1. The commonest drug of abuse manufactured in the South and South-West Asia region is heroin. While the poppy growing area of Afghanistan, and to a much lesser extent, the North-West Frontier Province of Pakistan, together known as the Golden Crescent, is situated within the region, the other large illicit opium plantations of the Golden Triangle are close enough to influence the pattern of trafficking in drugs of abuse and chemicals in the region. The other drug of abuse manufactured in the area is methaqualone.

2. The chemical industry in the region, particularly in India, produces acetic anhydride, N-acetylanthranilic acid, anthranilic acid, ephedrine and pseudoephedrine. All these are used in the manufacture of narcotic drugs and psychotropic substances and figure in Table I and Table II of the 1988 Convention. The most important of these within the region is acetic anhydride. It is the leader as far as the volume of trafficking and the number of uses it is put to are concerned. Besides its application in the manufacture of heroin, it figures in the synthesis of N-acetylanthranilic acid and therefore of methaqualone. It is also used, although less frequently, in the clandestine synthesis of 1-phenyl-2-propanone and therefore of methamphetamine and amphetamine. Ephedrine and pseudoephedrine are the starter chemicals for the synthesis of methamphetamine which takes place outside the region.

3. The chemicals required for the illicit manufacture of narcotic drugs and psychotropic substances are obtained almost exclusively from diversion of consignments of licit manufacturers. Due to the large scale
investment required, the production methods and the need for new materials, chemicals are generally not manufactured in large quantities in clandestine laboratories. Data on the licit manufacture of precursors in the region are incomplete. Full data as to the amount manufactured, imported and exported is necessary for effective control measures to be enforced.

4. The region has all the ingredients necessary for the illegal manufacture of narcotic drugs and psychotropic substances, namely raw materials, chemicals produced locally as well as imported, and clandestine laboratories. Another advantage enjoyed by traffickers is the proximity of opium growing areas to the industrial zones which produce the precursors necessary for processing opium into heroin.

Equipment required for illicit drug manufacture such as encapsulating machines; tabletting machines; rotary evaporators; and laboratory equipment with a capacity for large volume production (e.g. round bottom flasks of 25 litres or above and related condensers, separating funnels and heating apparatus) are relatively easy to obtain.

5. Acquisition of chemicals is a fundamental requirement in the illicit manufacture of narcotic drugs and psychotropic substances. These chemicals are invariably obtained from the legitimate chemical industry. Some countries, especially those faced with a serious drug problem have enacted laws to control the manufacture, sale and distribution of precursors and essential chemicals. In such countries where effective enforcement of such regulations is in place, drug traffickers find it difficult to operate clandestine laboratories. On the other
hand, in countries with no chemical controls, traffickers could effect diversions with little risk of detection.

6. Chemicals are diverted within and from countries in the South and South-West region from licit channels. Such diversion may be achieved in different ways:

a) precursors are purchased, apparently for licit purposes, from manufacturers or distributors within the country where clandestine laboratories are situated;

b) precursors are similarly purchased from outside the country; and

c) precursors are supplied clandestinely, e.g. a legitimate user of a chemical may sell the surplus to a trafficker.

7. Several methods of diversion have been uncovered. It is not beyond the resourcefulness of traffickers to devise newer methods, thus allowing little respite to law enforcement officers. Concealing their identity is of paramount importance to clandestine laboratory operators. Methods used by them towards this objective include the following:

i. the use of fictitious names and addresses;

ii. the creation of dishonest companies which knowingly sell chemicals to drug traffickers. Apparently legitimate companies may be run by drug traffickers. These companies may maintain false inventories (double books), and false reports of sales, purchases, uses, thefts, and of losses such as spillage and evaporation;

Methods of Diversion
iii. the exercise of undue influence on legitimate companies; and

iv. the destruction of documents such as invoices, labels, etc. that may be incriminatory evidence in case of a raid on a clandestine laboratory.

Diversion devices

Various devices to divert chemicals from legitimate channels have been made at points of manufacture, distribution, transportation, end use, recycling and disposal:

i. fictitious companies which order chemicals; this method will succeed if the chemical supplier is not disposed to verify the authenticity of a customer;

ii. brokers to hide the true identity of the recipient of chemicals;

iii. purchases from several companies to avoid suspicion;

iv. purchases from end-user companies which may falsify inventories to show that all chemicals have been used;

v. circuitous shipment routes to make it difficult for authorities to trace the shipment to its final destination;

vi. theft of chemicals during distribution or transport;

vii. evading customs controls. When chemicals are obtained from foreign countries, such imports have to be cleared by the customs service of the country. Different ruses have been employed by traffickers to get past customs. One
method is to mislabel the chemical as thinner, aromatic hydrocarbon, harmless chemical or cleaning solvent.

viii. outmanoeuvering the control system. In countries where chemical control legislation is ineffectively implemented, traffickers may resort to various devices. These include buying permits from legitimate users, recycling of permits, use of forged or counterfeit documents, theft of documents, supply of false information and bribery.

There are many points in the life cycle of precursors, beginning with manufacture or import/export, as the case may be, to its final disposal (or recycling), at which diversion could occur. As shown in figure 9, every such point offers more than one opportunity for diversion.

8. Heroin is the most important drug of abuse in the region. Afghanistan and, to a lesser extent, parts of Pakistan constitute one of the largest poppy growing areas in the world. In Pakistan, it is cultivated in the tribal areas of the North Western Frontier Province where the central government exercises only limited control. Poppy cultivation is much more extensive in Afghanistan than Pakistan. It is mostly concentrated near the border with Pakistan. The cultivation of opium and the production of morphine base in Afghanistan have increased sharply as a result of civil strife and the decline of law and order in the country. Since poppy growing and heroin manufacturing areas are practically beyond the reach of government’s writ, there is little that central governments could do to suppress this illicit production.
DIVERSION OF PRECURSOR CHEMICALS

1 MANUFACTURER
- Inaccurate production records
- Ineffective customer identification

3 FREIGHT FORWARDER/AGENT/BROKER/SPOT MARKET
- Multiple transactions
- "Floating exports" (changes in ownership after shipment)
- No physical control

2 WHOLESALE
- Front companies
- Acquisition through intermediaries

2 RETAILER
- Front companies
- Acquisition through intermediaries

4 POINT OF EXPORT
- Documents:
  - None
  - Falsified
  - Obtained by fraud/bribery/smuggling

5 FREE ZONE/FREE PORT/TRANSIT
- Substitution
- Repackaging
- Relabeling
- No physical checks

6 POINT OF IMPORT
- Documents:
  - None
  - Falsified
  - Obtained by fraud/bribery/smuggling
  - Front companies
  - Smuggling

7 END USER
- Substitution of listed by non-listed substances
- Substitution by non-listed forms of listed substances
- Mixtures/Extraction
- "Smurfing" - multiple transactions under controlled threshold
- Front companies

8 DISPOSAL
- Diversion of substances meant for disposal

8 RECYCLING
- Recycling of vital substances and solvents

Whenever chemicals are moved there is an opportunity for diversion by:
- Theft
- Substitution
- Circutious routes
- Use of warehouses
9. It is believed that the Afghanistan/Pakistan region is the main source of supply of heroin for Western Europe and a significant source for the USA. Sri Lanka is one of the transit points for this traffic.

10. The very large harvest of opium in the Afghanistan/Pakistan region requires a proportionately large amount of various chemicals. If the annual production of opium in Afghanistan is estimated at 3,330 mt, then the stepwise processing of this output would yield 333 mt. each of morphine, heroin base or heroin hydrochloride, as the case may be.

Sources of Chemicals

11. There is no evidence that the opium and heroin producing region of Afghanistan and Pakistan produces its own chemicals. All the chemicals required, therefore, have to be brought to the area from sources elsewhere. This region, referred to as the Golden Crescent, is surrounded by several countries, namely Turkmenistan, Uzbekistan, Tajikistan, Iran, China and the rest of Pakistan. Flow of chemicals through all these countries has been reported. The principal port serving the region is Karachi, but the area is supplied with land routes from the surrounding countries. Further, there is a grand trunk road from India to Pakistan. All these avenues of entry have been utilised by drug traffickers to bring chemicals to the area.
12. Some shipments of acetic anhydride, which were intercepted in the recent past, have been so large that a single consignment would have sufficed to service the entire opium production in the Northwestern Frontier Province of Pakistan. In 1995, a shipment of 38 tons arriving from China was detained at Dubai. It was to have been transshipped across Iran and Afghanistan to a non-existent address in Peshawar. This shipment was 10 tons in excess of the estimated annual requirement of the chemical for the processing of all the opium grown in Pakistan. However, this calculation does not take into account the amount of acetic anhydride required to convert the morphine base smuggled from Afghanistan.

13. Not all shipments are large. Small quantities carried by truck or on camel back from India have been seized in the past.

14. In view of the prevailing deficiencies in the law and order situation in the Golden Crescent, legislative enactments applicable to the area will have little impact on the production of heroin. A special strategy, therefore, has been proposed for the control of heroin in the area. It takes cognisance of the fact that this heroin is destined for Western Europe and the USA as well as markets in South Asia. The strategy consists of seizing the drugs coming out and preventing the entry of essential chemicals into the area by policing the access road. Though the concept is simple enough, a formidable inventory of requirements has to be in place for it to succeed. The most important of these is the willingness and commitment of the nations surrounding the area to participate in the programme.
15. The other leading opium growing area in the world consists of north eastern Myanmar, northern Laos and northern Thailand, collectively referred to as the Golden Triangle. It lies to the east of the region and its proximity poses an ever present threat of possible diversions. No major detections of attempted diversion of chemicals from or through the region have been reported. While Bangladesh is not a major producer of chemicals, its authorities are aware of the possibility of it being used as a corridor for the passage of chemicals into the area. In India, even before acetic anhydride was declared a “controlled substance” for the purposes of the Narcotic Drugs and Psychotropic Substances Act, the authorities imposed, under customs legislation, restrictions on persons possessing, transporting, acquiring and selling acetic anhydride within 100 km from the Indo-Myanmar border.

16. The coca plant is grown in South America where cocaine is extracted from it in clandestine laboratories. In the 19th century, the plant was cultivated in some British colonies, but it was banned in 1914. In 1870, it was introduced to Sri Lanka by the British as a commercial venture, but the project lapsed after several years.

17. Cocaine is increasingly smuggled into the region. However, there is no evidence that any significant diversion of precursors
18. Chemicals used in the synthesis of psychotropic substances are either manufactured within the region or imported into the area. N-Acetylanthranilic acid and anthranilic acid, which are the precursors of methaqualone, as well as methaqualone itself are illicitly manufactured within the region. Ephedrine and pseudoephedrine are also manufactured within the region, but the illicit manufacture of methamphetamine takes place outside. Other precursors, such as ergometrine, which is imported into the region, may be diverted to other countries for the illicit manufacture of LSD.

19. Asia is the third largest region, after North America and Western Europe, where large scale trafficking in precursors used in the synthesis of psychotropic substances has been reported. In this region, the discrepancy between the magnitude of seizures of precursors and end products is particularly large.

20. The manufacture of ephedrine is limited to only five countries in the world, one of them being India. The others are China, the Czech Republic, Germany and Japan. Ephedrine is also obtained from the ephedra plant, which is grown in some countries in the region. The ephedra plant or its various extracts are used in the manufacture of methamphetamine or methcathinone. A simple method of making “home-made”
methcathinone from the dried ephedra plant is widely resorted to in countries where the plant is native and abundant. This plant, and its parts or concentrates are not covered by the 1988 Convention nor by the provisions of national legislation for the control of precursor chemicals.

21. A representative sample of case studies of diversions and attempted diversions gives an insight into the extent to which drug traffickers reach out in order to obtain their supplies of essential chemicals. All these case studies pertain to South and South-West Asia.

22. In August 1995, about 40 tons of acetic anhydride were shipped from China via Hong Kong (now Hong Kong Special Administrative Region of China) to the United Arab Emirates (UAE). In view of the suspicious nature of the shipment, Hong Kong alerted the UAE which found that the shipment was to have been sent further on to the Northwest Frontier Province of Pakistan via Afghanistan. UAE was requested to stop the shipment. This case illustrates the circuitous routes traffickers adopt in order to circumvent detections.

23. In 1994, a well known chemicals supplier in Britain alerted the police to a suspicious order for acetic anhydride. A haulage company, which first received the shipment, repacked it into smaller containers. The chemical was then taken to a second company for packing into crates. This company was informed that the chemical was bleach. The cargo was then awaiting
shipment, the shipping note indicating that it contained pieces of household effects and various used machines.

24. British authorities decided to allow the shipment to proceed as a “controlled delivery” to Lahore in Pakistan. Seven persons in Pakistan and two in Britain were arrested as a result.

25. This case illustrates the common practice of relabeling and repacking of chemicals resorted to by traffickers. It also shows the success of the controlled delivery technique. It was the then practice to import chemicals from Western Europe for clandestine laboratories in the region, but increased vigilance by the authorities there has forced traffickers to seek other sources.

26. In November 1995, authorities in Turkmenistan seized 25 tons of acetic anhydride on the Afghan border. The destination of the consignment, which was purported to have come from Moscow, was Herat in Afghanistan.

27. In the previous month, a shipment of 10 tons is said to have crossed the Turkmenistan-Afghan border. In 1996, 75 tons of acetic anhydride were seized in Turkmenistan. A year earlier, in 1995, a smaller quantity of the same substance was seized in Uzbekistan. Both these consignments were enroute to Afghanistan. These episodes highlight the import of chemicals from or through Central Asian Republics.

28. In May 1996, Indian authorities at the Delhi airport seized suitcases containing 410 kilograms of acetic anhydride, which were destined for Afghanistan.

29. Smuggling of chemicals by air is a new development. This
direct approach obviates the need for transshipment points or
transit countries.

30. There are instances of ephedrine and pseudoephedrine being
diverted to Mexico for the synthesis of methamphetamine. Two
export orders involved falsification of import certificates. In
one, a shipment of 649 kilograms of ephedrine was stopped
by the Indian authorities. In the other case, a
massive order for 7 tons was involved. Indian
and Mexican authorities arranged for 2.4 tons
of the order to proceed as a controlled delivery
via France to Mexico, where it was seized and
the persons involved arrested. The shipment of the remaining
4.6 tons was stopped by the Indian authorities.

31. Similar vigilance is exercised by India over pseudoephedrine.
When a Mexican order for 5 tons was investigated, it was found
that the import authorization had been falsified.

32. In March 1996, a company in India requested permission to
export 6 million tablets of ephedrine hydrochloride to Sierra
Leone. It was discovered that the import certificate was a forgery.

33. In February 1996, an Indian company exported 9.6 million tablets
of ephedrine hydrochloride to Gambia. Again the import
certificate was found to have been forged, and the consignment
confiscated in Gambia.

34. Attempts at illicit manufacture of methaqualone have been made
in a number of countries in eastern and southern Africa. When
an export order was received by India from Kenya for anthranilic
acid and ortho-toluidine, the combination of the two chemicals

There are instances of ephedrine and pseudoephedrine being diverted to Mexico for the synthesis of methamphetamine.
and their destination raised suspicions. When investigations were afoot, the order was cancelled by the firm in Kenya.

35. In April 1997, a pre-export inquiry was made by Hong Kong in regard to an export order for 2 kilograms of methyl ergometrine maleate to an address in Delhi. After investigation, it was found that the importer was fictitious.

36. In March 1997, a company in Mumbai requested the authorities in India for permission to export 600,000 ergometrine injection doses to Nigeria. The company had already exported three shipments totalling 212,000 doses to Nigeria in January and June 1996 and March 1997. On investigation, it was found that Nigerian firms were not allowed to import ergometrine.