



5 Minutes for Business

August 8, 2019

Canada's Cannabis Opportunity: Let's Think Bigger

It has been nearly ten months since Canada became the second country and first large developed economy in the world to legalize recreational cannabis for adult use. This bold economic experiment is generating new jobs and economic opportunity as thousands of Canadians have flocked to work in this burgeoning industry. Unlike other new industries that often generate localized growth in specific regions or large cities, the cannabis industry is proving far more expansive, providing new opportunities across the entire country including in many smaller and rural communities.

This growth is being fueled by hundreds of entrepreneurial and innovative companies that have been running non-stop to establish a foothold in this new market. At the same time, federal, provincial and municipal governments have undertaken an enormous amount of work to establish legal frameworks for the recreational cannabis industry. Given how far we have come in so little time, it is not surprising that governments, like many companies participating in this brand new sector, have not gotten every decision correct.

Federal regulators, who by their nature are risk-averse, have been even more so in the development of the rules governing the production, distribution and sale of cannabis. It is understandable why: it is not just Canadians watching, it is the entire world. While regulators and businesses may disagree about some of these rules, they do share a common goal of making sure Canada gets this right.

Getting it right means that we need balanced regulatory frameworks so that we do not lose the competitive advantage that we have. So where do the rules still need refining? The high federal regulatory, tax and user fee burden on producers is [giving the illegal market a competitive price advantage](#), as was [predicted by many before legalization](#). Federal marketing and packaging rules have also created overly restrictive and confusing rules for Canadian companies to promote themselves and their products. On top of strict federal rules for edibles, beverages and topicals that will become legal later this year, [Quebec is proposing to prohibit a wide range of edible products](#) which means those products would continue to be supplied by the unregulated illegal market in that province.

With our head start, Canada has the potential to be a world leader in the nascent global cannabis industry as other countries liberalize their medical and recreational markets. However, taking advantage of this unprecedented opportunity means we cannot rest on our laurels about being the first, it means we must continue to learn from our experience and adapt.

This opportunity is why the Canadian Chamber, along with Fire & Flower, one of Canada's leading cannabis retailers, has [launched the National Cannabis Working Group](#). The National Cannabis Working Group is co-chaired by Fire & Flower's Nathan Mison, Vice President of Government and Stakeholder Relations and [includes many of Canada's largest cannabis companies](#). It also includes important ancillary



businesses supporting the sector's growth with the shared goal of advocating for policies that foster a strong, competitive sector while helping governments achieve their health and safety objectives.

As Canada approaches the one-year anniversary of legalized recreational cannabis, it is a good time to take stock of not just where our new cannabis industry has come from, but where we want to go.

Charting that path forward will require business and governments to work closely together, overcome our typical Canadian modesty and boldly seize the opportunity in front of us. We only get one shot at being first.

For more information about participating in the National Cannabis Working Group, please contact [Ryan Greer](#), Senior Director and Cannabis Policy Lead.