



UNITED NATIONS  
*Office on Drugs and Crime*

# THE THREAT OF NARCO-TRAFFICKING IN THE AMERICAS

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The boundaries, names and designations used in all maps in this report do not imply official endorsement or acceptance by the United Nations.

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## PREFACE

The Americas have a drug problem. South America produces almost all of the world's cocaine, and North America consumes half of it. (Most of the rest goes to Europe.) The American hemisphere produces more than half of the world's cannabis herb, and 10 percent of North Americans smoke it at least once a year. The illicit trade in heroin, synthetic drugs and chemical precursors is predominantly intra-regional. In short, drug demand in the Americas is largely satisfied by drug supply in the Americas. The problem should be treated as a hemispheric security issue.

The victims are the countries and communities caught in the cross-fire. Drug-related crime and the violence that it fuels in Central America, parts of the Caribbean, and Mexico are a threat to public safety and an impediment to development. It is what the public and foreign investors fear the most.

Weak law enforcement enables drug trafficking, which, in turn, undermines the rule of law even further. It is no coincidence that the countries most affected by trafficking have some of the highest murder rates in the world.

Narco-trafficking is also posing a threat to urban security, from Toronto to Tierra del Fuego. Gang violence and gun-related crime are on the rise. Some neighbourhoods have become combat zones.

The problem is spilling over across the Atlantic. West Africa is under attack from Latin American drug traffickers cashing in on a strong Euro and increasing demand for cocaine in Europe. In the past five years, the amount of cocaine transiting this vulnerable coastline has grown at an exponential rate.

Tackling the threat of narco-trafficking in the Americas is a shared responsibility. No country is immune from the problem: all participate, either as a source of drugs, a transit country for trafficking, or as an importer. The trans-national nature of the problem requires regional cooperation, for example through the United Nations, the Merida Initiative, CARICOM, the Organization of American States, and regional development banks. It also requires increased inter-regional intelligence sharing, for example between West Africa and Latin America.

Bilateral and international assistance can reduce vulnerability to drugs and crime. This includes development assistance to promote education, employment, rural development, and urban renewal. It also requires technical assistance to improve capacity and integrity in law enforcement and justice systems in order that they can better protect witnesses, counter kidnapping, fight corruption and money laundering, protect human rights, combat gang violence, and deal with serious organized crime.

Strengthening the rule of law can unleash development. Less crime means more growth and stability. For example, Haiti and Jamaica could double their annual economic income if they could bring their crime rates down to Costa Rica's level.

More effective law enforcement and greater cooperation are necessary to tackle narco-trafficking in the Americas. But that alone is not sufficient since drug trafficking is a symptom of an abundance of supply and (largely North American) demand. Until more resources are put into drug treatment and prevention as well as viable alternatives to illicit crops, narco-traffickers will continue to ply their lucrative and deadly trade across the Western hemisphere.



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## EXECUTIVE SUMMARY

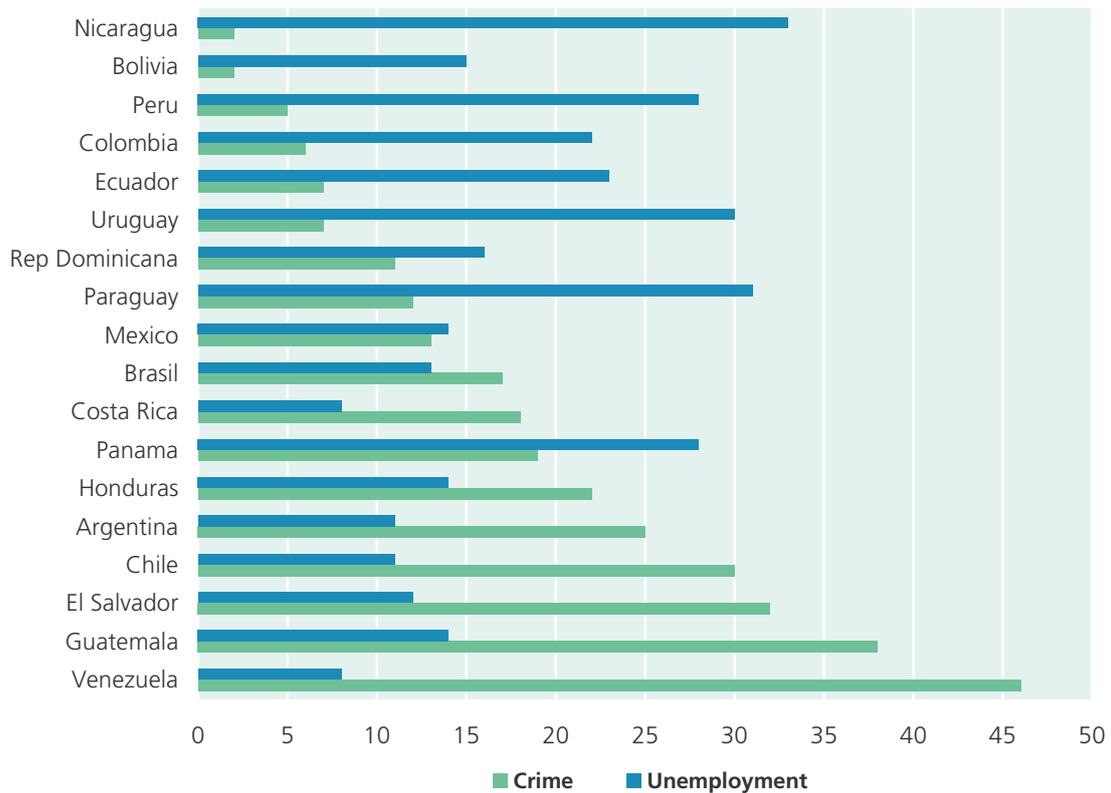
- The Americas are vulnerable to crime problems due to socio-economic conditions (such as income inequality), historic issues (particularly civil conflict and authoritarian government), and the drug trade. Of these, the drug trade is the most amenable to collective action.
- Colombia, Peru, and Bolivia produce an estimated 1000 tons of cocaine annually, most of which is shipped to 10 million users in the United States and Europe through other Latin American countries. Nearly every country in the hemisphere is affected.
- In 2007, the coca cultivation area in all three producer countries increased, though production remains largely stable.
- Seizures of cocaine increased dramatically in a number of countries over the last few years, notably those neighbouring Colombia (Venezuela/Trinidad and Tobago; Panama/Costa Rica). As a response to growing pressures in Colombia, it appears drug traffickers are relocating aspects of their operations to nearby countries.
- The emergence of a major cocaine trafficking route to Europe via West Africa has implications for Venezuela as well as the Southern Caribbean states, particularly as the European market is rapidly growing.
- Despite declining demand, North America remains the world's largest cocaine consumer, with an estimated 7 million users consuming perhaps half of the world's supply.
- The heroin market is largely contained within the hemisphere, with Colombia and Mexico supplying most of the demand of the 1.3 million users in North America.
- Cannabis demand is universal and mostly supplied by domestic sources, but Paraguay, Colombia, Jamaica, and Canada are significant exporters to other countries in the region.
- Production of methamphetamine to supply domestic demand was initially most acute in the United States. Precursor controls pushed large-scale production southward, into Mexico, and increasing enforcement there may push it further southward still. All countries of the region have the potential to be used for precursor diversion or manufacture. Canada has recently emerged as a global source of ecstasy-group drugs.
- The drug trade has an impact on other forms of crime, particularly violent crime. In extreme cases, it can even fuel insurgency, with Colombia being the best known example. But there are many examples in the America's where the drug trade remains highly associated with rising violence.
- Taken as a whole, Latin America and the Caribbean represent the area of the world with the highest rates of criminal violence today. By any reckoning, Venezuela, El Salvador, Guatemala, and Jamaica are among the countries with the highest rates of murder, while rates are nearly as high in countries as diverse as Colombia, Brazil, the Dominican Republic, and Trinidad and Tobago.
- The drug trade brings in illicit firearms, the violence from which may extend well beyond participants in the drug trade. Street gang members and deportees are allegedly associated with both drug trafficking and violence in some countries, but it is difficult to establish this connection in societies where general violence levels are very high.
- Money laundering and the fostering of corruption are two other areas where drug trafficking can further undermine both the economy and governance.
- Countries like Colombia show how progress against drug trafficking can pay dividends in reducing violence. But the problem is truly hemispheric, and can only be addressed through international cooperation and information sharing.



## INTRODUCTION

This paper, gives and overview of the illicit drug trade in the Western Hemisphere. These countries are diverse, but all are affected – to varying degrees – by drugs and related crime. In Latin America in particular, the people of this region identify economic issues and crime as their two greatest problems, and the two issues are deeply interrelated, because crime and corruption are derailing economic development in some instances. Countries such as Venezuela, Guatemala, and El Salvador seem to be the most concerned about rising crime problems. In Colombia, on the other hand, crime is no longer considered the most pressing issue.

**Figure 1: What is the most important problem facing your country?**



Source: *Latinobarometro 2007*

Many of the countries of the region are vulnerable to crime because of socio-economic conditions. For example, income inequality has been found to be generally associated with violent crime, and the Americas contain some of the most unequal countries in the world. Many Latin American countries also have a recent past of conflict or authoritarian rule, which can also generate crime problems. Authoritarianism and civil war may normalise violence as a means of solving disputes. Conflict brings small arms into an area and teaches the practical and psychological skills required for their use. Authoritarian policing instils bad habits in the security services and stunts the development of the skills needed for democratic policing. Perceptions of growing crime can fuel popular demand for the use of the military in policing and the introduction of anti-crime legislation that reduces procedural protections, eroding human rights gains.

These vulnerabilities are compounded by the drug trade, especially the production, trafficking, and consumption of cocaine. In South America, the Andean Region produces the world's cocaine, most of which comes from Colombia, Peru, and Bolivia. An estimated 1000 tons of cocaine is produced annually, most of which is shipped to 10 million users in the United States and Europe. Neighbouring countries are prone to becoming transit countries, and other aspects of the trade may spill over as well, as enforcement pressures increase. This can be seen today in the cases of

Venezuela, Panama, and Costa Rica. In 2007, increases in cocaine seizures reported from Chile, Uruguay, Argentina and Paraguay, suggest that trafficking via the Southern Cone may have increased in 2006.

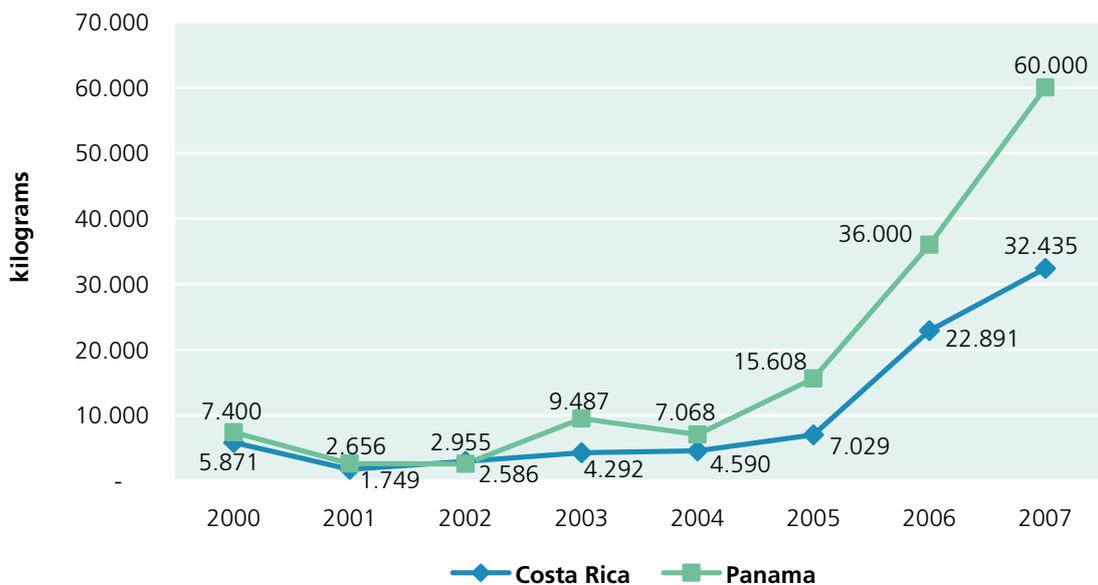
Central America remains one of the regions most vulnerable to organised crime, due to an post-conflict environment and a geographic position between the world's biggest suppliers and consumers of cocaine. There are sparsely policed areas in several Central American countries – including the Laguna del Tigre Park in Guatemala, Mosquitia in Honduras, and the Atlantic coast of Nicaragua – that provide ideal way-stations for refuelling, repackaging, and stockpiling drugs. Cocaine seizures were up 88% in 2006 and look set to increase again in 2007. A recent surge in cocaine seizures in Costa Rica and Panama show the growing importance of these countries to the drug trade.

The countries in the Caribbean are especially diverse – socially, economically, and politically – yet like Central America, they suffer from the disadvantage of being situated between the world's source of cocaine and its primary consumer markets. As small islands, Caribbean countries and territories have large coastlines and territorial waters to control relative to their ability to fund law enforcement coverage. Hispaniola in particular has shown enduring significance to traffickers of cocaine and other drugs.

Despite declining rates of abuse, the United States remains the biggest cocaine consumer in the world, as well as a major importer of heroin (from Colombia and Mexico), cannabis, and amphetamine-type substances (ATS). It also produces cannabis and ATS for the domestic market. Canada is also a major cannabis producer and exporter to the US, a growing producer and transit country for ATS, and an importer of cocaine, heroin, and ATS. North American demand is the lynchpin on which the hemispheric drug economy hangs.

In short, and despite government's efforts, virtually every country in the Americas is either affected by drug production, used as a transit country for trafficking, or imports the drug. The main drug of concern is cocaine, but heroin and cannabis are also issues. And more recently, amphetamine-type substances (particularly methamphetamine) and their precursors have begun to affect the region. Each of these drug markets has its own particular characteristics, so they are discussed in detail in the following sections.

**Figure 2: Kilograms of cocaine seized in Costa Rica and Panama**

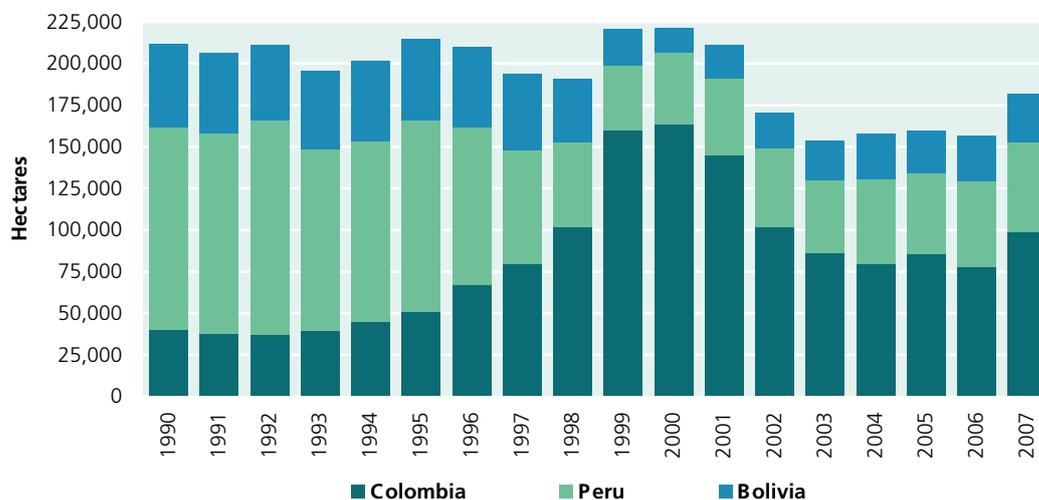


# 1. THE COCAINE MARKET

## Production

The Andean Region of South America continues to be the source of the world's cocaine, producing an estimated 1000 tons of the drug annually, most of which is shipped to 10 million users in the United States and Europe. In 2007, some 55% of the land area under coca bush globally was cultivated in Colombia, followed by Peru (30%) and Bolivia (16%). In 2007, coca cultivation increased in all three countries. In Colombia, the area under cultivation expanded 27% to 99,000 ha. Increases for Bolivia and Peru were much smaller: 5% and 4% respectively. In total, the global land area under coca increased 16% in 2007 to 181,600 ha. Although sizeable coca cultivation does not exist outside these three main countries, eradication reports from Governments in the region indicate that small-scale coca cultivation takes place in other countries in the region.

**Figure 3: Global coca bush cultivation (hectares), 1990 to 2007**



Colombia's 2007 expansion rolled back some of the gains made in reducing the cultivated area after 2000. Three quarters of the increase was found in the Pacific and Central regions. The Pacific was the largest coca producing region in 2007 (25,960 hectares), followed by the Putumayo-Caqueta, Central, and Meta-Guaviare regions. Together, these four regions represented 89% of the total area under coca cultivation in Colombia in 2007.

Coca cultivation in Colombia is dynamic and the area under cultivation is subject to a range of variables. Price increases, pressure exerted by armed groups on farmers, downturns in the legal economy, and temporary crisis situations can all lead to an increase in the cultivated area. On the other hand, factors such as forced eradication, aerial spraying, improved security conditions, and plant diseases can contribute to reducing the cultivated area. Between 2005 and 2006, the government reported the manual eradication of 41,346 hectares, a new record. In addition, aerial spraying continued to be intense and was above 130,000 hectares for the fifth consecutive year. In 2006, a total of 172,025 hectares were sprayed. The total of both types of activities (spraying and manual eradication) amounted to 213,400 hectares in 2006.

The Government of Colombia reports that eradication has pushed crops to low-yield areas, such as the Pacific Coast. Eradication pressures seem to have forced a reduction in plot size as well – plots declined from an average of 1.13 hectares in 2005 to 0.85 hectares in 2006, a 25% reduction. During 2007, the province that reported the most laboratories destroyed was Nariño, a low-yield province where cultivation has increased.<sup>1</sup>

In 2007, coca cultivation in Peru increased by 4% to 53,700 ha. Despite having experienced the second consecutive increase in two years, coca cultivation remained well below the levels registered in the mid-1990s, when Peru was the world's largest cultivator of coca bush. Coca cultivation in Peru's three largest coca producing regions, which together represented 86% of the total area under coca bush, remained relatively stable. The smaller coca cultivating regions were responsible for most of the 4% increase reported in 2007.

The most important coca cultivating regions in Peru are Alto Huallaga, Apurímac-Ene and La Convención y Lares. Each region has its own characteristics. While production in La Convención y Lares is mainly oriented to traditional consumption, almost all the production of Apurímac-Ene and Alto Huallaga is tied to drug trafficking and is transformed into coca derivatives (coca paste/cocaine base, cocaine hydrochloride).

For a second consecutive year, coca cultivation increased in Bolivia, amounting to 28,900 ha in 2007, an increase of 5%. This increase brought the total area under cultivation to its highest level since 1998, when it was 38,000 ha. Overall, the total area under cultivation in Bolivia remained well under the annual totals during the early and mid-1990s, when Bolivia accounted for a quarter of the global total, and Bolivia still trails behind Colombia and Peru in terms of the total area under cultivation.

The Bolivian increase occurred in the two main areas of coca cultivation, the Yungas of La Paz and Chapare. The Yungas of La Paz accounted for 69% of the total cultivation in 2006. Coca cultivation in the Yungas reached 18,900 ha, an increase of 4%, and in Chapare 8,300 ha, an increase of 19%. In the Chapare region, the increase occurred mainly in the North-West, around and inside Isiboro National Park. The significant increase inside the Park could be attributed to the absence of eradication during 2006 in this isolated area. In the Yungas of La Paz, increasing cultivation is tied to low levels of eradication combined with migration from more impoverished areas of Bolivia. In both regions, the new cultivation is occurring mainly in isolated places, where controls are difficult to implement.

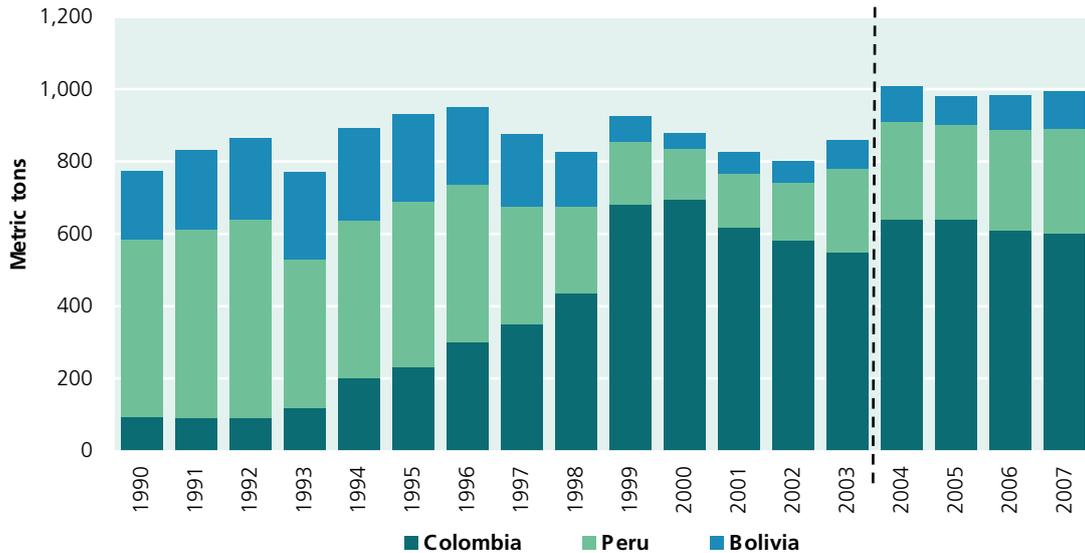
The cultivation estimate for Bolivia also includes the 12,000 ha (44% of total cultivation) permitted under Bolivian Law No 1008 ("Law on the Regime Applicable to Coca and Controlled Substances", 1988) for traditional uses such as leaf chewing, medicinal preparations and coca tea. Further, the total included an additional 3,200 ha of coca cultivation temporarily authorized in October 2004 by decree of the Government of Bolivia in the Chapare region. In 2006, in most of the Chapare region, farmers were cultivating an average of 0.16 ha of coca, locally called "cato", which is the surface allowed according to an agreement reached between the Government and social organizations of coca farmers in October 2004. Nevertheless, in some isolated regions, bigger fields were found.

Despite increases in the area under coca in the Andean region, production only grew by 1% overall, to 994 tons, since crops were either not well tended or planted in poor yielding areas. Global potential cocaine production has remained stable over the last few years, at just under 1000 tons. The majority of this, 600 tons in 2007, comes from Colombia. In keeping with this consistent supply, prices of coca leaf appear to be stable.

Map 1: Coca cultivation density in the Andean Region, 2007



Sources: National monitoring systems supported by UNODC - Governments of Bolivia, Colombia and Perú  
 The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations

**Figure 4: Global cocaine production (metric tons), 1990 to 2007**

Note: Colombian cocaine production estimates after and including 2004 are not directly comparable with earlier years.

In Peru, farm-gate prices of sun-dried coca leaf remained unchanged in 2007, at US\$2.50 per kilogram. As in the previous six years, monthly average prices remained in the range of US\$2.00 to US\$3.00 per kilogram. Coca leaf prices in Bolivia continued to be considerably higher than in Peru. In Bolivia, farm-gate prices for sun-dried coca leaf in the Chapare region increased considerably from US\$3.20 per kilogram in 2006 to US\$3.80 per kilogram in 2007, approaching levels reached in 2005 (US\$4.10 per kilogram) and reversing the downward trend in prices in this region registered since 1998.

Comparing farm-gate prices of coca leaf in Colombia with prices for sun-dried leaf in Peru and Bolivia is difficult due to important differences in the way the drug is marketed. In Colombia, coca is marketed either as fresh leaf or is converted on the farm into coca paste. However, given the utility of price to market analysis, UNODC undertakes an annual comparison (mathematically converting fresh to sun-dried) which, this year, indicates that farm-gate prices for fresh coca leaf collected in Colombia are similar to those for Peru. Prices of coca paste at the farm-gate increased in both Colombia and Peru, from US\$853.00 per kilogram in 2006 to US\$946.00 per kilogram in 2007 in Colombia, and in Peru from US\$559.00 per kilogram to US\$600.00 per kilogram.

The entire manufacturing cycle of cocaine hydrochloride is more or less confined to the three coca cultivating countries, and there are very few reports of laboratories producing cocaine in other countries. In 2006, Governments reported the destruction of over 6,390 clandestine coca processing laboratories worldwide, an increase over 5,901 laboratories destroyed in 2005 mainly due to increases in Bolivia and Colombia. In addition, Bolivia and Peru destroyed large numbers of coca maceration pits. The only labs discovered outside the three countries were found in Spain (10), the United States of America (4), Chile (2) and South Africa (1). Preliminary figures for 2007 indicate that the number of coca processing laboratories destroyed in Bolivia, Colombia and Peru stabilized at the 2006 level.

Colombia accounted for the largest volume of potassium permanganate seizures worldwide (99 tons) in 2006. Fifteen illicit clandestine laboratories producing this precursor, which is an essential ingredient for producing cocaine, were destroyed in the country. Smaller amounts of potassium permanganate were seized in Peru and Ecuador. Most of the potassium permanganate shipments intended for South America originated outside the region, with Argentina, Brazil and Chile being the major importers. Operation Purple, a comprehensive precursor control programme, is thought to have tightened the control of the international trade in potassium permanganate. Other countries in the region where precursor chemicals face fewer restrictions may increasingly be involved in drug production. For example, Trinidad and Tobago's advanced petrochemical sector requires the

import/export of precursor chemicals that can be diverted for the manufacturing of cocaine hydrochloride.<sup>2</sup>

## **Trafficking**

Frequently quoted estimates among enforcement agencies in recent years suggested that some 450 tons of cocaine (46% of production in 2006) is shipped from South America to markets in North America, but that this amount is falling.<sup>3</sup> Another 250 tons (25% of production) is trafficked to markets in Europe, and this amount is increasing.<sup>4</sup> Most of the remainder is seized in the coca producing countries themselves, equivalent to about 170 tons in pure cocaine. The balance is consumed in the region and in other parts of the world.

At least from 2006, traffickers began increasingly using overland routes to transport cocaine from Colombia through Venezuela (and, to a lesser extent, Ecuador) to the United States of America and Europe.<sup>5</sup> Of seizures made in the region, 54% was seized on overland routes and 44% was seized at sea.<sup>6</sup> The Colombian authorities estimate that 78% may be eventually trafficked by sea, by go-fast vessels (65%) or other sea craft. They also estimate that 55% of the cocaine produced in South America is transported along the Mexico-Central America corridor towards North America.<sup>7</sup>

### ***Central America corridor dominates***

The US ‘Interagency Assessment of Cocaine Movement’ (IACM) estimates that between 530 and 710 tons of cocaine may have departed South America towards the United States in 2006<sup>8</sup>. Out of this amount some 90% is thought to have transited the Mexico-Central America Corridor in 2006. The IACM concludes that 66% of the cocaine departing South America towards the USA in 2006 moved through the Eastern Pacific Vector, more than a year earlier (50%).

The dominance of the Central American transit corridor is a recent occurrence. The Colombian Cali and Medellin “cartels” preferred the Caribbean corridor and used it from the late 1970s.<sup>9</sup> In the 1980s, most of the cocaine entering the United States came through the Caribbean into South Florida.<sup>10</sup> But interdiction successes caused the traffickers to reassess their routes. By 1998, about 59% of the cocaine went via Central America/Mexico, 30% via the Caribbean, and 11% via direct commercial sea freight or air flights.<sup>11</sup> In 1999, the flows across the Mexican border dropped to about 54%, flows via the Caribbean increased to 43%, and only 3% arrived directly from South America.<sup>12</sup> By 2000, the ratios shifted to 66% Central America/ Mexico and 33% Caribbean, with a decrease in the use of Haiti and Puerto Rico and an increase in the use of Jamaica.<sup>13</sup> By 2003, the ratio was 77% through Central America/Mexico and 22% via the Caribbean.<sup>14</sup> In 2006, 90% was said to go via Central America, with two thirds along the Pacific Coast, and 8% via Hispaniola.<sup>15</sup>

This shift in trafficking patterns has been attributed to law enforcement action.<sup>16</sup> Another possible explanation is the long-term trend towards Mexican domination of US cocaine markets. In the 1980s, Mexican organizations were used primarily to transport cocaine into the United States on behalf of Colombian groups. But since these traffickers were paid in cocaine, purportedly half the shipment since the 1990s, it was only a matter of time before they began to dominate all aspects of the trade. Today, while Colombian groups and their Dominican associates still control the Northeast, Mexican groups are challenging other organisations throughout the country. Colombian/Dominican groups have traditionally preferred to use the Caribbean, while Mexican groups prefer to use the Central American corridor. While Colombians continue to control the supply to the European market, Mexican traffickers have also appeared there as well. In 2007, the Mexican authorities seized 48 tons of cocaine, more than double the seizures in 2006.<sup>17</sup>

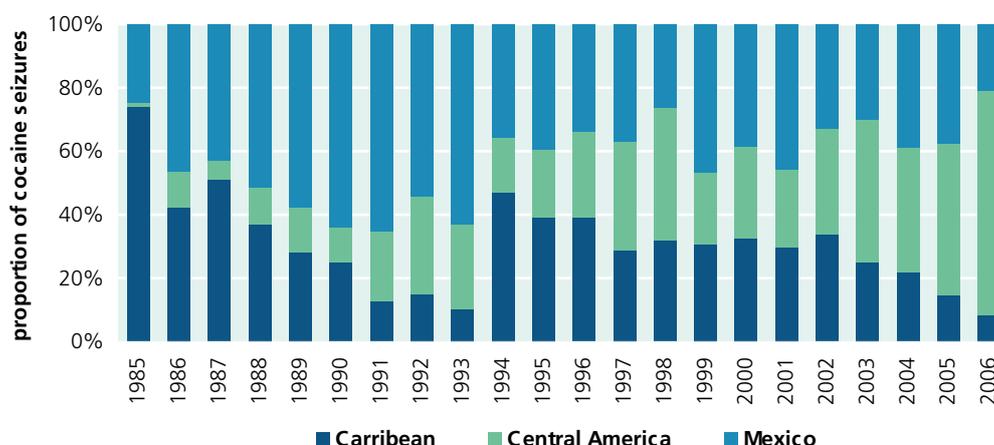
### ***Caribbean remains competitive***

Yet, the shift away from the Caribbean may be short-lived. The Caribbean has been a centre for smuggling contraband for centuries. In the past, the flow of cocaine has oscillated between the two corridors, in response to enforcement action and other factors. The Caribbean is likely to maintain

its attractiveness to traffickers for a variety of reasons. So long as Colombian groups remain a factor, they will likely continue to utilize both the Mexican organized crime groups and other traffickers to move their drugs. The continuing importance of Caribbean expatriate groups in wholesaling and retailing cocaine in the United States, particularly in the Northeast, is also likely to promote use of Caribbean controlled trafficking routes. The Caribbean has language, historical, commercial, and legal ties to some of the major consumer countries, including the massive tourism industry. These ties include daily direct air flights and container traffic. The torrent of remittances from expatriate populations, as well as a large financial services industry, provides cover for money laundering.

Therefore, despite recent shifts, large quantities of drugs continue to transit the Caribbean. In 2005, it was estimated that about 10 tons of cocaine transited through Jamaica, and 20 tons through Haiti and the Dominican Republic. More recently, it appears that Hispaniola has increased further in importance, and the number of Dominican traffickers arrested by Federal authorities in the US has increased. The Dominican authorities seized 3.8 tons of cocaine in 2007, in 7,342 seizures, suggesting much of the trafficking is small scale. Dominican traffickers have also established a presence in Europe, with Dominicans comprising 4% of the foreign drug traffickers arrested in Italy in 2006 and 17% of the foreign cocaine traffickers arrested in Spain in 2007 (over 500 individuals between the two countries). Dominican authorities estimated that, in 2004, most (67 percent) of the cocaine entering their country came by land, which means it came from Haiti. This is actually a substantial decrease from 2003, when the figure was 90 percent. The Dominican Republic is being used as a “command, control, and communications” centre for drug operations in the Caribbean. It is also used to store drugs, before onward shipment to Puerto Rico or the United States.<sup>18</sup>

**Figure 5: Cocaine seizures in main transit zones to USA and Canada, 1985-2006**



The southern Caribbean has also come under increased pressure as transshipment through Venezuela grows and the European market grows in importance. Recently, the Netherlands Antilles led the world in per capita cocaine seizures, but this prominence seems to have diminished as enforcement efforts sharply reduced airport couriering through the Dutch Caribbean to the Netherlands. These efforts may have pushed trafficking southward toward Trinidad and Tobago, where seizures, and drug-related violence, have increased in recent years. There is much commercial sea traffic between Venezuela and these islands, which are just a few kilometers offshore.<sup>19</sup> This traffic provides cover for drug shipments that can then be forwarded by sea or by air.

Trafficking remains dominated by Colombian and Mexican groups; the role Central Americans are playing in cocaine transshipment remains unclear and subject to change. It appears that much of the cocaine sent via the Pacific enters Mexico directly – in 2007, the Mexican authorities estimated that 57% of the cocaine entering their country comes by sea. But Central American countries, particularly Guatemala,<sup>20</sup> appear to be used as staging areas for road and air transport

into Mexico, as well as for fast-boat traffic along the Caribbean coast. Here, Central Americans may be playing a role as logistics.

Central American *maras* (street gangs) have been often been associated with drug trafficking, particularly since the US Operation Community Shield began targeting gang members for deportation in 2005. These deportees have included more than 2000 members of Mara Salvatrucha, a gang founded by Salvadoran nationals and active in both the US and Central America. But there remain reasons to be sceptical that mara members are key players in transnational drug trafficking. Despite Operation Community Shield, only 48 Guatemalans, 38 Salvadorans, and 29 Hondurans were arrested by Federal authorities for cocaine trafficking in 2007, compared to 70 Cubans, 233 Colombians, 267 Dominicans, and 1,284 Mexicans. The bottom line is that most of the cocaine entering the US comes across the Mexican border, and the domestic US cocaine market is dominated by Mexican groups. Central Americans must either serve these groups or cater for niche markets.

### ***West Africa as a gateway to Europe***

As demand for cocaine in Europe increases along with improved security along traditional trafficking routes, a striking new trend in cocaine trafficking has emerged in recent years with the rising importance of Africa, notably of West Africa, as a transit area for cocaine shipments to Europe. At least 46 tons of cocaine have been seized on route to Europe via West Africa since 2005. Prior to that time, the entire continent combined rarely seized a ton. In some cases, like Guinea Bissau, the value of the cocaine trafficked through the country may be greater than the entire national income.

At first glance, trafficking through West Africa appears to make little market sense. To make use of the region as a way station, traffickers must add kilometres, and thus risk, to their traditional smuggling routes. There must be substantial incentives in favour of making this detour. Most obviously, there is value in novelty – professional drug traffickers avoid interception by continually shifting operations away from routes known to law enforcement. But there are indications that in some instances, such as Guinea-Bissau, South American traffickers have actually relocated to the west coast of Africa, an unfamiliar territory for them. The investment they have made suggests that this is more than just fleeting slight-of-hand. Trafficking via West Africa apparently offers long-term advantages over more direct routings. These advantages are linked to poverty and political weakness in some countries. Drug trafficking can find a particularly favourable environment in under-governed regions, where the state is either too poor to assert authority or where insurgent groups have assumed some degree of control.

The major seizures of cocaine in West Africa suggest that both sea and air traffic are involved. The maritime shipments tend to involve large commercial fishing or freight “mother ships”, often specially modified for cocaine storage. These same ships are likely to ply the other maritime routes to Europe. These ships discharge their cargo at sea to fishing vessels from the West African coast. According to Europol, the crews of these smaller vessels are West African, with Spanish or South American “controllers”.<sup>21</sup> Air shipments have also been detected, often using relatively small aircraft modified for the trans-Atlantic voyage by the inclusion of additional fuel tanks. Seizures of these craft have been made in both South America<sup>22</sup> and in Africa.<sup>23</sup>

Once on African soil, it is unclear what share remains in control of South American organized crime groups and what share is transferred to West African or European groups. There are several possibilities. The most likely scenario is that similar to the relationship between Colombian traffickers and Mexican couriers in the past, it may be that South American groups are employing West Africans to accept and protect cocaine shipments in West Africa, and perhaps to transport some share of the drugs to Europe, paying for these services in cocaine. This would result in two parallel systems of importation to Europe: one involving larger quantities remaining in South American control, and one involving smaller quantities owned by West Africans. The former would more likely be maritime and the latter would probably involve a large number of couriers on commercial air flights, a favoured technique of West African groups world-wide.

The contention that a large number of players are involved in transporting the cocaine from West Africa to West Europe is supported by the diversity in technique detected in seizures. Some cocaine departs West Africa by again going to sea. Some goes directly by courier or air cargo on air flights from West African to European cities. But there is evidence of both land<sup>24</sup> and air<sup>25</sup> transport to North Africa before proceeding to Europe by sea or by air.

In 2007, the Colombian authorities estimated that around 35% of the cocaine produced and shipped from the coasts of Colombia, Venezuela, Brazil and the Guyanas is trafficked via the European/African corridor.<sup>26</sup> The most frequently mentioned country of origin of cocaine trafficked to Africa is Colombia, followed by Peru and the most important transit country for cocaine seizures made in Africa is Brazil, followed by Venezuela. Colombia is still mentioned more than any other country in reports by national governments to the UNODC as the main source country for cocaine arriving in Europe. Taking only mentions of the three Andean countries, Colombia accounted for more than half of all such mentions from European countries in 2006. The most frequently mentioned transit countries in the ARQ in South America were Venezuela, followed by Ecuador, Mexico, Brazil, the Netherlands Antilles, Suriname and the Dominican Republic in 2006.

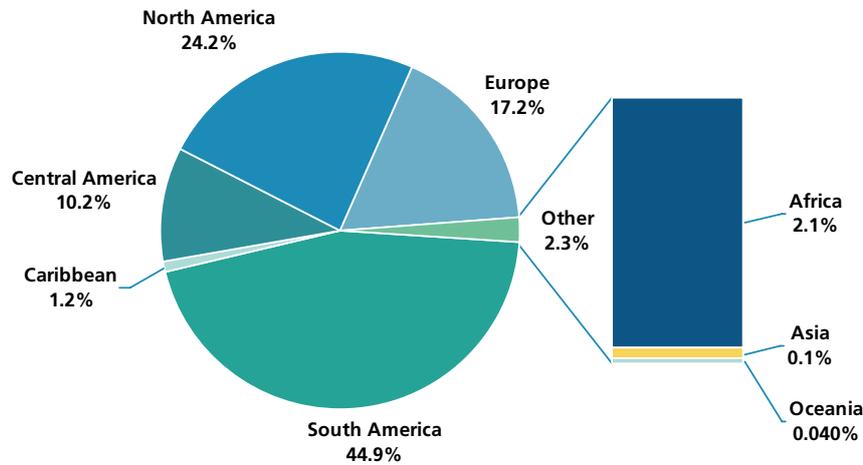
Based on individual drug seizures reported to UNODC, most of the cocaine intercepted in Europe could be traced back to Venezuela in 2006 (36% of seizures, in weight terms, for which the origin was known), followed by Colombia (17%), the Dominican Republic (5%), Brazil (3%), Ecuador (3%), Argentina (3%) and Peru (3%). The ranking for 2007 started again with Venezuela (44%), followed by Panama (11%), Colombia (5%), the Dominican Republic (4%), Peru (4%), Brazil (2%), Argentina (2%), Bolivia (1%), Mexico (1%) and Costa Rica (1%).

Spain and Portugal are the main entry points for cocaine into Europe. In 2006, Spain reported cocaine seizures of 50 tons, accounting for 41% of the European total. Shipments of cocaine to Spain were reported to have left South America mainly from Venezuela (31% of seizures of known origin in weight terms in 2006), followed by the Dominican Republic (8%), Ecuador (6%), Brazil (5%), Argentina (5%) and Colombia (4%). Drug trafficking groups of Colombian origin dominate the trafficking operations. Members of such groups also accounted for the largest number of cocaine related arrests among foreigners in Spain (23% in 2006). Portugal's cocaine seizures have doubled year on year, rising from 3 tons in 2003 to 7 tons in 2004, 18 tons in 2005 and 35 tons in 2006). The large seizures made by the authorities in Portugal are mainly linked to the rising importance of West Africa, including some of the Portuguese speaking countries, such as Cape Verde or Guinea Bissau. Cocaine is smuggled to these countries from the Andean region, often via Venezuela, Brazil and Western Africa to Europe. Foreigners arrested in Portugal for cocaine trafficking in 2006 were mainly from Cape Verde (19%), Venezuela (14%), Brazil (13%), and Guinea Bissau (5%).

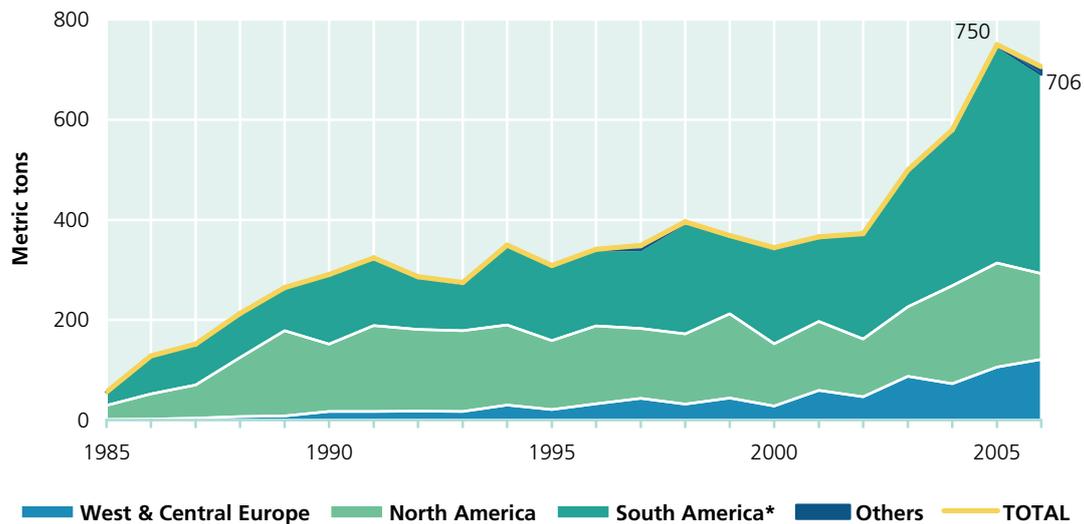
### ***Global seizures in perspective***

Global cocaine seizures (at street purity levels) fell 6%, from their record high of 750 tons in 2005, to 706 tons in 2006, reversing the previous upward trend. Global cocaine seizures are twice as high as they were a decade ago, which is impressive given the overall stability in cocaine production over the same period. The calculated global cocaine interception rate remained near 42% in 2006, up from 29 % in 1998.<sup>27</sup> Globally, most cocaine is seized in the Americas (81%). South America, where most cocaine is manufactured, accounted for 45% of global seizures in 2006. North America, the world's largest cocaine market, accounted for 24%. Central America and the Caribbean, which are major transit regions, accounted for 11 % of global seizures.

**Figure 6: Distribution of global cocaine seizures in 2006 (n = 706 metric tons)**



**Figure 7: Global cocaine seizures regional breakdown, 1985-2006**



\* South America including Caribbean and Central America

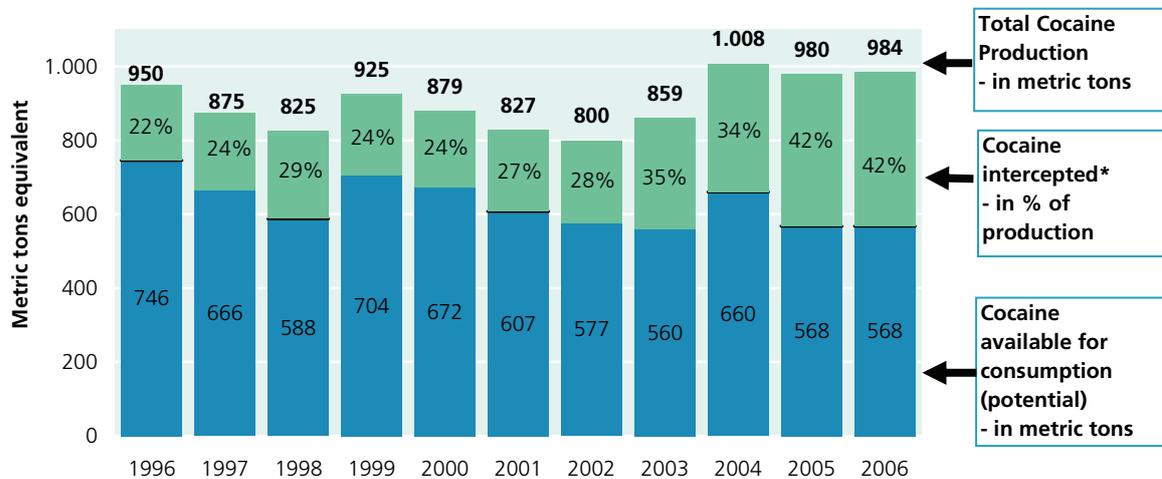
However, in the Americas cocaine seizures declined 11% from the record levels reported in 2005. Only Central America saw an increase in 2006. Cocaine seizures fell in South America (-17%), the Caribbean (-27%) and in North America (-18%). However, South American cocaine seizures rose from 31 % of global seizures in 1996 to 45% in 2006, reflecting the growing efforts made by coca producer countries and their neighbours to improve interdiction efforts close to source.

For the fifth year in a row, Colombia made the world’s largest cocaine seizures, seizing 181 tons of cocaine hydrochloride and cocaine base in 2006, equivalent to 26% of the world total. Colombian seizures represent 57% of South American cocaine seizures and 84% of coca-base and cocaine hydrochloride seizures made in the three Andean countries which produce coca leaf for cocaine production. The interception rate of cocaine produced in Colombia amounted to 30% in 2006, up from 13% in 2000. Seizures of cocaine hydrochloride amounted to 130 tons in 2006. The second largest cocaine seizure comes from the United States (147 tons). The US share in global cocaine seizures has declined from 46% of global seizures in 1985 to 36% in 1995, and from 23% in 2005 to 21% in 2006. Important transit countries, Venezuela and Panama seized 6% of the total or 39 tons, and 5% of the total or 36 tons, respectively.

Large seizures in South America are also undertaken by Ecuador (34 tons), Peru (19 tons) and Brazil (14 tons). Cocaine seizures in all of these countries declined in 2006 as compared to a year earlier. Increases in cocaine seizures were reported from Bolivia, Chile, and Uruguay and, to a lesser extent, Argentina and Paraguay, suggesting that trafficking to and/or via the Southern Cone may have increased in 2006. According to a recent report by SEDRONAR there are two main flows of trafficking into Argentina, cocaine (including coca base “paco”) from Bolivia and cannabis from Paraguay.

There has been a strong increase in seizures made by the countries of Central America (+88% in 2006) and an on-going decline of seizures made in the Caribbean region. Cocaine seizures undertaken by Mexico also declined in 2006 before doubling in 2007.<sup>28</sup> These trends are consistent with longer- term shifts. Taking the seizures reported in the main transit zones to the US and Canadian markets as 100%, the proportion of seizures undertaken in the Caribbean declined from 74% in 1985 to 33% in 2000, and from 15% in 2005 to 8% in 2006. In contrast, the proportion of seizures undertaken in Central America increased over the same period from 1% in 1985 to 29% in 2000, and from 48% in 2005 to 71% in 2006. This corresponds with the regional trend of seizures being made increasingly closer to source. Most of the increase in 2006 was due to large seizures made by Panama. The proportion of seizures made by Mexico rose from 25% in 1985 to 39% in 2000, but fell back to 21% by 2006. Although every country in the region managed to seize a ton or more of cocaine in 2004, the bulk of this was comprised of a number of large seizures, often concentrated on the coasts. For example, in Honduras in 2004, police made 21 seizures of more than 100 grams of cocaine that comprised 62% of all the cocaine seized that year. One seizure, on Jutiapa Beach, netted one ton of cocaine, more than 25% of the cocaine seized that year. Similarly, in Nicaragua in 2004, some 42% of the cocaine recovered that year was seized in just two major seizures on the Atlantic Coast.<sup>29</sup> Most of Mexico’s remarkable 2007 total came from just two of the 3,870 cocaine seizures made that year, one in Tampico and one in Manzanillo.

**Figure 8: Global illicit supply of cocaine, 1996-2006**



\*Seizures as reported (street purity). Includes cocaine HCl, cocaine base, crack cocaine, and other cocaine types.

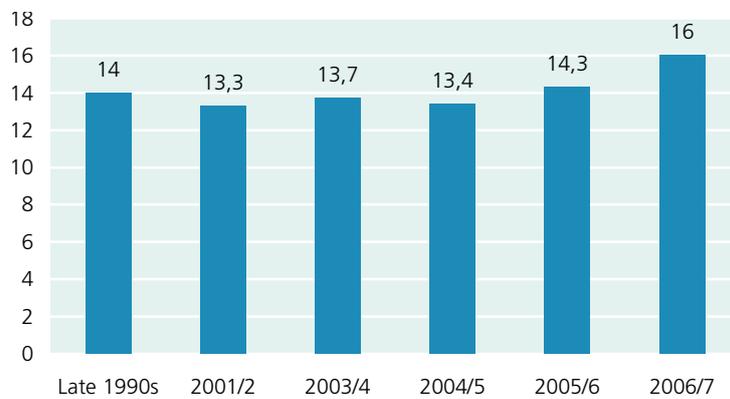
The countries that are believed to host the most drug trafficking are not necessarily the ones that make the largest seizures, of course. Panama’s performance, in cooperation with international authorities, has been particularly impressive. In 2006, three islands off the coast of Panama, owned by the Rayo-Montano organisation, were raided by U.S., Brazilian, Colombian, and Panamanian law enforcement authorities, seizing some 50 tons of cocaine, a significant share of the annual supply.<sup>30</sup> Looking at these seizure figures as a rate (kilos seized per 100,000 inhabitants), however, shows the sterling effort put forward by the tiny nation of Belize. In 2005, law enforcement authorities from Belize and the United States interdicted 2.4 tons of cocaine in a single seizure.<sup>31</sup> These figures also place in perspective the seizures of Guatemala, a country with nearly 50 times the population.

## Consumption

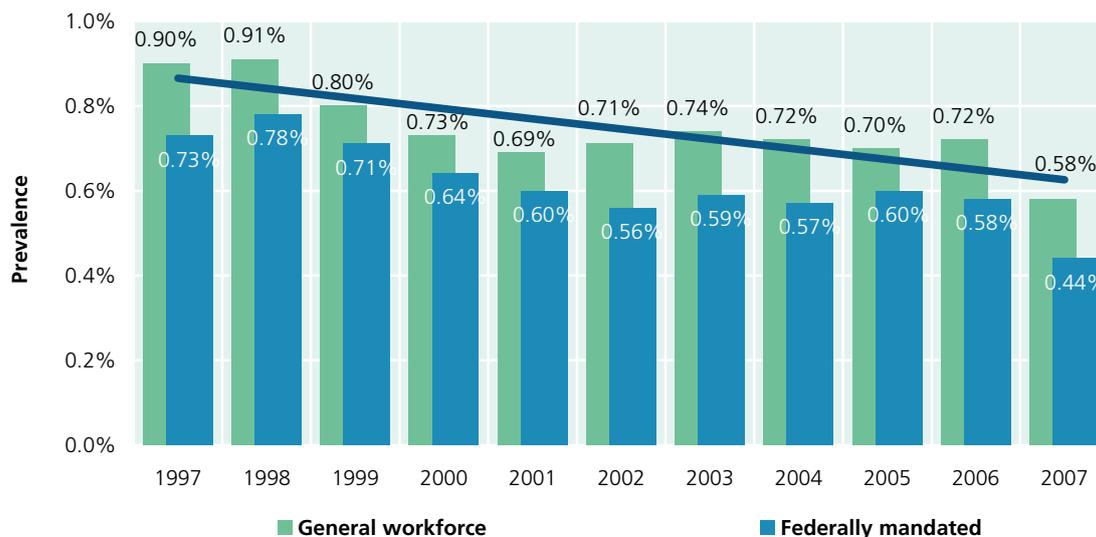
The number of cocaine users in the world is again on the rise. In the second half of the 1990s, a decline in the number of users as crack became unfashionable in the United States coincided with the decline of domestic coca leaf production. The increase in the first years of the new millennium likewise coincided with a rise in cultivation and cocaine production.

Today, the increase is driven by growing popularity in Europe, more than offsetting the decline in the United States. Indications of a decline in cocaine use are found in student surveys from Canada and the United States, admission to drug treatment reports and data from US drug testing. In the USA, the proportion of the workforce testing positive for cocaine declined by 19% in 2007, and by 36% since 1998. The decline in 2007 seems to have been related to strong price increases (more than 40%), following successful law enforcement operations against drug trafficking organisations, led by Mexico, the United States and Canada. At the same time, European countries have seen a doubling or even a tripling in their cocaine prevalence rates in recent years. Still, the number of cocaine users in North America (estimated at some seven million) is almost double that in Europe (estimated at about four million).

**Figure 9: UNODC estimates of the number of cocaine users in the world**



**Figure 10: US national workforce\*: percentage testing positive for cocaine**



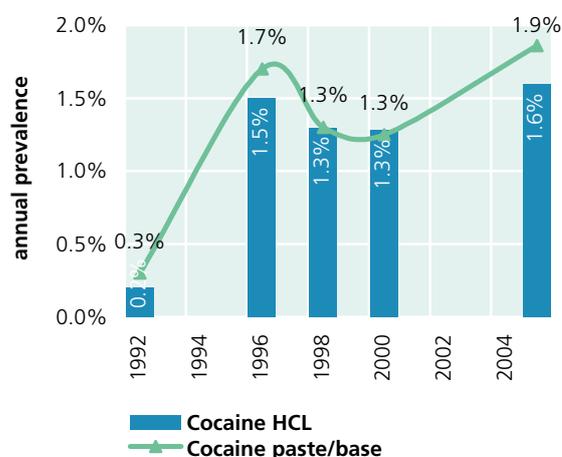
\* Results based on 6.6 million tests among the general workforce in 2007 and 1.8 million tests among the federally mandated, safety sensitive workforce.

Source: Quest Diagnostics, Quest Diagnostics Drug Testing Index, March 2008

Cocaine use continues to increase in South America. For example, annual cocaine use in Bolivia increased over the 2000-2005 period, from 1.3% to 1.9% of the population age 12-50. Cocaine use also increased in Brazil, the second largest cocaine market (some 870,000 persons) in the Americas after the USA (some 6 million persons). Household surveys conducted in Brazil showed an increase from 0.4% of the population age 12-65 in 2001 to 0.7% in 2005. Reports of increasing activities of cocaine trafficking groups in the south-eastern states of the country indicated that there may be a greater availability of cocaine in those areas. The territory of Brazil is increasingly exploited by international organized crime groups looking for transit points for cocaine shipments from Colombia, Bolivia and Peru to Europe. This is likely to have brought more cocaine to the local market. The South-East and the South of Brazil are the areas most heavily affected by cocaine consumption. Lifetime prevalence of cocaine use in the South-East of Brazil is 3.7% of the population age 12-65. In the South, life time prevalence is 3.1%, while in the North- East and the North life-time prevalence reaches 1.2% and 1.3% respectively.

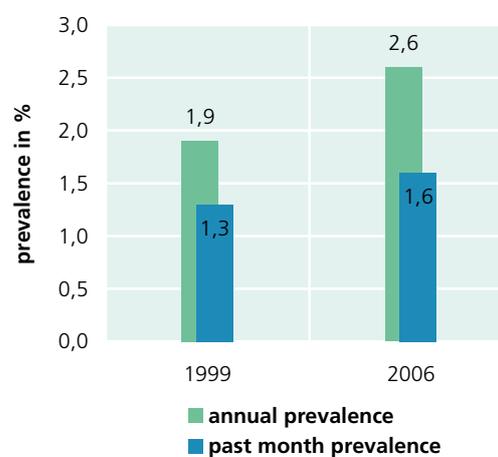
Argentina is the second largest cocaine market in South America (approximately 640,000 persons in 2006). In relative terms, the results of the 2006 household survey suggest that Argentina has the highest annual prevalence rate of cocaine use (2.6% of the population age 12-65) in South America and the second highest in the Americas after the USA (3% in 2006 among the population age 15-64). Over the 1999-2006 period, the annual prevalence rate rose from 1.9% to 2.6%. In addition, 0.5% of the population age 12-65 admitted to have used ‘pasta base’ (coca paste, known locally as “paco”) in 2006. Increases in cocaine use were also reported from Uruguay. School surveys suggest that cocaine use has also increased in Ecuador and Paraguay in recent years.

**Figure 11: Bolivia: annual prevalence of cocaine use (age 12-50), 1992-2005**

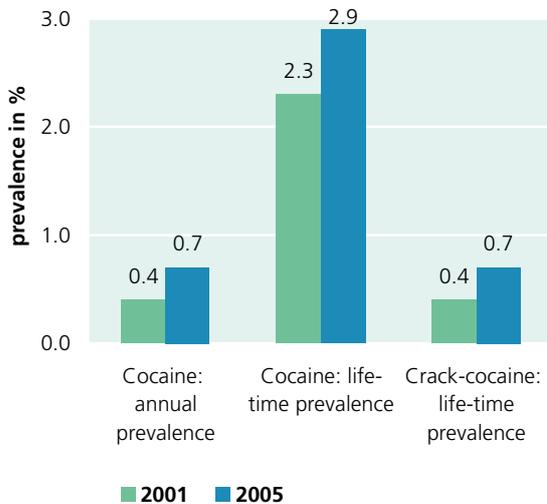
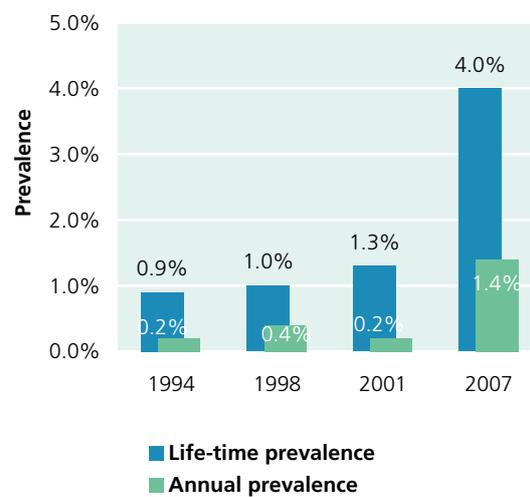


Source: CELIN, *Investigación: Estudio Comparativo Consumo de Alcohol, Tabaco, Cocaína, y otras Drogas en Bolivia, 1992-1996-1998-2000-2005, Bolivia 2005.*

**Figure 12: Argentina: cocaine use among the population age 12-65, 1999-2006**



Sources: SEDRONAR, *Estudio Nacional en Población General sobre Consumo de Sustancias Psicoactivas 2006, Buenos Aires 2007 and previous years.*

**Figure 13: Brazil: annual prevalence of cocaine use in 2001 and 2005****Figure 14: Uruguay: cocaine use among the population age 12-65\*, 1994-2007**

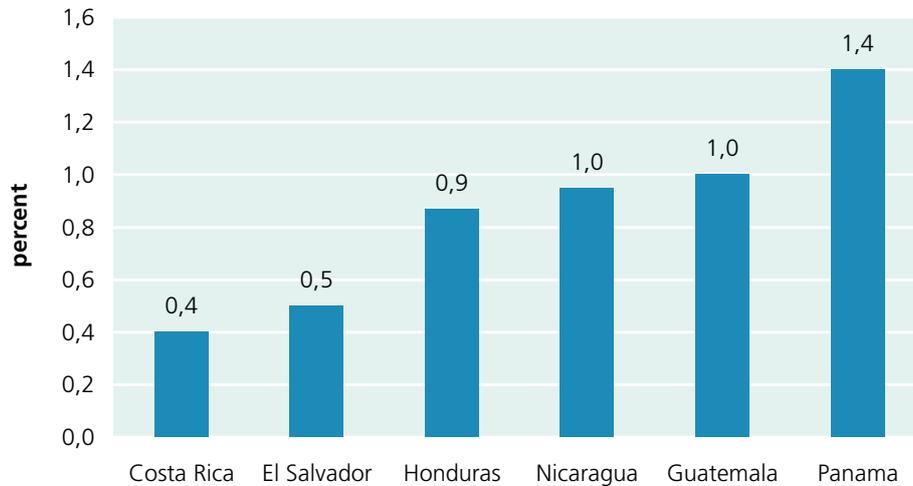
Source: CEBRID, *Il Levantamento Domiciliar sobre o Uso de Drogas Psicotrópicas no Brasil: Estudo Envolvendo as 108 Maiores Cidades do País, 2005, Sao Paulo 2006* and CEBRID, *Il Levantamento Domiciliar sobre o Use de Drogas Psicotrópicas no Brasil: Estudo Envolvendo as 107 Maiores Cidades do País, Sao Paulo 2002.*

\* Age group 15-65 for survey in 1994; age group 12-64 in 1998 and in 2001; and age group 12-65 in 2007.

Sources: Observatorio Uruguay de Drogas (OUD), *Encuesta Nacional en Hogares sobre Consumo de Drogas 2007* and Secretaría Nacional de Drogas y Junta Nacional de Drogas, *Encuesta Nacional de Prevalencia del Consumo de Drogas 2001.*

The only documented exception of the general upward trend in cocaine use in Latin America is Chile. Cocaine use in Chile increased strongly in the late 1990s but gradually declined after 2000. The annual prevalence rate of cocaine use fell from 1.8% of the general population age 12-64 in 2000 to 1.7% in 2004 and 1.5% in 2006 (about 170,000 persons). Yet, prevalence rates in Chile are still among the highest in the region.

Trafficking through countries can result in the development of domestic markets. It has been estimated that of the 150 tons of cocaine that pass through Guatemala each year, some 10% remains in the country for local consumption.<sup>32</sup> But these estimates do not resonate with the prevalence rates from drug use surveys. Cocaine use rates in the region are remarkably low. Taking El Salvador as an example, an OAS/ CICAD study of drug use among national student populations in 2003 found annual cocaine use at just 0.7% and crack use at just 0.5%.<sup>33</sup> A study of drug use among prisoners found annual cocaine and crack use at less than 4.5%.<sup>34</sup> And finally, a 2006 national drug use survey of urban areas found national cocaine and crack prevalence at less than 0.5%.<sup>35</sup> The obvious explanation is that shipments transit these regions intact, rather than being re-packaged and sold onwards, but more research is required to explain this resilience.

**Figure 15: Estimated share (%) of the population who use cocaine annually**

In the Caribbean region, use seems to be stable to declining, consistent with reports of a declining importance of this sub-region for shipments of cocaine to North America. In 2001, nine Caribbean countries reported rising levels of cocaine use and only three countries saw a stabilization, but, in 2006, the number of countries reporting increasing cocaine consumption fell to two. In contrast, the number of Caribbean countries reporting stable or declining levels of cocaine use increased to five.

## 2. THE HEROIN MARKET

### Production

Historically, most of the heroin consumed in the world has come from Southwest Asia (lately, Afghanistan) and Southeast Asia (lately, Myanmar). But Colombian criminals started experimenting with opium poppy cultivation as early as the late 1970s, and by the mid-1980s, large plots were being discovered in different parts of the country. By the mid-1990s, Colombia had become a major supplier to the United States, with the drug often transiting the Caribbean and being distributed by Dominican groups.

Mexico has also been a major source of heroin for the United States since the mid-1970s, especially for the West and Midwest portions of the country. In 1989, however, 96% of the heroin seized in the United States was from Southeast or Southwest Asia. By 1994, Colombian production had become sizable, and 32% of the heroin seized in the United States was South American. By 1995, the figure was 62%. In recent years, white Colombian heroin has come to dominate the market in the Northeast United States, the largest heroin market in the country, but eradication efforts have begun to diminish this supply in recent years.

Today, the largest share of the heroin consumed in the United States is produced in Colombia. The Government of Colombia estimates the area under opium poppy cultivation after eradication fell from 1,023 ha in 2006 to 714 ha in 2007, and the Government of Mexico reported a decrease in estimated opium production, from 210 tons in 2006 to 122 tons in 2007.

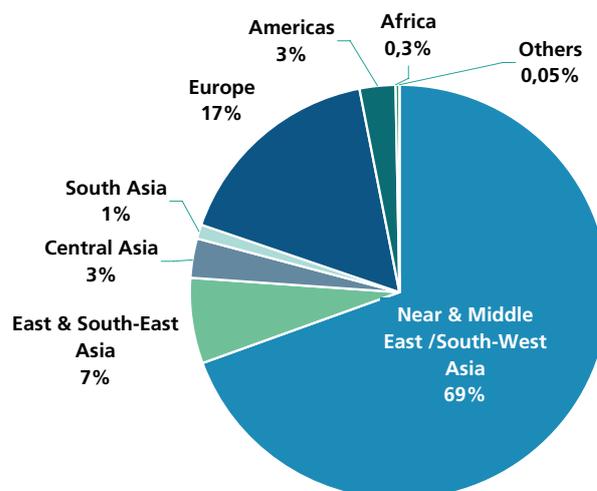
Opium poppy cultivation in Peru is difficult to quantify as the UNODC supported national illicit crop monitoring system has not yet established a reliable methodology for the detection of the crop. The Government of Mexico reported gross cultivation of opium poppy to have reached 19,147 ha in 2007. Due to the country's eradication efforts, however, net cultivation is thought to have been successfully reduced to several thousand hectares.

Heroin seizures have begun to pick up recently in a number of Central American countries, including Panama, Costa Rica, Nicaragua, and El Salvador. In Guatemala, some small scale cultivation of opium poppy is taking place: 449 hectares were eradicated in 2007, and it is estimated that 600 to 800 hectares were under poppy, leaving about 300 for harvesting – about 42% of Colombia's post-eradication cultivation.<sup>36</sup> Seizures of large numbers of opium capsules (the portion of the plant containing the opium gum) have been reported since the late 1990s.<sup>37</sup> Heroin seizures in the country have been sporadic, however, suggesting that processing may be taking place near or over the border with Mexico.

### Trafficking

The world has three major heroin markets. The majority of opiates on the market in Europe, the Near and Middle East and Africa come from Afghanistan; those on the market in Asia are sourced from Myanmar; and those in North and South America from Mexico and Colombia. Substantial amounts of heroin have been seized in the Dominican Republic, Aruba, the Netherlands Antilles, Bermuda, Puerto Rico, and, most recently, Trinidad and Tobago.<sup>38</sup> The Dominican Republic in particular seems to be seeing an increasing flow of heroin, with seizures growing from seven kilos in 1998 to 122 kg in 2005 and 258kg in 2006, before dropping to 53 kg in 2007. This is not surprising given the role Dominican expatriates have played in drug distribution in the United States.

**Figure 16: Regional breakdown of global opiate seizures in 2006; (N = 142 tons expressed in heroin equivalents)**



## Consumption

When taken together, opiate use in North, Central and South America and the Caribbean, is estimated to affect 2.2 million persons or 0.4% of the population age 15-64. This is equivalent to 13% of global opiate users in 2006. Rising levels of opiate use were found in Mexico, Venezuela and Argentina in 2006.

But, in South America, most reported opiate consumption is linked to the use of synthetic opiates diverted from licit sources. According to national household survey results (2005), the largest opiate market in South America is Brazil which has some 600,000 opiate users or 0.5% of the general population age 12-65. Most of these individuals use synthetic opiates. The annual prevalence for heroin rate is less than 0.05%.

For the most part, drug use levels in the Caribbean are lower than in the destination markets. Yet, one possible side effect of drug transshipment is the development of local use problems, as have started to manifest themselves with heroin and ecstasy in the Dominican Republic.<sup>39</sup> This is particularly true if the drug is moved through a diffuse network of couriers (as is typical with heroin) rather than through a small number of large shipments orchestrated by a few central players.

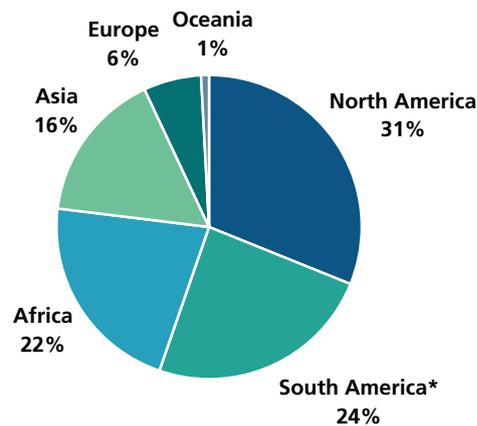
### 3. THE CANNABIS MARKET

#### Production

Changes in the regional breakdown between 2004 and 2006 suggest that cannabis production increased in South America, Central America and the Caribbean. The largest proportion of cannabis herb production in South America (10,000 tons) takes place in Paraguay (5,900 tons), followed at lower levels by Colombia, Brazil (for the domestic market only), the Caribbean region (notably St. Vincent & the Grenadines and Jamaica) and Central America (notably Guatemala).

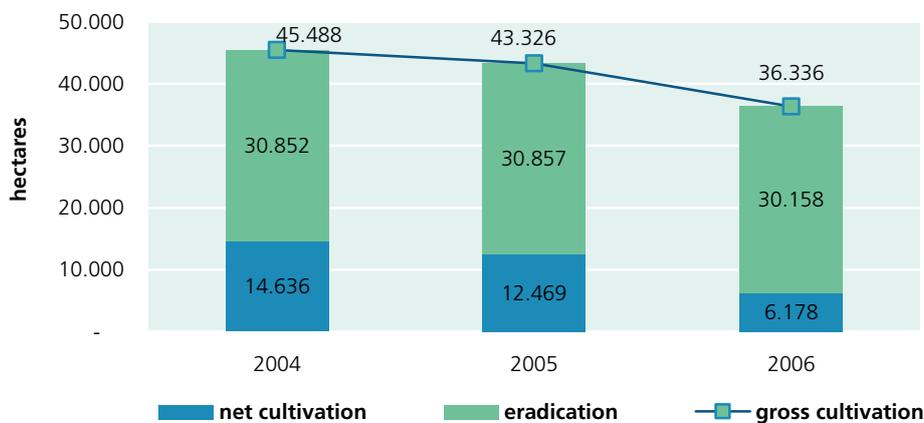
Cannabis herb production remains concentrated (12,900 tons) in North America, where the largest producers are Mexico, followed by the United States of America and Canada. Yields in Mexico, one of the world’s largest cannabis herb producing countries, were reported to have amounted to 1,200 kg per ha in 2006. Production in Mexico (7,400 tons) is mainly concentrated in states along the Pacific coast (Sinaloa, Michoacán, Guerrero, Jalisco, Oaxaca and Nayarit), where 60% of total cannabis eradication takes place. There is also cultivation in the Center/ North region (Chihuahua and Durango), the site of 36% of eradication in 2006.

**Figure 17: Breakdown of global cannabis herb production in 2006 (N = 41,400 tons)**



\* South America, Central America and the Caribbean  
 Sources: UNODC, Annual Reports Questionnaire Data and Govt. reports.

**Figure 18: Cannabis herb cultivation (in ha) in Mexico, 2004-2006**



Sources: Organización de los Estados Americanos (OEA), Comisión Interamericana para el Control del Abuso de Drogas (CICAD), Mecanismo de Evaluación Multilateral (MEM), México, Evaluación del Progreso de Control de Drogas 2006-2006, and UNODC, Annual Reports Questionnaire (ARQ). 2006.

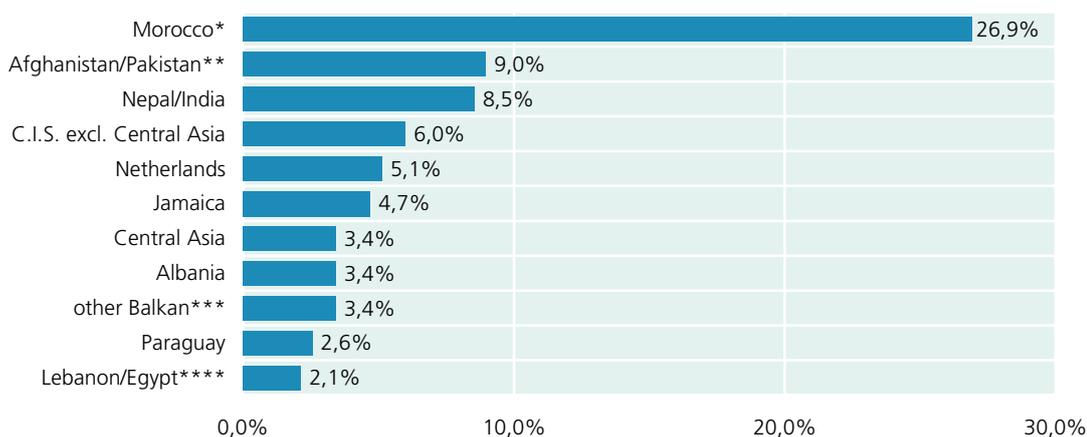
Both cannabis herb seizures (-27%) and cannabis resin seizures (-30%) declined over the 2004-2006 period, reversing the previous upward trend. Close to 60% of global cannabis herb seizures were made in North America (58%) in 2006, notably by Mexico (1,893 tons) and the United States (1,139 tons). Seizures in North America remained basically stable in 2006 as compared to a year earlier but were 8% lower than in 2004.

There is also sizeable cannabis production in Central America. Most of this is for domestic use, but some is trafficked across borders within the region. For example, a large share of the cannabis seized in El Salvador appears to be procured in Guatemala.<sup>40</sup> In 2005, the Salvadorans said that 75% of their cannabis came from Guatemala, 15% from Honduras, and 10% was produced domestically. This represented an increase from the previous year, when only half came from Guatemala.<sup>41</sup>

Overall production (and consumption) of cannabis resin in the Americas remains limited. The most important cannabis resin producer in the Americas continues to be Jamaica (5% of global mentions), followed by Paraguay (2.5%). The latter country is mainly known for cannabis herb production.

**Figure 19: Main source countries of cannabis resin, 2004-2006**

(number of times countries were identified as source countries as a proportion of countries reporting)



\* incl. mentions of transit countries Spain and Portugal;

\*\* incl. mentions of transit country Iran

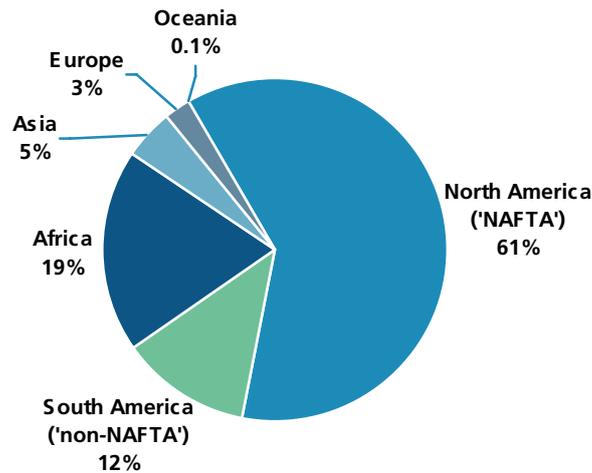
\*\*\* Bosnia-Herzegovina, Serbia, Montenegro, Bulgaria;

\*\*\*\* including mentions of Syria Trafficking

Source: UNODC, Annual Reports Questionnaire Data.

## Trafficking

Close to 60 per cent of global cannabis herb seizures in 2007 were made in North America (58%). The majority of cannabis herb seizures in 2006 were reported from Mexico (36% of the world total), followed by the United States (23%), South Africa (7%), Malawi (5%), Tanzania (4%), Nigeria (4%), Brazil (3%) and India (3%). Trafficking in cannabis herb continues to be mostly intra-regional, and some cannabis herb exports from South America (mostly Colombia) to North America, mainly the USA. In 2006, the majority of cannabis herb seizures globally came from just two countries: Mexico (36%) and the United States (23%).

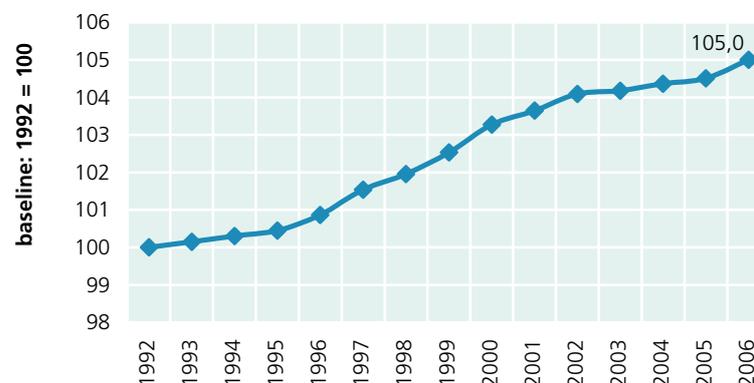
**Figure 20: Distribution of global cannabis herb seizures in 2006 (n=5230 metric tons)**

Source: UNODC, Annual Reports Questionnaire Data / DELTA..

The largest annual seizures in South America in 2006 were reported by Brazil (167 tons), Bolivia (125 tons), Colombia (110 tons), Argentina (67 tons), Paraguay (59 tons) and Jamaica (37 tons). Most countries in South America (notably Brazil, Argentina, Uruguay and Chile) cite Paraguay as the main source country for the cannabis resin found on their market. Seizures made by countries in South America showed a noticeable upward trend over the 2004-06 period (+24%). In contrast, seizures in the Caribbean and in Central America remained largely unchanged over the 2004-06 period.

## Consumption

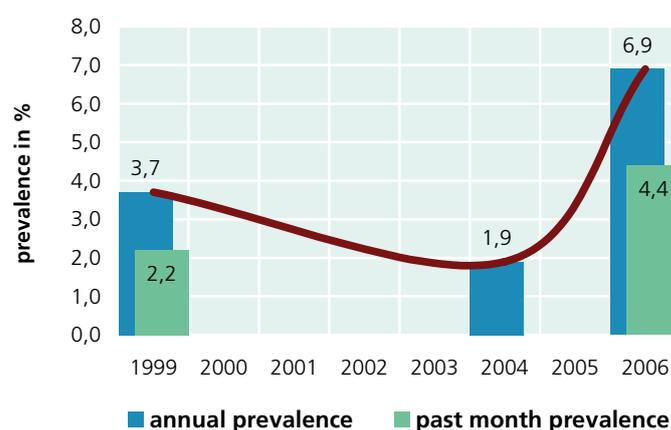
Cannabis is the most commonly used drug in the world. In 2006, UNODC estimates that 166 million people, or 3.9 percent of the global population age 15-64, used cannabis. Large increases in use have been reported from South America. Perceptions of increase for the year 2006 were reported from Argentina, Uruguay, Paraguay, Peru, Venezuela, Jamaica, the Dominican Republic, Honduras and Mexico. Countries like Argentina, Chile, Uruguay and Bolivia present annual prevalence rates above the worldwide average of 3.8%.

**Figure 21: Cannabis use trends as perceived by experts in Latin America and Caribbean region 1992-2006**

Sources: UNODC, Annual Reports Questionnaire Data, UNODC Field Offices, UNODC, Global Assessment Programme on Drug Abuse (GAP), Govt. reports, CICAD, HONLEA reports, local studies, UNODC estimates.

The most significant increase in use in 2005 was reported from the continent’s largest country, Brazil, reflecting a rising availability of cannabis products from neighbouring Paraguay. A new household survey conducted in Argentina showed an even stronger increase in the annual prevalence rate of cannabis use, rising from 1.9% of the population age 16-64 in 2004 to 6.9% of the population age 12-64 in 2006 – reversing a previous downward trend. Cannabis use in Argentina now takes place at levels similar to those reported in West and Central Europe. Most of the cannabis consumed in Argentina is reported to originate also in Paraguay, where cannabis production is expanding.

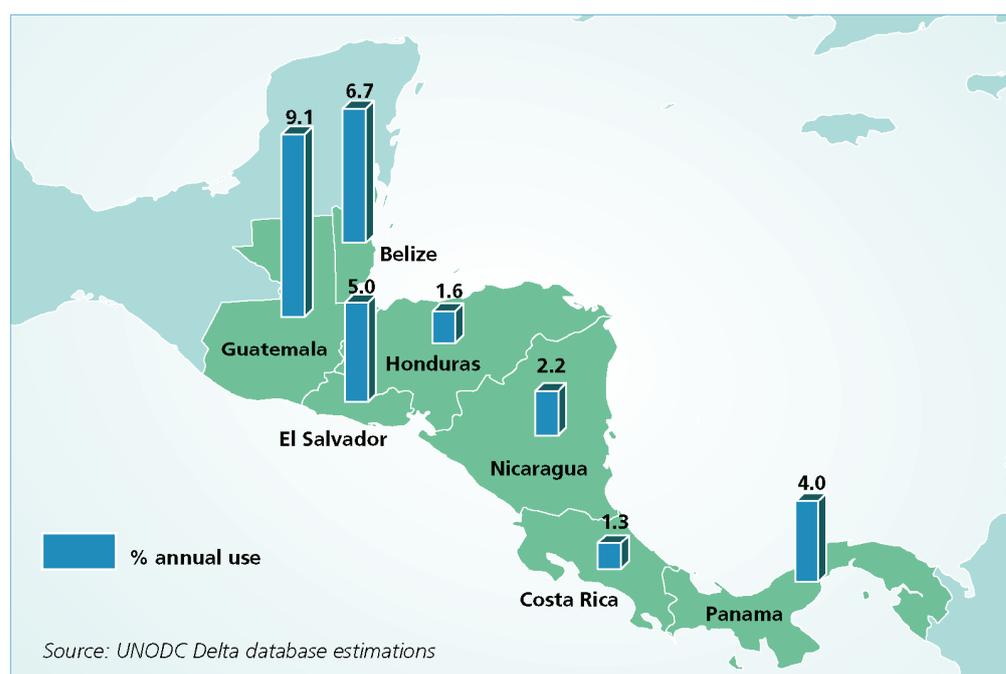
**Figure 22: Cannabis use in Argentina among the population age 12-65, 1999-2006**



Sources: SEDRONAR, *Estudio Nacional en Población General sobre Consumo de Sustancias Psicoactivas 2006*, Buenos Aires 2007 and previous years.

Uruguay has also experienced an increase of use. Following rather modest growth in the 1990s, the annual prevalence of cannabis use quadrupled among the population age 15-65, from 1.3% in 2001 to 5.3% in 2007. Given that most Central American countries have some domestic production and a few are exporters, the levels of cannabis use, as determined by surveys, are remarkably low. Guatemala leads in the share of the population using cannabis each year (9% in 2003), but this is still less than the levels in countries like the United States (13% in 2004), Spain (11% in 2003), or England and Wales (11% in 2003/4).

**Figure 23: Share of Central Americans (15-64) using cannabis in the last year**



## 4. THE ATS MARKET

### Production

With the exception of Mexico, the countries of Latin America have traditionally focused their control efforts – for obvious reasons – on cocaine, while manufacturing, trafficking, and consumption of ATS was not perceived as a significant threat. Historically, ATS use in these regions has been linked to the over-prescription and diversion of legally manufactured stimulants. But new data indicates that illicit clandestine manufacture of ATS may be increasingly occurring. Many countries of the region may be unaware of an ATS problem due to incomplete and limited reporting, a general lack of awareness as to the speed in which an ATS market can emerge and a lack of infrastructure to detect ATS.<sup>42</sup> Thus, the risk in this region is significant given the further tightening of controls in North America, which may well shift manufacture south.

While trafficking in ATS end-products remains primarily intra-regional, there is growing evidence that suggests that increased inter-regional cooperation and trafficking are occurring. In 2006, the USA reported substantial seizures of methamphetamine originating from the US/Mexico border, but preliminary reports for 2007 suggest substantial declines, consistent with increased control of the Mexican authorities on domestic production and trafficking of methamphetamine. The Mexican authorities have greatly reduced the amount of imports of methamphetamine precursors and have upgraded import control regulations in 2008. Mexico intends to eliminate the retail of products containing methamphetamine precursors and is moving to ban all preparations containing ephedrine and pseudoephedrine in 2009.<sup>43</sup> Despite these actions, reduced licit ephedrine and pseudoephedrine imports are being offset by criminal organizations' importation of derivatives of pseudoephedrine.

While the number of laboratories seized in Mexico remains small compared to the USA, the laboratories seized tend to produce significant amounts of ATS end product. The number of methamphetamine laboratories dismantled by the Mexican authorities has increased over the last decade, with 24 reported in 2006.<sup>44</sup> However, recent reports indicate that production has expanded geographically, and is now found in the centre of the country where previously no production existed. Clandestine manufacture has been reported in nine of the country's 31 states.<sup>45</sup>

Between 2001 and 2006, four ATS laboratories were detected in South America, including an 'ecstasy' laboratory in Argentina (2003), an amphetamine laboratory in Chile (2002), and two synthetic stimulants laboratories (type of substance not defined) in Colombia (2001 and 2002).<sup>46</sup> Several new indicators of ATS manufacture and trafficking are beginning to appear in the countries of the South American, Central American and the Caribbean subregions. In 2005, Colombia reported its first amphetamine seizure (4.2 kg) which increased to 56 kg of seized amphetamine in a single incident in 2006 - representing the largest seizure of ATS in South America or Central America reported to UNODC to date.

Mexican drug organizations appear to be circumventing chemical restrictions in order to maintain significant methamphetamine manufacture. Organized criminal groups in Mexico have expanded their methamphetamine distribution networks and consolidated many of the previously independent methamphetamine traffickers in the Great Lakes, Pacific, Southeast, Southwest, and West Central Regions. They have also introduced highly addictive crystal methamphetamine into these markets.<sup>47</sup>

Only two significant attempts to divert ATS precursors in South America, Central America and the Caribbean were reported in 2001.<sup>48</sup> By 2006, the number of countries reporting significant diversions of pseudoephedrine had increased to ten: Bolivia, Chile, Colombia, Ecuador, Guyana, Peru, El Salvador, and Guatemala.<sup>49</sup> In addition, modest amounts of ATS precursors were also reportedly seized by the authorities of Argentina and Costa Rica. Most of these interceptions were likely destined for Mexican laboratories.

Initially these diversions were typically in bulk form. However, increasing incidences of diverted pharmaceutical preparations are now being reported. For instance, in 2008 a significant seizure of pharmaceutical preparations (pseudoephedrine tablets) was reported by the authorities in Guatemala in a maritime shipment from Hong Kong (SAR of China).<sup>50</sup> In Peru, the National Drug Control Commission (DEVIDA) recently warned that the legal importation of tableted cold medicines containing pseudoephedrine was increasing despite the fact that reported cases of the common cold had declined in recent years. This raised concerns of possible diversion into illicit channels. Since ephedrine became a controlled substance in Mexico and price differentials soared, Argentina went from importing five tons of ephedrine in 2006 to 24 tons in 2008.<sup>51</sup> Central America has not been associated with synthetic drugs production in the past, but limited capacity for precursor control teamed with its geographic location leaves the Central America vulnerable to possible exploitation for this purpose. The 2006 International Narcotics Control Board Report said the region is being used as an entry point for diverted ephedrine and pseudoephedrine, and increasing controls in Mexico may push manufacture southward as well. A shipment of 5 tons of ephedrine and 2.5 tons of pseudoephedrine was stopped by Indian authorities on route to Belize in 2006. The governments of Costa Rica and El Salvador have discovered attempts to divert large quantities of pharmaceutical preparations of these drugs.<sup>52</sup>

In July 2008 Argentine authorities discovered a laboratory for ecstasy production, arrested 9 Mexicans and one Argentine and seized approximately 20 kilos of paste, enough to produce 200,000 ecstasy pills. Authorities suggest that these substances were about to be trafficked to Europe. In 2005, an LSD lab was discovered on the Dutch side of St. Maarten, a relatively rare find for law enforcement anywhere in the world due to the difficulty of synthesizing this drug.

## Trafficking

Trafficking routes continue to develop in places that lack the enforcement and forensics infrastructure to detect precursor trafficking. Synthetic drugs seem to be increasingly transiting the Caribbean. For example, on 28 November 2005, 259,338 ecstasy tablets were found when three abandoned bags were seized at the airport in Puerto Playa, believed to have originated in the Netherlands and to be destined for the United States.<sup>53</sup> In Peru, significant and unprecedented cases of precursor and synthetic drugs trafficking providing indirect indications of likely ATS manufacture in Peru in 2007. Some of these cases include the arrest of a criminal group of nine persons of various nationalities who had trafficked cocaine and undefined synthetic drugs into Europe and who were in possession of 99,000 pseudoephedrine tablets.<sup>54</sup> These cases are illustrative of increased use of multi-tiered and multi-national supply and transit partnerships, and the increasingly common poly-drug trafficking which has been reported in other regions as well (e.g. North America, East and South-East Asia, and Oceania).

Several recent reports suggest that, in addition, ecstasy-group trafficking is emerging throughout the regions. As previously noted, Mexican authorities believe that ecstasy-group substances are being re-routed from Europe through undisclosed Central American States. Costa Rican authorities have echoed this concern as they contend with increased 'ecstasy' trafficking.<sup>55</sup> 'Ecstasy' tablets seized numbered 557 in 2001, rising to more than 19,000 tablets by 2007.

Additional concern has been raised related to transnational 'ecstasy' shipments. Since 2003, law enforcement authorities in Ecuador have noted that their territory has been used for the international trafficking of 'ecstasy' believed bound for the USA. 'Ecstasy' has also served in barter trade activities, carried from the Netherlands to countries in South America where it is exchanged for cocaine bound for Europe.<sup>56</sup> Peru's urban household survey data from 2001 to 2007 showed rapid increases in 'ecstasy' use in the general population.<sup>57</sup> Increased use is related to the spread of all night dance events ("raves") and noted cases of supply via home delivery through phone and Internet-based operations. Additionally, survey researchers highlighted the rapid increase in the likelihood of being offered 'ecstasy'.<sup>58</sup> These indicators also align with expert perceptions related to increased use.

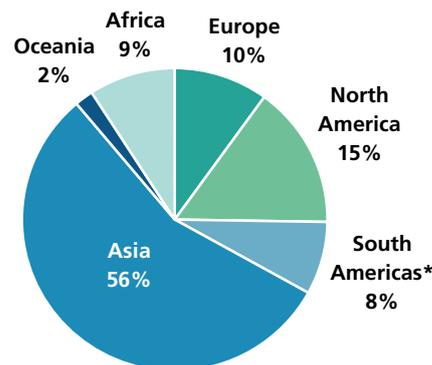
## Consumption

While domestic production of ATS is very limited in South America, drug use surveys suggest that consumption is far from negligible. Overall, ATS prevalence has remained slightly higher than the global average in South American, Central American and Caribbean subregions in 2006, primarily the result of above average availability and overuse of ATS from licit sources.

The defined daily doses (per 1,000 inhabitants) for legally produced Schedule-IV stimulants in the Americas amounted to nearly 11 over the 2004-2006 period: up from around seven over the 2000-2002 period, as compared to between one or two currently in Europe or Asia. In 2006, Argentina, the United States, and Brazil led the world with the highest calculated rate of use of the Schedule-IV stimulants at nearly 17, 12, and 10 daily doses per 1,000, respectively.<sup>59</sup> Reports from South America, the Caribbean, and Central America indicate that there are an estimated two million users of amphetamines, equivalent to 8% of the global estimate.

The largest average annual prevalence rate in the Caribbean is reported by the Dominican Republic; in Central America by El Salvador; in South America by Brazil. Mexico and the countries on Mexico's southern border (Guatemala and El Salvador) have indicated a worsening amphetamines use problem. In North America, the declines in methamphetamine use reported from the USA and Canada have been partly offset by reports of rising use in Mexico, reflecting growing methamphetamine production in that country.

**Figure 24: Breakdown of amphetamines users, by region (N = 24.7 million)**



\*Includes South and Central America, and the Caribbean.

Sources: UNODC, Annual Reports Questionnaire; Govt. reports; reports of regional bodies; and UNODC estimates.

In the Americas, increases were specific only to South American countries: most increases were reported in the western and southern sub-regions of South America (i.e., Argentina, Chile, and Peru). Ecstasy use continued to increase in countries in Central America (Guatemala and El Salvador) and the Caribbean (Dominican Republic). Two characteristics unique to the Dominican Republic are the high rate of non-marijuana drug consumption (63 percent of drugs reported used were drugs other than marijuana), and the high prevalence of tranquilizers and stimulants consumed, at 12.8% (females) and 6.5% (males), and 6.2% (females) and 4.4% (males) respectively. These figures were the highest in a recent OAS report on drug consumption among seven countries in the LAC region.

Much of the concern related to the increase in ATS use is linked to the fact that these substances tend to be used by a younger, more vulnerable strata of the population, as reflected in higher prevalence rates for this age group. For example, the annual prevalence rates for the amphetamines-group substances for Colombian high-school students was 3.5% in 2005, 7-times higher than the 2005 general population (15-64 years) estimates of 0.5%.



## 5. IMPACT

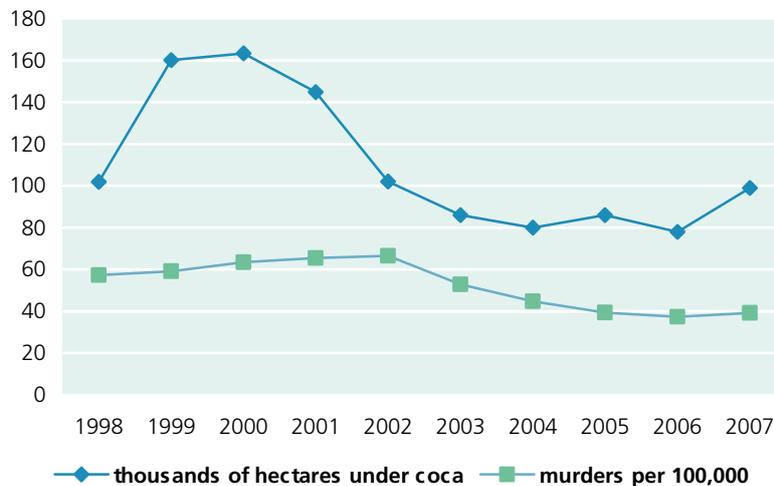
At first glance, it might appear that drug trafficking is primarily a problem for countries on the receiving end. After all, the exchange of dollars for drugs remains one of the few predictable flows of hard currency from the North to the South. But drug trafficking extracts a price, and this effect is particularly notable in the case of violence. The impact is most acute in countries struggling with other development and governance issues, and the effect is cyclic: drug trafficking undermines the rule of law, and weakness in the rule of law facilitates drug trafficking.

### **Murder rates**

Taken as a whole, Latin America and the Caribbean are arguably the most violent region of the world, according to the murder figures collected by the World Health Organisation, the United Nations Surveys of Crime and Criminal Justice Systems (CTS), and Interpol. By any reckoning, Venezuela, El Salvador, Honduras, Guatemala and Jamaica are among the most dangerous countries today. Beneath them are a second tier of countries with murder rates nearly as severe, including Colombia, Brazil, Mexico, the Dominican Republic, Belize, Trinidad and Tobago, and even small islands such as St Lucia. There appears to be a strong relationship between the high rates of violence and the drug trade.

The drug trade fuels violence in a variety of ways, and, in extreme cases, can even feed insurgency. The best known example is clearly Colombia, where both insurgent groups and reactionary paramilitaries have had an economic interest in prolonging instability due to the profits deriving from cocaine. For over 20 years, Colombia has dominated the world cocaine trade, and for much of that time, it has had the world's highest murder rate.

**Figure 25: Colombia: Thousands of hectares under coca and murders per 100,000**



Source: UNODC; Policia Nacional de Colombia

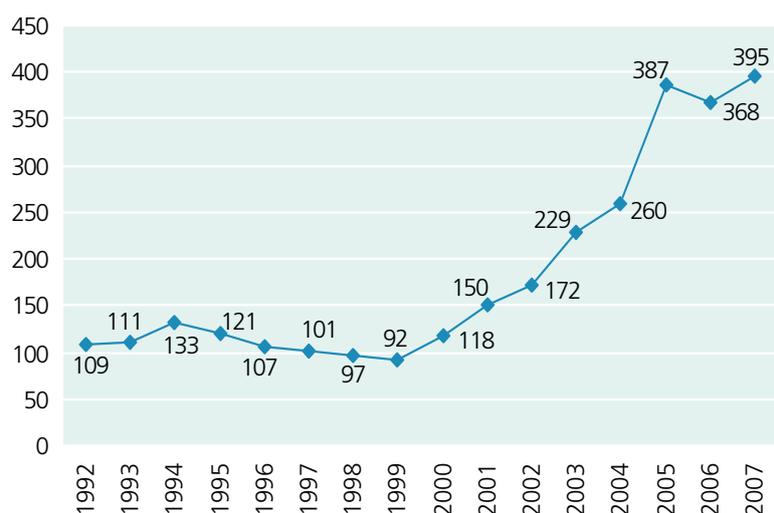
But the situation may be changing in both respects. Murder rates have declined dramatically, from 67 per 100,000 in 2002 to 39 per 100,000 in 2007. This coincides with the time the country began to turn the corner in its struggle against drug cultivation, with the number of hectares under coca declining from about 160,000 in 1999 to about 99,000 in 2007. This decline is also related to progress made against the insurgency, of course, but given the well-established relationship between drug production and the political conflict in Colombia, the two issues are highly inter-related.<sup>60</sup> Pressure on drug trafficking and insurgent groups appears to have pushed some into neighbouring Venezuela, which today is arguably the world leader in homicide.

Where detailed data are available, there appears to be a strong association between the regions through which drugs pass and violence rates. While drug-related violence may be diffused through large populations in consumer countries, it is often concentrated in “bottlenecks” in the process of trafficking, and can apparently produce high murder rates in some surprising places. In Guatemala for example, the three provinces that have murder rates higher than the largest urban area in the country (Guatemala City) are Escuintla (on the Pacific Coast), Petén (site of the so-called “airplane graveyards”, where drug traffickers scuttle their craft), and Izabal (on the Caribbean coast, hosting the two largest ports in the country). Izabal and Petén are about 70% rural, and all three high-violence provinces have been implicated in drug trafficking. Cocaine and migrant smuggling are favoured activities given Petén’s geographic location in the border with Belize and Mexico.<sup>61</sup> Similar patterns can be seen in El Salvador.

In Mexico, Sinaloa, an agricultural state highly associated with drug production and trafficking, had the country’s highest murder rate in 2006 (50 per 100,000), higher than the state of Mexico (40), the site of the country’s largest conurbation. Oaxaca and Chiapas, also largely rural provinces strategically placed in the South of the country on the Pacific side, have also had some of the highest rates in recent years. Since 1997, the province with the highest accumulative rate was Guerrero, also on the South Pacific coast, home to the importation city of Acapulco and the area traditionally associated with heroin production. Oddly, violence seems to be most associated with states of drug production or importation, rather than export, despite recent news of violence along the northern border. Data from 2007 and 2008 are not yet available, but in the past 10 years, the murder rates in the six states bordering the US (Baja California, Sonora, Chihuahua, Coahuila, Nuevo León, and Tamaulipas) had an unweighted average murder rate of 24 per 100,000, compared to 30 per 100,000 for the country as a whole.

The Caribbean is such a diverse region that it is difficult to explain the widespread recent escalation in violence in terms other than those relating to the drug trade. Trinidad and Tobago has been seeing rapid economic growth and falling unemployment at exactly the same time as murder rates have been rising: the murder rate more than quadrupled, from 7 to 30 per 100,000. This may be due to increasing use of the islands as a transit route as the cocaine trade is increasingly emanating from Venezuela – Trinidad’s murder rate began to rise just as Colombia’s began to fall. A similar phenomenon could be seen in Curacao before the “100% control” policy shut down commercial air couriership through the island.

**Figure 26: Murders in Trinidad and Tobago**



Source: Central Statistical Office of Trinidad and Tobago

Jamaica, in contrast, has seen a much longer term increase in an economy that has been largely stagnant. The violence has deep roots and multiple causes. But drug trafficking was a pivotal

factor in transforming the organised violence of 1980 into the disorganised violence seen today. Today, it appears that cannabis exports are in a slump and most of the cocaine trade has gone elsewhere, but it may be the absence of this income source that is pushing Jamaica's criminals into more direct forms of acquisitive violent crime.

**Figure 27: Jamaica murder rate**



Source: Jamaica Constabulary Force

But Trinidad and Tobago and Jamaica not the only islands to see rapidly rising murder rates. In St. Lucia, an island of less than 200,000 people, the homicide rate more than doubled, from 9 to 21 per 100,000, between 1996 and 2003. In the Dominican Republic, a nation of almost 10 million, the rate almost doubled between 1999 and 2005, from 14 to 27 per 100,000. The only thing this diverse selection of countries has in common is their strategic position on key drug trafficking routes.

Aside from violence directly related to the trade, drug trafficking and arms trafficking are associated everywhere. Due to the lack of coordinated record keeping, there is no easy way to estimate the number of small arms in a region. For example, there are sharp disagreements on the number of small arms circulating in Central America, with figures of up to three million cited. However, it is clear that a major factor contributing to the surge of guns-related criminality in the region is the trafficking of narcotics, which has facilitated the availability of firearms. More specifically, the firearms required for protection of contraband during transportation are smuggled in along with drugs. In addition, both drug trafficking and arms trafficking are further related to a range of organised crime issues.

### **Street gangs**

Street gangs commonly control retail drug markets, but they have also been accused of involvement in transnational drug trafficking, and for using these funds to further foster local criminality. For example, in a number of Central American countries, including El Salvador, Honduras, Guatemala, and Nicaragua, gangs are seen to be at the core of the local crime problem, and the most prominent anti-crime strategies hinge on stamping them out. However, estimates vary on the extent to which gang members are responsible for the rising crime levels in their respective countries. In Honduras, the maras have been blamed for the bulk of the crime, but research indicates that less than 5% of all crime in the country is committed by people under 18 years of age. This demographic constitutes a large share of mara membership. In El Salvador, it is claimed that 60% of all intentional homicides are carried out by the maras, but again, the evidence for this conclusion is unclear. Research by the Salvadoran Institute of Forensic Medicine was only

able to attribute some 8% of the firearm homicides in 2000 to mara activity. In Guatemala, a recent police study of the 427 intentional homicides that occurred in that country in January 2006 could only attribute 58 of these to gang activity (14%), 40 in urban areas and 18 in the countryside.

The gang issue is transnational in nature because some of the gang members are reportedly deportees from the United States, Canada, and Europe. There is a widely held belief in both Central America and the Caribbean that recent crime troubles can be tied directly to the activities of deportees who have learned criminal behavior in the developed countries. Jamaica is one of the countries that seems to be most affected by deportation, with the highest number of deportees per capita in the region. While there is clearly heterogeneity in the pool of deportees, the typical deportee does not fit the profile of an individual who is likely to be a violent criminal on return to Jamaica, however, as the bulk are older people accused of relatively minor offences.

### ***Money laundering***

Linked to drug trafficking and related organised crime operations is ability to launder money. Mexico, Central America and the Caribbean all receive massive remittances, and US currency is often smuggled in bulk through Mexico and Central America. Both Panama and El Salvador have dollarised their economies, and the use of the dollar in Panama is one key reason the country is so attractive for money laundering. Historically, the Caribbean has been susceptible to money laundering for a number of reasons. It has long focused on providing offshore financial services to the United States and European markets, but due to the small state capacity, did not have sufficient oversight resources. It is physically located along one of the world's premiere drug and cash thoroughfares. The tourism sector generates numerous cash-based businesses through which dirty money can flow undetected. The Dominican Republic provides an example of both of these techniques, as transport of bulk cash remains one of the primary means of transporting drug proceeds from the United States to the country. Local casinos and currency exchange houses are also said to be a major channel.<sup>62</sup> Finally, the region is the recipient of a huge number of small cash remittances from the United States and Europe, constituting up to 30 percent of the GDPs of some Caribbean countries (ECLAC, 2005).<sup>63</sup>

### ***Trafficking in persons***

While there are few known cases of drug trafficking organisations engaging in human trafficking, the potential for organised crime groups to engage in diversified activities remains. The Organization of American States has done work on human trafficking in Central America. Most of the trafficking in Central America occurs within the region, from poorer countries to richer countries. According to the OAS, "Heightened immigration requirements in Costa Rica and Mexico have essentially boxed in the trafficking phenomena from Nicaragua to Guatemala." However, the OAS notes, "In contrast to the other five countries in the region, Costa Rica, the Dominican Republic and Panama have been implicated in extra-regional trafficking to a greater degree."<sup>64</sup> Nicaragua is singled out as being a source of child prostitutes, trafficked internally and to other parts of Central America. The Inter-American Commission of Women quotes the Guatemalan police in estimating that 2000 children are sexually exploited in 600 brothels in Guatemala City alone.<sup>65</sup> According to the US Department of State, Belize experiences both sex and labour trafficking, with Young women being imported from Central America and agricultural workers from as far as China and India. Despite prosecuting 18 trafficking cases in 2004, the country was not seen to have increased its efforts to provide victim protection and prosecute trafficking-related corruption, and so was placed on the Watch List for the second year in a row in 2005.

In El Salvador, for example, large numbers of children are employed in the sugar cane industry, which is regarded as one of the most hazardous forms of agricultural work. According to Human Rights Watch. Child labour is also common in Honduras. In their national household survey, nearly a quarter of the 13 to 15 year olds and 42% of the 16 to 18 year olds reported working. In Guatemala, according to the ILO, 16% of 10-14 year-olds were working in 2003. Girl domestic workers, in particular, may be subject to sexual exploitation by their employers.

## **Corruption**

Another damaging impact drug trafficking has had on the region is fostering corruption. Data on corruption levels in the region is often confusing and contradictory, but the arrest of public officials for involvement in corrupt activities is a regular feature of life in many countries. High-level corruption seriously undermines public confidence in democracy. Many of the countries of Latin America have former presidents who have either been charged with or convicted of corruption. In addition to undermining the public's faith in democracy, corruption results in very real losses of the funds available to promote development. At least 10% of Latin America's gross domestic product annually is eaten up by graft, according to a 2004 study by the Inter-American Development Bank. Procurement fraud can also distort public spending, as corrupt officials pursue graft-rich projects, such as large public-works ventures and defence procurements, at a cost to social programmes.

Violence and corruption entail big economic costs. The cumulative costs of this trauma can be considerable – one study in El Salvador put the total national cost of violence at 11.5% of GDP, and a recent UNDP assessment put the figure in Guatemala at 7.3% of GDP. Similarly, the loss of productive assets can be devastating for self employed people with no insurance. Crime negatively impacts quality of life, and can drive skilled labour overseas. Development experts agree that one of the key elements needed for economic development is a skilled workforce, and thus have encouraged developing countries to invest in education. This investment is largely lost, however, when the best and the brightest chose to emigrate. Several countries in the Caribbean and South America are among those listed by the World Bank as suffering from some of the highest rates of skilled emigration in the world. Fear of crime also restricts mobility, which interferes with social and economic interaction, as well as education, access to health care, and other development services.

Key to economic progress is investment, both foreign and domestic. Survey data show that crime and corruption are two of the leading barriers to investment in the region. For example, Guatemala topped the world in the share of businesses ranking crime as a serious obstacle. More than 80% of 455 Guatemalan businesses polled said they considered crime to be a major constraint on business, compared to an unweighted global average of 23%. Sixty-one percent of Honduran businesses so reported, the third highest rate recorded (after Kenya). Rates in Nicaragua were lower (39%) but still higher than in countries in which the crime problem is widely recognised, such as Nigeria (36%).

Another profound effect of crime is the way it undermines the relationship between citizens and their government. The most basic obligation of the state is to ensure the security of its citizenry. When the state fails to fulfil this essential function, many citizens cease to take democracy seriously. State security failure is particularly dangerous in newly democratic states. People often interpret rising crime rates as evidence that constitutional protections have been extended too far. Perceived lawlessness can even provoke a nostalgia for authoritarian rule. It can incite the public to demand the use of the military in policing, or to support the roll back of hard-won civil rights.

## CONCLUSION

The Western hemisphere carries a significant drug burden, and the consequences for both public safety and economic progress are clear. The Americas host some of the world's highest murder rates, due in part to the fact that the influence of armed drug traffickers extends far beyond their immediate operations. The weapons and ethos they import spill easily into other areas of organised and disorganised crime. They also pose a direct threat to governance, fuelling corruption and even threatening or killing senior officials who oppose them. In the region, Colombia is a unique case in the degree to which the drug trade was able to undermine national sovereignty, but there are other vulnerable states in the Americas with even less capacity to resist the wealth and violence of the major trafficking groups.

But Colombia also provides an inspirational example of how determined action and international cooperation can reverse escalating bloodshed. Once the most dangerous country in the world and among the most affected by drug-related corruption, remarkable strides have been made toward establishing the rule of law within Colombia's borders. This progress would not have been possible without international technical assistance and information sharing. Colombia is not unique in the respect, of course, and other countries have made progress through strong national commitment teamed with outside expertise and resources.

Unfortunately, Colombia's achievements have posed problems for others, pushing drug traffickers into neighbouring countries. This "balloon effect" illustrates the importance of regional approaches to the drug problem. Drug traffickers do not acknowledge borders, and cross-border cooperation is the only way to combat them. While unilateral or bilateral approaches may address parts of the problem, only a multilateral approach can hope to deal with it comprehensively.

Drug trafficking is just one of the many crime issues confronting the region, of course, but it is largest one, and perhaps the most difficult. Taking the profit out of cocaine would pose a major setback for transnational criminals of all stripes, and the benefits would be truly hemispheric. No country in the Americas is unaffected by drug trafficking, and to finally be relieved of this burden would be a major boon for all.

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<sup>3</sup> UNODC, *World Drug Report 2007*, June 2007.

<sup>4</sup> Direction Centrale de la Police Judiciaire / Police Nationale, '*The Traffic of Cocaine through the Maritime Channel in 2006*', presentation given by the French delegation to the Commission on Narcotic Drugs, 12-16 March 2007. A 250 metric ton figure of cocaine destined for Europe has also been repeatedly quoted by Europol as an estimate for Europe.

<sup>5</sup> 'Country Report – Colombia', Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean (HONLAC), Quito Ecuador, 15-19 October 2007.

<sup>6</sup> UNODC, Annual Reports Questionnaire (Colombia), for the year 2006.

<sup>7</sup> 'Country Report – Colombia', Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean (HONLAC), Quito Ecuador, 15-19 October 2007.

<sup>8</sup> US Department of Justice, National Intelligence Center, National Drug Threat Assessment 2008, October 2007.

<sup>9</sup> US Department of Justice, National Intelligence Center, National Drug Threat Assessment 2008, October 2007.

<sup>10</sup> Statement of Thomas A. Constantine, head of the United States Drug Enforcement Administration, before the House of Representatives Judiciary Committee, Subcommittee on Crime, 3 April 1997.

<sup>11</sup> National Drug Intelligence Centre, *National Drug Threat Assessment 2001*. Washington, D.C.: Department of Justice, 2001.

<sup>12</sup> De-classified Joint Intelligence Report, 'Worldwide drug threat assessment'. Washington, DC., April 2000.

<sup>13</sup> National Drug Intelligence Centre, *National Drug Threat Assessment 2002*, Washington, D.C.: Department of Justice, 2002.

<sup>14</sup> National Drug Intelligence Centre, *National Drug Threat Assessment 2005*. Washington, D.C.: Department of Justice, 2005.

<sup>15</sup> National Drug Intelligence Centre, *National Drug Threat Assessment 2008*. Washington, D.C.: Department of Justice, 2008.

<sup>16</sup> According to the Office of National Drug Control Policy, "For years, about one-third of the cocaine heading toward the United States was moved through the Greater Antilles toward Florida. Approximately 10% of the total U.S. supply was handled by two organizations, one run by Colombian ... Elias Cobos-Muñoz and the second headed by Melvin Maycock and Pedro Smith. A 29-month DEA-led investigation led to the arrest of all three ... as well as more than 50 of their colleagues in Colombia, Panama, Jamaica, the Bahamas, the United States, and Canada. More important, it disrupted organizations supplying an estimated 10% of the cocaine imported into the United States-roughly 30 metric tons per year. In seeming confirmation of this disruption, which was amplified by the deployment of international forces following the ouster of President Jean Bertrand Aristide in Haiti, intelligence estimates assess that there has been a significant reduction in the amount of cocaine flowing through the central and eastern Caribbean to the United States-from roughly one-third of total flow to perhaps 10%." See, *The President's National Drug Control Strategy: Disrupting the Market: Attacking the Economic Basis of the Drug Trade*, February 2005.

<sup>17</sup> This increase was due to a series of remarkably large seizures, including a reported 23 tons seized in one haul in Manzanillo.

<sup>18</sup> Statement of Rogelio E. Guevara, Chief of Operations of the U.S. Drug Enforcement Administration, before the House of Representatives Committee on International Relations, 10 October 2002.

<sup>19</sup> Curacao is less than 65 km off the coast of Venezuela. Venezuela is the source of 52 percent of imports

to Antilles. See Economist Intelligence Unit, “Netherlands Antilles Country Report.” London: EIU, June 2006.

<sup>20</sup> ‘Country Report – Mexico’, Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean (HONLAC), Quito Ecuador, 15-19 October 2007.

<sup>21</sup> Europol “European Union Cocaine, Situation Report 2007”, The Hague, 5 September 2007

<sup>22</sup> On 10 July 2007, in Venezuela of 2.5 tons of cocaine were seized. The traffickers were loading the drug in a private plane bound for Sierra Leone.

<sup>23</sup> On 1 May 2007, in Mauritania 630 kg of cocaine compressed into bricks were seized on board a 2-engine Cessna 441 aircraft. The GPS-record of the aircraft revealed the plane had left a small airstrip in Venezuela. In July 2007, the Moroccan Narcotic Control Board reported the seizures of similar cocaine bricks. On 3 July 2008, a small aircraft registered in Caracas and bearing a false Red Cross emblem landed without authorisation on an unlit airstrip at Lungi International Airport in Sierra Leone. After the crew fled, it was found to contain some 700 kg of cocaine. Also in July 2008, a conflict erupted between soldiers and police at the airport in Bissau with regard to a flight alleged to contain 500 kg of cocaine, but the drug was never recovered.

<sup>24</sup> In May 2006, 28 kg of cocaine were seized in Morocco from a French citizen. The drug was concealed in a four-wheel drive vehicle, which the perpetrator had driven from Senegal via Mauritania to Morocco. The vehicle was registered in Guinea Bissau.

<sup>25</sup> On 21 June 2007, 800 kg of cocaine was found by the Spanish authorities on a plane forced to land in the Canary Islands. The plane had departed from an unknown location in the Sahara, in the north of Mauritania.

<sup>26</sup> ‘Country Report – Colombia’, Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean (HONLAC), Quito Ecuador, 15-19 October 2007.

<sup>27</sup> A portion of this increase is thought to be the result of greater efficiency in law enforcement services and improved sharing of intelligence information, both of which enable seizures to be made before the cocaine reaches its final destination. However, a small portion may also be due to the double counting of seizures when more than one law enforcement agency is involved (e.g. customs and police). The potential for double counting becomes greater when different countries work together and report the same seizure(s). As cooperation among the various law enforcement agencies has increased in recent years, the likelihood of double counting of cocaine seizures increased as well.

<sup>28</sup> See endnote 17.

<sup>29</sup> UNODC Major Seizures Database

<sup>30</sup> <http://www.dea.gov/pubs/pressrel/pr051706.html>

<sup>31</sup> Statement of Michael Braun, Chief of Operations, United States Drug Enforcement Agency, before the House International Relations Committee, Subcommittee on the Western Hemisphere, 9 November 2005.

<sup>32</sup> Seijo, L., 'Tres jefes antinarcóticos son apresados en EE.UU.' *Prensa Libre*, 17 November 2005

<sup>33</sup> OAS/CICAD, 'Informe comparativo 7 países, encuestas escolares a nivel nacional: El Salvador, Guatemala,

Nicaragua, Panamá, Paraguay, República Dominicana, y Uruguay 2003'. Washington, D.C.: OAS November 2004.

<sup>34</sup> Ministerio de Gobernación, Dirección General de Central Penales, and Comisión Nacional Antidrogas, 'Encuesta de Prevalencia de Consumo de Drogas en Internos de Centros Penales 2005'. San Salvador: Ministerio de Gobernación, 2005.

<sup>35</sup> OAS/ CICAD, 'Premier Estudio Nacional sobre Consumo de Drogas en Población General de El Salvador.' San Salvador: OAS/CICAD, June 2006.

<sup>36</sup> Bureau of International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report 2008 . Washington, D.C.: United States Department of State, 2008.

<sup>37</sup> UNODC ARQ.

<sup>38</sup> Fifteenth Meeting of the Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean, Santa Marta, Colombia, 18- 21 October 2005

<sup>39</sup> Unfortunately, the survey data on drug use in the Dominican Republic are rather dated. In 2001, heroin

users comprised about 4 percent of the treatment population in the country, the highest share in Latin America except Mexico, where the drug is produced (5 percent). Authorities estimate that half of the ecstasy trafficked through the country is for local use.

<sup>40</sup> UNODC Major Seizures Database

<sup>41</sup> UNODC ARQ 2005

<sup>42</sup> Organization of American States (OAS), *The Inter-American Drug Abuse Control Commission (CICAD)*, presented at UNODC Global ISDMP Meeting, Tokyo, Japan (Feb 2008).

<sup>43</sup> International Narcotics Control Board, *2007 Annual Report* (March 2008); US Department of State, *International Narcotics Control Strategy Report (INCSR) 2008*, Vol 1 (March 2008).

<sup>44</sup> This also includes counts of combination laboratories which produce both methamphetamine and cocaine.

<sup>45</sup> Drug Enforcement Administration, Office of Diversion Control at the 4th International Forum on the Control of Precursors for ATS, Tokyo Japan, February 2008.

<sup>46</sup> Note: due to limited reporting of forensic information, the type of laboratory, precursors used, end product, and production cycle were unknown.

<sup>47</sup> National Drug Intelligence Center, *2008 National Drug Threat*, October 2007.

<sup>48</sup> One ton of piperonal to Brazil from the UK and 1.5 tons of ephedrine from China to Guatemala.

<sup>49</sup> International Narcotics Control Board, *Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic*, 2007 (March 2008).

<sup>50</sup> Agence France Presse, "Guatemala seizes illegal pseudoephedrine from Hong Kong", April 25, 2008.

<sup>51</sup> Hallan un laboratorio que producía éxtasis. La Nación. 18 de Julio de 2008. El Triple Crimen con el sello de la mafia. Gente Online.

<sup>52</sup> International Narcotics Control Board, *2006 Report: Precursors and Chemicals Frequently used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances*. Vienna: INCB, 2007, p. 13.

<sup>53</sup> Personal communication, Col. Radhames Antigua Sanchez, Director CICC, Dirección Nacional del Control de Drogas, 1 February 2006.

<sup>54</sup> UNODC, *Drogas y Delitos en el Perú. Situación Actual y Evolución, Informe 2007*.

<sup>55</sup> For instance Costa Rican authorities in 2006 arrested a Venezuelan national caught body-packing 3.7 kg of pseudoephedrine destined for Mexico via air.

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<sup>56</sup> Crisis Group Latin America Report N°25, *Latin American Drugs I: Losing the Fight* (March 2008)

<sup>57</sup> CEDRO, *El problema de las drogas en el Perú* (June 2007).

<sup>58</sup> CEDRO, *Epidemiología de drogas en la población urbana peruana 2008 encuesta de hogares: monografía de investigación 25*, Lima, Peru (2008) and previous years.

<sup>59</sup> INCB, *2007 Psychotropic Substances*, New York 2008.

<sup>60</sup> Presidencia de la Republica de Colombia. 2008. Impacto de la política de seguridad democrática sobre la confrontación armada, el narcotráfico y los derechos humanos. Bogotá. [http://www.derechoshumanos.gov.co/documentos/impacto\\_PSD\\_310708.pdf](http://www.derechoshumanos.gov.co/documentos/impacto_PSD_310708.pdf)

<sup>61</sup> Briscoe, Ivan. 2008. Trouble on the borders: Latin America's new conflict zones. FRIDE.

<sup>62</sup> Statement of Rogelio E. Guevara, Chief of Operations of the U.S. Drug Enforcement Administration, before the House of Representatives Committee on International Relations, 10 October 2002.

<sup>63</sup> It is estimated that Haiti's remittances are around US\$1 billion, while its GDP is only about US\$3 billion.

After the collapse of its coffee and offshore assembly

<sup>64</sup> Organisation of American States, 'Trafficking in women and children: Research findings and follow-up' Item IV c of the Dialogue of the Heads of Delegation, 31st Assembly of Delegates, Punta Cana, Dominican Republic, 27 August 2002, pp. 31-32.

<sup>65</sup> Inter-American Commission of Women, 'Trafficking of Women and Children for Sexual Exploitation in the Americas'. Washington, D.C.: Organization States of American, 2001.