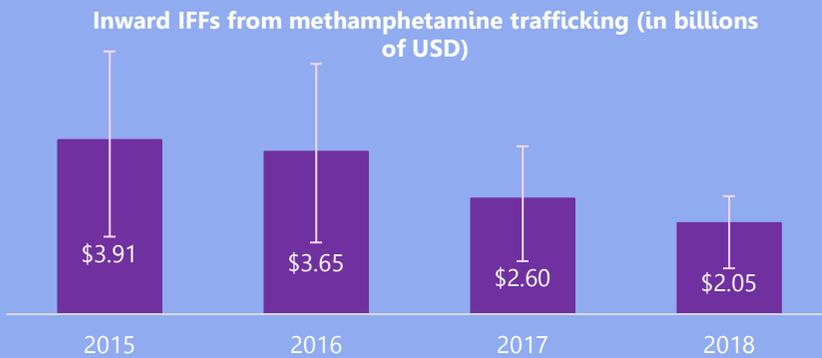


**Country: Mexico**  
**Illicit financial flows from methamphetamine trafficking**

Although the methamphetamine market in the United States of America is smaller than the markets of other drugs, such as cannabis or cocaine, it has increasingly attracted the interest of Mexican organized crime groups aiming to profit from increasing demand for the drug. By offering competitive prices for high-quality methamphetamine produced across the border and exploiting established transportation channels and distribution networks, Mexican methamphetamine traffickers have been increasingly challenging groups based in the United States that produce the drug in local laboratories.

As in the case of heroin, the large quantity of methamphetamine produced is associated with significant exports that generate significant inflows of money into Mexico every year. The resulting **inward illicit financial flows** (IFFs) are estimated to have ranged between an average of **\$1.39 and \$4.49 billion** over the period 2015–2018. A significant decrease in the average wholesale price of methamphetamine trafficked into the United States explains a 47.6 per cent decrease in inward IFFs between 2015 and 2018.



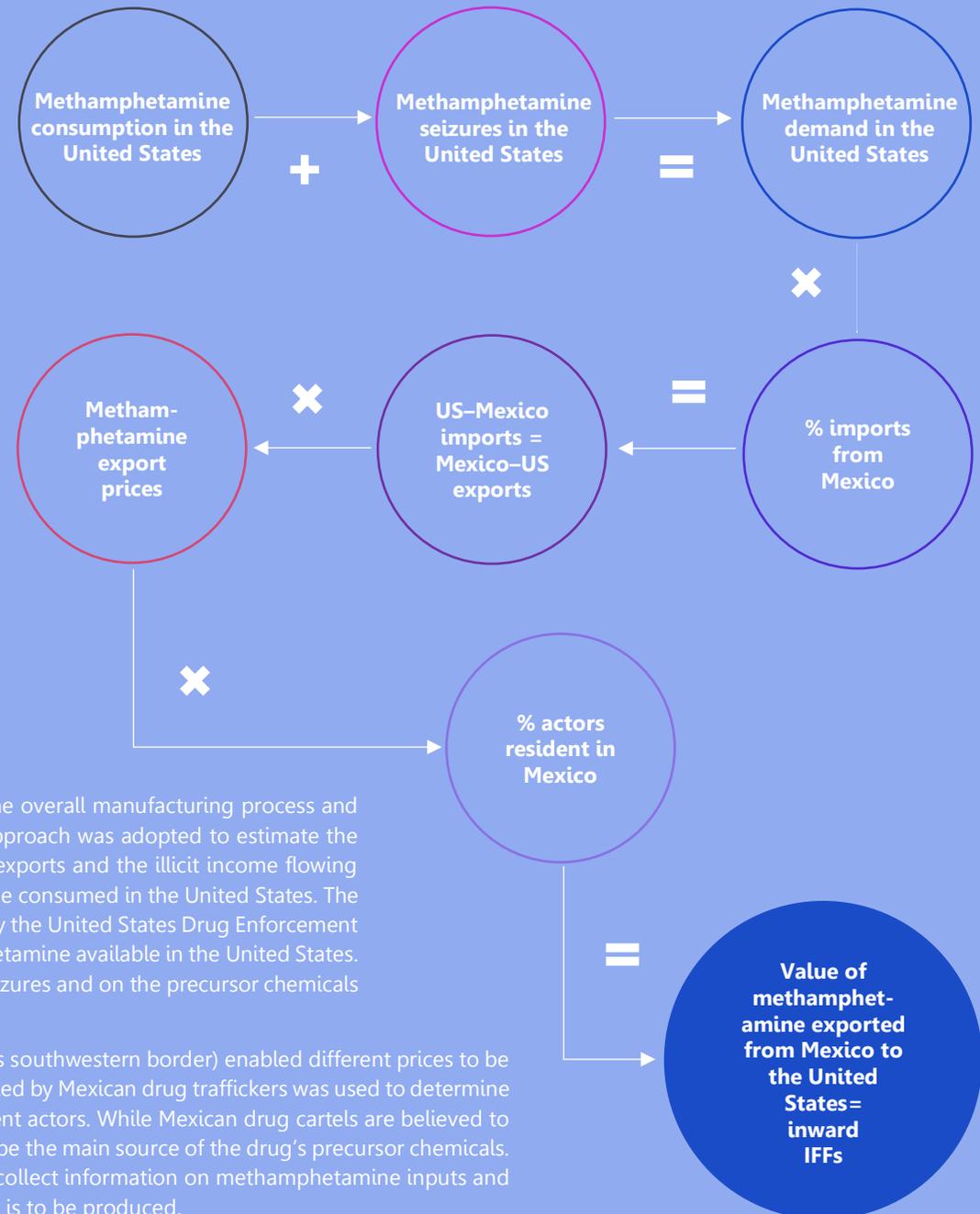
Sources: UNODC estimate.

Even though a large quantity of methamphetamine is produced in Mexico, robust evidence on the overall manufacturing process and the quantities of the substance produced is poor. For this reason, a demand-based estimation approach was adopted to estimate the value generated by this market and the associated inward IFFs. The value of methamphetamine exports and the illicit income flowing from the United States into Mexico were measured by estimating the quantity of methamphetamine consumed in the United States. The quantity of the drug seized in the United States and at its border, based on information provided by the United States Drug Enforcement Administration (DEA), were then added together in order to obtain the total quantity of methamphetamine available in the United States. The share of methamphetamine imported from Mexico was determined based on an analysis of seizures and on the precursor chemicals frequently used by Mexican manufacturers.

The identification of the main methamphetamine points of sale (within the United States and on its southwestern border) enabled different prices to be assigned to exports of the drug, and the estimation of the extent to which those exports are controlled by Mexican drug traffickers was used to determine how far methamphetamine trafficking involves a change in ownership from resident to non-resident actors. While Mexican drug cartels are believed to produce the vast majority of the methamphetamine used in the United States, China is believed to be the main source of the drug's precursor chemicals. However, during the pilot testing activities, it became apparent that further efforts are needed to collect information on methamphetamine inputs and processing if a sound estimate of outward illicit financial flows from methamphetamine trafficking is to be produced.

**Methodology**

**Inward illicit financial flows**



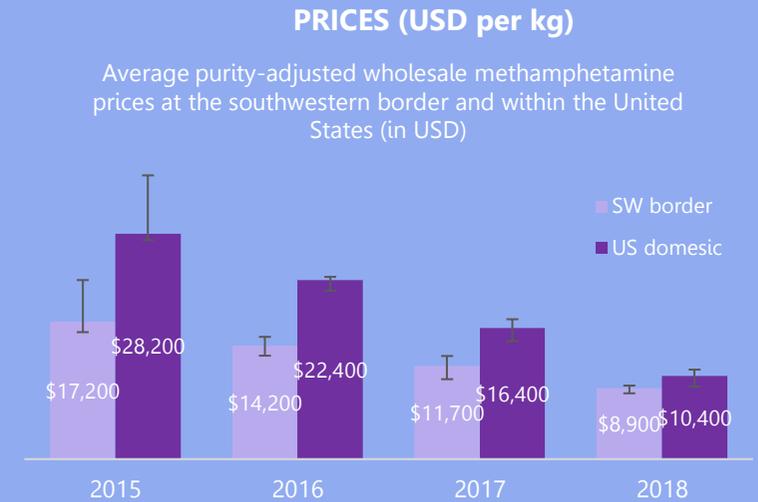
## Key data and results

### Inward illicit financial flows

**Inward IFFs from methamphetamine 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 methamphetamine products or of other services sold for trafficking in methamphetamine.

	QUANTITIES				
	2015	2016	2017	2018	Average 2015–2018
<b>Consumption in the United States*</b>	151	171	146	156	<b>156</b>
<b>+ seizures in the United States</b>	40	50	60	80	<b>58</b>
<b>= total demand in the United States *</b>	191	221	206	236	<b>214</b>
<b>% imports from Mexico</b>	90%	90%	90%	90%	90%
<b>= exports Mexico–US*</b>	<b>172</b>	<b>199</b>	<b>185</b>	<b>212</b>	<b>192.6</b>

Source: UNODC estimates based on DEA (2019), RAND (2019) and Soloveichik (2019).  
Note: The above quantities are in tons and refer to pure methamphetamine equivalent. \* Midpoint estimates.



Sources: Kansas, FBI; Houston, DEA.  
Note: Prices are rounded to the nearest hundred.

All actors involved in methamphetamine trafficking from Mexico to the United States are Mexican residents who traffic the drug to the United States border and within the country.

	Quantity delivered at the southwestern border	Quantity delivered within the United States	Average price at southwestern border	Average price within the United States	Inward IFFs – delivery at southwestern border	Inward IFFs – delivery within the United States	Total inward IFFs from methamphetamine trafficking
	tons	tons	USD per kg	USD per kg	Billions of USD	Billions of USD	Billions of USD
<b>Average 2015–2018</b>	96.1	96.1	\$13,000	\$19,400	\$ 1.24	\$ 1.82	\$ 3.05
<b>2015</b>	85.9	85.9	\$17,200	\$28,200	\$ 1.48	\$ 2.43	\$ 3.91
<b>2016</b>	99.3	99.3	\$14,200	\$22,400	\$ 1.43	\$ 2.22	\$ 3.65
<b>2017</b>	92.8	92.8	\$11,700	\$16,400	\$ 1.08	\$ 1.52	\$ 2.60
<b>2018</b>	106.4	106.4	\$8,900	\$10,400	\$ 1.08	\$ 1.11	\$ 2.05

Source: UNODC estimates.  
Note: The above quantities refer to midpoint estimates. Prices are rounded to the nearest hundred and are adjusted for purity.