

Country: Mexico

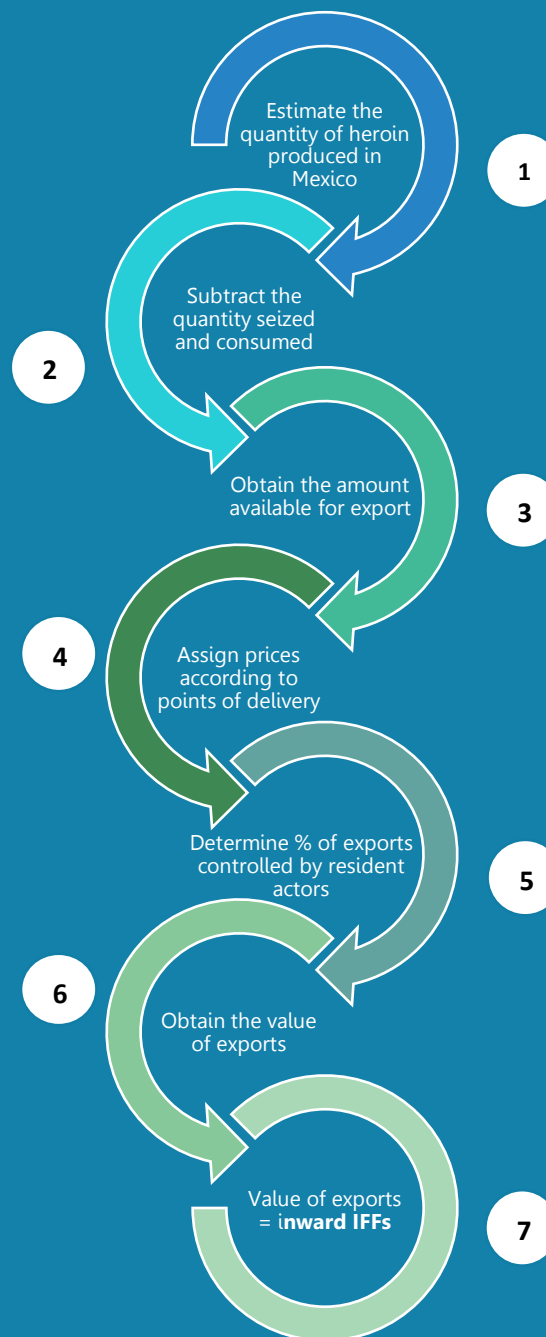
Illicit financial flows from heroin trafficking

According to UNODC Crop Monitoring Surveys, after Afghanistan and Myanmar, Mexico is the country with the third-largest area under opium poppy cultivation worldwide. Although South-West and South-East Asia account for the vast majority of global heroin production, according to the United States Drug Enforcement Agency (DEA) an annual average of 91 per cent of the heroin seized at the wholesale level in the United States of America over the period 2015–2018 originated in Mexico. As in the case of other drugs produced in or transiting Mexico, the heroin market is dominated by Mexican transnational criminal organizations that are involved in everything from the acquisition of opium poppy from local farmers and the manufacture of heroin in Mexico, to the transportation of the substance across the border and its distribution in the United States. In combination with a limited domestic demand for opiates in Mexico, this has led to a heroin market dominated by flows of the drug from Mexico to the United States (and Canada).

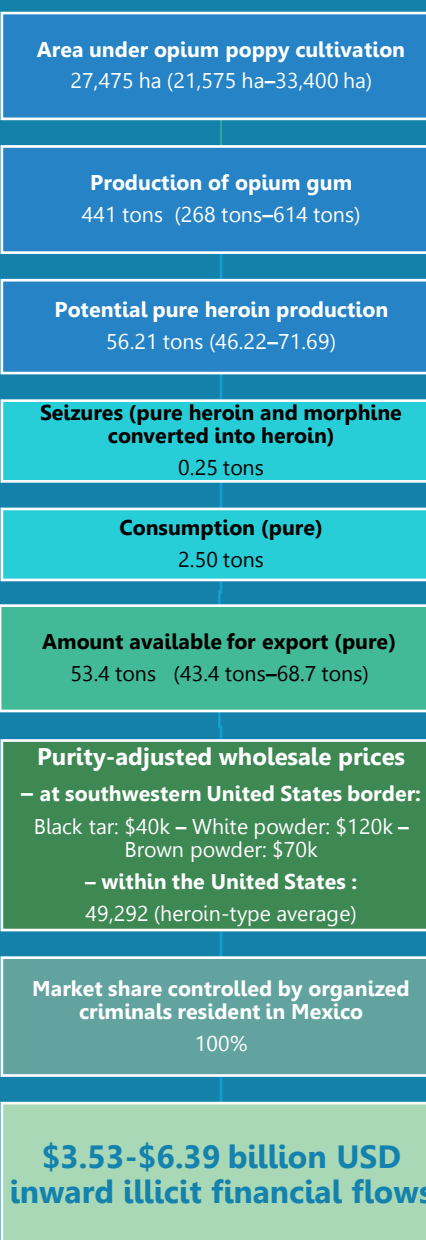
As heroin is produced in Mexico, the pilot estimated the value of illicit financial flows (IFFs) generated by the heroin market in the country through a supply-based approach. This approach starts by estimating heroin production from data on the area under opium poppy cultivation and potential domestic production of dry opium, obtained through the third opium poppy cultivation survey conducted by UNODC in 2017–2018. Subtracting the quantity of heroin seized and the volume of domestic heroin consumption from the estimated quantity of heroin produced, gives an estimate of the overall volume available for export. For a transaction to be considered an export, a transfer between a resident and a non-resident actor needs to take place, therefore the amounts available for export are combined with information on the actors involved in the transaction. The final figure is then obtained by combining prices at the wholesale level, identified by heroin type and by location of sale.

Total inward IFFs from trafficking in heroin flowing annually into Mexico are estimated to have amounted to an average of **\$4.79 billion** over the period 2015–2018 (**range \$3.53–\$6.39 billion**).

Methodology



Results (average 2015–2018)



Key data and results

Inward illicit financial flows from heroin trafficking -> are generated whenever there is a cross-border exchange of value from resident actors to non-resident actors (regardless of the location where the exchange of value takes place) resulting in an export of heroin or of other inputs and services related to trafficking in heroin.

Value of the exports = volume of heroin exports x export prices -> inward IFFs

QUANTITIES

	2015	2016	2017	2018
Estimated area under opium poppy cultivation (ha)	26,100	25,200	30,600	28,800
Quantity of heroin produced after opium gum seizures	53,200	51,500	62,500	57,200
Heroin seizures	324	275	164	246
= Heroin available after seizures	52,900	51,200	62,400	57,000
- Domestic consumption of heroin	2,500	2,500	2,500	2,600
= Volume of heroin available for export	50,400	48,700	59,900	54,400

PRICES

Heroin type	Price range (per kg of pure product) at the southwestern border of the United States in USD
Black tar	\$36,100–\$44,100
White powder	\$110,200–\$130,300
Brown powder	\$66,100–\$76,200

Source: United States Drug Enforcement Administration.
Note: The figures above refer to average prices for the years 2015–2018. Prices are rounded to the nearest hundred.

ACTOR INVOLVED IN EXPORTS

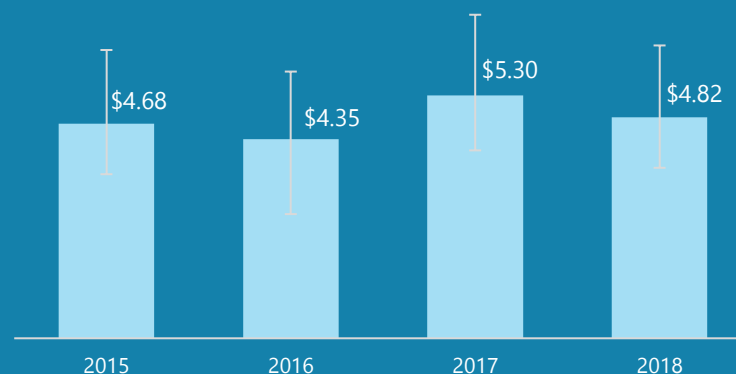
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Source: UNODC/Lantia Consultores (2020).

Source: UNODC estimates based on UNODC Mexico crop monitoring surveys 2014–2015, 2015–2016/2016–2017 and 2017–2018.

Note: The figures above are rounded and refer to midpoint estimates. Quantities of heroin are in kilograms and in pure heroin equivalent.

Inward IFFs from heroin trafficking (billions of USD)



Source: UNODC estimates.