

PRESS RELEASE

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FOLLOWING THE TRAIL OF DRUG PROFITS

In-depth study shows that the Colombian cartels are getting only a small slice of the business.

The laundering of drug money is overwhelmingly a problem of the northern hemisphere, according to a recent in-depth study of the cocaine trade. At the lowest estimate, the Colombian cartels get US\$7.2bn from their sales of cocaine to the US; though an impressive sum, it represents only 8% of what is paid by addicts on the streets of the US. The bulk of the proceeds never gets anywhere near the tiny offshore banks where investigators make a show of searching.

The study, soon to be released by **Latin American Newsletters**, a London based company that has been producing specialised publications on the region since 1967, was authored by Eduardo Crawley, editor of their flagship, the **Latin American Weekly Report**.

"It took months of sifting through contradictory statistics issued by all of the governments concerned, which simply did not add up," says Crawley. "We now have a detailed X-ray of the cocaine industry which allows us to follow every step from the cocaine fields to the consumer.

Among the study's conclusions:

- Crop substitution schemes have so far foundered on the inability to secure markets for the produce.
- With coca bushes able to produce within a year, and Peru -the biggest producer- using only a third of potentially cultivable land, forcible eradication would only shift the coca-planters elsewhere.
- Greater repression in Colombia is de-centralising the industry and pushing it "upstream". Bolivia is already producing its own refined cocaine and the cartels are moving into previously untouched Ecuador.
- The Colombian cartels are diversifying their markets, increasing sales to Europe and finding new outlets in the Far East. They are also moving into a new line: the production of heroin.

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