

The South East Asian Drug Trade and its Impact on Regional Conflicts

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ABBREVIATIONS

ADB	Asian Development Bank
EAO	Ethnic Armed Organisations
GMS	Greater Mekong Subregion
MNDAA	Myanmar National Democratic Alliance Army
MOU	Memorandum of Understanding
NSAG	Non-State Armed Groups
SAP	Subregional Action Plan
UNODC	UN Office on Drugs and Crime
UWSA	United Wa State Army

INTRODUCTION

The complex connection between drug trafficking and violence poses a serious threat to international development and security.

This relationship often creates a vicious cycle that further destabilises the regions in which it takes place and undermines their governance. In addition to feeding ongoing hostilities, the growth of the illicit drug economy in conflict-prone areas fosters the conditions necessary for the emergence of new conflicts. Armed groups fighting in civil wars have been using illegal trade of rare resources for a long time, such as diamonds in Sierra Leone, Angola, or the Democratic Republic of the Congo (DRC).¹

The instability in Myanmar following the military *coup d'état* in 2021 has allowed the drug economy to expand beyond control in the Mekong region, which comprises China, Myanmar, Laos, Thailand, Cambodia, and Vietnam. The geographic region enclosed by the borders of Thailand, Myanmar, and Laos, commonly referred to as The Golden Triangle, is known for the cultivation of opium and its transformation into heroin.² It is estimated that the profits generated by the drugs cultivated in this region were close to 80 billion dollars in 2023.³

This report will investigate the problems surrounding the Southeast Asian drug trade and how it has influenced and affected current instability in the region.

¹ 'Conflict Diamonds' (U.S. Department of State, 4 January 2024)

<<https://diplomacy.state.gov/encyclopedia/conflict-diamonds/>> accessed 29 August 2024.

² Peck G, 'East, Southeast Asia Had Record Methamphetamine Seizures Last Year. Profits Remain in the Billions' (AP News, 28 May 2024)

<<https://apnews.com/article/crystal-methamphetamine-golden-triangle-shan-ketamine-cb5de08da123b150210793a667c0c149>> accessed 3 September 2024.

³ *ibid.*

1. THE MEKONG REGION

The Mekong Region is a subregion of Southeast Asia comprising six countries including Cambodia, China, Laos, Myanmar, Thailand, and Vietnam. The Greater Mekong Subregion Program (GMS) was established in 1992 with the assistance of the Asian Development Bank (ADB) to enhance economic relations between the Mekong countries through its program of subregional economic cooperation. In the same year, the Mekong countries met with the United Nations Office on Drugs and Crime (UNODC) to evaluate cross-border projects supported by the organisation. A draft of a Memorandum of Understanding (MOU) was created as all the parties saw the need for more drug control within the region. The draft was finalised and signed in 1993 with the main focus on collaborations between the governments in regulating drug control.⁴

The Mekong region is currently struggling with significant political instability, characterised by deep-rooted authoritarianism, economic challenges, and ongoing conflict. Despite a facade of stability, the political landscape is fraught with tension and dissatisfaction among its inhabitants. In Thailand, the recent electoral victory of the progressive Move Forward Party in May 2023 highlighted a growing desire for change, particularly among younger voters.⁵ However, the Thai conservative party prevented the change in the political scene by blocking the Move Forward Party leader, Pita Limjaroenrat, from becoming the new Prime Minister.⁶ Meanwhile, Myanmar remains under the oppressive control of a military junta following the 2021 coup, which has led to widespread human rights abuses and civil unrest. The junta's grip on power has been reinforced by the political turmoil in neighbouring countries, allowing it to deflect international pressure and maintain its authoritarian rule. This environment of political uncertainty is exacerbated by economic difficulties as the region struggles to recover from the COVID-19 pandemic, leading to increased dissatisfaction among citizens.⁷ Additionally, the rise of transnational crime, particularly in Myanmar and Cambodia, poses a significant security threat, complicating efforts for regional stability.⁸ To promote stability and solve the underlying problems of its people, the Mekong region needs substantial political and economic transformation more than ever as it navigates through these difficulties.⁹

The GMS has facilitated cooperation between the states in economic matters in an attempt to better the conditions of the region's inhabitants. Collaboration with the UNODC has facilitated the establishment of control mechanisms to combat the drug pandemic in the

⁴ 'Mekong Mou on Drug Control' (*United Nations : UNODC Regional Office for Southeast Asia and the Pacific*) <<https://www.unodc.org/roseap/en/what-we-do/toc/mou.html>> accessed 5 September 2024. ("MOU")

⁵ Nguyen KG, 'The Mekong Region Struggles Economically and Politically but Maintains Geopolitical Balance' (*East Asia Forum*, 21 January 2024) <<https://eastasiaforum.org/2024/01/09/the-mekong-region-struggles-economically-and-politically-but-maintains-geopolitical-balance/>> accessed 5 September 2024.

⁶ *ibid.*

⁷ *ibid.*

⁸ *ibid.*

⁹ *ibid.*

region.¹⁰ However, it is clear that the instability faced by the region has worsened the situation of the drug problem, which is now out of control.

2. DRUG TRADE WITHIN THE REGION

2.1. THE MYANMAR CONFLICT

Myanmar has been the epicentre of the Southeast Asian drug trade since the outbreak of its civil war in May 2021. Multiple Ethnic Armed Organisations (EAOs) have been fighting against the military junta after their military coup in February 2021. The Taliban takeover of Afghanistan and their subsequent ban on opium in 2021 saw Myanmar's resurgence as the leader in the cultivation of the plant and the production of opioids. Myanmar's GDP has fallen by 12 percent since the start of the civil war, and the country's farmers have now turned to the production of opium as a means to support themselves. According to a UNODC report issued in 2024, Myanmar is now the world's top producer of opium.¹¹

Shan State in Myanmar, which has been a major global source of opium and heroin for decades, is now considered the epicentre of methamphetamine production and trafficking. Non-state armed groups (NSAGs) and army-backed militias have built safe havens that allow the large-scale production of synthetic drugs.¹² Conflict has been connected to Myanmar's drug trade since the 1950s, when the Chinese Kuomintang Army invaded Shan State and started forming bases along the Thai border. Soon after, they took control of the trade of opium to heroin labs in Laos and Thailand, ultimately producing the drugs themselves.¹³ The drug trade kept growing, and violence grew along with it. In 1989, the Communist Party in Myanmar saw mutiny in its ranks, which created three different non-state armed groups: the United Wa State Army (UWSA), the Myanmar National Democratic Alliance Army (MNDAA), and the National Democratic Alliance Army.¹⁴ The UWSA played a key role in the drug production of Shan State, taking over the drug trade in the region. However, a ban on opium in Shan State saw drug production shift from heroin to a new drug, *yaba*, or methamphetamines.¹⁵ In the 2010s, the main production shifted again to crystal meth. Today, the drug trade is used to fund the armed conflict that is devastating the country.

2.2. THE DRUG TRADE IN NUMBERS

¹⁰ MOU (n3).

¹¹ UN Office on Drugs and Crime, 'Synthetic Drugs in East and Southeast Asia' (2024). ("UNODC")

¹² 'Fire and Ice: Conflict and Drugs in Myanmar's Shan State | Crisis Group' (*Crisis Group*, 8 January 2019)

<<https://www.crisisgroup.org/asia/south-east-asia/myanmar/299-fire-and-ice-conflict-and-drugs-myanmars-shan-state>> accessed 5 September 2024.

¹³ *ibid.*

¹⁴ *ibid.*

¹⁵ *ibid.*

Evidently, the drug trade has been established for decades in the region. However, since the outbreak of the conflict in Myanmar, it has gotten out of control.

01

Opium Farming

The Taliban ban on opium in Afghanistan led to a 95 percent decline in national opium farming, creating a gap in the global production of poppy flowers, the raw ingredient for opium manufacturing. According to the UNODC's 2023 Southeast Asia Opium Survey, the area of land in Myanmar used for opium cultivation increased by 18 percent in just one year, from 2022 to 2023. It is estimated that the production of opium out of those fields ranged from 21.6 to 24.4 kg/hectare of poppy and resulted in an estimated 1080 metric tonnes of dry opium, which is then transformed into opioids. This is a 36 percent increase from 2022.¹⁶ Due to the economic hit caused by the COVID-19 pandemic, many turned to opium farming to ensure a stable income. Opium farming has become more sophisticated and productive, with EAOs associated with drug traffickers providing upgrades to their irrigation systems and fertilisers to opium farmers.¹⁷

02

Methamphetamine production

The UNODC report of 2024 indicated that 89 percent of the methamphetamine seized in East and Southeast Asia mostly came from the Golden Triangle. Around 1.1 billion methamphetamine tablets weighing around 98 tonnes and 90 tonnes of crystal meth were seized last year,¹⁸ a record for the region. The manufacturing of this synthetic is located primarily in Shan State, Myanmar. However, there are indications that the manufacturing has been migrating to other parts of the Mekong. There has been a 27 percent increase in the amount of methamphetamine seized from 2022.¹⁹

03

Other synthetic drugs

Ketamine and Ecstasy have also made their way into the region, specifically the Golden Triangle and other countries in the lower Mekong region, such as Cambodia and Vietnam. Over 26.7 million tablets of

¹⁶ UN Office on Drugs and Crime, 'Southeast Asia Opium Survey 2023: Cultivation, production, and Implications (21 December 2023).

¹⁷ Luong H, 'How Myanmar Became the Opium Capital of the World' (*East Asia Forum*, 16 May 2024)

<<https://eastasiaforum.org/2024/05/16/how-myanmar-became-the-opium-capital-of-the-world/>> accessed 6 September 2024.

¹⁸ Peck G, 'East, Southeast Asia Had Record Methamphetamine Seizures Last Year. Profits Remain in the Billions' (*AP News*, 28 May 2024)

<<https://apnews.com/article/crystal-methamphetamine-golden-triangle-shan-ketamine-cb5de08da123b150210793a667c0c149>> accessed 3 September 2024.

¹⁹ *ibid.*

ecstasy were seized last year, mostly originating from Europe.²⁰ Compared to the rest of the synthetic drugs, its market remains small, but it has been growing alarmingly. The amount seized was five times bigger in 2023 than in 2022.²¹ Ketamine seizure, on the other hand, has seen a decrease since 2022, from 29 tonnes to approximately 23.3 tonnes.²² This decrease is a consequence of the seizure of 13 industrial-scale ketamine labs and chemical warehouses in Cambodia.

It is evident that the drug trade has been fuelled by the conflicts resulting from regional instability, where EAOs have taken control of large territories to cultivate opium, establish extensive laboratories to convert it into heroin, or simply use these laboratories to produce synthetic drugs. Conflict allows instability to prevail, making it harder to fight against organised crime.

3. INTERNATIONAL COOPERATION

In 1993, the GMS countries cooperated with the UNODC on the MOU to combat drug trade within the region. The MOU came to be as the region has continually struggled to stop the import and export of illegal drugs and the chemicals used to produce them into the region.²³ The MOU lays down foundations for collaboration between the countries, with mechanisms that allow for a structured response to the ever-evolving problem that drug trade poses to the region.

Within the MOU, the Subregional Action Plan (SAP) was created as a way to address issues with an action plan. It covers four thematic areas, including drugs and health, law enforcement cooperation, legal and judicial cooperation, and sustainable alternative development.²⁴ It assists the GMS countries in undertaking cross-border operations, providing training and equipment to national law enforcement, specifically frontline officers, and enhances cooperation with data sharing about drug production and trafficking. Regarding judicial cooperation, the MOU and its action plan aim to assist GMS countries in the execution and improvement of international requests for mutual legal assistance in drug-related cases, as well as improve the execution of extradition requests for drug-related offences.²⁵

It is abundantly clear that the impacted countries must work together to combat the illicit drug trade that is rife in the Mekong Region. The initiation of the MOU is an instrumental first step, but the finishing line is not yet in sight. The international community,

²⁰ *ibid.*

²¹ UNODC (n10).

²² UNODC (n5).

²³ 'Mekong Mou on Drug Control' (*United Nations : UNODC Regional Office for Southeast Asia and the Pacific*) <<https://www.unodc.org/roseap/en/what-we-do/toc/mou.html>> accessed 5 September 2024.

²⁴ *ibid.*

²⁵ *ibid.*

especially the UNODC, are compelled to cooperate to tackle the drug trafficking problem clearly spreading beyond the Mekong region and affecting the livelihoods of millions.

CONCLUSION

The drug trade within the Mekong Region has been a recurrent issue for decades, feeding off of local conflicts and political instability in the constituent countries. EAOs have taken control of large portions of land and used them as opium farming fields. They have established laboratories both for the production of heroin through processing planted opium and the creation of other synthetic drugs, such as methamphetamine and ketamine, with imported chemicals. The money generated from the drug trade allows multiple conflicts to simultaneously occur within the region, in particular the conflicts between the military junta in Myanmar and the multiple EAOs within the territory. Although there is some pre-existing cooperation between GMS countries, it is clearly insufficient, as demonstrated by the recent increase in the seizure of drugs in the region. The international community collectively needs to tackle the problem of drug trafficking affecting millions of people worldwide.

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