

# What is the status on medical cannabis industry in Denmark 2020?

Denmark's four-year pilot programme for medicinal cannabis has reached its midway point, and the industry continues to thrive. The four-year pilot programme started on 1 January 2018, and it offers a safe entry-point for entities wishing to enter the European medical cannabis market. The Danish Act on a Medicinal Cannabis Pilot Programme together with the Development Scheme enables companies to obtain a license to cultivate cannabis, manufacture and import primary products manufacture intermediate products, and to sell and export bulk and primary products.



## The state of the medical cannabis industry in Denmark

The pilot programme can be seen as a resounding success as the numbers for prescribing doctors and patients treated have so far exceeded expectations. The most recent figures show treatment levels well above those forecasted at the beginning of the pilot programme. The number of prescriptions granted has been growing steadily, with an average quarterly increase of 14%.

In 2019, the majority of the prescriptions (69%) for medical cannabis were prescribed to patients with pain-related conditions. The second largest amount of prescriptions (18%) were prescribed to patients for treating epilepsy. Denmark has roughly 4,300 unique patients to whom medical cannabis has been prescribed.

There are currently four products on the market: Bediol, Bedica and Bedrocan (Bedrocan), and Sedamen (Aurora). Products made by Bedrocan are flowers which are ingested via herbal tea or vapour inhalation, and Aurora's Sedamen is a soft capsule that is ingested orally. The market is currently missing variety, especially regarding cannabis oils. The current demand for cannabis oils is high as they offer more options for consumption, more precise dosing and deliver effects that last longer. As cannabis extraction continues to advance and the popularity to rise, we'll likely see oils and extracts becoming the largest cannabis consumption method.

## Effects of COVID-19 on the medical cannabis industry

The industry was hoping to see Danish products on the market in the first half of 2020, but due to the COVID-19 pandemic, things got slowed down. As the pandemic is slowly beginning to pass, we're waiting to see Danish products being brought to market. This will obviously give patients more variety, thus further improving the overall state of the medical cannabis market here in Denmark.

During the pandemic, the majority of the medical cannabis producers announced that their production capacity has not been affected by the pandemic and orders are executed as usual. This being said, the pandemic has had an impact on the global medical cannabis market in terms of stock evaluations but we're now beginning to see the market to return to its former state prior to the outbreak.

Overall, the pandemic has not had a negative impact on the Danish medical cannabis industry as it has on some other industries. Cultivation and the production of cannabis products have continued as normal in Denmark as the industry took necessary precautions in terms of ensuring steady production capacity.

## **The future of the pilot programme**

Two years into the pilot programme, Denmark has established itself as one of the key players in the emerging medical cannabis industry in Europe. The medical cannabis produced in Denmark, which supplies the Danish market, is perceived as being high-quality due to the high standards in terms of quality control in the agricultural and manufacturing process. This, in turn, fuels demand elsewhere for high-quality medical cannabis produced in Denmark.

As mentioned, the pilot programme is on a good footing and the industry is very optimistic about the future of medical cannabis production in Denmark. In fact, the Danish Minister for Health has made it clear that he expects the trial to continue after 2022.

The medical cannabis industry is huge in Denmark and this is not just because of the market size in Denmark, but due to the opportunity to develop medical cannabis for other countries in Europe. European demand will have a positive impact on the Danish medical cannabis industry, enabling more commercial opportunities in the future.

## **We can assist you**

NJORD is continuously monitoring the changes in the industry, and we can assist you with all matters related to the process of establishing and managing the business. Our services extend beyond obtaining the relevant licenses for medical cannabis production in as much as our expertise is available during the entire process – from entering the market to securing a stable position in the cannabis market. Our lawyers also provide guidance on what the future might hold in respect of the possible changes to legislation.



## **We can help you navigate the market**

We can assist you with all matters related to the process of establishing and managing medicinal cannabis business.



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