



**UNODC**

United Nations Office on Drugs and Crime



# MISUSE OF LICIT TRADE FOR OPIATE TRAFFICKING IN WESTERN AND CENTRAL ASIA

A Threat Assessment

October 2012



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## GLOSSARY

|                |  |
|----------------|--|
| <b>ADB</b>     | Asian Development Bank                                     |
| <b>ANF</b>     | Anti-Narcotics Force                                       |
| <b>ANU</b>     | Anti-Narcotics Unit  |
| <b>AOTP</b>    | Afghan Opiate Trade Project                                |
| <b>APTTA</b>   | Afghanistan-Pakistan Transit Trade Agreement               |
| <b>BCP</b>     | Border Crossing Point                                      |
| <b>CAREC</b>   | Central Asia Regional Economic Cooperation                 |
| <b>CARICC</b>  | Central Asian Regional Information and Coordination Centre |
| <b>CBTA</b>    | Cross-Border Transport Agreement                           |
| <b>CFS</b>     | Container Freight Station                                  |
| <b>CIS</b>     | Commonwealth of Independent States                         |
| <b>COPAK</b>   | Country Office for Pakistan                                |
| <b>DCA</b>     | Drug Control Agency  |
| <b>DCC</b>     | Drug Control Committee                                     |
| <b>DEC</b>     | Drug Enforcement Cell                                      |
| <b>EU</b>      | European Union   |
| <b>EurAsEc</b> | Eurasian Economic Community                                |

|                |  |
|----------------|--|
| <b>FATA</b>    | Federally Administered Tribal Areas  |
| <b>FDCS</b>    | Federal Drug Control Service   |
| <b>FDT</b>     | Foreningen af Danske Transportcentre (Association of Danish Transport and Logistics Centres) |
| <b>ICD</b>     | Inland Customs Depot   |
| <b>ISAF</b>    | International Security Assistance Force  |
| <b>JPC</b>     | Joint Planning Cell  |
| <b>MMIA</b>    | Murtala Mohammed International Airport   |
| <b>NCDC</b>    | National Centre on Drug Control  |
| <b>NDLEA</b>   | National Drug Law Enforcement Agency   |
| <b>OSCE</b>    | Organization for Security and Cooperation in Europe  |
| <b>ROCA</b>    | Regional Office for Central Asia   |
| <b>SAFTA</b>   | South Asian Free Trade Area  |
| <b>SOCA</b>    | Serious Organised Crime Agency   |
| <b>TIR</b>     | Transports Internationaux Routiers (International Road Transport)                            |
| <b>UNCTAD</b>  | United Nations Conference on Trade and Development   |
| <b>UNECE</b>   | United Nations Economic Commission for Europe  |
| <b>UNESCAP</b> | United Nations Economic and Social Commission for Asia and the Pacific                       |
| <b>WCO</b>     | World Customs Organization   |



## INTRODUCTION

Over the last decade, economic relations between countries in Western and Central Asia have greatly improved. The introduction of a number of trade agreements that have removed or reduced trade barriers has resulted in a marked increase in trade in the region.

### ***Role of dry ports in the Western and Central Asian trade networks***

Dry ports play a key role in regional trade and in particular in facilitating the movement of goods between different forms of transportation within the Western and Central Asian transport network. Goods arrive at and depart from dry ports by a range of modes of transport, including by road, rail, inland waterways and airports, and the ports provide services for the handling and temporary storage of containers and general and/or bulk cargo. For countries in the region with no direct access to the sea, such as Afghanistan, dry ports are crucial hubs for commercial trade.

In order to facilitate the movement of goods across borders, a number of trade agreements have been implemented to reduce the level of customs inspections at dry ports and border control points and to standardize transport regulations. However, while the volume of trade handled at dry ports in the region has increased, there has been no corresponding expansion in the level of law enforcement in these locations.

This report analyses the role of dry ports in the regional trade network and highlights the risk of their abuse by drug traffickers. It also contains an in-depth analysis of the ways in which drug traffickers abuse the trade network to smuggle opiates. Many of the problems and risks that are identified in relation to trade agreements, dry ports and the transportation network in Western and Central Asia can also be applied to many other regions in the world.

### ***Report structure***

The report is divided into three sections. The first section contains an overview of the major trade routes used to transport goods in Western and Central Asia, and an explanation of the role of dry ports in the regional transportation network. The second section contains an overview of the eight major bilateral and regional trade and transit trade agreements that Afghanistan has entered into over the last 10 years. Each overview is broken down into five parts, comprising:

- A brief introduction of the trade agreement
- An outline of the trade and/or transit trade levels and routes used in the relevant countries

- A description of the transportation and customs regulations contained in the agreement
- An analysis of the functions, trade capacity and law enforcement capacity of dry ports along the specific trade routes
- An overview of opiate and chemical precursor trafficking at trade and transit routes and dry ports.

The third section contains a discussion of the ways in which opiates are trafficked by sea from South-West Asia to East Africa.

## KEY FINDINGS

- With the exception of a decline in 2009, the volume of trade between Afghanistan and other countries in Western and Central Asia has risen continuously since 2004. The total volume of Afghan imports and exports within the region more than tripled between 2004 and 2010.
- There has been no corresponding enhancement in the law enforcement capacity to combat the illegal trade in narcotics at dry ports, seaports and border control points.
- Most drug seizures have taken place at the main hubs along the trade and transit trade routes in Central Asia and within Afghanistan, the Islamic Republic of Iran and Pakistan. This suggests that traffickers have been misusing these trade routes to smuggle opiates from Afghanistan to the global market.
- For countries in the region with no direct access to the sea, dry ports are crucial hubs for commercial trade. At present, there are 48 dry ports in Western and Central Asia, of which the largest number (17) are in Afghanistan.
- The rail network links a number of dry ports in Central Asia and plays a vital role in the region. In recent years, the Central Asian rail network has been extended to Afghanistan. Since this extension, several important heroin seizures have reportedly taken place along the network, suggesting that traffickers are abusing the lack of efficient law enforcement control along it.
- Dry ports are handling an increasingly large quantity of trade. For example, at Chaman dry port in Afghanistan, close to the border of the Baluchistan province of Pakistan, the number of containers that pass through annually increased by 18 per cent between 2008 and 2011, from 76,500 to 90,300.
- Seizures are often reported to have taken place in the vicinity of major dry ports in the region, but not at the dry ports themselves.
- Owing to the large volume of trade in the region, only a limited number of containers can be inspected by customs officials at seaports, dry ports and border control points.
- Although drug traffickers continue to use overland routes to smuggle opiates from Afghanistan and chemical precursors into Afghanistan, they are increasingly relying on maritime transportation to ship opiates around the world. In the last few years, more and more Afghan opiates have been trafficked by sea from Pakistan and the Islamic Republic of Iran to East and West Africa, Europe, and South and South-East Asia.
- East African countries have reported a sharp increase in the number of seizures of heroin trafficked from Pakistan and, to a lesser extent, the Islamic Republic of Iran. The trafficking of heroin by marine transportation between Pakistan and East Asia (mainly China) has been observed for several years.
- There has been an increase in heroin trafficking from dry ports and seaports in Pakistan and the Islamic Republic of Iran to West and Central Europe.
- There needs to be an improvement in the level of intelligence-sharing in Western and Central Asia and a strengthening of links with relevant law enforcement agencies worldwide. In addition, risk profiling systems need to be introduced at all dry ports and seaports in the region.



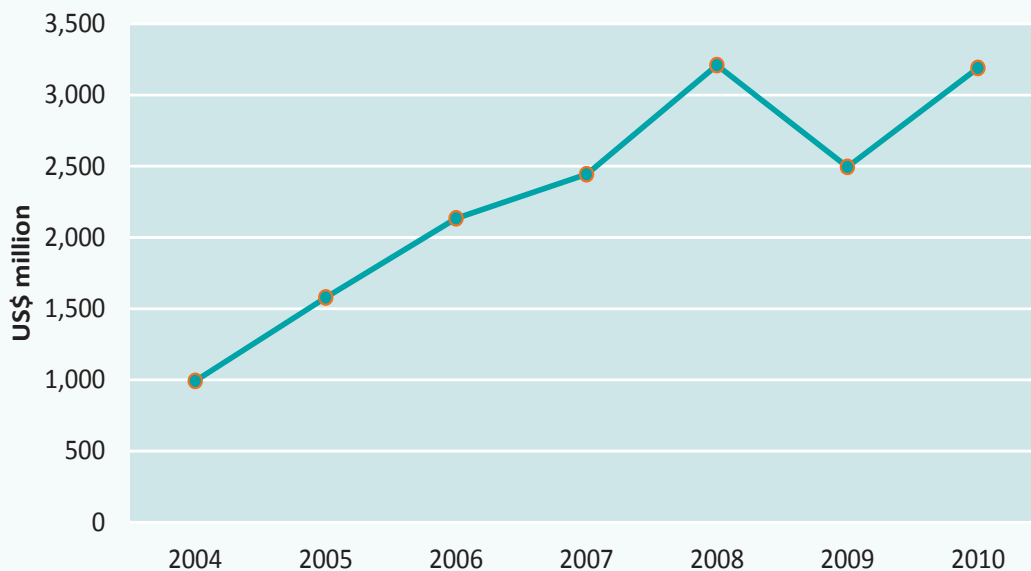




## EXECUTIVE SUMMARY

Over the last decade, economic relations between countries in Western and Central Asia have greatly improved. The introduction of a number of trade agreements that have removed or reduced trade barriers has resulted in a marked increase in trade in the region: with the exception of a decline in 2009, the volume of trade between Afghanistan and other countries in Western and Central Asia has risen continuously since 2004. The total volume of Afghan imports and exports within the region more than tripled between 2004 and 2010.

**Figure 1: Afghan trade with other countries in Western and Central Asia (2004-2010)**

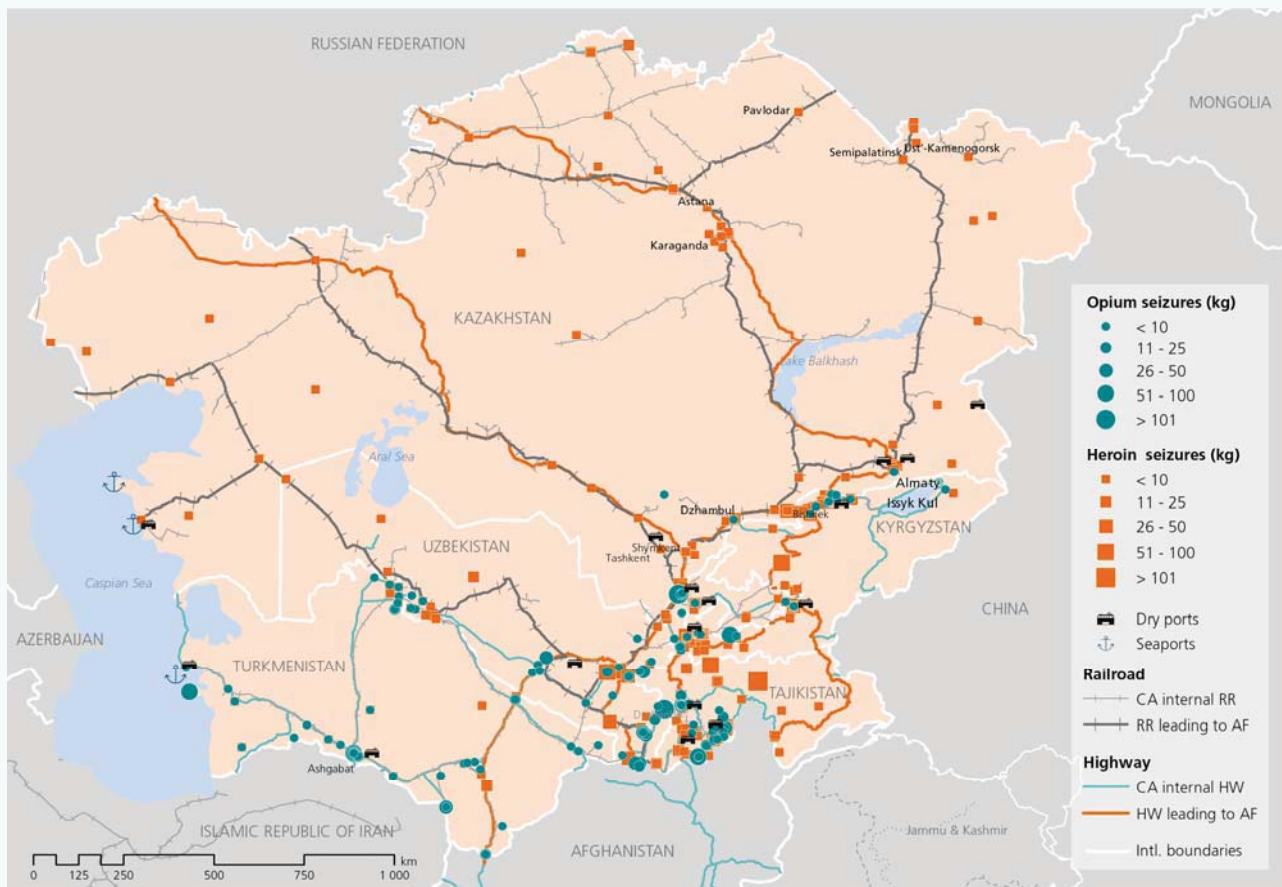


*Source: Data derived from the IMF, Direction of Trade Statistics, 2011. Note: This graph excludes trade values for Afghan exports and imports from Uzbekistan as well as data for the value of Afghan imports from the Islamic Republic of Iran. These values are currently not available.*

The expansion in trade has created more opportunities for drug traffickers to conceal opiates and chemical precursors in licit shipments and to exploit the increase in activity within the trade network at dry ports, seaports and border crossings.

Most drug seizures have been reported as taking place at the major hubs along the trade and transit trade routes in Central Asia, as well as within Afghanistan, the Islamic Republic of Iran and Pakistan.

**Map 1: Trade routes and opiate seizures reported in Central Asia (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

### Drug trafficking within licit cargo

Information suggests that drug traffickers are misusing trade routes to smuggle opiates from Afghanistan. However, the routes used by traffickers are highly complex and can change according to a number of factors, including the country through which the goods pass, the country of destination, the level of security, the standard of the drug control system, and the time, distance and cost of transportation. Routes that handle large volumes of trade are particularly at risk of being misused by drug traffickers who conceal opiates in licit cargo.

In recent years, the volume of trade between Afghanistan and Pakistan has increased significantly and the risk of opiates and acetic anhydride being smuggled alongside licit goods has risen accordingly. Many of the opiate seizures that have been reported over the last three years have taken place along major transport routes between Afghanistan and Pakistan.

**Map 2: Opiate seizures reported in Afghanistan and Pakistan (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

A particularly high volume of goods cross the border between Afghanistan and Tajikistan and it is notable that this border is the main entry point for opiates being smuggled along the Northern Route.<sup>1</sup> Over the last five years, trade and transit trade to Turkmenistan has also increased, creating more opportunities for traffickers to abuse these trade routes.

### **Lack of law enforcement capacity**

While the volume of trade has increased significantly within Western and Central Asia, there has been no corresponding expansion in the level of law enforcement to combat the narcotics trade at dry ports, seaports and border control points.

Although trade between Afghanistan and other countries in Western and Central Asia has increased since 2004, there has been no equivalent rise in the number of drug seizures reported in the region. The Islamic Republic of Iran is the only country in the region that has experienced a steady increase in seizure reports since 2004. Although reports of heroin seizures rose markedly in Afghanistan in 2010 and in Pakistan in 2011, the number of such reports in previous years had been low in both countries.

<sup>1</sup> From Central Asia, heroin is trafficked into China and the Russian Federation before moving along the “Northern Route” across Eastern Europe, Northern Europe and into Western and Central Europe.

**Table 1: Reported heroin seizures in Western and Central Asia (kg)**

|                          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Central Asia             | 6,309         | 3,870         | 3,651         | 3,309         | 5,291         | 3,380         | 2,602         | 1,810         |
| Afghanistan              | 2,388         | 7,112         | 4,053         | 5,038         | 2,782         | 2,188         | 11,888        | 10,092        |
| Islamic Republic of Iran | 4,715         | 5,554         | 10,665        | 15,899        | 23,129        | 23,391        | 27,141        | 23,096        |
| Pakistan                 | 3,488         | 2,144         | 2,819         | 2,874         | 1,900         | 2,061         | 4,237         | 11,900        |
| <b>Total</b>             | <b>16,900</b> | <b>18,680</b> | <b>21,188</b> | <b>27,120</b> | <b>33,102</b> | <b>31,020</b> | <b>45,868</b> | <b>46,898</b> |

Source: AOTP, Paris Pact, online seizure database <http://beroin2011.dbroca.nz/> and UNODC World Drug Report, 2007.

Except for an increase in 2008, the number of reported heroin seizures in Central Asia has been declining steadily: The figures for 2004 and 2011 show a 71 per cent fall. This is a worrying trend that suggests that opiate and chemical precursor trafficking is well concealed within licit trade.

**Figure 2: Reported heroin seizures in Central Asia (2004-2011)**

Source: AOTP, Paris Pact, online seizure database <http://beroin2011.dbroca.nz/> and UNODC World Drug Report, 2007.

### **Dry ports and rail networks targeted**

It is very difficult to establish the extent to which dry ports are misused by drug traffickers in the region. At present, seizures rarely occur at dry ports, mostly taking place instead in the surrounding areas.

The large volume of trade handled by dry ports in Afghanistan, and in other countries in the region, is a key factor in the low number of reported seizures at these transport hubs as it makes it hard to detect opiates concealed within licit cargo. Furthermore, several dry ports in the region do not have sufficient staff and technical resources to be able to effectively check cargo for opiates.

As a result, the risk of opiates passing through the dry ports without being discovered is significant. This provides drug traffickers with the opportunity to smuggle opiates from Afghanistan through dry ports and along trade routes to seaports in the Islamic Republic of Iran and Pakistan or to rail networks in Central Asia, from where they can be delivered to the global market using various transport networks.

The rail networks link a number of dry ports in Central Asia and play a vital role in the region. In recent years, the Central Asian rail network has been extended to Afghanistan. Since this extension, several important heroin seizures have reportedly taken place along the rail network in Central Asia. This suggests that drug traffickers are abusing the lack of efficient law enforcement control along the rail network in Central Asia.

### ***Abuse of new trade agreements***

In order to facilitate the movement of goods across borders, a number of bilateral and regional trade agreements have been signed between Afghanistan and other countries in Western and Central Asia. Such agreements have reduced the level of customs inspection.

Some agreements permit goods to be sealed in containers at the point of departure, after which they are only reopened once they arrive at the final destination. Under these circumstances, customs officials at dry ports and border crossings generally only inspect cargo when there is evidence that the containers have been tampered with. Therefore, if opiates have already been hidden inside containers with licit cargo at the point of departure, customs officials have no reason to suspect illegal content. As a result, reduced customs regulations offer traffickers the opportunity to misuse licit trade routes to smuggle opiates out of Afghanistan and into other countries.

Drug traffickers smuggling opiates across borders also avoid detection by circumventing dry ports and official border crossings. Once the opiates have been smuggled across the borders, the traffickers return to recognized trade routes. Reports of seizures that have taken place along the borders between Afghanistan and Tajikistan and Afghanistan and the Islamic Republic of Iran indicate that dry ports and official border crossings are often bypassed by traffickers.

The highly mountainous regions that border Afghanistan and Tajikistan and Afghanistan and the Islamic Republic of Iran are particularly difficult to police and provide traffickers with a number of unofficial routes along which to smuggle opiates.

### ***Misuse of maritime transportation***

In recent years, drug traffickers have become increasingly reliant on maritime transportation to smuggle opiates from Iranian and Pakistani seaports to the global market. By abusing trade routes from Afghanistan, traffickers can smuggle opiates to the Iranian seaports at Bandar Abbas and Chabahar, as well as to the Pakistani seaports at Gwadar, Karachi and Port Qasim.

Despite low trade volume at Gwadar seaport, traffickers have found ways to use it as an exit point for small-scale heroin smuggling. Seizure reports over the last three years indicate that all major seaports in the Islamic Republic of Iran and Pakistan used for transit trade with Afghanistan are being misused for smuggling opiates.

**Map 3: Opiate seizures reported along the Iranian and Pakistani coastline (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uw.edu/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

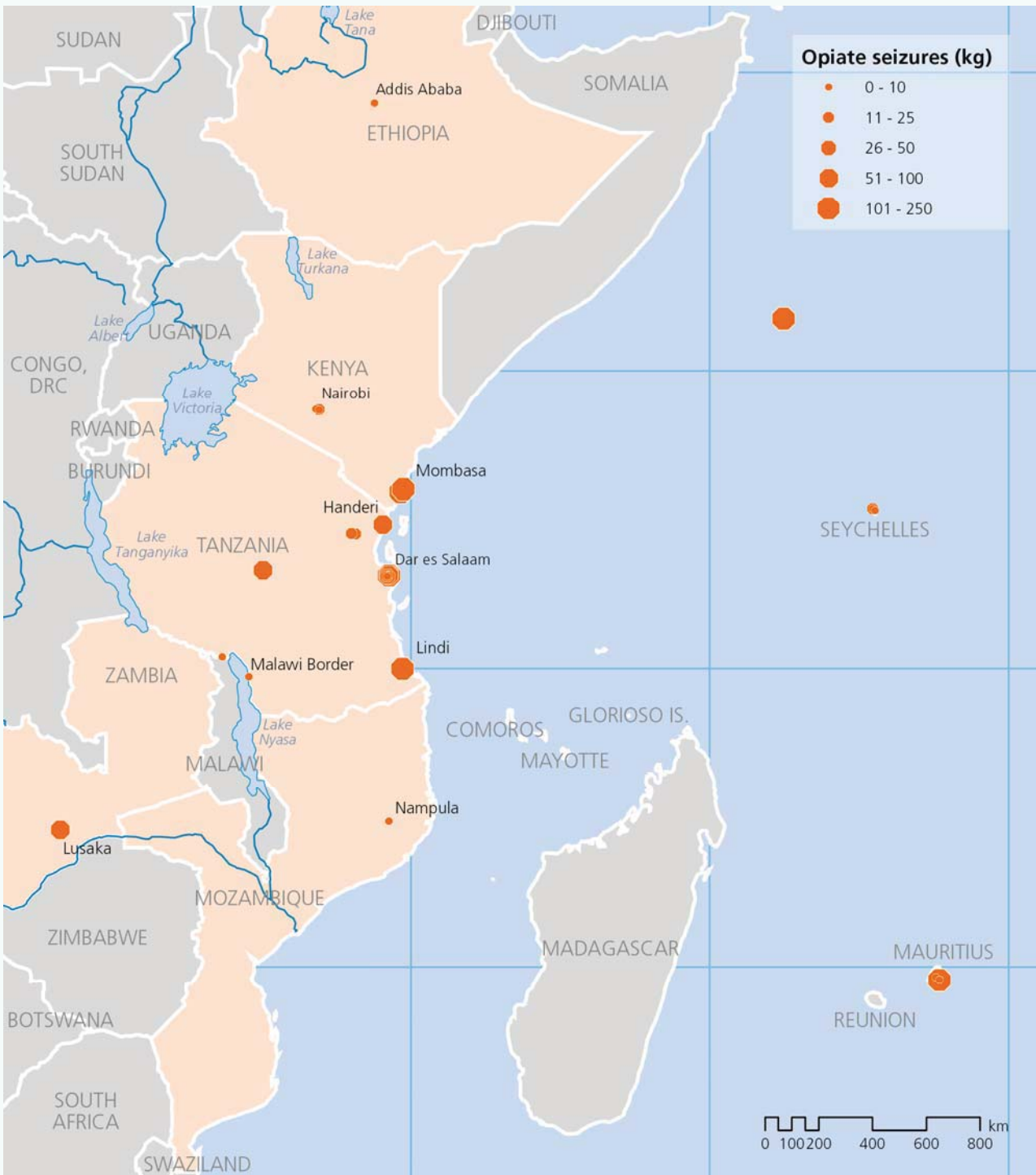
### Opiate trafficking to East Africa

In addition to official seaports, drug traffickers are also regularly using small jetties to smuggle smaller quantities of opiates from locations on the coastline of the Pakistani province of Balochistan. Ethnic Baloch traffickers and traffickers from the Federally Administered Tribal Areas have established a strong network that operates along the Pakistani coastline in order to smuggle drugs from Afghanistan to East Africa. Once opiates have been smuggled from the Iranian and Pakistani coastlines by boat, the chance of detection is very low.

From the Pakistani coast, opiates are primarily transported via the Arabian Sea and the Gulf of Aden to countries in the Persian Gulf, including Saudi Arabia, Oman and Yemen, from where they are shipped onwards to East Africa. These opiates are often smuggled from Pakistan to Africa in shipments carrying licit goods.

In East Africa, the main opiate transit countries are Kenya, the United Republic of Tanzania and Zambia. However, as the number of heroin seizures reported in the United Republic of Tanzania since 2010 suggests, most of the heroin smuggled by sea from Pakistan and the Islamic Republic of Iran to East Africa arrives in that country and, to a lesser extent, in Kenya. Since there are no official seizure data for Somalia, the exact mode of any heroin trafficking to this country remains unclear. However, there have been a number of anecdotal reports that indicate that heroin is being trafficked to Somalia.

**Map 4: Opiate seizures reported in East Africa (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.us/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

**Opiate trafficking to East Africa**

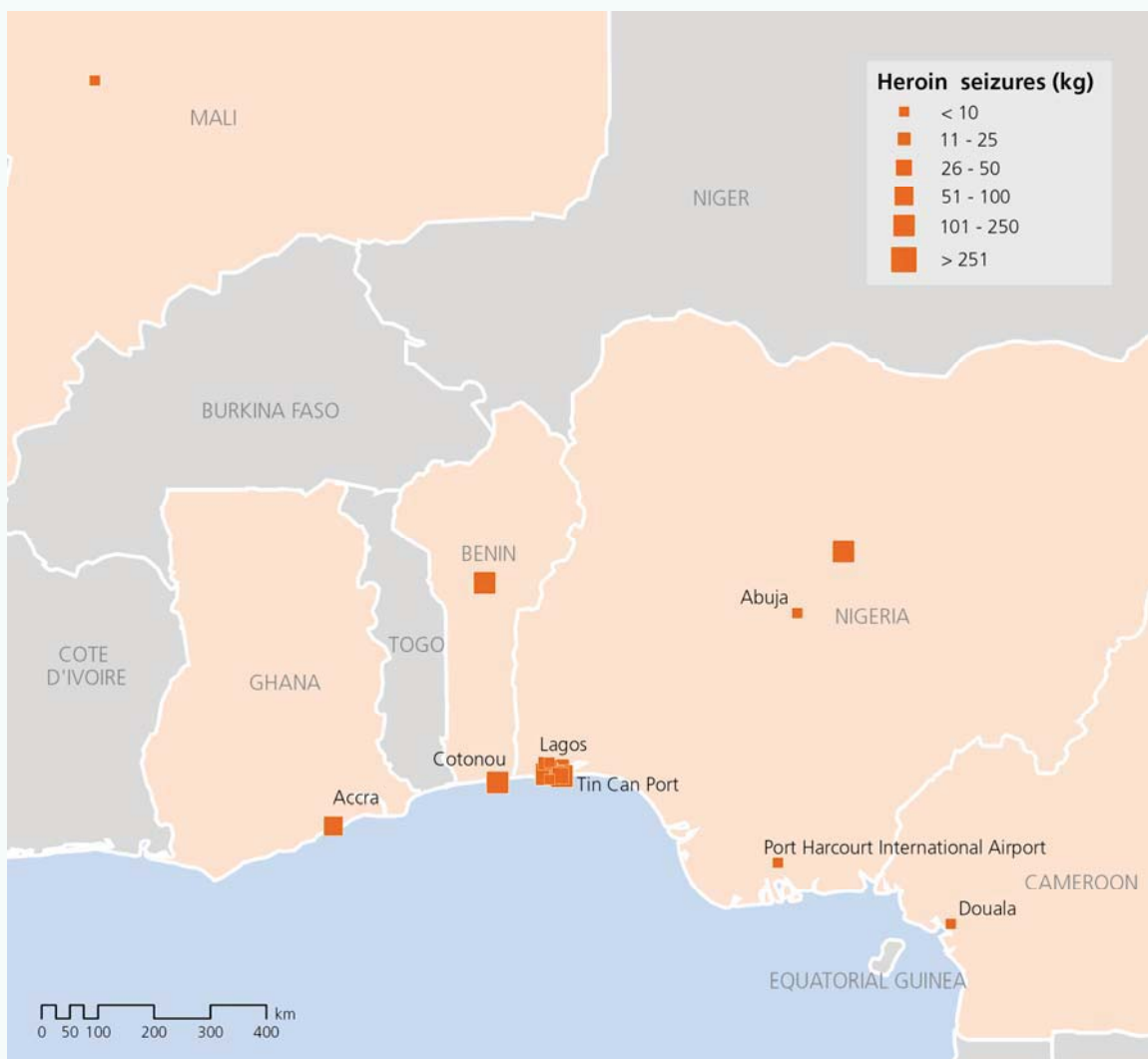
Heroin is trafficked from the United Republic of Tanzania to landlocked countries in East Africa, including Malawi and Zambia, through airports, seaports and porous borders. Heroin shipments are often broken down into consignments of 1-3kg or 5kg for onward transportation to other countries in Africa. This is usually carried out by road using private vehicles, rather than buses, as this form of

transport is subject to fewer inspections. Owing to a lack of law enforcement capacity in East Africa, traffickers employ various means to smuggle opiates to South and West Africa.

Afghan heroin is mostly trafficked to countries along the West African coast before being distributed internationally. Nigeria and the West African coast have direct links, in particular trade links, to South-West Asia. A significant volume of goods, ranging from pharmaceuticals to machinery, is imported into Nigeria directly from several cities in Pakistan and India, and significant numbers of Nigerians have settled in Mumbai, Lahore, Quetta, Delhi and Islamabad. Nigerian drug traffickers exploit these trade and family ties.

Most of the Afghan heroin entering Benin, Ghana and Nigeria arrives from the Islamic Republic of Iran or Pakistan. Traffickers import heroin into Nigeria by various means: by flying shipments into countries neighbouring Nigeria and then smuggling the drugs overland; by flying shipments directly into one of the four international airports in Nigeria; or by using Nigerian seaports and coastline. Since 2010, large quantities of heroin shipped from Iranian and Pakistani seaports have been seized along the West African coastline. Given the distance between Pakistan and the Islamic Republic of Iran and Nigeria, maritime transportation is a common means of shipping large consignments of heroin.

**Map 5: Heroin seizures reported in West Africa (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.



The low level of law enforcement at seaports and border crossings in Africa, in particular in East Africa, is of considerable concern and makes the continent vulnerable to opiate trafficking. Even though heroin trafficking by sea to East Africa has increased in recent years, law enforcement agencies in the region continue to lack even the most rudimentary equipment, facilities and training required to monitor this activity and conduct cargo inspections. This dearth of resources is particularly notable in the United Republic of Tanzania, which is unable to regularly patrol its harbours. In addition, several other East African countries are not in a position to assign any significant resources for coastline patrols and seaport control management.

### ***The way forward***

Despite the sharp increase in regional trade volume in recent years and the forecast for further expansion in the short term, it may not be possible to combat drug trafficking solely by enhancing law enforcement capacity at dry ports, seaports and border control points.

It would be useful to expand the United Nations Office on Drugs and Crime Container Control Programme, which has established an intelligence network for container transportation and a container profiling system, to all countries to which Afghan heroin is trafficked. At present, owing to the high volume of containers handled at seaports in Western and South-East Asia and East Africa, only 1-5 per cent of containers are checked. The extension of the Container Control Programme could help alert seaports and dry ports to containers with a high-risk profile that may contain opiates and chemical precursors.

In addition, in order to effectively combat heroin trafficking from Western and Central Asia, it is important to improve the intelligence network between the Central Asian Regional Information and Coordination Centre (CARICC), the Joint Planning Cell (JPC) and other national counter-narcotics units in the region. It is also imperative that an intelligence network between Western and Central Asian countries and intelligence centres in Europe, Africa, and East and South-East Asia is formally established.





## I. TRADE NETWORKS IN WESTERN AND CENTRAL ASIA

At present, there are six major intermodal transportation corridors that span Asia.<sup>2</sup> The Western and Central Asian transportation network consists of 16 inland waterway routes, seven roads and nine railway lines, which are illustrated on the map on the following page.<sup>3</sup> The entire network connects 18 countries in the region, 10 of which are landlocked.<sup>4</sup>

Since 2002, the road infrastructure in Afghanistan has been developed significantly.<sup>5</sup> The Afghan Ring Road lies at the heart of the regional transport system, linking Kabul, Pol-e-Khomri, Mazar-e-Sharif, Herat and Kandahar.<sup>6</sup> Regional highways and roads lead via the Ring Road through Afghanistan, the Islamic Republic of Iran, Pakistan, Tajikistan, Uzbekistan and Turkmenistan.<sup>7</sup>

<sup>2</sup> UNESCAP, Expert Group Meeting on Operationalization of International Intermodal Transport Corridors in North-East and Central Asia, Uiwang City, 15-16 July 2010.

<sup>3</sup> Currently, the Asian Highway and the Trans-Asian Railway are being expanded further in order to establish an Asia-wide integrated transportation and logistics network.

<sup>4</sup> UNESCAP, Expert Group Meeting on Preparations for the Ministerial Conference on Transport, Bangkok, 14-15 July 2011.

<sup>5</sup> Due to decades of conflict, most of the road network in Afghanistan was previously destroyed.

<sup>6</sup> UNECE, National Report of Afghanistan on Transport Sector, 2008.

<sup>7</sup> See S. Frederick Starr and Andrew C. Kuchins, "The Key to Success in Afghanistan, A Modern Silk Road Strategy", Central Asia Caucuses Institute & Silk Road Studies Program, May 2010.

**Map 6: Western and Central Asian transportation network**



Source: UNCTAD, Expert Meeting on Regional Cooperation in Transit Transport, Geneva, 27-28 September 2007. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

## **ANALYSIS OF DRY PORTS**

Within the Western and Central Asian intermodal transport network, dry ports play a crucial role in shifting trade flows from one mode of transportation to another.<sup>8</sup> For landlocked countries in the region such as Afghanistan, which have no direct access to the sea, dry ports are crucial nodal points of commercial trade. They also assist in the development of a hinterland<sup>9</sup> zone, which can be particularly beneficial in creating jobs and promoting economic development in less commercially active areas within Western and Central Asian countries.

Currently, there are 48 dry ports in the entire Western and Central Asian region.<sup>10</sup> The majority (17) are located in Afghanistan and are situated along its borders. Dry ports located near the border with Pakistan, at Torkham in Afghanistan (along the Kabul–Peshawar highway) and Chaman in Pakistan (bordering the Afghan Kandahar province), primarily handle trade and transit trade flows heading for Pakistan. In western Afghanistan, Islam Qala dry port in Herat province primarily handles trade and transit trade destined for the Islamic Republic of Iran. In the north of the country, the main dry ports are located at Torghundi (close to the Turkmen border), Hairatan (on the border with Uzbekistan), and Sher Khan Bandar (on the border with Tajikistan).

## **DEFINITION OF A DRY PORT**

There is no officially agreed definition of a dry port. However, the working definition is that “a dry port provides services for the handling and temporary storage of containers, general and/or bulk cargoes that enters or leaves the dry port by any mode of transport such as road, railways, inland waterways or airports”<sup>11</sup>. In other words, the main objectives of a dry port are: to provide an additional hinterland terminal to which a seaport can outsource its workload; to improve the efficiency of the logistics chain; and to facilitate the trans-shipment of cargo to another mode of transportation.<sup>12</sup>

However, since dry ports are expected to perform several different functions, the working processes at a dry port tend to be complex. Dry ports are bidirectional logistics systems - goods coming from seaports are received and transferred to modes of land transportation, while freight arriving by rail or by road is received and subsequently delivered to seaports. As a rule, dry ports should have a direct road or rail connection to a seaport, have a high capacity for processing traffic and offer the same type of facilities as those found at a seaport.<sup>13</sup>

## **KEY FUNCTIONS**

There are several types of intermodal terminal that function in a similar way to a dry port. They include inland ports, inland clearance depots, conventional intermodal terminals, inland container terminals, Inland Customs Depots (ICD), transport-logistics centres and inland cargo centres. However, dry ports tend to be more advanced than such terminals, since they are able to perform a greater variety of functions simultaneously. For instance, dry ports can usually: trans-ship cargo from road to rail or vice-versa; sort and temporarily store goods; consolidate and distribute goods; provide customs clearance

<sup>8</sup> See UNESCAP, Regional Expert Group Meeting on the Development of Dry Ports along the Asian Highway and Trans-Asian Railway Networks, Bangkok, 1-3 November 2010.

<sup>9</sup> A hinterland is the inland region located behind a coast or shoreline. It is the area to which products are delivered for onward shipping from seaports.

<sup>10</sup> UNESCAP, Expert Group Meeting on Preparations for the Ministerial Conference on Transport, Bangkok, 14-15 July 2011.

<sup>11</sup> UNESCAP, Regional Expert Group Meeting on the Development of Dry Ports along the Asian Highway and Trans-Asian Railway Networks, Bangkok, 1-3 November 2010.

<sup>12</sup> Lina Trainaviciute, “The Dry Port - Concept and Perspectives”, FDT, Rev. no. 17, August 2011.

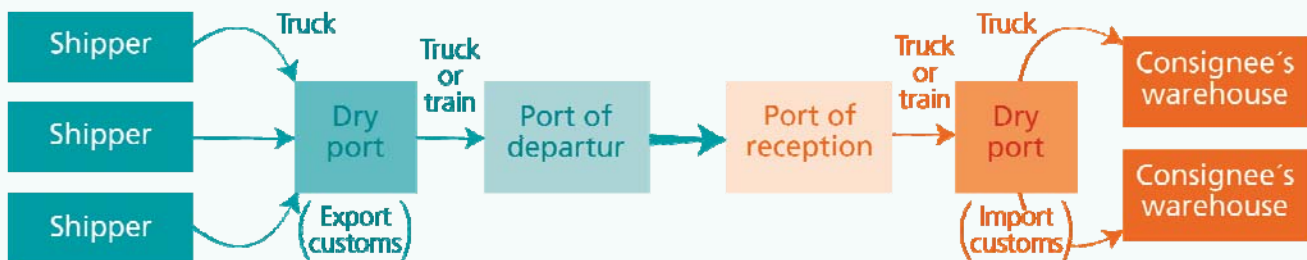
<sup>13</sup> Lina Trainaviciute, “The Dry Port - Concept and Perspectives”, FDT, Rev. no. 17, August 2011.

services; and provide a number of other value-added services.<sup>14</sup> The following section describes and discusses each of the functions of a dry port in greater detail.

### *Trans-shipment of cargo between different modes of transportation*

Such a function requires special on-site equipment at the terminal, to enable the transfer of goods from one mode of transportation to another. Good trans-shipment coordination is required in order to ensure that such operations are not time-consuming. In the case of a dry port, such trans-shipments are usually conducted by shifting goods transported by rail onto road networks, or vice-versa. In exceptional cases, a dry port may also be linked to a waterway, enabling it to receive cargo shipped by barge from a seaport.

**Figure 3: Trans-shipment process with dry ports**



Source: Lina Trainaviciute, "The Dry Port - Concept and Perspectives", FDT, Rev. no. 17, August 2011.

### *Sorting*

When goods are transported by ship, the containers must be sorted at the receiving seaport. That is because containers carried by a single ship are often to be transported to a number of different end-destinations. However, seaports frequently become congested as a result of the sheer number of deliveries that must be sorted. For that reason, if there is an increase in the volume of received shipments, the distribution function can be outsourced to an inland terminal, such as a dry port, to assist in the sorting process and prevent inefficiency at seaports.<sup>15</sup>

### *Storing*

Additional time may be required to adequately store goods at a dry port. If the goods are intended primarily for distribution purposes, they tend to be stored for a relatively long period of time. The vacant space of a dry port hinterland is practical for such long-term storage of empty containers and other waiting units. However, if the goods are merely being transferred from one mode of transportation to another, their transportation is only briefly interrupted. During that time, they are stored at a dry port on a short-term basis. The storage service provided at dry ports is essential for the proper functioning of transport networks, since some regions often receive more containers than they are able to distribute. Therefore, dry ports can be an effective means of providing connections between terminals and regulating imbalances of container flows.

<sup>14</sup> UNESCAP, Regional Expert Group Meeting on the Development of Dry Ports along the Asian Highway and Trans-Asian Railway Networks, Bangkok, 1-3 November 2010.

<sup>15</sup> A Divandari and H. Yousefi, "Development of the Iranian Maritime Transport: A Focus on Dry Ports and the Iranian Container Terminals Operation", International Conference IMLA 19, 2011.

### *Management of container flows*

The management of container flows is a useful function when a dry port has close links and lines of communication with a number of other nearby ports. If a port should become congested at any given time, a shuttle train may be directed to transport goods to another, less congested, port.

### *Consolidation of individual container flows*

When containers arrive at a dry port from different shippers, they can then be loaded onto a shuttle train to be transported to a seaport or an inland destination.

### *Relieving transportation by road*

Dry ports are usually linked to other ports by rail. They are therefore the ideal location at which to consolidate goods received from different shippers, before transporting them onwards by rail. In this way, dry ports help to divert traffic away from roads by increasing transportation by rail.

### *Provision of special and extra services*

One of the most important special services provided by any port is to provide customs clearance. When that function is performed at a dry port rather than a seaport, the waiting time at the seaport is effectively reduced. Often, the waiting time at seaports is very long and leads to congestion. As with some of the other functions performed by a dry port, such as sorting, storing and managing container flows, the task of providing special and extra services is conducted primarily in order to prevent congestion at seaports.







## II. OVERVIEW OF TRADE AGREEMENTS: FACTS AND PROBLEMS

This section analyses eight bilateral and regional trade agreements that Afghanistan has entered into with Western and Central Asian countries within the last 10 years and identifies the ways in which those agreements could be misused for smuggling opiates from Afghanistan to global markets.

### AFGHANISTAN-PAKISTAN TRANSIT TRADE AGREEMENT (APTTA)

The Afghanistan-Pakistan Transit Trade Agreement (APTTA), signed in October 2010, replaced a previous agreement between the two countries dating from 1965. The first APTTA was designed to guarantee the freedom of transit for both countries within one another's territories. That was particularly beneficial to Afghanistan. While Afghanistan is a landlocked country, the agreement enabled it to conduct maritime trade via Pakistan's seaports.

However, the initial transit trade agreement suffered from certain fundamental weaknesses. One of its major flaws was that it did not address the issue of smuggling prevention.<sup>16</sup> Furthermore, when the first agreement was signed in 1965, several Central Asian States were still part of the Soviet Union and were not permitted to trade goods with Pakistan via Afghanistan. Once countries in the region had become independent, trade was initiated between Central Asia and Pakistan via Afghanistan.

In order to facilitate transit trade between Afghanistan and Pakistan, the terms of the 2010 APTTA simplify the regulations and reduce the cost of transit transportation in both countries. For instance, transit goods from either Pakistan or Afghanistan are not charged duties, taxes or any other additional expenses. Since the modified agreement has been in place, both Afghanistan and Pakistan have been able to deliver transit goods more efficiently and at a lower cost.

#### ***Transit trade trends***

Overall, Afghan transit imports have increased more than Afghan transit exports over the past decade. In 2001, total Afghan transit trade through Pakistan stood at a value of around US\$ 400 million. Afghan transit exports through Pakistan remained steady, having reached a high point of US\$ 80 million in 2006 and declined to US\$ 40 million in 2009, while Afghan transit imports through Pakistan increased from

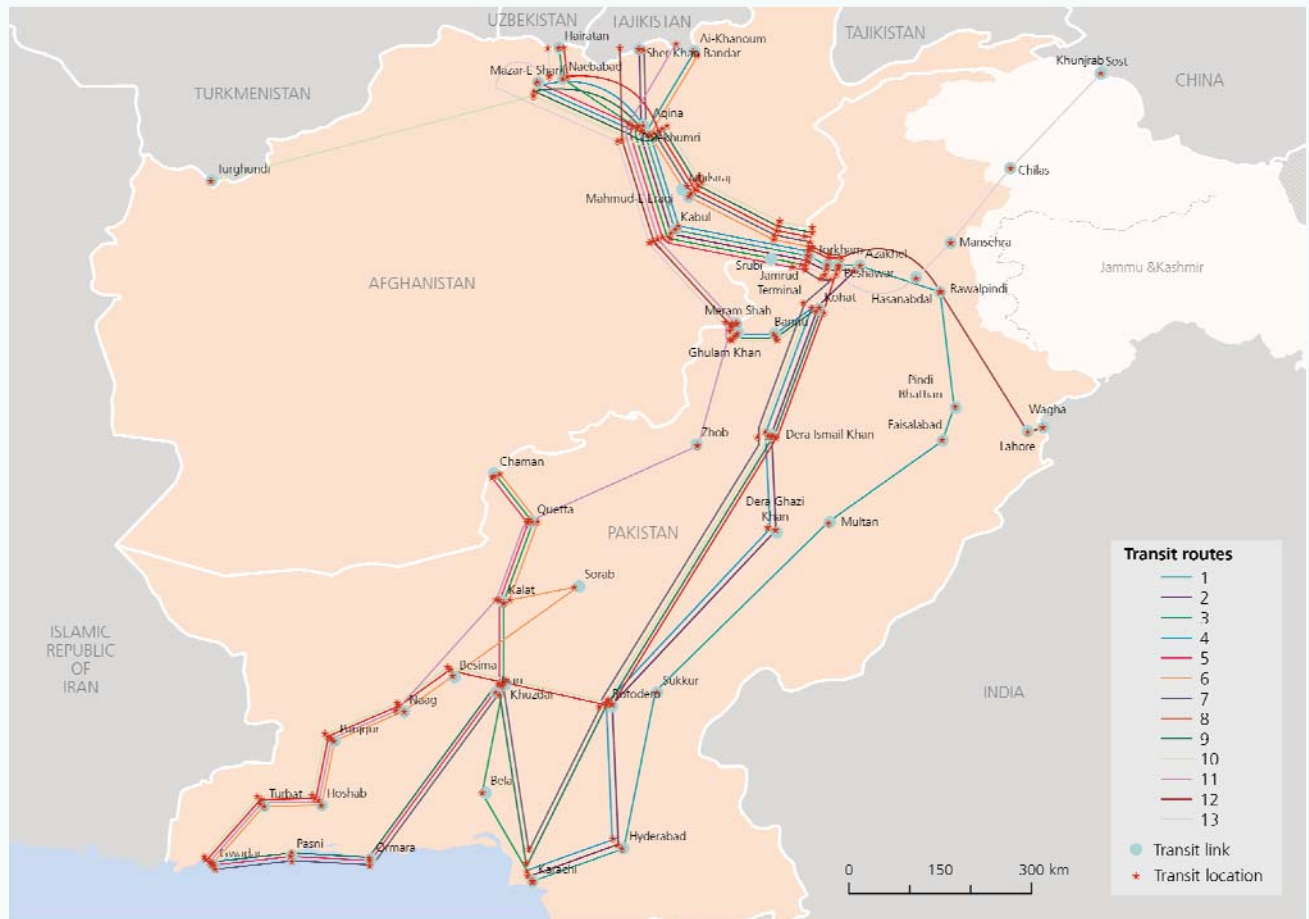
<sup>16</sup> At the time the agreement was reached, it was not foreseen how advanced forms of technology could lead to the creation of undetectable smuggling routes that abused Afghan and Pakistani trade networks.

US\$ 366 million in 2005 to US\$ 1 billion in 2009.<sup>17</sup> In other words, the volume of Afghan transit imports has almost tripled within the past decade. According to the World Trade Organization (WTO), in 2012 at least half of Afghanistan’s exports went either to Pakistan or via Pakistan to other destinations.<sup>18</sup> In 2011, Afghanistan received nearly 34 per cent of all its imports via Pakistan.<sup>19</sup> The considerable increase in Afghan transit trade flows via Pakistan enhances the opportunity to smuggle opiates and acetic anhydride concealed within large trade flows. The following sections identify how the conditions and the specific trade routes of APTTA could be misused for the purposes of illicit trafficking.

**Transit transportation routes**

While the first APTTA was only implemented along two transit trade routes, the new transit trade agreement identifies a total of 30 road transit routes. Each of those may be used to conduct transit trade through Afghanistan and Pakistan. Of the 30 routes, 13 are located in Pakistan and 17 in Afghanistan.

**Map 7: Road transit routes leading through Afghanistan and Pakistan in accordance with APTTA**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

<sup>17</sup> [http://mpr.ub.uni-muenchen.de/27157/1/MPRA\\_paper\\_27157.pdf](http://mpr.ub.uni-muenchen.de/27157/1/MPRA_paper_27157.pdf)

<sup>18</sup> <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=AF>

<sup>19</sup> [http://mpr.ub.uni-muenchen.de/27157/1/MPRA\\_paper\\_27157.pdf](http://mpr.ub.uni-muenchen.de/27157/1/MPRA_paper_27157.pdf)

According to the new agreement, both Afghanistan and Pakistan may use each other's airports, dry ports, transit rail and road corridors and on-land stations along the transit routes. Afghan goods may be exported via Pakistani seaports at Gwadar, Karachi and Port Qasim, while Afghan imports only arrive from Karachi and Port Qasim.<sup>20</sup>

The official border crossing between Afghanistan and Pakistan, located at Torkham in Afghanistan, is the main crossing used to transport goods along trade routes assigned for APTTA transit trade. On average, 100 containers carrying commercial goods and 30-40 containers carrying non-commercial cargo cross Torkham on a daily basis.<sup>21</sup> However, trade flows at the Torkham crossing are much higher in the summer than in the winter. Approximately 1000 containers cross daily in the summer, while only 30-40 containers cross on a daily basis in the winter.<sup>22</sup> Transit trade figures are recorded manually and then processed using a computer program. Torkham Station border crossing is primarily a "Trade Facilitation Centre" that merely monitors trade and transit trade between Afghanistan and Pakistan. Therefore, drug smuggling prevention is not a priority at the crossing. Containers, trucks or vehicles travelling to or from Afghanistan through Torkham are not thoroughly searched. UNODC experts observed that customs officials often stamped and signed cargo receipts and allowed trucks and containers to cross the border to Pakistan without conducting any checks.<sup>23</sup> Moreover, the crossing is not equipped with the necessary equipment to check cargo for drugs and none of the staff has been trained to conduct such inspections. Although a drug detection kit has been provided by UNODC for use at the crossing, it is not apparently being put to use.

### **Transportation regulations**

A number of APTTA transportation regulations have been greatly simplified to ease the flow of transit trade between Afghanistan and Pakistan, but that may also inadvertently facilitate opiate and chemical precursor smuggling. In some cases, goods may be transported in containers, open trucks (for bulk and oversized cargo) and other transportation units used to transport perishable goods such as fruits. In all other cases, transit goods must be stored in sealed trucks known as "closed trucks", which must meet international specifications. Goods in closed trucks are checked while being loaded and offloaded as part of the transit process, in order to ensure that the container seals have not been broken. However, unlike Pakistan, Afghanistan has not enforced such a measure at control points. Furthermore, there is no guarantee when goods are transported in sealed containers that drugs are not concealed within the cargo during the trans-shipment process.

In accordance with APTTA, truck drivers from Afghanistan and Pakistan are permitted to transport goods across either country upon receiving a "temporary admission document". Thus, Afghan trucks may deliver goods via Pakistan all the way to India, rather than having to reload their goods onto Pakistani trucks at the Afghanistan-Pakistan border.<sup>24</sup> Afghan and Pakistani driving licenses and vehicle registration documents are also recognized and accepted in both countries, enabling truck drivers to deliver transit goods directly through each of the two countries.

Pakistan and Afghanistan have begun to harmonize their regulations and standards for inspecting and certifying trucks used for transit trade. However, each country remains responsible for licensing its own transport operators (e.g. trucking firms). In order to counteract smuggling, information sharing between

<sup>20</sup> [http://mpra.ub.uni-muenchen.de/27157/1/MPRA\\_paper\\_27157.pdf](http://mpra.ub.uni-muenchen.de/27157/1/MPRA_paper_27157.pdf)

<sup>21</sup> UNODC Mission to Torkham, March 2012.

<sup>22</sup> UNODC Mission to Torkham, March 2012.

<sup>23</sup> UNODC Mission to Torkham, March 2012.

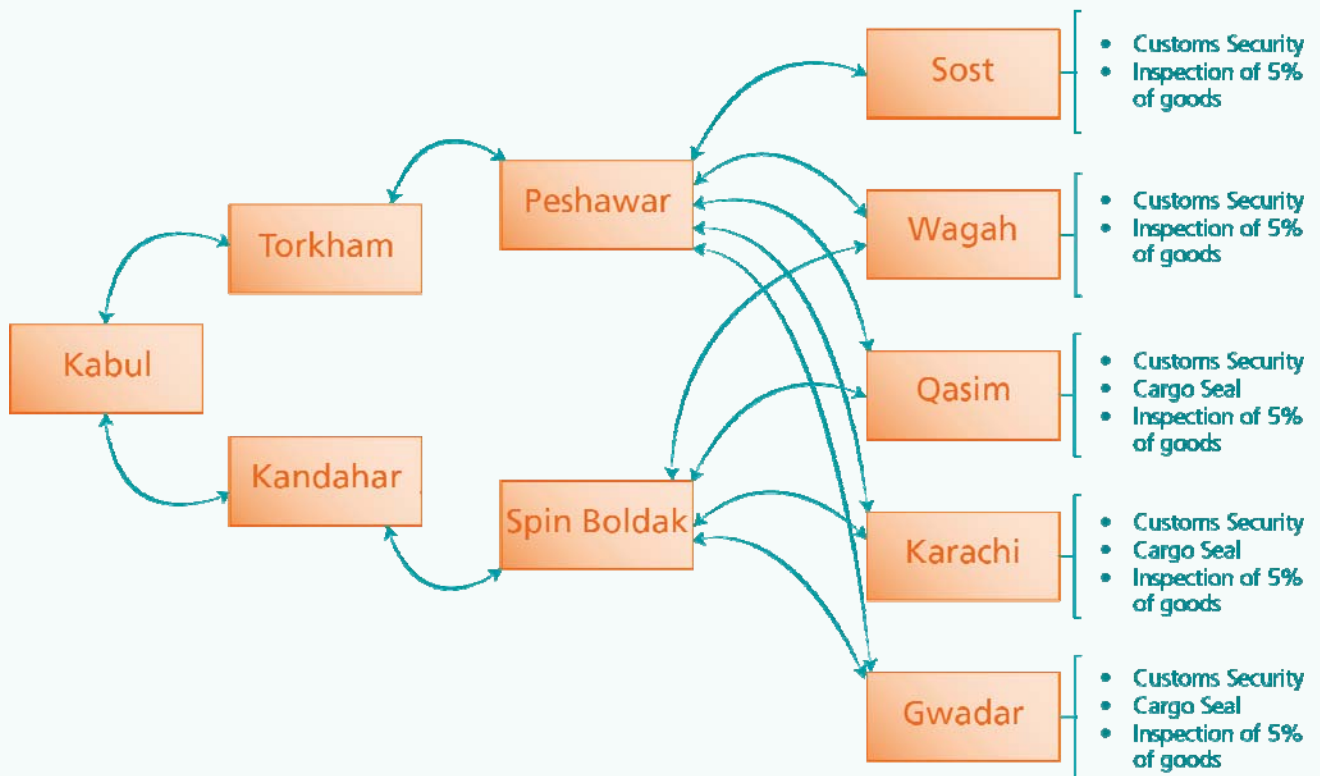
<sup>24</sup> Before the new APTTA was in place, Afghan trucks delivering goods via Pakistan to India had to reload their goods onto Pakistani trucks at the Afghan-Pakistani border. See Steven A. Zyck, "Transit Trade in Transition: The APTTA & the Afghan Economy" *Afghanistan in Transition*, November 2011.

the customs offices in Afghanistan and Pakistan has been enhanced and tracking devices are being installed on containers. However, those tracking devices are not yet fully in place and must be monitored by the Afghan and Pakistani customs departments on a 24-hour basis. Currently, Afghan vehicles transporting goods through Pakistan are not required to install such tracking devices. Therefore, there is still a high probability that drugs are being trafficked from Afghanistan through Pakistan to other destinations within sealed trucks.

### Customs checks

The handling of goods at any of Pakistan’s three seaports follows a clear customs procedure. When goods are to be exported from Karachi seaport, customs officials initially unload the cargo in order to conduct an inspection and verify that all the container seals are intact. The containers are then stored in the assigned Afghan transit shed, while explosives, hazardous goods and heavy cargo exceeding five tons in weight must be placed in special storage. If the goods are to be subsequently exported by rail to India, the train wagons must also be examined by customs officials. Such inspections can only be officially completed and recorded once it has been confirmed that all the seals are intact. Copies of invoices must be provided to the owner or agent and the frontier customs official at Peshawar or Chaman. Only then may the transit containers be resealed and removed from the transit sheds under the supervision of the customs authorities.<sup>25</sup>

Figure 4: System of customs checks



Source: AOTP, UNODC.

<sup>25</sup> A standard system of guarantees is also in place to prevent licit goods from being smuggled from Afghanistan to Pakistan, whilst benefiting from the reduced APITA transit tariffs. All Afghan and Pakistani firms transporting goods via either country are required to provide a customs or bank guarantee also termed as “customs security”. Such a document ensures that the firm has deposited the equivalent sum of the customs fee with a third party, such as a bank. Once the goods have exited the transit country as scheduled, the deposited fee is returned to the respective firm. However, if the goods do not leave the transit country within the specified duration, then customs officials may claim the deposited sum specified in the customs guarantee. See <http://www.commerce.gov.pk/APITA/APITA.pdf>

In spite of such regulations, the probability that a container carrying drugs will be inspected by customs officials at a port of entry or exit in either Afghanistan or Pakistan is very low. That is because, in accordance with APTTA, customs officials may only inspect the contents of up to 5 per cent of the containers at a point of entry into Afghanistan or Pakistan. They may not undertake any additional inspections unless it is discovered that there have been regulatory violations. Therefore, the majority of goods packed and sealed as Afghan or Pakistani transit cargo are not checked at BCP or dry ports on either side of the border. As demonstrated in the diagram above, transit cargo is only checked once it reaches its final destination. Accordingly, drug traffickers are able to load drugs into sealed containers that appear to meet international requirements, before transporting them in closed trucks from Afghanistan to Pakistan with a relatively low risk of discovery.

### **Dry ports along APTTA transit transportation routes**

Overall, there are 17 dry ports in Afghanistan and 13 in Pakistan. Of those, the Inland Customs Depot (ICD) in Kabul and the dry port at Naibabad in Afghanistan play a major role in the trans-shipment of transit goods from the Islamic Republic of Iran and Central Asia to Pakistan. In Pakistan, dry ports at Peshawar, Faisalabad, Chaman, Quetta and Karachi are primarily in charge of handling APTTA transit trade going to and from Afghanistan.

### **Map 8: Dry ports in Afghanistan and Pakistan**



*Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.*

The ICD in Kabul mainly handles cargo transported along the Afghan Ring Road to Pakistan's seaports. The Afghan Ring Road provides the best road link between Kabul and Western and Central Asia. Therefore, the Kabul ICD is involved in trade flows heading for the southern provinces of Afghanistan

and Pakistan, as well as those going northwards to Uzbekistan and Tajikistan. In recent years, the efficiency of the dry port has been greatly improved. For instance, the truck release time at the Kabul ICD has been reduced from 18 hours (in 2003), to less than 8 hours (from 2006 onwards). Furthermore, the time required to undertake customs controls has been reduced from 7 to 4.5 hours.

### Trucks waiting at Chaman to cross the Afghan border to Pakistan



Source: UNODC/COPAC, *Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012*.

The majority of goods passing through the Hairatan BCP and Naibabad dry port in northern Afghanistan, near the border with Uzbekistan, originate from the Russian Federation, Kazakhstan, China, the United Arab Emirates (Dubai), the United States of America and Germany. The Hairatan BCP primarily receives cargo arriving on the Termez-Hairatan railway from Uzbekistan. On average, 100-120 containers are sent to and from Hairatan BCP each day.<sup>26</sup> At the Hairatan BCP and Naibabad dry port, cargo is trans-shipped from trains onto trucks, which then travel along the assigned transit routes to Pakistan.

The major dry ports at Chaman and Quetta in Pakistan primarily facilitate the transit of goods between the Islamic Republic of Iran and Pakistan. Quetta has two dry ports, one of which is responsible for railway trans-shipment, the other for road vehicles. Chaman Customs House is located 120 km from Quetta. Goods imported from the Islamic Republic of Iran to the Chaman Customs House include chickpeas, coriander, bitumen, scrap metal, glassware, plastic goods, petroleum oils, organic chemicals, cumin seeds, medicinal herbs, carpets and dry fruits, among other things.<sup>27</sup> The Chaman dry port is especially busy, with around 24,200 containers passing through it between January and March 2012.

**Table 2: Containers passing through Chaman dry port (January 2008 - March 2012):**

| 2008   | 2009   | 2010   | 2011   | March 2012 |
|--------|--------|--------|--------|------------|
| 76,500 | 86,200 | 76,000 | 90,300 | 24,200     |

Source: UNODC/COPAC, *Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012*.

<sup>26</sup> Interview with Customs Officials at Dry Ports in Herat and Mazar-e-Sharif, March 2012.

<sup>27</sup> UNODC/COPAC, *Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012*.

In addition, approximately 500 vehicles, including pick-up trucks, private cars, jeeps and motorbikes, cross the border between Afghanistan and Balochistan province in Pakistan each day.<sup>28</sup>

Although Peshawar dry port is located at a nodal point along the main transit routes between Pakistan and Afghanistan, it does not handle large amounts of cargo. This is mainly due to the lack of available infrastructure and limited facilities. For example, the port has no boundary walls, no drainage system, limited space for offices and storage and no functioning customs controls.<sup>29</sup> Overall, there are 45-50 customs officials employed at Peshawar. However, only 1-2 containers are handled daily for export, while 5-7 vehicles delivering imports are handled per day.<sup>30</sup> Goods imported to Peshawar dry port include electronics, industrial raw materials, fabrics, tea, oil, generators and related accessories, tires and tubes. Exports include handicrafts, rocks and carpets.

Around 20-25 cars, 8 containers and 7 trucks and trolleys deliver imports to Islamabad dry port on a daily basis.<sup>31</sup> Most imports to the dry port are from China, while commercial goods such as wheel hubs are exported to Germany and the United States.<sup>32</sup> On average, only two containers carrying exports leave Islamabad dry port each month. The entire premises of the dry port are walled off and 58 customs officials conduct cargo checks and inspections.

Faisalabad dry port, located on the Jhumra road, is an export-oriented port that delivers goods to Karachi. In 2007, it handled around 33,000 export cargo containers and 5,500 import consignments.<sup>33</sup> However, in recent years, the volume of trade passing through the port has significantly decreased. Currently, 120 containers are handled per month.<sup>34</sup> Most imports consist of used machinery, while cotton and textile materials are exported to countries in the Persian Gulf (mainly the UAE).

#### Export items being loaded into containers at Faisalabad dry port



Source: UNODC Mission to Faisalabad Dry Port, June 2012

<sup>28</sup> UNODC/COPAC, Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012.

<sup>29</sup> UNODC Mission to Torkham, March 2012.

<sup>30</sup> UNODC Mission to Torkham, March 2012.

<sup>31</sup> Islamabad dry port, also known as Margalla Station, was opened in March 2006, after the former dry port in Islamabad, Rawalpindi dry port, was closed down.

<sup>32</sup> UNODC Mission to Islamabad Dry Port, July 2012.

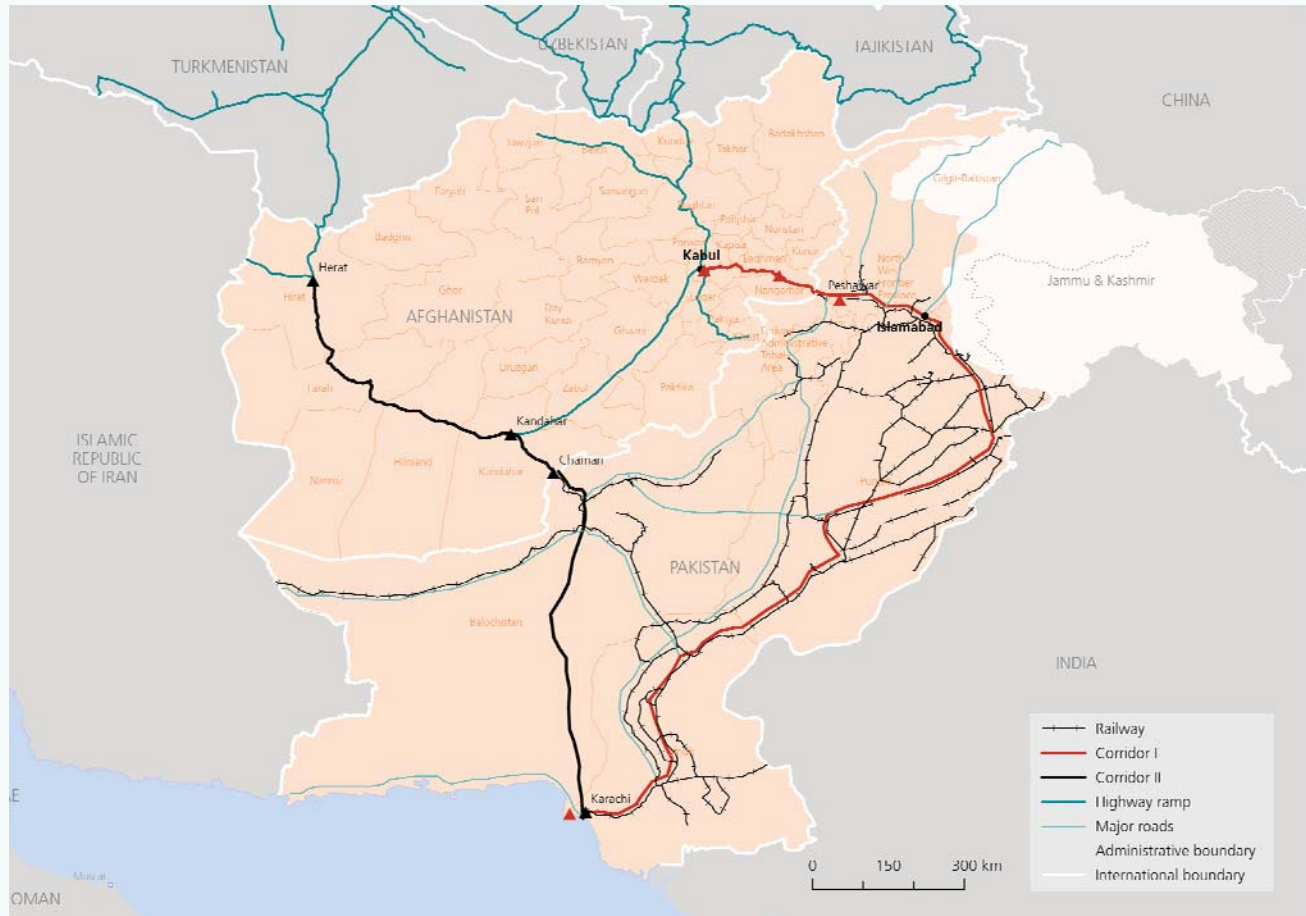
<sup>33</sup> UNODC Mission to Faisalabad, June 2012.

<sup>34</sup> Half of the 120 containers handled at Faisalabad dry port each month are industrial and the other half are commercial.

Karachi dry port operates in very close cooperation with Karachi seaport. The dry port is linked by road and rail to the following two main trade corridors between Pakistan and Afghanistan:

- Corridor I: Karachi-Peshawar-Jalalabad-Kabul
- Corridor II: Karachi-Chaman-Kandahar-Herat

**Map 9: Major trade corridors leading from Karachi**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

Most APTTA-related trade takes place along the road leading from Karachi seaport and Port Qasim to Torkham in Afghanistan. Currently, Karachi dry port handles roughly 75 per cent of the total trade coming from Karachi seaport and Port Qasim, which together manage 95 per cent of Pakistan's external trade. Those seaports are also the main points of entry for Afghan transit goods. Karachi dry port has an overall annual capacity of 25 million tons and is consequently extremely busy.<sup>35</sup> The high level of trade conducted at the two seaports enhances opportunities for drugs to be smuggled undetected via licit trade flows.

<sup>35</sup> This dry port is a leading container terminal in the Central Asian region.



### Containers at Karachi awaiting trans-shipment



*Source: UNODC/COPAC Mission to the Coast of Pakistan, March 2012.*

Around 10-12 containers also arrive on trolleys at Lahore dry port from Karachi seaport and Port Qasim on a daily basis. (On rare occasions, containers that have left Port Qasim are delivered to dry ports at Rawalpindi and Multan for inspection.) However, customs officials at Lahore dry port report that a decreasing number of rail containers have been passing through the port over the past three years.<sup>36</sup> Furthermore, no trains have departed for Karachi seaport and Port Qasim in the last eight months.

In Pakistan, BCP and dry ports often employ an insufficient number of officials and lack the necessary technical equipment to carry out effective cargo inspections. For instance, at the Peshawar and Islamabad dry ports, the only device available to assist in the inspection of goods is a mobile scanner.<sup>37</sup> The scanner can be used to inspect small items such as handbags and other passenger luggage, but is unable to scan or search larger trolleys or containers. Although there have been several opiate seizures and some acetic anhydride seizures in Peshawar and Islamabad, it is possible that some opiates and acetic anhydride may pass through the dry port undetected, due to the poor quality of inspections.

Naibabad dry port in Afghanistan also lacks any form of effective inspection equipment. Customs officials at Naibabad informed UNODC experts that they conducted visual inspections without any technical assistance.<sup>38</sup>

The situation is similar at the Chaman and Quetta dry ports in Pakistan. Aside from three x-ray scanners installed on vans, which were supplied by UNODC, there is no other equipment available to inspect goods passing through either port.<sup>39</sup> Furthermore, even those devices remain unused, since none of the staff has been trained to operate them. Despite the fact that there are 10-12 officers and 30-40 constables employed at both Chaman and Quetta, they all lack adequate training.<sup>40</sup> Furthermore, only 5-10 per cent of all imports and exports are randomly checked at either of the ports. As a result, when an

<sup>36</sup> UNODC Mission to Lahore Dry Port, June 2012.

<sup>37</sup> UNODC Mission to Torkham, March 2012.

<sup>38</sup> Interview with Customs Officials at Dry Ports in Herat and Mazar-e-Sharif, March 2012.

<sup>39</sup> UNODC/COPAC, Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012.

<sup>40</sup> UNODC/COPAC, Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012.

export consignment consisting of 10 containers of rice arrives on trucks, only one or two of the containers will be selected for inspection. If customs officials at either dry port receive information regarding a suspicious container delivery, the entire consignment should be inspected. However, due to a heavy workload and the high volume of trade handled at both dry ports, it is often not possible for customs officials to check the entire batch of containers. Moreover, officials at the BCP in Torkham and dry ports in Chaman and Quetta are mandated primarily to generate revenue and facilitate trade activities, rather than prevent drug smuggling, which is considered to be a secondary responsibility.<sup>41</sup>

Although there are 215 customs officials employed at Faisalabad dry port in Pakistan, there is no drug detection equipment, container scanners or search devices available to assist in cargo inspections. Customs officials informed UNODC experts that in the case of containers exported from Faisalabad dry port to Karachi, the Pakistani Anti-Narcotics Force (ANF) assists in the clearance process.<sup>42</sup> The ANF also assists in the clearance process for most consignments exported from Islamabad dry port.<sup>43</sup> At Faisalabad and Islamabad dry ports the ANF staff thoroughly search containers with the help of sniffer dogs and other drug detection devices. Only once the inspection has been completed do officials sign the shipping bill to authorize the onward transportation of cargo.

### ***Opiate and chemical precursor smuggling along transit routes and at dry ports***

Pakistan is located on one of the three opiate trafficking routes that lead from Afghanistan. After passing through Pakistan, drugs are smuggled to the Islamic Republic of Iran, China, South Asia, South-East Asia, North America and Africa. Pakistan is therefore of fundamental geographic importance in the opiate trafficking trade. For that reason, the APTTA trade routes running through Afghanistan and Pakistan run a significant risk of being abused for opiate smuggling purposes. Many opiate seizures reported between 2010 and 2012 occurred near major dry ports and border crossings along the APTTA transit trade routes. In Afghanistan, 486 kg of heroin and 919 kg of opium were reportedly seized in Kandahar and its outskirts in 2011.<sup>44</sup> A further 1,588 kg of opiates were reportedly seized in Kandahar in 2010, after the APTTA agreement came into force in October of that year.<sup>45</sup> However, only few of those seizures were reported to have taken place at the dry ports themselves. Paktia dry port in Afghanistan, which is located near Torkham, is one of the few dry ports in the country to have reported an opium seizure (22 kg, seized in 2011). Another rare seizure to have occurred at a dry port in Pakistan was reported at Islamabad dry port in 2008 and involved 15 kg of heroin discovered in a container loaded with shoes, destined for Sydney in Australia.<sup>46</sup> When UNODC experts visited the dry ports at Chaman and Quetta, customs officials at both ports reported that there had not been any drug seizures within the previous five years.<sup>47</sup> However, it is reported that opiate seizures are sometimes carried out by mobile customs squads and at customs checkpoints.<sup>48</sup>

In Pakistan, Karachi was the main location for opiate seizures in 2011. That year, a total 663 kg of opiates were reportedly seized at Karachi, while a large quantity (328 kg of heroin and 265 kg of opium)

<sup>41</sup> UNODC Mission to Torkham, March 2012.

<sup>42</sup> UNODC Mission to Faisalabad Dry Port, June 2012.

<sup>43</sup> UNODC Mission to Islamabad Dry Port, July 2012.

<sup>44</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>45</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

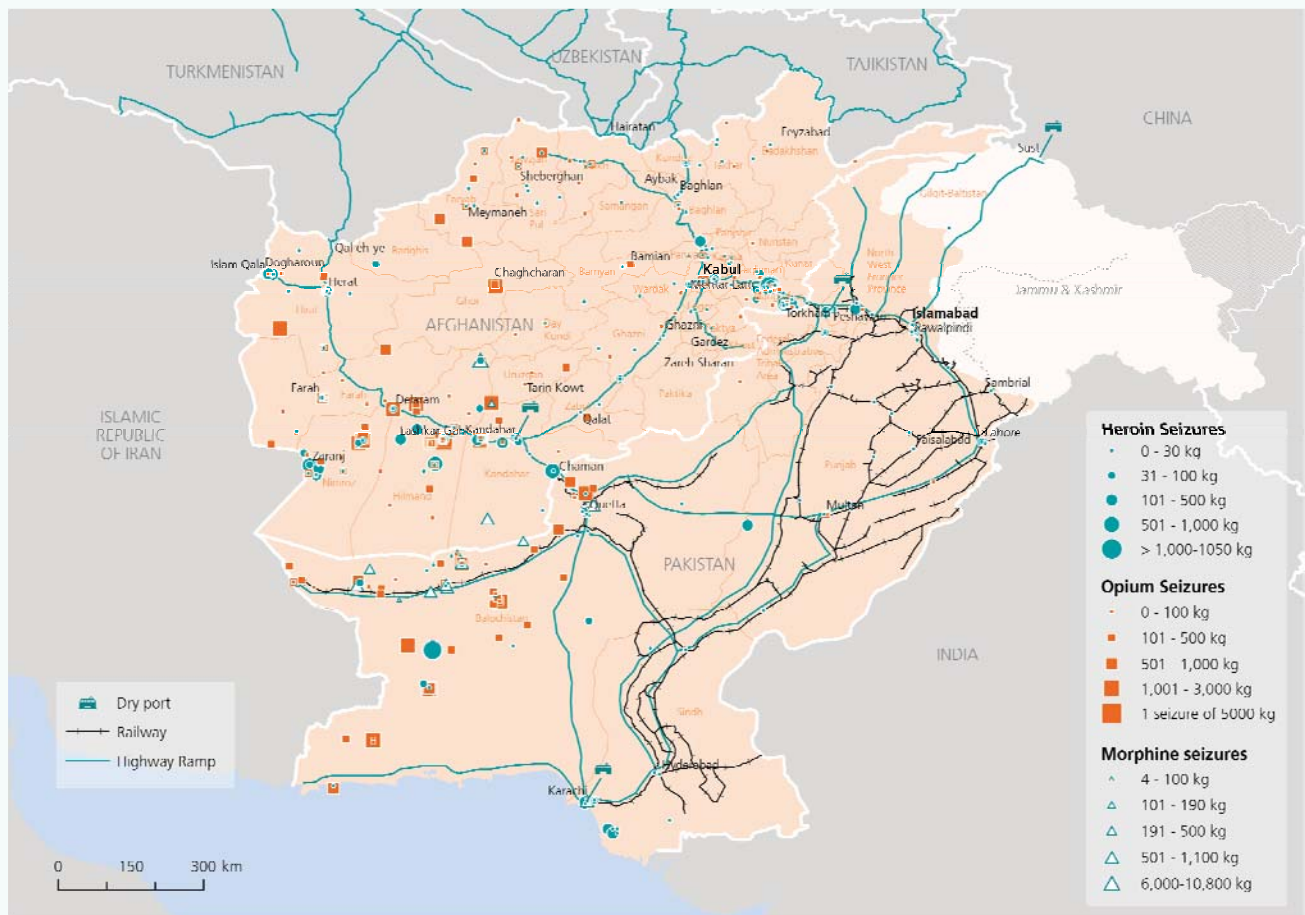
<sup>46</sup> UNODC Mission to Islamabad Dry Port, July 2012.

<sup>47</sup> UNODC/COPAC, Research Report on the Capacity of Border Control Points and Dry Ports in Balochistan, April 2012.

<sup>48</sup> The preventive staff generally patrol routes in the areas surrounding Chaman and Quetta dry ports and seek information in order to make drug seizures.

was also reportedly seized at Peshawar.<sup>49</sup> Within the last two years, a single 192 kg heroin seizure was reported at the West Wharf of the Pakistan International Container Terminal in Karachi.<sup>50</sup> The heroin was found inside refrigerated containers, together with potatoes that were intended for export to Malaysia. Some other heroin seizures were reported shortly after that near the Karachi container terminal. In May 2012, the ANF in Pakistan reportedly seized 110 kg of heroin at Karachi and arrested two traffickers who had smuggled the drugs from Peshawar to Karachi in trucks.<sup>51</sup> A few days later, the ANF reportedly seized another 302 kg of heroin at Karachi.<sup>52</sup> A single seizure consisting of 8 kg heroin was reported at Gwadar in Pakistan in 2011, but no opiate seizures were reported at the BCP in Sust and Wagah.<sup>53</sup> Again, none of those opiate seizures was reported to have taken place at dry ports in any of these locations, but simply in the surrounding areas.

**Map 10: Opiate seizures reported in Afghanistan and Pakistan (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

Although opiate flows are highly complex, the extent to which the locations of reported seizures coincide with the major nodal points for transit trade between Afghanistan and Pakistan indicates that

<sup>49</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>50</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>51</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>52</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>53</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

trade routes are misused for opiate smuggling. According to seizure reports, Kandahar, Karachi and Peshawar appear to be the main locations at which opiates are smuggled through Pakistan along transit trade routes from Afghanistan.

Given the large volume of trade handled at the dry port at Karachi, there is a high probability that goods are smuggled through that port undetected. Although 19 heroin seizures were reported at Karachi in 2011, no opiate seizures are reported to have occurred at the dry port itself. Karachi customs reported that, between 2007 and 2010, 55,140 containers left Karachi but never reached the border posts (although 27,871 containers are reported to have reached the border posts during that period, there is no evidence to suggest that they departed from Karachi).<sup>54</sup> Of all the containers handled at the customs checkpoint in Karachi between 2007 and 2010, there is no information available relating to the whereabouts of 71,202. While many of those missing containers may have been used to smuggle licit goods into Pakistan to avoid duties and tax fees, others may have been used to smuggle opiates from Afghanistan into Pakistan while evading official controls. According to the Federal Board of Revenue, 75 per cent of a total of US\$ 5 billion-worth of smuggled goods entering Pakistan results from the Afghan transit trade.<sup>55</sup>

Moreover, transit trade routes between Afghanistan and Pakistan are at risk of being used not only for opiate smuggling, but also for smuggling the precursor chemical acetic anhydride through Pakistan to Afghanistan. Overall, far fewer acetic anhydride seizures are reported in Afghanistan and Pakistan than opiate seizures. Therefore, data relating to acetic anhydride seizures can only provide a broad indication of the routes used for smuggling the chemical.

As presented in the map below, there were three main locations for acetic anhydride seizures along the Afghanistan-Pakistan transit trade routes in 2011. In 2010, 6,480 kg of acetic anhydride were reportedly intercepted in a single seizure near Khost dry port at the Afghan-Pakistani border, while another 4,800 kg of acetic anhydride were seized in 2011.<sup>56</sup> Two further seizures were reported in close proximity to one another at Torkham and Peshawar. In 2011, 30.6 litres of acetic anhydride were reportedly seized in Peshawar, while another 1,708 litres were seized at Torkham.<sup>57</sup>

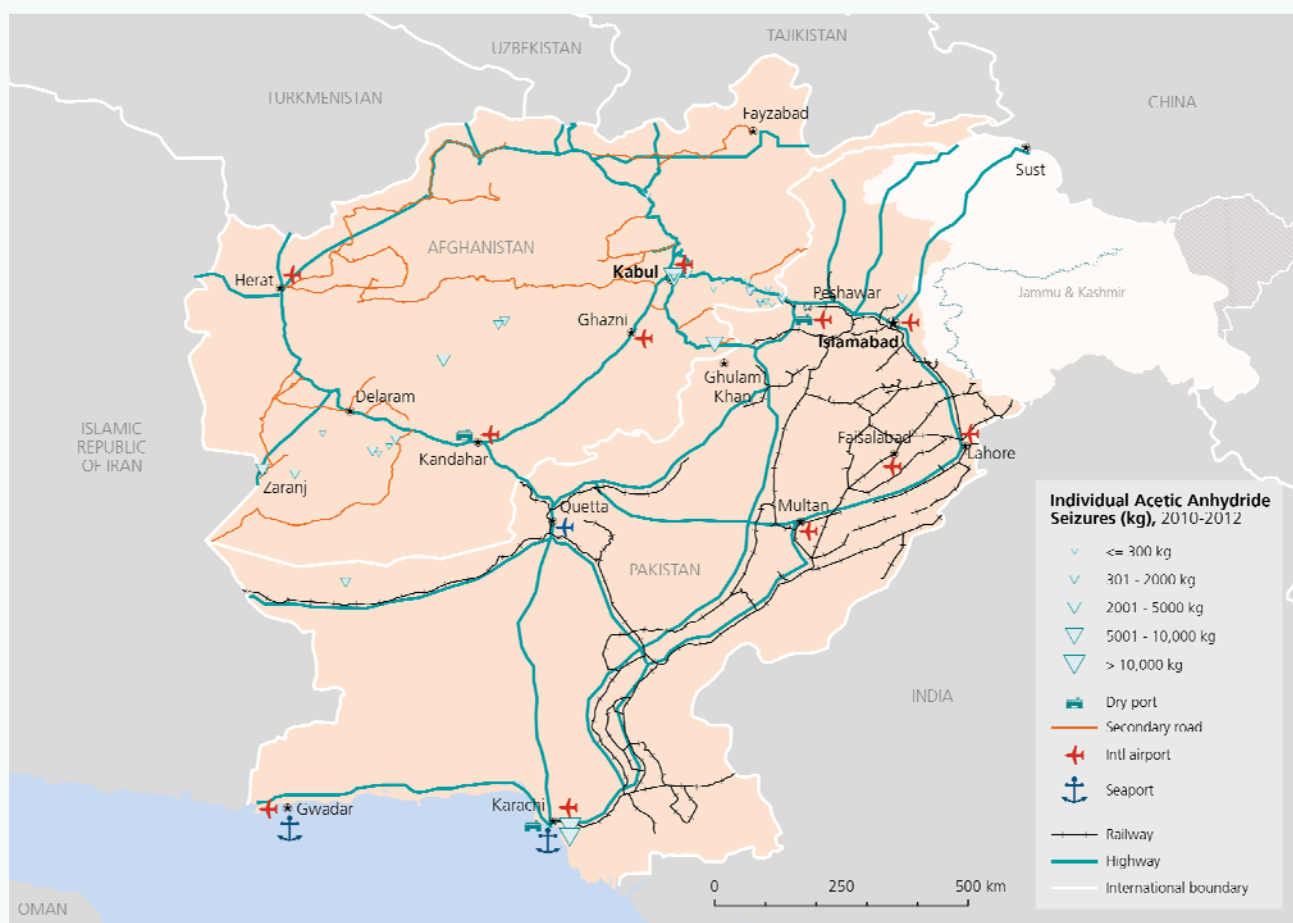
<sup>54</sup> <http://dawn.com/2011/04/22/herald-exclusive-the-billion-dollar-scam/>

<sup>55</sup> [http://www.atimes.com/atimes/South\\_Asia/MF15Df04.html](http://www.atimes.com/atimes/South_Asia/MF15Df04.html)

<sup>56</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>57</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

**Map 11: Trade routes and acetic anhydride seizures reported in Afghanistan and Pakistan (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

In 2011, there were no acetic anhydride seizures reported at Karachi. However, in 2010, a few months before the APTTA agreement officially came into force, extensive acetic anhydride seizures totalling 31,200 kg were reported at Karachi.<sup>58</sup> Even though there were no acetic anhydride seizures reported at Karachi in 2011, and no seizures have ever been reported at Karachi dry port itself, it does not mean that the dry port and seaports located there are not being misused for chemical precursor smuggling. It is possible that chemical precursors smuggled through Karachi have simply not been successfully intercepted.

## SOUTH ASIAN FREE TRADE AREA (SAFTA)

The South Asian Free Trade Area (SAFTA) agreement came into force in 2006 and has been ratified by all the members of the South Asian Association for Regional Cooperation (SAARC).<sup>59</sup> Those countries are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan. The headquarters of the organization are located in Kathmandu, Nepal. Within the SAFTA framework, the eight members are divided into two groups: Least Developed Countries and Non-Least Developed Countries.

<sup>58</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>59</sup> See <http://commerce.nic.in/trade/safta.pdf>

Afghanistan, Bangladesh, Bhutan and Nepal are categorized as Least Developed Countries (LDCs) while India, Pakistan, Sri Lanka and the Maldives are categorized as Non-Least Developed Countries (NLDCs).

The overall purpose of the SAFTA agreement is to promote trade among member States by reducing interstate trade tariffs. Two years after the agreement came into force, the NLDCs lowered their tariffs to 20 per cent, while the LDCs lowered theirs to 30 per cent. The NLDCs are expected to further reduce their tariffs to 5 per cent or less by 2013, while the LDCs are expected to do the same by 2016. However, such reductions do not apply to goods that appear on “sensitive lists”. The products specified in the sensitive list of a member State are exempted from reduced tariffs.

In the case of Afghanistan, the SAFTA agreement did not enter into force until August 2011. Once Afghanistan had ratified the agreement, Pakistan and India agreed to lower their tariffs to 5 per cent or less for all Afghan imports that did not appear on their sensitive lists. The remaining SAFTA members must do the same by 2016. Afghanistan itself has already reduced its tariffs to 5 per cent or less on all imports from countries within the SAFTA region, with the exception of items appearing on its sensitive list.

At present, the SAFTA agreement relates only to regional economic trade. However, there have been discussions regarding the extension of the agreement to apply to services as well as goods and there are long-term plans to develop the SAFTA agreement into a South Asian Economic Union that would function in a similar way to the European Union.<sup>60</sup>

### **Trade trends**

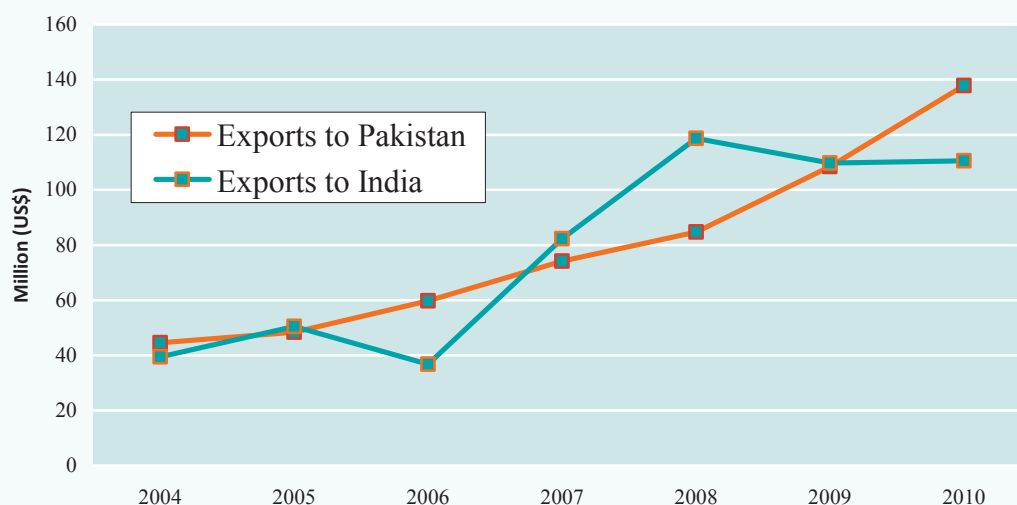
Before SAFTA was implemented in 2006, regional South Asian trade had already begun to gradually increase. Between 2000 and 2006, total intraregional trade increased by almost 23 per cent.<sup>61</sup> In 2012, by which time the SAFTA agreement had been in place for six years, intraregional trade stood at US\$ 10 billion. Furthermore, trade experts predict that intraregional exports will exceed US\$ 17.5 billion by 2015.

In particular, Afghan trade with Pakistan and India has increased significantly since the trade agreement came into force. Between 2006 and 2010, Afghan exports to Pakistan more than doubled, while Afghan exports to India almost tripled.<sup>62</sup>

<sup>60</sup> [http://www.saarc-sec.org/areaofcooperation/detail.php?activity\\_id=5](http://www.saarc-sec.org/areaofcooperation/detail.php?activity_id=5)

<sup>61</sup> Ayubur Rahman Bhuyan, “Economic Effects of South Asian Free Trade Area on Intra-regional Trade and Investment”, *Thoughts on Economics* Vol 18, Issue 4.

<sup>62</sup> Afghan exports to Pakistan increased from around US\$ 60 million in 2006 to over US\$ 138 million in 2010, while Afghan exports to India increased from US\$ 37 million in 2006 to US\$ 110 million in 2010; IMF, *Direction of Trade Statistics*, 2011.

**Figure 5: Volume of Afghan exports to Pakistan and India (2004-2010)**

Source: Data derived from IMF, *Direction of Trade Statistics*, 2011.

Only Afghan exports to Bangladesh decreased, falling from US\$ 2.8 million in 2006 to US\$ 1.7 million in 2010.<sup>63</sup> Afghan imports from Pakistan increased from around US\$ 1.4 billion in 2006 to US\$ 1.9 billion in 2010, imports from India increased from US\$ 189 million to US\$ 434 million and imports from Bangladesh increased from US\$ 0.8 million to around US\$ 8 million.<sup>64</sup>

In 2010, India and Pakistan remained the main destinations for Afghan exports within the SAFTA region. Overall, almost 23 per cent of all Afghan exports went to India, while 28 per cent went to Pakistan. Meanwhile, 23 per cent of all Afghan imports came from Pakistan, while only 7 per cent came from India.

### **Transportation routes**

Exports from Afghanistan to other countries within the SAFTA region tend to follow a particular route. When being exported to Pakistan, Afghan goods are usually delivered to Torkham at the Afghan-Pakistani border, where they are subsequently directed on to Lahore. For exportation to India, the same transportation route is used up to Lahore. From Lahore, the goods are transported onwards to Wagah at the Pakistani-Indian border. They are then often delivered to Amritsar, before being sent along various different routes by rail, depending on their final destination within India. For exportation to Nepal, Afghan goods follow exactly the same route to Wagah, before being sent via Meerut in India to Nepal. Afghan exports to Bhutan also follow the same route to Wagah, but are then sent to Patna and on to Gangtok in India before being delivered to Bhutan.

<sup>63</sup> IMF, *Direction of Trade Statistics*, 2011.

<sup>64</sup> IMF, *Direction of Trade Statistics*, 2011.

**Map 12: Trade route leading from Afghanistan through Pakistan to India, Nepal, Bhutan and Bangladesh**



*Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.*

There are two transportation corridors used to deliver Afghan exports to Bangladesh. The first leads to Torkham, then to Lahore, Wagah, and on to Patna, before arriving in Dhaka in Bangladesh. The second route leads by road to Pakistan's seaports in Karachi, Qasim and Gwadar. From there, goods are delivered by ship to seaports at Chittagong and Mongla in Bangladesh. However, the maritime route is much longer than the land route and is therefore rarely used.



**Map 13: Trade routes from Afghanistan to Bangladesh**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

### Customs regulations

In accordance with SAFTA customs regulations, only one document, known as the “certificate of origin”, is required to allow goods to be traded among SAFTA members. Other than that, the agreement does not stipulate any specific customs or transportation regulations. The certificate of origin must be authorized by the Chambers of Commerce in a SAFTA member country and is valid for a period of 12 months. Once the exporting member country has received the authorized certificate of origin, it must then be forwarded on to the SAFTA importing country for submission to the customs authorities.

The purpose of the certificate of origin is to prove that the exported goods have been produced, grown or extracted in a SAFTA member State. If the goods are produced by a country that is not a member of SAFTA, they may not then be repackaged by a SAFTA member so that it can re-export them to another member and benefit from reduced trade tariffs.

### Dry ports along trade routes

Lahore dry port in Pakistan is primarily responsible for railway trade and transit trade flows between Pakistan and India. The volume of trade managed at Lahore dry port can vary greatly, but on average,

250-300 containers are handled there per month.<sup>65</sup> Customs officials reported that, in the past, around 70 containers would be exported from Lahore dry port each month, but that over the last three years, the monthly volume of trade handled there had dropped.<sup>66</sup> Currently, Lahore dry port is operating below capacity. A variety of goods arrive at the port, many of which originate from China (textile machinery, dresses, garments, computer parts, mobile phones and mobile phone parts).<sup>67</sup> Most of the imports arriving from India are textiles, car and tractor tires and sewing machines, while most of the items delivered to India are rice, wheat, dried fruits and other foodstuffs. Other goods, such as Masala spices, auto parts and dinner sets, are also exported from Lahore dry port to Bangladesh and Sri Lanka. Surgical items, textiles and herbs are usually transported in non-containerized or loose cargo.

### Scanning device at Lahore dry port



Source UNODC Mission to Lahore Dry Port, June 2012.

Although Lahore dry port employs a large number of officials, there is a shortage of drug detection equipment for effectively preventing the smuggling of drugs within licit trade consignments.<sup>68</sup> There is one scanner available to inspect sensitive consignments and another that inspects containers as they pass through a tunnel.<sup>69</sup> However, there are no mobile scanners available for checking handbags and passenger luggage and no sophisticated drug detection equipment. In May 2012, a new Port Control Unit was established with a wide range of technical equipment, which may improve the inspection process.<sup>70</sup> Due to the lack of equipment available at Lahore dry port, the Pakistani ANF assists in the clearance process for exported items, as is the case at Faisalabad dry port.<sup>71</sup> The ANF staff thoroughly search containers with the help of sniffing dogs and other drug detection devices.

<sup>65</sup> UNODC Mission to Lahore Dry Port, June 2012.

<sup>66</sup> Officials at Lahore dry port report that this is primarily due to a drop in exports and extensive losses made by the Pakistani railway network.

<sup>67</sup> Goods arriving at this dry port range from herbs, skimmed milk, garments, cosmetics and crockery to chemicals for leather and pharmaceutical products, furniture, ply sheets, machinery, air conditioners and other electronics.

<sup>68</sup> All in all, there are 198 members of staff currently employed at Lahore dry port, including 4 deputy collectors, 6 superintendents, 15 deputy superintendents, 70 inspectors, 80 constables, 10 upper and lower division clerks and 12 staff members from Pakistan Revenue Automation Limited (PRAL).

<sup>69</sup> UNODC Mission to Lahore Dry Port, June 2012.

<sup>70</sup> UNODC Mission to Lahore Dry Port, June 2012.

<sup>71</sup> UNODC Mission to Faisalabad Dry Port, June 2012.

**Map 14: Lahore dry port and Wagah border crossing along the Afghan trade route to India**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

Customs officials at India's Wagah border crossing, which is located near the border with Pakistan, report that an average of 100 trucks deliver Indian exports to Wagah per day (3000 trucks per month).<sup>72</sup> Most of those exports are vegetables, soybeans and raw cotton. The majority of goods transported from Pakistan to India via the Wagah border crossing are dates, cement, salt and calcium powder. Around 60-70 trucks pass from Pakistan to India via Wagah each day. The BCP at Wagah can also be reached via Pakistan by rail. The Samjhauta Rail Express transports goods over the Wagah crossing between India and Lahore on a biweekly basis. The railway is used solely to transport goods between Pakistan and India.

Unlike Lahore dry port, the Wagah border crossing is well equipped with drug detection devices to effectively check for drugs smuggled in licit trade consignments.<sup>73</sup> A mobile scanner is available for checking small items such as handbags or suitcases and another larger scanner is used for trucks. The border crossing also employs 104 customs officials. Wagah customs officials assured UNODC experts that every truck delivering import consignments from Pakistan was scanned and that suspicious consignments were physically searched and then scanned before being authorized to travel onwards

<sup>72</sup> UNODC Mission to Wagah, July 2012.

<sup>73</sup> UNODC Mission to Wagah, July 2012.

within India.<sup>74</sup> The ANF also assists in the clearance process.<sup>75</sup> Only once the inspection has been completed do customs officials sign the shipping bill to authorize the onward transportation of cargo.

### Trucks entering scanner at Wagah



*Source UNODC Mission to Wagah Dry Port, July 2012.*

### **Opiate smuggling along trade routes and at dry ports**

Opiate seizures in other SAFTA member countries indicate that trafficking routes run through the entire region. Since 2010, several seizures have been made along the SAFTA trade route in Pakistan. At Lahore, there were a number of seizure reports made in 2010 and 2011 regarding a total of just over 3 kg of heroin, which was being trafficked to India by train. Moreover, a larger seizure of 83 kg of heroin destined for onward trafficking to India was reported at Peshawar airport in 2010.<sup>76</sup> At Karachi, there have been a number of seizure reports since 2010 relating to heroin that was being trafficked to Dhaka in Bangladesh by plane. Most of those seizures consisted of less than 3 kg of heroin. The only drug seizure that far exceeded that quantity consisted of 74 kg of heroin and was reportedly discovered by customs officers in a plane leaving for Dhaka at Karachi airport in 2011.<sup>77</sup>

While no opiate seizures have been reported at the town of Wagah along the Pakistani-Indian border, officials have reported heroin seizures at Amritsar in India during the last three years. The largest heroin seizures were reported there in 2011 and totalled 171 kg.<sup>78</sup> In April 2012, another 10 kg of heroin were reportedly seized at Amritsar.<sup>79</sup> Moreover, in July 2012, a further 7 kg of heroin were reportedly seized from a freight train that had arrived in Amritsar transporting cement from Lahore in Pakistan via Wagah

<sup>74</sup> UNODC Mission to Wagah, July 2012.

<sup>75</sup> UNODC Mission to Faisalabad Dry Port, June 2012.

<sup>76</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>77</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>78</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>79</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

railway station.<sup>80</sup> Further opiate seizures are reported to have taken place along trade routes leading from Afghanistan to other countries within the SAFTA region between 2010 and 2012. For instance, in the village of Pakhi-Pakuhwa, which is located near the Indian border with Nepal, a drug smuggler was reportedly arrested while carrying 1,500 kg of opium.<sup>81</sup> In Nepal, seizures have been reported in Kathmandu, but none has been reported at the border with India. Furthermore, most of the seizures reported consisted of less than 1 kg of opium or heroin. There has only been one heroin seizure report in Kathmandu of more than 1 kg, which amounted to just under 2 kg.<sup>82</sup> In Bangladesh, a few small seizures were reported along the SAFTA trade route in 2010, during which 4 kg of heroin were reportedly seized at Dhaka and further seizures consisting of 2 kg and 0.1 kg of heroin were reported at Chittagong.<sup>83</sup>

**Map 15: Opiate seizures reported along the trade route from Afghanistan through Pakistan to India, Nepal and Bhutan (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

<sup>80</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

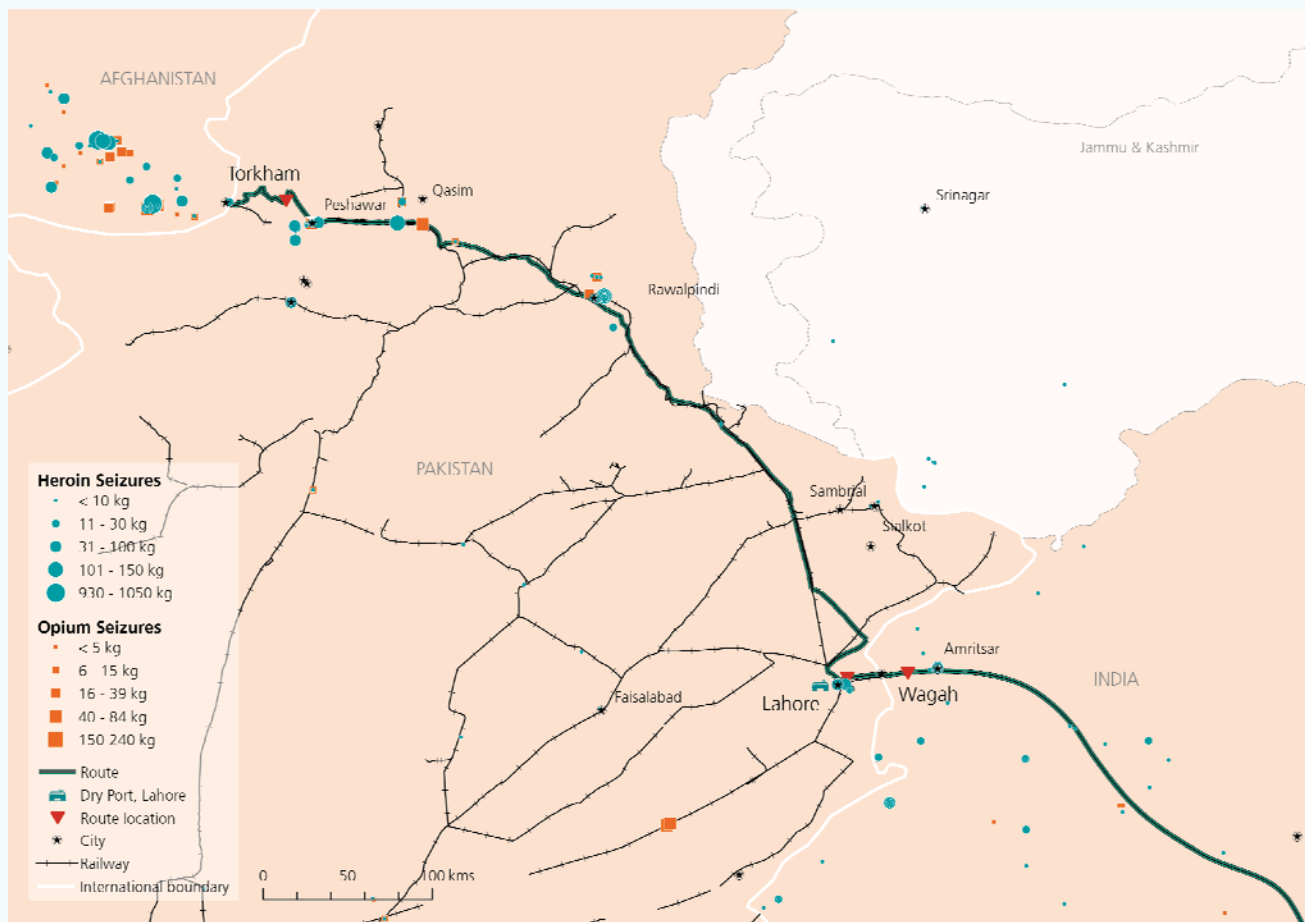
<sup>81</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>82</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>83</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

Seizure reports indicate that the trade route leading from Afghanistan through the SAFTA member countries is used to smuggle opiates to that region. Although there have not been any opiate seizures reported at Lahore dry port, a number are reported to have taken place in the city of Lahore. For example, in 2011, 10 heroin seizures were reported at Lahore, totalling 164 kg.<sup>84</sup> Since 2010, two drug seizures have been reported at the Wagah border crossing. The first consisted of 1.6 kg of heroin and occurred in 2010.<sup>85</sup> A South African citizen was arrested in connection with the seizure. The second reportedly consisted of 1.2 kg of heroin and took place in 2011.<sup>86</sup> Moreover, according to customs officials at Wagah border crossing, 5-6 drug seizure cases have been registered by Pakistani railway officers at Wagah railway station in the last three years.<sup>87</sup> However, further information on those seizures is not available.

**Map 16: Opiate seizures reported along the Afghan trade route to India (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

<sup>84</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>85</sup> UNODC Mission to Wagah, July 2012.

<sup>86</sup> UNODC Mission to Wagah, July 2012.

<sup>87</sup> UNODC Mission to Wagah, July 2012.

## AFGHANISTAN-IRAN BILATERAL TRANSIT AGREEMENT (2005)

Afghanistan and the Islamic Republic of Iran signed their first bilateral transit trade agreement in 1974. The primary outcome of the agreement was that Afghanistan was permitted to receive and export goods via the Iranian seaport at Bandar Abbas without incurring any taxes or fees. A further transit agreement was reached between the two countries many years later in January 2003, which focused on developing their transit trade at the new Iranian seaport at Chabahar.<sup>88</sup> It was agreed that the road route would be improved and extended from Chabahar, via Malik to Zaranj at the Iranian-Afghan border and then on to Delaram in Nimroz province. In addition, Afghanistan was granted full access to the duty-free zone at Chabahar and was given permission to build its own quay at the seaport. Port fees for Afghan goods were reduced by 90 per cent and the cost of using storage facilities allocated for Afghan transit goods was reduced by 20 per cent.<sup>89</sup>

In December 2005, Afghanistan and the Islamic Republic of Iran signed a further bilateral transit trade agreement to ensure the re-export of Afghan and Iranian transit goods to third countries without incurring customs duties or taxes. Furthermore, trucks from both countries were granted permission to transit either country without incurring fees for road or border passes.

### **Transit trade trends**

There are insufficient official statistics available to establish the real volume of Afghan or Iranian transit trade via either country. However, according to local traders, there has been a steady increase in transit trade between the Islamic Republic of Iran and Afghanistan in recent years. Although Pakistani transit routes are shorter and somewhat cheaper for trade, Afghan traders have frequently favoured the Iranian transit trade route, since it presents fewer potential dangers.<sup>90</sup>

There are no accurate Afghan-Iranian transit trade figures available. However, overall levels of Afghan transit trade via the Islamic Republic of Iran can be extrapolated from trade flows between Afghanistan and those markets that it gains access to as a result of the Afghan-Iranian transit agreement. For instance, Afghanistan conducts a significant amount of trade with countries in the Persian Gulf, China and Europe by transiting Turkey and using Iranian seaports at Bandar Abbas and Chabahar. Between 2004 and 2010, Afghan exports to China surged from US\$ 860,000 to US\$ 3.3 million.<sup>91</sup> Exports to countries in the Middle East and North Africa rose from US\$ 7.6 million in 2004 to US\$ 18.5 million in 2010 and exports to the eurozone increased from US\$ 29.8 million in 2004 to US\$ 38.7 million in 2010.<sup>92</sup> Imports from each of those regions and countries to Afghanistan have also increased since the implementation of the new Afghan-Iranian transit trade agreement. For example, imports from the eurozone more than doubled between 2004 and 2010, while Chinese imports more than tripled during the same period.<sup>93</sup> It can therefore be assumed that Afghan transit trade levels via the Islamic Republic of Iran have also increased since the implementation of the agreement in 2005.

<sup>88</sup> The trade agreement was in fact part of a trilateral transit trade agreement that was reached between the Islamic Republic of Iran, Afghanistan and India. The road route that was to be extended from Chabahar seaport to Delaram in Afghanistan as a result of the agreement was primarily a joint effort between the Islamic Republic of Iran and India.

<sup>89</sup> In recent years, the warehouse storage space available for Afghan imports and exports at Chabahar has greatly increased.

<sup>90</sup> Via Pakistan, Afghan transit cargo is at serious risk of being robbed.

<sup>91</sup> IMF, Direction of Trade Statistics, 2011.

<sup>92</sup> IMF, Direction of Trade Statistics, 2011.

<sup>93</sup> IMF, Direction of Trade Statistics, 2011.

**Table 3: Afghan imports (million US\$)**

|                            | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| China                      | 62.8  | 56.3  | 110.7 | 186.4 | 167   | 234.8 | 192.5 |
| Middle East & North Africa | 19.6  | 17.4  | 20.6  | 16.7  | 22.9  | 18.3  | 68.7  |
| Eurozone                   | 280.8 | 376.4 | 475.1 | 457.8 | 680.6 | 711.7 | 696   |

Source: IMF, *Direction of Trade Statistics*, 2011.

### Transit trade routes

Bandar Abbas seaport in the Islamic Republic of Iran handles a large proportion of Afghan transit goods.<sup>94</sup> One of the main transit trade routes leading to Afghanistan, as indicated in the map below, starts at Bandar Abbas, passes through Kerman, Birjand and Taibad and then leads to the Dogharoun dry port before reaching Islam Qala at the Iranian border. From that point onwards, Afghan trucks are able to transport goods to Herat, Kandahar, Kabul and Jalalabad. However, the route leading from Herat to Kabul is highly dangerous and entails a number of additional expenses to ensure the security of transit vehicles.

**Map 17: Transit trade routes leading from Bandar Abbas and Chabahar**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

<sup>94</sup> It is envisaged that the Iranian Bandar Abbas seaport will become the main location for handling all future trade flows with the Russian Federation and Europe.



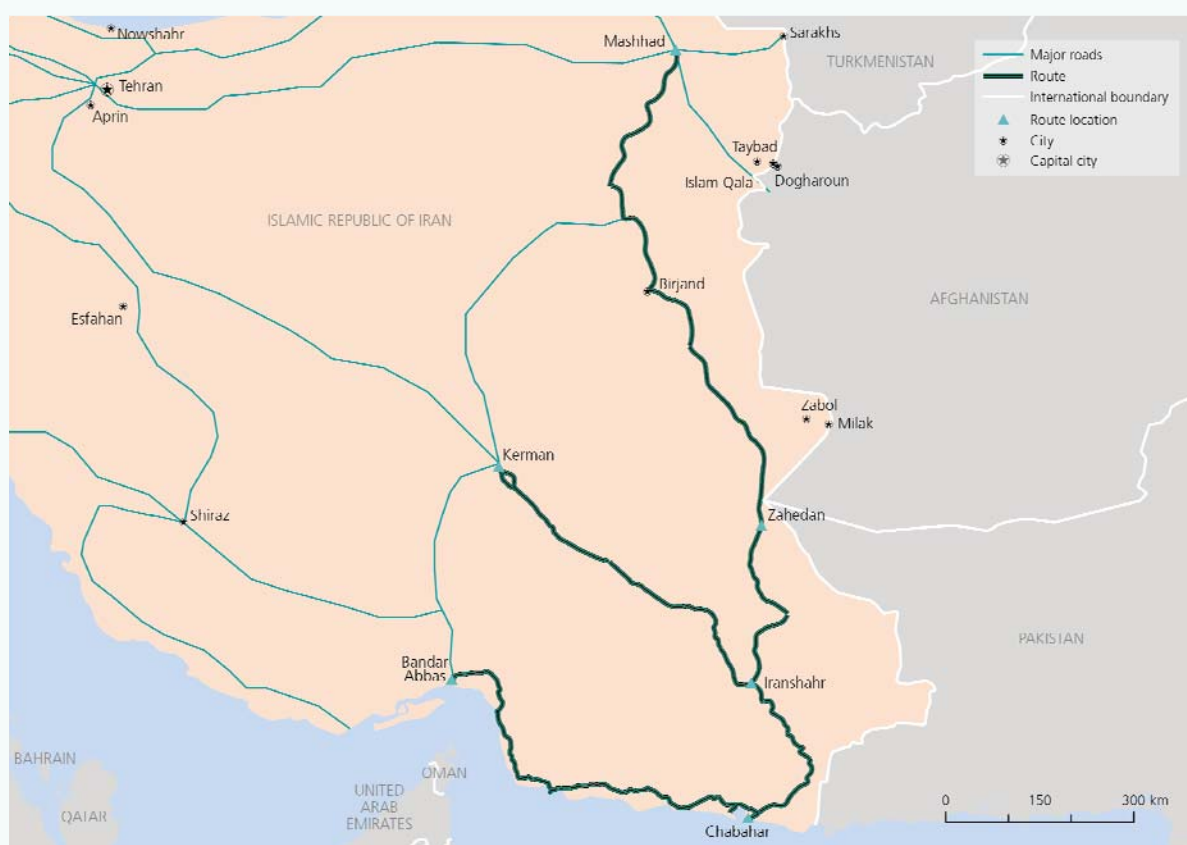
Another trade route that starts in Bandar Abbas passes through Turkmenistan before finally reaching Afghanistan. The route also passes through Kerman and then leads to Mashhad, to Serahs at the Iranian-Turkmen border and to Charjou in Turkmenistan, before arriving at Mazar-e-Sharif in Afghanistan.

The main transit trade route from Chabahar starts from its recently established seaport and adjoining dry port and terminates at Delaram in the Afghan Nimroz province. The trade route leads through the Islamic Republic of Iran to Iranshahr, Zahedan and Milak, near the Afghan border. The road then leads to Zaranj in Afghanistan before terminating at Delaram, which is located on the Afghan Ring Road that connects to Kabul, Kandahar and Herat.

The seaport at Chabahar is the only seaport in the Islamic Republic of Iran with direct access to the Indian Ocean and the Arabian Sea. Furthermore, Chabahar is connected to major air and road transportation networks. The Konarak Airport in Chabahar runs daily and weekly domestic flights to Zahedan, Mashhad, Shiraz and Bandar Abbas, weekly international flights to Doha and Dubai and biweekly flights to Muscat. There are also two jetties in Chabahar that connect to international waterways and have the capacity to handle 6 million tons of cargo per year. Aside from the road network leading to Milak, Chabahar also has links to three other major national roads:

- Chabahar-Bandar Abbas
- Chabahar-Iranshahr-Kerman
- Chabahar-Iranshahr-Zahedan-Mashhad

**Map 18: Major national roads from Chabahar**



Source: National Authorities. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations

Those intermodal connections mean that the seaport and the adjoining dry port at Chabahar are of key strategic importance in facilitating access for Afghan transit trade to international markets.

### Transportation and customs regulations

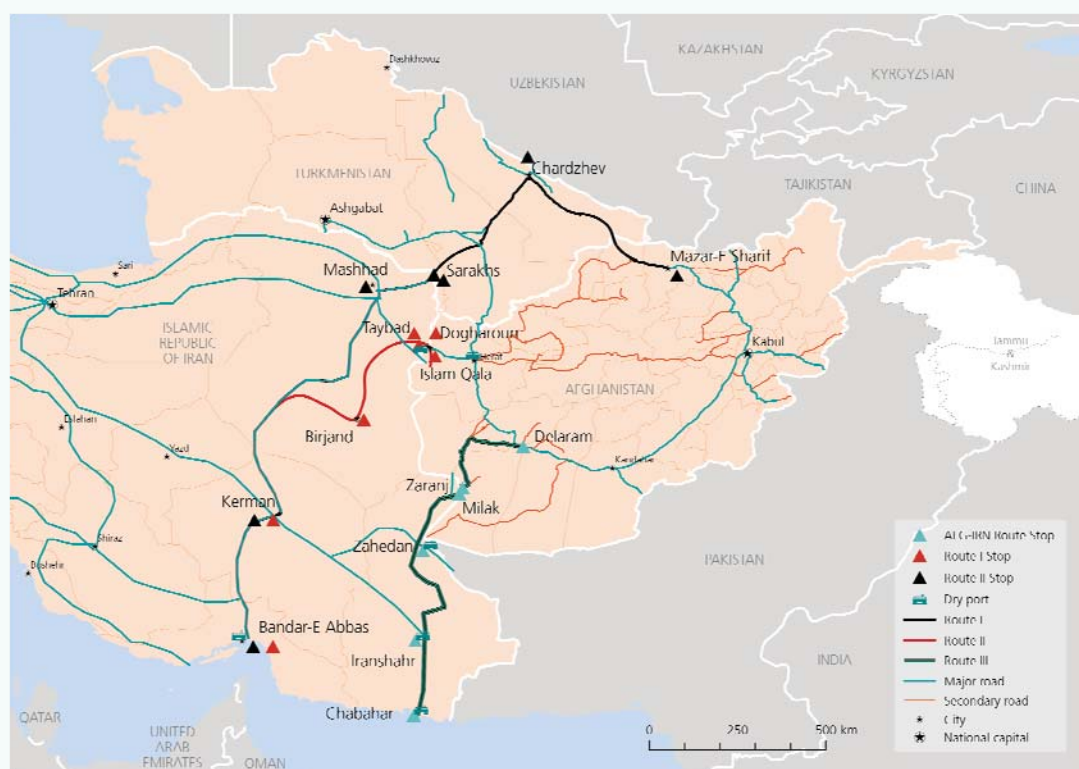
In accordance with the transit trade agreement, trucks from Afghanistan and the Islamic Republic of Iran are fully permitted to transit both countries' respective territories and are not required to pay any fees at road passes.<sup>95</sup> While transit trucks are not required to pay customs duties at BCP in Afghanistan, they are instead required to pay tariffs at Herat. However, in order to avoid customs duties, transit trucks from the Islamic Republic of Iran often bypass Herat or simply offload their goods once they have crossed the Afghan border. As a result, transit trucks also avoid any additional cargo inspections within Afghanistan and thereby enhance the risk of chemical precursors being successfully smuggled into the country via the Islamic Republic of Iran.

The only information that Afghan and Iranian transit trucks are required to provide is country of origin and country of export information on customs declaration forms. In Afghanistan, Herat is the main entry point for Iranian transit goods. Afghan and Iranian transit goods that are sealed in containers at Herat must be checked at all Afghan border crossings. At Bandar Abbas, only documents for outgoing containers are monitored.<sup>96</sup>

### Dry ports along transit routes

Overall, there are six major dry ports located along the three transit trade routes from the Islamic Republic of Iran to Afghanistan. Those are at Bandar Abbas, Chabahar, Iranshahr and Zahedan in the Islamic Republic of Iran and Dogharoun and Nimroz in Afghanistan.

**Map 19: Afghan and Iranian dry ports along trade transit routes**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

<sup>95</sup> The Islamic Republic of Iran has expressed concern over granting Afghan trucks unregulated access throughout Iranian territory. Negotiations remain ongoing, but currently Afghan transit trucks may still travel freely within the Islamic Republic of Iran.

<sup>96</sup> UNODC Mission to Bandar Abbas Seaport, February-March 2011.

Chabahar dry port receives 300-350 trucks and containers daily. They mainly carry foodstuffs, fresh fruit, cloths, cars, spare parts, fuel and construction materials such as cement and chalk. Most of those goods come from countries in the Persian Gulf. Foodstuffs, cloths, rugs, medicine, construction materials and spare parts for motorbikes are imported along the route to Afghanistan from China. At Dogharoun dry port, containers are checked extensively for drugs, with the help of sniffer dogs, x-ray machines, acetic anhydride test kits and night vision equipment.<sup>97</sup>

### Truck inspection with dogs at Dogharoun



*Source UNODC Mission to Dogharoun Dry Port, February-March 2011.*

A number of years ago, the Islamic Republic of Iran effectively enhanced law enforcement efforts to combat heroin trafficking. Of all the heroin seizures made worldwide in 2009, 32 per cent were made in the Islamic Republic of Iran.<sup>98</sup> The country thus made the largest number of opiate seizures of any country in the world. The Islamic Republic of Iran has also implemented extensive border protection measures along its border with Afghanistan. It has constructed a 688 km canal, a 477 km embankment and an 85 km wall, and installed 120 km of barbed wire. Most of the border protection was erected in the vicinity of Islam Qala and Zaranj. In spite of rigorous Iranian border controls, it is nevertheless difficult to monitor the entire 1,000 km border between the Islamic Republic of Iran and Afghanistan. It is still possible for traffickers to circumvent border controls in areas in the Afghan Nimroz province.

The dry ports at Herat, Zahedan and Bandar Abbas, which are located along the transit route to Afghanistan, often lack the necessary technical equipment to effectively inspect transit cargo for smuggled opiates. If cargo inspected at Herat appears suspicious, it must be sent to a laboratory nearby, since there are no scanners, sniffer dogs or drug precursor test kits available at the dry port itself.<sup>99</sup> Zahedan dry port also lacks scanners or any other type of drug control equipment. After containers are sealed at Zahedan they are not reopened at Bandar Abbas and inspected for drugs. Furthermore, there is only one x-ray machine available for inspecting incoming containers at Bandar Abbas seaport.<sup>100</sup> Each year, some 2 million containers delivering exports and imports are handled at the seaport.<sup>101</sup> Since it only

<sup>97</sup> UNODC Mission to Dogharoun Dry Port, February-March 2011.

<sup>98</sup> UNODC, *The Global Afghan Opium Trade – A Threat Assessment*, July 2011.

<sup>99</sup> Interview with Customs Officials at Dry Ports in Herat and Mazar-e-Sharif, March 2012.

<sup>100</sup> UNODC Mission to Bandar Abbas Seaport, February-March 2011.

<sup>101</sup> UNODC Mission to Bandar Abbas Seaport, February-March 2011.

has the capacity to scan 60 containers per day, only 1 per cent of the incoming containers are scanned. When officials at Bandar Abbas seaport receive intelligence reports relating to suspicious containers, those containers are opened and inspected before departing from Bandar Abbas. However, despite the fact that large quantities of chemicals are imported to Bandar Abbas seaport, there are no precursor test kits available there.<sup>102</sup> That means that opiates and acetic anhydride smuggled to and from Afghanistan along the transit route through the Islamic Republic of Iran via Bandar Abbas are very likely to pass undetected through dry ports along the way. There is therefore a high risk of opiates being smuggled from Afghanistan to Bandar Abbas without being discovered. From Bandar Abbas, they can be trafficked onwards to the Gulf States, Africa, Europe and other destinations.

### ***Opiate and chemical precursor smuggling along transportation routes and at dry ports***

The Islamic Republic of Iran is located along one of the three main opiate trafficking routes from Afghanistan. From there, drugs are trafficked onwards to Europe, North America, the Middle East and Africa. In 2009, an estimated 115 tons of opiates were trafficked directly from Afghanistan to the Islamic Republic of Iran.<sup>103</sup> Furthermore, of the 1,200-1,400 tons of opium that were smuggled out of Afghanistan in 2009, 1,050 were smuggled into the Islamic Republic of Iran.<sup>104</sup> Given that the Islamic Republic of Iran is of such strategic importance to the Afghan opiate trafficking trade, the Afghan-Iranian transit trade agreement runs a significant risk of being abused for opiate smuggling purposes.

Since 2009, there have been a large number of opiate seizures at Islam Qala and Delaram in Afghanistan, and some at Mazar-e-Sharif. In 2011 and 2012, a number of opiate seizures were also reported at Herat and Zaranj, where opium was being smuggled to the Islamic Republic of Iran in lorries.<sup>105</sup> The Islam Qala border crossing is often used by traffickers, since it handles large volumes of trade. At least 300-400 vehicles and hundreds of people use the crossing each day, making it difficult for the police to control. Furthermore, Islam Qala (in Herat province) and Zaranj (in Nimroz), are directly situated on the main opiate trafficking routes within Afghanistan. In 2011, a total of 630 kg of heroin and 188 kg of opium were reportedly seized in Nimroz, while another 217 kg of heroin and 1,709 kg of opium were seized there from January to June 2012.<sup>106</sup> A considerable amount of Afghan opium is produced in southern Afghanistan and transported to Nimroz, Farah and Herat. There is therefore a high risk that transit trade routes leading through Islam Qala and Delaram are being misused for trafficking opiates from Afghanistan into the Islamic Republic of Iran. Although there have been no opiate seizures reported at Dogharoun dry port, 664 kg of heroin and 1,158 kg of opium were reportedly seized nearby in 2010, as well as a further 103 kg of opium in 2011.<sup>107</sup>

Within the Islamic Republic of Iran, the Afghan-Iranian transit trade routes also run a high risk of being abused by traffickers for smuggling opiates to the Iranian seaports at Bandar Abbas and Chabahar. In general, once opiates have been smuggled into the Islamic Republic of Iran, they are not only transported to the Iranian coastline and seaports, but also onwards through the country to its borders with Turkey, Iraq and Azerbaijan. Although there are various trafficking routes within the Islamic Republic of Iran, those leading to the Iranian seaports at Chabahar and Bandar Abbas will be the main focus for analysis, since they are located along the main Afghan-Iranian transit trade routes.

<sup>102</sup> UNODC Mission to Bandar Abbas Seaport, February-March 2011.

<sup>103</sup> UNODC, The Global Afghan Opium Trade – A Threat Assessment, July 2011.

<sup>104</sup> UNODC, The Global Afghan Opium Trade – A Threat Assessment, July 2011.

<sup>105</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>106</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>107</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

As illustrated in the map below, significant heroin and opium seizures have occurred along both of the main Afghan-Iranian transit routes leading from Bandar Abbas and Chabahar. Although there have not reportedly been any opiate seizures at the dry ports themselves, reports of large opiate seizures have nonetheless often occurred in the vicinity of the dry ports at Zahedan and Bandar Abbas. For instance, a total of 115 kg of heroin was reportedly discovered in the vicinity of Bandar Abbas dry port in 2010, concealed in a lorry delivering a wood consignment.<sup>108</sup> In 2011, another 47 kg of heroin and 2,662 kg of opium were reportedly seized at Bandar Abbas.<sup>109</sup> Over the past three years, large seizures have been reported at all the main points of transit from Bandar Abbas, including Kerman, Birjand, Taybad and Mashhad. The largest drug seizure in the Islamic Republic of Iran reportedly took place at Kerman in 2011 and consisted of 8,685 kg of opium.<sup>110</sup> According to local police officials, the drugs had been smuggled by a major organized crime group, many of whose members were arrested in connection with the seizure. The same year, another major seizure consisting of 1,292 kg of opium was reported at Kerman.<sup>111</sup> Seven smugglers were arrested in connection with the seizure. More recently, in May 2012, a further 427 kg of opium were reportedly seized near Kerman dry port.<sup>112</sup>

Along the transit trade route to Chabahar in the Islamic Republic of Iran, opiate seizures have been regularly reported in Afghanistan, near the Iranian border at Zaranj. Most of those opiates were reportedly destined for the Islamic Republic of Iran. Within the Islamic Republic of Iran, particularly large opiate seizures have also been reported since 2009 in Zahedan and along the Iranian transit corridor to Chabahar. Opiate seizures have not been reported at dry ports along the trade route, but several have been reported nearby. For instance, in 2010, 111 kg of opium were reportedly intercepted in a car near Zahedan dry port and another 3,760 kg of opium were seized at Zahedan in 2011.<sup>113</sup> In 2012, a single 2,800 kg opium seizure was reported near Iranshahr dry port in Southern Sistan-Baluchestan province.<sup>114</sup> Again, seven traffickers were arrested in connection with the seizure.

<sup>108</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>109</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>110</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

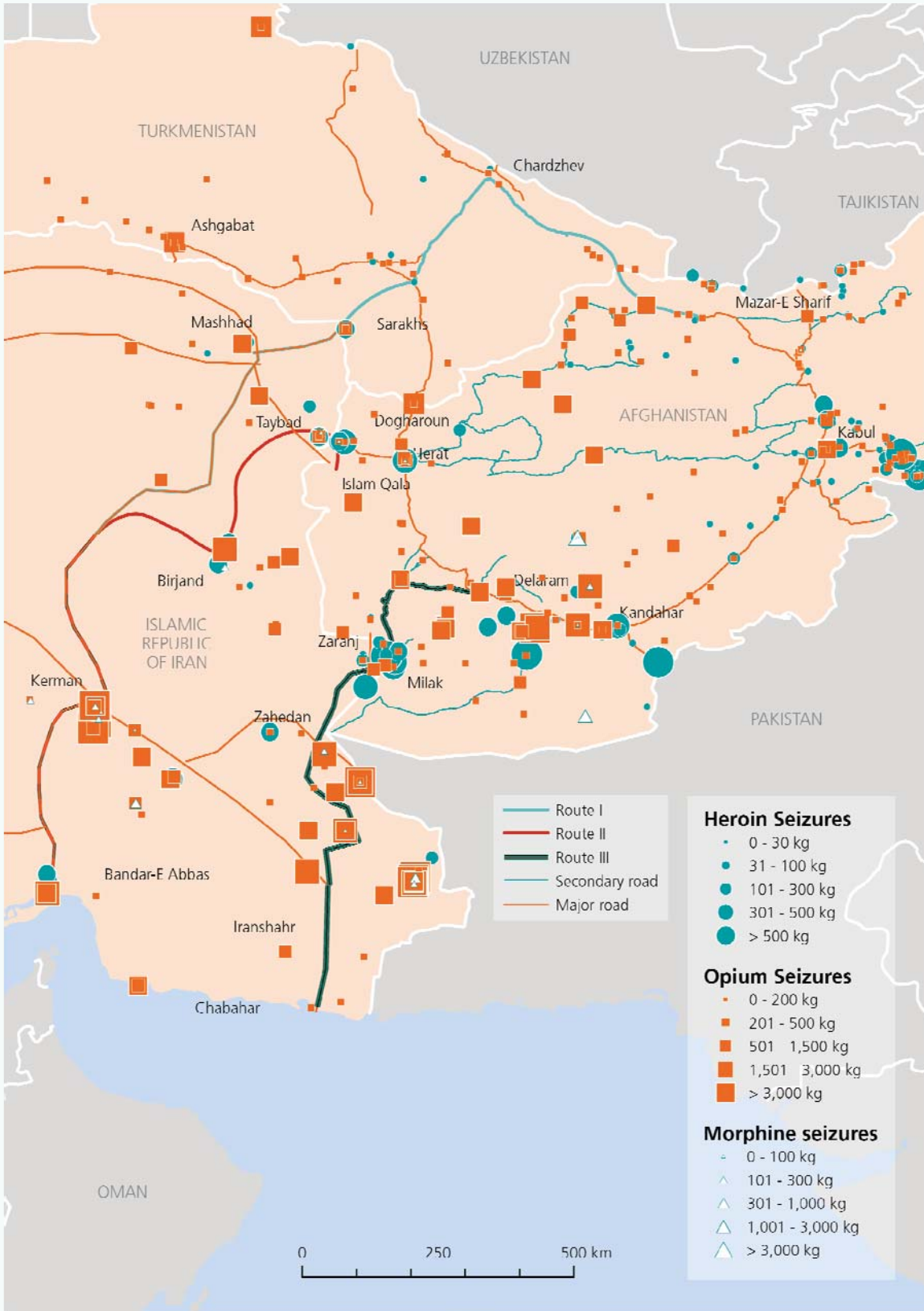
<sup>111</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>112</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>113</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>114</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

**Map 20: Opiate seizures reported along transit trade routes from Afghanistan through the Islamic Republic of Iran (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

As illustrated in the map above, drug seizures since 2010 indicate that drug flows closely follow the main Afghan-Iranian transit trade routes and pass through dry ports along those routes. In recent years, law enforcement activities to counter drug trafficking have been greatly enhanced in the Islamic Republic of Iran. As a result, an increasing number of larger seizures have occurred throughout the country. Seizure reports for the Islamic Republic of Iran therefore provide a particularly good indication of the direction of opiate flows in the country. However, owing to increased law enforcement, it is also likely that traffickers regularly adjust their smuggling routes in order to avoid detection. Nonetheless, seizure data suggests that opiate smugglers have been misusing Afghan-Iranian transit routes in order to gain entry to the Iranian market and ship opiates via Iranian seaports to other destinations.

Herat, which is located near the Iranian border in Afghanistan, is regularly used for smuggling. The mountain pass just outside Islam Qala near Herat is one of several smuggling routes leading through the mountains along the Afghan-Iranian border. There have not been any reported opiate seizures at Herat dry port itself, but seizures are reported in Herat province every year. In 2011, reports were made of 24 heroin seizures totalling 768 kg, 14 opium seizures totalling 1,132 kg and a single 100 kg morphine seizure.<sup>115</sup> In the majority of those cases, trucks and cars were intercepted while attempting to smuggle opiates to the Islamic Republic of Iran.

## AFGHANISTAN-INDIA PREFERENTIAL TRADE AND STRATEGIC AGREEMENTS

In March 2003, India and Afghanistan signed a New Preferential Trade Agreement,<sup>116</sup> as part of a trilateral transit trade agreement with the Islamic Republic of Iran. The main purpose of the agreement was to establish a transit corridor leading through the Islamic Republic of Iran that would provide a more cost-effective alternative to that leading between Afghanistan and India through Pakistan. Although Afghanistan and Pakistan reached a transit trade agreement in 2010<sup>117</sup>, there remain a number of obstacles preventing some of its provisions from being implemented. As a result, Afghanistan can export goods to India via Pakistan, but it is not often able receive goods from India via the same route.<sup>118</sup> The trade agreement between India and Afghanistan thus provides an alternative trade route from India to Afghanistan, via the Iranian seaport at Chabahar.

The trilateral agreement between the Islamic Republic of Iran, Afghanistan and India ensures that Indian exports have access to Afghan and Central Asian markets while simultaneously benefitting from preferential regulations at Chabahar seaport. For Afghan and Indian exports, the Islamic Republic of Iran has offered a 90 per cent reduction on port fees (except for oil tankers) and a 50 per cent reduction on warehousing and related transit services. Furthermore, Afghan and Indian transit vehicles may use all Iranian dry ports and roads when travelling through the country.<sup>119</sup>

As well as developing trade routes between India and Afghanistan, the agreement also aimed to promote trade between Afghanistan and India through reducing tariffs between the two countries. Such reductions were also enforced recently by the Strategic Partnership Agreement, which was signed by Afghanistan and India in October 2011<sup>120</sup> with a view to further support and enforce the two countries' economic ties and trade relations. In accordance with that agreement, India granted tariff reductions of

<sup>115</sup> AOIP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>116</sup> The agreement between India and Afghanistan replaced an earlier agreement between the two countries that was rarely used owing to the prevalence of the Taliban in Afghanistan. The text of the agreement is available at: [http://commerce.nic.in/india\\_afghan.htm](http://commerce.nic.in/india_afghan.htm)

<sup>117</sup> The text of the agreement is available at: <http://www.commerce.gov.pk/Downloads/APTTA.pdf>

<sup>118</sup> Steven A. Zyck, "Transit Trade in Transition: The APTTA & the Afghan Economy" Afghanistan in Transition, November 2011.

<sup>119</sup> Afghan and Indian transit trucks and ships may pay the same subsidized fuel prices that are charged for Iranian vehicles and ships.

<sup>120</sup> The text of the agreement is available at: <http://www.mea.gov.in/mystart.php?id=530518343>

between 50 and 100 per cent on 38 Afghan exports, including raisins, dry fruit, fresh fruit and spices. In return, Afghanistan granted preferential tariffs for eight Indian goods, including tea, antiserum, medicines, refined sugar, cement clinkers and white cement. Further tariff reductions on trade between the two countries were established after the SAFTA agreement came into force in 2006.

### Trade trends and trade routes

When the Taliban came to power in Afghanistan in 1996, economic ties between India and Afghanistan weakened. However, after the Taliban were ousted in 2001, trade relations between the two countries started to improve. When the New Preferential Trade Agreement was signed in 2003, trade between the two countries continued to grow. Between 2004 and 2010, the value of Afghan exports to India increased from US\$ 39.4 million to US\$ 110.6 million.<sup>121</sup> Meanwhile, Indian exports to Afghanistan rapidly increased from US\$ 169.8 million in 2004 to US\$ 433.9 million in 2010.<sup>122</sup> While Afghan imports from India have increased more rapidly and to a greater extent than Afghan exports to India, overall trade between the two countries has increased. In 2009, 24 per cent of all Afghan exports went to India, making India Afghanistan's second largest export partner.

**Figure 6: Volume of trade between Afghanistan and India (2004-2010)**



Source: IMF, *Direction of Trade Statistics*, 2011

There is currently only one trade route leading via Chabahar that facilitates trade between India and Afghanistan. For trade heading to India, the route leads from Chabahar seaport to the nearest Indian seaport, which is located at Kandla in Gujarat state. For goods going to Afghanistan, the route leads from Chabahar through the Islamic Republic of Iran to Iranshahr, Zahedan and then Milak, which is located near the Afghan border.<sup>123</sup> From there, it crosses the official border crossing, Pole Abrisham (over the Abrisham Bridge), to Zaranj in Afghanistan and then connects to Delaram in the Afghan Nimroz province. Delaram is located along the Afghan Ring Road that connects Kabul, Kandahar and Herat.

<sup>121</sup> IMF, *Direction of Trade Statistics*, 2011.

<sup>122</sup> IMF, *Direction of Trade Statistics*, 2011.

<sup>123</sup> The transit route was completed in 2009.



**Map 21: Trade route from India to Afghanistan via the Islamic Republic of Iran**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

It is expected that, in coming years, Afghanistan will increasingly favour the Iranian transit route for the exportation of goods to India and the South Asian region. For India, the Iranian transit route provides a reliable alternative for transporting Indian exports to Afghanistan or other Western and Central Asian States.

### **Transportation and customs regulations**

According to the New Preferential Trade Agreement and the Strategic Partnership Agreement, the only document required for India and Afghanistan to conduct trade is the certificate of origin. The purpose of the document and procedures for obtaining it are identical to those set out for SAFTA.<sup>124</sup> The certificate of origin ensures that goods exported from either Afghanistan or India have been produced, grown or extracted in one of the two countries. If that is not the case, at least half of the export value of the exported good must have been created in one of the two countries in order for Afghanistan or India to re-export the good and benefit from the New Preferential Trade and Strategic Partnership agreements. Other than the above, there are no specific customs or transportation requirements stipulated in either agreement.

<sup>124</sup> The text of the SAFTA agreement is available at: <http://commerce.nic.in/trade/safta.pdf>

### ***Opiate and chemical precursor smuggling along transportation routes and at dry ports***

Afghan opiates are generally smuggled into India via Pakistan. However, the increasing number of opiate seizures occurring along the new Iranian transit route may indicate that that route is being used increasingly to smuggle opiates to India via the Islamic Republic of Iran. In 2011 and 2012, large seizures of heroin and opium destined for the Islamic Republic of Iran occurred regularly near the Iranian border at Zaranj. Within the Islamic Republic of Iran, particularly large opiate seizures have occurred since 2009 in Zahedan and along the Iranian transit corridor to Chabahar. Opiate seizures are not reported to have taken place at dry ports along the trade route, but several have been reported nearby. For instance, 111 kg of opium were reportedly seized near Zahedan dry port in 2010 and a further 3,760 kg were seized in 2011.<sup>125</sup> In 2012, a single 2,800 kg opium seizure was reported near Iranshahr dry port in Southern Sistan-Baluchestan province.<sup>126</sup>

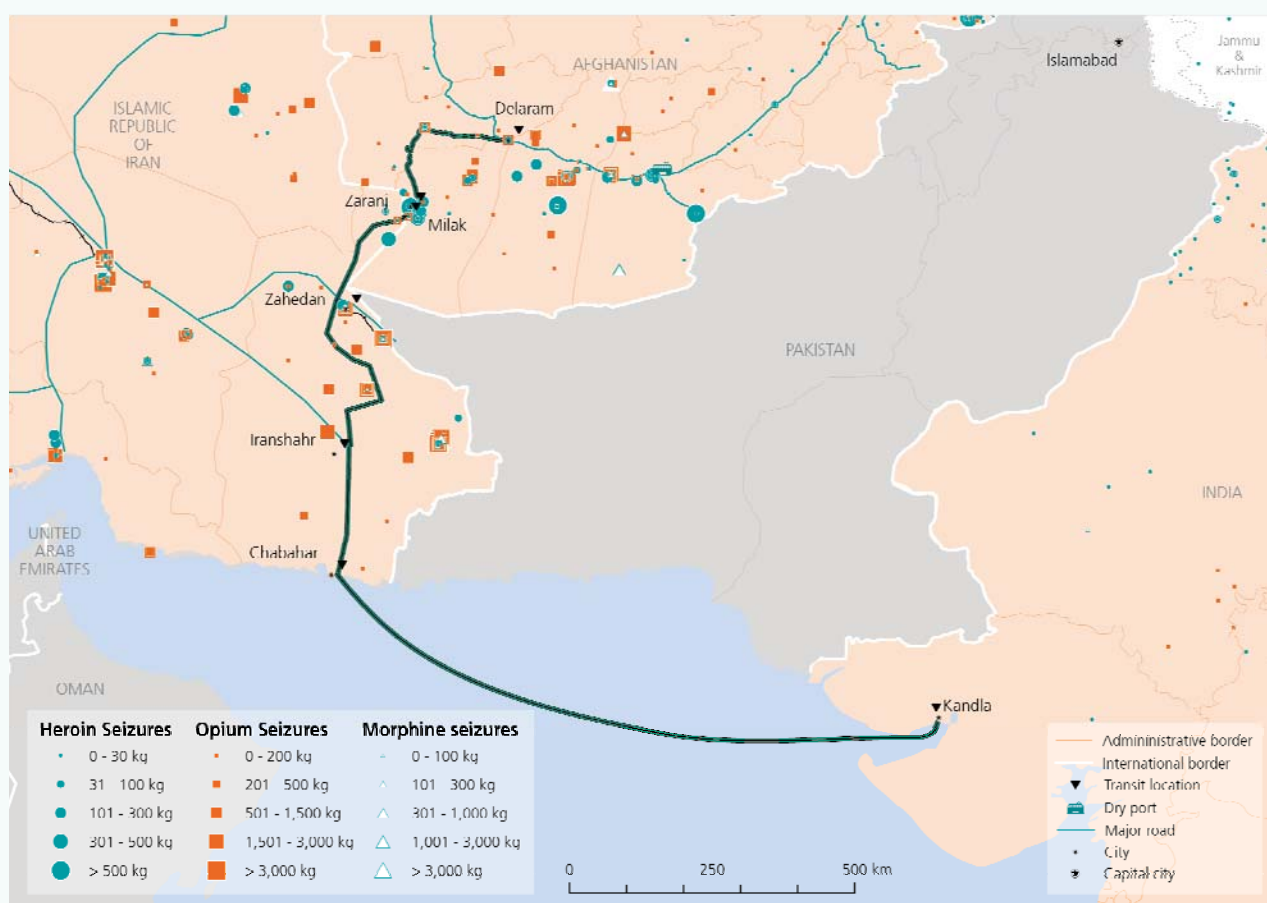
Zahedan dry port is potentially of key importance to traffickers, since it is located along the main transit routes leading from Bandar Abbas and Chabahar seaports to Afghanistan. Furthermore, it is situated close to the border between the Afghan Nimroz province and the Pakistani Balochistan province. As indicated in the map below, several large heroin seizures have been reported near Zahedan. For instance, 111 kg of opium were reportedly seized near Zahedan dry port in 2010 and a further 3,760 kg of opium were seized in 2011.<sup>127</sup> Much of the heroin seized near Zahedan was trafficked from Nimroz or Balochistan. However, the law enforcement capacity at Zahedan dry port itself is very limited and a special capacity-building programme is urgently required.

<sup>125</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>126</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

<sup>127</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

**Map 22: Opiate seizures reported along the trade routes from Afghanistan to India via the Islamic Republic of Iran (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

The increasing number of opiate seizures occurring along the Iranian transit route from Afghanistan to Chabahar may indicate that Afghan opiates are being smuggled into India via the Islamic Republic of Iran. However, due to a lack of information, it remains unclear whether opium seized along or near the Iranian transit route from Afghanistan is destined for India. Indeed, the destination of most opiates seized in the Islamic Republic of Iran remains unknown. Furthermore, there have been no opiate seizures at, or in the vicinity of, Kandla seaport to date. Therefore, there is no clear indication that the transit route via Chabahar is being used specifically to traffic opiates to India. However, a lack of seizures may not necessarily mean that opiates are not being trafficked along the route. Indeed, a drug seizure reported at Chabahar in 2010, which consisted of 130 kg of opium<sup>128</sup> may indicate that smugglers have begun to misuse the seaport and adjoining dry port for trafficking purposes.

With regard to chemical precursors, India has been cited as a potential source of acetic anhydride smuggled into Afghanistan. Since licit trade flows from India to Pakistan rarely cross the Wagah border crossing, acetic anhydride would have to be smuggled into Afghanistan by sea or by air. It is possible that the recently established transit trade route through the Islamic Republic of Iran is now also being misused to smuggle acetic anhydride from India to Herat. Although there have been no acetic anhydride seizures in the vicinity of the route within the Islamic Republic of Iran, some seizures reportedly

<sup>128</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

occurred in Nimroz province in Afghanistan in 2011, as illustrated in the map below. Another possible route for smuggling acetic anhydride from India to Afghanistan runs via the seaport and adjoining dry port at Bandar Abbas to Delaram in Afghanistan. A particularly large acetic anhydride seizure totalling 3,457 kg was reported at Zaranj in 2010.<sup>129</sup> In that case, the chemical was delivered within a shipment from India, via Bandar Abbas.

**Map 23: Acetic anhydride seizures reported along the trade routes from Afghanistan to India via the Islamic Republic of Iran (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

However, due to a lack of information, it is not clear whether the majority of chemical precursors seized between Zaranj and Delaram in Afghanistan have originated in India. Furthermore, there have been no acetic anhydride seizures reported at or near Kandla seaport in India. Substances reportedly seized in Afghanistan near the Afghan-Indian transit route may have been smuggled along entirely different trade routes via the Islamic Republic of Iran or Pakistan. Even so, an increasing number of acetic anhydride seizures have occurred in Afghanistan along the route from Chabahar since it was completed. That may suggest that traffickers have also begun to abuse the transit route to smuggle acetic anhydride into Afghanistan. If trade between India and Afghanistan increases along the route from Chabahar, it may increase the risk of acetic anhydride being smuggled along the same route.

<sup>129</sup> AOTP/Paris Pact, Online Seizure Database, <http://heroin2011.dbroca.uz/cultivation/2011/af/all>.

## AFGHANISTAN-UZBEKISTAN TRADE AND TRANSIT AGREEMENT (2004)

The trade and transit agreement that was reached between Afghanistan and Uzbekistan in August 2004 allowed both countries to conduct trade and transit trade via either country by air, rail or road. As a result, Uzbekistan and other Western and Central Asian countries are able to access international waters from Iranian seaports via Afghanistan.<sup>130</sup> Moreover, the agreement eases the flow of trade between Pakistan and Uzbekistan, while at the same time facilitating trade between Afghanistan and Uzbekistan, as well as other Central Asian countries.

### **Trade and transit trade trends**

There are no official figures available relating to trade between Afghanistan and Uzbekistan. It is estimated that the volume of trade between the two countries has been steadily increasing, but that the volume of Afghan exports to Uzbekistan remains significantly lower than the volume of Afghan imports from Uzbekistan. It is estimated that in 2007/08, Afghan imports from Uzbekistan totalled US\$ 167 million. That figure had more than quadrupled by 2011, exceeding US\$ 876 million.<sup>131</sup> In 2009/10, the total volume of Afghan transit trade with Uzbekistan reached a value of almost US\$ 2 billion, which effectively made up 32 per cent of Afghanistan's total transit trade flows.<sup>132</sup> Furthermore, the total volume of Afghan exports to Uzbekistan and Afghan transit trade conducted by rail via Uzbekistan more than tripled during the same period.<sup>133</sup>

A large proportion of Afghan imports transported through Uzbekistan consists of humanitarian cargo and oil and gas supplies. In 2007, 1.2 million tons of humanitarian goods were delivered via Uzbekistan over the Hairatan BCP in Afghanistan, which is located near the Afghan-Uzbek border. Seventy per cent of Afghanistan's oil and gas supplies are imported via Uzbekistan from Turkmenistan along the same route.<sup>134</sup> Building materials and agricultural products are also frequently imported from Uzbekistan to Afghanistan.

### **Transit transportation routes**

The majority of Afghan and Uzbek trade and transit trade is conducted either by road or by rail. Road and rail networks are more widely used for trade than air transport.<sup>135</sup> Road and rail corridors leading from Uzbekistan to Afghanistan run parallel to one another from Termez in Uzbekistan through the only fixed crossing between the two countries - the Friendship Bridge to Hairatan in Afghanistan. At Hairatan, Uzbek goods or transit goods are trans-shipped onto trucks, which subsequently deliver the goods to Naibabad dry port and Mazar-e-Sharif in Afghanistan. The Hairatan BCP has a turnover of 40-50 vehicles per day, while Naibabad dry port has a daily capacity of 100-120 containers.

<sup>130</sup> The trade and transit trade agreement is part of a tripartite transport cooperation agreement that was reached between Afghanistan, Uzbekistan and the Islamic Republic of Iran in 2004, which grants Western and Central Asian States access to Iranian seaports.

<sup>131</sup> <http://www.cacianalyst.org/?q=node/5544>

<sup>132</sup> UNODC, Opiate Flows through Northern Afghanistan and Central Asia, May 2012.

<sup>133</sup> Formal letter of the Ministry of Foreign Affairs of Uzbekistan, April 2012.

<sup>134</sup> The majority of those fuel deliveries are required for United States forces still present in Afghanistan. Around 60 per cent of the total fuel deliveries to the United States army are transported imported to Afghanistan via Uzbekistan. See <http://www.eurasianet.org/node/65056>

<sup>135</sup> For instance, transporting goods along the Uzbek-Afghan rail route costs around 10 per cent of the total amount that it would cost to deliver goods by plane.

**Map 24: Railway link between Afghanistan and Uzbekistan**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

From Mazar-e-Sharif, Uzbek transit goods are transported by truck to Iranian or Pakistani seaports. In order to reach seaports in Pakistan, the trucks travel primarily along the transit route leading from Mazar-e-Sharif via Kabul to Jalalabad in Afghanistan, then cross the Torkham border crossing to Lahore or Quetta in Pakistan. From there, goods travel to Pakistani seaports at Gwadar, Karachi or Port Qasim.<sup>136</sup> Transit trade routes can, of course, also be travelled in the opposite direction, from the Islamic Republic of Iran or Pakistan via Afghanistan to Uzbekistan. Uzbekistan and Afghanistan also occasionally conduct trade by boat, using steel shipping containers. The large river port at Termez ships approximately 1,000 tons of cargo daily to a location only 500 metres away from the Hairatan BCP in Afghanistan.

The road and railway link from Termez to Hairatan runs along the northern trade route and is part of the Northern Distribution Network.<sup>137</sup> The railway line has the capacity to transport 4,000 tons of cargo per month and can cater for eight trains travelling in each direction per day. On average, 100-120 containers travel the route every day.<sup>138</sup> Although the road leading from Hairatan to Mazar-e-Sharif has

<sup>136</sup> This road route forms part of a CAREC corridor that leads from the Russian Federation through Kazakhstan to Uzbekistan and Afghanistan and ultimately reaches Iran's seaports at Bandar Abbas and Chabahar.

<sup>137</sup> The railway line was only completed in 2010.

<sup>138</sup> US Department of State, <http://www.state.gov/r/pa/ei/bgn/5380.htm>

recently been improved, it is not capable of handling high levels of traffic. Therefore, cargo continues to be delivered to and from Afghanistan primarily along the railway route.

The above Afghan-Uzbek trade route is also connected to a railway route along the Uzbek RL3 corridor, which follows the below route:

Samarkand – Karshi – Talimardjan (Uzbekistan) – Kelif (Turkmenistan) – Termez (Uzbekistan) – Khairaton and as a sub-option Samarkand – Tashguzar – Kumkuragen – Termez – Khairaton.<sup>139</sup>

### **Dry ports along transit routes**

In Uzbekistan, dry ports play a crucial logistical role in the trans-shipment of Afghan trade and transit trade. The Navoi International Logistics Centre (ILC) is of key importance, since it is located in central Uzbekistan at the crossroads of the North-South and East-West land and air transport corridors and includes a Free Industrial Economic Zone (FIEZ). The dry port spans 1,391 acres and provides multimodal services that link air, rail and road transportation routes.<sup>140</sup> It is used as a crossing point for transcontinental transportation and is equipped with a large number of facilities to support the multimodal transportation services.<sup>141</sup>

The Navoi cargo terminal, which has been in place since 2010, has the capacity to transport up to 300 tons of goods per day. Furthermore, the terminal is equipped with six workstations for loading and unloading 5-and 20-ton refrigerated containers; chamber heaters; and storage facilities for dangerous goods, perishable foodstuffs and animals. The volume of trade handled at Navoi dry port is increasing continuously. In 2011, it handled a total of 4.2 tons of cargo, which marked an increase of one third in comparison to the previous year.<sup>142</sup>

In Afghanistan, dry ports along the main trade and transit route to Uzbekistan often lack sufficient monitoring and inspection equipment. For example, the dry port at Naibabad is not equipped with any control equipment and staff merely physically and visually inspect cargo. According to customs officials at the dry port, none of the cargo handled there has ever contained opiates or illicit precursors. However, a mere visual and physical inspection is not sufficient for ensuring that licit cargo contains no concealed drugs or precursors. Furthermore, no substances have ever been sent for lab testing from Naibabad dry port.

Hairatan, in contrast, is a relatively well-monitored BCP. It has watchtowers and the entire border is double-fenced with barbed wire. With regard to facilities, Hairatan dry port is equipped with scanners and a small laboratory with drug testing kits. Furthermore, Uzbek officials stationed at the border are generally well trained and receive relatively high salaries. The risk of concealed drugs crossing the border undetected is therefore lower at the Hairatan BCP than it is in Naibabad.

### **Opiate and chemical precursor smuggling along transportation routes and at dry ports**

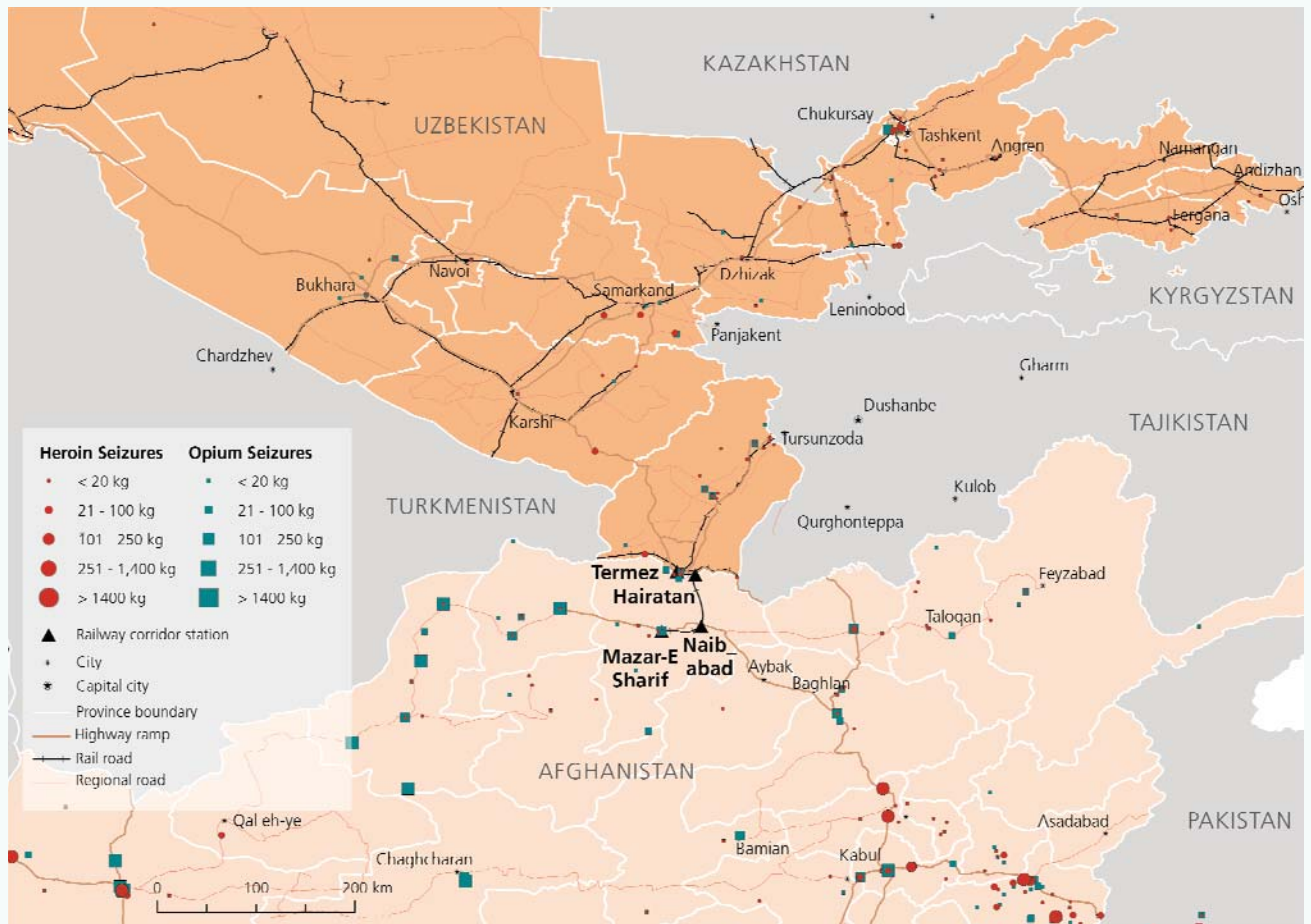
Central Asia is located along one of the main heroin trafficking routes leading to the Russian Federation. It is known as the “Northern Route”. The Afghan-Uzbek border is relatively short and the two countries are linked only by one small river and the Termez-Hairatan railway line.

<sup>139</sup> Eighteenth OSCE Economic and Environmental Forum, “Using Transit Transportation Potential of Central Asian Countries: Challenges and Opportunities”, Vienna, February 2010.

<sup>140</sup> Currently, the dry port is being developed further in order to provide customs services, banking/insurance services, offices, intermodal terminals, warehouse storage and a number of other support services.

<sup>141</sup> The facilities include the cargo terminal discussed earlier, a passenger terminal, a fuel tank, a runway, an ATC tower, an airport hotel, a maintenance hangar, a railway line connection and a number of roads.

<sup>142</sup> <http://www.ved.gov.ru/exportcountries/pages/economy/countries/214>

**Map 25: Opiate seizures reported at the Afghan-Uzbek border (2009-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.nz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

According to reports by the National Centre on Drug Control (NCDC) of Uzbekistan, a major opiate trafficking route leads directly across the border from Afghanistan into Uzbekistan:

- Afghanistan – Surkhandarya province (Termez and Muzrabad districts) – Tashkent City<sup>143</sup>

From Tashkent, heroin is usually trafficked onwards to Kazakhstan and the Russian Federation.

Reported seizure data illustrated in the map below indicates that the trade and transit trade route across the Afghan-Uzbek border is being used to smuggle Afghan opiates. In December 2011, Uzbek border control officials reportedly seized over 6 kg of heroin on a Tajik freight train at Termez. Since 2009, a number of smaller opiate seizures have occurred at Termez City. Others have been reported along the Afghan-Uzbek border, involving opiates coming from Afghanistan. In May 2012, a larger quantity of heroin totalling 33 kg was reportedly intercepted at the Afghan border in Uzbekistan.<sup>144</sup> On that occasion, the two Afghan heroin smugglers were killed during an exchange of fire with Uzbek border guards. Opiate seizures occurring near the Uzbek border within Afghanistan have been far less frequent.

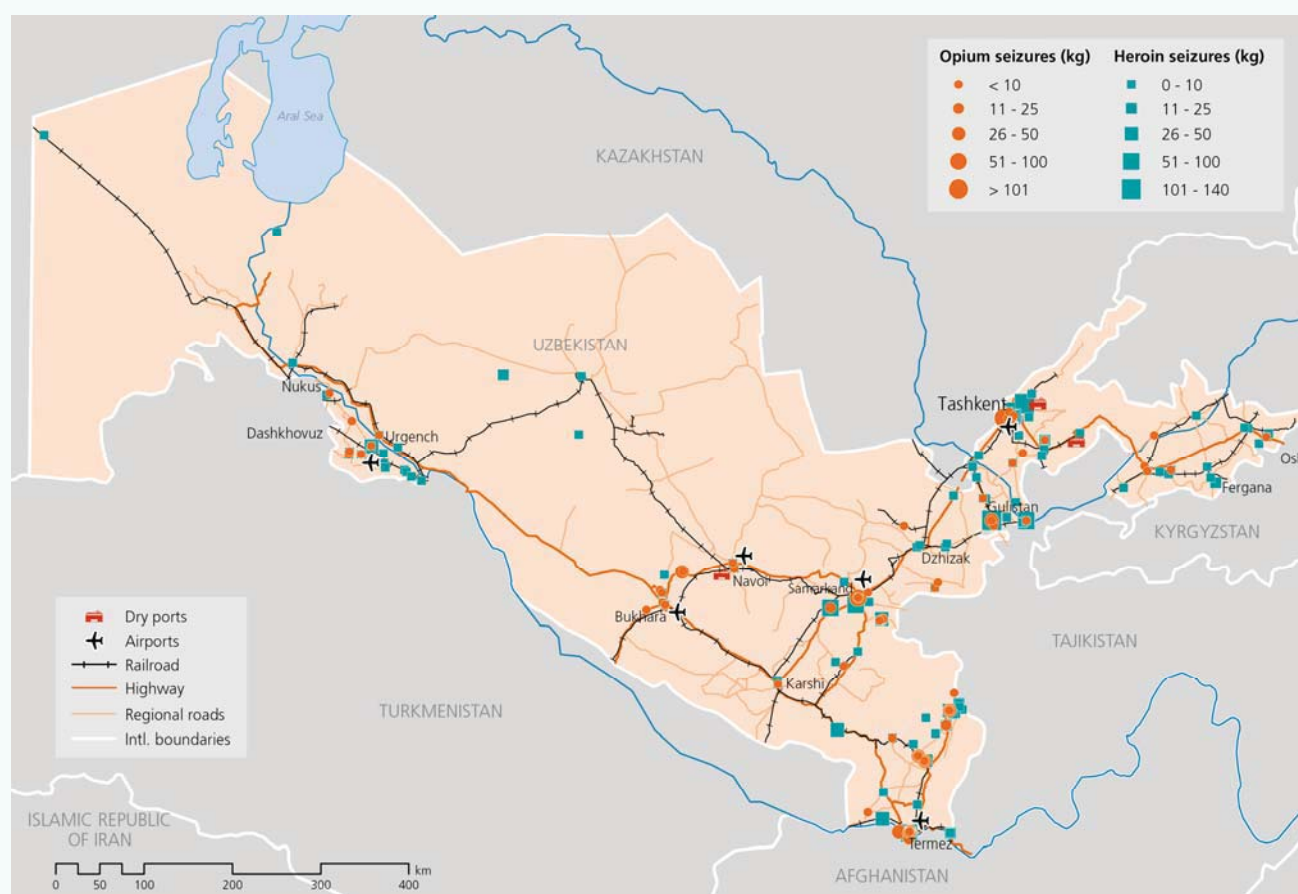
<sup>143</sup> NCDC, Drug situation in Uzbekistan for 2009, Tashkent, 2010.

<sup>144</sup> NCDC, Drug situation in Uzbekistan for 2009, Tashkent, 2010.



Since 2009, two small heroin and opium seizures have been reported along the Afghan-Uzbek trade route at Hairatan, but none has been reported at the dry ports in Naibabad, Mazar-e-Sharif or Hairatan.

**Map 26: Opiate seizures reported in Uzbekistan (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Although small quantities of opiates are smuggled over the Hairatan-Termez crossing at the Afghan-Uzbek border, the NCDC reports that the majority of Afghan opiates enter Uzbekistan through Tajikistan and Kyrgyzstan.<sup>145</sup> Seizure data from Uzbekistan illustrates that a number of trafficking routes lead from those countries into Uzbekistan. Once opiates have been smuggled into Uzbekistan, they are usually trafficked onwards to Kazakhstan, and occasionally to Turkmenistan and Kyrgyzstan, in order to reach the Russian market. Over the past two years in particular, heroin has frequently been intercepted on trains travelling between Dushanbe and Moscow. In March 2012, border guards in Tashkent reportedly seized 8 kg of heroin that had been hidden within a carriage on the Dushanbe-Moscow train.<sup>146</sup> In June 2012, further 8 kg of heroin were reportedly discovered in Tashkent inside another train travelling on the same line. On that occasion, the heroin had been stashed in a liquefied gas tank owned by a train conductor.<sup>147</sup>

In Uzbekistan, a number of heroin seizures have been made in the vicinity of dry ports, and occasionally at the dry ports themselves. In 2009, the dry port at Navoi reported a heroin seizure of 0.5 kg, while in

<sup>145</sup> NCDC, Drug situation in Uzbekistan for 2009, Tashkent, 2010.

<sup>146</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>147</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

2010, two further opiate seizures consisting of 0.1 kg of heroin and 9.4 of opium were reported in the vicinity of Navoi dry port.<sup>148</sup> Since 2009, opiate seizures have occurred most frequently in Tashkent. Within the past three years, almost 229 kg of heroin and opium have reportedly been seized at Tashkent, but none has been seized at the dry port itself.<sup>149</sup> Given that the dry ports at Navoi and Tashkent handle such large volumes of trade, it is difficult to inspect each delivery thoroughly. There is therefore a high risk that heroin concealed in large volumes of licit trade will remain undetected.

Overall, 622 kg of heroin and 984 kg of opium were reportedly seized in Uzbekistan in 2011.<sup>150</sup> The small number of seizures may be due to the lack of technological equipment necessary to effectively monitor and inspect cargo for smuggled drugs at BCP, customs, dry ports, airports and railway stations. Indeed, although six heroin and opium seizures occurred along road routes in Uzbekistan in 2011, only a very limited number of those seizures took place at BCP.

With regard to precursor seizures, there have been no reported acetic anhydride seizures in Uzbekistan since 2009. Before that, Uzbekistan had reported only two precursor seizures in 14 years and neither of those involved acetic anhydride.<sup>151</sup> Despite being the only acetic anhydride producer in Central Asia, there is no indication that Uzbekistan has been smuggling acetic anhydride across the border into Afghanistan. Uzbek controls relating to acetic anhydride tend to be strict. Moreover, precursor chemicals are usually trafficked along the Balkan and Southern routes, rather than the Northern Route through Central Asia.

## AFGHANISTAN-TAJIKISTAN JOINT ECONOMIC, SOCIAL AND BUSINESS AGREEMENT

In January 2012, Afghanistan and Tajikistan signed a Joint Economic, Social and Business Agreement. The agreement facilitates trade between the two countries and aims to develop transit trade routes, particularly those leading through Afghanistan and Tajikistan to China. Border trade organization has also been simplified to allow Afghan and Tajik vehicles to transport goods through both countries.

Trade relations between Afghanistan and Tajikistan were officially established for the first time through their joint trade agreement of 2004. They were subsequently further enhanced when the two countries joined the Cross-Border Transport Agreement (CBTA).<sup>152</sup> In order to facilitate trade between its members, the CBTA provides for streamlined customs inspections procedures and removes the need for freight to be transferred between vehicles at BCP.

### *Trade and transit trade trends*

Since the first joint trade agreement in 2004, levels of trade between Afghanistan and Tajikistan have been steadily increasing. Afghan imports from Tajikistan increased considerably between 2004 and 2010, from US\$ 8 million to US\$ 57.5 million.<sup>153</sup> Afghan exports to Tajikistan also greatly increased, from US\$ 3.6 million in 2004 to US\$ 36 million in 2010.<sup>154</sup> Between 2006 and 2010, the value of trade between Tajikistan and Afghanistan increased by 80 per cent. In 2009, 19 per cent of all Afghan exports went to

<sup>148</sup> AOIP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>149</sup> AOIP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>150</sup> UNODC/ROCA, Drug Situation Report, 2011.

<sup>151</sup> UNODC, The Global Afghan Opium Trade – A Threat Assessment, July 2011.

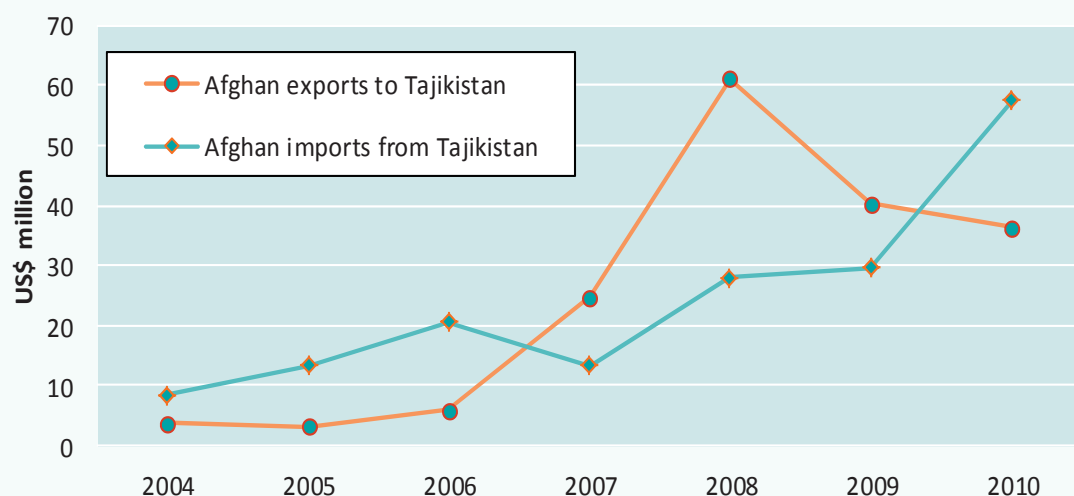
<sup>152</sup> Tajikistan joined the CBTA in 2010, while Afghanistan joined only recently in 2011.

<sup>153</sup> IMF, Direction of Trade Statistics, 2011.

<sup>154</sup> IMF, Direction of Trade Statistics, 2011.

Tajikistan, making Tajikistan Afghanistan's main export partner in Central Asia.<sup>155</sup> By 2011, the total value of trade between Afghanistan and Tajikistan had reached a value of US\$ 123 million.

**Figure 7: Levels of trade between Afghanistan and Tajikistan (2004-2010)**



Source: IMF, *Direction of Trade Statistics*, 2011.

There are no official figures available relating to transit trade between Afghanistan and Tajikistan. However, the overall levels of Afghan transit trade via Tajikistan can be extrapolated from trade flows between Afghanistan and the markets that it gains access to as a result of its transit agreement with Tajikistan. By transiting Tajikistan, Afghan goods can be transported to Kyrgyzstan and Uzbekistan. From there, they are usually transported to Kazakhstan, then the Russian Federation. Afghan exports to Kyrgyzstan and Kazakhstan more than doubled between 2004 and 2010. While there are no official figures available relating to the value of imports and exports between Afghanistan and Uzbekistan, unofficial sources report that the volume of trade between those two countries has also greatly increased. Furthermore, the value of Afghan exports to the Russian Federation increased more than fourfold between 2004 and 2010.

**Table 4: Afghan exports (million US\$)**

|                    | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--------------------|------|------|------|------|------|------|------|
| Kyrgyzstan         | 0.2  | 0.2  | n/a  | 0.2  | 0.5  | 0.5  | 0.6  |
| Kazakhstan         | 0.2  | 0.3  | 0.3  | 0.4  | 0.5  | 0.41 | 0.5  |
| Russian Federation | 3.8  | 3.6  | 10.5 | 8.1  | 13.5 | 13.1 | 17.7 |

Source: IMF, *Direction of Trade Statistics*, 2011.

Within the same period, Afghan imports from Kazakhstan also more than doubled, from US\$ 95 million to US\$ 211.2 million. Meanwhile, Afghan imports from Kyrgyzstan increased from US\$ 8.8 million to US\$ 56.2 million.<sup>156</sup> By 2011, Afghan imports from Uzbekistan had exceeded US\$ 876 million,<sup>157</sup>

<sup>155</sup> UNODC, *Opiate Flows through Northern Afghanistan and Central Asia*, May 2012.

<sup>156</sup> IMF, *Direction of Trade Statistics*, 2011.

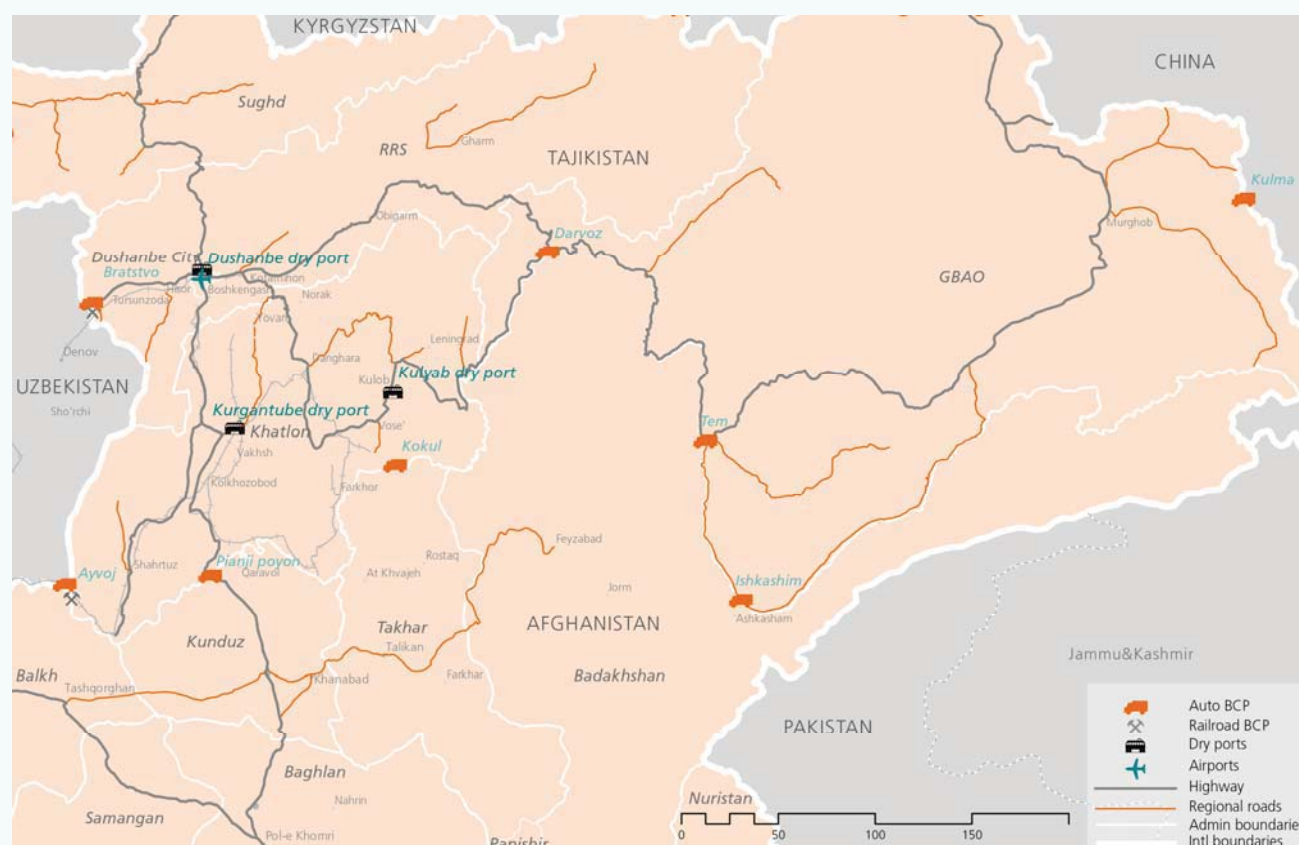
<sup>157</sup> Central Asian Caucuses Institute, <http://www.cacianalyst.org/?q=node/5544>

while imports from the Russian Federation surged from US\$ 83.5 million in 2004 to US\$ 592.9 million in 2010. In 2009/10 alone, Afghan imports from the Russian Federation more than doubled.<sup>158</sup>

### Transit routes

Most trade flows between Afghanistan and Tajikistan travel across bridges or are transported by barges over the Panj River, which runs alongside the Afghan-Tajik border. One of the main crossing points for bilateral trade is the Nizhny-Pianj highway, which is a bridge linking the road from the Sher Khan Bandar river port in Afghanistan to the road to Dusti in Tajikistan. Approximately 30-40 trucks cross the bridge each day. In Afghanistan, the Nizhny-Panj Bridge has a direct road link through Sher Khan Bandar to Kunduz, which is located on the Afghan Ring Road. At Kunduz, Uzbek goods can be transported anywhere within the country or onwards to the Islamic Republic of Iran or Pakistan.

**Map 27: Dry ports in Tajikistan and border crossings along the Afghan-Tajik border**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Certain trade routes cross other bridges along the Afghan-Tajik border, but they tend to be less frequently used. On a weekly basis, around five Tajik trucks cross the Ai-Khanoum Bridge in Farkhor district in Tajikistan to Takhar province in Afghanistan. Further BCP are located at Darvoz on the Amu Darya River, Ishkashim and Tem-Demogan at Kokul, which borders Badakhshan province in Afghanistan. The Ishkashim border crossing currently employs six customs officials, all of whom are well trained and receive a monthly salary of US\$ 170. However, there is no equipment available at Ishkashim to inspect cargo for drugs.

<sup>158</sup> IMF, Direction of Trade Statistics, 2011.

Once Afghan goods have crossed the border into Tajikistan, they are often transferred internally to Dushanbe, then to Khujand, Kurgantube and Kulyab City. However, Afghan goods entering Tajikistan are often intended for transit and are generally to be transported onwards to the Russian Federation. Since Tajikistan does not share a border with the Russian Federation, a number of routes are used to transport the transit goods to their final destination, leading through Tajikistan to Kyrgyzstan and Uzbekistan. From there, they can be delivered via Kazakhstan to the Russian Federation.

Overall, there are five well-established road routes that lead through Tajikistan to Kyrgyzstan and one that leads through Tajikistan to Uzbekistan:

- Panj district → Kurgantube City → Dushanbe City → Khujand City → Isafara → Batkent (Kyrgyzstan) → Osh City
- Shurabad district → Kulyab City → Dushanbe City → Khujand City → Isafara → Batkent (Kyrgyzstan) → Osh City
- Shughnon → Murghab → Sary Tash City (Kyrgyzstan) → Osh City
- Darvaz → Murghab → Sary Tash City (Kyrgyzstan) → Osh City
- Shurabad → Kulyab → Dushanbe → Garm → Batkent (Kyrgyzstan) → Osh
- Panj → Kurgantube city → Dushanbe City → Uzbekistan

Along those interconnected trade corridors, dry ports are located at Dushanbe, Kulyab, Kurgantube and Khujand.

**Map 28: Interconnected road routes leading through Tajikistan, Kyrgyzstan and Uzbekistan**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Major BCP at road crossings along the Tajik-Kyrgyz border are located at Karamyk and Bordobo in Osh Oblast and Kyzylbel in Batken in Kyrgyzstan.<sup>159</sup> Approximately 5 cars and 30 trucks, carrying mainly transit cargo, cross Karamyk BCP each day.<sup>160</sup> Since Bordobo BCP (known as Kyzylart on the Tajik side of the border) is located in a highly mountainous region, very few trucks and only 3-4 cars cross it daily. At Kyzylbel BCP, at least 500 pedestrians cross each day. Between 200 and 250 trucks cross over to Tajikistan from the Kyrgyz side of the border, delivering building materials and consumer products, and another 20-30 cars arrive from Tajikistan every week.<sup>161</sup>

### Trucks crossing Karamyk BCP



*Source: UNODC Mission to the Tajik-Kyrgyz Border, August 2012.*

Karamyk, Bordobo and Kyzylbel BCP all lack the technical equipment necessary to effectively search trucks and cars for smuggled drugs. Karamyk and Bordobo BCP do not have any equipment to conduct cargo inspections, nor are there any computers available for data entry or risk analysis. Instead, customs officials merely register and visually inspect cargo. Customs officials at both BCP report that luggage and cars belonging to passengers behaving suspiciously are checked in particular. As a rule, TIR trucks are only opened and inspected if they are not accompanied by the necessary documentation or if the cargo seal has been broken. However, there are two trained State Drug Control Agency (SDCA) officers permanently stationed at Bordobo BCP, who have a sniffer dog to assist them in their searches for smuggled drugs. Furthermore, 2-3 international control delivery operations are conducted at the border crossing each year to ensure that procedures are followed correctly. Kyzylbel BCP is equipped with drug identification test kits and border guards employed there also have a sniffer dog. Although Karamyk, Bordobo and Kyzylbel BCP are all equipped with radiation control systems and video cameras, none of them was functioning when UNODC experts visited.<sup>162</sup> Moreover, customs officials at each BCP along the Tajik-Kyrgyz border work in dire conditions and receive a low salary ranging from US\$ 150 to US\$ 200 per month. None of the major BCP has Internet access or satellite systems. However, despite the fact that customs officials and border guards at each of the border crossings are

<sup>159</sup> Karamyk BCP is known as Jirigital on the Tajik side of the border, while Kyzylbel BCP is known as Isfara.

<sup>160</sup> UNODC Mission to the Tajik-Kyrgyz Border, August 2012.

<sup>161</sup> UNODC Mission to the Tajik-Kyrgyz Border, August 2012.

<sup>162</sup> UNODC Mission to the Tajik-Kyrgyz Border, August 2012.

only able to communicate with one another using their own mobile phones, they continue to cooperate well.<sup>163</sup>

### **Transport regulations**

Officially, Afghanistan and Tajikistan have agreed to allow Afghan and Tajik vehicles to transport goods through both countries' territories. However, according to an assessment by Border Management in Northern Afghanistan (BOMNAF), the Tajik authorities permit few non-Tajik trucks to travel along their roads. Instead, Afghan goods intended for transit through Tajikistan are often offloaded from Afghan trucks and reloaded onto Tajik trucks before proceeding from the border crossing. While that does not necessarily mean that the cargo will be inspected in the trans-shipment process, it may facilitate the discovery of smuggled opiates concealed within regular cargo.

### **Opiate and chemical precursor seizures along transportation routes and at dry ports**

In 2010, Tajikistan had some of the highest seizure rates in the entire Central Asian region, with 33 per cent of all opium seizures and 38 per cent of all heroin seizures occurring in its territory. Furthermore, those seizures only represented a small proportion of all estimated opiate flows to Tajikistan in 2010. Based on the assumption that 75-80 tons of heroin and 18-20 tons of opium were trafficked into Central Asia via Tajikistan in 2010, it can be calculated that an approximate average of 200 kg of heroin and 50 kg of opium were trafficked into the country on a daily basis.<sup>164</sup> However, over the course of 2010, Tajikistan reportedly confiscated only 985 kg of heroin and 744 kg of opium. What is more, the number of opiate seizures made by Tajik customs officials dropped by more than 50 per cent in the first half of 2011, despite the fact that there has been no indication of a decrease in heroin flows to the country.

The majority of Afghan heroin trafficked to the Russian Federation along the Northern Route enters Central Asia via the Tajik-Afghan border. From Tajikistan, opiates are generally trafficked onwards to Uzbekistan and Kyrgyzstan, after which they are trafficked through Kazakhstan to the Russian Federation. The mountainous nature of the Afghan-Tajik border facilitates undetected opiate trafficking. In 2010, an estimated 85 per cent of opiate flows through Central Asia passed through Tajikistan.<sup>165</sup> Therefore, there is a very high risk of Afghan opiates being smuggled from Afghanistan to Tajikistan concealed within large volumes of trade and transit trade flows.

No heroin seizures have been reported at Afghan border crossings into Tajikistan and seizures made near the Tajik border in northern Afghanistan have been scarce, with only two reported within the last three years. One of those consisted of 0.07 kg of opium seized in Badakhshan province, while the other consisted of 14 kg of heroin seized at Khaja Qaar, in Takhar province. The exact origin and intended destinations of the drugs are unknown. Meanwhile, the frequency of seizures reported at Kunduz has been on the rise. While only 4.7 kg of heroin and 33 kg of opium were reportedly seized in the entire province in 2009, 234 kg of opium was taken in a single seizure in 2011.<sup>166</sup> Two of the few heroin seizures to have been reported directly at dry ports in Afghanistan occurred at Takhar dry port in 2011. Those seizures amounted to 16 kg and 29 kg.<sup>167</sup>

<sup>163</sup> UNODC Mission to the Tajik-Kyrgyz Border, August 2012.

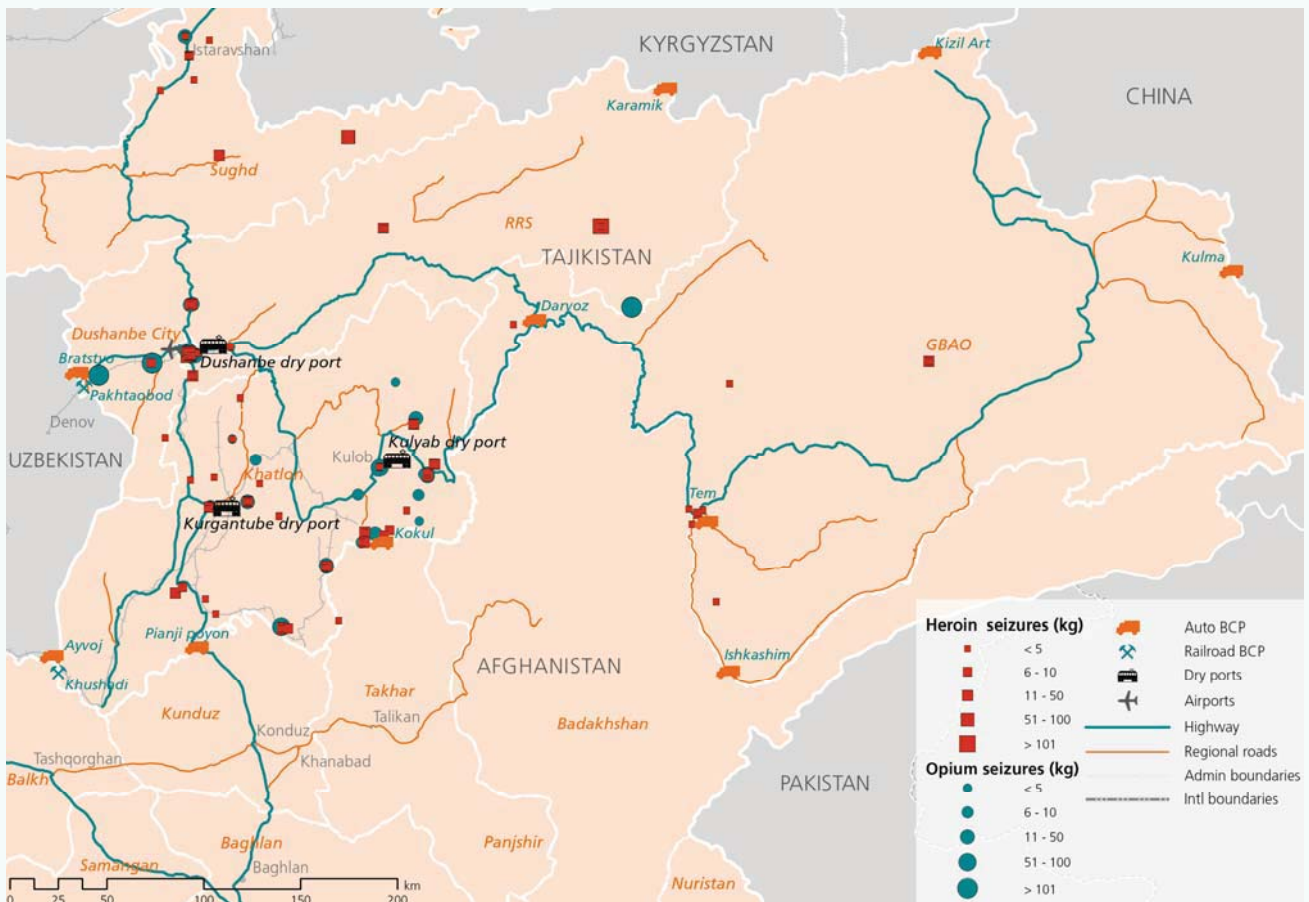
<sup>164</sup> UNODC, Opiate Flows through Northern Afghanistan and Central Asia, May 2012.

<sup>165</sup> UNODC, Opiate Flows through Northern Afghanistan and Central Asia, May 2012.

<sup>166</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>167</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

**Map 29: Opiate seizures reported at dry ports in Tajikistan and at border crossings along the Afghan-Tajik border (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

The map above illustrates that a number of opiate seizures have occurred on trade and transit trade routes in Tajikistan, which many suggest that those routes are being misused for smuggling Afghan opiates through the country. At the Afghan-Tajik border, several opiate seizures have been reported at the Pianji poyon and Tem border crossings since 2009. Within the country, seizures have occurred along trade and transit routes in western Tajikistan. Several smaller opiate seizures have been reported at Dushanbe, Kurgantube in Qurganteppa, and Kulob. One of the largest drug seizures was reported in Dushanbe in 2011 and consisted of 10 kg of heroin.<sup>168</sup> A number of people were arrested in connection with the seizure and suspected of being members of an international drug trafficking ring. In 2012, a further 10.7 kg of opium were reportedly intercepted in a car in Dushanbe.<sup>169</sup> In 2010, a number of smaller quantities of heroin, all weighing less than 1 kg, were reportedly seized in Kulob. A large seizure was reported at Qurganteppa in 2009 and consisted of 9.2 kg of opium.<sup>170</sup> It should be noted that no opiate seizures have been reported at the Ishkashim border crossing. Overall, there have been very few opiate seizures reported in the Badakhshan district of Tajikistan since 2009. The significantly low frequency of opiate seizures in the last three years may be due to a lack of law enforcement capacity and/or a lack of integrity among border officials along the Afghan-Tajik border.

<sup>168</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

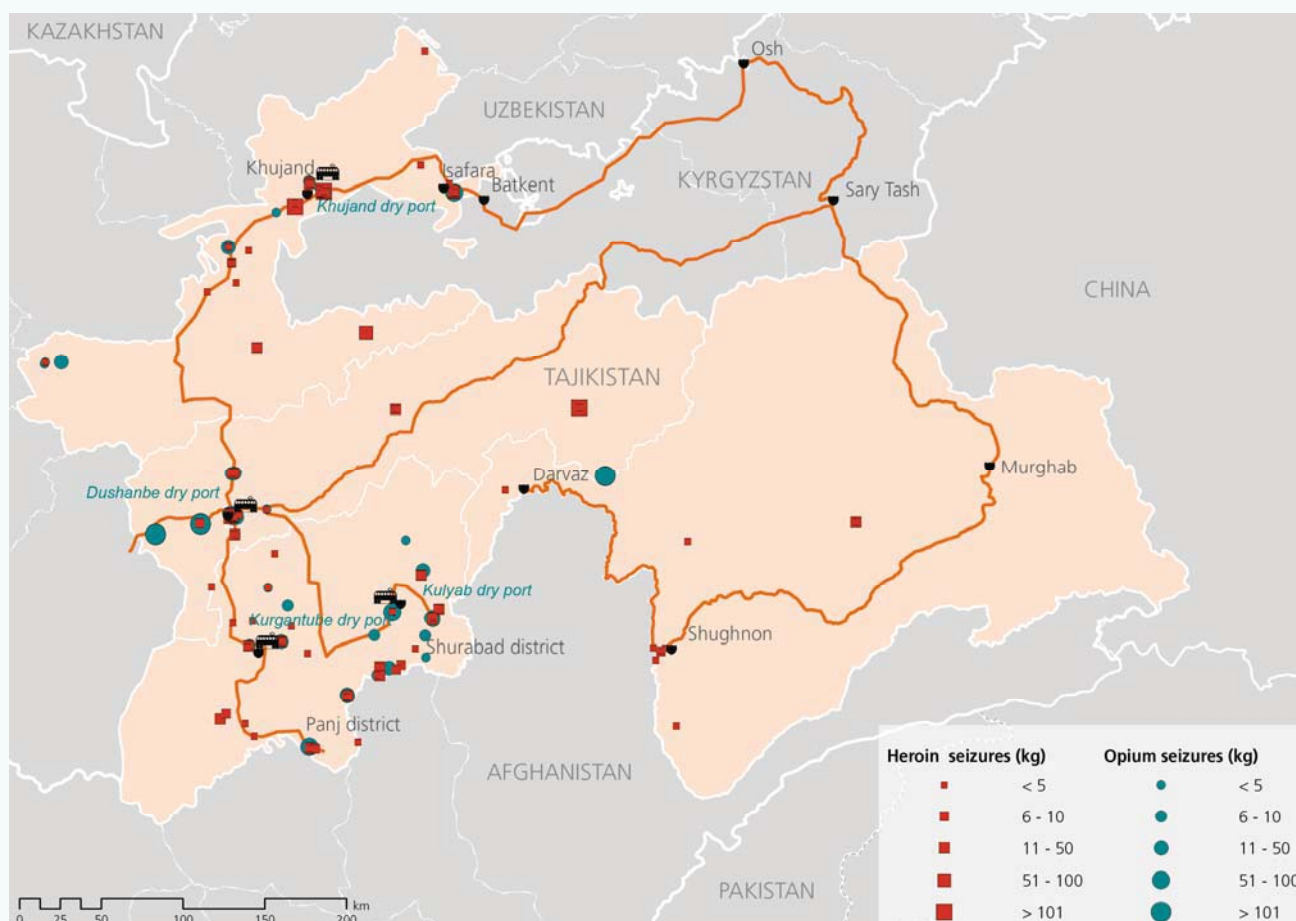
<sup>169</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>170</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).



Moreover, seizure data indicates that small volumes of opiates are frequently smuggled across the border while avoiding official trade routes. For instance, there were reports of small seizures at the Kokul BCP in 2009, while in 2011, a number of 1-2 kg heroin seizures were made on the border only a few miles away from the Kokul crossing.<sup>171</sup> For years, traffickers have smuggled heroin across the Afghan-Tajik border near the Pianji Poyon, Ai-Khanoum and Ishkashim border crossings by throwing or carrying the smuggled goods over the Panj River. Having circumvented official border crossings, smugglers continue along official transportation routes in Tajikistan.

**Map 30: Reported opiate seizures, dry ports and road routes leading through Tajikistan (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Since 2009, opiate seizures have been reported in the vicinity of each dry port in Tajikistan, but rarely at the dry ports themselves. The dry port at Khujand is the only one at which seizures have been reported within the last three years. The first seizure reportedly occurred in 2010 and consisted of 10 kg of drugs, while a further 3 kg of heroin was seized the following year.<sup>172</sup> Tajikistan's other dry ports, located at Dushanbe, Kulyab and Kurgantube, have not reported any opiate seizures. There have also only been few seizure reports occurring along the Kyrgyz-Tajik border. In fact, with the exception of Kyzylbel BCP in the Batken region of Kyrgyzstan, none of the major BCP along road routes leading from Tajikistan to Kyrgyzstan has reported any drug seizures in recent years. Customs officials at Kyzylbel

<sup>171</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>172</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

BCP informed UNODC experts that there had been a number of drug seizures in 2010 and 2012, but that only 1.5 kg of heroin were seized in 2010.<sup>173</sup>

Seizure reports indicate that opiates are usually trafficked through Tajikistan by road or by train. In 2011 alone, 17 opiate seizures occurred while road vehicles were being inspected. The total volumes of drugs seized on those occasions amounted to 176 kg of heroin, 58 kg of opium and 2 kg of morphine. In addition, three heroin seizures amounting to 34 kg were made in 2011 on trains.<sup>174</sup>

Although opiates continue to be trafficked primarily along roads and railway routes, smaller volumes of heroin are also transported directly from Tajikistan to the Russian Federation by plane. In such cases, volumes of 0.5-1 kg of heroin tend to be transported within body cavities, or 1-5 kg within passenger luggage. In 2010, around 80 per cent of the heroin trafficked to the Russian Federation by plane came from Tajikistan. However, very few opiate seizures have occurred at airports in Tajikistan. In 2011, only 33 kg of heroin were reportedly seized at domestic airports.<sup>175</sup>

Within the last three years, there has been one acetic anhydride seizure reported in Tajikistan, which consisted of 403.8 kg.<sup>176</sup> The fact that there are heroin laboratories to the north of Afghanistan near the border with Tajikistan may encourage traffickers to smuggle acetic anhydride through Central Asia directly across the Tajik-Afghan border. Moreover, the direct link from the Panj Bridge to Kunduz in Afghanistan may provide traffickers with an opportunity to smuggle acetic anhydride to Kunduz and along the Afghan Ring Road to heroin laboratories in the south of the country. Although both routes appear to be viable for the purposes of chemical precursor trafficking, there is no evidence to support the idea that they are currently being used by traffickers.

## AFGHANISTAN-TURKMENISTAN TRANSPORT AND TRANSIT AGREEMENT

In 2007, Afghanistan and Turkmenistan signed a transport and transit agreement. As a result, Turkmenistan was permitted to supply electricity via Afghanistan to Pakistan and other countries neighbouring Afghanistan. In return, Turkmenistan agreed that it would continue to provide electricity to Afghanistan and provide it with electricity free of charge for one month. Both countries also agreed to extend the Turkmen railroad network from Serkhetabad to Torghundi in the Afghan Herat province and to construct a trans-Afghan gas pipeline.<sup>177</sup>

### *Trade and transit trade trends*

With the exception of a temporary drop in 2008, the value of Afghan imports from Turkmenistan has been increasing steadily since 2007. By 2009, imports from Turkmenistan had increased by more than half their value in 2006. From 2010 to 2011, their value increased further, from US\$ 357.9 million to US\$ 448.3 million. Meanwhile, the value of Afghan exports to Turkmenistan, although not as significant as that of imports, also greatly increased between 2007 and 2011, from US\$ 3.1 million to US\$ 8.8 million.

<sup>173</sup> UNODC Mission to the Tajik-Kyrgyz Border, August 2012.

<sup>174</sup> UNODC/ROCA, Drug Situation Report, 2011.

<sup>175</sup> UNODC/ROCA, Drug Situation Report, 2011.

<sup>176</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>177</sup> In December 2010, Afghanistan, Pakistan, Turkmenistan and India formally agreed to jointly construct the Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline. The pipeline is expected to be fully operational by 2018 and supply gas over a 30-year period.

**Table 5: Volume of trade between Afghanistan and Turkmenistan (million US\$)**

|                           | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Exports to Turkmenistan   | 0.5   | 2.6   | 1.1   | 3.1   | 5.5   | 1.7   | 9.7   | 8.8   |
| Imports from Turkmenistan | 125.7 | 143.2 | 172.4 | 214.1 | 199.1 | 277.2 | 357.9 | 448.3 |

Source: State Statistical Committee of Turkmenistan

There are no official figures available relating to the volume of transit trade between Afghanistan and Turkmenistan. However, levels of trade between Afghanistan and the Islamic Republic of Iran, Kazakhstan and the Russian Federation have risen in recent years.<sup>178</sup> The value of Afghan exports to Kazakhstan increased from US\$ 410,000 in 2007 to US\$ 530,000 in 2010. Meanwhile, exports to the Islamic Republic of Iran increased from US\$ 8.4 million to US\$ 11.7 million and exports to the Russian Federation more than quadrupled.<sup>179</sup> Since the Islamic Republic of Iran, Kazakhstan and the Russian Federation are among the main countries with which Afghanistan conducts trade via Turkmenistan, it can be assumed that transit trade flows from Afghanistan through Turkmenistan have also increased.

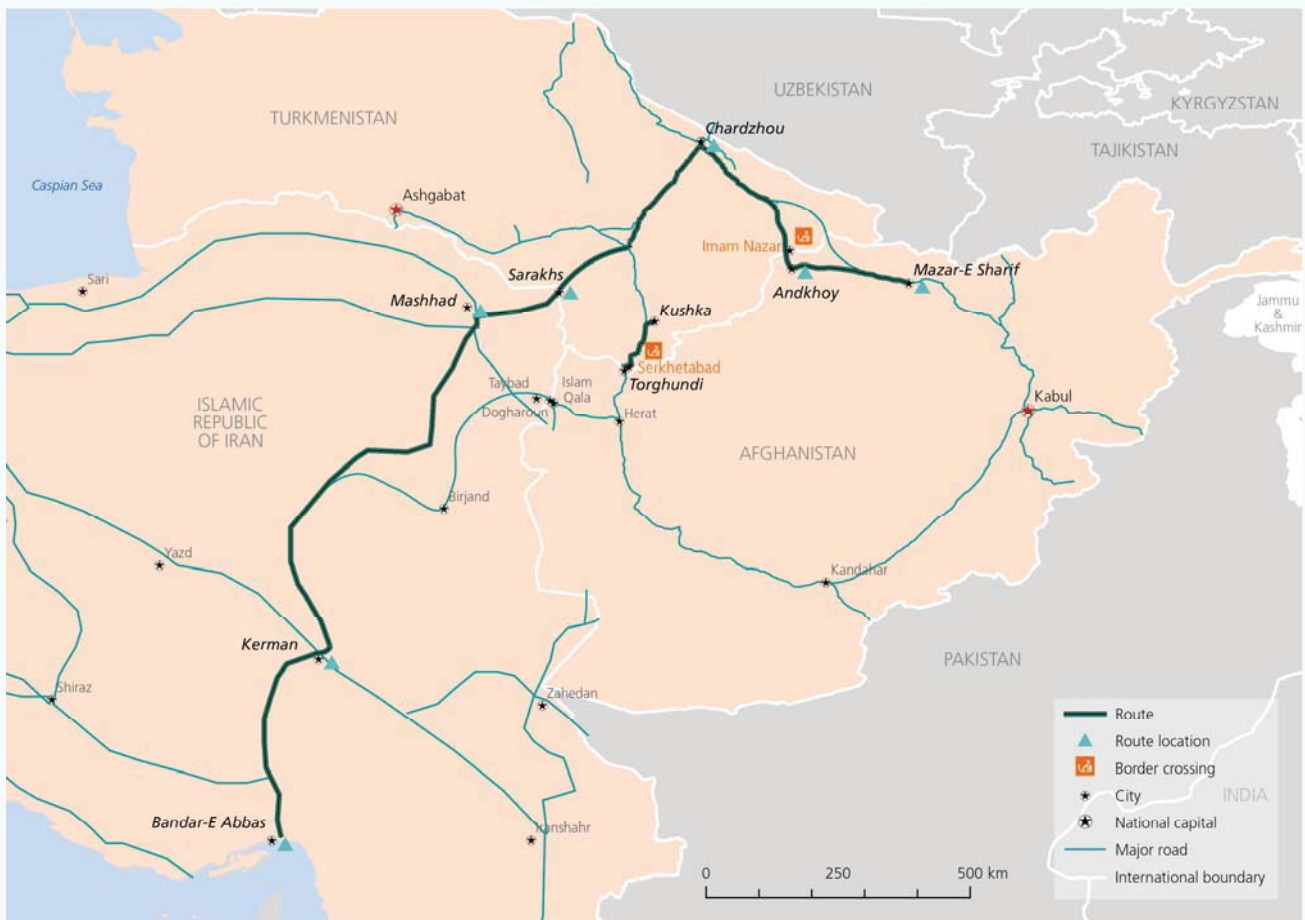
### **Transit transportation routes**

There are two main trade and transit trade routes leading from Afghanistan to Turkmenistan. The first is a direct road and railroad link from Torghundi in Afghanistan to Serkhetabad in Turkmenistan. On average, the rail services at Torghundi transport around 50 wagons per day, while Torghundi dry port trans-ships containers delivered by approximately 300-350 trucks per day. From Torghundi dry port, Afghan goods can be delivered via Turkmenistan to the Russian Federation or the Islamic Republic of Iran. From the Islamic Republic of Iran, they are shipped to countries in the Persian Gulf, or through Turkey to European markets. The second transit route is a railroad that runs from Afghanistan via Turkmenistan to the Islamic Republic of Iran. It begins at Mazar-e-Sharif in Afghanistan and terminates at the Iranian Bandar Abbas seaport:

- Mazar-e-Sharif (Afghanistan) – Andkhoy – Chardzhou (Turkmenistan) – Serahs (Turkmenistan) – Mashhad (Islamic Republic of Iran) – Kerman – Bandar Abbas

<sup>178</sup> See sections on Afghanistan-Iran Bilateral Transit Agreement and Afghanistan-Tajikistan Joint Economic, Social and Business Agreement.

<sup>179</sup> IMF, Direction of Trade Statistics, 2011.

**Map 31: Transit transportation routes from Afghanistan via Turkmenistan**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

The principal border crossings that the trade routes intersect are located at Imamnazar in Turkmenistan (bordering Aqina in the Afghan Faryab province) and Serkhetabad (bordering Torghundi in Afghanistan). On a daily basis, approximately 50 vehicles cross the Imamnazar border in each direction<sup>180</sup>, while a further 20-30 trucks cross at Serkhetabad.

### **Dry ports along transit routes**

There are only two dry ports in Turkmenistan. One is an inland container terminal located at Ashgabat and the other is the Turkmenbashi Logistic Center, which is located near Turkmenbashi seaport. Every week, 150 containers and trucks are profiled and processed at the dry port in Ashgabat, while Turkmenbashi dry port handles and processes 600 wagons and 10-12 containers or trucks. Although Turkmenbashi dry port handles a larger volume of cargo per week, it currently employs only 12 customs officers, while Ashgabat dry port employs 23.

The Ashgabat and Turkmenbashi dry ports are both relatively well equipped to detect opiates concealed within licit cargo. At both dry ports, parcels and goods stored in containers and trucks are examined using a Rapiscan x-ray system. In contrast, the level of regulation at Torghundi dry port in Afghanistan is very limited. According to Turkmen officials, all trucks that pass the Serkhetabad BCP (which adjoins

<sup>180</sup> Asian Development Bank, 2010.

Torghundi dry port) are inspected. However, neither the Serkhetabad BCP nor Torghundi dry port are equipped with any drug inspection equipment, sniffer dogs or test kits. There is therefore a heightened risk that opiates or acetic anhydride will be smuggled across the Afghan-Turkmen border at that particular BCP and adjoining dry port.

### Map 32: Dry ports in Turkmenistan



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.nz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

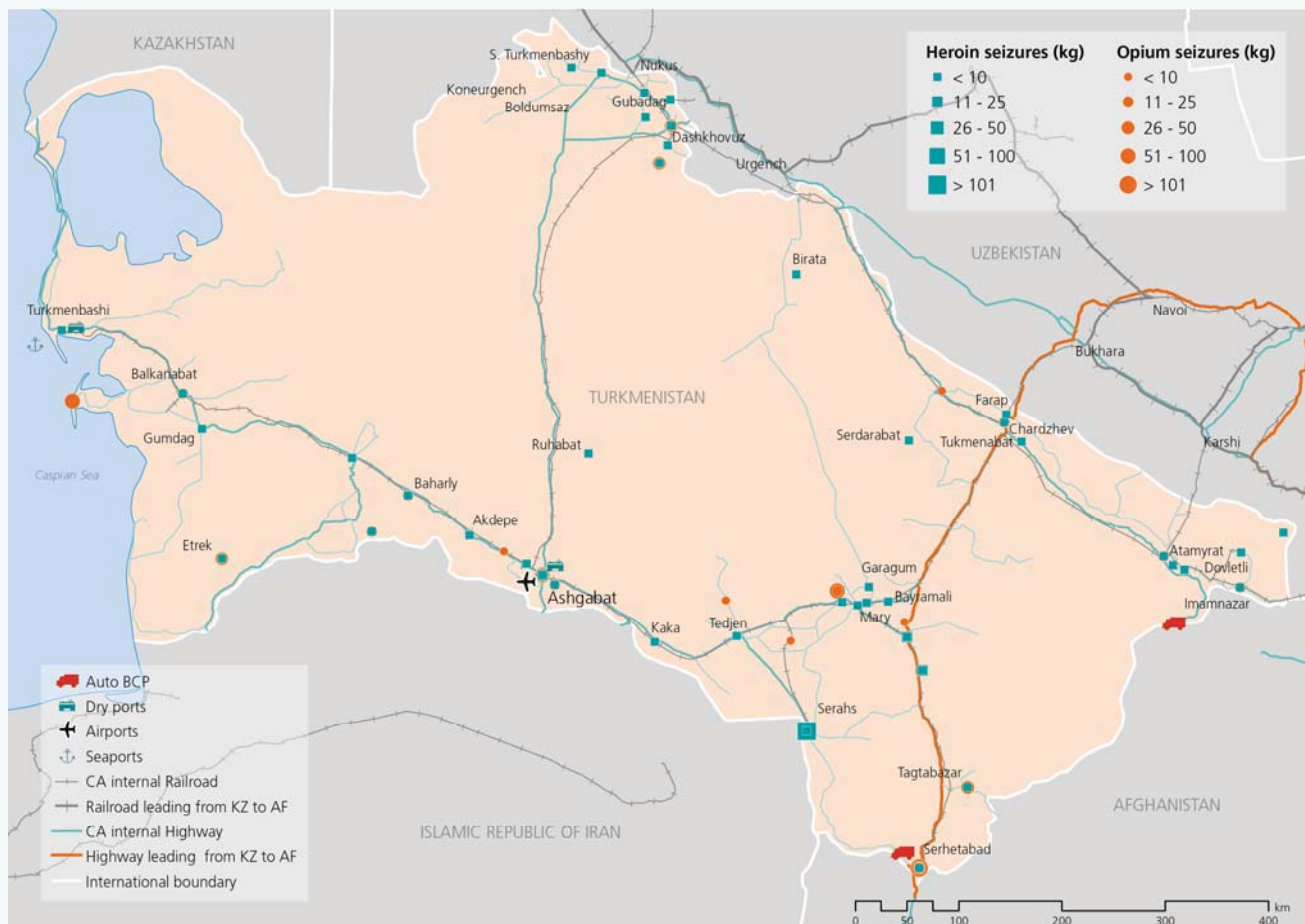
### **Opiate and chemical precursor smuggling along transportation routes and at dry ports**

Along the Northern Route, opiates are generally smuggled from Afghanistan through Western and Central Asia via Tajikistan. In recent years, trade and transit trade flows to Turkmenistan have increased, which may create opportunities for traffickers to abuse trade routes. However, the volume of Afghan exports to Tajikistan remains significantly larger than that to Turkmenistan, which means that it is still much easier for traffickers to conceal opiates within exports to Tajikistan. Nevertheless, opium and heroin do tend to be smuggled from Afghanistan via Turkmenistan in small quantities.

Since the Afghan-Iranian border is monitored closely, there is a strong incentive for traffickers to circumvent controls by smuggling opiates through Turkmenistan to the Islamic Republic of Iran. Therefore, the trade route from Afghanistan via Turkmenistan to the Islamic Republic of Iran is at a much greater risk of being misused for smuggling opiates than any other trade route leading through Turkmenistan along the Northern Route. Seizure data indicates that the transit route leading from Mazar-e-Sharif via Turkmenistan to the Islamic Republic of Iran is an important route for smuggling

Afghan opiates. In 2009, more than 243 kg of opium and 215 kg of heroin were reportedly seized at Serahs, near the Turkmen-Iranian border, destined for onward trafficking to the Islamic Republic of Iran.<sup>181</sup> A further 90 kg of heroin that were also intended for onward trafficking to the Islamic Republic of Iran were reportedly seized at Serkhetabad in 2009.<sup>182</sup> Serkhetabad and Serahs have seen the largest number of seizures in Turkmenistan within the last three years. In December 2011, almost 52 kg of heroin were reportedly discovered during a customs inspection in Sarahsky district close to the Serahs border crossing.<sup>183</sup>

**Map 33: Opiate seizures reported in Turkmenistan (2009-2010)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Both dry ports in Turkmenistan are located along more minor opiate trafficking routes that lead through Turkmenistan to the Caspian Sea. Once opiates have been smuggled to the seaport at Turkmenbashi, they are shipped to the Russian Federation, Kazakhstan, the South Caucasus (Azerbaijan) and the Islamic Republic of Iran. In 2009, 5 kg of opium were reportedly seized in Turkmenbashi City and almost 55 kg of opium were reportedly seized at Ashgabat.<sup>184</sup> Although opiate seizures have reportedly

<sup>181</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>182</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>183</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>184</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

occurred near both dry ports, only one took place at a dry port itself. That seizure occurred in 2011 at Ashgabat port and reportedly consisted of just over 2 kg of opium.<sup>185</sup>

The Balkan and Southern trafficking routes are generally preferred for smuggling precursor chemicals to Afghanistan. Therefore, most precursor chemical seizures take place in countries located on those two routes, rather than the Northern Route. Since 2009, very few acetic anhydride seizures have been reported in Western and Central Asia and none has been reported in Turkmenistan. Small amounts of acetic anhydride are smuggled through Tajikistan, rather than through Turkmenistan.

## AFGHANISTAN-KAZAKHSTAN AGREEMENT ON TRADE AND ECONOMIC COOPERATION

The Agreement on Trade and Economic Cooperation between Afghanistan and Kazakhstan was signed on 15 April 2004. As a result, large volumes of wheat and flour can officially be exported from Kazakhstan to Afghanistan through the Western and Central Asian region. In September 2011, the two countries strengthened their trade relations through another bilateral trade agreement.

### Trade trends

Since the Agreement on Trade and Economic Cooperation came into force, the level of trade between Afghanistan and Kazakhstan has steadily increased. In 2006, the total volume of trade between the two countries stood at just under US\$ 135 million. By 2009, that figure had increased to more than US\$ 166 million.

**Table 6: Volume of trade between Afghanistan and Kazakhstan (million US\$)**

|                         | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  |
|-------------------------|-------|-------|-------|-------|-------|-------|
| Exports to Kazakhstan   | 0.3   | 0.3   | 0.4   | 0.5   | 0.4   | 0.5   |
| Imports from Kazakhstan | 108.6 | 134.2 | 166.5 | 190.1 | 166.3 | 211.2 |

Source: IMF, *Direction of Trade Statistics*, 2011.

The growth in trade has been due primarily to an increase in Afghan imports from Kazakhstan, which more than doubled from an already significant US\$ 108.6 million in 2005 to US\$ 211.2 million in 2010. Over the same period, Afghan exports to Kazakhstan also almost doubled, but remain at a value of well under US\$ 1 million. Nevertheless, in 2010, Kazakhstan was one of Afghanistan's three principal export partners within the Central Asian region.

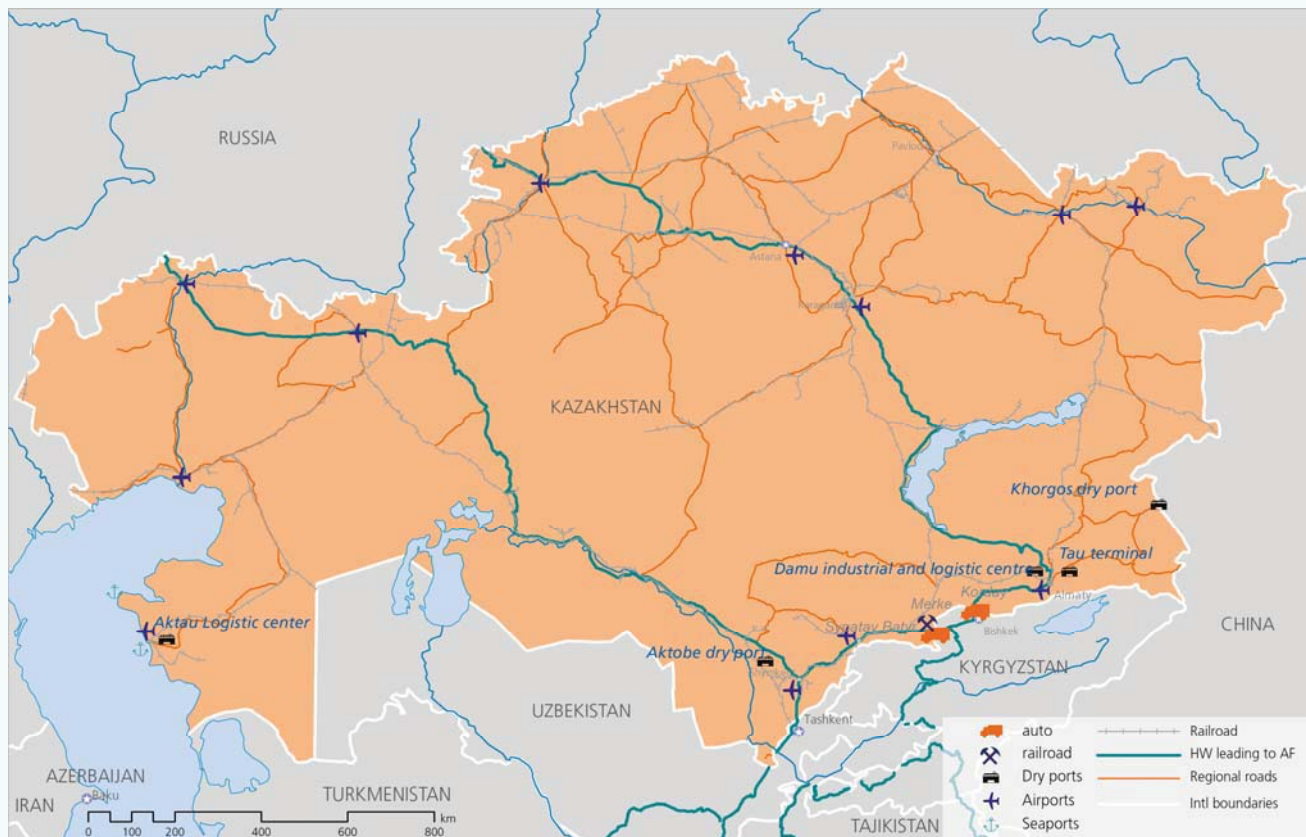
### Transit transportation routes

The Agreement on Trade and Economic Cooperation does not specify any particular trade routes for bilateral trade between Afghanistan and Kazakhstan. Therefore, both countries may transport goods to one another along any road and/or railroad leading through Western and Central Asia. Kazakhstan has a particularly well-developed rail network connecting it to Central Asian countries and is also well connected by rail to the Russian Federation. Kazakhstan receives most Afghan transit trade from Tajikistan, via Uzbekistan and Kyrgyzstan. However, larger trade flows cross the Kazakh border from Kyrgyzstan than from Uzbekistan. There is a major highway that leads all the way from Afghanistan through Tajikistan and Kyrgyzstan across the Kyrgyz-Kazakh border and a railway line leading directly

<sup>185</sup> AOIP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

from Kyrgyzstan to Kazakhstan, as well as to Moscow, Novosibirsk and Yekaterinburg in the Russian Federation.

**Map 34: Trade routes and dry ports in Kazakhstan**



Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

The BCP at Korday in Kazakhstan and Ak-zhol in Kyrgyzstan are among the busiest road crossing points on the Kazakh-Kyrgyz border, and often become congested. Customs officials report that, each day, a large number of people, 500-600 cars and 100-120 trucks cross the border at Korday, while 300-400 cars, 80-100 trucks and many more people cross at Ak-zhol.<sup>186</sup> While those figures may be exaggerated, large numbers of people and a high volume of trade nonetheless regularly cross both BCP.<sup>187</sup> Currently, a new BCP is being constructed at Akhtelek. Once complete, that border crossing will be responsible for handling all trucks wishing to cross the border, while the BCP at Korday and Ak-zhol will continue to service people travelling on foot or by car.

<sup>186</sup> UNODC Mission to Border Control Points along the Kyrgyz-Kazakh Border, March 2012.

<sup>187</sup> The Anti-Corruption Business Council of the Kyrgyz Republic conducted a monitoring exercise at Ak-zhol for a two-month period between 1 October and 30 November 2011 and reported that, during that period, 12,801 passengers/vehicles entered Kyrgyzstan while 19,450 passengers/vehicles left Kyrgyzstan.



**Map 35: Official border crossings along the Kyrgyz-Kazakh border**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Goods entering Kazakhstan are initially inspected at the border zone and subsequently at the customs control zone. Therefore, all trucks coming from Kyrgyzstan, with the exception of International Road Transport (TIR) trucks<sup>188</sup>, are stopped at Ak-zhol BCP in Kyrgyzstan for initial checks on cargo and luggage. In order to conduct a thorough check, cargo is sorted and divided into small units weighing up to 50 kg before being inspected. The BCP keeps nine sniffer dogs, while risk analysis, profiling and data entry is conducted online using a software program. It also has four sets of drug identification field test kits, rummage tool kits and hand-held anti-contraband detectors, but they are only used in exceptional circumstances. Once they have proceeded to Korday in Kazakhstan, all trucks (including TIR trucks) and at least 80 per cent of all hand-held luggage are checked with a mobile scanner. However, TIR trucks are only opened if the required documents are not provided or if cargo seals are broken. Three sets of drug identification field test kits, a rummage tool kit and hand-held anti-contraband detectors are available and used regularly in the inspection of cargo. A mobile scanner is used for truck and luggage inspections.

Another BCP in Kazakhstan located on the border with Kyrgyzstan is at Sypatay Batyr. Around 230 cars, 120 minivans and buses, 30-35 trucks and numerous pedestrians cross every day.<sup>189</sup> At the Sypatay Batyr BCP, goods are inspected using the same procedure as that used at Korday. Visiting UNODC experts were informed that the BCP is well equipped for inspecting cargo and luggage for drugs. It has

<sup>188</sup> TIR stands for *Transports Internationaux Routiers* and is an internationally harmonized system of customs controls. According to the TIR procedure, goods are inspected and sealed at their point of departure, but do not receive any further inspections until they arrive at their final destination.

<sup>189</sup> UNODC Mission to Border Control Points along the Kyrgyz-Kazakh Border, March 2012.

three sets of drug identification field test kits and rummage tool kits, including five mirrors and two endoscopes, which are regularly put to use by well-trained officers.<sup>190</sup> Of the 20 officers that are employed at the BCP, seven work on customs formalities and 13 on inspection procedures.<sup>191</sup> The BCP has one well-functioning mobile scanner for trucks and another for hand held luggage. However, while the Sypatay Batyr BCP has seven hand-held metal detectors, it is not equipped with any anti-contraband detectors.

Unlike the aforementioned BCP, the Kayindi BCP in Kyrgyzstan is entirely responsible for monitoring trains crossing the Kyrgyz-Kazakh border heading to Merke BCP in Kazakhstan on the connecting railway. The Merke BCP is a medium-sized rail and road border crossing. Both BCP have the same rail capacity, but the number of trains able to pass through varies depending on the time of year. In the winter, only 7-8 trains cross each BCP on a daily basis, while in the summer, 10 freight trains are able to cross. Furthermore, in the winter, each train comprises 8-10 wagons carrying 150-300 passengers, whereas in the summer, trains comprise 17-20 wagons carrying 800-1000 passengers.

Freight trains crossing Kayindi BCP are initially inspected at Bishkek, which has the largest rail control point. All rail imports and exports in Kyrgyzstan are managed there. From Bishkek, trains proceed directly to Kayindi for a second inspection without making any stops along the way. The government of Kyrgyzstan plans to ensure that all checks are conducted at Bishkek in the future, so that trains will no longer be required to stop for further inspections at Kayindi. From Kayindi, trains proceed to Merke. After having passed through Merke BCP, freight trains receive another brief inspection at Lugovaya Station, which is located just 30 km from Merke in Kazakhstan.<sup>192</sup> Lugovaya keeps five sniffer dogs, a large x-ray scanner for inspecting train wagons and several computers with software to conduct data entry and risk analysis. Trains travel directly to Lugovaya from Merke without stopping at any other stations.

Kayindi BCP employs a much larger number of officers than Merke BCP. It has 40 border guards and five customs officials, two of whom are responsible for customs formalities and three for inspection procedures. In contrast, Merke employs only 15 officers, only one of whom is responsible for customs formalities and 14 for inspection procedures. Although customs officials and border guards cooperate well with one another at both Kayindi and Merke, and even have joint action plans, they do not have any contact with one another despite the fact that they operate in such close proximity.

Furthermore, both BCP lack the necessary equipment to effectively inspect cargo for smuggled drugs. Kayindi BCP has no drug identification field test kits, rummage tool kits, hand-held anti-contraband detectors, scanners, x-ray equipment, video-control system or passport checking devices. Furthermore, customs officials and border guards do not have access to the Internet and are provided only with radio equipment, which often malfunctions. They must therefore use their own mobile phones for communication purposes. The situation is somewhat better at Merke BCP, at which a video-control system, drug identification field test kit and rummage tool kit are available and are used by customs officials.

With regard to road transport, before trucks arrive at Merke BCP they undergo a preliminary inspection at Chaldabar BCP on the Kyrgyz side of the border. At Chaldabar, all trucks (with the exception of TIR trucks) are inspected in the same manner as at Ak-zhol BCP. The BCP has three sniffer dogs, which are regularly used to inspect cargo crossing at Chaldabar. As at Ak-zhol BCP, risk analysis, profiling and data entry is also conducted online, using a software program. Each day, 350 cars, 30-40 trucks, and

<sup>190</sup> UNODC Mission to Border Control Points along the Kyrgyz-Kazakh Border, March 2012.

<sup>191</sup> In addition, four operational staff members employed at the BCP.

<sup>192</sup> At Lugovaya, each train is inspected for two hours only.

large numbers of people cross the BCP. Eight officers are responsible for customs formalities and seven for cargo and luggage inspections.

In contrast to Merke BCP in Kazakhstan, the BCP at Chaldabar is not well equipped to conduct searches for concealed drugs. It has no drug identification field test kits, rummage tool kits, scanners, x-ray equipment or hand-held anti-contraband detectors. When UNODC experts visited the BCP, its radiation detection system was not functioning and it had no satellite systems.<sup>193</sup> Only the video surveillance and lighting systems were in operation. Furthermore, customs officers and border guards are not provided with radio equipment or Internet access and must use their own mobile phones to communicate.

Many of the BCP in Kazakhstan and Kyrgyzstan lack the equipment necessary to effectively inspect cargo and luggage for drugs. The BCP at Kayindi, Chaldabar and Ak-zhol are particularly in need of more equipment, as well as training for their customs officials, while Korday BCP employs far too few customs officials to effectively inspect the large volumes of cargo and people that cross it on a daily basis.<sup>194</sup> In the absence of adequate equipment and a sufficient number of personnel to conduct thorough checks, opiates can easily be smuggled across the Kyrgyz-Kazakh border undetected, concealed within licit trade flows. Furthermore, customs officials at the Ak-zhol, Merke and Chaldabar BCPs receive exceptionally low salaries of US\$ 150-200 per month, which may not provide officers with enough motivation to practice vigilance with regard to smuggled drugs.

### ***Dry ports along transit routes in Kyrgyzstan***

There are only two dry ports in Kyrgyzstan - the Osh Logistics Centre and Alamedin dry port near Bishkek. The Osh Logistics Centre is located close to Osh airport and the Uzbek border crossing. However, the law enforcement capacity at the Osh Logistics Centre is limited and drug control systems do not function properly. According to Kyrgyz customs officials, no drug-related seizures were reported in 2011 and 2012. Furthermore, there is no available data relating to goods handled at the Osh Logistics Centre.<sup>195</sup>

<sup>193</sup> UNODC Mission to Border Control Points along the Kyrgyz-Kazakh Border, March 2012.

<sup>194</sup> For instance, at Ak-zhol BCP there no scanners, x-ray equipment or passport checking devices and the radiation detection system had been damaged for two weeks when UNODC experts visited the BCP.

<sup>195</sup> State Customs Service letter, 17 April 2012.

**Map 36: Dry ports and transportation routes in Kyrgyzstan**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

It is highly probable that the Osh Logistics Centre is misused by traffickers, who blend opiates into licit trade flows. Heroin trafficking rail routes through Tajikistan lead to Osh City in Kyrgyzstan, for onward smuggling to Kazakhstan and the Russian Federation. The heavy use of road and air transportation routes may also help to facilitate the non-detection of drug smuggling. Traffic is particularly heavy along the main road from Bishkek to Kazakhstan and there are regular flights from Osh International Airport to Moscow, St. Petersburg and Novosibirsk in the Russian Federation and Urumchi in China.

**Map 37: Transportation routes in Central Asia**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

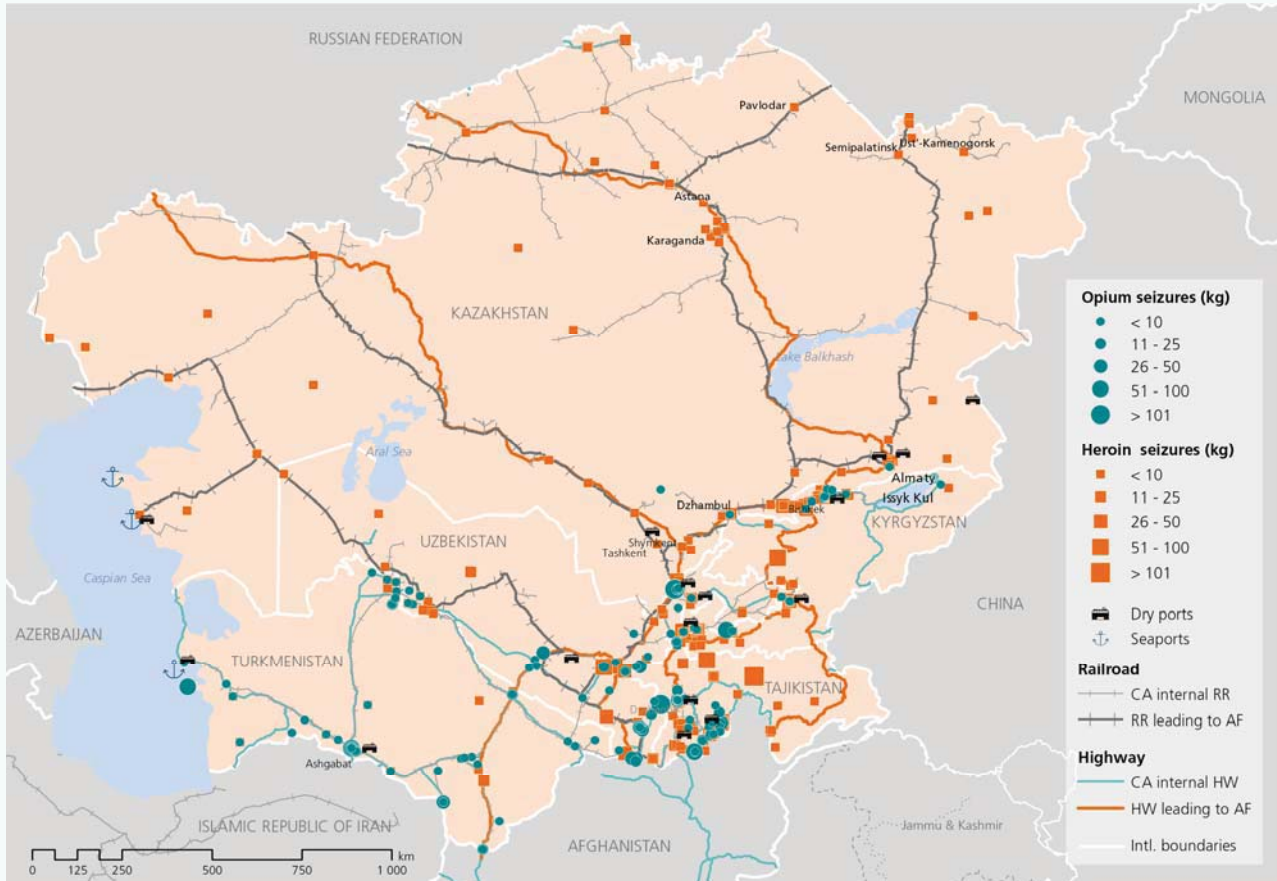
### **Opiate and chemical precursor smuggling along transportation routes and at dry ports**

Kazakhstan is the major transit point for Afghan opiates trafficked to the Russian Federation along the Northern Route. Nevertheless, opiate seizures are reported comparatively less frequently in Kazakhstan than in other Western and Central Asian countries. In 2010, only 8 per cent of total opium seizures and 13 per cent of total heroin seizures in Western and Central Asia were reported in Kazakhstan.<sup>196</sup> Over the past three years, the majority of seizure reports in Kazakhstan have been concentrated along the border to Uzbekistan and Kyrgyzstan. Seizure reports within Kazakhstan are far scarcer and are scattered across the country. One of the main reasons for such a tendency is that, as a result of the

<sup>196</sup> UNODC, Opiate Flows through Northern Afghanistan and Central Asia, May 2012.

Customs Union agreement<sup>197</sup>, goods are only officially checked along the external border. However, although customs checks have been officially removed from within the Customs Union, customs officials continue to occasionally inspect cargo when it is transported from one member country to another.

**Map 38: Transportation routes and opiate seizures reported in Central Asia (2009-2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

In Central Asia, opiates are often smuggled to Kazakhstan from Tajikistan via Uzbekistan and Kyrgyzstan. Several seizures reported in the Russian Federation since 2010 have related to opiates trafficked from Tajikistan. Less commonly, opiates have been trafficked from Uzbekistan and Kyrgyzstan.<sup>198</sup> In cases where drugs have been trafficked from Tajikistan, the majority of heroin seizures reported in the Russian Federation have consisted of less than 1 kg. However, in 2011, a seizure consisting of 20.5 kg of heroin trafficked from Tajikistan was reported in Moscow.<sup>199</sup> The drugs were discovered during a car search and a number of Tajik traffickers, who had been regularly smuggling large quantities of heroin from Tajikistan to the Russian Federation, were arrested. All the heroin seizures

<sup>197</sup> Since the Customs Union between the Russian Federation, Kazakhstan and Belarus was established in 2010, all border customs, transportation, quarantine, phytosanitary and veterinary controls have been transferred to the common external border of the Customs Union. Therefore, there are no longer any customs offices located within the territory of the Customs Union. Goods transported from Kazakhstan to Europe undergo only one customs check at BCP at the Kazakh border before reaching the Russian or Belarusian border to the European Union.

<sup>198</sup> Although some of those opiates originated from Kyrgyzstan and Tajikistan, none were from Turkmenistan. Unlike the other two countries, Turkmenistan is rarely used to smuggle opiates along the Northern Route and the volume of trade that crosses the Turkmen-Kazakh border is very low, which enhances the difficulty of smuggling drugs within licit flows.

<sup>199</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

reported in Kazakhstan since 2010 have involved drugs trafficked from Kyrgyzstan. Seizure reports indicate that heroin is usually smuggled into Kazakhstan by car, and sometimes by train. Opiates are frequently smuggled along road routes leading through Tajikistan and Kyrgyzstan and across the Kyrgyz-Kazakh border. In 2011, 19 heroin seizures totalling almost 48 kg were reported in Kazakhstan, when drugs were discovered in cars.<sup>200</sup> One of the few heroin seizures reported along railway lines in Kazakhstan consisted of 3.9 kg of heroin that was intercepted at Lugovaya railway station. A number of heroin seizures ranging from 1 to 10 kg have also been reported near the Uzbek border in Kazakhstan, and one larger seizure of 37 kg was reported in 2010 directly across the border from Tashkent.<sup>201</sup>

The large volume of trade flows crossing the Kyrgyz-Kazakh border provides yet more opportunities for concealing opiates within licit trade flows and the long border between Kazakhstan and Kyrgyzstan provides many possible routes for smuggling. In Kyrgyzstan, heroin seizures have frequently been reported near the Kazakh border at Bishkek. In 2011, Kyrgyz anti-drug officials reportedly conducted a series of drug seizures throughout Bishkek, during which 10.2 kg of heroin were found in the luggage of two Kazakh citizens from Merke village, located on the border to Kyrgyzstan.<sup>202</sup> The same year, a further 40 kg of heroin were reportedly discovered in the boot of a car in Bishkek city centre. Most heroin flows from Tajikistan lead to Osh City, where traffickers organize onward smuggling to Kazakhstan and the Russian Federation. In 2011, a total of 49.9 kg of heroin that were being smuggled by car from Osh to Bishkek was reportedly seized at Sosnovka in Chu near Bishkek.<sup>203</sup> Although no drug seizures have been reported at either dry port in Kyrgyzstan, nine seizures were reported near the Osh Logistics Centre in 2011. That year, a total of 31.9 kg of heroin and 5.1 kg of opium were reportedly seized in Osh.<sup>204</sup>

<sup>200</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>201</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>202</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>203</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>204</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

**Map 39: Dry ports and opiate seizures reported in Kyrgyzstan (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

One of the main licit trade routes used to smuggle opiates across the Kyrgyz-Kazakh border leads through Korday BCP in Kazakhstan. The route starts in Bishkek in Kyrgyzstan and crosses the border at Korday before proceeding to Almaty, then to Ayaguz via Georgievka and Ust-Kamenogorsk and finally into Russian territory. However, only few seizures have reportedly taken place at Korday BCP, or indeed at any of the main BCP along the Kyrgyz border in Kazakhstan. In 2011, eight drug smuggling attempts involving 3.8 kg of heroin and 2.2 kg opium were reportedly intercepted.<sup>205</sup> In July 2012, border patrol officers at Korday reportedly seized 1.2 kg of heroin from a smuggler who had attempted to cross the Kyrgyz-Kazakh border illegally near the official Korday border crossing. No seizures were reported at Syptay Batyr BCP in 2010 and only 1.6 kg of heroin were reportedly seized in 2011.<sup>206</sup> Similarly, 5.9 kg of heroin were reportedly seized at Merke BCP in Kazakhstan in 2011, but no opiate seizures were reported there the following year. Meanwhile, at Chaldabar in Kyrgyzstan, there have been fewer seizure reports still and none have occurred at Kayndi.<sup>207</sup> Such low seizure report rates at BCP along the Kyrgyz-Kazakh border could be explained by the fact that traffickers attempt to cross while avoiding official BCP, before returning to road routes in Kazakhstan. For instance, in 2011, a truck carrying 30 kg of heroin was reportedly intercepted while attempting to enter Kazakhstan avoiding the official BCP at Merke. That was one of the largest seizures made in Kazakhstan within the last three years.

<sup>205</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>206</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>207</sup> At Chaldabar BCP, there have not been any opiate seizures these last three years, except for a 0.88 kg heroin seizure at Chaldabar village in 2009.



## CUSTOMS UNION OF THE RUSSIAN FEDERATION, KAZAKHSTAN AND BELARUS

Shortly after the fall of the Soviet Union, the Russian Federation, Kazakhstan and Belarus began to expand their mutual trade cooperation. By January 1995, the three countries signed the first Customs Union agreement of the Commonwealth of Independent States (CIS). In March 1996, the terms of the Customs Union agreement of the CIS were further enhanced to establish the Eurasian Economic Community (EurAsEC) Customs Union, which included the Russian Federation, Kazakhstan, Belarus and later Kyrgyzstan and Tajikistan as members. The agreement ensured the freedom of movement for citizens of member States by removing all visa requirements. Finally, in July 2010, the Russian Federation, Kazakhstan and Belarus fully established the Customs Union, based on an agreement that had been drafted in October 2007. Although no concrete steps have been taken, Tajikistan, Kyrgyzstan, Uzbekistan and Armenia may also become members of the Customs Union.<sup>208</sup>

The new Customs Union between the Russian Federation, Kazakhstan and Belarus is the largest customs union in the world according to surface area. The free trade zone aims to promote economic integration by facilitating trade between the three countries, which have a total population of almost 170 million. In accordance with the Unified Customs Tariff that was implemented in January 2010, the entire territory has one common external tariff.<sup>209</sup> Transit and cross-border customs procedures for the common territory have also been simplified by the Customs Code, whereby all border customs, transportation, quarantine, phytosanitary and veterinary controls have been transferred to the common external border of the Customs Union. Therefore, there are no longer any customs offices located within the territory of the Customs Union. There are no specific land transportation routes between the Russian Federation, Kazakhstan and Belarus along which goods must be transported. Therefore, goods can be traded within the Customs Union along any road or rail route.

When conducting trade, no financial expenses are incurred within the Customs Union other than transportation costs. Within the common territory, no customs duties or VAT need to be paid and there are no tariffs or licensing or quota regulations.<sup>210</sup> Although the same import and export duties apply throughout the Customs Union, there are a number of commodities that count as exceptions. In the case of Kazakhstan, there are 400 goods registered as exceptions. However, it has been agreed that all exceptional import and export duties are to be dropped on a gradual basis by 2015.

The members of the Customs Union intend to further enhance economic integration in the future. Initial agreements regarding the formation of a Unified Economic Area have already been signed by the Russian Federation, Kazakhstan and Belarus. Those are expected to come into effect later in 2012<sup>211</sup> and will enable the free movement of capital, services and labour within the Customs Union region. Discussions have also been held regarding the unification of railway rates, natural gas prices and inflation rate boundaries within the free trade area. A more long-term plan is to establish a common currency for the three participating States.<sup>212</sup> However, that intention has not been formally agreed upon.

<sup>208</sup> Igor Krotov, "Customs Union between the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation within the framework of the Eurasian Economic Community", *World Customs Journal* vol. 2 nr. 5. 2011.

<sup>209</sup> [http://trade.ec.europa.eu/doclib/docs/2010/december/tradoc\\_147124.pdf](http://trade.ec.europa.eu/doclib/docs/2010/december/tradoc_147124.pdf)

<sup>210</sup> [http://www.specht-partner.com/content/law/news\\_briefings/e36\\_e45\\_e62\\_e65\\_e1671/the\\_custom\\_union\\_between\\_russia\\_belarus\\_and\\_kazakhstan/index\\_eng.html](http://www.specht-partner.com/content/law/news_briefings/e36_e45_e62_e65_e1671/the_custom_union_between_russia_belarus_and_kazakhstan/index_eng.html)

<sup>211</sup> Baker & McKenzie, "Doing Business in Russia", 2012.

<sup>212</sup> Vitali Silitski, "The 2010 Russia-Belarus-Kazakhstan Customs Union", PONARS Eurasia Policy Memo no. 110, 2010.

## **Trade trends**

In 2009, shortly before the Customs Union agreement had been implemented, levels of trade between the Russian Federation, Kazakhstan and Belarus were relatively varied. Kazakhstan's imports from the Russian Federation amounted to US\$ 8.9 billion, which equated to 31 per cent of the country's total imports. Meanwhile, Kazakhstan's imports from Belarus only constituted 1.3 per cent of the country's total imports. Kazakhstan's exports to the Russian Federation were worth US\$ 3.5 billion in 2009, which equated to 8 per cent of the country's total exports, while exports to Belarus only comprised only 0.1 per cent of Kazakhstan's total exports.

However, by 2011, after the Customs Union had been in place for a year, the volume of trade between the three members had greatly increased. Trade between the Russian Federation and Belarus totalled US\$ 38.6 billion, marking a 37.7 per cent increase on 2010. Belarusian exports to the Russian Federation had increased by 37.5 per cent since 2010, reaching US\$ 13.7 billion. Meanwhile, Russian exports to Belarus had increased by 37.8 per cent and totalled almost US\$ 25 billion. Kazakhstan's exports to the Russian Federation had increased by 30 per cent, while the overall turnover of trade between the two countries had reached US\$ 24 billion. Kazakhstan's trade with the Russian Federation constituted 20 per cent of its total trade turnover in 2011<sup>213</sup> and its exports to Belarus had increased by 50 per cent since 2010.<sup>214</sup>

## **Transportation regulation**

Although the Customs Union has helped to stimulate trade between the Russian Federation, Kazakhstan and Belarus, it has also facilitated smuggling activities. One important result of the Customs Union agreement is that goods transported from Kazakhstan to Europe undergo only one customs check at BCP at the Kazakh border before reaching the Russian or Belarusian border to the European Union. In that way, opiates smuggled into Kazakhstan can be delivered to either of the two other members of the Customs Union with little risk of detection.

A regulation has already been established whereby people may travel more freely within the Customs Union. Citizens from the Russian Federation, Kazakhstan and Belarus are no longer required to undergo any customs controls when travelling to or from any one of those countries. Previously, only government officials were permitted to evade customs controls in such a manner.

Regulations regarding specific modes of transportation have also been standardized throughout the Customs Union. For instance, TIR trucks may be used to transport goods anywhere within the Customs Union area.<sup>215</sup> According to the TIR procedure, trucks are inspected and sealed upon their initial customs inspection at the border, but receive no further inspections within the Customs Union territory until they reach their final destination.

Law enforcement agencies in Kazakhstan suspect that TIR trucks are frequently used by drug trafficking organizations to conceal drugs in licit transportation flows within the Customs Union region. Since the establishment of the Customs Union, Kazakh trucks have transported a large amount of Chinese imports to the Russian Federation and Belarus according to the TIR procedure. Once the TIR trucks have been checked at the customs office and sealed at the Chinese-Kazakh border, they do not need to be re-inspected until they reach their final destination within the Customs Union. Using the TIR procedure, drugs can be easily transported across the entire Customs Union area after being sealed in

<sup>213</sup> Eurasian Development Bank, [http://www.eabr.org/e/press\\_center/news-region/index.php?id\\_4=9880](http://www.eabr.org/e/press_center/news-region/index.php?id_4=9880)

<sup>214</sup> Eurasian Development Bank, [http://www.eabr.org/e/press\\_center/news-region/index.php?id\\_4=9880](http://www.eabr.org/e/press_center/news-region/index.php?id_4=9880)

<sup>215</sup> For more on the TIR system see [http://www.iru.org/en\\_iru\\_about\\_tir](http://www.iru.org/en_iru_about_tir)

TIR trucks at Kazakh border crossings. In order to prevent unauthorized trade, the Russian Federation and Kazakhstan plan to establish a transportation corridor for trucks delivering goods from Kazakhstan to the Russian Federation. Those trucks will each carry a specific tracking device.

### **Customs checks**

In accordance with the agreed Customs Code, regulations have been standardized for the entire common territory regarding procedures for the declaration of goods, the payment of customs duties and customs procedures.<sup>216</sup> Border control officials in the Customs Union only conduct customs inspections at the common external border. Therefore, if a product has been produced in a country within the Customs Union, or if goods have been imported into the Customs Union after receiving the necessary customs clearance at the external border, they may then be transported freely within the territory without requiring any further customs checks. However, although customs checks have been officially removed from within the Customs Union, customs officers still occasionally check cargo when it is being transported from one member country to another.

Before the Customs Union agreement, the customs clearance procedure was a very long and inefficient process. However, the duration of the customs process for goods imported into Customs Union has been significantly reduced. Currently, goods must usually be released within two days of the registration of the goods declaration (as opposed to three days previously).<sup>217</sup> Russian customs authorities are permitted to extend that period to 10 days in exceptional circumstances.

Goods exported from the Customs Union must now be released by the customs authorities within one day, as opposed to three. Moreover, goods that do not incur an export duty must be released within four days of the registration of the goods declaration. The export procedure has been particularly simplified for highly processed goods. Meanwhile, goods that have been imported into the Customs Union and are intended for re-export must remain within the territory of the Customs Union for one year, rather than the former six months.

There are plans to implement standardized certificates to label goods that originate in the Customs Union, and to ensure that they may be traded as Customs Union products in countries outside the common territory. Standardized rules for technical regulations are also expected to be installed in the future.

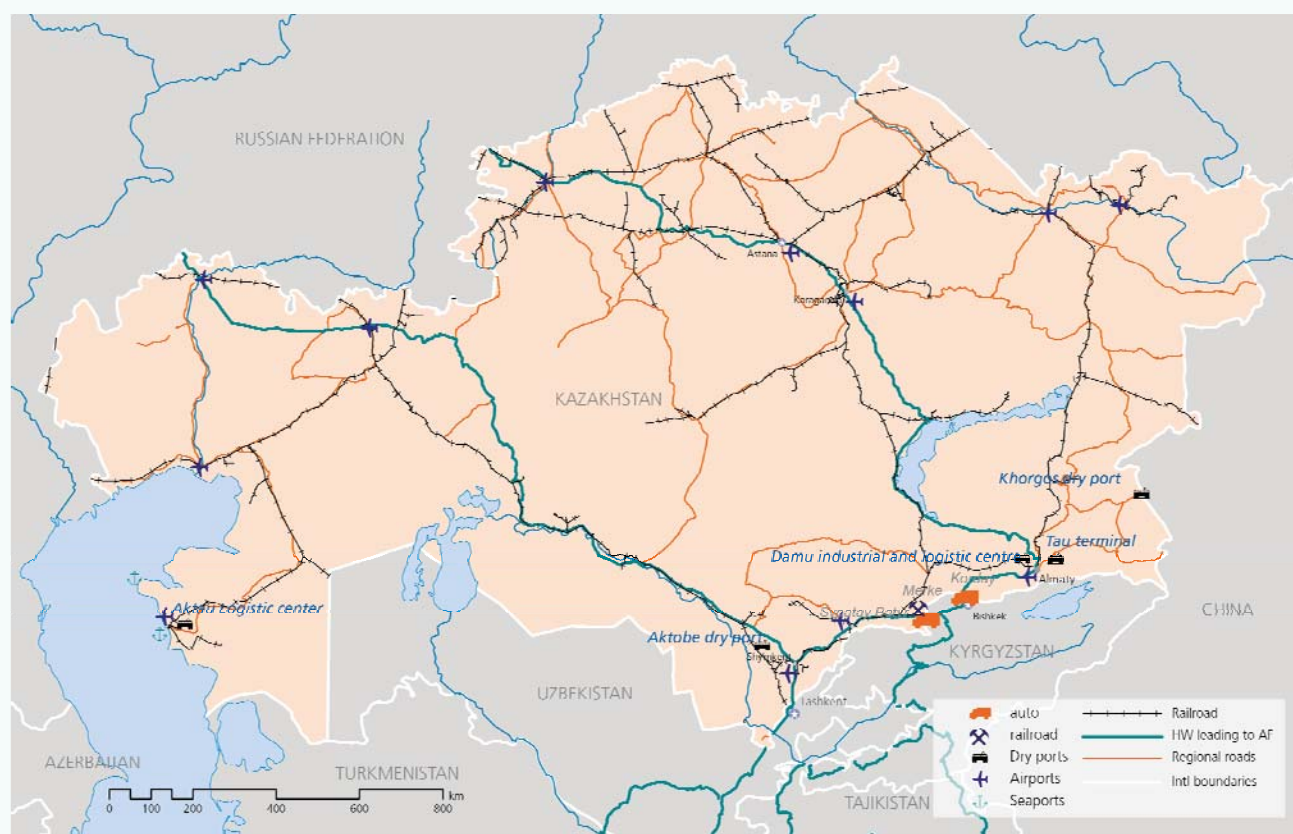
### **Dry ports and border crossings in Kazakhstan**

In Kazakhstan, dry ports play a significant role in managing the country's overall trade flows with other members of the Customs Union. They include the dry port at Khorgos, which is located along the Kazakh-Chinese border, the Aktau Logistics Centre, Aktobe, Damu Industrial and Logistic Centre, Tau Terminal and Transport-Logistics Centres (TLC) at Taskala, Taras, Almaty, Shymkent and Almaty Oblast. Further TLC are in the process of being built in Astana, Mangystau and the Eastern and Northern Kazakhstan Oblasts.<sup>218</sup>

<sup>216</sup> [http://trade.ec.europa.eu/doclib/docs/2010/december/tradoc\\_147124.pdf](http://trade.ec.europa.eu/doclib/docs/2010/december/tradoc_147124.pdf)

<sup>217</sup> The Federal Customs Service of Russia, "Customs Union of the Republic of Belarus, Republic of Kazakhstan and Russian Federation", 2012.

<sup>218</sup> [www.mtk.gov.kz](http://www.mtk.gov.kz)

**Map 40: Locations of dry ports in Kazakhstan**

Source: National Authorities. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Particularly large volumes of trade are handled at the Aktau Logistics Centre. That is because the dry port operates in conjunction with Aktau seaport and handles the trans-shipment of goods delivered there. In 2011, the Aktau International Sea Commercial Port handled 1.9 million tons of dry and oil bulk cargo. The same year, the dry port at Aktau trans-shipped 1.3 million tons of crude oil and oil products that had been delivered to the nearby seaport, and 619,600 tons of dry cargo. The volume of metal products trans-shipped at the dry port totalled 222,600 tons, grain totalled 111,000 tons and other cargo totalled 47,500 tons.

The border crossing and adjoining dry port at Khorgos (the International Border Cooperation Center) is located 360 km from Almaty and spans Kazakh and Chinese territory. At Khorgos there is a trade and exhibition complex, a centre for small businesses, hotels, a regional cooperation centre and a transport and trans-shipping zone.<sup>219</sup> Around 3,000 people and 60-70 trucks delivering consumer goods from China to Kazakhstan pass through Khorgos each day.<sup>220</sup> Overall, 140 customs officers are employed at the border crossing and a number of officers from the National Security Committee and the Ministry of Internal Affairs are permanently based there. Customs officers and border guards have good working conditions and cooperate well with one another, using radio equipment and telephones to make regular communication. UNODC experts were informed that although drug identification test kits and endoscopes were available, they were only used in exceptional cases.<sup>221</sup> Instead, a stationary scanner is used to check entire trucks and two mobile scanners are used for inspecting hand luggage. The two

<sup>219</sup> [www.mtk.gov.kz](http://www.mtk.gov.kz)

<sup>220</sup> UNODC Mission to Khorgos BCP, August 2012.

<sup>221</sup> UNODC Mission to Khorgos BCP, August 2012.

sniffer dogs stationed at the BCP are also occasionally used for cargo inspections. Customs officials conduct risk analysis, profiling and online data entry. Khorgos BCP is also equipped with radiation control systems, video systems and lighting systems.

### Trucks passing through stationary scanner at Khorgos BCP



Source: UNODC Mission to Khorgos BCP, August 2012.

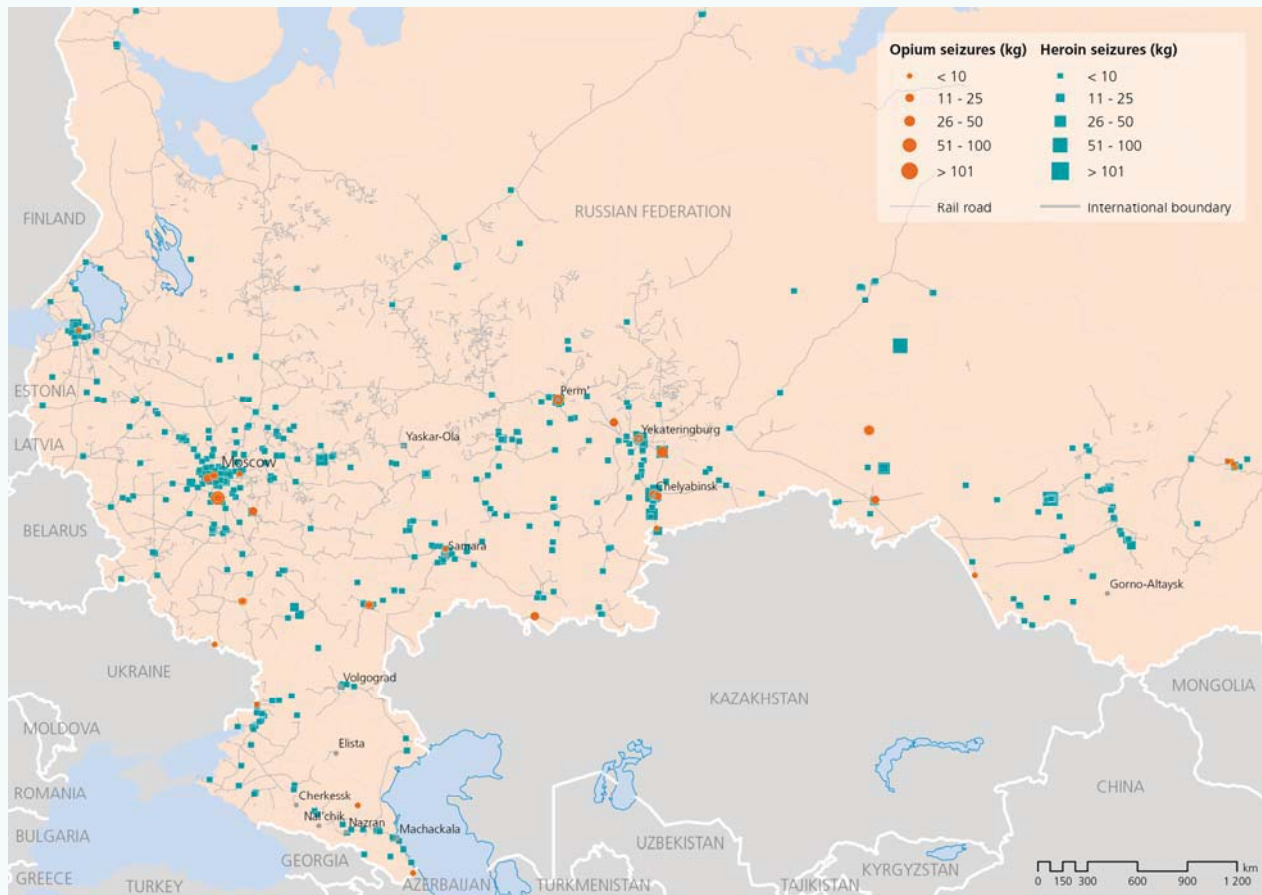
At Kalzhat BCP, another major crossing point along the Kazakh-Chinese border, 200 people cross every week either on foot or by car. Meanwhile, 55-60 trucks delivering consumer products from China to Kazakhstan cross every day.<sup>222</sup> Around 60 customs officials and border guards are employed at the BCP. They also enjoy good working conditions and cooperate well with one another. As at Khorgos, drug identification test kits and endoscopes are available at the BCP, but they are rarely used. Instead, mobile scanners are used to check trucks and hand luggage.<sup>223</sup> The customs inspection procedure is similar to that at Khorgos dry port. Every truck is scanned using a mobile scanner and a sniffer dog is used to conduct a more thorough inspection of the cargo when necessary. Computer software is also available for customs officials to conduct risk analysis, profiling and online data entry.

### Drug seizures throughout the Customs Union

The Customs Union region is located along one of the three main global opiate trafficking routes - the Northern Route, which begins in Afghanistan. The route runs from Afghanistan to Central Asia to China and the Russian Federation. Within the Customs Union itself, the flow of drugs leads primarily from Kazakhstan to the Russian Federation. It can be observed in the map below, where opiate seizures reported in 2011 and 2012 are grouped around and along the Kazakh-Russian border. The largest heroin seizure to have taken place near the Russian-Kazakh border amounted to 51.7 kg and was reported in 2011 at the Zhanazhol customs station in Kazakhstan. According to the Russian Border Service, more than 120 criminal groups involved in drug trafficking were operating along the Kazakh-Russian border in 2010. The Russian Border Service reports that, of all the drugs trafficked into the Russian Federation in 2010, approximately 30 per cent were seized by customs officials conducting checks at the Russian border to Kazakhstan within the Customs Union.

<sup>222</sup> UNODC Mission to Kalzhat BCP, August 2012.

<sup>223</sup> A stationary scanner should be installed at Kalzhat BCP in 2013.

**Map 41: Opiate seizures reported in the Russian Federation (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Since the Customs Union was initiated, seizure reports have indicated that Afghan opiates smuggled from Kazakhstan to the Russian Federation have frequently been directed to Chelyabinsk, Yekaterinburg and then to Perm, or even directly to Moscow. The largest opiate seizures to have occurred along the route were reported at Chelyabinsk. A total of 97 kg of opium was reportedly seized there in 2011 and a further 23 kg of heroin were seized in 2012.<sup>224</sup> Some seizures reported in the Chelyabinsk region in 2011 involved bags of drugs discovered near railway tracks. For instance, 29 kg of heroin were reportedly discovered on a railway line after being thrown from a train that was transporting potatoes, while another 29 kg of heroin were found abandoned near a railway line in Uvelskiy district in Chelyabinsk.<sup>225</sup> Another major drug smuggling route leads from Samara to Volgograd and then to Moscow. Although several heroin seizures have been reported at Samara since 2010, most involved less than 1 kg. There were only two heroin seizure reports in 2011 exceeding 1 kg. The first consisted of 2.3 kg of heroin and the second consisted of 2.5 kg of heroin, reportedly discovered in a car.<sup>226</sup> Most other opiate seizure reports in the Russian Federation are scattered from the border with Kazakhstan all the way to Moscow, where there is a high frequency of drug seizures. However, many of the heroin seizures reported in Moscow have involved less than 1 kg of drugs, often trafficked by plane to Domodedovo or Vnukovo airport.

<sup>224</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

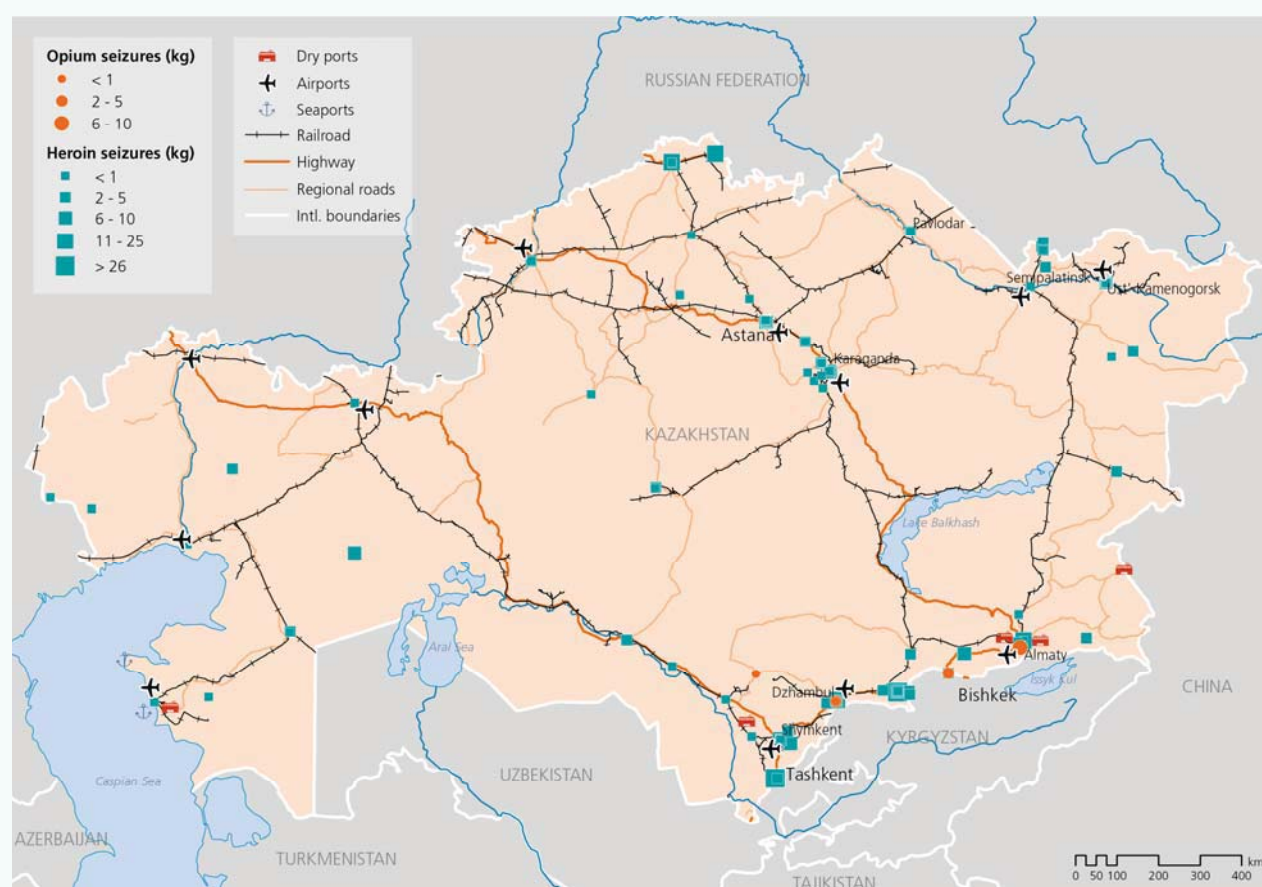
<sup>225</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>226</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

A number of the opiate seizures made in Kazakhstan in 2011 and 2012 were reported in the vicinity of dry ports. At Talas, 6 kg of heroin were reportedly seized in 2011, while a further 27 kg were seized in 2012.<sup>227</sup> The largest seizure at Talas was reported in March 2012, when police officials discovered 19.7 kg of heroin in plastic bottles hidden in the boot of a car that had travelled from Kyrgyzstan and was heading for the Russian Federation.<sup>228</sup> In Almaty and its outskirts, 28 kg of heroin and opium were reportedly seized in 2011 and a further 12 kg of heroin were seized in 2012.<sup>229</sup> At Shymkent, 11 kg of heroin were reportedly seized in 2011, but there have been no further seizure reports at that location in 2012.<sup>230</sup> Although small seizures consisting of 1 kg of heroin or less were reported at Aktobe and Aktau before the Customs Union was in place, there have been no reports since.

Within the last six years, no drug seizures have been reported at Khorgos or Kalzhat BCP. According to the heads of the customs units at Khorgos and Kalzhat, there is a low risk of drugs being trafficked from China via Khorgos or Kalzhat BCP, due to the high penalties for drug trafficking imposed by Chinese authorities in the neighbouring autonomous province, Xinjiang-Uyghur.<sup>231</sup>

**Map 42: Opiate seizures reported in Kazakhstan (July 2010 – June 2012)**



Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

<sup>227</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>228</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>229</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>230</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>231</sup> Even the death penalty can be imposed for drug trafficking in Xinjiang-Uyghur province.

Although no opiate or chemical precursor seizures have been reported at Aktau or Khorgos dry port since the Customs Union was initiated in 2010, it does not mean that drugs and precursors are not smuggled via both dry ports. Indeed, the dry port and border checkpoint at Khorgos is reported to be a common entry point for smuggling goods into the Customs Union. Even before the Customs Union was in place, the Khorgos border crossing was commonly used for smuggling. For instance, in 2008, Kazakh customs reported that only 3,000 trucks had passed through customs checks at Khorgos, while according to Chinese data for the same year, a total of 36,000 trucks passed that border crossing. Such a discrepancy could be explained by the fact that the trucks that were unaccounted for were used to smuggle goods from China to Khorgos.





### III. MISUSE OF MARITIME TRANSPORTATION FOR OPIATE TRAFFICKING

Although traffickers continue to use land routes to smuggle opiates from Afghanistan and chemical precursors into Afghanistan, they rely increasingly on maritime transportation to ship opiates to global markets. By 2009, the majority of trade between Europe and Asia was being conducted via maritime transportation.<sup>232</sup> Moreover, maritime trade between India and Pakistan rose by an average of 12 per cent each year from 2004 to 2008.<sup>233</sup> The large increase in the volume of licit maritime trade makes it more difficult to detect smuggled opiates and chemical precursors.

Within the Western and Central Asian region, Pakistan and the Islamic Republic of Iran are the only two countries that have direct access to the sea. In the Islamic Republic of Iran, major seaports are located at Chabahar in Sistan-Baluchistan province and at Bandar Abbas, while Pakistan's major seaports are located at Karachi, Port Qasim and Gwadar in Balochistan province. As a result of the Afghan-Iranian Bilateral Transit Agreement and the Afghanistan-Pakistan Transit Trade Agreement (APTTA), Afghanistan is able to conduct trade via any one of the Iranian or Pakistani seaports. Karachi seaport and Port Qasim handle particularly large volumes of trade and are the main entry points for Afghan transit goods. However, most dry ports responsible for the trans-shipment process along the intermodal trade routes from Afghanistan to the various seaports do not have sufficient staff and lack the necessary technical equipment to be able to effectively check cargo for opiates. Therefore, there is a high risk of opiates passing through dry ports along such routes to coastal areas in the Islamic Republic of Iran and Pakistan without being discovered. According to customs officials at Karachi seaport and Port Qasim, traffickers prefer to smuggle large quantities of opiates along transit routes on which licit trade is trans-shipped at dry ports, since those routes present a low risk of detection.<sup>234</sup>

Once at sea, the probability of smuggled opiates or chemical precursors being discovered on ships or boats is very low. That is primarily because it is very difficult for States to monitor and control large quantities of goods that are shipped in bulk to various international destinations on a regular basis. For instance, over 500 million maritime containers are shipped worldwide annually, but only 2 per cent of

<sup>232</sup> UNCTAD, *Review of Maritime Transport*, 2009.

<sup>233</sup> Sustainable Development Update, "Trade and Transport Facilitation in South Asia: Systems in Transition", June 2008.

<sup>234</sup> UNODC/COPAK Mission to the Coast of Pakistan, March 2012.

those containers are inspected.<sup>235</sup> Another obstacle to effective maritime law enforcement is that ships suspected of carrying illicit cargo cannot be boarded and the cargo in question cannot be seized without prior authorization from the flag State. Jurisdiction over commercial shipping in international waters rests with the ship's flag State. The majority of ships involved in the narcotics trade sail under so-called "flags of convenience" and are registered in flag States that have limited regulations and control over their merchant fleets. General cargo and container ships are frequently misused in the narcotics trade.<sup>236</sup>

### ***The Iranian and Pakistani coastline***

The Pakistani coastline on the Arabian Sea is around 1,050 km in length, of which around 250 km is located in Sind province to the southeast of the country and 800 km is located in Balochistan province in the southwest. Aside from the official seaports, there are also several small jetties located along the coastline in Balochistan province at Ibrahim Hyderi, Malir, Kaka Pir, Kathi Bandar, Shah Bandar, Dam, Peshukan and Jiwani.

#### **Coast fishing boats at Dam**



*Source: UNODC/COPAK Mission to Pakistan, April 2012*

In addition, there are more than a dozen other smaller ports located along the rest of the Pakistani coastline, which are commonly known as *hores* (natural jetties<sup>237</sup>) They include Sumiani, Kand Malir, Agore, Kappar, Sur Bandar, Ganz, Bandri, Jiwani and Dasht. The hores are often misused to smuggle opiates from Pakistan to the Islamic Republic of Iran, Dubai and the Gulf region.<sup>238</sup>

<sup>235</sup> UNODC/WCO, Container Control Program Progress Report, 2009.

<sup>236</sup> Hugh Griffiths and Michael Jenks, "Maritime Transport and Destabilizing Commodity Flows", SIPRI Policy Paper 32, January 2012.

<sup>237</sup> A jetty is a natural or man-made structure that extends from the shore into a lake or a sea. It is designed to defend a harbour and is sometimes used as a landing pier.

<sup>238</sup> Natural jetties are also frequently misused to smuggle petroleum products from the Islamic Republic of Iran and liquor from the UAE and other Gulf countries into Balochistan.

**Map 43: Seaports and small and natural jetties in the Islamic Republic of Iran and Pakistan**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Around 90 per cent of all Pakistan's imports and exports transit at Karachi seaport and Port Qasim, while very few exports are handled at Gwadar seaport in Balochistan province (Gwadar seaport is used only very rarely for importing fertilizers). Owing to the large volumes of trade handled at the Karachi and Qasim seaports, they are at a great risk of being misused by drug traffickers. Several heroin seizures were reported at Karachi in May 2012. The first was a 192 kg seizure reported at the West Wharf of the Pakistan International Container Terminal at Karachi seaport.<sup>239</sup> The heroin was found inside refrigerated containers, along with potatoes that were intended for export to Malaysia. A number of other heroin seizures were reported shortly after near the Karachi container terminal. In May 2012, the ANF reportedly seized 110 kg of heroin at Karachi and arrested two traffickers who had smuggled the drugs from Peshawar to Karachi in trucks.<sup>240</sup> A few days later, the ANF reportedly seized another 302 kg of heroin at Karachi.<sup>241</sup> In the Islamic Republic of Iran, no opiate seizures have been reported at Bandar Abbas seaport itself. However, major opium seizures consisting of 2,229 kg in 2011 and 1,213 kg in a number of operations in 2012 were reported near the seaport.<sup>242</sup> Smaller heroin and opium seizures were also reported near the seaport in 2011.

<sup>239</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>240</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>241</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>242</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

**Map 44: Opiate seizures reported along the Iranian and Pakistani coastline (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

In spite of small trade flows, smugglers have also found ways of using Gwadar seaport as an exit point for small-scale heroin smuggling. For instance, traffickers occasionally smuggle opiates from Gwadar to the Islamic Republic of Iran for onward transportation to East African countries. Many of the heroin trafficking routes pass through unauthorized jetties along the coast of Makran in Balochistan province. Fishing boats are also allegedly used to smuggle petroleum products from the Islamic Republic of Iran to Makran and drugs to countries in the Persian Gulf.<sup>243</sup> Only small quantities of heroin are trafficked along such routes (no major heroin seizures have been reported). However, a 720 kg opium seizure reported in close proximity to Gwadar seaport in 2012 may suggest that the seaport is now being misused for trafficking larger quantities of opiates.<sup>244</sup>

From Afghanistan, opiates are primarily smuggled to India via Pakistan. However, the increasing number of opiate seizures reported along the new Iranian transit route leading to Chabahar seaport may indicate that the route is being used to smuggle opiates to India via the Islamic Republic of Iran. Although there is no clear indication that the transit route at Chabahar is being used specifically to traffic opiates to India, a 130 kg opium seizure reported near Chabahar seaport in 2010 suggests that opiate smugglers may have begun to misuse the seaport for trafficking purposes.<sup>245</sup>

<sup>243</sup> UNODC/COPAK Mission to Pakistan, April 2012.

<sup>244</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>245</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

### **Law enforcement at seaports**

There are more than thirty checkpoints located along the coast of Pakistan, each of which employs 10-12 guards from the Pakistan Coast Guard.<sup>246</sup> Furthermore, there are 14 mobile Pakistan Customs squads operating in the area. ANF staff are primarily deployed at Karachi and Gwadar and are responsible for drug control and prevention.

According to customs officials at Karachi seaport and Port Qasim, exports are monitored using the latest computer system and export application forms (i.e. goods declarations) are filed electronically by the exporters.<sup>247</sup> The system automatically differentiates exports into three categories, marked as green, yellow and red. Export consignments marked as green are exempted from customs examinations, while those marked as yellow may be examined whenever customs officials consider it necessary. Those marked as red must be examined by customs officials. However, in reality, customs officials only examine 5-10 per cent of the goods marked as red. For instance, if a delivery comprises up to 10 containers that have been marked as red, only one of those containers will be selected for a thorough examination. Officials from the Drug Enforcement Cell in Karachi also examine export consignments with the help of officials responsible for export inspection. However, the ANF is deployed at export yards to check individual export consignments and to examine suspicious containers. The ANF staff usually physically check containers for export with the help of sniffer dogs, and are informed of any dubious export consignments or suspicious exporters.<sup>248</sup>

#### **ANF dog search of containers at Port Qasim**



*Source: UNODC/COPAK, Mission to the Coast of Pakistan, March 2012.*

Customs officials work according to 24-hour surveillance schedules in order to control natural jetties along the coast and to prevent the smuggling of opiates to the Islamic Republic of Iran and from Gulf countries. However, their efforts are undermined by an insufficient number of staff and a lack of logistics facilities. The difficult security situation, particularly along the coast of Balochistan province, has also badly affected operational activities and the performance of law enforcement agencies with regard to drug prevention and control. The Pakistan Coast Guard operating at Gwadar and Jiwani are

<sup>246</sup> UNODC/COPAK, Mission to the Coast of Pakistan, March 2012.

<sup>247</sup> UNODC/COPAK, Mission to the Coast of Pakistan, March 2012.

<sup>248</sup> UNODC/COPAK, Mission to the Coast of Pakistan, March 2012.

frequently threatened and attacked by separatist organizations. That has had a detrimental impact on their ability to combat opiate trafficking in the region.

At Port Qasim, cargo containers bound for the United States are thoroughly screened. The screening process is simultaneously controlled via satellite from Florida. Officials at Port Qasim informed UNODC experts that it was only possible to guarantee that cargo consignments were free from smuggled opiates when they had been cleared in such a manner.<sup>249</sup>

### **Heroin trafficking from Pakistan and the Islamic Republic of Iran to Europe**

Seizure data indicates that there is a drug trafficking route that leads directly from Pakistani and Iranian seaports to Europe. Since 2010, a number of heroin seizures have been reported at seaports in the United Kingdom and, to a lesser extent, Belgium. Most of the heroin that has been reportedly intercepted was concealed in containers carrying licit goods shipped from Pakistan. For instance, in April 2012, a container carrying textile exports and 234 kg of heroin from Faisalabad in Pakistan was reportedly intercepted in Yorkshire in the United Kingdom.<sup>250</sup> In January 2012, a container carrying 245 kg of heroin concealed in a cotton towel shipment from Port Qasim in Pakistan was reportedly intercepted at Felixstowe on the southeast coast of England.<sup>251</sup> Between February and May 2012, seven British nationals were arrested in the United Kingdom in connection with that seizure, five of whom were members of the British Pakistani community.<sup>252</sup> It is believed that Pakistani and Afghan criminal groups were involved in the heroin supply. In April 2012, seven arrests were made in Faisalabad in Pakistan regarding the same seizure. Another very recent large heroin seizure was reported in February 2012 in Southampton in the United Kingdom. On that occasion, 263 kg of heroin were discovered in a container carrying textiles from Karachi seaport in Pakistan. Shipping documentation indicated that it had been originally consigned from Lahore.<sup>253</sup> British, Pakistani and Canadian nationals were arrested in connection with the seizure. However, it is suspected that Pakistani and Afghan criminal groups were involved in the supply.

**Table 7: Reported heroin seizures in Europe from Pakistan and the Islamic Republic of Iran (2010-2012)**

| Year | Amount (kg) | Transportation | From                     | Seized in |
|------|-------------|----------------|--------------------------|-----------|
| 2010 | 127         | Maritime       | Islamic Republic of Iran | Belgium   |
| 2011 | 60          | Maritime       | Pakistan                 | UK        |
| 2011 | 70          | Maritime       | Pakistan                 | UK        |
| 2011 | 128         | Maritime       | Pakistan                 | UK        |
| 2011 | 90          | Maritime       | Pakistan                 | UK        |
| 2011 | 87          | Maritime       | Pakistan                 | UK        |
| 2011 | 60          | Maritime       | Pakistan                 | Belgium   |
| 2012 | 245         | Maritime       | Pakistan                 | UK        |
| 2012 | 263         | Maritime       | Pakistan                 | UK        |
| 2012 | 234         | Maritime       | Pakistan                 | UK        |

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>

<sup>249</sup> UNODC/COPAK, Mission to the Coast of Pakistan, March 2012.

<sup>250</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>251</sup> SOCA, UK.

<sup>252</sup> SOCA, UK.

<sup>253</sup> SOCA, UK.

There have been several seizure reports in Europe involving heroin smuggled in shipments from Pakistan. Most of those seizures were reported in the UK, while two were reported at Antwerp in Belgium. They both consisted of 127 kg of heroin and were discovered in shipments from the Islamic Republic of Iran and Pakistan in 2010 and 2011.<sup>254</sup>

### **Heroin trafficking to East Africa**

In recent years, East Africa has become a significant conduit for smuggling heroin from South-West Asia, primarily Pakistan. It is estimated that in 2010, around 108 tons of heroin were moved to Karachi, Port Qasim and Gwadar, among other locations along the coastline, for onward trafficking to Europe, South and South-East Asia and Africa by sea.<sup>255</sup> Speedboats and other forms of maritime transportation are used to transport heroin from the Makran coastal areas at Gwadar, Pasni and Jiwani in Pakistan to East Africa, via Oman, Yemen and the UAE.<sup>256</sup> In July 2012, Pakistani coast guards reportedly seized 70 kg of opium that had been transported by motorcycle to Jiwani in Balochistan.<sup>257</sup> The drugs were intended for onward trafficking to the Islamic Republic of Iran via the Makran coastal area. In the final quarter of 2011, 168 kg of heroin were reportedly intercepted concealed within containers transporting red oxide lead<sup>258</sup> destined for Africa via the UAE.<sup>259</sup> Opiates are also frequently smuggled to African countries in shipments carrying rice and cotton from Pakistan.

Ethnic Baluch traffickers, Iranian Baluch traffickers and traffickers from the FATA have established a strong joint network, operating along the Pakistani coastline, to smuggle heroin and opium from Afghanistan to East Africa. Afghan traffickers from Nangarhar province transport large quantities of opiates through the FATA, Peshawar, Darra Adamkhel, Kohat, Dera Ismail Khan and Dera Ghazi Khan into Balochistan province in Pakistan. From there, opiates are trafficked onwards to Mand, Turbat, Hingol and Kohlu. Southern Afghan traffickers provide ethnic Baluch and Iranian Baluch traffickers with heroin and opium in bulk after crossing Baramchah, a town located along the border of the Pakistani Balochistan province and the Afghan Helmand province. After reaching Dalbandin, the opiates are stored in safe houses or remote and inaccessible *nullahs* (ravines) in the Girdi jungle. After a certain period of time, experienced Baluch couriers guarantee the safe delivery of the drugs to the desired locations in the coastal areas. They are then shifted to Hingol National Park at Pasni and the coast at Gwadar, Jiwani, Ormara and/or Gaddani. Certain areas located in the mountainous region near the coast of Pakistan can be used to store the opiates before they are shipped onwards. Baluch traffickers deliver the drugs to the shore on motorbikes and arrange for speedboats to transport them on by sea.

<sup>254</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>255</sup> UNODC, The Global Afghan Opium Trade, July 2011.

<sup>256</sup> Heroin is also trafficked into East Africa by plane from major international airports at Addis Ababa, Dare Salam and Nairobi.

<sup>257</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>258</sup> A form of natural colouring.

<sup>259</sup> UNODC/COPAK Mission to the Coast of Pakistan, March 2012.

**Map 45: Drug trafficking routes through Pakistan**

Source: UNODC Mission to the Pakistani Coast, March 2012.

Local boat owners provide boats in the coastal areas of Gwadar, Jiwani and Pasni for maritime drug smuggling. It is not very difficult for experienced navigators to deliver opiate shipments while avoiding detection, since they tend to be well equipped with radios, satellite phones, GPS and other devices.<sup>260</sup> Due to a lack of law enforcement along the coastline, navigators are often able to locate unofficial docking points. On the boats themselves, there are a number of places that can be used to conceal opiates<sup>261</sup>:

- Fuel tanks
- Food containers
- Under fishing nets
- Under deck plating in the fishing net hold
- Under cargo holds and behind false bulkheads in the cargo hold
- Behind false bulkheads between the engine room and the fish hold

<sup>260</sup> UNODC Mission to the Pakistani Coast, March 2012.

<sup>261</sup> UNODC/COPAK Mission to Pakistan, April 2012.



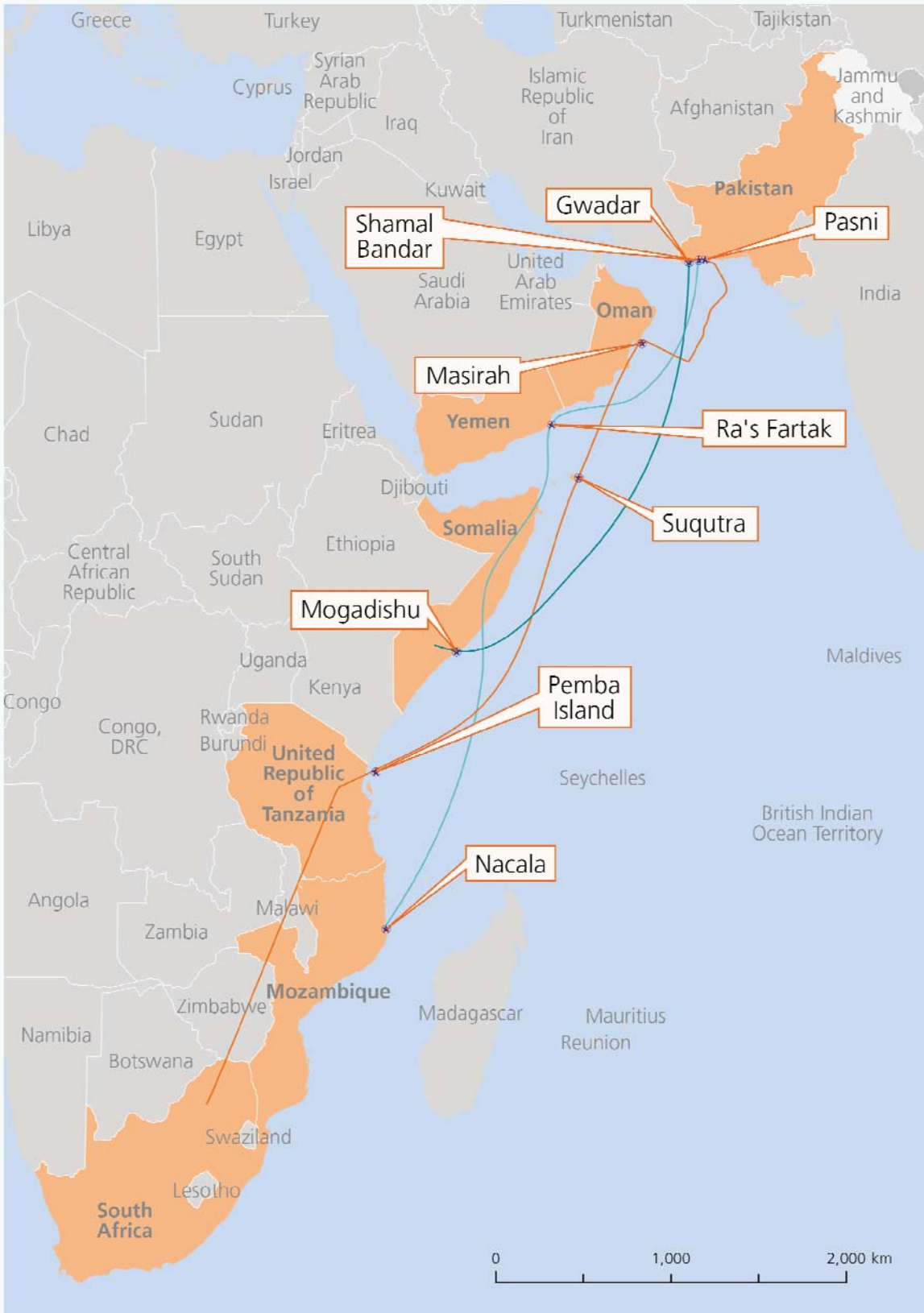
- The cavity wall located between the engine room wall and the wall to the ice store (the cavity is 4 feet wide)
- Between the ice store and the fishing net stowage area

In the past, Iranian traffickers dominated the drug trade, thanks to their extensive knowledge of the sea and coastal locations in countries in the Persian Gulf. They owned high-speed and cargo boats, which they used to deliver opiates. However, traffickers from Balochistan (primarily Baluchs, Brahvis and Pashtuns) have quickly acquired such skills and tools and are now reported to run the entire drug network. They transport drugs on vehicles or camel caravans to Makran in order to reach storage sites. From there, the drugs are transported further to the desired area along the Pakistani coast. Key exit points for opiates along the coast include Jiwani, Ormara, Talar, Hingol, Sur Bander and Peshukan. Traffickers from the Kalamati tribe primarily engage in trafficking along the coast of Jiwani up to Gwadar, while members of the Dashti and Buledi tribes provide storage services for opiates before they are shipped to global markets.

From the Pakistani coast, opiate shipments are transported via the Arabian Sea and the Gulf of Aden to countries in the Persian Gulf such as Saudi Arabia, Oman and Yemen. From there, they are shipped onwards to East Africa. In 2011, the General Anti-Narcotics Department of the Dubai Police reportedly seized 58 kg of heroin that had been smuggled from Pakistan to Dubai in the UAE in boxes containing oranges.<sup>262</sup> The traffickers had intended to store the drugs in the UAE before smuggling them to Europe via Africa. From Gwadar seaport, Baluch carriers sometimes ship opiates in small fishing boats directly to Mogadishu seaport in Somalia. Another sea route leads from Pasni to Masirah in Oman to Socotra in Yemen. From there, opiates are shipped on to Pemba Island, mainland Tanzania and other southern African countries. There is also a route leading from Shamal Bandar, located west of Pasni, where opiates are loaded onto dhows and brought to the vicinity of Ras Fartak in Yemen. From there, they are shipped onwards to Somalia or to Nacala in Mozambique.

<sup>262</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

**Map 46: Sea routes from Pakistan to East and South-East Africa**



Source: UNODC/COPAK Mission to Pakistan, April 2012. Note: The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations. The dotted lined represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Kashmir has not yet been agreed upon by the parties.

Dhows are one of the main forms of transportation used to traffic heroin from the Islamic Republic of Iran and Pakistan to East Africa.<sup>263</sup> The boats are commonly used to transport goods among countries in the Persian Gulf. Small dhows are used for local coastal trade and large offshore dhows are used on transnational routes. With the exception of periods of heavy monsoon rainfall in July, dhows are used to transport goods all year round. When cargo is loaded onto a dhow, it is stacked on the deck. Typically, a dhow used to smuggle drugs can accommodate up to 300 kg of heroin. Interviews with international law enforcement officers based in region revealed that several dhows are used to traffic heroin to the Tanzanian coast every month. In March 2012, an Iranian dhow smuggling heroin and heading for Tanzania was reportedly intercepted at sea.<sup>264</sup> However, further information on the nature of the seizure is not available. Often, the captains of dhows do not know how much heroin they are carrying on board, so that traffickers do not have to pay them according to the amount of drugs they are transporting.

### Dhow docking at Mombasa seaport



Source: UNODC Mission to Kenya, March 2012.

### Major opiate transit countries in East Africa

Recent heroin seizure reports in East Africa indicate that heroin trafficking has become highly problematic in some East African countries, particularly Kenya, Tanzania and Zambia. In 2010, a Pakistani national was reportedly arrested in Kenya for possessing 11 kg of heroin. The Pakistani ANF also reported that in 2010, 23 Zambian nationals, 3 Tanzanians, 1 Kenyan and 1 Malawian were arrested for possessing 15 kg of heroin.<sup>265</sup> Most of the seized heroin was intended for smuggling to Kenya, Tanzania and South Africa. In 2011, two major heroin seizures were reported in Kenya and Tanzania. In the first case, a Pakistani national was arrested in Kenya and 196 kg of heroin were recovered from his possession, while the second case involved the arrest of two Pakistani nationals in Tanzania, who were carrying 179 kg of heroin. In 2011, around 15 Zambian nationals were also reportedly arrested for trafficking heroin to South Africa, Kenya and various other West African countries.

<sup>263</sup> Dhow is the standard name used to describe various different types of traditional sailing vessels with one or more masts used in the Red Sea and the Indian Ocean; See <http://nabataea.net/ships.html>

<sup>264</sup> UNODC Mission to Kenya, March 2012.

<sup>265</sup> UNODC Mission to the Pakistani Coast, March 2012.

Owing to a lack of capacity among law enforcement agencies in African countries, there are many opportunities for drug traffickers to transport drugs to Africa for onward shipment to their final destinations. In Zanzibar, the Anti-Narcotics Unit (ANU) employs only 24 officials, which is not a sufficient number to monitor the entire island. Moreover, they lack the necessary equipment to effectively prevent drug smuggling along the coast.<sup>266</sup> Although the ANU possesses a boat and vehicles with which to conduct patrols along the coast, they do not have enough fuel to conduct daily patrols.<sup>267</sup> Therefore, seaports along the Tanzanian coast are barely monitored. Mombasa seaport and Zanzibar and Pemba in Tanzania are very vulnerable to drug trafficking. Zanzibar container seaport, which is usually very busy, receives numerous containers carrying cement from Pakistan. In the past, there was a port unit at Zanzibar, but it has not been operational for a number of years. Overall, there is no clear organizational structure at the seaport and no means of controlling incoming and outgoing containers. Containers are transported from the seaport in trucks or by vessels docked alongside the container port quay without being inspected. There are also more than 1,000 informal ports located at inlets along the Zanzibar coastline that could all be used to deliver opiate shipments.

### Freight inspection at Zanzibar container seaport



Source: UNODC Mission to Tanzania, March 2012.

Kenya also has a long coastline, which is not fully controlled by the local police. Private container ports known as Container Freight Stations are particularly at risk of being misused for smuggling heroin. A number of private jetties and dhows are also used to transport goods to official seaports on the coast. The ANU in Mombasa informed UNODC experts that they also suspect that dhows are used to smuggle heroin to Lamu in Kenya, but that they do not have sufficient capacity to conduct investigations.<sup>268</sup> Due to low law enforcement capacity and a lack of training among the police force, there is minimal chance of seizure once the heroin has reached Kenyan territory. Although the Kenyan police have successfully seized small quantities of heroin consisting of a few grams, it is much more

<sup>266</sup> UNODC Mission to Tanzania, March 2012.

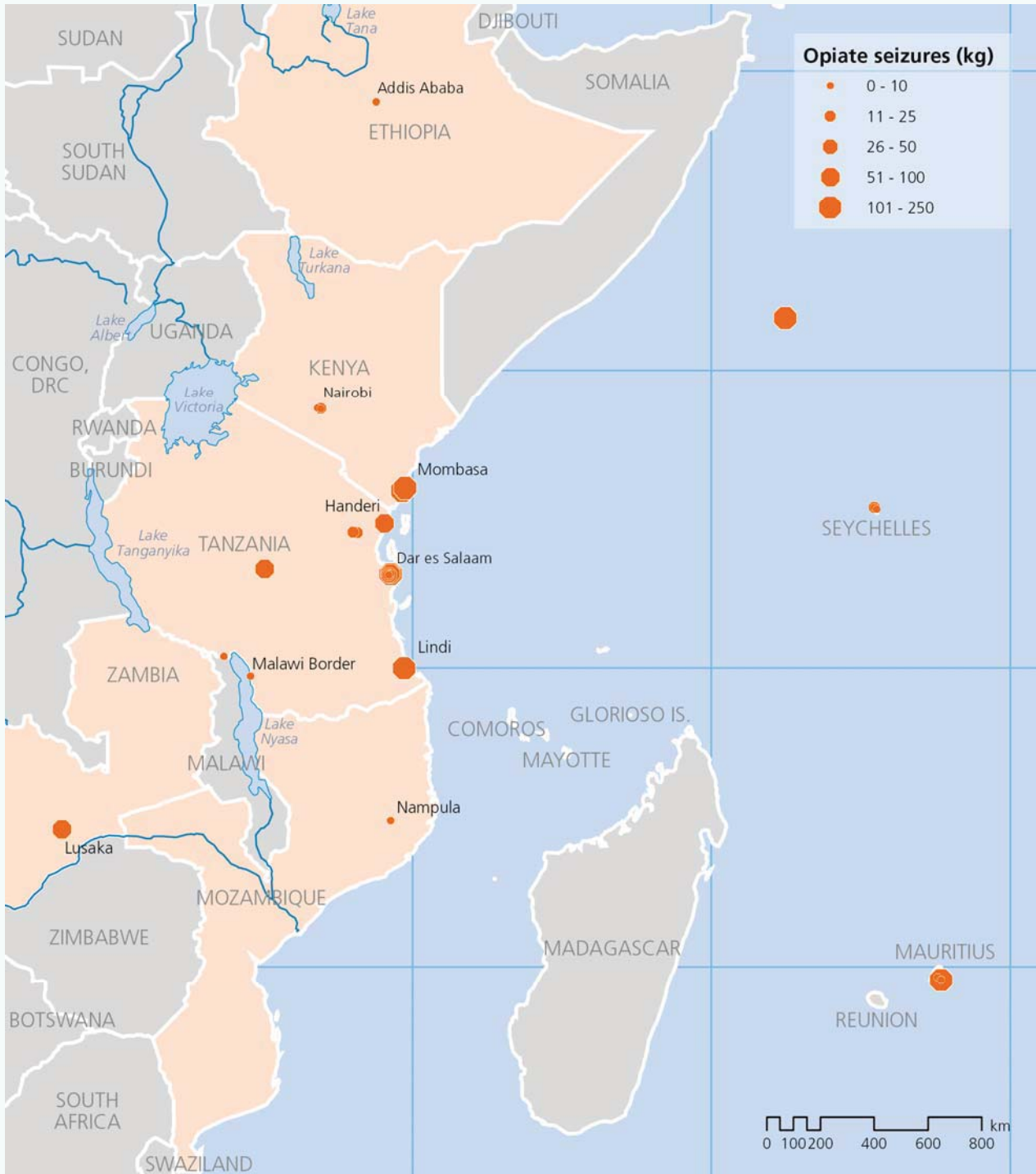
<sup>267</sup> UNODC Mission to Tanzania, March 2012.

<sup>268</sup> UNODC Mission to Kenya, March 2012.

difficult for them to intercept larger quantities of smuggled drugs. That indicates that the police have the capacity to arrest heroin users and peddlers, but lack the capacity to make arrests at supply level.

Although there is no official data or information available on heroin trafficking to Somalia, a number of anecdotal reports indicate that heroin is shipped to the country primarily on dhows.

**Map 47: Opiate seizures reported in East Africa (2010-2012)**



Source: AOTP, Paris Pact, online seizure database <http://beroin2011.dbroca.nz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Tanzania is located along notorious drug trafficking routes leading to Latin America, the Middle East, Asia, Africa and Europe. The majority of heroin smuggled from Pakistan and the Islamic Republic of

Iran to East Africa by sea initially arrives in Tanzania. Ships deliver the heroin close to the Tanzanian coast and nearby islands and from there, it is collected by dhows or small boats and transported to the mainland. Tanzanian islands, particularly Zanzibar, are also used heavily by drug traffickers. In East Africa, large quantities of heroin transported by sea have reportedly been seized in Tanzania, and also Nigeria, since 2010.

**Table 8: Seizures reported in Africa involving heroin transported by sea (2010-2012)**

| Year | Amount (kg) | Seized in    |
|------|-------------|--------------|
| 2010 | 11          | Nigeria      |
| 2010 | 139         | Nigeria      |
| 2010 | 52          | Tanzania     |
| 2011 | 200         | Benin        |
| 2011 | 196         | Kenya        |
| 2011 | 179         | Tanzania     |
| 2012 | 180         | Indian Ocean |
| 2012 | 210         | Tanzania     |

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.us/>

From Tanzania, heroin is trafficked on to Kenya, Zambia, Malawi and Mozambique before reaching South Africa.<sup>269</sup> Heroin flows from Tanzania are smuggled through airports, seaports and porous borders to landlocked countries in East Africa. Formerly, drugs were delivered to Tanga in northern Tanzania before being transported onwards to Dar es Salaam. In 2010, two Tanzanians and two Iranians were reportedly intercepted in Tanga carrying 97 kg of heroin.<sup>270</sup> In 2011, a total of 276 kg of heroin was reportedly seized at Dar es Salaam.<sup>271</sup>

### Dar es Salaam seaport



Source: UNODC Mission to Tanzania, March 2012.

<sup>269</sup> There are also a few reports of heroin trafficked to South Sudan.

<sup>270</sup> UNODC Mission to Kenya, March 2012.

<sup>271</sup> UNODC Mission to Kenya, March 2012.

However, due to an increase in law enforcement efforts and a rising number of drug seizures in Tanga, traffickers have shifted their delivery locations to the south of the country. At the end of 2010, two Tanzanians and one Iranian were reportedly stopped in their car with 50 kg of heroin while travelling to Sudan via Kenya. Traffickers may have diverted opiate flows to Lindi near the Tanzanian border with Mozambique. In January 2011, 211 kg of heroin were reportedly seized in Lindi.<sup>272</sup> Private vehicles, rather than buses, are used for trafficking heroin through Africa by road, since they are subject to less stringent inspection. Once in East Africa, heroin consignments are often broken down into 1-3 kg or 5 kg units for onward delivery to other African countries.

Kenya, Zambia and Tanzania are the main opiate transit countries in East Africa. There has been a marked increase in individual carriers and cargo ships arriving in Kenya from Pakistani and Iranian seaports and transiting the country before travelling onwards to the United States and Europe. That, in particular, may have created opportunities for traffickers to smuggle drugs to Kenya. In March 2011, two Iranians and one Pakistani were reportedly arrested for possessing 102 kg of heroin.<sup>273</sup> They had travelled to Kenya three weeks before their arrest and rented a property in Nairobi. The drugs were discovered in two cars at their private house, but the suspects themselves were wearing moist and sandy clothes. That suggests that they had delivered the drugs by boat before transporting them ashore. Heroin may also have been smuggled from Somalia to Kenya on fishing boats used to conduct trade between the two countries. However, the border between the two countries was blocked in 2011 owing to a military operation, so it is unlikely that drugs are still being smuggled along that route. Instead, heroin is sometimes trafficked from Kenya via land routes through Uganda and Tanzania to South Africa. Occasionally, it is also flown from Kenya to Europe and the United States via Dubai, but that occurs very rarely.

There are few Pakistani traffickers operating in African countries. African traffickers dominate the opiate trafficking trade across the African continent and even deliver the opiates to their final destinations in Europe and North America. The influence of Tanzanian dealers is increasing. They cross the Kenyan border in order to trade heroin and return as non-Kenyan residents to Tanzania. While Nigerians operate a long-established trafficking network, Kenyans are also involved in the trade to a certain extent.

### ***Heroin trafficking to West Africa***

Afghan heroin is usually trafficked to countries along the West African coast before being distributed to other continents. Nigeria and the West African coast have direct links – particularly trade links – with South-West Asia. Indeed, significant volumes of trade goods, ranging from pharmaceuticals to machinery, are imported into Nigeria directly from various cities in Pakistan and India. Moreover, large numbers of Nigerians have settled in Mumbai, Lahore, Quetta, Delhi and Islamabad. Nigerian drug traffickers exploit such trade and family ties. Most Afghan heroin entering Nigeria, Benin and Ghana travels from Pakistan or Iran, depending on the mode of transportation. Heroin traffickers importing drugs into Nigeria can either fly into neighbouring countries then smuggle overland, fly directly into one of Nigeria's four international airports or use Nigeria's coast and seaports for onward shipping.

<sup>272</sup> UNODC Mission to Kenya, March 2012.

<sup>273</sup> UNODC Mission to Kenya, March 2012.

**Table 9: Reported heroin seizures in West Africa (2010-2012)**

| Year | Amount (kg) | Transportation | From     | Seized in |
|------|-------------|----------------|----------|-----------|
| 2010 | 2.5         | air            | Pakistan | Nigeria   |
| 2010 | 6.3         | air            | Pakistan | Nigeria   |
| 2010 | 80          | air            | Iran     | Ghana     |
| 2010 | 11.2        | maritime       | Iran     | Nigeria   |
| 2010 | 130         | maritime       | Iran     | Nigeria   |
| 2010 | 139         | maritime       | Iran     | Nigeria   |
| 2011 | 202         | maritime       | Pakistan | Benin     |
| 2011 | 200         | maritime       | Pakistan | Benin     |
| 2011 | 5.1         | air            | Pakistan | Nigeria   |
| 2011 | 5.1         | air            | Pakistan | Nigeria   |
| 2012 | 13          | air            | Pakistan | Nigeria   |
| 2012 | 113         | maritime       | Pakistan | Nigeria   |

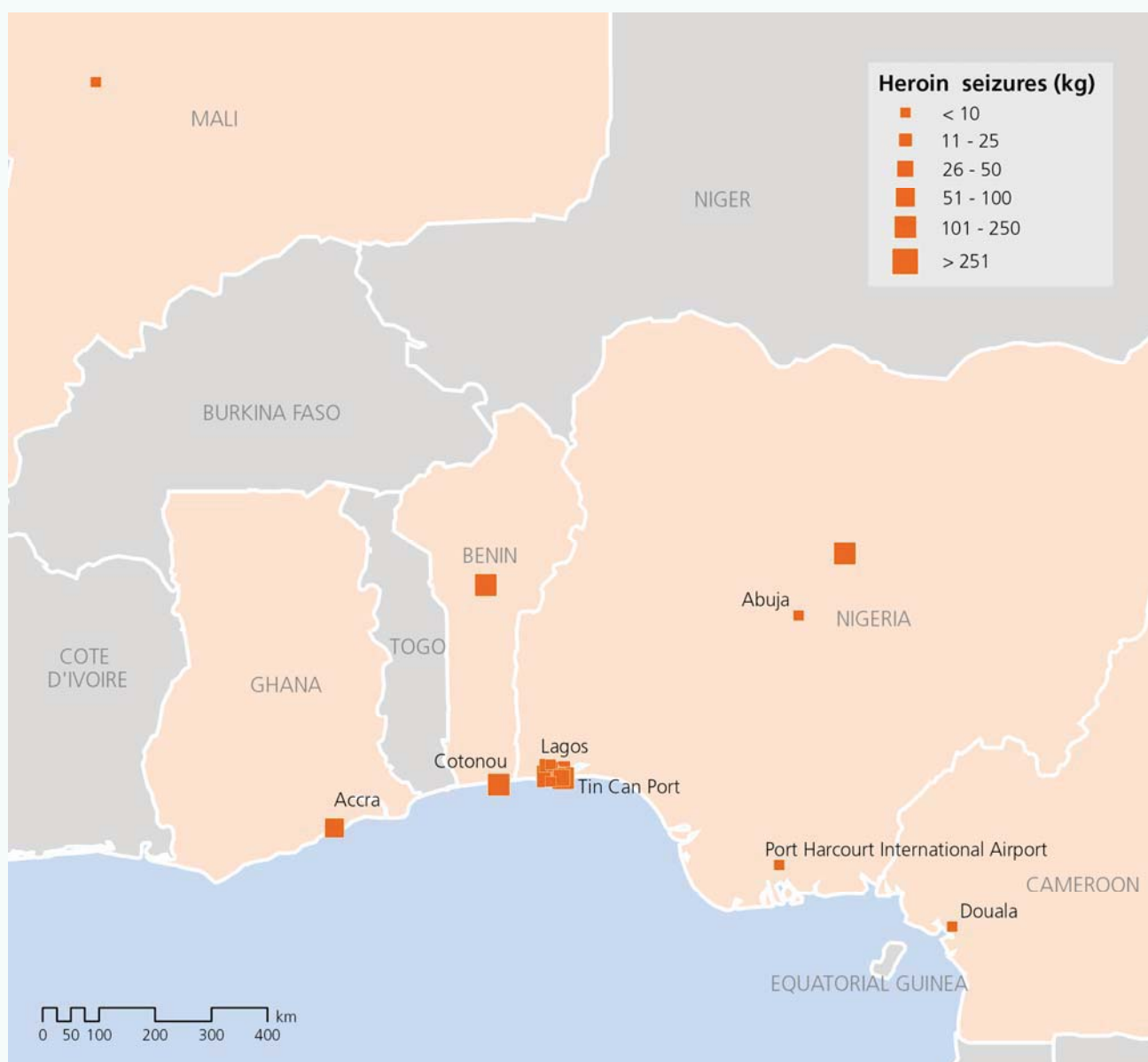
Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.uz/>

Since 2010, large quantities of heroin shipped from Iranian and Pakistani seaports have reportedly been seized along the West African coast. For instance, in 2010, a 130 kg batch of heroin that had been shipped from the Islamic Republic of Iran was reportedly discovered in containers aboard the MV Montenegro at Lagos in Nigeria.<sup>274</sup> In 2011, a single seizure consisting of 200 kg of heroin, apparently transiting the country to Nigeria, reportedly occurred at Contonou in Benin.<sup>275</sup> The heroin had been originally shipped from Karachi seaport in Pakistan and had been trans-shipped at three other seaports before reaching Benin.

<sup>274</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>275</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).



**Map 48: Heroin seizures reported in West Africa (2010-2012)**

Source: AOTP, Paris Pact, online seizure database <http://heroin2011.dbroca.nz/>. Note: The boundaries and the names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Between 2010 and 2012, 13 kg of heroin trafficked from Pakistan by plane was seized in Nigeria and 80 kg of heroin trafficked by plane from the Islamic Republic of Iran was seized in Accra in Ghana. Those and other drug seizures involving air cargo shipments in West Africa indicate a trend towards highly elaborate concealment methods. In the case of the 80-kg seizure in Ghana, the drug was hidden in industrial gearboxes that had to be cut open in order to retrieve the drug.<sup>276</sup> Key staging posts for heroin exports to Nigeria are India, Bangladesh, Pakistan, Turkey and East Africa. Heroin is trafficked through airports using various methods, including concealment in baggage or body cavities. Often, the drugs are swallowed. Indeed, based on NDLEA interdiction statistics from Nigeria, the most common method of concealment is swallowing. It accounts for more than 75 per cent of all arrests, but is not used for

<sup>276</sup> UNODC Regional Office for West and Central Africa, May 2011.

trafficking larger quantities of heroin into Nigeria. Based on seizure data from the past two decades, more than 60 per cent of heroin trafficked into and out of Nigeria passes through the Muritala Mohammed International Airport (MMIA) in Lagos. The airport remains the most popular exit point for people who have swallowed small quantities of heroin (and other drugs) in order to courier it to various destinations worldwide. Most arrests at the MMIA involve small time couriers; major traffickers are generally unaffected.

Lagos seaport terminals have also been confirmed as entry points for large consignments of heroin, especially the Apapa and Tin Can Island seaports. Given the long distances from Pakistan and the Islamic Republic of Iran to Nigeria, maritime shipping is usually used for large consignments of heroin. In May 2012, it was reported that 113 kg of heroin were intercepted at Tin Can Port in Lagos.<sup>277</sup> The National Drug Law Enforcement Agency, in collaboration with the British authorities, discovered the drugs concealed within three moulding machines that had been imported from Islamabad in Pakistan.

Although some seizures are made at seaports, maritime interdiction operations remain infrequent. Scanning equipment is in short supply, or even nonexistent, at most ports.<sup>278</sup> When maritime seizures occur, they are usually made during import rather than export, and are facilitated by international intelligence sharing. Moreover, according to the Nigerian port assessments conducted by the Container Control Programme of UNODC, overall cargo output at the main Nigerian ports has continued to grow over recent years, increasing from 46.1 million tons in 2006 to 74.9 million tons in 2010 – a 62 per cent increase.<sup>279</sup> That places additional strain on underdeveloped port security. In 2009, 104 kg of heroin were seized by law enforcement agencies in Nigeria.<sup>280</sup> Many of those seizures occurred as a result of foreign intelligence. The drug seizure and arrest statistics collated by NDLEA headquarters constitute the only official data on heroin trends in Nigeria. Despite a robust commitment on the part of NDLEA to target drug trafficking, a lack of interagency coordination, training and equipment has meant that interdiction at Nigeria's points of entry remains weak.

Post-seizure investigations illustrate that heroin trafficking in West Africa is carried out by West African nationals, particularly Nigerians and Ghanaians. That is mostly due to the presence of Nigerian and Ghanaian diasporas in producing countries in South Asia (Pakistan) and South-East Asia (Thailand), and in consumer countries in Europe and the United States. Nigerian drug trafficking syndicates are global, highly organized and extremely adaptive. They continue to flourish thanks to their strong global contacts and capacity to corrupt government officials and security forces. Owing to their established presence in heroin supply, transit and destination countries, Nigerian drug traffickers are extremely well connected and capable of making millions of dollars in profit every year. More frequent arrests and increasing efforts to enhance interdiction capabilities have not deterred heroin traffickers from using Nigerian trafficking routes. That could be partially explained by the significant number of “freelance” heroin traffickers – individuals with connections to other traffickers who buy and traffic drugs to other countries on an individual basis for personal gain.<sup>281</sup>

### ***Onward trafficking to Europe and America***

From West Africa, heroin is trafficked onwards to countries in Europe and, to a lesser extent, the United States. It is trafficked either directly or indirectly through countries in West Africa (primarily the

<sup>277</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>278</sup> UNODC Mission to Nigeria, June 2011.

<sup>279</sup> Roughly two thirds of total containerized cargo is inward traffic. Containerized trade in the country amounted to 1,128,171 TEU in 2010, up 13 per cent from 2009. Laden container traffic increased 58 per cent from 2006 to 2010 and stood at 668,697 TEU in 2010.

<sup>280</sup> UNODC Mission to Nigeria, June 2011.

<sup>281</sup> UNODC Mission to Nigeria, June 2011.

Ivory Coast, Benin, Ghana and Nigeria). In 2010 and 2011, a large number of seizures were reported at airports in the United States. Most involved between 1 and 8 kg of heroin that had been swallowed by individuals and transported from West African countries, primarily Benin, Ghana and Nigeria. Recently, a number of seizures have been reported in the United States regarding heroin transported by plane from East African countries. For instance, in 2011, customs officials at airports in Chicago and Detroit reportedly seized packages containing 2 kg and 3 kg of heroin that had been transported from Tanzania.<sup>282</sup> In June 2012, a 30-year-old Tanzanian man was arrested at Bush Intercontinental Airport in Houston for allegedly ingesting more than 100 drug pellets, each containing more than 1 gram of heroin. Drug seizure reports in Europe indicate that heroin is usually smuggled from West African countries by plane, and occasionally by train or by mail. The quantities of heroin involved in such seizures have ranged from 0.2 kg to 8.5 kg, with the exception of one seizure reported in Italy in October 2011, which involved 23.5 kg of heroin.<sup>283</sup> On that occasion, the drugs were discovered in two woven baskets on a passenger plane from Mali via Belgium. Occasionally, heroin is also smuggled from East Africa to Southern African countries, where it is most commonly consumed in South Africa.

<sup>282</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).

<sup>283</sup> AOTP/Paris Pact, Online Seizure Database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids).



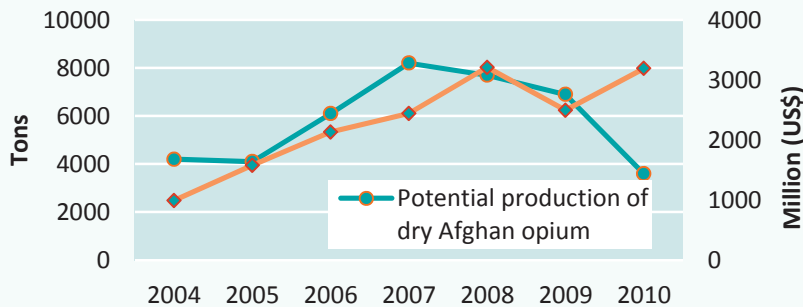


### CONCLUDING REMARKS

The numerous bilateral and multi-lateral trade agreements that have been analysed in this report have encouraged a growth in Afghan trade with other countries in the region. Such an increase in trade is highly beneficial to regional development. However, it is important to highlight that while regional trade with Afghanistan has risen markedly since 2004, Afghan opium production remains significant and drug traffickers have taken advantage of improved transport networks and trade facilities, such as dry ports, as well as reduced customs inspections that are a result of the trade agreements, in order to traffic opiates to other countries in the region and beyond.

With the exception of a brief drop in 2009, the volume of Afghan imports from countries in Western and Central Asia has risen rapidly since 2004. With regard to Afghan exports, those to Pakistan, India and Tajikistan have seen the largest increase in volume since 2006. Overall, Afghan trade with Western and Central Asian countries has more than tripled since 2004. From 2005 to 2007, opium production levels in Afghanistan doubled, culminating in a potential production of 8,200 tons of dry Afghan opium in 2007.<sup>284</sup>

**Figure 8: Total volume of Afghan trade with Western and Central Asia and potential Afghan opium production (2004-2010)**



Source: Potential Afghan opium production data is derived from UNODC, World Drug Report, 2012; Afghan trade data is derived from IMF, Direction of Trade Statistics, 2011. Note: This graph excludes trade values for Afghan exports and imports from Uzbekistan as well as data for the value of Afghan imports from the Islamic Republic of the Islamic Republic of Iran.

<sup>284</sup> UNODC, Afghanistan Opium Survey, April 2012.

Despite the rise in Afghan trade and the high levels of opium production in Afghanistan, there has not been an equivalent rise in reported drug seizures in the country. Over the 2005-2007 period, during which production increased rapidly, the Islamic Republic of Iran was the only country to report a significant increase in heroin seizures. Despite a spike in reported heroin seizures in Afghanistan in 2010, the figures for previous years are relatively low. Reported heroin seizures in Pakistan between 2004 and 2010 were consistently low.

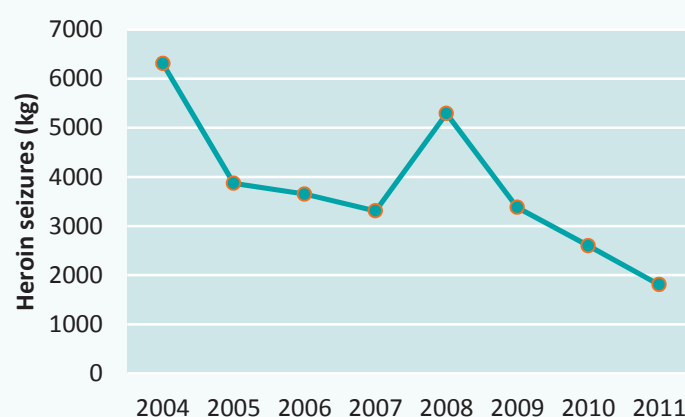
**Table 10: Reported heroin seizures in Western and Central Asia (kg)**

|                          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Central Asia             | 6,309         | 3,870         | 3,651         | 3,309         | 5,291         | 3,380         | 2,602         | 1,810         |
| Afghanistan              | 2,388         | 7,112         | 4,053         | 5,038         | 2,782         | 2,188         | 11,888        | 10,092        |
| Islamic Republic of Iran | 4,715         | 5,554         | 10,665        | 15,899        | 23,129        | 23,391        | 27,141        | 23,096        |
| Pakistan                 | 3,488         | 2,144         | 2,819         | 2,874         | 1,900         | 2,061         | 4,237         | 11,900        |
| <b>Total</b>             | <b>16,900</b> | <b>18,680</b> | <b>21,188</b> | <b>27,120</b> | <b>33,102</b> | <b>31,020</b> | <b>45,868</b> | <b>46,898</b> |

Source: AOTP/Paris Pact, compiled data from the online seizure database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids) and The World Drug Report, 2007.

With the exception of an increase in Central Asia in 2008, the number of reported heroin seizures in the region has been declining steadily in recent years. The figures for 2004 and 2011 show a 71 per cent fall in reported heroin seizures in the region. This is a worrying trend that suggests that drug and precursor trafficking is well concealed within licit trade.

**Figure 9: Reported heroin seizures in Central Asia (2004-2011)**



Source: AOTP/Paris Pact, compiled data from the online seizure database, [http://heroin2011.dbroca.uz/map\\_ids](http://heroin2011.dbroca.uz/map_ids) and The World Drug Report, 2007.

### **Enhancing law enforcement capacity**

Despite the high volume of trade handled at dry ports and border control points in Western and Central Asian countries, there has not been a corresponding enhancement of law enforcement. The fact that drug and precursor seizures are rarely reported at dry ports themselves, but frequently occur in the surrounding areas, suggests that drugs are being trafficked through dry ports without being detected. Therefore, one can assume that enhanced drug detection equipment and capabilities at regional dry ports and border control points would lead to increased interceptions of drug shipments at these locations.

Trade conducted between Afghanistan and Central Asian countries by rail has also risen steadily in recent years. The rising number of reported opiate seizures along the regional rail network indicates that traffickers use this Central Asian transport infrastructure as a means to smuggle drugs from Afghanistan.

Many dry ports and border control points in Western and Central Asia are understaffed and customs officials are often underpaid, and the latter contributes, along with a lack of awareness, to corruption among officials. Reducing the risk of corruption would require an increase in average salary levels and an improvement in working conditions. In addition, a reward mechanism for customs officials and law enforcement officers for successful drug seizures could increase motivation to combat drug trafficking at dry ports and border control points in the region.

The degree of law enforcement at seaports and border crossings in African countries, especially in East African countries, is of particular concern. Although heroin trafficking to East Africa by sea has increased in recent years, law enforcement agencies in the region lack even the most rudimentary equipment, facilities and training for monitoring major drug trafficking entry points or conducting cargo inspections at seaports. The United Republic of Tanzania, in particular, needs to establish a maritime force with the necessary resources to regularly patrol its harbours. However, like many countries in East Africa, it is unable to spend significant resources on coastline patrols and seaport law enforcement. Focused external assistance and advice would encourage the promotion of police supervision along the East African shoreline and the establishment of a customs control procedure at seaports.

### ***Strengthening intelligence networks***

Despite the sharp increase in regional trade volume in recent years and the forecast for further expansion in the short term, it may not be possible to combat drug trafficking solely by enhancing law enforcement capacity at dry ports, seaports and border control points.

It would be useful to expand the UNODC Container Control Programme, which has established an intelligence network for container transportation and a container profiling system, to all countries to which Afghan heroin is trafficked. At present, owing to the high volume of containers handled at seaports in Western and South-East Asia and East Africa, only 1-5 per cent of containers are checked. The extension of the Container Control Programme could help alert seaports and dry ports to containers with a high-risk profile that may contain opiates and chemical precursors.

In addition, in order to effectively combat heroin trafficking from Western and Central Asia, it is important to improve the intelligence network between the Central Asian Regional Information and Coordination Centre (CARICC), the Joint Planning Cell (JPC) and other national counter-narcotics units in the region. It is also imperative that an intelligence network between Western and Central Asian countries and intelligence centres in Europe, Africa, and East and South-East Asia is formally established.







## ANNEX

### I. Methodology

This report is based on fieldwork conducted in Afghanistan and Western and Central Asia between 2011 and 2012. With the aim of establishing the degree of law enforcement capacity at dry ports, seaports and BCP in the region, information was provided by UNODC assessment missions and interviews with the ANF in Pakistan, the ANU in Mombasa and a number of customs officials in Pakistan and Afghanistan. The information used to map specifically assigned licit trade routes was obtained from the respective officially documented trade agreements. Information on specific trafficking routes in Afghanistan, Uzbekistan and Pakistan was obtained from the National Centre of Drug Control (NCDC) in Uzbekistan and the ANF.

This qualitative data was combined with seizure reports provided by governments and customs offices in the region, the Drug Control Agency (DCA), the NCDC, the Drug Control Committee (DCC), the World Customs Office (WCO), the Federal Drug Control Service (FDCCS) and the International Security Assistance Force (ISAF) recorded on the joint Afghan Opiate Trade Project (AOTIP) and Paris Pact online database. These reports together with seizure data from the 2007 UNODC World Drug Report were used to identify those trade routes that are at a high risk of being misused by traffickers. Annual potential production of dry Afghan opium was obtained from the 2012 UNODC World Drug Report. Trade data between Afghanistan and other countries in Western and Central Asia was derived from reports by the International Monetary Fund, the World Bank, the Eurasian Development Bank and statistics provided by the State Statistical Committee of Turkmenistan. However, trade values for Afghan exports and imports from Uzbekistan as well as data for the value of Afghan imports from the Islamic Republic of Iran are not available.

## II. Transit trade routes in Afghanistan and Pakistan in accordance with APTTA

|    | In Pakistan  |    | In Afghanistan  |
|----|--|----|---|
| 1  | Karachi/Port Qasim-Hyderabad-Sukkur-Multan-Faisalabad-Pindi Bhattian-Rawalpindi-Azakhel-Peshawar-Jamrud Terminal-Torkhum | 1  | Torkham-Kabul-Polekhumri-Ai Khanem (with Tajikistan)  |
| 2  | Karachi/Port Qasim-Hyderabad-Rotodero-D.G.Khan-D.I.Khan-Kohat-Azakhel-Peshawar-Jamrud Terminal-Torkhum                   | 2  | Torkham-Kabul-Polekhumri-Sher Khan Bandar (with Tajikistan)                                     |
| 3  | Karachi-Bela-Khuzdar-Kalat-Quetta-Chaman Terminal  | 3  | Torkham-Kabul-Polekhumri-Nayed Abad-Hairatan (with Uzbekistan)                                  |
| 4  | Karachi/Port Qasim-Hyderabad-Rotodero-D.G.Khan-D.I.Khan-Kohat-Bannu-Meram Shah-Ghulam Khan                               | 4  | Torkhum-Kabul-Polekhumri-Mazar-i-Sharif-Aqina (with Turkmenistan)                               |
| 5  | Gwadar-Pasni-Ormara-Liari-Khuzdar-Kalat-Quetta-Chaman Terminal   | 5  | Torkhum-Kabul-Polekhumri-Mazar-i-Sharif-Torghundi (with Turkmenistan)                           |
| 6  | Gwadar-Turbat-Hoshab-Panjgur-Naag-Besima-Sorab-Kalat-Quetta-Chaman Terminal  | 6  | Torkham-Srubi-Mahmmod Raqqi-Polekhumri-Ai Khanum (with Tajikistan)                              |
| 7  | Gwadar-Pasni-Ormara-Liari-Karachi-Rotodero-D.I.Khan-Kohat-Peshawar-Jamrud Terminal-Torkhum                               | 7  | Torkham-Srubi-Mahmmod Raqqi-Jabilsiraj-Polekhumri-Sher Khan Bandar (with Tajikistan)            |
| 8  | Gwadar-Turbat-Hoshab-Panjgur-Naag-Besima-Khuzdar-Rotodero-D.I.Khan-Kohat-Peshawar-Jamrud Terminal-Torkham                | 8  | Torkham-Srubi-Mahmmod Raqqi-Polekhumri-Nayeb Abad-Hairatan (with Uzbekistan)                    |
| 9  | Gwadar-Pasni-Ormara-Liari-Karachi-Rotodero-D.I.Khan-Kohat-Bannu- Meram Shah-Ghulam Khan                                  | 9  | Torkham-Srubi-Mahmmod Raqqi-Jabilsiraj-Polekhumri-Mazar-i-Sharif-Aqina (with Turkmenistan)      |
| 10 | Gwadar-Turbat-Hoshab-Panjgur-Naag-Besima-Khuzdar-Rotodero-D.I.Khan-Bannu-Meram Shah-Ghulam Khan                          | 10 | Torkham-Srubi-Mahmmod Raqqi-Jabilsiraj-Polekhumri- Mazar-i-Sharif-Torghundi (with Turkmenistan) |
| 11 | Gwadar-Turbat-Hoshab-Panjgur-Naag-Kalat-Quetta-Zhob-Meram Shah-Ghulam Khan   | 11 | Ghulam Khan-Kabul-Polekhumri-Ai Khanem (with Tajikistan)  |
| 12 | Torkham-Jamrud Terminal-Peshawar (Motorway M-1)-Rawalpindi/Islamabad (Motorway M-2)-Lahore-Wagha                         | 12 | Ghulam Khan-Kabul-Polekhumri- Sher Khan Bandar (with Tajikistan)                                |
| 13 | Khunjrab-Sost-Chilas-Mansehra-Hasanabdal-Peshawar- Jamrud Terminal-Torkham   | 13 | Ghulam Khan-Kabul-Polekhumri- Nayeb Abad-Hairatan (with Uzbekistan)                             |
|    |  | 14 | Ghulam Khan-Kabul-Polekhumri- Mazar-i-Sharif-Aqina (with Turkmenistan)                          |
|    |  | 15 | Ghulam Khan-Kabul-Polekhumri- Mazar-i-Sharif-Torghundi (with Turkmenistan)                      |
|    |  | 16 | Durah Pass-Iskatul-Gulkhana-Ishkasim (with Tajikistan)  |
|    |  | 17 | Darkot-Broghil Pass-Sarhad-Ishkasim (with Tajikistan)   |