

CHECK AGAINST DELIVERY

**TRANSNATIONAL ORGANISED CRIME
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Panel Session Three

CHANGING TRENDS IN NARCOTIC CRIME

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Mr. Chairman,
Distinguished delegates,
Ladies and Gentlemen,



It is indeed a special honor for me to address you today at the Panel Session One on “Changing Trends in Narcotic Crime” of this Transnational Organised Crime Conference.

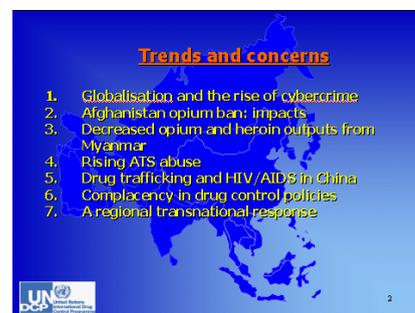
Drug trafficking and other forms of transnational organized crime, through the violence, corruption and other socially harmful consequences they entail, represent a direct threat to human security. Economic and social crimes, such as drug trafficking, financial fraud, corruption of public officials, and money laundering, threaten the integrity of social, economic, financial, and political institutions. They can rapidly defeat social and economic development efforts.

They also constitute an indirect, but very real threat to human security as they contribute to weaken the very same governance mechanisms that are responsible for their control. They undermine the authority of state institutions and, consequently, weaken their capacity to effectively implement a program of government, uphold the rule of law and promote human security.

Freedom from fear is a universal human right and it is the inseparable other side of the coin, namely of freedom from want that every people of the world is searching. Together – freedom from fear and freedom from want - melt into the concept of human security, which essentially means freedom from pervasive threats to people's rights, their safety or even their lives.

Safety is the hallmark of freedom from fear, while well-being is the target of freedom from want.

One of the dangerous threat to human security are drugs – particularly when they are abused and trafficked. I wish to highlight a few trends and issues, which represent the main concerns of our peoples, citizens and international community at large.



- 1. Globalisation and the rise of cybercrime**
- 2. the impact of Afghanistan ban on opium and opiates production, trafficking and abuse in Asia.**
- 3. how to maintain and enhance decreased opium and heroin outputs in Myanmar.**

4. **how to contain growing demand of amphetamines in particular in South East Asia.**
5. **how to respond to increased drug trafficking in China, including the production of ATS in South China.**
6. **complacency in the policy of drug fighting in Asia.**



1. Globalization and new communication technologies have changed the way we live and have brought economic, educational and cultural benefits to our society. Along with the benefits, however, comes the danger that the advantages of these innovations are being undermined by individuals and criminal groups for illicit gain. These technologies have provided many opportunities not only for the civil but also for what Kofi Annan, the Secretary-General of the United Nations, has called the “uncivil” elements of society, drug trafficking and crime. Like legitimate business, drug trafficking organizations have restructured, decentralized and globalized. More than ever before, drug traffickers have become *criminals sans frontières* whose activities are spread across several jurisdictions and are therefore extremely difficult to detect with traditional law

enforcement techniques. Cyber criminals use these new technologies to:

- agree on illicit drug sales and purchases online;
- keep in touch with each other by using Internet chat rooms protected by firewalls to make them impenetrable;
- communicate with each other by using mobile telephones with prepaid cards that can be bought anonymously;

to name just a few examples. Encryption technologies and cellular phone cloning enable drug traffickers to carry out their business undetected for several years. The new technologies have also made crimes easier to commit, a trend that the INCB calls the “amateurization” of drug-related crime: prospective drug chemists and drug traffickers no longer need special contacts or resources, they can find much of the needed information on Internet search engines. The Internet also puts them in touch with like-minded individuals in different parts of the world and allows them to locate supply sources of which the user would otherwise have been ignorant.

In this environment, the methods of traditional law enforcement with its structured hierarchies and clear geographical demarcation lines are often insufficient. Transnational drug-related crime with its cross-jurisdictional operations and low-profile network structure challenges the approach of conventional drug law enforcement. The rapidity with which criminals have taken

advantage of technologies has not been met by equal progress within the ranks of law enforcement. The legal framework for prosecuting these crimes often does not exist. You will all remember that the perpetrator of the ILOVEYOU virus, which infected computers around the world and caused damage estimated at more than US\$ 10 billion, could not be held responsible for the damage inflicted nor could he be extradited to face prosecution in the United States. The recently released INCB report examines what should be done by Governments in order to address high-technology crime effectively. At the national level, INCB recommends that Governments should establish specialized inter-agency high-tech drug units. Such dedicated anti cyber-crime units should be provided with critical infrastructure protection to protect their information and intelligence databases from “cyber attack”. At the international level, measures should be harmonized as far as possible to ensure that offences, sanctions and standards of proof are similar in countries throughout the world, in order to prevent the growth of data havens. The Council of Europe’s Convention on Cybercrime represents the most advanced international collaboration to date in the area of high-tech crime and consideration might be given to the development of a United Nations Convention against cyber crime. Such a convention would have to balance concerns of security and protection from crime with concerns for civil liberties, dignity and privacy.¹

¹ This paragraph has been adapted from the Report of the International Narcotics Control Board 2001.



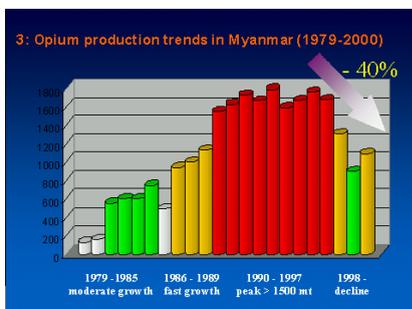
2. As you know, **Afghanistan was the source of three-quarters of the world’s illicit opium** in 1999 and nearly as much in 2000. In the season leading to year 2001 harvest, however, a ban on cultivation was imposed by the Taliban regime. The result was a decrease in over ninety-four per cent in the opium harvest this year. This resulted in an overall decrease of two-thirds worldwide. But the existence of large surplus stocks from the two previous Afghan harvests has limited the effect on global heroin markets. By our estimates, a shortage would only start to happen if the ban is sustained for another year.



There were reports before the end of 2001 that opium had been planted in some of the key crop areas that will be harvested this year – the planting season ended in December 2001. UNDCP conducted a pre-assessment survey of opium poppy cultivation in February

2002. The findings confirm that, after considerable decline recorded in 2001, opium poppy cultivation has resumed to a relatively high level in Afghanistan. The Afghan Interim Administration banned opium cultivation in January 2002. At that time, however, most opium poppy fields had already been sown. Although farmers interviewed during the pre-assessment survey said they were currently uncertain about being able to harvest opium this spring because of the ban, the currently high prices offered by local traders represent a powerful incentive.

The continuation of opium poppy cultivation, heroin manufacture and drug trafficking in Afghanistan will jeopardize the chances for peace and stability. There will be many voices raised in support of many different issues. The international community, however, needs to speak with one voice if we are to take advantage of this very narrow window of opportunity to maintain the reduction in illicit opium production in Afghanistan and world-wide. All governments here represented will be involved to varying degrees in shaping the post-conflict agenda in Afghanistan, be it through the UN or other mechanisms. It is absolutely essential that all of you lend your voices to the call for serious attention to drug control in post-conflict Afghanistan.



3. On opium production : a joint US/Myanmar Government Opium Yield Survey was conducted 26 March 2001 to assess opium poppy crop in the Shan State of Myanmar where, according to UNDCP Yangon, 95% of the national opium cultivation is concentrated. US/Myanmar assessment of the samples collected confirms lower opium yields this year compared to the last year and far lower yields than yield samples collected during the mid-1990s. Current opium production was estimated by the US at 865 metric tons against 1,085 metric tons in 2000, confirming a continual downwards trend since 1996. Ever since, Myanmar opium production has steadily declined by some 50%. To some extent, this drastic reduction can be attributed to adverse weather conditions. On the other hand, the Government's commitment to drug eradication activities, coupled with enhanced co-operation with UNDCP, also played a crucial role.

In the area of cross-border law enforcement co-operation, strengthened regional co-ordination and exchange of intelligence led to the arrest of four major drug traffickers by Myanmar police. The most significant case is the one of Tan Xiaolin. Widely believed the leader of South China's largest drug smuggling and money laundering syndicate in half a century, he was sentenced in absentia by Chinese criminal authorities. Arrested in Myanmar, he was finally handed over to China. The operation was facilitated through a UNDCP promoted bilateral agreement.

This recent example highlights the fact that when criminals operate transnationally, successful response must be

engineered at the same level, namely that of regional or transnational cooperation. If criminals can turn the opening of the borders, the increased easiness of communications, the benefits of interdependence to their own advantages, so must the agents, organisms and/or institutions which are responsible to fight them. Whether this logic is well accepted and recognised or not is not an option or a choice, but remains a matter of facts. On the other hand, the difference will be made in reducing the time for a concerted approach, not in debating whether cooperation and real commitment are the key to succeed, as this is already an evident truth.

experienced by Thailand if no serious preventive actions will be introduced. As the last Report of the Thailand's Office of the Narcotics Control Board (ONCB) states "The total amount of seized methamphetamines could not make much difference when compared with the total volume of imported methamphetamines". Thus law enforcement measures can help to reduce the problem, but preventative strategies can stop the problem to arise in the first place.

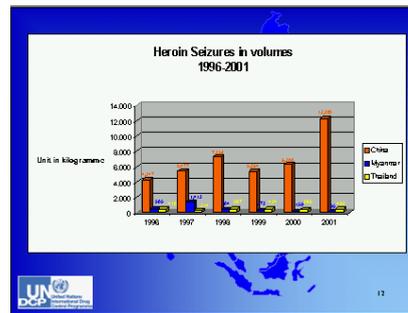


4. Serious problems of ATS abuse exist in Thailand and the Philippines, while other countries, such as Cambodia and China report a growth trend. Regardless of whether the problem has reached the size of a national epidemic or not, all countries of the region should be alert. Given the rapidity of its spread – in Thailand ONCB estimates that the number of people using “yaa-baa” has doubled in one year – and the spill-over effect of consumption over its trafficking routes, other countries of the Region are likely to be confronted with a similar situation as the one currently

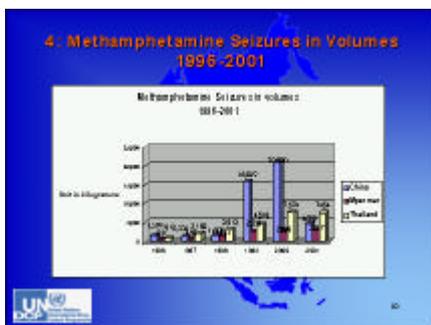
ATS is also representing a significant innovative factor in trafficking trends.

Heroin and methamphetamine produced in Myanmar are trafficked largely through transit routes crossing the porous Chinese and Thai borders; to a lesser extent over the Indian, Bangladeshi, and Lao borders; and through Yangon onward by ship to other countries in the region. Although Thailand remains an important route for heroin from Myanmar to Southeast Asia, trafficking through China has increased significantly over the past several years. China shares a 2,000-kilometer border with Myanmar. The majority of heroin produced in Myanmar is now trafficked through China en-route to the international market, reflecting China's importance as a transshipment route. Most seizures of Myanmar heroin now

take place in China and in particular in the Yunnan province bordering Myanmar. Yunnan Provincial Narcotic Control Committee reported total provincial seizures of 8,000 kg in 2001, almost 3 times more than the year before. The total seizures of heroin in China in 2001 doubled compared with in 2000 ending up to record high figure of 12,300 kg. Europe and USA are no longer dominating as destinations for heroin originating from East Asia, as Australia has emerged as a new major destination.



as transnational and need to be well organised by a number of people to prevent intervention by law enforcement agencies. Therefore the main part of the international drug trafficking is to be considered as organised crime according to the definition contained in the UN Convention on Transnational Organised Crime. The level of trafficking of drugs in the region makes organised crime an important issue to be addressed.



The dominant part of the crystallized methamphetamine produced in South China is aimed for Japan, the Philippines, Korea and the Taiwan Province of China. Japan seized 85 kg of ATS in 1995 compared with 1,975 kg in 1999 and 1,026 kg in 2000. There are reports from Japan of a growing volume of seizures of methamphetamine tablets originating from Southeast Asia. It is interesting to notice the price difference, one tablet (street price) cost US\$1.- in Bangkok and US\$20.- in Tokyo.



Most of the drugs produced in the region are exported out of the source country for consumption in another country. Major cases involving trafficking of drugs are consequently to be considered

5. The growth of trafficking of heroin in China is consistent with the growth in consumption. In order to highlight some of the effects of this trend on our citizens, to possibly “humanise” it, let me just mention that the extremely high seizures of heroin in 2001 match the reports indicating that 70% of known HIV/AIDS infections are related to sharing of needles. In Yunnan province HIV prevalence among IDUs rose from 0% in 1994 to 70% in 1997. The spread of HIV is directly linked to Intravenous

Drug Use along trafficking routes from Northern Myanmar into China.

5: HIV/AIDS in Asia (WHO 2001)

Country	Population age 15-49	Number HIV+	Adult HIV prevalence	Main mode of transmission
Cambodia	6,081,000	169,000	2.77	Hetero
Myanmar	25,769,000	510,000	1.99	Hetero, IDU
Thailand	36,241,000	671,000	1.85	Hetero, IDU
India	572,862,000	3,900,000	0.75	Hetero, IDU
Malaysia	11,654,000	42,000	0.36	IDU
Vietnam	42,275,000	122,900	0.29	IDU, Hetero
Singapore	2,027,000	3,300	0.13	IDU
Indonesia	119,093,000	100,000	0.09	IDU
China	720,355,000	690,000	0.09	IDU
Lao PDR	2,402,000	74,300	3.09	IDU
Philippines	36,428,000	10,000	0.27	IDU
Bangladesh	69,031,000	13,000	0.19	IDU
Japan	59,098,000	10,000	0.02	IDU
Rep. Korea	22,700,000	5,000	0.02	IDU

IDU is recognised as a major vector of transmission among IDU populations who are also contributing to the infection of general populations through unprotected sex.



Countries most affected by the IDU trends include Indonesia, Thailand, Myanmar, China and Vietnam. Among these countries, IDU is either driving the HIV/AIDS epidemic, as is the case of China and Vietnam, or significantly contributing to it, as is the case in Myanmar and Thailand.

6. Mr. Chairman, Ladies and Gentlemen, my fifth point is possibly the most important one. Some independent researchers have recently looked into **the consistency between our East Asian consensus on “tough on drugs policy” and the related actions and budgets.**

Summary of Supply Situation

- Continued production of opium and heroin
- Increasing production and trafficking of ATS
- China becoming a major transshipment route
- Most drugs produced nationally are for export
- Most drug trafficking bases are transnational

Summary of Demand Situation

- Significant increase in the number of drug dependence cases
- Increasing geographical dispersion of drug abuse
- The major portion of known cases are heroin related
- The major route of transmission is by injecting drug use
- Drug abuse is driving the current HIV/AIDS epidemic in China
- Growing concern about the national abuse of ATS
- Existing and potential risks to population health and human security is high

The Drug Control Memorandum of Understanding of the Greater Mekong Subregion with six member countries and UNDCP has been since 1993 the most innovative international cooperation initiative then replicated in various parts of the world.

6: Too much complacency ..

Everybody agrees with ...

- The 1993 Memorandum of Understanding
- The ACCORD Plan of Action

... but who shares the burden ?

The ACCORD Plan of Action for a Drug Free ASEAN 2015 has been recognised by the United Nations Economic and Social Committee as the first political and technical drug control partnership fully owned by many countries, with clear targets, task forces, timelines, a business plan, a funding strategy and a monitoring mechanism.

We really could not do better in planning areas.

Execution and action nevertheless depend on funding. Large and strong Asia/Pacific economies contribute to the multilateral fight against drugs in a measure significantly smaller than their share in other multilateral affairs. Many medium income Asian countries

contribute with percentages on total budgets which look like long distance telephone codes (00...) and some simply are absent in financial terms. In this way the burden is not fairly shared and it is mainly on the shoulders of poorest countries and some traditional overseas donors. Countries who are serious in their commitment to fight drugs as they declare in officially approved policies, should also consider to enhance the consistency of financial commitment with the magnitude of the drug scourge.



Conclusion

Every form of transnational crime may represent a somewhat distinct threat to human security, regardless on whether they involve threats to the privacy and civil liberty of our citizens, or indirectly cause the spread of HIV/AIDS, or affect the life and future of young generations, or even affect the sovereignty, security and governance of states. All of these forms have a common denominator. Drug trafficking is but one aspect of this dangerous threat and there is clear evidence that transnational organized crime rarely limit its criminal activities to only one sector. Being profit and money-making their own objective, they will always create synergies among sectors and areas of activities where substantial profits can be gained. The links between various illicit trafficking activities (in firearms, explosives, drugs,

smuggling of illegal immigrants, trafficking of women and children for the purpose of exploitation, trafficking in organs, toxic waste) and between them and financial fraud, corruption and money laundering are well documented. As a result, it makes little sense for countries of the Region to attempt to address these various threats to human security as if they were distinct and independent phenomena, evolving separately or calling for totally different strategies. It makes even less sense to attempt to address these threats through a sole national approach.



Being them transnational *per definition*, they need a 1) integrated, 2) concerted, 3) coordinated transnational response.



In the area of regional cooperation on drug control, a clear political and a comprehensive plan of action now exist in the ACCORD. This commitment to the promotion of human security via

drug control policies may entail a reconsideration by all countries of the Region of their development goals and strategies and/or their development assistance priorities. Organisations involved in international co-operation and technical assistance in the field of drug control may also have to reconsider some of their national strategies in the view of regional co-operation.

There is a need for an enhanced vigour in the implementation of these strategies, a sense of urgency and an order of magnitude in action terms appropriate to the difference they wish to make in the improvement of our peoples lives.

Thank you

