

יולי 7, 2026

## Another Anti-Dumping Investigation in the Medical Cannabis Sector

### Client Updates

On June 29, 2026, the Commissioner of Trade Levies at the Ministry of Economy and Industry decided to open an additional anti-dumping investigation, following a complaint filed on May 28, 2026, seeking the imposition of an anti-dumping duty on imports of medical cannabis from Canada.

The opening of the investigation revives the question of how to strike the appropriate balance between protecting the local manufacturing industry, on the one hand, and promoting competition and imports of medical cannabis, on the other hand, particularly after a previous proceeding on this issue concluded without the imposition of an anti-dumping duty.

### Anti-Dumping Levy - Background

An anti-dumping duty is a duty imposed, following an administrative process prescribed by law, on imports of products determined to be imported at "Dumping" prices.

Dumping refers to the import of products into Israel at a price lower than the price of the same or similar (and substitutable) products in the domestic market - that is, where a foreign manufacturer "floods" the Israeli market with products sold in Israel at a price lower than their price in the market of the country of production.

For such a duty to be imposed, it is necessary not only to prove dumped imports, but also to demonstrate material injury to the local manufacturing sector in Israel, or a real threat thereof; in addition, a causal link must be established between the dumped imports and the alleged injury.

Anti-dumping duties are intended to protect the Israeli market from dumped imports that could injure the local manufacturing sector, increase dependence on imports, and undermine market independence. At the same time, the imposition of such a duty may also affect competition and consumers, inter alia, through its impact on prices, product variety, and the volume of imports competing with local production. Accordingly, the imposition of an anti-dumping duty requires a careful examination of all relevant considerations.

**The opening of an anti-dumping investigation is not merely a theoretical event. Already at the investigation stage, importers, foreign manufacturers, and local manufacturers may be required to provide extensive economic, commercial, and accounting data, and a failure to cooperate may lead the Commissioner to base his findings solely on the information available to him. In appropriate cases, a**

**provisional measure may even be imposed before the investigation is concluded.**

For more on dumped imports and the relevant legal framework, see our [previous client update](#) on the subject (Hebrew).

### **The Previous Investigation Concerning Imports of Medical Cannabis into Israel (Which Ended Without the Imposition of an Anti-Dumping Duty)**

The current development follows a previous proceeding in which the Commissioner of Trade Levies opened an investigation on his own initiative on January 18, 2024. He subsequently determined that dumped imports of medical cannabis inflorescences from Canada were causing material injury to the local industry and recommended the imposition of an anti-dumping duty. That recommendation was adopted by both the advisory committee to the Minister of Economy and the Minister of Economy himself.

However, in addition to the Economy Minister's approval, the imposition of the Dumping Duty also requires the Finance Minister's approval. In the previous case, the duty did not ultimately take effect, after the Minister of Finance announced on April 24, 2025, that he opposed its imposition, inter alia, in light of the claim that there had been a significant increase in the quantity of cannabis produced in Israel relative to imports, accompanied by a decrease in the average consumer price, and that this was a balanced market in which growers and manufacturers enter and exit as a result of competition.

An administrative petition was filed against this decision with the Jerusalem District Court, sitting as the Administrative Affairs Court, in which the Manufacturers' Association of Israel and local companies engaged in the cultivation, processing, and production of cannabis sought to have the duty imposed. The court rejected the petition and ruled that, since the Minister of Finance had relied on broad macroeconomic considerations relating to the local cannabis market and its future, as well as on economic policy considerations extending beyond the specific dispute in the cannabis market, there was no basis for judicial intervention in his decision.

It should also be noted that, in the previous proceeding, the Competition Commissioner submitted a detailed position paper to the Minister of Economy in which she recommended refraining from imposing an anti-dumping duty. The Competition Commissioner noted that there was insufficient basis to determine that dumping was occurring or that a causal link existed between the imports and the alleged injury to the local industry. She further opined that the imposition of an anti-dumping duty was expected to lead to higher prices, reduce the variety of products available to patients, and diminish the competitive pressure exerted by imports on the local market, and that, under the circumstances, the resulting harm to competition did not justify imposing the duty.

## **Current Developments - Opening of an Additional Investigation**

On May 28, 2026, an anti-dumping complaint was filed with the Commissioner of Trade Levies by Evergreen Solomon Pharma Ltd. and Trichome Ltd., alleging dumped imports of medical cannabis inflorescences from Canada.

On June 29, 2026, the Commissioner of Trade Levies decided to open an investigation. The products under investigation were defined as cannabis inflorescences for medical use, or for use as a raw material for medical purposes, containing active ingredients of the CBN and/or CBD and/or THC type.

The investigation is currently focused solely on imports from Canada, but the Commissioner explicitly states in his decision that, if evidence of dumped imports from other countries comes to light during the investigation, he may expand the investigation to include such imports as well.

The fact that the previous proceeding ended without the imposition of a duty does not preclude the opening of a new investigation where it is claimed that there has been a material change in market circumstances or that a new factual basis justifies a re-examination.

In the decision opening the current investigation, the Commissioner of Trade Levies notes that, since the previous proceeding, a material change has occurred and that the decision not to impose an anti-dumping duty has led to a deepening of the injury to the local industry, which, in his view, justifies the opening of an additional investigation.

Among the changes pointed out by the Commissioner:

- Widespread collapse of local growers, including 18 established companies that have closed cultivation farms, closed production plants, or entered into insolvency proceedings. This, it is alleged, is due to the impact of dumped imports.
- An increase in the number of entities holding a license that allows them to trade, import, and export cannabis, without the need for their own production infrastructure, such as a cultivation farm or a plant.
- A sharp jump in the volume of medical cannabis imports to Israel, alongside a change in the import structure and a shift to small, multi-strain shipments, which allegedly makes it difficult for local growers to compete not only on price but also on the variety of imported products, as they are unable to grow such a large number of strains to compete with imports from Canada.

According to the decision, the relevant parties will shortly be required to submit data and present their positions, with a preliminary decision expected within 60 to 90 days.

As part of the examination of the complaint, it will be necessary to carefully assess whether the products imported into Israel are indeed identical or substitutable to the local products, as well as the nature of the pricing being examined for purposes of comparison, any required adjustments, and related issues. This is in addition to examining the alleged injury to the local industry, which appears to have been a significant factor in the decision to open the additional investigation.

In addition, the proceeding is expected to re-raise fundamental questions concerning the balance between protecting the local industry and promoting competition and imports. It also highlights the importance of properly managing trade levy proceedings from the very outset of the investigation, both by importers and foreign manufacturers and by local manufacturers.

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This update is intended to provide general and concise information only. It does not constitute a full or complete analysis of the issues discussed, does not constitute a legal opinion or legal advice, and should not be relied upon.

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