



# EU DRUG MARKETS REPORT

## A STRATEGIC ANALYSIS

### Case study 1

#### Cannabis: changing demand and an increase in domestic production

Europe remains one of the world's largest consumer markets for cannabis resin, the majority of which continues to be sourced from Morocco. Traditionally associated with resin consumption, the western part of the region is now increasingly dominated by herbal cannabis.

An estimated 2 500 tonnes of cannabis are consumed every year in the EU and Norway, corresponding to a retail value of between 18 and 30 billion euros. The largest markets for cannabis resin are Italy, Spain and France, and for cannabis herb, the United Kingdom and Germany.

Cannabis cultivation techniques have advanced and indoor cultivation has spread, reducing the demand for imported products ('import substitution'). Domestic cannabis production is widespread throughout Europe, taking place both indoors and outdoors, and is increasing.



Indoor cannabis cultivation site.  
Photo: Spanish Guardia Civil via Europol.

Although there are a number of growers catering for their own needs, the use of large-scale production facilities run by criminal groups is increasing in some countries, while some of them now tend to run multiple small-scale plantations to mitigate risks.

Domestic production of herbal cannabis in Europe is a major challenge for law enforcement. Production is difficult to detect, especially when occurring indoors, and trafficking of the drug, now often intra-regional, is more difficult to interdict than that of imported resin. This is reflected in the estimated interdiction rates at around 30 % for resin and below 10 % for herb in the EU.





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### Case study 2

### Methamphetamine production and trafficking increasing in Europe

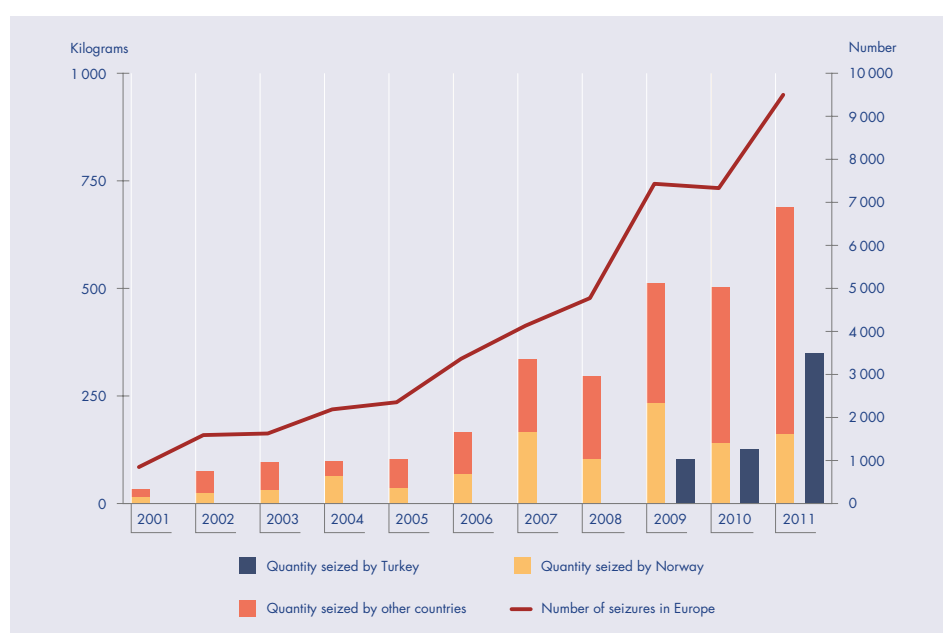
Production and trafficking of methamphetamine is increasing in Europe, and it is spreading outside its traditional consumer markets of the Czech Republic and Slovakia.

Manufacturing of methamphetamine is now occurring or increasing in countries where it was previously absent or low-level, including Austria, Bulgaria, Germany, Hungary, Lithuania, the Netherlands, Poland and the United Kingdom.

Europe is also now used as a transit territory for methamphetamine made in Africa and the Middle East and trafficked by air to East Asia. For instance, Turkey, a country traditionally associated with the heroin trade, is now a significant transit area for methamphetamine exports to Asia.

As a result, the quantities of methamphetamine seized in Europe, including Turkey, have increased six-fold since 2006, while the number of seizures was multiplied by three during that period (see graph).

Seizures of methamphetamine in Europe, 2001–2011



**Note:** All 26 European countries reporting methamphetamine seizures are included, except the Netherlands and Poland where *Number of seizures* data are not available. The total amounts represent the sum of the quantities of methamphetamine seized under different forms; for calculation purposes, tablets were assumed to weigh 250 mg. Four countries—Spain, Malta, the United Kingdom and Croatia—do not report methamphetamine seizure data.

**Source:** EMCDDA/Reitox national focal points, EMCDDA (2012a).

The main new consumer markets for the drug are in Central Europe and Scandinavia. They include Germany, Norway and Sweden, three countries traditionally associated with the use of amphetamine.

Although compared to other world regions, such as Asia and North America, production and use of methamphetamine is limited in Europe, the spread of this drug is worrying and warrants careful monitoring.





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### Case study 3

#### New psychoactive substances: 73 detected in 2012

New psychoactive substances are a diverse group of drugs that are not controlled under international law.

They are emerging at an unprecedented rate: 73 substances were notified in 2012, up from 49 in 2011 and 41 in 2010. More than 200 new substances have been notified across the EU since 2005.

Often marketed as 'legal highs', the substances are sourced legally as powders from China and India in bulk quantities. They are then imported into Europe and turned into final products. These in turn are sold on the open market as replacements for controlled drugs using aggressive and sophisticated marketing strategies.

Some new psychoactive substances are sold directly on the illicit market as drugs in their own right or deceptively as MDMA (ecstasy), amphetamine or cocaine.

The Internet plays a key role in reshaping the 'new drugs' market: a growing number of Internet shops have been identified by EMCDDA monitoring with almost 700 identified in 2012.

A recent EU survey in young people aged 15–24 found that lifetime use of 'legal highs' in most Member States was 5 % or less, with use in the United Kingdom, Latvia, Poland and Ireland being 8 %, 9 %, 9 % and 16 % respectively.

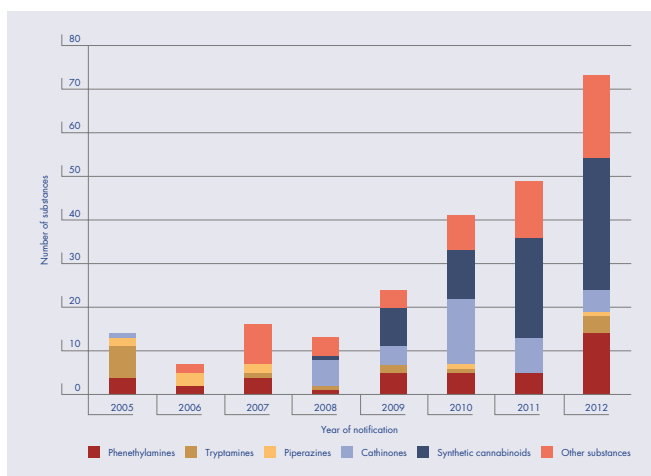


Tablets resembling 'ecstasy' found to contain 5-(2-aminopropyl) indole (5-IT).  
Photo: Hungarian national focal point.



'Annihilation': a so-called 'legal high' that led to hospitalisations in Europe. Analysis of samples found different combinations of synthetic cannabinoids, some of which are controlled drugs in some countries.  
Photo: Simon D. Brandt, Liverpool John Moores University.

Number of new psychoactive substances notified to the European Early warning system, 2005–2012



Source: EMCDDA/EWS.







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### Case study 4

#### Twenty-seven arrested as European police dismantle drug smuggling network

An international drug smuggling network responsible for trafficking large quantities of illegal drugs into and out of Spain has been dismantled. Operation Capea, led by Spain's Guardia Civil in Navarra, was coordinated by Europol and Eurojust, working in cooperation with French and Dutch law-enforcement authorities.

Over a period of years, this organised criminal group from Navarra was the main importer of amphetamine sulphate into Spain. Together with another criminal group based in Valencia, which supplied consignments of cannabis resin shipped in horse transporters, the drugs were concealed in cans and then transported by lorry to The Netherlands. On 30 November 2011, French police intercepted a lorry bound for The Netherlands which contained over half a tonne of cannabis resin. This was to be exchanged for 200 kg of amphetamine and sent back to the criminals in Spain for onward distribution.

The effective law enforcement cooperation demonstrated by this operation resulted in:

- a seizure of 675 kg of cannabis resin by French police.
- Spain's Guardia Civil carrying out 25 house searches and seizing:
  - 4.3 kg of amphetamine plus ketamine, cocaine and other illegal substances
  - an indoor cannabis plantation and more than 100 cannabis plants
  - four firearms
- 27 arrests in Spain in Valencia, Madrid, La Rioja, Zaragoza and Navarra. Those arrested were linked to three international drug trafficking organisations.
- Spanish customs (AEAT) blocking 97 bank accounts and seizing 19 apartments, six companies and eight vehicles as part of a parallel money-laundering investigation.



Photo: Europol.

Supporting the investigation were two Europol specialists who were present in Spain for the action day, deploying the Europol mobile office, as well as assisting with the secure dismantling of outdoor and indoor cannabis plantations. In the initial stages of the investigation, Europol hosted an operational coordination meeting in The Hague, and Europol drugs experts facilitated the exchange and analysis of key criminal intelligence.





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### Case study 5 Synthetic drugs network broken up

In early 2012, an international organised crime network, responsible for the large-scale production and trafficking of synthetic drugs, was broken up following an extensive investigation by European law-enforcement authorities. The operation resulted in the arrest of the key members of the criminal network, the discovery of three illegal drug production facilities and the seizure of over 100 kg of amphetamine, significant quantities of drug precursors, ammunition, firearms and explosives.

The investigation began when Swedish authorities identified large quantities of amphetamine being trafficked into Sweden. Cooperation was then launched with Europol and other EU Member States when enquiries confirmed that an international criminal network was involved. Based on intelligence and links identified between different countries, Europol initiated 'Operation Fire', working together with several European law-enforcement agencies. The aim of the operation was to dismantle the organised crime network and stop the large-scale production and trafficking of synthetic drugs within the European Union.

Parallel investigations started in Sweden and Germany, while other countries involved supported the operation and conducted their own enquiries. Europol helped coordinate 'Operation Fire' and foster the exchange of criminal intelligence.

During the operational phase of the investigation, 30 kg of amphetamine were seized in Sweden and three suspects arrested as well as two in Germany and one in the Netherlands. In addition, cooperation with Bulgarian authorities led to the arrest of three members of the organised crime network and the dismantling of three illegal synthetic drug production facilities. The Bulgarian authorities seized approximately 75 litres of amphetamine base (enough to produce around 120 kg of pure amphetamine), 15 kg of amphetamine substance and over 1 400 litres of various chemicals used to produce synthetic drugs. Equipment, including two tableting machines, together with five firearms, 150 rounds of ammunition and 6.4 kg of trinitrotoluene (TNT) was also seized.



Photo: Europol.



Photo: Europol.

Following the results of this operation, Europol's Director, Rob Wainwright, commented: 'The successful cooperation between Europol and our European law-enforcement partners has delivered a major blow to this dangerous criminal network of drug producers and traffickers, and will bring justice to those concerned. Europol will continue to proactively support such investigations with our intelligence and technical capabilities and we anticipate further results in this area of serious organised crime.'

'Crime knows no borders, and neither should we. This joint operation goes to show just how immensely important it is for national law enforcement and Europol to effectively exchange information about dangerous criminal activities,' said Cecilia Malmström, European Commissioner for Home Affairs.





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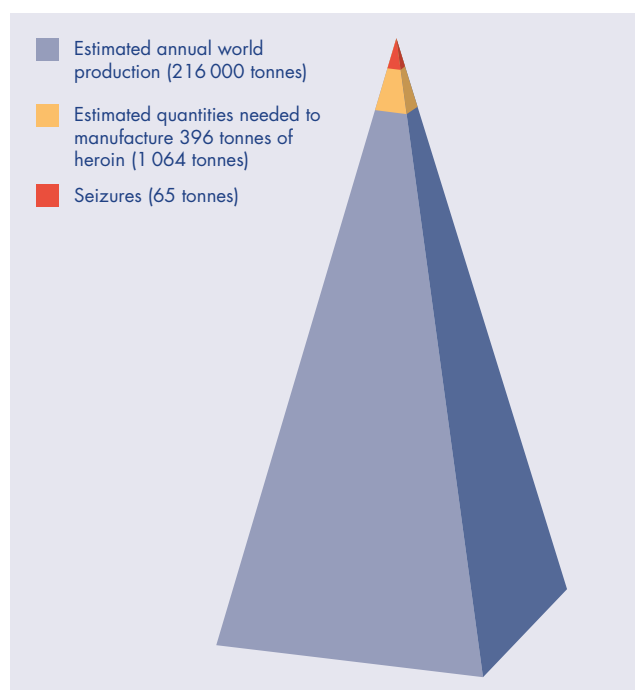
## A STRATEGIC ANALYSIS

### Case study 6

#### 6.5 tonnes of heroin precursor seized

As a result of an intensive cooperation between Slovakia, Hungary and several other EU Member States, supported by Europol and Eurojust, 6.5 tonnes of acetic anhydride, a critical heroin precursor, were seized in Hungary on 5 April 2011 by Hungarian Police services.

Acetic anhydride: estimated annual world production, estimated requirements for heroin manufacture and seizures in 2010



**Note:** Between 1.08 and 4.32 kg of acetic anhydride is required to manufacture 1 kg of heroin (INCB, 2012a). Therefore, in 2010, between 417 and 1 711 tonnes (a mid-range point of 1 064 tonnes) of diverted acetic anhydride would have been needed to manufacture the 396 tonnes of heroin estimated to have been produced worldwide (UNODC, 2011a).

**Sources:** UNODC (2011a), INCB (2012a).

These efforts led to the dismantling of a major organised criminal group network heavily involved in acetic anhydride trafficking. Several house searches were successfully executed in the Czech Republic, Slovakia, Hungary, Slovenia and the main suspects were arrested. The organised crime group concerned was involved in the trafficking of at least of 30 tonnes of the precursor.

The significance of the seizure was recognised in terms of the quantity involved and the amount of heroin that could have been manufactured had the consignment reached the heroin laboratories in Afghanistan, for which it was destined.

Europol supports several such multi-lateral operations and continues to target wider organised crime groups involved in this activity. Through analysis of case data a number of operational links were found and operational meetings were convened by Europol to exchange information in support of investigative teams in the field.

On an international level, the case was regarded as significant, and it was a follow-up from a recent 10-tonne seizure of acetic anhydride in Turkey that originated in the EU. In total, more than 30 tonnes of the precursor were seized by European law-enforcement authorities, supported by a Europol sub-project on heroin precursors.







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### Case study 7

### International judicial and law-enforcement cooperation leads to trial against major Swedish cocaine smugglers

On 26 March 2012, a highly organised drug trafficking network was brought to trial in Sweden. Eight members of the group faced criminal charges for trafficking multi-tonne shipments of high-quality cocaine from South America to Europe. Another trial on the money laundering activities related to drug trafficking was also held in Spain.

The indictments came as a result of more than three years of joint international effort at both law-enforcement and judicial level in Sweden, Spain and France, with continuous support from Eurojust and Europol. Several other Member States (the Netherlands, Malta, the United Kingdom, Estonia, Cyprus and Germany), as well as several third States (Colombia, USA, Switzerland, Venezuela, Israel and Andorra), also provided valuable assistance.

The investigation started in Sweden in December 2008. The international dimensions of the case soon became clear, and consequently, a Joint Investigation Team (JIT) was established for the purpose of coordinating operational and judicial activity. The JIT legal framework enabled a prompt exchange of information to take place without the need for lengthy rogatory procedures.

A first success for the JIT came with the seizure of 1.4 tonnes of cocaine found on board a 15-metre sailboat bound for Europe. The boat was boarded by French authorities in the Caribbean and was brought to Martinique in June 2010. The only person on board, a 56-year-old Swede, was arrested. The investigations continued, focusing on the main criminal figure and his accomplices, who were still at large. The investigators linked the suspected criminals to a sophisticated network of companies created to facilitate money laundering, money transfers and property acquisitions.

More than 30 people were subsequently arrested throughout the world. Spanish authorities froze several bank accounts as part of the investigations into money laundering and approximately 6 million euros were seized in five different countries, linked to reinvestments in real estate, a discotheque and other legal businesses, luxury vehicles and ships. The network appears to have invested and spent at least 12 million euros between 2007 and 2010.

Europol provided operational analysis and facilitated the identification of key players in the organised crime group in Colombia, USA, France, French West Indies, Spain and Sweden. Additionally, they provided expertise and investigative support to the financial part of the case by facilitating the recovery of the assets obtained by the illicit activities of the organised crime group.

Eurojust facilitated the exchange of information and coordination of investigations. It hosted 13 coordination/JIT meetings to decide where the prosecutions should take place and to solve possible conflicts of jurisdiction and to coordinate the division of tasks among the various jurisdictions involved. Eurojust provided expertise in relation to the maritime interception.



Photo: Europol.





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### Case study 8

#### Mobile production units

The manufacture of synthetic drugs mainly takes place in stationary production units, such as farm houses, factories, apartments or sheds. However, a new trend of using mobile production units has been identified during several recent investigations, with the units being subsequently seized. Latest developments to the trend favour using mobile production units which are transported to a site where manufacture can start almost immediately. This saves considerable time as, in the past, stationary units needed to be built, installed and then rendered operational. Such instances are becoming more common.

Seized mobile production units are designed, constructed and used for the:

- manufacture of amphetamine via reductive amination including distillation
- manufacture of MDMA via reductive amination with the use of hydrogen gas and platinum oxide and distillation
- manufacture of (MDMA) tablets with the use of a tableting machine, including mixing, packing and sealing
- manufacture of cannabis in a mobile cannabis nursery.



Sound insulation, air ventilation and a purification system are present inside this mobile tableting unit.  
Photo: Europol.



Mobile MDMA production unit with pressure reaction vessel and distillation (front, left); a mobile tableting unit (back, right).  
Photo: Europol.

Trailers and trucks are often used for the construction of mobile production units. In most cases, the units are designed, built and installed in a professional manner with the production equipment, including cables and piping, being fitted to the floor, roof or side walls of the trailer or truck. In some mobile tableting units, sound insulation and air purification with both a ventilation system and absorption system (active carbon filter) are installed.

The introduction of mobile units has led to production at various locations for limited periods of time. The low cost and short time needed to set up a professional production unit are attractive and the use of timing devices means that the producer only needs to be physically present during a limited part of the production process.

In all cases, mobile production units can be up and running in a few hours. Often, all they need in order to function is an electricity and water supply. The use of the aforementioned timing devices in some units means that after starting the process (amphetamine or

MDMA production), the producers can leave the unit unattended. The equipment shuts down automatically after a set period of time, which is the time needed to achieve synthesis.

