

1.1 Overview

1.1.1 Evolution of the World Drug Problem

Vigilance is needed to respond to year-on-year expansion in some market sectors

The long-term stabilization which occurred in drug markets continued into 2007, although some expansion occurred in critical areas. This year-on-year growth, however, does not negate the containment of the markets recorded since 1990: long term trends are obviously more meaningful and indicative than short term fluctuations. Despite cultivation increases for both coca and opium, the overall level of cultivation remained below 1998 levels and well below annual peaks in the last two decades (1991 for opium and 2000 for coca). Similarly, despite an apparent increase in the absolute number of cannabis, cocaine and opiates users, there was little change in global annual prevalence rates (the number of people who have used a particular drug at least once in the 12 months preceding the survey).

In 2007 opium cultivation increased in both Afghanistan and Myanmar, and coca cultivation increased in Bolivia, Colombia and Peru, though cocaine production remained more or less stable. Overall production of opiates increased, as did absolute numbers of opiate, cocaine and cannabis users. Annual prevalence levels have remained relatively stable in all drug markets.

Large increase in opium production in 2007

The steady increase of opiate output in Afghanistan continues to buck the trend of overall stabilization. Such marked expansion over a five year period apparently defies even normal parameters of supply and demand – as it seems to have led to a large surplus of opiates. Production is now mainly concentrated in the South of the country.

The total area under opium cultivation rose to 235,700 ha in 2007. This increase of 17% from 2006 puts global cultivation at just about the same level, though still marginally lower, than the 238,000 ha recorded in 1998. Although there was some growth in South-East Asian poppy cultivation, the global increase was almost entirely due to the 17% expansion of cultivation in Afghanistan. The area under cultivation in Afghanistan is now 193,000 ha. With Afghanistan accounting for 82% of the area under cultivation, the proportion of South-East Asian expansion in overall cultivation was small. It is not unimportant, however, as it reverses six straight years of

decline. Opium poppy cultivation in Myanmar increased 29%, from 21,500 ha in 2006 to 27,700 ha, in 2007.

Afghanistan's higher yielding opium poppy led to a second year of global opium production increases. Opium production almost doubled between 2005 and 2007, reaching 8,870 mt in 2007, a level unprecedented in recent years. In 2007, Afghanistan alone accounted for over 92% of global opium production.

Although the absolute numbers of opiate users increased, the global annual prevalence rate for opiates and heroin remained unchanged at 0.4% and 0.3% respectively.

Coca cultivation expands on the strength of a 27% increase in Colombia

Coca cultivation increased in Bolivia, Colombia and Peru in 2007. In Colombia, the area under cultivation expanded 27% to 99,000 ha. Increases for Bolivia and Peru were much smaller: 5% and 4% respectively. In total, coca cultivation increased 16% in 2007. Crops, however, were either not well tended or planted in poor yielding areas, as potential cocaine production only grew by 1% overall to 994 mt. The global annual prevalence of cocaine use increased slightly from 0.34% in 2005/06 to 0.37% in 2006/07.

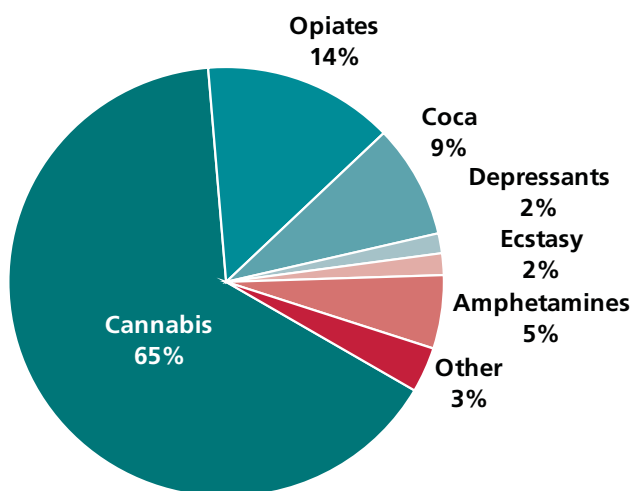
Cannabis market stable

Estimates for the production of cannabis herb show a slight decline for the second straight year in 2006, seeming to reverse the upward trend that began in the early 1990s. Global cannabis herb production is now estimated to be 41,400 mt, down from 42,000 mt in 2005. Cannabis yields continue to vary considerably and extremely high yielding hydroponically grown cannabis remains a cause for concern. Global cannabis resin production is estimated to have fallen around 10% from 6,600mt in 2005 to 6,000mt in 2006 (midpoint estimates). Global annual prevalence remained almost unchanged, increasing from 3.8% to 3.9% between 2005/06 and 2006/07.

ATS market stable

Amphetamine-type stimulants (ATS) production has remained in the range of 450-500 mt since 2000. In 2007 global production of ATS increased slightly to 496 mt. There was a decline in ecstasy production (from 113

Fig. 1: Breakdown of seizure cases by substance: 2006 (N = 1.65 million)



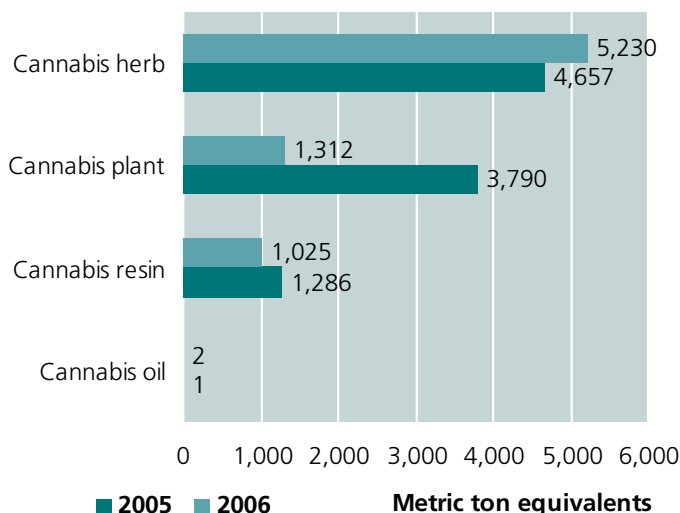
Source: UNODC, Government reports.

mt in 2005 to 103 mt in 2006), and a decrease in methamphetamine production (from 278 mt to 267 mt) which is again compensated by an increase in global amphetamine production (from 88 mt to 126 mt). The global annual prevalence rate remained 0.6% for amphetamines and 0.2% for ecstasy.

Drug seizure cases remain relatively stable

States Members reported 1.6 million drug seizure cases to UNODC for the year 2006, over 1.5 million cases a year earlier. At 65% of the total, cannabis accounted for the overwhelming majority of all seizure cases in 2006. Opiates accounted for 14%, coca for 9% and ATS for 7% of global seizures. Other drugs, including substances

Fig. 2: Global cannabis seizures: 2005-2006



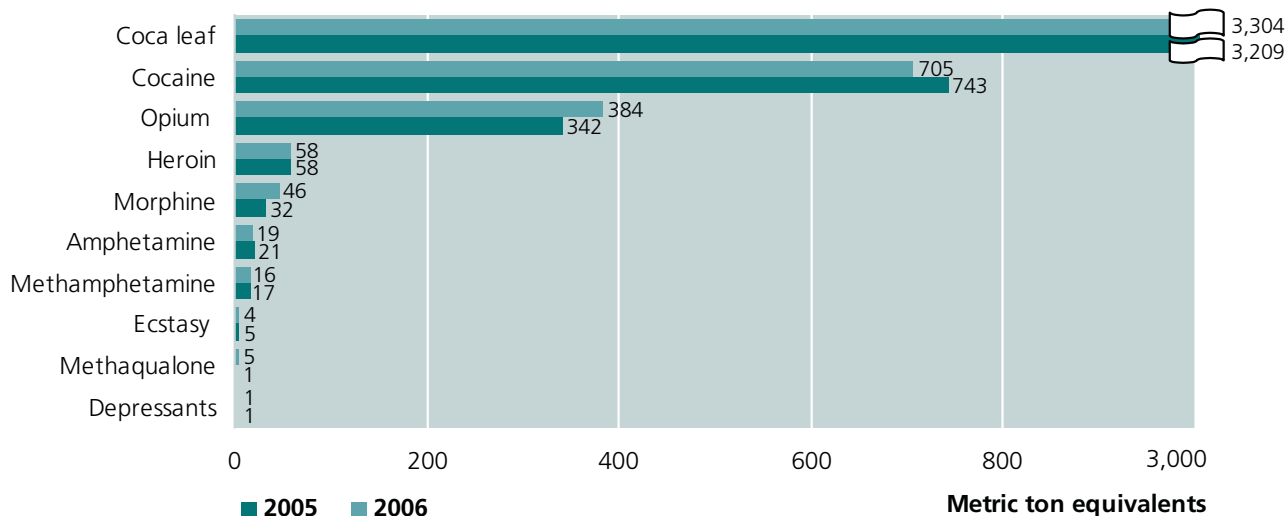
Source: UNODC, Government reports.

such as methaqualone, khat, various synthetic narcotics, LSD, ketamine, various non-specified psychotropic substances, and inhalants were 3% of overall seizures. Some of these substances (such as khat and ketamine) are not under international control, but are under national control in several States Members.

Largest quantities of drugs seized are cannabis, cocaine and opiates

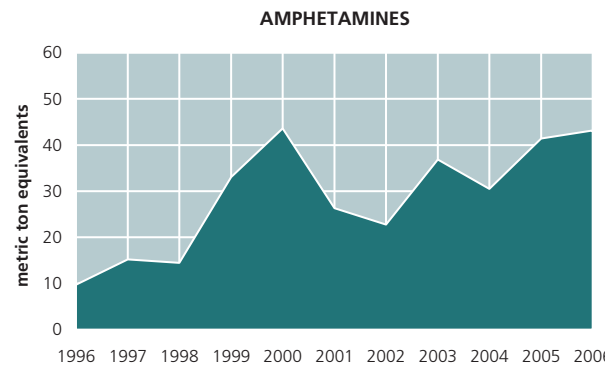
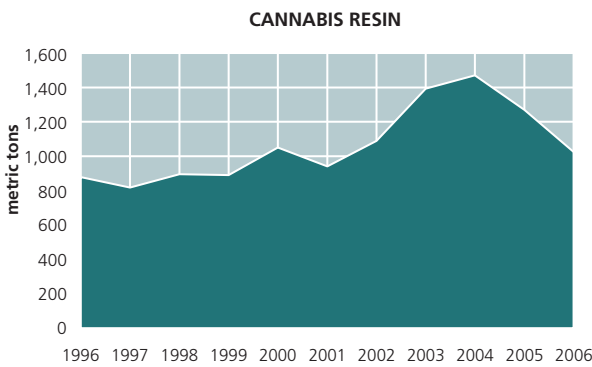
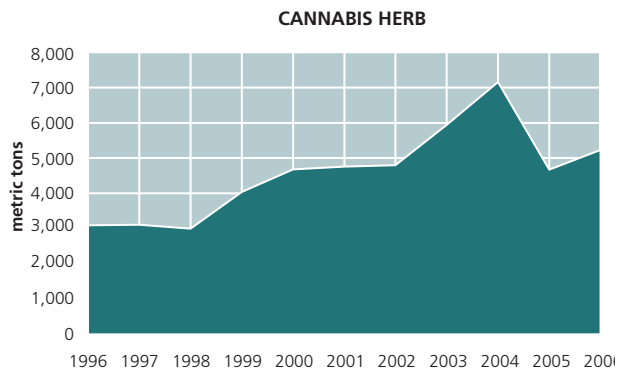
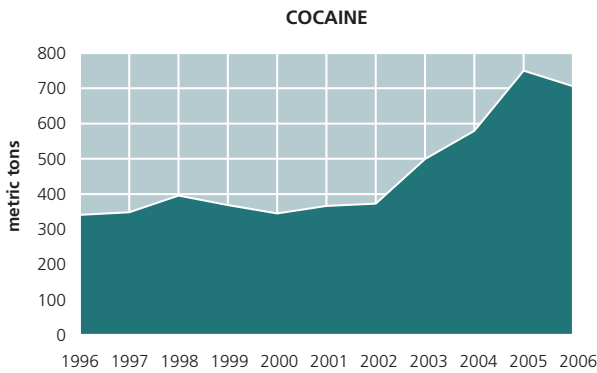
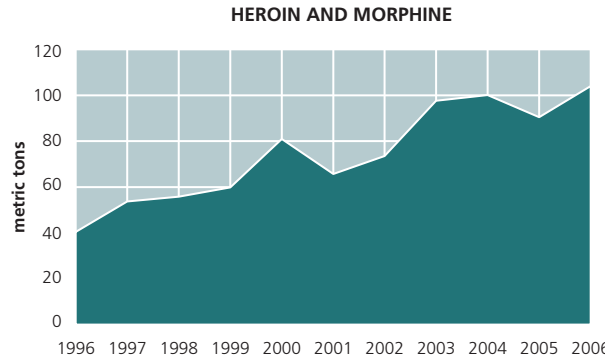
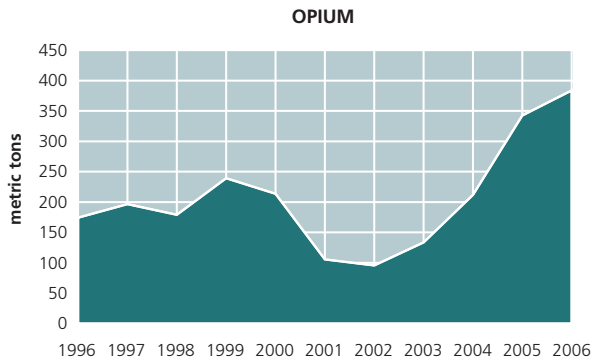
The largest seizures worldwide are for cannabis (herb and then resin), followed by cocaine, the opiates and ATS. Seizures for cannabis herb, the opiates and ATS grew year-on-year in 2006. The quantity of cannabis herb seized grew 12% to 5,200 mt in 2005, while the quantity of resin seizures declined by roughly 25% -

Fig. 3: Global drug seizures, excluding cannabis: 2005-2006



Source: UNODC, Government reports.

Fig. 4: Trends in the world seizures, 1996-2006

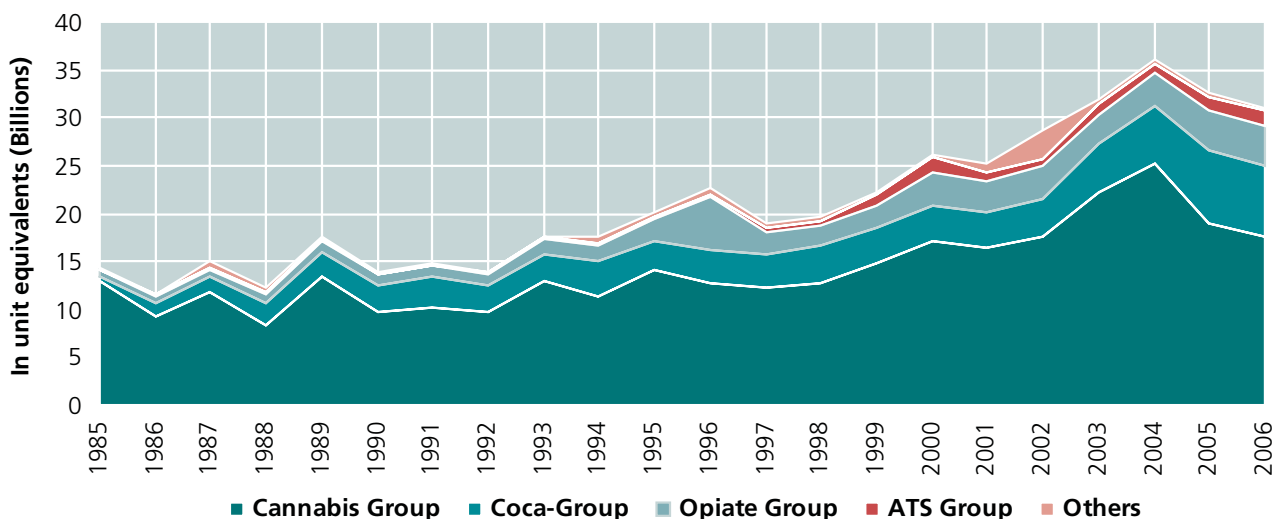


most likely still reflecting a decline in production in Morocco. Cannabis herb seizures, however, were 27% down compared to 2004 (their post 1998 peak). A significant decline in cannabis plants seized was recorded in 2006.

Seizures of opium and morphine grew 10% and 31% respectively in 2006, reflecting continued production increases in Afghanistan. There has, however, been a stabilization in heroin seizures in 2006. This may be the result of effective control of the precursor chemicals

used in the refining of heroin, as well as overall opiate supply outstripping demand. Following five straight years of expansion, the quantity of cocaine seized fell by 5% in 2006. This is consistent with the stabilization of overall cocaine production over the 2004 to 2006 period. The quantities of amphetamine, methamphetamine and ecstasy seized were all down between 8% and 15% from 2005 to 2006. Overall ATS seizures, however rose by 2%, reflecting seizures of non-specified ATS and "captagon" tablets (which may contain amphetamine).

Fig. 5: Global drug seizures in 'unit equivalents': 1985 - 2006



Source: UNODC, Government reports.

Drug seizures in unit terms continue their decline in 2006

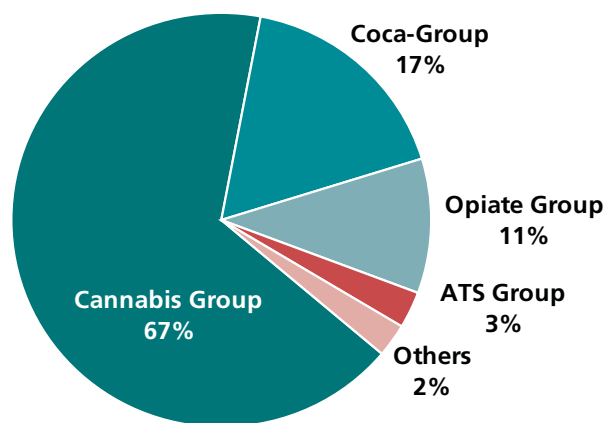
As the quantities of different drugs are not directly comparable, it is difficult to draw general conclusions on overall drug trafficking patterns from them. Since the ratio of weight to psychoactive effects varies greatly from one drug to another (the use of one gram of heroin is not equivalent to the use of one gram of cannabis herb), the comparability of the data is improved if the weight of a seizure is converted into typical consumption units, or doses, taken by drug users. Typical doses tend, however, to vary across countries (and sometime across regions within the same country), across substances aggregated under one drug category (e.g. commercial and high-grade cannabis herb), across user groups and across time. There are no conversion rates which take all of these factors into account. Comparisons made here are based on global conversion rates, of milligrams per dose,¹ found in scientific literature or used among law enforcement agencies as basic rules of thumb. The resulting estimates should be interpreted with caution.

On this basis, global seizures were equivalent to some 31 billion units in 2006, down from 32.5 billion units a year earlier (-5%). The *World Drug Report 2007* argued that the decline of seizures in unit equivalents could not be attributed to reduced law enforcement activity but could probably be explained by the stabilization in global drug production and consumption. Data from 2006 seem to bear this out. With the exception of drugs

in the opiates group, where seizures in unit equivalents have risen slightly, most other drug categories are stable or declining.

Cannabis makes up the largest proportion of drug seizures in unit equivalents, accounting for 67% of all seizures. The coca group accounts for 17% of drug seizures in unit equivalents. Coca seizures remain larger, on average, than seizures for the opiates or ATS group. The trade in this market is led by highly organized large criminal groups, enabling the trafficking of larger quantities of product through well established routes and using modern infrastructure. This enables efficiency gains which can then be attached to profit, or which can supplement product loss. One of the ways to understand the behaviour of criminal markets and transit and trafficking patterns is to look closely at how this indicator develops for each of the four main drug markets.

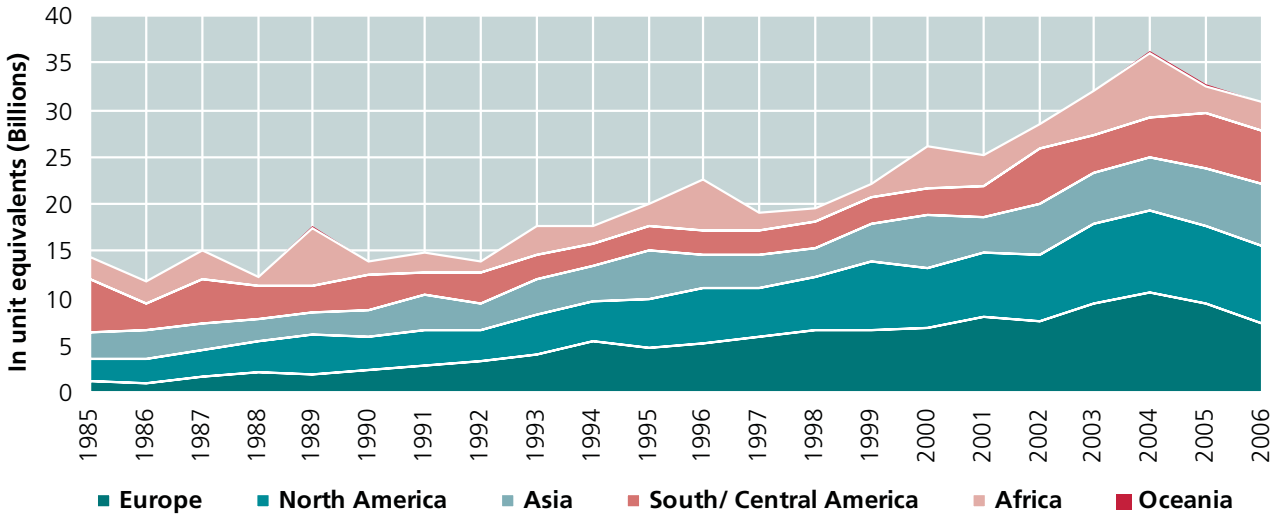
Fig. 6: Breakdown of seizures 'in unit equivalents': 2006 (N = 30.9 billion units)



Source: UNODC, Government reports.

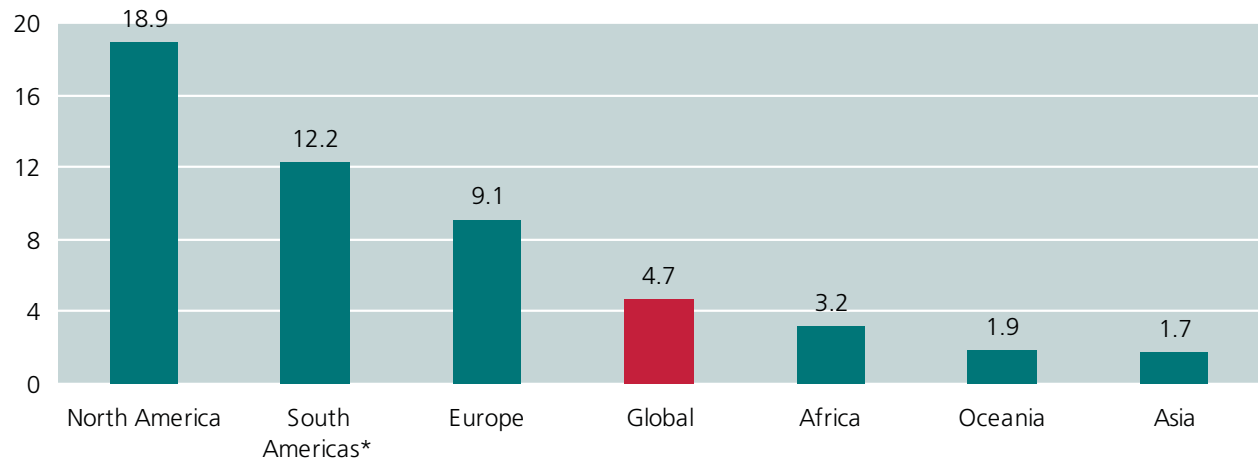
¹ For the purposes of this calculation, the following typical consumption units (at street purity) were assumed: cannabis herb: 0.5 grams per joint; cannabis resin: 0.135 grams per joint; cocaine: 0.1 grams per line; ecstasy: 0.1 grams per pill, heroin: 0.03 grams per dose; amphetamines: 0.03 grams per pill; LSD: 0.00005 grams (50 micrograms).

Fig. 7: Regional breakdown of drug seizures in 'unit equivalents': 1985-2006



Source: UNODC, Government reports.

Fig. 8: Drug dosage units seized per inhabitant: 2006

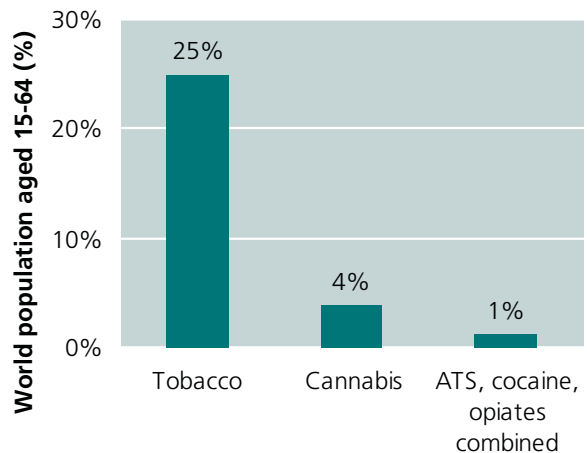


* South America, Central America, and the Caribbean.
Source: UNODC, Government reports.

The bulk of all seizures remain concentrated in North America (27%), followed by Europe (23%), Asia (21%) and South America, Central America and the Caribbean (18%). Seizures declined in Europe and rose very slightly in Asia between 2005 and 2006.

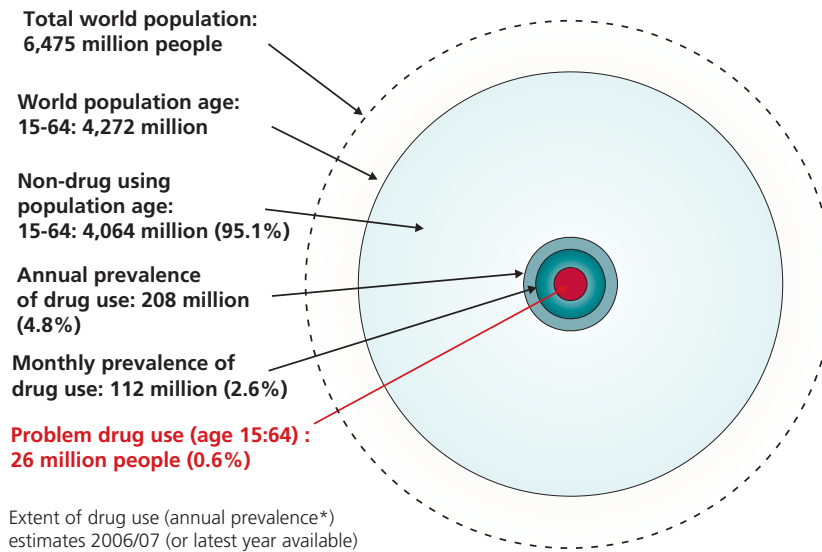
Per capita patterns have also remained the same year on year. The largest amounts of drugs per inhabitant are seized in North America (19 doses per inhabitant), followed by South America (including Central America and the Caribbean) (12.2 doses) and Europe (9 doses). The global average is 4.7 doses per inhabitant per year. Africa, Oceania and Asia are all below the global average.

Fig. 9: Use of illicit drugs compared to the use of tobacco (in % of world population age 15-64)



Source: UNODC, World Health Organization (WHO)

Fig. 10: Illegal drug use at the global level (2006/2007)



Annual prevalence of drug use stable at the global level

The proportion of drug users in the world population aged 15 to 64 has remained basically stable for the fourth straight year. It remains near the top end of the 4.7% to 5.0% range it has stabilized at since the late 1990s. Approximately 208 million people or 4.9% of the world’s population aged 15 to 64 have used drugs at least once in the last 12 months. Problem drug use remains at about 0.6% of the global population aged 15 to 64.

With the exception of ATS, each market has seen some increase in the absolute numbers of drug users, but prevalence rates, where they have increased, have only done so marginally. The global annual prevalence rates for 2006/07 and 2005/06 were as follows: cannabis went from 3.8% to 3.9%, ATS from 0.60% to 0.58%, cocaine

from 0.34% to 0.37%, opiates from 0.37% to 0.39% and heroin from 0.27% to 0.28%. None of these changes were statistically significant.

Cannabis, consumed by close to 166 million persons, continues to be the most prevalent of all illegal drugs used. While there was a year-on-year increase in the absolute number of drug users in this market, there was only a slight increase in the global annual prevalence rate (from 3.8% to 3.9% age 15 – 64).

There was no growth in the overall demand for amphetamines, the second most widely consumed group of substances. Over the 2006/07 period 25 million people are estimated to have used amphetamines (including methamphetamine) at least once in the previous 12 months, about the same as a year earlier. An estimated 9 million people used ecstasy over the 2006/7 period, up from 8.6 million in 2005/06.

Fig. 11: Prevalence of global drug use in the population age 15-64, late 1990s-2006/07

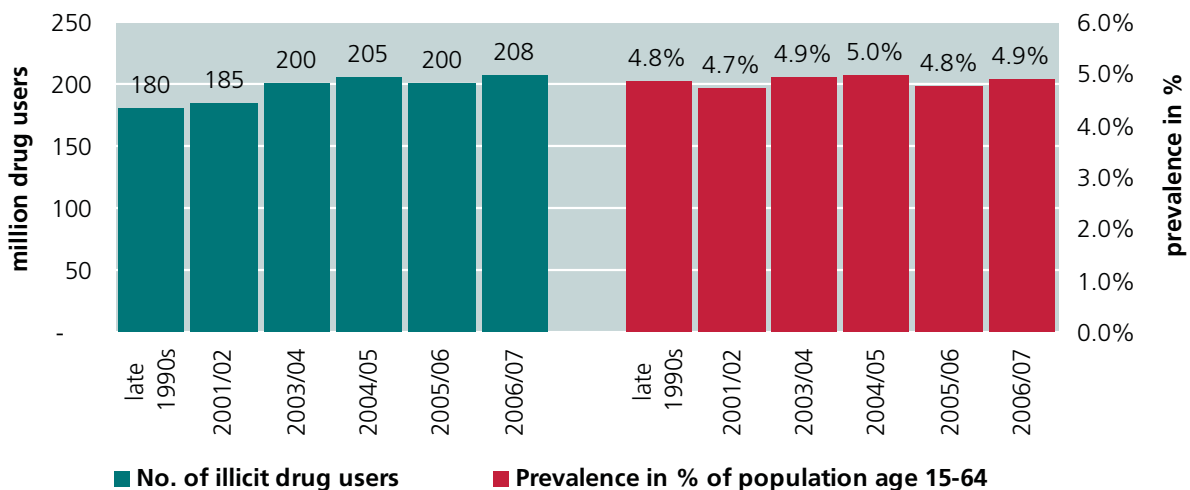
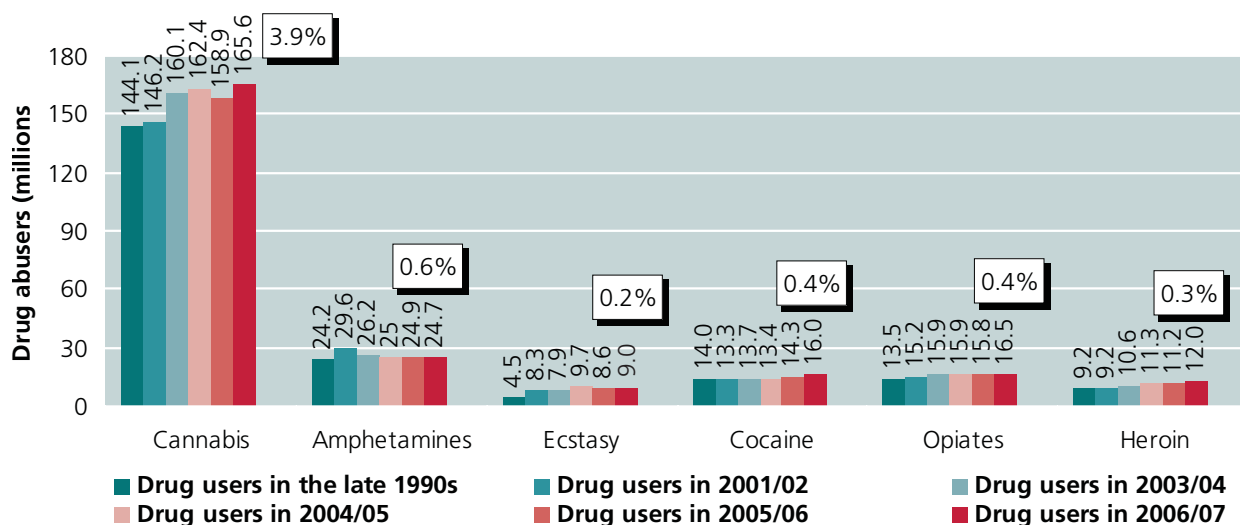


Fig. 12: Comparison of UNODC estimates of illicit drug use: late 1990s to 2006/2007



Sources: UNODC, Government reports, EMCDDA, CICAD, local studies.

Table 1: Extent of drug use (annual prevalence*) estimates: 2006/07(or latest year available)

	Cannabis	Amphetamine-type stimulants		Cocaine	Opiates	of which is Heroin
		Amphetamines	Ecstasy			
Number of abusers (in millions)	165.6	24.7	9	16	16.5	12.0
in % of global population age 15-64	3.9%	0.6%	0.2%	0.4%	0.4%	0.3%

*Annual prevalence is a measure of the number/percentage of people who have consumed an illicit drug at least once in the 12-month period preceding the assessment.

Sources: UNODC, Government reports, EMCDDA, CICAD, local studies.

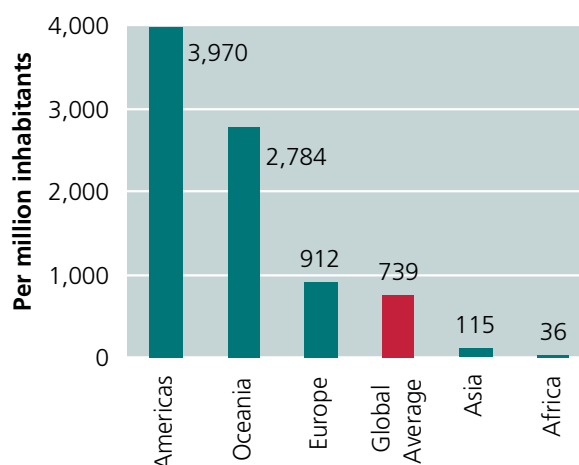
The number of opiates users rose to 16.5 million persons in 2006/07 due to higher estimates for Asia. The annual prevalence rate remained 0.4% of the global population aged 15 to 64. Out of these 16.5 million persons, 12 million or 0.3% of the population used heroin.

The number of cocaine users increased in 2006/07 to 16 million persons, raising the prevalence rate from 0.34% to 0.37% per cent at the global level.

Treatment demand continues to be highest in North America

The demand for drug abuse treatment is an important indicator for assessing the world drug situation because it reveals the drugs categories which place the largest burden on national health systems. It should also be noted, however, that drug treatment, as a whole, remains under resourced or simply non-existent in most of the world. Drug users treated within comprehensive health and social welfare programmes remain the minority among the overall drug using population. The decline in treatment demand in North America, for example, could

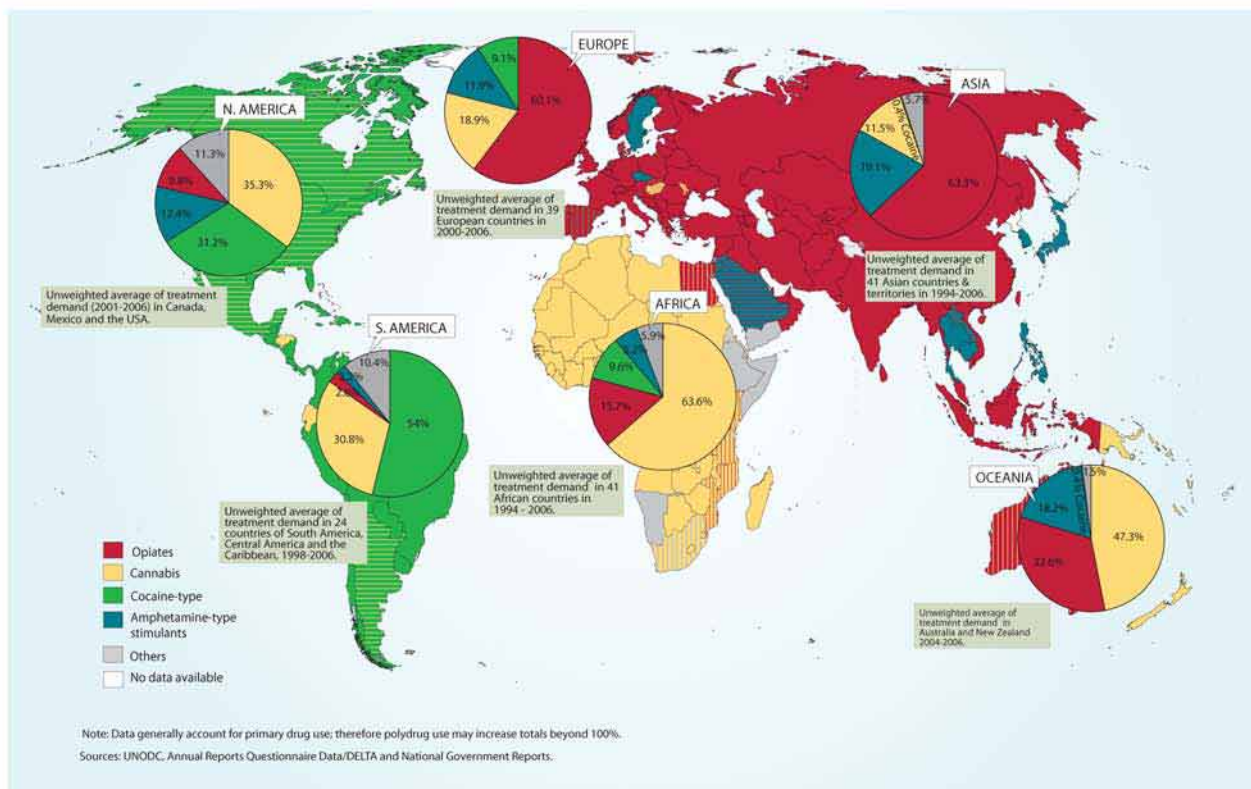
Fig. 13: Drug treatment per million inhabitants: 2006 (N = 4.9 million)



Source: UNODC, Government reports.

reasonably be related to a decline in use; however, in most of Asia and almost all of Africa, where treatment services are rare, treatment data would not be as strongly correlated with use.

Map 1: Main problem drugs (as reflected in treatment demand in 2006 (or latest year available))



States Members reported a total of 4.9 million people under treatment for drug abuse to UNODC. Of the 26 million people (0.6% of the world’s population age 15-65) estimated to be heavily drug-dependent, about one out of five are treated for their problem. The number of persons under treatment grew by 9% in 2006.

The bulk of treatment demand in Asia and Europe is related to opiates use.² Within Europe, treatment demand for opiates use is higher in Eastern Europe and lower in Western Europe. As new drugs have entered both markets, particularly the ATS group for both and cocaine for Europe, the proportion of opiate-related treatment in overall treatment demand has been declining in both regions since the late 1990s³.

In South America, cocaine continues to account for most of the drug use related treatment demand with the proportion increasing from 48% in 2005 to 54% in 2006. As cocaine continues to make inroads into Euro-

pean markets, treatment demand there has increased as well, tripling over the last decade. Cocaine related treatment demand has remained largely stable in North America and Africa in 2006.

Most of the demand for drug related treatment in Africa is related to cannabis (63% in 2006). Treatment demand for cannabis has increased globally over the last decade. In 2006 it was the most prevalent reason for treatment in Africa, Oceania and North America. The availability of cannabis with higher levels of THC than in the past remains a cause for concern particularly among developed countries.

The proportion of ATS related treatment remains highest in Asia (19%), notably in East & South-East Asia and Oceania. ATS declined as a proportion of overall treatment demand in North America and rose slightly in Europe.

2 While some countries have a comprehensive treatment registry system, others only provide data from a few clinics. Simply adding up such numbers of people treated for specific substances would produce a strong bias in favour of the countries which have nationwide monitoring systems. In order to overcome this problem, the proportions at the country-level were first calculated and based on these results, the (unweighted) averages of the respective region were derived. The data shown are those reported for the year 2006. In case no data for a specific country were reported for 2006, data obtained in previous years were used instead.

3 The comparisons are based on treatment data statistics compiled and published in the *World Drug Report 2000*.

Fig. 14: Proportion of people in drug related treatment, by specific substance: 1997/98 and 2006*



* 2006 or latest year available; calculated as the unweighted average of countries reporting in a specific region; information based on reports from 40 countries in Asia; 38 countries in Europe, 27 countries in Africa; 24 countries in South America, Central America and the Caribbean, 3 countries in North America and 2 countries in the Oceania region.

Sources: UNODC, Government reports, EMCDDA, CICAD.

1.1.2 Outlook for the World Drug Markets

Long term stabilization

While there is every indication that all four drug markets have been contained over the long term, sustaining this will require increased international vigilance. There are many possible areas where this containment is vulnerable: a lessening of the vigilance and control provided by law enforcement, an expansion of supply and marketing techniques by organized criminal groups, insufficient prevention and treatment services provided by States Members. The list, in fact, could be quite extensive, which is why, following this period of stabilization, it is important to look to the elements which will make it sustainable.

Addressing the cultivation and production of opiates in Afghanistan is a long-term effort. The growth of opium in the southern part of the country has been extremely rapid and now there are indications that the cultivation of cannabis is increasing. Not much is known about this latest trend but, should it prove lucrative (price indicators are that it approaches opium in places) the country already has the markets and techniques to support a thriving industry. While there are early indications that the level of opium cultivation may decrease somewhat in 2008, this is not the time for complacency at the national or international level.

Although annual prevalence levels for all drugs are stable at the global level, patterns of abuse are shifting and consumption could increase in areas which are least equipped to deal with the associated costs and harms of abuse. It is likely that as new drug trafficking routes develop, new markets will develop alongside. There are indications that such routes have developed over the course of the last few years in West Africa, for example. Also, surpluses in supply – Afghan opiates being the predominant example – could create new preferences and new users. Local consumption of opiates, both in Afghanistan and Myanmar and their neighbouring countries, should receive greater attention in this respect.

Opiates

For the medium term, the opiates market is going to continue expanding and contracting on the basis of production in Afghanistan. While there are early signs that cultivation in Afghanistan may stabilize in 2008,

the impact will be muted if the stabilization does not extend into the medium term. With the number of provinces where opium is cultivated decreasing, special attention should be paid to containing cultivation within the country.

While there is a likelihood that demand will increase in the short term, especially in the counties neighbouring Afghanistan and along some of the main trafficking routes, it is unlikely to keep pace with the expansion of supply. We have seen some price responsiveness in the local market, but it is too early to gauge the affect on farmers' planting decisions in the next season.

Cocaine

In the short term there is a danger that the increase in cultivation in 2007 could lead to an increase in production in 2008. As farmers try to increase yields on low yielding areas, new fields may be better attended in the future. The cocaine market is forecast to stabilize in the medium term as production levels and consumption continues to decline or flatten in the main markets of North America and Western Europe.

However, as demand in North America and Europe contracts there may be a development of new markets. These could develop along new trafficking routes, for example in West Africa, or in the South and Central American countries close to both transit areas and supply. Consumption of cocaine is still extremely limited in Asia, though it appears to be going up as levels of affluence increase. If availability increases in this region there is a danger that use could increase.

Cannabis

The cannabis market will continue as the predominant illicit drug market. This market has an extremely wide range of consumers, in terms of age, income, lifestyle, ethnicity, and nationality. This comprehensiveness probably will help the market to rebound if a contraction of demand were to take place in the main cannabis markets, as public messages and treatment demand increase the perception of risks associated with cannabis use. This is likely to happen, particularly amongst North American and European youth,

Unfortunately, even this is unlikely to stop increases in cannabis use in developing countries. Use in South West

Asia is likely to expand if resin production in Afghanistan continues to increase. The economic incentive to cultivate cannabis is increasing in Afghanistan. It is likely that in the medium term, with no countervailing measures, cannabis resin from Afghanistan may pick up some of the demand in Europe left short by the contraction of Moroccan supply.

ATS

The ATS market is likely to remain stable in the short term as demand reduction efforts continue in North America, South-East Asia and Europe, and as precursor control programmes are expanding. The market is vulnerable, however, in the medium to long term if production structures change significantly. As domestic and international law enforcement pressure increase, both small kitchen laboratories, which reduce risk through low investment, and large super labs, which increase profit through high volume production, could have an increasingly challenging time manufacturing. One way they could mitigate this is for distribution to become more organized and for manufacture and trafficking to become more sophisticated. This could lead to several new phenomena and the entrenchment of existing practice: i.e. the consolidation of smaller established consumer markets into larger units; increased multi-tiered, multi-ethnic supply and transit partnerships; the increased ability to access precursor chemicals; the clandestine manufacture of precursors out of legally available pre-precursors; and the expansion into markets with few resources to either detect or counter expansion.