

**NATIONAL COUNCIL OF PROVINCES
QUESTION FOR WRITTEN REPLY**

**FRIDAY, 10 FEBRUARY 2023
DUE DATE: 24 FEBRUARY 2023**

40. Ms C Visser (North West: DA) to ask the President of the Republic:

- (a) What progress has been made with regard to his executive undertaking in his state-of-the-nation-address on 10 February 2022 (details furnished) and
- (b) what tangible results have been achieved in this endeavour?

CW40E

REPLY

Considerable progress has been registered in the development of the hemp and cannabis industry.

To date, 83 cannabis licences, 4 manufacturing licences and 30 research permits have been issued by the South African Health Products Regulatory Authority (SAHPRA). The Department of Agriculture, Land Reform and Rural Development (DALRRD) has issued 371 hemp permits.

These licences and permits have enabled significant investment, employment creation, the application of technology, intellectual property development and exports to highly competitive global markets.

We are undertaking work to develop a country competitive strategy to identify where South Africa has competitive and comparative advantage.

In addition, we have appointed a team of financial experts to develop a public and private sector blended financing instrument to support investment across the sector.

The Industrial Development Corporation has established a dedicated sector fund supporting investments in the sector.

The regulatory eco-system for hemp and cannabis cultivation and processing is complex and multi-faceted. The applicable legislation is the Drugs and Drug Trafficking Act, the Medicines and Related Substances Act and the Plant Improvement Act. Further legal work will be done to understand the longer term regulatory and legislative reform to enable comprehensive and overarching legislation.

The Department of Science and Innovation (DSI) and the Council for Scientific and Industrial Research (CSIR) has undertaken a research map of all tertiary institutions involved in hemp and cannabis research for the purposes of supporting the development of the sector.

The Department of Small Business Development (DSBD) and the CSIR have launched an incubation programme with 30 SMMEs to assist these businesses to develop prototype technologies and intellectual property for product manufacture in the areas of cosmetics, food, complimentary medicines and African traditional medicines. The CSIR has also purchased catalytic equipment which is being installed at the Ngqura Special Economic Zone for processing of primary agricultural product for downstream demand.

The government is working with several mining companies to explore the potential use of hemp for mine rehabilitation and remediation. Two pilot projects are underway in this regard.