

2015

Global Narcotics Trafficking



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1 Narcotics Trafficking

1.1 Illegal Narcotics Trade

The illegal narcotics trade is a global black market dedicated to the cultivation, manufacture, distribution and sale of narcotics that are subject to prohibition laws. Most jurisdictions prohibit trade, except under license, of many types of narcotics through the use of narcotics prohibition laws.

The global narcotics trade generated an estimated \$400-450 billion in 2014 the illegal narcotics trade may be estimated as nearly 1% of total global trade. Consumption of illegal narcotics is widespread globally.

Figure 1 - International Narcotics Routes.



The beginning of the 21st century saw narcotics use goes up in North America and Europe, with a particularly increased demand for marijuana and cocaine. As a result, international organized crime syndicates such as the Sinaloa Cartel and 'Ndrangheta have increased cooperation among each other in order to facilitate trans-Atlantic narcotics trafficking. Another illicit narcotic with increased demand in Europe is hashish, which is generally smuggled from Morocco to Spain, where it is later exported to its final markets (mostly France and Western Europe).

In many countries worldwide, the illegal narcotics trade is thought to be directly linked to violent crimes such as murder. This is especially true in developing countries, such as Honduras, but is also an issue for many developed countries worldwide

In the late 1990s in the United States, the Federal Bureau of Investigation estimated that 5% of murders were narcotics -related.

After a crackdown by U.S. and Mexican authorities in the first decade of the 21st century as part of tightened border security in the wake of the September 11 attacks, border violence inside Mexico surged. The Mexican government estimates that 90% of the killings are narcotics -related.

A report by the UK government's narcotics strategy unit that was subsequently leaked to the press, stated that due to the expensive price of highly addictive narcotics heroin and cocaine, that narcotics use was responsible for the great majority of crime, including 85% for shoplifting, 70-80% of burglaries and 54% of robberies. "The cost of crime committed to support illegal cocaine and heroin habits amounts to £16 billion a year in the UK" (note: this is more than the entire annual UK Home Office budget).

1.2 Narcotics Trafficking via West Africa

Cocaine produced in Colombia and Bolivia has been increasingly shipped via West Africa (especially in Cape Verde, Mali, Benin, Togo, Nigeria, Cameroon, Guinea-Bissau, and Ghana). The money is often laundered in countries such as Nigeria, Ghana and Senegal.

Cargo planes are now also used as a method of transport from the production countries to West Africa. Before this, the cocaine was only shipped to the USA. Because the market became saturated there, illicit narcotics traders decided to increase shipping to Europe. When these new narcotics routes were uncovered by the authorities, West Africa was chosen as a stopover. In 2005, the first major cocaine shipment was intercepted by the police. In 2007, 30% of all cocaine shipped to the UK was estimated to come from West Africa. In 2009, 50% of all cocaine shipped to the UK was estimated to come from West Africa.

Drug mules, fishing boats, container ships, and submarines have been used to transship illegal narcotics from West Africa to Europe. According to the Africa Economic Institute, the value of illicit narcotics smuggling in Guinea-Bissau is almost twice the value of the country's GDP. Policemen are often bribed. The money can also be laundered using real estate. A house is built using illegal funds, and when the house is sold, legal money is earned. When narcotics are sent over land, through the Sahara, the narcotics traders have been increasingly forced to cooperate with terrorist organizations, such as Al Qaida in Islamic Maghreb.

1.3 Narcotics Trafficking Route in Asia

A large amount of narcotics is smuggled into Europe from Asia. The main source of these narcotics is Afghanistan. Farmers in Afghanistan produce narcotics, which are smuggled into the West and central Asia. Iran is a main route for smugglers. The Border Police Chief of Iran says his country "is a strong barrier against the trafficking of illegal narcotics to Caucasus, especially the Republic of Azerbaijan."

\$207 million and additional amounts in other currencies were confiscated from Mexican Zhenli Ye Gon in 2007

Statistics about profits from the narcotics trade are largely unknown due to its illicit nature. In its 1997, World Drugs Report the UNODC estimated the value of the market at \$4000 billion, ranking narcotics alongside arms and oil among the world's largest traded goods. An online report published by the UK Home Office in 2007 estimated the illicit narcotics market in the UK at £4–6.6 billion a year

In December 2009, United Nations Office on Drugs and Crime Executive Director Antonio Maria Costa claimed illegal narcotics money saved the banking industry from collapse. He claimed he had seen evidence that the proceeds of organized crime were "the only liquid investment capital" available to some banks on the brink of collapse during 2008. He said that a majority of the \$352 bn of narcotics profits was absorbed into the economic system as a result. "In many instances, the money from narcotics was the only liquid investment capital. In the second half of 2008, liquidity was the banking system's main problem and hence liquid capital became an important factor. Inter-bank loans were funded by money that originated from the narcotics trade and other illegal activities. There were signs that some banks were rescued that way". Costa declined to identify countries or banks that may have received any narcotics money, saying that would be inappropriate because his office is supposed to address the problem, not apportion blame.

1.4 Narcotics Trafficking in the United States

The effects of the illegal narcotics trade in the United States can be seen in a range of political, economic and social aspects. Increasing narcotics related violence can be tied to the racial tension that arose during the late twentieth century along with the political upheaval prevalent throughout the 1960s and 70's. The second half of the twentieth century was a period when increased wealth, concurrent increased discretionary spending, increased the demand for illicit narcotics in certain areas of the United States.

A numerically large generation, the baby boomers, came of age in the 1960s. Their social tendency to confront the law on specific issues, including illegal

narcotics, overwhelmed the understaffed judicial system. The federal government attempted to enforce the law, but with meager affect.

Marijuana was a popular narcotic seen through the Latin American trade route in the 1960s. Cocaine became a major narcotics product in the later decades. Much of the cocaine is smuggled from Colombia and Mexico via Jamaica. This led to several administrations combating the popularity of these narcotics. Due to the influence of this development on the U.S. economy, the Reagan Administration began "certifying" countries for their attempts at controlling narcotics trafficking. This allowed the U.S. to intervene in activities related to illegal narcotics transport in Latin America. Continuing into the 1980s, the United States instated stricter policy pertaining to narcotics transit through sea and as a result, there was an influx in narcotics -trafficking across the Mexican–U.S. border. This increased the narcotics cartel activity in Mexico. By the early 1990s, so much as 50 percent of the cocaine available on the United States market originated from Mexico, and by the 2000s, over 90 percent of the cocaine in the United States was imported from Mexico. In Colombia, however, there was a fall of the major narcotics cartels in the mid-1990s. Visible shifts occurred in the narcotics market in the United States. Between the years 1996 and 2000, U.S. consumption of cocaine had dropped by 11 percent.

In 2008, the United States government initiated another program, known as The Merida Initiative, to help combat narcotics trafficking in Mexico. This program increased U.S. security assistance to \$1.4 billion over several years, which helped supply Mexican forces with "high-end equipment from helicopters to surveillance technology". However, despite U.S. aid, Mexican "narcogangs" continue to outnumber and outgun the Mexican Army, allowing for the continued activities of narcotics cartels across the U.S.-Mexican border.

Although narcotics are illegal in the U.S., they have become integrated into the nation's culture and are seen as a recreational activity by sections of the population. Illicit narcotics are considered a commodity with strong demand, as they are typically sold at a high value. This high price is caused by a combination of factors that include the potential legal ramifications that exist for suppliers of illicit narcotics and their high demand. (Limited supply can be caused by a range of factors). Despite the constant effort by politicians to win the war on narcotics, the U.S. is still the world's largest importer of illegal narcotics.

Most of the U.S. imports of narcotics come from Mexican narcotics cartels. In the United States, narcotics trafficking that originated in Mexico have infiltrated around 195 cities. An estimated \$10 billion of the Mexican narcotics cartel's profits come from the United States, not only supplying the Mexican narcotics cartels with the profit necessary for survival, but also furthering Americans' economic dependence on narcotics.

The baby boomer generation also felt the effects of the narcotics trade in their increased narcotics use from the 1960s to 1980s. Along with substance abuse, criminal involvement, suicide and murder were also on the rise during this time.

Due to the large size of the baby boomers, commercial marijuana use was on the rise. This increased the supply and demand for marijuana during this time period.

1.5 Narcotics Trafficking in Mexico

In Mexico, desperate teens everywhere are struggling for even the smallest increments of money. Some teens will go as far as to accept \$300 to take illegal narcotics over the US border to recipients. Drug dealers claim that, because the children are minors, they will have no problem in the event that they are caught.

Corruption in Mexico has contributed to the domination of Mexican cartels in the illicit narcotics trade. Since the beginning of the 20th century, Mexico's political environment allowed the growth of narcotics-related activity. The loose regulation over the transportation of illegal narcotics and the failure to prosecute known narcotics traffickers and gangs increased the growth of the narcotics industry. Toleration of narcotics trafficking has undermined the authority of the Mexican government and has decreased the power of law enforcement officers in regulation over such activities. These policies of tolerance fostered the growing power of narcotics cartels in the Mexican economy and have made narcotics traders wealthier. Many states in Mexico lack policies that establish stability in governance. There also is a lack of local stability, as mayors cannot be re-elected.

The massive amounts of corruption cartels created resulted in distrust of government by the Mexican public. This distrust became more prominent after the collapse of the PRI party. In response, the presidents of Mexico, in the late twentieth century and early twenty-first century implemented several different programs relating to law enforcement and regulation. In 1993, President Salinas created the National Institute for the Combat of Drugs in Mexico

Over the past few decades narcotics cartels have become integrated into Mexico's economy. Approximately 500 cities are directly engaged in narcotics trafficking and nearly 450,000 people are employed by narcotics cartels. Additionally, 3.2 million people's livelihood is dependent of the narcotics cartels. Between local and international sales, such as to Europe and the United States, narcotics cartels in Mexico see a \$25–30 billion yearly profit. Drug cartels are fundamental in local economics. A percentage of the profits seen from these most cartels trade are invested in the local community. Such profits contribute to the education and healthcare of the community. While these cartels bring violence and hazard into communities, they create jobs and provide income for its many members.

Major cartels saw growth due to a prominent set culture of Mexican society that created the means for narcotics capital. One of the sites of origin for narcotics trafficking within Mexico was the state of Michoacán. In the past, Michoacán was mainly an agricultural society. This provided an initial growth of trade.

Industrialization of rural areas of Mexico allowed facilitated a greater distribution of narcotics, expanding the narcotics market into different provinces. Once towns became industrialized, cartels started to form and expand. The proliferation of narcotics cartel culture largely stemmed from the rancharo culture seen in Michoacán. Rancharo culture values the individual as opposed to the society as a whole. This culture fostered the narcotics culture of valuing the family that is formed within the cartel. This ideal allowed for greater organization within the cartels. Gangs play a major role in the activity of narcotics cartels.

Two such gangs (the MS-13 and Deiciocho) are notorious for their contributions and influence over narcotics trafficking throughout Latin America. MS-13 has controlled much of the activity in the narcotics trade spanning from Mexico to Panama Female involvement is present in the Mexican narcotics culture. Although females are not treated as equals to males, they typically hold more power than their culture allows and acquire some independence. The increase in power has attracted females from higher social classes. Financial gain has also prompted women to become involved in the illegal narcotics market. Many women in the lower levels of major narcotics cartels belong to a low economic class. Drug trafficking offers women an accessible way to earn income. Females from all social classes have become involved in the trade due to outside pressure from their social and economic environment.

1.6 Narcotics Industry in Colombia

It was common for smugglers, specifically in Colombia, to import liquor, alcohol, cigarettes and textiles, while exporting cocaine. Personnel with knowledge of the terrain were able to supply the local market while also exporting a large amount of product. The established trade that began in the 1960s, involved Peru, Bolivia, Colombia and Cuba. Peasant farmers produced coca paste in Peru and Bolivia, while Colombian smugglers would process the coca paste into cocaine in Colombia and trafficked product through Cuba. This trade route led to established ties between Cuban and Colombian organized crime. From Cuba, cocaine would be transported to Miami, Florida, and Union City, New Jersey. Quantities of the narcotics were then smuggled throughout the U.S.

The international narcotics trade created political ties between the involved countries, encouraging the governments of the countries involved to collaborate and instate common policies to eradicate narcotics cartels. Cuba stopped being a center for transport of cocaine following the establishment of a communist government in 1959. As a result, Miami and Union City became the sole locations for trafficking. By the early 1990s, though Colombia led in the exportation of cocaine, it found increasing confrontations within its state. These confrontations were primarily between cartels and government institutions. This led to a decrease in the narcotics trade's contribution to the GDP of Colombia, dropping from 5.5% to 2.6%. Though a contributor of wealth, the distribution of

cocaine has had negative effects on the socio-political situation of Colombia and has weakened its economy as well.

More information can be found at:

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