

# MP-IDSA

## *Issue Brief*

# Increased Drug Trade in Golden Triangle: Security Implications

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## **S***ummary*

The Shan state of Myanmar is the largest producer of illegal drugs within the infamous Golden Triangle—a tri-junction at the Myanmar, Laos and Thailand borders. Unregulated production and trafficking of drugs poses multifaceted threats, including those related to law and order, social problems associated with increased addiction, and transnational crimes with illicit money fuelling insurgent activities in the region and beyond. Enhanced multilateral cooperation of South and Southeast Asian countries in the banking sector for tracing of illicit money from drug trade can be very helpful in curbing such trade. There is also the need to strengthen social security schemes and employment opportunities to reduce incentives for marginalised and unemployed persons to participate in drug trade.

The Laotian police busted about 36.5 million methamphetamine pills in north-western Bokeo province in January 2022.<sup>1</sup> Earlier in October 2021, they found 55.6 million pills from the same area in addition to more than 1.5 tonnes of crystal meth or “ice”.<sup>2</sup> These illicit substances are produced in the Shan state of Myanmar, and transported to Thailand via Laos. In the aftermath of the coup in Myanmar in February 2021, reports note the production has shot up exponentially, and record amounts have been seized.<sup>3</sup> Such unregulated production and trafficking of drugs poses multifaceted threats, including those related to law and order, social problems associated with increased addiction, and transnational crimes with illicit money fuelling insurgent activities in the region and beyond.

## Shan State and the Golden Triangle

The Shan state of Myanmar is the largest producer of illegal drugs within the infamous Golden Triangle—a tri-junction at the Myanmar, Laos and Thailand borders. Before Afghan drug produce flooded the international market in the 1990s, the Golden Triangle was the largest producer of heroin in the world. Since the 2010s, however, production of the more potent and profitable methamphetamine has made the region, the world’s largest producer and exporter of meth.<sup>4</sup>

Much of the precursor chemicals are sourced easily from across the border in China to the Shan state, while some amounts are also procured from India. Myanmar’s instability has encouraged expansion in production capacities, especially of yaba (meth pills), which can be produced with much less effort in cottage industries.<sup>5</sup> Analysts note that most key individuals controlling the trade are pro-junta businessmen as well as ethnic militia.<sup>6</sup>

Drug production in Shan state is an integral part of its political economy. After the breakup of the Communist Party of Burma in 1989, one of its remnants, the United Wa State Army (UWSA), which has had close relations with China, including arms support, negotiated ceasefire with the junta forces. The UWSA also forcibly relocated about 1,00,000 Wa civilians to Mong Yawn along the Thai border, which later became

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<sup>1</sup> Grant Peck, **“Laos Makes Big Meth Bust as UN Warns of Security Breakdown”**, *AP News*, 29 January 2022.

<sup>2</sup> **“Laos Police Seize Record Drugs Haul in Golden Triangle”**, *Reuters*, 28 October 2021.

<sup>3</sup> Grant Peck, **“1B Meth Pills: East, Southeast Asia Drug Industry Hits Ominous Peak”**, *The Diplomat*, 30 May 2022.

<sup>4</sup> **“Fire and Ice: Conflict and Drugs in Myanmar’s Shan State”**, *International Crisis Group*, 8 January 2019.

<sup>5</sup> Ibid.

<sup>6</sup> Bertil Lintner, **“UN Contributing to Myanmar’s Drug Problem”**, *The Irrawaddy*, 7 February 2022.

a hub for production of yaba.<sup>7</sup> UWSA has since been a major player in Shan’s drug economy along with other ethnic militia.<sup>8</sup>

After the 2021 coup in Myanmar, more than 330 million yaba pills have been seized by Thailand’s Office of Narcotics Control Board. The seizure of crystal meth or ‘ice’ has been the same as in the previous year, at 15 tonnes.<sup>9</sup> An estimate by the International Crisis Group suggests an annual production out of Shan far exceeding 250 tonnes of ice. Reports suggest an exponential increase in the retail price of meth as it reaches lucrative markets of Australia and Japan from Myanmar.<sup>10</sup> Billions of dollars of illicit money, is therefore, being accumulated outside Myanmar in large urban centres, as a result of the drug trade flowing from the Golden Triangle. The high-end markets for these drugs include Australia, New Zealand, Japan, South Korea, Russia, the US, and the UK, with profits in 2019 estimated at over US\$ 71 billion.<sup>11</sup>

## Implications for India’s Neighbourhood

India’s long, porous land border with Myanmar provides safe haven for entry of drugs such as yaba and heroin. Consignments of heroin seized in Indian cities like Guwahati and Dimapur have originated from the Golden Triangle. Myanmar’s heroin and meth enter India at two points, Moreh in Manipur and Champai in Mizoram.<sup>12</sup> Precursor chemicals, like ephedrine, acetic anhydride and pseudo ephedrine, are sourced from places in South India like Chennai and transported to Kolkata and Guwahati via Delhi before being smuggled across the border to Myanmar, highlighting domestic security gaps.

Opium produced in Manipur and Mizoram along the border regions is also transported to the Golden Triangle, where it is processed into heroin and sent back to India.<sup>13</sup> The Director-General of the Narcotics Control Bureau (NCB), SN Pradhan, calls the synthetic drug problem along the country’s north-eastern border “even worse” than the north-western borders.<sup>14</sup> The north-eastern states of Manipur,

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<sup>7</sup> **“Fire and Ice: Conflict and Drugs in Myanmar’s Shan State”**, no. 4.

<sup>8</sup> **“Myanmar Sees Rapid Uptick of Narcotics Production, Trafficking Since Coup”**, *Thaiger*, 3 February 2022.

<sup>9</sup> Vijitra Duangdee, **“Meth ‘Super Labs’ Said to Thrive in Myanmar Coup Chaos, Spilling Drugs Across Mekong”**, *Voice of America*, 9 September 2021.

<sup>10</sup> Tom Allard, **“The Hunt for Asia’s El Chapo”**, *Reuters*, 14 October 2019.

<sup>11</sup> **“Fighting Drug Trafficking in the Golden Triangle: A UN Resident Coordinator Blog”**, *UN News*, 20 September 2020.

<sup>12</sup> Pushpita Das, **“Security Challenges and the Management of the India–Myanmar Border”**, *Strategic Analysis*, Vol. 42, No. 6, 2018, pp. 578–94.

<sup>13</sup> *Ibid.*

<sup>14</sup> Robert Stone, **“India Faces Double Drugs Threat from Afghanistan, Myanmar”**, *Nikkei Asia*, 4 January 2022.

Mizoram, Nagaland, Sikkim and Arunachal Pradesh are among the top ten states of India affected by drug abuse.<sup>15</sup>

Increased drug abuse, spread of HIV due to shared use of intravenous syringes, and funding of insurgencies are some threats emanating from this drug trade. Reports indicate that the Myanmar military, which may be actively aiding and abetting drug production, has formed an informal pact with insurgent organisations in India’s northeast like the Kanglei Yawol Kanna Lup (KYKL) and the Manipur-based People’s Liberation Army.<sup>16</sup> The drug money is generally used to buy firearms by these groups. These rebel outfits are regrouping after two years when their camps were destroyed in the joint ‘Operation Sunrise’ in 2019 by the Indian and Myanmar military.

Large amounts of Myanmar’s narcotics, especially yaba pills, have apparently entered into every “town and village” in Bangladesh through porous hilly borders, according to enforcement authorities. Thousands of peddlers have been arrested and hundreds suspected of indulging in drugs trade have been killed by Bangladesh security personnel.<sup>17</sup> The Rohingya refugee camps in Cox’s Bazar, with an estimated population of 1.2 million, are being used to route almost 80 per cent of yaba pills into the country with several gangs engaged in trafficking.<sup>18</sup> The Arakan Army, which is fighting the regime in the Rakhine state of Myanmar, raises funds for its activities through selling of yaba pills in Bangladesh.<sup>19</sup> It is also reported that yaba pills enter into Bangladesh from India via Kurigram district in the north, Fatehpur border point in the southwest, and Patuakhali through the sea routes.<sup>20</sup>

According to Bangladesh’s Department of Narcotics Control (DNC), 22 consignments of crystal meth were seized in 2021, mainly bound for markets in Dhaka and Chattogram. More than 30 kg of consignment of ice was traced to Myanmar.<sup>21</sup> The drug problem in Bangladesh affects its most vulnerable populations, with 58 per cent of street children consuming drugs and 21 per cent involved in peddling of drugs.<sup>22</sup>

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<sup>15</sup> **“Nagaland Among States Severely Affected by Drug Use”**, *Morung Express*, 27 June 2022.

<sup>16</sup> Rajeev Bhattacharyya, **“Indian Rebel Outfits Regrouping in Myanmar Again”**, *The Diplomat*, 3 January 2022.

<sup>17</sup> **“Bangladesh Drug War Death Toll Hits 200 — Rights Group”**, *Arab News*, 17 July 2018.

<sup>18</sup> MD Mufassir Rashid, **“How Cross-Border Crime Ensnarers and Endangers Rohingya Refugees in Bangladesh”**, *The Diplomat*, 5 November 2021.

<sup>19</sup> Michael Van Ginkel, **“Rohingya Refugees Smuggle Drugs for Insurgents in Myanmar”**, *Wilson Center*, 25 May 2020.

<sup>20</sup> Vaishali Basu Sharma, **“Why Bangladesh’s Yaba Drug Epidemic Continues to Fester”**, *The Wire*, 25 January 2021.

<sup>21</sup> Ahmadul Hassan, **“Bangladesh at the Hub of Three Drug Trafficking Regions”**, *Prothom Alo*, 7 January 2022.

<sup>22</sup> Ahmadul Hassan, **“21 per cent Street Children are Drug Carrier”**, *Prothom Alo*, 26 June 2022.

## Measures by Indian Government

Some recent measures by the Indian government to control drug trafficking include setting up of the Narco Coordination Centre in 2016, a mechanism under the NCB which was restructured in 2019 into a four-tier district-level scheme. An e-portal, Seizure Information Management System, was also launched in 2019 under the Narcotics Drugs and Psychotropic Substances Act, for better coordination of all drug law enforcement agencies.<sup>23</sup>

The NCB is the primary agency responsible for curbing the trade in illicit drugs and precursor chemicals. NCB shares intelligence with other agencies like Directorate of Revenue Intelligence (DRI), Central Board of Excise and Customs (CBEC), and Central Reserve Police Force (CRPF) for better coordination.<sup>24</sup> The Border Security Force (BSF), Sashastra Seema Bal (SSB), Indian Coast Guard (ICG), Railway Protection Force (RPF) and the National Investigation Agency (NIA) also take required actions to control drug trafficking under the Narcotics Drugs and Psychotropic Substances Act of 1985. India has entered into 26 bilateral agreements to tackle the threat of drug trade.<sup>25</sup>

India’s drug enforcement challenge is accentuated by the country’s large size and a huge pharmaceutical industry. The northeast region faces shortage of staff and equipment to tackle the illicit traffic of drugs. In a seizure in the last quarter of 2021, the NCB found 2.2 kg of heroin, 3 kg of methamphetamine, 10.4 kg of amphetamine, and almost one kilogram of methamphetamine tablets from the Guwahati zone and Imphal sub-zone. Customs officers seized 2.8 kg of methamphetamine in Kolkata, and 7,490 bottles of codeine-based cough syrup (CBCS) from North Tripura.<sup>26</sup> There have been many sporadic seizures along the India–Myanmar border, such as 44.5 kg of yaba tablets worth INR 9 crore in May 2022, and at least 1.26 kg of ‘brown sugar’ or heroin worth INR 2.52 crore in July 2022.<sup>27</sup> Seizures of heroin from Assam exceeded 60 kg in 2021.<sup>28</sup>

Further complicating the problem is the increase in use of dark web and cryptocurrency such as bitcoin by drug peddlers and buyers. A Bengaluru resident, also a hacker, was arrested in 2021 for procuring drugs from the dark web. He had

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<sup>23</sup> Devesh K. Pandey, **“India is Party to 26 Bilateral Pacts to Fight Drug Trafficking”**, *The Hindu*, 21 July 2021.

<sup>24</sup> **“Lok Sabha Unstarred Question No. 1246”**, Ministry of Home Affairs, Government of India, 9 February 2021.

<sup>25</sup> **“Lok Sabha Unstarred Question No. 459”**, Ministry of Home Affairs, Government of India, 20 July 2022.

<sup>26</sup> **“Narcontrol Report”**, Narcotics Control Bureau, Ministry of Home Affairs, Government of India, October–December 2021.

<sup>27</sup> K. Sarojkumar Sharma, **“Rs 9 crore Drugs Seized from Two Peddlers in Manipur”**, *The Times of India*, 25 May 2022; Vangamla Salle K. S., **“Manipur: Insurgent, Drug Peddler Arrested in Separate Ops”**, *East Mojo*, 14 July 2022.

<sup>28</sup> Robert Stone, no. 14.

hacked bitcoin exchanges, poker websites, and company websites to pay for drugs, and the police seized bitcoins worth INR 9 crore from him.<sup>29</sup> The anonymity of the dark web makes it difficult for enforcement authorities to track the movement of drugs or even seize money in cryptocurrency.

## Multilateral Efforts

India’s NCB works with several international agencies like SAARC Drug Offences Monitoring Desk, BRICS, Colombo Plan Drug Advisory Program, ASEAN Senior Officials on Drug Matters, BIMSTEC, United Nations Office on Drugs and Crime (UNODC), and International Narcotics Control Board (INCB), among others, to combat the illicit trade of drugs. Given that Myanmar is the most significant site for drug production, more focussed efforts at engaging Naypyitaw over the issue may be useful from an Indian perspective. India, Bangladesh, Thailand and Myanmar are all members of BIMSTEC, which makes it the suitable platform to coordinate activities at countering this menace.

The BIMSTEC sub-group on ‘Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals’ held its 6<sup>th</sup> meeting virtually in October 2021. Secretary-General, Tenzin Lekphell, informed the participant nations that the ‘BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking’ came into force from March 2021, after ratification.<sup>30</sup> Under the convention, member countries can share information about persons involved in trafficking activities, coordinate their approaches, and facilitate law enforcement activities.<sup>31</sup> At the October 2021 meeting, member states also discussed setting up of hotline for focal points and BIMSTEC Drug Offences Monitoring Desk for intelligence sharing.

The caveat in multilateral efforts to address the drug problem is the role of Myanmar junta, whose legitimacy is being challenged by a shadow National Unity Government. Even so, India’s NCB should continue to enhance its cooperation with Myanmar’s Central Committee for Drug Abuse Control. It may be useful to revive and strengthen this cooperation. More concerted dialogue in BIMSTEC on issues of inter-state drug trade logistics, border security, identification of vulnerable populations, investment in rehabilitation centres, and role of Myanmar authorities may be helpful in tackling the growing problem.

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<sup>29</sup> Arun Dev, **“Dark Web, Drugs and Bitcoins Send Bengaluru Police into a Tizzy”**, *Hindustan Times*, 22 February 2021.

<sup>30</sup> **“BIMSTEC Sub-Group Discusses a Range of Steps for the Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals”**, *BIMSTEC*, 29 October 2021.

<sup>31</sup> **“BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organised Crime and Illicit Drug Trafficking”**, Ministry of External Affairs, Government of India, 11 December 2009.

External Affairs Minister, Dr S. Jaishankar at the 11<sup>th</sup> Mekong-Ganga Cooperation (MGC) meeting, held via videoconference on 21 July 2022, stated that a “multidimensional engagement with the Mekong region” was desirable for India.<sup>32</sup> The MGC can play an important role in rehabilitation of individuals who have been forced to take up drug trafficking. The group comprising of India and five ASEAN countries (Thailand, Myanmar, Laos, Cambodia and Vietnam) adopted the MGC Plan of Action for 2019–22, which includes cooperation in sectors such as Micro, Medium and Small Enterprises (MSMEs), skill development and capacity building, among others.<sup>33</sup> MGC member countries may also deliberate on incorporating rehabilitation measures for drug offenders.

## Conclusion

Trafficking of illicit drugs is a global problem and places such as the Golden Triangle are its hotspots. The drug money is used to finance criminal activities and even terrorism. Multilateral cooperation of South and Southeast Asian countries in the banking sector for tracing of illicit money from drug trade can be very helpful in dealing with the trans-national nature of this menace. One such international joint operation in 2021 led by the US Department of Justice and Europol successfully led to the arrest of 150 drug peddlers (in US and European countries like France, Germany and Italy, and even in Australia) who were using dark web to sell drugs.

The persons involved in growing, making, and peddling of illicit substances have been observed to be from a lower socio-economic background. Often they are struggling to find work, and may be compelled into doing such a job due to absence of alternatives. The Covid-19 pandemic has dealt a major blow to those earning their livelihood in the unorganised sector, with millions becoming jobless across the world. One estimate from the International Labour Organisation suggests that 72 million people in the G20 economies were employed in the sectors hardest-hit by Covid-19 pandemic.<sup>34</sup> In absence of a social security umbrella, the marginalised and unemployed persons in developing countries have been greatly affected, and in many circumstances, forced to take up unwanted or illegal work. In order to prevent the vulnerable population from falling into the network of narcotics trade, governments may introduce social security schemes and lay special focus on generating employment for them.

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<sup>32</sup> **“Mekong Region is of Great Importance to India: EAM Jaishankar”**, *The Hindu*, 22 July 2021.

<sup>33</sup> **“Mekong Ganga Cooperation (MGC) Plan of Action (2019-2022)”**, Ministry of External Affairs, Government of India, 2 August 2019.

<sup>34</sup> **“The Impact of the COVID-19 Pandemic on Jobs and Incomes in G20 Economies”**, International Labour Organisation, 10 June 2022.

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