

# What will legalisation of cannabis in Germany mean for the European market?

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Germany's impending move to legalise recreational cannabis could be a key development in Europe's deregulation of cannabis – and the cannabis and healthtech sector. The anticipated reform, set to be announced next year, could see Germany join countries like Canada, Australia and part of the United States in drastically deregulating cannabis.

As the UK Managing Director of the medical cannabis platform *Montu* with a decade in the healthtech space, I am just one among many watching closely to see what happens in Germany, a country with a similar health economy and patient numbers to the UK.

European healthtech and investors will no doubt also be looking closely to predict how the medical and legal cannabis landscape could shift in the coming months and years ahead.

# European regulation

In most of Europe, cannabis for both medical and recreational use is highly regulated. While Australia, Canada and part of the United States have loosened laws surrounding cannabis and subsequently built billion-dollar industries around it, Europe is (for the most part) trailing behind. But Germany could be the exception – and a sign of things to come.

After the legalisation of medical cannabis in 2017, support for Germany's cannabis industries gained momentum. It was reported that £54.M worth of funding went to German-based cannabis startups in 2022 alone – including investments in startups *Sanity Group*, *Demecan*, *Bloomwell Group*, *Cantourage* and Snoop Dogg-backed *Cansativa*.

And the pace looks set to continue. According to market intelligence platform Prohibition Partners, the move to deregulation in Germany could further fuel the market further making it worth an anticipated £6.68B by 2028. By contrast, the BBC reported the UK market was worth £2B.

## The UK market is still held back by regulation and stigma

The UK, by contrast, is further behind its German counterpart. Despite legalising medical cannabis just one year later in 2018, regulation and stigma surrounding medical cannabis remains a barrier for patients and businesses.

One of the big reasons is that UK regulation means only specialist doctors are able to prescribe medical cannabis. Of the 133,000 doctors estimated to be in the NHS, only 150 are specialised in cannabis treatment, and last reports suggested just five people had received medical cannabis on the NHS.

Those who have accessed medical cannabis legally often are faced with stigma and a lack of awareness – even from the police. In a recent survey of police officers, 1 in 3 were unaware of the legality of medical cannabis and unwarranted searches are well documented. The strict regulation and inaccessibility leave the majority of patients seeking private clinics, like ours, where they can speak with specialist doctors.

Heightened regulation causes unnecessary suffering for people attempting to access medical cannabis – a drug which comes with far less dangerous side effects compared to opioids, the most commonly prescribed pain relief. Medical cannabis has been proven to be an effective treatment for a series of conditions, from chronic pain and chemotherapy-related side effects to

neurological disorders such as Parkinson's. Many of our patients are also people grappling with long-term mental health conditions like anxiety, PTSD, and insomnia.

## Deregulation is good for patients and the industry

When it comes to bringing down unnecessary barriers to treatment for patients, deregulation and increased awareness is a good thing. It lowers costs, boosts accessibility and reduces the stigma by normalising treatment.

It's important to note that the road to lowering barriers for patients isn't necessarily about total deregulation, but rather about finding the right regulation. For this to happen, we need to have more collaborative conversations that involve patients, doctors, and companies working in this space – alongside government voices.

There's no doubt that refining regulation is good for the industry too. While we're still relatively new to the UK market, our parent company Montu's 1000 prescribing clinicians have helped hundreds of thousands of people access safe and effective pain relief in the form of medical cannabis in markets like Australia, where medical cannabis is administered safely with far less red tape. The loosening of laws has created a thriving new sector in Australia that is employing thousands of people, from doctors and pharmacists to growers and delivery staff.

We're on track to do the same in the UK, where the market is much younger but is just in as much need for better access to medical cannabis. The UK is experiencing a chronic pain epidemic, which up until now has been covered largely by the opioid industry, a section of Pharma which has been receiving a lot of negative press due to the high rates of addiction linked to it. And while it still remains an issue for most to access through the NHS – and for many private isn't affordable – Brits are spending an estimated £3.75B each year on illegal cannabis to self-medicate.

The issue, the UK medical cannabis market is being slowed down by unnecessary barriers that serve no one, least of all patients. The UK should take inspiration from mature markets like Canada, Australia – and potentially Germany – in their path to deregulation, or else it risks falling behind.

Asif Dewan is the UK Managing Director of Montu.

Montu's UK clinic is Alternaleaf.

