

## **Reports published by the International Narcotics Control Board in 2002**

The *Report of the International Narcotics Control Board for 2002* (E/INCB/2002/1) is supplemented by the following technical reports:

*Narcotic Drugs: Estimated World Requirements for 2003; Statistics for 2001* (E/INCB/2002/2)

*Psychotropic Substances: Statistics for 2001; Assessments of Medical and Scientific Requirements for Substances in Schedules II, III and IV* (E/INCB/2002/3)

*Precursors and Chemicals Frequently Used in the Illicit Manufacture of Narcotic Drugs and Psychotropic Substances: Report of the International Narcotics Control Board for 2002 on the Implementation of Article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988* (E/INCB/2002/4)

The updated lists of substances under international control, comprising narcotic drugs, psychotropic substances and substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances, are contained in the latest editions of the annexes to the statistical forms (“Yellow List”, “Green List” and “Red List”), which are also issued by the Board.

### **Contacting the International Narcotics Control Board**

The secretariat of the Board may be reached at the following address:

Vienna International Centre  
Room E-1339  
P.O. Box 500  
A-1400 Vienna  
Austria

In addition, the following may be used to contact the secretariat:

Telephone: (43 1) 26060  
Telex: 135612  
Fax: (43 1) 26060-5867/26060-5868  
Cables: unations vienna  
E-mail: [secretariat@incb.org](mailto:secretariat@incb.org)

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## Preface

The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,<sup>1</sup> article 12, paragraph 13, provides that the International Narcotics Control Board “shall report annually to the Commission on the implementation of this article and the Commission shall periodically review the adequacy and propriety of Tables I and II”.

In addition to its annual report and other technical publications (Narcotic Drugs and Psychotropic Substances), the Board has decided to publish its report on the implementation of article 12 of the 1988 Convention, in accordance with the following provisions contained in article 23 of that Convention:

“1. The Board shall prepare an annual report on its work containing an analysis of the information at its disposal and, in appropriate cases, an account of the explanations, if any, given by or required of Parties, together with any observations and recommendations which the Board desires to make. The Board may make such additional reports as it considers necessary. The reports shall be submitted to the Council through the Commission which may make such comments as it sees fit.

“2. The reports of the Board shall be communicated to the Parties and subsequently published by the Secretary-General. The Parties shall permit their unrestricted distribution.”

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<sup>1</sup> *Official Records of the United Nations Conference for the Adoption of a Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, Vienna, 25 November-20 December 1988*, vol. I (United Nations publication, Sales No. E.94.XI.5).

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### Explanatory notes

The following abbreviations have been used in this report:

Europol	European Police Force
Interpol	International Criminal Police Organization
LSD	lysergic acid diethylamide
MDA	methylenedioxyamphetamine
MDMA	methylenedioxymethamphetamine
3,4-MDP-2-P	3,4-methylenedioxyphenyl-2-propanone
MEK	methyl ethyl ketone
P-2-P	1-phenyl-2-propanone

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Countries and areas are referred to by the names that were in official use at the time the relevant data were collected.

The maps in the present publication are intended to indicate the movement and seizures of the substances listed in the Tables of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. Owing to lack of space, names of countries, territories, cities or areas may not appear at their exact geographical location.

The boundaries shown on maps in this publication do not imply official endorsement or acceptance by the United Nations.

## Summary

To prevent the diversion of precursor chemicals for use in the illicit manufacture of drugs, Governments must have adequate legislation, in line with the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, and effective working mechanisms, as well as procedures for information feedback between the authorities involved in the control of precursor chemicals. In exercising its functions under the 1988 Convention, in particular the monitoring of treaty compliance by Governments, the International Narcotics Control Board, in its report for 2002 on the implementation of article 12 of the Convention, examines actions recently taken, drawing attention to both the successes achieved and the shortcomings identified. In so doing, the report focuses, *inter alia*, on major international operations launched with the assistance of the Board.

### A. Treaty adherence and reporting by Governments

The number of States parties to the 1988 Convention has continued to grow and now stands at 166, including almost all the major manufacturing, exporting and importing countries. As in previous years, about half of the countries and territories requested to furnish annual information on precursor chemicals on Form D have done so for 2001. It is of concern that over 40 per cent of the States parties have not provided the required information. Data on licit trade, which Governments are requested to furnish, on a voluntary basis, pursuant to Economic and Social Council resolution 1995/20 of 24 July 1995, are now provided by a growing number of Governments, including those of most of the major trading countries. The data enable the Board to improve its assistance to Governments in verifying the legitimacy of individual transactions. The Board urges all those major exporting and importing countries that have not already done so to supply the requested information as a matter of priority. The status of treaty adherence and reporting by Governments is examined in detail in chapter II, section A, of the report.

### B. Prevention of diversion

The use of pre-export notifications is one of the most effective tools in detecting and preventing attempted diversions. The Board is therefore pleased to note that the number of Governments requesting pre-export notifications under article 12, paragraph 10 (a), of the 1988 Convention has grown rapidly over the past few years, and now stands at 56, including the States members of the European Union. Most exporting countries and trans-shipment points are now regularly providing pre-export notifications for substances listed in Table I, and for some substances listed in Table II of the 1988 Convention, in particular under the two international operations for monitoring acetic anhydride and potassium permanganate. As a result, a number of diversions and attempted diversion of precursor chemicals have been uncovered and prevented.

Operation Purple, the international programme for potassium permanganate launched in 1999, has continued to achieve successes in preventing diversions of that key chemical for the illicit manufacture of cocaine. Through the application of

the working mechanisms and standard operating procedures of Operation Purple, the 30 participating States and territories have prevented the diversion of 14 shipments, amounting to nearly 1,200 tons of potassium permanganate, from international trade into illicit drug manufacture. If diverted, that amount of potassium permanganate would have been sufficient to process 6,000 tons of cocaine. The overall impact of the Operation is reflected in chapter II, section A, of the report.

The stringent monitoring of licit shipments carried out by the 40 States and territories participating in Operation Topaz, the international programme for acetic anhydride, a critical chemical for the illicit manufacture of heroin, has enabled the Board to gain a thorough understanding of the trade in that substance. That knowledge is being used to assist Governments in fine-tuning the mechanisms and procedures currently in place. Under the law enforcement component of Operation Topaz, which includes, inter alia, investigations to trace seized chemicals back to their sources, after thorough backtracking investigations, the authorities concerned have been able to identify those responsible for diversions from domestic distribution channels and to prevent further diversions from those sources. The results of the related follow-up investigations are presented in chapter III of the report. At a recent consultation organized by the Board, the representative of Afghanistan announced that his country is also prepared to participate in Operation Topaz. Given the currently limited capacity of the authorities in Afghanistan to conduct extensive backtracking investigations, the Steering Committee of Operation Topaz announced the formation of an international task force to provide, if so requested, technical assistance to Afghanistan, and neighbouring countries, in such investigations (see chapter II).

During June 2002, the Board, in cooperation with the Government of the United States of America and the European Commission, convened an international meeting on precursors of amphetamine-type stimulants, in order to devise working mechanisms to prevent diversions of those substances into illicit traffic. The 38 States and territories agreed to launch an international operation, named "Project Prism", to address diversions of amphetamine-type stimulant precursors. In view of the diverse nature of the issues to be addressed relating to those precursors, individual operations will be carried out under the umbrella of Project Prism (for further details, see chapter II, section C).

Since the transfer, in 2001, of acetic anhydride and potassium permanganate from Table II to Table I of the 1988 Convention, the Board has continued to closely monitor the licit trade in those substances. It has noted that no State has reported any difficulties in implementing the related treaty requirements under the Convention.

### **C. Overview and analysis of illicit traffic**

To facilitate understanding of the methods and routes used by traffickers for diversions and attempted diversions, an overview and analysis of the trends observed in the illicit traffic in precursors and other chemicals used in the illicit manufacture of drugs is presented in chapter III. The analysis is based both on information supplied by Governments relating to, inter alia, seizures, stopped shipments and methods and routes of diversion, and on further information received

from other sources, including the international tracking operations and actual cases of diversion or attempted diversion.

Seizures of 21 of the 23 substances controlled under the 1988 Convention, as well as of a number of non-controlled substitutes, have been reported by nearly 40 Governments. The trends observed show that traffickers are becoming more sophisticated in their diversion attempts, and highlight, in particular, the need for competent authorities to launch follow-up investigations into interceptions, seizures and stopped shipments. The purpose of such investigations should be not only to prevent diversions, but also, and more importantly, to identify and prosecute those behind the activity. Details of the actual cases uncovered can be found in chapter III.

#### **D. Annexes**

An overview of the implementation by Governments of treaty requirements and of the provisions of the relevant resolution of the Economic and Social Council is set forth in tables included in annex I, relating to the following:

- (a) Status of adherence to the 1988 Convention (table 1);
- (b) Listing of Governments that have submitted the required information for the period 1997-2001 (table 2);
- (c) Statistical information on seizures of precursor chemicals, showing where the different substances were seized, for the period 1997-2001 (tables 3a and 3b);
- (d) Submission of data on licit trade in, uses of and requirements for precursor chemicals in accordance with the relevant Economic and Social Council resolution (table 4).

In addition, to assist the competent authorities of exporting countries, a list of all Governments that have requested pre-export notifications for the substances included in Tables I and II of the 1988 Convention is given in annex I, table 5.

It is important to be able to relate the seizures of precursor chemicals and their prevented diversion into illicit traffic to the drugs that they could have been used to manufacture illicitly. To that end, annex II contains information on the substances listed in Tables I and II of the 1988 Convention and on their typical use in the illicit manufacture of drugs, as well as on the drug yields that could be obtained if the substances were used for such illicit manufacture. Information on the licit uses of the precursor chemicals is also included.

Relevant provisions of the 1988 Convention are included in annex III to assist the competent authorities in ensuring that their national legislation is in accordance therewith.

## I. Introduction

1. In the course of monitoring the implementation by Governments of the provisions of article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988,<sup>1</sup> the International Narcotics Control Board has placed the highest priority, in particular since the mid-1990s, on assisting Governments in establishing working mechanisms and standard operating procedures to prevent the diversion of precursor chemicals.<sup>2</sup> Specifically, the Board has continued to provide, through practical forums, a framework for establishing such mechanisms and procedures. Within that framework, it has made every effort to assist competent national authorities in verifying the legitimacy of individual shipments and initiating investigations after attempts at diversion or smuggling have been uncovered or intercepted.

2. Such forums led, *inter alia*, to international operations that were launched with the assistance of the Board. In 1999, an intensive international tracking programme, known as Operation Purple, was initiated for potassium permanganate, an important chemical used in illicit cocaine manufacture. As potassium permanganate was found to be usually diverted from licit international trade into the illicit traffic, such an intensive tracking programme, from the point of origin to the end-user, was devised and has proven to be effective. In 2001, a comparable programme, known as Operation Topaz, was undertaken for acetic anhydride, a critical chemical used in the illicit manufacture of heroin. In addition to establishing an intensive tracking programme for international trade, Operation Topaz has included a particular focus on law enforcement activities aimed at tracing back seizures and interceptions to their original sources. That was necessary because acetic anhydride is not only diverted from international trade, but is also frequently obtained through domestic distribution channels and then smuggled out of the country to final destinations elsewhere.

3. Both operations have been successful in tracking, and verifying the legitimacy of, individual shipments in international trade. As a result, a number of attempted diversions into the illicit traffic were effectively uncovered and prevented. Detailed accounts of the latest situation are given in the present report. Moreover, the extent and diversity of trade in both

acetic anhydride and potassium permanganate have been determined, a result once thought unfeasible because they are traded so widely. The Governments concerned effectively implemented a number of the recommendations of the Board for action. Those recommendations appear to have stood the test of time, as evidenced by the success of the operations. It is also noteworthy that the standard operating procedures used under Operation Purple in the intensive tracking of shipments in licit international trade are in fact applied by a large number of countries, including non-participating Governments. The Board therefore considers it opportune to institutionalize those procedures, possibly through the Commission on Narcotic Drugs. As shown in the present report, traffickers will target any country as a possible point of diversion. The standardized application of effective procedures by all trading countries is therefore essential.

4. The Board notes that investigations, in particular by law enforcement authorities, should be carried out more systematically when shipments have been stopped in international trade because of suspicious circumstances or irregularities. Immediate investigations, jointly conducted by the Governments concerned, are essential if the traffickers behind diversion attempts are to be found and prevented from placing orders elsewhere. Moreover, when precursor chemicals are seized or intercepted in smuggling cases, immediate law enforcement investigations must be initiated to track them back to the sources of diversion, in particular from domestic distribution channels, often in other countries. Under Operation Topaz, a major focus of which is backtracking investigations, the mechanisms to carry out such systematic law enforcement actions are being developed. The same requirement applies also to Operation Purple, since traffickers are increasingly resorting to smuggling attempts, as opposed to diversions directly from international trade. The present report provides some detailed accounts of major cases dealt with and sets out concrete proposals for further action.

5. In 2002, the Board provided another forum to further enhance international activities to prevent diversions of precursors for amphetamine-type stimulants. While international actions since the mid-1990s have effectively prevented diversions into illicit traffic of precursors for methamphetamine, concerted actions to prevent diversions of precursors for other

amphetamine-type stimulants, in particular methylenedioxymethamphetamine (MDMA) (Ecstasy) and its analogues, should now be taken. In 2001, the Board, recognizing the urgent need to address the issue, began to scrutinize the situation with a view to launching major international action aimed at the effective prevention of diversions of such precursors.<sup>3</sup> The international meeting on amphetamine-type stimulant precursors, which the Board convened in Washington, D.C., in June 2002, launched an international project to be known as Project Prism, an umbrella project under which specific operations are planned through working groups. A task force established to manage the Project has met to initiate working group activities, focusing on preventing diversions of different groups of precursors, as well as on equipment, materials and the use of the Internet. Planned activities are reflected in the present report. The Board trusts that Project Prism will meet with the full cooperation of Governments and that it will, through specific operations, constitute a major breakthrough in preventing the diversion into the illicit traffic of precursors of amphetamine-type stimulants.

6. In addition to the precursor chemicals mentioned above, the Board has observed that concerted actions have effectively prevented the diversion of a number of other substances controlled under the 1988 Convention. As the Board has repeatedly emphasized, the key to the effective control of precursor chemicals in all cases has been the exchange of information and intelligence. Within its treaty mandates, it continues to stand ready to assist the competent national authorities in that field.

## **II. Framework for precursor control and action taken by Governments**

### **A. Status of adherence to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 and reporting by Governments under article 12**

#### **1. Status of the 1988 Convention**

7. As of 1 November 2001, the 1988 Convention had been ratified, acceded to or approved by a total of

166 States, and formally confirmed by the European Community (extent of competence: article 12). That represents 87 per cent of all countries in the world. Since the report of the Board for 2001 on the implementation of article 12<sup>4</sup> was issued, four States (Eritrea, Israel, Rwanda and Thailand) have become parties to the Convention. Figure I shows the current status of adherence.

8. While the Board is pleased to note that most of the major manufacturing, exporting and importing countries have already become parties to the 1988 Convention, it encourages the remaining 26 States that have not already done so to take steps as a matter of priority to implement the provisions of that Convention, and to become parties as soon as possible. As the Board has repeatedly pointed out, traffickers always target those countries where appropriate controls may not be in place in attempting to divert precursor chemicals into illicit traffic. It is therefore essential that necessary monitoring mechanisms are put in place in all countries to enable Governments to effectively cooperate with each other to prevent such diversions.

9. In annex I, table 1, of the present report, the parties and non-parties to the 1988 Convention are listed by region. The rates of accession are as follows: Africa (85 per cent); Americas (100 per cent); Asia (89 per cent); Europe (93 per cent); and Oceania (29 per cent). Figure II below gives the distribution of States parties and non-parties by region.

#### **2. Reporting to the Board under article 12**

10. The Board transmits to all Governments, parties and non-parties alike, an annual questionnaire on substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances, known as Form D. As of 1 November 2002, a total of 120 States and territories had submitted Form D for 2001, which represents over half of those Governments requested to provide the information. A total of 59 per cent of all parties and 46 per cent of non-parties submitted data for 2001. The situation concerning the submission of information to the Board as required under article 12, paragraph 12, of the 1988 Convention for the years 1997 to 2001 is shown in annex I, table 2.