



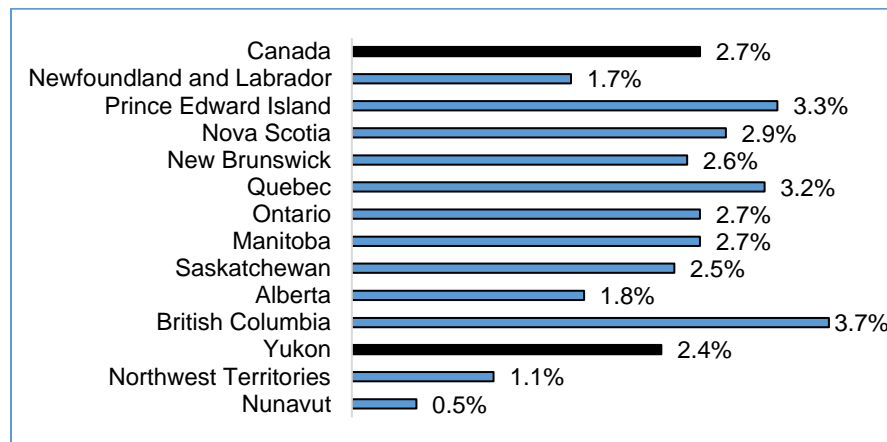
The Underground Economy in Canada, 2018

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As a proportion of gross domestic product (GDP), Yukon's underground economy¹ was equivalent to 2.4% of the territory's GDP in 2018; for Canada, it was equivalent to 2.7% of GDP.

Amongst provinces and territories, British Columbia's underground economy had the highest proportional equivalence to GDP (3.7%), while Nunavut had the lowest (0.5%).

Underground economy as a proportion of GDP by province and territory, 2018



Note: All percentages are based on estimates expressed in current dollars at market prices. Estimated production and consumption of unlicensed cannabis have been added to these estimates.

¹ The underground economy is defined as consisting of market-based economic activities, whether legal or illegal, that escape measurement because of their hidden, illegal or informal nature.

Readers should be careful in interpreting these estimates:

First, the estimated percentages provide an upper bound, as recommended by the OECD Handbook on Measuring the Non-observed Economy. To derive these bounds, assumptions were made to estimate the maximum of potential hidden, illegal or informal activities that are not included in official GDP estimates.

Second, by its very nature, it is difficult to obtain information on the underground economy – the estimates necessarily rely on assumptions, indicative information and various indirect methods.

Third, official GDP already includes some implicit and explicit adjustments for underground activities. Therefore, the estimated percentages cannot simply be added to the official GDP estimates to arrive at a measure of 'GDP including the underground economy'.