized, Statistics Canada will be able to reliably capture the legal transactions. Statistics Canada is therefore preparing the statistical system to be able to capture the economic and social activities related to the non-medical use of cannabis.

Given the non-medical use of cannabis in Canada, it is incumbent upon the agency to try to measure the production, sale and use pre-legalization—despite the obvious difficulties of doing so—as well as post-legalization to provide Canadians, governments and businesses with as clear a picture as possible of the economic and social consequences of the legalization.

Today Statistics Canada is releasing a paper describing the framework it plans to use to estimate cannabis production and consumption, both pre- and post-legalization. The paper "A Cannabis Economic Account — The framework" organizes the different aspects of the cannabis economy in a 'supply and use' accounting structure that borrows concepts and terminology from the international System of National Accounts and Canadian System of Macroeconomic accounts.

In brief, the framework derives estimates of cannabis consumption expenditures of Canadians from use prevalence data in Statistics Canada health surveys. A series of models have been developed which are applied to the consumption data to derive estimates of the production and the gross domestic product of non-medical cannabis in Canada as well as imports, exports and 'retail' margins. These models are based on a number of assumptions and include the use of justice statistics to derive estimates of the illegal import and export of cannabis—that is, cannabis smuggling and the hypothesis that the process to produce non-medical cannabis is similar to that of medical cannabis.



The document "[A cannabis economic account – The framework](#)," which is part of *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is now available.

The document "[Preparing the statistical system for the legalization of cannabis](#)," released September 15, 2017, in *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)), is also available.

The [System of Macroeconomic Accounts](#) module, accessible from the *Browse by key resource* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is also available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).