IV. Impact of the coronavirus disease (COVID-19) on licit and illicit activities related to precursors

193. In the first half of 2020, the world was hit by the global COVID-19 pandemic, which infected tens of millions of persons, affected the livelihoods of millions and caused Governments to take steps to contain the spread of the disease. The scope and stringency of the subsequent public health and social measures has varied around the world, but there was a general disruption in the international movement of persons and cargo during the peak period of the pandemic.

194. Numerous research and policy papers have been published that address the actual or likely impact of the pandemic on the various aspects of illicit drug markets, including on the trafficking of chemical precursors. According to UNODC, the measures implemented by Governments to counter the COVID-19 pandemic have inevitably affected all aspects of the illegal drug market, from the production and trafficking of drugs to their use. Precursor chemicals that are critical to the manufacture of several drugs are nonetheless accorded a different status than the drugs themselves, because such chemicals also have valid industrial, chemical or pharmaceutical applications. Historically, disruptions of the supply of precursor chemicals have been known to affect the availability of illicitly manufactured drugs. The present chapter examines the impact of the COVID-19 pandemic on the availability of precursors for both licit and illicit activities.

195. In order to ascertain the impact of the COVID-19 pandemic on the availability of precursors and their international licit trade, the Board carried out a global survey involving competent national authorities of exporting and importing countries, through the PEN Online system, and members of the INCB Precursors Task Force. Respondents were asked to report on, inter alia, whether or not there had been any disruptions or changes in the supply of and demand for precursors, delays in receiving responses through PEN Online or challenges encountered as a result of the COVID-19 pandemic.

196. More than 40 replies were received. Most respondents reported no major disruptions in the legitimate supply of precursors, apart from those resulting from the general lockdown measures, for example, border closures affecting trade in general. Respondents also pointed out that several precursors are legitimately used in the activities of pharmaceutical and related industries, which, as they were considered essential in nature, were maintained during the lockdowns, albeit often with a limited scope.

197. Among the countries that experienced disruptions, Kyrgyzstan noted a significant reduction in the volume of supplies of precursors resulting from the closure of borders. Hungary noted a rise in the demand for potassium permanganate relating to some companies’ requirements for reserves of the substance. Malaysia reported delays in the importation of certain precursors such as pseudoephedrine, potassium permanganate, acetic anhydride and piperonal. The Russian Federation observed a decrease of about 20 per cent in the number of applications received for import and export permits for precursors during the months of April and May 2020. Sweden reported a decline of 50 per cent in such applications and attributed it to a decrease in the number of orders. Most respondents reported that the time taken to respond to notifications through PEN Online had been only marginally affected, owing to the fact that continued operations by the relevant authorities had been ensured through business continuity arrangements.

198. Several innovative measures were reportedly adopted by Governments to ensure that legitimate supplies were not adversely impacted. For example, the Government of El Salvador changed the modality used for delivering requests for all procedures related to, inter alia, precursors from in-person delivery at authorized counters to delivery by electronic means, also allowing such requests to be made around the clock. Canada informed the competent authorities of its trading partners and the
Board that all import and export permits for precursors, as well as narcotic drugs and psychotropic substances, would temporarily be issued electronically in lieu of being sent through the post. Health Canada provided details on the appearance of its electronic documents and the signatures and stamps digitally added to them and encouraged its counterparts to notify their colleagues in customs and border-control authorities of the new format.

Similarly, the authorities in India permitted the electronic submission of applications for “no objection” certificates for the export or import of narcotic drugs, psychotropic substances or precursors, along with scanned copies of supporting documents. They also temporarily permitted, upon prior notification of 48 hours, changes to export shipment routes necessitated by the cancellation of scheduled international airline flights, with no need to await formal approval. Although the time period during which restrictions related to COVID-19 appear to have affected international legitimate trade is not identical across the globe, the period January to June 2020 is the one in which such trade is most likely to have been impacted most widely. To illustrate this, a comparative analysis of the pre-export notifications submitted in the period from January to June for the years 2018, 2019 and 2020 is presented in table 3.

**Table 3. Number of pre-export notifications submitted by Governments through the PEN Online system in the period from January to June, 2018–2020**

<table>
<thead>
<tr>
<th>Month</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>3 067</td>
<td>3 115</td>
<td>2 605</td>
</tr>
<tr>
<td>February</td>
<td>2 854</td>
<td>2 978</td>
<td>2 557</td>
</tr>
<tr>
<td>March</td>
<td>2 959</td>
<td>3 192</td>
<td>2 817</td>
</tr>
<tr>
<td>April</td>
<td>2 796</td>
<td>3 001</td>
<td>2 665</td>
</tr>
<tr>
<td>May</td>
<td>3 180</td>
<td>3 471</td>
<td>2 147</td>
</tr>
<tr>
<td>June</td>
<td>2 904</td>
<td>2 733</td>
<td>2 479</td>
</tr>
<tr>
<td>Total</td>
<td>17 760</td>
<td>18 490</td>
<td>15 270</td>
</tr>
</tbody>
</table>

It is evident that there were nearly 17 per cent fewer pre-export notifications submitted in the period January to June 2020, compared with the corresponding period in 2019. In contrast, there had been a slight increase, of 4 per cent, in the number of pre-export notifications sent in 2019, compared with 2018, in the period January to June. The data from the PEN Online system therefore suggest that the number of proposed exports of substances listed in Table I of the 1988 Convention for licit activities has indeed declined by about a sixth, owing to the pandemic.

The most significant decline occurred during May 2020 (38 per cent fewer notifications than in 2019), after which the number increased again, during the month of June. The upward trend continued in July (over 2,600 pre-export notifications), decreasing moderately in August (over 2,300 pre-export notifications). However, even the temporary declines do not appear to have affected the availability of precursors for legitimate purposes, probably because there were sufficient stocks to meet the reduced industry requirements during the peak period of the pandemic.

Another aspect of licit activities related to precursors that may gain in importance as a result of the pandemic is that various Governments, concerned about supply-chain disruptions causing shortages of legitimate medications, are considering establishing or re-establishing their own industrial pharmaceutical production lines. As part of that process, the Governments themselves may source the relevant chemical intermediates of the desired active pharmaceutical ingredients. These intermediates can be, depending on the active pharmaceutical ingredient that is manufactured from them, immediate precursors of narcotic drugs or psychotropic substances. As they are typically custom-made, on demand, for the requesting pharmaceutical company, the Board wishes to encourage competent authorities in countries where such intermediates are manufactured for legitimate purposes to carefully verify the legitimacy of any incoming requests to prevent these substances from entering illicit channels.

**Impact of COVID-19 on illicit activities related to precursors**

There have been several research papers and media reports about a shortage of precursors for illicit purposes. However, these claims need to be analysed in more detail. Firstly, assessing the scale of an illicit economy is challenging even in times when there is no pandemic. Attempting to assess an impact in the relatively short period of the pandemic and after the peak period of the lockdown is even more difficult and to a large extent speculative. With regard to the impact on the availability of precursors for illicit purposes, it is important to differentiate between those that are under international or national control and those that are not. Several of the studies that refer to a notable impact in fact refer to common, non-scheduled chemicals and solvents, such as gasoline, in the illicit processing of cocaine (see para. 145 above).

One approach to gauging the impact of the pandemic on the availability of precursors for the illicit manufacture of drugs is to observe the trends in illicit
drug manufacture noted during the pandemic. Some studies argue that wherever there is a legitimate domestic manufacturing industry or reliance on domestically or regionally manufactured precursors, the availability of synthetically manufactured drugs has not been impacted, as in the case of South-East Asia, where the precursor chemicals for illicit drug manufacture are sourced from within the region, or in the case of the Russian Federation, where precursors of mephedrone are domestically available. However, where the precursors are sourced from other countries, such as in the case of acetic anhydride for heroin manufacture in Afghanistan, the availability of precursors for illicit drug manufacture might be impacted. On the other hand, some studies also argue that the manufacture and supply chain integrity of chemical precursors have remained largely uninterrupted during the pandemic.

204. Another approach could be to analyse the number of seizures of precursors that were made during the pandemic and compare it with the non-pandemic period of previous years. A comparison of the number of seizures and other incidents involving precursors (substances in Table I and Table II, as well as certain non-scheduled chemicals) shared through PICS and relating to the period from January to June in the years 2017 to 2020 is presented in figure XVII.

Figure XVII. Number of incidents involving precursors communicated through the Precursors Incident Communication System in the period from January to June, 2017–2020

205. It is evident that there was a decline of about 35 per cent in the number of incidents communicated through PICS in the period January to June 2020, when compared with the corresponding period in 2019. Compared with the average number of PICS incidents in the period January to June in the years 2017 to 2019, the corresponding number in 2020 declined by about 14 per cent. As in any comparative analysis of seizure data, when the data are applied to a limited timespan and geographical extent, they can be interpreted in different ways. For example, a decline in seizures could reflect an actual decline in incidents of diversion or misuse, or point to decreased law enforcement activity. When the data are applied globally and to a sufficiently long timespan, however, a comparative analysis would tend to indicate a trend in the actual trafficking activity itself.

206. It is also noteworthy that about 60 per cent of the incidents communicated through PICS in the period 2017–2019 were communicated by countries in Europe and about 20 per cent by countries in Asia. In 2020, the number of incidents communicated by PICS users in Europe declined by about 25 per cent while the number communicated by users in Asia decreased by over 50 per cent. Those declines corroborate findings regarding recent drug trends in those regions. As a significant proportion of global manufacture of precursors of both heroin and amphetamine-type stimulants occurs in Asia, the decline of more than 50 per cent in precursor-related incidents reported by countries in Asia is consistent with the trend of reduced availability of those drugs themselves, as reported in other studies. The relatively smaller decline in incidents communicated by countries in Europe could be attributable to the presence of stockpiles in key manufacturing countries, in particular with regard to precursors of amphetamine-type stimulants.

207. In that connection, during the Precursors Task Force meeting held in September 2020, participants discussed the possibility that manufacturing companies experiencing economic difficulties as a result of the COVID-19 pandemic were being targeted by traffickers for the illicit manufacture of precursors.

208. Overall, therefore, it appears that measures enacted globally as a result of the COVID-19 pandemic may also have contributed to reducing trafficking in and misuse of precursors, which is likely to have had an impact on the manufacture of the corresponding drugs during the period of the pandemic. However, at the time of finalization of the present report, no permanent shifts or trends in precursor trafficking have been attributed to the pandemic. The Board encourages Governments to remain vigilant with regard to the diversion of precursors from licit to illicit channels and, at the same time, to take all possible measures to ensure that legitimate trade is not impeded.