

Sri Lanka's woes with cannabis legalisation

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Some propose legalising marijuana production to ease Sri Lanka's economic crisis. Yet, any move to legalise marijuana cultivation in Sri Lanka will have to overcome a long history of prohibition, social stigma and criminalisation.

As Sri Lanka struggles with its worst economic crisis since its Independence, policymakers are increasingly focusing on diversifying the country's export industries to bring in much-needed foreign exchange, to purchase essentials such as fuel and medicines. Within this context, presenting the budget for the year 2023, President Ranil Wickremesinghe announced the appointment of an expert committee to examine the possibilities of producing cannabis – locally referred to as *kansa* or *ganja* – for export purposes.

This echoes Sri Lanka's state minister of tourism, Diana Gamage, who remains a strong advocate for legalisation and claims it will help the economy. She has earlier promised to bring in investments worth USD 2 billion for the cannabis plantation sector.

The state minister of indigenous medicines, Sisira Jayakody, in an interview stated that the expert committee has made progress and that the final draft of the legal amendments required to make cannabis available for ayurvedic exports has already been sent to the attorney general's department. "Following the recommendations from the Attorney General, we hope to send it to the Cabinet of Ministers for approval. Once Parliament also approves, we can start this work," Jayakody said. He further said that although both local and foreign investors had expressed their interest in cannabis cultivation in Sri Lanka, the government was yet to begin lengthier discussions with them due to legal barriers.

Sri Lanka remains strict on the use of cannabis for recreational and medicinal purposes, despite many tourist hotspots being popular havens for the consumption of cannabis and related products. While cannabis has been legalised in many countries, its cultivation and export remain controversial due to its history as an illegal drug and its potential for misuse. Further, exporting cannabis from Sri Lanka would require navigating a complex legal landscape and establishing proper regulatory frameworks to ensure compliance with both domestic and international laws. Additionally, the cultural attitudes towards drugs in Sri Lanka may pose challenges for the commercial cultivation of cannabis. Its association with illegal drugs will also make gaining acceptance for commercial cultivation difficult. Moreover, establishing a "profitable" cannabis industry in Sri Lanka will require significant investment in infrastructure, research and development, and regulatory frameworks. This includes setting up proper growing and processing facilities, implementing quality-control measures and developing a robust supply chain to ensure that products meet international standards. It is essential to examine these questions alongside the economic viability of exporting cannabis from Sri Lanka thoroughly.

A 300-year ban

Cannabis use for medicinal purposes has been recorded in Sri Lankan history for centuries. Some

claim that early writings on cannabis date back as far as 341 CE, when King Buddhadasa of Anuradhapura wrote about it in his pharmacopoeia, *Sarartha Sangrahaya*. In fact, Wickremesinghe, in his address to Parliament, used the Sanskrit term for cannabis, “thriloka wijayapathra” meaning “victory over three realms”.

The head of the department of crop science at the University of Ruhuna, K K I U Arunakumara, states that there is written evidence about the historical use of cannabis in local medicine: “The kings write books about local medicine. Those books state that kansa is a very valuable drug.” Negative attitudes towards cannabis use in Sri Lanka can be traced back to the country’s colonial past. The Dutch introduced the ban on cannabis use in Sri Lanka in the 17th century, which the British colonial administration subsequently renewed. “After the Dutch, the British government also banned it,” Arunakumara states “That amendment by the British is still there in the law – no Sri Lankan government has banned it. Kansa was banned because it was used. It was used because it was cultivated in the country. We can conclude then that historically, kansa was cultivated, and reasonably believe that it was at a level where it could have been exported.”

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“There are four names: kansa, ganja, cannabis and marijuana. When we call it kansa, there is a pleasantness, but that is not there when we call it ganja. People have forgotten how cannabis became ganja in Sri Lanka. There is a cultural context for this,” said Arunakumara, emphasising the need to change cultural attitudes towards cannabis by highlighting its history.

“We need to tell people the truth. Only if there is successful acceptance from society can we eventually explore its uses in the local market too,” he added.

Cannabis use in Sri Lanka has been stigmatised and continues to be seen as a social and moral issue. The National Dangerous Drugs Control Board (NDDCB) has reported that, in 2021, cannabis was the most commonly used illicit drug in Sri Lanka, with an estimated 301,898 users. The NDDCB states that as of 2020, nearly two percent of the population above age 14 used cannabis as a drug in the last 14 years.

According to the NDDCB, in 2021, the Police Narcotics Bureau recorded that possession of cannabis and Kerala cannabis led to the second and third highest percentages of drug-related arrests, after those linked to heroin. In fact, of the total 110,031 drug-related arrests in 2021, 30 percent were for cannabis possession. The grouping of cannabis with other, more dangerous drugs, such as heroin, coupled with blanket criminalisation, contributes significantly to the stigma surrounding cannabis.

No overnight solution

Globally, cannabis is used for medicinal, recreational and industrial purposes. The World Health Organisation notes that it is the world’s most widely cultivated, trafficked and abused illicit drug, with about 2.5 percent of the world’s population consuming cannabis. The use of medicinal marijuana has been growing worldwide, especially as countries take the initiative to legalise its use. In 2022, according to some sources, the global medical marijuana market was valued at USD 13.8 billion.

“People claim we can grow cannabis here and export it for medicine,” states Arunakumara. “There are two questions there. The first question is whether we can actually grow it for medicine here. My

answer is, we can't. We can't immediately grow it, so it is not an immediate answer to the current dollar crisis."

He elaborated that global requirements and standards pose challenges for cultivating and exporting cannabis, especially for medical use: "We have to think about the requirements of the global market. We cannot just grow it and export it. We have to follow a certain standard. Primarily, we have to focus on the chemical composition – the percentages of THC and CBD in it. If there is a higher THC percentage, it is usually used for recreational purposes. For medicinal purposes, the CBD percentage should be higher. For local cultivations geared towards medicinal exports, we definitely need to ensure the CBD percentage is higher." He said that proper research, optimal conditions in greenhouses and certified seeds for commercial cultivation were needed to ensure these standards were met. However, Arunakumara calculated that the initial manufacturing process to obtain certified seeds would require, at the very least, a time period of three years.

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"We cannot do anything with these current laws. That is the first step – at least research should be allowed through the law. We also need a body that will regulate and monitor these processes."

Currently, Sri Lankan law prohibits the possession, sale and cultivation of cannabis. Penalties for such offences include a small fine and prison sentence, which are usually increased depending on the quantity in possession. However, the possession of heroin, morphine, opium, cocaine and methamphetamine can result in capital punishment in Sri Lanka. Although the penalties for the possession of cannabis differ when compared to the possession of drugs such as heroin and opium, law enforcement officials often treat both offences in the same manner.

"Although cannabis is not one of the drugs for which you get the death penalty, it is still viewed in the same manner, legally and socioculturally," Ambika Satkunanathan, former commissioner of the Human Rights Commission of Sri Lanka, said. "Scientifically and medically, we cannot categorise every drug the same way – it depends on the effects on the body, etc. Our legal, sociocultural, and medical responses need to consider these factors."

In its most significant change to its policy on cannabis, in December 2020, the United Nations Commission on Narcotic Drugs reclassified cannabis to recognise its therapeutic uses. Such attitudinal and legal changes are fuelling the competitive market for cannabis across the globe.

High competition

With North America leading the way in decriminalising and legalising marijuana, especially for medicinal uses, the global medical marijuana market is expected to grow at a compound annual rate of around 20 percent in the next decade. Thailand is the latest country to legalise cannabis cultivation at home, taking the step in 2022. Private investors have already swooped in with plans to set up a manufacturing plant, while other companies have introduced cannabis-infused products for consumption. Can Sri Lanka find a foothold in this growing global market?

Vidyani Hettigoda, the director of Siddhalepa, Sri Lanka's largest private ayurvedic manufacturer, states, "The export market is good but there are players already – for example, Thailand. We do not see profitability yet. However, there are lots of benefits. Cannabis can be used for medicinal purposes and to manufacture other products. Just selling the oil won't work. We have to, and we want to, focus on value addition for a higher dollar income."

Further, she cautioned that this would be a lengthy process: “I, however, do not think we can solve the current problems in Sri Lanka with the export of cannabis. We have to get approvals from the government of Sri Lanka and we have to follow the quality standards. This is not something that can just be done tomorrow. It will take four to five years. First, the government of Sri Lanka has to give the authorisation.”

Populist politicians and successive governments have not hesitated to criminalise those who are struggling with drug addiction, with the country’s state-run rehabilitation policies and centres often coming under heavy criticism.

New Frontier Data, an analytics and technology firm specialising in the global cannabis industry, has found that from 2019 to 2021, in just over two years, the number of countries that have legalised some form of cannabis has increased from 50 to 70, aided primarily by two changes: the growing acceptance of the plant’s therapeutic value and the recognition of the industry’s potential as a catalyst for economic growth. Asia has one of the lowest shares of legal cannabis sales – 0.7 percent – and due to the harsh legal penalties common here, the continent has some of the highest prices in the world for illegal cannabis.

Arunakumara adds that Sri Lanka, as an island, has limited space for agriculture, thus emphasising the need to recognise the most commercially beneficial crops to cultivate: “If we are choosing commercial cultivation, we need a competitive advantage. For example, Ceylon tea has a unique smell, colour and taste, so we have a competitive advantage and can market globally. This is the same for Sri Lankan cinnamon. We definitely need that with cannabis to enter the global market. I believe that cannabis would really be good to grow in our limited land area. We would have a competitive advantage globally through that. We can market it and be part of the global competition.”

Cannabis in Ayurveda

Presently, Sri Lanka allows cannabis to only be used for the manufacture of ayurvedic medicine. The Institute of Ayurveda lists that ‘Cannabis Sativa L.’ is used in the treatment of many diseases, ranging from coughs and migraines to pain and insomnia. Physicians engaging in traditional medicinal practices obtain purified cannabis, in the form of a dry powder, from the Department of Ayurveda. According to the department commissioner, Dr M D J Abeygunawardena, the department obtains cannabis seized by the police and the courts. Noting that about five to ten ayurvedic medicines require cannabis for their production, he added that the demand was currently low, with less than 500 kilogrammes of the dry powder being issued by the department in 2022.

Despite the medicinal value of cannabis in Sri Lankan ayurvedic practices, research published in the Sri Lankan Journal of Agriculture and Economics has found that the general Sri Lankan public was not aware of the potential value of the plant. Therefore, the leap that is required by society is clear when discussing the export potential of cannabis in Sri Lanka.

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Due to the heavy criminalisation of drugs, especially recreational ones, Sri Lankans often consider the use of drugs taboo. Populist politicians and successive governments have not hesitated to criminalise those who are struggling with drug addiction, with the country’s state-run rehabilitation

policies and centres often coming under heavy criticism. In recent months, renewed media attention on drug use has led to conversations that are often devoid of empathy, highlighting the lack of necessary information to help those with symptoms of substance abuse.

While the government signals the need to export cannabis for dollar earnings, the Sri Lankan public continues to face a state that is determined to limit individual autonomy and refuses to treat drug addiction as a health problem. In 2021, the Department of Prisons recorded 14,547 convicted prisoners directly admitted to its institutions. Of these, 9344 admissions – well over half – were for narcotics-related offences.

The cultivation and export of cannabis may offer economic benefits for Sri Lanka. However, it is essential to consider the legal, cultural and practical challenges that may arise. The development of a successful cannabis industry will require careful planning, investment and regulatory frameworks to ensure compliance with both domestic and international laws, as well as public acceptance. Engaging in evidence-based discussions is also important to make informed decisions about exporting cannabis. With attitudinal challenges to the decriminalisation and legalisation of cannabis still prevalent, the viability of the government's recent proposal to export cannabis remains under question, as do the legal and economic preparations that are necessary to begin the process.

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