

**PRESENTATION
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MINISTER OF INDUSTRY, INVESTMENT &
COMMERCE
GORDON HOUSE
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Mr. Speaker, the challenges of getting Jamaica onto a path of sustained growth and economic development with the creation of jobs must include facilitating the development of new industries for which we can demonstrate a competitive advantage. This is integral to diversifying the economic base of the country and making it resilient to inevitable economic cycles and external shocks that the country will face from time to time.

To this end, Mr. Speaker, it is the fervent belief of this Government that the establishment of a marijuana industry represents for Jamaica, a new and emergent industry with tremendous possibilities. We have already seen evidence of its development and prioritization in many parts of the

world. For example, as of January 2015, some nine countries, including Switzerland, Portugal, Spain, Bangladesh and Uruguay have made it legally easier to establish localised cannabis-based industries.

Within the United States of America, some 23 states have legalised medical marijuana (including Colorado and the State of Washington that allow recreational use of the product). In Canada, it has been reported that investments valued at over US\$100 million have flowed into the Canadian medical marijuana industry, since the necessary laws were put in place.

HEMP

In terms of Hemp, the commercial variant of the cannabis sativa plant, many countries around the world are already exploiting the over 25,000 uses of the plant, ranging from paper, food, textiles and industrial products, such as solvents and lubricants. Current industry estimates put U.S. retail sales of all hemp-based products at conservatively US\$500 million per year.

In terms of Jamaica, our entry into this market would see us joining some 30-odd countries already involved in the cultivation and production of hemp and hemp-related products. Countries such as China, France, the UK, Romania and Hungary are already noted producers and exporters of hemp-based products.

Mr. Speaker, hemp is one of this country's natural resources and we are moving earnestly to capitalize on this opportunity.

The question arises, therefore, what are we doing here in Jamaica? What is the Government doing? Are we missing the boat? The answer to those questions, Mr. Speaker, is a categorical, no! My Colleague from Central Manchester has set out clearly the clause-by-clause explanation of the Bill before us.

Government

As a Government, we continue to create a favourable investment climate and business environment, which is essential to the successful development of any industry, and even more so, medical marijuana. In our efforts to move forward with the establishment of this new and emergent industry, we have caught and are holding the attention of the entire international community. An international marijuana conference has been successfully held here in Jamaica, and Cabinet has been working through a sub-committee comprising of all Government ministers, and their technical staff involved in the development of this emerging industry.

Mr. Speaker, while the cannabis industry has been developing organically, every effort must now be made for it to achieve its full potential. This means adopting a strong commercial approach, based on entrepreneurial practices that are market-driven, broad based and results in value added outputs, both goods and services.

In this way, Mr. Speaker, we expect to achieve significant benefits and realize new economic opportunities for a wider cross-section of communities across the length and breadth of our island.

Role of MIIC

Mr. Speaker, the Ministry of Industry, Investment & Commerce (MIIC), acting primarily through JAMPRO, have been involved in the government's efforts to formally establish a local medical marijuana industry. To this end, we have been focused on areas such as regulations, standards development, intellectual property, investment promotion, and the involvement of our micro, small and medium-sized enterprises in the development and growth of the industry.

Development of Regulations for Industrial Hemp

Mr. Speaker, a condition for developing the hemp industry in Jamaica is the decoupling of hemp from the Dangerous Drugs Act. This will be achieved upon passage of this Bill by providing a definition of “Hemp” based on its typically low THC (tetrahydrocannabinol) levels.

In moving the hemp industry forward, a cross-Ministry consultative group has been established and draft regulations governing the establishment of industrial hemp as a viable investment opportunity has been developed, taking into consideration the role of the local farming community. Much work has already been done by this consultative working group and further consultations towards finalization of hemp regulations awaits the passage into law by this Honourable House.

Participation in the Ganja Sub-Committee of Cabinet

As Minister of Industry, Investment & Commerce, I am a member of a sub-committee of Cabinet, which is chaired by the Minister of Justice that was established with the general objective to determine the Government's best path for the formal establishment of the medical marijuana industry. Since its February 2014 establishment, the Ministry has been actively participating in the Sub-Committee's deliberations and assumed the leadership role in the development of the recommended regulatory framework on the related-matter of industrial hemp, as I have just outlined.

Consultations with International Investors

Mr. Speaker, as the portfolio ministry with responsibility for industry development and investment, the MIIC has, over the course of the past eighteen months, met with numerous interests – both local and foreign – regarding medical marijuana. A series of consultations were held with various persons, ranging from universities and

research-based entities, to actual manufacturers of medical marijuana products. I can report to this House that the interests of both local and foreign potential investors in this, impending new industry is extremely high.

Intellectual Property Protection

Mr. Speaker, in the development of the local marijuana and hemp industries, the matter of Intellectual Property (IP) protection is of the utmost importance. This is important not only in the development of the medicinal marijuana, hemp, nutraceuticals, and all the other associated products, but also important in ensuring Jamaica's enduring relevance and competitiveness in this emerging global industry.

Mr. Speaker, as a Government and people we must recognize the unique role played by the Rastafarian Community in the creation and development of reggae music, its close association with ganja and brand Jamaica. In recognition of this history and fact, Mr Speaker, the MIIC through JIPO is examining the intellectual property rights of the Rastafarian Community in aspects of our traditional knowledge (TK) and Traditional Cultural Expressions (TECs), with the assistance of the World Intellectual Property Organization (WIPO).

Mr Speaker, we see intellectual property protection, therefore, as integral to the development of the marijuana industry. Even as I speak today, the World Intellectual Property Office (WIPO) is meeting with Heads of Intellectual Property Offices of Caribbean countries, right here in Jamaica. The meeting, among other things, involves discussions surrounding fostering a strategic partnership between WIPO and its Member States for development oriented national intellectual property (IP)

policies and the formulation of national and regional IP strategies.

MSME

Mr. Speaker, the development of the local marijuana industry will also provide significant business opportunities to the MSME sector, which forms the base and foundation of the industry, and indeed, our economy. This includes current players in the informal economy that have grown – albeit under the radar – to support this product.

The idiosyncrasies of this sector – its agility and diversity – are actually part of what will drive this industry’s success. As such, regulations will have to be put in place to ensure that they are not disenfranchised, but rather, serve as the inspiration for those regulations.

Next Steps Forward

Mr. Speaker, there is no doubt that the adoption of appropriate regulations and standards will be critical in moving the marijuana industry forward.

With the approval of the amendments to the Dangerous Drugs Act in Parliament, a Cannabis Licensing Authority will be established as mentioned, along with the regulations related to the development of the industrial hemp and medical marijuana industries in Jamaica. The issuing of permits and licenses will also be in keeping with the legislation and said regulations.

Finalisation of Regulations for Industrial Hemp and Medical Marijuana

As the Minister with proposed responsibility for the establishment of this Authority in collaboration with the other Ministries named in the Bill, my aim is to quickly convene the Authority to update its membership on a

number of major considerations, including bringing under its remit, work that has started in respect of hemp regulations, as we seek to ensure finalisation and adoption of the regulations within the shortest time possible.

In respect of regulations for medical marijuana, the Ministry will be working with the other Ministries, Departments & Agencies, and as the regulations emerge, the inputs from the Ministries of Agriculture and Science, Technology, Energy & Mining and the private sector will drive the necessary research and analysis of the plants.

Considerations from the Ministry of Health will guide the impact of the medical application of the plant and, of course consumption as it relates to hemp. In the weeks following the establishment of the Cannabis Licensing Authority, a consultant will be engaged to undertake the work required in this area.

Development of Industry Standards

Mr. Speaker, a key aspect of the development of these industries will be the research and development that has already began in respect of the various types of cultivars that are currently in the country, and the inherent value of these both for product development and as medicines.

While this level of research will primarily be the remit of the Scientific Research Council, and has also included tertiary institutions such as the University of the West Indies, and the University of Technology. Responsibility for the development of standards for the industry will fall within the remit of the Bureau of Standards Jamaica (BSJ).

Already, a defined role has emerged for the Bureau of Standards in respect of the monitoring and enforcement of licenses to be issued for cultivation, particularly given the definitional distinction between hemp and marijuana.

Work in this regard has already started and will be incorporated in the regulations to be developed.

Investor Interest

Over the next few months, Mr. Speaker, it is expected that with the amendments to the Dangerous Drugs Act and the development of the ensuing regulation, investor interest – both local and overseas – will continue to rise. JAMPRO has already been charged with the task of clearly defining the investment opportunities that exist and managing the investor interest in this new area. In fact, it is most likely that upon the finalisation of the regulation, an investor briefing will be undertaken to ensure that the private sector is appraised of the opportunities in this area.

Conclusion

Mr. Speaker, the past 18 months have witnessed a concerted and persistent campaign to drive the formalization of an industry that has the potential to:

- Increase foreign exchange earnings
- Create employment opportunities ranging from agriculture to manufacture
- Improve the social and economic well-being of all persons involved; particularly the youth population.

As a Government, we have gone about this process in a balanced and responsible manner, considerate of all the interests involved in this challenging exercise including that of our international obligations.

We will continue to be inclusive and respectful in carrying out our responsibilities under the new Act when it is passed. The task ahead, Mr. Speaker, is as great as that which informed the Bill before us today and I pledge my commitment to the task ahead and express my wish that the Political Parties and the Society remain united in this effort at realizing the great potential of this emergent Industry.

Mr. Speaker, it is for these and other reasons that I support the Bill.