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Your excellencies and distinguished ladies and gentlemen,

I am honoured to have the opportunity to share with you some observations on the emerging trends in global synthetic drug trafficking.

Following UNODC's presentation last year on the challenges arising from the diversion and trafficking of precursor chemicals, my talk explores the drug syndicates behind this phenomenon.

East and Southeast Asia account for almost half of the methamphetamine seizures in the world and produces much of the final products seized across the Asia Pacific. In contrast, miniscule amounts of Asia-sourced precursor chemicals are seized in the Asia Pacific, while substantial amounts of these chemicals are seized in North America and Europe. This shows that Asian syndicates, who now specialize in circumventing controls, are the suppliers of precursor chemicals to other groups and regions.

As a result, Mexican cartels have been acquiring precursor chemicals from Asian syndicates to mass produce methamphetamine in North America and Europe. As revealed from encrypted phones, Mexican chemists have been helping Dutch criminals to establish and upscale drug laboratories to produce high purity methamphetamine using new methods. While methamphetamine seizures have increased across Europe over the past decade, wastewater analysis has shown little increase in usage because the drugs are exported from Europe to Oceania. The demand and price are much higher there, as wastewater in Australia has shown a three-fold increase in consumption since 2016, while manufacture continues to decline. Until recently, methamphetamine in Oceania has mostly come from Southeast Asia. But this shift puts Europe-based groups in competition with Asian syndicates.

The implications may go beyond Oceania, however. COVID-19 restriction measures may prompt Europe-based traffickers to target markets closer to home due to output overcapacity. Experience tells us that such a shift in trafficking strategy can drive up local demand and push down market prices. For instance, new users in the UK are now buying methamphetamine cheaply on the dark web. The pandemic may exacerbate this due to the higher risk of drug use by populations that are struggling financially. Further, when syndicates vie for control of the market, violence tends to escalate and risk of corruption rises.

In closing, this talk highlighted some of the current and potential threats from synthetic drug trafficking. Inter-regional intelligence sharing and coordinated response are required to tackle them effectively. This includes tracking the inter-group dynamics of traffickers and the provenance of precursor chemicals.

Thank you very much.