PRESS RELEASE

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 got 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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