



## "A joint, a Coca-Cola, a Stella or an iPhone: I do not see the difference"

Top marketer sees cannabis as the perfect boost for our economy: 1.6 billion euros extra income and 30,000 jobs

You usually get quiet, but for our economy cannabis can become a strong stimulant. That is the firm conviction of Chris Burggraeve. The former Chief Marketing Officer of AB InBev has commissioned a study into how Belgians think about cannabis and what the possibilities would be. "1.6 billion euros extra income and 30,000 extra jobs at 8 years: 6 times Ford Genk. Our politicians should at least think about it. "

Half a year ago it became known that Chris Burggraeve (53) had made two remarkable investments. He founded Toast, a producer of pre-rolled joints, and also invested money in GreenRush, a digital platform for all kinds of products based on cannabis. "The news was quickly picked up in Belgium," he says. "I received dozens of messages and phones. From activists, opponents, young Belgians with a business plan for cannabis and journalists. I was greatly surprised by that attention, but it showed that cannabis lives. "

Burggraeve is not the first one. At Coca-Cola he became marketing director for Europe, at AB InBev he was CMO for five years. "The man who for years wanted to get the whole world on the Stella and the Budweiser, now wants us to make joints," wrote this newspaper. "We are at the beginning of a revolution," said Burggraeve in the same article, and he did not hesitate for a second about those words.

"I had to leave all questions about Belgium unanswered six months ago. For the simple reason that I did not know anything about it. I have lived and worked in New York for eight years. The companies I invested in focus exclusively on the States and Canada. But I am and remain a Belgian and so I have immersed myself in the situation. I went to chat with a lot of people and, above all, I commissioned InSites Consulting to carry out a study - the first in-depth consumer survey of cannabis in Belgium. In my opinion, the results indicate why the Belgian government has to work on regularization. "

**'Because the consumer wants it', you said before. Does that also appear from the Belgian study?**

"Yes. While cannabis is strictly forbidden in our country, 17% of the population has ever smoked weed. 38% of people think that cannabis should be treated as alcohol or tobacco. 53% already say, without social debate, that a white market is much better than a black one. 56% believe that medical use should be possible - in the 45-54 age group this is even 64%. That is a majority of people who think that Maggie De Block is wrong when she takes the 9-year-old epilepsy patient Sofie Voncken her cannabis oil. 26% are in favor of 'recreational' use, weed as a stimulant (35% in 45-54 years). These percentages are somewhat lower, but remember that cannabis is banned in Belgium. Many people are afraid to be associated with it. "

**According to you, cannabis is banned in Belgium, but there is still a tolerance policy here?**

"Cannabis is regulated by a law from 1921, almost a hundred years old. He says very clearly that producing, distributing, selling or using is forbidden. Point. A few years ago, the prosecutors were told that they should not give great priority to prosecuting users. But what exactly does that mean in practice? Nobody knows. It depends entirely on the attorney's estimate. This gives you arbitrariness and confusion. A new law, especially for cannabis, could regulate everything much more clearly. "

**Like in America?**

"Well. Presently, cannabis is allowed for medicinal use in 29 states and in eight states - soon to be in ten - for recreational use. Whole generations of Americans have grown up with the slogan 'Say no to drugs'. Cannabis always belonged to that, but all polls show that two out of three Americans now see it differently. They want to see cannabis regulated, and politics is quickly turning its car. Donald Trump is briefing on the evolution of the cannabis market every two weeks. John Boehner, the former 'speaker of the House', recently invested in cannabis. Andrew Cuomo, the governor of the state of New York, realizes that he has to go in the direction of regulation. And so I can continue for a while. Every politician in the States has to take a position in the field of cannabis.



**Not only the politicians but also the manufacturers of consumer goods look with great interest to cannabis.**

"At the moment there is only one market worldwide that grows faster than that of cannabis, and that is the cryptocurrencies, the new digital currencies like the bitcoin. The growth rate of cannabis is 232%, slightly higher than that of the electric cars (222%). "

"In October of last year, Constellation Brands, the world's second largest brewer after AB InBev, invested \$ 200 million in the largest cannabis producer in Canada: in English we call it a 'watershed moment' - a historic moment. Meanwhile, all major sectors are looking at the market and are trying to position themselves. The pharma, the tobacco, the beer, the cosmetics: everyone is interested. If only because cannabis will be good for \$ 75 billion in the States by 2025 alone. "

**If you make cocaine, ecstasy or heroin legal, you will probably get even greater sales. The question is, of course, whether you want your population to be mass-fed to the drugs?**

"Of course I do not want that. But that is why cannabis has to have its own regulation. The World Health Organization has confirmed on several occasions that cannabis is not a 'gateway drug'. In other words: it is not the case that after a while you automatically switch to a heavier drug. If that happens to some people then that is the direct result of the black market. Cannabis is hardly addictive - only with huge quantities you could become dependent on it - and it is the least profitable due to the high production costs. A dealer has every interest in getting you as soon as possible to the xtc or coke: then you are hooked and you give him more money. You switch it off at a white market. Or do you ever have a cafe, after your first pint.



**You see cannabis as a stimulant such as chocolate or beer?**

"Not only me. The WHO sees that. A majority of Americans see that. Cannabis is also a stimulant for many Belgians, according to my research. Beware, I also know that today is still a sensitive consumer product. As a marketer at Coca-Cola and AB InBev, I have had numerous discussions about the negative influences of soft drinks and beer. I never claimed that Coca-Cola is healthy. But it is allowed and it is drunk 1 billion times a day. Parents teach their children how to deal with it, nothing wrong with it. I really do not see why cannabis would be different from Coca-Cola or Stella Artois. "

"Now there are many cowboys and dark sides in the cannabis industry. That is why I want to shape the sector. In a socially responsible way, taking into account age and moderate use. "

**You make a remarkable comparison with smartphones in your research. What do they have to do with cannabis?**

"Smartphones are tools of use, but they provide us with pleasure, just like coffee, beer or cannabis. They have only existed for 20 years, but have a huge impact on our lives. And while weed is completely forbidden, only one ban applies to smartphones: you can not use them behind the wheel. For the rest: get on. However, my research shows that 5% of Belgians label

the smartphone as a hard drug, and 37% as a soft drug. Cannabis (53% think it's a soft drug) and alcohol (56%) do not score much higher. "

**I have already heard voices to open a government-controlled cannabis market. Do you think that's a good idea?**

"That is a very bad idea. If you are going to install thousands of rules and you do not allow the producers to build brands, then no entrepreneur will be interested. And consequently you will not have a market. If there are only five white products on the Carrefour shelf, forget it. "

**According to your calculations, cannabis can be a welcome boost to our economy.**

"Just look at the numbers in the States. Colorado was the first state in America to legalize cannabis. Since 2014 they have raised 637 million in taxes there. For information: Colorado has 5 million inhabitants, one million less than Flanders. 25,000 new jobs have been created there in production, sales and distribution. "

"If the whole US were free, the federal government could collect 52 billion tax revenues in the next 8 years. The sector would account for 800,000 to 1 million new jobs. I recalculated this for Belgium and I have reached 28,000 to 38,000 new jobs for our country. That is - rounded - six times Ford Genk. We could extract 1.6 billion euros in additional tax revenue from cannabis over the next eight years. I think that our politicians should at least think about that. In a few years they will not be able to do anything else, because by then our neighbors will already be busy. "

**So you are actually saying: being careful that we, as with the Bol.coms of this world, do not miss the train again?**

"I say that cannabis is coming anyway. My research proves that there is much more support than is generally assumed. Moreover, other countries are already working on it. In English: 4:20 is a fact, you better learn to deal with it (see box below: what is 4:20?). "

"A modern, forward-thinking politician looks at where he or she can make a difference. Well, I reach one sector here on a silver platter. Not because I myself am hoping to storm the Belgian market with Toast or GreenRush - by then, those companies will hopefully be sold (laughs). No, I'm doing it because I think my expertise can help my country a bit. And I

know: Belgians are always cautious and cautious. But not in all areas, just look at the biotech or gay rights. Maybe we should also dare to stick our neck in terms of cannabis? "

### **Who is Chris Burggraeve?**

Chris Burggraeve is a marketer who in the past worked at Coca-Cola and AB InBev. He has lived in New York for eight years, where he teaches at NYUStern. He is also chairman of the Prince Albert Fund and of the Belgian Chamber of Commerce in America. He invested in two young cannabis companies last year: the GreenRush platform is seen as an 'Amazon of the weed'. "A piece of technology that brings consumers and producers together. You can order thousands of cannabis products, from vaporizers to balm against muscle pain. "

Burggraeve is also co-founder of Toast, a company that sells pre-rolled joints. "When I was still working at AB InBev, cannabis appeared on my radar. But two years ago, I really started to delve into it when two students came to me with the basic idea for Toast. I am not the investor who gives money and then goes golfing. I am too young for that. And so I am actively involved with the company. I used to never smoke, now I do. It is a pleasure that I allow myself. Also because our joints - we call them 'slices' - promise exactly what they do: if you smoke an original, you get the same effect as if you were drinking a cocktail. From the beginning I said that for me the balance between free market and responsibility was very important.