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Germany's Adult Use Cannabis Laws Steeped In Optimism And Uncertainty At The Moment

by Andrew Ward | 

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Luxembourg and Malta became the first two European nations to pass adult use cannabis laws in October and December 2021, respectively.

In June 2022, Germany set the global market abuzz when Health Ministry officials announced legislation to be introduced later this year and implemented in 2023.

If legalized, Germany could earn €4.7bn (\$4.6bn) per year, according to the Düsseldorf Institute for Competition Economics.

It is unclear if the country, which legalized medical marijuana use in 2017, will reach its goal. But since making the statement, lawmakers have listened to the global market, visiting various marketplaces and hosting experts.

While market optimism was apparent among sources Benzinga spoke with, so was uncertainty around legalization's actual timeline.

Optimism Meets New Market Worries

Much remains undetermined at this time. Some have gotten impatient, demanding action sooner rather than later.

In May, Germany's Bundestag parliament pressured the Health Ministry to introduce a bill this year or risk a fund reduction. In August, the Health Ministry confirmed it would do so.

All the while, lawmakers are educating themselves on adult use legalization, including a summer session of discussions, debates and visits to cannabis marketplaces, including California.

Education sessions included a roundtable discussion initiated by Tilray Inc [TLRY](#) + Free Alerts, a company operating in Germany's medical market for four years. German Drug Commissioner Burkhard Blienert, who attended the discussion, reportedly presented a plan for legalization and affirmed plans for a first draft to be released in the coming months.

Two days after the early September press release, lawmakers pushed back on the idea that Tilray is part of the legalization discussion, saying the meeting was a one-off conversation.

Sascha Mielcarek, Tilray's managing director for Europe told Benzinga that the meeting was inaccurately described in an article, suggesting that Tilray would be more involved in the legalization process than it is.

Mielcarek stood by Tilray's press release, telling Benzinga, "There were politicians and companies in the room; there was an open dialogue."

Mielcarek feels that Tilray is well poised in the German market, with assets including a GMP-certified cultivation facility in the country. However, regulations remain unfinished, leaving a high degree of uncertainty in the market.

"You plan a bit against some unknown factors, which for sure when it comes to investment decisions, makes life a bit hard," Mielcarek said.

Undetermined regulations aren't the only potential stumbling block. Various concerns, including an incomplete market infrastructure, product supply worries and factors outside the market's control, leave some feeling that the regulatory complexities will take longer to sort out than anticipated.

"There are voices from the parliament coming back from summer break saying that they now realize that there are some hurdles before legalization," said Franziska Katterbach, president of Khiron Life Sciences Corp [KHRN](#) in Europe.

She listed various hurdles regulators must contend with, including UN and European cannabis rules. Outside global factors, such as the COVID-19 pandemic, expected rising winter heating costs and the Russia-Ukraine war, all push cannabis down the list of priorities for lawmakers.

"They're listening, but to say it's the number one priority would be not right to say," she said of lawmaker priorities.

Still, Katterbach said recent realizations indicate that lawmakers are starting to understand legalization's complexity and how to address pain points. While challenging, she insists the hurdles are "not at all insurmountable."

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Impact of Possible German Cannabis Legalization

If Germany legalizes adult use, a wave of benefits could come to the nation, Europe and plant research.

"The European cannabis industry will light up like a wild bush fire once Germany lays out the rules," predicts **Michael Sassano**, CEO of Somai Pharmaceuticals.

He predicts "a mad rush" of countries following in Germany's footsteps. "Germany legalizing is a big leading indicator for all of Europe to follow suit."

Most agreed, including Tilray's Mielcarek, who said if Germany follows in Luxembourg and Malta's path, then the rest of the continent will do likewise.

"We expect a domino effect," he predicted, expecting complete legalization across Europe two or three years after Germany.

Susanne Caspar, CEO of CBD and supplements brand Linnea, also expects other EU nations to pass legalization laws soon after Germany. While optimistic, she cautions that medical marijuana markets must be preserved.

"It's important that as cannabis is legalized for adult use that it does not destroy the medical market and availability of cannabis as pharmaceutical medicine," Caspar said.

Legalization could also help address critical clinical research questions.

"Legalization in Germany will open the doors for the scientific and medical communities to work within an established structure of research and development, clinical trials, and drug regulations by **BfArM** [the Federal Institute for Drugs and Medical Devices]," said **Dr. Oludare Odumosu**, CEO of Zelira Therapeutics.

Zelira entered the German medical market in September via an exclusive agreement with **Adjupharm GmbH/IM Cannabis Corp** [IMCC + Free Alerts](#) for its cannabinoid-based insomnia medication, Zenivol.

While planning for the future is well and good, Khiron's Katterbach encourages further work on the medical marijuana market. "We can work on something which we do know, and that's the scheme which we have right now."

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