

Could This Be the Next Country to Legalize Pot?

Description

Marijuana is slowly being legalized worldwide, which could mean many growth opportunities for big cannabis stocks. Although there has been much excitement in Canada about the growth potential that exists within our borders, it's still relatively small compared to what could be achieved in other parts of the world in countries with larger populations.

The golden goose would most certainly be south of the border, where individual states have [progressed](#) toward legalization even though the Feds have not. Canadian cannabis companies must be careful not to jump the gun, as the TSX could pull stocks that have interests in U.S. pot from its exchange.

Aphria Inc. (TSX:APH) [divested](#) some of its U.S. assets earlier this year, as there were rumours that it may have attracted the attention of the TSX.

Until the U.S. legalizes pot at the federal level, the focus will remain on the rest of the world.

Switzerland is the latest country that appears to be giving legalization a chance. That country recently stated that it would be allowing pilot studies on how it can ease its cannabis laws, which currently do permit pot use under limited circumstances, but it is mainly for medical use and only for low levels of Tetrahydrocannabinol (THC).

However, it still isn't easy to get access to cannabis in the country even for medical purposes.

Cannabis usage isn't declining, and rather than have the black market supply an unregulated product, the government has an opportunity to generate tax revenue while also providing a safer product to its citizens.

Switzerland's stance on being open to testing different models for regulation is a big step forward for that country, and certainly paves the way for legalization at some point. The question is how long the process might take, but once it does happen, it could create a lot of opportunities for cannabis companies to expand into a lucrative and expensive market that could bring in high margins.

Why marijuana legalization is inevitable — everywhere

Marijuana used to be taboo and associated with many negative connotations, but increasingly, people are discovering its ability to heal. Medical marijuana does not contain high levels of THC, which is what provides users with a high, and many people have raved about its effectiveness.

And while marijuana with high levels of THC may have limited medical benefits, given the widespread usage of pot and the opportunity to generate significant tax revenue from the sale of the product, many countries have noticed that the pros outweigh the cons by a wide margin.

Companies like Aphria and **Canopy Growth Corp.** (TSX:WEED)(NYSE:CGC) have noticed this trend, which is why we're seeing many cannabis companies invest in various parts of the world as growers try

to stake out positions early.

As more countries legalize pot, many more will likely follow suit.

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Author

djagielski

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