

China and Afghan Opiates: Assessing the Risk

Jacob Townsend

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Central Asia- Caucasus Institute
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A note on sources

Many of those interviewed for this report requested that they remain anonymous. Chinese sources who corresponded with the author did so on that condition. Foreign visitors to regions such as the Tajik-Chinese border often brought back different perceptions on patrols, vehicle inspections etc. In general, however, the use of multiple sources built up a picture detailed enough for the purposes of this assessment.

Contents

Preface.....	I
Executive Summary.....	3
1. Introduction.....	9
2. Trends in Opiate Production.....	11
2.1. <i>Production trends in South-East Asia</i>	11
2.2. <i>Drug control in South-East Asia</i>	12
2.3. <i>Production trends in Afghanistan</i>	14
2.4. <i>Differential yields</i>	15
2.5. <i>Increased processing in Afghanistan</i>	16
2.6. <i>Domestic shifts in cultivation</i>	18
2.7. <i>Drug Control in Afghanistan</i>	20
2.8. <i>Barriers to export</i>	22
2.9. <i>Divergent trends in production</i>	23
2.10. <i>Afghanistan's competitive advantage</i>	24
3. Adjustments in Trafficking Routes.....	26
3.1. <i>Current Divisions</i>	26
3.2. <i>Trafficking costs</i>	28
3.3. <i>Possible substitution effects</i>	29
3.4. <i>Adjustment in East Asian networks</i>	30
3.5. <i>Expansion through India</i>	31
3.6. <i>Expansion through China</i>	33
4. Routes into Xinjiang.....	34
4.1. <i>Afghan Opiates in China</i>	34
4.2. <i>Ethnic Links and Trafficking</i>	35
4.3. <i>Direct Trafficking over the Afghan-Chinese Border</i>	36
4.4. <i>Trafficking via Pakistan</i>	41
4.5. <i>Diversion of Afghanistan's Northern Route</i>	46
4.6. <i>Of Special Concern: the Border with Tajikistan</i>	49
4.7. <i>A note on Air Links</i>	55
5. Factors affecting the feasibility of trafficking.....	57
5.1. <i>Regional Trade</i>	57
5.2. <i>Central Asian Trafficking Practices</i>	62
5.3. <i>The Drug Market in Xinjiang</i>	63
5.4. <i>Social and Economic Conditions in Xinjiang</i>	65
5.5. <i>Competition and Collaboration</i>	70
5.6. <i>The Risk Multiplier</i>	70
6. Conclusions and Recommendations.....	73

Preface

The traditional markets for Afghanistan's soaring opium production have been Western Europe and Southwest Asia. In recent years, Russia and other post-Soviet states have been added to the list of major consumers of Afghanistan's heroin. Though a neighbour of Afghanistan, China has not previously been a major consumer of Afghanistan's main export product. Instead, China's rapidly growing population of drug addicts have mainly found their heroin from Myanmar. As Southeast Asia's opium production gradually wanes, a heroin shortfall is likely to develop in China. This raises the obvious question: will Myanmar's shortfall be replaced in China by Afghan heroin? Traditionally, Southwest Asian and Southeast Asian heroin markets have been conceived of as separate. Yet in 2004, Chinese officials conceded that up to 20% of heroin in the People's Republic could be of Afghan origin. As of early 2005, little is known of the routes, quantities, or actors involved in the smuggling of Afghan opiates to China.

In this Policy Paper, Jacob Townsend sets out to systematically analyse the dynamics of Asia's changing opium production and what implications this is likely to have for China. Having established that there is a great likelihood of Myanmar's heroin gradually being replaced by Afghan heroin, the Paper moves on to study and compare the multitude of possible smuggling routes through which Afghanistan's heroin could be brought into China. In this comparative study, Mr. Townsend brings in numerous variables, including detailed topographical data of border crossings including satellite imagery. This analysis provides valuable insight as to the feasibility of trafficking drugs – or any

other commodity – into China through various routes. Finally, the Paper arrives at a number of important conclusions as well as recommendations for the Chinese government as well as for international drug control. This Paper will undoubtedly be of great interest to practitioners and academics alike involved in the study of China, Central Asia, as well as the global illicit drug trade.

Mr. Townsend wrote this Paper while a Young Fellow at the Silk Road Studies Program at Uppsala University. His research benefited from the academic environment of the Joint Project on Narcotics and Organized Crime in Eurasia conducted by the Silk Road Studies Program and the Central Asia-Caucasus Institute, Johns Hopkins University-SAIS. This Project is funded by the Office of the Swedish National Drug Policy Coordinator and the Swedish Crisis Management Agency. Their generous funding for the project was a prerequisite for the academic environment in which Mr. Townsend's research was conducted. Moreover, the imagery that provides important data and graphic illustration in this Paper was generated thanks to a cooperative effort that the Silk Road Studies Program has developed with Assoc. Prof. Gerhard Bax of the Department of Earth Sciences of Uppsala University. The efforts of Mr. Bax and Mr. Michael Wurm are of great value to the Project's work.

Svante E. Cornell
Research Director
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Executive Summary

The formulation and implementation of China's counter-narcotics policy is overwhelmingly focused on the threat from the Golden Triangle, particularly Myanmar. It deploys substantial staff and funds on detecting and interdicting drug trafficking in the provinces bordering Myanmar and Laos. However, one consequence of this single-minded focus is the neglect of the drug problem in other regions. This is particularly the case in Xinjiang, the large north-western province that shares borders with Kazakhstan, Kyrgyzstan, Pakistan, Afghanistan and Tajikistan. As a result of several recent and evolving trends in Asian narcotics markets, Xinjiang and through it China as a whole is at risk from an expansion of trafficking in opiates sourced from Afghanistan.

In Myanmar and Laos, opium cultivation and production has been declining steadily in recent years. Until 1998, the cultivated area in these two countries was above 160,000 hectares and opium production was above 1,400 tons. In 2004 the combined area had fallen to approximately 44,000 hectares. For Myanmar, the 29% year-on-year decline in 2004 represents a cumulative decrease of 73% from its peak in 1996. In Laos, cultivation declined by 75% between 1998 and 2003.

These figures reflect the success of counter-narcotics policies in Myanmar and Laos, which they have implemented in the context of an improving political and security situation. Undoubtedly, resistance to these policies will grow as decline continues, but it is likely that production capacity will be maintained at or below current levels.

On the other side of the border, China's counter-narcotics law enforcement efforts have increased and improved over the last decade. In the last 4 years, close to 50% of China's heroin seizures have occurred in Yunnan province, which shares a long border with Myanmar. This equates to around 40% of total South-East Asian seizures. There is no doubt that substantial smuggling still occurs over the Myanmar-China border but China's efforts have made it more difficult, raised the risks that traffickers face and increased the amount of product lost.

The situation in Afghanistan compares unfavourably with that in South-East Asia. Since 1990, its cultivators and processors have produced an increasing proportion of global opium supply, with the exception of 2001 when the

Taliban imposed a ban on cultivation. In 2004 Afghanistan's share of this market was over 90%, based on cultivation of 131,000 hectares and the production of 4,200 tons of opium. UNODC estimates that the \$2.8 billion value of this harvest equates to approximately 60% of Afghanistan's 2003 GDP and opium derivatives are by far the country's biggest export. Significantly, the 2004 harvest was constrained by unhelpful climactic conditions and poppy diseases. In all, production above 3,500 tons should be expected over the medium term.

Drug control is officially a high priority for the Afghan administration, but the government exerts only nominal control over substantial areas and local autonomy makes policy implementation difficult. For example, the poppy eradication program in Nangarhar (150 km from the capital) was suspended in 2003 due to security concerns after local disturbances threatened the safety of counter-narcotics officials.

There is a particular problem – with significance for China – in the intensification of cultivation and processing in northern provinces. Whereas Hilmand, Kandahar and Nangarhar dominated production throughout the 1990s, the north in general and Badakhshan in particular has experienced a rapid increase in the weight of its opium economy. In 2004, the area under cultivation in Badakhshan was 12% of the country's total.

The rise of the north is in part facilitated by the presence of ethnic Tajiks in the national administration, who come from areas dominated by the Northern Alliance in the time of the Taliban, which traditionally act independently from or contrary to Afghanistan's central government.

The risk to China is higher because the opiate flows northward and close to China's borders have increased. The Central Asian republics currently lack the financial and human resources and often any effective political will to police their borders with Afghanistan or China; and China's counter-narcotics efforts in its western regions are far inferior to its efforts in the south-east.

The current proportion of Afghan opiates in Chinese consumption markets is difficult to determine because China's systems for determining opiate origin are not well-developed and it has only recently begun to attempt collation of this data. Whatever it is presently, trends in cultivation, processing and trafficking in Afghanistan and the Golden Triangle respectively are likely to create significant incentives for East Asian distributors to source more of their supply from Afghanistan. This will

require them to build networks across the divide between East Asian markets, which mainly source from Myanmar, and West Asian, Russian and European markets, which mainly source from Afghanistan.

Although India is an option for transit from Afghanistan to China, Xinjiang is far more attractive for reasons of border control effectiveness, established trafficking routes and entrenched interactions between ethnic groups. All of these factors make smuggling into Xinjiang more feasible than smuggling across Pakistan, India and Myanmar, and from there into established Chinese networks.

Xinjiang and Afghanistan share a 76km border but significant drug trafficking across this is unlikely because of terrain and climate. The border crossing at the Wakhjir Pass (4,927m) is closed for at least 5 months of the year and reaching it requires a 100 km trek in difficult terrain that restricts load sizes to what can be carried or placed on a pack animal. While trafficking over the Tajik-Afghan border remains unchallenging, the Wakhjir Pass is likely to be an unattractive option.

Trafficking into Xinjiang via Pakistan depends upon the Karakoram Highway (KKH), the only road link between China and Pakistan. The KKH is serviceable and well-used but is not currently a significant conduit for drug trafficking. Pakistan's Anti-Narcotics Forces believe that this is due to effective policing, but it is probably more because movement from Central Asia into Xinjiang is more direct than through Pakistan, and no more risky.

As Afghanistan's northern trafficking route through Central Asia has grown in importance, so has the potential for its partial diversion to supply western Chinese markets. In total, there are only 10 official border crossings between China and its Central Asian neighbours (Kazakhstan, Kyrgyzstan and Tajikistan) but there are many possibilities for smuggling via unofficial or illegal crossing points. In general, the border areas on both sides are stagnant or depressed economically and the involvement of Central Asians as couriers in trafficking towards Russia and Europe shows the attraction of the drug trade as an opportunity for those who perceive few others.

Due to the importance it attaches to economic growth, China is currently engaged in expanding its links with Central Asia, which will serve to increase the feasibility of trafficking Afghan opiates into Xinjiang. Trade between Xinjiang and Central Asia is expanding at a spectacular rate and the province's foreign trade increased by 73% year-on-year in the first three quarters of 2003, amounting to over \$3 billion. There are many bilateral,

regional and international initiatives to facilitate intra-regional trade and it has proceeded from a low base – rapid growth is therefore likely in the short- to medium-term.

China has not made much effort to address the opportunities for increased drug trafficking that will come from its willingness to open border crossings and promote trade with Xinjiang. Its current priorities are terrorism, separatism, extremism and economic expansion, but the movement of militants between Pakistan and Xinjiang, which it has lamented in the past, show the unintended consequences that can flow from trade enhancement.

The evolution of the drug market in Xinjiang is a crucial factor in the feasibility of trafficking from Central Asia and the province seems to be trending in a negative direction. China's north-west has the fastest-growing addict population and its policies on addict treatment are ineffective at reducing demand. Their focus is on punitive measures that have little positive effect in the medium-term. This is significant because addiction and trafficking are part of a positive feedback loop in which increasing addiction raises the money and effort put into trafficking. In turn, this increases the availability of heroin in the market, not least because couriers are often paid in quantities of drugs and need to sell their load in order to obtain cash.

The broader socio-economic conditions in Xinjiang are also conducive to trafficking. The Uighur population has only recently become a numerical minority and there is wide resentment towards immigrant Han Chinese, who are enjoying a disproportionate share of Xinjiang's economic expansion. This has led to a widening gap between the population and its government, including the radicalisation of some Uighurs and, for a minority, the invocation of Islam as a motivation for defence. As Afghanistan and Central Asia can attest, the presence of militant rebel groups can greatly increase the risk of drug trafficking.

China's response ("Strike Hard! Maximum Pressure!") is not addressing the underlying conditions that are conducive to drug trafficking. Its mobilization of substantial numbers of troops may actually contribute to a prolonging of instability by hardening the confrontation between Beijing and the Uighurs. Moreover, as Colombia and the situation along the Tajik-Afghan border show, troops are no solution for drug trafficking even when it is their priority, which is not the case in Xinjiang.

Overall, the risk to China from trafficking in Afghan opiates is high because the entrenchment of a drug trade tends to reproduce the conditions for its

own success. It does this through ritualising illicit transactions and corruption until they become standard practice and by expanding local addict populations along areas of transit. The risk to China from Afghan opiates is also set to increase because problems will multiply if the drug trade is allowed to entrench itself.

In order to pre-empt this, China should:

- Centralise data on the origin of seized opiates
- Increase demand reduction efforts in Xinjiang
- Increase and improve the customs presence along western borders
- Include discussions specifically focused on smuggling in international negotiations on trade enhancement
- Engage in programs to assist the Central Asian republics' border services in trafficking prevention on Xinjiang's borders
- Consider how to adapt counter-narcotics programmes it accepts and applies in its southern provinces to the situation in Xinjiang

China's ability to succeed in protecting itself from imports of Afghan opiates will have many and various ramifications as there is therefore good reason for international agencies to assist in related efforts. To do so, they should:

- Remove the conceptual division between South-East and South-West Asian heroin consumption markets that underpins the separation of policies in Xinjiang and Central Asia.
- Encourage the Chinese government to pre-empt the risk of increased Afghan opiate importation
- Consider funding projects that would assist China in organizing its data on opiate origin
- Consider funding demand reduction projects in Xinjiang
- Facilitate linkages between the counter-narcotics efforts of China and those of Kazakhstan, Kyrgyzstan and Tajikistan

I. Introduction

China has a long and famous history as an opium consumer and its market size makes it an attractive target for traffickers. Analyses of its market hold that Myanmar and Laos are its major sources. Suppliers in South-East Asia have succeeded in penetrating Chinese borders and establishing distribution throughout China for domestic supply and shipping to East Asia, Oceania and North America.

The traditional view of Asian markets holds that Afghan opiates do not circulate widely in East Asia and Oceania. The conceptual and analytical division of Asian consumer markets into Afghan-supplied and Myanmar/Laos-supplied has been close to absolute and current national and regional approaches to supply reduction reflect this division.

There are several reasons why this analysis requires re-assessment. The most fundamental of these is a lack of data – information available from China does not indicate the current market penetration of Afghan opiates. Recent commentaries on the Chinese market have included Afghanistan as a substantial supplier but most make no attempt to address how its opiates are smuggled in. In contrast, the DEA and others give lengthy descriptions of methods and actors on Myanmar-China routes.

Whatever the current proportion of Afghan opiates in China may be, it is set to rise. Section II gives an overview of the changes in opiate production markets, highlighting the divergent trends in South-East Asia and South Asia respectively. South-East Asia has been declining as a source region for opiates in recent years. Concurrently, networks in China are facing effective interdiction efforts that have no precedent in the regions bordering Myanmar. The resultant trend is towards increasing supply difficulties for Chinese distributors.

By contrast, Afghanistan's pre-eminence as a source country was confirmed and extended again in 2004. Its political, economic and security difficulties have precluded effective efforts at curtailing opium cultivation and disrupting opiate production. This situation is likely to

continue in the medium term and Afghanistan will therefore maintain or increase its lead as the world's biggest opiate producer.

The combination of these trends suggests the possibility of a re-weighting of the proportions of Afghan and Burmese opiates in East Asia. Section III presents current understandings of trafficking routes in Asia in order to assess the options for East Asian networks in the likelihood that they will attempt to expand linkages to South Asian opiate sources. Importing into Xinjiang seems to present the most inviting opportunity.

Section IV discusses the three categories of trafficking routes between Afghanistan and Xinjiang: direct smuggling; trafficking via Pakistan; and diversion of opiate flows in Central Asia. The intention is not to analyse every route in these categories but to present the possibilities in order to better direct the assessment of risk. This suggests that the current enthusiasm for trafficking through Central Asia presents the greatest risk to China.

Section V analyses the local and regional factors that will affect the feasibility of trafficking in the three route categories of Section IV. Regional trade, Xinjiang's drug market and local socio-economic conditions all impact upon the ease of trafficking across China's western borders and, on the whole, they trend towards increasing it. Crucially, the opening up of the province has brought back into view an historical fact: Xinjiang is a part of Central Asia, not simply its neighbour. Although China has reasons to continue the conceptual division, a readjustment would assist in perceiving and responding to the threat of trafficking from Afghanistan.

Despite the lack of data on the Chinese market's sources, it is apparent that Afghan opiates have already penetrated Xinjiang to some degree. Because this data is unavailable, this risk assessment does not attempt to assign a value to each potential trafficking route. Instead, by presenting the incentives for expanding Afghan opiate imports in the context of regional trends facilitating cross-border interaction, it illustrates that China faces a high risk of trafficking into Xinjiang. The current drug situation in the Central Asian republics demonstrates that such a risk is grave, however vague it seems at this stage because of a lack of data. The benefit from effective preventive action cannot be quantified but the assessment that follows suggests that it is needed now.

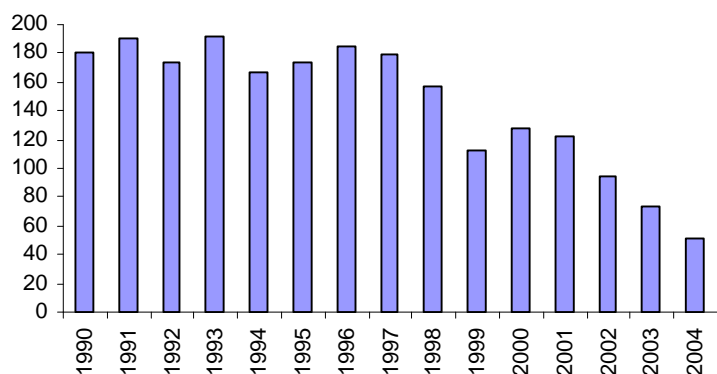
2. Trends in Opiate Production

The overwhelming majority of Asian opiate production occurs in two areas: across Afghanistan and the northern regions of Myanmar and Laos. There is small-scale opium farming in other Asian countries but these three are by far the most important cultivators and producers, particularly as sources for international narcotics trafficking. This section does not deal with all facets of production markets as such an effort is beyond the needs of this report. Instead, it deals only with those aspects of production that relate to the potential for an increase in Afghanistan-China trafficking.

2.1. Production trends in South-East Asia

Until the late 1990s the combined area under opium cultivation in Myanmar and Laos was consistently above 160,000 hectares (see figure 1.1).¹ This was concentrated in the north-eastern Shan state of Myanmar

Figure 2.1: Combined area under cultivation in Myanmar and Laos ('000 hectares)



and in the north-western provinces of Laos. The resulting opium harvest during the period 1990-1998 varied between 1,460 and 1,983 tons.

Figure 1.1 illustrates the recent decline in cultivation. In 2003, the combined area under cultivation was 74,000

hectares and production was some 884 tons, representing a 40% drop in production over a period of 5 years. Between 1998 and 2003, the cumulative decrease in the area under cultivation in Laos was 75%. In 2004, the two countries' combined area under cultivation fell to some 44,000 hectares and in Myanmar, the 29% decline registered in 2004 gives

¹ These figures are drawn from UNODC and DEA surveys and estimates.

a cumulative fall in cultivation of 73% since its peak in 1996.² Opium cultivation and production in Myanmar and Laos is on a downward trajectory.

2.2. Drug control in South-East Asia

In 1998 Laos launched a 10-year Opium Elimination Program, focused on the six most important opium-producing provinces (Luang Prabang, Huapanh, Phongsaly, Udom Xay, Luang Namtha, Xieng Khuang). There has been a small balloon effect into other provinces but these six still accounted for 87% of Laos' cultivation in 2003 and are the provinces in which cultivation decline has been the most rapid.³

Similarly, Myanmar has turned intention into reduction. Its 15-year Narcotics Elimination Plan was adopted in 1999 and has been successful through eradication, enforcement and, to a lesser degree, development assistance.⁴ A 50% decline in cultivation in northern Shan State – the largest producer – in 2003 apparently resulted from the government's request that farmers forego poppy planting,⁵ which is one indication that Myanmar has a reasonable capacity to apply pressure to cultivation and to monitor compliance.

Limits may be approaching, however. A number of armed groups with a range of organizational ability control most of the production and export of opiates through territories gained in ceasefire agreements with the government.⁶ Most of these agreements contain pledges to cease production but compliance, while good overall, has not been

² Other sources claim that the UNDOC surveys are flawed and that Myanmar's cultivation and production is higher than the estimates cited here. For example, Sao Sengsuk, the acting President of the Shan Democratic Union, recently called UNODC's Myanmar Opium Survey 2004 a 'misrepresented portrayal' of the real situation – "Shan Leader Slams UN Drug Report", www.unpo.org. Similarly, the Bangkok Post, citing an interview with a Burmese 'agent for an anti-narcotics group', predicted a growth in production resulting from the current season – "Bumper crop expected", *The Bangkok Post*, September 26th, 2004.

³ UNODC, *Laos Opium Survey 2004*.

⁴ ICG, *Myanmar: Aid to the Border Areas*, Asia Report No. 82, September 9, 2004; Government of Myanmar, *Country Paper of Myanmar Endeavours on Drug Control and Alternative Development Situation*, presented at the International Conference on Alternative Development in Drug Control and Development Cooperation, Feldafing, January 7-12, 2002; UNODC, *Myanmar Opium Survey 2004*; UNODC, "Success in curbing opium production across Golden Triangle points to the need for development resources", Press Release 15/11/04.

⁵ UNODC, *Myanmar Opium Survey 2004*.

⁶ ICG, *Myanmar: Aid to the Border Areas*; DEA, *Burma Country Brief*, May 2002.

comprehensive. 2005 is the cessation date set for the largest of these groups, the United Wa State Army (UWSA), but how able or willing it will be to fulfil its obligation remains to be seen. In the Mong Yawn valley, on the Thai border, the UWSA has funded and organized the rapid development of what it intends will be a self-sustaining community.⁷ They have relocated large numbers of people to the area but it is unclear whether this is for the benefit of a consolidated defence of their narcotics businesses⁸ or is a genuine effort towards development of Wa communities.⁹

A broader constraint to the eradication of opium cultivation is the poverty of opium farmers. International agencies observe some success in alternative development projects in Laos, where there are fewer complications in relations between the government and the opium-growing regions.¹⁰ In Myanmar the government has found it very difficult to implement programs to assist opium farmers' adjustment and most of those who continue are extremely poor and live in remote areas.¹¹ Their dependence on opium income is high and the government's effectiveness is low; it is abrogated altogether in areas it has ceded to rebel groups. Continuing pressure on farmers who have no other options risks a backlash and the re-ignition of violence. In this context, 2004 price rises in opium markets in Myanmar – the farmgate price increased by 80% over 2003, to \$234 per kg¹² – represent powerful incentives to attempt wider cultivation.

Outside of rebel-controlled areas, the domestic smuggling of opiates has become more difficult in recent times. International pressure and the government's own interest in cutting rebel funding mean that it is now

⁷ DEA, *Burma Country Brief*, May 2002; P. Chouvy, "Opium ban risks greater insecurity for Wa in Myanmar", *Jane's Intelligence Review* 16:2, 2004; Shanland.org, "Wa Resettlement Locations".

⁸ DEA, *Burma Country Brief*.

⁹ Chouvy, 2004.

¹⁰ UNDCP Vientiane Programme Facilitation Unit presentation to a UNDCP seminar, *Alternative Development: Sharing good practices and facing common problems*, Taunggyi: July 16-19, 2001.

¹¹ Also significant are the sanctions imposed on the government of Myanmar. These reduce the willingness of international donors and Western governments to assist and complicate projects in progress – ICG Myanmar: *Aid to the Border Areas*; Government of Myanmar presentation to a UNDCP seminar, *Alternative Development: Sharing good practices and facing common problems*, Taunggyi: July 16-19, 2001.

¹² UNODC, *Myanmar Opium Survey 2004*.

more difficult to move illicit drugs internally¹³ (see below for a discussion of export smuggling). It also seems likely that lower levels of cultivation and production will lessen the total power of the drug trade in Myanmar, reducing its ability to corrupt and secure its own transportation. One example of this trend was the cooperation between Burmese police and military and Chinese law enforcement in tracking down and arresting Tan Xiaolin in 2001, who China considered a drug trade kingpin and who had operated in northern Myanmar since 1993.¹⁴

Overall, it is likely that cultivation and production levels in South-East Asia will not exceed current levels and will face significant pressure for a further decline.

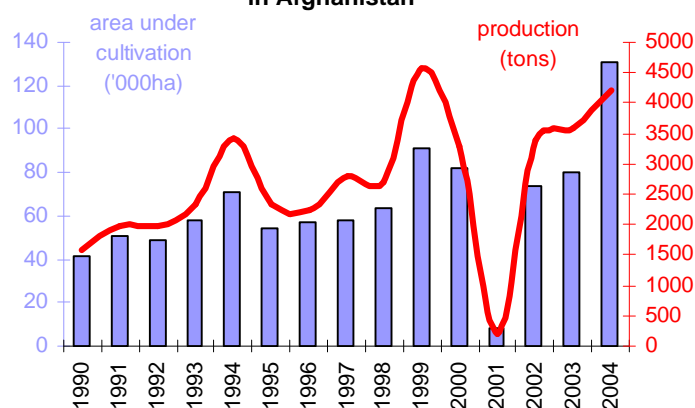
2.3. Production trends in Afghanistan

The trend in cultivation and production in Afghanistan is in contrast to that in South-East Asia.¹⁵ Figure 1.2 shows Afghanistan's area under opium cultivation and its opium production for the period 1990-2003.

2001, the year of a successful ban on opium cultivation by the Taliban, is an outlying figure. In the two years before and since 2001, the area under cultivation has been at least 74,000 hectares and production has been upwards of 3,200 tons.

The record harvest of 4,565 tons in 1999 was the result of cultivation on some 91,000 hectares. In 2004, the area under cultivation record was surpassed easily and took place on 131,000 hectares, but unhelpful climactic conditions and disease during the season result in production estimated at 'only' 4,200 tons. Nevertheless, the massive increase in the

Figure 2.2: Area under opium cultivation and production in Afghanistan



¹³ DEA, *Burma Country Brief*; Government of Myanmar, 2002.

¹⁴ Tan's arrest was the 39th made in the year prior in connection with his operations – "China cracks largest drug racket in 50 years, arrests heroin tycoon", *Agence France Presse*, June 2, 2001.

¹⁵ Cultivation and production statistics draw on UNODC and DEA surveys.

area under cultivation and the trend over the last six seasons (overlooking the Taliban ban) shown in figure 1.2 suggest that production consistently above 3,500 tons per annum is likely in the medium term.

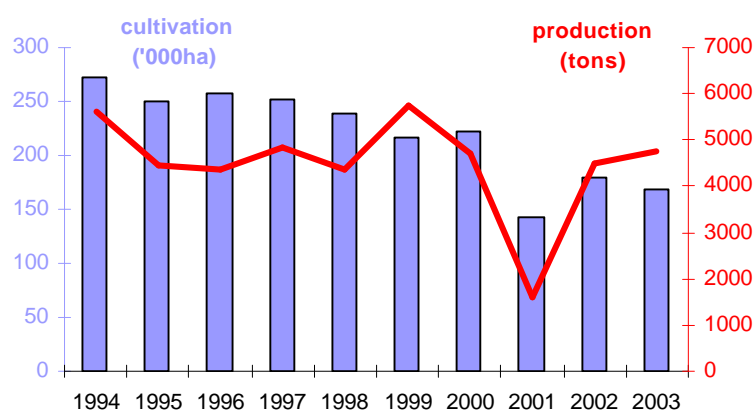
The speed with which Afghan production levels rebounded from the 2001 ban illustrates the importance of opium in Afghanistan's economy. As the only major cash crop, its appeal is obvious. The IMF estimated that the opium economy is close to 50% of Afghanistan's GDP,¹⁶ while the UNODC estimate is that the \$2.8 billion value of the 2004 harvest is equal to approximately 60% of Afghanistan's 2003 GDP.¹⁷ Per capita income from opium is several times GDP per capita¹⁸ and opium and its derivatives are by far Afghanistan's biggest export, earning US\$2.5bn in 2002.¹⁹

2.4. Differential yields

Comparisons between areas under cultivation in Afghanistan, Myanmar and Laos understate the trends in opium production. In Myanmar in 2003, UNODC estimated the potential yield per hectare at 13kg.²⁰ In Laos, the figure was between

6kg and 14kg, with a mean of 10kg.²¹ By contrast, in Afghanistan the average yield on rain-fed land was 29kg; and on irrigated land 45kg,²² although as mentioned above,

Figure 2.3: Global opium cultivation and production



¹⁶ IMF *Afghanistan Country Report No.04/110*, April 2004.

¹⁷ UNODC, *Afghanistan Opium Survey 2004*.

¹⁸ UNODC, *Afghanistan Opium Survey 2003*.

¹⁹ UNODC, *World Drug Report 2004*.

²⁰ UNODC, *Myanmar Opium Survey 2004*. In its 2003 *Strategy Report*, the US State Department's Bureau for International Narcotics and Law Enforcement Affairs estimated an average yield of 8kg/hectare in 2002. This is less than half the yield achieved by Burmese farmers in 1996.

²¹ UNODC, *Laos Opium Survey 2004*.

²² UNODC, *Afghanistan Opium Survey 2003*.

yields fell in 2004.

Figure 1.3 shows the result of these differential yields. When the global area under cultivation rose in 2000, global production fell because area under cultivation in Afghanistan fell. Similarly, in 2003 the global area under cultivation fell as a result of a decline in cultivation in Myanmar and Laos but global production rose because some of this lost area was offset by an increase in cultivation in Afghanistan. Afghanistan is not only the largest cultivator, it is also the most efficient and therefore its cultivation has a disproportionate effect on global production.

2.5. Increased processing in Afghanistan

Traditionally, the processing of Afghan opium into heroin took place externally. Most of this occurred in Turkey and Iran but until the mid-1990s there were also many processing laboratories in the North West Frontier Province of Pakistan (NWFP).²³ Since that time, these have moved into Afghanistan and Pakistan's current processing capacity is negligible.²⁴ Now, traffickers based in Pakistan concentrate on shifting large shipments of opium and morphine base to Iran and Turkey.²⁵

Processing capacity in Afghanistan has expanded substantially during the country's recent upheavals.²⁶ Much of this capacity is now in smaller outfits with the most rapid growth occurring in the northern provinces.²⁷ In early 2004 the Tajik Drug Control Agency estimated that there were 80 Afghan processing laboratories along the border, essentially functioning as export-oriented factories.²⁸

²³ US Department of State, *International Narcotics Control Strategy Report*, 1984; A. McCoy, "Coercion and its unintended consequences: A study of heroin trafficking in Southeast and South West Asia", *Crime, Law & Social Change* 33, 2000; DEA, *Pakistan Country Brief*, March 2002.

²⁴ Interview with a senior officer from Pakistan's ANF head office, September 17, 2004. The DEA concurs – *Pakistan Country Brief*, 2002.

²⁵ DEA, *Pakistan Country Brief*, March 2002. The ANF also commented that it had received reports that laboratories in Iran and Turkey were under pressure to scale down or close because of difficulties in obtaining precursor chemicals. Although this may be an early sign of a future trend, at the present time it does not appear to be having a great effect.

²⁶ B. Rubin, *Road to Ruin: Afghanistan's Booming Opium Industry*, Center on International Cooperation, October, 2004; Mark McDonald, "Tajikistan at crossroads of the drug trade", *The Free Press*, May 4, 2004; UNODC, *World Drug Report 2004*.

²⁷ UNODC, *World Drug Report 2004*; Rubin, 2004.

²⁸ McDonald, 2004.

The processing of opium into morphine base, white heroin or brown heroin requires precursor chemicals that Afghanistan does not produce. The most important of these is acetic anhydride (AA), produced in large quantities in India, some Central Asian countries and in Russia.²⁹ Pakistan only produces minor quantities but diversion of licit imports was previously a significant problem.³⁰

Currently, Pakistan's restrictive licensing of importers is quite successful and there have been no AA seizures there since 2000.³¹ Nevertheless, some AA is certainly entering Afghanistan via Pakistan, whether from originally legal imports or not.³² Pakistan's Anti-Narcotics Force (ANF) hypothesises the use of air links between India and Afghanistan³³ but given the quantities of AA that processors require land movement is more likely.

Pakistan is the exception to the trend in AA seizures and recent years have seen a substantial increase in the number and size of seizures, particularly in Central Asia.³⁴ With secure supplies of precursor chemicals it is beneficial for traffickers to process the opium within Afghanistan. To begin with, the detection and closure of processing laboratories is less likely in Afghanistan - Central Asia's drug control officers regularly lament Afghan and western government inaction on laboratories that they claim to have pinpointed.³⁵

Also, the range of profitable methods of trafficking widens because the goods' value increases greatly. One courier carrying 5 kg of opium may not be sensible commercially but the same person carrying 5 kg of heroin represents a substantial profit. Similarly, the number of possible

²⁹ DEA, *Afghanistan Country Brief*, September 2001.

³⁰ DEA, *Pakistan Country Brief*; interview with ANF.

³¹ Government of Pakistan Narcotics Control Division, *Seizures by all Agencies*, 2004.

³² Although Pakistan's ANF prefers to construe the absence of seizures as the effectiveness of AA licensing regimes, a senior officer in Islamabad also admitted privately that AA still transits the country - interview September 17, 2004.

³³ Interview with a senior officer in ANF head office, September 17, 2004.

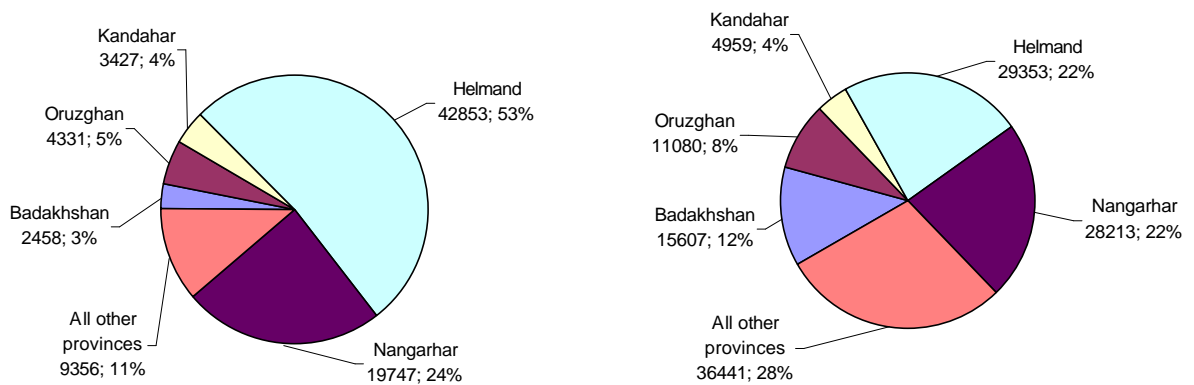
³⁴ Seizure reports to UNODC show large quantities of AA travelling from Russia to Afghanistan; US State Department, "Efforts to control precursor chemicals", January 2002, www.whitehousedrugpolicy.gov/publications/international/factsht/precursor.html.

³⁵ See for example, McDonald, 2004; Radio Free Europe/Radio Liberty, "Kyrgyz Premier asks for British help against Afghan drug labs", 19/10/04.

trafficking routes multiplies because there is no obligation to ensure the smuggled goods pass through external processing laboratories. Routes can therefore be altered rapidly, with a larger degree of discretion in how to move between origin and ultimate destination. In all, processing within Afghanistan creates greater flexibility in trafficking.

2.6. Domestic shifts in cultivation

Figure 2.4: Share of opium cultivation by province, 2000 and 2004



The geographical distribution of Afghan opium cultivation has changed in recent years,³⁶ raising the risk to China of increasing imports. During the 1990s, cultivation was essentially restricted to five provinces: Helmand and Kandahar in the south, Nangarhar in the east, Badakhshan in the north and Oruzghan in the centre. Figures 1.4 and 1.5 show how these provinces' respective shares of national opium cultivation changed between 2000 and 2004. Two aspects stand out. Firstly, opium cultivation is less concentrated in traditional provinces and every province cultivated opium in 2004. Secondly, a re-weighting has occurred in favour of northern provinces. The success of the northern route is the major cause and consequence of this and the presence of ethnic Tajiks in the interim administration also facilitates the shift, at least in part. Figure 1.6 (next page) shows that many northern provinces experienced significant increases in the area under cultivation between 2002 and 2003, while southern provinces experienced decreases. As shown in figure 1.7, during

³⁶ The cultivation figures are based on UNODC survey data.

the massive expansion of area under cultivation between 2003, some of these decreases were reversed, but the absolute quantities produced in the north are far greater than five years ago.

Figure 2.5: Percentage change in area under cultivation between 2002 and 2003 by province

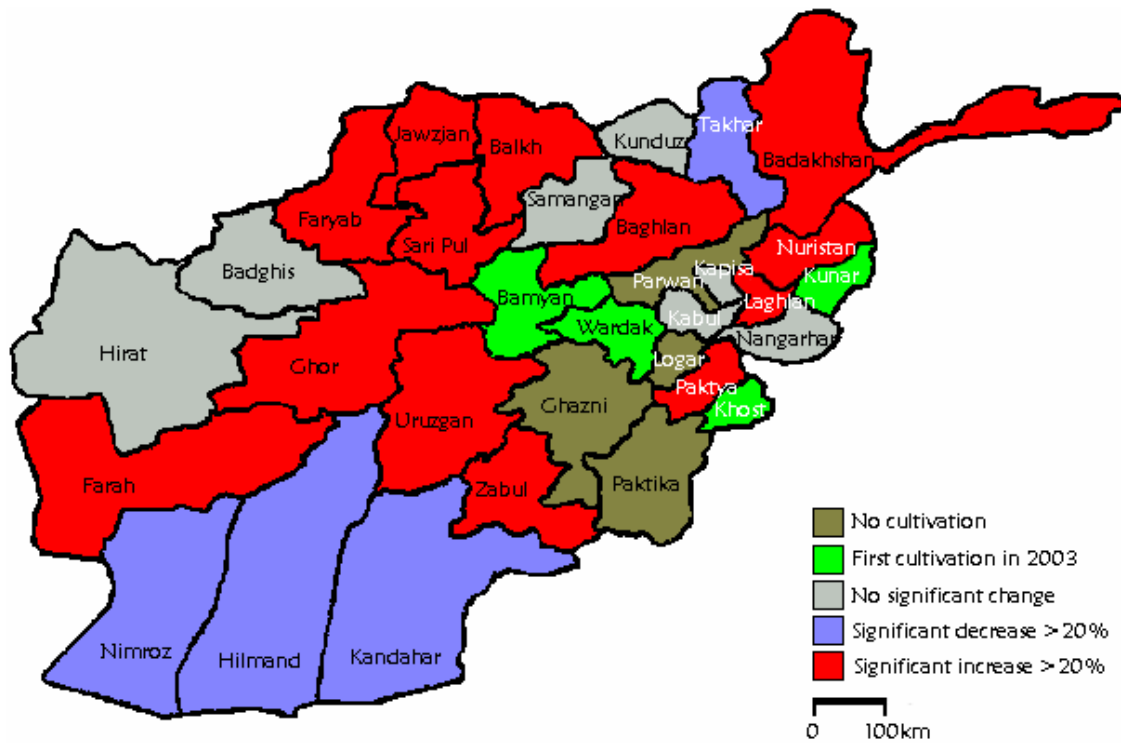
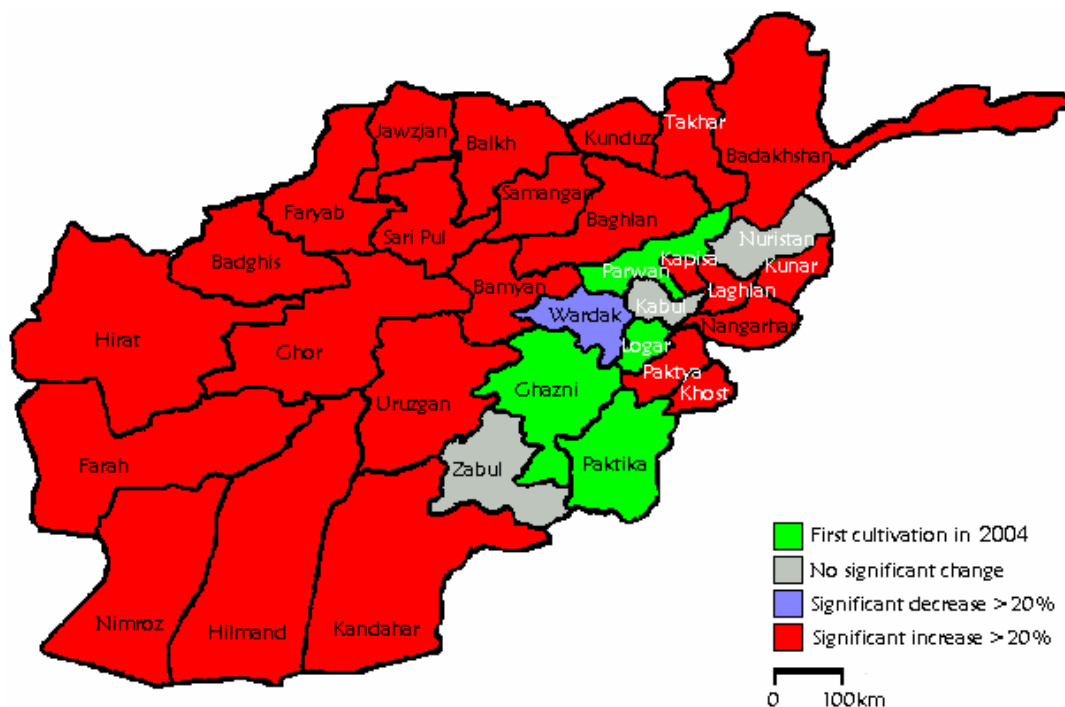


Figure 2.6: Percentage change in area under cultivation between 2002 and 2003 by province



Increased cultivation in the north and increased processing capacity overall underpin the potential for continuing growth in the use of Central Asian trafficking routes. This is significant for China because it increases the trafficking flows close to its borders (see Section IV).

2.7. Drug Control in Afghanistan

Controlling the drug trade has been a priority for Afghanistan's Interim Administration. It established its CND in October 2002, adopted a National Drug Control Strategy in May 2003 and its Drug Control Legislation came into force in June 2003. The government has committed itself to the eradication of opium and is targeting a reduction in cultivation of 70% by 2007.³⁷

Achieving this aim will be difficult, to say the least. Figure 1.7 gives a stark presentation of how cultivation control has fared to date. Presently, the government maintains only nominal control over large areas of its land and the country's political sphere is fractured by regional leaders whose loyalty is unclear and subject to change. Enforcement of the government's drug policies therefore remains haphazard or impossible in many areas. The CND managed to destroy some 11,200 hectares in Hilmand and Kandahar in 2002 and 2003,³⁸ but its efforts highlighted two problems.

The first is that it did not dent the overall figures - the total area under cultivation still reached 80,000 hectares. Either cultivation shifted quickly to other provinces or, more likely, it was already spreading and intensifying. The second problem was in evidence in Nangarhar, where there was successful eradication of some 7,300 hectares.³⁹ There, less than 150km from Kabul, local unrest forced a cessation of the program due to security fears⁴⁰ - for the same reason, Paktika province's opium cultivation could not even be surveyed in 2004.⁴¹ Despite the good

³⁷ Afghan Interim Administration "Securing Afghanistan's Future", *Counter-Narcotics Technical Annex*, January 2004.

³⁸ UNODC, *Afghanistan Opium Survey 2003*.

³⁹ Afghan Counter-Narcotics Directorate figures.

⁴⁰ Afghan Interim Administration, *Counter-Narcotics Technical Annex*.

⁴¹ UNODC *Afghanistan Opium Survey 2004* - the survey quotes anecdotal evidence that cultivation occurred in Paktika.

intentions of many in Afghanistan's interim administration, the participation of others in the drug trade – especially at a local level – means that the political and security situation allows ample scope for cultivation and production increases.

The intensification of opium production in northern provinces is particularly problematic in this sense. The north in general and Badakhshan specifically is the home of the Tajik-dominated Northern Alliance and the application of counter-narcotics programmes is minimal.⁴² It was also for this reason that Badakhshan's area under cultivation more than doubled in 2001 despite the ban implemented so successfully by the Taliban in most of the country.

Moreover, Badakhshan's large 2003 production increase owed much to the substitution of opium for licit crops in irrigated fields – 95% of its opium cultivation occurred on irrigated land, as opposed to 39% in 2002⁴³ – demonstrating a growing preference for poppy farming.⁴⁴ The opium economy is relatively new in many northern provinces but this is one sign of the speed at which it is putting down roots.⁴⁵ Because of the local dominance of the Northern Alliance and the area's tradition of actions independent from (or contrary to) the national government, it is precisely these provinces where the opium economy's roots will probably prove most difficult to pull up.

Nationally, the government has little capacity to offer alternatives to opium farming. The system of advance credit that many opium farmers depend upon means they are somewhat tied to the trade⁴⁶ and with many parts of Afghanistan beyond the control of Kabul, the power of provincial leaders – many in official positions – depends to a significant extent on their ability to tax opium farming and distribution within their areas. Aside from perpetuating the political struggle with the centre, this also

⁴² P. Jones Luong and E. Weinthal, "New friends, new fears in Central Asia", *Foreign Affairs* 81:2, 2002.

⁴³ UNODC, *Afghanistan Opium Survey 2003*.

⁴⁴ J. Goodhand, "From holy war to opium war? A case study of the opium economy in north-eastern Afghanistan", *Disasters* 24:2, 2000.

⁴⁵ A. Pain, *The impact of the opium poppy economy on household livelihoods: evidence from the Wakhan Corridor and Khustak Valley in Badakhshan*, AKDN Badakhshan Programme, Kabul, 2004, p.43.

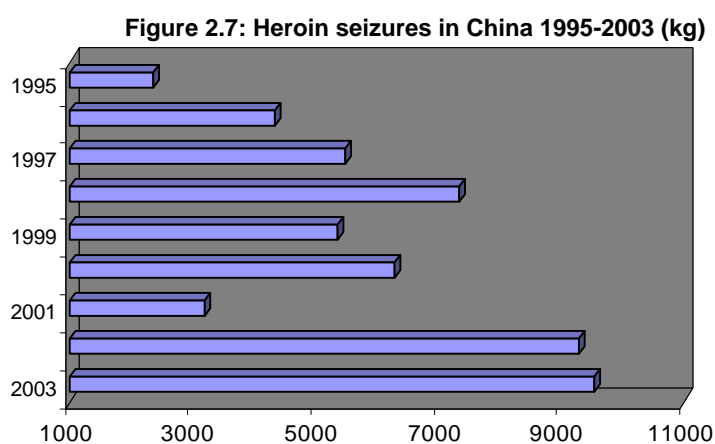
⁴⁶ Goodhand, 2000; Pain, 2004; Rubin, 2004.

provides a strong incentive for these people to resist development efforts aimed at reducing farmers' dependence on opium.

2.8. Barriers to export

The effectiveness of border control around Asia's opium producers is also very much in favour of traffickers in Afghan opiates. China has invested large human, financial and political resources into addressing the drug trade from Myanmar, particularly in Yunnan province. This goes so far as to include the Yunnan provincial government assisting alternative development projects in northern Myanmar.⁴⁷

Broadly speaking, China's investment has been a success. In 2003 its volume of heroin seizures was 90% of the total in South-East Asia.⁴⁸ Obviously, this proportion reflects the size of its market



and might result from increased trafficking, but it is also the result of interdiction efforts.⁴⁹ Smuggling still occurs in substantial volumes over the Myanmar-China border but these efforts have made it more difficult, the risk is higher and the amount of lost product has increased. Figure 1.8 shows heroin seizures in China for the period 1995-2003 and it is notable that in 2000, 3,118 kg of the total of 6,281 seized were in Yunnan province alone.⁵⁰ As a partial comparison, a total of 21.5 kg of heroin was seized in Xinjiang in the first six months of 2004.⁵¹ The DEA attributes the use of

⁴⁷ Yunnan Provincial Government presentation to a UNDCP seminar, *Alternative Development: Sharing good practices and facing common problems*, Taunggyi: July 16-19, 2001.

⁴⁸ UNODC, *World Drug Report 2004*.

⁴⁹ DEA, *China Country Brief*, February 2004; UNODC, *Global Illicit Drug Trends 2003*.

⁵⁰ UNODC, *World Drug Report 2004*; *Xinhua Meiri Dianxun* translated by BBC, March 4, 2004.

⁵¹ "Xinjiang Urumqi police drug enforcement achieves results", *Xinjiang Fazhi Bao* translated by BBC, June 29, 2004.

sea routes between Myanmar and south-east China to Chinese success at curtailing smuggling over its southern borders.⁵²

By contrast, traffickers in Afghanistan face few barriers to export, particularly when considering which particular path north to take. Their broad range of options make effective border controls at any point a little like rocks in a river. For example, Uzbekistan's restrictive measures on its (relatively short) Afghan frontier do not seem to have reduced the amount of drugs transiting the country – traffickers now enter via Tajikistan.⁵³

This does not imply that the Yunnan-Shan State border is impenetrable. Corruption is still a problem – as one expert on China delicately describes it, given the size of the law enforcement effort in Yunnan, there are more drugs coming through the province than would be expected if police were incorruptible.⁵⁴ Nevertheless, in barriers to export as well as in domestic drug control, traffickers in Afghanistan enjoy an advantage over those in South-East Asia. This is likely to continue or increase in the medium term.

2.9. Divergent trends in production

Figures 1.9 above and 1.10 summarise the cultivation and production trends in Afghanistan, Myanmar and Laos.⁵⁵ In 2004, the area under cultivation in Afghanistan was 72% of the combined total. Due to the higher yield of its fields, its share of the three countries' combined production was over 90%. As a result of the factors described above, this proportion is likely to be maintained and possibly increase as Afghanistan's competitive advantage in opium production continues.

⁵² DEA, *China Country Brief*.

⁵³ Presentation by Vladimir Fenopetov at Uppsala University, September 23, 2004.

⁵⁴ Interview, October 21, 2004.

⁵⁵ Figures for these comparisons come from UNODC surveys.

Figure 2.8.: Respective shares of opium cultivation in Laos, Mvanmar and Afhanistan ('000 hectares)

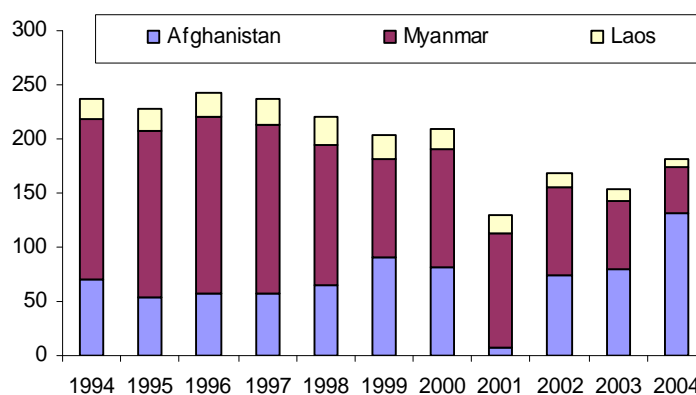
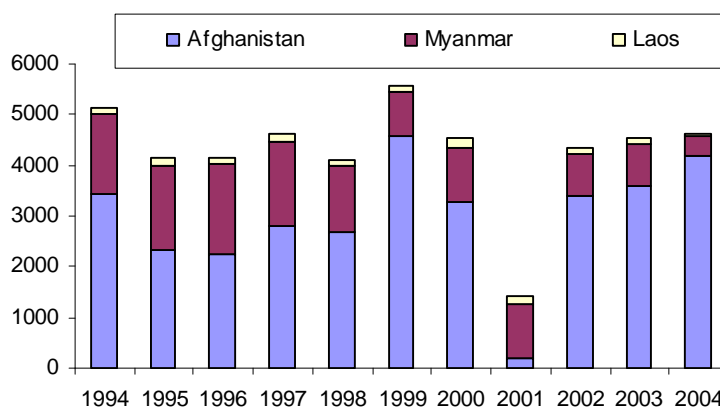


Figure 2.9.: Respective shares of production in Laos, Myanmar and Afghanistan (mt)



2.10. Afghanistan's competitive advantage

Opium production in Afghanistan is commercially sensible and obviously subject to strong incentives. Afghanistan's poverty ensures that these win out over religious and ethical reservations and the country's economy depends on its continuation, despite the difficulties that opium farmers endure and the relatively small personal advancement they derive from it.⁵⁶ As a researcher into the opium economy in Badakhshan concluded, "arguably, no development assistance could ever have achieved what the opium economy has done".⁵⁷ The opium economy is entrenched – some heroin-producing

⁵⁶ Rubin, 2004.

⁵⁷ Pain, 2004.

groups have even begun branding their exports,⁵⁸ indicating a high level of confidence in the future of their trade.

In economic terms, the logic driving the increase in importance of Afghan production is that of competitive advantage. With fewer alternatives for farmers, specialisation occurs. With hugely higher yields, production is more efficient. Finally, with a relative absence of hostile regulation, production and distribution costs are low. The implication for international trafficking networks is clear: the proportion of opiates sourced from Afghanistan will increase.

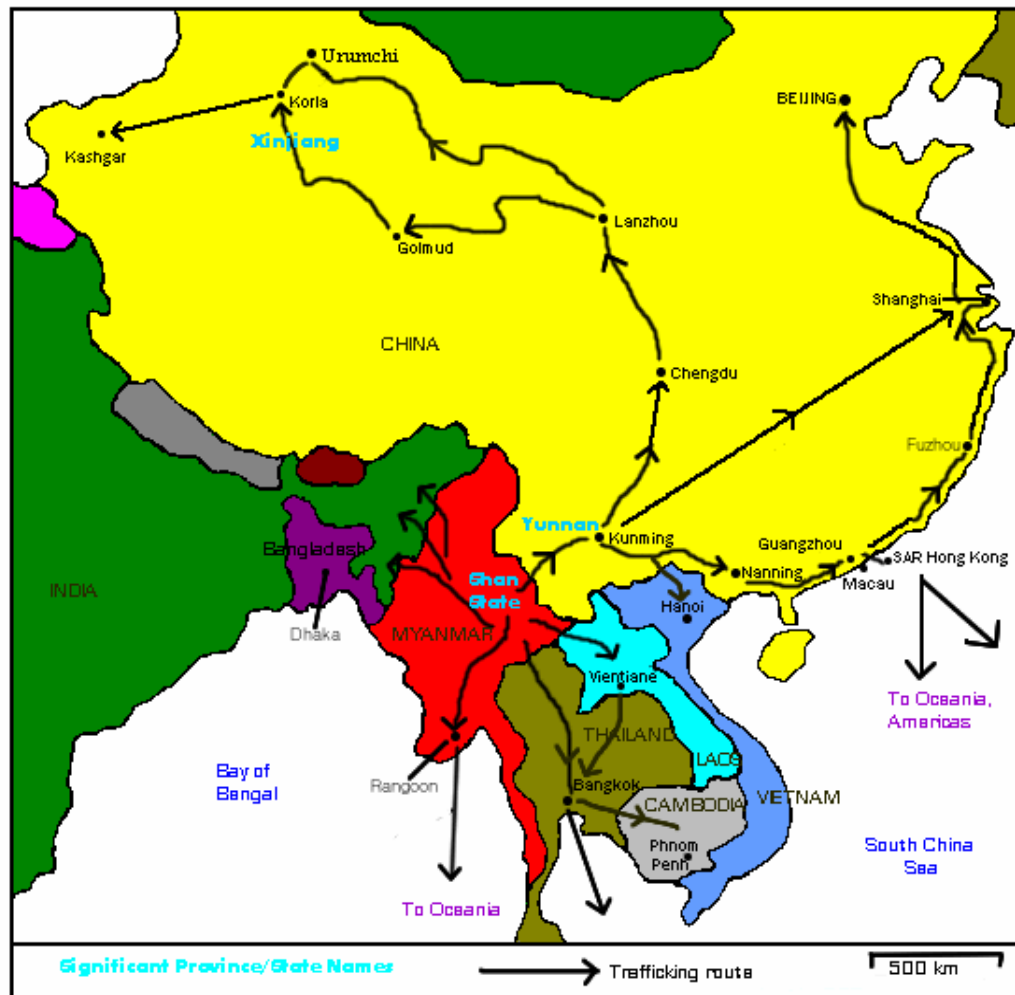
⁵⁸ Tajik seizure reports; Mark McDonald, 2004.

3. Adjustments in Trafficking Routes

3.1. Current Divisions

As opiate processing and distribution networks in East Asia source more of their supplies from Afghanistan they will need to re-organise their supply routes. The likely result will be a growing interdependence of the heroin trades in East Asia and Europe, which most analysts have hitherto seen as independent.⁵⁹

Figure 3.1: Trafficking routes originating in Myanmar and Laos



⁵⁹ For example, in discussing price movements resulting from the Taliban's ban on opium cultivation, Mohammad Amirkhizi, Senior Policy Adviser to the UNODCCP Executive Director, concluded that "the trafficking networks sourcing their supplies from South-West Asia are still largely distinct from those active in South-East Asia" – speech to the *Bishkek International Conference on enhancing security and stability in Central Asia: strengthening comprehensive efforts to counter terrorism*, Bishkek: September 13-14 December, 2001. Similarly, UNODC's *Global Illicit Drug Trends 2003* notes that "indicators do not provide evidence of frequent substitution effects between the heroin markets of South-West Asia and those of South-East Asia" (p.53).

Figure 3.1 shows significant trafficking routes originating in Myanmar and Laos. Currently, most of the heroin sold in East Asia and Oceania comes from heroin processed in South-East Asia. Much of this processing occurs on the Myanmar-China and Myanmar-Thai borders.

After processing, heroin heads to China for consumption there and for onward shipping to other countries in Asia, Oceania and North America. Well-used routes run through to Guangdong or Fujian provinces on the south-eastern coast to make use of the large port facilities. Moving south from production areas in Myanmar and Laos, opiates travel across the Myanmar-Thailand border to ports in Thailand, Cambodia and Vietnam, as well as through Rangoon.⁶⁰

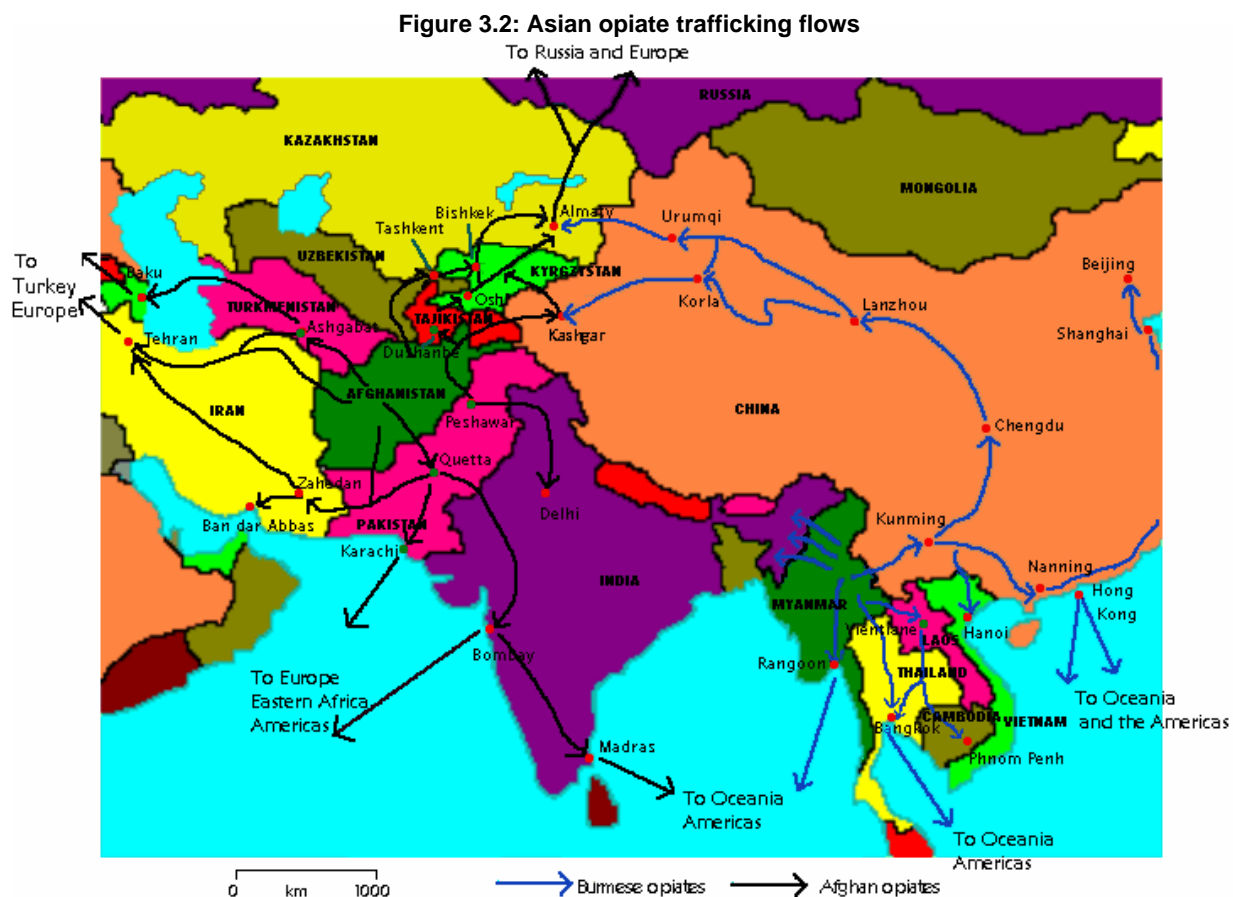


Figure 3.2 illustrates the standard view of the level of independence of East Asian and South Asian networks. The division of markets is quite

⁶⁰ This brief description draws on the DEA's *China Country Brief* and its *Burma Country Brief*, as well as UNODC's *Global Illicit Drug Trends 2003*.

strong. There is a degree of mingling along the Central Asian-Chinese borders but a north-south line from Almaty to Kashgar essentially divides Burmese opiates from Afghan opiates, where areas to the east of the line source from Myanmar and areas to the west from Afghanistan. This division will likely weaken, however, as a result of the trends discussed in Section II. The current proportion of Afghan opiate consumption in China is unknown (this is discussed in Section IV), but the decline and uncertainty of production in Myanmar and Laos is likely to induce East Asian networks to expand linkages across the division of markets.

3.2. Trafficking costs

The business of drug trafficking faces an unusual cost structure. Opium is the primary input but opium farmers have very little power. In Afghanistan opium farmers face a government that is, on paper, hostile to them. Of more importance, however, are the local leaders who allow or encourage opium cultivation and the dealers who extend credit on the condition that farmers plant poppies.⁶¹

Farmgate prices for opium in Afghanistan are substantially higher than they were in the 1990s. In 2003 the CND reported an average of \$283/kg for fresh opium, compared with standard prices of around \$30/kg in the 1990s.⁶² The UNODC reported a price of \$110 in September 2004⁶³ and the *Afghanistan Survey 2004* calculated a weighted national average of \$92/kg at the time of harvest. Nevertheless, these variations still account for a small proportion of total costs and profits. Given that they are the primary producers, the \$2.3 billion earned by opium farmers in 2003 was only a small slice of the estimated \$30 billion revenue of the international trade in Afghan opiates.⁶⁴

The risk of using a smuggling route and the potential loss of product that might occur are the primary concerns for traffickers. For individual couriers, the possibility of capture is a significant risk. For those

⁶¹ Pain, 2004; Goodhand, 2000; UNODC, *The Opium Economy in Afghanistan*,

⁶² UNODC, *Afghanistan Opium Survey 2003*.

⁶³ Presentation by Vladimir Fenopetov at Uppsala University, September 23, 2004.

⁶⁴ Afghan Interim Administration, *Counter-Narcotics Technical Annex*.

organising the trade the loss of a single mule costs only as much as the amount they were carrying. There is also the possibility that capture could compromise an overall operation but since those at the top of the trade rarely have direct connections to couriers this is not an effective risk.⁶⁵

3.3. Possible substitution effects

Drug production is demand-driven. Certainly, the availability of supply along trafficking routes can encourage the expansion of consumption markets in transit countries (more on this below), but traffickers only choose transit countries based on the feasibility of smuggling through them to established demand markets. Because of this, the elasticity of demand for heroin is relevant in the prediction of adjustments to trafficking routes. Many Chinese networks are as enthusiastic about producing and trafficking in amphetamine-type stimulants (ATS) as they are about shipping heroin. In many parts of the world the growth in ATS production has been rapid and their use seems to be quite popular along China's eastern seaboard, amongst other places.⁶⁶ If it is possible for dealers and distributors to shift their customers from heroin onto other drugs – such as ATS – then the adjustment in trafficking networks will be different to what will occur if heroin demand is inelastic.

Heroin users are generally poly-drug users, consuming a variety of drugs simultaneously. However, for most people it is heroin that is the most addictive and the difficulties faced in rehabilitation testify to the strength of this addiction⁶⁷ - in China 57.4% of those monitored by its Drug Abuse Surveillance Network in 2003 had been using for more than 5 years.⁶⁸ In general it seems that, for heroin users, other drugs are complements and

⁶⁵ P. Williams, "The nature of drug-trafficking networks", *Current History* 97, 1998; P. Williams and R. Godson, "Anticipating organized and transnational crime", *Crime, Law & Social Change* 37, 2002.

⁶⁶ National Surveillance Center on Drug Abuse, *Report of Drug Abuse Surveillance 2003*, June 2004; UNODC, *Global Illicit Drug Trends 2003*; UNODC, *Amphetamine-type Stimulants in East Asia and the Pacific*, April 2004.

⁶⁷ K. Mills, M. Teesson, S. Darke, J. Ross, M. Lynksey, "Young people with heroin dependence: Findings from the Australian Treatment Outcome Study", *Journal of Substance Abuse Treatment* 27:1, 2004; M. Gossop, D. Stewart, J. Marsden, T. Kidd, J. Strang, "Changes in route of drug administration among continuing heroin users: Outcomes 1 year after intake to treatment", *Addictive Behaviours* 29:6, 2004.

⁶⁸ National Surveillance Center on Drug Abuse, 2004.

not substitutes.⁶⁹ In a longitudinal study of drug abuse patterns in high-use Chinese regions in 2000, lifelong heroin users reported that they rarely use other drugs.⁷⁰

Because heroin is the central drug – even if users consume other drugs simultaneously – demand is inelastic and reductions in supply tend to increase prices more than shift consumers into substitute products.⁷¹ After a period of dosage escalation, individual heroin demand is usually stable,⁷² although this can be at widely varying levels depending upon the user. For example, in a Chinese study similar to the one mentioned above, 59.1% of the sample of 67,319 (includes all drugs, although heroin was the dominant choice) used drugs less than seven times a week, but a substantial proportion (15.8%) used more than 21 times a week.⁷³

For dealers, the implication of this is that a failure to secure heroin supplies raises the risk of losing customers. Those who seek to shift their customers onto substitutes are vulnerable to those with access to alternative sources of heroin. Therefore, there will be immense pressure to find new sources for established markets like China's and it is more likely that uncertainty in supply will result in shifting routes rather than a drop in demand.

3.4. Adjustment in East Asian networks

Aside from the problems caused by a shrinking supply of raw opium, declining production in Myanmar and Laos will raise risks for networks that source from there. Detection is likely to become easier as the source

⁶⁹ A. Madoz-Gurpide, E. del Cura, M. Sanmartin, M. Acosta, L. Borrego, E. Mangado, "Addiction characteristics as prognosis factors in opiate dependence treated with naltrexone", *Actas Españolas de Psiquiatria* 32:4, 2004; National Surveillance Center on Drug Abuse, 2004.

⁷⁰ Wei H. et.al., "Longitudinal surveys of prevalence rates and use patterns of illicit drugs at selected high-prevalence areas in China from 1993 to 2000", *Addiction* 99:9, 2004.

⁷¹ In Australia, heroin use has shown a remarkable short-term response to supply problems, apparently decreasing rapidly in the last few years. This may be due to factors peculiar to the Australian market, however – A. Roxburgh, L. Degenhardt, C. Breen, "Changes in patterns of drug use among injecting drug users following changes in the availability of heroin in New South Wales, Australia", *Drug and Alcohol Review* 23:3, 2004.

⁷² Mills et.al., 2004; C. Kaya et.al., "Heroin users in Australia: Population trends", *Drug and Alcohol Review* 23:1, 2004.

⁷³ Wei H. et.al. "The second National Epidemiological Survey on illicit drug use at six high-prevalence areas in China: prevalence rates and use patterns", *Addiction* 97:10, 2002.

shrinks and the motivation for effective enforcement and interdiction will rise as production declines and loses its monetary importance to officials engaged in the trade.

An improbable outcome in the short term is that dealers currently using East Asian distributors (for example, in the US) will begin to source opiates directly from Afghanistan, causing networks through East Asia to wither away. This is unlikely to happen. Firstly, the decline in production in Myanmar and Laos is not occurring so rapidly that dealers in consumption countries will be left without supplies. East Asian distribution networks have the time to build their trafficking capacity from Afghanistan. Secondly, they will have a powerful incentive to do so, not only to maintain immediate profits but also to protect their business from possible encroachment by south-west Asian distributors. As the dominant incumbent networks distributing from East Asia, they are in a position to succeed at this over the medium term. Thirdly, the huge Chinese market will continue to offer profits for distributors quite separate from any onward shipment originating in China.

More likely, therefore, is that East Asian distributors will respond to these incentives by attempting to expand links to Afghanistan in order to increase imports from there. Figure 2.2 above suggests that the most probable possibilities for achieving this are through northern India and/or through north-western China.

3.5. Expansion through India⁷⁴

The expansion of routes through India is problematic for three reasons. Firstly, although both Afghan and Burmese opiates are consumed and smuggled through India, there is little intermingling between the two. As shown in figure 2.3, Afghan opiates have more significant market penetration, entering over the border with Pakistan into Rajasthan, Punjab, Gujarat and Jammu & Kashmir and using Indian ports for onward international transport. The most important of these ports are Mumbai, Delhi and the Tamil Nadu coast. By contrast, opiates from Myanmar are confined to the north-eastern states and there have been no

⁷⁴ Figure 2.3 and the description of trafficking in India draw on: UNODC, *India Country Profile*, 2003; DEA, *India Country Brief*, May 2002; interview with a senior staff member in India's Narcotics Control Bureau New Delhi Headquarters October 6, 2004.

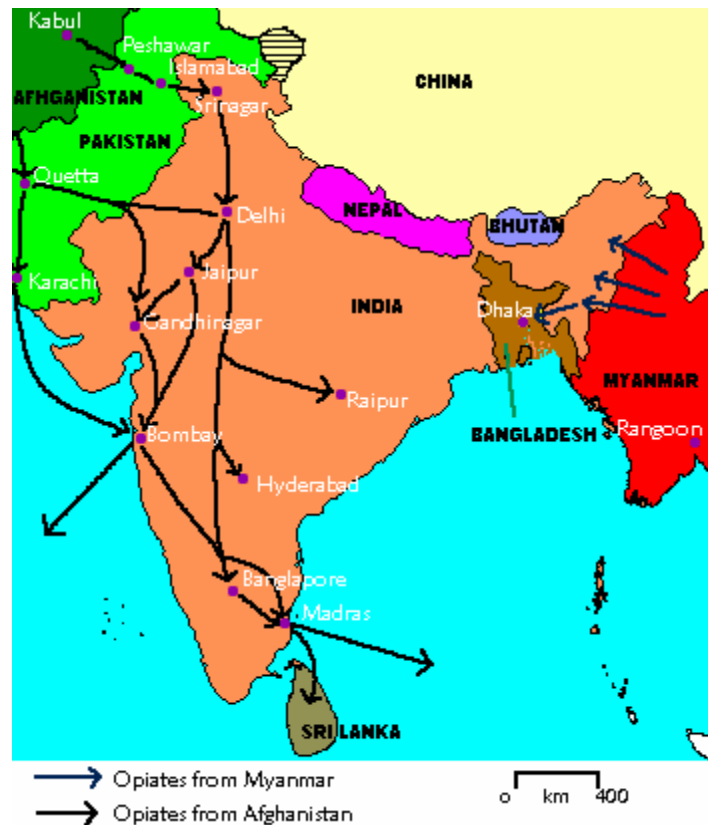
reports that they travel further into India or use it as a staging point for shipping.

Secondly, the sourcing of Afghan opiates via Indian routes relies on border conditions with Pakistan. Due to the difficult relations between India and Pakistan these are not always conducive to trafficking, with occasional low-level conflict and high security at border posts. As an example of this variability, the Indian Narcotics Control Bureau attributed a drop-off in the seizures of Afghan heroin in 2002 to the military build-up along the Pakistan-India border following terrorist attacks on the Indian parliament in late 2001.⁷⁵

Thirdly, having crossed India, Afghan opiates would still face difficulties in entering China. Terrain prohibits direct crossings along most of the Chinese-Indian border, but the Chinese interdiction efforts discussed in Section one remain a problem for any entry attempted via Myanmar.

Finally, constructing networks from Afghanistan to China via India would require East Asian distributors to form relationships with unfamiliar ethnicities. At present, networks in East Asia and Oceania are dominated by ethnic Chinese⁷⁶ who have had little reason to

Figure 3.3: Trafficking routes in India



⁷⁵ UNODC, *India Country Profile*, 2003; this was also the opinion of a senior staff member in India's Narcotics Control Bureau New Delhi Headquarters – interview, October 6, 2004.

⁷⁶ K. Chin, S. Zhang & R. Kelly, "Transnational Chinese organized crime activities: patterns and emerging trends", in P. Williams & D. Vlassis (eds.), *Combating Transnational Crime*, London: Frank Cass, 2001; also F. Bovenkerk, "Organized crime and ethnic minorities: is there a link", in the same volume; H.R. Friman, "The

make connections within South Asia. Indeed, South Asia is somewhat hostile territory because it is dominated by distributors who currently source from Afghanistan. While the lure of profit certainly bridges ethnic divides, this is nevertheless a further difficulty in connecting via India when compared with options through north-western China.

3.6. Expansion through China

Far more attractive on all four fronts is an expansion of routes through north-western China (Xinjiang). Firstly, as illustrated in figure 2.1 and 2.2, the capacity to smuggle heroin across the country already exists, albeit moving in a western direction. The majority of opium consumption in the north-west depends on distribution from the south-east.

Secondly, moving opiates from Afghanistan into Xinjiang relies on fewer, more open borders than prospective Indian routes. Section IV discusses these borders in more detail but the general point here is that smuggling from Afghanistan to Xinjiang is less risky than transportation from Afghanistan across Pakistan and India, into South-East Asia and then into China.

Finally, ethnic ties are more helpful on routes through north-western China. Established interactions between ethnicities would be useful, first in reaching China and then in reversing the current east-west flow in China. This is discussed further in Section IV and Section V. In all, for East Asian networks, Xinjiang is inviting as a connection to Afghan opiate supplies.

4. Routes into Xinjiang

4.1. Afghan Opiates in China

Very little is known about the current volumes of trafficking between Afghanistan and China. The traditional division of the Chinese market into Afghan and Burmese segments, adhered to in the previous section, stems from fragmentary data. China's systems for the forensic testing of opiate origin are not well-developed and it has only recently begun to collate information from its data sources.⁷⁷

The authorities responsible for information on drug abuse are the National Surveillance Center on Drug Abuse and the Office of National Narcotics Control Commission. In 2003 China's Drug Abuse Surveillance Network reached 31 provinces but it is primarily a system for monitoring trends in the number and composition of abusers arrested, presenting for treatment etc.⁷⁸ The information accessible from these agencies does not present a clear statistical picture of opiate origin at a national level; nor does it give evidence for the share of Afghan opiates seized or consumed in different provinces.

In recent reports the DEA quotes Chinese government estimates that 20% of opiates in China are from Afghanistan⁷⁹ - the UNODC *World Drug Report 2004* gives a similar figure - but it is unclear what informs these views. Whilst it is fair to assume that opiates in Yunnan are Burmese, determining the origin of seizures in China's central provinces essentially depends on establishing the direction in which they were travelling. The share of Afghan opiates in the Xinjiang market is even more difficult to establish.

Other indirect evidence might be useful, such as the spread of HIV. In Xinjiang, the HIV strain is almost entirely that found in Myanmar and Yunnan and is not the same as that in Russia.⁸⁰ This does not necessarily

⁷⁷ National Surveillance Center on Drug Abuse, 2004; correspondence with UNODC Bangkok.

⁷⁸ National Surveillance Center on Drug Abuse, 2004.

⁷⁹ For example, the *China Country Brief*.

⁸⁰ S. Piyasirisilp et.al., "A recent outbreak of HIV Type 1 infection in Southern China was initiated by two highly homogeneous, geographically separate strains", *Journal of Virology* 74:23, 2000; A. Seytoff, "AIDS epidemic among Xinjiang's Uyghurs", *Central Asia-Caucasus Analyst*, July 5, 2000.

warrant the conclusion that Afghan opiates have little penetration in Xinjiang, however, since HIV is not spread by drugs but by users. Given the large numbers of migrants Xinjiang has received from further east, it would be surprising if infections from south-eastern Chinese HIV did not outnumber those from Russia. If HIV strain in Xinjiang is an accurate proxy for opiate origin then either the results from HIV studies are quite inaccurate or the 20% estimate is.

More importantly in the context of this assessment, if Afghan opiates do take 20% of the Chinese market now, this would suggest there has been a rapid expansion. Most analysts previously thought they had little market penetration - for example, in 2001 the Chinese Minister for Public Security Jia Chunwang stated that 95% of China's opiates came from South-East Asia.⁸¹ If the situation has changed so quickly it would further demonstrate a need for immediate action.

With little idea as to the present volumes of trafficking from Afghanistan to China, the following analysis of routes is a presentation of the possibilities and makes few claims as to their current usage. This is sufficient for the purposes of the broad risk assessment in Section V but it does highlight the need for more detailed reconnaissance of routes in order to assess specific risks.

4.2. Ethnic Links and Trafficking

Drug trafficking routes often run along ethnic lines. Although exaggeration of this tendency is common, there is significant evidence that ethnic links at least facilitate drug trafficking.⁸² For example, in Afghanistan ethnic Tajiks in the northern provinces are the main suppliers of routes in Central Asia and couriers that cross into Tajikistan leave the country but not their ethnic group. Similarly, ethnic Chinese occupy key positions throughout the distribution chain of Burmese heroin,⁸³ particularly in the trade over the Myanmar-China border, where

⁸¹ Quoted in "Drug problem grows, upsets social stability", *China Daily*, February 10, 2001.

⁸² F. Bovenkerk, "Crime and the multi-ethnic society: A view from Europe", *Crime, Law & Social Change* 19, 1993; P. Williams and R. Godson, 2002; G. Bruinsma and W. Bernasco, "Criminal groups and transnational illegal markets", *Crime, Law & Social Change* 41, 2004; Bovenkerk, 2001; Chin, Zhang & Kelly, 2001; H.R. Friman, "Forging the vacancy chain: law enforcement efforts and mobility in criminal economies", *Crime, Law & Social Change* 41, 2004; Friman, 2004.

⁸³ Chin, Zhang & Kelly, 2001.

they are often responsible for heroin processing prior to smuggling.⁸⁴ Also, the fact that various ethnic groups – such as the Wa – straddle that border seems to facilitate smuggling.⁸⁵ This is not to deny profit as the fundamental goal of trafficking, but ethnic links reduce the risks involved. For the route analysis that follows, therefore, figure 3.1 (next page) is a useful rough guide.⁸⁶ Note that the distributions of ethnic Han and ethnic Russians have not been mapped; ‘varied’ refers to the many minorities in Pakistan’s Northern Areas and NWFP.

This section divides routes into Xinjiang into three categories: direct transport over the Afghan-Chinese border; routes via Pakistan; and the diversion of traffic that currently flows through Central Asia.

4.3. Direct Trafficking over the Afghan-Chinese Border

There are limited opportunities for trafficking directly from Afghanistan into China. The border between the two countries is 76km long and conditions along the frontier are inhospitable. The only border crossing is the Wakhjir Pass at an altitude of 4,927m, which is closed for at least five months a year and is open irregularly for the remainder.⁸⁷ Reaching the pass is difficult and depends on bringing opiates up through the Wakhan Corridor.

The Wakhan Corridor is a narrow slice of north-eastern Badakhshan wedged between the Tajik border to the north and the Pamir mountains to the south. It is an area of opium cultivation, although this is not as intensive as in other districts of Badakhshan because locals regard opium cultivation as a difficult prospect for which the labour requirements are not easily met.⁸⁸ There have also been recent declines in cultivation and some efforts to reduce addiction, led by the Shah of Panja, a local political

⁸⁴ DEA, *Burma Country Brief*.

⁸⁵ Chouvy, 2004. Similarly, familial connections between groups at the Bangladeshi-Indian borders assist in the imports of Burmese heroin to Bangladesh – DEA, *India Country Brief*.

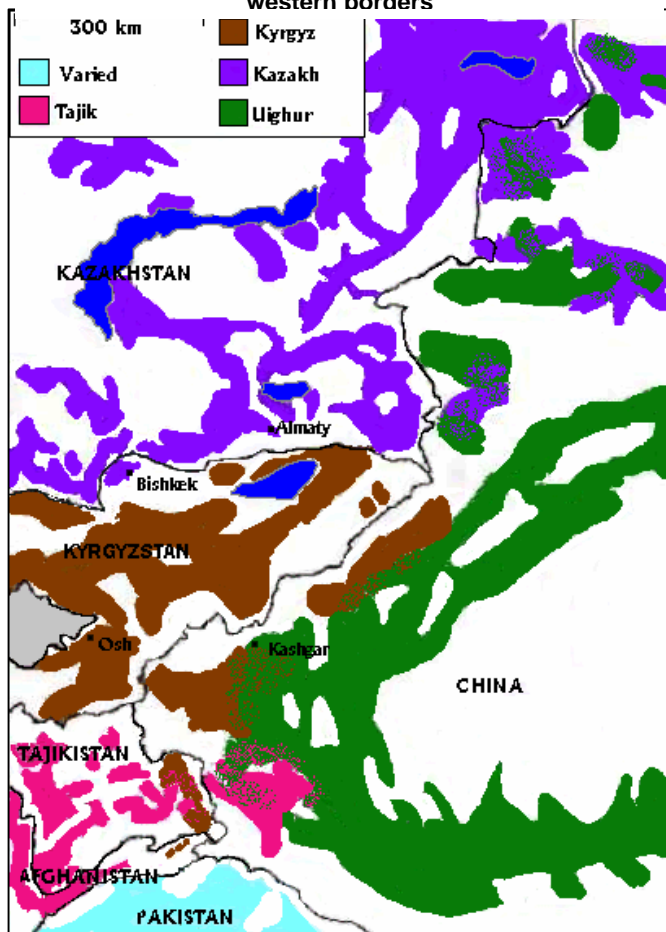
⁸⁶ Figure 3.1 draws on a variety of sources: several unreferenced maps held online at the University of Texas’ Perry-Castañeda Library; www.tajikistan.tajnet.com; and maps from Le Monde Diplomatique (mondediplo.com); H. Kreutzmann, “Ethnic minorities and marginality in the Pamirian knot: survival of Wakhi and Kirghiz in a harsh and environment and global contexts”, *The Geographical Journal* 169:3, 2003.

⁸⁷ This information came from a member of ISAF, drawing on what he termed a ‘very reliable source’ near the Afghan-Chinese border.

⁸⁸ Pain, 2004, p.iv.

and religious leader.⁸⁹ Instead of opium farming, labourers move to other areas in search of work, mostly in opium cultivation in central Badakhshan (but also for work in northern Pakistan⁹⁰). As a result, the Wakhan Corridor experiences large seasonal migration flows.⁹¹

Figure 4.1 : Distribution of ethnic groups on China's western borders



The overwhelming majority of opiate consumption here is of imports from further west. In the last few years asset loss among the population has accelerated due to addicts and their families being forced to clear their debts through sales. As a result, opium dealers from other districts have acquired a significant proportion of the productive potential of the Wakhan Corridor.⁹²

Opium use is endemic and drug addiction rates are quite high. The GTZ-AKDN Badakhshan

Programme estimates a range of 500-1,200 addicts in an adult population of around 4,200, a proportion of between 12% and 28%.⁹³ On this basis, the annual consumption of opium in the Corridor is between 660kg and 2,680kg.⁹⁴ Traders make bulk deliveries by 4WD,⁹⁵ indicating that there is

⁸⁹ *ibid.* p.24.

⁹⁰ Kreuzmann, 2003.

⁹¹ *ibid.* p.38.

⁹² Goodhand, 2000; Pain, 2004 p.iv.

⁹³ Pain, 2004 p.32.

⁹⁴ *ibid.* p.33.

⁹⁵ *loc. cit.*

the capacity to move sizeable amounts of opiates to the end of the Corridor.

Figures 4.2 - 4.5 show the route from the Wakhan Corridor into China (borders are shown in red). Links to the rest of Badakhshan are restricted to a road following the Tajik border from Sultan Ishkashim to Kala-e Panja, then to Sarhad-e Wakhan (this follows the low elevations in figure 3.2). This is rough but well-used – it is along this road that the 4WDs mentioned above travel.⁹⁶ From there, the route follows paths along the river, breaking right away from the Little Pamir and ascending to the Wakhjir Pass (see figure 3.4 and 3.5).⁹⁷ From Sarhad-e Wakhan to the pass is approximately 100 km along these paths. It is a short descent (approximately 15 km) from the border to a road on the Chinese side, which can be seen at the top of figure 3.4 and the bottom-right of figure 3.5. On this, it is a further 80 km to the Karakoram Highway.

In the opinion of a source near the Afghan-Chinese border this route is impossible for half the year and challenging for the other half.⁹⁸ The lack of road links restricts trafficking loads to those that can be carried on foot or by pack animal, although the many such crossings of the Afghan-Tajik border show that this is not an insubstantial risk. For China, the security risk of this border became apparent in early 2001, when it claims Taliban fighters crossed into its territory via the Wakhan Corridor.⁹⁹ Overall, however, the effort required to reach the Chinese border renders this an unattractive option while trafficking through Tajikistan remains unchallenging.

⁹⁶ Afghanistan Tourism Authority; Pain, 2004; tourism companies offering treks in the Corridor.

⁹⁷ Different maps and cartographers perceive different degrees of development of this route and to paths through the Little Pamir - maps and insights provided by Markus Hauser and the Pamir Archive (www.pamir.org); Soviet military maps; satellite images and data.

⁹⁸ Information from the same ISAF member – see note 87.

⁹⁹ D. Gladney, "Islam in China: Accommodation or separatism?" *The China Quarterly* 174, 2003. This would seem unlikely given that Badakhshan is the heartland of the Northern Alliance.

Figure 4.3: The Wakhan Corridor

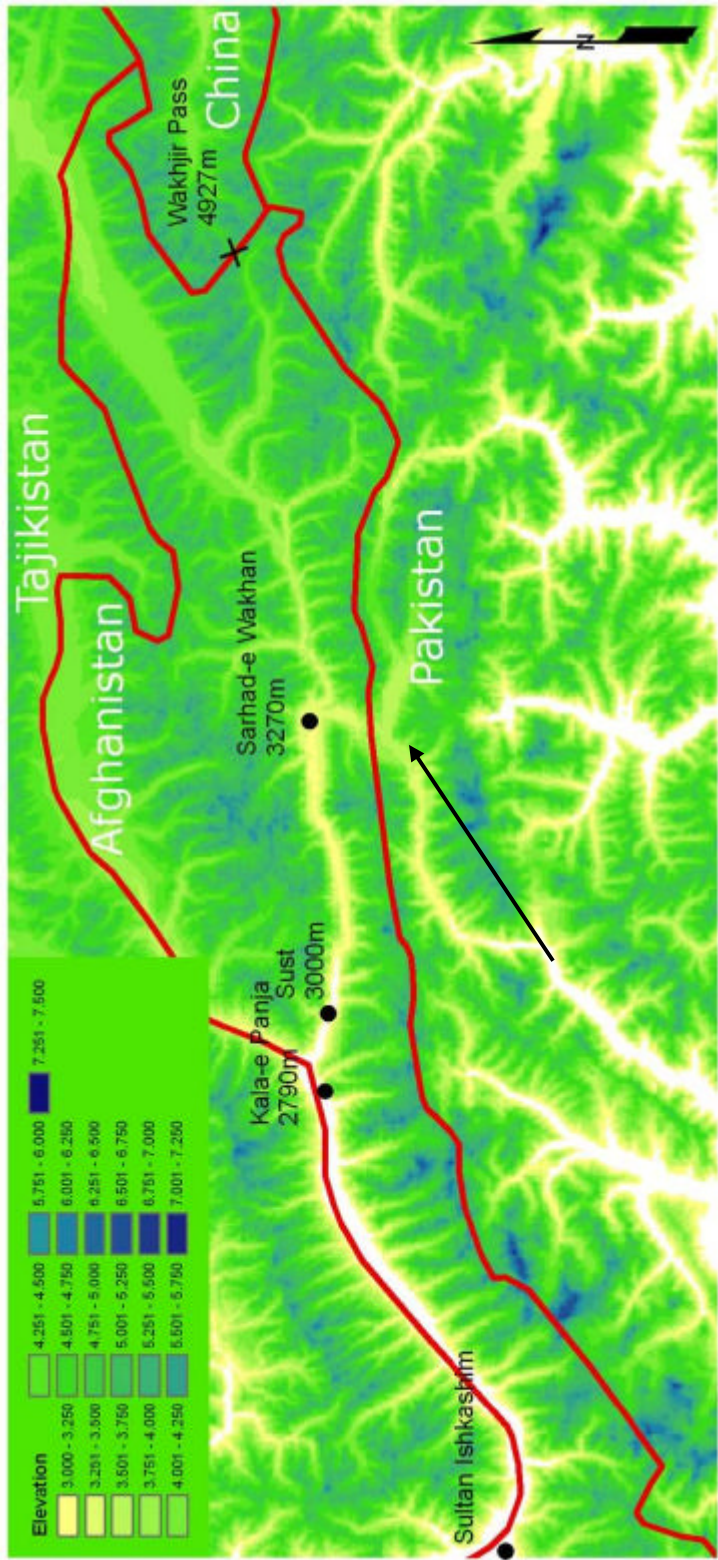
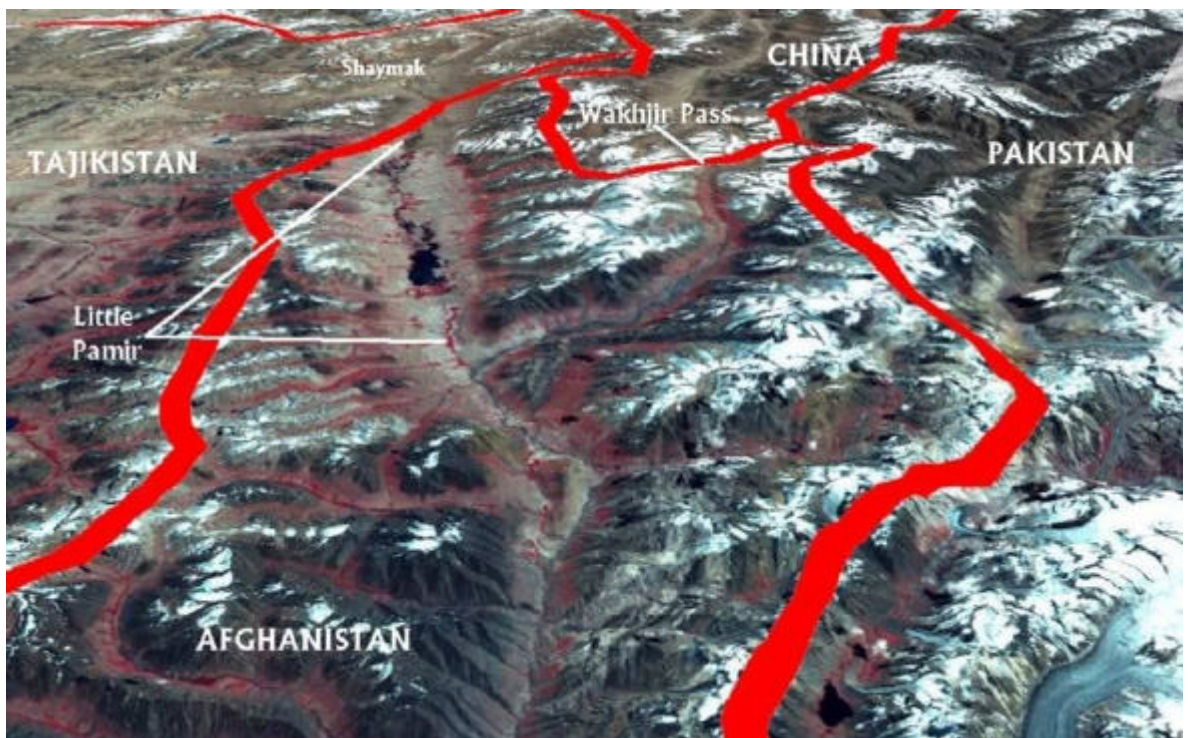


Figure 4.3: Photograph down the Wakhan Corridor

Figure 4.4 : West to east aspect view of the route into China



Figure 4.5: East to west aspect view of the route into China



4.4. Trafficking via Pakistan

Opium cultivation has a long history in Pakistan, both for domestic consumption and for export. Current figures suggest that it is in a state of flux - for the period 1995-2002 the area under opium cultivation was below 1,000 hectares, but in 2003 the government reported cultivation on 2,500 hectares, following eradication of 4,200 hectares.¹⁰⁰ Most of this occurred in the Khyber Agency and indicates that the pressures of poverty and the social and cultural capacity for opium production still exist.¹⁰¹ Furthermore, Pakistan is home to a large number of chronic heroin users,¹⁰² ensuring that it retains importance as a market in its own right.

Trafficking between Afghanistan and Pakistan already occurs in substantial volumes. The bulk of this flows over Afghanistan's southern

border into Baluchistan, from where multi-ton consignments cross into Iran.¹⁰³ On Afghanistan's eastern border, movement into Pakistan is not difficult. In Pakistan's NWFP and Federally Administered Tribal Areas (FATA) (see figure 3.6), the frontier with Afghanistan is extremely porous.¹⁰⁴ Neither national government exerts strong control over the border

areas and goods and people move freely between the two countries – smuggling opium or heroin into the north of Pakistan has traditionally

Figure 4.6: Pakistan's administrative divisions



¹⁰⁰ UNODC *World Drug Report 2004*.

¹⁰¹ Interview with senior ANF officer, September 17, 2004.

¹⁰² UNODC, *Drug Abuse in Pakistan – results from the year 2000 Assessment*, 2002.

¹⁰³ Presentation by Vladimir Fenopetov at Uppsala University, September 23, 2004; DEA *Pakistan Country Brief*.

¹⁰⁴ Interview with a senior ANF officer in their Islamabad office September 17, 2004; DEA *Pakistan Country Brief*.

been unchallenging, although it is facing new pressures because of an increased US and Pakistani military presence on either side of the border. The Iranian route is the preoccupation of Pakistani and international counter-narcotics agencies but Pakistan's ANF has also been active in the NWFP and FATA, targeting smuggling through Peshawar for local consumption and on the way to northern India.¹⁰⁵ According to the ANF, however, since 2001 counter-terrorist activities in these volatile areas have made it difficult for counter-narcotics forces.¹⁰⁶ Given the concurrent increase in Pakistani opium cultivation, such a complaint seems valid.

Aside from drugs coming to the Chinese border from further south, there are also many tracks that cross into the NWFP and the Northern Areas from Badakhshan. These are mountainous trails and most are only usable from May to October, although it is notable that at these times there are frequent tourist treks in the area.¹⁰⁷

However drugs reach the Northern Areas, the route into China is the Karakoram Highway (KKH), shown in figure 3.7 and 3.8 (next two pages) between Gilgit and Tashkurghan. Gilgit is a particularly poor district¹⁰⁸ and along Pakistani sections, the road is subject to landslides and blockages due to weather, but on the Chinese side it is in good condition. Both China and Pakistan consider the KKH an important link, for its symbolism¹⁰⁹ and for the trade link. It appears that traffickers do not currently use this route to transport significant quantities of drugs.

In comparison with other northward flows out of Afghanistan, the loads moving along the KKH are small. There have been reports of the interception of small loads¹¹⁰ but as a method for transporting drugs beyond the far south-west of China the KKH cannot compete with the relatively easy task of crossing the Tajik-Afghan border. Opiate

¹⁰⁵ DEA, *Pakistan Country Brief*.

¹⁰⁶ Interview with a senior ANF officer in their Islamabad office September 17, 2004.

¹⁰⁷ Information from various tour companies and guides; descriptions of tours from their websites; also useful were the many personal accounts of treks through the area posted on the Internet.

¹⁰⁸ H. Kreutzmann, "Development indicators for mountain regions", *Mountain Research and Development* 21:2, 2001.

¹⁰⁹ *China-Pakistan Joint Declaration*, signed in Islamabad November 4, 2003; "Pakistan to help China on counter-terrorism", *Daily Times*, Lahore, April 18, 2004;

¹¹⁰ Witnessed by a foreign academic who has travelled extensively in the area, interview October 18, 2004.

trafficking on the KKH is probably for local consumption in the Northern Areas and southern Xinjiang rather than for further transport within China or internationally. With regard to figure 3.1, the ethnic divide between Badakhshan and the Northern Areas suggests it is more likely that drugs would be brought up from Peshawar rather than along the trails from the Wakhan Corridor. Although residents of the Corridor do regularly cross to trade and work in Pakistan,ⁱⁱⁱ the ethnic difference between the Northern Areas and Xinjiang would seem to give a further advantage to trafficking directly north from Afghanistan.

ⁱⁱⁱ Kreutzmann, 2003.

Figure 4.7: The KKH between Gilgit and Tashkurghan

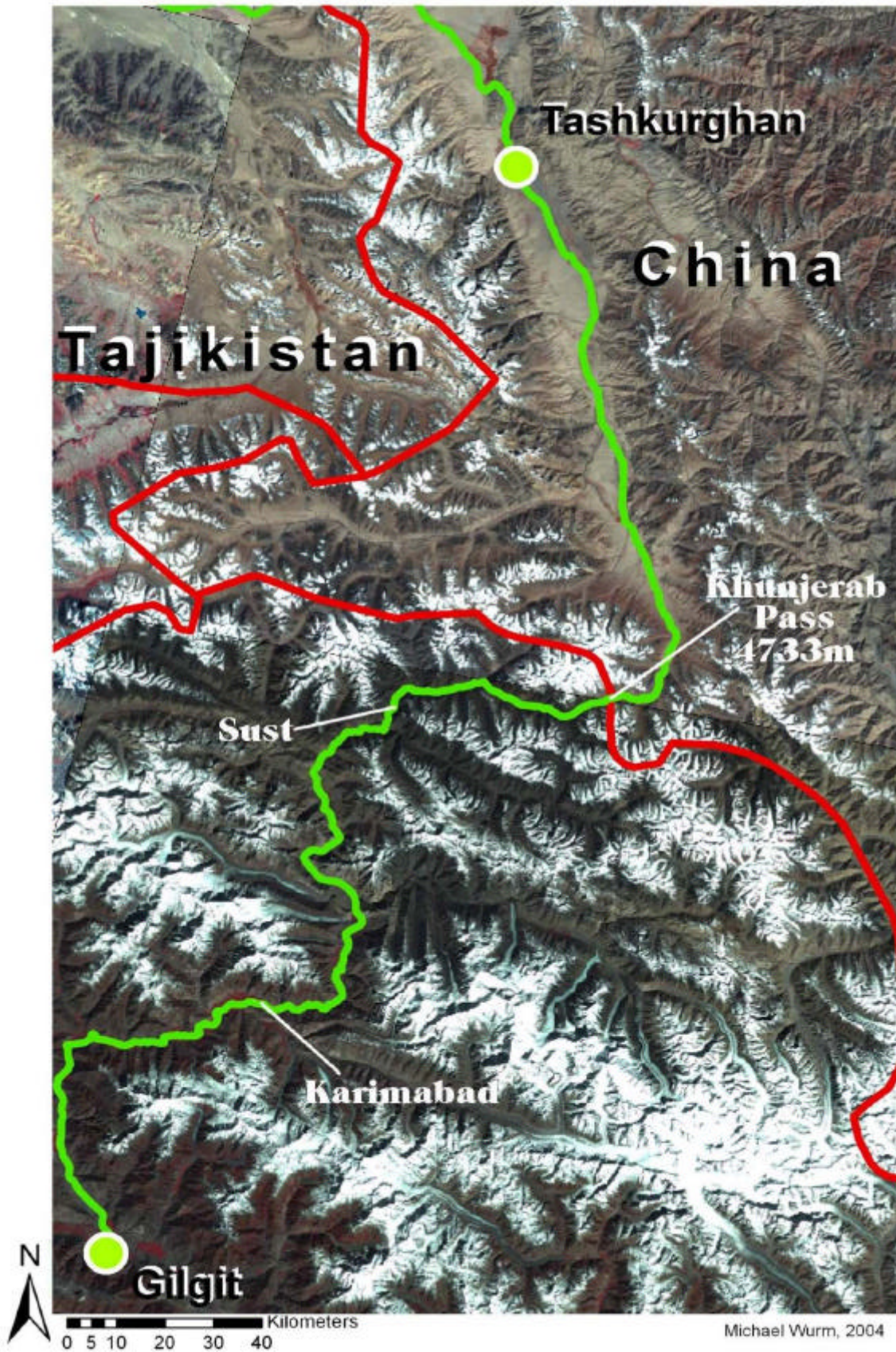
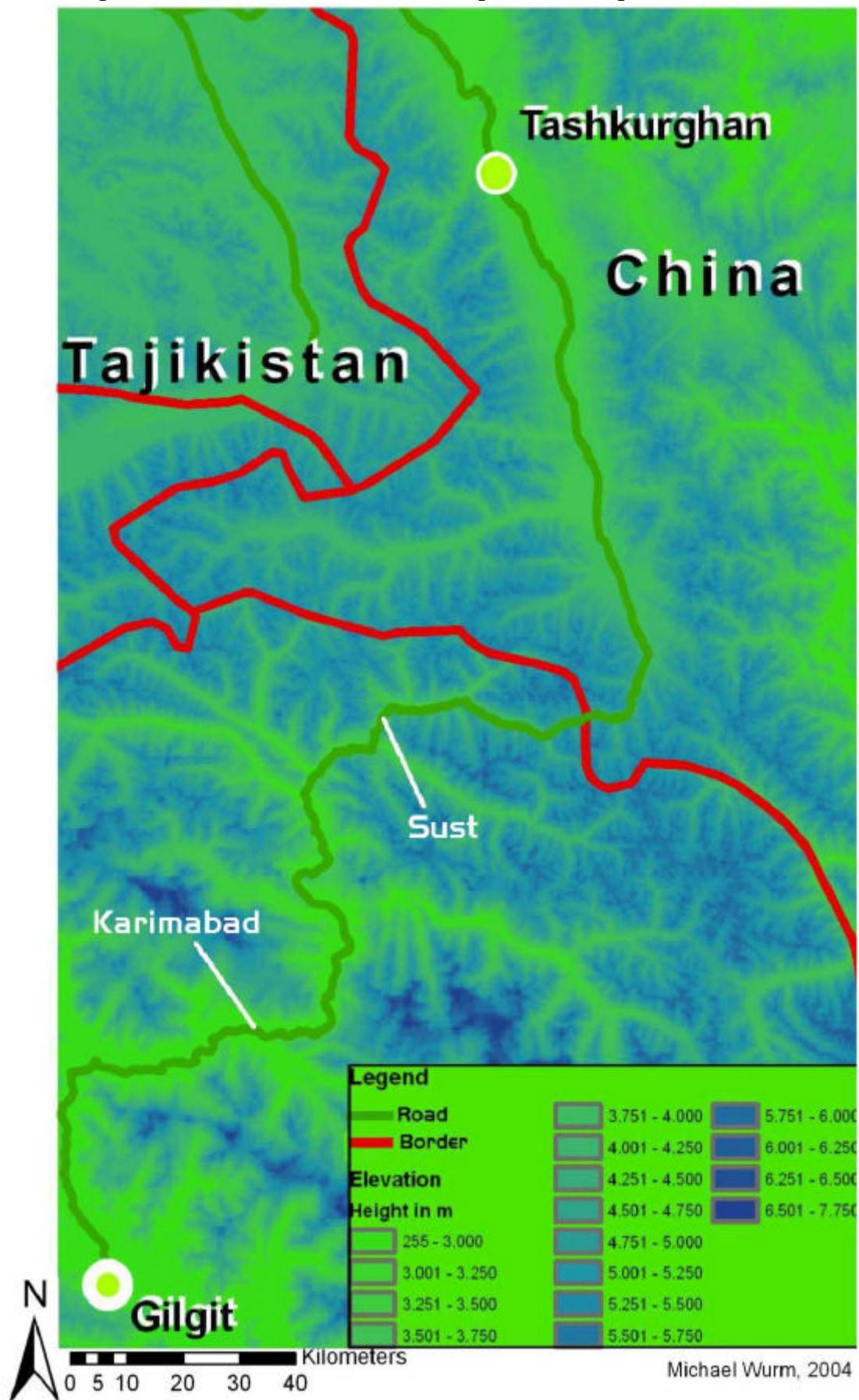


Figure 4.8: Elevation of the KKH between Gilgit and Tashkurghan



4.5. Diversion of Afghanistan's Northern Route

The volume of Afghan opiates moving through Central Asia has grown rapidly since the mid-1990s. As discussed in Section II, substantial heroin-producing capacity has moved into the north of Afghanistan and from there it crosses the Tajik, Uzbek and Turkmen borders. Figure 3.9 charts the changes in the use of Central Asian trafficking routes.¹¹²

Several influences on these figures are notable. Firstly, Turkmenistan is a transit country for drugs on both the northern routes

through Central Asia and the western routes through Iran and the Caspian Sea, so some of the drugs seized in that country are not destined to move through other Central Asian republics. Furthermore, Turkmenistan has ceased reporting seizures, although there is little reason to believe this reflects a real decline in trafficking there.¹¹³

Figure 4.9: Seizures in Central Asia 1997-2002

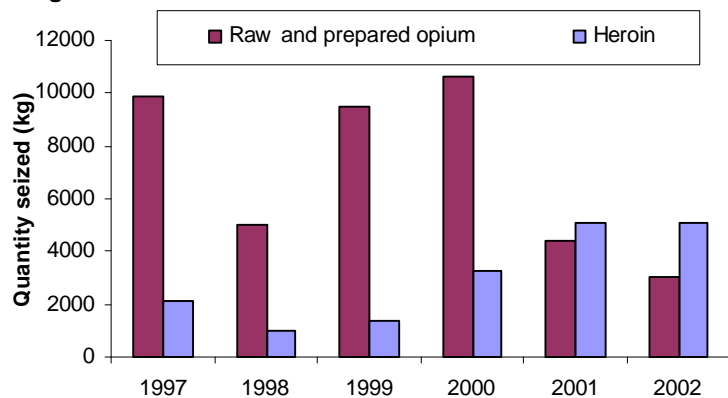
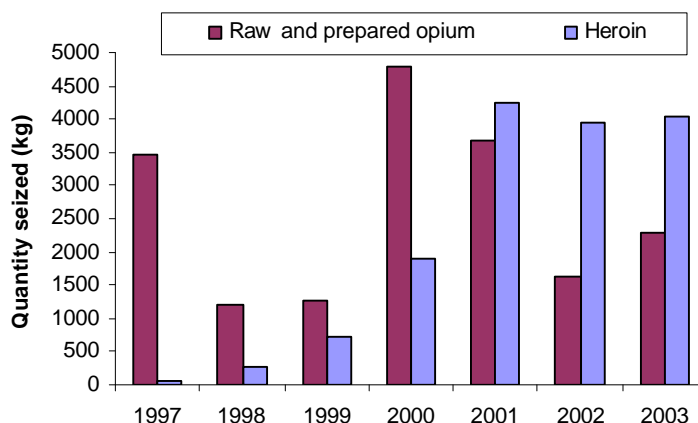


Figure 4.10: Seizures in Tajikistan 1997-2003



Secondly, interception of drugs in some countries, such as Tajikistan and Uzbekistan, has improved greatly during the period, so better enforcement accounts for some increase in seizures.

¹¹² UNODC seizures data.

¹¹³ Determining the drug situation in Turkmenistan and understanding how narcotics move through the country has proved very difficult, not least because officials in high positions seem to be directly involved – ICG, *Cracks in the Marble: Turkmenistan's Failing Dictatorship*, Asia Report No.44, January 17, 2003.

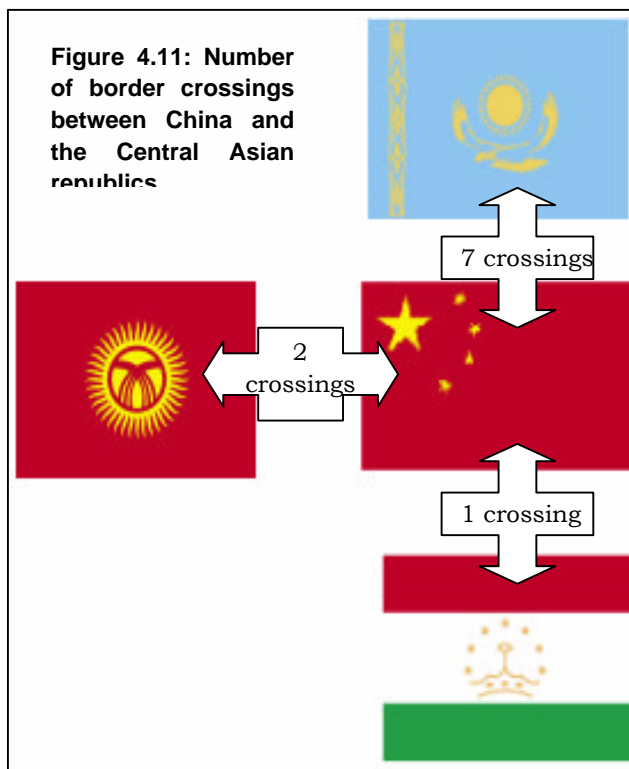
Thirdly, opium trafficking on northern routes is declining and heroin trafficking is increasing. In absolute weight there is now more heroin seized in Central Asia than opium, which means the increase in heroin equivalents is much greater than figure 3.9 might suggest. In 1995, heroin seizures were only 3% of all opiates seizures (converted to heroin equivalents). In 2001, they accounted for more than 90%.

Finally, a disproportionate share of seizures is occurring in Tajikistan. Sharing a 1,200 km border with Afghanistan, it has become the most popular first country of transit for northbound Afghan opiates. Figure 3.10 (previous page) charts seizures in Tajikistan¹¹⁴ and the rapid increase in opiates seizures in general and heroin in particular is clear. The popularity of Tajikistan for traffickers raises the risk to China as very large opiate flows occur close to Chinese borders.

Afghan opiates already enter China and most estimates hold the view that they circulate in Xinjiang and are a small diversion of the quantities destined for Russia and Europe (as discussed above, supporting data is fragmentary). Figure 3.10, combined with the continuing large harvests in

Afghanistan, suggest that a ready supply of opiates is nearby for any expansion of this diversion.

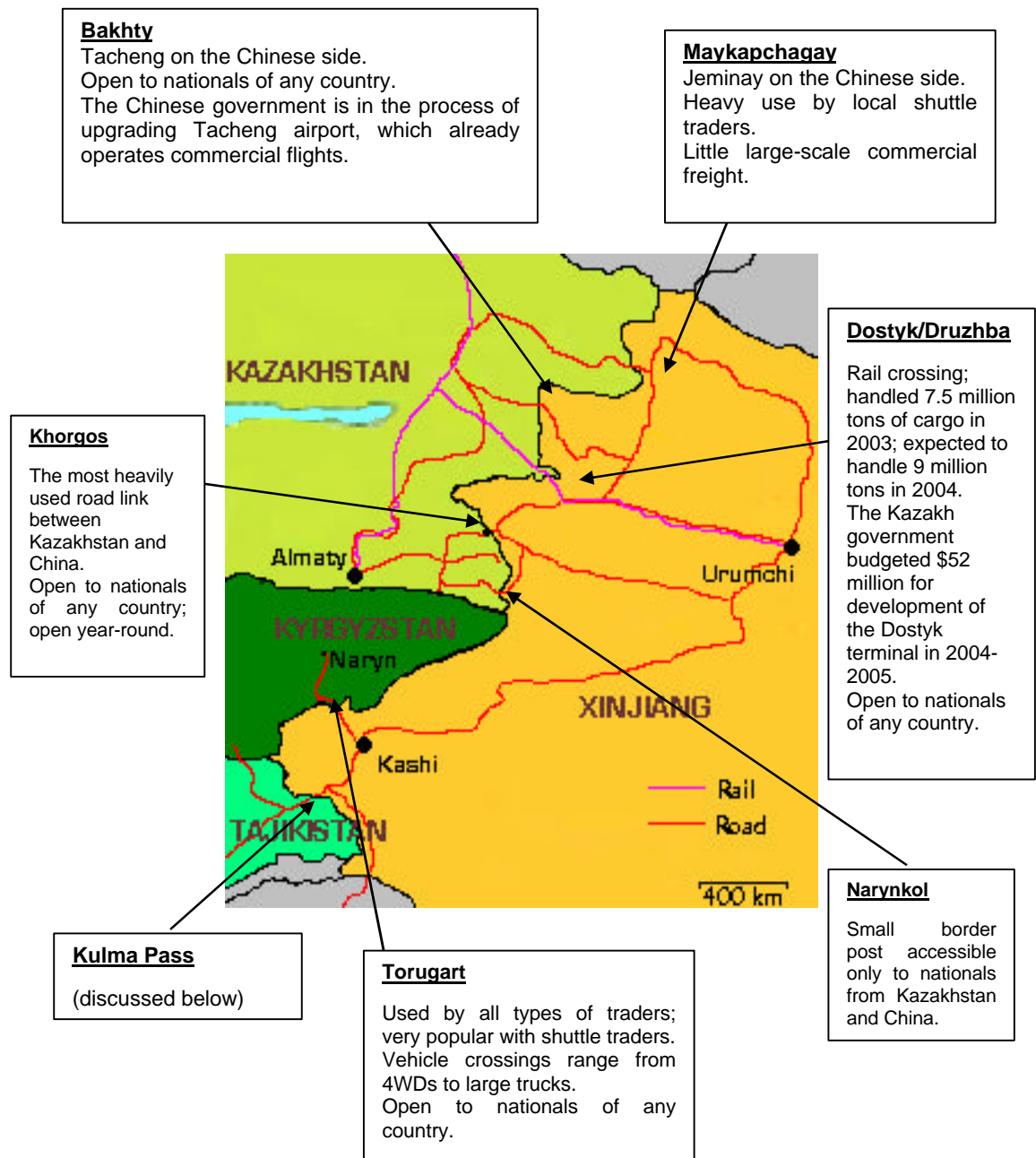
Figure 3.11 summarises official border crossings between China and the Central Asian republics.¹¹⁵ The use of these varies greatly, from local traders to large-scale commercial operations. At all official border crossings China provides some degree of control on incoming traffic but conditions at many checkpoints on the



¹¹⁴ UNODC seizures data.

¹¹⁵ International Organization for Migration – www.iom.org.

Central Asian countries' side are such that they provide no deterrent to trafficking. Moreover, there are many points at which border crossings are possible via unguarded tracks and roads. A detailed assessment of each of these routes is beyond the scope of this paper but figure 3.12 (next page) shows selected official crossings on relevant rail and road networks in order to illustrate the directions of current legal traffic flows into Xinjiang. The important point is that large volumes of traffic and goods now move into Xinjiang from Central Asia.



In general, the regions in Central Asia with which Xinjiang has direct links are depressed or stagnant economically.¹¹⁶ As is plainly evident in the drug flows to Russia and Europe, for many people in Central Asia involvement in trafficking is very attractive and the pressures on some potential couriers are difficult to overstate.¹¹⁷ Many of the rural communities close to the Chinese border in Kazakhstan, Kyrgyzstan and Tajikistan are extremely poor and the incentive to work as a courier is great, despite most viewing it as a necessary evil. Just as significantly, China's neighbours have a relatively youthful population for whom the lack of economic and social progress is frustrating and who perceive few opportunities for legal self-advancement.¹¹⁸

4.6. Of Special Concern: the Border with Tajikistan

Figure 3.13, 3.14 and 3.15 (below) shows most of the Tajik-Chinese border (borders are shown in red and road in green; not all roads are mapped). It is 414km long and much of it is above 5000m. There is one official border crossing – the Kulma Pass, at 4362m (China's checkpoint is the Karasu Port). Recently, transport ministers from the Shanghai Cooperation Organization (SCO) members met in Dushanbe for discussions that included prospects for upgrading the Kulma Pass, as part of a link from Uzbekistan to Xinjiang.¹¹⁹ The current volume of traffic is not great (see box, next page). One foreign aid worker reported that inspections at the Karasu Port were cursory, which would seem to confirm the report of a customs officer in Urumchi that drug detection is not a priority at the crossing.¹²⁰

The rest of the frontier is not well-guarded.¹²¹ Although high, there are many points at which a border crossing is possible because the terrain is

¹¹⁶ S. Akbarzadeh, "Keeping Central Asia stable", *Third World Quarterly* 25:4, 2004; Government of the Kyrgyz Republic, *National Poverty Reduction Strategy 2003-2005*, 2002; ICG, *Tajikistan: A roadmap for development*, Asia Report No.51, April 24, 2003; Kreutzmann, 2001.

¹¹⁷ In Tajikistan, for example, where national food shortages can be severe (ICG, *Tajikistan: A roadmap for development*), a run as a courier might be construed as a quest for survival.

¹¹⁸ ICG, *Youth in Central Asia: Losing the new generation*, Asia Report No.66, October 31, 2003.

¹¹⁹ "SCO transport ministers to discuss transport corridors in Dushanbe", *ITAR-TASS* November 2, 2004.

¹²⁰ Correspondence with the author.

¹²¹ One European cartographer/trekker who is a regular visitor to the region described a border fence maintained by the Chinese along the southern section of the Tajik-Chinese border, contrasting this with a deteriorating barrier north of the Kulma Pass. A member of UNODC who visited the region and a foreign aid

relatively flat. The elevation map in figure 3.14 (below) gives an idea of where flatter crossings would be possible. To the south of Murghab, from the Tokhtamish-Shaymak area, the walk across can be done in a day, which dramatically lowers the climactic and altitude risks to smugglers.¹²² The regularity of Chinese patrols is unclear. One foreign visitor described a system of informants the military maintains in the border villages¹²³ but others report few problems in moving around.¹²⁴

4.13: The Tajik-Chinese border in eastern Tajikistan



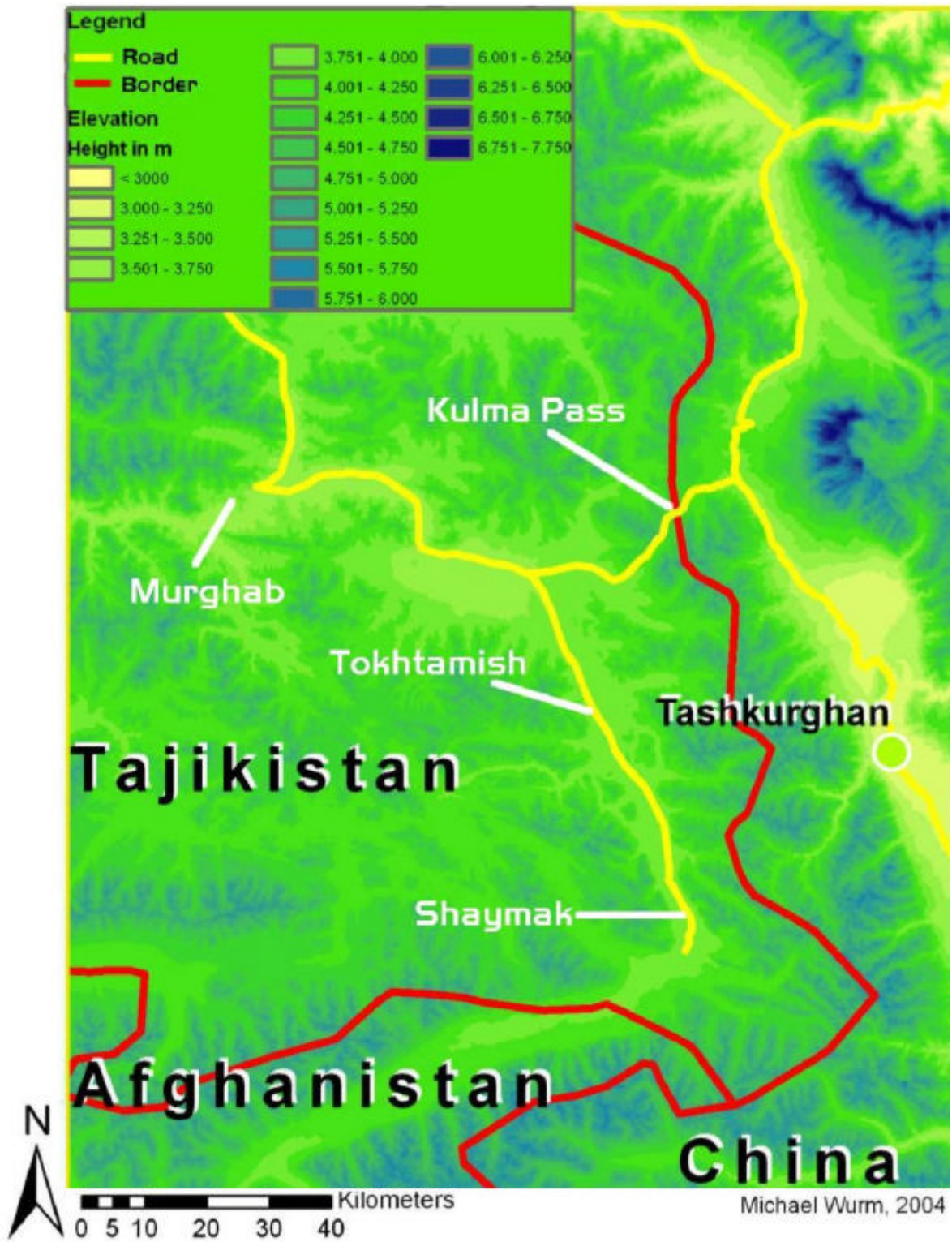
worker on the Tajik side claimed there was no fence at all. Suffice to say that if there is a fence in sections it is evidently not much of one.

¹²² Interview with a Tajik academic, September 28, 2004; UNODC staff visit to the region, 2004.

¹²³ Interview with a foreign academic who specialises in the region and is a regular visitor, October 18, 2004.

¹²⁴ UNODC staff visit to the region, 2004; correspondence with a foreign aid worker on the Tajik side.

Figure .14: Elevation of the Tajik-Chinese border in eastern Tajikistan



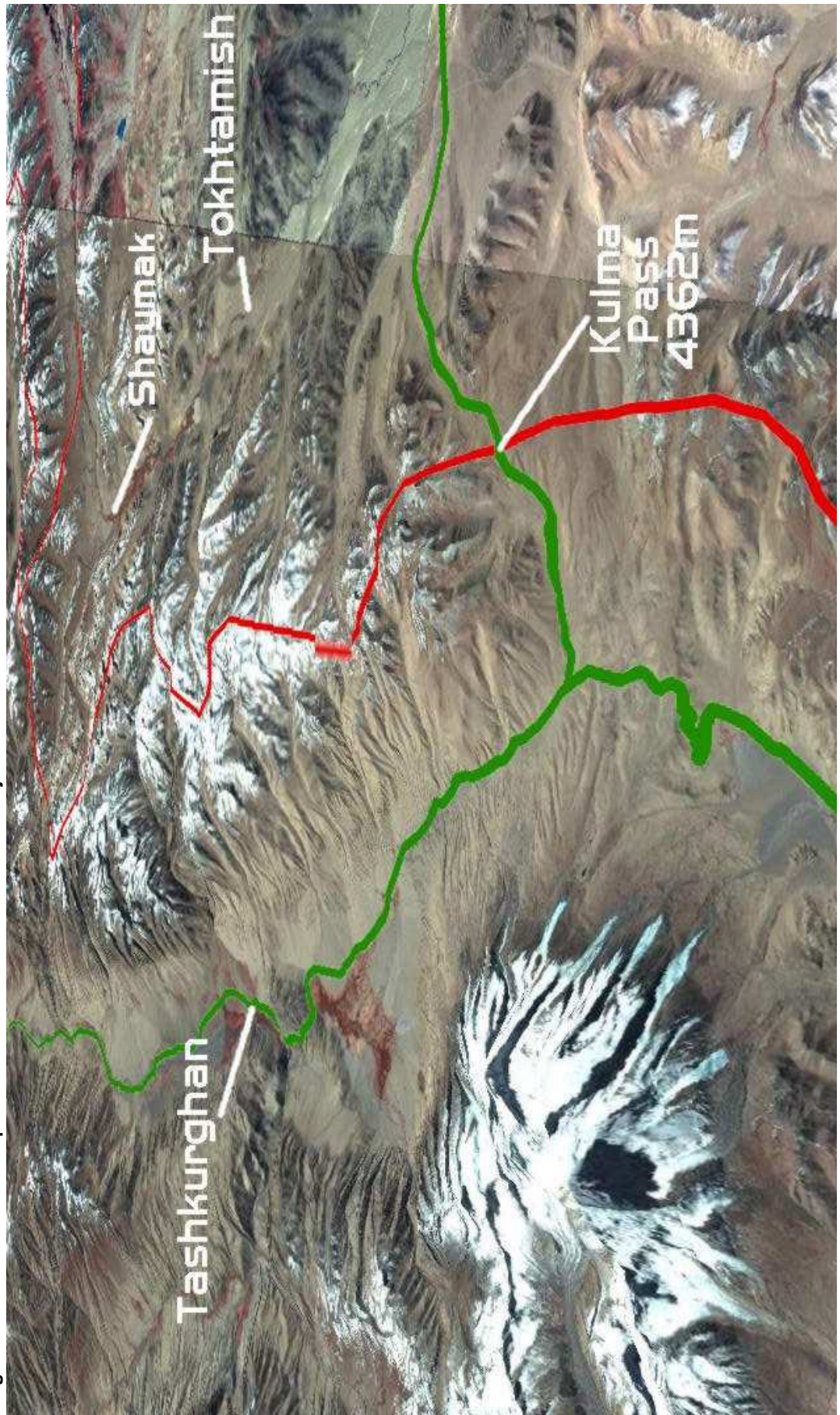


Figure 4.15: North to south aspect view of the Kulma Pass and the Tajik-Chinese border

The Tajik Gorno-Badakhshan border region is underdeveloped (see box¹²⁵). In the south, serviceable roads come within 13km of the border at Shaymak, opposite Tashkurghan. Traffickers are unlikely to have difficulty with police in this corner of Tajikistan and inspections along the Shaymak-Murghab road are very rare.¹²⁶

To supply such crossings, the most likely diversion of current flows would come from Khorog and the Osh-Khorog highway. Moving drugs between Khorog and south-eastern Tajikistan would pose little problem in terms of law enforcement detection. An even safer route, however, is that from the Wakhan Corridor directly into the Shaymak area. This has the virtue of avoiding a crossing of the Wakhjir Pass and instead travelling through the Little Pamir, shown in figures 3.4 and 3.5 above, which is still at a high altitude (see figure 3.2) but is an easier trek. Furthermore, this part of the border has not received much attention from Russian border guards and is one of the first sections on the Tajik-Afghan frontier to

Profile of a border region: Gorno-Badakhshan
Autonomous Oblast

Tajikistan's direct road link with China crosses into Xinjiang from the Gorno-Badakhshan Autonomous Oblast. It is a very poor region and for at least three months a year the roads to Dushanbe are closed. Economic opportunities are extremely limited, even in the capital city of Khorog. Most licit income in rural areas comes from trade with Kyrgyzstan via the Osh-Khorog highway, which is open all year round.

It is difficult to establish the prevalence of drug use in the region. Opium use was common in Soviet times, primarily for medicinal purposes. Today, a majority of the population are devoutly Muslim but residents of Khorog acknowledge that heroin is widely available and its use has spread. In other parts of the oblast the picture is less clear but it does not appear to be difficult to obtain opiates in rural areas. According to one Tajik academic, drug use in the oblast was growing rapidly until a few years ago, since when it seems to have stabilized.

The Kulma Pass was officially opened on May 25th 2004. A bus trip between Khorog and Kashgar takes around twenty hours in good weather and the road is currently in a poor condition. Figures for traffic volume are sparse, but the Tajik Ministry of Transport and Roads reported that in three months of operation, a total of 17 trucks, 10 buses, 240 tons of goods and 172 people have (officially) used the pass. Local Tajiks are enthusiastic about the opportunity to trade across the border, but a lack of passports among residents on both sides prevents people from crossing, at least officially.

¹²⁵ ICG, *Tajikistan: A roadmap for development*; A. Blua, "Tajikistan: Traders look to China for brighter future", *Radio Free Europe/Radio Europe*, August 20, 2004; K. Arman, "US geopolitical position takes hit in Tajikistan", *Eurasia Insight*, July 13, 2004.

¹²⁶ Correspondence with a foreign aid worker near the border; interview with a cartographer/trekker who has visited the area regularly October 4, 2004.

come under the control of the Tajik military during the current transfer of control.

North of the Kulma Pass, trekking routes lead from the nearby Osh-Khorog highway to various passes along the Chinese border.¹²⁷ There is a greater police presence here compared with the south-east, although regular visitors have noted a shift towards more law enforcement at the Kyrgyz border and a reduction in the number and thoroughness of vehicle inspections along the highway.¹²⁸ Note that figure 3.13 (above) shows a second road crossing the border further north from the Kulma Pass. The state of this road is unclear – many maps plot it but one foreign visitor with extensive experience of the area denies its existence.¹²⁹ It is likely this road is a 4WD track, of which there seem to be several criss-crossing the border at several points.¹³⁰

On the Tajik side, border defence is in a state of flux. Until 2003, the Tajik-Chinese border was guarded by the Russian 201st Motorized Infantry Division. It has since become Tajikistan's responsibility but troop effectiveness is limited by a lack of equipment and training. One soldier at the Kulma Pass reported that there had even been complaints about a lack of food, although conditions there appear to have improved somewhat recently.¹³¹ In general, however, the Tajik military is still under-funded and under-equipped.¹³² It is unclear how well Tajikistan has replaced Russian patrols along northern border sections but reports from regular visitors and a local aid worker suggest that the adjustments have weakened security.

In terms of cross-border community/ethnic links, it is significant that the ethnic Tajiks on the Chinese side speak a language quite distinct from

¹²⁷ Satellite imagery and data; cartography by Markus Hauser; interview with a cartographer/trekker who has visited the area regularly, October 4, 2004.

¹²⁸ Correspondence with a foreign hiker who has driven the highway many times; interview with a cartographer/trekker who has visited the area regularly, October 4, 2004.

¹²⁹ Interview with a cartographer/trekker who has visited the area regularly, October 4, 2004.

¹³⁰ UNODC staff visit to the region, 2004.

¹³¹ Interview with a Tajik academic, a relative of the soldier, September 28, 2004.

¹³² Amongst other problems, Tajikistan's conscription system remains quite dysfunctional, although the government recently moved to address some abuses, such as military officers purchasing conscripts rounded up by police in order to reach recruitment targets – G. Amirshoeva, "Tajik army abuses tackled", Institute for War & Peace Reporting, available at www.iwpr.net.

that on Tajikistan's side (although both are often referred to as 'Tajik').¹³³ However, there is some interaction between the two sides, particularly in the Tokhtamish/Shaymak region. As examples, many members of the extended family of an imam at the Tokhtamish mosque live across the border in Tashkurghan¹³⁴ and there are cross-border marriages.¹³⁵ As discussed above, familial and ethnic connections assist trafficking and therefore make it more feasible across this section of the border (as well as various sections of the Kyrgyz-Chinese and Kazakh-Chinese borders – see figure 3.1 above). Although such links are far from necessary for drug smuggling they do suggest a closeness of communities that would inhibit surveillance and interdiction.

4.7. A note on Air Links

Air travel out of Xinjiang has increased substantially over the last decade but as a proportion of total traffic it is still quite low. By the end of 2005, China plans to have seven airports in the province: it is upgrading Urumchi, Hotan and Hami and is building new airports at Korla, Karamay, Narat and Turpan.¹³⁶ Urumchi airport is growing quickly and connects with Central Asian capitals. Still, Central Asia's air links are underdeveloped – 90% of transit traffic is via railway and road¹³⁷ – and 88% of Xinjiang's (registered) foreign trade by volume was transported by rail in 2003.¹³⁸

With less legitimate air traffic it is more difficult to conceal illicit cargo. Despite this, trafficking occurs via Central Asia's air links, although arrest reports suggest that most of the small-scale smuggling by this method is bound for Russia. It seems that traffickers do not currently use

¹³³ Gladney, 2003.

¹³⁴ Interview with a cartographer/trekker who has visited the area regularly, October 4, 2004.

¹³⁵ Reporting from a UNODC staff visit to the region, 2004.

¹³⁶ "Xinjiang region set to build six feeder airports", www.china.org.cn; Civil Aviation Administration of China.

¹³⁷ L. Guseva, "Transit potential of the Central Asian region's transport complex; conditions and prospects of development", paper presented to a CIMERA conference, *Economic Integration of the Central Asian Countries: Chances and Obstacles*, Dushanbe October 25, 2002.

¹³⁸ *China and Euro-Asian Transport Linkages*, presentation by China's Ministry of Communications to the UNECE 1st Expert Group Meeting on Developing Euro-Asian Transport Linkages 2002-2006, Almaty, March 11, 2004.

air transport to move significant narcotics loads into Xinjiang. The feasibility of trafficking into China by air will likely move in close step with that of trafficking by land and will depend greatly on the corruptibility of law enforcement.

5. Factors affecting the feasibility of trafficking

As China's links with Central Asia have multiplied and intensified the potential for trafficking has grown. In light of the consensus that Afghan opiates have increased their share of the Chinese market – albeit with little data on current proportions – this section discusses trends that impact upon the future feasibility of further expansion of imports.

Previously, some analyses of Afghan opiates in China have argued that their consumption is almost entirely confined to Xinjiang and that many imports from Central Asia are only in transit to Russia and Europe. Figure 2.2 reflects this view and many maps of regional trafficking routes show Afghan opiates looping through Chinese territory, from Tajikistan into Xinjiang and then into Kyrgyzstan or Kazakhstan.

Again, there is a lack of data to support this reading, but it may nevertheless encourage Chinese officials to believe that such transit flows pose little risk. Such a view was common in Central Asian governments in the mid-1990s and is intuitively appealing but the present drug situation in those countries shows how unfounded such a hope is.¹³⁹ The spillover of heroin flows from traffickers into the local population ensures that transit regions fast become consuming regions. For that reason, even if the majority of Afghan opiates in Xinjiang are currently in transit, the feasibility of trafficking in China's west now will directly affect the growth and dynamics of its consumption markets in the near future.

5.1. Regional Trade

China, Pakistan and the Central Asian republics all perceive strong interests in increasing their mutual trading links. For Central Asia, any expansion of trading possibilities is welcome as they seek to overcome the geographic barriers to their economic development and to diversify their trade routes away from a reliance on Russia.

¹³⁹ Similarly, Mexico's politics and economics have been deeply affected by the entrenchment of its role as a transshipment country between Colombia and the US – R. Godson & P. Williams, "Strengthening cooperation against transnational crime: a new security imperative", in Williams & Vlassis, 2001.

For China, the development of Xinjiang is a political priority and it sees the enhancement of trade with Pakistan and Central Asia as a way of accelerating the process.¹⁴⁰ In the Urumchi Economic and Technical Development Zone and the Urumchi High and New Technological Industrial Zone, special policies deregulating the economy go further in some aspects than those in similar zones on the eastern seaboard.¹⁴¹ In a related development, Kazakhstan and China announced in early 2004 that they will establish a special free-trade zone in a section of their border, in which there will be zero tariffs and free movement of people and goods.¹⁴² As a part of this, in October 2004 China confirmed it is preparing to construct an ‘international centre for border cooperation’ with Kazakhstan.¹⁴³

For Pakistan, gaining influence in Central Asia and deepening cooperation with China are strategic goals that increasing trade will further.¹⁴⁴

Figure 5.1 shows the level of trade between China and its western neighbours.¹⁴⁵ In terms of the risk from drug trafficking, it is significant that most of this trade occurs directly with Xinjiang. Figure 4.2 (next page) gives selected examples of the many regional initiatives that aim to intensify trade flows. Although these broad programmes and raw trade figures do not detail flows along specific routes, the general trend is for traffic increases along all routes into China from Central Asia and Pakistan. Most significantly, figures 4.1 and 4.2 only relate to legal flows

¹⁴⁰ N. Becquelin, “Xinjiang in the Nineties”, *The China Journal* 44:July, 2000; M. Spechler, “Crouching dragon, hungry tigers: China and Central Asia”, *Contemporary Economic Policy* 21:2, 2003; N. Becquelin, “Staged development in Xinjiang”, *China Quarterly* 178, 2004; G. Fuller & S.F. Starr, *The Xinjiang Problem*, Central Asia-Caucasus Institute, 2004; R. Menon, “The new great game in Central Asia”, *Survival* 45, 2003; A. Wolfe, “China takes the lead in strategic Central Asia”, *Asia Times Online*, September 17, 2004.

¹⁴¹ China ECDC Network, *Study on the Development and Opening-Up of the New Asian-Europe Continental Bridge Area (China’s Side)*, published at www.ecdc.net.cn, 2004.

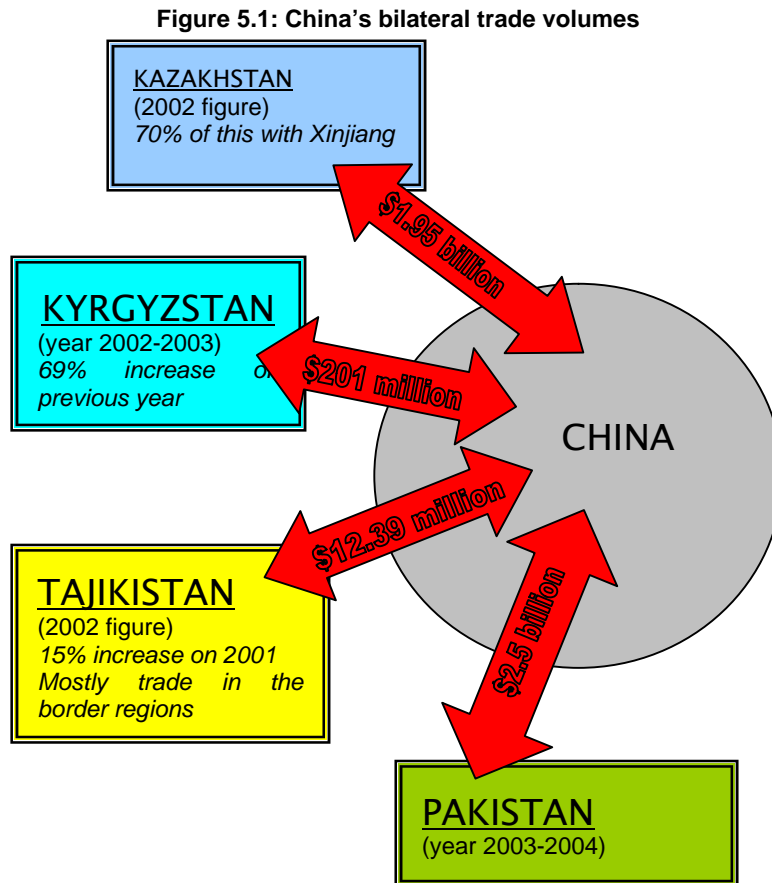
¹⁴² “China & Kazakhstan to build a free border trade zone”, *People’s Daily Online*, February 26, 2004.

¹⁴³ “China to seek further trade, economic cooperation with Central Asian countries”, *Xinhua*, October 18, 2004.

¹⁴⁴ S. Kumar, “Power cycle analysis of India, China, and Pakistan in regional and global politics”, *International Political Science Review* 24:1, 2003; S. Blank, “Missing: A modern-day silk road”, *Asia Times* October 17, 2002; “Editorial: Transit trade with Central Asia”, *Daily Times*, Lahore, September 4, 2003; O. Jones, *Pakistan: Eye of the Storm*, Yale University Press, 2002; R. Cutler, “Economics and security in Central Asia”, *Harvard Asia Quarterly* 5:1, 2001; C. Mackerras, “‘Pivot of Asia’ sees China-Pakistan maneuvers”, *Asia Times Online*, August 13, 2004.

¹⁴⁵ Compiled from various press releases by Chinese government agencies and reports in Chinese state press agencies.

and do not represent the immense number of possibilities for illicit border crossings.



Including black markets, China has probably become the Central Asian republics' most important trading partner. It is certainly so for the residents of many border regions and trade flows have grown rapidly in recent years. In the first eight months of 2003 trade between Xinjiang and Kazakhstan totalled \$1.37 billion, an increase of 79.6% on the same period in 2002.¹⁴⁶ Overall, Xinjiang's foreign trade increased by 73% in the first three quarters of 2003 and was worth some \$3 billion.¹⁴⁷ China's trade with the five Central Asian republics amounted to \$3.56 billion in the first eight months of 2004 – a 53% increase over 2003¹⁴⁸ – and, in another

¹⁴⁶ "Xinjiang bridges China, Central Asia", *People's Daily Online*, October 2, 2003.

¹⁴⁷ "Foreign trade soaring in northwest China's Xinjiang", *China Daily*, October 26, 2003.

¹⁴⁸ Figures from the Ministry of Commerce, quoted in "China to see further trade, economic cooperation with Central Asian countries", *Xinhua*, October 18, 2004.

indication of burgeoning links, at a trade fair held in Urumchi in September 2004, over \$1 billion in deals between Chinese and Central Asian businesses were agreed.¹⁴⁹

Figure 5.2: Selected regional trade enhancement initiatives

- ✍ A **preferential trade agreement** between Pakistan and China was signed in 2003, committing the two countries to removing barriers to trade in many goods. Trade under the agreement is due to begin on January 1, 2005. In the nine months following its completion trade between the two countries increased by 50%.
- ✍ **The Shanghai Cooperation Organization** – composed of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan – has adopted a Long-Term Program of Multilateral Trade and Economic Cooperation, a rather vague set of proposals for increasing economic ties, although the intention is clear. At the SCO summit in June 2004, China offered \$900 million in preferential buyer's credit loans to the other members.
- ✍ In 1997 the Asian Development Bank initiated the **Central Asia Regional Economic Cooperation Program** to encourage economic cooperation between China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Its focus is on funding infrastructure development and to date loan projects to the value of \$172 million have been approved.
- ✍ The **UNESCAP Asian Highway Network** is a broad and varied programme for developing and encouraging the use of trade roads throughout Eurasia, including between China and its Central Asian neighbours. In November 2003 the Intergovernmental Agreement on the Asian Highway Network was adopted by 32 countries, committing them to improving the sections of their road networks identified as international transport routes. The China-Kazakhstan highway running from Urumchi to Khorgos is one of these.

Geography and underdevelopment of the areas bordering China limit the volume and value of regional trade that can occur but China-Central Asia trade has proceeded from such a low base that rapid growth is still likely in the short term. The corollary of this is that underdevelopment limits the degree to which borders can be monitored, vehicles checked and trade controlled. The permeability of the Tajik-Afghan border shows that the difficulty of preventing smuggling is huge even when governments and international agencies universally acknowledge it as a problem.

Currently, China does not seem to pay much attention to pre-empting the increased potential for trafficking drugs that will accompany the expansion in licit traffic. Its primary concern on its western frontiers is in maintaining stability in Xinjiang (see below).¹⁵⁰ For example, the state

¹⁴⁹ "China to see further trade, economic cooperation with Central Asian countries", *Xinhua*, October 18, 2004.

¹⁵⁰ Becquelin, 2000.

press celebrated signing a border defence cooperation agreement with Kazakhstan in 2002, seeing it as the “foundation for the two countries to fight against the ‘three vices’, terrorism, separatism and extremism”.¹⁵¹ It has completed similar agreements with the same emphasis with Kyrgyzstan, Tajikistan and Uzbekistan (all four have now been ratified).¹⁵²

The SCO may prove effective at coordinating counter-narcotics programmes in the future but at present its security agreements overwhelmingly focus on terrorism, with the drug trade a secondary concern.¹⁵³ Narcotics did not receive a mention in the joint communiqué issued at its summit on September 23, 2004¹⁵⁴ and in an interview with a Kazakh newspaper in October 2004, the group’s secretary-general Zhang Deguang said the following regarding their priorities: “one cannot say that fighting terrorism will be the only task; we are also working on creating conditions for boosting our economies”.¹⁵⁵

Strategic goals aside, the overall aim is that intra-regional trade will develop the countries and regions involved. In the long term therefore, insofar as trade increases prosperity, it should decrease the attraction and feasibility of trafficking. While this is a reasonable goal to work towards, in the shorter-term the effect will be the opposite. Not only does it reduce the ability to monitor cargoes, increasing trade also reduces the more mundane costs and difficulties of trafficking and so multiplies the number of profitable routes.

One example of the unintended consequences of trade enhancement is the way in which development of the KKH has made it easier for militants to move between Pakistan and China. In recent years, many Uighurs have visited Pakistan for the purposes of study, mostly in Islamic institutions. There has been diplomatic friction between China

¹⁵¹ “China, Kazakhstan to further border defense cooperation”, *People’s Daily Online*, January 19, 2004.

¹⁵² “China ratifies anti-terror treaty with Tajikistan”, *Dow Jones International News*, October 28, 2004.

¹⁵³ Ministry of Foreign Affairs of the People’s Republic of China, *Shanghai Cooperation Organization*, www.fmprc.gov.cn/eng/topics/sco/t57970.htm; A. Bohr, “Regionalism in Central Asia: new geopolitics, old regional order”, *International Affairs* 80:3, 2004.

¹⁵⁴ *Joint Communiqué of the Council of the Governmental Heads of Shanghai Cooperation Organization Member States*, available at www.fmprc.cn.

¹⁵⁵ “Top Shanghai group officials set out policy priorities, aspirations”, *Ekspress-K*, translation by BBC Monitoring Asia-Pacific, October 1, 2004.

and Pakistan over these exchanges and Chinese authorities who arrest Uighur militants in Xinjiang often claim that they have been schooled in Pakistan.¹⁵⁶

The movement of arms and wanted militants along the KKH is one reason to doubt the ANF's assertion that the route is well-policed in both countries.¹⁵⁷ Guards at Sust and Tashkurghan occasionally subject locals to strict searches and protocols but foreigners report a surprising ease of movement.¹⁵⁸ It is approximately 160 km between the two customs points and the actual border crossing at the Khunjerab Pass has not traditionally been a facility for inspecting travellers, although cursory checks appear to have become more common in recent years.¹⁵⁹ The ultimate proof of their effectiveness, however, is the passage of restricted goods - evidently, the customs points are prone to penetration or circumvention. In the likelihood that traffic along the KKH continues to increase it will stretch enforcement capacity further.

5.2. Central Asian Trafficking Practices

The shift towards heroin production in Afghanistan prior to export and the resultant shift in the ratio of opium to heroin trafficked discussed in Section I (see figure 3.9 and 3.10) raises the risk to China of Afghan opiate importation. Where multi-ton consignments are possible over the Pakistan-Iran border, trafficking in smaller quantities of heroin is preferable along Central Asian routes. Small loads are more difficult to detect and with cheap couriers - something Central Asia can provide in numbers - they can still be very profitable. In discussing trade volumes in Xinjiang, a Chinese customs official attributed rapid growth to

¹⁵⁶ Fuller & Starr, 2004; The Chinese government lodged a complaint with Pakistan's Interior Ministry after the arrest of sixteen Uighurs in 1999 who said they had been trained in guerrilla tactics in Pakistan - Z. Haider, "Clearing clouds over the Karakoram Pass", *YaleGlobal*, March 29, 2004.

¹⁵⁷ Interview with a senior officer in the ANF's Islamabad office, September 17, 2004.

¹⁵⁸ Interview with a foreign academic who has frequented the route, October 18, 2004. Correspondence with a foreign hiker who has crossed the pass several times; also useful were the various travelogues of tourists using the KKH posted on the internet.

¹⁵⁹ Correspondence with a foreign hiker who has crossed the pass several times; correspondence with a Chinese academic based in Kashgar.

“soaring small border trade”,¹⁶⁰ a particularly high risk category for small-scale trafficking.

The many entry points into Xinjiang and the use of these for all manner of traffic combine with the trend towards more numerous but smaller narcotics loads and increase the feasibility of trafficking Afghan opiates into China. Controlling the Tajik-Afghan border has proved difficult because of length and terrain, but China must also contend with the volume of legitimate traffic.¹⁶¹ Checking each crossing thoroughly is impossible and not in China’s broader economic and political interests.

5.3. The Drug Market in Xinjiang

The development of drug addiction and markets in Xinjiang will affect both the demand for Afghan opiates and the feasibility of trafficking these further east.

To begin with, the number of addicts in the province determines the local demand for opiates.¹⁶² Estimates of the size of the addict population in Xinjiang are few and their accuracy is difficult to determine but there is a general consensus among observers that Xinjiang is a problem province in terms of addiction.¹⁶³ China’s north-west is the area with the fastest growing drug user population¹⁶⁴ and in China as a whole, heroin is the opiate of choice.¹⁶⁵ According to China’s Drug Abuse Surveillance Network, 89.3% of new drug abusers in 2003 used heroin and overall 96.8% of those who had used drugs during the year had consumed heroin.¹⁶⁶ 47% of those using heroin did so intravenously, with 42%

¹⁶⁰ Quoted in “Xinjiang bridges China, Central Asia”, *People’s Daily Online*, October 2, 2003.

¹⁶¹ The Iran-Turkey border provides an example of how large traffic flows make effective detection impossible. There, border guards explain that they cannot give each vehicle even a cursory inspection because of the number of crossings they must facilitate each day – presentation by Vladimir Fenopetov at Uppsala University, September 23, 2004.

¹⁶² Chinese government statistics show around 900,000 drug addicts in the entire country, most of whom are heroin users - UNODC, *Global Illicit Drug Trends 2003*. The real number is certainly higher – see for example UNAIDS & UNDCP, *Drug Use and HIV Vulnerability: Policy research study in Asia*, 2000.

¹⁶³ National Surveillance Center on Drug Abuse, 2004; Radio Free Asia, “Uyghur children fall prey to drug addiction”, July 19, 2004; Mackerras, 2004.

¹⁶⁴ National Surveillance Center on Drug Abuse, 2004.

¹⁶⁵ UNODC, *Amphetamine-type Stimulants in East Asia and the Pacific*, 2004; National Surveillance Center on Drug Abuse, 2004.

¹⁶⁶ National Surveillance Center on Drug Abuse, 2004.

‘chasing the dragon’ (while the latter is less damaging, it is usually only a step towards the former¹⁶⁷), although in the north-west only 20% reported injecting.¹⁶⁸

A reduction in the number of heroin addicts in Xinjiang is unlikely in the short term and their numbers will probably continue to grow. The Chinese government’s sentencing laws and treatment methods are not conducive to rehabilitation:

- first-time offenders can elect to go on a 10-day methadone treatment;
- if caught a second time, users go to a compulsory rehabilitation centre for between six and twelve months;
- for a third offence, the sentence is two to three years at a ‘re-education-through-labour centre’;
- relapse rates for heroin users are around 90 percent¹⁶⁹
- in 2003, 55% of those undergoing detoxification had already completed it more than twice.¹⁷⁰

China’s 746 compulsory rehabilitation centres received 250,000 people in 2000 and in the same year there were 120,000 in ‘re-education-through-labour centres’.¹⁷¹ Although the government offers methadone treatment,¹⁷² these are priced beyond the reach of most¹⁷³ and China’s general policies on addiction are punitive.¹⁷⁴ Xinjiang’s legal and rehabilitative climate, the habits of heroin users in general (discussed in Section III) and the results of Chinese research in particular all suggest that the

¹⁶⁷ Tao L., Liang W. & Liu H., “Study on the change of heroin abuse from snorting or smoking to intravenous injecting”, *Chinese Journal of Drug Dependence* 9:4, 2000; Gossop et.al., 2004; Xiahong L., Mu J. & Jia S., “Epidemiological investigation of 63 HIV positive heroin dependents”, *Journal for China AIDS/STD Prevention and Control* 5:6, 1999.

¹⁶⁸ National Surveillance Center on Drug Abuse, 2004.

¹⁶⁹ M. Razak, *Situation Assessment of Injection Drug Users in Yunnan Province*, The Futures Group Europe, 2002; a report by the US Embassy in Beijing from 1997 also estimated a 90% relapse rate – *AIDS Day 1997: China Responds to AIDS*.

¹⁷⁰ National Surveillance Center on Drug Abuse, 2004.

¹⁷¹ Razak, 2002.

¹⁷² “New measures to curb AIDS in Guangdong”, *People’s Daily Online* May 20, 2004.

¹⁷³ Razak, 2004.

¹⁷⁴ Information Office of the State Council of China, *White Paper on Narcotics Control*, 2000.

demand of a heroin addict in Xinjiang is likely to remain stable throughout their lifetime.¹⁷⁵

Drug addiction and trafficking are linked in a positive feedback loop and therefore any increase in addiction increases the feasibility of trafficking. Addiction represents demand and the profits available in the local market – when these increase, the money and effort available for trafficking increase. Moreover, during local market penetration traffickers foster networks and corruption that are also useful for the purposes of organizing onward shipment. And, to complete the loop, larger volumes of smuggling tend to encourage addiction because they increase the availability and affordability of narcotics. Not least, this occurs because payment to couriers is frequently in the form of drugs, which they then need to sell.¹⁷⁶

5.4. Social and Economic Conditions in Xinjiang

Xinjiang has undergone an economic boom over the last decade that has elevated it to the 12th richest province per capita in China.¹⁷⁷ Given that poverty is often a contributing factor to both heroin addiction and willingness to engage in trafficking, economic growth is generally welcome. It is not all positive, however, and Xinjiang's development path is in some ways raising the risk of drug trafficking.

Firstly, development is tending to favour Han immigrants over native Uighurs. In the science and technology, oil and gas, transport, communications and manufacturing sectors, approximately 80% of jobs are taken by Han Chinese. In the construction industry, the figure is around 90%¹⁷⁸ - overall, the new arrivals are enjoying a disproportionate share of the boom. Aside from Uighur frustration from their slower increase in prosperity, this differential development also creates a wider feeling of powerlessness and a sense of losing ownership of the society.¹⁷⁹

¹⁷⁵ There are also plenty of allegations that guards at clinics deal drugs to their wards - for example, H. Beech, "Chinese Junk", *Time Asia*, May 13, 2002.

¹⁷⁶ S. Calvani, E. Guia & J.L. Lemahieu, "Drug resistance rating: an innovative approach for measuring a country's capacity to resist illegal drugs", *Third World Quarterly* 18:4, 1997.

¹⁷⁷ Fuller & Starr, 2004.

¹⁷⁸ *ibid.* p.18.

¹⁷⁹ G. Bovingdon, "The not-so-silent majority: Uyghur resistance to Han rule in Xinjiang", *Modern China* 28:1, 2002; Fuller & Starr, 2004.

In depressed areas of Russia such feelings seem to have contributed to the rapid growth of drug abuse¹⁸⁰ and while the direct effects are debatable, it is clear that neither of these trends is conducive to curbing drug abuse. Importantly, the west and south-west areas of Xinjiang – those bordering Central Asia – are enjoying the least benefit from the province's economic development; and they are the areas in which Uighurs are still the clear majority.¹⁸¹

Secondly and flowing from this, Uighurs are experiencing social dislocation. Only recently have they become a minority and there are strong currents of resentment at the massive influx of Han Chinese migrants from further east – in 1949 only 6% of Xinjiang's population was Han, but today the official figure is 40%, which is likely an understatement.¹⁸² There are also between 300,000 and 500,000 Uighur citizens of Central Asian republics,¹⁸³ and some in Xinjiang look to these countries as models, seeing them as examples of places where ethnic groups have control of their own destiny.¹⁸⁴ There is a general perception among Uighurs that the central government favours Han immigrants and many believe that Beijing is deliberately seeking to dilute Uighur power and culture.¹⁸⁵ An 'us and them' society is developing that reduces security in the province and hinders cooperation between the security services and the wider population.¹⁸⁶

Thirdly, this has led to the radicalisation of some Uighurs, to the extent that some now perceive an existential threat in Xinjiang. There are over 20,000 officially registered mosques in the province now, compared with around 2,000 in 1978,¹⁸⁷ and radicals increasingly they characterize their resistance in Islamic terms. The schooling of Uighurs at Pakistani

¹⁸⁰ DEA, *Heroin trafficking in Russia's troubled East*, October 2003.

¹⁸¹ Fuller & Starr, 2004; Bovingdon, 2002; many districts fall far below China's national poverty line - Becquelin, 2000.

¹⁸² Fuller & Starr, 2004; D. Lynch, "In Xinjiang province, an uneasy coexistence", *USA Today* September 22, 2004.

¹⁸³ Becquelin, 2000.

¹⁸⁴ Bovingdon, 2002.

¹⁸⁵ Fuller & Starr, 2004; Bovingdon, 2002.

¹⁸⁶ Becquelin, 2000; Bovingdon, 2002; Fuller & Starr, 2004.

¹⁸⁷ Information Office of the State Council of the PRC, *White Paper on National Minorities Policy and its Practice in China*, 1999.

madrassas mentioned above is one indication of this,¹⁸⁸ as is the financial assistance that some Islamic Uighur groups receive from overseas.¹⁸⁹ As Afghanistan and Central Asia can attest, the presence of radical militant groups can greatly increase the risk of drug trafficking.¹⁹⁰

China's response (currently known as 'Strike Hard! Maximum Pressure!') has been strong and escalated after a series of explosions in Beijing and Xinjiang in early 1997, apparently linked to Uighur nationalist demands.¹⁹¹ In 1999 Xinjiang reached the highest rate of executions per capita in China and there are allegations of many unreported and extra-judicial executions.¹⁹² Simultaneously, the government has increased efforts to purge Uighur culture and language, decreeing that most courses at Xinjiang University would be taught only in Chinese and apparently organizing the burning of books written in Uighur.¹⁹³ Mass arrests are common on the suspicion of engaging in separatist activities and inciting ethnic riots¹⁹⁴ and China appears unfazed by Western concern over its methods.

The result is that security in Xinjiang has become militarized and the number of troops in the province has risen substantially in the past decade.¹⁹⁵ In some ways, the heightened security presence makes drug trafficking more difficult, but the experience of Russia's border guards in Tajikistan shows that troops are no panacea for smuggling. Certainly, the size of the military in Xinjiang is much larger than Russia's in Tajikistan, but conversely their primary role is not smuggling prevention. More worryingly, in some countries (Myanmar, Thailand, Colombia) a strong

¹⁸⁸ Haider, 2004.

¹⁸⁹ A. Rashid, "China forced to expand role in Central Asia", *Central Asia-Caucasus Analyst*, July 19, 2000; US Department of State, *Patterns of Global Terrorism 2003*, April 2004; Haider, 2004.

¹⁹⁰ China has occasionally been keen to make the link between Uighur terrorist groups and the expansion of drug abuse in Xinjiang – see for example "China blames separatists for rising Xinjiang drugs trade", *Deutsche Press-Agentur*, January 29, 2002; "China's Xinjiang region plans to deal 'hard blows' to drug-related crimes", *BBC Monitoring International Reports*, February 24, 2002.

¹⁹¹ Gladney, 2003.

¹⁹² Amnesty International, *People's Republic of China: Gross violations of human rights in the Xinjiang Uighur Autonomous Region*, April 21, 1999.

¹⁹³ M. Dillon, "Uighur language and culture under threat in Xinjiang", *Central Asia-Caucasus Analyst*, August 14, 2002.

¹⁹⁴ Amnesty International, 1999; Fuller & Starr, 2004.

¹⁹⁵ Gladney, 2003.

military presence resulted in its involvement in drug trafficking. There have been many allegations that troops on the Tajik-Afghan border engage in the drug trade and some confirmation of this came in April and May 2004 when, in separate incidents, the Tajik Drug Control Agency arrested two members of the Russian border guard service.¹⁹⁶

Xinjiang's history gives a context for both the drug trade and the appeal of ethnic/religious arguments for autonomy. The name itself means 'new frontier' or 'new dominion', although the locals have interacted with the Chinese state for more than a millennium.¹⁹⁷ Nevertheless, their external labelling as 'Uighurs' and their subsequent self-identification as such is far more recent.¹⁹⁸ Although militants occasionally attempt to portray their struggle as part of a long tradition, whether as a Muslim struggle or an ethnic one, both are relatively new phenomena.¹⁹⁹

Moreover, there is no single Uighur resistance group and the unity of the movement only extends to dissatisfaction with the status quo.²⁰⁰ For example, in May 1996 one group of Uighurs attacked the Imam of the Idgah Mosque in Kashgar, apparently over religious differences.²⁰¹ However, the majority of groups are non-violent and nationalist rather than extremist and Islamic.²⁰² For its part, China identifies four organizations as terrorist groups – the East Turkestan Islamic Movement, the East Turkestan Liberation Organization, the World Uighur Youth Congress and the East Turkestan Information Center.²⁰³ Nebulous organization is not a reason to discount the effect of Uighur militancy, however, and if anything its lack of a coherent structure makes it more difficult to deal with effectively. The more dramatic incidents reported internationally seem to be the tip of the iceberg - in 1999 the governor of Xinjiang Abdulahat Abdurixit said publicly that

¹⁹⁶ "V Tajikistane zaderzhan rossiyskiy pogranchnik s 12 kg geroina", *Interfax* May 5, 2004; Radio Free Europe/Radio Liberty, "Central Asia report", *Analytical Report*, May 11, 2004.

¹⁹⁷ Gladney, 2003; Fuller & Starr, 2004.

¹⁹⁸ Gladney, "The ethnogenesis of the Uighur", *Central Asian Studies* 9:1, 1990; Fuller & Starr, 2004.

¹⁹⁹ Gladney, 1990.

²⁰⁰ M. Oresman & D. Steingart, "Radical Islamization in Xinjiang - lessons from Chechnya?", *Central Asia-Caucasus Analyst* July 30, 2004; Fuller & Starr, 2004.

²⁰¹ Gladney, 2003.

²⁰² Oresman and Steingart, 2004.

²⁰³ As per a Chinese Ministry of Public Security list - US Department of State, 2004.

“since the start of the 1990s, if you count explosions, assassinations and other terrorist activities, it comes to a few thousand incidents”.²⁰⁴ Although he might have had some reason to exaggerate, his statement suggests militancy has been much more pervasive than most official portrayals admit.

The drug trade is of much older vintage. The oases of Xinjiang were stops on the Silk Road and the current absence of substantial opium cultivation in north-western China represents something of a break with history.²⁰⁵ Chinese authorities have tended to concentrate on drug problems in the cities of the more populous and prosperous eastern seaboard but opium use was widespread in Xinjiang for much of its history.²⁰⁶

In sum, the underlying situation in Xinjiang is one of social and economic instability.²⁰⁷ Moving more troops into the province does little to address the causes of this and, in terms of creating a situation of confrontation between the government and the people, it actually amplifies it. This breeds further instability.²⁰⁸ Given that trafficking routes all over the world favour areas that have become unstable, whatever the reason,²⁰⁹ this increases the risk to China of an expansion of Afghan opiate imports.

In more concrete terms, instability and drug addiction in Xinjiang play a facilitating role because they bring together East Chinese networks and Afghan opiates. A higher level of demand increases the penetration and power of drug distribution networks by ritualising illicit transactions and corruption, that is, converting what might initially be opportunism for those involved into standard practice. Taking figure 2.2 as a rough guide

²⁰⁴ Quoted in Becquelin, 2000, p.87.

²⁰⁵ D. Bello, “Opium in Xinjiang and Beyond”, in Brook & Wakabayashi (eds.) *Opium Regimes: China, Britain and Japan, 1839-1952*, University of California Press, 2000.

²⁰⁶ Various chapters in Brook & Wakabayashi, 2000 show this preoccupation, as do present-day threat perceptions in China’s counter-narcotics policy formulation and implementation.

²⁰⁷ The more nebulous security threat posed by HIV is also intimately related to the drug trade – C. Beyrer, “Human immunodeficiency virus infection rates and heroin trafficking: fearful symmetries”, *Bulletin on Narcotics* 54:1&2, 2002. UNAIDS estimates that 35-80% of drug users in Xinjiang are HIV-positive – UNAIDS, *Fact Sheet; AIDS epidemic in Asia*, 2004.

²⁰⁸ Oresman and Steingart, 2004; Bovingdon, 2002.

²⁰⁹ GTZ discussion paper for the Drugs and Development Programme, *Drugs and Conflict*, Eschborn 2003.

for current opiate flows in China, for the reasons outlined in Section I there is likely to be pressure for these to reverse and for Afghan opiates to begin to move eastwards in larger volumes. A deeper institutionalisation of trafficking in Xinjiang will facilitate the organisation of more Afghan opiate import shipments for the purposes of supplying networks in Eastern China.

Overall, therefore, there is a high risk to China that developments in Xinjiang are exacerbating and will continue to exacerbate drug addiction and to increase local involvement in the drug trade.

5.5. Competition and Collaboration

Any imports of Afghan opiates into Xinjiang are theoretically in competition with those of networks distributing from eastern China. There is no evidence yet that such competition is fierce, however, whether that is because the current market penetration of Afghan opiates is low or because demand is high enough to absorb them without affecting prices. Although it is not impossible to imagine stronger competition for the local market if Afghan imports grow, financial incentives are more likely to encourage collaboration between Central Asian exporters and East Chinese importers as the latter seek to secure eastward flows. The ethnic and cultural advantages of the Chinese networks with regard to trafficking within China lower the possibility that Central Asian traffickers will organise eastward shipments alone. Indeed, Section II implies that east Chinese networks will be central actors in raising imports.

5.6. The Risk Multiplier

The implications of an increase in Chinese imports of Afghan opiates are many and varied but the analysis above has only attempted to cover those that feed back directly into trafficking feasibility (such as the number of addicts). More broadly, the most important implication of an expansion of trafficking is that it can very quickly entrench the drug trade as a pervasive social, political and economic phenomenon.²¹⁰ Because of this

²¹⁰ *loc. cit.*

feedback loop, the risk of entrenchment multiplies the initial risk to China of the expansion of Afghan imports.

In Central Asia, the drug trade rose from a non-issue to an all-encompassing one within a decade. Now entrenched, it is hugely more difficult to resolve. The consequences to Central Asia of not perceiving and not acting on that risk have only become visible recently.

China needs to avoid all and any of ignorance, indifference and laxity in its response to the drug trade on its western borders. It is unlikely that the drug trade will become as powerful in Xinjiang as it has become in the Central Asian republics but the province does exhibit many of the characteristics of population, economy and society found in other countries of the globe vulnerable to or complicit in drug trafficking. Although China is a stronger state than its western neighbours, Xinjiang's similarities to other areas plagued by narcotics (particularly opiates) raise the possibility that an expansion of trafficking will entrench the drug trade there. Some of these similarities were evident in the discussion above but figure 4.3 (next page) draws comparisons to demonstrate the confluence of factors in Xinjiang that may be conducive to the entrenchment of the drug trade in the future.

While these only serve as rough comparisons, they do suggest that an assessment of trafficking risk must consider its ability to reproduce the conditions for its own success. The current feasibility of trafficking Afghan opiates into China will directly affect the feasibility of the same in the future. This feedback mechanism raises the initial risk from an increase in Afghan opiate imports.

Figure 5.3: Similarities between conditions in Xinjiang and other areas afflicted by the drug trade

Characteristic		Comparative country/region
Proximity to source	Xinjiang is close to Afghanistan and is its first point of contact in the large Chinese market	Tajikistan: over-run by trafficking towards more profitable markets
Terrain	Xinjiang's topography hinders development and law enforcement	Kyrgyzstan: mountain trails from Tajikistan have become excellent smuggling routes
Poverty	Many traditional communities remain in abject poverty and rapid unequal development threatens their means of subsistence ²¹¹	Badakhshan: rural poverty and few opportunities for advancement encourage involvement in the drug trade ²¹²
Radical militancy	Some Uighurs have become radical and seek to destroy the current political and/or economic order	Uzbekistan: The IMU found illegal drug money to be an excellent source of funding ²¹³
Government distance	A substantial segment of the population does not feel connected or loyal to the government and some even perceive it as hostile ²¹⁴	Yunnan: ethnic loyalty is more important than state loyalty; little socialisation of respect for the law
Militarized security	The Chinese military is central to maintaining security in Xinjiang	Thailand: in the past, military autonomy proved corruptible in its relations with the drug trade
Drug/disease stigma	Drug addiction and HIV attract social stigma in Xinjiang; this complicates the formulation and implementation of countering programs	Central Asia: Inattention to addiction allowed its explosion and reproduces local demand and drug trade involvement

²¹¹ Fuller & Starr, 2004.

²¹² Pain, 2004; Goodhand, 2000; interview with a foreign academic specialising in development in the region, October 17, 2004.

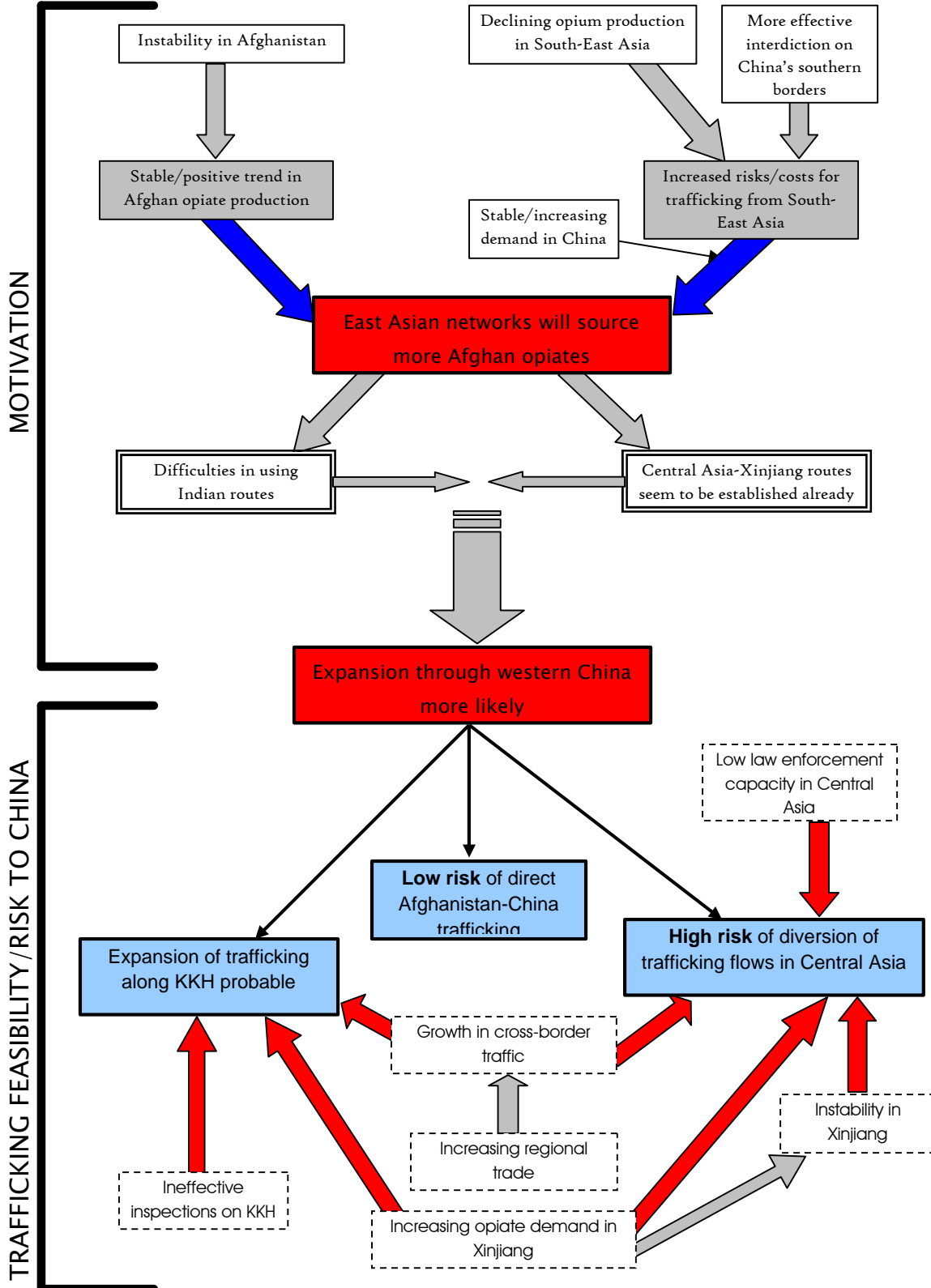
²¹³ T. Makarenko, "Terrorism and religion mask drug trafficking in Central Asia", *Jane's Intelligence Review* 12:11, 2000; S. Cornell, "Central Asia: more than Islamic extremists", *The Washington Quarterly* 25:1, 2002.

²¹⁴ Bovingdon, 2002; Fuller & Starr, 2004; Seytoff, 2000.

6. Conclusions and Recommendations

The diagram below summarises the assessment and its components form two broad groups.

Figure 6: Diagrammatical representation of the risk to China



The first group comprises those factors/trends that affect the motivation traffickers have to move Afghan opiates into China. The second is the group of factors/trends that affect the feasibility of their doing so. An alternative way to conceptualise the interplay of these components is as push and pull factors. The large harvest and production capacity in Afghanistan is a push factor, as is the related phenomenon of large flows of opiates close to China's borders with Central Asia. Pull factors consist of the relative decline of South-East Asia as a source for Chinese consumers and the stable and in all likelihood growing demand for opiates in China, particularly in Xinjiang. These push and pull factors interact in the context of facilitating trends such as growing regional trade.

China faces a high risk of an increase in its importation of Afghan opiates. The relative trends in opiate production in Afghanistan and South-East Asia are likely to pressure distribution networks in China to begin sourcing more of their product from Afghanistan. The rise of ATS production in East Asia does not greatly relieve this pressure due to the character of demand for heroin, which will provide strong incentives to expand Afghan opiate imports into China. Traffickers' potential for accomplishing this is greater via western China than via India.

Of the routes into western China the highest risk is posed by diversions of the very large flows through Central Asia. Indeed, perceiving China and Central Asia as different entities obscures the fact that Xinjiang is itself a part of Central Asia. Acknowledging this allows for a clearer assessment of the risk posed by trafficking flows in Kazakhstan, Kyrgyzstan and Tajikistan. These three countries are all experiencing difficulties in controlling the drug trade and some northern routes from Afghanistan already feed Xinjiang, though it is unclear to what extent.

A variety of trends in the region improve the feasibility of trafficking into China's west, including expanding trade, drug policy and addiction in Xinjiang, the Han/Uighur divide and the reduced size and increased value of smuggling loads. The combination of these factors raises the risk to China that the drug trade will entrench itself more firmly in Xinjiang. It also fosters connections between East Chinese distributors and Central Asian traffickers, suggesting the possible integration of what has until now been perceived as a geographically split opiate market in China.

Due to the current state of its systems for analysing opiate origin, China is in no position to monitor the evolution of this risk. The experience of its Central Asian neighbours in the late 1990s suggests that this inability could have grim consequences. For countries threatened by the drug trade prevention is a great deal better than cure, especially since many who are forced to attempt the latter have found themselves fighting vigorously just for containment. Because of its tendency to pervade an area once entrenched, the drug trade reproduces conditions from which it benefits. The implications for China of such a prospect are hugely negative and measures to address the risk identified in this assessment must be made in this context. A number of recommendations follow from the assessment:

China

- Centralise data on the origin of seized opiates
- China has over 2,000 centres for testing narcotics.²¹⁵ Their operation and output should be systematized to a higher degree in order to begin building basic data on the breakdown of opiate consumption markets by source, which is crucial to assess and respond to the evolution of the threat from trafficking in Afghan opiates.
- Increase demand reduction efforts in Xinjiang
- China needs to consider the wider application of harm-reduction approaches to drug addiction. It has experimented with some of these in southern provinces but has been reluctant to expand them. Current drug-related education programs should be expanded in Xinjiang.
- Increase and improve the customs presence along western borders
- The ease of movement reported by a variety of sources suggests that militarization of security in Xinjiang does not prohibit smuggling. China should raise the profile of trafficking prevention as a priority of its western customs services.
- Include discussions specifically focussed on smuggling in international negotiations on trade enhancement

²¹⁵ Correspondence with UNODC Bangkok.

- China needs to broaden its cooperation with Central Asia away from its obsession with separatist groups. The SCO could be a useful forum for increasing cooperation on drug-related border protection issues and in general China should give these a higher profile in meetings with its western neighbours.
- Engage in programs to assist the Central Asian republics' border services in trafficking prevention on Xinjiang's borders
- China clearly has a much stronger interest than Central Asian governments in protecting Xinjiang's borders. The impetus for increasing this protection will therefore only come from China and it should consider offering assistance to Tajikistan, Kyrgyzstan and Kazakhstan with their policing of borders with Xinjiang
- Apply lessons learnt in the south
- In general terms, China should consider how to adapt the counter-narcotics principles and programmes in Xinjiang that it already accepts and applies in the southern provinces. Many of the internal government methods for counter-narcotics threat perception, policy formulation and program implementation that China uses against the Burmese trade might be useful in Xinjiang. Perhaps the greatest reason to consider applying these promptly in the west is that their successful application now may pre-empt the difficult situation now established in Yunnan and other southern provinces.

International agencies

- Appreciate that Xinjiang does not border Central Asia but is a part of Central Asia

The conceptual division between South-East and South-West Asian heroin consumption markets underpins the separation of Xinjiang and Central Asia for the purposes of counter-narcotics policy. UNODC provides a good example of this – its Bangkok office is responsible for Xinjiang while its Tashkent office is responsible for the Central Asian republics. Trafficking in Afghan opiates threatens both China and Central Asia and counter-narcotics programs in Xinjiang need to be oriented to complement those in Central Asia.
- Encourage the Chinese government to pre-empt the risk of increased Afghan opiate importation

Following from the above, international agencies that have overcome the conceptual division between Xinjiang and Central Asia need to press China to do the same. This could be done by, for example, inviting Chinese law enforcement representatives to relevant training sessions and conferences organized in Tajikistan, Kyrgyzstan and Kazakhstan.

- Consider funding projects that would assist China in organizing its data on opiate origin

In systematizing its opiate testing and standardizing the data collected, China might benefit from international assistance (such as from UNODC). This would likely include an information systems component. The aim of such a system should be to build up a database in such a way that the respective prevalence of Burmese and Afghan opiates in various domestic markets could become clear.

- Consider funding demand reduction projects in Xinjiang

Efforts to control drug addiction in Xinjiang are crucial in retarding the expansion of the province's drug market. Donors should assist demand reduction projects, either through the government or through civil society, depending on the projects Beijing chooses to implement.

- Facilitate linkages between the counter-narcotics efforts of China and those of Kazakhstan, Kyrgyzstan and Tajikistan

UNODC, among others, are in a position to encourage linkages at many levels between counter-narcotics programs in China and Central Asia. Again, broadening the concept of Central Asia to include Xinjiang would make it obvious that Chinese representatives should be invited to regional counter-narcotics forums organized by international agencies. One opportunity to integrate China's efforts would be for it to be included in the annual 'Kanal' counter-narcotics operation that takes place in much of Eurasia.