



The Underground Economy, 2021

Released by Statistics Canada – February 20, 2023

As a proportion of Gross Domestic Product (GDP), Yukon's underground economy¹ was equivalent to 2.1% of the territory's GDP in 2021; for Canada, the underground economy was equivalent to 2.7% of GDP.

In terms of underground economy as a proportion of GDP, Prince Edward Island ranked the highest (3.4%) followed by British Columbia (3.2%) and Quebec (3.1%); Yukon ranked ninth (2.1%). Nunavut had the lowest proportion (0.4%).

In 2021, the industries with the largest contribution to Yukon's underground economy were Residential construction (38.4%); Finance, insurance, real estate, rental and leasing and holding companies (37.1%); and Accommodation and food services (6.0%). Nationally, the largest contributors were Residential construction (35.0%); Finance, insurance, real estate, rental and leasing and holding companies (37.1%); and Retail trade (10.5%).

Underground Economy¹, by Province and Territory, Canada, 2021

	Underground Economy estimate \$ millions	Official Gross Domestic Product (GDP)	Underground Economy as a proportion of official GDP	Underground Economy as a proportion of official GDP
Canada	68,492	2,509,618	2.7%	2.7%
Newfoundland-and-Labrador	574	37,927	1.5%	1.5%
Prince Edward Island	291	8,627	3.4%	3.4%
Nova Scotia	1,490	51,925	2.9%	2.9%
New Brunswick	1,055	42,608	2.5%	2.5%
Quebec	15,471	504,455	3.1%	3.1%
Ontario	26,936	956,707	2.8%	2.8%
Manitoba	2,154	79,834	2.7%	2.7%
Saskatchewan	2,555	88,315	2.9%	2.9%
Alberta	6,709	374,486	1.8%	1.8%
British Columbia	11,111	350,598	3.2%	3.2%
Yukon	77	3,704	2.1%	2.1%
Northwest Territories	49	4,966	1.0%	1.0%
Nunavut	19	4,686	0.4%	0.4%

Note to readers:

¹The 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. This data does not include some illegal activities, such as those related to drugs (except cannabis) and prostitution. Underground economy figures and proportions are based on estimates, and are expressed in current dollars at market prices unless otherwise specified.

Readers should be careful in interpreting the results of this study. The estimates presented provide an upper bound. To derive these bounds, assumptions were made to estimate the maximum potential underground activity beyond what is already included in GDP using standard methods. By its very nature, it is difficult to obtain information on the underground economy, such that the estimates necessarily rely on assumptions, indicative information and various indirect methods. No specific assumptions were made to take into account the effects of the COVID-19 pandemic on underground economic activity. Additionally, official GDP already includes some implicit and explicit adjustments for underground economic activity. For these reasons, the estimates calculated in this study cannot simply be added to the official GDP to arrive at a measure of GDP including the underground economy.