

## 1.2 The outlook for world drug markets

### Opium/heroin market

#### Developments in Afghanistan will shape the situation on the opium/heroin market

For the first time since 2002, global opium poppy production decreased, largely due to a significant drop in the area under opium poppy cultivation in Afghanistan. Nevertheless, with Afghanistan holding the overwhelming share of global opium production (89 per cent in 2005), developments in that country will continue to shape the situation on the world opium/heroin market.

Unfortunately, early indications are that the achievements of 2005 will not be repeated in 2006. Findings from the UNODC Afghanistan Opium Rapid Assessment Survey show that planting of opium poppy has risen. Strong increases are foreseen for seven provinces. This includes the province of Helmand, which already had the highest levels of opium poppy cultivation in the country. In 2005, a quarter of the area under opium poppy cultivation was located in Helmand alone. If counted separately, Helmand province would be the third largest opium poppy cultivator in the world, after Myanmar. The strong increases in the levels of cultivation in Helmand province are said to be induced by drug traffickers who encourage villagers to grow opium poppy. Helmand is also the most significant province in terms of heroin manufacture and trafficking. There is a clear threat that drug trafficking will continue to permeate the province and that this could potentially endanger the stability of Afghanistan.

Declines in opium production have been achieved in the two major opium producing countries of South-East Asia: Myanmar and Lao People's Democratic Republic (Lao PDR). Achievements are even more impressive when the long-term trend is examined: Since 1998, the area under opium poppy cultivation in both countries has been reduced from 157,100 hectares to 34,600 hectares, a decline of 78 per cent. In 2005, both countries only accounted for seven per cent of global opium production, compared to one-third of global opium production in 1998. At the beginning of the 1990s, Myanmar rivalled Afghanistan as leading opium pro-

ducer in the world. If these declines can be sustained, and this appears to be the case, South-East Asia could disappear from the global illicit opium production map in the not too distant future. Heroin of South-East Asian origin has already become very rare in European drug markets and has lost its once dominant position in North America.

A reduction in opium poppy production was also observed in Latin America. In Colombia, the area under opium poppy cultivation was cut in half, from 4,000 in 2004 to 2,000 hectares in 2005. This will affect the availability of heroin in the illicit markets of North America. There is, of course, a danger that some of the possible shortfall of heroin will be compensated with heroin from Afghanistan.

#### Increasing amounts of heroin will be trafficked through West and Central Asia, stretching law enforcement authorities to the limits

Increasing availability of opium and heroin will increase trafficking from Afghanistan to opiates markets in West and Central Asia and Europe. Shifts in the production centres in Afghanistan have already altered trafficking routes, with more opiates leaving Afghanistan towards Iran and less being trafficked towards Pakistan and Central Asian countries. However, as cultivation and production levels in Badakshan, the north-eastern province in Afghanistan, and the starting point of the Central Asian opiate trafficking route, are expected to increase, this trend could change again.

#### Opiate abuse could rise in the countries along the main trafficking route

While the annual prevalence estimate for opiates shows a globally stable level of opiate abuse, strong increases are shown in some countries that lie along the main trafficking routes of opiates. The number of opiate users in Iran, already estimated to be above one million, could further increase. Similarly, this may affect abuse levels in the Russian Federation and other CIS countries, which already seem to have high levels of opiate abuse.

## Coca/cocaine market

### Containment of the cocaine market defined by stable production levels and increasing interception rates

The area under coca cultivation and production of cocaine remained essentially stable in 2005. The area under cultivation is 28 per cent less than in 2000 and 26 per cent less than a decade ago. Cocaine production, however, has failed to decline due to better yields and improved know-how in cocaine processing. Production remained practically unchanged from the levels a decade ago. The past years have also seen record levels of cocaine interception. Global seizures of cocaine rose to a record high in 2004 and indications are that this trend continued in 2005 and possibly 2006.

In 2004, 84 per cent of all cocaine seizures were made in the Americas. The world's highest seizures were made by Colombia. Strong increases were also reported from North America where the level of seizures increased by 41 per cent from 2003 to 2004. Possibly as a result of the interdiction, cocaine purity levels have declined.

A continuous rise in cocaine seizures made in Europe over the past five years also indicates that trafficking organizations increasingly target the European market. In some cases, however, cocaine is already stopped in the Western Hemisphere, as indicated by the fact that 42 per cent of Dutch cocaine seizures are made in the waters off the coast of Netherlands Antilles.

### Cocaine for Europe is increasingly transshipped through Africa

For some time, cocaine has transited Africa en route to Europe. In its report for 2005, the International Narcotics Control Board notes that drug trafficking organizations are increasingly using West African countries for cocaine trafficking. Seizure levels have confirmed this trend. Cocaine seizures in Africa increased to more than 3 tons in 2004 and far higher levels are regularly seized by European law enforcement agencies off the coasts of Cape Verde, Senegal and Mauritania. In contrast to 1997 and 2001, when cocaine seizures in Africa were at an even higher level and dropped sharply in subsequent years, the current development is likely to become more permanent as there is some anecdotal evidence that some cocaine trafficking organizations have shifted their operations to African countries to run their trade from there. Cocaine trafficking in that region will therefore, in all likelihood, increase.

### Global prevalence of cocaine expected to be stable but situation in largest markets varies

No major changes were noted in the global cocaine market, with prevalence levels remaining at almost the same levels. The United States market appears stable or declining. European countries report a general upward trend of cocaine use and this may well continue for some time as cocaine use levels are still lower in Europe than in North America and its image among the general population is still not very negative in Europe. The transshipment of cocaine is also likely to have spillover effects in the African countries affected by this sort of trafficking.

## Cannabis

### Cannabis continues to be the largest drug market in the world; production increases foreseen for cannabis herb

The cannabis market consists of two different markets: the market for cannabis herb, which is the largest drug market in the world, and the market for cannabis resin. The number of countries in which cannabis is cultivated continued to increase. UNODC estimates that cannabis herb is cultivated in some 176 countries in the world. Unlike opium and coca, for which relatively reliable production data can be obtained, estimates on cannabis production are often based on perception and scientifically valid monitoring systems are the exception.

Nevertheless, there are indications that the level of cannabis herb production will continue to increase. Cultivation of cannabis is traditionally easy as the plant can grow in virtually every inhabited region in the world. Furthermore, over the years, special strains have been cultivated which can be grown indoors and hydroponically. With cannabis seeds and growing paraphernalia available in grow shops in several developed countries and also on the Internet, it has been easier to procure cannabis and there is no indication that cannabis users have not utilized these opportunities.

### ... whereas global production for cannabis resin is expected to decline, due to lower production in Morocco

Cannabis resin production on the other hand, appears to be in decline, at least for 2005. The Government of Morocco has been carrying out cannabis cultivation sur-

veys, in cooperation with UNODC, and results from the 2005 survey show that cannabis resin production fell for the second consecutive year in 2005, to about 1,070 metric tons (-61 per cent). As Morocco is a major source of cannabis resin seized in Europe, the largest cannabis resin market in the world, the lower availability of cannabis resin is expected to be felt in the cannabis resin market in Europe. Cannabis users in that region may increasingly turn to herbal cannabis the availability of which has been increasing over the years.

#### **Cannabis use will continue to increase as will the demand for treatment in cannabis use**

Cannabis use has continued growing. The annual prevalence estimate published in the 2004 World Drug Report (referring to 2001) was 146 million of cannabis users who have used the drug at least once during the past 12 months. This figure was raised to 162 million for 2004/05. While direct comparisons of these estimates must be treated with caution as they also reflect improved data availability, the magnitude and other indicators suggest that cannabis use continues to expand. As treatment demand for cannabis use has risen, there are also indications that the effects of the drug are more harmful than believed so far, possibly reflecting, *inter alia*, the emergence of higher potency cannabis on the markets.

### **Amphetamine-type stimulants (ATS)**

#### **Global production of amphetamine-type stimulants may well increase**

Traditionally, methamphetamine has been the largest of the ATS markets with production centres in Asia and North America. The latest developments are that manufacturing and trafficking of methamphetamine has spread beyond these two traditional regions. Increases have been reported, *inter alia*, from South Africa. Use of methamphetamine has increased in some parts of Asia and this trend is likely to continue. In the United States, use of methamphetamine has shown a westward expansion over the last decade, and it is expected that this trend will continue. General population surveys have not, as yet, shown an increase but this may change in the future. Treatment episode data from the United States continue to show an upward trend. The European methamphetamine problem has been very limited in scope and has, so far, only affected a few countries. While it is too early to identify a general upward trend of methamphetamine abuse in Europe, past experience

has shown that drug trends observed in the United States (cannabis, cocaine) have also affected the European drug markets with some delay.

#### **Amphetamine is rising again in Europe**

More amphetamine-producing laboratories were detected in 2004 than in 2003, most of them in Europe. Use of amphetamine appears to be stable in the United Kingdom, where annual prevalence of amphetamine has fallen steadily over the past five years. Increased production and use levels, however, have been reported from Germany and some Central European countries. There is a likelihood that this upward trend will continue.

#### **At the global level, ecstasy will gain in importance in developing countries**

After considerable increases, ecstasy appears to have lost momentum in some parts of the world. This can be attributed to the decisive action that some countries have taken against the drug. In the United States, ecstasy use among young people has shown a steadily downward trend in recent years. In Europe, the main production centre of ecstasy, use has surpassed that of amphetamines and in some countries, prevalence of ecstasy among young adults is higher than in the United States. There are signs that in countries where ecstasy use is already high, the market is stagnating while it is still going to increase in countries with lower levels of ecstasy prevalence. This also applies to developing countries, notably in East and South-East Asia where there seems to be the largest potential of expansion of the ecstasy market. Increases in treatment demand have already been reported. There is no sign that this trend will abate in the near future. Ecstasy use, in the developed countries as a whole, can be expected to remain stable.