World Cocaine Market: Is the Phenomenon Underestimated?

Michel Gandilhon

Observatoire des criminalités internationales

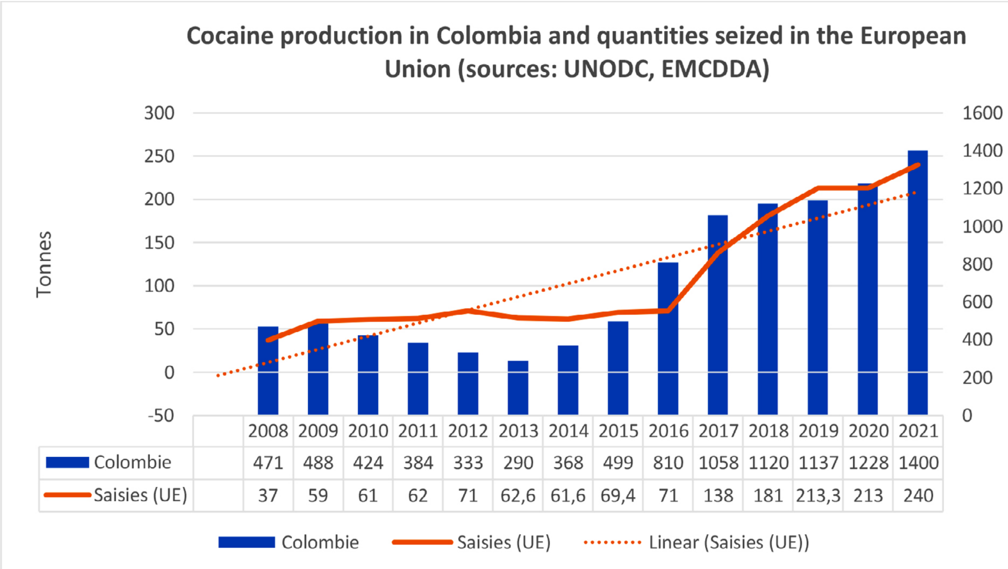
"Words, words, words" replied Hamlet to Polonius; "Numbers, numbers, numbers" he would probably say today in the age of big data. Ever since the world became a number, an immense accumulation of numbers has stood between humanity and objective reality, between sensitive experience and the vastness of being. In the age of the reign of quantity, when Pythagoras triumphed over Homer, numbers are now sacred. Any judgment on the world that does not use numbers is immediately devalued. Number, in fact, is the science that the fact checker will pit against the doxa and common sense of the prisoners of the cave. Yet despite its aura, number is fallible, number is deceptive, number is contradictory, number is a political issue. In short, numbers are nothing more than man's attempt to manipulate or, at best, to grasp a reality which, by definition, tends to elude him.

Cocaine by the Numbers

And what could be more mysterious than an illicit economy such as that of cocaine? Admittedly, and this is undoubtedly true, it seems that we have never had a better understanding of the economy linked to drug trafficking. Over the past 30 years, the European Union (EU) has set up observatories in each member country to monitor the phenomenon, under the umbrella of the Lisbon-based EMCDDA (European Monitoring Centre for Drugs and Drug Addiction). On a global scale, the United Nations Office on Drugs and Crime (UNODC) centralizes data to produce a World Drug Report in June each year. So, what do the figures tell us about cocaine worldwide, and particularly in the EU?

In the space of 10 years, global production, as estimated by the UNODC, has almost doubled, driven by Colombia, which has seen a 3.6-fold increase in the quantities produced on its soil over the same period. In the EU, perhaps the world's most dynamic market, seizures reached a new record in 2021, at 240 tons. Between 2013 and 2020, sales in the EU doubled from 5.7 to 10.5 billion euros, and that's without including the UK. In 2013, cocaine consumption ranged from 72 to 110 tons, but today it is estimated to be around 200 tons.

 doi: 10.18278/ijc.11.1.4



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Colombie	471	488	424	384	333	290	368	499	810	1058	1120	1137	1228	1400
Saisies (UE)	37	59	61	62	71	62,6	61,6	69,4	71	138	181	213,3	213	240

Consistencies and Inconsistencies

This accumulation of quantitative data gives the impression that everything is clear and precise, and that the cocaine market has no secrets. However, as soon as we link them together and try to make them speak—without torturing them—inconsistencies and contradictions appear, casting doubt on their relevance.

The questions raised in this article arose in particular from statements made in the Belgian press by Kristian Vanderwaeren, Director General of Belgian Customs, who, while deploring the fact that only 1.5% of Antwerp's 12 million containers were checked, estimated the proportion of cocaine intercepted in transit through the Flemish port at between 10% and 20%, an estimate that was immediately taken up, albeit truncated, by some of the most authoritative French media:

- *France Culture* (January 4, 2023): "But over the last ten years or so, the port has been faced with an explosion in illegal trafficking, starting with drugs. In ten years, the quantity of cocaine intercepted in Antwerp has increased fifteen-fold. These seizures represent only 10% of the drugs in transit. A parallel business of unprecedented magnitude, with several mafia groups vying for control, generating corruption and violence in the port and the city."

- *Le Monde* (January 12, 2023): "The quantities seized in Antwerp had a market value of some 5 billion euros, but according to a police source, they represent, at best, only 10% of the total cargo unloaded: 90% of the cocaine, mainly from Colombia, Panama and Ecuador, slips through the net and feeds the traffickers' colossal haul."

The 10% figure is now regularly quoted, even though we don't know how it came to be, particularly in terms of methodology. However, a quick calculation puts this figure into perspective. If we apply the average of the range, i.e., 15%, to the year 2021 when 90 tons were seized in the Flemish port, 510 tons would have slipped through the net. After all, why not? The problem is that if we don't stop there and put this estimate into perspective with others, all coherence gone.

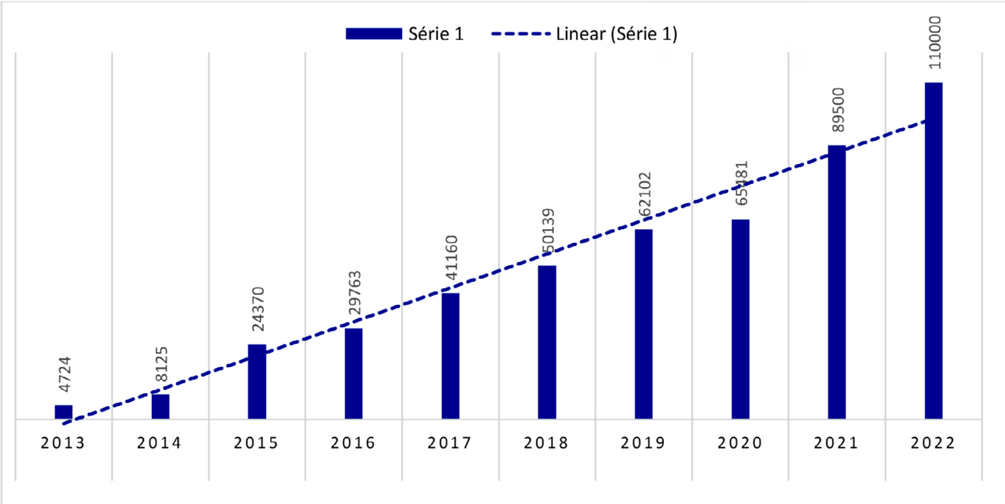
Particularly with production in Colombia, where most of the cocaine consumed in the EU comes from, estimated by the UNODC for 2021 at 1,400 tons—i.e., in ironic parentheses, 44% more than the estimate of the White House drugs agency, which stands at 970 tons—minus the 670 tons seized in this country (and those in transit countries such as Brazil, Venezuela and Ecuador). This gives a maximum of 730 tons of pure cocaine available to feed the world market.

Thus, if we assume that 100% of the cocaine seized in Europe comes from Colombia, almost 82% of the country's available production would pass through the Flemish port. Even when we consider an increasing, but probably still relatively minor, proportion of the cocaine passing through Antwerp would come from Peru, bringing the percentage down to 50-60%, the proportions would be implausible, as there would be little left to supply the American, African, and Asian markets.

Doubts are cast a little deeper if we compare the flows passing through Antwerp with the estimated 200 tons of cocaine consumed in the EU. Does this mean that what passes through Antwerp exceeds the absorption capacity of the European market by more than a factor of three? Much more, in fact, if we consider that the cocaine arriving in containers from Latin America is destined for the wholesale market and is therefore purer.

To simplify matters, if we assume that the 510 tons out of the 600 that fall through the net are 100% pure (which is never the case in reality), and after cutting to 60%, which is the average rate in the EU for cocaine circulating on the retail market, the quantities transiting through the port of Antwerp alone and circulating in the EU would potentially be equivalent to almost 714 tons cut. This is well over three times the quantities needed to satisfy the EU's cocaine requirements!

Since the drug economy is governed by the laws of supply and demand, we would expect to be in a situation of overproduction, and prices should have collapsed by 2022. However, this does not appear to have been the case.



Quantities of cocaine seized in the port of Antwerp (2013–2022)

One of Two Things

A first objection would be to assert that these flows are not all destined for the EU, but merely transit to other markets, notably in Russia and Asia. And yet, if the channels of international trade are impenetrable, it is doubtful that cocaine destined for China, Japan, or Australia passes in any significant quantities via the transatlantic route, and in particular the port of Antwerp. Whereas, for example, the port of Guayaquil in Ecuador, with its opening onto the Pacific, is an ideal gateway to Asian markets. The same applies to Russia, where supply routes tend to be via the Mediterranean and the Black Sea.

A second objection is that UNODC data on world production or EMCDDA data on the size of the European market may be underestimated. Estimates of cocaine and other drug production, for example, have been challenged by researchers. In 2008, a study was carried out by the head of the Italian anti-doping agency in Colombia. The results of which were made public in February 2009 and were based on operations carried out by the Colombian army to dismantle cocaine paste and hydrochloride production units. It found an estimate of 2,000 tons of cocaine produced on Colombian soil, a figure four times higher than that of the United Nations and six times higher than that of the United States!

The same was true of Morocco in 2012, when some EMCDDA researchers expressed surprise at the hashish production estimates published in UNODC reports, admittedly on the basis of Moroccan data alone. The 75% drop in hashish production between 2003 and 2011 was far from consistent with the volumes seized internationally. Thus, aggregating the results of seizures in Spain and Morocco in 2009 and comparing their total (631 tons) with estimated production (760 tons) revealed an interception rate of 83%. This leaves only a quantity of hashish in circulation that was clearly too small (129 tons) for seizures in third countries and for supplying the European and extra-European market. However, the sources consulted (police, independent researchers, development agencies) agreed that the reduction in cultivated areas in Morocco had been significant over the last decade. The enigma was solved by field research, which showed that while acreage had indeed declined in Morocco, the decrease had been offset by the substitution of much more productive hybrid cannabis varieties. The Moroccan precedent should therefore prompt caution in the case of Colombia.

Indeed, if we subtract the seizures made in Colombia (669 tons) from the estimated production for the same year (1,400 tons), we can see that (if we trust the Colombian law enforcement agencies) there would only be 731 tons of pure cocaine left to supply a rapidly expanding world market. This is far too little even when taking Peru and Bolivia into account. This is also assuming that traffickers have accumulated stocks from which to draw in order to meet even American and especially European demand, which the EMCDDA and Europol tell us is probably underestimated in their latest report on cocaine ...

What Can Be Said for Certain

The contradictory nature of the data circulating on the global cocaine market could well lead to a degree of skepticism. However, despite the unknowns concerning actual production and consumption levels, there is no doubt that the cocaine market is currently growing significantly worldwide, and particularly in Europe, despite the historic seizures made in recent years. While these seizures should have led to shortages and thus higher wholesale and retail prices, accompanied by a deterioration in grades, in fact exactly the opposite is happening.

Cocaine is increasingly available and accessible, with prices tending to fall and rising yields. If we return to our original question, raised by the comments made by the Director of Belgian Customs regarding the interception rates of flows passing through Antwerp, we can assume that they are undoubtedly too low, and that he underestimates the effectiveness of his own services. One manifestation of this reality could be the recent emergence of cocaine production laboratories on EU soil, notably in Belgium, the Netherlands and, above all, Spain.

In April 2023, police there dismantled a production unit capable of producing 200 kg/day. This relocation of cocaine to Europe, almost a century later, would appear to be a response by traffickers to minimize the losses incurred because of the scale of maritime seizures. It's less painful to have a ton of base paste confiscated than a ton of pure cocaine. But at this stage, it's still only a modest hypothesis.

Notes

1. Olivier Rey, *Quand le monde s'est fait nombre*, Stock, 2016.

2. UNODC, *World Drug Report 2022*: https://www.unodc.org/unodc/data-and-analysis/world-drug-report-2022.html

3. EMCDDA, Europol, EU Drug Market: Cocaine, 2022: file:///C:/Users/mgandilhon/Downloads/EU-Drug-Market-Cocaine-2022-FINAL.pdf

4. EMCDDA, Europol, *EU Drug Market, in depth analysis*, 2016: file:///C:/Users/mgandilhon/Downloads/TD0216072ENN%20(1).PDF

5. Ce qui n'est pas le cas puisque sur la base d'échantillons prélevés sur des saisies, il semble que le Pérou s'affirme depuis récemment comme une source croissante du marché européen.

6. EMCDDA, European Drug Report 2022, Luxembourg, 2022: file:///C:/Users/mgandilhon/Downloads/20222419_TDAT22001FRN_PDF.pdf

7. Kenza Afsahi, Pierre-Arnaud Chouvy, "Le haschisch marocain, du kif aux hybrides," *Drogues enjeux internationaux* n° 8, OFDT, 2015: https://www.ofdt.fr/publications/collections/hors-serie-international/le-haschich-marocain-du-kif-aux-hybrides-numero8-fevrier-2015/

8. EMCDDA, Europol, op. cit., 2022: "*The EMCDDA estimates that the EU cocaine retail market was worth at least EUR 10.5 billion (range EUR 7.7 billion to 12.8 billion) in 2020. This represents about a third of the illicit market in all drugs and makes cocaine the second-largest market, after cannabis. While this estimate is the best that can be achieved given current data availability, the method used is likely to underestimate the true size of the market, and this figure should be viewed as a minimum estimate.*"

9. Nicole Le Floch, "De quoi les saisies historiques de cocaïne en 2021 sont-elles le nom?" Swaps n° 101, 2022: https://vih.org/20220517/de-quoi-les-saisies-historiques-de-cocaine-en-2021-sont-elles-le-nom/

10. *Spanish Mega Lab Raises Questions About Cocaine Production in Europe*, *Insight Crime*, 19 avril 2023: https://insightcrime.org/news/mega-lab-questions-cocaine-production-europe/