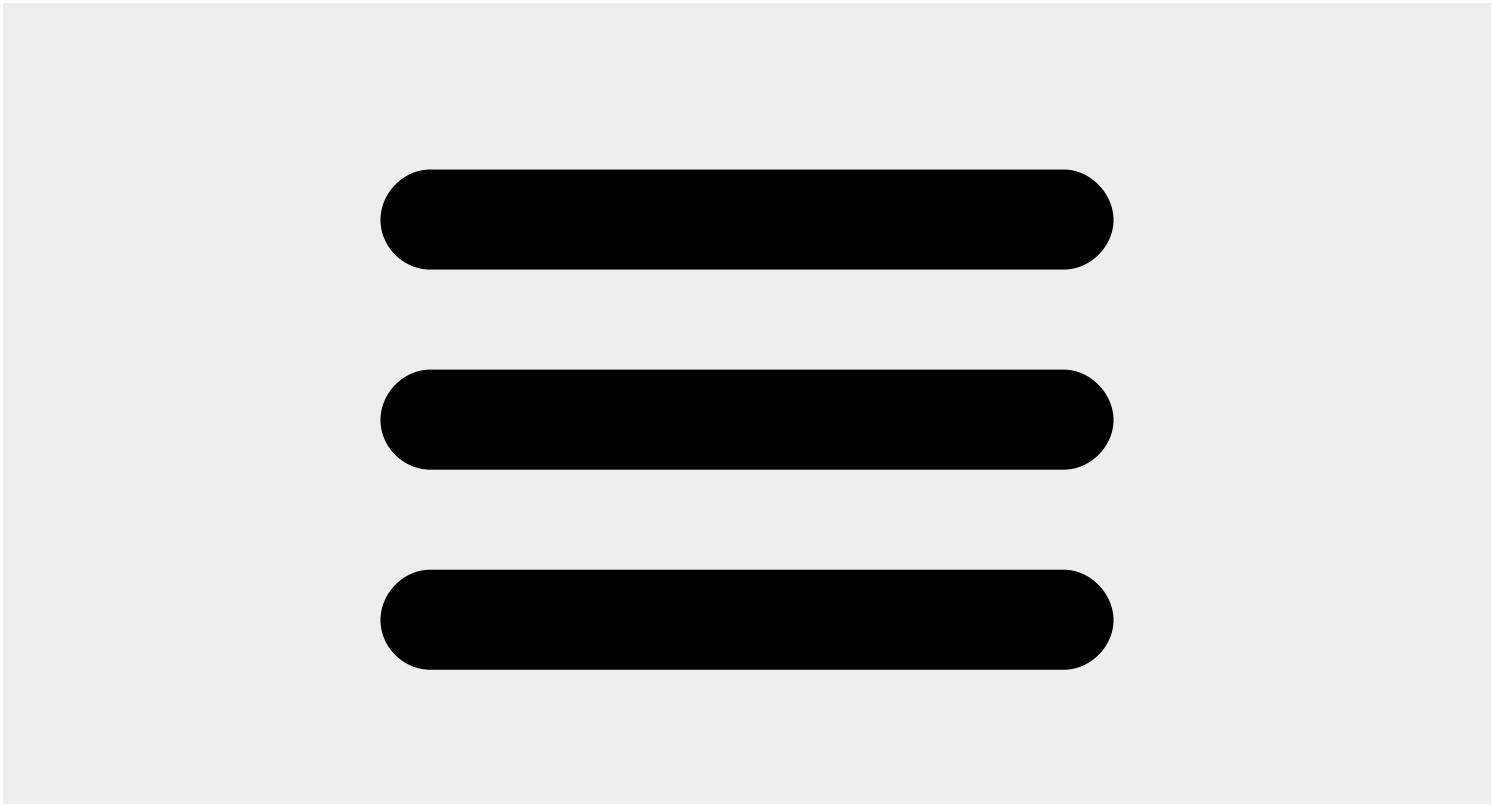
THE SOUTHEAST ASIA DRUG SCOURGE: OPIUM AND HEROIN ARE THE OLD CHALLENGES, WHILE METHAMPHETAMINE AND FENTANYL ARE CONTEMPORARY CONCERNS

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The synthetic drug trade in Southeast Asia continues to grow, leading to questions about the transition from traditional drugs to non-traditional types over the past decade. With US$ 72 billion in illicit drug profit annually, drug traders had forgotten about the difficulties of COVID-19 in the region from early 2020 until the present. Accordingly, the last report of the United Nations Office on Drugs and Crime (UNODC, 2021b) confirmed that the pandemic did not significantly impact the demand for synthetic drugs in the region. There were at least 169 tons of methamphetamine seized, with over 70% recovered in five countries of the Lower Mekong (Cambodia, Laos, Myanmar, Thailand and Vietnam). Furthermore, drug manufacturers in Southeast Asia are additionally producing precursors needed to make methamphetamine and other

synthetic drugs, allowing them to increase production regardless of import restrictions or other supply issues. Indeed, the production of the precursor represents a new level of sophistication in the region's illicit drug laboratories, most of which are believed to be in north-eastern Myanmar (Shan State), with several transferred from Laos' hubs. Organized crime groups have controlled almost all of these methamphetamines and their production with blurred differences between local syndicates and external connectors. And Myanmar's military coup in early 2021 has made it more difficult for authorities to target drug manufacturers directly.

What is the actual picture of methamphetamine in the region?

In today's Golden Triangle drug trade, most drugs are produced in Myanmar and trafficked through Laos, Thailand or China's Yunnan province. The drug trade has shaped Myanmar's northern and north-eastern economies for decades. During the 1950s, opium cultivation had spread as government authorities in Bangkok and Saigon and the United States Central Intelligence Agency closed their eyes (McCoy, 1972). Farmers built their livelihoods on this economy, while ethnic armed groups and other political elements became dependent on the opium and heroin trade for financing (Luong, 2019; Thomson & Meehan, 2021). Since the 1990s, Southeast Asia has witnessed increasing production and consumption of amphetamine-type stimulants (ATS), particularly with methamphetamine (aka: meth/ice/shabu/yaba/Yama). At the same period, following seemingly unlimited efforts by the UNODC and donor nation in financing opium reduction campaigns in the Golden Triangle, which had focused specifically on hot-spot areas in Myanmar both Shan and Kachin' States, the region has experienced decreasing opium and heroin markets. According to the latest United Nations Office on Drugs and Crime data (UNODC, 2021a, p. ii), in 2020, farmers in Myanmar produce around 405 tonnes of opium, about half of the yield recorded in 2013 and down approximately 11% from 2019. Most of this, estimated at 84%, is produced in Shan State.

(Source: https://dailybrief.oxan.com/Analysis/GA245613/Methamphetamine-is-growing-problem-in-South-east-Asia)

With the shift to methamphetamines, the border economy is picking up steam again. Accordingly, although the downward trend may fluctuate with many up-and-down years between 1996 and 2020, producing heroin from pure poppy is no longer the primary priority of traffickers due to the region's synthetic drug market continuing to expand and diversify. Furthermore, wholesale crystalline methamphetamine (aka: ice/shabu) prices have declined in Southeast Asia, namely in Cambodia, Malaysia and Thailand. At the same time, its purity has remained stable, indicating a limited impact on the availability of methamphetamine (UNODC, 2020, 2021b). As a result, cheap synthetic drugs in the region have flooded with a partial balance between supply producers and demand countries. For example, a kilo of meth worth US$1,520 in Myanmar could have sold in Japan for as much as $613,600. This clearly makes more lucrative motivations for drug traders to become involved in this illicit trade (UNODC, 2021b, pp. 60, 74). Accordingly, drug-related crimes have continued to operate with many sophisticated methods and tricks to ship from host-producing areas in Myanmar via

Thailand and Laos to the rest of the demand markets in the region and beyond (Luong, 2020). Recently, when the strict restrictions in border areas were applied due to the Covid-19 pandemic, traffickers combined air, postal, and sea routes to reach out to western countries such as Australia, Canada, European nations and the United States.

Laboratories that manufacture these drugs often rely on precursors such as pseudoephedrine and ephedrine that are imported or smuggled into north-eastern Myanmar, mainly from China. At the same time, Laos has become another critical hub for the transit of precursor chemicals destined for Shan State, with more than 125 tons seized there in 2020 (UNODC, 2021b, p. 9). Much of this smuggling is done using ethnic armed groups and militias. The shift to producing these chemicals 'in-house' allows criminal organizations to transport growing amounts of drugs without relying heavily on outside sources. As a result, some armed groups in the Golden Triangle that have engaged in the smuggling of precursor chemicals could see their finances suffer (International Crisis Group, 2019; Thomson & Meehan, 2021). There have unfortunately only been limited seizures of ephedrine and pseudoephedrine used to manufacture methamphetamine. This has led to unlimited amounts of chemicals for illegal gangs in the region.

Drug production expansion and Myanmar's coup pose complex challenges

Efforts to police the ever-expanding drug trade will require increased cooperation with the Myanmar government — a challenging prospect given the recent military coup. The coup has changed dynamics in Myanmar's border regions as armed groups have reorganized. Many have endorsed the growing civil disobedience campaign against the military government, and these groups include the Ta'ang National Liberation Army (TNLA) and the Restoration Council of Shan State (RCSS), which are operating in areas where drug laboratories are believed to be located.

After the military coup, Myanmar's new government may continue its efforts to combat the drug trade, partly as a ploy to appear legitimate in the eyes of foreign governments (Thomson & Meehan, 2021). The authorities can also use anti-narcotics campaigns to justify increasing the military presence in the territories where ethnic armed groups are located. However, dealing with the drug trade in Myanmar needs a multifaceted policy approach, including security, law enforcement, political and public heath fields, rather than only deploying anti-narcotics campaigns. Whether the government takes an approach against the drug trade or is simply indifferent, cooperating with the unrecognized government of Lieutenant General Min Aung Hlaing is a problem for the UN and most foreign governments. Any government or agency that works with the military could be viewed as legitimizing the coup, alienating ethnic armed groups and possibly worsening Myanmar's civil wars. It will likely lead to a new crisis in drug products with more complex scenarios for local communities and on a regional scale (Aung et al., 2020; Lintner, 2020).

High-profile arrests may have little impact

While the ongoing synthetic drug seizures have been increasing since the start of the Covid-19 pandemic, the efforts of law enforcement agencies (LEAs) for attacking drug cartels have not yet restrained traffickers from extensive financial rewards. Therefore, despite the pandemic and record drug recoveries, the UNODC regional representative continues to believe that the methamphetamine trade will continue to grow — even as authorities have arrested two key organization leaders.



(Source: https://www.reuters.com/investigates/special-report/meth-syndicate/)

In October 2020, on the one hand, the Thai Drug Police arrested drug lord Lee Chung Chak, a Hong Kong citizen, in Bangkok. As a senior project manager responsible for big ventures of the Sam Gor organization, his 19-top-target arrest follows a decade-long investigation by the Australian Federal Police (AFP). Accordingly, AFP is convinced that this drug cartel had spearheaded a new wave of drug trafficking and was believed to be responsible for smuggling at least 70% of illegal drugs entering Australia and for engaging in suspected money laundering. Authorities seized a laptop and multiple phones during the arrest, representing a potential essential resource for the criminal investigation. Lee is currently being held in Thailand as he appeals an extradition request from the AFP.

In January 2021, on the other hand, police in the Netherlands arrested Tse Chi Lop, the leader of Sam Gor, at the request of the Australian Federal Police (AFP). Mr Tse remained largely unknown to the public until the 2019 *Reuters* investigation, even though he had led one of the largest criminal organizations in the world. Yet, after dismantling a record 32 meth labs last year, the Dutch narcotics enforcement agency linked the capacities of 'El Chapo of Asia' with

those criminal enterprises. He is currently being held in the Netherlands, and Australia has requested his extradition.

Suspicious concerns in the prevention and fight against drug-related crimes

Undoubtedly, Southeast Asian countries have actively cooperated, proposed and participated in regional initiatives to improve the fight against drug crime. In particular, within the cooperation framework between the Greater Mekong Subregion countries and with the sub-region and partners, such as the United Nations Office on Drugs and Crime (UNODC). At the same time, Southeast Asian countries have strengthened cooperation with UN agencies and international organizations to implement the United Nations Convention on Drug Control. Annually, those countries continue to take advantage of the support from these organizations as it relates to training and capacity building, improving staff qualifications, technical projects, and the implementation of related criminal justice assistance requests for drug-related crime.

One can clearly state that cooperation efforts in the fight against drug crime among Southeast Asian countries have achieved remarkable results. In practice, however, certain shortcomings still exist. Accordingly, the cooperation mechanism exhibits many of these deficiencies, but the effectiveness is not high due to disagreements among national drug crime prevention and control strategies. In this regard, five main issues receive the most focus: 1) human rights issues in drug prevention and control, 2) the issue of decriminalization of drug crimes, 3) different approaches in regulation and applying the death penalty to drug-related crimes, 4) inconsistent policies in three pillars, between supply-and-demand and harm reduction, and 5) limiting information exchange between LEAs at the international and regional levels.

Now and in the coming years, methamphetamine trading and usage have been forecast to play a more predominant role in the region. This has developed into a more complicated pattern than opium/heroin and has resulted in a big challenge across all of the countries concerned. Accordingly, the types of ATS and related markets will be increasingly diversified and expanded. Southeast Asia continues to be one of the major producers and markets for synthetic drugs in the world. These challenges require regional authorities to continue working more closely to stem the current wave of transnational narcotics trafficking (TransNT) and other forms of contraband and human smuggling. Leaders should prioritize building a comprehensive framework with specific databases related to TransNT activities and establishing a unique mechanism to exchange intelligence information. Besides that, for TransNT cases, developing a multinational joint investigation team (JIT) with numerous task forces may be necessary, and these can be based on current mutual legal assistance agreements and the ASEAN convention against transnational crimes. However, in order to be effective and successful, these initiatives must be based on practical cooperation, rather than on mere political promises.

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