

Is SA's cannabis industry predicted to become 'green gold' or 'fool's gold'?

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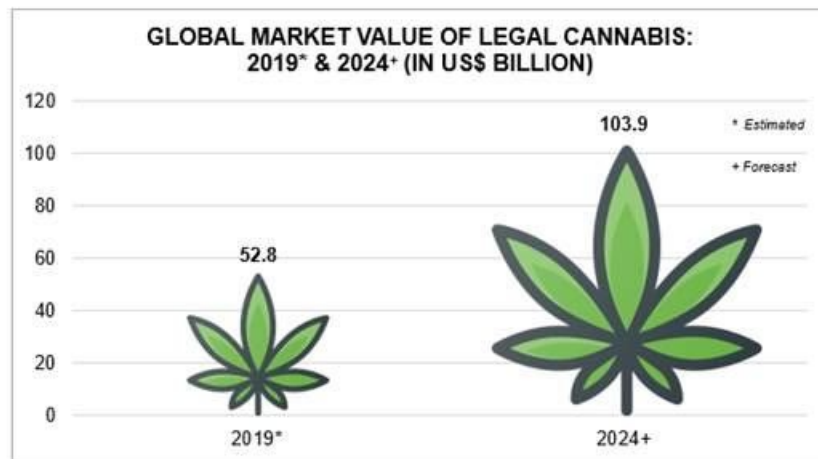
In recent years, the global cannabis market has witnessed a significant boom. This has mainly resulted from the increased acceptance and acknowledgement of the therapeutic potential of cannabis, as well as the growing movement of legalisation and decriminalisation of cannabis.



Following suit, in South Africa, this industry was unleashed on the country in September 2018, when the Constitutional Court decriminalised the use, possession and cultivation of the plant by adults, in private and for personal consumption. As a result, the South African cannabis industry has witnessed significant growth, with many new entrants and startups helping to drive and innovate this 'greenfield' market. However, the question remains whether cannabis will become 'green gold' or 'fool's gold' in the foreseeable future.

Insight Survey's latest South African Cannabis/CBD Industry Landscape Report 2021 carefully unfolds the cannabis landscape in South Africa based on the latest research and information. In particular, it describes the key global and local market trends, innovations, drivers and challenges, to present an objective insight into the South African cannabis/CBD industry and its future.

Globally, the legal cannabis market has witnessed significant growth over the past few years and was estimated to be worth approximately \$52.8bn in 2019. Furthermore, as per the graph below, the global legal cannabis market value is forecast to increase by a CAGR of 14.5% from 2020, to reach \$103.9bn by 2024. Regionally, North America represented the largest market in 2019, constituting 88.4% of revenue share. However, the European market is predicted to become the largest regional market over the next five years, boosted by medical cannabis.



Source: [Adtechdaily](#); [Benzinga](#). Graphics by Insight Survey
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Following global trends, the South African cannabis market has also been on a strong growth trajectory and is forecast to witness significant growth over the next few years - increasing by approximately 33% between 2019 and 2023. Similar to the global market situation, the growth of this market has mainly been driven by the easing of legislation and the increasing awareness of the potential health benefits of cannabis. Furthermore, this product has remained available despite the current Covid-19 pandemic, which has further contributed to market growth.

Key trends that are driving growth, have largely centred around cannabis-infused products, which have expanded into a variety of new markets. These include CBD-infused alcohol products, pet CBD products and cosmetic CBD skincare. One such example is Monks, that offers a range of CBD-infused alcohol and alcohol-related products. These include 'Mary-Jane' hemp-infused gin, Monks Indian Tonic Water with CBD and Monks CBD Cocktail Syrups.

Additionally, more consumers are using CBD-infused products to take advantage of CBD's more unique benefits. This includes CBD-infused skincare products, which are being used not only to treat skin conditions but for cosmetic purposes as well. CBD-infused products offer a range of cosmetic benefits, such as reducing oil production, reducing redness and offsetting skin damage.

However, the benefits of CBD-infused products are not limited to humans. CBD-infused products for pets are now available in a variety of formats, including oils, chews, biscuits and other pet treats. These products reportedly offer a range of benefits for pets including pain relief, reducing stress levels and improving appetite, amongst other benefits.

Furthermore, due to the restrictive regulation around cannabis products, industry innovation has been paramount in driving the positive impact and growth of the local market. One such example is the launch of LIS Dessert Bar, Cape Town's first dessert bar offering cannabis-infused products. The dessert bar offers a range of vegan, cannabis-infused ice cream and other desserts.

Another example is cannabis growing and delivery service, C3, which was recently introduced to the market. This service grows members' cannabis legally on its premises under a lease, and once fully grown, delivers it to the customer's doorstep. There have also been significant developments in terms of cannabis education in South Africa, with the launch of the country's first online cannabis university, Cheeba Cannabis Academy, as well as the recent release of an online training course aimed at addressing issues regarding cannabis use in the workplace.

However, despite the recent growth of the market and an influx of South African businesses into this market, unclear regulations have hampered market growth, which is expected to continue over the next couple of years. Therefore, it remains to be seen whether the local cannabis market will indeed become 'green gold' or 'fool's gold'.

The **South African Cannabis/CBD Industry Landscape Report 2021** (142 pages) provides a dynamic synthesis of industry research, examining the local and global Cannabis industry from a uniquely holistic perspective – from global and

local trends to analysing the key South African market players.

Some key questions the report will help you to answer:

- What are the current market dynamics (market environment and key regional markets) of the global cannabis industry?
- What is the current market size and forecast for the South African cannabis industry?
- What are the latest global and South African cannabis industry trends, innovation and technology, drivers and challenges?
- Who are the key manufacturers, distributors, and retail players in the South African cannabis industry?
- What are the prices of cannabis and CBD products at pharmacies and independent or online retailers?

Please note that the 142-page full report is available for purchase for R15,000 (excluding VAT). Alternatively, individual sections can be purchased. For additional information simply contact us at or directly on (021) 045-0202 or (010) 140-5756.

For a full brochure please go to: [South African Cannabis/CBD Landscape Brochure 2021](#)

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Insight Survey is a South African B2B market research company with more than 15 years of heritage, focusing on business-to-business (B2B) market research to ensure smarter, more-profitable business decisions are made with reduced investment risk.

We offer B2B market and industry research solutions to help you to successfully improve or expand your business, enter new markets, launch new products or better understand your internal or external environment.

Our bespoke Competitive Business Intelligence Research can help give you the edge in a global marketplace, empowering your business to overcome industry challenges quickly and effectively, and enabling you to realise your potential and achieve your vision.

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