



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE MEC

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**THE HONORABLE MS. NONTEMBEKO BOYCE
SPEAKER: KWAZULU-NATAL PROVINCIAL LEGISLATURE
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WRITTEN REPLY

**NO. 181/2026 MS SV DE BOER (DA) TO ASK THE MEC FOR ECONOMIC
DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS:**

The following memorandum serves as a response to the KZN Legislature enquiry No. 181/2026, Ms S V de Boer addressed to the MEC: Economic Development, Tourism and Environmental Affairs. The response is stated as follows:

- 1. WILL THE MEC PROVIDE DETAILS OF ALL INITIATIVES UNDERTAKEN BY
THE DEPARTMENT SINCE 2022 TO SUPPORT THE DEVELOPMENT OF THE
HEMP AND CANNABIS ECONOMY IN KWAZULU NATAL, INCLUDING:**
 - a. INVESTMENT PROMOTION ACTIVITIES;**
 - b. INVESTOR ENGAGEMENTS;**
 - c. FEASIBILITY STUDIES;**
 - d. SECTOR DEVELOPMENT STRATEGIES;**
 - e. FUNDING ALLOCATED TO SUCH INITIATIVES; AND**
 - f. MEASURABLE OUTCOMES ACHIEVED IN RESPECT OF JOBS CREATED,
BUSINESSES ESTABLISHED, AND INVESTMENT SECURED.**

Since 2022, the entity - Trade & Investment KwaZulu-Natal, as the province's official investment promotion agency, has undertaken a number of initiatives to support the development of the hemp and cannabis economy as part of the Province's broader



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economic diversification, industrialisation and investment attraction agenda. These interventions have focused on facilitating investment, supporting emerging enterprises, engaging industry stakeholders and positioning KwaZulu-Natal as a competitive destination for investment within the hemp and cannabis value chain.

a. Investment Promotion Activities

TIKZN has actively promoted investment opportunities within the hemp and cannabis sector through targeted investment facilitation and stakeholder engagement initiatives. The organisation is currently facilitating the KwaZulu-Natal Hemp Project, based in Richards Bay, which has an estimated investment value of R25 million. The project seeks to establish hemp processing capability within the province and has been referred to the KwaZulu-Natal Growth Fund for consideration of equipment funding. TIKZN continues to provide investment facilitation support to the project while funding assessments are underway.

In addition, TIKZN participated in the KwaZulu-Natal Cannabis Conference, held on 27–28 October 2023 in Bergville, hosted by the Department of Economic Development, Tourism and Environmental Affairs (EDTEA) together with its entities. The conference provided an important platform to showcase investment opportunities, engage potential investors and industry stakeholders, and promote KwaZulu-Natal's emerging hemp and cannabis industry.

b. Investor Engagements

TIKZN has facilitated engagements with prospective investors and sector stakeholders interested in developing commercial opportunities within the hemp and cannabis value chain. Through the facilitation of the Richards Bay Hemp Project, TIKZN has worked closely with project promoters and funding institutions to advance investment readiness and unlock capital for project implementation.



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Furthermore, TIKZN collaborates with the KwaZulu-Natal Hemp Association (NPO 325-312), which is spearheading an incubation programme aimed at supporting the development of sustainable hemp and cannabis enterprises within the province. This collaboration contributes to investor confidence by strengthening the sector's ecosystem and supporting enterprise development.

c. Feasibility Studies

While TIKZN has not directly commissioned feasibility studies for the hemp and cannabis sector, investment facilitation processes have included project assessments to determine commercial viability and funding requirements. As part of the Richards Bay Hemp Project, technical and funding assessments have informed the referral of the project to the KwaZulu-Natal Growth Fund for consideration of equipment financing.

d. Sector Development Strategies

TIKZN's approach to the hemp and cannabis economy is aligned with the province's broader investment promotion and sector development objectives. The organisation supports the development of the sector by facilitating strategic investment projects, strengthening partnerships with industry associations such as the KwaZulu-Natal Hemp Association, promoting the province as an investment destination, and supporting incubation initiatives that encourage enterprise development and participation across the hemp value chain.

These interventions contribute towards building an enabling environment for investment, innovation, value addition and job creation within this emerging sector.

e. Funding Allocated to Such Initiatives

TIKZN has not allocated dedicated funding towards hemp and cannabis sector development initiatives. Rather, its role has been to facilitate investment, coordinate stakeholder engagement and assist projects in



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accessing appropriate funding mechanisms. In this regard, the R25 million Richards Bay Hemp Project has been referred to the KwaZulu-Natal Growth Fund for consideration of equipment funding and remains under assessment.

f. Measurable Outcomes Achieved

Current outcomes arising from these initiatives include:

- Facilitation of a R25 million hemp investment project in Richards Bay.
- The project has the potential to create 40 permanent employment opportunities upon implementation.
- Ongoing collaboration with the KwaZulu-Natal Hemp Association to support incubation and enterprise development within the hemp and cannabis sector.
- Increased awareness of KwaZulu-Natal's investment opportunities through participation in the 2023 KwaZulu-Natal Cannabis Conference, strengthening stakeholder networks and investor engagement in the emerging industry.

As the sector continues to mature within the prevailing national legislative and regulatory framework, TIKZN remains committed to facilitating investment, supporting investor engagement and working with strategic partners to unlock sustainable economic opportunities within KwaZulu-Natal's hemp and cannabis economy.

2. WILL THE MEC INDICATE HOW MANY HEMP AND CANNABIS PROCESSING, MANUFACTURING, BENEFICIATION OR VALUE-ADDITION FACILITIES ARE CURRENTLY OPERATING IN KWAZULU-NATAL?

It is rather difficult to indicate the exact number of cannabis/hemp processing facilities currently operating in the province due to the industry being at its infancy stage and most facilities owned by the private sector which for some



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reason is still very uncomfortable to share full details with the government. The department is however, partnering with different departments and agencies to

support the establishment of processing facilities especially to support the indigenous cannabis/hemp growers. For example, as stated in P NO.180/2026, that the Department has partnered with the Council for Scientific and Industrial Research (CSIR) to establish the Okhahlamba Shared Cannabis and Hemp Processing Facility in Bergville, a GMP-compliant processing hub that will enable producers to access value-addition opportunities and certified markets.

3. WHAT SUPPORT HAS BEEN PROVIDED BY THE DEPARTMENT TO SUCH FACILITIES?

Over the past three financial years, the Department has directly supported five (05) emerging cannabis enterprises, namely Insangu Yokhahlamba, IsiVumelwano, Nobanguni Project Management, Cancure Oils (Pty) Ltd, and Best Effort, through the provision of equipment, machinery, and production infrastructure to a combined value of R1.7 million.

4. WHAT PRODUCTS ARE BEING MANUFACTURED WITHIN THE PROVINCE?

Due to some regulatory and licensing constraints related to medicinal cannabis processing, products currently manufactured are largely health and nutrition-related viz: cbd-oil infused beauty products such as bath shampoos; body lotions; tissue oils etc.

5. WHAT STEPS ARE BEING TAKEN TO ENSURE THAT KWAZULU-NATAL CAPTURES VALUE FROM PROCESSING AND MANUFACTURING RATHER THAN MERELY PRODUCING RAW MATERIAL?

The Okhahlamba Shared Cannabis and Hemp Processing Facility, which is being implemented in partnership with the Council for Scientific and Industrial Research (CSIR), has been designed as a shared-use processing hub to



department intends to replicate the Okhahlamba model to other districts once it has been commissioned and its success/impact tested.

COMPILED BY:	APPROVED BY:
_____ MS F PUPUMA ADDG: TRADE, SECTOR AND TOURISM DEVELOPMENT DATE: _____	_____ REV. K.M. ZONDI, MPL MEC FOR ECONOMIC DEVELOPMENT, TOURISM & ENVIRONMENTAL AFFAIRS DATE: _____
RECOMMENDED BY:	
_____ DR. N.G. ZULU HEAD OF DEPARTMENT DATE: _____	