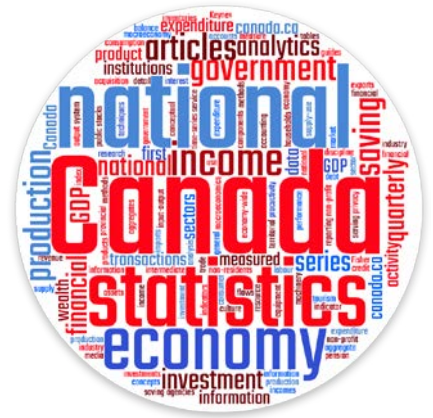


Latest Developments in the Canadian Economic Accounts

Access by Canadians to regulated liquor and cannabis retail outlets



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Access by Canadians to regulated liquor and cannabis retail outlets

A large share of the goods and services Canadian households purchase are acquired from private sector retail outlets that are largely unregulated. Some regulations do apply to all retail outlets such as minimum wage legislation, health and safety requirements, zoning rules and holiday shopping restrictions, but in most respects the retailers are free to sell whatever array of products they decide upon, to acquire goods from the wholesalers of their choice, to charge whatever prices they deem appropriate, to display the goods as they see fit and so on. That is the normal case in Canada's free market economy.

An important exception to this general statement concerns retailers of restricted substances, such as alcoholic beverages and, after October 17, 2018, cannabis products. The stores selling products of this kind are more heavily regulated by provincial and territorial government authorities. In some jurisdictions, only government owned and controlled outlets are permitted to sell the products while in others, although private sector vendors are allowed to operate, their locations and activities are more tightly regulated than those of other types of retailers.

Because products such as these are highly regulated, there is a potential for corresponding illicit markets, sidestepping the regulations, to exist. Governments seek to shape the regulatory environments to minimize the size of these illicit markets and one way to do that is to make the regulated products as easily accessible as possible.

Statistics Canada has done some calculations to determine the accessibility of regulated products—liquor and cannabis—to Canadian households in bricks-and-mortar outlets. Using the agency's geographic databases, the location of each Canadian household is identified, and the distance from that location to the nearest legal retail outlet is calculated.¹ Averages of these distances are then calculated to determine how generally accessible these products are to Canadians. It must be noted this takes no account of online or illegal retailers.

Liquor stores

Table 1 and Table 2 show the results for liquor stores.² There are 2,895 of them in Canada and the population-weighted average distance between Canadians and the nearest liquor store is five kilometres (Table 5). As can be seen in Table 2, 90% of Canadians all across the country live within 10 kilometres or less distance from a liquor store and 82% live within five kilometres. Understandably the provinces and territories with low population densities have less easy access, with Nunavut being the most extreme case. Only 22% of Nunavut residents live within 10 kilometres of a liquor store. The provinces where liquor stores are most accessible are Ontario (95%), British Columbia (95%), Alberta (91%) and Quebec (89%). In Newfoundland and Labrador 62% have access within 10 kilometres and in Northwest Territories 70% have this degree of access. All the other provinces and territories have 70% to 80% of their populations within 10 kilometres of the nearest liquor store.

Also of interest is the fact that in Alberta, which has 874 retailers authorized to sell liquor (Table 5), 64% of the population (Table 2) lives within one kilometre of a liquor store. This is substantially higher than in any other province and partially reflects the fact that in Alberta private sector retailers can obtain permits to sell liquor. In British Columbia the percentage is 41% and in the other provinces and territories it is below 30%.

Cannabis stores

Table 3 and Table 4 show information similar to that in the first two tables, but for cannabis 'bricks-and-mortar' outlets rather than liquor stores. In this case the statistics are somewhat speculative, since no cannabis outlet can open for business legally until October 17, 2018. Each province and territory is presently implementing the rules

1. The point location of each household is represented by the centre of the census Dissemination Area (DA) within which the household dwells. The locations of the stores are similarly represented. The DA is the smallest standard geographic area for which all census data are disseminated. In effect, the distance is measured as the straight-line distance. There are alternative ways in which the distance between households and stores could be measured, such as the distance when travelling along the road network or the distance when travelling by public transport.

2. Liquor stores defined as businesses whose primary revenues result from sale of alcoholic beverages as of July 2018. Effort was taken to remove businesses selling only wine or beer. This definition results in some under-coverage in rural areas, where some businesses generate part of their revenue from sale of alcoholic beverages.

and regulations that will apply in its own case. Some are planning to open government owned and operated retail outlets while others are allowing private retailers to apply for permits to sell cannabis products. In Ontario, there will be no legal cannabis outlets until private retailers are permitted to open for business on April 1, 2019, although online purchases will be allowed from October 17, 2018 forward. Northwest Territories and Nunavut are also expected to have no cannabis stores open in the fourth quarter. No account is taken in this analysis of legal online sales or illegal sales of cannabis products.

Overall, although it remains unclear at this time exactly how many cannabis retail locations will be open on October 17, 2018 and where they will be situated, there is nevertheless a great deal of information available. Statistics Canada has gathered whatever facts and intentions are publicly available about store locations in each province. In some jurisdictions the number and location of outlets that will be open in October is already decided. In others, less complete information is available and Statistics Canada has made its own imputations based on the available facts. It is estimated there will be 288 open cannabis retail outlets in the fourth quarter (Table 5).

On this basis, Table 3 and Table 4 show the expected accessibility of cannabis products in the fourth quarter after they become legal in Canada on October 17, 2018. For the country as a whole 35% of the population is expected to have access to cannabis outlets within 10 kilometres or less of their residence and 25% within five kilometres or less. British Columbia leads the provinces and territories with expected access at 73% of its population. The three Prairie provinces, Yukon and Newfoundland and Labrador are each expected to have 10-kilometre access for 60% to 70% of their populations. The three Maritime provinces are each expected to have access rates between 55% and 60%. In Quebec only 40% of the population is expected to have this degree of access while in Ontario, Northwest Territories and Nunavut access is expected to be 0% in the fourth quarter. All provincial and territorial cannabis access rates are expected to increase substantially in 2019 and 2020 as additional retail outlets are opened.

Conclusion

Canadians have remarkably good access to liquor stores all across the country with 90% living within 10 kilometres of a store. Not surprisingly, their access to cannabis stores immediately after legalization on October 17, 2018 is likely to be much more restricted with only 35% of the population dwelling within 10 kilometres of a store. It is emphasized this is a preliminary estimate based on less-than-full information about the number of stores expected to open and their locations. Cannabis accessibility will undoubtedly increase substantially in 2019 and 2020.

Table 1
Cumulative number of Canadians¹ living within a given distance to a liquor store,² fourth quarter 2018

	Given distance to a liquor store				
	1 km	2 km	5 km	10 km	More than 10 km
	number				
Canada	11,362,355	21,277,831	28,876,635	31,711,644	35,151,728
Newfoundland and Labrador	84,776	158,242	265,484	321,357	519,716
Prince Edward Island	20,498	38,328	77,954	107,592	142,907
Nova Scotia	207,360	382,390	588,728	738,101	923,598
New Brunswick	112,467	229,098	419,581	542,312	747,101
Quebec	2,360,006	4,650,155	6,499,149	7,290,334	8,164,361
Ontario	3,460,906	7,835,317	11,587,894	12,770,424	13,448,494
Manitoba	349,046	758,067	913,421	977,472	1,278,365
Saskatchewan	249,628	539,875	746,822	793,642	1,098,352
Alberta	2,591,997	3,336,786	3,554,164	3,704,638	4,067,175
British Columbia	1,908,747	3,323,470	4,168,425	4,402,666	4,648,055
Yukon	4,407	8,264	23,824	26,294	35,874
Northwest Territories	9,326	14,648	23,449	29,072	41,786
Nunavut	3,191	3,191	7,740	7,740	35,944

1. Census of population (<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3901>).

2. Liquor stores defined as businesses whose primary revenues result from sale of alcoholic beverages as of July 2018. Effort was taken to remove businesses selling only wine or beer. This definition results in some under-coverage in rural areas, where some businesses generate part of their revenue from sale of alcoholic beverages.

Source: Statistics Canada.

Table 2
Cumulative percentage of Canadians¹ living within a given distance to a liquor store,² fourth quarter 2018

	Given distance to a liquor store				
	1 km	2 km	5 km	10 km	More than 10 km
	percent				
Canada	32	61	82	90	100
Newfoundland and Labrador	16	30	51	62	100
Prince Edward Island	14	27	55	75	100
Nova Scotia	23	41	64	80	100
New Brunswick	15	31	56	73	100
Quebec	29	57	80	89	100
Ontario	26	58	86	95	100
Manitoba	27	59	72	77	100
Saskatchewan	23	49	68	72	100
Alberta	64	82	87	91	100
British Columbia	41	72	90	95	100
Yukon	12	23	66	73	100
Northwest Territories	22	35	56	70	100
Nunavut	9	9	22	22	100

1. Census of population (<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3901>).

2. Liquor stores defined as businesses whose primary revenues result from sale of alcoholic beverages as of July 2018. Effort was taken to remove businesses selling only wine or beer. This definition results in some under-coverage in rural areas, where some businesses generate part of their revenue from sale of alcoholic beverages.

Source: Statistics Canada.

Table 3
Cumulative number of Canadians¹ living within a given distance to a planned cannabis store,² fourth quarter 2018

	Given distance from a planned cannabis store				
	1 km	2 km	5 km	10 km	More than 10 km
	number				
Canada	1,440,702	3,797,855	8,757,433	12,194,999	...
Newfoundland and Labrador	51,424	141,076	274,922	336,714	519,716
Prince Edward Island	6,907	29,616	59,576	82,626	142,907
Nova Scotia	43,792	135,644	363,855	512,091	923,598
New Brunswick	34,833	97,642	290,802	414,181	747,101
Quebec	171,052	572,007	1,789,784	3,296,701	8,164,361
Ontario	0	0	0	0	...
Manitoba	72,366	261,485	747,866	826,490	1,278,365
Saskatchewan	117,606	316,339	684,128	727,937	1,098,352
Alberta	624,382	1,394,464	2,229,038	2,593,820	4,067,175
British Columbia	317,523	846,977	2,302,059	3,381,659	4,648,055
Yukon	817	2,605	15,403	22,780	35,874
Northwest Territories	0	0	0	0	...
Nunavut	0	0	0	0	...

... not applicable

1. Census of population (<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3901>).

2. Planned cannabis store locations provided by provincial and territorial authorities as of August 2018.

Source: Statistics Canada.

Table 4
Cumulative percentage of Canadians¹ living within a given distance to a planned cannabis store,² fourth quarter 2018

	Given distance from a planned cannabis store				
	1 km	2 km	5 km	10 km	More than 10 km
	percent				
Canada	4.1	10.8	24.9	34.7	...
Newfoundland and Labrador	9.9	27.1	52.9	64.8	100
Prince Edward Island	4.8	20.7	41.7	57.8	100
Nova Scotia	4.7	14.7	39.4	55.4	100
New Brunswick	4.7	13.1	38.9	55.4	100
Quebec	2.1	7	21.9	40.4	100
Ontario	0	0	0	0	...
Manitoba	5.7	20.5	58.5	64.7	100
Saskatchewan	10.7	28.8	62.3	66.3	100
Alberta	15.4	34.3	54.8	63.8	100
British Columbia	6.8	18.2	49.5	72.8	100
Yukon	2.3	7.3	42.9	63.5	100
Northwest Territories	0	0	0	0	...
Nunavut	0	0	0	0	...

... not applicable

1. Census of population (<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3901>).

2. Planned cannabis store locations provided by provincial and territorial authorities as of August 2018.

Source: Statistics Canada.

Table 5
Population-weighted distance to liquor stores and planned cannabis retailers, fourth quarter 2018

	Liquor stores ¹	Planned cannabis retailers ²	Population-weighted average distance ³	
	number		Liquor	Cannabis
	kilometres			
Canada	2,895	288	5	...
Newfoundland and Labrador	32	28	26	24
Prince Edward Island	16	4	6	11
Nova Scotia	116	12	5	17
New Brunswick	53	20	8	15
Quebec	421	13	5	46
Ontario	739	0	3	...
Manitoba	75	24	14	42
Saskatchewan	116	50	11	20
Alberta	874	105	3	36
British Columbia	437	31	3	31
Yukon	7	1	18	72
Northwest Territories	8	0	40	...
Nunavut	1	0	544	...

... not applicable

1. Liquor store locations are from Statistics Canada's Business Register (<https://www.statcan.gc.ca/eng/survey/business/1105>) as of July 2018. Stores co-located with other businesses are not included at this time.

2. Planned cannabis store locations provided by provincial and territorial authorities as of August 2018.

3. Census of population (<http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3901>).

Source: Statistics Canada.