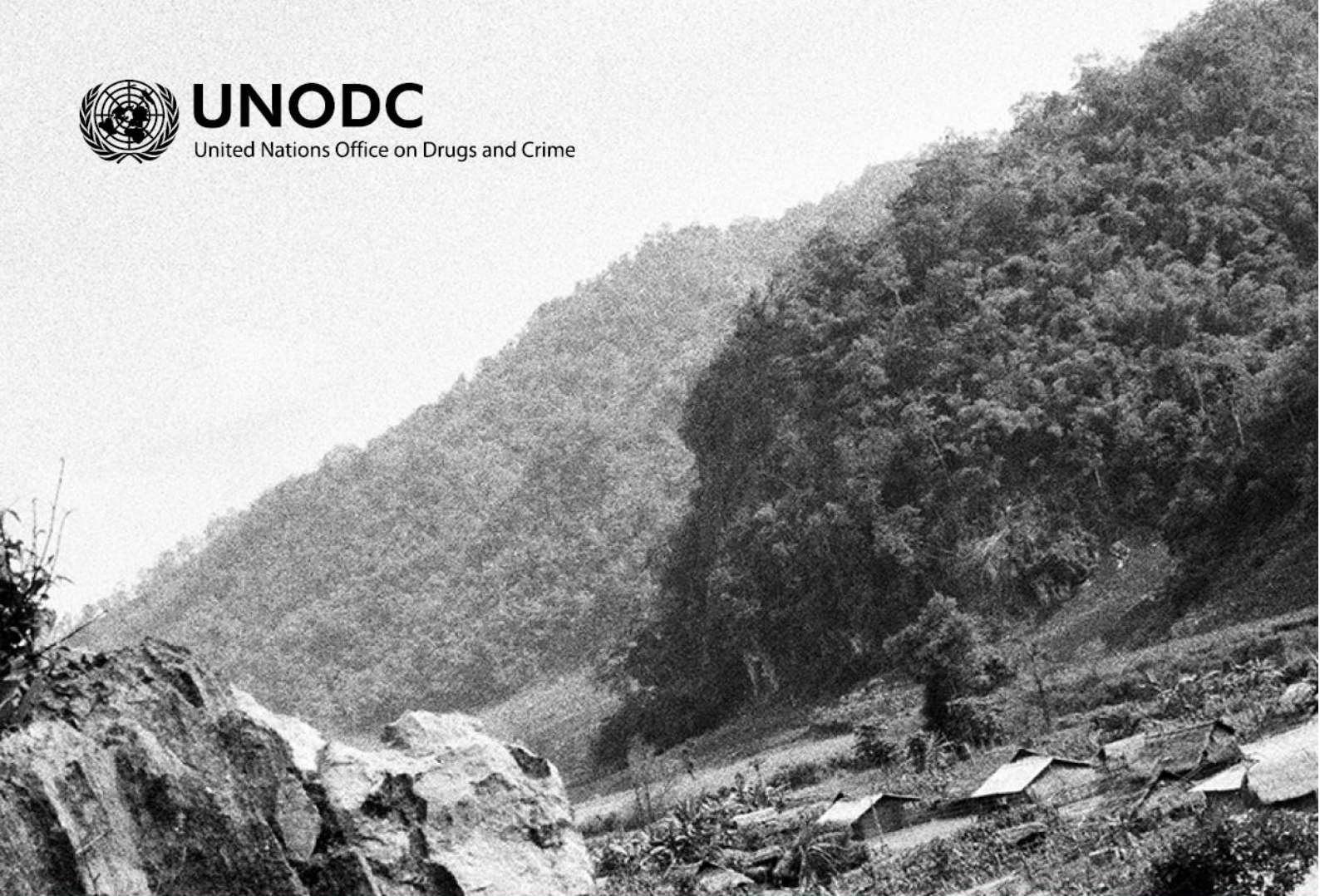




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A black and white photograph of a rural landscape. In the foreground, there are large, light-colored rocks. In the middle ground, several small, simple houses with dark roofs are scattered across a slope. The background consists of steep, densely forested hills under a clear sky.

Protecting peace and prosperity in Southeast Asia: synchronizing economic and security agendas

February 2016





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This report is part of ongoing research undertaken by UNODC Regional Office for Southeast Asia and the Pacific to inform the development and management of its programme of assistance. The aim is to identify needs and offer long term strategic solutions to support the region in areas related to UNODC mandates including: controlling the demand and supply for illicit drugs and precursors; criminal justice; preventing crime and terrorism; and related security sector issues.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of UNODC concerning the legal status of any country, territory or city, or its authorities, or concerning the delimitation of its frontiers or boundaries.

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Foreword

Rapid integration in Southeast Asia – both internal to the ASEAN group and with near neighbours - is creating new economic and development opportunities but also some significant security challenges. Worryingly, data point to the fact organised crime and associated problems are expanding and diversifying as the region integrates. The purpose of this report is to consider related challenges for governments and institutions in the region in order to anticipate and plan for possible negative impacts of increased connectivity and freer trade.

Regional economic integration forces us to reconsider how protective capacities including those of border management, law enforcement and justice systems work. Current public security and safety institutions, systems and safeguards in Southeast Asia are reflective of a time when crime was primarily local in nature, prior to when governments had to work on shared security challenges. To develop a more effective response, law enforcement and security agencies will need to work closely with regional and international counterparts, and with trade and infrastructure developers, particularly in economic hubs vulnerable to infiltration by organised crime. Anticipating transnational organised crime and security risks should be an integral part of infrastructure and trade facilitation project plans.

Controlling illegal flows of goods, people and money has increasingly become a challenge that governments cannot address alone. Over the past decade, we have gained experience in border management through initiatives such as the border liaison office (BLO) network, port intelligence units (PIUs), and port control units, and through supporting law enforcement and justice strategies and programmes. This experience suggests that the region's progress towards economic and social integration demands fresh thinking about the best way for governments to cooperate to promote prosperity while securing communities.

The United Nations is a partner for Southeast Asia in its regional integration effort and a wide network of relevant actors have been identified and engaged. As the region's connections strengthen and its criminal syndicates seek to expand, a broad integrated set of capacities is needed to safeguard the future. UNODC stands ready to contribute and this report goes some distance to pointing the way.



Jeremy Douglas
Regional Representative
Southeast Asia and the Pacific

Abbreviations

ACFTA	ASEAN - China Free Trade Agreement
ACMP	ASEAN Master Plan for Connectivity
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AIIB	Asian Infrastructure and Investment Bank
AIFTA	ASEAN – India Free Trade Area
APSC	ASEAN Political-Security Community
ASCC	ASEAN Socio – Cultural Community
ASEAN	Association of Southeast Asian Nations
BCIM	Bangladesh – China – India – Myanmar Economic Corridor
BIMP-EAGA	The East Asian Growth Area
BIMSTEC	Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation
BLO	Border Liaison Office
CCP	Container Control Programme
E-Waste	Electrical and Electronic Waste
FTA	Foreign Trade Agreement
IMT-GT	Indonesia-Malaysia-Thailand Growth Triangle
GMS	Greater Mekong Sub-Region
ODS	Ozone-Depleting Substances
PIU	Port Intelligence Unit
RCEP	Regional Comprehensive Economic Partnership
SEZ	Special Economic Zone
SKRL	Singapore Kunming Rail Link
TAR	Trans-Asian Railway
TPP	Trans-Pacific Partnership
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNTOC	United Nations Convention against Transnational Organized Crime
UNODC	United Nations Office on Drugs and Crime
WCO	World Customs Organization
WHO	World Health Organization

1. Introduction

This report outlines the need to strengthen links between Southeast Asia's economic integration agenda and its security agenda. The region is committed to rapidly developing economic connections but attention is lagging towards the security impacts that accompany these developments. Regional integration expands licit economic opportunities, but illicit markets tend to develop at the same time. Where cross-border infrastructure and trade facilitation initiatives are expanding, organised crime groups have demonstrated the capacity to seize new opportunities to expand cross-border crime.

ASEAN member states have committed to expand the regional economic market through far-reaching fast moving integration. Physical and non-physical barriers are being removed to ensure more practical and efficient border crossings for people, goods and money. This process is accompanied by a number of infrastructure initiatives that will enhance connectivity between trading partners and increase access to previously remote areas. For trade and infrastructure planners, the dominant concept of border management is shifting from 'control' to 'facilitation'. However, the positive effects of economic growth need to be safeguarded by making trade, migration, and sensitive areas more secure.

The expected growth of cross-border trade and migration calls for novel measures to monitor and secure the people and goods moving internationally. This requires robust and streamlined procedures; law enforcement and security agencies will need to work closely with trade and infrastructure planners and developers. Currently, the ASEAN institutional agenda for countering transnational crime is not moving at the same speed as the trade and migration side of the integration agenda.¹

This report provides a brief overview of economic integration and infrastructure plans and initiatives intended to connect the ASEAN region internally and with other regions, particularly neighbouring India and China. It begins by analysing relevant trade agreements and progress in expanding transport networks around the region and connections to other regions. The analysis includes observations on where the risks for negative social and environmental impacts are high. Following that, there are four sections that provide a non-exhaustive overview of sub-regions with pronounced transnational crime challenges. Recent increases in the trafficking of drugs and precursor chemicals, humans, and counterfeit goods, as well as environmental crimes, warrant special attention in managing international flows in these geographic areas. Projections of future threats underline the importance of taking action now.

In recent years, it is apparent that transnational crime flows have been growing rapidly in the region. The security threats highlighted in this report show a predictable pattern, driven by organised crime groups adapting to seize opportunities. These threats require a coordinated response from governments, including by integrating public security issues more tightly into infrastructure, trade and migration programmes, such as those supported by international financial institutions. One example would be to introduce the logic of anticipating problems by including a crime risk assessment

¹ The Master Plan on Connectivity has five mentions of the word 'crime' and also mentions on page 6 that one of the goals of connectivity is: "To address the negative impacts of connectivity". Strategy 8 to achieve institutional connectivity aims to "enhance border management capabilities", but its focus is towards facilitation and does not seem to encourage deeper efforts towards integrated security capabilities.

procedure into infrastructure and trade facilitation project plans, similar to procedures for assessing and mitigating environmental risks and social risks.

Through cooperation at borders, front-line agencies will be able to share real-time information and intelligence on criminal activities and trafficking routes. In parallel, more attention should be focused on increasing the competence, capacity and awareness of national law enforcement and justice agencies to respond at all levels according to international standards, using the most effective tools available. The result will be a safer region and a stronger licit economy.

A Note on Methodology

Sources used for this report include the most recent data on crime available to UNODC, qualitative reporting, UNODC's background knowledge of sub-regions and trends, and relevant case studies and reports of UNESCAP, the Asian Development Bank, the World Bank and different partner institutions. Data on many of the issues covered is patchy, but ongoing data collection through dedicated instruments enables some estimates, helps to detect trends, and suggests broad indicative patterns of criminal activity and threats. In addition to review of data made regularly available to UNODC, specific regional analytical reports reviewed for the development of this report include: Southeast Asia Opium Survey 2014; Southeast Asia Opium Survey 2015; Trends and Patterns of Amphetamine-type Stimulants and New Psychoactive Substances 2014; Trends and Patterns of Amphetamine-type Stimulants and New Psychoactive Substances 2015; Migrant Smuggling in Asia 2015; Transnational Organized Crime in East Asia and the Pacific: A Threat Assessment 2013; Supporting the Integration of Asia Through Effective Public Security - Views from Regional Leaders 2014; Enhancing Cooperation on Border Management in ASEAN 2015.

Transnational threats of focus throughout this report are: drugs and precursor trafficking; human smuggling and trafficking; maritime crime; environmental crimes; and counterfeit goods and medicines. Aggregating and analysing the sources available to UNODC, each crime type is assessed as low risk, medium risk or high risk using select examples and information. In the absence of a recognized general risk rating standard for illicit threats, these ratings are indicative and intended to assist prioritisation only in its broadest sense. To implement risk mitigation and response mechanisms in a specific location, the investments and integration efforts in that place will require more targeted analysis and risk identification.

2. Regional Integration and Infrastructure Initiatives

Efforts to increase connectivity within the region and links to the wider world are focused on boosting economic growth, but they also have critical impacts on threats to public security and prosperity. The economic success of the ASEAN region in recent decades has been driven by regional and inter-regional exports. A large part of the region's future growth will depend on increased trade cooperation with emerging economies. Since 2009, the ASEAN Master Plan for Connectivity has been the guiding document for connecting ASEAN, with a focus on:

- enhanced physical infrastructure development (physical connectivity),
- effective institutions, mechanisms and processes (institutional connectivity)
- empowered people (people-to-people connectivity)

ASEAN is working with international financial institutions to develop regional infrastructure and capacities to facilitate trade. There is also a priority on connecting to opportunities beyond the region. China and India, both giant neighbours to ASEAN, have growing consumer markets and are increasingly focused on the Southeast Asian region. These trends are accelerating economic integration and boosting inter-regional trade of goods and services, for example by encouraging companies to expand production to places like Viet Nam, Cambodia and Indonesia. However, cross-border flows of illegal goods and substances between India and China and the Southeast Asia region are increasing, particularly through neighbouring countries with weak controls such as Myanmar.

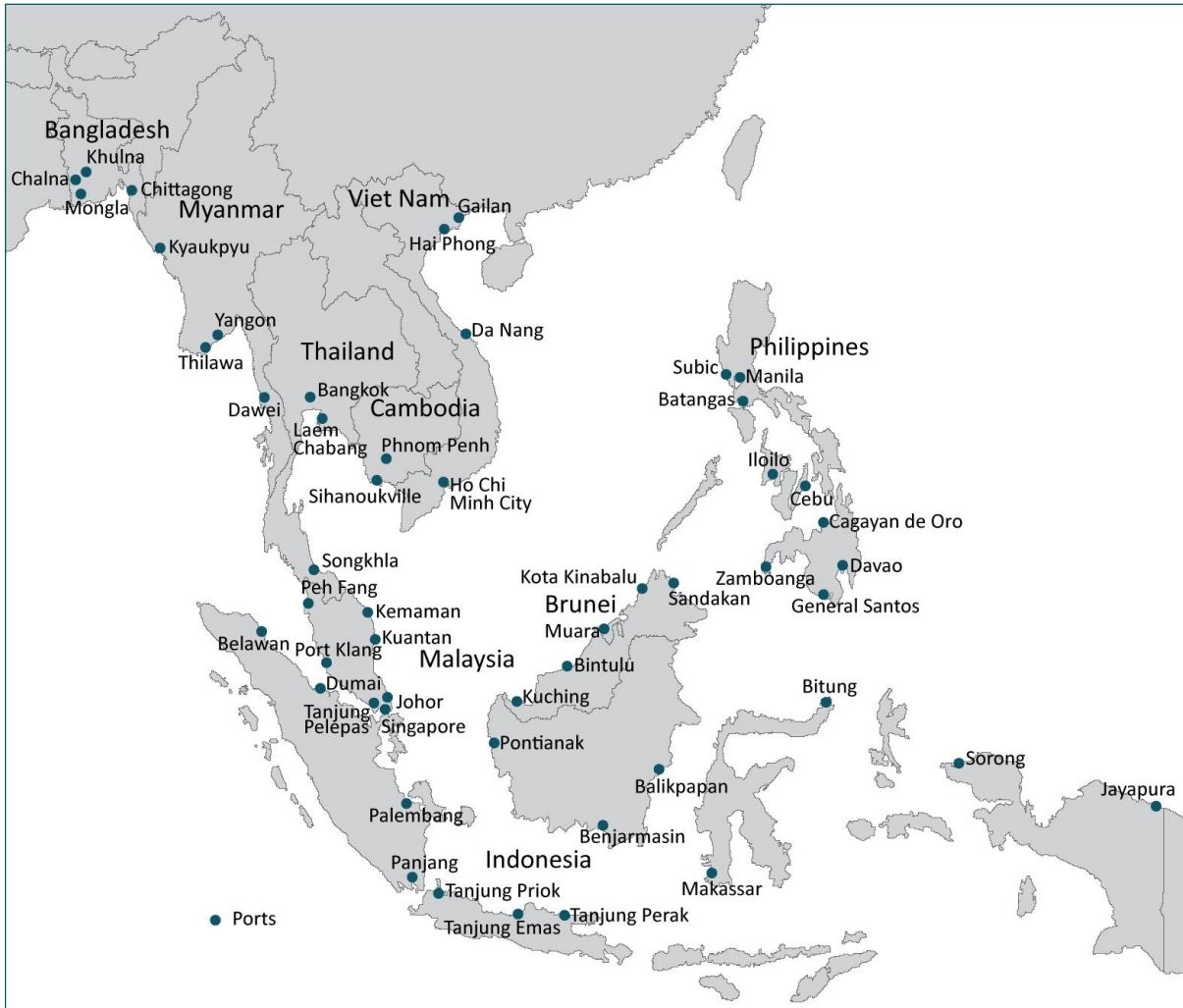
The size of illegal flows in the Southeast Asian region is conservatively estimated at USD 100 billion per year²). The illegal trade of people, drugs, wildlife, and counterfeits has a destabilizing effect by generating money for criminal and non-state groups that is laundered into the legitimate economy. It distorts the regional economy, victimizes individuals and hurts the broader community of people and businesses that adhere to the rules and regulations. In addition, illegal trade means lost tax revenues, particularly with counterfeit goods. This reduces the benefits of trade liberalization, because taxes are supposed to offset the loss of tariff revenues.

Maritime trade offers great economic opportunities, but comes with serious risks. 80% of the region is covered by ocean, and large volumes of trade are shipped by containers. \$5.3 trillion of global trade transits through Southeast Asian waters each year. Of the 500 million containers that are shipped annually, less than 2% are inspected. This makes maritime trade particularly useful for actors trading in illegal bulk goods, such as drugs or counterfeits. In the trans-ASEAN transport network, there are 47 designated main ports (Figure 1).³ It is essential that these ports have the capacity to control trade flows, detect illegal cargo, and respond to other maritime security challenges.

² UNODC "Supporting Regional Integration with Effective Border Management: Border Liaison Offices", 2015. Link:https://www.unodc.org/documents/southeastasiaandpacific//Publications/2015/patrol/BLO_Brochure_w_eb.pdf

³ ASEAN Master Plan on ASEAN Connectivity, 2010. Link: http://investasean.asean.org/index.php/ajax/exec_ajax/file_download/824/newsid/966/master-plan-on-asean-connectivity.pdf

Figure 1: Designated main ports in ASEAN

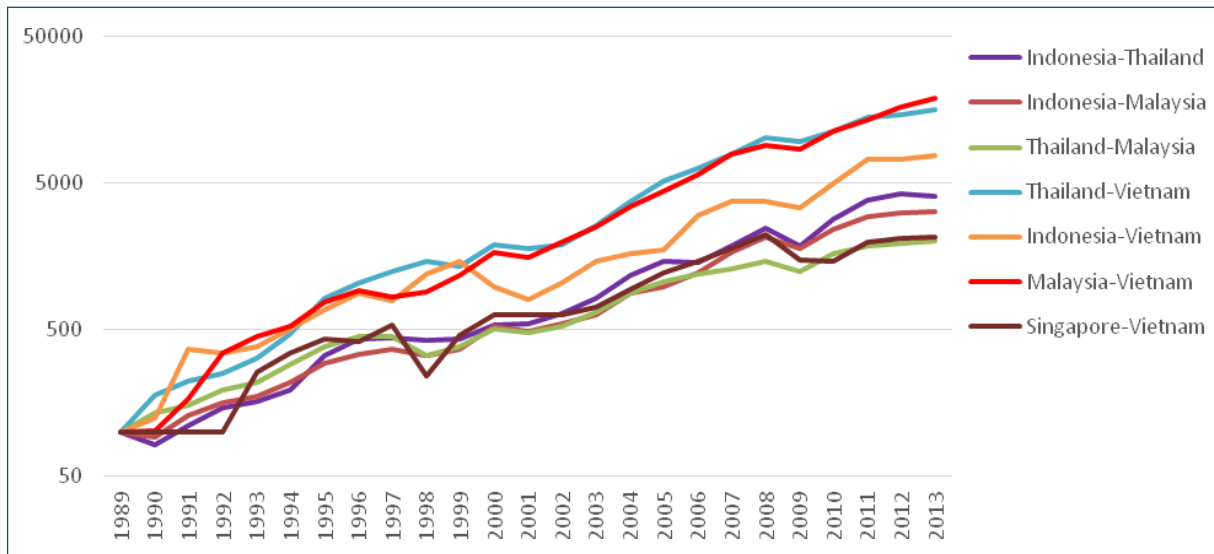


In relation to trade, Figure 2 illustrates the growth of merchandise trade between selected ASEAN pairs. Noting that the scale is logarithmic, the intensity of relationships has clearly grown quickly:

This has led to ASEAN having the highest share of intra-regional trade to total trade (at 26.3% in 2008) among the regional economic groupings in the developing world. This reflects the high level of interdependence between regional production networks operated by both manufacturers and producers.⁴

⁴ Master Plan on ASEAN Connectivity, p.20.

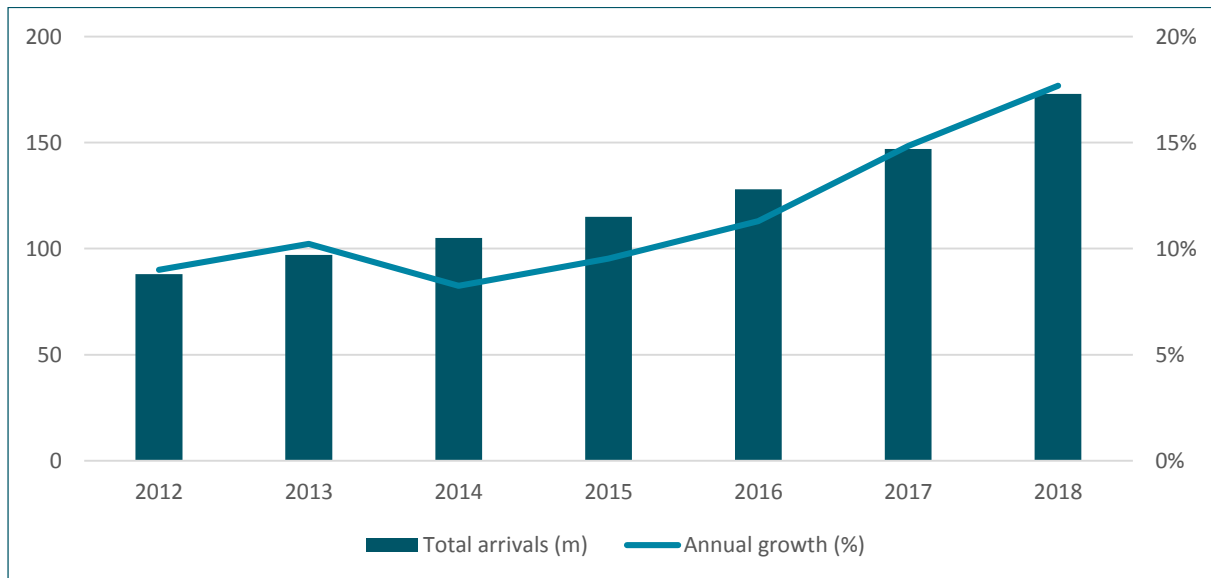
Figure 2: Merchandise exports plus imports (by value) between ASEAN countries (1989 = 100). Note: logarithmic scale



Source: APEC Bilateral Linkages databases. There are some discrepancies in the statistics reported by each side of the bilateral flow. Where this is the case, the values are averaged.

In terms of the movement of people within Southeast Asia and from other regions, growth is expected to be rapid. The Pacific Asia Travel Association (PATA) predicts that visitor arrivals to the Asia Pacific region will grow at an average annual rate of 6.2% over the period 2014-2018, leading to 660 million arrivals in 2018. Figure 3 highlights in volume terms the challenge coming for immigration authorities – with an expected tripling of arrivals from 2014 to 2018.

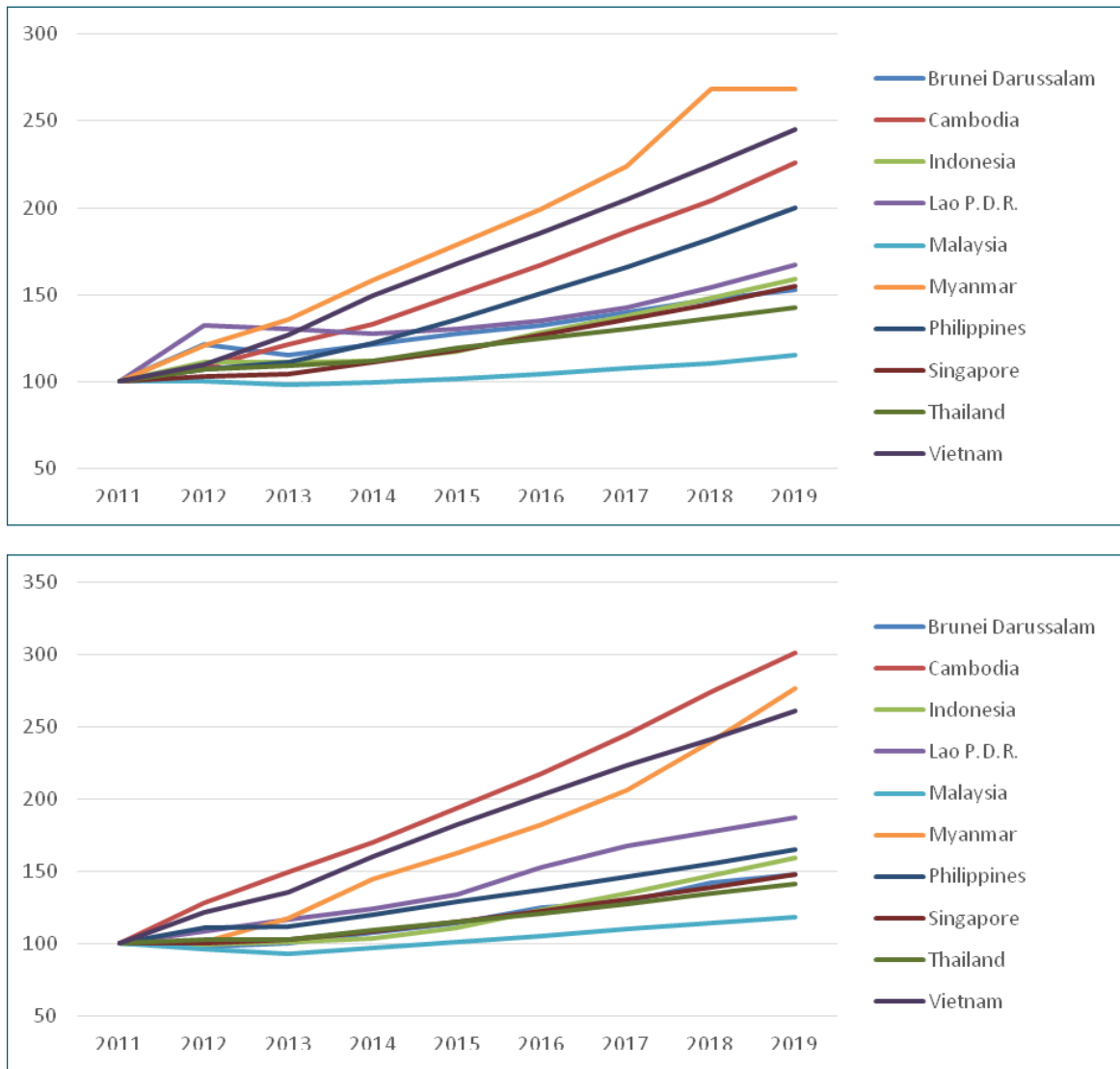
Figure 3: International visitor arrivals to Southeast Asia



Source: Asia Pacific Visitor Forecasts 2014-2018 Report, Pacific Asia Travel Association presentation of preliminary forecasts for the ASEAN Tourism Forum, January 2014.

Figure 4 shows IMF growth projections for imports and exports by ASEAN countries until 2019, using the volumes in 2011 as an index year. There is variation among countries but the need for heavy investment in infrastructure and trade facilitation arrangements is clear. They will need to be accompanied by major improvements in risk mitigation measures.

Figure 4: Projected volume of goods imported (top), and exported from, ASEAN countries (bottom), 2011 = 100⁵



Among ASEAN members, development levels vary considerably. Different countries have different capacities for threat monitoring and response. Those with relatively low capacity are particularly threatened by new opportunities for organized crime. A holistic approach to countering threats posed by transnational organized crime will be necessary, taking into account differing capacities. This requires a careful calibration of initiatives that promote cooperation, so that every corner of the region can contribute and benefit.

ASEAN Economic Community (AEC)

If considered as a single economy, the AEC will be the seventh largest economy in the world, with over 600 million people and a combined gross domestic product of USD\$2.4 trillion.⁶ ASEAN's middle class

⁵ International Monetary Fund, *World Economic Outlook Database*, April 2014.

⁶ Thinking Globally, Prospering Regionally, ASEAN Economic Community 2015. Link:

is predicted to more than double by 2020. The purpose of creating the AEC is to develop synergies among the region's markets and production hubs through the free flow of goods, services, investments, capital, and labour. Increased efficiency at border posts and ports has already managed to reduce the time required to clear goods in various sectors tremendously.⁷ There has been increased pressure on border personnel to maintain a swift and lean clearing process. But not all clearing points are equipped to handle these pressures, and if new rules are not accompanied by capacity building and smarter checks, it will result in a dangerous situation of large undetected illicit flows.

The AEC should not be seen as separate from the other two pillars of the ASEAN: the ASEAN Political-Security Community (APSC) and the ASEAN Socio-Cultural Community (ASCC). They cover policy areas that are important to the overall aim of a socio-economic and political integration. For example, APSC and ASCC promote policy coherence in areas closely related to economic activities, such as environmental protection and transnational crime.⁸ It is envisioned that the three communities together will equip the member states to reap the benefits from increased trade liberalization, enhanced cooperation, and more security in the region.

GMS Integration

Under the ASEAN Master Plan on Connectivity, the GMS strategic framework envisions a well-integrated, prosperous and harmonious Mekong sub-region through enhanced connectivity and competitiveness, while fostering a greater sense of community. Countries have given priority to upgrading cross-border infrastructure links, in particular the railways and road networks that make up

the main economic corridors. Trade and customs procedures along these routes will be progressively harmonized, standardized and simplified.

Figure 5: Economic corridors in the GMS



Source: Nikkei Asian Review

The GMS Economic Cooperation Programme started in 1992. In 1995, the ADB formulated a Transport Master Plan that identified priority transport infrastructure investments in the sub-region. In 1998, this Transport Master Plan was updated to incorporate the nine-corridor concept and identify three main corridors, often referred to as flagship corridors.

The North-South Corridor (NSC) is probably the most important trade route with the heaviest traffic. Starting from southern China and running through Myanmar, the key section is at the southern end, as it gets closer to Bangkok and links with the eastern ring road connecting to

<http://www.asean.org/resources/item/thinking-globally-prospering-regionally-asean-economic-community-2015>

⁷ Ibid

⁸ ASEAN Socio-Cultural Community Blue Print, 2009. Link: <http://www.asean.org/archive/5187-19.pdf>

Laem Chabang (Thailand’s largest port).⁹ The East-West Economic Corridor is based on a 1,450 kilometre road map between Myanmar and Viet Nam. The route attracts regional tourists and boosts the economies of the transit areas, especially in the hospitality and entertainment sectors throughout the route. The Southern corridor links proposed and existing deep sea ports in Cambodia, Thailand and Myanmar.

The 2003 Cross-Border Transport Agreement (CBTA) seeks to eliminate non-physical barriers to cross border movements. It has focused on 16 points of entry and exit within the GMS and appears to be effective at reducing the time and effort required to cross borders. For example, ADB reports that the pilot implementation of the Single Stop Inspection (SSI)¹⁰ at the Densavanh-Lao Bao border between Viet Nam and Lao PDR reduced the average crossing time for a truck from 90 minutes to 29 minutes.¹¹

Figure 6: The Cross-Border Transport Agreement (CBTA) key 16/17 entry and exit points within the GMS



BIMP-EAGA

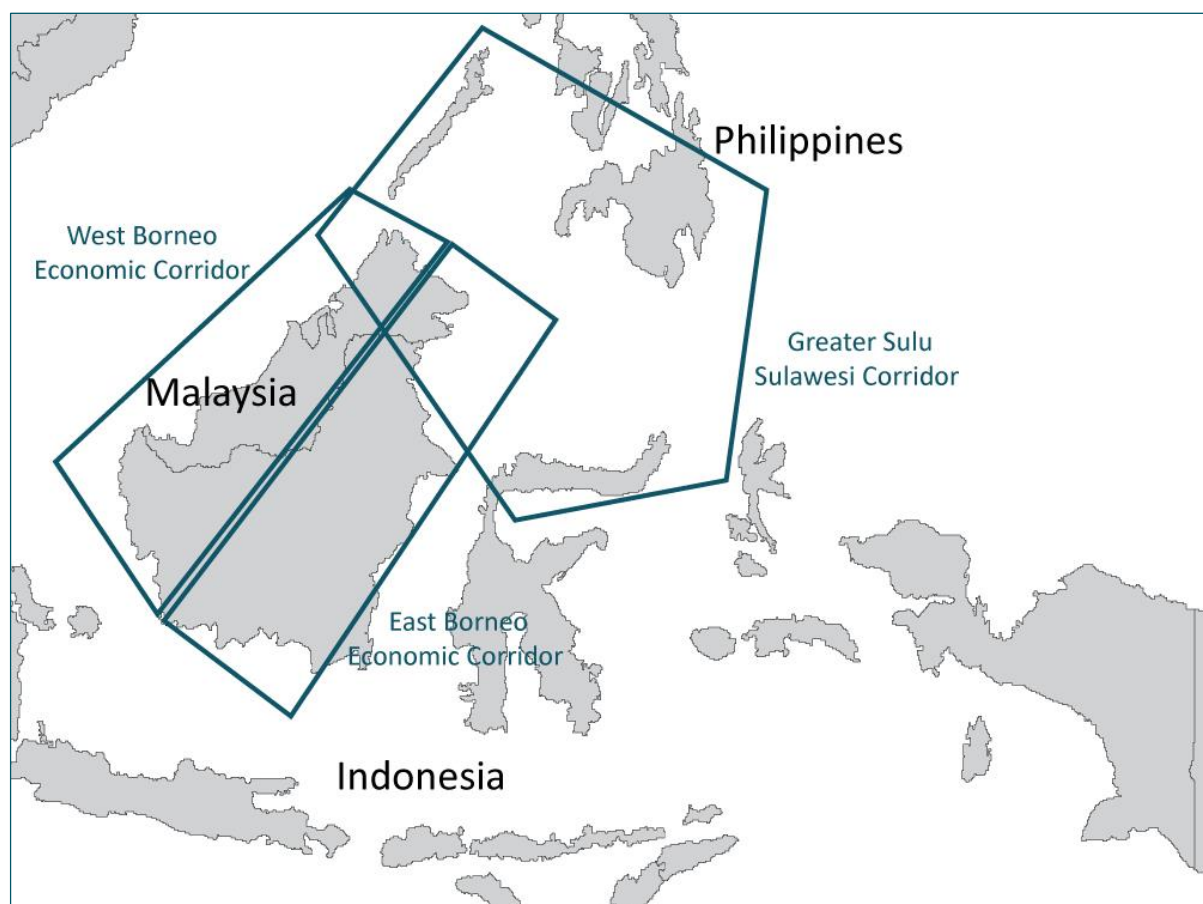
The East Asian Growth Area (BIMP-EAGA) was launched in 1994 by the governments of Brunei Darussalam, Indonesia, Malaysia and the Philippines to accelerate the development of maritime trade linkages. BIMP-EAGA has pioneered the implementation of ASEAN programmes like the ASEAN Single Window initiative.

⁹ The central section of the corridor – the eastern loop between Thailand and the PRC passing through the Lao PDR – is considered more important than the western link, which involves more transshipment and problems in transiting through Myanmar. The link between Mohan and Kunming has trade, but given the reliance on border market trading, most southbound 'trade' traffic from Kunming is domestic movement to the border area.

¹⁰ Single- Window/Single- Stop customs inspection is setup with the aim to coordinate registration of vehicles at one border under a single coherent administrative framework.

¹¹ UNODC, “Effective Frontline Border Management in Southeast Asia’s New of Integration”, August 2014, p. 8.

Figure 7: Priority economic corridors in BIMP-EAGA



The ASEAN Single Window (ASW)

ASEAN members agreed on the ASW in December 2005, defining it as a single national submission point for harmonized data and information processing, together with a single decision-making point for customs clearance. The objective is to accelerate clearance procedures for goods, achieving greater economic efficiency and transparency, with an ambition to enhance ASEAN's competitiveness as a regional market. On a practical level, this means customs administrations, relevant ministries and all relevant economic actors should coordinate and facilitate their information in electronic format through a single national clearing point. Traders will submit all their information to one agency, eliminating prior practices in many countries of multiple forms and multiple submission points. When fully operational, the ASW envisages, for example, that an importer bringing a container into ASEAN, destined for Vietnam via Singapore, would need to submit data once to a single, centralized data hub, for automated sharing with all relevant agencies.

For those who are interested in maintaining safety and security, a big shift in this system relates to the burden of coordination. Previously, the trader or trucker had to coordinate information and liaison with multiple agencies, each of which applied its approach to inspection and security. Now, those agencies must coordinate by establishing and managing the system to ensure that each of their responsibilities are addressed through a central hub. This obviously requires stronger planning and cooperation between government departments.

At present, the ASW supports the exchange of the intra-ASEAN certificate of origin and ASEAN Customs Declaration Document on a pilot basis among seven countries, with a plan to expand to

exchange other types of data. However, the ASW does not yet provide pre-arrival notification of goods and in most participating countries it is not yet integrated with other systems of customs/cargo management. There is also an apparent need to develop common identifiers for tracking traders and consignments if ASW is to support risk management effectively.

Special Economic Zones (SEZs)

SEZs provide tax incentives, trade benefits, deregulation, and other investment privileges, encouraging economic development. Every country in ASEAN, except Brunei Darussalam, now has SEZs. Thailand and Myanmar are among the latest Southeast Asian countries to create SEZs. For example, the Dawei economic zone in Myanmar, the development of which started in 2011, has the potential to become an important industrial and trade zone within Southeast Asia. Thailand and Myanmar have equal stakes in the project, which includes a highway connecting both countries. In 2015, Japan also became involved as a stakeholder and an investor.

Dawei's development was halted between 2013 and 2015 due to issues related to land, human rights, and other social and environmental concerns. The Dawei Development Association has since investigated the allegations and issued a report,¹² but much uncertainty remains about how the project will deal with these issues going forward. There are serious concerns about who will protect the local population in the absence of a comprehensive assessment and redress mechanism for negative social and environmental impacts, as well as the related security implications.

ASEAN integration with other regions

ASEAN member states and countries in neighbouring regions have demonstrated the significant benefits of inter-regional trade. In an effort to stimulate further growth, several free trade agreements (FTAs) have been signed with key trading partners, including India and China. However, in the FTAs described below, there is limited evidence that security concerns over illegal trade flows are addressed effectively.

ASEAN – China Free Trade Agreement (ACFTA)

The ACFTA is one of the world's largest free trade agreements. Among the ten members of ASEAN, there is a varying degree of dependence on China as a source of imports and exports. Wealthier ASEAN countries have a diverse set of trading partners, while poorer ASEAN countries depend heavily on China as a source of imports. For example, Viet Nam's share of Chinese export and import flows with ASEAN has increased substantially in recent years, while Singapore's share has dropped.¹³

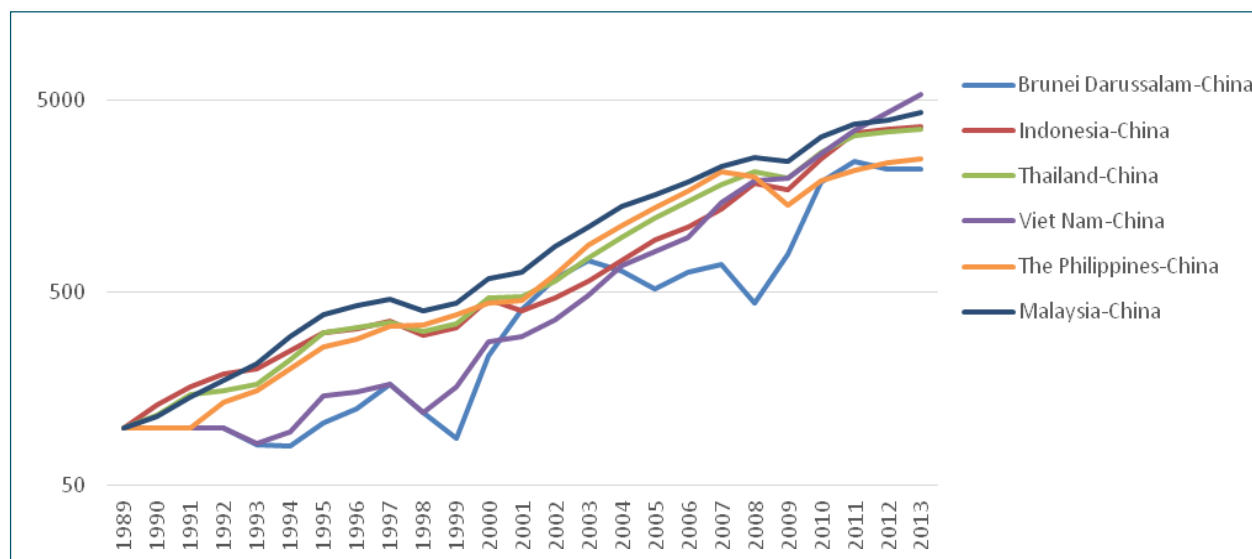
China is ASEAN's biggest trading partner (14 per cent share of ASEAN trade), while ASEAN ranks as China's third-largest trading partner. It is expected that in 2015 alone, two-way imports and exports will exceed USD \$500 billion. Since the implementation of the 2010 ACFTA, the average tariff rate on

¹² Dawei Development Association, "Voices from the ground: concerns over the Dawei special economic zone and related projects, September 2014. Link: http://www.burmalibrary.org/docs19/Voices_from_the_ground-en-red.pdf

¹³ Nargiza Salidjanova, Senior Analyst, Economics and Trade and Jacob Koch-Weser, Former Policy Analyst, Economics and Trade China's Economic Ties with ASEAN Countries, March 17, 2015. Link: <http://origin.www.uscc.gov/sites/default/files/Research/China%27s%20Economic%20Ties%20with%20ASEAN.pdf>

Chinese goods exported to the ASEAN bloc declined to just 0.6 per cent, down from 12.8 per cent. The tariff rate on ASEAN goods exported to China also fell from 9.8 per cent to 0.1 per cent.¹⁴ Overall, as shown in Figure 8, the growth of trading relationships between ASEAN countries and China has been strong.

Figure 8: Merchandise exports plus imports (by value) between selected ASEAN countries and China (1989 = 100). Note: logarithmic scale



Source: APEC Bilateral Linkages databases. There are some discrepancies in the statistics reported by each side of the bilateral flow. Where this is the case, the values are averaged. China includes Hong Kong.

The growing middle class in China is an emerging market for ASEAN's labour and services exports. However, it creates a risk of labour displacement in labour-intensive industries such as textiles, footwear, toys manufacturing, food processing and large capital-intensive production. These impacts could be especially significant for Cambodia, Lao PDR, Myanmar and Viet Nam, and emerging economies Indonesia and the Philippines, which are still dominated by labour-intensive industries.

Labour displacement in some member states leads to a high rate of exploitation as displaced workers search for employment in sectors that are not strictly controlled by the government. Some fall victim to human trafficking, or are drawn into engaging in illegal activities. Significant increases have been noticed in the regional trade of products that do not comply with guidelines of regional trade agreements, for instance by violating health and food safety standards.¹⁵

¹⁴ Chris Devonshire, Ellis, "Understanding China's free trade agreements", China Briefing, February 2014.

Link: <http://www.china-briefing.com/news/2014/02/10/understanding-chinas-free-trade-agreements.html#sthash.9AolYs1c.dpuf> (last accessed 07.09.2015)

¹⁵ Hing Vutha and Hussein Jalilian, "Environmental impacts of the ASEAN: China Free Trade Agreement on the Greater Mekong Subregion", September 2008, International Institute for Sustainable Development. Link: http://www.iisd.org/tkn/pdf/tkn_enviro_impacts_china.pdf

Since 2009, the ASEAN Ministerial Meetings on Transnational Crime + China was held twice, resulting in a four-year Memorandum of Understanding on cooperation of organized crime.¹⁶ However, a fully operational framework on tackling cross-border crime does not yet exist. By contrast, there are already fully operational and thriving networks of cross-border criminals.

ASEAN – India Free Trade Area (AIFTA)

Partnerships with India are increasing rapidly and economic agreements are expected to contribute to prosperity within ASEAN. Trade between India and the ASEAN bloc stood at about \$76 billion in 2012-13. The launch of the ASEAN-India Free Trade Agreement (AIFTA) in 2010 aimed to increase trade flows to \$100 billion by 2015, with plans to lift import tariffs on more than 80 per cent of traded products by 2016.¹⁷ India's main trading partners in the region have traditionally been Singapore, Malaysia and Thailand. The agreement is expected to diversify trade, eliminating tariffs for about 4,000 different products (including electronics, chemicals, machinery and textiles). The AIFTA is expected to play an important role in the future regional trading architecture in the Asia Pacific region.

India has actively participated in various consultative meetings under ASEAN political and security cooperation frameworks. To tackle transnational crime, the ASEAN Senior Officials on Transnational Crime + India Consultation was held in 2005 and 2013. It was agreed to develop a work plan on combating transnational crime. On drug trafficking India participated in the "ASEAN Plus Three Airport Interdiction Task Force Workshop" in 2013 in Indonesia, and a workshop on curbing the synthetic drug threat in Malaysia. These are useful starts to this kind of cooperation. Subsequent chapters make clear that such cooperation will need to strengthen rapidly to match the demonstrated capacity of organised crime to take advantage of connections between India and ASEAN. An obvious example of this has been the trafficking of precursors from India into Myanmar.

Regional Comprehensive Economic Partnership (RCEP)

There are a number of economic integration initiatives in the pipeline, and one that could overlap significantly with AIFTA is the Regional Comprehensive Economic Partnership (RCEP). Negotiations for the RCEP were launched in 2013 between the ASEAN, Australia, China, India, Japan, South Korea and New Zealand. It would encompass trade in goods and services, economic and technical issues, intellectual property and investments, and dispute settlement mechanisms. The projected timeline envisions a decision on the feasibility of the agreement by the end of 2015.

Trans-Pacific Partnership (TPP)

The Trans-Pacific Partnership (TPP) is another FTA under negotiation, with 12 participants.¹⁸ Seven of these overlap with the RCEP: Malaysia, Singapore, Brunei, Viet Nam, Japan, Australia and New

¹⁶ASEAN Secretariat website. Link:

<http://www.asean.org/communities/asean-political-security-community/category/asean-ministerial-meeting-on-transnational-crime-plus-china-ammtcchina>

¹⁷ Shruti Srivastava, "India signs FTA in services, investments with ASEAN", The Indian Express, September 2014. Link: <http://indianexpress.com/article/business/business-others/india-signs-fta-in-services-investments-with-asean/#sthash.Hnm5edDi.dpuf> (last accessed 07.09.2015)

¹⁸ TPP Member states U.S., Canada, Mexico, Peru, Chile, Malaysia, Singapore, Brunei Darussalam, Viet Nam, Japan, Australia, and New Zealand

Zealand. The TPP is a huge pact that would govern about 40 per cent of the world's gross domestic product and one-third of world trade. Labour rights, environmental protection, and counterfeiting and copyright piracy are included in the negotiations.¹⁹ Although agreement on enforcement mechanisms has been a challenge, both advocates and sceptics recognize that there is at least an opportunity for the TPP to influence widespread malpractices in areas such as overfishing, logging, and trading rare species.

Removing physical barriers: Infrastructure projects

For ASEAN to be truly competitive and realize the goals of the growing number of FTAs, the development of infrastructure is crucial. According to the Asian Development Bank (ADB), the region requires an investment of approximately US\$60 billion annually until 2020 to realize a fully efficient economic integration process that allows for the free flow of labour, goods, services and capital.²⁰

China has demonstrated an interest in being a leading infrastructure investor in Asia with the launch of the Asia Infrastructure and Investment Bank (AIIB). The AIIB is seen as a mechanism to compliment the work of ADB and the World Bank in financing infrastructure projects in the region. In 2009, the ADB estimated that infrastructure development across the region would require US\$ 8 trillion over a 10-year period to bridge the infrastructure gap.²¹

The AIIB has expressed the intent to explore a new development model that will try to address conflicts between improving people's livelihood and environmental protection. However, it is the first time that China has the leadership role in a multilateral financial mechanism, and it is still uncertain what the Chinese government will include as the standards and principles for social and environmental protection. There is also little mention so far of safeguards around opportunities for organised crime that arise from infrastructure investments.

One Belt, One Road Initiative

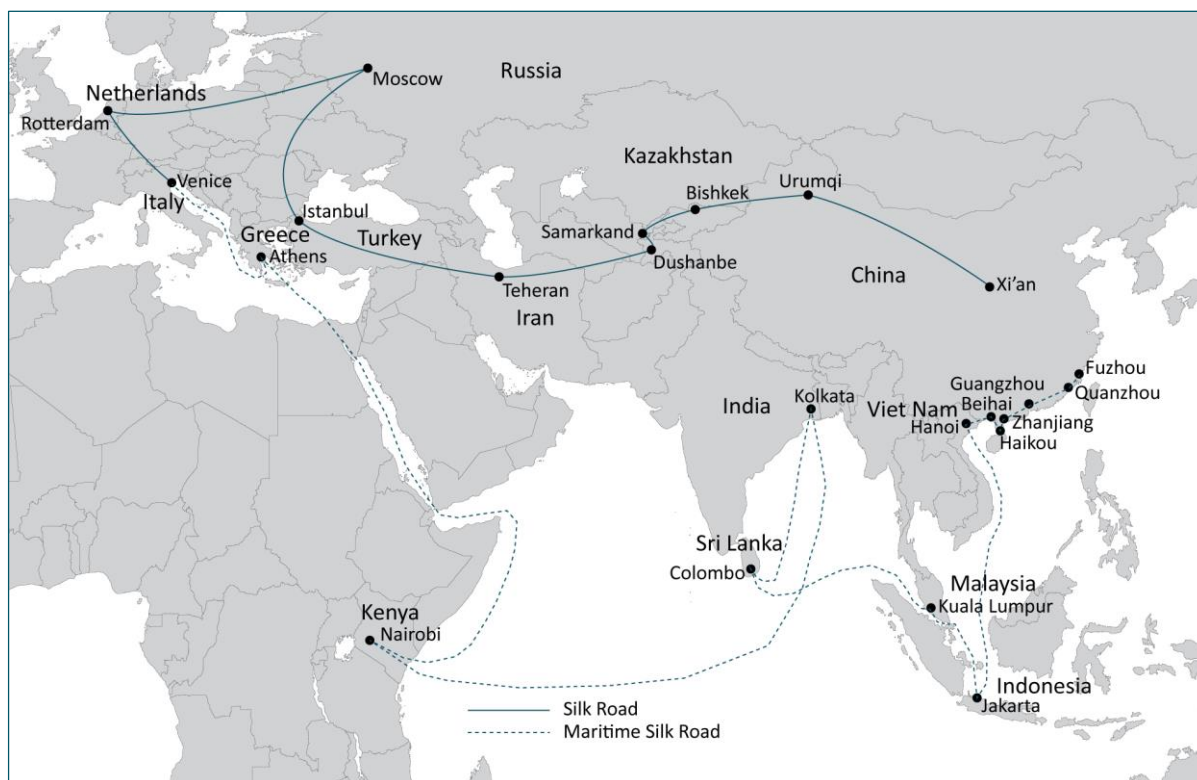
Launched in 2013, the "One Belt, One Road Initiative" is a Chinese government economic development framework for integrating trade and investment in Eurasia. It seeks to re-establish the old Silk Route, which consists of two broad elements: the Silk Road Economic Belt and the Maritime Silk Road.

¹⁹ Office of the United States Trade Representative, "Trans- Pacific Partnership: Summary of US Objectives" link: <https://ustr.gov/tpp/Summary-of-US-objectives>

²⁰ Asian Development Bank, "Infrastructure for supporting inclusive growth and poverty reduction in Asia", 2012. Link: <http://www.adb.org/publications/infrastructure-supporting-inclusive-growth-and-poverty-reduction-asia>

²¹ Asian Development Bank and Asian Development Bank Institute, "Infrastructure for a seamless Asia", 2009. Link: <http://adb.org/sites/default/files/pub/2009/2009.08.31.book.infrastructure.seamless.asia.pdf>

Figure 9: The One Belt, One Road Initiative



The Silk Road Economic Belt includes all countries situated on the original Silk Road through Central Asia, West Asia, the Middle East and Europe. Furthermore, the route will include a new extension to South Asia and Southeast Asia. The second component is the Maritime Silk Road that connects the South China Sea, the South Pacific, and the Indian Ocean. It is aimed at investment and collaboration between countries in Southeast Asia, South Asia and East Africa by connecting these contiguous bodies of water.

Apart from financing the construction of roads, rails and ports, the One Belt, One Road initiative also calls for the construction of oil and natural gas pipelines. Financing is expected to draw from a variety of sources. Spanning over two continents and connecting more than 60 countries, the trading routes are anticipated to cover a population of 4.4 billion people, and produce an economic output of \$2.5 trillion.²² As shown later in the report, intensifying inter-regional connections such as these have already exacerbated threats to ASEAN members, such as drug trafficking and wildlife trafficking.

Bangladesh – China – India – Myanmar Economic Corridor (BCIM)

Known initially as the “Kunming Initiative”, the BCIM seeks to promote socioeconomic development and trade by improving connectivity and infrastructure in the areas of energy, agriculture, trade, and foreign investment. The project will connect India’s northeast with Bangladesh, Myanmar and Yunnan

²² David Dollar “China’s Rise as a regional and global power: The AIIB and the “one belt, one road”, Brookings Institute, Summer 2015. Link: <http://www.brookings.edu/research/papers/2015/07/china-regional-global-power-dollar> (last accessed 28.08.2015)

province of China through a network of roads, railways, waterways and air hubs. Currently, the main focus is on the inter-regional road network.²³

The BCIM will link India's port city of Kolkata (India) with Kunming (China). The route will pass through Mandalay in Myanmar and the port city of Chittagong and Dhaka in Bangladesh. Some of the main arteries of the route – a 2,800 km long stretch connecting Kolkata to Kunming (K2K) – have already become functional. The participating countries will exploit existing complementarities in trade: Myanmar as a primary an exporter of goods and cheap labour; India as a leading services exporter; China as the largest manufacturing exporter in the world; and Bangladesh as a services exporter and low-end manufacturer of goods.²⁴

The project gained new momentum in recent years as part of high-level talks on sub-regional integration. However, experts have voiced concerns over the influence of non-traditional security threats, such as organized crime groups, that could endanger the broader purposes of the project. Discussions have touched on creating an enforcement mechanism to address threats emanating from terrorism, drug trafficking, antiques smuggling, and cross-border human trafficking, but have not yet led to a regulatory framework.

Asian Highway Network

The Asian Highway Network epitomises the physical integration of Southeast Asia's economies. It was conceived by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and financed and supported by the ADB. The original project was initiated in 1959, with political factors hampering progress and financial assistance was suspended in 1975. Reinvigorated following the end of the Cold War, in 1992 the Intergovernmental Agreement on the Asian Highway Network became one of the three pillars of the Asian Land Transport Infrastructure Development project.²⁵ The Intergovernmental Agreement was adopted in 2003 and entered into force in 2005. Since its inception a total of US\$26 billion has been invested in the Asian Highway network, to meet a set of agreed minimum transport and safety standards and to upgrade inter-modal connections. The Asian Highway covers 32 Member States and 141,000 kilometres of roads. The figure below gives an idea of the breadth of the network: it is a vast project, knitting the region together physically and supporting a basic platform for a more free movement of people and cargo.

²³ Patricia Uberoi, "The BCIM Economic Corridor: A Leap into the Unknown?" Institute for Chinese Studies; Working Paper, December 2014. Link: <http://www.icsin.org/uploads/2015/05/15/89cb0691df2fa541b6972080968fd6ce.pdf> (last accessed 07.09.2015)

²⁴Pravakar Sahoo and Abhirup Bhunia, "BCIM Corridor a Game Changer for Southeast Asian Trade", East Asia Forum, July 2014. Link <http://www.eastasiaforum.org/2014/07/18/bcim-corridor-a-game-changer-for-south-asian-trade/> (last accessed 07.09.2015)

²⁵ Endorsed by UNESCAP at its forty-eighth session. The other two pillars are the Trans-Asian Railway (see below) and facilitation of land transport projects.

Figure 10: The Asian Highway Route map



SOURCE: UNESCAP

India-Myanmar-Thailand Trilateral Highway (IMT)

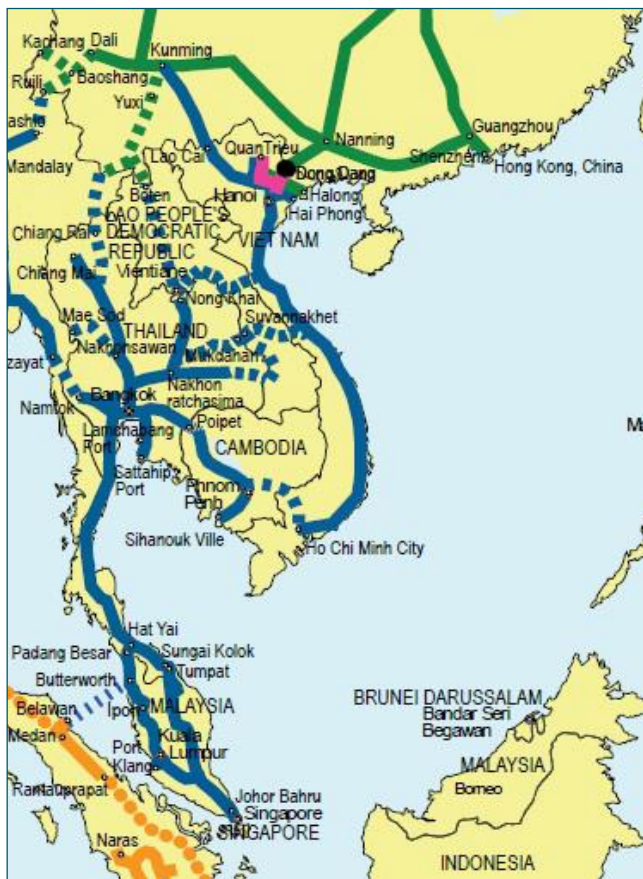
As part of the Asian Highway Network, the 3,200-kilometer IMT enhances connectivity between the GMS and India. The highway – which will run from Manipur (India) to Mae Sot (Thailand) via Mandalay (Myanmar) – will make India’s landlocked eastern border accessible to a new bus route. This would enable travellers to board a bus from Manipur’s capital and reach Mandalay in just over 14 hours.

The IMT project’s implementation has been hampered by financial and security concerns. In particular, Myanmar has struggled to finance the long stretch of road for which it is responsible. Regional security concerns have also affected progress, particularly in the areas of terrorism and organized crime. As discussed below, the road will improve transnational connections for criminal groups active in the sub-region.

Trans-Asian Railway Network

Alongside the Asian Highway Network, ASEAN’s other flagship land transport infrastructure project is the Trans-Asian Railway Network. The *Intergovernmental Agreement on the Trans-Asian Railway Network* was finalized in 2006 and entered into force in 2009. It is an effort to build a transcontinental

Figure 11: Singapore-Kunming Rail Link



Source: UNESCAP

railway network between Europe and the Pacific ports in China.²⁶ It has four main corridors, and is expected to improve the economies and accessibility of landlocked countries such as Lao PDR, the least developed country in Southeast Asia. While recognizing the economic opportunities for unlocking national resources, the potential negative impacts are clear, including distress migration, increased illegal logging and accelerated natural resource depletion.

Singapore-Kunming Rail Link

The Singapore-Kunming Rail Link is a 5,000-kilometre connection between South China, Cambodia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, and Viet Nam. While work remains to be done in several countries, the operation of high-speed trains would significantly reduce travel times significantly.²⁷ The figure below shows the current status, with dotted lines indicating incomplete sections. The southern sections between Thailand and Singapore have been operational for some time, but the west-east connections in the GMS and the high-

potential links to China from Lao PDR and Myanmar reportedly began construction in January 2014 and only on the Chinese side.³ However, it has developed slowly in the GMS and is more likely to be a powerful boost in the longer term, since SKRL demands a significant amount of fresh construction.⁴

Sino-Thai Railway Project

By late 2014, China and Thailand signed the Sino-Thai dual rail track project. The proposed railway line would be more than 800 kilometres long, and be partially operational by 2017. It will link the Thai-Laos border town of Nong Khai with Bangkok and Thailand's main deep-sea port on the Eastern Seaboard. Among other things, the railway line will enable agricultural products from Thailand to reach Chinese markets. China and Thailand have taken a number of productive steps towards security integration along the main trading routes. Thailand was the first country to sign an extradition treaty with China, which has provided legal and procedural grounds for joint law enforcement operations involving hundreds of suspects since the 1990s. The two countries fight human trafficking and drug-

²⁶ ASEAN Secretariat, "ASEAN Connectivity: Project Information Sheets", August 2012. Link: <http://www.scribd.com/doc/111760047/ASEAN-Connectivity-Project-Information-Sheets>

²⁷ Geoff Wade, Changing Asia: China's high speed railway diplomacy, The Strategist, December 2013. Link: <http://www.aspiratelist.org.au/changing-asia-chinas-high-speed-railway-diplomacy/> (last accessed 07.09.2015)

related crime under several multilateral frameworks. Together with Myanmar and Lao PDR, a Law Enforcement Cooperation along the Mekong River Mechanism was created in 2011. Such an initiative is welcome as a building block towards stronger cooperation that can address the threats arising from greater integration in criminal markets and networks.

International Financial Institutions

Other than governments themselves, the Asian Development Bank and the World Bank have been the main financers of infrastructure projects and economic integration efforts in Southeast Asia. Protective safeguards have been created to prevent projects from damaging the environment, generating negative social impacts and exacerbating climate change. For example, the World Bank requires its clients to implement the Environmental and Social Assessment and Management System, in order to identify and manage potential environmental and social risks.

Similarly, in 2009, ADB approved a new safeguards policy for the implementation of all its projects. It defines safeguards as “operational policies that seek to avoid, minimize, or mitigate adverse environmental and social impacts, including protecting the rights of those likely to be affected or marginalized by the development process”.²⁸ These objectives could potentially include a concern for the acute social risks arising from the growth of cross-border criminal markets in parallel to regional integration and trade facilitation. To date, however, they have not.

A more recent addition to the region’s international financial institutions is the Asian Infrastructure Investment Bank (AIIB). The AIIB has 57 founding members in 37 Asian countries, 18 European countries, Australia, New Zealand, two African countries and Brazil. The authorized capital of the AIIB is around US\$100 billion and will be used for infrastructure projects in sectors such as energy, transportation, telecommunications, agricultural, urban development and logistics in Asia. Initial work to determine safeguards policies and procedures has already commenced; concern for security impacts does not appear to have been considered.

Another new development bank has been established by the BRICS — Brazil, Russia, India, China and South Africa, with a starting capital of US\$50 billion. It is unclear, however, the medium-term focus of this bank and how it will impact on Southeast Asia.

International financial institutions could potentially play a constructive role in mitigating the risks identified in this report. Their experience of managing safeguards policies and procedures is second-to-none. This experience could be used to develop assessments of threats such as trafficking, environmental crime and corruption linked to organised crime, integrating these assessments within infrastructure and trade facilitation processes. Regional governments could thereby ensure that this aspect of risk mitigation is completed before threats grow.

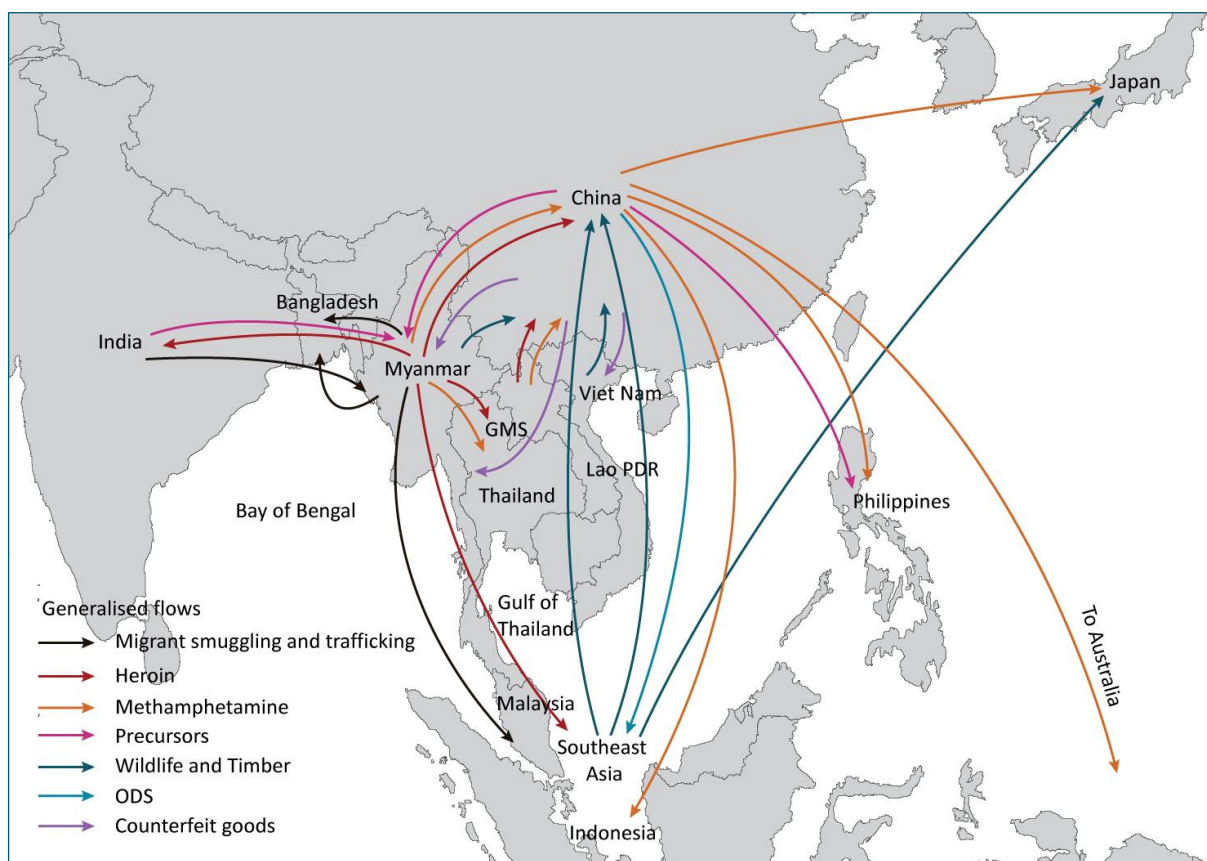
²⁸ Asian Development Bank, *Safeguard Policy Statement*, June 2009, p.4.

3. Implications of Integration: Transnational Organised Crime

There have always been opportunities to trade illegal goods across borders in Southeast Asia and in recent years the growth of multinational criminal supply chains has been apparent. As the region increases connectivity creating and strengthening trade linkages, threats arising from trafficking and associated criminality are becoming truly integrated within the region and in connections to regions beyond.

A conservative estimate of organised criminal revenues in East Asia and the Pacific is US\$100 billion. This not only surpasses the GDP of several states in that region, including Lao PDR, Cambodia and Myanmar, but also surpasses their GDPs combined. Figure 12 below shows generalised flows of major transnational crimes in the region.

Figure 12: Generalised flows of criminal trade in the region



Drug and precursor trafficking

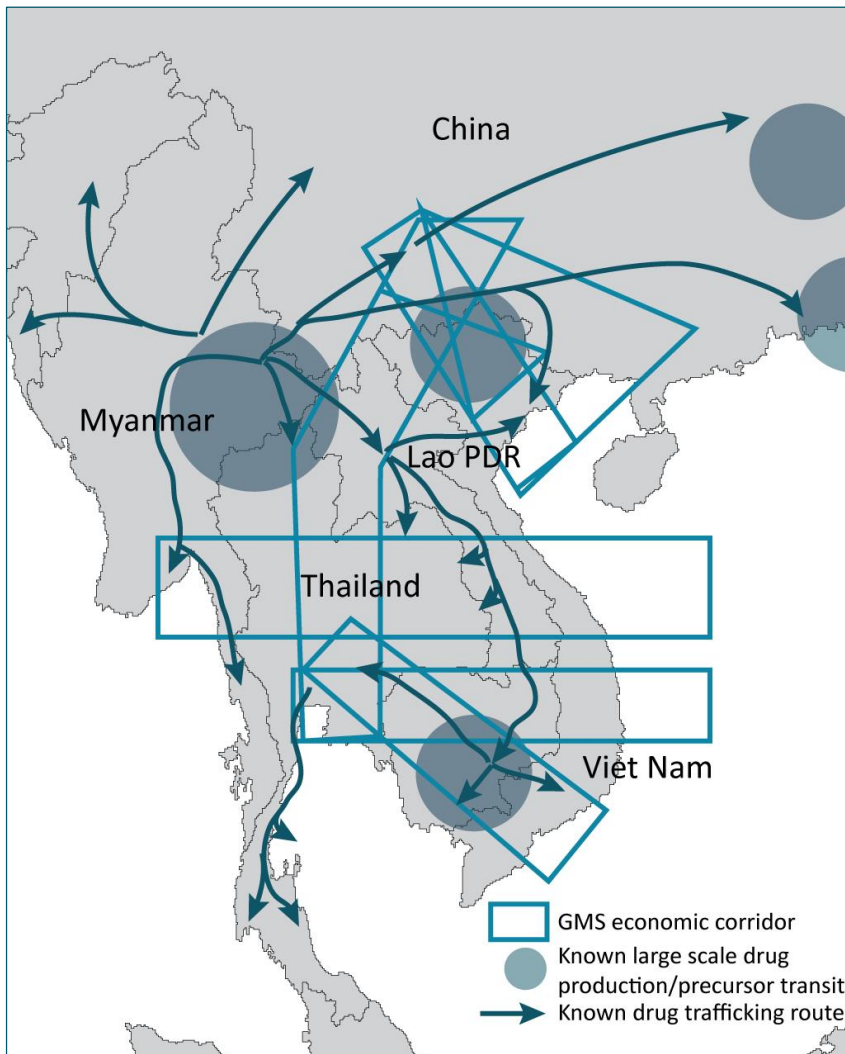
The drug trade is a key example of how regional integration has facilitated the illegal flow of substances within the region and exploited connections with neighbouring regions. Trafficking flows in both directions. The two major drug markets in Southeast Asia are for heroin (the end product of opium poppies) and synthetic drugs, of which methamphetamine is the most popular. Lucrative and growing markets for both types of drugs have created increasingly complex regional and international drug trafficking networks.

Precursor chemicals needed for the production of heroin (acetic anhydride) and synthetic drugs (ephedrine and pseudoephedrine) are trafficked into the region, mainly from China and India. The diversion of precursors from legitimate trade channels for methamphetamine manufacture

increasingly involves pharmaceuticals from legitimate manufacturers. In addition, instances of manufacturers replacing traditional precursors with alternate or modified precursors not under international control are becoming more common.

In UNODC’s survey work, border officials have consistently rated synthetic drug trafficking as the most serious illicit trade issue in the region. Methamphetamine seizures tripled from less than 12 tons in 2008 to 36 tons in 2012.²⁹ China, Myanmar, and India stand out as major producers for export. The annual income for drug traffickers in the region is estimated at over US\$30 billion. The production and consumption of methamphetamine pills have also started to ‘spill over’ from older markets in the GMS into neighbouring countries, such as Brunei, the Philippines, and Singapore.³⁰

Figure 13: Intersections between economic corridors and drug-related crime in the GMS



According to border officials surveyed by UNODC, the second most frequently trafficked drug is heroin. Heroin is almost entirely sourced in Myanmar, but because heroin from Myanmar has sometimes been insufficient to meet regional demand, approximately one third of the market is supplied by Afghan heroin. Trafficking hotspots include north-eastern Myanmar, the north of Laos and Viet Nam, the northernmost part of Thailand and the Vietnamese border with Cambodia. As discussed below, the threats in each of these zones are clear and the trends are worrying. Drug traffickers have taken advantage of economic integration, but security cooperating is lagging.

²⁹ UNODC, “Global Synthetic Drugs Assessment: Amphetamine-type stimulants and new psychoactive substances”, 2014

³⁰ Drug Abuse Information Network for Asia and the Pacific (DAINAP); United Nations Office on Drugs and Crime (UNODC), Annual Report Questionnaire for Brunei Darussalam, the Philippines and Singapore 2012.

Drug processors need large quantities of precursor chemicals to create heroin and methamphetamine. These are primarily industrial chemicals diverted from licit production. For processors in the ASEAN region, the major source countries for precursor trafficking are China and India. Regional economic integration and complex supply chains have expanded opportunities for traffickers to engage in diversion schemes that are a challenge for law enforcement detection and prosecution. The inter-regional economic integration plans connecting China, India and the ASEAN region are likely to increase the challenge and to make life easier for organised crime groups seeking to move bulk chemicals illegally diverted from licit trade.



Precursor seizure in Sagaing, Myanmar

Date: 31 Jan, 2015

Amount seized: 2 million pseudoephedrine tablets

Profiles of arrestees: 2 Myanmar nationals

Trafficking routes: India – Myanmar

Source: CCDAC

Human smuggling and trafficking

Making it easy for people to travel in Southeast Asia is important to business and social connections. Unfortunately, it also facilitates labour exploitation and migrant smuggling. For example, unskilled labour migrants moving to Thailand, Singapore, India and China mainly come from less developed such as the Cambodia, Lao PDR, Myanmar, and Viet Nam. They also come from labour-abundant countries such as Indonesia and the Philippines. There is ample evidence that some labourers are vulnerable to exploitation, ranging from illegal employment conditions to forced labour and physical abuse.

Many smuggled migrants pay smugglers to facilitate their journey abroad, while others are tricked into believing that they will be given a decent job abroad. At the border, smugglers from one country may hand migrants over to smugglers from the country of destination, who arrange for transport, accommodation and job placement. Human smugglers and traffickers take advantage of their economic vulnerability by forcing them to work in exploitative or even slave-like conditions, including in the sex industry.

Thailand remains the regional irregular labour magnet, with more than half a million migrants smuggled in every year. The estimated amount generated directly for criminals smuggling migrants from Laos, Cambodia and Myanmar is US\$192 million.³¹ Changes to migration controls and freer labour regulations reduce risks and costs for smugglers and traffickers, while reducing the most basic tools available to law enforcement agencies.

Authorities have also been challenged by migrant smugglers operating at the edges of the region and from source countries outside. The most prominent routes have been from South Asia and the Middle

³¹ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p.5

East through Southeast Asia to Australia, and from Myanmar and Bangladesh to Malaysia and Indonesia. Both routes have included injuries, deaths and the subversion of border controls. Both have also been an example of challenges in fighting maritime crime.

Bangladeshi migrant smugglers testing new routes through Cambodia and Vietnam

Migrants from Bangladesh are smuggled into and through Southeast Asia via various routes, including by air, sea and land. The main destination country is Malaysia, where job opportunities and tolerant attitudes towards migrants (particularly from Muslim countries) exist.

In November 2014, two groups of Bangladeshi migrants were discovered on different routes. One group was smuggled through Singapore to Ho Chi Minh airport and over land to Cambodia, and another group through Bangkok to Phnom Penh international airport, with some using counterfeit passports and visas. The smugglers were arrested in Poipet, a town in northwest Cambodia bordering Thailand.

As a result of the intelligence received by the Cambodia Port Intelligence Unit (PIU), 17 Bangladeshi were arrested on 22 November 2014 (3 in Phnom Penh and 14 in Poipet).

It is suspected that all smuggled migrants were headed for Malaysia as their final destination, and that this operation may have been testing new routes through South East Asia.

Maritime crime

Maritime crime poses a serious threat to the safety of seafarers, international trade and regional stability. For some crime types, the maritime domain is a defining feature. For example, Southeast Asia suffers many incidents of ship hijacking and robbery. By some reports, there were 120 incidents reported in the Singapore Strait, and off the coast of Bangladesh and Viet Nam in the first half of 2015 alone.³² Maritime crimes such as piracy and robbery are not stand-alone issues – they are just one consequence of the insecurity caused by a lack of control of economic sea corridors and the open sea. Developing stronger maritime trade routes is an important goal, but it will be undermined by insecurity for maritime traders.

For other crime types, the maritime element is one of convenience. For example, drug and precursor traffickers enjoy opportunities to disguise illicit cargoes among large licit trade flows. Similarly, migrant smugglers may prefer maritime methods to lower costs and reduce risks of detection. More subtly, illegal exploitation of the maritime environment impacts on licit opportunities for fishing industries and tourist operators. There are clear economic and social benefits from greater sea-borne trade and migration. There are also clear costs that arise from impunity for criminals in the maritime domain. To close the enforcement gaps, economic integration will need to incorporate security cooperation.

³² Dryan Maritime Intelligence Service, Maritime Crime figures for Q2 2015. Link: www.dryadmaritime.com (last accessed 01.09.2015)

Environmental crimes

There has been rapid growth in the trade of rare wildlife and illegal timber.³³ Trade in illegal timber is the majority of an estimated USD \$24 billion generated through environmental crimes in Southeast Asia and the Pacific each year. Experts estimate that 30-40% of wood-based products exported from Southeast Asia is illegal, due to poor regulation and monitoring of the legitimate wood trade. Port authorities in transit countries within the region frequently lack the capacity or incentive to inspect these shipments. As a result, free trade zones become consolidation hubs for environmental crimes.

Precious woods are in demand for high-priced furniture in markets in the region and beyond. Protected animals are used as ingredients for traditional medicines, the pet trade, food and exotic decor. New roads in the GMS region open up forested areas, and provide better access to previously remote areas such as Myanmar and Lao PDR. In the GMS, the Viet Nam-Lao PDR border appears to be one of the most active hubs for timber and wildlife trafficking, with illegal exports flowing out to Viet Nam. Much of the wood and wildlife coming from Indonesia and the Philippines is shipped by sea to ports in Singapore and China.

Expanding maritime trade and the upgrading of ports also facilitate other economic crimes that have negative impacts on the environment, such as the shipping of e-waste and the trade in ozone-depleting substances (ODS). China is the single largest source of contraband ODS, while Indonesia, the Philippines and Thailand have been the main destinations since 2005. Approximately 3,660 tons of ODS are illegally traded around the region every year, with an estimated value of up to US\$68 million.³⁴ It is estimated that up to 10 million tons of e-waste are traded illegally into and around the region every year, with a potential value of at least US\$3.75 billion. Asia (including India) is the biggest recipient of illicit e-waste, with China being the largest single destination and Viet Nam becoming a major transit point.

Counterfeit goods and medicines

The export of counterfeit products is the most profitable type of organized crime currently affecting East Asia. The 2015 Europol report found that two-thirds of all counterfeit products seized in Europe come from China, and also mentions Malaysia as a source country. It points to Indonesia as a problem country due to weak legislation in this area and the Philippines for low rates of enforcement. Hong Kong and Singapore are major transit hubs.³⁵

Poor quality counterfeit clothing and accessories of luxury brands were, until recently, the most commonly observed products. But with cheaper production methods and the involvement of criminal groups, counterfeiters have moved into the illegal production of everyday goods, endangering unsuspecting consumers of such mundane items as body care and household appliances. According to 2008-2010 estimates, the value of counterfeit goods traded and exported from the region amounted to at least US \$24.4 billion.

³³ Electrical and electronic waste (e-waste) covers a host of electronic items, such as personal computers, televisions, mobile phones, and printers, as well as electrical goods like refrigerators and air-conditioning units.

³⁴ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 104

³⁵ 2015 Situation Report on Counterfeiting in the European Union: A joint project between Europol and the Office for Harmonization in the Internal Market, April 2015

The World Health Organization (WHO) reports that Asia accounts for the biggest share of the global trade in counterfeit medicines and the manufacturing of fraudulent medicines. A recent Interpol report explored the link between pharmaceutical crime and organized crime, and concluded that it is often traded through informal criminal networks.³⁶ Recent evidence shows that cheap generic drugs are the most faked medicines in Asia, although there appears to be a particular problem with anti-malarial drugs in places such as Lao PDR and Cambodia. While the vast majority of such pharmaceuticals are still produced in China and India, increasing law enforcement and regulatory pressure has caused aspects of the production to move elsewhere, including Myanmar and Viet Nam. Counterfeit ingredients are also sent from China to Southeast Asia for production and packaging. Despite the serious health threats related to this issue, the international community has yet to agree on a coordinated response.³⁷ In the meantime, easier trade around Southeast Asia makes it easier for organised crime groups to ship counterfeit goods to unprotected consumers.

Summary of crime threats affecting the region

The table below presents an overview of transnational organised crime types considered throughout this report. The methodology used for this report includes the most recent data on crime available to UNODC, qualitative reporting, UNODC's background knowledge of sub-regions and trends, and relevant case studies. Aggregating and analysing the sources available to UNODC, each crime type is assessed as low risk, medium risk or high risk. Because it involves the aggregated data of the region as a whole, it only presents an overall picture, and should be taken as an indicative summary of the level of concern towards each crime. To implement risk mitigation and response mechanisms in a specific location, the investments and integration efforts in that place will require more targeted analysis and risk identification.

CRIME THREAT	INDICATIVE THREAT LEVEL
Heroin	High
Methamphetamine	High
Precursors	High
Migrant smuggling	High
Human trafficking	High
Maritime crime	Medium
Piracy	Medium
Wildlife and timber trafficking	High
E-waste	Medium
Counterfeit goods and medicine	Medium
Counterfeit goods	Medium

³⁶ Interpol, "Pharmaceutical Crime and Organized Criminal Groups: An analysis of the involvement of organized criminal groups in pharmaceutical crime since 2008", published on 17 July 2014

³⁷ Philip Stevens & Dr. Helmy Haja Mydin, "Fake medicines in Asia", published the Emerging Market Health Network, February 2013

The next four sections examine more closely what is happening in four sub-regions:

- The **Greater Mekong Sub-region (GMS)**, including Myanmar, Thailand, Lao, Southern China, Cambodia, Viet Nam and Eastern India
- **Maritime Southeast Asia**, including Singapore, Brunei Darussalam, Indonesia, Malaysia, Philippines, and Thailand
- The **Bay of Bengal**, including Bangladesh, India, Myanmar, Thailand, and Malaysia
- The **Gulf of Thailand**, including Thailand, Cambodia, Malaysia and Viet Nam

The reason for highlighting these regions is that increased cross-border trade and migration – over land and sea – has involved an uptick in related crimes in those areas since UNODC started regional data collection in 1991. Each sub-regional analysis broadly describes how connectivity and integration efforts have caused cross-border crimes to evolve and permitted or facilitated new types of transnational crime to emerge. It highlights key areas for response, and encourages supporting regional and sub-regional coordination bodies to prioritize international cooperation in these sub-regional hubs.

Greater Mekong Sub-region

Select sub-regional economic integration and infrastructure projects

In developing sub-regional infrastructure, GMS countries have recognized that security risks related to transnational crime may harm overall integration goals. A GMS human resource development strategy and action plan has been developed to provide the framework for GMS cooperation in areas including health, education, labor and migration, and social development.³⁸ Member states also recognize the fact that land border systems are underdeveloped because initial attention has focused on seaports and airports.³⁹ The ASEAN Master Plan on Connectivity recognizes that the CBTA is likely to have negative impacts, identifying challenges such as human trafficking and wildlife trafficking.⁴⁰ However, it appears that addressing these challenges is not an integrated part of the agreement, and that joint border control is still first and foremost geared towards trade facilitation.

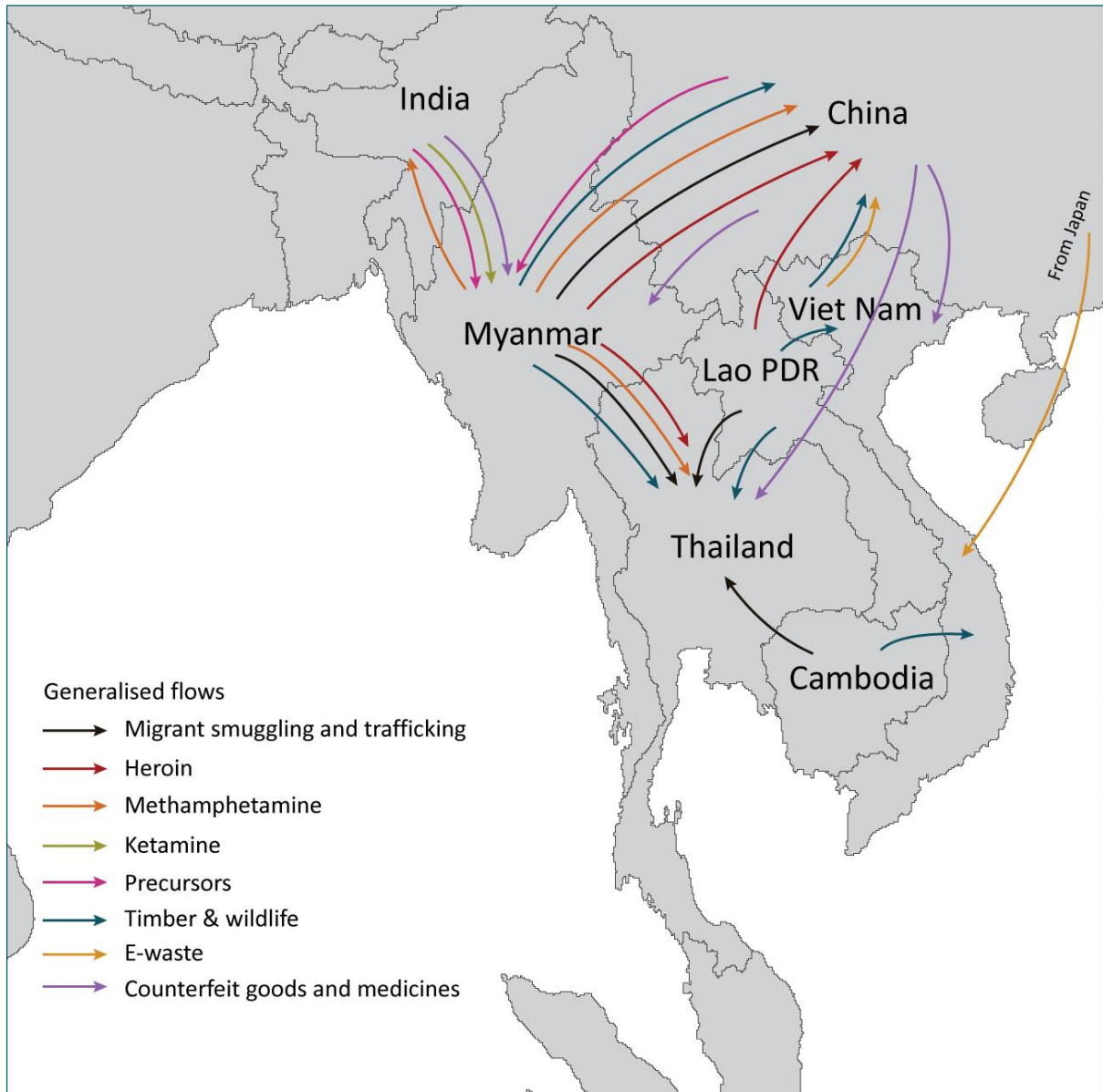
³⁸ ADB, Greater Mekong Subregion Economic Cooperation Programme, 2012. Link: <http://beta.adb.org/sites/default/files/gms-overview.pdf>

³⁹ UNODC, “Effective Frontline Border Management in Southeast Asia’s New of Integration”, August 2014, p. 8

⁴⁰ ASEAN Master Plan on ASEAN Connectivity, 2010. Link: http://investasean.asean.org/index.php/ajax/exec_ajax/file_download/824/newsid/966/master-plan-on-asean-connectivity.pdf

Crime threats in the GMS

Figure 14: Generalised flows of criminal trade in the GMS



Drug and precursor trafficking

A cornerstone of UNODC’s work in the GMS was laid in a 1993 *Memorandum of Understanding on Drug Control in the Greater Mekong Sub-Region*, which has since been renewed. There is a solid understanding that drug production, trafficking and abuse are regionalized, and that strong organised criminal groups continue to emerge. It appears that infrastructure projects joining eastern India to the rest of the GMS region has resulted in an increase in production of ketamine and methamphetamine,⁴¹ while Myanmar remains the main cultivator of opium poppies and exporter of heroin. For both heroin and methamphetamine, opportunities for traffickers are growing in the improvement of infrastructure

⁴¹ UNODC is reporting growth in seizures of ketamine and methamphetamine originated from India.

and the reduction of border controls within the GMS and in its connections to China and India. The threat is clear and rising.

Heroin and related precursors

Approximately two-thirds of the region's heroin supply comes from Myanmar and one third from Afghanistan via Pakistan. The majority of opium production in Southeast Asia is confined to parts of Myanmar, particularly Shan State. A smaller, yet significant, amount is also produced in Lao PDR. Myanmar and Lao PDR combined produced an estimated 762 tons of opium in 2014 alone.

Some heroin is moved by land across Lao PDR and Thailand, while some is trafficked by sea through ports in southern Myanmar. The majority is trafficked from Myanmar directly across the border to Yunnan province in China, which has 70% of the heroin market and around 1.3 million users.⁴² The trafficking between Myanmar and China flows in both directions, as the processing of heroin requires precursor chemicals, particularly acetic anhydride (see below).

In 2014, an increase in heroin use was reported in Lao PDR, Singapore and Thailand. Heroin remains the primary drug of concern in Malaysia, Myanmar, Singapore and Viet Nam, and continues to account for a substantial number of drug users in Indonesia and Australia. Heroin traffickers are often Chinese, but frequently come from other countries such as Myanmar, Viet Nam, Nigeria and Pakistan.

Heroin production in Southeast Asia relies on acetic anhydride, which is sourced mostly from outside the region. India and China are the primary suppliers of acetic anhydride to Southeast Asian heroin processors. Traffickers take advantage of porous borders and growing trade flows with Myanmar in particular to make sizeable shipments by maritime transport, with few interdictions.⁴³



Source: CCDAC

Heroin seizure in Shan State, Myanmar

Date: 16 -19 June, 2015

Amount seized: 200 kg of Heroin

Profiles of arrestees: 3 Myanmar nationals

Trafficking routes: Myanmar – Thailand

⁴² Ibid

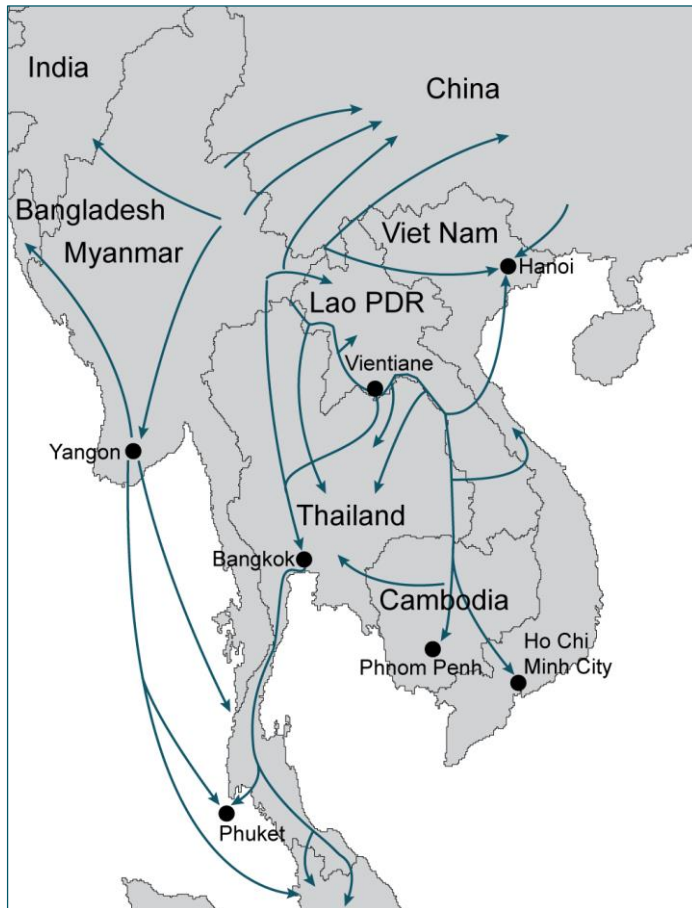
⁴³ UNODC, "Southeast Asia Opium Survey: Lao PDR and Myanmar", 2014, p. 3

Synthetic drugs and their precursors

China and Myanmar are the main producers for export of methamphetamine within and from the region. Most methamphetamine in Myanmar is manufactured in Shan State, in the border areas near China and Thailand. The trade goes both ways, because Myanmar’s production of methamphetamine relies on the acquisition of precursors and licit pharmaceutical preparations from neighbouring

countries such as India, China, and Thailand. Moreover, seizure reports are increasingly indicating the growing emergence of India as a producer country for crystalline methamphetamine.⁴⁴

Figure 15: Methamphetamine pills flows in the GMS



As the GMS community is expanding, eastern India is becoming a producer, transit hub, and destination of methamphetamine and ketamine. India and China are currently witnessing a re-emergence of ketamine production, after the authorities eliminated most of the laboratories in 2012.⁴⁵ Furthermore, the majority of the ketamine seized between 2009 and 2013 in Thailand, Myanmar, Indonesia, Taiwan and Brunei Darussalam are believed to have originated from India.⁴⁶

Thailand remains one of the largest markets for methamphetamine pills. In 2010, Thai authorities estimated that approximately a billion methamphetamine pills are trafficked into the country annually. Most pills

entering Thailand are manufactured in Myanmar and consumed domestically, with unknown quantities transported onward to other regional markets. Anti-narcotics police seized around 96 million methamphetamine tablets in the fiscal year of 2014, according to the Thai Office of the Narcotics Control Board, of which about 68% was smuggled into the country.⁴⁷ While most of it comes from Myanmar through the northern provinces of Thailand, around 20% is smuggled through Lao PDR

⁴⁴ Global Smart Programme “Challenges of Synthetic Drugs in East and South East Asia and Oceania”, UNODC, April 2015, p. 13

⁴⁵ Ibid

⁴⁶ Ibid

⁴⁷ United States Department of State Bureau for International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report Volume I Drug and Chemical Control, March 2015

and Cambodia. According to monitoring agencies, some is simply walked across the border at green crossings, while the remainder enters concealed in vehicles transiting at formal border crossings.



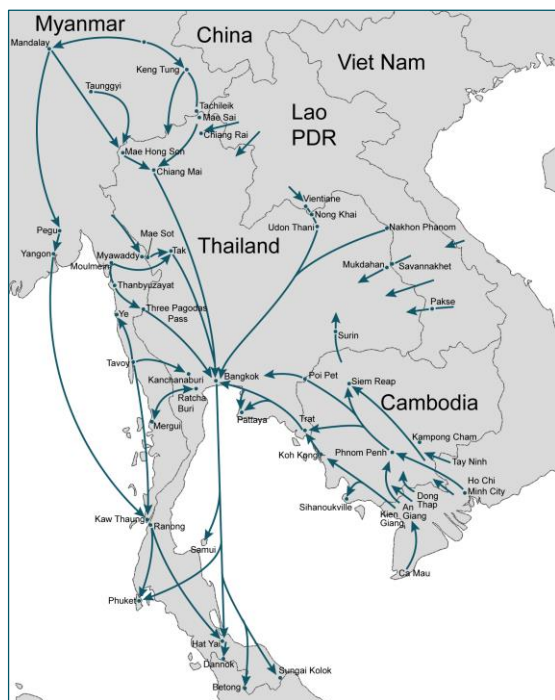
Source: NACD, Cambodia

Meth seizure in Phnom Penh, Cambodia

Date: 16 -19 June, 2015
 Amount seized: 38.2 kg of crystal meth, 170,030 meth pill (approximately 16 kg)
 Profiles of arrestees: 4 arrested (three Chinese men and one Cambodian woman)
 Trafficking routes: Golden Triangle – Cambodia

Human smuggling and trafficking

Figure 16: Sex trafficking in Thailand and Cambodia



Thailand and China are the regional magnets for unregulated labour and prostitution. While the crimes of human trafficking and the smuggling of migrants are distinct, in the GMS they are closely interlinked. UNODC has estimated that just over half a million migrants are smuggled into Thailand annually, with the vast majority coming from Myanmar, but also from Lao PDR and Cambodia. An estimated US\$192 million is generated on an annual basis by smuggling migrants from these three countries into Thailand. Trafficking victims account for an estimated 5% of the smuggled migrants. The amount of labour stolen from these victims averages US\$1,260 per year, resulting in a sum of US\$33 million per year generated for their exploiters.⁴⁸

Based on UNODC border surveys, it is estimated that one third of irregular migrants in the region use major roads and cross at official checkpoints. Throughout the GMS, official borders can be crossed

easily with migrants led by smugglers on foot, by motorbike, vehicle or boat. The other two-thirds of the migrants use the many informal crossing points. During the dry season, for example, labour migrants from Myanmar can wade across the Mae Sai River near Tachilek, or the Moei River that connects to Thailand. In the rainy season, the trip can be made by boat. In addition, the provinces in

⁴⁸ UNODC, “Transnational Organized Crime in East Asia and the Pacific”, April 2013, p. iv

the southern region are accessible by sea.⁴⁹ The Thai sex industry is also supplied by women and girls trafficked from neighbouring Myanmar, as well as from Cambodia and Lao PDR. Smuggling of women also occurs from Mong La (Shan State) in northern Myanmar to the bordering Yunnan province in China.

Child Labor Trafficking from Myanmar to Thailand

In January 2010, Thailand convicted a Myanmar man for trafficking nine Myanmar boys to Thailand, who had each paid between USD 250-340 for the journey. The trafficker promised them work in the food-processing industry and a decent salary. Together with 40 other irregular migrants, the boys entered Thailand illegally on foot in Mae Sod District, in Tak Province. From there, they traveled to Chonburi Province by pickup truck and were sold to another Myanmar man. To work off their debts, the boys were forced to work on fishing boats. When they were too ill to work or did not work fast enough, they were beaten or assaulted with knives and electric shockers. After two months, one of the victims managed to contact the authorities, and a rescue operation followed. In Court, the trafficker was found guilty of all charges against him, and received a prison sentence of 33 years.

Wildlife and timber trafficking

Wildlife and timber trafficking are damaging biodiversity and undermining livelihoods in remote areas of the GMS. Cambodia, Lao PDR and Myanmar are the main sources and transit areas for wildlife and timber trafficked to Thailand and Viet Nam, and especially to China. Viet Nam is both a consumer country and an important trading route to China for illegal wildlife and forest products. In 2000, estimated revenue generated by the illegal wildlife trade in Viet Nam totalled US\$67 million, which is more than 12 times the value of the legal wildlife trade there. By some estimates, up to 4,000 tons of illegal wildlife (foodstuff and forest products) are trafficked in and out of Viet Nam each year.⁵⁰

Thailand is a consumer and trans-shipper of pets and high-value luxury items. The trade is driven by its growing economy with increased purchasing power. It is facilitated by the country's position as a major international transport hub. The ivory trade into Thailand is an ongoing problem and the enforcement of existing regulations has proven to be difficult. Once imported, illegal ivory from Africa is either re-exported or processed and passed off as local and legal products.

In Myanmar, international border crossings with Thailand and China also function as wildlife markets. Especially Mong La in northern Myanmar bordering Yunnan province in China is a hub for illegal trade in wildlife. The trade includes big cats and bear parts. Keng Larb in northeast Shan State is becoming a new centre for maritime transnational wildlife trade connected by river to China, Lao PDR and Thailand.

⁴⁹ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 10

⁵⁰ Nguyen 2008. Nguyen Van Song, "Wildlife Trading in Vietnam: Situation, Causes, and Solutions", *Journal of Science and Development*, 2008, p. 109.

Cambodian forests have undergone extensive commercial logging over the last 30 years with forest cover dropping from 72% in 1973 to 46% in 2013.⁵¹ Many of Cambodia's fauna species have also been targeted and continue to be subjected to illegal trafficking to feed markets in China and Vietnam. Recent seizures point to transnational organised crime groups targeting Cambodia as a transit point for ivory and rhino horn from Africa.

The opening of previously remote areas to trucks and economic networks has made it easier for organised crime groups to exploit natural resources, ship them out and conceal their origins. There are useful environmental safeguards around an infrastructure development, they do not take into account the predictable impacts on opportunities for organised crime that come from integrating areas with protected timber and wildlife into regional trade corridors.

E-waste

E-waste enters the region mainly from the United States, the European Union and Japan. More recently, a significant second route for e-waste has grown to supply the informal recycling sector of southern China via northern Viet Nam. This "backdoor route" has developed in response to improved enforcement in Hong Kong, and capitalizes on unclear regulation in Viet Nam over the imports for e-waste in transition; it is estimated that up to 90% of e-waste arriving at Vietnamese ports is destined for re-export. The northern port of Haiphong dominates this trade. There is also an indication of transboundary movement of e-waste between Africa and Asia. As with drug and precursor trafficking, organised crime groups involved in e-waste benefit from more complex and international supply chains that criss-cross the region, which lower costs and detection risks.

Counterfeit goods and medicines

Counterfeit products and medicine are widespread in the region, with the majority coming from China, despite stricter law enforcement. The transnational networks involved are proving to be flexible: if any supplier or assembler is removed, other partners can be found elsewhere. Due to increased regulatory pressure within China, key aspects of production are reportedly moved to other countries, such as Myanmar, Viet Nam, and Cambodia.

Counterfeit medicines from China and India are found in markets throughout the region, and the trade thrives in less developed countries. The GMS has a high burden of infectious diseases, creating strong demand for cheap drugs that pretend to address those diseases. For example, since 2006, Myanmar has experienced five outbreaks of Avian and Human Pandemic Influenza and Indonesia ranks fifth in the world amongst countries with high tuberculosis (TB) cases.⁵² Small-scale research into the prevalence of fake drugs has revealed that counterfeit medicines in these markets often contain only limited quantities of active ingredients.

Studies also indicate that a country's capacity to restrict dangerous drugs depends on its wealth. In less developed countries, counterfeit drugs are in circulation despite the development of pharmaceutical laws and regulations. Some of the challenges are lack of trained drug inspectors and

⁵¹ UNODC, Criminal Justice Response to wildlife and forest crime in Cambodia: a rapid assessment, February 2015

⁵² Global Fund, "Fighting Tuberculosis in Indonesia", 2013

a generally low capacity to enforce laws in this area.⁵³ Weaknesses in border control and inspection are also exploited. Each year, Interpol seizes counterfeit medicines for treatment of malaria, HIV, tuberculosis and other common infections in Southeast Asia through Operation Storm. In 2014, it seized 4,701,789 units with an estimated value of over USD 3 million.⁵⁴ As trading networks in the GMS deepen and border controls lighten, organised criminal groups are taking advantage to spread dangerous drugs. Law enforcement cooperation across borders in response has struggled to catch up.

Summary of crime threats in the GMS

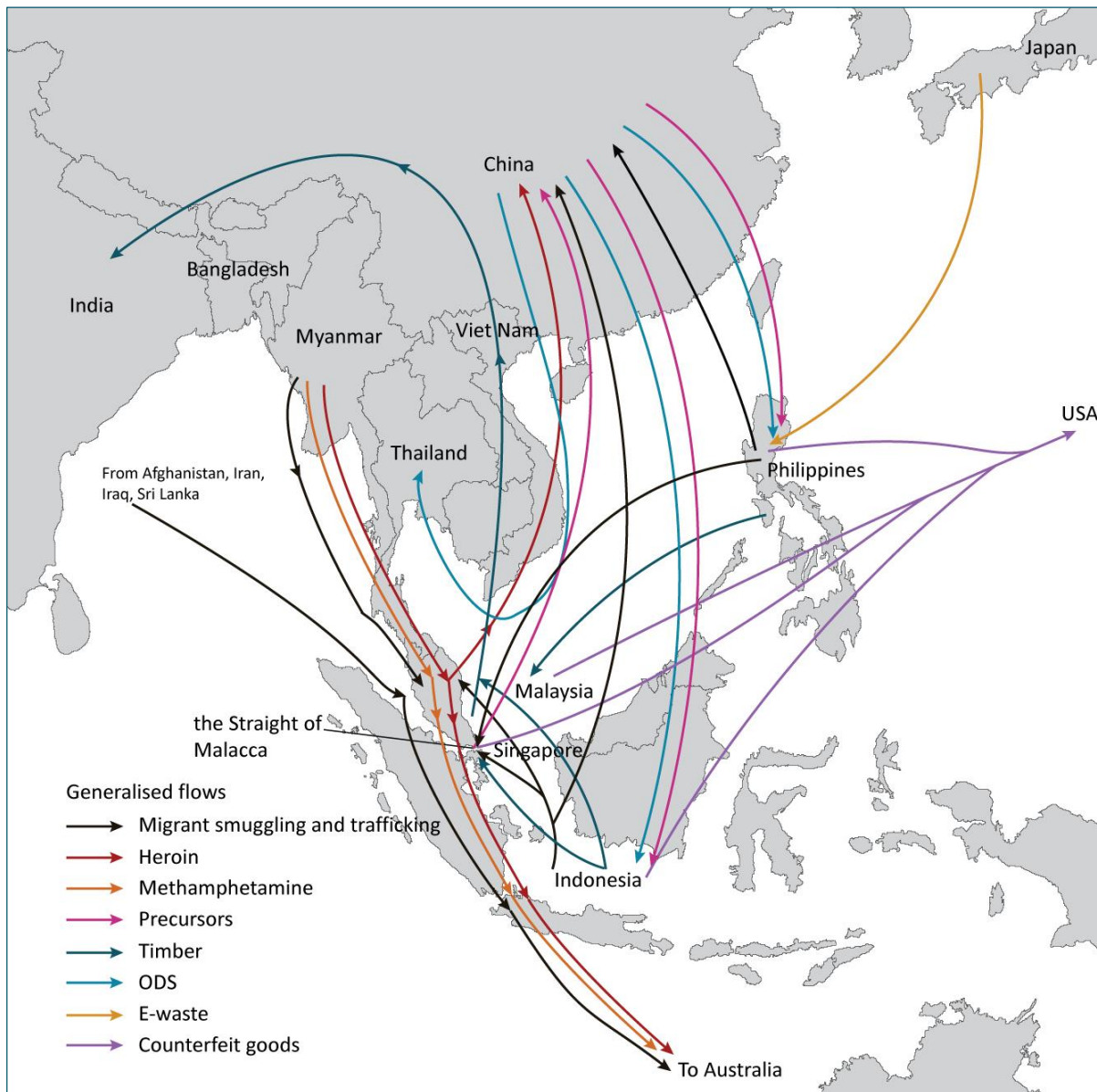
CRIME THREAT	SELECT ROUTES	INDICATIVE THREAT LEVEL
Drugs and precursors		High
Heroin	Myanmar – China Lao PDR – China	High
Methamphetamine	Myanmar – Thailand, Cambodia, Lao PDR Myanmar – China	High – <i>rising</i>
Ketamine	India – Myanmar and the rest of SEA	High
Precursors	India – Myanmar China – Myanmar Thailand – Myanmar	High
Human trafficking and smuggling		High - <i>rising</i>
Human trafficking	Myanmar – Thailand Cambodia – Thailand Lao PDR – Thailand Myanmar – China	High
Migrant smuggling	Myanmar – Thailand Cambodia – Thailand Lao PDR - Thailand Myanmar – China	High - <i>rising</i>
Environmental Crime		Medium/ High
Wildlife and timber trafficking	Myanmar – China Myanmar – Thailand Cambodia – Viet Nam Lao PDR – Viet Nam	High
E-waste	E.U., Japan, U.S. – Viet Nam	Medium
Counterfeit goods and medicine		Medium
Counterfeit goods	China,– Myanmar, Thailand, Viet Nam	Medium
Counterfeit medicines	India, Myanmar – rest of the region	Medium

⁵³ Ibid

⁵⁴ Interpol website. Link: <http://www.interpol.int/Crime-areas/Pharmaceutical-crime/Operations/Operation-Storm> (accessed on 7.9.2015)

Maritime Southeast Asia

Figure 17: Generalised flows of criminal trade in maritime Southeast Asia



Select sub-regional economic integration and infrastructure projects

There are several integration initiatives that focus on developing infrastructure and increase trade, including the BIMF-EAGA described in Chapter 2. Another example is the Indonesia-Malaysia-Thailand Growth Triangle is a sub-regional cooperation initiative from 1993 by the governments of Indonesia, Malaysia, and Thailand to boost economic growth in less developed provinces. Its overall goal is to support the private sector to increase trade, investment, exports and employment opportunities.

But the key geographical feature of maritime Southeast Asia is the Strait of Malacca, a 900-kilometer strait linking Europe and the Middle East with the Asia Pacific region through the Indian and Pacific Ocean. Control of the strait is shared by Malaysia, Indonesia and Singapore. Carrying about 40 per cent of the world’s maritime trade, it links the major economies of China, India, Japan, Taiwan and

South Korea.⁵⁵ As these economies continue to expand, so too will the Strait of Malacca's economic importance to both Asia and the global economy. But the trade route is vulnerable to piracy, robbery, smuggling, drug trafficking, and there is the potential for ecological disasters.

Crime threats in Maritime Southeast Asia

Maritime Southeast Asia is generally an excellent environment for organised crime groups to exploit. The security threats they create undermine economic development and social stability, and cannot be contained by traditional national military capabilities or law enforcement agencies.

Human smuggling and trafficking

Maritime migrant smuggling remains a profitable and relatively low-risk crime. There are three major patterns in Southeast Asia. First, thousands of ethnic Rohingyas from Myanmar pay smugglers to enter Thailand each year by sea. From Thailand, many continue to Malaysia in search of work within established Rohingya communities in Kuala Lumpur and Penang.

Second, smuggled migrants from outside the region frequently enter the region in Malaysia, often moving on to Indonesia and eventually Australia. Indonesia has long served as a key transit country for smuggled migrants from Afghanistan, Iran, Iraq, Pakistan and Sri Lanka. Most migrants enter Indonesia on a private boat departing from Malaysia. Boats then travel across the Malacca Strait to Sumatra, or take the longer journey directly to Java. On Java, the port cities of Tangerang and Pelabuhan Ratu have been common embarkation points for smuggling by boat to Christmas Island, Australia. Bali, Sumbawa, Makassar, Kabena, Rote Island and Kupang have been the main embarkation points for smuggling by boat to Ashmore Reef, Australia.⁵⁶

Third, the Philippines and Indonesia are source countries for irregular labour migration to other Asian countries such as Hong Kong (China), Macau (China), Malaysia and Singapore. Hundreds of thousands of labour migrants work as domestic helpers, construction workers, in agriculture, and in sweatshops.⁵⁷ Many of them are subject to conditions of forced labour and trafficking.

The growth of passenger traffic and commerce at sea around the sub-region will increase opportunities for maritime migrant smuggling and human trafficking. In response, there is an urgent need to bolster maritime domain awareness and the capacities for cooperation among littoral states.

Drug and precursor trafficking

Maritime drug trafficking is already occurring and will likely expand as the region's economic connections proliferate. Large-scale shipments of heroin and methamphetamine precursors are also using sea-borne traffic, not only for use in the region but also for export to other regions. While China is the major source of precursor chemicals necessary for the production of heroin, methamphetamine and other drugs, producing over 100,000 metric tons of acetic anhydride each year, it imports additional precursors through shipments originating in Singapore. In recent years, Malaysia has also

⁵⁵ Robert D. Kaplan, "The South China Sea will be the battleground of the future", UK Business Insider, February 2015. Link: <http://uk.businessinsider.com/why-the-south-china-sea-is-so-crucial-2015-2?r=US&IR=T> (last accessed 07.09.2015)

⁵⁶ UNODC, "Migrant Smuggling in Asia: Current Trends and Related Challenges", April 2015, p. 50

⁵⁷ Ibid

reported multi-ton seizures of ephedrine.⁵⁸ Identifying illicit shipments and monitoring illegitimate maritime movements is extremely difficult without deep, rapid international cooperation. Security planners urgently need to develop the tools to do so and will need to integrate these in the trade facilitation agenda.

Heroin

Heroin produced in Myanmar enters northern Thailand and is moved south to Malaysia, Indonesia and Australia. For heroin from Afghanistan, Pakistani networks increasingly use Malaysia as a hub to redistribute Afghan heroin to other countries in the region, including China and Australia. In Indonesia, trafficking networks originating from India, Nepal, Iran and Pakistan operate across the archipelago, particularly in Bali. Recent arrests indicate that international drug syndicates have recruited Cambodian, Indonesian and Thai nationals.⁵⁹

Methamphetamine

Organised crime networks that want to feed a processing lab benefit from freer maritime trade. The sub-region has seen a proliferation of methamphetamine labs, some on a massive scale. Freer maritime trade also gives traffickers more potential markets to supply. In Indonesia, a large portion of the methamphetamine production is consumed domestically. The methamphetamine markets in Australia and New Zealand are largely supplied by domestic manufacture, although some imports have been detected, including through maritime Southeast Asia. There is some maritime methamphetamine trafficking from ports in southern Myanmar into southern Thailand, Malaysia and Indonesia.

Maritime crime

The Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia reported a total of 59 incidents of piracy and armed robbery in the Strait of Malacca between January and June 2015.⁶⁰ Compared to the same period in 2014, the number of incidents had increased by 1½ times from 23 to 55 incidents. Piracy and robbery in Southeast Asia have fluctuated over the years and appear to be in another growth phase.

The cost to trade and the threat to individuals are high. In terms of the need to secure economic integration against crime threats, piracy and robbery at sea are clear demonstrations of the challenge that arises from the limited awareness, reach and cooperation available from traditional law enforcement arrangements. The intent to strengthen trade and migration connections across ASEAN's waters is clear, but will be inhibited by criminals that threaten those goods and people at sea.

⁵⁸ International Narcotics Control Board, "2012 Precursors and chemicals frequently used in the illicit manufacture of narcotic drugs and psychotropic substances", March 2013

⁵⁹ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 56

⁶⁰ ReCAAP ISC Half Yearly Report, 2015, p. 14 link: http://www.recaap.org/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=411&PortalId=0&TabId=78 (last accessed 07.09.2015)

Wildlife and timber trafficking

In Southeast Asia, illegal wildlife is often openly sold in otherwise legal market contexts. For example, Pramuka market in Jakarta (Indonesia) is one of the region's largest wildlife markets, specializing mostly in exotic birds from Asia and around the world. Pasay City in Manila (Philippines) is the focus of trade in rare and endemic species. Other significant markets exist throughout the region. Thailand serves as transit point for trade in reptiles, for example for Malaysian lizards bound for the Chinese market.⁶¹

Indonesia remains a key source country of wildlife and timber because it retains more intact forests than its neighbouring countries. Timber is primarily trafficked within countries and to neighboring countries. Known routes lead from Indonesia and the Philippines to Malaysia, Singapore, and onwards. Many consignments of illegal timber are introduced through the seaports of another country to obtain certificates of convenience and to reach Chinese and European seaports more easily after several stops making the tracking difficult. The illegal trade in timber between South-East Asia and the European Union and other areas in Asia was worth an estimated \$3.5 billion in 2010.⁶² More recent assessments differ from this estimate because furniture, paper and pulp are considered.

E-waste and ODS

Indonesia is a secondary trade centre for e-waste. A common way to smuggle e-waste is by mis-declaring the shipping content as second-hand goods, used electronic goods, personal effects, plastic scrap or mixed metal scrap. Smugglers also use free trade zones exempt from government regulations – such as Batam Island in Indonesia – to avoid confiscation of e-waste shipments. China is the largest source of contraband ODS, and Indonesia, the Philippines and Thailand have been the main destinations since 2005.

Counterfeit goods

Significant departure points for counterfeit goods include Malaysia, Thailand, Indonesia, the Philippines, and Singapore. According to data from the World Customs Organization (WCO), 75% of counterfeit products seized worldwide between 2008 and 2010 were manufactured in East Asia. CDs and DVDs, accessories, watches, footwear, tobacco products and textiles are some of the most copied goods. Indonesia has been on both the Interpol and U.S. Trade Representative Priority Watch List in 2014 for weak legislation in this area.

Summary of crime threats in Maritime Southeast Asia

Trading routes and ports in maritime Southeast Asia face increasing quantities of illicit shipping cargo destined for other regions, often passing through unchecked. Environmental crimes remain largely hidden, but cause immense damage due to a growing demand for illegal wildlife and timber, and the supply of e-waste and ODS. These issues undermine the positive effects of the economic growth within this resource-rich sub-region.

⁶¹ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 78

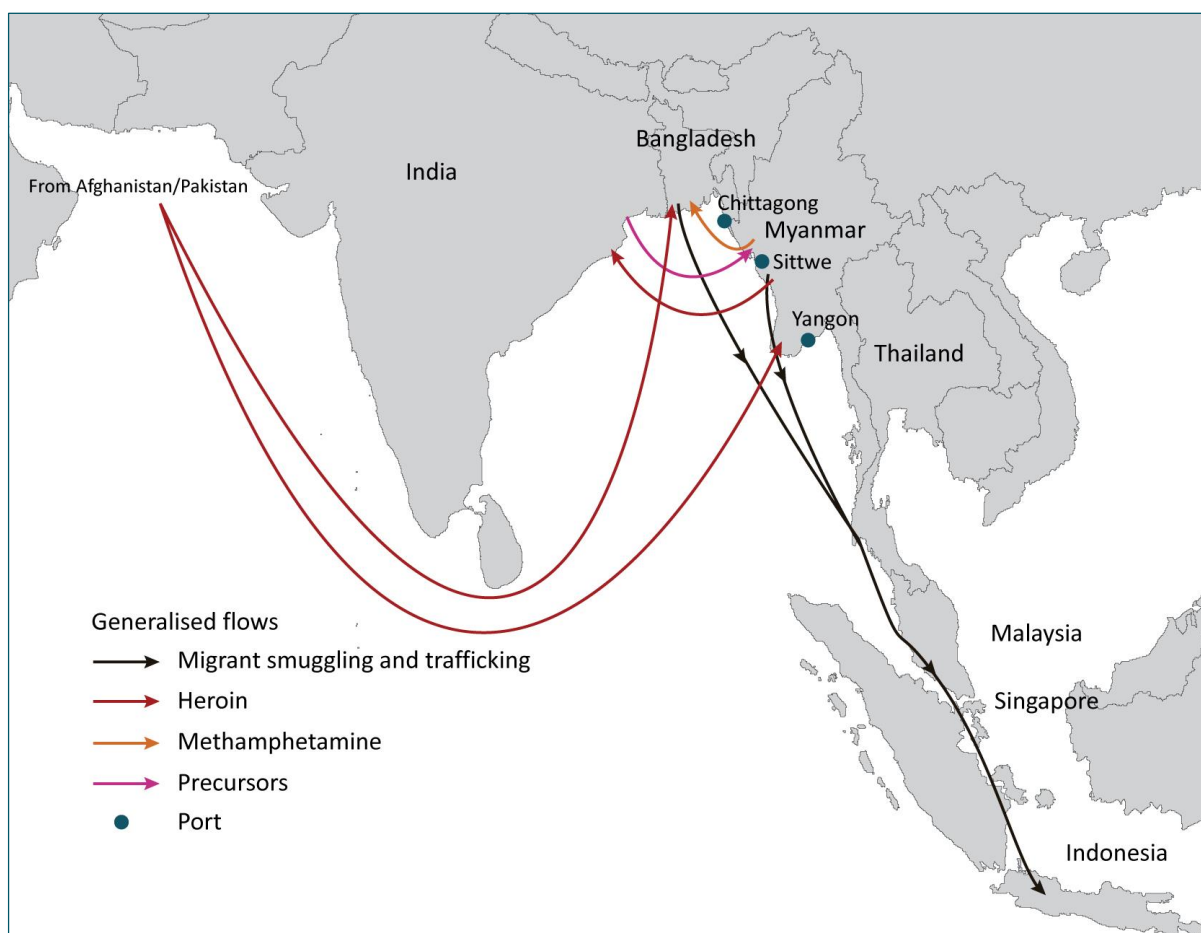
⁶² The Globalization of Crime: A Transnational Organized Crime Threat Assessment (United Nations publication, Sales No. E.10.IV.6). Available from www.unodc.org/documents/data-and-analysis/tocta/TOCTA_Report_2010_low_res.pdf.

CRIME THREAT	SELECT ROUTES	INDICATIVE THREAT LEVEL
Drugs and precursors		Medium
Heroin	Myanmar – Malaysia – China Myanmar – Indonesia – Australia	Medium
Methamphetamine	Myanmar – Malaysia, Indonesia	Medium – <i>rising</i>
Precursors	China – Philippines China – Indonesia Singapore – China Malaysia – China	Medium – <i>rising</i>
Human trafficking and smuggling		High
Human trafficking	Indonesia, Philippines – Singapore, China	High
Migrant smuggling	Myanmar – Thailand, Malaysia Afghanistan, Pakistan – Malaysia, Indonesia Iran – Indonesia – Australia	High
Maritime Crime		
Piracy	Strait of Malacca Singapore Strait	Medium - <i>rising</i>
Armed Robbery	Straight of Malacca	Medium
Environmental Crime		Medium/ High
Wildlife and timber trafficking	Indonesia – Malaysia, Singapore, Viet Nam, China, India Philippines – Malaysia, Singapore, Viet Nam, China, India Malaysia – Thailand – China	High
E-waste and ODS	China – Indonesia, Philippines, Thailand	Medium
Counterfeit goods and medicine		Medium
Counterfeit goods	Malaysia, Indonesia, Philippines, Singapore – rest of the region	Medium
Counterfeit medicines	China, Myanmar – rest of the region	Medium

Bay of Bengal

India and Southeast Asia have declared an intention to strengthen strategic and economic ties. Among other consequences, this raises the profile of the Bay of Bengal as a potential trade and migration hub. Infrastructure and licit trade starts from a low base, however, and a range of organised crime networks has already begun exploiting opportunities around the Bay.

Figure 18: Generalised crime flows around the Bay of Bengal



Select sub-regional economic integration and infrastructure projects

The Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC) comprises Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand. BIMSTEC countries covers over 20 per cent of the world's population and over USD \$2.5 trillion in combined GDP. The integration initiative has identified 14 focus areas aiming to increase cross-border cooperation and trade. Recognizing the link between greater integration and security threats, BIMSTEC has created a Convention on Cooperation in Combating International Terrorism, on Transnational Organized Crime and Illicit Drug Trafficking and on Mutual Assistance in Criminal Matters. However, they have not been ratified.

The 'Eastern India Myanmar border management and Kaladan Multi Modal transit transport project' aims to strengthen connections between India and Myanmar, including through the Bay of Bengal from the seaport of Kolkata (India) to Sittwe port (Myanmar). Sittwe port will be connected to Lashio (Myanmar) through the Kaladan river. Remote areas of Myanmar will have stronger land connections. Lashio port will be connected to Mizoram (India).⁶³ The Kaladan Project will increase Indian economic linkages with Myanmar and the rest of Southeast Asia. Once completed, Sittwe Port (Myanmar) will

⁶³ Jacob Goldberg, "Myanmar's Great Power Balancing Act", The Diplomat, August 2015.

Link: <http://thediplomat.com/2014/08/myanmars-great-power-balancing-act/> (last accessed 07.09.2015)

link with Mizoram (India) through an inland waterway channel on the Kaladan river, and a highway transportation system to the Bay of Bengal.

Crime threats around the Bay of Bengal

Drug and precursor trafficking

There are two main drug and precursor threats around the Bay of Bengal. First, Myanmar and India have a two-way connection. India is a source of precursor chemicals for heroin and methamphetamine processors trafficked into Myanmar. In return, Myanmar exports finished drugs to and through India. Border controls in the transit areas are weak and local law enforcement capacity is low relative to the growing activities of organised crime groups. If the development of infrastructure and trade facilitation mechanisms is not accompanied by stronger security cooperation, it is almost certain that organised criminal networks that straddle the India-Myanmar border will enjoy bigger revenues and more power.

Second, heroin is trafficked from Afghanistan through Pakistan on board commercial vehicles to India or Myanmar, and overland to Bangladesh and the rest of the region. There have been several seizures of drug shipments from India through the Bay of Bengal to Bangladesh. Drug smugglers also use the Bay of Bengal and its adjacent rivers for smuggling synthetic drugs (“yaba pills”) and other narcotic drugs from Myanmar to Bangladesh, and to bring in precursor chemicals from India to Myanmar.

Human smuggling and trafficking

With the help of smugglers, migrants leave Myanmar by boat to travel to Southeast Asia. In early 2015, irregular migration across the Bay of Bengal to Southeast Asia entered a period of crisis. Migrants and refugees were mainly ethnic Rohingyas from Bangladesh and Myanmar. Unregulated and, until recently, unobstructed, the number of maritime migrants has tripled between 2012 and 2014, reaching 25,000 in the first quarter of 2015.⁶⁴ The UN estimates that around 300 people already died this year from disease or mistreatment.⁶⁵

Increasingly, international smuggling networks use Bangladesh as a transit point to move Rohingya migrants further on to Thailand and Malaysia. It is estimated that more than 50,000 people were smuggled from Myanmar and Bangladesh to Thailand and Malaysia in 2013. The network of smugglers appears to be growing exponentially. In 2014, at least 600 smugglers and another 1,600 low level agents and boatmen were reported to be operating in Bangladesh.⁶⁶ To get an idea of the monetary gain for the facilitators of this illegal migration, the United Nations estimates people-smuggling across the Bay of Bengal has generated about USD \$250 million since 2012.

Recent detections show that some Bangladeshis seeking work in countries like Malaysia, Thailand and Singapore become victims of slave trade and human trafficking. The traffickers involved may have

⁶⁴ Kathleen Newland, “Irregular Maritime Migration in the Bay of Bengal: The Challenges of Protection, Management and Cooperation”, MPI Paper, July 2015

⁶⁵ UNHCR, IOM and UNODC, Proposals for Action in the Bay of Bengal and Andaman Sea, May 2015

⁶⁶ Elen Barry, “A Bangladeshi town in Human Trafficking’s Grip”, New York Times, July 2015.

Link: http://www.nytimes.com/2015/07/24/world/asia/bangladesh-human-trafficking.html?_r=0 (last accessed 07.09.2015)

been established criminal networks that have recently started targeting Bangladeshis.⁶⁷ Many Bangladeshis have been trafficked through the Bay of Bengal and have continued their journeys overland or by inland rivers. Data shows that this group now comprises 40-60 per cent of migrant traffic.⁶⁸

Maritime Crime

In Chittagong Port and surrounding anchorages in Bangladesh six piracy incidents were reported in 2014. The number of incidents at Chittagong is rising, involving groups of armed robbers looking to steal from docked vessels. Similar incidents of robbery are recurrent in the region. Although port security personnel in Bangladesh have managed to deter several attacks, the threat seems to be increasing.⁶⁹ If not secured adequately, future expansion of ports along the coast of Bangladesh and Myanmar may also present new opportunities for armed robbers interrupting trade.

Summary of crime threats around the Bay of Bengal

Maritime and land trading routes around the Bay of Bengal are increasingly becoming hotspots for migrant smuggling and trafficking. Only a coordinated effort by the source, transit and destination countries in the region can provide protection and lead to the capture and prosecution of perpetrators. Collective action is necessary for meeting concerns over national security, the orderly management of migration and borders and the human security of the people affected, without creating tensions between the countries involved.

Drugs and precursor trafficking, and piracy and armed robbery are also on the rise. These crimes require timely responses in the areas of training for border units, coast guard personnel, increasing maritime search and rescue (SAR) operations.

⁶⁷ Syed Zain Al- Mahmood, "Human Traffickers in Bay of Bengal casts sights on Bangladesh", Wall Street Journal, October 2014.

Link: <http://www.wsj.com/articles/human-traffickers-in-bay-of-bengal-cast-sights-on-bangladesh-1414536642> (last accessed 07.09.2015)

⁶⁸ Ibid

⁶⁹ SURITEC Monthly Piracy Report, May 2014.

CRIME THREAT	SELECT ROUTES	INDICATIVE THREAT LEVEL
Drugs and precursors		Medium/ High
Heroin	Afghanistan/Pakistan – Myanmar Myanmar – India	High
Methamphetamine	Myanmar – Bangladesh Myanmar - India	Medium – <i>rising</i>
Precursors	India – Myanmar	High
Human trafficking and smuggling		High
Human trafficking	Myanmar, Bangladesh - Thailand, Malaysia, Singapore	High
Migrant smuggling	Myanmar, Bangladesh – Thailand, Malaysia, Singapore, Indonesia	High – rising
Maritime Crime		Low/ Medium
Piracy	Coast of Bangladesh	Low
Armed Robbery	Coast of Bangladesh	Medium

Gulf of Thailand

Thailand, Malaysia, Cambodia and Viet Nam are the four countries on the Gulf of Thailand and are jointly responsible for maritime security. They recognize that the rapid development of the regional economy increases the importance of freedom of navigation and commercial waterways, and the need for responsible law enforcement and multilateral cooperation.

Select sub-regional economic integration and infrastructure projects

Thailand has been working with China for some time on creating an alternative route to the Strait of Malacca – the world’s busiest shipping lane – by digging a canal through the Kra Isthmus, in southern Thailand. This maritime connection would shorten the route for ships from the GMS, and reduce transport costs. If implemented, a diversified manufacturing belt could be developed along the canal, with two new great ports on either end. However, the project is constrained by many competing economic interests and national security concerns. Beyond that potentially transformational initiative, the Gulf of Thailand benefits from being entirely surrounded by ASEAN members and is subject to broader regional economic integration and infrastructure development efforts.

Crime threats in the Gulf of Thailand

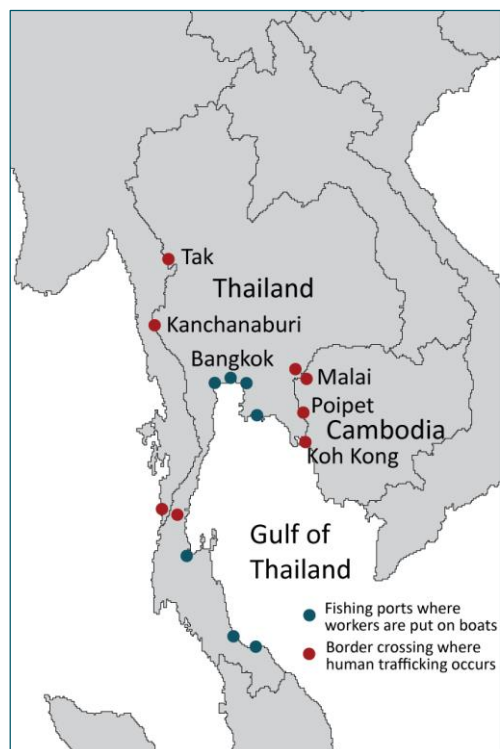
Drug and precursor trafficking

Thailand serves as a transshipment country for heroin from Myanmar to Malaysia, Indonesia and Australia. Cambodia has become a transshipment hub of growing importance, and a source of heroin shipped to Australia.⁷⁰ However, the Gulf itself does not appear to be a major hub for drug and precursor trafficking. Instead, organised criminal groups in surrounding countries are able to use land routes, as discussed earlier in the section on the GMS.

Human trafficking and smuggling

The Gulf of Thailand is famous for its fishing industry, but due to over-fishing and declining catches, operators are cutting costs by using slave and forced labour, often migrants from Myanmar and less developed countries. Human trafficking and smuggling of migrants by sea also occurs. Thai authorities continue to discover scores of ethnic Rohingya migrants fleeing Myanmar. Rohingyas from Myanmar are often smuggled via Thailand and Malaysia to Indonesia. In the winter, they take advantage of the slightly calmer waters in the Andaman Sea to head south to Indonesia.

Figure 19: Migration and exploitation issues around the Gulf of Thailand



Wildlife trafficking

In the Gulf of Thailand, seahorses are in demand for traditional medicine preparation and the aquarium trade. Annually, an estimated 20 million seahorses are harvested from the South China Sea and the Gulf of Thailand, mostly for export to China.⁷¹ It is likely that all ports in this region serve as transshipment hubs of illegal wildlife. Thailand and Viet Nam also serve as consumer countries, and especially Viet Nam is an important trade hub for wildlife products to China.

Counterfeit goods

Thailand serves as a major transit hub for counterfeit goods from China en route to the wider Southeast Asian market. Thai authorities have had some success in suppressing counterfeit consumer goods. For example, in 2013, the Royal Thai Police and Department of Special Investigation had 4,359 cases initiated under the Copyright Act and seized 964,637 items. In the same year, the Customs Department conducted 581 raids and seized 308,458 items.⁷² Although much of the counterfeit goods

⁷⁰ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 55

⁷¹ UNODC, "Transnational Organized Crime in East Asia and the Pacific", April 2013, p. 80

⁷² Asian Patent Attorney Association 63rd Council Meeting, 8-11 November 2014, Penang

travel overland from China to Southeast Asian markets, some of the goods are shipped by sea to Thailand and Viet Nam.

The WCO reports that approximately 59 per cent of the value of seizures of counterfeit goods in East Asia in 2010 came from seaborne containers shipments. Many countries in the Gulf of Thailand – Thailand, Viet Nam and Malaysia – serve as secondary departure points for counterfeit goods destined to global market.

Summary of crime threats in the Gulf of Thailand

As an integrated economic zone, the Gulf of Thailand has had a ‘natural’ advantage in being surrounded by ASEAN members and a long tradition of stability. It is clearly being used by organised criminal groups, but they do not appear to enjoy the multiple and growing opportunities for activity that are evident in other sub-regions. To some extent, organised criminal activity in the Gulf of Thailand is an ‘offshoot’ of that occurring along more intensive sea lanes around the broader maritime Southeast Asia.

CRIME THREAT	SELECT ROUTES	INDICATIVE THREAT LEVEL
Drugs and precursors		Medium
Heroin	Thailand – Malaysia, Indonesia, Australia Cambodia – Australia	Medium
Methamphetamine	Thailand – Malaysia, Indonesia, Australia	Medium
Human trafficking and smuggling		High - <i>rising</i>
Human trafficking	Thailand – Indonesia Malaysia – Indonesia	High
Migrant smuggling	Thailand – Indonesia Malaysia – Indonesia	High
Environmental Crime		Medium
Wildlife trafficking	Thailand – Viet Nam – China	Medium
Counterfeit goods and medicine		Medium
Counterfeit goods	Thailand – rest of the world China – Thailand, Viet Nam	Medium

4. Conclusions and Recommendations

Economic growth in Southeast Asia is encouraging closer integration of suppliers, production networks and infrastructure in the region. Previously, international and inter-regional linkages were much less intense, so adverse effects on security and the environment had a local character. Now, rapidly expanding economic and infrastructure connections around the region have expanded the space for cross-border crime. The capacities required to address the risks and negative impacts of economic integration go beyond local public security and safety institutions. Moreover, the systems and safeguards that accompany infrastructure projects are reflective of a time when crime was more of a local phenomenon. Today's risk assessments, if used at all, are not keeping pace with the speed of change in the region.

Threats associated with regional integration and the creation of new economic networks are particularly serious for less developed, resource-rich countries. ASEAN member states urgently need to strengthen regulatory frameworks and the capacities to enforce them, with a focus and methods relevant to the new challenges of a networked region. In particular, ASEAN countries and their trading partners will need incorporate security considerations in their economic integration agendas, creating more coherence between economic and security planning. Further expansion of free trade areas and connectivity through infrastructure upgrades should incorporate lessons from the story so far, in which organised groups proliferate and perpetrate crimes faster than trade planners and public security agencies develop the skills and relationships to fight them.

This report described five areas of organized crime where strong evidence exists about current and possible future impacts of organized crime networks on economic growth and wellbeing in Southeast Asia. They are: drugs and precursor trafficking, migrant smuggling and trafficking, maritime crime, environmental crime, and counterfeit goods and medicine. Trends identified in this report include:

- Helped by increasing integration between India and the ASEAN region, the trade in drugs, precursors and counterfeit medicines between South Asia and ASEAN is growing.
- Transnational networks producing and trafficking drugs are broader and deeper, particularly methamphetamine. Moving drugs and precursors across the region has become easier and more lucrative due to the expansion of the market and improved connections over land, sea, and air.
- Illegal migrants from within and outside the region are increasingly smuggled into mainly Thailand, Malaysia and China, taking advantage of the possibility of crossing borders without detection. Many migrants fall prey to labour exploiters who seek cheap labourers to keep prices low and beat increasing regional competition. Many risk dangerous sea journeys.
- Environmental crimes such as the illegal wildlife and timber trafficking are on the rise. Traders can more easily access previously remote areas and make lucrative deals to ship to the region's major ports with low risk of detection.
- Some criminal activities are relocating from China to the ASEAN region due to better law enforcement in China, and better opportunities for criminals to move to countries with lower production costs, weak regulations, and lax law enforcement. Examples are the production of counterfeits drugs and goods, and the routing of e-waste.

Recommendations

1. Integrate security concerns into existing platforms

At the **policy level**, while ASEAN member states are involved in and affected by these trends to differing degrees, the rapid pace of economic integration and increased connectivity means that all countries are likely to be affected in the short to medium term – especially if they fail to counter it. Collaboration on economic integration in ASEAN has leapt forward, but unevenly, and failing to account for security concerns. There are numerous platforms for discussing integration already. Participants should include in these discussions an exploration of the links between economic connectivity and the threats of organised crime.

2. Develop a safeguards process

The region should consider developing a **safeguard policy and process** that includes security risk assessments around infrastructure projects and trade facilitation initiatives. Models exist at the national and international level in areas such as environmental risk assessment and social risk assessment. There is enough experience of how organised crime networks behave to enable prediction of impacts and adoption of mitigation measures. Such a process would ensure preparations are made *before* a project opens opportunities for organised crime.

3. Cross-border cooperation

New challenges for enforcement agencies need to be addressed through better **cross-border cooperation** on all levels. In many ways, transnational crime groups are outpacing national enforcement and justice responses. International cooperation to monitor threats and attack transnational criminal networks through regulation and enforcement is crucial. There is a clear need to strengthen networks of security, justice, trade and infrastructure institutions to facilitate more effective coordination to combat transnational crime. This would include training on transnational threats and challenges, and existing mechanisms to counter transnational organized crime.

The level of consensus on trade facilitation and infrastructure priorities is not matched by consensus on regional and inter-regional priorities in combating transnational crime. Connectivity and greater trade will likely expand the reach of transnational crime networks further. States are unlikely to remain secure and become more prosperous by limiting their focusing on domestic crimes. A stronger consensus at the **regional level on priorities in addressing crime** would provide a better platform for action to protect the region's people and reduce impunity for organised crime.

Steps to facilitate trade, such as by removing border controls, will need a simultaneous process of developing cultures and mechanisms for cross-border cooperation and communication between justice and law enforcement agencies. Available tools and technologies should be used to enable **real-time sharing of information** and intelligence on criminal activities.

There would also be great benefit from increasing the effectiveness and efficiency of handling **mutual legal assistance** requests. Each country will find itself stronger by supporting one another in judicial cooperation to attack transnational criminal networks.

4. Predicting and pinpointing crime

As the analysis in this report indicates, it is critical to strengthen **regional data collection** instruments to gather missing data, using existing data collection tools and initiatives as an example. The Drug Abuse Information Network for Asia and the Pacific (DAINAP) is an online drug-data collection and

sharing system for ASEAN countries and China. Since 2013, there is the Voluntary Reporting System on Migrant Smuggling and Related Conduct (VRS-MSRC). Similar data collection is needed on regional wildlife and timber trade, and human trafficking.

There are currently a number of mechanisms within the ASEAN community that could be built upon to strengthen cross-border cooperation to secure economic flows against criminal threats. Their importance is only expected to grow. Examples of opportunities for strengthening cross-border cooperation are outlined in Annex A. The broader conclusion is that ASEAN countries will need to bring together their capacities for cooperating across borders on economic issues and their capacities for cooperating across borders to combat transnational crime. If this fuller, more comprehensive approach to integration is adopted, then the AEC will be a stronger region that protects its people, promotes prosperity and punishes the perpetrators of organised crime.

Annex A: Existing UNODC initiatives to develop regional cooperation

Border Liaison Offices (BLOs)

BLOs are coordinating offices for national law enforcement agencies facilitating and promoting cross-border cooperation. Offices are located near official border crossings and act as a centralized clearing hub for information received from the nearby border areas. Information received is analysed and used for informing joint actions national law enforcement agencies.

BLOs are staffed with officers of frontline law enforcement agencies who patrol neighbouring border areas. They serve as focal points for relaying important information and intelligence to counterparts. UNODC supports over 70 BLOs throughout Southeast Asia. The use of common training, tools and systems help countries in the region to sustain and expand national coordination and policy committees, and strengthen cooperation between front-line border agencies, and between border agencies across national borders.⁷³

BLOs in Viet Nam

In May 2015, frontline law enforcement agencies in Viet Nam seized 9.4 kilograms of rhino horn from a man in Tay Ninh province. Vietnamese law enforcement agencies arrested the suspect at the Ta Han border, between Viet Nam and Cambodia. The arrested suspect claimed to have received the package from a man in Cambodia and said that he was unaware of the content.

Port Intelligence Units (PIUs)

Increased economic integration and the upgrading of borders and ports across Southeast Asia will lead to a further increase in maritime movement of goods and people. This will also lead to increased use of ports and maritime routes for the illicit trade. Maritime cross-border movement in illicit smuggling and human trafficking remain a critical challenge for national law enforcement agencies.

PIUs are coordinating offices consisting of multidisciplinary teams, tasked with strengthening the capacity of port law enforcement in key countries to combat maritime smuggling in Southeast Asia. Initiated in 2012, the PIUs are anchored in the concept of pro-active, intelligence-led investigations focused on identifying maritime migrant smuggling ventures, tactical trends and strategic risks. UNODC has established and supported three PIU across Southeast East.

Container Control Programme (CCP)

The Container Control Programme (CCP) is a joint initiative of UNODC and the World Customs Organization (WCO) that aims to minimize the exploitation of maritime shipping containers for the illicit trafficking of drugs chemical biological or radioactive substances, and other transnational organized crime activities. At the heart of the approach is the creation of inter-agency port control units (PCUs) staffed with analysts and search teams from different law enforcement agencies (e.g. Customs, Police) who are trained and equipped to work together to systematically target high risk

⁷³ UNODC, "Supporting Regional Integration with Effective Border Management: Border Liaison Offices", 2015.

containers, using risk analysis and other proactive techniques with minimum disruption to the free flow of legitimate trade.

Drug Abuse Information Network for Asia and the Pacific (DAINAP)

The Drug Abuse Information Network for Asia and the Pacific (DAINAP) is an online drug data collection and sharing system in use by the 10 ASEAN countries and China. It was developed with the understanding that it is necessary to integrate drug data collection efforts of the participating countries in order to better understand the rapid evolving nature of illicit drug markets in the region. Data collected by DAINAP include both drug enforcement related data and public health related data and have been used to produce a series of annual drug situation assessment reports by UNODC.

AsiaJust

Towards AsiaJust assists ASEAN states to progressively strengthening their justice systems to collaborate on transnational crime cases. Key achievements of AsiaJust include strengthening a regional mutual legal assistance network, assisting with the establishment of ARIN-AP (Asset Recovery Inter-agency Network of Asia and the Pacific), and implementing a prosecutor exchange program.

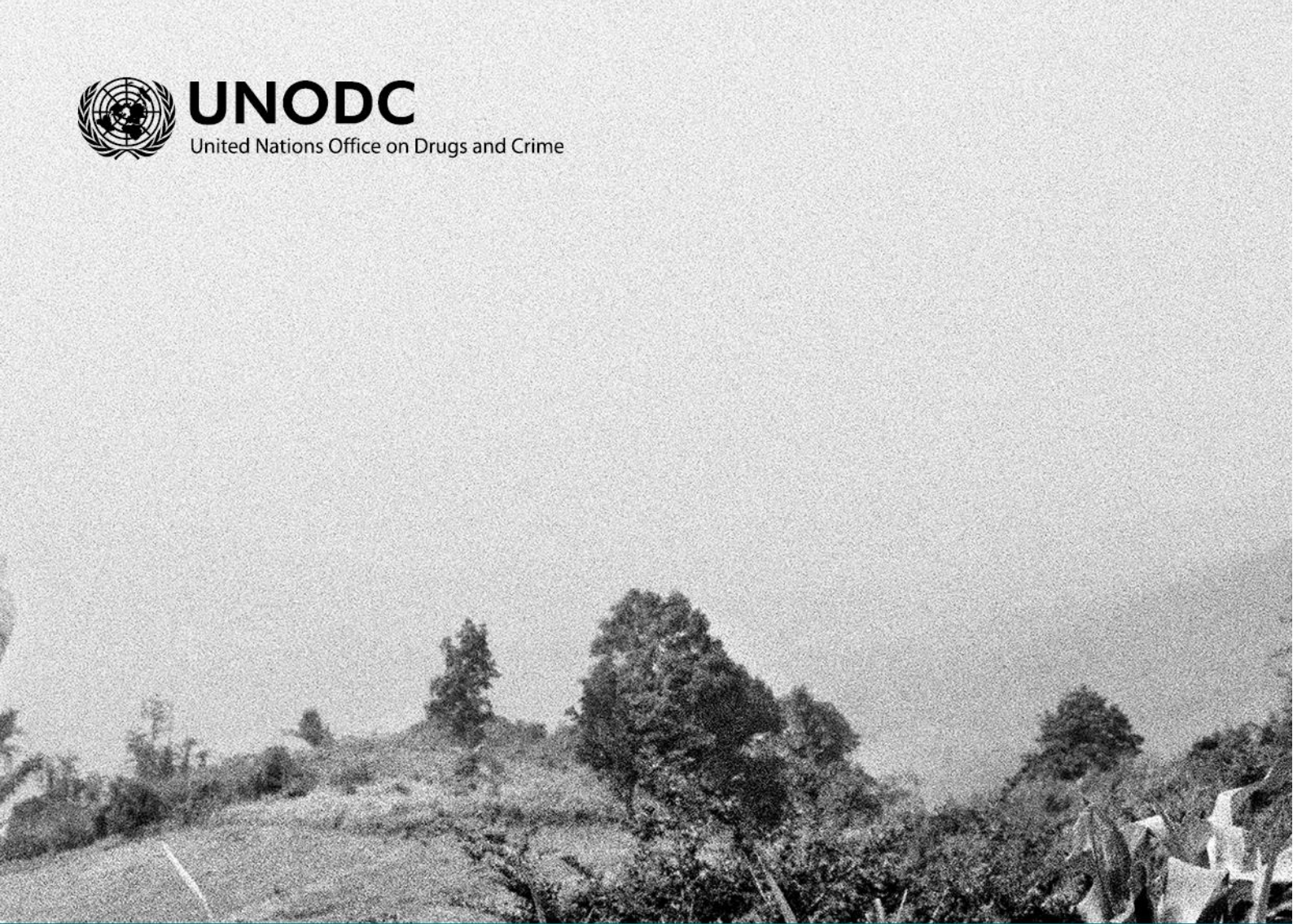
Voluntary Reporting System on Migrant Smuggling and Related Conduct (VRS-MSRC)

The Voluntary Reporting System on Migrant Smuggling and Related Conduct (VRS-MSRC) was established in support of the Bali Process to help States fulfil responsibilities to the United Nations Convention on Transnational Organized crime and the supplementing Migrant Smuggling and Human Trafficking Protocols. It helps members to identify trends and ultimately develop policies to prevent and combat migrant smuggling and trafficking. The database includes an online search mechanism so members can identify emerging patterns in other countries and facilitate targeted cooperation with members experiencing similar trends.



UNODC

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