

OPINION

THINK
PIECE

Wandile Sihlobo

» Sector has real opportunities for new entrepreneurs.

Many analysts found a reason to lambast President Cyril Ramaphosa's State of the Nation Address (Sona). But on a high (pun intended), the address' strong push for liberalisation of the cannabis industry for economic purposes is one of the key levers for rural economic growth.

Cannabis could, indeed, be a catalyst for revitalising rural communities that are economically marginalised and excluded from the agriculture value chains and create opportunities for canna-tourism – especially in rural Eastern Cape, KwaZulu-Natal and Limpopo.

South Africa still can build a competitive edge in the cannabis industry, even though countries such as Lesotho are the first movers.

Lesotho is building its cannabis economy on the back of low-cost labour, water abundance, relatively affordable electricity and high altitude, which reduces costs associated with pest management, thereby positioning the country as a key supplier of an organic variety of cannabis.

South Africa's competitive advantage could be built on the back of a transparent and

High time for rural growth

CANNABIS: CATALYST FOR REVITALISING FARMING COMMUNITIES



DAGGA BUSINESS. Cilo Cybin chief executive Gabriel Theron looks at flowering cannabis plants at the company's growing and processing facility near Pretoria. Cilo Cybin are South Africa's first company to get a licence to grow, process and package cannabis products. Picture: EPA-EFE

predictable regulatory framework; an open investment regime; strong research and development support; knowledge networks that bring together university researchers, centres of excellence and other industry players; product quality and standards authority; and low-cost licensing regime.

Yet still, there could be ample opportunities to build regional value chains of hemp products within the Southern African

Customs Union and develop harmonised standards on medical research and clinical trials.

There are real opportunities for new entrepreneurs in this sector.

These include cultivation and production; hydroponics; industrial hemp (fuels, chemicals, environmentally friendly plastics, biodegradable nappies, sanitary pads and textiles); compound isolation and new strands of development; seed distribution;

logistics and transportation; retail outlets or dispensaries; and clinical trials and medical research, among others.

But what we need to be thoughtful about is a practical means of ensuring production and value chains don't mainly develop in areas that have always been the leading agriculture zones and urban areas where there is better access to investment.

The communities of the

Mpondoland region of the Eastern Cape that Ramaphosa noted in his Sona have indeed been growing this plant in the shadows of the law for many years and should benefit from its liberalisation.

But does the government have a clear plan of mobilising investment and value chain development to these regions, or much will be left to market forces to determine?

I fear that these areas are likely to be left out of the commercial value chains if it's the latter. New high-tech agriculture production methods might enable high yields in the urban region and already commercial agriculture zones.

Importantly, the value chain development and specific seed varieties for a range of products also mean the establishment costs of a cannabis industry could be higher.

The Eastern Cape, KwaZulu-Natal and Limpopo provincial departments should take the lead on this and lobby their national colleagues to refine and craft the regulations to push for investment in these provinces.

I am singling them out because they are high poverty and unemployment regions of South Africa.

Therefore, if the goal for cannabis is to rejuvenate the rural economic conditions and activate job creation, then it makes sense to set policy in a way that favours them deliberately.

► Wandile Sihlobo is the chief economist of the Agricultural Business Chamber of South Africa (Agbiz) and author of Finding Common Ground: Land, Equity, and Agriculture.

Visual assessment report on parliament fire concluded – De Lille

The professional team comprising structural, civil, electrical, and mechanical engineers has concluded a high-level preliminary visual assessment of the damage caused by fire in parliament buildings, including the safety aspect of the site.

The team was appointed by Public Works and Infrastructure Minister Patricia de Lille.

The team's visual assessment started with the Old National Assembly and then proceeded to assess the structural damage to the New National Assembly.

De Lille said, on the basis of the preliminary visual inspections, there was evidence of severe structural damage – major spalling – to the slabs.

"The slabs affected by the damage are the second, third and fourth floors. In addition, there were major cracks in the walls on the second and third floor. The professional team advised that the New Assembly Building is unsafe and should be cordoned off and closed in order to restrict



RAGING. Firefighters battle the blaze that engulfed the National Assembly building in Cape Town on 3 January. It is reported the blaze began in the older part of the building. Picture: AFP

access," she said.

De Lille said her department had activated appropriate steps for the procurement of an independent specialist engineering team to conduct further detailed assessments and testing of

material strength.

She said the National Treasury had agreed to expedite the process to procure the independent specialist engineering team as expeditiously as possible.

In close consultation with the

National Treasury, on Friday, the department appointed Coega Development Cooperation to perform assessments of the fire damaged buildings.

The scope of work for the assessment by Coega includes:

- Assessment of the fire-damaged buildings in the parliamentary precinct to pronounce on the extent of the damage;
- Provide professional advice on the safety of the structures; and
- Provide measures to temporarily make the structure safe to allow the investigations to proceed unhindered.

Detailed assessment report

Following the submission of the initial assessment report, the service provider must submit a detailed assessment report which covers the following aspects:

- Detailed assessment report indicating the extent of the damage and any other structural issues;
- Pronouncement on the residual strength of the structure

(including all relevant tests and analysis);

► Proposed restorative measures with associated cost comparisons for restoration;

► Proposed estimate of the rehabilitation project;

► Proposed preliminary cost estimate of the rehabilitation project; and

► Pronouncement on possible long-term restorative measures.

De Lille said she was pleased the appointment had been finalised and that she was eager to see the teams get to work and provide detailed assessments of the damage, rehabilitation and restorative measures and restoration costs.

"I am grateful to the officials at National Treasury for their advice and support to the department of public works and infrastructure to finalise the appointment of this team of assessors and have impressed on the department to ensure that the work is conducted thoroughly and as soon as possible," the minister said.

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