#### UNODC PRESS RELEASE

# Myanmar opium cultivation up despite rise in poppy eradication, says UNODC

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## Long-term solution to poppy requires significant investment in peace, rule of law and alternative development

Naypyitaw (Myanmar). 31 October 2012. Opium poppy cultivation in Myanmar rose for the sixth consecutive year, despite a significant increase in Government eradication efforts, according to a UN Office on Drugs and Crime (UNODC) report released today.

The UNODC report, <u>South-East Asia Opium Survey 2012 – Lao PDR</u>, <u>Myanmar</u>, estimates that Myanmar opium poppy cultivation jumped 17 per cent in 2012 to 51,000 hectares (up from 43,000 ha in 2011) in spite of Government figures showing that 23,717 ha of opium poppy has been eradicated – more than three times the 7,058 ha it eradicated in 2011.

While far smaller in quantity, opium cultivation in Lao PDR increased 66 per cent in 2012 to 6,800 ha, up from 4,100 ha in 2011, and almost to 2004 levels. Thailand reported a 4 per cent decline to 209 ha. Although Lao PDR poppy farming remains low compared with a decade ago, there are worrying indications that cultivation is increasing substantially.

The report contains the results of UNODC-supported opium poppy cultivation surveys in Lao PDR and Myanmar. In addition, it presents the results of opium poppy surveys implemented by the Thai Office of the Narcotics Control Board (ONCB).

"The opium numbers continue to head in the wrong direction", said Gary Lewis, UNODC Regional Representative for East Asia and the Pacific. "However we have seen more progress on responding to the root causes of opium cultivation in the past year than we have in the past decade. The international community must now ask 'how can we help?" – and provide resources towards a solution."

Speaking from Bangkok, Mr. Lewis placed the report's key findings within the overall regional drug control context: "The significant increase in opium poppy cultivation in Myanmar coupled with significant increases in trafficking in methamphetamines and other illicit drugs reflect a growing human security threat to the region."

"Despite the increase in eradication what really matters is the increase in cultivation. Cultivation indicates intention. And unless the farmers have a feasible and legitimate alternative to give them food security and reduce their debt, they will continue to plant poppy."

Myanmar is Southeast Asia's largest opium poppy-growing country and the world's second largest after Afghanistan. According to UNODC it currently accounts for 25 per cent of global illicit poppy cultivation, and – together with Lao PDR – a full 10 per cent of global opium production. UNODC estimates that Myanmar's total 2012 opium production is currently 690 metric tonnes (mt), a 13 per cent increase from 2011, and the highest level of production since 2003.

The centre of Myanmar's illicit drugs activities remains Shan State, which accounts for 90 per cent of opium poppy cultivation in the country, with the remaining 10 per cent is located mainly in Kachin State. In 2012, strong increases in cultivation were reported by UNODC in

South, East and North Shan States, as well as in Kachin.

UNODC also estimates that 300,000 Myanmar households engage in opium cultivation, a 17 per cent increase from 2011 (256,000 households). Both Shan and Kachin States have areas of ongoing instability.

Speaking from Naypyitaw at the launch, Jason Eligh, UNODC Country Manager in Myanmar noted: "Eradication alone is not an effective response to reduce opium poppy cultivation. We must remember why farmers grow poppy. In most cases it is because they need cash to buy food to feed their families. Growing opium poppy provides much needed food security for many of them."

Mr. Eligh elaborated further: "In areas of instability like Shan and Kachin States with poor access to markets, there are few employment alternatives to poppy. A sustainable long-term solution to poppy can only come through significant investment in stability, the rule of law and alternative development."

In Myanmar, opium cultivation took place in 37 per cent of villages surveyed in 2012, with relatively high concentrations in South Shan (48 per cent) and East Shan (43 per cent). When asked why they grow opium, 79 per cent said it was because of the high net income generated by poppy relative to other crops, while 45 per cent cited the need to buy food. In addition, 95 per cent of villages in Shan State said they received no agricultural assistance.

Opium prices increased in Myanmar in 2012 to \$520/kg, a 15 per cent increase from 2011 (\$450/kg). This reflects the strong appreciation of the kyat, Myanmar's currency, against the US dollar. Overall, adjusted for inflation, the report finds that the price of opium has remained stable since 2006.

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