

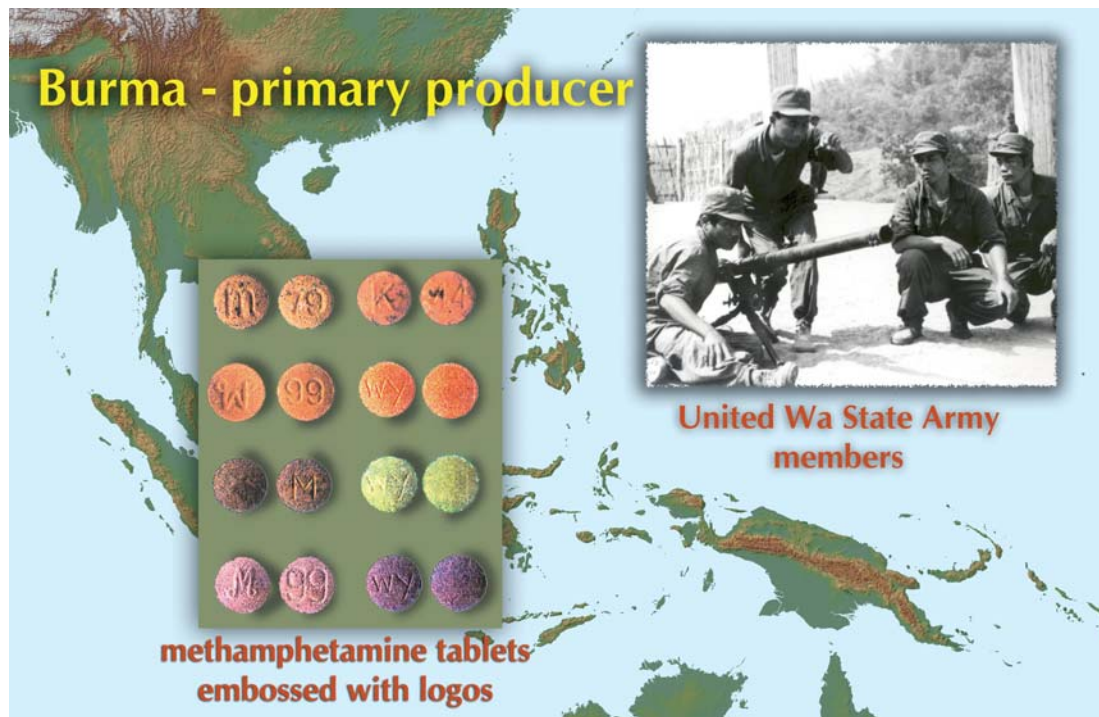
# Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION  
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## **METHAMPHETAMINE: THE CURRENT THREAT IN EAST ASIA AND THE PACIFIC RIM**



### **Overview**

Methamphetamine production, trafficking, and abuse are problems affecting every country in the Asian and the Pacific Rim Regions. As early as World War II, methamphetamine abuse had become a scourge for Japan. During World War II, the Japanese Government (as well as the German, British, and U.S. Governments) used methamphetamines to keep their soldiers active for extreme amounts of time over long periods of engagement. After the end of World War II, large military stockpiles of methamphetamine found their way into the public sector. At one point in the early postwar years, Japan had approximately two million methamphetamine addicts in a population of only 88 million.

Burma (Myanmar), China (People's Republic of China), and India are nations that play key roles in the production of methamphetamine in the East Asian and the Pacific Rim Regions. China and India are significant producers of precursor chemicals, such as ephedrine and pseudoephedrine, which are used in methamphetamine production. Burma and China are the two largest producers of methamphetamine. Burma is known for the production of methamphetamine tablets ("Ya-Ba"), while China produces crystal methamphetamine (called "ice" and "Shabu").

Trafficking organizations find synthetic drug production (especially methamphetamine) attractive for several reasons: there is no dependence on growing seasons; no large workforce is required; necessary chemicals are easily obtained; it is easy to locate laboratories near consumer markets; and there is a high profit return on their investment.

## **Precursor Chemicals**

China and India have vast commercial chemical industries, which produce significant quantities of ephedrine and pseudoephedrine. The proximity to illicit methamphetamine production areas facilitates the diversion of these chemicals to the illegal drug arena. Significant amounts of ephedrine and pseudoephedrine produced in China and India are exported to countries such as Burma, Canada, Germany, Mexico, and the United States. While China and India each produce over 400 metric tons of ephedrine and pseudoephedrine a year, only limited quantities of these chemicals destined for illicit drug production are seized.

Since 1999, China and India have made extensive efforts to control the diversion of United Nations-listed precursor chemicals. These efforts include the passage of new legislation and immediate enforcement of these new regulations by China (February 2000) and India (December 1999). Both countries also participate in a variety of diversion-control efforts with the Drug Enforcement Administration (DEA).

## **Production and Trafficking**

### ***Methamphetamine Tablets (a.k.a. “Ya-Ba”)***

Burma is the primary producer of methamphetamine tablets in the region. Other countries also producing tablets, although in much smaller quantities, include Cambodia, Laos, and Thailand. U.S. Government estimates place Burmese methamphetamine tablet production in excess of 800 million tablets per year. According to officials in Thailand, Burma produces up to 80 percent of the methamphetamine tablets that are consumed in Thailand each year. The Government of Thailand considers Burmese methamphetamine production to be Thailand’s number-one national security threat.

The primary producer of methamphetamine tablets in Burma is the United Wa State Army (UWSA), an insurgent group that has a cease-fire agreement with the Burmese Government. The UWSA and several other drug trafficking organizations began methamphetamine production in the early to mid-1990s to supplement their income from heroin trafficking activities. Because their heroin trafficking activities had been the focus of international law enforcement efforts, their cash flow was impacted. Methamphetamine has low production costs, easily obtained precursor chemicals, and a simple production process. The UWSA often co-locates its methamphetamine- and heroin-processing laboratories. The UWSA finds methamphetamine production to be very lucrative, as it provides large amounts of cash from the huge Thai drug market.

The UWSA produces methamphetamine tablets embossed with the “WY” and “99” logos. Originally, these logos represented the high quality of the methamphetamine tablets. However, over the past several years, other drug trafficking groups have been counterfeiting these logos for their own tablets.

Most of the methamphetamine tablets produced in Burma are shipped overland to Thailand, with some shipments passing through Laos. Large shipments of the tablets are caravanned into northern Thailand by soldiers of the UWSA or local “hill tribe” people, to be trucked to locations throughout Thailand. These shipments are then handled by various brokers conducting deals with a variety of local distributors. The remainder of the tablets are shipped by various maritime-and aviation-smuggling methods to international drug consumption markets. Burma-produced tablets have been seized in Australia, Brunei, Hong Kong, Indonesia, Malaysia, Singapore, Taiwan (Republic of China), and Vietnam.

There have also been shipments of methamphetamine tablets to ethnic Hmong and Yao individuals in the Sacramento, California, area. However, the amount of Burma-produced tablets being shipped to the United States is currently unknown. There is also no reliable seizure data on Burma-produced tablets entering the United States.

### ***Crystal Methamphetamine (a.k.a. “Ice,” “Shabu”)***

China is the primary producer of ice in Asia and the Pacific Rim. Smaller quantities of ice are produced in the Philippines, Taiwan, and South Korea. The Chinese Government has no estimates on the scale of either methamphetamine production or consumption within its borders. However, Chinese officials consider ice to be one of the country’s most significant drug abuse problems, second only to heroin abuse. China has the largest consumer market for ice. Other consumer markets for ice include Australia, Brunei, Hong Kong, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan, the Marianas Islands, and the United States (specifically Guam and Hawaii).

The ability to manufacture multikilogram quantities of ice in China is a result of the easy availability of ephedrine and pseudoephedrine. Most ice-producing laboratories are located in the provinces along the eastern and southeastern coastal areas, with limited production occurring in the inland areas. Chinese authorities report that some Chinese drug trafficking organizations use different sites for different stages of the production process. Chinese law enforcement authorities also report that most of the ice labs are small and highly mobile.

Ice, produced in China, is shipped to other nations by a variety of methods including containerized cargo, small freighter, or fishing vessels that travel in international waters. Several seaports in southern and southeastern China serve as transit points for ice leaving by containerized cargo. Ice is not normally transported by air cargo or air courier; however, some quantities have been known to enter Japan by courier.

## Ephedrine Seizures (Metric Tons) 1998 - 2002

Country	Source of Information	1998	1999	2000	2001	2002
Burma	DEA Rangoon	3.819	6.485	2.671	3.922	1.711
China	DEA-China Conference October 2002	5.10	8.80	10.15	2.50	NA*
India	U.S. State Department - International Narcotics Control Strategy Report (INCSR)	1.051	2.134	.532	1.017	.027

\*Not available

## Methamphetamine Seizures (Metric Tons) 1998 - 2002

Country	Source of Information	Form of Drug	1998	1999	2000	2001	2002
Burma	DEA Rangoon	tablets	2.67	2.9	2.7	3.24	.9
China	DEA Beijing	ice	1.61	16.06	20.90	4.82	3.19
Japan	DEA Tokyo	ice	.549	1.995	1.030	.406	.168
South Korea	DEA Seoul	ice	0.28	0.29	.046	.169	0.36
Philippines	INCSR	ice	.077	.938	1.728	1.562	.914
Taiwan	DEA Hong Kong	ice	.886	1.215	.836	1.156	1.052
Thailand	DEA Bangkok	tablets	3.012	4.518	7.549	8.457	6.494

## Outlook

The methamphetamine production, trafficking, and abuse situation in the Asian and the Pacific Rim Regions is unlikely to change in the near future. The Government of Thailand has long considered Burmese methamphetamine production to be Thailand's number-one national security threat. Chinese officials now consider crystal methamphetamine to be among the country's most significant drug abuse problems, ranking it second only to heroin abuse. Given the current methamphetamine situations in both countries, it is doubtful that either government will change its view on this threat anytime soon.

The UWSA and other drug trafficking organizations have found methamphetamine production to be attractive for a variety of reasons, specifically the high return of profit on their investment. As a result, these groups will likely expand their methamphetamine production and trafficking activities to maintain their financial base.

This report was prepared by the Europe, Asia, Africa Strategic Intelligence Unit of the Office of Strategic Intelligence. This report reflects information received through July 2003. Comments and requests for copies are welcome and may be faxed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.