

NOVEMBER 21, 2017 / 1:58 PM / 10 MONTHS AGO

Statistics Canada to add marijuana economic impact to GDP data

OTTAWA (Reuters) - As Canada gears up to legalize recreational marijuana, the country's statistics agency said on Tuesday it will begin measuring the economic impact of the current illegal use and production of the drug and add it to growth data.



FILE PHOTO: Various-sized joints for sale are pictured at the annual 4/20 marijuana event at Sunset Beach in Vancouver, British Columbia, Canada on April 20, 2017.

REUTERS/Jason Redmond/File Photo

Statistics Canada said it will begin tallying the production and sale of cannabis both before and after it is legalized in July 2018 to get a clear picture of its impact on the economy.

The domestic cannabis black market is estimated to be worth between C\$7 billion (\$5.77 billion) and C\$10 billion a year, with rates of youth use among the highest in the world. Canada will become the first G7 country to legalize recreational pot use next year.

Statistics Canada said that while it is not yet able to estimate how much illegal activity should be added to the official GDP numbers, research is under way.

The agency will use government health surveys to estimate consumption and how much households are spending on cannabis. The data will be incorporated into growth figures when Statistics Canada issues revisions in November 2019.

It also noted a “significant portion” of the activity associated with illegal cannabis may already be included in gross domestic product figures but is allocated to other categories.

Including illegal activity could lift economic growth figures but the impact is unlikely to be huge, said Nathan Janzen, senior economist at Royal Bank of Canada.

Other countries, including in Europe, have included illegal drug activity in their economic figures for a number of years, Statistics Canada said.

The statistics agency said it will also measure the medical cannabis industry, which is already legal in Canada.