

THE BOOMING MEDICAL CANNABIS MARKET IN PORTUGAL

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The potential surrounding the use of the cannabis plant and its derivatives for medicinal purposes has ignited growing interest and attention in Portugal and elsewhere in recent times,

with wide media coverage and public discussion. Reports from various parts of the globe on the use of the plant in a somewhat experimental way in response to situations of illness where conventional therapies did not help, in many cases without a legal framework, have contributed to the passing of legislation in Portugal on the matter.

The compromise between different political forces and different levels of concern resulted in Law 33/2018, which governs the use of medicines, preparations and substances based on the cannabis plant for medicinal purposes in Portugal and which came into force on August 1st, 2018.

With this law Portugal joined a still reduced group of countries that are regulating the matter, and the country positioned itself as clear a player in this arena.

According to this law, the use of cannabis is accessible through medical prescription, dispensation taking place in pharmacies, it being up to the physician to evaluate for each patient the benefits of using this type of product. Any physician may prescribe these products, but only in cases where conventional therapies have not worked or have many adverse effects and for a limited list of conditions.

Early in 2019, the INFARMED issued Resolution 11/CD/2019, listing the therapeutic indications deemed appropriate for the preparations and substances from cannabis, which go from symptoms associated with multiple sclerosis, nausea, vomiting resulting from chemotherapy, chronic pain associated with oncological or nervous system diseases to epilepsy.

Under the current legislation, the entire production chain, from the cultivation of the plant to its preparation and distribution, must be known and controlled, it being possible to ensure that all products are produced in accordance with all good practices and the applicable requirements.

Moreover, cultivation, manufacture, wholesale, trade, import and exporting of medicinal products, preparations and substances based on the cannabis plant for medical purposes may be made after authorization from the Infarmed.

This legislation has sparked great attention from across the world, the Infarmed having confirmed recently that it held meetings with 14 entities interested in requesting authorization for the cultivation of cannabis for medicinal purposes.

Even more so, Portugal seems to present an almost perfect combination of factors for this rising industry: favourable weather, many hours of sun light, competitive costs of land and skilled labour force. That might explain that the number of companies incorporated for this scope of activity exceeded 40 in about a year and a half.

Amongst the investors in the cannabis industry in Portugal are Canadian, Israelite, North American, British and German companies, with projects being announced in various parts of the country, such as in the Alentejo, Algarve and Setubal regions, to name a few.

With the market booming in Portugal (and elsewhere) the potential for returns is high. One can therefore expect a solid round of mergers and acquisitions taking place in 2019 and 2020, also bearing in mind the developments in Canada, with the legalization of medical and (safe) recreational use of cannabis.

The path for cannabis medical companies in Portugal is however is not free from difficulties and regulatory challenges, the marketing of medicinal products based on the cannabis plant being subject to a marketing authorization and preparations / substances based on the cannabis plant requiring an authorization of placement in the market.

All in all, this legal development seems to be beneficial to both patients, who now have a clear and safe option of accessing new treatments where conventional therapies did not work, and for investors, who now have a new and regulated line of business that seems to be set for tremendous demand in the coming years.

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